

SYNERGY

Trading Method

Disclaimer

Unique experiences and past performances do not guarantee future results.

Trading in the off-exchange Foreign Exchange market (Forex) is very speculative in nature, involves considerable risk and is not appropriate for all investors. Therefore, before deciding to participate in Foreign Exchange trading, you should carefully consider your investment objectives, level of experience and risk appetite. Investors should only use risk capital when trading Forex because there is always the risk of substantial loss. Most importantly, do not invest money you cannot afford to lose. 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

INSTALLATION

Basic Synergy is designed to be download onto your main drive (C:) 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 steps shown in this video:

http://compassfx.com/video/ip/Indicator_Install/Indicator_Install.mp4

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.

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.”

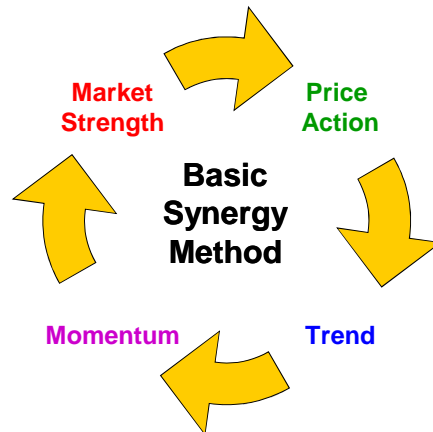
Why the SYNERGY Method?

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

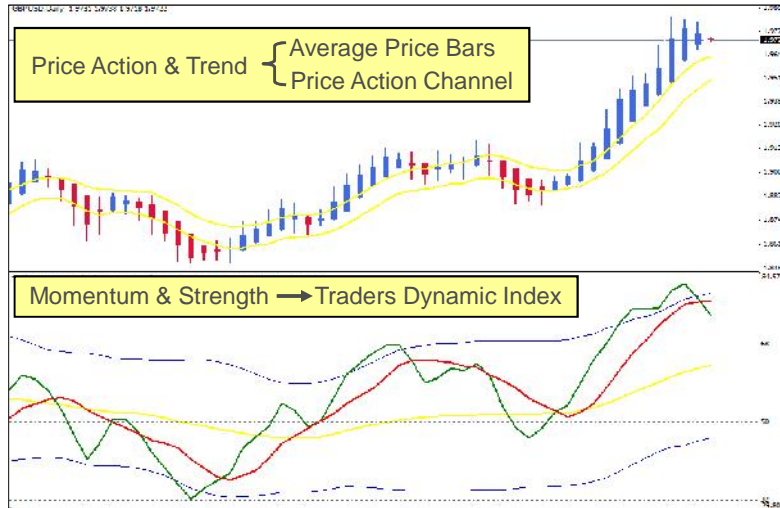
There are 4 primary market conditions
in a potential trade:

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

SYNERGY Basic Indicators

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

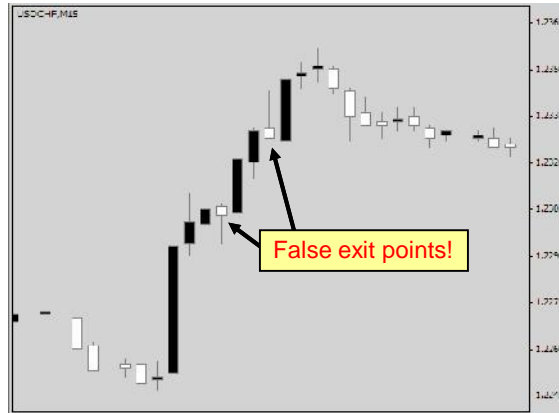
SYNERGY Method



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.

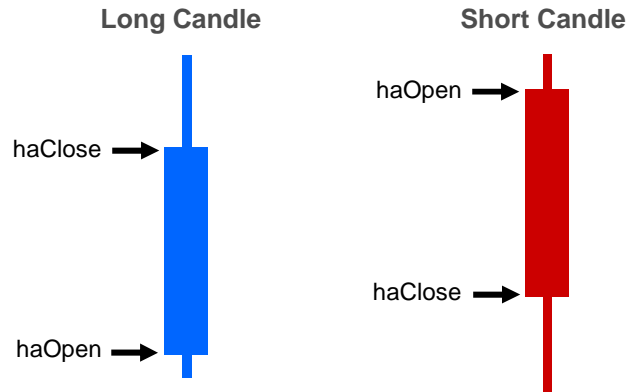
Typical Candlesticks



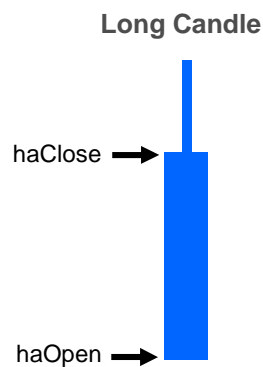
Average Price Bars (APB)



Average Price Bars (APB)



Average Price Bars (APB)

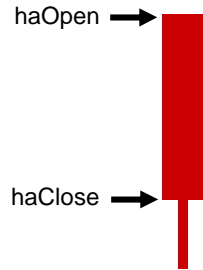


- * Blue Candles signify an uptrend.
- * Blue candles with no lower wick indicates a strong uptrend.



Average Price Bars (APB)

Short Candle



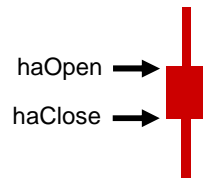
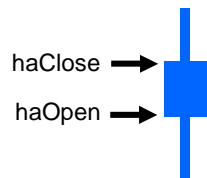
- * Red candles signify a downtrend.
- * Red candles with no upper wick indicates a strong downtrend.



Average Price Bars (APB)

Long Candle

Short Candle



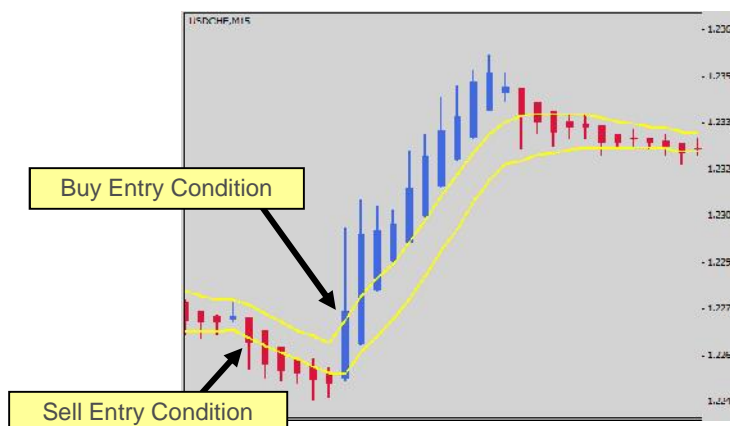
Small Body candles

“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)



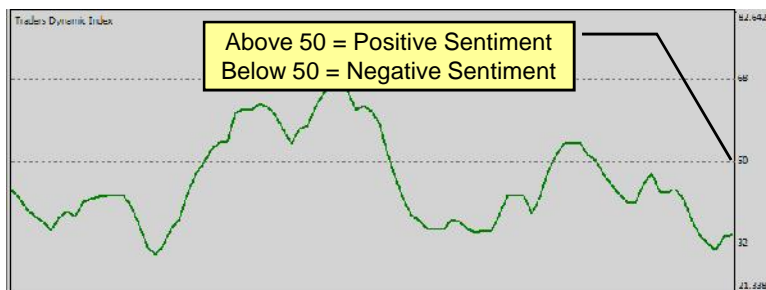
Traders Dynamic Index (TDI)

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)*

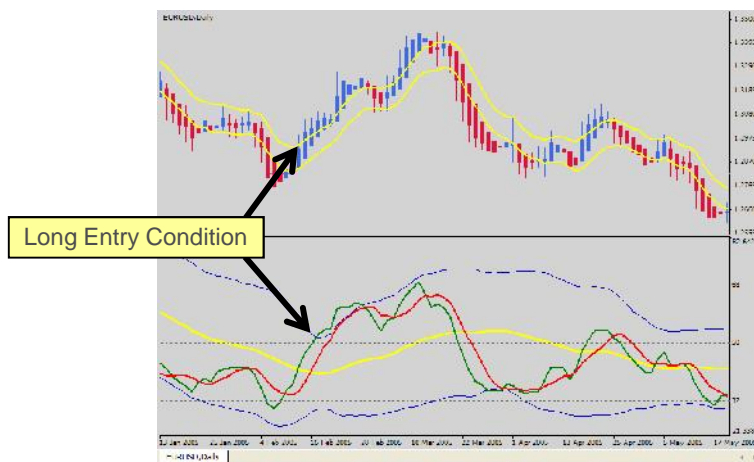
Traders Dynamic Index (TDI)

Trade Signal (Red) Line



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

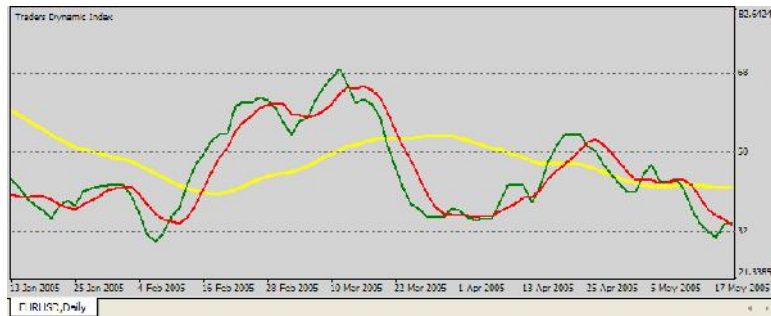
Traders Dynamic Index (TDI)



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Traders Dynamic Index (TDI)

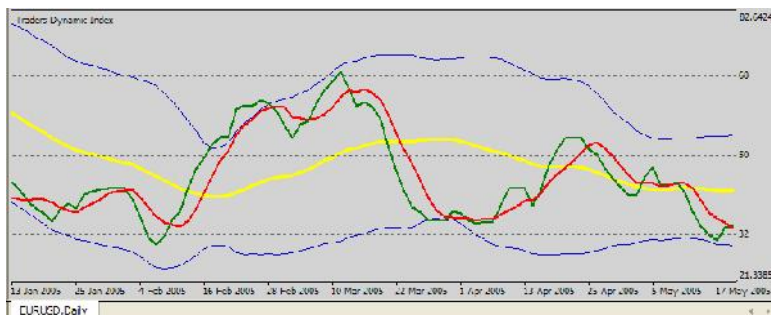
Market Base (Yellow) Line



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**.

Traders Dynamic Index

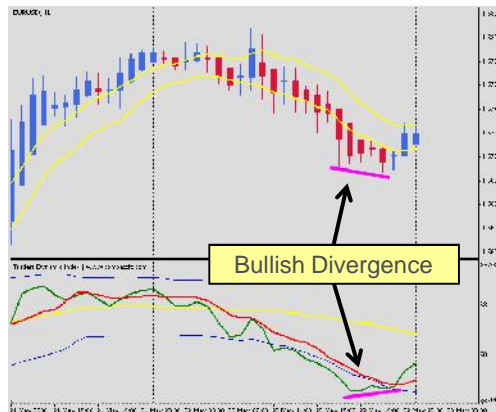
- Treat the TDI as your “Trading Buddy” to inform and/or confirm price action.
- Confirm Entry and Exit conditions.
- Determine Positive or Negative sentiment.
- Look for Bullish and Bearish Divergence.

Traders Dynamic Index

Bullish Divergence:

TDI Green line compared to Price Action.

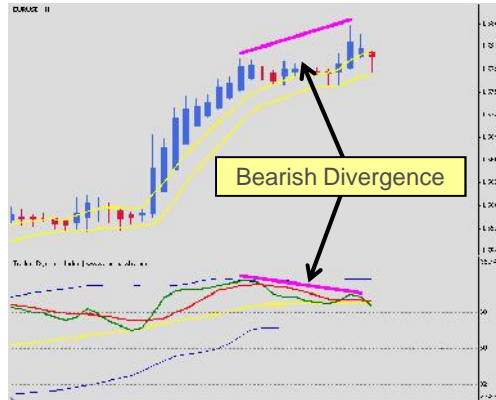
Higher Lows in the Green line compared to lower Lows in Price.



Traders Dynamic Index

Bearish Divergence:
TDI Green line compared
to Price Action.

Lower Highs in the
Green line with higher
Highs in Price.



Trading the TDI

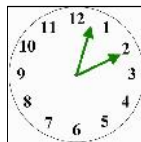
Trend & Angle

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

Long Trade

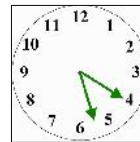
- Angle of Green line between 12:30 & 2:00



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

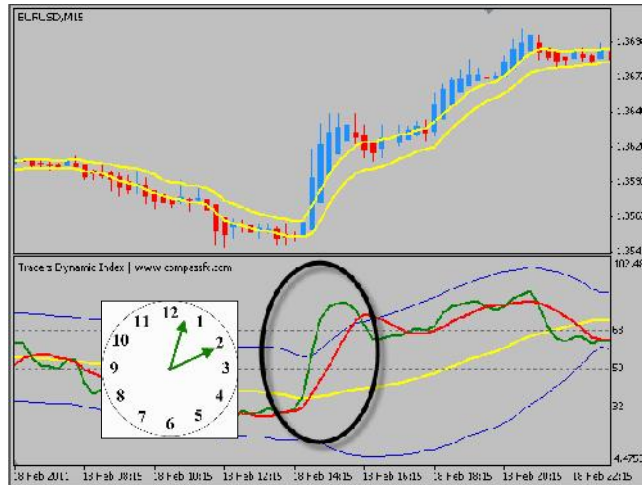
Short Trade

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

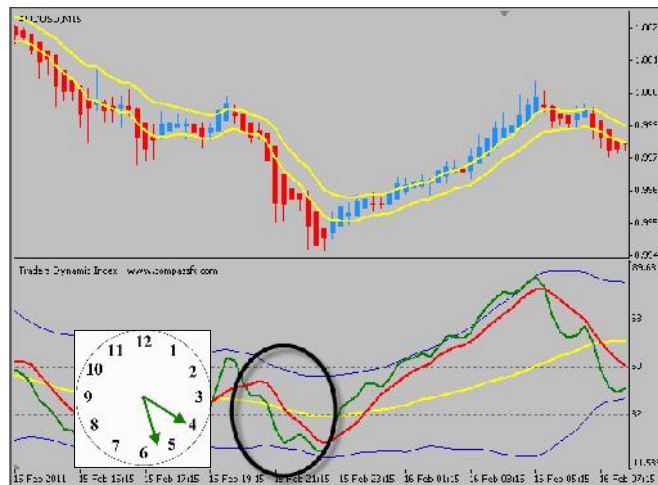


- Market Base Line flat or falling between 68 & 50
- Avoid entry when Yellow MBL is too low (near 32).

Trend & Angle



Trend & Angle



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Entry & Exit Rules

SYNERGY Method

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

1. Blue APB > PAC High Moving Average.
2. APB & PAC trending up.
3. TDI = **Green** > 50, **Red**, and **Yellow**

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

1. Red APB < PAC Low Moving Average.
2. APB & PAC trending down.
3. TDI = **Green** < 50, **Red**, and **Yellow**

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.

Compass FX

Forex broker with a trader's perspective

- Experienced Introducing Broker.
- Represent multiple clearing firms.
- Forex Training Videos
- Multiple Trading Tools
- Educational Resources
- MetaTrader 4.0 trading platform
- Trade over 20 Currency Pairs
- Leverage - 50:1 and higher (non-U.S.)
- Standard, Mini & Micro Lot Size trading accounts

Keys to Money Management

- **Margin**
“Margin is only how much it costs you to place the trade.”
- **Leverage**
“Leverage is the equity in your account divided by the volume of the positions traded.”
- **Consistency**
“Stay in the game with Discipline, Patience, and Low Leverage trading.”



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