



# DAY & NIGHT FOREX

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There is no guaranteed trading performance. All examples are provided for educational purpose.

I should not be liable for any direct/indirect damages. Trading is risky and you may loose all your capital.

Only trade with money you willing to loose.

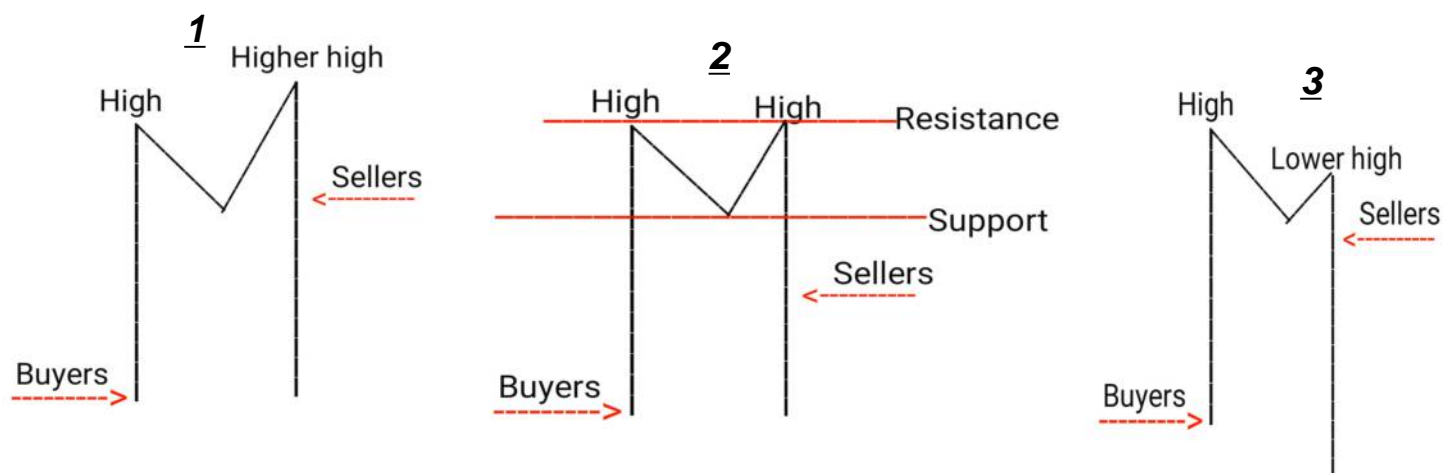
# *M*

# *W*

# *&*

# *STRATEGY*

## • THREE TYPES OF M's



## • BEARISH REVERSAL PATTERN

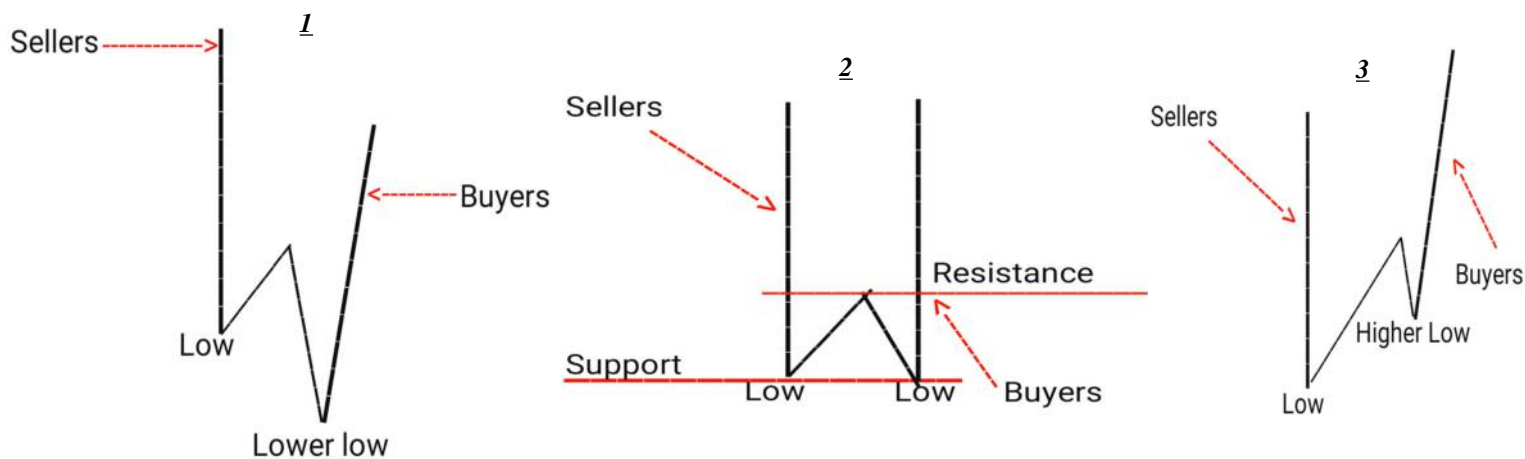
- 1) Price has been in a uptrend
- 2) Negotiation between buyers & sellers
- 3) The M pattern is not complete until price breaks out of the M or support

## • PHASES OF THE M PATTERN

- 1) UPTREND:** Price is in a uptrend. The longer the uptrend, the more powerful the M and the higher of profit potential.
- 2) THE FIRST LEG OF THE M:** First leg of the M forms when price get reject by resistance
- 3) SECOND LEG OF THE M:** Second leg of the M forms when price rise from support after forming the first leg of the M. It gets reject by resistance area and push back to support level.
- 4) BREAKOUT:** The M is not complete until price breaks and close below support level



## • THREE TYPES OF W's



## • BULLISH REVERSAL PATTERN

- 1) Price been in a downtrend
- 2) Negotiation between sellers and buyers
- 3) The W pattern is not complete until price breaks out of the W or resistance

## • PHASES OF THE W PATTERN

**1) DOWNTREND:** Price is in a downtrend. The longer the downtrend the more powerful the W and the higher of profit potential

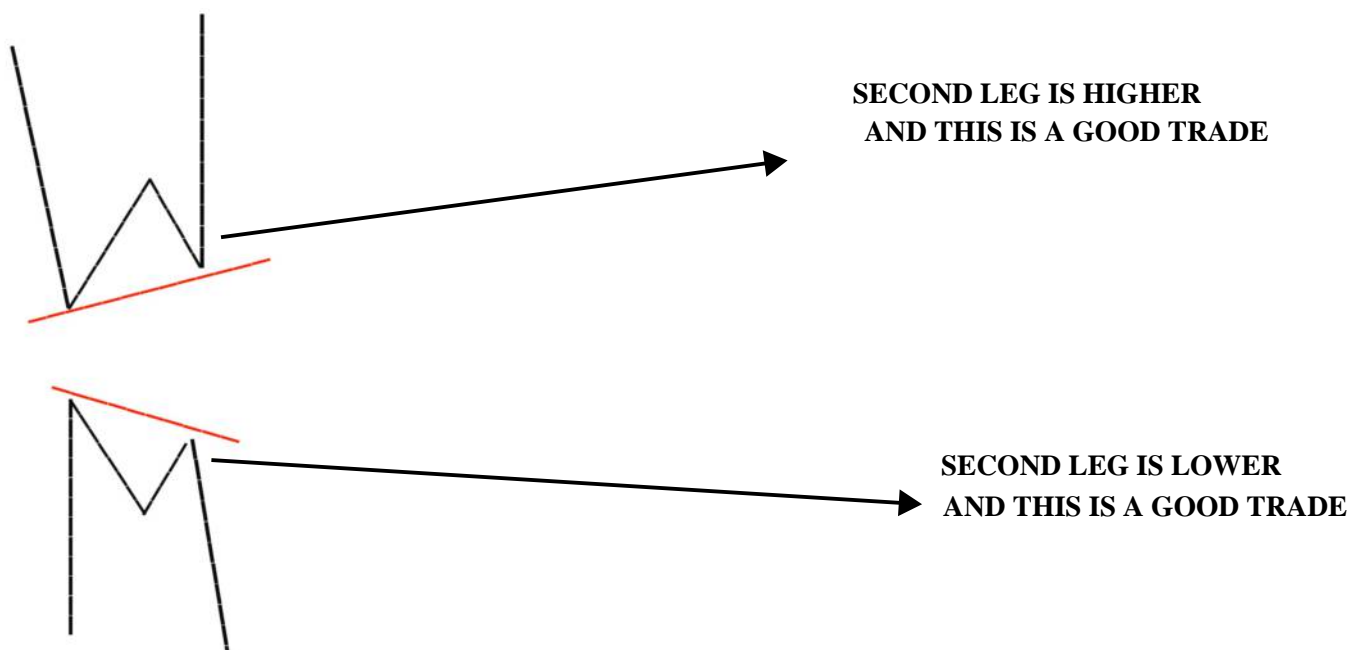
**2) FIRST LEG OF THE W:** The first leg of the W forms when price finds support

**3) SECOND LEG OF THE W:** Second leg of the W forms when price drops from resistance after forming the first leg of the W. It falls on support area and push back up to resistance level.

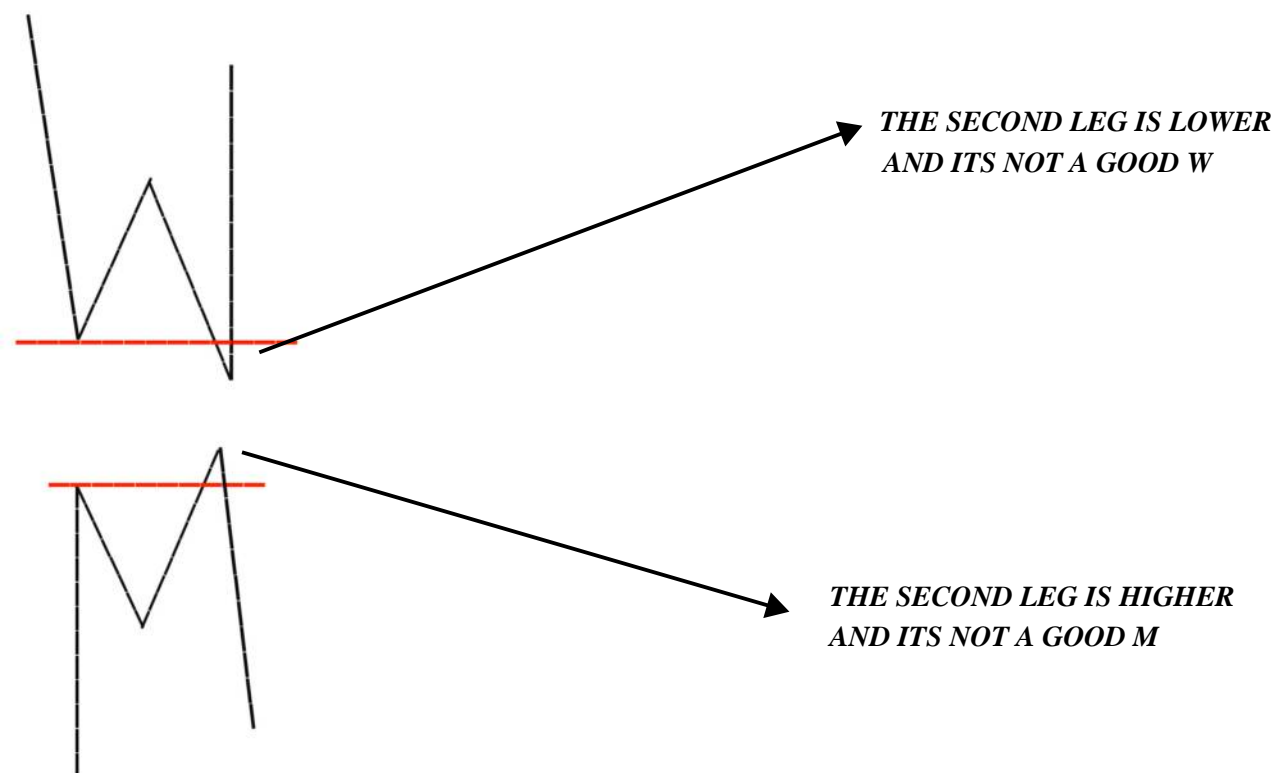
**4) BREAKOUT:** The W is not complete until price breaks and close above the resistance level.



## ● THE PERFECT M&W FORMATIONS



## ● NOT PERFECT M&W FORMATIONS



Trading M&W Formations can be very profitable and sticking to the rules your drawdown is zero.

These formations work because traders wait for a confirmation that support and resistance levels are holding before they enter a trade. We only enter at the second leg.

You will also find the M&W formations forming on every time frame and it forms on both forex and indices.

We don't trade any pattern that looks like a M or W

We wait for confirmation and it takes time to complete.

The higher the time frame, the longer the M or W takes to complete.

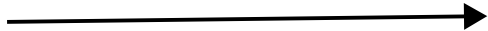
## TO TRADE M&W FORMATIONS YOU WILL NEED

- 1)SUPPORT & RESISTANCE
- 2)CANDLESTICK PATTERNS(PIN BARS)
- 3)HIGHER SECOND TOUCH OF SECOND LEG



It makes trading the M&W formations higher profitable.The second leg is where more buyers or sellers jump on the move.  
We want to see a higher second leg for a W and  
a lower second leg for a M.

This means the buyers or sellers entering the market are stronger



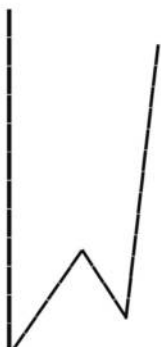
THIS IS THE FIRST LEG OF THE M  
AND PRICE IS REJECT AT THE RESISTANCE  
LEVEL.



PRICE RETURN TO RETEST THAT RESISTANCE  
LEVEL AND GETS REJECT.  
WE ENTER AT THE SECOND LEG BECAUSE  
MORE SELLERS STEPS IN...



THIS IS THE FIRST LEG OF THE W THAT'S HOLDING  
AND WE WAITING FOR PRICE TO RETEST SUPPORT  
LEVEL



PRICE RETURNS AND MORE BUYERS STEP IN AT  
THAT SUPPORT LEVEL

# ● **SUPPORT & RESISTANCE**

**BULLISH** move that turns **BEARISH** has met resistance

**BEARISH** move that turns **BULLISH** has met support

● **BULLISH-UPTREND-BUY**

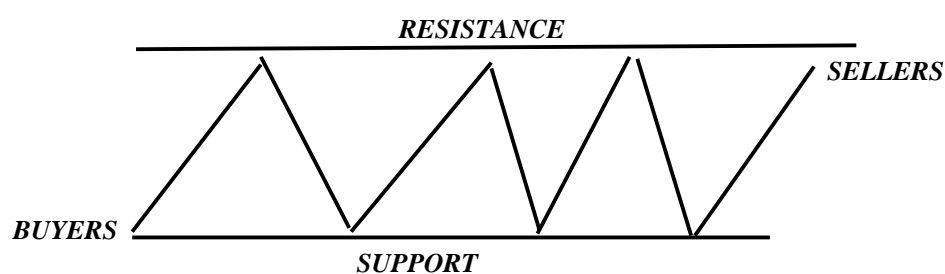
● **BEARISH-DOWNTREND-SELL**

This support & resistance levels can last for minutes, hours, days and even years.

Support and resistance levels are broken and when this level gets broken

RESISTANCE often becomes support and

SUPPORT becomes resistance in the future (Works on all time frames)



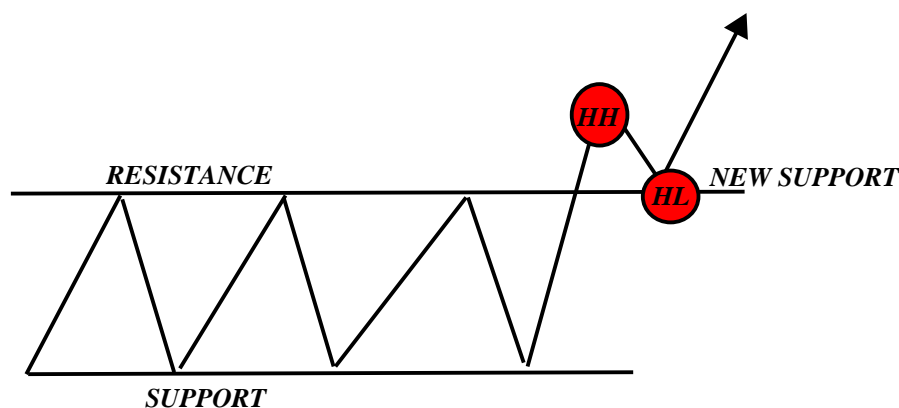
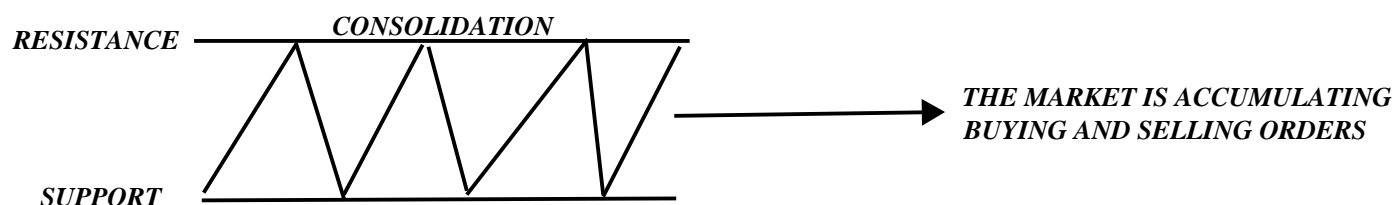
The market moves by buyers and sellers. As the market moves up and it comes back down it has met resistance.

When it comes back down and bounces back up it has met support.

The market moves to where the most liquidity is...

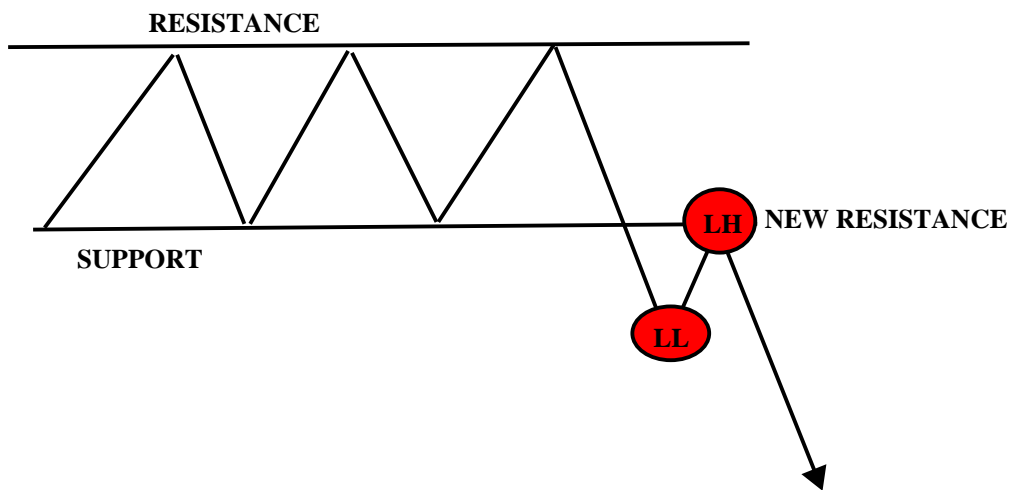
Liquidity means money.. Your stop loss is money that's why stops get hunted..

Behind support and resistance levels are the most liquidity because stop losses get hidden behind these levels and most pending orders are placed at these levels.



Price breaks through resistance and resistance becomes the new support area.

If the market makes higher highs and higher lows it's an uptrend



Price breaks through support and it becomes the new resistance area.  
 If the market continue to make lower lows and lower highs, its a DOWNTREND

### **DRAW SUPPORT AND RESISTANCE LEVELS**

Support and resistance levels is the most important concept in trading you will ever learn to master as a professional or full time trader. Drawing those levels perfectly and neatly with minimal error is very crucial for successful trading. Your ability of drawing those levels professionally is the difference between a successful and unsuccessful trader. It is important to draw those levels perfectly otherwise you will not be able to trade successfully. Winning and losing traders both draw those levels but the thing that separate winners from losers is the right selection and drawing of support and resistance levels for trading.

The mistakes people make when drawing these levels is they spend too much time trying to find the right placements for these levels. Support and Resistance levels are zones not just lines so spending time on their right placement is useless. It is impossible to draw a perfect line. Support and Resistance lines tends to move some pips as the market moves because the very recent touch of these lines would not be exactly the same as the previous one. People move the market and not machines. This is why looking for the right placements and spending too much time on perfecting your lines is useless. You should only consider shadow of candles and not real bodies when drawing these levels. If a real body is breaking a level just by some pips it is not a valid level anymore (False break). Support and Resistance levels that are broken with false body candles are still valid and even more powerful levels and you should watch those levels for trading signals. Break by some pips or body of candles does not always affect the strength of Support and Resistance levels.

You should not draw every level you see on your chart. Not every level can be called Support and Resistance lines. If you do then your chart will be full of lines and it will become impossible for you to trade. Drawing lines everywhere on your chart will complex your trading so only consider valid levels when drawing support and resistance levels. It is your duty to find the most valid levels of support and resistance because drawing on every retrace or tiny rejection will only increase burden on you. Not every rejection is valid.

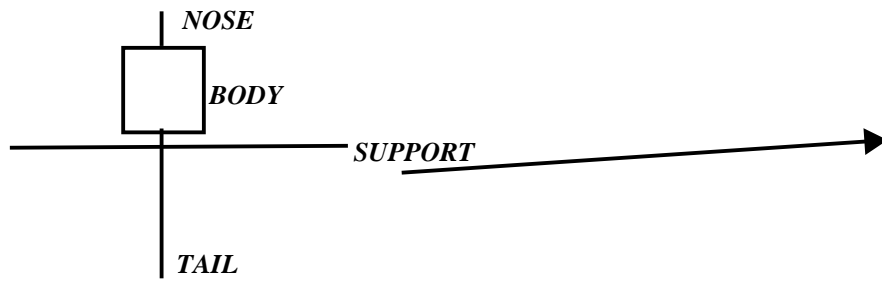
You look for two things if you looking for valid rejections.

**1) It will spend more time in that direction:** The longer the market keeps trading in a direction the stronger the rejection will be. If a market spend more time in one direction, it is strong and can be mark as proper rejection.

**2) It will cover more distance in that direction:** More distance market covered in one direction the stronger the rejection will be. Distance is key if a rejection is covering more distance it can be also marked as a valid or even stronger rejection. Longer the rejection stronger the support and resistance lines would be and the lesser distance of rejection the weakest the level would be. Very recent rejections are important because market tends to react to those rejections more often. Practice will make you perfect.

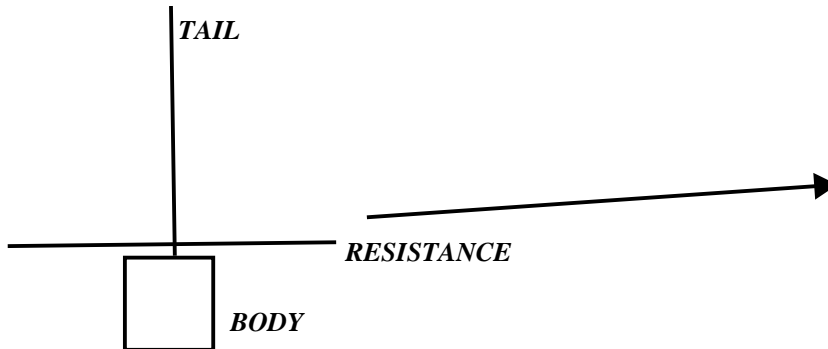
**MORE REJECTIONS MORE STRONGER LEVEL.**

# **PIN BARS**



## **BULLISH PINBAR**

Body forms above support



## **BEARISH PINBAR**

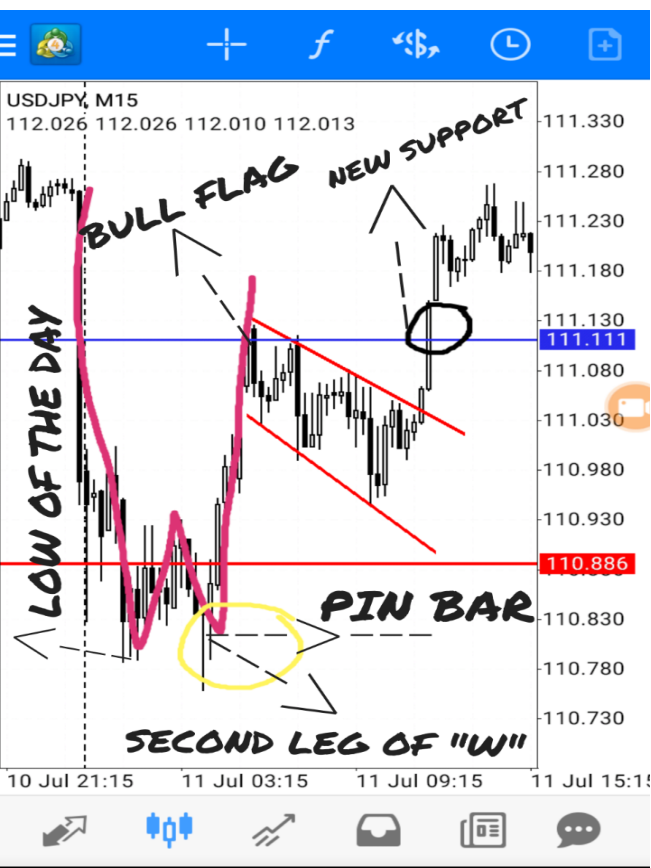
Body forms below resistance

The tail signals that there are multiple buyers or sellers entering at that level

Buy orders below support

Sell orders above resistance

PIN BAR signals change of direction.





## BULLISH OR BEARISH PINBARS

Can be a reversal or continuation signal.

Tail should be least two-thirds of the entire candle

The body is the space between the opening and close

The nose is the much smaller wick opposite the tail

Pin bars can form anywhere on a chart but the best and accurate occur at support and resistance

## TRADING THE MOST PROFITABLE M&W FORMATIONS..

You first draw your support and resistance levels depending on which time frame you spot a M or W

(I USE THE M15 MOSTLY)

Look for reversal candlesticks that confirm change of trend(Pinbars is most accurate)

Wait for the second leg to form before entering

M the second leg should be lower than the first leg

W the second leg should be higher than the first leg

To be more sure about the trade only enter after the M or W is complete

There are a lot of M and W formations and it comes in all type of shapes..I can spot them from a mile away and I trade any type of M or W

Practice first on a demo and try to spot these M and W formation before going live.Also back test it and try to spot it using past data..

Here is examples of the M and W formation I trade..All types of them...I trade all three M and W formations.



Trading M or W formations like this is what you should first focus on before trading all three.Learn your candlestick and look for that higher or lower second touch.Pin bars or other reversal candlestick and practice on the M15 before going to higher timeframes.Support and Resistance play a big role.Always draw those lines and another confirmation make sure you trade the M at the high of the day and the W at the low of the day..

