

ReadtheMarket - Supply and Demand with Price Action

by Ifmyante – ForexFactory

We are now way beyond simple Supply and Demand. It's only part of the story, and is used by the market movers against SD traders in the long run. You'll learn SD with us for sure, but you'll also learn when to expect it to fail!

Also, please don't use this thread for tech support. Rather use the contact forms in RTM or RTM Academy

Hi

Lots of you know of me already. In fact, I've met many of my dearest friends using this online persona.

I started learning to read the markets in 2010. I have all my life loved to solve puzzles of every description, and as soon as I saw my first chart, I knew it was my next calling in life to solve its mysteries.

It actually became rather simple after quite a while of seeming very complicated indeed. Once I knew that the big institutions were moving the market, and learned to read in the charts the secret signals they were sending each other, and began to see the algorithms they use to fill their orders bit by bit, it all became really really easy to know where price was going to turn and where it was going to go to next

As I began to better understand the movement of price, I started to post here in FF all the revelations that came to me. Even in preparing charts to explain these phenomena, I'd find anomalies to what I was trying to explain, and had to work these out before I could post. It was an excellent learning tool for me!

I'd've happily stayed here in FF for life had I been able to edit and organise all the information as I saw fit, but the limitations on doing this meant I had to make my own site. You'll find it [here](#)

All that I've ever taught (and soon, all that I've ever learned) is there in one place. I highly recommend reading our [Markepedia](#) section, and watching our [videos](#)

All the information you'll ever need to learn how the market works is in there, and it's all free.

There's a lovely, peaceful community growing in our [forum](#), where absolute beginners can find ALL the info they need, and ONLY the info they need to become great traders, and where already great traders can find likeminded friends to work with.

Now, when I say we trade **Supply & Demand** and **Price Action**, I don't mean that we do it in the "gambling with an edge" fashion that other SD or PA traders do it. With Supply and Demand, we don't simply enter a trade at every zone, relying on the hope that more often than not it will

retrace to the next zone. We read the story of price, we like to "know", with almost complete certainty, that we're getting into a winning trade every time.

For this to happen, we use Price Action. And no, we don't look for pinbars and engulfing candles, etc. We read price. We read, as I said above, the signals that the institutions are sending each other, we read the algo's they're running. We get into the minds of the guys who move the markets, and know what they will do next.

Is it easy to learn to do this?

Well, learning it all alone can certainly take an awful long time, and one may never get it all worked out.

But we have students who, within six months of being made aware of what forex even is, are reading the market and trading it better than most of the professionals out there.

These students don't get handed everything on a silver platter - they have to put in lots of hard work, sweat and tears in order to make the knowledge we give them their own.

So yes, while the closest common terms for what we do are, indeed, Supply & Demand and Price Action, what we do, in reality, is read the market!

I'll be posting relevant charts and exercises here as and when I have time.

Everybody's welcome to join in







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 bucketloads of short orders



Next, the cap, engulf and retest



Next installment –



And then on to the target 🏠



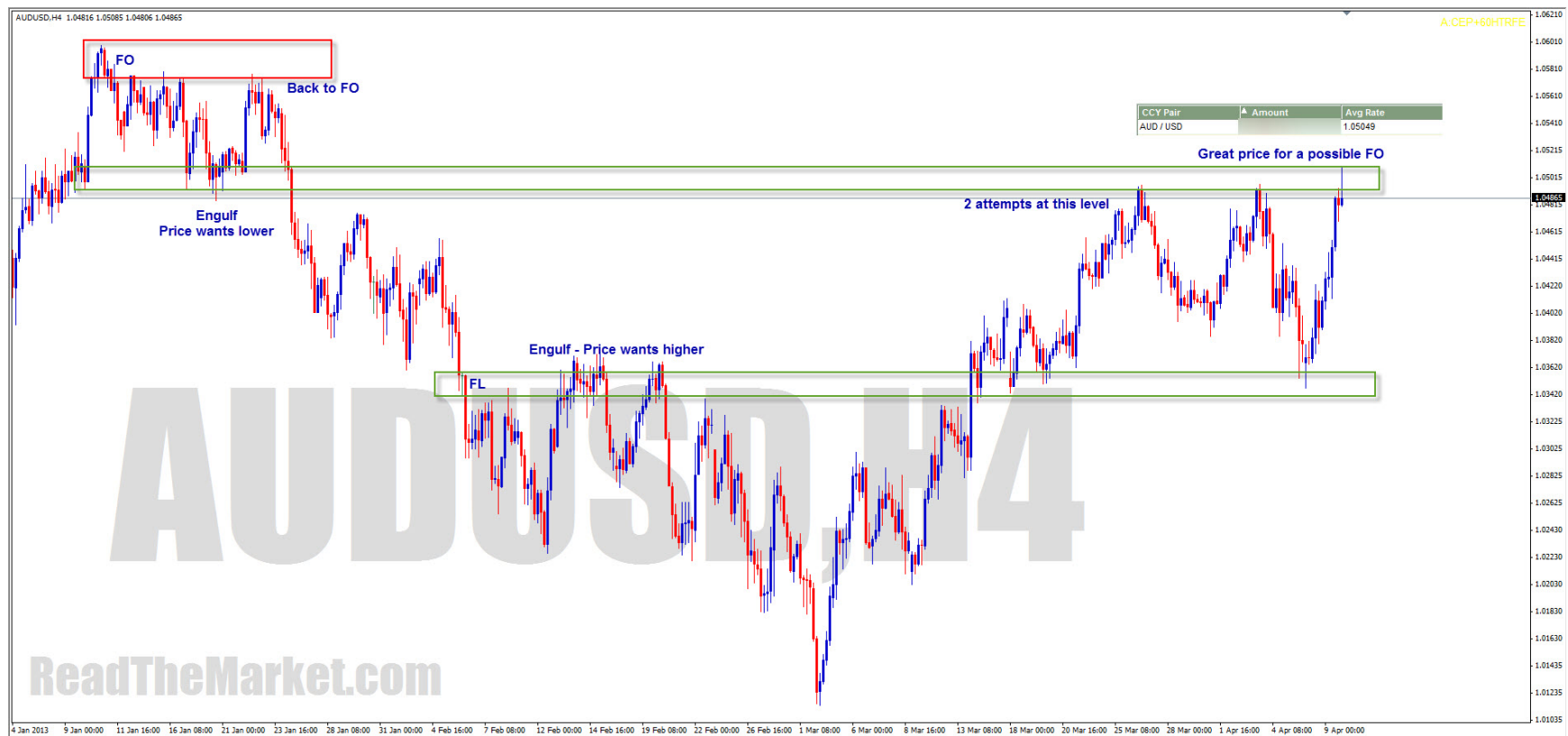
I love a deep retrace!

But I've marked what I think is important on the chart for now



Simply look at any TF chart as I view the M1

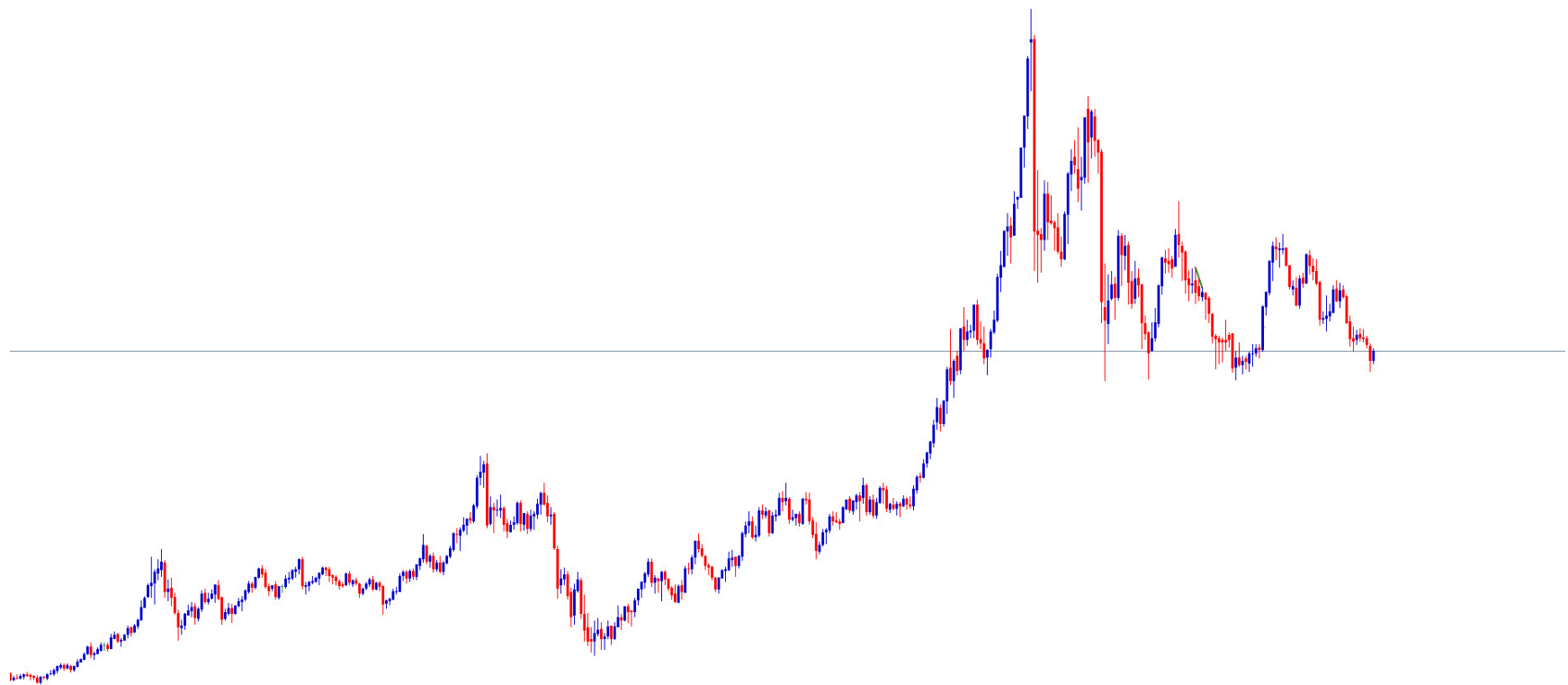
I've marked a few things on this one - see what else you can add to it for other opportunities



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 thereo

Hi Dude

What TF is this chart?





[Winston Reed](#)

Joined Mar 2009 | Status: Member | [1,850 Posts](#)

[Quoting Ifmyante](#)

Hi Dude What TF is this chart?{image}

Ha Ha Ha. Monthly.... LOL. I have no idea.

[Quoting Jabloko](#)

Hi Ifmyante I see you know what Forex really is, I like the thinking approach (no indies). Just wonder wether you could show on charts your way of getting to take a trade from UP to DOWN. Would appreciate it 😊 (the importance of zones especially and the triggers to put a trade) Thanks in advance



[Ifmyante](#)

We have many different ways of trading at RTM

But 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

As a simple example, here's an absolute no brainer with great returns from EU last night

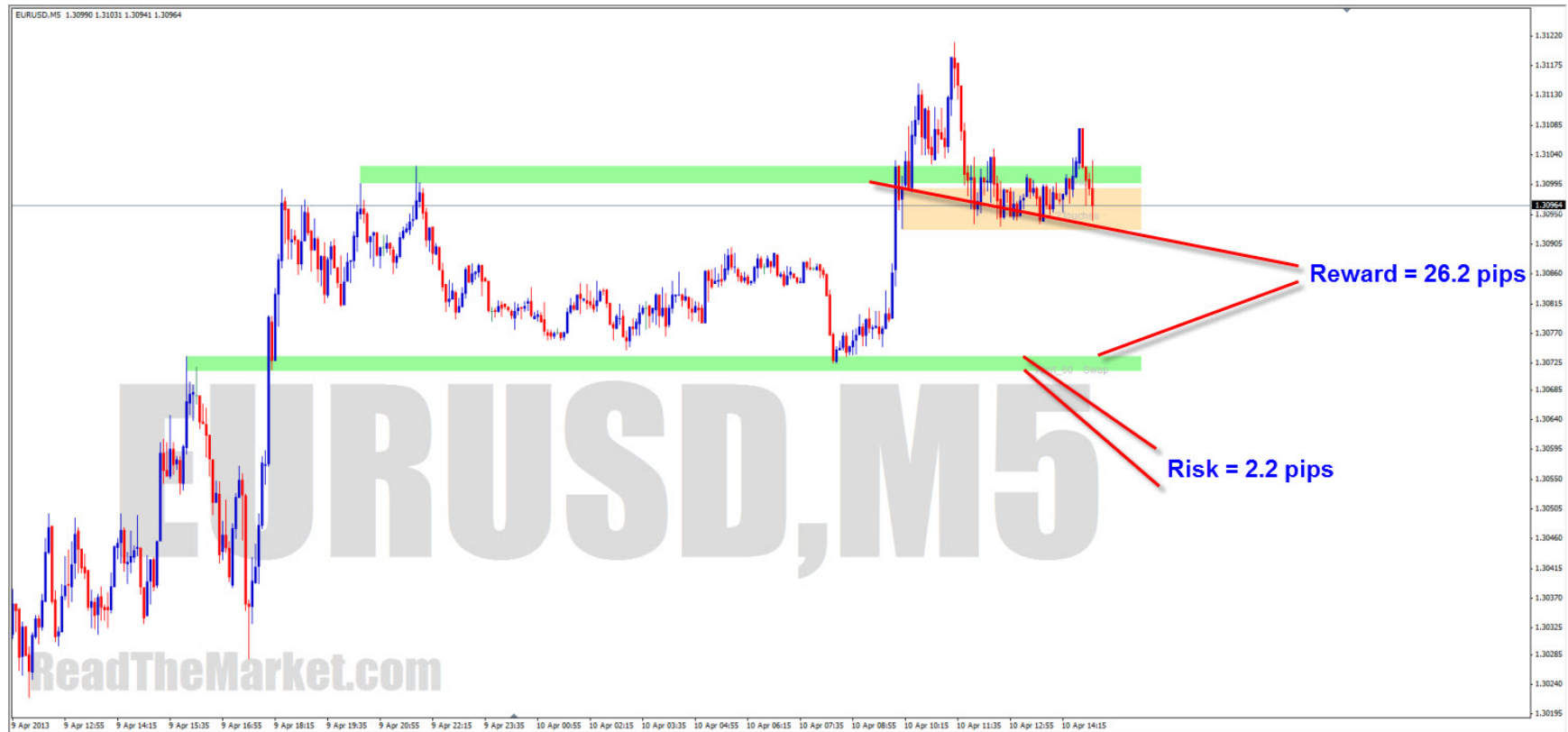
This particular one shows the science of trading Support/ Resistance
Attached Image (click to enlarge)



Also note the question and clue (CP) in the chart, and watch this as it develops today

Also remember: **This works on ANY PAIR, ANY TF!**

And just to put this into some perspective

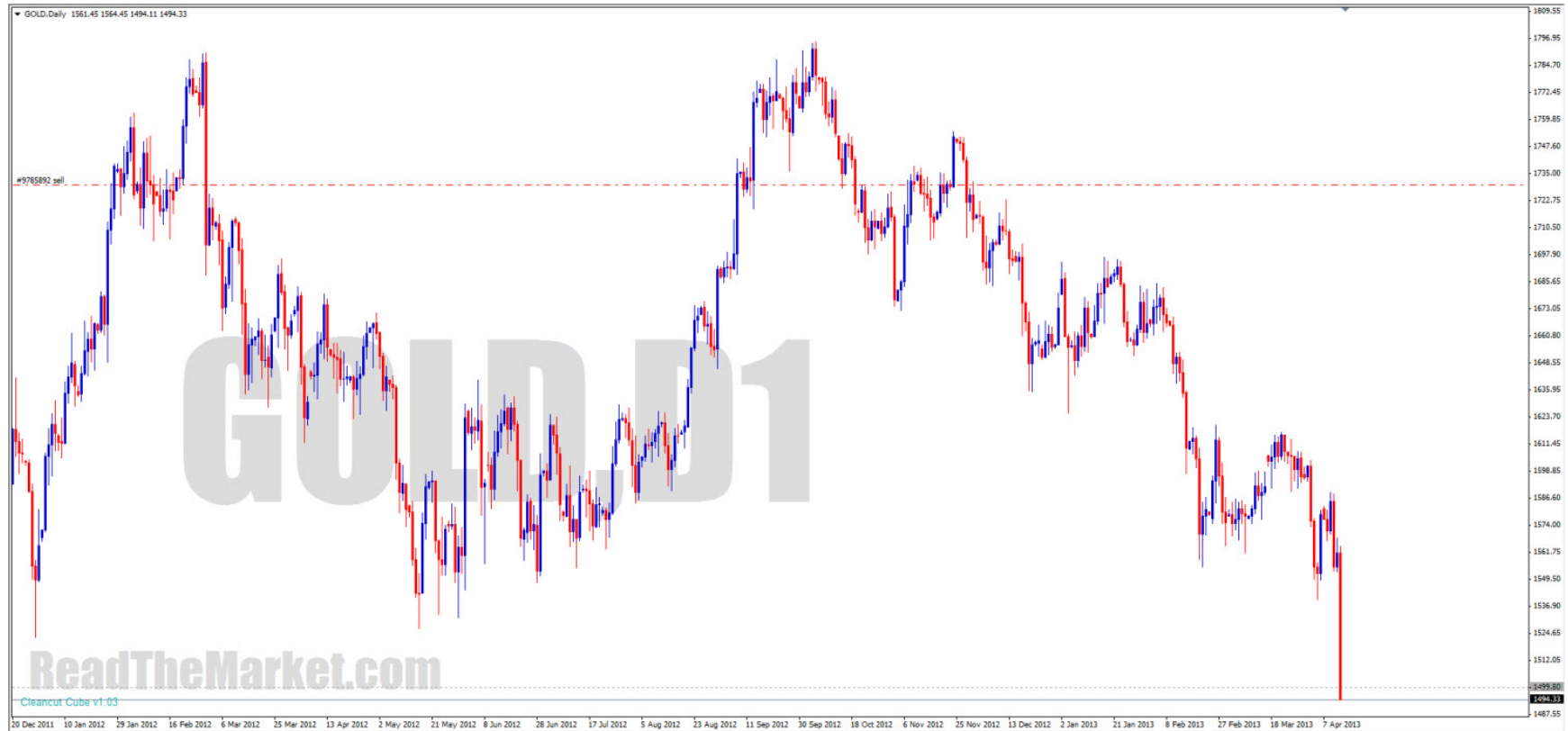




Extremely simple stuff thanks Mertch 🙏

Gold hits tg

Account well and truly multiplied 😊



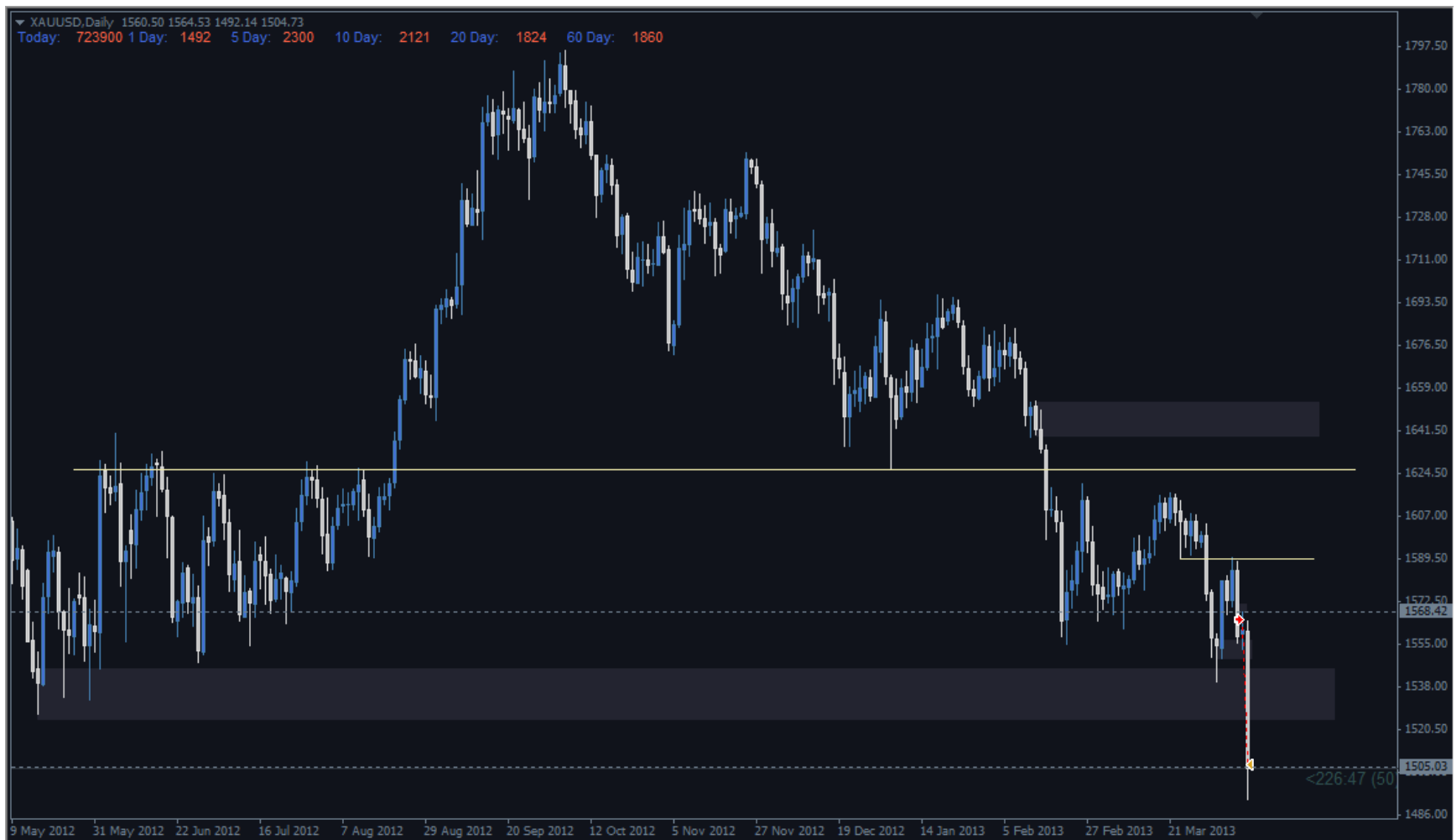




[FX.Sniffer](#)

Dammit IF, I just caught the last move 🤖🤖🤖

Attached Image (click to enlarge)

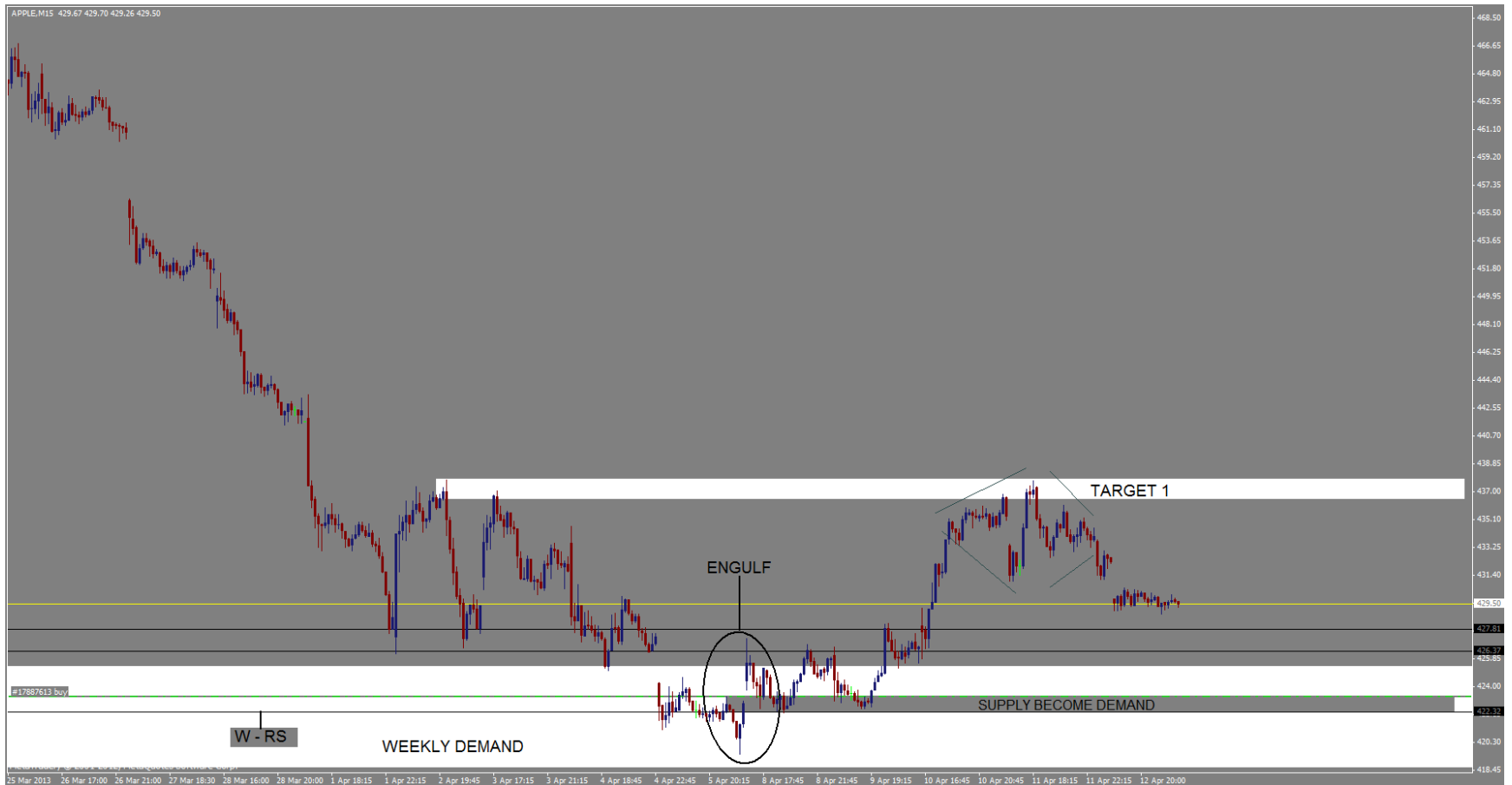


Attached Image (click to enlarge)

2013.04.11 18:00	sell		xauusd	1565.20	0.00	0.00	2013.04.12 18:59	1506.14
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[mertch](#)





I've set a little quiz about this over on [RTM](#)



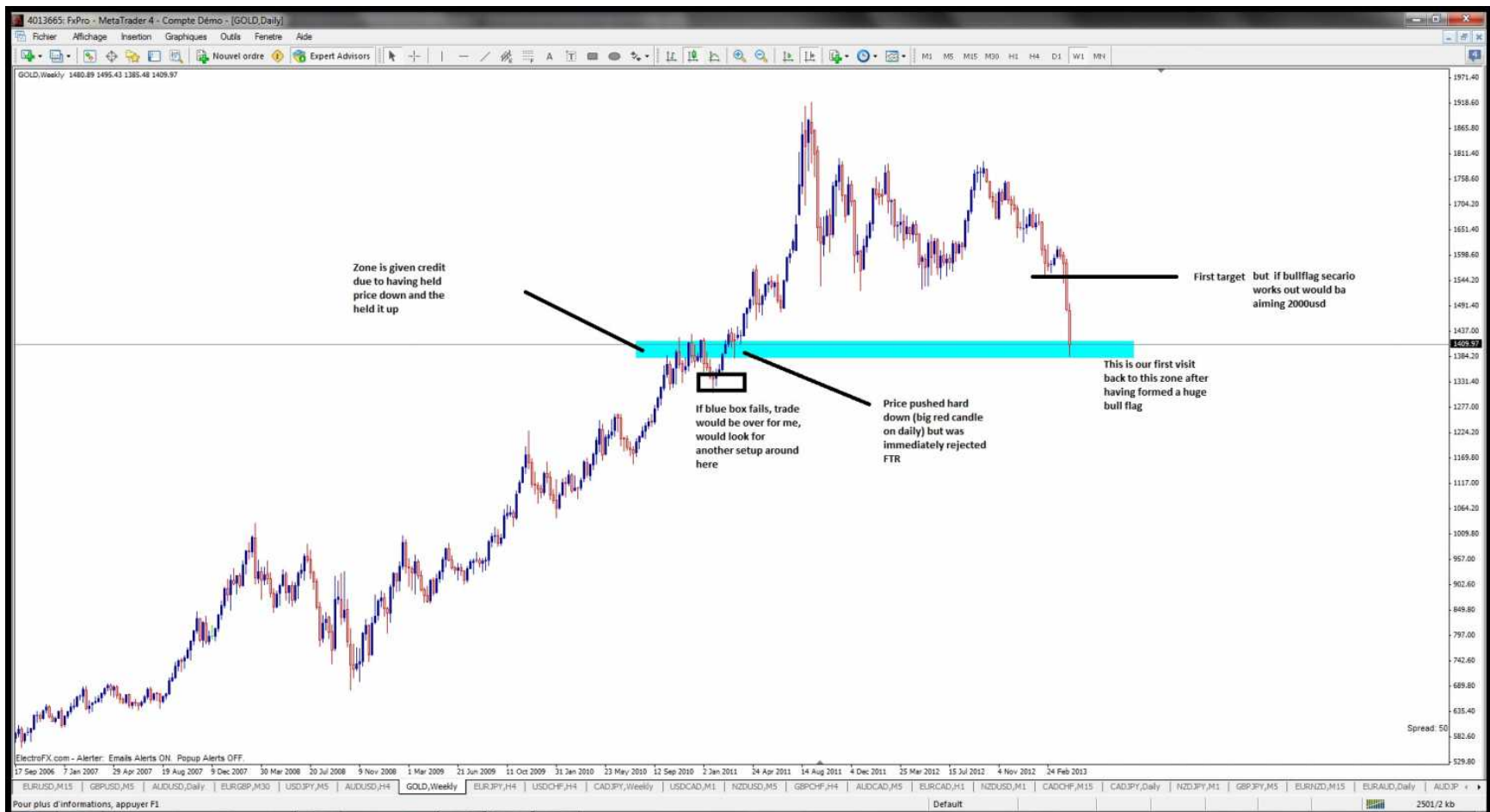
Why did I buy gold?
Was there a confirmed entry?
What trouble may lie ahead?
How will I know if I'm onto a real winner?
If it runs, where could it run to?

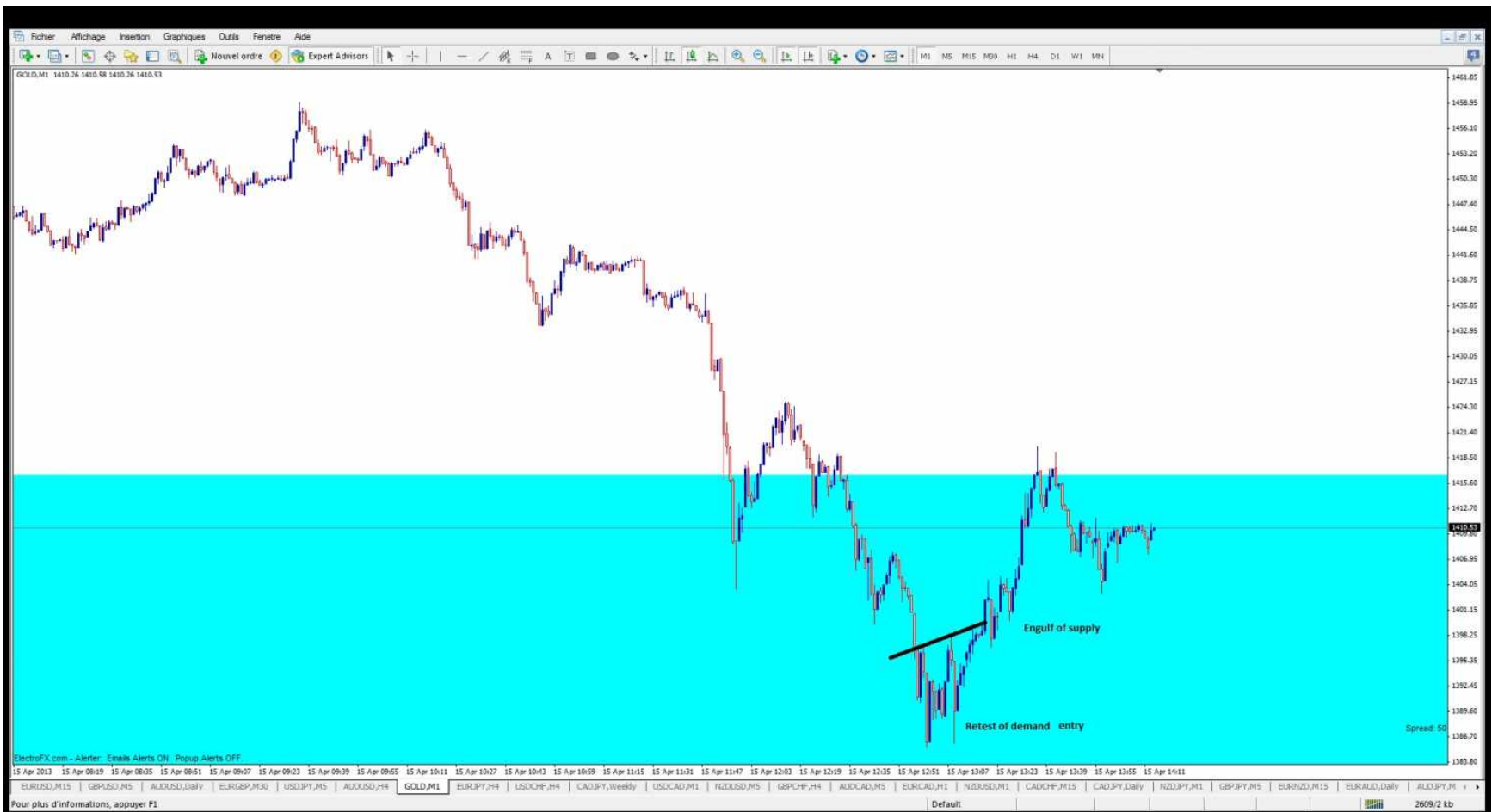
If it's a loser, how will I know?
What would be my best escape?

How do I make sure I can't lose?

[Eurotrash](#)

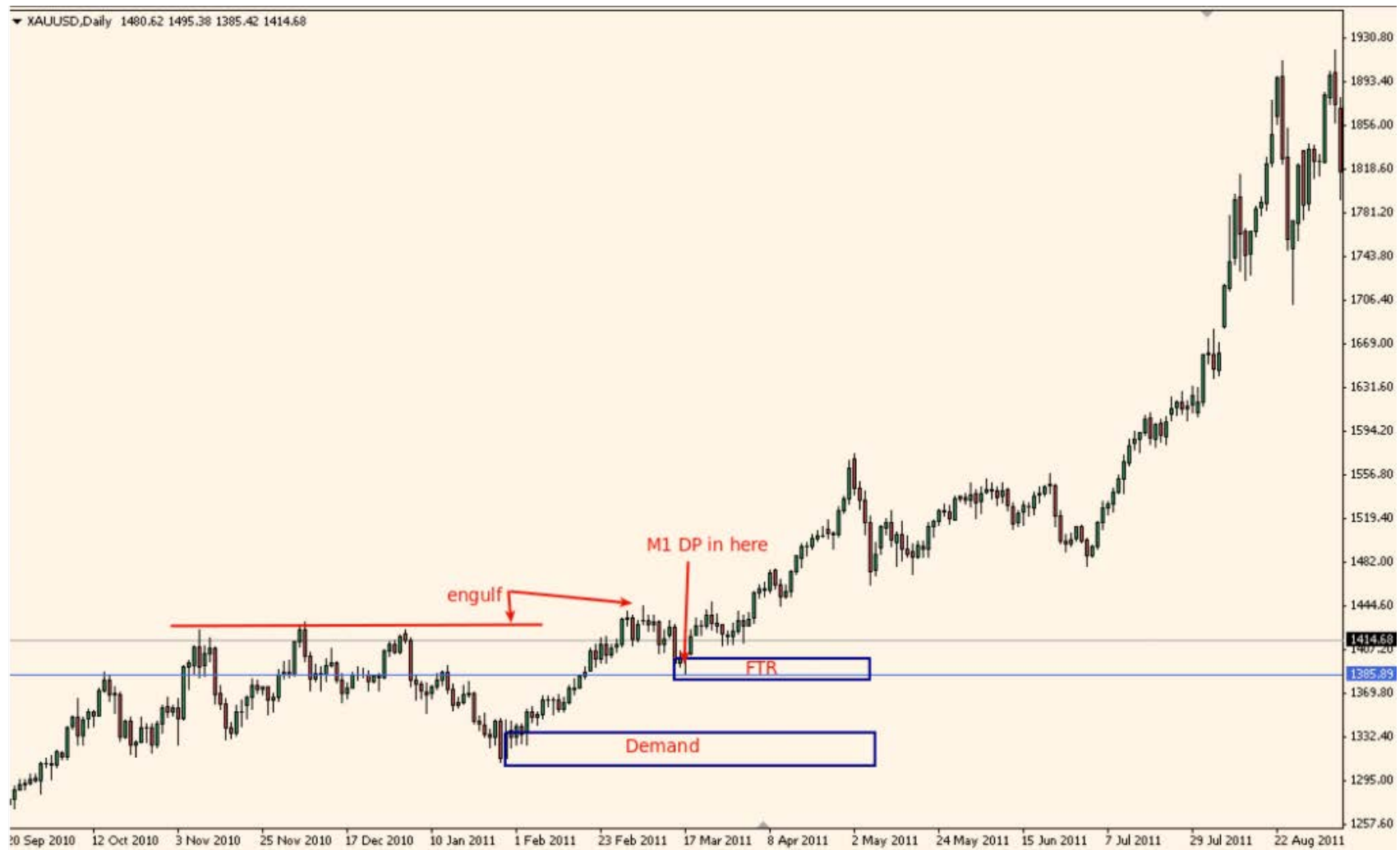
With all the people saying the rush on gold is over clearly means that it isn't. Trading buy low sell high, just a question of knowing when low is low enough. We are acurrently at a level where price was capped and the was held up. Looks like an ok place to start to look at buying some gold a discounted rate!





[DrSwing](#)

OK, I'll take a bash at this but I can't go back far enough in M1. I'll add in further answers.



[benhur](#)

Why did I buy gold?

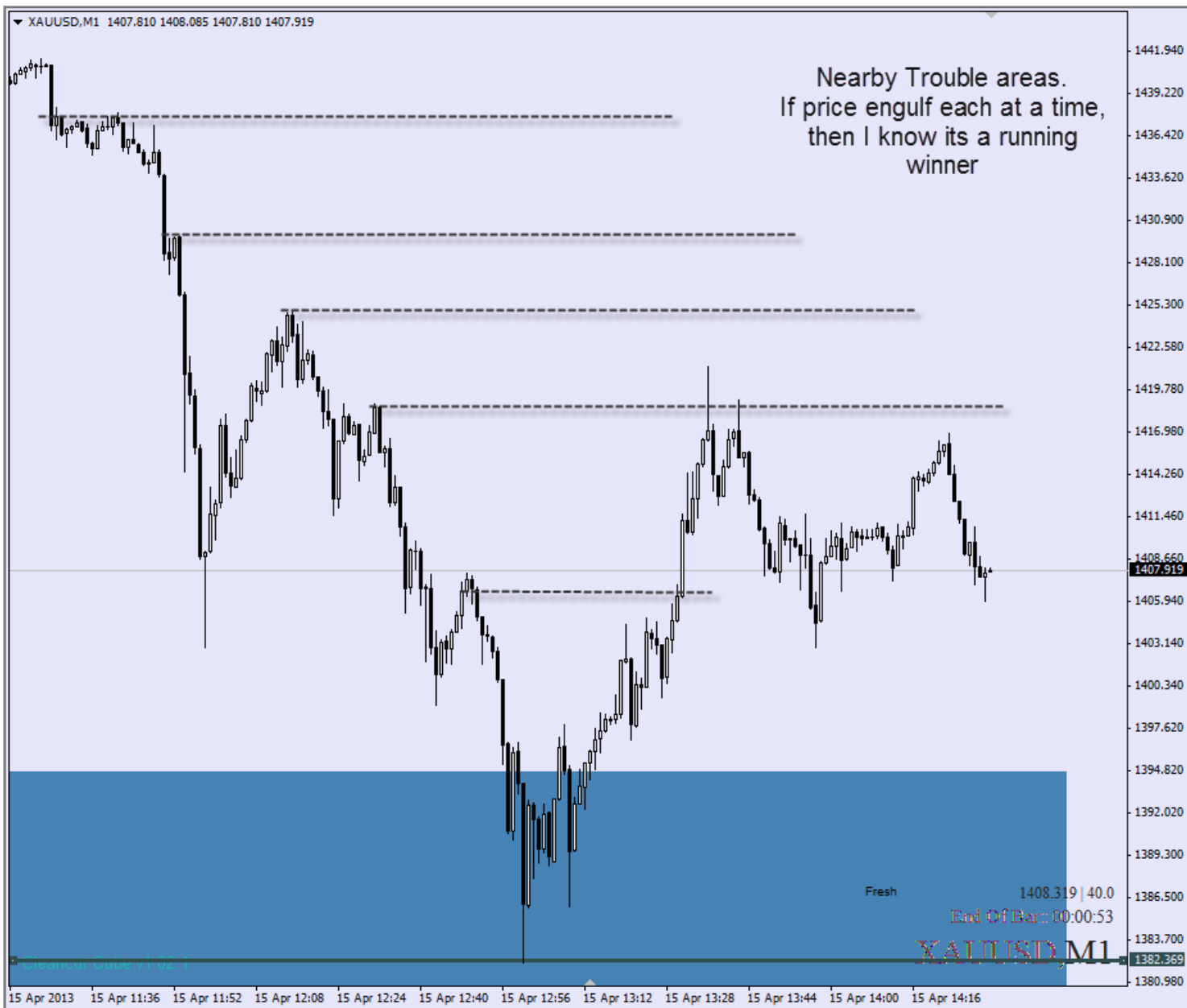
- Buy @ DBR / Trapped Sellers / FTR

Was there a confirmed entry?

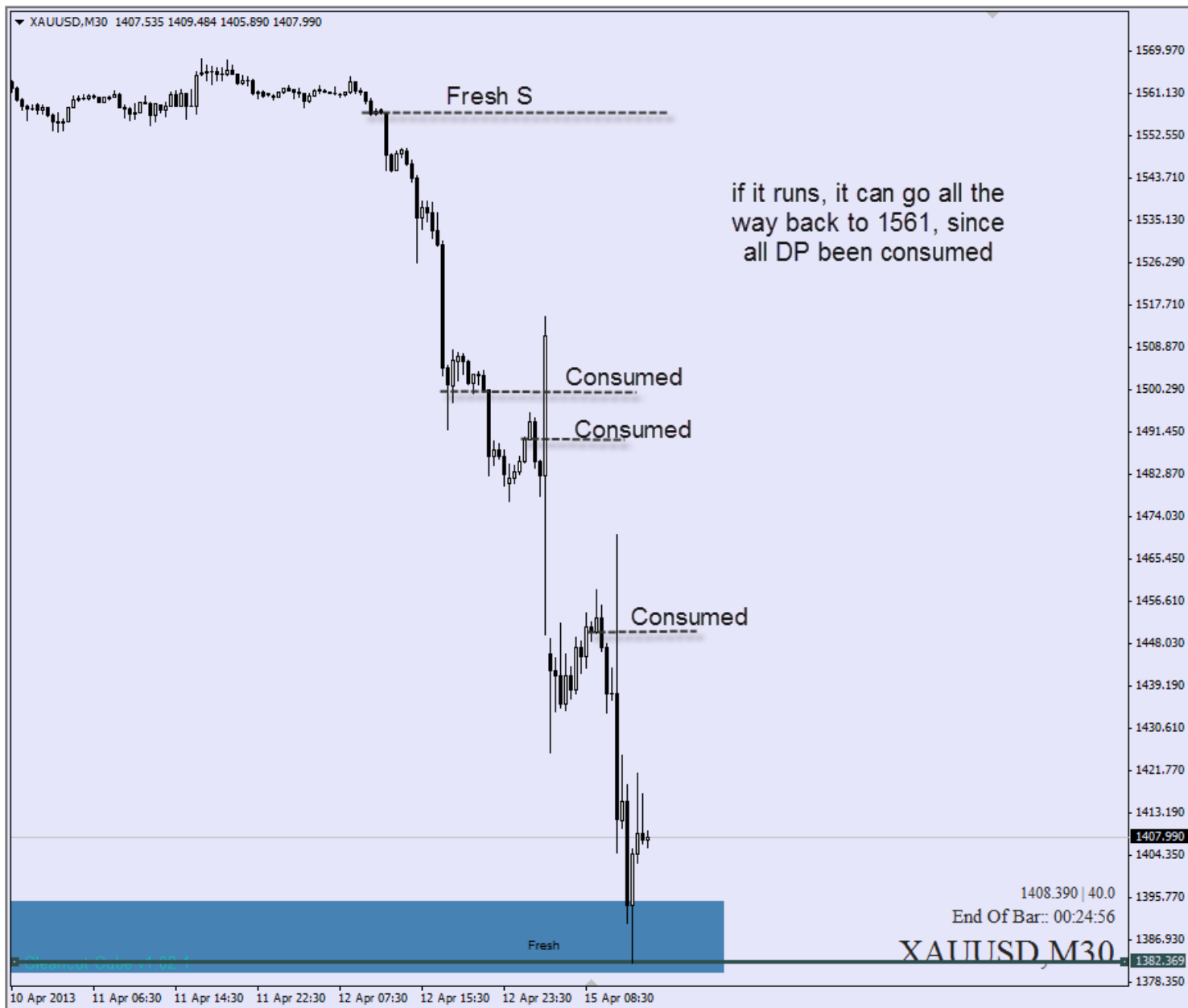
- Yes there was a confirmation when LQ drop was losing momentum toward the FTR level

What trouble may lie ahead?

How will I know if I'm onto a real winner?



If it runs, where could it run to?



If it's a loser, how will I know?

What would be my best escape?

- If price engulf south of the FTR level (the entry price) it would be a sign it can do further low.
- Best escape would be when price is back to bail our BE after engulf

How do I make sure I can't lose?

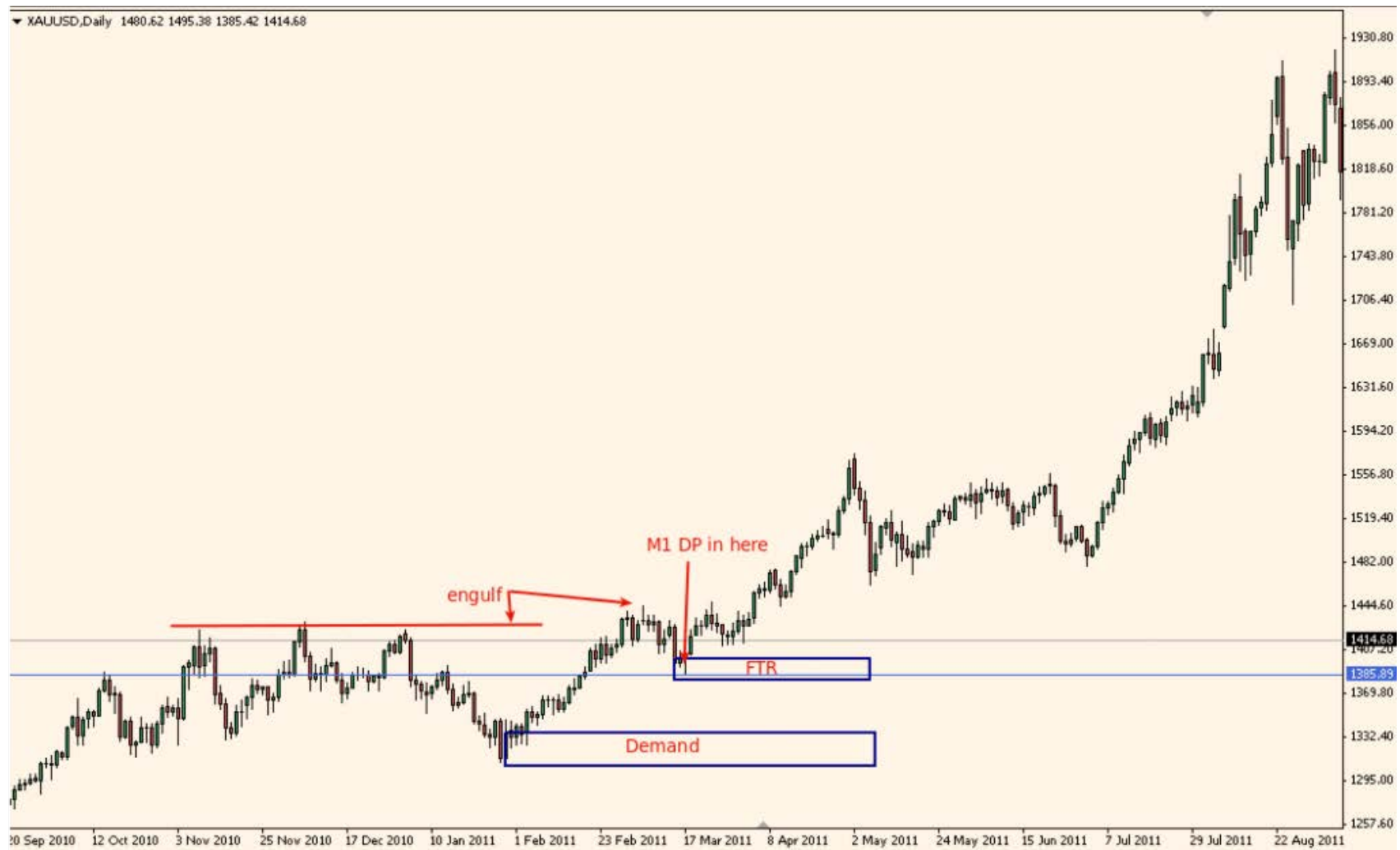
- If entry be on pip accuracy, then in case of level be broken price will re-test the price before continue downward. this would be the exit at bail out. The conclusion is that only accurate entry will provide better odd for bail out if needed.

Here's an m15 of back then



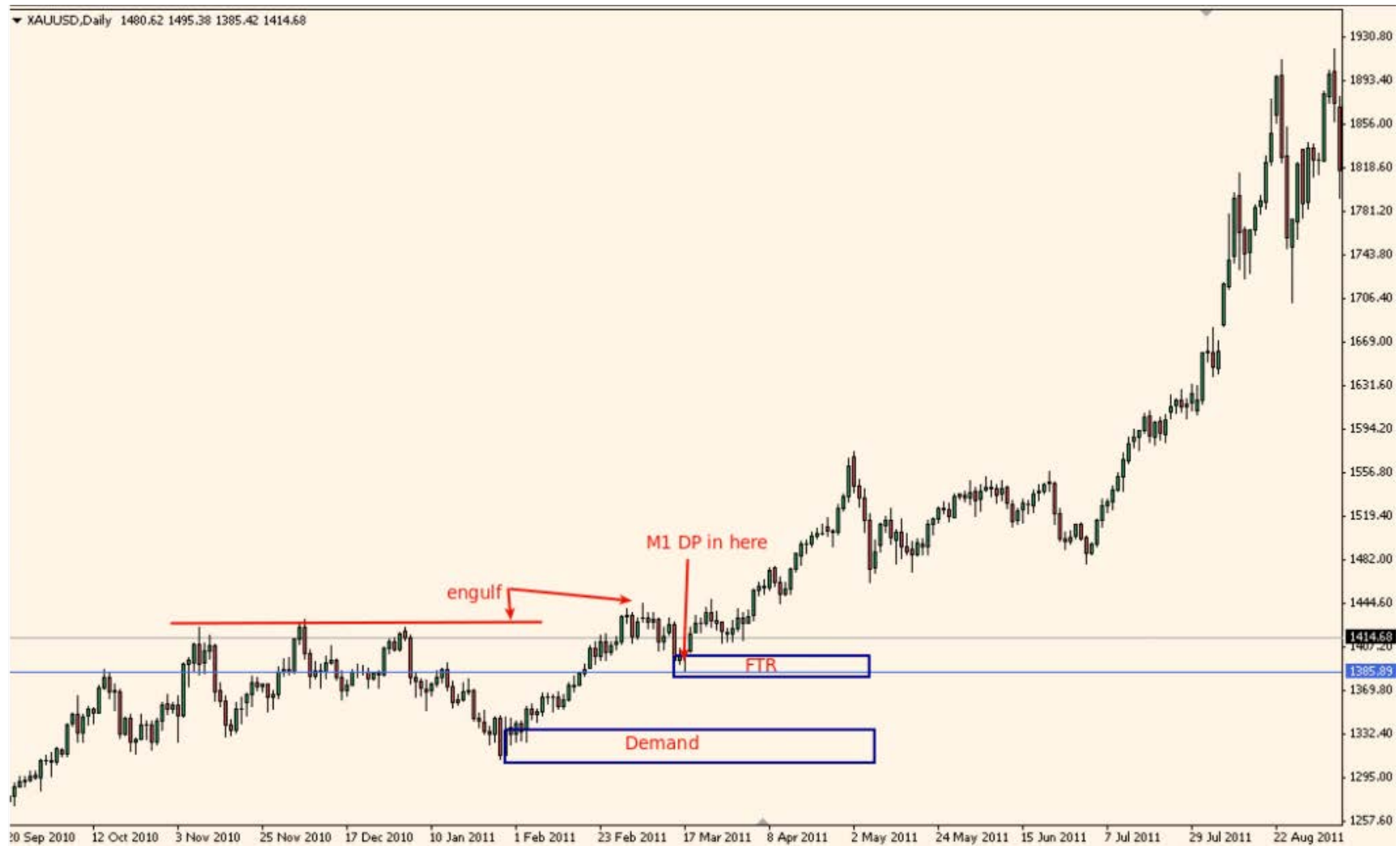
[DrSwing](#)

OK, I'll take a bash at this but I can't go back far enough in M1. I'll add in further answers.



DrSwing wrote:

OK, I'll take a bash at this but I can't go back far enough in M1. I'll add in further answers.



And to follow on



Was there a confirmed entry?
FTR can be taken as a TT

What trouble may lie ahead?
First trouble at 1 on the chart and then 2.

How will I know if I'm onto a real winner?
An engulf of 2 would be good, and a QM on the M1 would give confidence.

If it runs, where could it run to?
The area marked by 3.

If it's a loser, how will I know?
Low will be taken out

What would be my best escape?
Maybe as answered below.

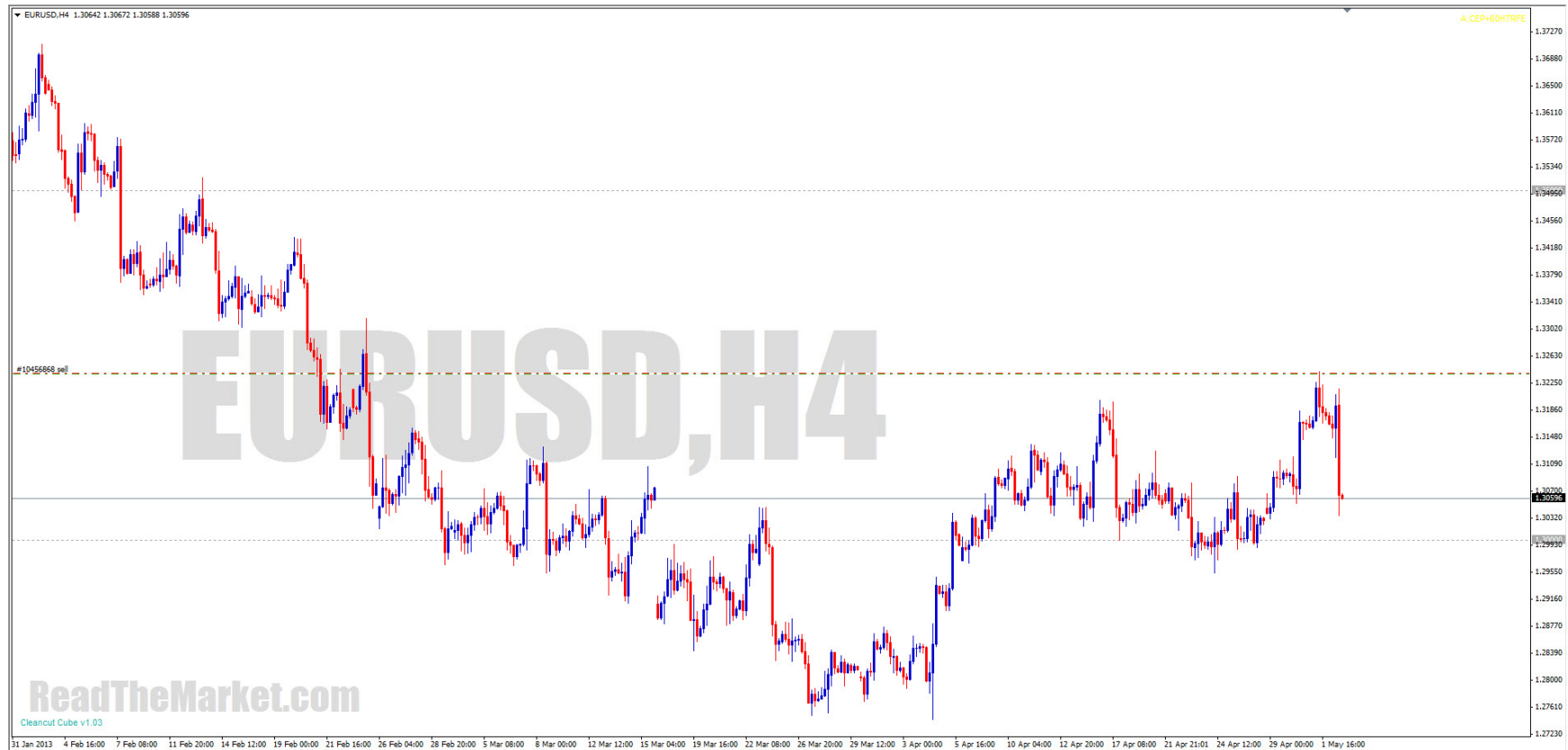
How do I make sure I can't lose?
Take a little profit to allow for a stop below the low.

Thanks If, great learning in these.

drswing

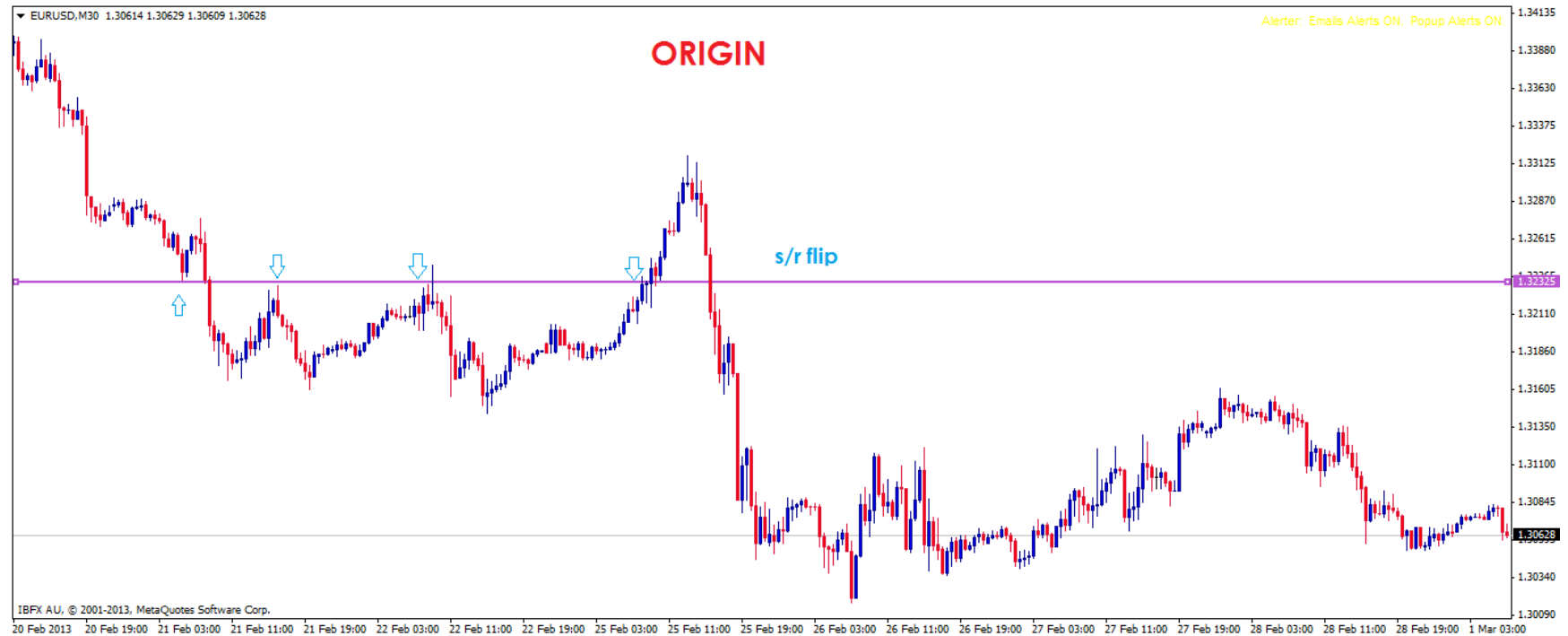
Here was a really easy short on eu

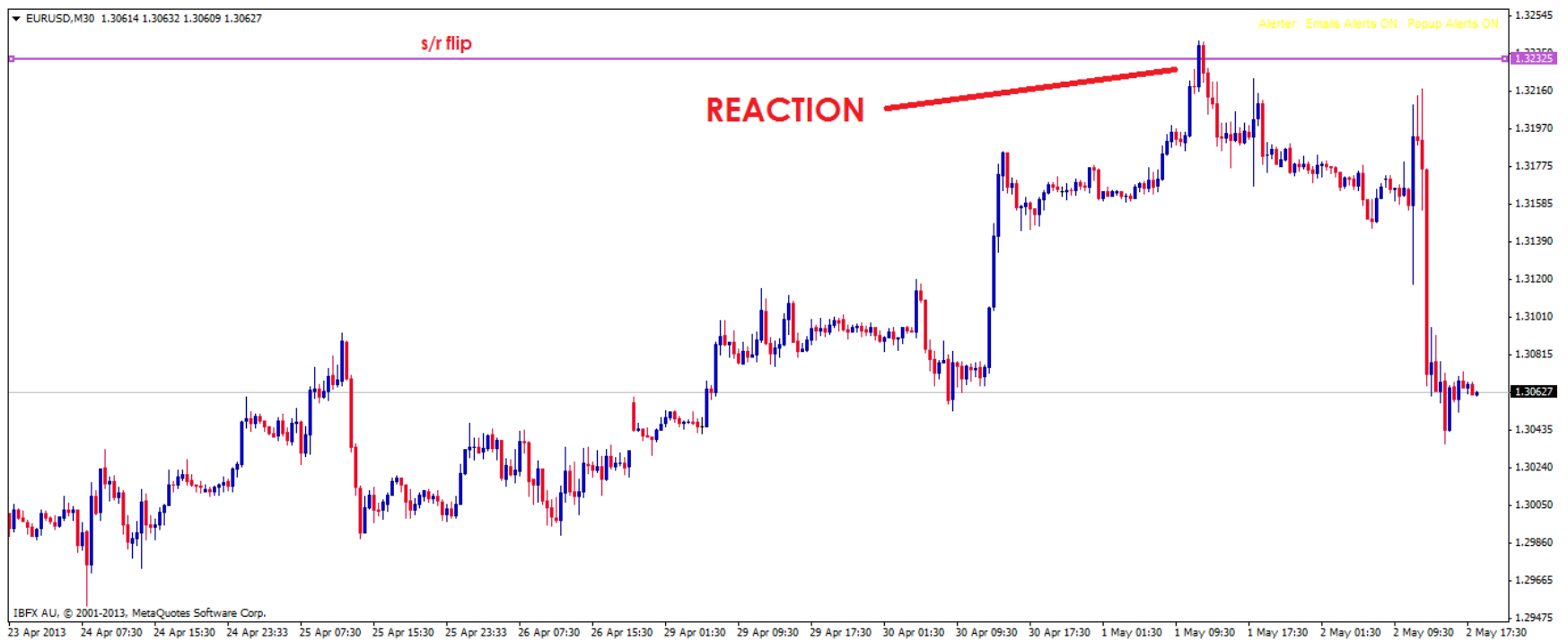
Can anybody tell me why I took it?



[Les Paul](#)

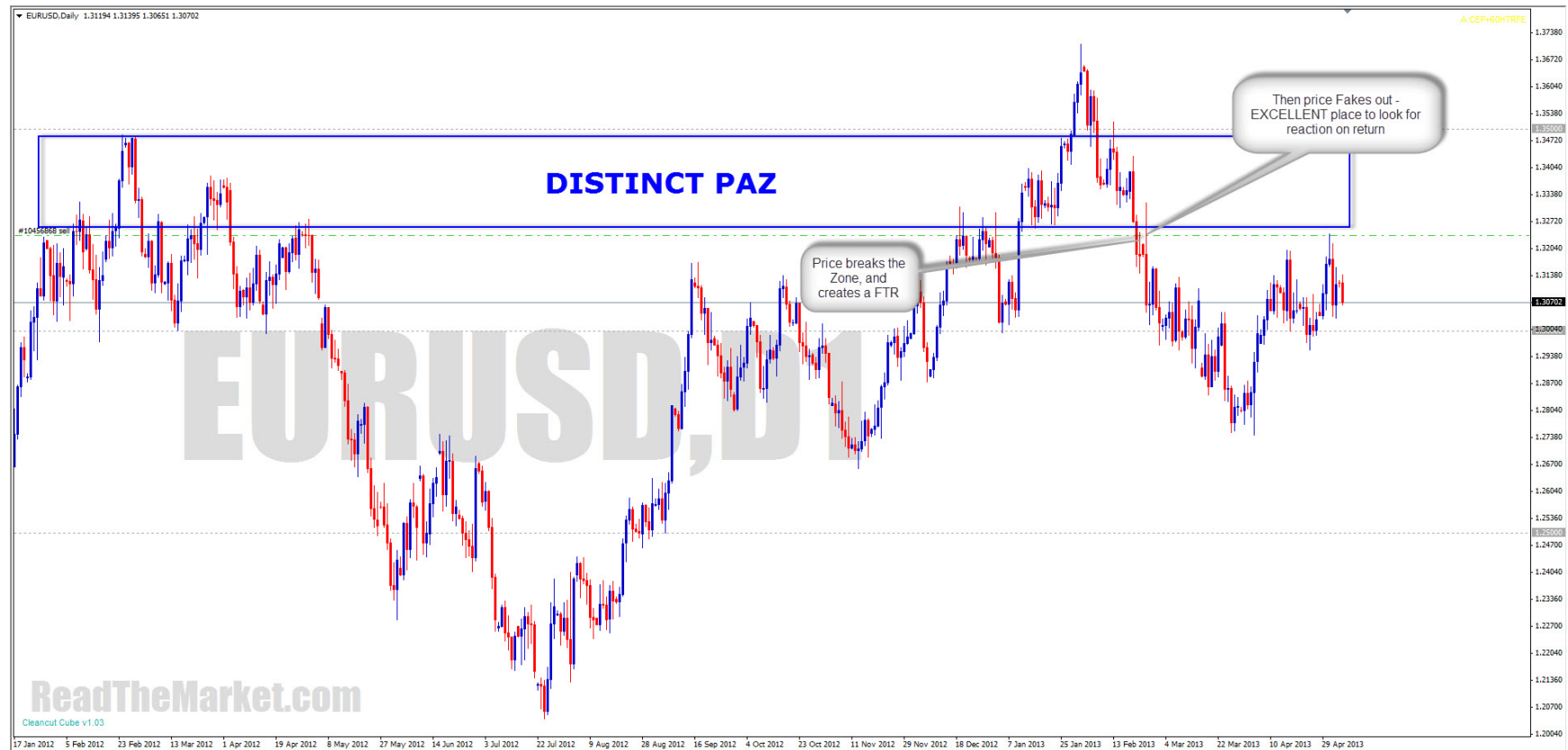
Hi If, I think you took it off the S/R flip line.

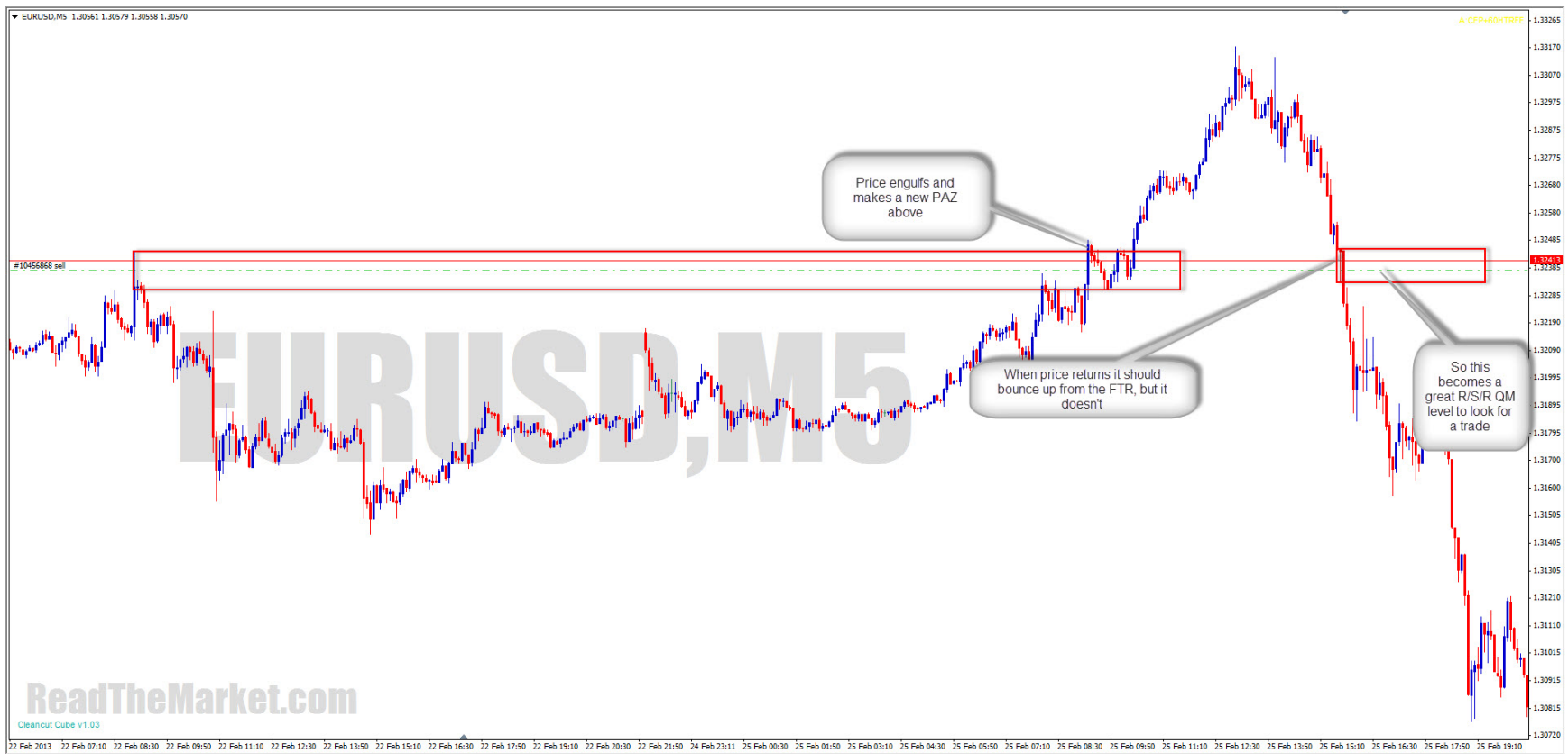




Very good

Here's my basic take on it





As I said above - let the chart scream at you to take a trade

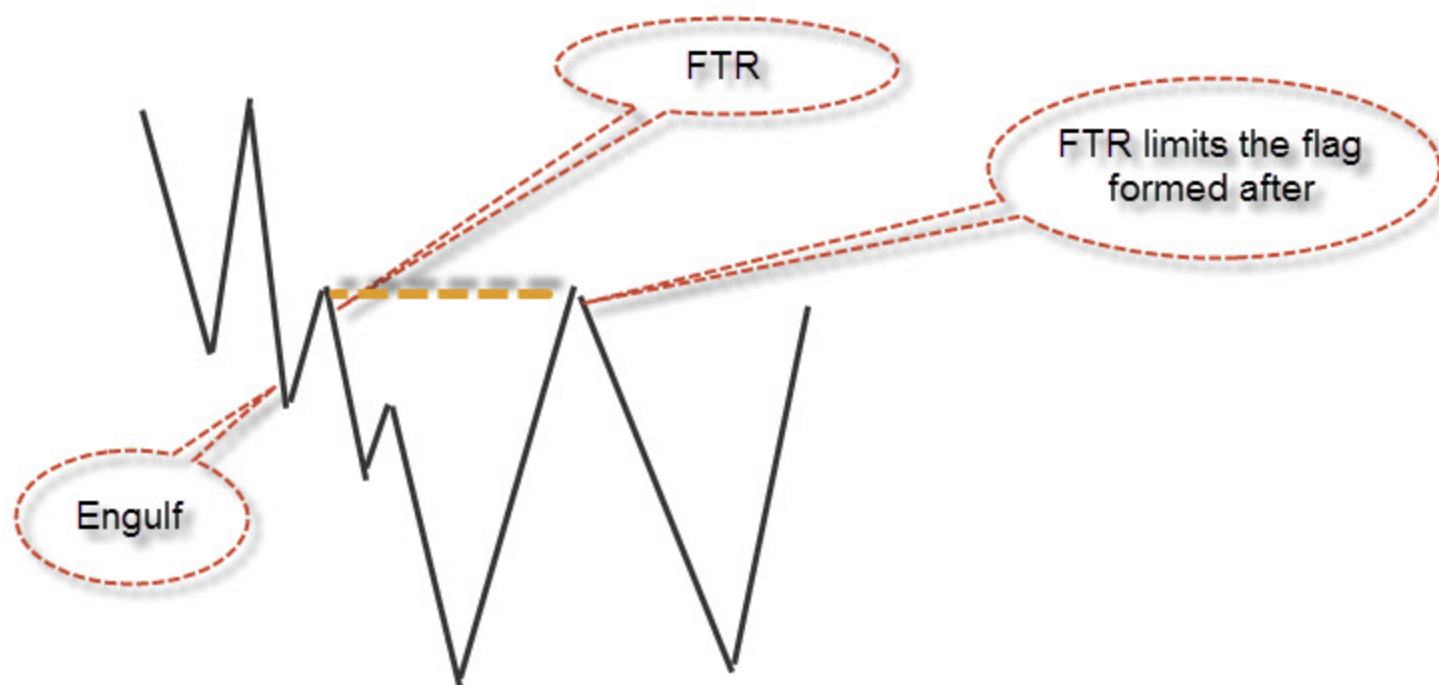
If you're at HTF demand, await an engulf north of an important supply - this is the signal that price wants to get into the higher zone

Find a point where price wants to retrace to - a nice DBR or FTR at a Fakeout level is a great candidate. Wait there for price to return - that's your best setup

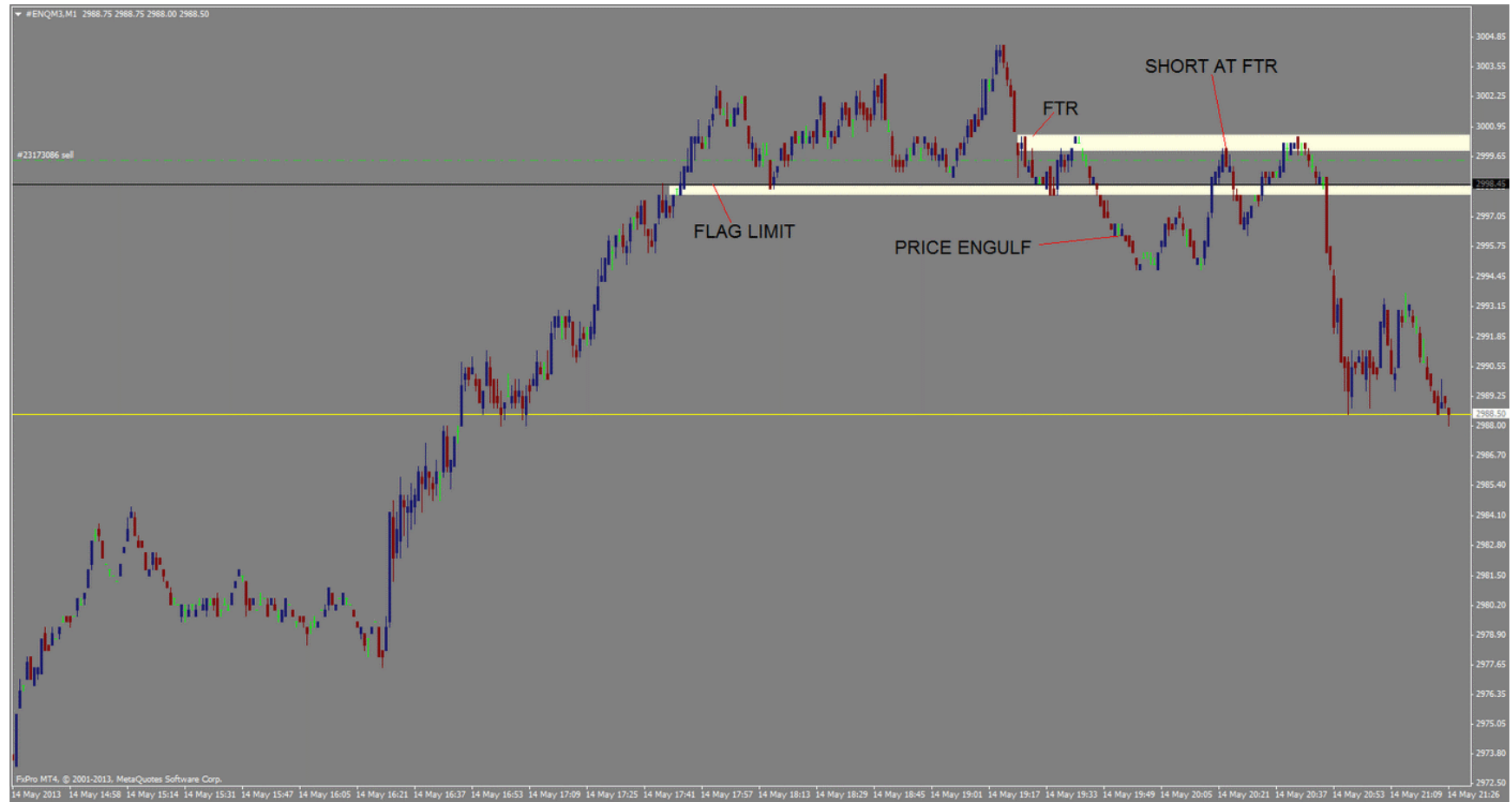
Here's one from yesterday - it screamed "SELL!!!!!!!"



Here it is in its simplest form



[mertch](#)



You can do that if you want to drastically reduce your RR, But we know how to do it better



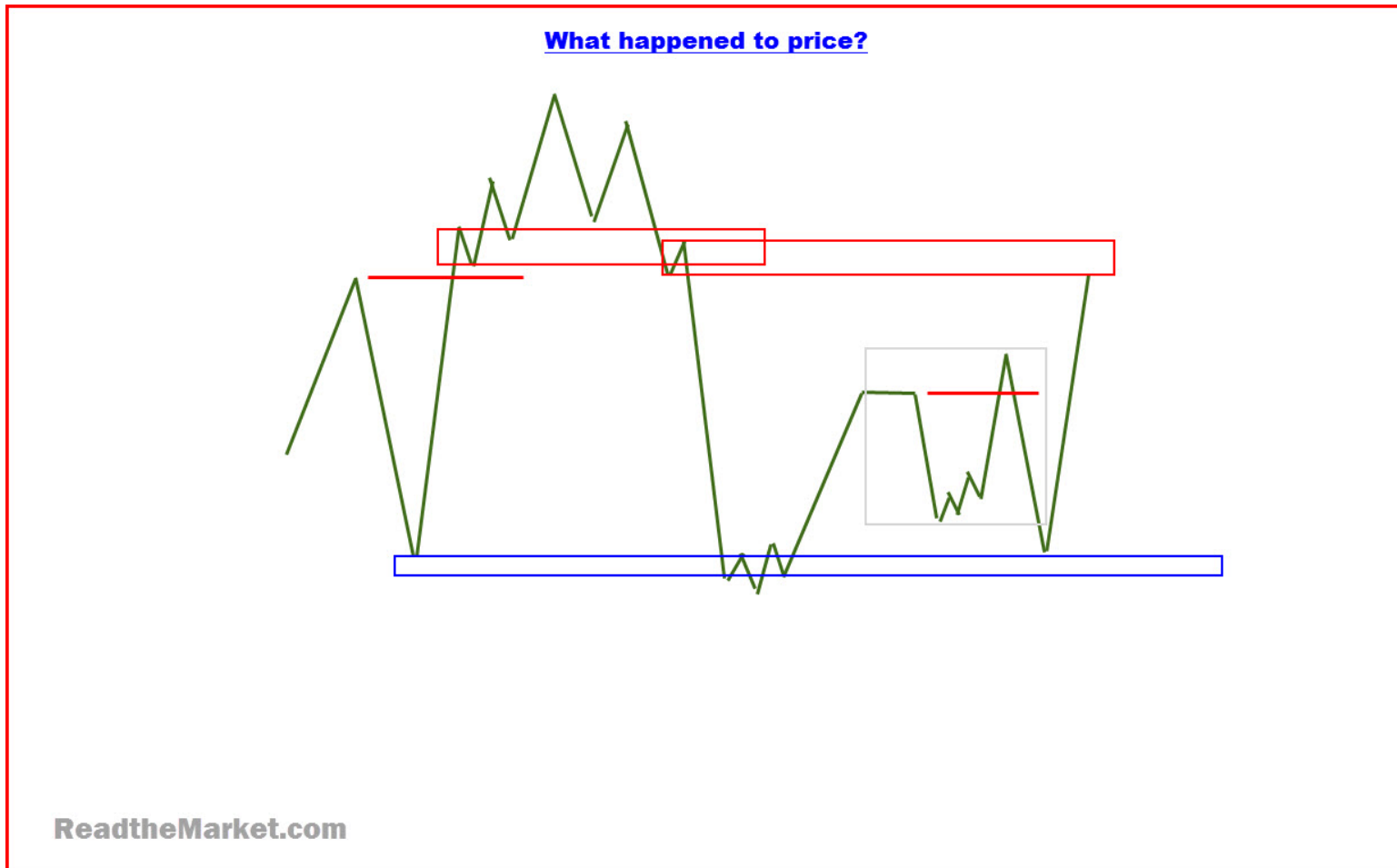
Reading PA is all about the zones

Know how they interact, and you'll always know when to enter and when to exit 😊



Here's a quiz from RTM and RTM Academy which has proven to be quite fun to solve

Simply describe what the ITs were up to throughout this set of PA



I'm away on holiday now, but hope to drop in and see if there are any replies 😊

I really don't see the point of getting bogged down wondering whether the orders placed are limit or market. Price usually bounces, to the pip, exactly where it's meant to, and that's forecastable.

If the institutions do their jobs properly, they will have sufficiently bewildered the retailers on the lead-up to the bounce that on the inevitable fakeout to the turning price they will entice enough breakout traders to get totally on the wrong side of the market, and catch the stops of those on the right side of the market (making them, in effect, take the exact same trades as the erroneous BO traders)

They know where they will turn price, and will be sure to have more orders there than those opposing. They want to have more orders there than those opposing, so they can get the turn they want. The trick is to get as many buy orders for their sells and short orders for their longs as possible, to give them maximum profit.

An example of the beautiful trickery was in EU the other day



I truly feel it's better to focus on knowing WHERE, rather than WHAT the orders are

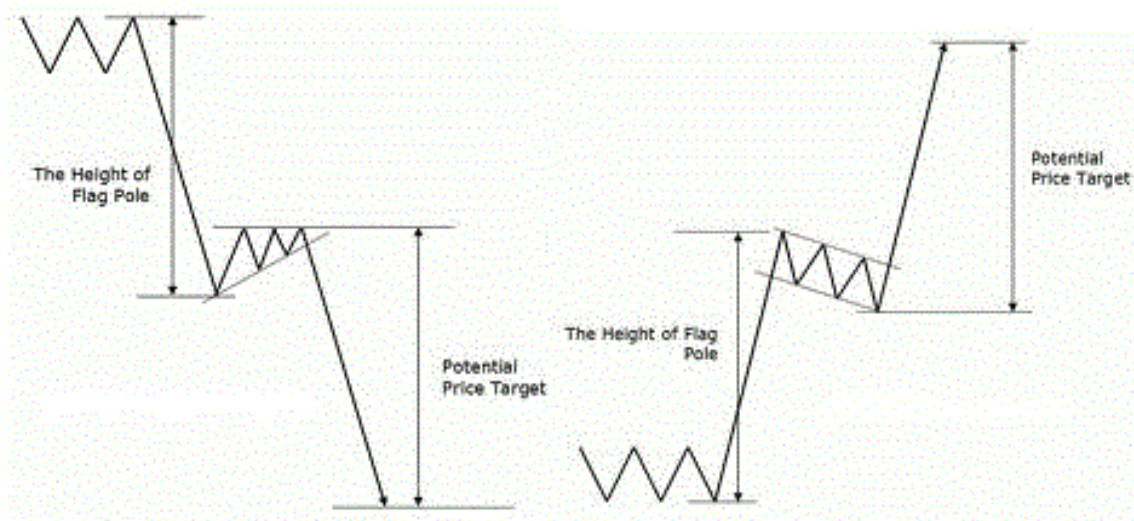
OOP

Sorry, was editing in some reasoning while you posted!

The red dotted line is a trade marker, a line between entry and exit



From Red:



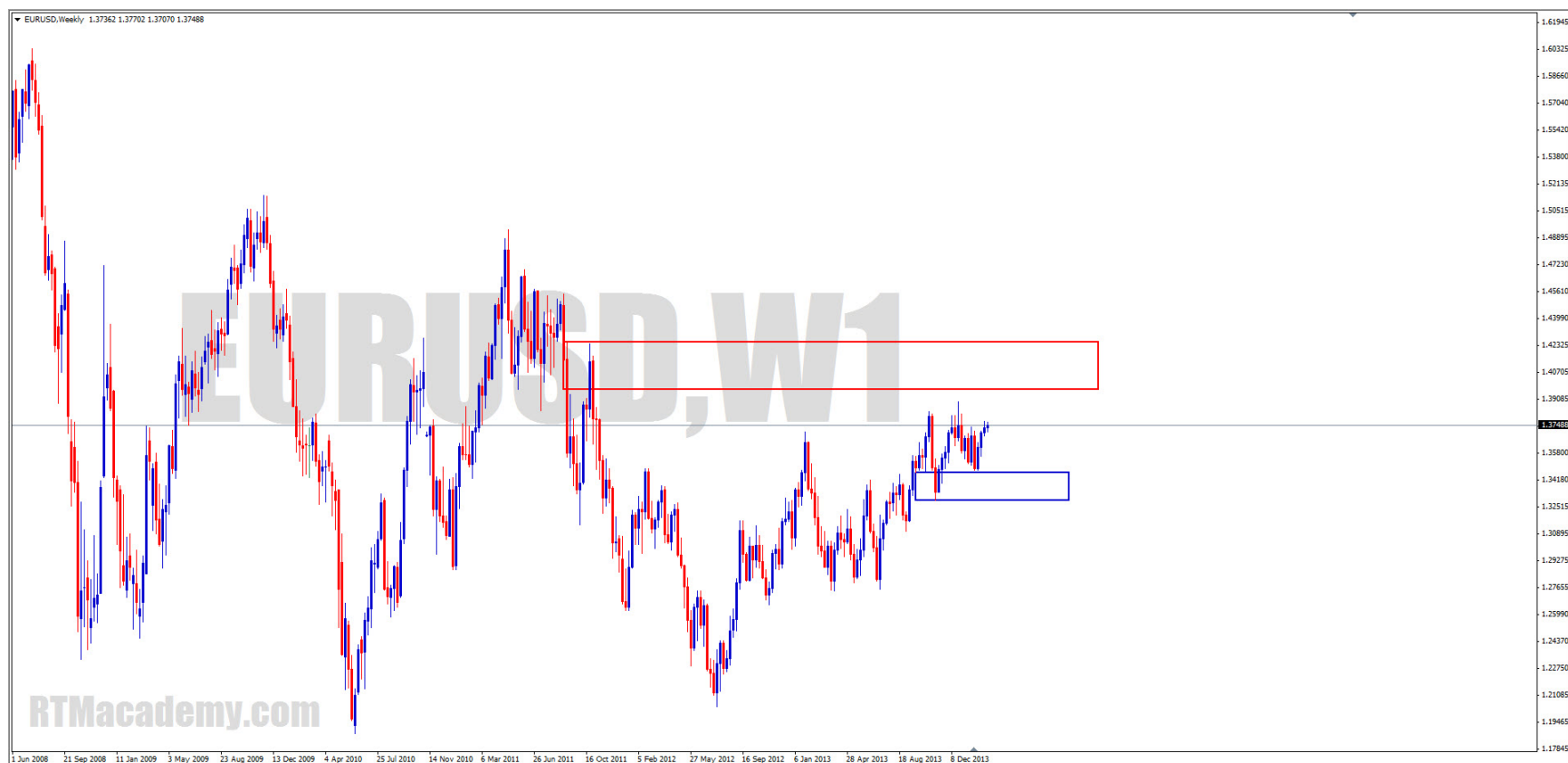
do some research this is vital you understand how and why these patterns exist

pole - momentum, institutional order flow

flag - consumption of excess supply, or demand for further pole advance or decline

can't explain any more

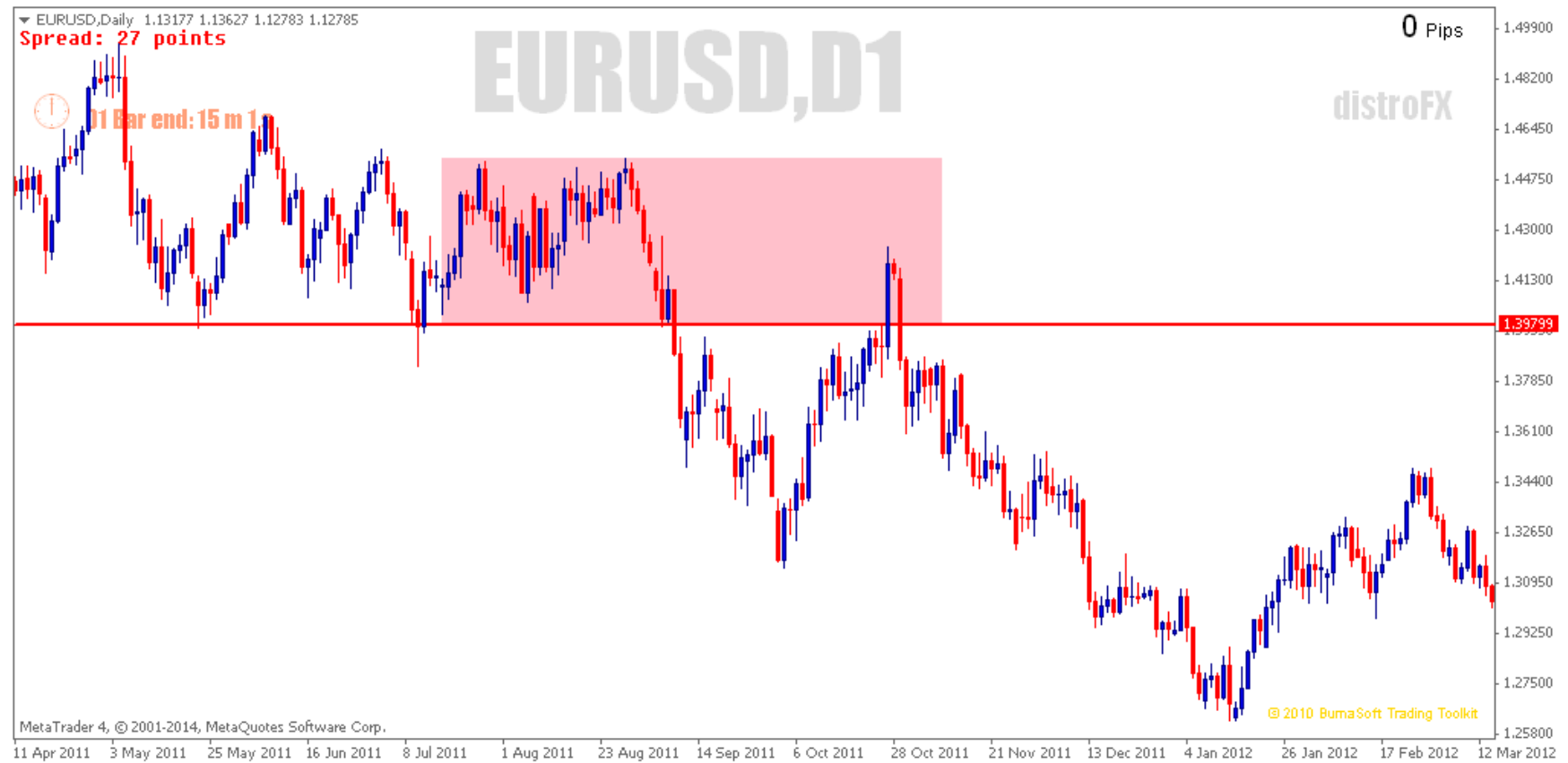
In the picture visible in that timeframe, there's no PA until either of the marked boxes is engulfed. Until then, we can only trade PA in the LTFs. Your best trades will be taken at the edges of those rectangles. Look for LTF engulfs back in South from the top and North from the bottom



After months ago (Present)



Zoom in Distinct PAZ on TF Daily (Past)



TF H4



EURUSD,H1 1.12988 1.12991 1.12783 1.12785

Spread: 27 points

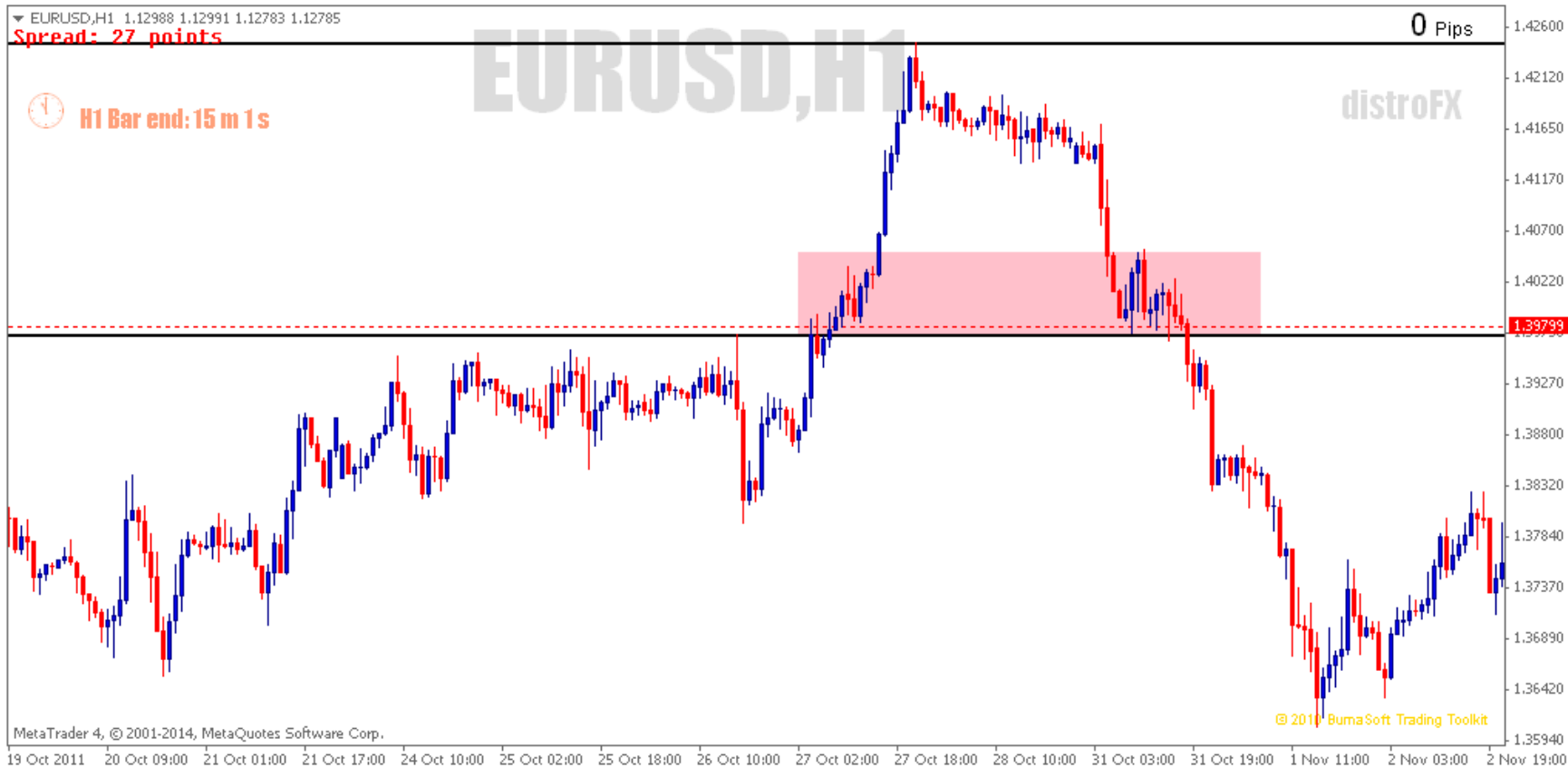
0 Pips



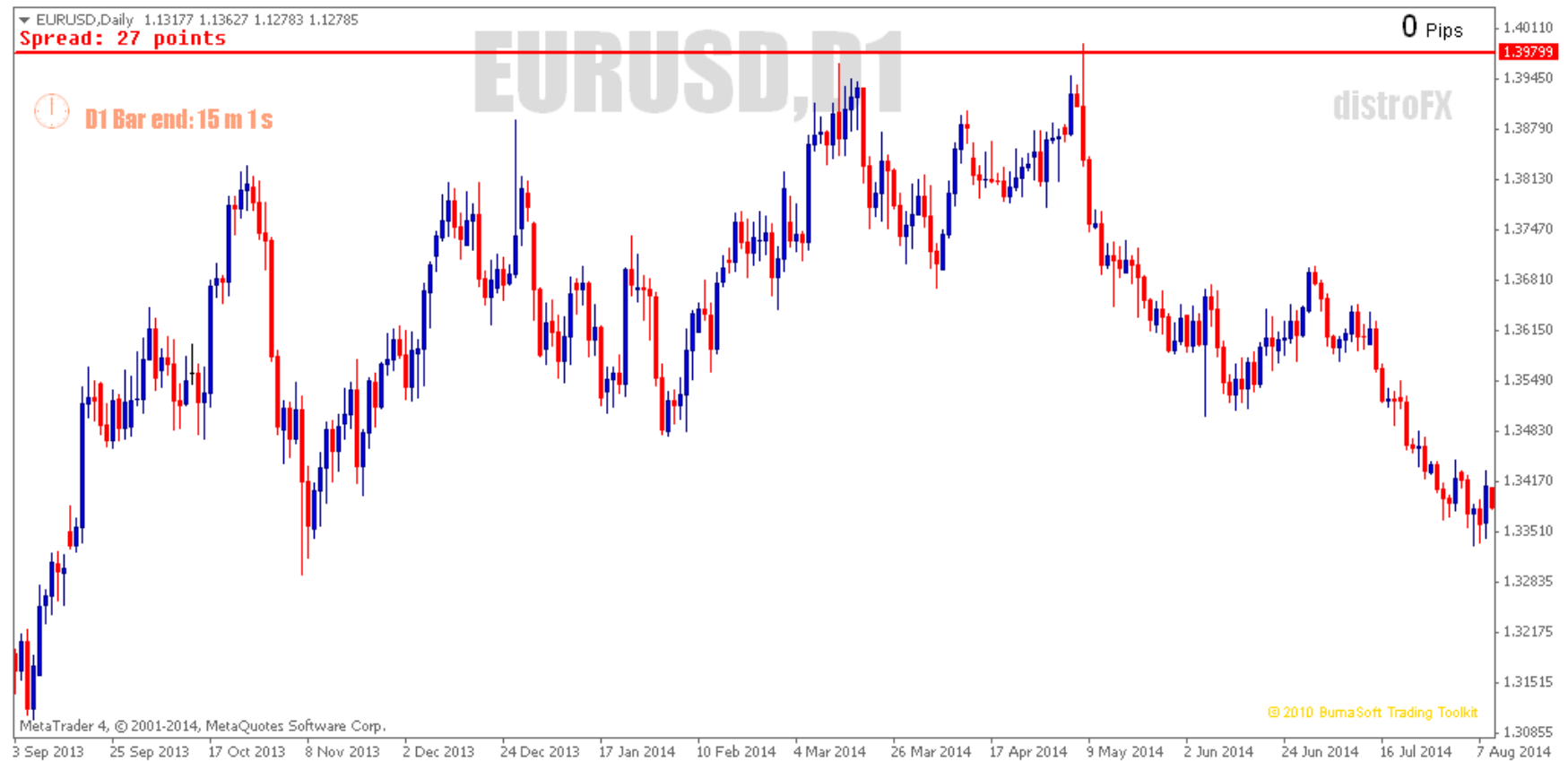
H1 Bar end: 15 m 1 s

EURUSD,H1

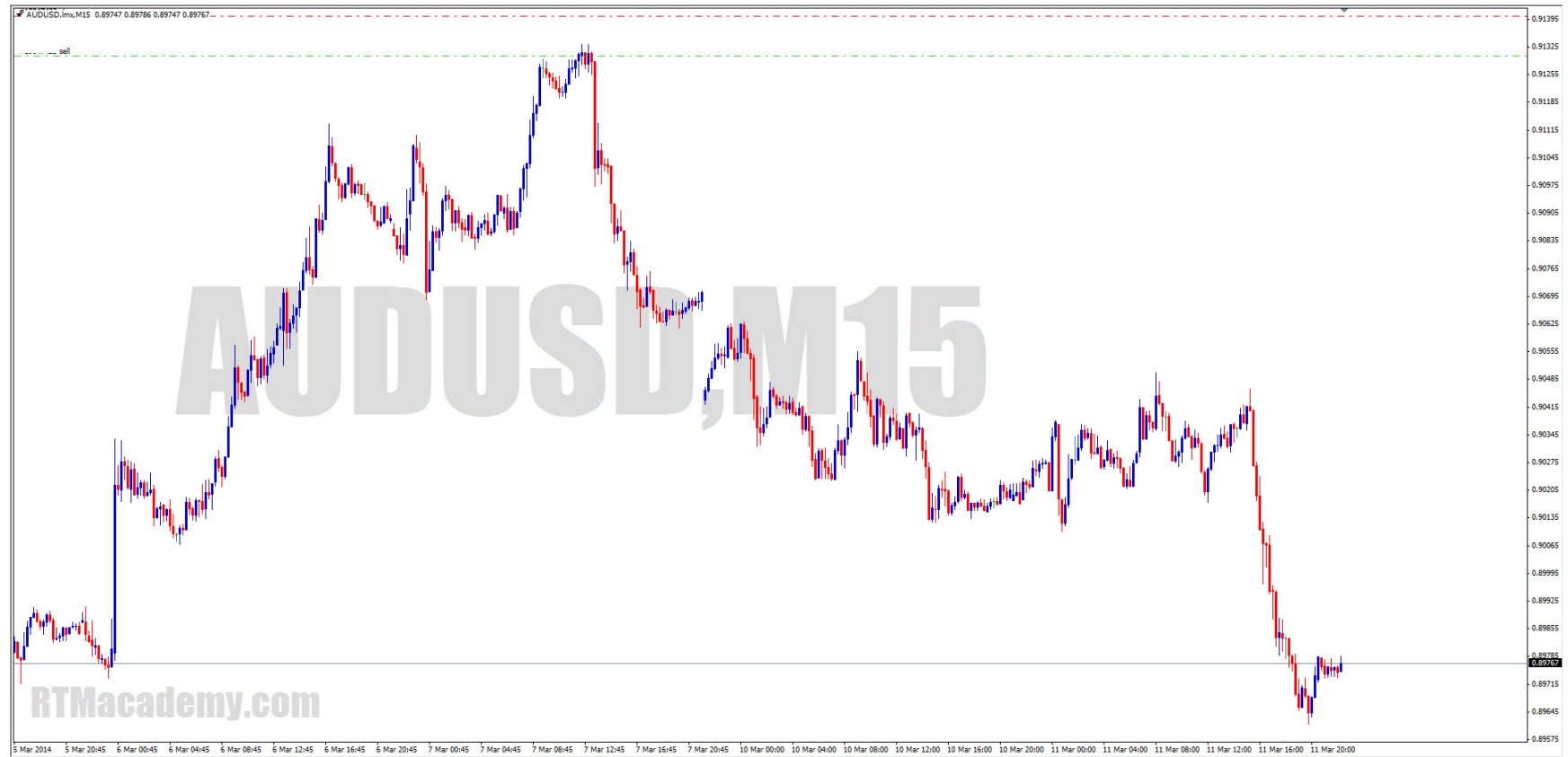
distroFX



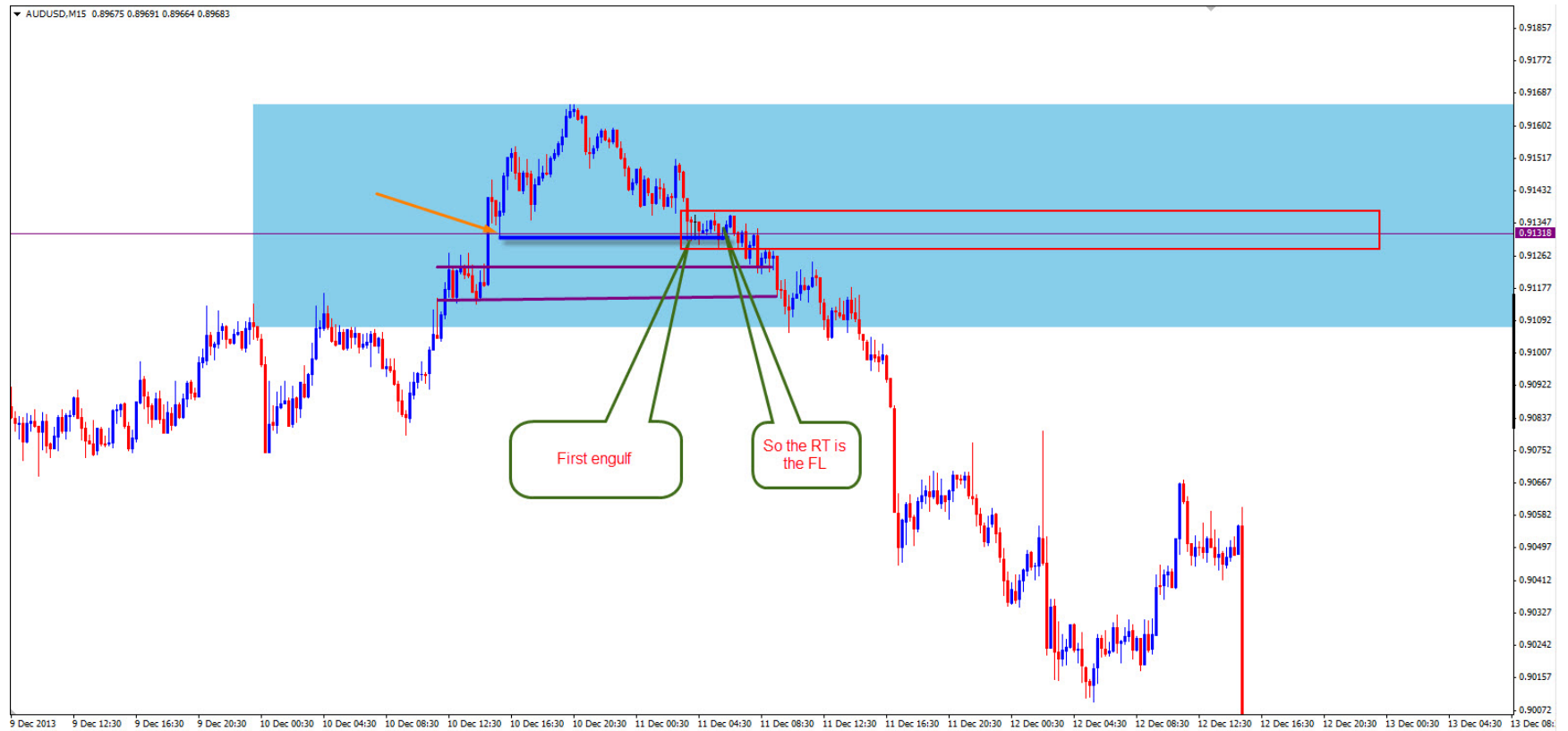
Reaction on TF Daily (Present)



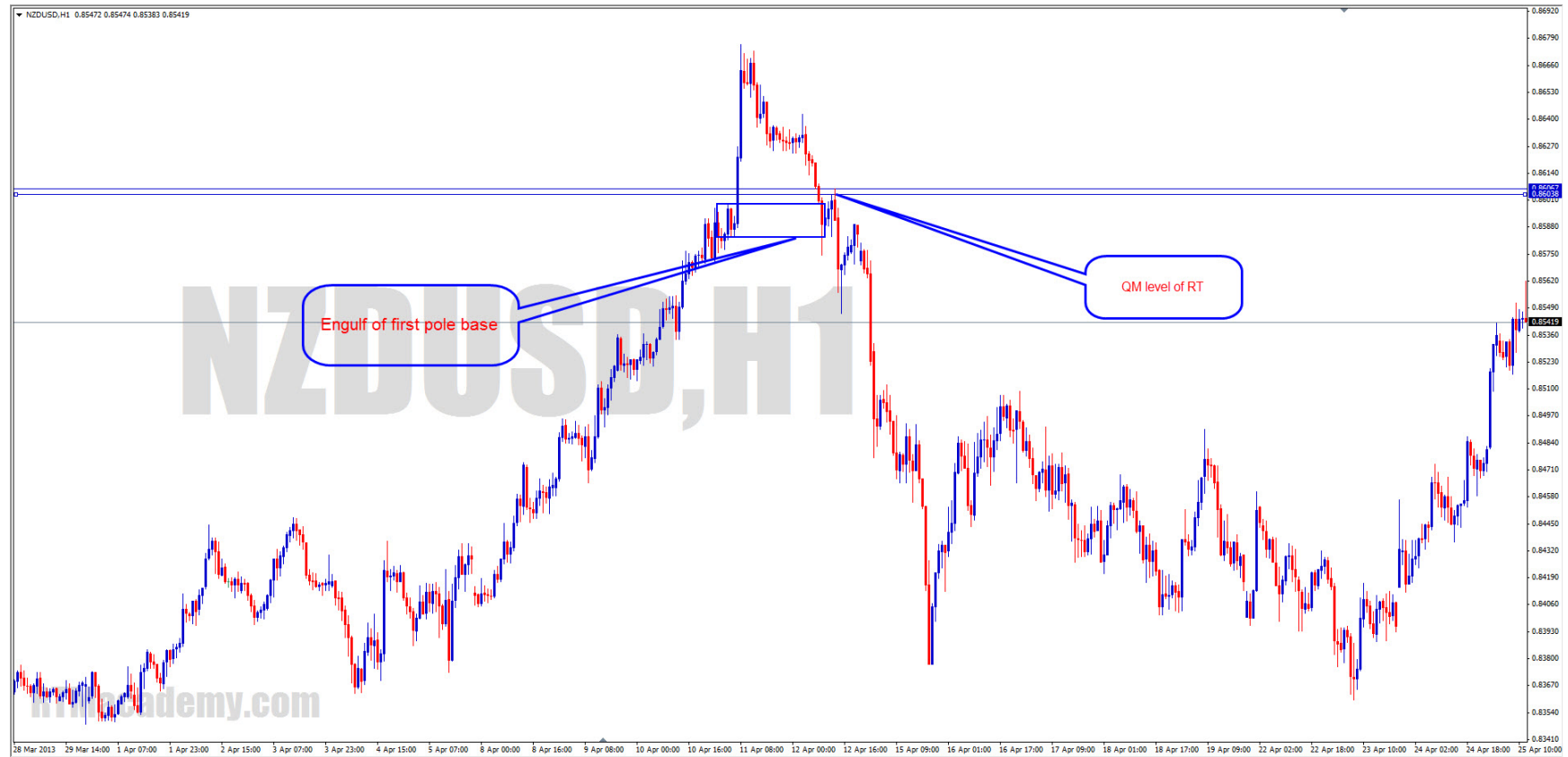
My only trade lately was taken at a Flag Limit, because of the Flag Limit



Here it is



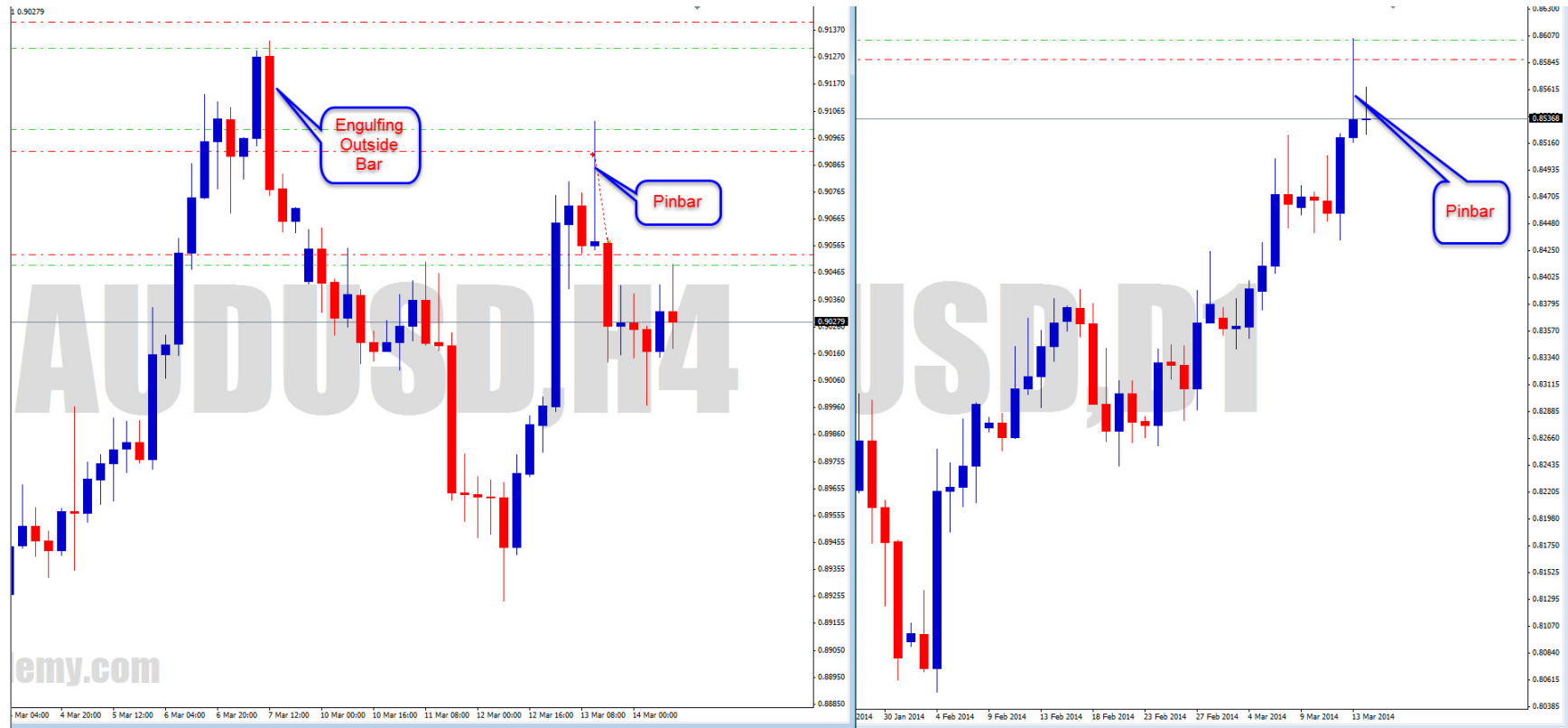
Once again, very simple stuff



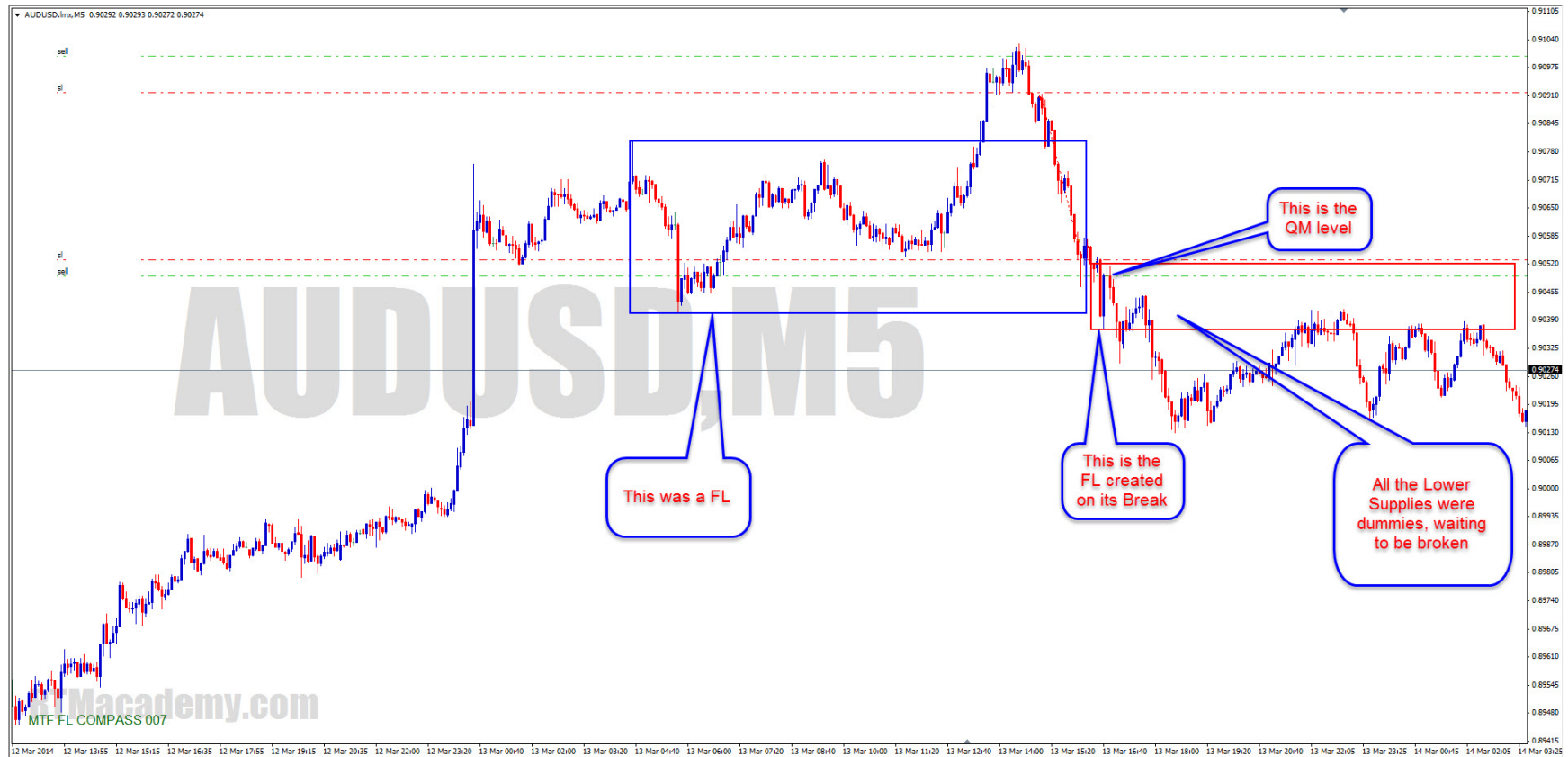
It's play time at the moment, so I'm off for now. Before I go - another add on AU - unfortunately I'll need to keep an eye on it for another while



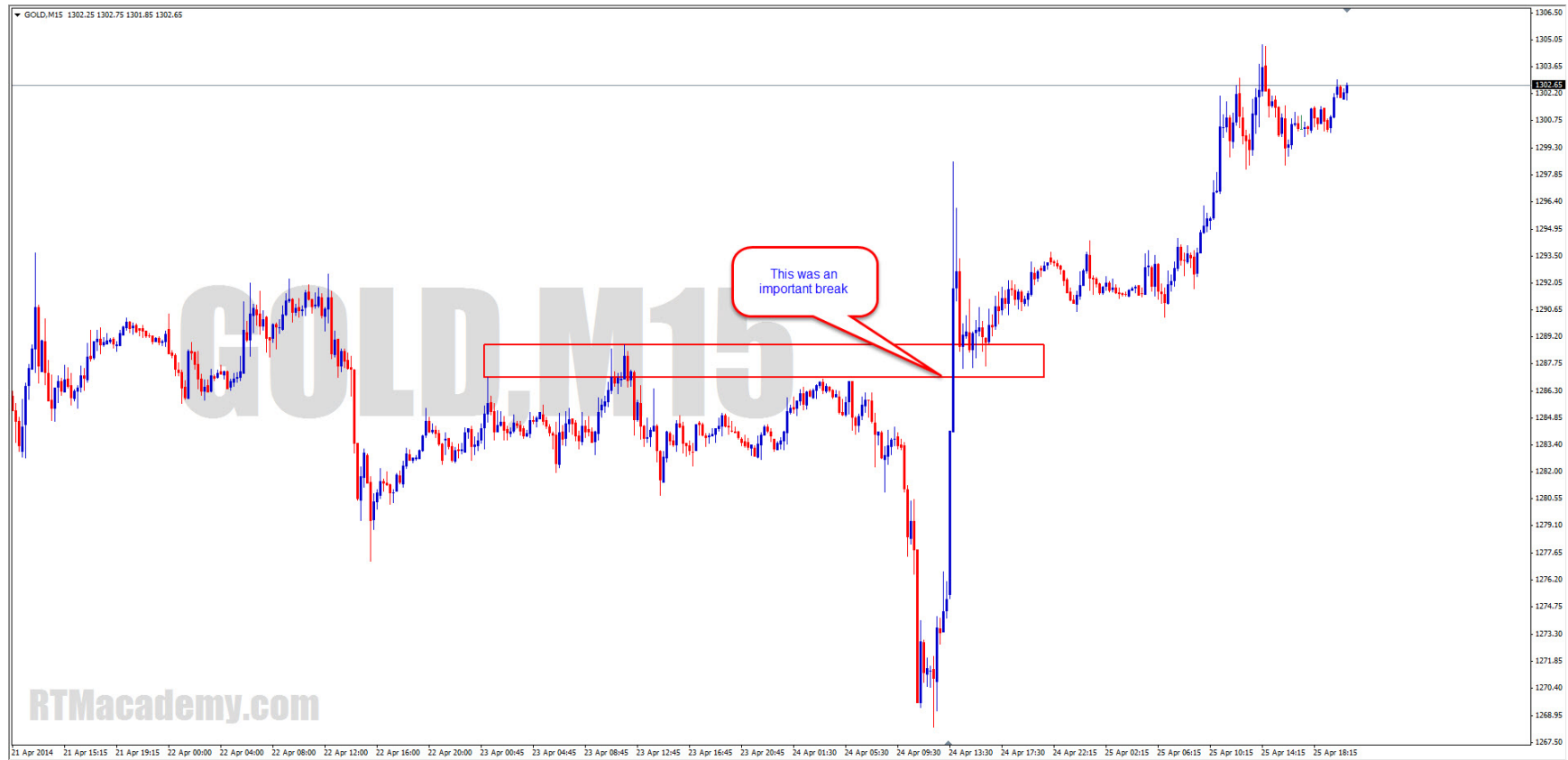
Price Reading is about getting in at the correct end of what others call Price Action Candles

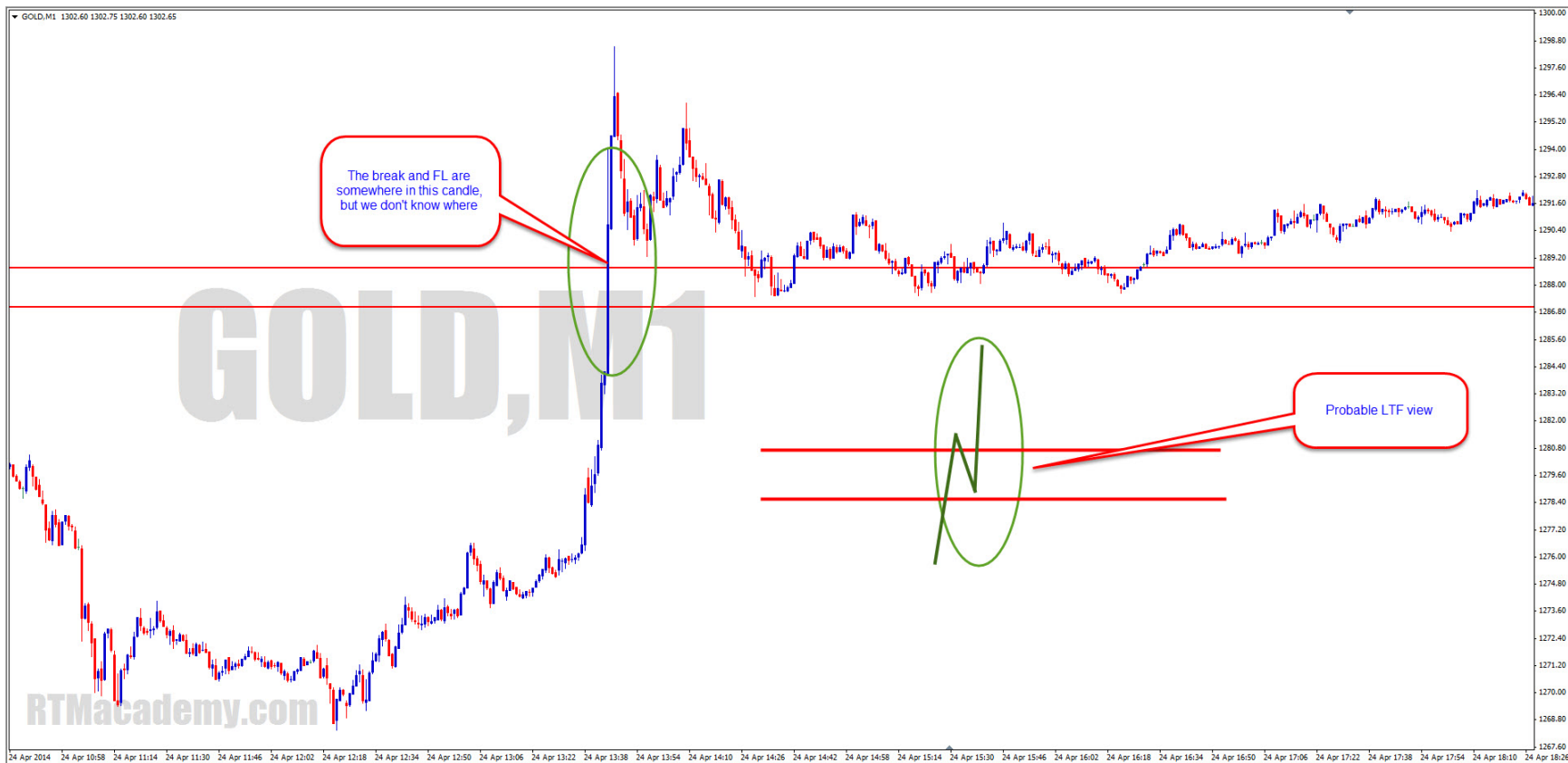


This needs no further explanation



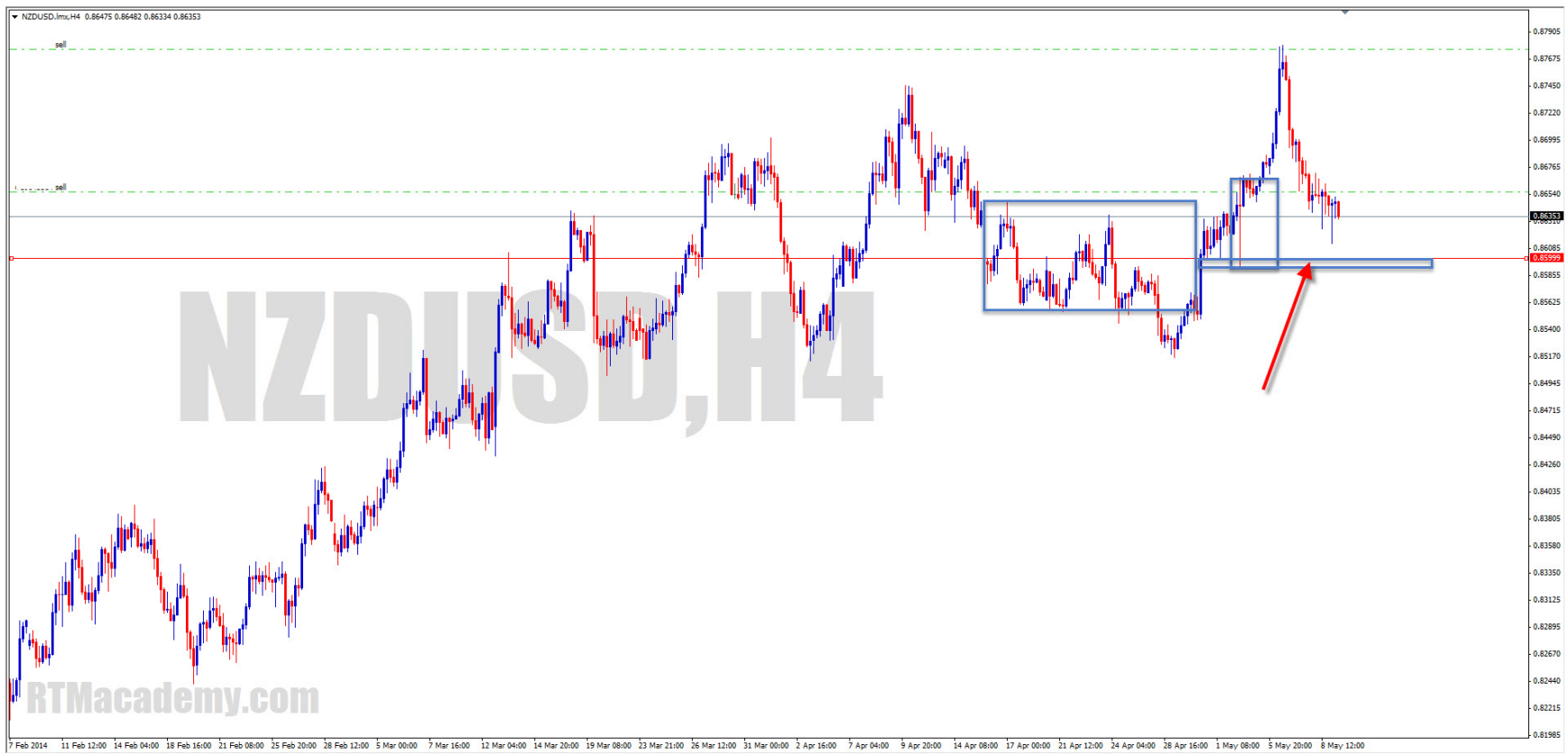
The M1 chart doesn't always show us the exact PA which occurred. That's why we so often need to treat an entire M1 candle as a possible FL.



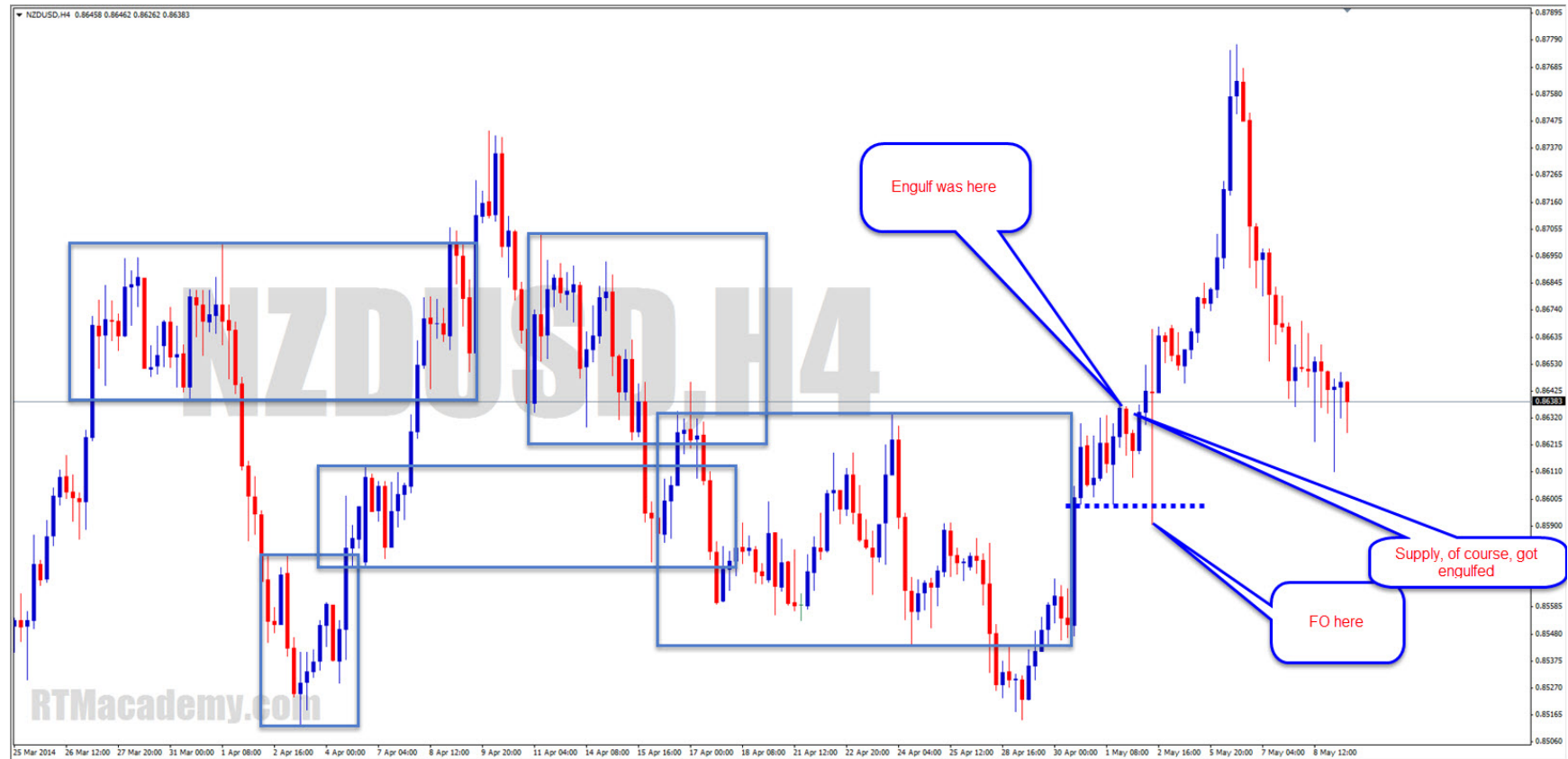


On a trading note; there's only one end of a pinbar one must trade!





We follow the story of price so we can read what has happened

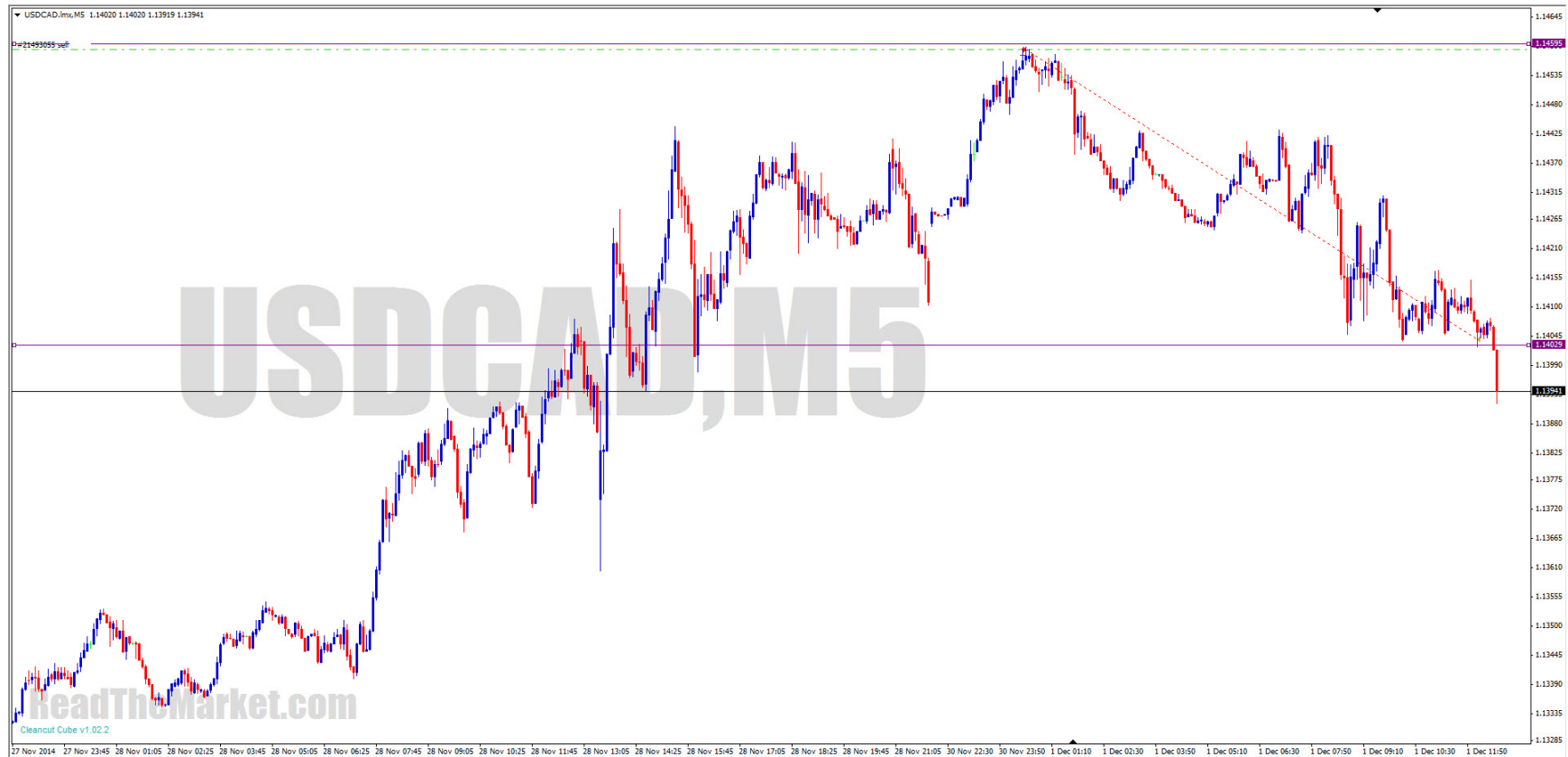


Have a look at post 1 of Price is Everything: "They are essential engulfing whipsaw patterns at key levels and and work well in my trading plan"
Such a simple statement changed many many lives forever!

There should be a Redsword11 Day on the calendar



Needed to fill up the money bucket again, so dipped it in the money river
Took half off



We can spend all day every day piling money up on the bank of the river, or we can live our lives, and just dip our bucket in whenever it gets low





There was a clean set of orders there; enough to SAS from 😊

MPL is the Maximum Pain Level.
SAS is Scalp and See

The former you'll find lots of information about in RTM. The latter is more for the Academy, but you should still find it on the free site someplace

[Fxyogi](#)

Hope all of you guys safe from chf crash.





Yesterday 09:23



Ifmyante

Chief Cook and Bottle Washer



NOW ONLINE

If you see a piece of truth glistening in the dirt, get down on your knees and gently dig it out, for it's the greatest treasure you will ever find



Posts:2002 Thank you received: 4024

I intend to write more on this later, but for now let me just say that anybody who got hurt yesterday in the Swiss Franc debacle should resist paying any costs allegedly incurred.



(Not my chart - it's from one of my star students)

It's a blatant instance of insider trading on a massive scale, and all costs should be reimbursed by the criminal low-life who so callously wiped out the accounts and more of countless retail traders.

Anybody who says that what happened just is what it is, and everybody should just do as they're told, is either stupid or evil. Please always stand up for what's right, or you're just another part of the problem.

More later

IF

