

SYNERGY

Trading Method

SYNERGY Method

INSTALLATION

Basic Synergy is designed to automatically download onto the C: drive of your computer.

If your local drive is not the C: drive, please send an email to support@compassfx.com for technical support.

Follow the installation instructions shown on the registration “Thank You” webpage.

SYNERGY Method

INSTALLATION

There are 2 indicator files and 2 template files.

Indicators: Synergy_APB.ex4
Synergy_TDI_Basic.ex4

Templates: Synergy_black.tpl
Synergy_gray.tpl

SYNERGY Method

INSTALLATION

1. After installation, open MetaTrader 4.0.
2. Open a new chart.
3. Right click on the chart. A pop-up will appear.
4. Select Template.
5. Select either “Synergy_black” or “Synergy_gray”.
6. A template with the Basic Synergy indicators will load onto the chart automatically.

Disclaimer

Unique experiences and past performances do not guarantee future results.

Trading stocks, options and Forex spot currencies involves substantial risk; and there is always the potential for loss. Your trading results may vary.

No representation is being made that any software or training will guarantee profits or not result in losses from trading.

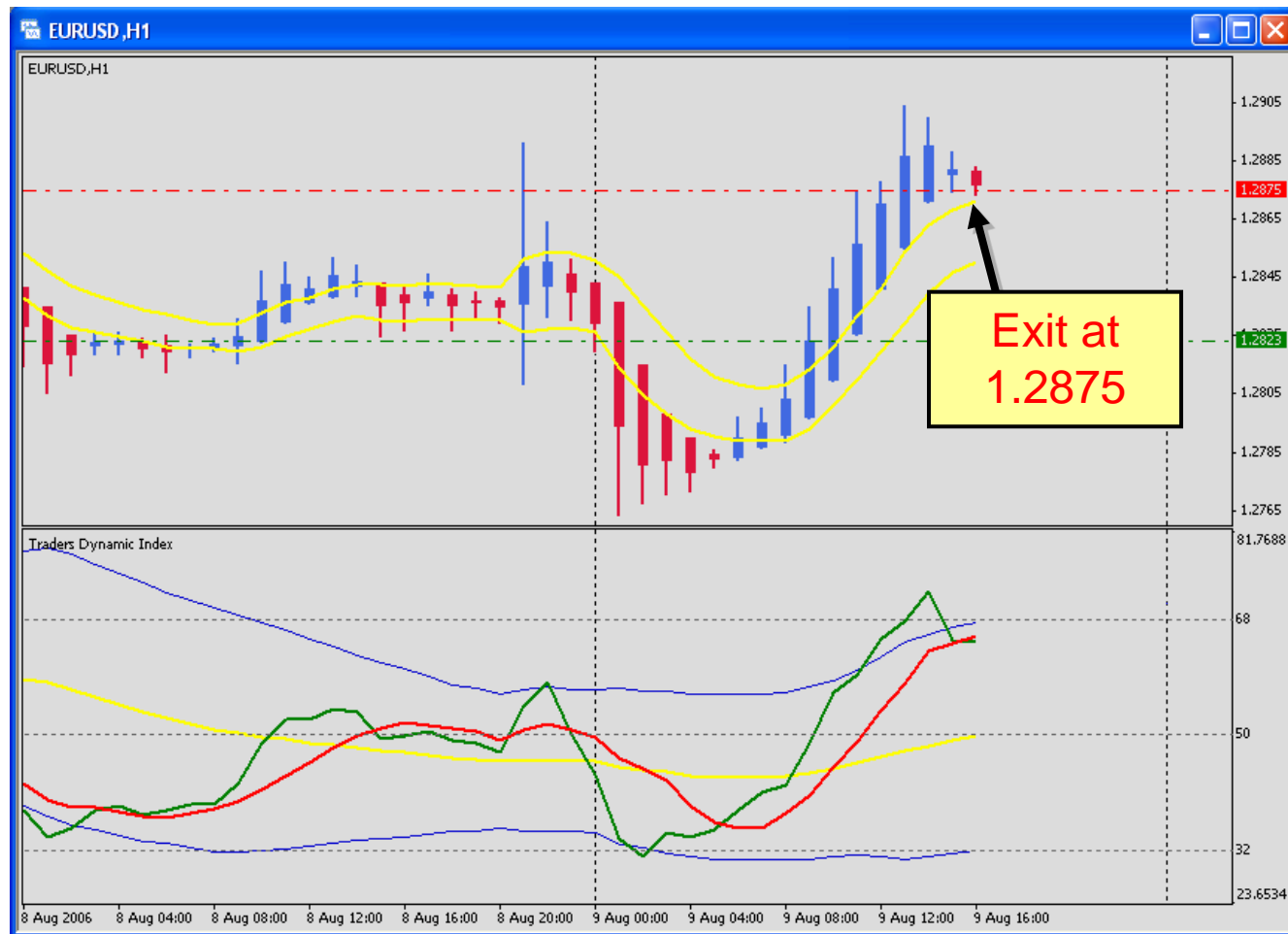
SYNERGY Method

EUR/USD 1 Hour – Active Trader



SYNERGY Method

EUR/USD 1 Hour – Active Trader



Why the SYNERGY Method?

Mark Douglas, author of Trading in the Zone, states:

“The best traders have developed an edge and more importantly, they trust their edge.”

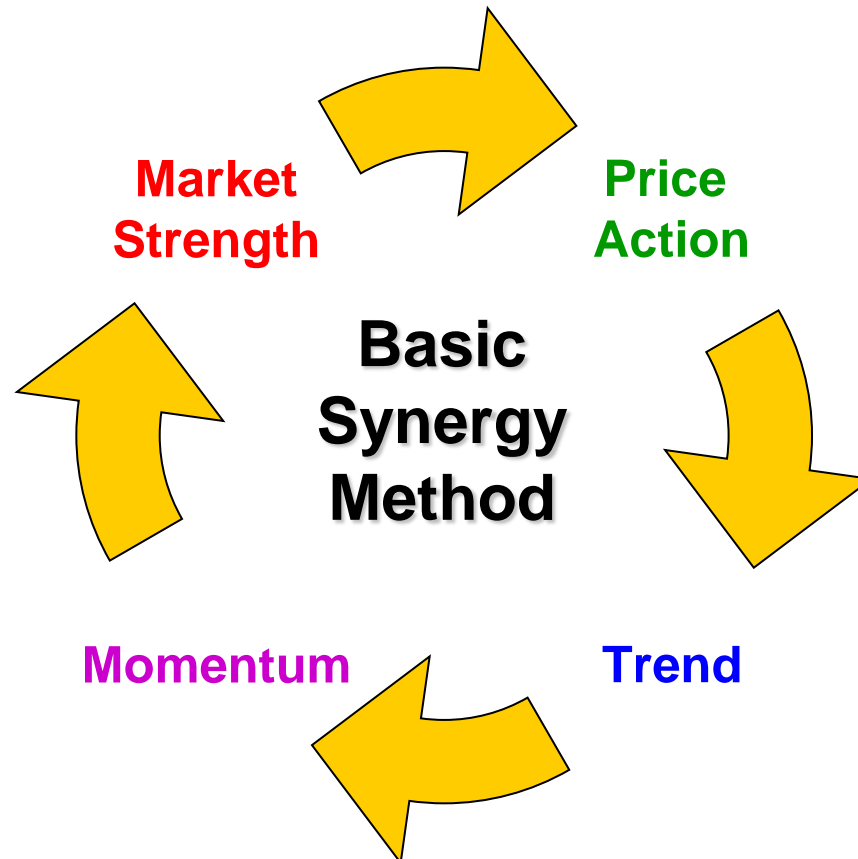
Why the SYNERGY Method?

The “*trading edge*” of Synergy:

1. A high degree of probability.
2. Enter and exit trades with less emotions.
3. Trade decisions dictated by price action, not by preconceived beliefs and opinions.

What is SYNERGY?

“Mutually advantageous collaboration of forces to create an enhanced combined result.”



SYNERGY Method

There are 4 primary market conditions
in a potential trade:

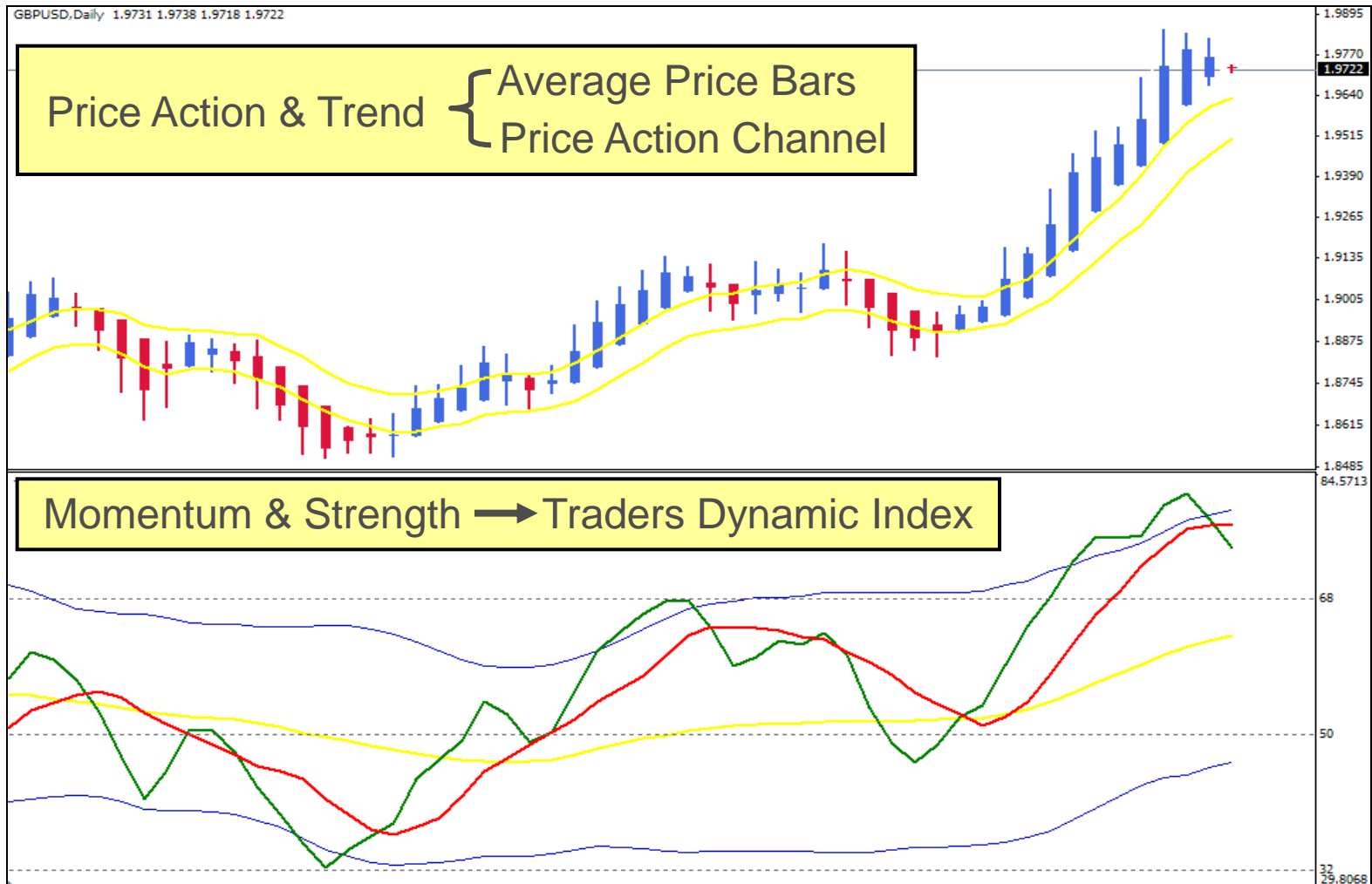
1. Price action
2. Trend
3. Momentum
4. Strength

SYNERGY

Basic Indicators

- Average Price Bars
- Price Action Channel
- Traders Dynamic Index

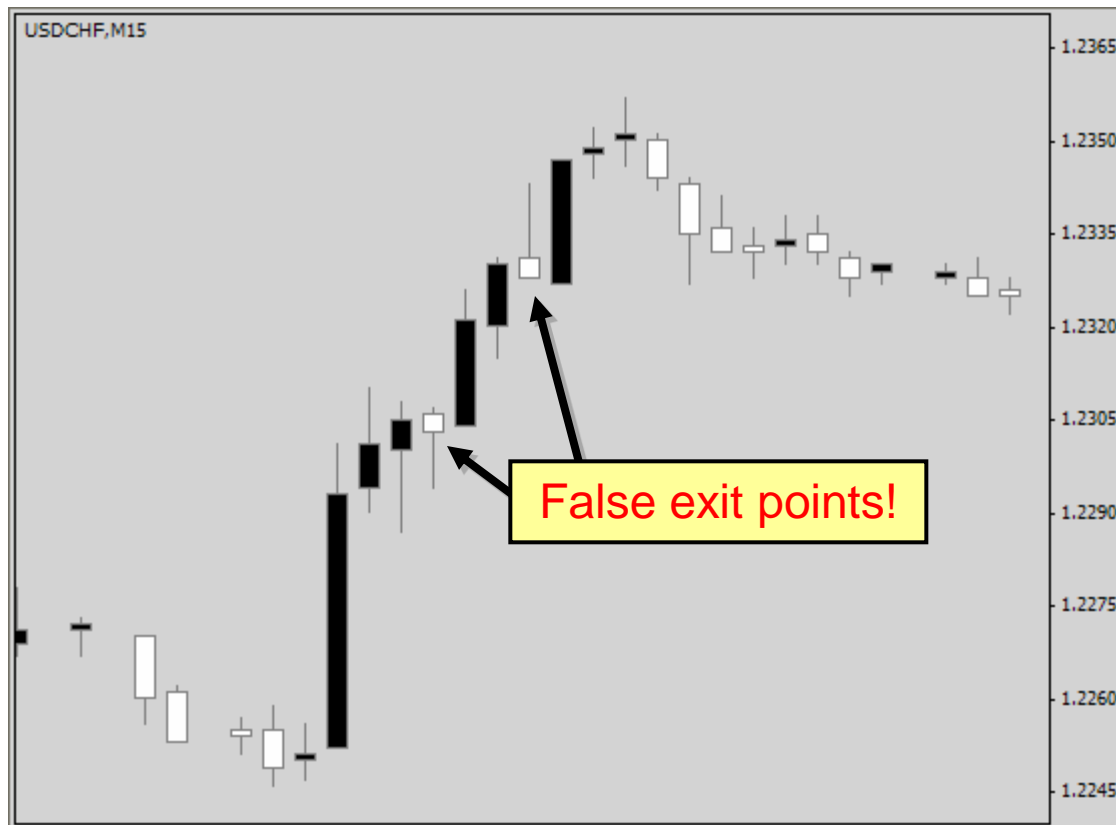
SYNERGY Method



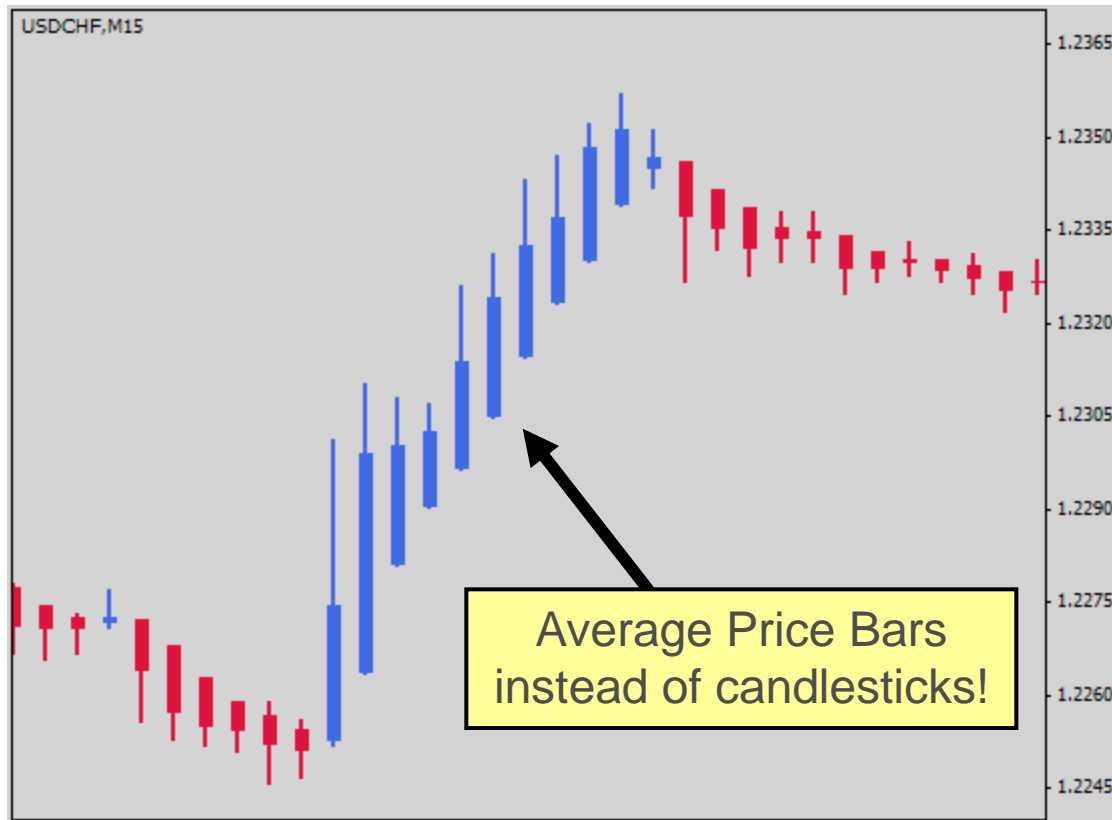
Why Average Price Bars?

- Provide a better depiction of current market.
- Reveal market strength & consolidation.
- Eliminate fluctuations of nominal price action.
- Remove the noise of price distortion of the underlying trend.

Typical Candlesticks

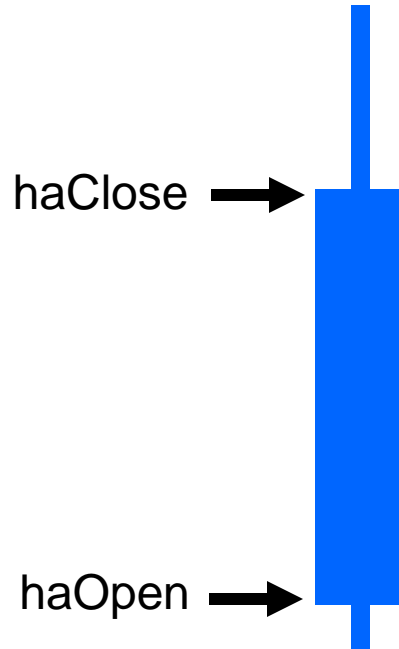


Average Price Bars (APB)

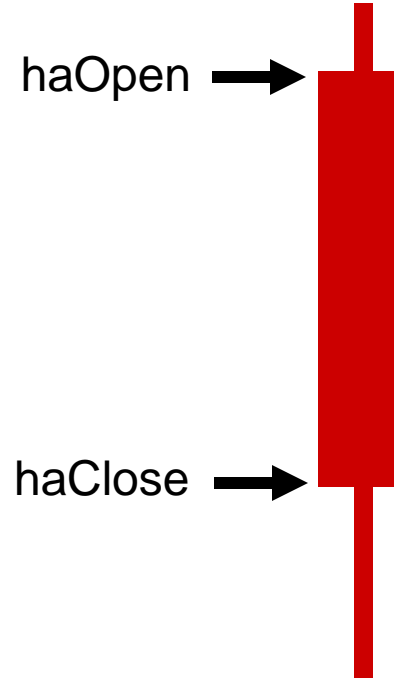


Average Price Bars (APB)

Long Candle



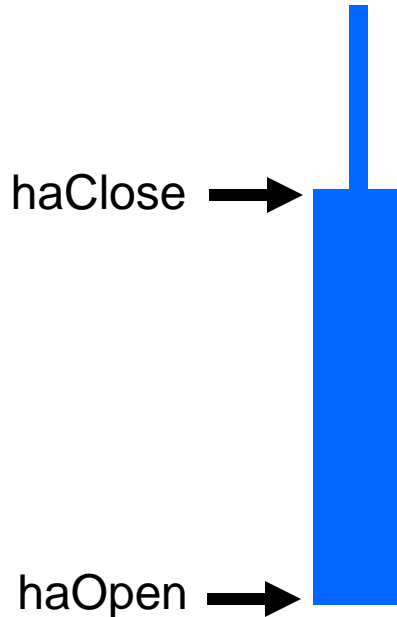
Short Candle





Average Price Bars (APB)

Long Candle

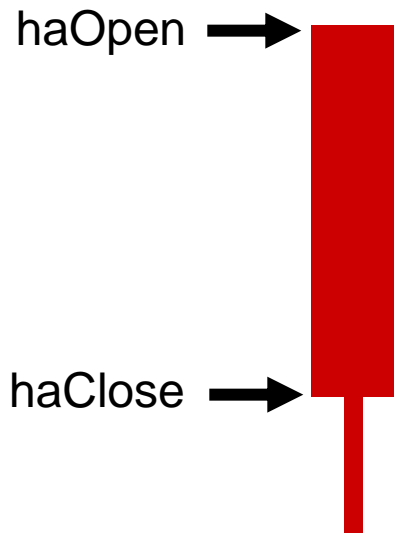


- * Blue Candles signify an uptrend.
- * Blue candles with no lower wick indicates a strong uptrend.



Average Price Bars (APB)

Short Candle

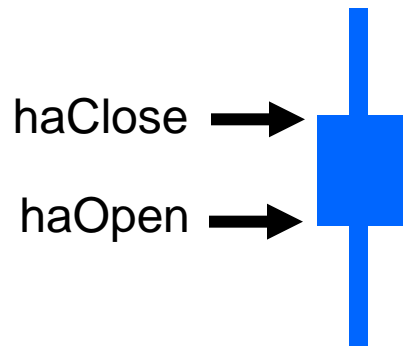


- * Red candles signify a downtrend.
- * Red candles with no upper wick indicates a strong downtrend.

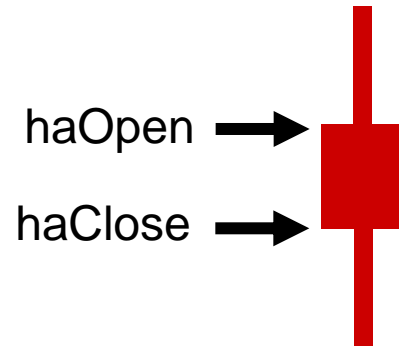


Average Price Bars (APB)

Long Candle



Short Candle



Small Body candles

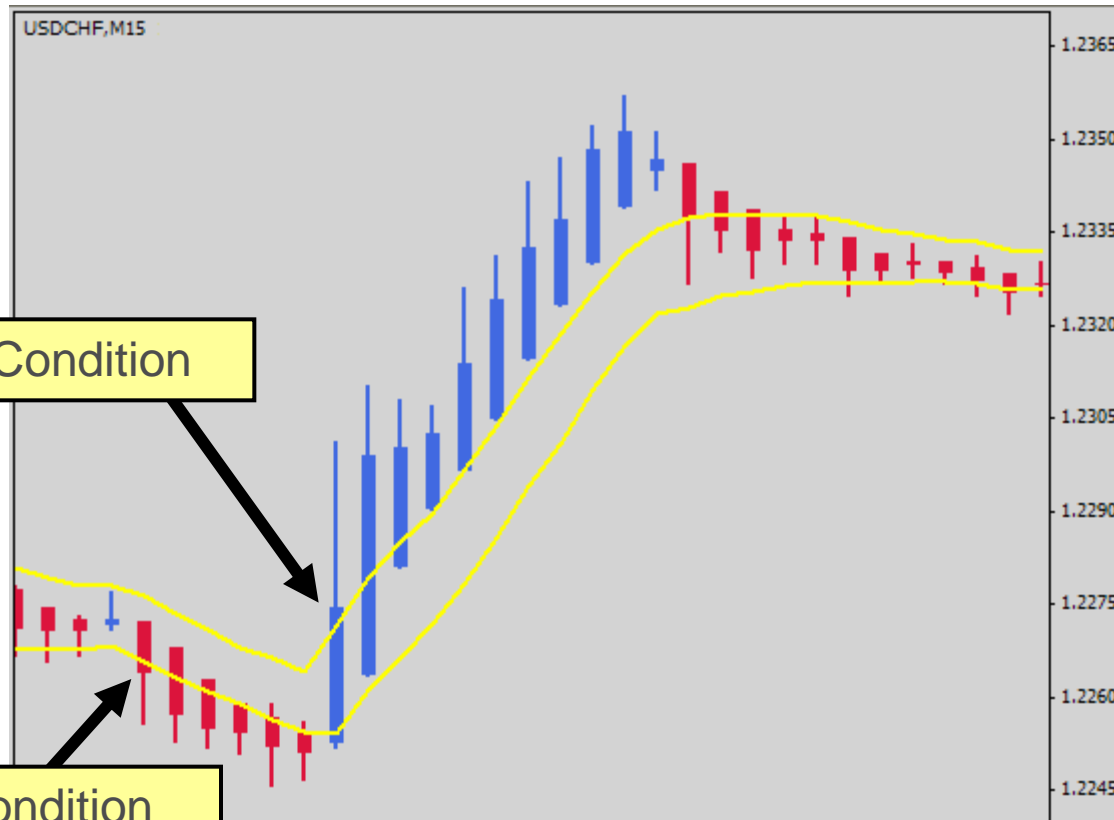
“Small Body” candles surrounded by upper and lower wicks indicate a potential trend change or reversible.

Consider exiting if in a position, or waiting for confirmation to enter.

Price Action Channel (PAC)

- Provides overall trend direction.
- Reveals periods of consolidation.
- Use as an Entry target.
- And, use it like a Trailing Stop.

Price Action Channel (PAC)



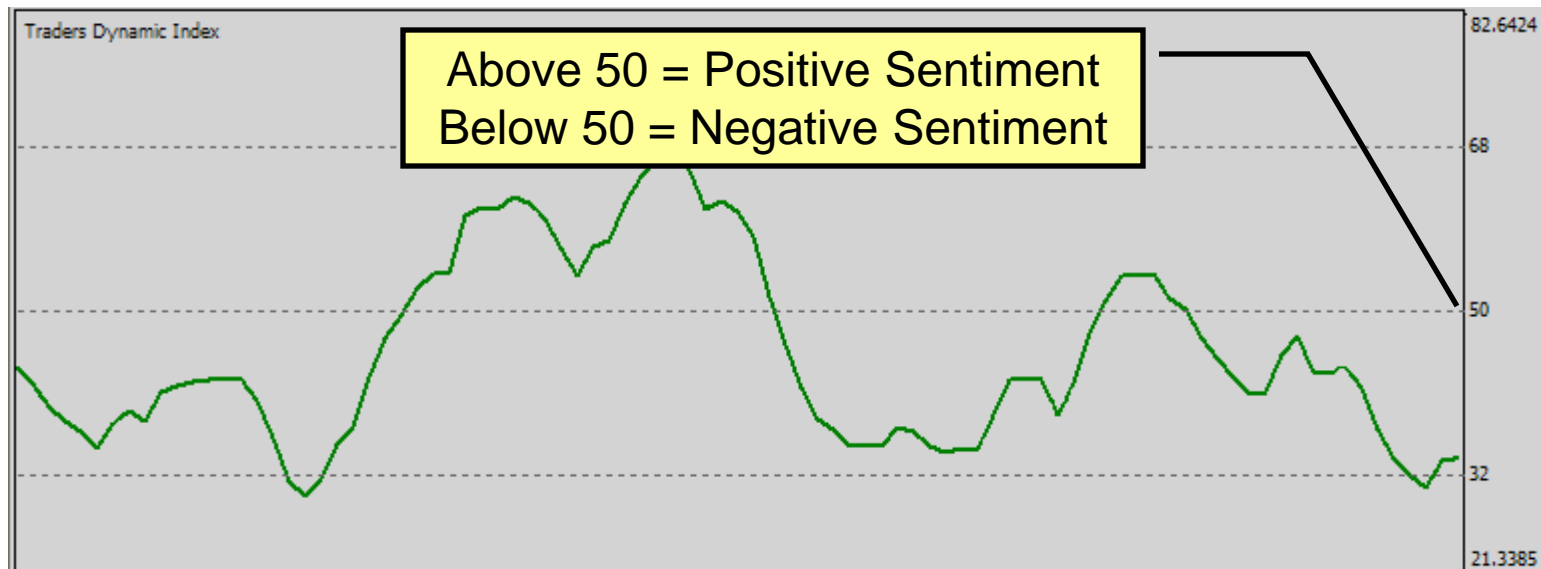
Traders Dynamic Index (TDI)

A hybrid indicator developed to indicate market conditions related to *trend direction*, *momentum*, and *market volatility*.

*An “all-in-one” indicator representing
Market Sentiment!*

Traders Dynamic Index (TDI)

RSI Price (Green) Line

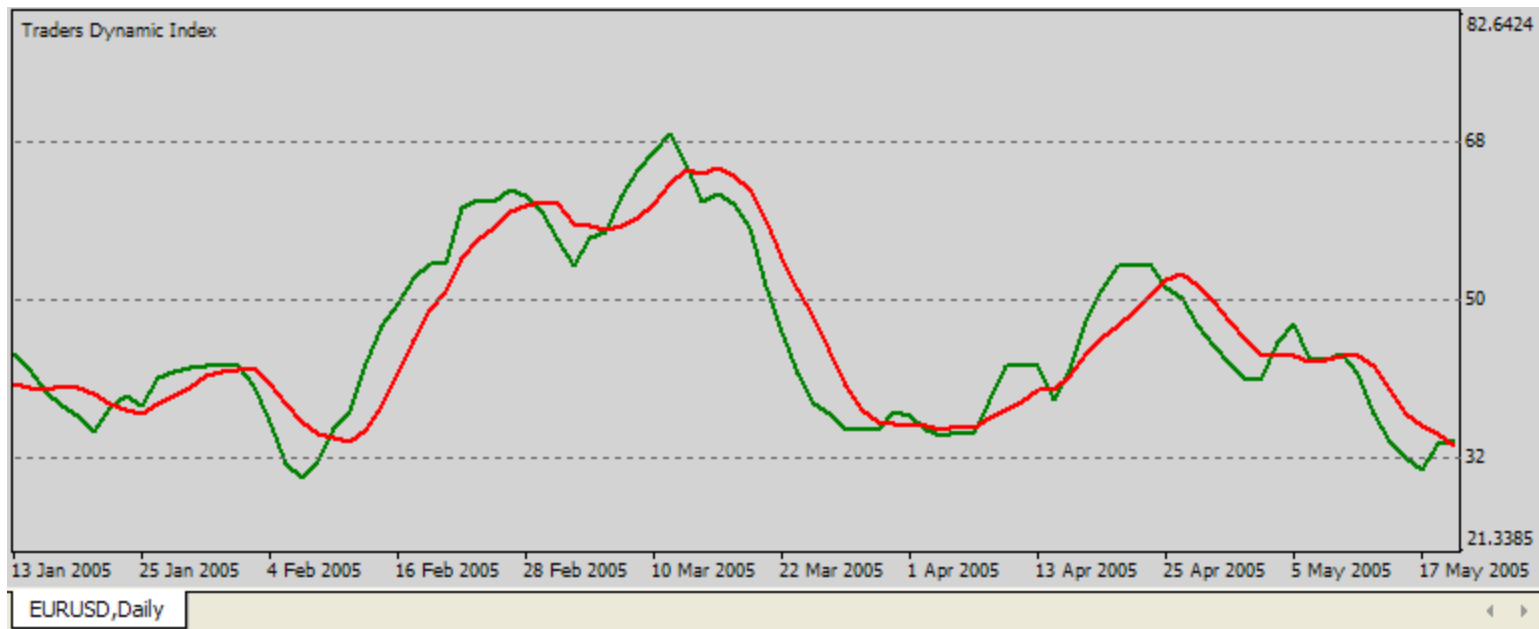


Green > 50 = Positive sentiment ... (Buyers buying)

Green < 50 = Negative sentiment ... (Sellers selling)

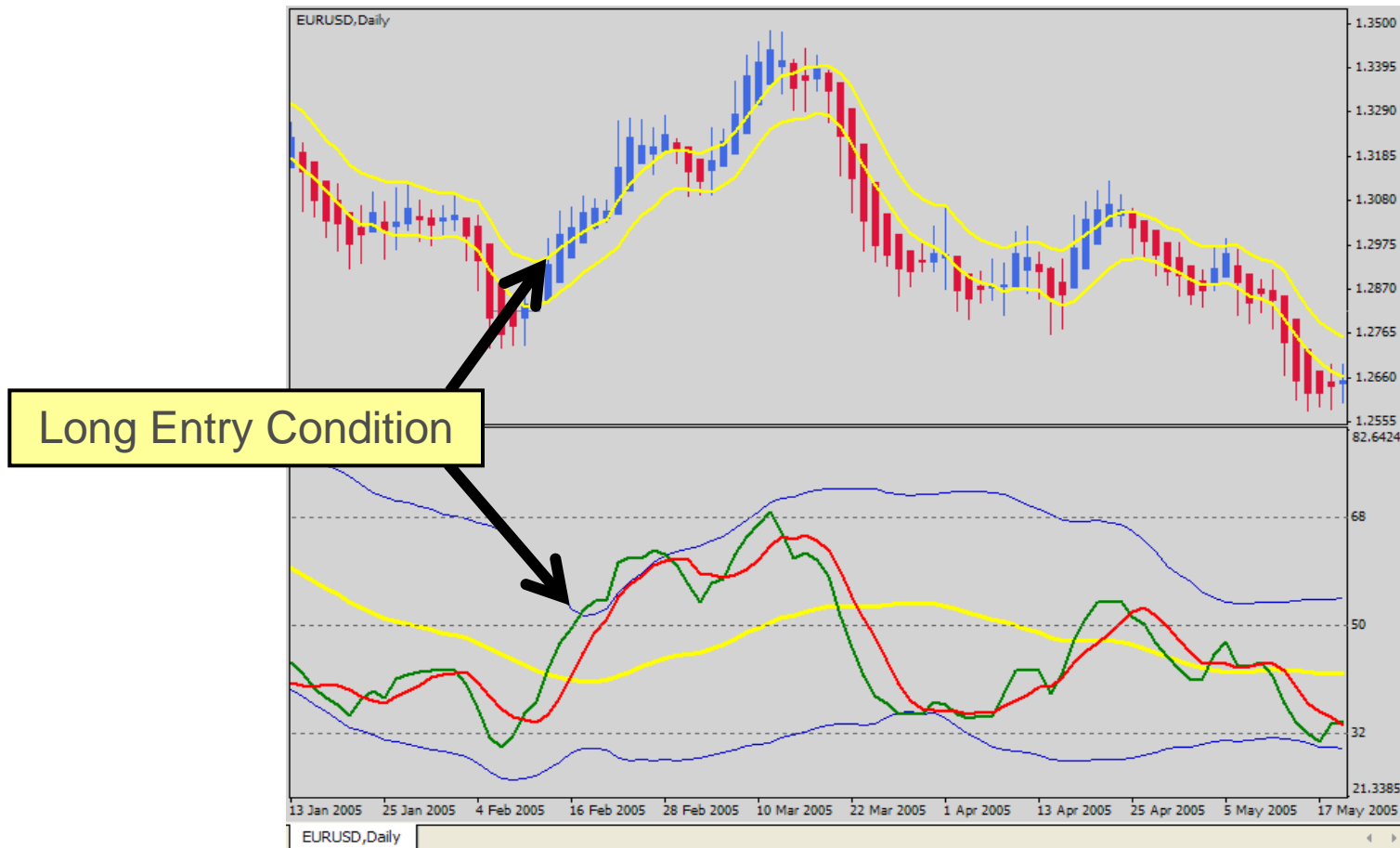
Traders Dynamic Index (TDI)

Trade Signal (Red) Line



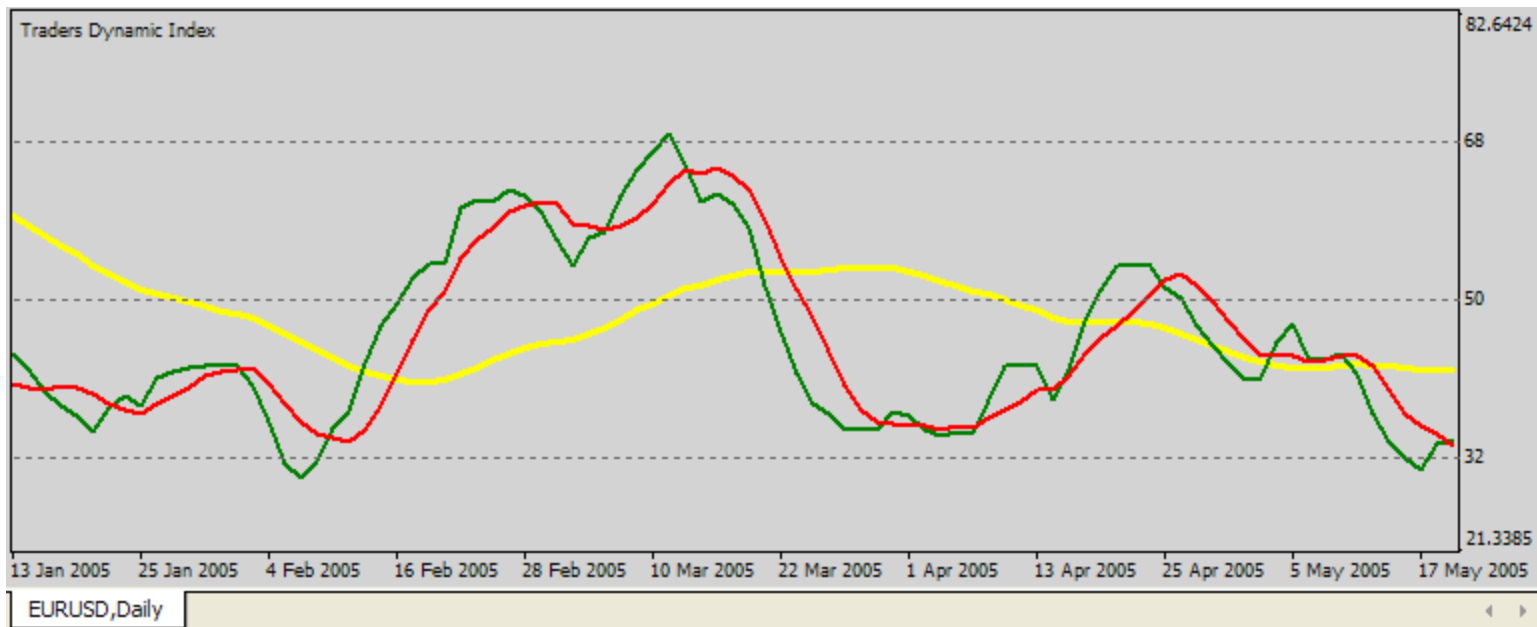
*Rules: Trade **Long** when **Green** > **Red**.
Trade **Short** when **Green** < **Red**.
Exit trade when **Green** & **Red** crossover.*

Traders Dynamic Index (TDI)



Traders Dynamic Index (TDI)

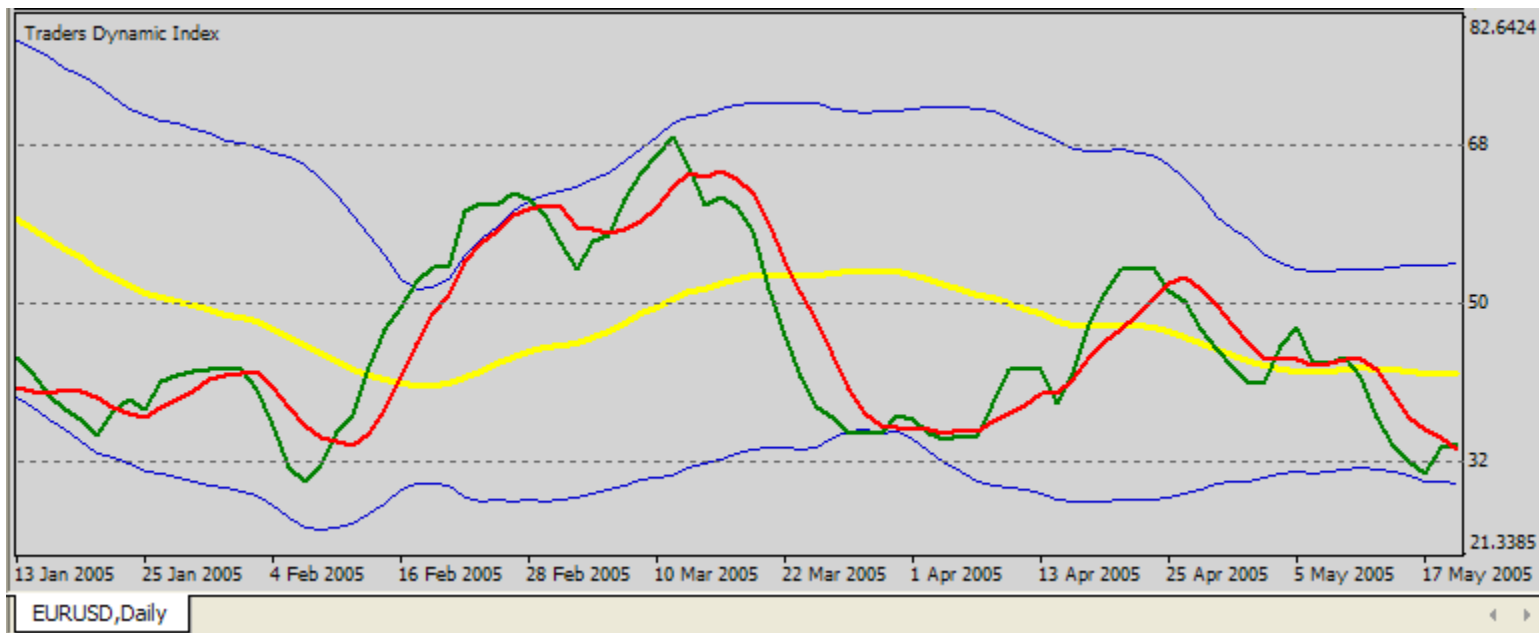
Market Base (Yellow) Line



Rules: *Market Base Line (MBL) is the Overall Trend.*
Trade **Long** when **Green** is > **Yellow** line.
Trade **Short** when **Green** is < **Yellow** line.

Traders Dynamic Index (TDI)

Volatility Band (Blue) Lines



*Rules: Possible to add to a **Long** when **Green** is $>$ **VB**.
Possible to add to a **Short** when **Green** is $<$ **VB**.
Consider exit when **Green** crosses back over **VB**.*



Trading TDI

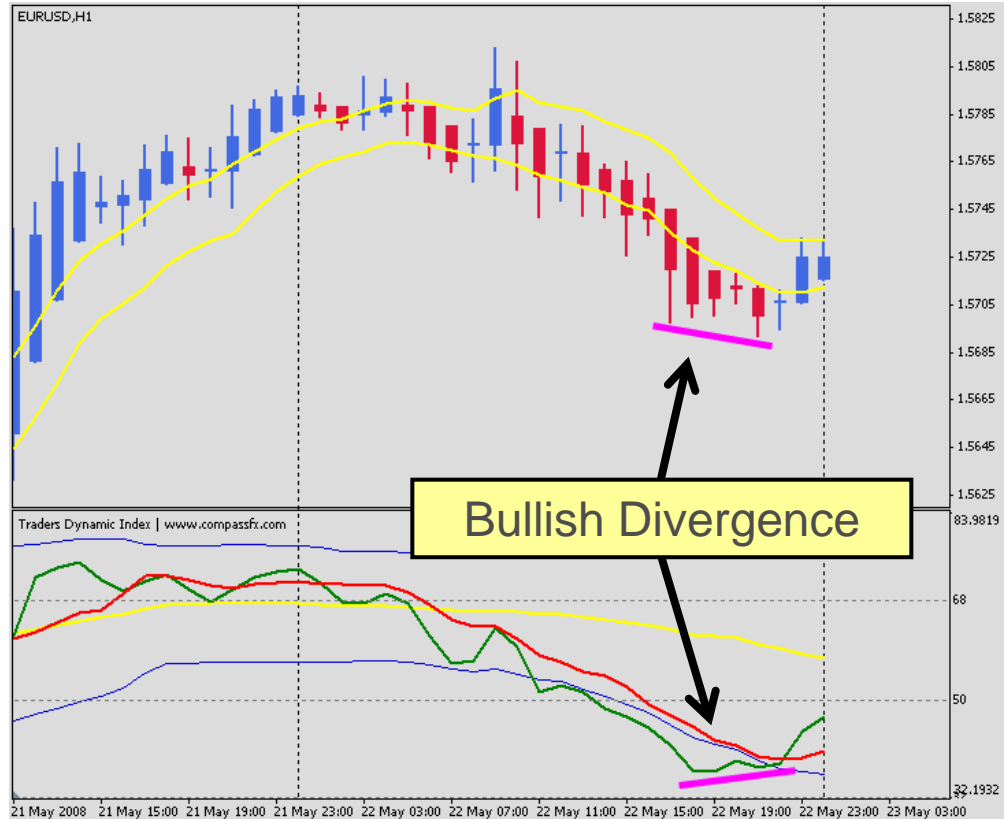
- Treat the TDI as your “Trading Buddy” to inform and/or confirm price action.
- Confirm Entry and Exit conditions.
- Determine Positive or Negative sentiment.
- Look for Bullish and Bearish Divergence.



Trading TDI

Bullish Divergence:

TDI Green line compared to Price Action.

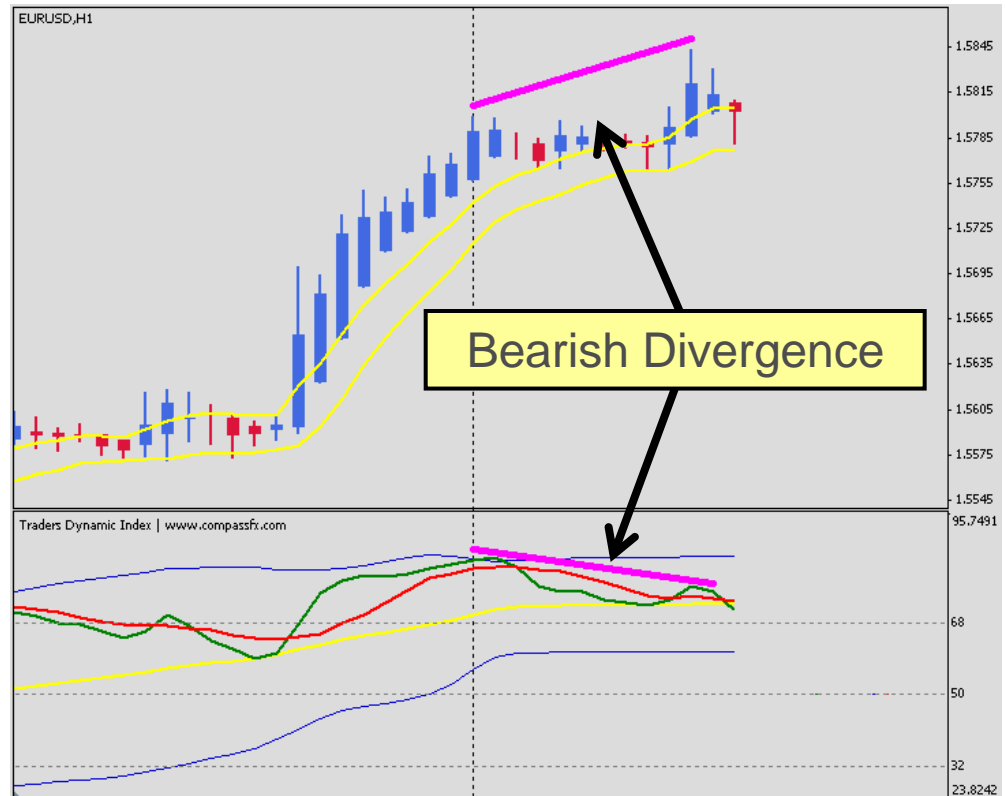




Trading TDI

Bearish Divergence:

TDI **Green** line compared
to Price Action.

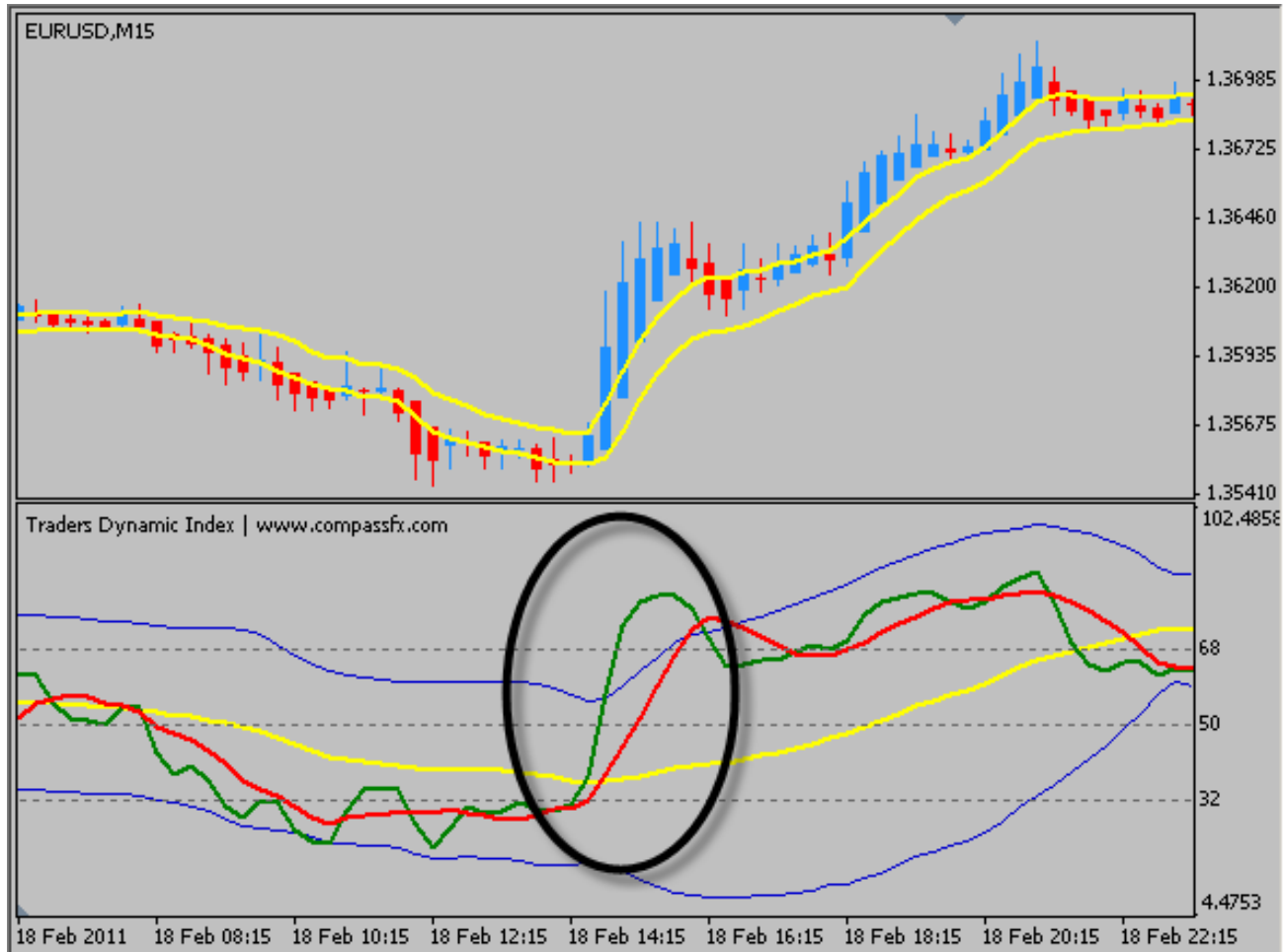


Trading the TDI

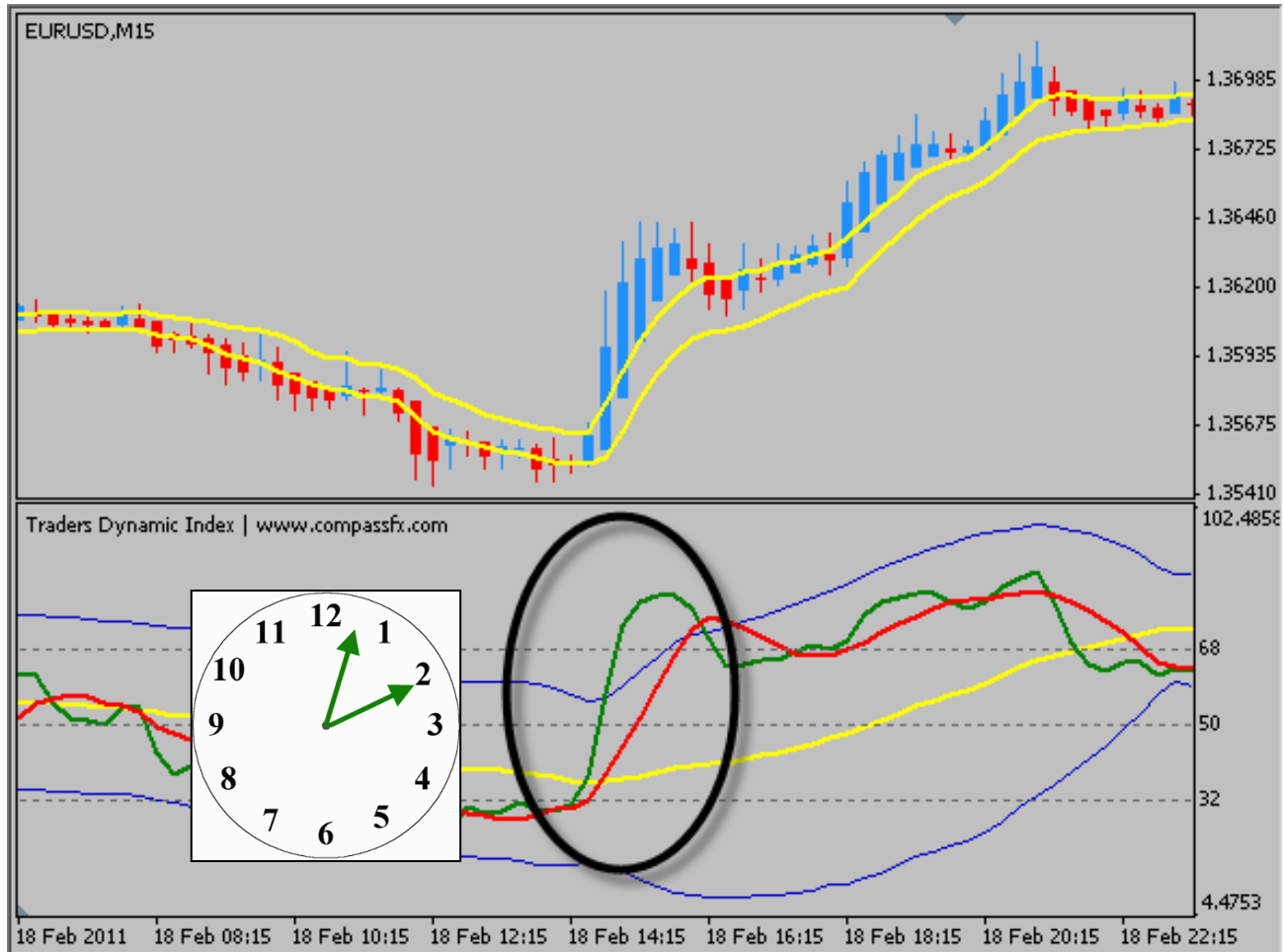
Trend & Angle

1. Look for Green line & Red line crossovers.
2. At crossover, look for “strong angle” in the direction of the overall trend (*Yellow Market Base Line*).
3. Compare direction of Price action and TDI Green line.
Higher probable trade when both are moving in the same direction.
4. Enter trade if price action, TDI, and overall trend are favoring one another.
5. Exit trade when Green line crosses over Red, Blue or Yellow lines in the opposite direction.

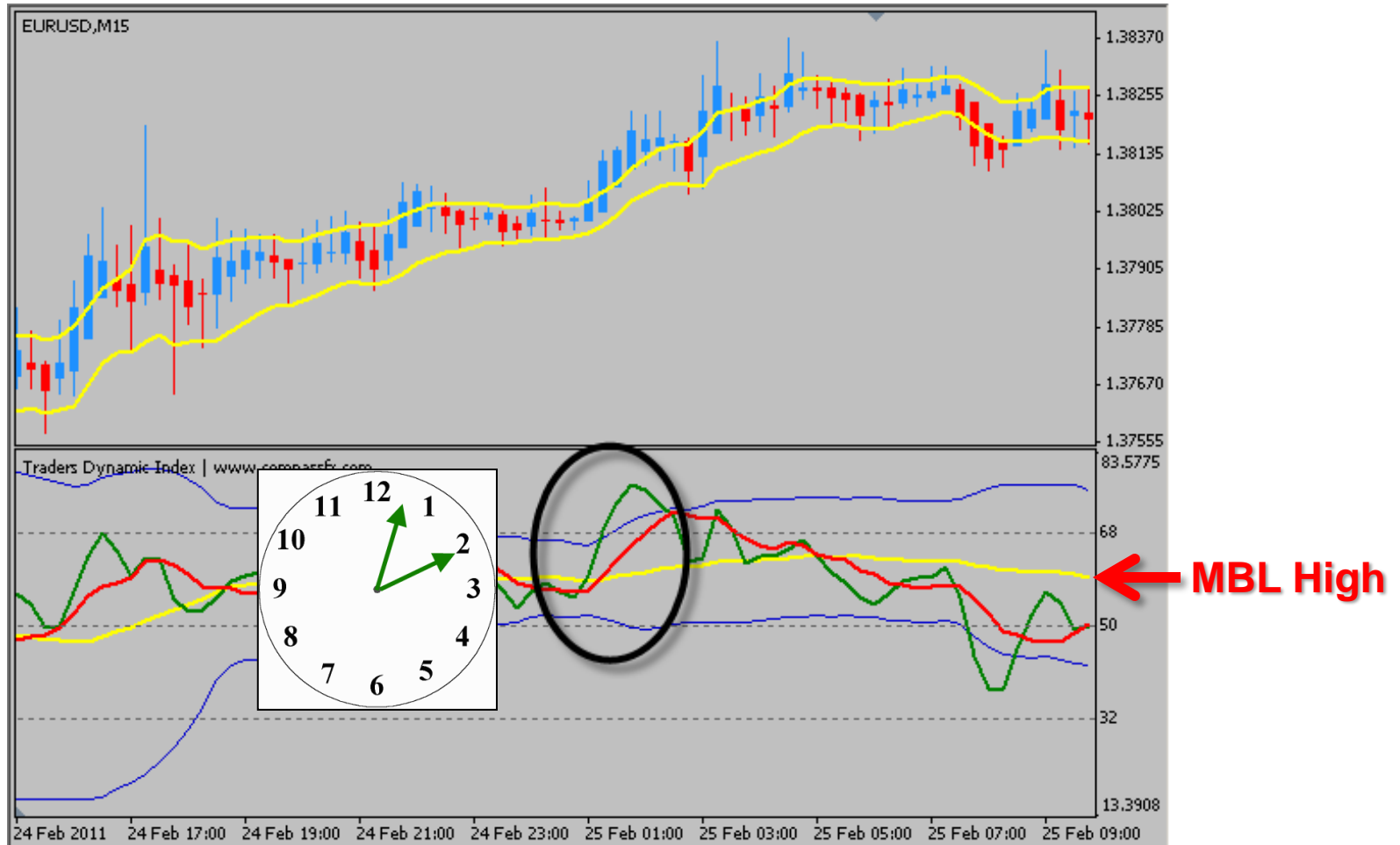
Trend & Angle



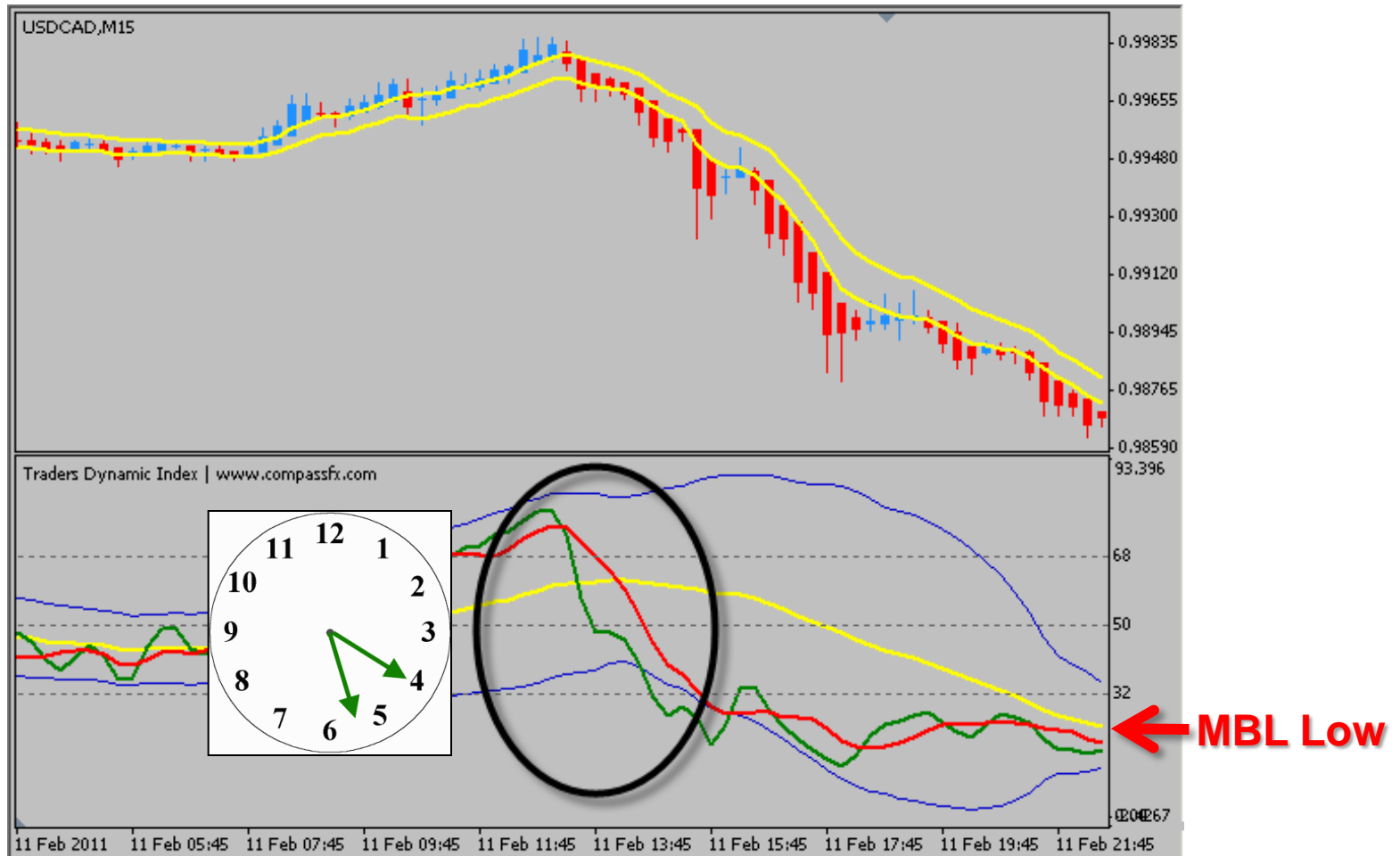
Trend & Angle



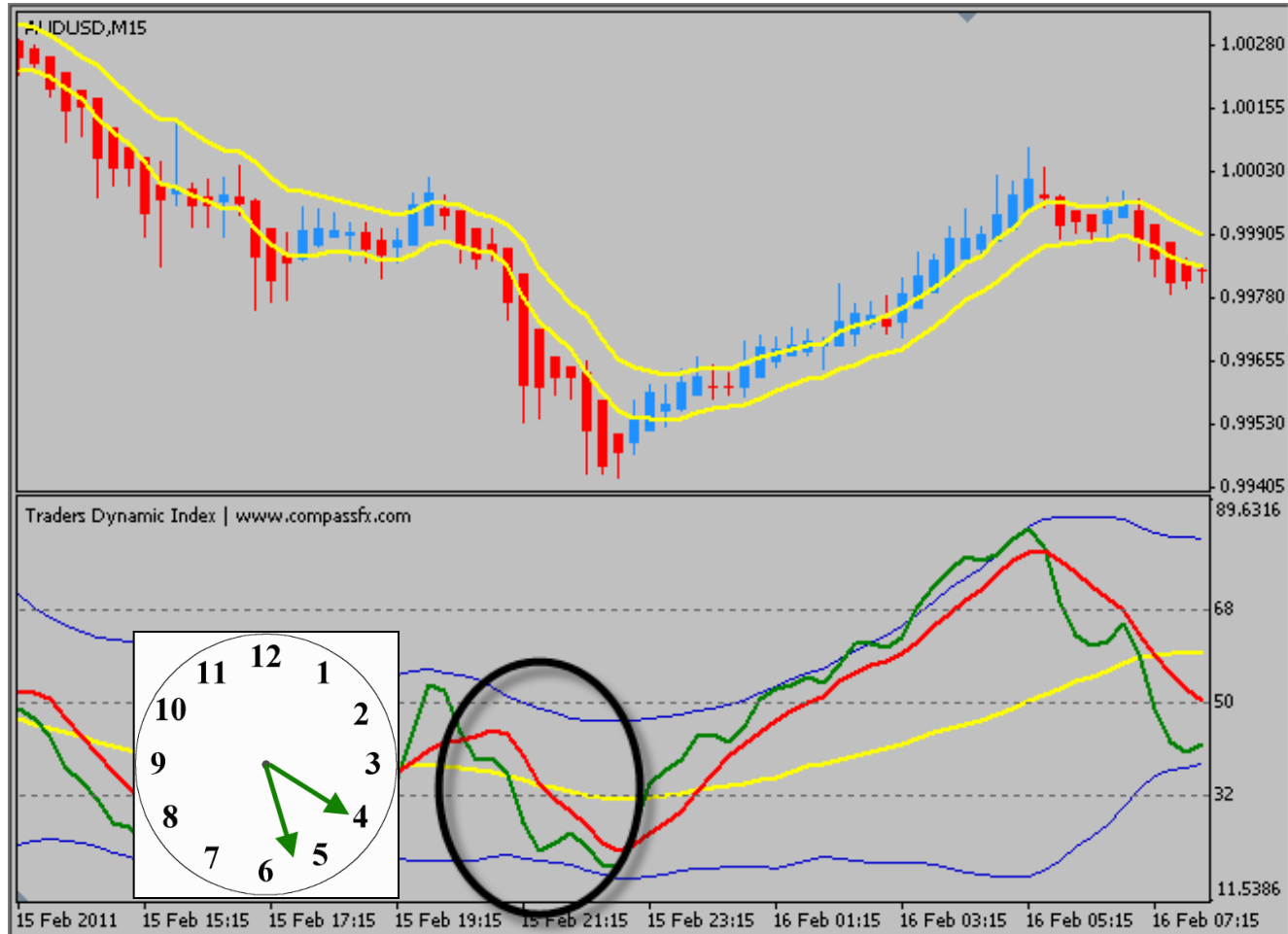
Trend & Angle



Trend & Angle



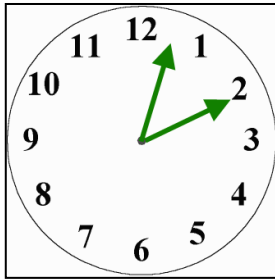
Trend & Angle



Trend & Angle

Long Trade

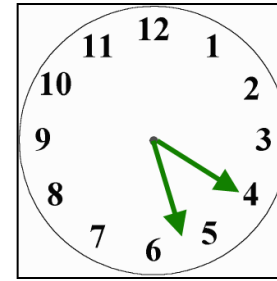
- Angle of Green line between 12:30 & 2:00



- Market Base Line flat or rising between 32 & 50
- Avoid entry when Yellow MBL is too high (near 68).

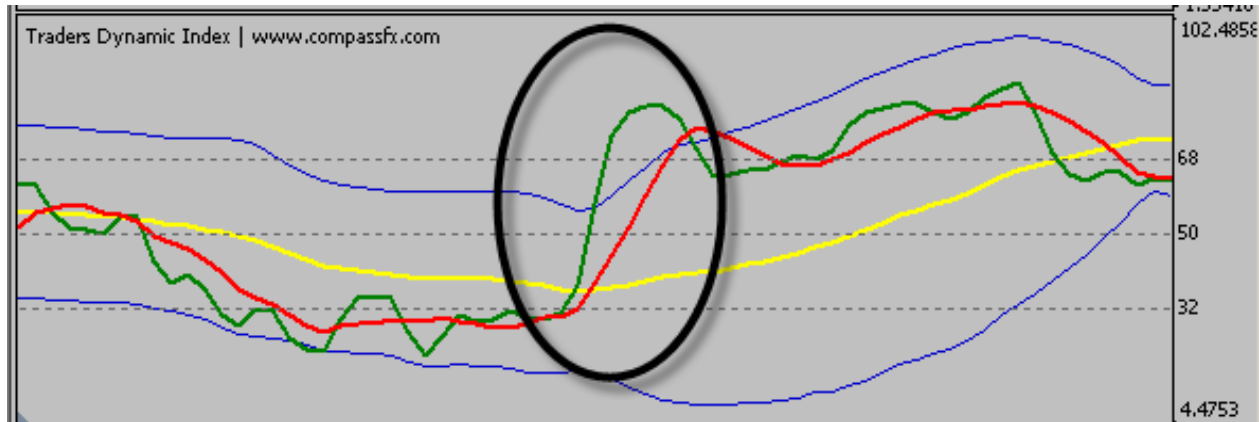
Short Trade

- Angle of Green line between 4:00 & 5:30



- Market Base Line flat or falling between 68 & 50
- Avoid entry when Yellow MBL is too low (near 32).

Trend & Angle



15-minute Chart

- Green line represents price action.
- Red line represents Green line on 1-hour.
- Yellow line represents Green line on 4-hour.

SYNERGY

Trading Method

“Basic Entry Rules”



SYNERGY Method

Basic Entry Rules

Long Entry: (*All conditions are satisfied.*)

1. APB haClose > PAC High Moving Average.
2. APB & PAC trending up.
3. TDI = **RSI PL** > 50, **TSL**, and **MBL**.

Short Entry: (*All conditions are satisfied.*)

1. APB haClose < PAC Low Moving Average.
2. APB & PAC trending down.
3. TDI = **RSI PL** < 50, **TSL**, and **MBL**.

SYNERGY

Trading Method

“Basic Exit Rules”



SYNERGY Method

- APB Long exit
Positive bar is much shorter than the previous bar or changes to a negative bar at close.
- PAC Long exit
APB closes inside the channel.
- TDI Long exit =
 1. Green crosses back below Red to the downside.
 2. Green > 68 on small timeframes.
 3. Green crosses back below the upper Volatility Band to the upside.



SYNERGY Method

➤ APB **Short** exit

Negative bar is much shorter than the previous bar or changes to a positive bar at close.

➤ PAC **Short** exit

APB closes inside the channel.

➤ TDI **Short** exit

1. **Green** crosses back over the **Red** to the upside.
2. **Green** < 32 on small timeframes.
3. **Green** crosses back up over the lower Volatility Band.



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