

TPDS 7

Sunday, September 8, 2013 6:34 PM

INTRADAY TRADING PLAN

Premise: Trade in sync with market structure

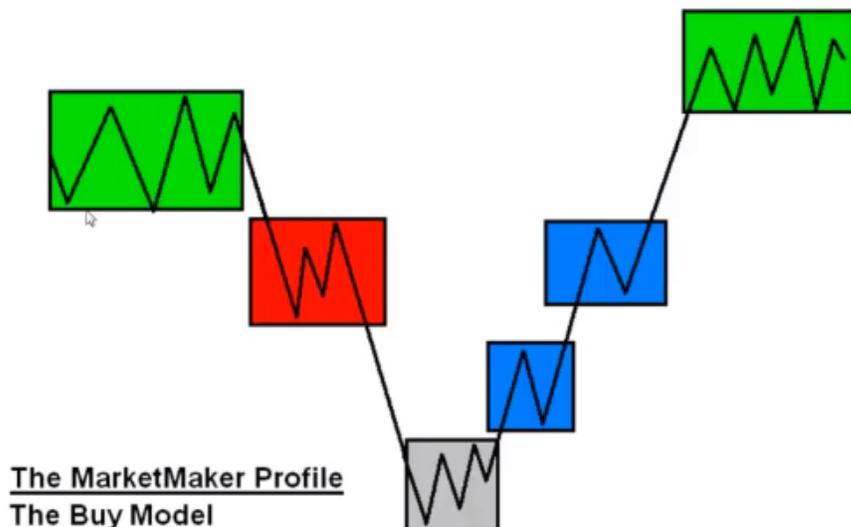
Duration: Intraday to overnight

Average Pips: 20 - 100 per trade

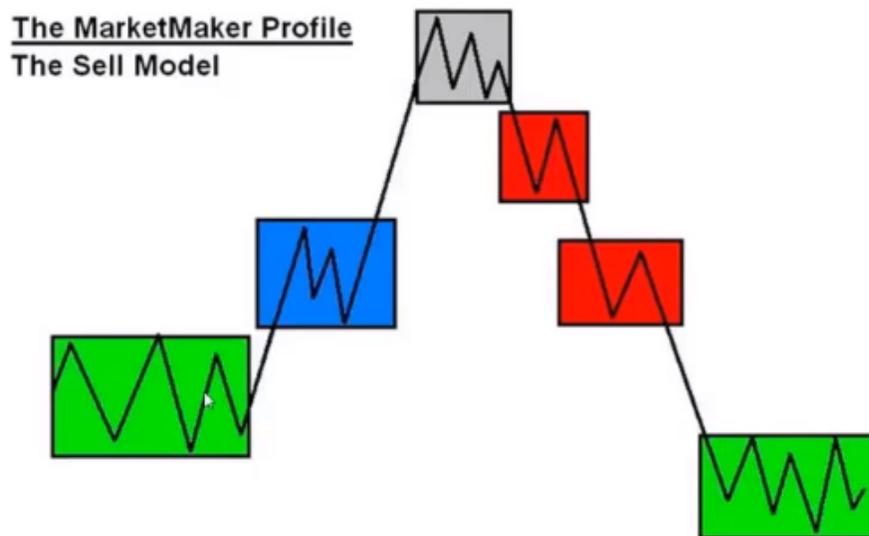
SIGNALS

- Trade long in the observance of a bullish market maker profile (fractal).
- Trade short in the observance of a bearish market maker profile (fractal).
- Look for price patterns and confluences.
- OTE for entry price and Fibonacci extensions for profits.
- Entries and exits based on time & price theory.
- Risk no more than 2% per trade.
- Use risk management and control drawdown.
- The London Session usually posts the daily high or low inside the first 4 hours of trading.
- London Open often sees stop raids or false break outs.
- The "London Express" is 4-8 hours in duration.
- Additional trade entries can be made in the direction of the "London Express" trend at New York Open. Time objectives are 15:00 -16:00 GMT and 18:00 GMT.
- The take profit objectives are time and price based. Look for obvious levels of S/R and swing projections to scale out of some of the London trade.
- When trading in the anticipated weekly trend direction, take some profits intraday, but do not trail stop losses too aggressively. Allow the market room to move and maintain your position.
- The goal is to trade in the direction of the day AND in the direction of the week.
- There are a lot of orders that are stacking up in Asia.
- There will be stops and limit orders on the outsides of the Asian range.
- You have a built in premise, but using these stops/limit orders and the price action around them will help you get into your trades at London Open.
- London Open has the opportunity for the largest ultimate pip hauls on the day.
- London Open is the safest session if you understand price action. It's very forgiving if you understand what you're looking for. The risk:reward is optimal.
- You can use a standard 30 pip stop for intraday trading.
- The average daily range on the majors is about 100 pips a day (it obviously fluctuates, but this is a pretty standard ADR).
- If you are trading with the premise of trying to catch the high of the day, then you are going to know if you are wrong.
- The daily high or low will typically be posted in the first 4 hours of trading (starting 5:00 GMT).
- 8:00GMT is the standard London Open time frame.
- There is no specific exchange that opens up at that time, that's just when everybody starts dog piling in and the orders start stacking up.
- If you have the premise that the weekly candle is going to be an up close, meaning that Friday's close will be higher than Monday's opening, then inside the weekly range you will be looking to capitalize on some kind of bullish move. You will be looking for the low of the day to post in the first 4 hours of the London Open.
- The London Open kill zone is 7:00-9:00 GMT.
- To learn more about these times, map them out on your charts.
- London Open typically sees a stop raid or false breakout.
- On a down day, there is a tendency for London Open to see a rally up fake and then a drop down into London Close.
- In a bearish environment, this happens time and time again. It pokes up above the Asian Range high and then drops down or trades back into the Asian Range for an OTE.
- The swing going from London into the later part of the day is considered the "London Express". The train ride is 48 hours in duration and if you get in in the right direction, it can really take you places. Don't fear holding it all day. Being a scalper and getting in little 15 minute trades may feel good, but DON'T live there. The London Express is what pays. Permit yourself to hold something throughout the day.
- Additional trade entries can be made in the direction of the London Express at the New York session.
- Time objectives are utilized for profit taking. 15:00 and 16:00 GMT. You can often call the high or low of the day with these time objectives. You can leave a small portion on over night.

- 80% of the time you will see the 15:00 - 16:00 GMT time post the other high or low of the day.
- When trading in the anticipated weekly range you will want to take some profits intraday, but do not trail your stop loss too tightly. If you do that you can get taken out by a deep retracement. New York often has deep retracements that usually provide another optimal trade entry.
- Learn to trust the fact that price is going up and down, up and down.. allow the market room to move.



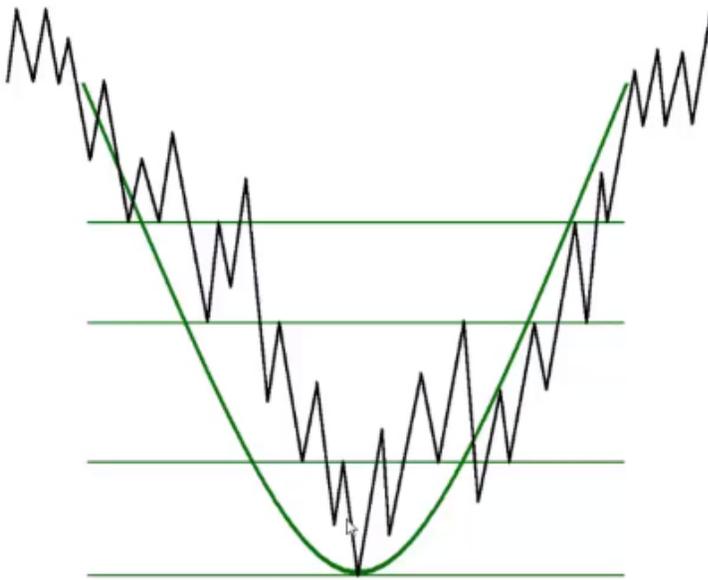
- This pattern has been looked at on higher time frames, but it also works on intraday price action.



- The daily, H4, H1 charts should be your universe when day trading. Your direction bias should come from these charts. That means only trade in the direction that market structure has broken on one of these time frames.
- Looking at the left side of your chart will tell you where price is trying to go.
- Don't just buy or sell when price gets to a support/resistance level. Wait for price to give you clues that the smart money has started assuming positions in the direction of the bounce. We do that by waiting for market structure to break (a swing high or swing low breaks on one of the above time frames).

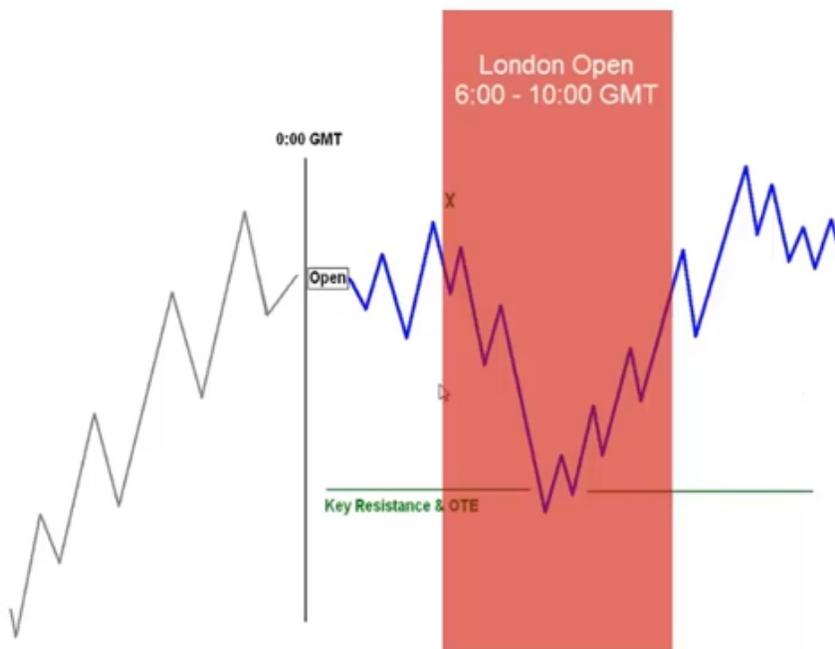


- The easiest, sweetest setups come when you trade between intermediate term and higher time frame long term price swings. Those are the blue circles above.
- Trade only longs in London Open off intermediate term lows. Trading becomes easy because you know what you're looking for. You know your premise is to be expecting bullish prices.
- Between Sunday's opening and Tuesday's London Open there is a high probability of the weekly high or low being formed. If it doesn't form by Tuesday's London Open, it should form by Wednesday's London Open.
- In the picture above on the break of market structure, every time price comes down, we are expecting it to provide us with a buying opportunity. Be aware of the larger range that you are trading within so you know when to be more cautious.
- Buying Monday or Tuesday's London Open on an expected bullish week could give me the opportunity to only wake up early twice, buy the low of the week, and have massive swing trades. It's absolutely mind blowing how many times it can be done. Even if you just get a part of the weekly range, you are grabbing a ton of pips.

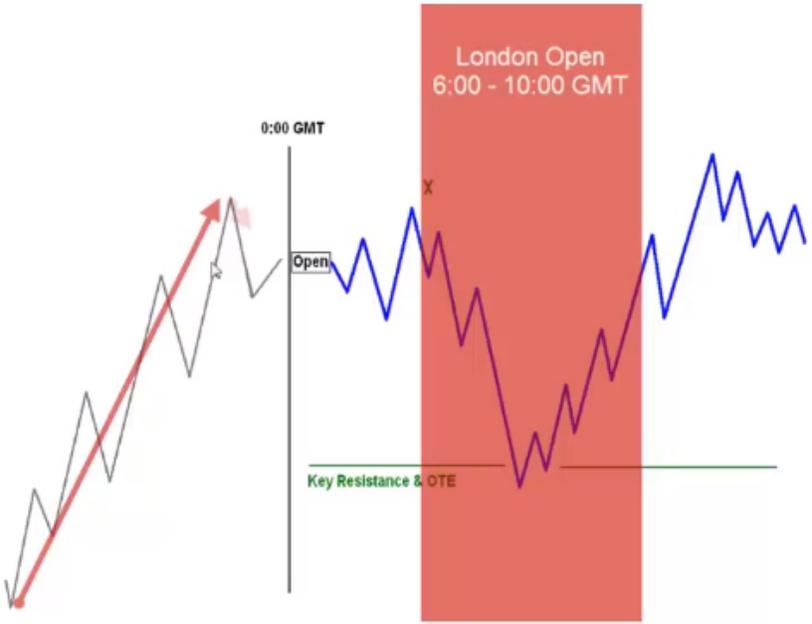


- The image above can be a 1 hour chart.
- Once market structure breaks on the 4 hour chart, we can flip to the 1 hour chart and start seeing more time sensitive price swings with market structure breaking to the upside on that chart.

- You can look for holy grail's in this scenario, type 2 trend following divergences, OTE, etc.
- You can start seeing more clear price swings on the hourly chart.
- Once you arrive at your bias with the daily and 4 hour chart, you can work the rest of the week off an hourly chart. Use S/R off that time frame, using swings, measuring Fibs. Enter and manage the trades on a 15 minute time frame though.
- Directional premise is based on market structure breaking on the daily and/or 4 hour charts. Once market structure is broken, trading is very easy in terms of having a directional bias. That will be the direction you will look to trade in, based on the daily or 4 hour. The 4 hour is going to be more sensitive.. if you have a pretty good understanding of price action, you can probably just live on the 4 hour chart in terms of market structure. Keep daily, weekly, and monthly S/R in mind at all times though.
- Manage trades on the 15 minute chart.
- When trailing your stop loss, use the previous 2 swing low or highs back. 10 pips above or below the swing point that is 2 swing points back.
- When shorting, the second swing high back must be higher than the first swing high back when trailing your stop.
- When buying, the second swing low back must be lower than the first swing low back when trailing your stop.
- Look for the 1 hour chart to create it's own support and resistance.

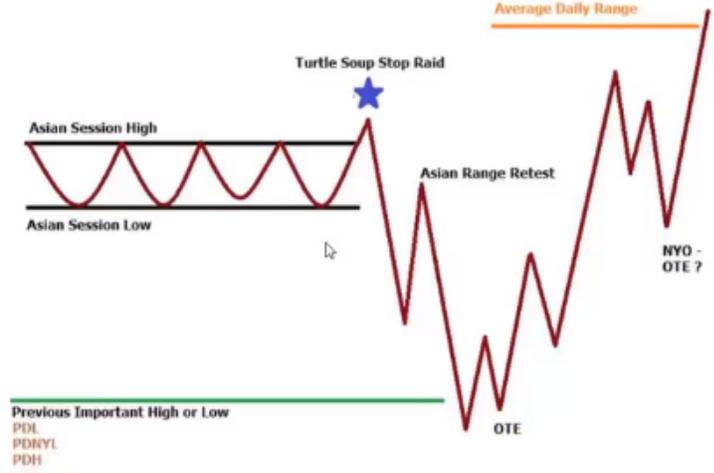


- The pop up out of the Asian Range is where they tag those that may be short and also trip the orders of people that want to be long on a break out. It will create a pocket of liquidity.
- This is the engineered price decline down into support.



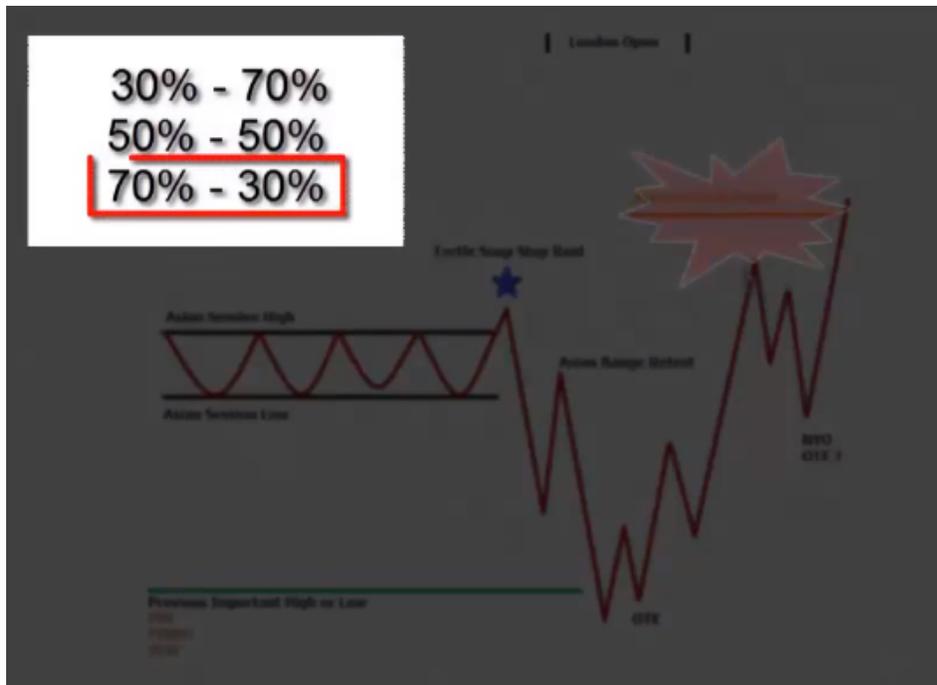
- Above you can see price has been rallying. There is bullish market structure. Just because we fall down in London Open, does not mean it is going to continue down. It will go lower to make a low and then trade higher. This is the price engineering that takes place to set up a long.
- Price trading lower in the image above is the Judas Swing.
- The image above could be a 15 minute or 5 minute chart. When you see that 5 minute optimal trade entry as it bounces off support & OTE, that is when you buy. When price gets down there you want to look at correlated pair SMT divergence, USDX SMT divergence to build some framework to establish confidence in the level.
- Even when it is bullish market structure and trades down to that key level.. it could still continue lower.
- For profit taking, look for the highs that were established in the beginning of the London Open session to be tripped and taken out as upside objectives. This is assuming bullish market structure and higher prices are likely.

| London Open |

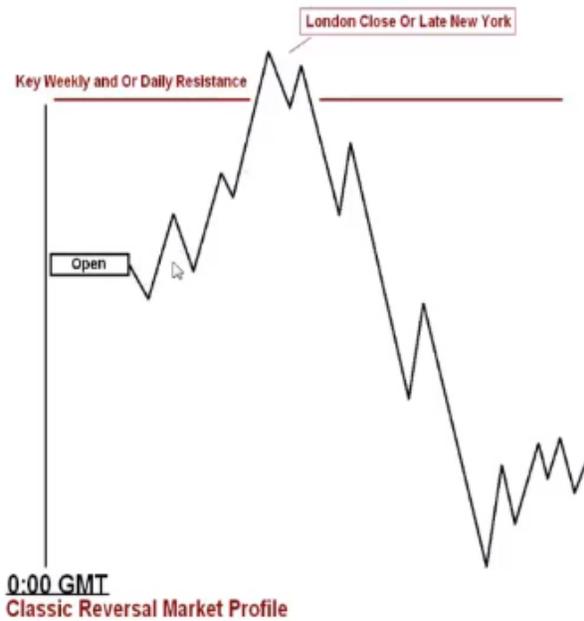


- We are expecting the market to go lower, to go higher.
- It will trade down to a higher time frame support level. It could be a previous days low, a previous days high, a level from the previous day's New York session (New York was the most recent one outside of the Asian session), a previous months high, weekly high or low, etc.

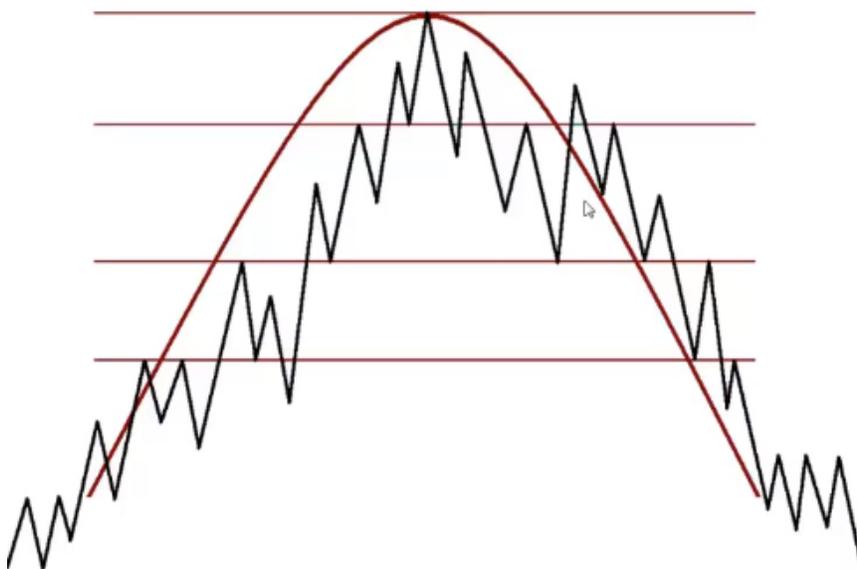
- The Asian Range retest could be a short scalp if you want a quick scalp. This is not the best way to trade. The long with bullish market structure should be the setup that you hunt.
- In this situation, when you see market structure shift on an intraday basis and you miss the original OTE, then you could look for another opportunity to get long in there before it starts to go off on a tear. Look for the ADR (last 5 days) to be fulfilled.
- Price doesn't always get to the ADR.. many times it will fall short and many times it will shoot way beyond it.
- Unless the ADR has been fulfilled, if we get a retracement in the New York session as an OTE based on swing from the London sessions, then we can have another opportunity to get long . You could also add to winning trades in this situation. You could also take full profits before the retracement on your original trade and then take a smaller position on the OTE in the New York session. This is not advocated, but it is an option nonetheless.
- Going long at the low OTE.. your stop loss should remain below the daily low somewhere. If you're a day trader and you're trading London, do not trail your stop loss inside of the daily range. The reason for this is because New York is likely to have a deep retracement.
- When you tag the Asian Range highs take off 30% or 50%.. usually 50%, and sometimes even 70%.



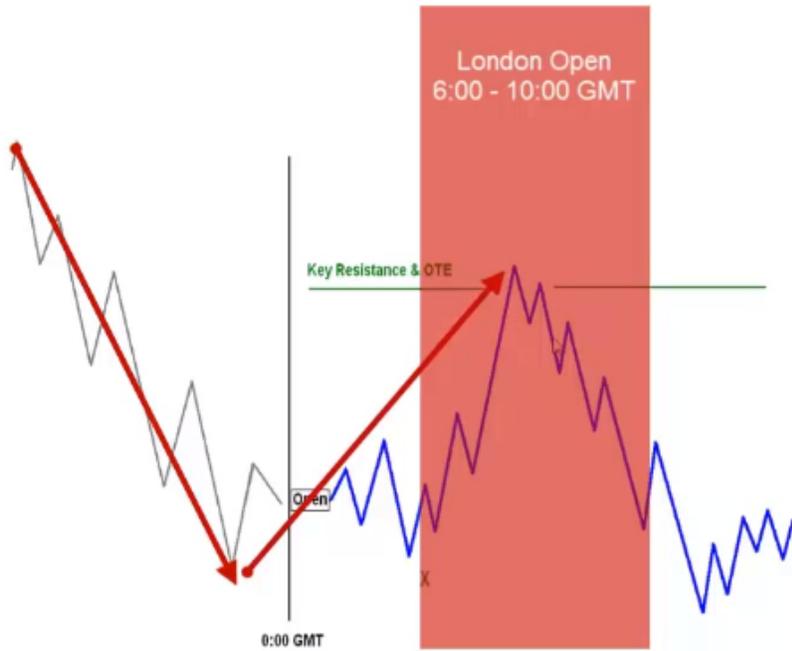
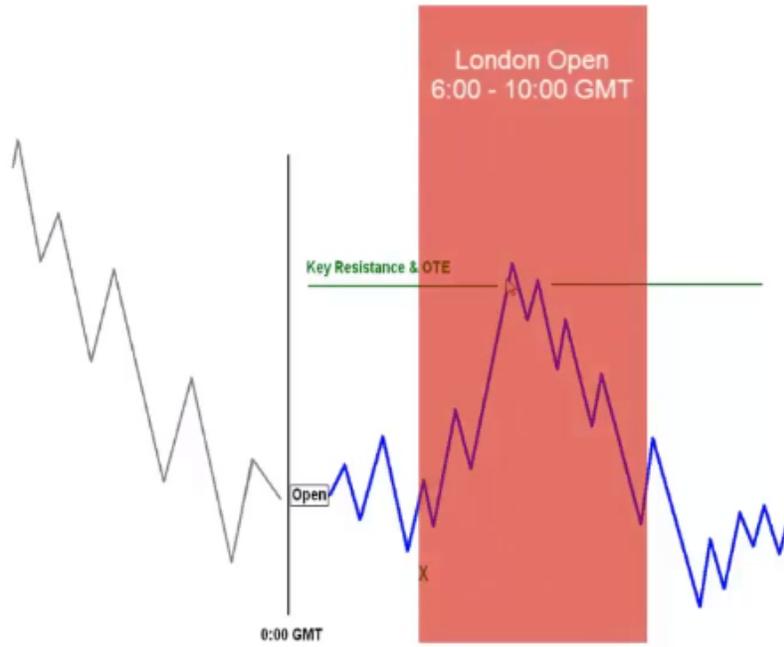
- When trading against the higher time frame premise, take 70% off at the Asian Range highs above.
- When trading with the higher time frame premise then only take 30% off at those Asian Range highs.. leaving 70% on to reach for the ADR or higher.
- If you're really just not sure, then take 50% off at those Asian Range highs. Leave the stop loss down below at break even.
- The stop loss sits at a standard 30 pips, but as you are making profit you progressively move it up to 20 pips, 10 pips, etc. to eventually get it to break even. Don't be in a hurry to move the stop loss to break even though.

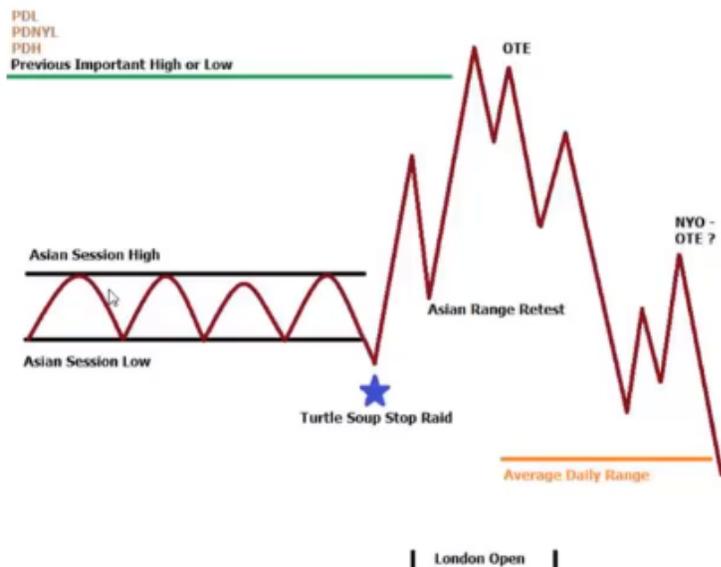


- Just because you have a bullish market structure and everything is saying bullish, don't hold on to everything thinking it's going to go to the moon. Be mindful of high time frame support & resistance because the above scenario is what could unfold.



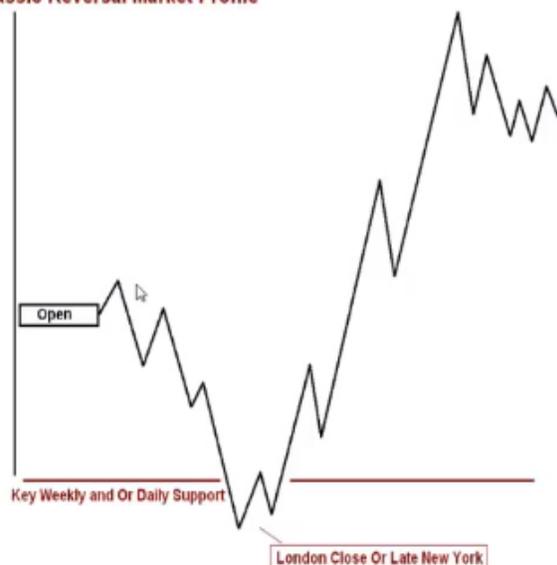
- Look for price swings on an hourly chart intraweek to permit our trading based on a daily and 4 hour premise or directional bias. Once the hourly chart gets in the sync with that, it makes London Open trades very very easy.
- This is not to teach you how to trade every single London Open, it is mainly to focus on the real easy setups. Easy does not mean guaranteed profits.





- Anticipate that Judas Swing up when the market is bearish. That is how you fade or sell rallies.
- Once price breaks down it could give you a secondary OTE. 10:00 GMT is when it really starts to be under way.
- The initial rally is assuming that we have bearish market structure, the rally is the Judas into a known key resistance level. It could be pivots, big figure, previous week highs or lows, any time frame support or resistance.
- The previous weeks Asian Range on Friday and the Sunday/Monday Asian Range should be extended throughout the week. Many times they act as support & resistance levels. We don't know why.
- Chris Lori says to extend the Asian Range high and low throughout a single entire day.
- ICT extends it through the whole week on key days (the beginning and ending of the week).
- Doesn't matter what pair, just look at the Asian Range high or low on a Monday and Sunday and on Friday and extend those across the week. Previous Friday's and this weeks Sunday and Monday Asian Range high and low. Many times it creates dynamic support & resistance levels.
- Do not load the ADR indicator until 10:00 GMT.
- As we take the short in the image above it is important that we do not trail our stop loss inside the daily range, we keep it at break even and take profits at logical areas of support and Fib extensions.

0:00 GMT
Classic Reversal Market Profile





When To Avoid London Open

Some of the Obvious Reasons:

- 1) Interest Rate Announcements
- 2) Key Speeches
- 3) Holiday Trading
- 4) Global & Or Economic Events
- 5) Weekly Range Objectives Achieved

Occasionally:

* **If the Asian Range is over 50 pips.**

Wait for New York Session Open to be safe.

- It can be much easier to wait for the New York Open session and wait for the smarter people to figure out what the London Session is doing. This is in the case of a time when you should avoid London Open.
- You can use the ADR high to the ADR low to pull the Fibs on to find extensions to take profit.
- Do not expect the ADR to bracket the market.