

TRADING FUTURES WITH MY TRAMLINE TRADING METHOD

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TRADING FUTURES

- What is a financial future?
- For speculators, leverage is very high
- As a future matures, must roll over to next month
- Most popular are the emini contracts (half of the full-size contract)
- Example: Comex Gold is 100 oz (mini is 50 oz). Margin is \$9,450 (maybe higher now)

TRADING FUTURES

- Trading eminis, futures account size minimum of \$25,000
- Spread betting accounts as little as £1,000
- Spread betting also a leveraged product
- I use the same trading methods as for spread betting
- Spread betting quotes key off futures prices

What is the difference between
a trader and an investor?

A long-term investment is a
short-term speculation
that has gone wrong.

TRAMLINER TRADING

- Tramlines are parallel lines defining trading channels – multiple tramlines
- Need just two touch points to draw a tramline
- But more is much better!
- If get at least three solid touch points, the tramline is normally reliable for a long time
- Tramlines are lines of support (lower) and resistance (upper)
- Can be used for entering and exiting trades
- Several sets can exist on the same chart

TRAMLINE TRADING

- Placement is pattern recognition
- It's an art as much as a science!
- Combined with other methods, it can help you forecast turning points, such as buying on dips and shorting on rallies
- They work until they don't!

Tramlines in the EUR/USD on hourly chart



Two sets of tramlines in the EUR/USD



Tramlines in the Aug-Sept Dow



A Close-Up Of Recent Dow Action



A 5-Year Tramline Trio



Gold – A Busted Flush



A Superb Short Entry in Gold



Pre-Op Twist in the T-Bonds



Post Op-Twist “Enthusiasm”



Another Set of Tramlines in EUR



A Great Tramline “Kiss”



Hands up – who trades off “fundamentals” primarily?

- Technical Analysis was considered as voodoo – until PCs were introduced!
- Has anyone made money using only fundamentals in a bear market?
- Who believes that news/economic data drives the markets?
- We all use our emotions to make decisions!

Trader Test

- Are you trading to make money or some other reason?
- Is your personality compatible with trading?
- Do you worry overly about your trades?
- Do you find it difficult pulling the trigger?
- Are you mostly late in a trend?
- Do you have a system for entries and exits?

Trader Test

- Do you have little discipline – or too much?
- Trading is about you, not the markets
- Are you a herder? Can you think for yourself?
- Can you make a trade against your basic instincts?
- Do you hold strong opinions – on politics, say?
- Do you get overly excited when winning – and overly distraught when losing?

Trader Test

- Are you a meticulous planner, or a plunger?
- Do you use sound money-management (risk) principles? Or keep praying the market will pick up?
- Do you feel more bullish as markets rise, and more bearish as markets fall?
- Do you blame events/people, or take your own responsibility for your actions?
- Do you tend to argue with the markets?

Tramline Trading

- Can use in any time-frame
- Can find multiple sets on one chart
- Simple, chart-based system (not black box)
- Can use with other methods – Elliott Waves, Fibonacci, classical chart patterns
- May need to adjust position in light of real-time trading

A Double Tramline in GBP



Tramline Trading On 5-Min Chart



A Tramline “Kiss” on 2-Min Chart



Another Tramline Kiss



Tramline Trio on a Weekly Chart



Happy Tramline Trading!