

# TOM DEMARK TREND LINE

MR DEMARK FROM WWW.FOREXFACTORY.COM

Using Tom Demark Trend Line can profit on all timeframes down to M15. Scalpers and long term traders can profit from this. Also, u might not wait on a break of a TL but can trade its bounce i.e: the price is bouncing inside a triangle drawn by Tom Demark Trend Lines.

Here is a picture of the bounces;



And here is a picture of a breakout:



Notice how the last bar before breakout closed higher (breakout qualifier).

Here are the breakout qualifiers:

#### Upside breakout qualifiers

##### Qualifier 1:

The price bar prior to an upside breakout must be a down close.

##### Qualifier 2:

The current price bar's open must be greater than both the current TD Supply Line and the previous price bar's close and must then trade at least one tick higher.

##### Qualifier 3:

The previous price bar's close plus the previous bar's "buying pressure" must be below the current price bar's TD Supply Line price level.

##### Qualifier 4:

The current price bar's open must be above both the previous two price bars' closes, and the current price bar's TD Supply Line must be above the previous price bar's high.

#### Downside breakout qualifiers

##### Qualifier 1:

The price bar prior to a downside breakout must be an up close.

##### Qualifier 2:

The current price bar's open must be less than both the current TD Demand Line and the previous price bar's close and must then trade at least one tick lower.

##### Qualifier 3:

The previous price close minus the previous bar's "selling pressure" must be above the current price bar's TD Demand Line price level.

Qualifier 4:

The current price bar's open must be below both the previous two price bars' closes, and the current price bar's TD Demand Line must be below the previous price bar's low.

*O*ne thing I must say, the method is most profitable in the higher the timeframe. I use it on M15 but I really want to use it on H1 and greater cuz 15m is well...more market noise than H1.

*W*ith TD TL, u risk very little trading TL bounces. In fact risking 10 pips is not uncommon for me for a TP of about 20 pips + spread. Pairs I watch (ranked): USDJPY GBPUSD EURUSD USDCHF EURJPY GBPCHEF