



Another good week using TMS principles while continuing to test using channels for profit targets. Entered the week using the gray channel as a guide until it was broken following the 73 pip trade. Price formed a new channel (blue) that was good until today when price broke the center line of the channel. Next week if price reverses at the top channel line, it could make for some good targets going short.

First trade of the week was entered a little early based on the PCRf at the top of the gray channel center line. Made a second entry when price hesitated and set a high for the London session. Tuesday, consolidating market...one BE trade at LO. The rest are TMS trades with channel lines as targets. Still working on how to move profit target when price breaks out of the channel. Good trading to all.



After some careful consideration and based on Emmanuel's suggestions

"Hi Phx62: I think the members who are experienced traders and trading TMS knows the basic entry and exit rules will have little problem to follow your channel trades. Anyway, I find your use of channels to project price movements is a good approach and setting target profit using the channel is a proven method. It is how we view the price waves and how we draw the price channels. Perhaps you can explain more how you draw those channels. If your time permits, please may I suggest you post your chart at the beginning of the week with the channel drawn and as each day progresses, you post update as you make changes to the channels on your charts. This will help us to follow and have a better understanding how you look at your charts and determine the channel lines and when you update/change them."

I have decided to post the channels I am testing each week and at the end of the week, post trades I took based on those channels and TMS. I can tell you that I would not have many pips in the bank this week without the channels because I just did not have the time to monitor trades...the channel trades I made this week were set and forget trades.

Below is the EUR/AUD channel I have been using for the past 2 weeks. I have marked the channel points on the bottom of the channel and you can see that price made it back to the center line several times and with each bounce was a opportunity to enter long, in the direction of the trend.

There was also an opportunity to enter short on a bounce off the center line but in a countertrend move that is not nearly as profitable. Scott claims that if you set up the channel correctly, you have an 80% chance of price getting back to the centerline on a trend trade. He also claims that countertrend trades only succeed about 20% of the time. On Wednesday, price broke out of that channel and began to form another channel, in a downtrend. I will post that new channel when I get some time. Happy trading to all....one more thing, channels are always drawn on the H4 time frame and entries can be made on the H1, M30, M15 or M5 time frames. I have had better success with H1 entries.



EU trades this week. The first 3 trade entries and targets were based on TMS and the first channel. The last 5 trade entries and targets were based on TMS and the newer channel. Since price broke out of the latest channel, there could be a new channel forming for next week. Have a good weekend.



Just closed one more trade on EUR/AUD. I am posting a H4 chart to show the new channel going into next week. The trade was taken on the H1 chart, following a pullback from the bottom of the London session and the new bottom channel line. There was also a TDI cross at the open of the entry candle. I closed the trade manually because I did not want to leave it open over the weekend.



The downtrend channel is continuing into the third week on the EUR/AUD pair, giving an opportunity to see possible profit targets. Today price continued down to the channel line, hitting my profit target and then price reversed. I was able to re-enter short during London after closing Friday's trades because I didn't want to leave them open over the weekend. After price hit the profit target, I entered long on a TMS reversal signal and picked up 50 more pips. I like to trade the direction of the trend but sometimes will take shorter term trades on the countertrend trades. The channel just gives me a view of possible S/R and targets.



EA H1 target hit.



This weeks EA H1 trades (some of the first ones were posted earlier this week). All trades taken according to my trading plan with the H4 channel pointing out TP points. Overall a good week.

Quoting leonora

{quote} can i ask you this master , on 24 march trade 2 you enter long and that was a successful trade and on 26 march the setup is similar the 2 blue candle up above the last red candle + TDI cross but you dont enter , how can you know that was a fake TDI signal ?

A - There is no way anyone can know for certain if a TDI signal is going to be a fakeout or go for a long distance. On the March 24th trade, I entered and was able to monitor it, not knowing if it would reach the TP. I was prepared to exit on a consolidation. I was not at the computer at the second setup you mentioned.

Quoting lastingwell

{quote} Excellent trades again phx, one question from 26th March trade, I always look to see where your tp and sl lines are for inspiration on my own trades but on that day, the tp line is above the stop loss, just wondering what happened there on that day.

A - I have no idea why there is a TP line above the SL line unless it has something to do with the CaveManager EA that I use when I open trades. I will be checking with my broker. I checked my account and that trade paid the 126 pips. On that trade, I removed the TP because I was expecting price to continue down to the H4 channel line that I have been using for TP and that line is variable depending on how many candles it takes to reach the line (since the channel is on a +/- 45 degree angle), so there should have been no blue TP line. When price consolidated and pulled back, I exited the trade manually.

Quoting TheScorpS

{quote} On 26 - 03 - 2014 trade , the entry is taken on the break of consolidation candles, what rule do you follow in this scenario, is it 5 pips below consolidation for entry? At least we can have a chat with you sir over the weekend , many thanks

A - I normally try to enter on a break below the consolidation but if price is moving quickly, I sometimes don't get an entry for 5 to 10 pips into the trade. On that trade, the green TDI had separated from the red at the open of that candle but I waited to be sure price would break below the low of the consolidation. Many pips to you.....

Quoting fxFox.mb

{quote} Hi phx62, amazing trades - like a standard solution as allways. I've got a question about your trade on 27th. You sometimes stay in a trade even when APBs change color - so at the 27th. What did you prevent to exit at the 2 blue candles with a TDI upcross before the downtrend continued? I would have exited at that situation instead - looking at monday's countertrend move in the evening. fxfox

A - I had three "Delivery Team Meetings" that morning, with all the delivery employees in our business, and was away from my computer for a couple of hours. I had already set the SL to 8 pips above the LO candle and was pleasantly surprised when price reversed and hit my 100 TP. Sometimes it better to be lucky than good.



Two trades today on EA H1....one loser and one winner. A new channel is forming so neither of the trades were taken with profit targets at channel lines.