DeMark Indicators – Concise Cheat Sheet (A4)

Essential summary for timing and risk management (Tom DeMark / Jason Perl).

1) Bias & Levels

1 **TDST**: level derived from the Setup's high/low (9 bars). Above TDST = long bias; below = short bias.

2 **Price Flip**: 1■bar reversal that initiates a Setup (from close < close[4] to > for a Buy, and vice versa for a Sell).

3 **Multi■timeframe**: use 3 timeframes (e.g., weekly → daily → 4h). Trade in the direction of the higher timeframe and near TDST.

2) TD Sequential

- Setup (1–9): 9 consecutive closes vs close[4] (Buy: close < close[4]; Sell: close > close[4]).

- Perfection: for a Buy, bar 8/9 low ≤ the lower of bars 6/7 (reverse for Sell). Stronger signal.

- Countdown (1–13): closes ≤ low[2] (Buy) or ≥ high[2] (Sell). Recycling/cancellation allowed under rules.

- Entry: typically after Perfection + stabilization near TDST, or on a qualified TD Line break.

- Stop: **TD Risk Level** (true range of the key bar, often 8/9) projected beyond the extremum.

- Targets: return to TDST / opposite TD Line break / projections via **TD Trend Factor**.

3) TD Combo

- Same objective (trend exhaustion) as Sequential, but more selective (often more responsive on sharp swings).

- Best use: **confluence** with Sequential (13+13) and/or Perfection to boost odds.

4) TD Lines & Qualified Breakouts

- Draw **TD Supply/Demand Lines**. Breakout is valid if the next candle confirms (maintains the violation).

- Use **TD Retracements** for pullbacks/trailing; exit on a qualified break in the opposite direction.

5) TD Oscillators (filters)

- TD REI, DeMarker, Pressure, ROC: use as confirmation filters to avoid weak Setups.

- **TD Alignment**: composite of the oscillators; stronger alignment ⇒ higher conviction.

6) Risk Management

- Objective stop = **TD Risk Level**. If violated → exit; avoid "mental" stops.

- Sizing: increase only with confluences (13 + Perfection + TD Line).

- Don't front■run the 13: wait for confirmation (new Price Flip or qualified break).

- Trade management: scale out on Countdown 13 / approach to TDST; maintain bias until invalidated.

Quick Checklist (before each trade)

- Is there a valid **Price Flip**?

- Is the Setup **perfected** (bar 8/9)?

- Are Sequential/Combo converging to **13**?

- Are we near **TDST** or a key **TD Line**?

- Do **TD REI / Alignment** agree with the signal?
- Are **TD Risk Level** and position sizing defined?

Note: educational summary; for full theory and examples, see Jason Perl, "DeMark Indicators" (Bloomberg Press, 2008).