

FOREXSTRATEGY GUIDE BOOK

**-A STEP BY STEP GUIDE TO HELP YOU WITH SETTING
UP PROFITABLE TR**

**AUTHOR: BHEKI MPANGANE (Founder of Bfx
strategy training)**

Forex strategy guide book

By Bheki Mpangane

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Table of contents

- INTRODUCTION THEORY TO ICT INSTITUTIONAL ORDER FLOW
- HOW TO VIEW TRADING AND BE A DISCIPLINED TRADER
- ICT KILL ZONE SESSIONS
- INTRODUCTION TO FIBONACCI RETRACEMENTS
- How to place a Fibonacci
- Pools of Liquidity
- Power of Three
- Institutional level of Pricing
- ICT ORDER BLOCKS
- HOW TO TRADE WITH ORDER BLOCKS
- VOIDS OF LIQUIDITY
- 1 YEAR TRADING PLAN (\$100 TO \$100 000) IN A YEAR.

INTRODUCTION TO ICT INSTITUTIONAL ORDER FLOW

ICT Institutional order flow is a concept that allows traders to trade like the banks trade in a way we track institutional money by that I mean before we move any further on needs to know what moves the market I am talking about the major moves not the moves of the retail traders. ICT Stands for (INNER CIRCLE TRADER) now who are your inner circle traders, it is central Banks, large Investors, Large Corporations. They are called inner circle traders because they move the market with their large pockets e.g. these financial institutions can place a trade of about 2 Billion dollars we can look when Warren buffet lost 2 billion in one trade 2014.

ICT teaches you how to spot where Central banks place their trades and how do they use interest rates and their large pockets to set traps for the retail universe. By retail universe we are talking about you me and other small investors in the forex market. So, from today you will be taught how to not fall for price manipulation or traps set by the market makers. ICT was introduced by one of the greatest traders who has 25 years in trading and has experience in trading his name is none other than Michael J Huddleson.

Institutional Order Flow is a concept we use to analyse the market structure and the environment of the asset class we elect to speculate in. Before we lean on the tenants of "traditional Technical analysis, we first must determine who would benefit from such a move in Price? We will be covering some of those concepts that were employed by Michael in these books and how I personally use them to be profitable in trading. What you are going to learn here might shock you or unsettle you. It might also shock your treasured opinions on how the market place trades in what appears to be a "free market" I make no apologies for telling you the truth and how it plays out daily on the market.

Right now, embrace yourself as I am not promising miracles but consistency what is needed is nothing but discipline. In the forex industry what is needed but being consistent. When you a consistent trade you take away greed and fear because you will know what you are doing, and you will not fear losing and you will not be greedy and end up blowing accounts with good risk management skills you are in the right path. Now get close to your charts and start practising what I am about to teach you on a demo account before going Live

How to view trading and be a disciplined trader

The best advice I can suggest to new traders is to simply let go of whatever you think you already know or understand about the market and trading. It will be far easier on you if you do as this is difficult for most to do and one of the primary reasons is that new traders start off at a wrong foot. We will go to some self-introspection to see why you actually chose forex.

Self-evaluation - I want you to spend a week analysing yourself and your personality so that we can know which strategy will work for you in all the ones you will be given. Are you a fast thinker, one that easily changes mind on any given subject? Do you procrastinate or find it takes a lot to decide on a matter? These questions are key into developing your inner trader. If you react quickly into situations Day trading is most strong likely to be your style of trading. If you react slowly to things, Position trading or Swing trading is most likely to be your strong type of trading styles.

Let's be true to each other this is going to be an expensive journey for and some of you it has already been. As this journey will cost you your ego, the present self-image and quite possibly all your focus and determination to stick to rules and guidelines that success requires. The question is you the one willing to be wrong and empty yourself of all your treasured self-defeating habits, traits and thinking. It is important to have the appropriate expectations in mind as you set out on journey of profitable forex trading. We all know that you can make a fortune in this business if you are patient, focus and disciplined. You don't need to make a lot either I am sure you think you only need 300 pips o make millions don't you. Or how about this one 50 pips a day and you would be set for life in a year. Instead of preparing a list of unrealistic goals based on ridiculous expectations, try lowering your expectations and expanding your time horizons.

If you have the need to be profitable you do not need to be in the charts minute by minute or in the news wires. If you feel this way it shows your infancy in the trading business. Do you find yourself feeling like this each and every day you on a trade? The is a need to manage your trades and setups within a good given reason, what you need to do is to trust your analysis as you would have set risk measures of placing a trade to make a loss of not more than 2% of your capital.

TRADING DAILY SESSIONS

As a trader you don't need to trade any time you feel like too. You wait for the big movements of which we talked about at the beginning of this lesson. These Big movements are created by the large investors in the market, so we wait for the financial institutions such as Central/inter banks to open and set their trades.

We trade according to the following sessions as pair our asset class.

New York Session which begins at 13:00 pm RSA time

London Session which opens at 09:00 am

Asian session opens at 02:00 am to 09:00 am (Market consolidates)

Sydney session

Tokyo Session

With these sessions you wait for big movements or volatility in the market.

The reason I did not place the Sydney and Tokyo sessions times is because I personally do not trade the Sydney and Tokyo as most of my asset classes that I am interested in are the EURUSD and GBPUSD.

Look at the example below



The Horizontal lines above indicate the Asian session, as you can see the market consolidate and then immediately as it passes the lines the trend or rather movement begins. The Red vertical line indicates the London open meaning at 9 that's when you can begin to see the big move all the way to New York session until your day ends.

New York Session Example:



What we see here is that the big move most is during the New York session. So always be sure to enter your trades either Around 13:00 pm or have orders before that time. Our main focus is Price Action, meaning we look at what is happening in price, the price changes in our respected currency pairs.

NB: TAKE THESE AS YOUR KILLZONES THAT'S WHERE YOU GET YOUR GUN READY TO KILL THE MARKET.

Fibonacci Application

Fibonacci is a sequence that came up with a Smart mathematician name Leonard Fibonacci came with a sequence that proved that everything in the universe repeats itself in a specific mathematical. From the petals on a flower, to the spiral patterns on snail's shell, all fulfilled with specific numerical sequence. But for the purpose of this book this book, you do not need to know that unless you interested you can conduct a research, if you like feel free to also ask for an extra book regarding Fibonacci I will send it to you freely. The same Fibonacci sequence applies in everything and anywhere including Trading. When a retracement begins as buyers will come take their profits and leave, new buyers will come in at specific levels using the Fibonacci retracement.

In ICT we use the Fibonacci retracements for entries and for take profit Zones I will show that in an example on how you go about doing it. Please everything that I am going to show here be ensure that you practise until you have fully mastered the Art of ICT Institutional Order Flow.

Do this to set your Fib settings:

1. Click on the fib and place it on the Chart
2. Double click the fib and thereafter right click it.
3. Go to fib levels and change the to the following and then click save.

Levels	description
0	profit scaling
0.50	50% equilibrium
0.618	62% Percent
1.	100.1
0.705	65% - OTE – 70.5
0.79	79 Percent
-0.62	Target 2
-0.27	Target 1
-1	Symmetrical Price

How to place the fib.

1. In ICT when we use the fib we place it from lowest body of the candle to the highest body of the candle if we in a Bullish momentum (aiming to go Long). The reason we are using bodies of the candle not highs and lows its because the highs and lows differs as we use different brokers and they manipulate price differently. Check your platforms you will see how highs and lows differ. The bodies of the candles give us the exact sweet Spot or rathe OTE (OPTIMAL TRADE ENTRY).
2. Remember it's a Fibonacci retracement (keyword "retracement"). What you should remember is what I said at the beginning of the Fib that when buys take their profits and leave, New buyers get it at a retracement that's where you also get it. It is also vice versa when in a bearish momentum.
3. When sellers leave and take their profits new sells enter at the retracement levels. So, when we in a bearish momentum you place your fib from the highest body of a candle to the lowest body AS PER RETRACEMENT.

PRACTICE!! PRACTICE!!! PATIENCE!!! DISCIPLINE!!!

After the steps that I showed you on how to use the Fibonacci this is a practical example with a live trade running using the fib entry and moving your stop loss to break even to lock your profits.

FIB EXAMPLE ON EURUSD



Look at where the entry is exactly at OTE.

For fib your entry levels should be at 79% OTE, 62% and the 70% levels. That's where your entry should be after placing your fib.

The Target 1, 2 and symmetrical Price are your Take profit zones. As price continues to go down.

Target 1- for first profit if you have multiple trades running.

Target 2 – second profit taking

Symmetrical Price – the highest profit zone price could reach.

The Theory of liquidity runs and stop hunts

The things I am going to teach here I want you to look at it on any timeframe because price is very fractal what ever is seen on a lower time frame can be seen on a higher time frame.in a way we can say it repeats itself. The same type of setup can be see on any time frame.

When we look at price I want you to first understand why the market moves?

If you look at periods in periods in Price action where there are equal highs and equal lows. Every time you see that I want you to note that on your charts.

1. Double Top sweeps – Your equal highs
2. Double bottom sweeps – Equal lows

What mostly likely to happen when your see this pattern when you see a price rejection.

Double top sweeps – we would anticipate price to go above those equal highs and price rejection and there **after we will begin to see price trades lower to a previous low.**

Double bottom sweep – Price will trade below the equal lows and we will see price rejection and then price will begin to rally up to a previous high.

Look for those periods in price action every week on any time frame.

Remember institutions always run for orders, which are resting below and above previous lows and highs. We find buy and sell orders resting there.

So, price will always want to collect those order and trick others to fall into a boogie trap of losing their trades.

POOLS OF LIQUIDITY

These are large quantity of orders residing below and above previous high and lows and institutions always know what reside above those previous highs and lows.

Practical example on how to make your setups:

Double Top sweeps.



Here is an example of how to see the double top sweeps and how to make an entry, study that picture above and do the same in your charts. The next picture depicts why your entry should be there and you should know that by now.

Entry using the Fibonacci



Look at this chart and try to explain it yourself.

Do the very same setup I did here and begin to trade on a demo account for practise purposes until you get it right.

Find double highs on the chart

Check if did the price sweep above them and there after waiting for the retracement and place a limit order at the OTE level.

When you practise on a demo account pretend as if you are live meaning place realistic orders, so you can get used to them

Another Fibonacci exercise or rather clear example on how to see a retracement with what I have told you:



Check how the buyers enter at retracements. The Fibonacci is used to see the perfect entry for those retracements to also become a Buyer in the market.

Remember the market is moved by buyers and sellers. The large buyers and sellers are the ones making the bigger trends or moves. When we are talking of those traders remember we are talking about the banks and other large institutions involved in the market.

So, you as a small investor or retail trader, your main aim is to get in with the Big players in the market. So be smart and practise whatever strategy is shared here as it studies how the Smart money or big pockets trade.

POWER OF THREE

It is a tool that allows you to anticipate well how the market will go about for the rest of the day. The Power of three has three concepts that allows you to study or see how the Market makers go about in trading during the day.

For bullish and bearish momentum, we have the following three concepts:

BULLISH DAY

Distribution – the market will firstly become bearish when it opens to collect new orders from a previous high. Why does it do that first? Remember there are pools of liquidity residing below previous lows. The institutions sell/distribute what they bought the previous day.

Manipulation – after the orders have been collected the market makers will manipulate price through running stops. Making the retail universe into believing that the market is going to be bearish for the rest of the day whilst it will be Bullish.

Accumulation -There after the market makers will begin to accumulate New orders. By accumulation we mean New Buys or New Long positions and that's how the market will be for the rest of the day.

BEARISH DAY

Accumulation – When the Market opens it will go up or long going to collect orders resting above a previous high. Expect it to go up to 20- 30 pips up. As the market is going up market makers will be making new orders.

Manipulation – same as when the market will be bullish. the market makers trap retail traders into thinking that the market will be bullish for the rest of the day whilst it is going to be bearish.

Distribution – Market makers start making short positions so that the market will be bearish for the rest of the day.

Power of three is represented in a Bar candle. That's how we anticipate or make our setups using the power of three.

Next Page I will post pictures of examples of the three concepts.

REMEMBER IF YOU PATIENT- YOU CAN ALSO DO IT!!!!!! DON'T LOSE HOPE!!

ACCUMMULATION



The opening or the Bar candle is below there, check how it opens and goes down first before going Up.

MANIPULATION



The market firstly going down that is manipulation. The collecting of liquidity resting below a previous Low. THE MARKET ALWAYS SEEKS LIQUIDITY.

Most individuals who were already in a sell trade will be knocked out of a trade through the Price manipulation that will be happening.

DISTRIBUTION



The Smart money looks to sell all their buy positions. The intraday will be bearish for the rest of the day until close.

Note that the BAR candles are all Daily.

You can trade using the power of three using Day Trading or as a scalper using any time frame from daily to a 1-minute time frame.

CHART PRACTICAL EXAMPLE



CHECK HOW THE MARKET Opened and went up to collect orders on the first day. It created a Higher wick and there after went down for the rest of the day.

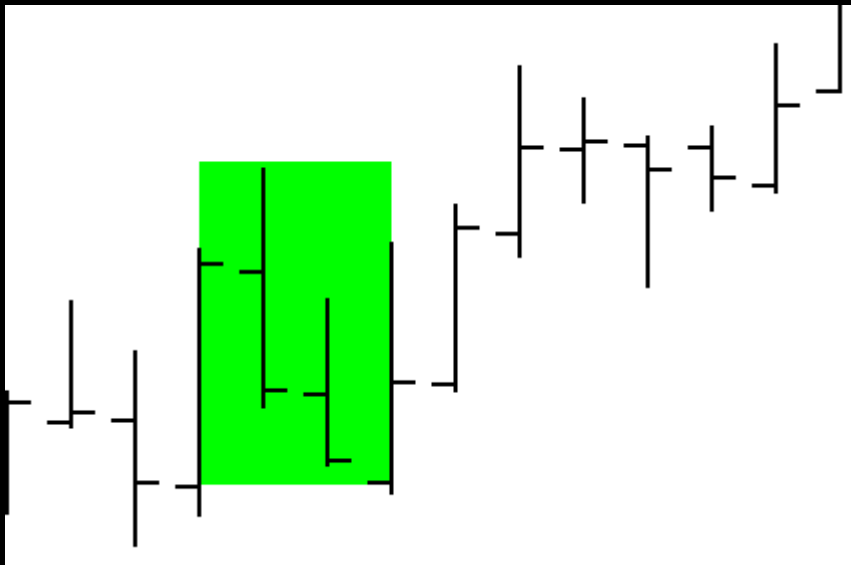
Even on the next day it collected both sell orders and Buy orders.

EXAMPLES OF WHERE THE OPEN AND LOW IS OF THE BAR CANDLES.

HOW TO DRAW A BAR CANDLE ON YOUR CHART.

JUST INSERT RECTANGLES AND PLAY WITH THEM TO CREATE A BAR CANDLE.

THE DAILY BARS OF THE ABOVE PICTURE:



THE ONES INSIDE THE GREEN SHADOW COMPARE THEM TO THE ONES I DREW ON THE CHARTS.





Follow these steps with regards to power of three and sessions.

STEPS: WHEN daily bias is bullish

1. Confirm London Session was Bullish
2. Wait for 07:00 am New York Time (13:00 PM SA time) To Stalk your Long Position.
3. Between 7:00 to 9:00 am New York Time (13:00 pm RSA TIME).
4. After 7am New York time wait for a retracement (13:00pm RSA time)
5. Ideally select retracements of at least 20 pips lower.
6. If you see no retracements by 3pm SA time walk away.
7. If it does retrace enter on 62% retracement level Fib as it drops. Expect price to reach target 1 and 2.

When to Expect Reversals?

When an hourly chart trades to an obvious Old high or Old low that has shown a clear willingness to reverse Price before...this is likely to happen.

Sometimes Price doesn't respect an Old High or Low and these generic support and resistance will give way, we never really know. Remember no one knows where the market is likely to go to. What helps us are the fundamentals and Technical Tools that we use to give us 90% chances of being right with our analysis.

It is Far better to expect them to Cause a reaction, then Not to. There are plenty of moves and price swings between the keys of high time frame support and resistance.

Short Brief on Money Management

While you develop and practise in your demo account – it is important to also implement strict risk controls. This is the only protection you have in this business and if you really want to see what can be accomplished. you need to use sound money management to get you ready when you use these strategies on a live account.

Consider 1% per setup and gradually making your way up to 2% if this meets your risk tolerance. It is important not to swing for home runs or take large risks. Over leverage will impede on your development and drastically decrease your chances of seeing responsible equity growth.

INSTITUTIONAL LEVELS OF PRICING

- We still at it studying what the institutions do when they buy and sell currencies. Right we have institutional levels. This exercise is going to blow your mind trust me you will see that for yourself as you start practising and doing what I will tell you to do.
- Institutions buys currencies and sells them at whole numbers. They are not interested in the small numbers. Their interest is on the Big figures as you know these guys have big pockets, so they are interested in whole numbers.
- To see these specific levels of institutional pricing.
- Now go on your chart and look at the 00 levels, 50 levels, 80 levels and the 20 levels. E.g. EURUSD it's the 1.2000, 1.2050, 1.2080 and 1.2020 or 1.1900, 1.1950, 1.1980 etc.
- Price has to end with those big figures, I want you to think about how price moves below and above these big figures, you probably do not know this but this is the beginning of an understanding of how price moves.
- Now Mark these levels on you charts using horizontal lines whether on your phone or laptop.
- After marking these levels check how Price action uses these levels as turning point or support resistance areas of pricing.

- homework take these levels and check how price turns in any chart it can be USDZAR it ill be 13.50, 13.00, 13.80 and 13.20.

Use the Fibonacci on these levels with how I showed you. These time you can use it from level to level or body to body. Here is a practical example.



Explanation on the Next Page.

PRACTICE!!!!PRACTICE AND YOU SHALL SEE GOOD RESULTS

Horizontal colours:

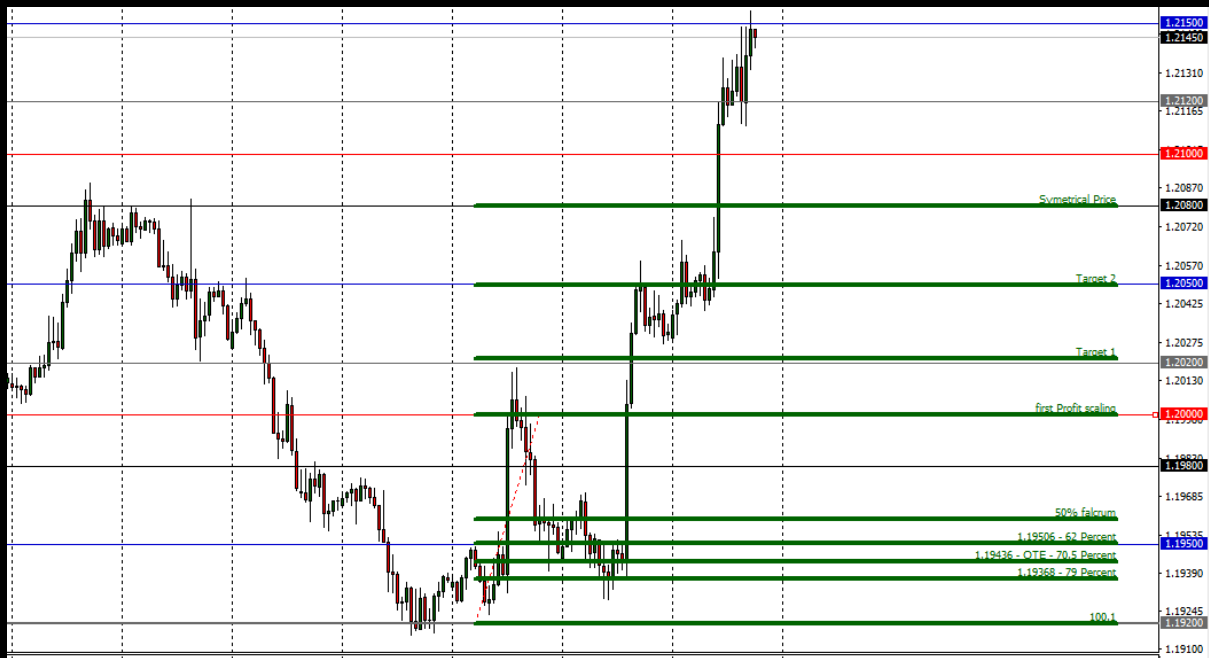
Blue: 50 levels

Red: 00 levels

Grey: 20 levels

Black: 80 levels\

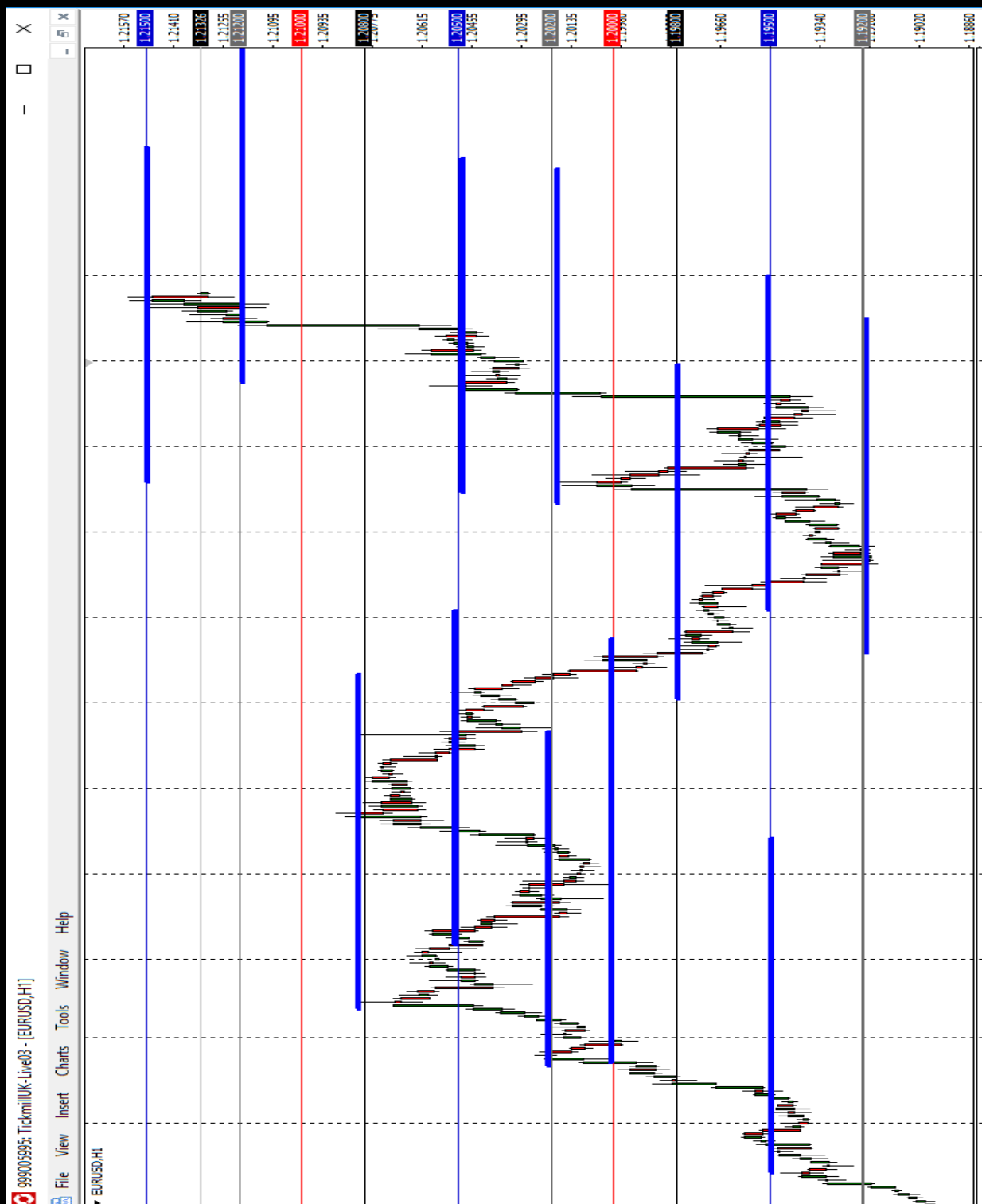
This are the colours for the levels in the chart. here is the Fibonacci example also.



Check how I dragged the fib from the 20 level below up to 00 levels. We still got the Optimal trade entry to Go Long. And price goes up even beyond the symmetrical price level which is on the 50-institutional level of pricing.

Now take everything that I have shown you in everything that we have discussed and practise and be patience.

CHECK TH BLUE LINES IN THE PRICE LEVELS



What you see is wonderful right. The institutional levels of pricing are as turning points or support resistance levels.

ICT INSTITUTIONAL ORDER BLOCKS

Now this is going a bit confusing at first but the moment you put your mind to it you will understand as it takes time to understand them. I am saying this because of my past students it took them a lot of time to grasp and be able to trade with order blocks but it's easy trust me I will show you.

Now institutions trade using order blocks they leave order blocks for themselves to trade at a later stage. These order blocks we can also call them specific levels of going either long or short.

NB: IF An order block is violated or broken it now qualifies as a breaker meaning price will retest back to that order block. Sometimes we call it a failed order block.

So, Order blocks are specific candles that create smart money buying and selling. These are up close and down close candles. Now do not confuse yourself follow what I will show you and still try to do it on your own.

We have two types of Order Blocks, a bearish and a bullish Order Block.

BULLISH ORDER BLOCK

- A Bullish Order Block is a Bearish candle prior to move up
- A simple definition would be it is the last bearish candle on a down trend or price swing.
- Bullish order block is a bearish candle the last one.
- You do not trade order blocks straight away, you wait for price to come back to that order block and begin to take a trade.

BEARISH ORDER BLOCK

- A bearish order block is a bullish candle prior to move up
- It is the last candle on an uptrend or u swing
- A bearish order block is a bullish candle

STEPS

1. When price comes back to a bearish order block, you wait for the next candle as confirmation then sell.
2. Sell up to a previous high or bullish order block
3. When Price comes back to a Bullish order block, also wait for the next candle and there after buy. Use institutional levels as Take profit zones.

Example of a Bullish Order Block



Price went away from that order block. You wait for price to come back straight to it and then you begin to buy or go long as shown in the chart.

EXAMPLE OF A BEARISH ORDER BLOCK.



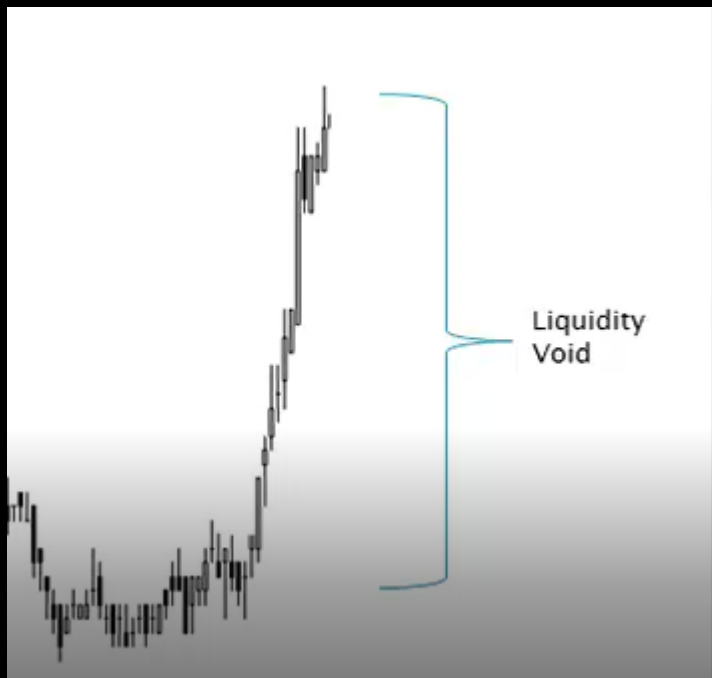
Study the chart above and do the same on your charts highlight order blocks and wait for price to come back to it.

LIQUIDITY VOIDS

Periods in price action whereby means of lopsided order flow, which create porous wakes or gaps in fills. The market will slip to the only available trade levels as a result of thin liquidity and these voids in liquidity will be revisited at a later stage. The market will seek to fill in any missing gaps or missed levels on a trade. Impulse price swings are typically seen with this voids in liquidity.

In simple terms liquidity voids are gaps in the market and the market will always seek in to close or fill those gaps. Gaps from an up swing to a low swing of price or weekend gaps. Here is a practical example.

NB: WHAT EVER THAT HAS BEEN EXPOSED HAS TO BE CLOSED.



That is what we regard as a liquidity void. The gap between that high and that low. Price will look in to fill that void and there after go long when it reaches an order block

What to anticipate in the Gap



That line is for an order block the horizontal one.

Once the void is filled we call that "Range Fulfilled" we can now accumulate new long positions.





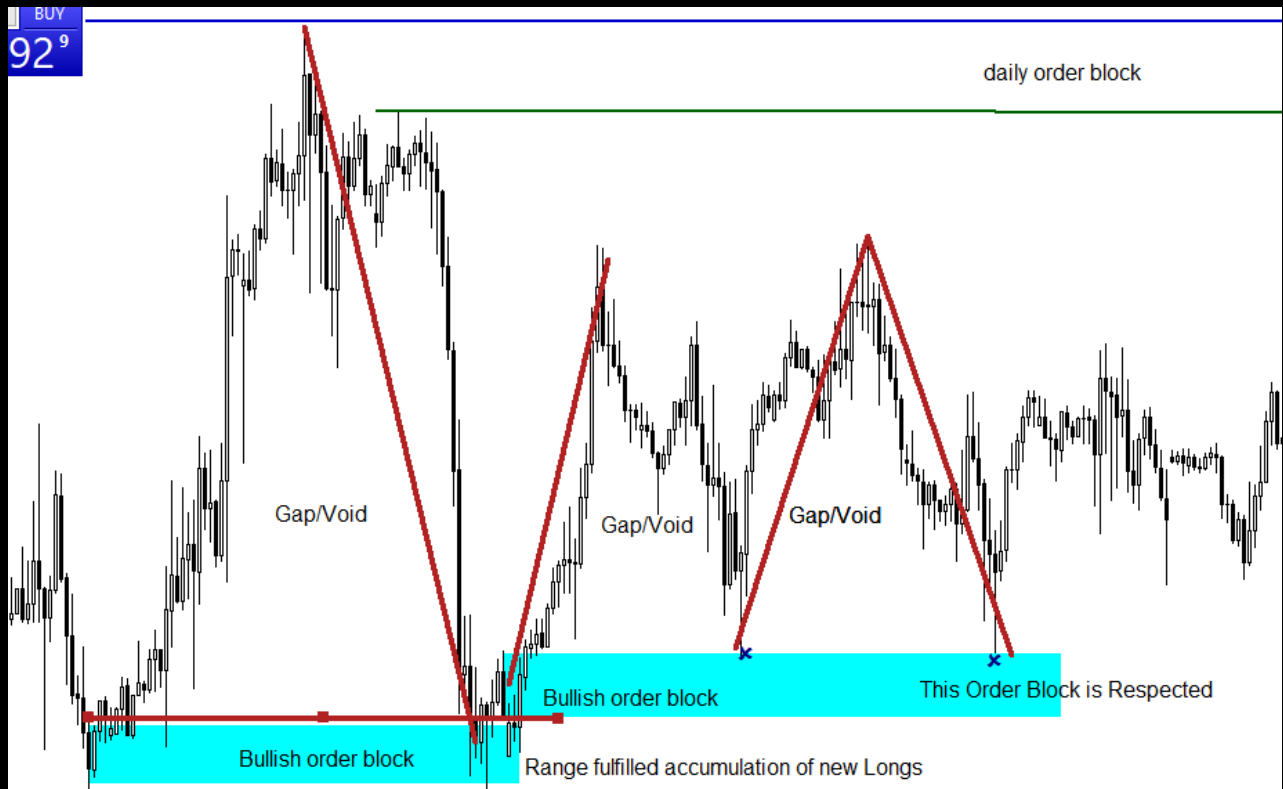
Accumulation of New longs. Using the fib, you also see the same retracement to Optimal Trade Entry.

Entry is made, and price goes up.



EXAMPLE ON THE CHARTS OF BOTH LIQUIDITY VOIDS AND ORDER BLOCKS.

STUDY THE CHART AND DO THE SAME AND PRACTICE!!!



Now that I have shown you how to see price action and how it reacts to specific level. Also, that price repeats itself and that it is predictable. I have supplied you with all the tools to make it in forex all through discipline and practise. Consistency is the only way to make it in this industry.

Use this book as a guy, make notes for yourself and the setups I have shown you. This is how I study price action and kill the markets.

1 YEAR TRADING PLAN (\$100 To \$100 000)

1st Month

\$100

20 days of trading a month.

Daily target \$5

$$\$5 \times 20 = \$100 + \$100 = \$200$$

2nd Month Daily target \$10

\$200

$$\$10 \times 20 \text{ days} = \$200 + \$200$$

$$= \$400$$

3rd Month Daily Target \$20

\$400

$$\$20 \times 20 \text{ days} = \$400 + \$400$$

$$= \$800$$

4th Month Daily Target \$40

\$800

$$\$40 \times 20 \text{ days} = \$800 + \$800$$

$$= \$1600$$

5th Month Daily Target \$60

\$1600

$\$60 \times 20 = \$1600 + \$1200$

$= \$2800$

6th Month Daily Target \$80

\$2800

$\$80 \times 20 = \$1600 + \$2800$

$= \$4400$

7th Month Daily Target \$100

\$4400

$\$100 \times 20 \text{ days} = \$2000 + \$4400$

$= \$6400$

8th Month Daily Target \$140

\$6400

$\$140 \times 20 = \$2800 + \$6400$

$= \$9200$

9th Month Daily Target \$220

\$9200

$\$220 \times 20 = \$4400 + \$9200$

$= \$13600$

10th Month Daily Target \$800

$\$800 \times 20 = \$16000 + \$13\ 600$

$= \$29600$

11th Month Daily Targets \$1600

\$29600

$\$1600 \times 20 = \$32\ 000 + \$29600$

$= \$61600$

12th Month Daily Target \$2000

\$61600

$\$2000 \times 20 = \$40\ 000 + \$61600$

$= \$101600$ (R1,000,000)

Notice how all this was achieved in small profits, sticking to nothing but daily targets. Once the target has been reached you done for the day do not trade anymore.

Use any of the price action techniques that I have provided you with and start with this one-year plan.

Or you can be part of my group where we will be trading together if you bought this book alone. I will be providing daily analysis for this daily target in line with signals. If you bought this book at R380, to join the group will be R500 for you.

ALL THE BEST IN YOUR
TRADING, MAKE
INFORMED DECISIONS,
ALWAYS STICK TO YOUR
DAILY TARGETS.

REMEMBER PATIENCE IS
KEY. I LOVE YOU GUYS

REGARDS

BHEKI MPANGANE

BFXSTRATEGYTRAINING

THE END!!!!!!!!!!!!!!!

