

IF@FF [\[Reference\]](#)

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FTR is Failure to Return. In essence it's the beginning of a new trend.

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It only takes a few moments to find the exact FTRs for a pinpoint entry.

[\[Reference\]](#)

One thing I hope you won't do is look to candles themselves for clues. This can take your eye off price itself - watch the zones themselves, and for engulfs thereof.

[\[Reference\]](#)

Usually what happened in the past tells us where big pockets of orders reside. The FTR and liquidity gap are massive signals to trade on return.

[\[Reference\]](#)

If you're at HTF demand, await an engulf north of an important supply - this is the signal that price wants to get into the higher zone. Find a point where price wants to retrace to - a nice DBR or FTR at a Fake out level is a great candidate. Wait there for price to return - that's your best setup. Here's one from yesterday - it screamed SELL.



[\[Reference\]](#)

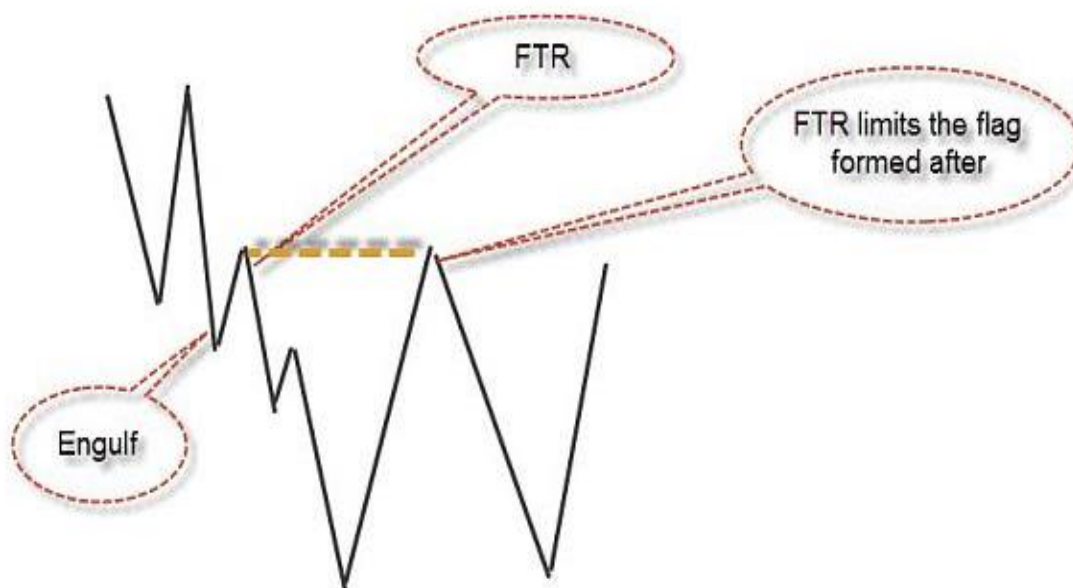
I never care about candles - apart from pre market opens and pre news setups, I give time no importance at all (and time is a factor in candles). I rather look for decisions on price - the failure to return to a zone once broken is one of the most important.

[\[Reference\]](#)

If there's no FTR, there's no FL. They're exactly the same thing. Knowing this makes reading the market very simple indeed.

[\[Reference\]](#)

Here is a FTR in its simplest form.



[\[Reference\]](#)

We place a lot of weight on an engulf. Where price retraces to is very important also. Price moves from FL to FL, so we also place a lot of weight on the break of a FL. It lets price then move into the next zone.

[\[Reference\]](#)

The best advice I can give you is not to read anything into candles themselves. Simply look for breaks of important zones - they're the only clues you need about future price direction.

[\[Reference\]](#)

QUESTION (not answered) An engulf of a supply (demand) is when price exceeds previous high (low). What is the difference between an engulf (decision to break and go beyond the swing) and a fake out (a stop hunt to go in the opposite direction)?

[\[Reference\]](#)

Reading PA is all about the zones. Know how they interact, and you'll always know when to enter and when to exit.

[\[Reference\]](#)

Trade Example





Next is the fakeout. A momentous run up to scare the bejaysus out of the sellers, and excite the buyers into action. Why? To fill bucket loads of short orders.





Next, the cap, engulf and retest.



To target (origin of move)



[\[Reference\]](#)

Trade Example

Here was a really easy short. Can anybody tell me why I took it?



I think you took it off the S/R flip line. (Les Paul)



Here's my basic take on it.



Charts

[Reference]



[Reference]



[Reference]



(Same chat as above)

