# 1. STRUCTURAL ARCHITECTURE & LEVELS

Every trade must begin with structural context. Without precise location, orderflow footprints are simply noise.

## The Volume Profile Framework

The Volume Profile maps the distribution of volume over a specific time horizon, revealing where the market has accepted and rejected price.

- **Value Area High (VAH):** The upper boundary of the 70% value area. It represents the highest price the market deemed "fair" during that session.
- **Value Area Low (VAL):** The lower boundary of the 70% value area. It represents the lowest price the market deemed "fair" during that session.
- **Point of Control (POC):** The price level where the highest volume was executed. It acts as an absolute magnet because it represents peak liquidity and consensus value.
- **High-Volume Nodes (HVNs):** Regions of high volume accumulation. Price views these as support or resistance zones where the market accepts trading.
- **Low-Volume Nodes (LVNs):** Regions where price moved rapidly with minimal volume. These represent structural rejections and form the foundation of our **Flipping Areas**.

## Flipping Areas (The Line in the Sand)

A Flipping Area is a precise price level where the market's dominant bias flips from bullish to bearish, or vice versa.

1. **Identification:** Locate an explicit Low-Volume Node (LVN) on a prominent session profile or a highly defended, historical Volume Weighted Average Price (VWAP) line.
2. **The Polarity Shift:** When price trades cleanly above a Flipping Area, the operating bias is strictly **Long**. When price trades below, the bias is strictly **Short**.
3. **The Execution Logic:** If an old resistance LVN is breached with heavy volume, that exact price point "flips" into an essential support retest level.

# 2. THE ORDERFLOW ENGINE (CORE MECHANICS)

To read the tape effectively, you must understand the interplay between the two forces driving auction theory: **Aggressive Market Orders** and **Passive Limit Orders**.

## Tools in Use

- **Cumulative Volume Delta (CVD):** Tracks the running net difference between aggressive market buying and aggressive market selling.
- **Big Trades (Block Orders):** Highly visible bubbles or markers on the chart highlighting where single orders of significant institutional size have hit the bid or ask.
- **VWAP:** The ultimate intraday benchmark for institutional fair value.

## Orderflow Models

### Model A: Absorption (Passive Dominance)

- **The Dynamics:** Aggressive traders drive price hard into a structural level (VAH, VAL, or Flipping Area). They hit the market with massive orders, but price refuses to budge. A hidden, passive institutional player is absorption-matching every market order with limit liquidity.
- **The Footprint:** CVD slopes aggressively upward (or downward), and massive Big Trade buy bubbles print on the tape, yet price stalls or prints a spinning top/reversal candle. Trapped traders are now forced to cover, fueling a rapid move in the opposite direction.

### Model B: Exhaustion (Absence of Participation)

- **The Dynamics:** Price drifts toward a structural level, but participation entirely dries up. The auction simply runs out of gas because no one is interested in buying higher or selling lower.
- **The Footprint:** CVD flattens out to a completely horizontal line. Big Trades disappear entirely, and volume drops to near zero as price reaches the outer boundary.

### Model C: Aggression (Momentum & Expansion)

- **The Dynamics:** Institutional players actively seek to revalue an asset. They clear out all sitting passive limit orders at a key level and violently chase price to establish a new value area.
- **The Footprint:** CVD drives vertically. Big Trades print sequentially, stacked directly in line with price movement, blowing straight through a key Flipping Area without a single tick of hesitation.

# 3. UPDATED SESSION TIMING & VOLATILITY MATRIX

*Note: Session operational windows have been optimized to reflect true volume transitions and liquid clearings.*

| **Session** | **Operational Window** | **Volume / Volatility Profile** | **Primary Tactical Playbook** |
|---|---|---|---|
| **Asia** | 8:30 PM – 11:00 PM EST | **Low-Medium Volume.** High tendency for mean | **Mean Reversion / Exhaustion** at |

| Session | Operational Window | Volume / Volatility Profile | Primary Tactical Playbook |
| --- | --- | --- | --- |
| | | reversion and structural containment. | VAH/VAL boundaries. Avoid chasing breakouts. |
| **London** | 2:30 AM – 4:00 AM EST | **High Volume.** Strong trend initiation, volatility injections, and true range expansions. | **Flipping Area Retests** and **Fabio Valentini reclaims** of failed Asian ranges. |
| **New York (AM)** | 9:30 AM – 11:30 AM EST | **Peak Volatility & Volume.** Extreme institutional algorithmic execution and heavy block trades. | **30-Min ORB (9:30-10:00 AM)**, **Initial Balance Reversals**, and heavy **Aggression trades**. |

# 4. THE COMPLETE SETUP PLAYBOOK

## Setup 1: The Fabio Valentini Model (Structural Reclaim)

- **Context:** Price attempts to break out of a balanced session range (e.g., breaking out past VAH) but fails to sustain acceptance.
- **Execution Blueprint:**
    1. Do not jump in to short the initial upward thrust. Allow the breakout to fully fail and wait for price to print a definitive candle close back *inside* the Value Area.
    2. Pull a micro-Volume Profile over the specific downward impulse leg that forced price back inside the range. Identify its core **Low-Volume Node (LVN)**.
    3. Wait for price to pull back and retest that specific LVN from underneath.
    4. **The Trigger:** As price touches the LVN, a cluster of Big Trades must print on the offer, signaling that sellers are actively protecting the reclaim.
- **Risk & Target Management:**
    - **Stop Loss:** Placed 1–2 ticks above the recent breakout swing high or the aggressive Big Trade print.
    - **Take Profit:** Target the current session Point of Control (POC) for a full exit.

## Setup 2: The Aggression-Based Momentum Model

- **Context:** The market transitions out of balance into an active trend phase, breaking cleanly through a vital level.
- **Execution Blueprint:**
  1. Identify a highly validated daily **Flipping Area** or a major macro session extreme.
  2. Monitor the tape as price approaches the level. Look for a vertical spike in CVD alongside an explosion of sequential Big Trades printing *in the direction of the break*.
  3. **The Trigger:** Execute a market order directly into the breakout momentum as the level prints high-speed tape activity, or catch the first micro-pullback to the broken line on the 1-minute chart.
- **Risk & Target Management:**
  - **Stop Loss:** Placed tightly behind the specific cluster of aggressive Big Trades that shattered the level.
  - **Take Profit:** Target the nearest unexploited High-Volume Node (HVN) from a previous session profile.

## Setup 3: The Mean Reversion Model (Value Area Rotation)

- **Context:** The market is in a highly balanced, bracketed state (typically seen during the Asian session or early New York afternoon). Price probes the outer boundaries of value but lacks institutional backing to break out, signaling a rubber-band snap back to fair value.
- **Execution Blueprint:**
  1. **Identify the Condition:** Ensure the market is not in a trending state. The prior session or developing session profile should show a distinct bell-shaped curve or high volume concentration at the Point of Control (POC).
  2. **Location:** Wait for price to trade directly into **Value Area High (VAH)** or **Value Area Low (VAL)**. It can also be applied when price overextends toward a major historical **Flipping Area** without prior momentum.
  3. **The Trigger (Exhaustion or Absorption):** Monitor the orderflow toolkit carefully as price tags the level:
     - **If Exhaustion:** Price touches VAH, volume drops off sharply, Big Trades completely disappear, and the CVD line flattens out entirely. Enter short as price prints a lower micro-candle low.
     - **If Absorption:** Price touches VAH, CVD spikes violently upwards, but price cannot print a higher tick. Big Trade buy bubbles print heavily on the offer but price stalls out. Enter short the moment a small selling imbalance blocks the bid or price slips 1–2 ticks back inside the value area.
- **Risk & Target Management:**
  - **Stop Loss:** Placed strictly 2 ticks beyond the structural session extreme or the highest absorption Big Trade bubble.
  - **Take Profit:** Target the current session **Point of Control (POC)**. Because the market is rotating in balance, the POC represents the highest probability clearing house for inventory.

## Setup 4: The 30-Minute New York Opening Range Breakout (ORB)

- **Context:** Capturing sustained directional institutional breakout expansions once the initial morning volatility settles into a defined structural boundary.
- **Execution Blueprint:**
  1. Exactly at 9:30 AM EST, monitor the open. Allow the market to trade for the first **30 minutes**. At 10:00 AM EST, draw your high and low boundaries representing the 30-Min Opening Range (**30-ORH** and **30-ORL**).
  2. Observe price action between 9:30 AM and 10:00 AM EST. Look for a structural compression directly against the 30-OR High or 30-OR Low boundary.
  3. **The Trigger:** Price must breach the 30-minute boundary line. Validate the breakout immediately using the orderflow tools:
     - **Long Breakout:** CVD must break out to new session highs alongside the price tick. Aggressive Big Trade buy bubbles must print sequentially at or just above the 30-ORH line.
     - **Short Breakout:** CVD must plummet to new session lows alongside the price tick. Aggressive Big Trade sell bubbles must print sequentially at or just below the 30-ORL line.
  4. Execute an instant market order once orderflow verification clears the book. Do not wait for a 30-minute bar close, but ensure a 1-minute or 5-minute candle structure shows sustained commitment outside the range.
- **Risk & Target Management:**
  - **Stop Loss:** Placed strictly behind the **Session VWAP** or right behind the aggressive Big Trade cluster that catalyzed the boundary break. If price collapses back deep into the 30-minute range, the structural expansion leg has failed.
  - **Take Profit:** Target the nearest unexploited prior day/session VAH/VAL, or prominent historical Flipping Area.

```
NEW YORK 30-MIN ORB TIMELINE (EST)
9:30 AM                           10:00 AM                             10:45
AM
   |─── ESTABLISH 30-MIN RANGE ───|────────────── MONITOR EXPANSION
─────────────|
   ▼                              ▼
▼
[NY Open]                   [Mark 30-ORH / 30-ORL]  ──► [Look for Aggressive
CVD Drive]
                                                    ──► [Execute Market Order
on Big Trade Burst]
```

## Setup 5: The New York Initial Balance (IB) Reversal Model

- **Context:** Fading institutional extremes once the morning's initial positional auctions are established.
- **Execution Blueprint:**

1. Define the Initial Balance High (**IBH**) and Initial Balance Low (**IBL**) using the highest and lowest points reached during the first hour of the NY session (9:30 AM – 10:30 AM EST).
2. Between 10:30 AM and 11:30 AM EST, watch for price to expand out and test either the IBH or IBL.
3. **The Trigger:** Price must push past the IB boundary by a few ticks to trigger stops, while CVD spikes aggressively *counter* to the price response (e.g., price prints a new minor high past IBH, buy CVD surges, but price completely stalls via **Absorption**).
4. Execute a reversal position the moment price re-enters the structural IB boundary line.

- **Risk & Target Management:**
  - **Stop Loss:** Placed 2 ticks beyond the highest absorption Big Trade bubble or local swing high.
  - **Take Profit:** Target 1 is the exact Mid-IB level (50% mark of the first hour's range). Target 2 is the polar opposite IB boundary extreme.

# 5. EXPERT TRADING PROTOCOLS & DISCIPLINE

## The Invalidation Rule

Orderflow edges are immediate. If you trigger an orderflow setup and price action fails to aggressively respond within **3 to 5 structural ticks**, or stalls out for more than 3 minutes, exit the trade immediately at market. Do not wait for your stop-loss to get hit. The absence of immediate follow-through *is* your invalidation.

## Risk Tiering & Account Safety

- **Tier A Executions:** Flawless confluence. Price reaches a daily Flipping Area overlapping with a session VAH/VAL boundary, displaying textbook CVD absorption and highly visible Big Trade confirmation. **Risk: 0.5% of total equity.**
- **Tier B Executions:** Good structural location (e.g., Asia Session VAL) but soft delta confirmation, or lower institutional volume present. **Risk: 0.3% of total equity.**
- **Daily Max Loss Cap:** A hard limit of **3 maximum consecutive losses per day**. If reached, your platform must be shut down immediately. This rule prevents emotional degradation and acknowledges that your current models lack synchronization with the day's structural environment.
- **Trade Management:** Protect capital relentlessly. The moment price moves favorably by the distance of your initial risk profile and CVD continues to exhibit supportive delta pressure, move your stop-loss to breakeven +1 tick. Never let a green trade that met an orderflow structural target turn into a losing trade.