

Telegram <https://t.me/marketmakertraps>

Channel: <https://t.me/theforexpeople01>

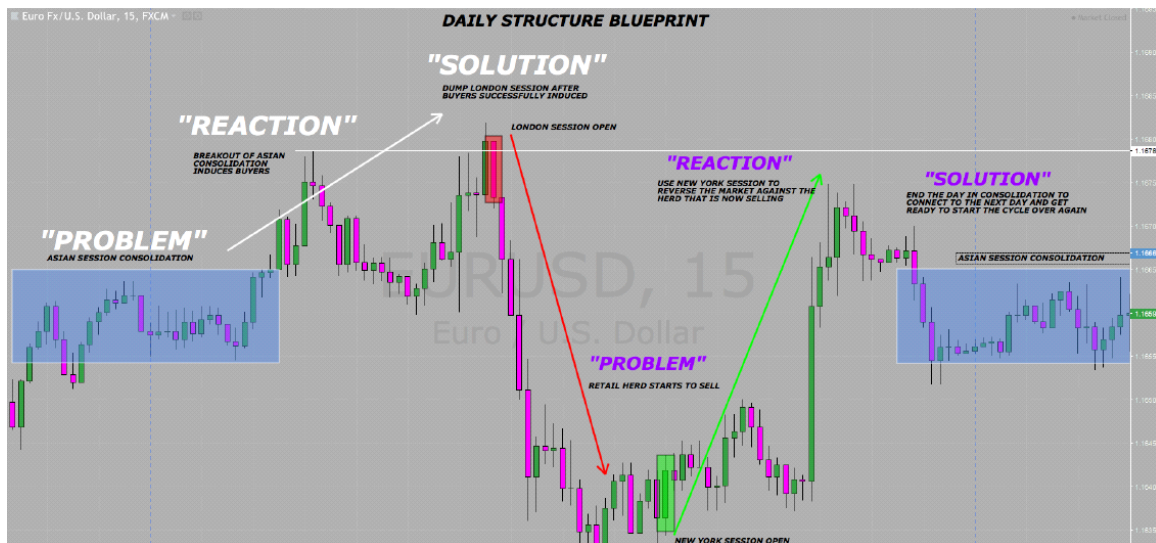
Lesson one #1: Daily Market Structure consists of 3 Main Sessions

Traded: Monday - Friday

"Problem" - Asian Session Consolidation

"Reaction" - London Session Breakout

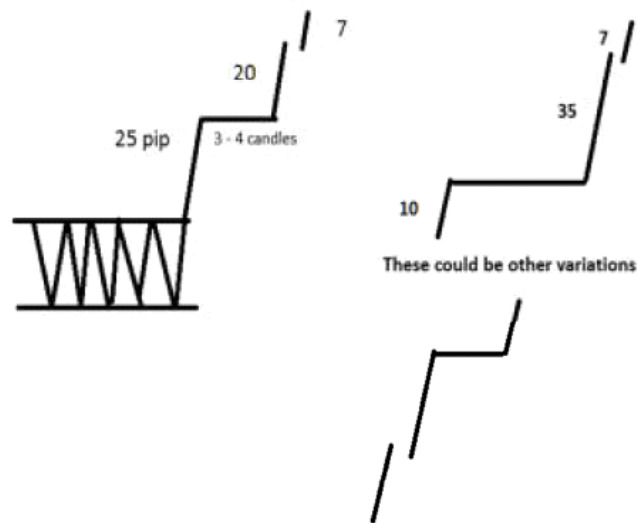
"Solution" - New York Session Reversal



This is how the trends are created; there must be a consolidation phase in order to create the "problem" and also generate the liquidity to move the market come London session. This consolidation phase gives the market structure for retail to work with.

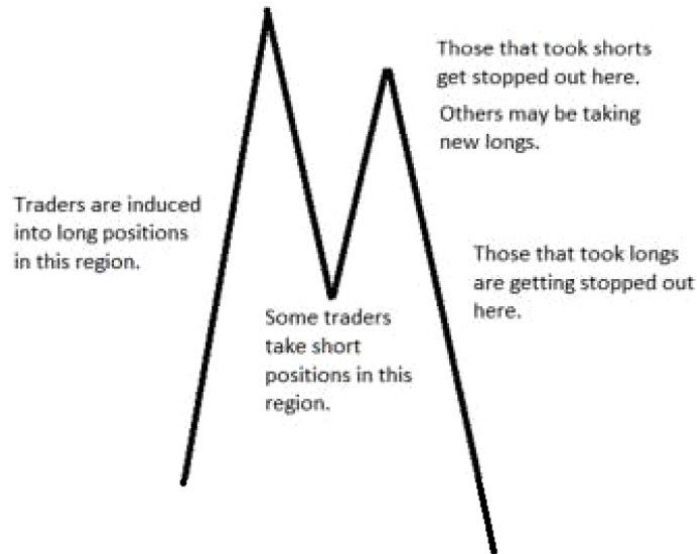
London session is the breakout session which breaks out of the consolidation created during Asian session. The market will either create a high or a low of the day, then come New York session reverse off the high or low of the day ending the day in consolidation to start Asian session over again. This is the blueprint of a trending fractal market. These fractals occur on all timeframes (Micro & Macro).

Daily Market Structure consists of 3 Main Sessions



Reversal will occur somewhere between 25 and 50 pips higher than the Asian range. It is also normal to expect that this will entail a journey of 3 pushes or candles to get there. However, it is not that simple and the 3 pushes may occur in increments of different sizes.

After the last seven pips, the market will form an M or W formation. The M or W pattern is a good reversal pattern. The time gaps between the 2 peaks of the M or W will usually last for somewhere between 30 and 90 min (though occasionally longer). The fastest occurs when the pattern is defined by a railroad track (in other words 15 min up followed by 15 min down).



Failure to complete the MW stop hunt

When price is pushed outside of the Asian range and comes to rest 25 to 50 pips beyond the range, the MM's motivation is to generate a stop hunt.

However, if as a result of this move the accumulation of positions is inadequate for their purposes, then the stop hunt will be extended. This means that price will be pushed beyond this Level in the direction of the technical trend in an effort to induce more traders to enter positions and build up the positions required.



If you identify that after a period of time the stop hunt has not led to a reversal then you should scratch trade. An appropriate period of time is 2 hours following the 2nd leg of an M or W. If the trader has not moved in the expected direction by this time, something is wrong and they have not been able to build up enough volume to make it worthwhile to reverse the market.

These mean a second move is required to further force the herd into entering the market. This second move will be in the 25 – 50 pip range and be comprised of 3 candles or pushes. But the MW formation rarely forms at the end of these move, we usually see RRT or Long tail candle (Hammer or Shooting star).

Lesson Two #2: Weekly Market Structure consists of 5 days
Traded: Wednesday - Friday

It takes about 2 to 3 days to create an obvious trend.

“Problem”

SUN/MON/TUE ~ Trend is created for retail herd to follow.

“Reaction”

TUE/WED ~ Retail herd buys or sells into the trend (fractal forms)

“Solution”

WED/THU/FRI ~ Trend is reversed mid week to hit stop losses of the induced herd.



TIPS

Best Timeframe: 15m

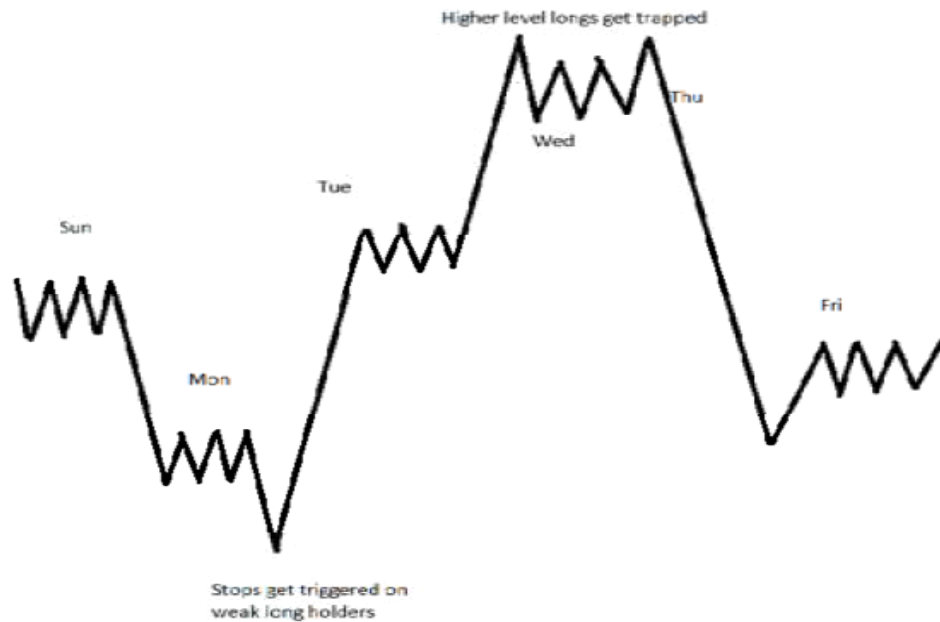
Best Pairs: Majors (USD Based)

High/Low of Week: Wednesday or Thursday (Mid Week Reversal)

Wait until Wednesday for an obvious retail induction trend to form. If there is no obvious trend on the pairs you are analyzing by Wednesday, then there is no reason to trade that week. Wait for a perfect setup; trading can become an addiction if you let it. Don't be a forex addict.

Weekly pattern blue print:

The weekly pattern does not imply the use of a weekly time frame. It refers to the pattern that is seen in a 15, 60 or 240 minute chart over a period of a week. I personally prefer the use of the 15 minutes chart.



Reference:

Dylan at www.forexia.net
and
Steve Mauro