FLIPPING MARKETS
HIGHER TIMEFRAME
MYSTERY

The strategy that will help you to escape the

9-5 SLAVERY

Introduction

Welcome to a transformative journey into the world of forex trading, where you'll discover a strategy designed to fit seamlessly into your life, whether you're a seasoned trader or just starting out.
This book aims to empower you with tools and insights that will revolutionize your trading experience, making it more efficient, less stressful, and ultimately more profitable.

If I had to highlight a few parts of this strategy, here are some things that make it brilliant:

Reduced Chart Anxiety

One of the primary obstacles many traders face is the overwhelming anxiety that comes with constantly monitoring charts and making rapid decisions. This book introduces techniques to **reduce chart anxiety**, enabling quicker decision-making and boosting your confidence. With a clearer mind and less stress, you'll find your overall **emotional well-being** significantly improved, allowing you to approach trading with a calm and focused mindset.

Ability to Trade Alongside Your Job

For many beginner traders, finding the time to trade while juggling a full-time job can feel like an insurmountable challenge. The fear of falling into the rat race is real, but it doesn't have to be your reality. This strategy is designed with the busy professional in mind, **requiring no more than 30 minutes of chart work a day**. You'll learn how to make effective trades without sacrificing your career or personal life, making it possible to achieve financial success on your own terms.

High Win Rate

Achieving a high win rate is not just a dream but a realistic goal with the right approach. By focusing on executing high-probability setups on the higher time frames (HTF), you can achieve a **win rate of 60-70%**, or even higher. This book will guide you through the principles and practices that lead to consistent success, helping you make informed decisions that maximize your chances of winning.

Easy to Follow System

Simplicity is key to success in trading. This book presents a rule-based system that is easy to follow, eliminating guesswork and providing **clear guidelines** on when to enter a trade and when to stay out. With this structured approach, you'll be able to trade with confidence, knowing that every move you make is backed by a proven system.

Diversification Across Multiple Pairs

To further enhance your trading success, this strategy involves trading a **minimum of 10 currency pairs**. I would recommend trading the 7 major pairs (EUR/USD, USD/JPY, GBP/USD, USD/CHF, AUD/USD, USD/CAD, NZD/USD) plus 3 of your choice from the minors (could be EUR/GBP, EUR/CHF, EUR/GBP, or metals like XASU/USD). Diversifying your trades across multiple pairs not only spreads your risk but also increases your opportunities for finding profitable setups. By monitoring 10 pairs, you can select the best trading opportunities, ensuring that you're always in a position to capitalize on market movements.

Trading the 4-Hour Timeframe

The cornerstone of this strategy is trading exclusively on the **4-hour timeframe**. This approach strikes a balance between capturing significant market movements and maintaining a manageable trading schedule. The 4-hour timeframe allows you to make **well-considered decisions** without the need to constantly monitor the charts, reducing stress and avoiding impulsive trades. This timeframe is ideal for identifying high-probability setups that can yield substantial profits.

As you delve into the chapters ahead, you'll gain invaluable insights and practical strategies that will transform your trading experience. Whether you're looking to reduce stress, trade efficiently alongside your job, achieve a high win rate, or follow a straightforward system, this book has you covered. Prepare to take control of your trading journey and unlock the potential for financial freedom and success.

Here's what you will find in this book:

Table of contents:

Criteria List

This strategy consists of **5(+1) very simple elements**. We don't like to overcomplicate things, we don't have to pay attention to hundreds of things at once.
If I had to describe it, I would say that it is all so simple that even a kindergarten child could understand it with ease.

When I say 5(+1) “elements”’ must be met, I mean criteria.
These criteria decide whether we can enter a particular trade or not.
It's like a virtual checklist. If you can tick all the boxes, then the trade meets the conditions, so it can be opened.
If you can't tick off one, it significantly reduces the strength of the trade, so you can't open it. **It's dirt simple like that**.

Well, let's see, what are the certain criteria that must be met in order to open a trade?

Criteria List:

1. Break Of Structure (BOS)
2. Protected Structural Point Creation (LQ sweep)
3. Order Block
4. Momentum
5. Fibonacci
6. (+1) Extra Liquidity Creation

That's it. **That's exactly it**. No more, no less. Let's look one by one at how these criteria are structured and what they mean.

BREAK OF STRUCTURE

What is a BOS?

Usually people refer to BOS with 2 methods:

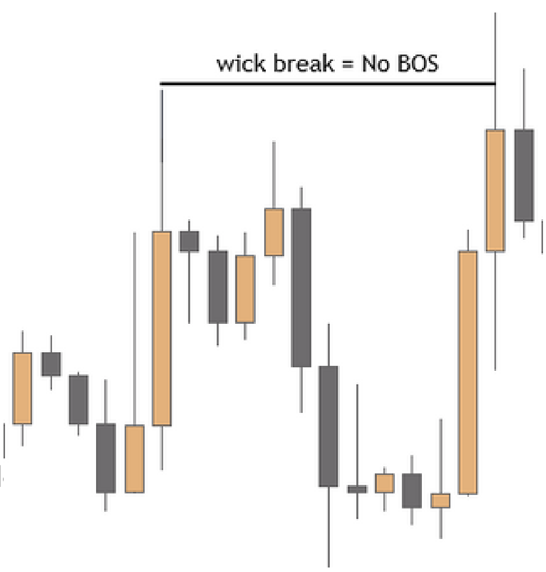
1. A Break of Structure refers to a scenario where the market **surpasses a previous peak in an uptrend or falls below a previous bottom in a downtrend**, indicating the continuation of the current trend. It serves as a signal that the momentum is still in favour of the prevailing trend direction.
2. Break of structure refers to a significant shift or disruption in the price movement, **typically leading to a change in the prevailing trend**. It occurs when the price breaks through key support or resistance levels, indicating a potential reversal of the trend.

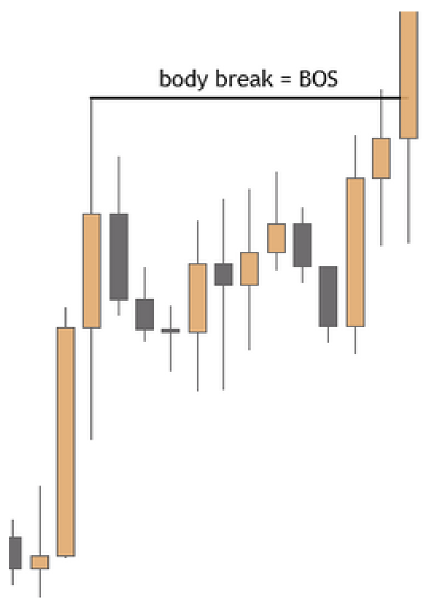
Based on these, we can say that BOS can be both a trend continuation and a reversal.

We will use it for **both** in this strategy to keep things simple.

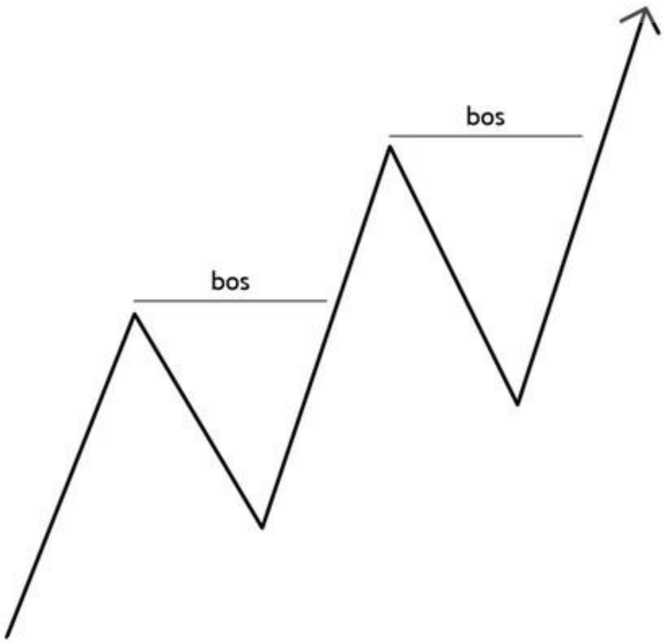
Putting into perspective: BOS is a movement where price breaks the previous high / low in a continuation trend, or changes the previous trend from bullish to bearish (or vice versa).

There is one really important factor for break of structure: the break has to happen with **body closure**, wick is not enough.

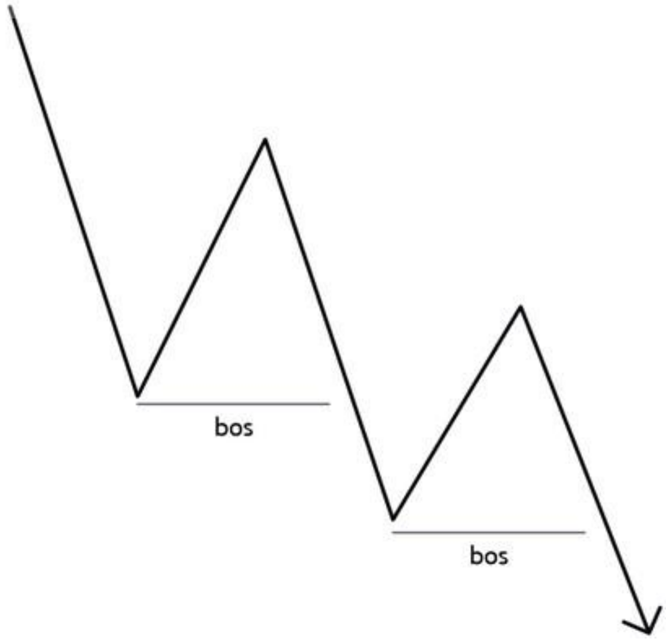




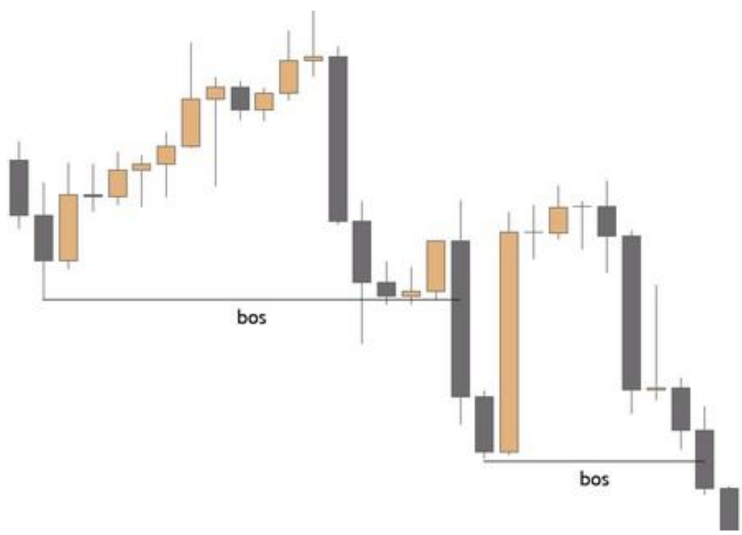
Continuation example:



Bullish Trend BOS



Bearish Trend BOS

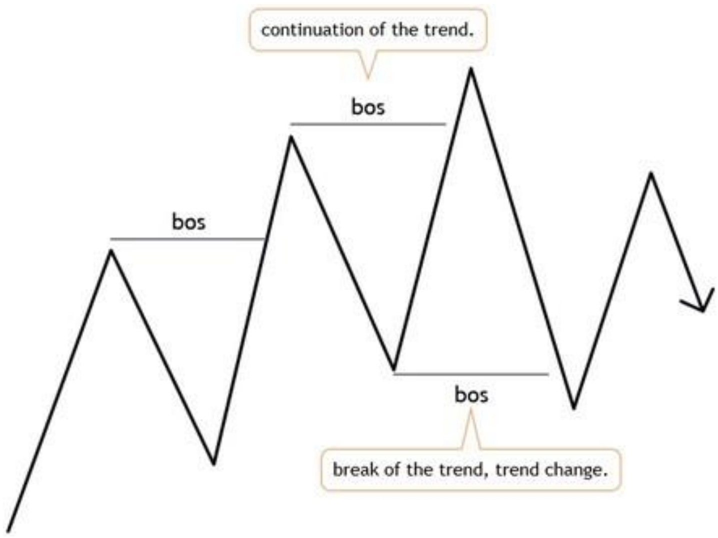


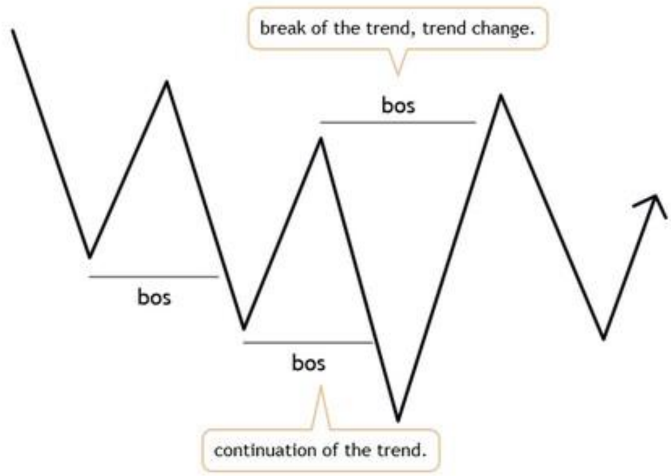
Market is moving in an uptrend, breaking the previous high point over and over again, reaching new heights.

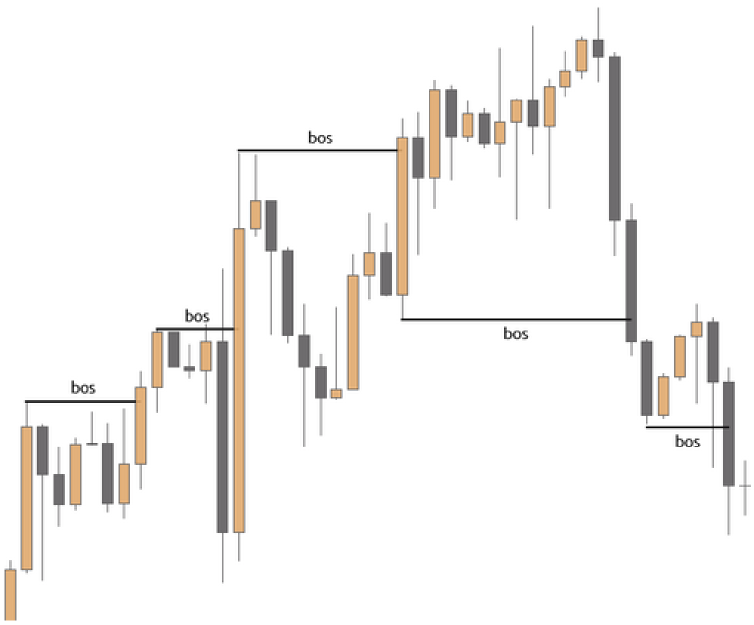
Market is moving in a downtrend, breaking the previous low point over and over again, reaching new depths.

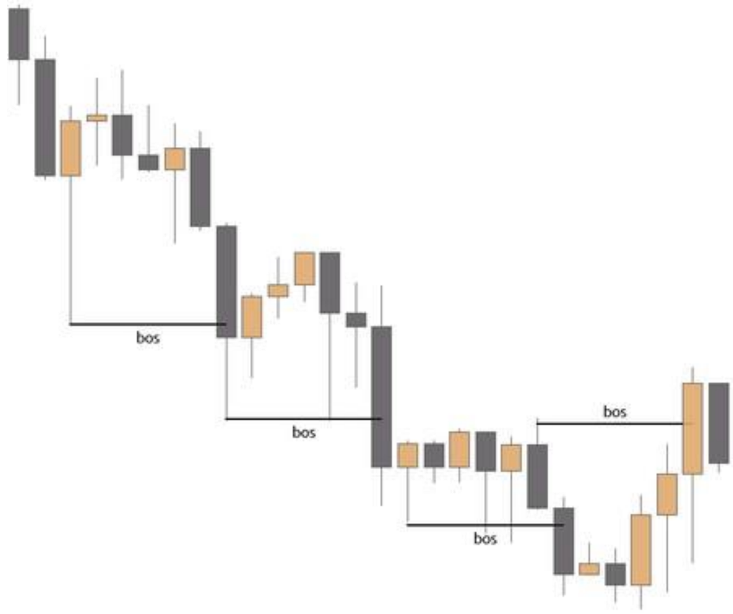
If a break of structure happens then one out of the 5 criteria will be fulfilled.

Reversal example:









Market is moving in an uptrend, then suddenly breaks the last structural low point, putting a new bearish trend into the market.

Market is moving in an downtrend, then suddenly breaks the last structural high point, putting a new bullish trendinto the market.

If a break of structure happens then one out of the 5 criteria will be fulfilled.

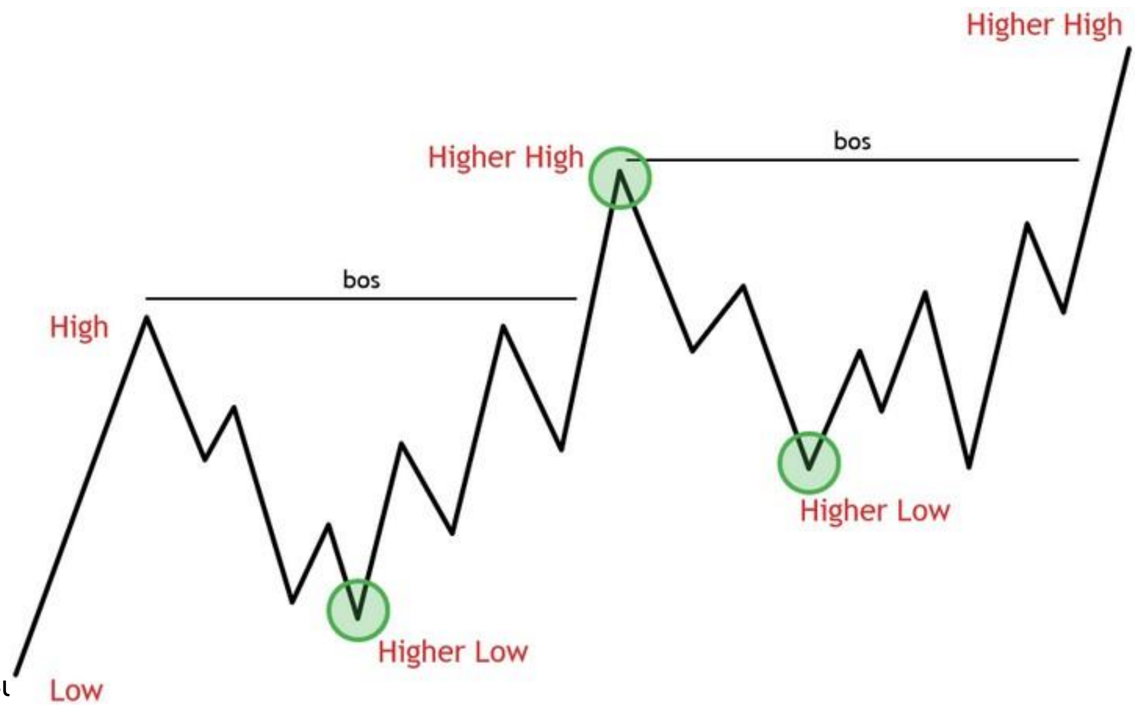
A very important element of this strategy is **not to use multiple timeframes**. We only need one, namely the H4. This way, you don't have to understand the relationship between timeframes, and fractality, you just need to focus on a single one.

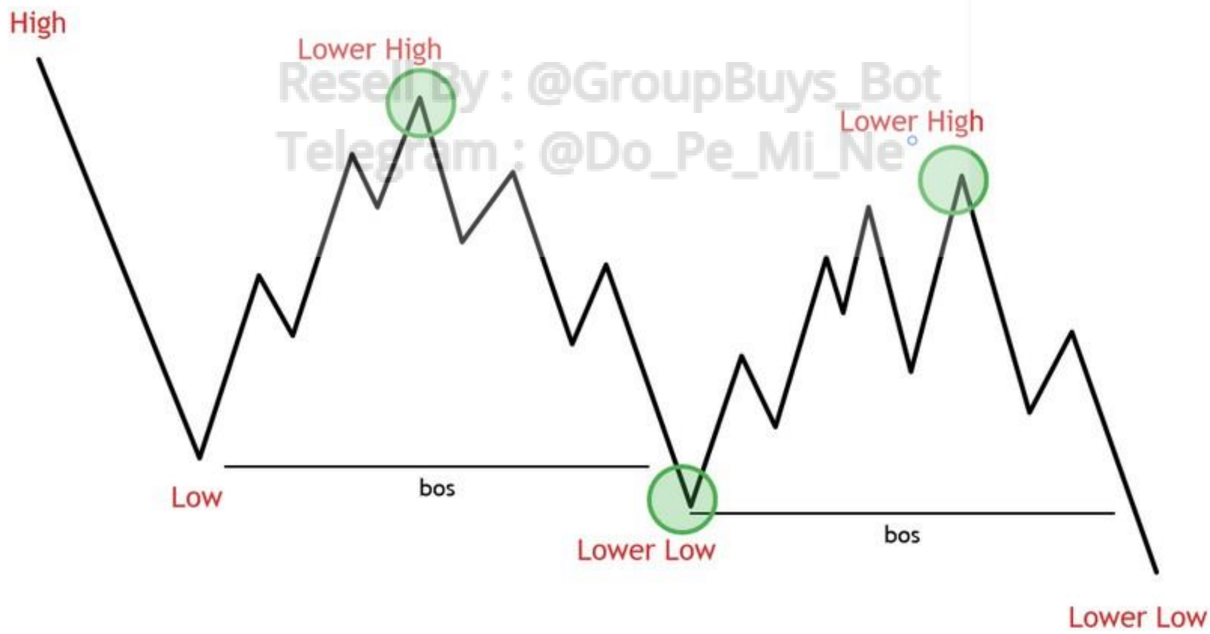
Why will only one timeframe be enough for us? Because **what happens on H4 stays there**. This timeframe is brutally strong in terms of trends. If a trend starts here, it will most likely continue until it is broken. **On lower timeframes, we can encounter many fakeouts where banks try to trap retail traders**, collect liquidity as frequently as possible, and manipulate each movement. It is easy to get lost in the lower timeframe noise.
Here on H4, however, as I mentioned, the trend is a significant part.
And since trends make up a non-negligible part of our strategy, it makes sense to trade here.

Speaking of which, what trends are?
It has been mentioned above already, but it's cleaner if I write it down here:
There are two trends that we will be trading:

- **Bullish**: Price breaks structure to the upside continuously.
- **Bearish**: Price breaks structure to the downside continuously.

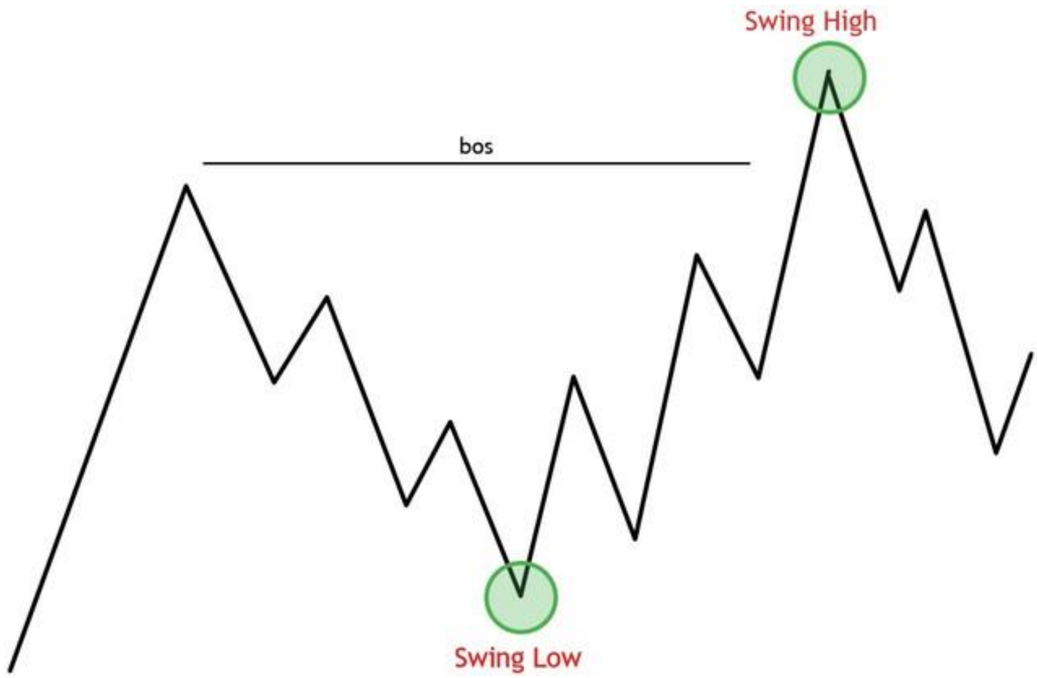
These previous examples are showing a textbook market trend. Let's see what it looks like in reality.





In reality price tends to create tons of internal movements in the original structure. Before putting a new high & break of structure in a bullish market **price usually prints many small ups and downs**. These will be internal movements. (Internal Structure will be explained in-depth in the Fibonacci section).

In a **bullish** market structure, the lowest point before the break of structure will be the Swing Low, and the highest point before the retracement will be the Swing High (vice versa in a bearish example).



In this chapter I'm just showing you a **superficial** outlook on what break of structures and swing points are. Later in the book everything will be explained in-depth through various live and drawn examples.

SWEEP OF LIQUIDITY

In this strategy, we will not overcomplicate the concept of liquidity either.

You don't need to know the liquidity map by heart, no one in the world will ask you about it in an exam. We don't care if you have a double, triple or even fifteen-fold top in front of you. We also don't give a damn if we see a liquidity trap or even a trendline liquidity. No. We don't care.

We determine liquidity sweep based on just **one small thing**.

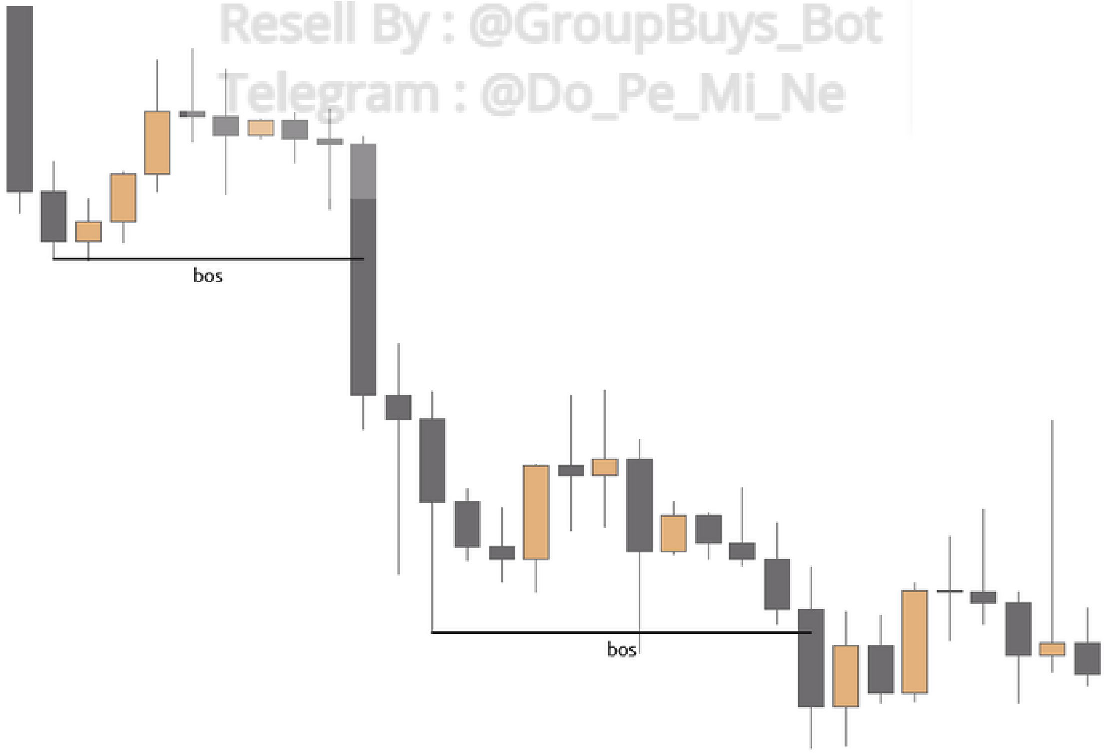
Before I introduce you to the mechanics of the sweep we're looking for, I will explain in a nutshell **what liquidity is,** as I have done at all points so far:

If Smart Money (Banks) want to buy a currency pair they will need sellers in the market, the existing facility to place these positions In the market is called LIQUIDITY.
The Liquidity is defined by Stop losses, where the Stop losses exist is where the liquidity also exists.
Banks needs to activate the stop losses of existing orders in the market so that they can place their positions in the market.

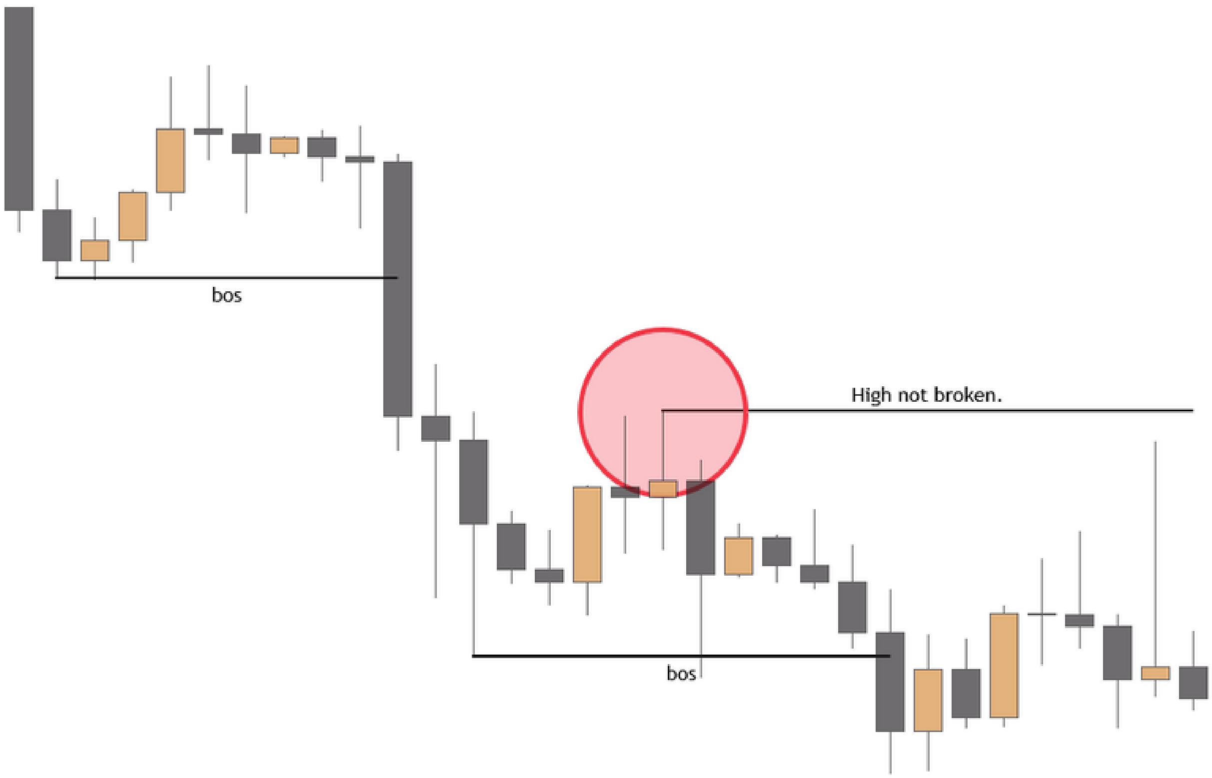
It's not that hard, isn't it? Now that you know the theory, let's see how we determine liquidity sweeps in this strategy. It has something to do with Break of Structure...:
Sweep of the previous Low / High point, and then the continuation of the original trend will be the liquidity sweep we care about in this criteria.

To make it easier for you to understand let's put this in an example:
Price is moving in a downtrend. Series of BOS to the downside. Price suddenly breaks above the last recent structural high point that made the last recent BOS, then it breaks the structure again to the downside.

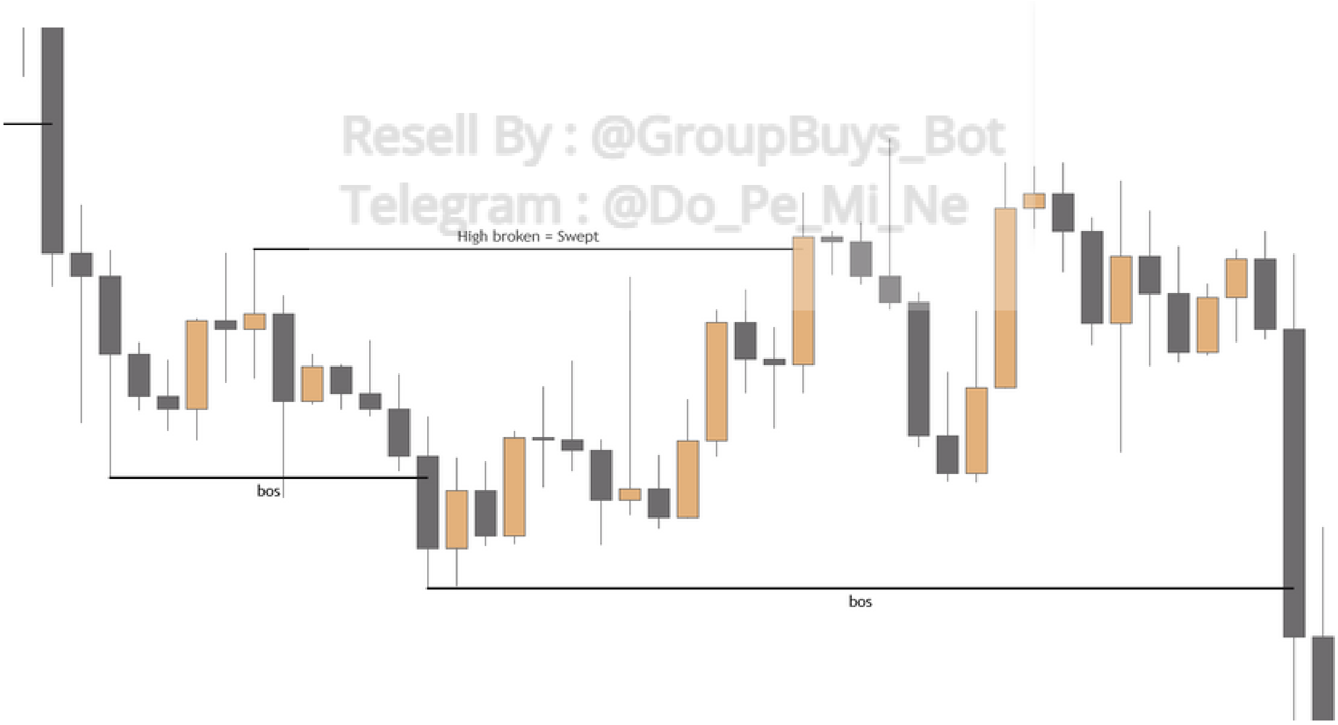
There you go. You have a sweep of liquidity! Let's see some chart examples for this.



So far so clean, price breaks structure to the downside, right?

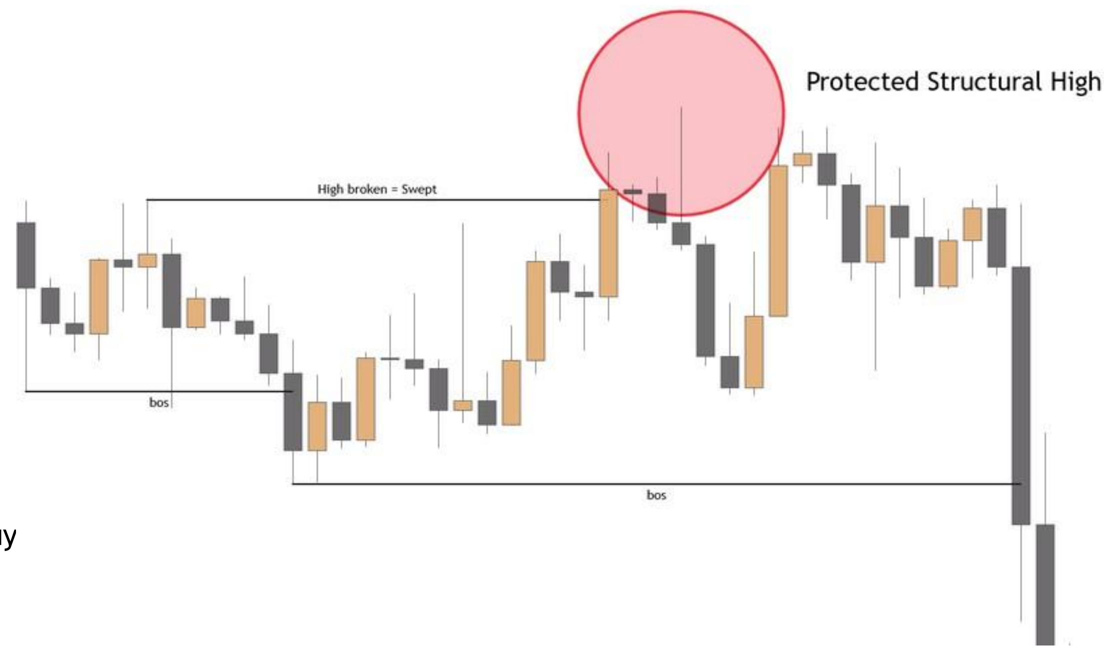


The high marked with a red circle is the last recent structural high point that made the last recent BOS to the downside. This high remains unbroken, we can expect the continuation of the bearish movement.

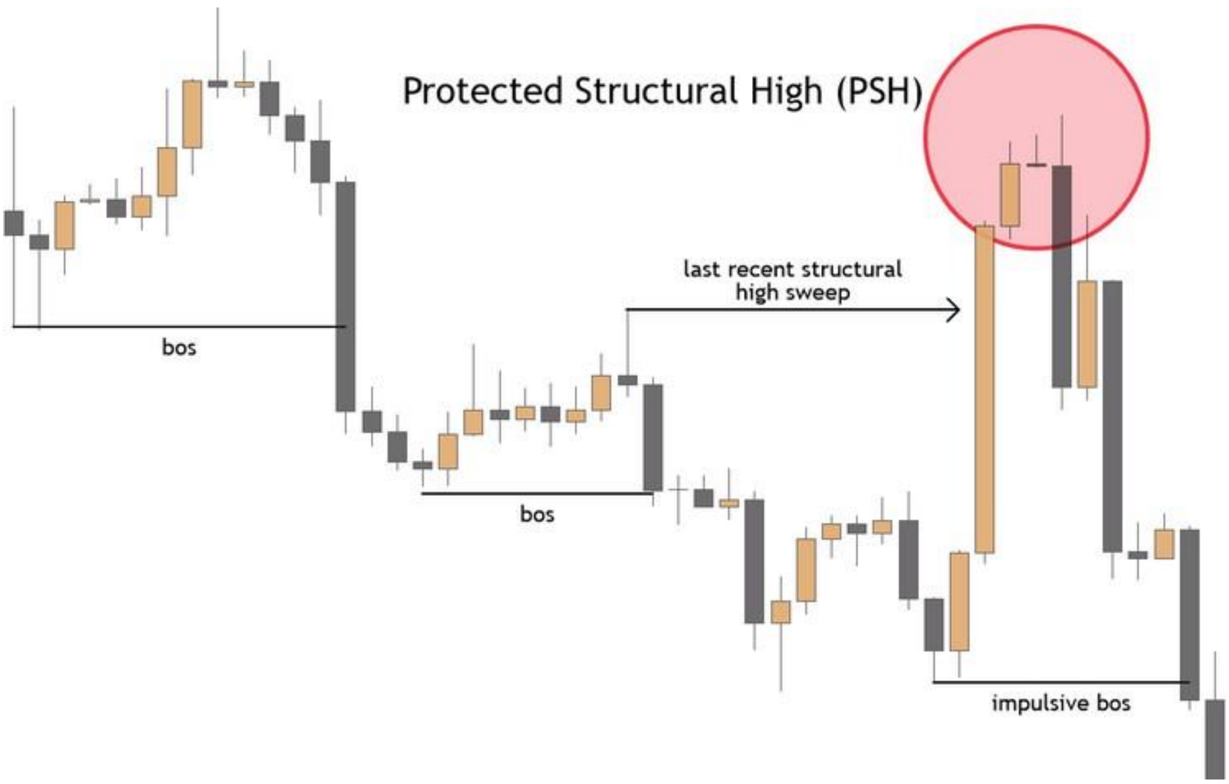


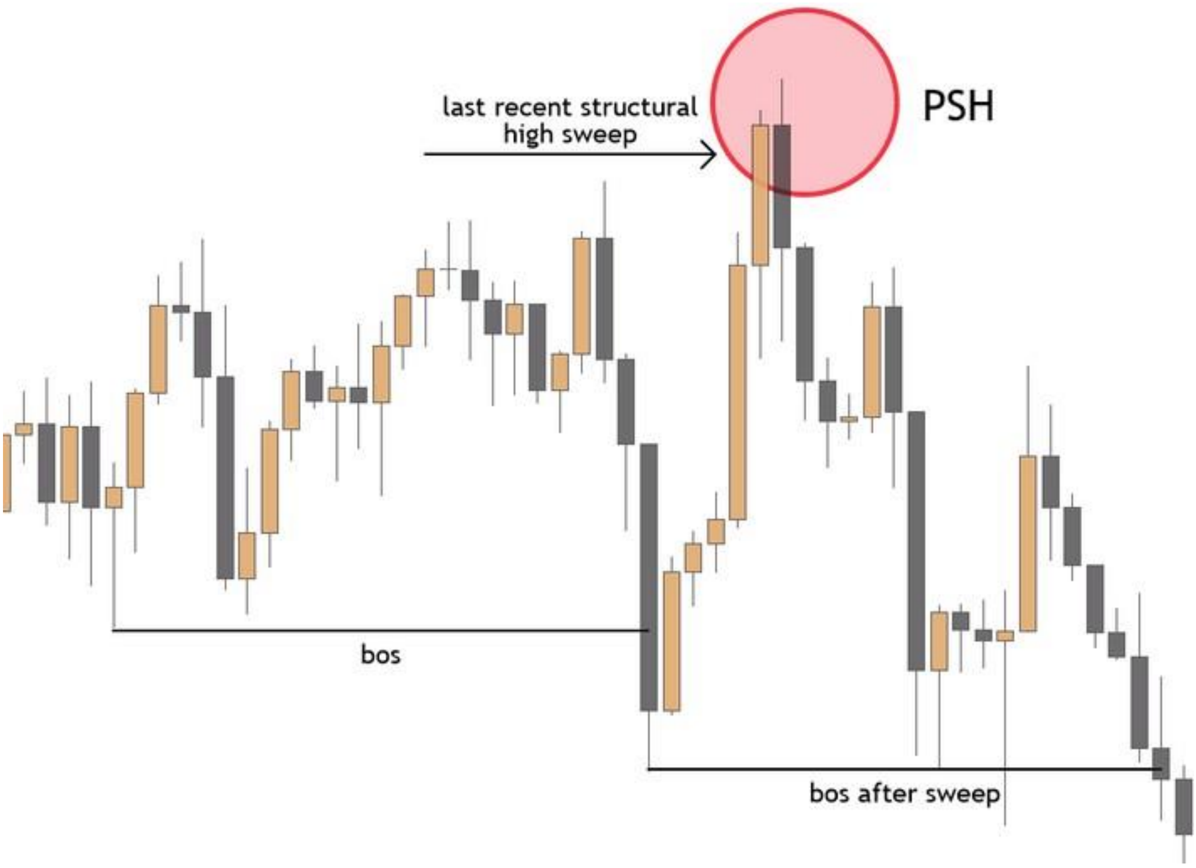
Then after a long consolidation price decided to break the last recent structural high point. This could be a break of structure in itself, but right after the sweep of this high price decided to drop down again with an aggressive bearish impulsive movement, equalling to break the previous low point again, forming a new break of structure.

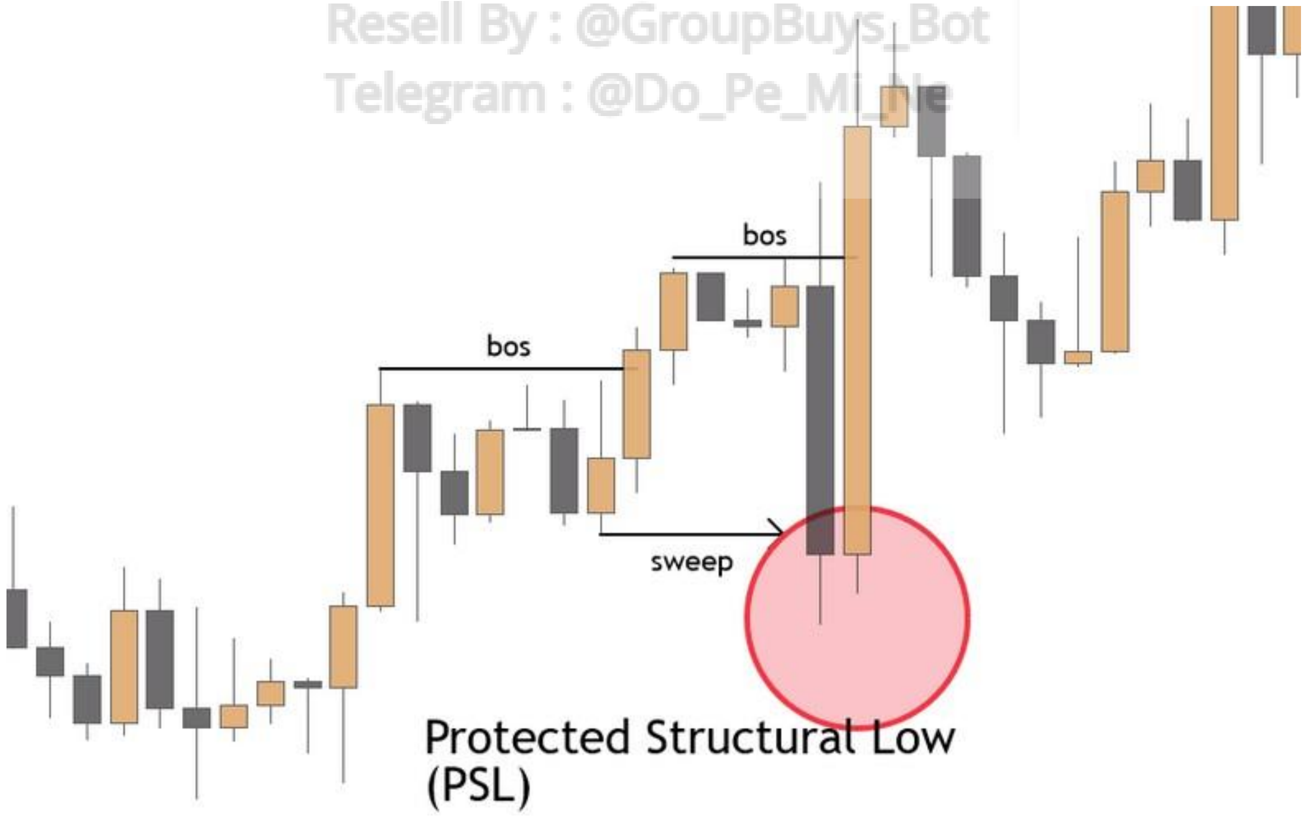
This movement will create a **protected high / low**. We call these structural points “**protected highs / lows**” since they are literally protected. Swept enough liquidity from the previous structural point so they **can not be liquidity themselves**.
Protected means strong, so these structural points are likely to hold price when it retraces to these areas. These are **high value structural points**, and the chance of they are getting broken on a retracement is significantly low. That’s why we use protected structural points for our limit orders.

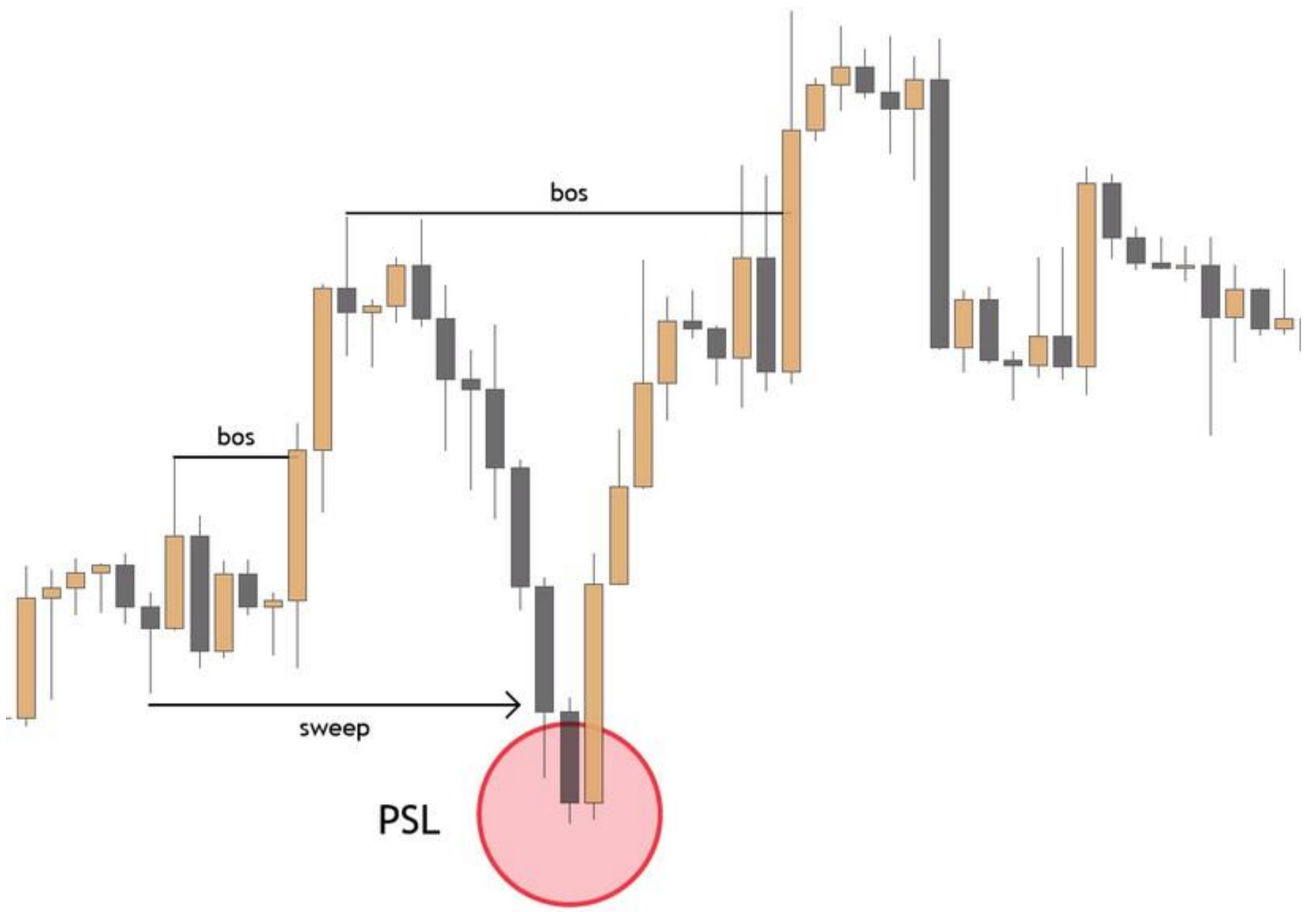


Let's see some more chart examples for these sweeps. I want your eyes to memorize how these movements look like.





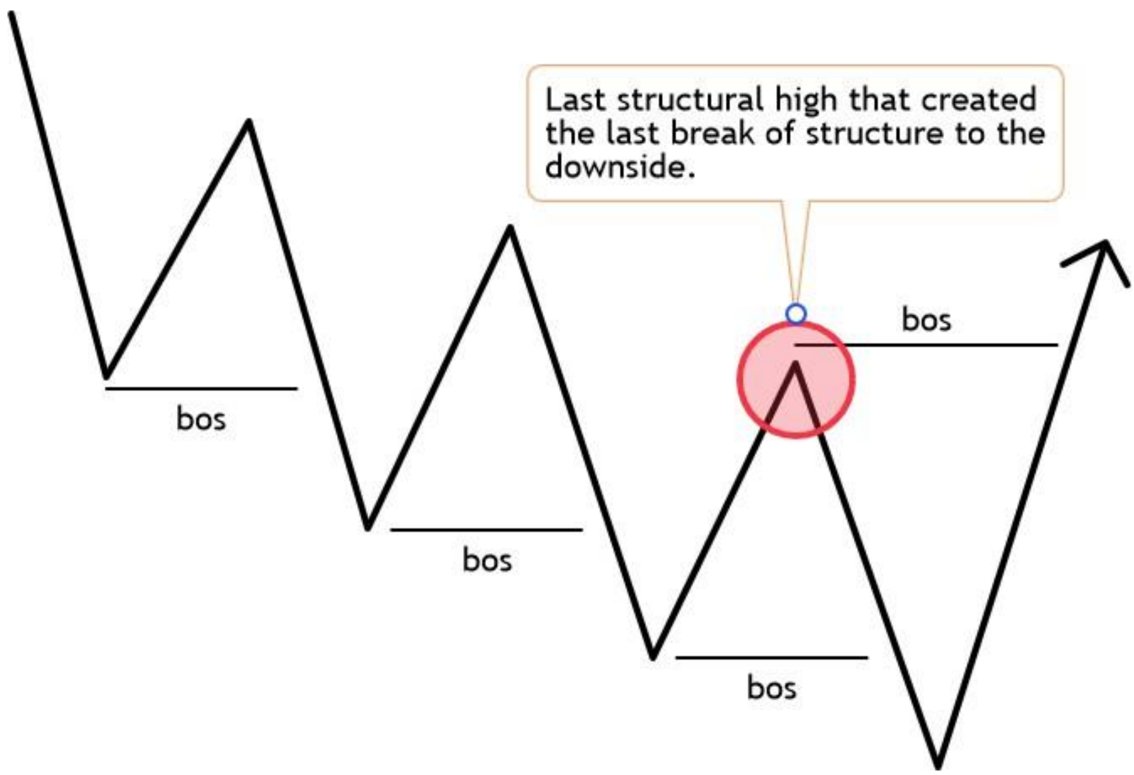

bos
bos
sweep
Protected Structural Low
(PSL)


bos
bos
sweep
PSL

Exceptional examples: How to differentiate a **BOS** from a **sweep?**

Let's take a bearish trend as a basis: price continuously breaks the previous lows, forming new and new structural breaks. All of a sudden the trend **reverses** and price breaks the previous high which created the last bearish break of structure.

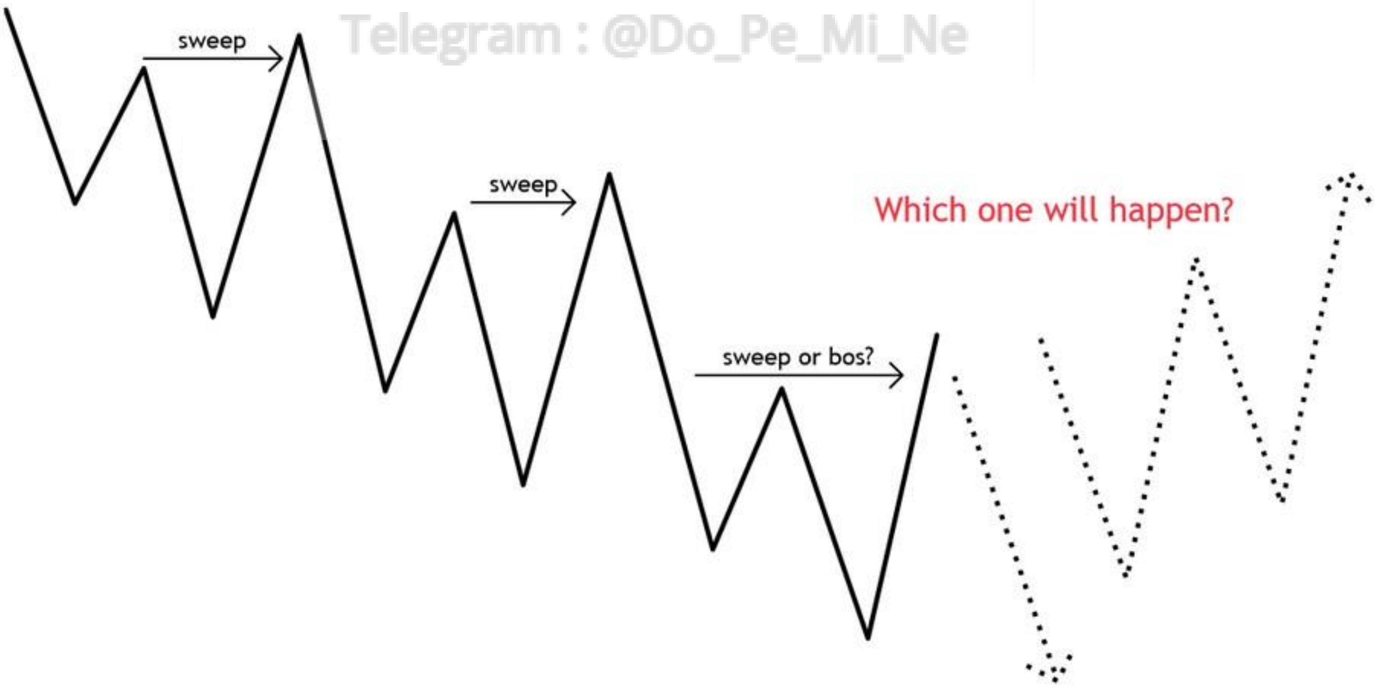
To help you imagine what I'm talking about here's a visual presentation:



In this specific case **how could we tell** if price is just sweeping out the "Last structural high..." to gain liquidity to fuel further shorts, or breaking the high and changing the trend?

Both of the options has a probability to happen, but there's **one huge factor** that could help us decide which is more likely to do so.

To help you imagine what the question is, here's a visual presentation:



We don't know if the break of the last recent structural high will be a sweep or a bos, as we're currently in a heavy bearish trend and many sweeps has happened on the way down.

The "**one huge factor**" that will help us to decide will be the **volume.** Please turn the page to the "Volume" topic, and read that before continuing to read this page.

.... ah you're back. Now that you understand what volume is we can continue.

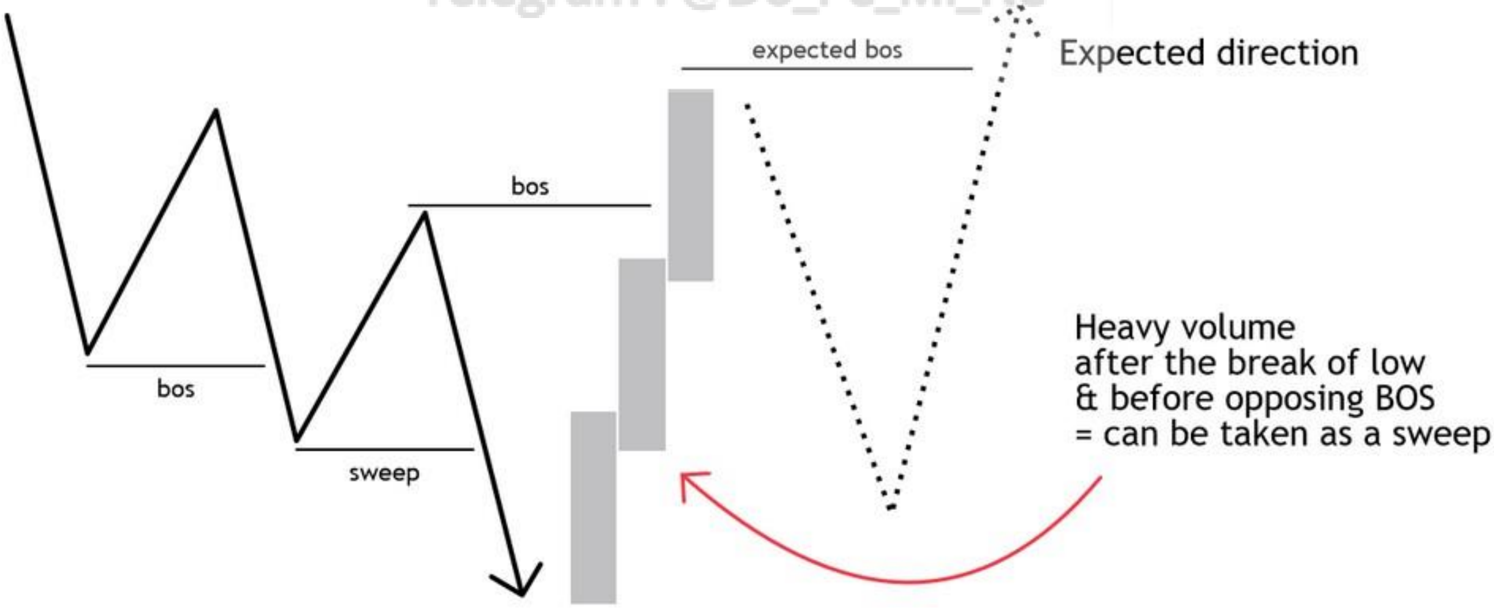
So volume will help us to decide if it's a break or a sweep.

Back to the example: bearish trend, bearish break of structures. Price reverses and breaks the last recent high point.

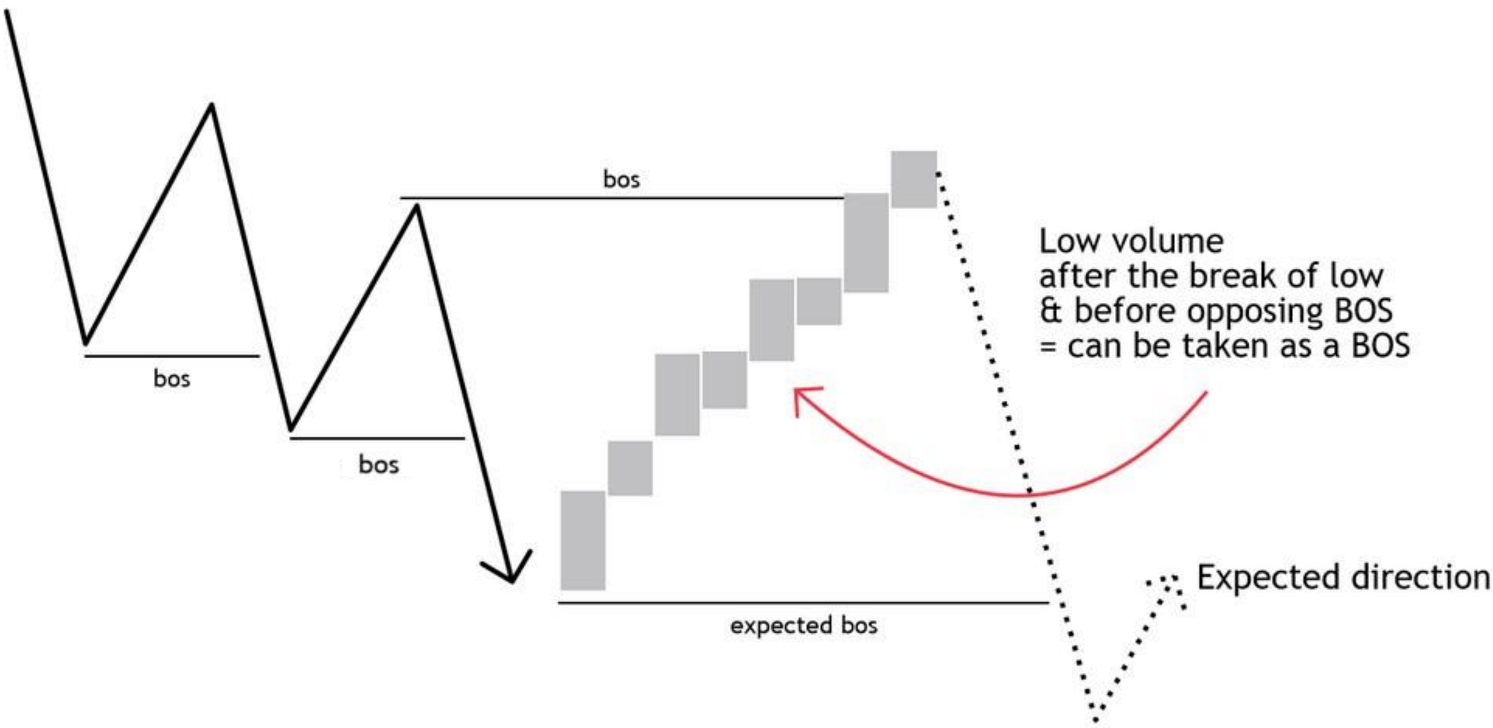
1. If this movement happens with heavy volume, then likely the break of that previous low point was just a sweep of liquidity and the trend will change to bullish from bearish.
2. If this movement happens with low volume, then likely it will only be the sweep of that high point, and the bearish trend will be continued.

Now visualize what has been written down here.

1. *example with heavy volume:*



2. *example with low volume:*

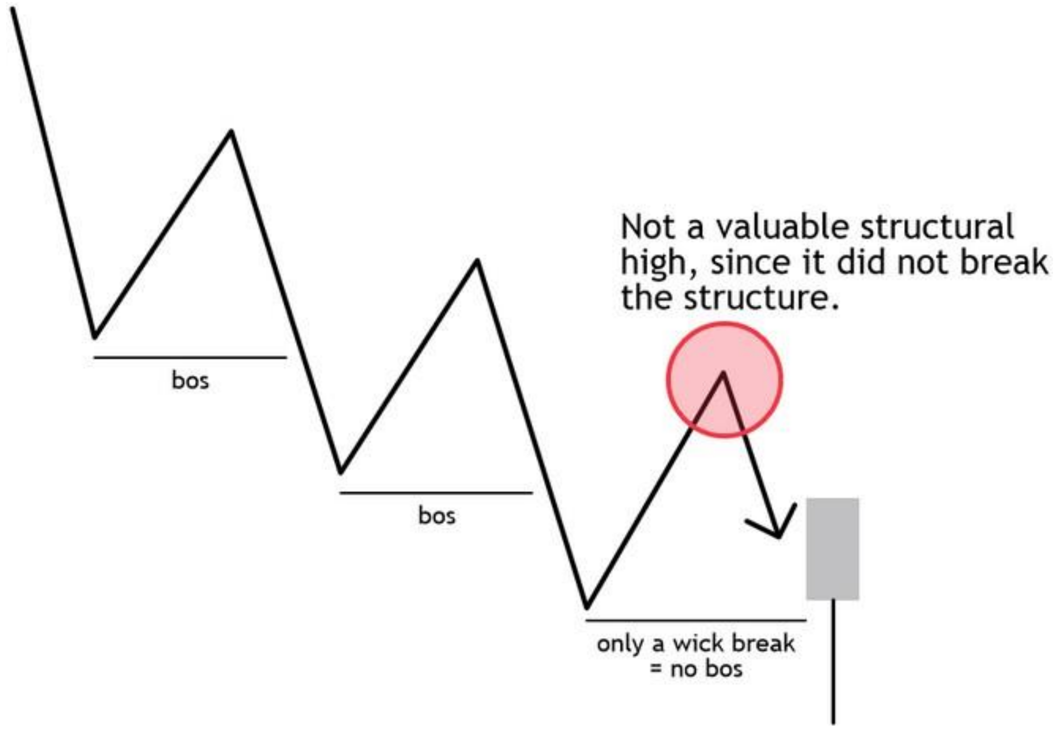


This simple hack will help you to decide which outcome is more likely to happen, however just note that it's never guaranteed!

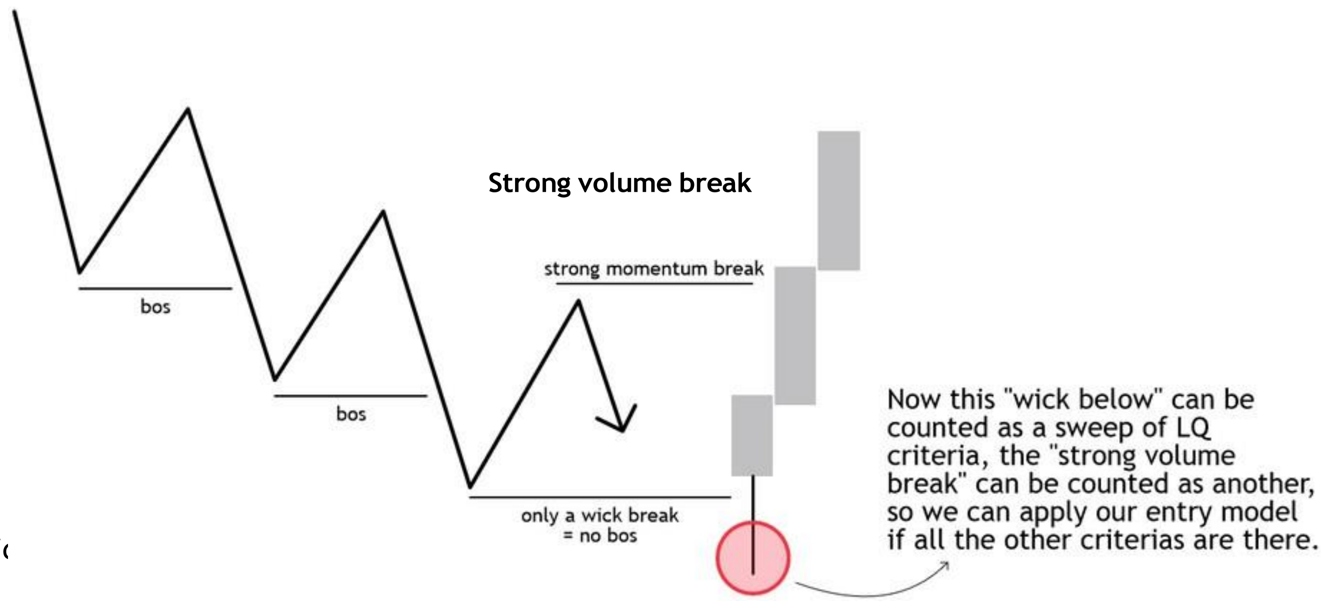
Wick sweep

There is an easy way to find **high probability** reversal trades.

Let's put this right in an example: price is moving in a bearish trend, continuously breaking structure to downside. The last low is broken, but only with a wick, so we **can't** take it as a break of structure.

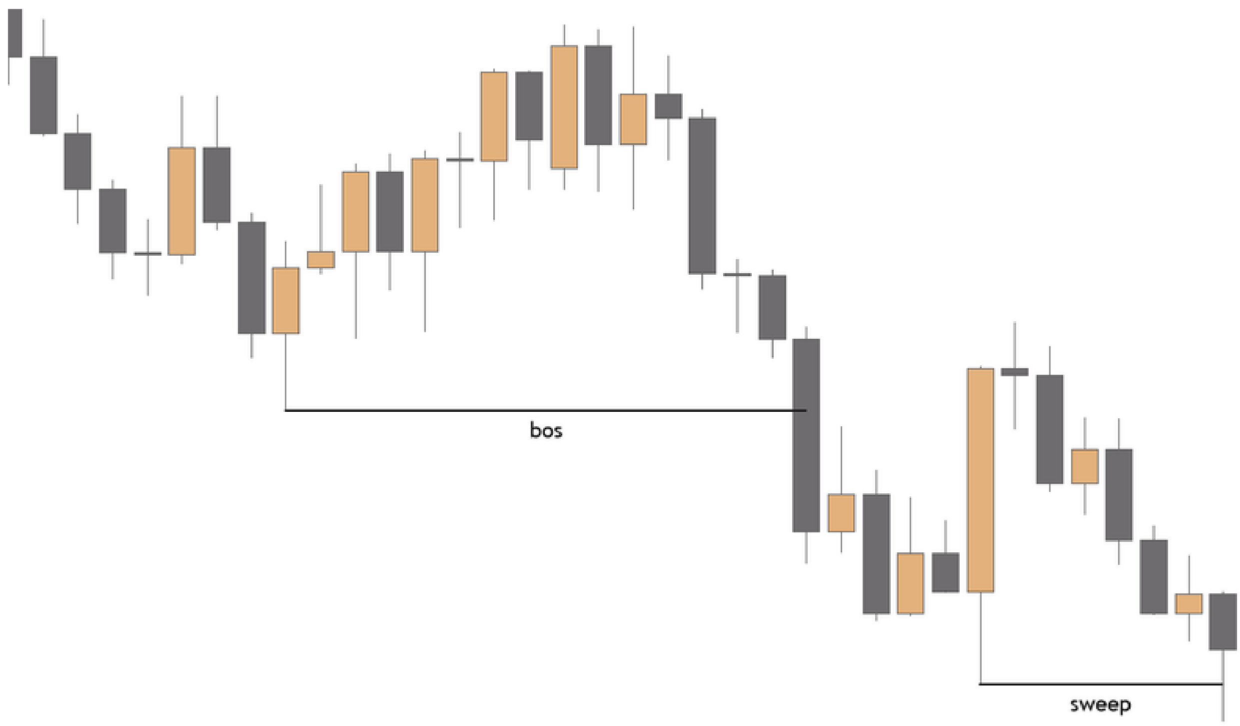


Since price only wicked below the previous low point, the high marked with a red circle won't be a valuable structural high.
But there is a way to make a **valid trading opportunity** out of this: if this high is broken with strong volume.

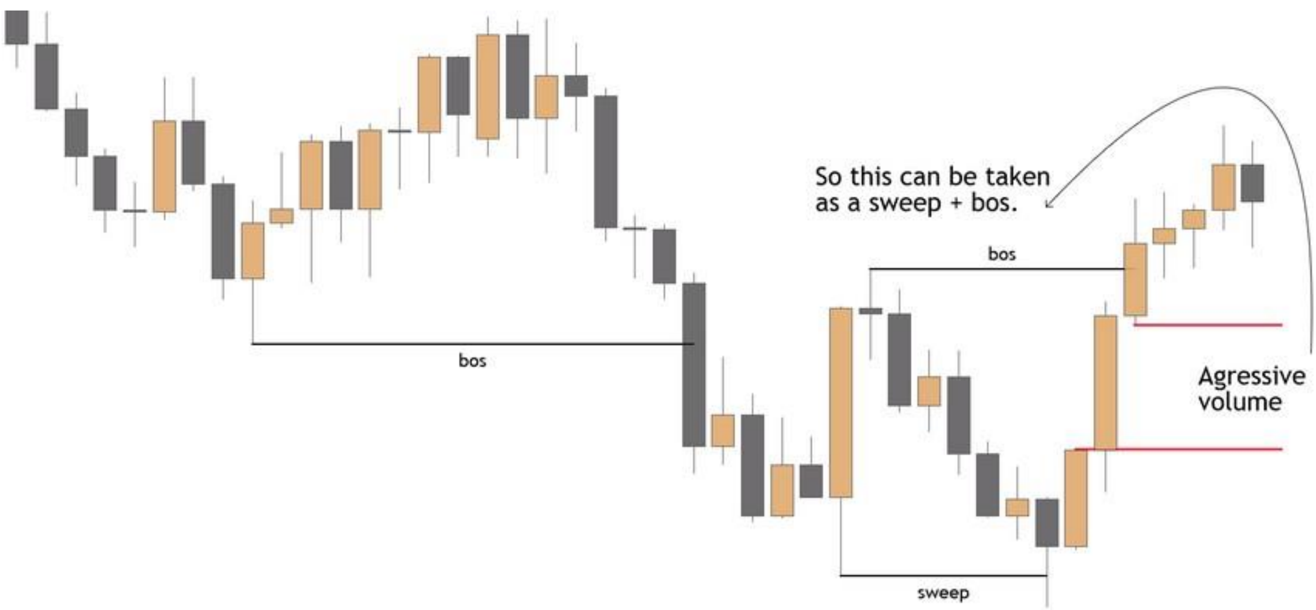


Let's see a **live example** for this wick sweep scenario.

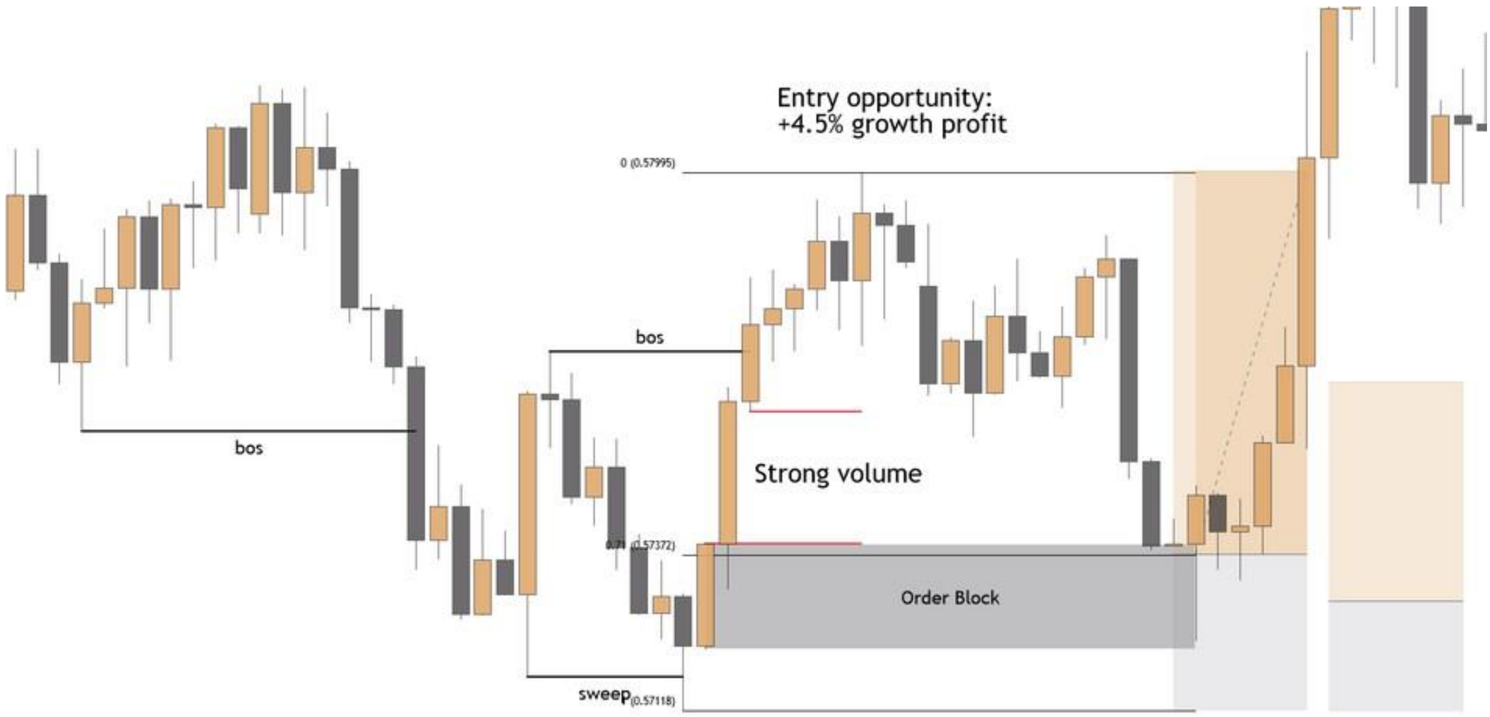
In this example I'm going to show a full trade breakdown. You won't fully understand it as you are not yet in this book to understand the whole trading plan, so I suggest you study the sweep scenario thoroughly from it as that is what this chapter is about and then come back to it when you are at the end of the book to review the entire trade again.



Price is moving in a bearish structure, continuously breaking the lows. The last low got only swept out with a wick, and not broken with a body, so the last structural high can **not** be taken as a valid high.



Price agressively broke through that high with a heavy volume, so this let's us assume that the wick below of the last low is a **sweep**, and the break of the last recent high a **break of structure** (=change in the trend)



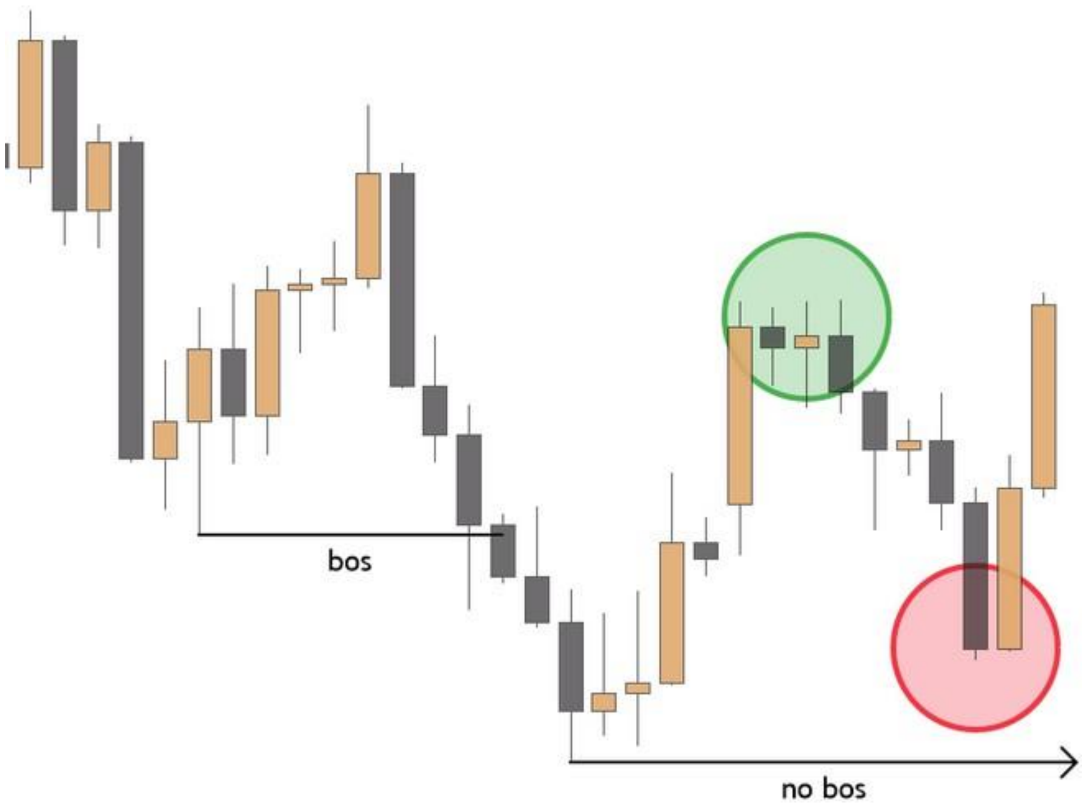
+4.5% capital growth on this trade.

This puts in a situation where if all the other needed criteria are there, we can **take a long trade**.

As it was mentioned on the previous page, this full trade example will all make sense once you finish the whole book.

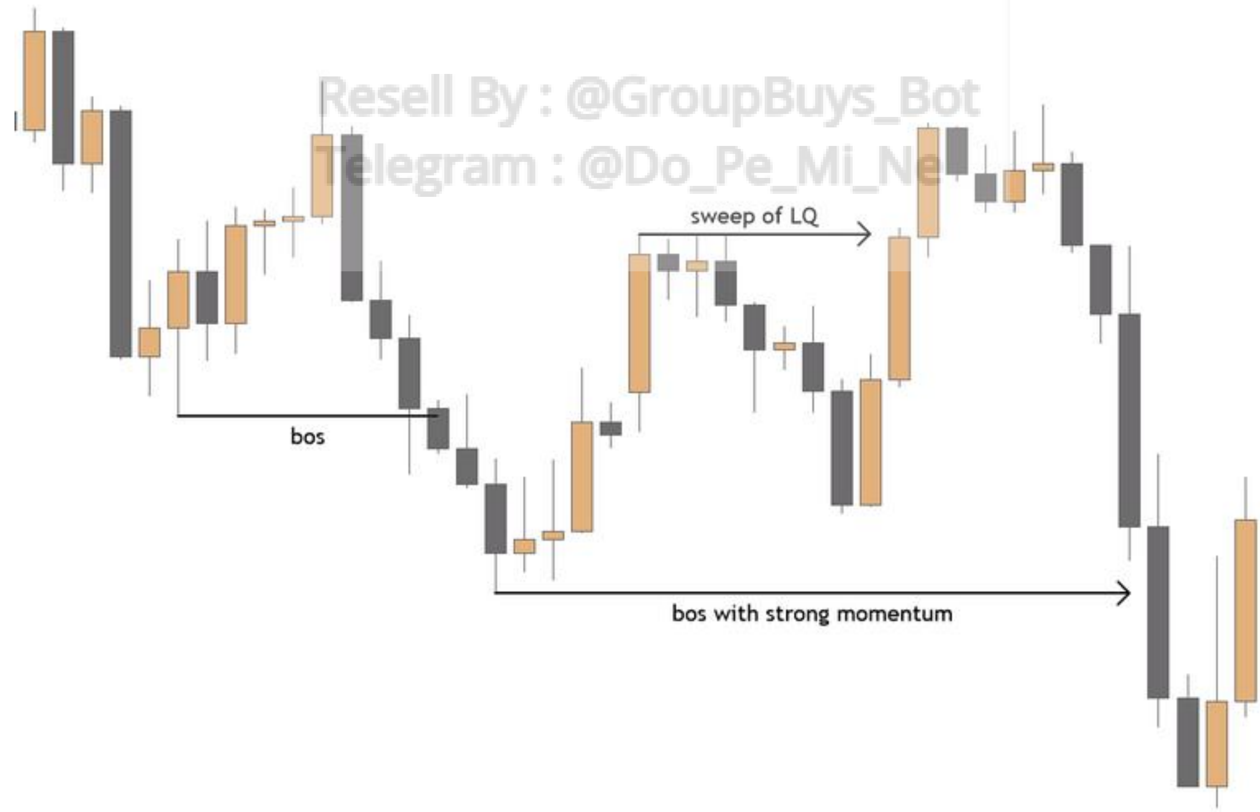
Medium Probability Sweep

Liquidity sweeps also have a **medium probability** type.
These kind of sweeps can't be considered as high probability ones, therefore the setup coming after won't be high probability either, but it's trade-able.

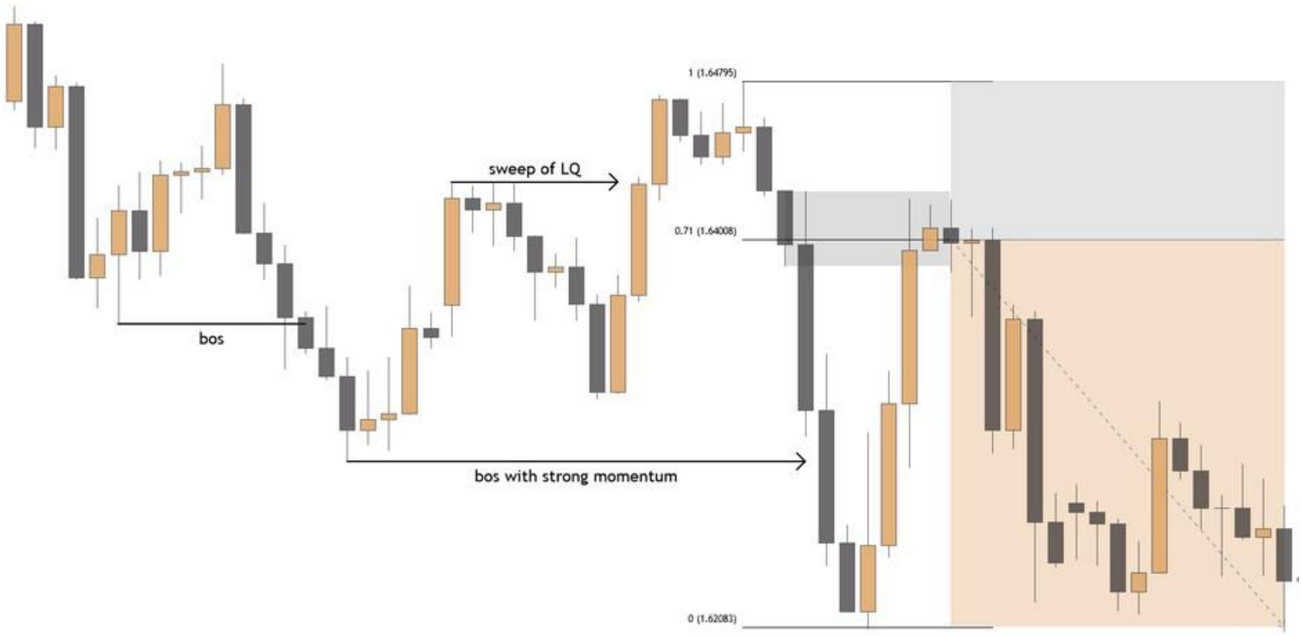


Price is moving in a **down trend**, breaking the structural lows continuously. The high marked with a green circle failed to break the last recent low, so no new break of structure has been created.
This high is a sub-structural high. If price sweeps this high out then it aggressively breaks the structure to the downside, then it can be considered as a sweep, but only as a medium probability.

The break of the low has to happen with strong volume in order to be able to rely on this situation with a trade limit. If a bos happens, but it happens without volume then the whole setup will be invalid.



Sweep of the previous green circle high happened, then a strong structure breaking volume was presented. This means that we can trust this situation with a limit order, but we have to keep in mind that this is only a medium probability trade setup, so it has a higher chance to fail than a high probability one!



Trade limit set, setup played out, TP hit. Once your finished with this book please scroll back to this example and take a better look at it as it might seem incomprehensible without a proper context.

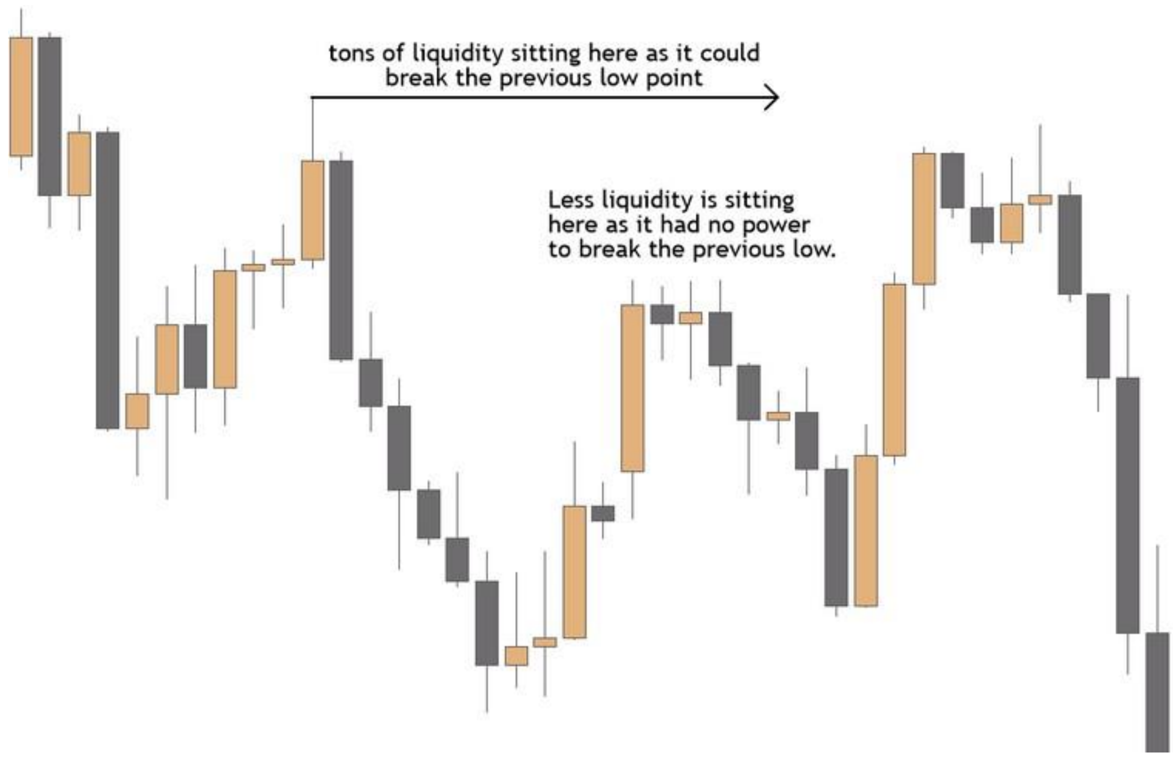
It hurts me as hard as it hurts you to use a blank new page for this small explanation, but I can't leave it out...

Why will it be a medium probability sweep? What is a "medium probability" on the first place?

The probability of a satewill increase by the amount of liquidity swept out. Imagine the amount of liquidity placed into the market on a movement that is capable of breaking the previous structural point. If that high is getting swept out then all of the liquidity used to create a bos will be collected and re-opened.

Now imagine a high that is not capable of breaking the previous structural low point. Means less liquidity got pumped into the market on that exact movement, right?

So what happens if that high is getting swept out?
Liquidity is still getting collected, but significantly less amount. If significantly less amount of liquidity is getting collected, then the upcoming continuation movement will have access to less liquidity to fuel the movement, therefore the probability of the setup will lower.



VOLUME

Volume will be one of the easiest parts of this strategy. I could also say that you don't need to be a brain surgeon to understand.

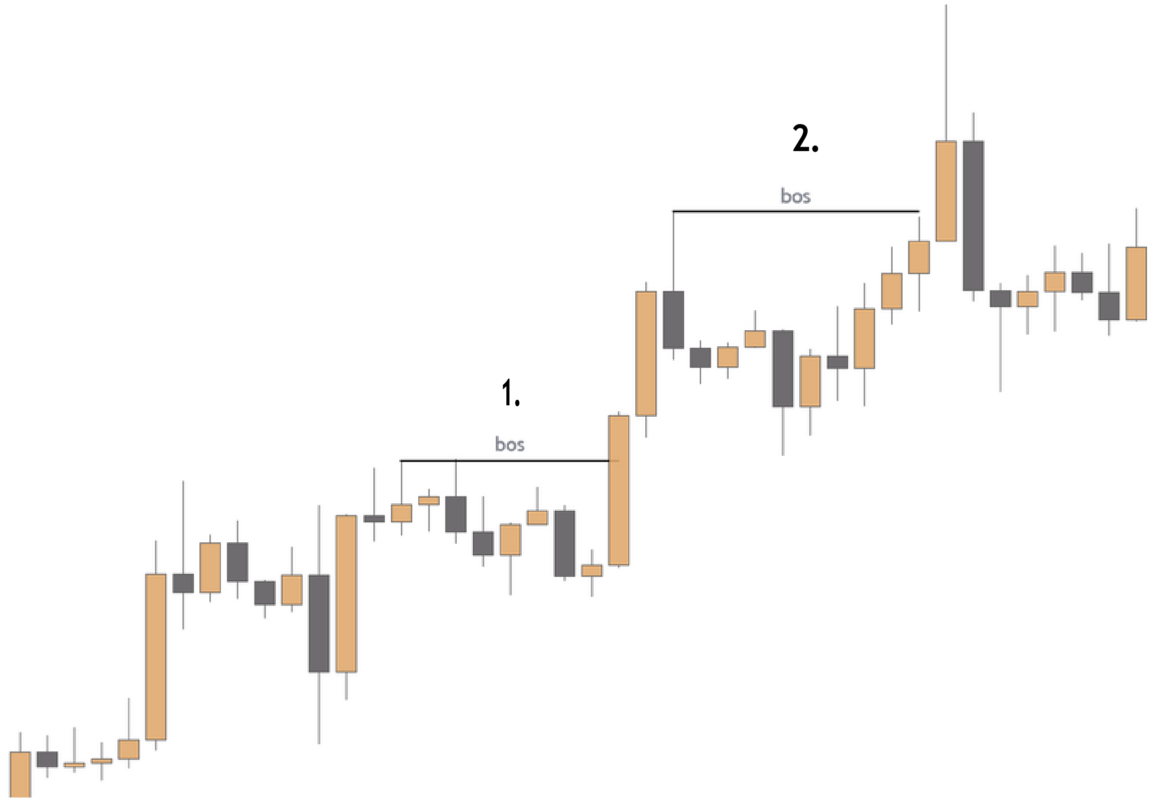
As always the theory sounds like this:
Volume in forex is the number of lots traded in a currency pair within a certain time period. In other words, the amount of currency bought and sold. Volume on its own means very little, but in the context of price action and momentum, it can tell us whether trends are likely to continue or not.

To put it in an even easier context volume will determine the strength and likelihood of the continuation for a certain trend.

By examining the volume of a given movement, we are actually analyzing the price action. We look at how many buy and sell orders are placed at the same time.
If a large volume can be discovered within the structure breaking movement, then it is likely that the trend will continue in the direction in which the break occurred.
If this break occurs with low volume, it is likely that the sellers/buyers are close to suffocation, the market has run out of liquidity, so we cannot expect the continuation of that particular trend.

Sounds a bit complicated in theory, but as always it's much easier to understand the logic through charts.

So how do we determine if there’s momentum or not?
By analysing the candles formed before a structure breaking movement.



What we see right here on this example is that price is moving a clean bullish structure, breaking the previous highs over and over again, forming bullish break of structures.

I marked out 2 BOS lines in this example, and we will break these two down. They might seem the same, since on both of the numbers a BOS has happened, but in core they are significantly different.

You could rightfully ask the question: **Why are they different?**
They both broke the structure, the pullback movement before the break is weak on both, so what could differ?

The answer is: **THE VOLUME.**

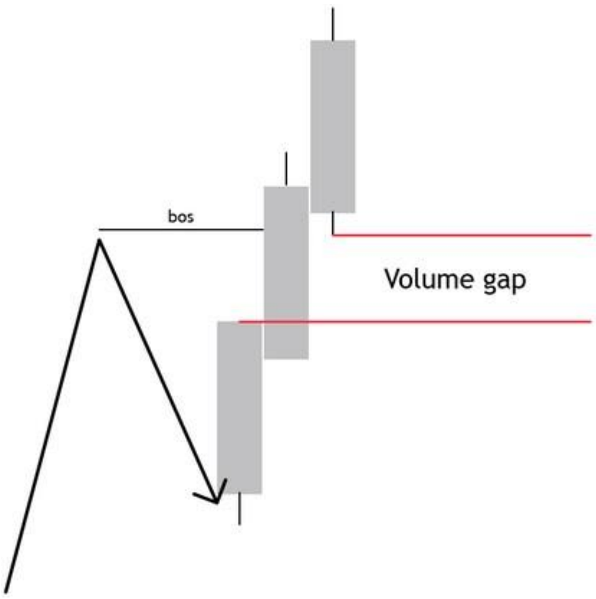
One of the structure breaking movement happened with volume, one without.
This could sound like a witchcraft, so first let me explain what volume is,

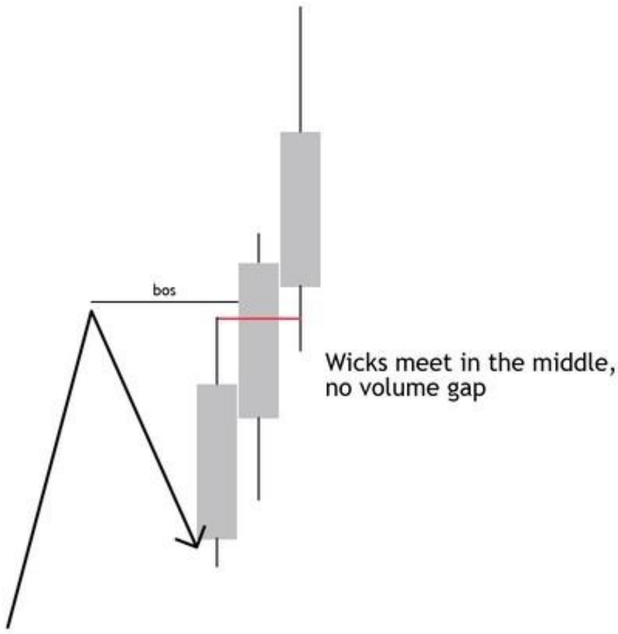
then let's break both of the moves down in details.

First of all you’re going to need a heatmap like this:

I’m just messing around lol. We don’t need any of these tools or indicators. As I said even a 10 years old child could be capable of learning this strategy.

The only thing we have to examine is the position of the wicks and bodies on each candle.



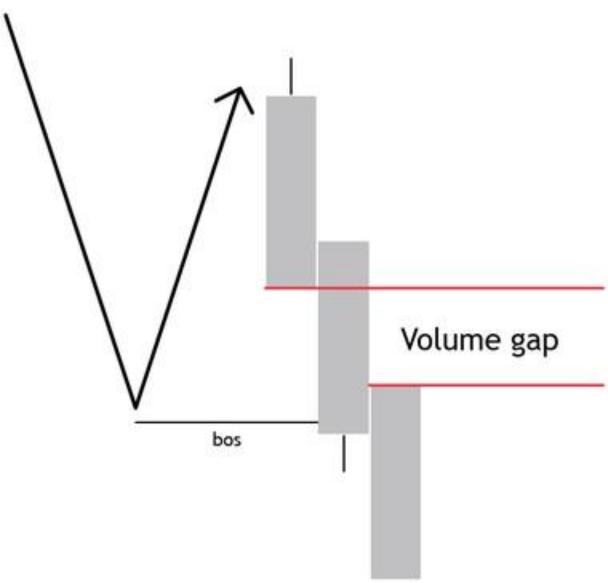


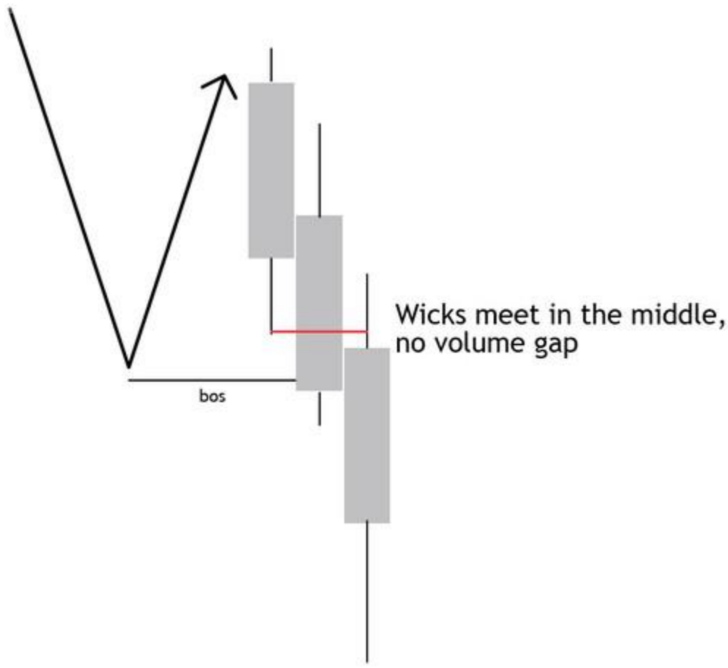
We need to use at least three candles as a basis for examining the volume. If the top of the first candle (either wick or body) and the bottom of the third candle (either wick or body) do not meet in the middle, it is most likely that high volume positions have been opened.

If the top of the first candle and the bottom of the third candle meet in the middle, then the opposite will be the true statement: small-volume positions have been opened.

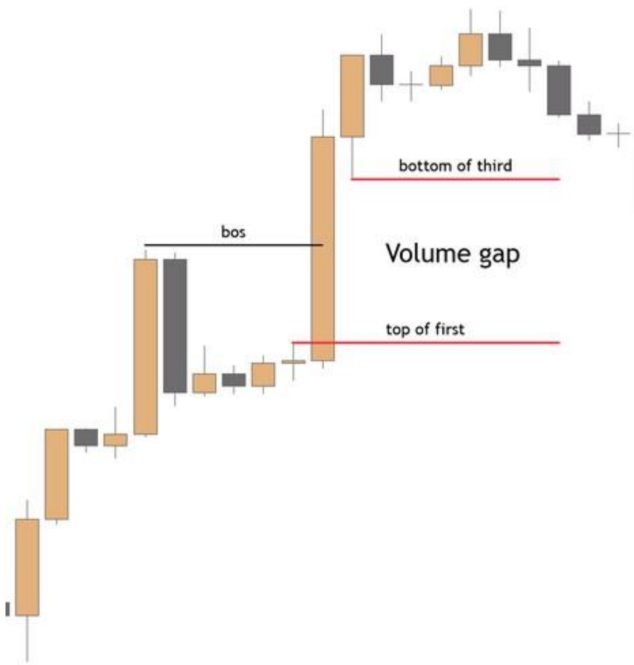
The more volumeous candles we can identify the higher the likelihood of the trend continuation will be.

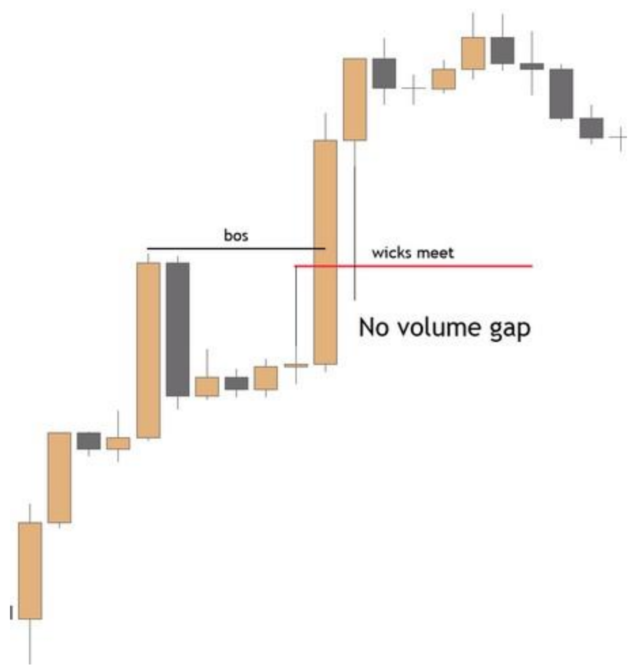
Obviously the same applies for the bearish direction, with one exception: this time the volume will be created inbetween the bottom of the first candle, and the top of the third candle.



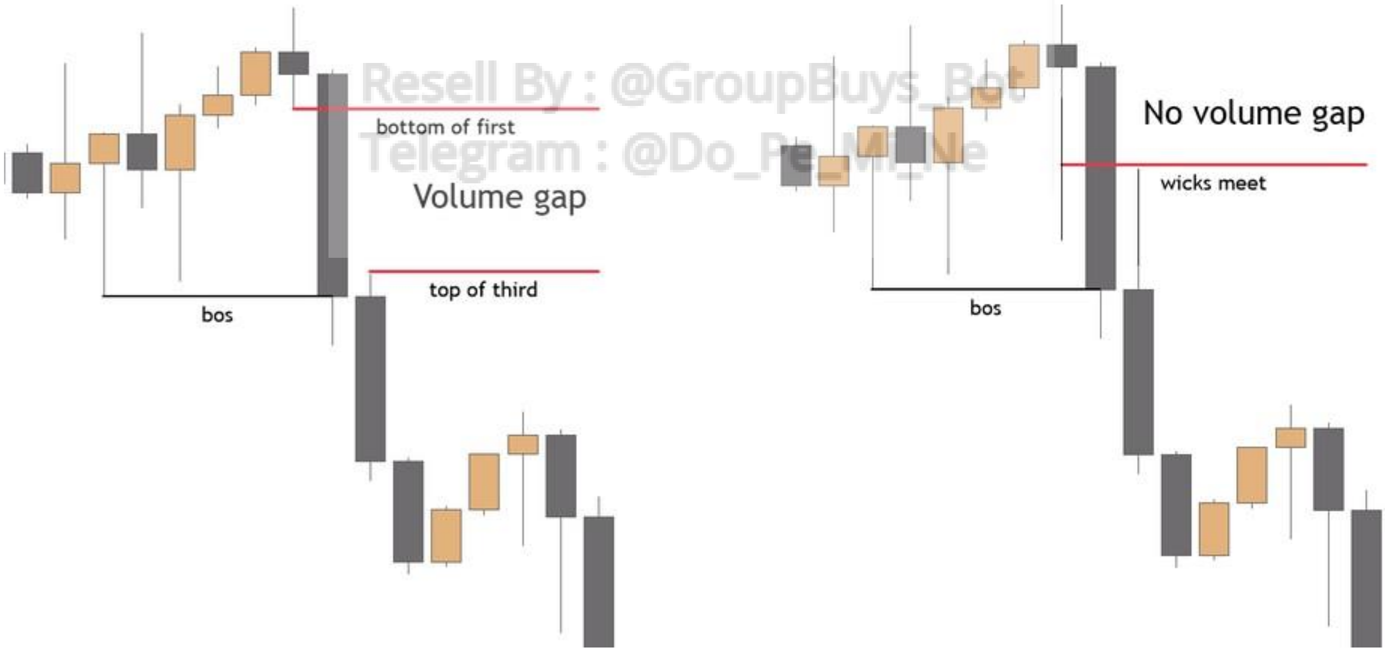


Let‘s see a live example for this criteria:



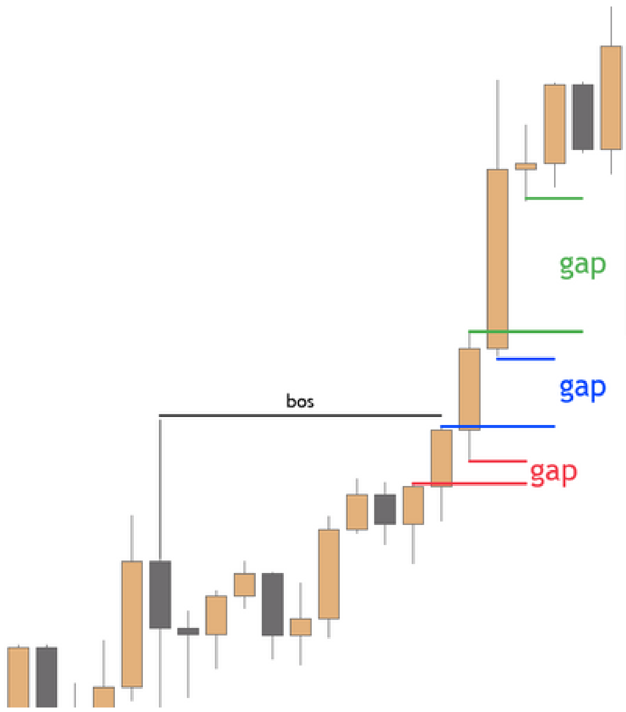


Bullish example

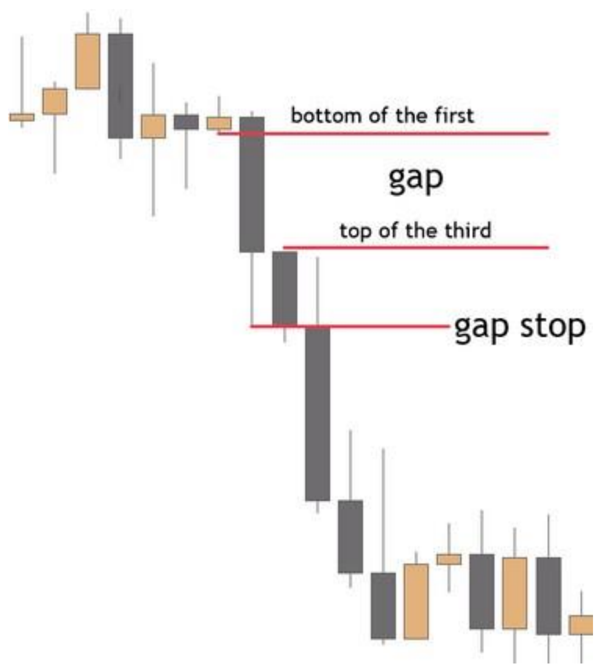


Bearish example

As it was previously mentioned: The more volumeous candles we can identify the higher the likelihood of the trend continuation will be.



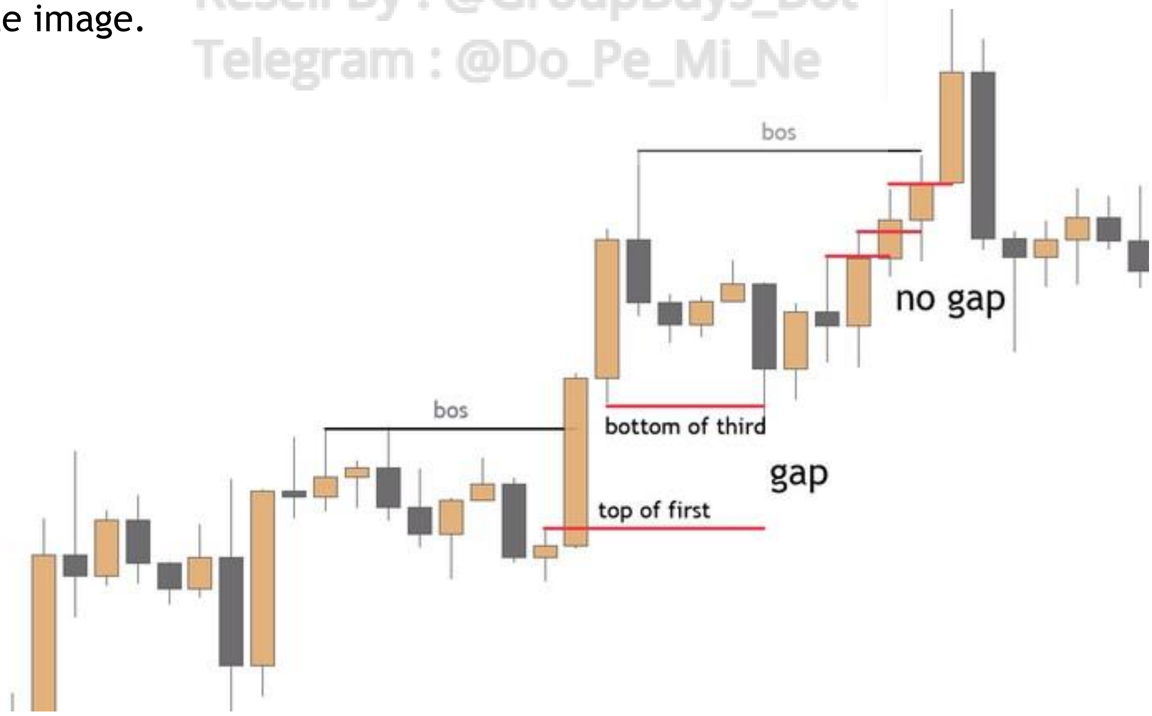
Multiple gaps



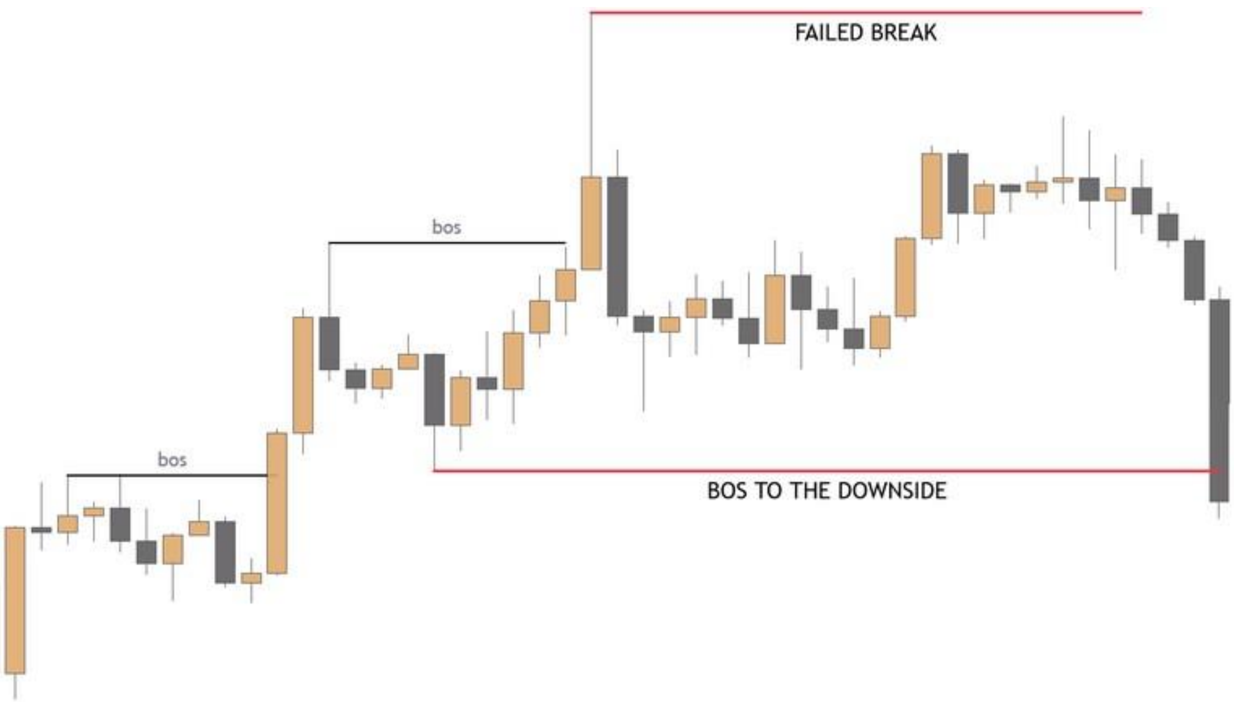
Gap stop

This particular **gap stop** will not change the fact that the gap has once been created, it can only be a **cautionary sign** that the trend may change later. If we see **multiple gaps**, it can be a **good sign** that we are trying to trade in the right direction.

Now that we can apply the theory on our charts let's return to that first example image.



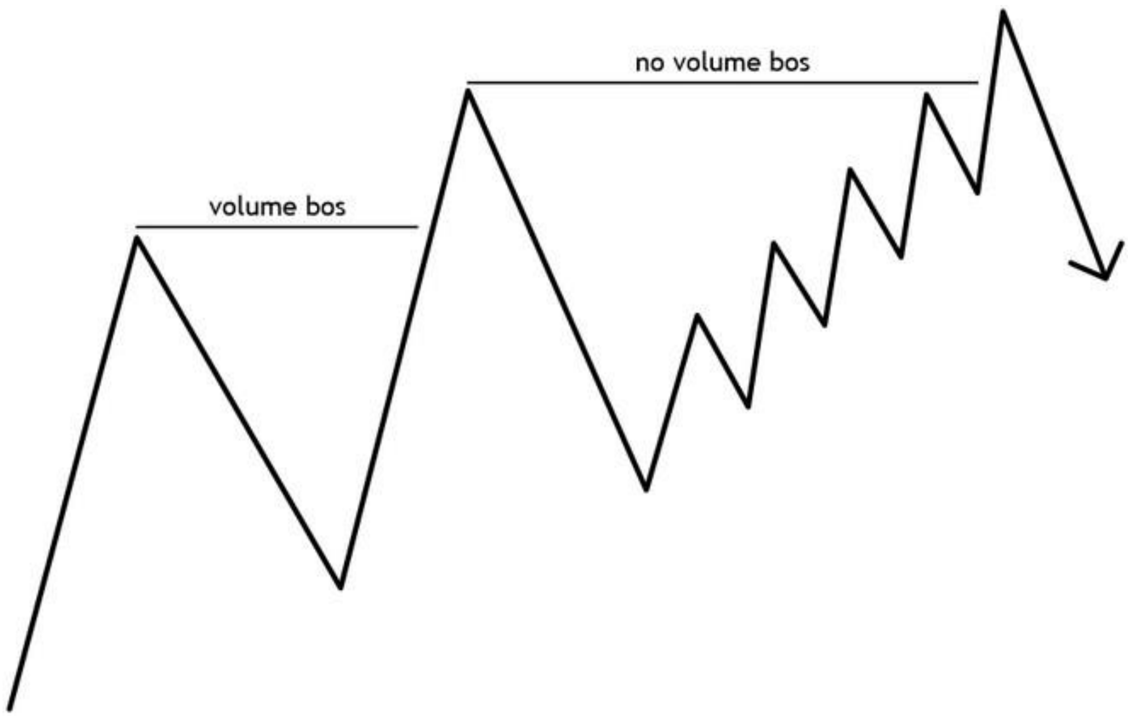
Now we can clearly see that the difference inbetween the first and second BOS is the volume. On the second BOS there's no volume at all, so as a referation from the theory: "*If this break occurs with low volume, it is likely that the sellers/buyers are close to suffocation, the market has run out of liquidity, so we cannot expect the continuation of that particular trend.*"



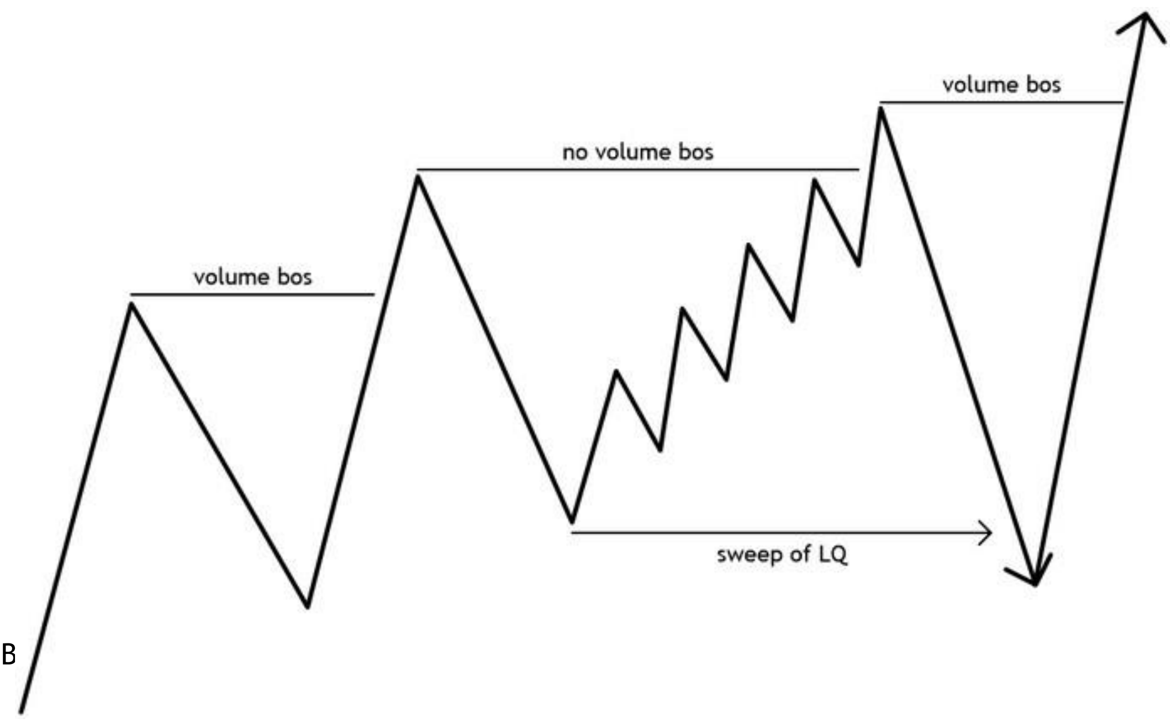
The theory seems to be confirmed: BOS without volume resulted in the stoppage of the continuation of the trend, followed by a structure break in the opposing direction.

No Volume Breaks

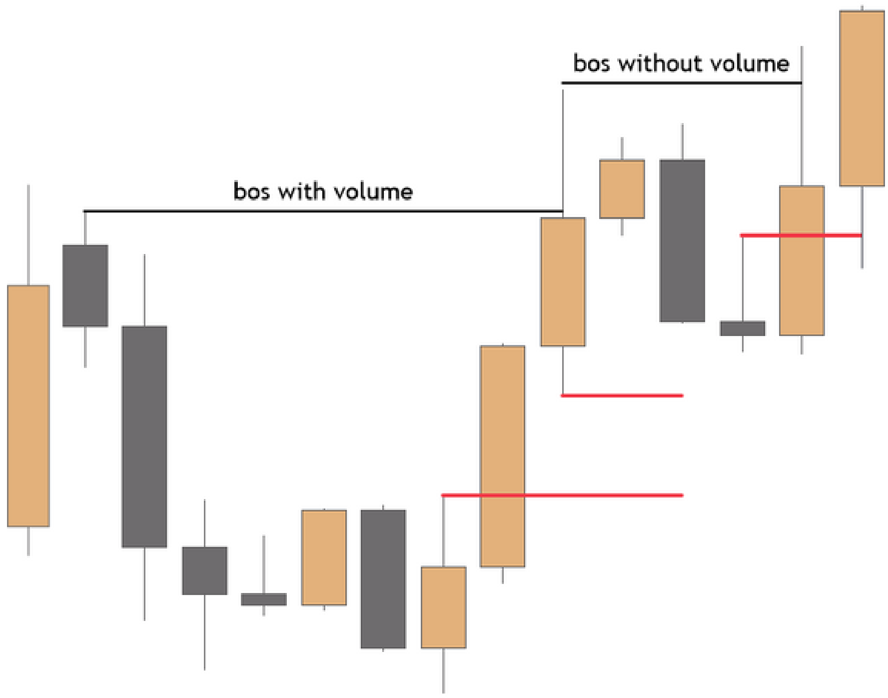
Let's imagine a bullish trend. In this trend price keeps breaking structure to the upside. The last recent continuation structural break happened without volume.



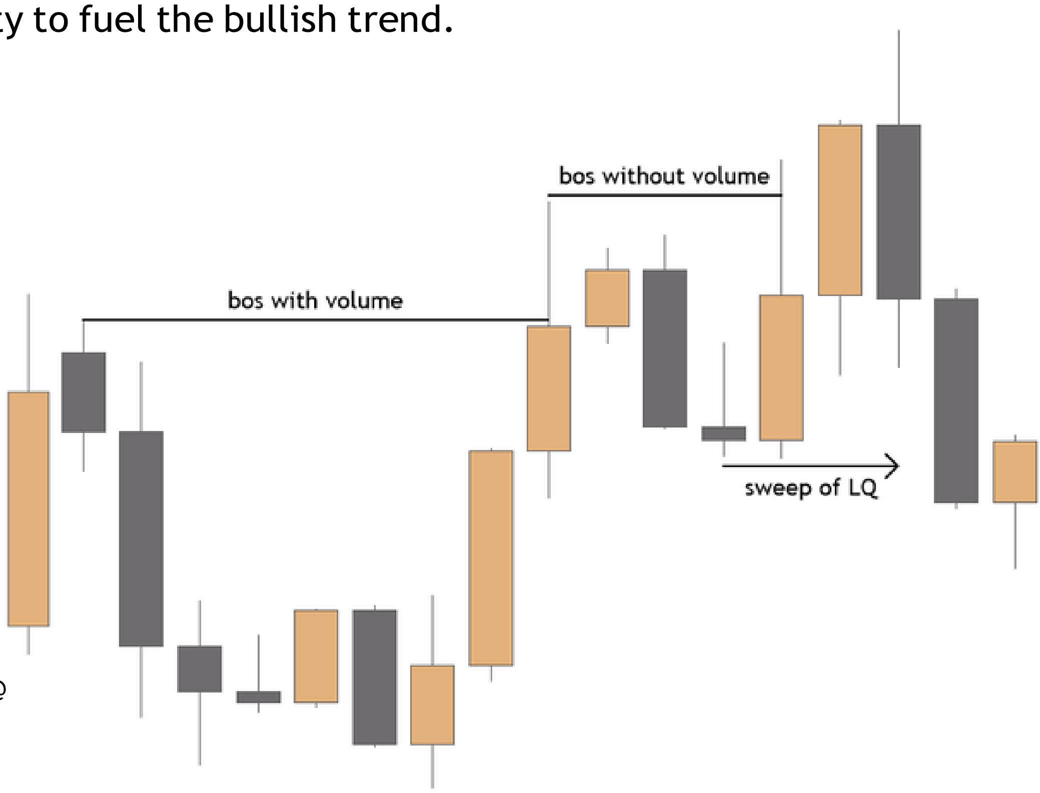
If price forms a continuation bos without leaving volume behind, then most likely the low that caused the break will be used as liquidity and will be swept out.



This situation has a high chance to happen since structure break without volume means that market is lack of liquidity to continue the trend, so it has to wipe some out.
The closest point of liquidity will always be the most recent structural low (in a bullish example), so if that low is getting swept out then market will have access to liquidity to fuel the trend again.

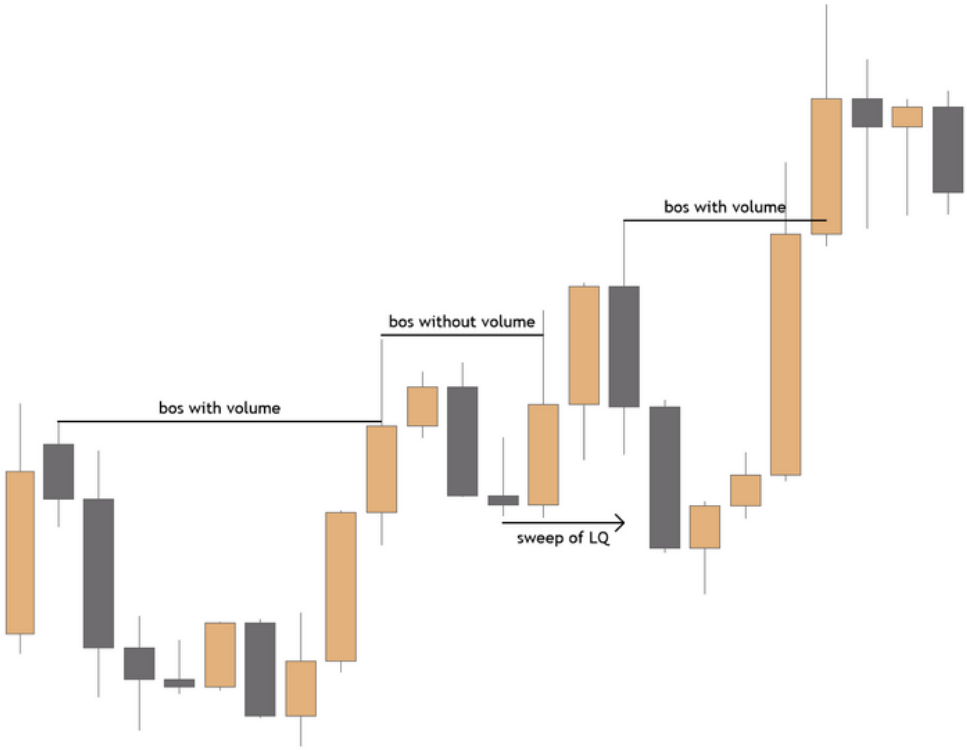


In this live example you can see that the first bos occurred with volume, the second without.
From this we can strongly conclude that the low causing the no volume structure breaking movement will be swept out and will be used as liquidity to fuel the bullish trend.

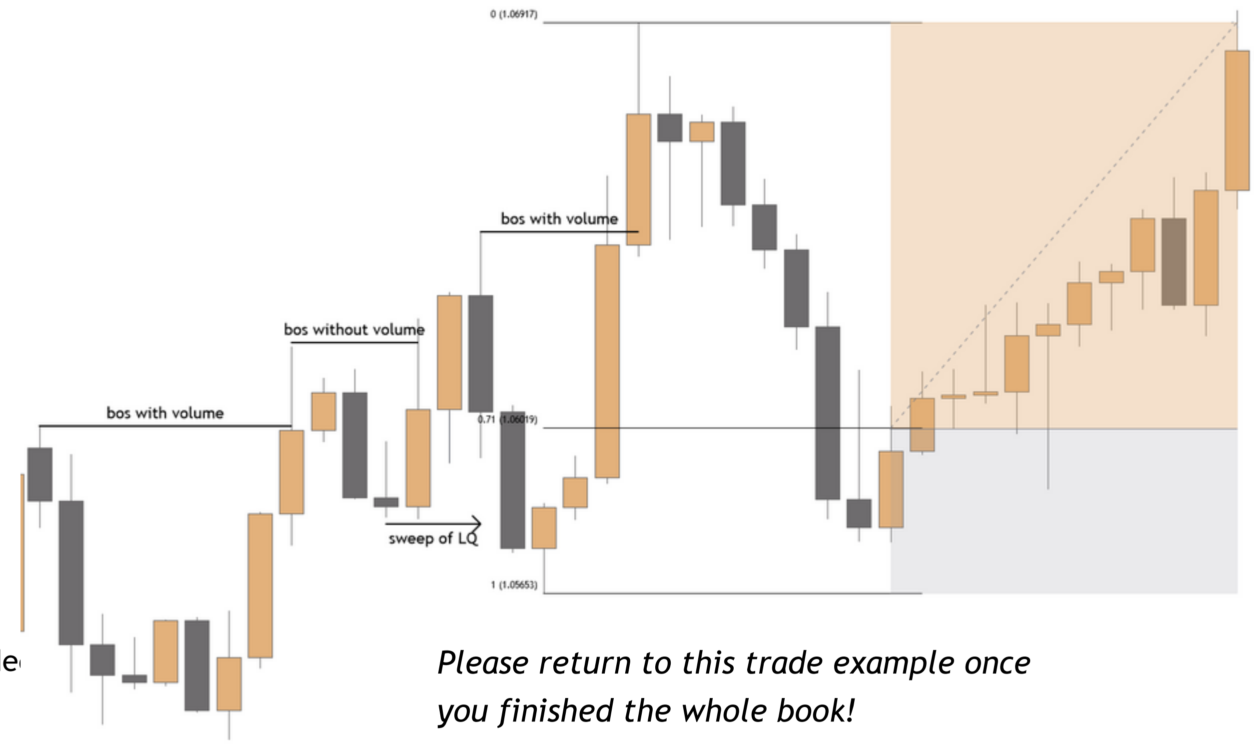


Sweep of liquidity happened, now we can expect the continuation of the bullish trend.

(We might take a note here that the continuation of the bullish trend is not always guaranteed! We could witness the reversal in the trend also, but it is not a problem for us either! If a reversal happens, then we will be able to trade the short side of the market!)



Continuation of the bullish trend happened, strong structure breaking volume to the upside after sweeping out the previous low point.



Please return to this trade example once you finished the whole book!

ORDER BLOCK

What are order blocks?

Order blocks represent specific areas within price action in which it is believed that large market participants such as institutional traders, hedge funds, and banks have previously placed significant buy or sell orders. Due to the weight of institutional participation, these areas on the chart can cause a strong reaction in price movements, acting as levels of powerful resistance and support.

The most important thing to understand about these institutional orders is that there is no protective stop loss being used. The reason behind this is because institutions hedge their positions (buying and selling simultaneously).
You might ask it for a reason: “Why don’t they use a stoploss, and why do we?” The answer is simple, they move the market, they do not lose.

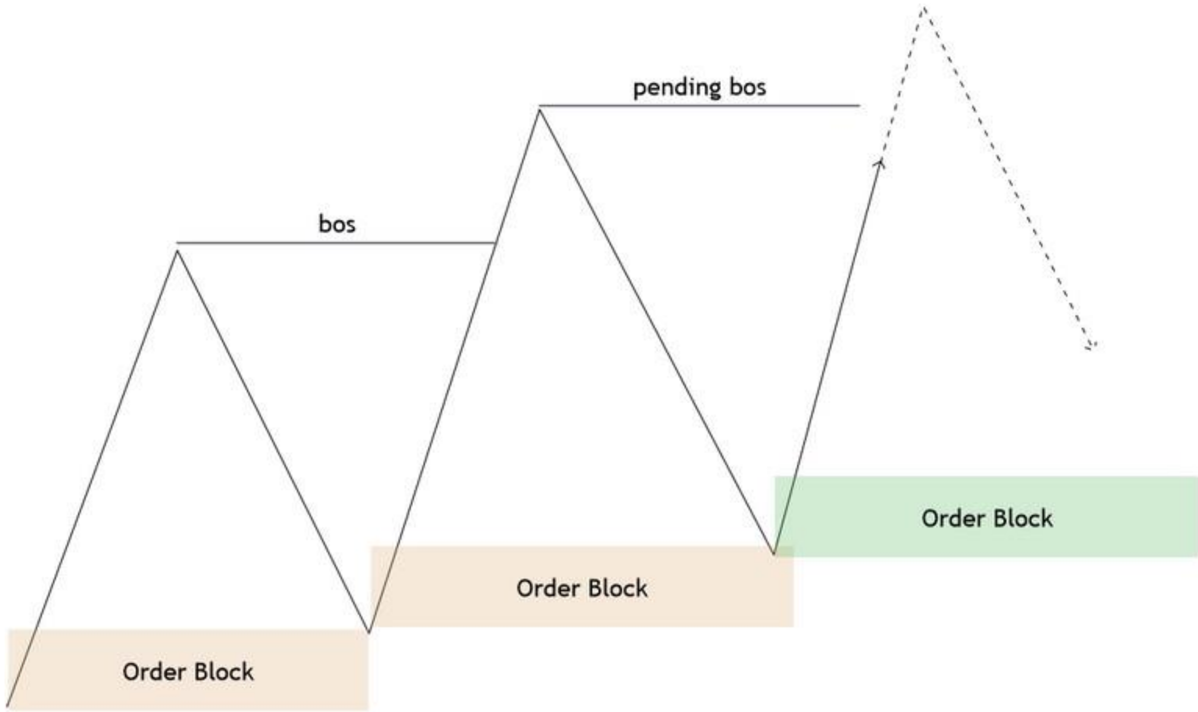
Imagine both a short and a long position opened simultaneously at a crucial market level. As market momentum pushes price upwards, favoring the long position, the short position is left in drawdown, accruing unrealized losses. After the long position hits its target, price retraces to delete the unrealized loss of the short position. Once the loss is mitigated, price commonly resumes its movement in alignment with the original trend's momentum.

Retail traders focus on technical patterns like double tops and moving averages, but they often miss why prices move. This lets institutions trick them with tactics like "stop hunts" or "fake-outs," wiping out their positions. Basically, it's just institutional algorithms doing what they're made for.

Now that you know what order blocks are in theory, it’s time to put this in example.
Don’t worry, you don’t have to know the theory, I just wanted you to understand the mechanism ;)

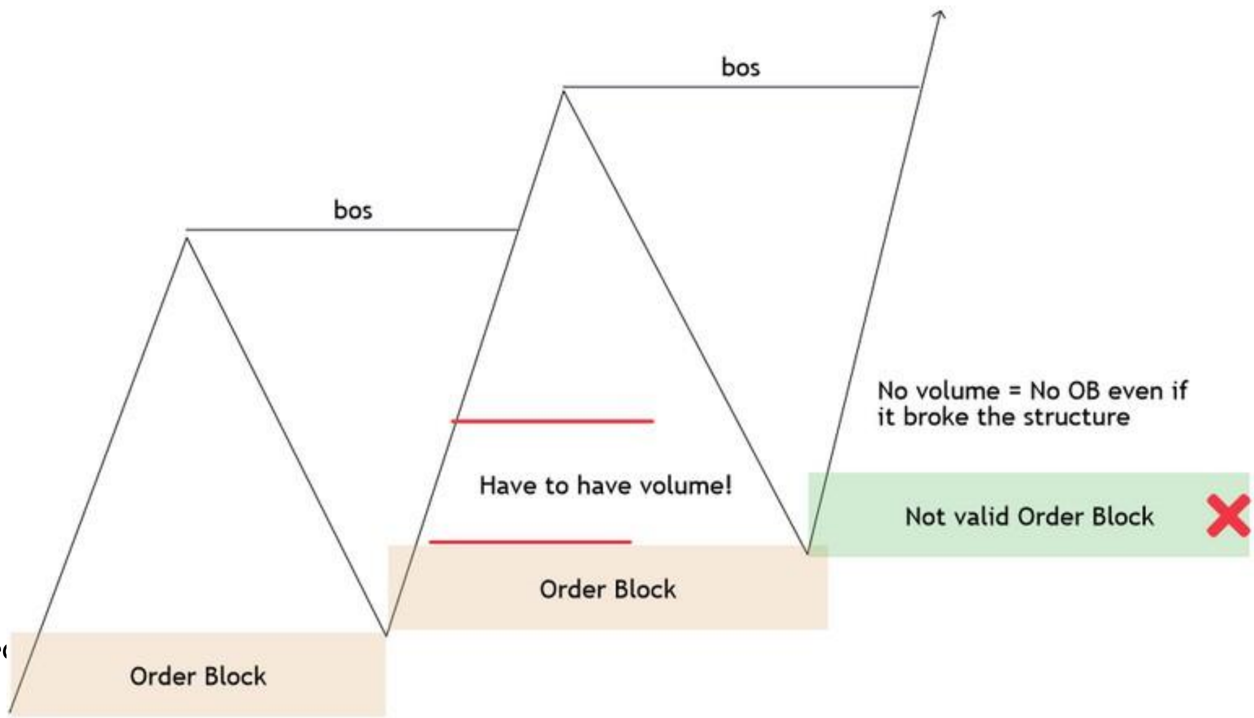
Let’s begin to take a look at some drawn & real price action examples of order blocks so we can learn to identify them and trade them with a rule based system.

The first this we look for to identify a valid order block is a break of structure. Without a break of structure no order block can be created.



Once price broke the structure, an order block will be formed IF it also makes this structure breaking movement with volume!

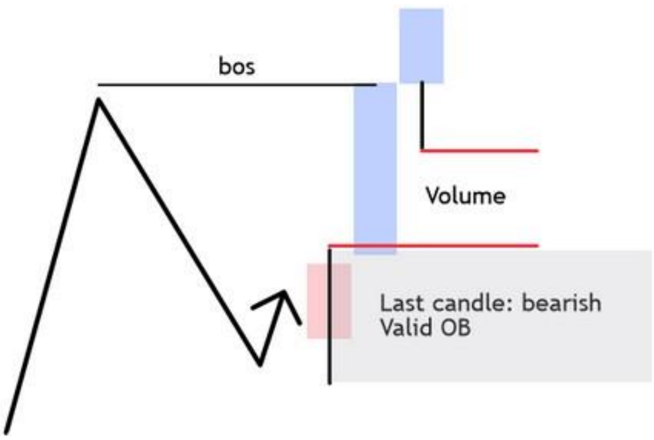
Meaning there are two big factors needs to be fulfilled to form a valid order block (will be called OB from now on).

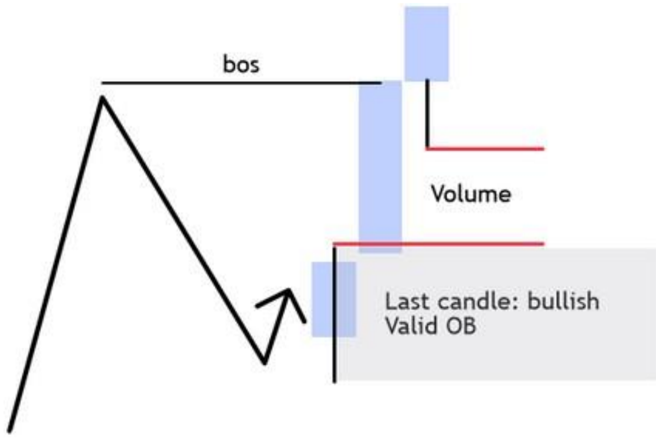


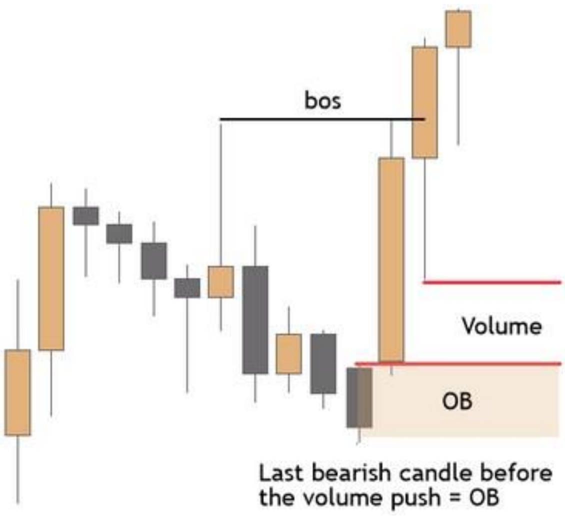
And that’s it. These are the two factors that need to be fulfilled in order to form a valid OB.

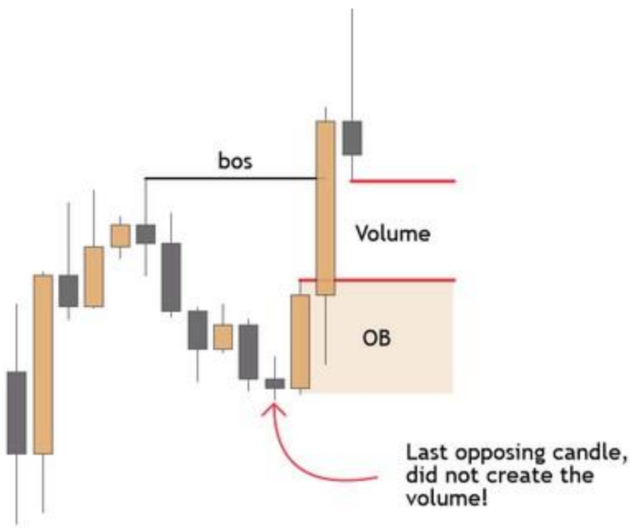
Now let’s talk about that **what is an OB in general? How to identify?**

OB is the last recent candle before the volume push. It doesn’t have to be an opposing candle! If price creates a bullish volume, then OB can be a bearish and bullish candle too! It just has to be the last candle before the volume created.



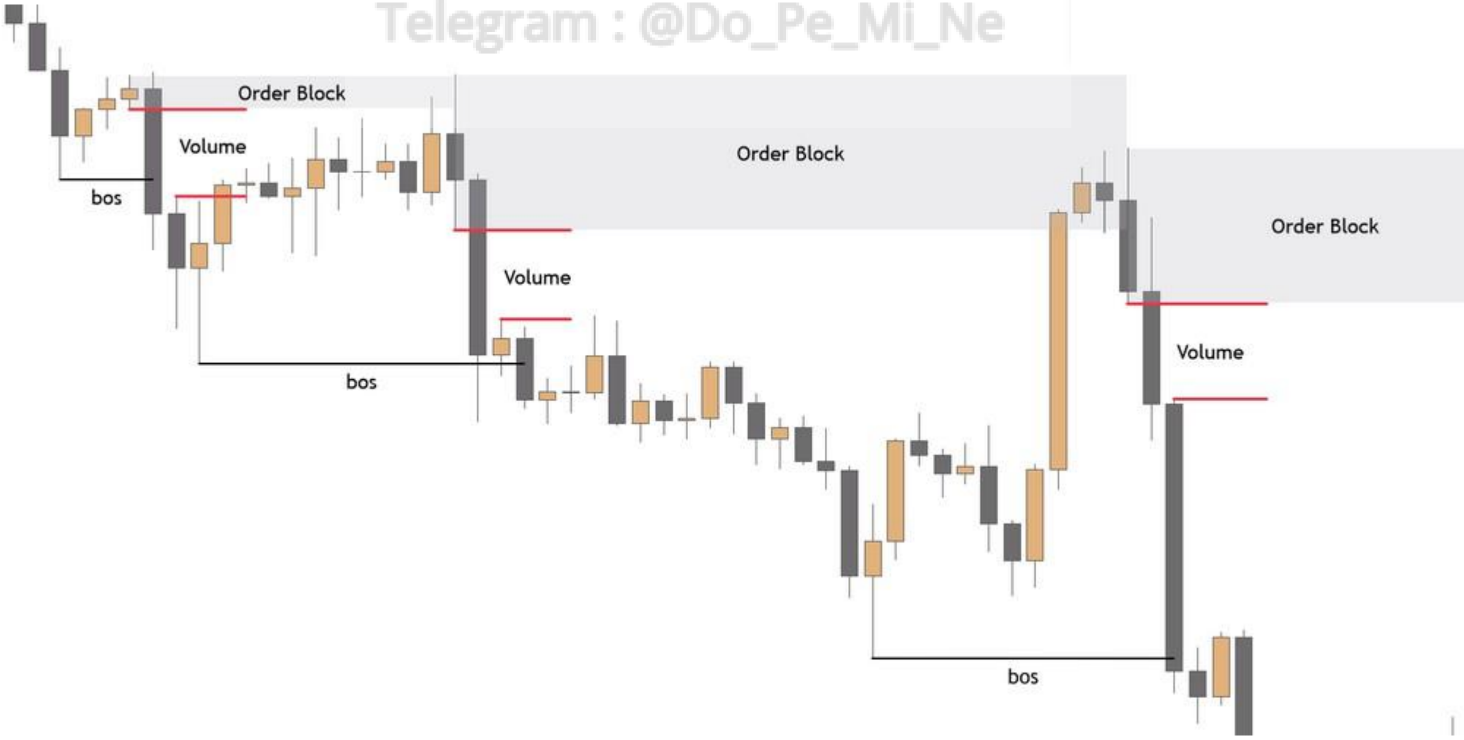




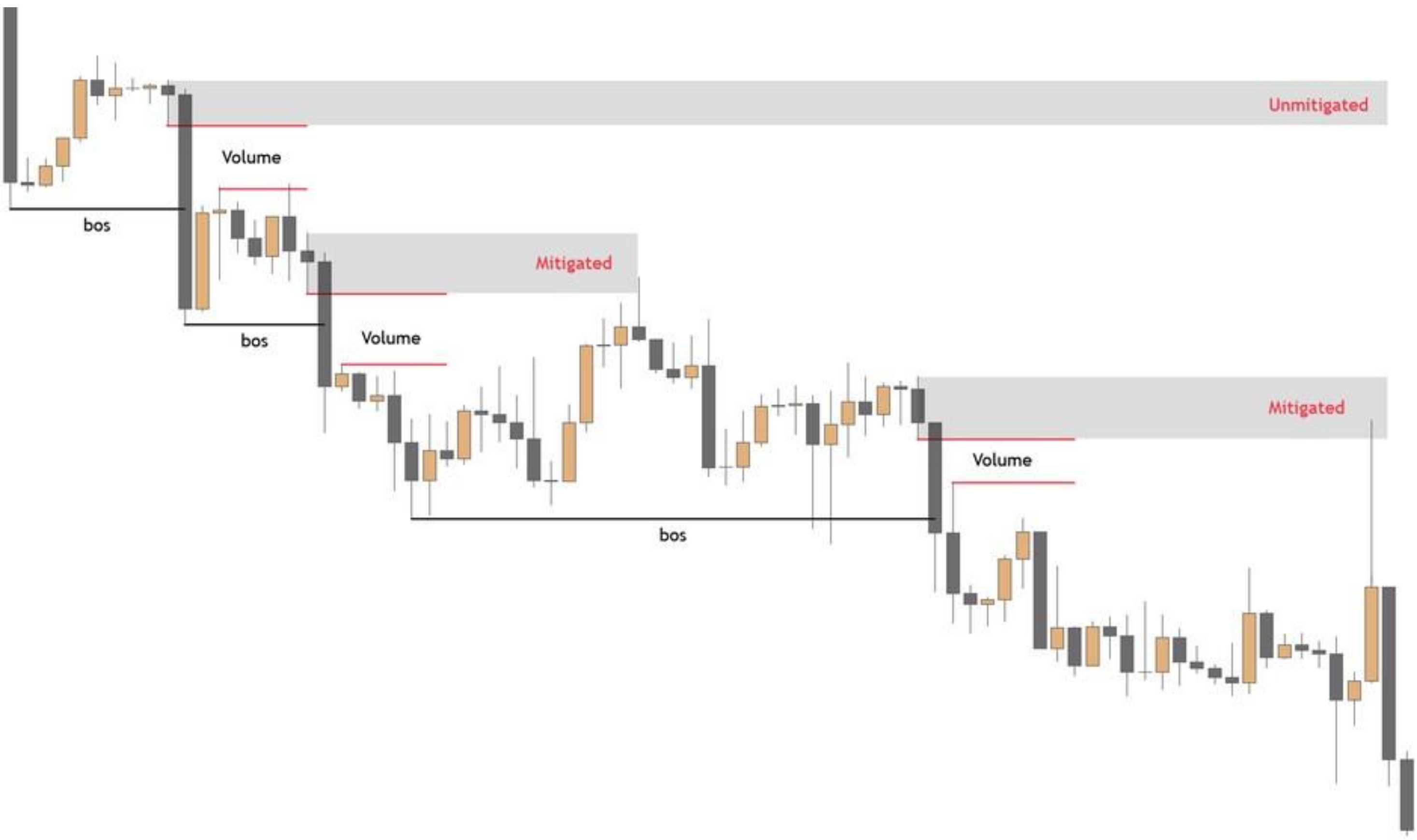


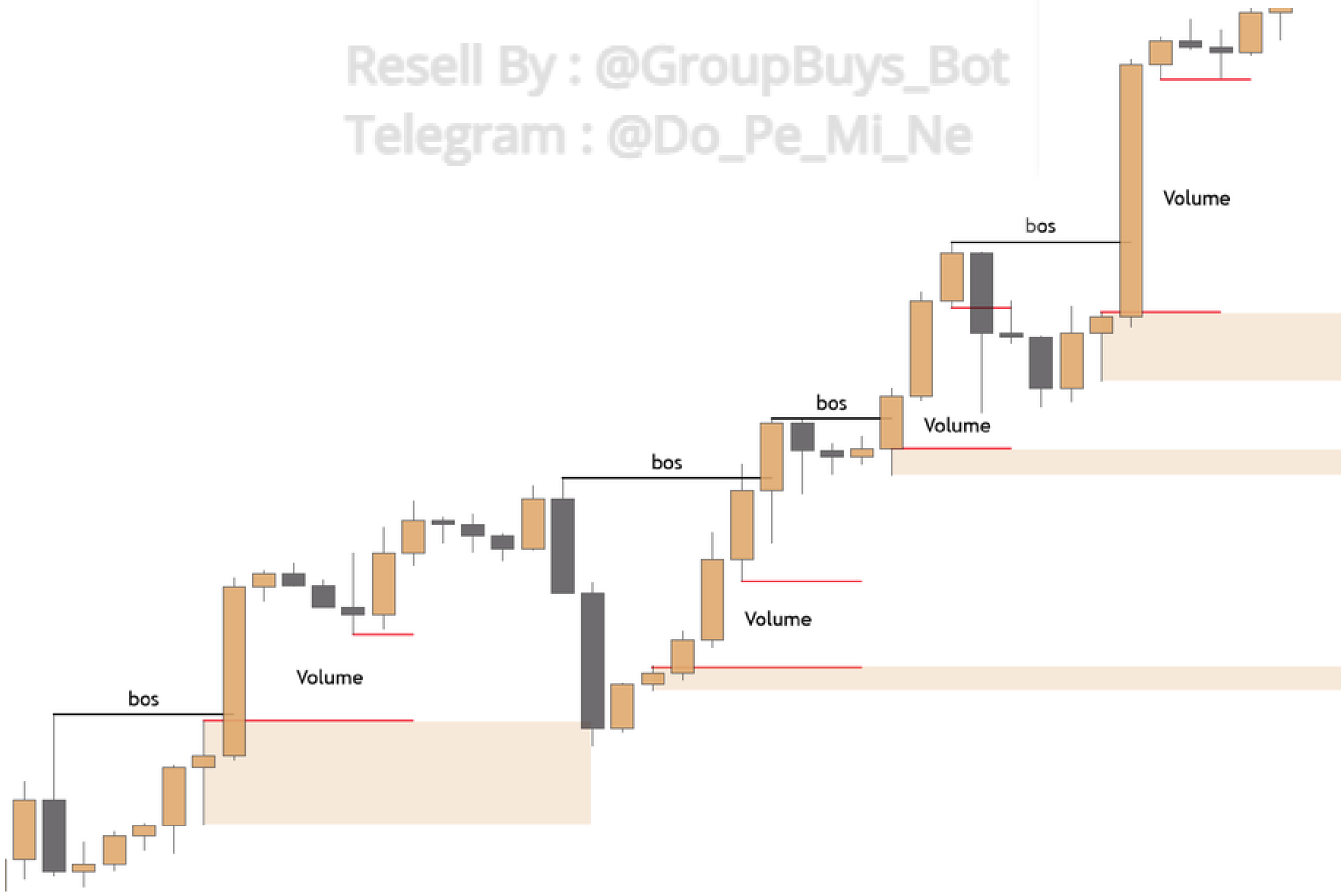
As you can see it’s always the last candle before the structure breaking volume movement.

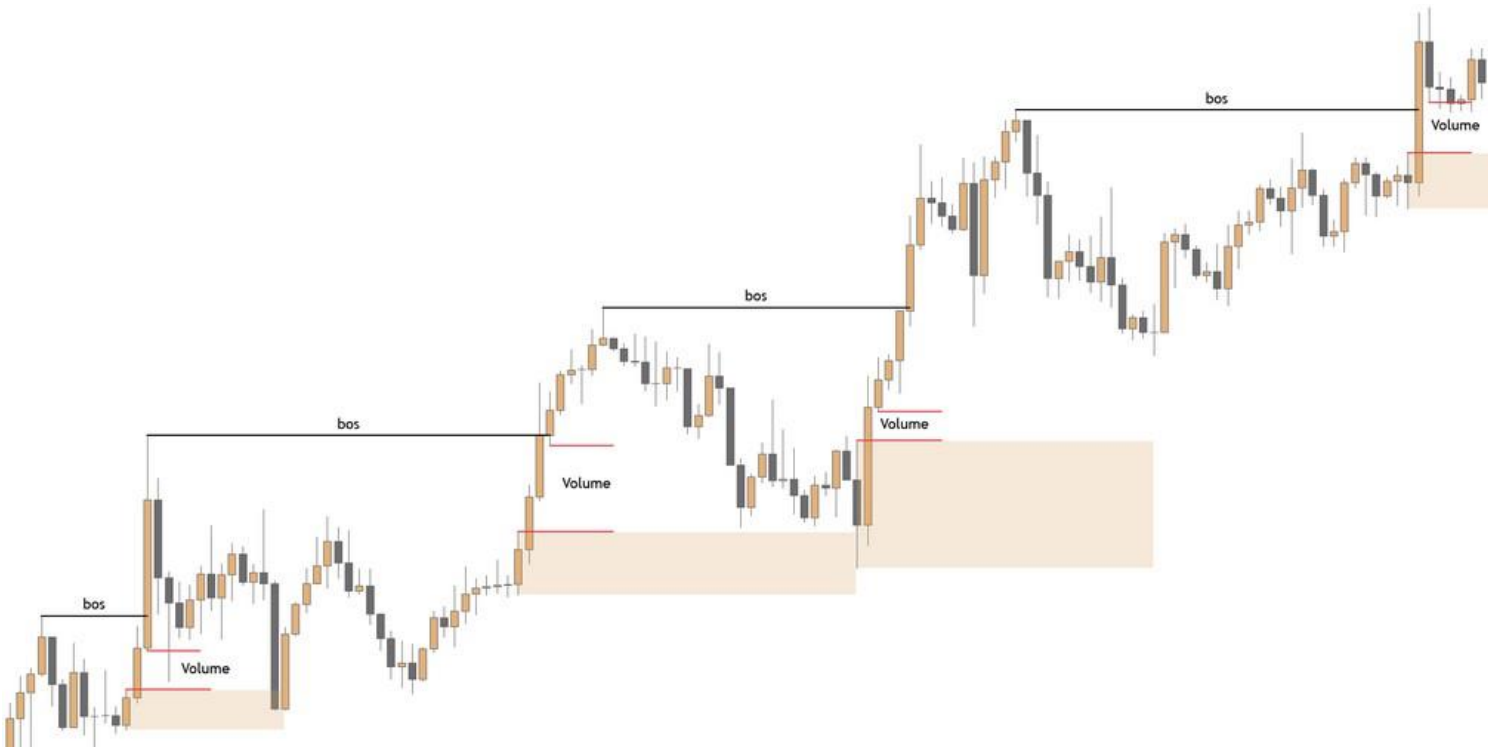
Real chart examples



One important note to add: When price reaches an Order Block it is considered as mitigated. An Order Block can only be mitigated once, since the orders resting there can not be picked up twice!



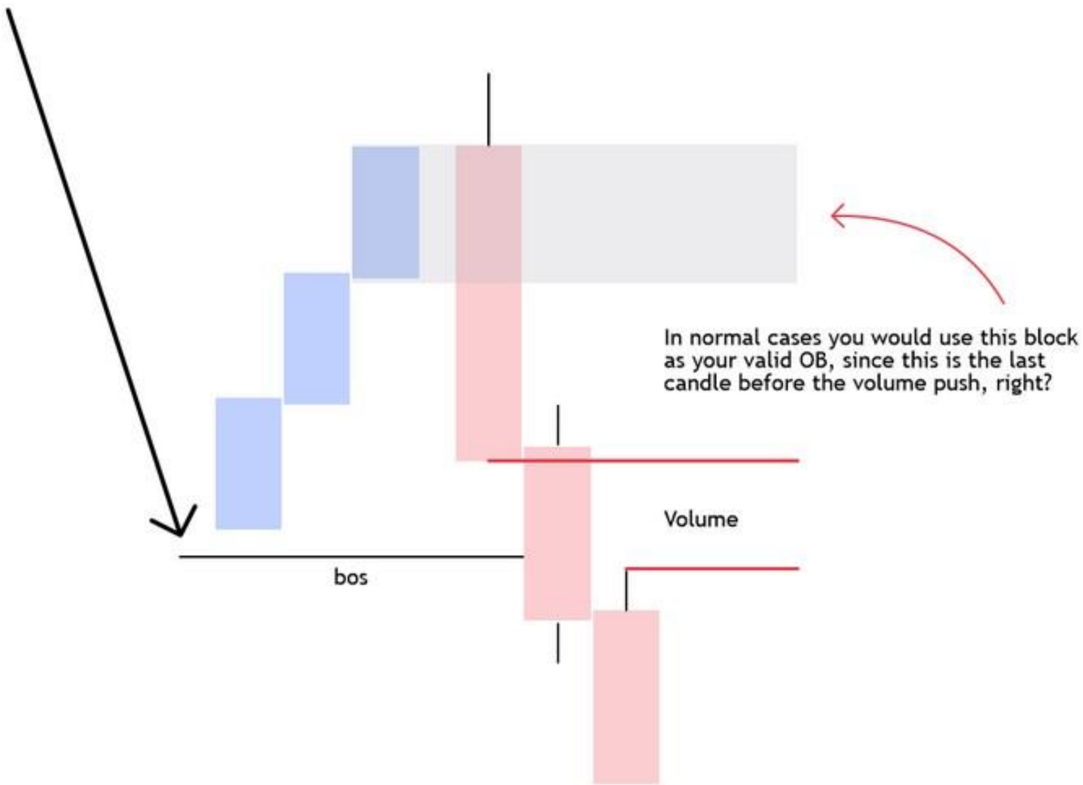




When starting up it could be a little harder to identify Order Blocks, but with practice you can train your muscle memory so you'll instantly notice ever block on your screen!

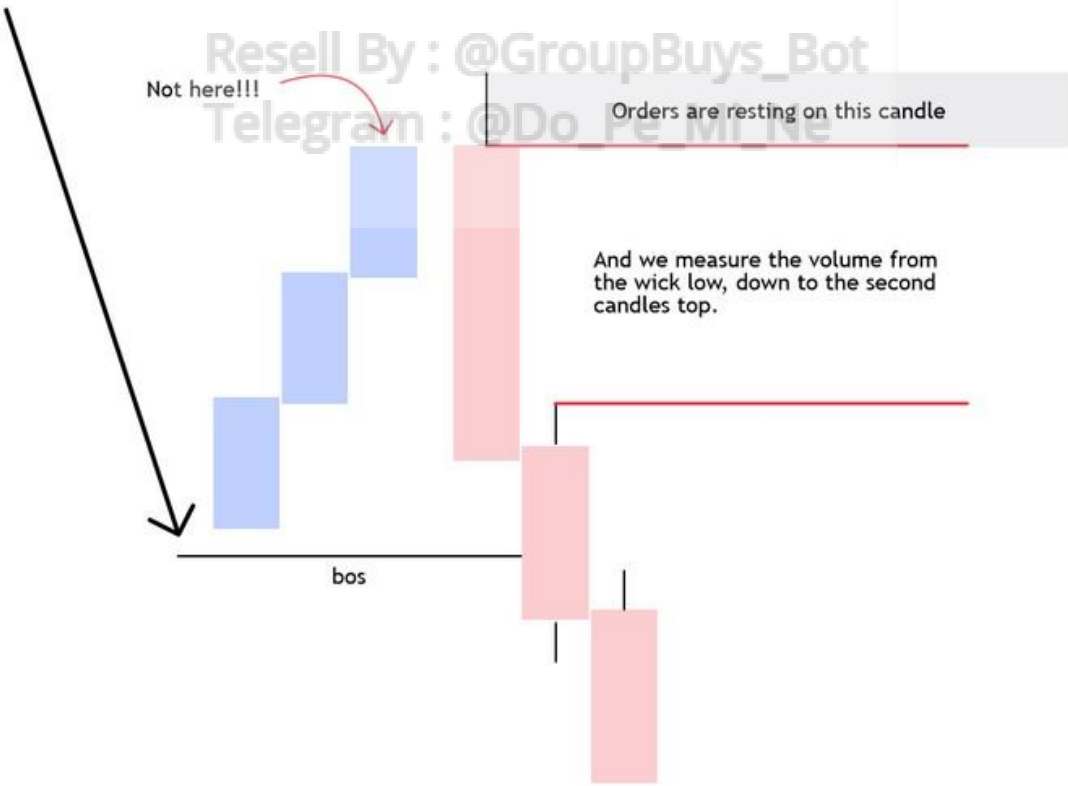
Wick zones

In some rare (or not so rare) cases we have to use wicks as valid order blocks. Let me explain!

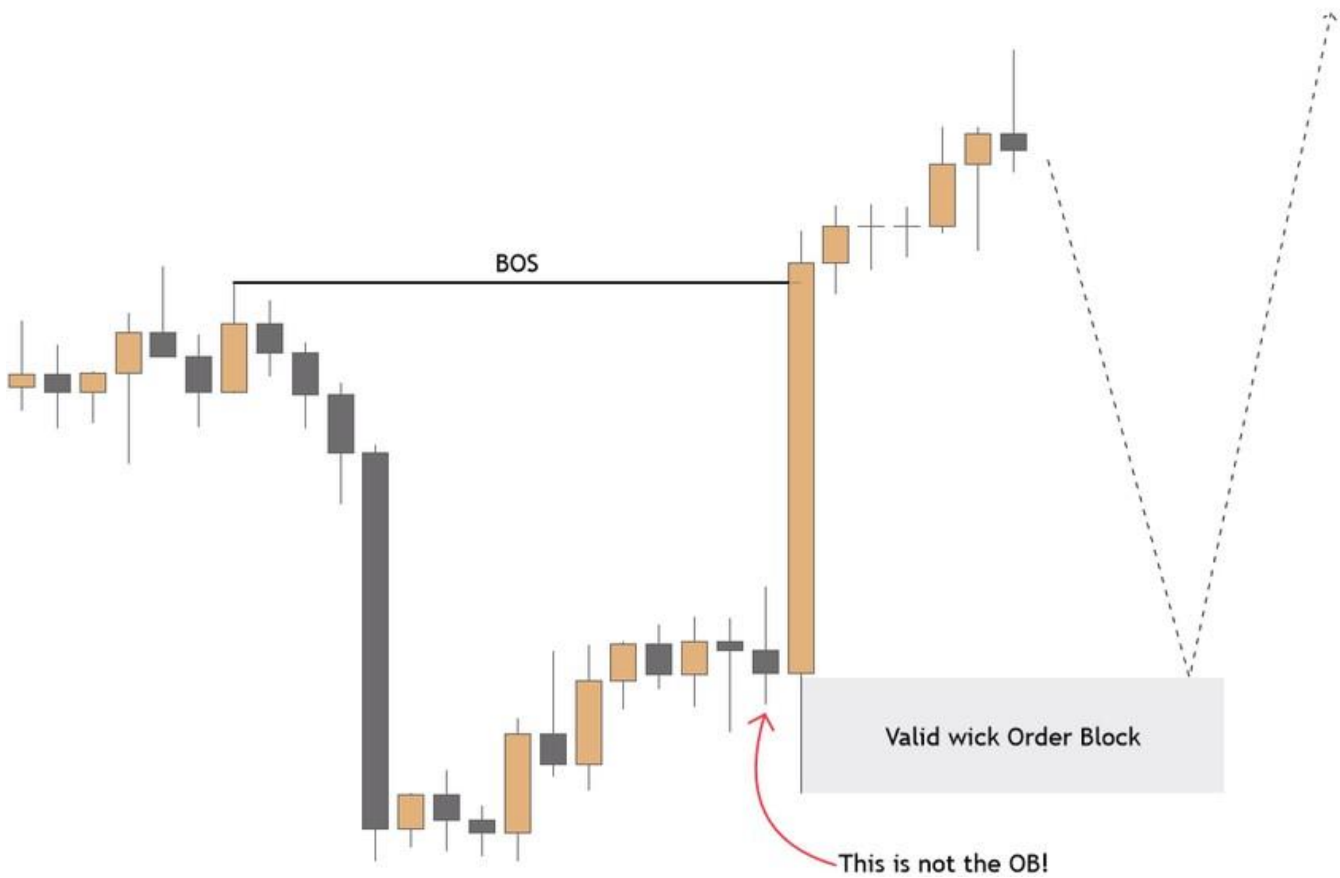


In some cases you just simply can't use the last candle as you valid OB. Sometimes the first volume candles wick will be higher (/lower in a bullish example) than the last recent candle before the volume push.

In this case you should use that wick as a valid order block.
Why? Because the last candle before the volume push got fully mitigated, meaning no possible orders could be resting there that a bank would pick up. The orders are resting on the wick.



There’s no point to overcomplicate a simple concepts so there’s nothing more to talk about the wick zones! This is how you could use them, and here’s a real chart example:



FIBONACCI RETRACEMENT

Fibonacci... I know, right?

I know that the word “Fibonacci” may sound unsympathetic, as I can safely say that many of us have had traumatic experiences with it in the past. But this does not mean that we should absolutely discard the idea of ever using this tool in the future, in fact...

Fibonacci Retracement can be a particularly useful tool if you know how to use it. It is worthless in itself, just like so many others. However, if you combine it with the other criteria listed above, you get an extremely strong "indicator".

As always let’s talk about the theory:
Fibonacci retracement levels are **horizontal lines** that indicate the possible support and resistance levels where price could potentially reverse direction.

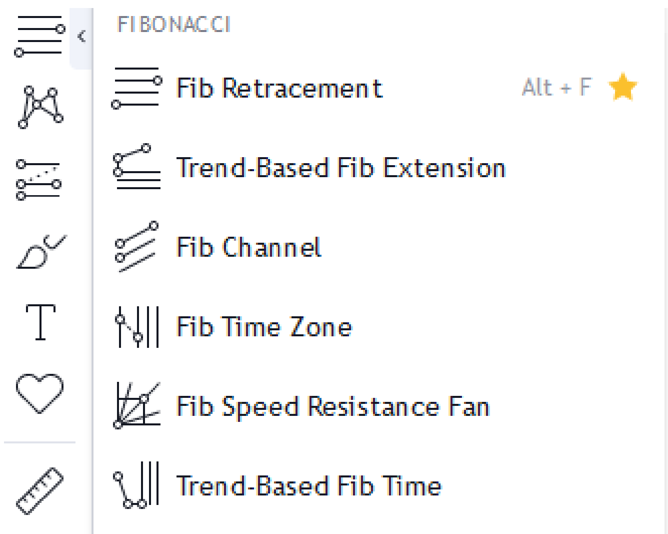
The first thing you should know about the Fibonacci tool is that it works best when **the market is trending.**

The idea is to go long (or buy) on a retracement at a Fibonacci support level when the market is trending **UP**.
And to go short (or sell) on a retracement at a Fibonacci resistance level when the market is trending **DOWN**.

Fibonacci retracement levels are considered a predictive technical indicator since they attempt to identify where price may be in the future.

The theory is that after price begins a new trend direction, the price will retrace or return partway back to a previous price level before resuming in the direction of its trend.

Before we continue to break down how exactly we can use this tool, I want to show you how you can set it up in TradingView.



First of all select the “Fibonacci” tool pool from the left hand menu.

Fibonacci Retracement should be on the first place.

Click on the little star next to the name and it will be automatically show up among your favorite tools.

Here’s how you set up the actual tool:

Draw a Fibonacci randomly somewhere on your chart and double click on it.

- Remove the tick from the trend line.
- No extended left & right lines.
- Copy and tick the exact same boxes next to the number that you see on the picture. Enter the exact same numbers (0, 0.71, 1).
- Deselect the background / decrease it’s opacity to 0%.

And that’s it, your Fibonacci tool is all set up.

We're going to use 3 numbers on the Fibonacci only.
The 1 (base level), the 0.71 (golden entry level), and the 0 (pullback level).

We're going to use the Fibonacci 2 different ways.

- Swing Fibonacci
- Internal Fibonacci

These two applications are suitable for 2 different type of traders:

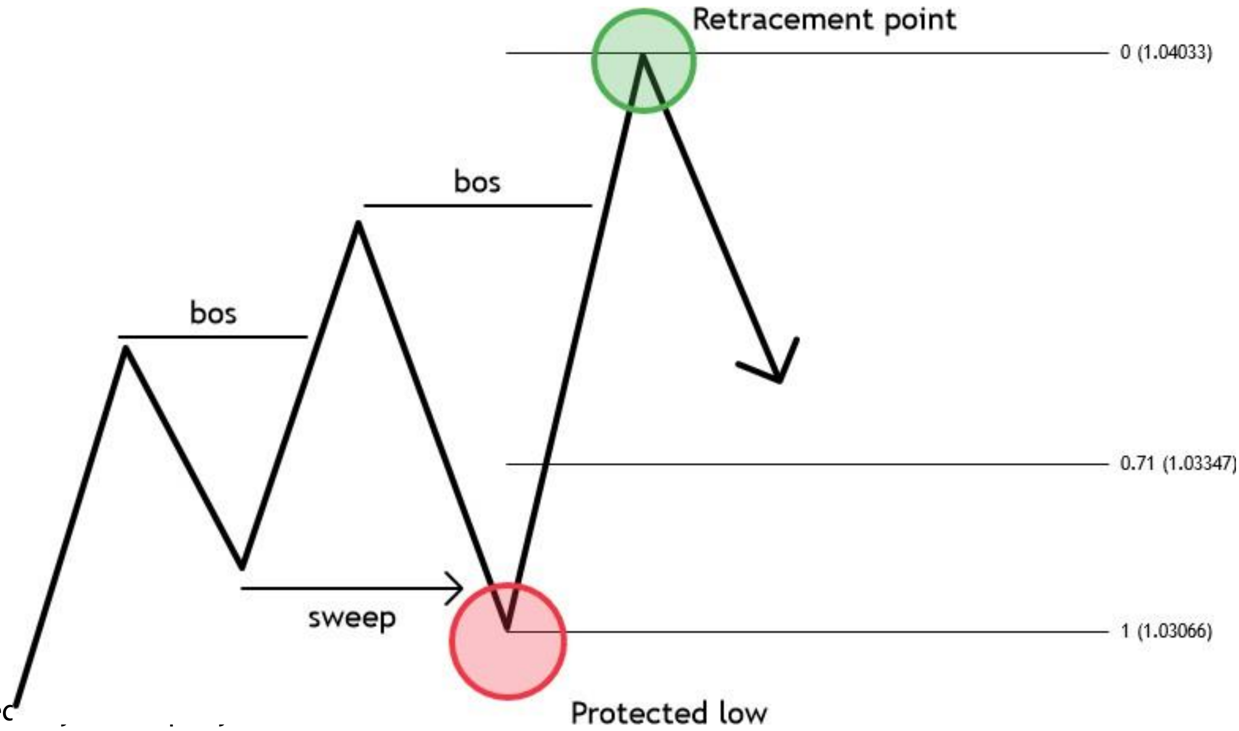
1. Swing: Chilly trader, less setups, less stress
2. Internal: Agressive trades, more setups, little bit more stress

This means that you can choose your trading style. You can choose one, or you can be both at the same time!

Let's break down the Swing Fibonacci first:

Swing Fibonacci

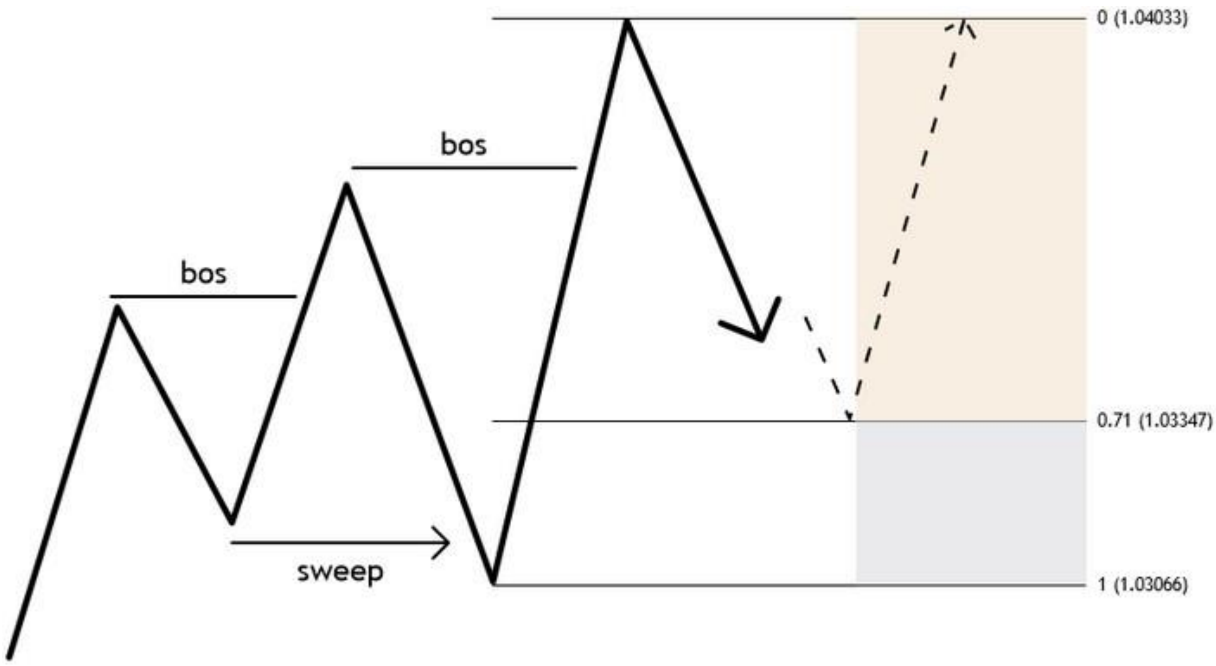
First of all you have to wait for the first 4 criteria to be present (bos, sweep, volume, OB). Once all four of them can be found you can pull the Fibonacci to your chart.
Let's take a look at how you pull the Fibonacci in a bullish example:



You’re going to draw the Fibonacci after a protected low point is created, all the way up to the retracement point. (**Retracement point** = when starts to form a pullback).

This in itself is what you see in front of you, is our entry model.
What we do here is that we set a **limit order** on the Fibonacci level 0.71. Out **Stop Loss** will be at the 1 Fibonacci level, and our **Take Profit** is at the 0 Fibonacci level.

This gives you a fixed Risk to Reward ratio of 2.45 each and every time you set a limit order.

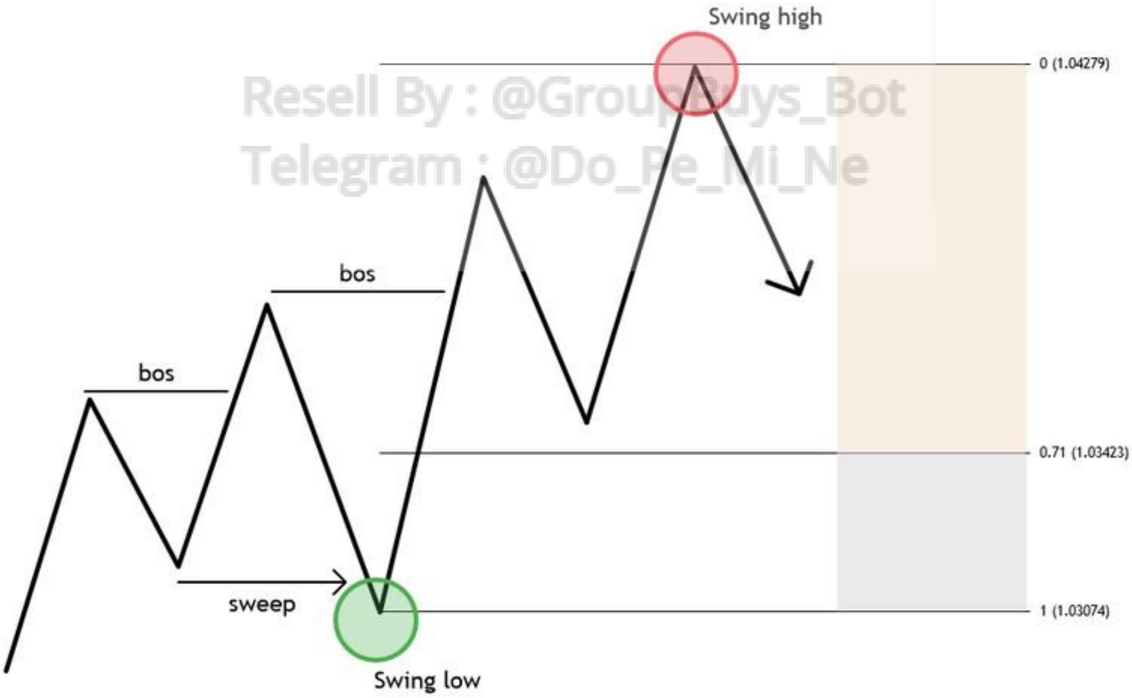


In ideal cases this limit will be triggered and an outcome will be presented.

But what happens in the “not ideal” cases?

Let’s imagine that price creates a retracement without touching your limit order, then it breaks the structure again to the upside.

In this case we wait for a new retracement after the bos. Once it happens we recalibrate the Fibonacci tool and set a new limit.

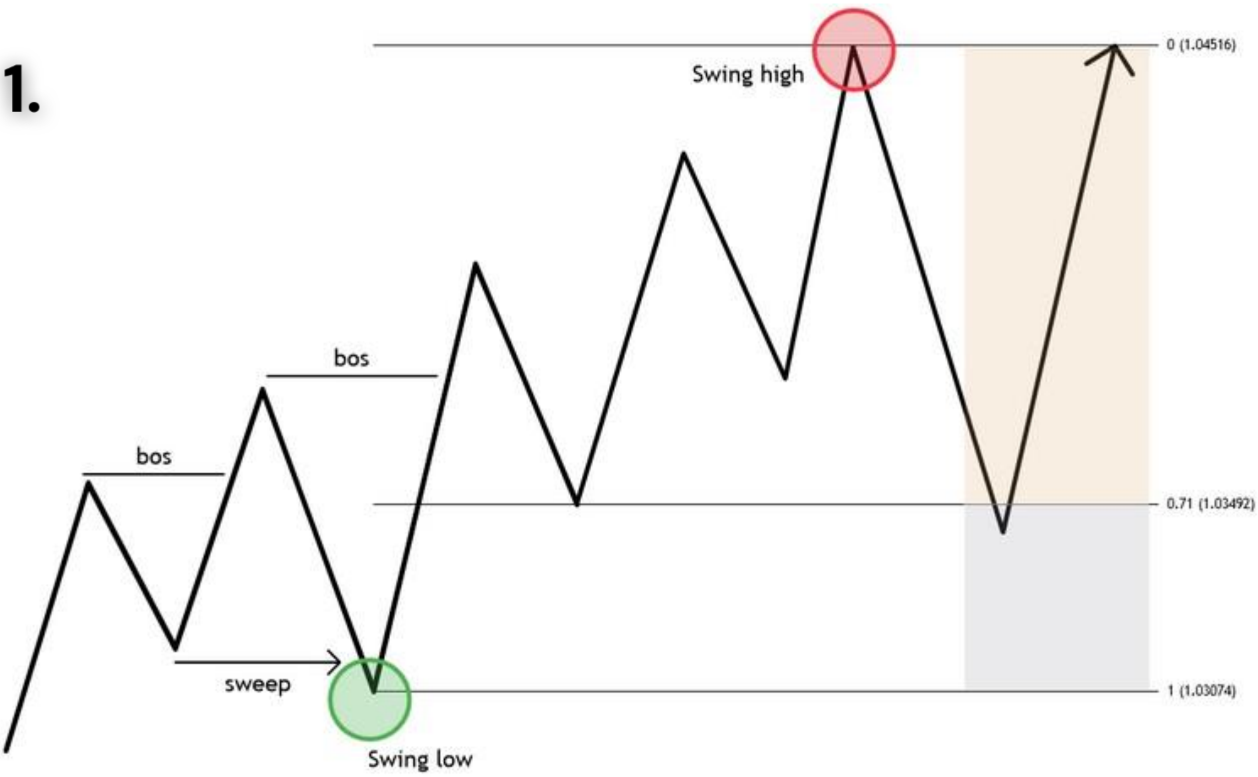


In this case we have a **Swing Low** on the green circle (protected low), and a **Swing High** on the red circle.
The Fibonacci position has changed since we moved it up to a new high.
We have to re-set the order, stop loss, and take profit to new levels.

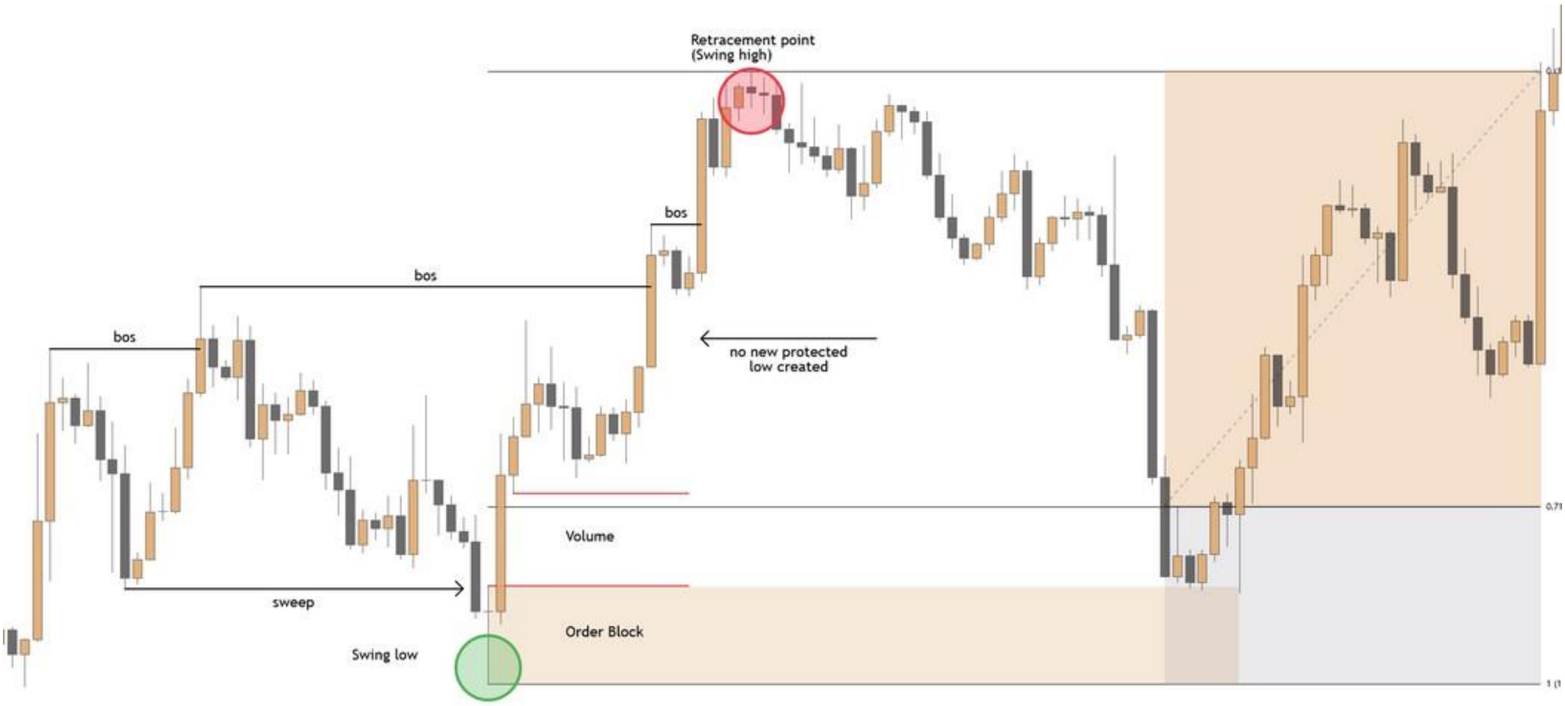
We do this method over and over again until:

1. We get tagged into a trade
2. Price forms a new protected low

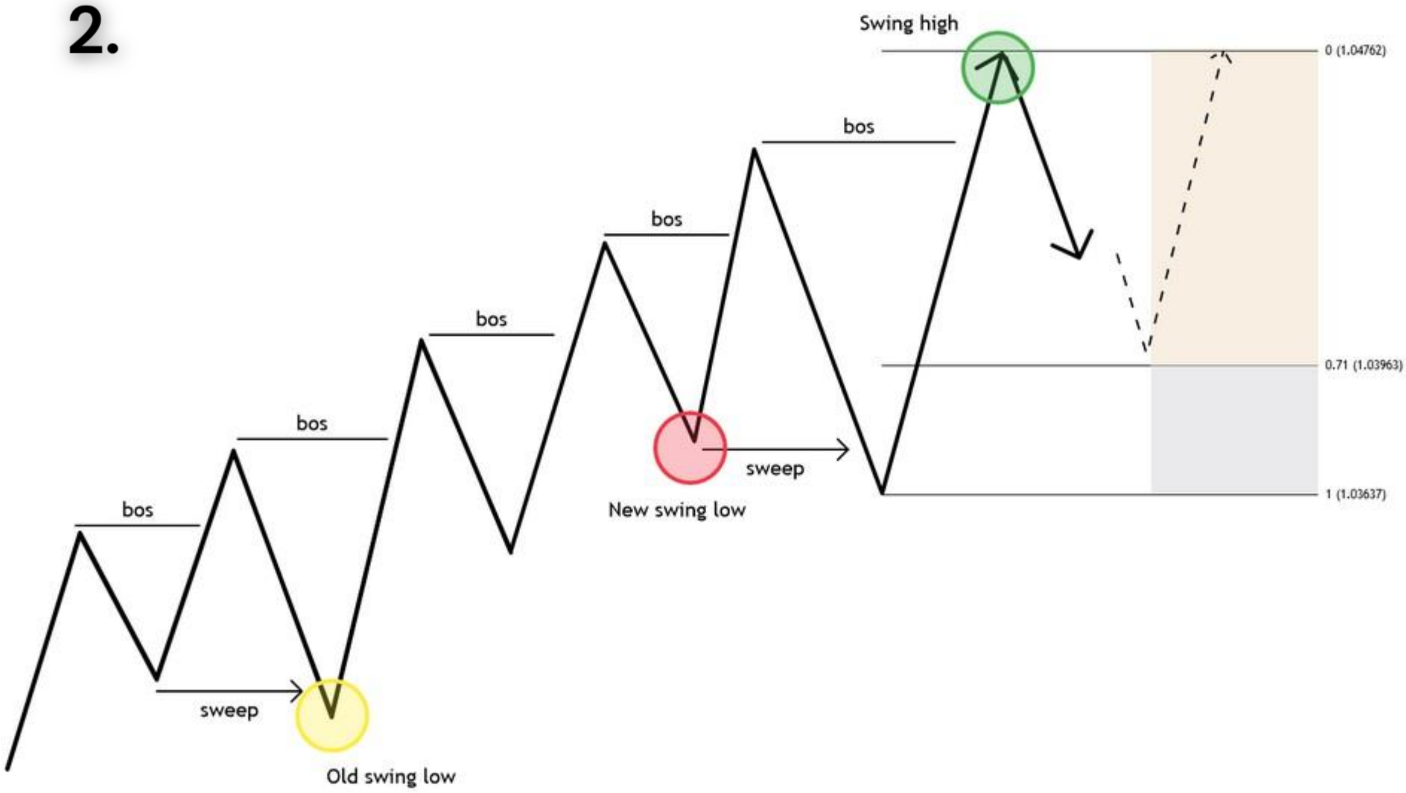
1.



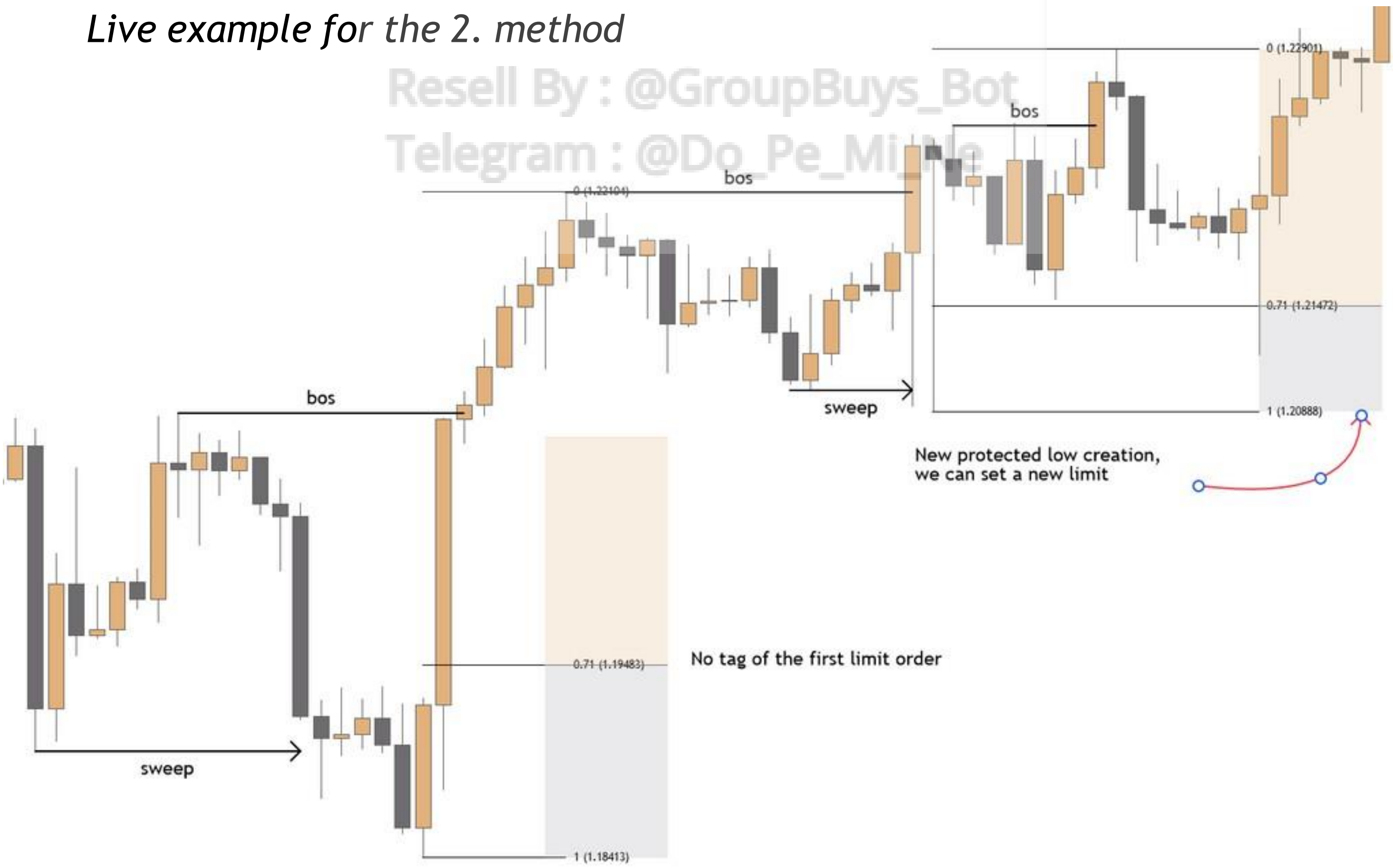
Live example for the 1. method



2.



Live example for the 2. method



In the first example we get tagged in, 2 outcomes are given: Stop Loss / Take Profit.

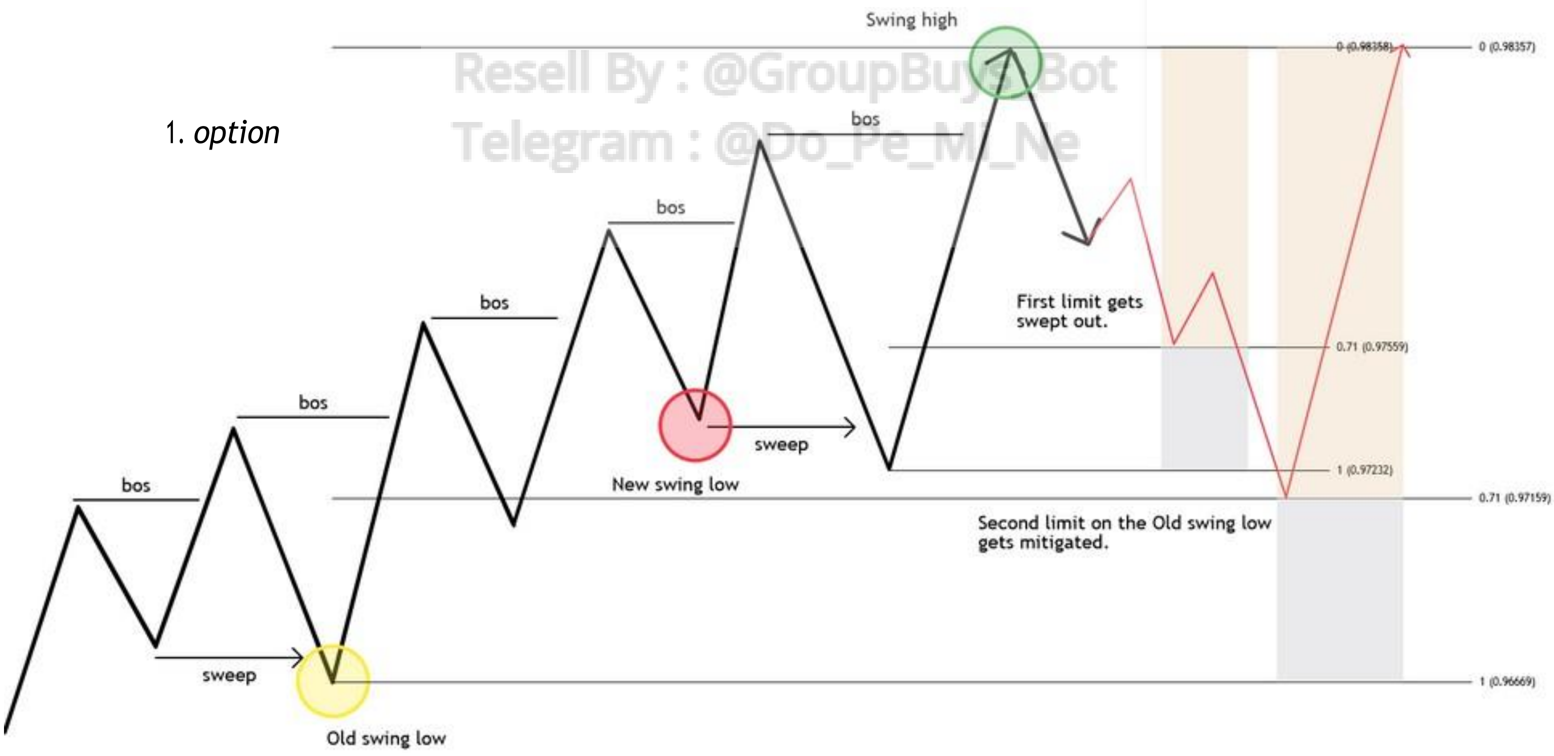
But what about the second example?
Will the "Old swing low" become invalid in case the "New swing low" breaks?
The answer is yes & no at the same time. It's still usable, but the probability of the setup significantly decreases.

You have 2 options in this case:

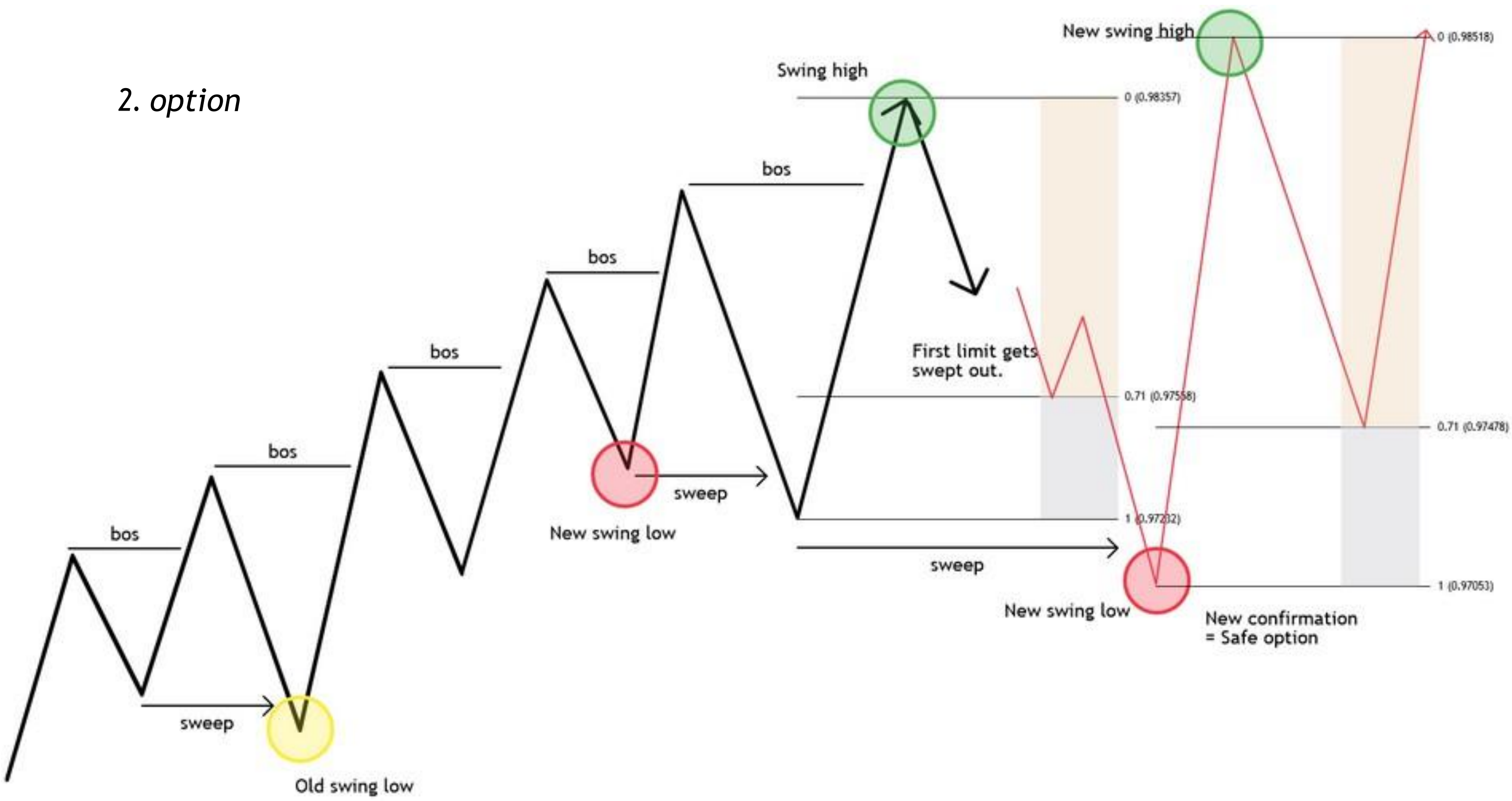
1. Set the limit on the "Old swing low"
2. Wait for a new confirmation

The first option will have decreased probability as I mentioned.
The second option will always be safer to trade. You have to make a decision here depending on your risk tolerance, realized profit / drawdown. If you have a nice % of realized profit already on your account then I would risk the 1. scenario. If you're in drawdown I would choose the 2. option.

1. *option*



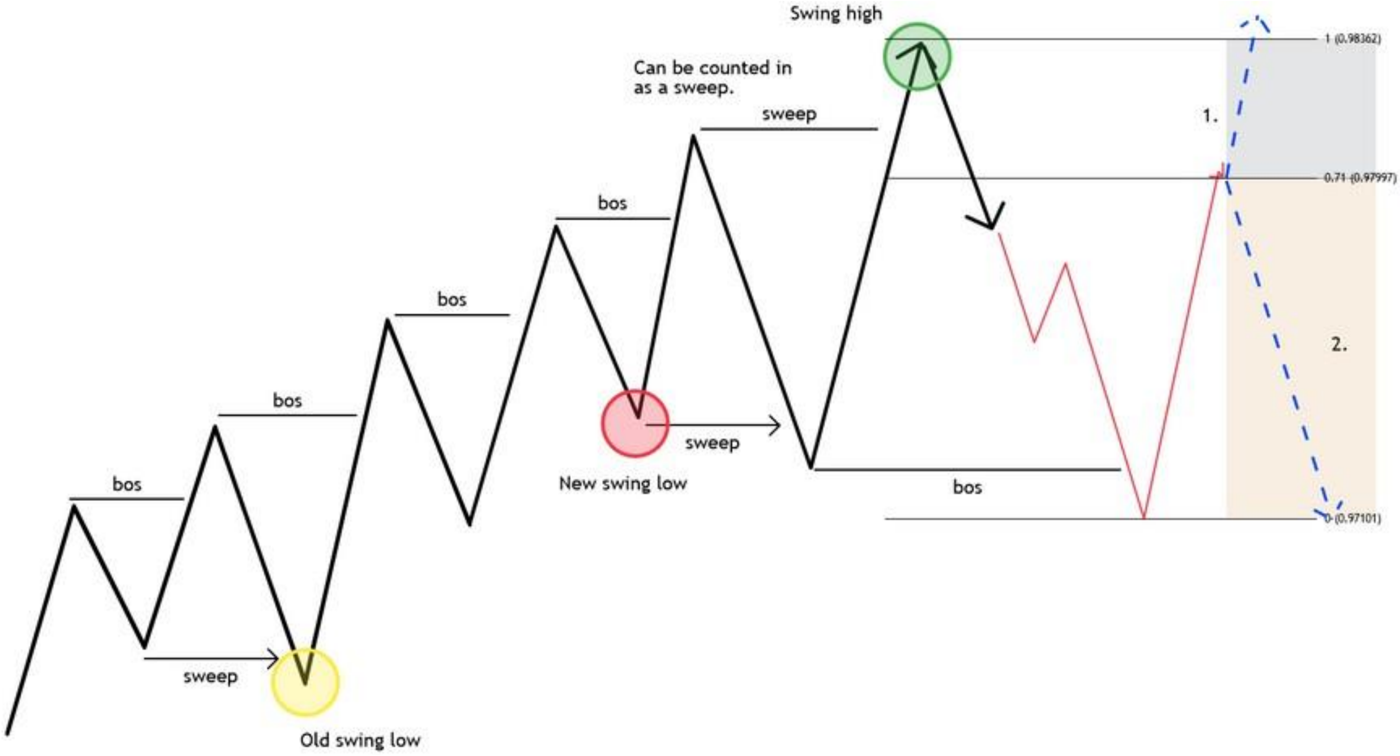
2. *option*



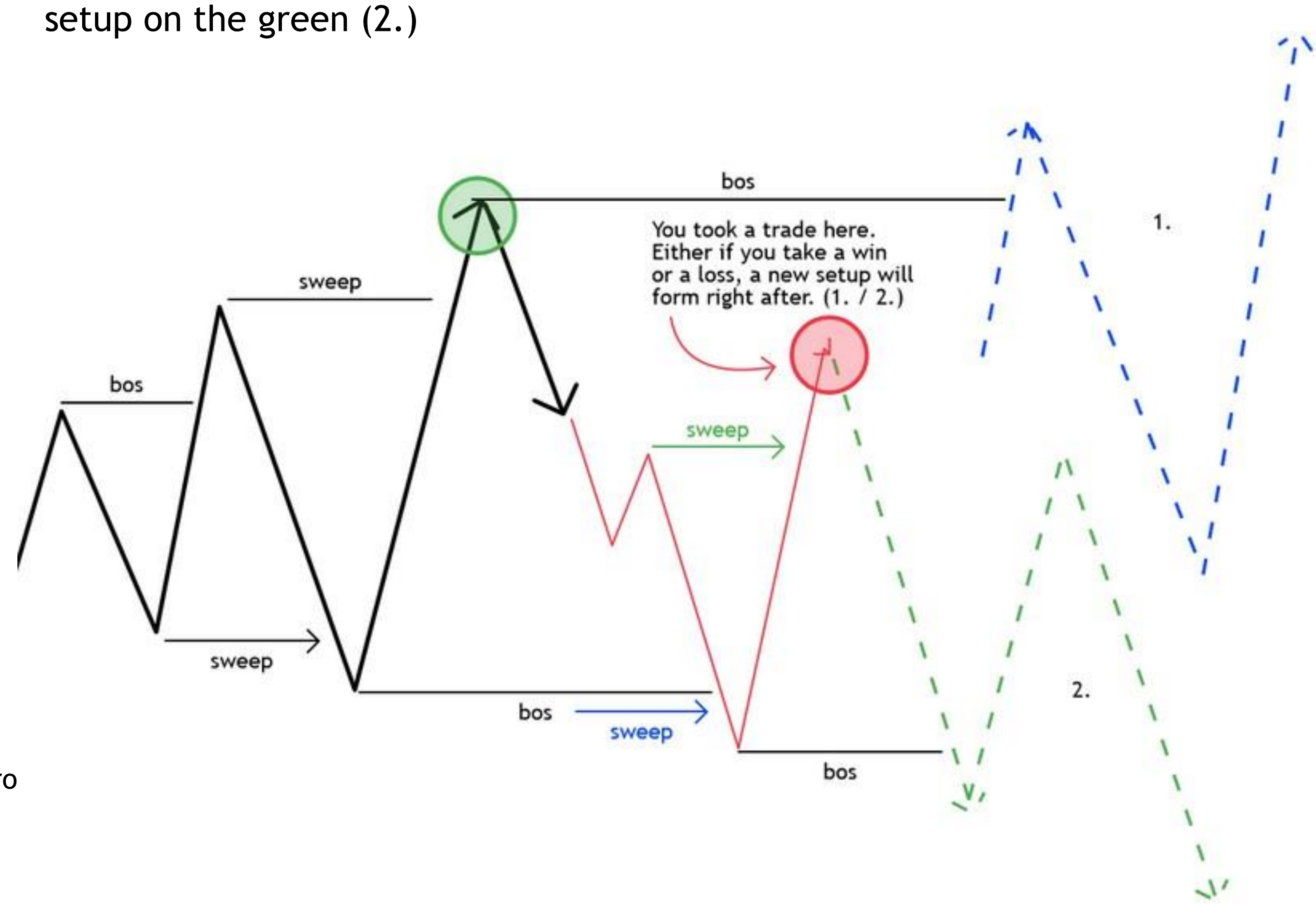
The second option will always be safer since a re-confirmation is used in that case. Trend might change and you could easily eat a double loss if you’re using the first method.

There's another option which you can use if this scenario happens: trading the opposing direction after the high sweep / break.

This option puts another opportunity on the table to trade.
Here you don't wait for the 2. options confirmation. You aggressively go for the short opportunity that is given.
You either get tagged in and take a winner, or take a lose (blue arrows, 1. / 2.). Game of probability. Your risk tolerance decides if you want to enter here again.



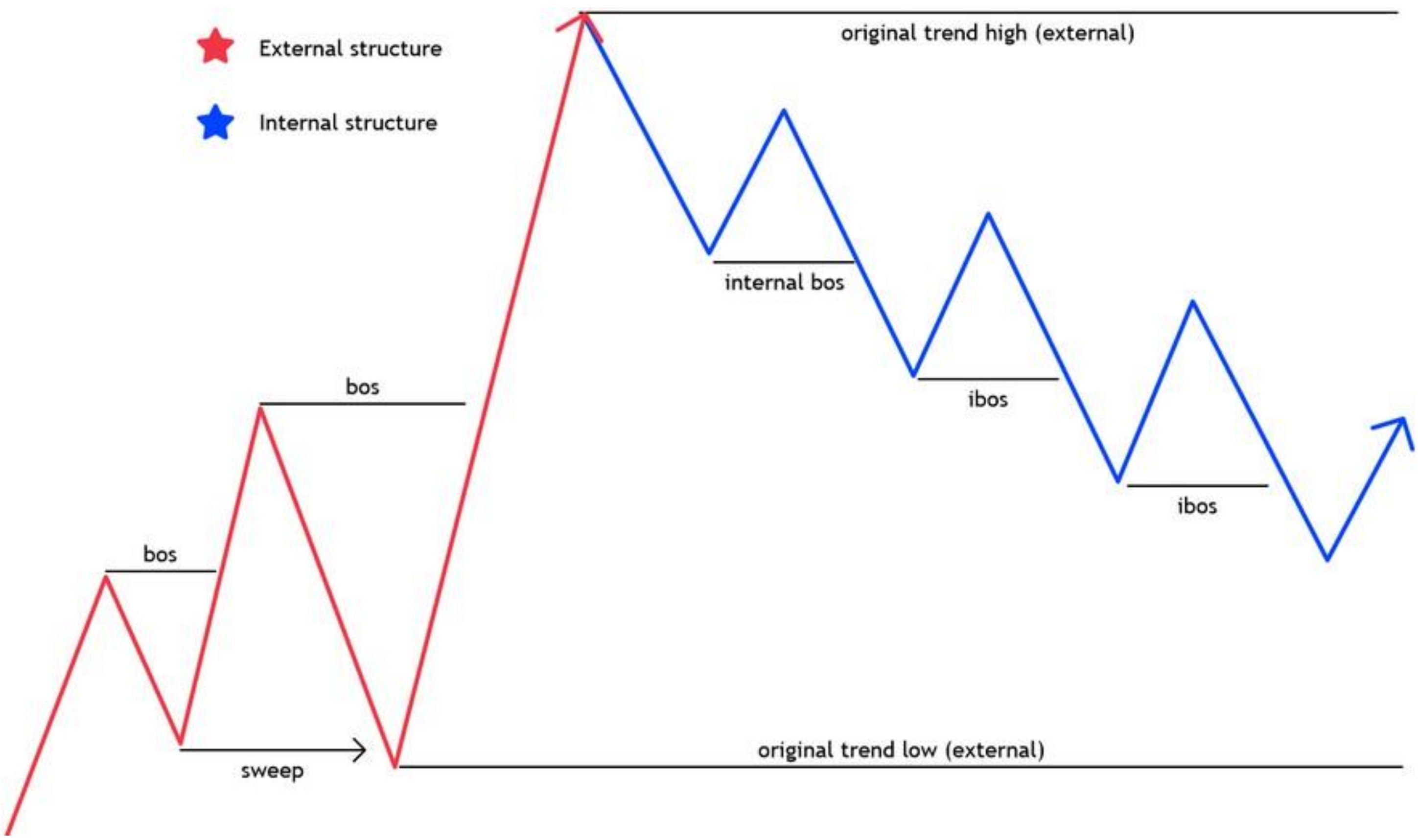
If you entered, either way you take a win or loss, a new trade opportunity will form right after this short setup. Long setup on the blue (1.), or short setup on the green (2.)



Internal Fibonacci

Now that we know how to use the Swing fibonacci, let's talk about the internal application of the same thing.

First of all: What does the "Internal" mean?
Internal is a structure type where price creates a literal internal opposing trend in the original trend.

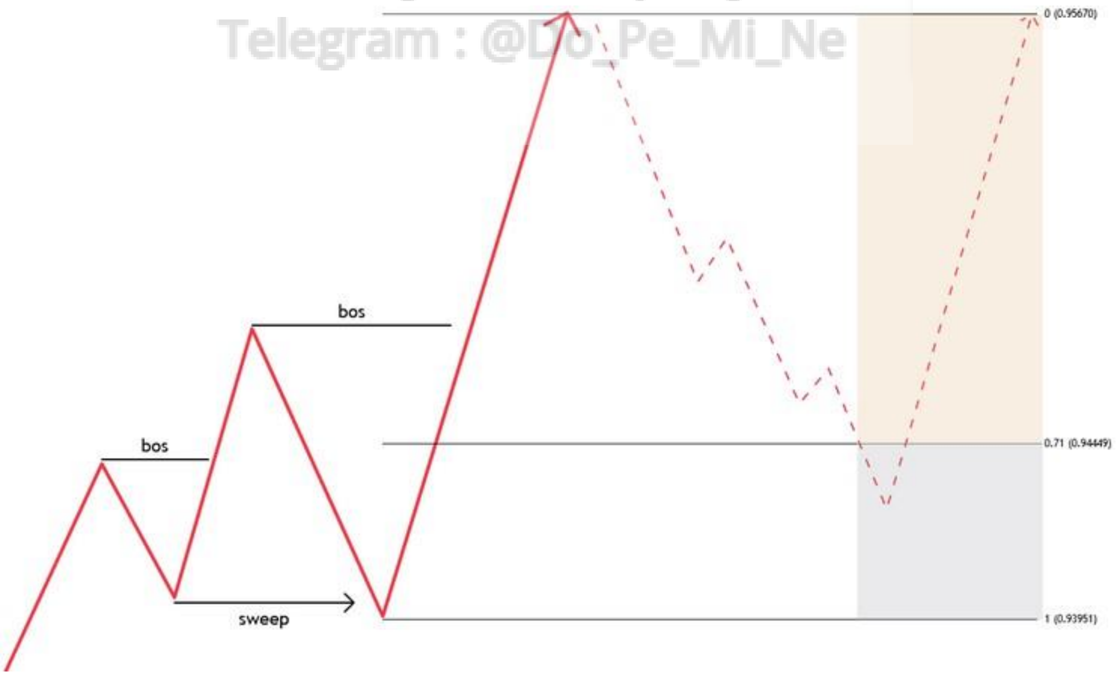


Originally you're waiting for a bullish trade, since (let's suppose) price formed all the needed criteria to set a limit order.

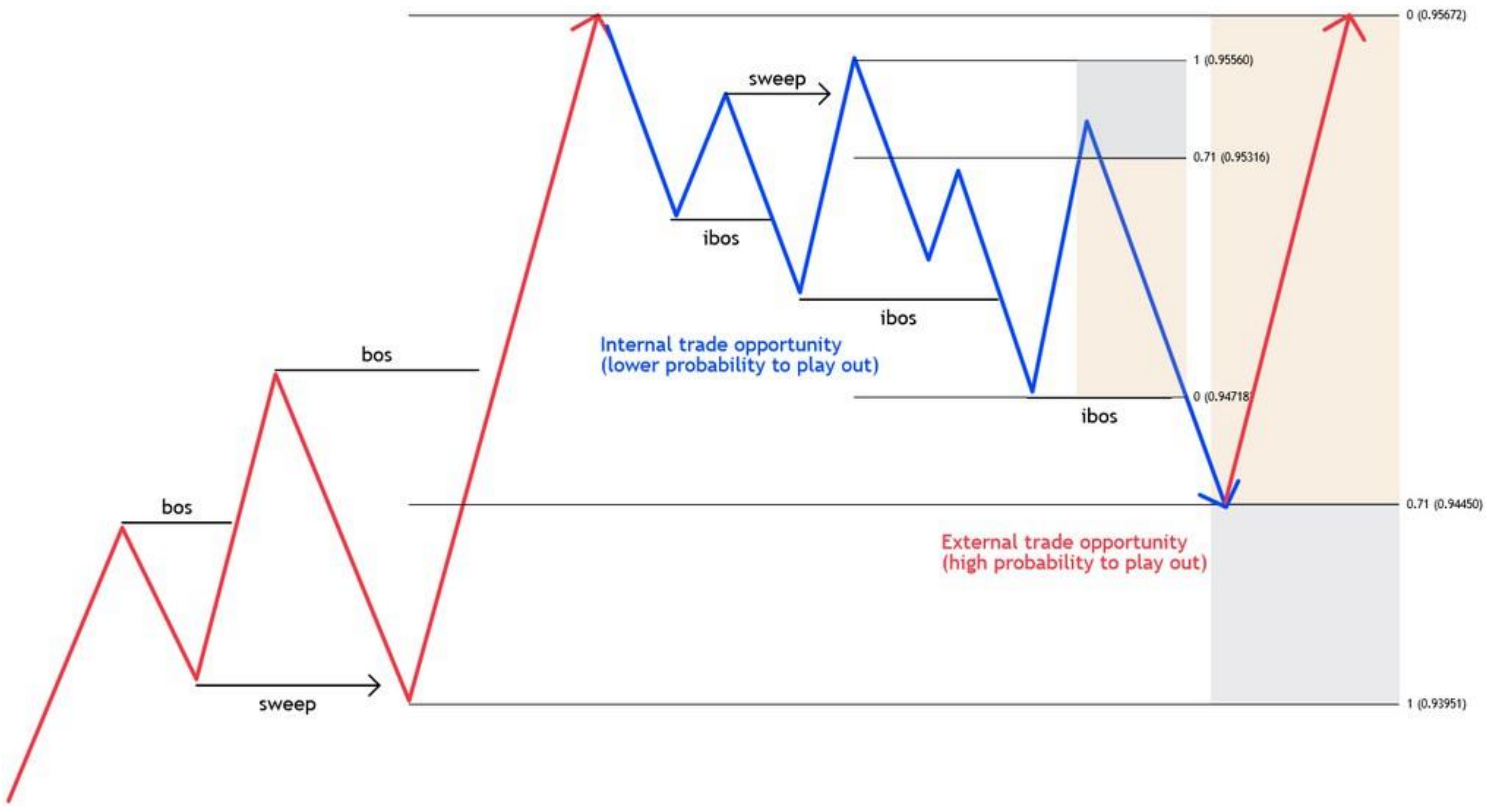
While you're waiting for your long limit order to get triggered you can start to search for internal trading opportunities.

These opportunities will have lower probability to succeed since you're basically trading a counter trend (internal structure), but it's doable if you’re an agressive type of trader.

This is what you're originally waiting for:



And this is what's possible to be done with the internal entry model:



The internal model has to have all the criteria too (bos, sweep, volume, OB). Please double note that this internal plan has a lower probability to hit your take profit than the original external one, since you're trading a counter trend here!

LQ+

We have reached +1. and also for the last criteria.

We call it “+1” and not “6.” because it is not required to be fulfilled, just an optional expected extra confirmation point.
If it’s not getting fulfilled the trade is still valid, but if it is then the trade will be super high probability.

The extra +1. criteria is **Liquidity+.**

This kind of liquidity differs a bit from the original 2. LQ sweep criteria as it’s not a structural point sweep, but a form of “pattern” where orders are getting trapped.

This Liquidity+ can be a:

- Middle of nowhere reversal (MNR)
- Double tops / Double bottoms
- Triple tops / Triple bottoms
- Liquidity trendline

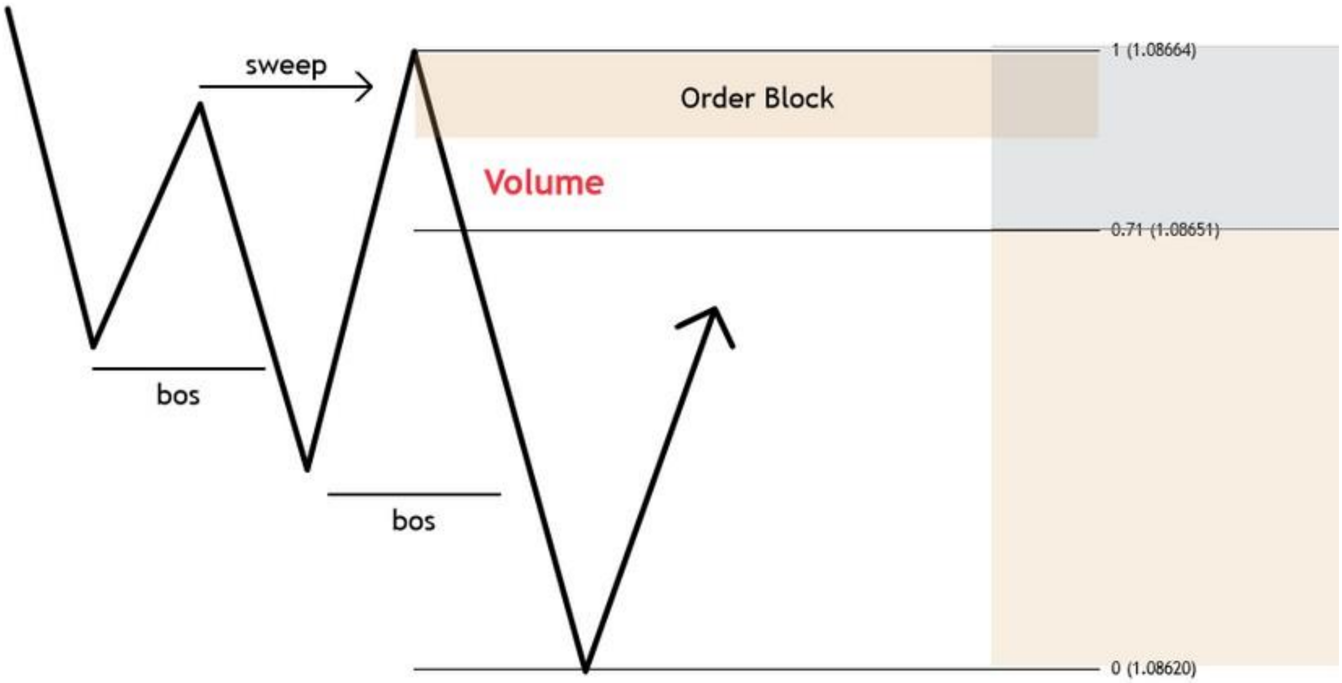
According to the order just listed, the level of liquidity increases, so "MNR" is the weakest, here is the least amount of money placed on the market, "liquidity trendline" is the strongest, here is the most.

Middle of Nowhere Reversal (MNR)

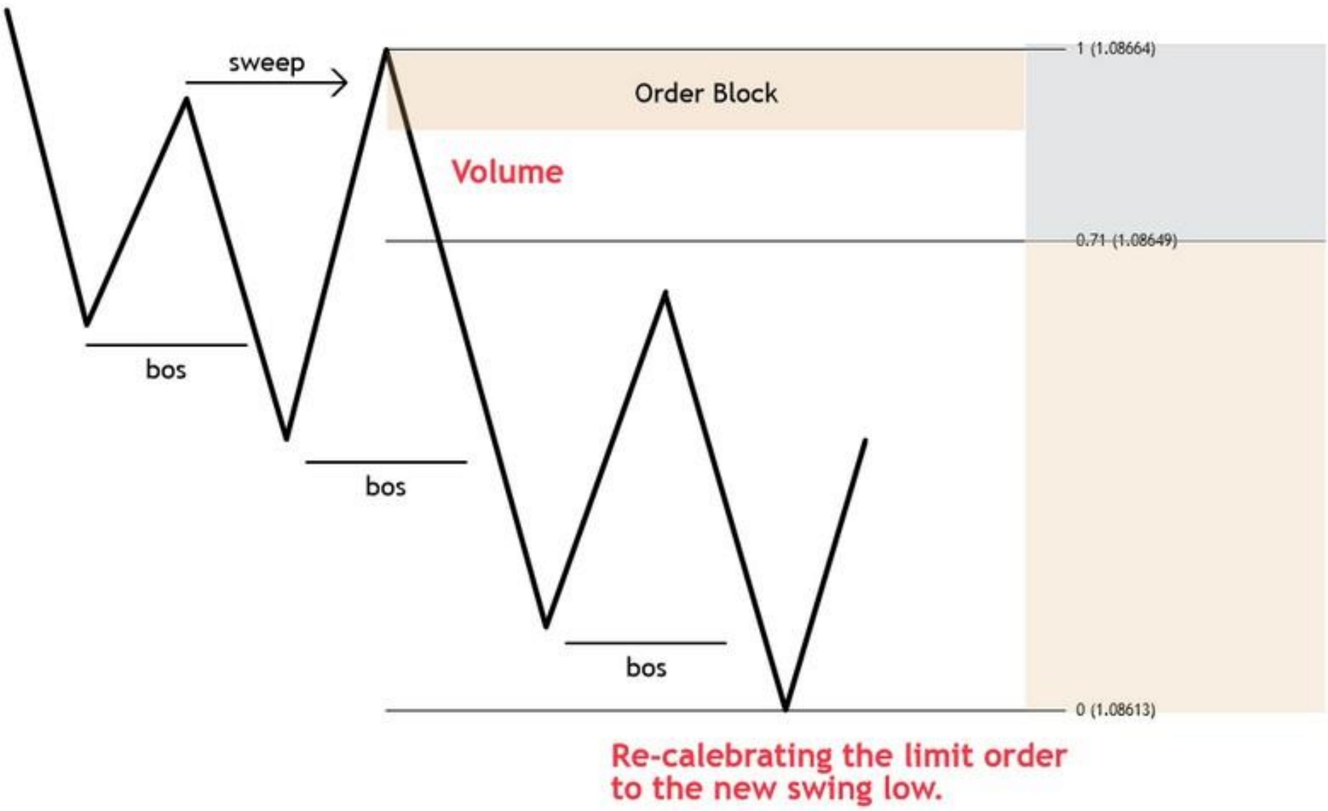
We call everything as a MNR where price reverses without mitigating a proper Order Block.

Usually, when this happens, a false trend change occurs, thus liquidity is placed in the market. This liquidity is getting placed there to trap early buyers / sellers so that banks can take their liquidity and use them to their favour.

Let’s imagine that price is forming a bearish trend. A full 5 criteria setup is getting presented, we’re ready to set the limit order.

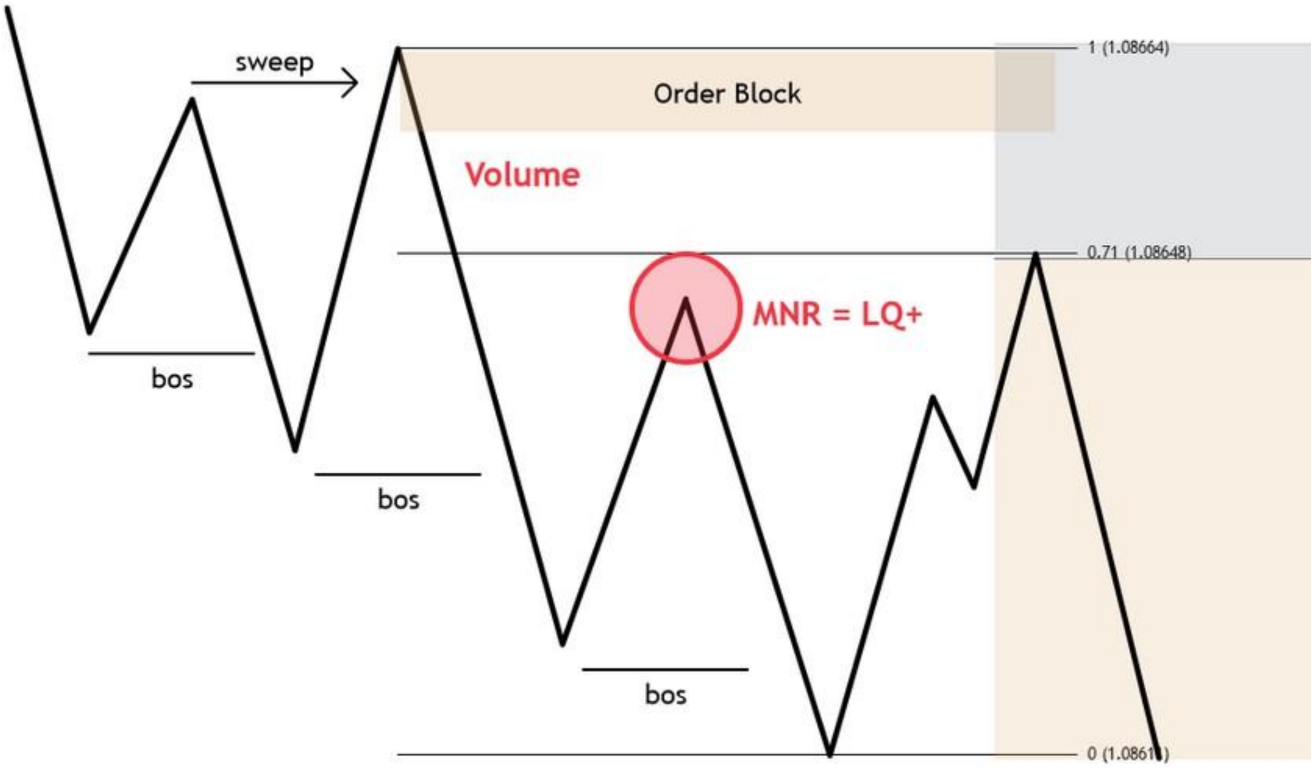


Right after we set our limit order price decides to reverse back down before tagging us in the trade, and makes a new BOS. After the BOS price forms a new pullback, so we can re-calebrate the fibonacci tool.



This high that indicated the new BOS now serves as a Middle of Nowhere Reversal since it has mitigated no Order Block before the new BOS. (BOS is not required, but it traps more LQ if it leaves a new BOS behind)

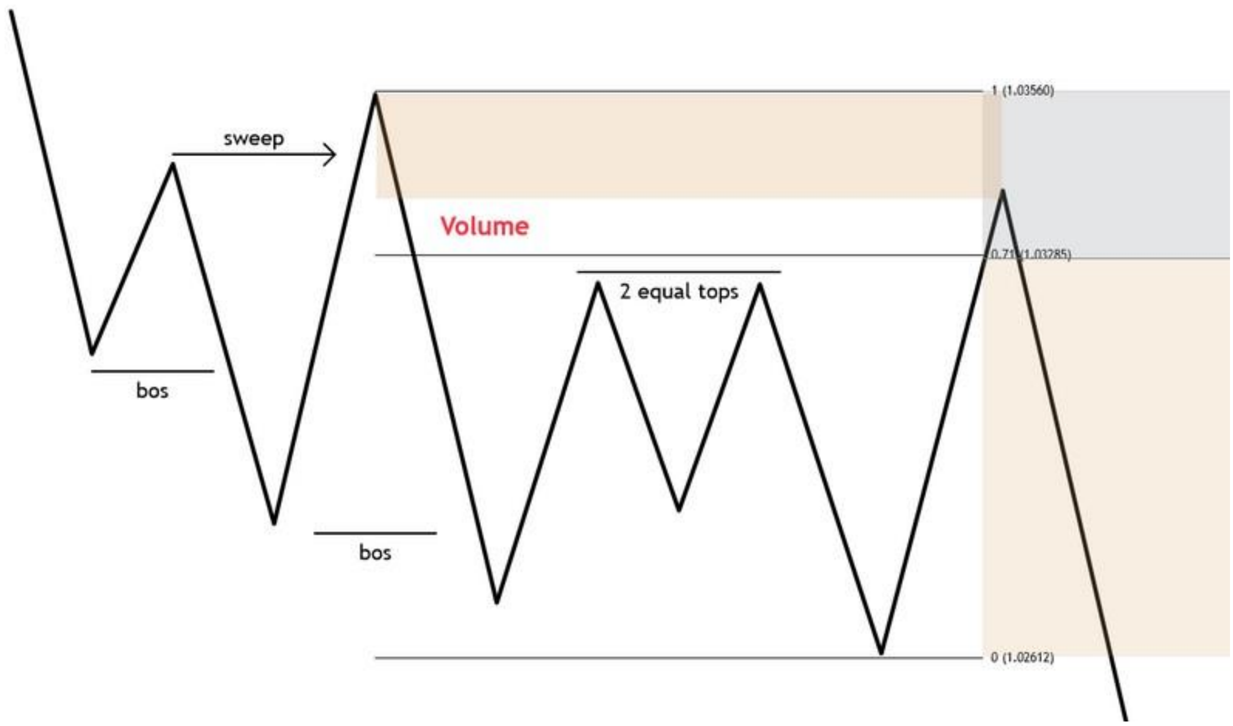
This MNR trapped liquidity in the market and it can be expected to be swept into the protected high point (our entry point).



Boc

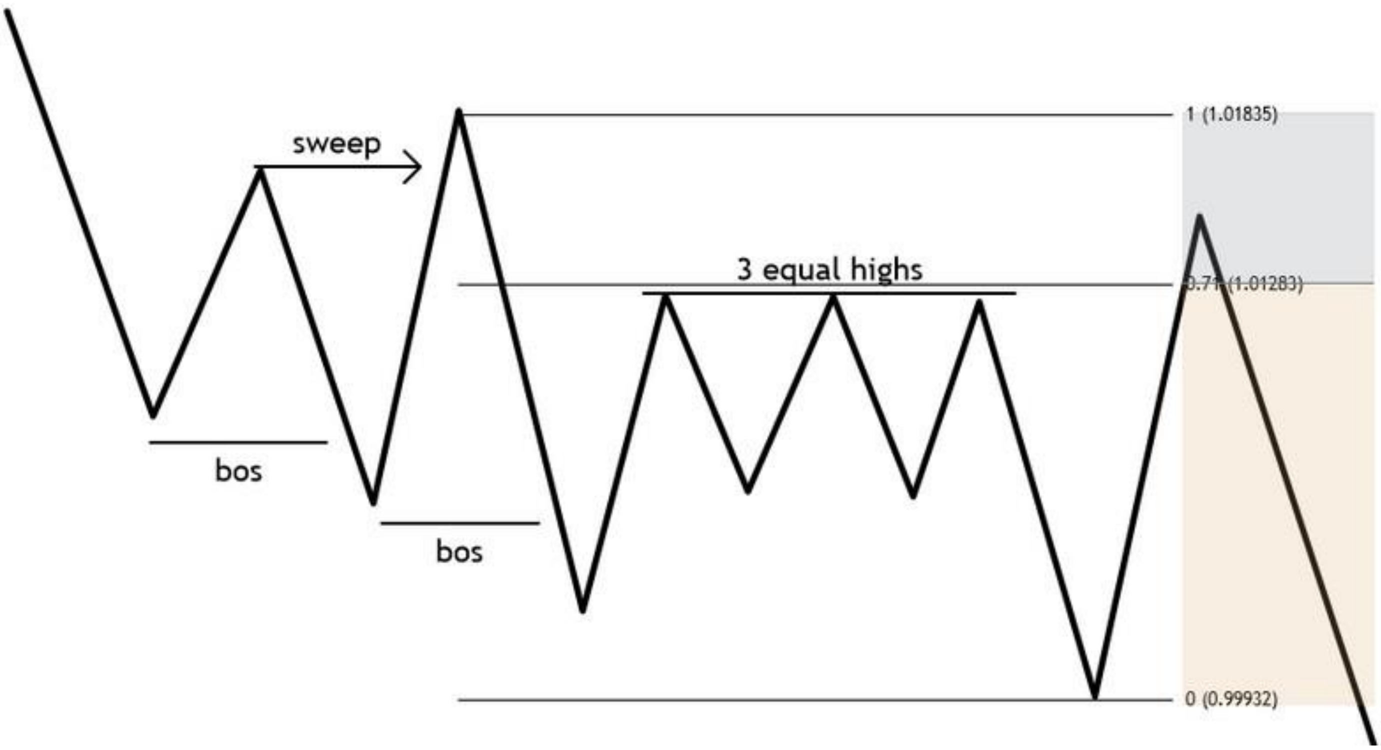
Double tops / Double bottoms

Double tops / bottoms are the same as MNR with a difference of creating 2 equal tops / bottoms below / above the entry point, trapping more liquidity.



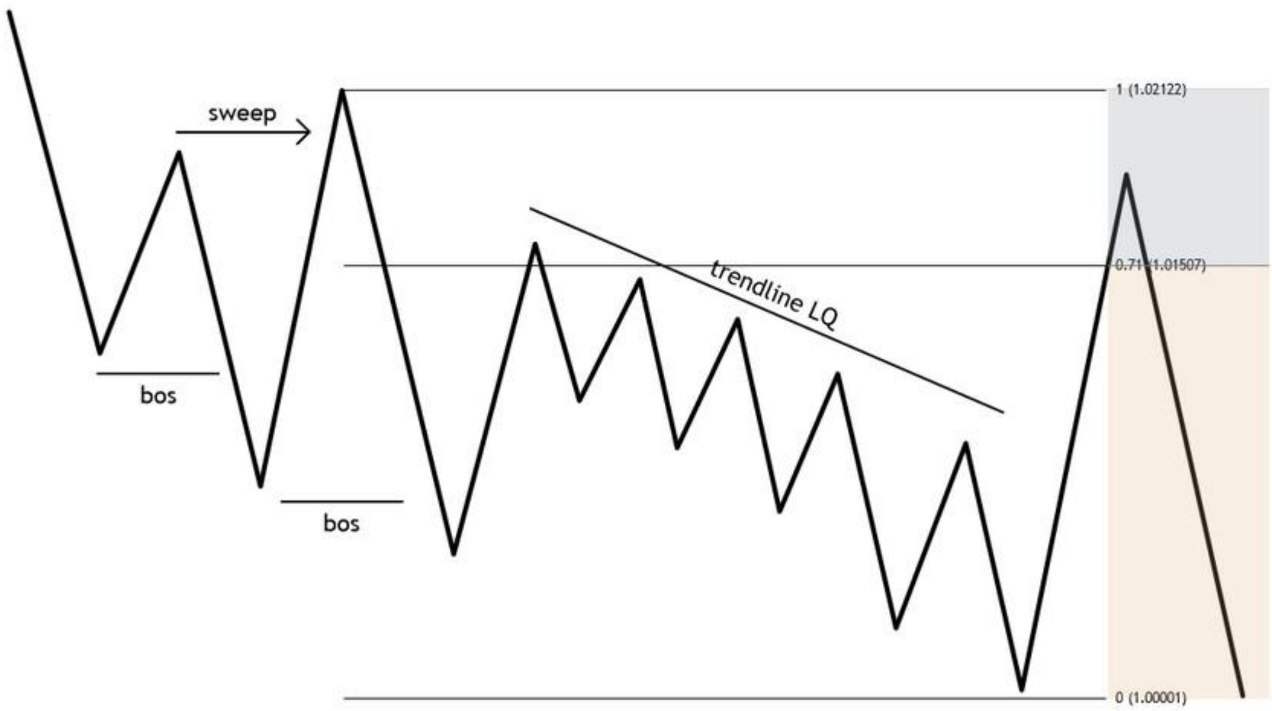
Triple tops / Triple bottoms

Triple tops / bottoms are the same as double with a difference of creating 3 equal tops / bottoms below / above the entry point, trapping more liquidity.



Trendline Liquidity

Trendline liquidity is the same as the others with a difference of creating a trendline below / above the entry point, trapping more liquidity.



PUTTING IT ALL TOGETHER

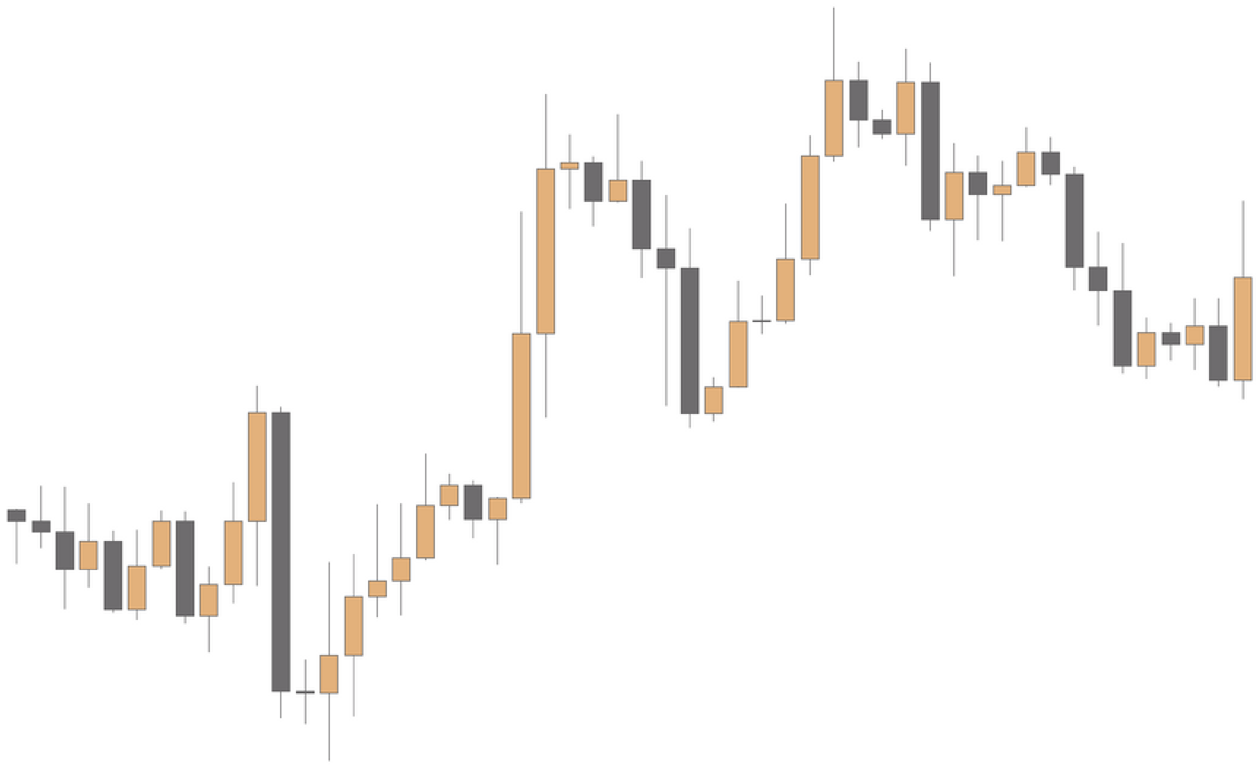
Ladies and gentlemen, we have reached the point where we combine what has been presented so far to create a beautiful complete story.

While reading the book, you may have realized that everything I have presented so far is a nicely detailed trading plan. From the first criteria to every little italicized point, this provides you with a precise trading entry guide.

It's time to put them all together.

Opening the blank chart

Let’s say that we’ve opened TradingView and this is the actual price action we can see on our screen:

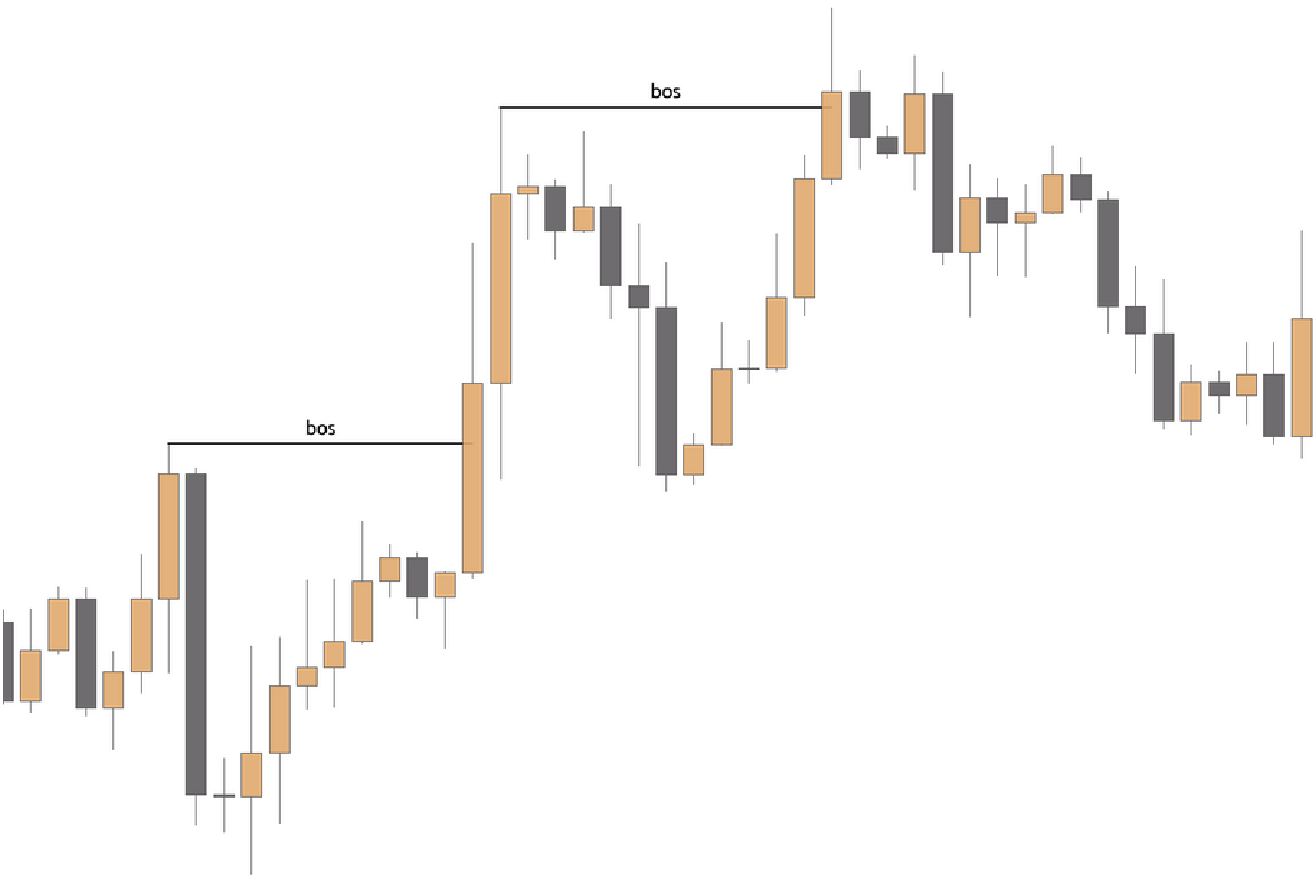


We can say one thing about this chart: it's blank. We have to add our criteria on the chart in order to get a comprehensive picture about what exactly is happening.

And this... this is what makes this strategy truly remarkable: the simplicity. You just simply go over the criteria one by one, applying them on your chart and you have a complete picture about what is going on and where you would expect an entry opportunity.

Identifying market direction, adding the criteria (break of structure)

First let's just identify where price is heading by adding our first criteria: the **break of structure**.



We can clearly see that the market is heading in a bullish direction. Bullish break of structures over and over again, confirming a bullish direction.

Searching for LQ sweep

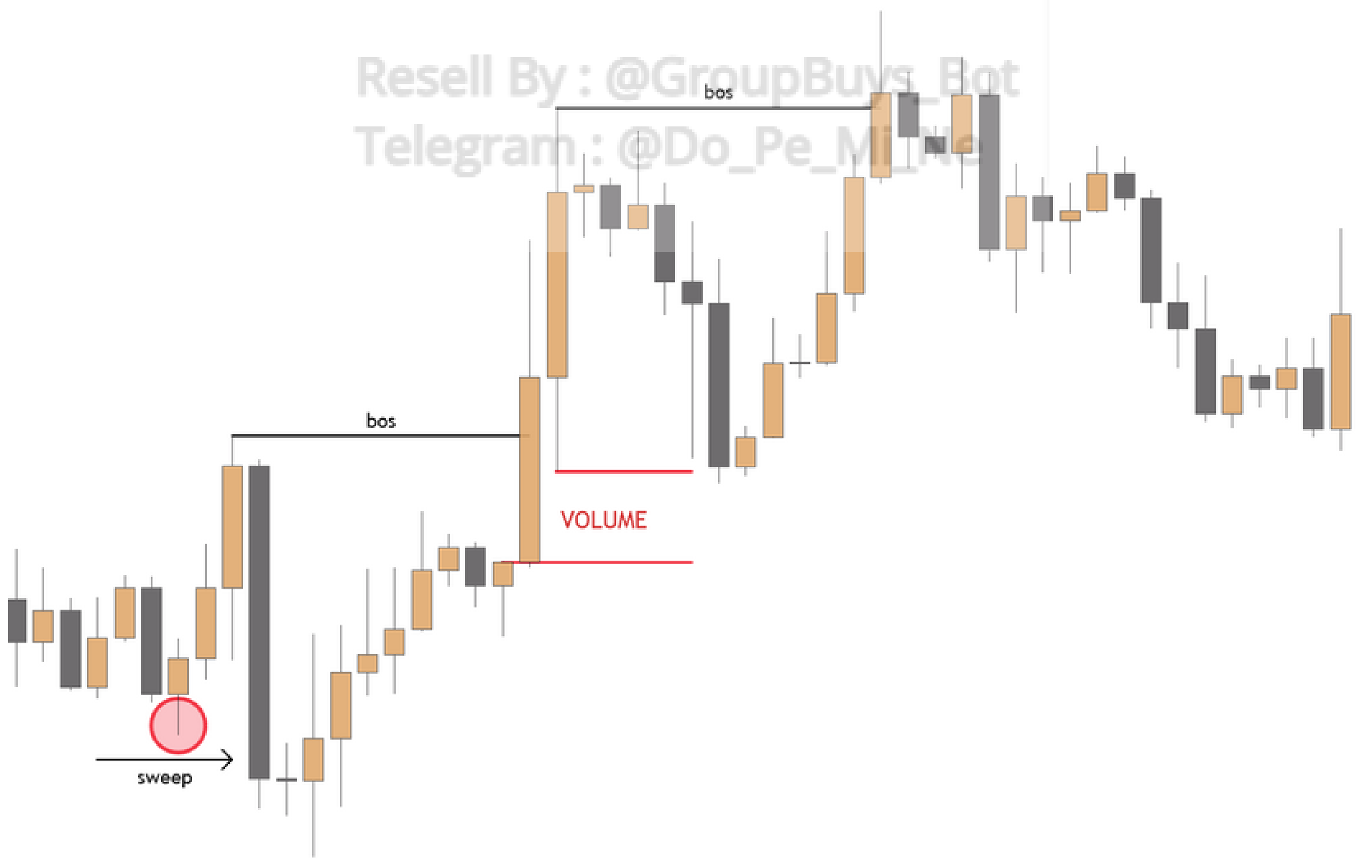
Alright, cool. Market is bullish.
Let’s search for some LQ sweep. If we’re looking at a bullish market structure we have to look for a structural low point sweep.

We can identify the last recent low point before the structure change (marked with a red circle). This low point got swept out, then the trend turnt into a bullish, confirmed by multiple break of structures.

We can safely say that the lows liquidity was used in order to fuel the bullish movement. This is now a protected low point, and holds a great chance to support and reverse if price retraces back down to this point.

Finding the Volume

Our next step is to find some source of volume.
If the movement that broke the structure after the LQ sweep has zero volume then the whole trade idea is invalid.



There's volume, perfect!
Price aggressively broke the structural high point after sweeping out the previous lows liquidity.

3 out of the 5 criteria are now fulfilled.

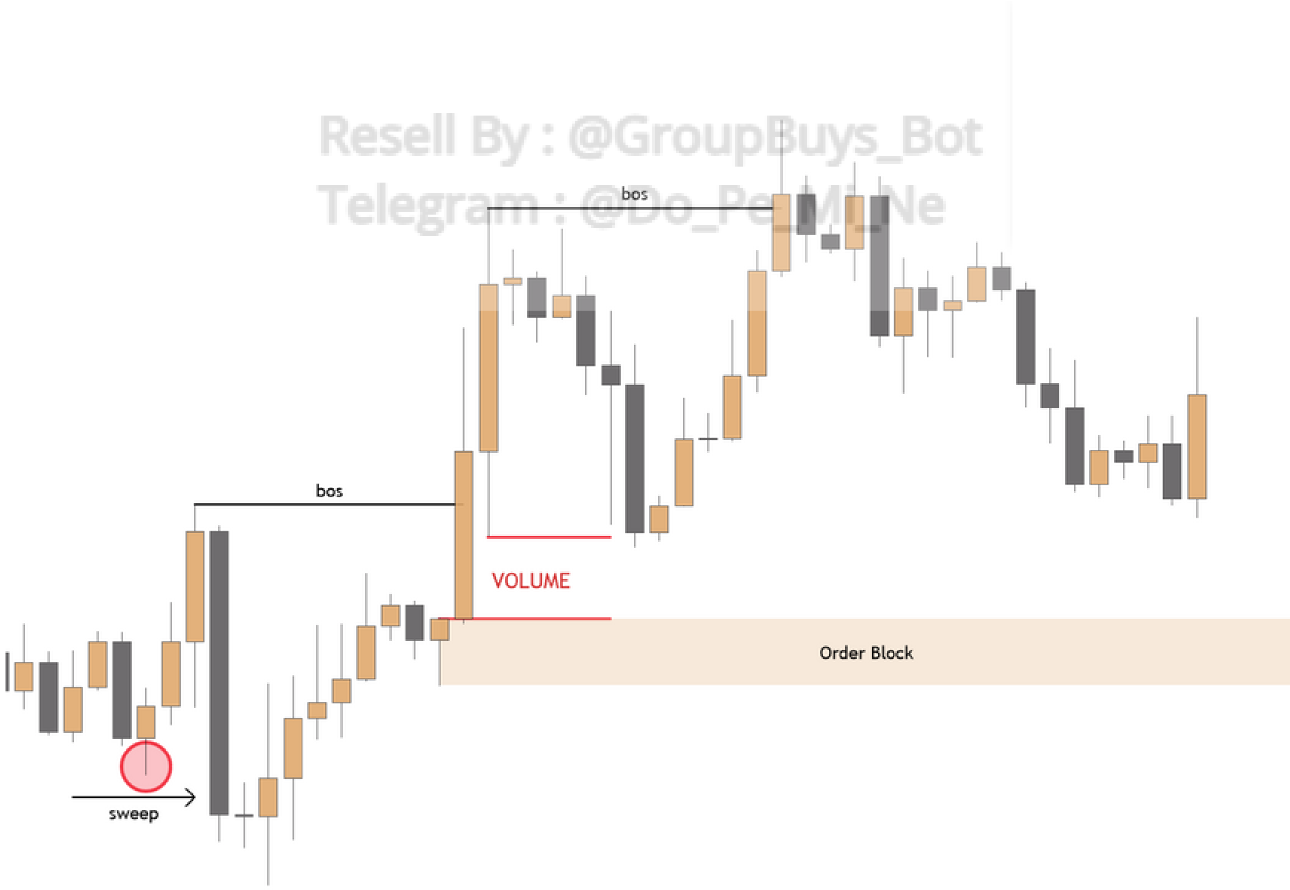
We have to complete 1 more step before pulling our Fibonacci:

Where is the Order Block

We have to look for an order block.

If there's volume then there must be on order block too, but it's still among our duty to find this block!

Order blocks will play a huge part in this strategy later on.
I will explain this in more detail in a later chapter, until then let's focus on finding this block.



There it is!

We found the order block that initiated the volume break of the previous high point after sweeping out the previous lows liquidity.

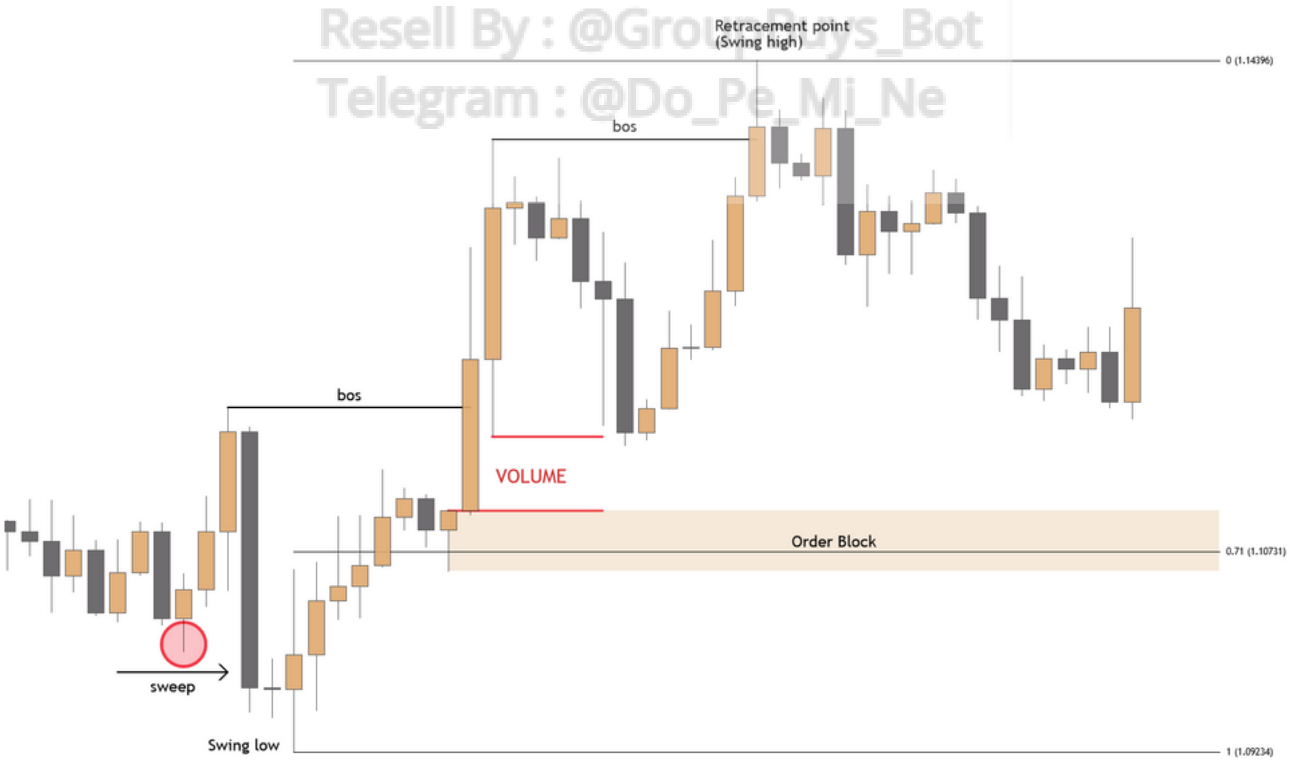
Huh, what a great job we're doing.

Pull that Fibonacci

We have to pull the Fibonacci retracement from the Swing Low all the way up to the Swing High.

The Swing Low will typically be the lowest point after the liquidity sweep, and the Swing High will typically be the highest point before the retracement.

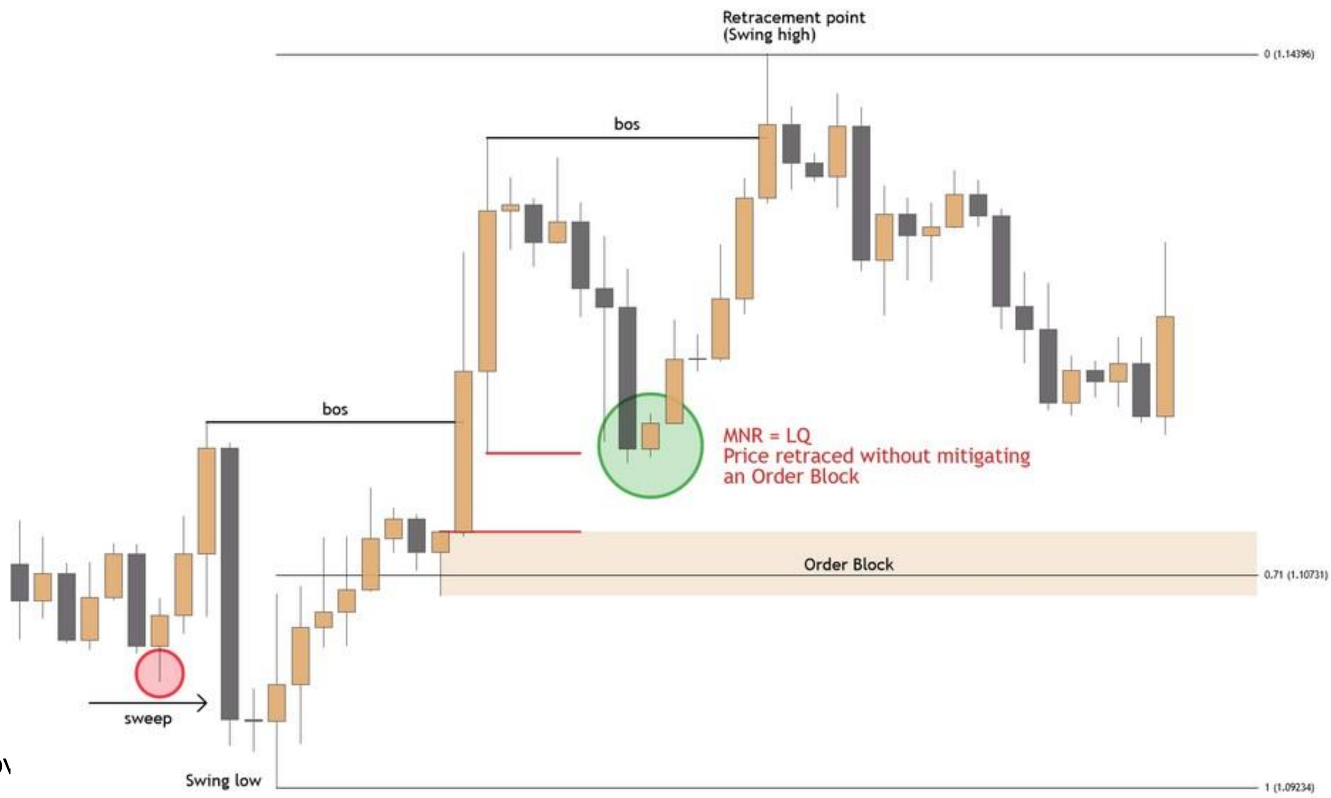
Just simply grab the Fibonacci retracement tool, pull it from the Swing low to Swing high and you're good to go. Remember for the Fibonacci rules!



Awesome, the Fibonacci is in place.

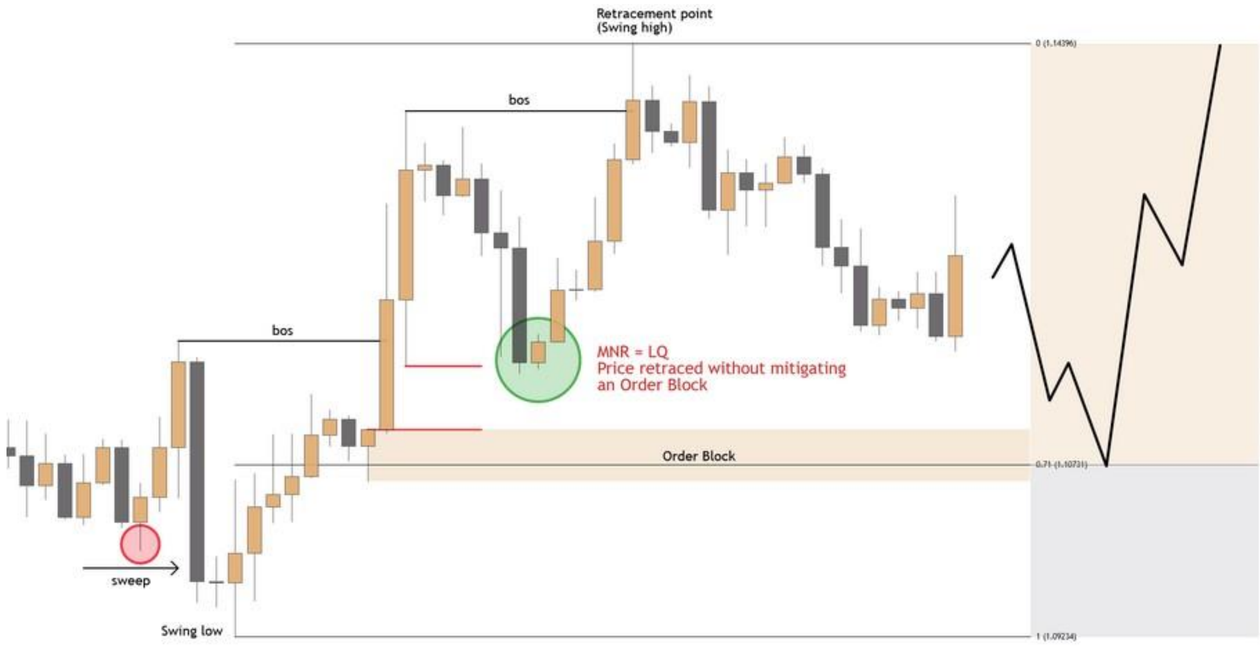
We can check if the +1 criteria can be fulfilled.

Is there a +1?



We could identify a Middle Of Nowhere Reversal. This counts as a +1 criteria, therefore this trade setup is a full criteria one!

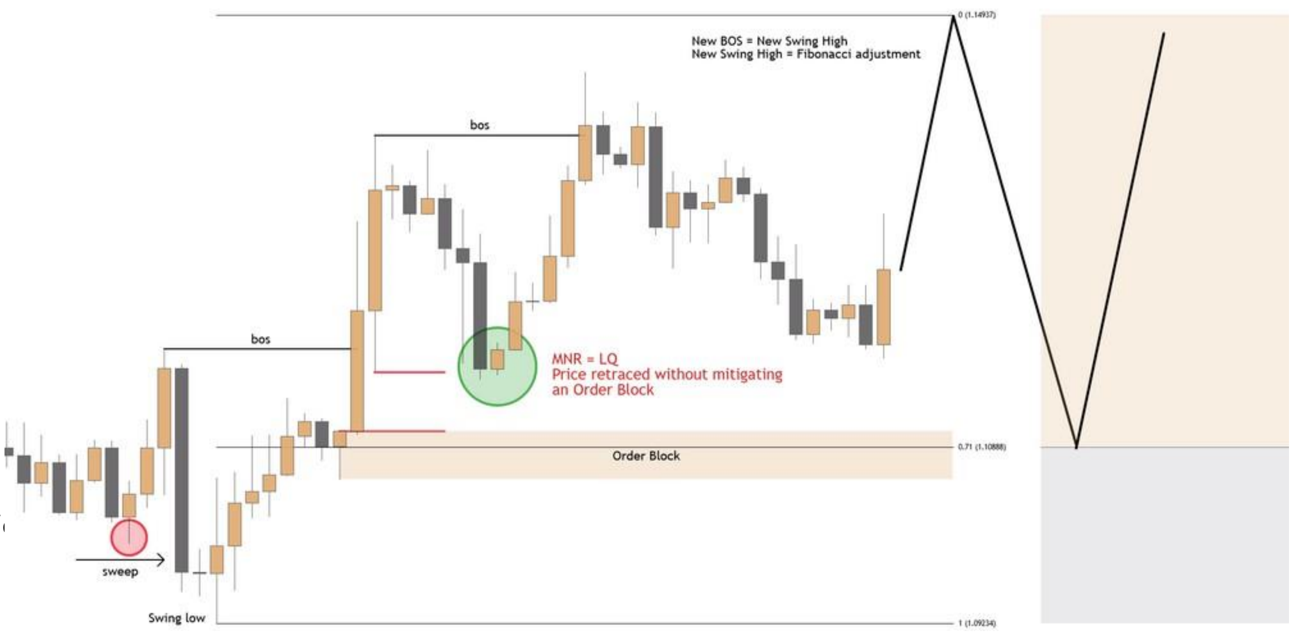
We can set the limit order with confidence.



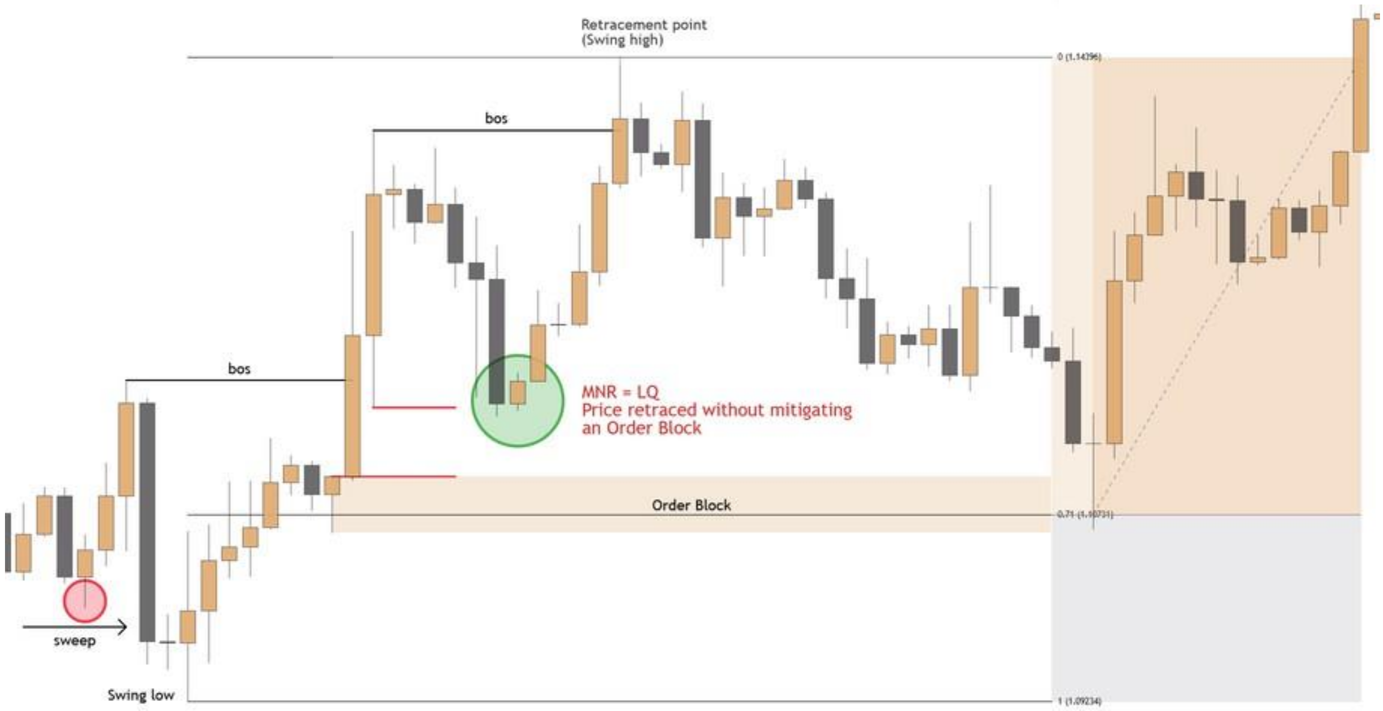
The movement that I drew with an arrow is what we can expect to happen according to our criteria and the strength of the setup.

Please not that this is now a simulated environment.
When you will be trading in live time you have to wait hours, days or sometimes weeks for a limit order to be filled.

Sometimes your limit won’t be even filled and a completely new setup will appear on the horizon, or you have to adjust the Fibonacci level since price broke the structure again to the upside.



For now let's just stick with the ideal scenario: the fill up of the limit order.



The setup played out in 5 days from creating the analysis all the way up to hitting the Take Profit & banking us 2.5% net profit.

As I said many times before in the course of writing this book: this strategy is as simple as it gets.

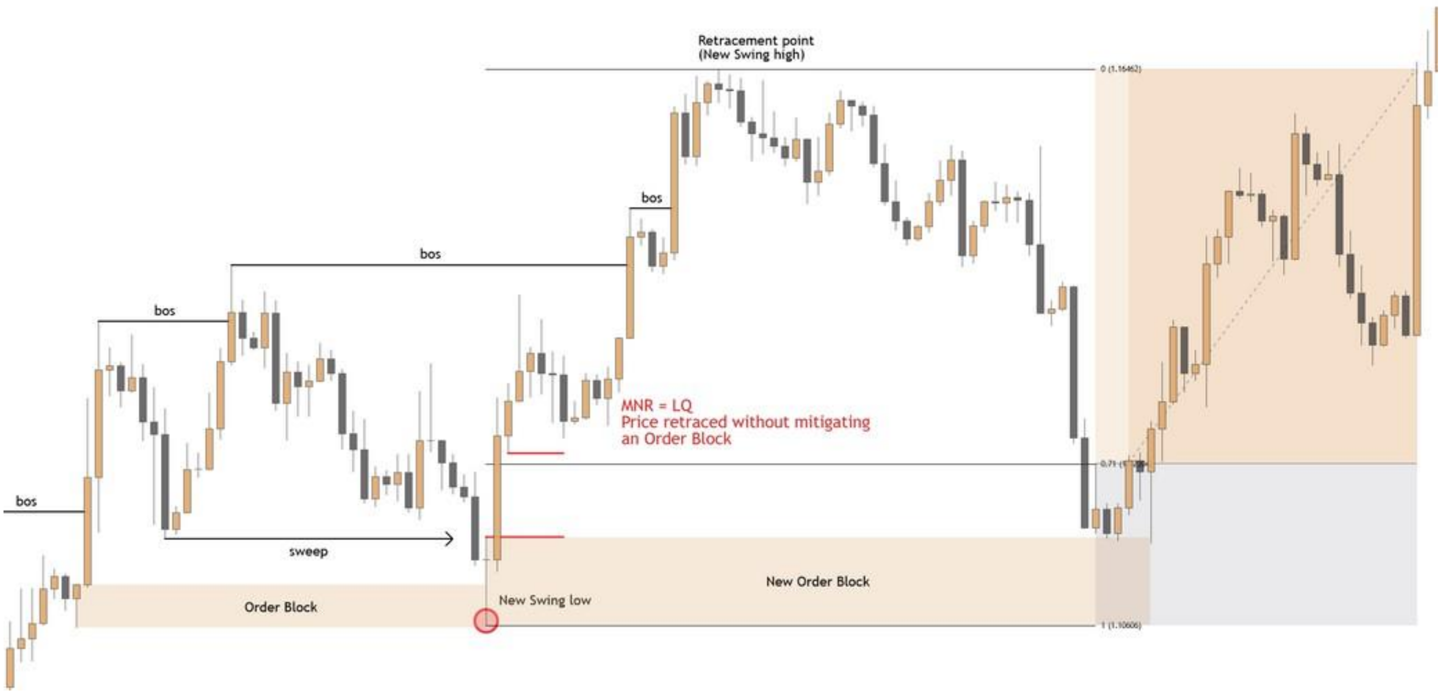
But wait... It's not all... **It start all over again!** Setups could form pretty frequently so you have to stay sharp even after hitting a Take Profit.
If you take a closer look to the situation going on here we already have a new setup.

Do it all over again

Identifying the market structure, counting criteria, doing it all over again.

Let's take a look at this exact same chart again:

While our first trade just did hit the Take Profit level a new setup has already formed...
Bullish market structure still, break of structures over and over again, LQ sweep of the last structure breaking low point, volume, order block, +1 middle of nowhere reversal liquidity, fibonacci.



Doing it all over again... Limit set on the Fibonacci golden level, Take Profit...

There is another setup waiting for you around every corner, be on the lookout! With 30 minutes of active market analysis a day, you can always stay up-to-date to find these opportunities.

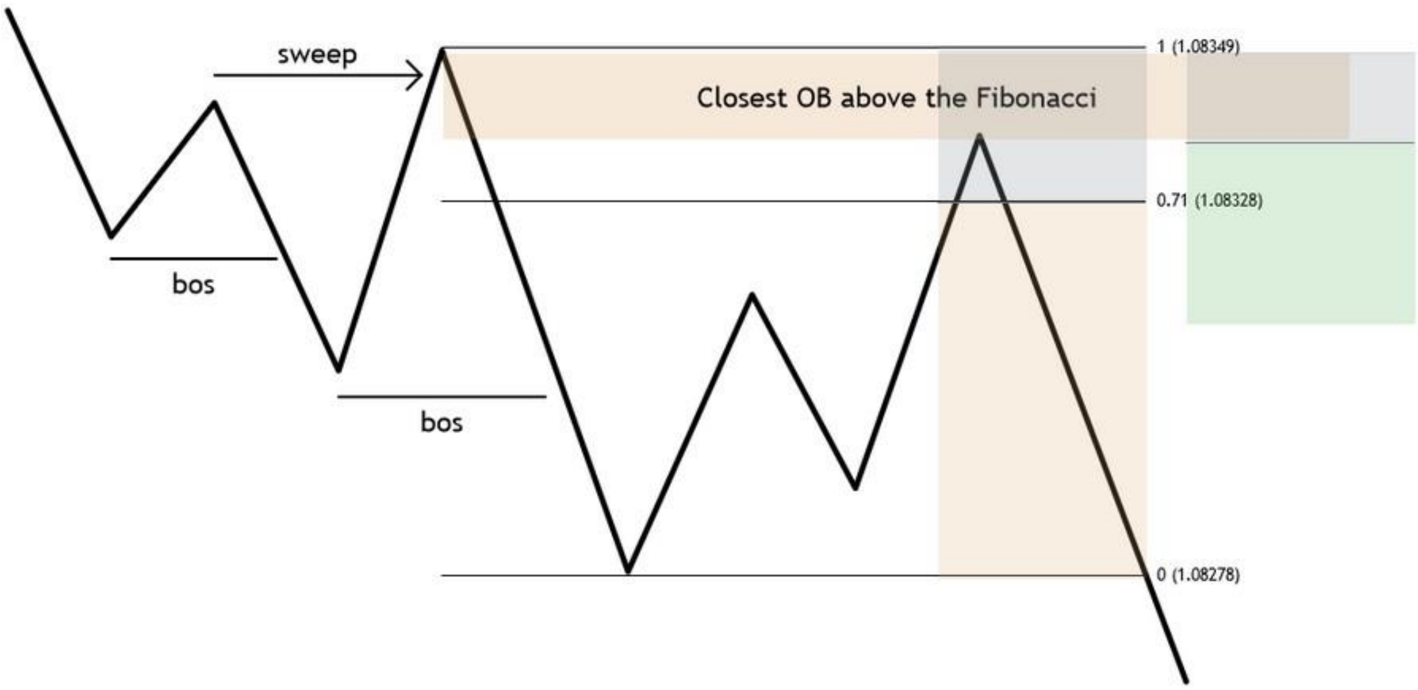
HIGH WIN RATE METHOD

What would you say if I told you that, in addition to the system presented so far, there is a small trick that turns **ALMOST** every trade you open into a profit?

There is...

For months, we tested a method with which you can create an incredibly high win rate for yourself with ease.

The method is dead simple: we set two limit orders for one trading idea. One at the usual 0.71 Fibonacci level, the other at the Order Block closest to the Fibonacci level. (In a long example: The closest OB below the Fibonacci level. In a short example: The closest OB above the Fibonacci level.



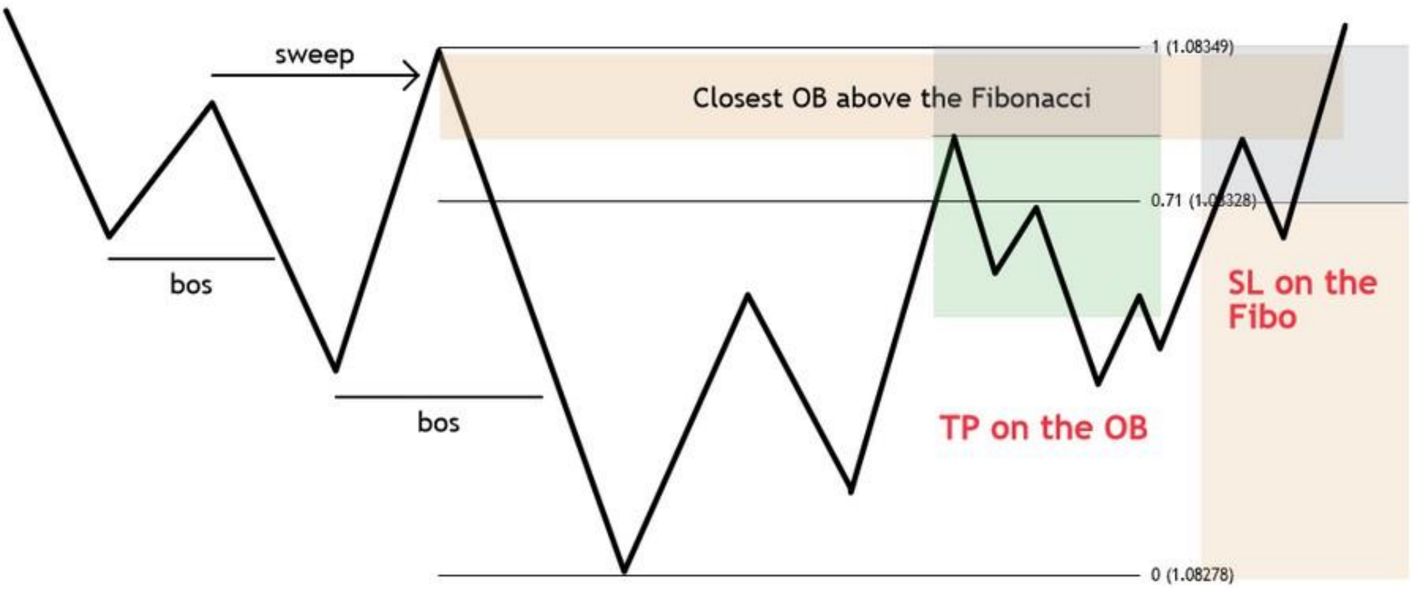
With the OB limit we ALWAYS target 1:2 Risk to Reward ratio, and the Stop Loss is always at the 1 Fibonacci level.

With this method a profit is almost ALWAYS guaranteed.
As it was mentioned we've tested it out and from the results we can confidently say that the OB level hits the 1:2 RR TP ~80% of the time, even if the main setup fails.

We use this method to remove risk from the table and to generate margin that you can use in your next trade idea.

Sometimes the main Fibonacci setup fails and won't hit your TP. In this case the OB limit has a high chance to hit that 1:2 RR TP level, and generate us profit even if the main setup fails.

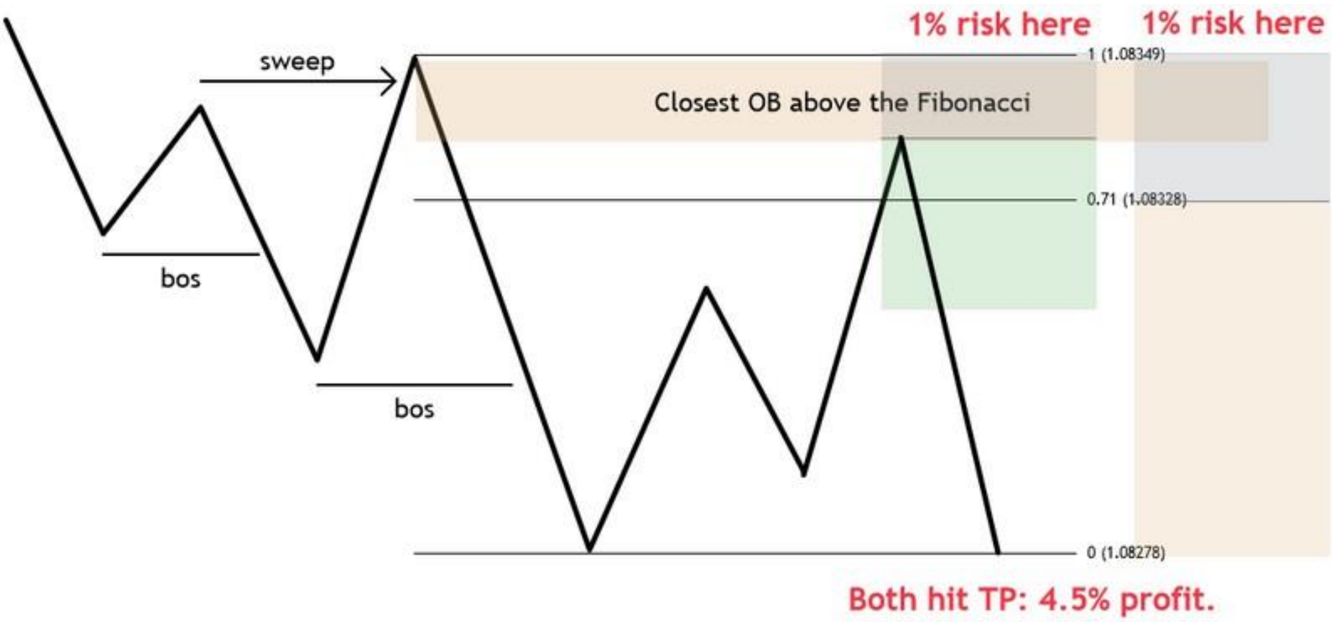
What's the logic behind this? Read on the next page.



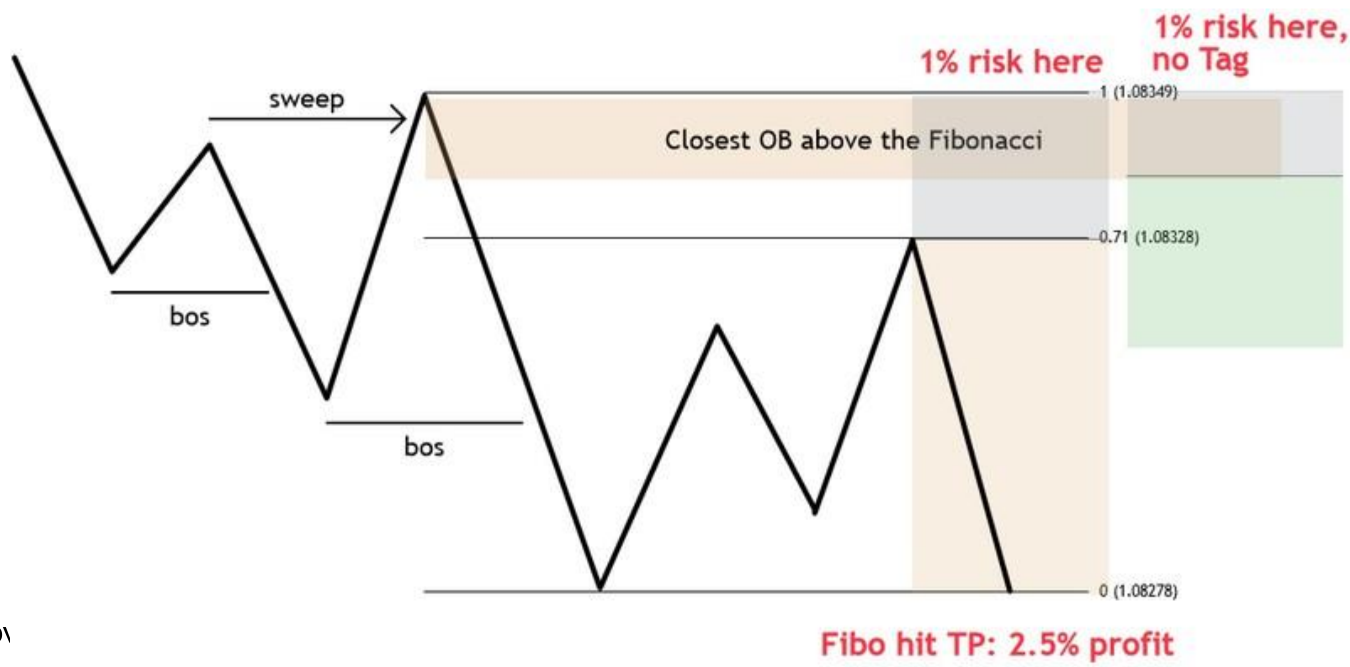
The logic is simple. We risk 2% of our capital on each trade idea.

1% on the Fibonacci level - 1% on the Order block. (I would recommend 0.5% - 0.5% risk if you're trading with prop firm companies.)

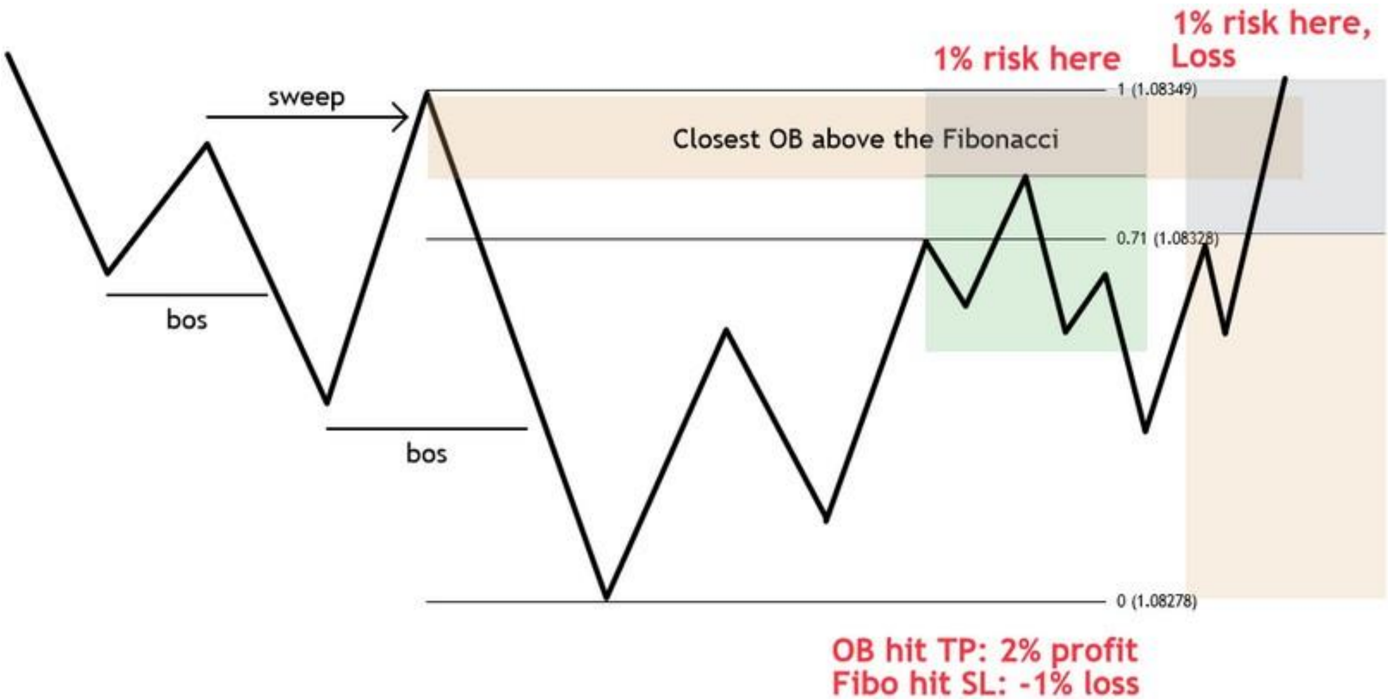
- If both of the order hit your Take Profit: you make 4,5% profit. (2.5% on the Fibonacci limit, 2% on the Order Block)



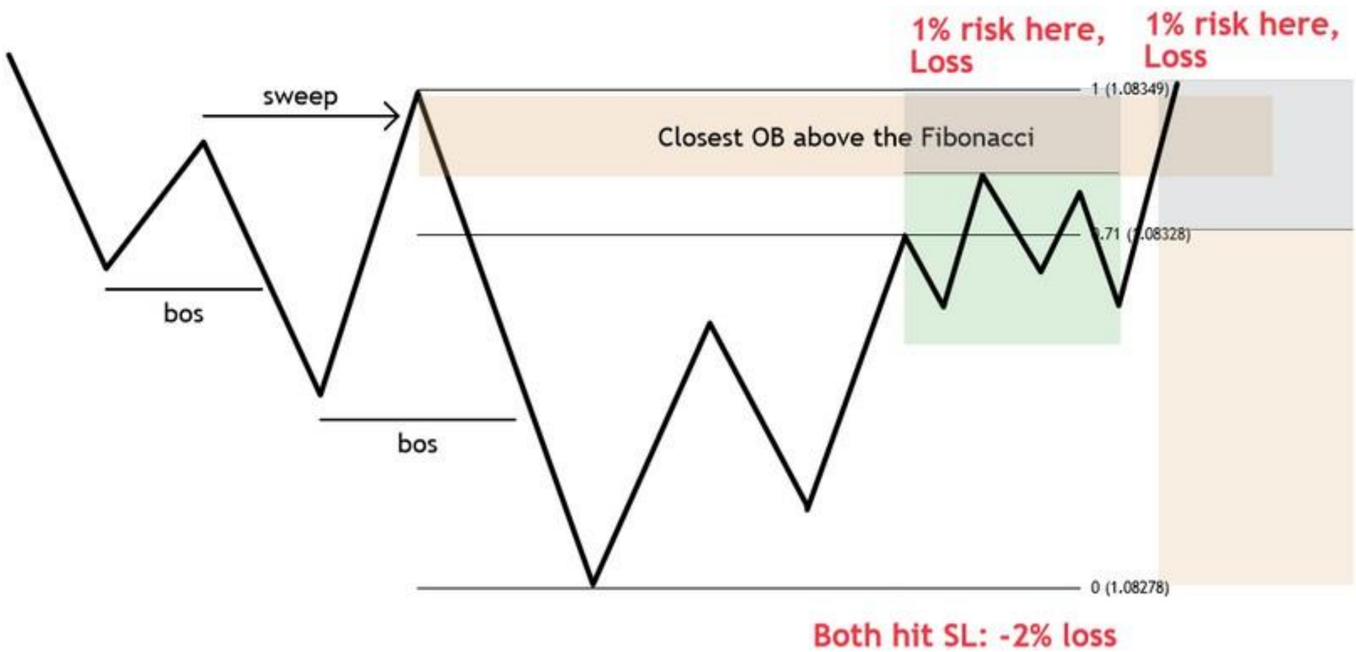
- If only the Fibonacci hits your Take Profit: you make 2.5% profit.



- If only the Order Block hits TP: you make 1% profit. (2% profit on the Order Block level, -1% loss on the Fibonacci level)

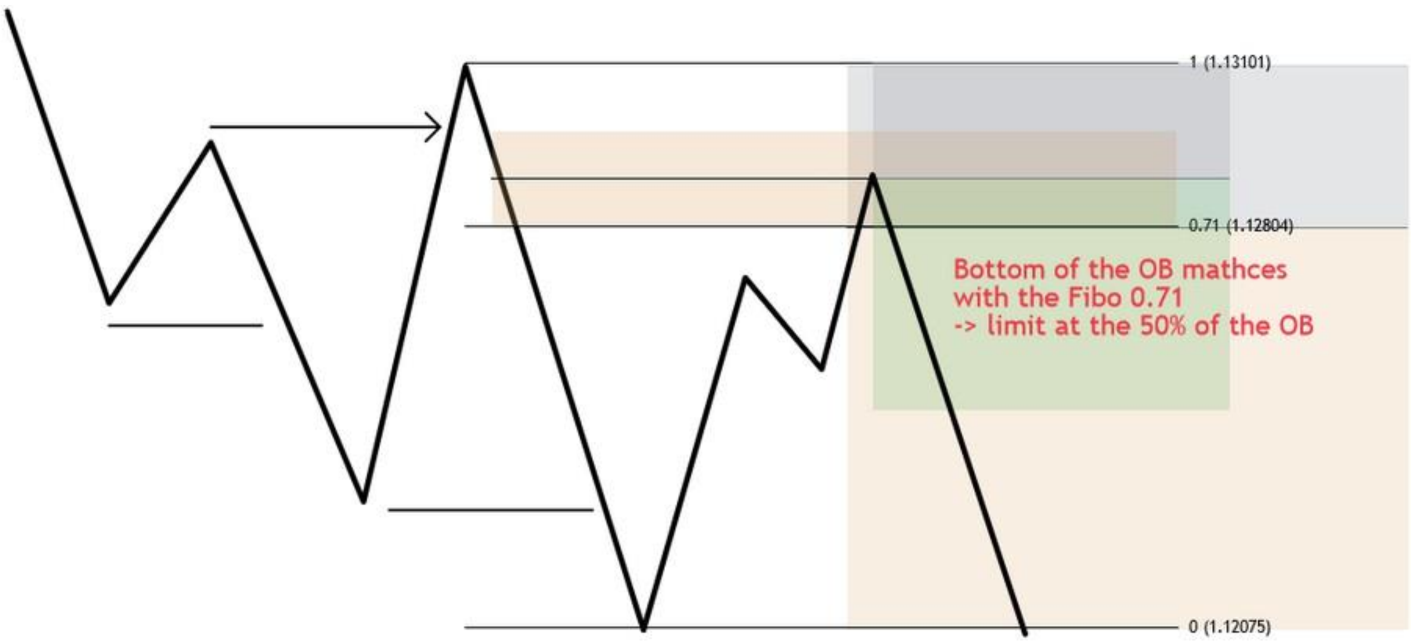


- And now the worst case scenario, if both the limits hit Stop Loss: -2% loss.

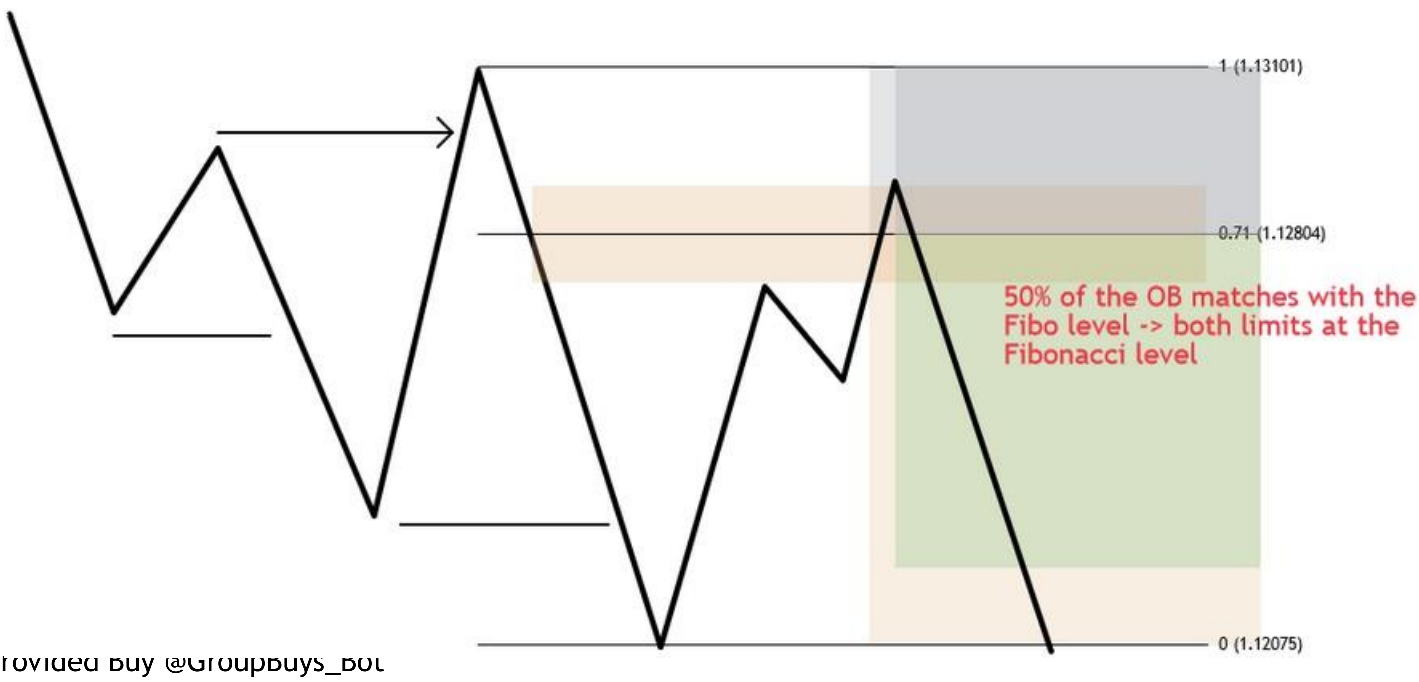


What happens if the only available Order Block matches with the Fibonacci level?

- Low % region of the OB matches with the Fibonacci -> OB limit at the 50% of the block



- 50% of the OB matches with the Fibonacci -> Both of the limits at the Fibonacci level



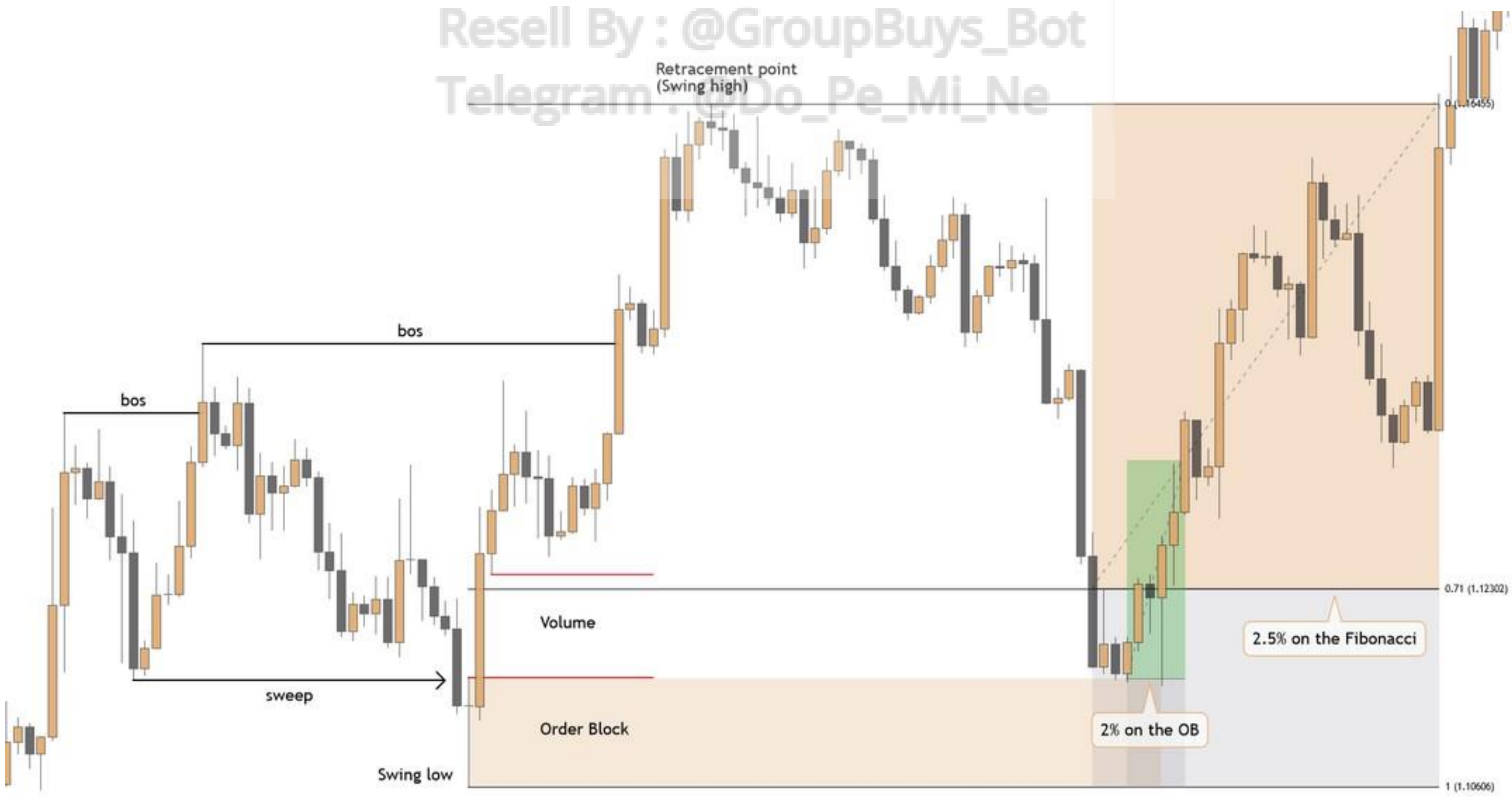
Statistically you have a higher chance to generate profit on each of your positions than to lose money. (Obviously if you follow the rules and only execute trades that are right according to the trading plan and the 5+1 criteria!)

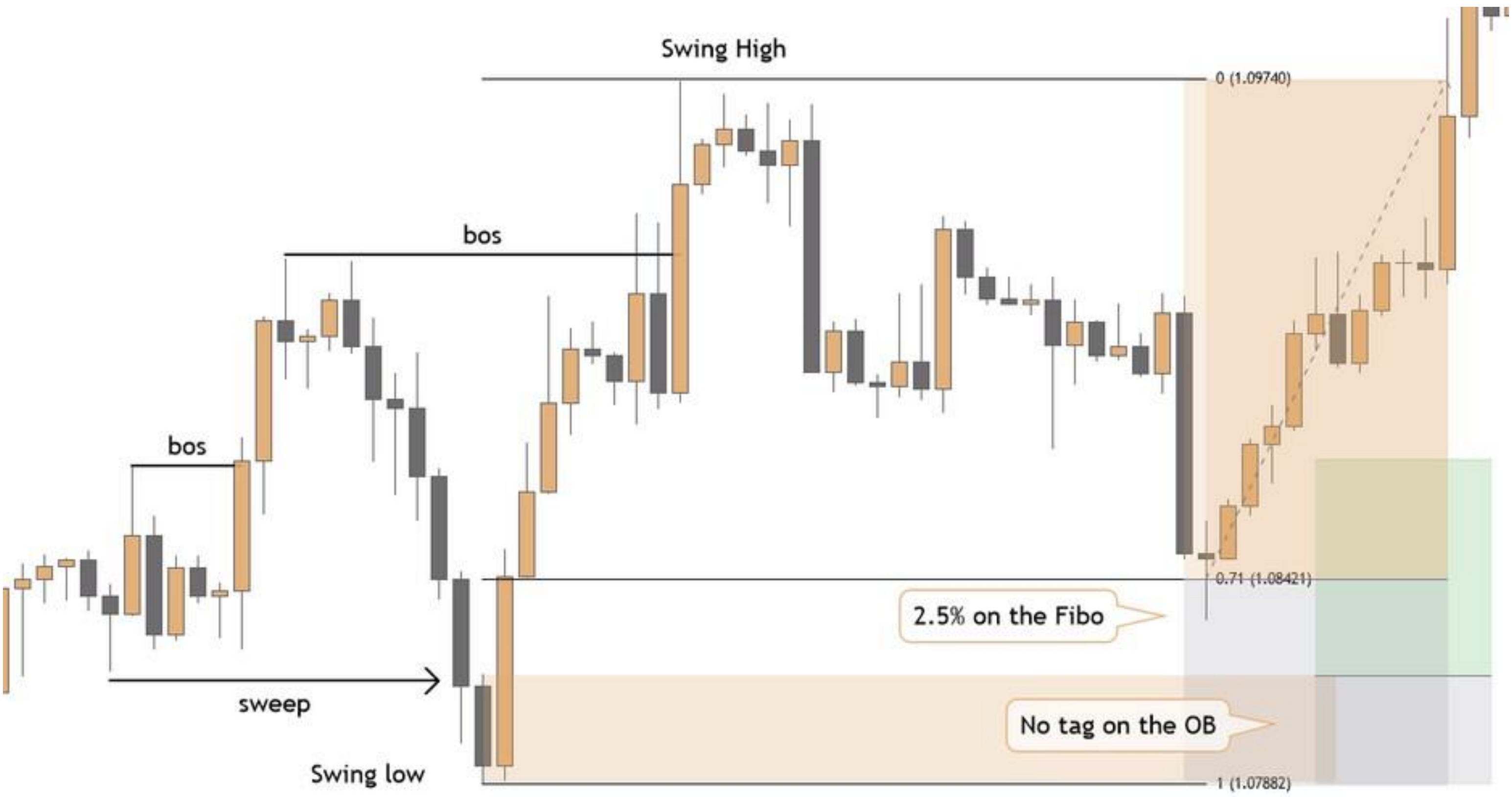
Pair	TV link	1:2 RR
EURUSD	tradingview.com/x/3wZTeUKW/	🟢
AUDUSD	tradingview.com/x/49tp53JX/	🟢
EURGBP	tradingview.com/x/cJHJKO2L/	🟢
EURJPY	tradingview.com/x/YeSyCk2E/	🔴 🟢
EURGBP	tradingview.com/x/EwGhyhmm/	🟢
EURCHF	tradingview.com/x/etg3oeNR/	🟢
XAUUSD	tradingview.com/x/TjSb0spt/	🟢

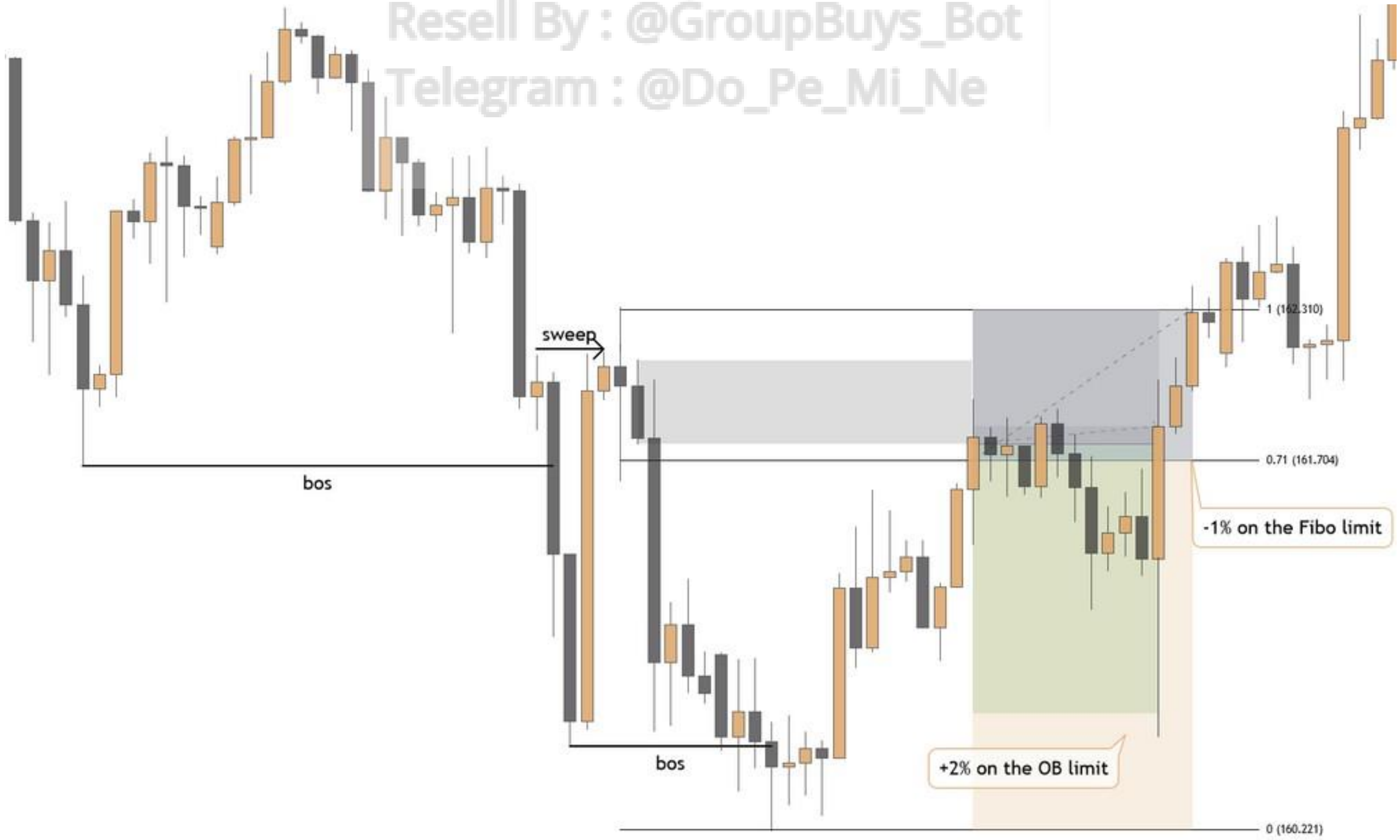
Out of our 8 previous trades 7 did hit the 1:2RR TP mark, which means that on the previous 8 trades using this method you would have a 87.5% win rate, since 7 setups generated **ATLEAST** 2% profit so far. (It’s pointless to talk about the 0.71 Fibonacci level limit in this case, since the profit is **GUARANTEED** even if the 0.71 limit hits SL.)

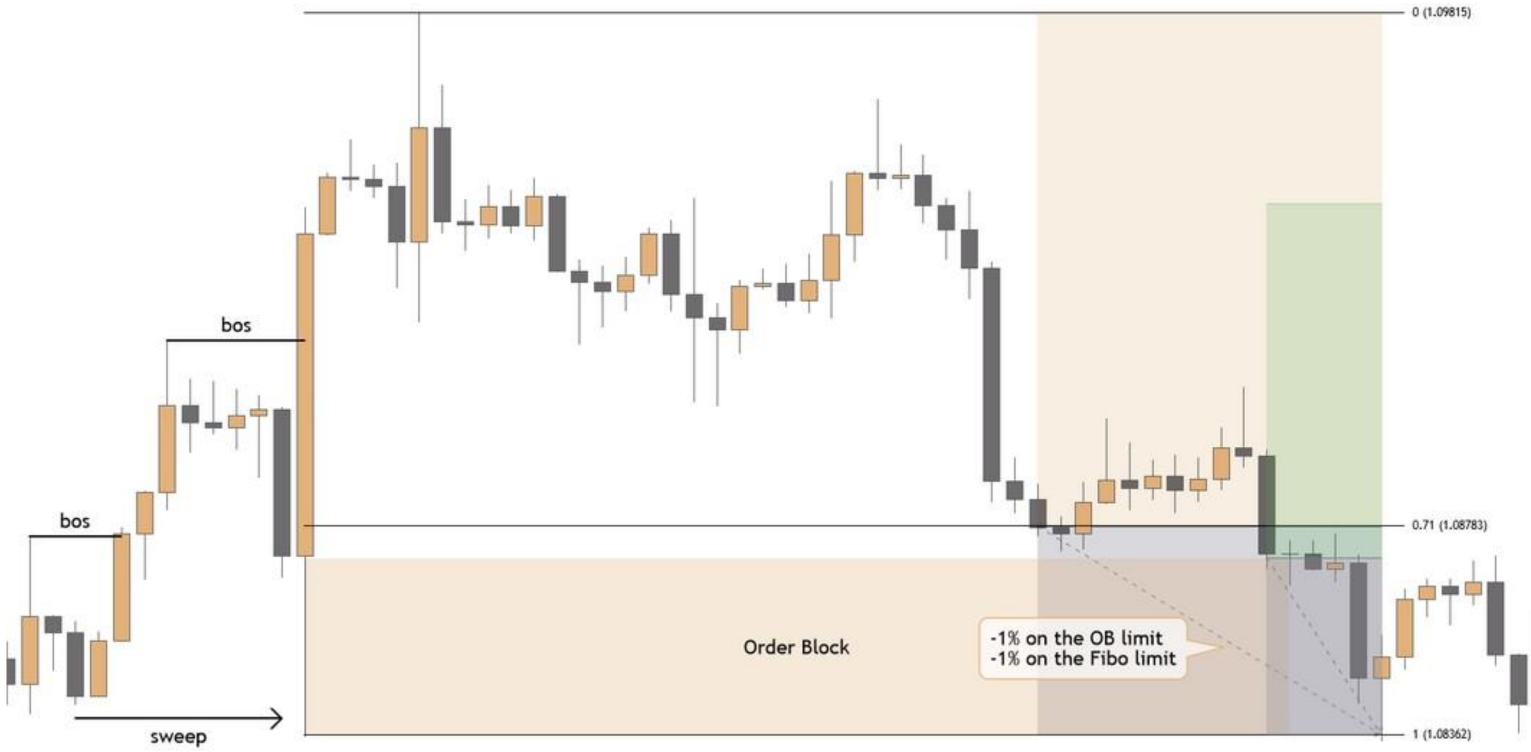
Live examples

Let’s see some live examples for the application of this method. No explanation, no context, just pure raw live examples.


Retracement point
(Swing high)
bos
bos
Volume
sweep
Order Block
Swing low
0.71 (1.12302)
2.5% on the Fibonacci
2% on the OB
1 (1.10606)


Swing High
0 (1.09740)
bos
bos
sweep
Swing low
0.71 (1.08421)
2.5% on the Fibo
No tag on the OB
1 (1.07882)


sweep
bos
bos
1 (162.310)
0.71 (161.704)
-1% on the Fibo limit
+2% on the OB limit
0 (160.221)


0 (1.09815)
bos
bos
0.71 (1.08783)
Order Block
-1% on the OB limit
-1% on the Fibo limit
sweep
1 (1.08362)

PROP FIRM TRADING

Joining a proprietary trading firm, or prop firm, can be an excellent way for traders to leverage additional capital and maximize their potential returns. By using our Higher Timeframe strategy, you can meet the requirements of these firms and take advantage of the benefits they offer.
This chapter will guide you on how to choose the right prop firm and explain what kind of account should you choose.

Choosing the Right Prop Firm

Selecting the right prop firm is crucial for your success. Here are some key factors to consider:

1. *Reputation and Reviews*: Research the firm's reputation. Look for reviews and testimonials from other traders to ensure the firm is reliable and has a good track record.
2. *Capital Allocation*: Check how much capital the firm is willing to allocate to you. Larger capital allocations can mean higher potential profits.
3. *Fee Structure*: Understand the fee structure, including any upfront fees, monthly fees, or profit splits. Ensure that these terms are fair and reasonable.
4. *Support and Resources*: Evaluate the support and resources the firm provides, such as educational materials, trading platforms, and customer service.
5. *Trading Conditions*: Review the trading conditions, including spreads, commissions, and available instruments. Make sure they align with your trading strategy.

Adjusting Risk According to Swing Account Parameters

Risk management is a critical component of trading, especially when working with prop firms. Here's how to adjust your risk using a swing account:

1. **Daily Drawdown Awareness**: Even though swing accounts have more relaxed rules, it's still important to be aware of any drawdown limits. Adjust your position sizes and stop losses to ensure you stay within acceptable risk levels.
2. **Position Sizing**: Use a conservative position sizing approach. Our Higher Timeframe strategy identifies high-probability setups, but it's essential to avoid risking too much on any single trade. I would suggest a maximum 1% risk / trade idea (0.5% on the Fibonacci level, 0.5% on the OB).
3. **Diversification**: Trade multiple currency pairs to spread risk. By diversifying your trades, you can reduce the impact of a loss on any single pair.
4. **Strict Adherence to Strategy**: Follow our Higher Timeframe strategy rules meticulously. This disciplined approach ensures you're trading setups with the highest potential for success, which is crucial for meeting prop firm targets and avoiding drawdown limits.

Using a Swing Account?

When utilizing our Higher Timeframe strategy, the best way I can recommend is to use a swing account for various reasons:

- **Alignment with Strategy**: Our Higher Timeframe strategy is designed for holding positions over several days or even weeks. Swing accounts are tailored for this type of trading, allowing you to take advantage of longer-term market movements without the pressure of daily profit targets or drawdown limits.
- **Relaxed Overnight Rules**: Swing accounts typically have more relaxed rules regarding overnight positions. This flexibility is essential for our strategy, which involves holding trades based on the 4-hour timeframe. With a swing account, you can confidently hold positions overnight or over weekends without facing penalties or restrictions.

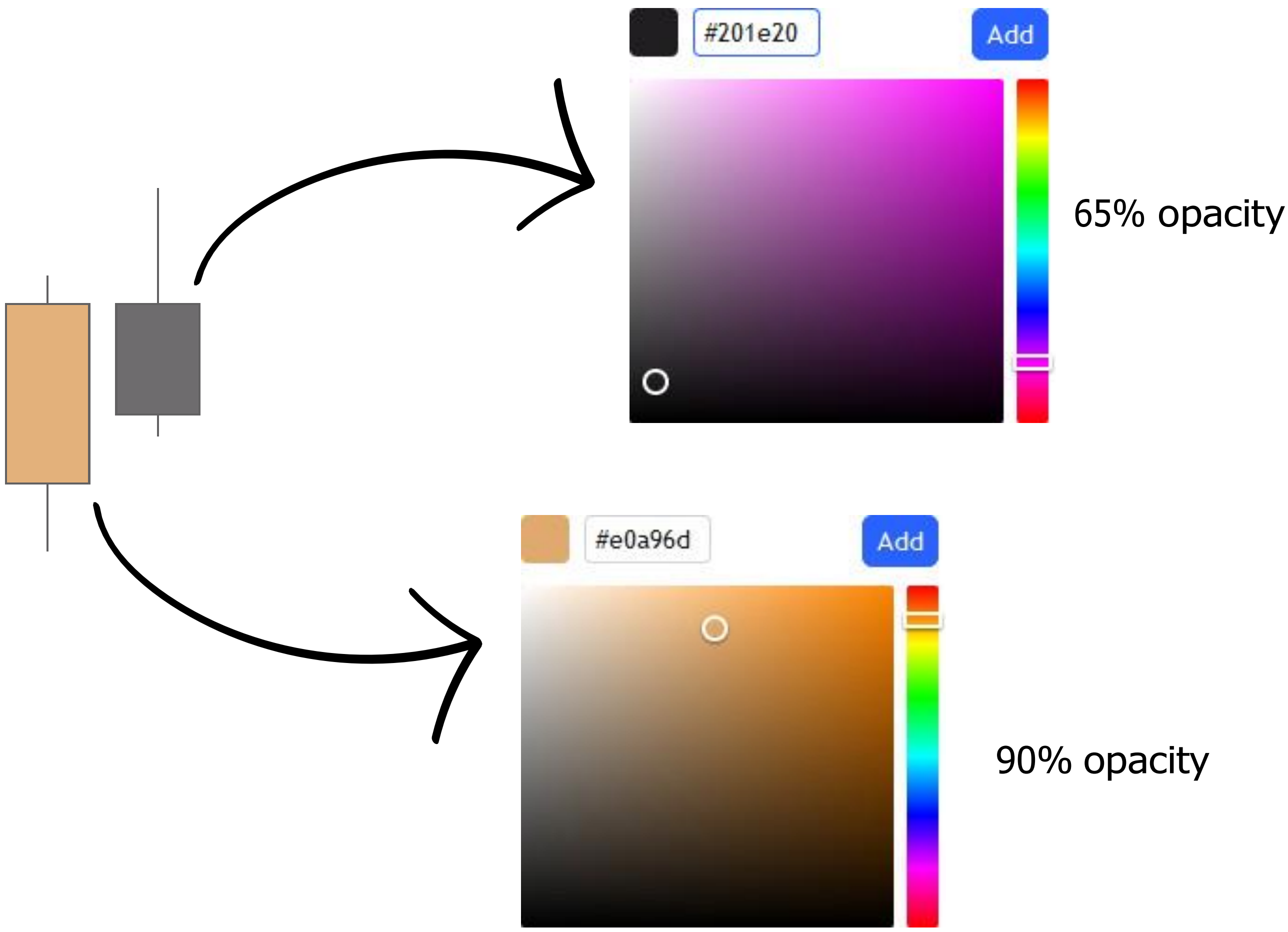
- **Reduced Stress and Pressure:** Trading on a swing account reduces the stress and pressure of meeting intraday profit targets. You can focus on making well-considered decisions based on higher probability setups, leading to more consistent and reliable trading outcomes.
- **Better Risk Management**: Swing accounts allow for better risk management aligned with our strategy. Since you are not confined by daily drawdown limits, you can set your stop losses and position sizes based on the overall market structure and not just intraday fluctuations.

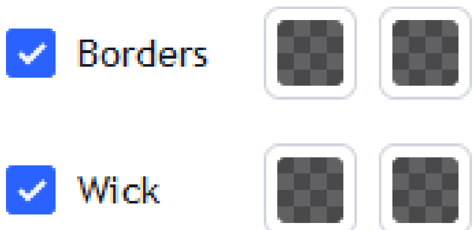
Conclusion

Trading with a prop firm can be a rewarding endeavor, offering the potential to amplify your trading returns with additional capital. By choosing a swing account and implementing stringent risk management practices, you can leverage our Higher Timeframe strategy to achieve consistent success. This approach ensures alignment with our strategy's principles, providing the flexibility and support needed to navigate the markets effectively. As you apply these principles, you'll not only meet the requirements of prop firms but also enhance your overall trading performance, paving the way for a prosperous trading career.

Chart Colors

Since I get asked on a daily basis what my chart colors are, I thought it was about time to share them here in this book as a little extra.





Borders & wicks are both have the code of #201e20 and 70% opacity

Checklist

It is important to repeatedly emphasize the importance of the criteria.

Print this checklist out, put it on your wall, sleep with it, make love with it or do whatever you want with it, but **MEMORIZE THESE 5+1 criteria**.

1. **Break of Structure** (Identifying the market direction and structure.)
2. **Liquidity Sweep** (Looking for structural point sweeps to free up liquidity that can be used to fuel the movement in your favour.)
3. **Volume** (Finding volume gaps to identify where money was pumped into the market.)
4. **Order Block** (Marking out the Order Block that started the structure breaking movement & volume)
5. **Fibonacci** (Pulling the Fibonacci retracement tool from the swing low up to the swing high)
6. **Extra Liquidity** (Searching for extra liquidity. The trade will be ultra high probability if there is LQ+ available)

PSYCHOLOGY

Psychology is one of the most crucial components in Forex trading, often making the difference between success and failure. While technical skills and a solid strategy are essential, the ability to manage emotions and maintain a clear, focused mindset is equally, if not more, important. Emotional control can significantly impact trading decisions, affecting everything from entry and exit points to risk management. Traders who cannot handle the psychological pressures of the market often find themselves making impulsive decisions, deviating from their strategies, and ultimately suffering losses.

Consider this: why do some traders excel while others struggle, despite having learned the exact same strategy? The answer lies in their ability to manage emotions. Reflect on your own reactions to losing a trade or facing failure in life. Do you accept setbacks, learn from them, and move on? Or do you fixate on failures, leading to frustration and despair? Your reactions might be hindering your success not only in trading but in other aspects of life as well.

Many traders struggle with emotional management, particularly when faced with the unpredictable nature of the market. It's natural to feel confused and anxious about market movements and future trends. However, the approach discussed in this book equips traders with a deep understanding of market dynamics. When you consistently secure high-reward trades, minor losses become less significant. This highlights the crucial link between risk management and psychology: effective risk management fosters a stable mindset, whereas over-leveraging can lead to excessive stress and emotional distress.

In Forex trading, emotional challenges are constant. The market's volatility can induce stress, anxiety, and fear, leading to poor decision-making. For instance, fear of missing out (FOMO) can cause traders to enter trades prematurely, while fear of loss can lead to closing positions too early or holding onto losing trades for too long. Additionally, overconfidence after a winning streak can result in excessive risk-taking. Thus, mastering psychological resilience is key to maintaining discipline and adhering to a well-defined trading plan.

Our new trading book addresses these psychological challenges head-on by providing a strategy with a high win-rate. The confidence gained from consistently winning trades helps in managing emotional stress. Knowing that your strategy has a proven track record instills a sense of trust and security, reducing the tendency to second-guess decisions or react emotionally to market fluctuations.

In summary, while technical skills and a solid strategy are fundamental to Forex trading, psychological resilience is what truly sustains long-term success. This book not only offers a high win-rate strategy but also equips traders with the tools to manage psychological pressures effectively. By integrating these elements, traders can achieve a balanced and successful trading experience, navigating the complexities of the Forex market with confidence and clarity.

Question & Answers

Here are some common questions regarding our strategy:

Q1: What makes this forex trading strategy suitable for both seasoned traders and beginners?

A1: This strategy is designed to fit seamlessly into anyone's life, offering tools and insights that simplify the trading process. It makes trading more efficient, less stressful, and ultimately more profitable, regardless of the trader's level of experience.

Q2: How does this book help in reducing chart anxiety?

A2: The book introduces techniques to reduce the anxiety that comes with constantly monitoring charts. By enabling quicker decision-making and boosting confidence, it helps traders maintain a clear mind and approach trading with a calm and focused mindset, thereby improving their overall emotional well-being.

Q3: Can this strategy be applied by individuals with a full-time job?

A3: Yes, this strategy is designed for busy professionals. It requires no more than 30 minutes of chart work a day, allowing individuals to make effective trades without sacrificing their careers or personal lives. This makes it possible to achieve financial success on one's own terms.

Q4: What win rate can traders expect by using this strategy?

A4: By focusing on executing high-probability setups on higher time frames, traders can achieve a win rate of 50-60% or even higher. The book guides traders through principles and practices that lead to consistent success, helping them make informed decisions that maximize their chances of winning.

CASE STUDIES

Case studies serve as a bridge between theory and practice, offering invaluable insights that can significantly enhance a trader's competence and confidence.

Firstly, case studies provide a wealth of empirical data and examples that highlight how different strategies perform under various market conditions. Each case study represents a unique set of circumstances, challenges, and outcomes, allowing traders to see the application of theories and strategies in real-world contexts.

This practical exposure helps traders understand not just the mechanics of a strategy, but also its effectiveness, limitations, and the nuances that can influence its success. By analyzing these detailed examples, traders can better grasp how to adapt their strategies to fit different market environments, ultimately leading to more informed and effective decision-making.

Furthermore, case studies offer a comprehensive look into the decision-making processes of successful and unsuccessful traders. By studying the actions, thought processes, and emotional responses of traders in various scenarios, one can learn valuable lessons about risk management, emotional control, and strategic planning.

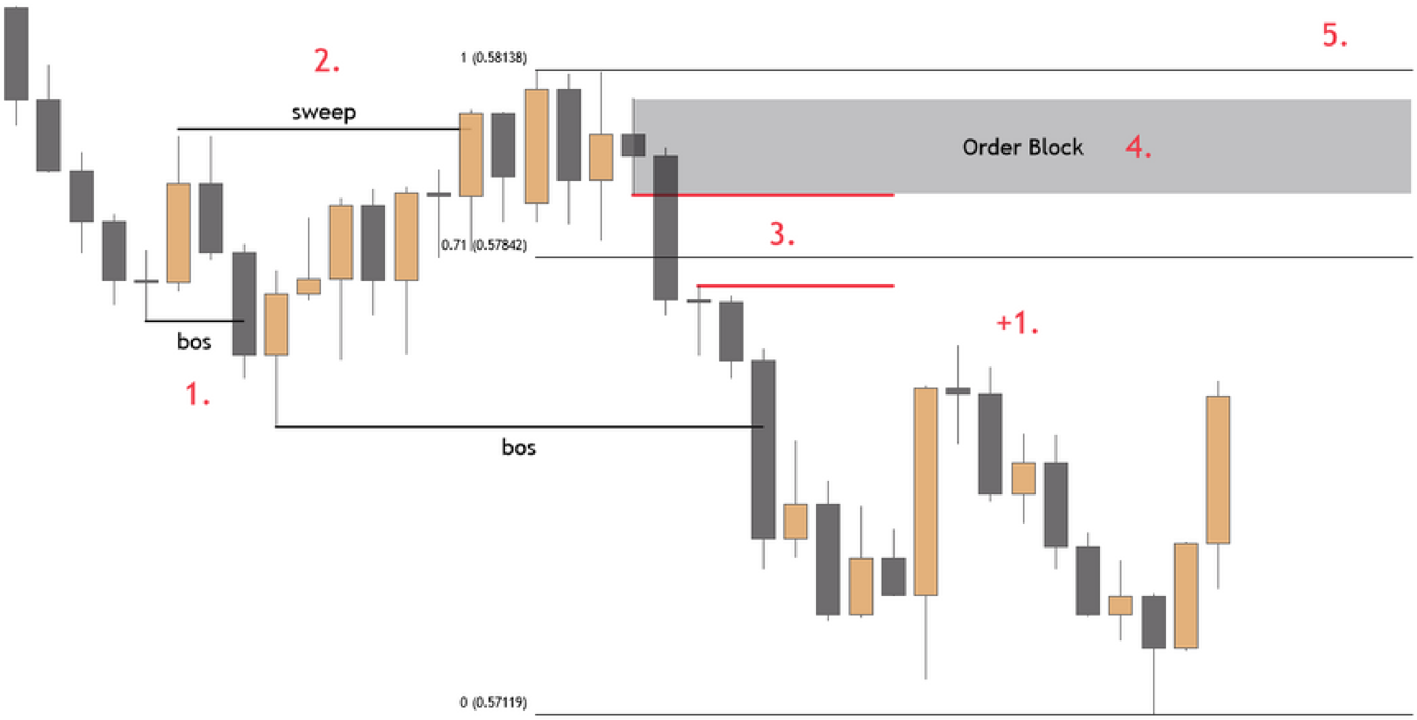
These insights are crucial because forex trading is as much about managing one’s psychology as it is about understanding market mechanics. Learning from others' experiences can help traders avoid common pitfalls such as overtrading, revenge trading, and emotional decision-making.

Now let’s see some case studies:

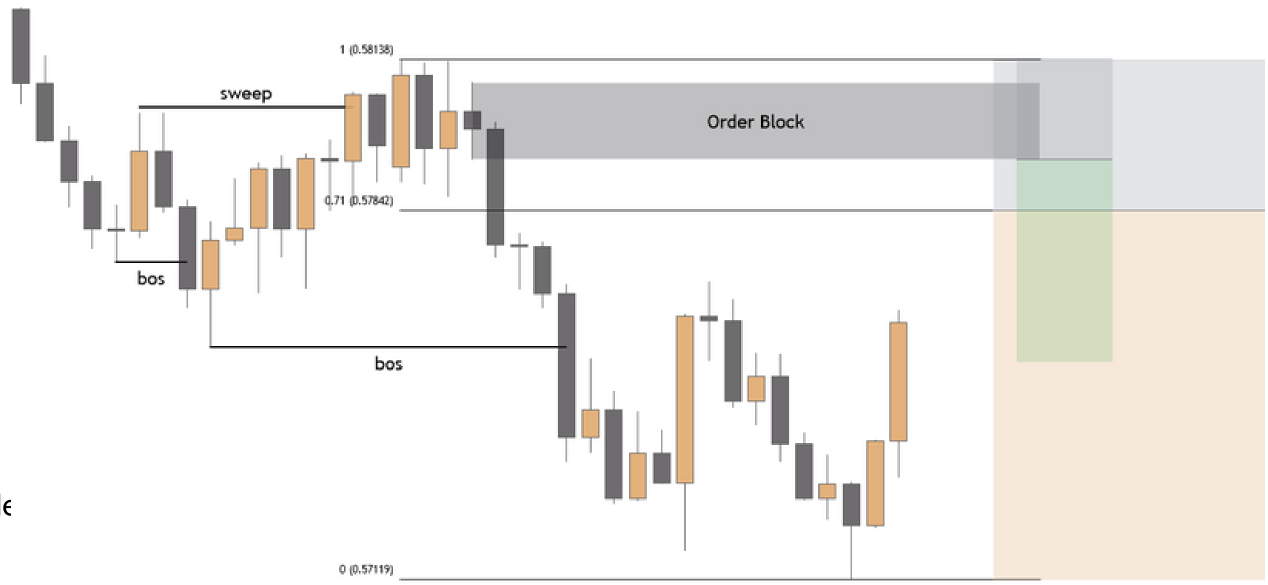
2 trades, 2 different directions

On this page, we will talk about what to do when a long and a short trade takes shape in front of us **at the same time**.

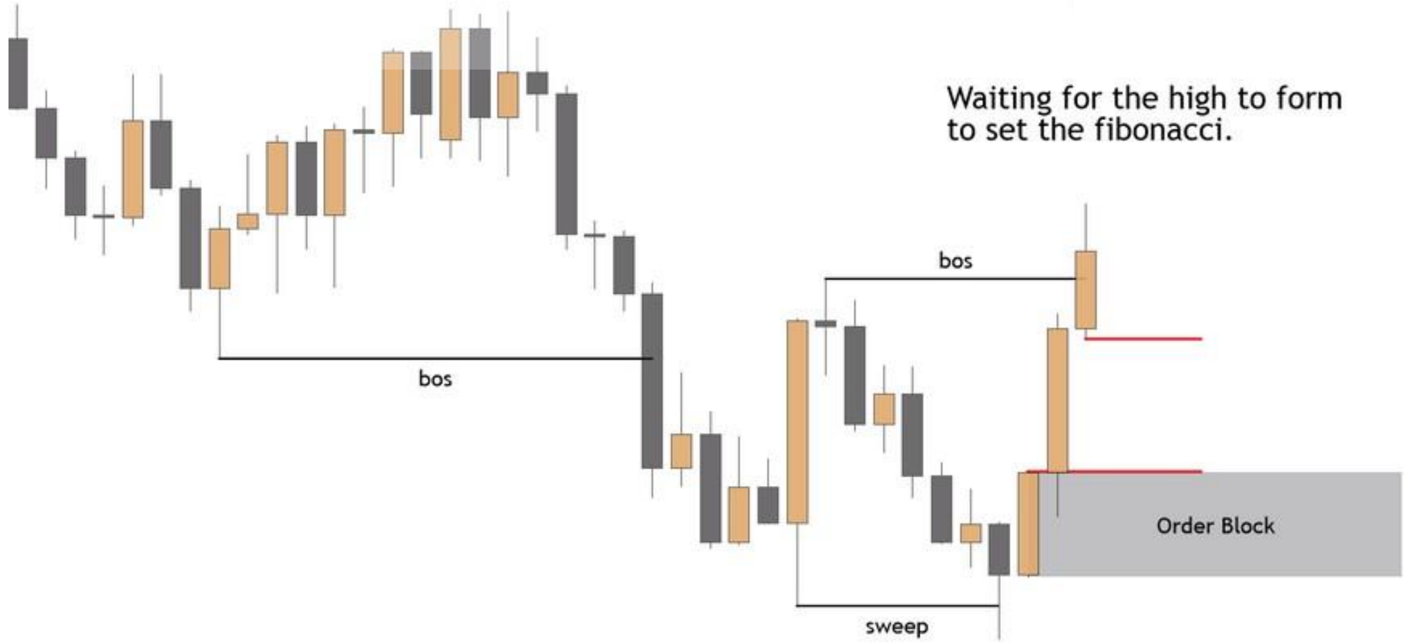
Let’s say that a beautiful full criteria short setup is forming.



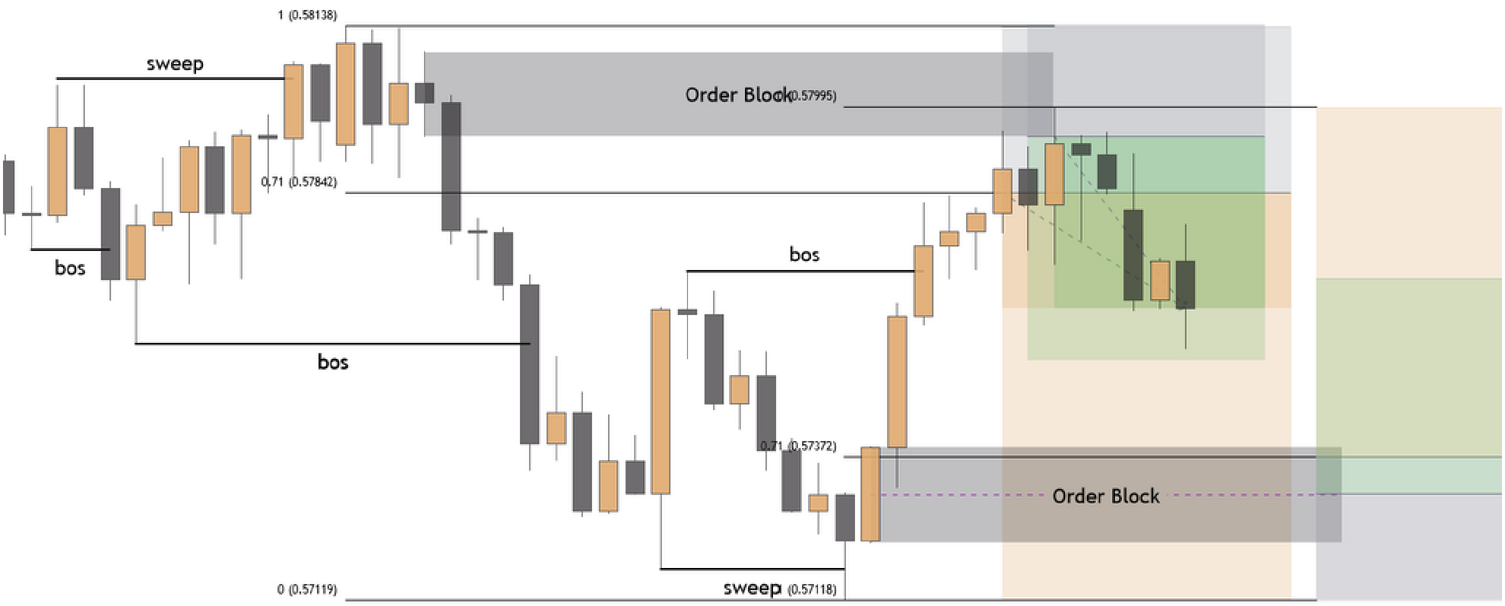
What we can see here is that price formed a pefect 5+1 criteria setup trade in a bearish trend. **We do what we usually do, set the limits.** One on the 0.71 targeting the previous low, one on the orderblock targeting 1:2 RR. Risking 1-1% on each limit.



However if you take a careful look at the chart, you can see that a high probability 5 criteria scenario has **also formed** on the long side!



What we have right here is the same chart, but from a different perspective. Sweep of liquidity with a wick, followed up by a strong reversal structure breaking volume, clean orderblock. All we have to wait for here is the high pullback to form so we can set the fibonacci.

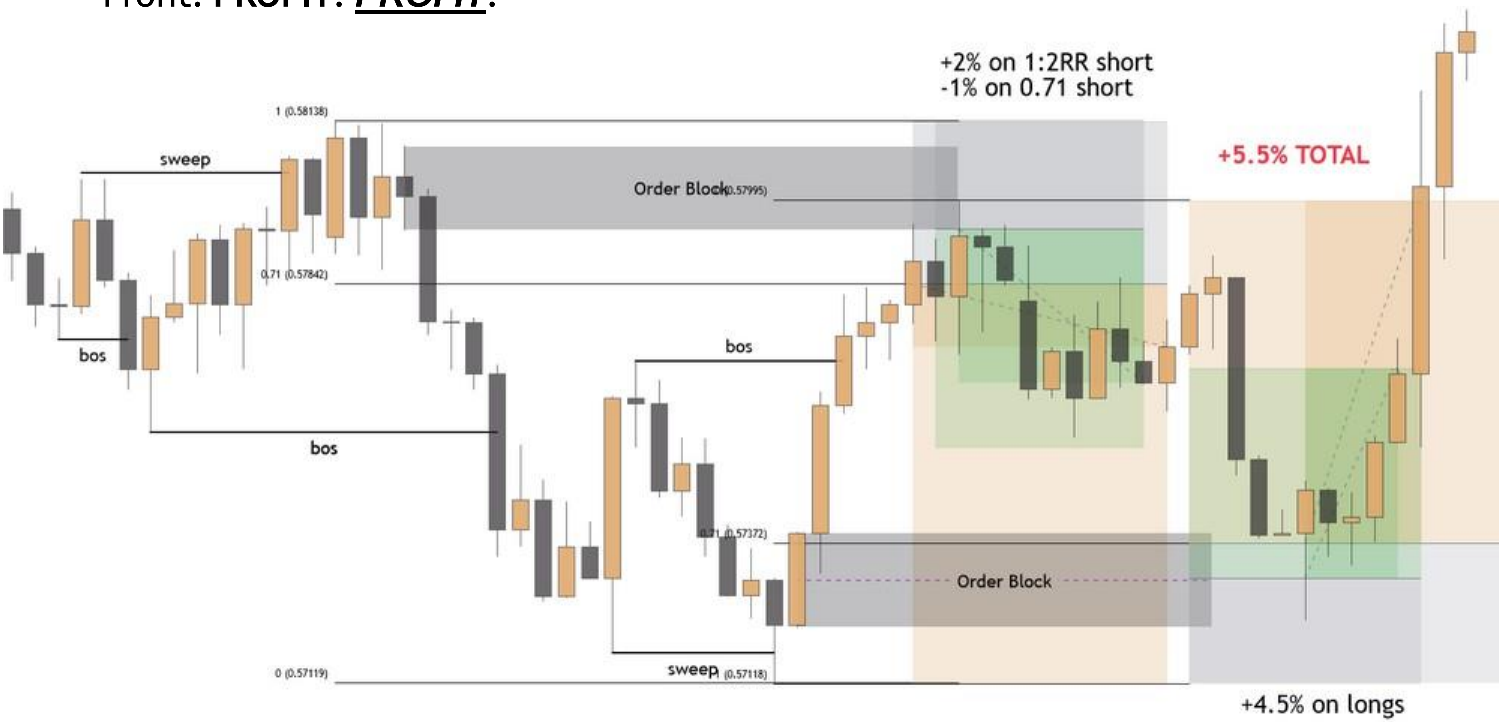


The high formed, so we could set the fibonacci for the long trade, but at the same time we got tagged into the short trade. Let's think about the possibilities here…

We’re in the trade on both of the short orders. What would happen if we set the long limits too?

- If price goes down to our long limits, then the 1:2RR short trade would hit TP (+2% profit). After this we have 3 outcomes:
  1. Price reverses after picking up our long limits, and hits our long 1:2RR TP, then it hits the short 0.71 TP and the 0.71 long stoploss (+2% profit on the 1:2RR long, -1% loss on the 0.71 long, 4.5% on the shorts [**5.5% total**])
  2. Price reverses after picking up our long limits, and hits both of our long TPs. At the same time it would hit the 0.71 short SL. (+4.5% profit on longs, +2% on 1:2RR short, -1% on 0.71 short [**5.5% total**])
  3. Price blasts through both of the long limits, equaling -2% on the longs. (+2% on 1:2RR short, +2.5% on 0.71 short, -2% on longs [**2.5% total**)

So answering the question that “What would happen if we set the long limits too?”
Profit. **PROFIT**. ***PROFIT***.

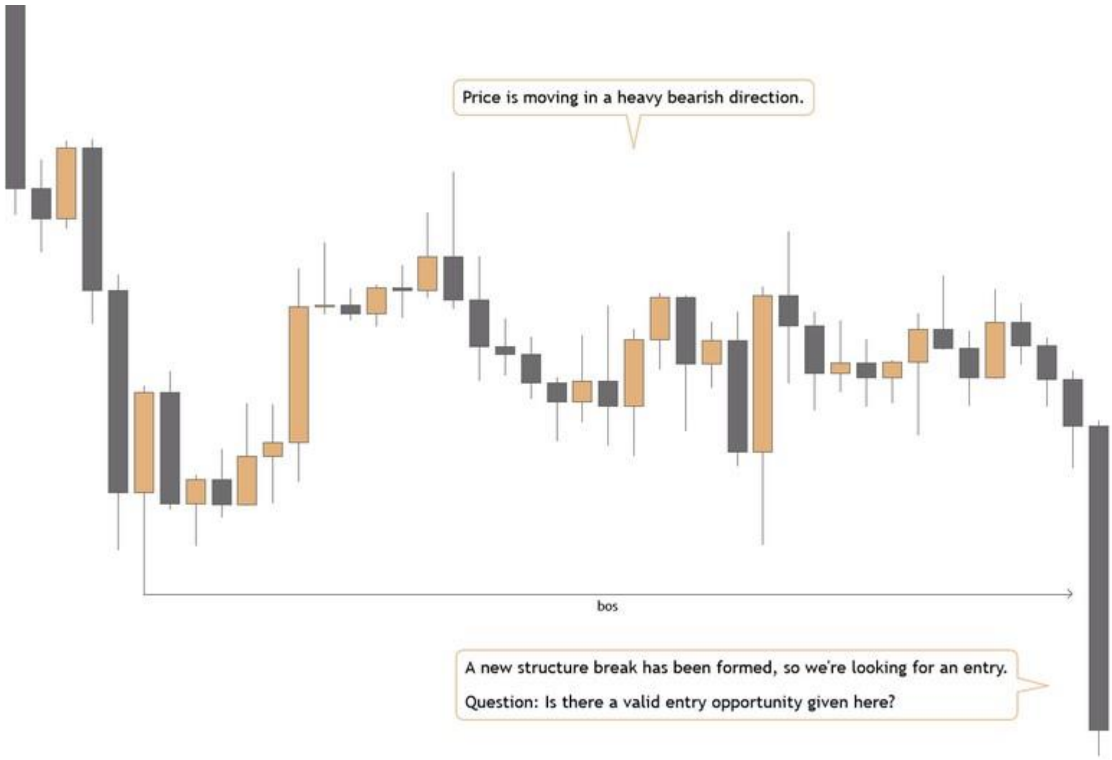


If we would set both the short and long limits at the same time, it would be a **+5.5% profit** on this specific example.

Study 2.0

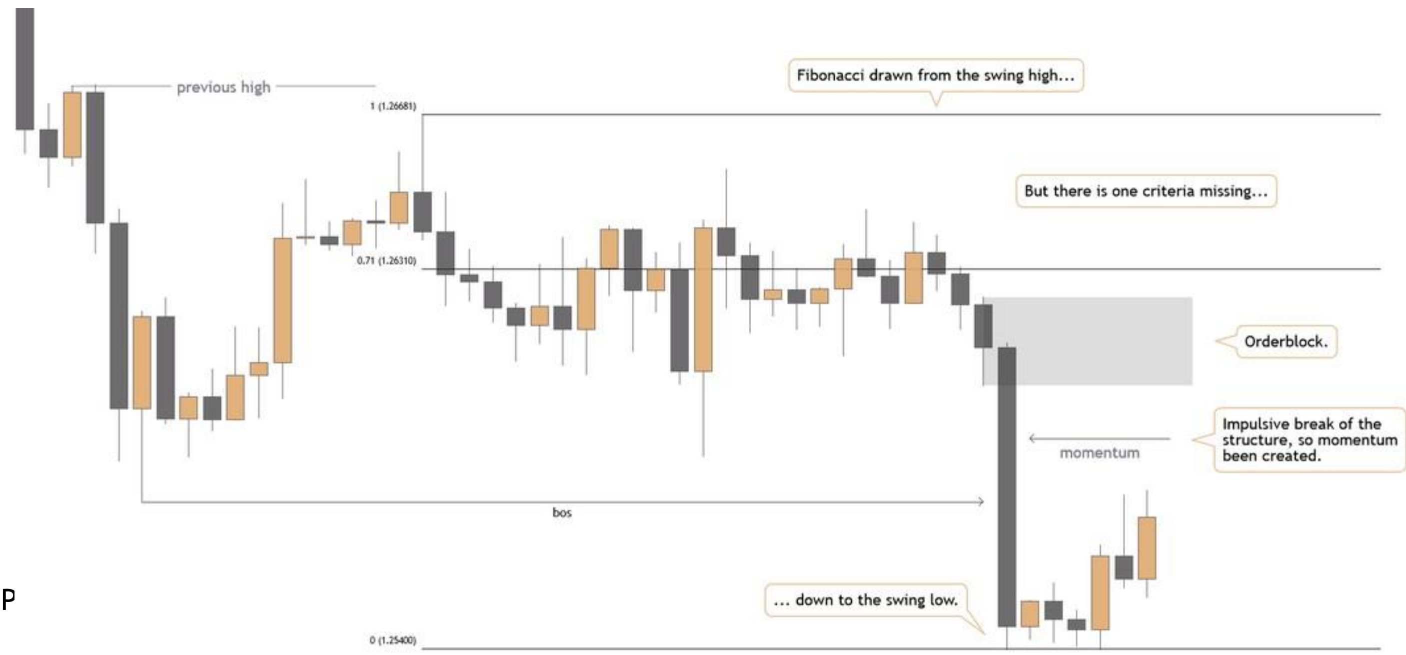
In this example price is moving in a bearish trend, breaking structure over and over again to the downside.

We can identify the last recent bearish structure break marked with a "bos" line.

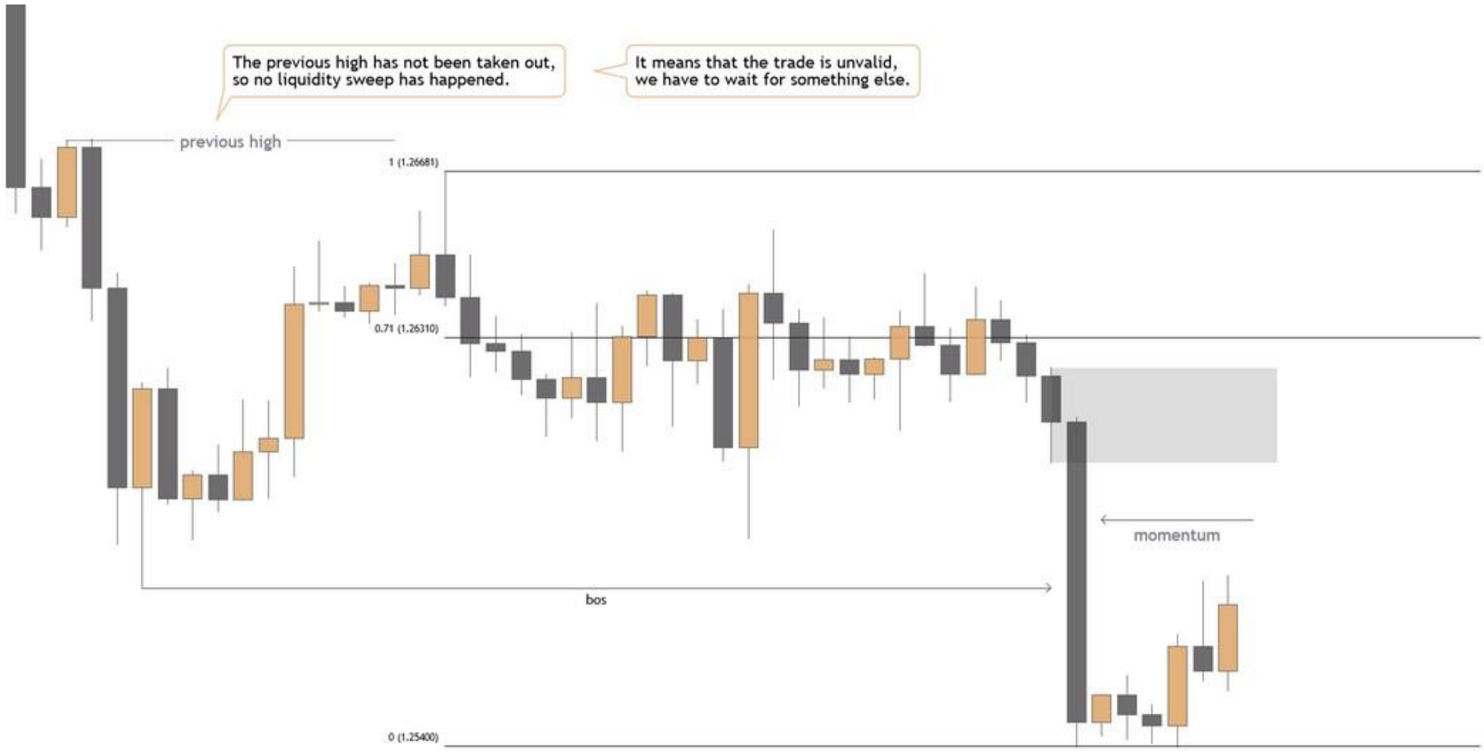


We can see that 4 criteria are fulfilled to open a trade: BOS, Volume (marked as momentum on the picture), Orderblock, Fibonacci.

But something is missing...

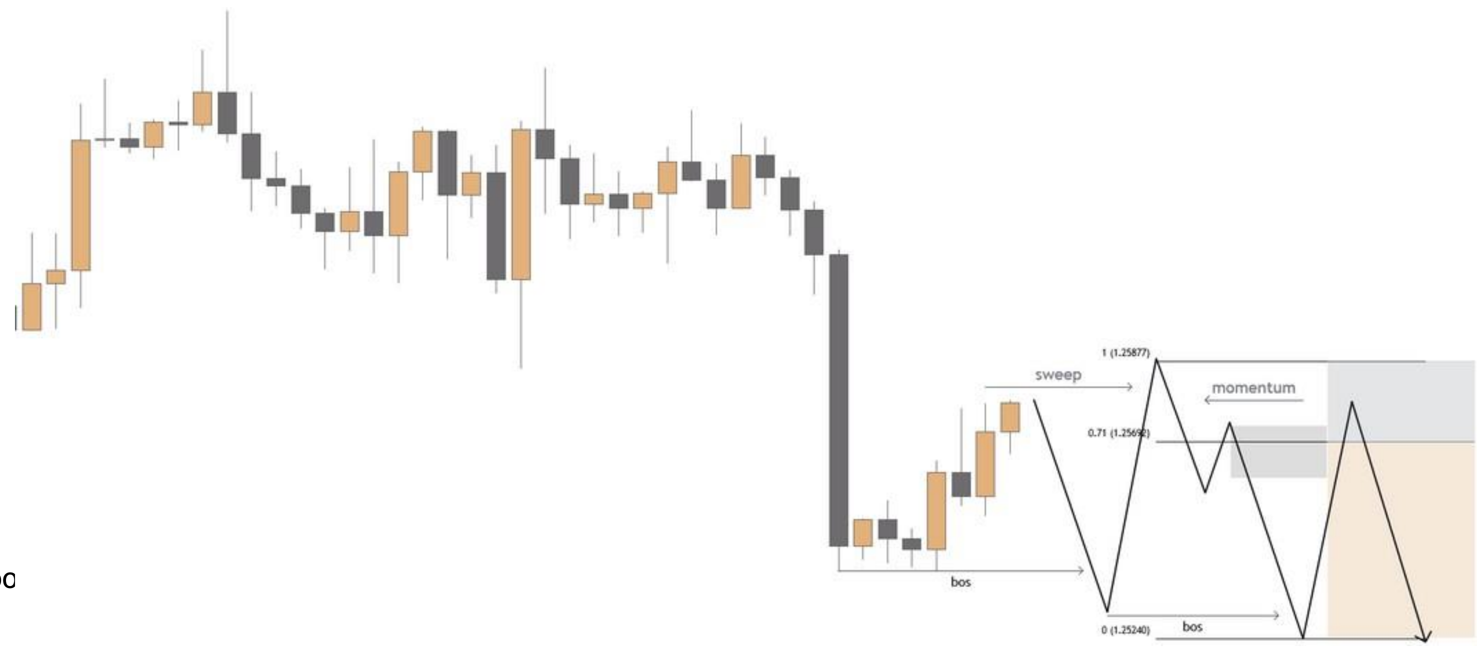


The previous high has not been taken out, so a crucial criteria is missing... Therefore we can not open a trade here, and we have to monitor the market for further opportunities.



We have to create some plans for ourselves that we can follow along. I call this as “forecasting”.

Considering the heavy bearish pressure we can expect something like this to happen:

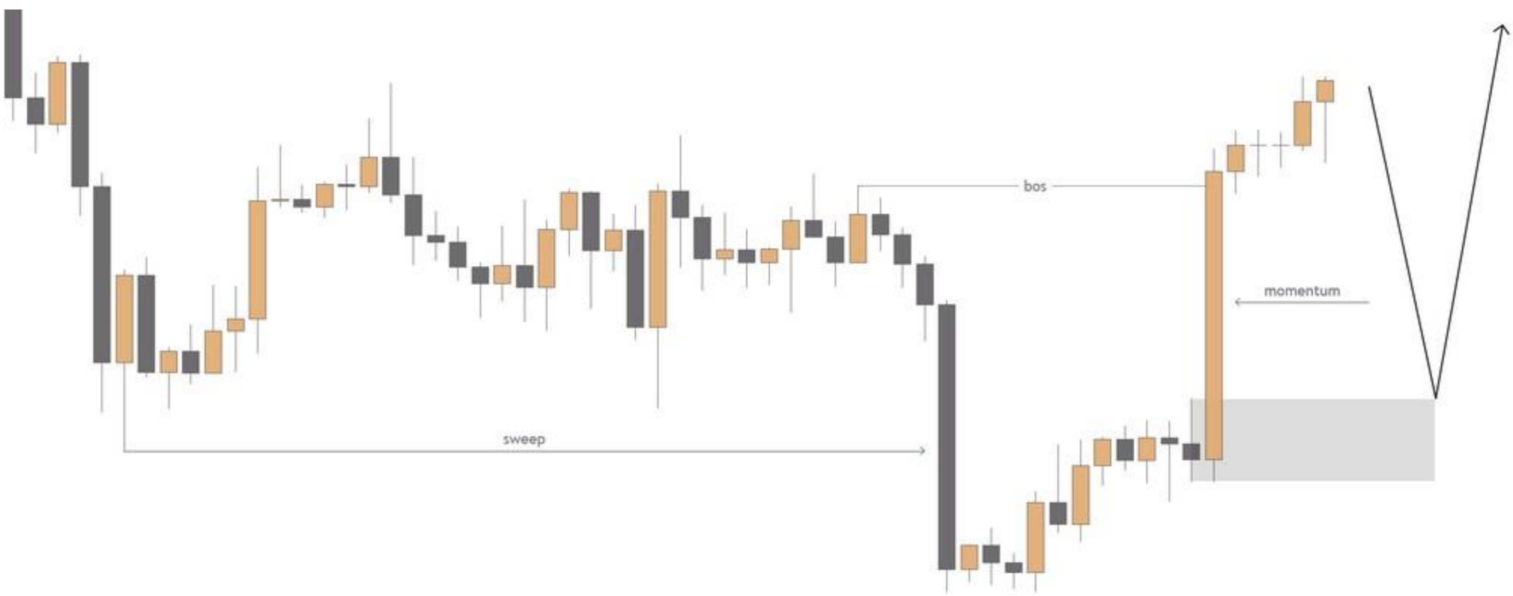


Boo

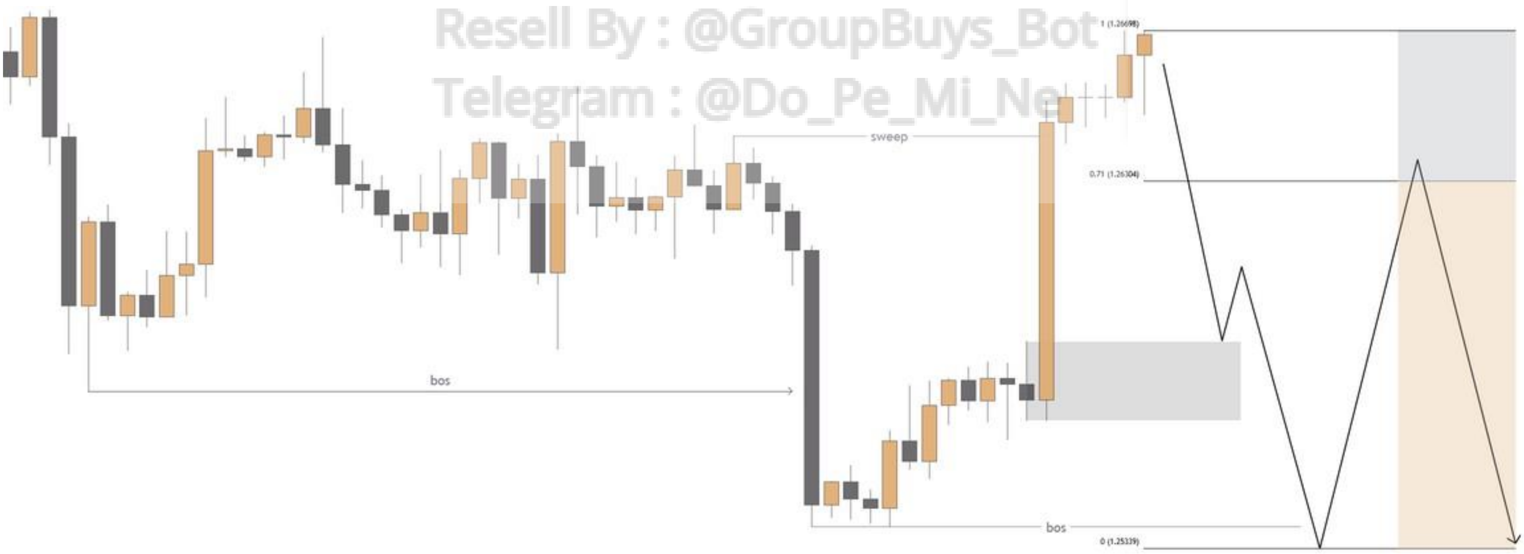
We have experienced something different than what we forecasted. Price impulsively broke through the previous high, leaving behind large amount of momentum and an orderblock.

What can we do in this situation?

1. **Take the risk**: we can now change previous “bos” line to “sweep”. Price has left behind really large amount of volume while breaking through the previous high, which could let us assume that the previous break was not even a break but a sweep. All liquidity on that low got swept out and used to reverse price into a bullish direction. We can encourage ourselves to take a long trade since all of our criteria are fulfilled.



2. **Wait for direction:** our second option here is to stay on the sidelanes till price confirms the direction. This can either happen with a new bos to the upside breaking the current high, or breaking the low again.
If the low break happens to the downside, then it immediately puts us in a situation where we can trade.



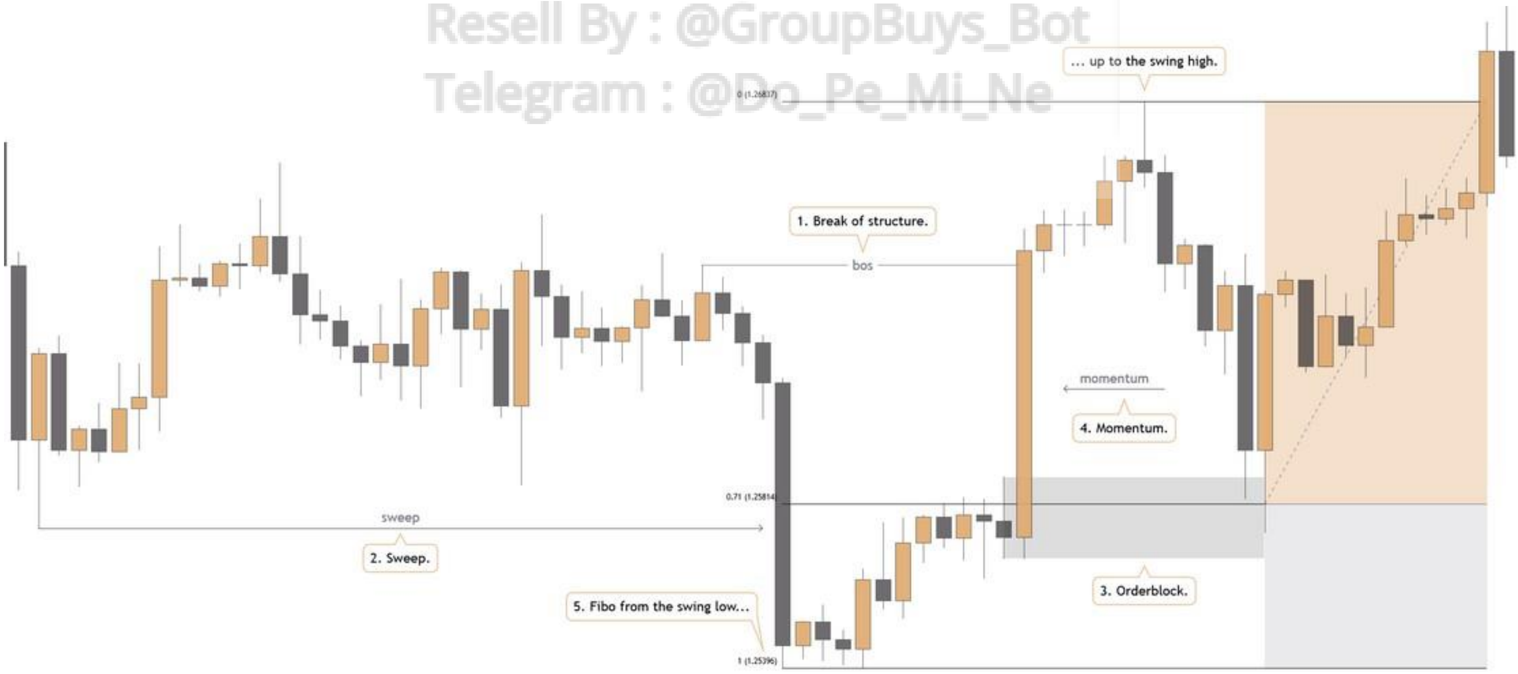
3. **Do both:** the third (and my personal favorite) is to do both the 1st and 2nd option. What I always say to my students is that **forex is the game of probabilites**. Your success is decided by how you play with the probabilities. You will never know which setup would work, which would fail.

What we know for sure is that if all of the criteria are fulfilled you better take that trade. Statistically you have a higher chance to be on the profitable side than on the losing one.

Therefore in this specific case the best option is to take the long trade, and if that one fails you will always be able to take the following opportunity.

*The option you choose could depend on your capital status too. If you're way too deep into drawdown it could be a better idea to choose the 2nd option, since that way the direction is strongly confirmed.
If you're in nice profit you can choose to do both the 1st and 3rd option aswell.
If you're in heavy drawdown, reducing the risk and risking half of what you would usually do could allow you to still choose the 1st and 3rd option too.

Let's say we've chosen the first option: we're taking the risk on the long.



Trade played out, TP hit.

Let’s take a moment to think about this phrase:

“Take the risk or lose the chance.”

Sounds simple, but perfectly represents the importance of these 3 options. But in reality it’s not that simple. As it was previously mentioned, you have to choose the best option for yourself depending on your account status.
Trading can be mechanical, but will never be fully.

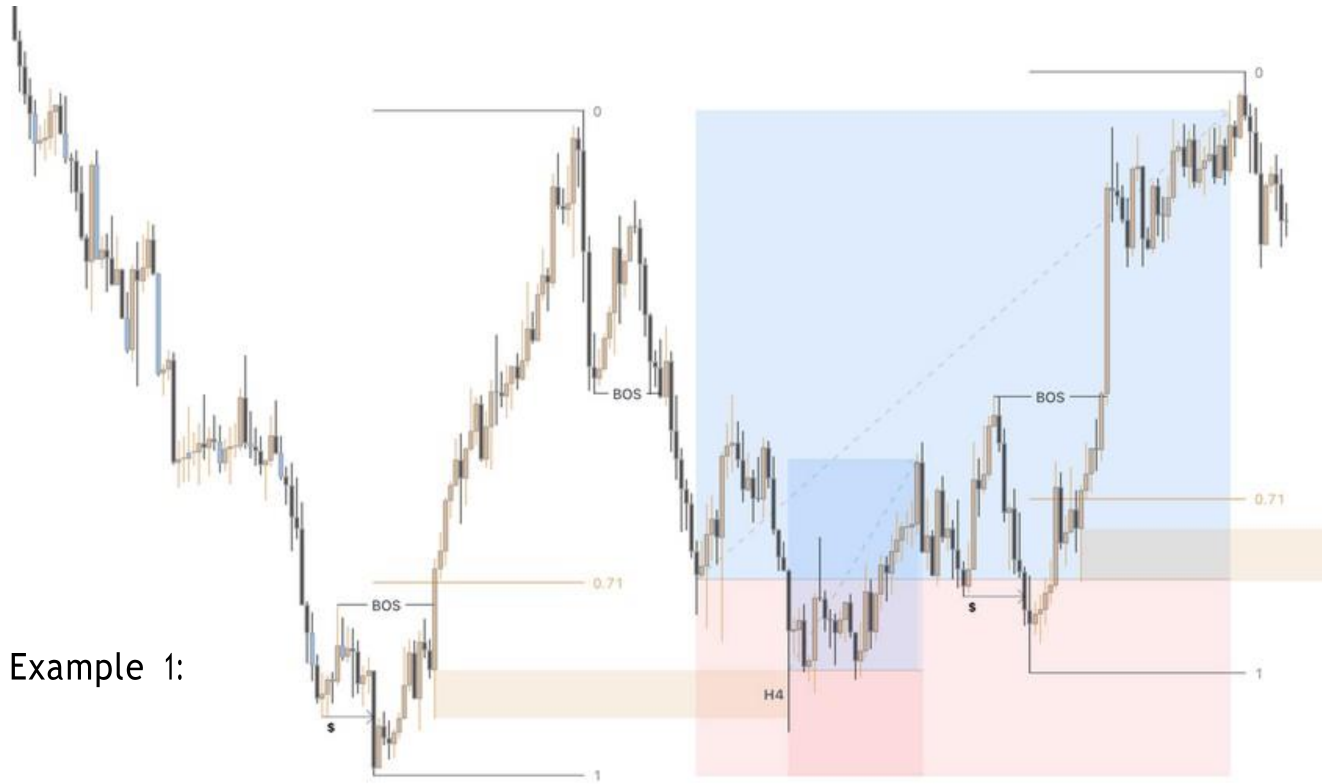
The easiest way to counter these “emotion based” doubts is to use a mechanical , criteria-based trading system which leaves minimum room for human emotions and errors.

If the criteria are there, you have to be ready to pull the trigger, no matter the outcome. You have to think like a literal robot.
criteria there? BUMM trade limit set.
criteria not there? monitoring the market.

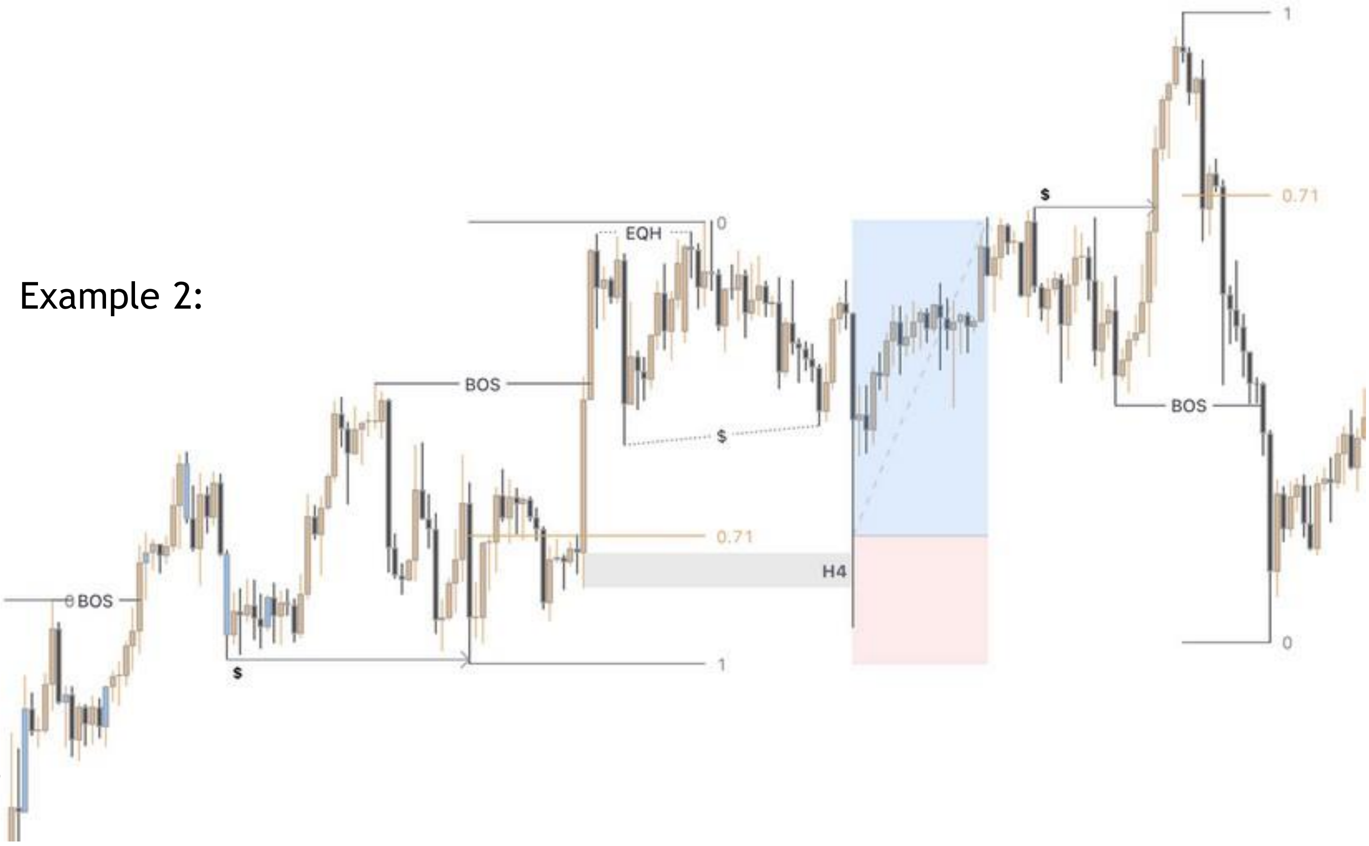
Now let’s take a look at some raw studies.

I am now giving you a very important task: analyze these pictures and tell yourself out loud why where and how happened. It is very important that you base your own interpretation on these images

Example 1:

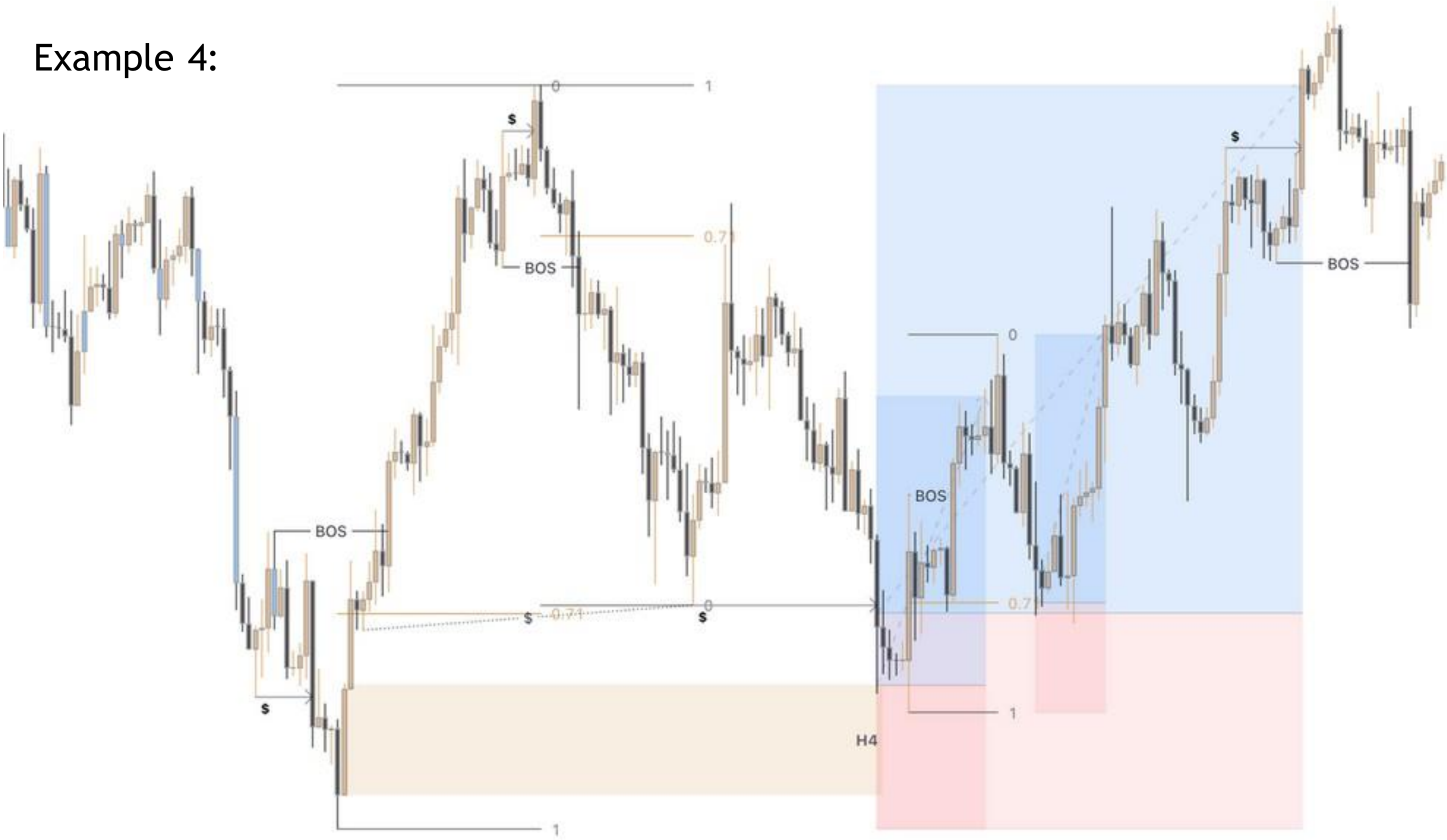


Example 2:

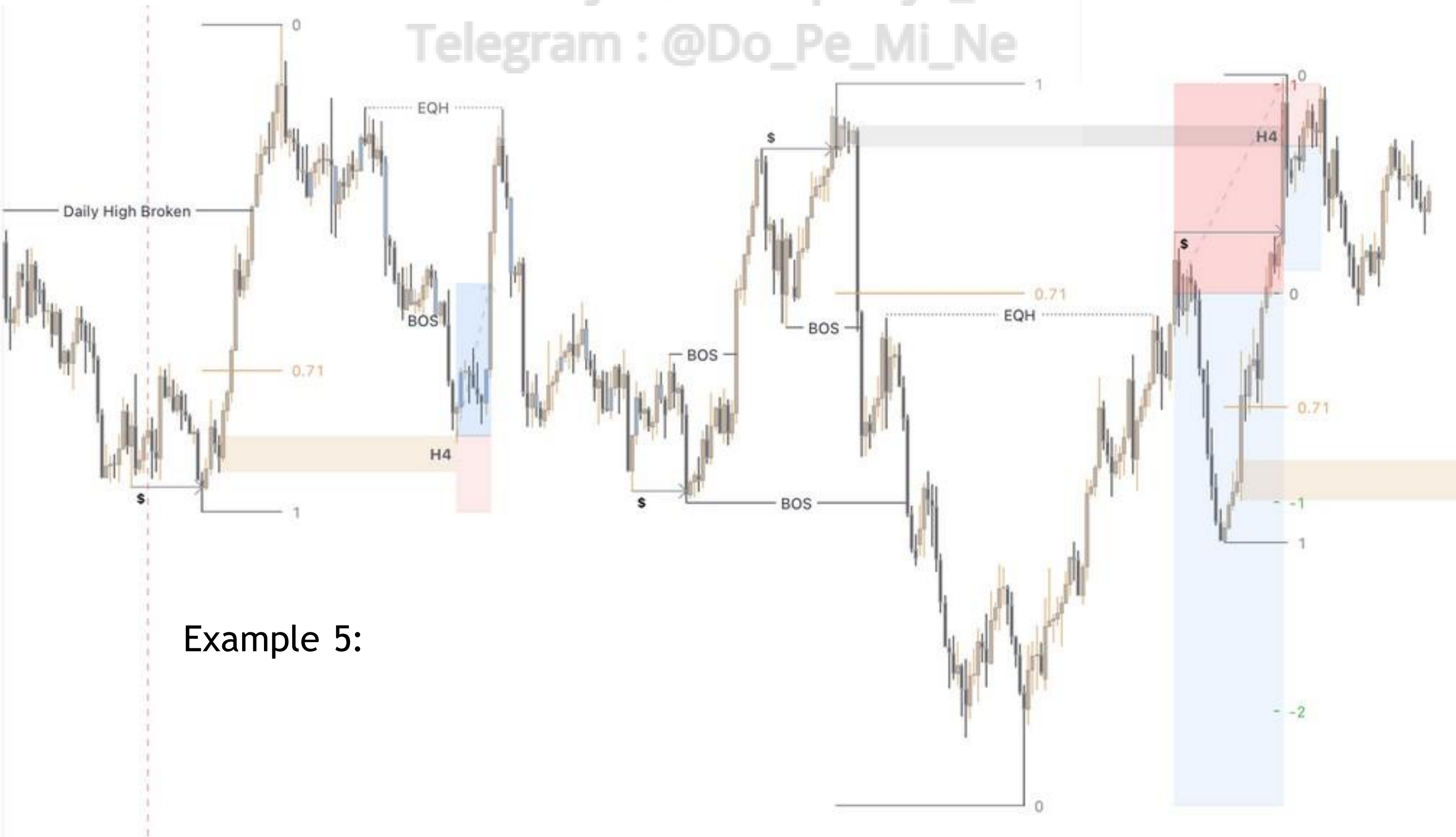


Example 3:

Example 4:



Example 5:



Example 6:

Ending

Thank you for diving into our comprehensive Higher Timeframe Guide! We hope you've gained valuable insights and practical knowledge to elevate your trading journey. But this is just the beginning.

Stay connected with us for more updates, exclusive content, and continuous learning opportunities:

- **Follow us on Instagram**: @flipping_markets for daily tips, market analysis, and behind-the-scenes glimpses into our trading strategies.
- **Visit our website**: www.flippingmarketsfx.com for detailed information about our upcoming courses, events, and everything you need to succeed in the forex market.

Exciting news ahead! We are soon launching a comprehensive Video Course and a complete Discord academy based on this Higher Timeframe Scheme. This will include many things, but just to list a few of them:

- **Weekly 3-5 Live Webinars**: Interact with our expert traders in real-time. Set Trade Limits with us in real time, ask your questions in a Q&A, watch our experts break down the markets, going over the weekly trades & many more!
- **Trade Ideas**: Get timely trade setups and market insights.
- **Educational Videos**: Deepen your understanding of advanced trading concepts.
- **Support & guidance**: Receive personalized support from our team & join a community of like-minded traders committed to success.
- **And Much More to Come**...

Don't miss out on these opportunities to enhance your trading skills and achieve financial freedom. Connect with us today and be part of the Flipping Markets community!

Happy trading!

I wish you much success in applying what you learnt in this book. Marcell //

CEO of Flipping Markets, Author of this book