

VERTEX INVESTING

FREE ORDER BLOCK
PLAYBOOK



Prepared by: Vertex Investing

INTRODUCTION

Welcome to the Vertex Investing Order block playbook.
This will be your point of reference when using this strategy.

Using order blocks is all about understanding the story behind each trade and understanding why order blocks exist and how they are used. Understanding this will change your perspective on how you view the markets.

Order blocks (OB) are areas where Institutions are either buying or selling from, these blocks are formed prior to a large impulse to an already pre-planned direction. The reason we trade order blocks is because for the institutions to make a move they need to grab liquidity first, this is from retail traders stop losses, where many retail traders call it 'stop hunts'. So institutions drive price to grab this before creating their desired move. Institutions do not use Stop losses, which means although they have moved the market how they would like, they still have a trade going the opposite way in heavy drawdown. So they drive price back down to mitigate their orders then continue the move. This is where we come in with our strategy. We look to enter at this mitigation and follow price with them.

This strategy is not overly difficult however requires practice to understand how OBs work.



HOW TO TRADE USING ORDERBLOCKS

First stage is identifying your higher time frame directional bias.

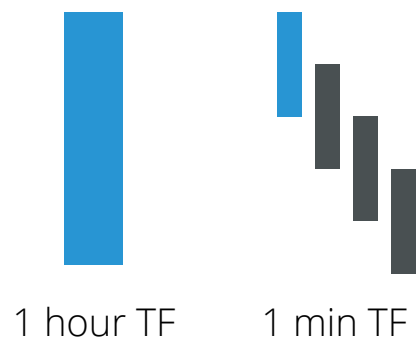
Whether you are looking for intraday or Swing entries you still need to understand which way the market is moving for the pair that you are focusing on. Essentially you want to identify Order blocks from weekly down to the hourly and work off there. However, the more experience you gain, you may find that you can trade intraday moves by having a short term directional bias from lower time frames and finding entries on an even lower time frames. Either way, the concept is exactly the same.



From above we can see a clear break of structure, this is the first thing we look for before looking for OBs. Reason for this, we want to find the candle that created this move, this candle is our OB. The OB is generally the last opposing candle before the move. So if its a bearish break, the OB is a Bullish candle. However, we need to understand what kind of BOS we look for and how to refine our OBs.



HOW TO REFINE ORDER BLOCKS



So here, that big blue candle is our OB, however within that candle on a lower time frame, there is a clear OB and this is now our refined OB.

You can go down by as many time frames as you like.

TIP: If you are happy with the RR from a particular time frame OB, then Simply use that one. Don't get greedy and don't use lower time frames if it makes you anxious.



HOW TO TRADE USING ORDERBLOCKS

This method is very simple.

Once you locate your Higher time frame OB, you simply go down the time frames till you find an OB within the higher time frame OB which is clear.

Once you find your OB, mark it out. Use an OB which gives you and RR you are comfortable with.

You can set a limit order at the OPEN or the 50% mark of the OB with your stop loss below the low of the OB or the overall low and target the recent high or low depending on if you are buying or selling.

TANZ_ published on TradingView.com, October 06, 2020 18:23:46 BST
FX:GBPUSD, 2 1.29427 ▼ -0.00335 (-0.26%) O:1.29083 H:1.29269 L:1.29054 C:1.29258



TradingView

If it's within a consolidation period, it is not worth trading.

Although this is a strong edge on its own The refined Vertex entry system that we teach in the course helps us identify which OB is the correct OB.



HOW TO TRADE USING ORDERBLOCKS

Either way you go about, you get similar results and its all dependent on your risk appetite and how you are comfortable trading. Trading is personal to you, you dont need to follow what everyone else is doing. You need to do what you are comfortable with doing and how you are happy about going about it.



Lets have a look at an example

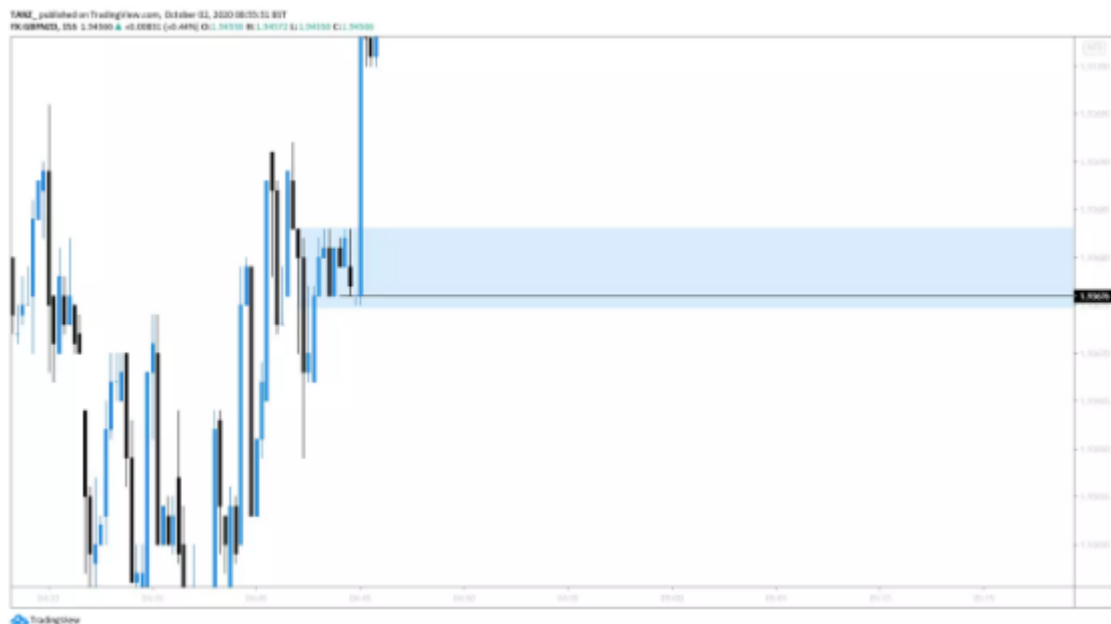


EXAMPLE 1

GBPNZD



15 MIN BOS AND OB



15 SECOND REFINEMENT



EXAMPLE 1

GBPNZD



1:70 - 20 MINS



PSYCHOLOGY

This way of trading is all about precision and finding the market at the perfect time of reversal. However, don't get too greedy with the RR, there is nothing wrong with sacrificing a few PIPS and rr for a safer trade.

Having a pip stop loss, is not the goal, having a safe trade and saving capital is the main goal. Our percentages are always gonna be crazy even with a 10 pip stop, so dont always look for a smaller stop if there isn't one available.

Focus on yourself and what you are comfortable with. Don't trade time frames that you are not happy trading. The goal is not to be replicas of Vertex traders. The goal is to be you and be yourself as a trader. Be selfish and think about yourself and your own growth.



FAQ

When do we delete orders?

When TP is hit or if there is a new BOS leaving another OB

Best timeframes?

Any that makes you comfortable. if lower time frames make you anxious, don't use it. You want to be calm and relaxed when trading, not on edge.

Best pairs?

This strategy was devised for stocks initially. This works on any pair and stock you want to use it on. The concept is the same.

Strike rate?

This is subjective, however, the strike rate is not overly high from our backtesting and history. Average of 68% a week strike rate in a 6-month sample of data. However average RR was 1:13.25. SO the losses are minimal regardless of being fairly frequent.



**Why not join the real course?
What's stopping you?**

What you get:

We'll be inviting you to join our exclusive discord community where we are active DAILY with breakdowns, our personal watchlists and motivation + psychology.

Access to our mentors and successful traders whilst being able to communicate with like-minded individuals whom all want the same goal.

Also, Bi-weekly team calls where you can us anything live!

More importantly, you will learn how to refine order blocks on another level and improve your strike rate.

Anyway, there is no obligation for you to join us, we hope this helps and happy trading!!



*Keep it
Simple*