



 Tori Trade's Playbook

# Trendline Strategy

Instruments:

Futures

Crypto

Forex

Trading Style:

Swing Trading

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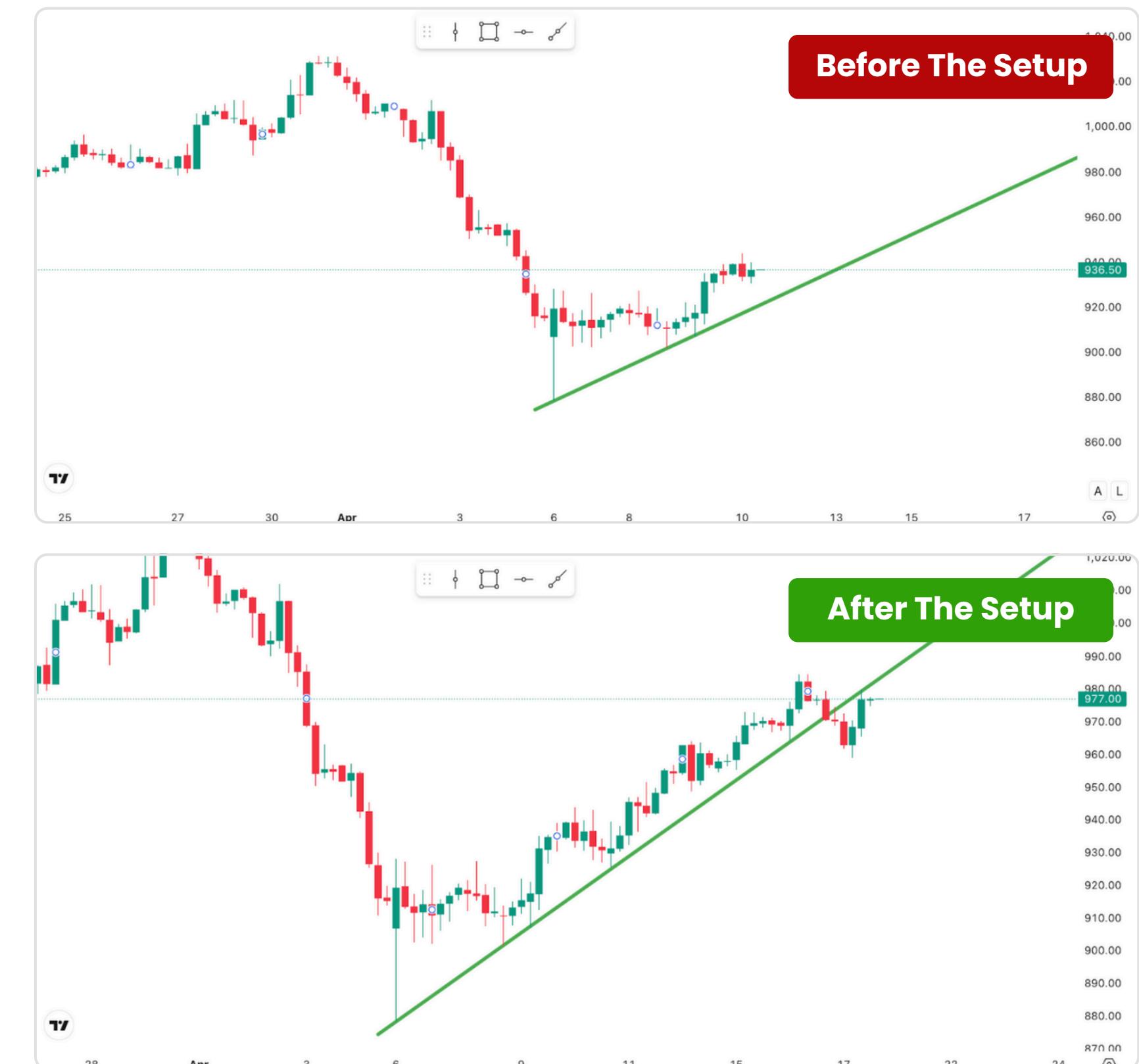
# Playbook Overview

This playbook explains a clear, structured method for swing trading based purely on price action and manually drawn trendlines. No indicators are used; only clean trend lines, price structure, and simple risk management.

The main idea is simple: price often respects trendlines, either bouncing off them or breaking through them to signal a trend change. This method relies on two key concepts – the **Action Line** and the **Safety Line** to guide entries, exits, and trailing stops.

The setups covered are:

- Trendline Bounce.
- Trendline Break.



## The Core Concept

The **Action Line** shows where to enter a trade. For bounce setups, it's the trendline that price touches and respects. For break setups, it's the trendline that the price must break through to confirm a valid move.

The **Safety Line** shows where to exit if the trade does not work out. For **bounce setups**, the action line and safety line are the same. If the price breaks, the trade is closed. For **break setups**, a new opposing trendline is drawn as the safety line to protect the position. The space between the entry and the safety line defines your risk for each trade.

## Timeframes Used

This strategy works best on the 4-hour timeframe. The 4-hour chart helps catch clean swing moves and filters out extra noise found on lower timeframes. A top-down look at bigger timeframes, like the daily or weekly, helps confirm the main trend direction. The 4-hour chart is then used to draw trend lines, find touchpoints, and plan entries and exits. This keeps the setups clear and consistent.

# Playbook Rules

## Trendline Bounce

The bounce setup aims to enter when the price touches and respects an existing trendline. The same trendline serves both as the **entry signal** (action line) and the **risk management** level (safety line).

## Entry Criteria:

- The trendline must have at least **two or three clear touchpoints** before entry.
- There must be **at least one week of price data** from the first touchpoint to the intended entry point.
- Enter when the price reaches or tests the trendline.

## Risk Management:

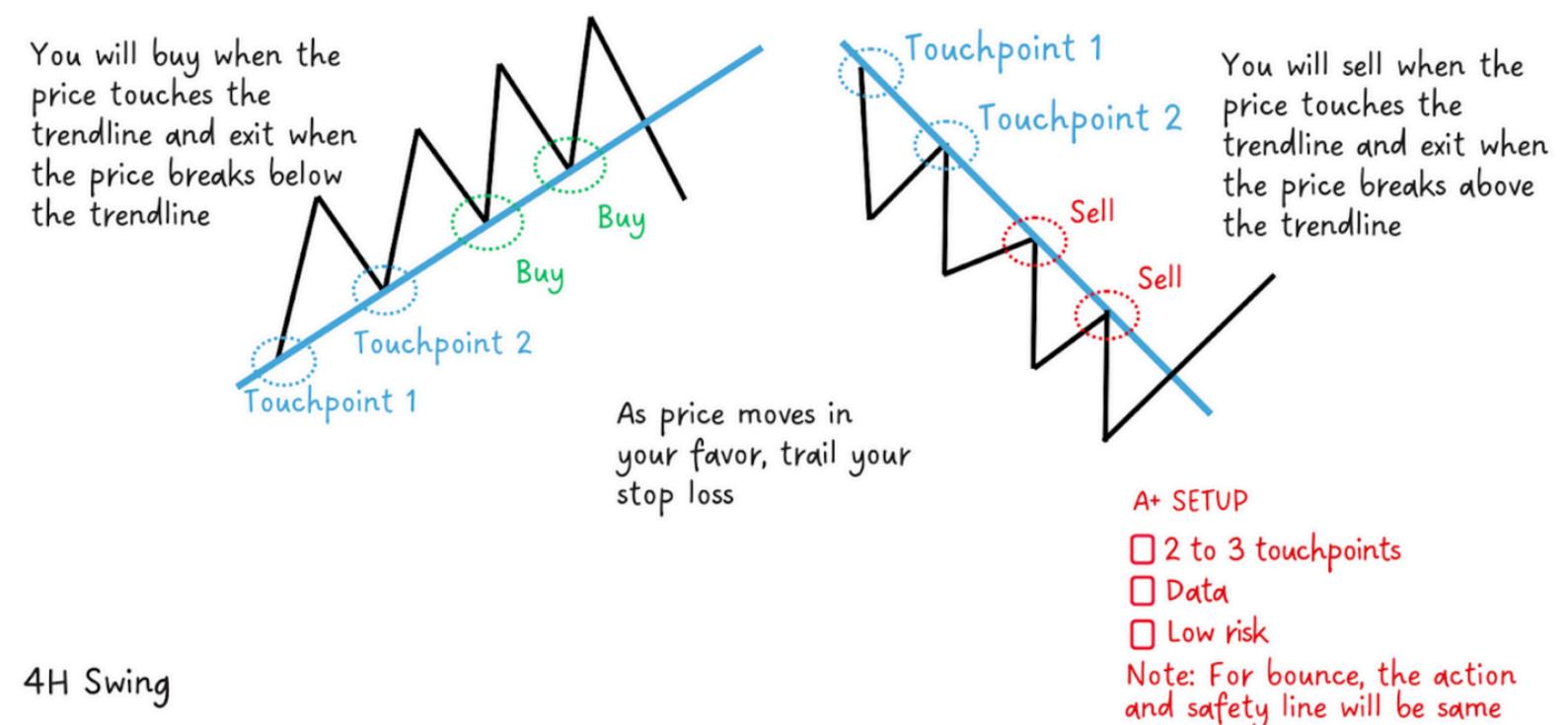
- The trendline itself is used as the stop-loss level. If the price closes through the line, the position is closed immediately.
- The stop can be trailed along the trendline as the price creates new valid swing points.
- Stops should not be placed exactly at the entry. Always give it enough room so normal price wicks don't stop you out too early.

## Conditions:

- Works best on instruments that consistently respect trendlines. Certain commodities or metals with strong trending behavior are suitable.
- Instruments that produce frequent false breaks are less reliable for this setup.

## Additional Notes:

- The bounce setup generally carries the lowest risk because invalidation is immediate.
- Entry and exit are managed by the same trendline.



## Trendline Break

The break setup aims to enter when the price breaks through an established trendline, indicating a trend reversal. An **opposing trendline** is required to protect the trade.

### Lines:

- The broken line is the **action line** (signals entry).
- The newly formed opposing trendline is the **safety line** (controls risk).

## 2 Touchpoint Trendline Break

A 2 Touchpoint Break uses a trendline with two clear touchpoints before the price breaks through it. The break shows that the price may reverse or continue strongly. This setup gives more trades but can lead to bigger losses if risk is not managed well.

### Where to Enter:

Enter when the price breaks the **action line**, and there is a clear **safety line** to protect the trade. If there is no safety line when the break happens, wait until price forms a clear high or low to draw one.

### Where It's Invalid:

If the price moves back and closes beyond the safety line, the trade is invalid and must be closed.

### What to Check:

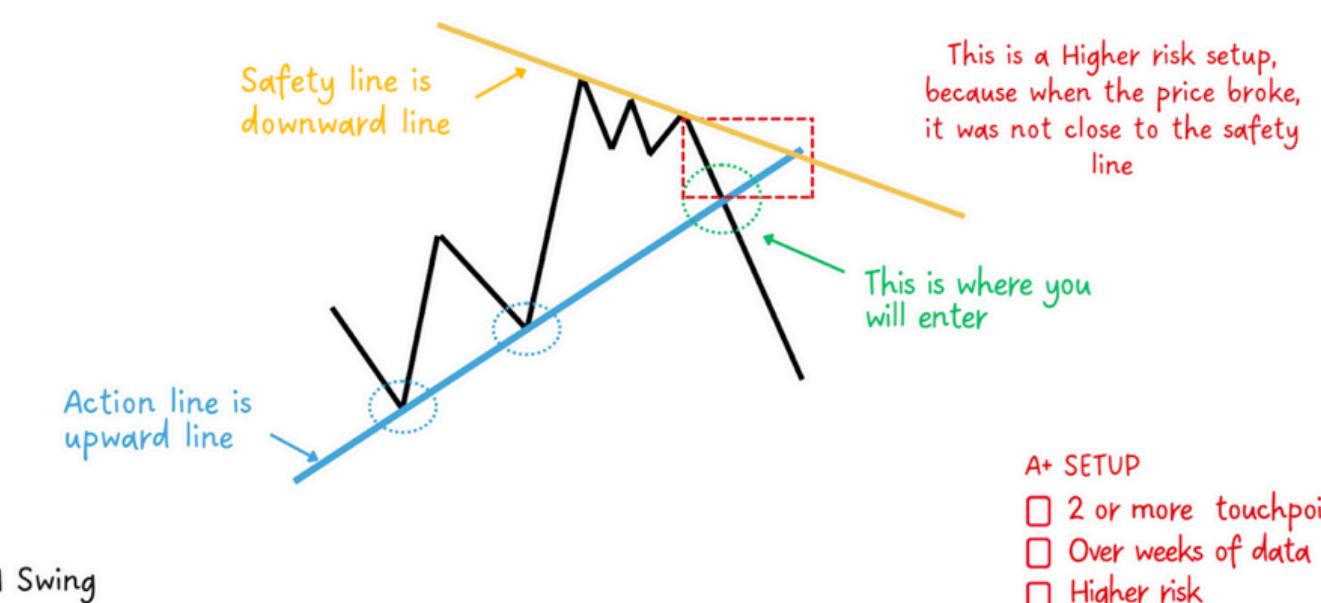
- The action line must have **two clear touchpoints** before the break.
- There should be about **one week of price data** between the first touchpoint and the break (on the 4-hour chart).
- The break must happen **close to the safety line** so the risk stays tight. If it's too far, skip the trade.
- Track all 2 touchpoint breaks separately from 3 touchpoints breaks.

### How to Manage Risk:

The safety line acts as the stop. Move the stop manually as the new structure forms. This keeps risk under control if the trade fails.

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#### 2 TOUCHPOINT TRENDLINE BREAK



## 3 Touchpoint Trendline Break

A 3 Touchpoint Break uses a trendline with at least three clear touchpoints before the price breaks through it. More touchpoints show the line is well respected and make the break more reliable.

### Where to Enter:

Enter when the price breaks the **action line**, and you have a clear **safety line** to protect the trade. If no safety line is clear at the break, wait until the price forms a new structure so you can draw one.

### Where It's Invalid:

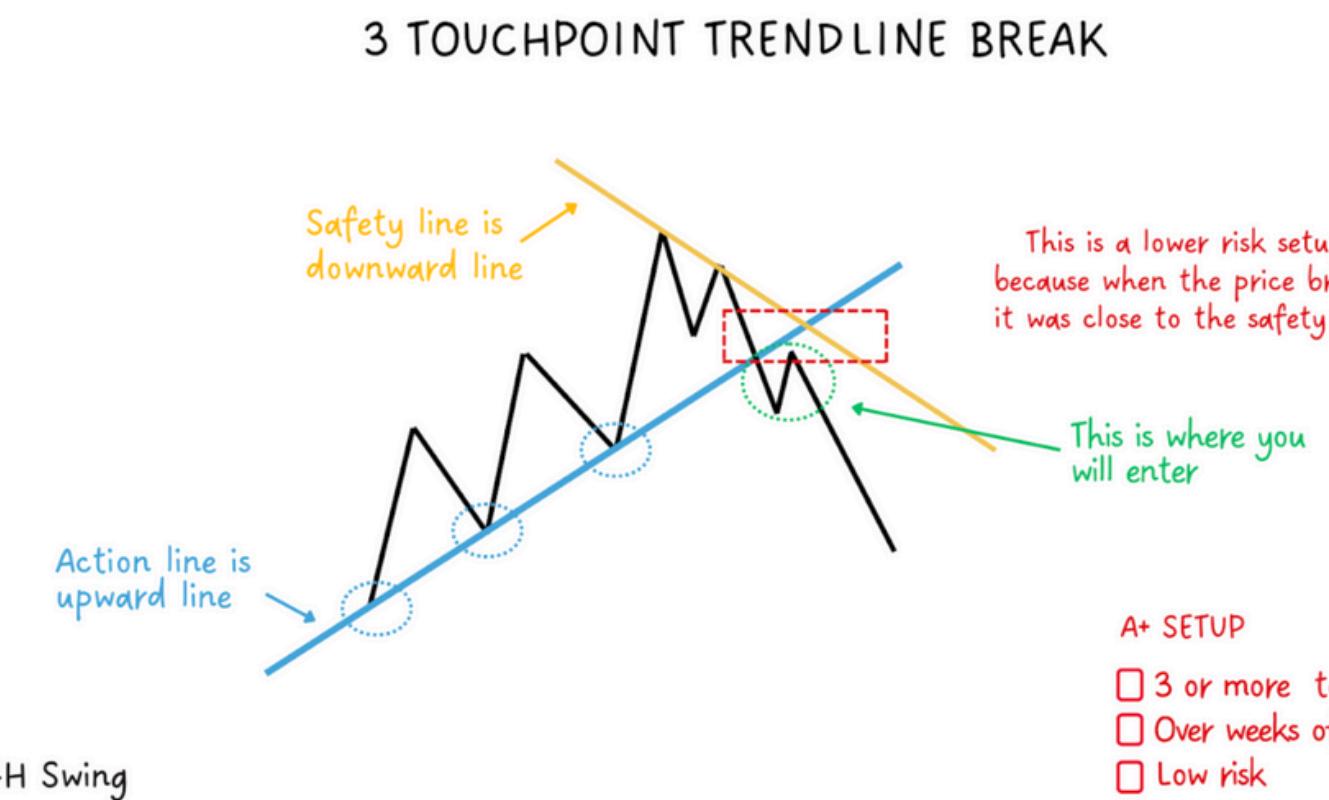
If the price moves back and closes through the safety line, the trade is invalid and must be closed.

### What to Check:

- The action line must have **three or more clear touchpoints** before the break.
- There should be at least **one week of price data** between the first touchpoint and the break (on the 4-hour chart).
- The break must happen **close to the safety line** to keep the risk small. If the break is too far away, skip it.

### How to Manage Risk:

Use the safety line as the stop. Move the stop manually as the price makes new highs or lows. This locks in profit and protects the trade.



#### A+ SETUP

- 3 or more touchpoints
- Over weeks of data
- Low risk

# Pros & Cons of the Strategy

This model is designed to deliver high-quality, repeatable setups — but like any trading method, there are key things to understand before using it.

**Note:** The cons listed here aren't disadvantages. They are things to be aware of — important characteristics that require patience, discipline, and proper management to make the model work effectively.

## Pros

- No indicators needed, pure price action.
- Clear, rule-based trade management with action and safety lines.
- Naturally builds patience and discipline.
- Well-defined setups make the method repeatable.
- Works on multiple instruments and timeframes.
- Creates a repeatable process that can be backed by real data.

## Cons (Things to Be Aware Of & Manage)

- Requires high discipline and patience, setups can take days or weeks to appear.
- Discretion is needed for timing entries; new traders may struggle without practice.
- Some instruments do not respect trend lines well.
- Requires enough capital to trade certain futures contracts.
- Fake-outs can and will happen; losses are part of the system.
- Ranging markets provide few valid opportunities.

# Trade Breakdown

## Example 1: Platinum – Trendline Bounce

Platinum on the 4-hour chart. Price is in an uptrend.

### Setup:

An upward trendline is drawn from a clear low. Touchpoint 1 and touchpoint 2.



Price comes back down and touches the trendline a third time. A long position is opened at the trendline. This line acts as both the action line (entry signal) and the safety line (risk control).

### Trade Management:

As price moves higher and makes new swing highs, the stop-loss is trailed along the trendline, adjusting below each new valid swing low.

### Exit:

When the price closes below the trendline, the trade is closed immediately. The trailing stop locks in profit as the trend holds, and the exit is triggered automatically when the line breaks.



## Example 2: Platinum – 2 Touchpoint Trendline Break

### Setup:

A downward trendline is drawn with exactly two clear touchpoints, showing the trend is holding.

### Break:

Price breaks above the downward trendline, indicating a potential reversal.

### Safety Line:

An opposing upward trendline is drawn to act as the safety line.



### Entry:

A long position is taken when the price breaks and closes above the action line.

### Position Management:

You can add more positions as the trend continues in your favor.

### Exit:

Price broke below the safety line, so all position was closed.



## Example 3: Crude Oil – 3 Touchpoint Trendline Break

### Setup:

An upward trendline is drawn on the 4-hour chart. It has three clear touchpoints showing that the trend is respected.

### Safety Line:

An opposing downward trendline is drawn to act as the safety line.



### Entry:

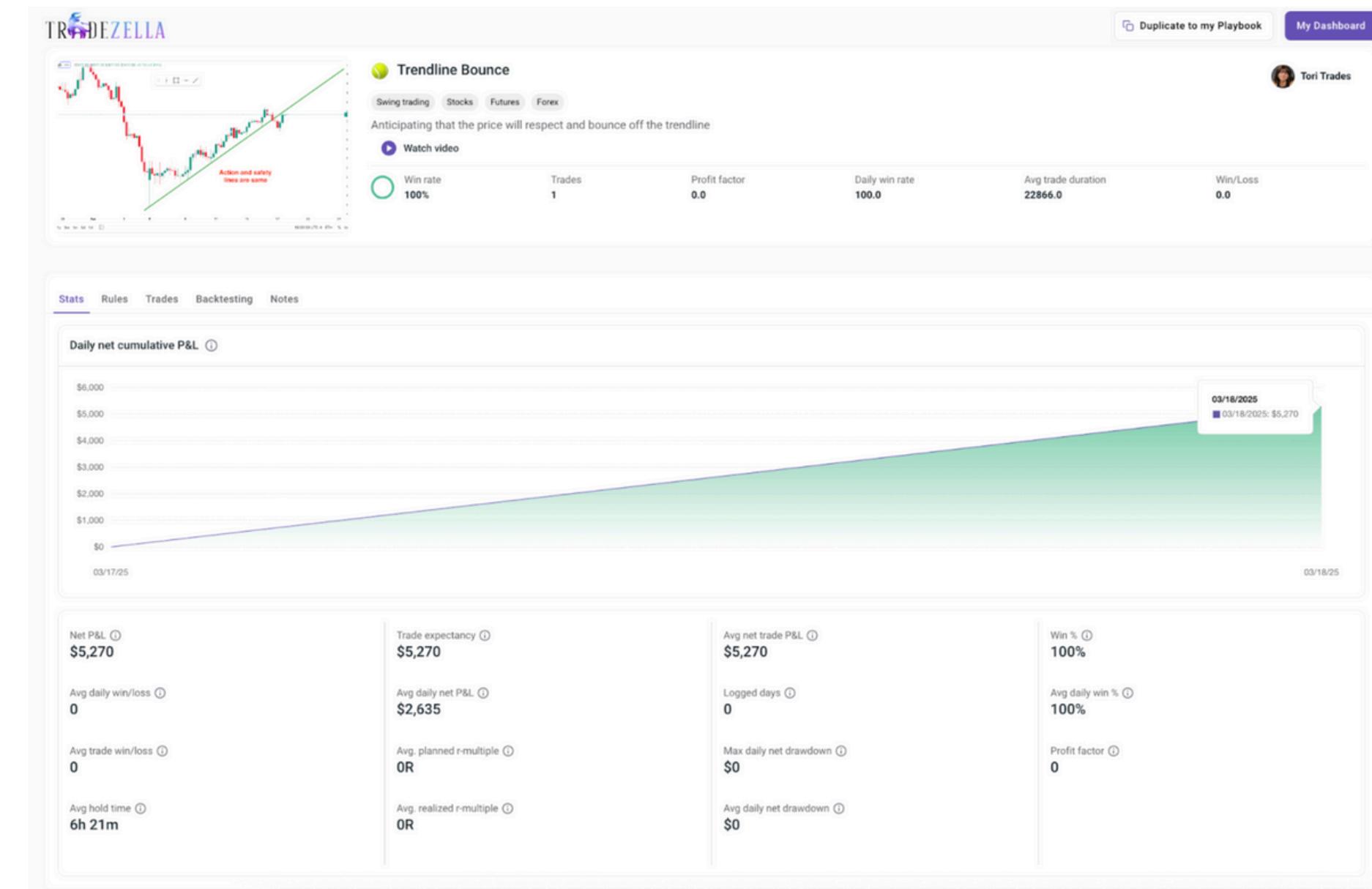
A short trade is placed when the price breaks and closes below the action line.

### Exit:

The safety line is used to trail the stop. If the price moves back up and closes above the safety line, the trade is closed.



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