FLIPPING MARKETS

TRADING PLAN 2.0



FLIPPING MARKETS

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First of all:

I'd like to give credit to my mentor, and to the course I learned the most from.
Without them I wouldn't be able to create this PDF.
Always give credit to the ones who's led you to success.

The course:



phantomtradingfx

My mentor:



fractalmarkets

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SESSION BROKER NEWS



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Session and broker talk

I recommend choosing only **one** pair / metal / index, in only **one** session (London and New York are the best choices)

You should master the chosen pair by backtesting the heck out of it (I highly recommend to use **TradingView** Pro plan, so you can replay price on any timeframe). Start by going back a few months on the chart, and backtest every single chosen session.

This will help you to understand the theories and logic behind everything the **chosen** pair does (in the chosen session of course!!!)

Trading on 4-5 or even more pairs will **confuse** you using this strategy.

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Personally, I **only** trade **EUR/USD** in **NewYork** session, from 2pm to 5pm (GMT+2 timezone, Hungary), meaning I'm actively trading 3 hours/day. I started to trade forex for financial and time **freedom**. Why would I trade 8-10 hours a day then? Trust me, EVERY session has more than enough opportunities EVERY SINGLE DAY!
This is the most optimal session time for me, I can get my things done, hit the gym before evne it starts.

Broker choice:

- Do some research, and use that broker who can satisfy your needs
- offers the lowest spreads
- pay you out without a question
- Personally I use ICmarkets, shoutout to them.

News:

- Before every session open, you should go and check out if there's any upcoming **HIGH IMPACT** news.
- I recommend https://www.forexfactory.com/calendar (Forex Factory calendar) for this purpose.
- Trading news is **risky.** In order to protect your capital you should **ALWAYS be careful** opening a trade before high impacts (marked with red folder on Fx Factory)
- If you've got an open position before the news are released, you should manage it to **risk free** (put your stoploss to at least BreakEven [BE])

SUPPLY/ DEMAND MITIGATION INEFFICIENCY

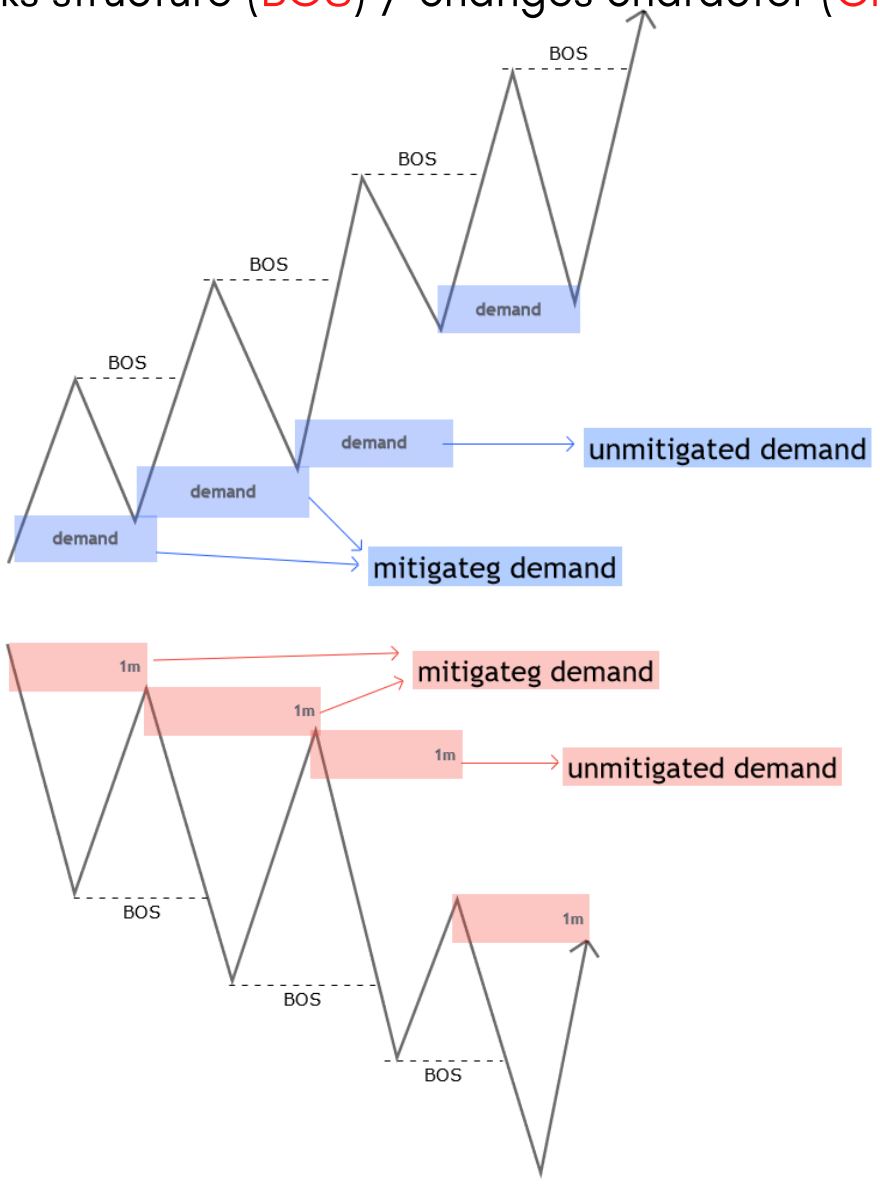


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Before we continue, I want you to understand what supply and demand are

Supply and Demand explained

supply/demand is a zone, where price rapidly pushes away from (lots of orders placed), creating inefficiency (IFC) , and breaks structure (BOS) / changes character (CHoCH).



the 2(+1) factors you should pay attention to:

-Did it create IFC?

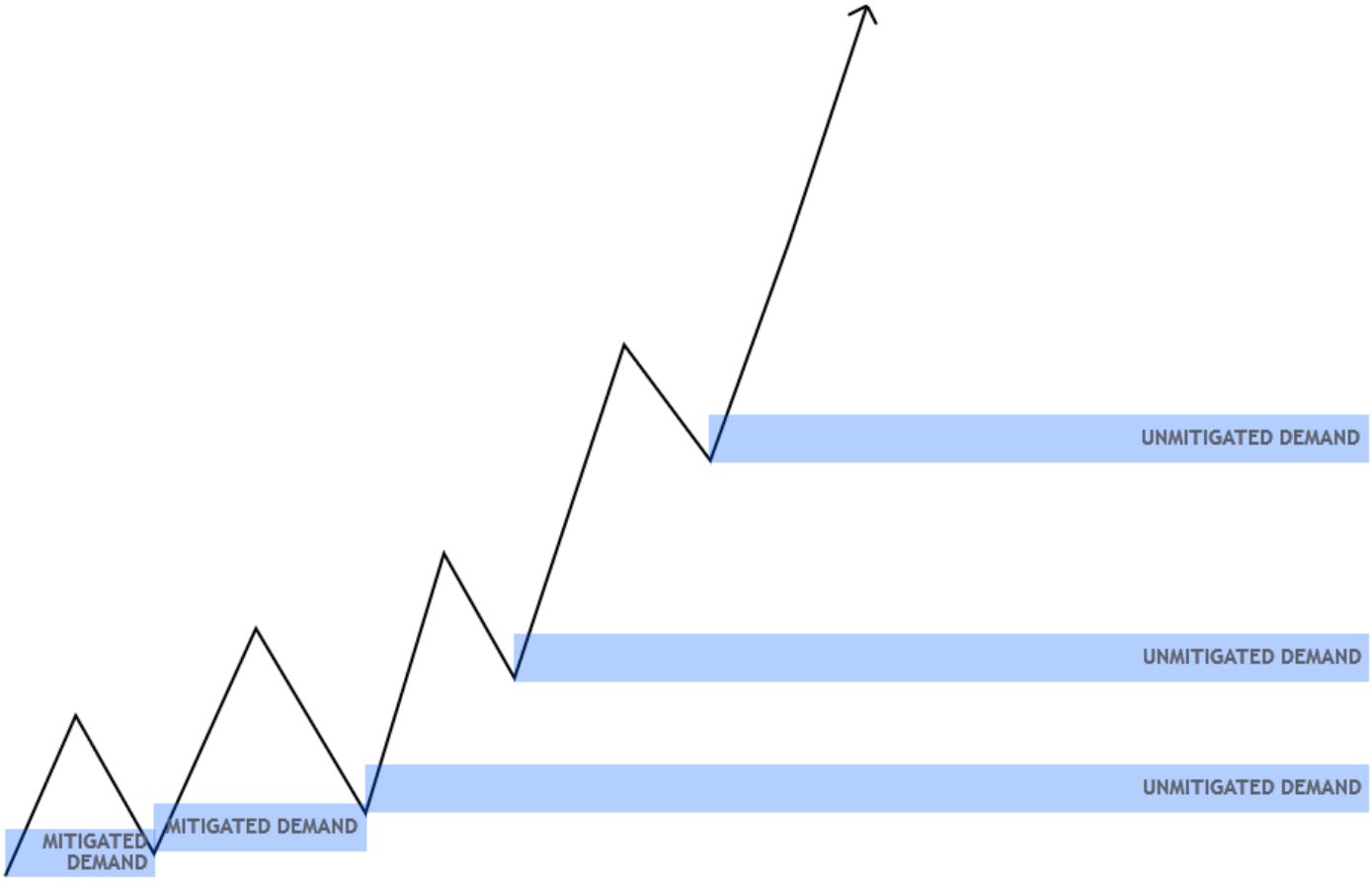
-Did it break structure, or change character? (Did it break S/D?

-(did it create liquidity before the zone?)

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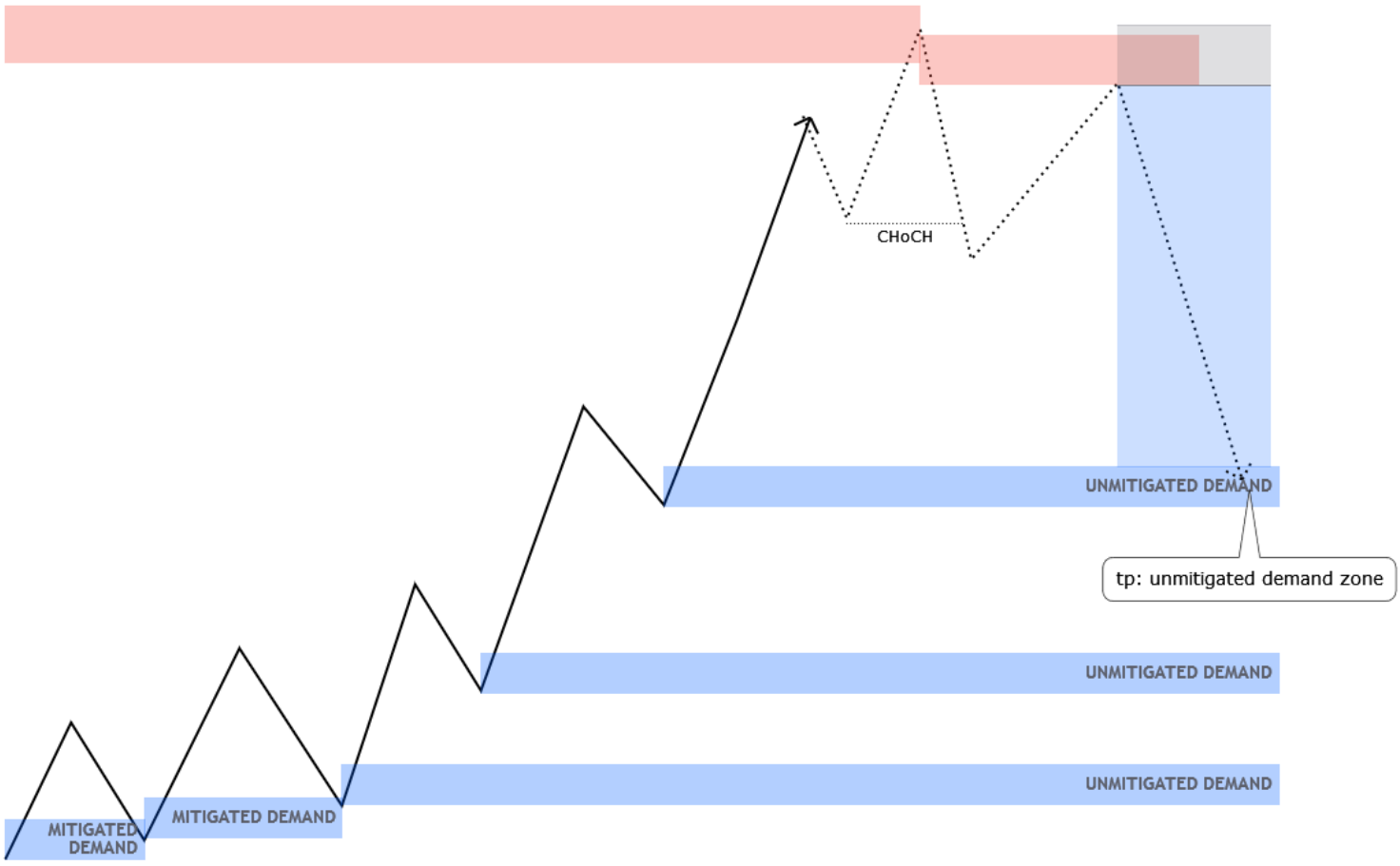
What's mitigated / unmitigated?

- when price taps into a d/s zone, that has not been tapped yet, it becomes mitigated from unmitigated

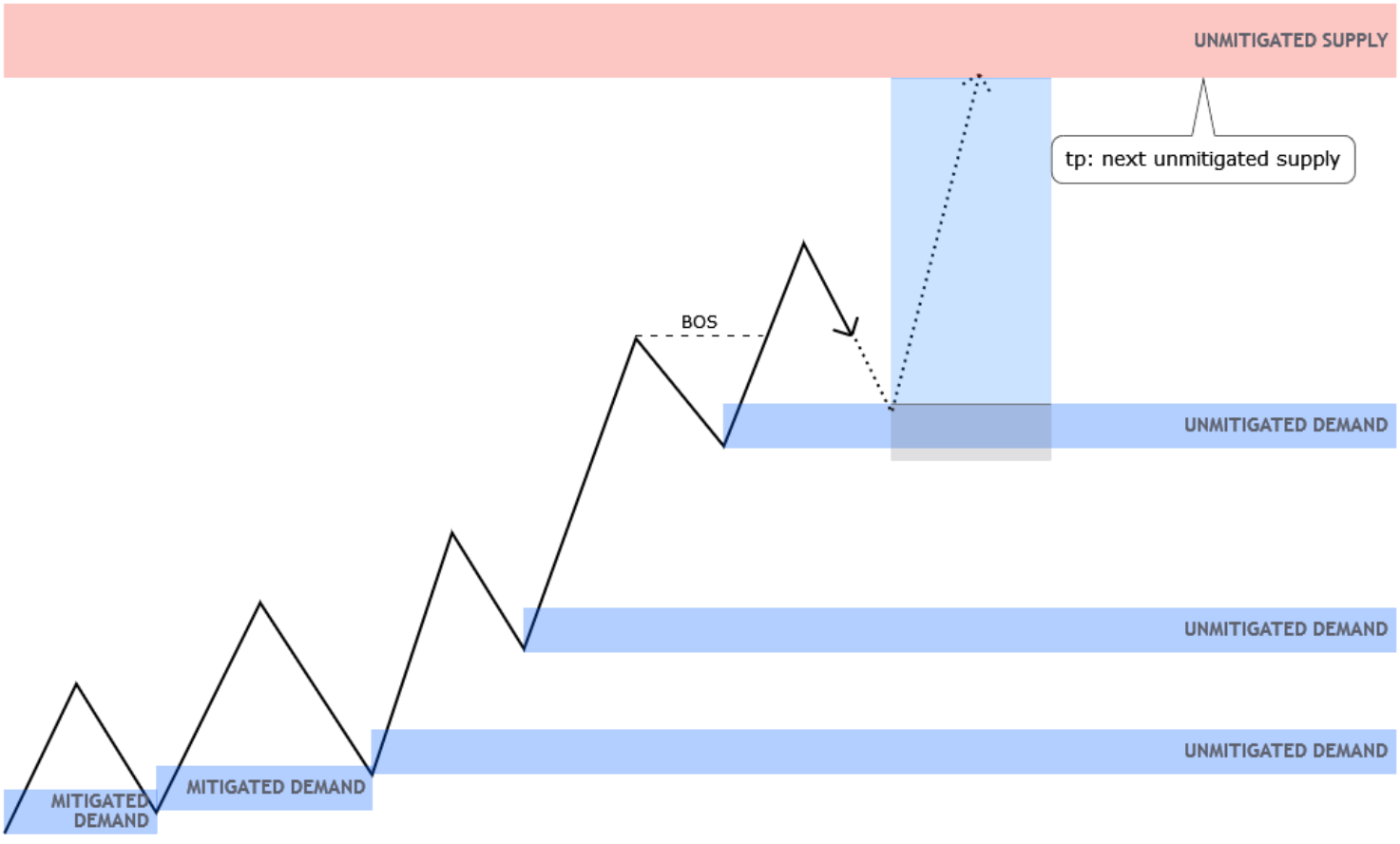


- These unmitigated zones could be our TP points after CHoCH, or entry points on continuation.

CHoCH example

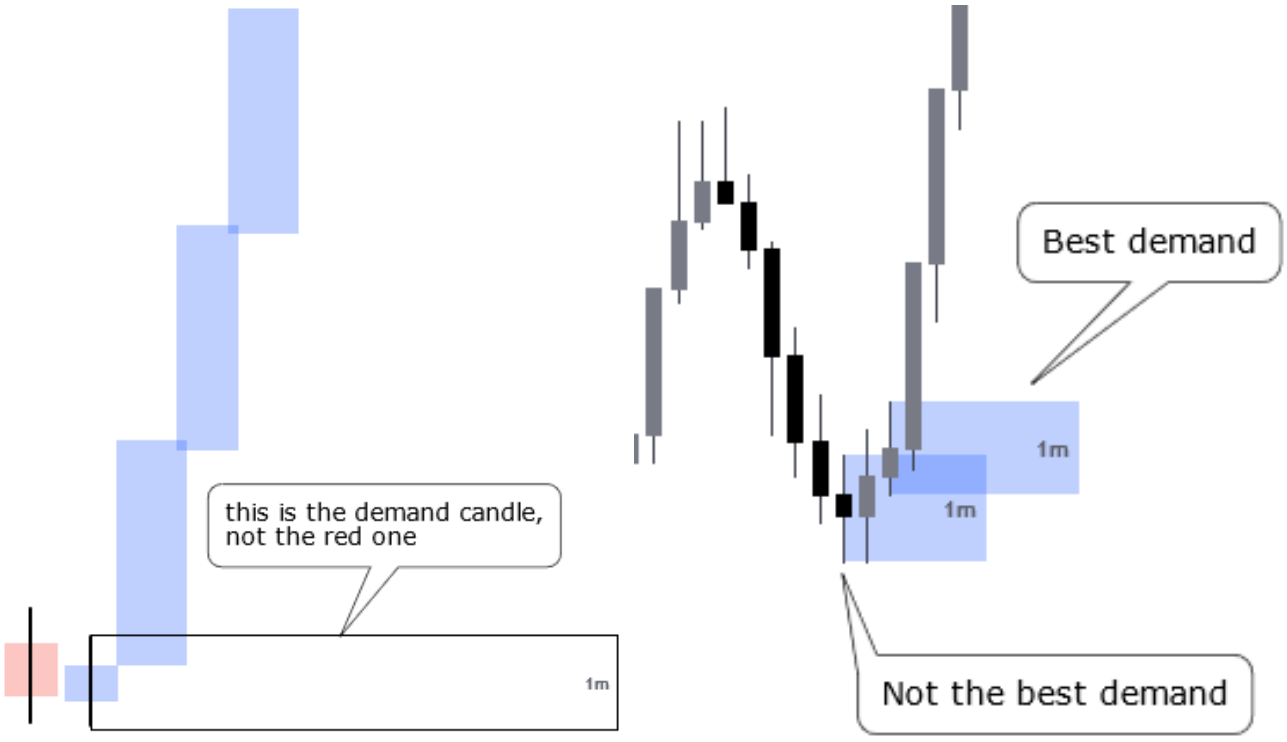


Continuation example



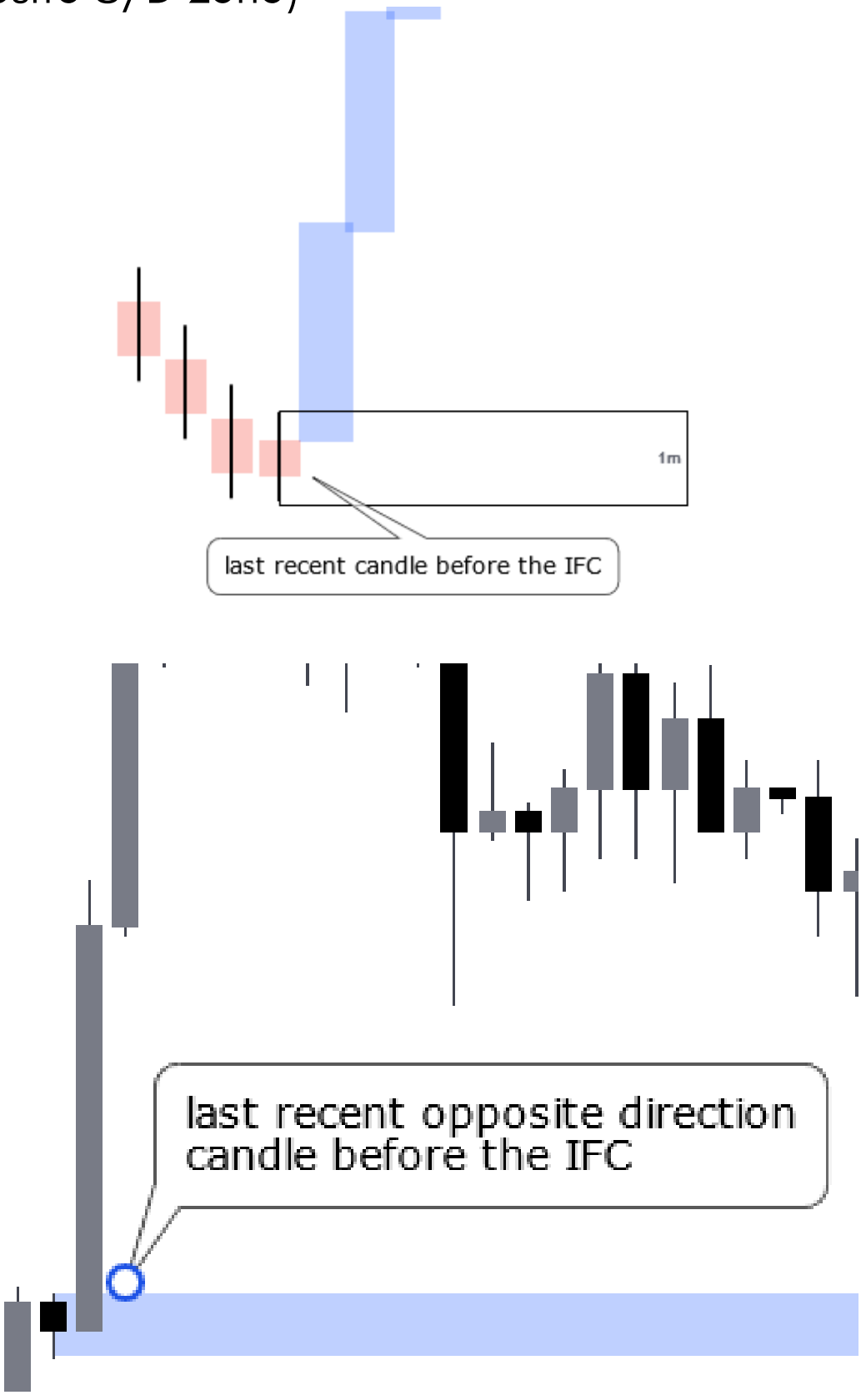
In order to find the best s/d zone:

- find areas where IFC has been created
- find the last recent candle before the IFC
- it doesn't have to be an opposite direction candle! (for example: if the IFC was created on the long side, you can choose an upside move candle, it doesn't have to be a downside move candle.)



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Always choose the last recent candle that created the IFC! This will be your valid S/D zone (don't forget that it has to break structure / opposite S/D zone)



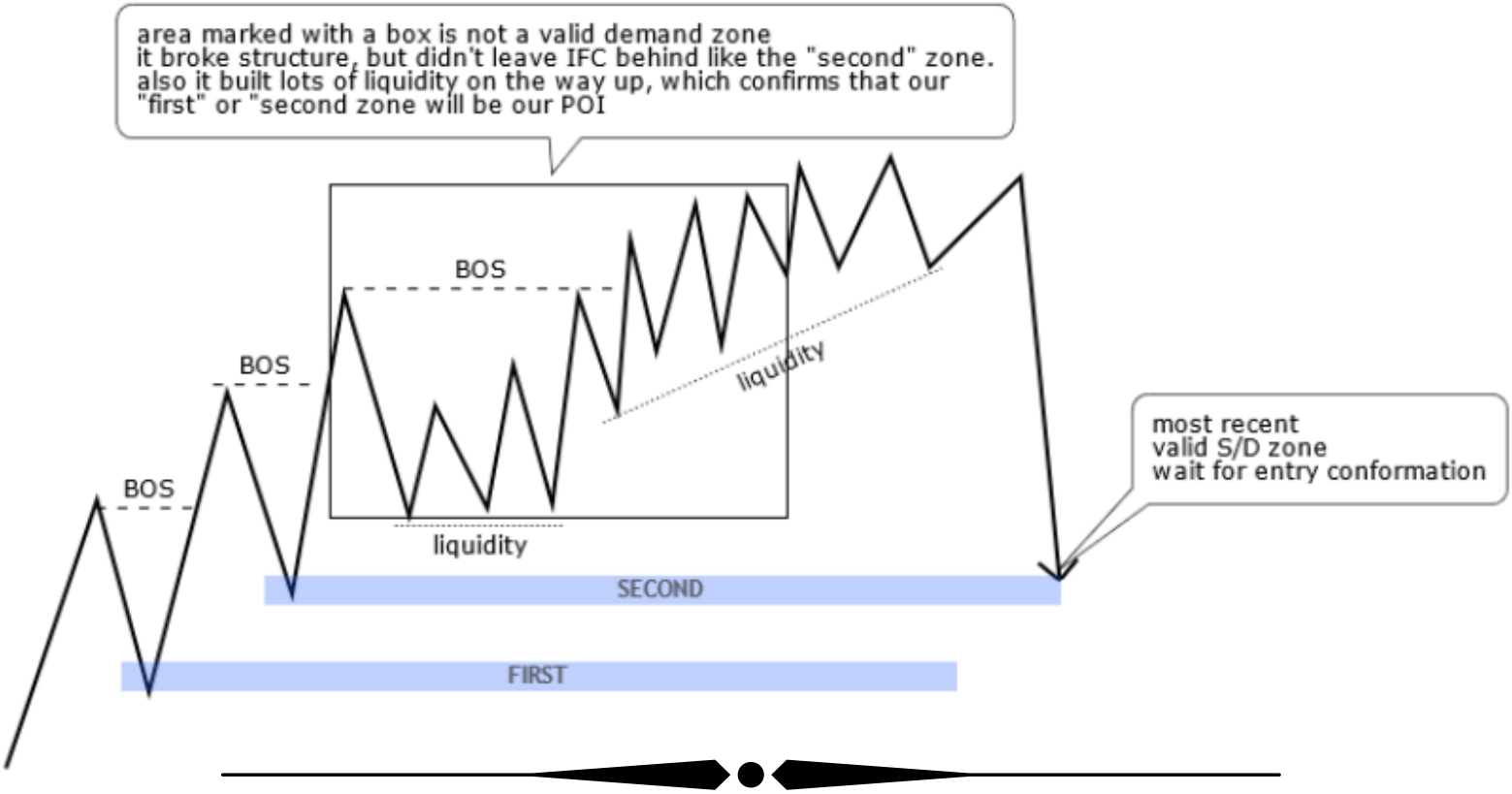
As I mentioned above, Supply/demand zones are the most valuable for me, if the price rapidly pushes away, creates IFC, and changes character (CHoCH). (example below)



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Always use the most RECENT S/D that gave us the 3 factors.

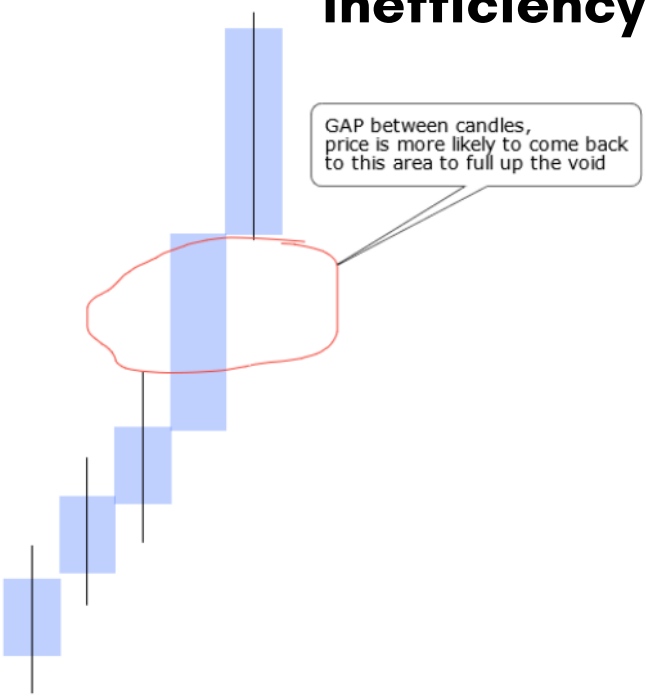


Quick IFC explanation

Efficiency

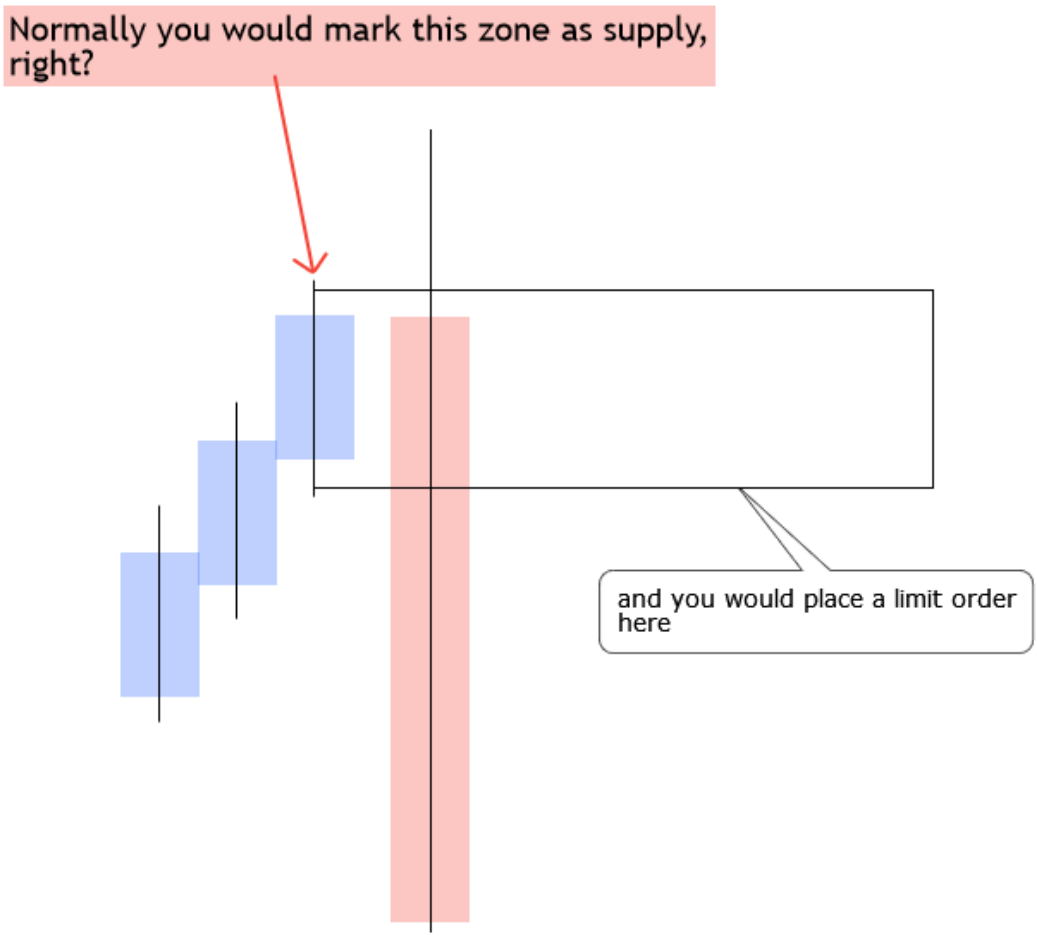


Inefficiency

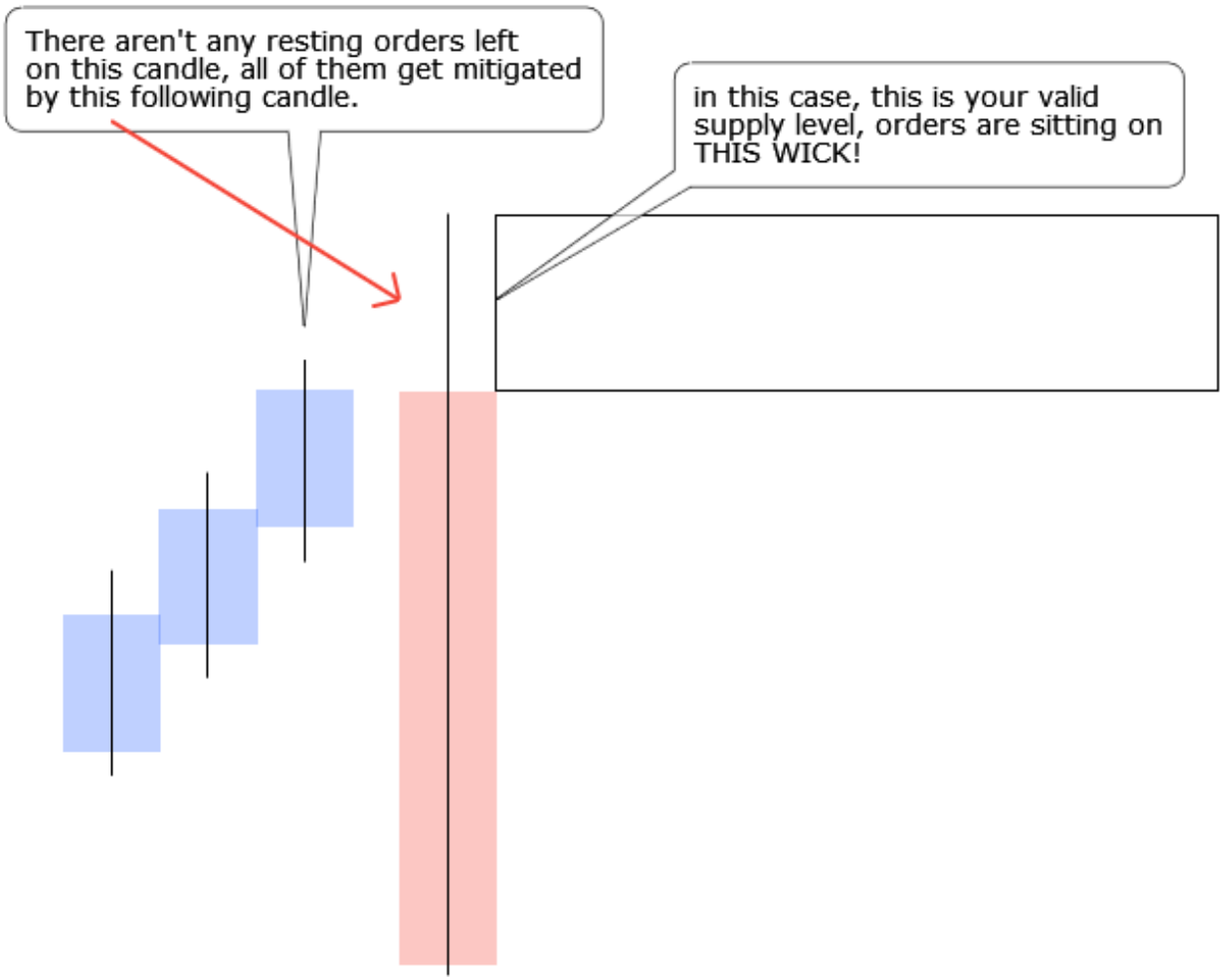


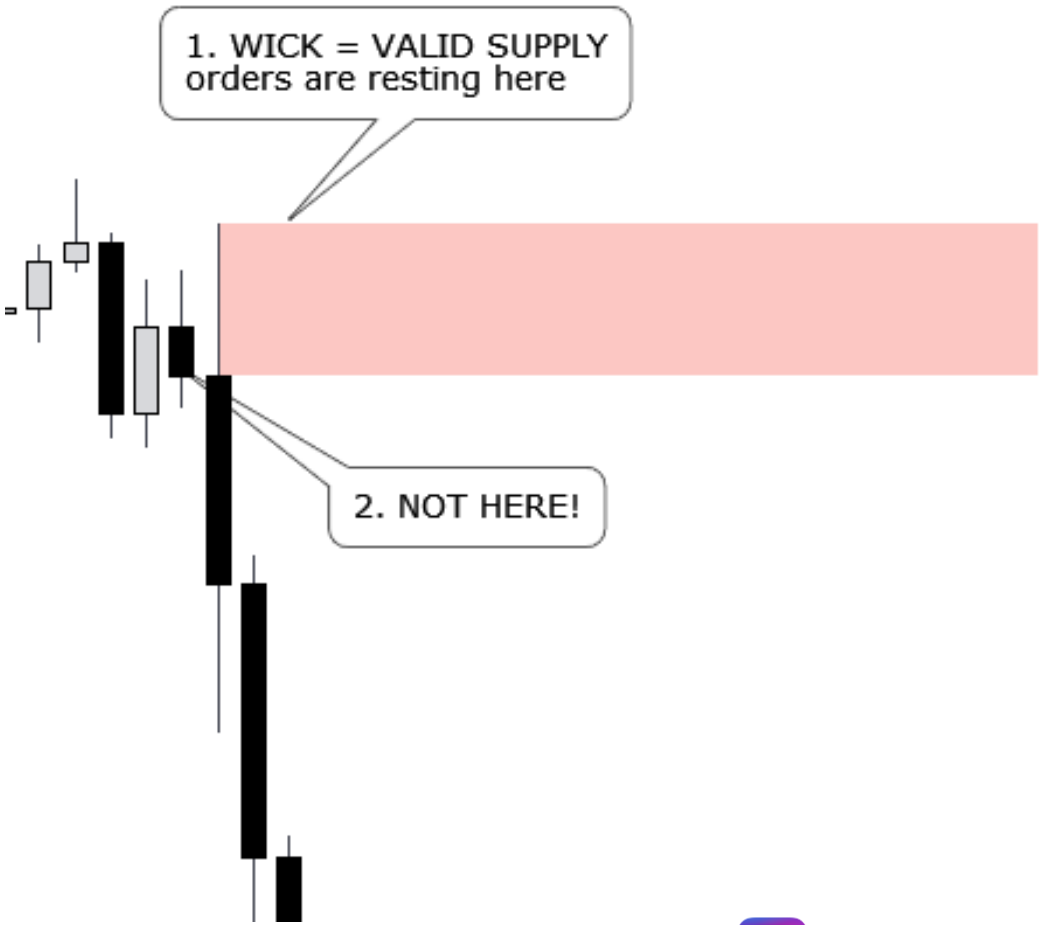
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When should you use the wicks as zones?



In these scenarios most of the orders would be stopped out. You should consider the wick before the IFC!





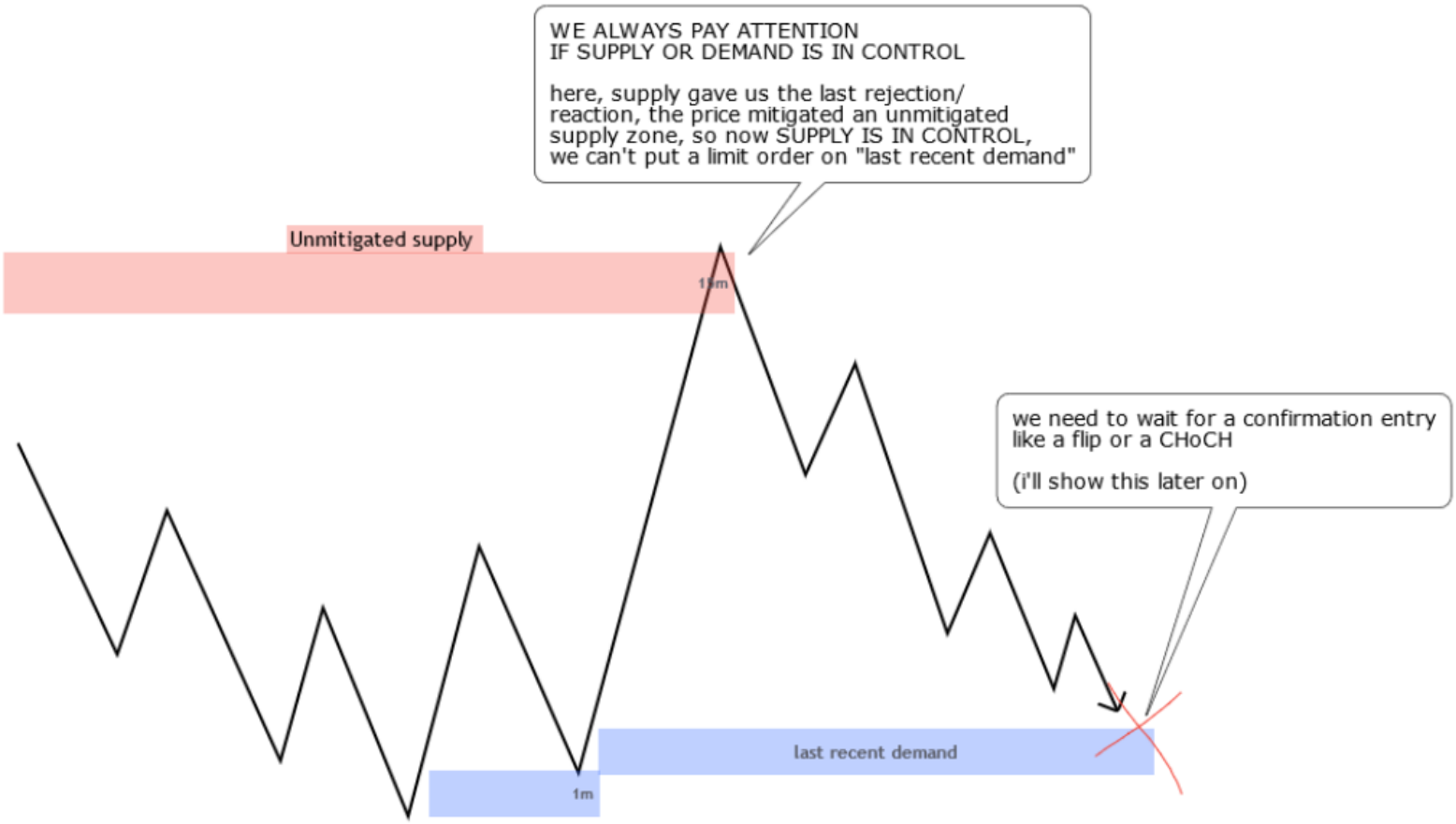
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RISK ENTRY / CONFIRM ? WHO'S IN CONTROL?



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What if the price comes from an unmitigated zone?

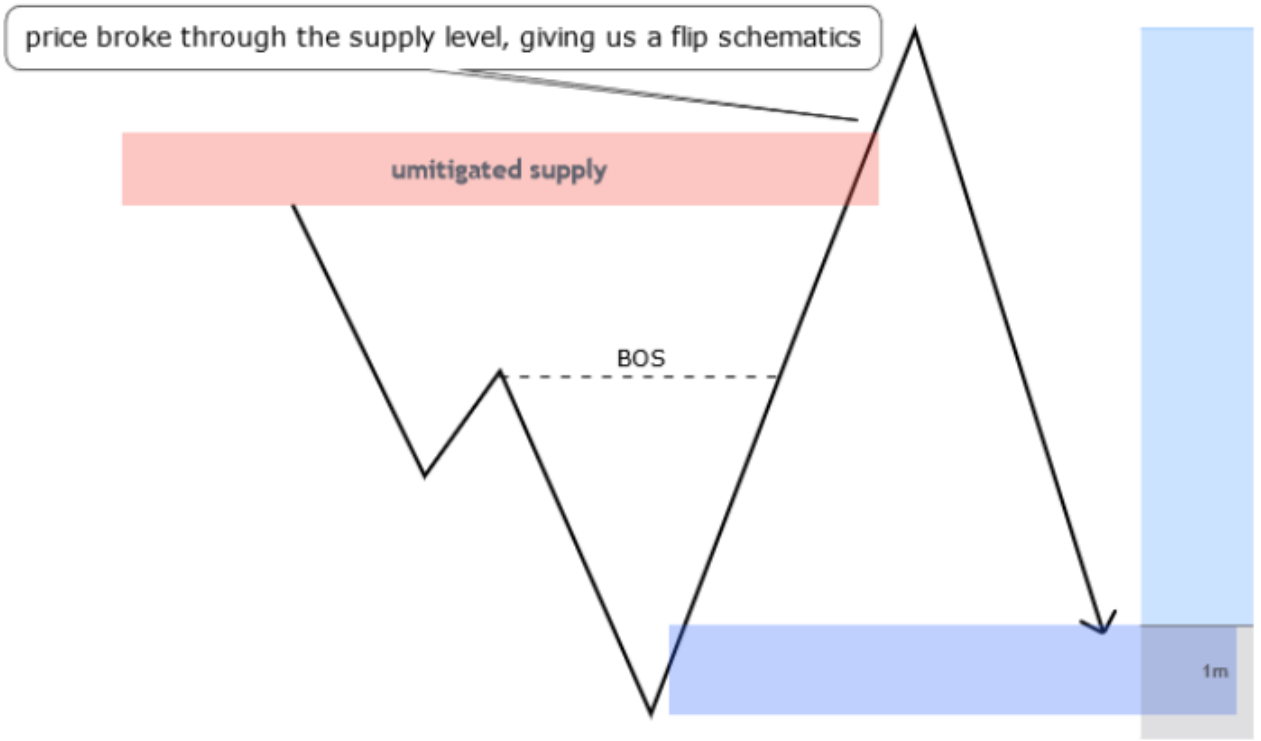


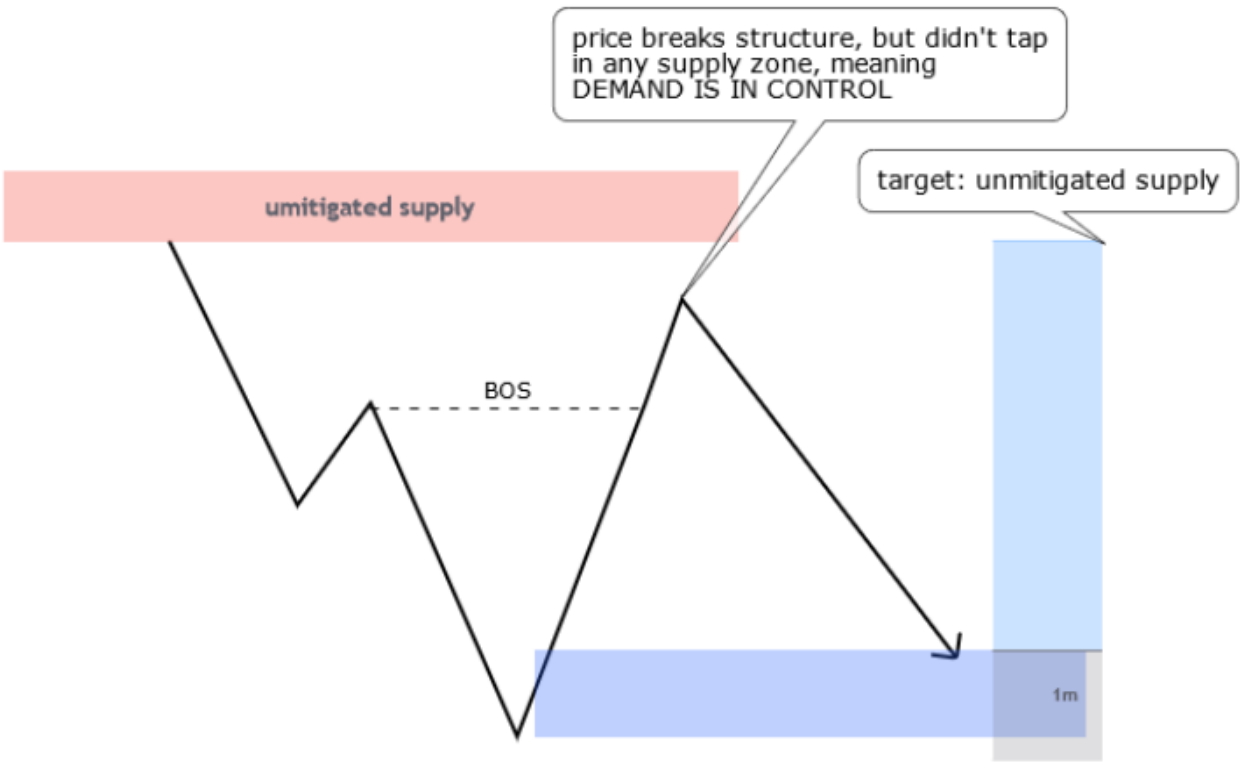
ALWAYS (!!) check if the price comes from an unmitigated zone, or not.
You want to trade the controlling side of the market. If you're waiting for a demand trade to go long, but the price comes from an unmitigated supply zone, **SUPPLY IS IN CONTROL, YOU CAN'T TRADE DEMAND WITHOUT A CONFIRMATION.**

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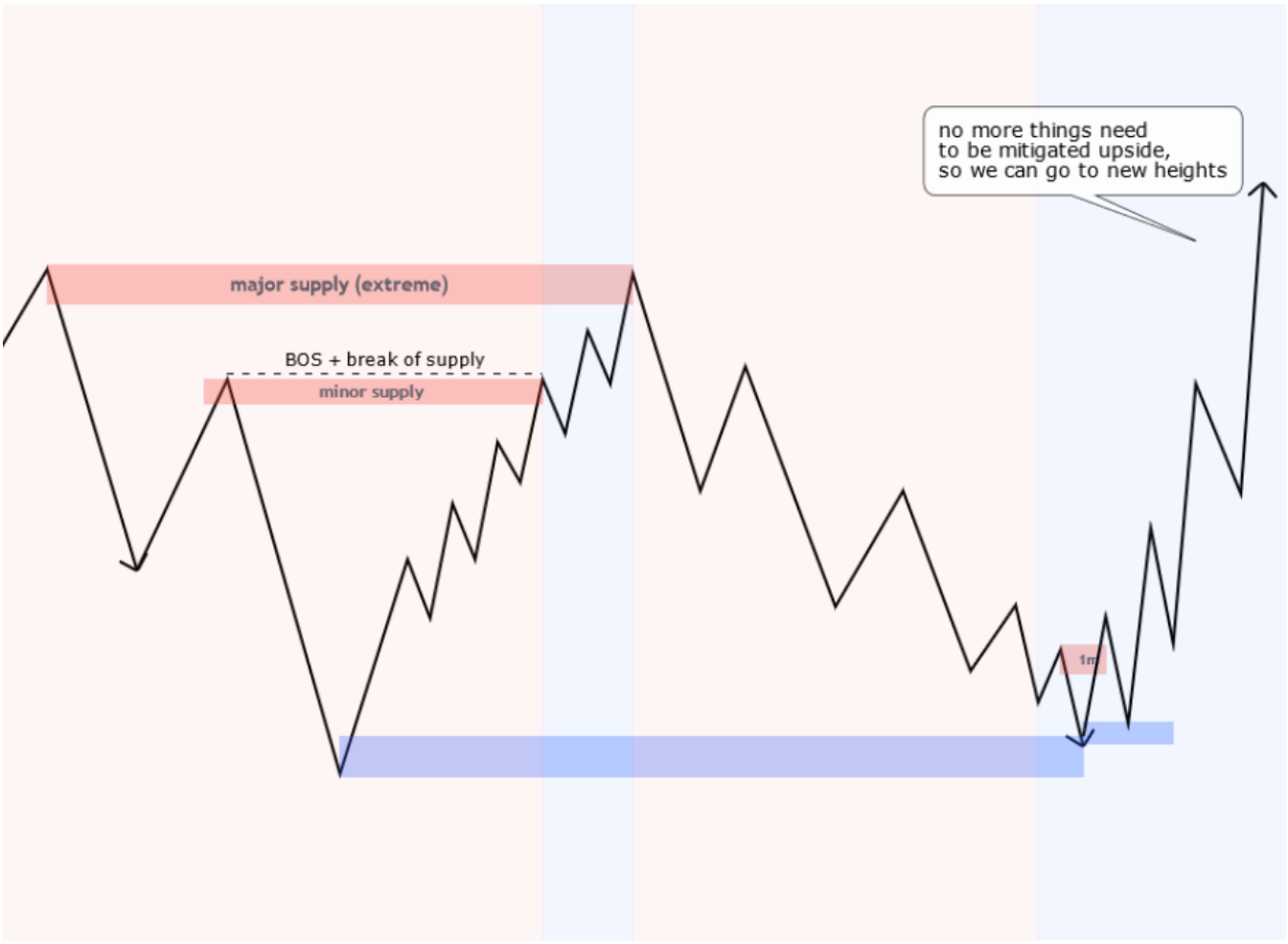
2 scenarios you can use a risk entry:





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understanding what is in control:

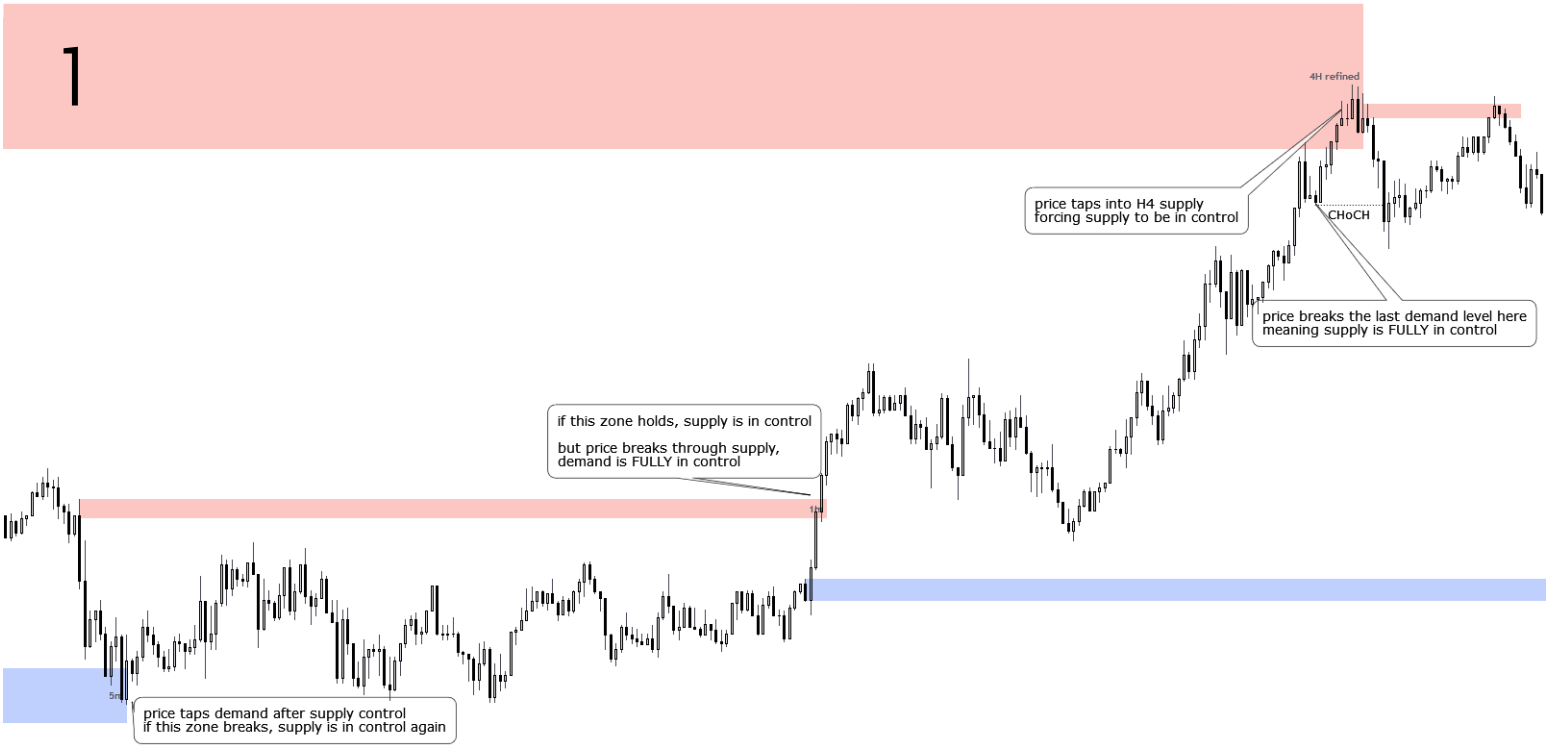


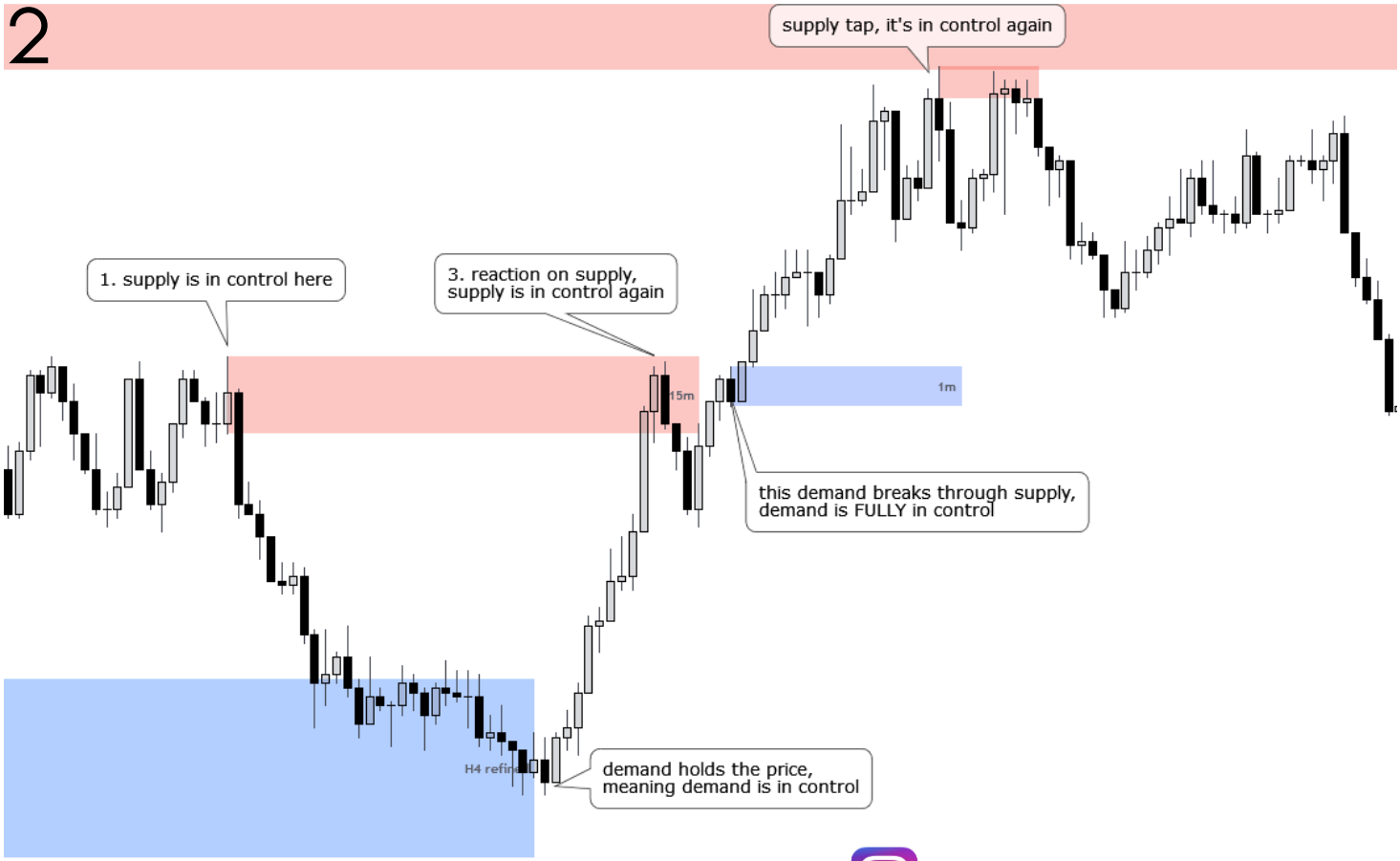
light red zone: supply is in control
light blue zone: demand is in control

- we broke through the minor supply, forcing demand to be in control.
- after, the price rejected on the major supply, caused the supply to be in control again.
- we expect price to come back to the extreme of the demand that created an impulsive orderflow (and left IFC behind) which caused the minor supply to be broken. (we do not place a limit order here! price is coming from an unmitigated supply, SO SUPPLY IS IN CONTROL).
- finally we wait for a flip, that makes demand in control again

Who's in control live examples

- This is how you can trade between zones, using the "who's in control method"





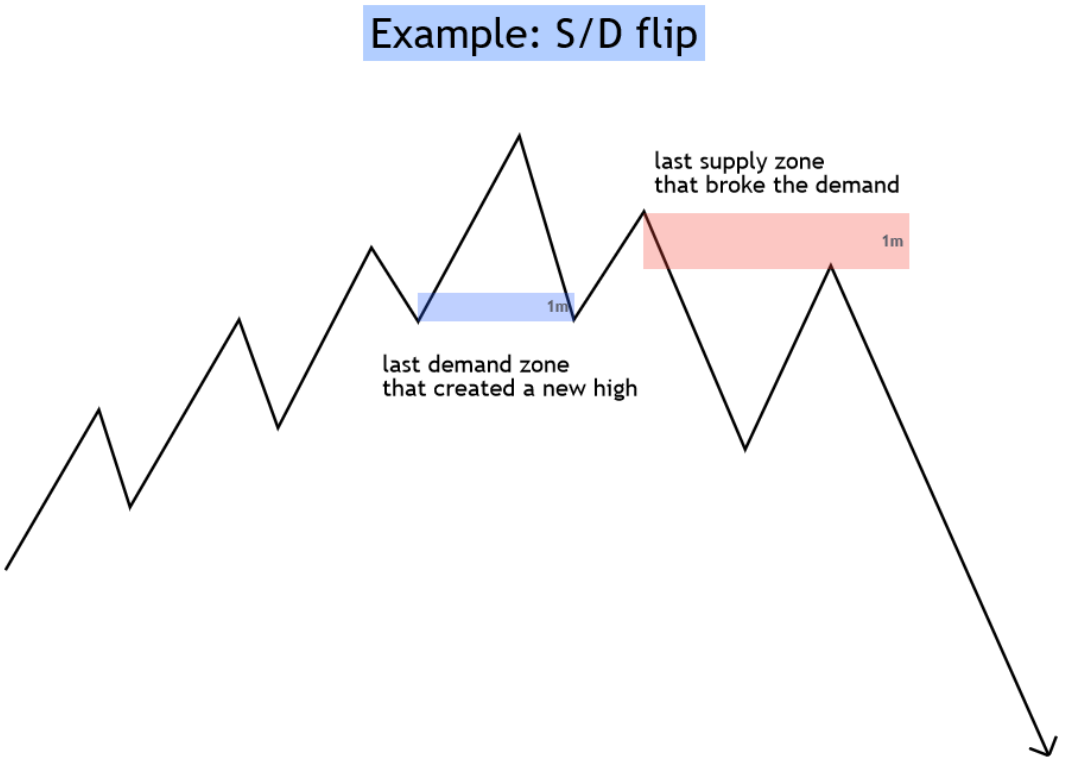
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FLIPS
CHOCH
CONTINUATION
EQUILIBRIUM



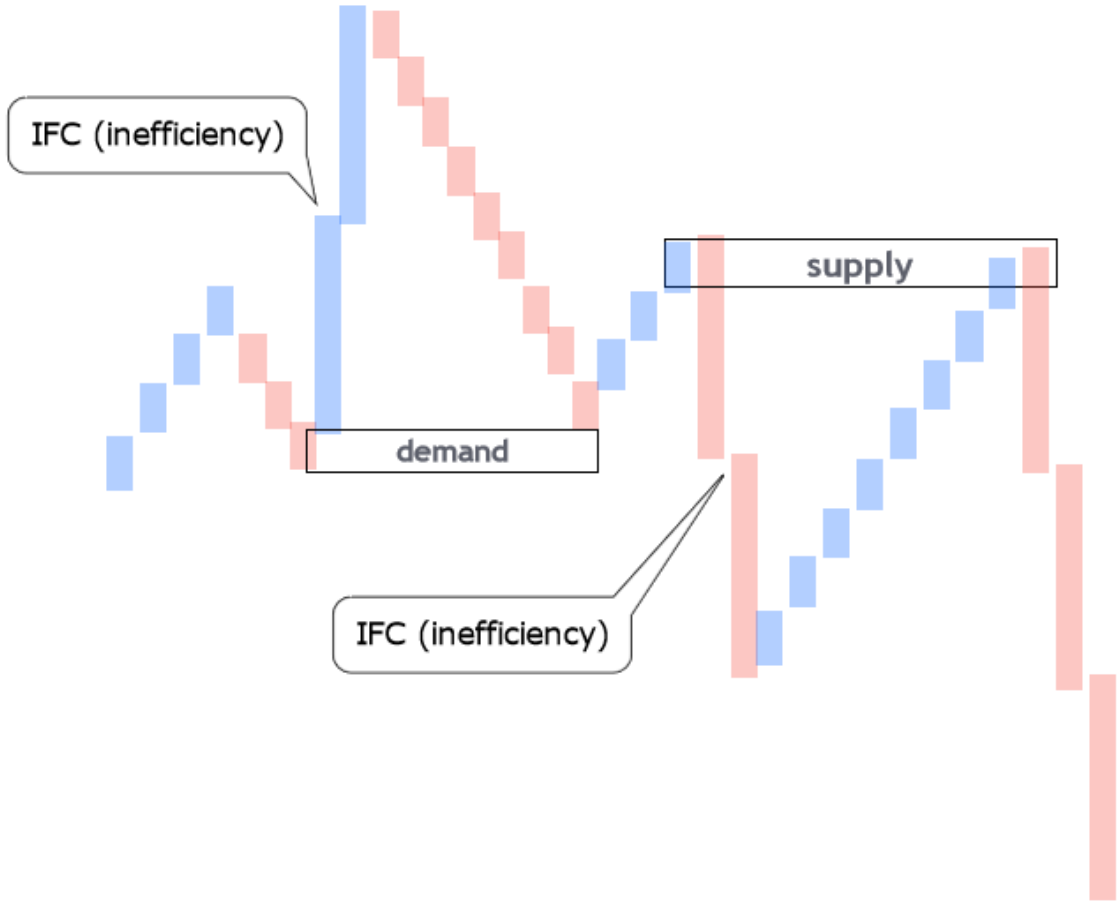
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Supply and demand flips



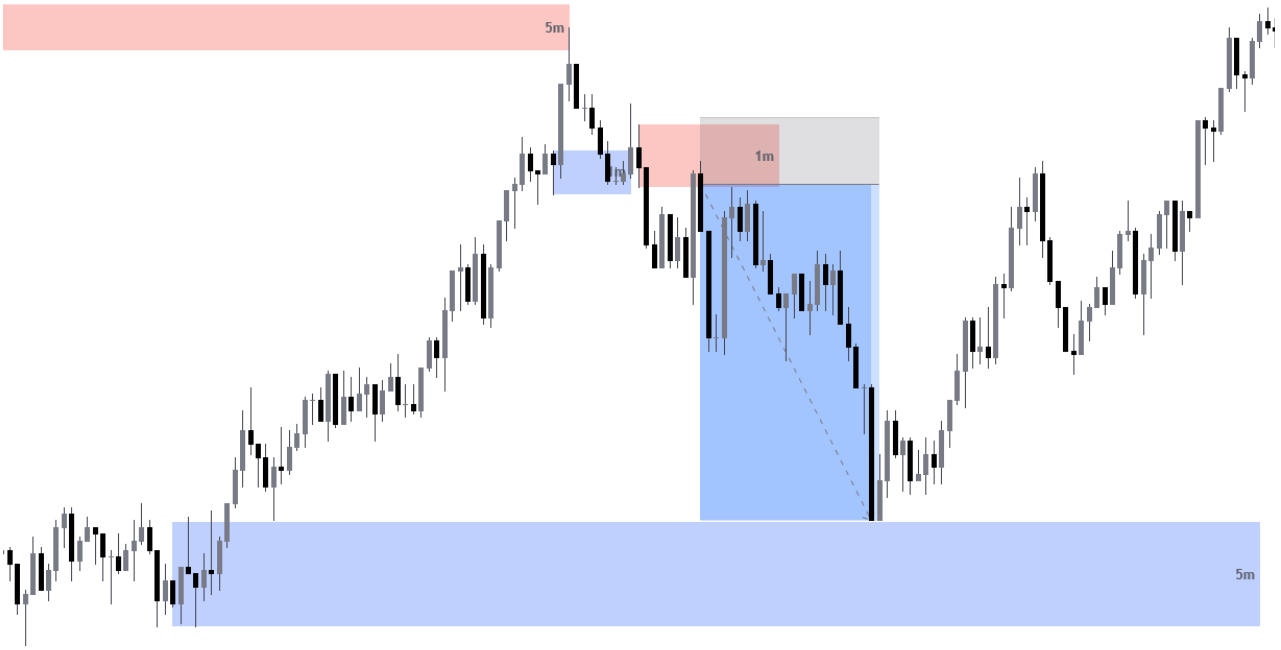
- we call this pattern an "s/d flip"
- price created a new high
- it tested the "last demand zone" (marked on picture), and pushed away from it, but couldn't create a new Higher High (HH).
- Instead of creating a HH, it broke through the "last demand zone" with an impulsive move, leaving a supply zone behind (marked on picture as "last supply zone").
- price retested the supply level, where we put our limit order and open our position.

let's see the candle breakdown of this move



- this pattern is most effective, when the price agressively pushes away from demand and supply zones, and rapidly breaks through the "last demand zone", leaving inefficiency behind.
- if demand was strong, it should have reacted strongly, breaking the freshly created supply level. Instead the demand couldn't give enough rejection to push the price to new highs, so it turned out weak, which caused it to break. This means, that the new supply zone is back in control, so we're trading the supply side of the market

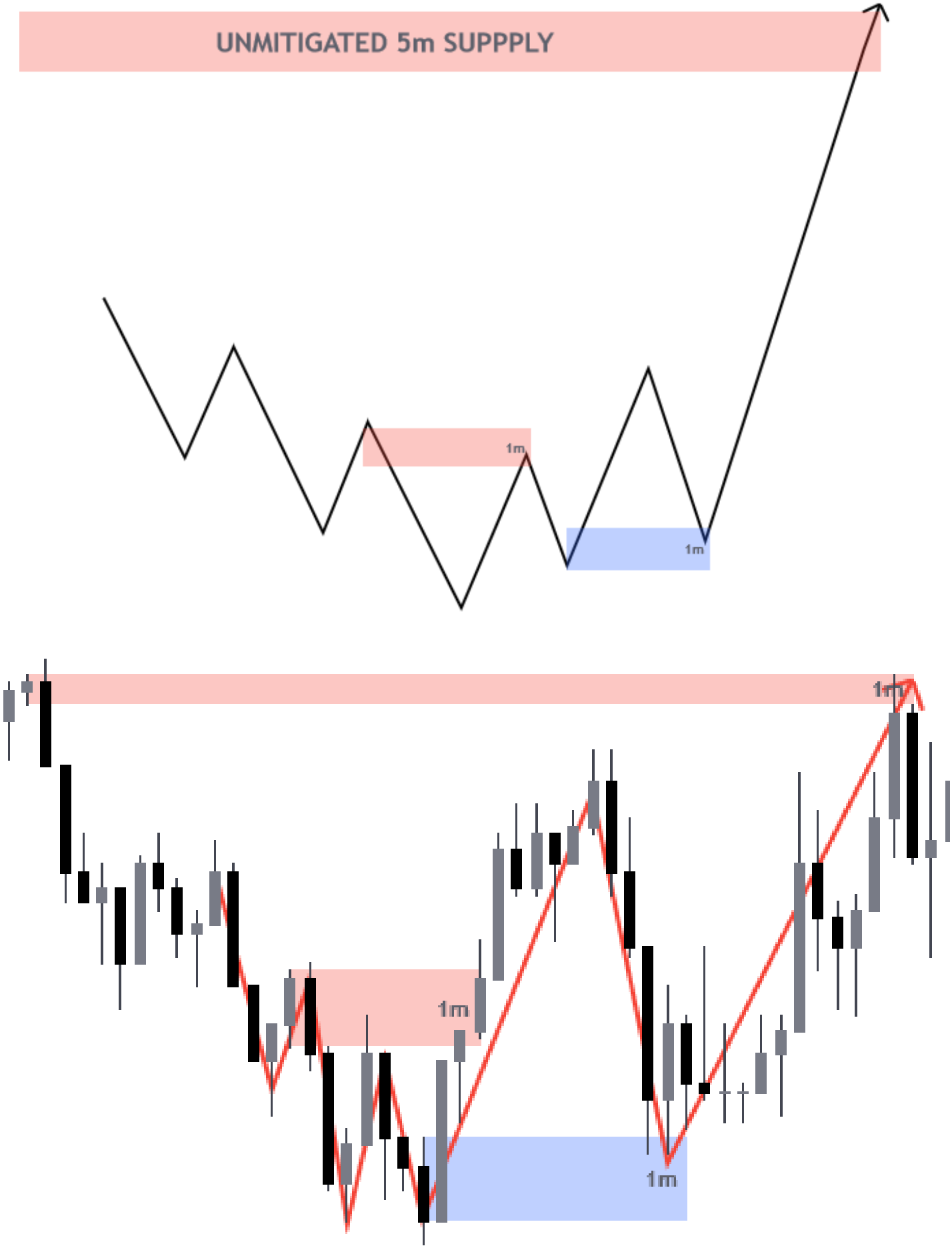
Live chart examples:





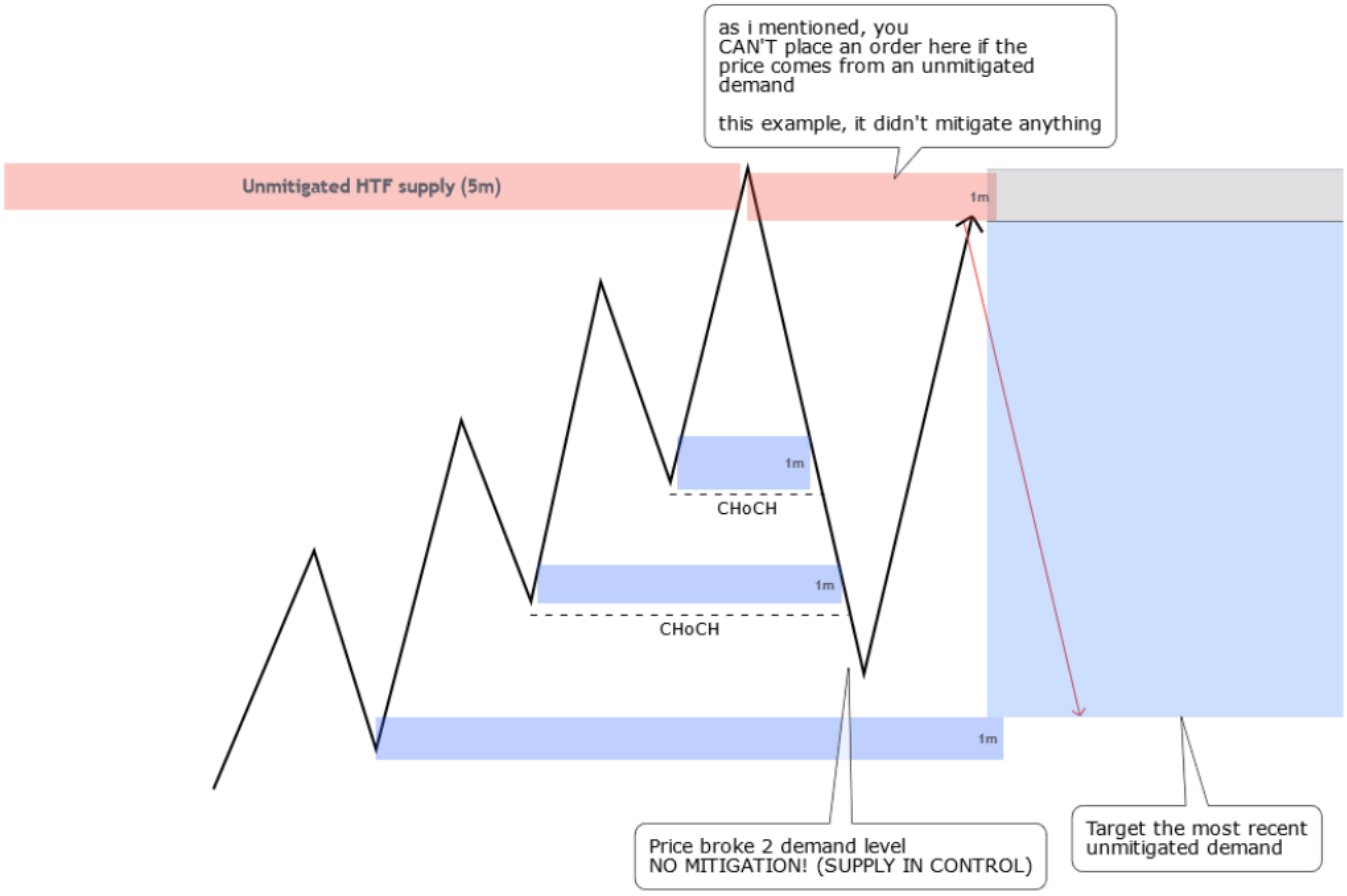
I marked the move of the price with red, so you could see it's the exact same one that I drew on the previous page

Long example:



CHoCH entry

CHoCH - Change of character
Meaning the change in the trend.



CHoCH trades are the most effective:

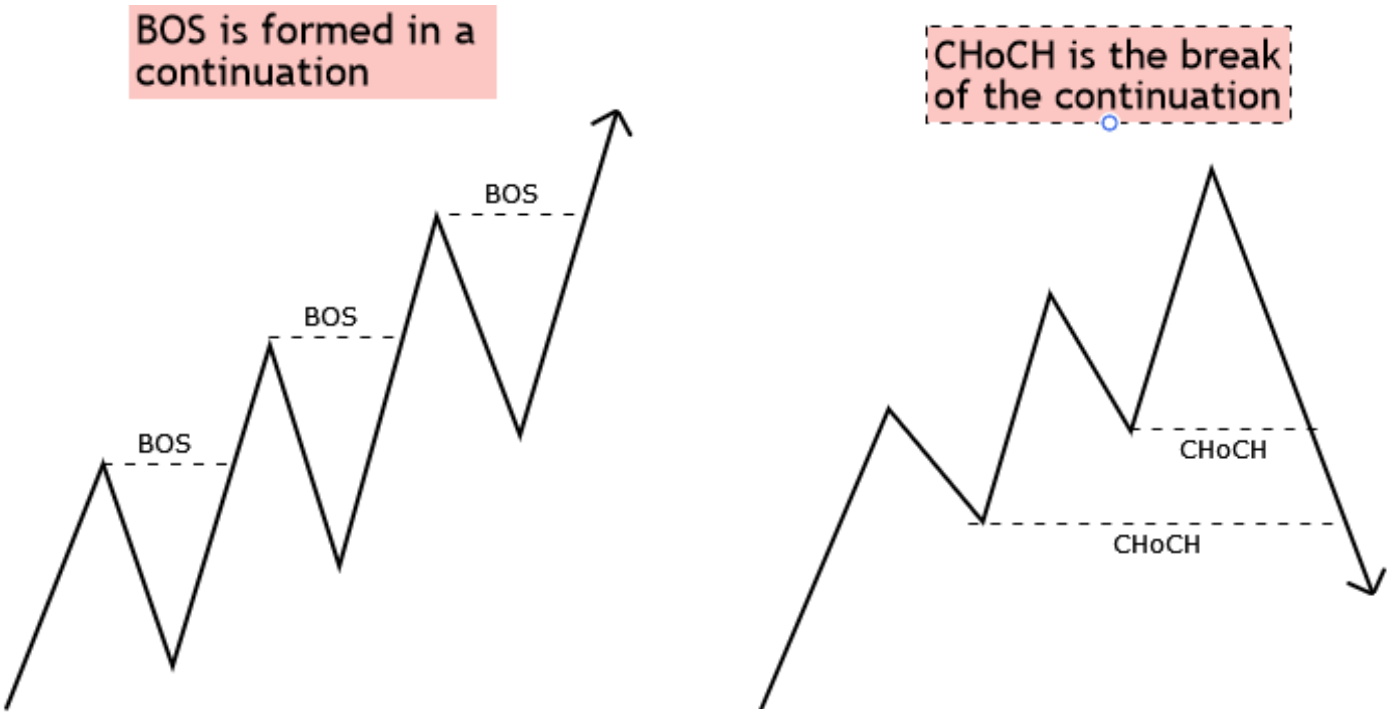
- when they break through 2 or more s/d zones.
- CHoCH formes after a HTF mitigation (example above)
- price impulsively breaks through the zones, with few large candles.

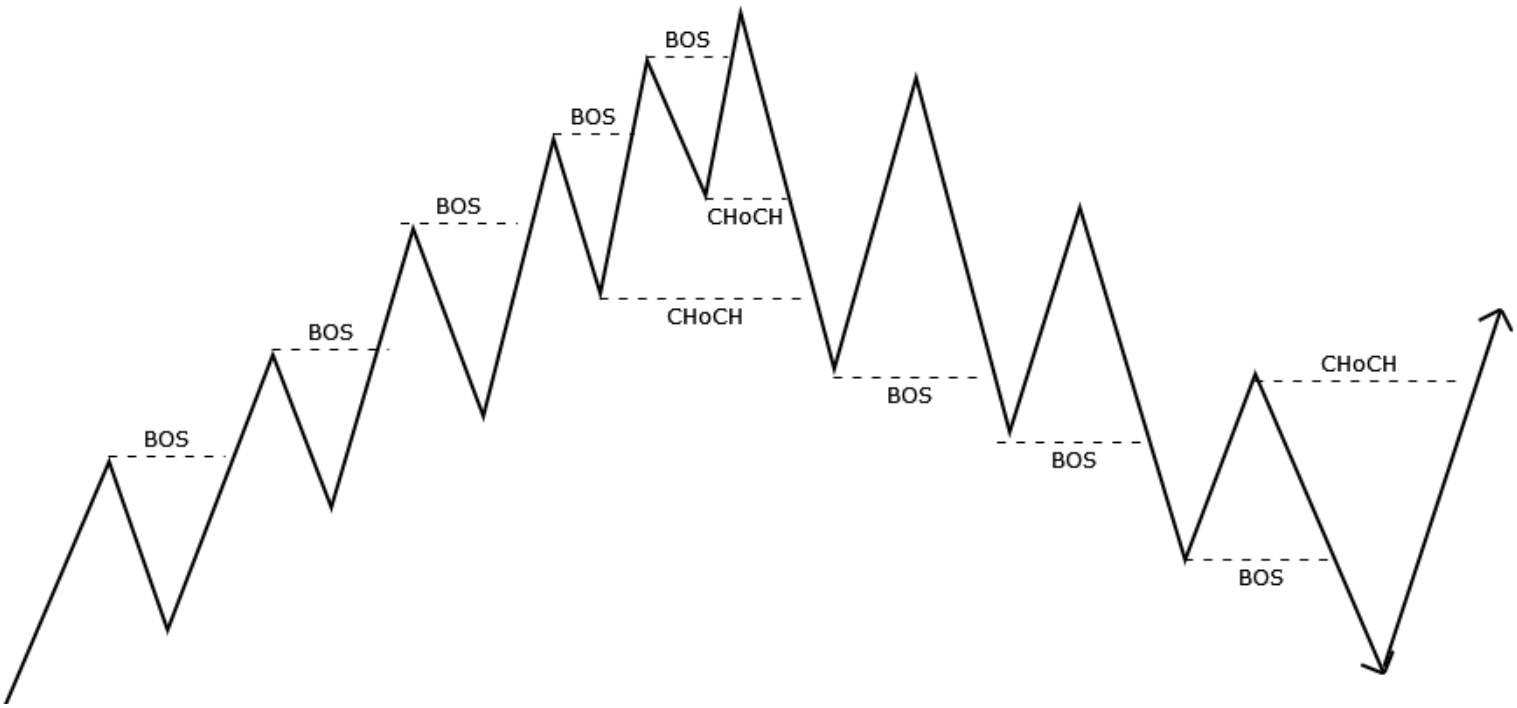
Live chart examples:





What's the difference between BOS and CHoCH ?

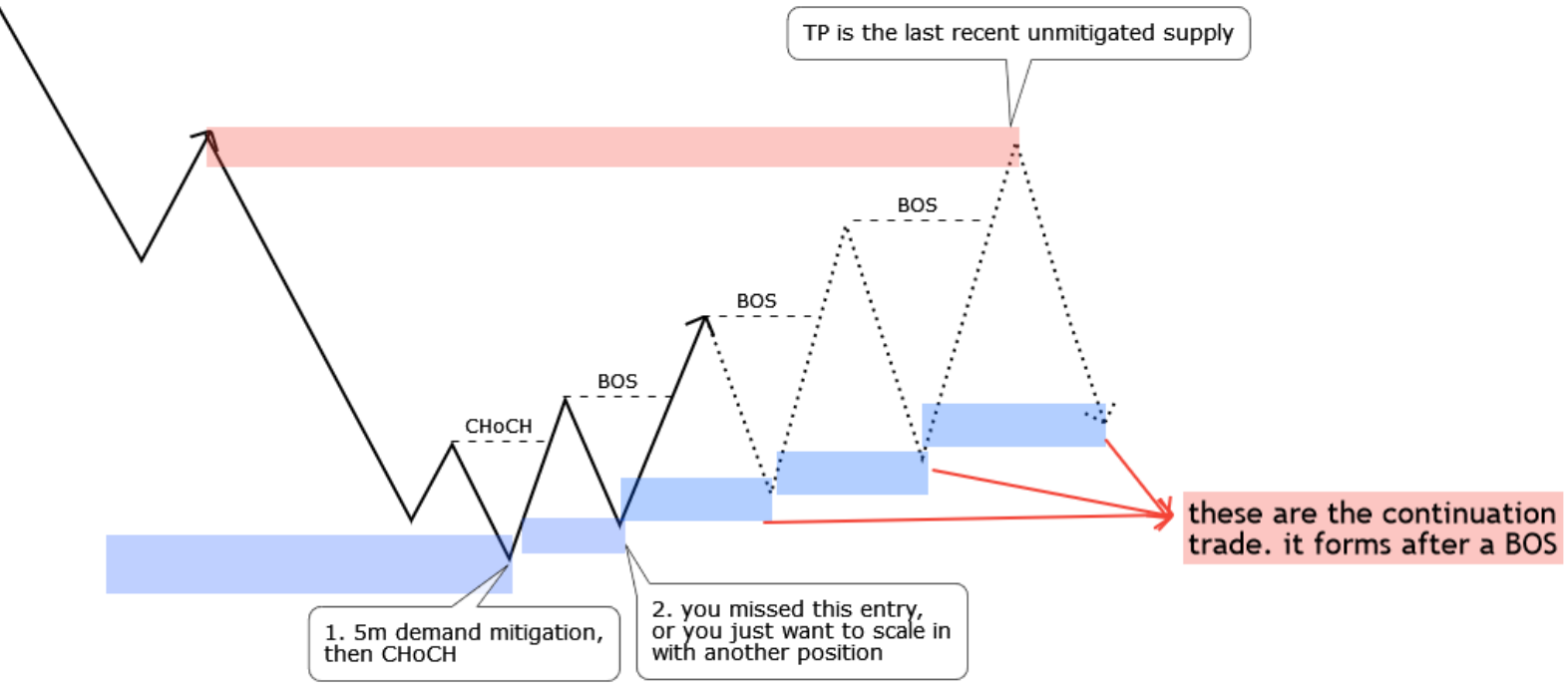




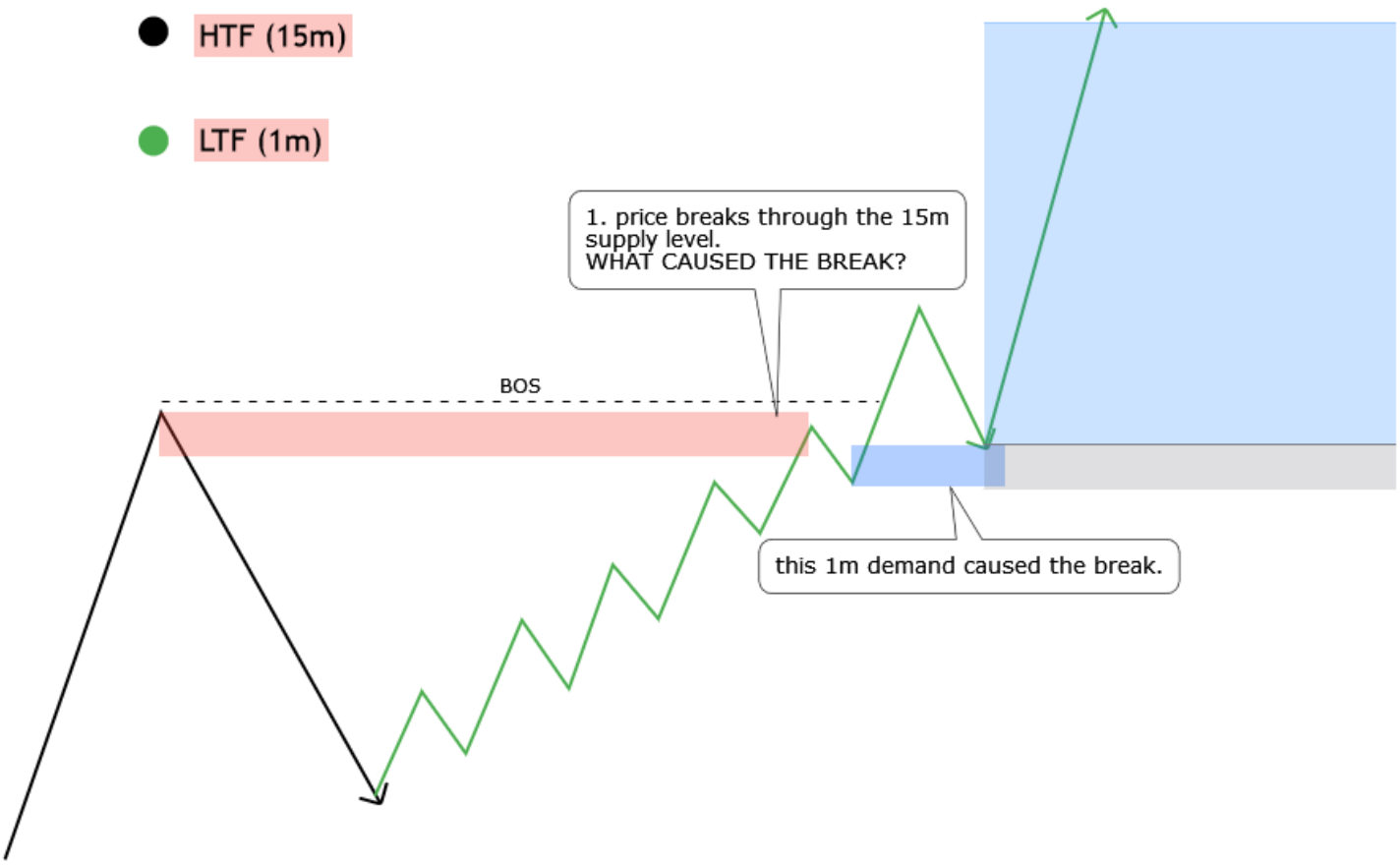
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Continuation entry

- Taking a continuation trade is an easy way to scale in, if you missed the flip/choch, or PA (price action) didn't give you opportunity to enter.
- Let's say, the price mitigated a 5m demand zone, then made a choch and forced demand to be in control.
- The TP would be the next unmitigated supply, but you missed the entry. What can you do in this case?

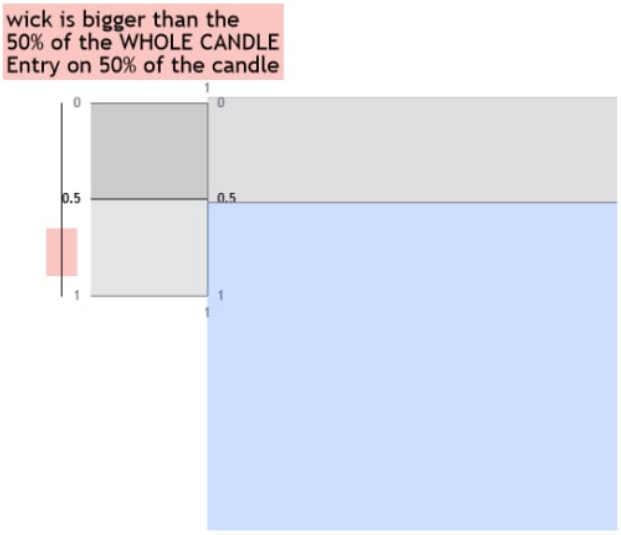


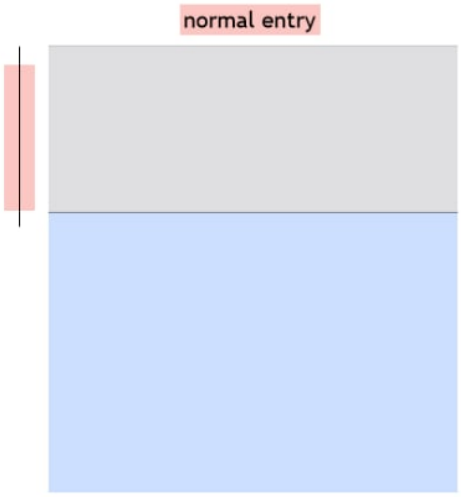
- Another scenario for the continuation entry, if price goes to a HTF zone, and breaks it.
- In this case price continues its direction, and you can enter based on this.

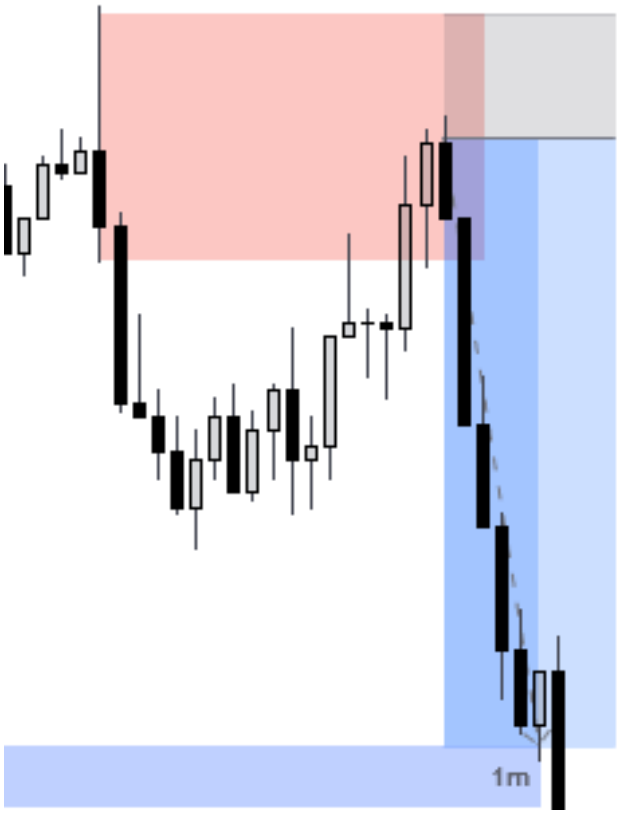


equilibrium entry

I use 50% entry if the WICK of the candle is bigger than the 50% of the WHOLE candle



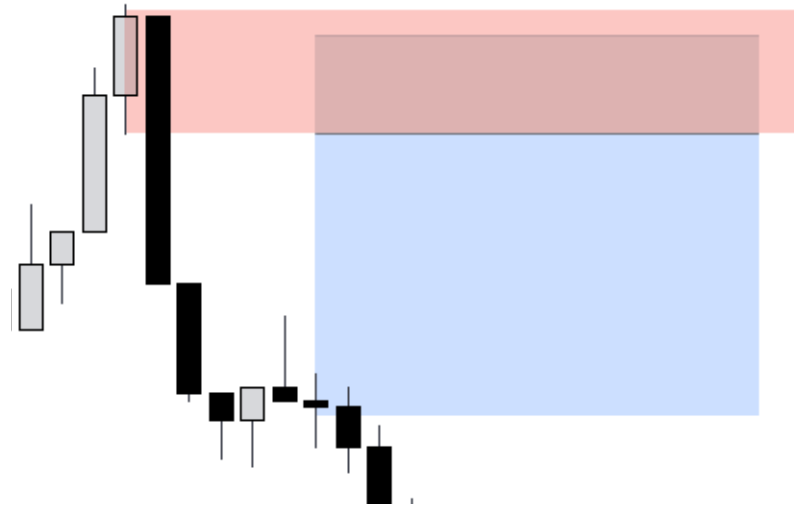




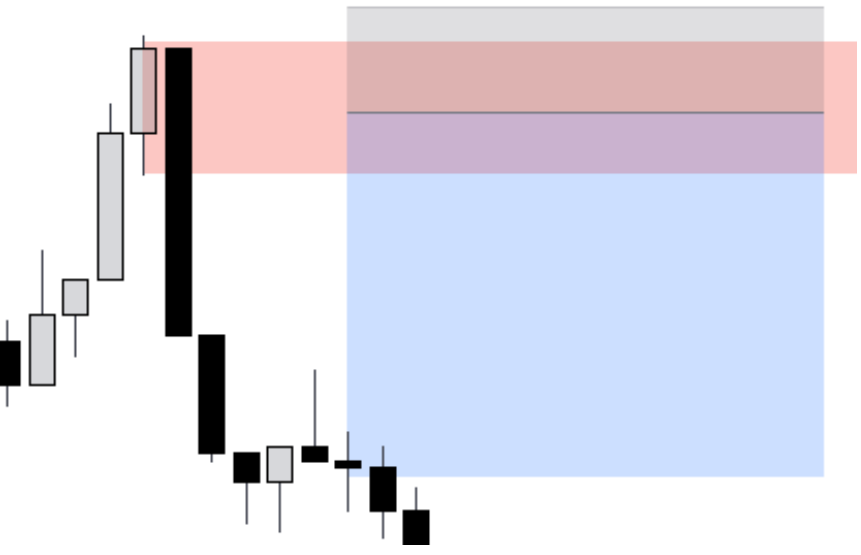
Look at the candle. The wick is 66% of the whole candle. In this case i use 50% of the candle for the limit.

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I use 50% entry in one more scenario, if the maxmim 2pip SL can't fit (this topic is explained later on)



As you can see, the candle is more than 2 pips, so the SL can't cover the whole zone.



In this case, I also use equilibrium entry, to make sure the whole zone is covered, and my SL isn't bigger than 2 pips

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TRADING PLAN

TRADING PLAN 2.0



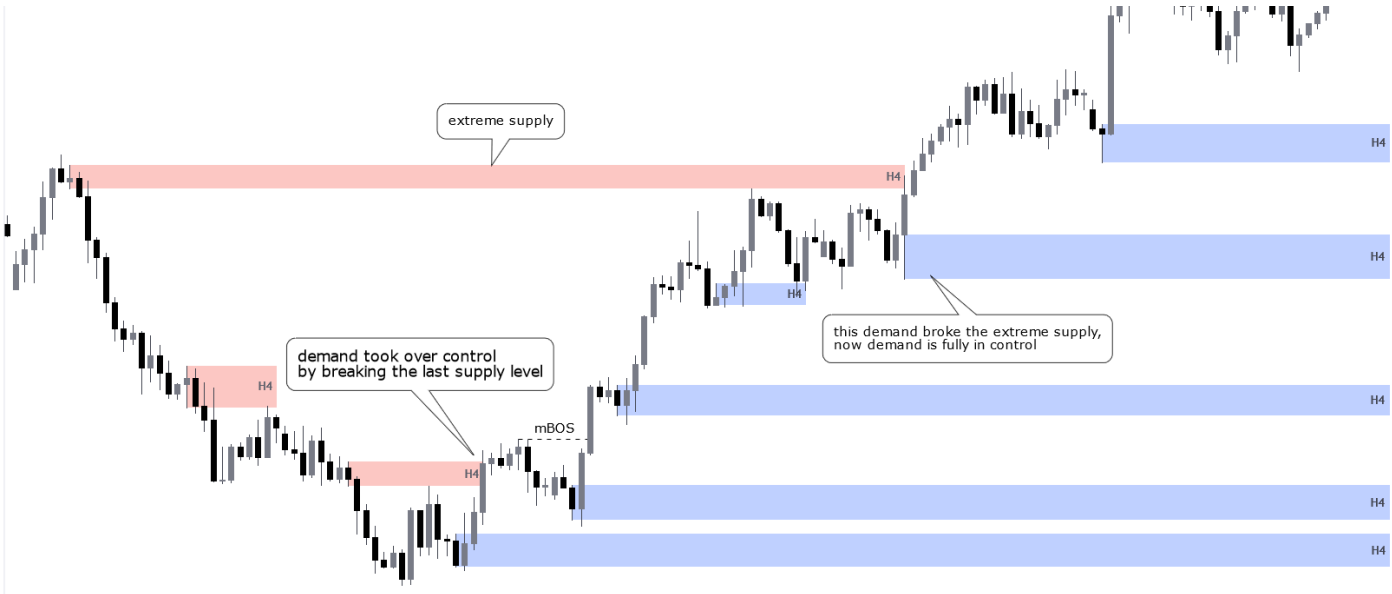
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Once I finished with checking the news,
I start to analyse. This is my daily "go through" model.

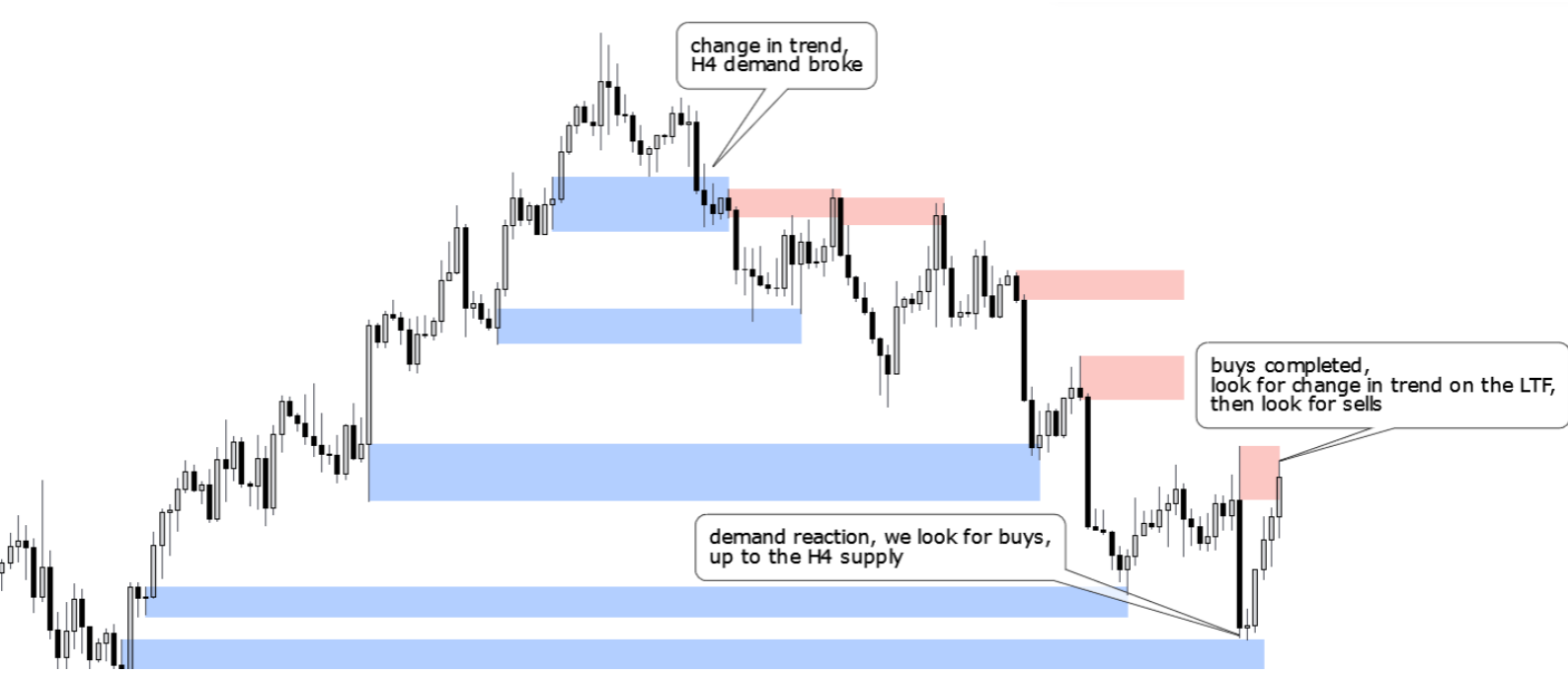
FIRST STEP:

finding H4 supply/demand zones

- we don't take trades on the H4 timeframe, we just simply decide if supply or demand is in control.
- these H4 zones are only used to determine the direction of the market, and your HTF targets.
- **We don't have to wait for these POIs !!**

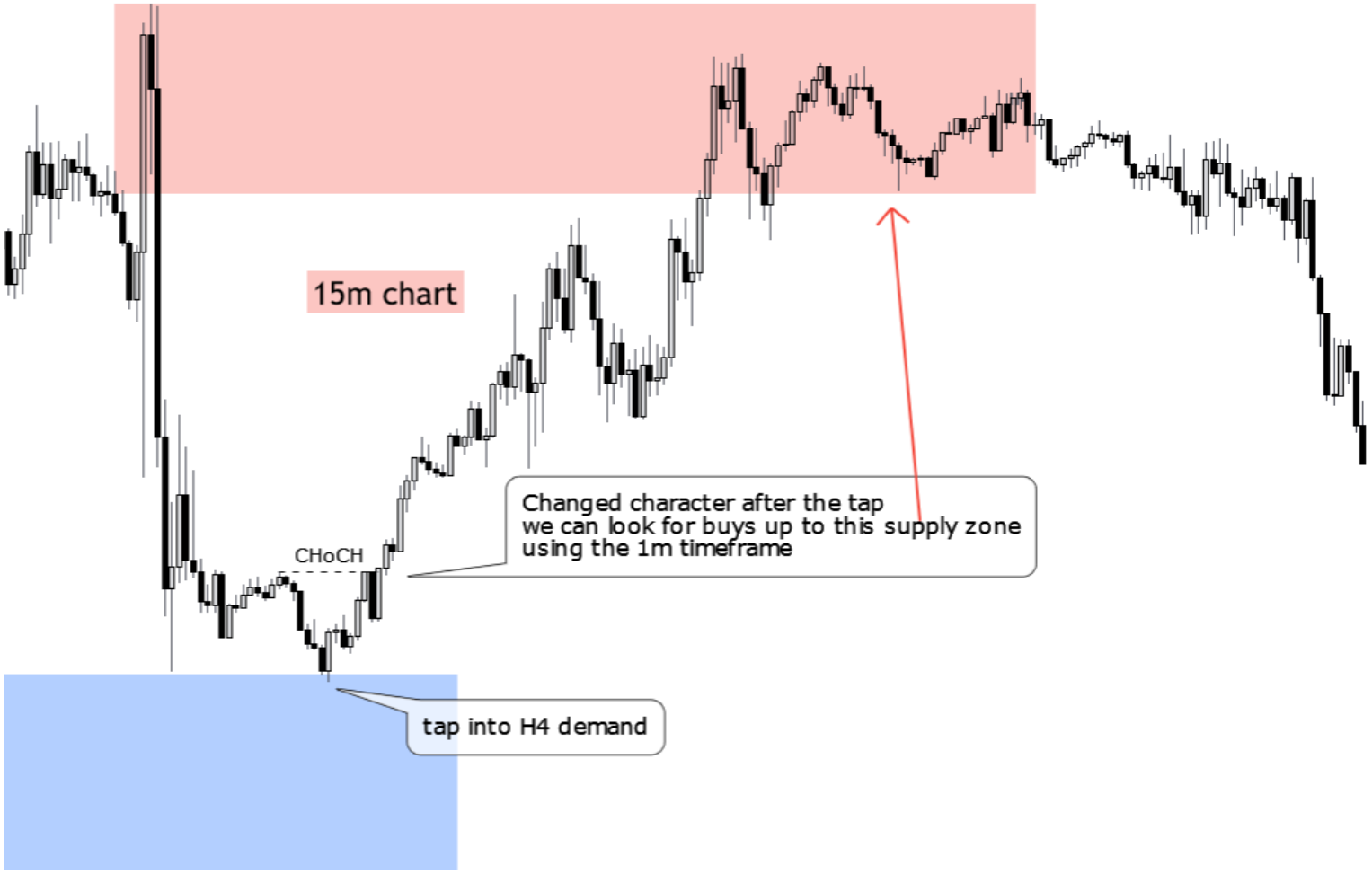


Defining the overall trend using the H4



As you can see, the H4 chart is perfect, to identify the overall direction
If we react to a H4 demand zone for example, and change character on the 15m or 5m, we can look for buys up to the H4 supply zone

Let's see an example

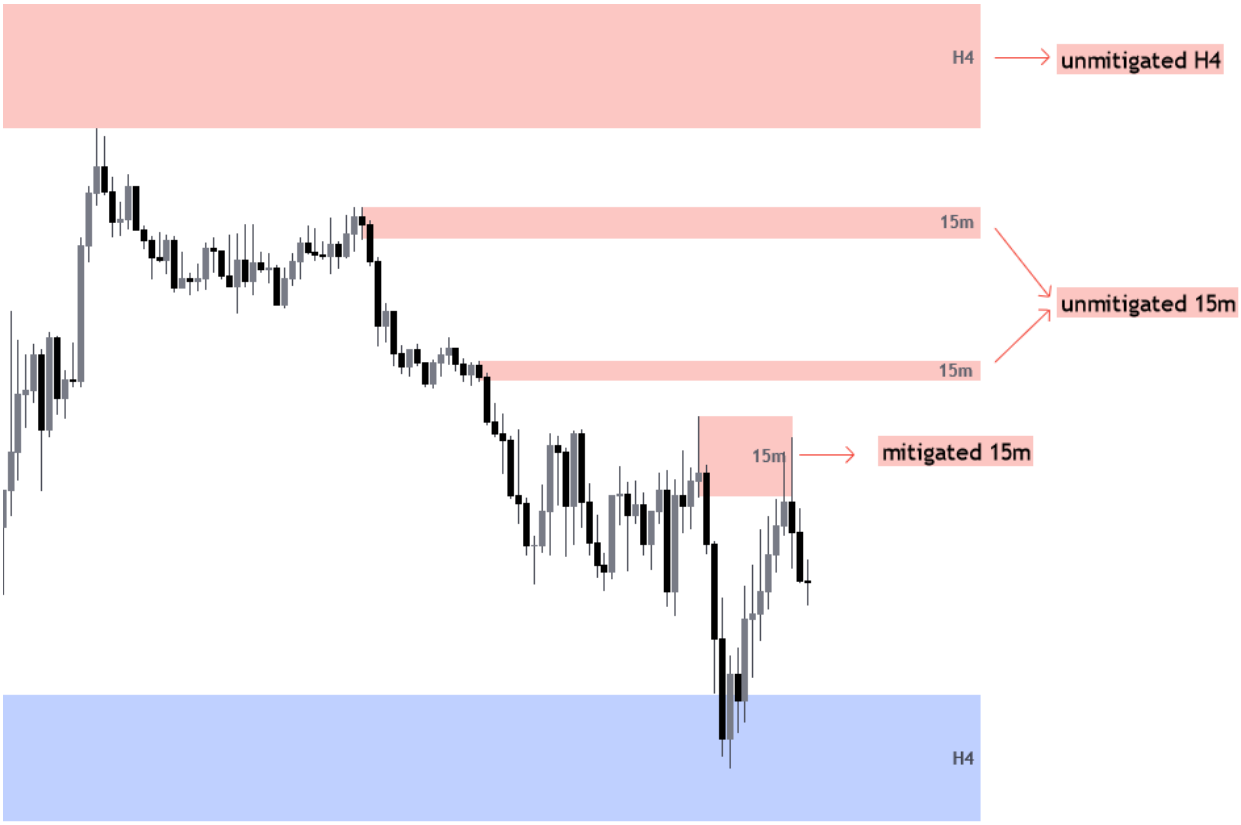


After we reach the H4 supply, we wait for the same confirmations, and look for short opportunities.

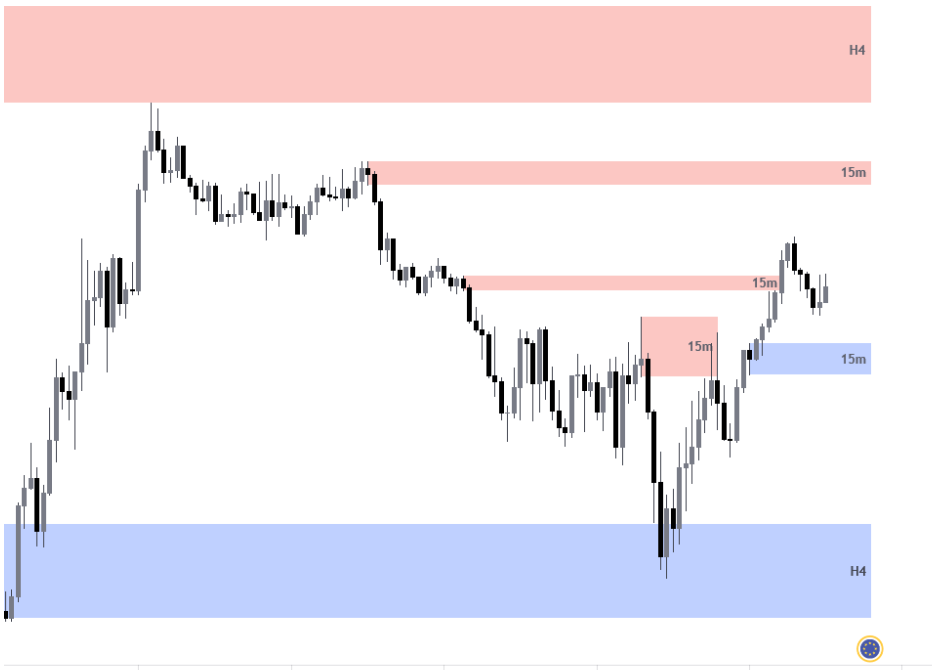
This will help you identify the MAIN and the COUNTER trend

SECOND STEP:

finding unmitigated supply and demand on the *15m*



As you can see, in this example supply is in control, but we expect a flip or CHoCH after we tapped in a H4 demand



price broke through our last supply level, demand is in control now, so we can look for long entries on the 1m, targeting the recent unmitigated supply, or the H4 supply.

THIRD STEP:

refine the 15m unmitigated supply/demand zone on the *5m*



this is how the 15m supply looks
the whole zone is 3 pips



this is how the 5m refined supply looks
we refined it down to 1.3 pips

If it's possible refine it even to the 1m. Refinement depends on how clean the zone is. If the 1m gives you two unmitigated zones inside the 5m zone, just keep the 5m.
If it gives you two zones, but only one has been mitigated, you can use the one that has not been mitigated yet



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Personally, I do the 3 steps listed above 30 minutes before the session starts.

Once I'm done with the first three steps, I can switch to *1m* , and wait for the session start . Here comes my favorite part, the entries, and execution.

On the 1m chart, I mark the most valueable zones between the 5m zones also.
This way I'll know the potential rejection or entry points.



FOURTH STEP

Entry types

When it comes to executing a trade, I enter based on 3 entry types (+ 1 additional confirmation)

- S/D , D/S flips
- CHoCH
- continuation
- (additional confirmation : liquidity)

LIQUIDITY MANAGING THE TRADE

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What is liquidity?

If Smart Money (Banks) want to buy a currency pair they will need sellers in the market, the existing facility to place these positions In the market is called LIQUIDITY

- The Liquidity is defined by Stop losses, where the Stop losses exist is where the liquidity also exists,
- Smart Money needs to activate the stop losses of existing orders in the market so that they can place their positions in the market

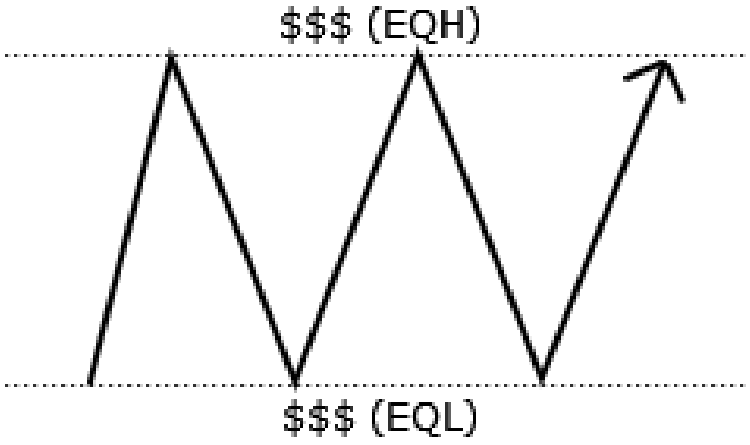
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$$$

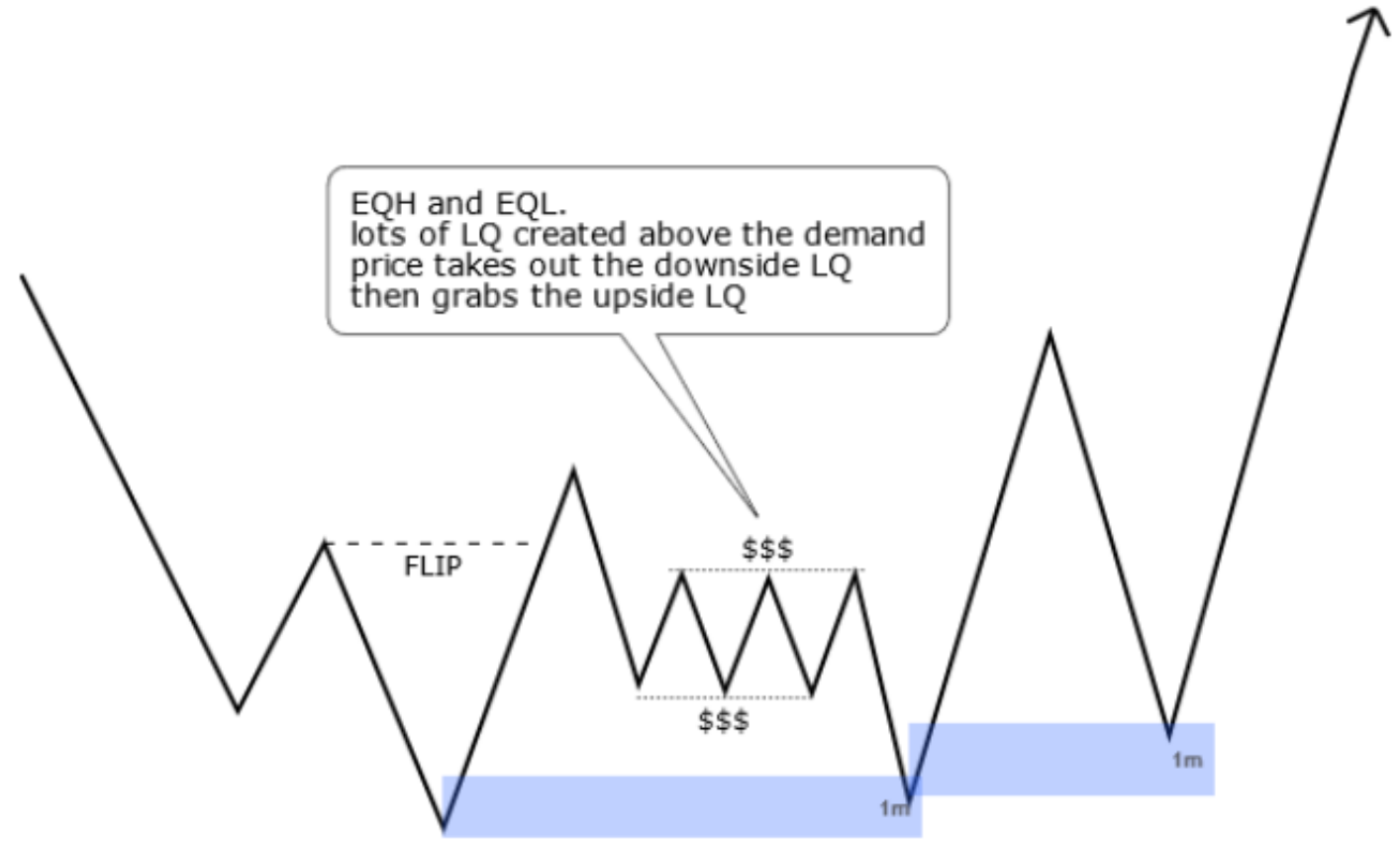
I mark liquidity with three dollar signs ("$$$") on the charts.

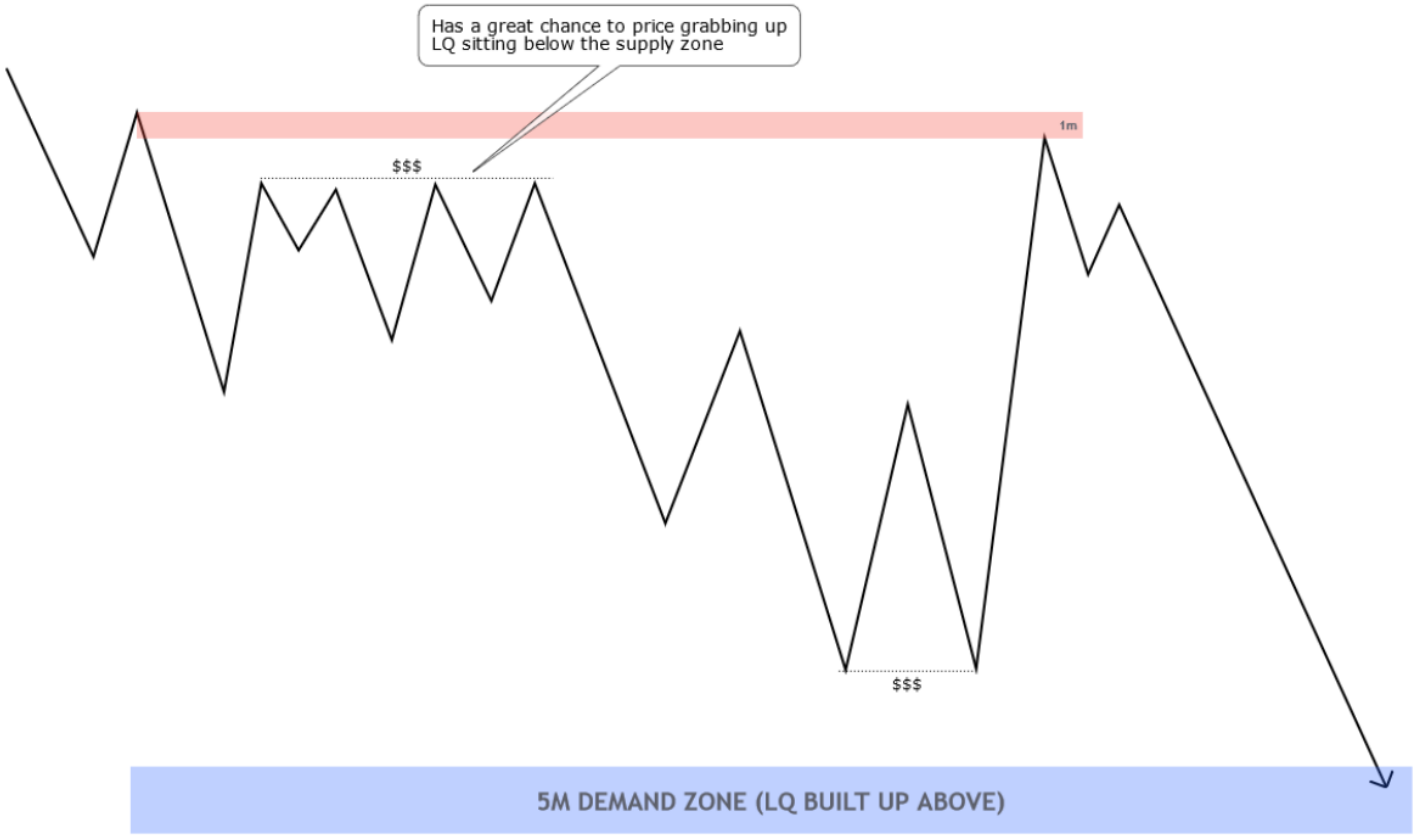
I mostly pay attention to liquidity in the form of double/triple bottoms/tops (=equal highs, equal lows)

These are further confirmations when they're formed above or below a zone.





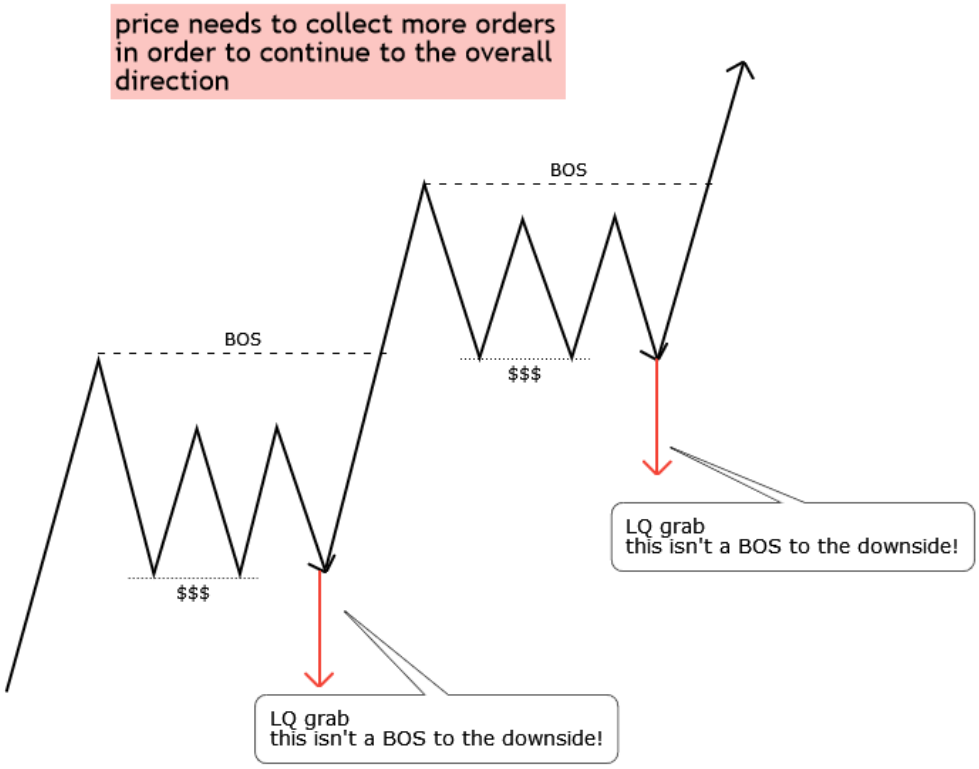


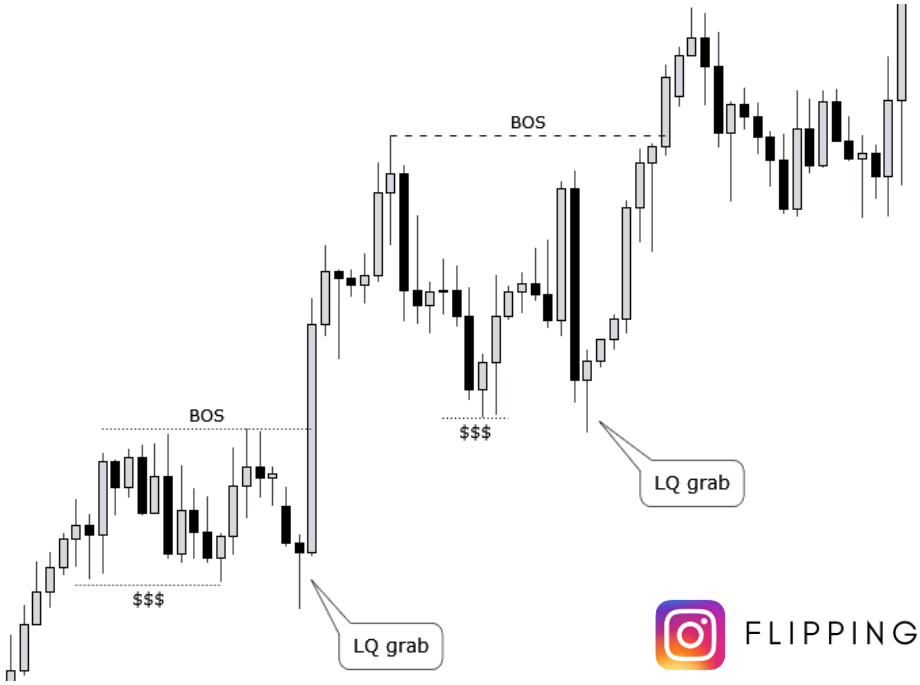


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Liquidity grab / BOS ?

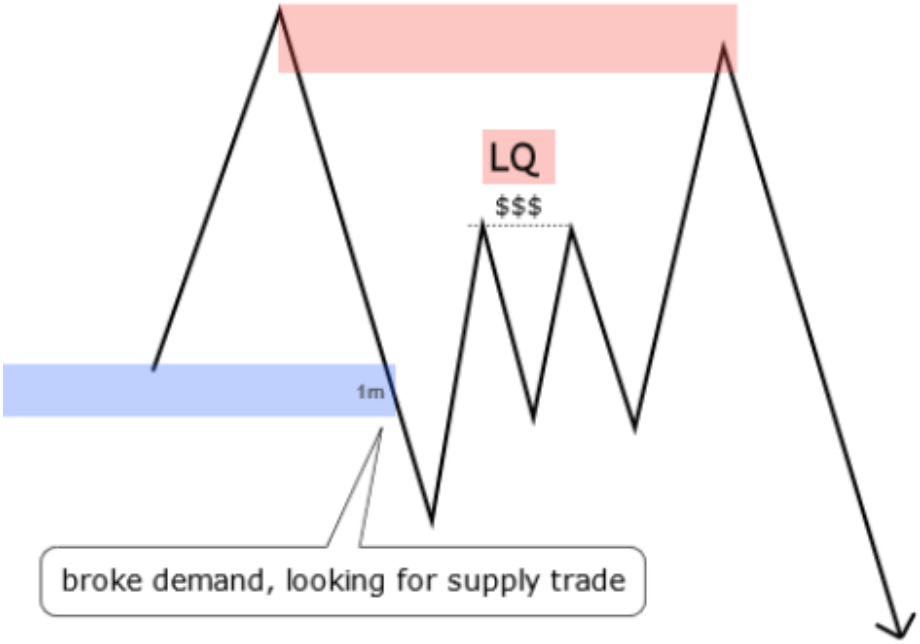
- LQ grabs usually happen with ONE impulsive movement, and leave a large wick behind
- in order to continue the pro trend movement, price needs to collect more orders in the form of liquidity





FLIPPING_MARKETS

My favorite setup



FIFTH STEP

Managing the trade

I always risk 1% of my balance each trade.

After a 2% loosing streak I leave trading for the rest of the day, and backtest my mistakes.

I'm an intra-day trader, so I manage to close my positions before the session ends. (I DON'T HOLD POSITIONS LONGER THAN 1 SESSION)

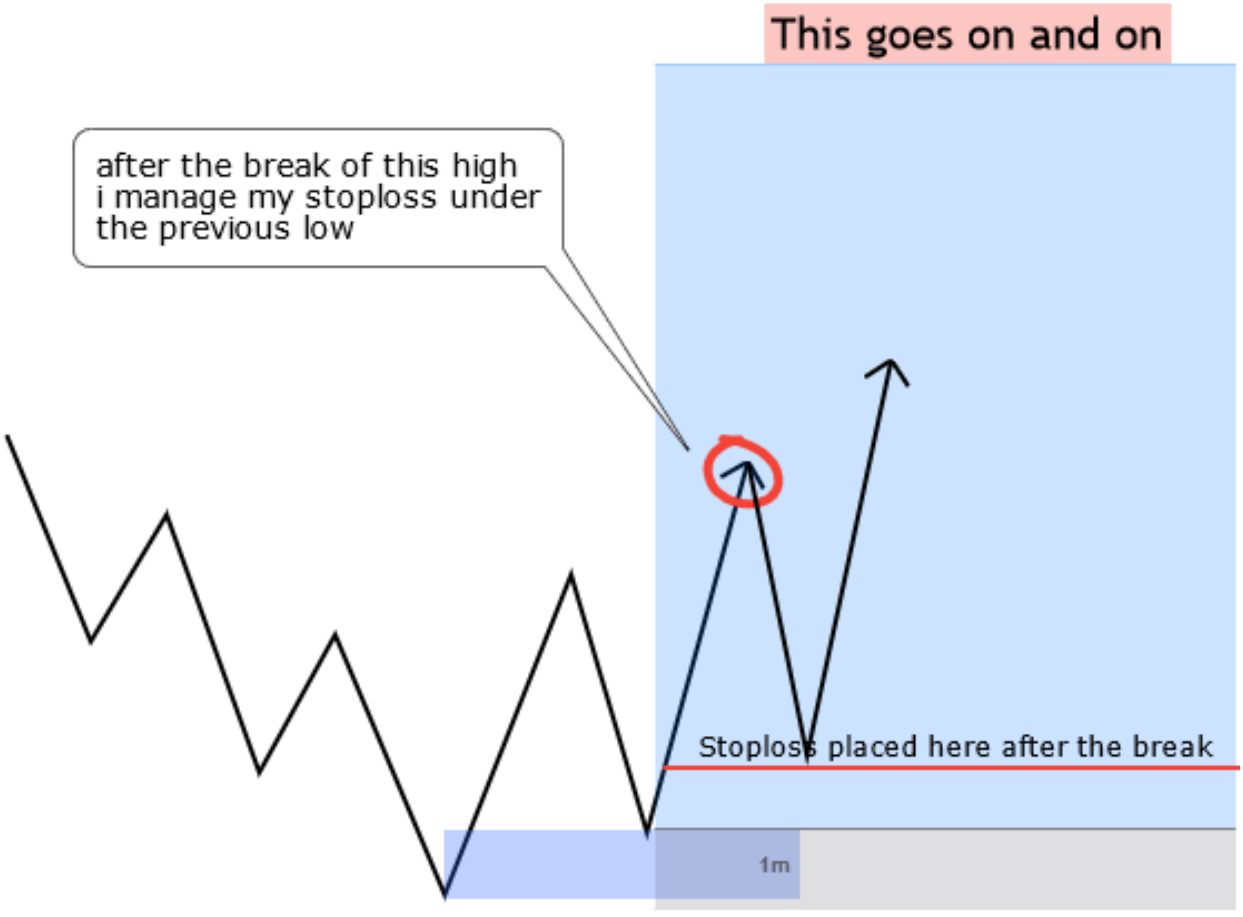
I always use a 2 pip / 1.5 pip StopLoss, depends on the entry

As I mentioned in the "News trading" topic, if I've got an open position before any High Impact news is released, I immediately manage my stoploss to BE.

How I manage my open trades

Let's see an example:





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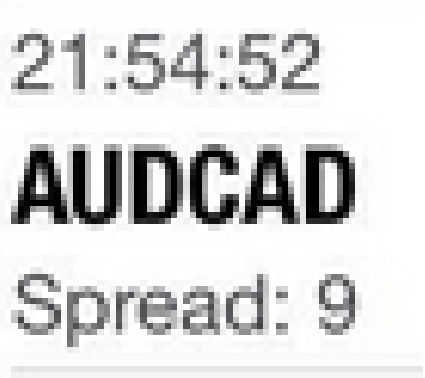
Dealing with spreads

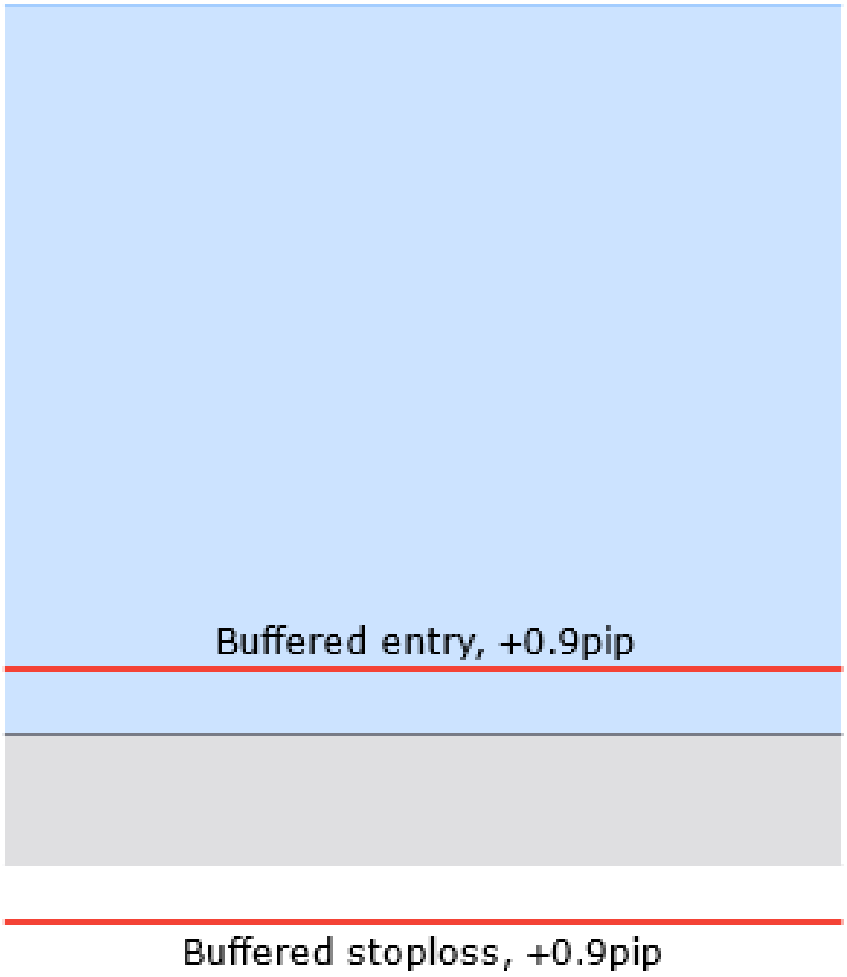
Have you ever experienced your limit not triggering, but price touched your limit? (example below)



This is caused by the spreads. You can deal with this pretty easily.
You have to buffer you entry limit, and your stop loss by the spreads.

For example, your spread is 9. This means you should buffer your entry and your stop loss by 0.9 pip.





I only use this when spreads are bigger than usual, and I want to make sure I get tagged into the trade.

Printable checklist

1. CHECKING IF THERE'S ANY UPCOMING HIGH IMPACT NEWS TODAY

2. H4 SUPPLY/DEMAND MARKUP, DETERMINE THE OVERALL DIRECTION

3. FINDING 15m SUPPLY AND DEMAND ZONES AND MARKING THEM UP

4. REFINE ALL 15m S/D ZONES ON THE 5m (pay attention if there are more than 1 zones! You already know how to refine them)

5. SWITCH TO 1m MARK UP ANY POTENTIAL 1m ZONES THAT WOULD LEAD TO THE 5m ZONE

6. DECIDE WHICH ENTRY TYPE TO USE (risk/confirmation) EXECUTING TRADES ON 1m USING THE RIGHT METHOD

7. TARGET THE LAST RECENT UNMITIGATED S/D ZONE, MANAGE THE TRADE

+1. REPEAT

Please go through everything in this PDF and BACKTEST IT!!!

For example, you just read the "S/D flips topic". Do me a favor, and practice the flips until your eyes and brain learn how flips look , and you see every flip on the chart.

When you're done with the flips, and your eyes can see literally every flip, scroll to "CHoCH entries" and do the same with them.

This is the only way you can learn this.

Take care ladies and gentlemen, hit me up in DM if you've got any question! (but only if you've backtested enough!!!!)