# The TDI indicator – overview and settings

## The "TDI" (Traders Dynamic Index) indicator by Dean Malone (2006)

This hybrid indicator is developed to assist traders in their ability to decipher and monitor market conditions related to trend direction, market strength, and market volatility.
Even though comprehensive, the T.D.I. is easy to read and use.

Green line  = RSI Price line
Red line    = Trade Signal line
Blue lines  = Volatility Band
Yellow line = Market Base Line

## Trend Direction - Immediate and Overall

**Immediate:** Green over Red...price action is moving up. Red over Green...price action is moving down.

**Overall:** Yellow line trends up and down generally between the lines 32 & 68. Watch for
Yellow line to bounces off these lines for market reversal.
Trade long when price is above the Yellow line, and trade short when price is below.

**Market Strength & Volatility - Immediate and Overall**
**Immediate:** Green Line - Strong = Steep slope up or down. / Weak = Moderate to Flat slope.

**Overall:** Blue Lines - When expanding, market is strong and trending. When constricting, market is weak and in a range. When the Blue lines are extremely tight in a narrow range, expect an economic announcement or other market condition to spike the market.

## Entry / Exit conditions

**Entry conditions**
**Scalping**
Long = Green over Red
Short = Red over Green

**Active**
Long = Green over Red & Yellow lines
Short = Red over Green & Yellow lines

**Moderate**
Long = Green over Red, Yellow, & 50 lines
Short= Red over Green, Green below Yellow & 50 line

**Exit conditions***
  Long = Green crosses below Red
  Short = Green crosses above Red
* If Green crosses either Blue lines, consider exiting when the Green line crosses back over the Blue

line.

## Indicator settings

The following refers to the settings of the indicator "**TDI Red Green Alerts mod. 2015.fxdaytrader**" which can be found at
http://www.forexfactory.com/showthread.php?p=7992491#post7992491

*RSI_Period* = 13 [DEFAULT] (other suggested periods between 8-25)
*RSI_Price* = 0 (Close price) [DEFAULT]

*Volatility_Bands_Period* = 34 [DEFAULT] (other suggested periods between 20-40)
*RSI_Price_Line_Period* = 2 [DEFAULT]
*RSI_Price_Type* = 0 (SMA) [DEFAULT]
*Trade_Signal_Line_Period* = 7 [DEFAULT]
*Trade_Signal_Type* = 0 (SMA) [DEFAULT]

IMPORTANT: The default settings are well tested and proven. But, you can change the settings to fit your trading style. (Dean Malone)

**other indicator settings and Alerts:**

*ShowVolatilityBands* = true/false (show the volatility bands?)
*ShowMarketBaseLine* = true/false (show the market base line?)
*ShowRsiPriceLine* = true/false (show the rsi price line?)
*ShowTradeSignalLine* = true/false (show the trade signal line?)

*RsiTradeSignalLineCrossAlerts* = true/false (alert when rsi price line crosses the trade signal line up/down?)
*RsiMarketBaseLineCrossAlerts* = true/false (alert when rsi price line crosses the market base line up/down?)
*RsiVolatilityBandsCrossAlerts* = true/false (alert when rsi crosses the volatility bands up/down?)

*SignalCandle* = 1 (alert on the current candle (0) or the previous candle (1)?)
*PopupAlerts* = true/false (show alert popups?)
*EmailAlerts* = true/false (send emails?)
*PushNotificationAlerts* = true/false (send pushnotifications?)
*SoundAlerts* = true/false (play sounds?)
*SoundFileNameLong* = "alert.wav" (soundfile to be played on up alerts (must exist in the mt4 sounds-directory)
*SoundFileNameShort* = "alert2.wav"(soundfile to be played on down alerts (must exist in the mt4 sounds-directory)

pls. note that SoundAlerts make only sense if you deactivate the soundalert for the default alert-window (extras-options-events), ...

## Epilogue

The explanation is taken from the tdi sourcecode, the explanation of the other settings is added by Marc (fxdaytrader) who added the alerts and did some mods.

Indicator by Dean Malone, 2006 ([www.compassFx.com](www.compassFx.com)), mod. by fxdaytrader ([www.ForexBaron.net](www.ForexBaron.net)) 01.2015