Pip Factory Entry PDF.

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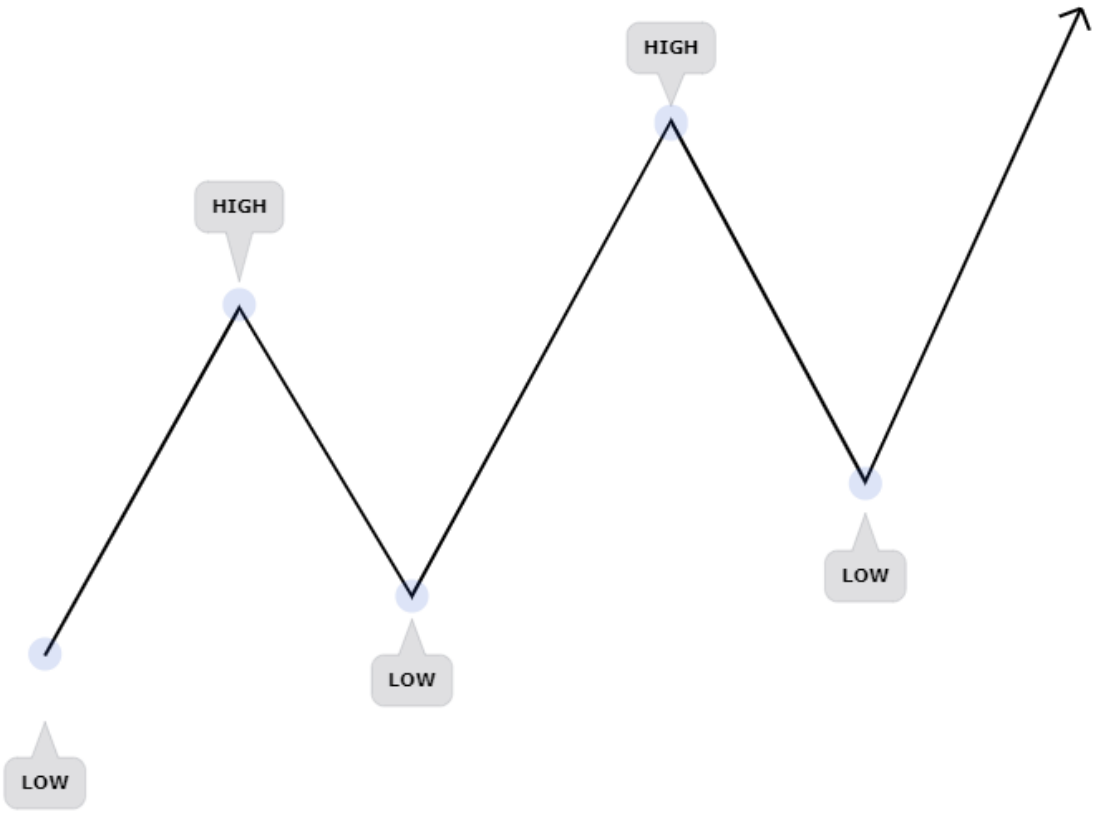
How to map structure.

When trading the markets structure is key. This helps you know what trend you are in and will help you identify which direction to trade in. I personally like to map out swing structure. So I don't get confused I stick to 2 time frames for structure mapping, the H4 and the 15M.



Here's a simple diagram of how I to map it. When we get a break of a high we track back to the furthest point before the break. Then when we get a decent sized pull back in comparison to the break we can then mark out the high. Then you just repeat these steps every time you get a break.

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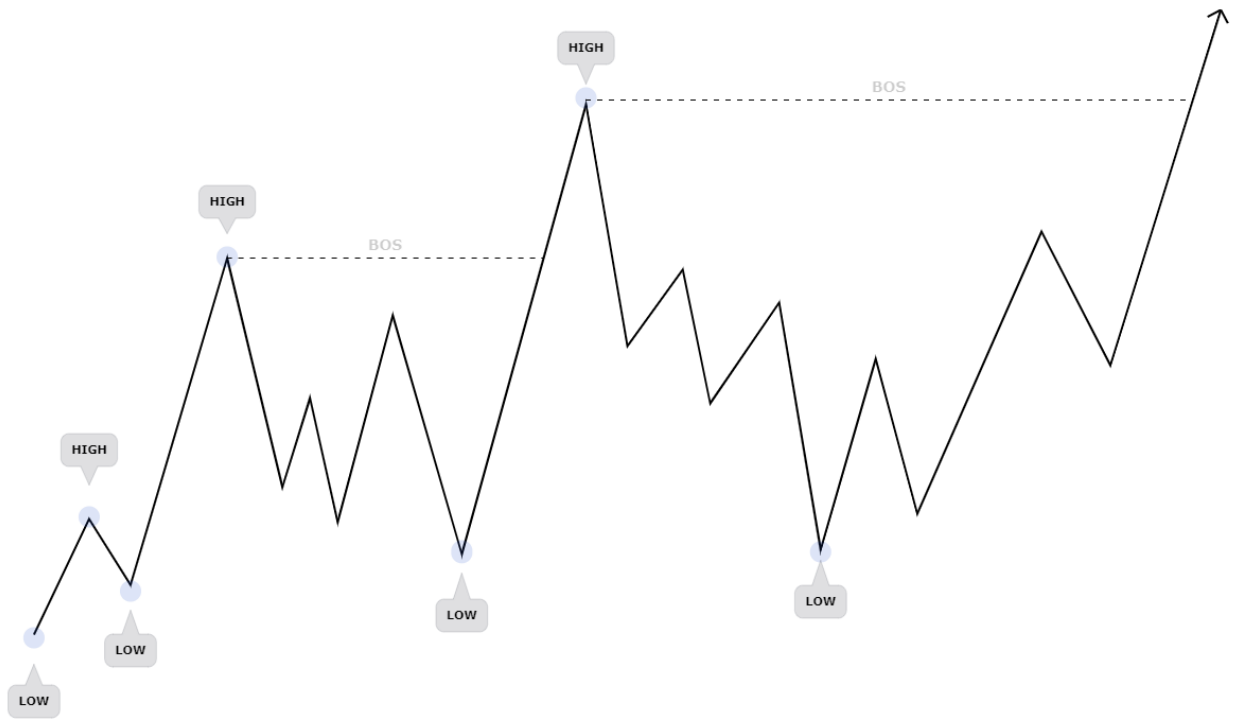

Now lets look at a more realistic diagram. As we all know the markets don't move in a simple 123 pattern. There will be times where the pull back will be more complex. How ever the same rules apply. Once you have the BOS track back to the furthest point before the break that will be your low. Then when you get a decent pull back compared to the break then you can mark out the high.

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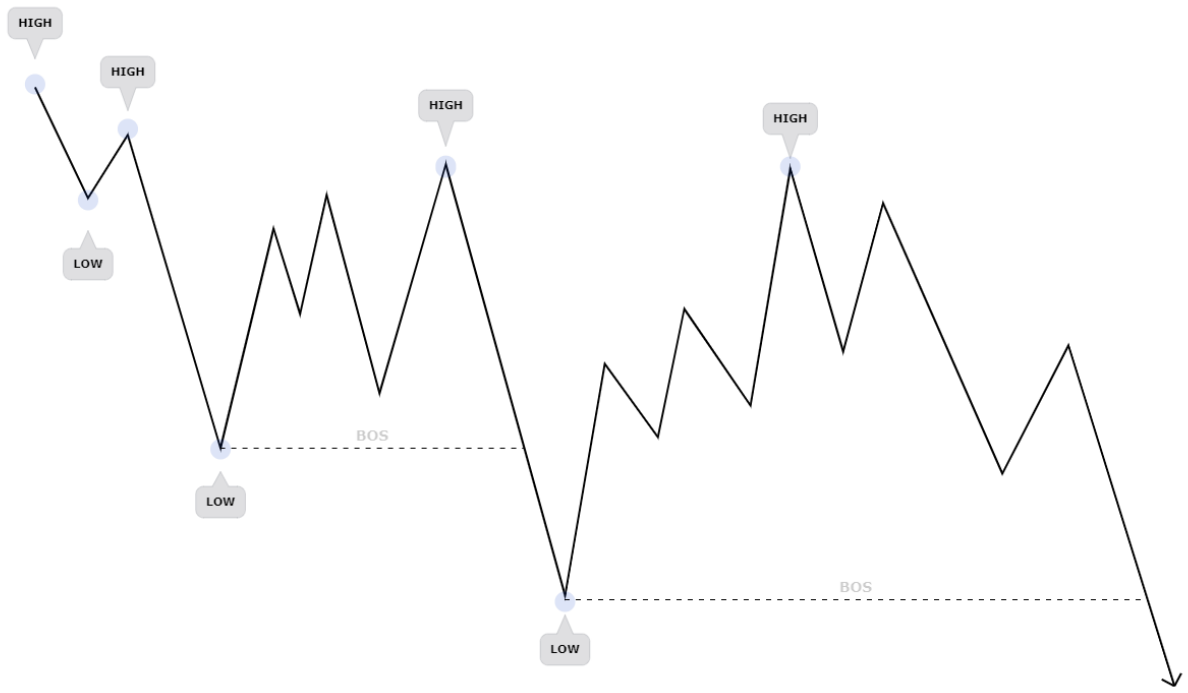

Its the same for a bearish situation. Instead when you see a low go you track back to the furthest high before the break. Then when you get a decent pull back compare to the break down you can mark the low.

The final thing I use market structure for is knowing what to do depending on what stage of the leg we are in. In theory when we break a high/low we should expect a pull back so I will look for a trade back into the BOS, this is counted as a counter trend move. When we are pulling back in theory we should start to look for possible areas where we could continue the pro trend move. I will hold pro trend moves for longer than counter trend moves as they are more likely to go further.

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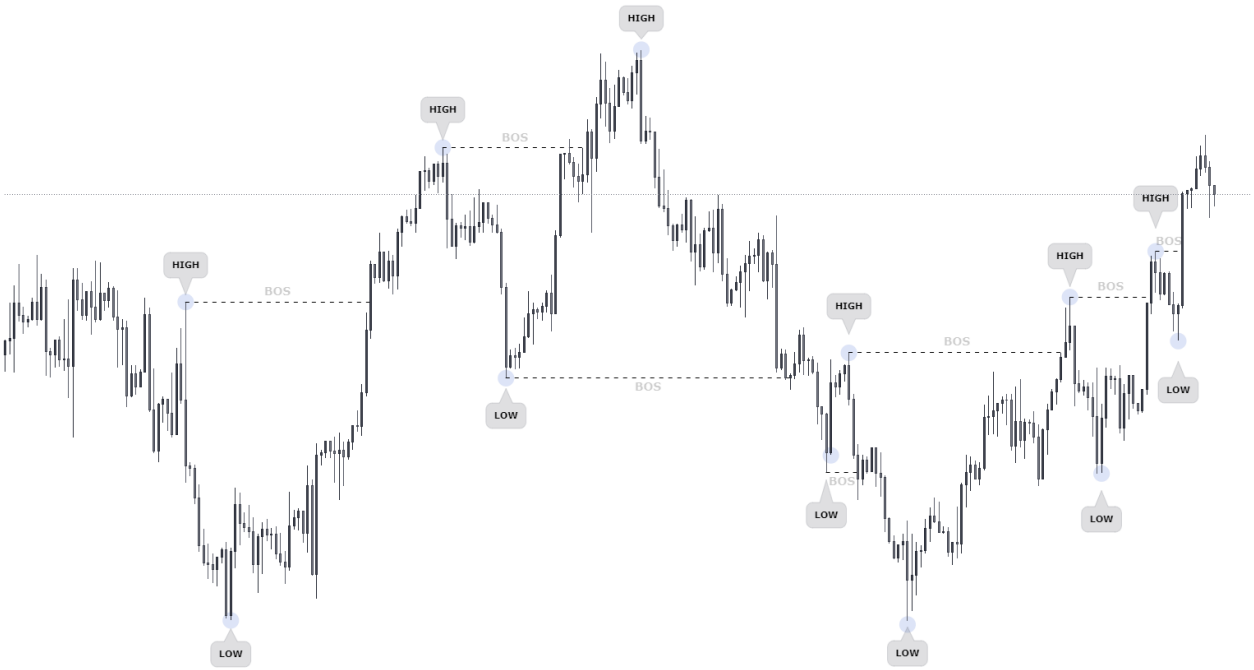

Here's an example of a real how to map structure in the live markets. We should now be expecting a pull back so trades back into the break would make sense.

How to mark out supply and demand.

Now that we know how to determine what direction we need to trade in we next need to know where to trade from. For me I will mark out areas of demand or supply and then wait for price to trade in to them. To quickly explain what supply and demand is I've done a diagram bellow.

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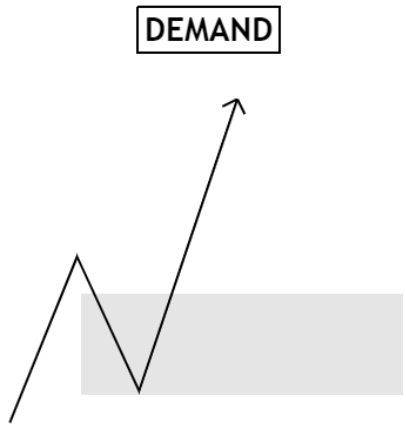

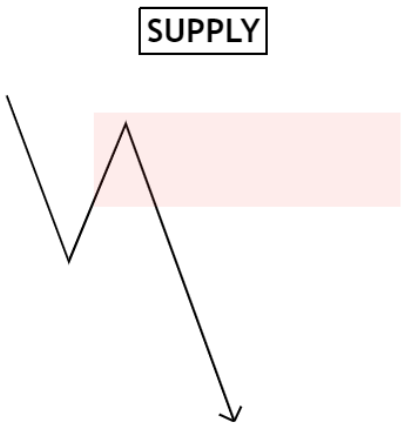

Demand is the last bearish candle before a break of sub structure. Supply is a the last bullish move before a break of sub structure.

Personally for me when picking the areas of supply and demand I like the candle to be engulfed. What I mean by this is the next candle to the right has to close above the wick of a bullish candle and below the wick of a bearish candle.

When looking for these areas I will start on the H4 for my HTF demand mark them out even if they aren't engulfed. Then what i will do is cylce through the timeframes till I find an egulfed one that im happy with. This could mean me looking on anything from the H8 to the H2 or 30M.

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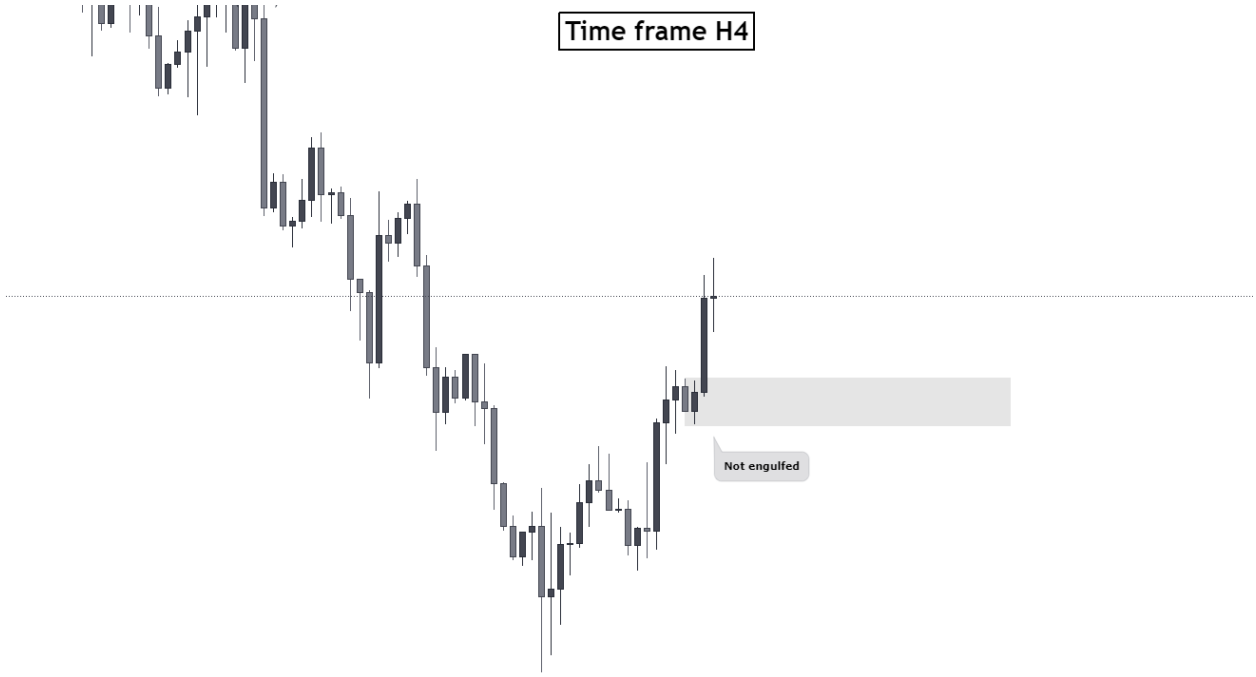

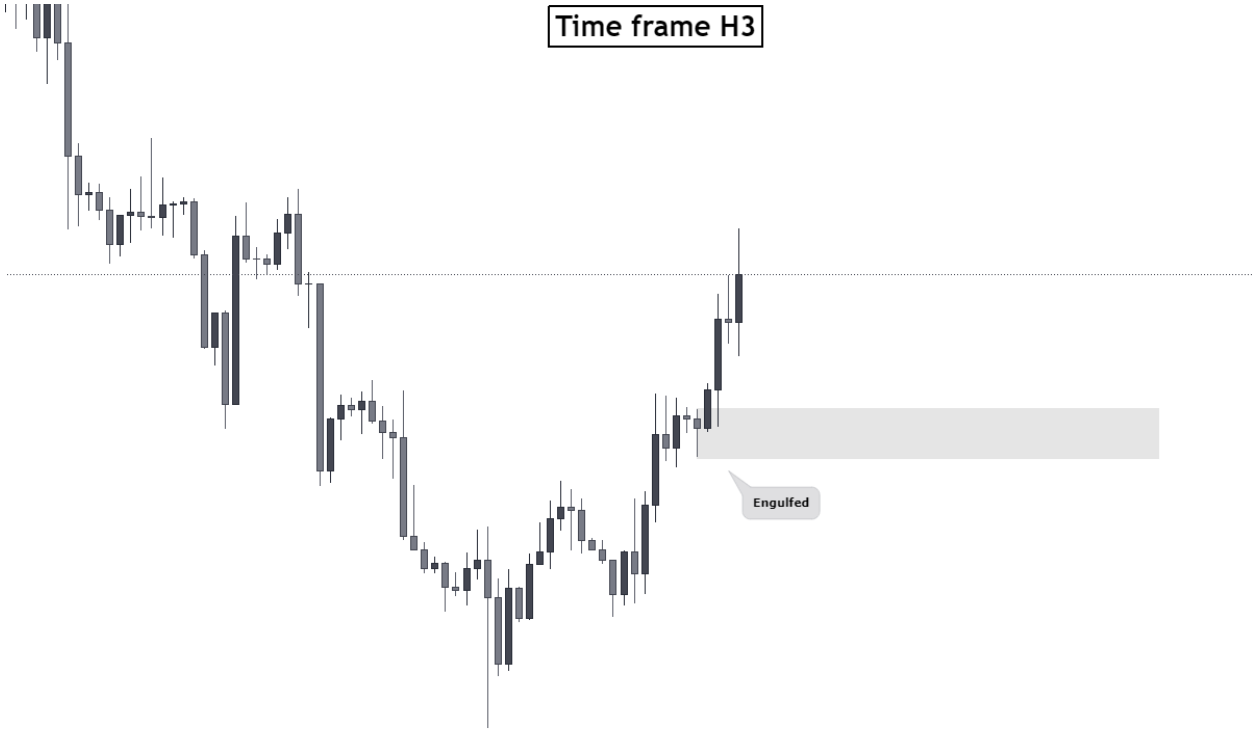

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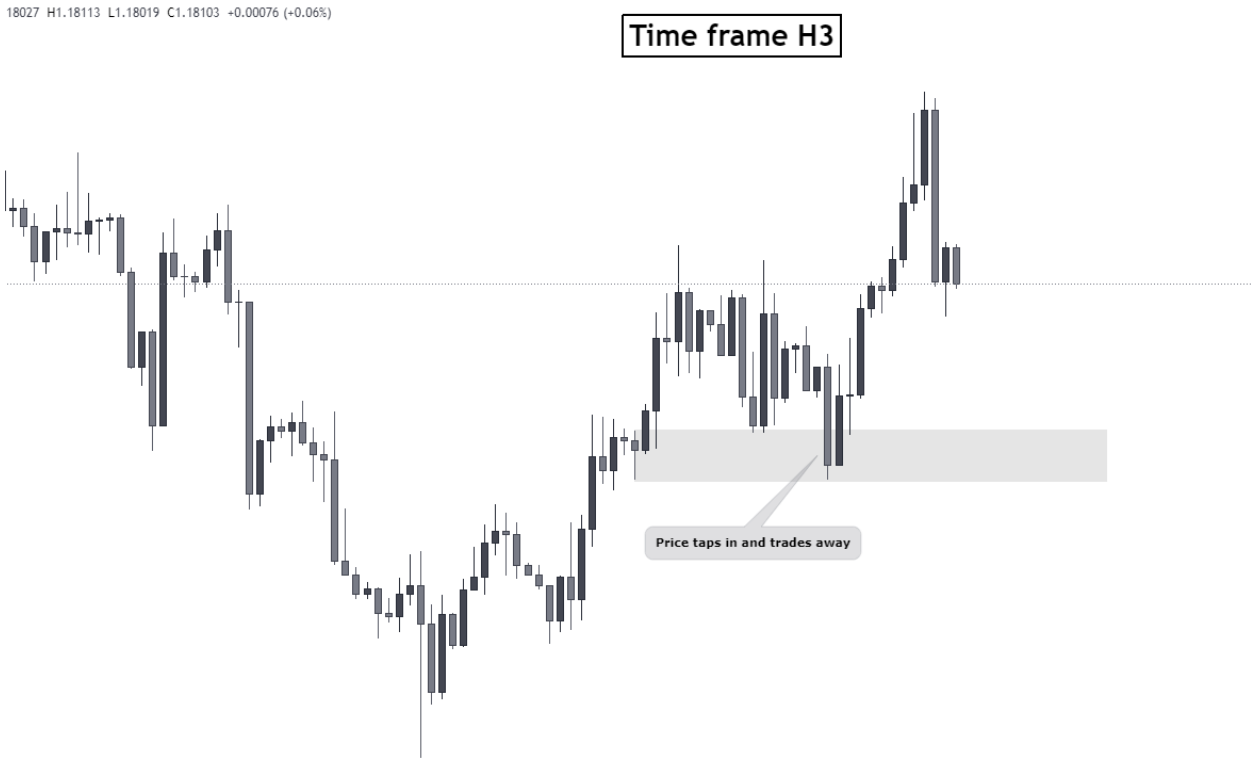


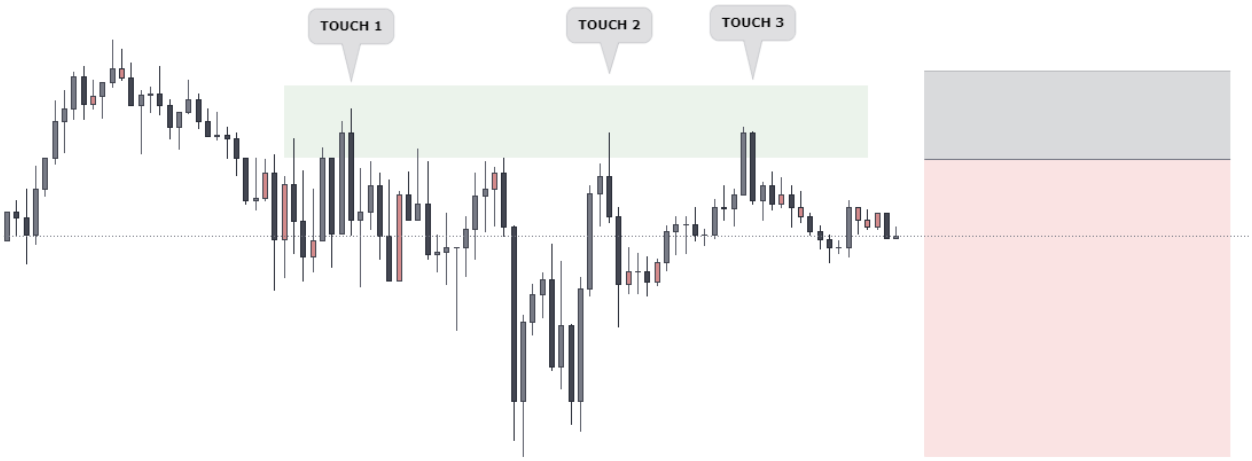
Above I've shown how that on the H4 the demand was not engulfed so I went on the H3 and it was. Then from there it came and traded off to take out the highs. This will be important for when we come to my entry method.

I will the repeat these steps on the 15M. The higher the time frame the more you can expect from the trade. For example when price comes into a H4 I personally will hold some volume as it could make a new high/low where as a 15m may only cause a retracement. This of course is a conditional thing and there will be times when a 15m will make a new high due to other factors.

Identifying liquidity.

The markets need liquidity to move, personally i think of it like fuel for a car. Without the fuel it wont run but if you only have fuel then youll get nowhere. What i mean by this is you shouldnt be entering trades just becuase theres liquidity above or below market you need to keep in mind other factors. That being said liquidity is everywhere but the most common type is equal highs and equal lows. The theory behind this is when retail see a

double top they will look to sell when price reaches that level again as its seen as a strong level.



If loads of traders are seeing this then they will all place limits with their SL just above the highs. This is then what creates liquidity and price will seek out their SL to liquidate it in order to fuel its move.

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Here we can see price goes and hunts out the stop loss and fuels its move to the upside. If we were in a trade we could see this as a good place to target to take partials.

The second type of liquidity I use is liquidity trend lines. To spot this I like to draw out really obvious trend lines that retail would see. We all know that retail traders like to trade off of the third touch of a trend line with their SL under/above it like this.

But then price comes and steams through the trend line collecting the liquidity.

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Yet again if you were in a trade then you could target tap 1 as a good place to TP or at least remove some volume.

The final type of liquidity I use is structural liquidity, this is better know as weak highs/lows. This concept follows the concept of expectational order flow. Below is a diagram of how it works.

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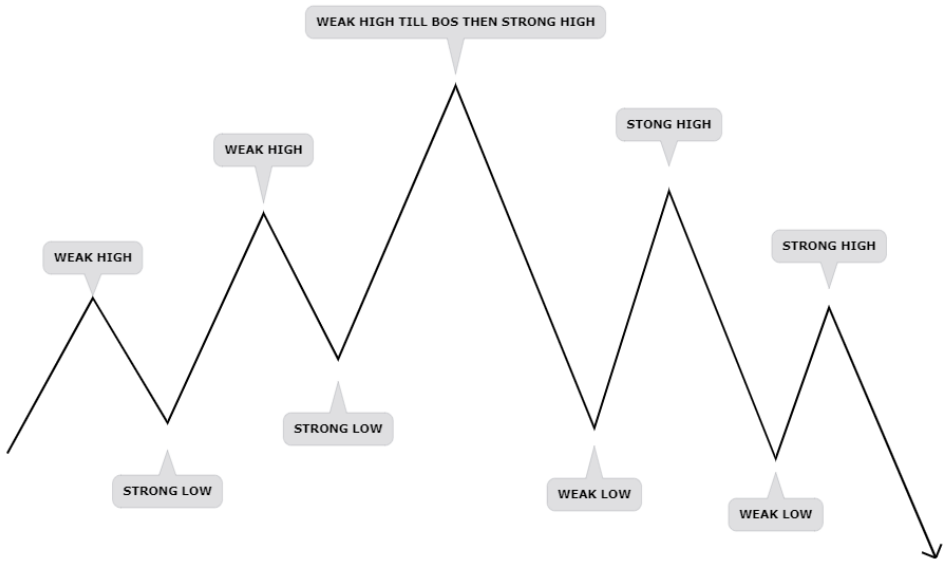
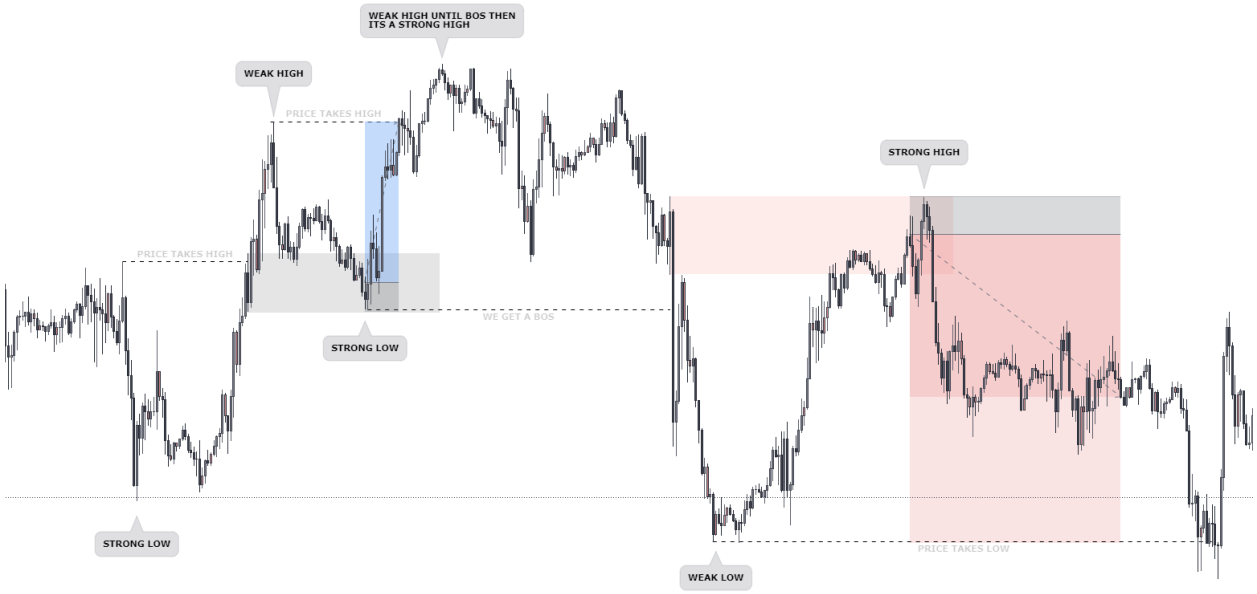


If we are in an uptrend then every time we have a pull back we should expect price, when it decides to start continuing the trend, to take out the high were it started the pull back from. That high is then seen as weak as it didn't create a BOS so should be taken out. As soon as we get a BOS we start trending down and now the lows are seen as weak and the highs strong.



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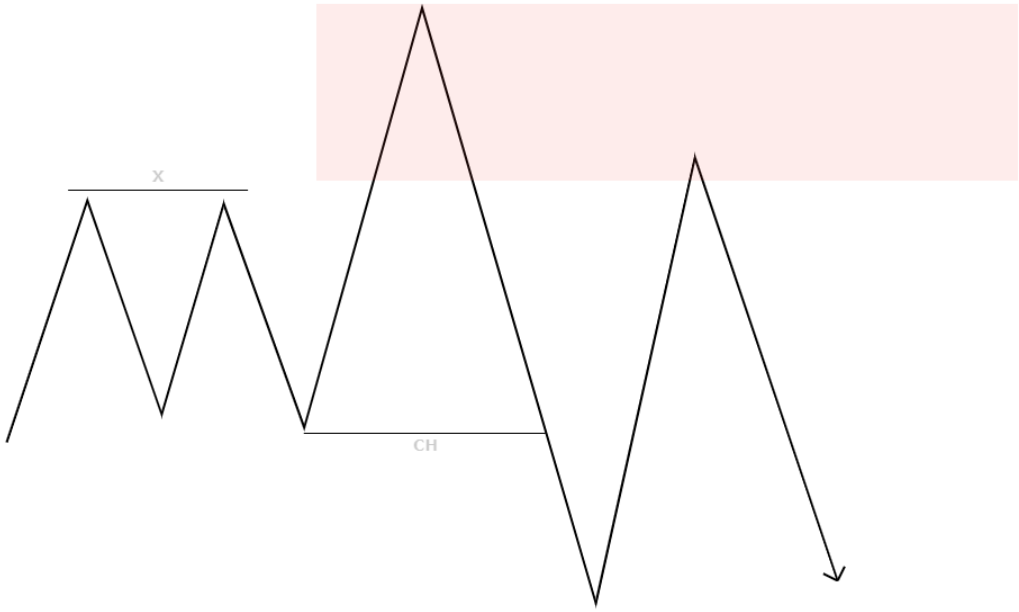
Here we have an example of how you could use this in the real market. This is using the 50% of the supply/demand just so the SL isn't too big but there will probably be LTF confirmation in these zones. Either way as you can see here when you start to get the continuation you can target the high/low of the pullback.

Entry methods

Before we get into what the entry methods are, I just want to say I will only use these entry methods in HTF supply or demand. For me doing it inside these areas is seen as high probability due to the sponsorship of the HTF. Anything outside of these zones is a gamble. I personally use anywhere from the 15M to the 1M to enter trades in these HTF zones.

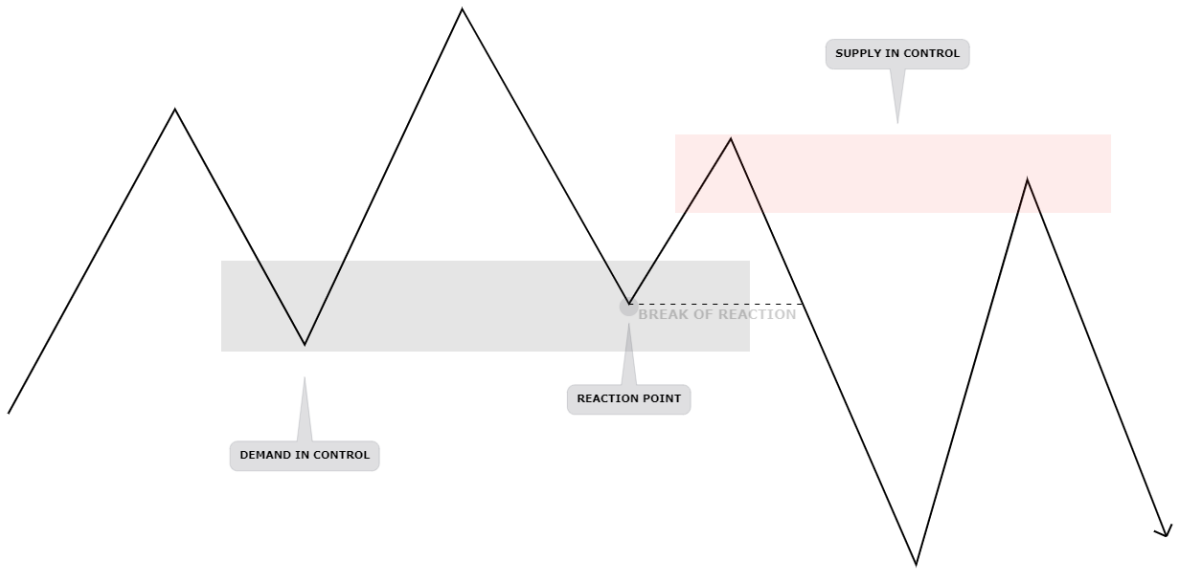
With that being said the first entry method I use is CHoCH. This stands for Change of Character.



All a CHoCH shows is that price has grabbed liquidity and then broke sub structure. From there it should leave a area of supply/demand which when traded back into should produce a continuation in the direction of the CHoCH. To enter off a CHoCH you put

your entry at the start of the supply/demand and the sl at the furthest point of the supply/demand. When setting entry or sl dont forget to add spread to them. Dont worry if you dont know how to yet as we will cover this later.

The second entry I use is a supply/demand flip. The way I like to see this is its almost a tug off war. Team demand vs team supply. At the start both are in control but someone has to win.



Here we can see demand is in control making new highs. On the retest of the demand block we get a push up and a reaction. That reaction then fails to make a new high, this is the tug of war part. Then when price takes out the reaction point supply has won and is in control. Now from here we place our entry on the start of the supply and SL just above it. This shows the orders have flipped and there is true supply in the market.

Now on their own they can lead to some very nice setups but when you combine them they can be very powerful.

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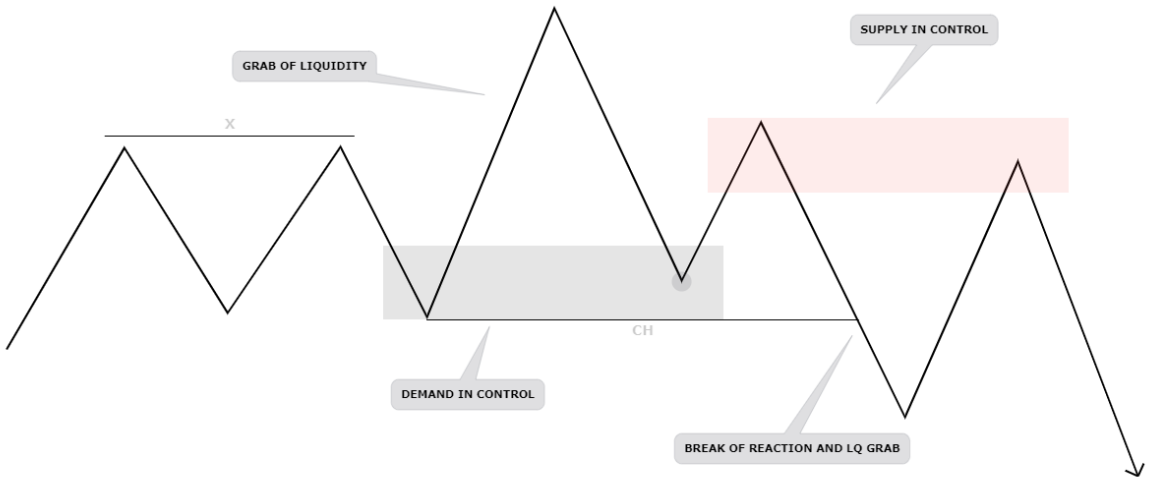
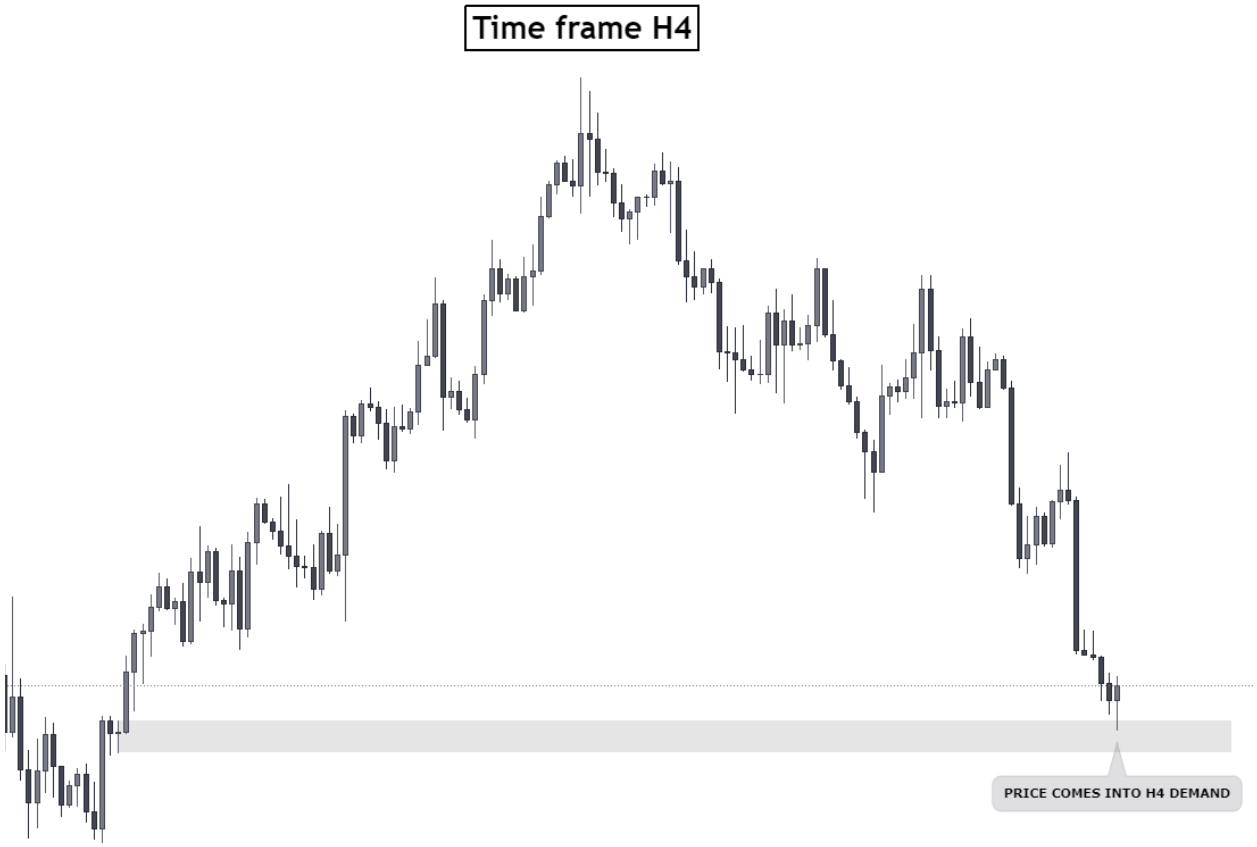


For me this would be the ideal entry within a HTF zone. Lets now have a look at some real market examples



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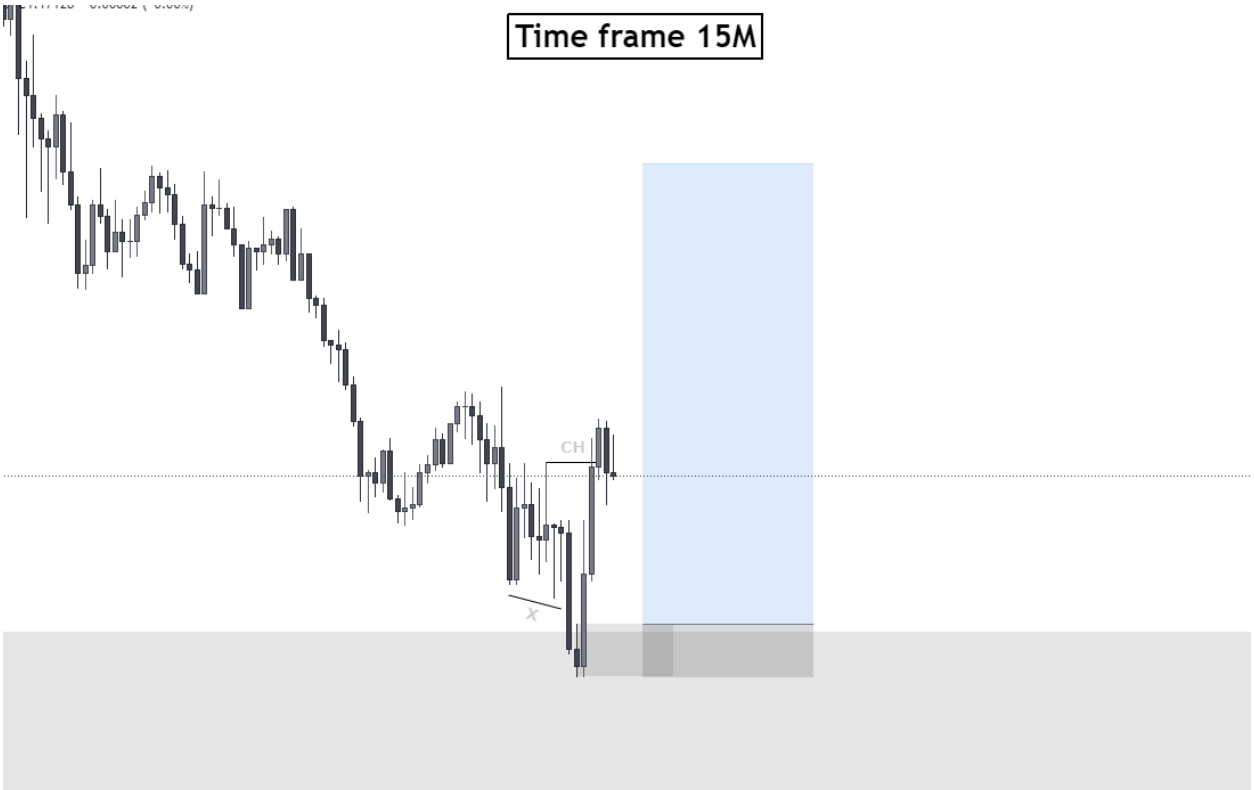
Here we are on the H4 and have idetified out HTF area of demand. From here we will look on the LTF for a possible entry.



On the 15M price grabs some liquidity as it goes into the H4 demand and then from there rejects it and breaks the move that made the liquidity grab. From there we can set a limit to buy on the 15m demand with the SL just under it. For this trade I targeted the top of the Asaia range, we will learn about that later.

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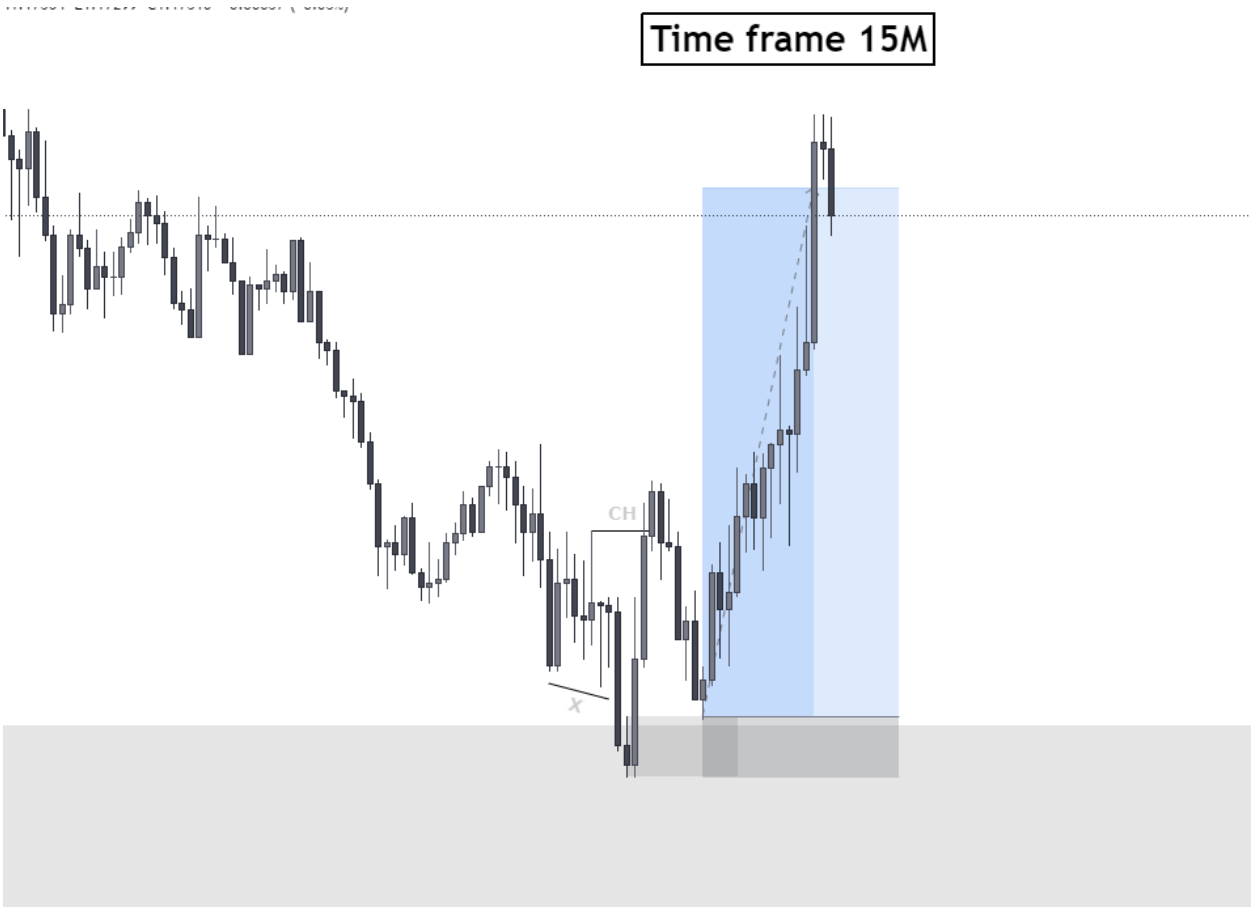

Just like that price makes its way to TP for 8.7R.

Now lets look at a supply/demand flip. Here we are on the 15m time frame and have come into an area of demand. From there we can go on to the LTF and monitor how it reacts.

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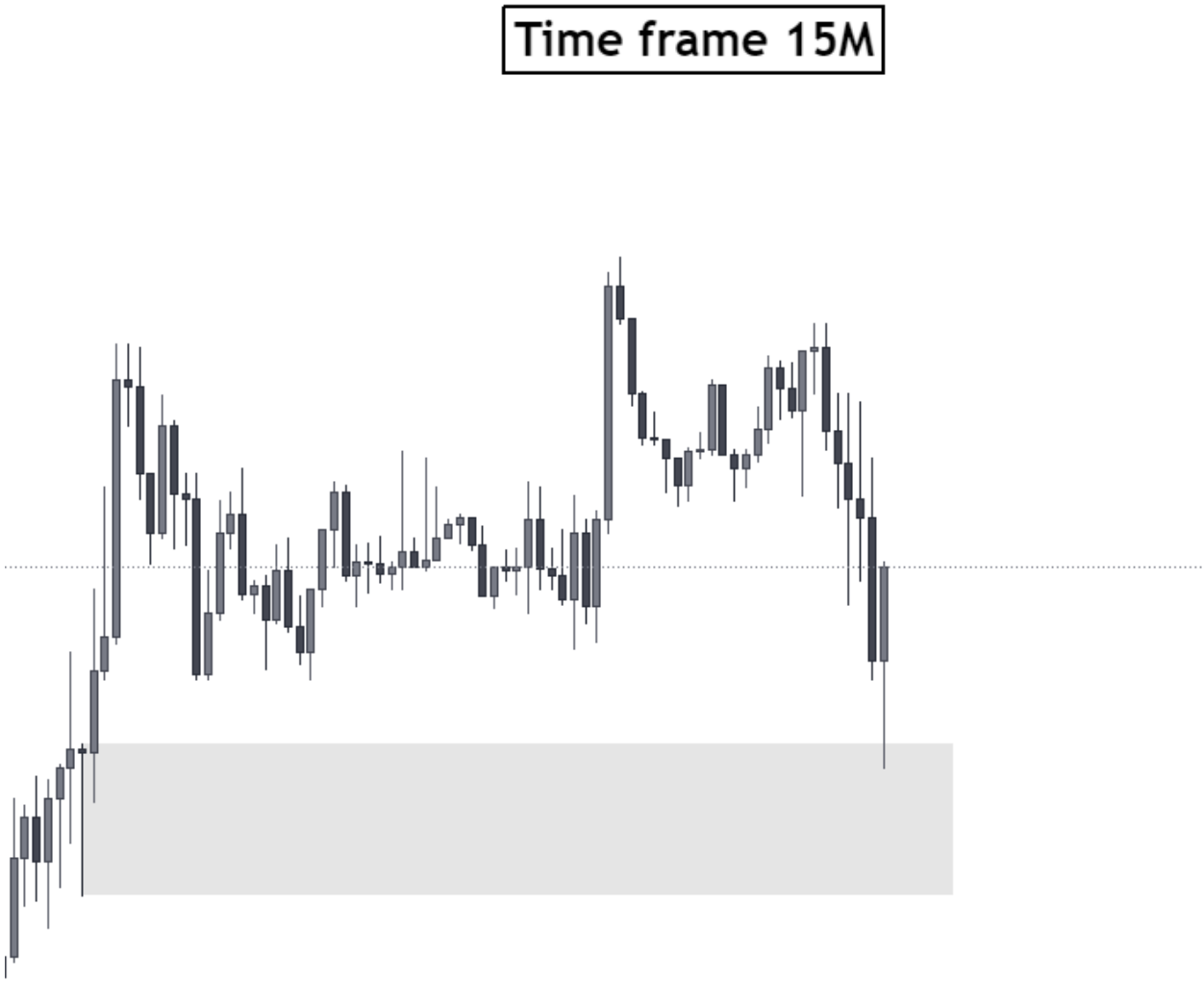

On the 1m we get a nice rejection from it and come up to an area of 2m supply. Here we get a reaction and the "tug of war" starts. From there price takes out the reaction and confirms upside. We can now set the entry at the new demand.

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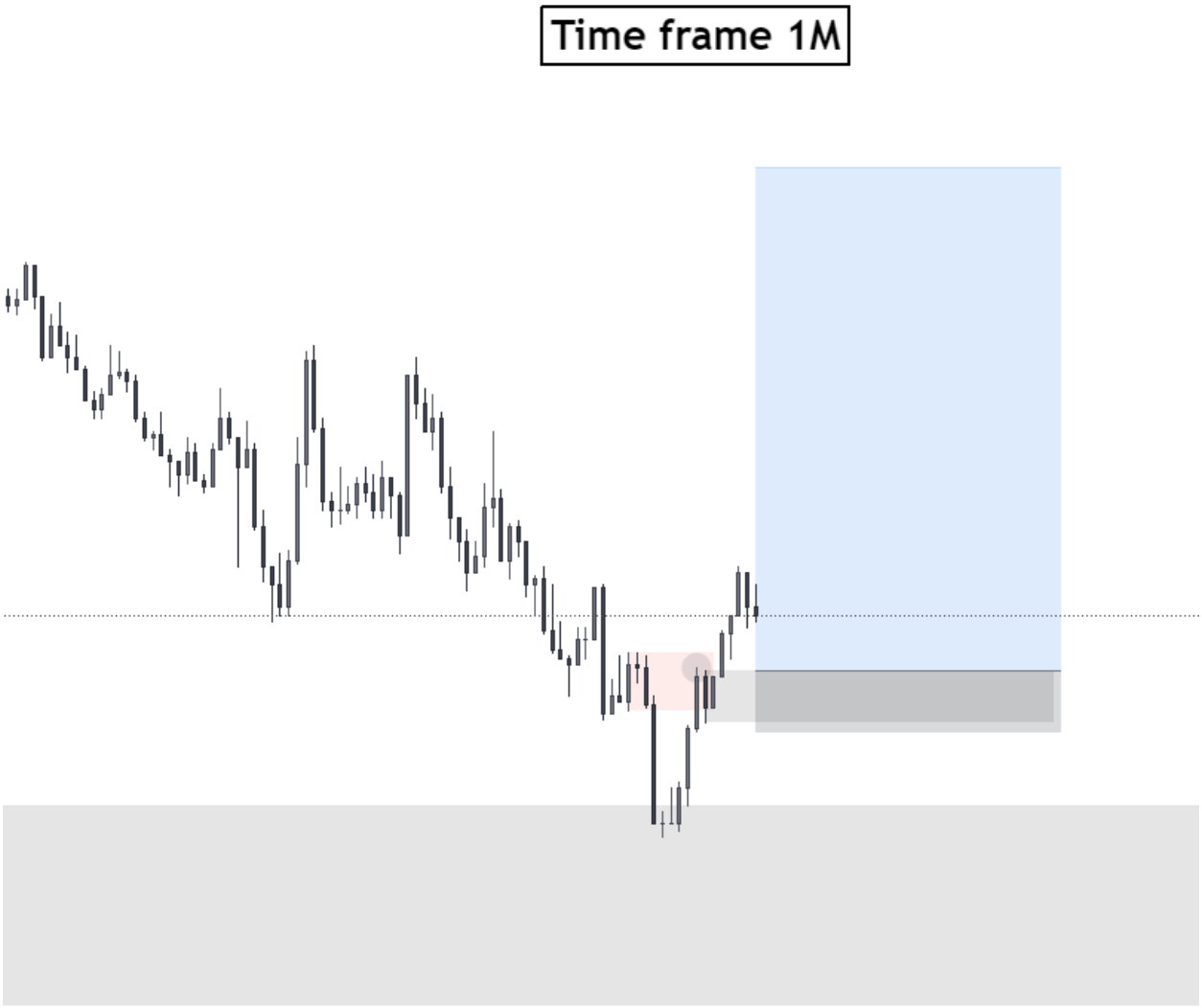

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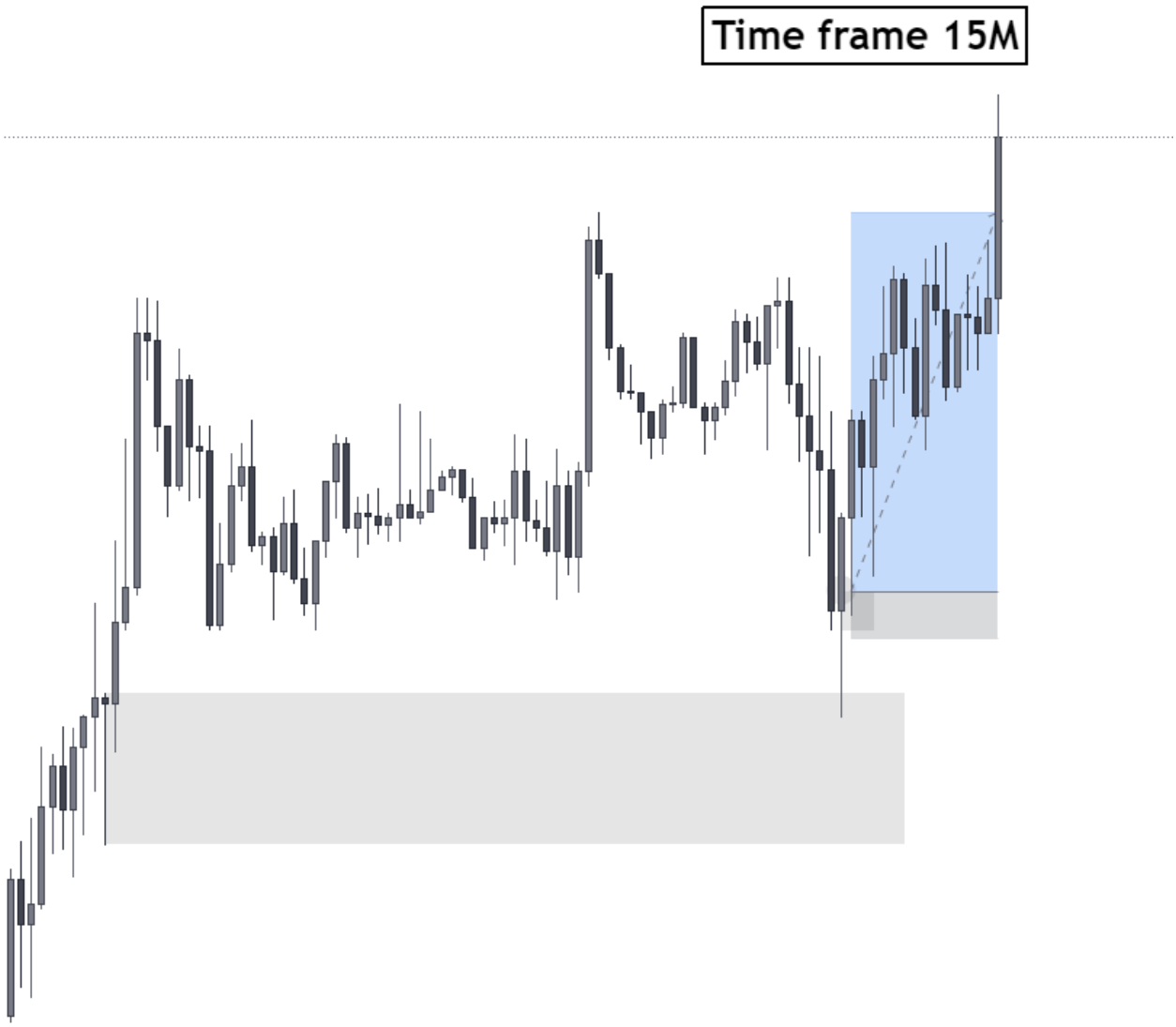

Price then tags us in and goes to TP for 8.2R.

Remember when both a CHoCH and supply/demand flip happen at the same time its almost like a god setup.

Entry confirmations

Now that we know how to enter we need to build confirmations as an entry method on its own is fine but when you build a narrative on why you are taking that exact entry method it bring meaning and strengthens the trade even more. Some times as well the confirmations can stop you from taking a loss by keeping out out of bad quality setups.

VSR

VSR stands for V-shaped recovery. The theory behind the name is when we go into an area of demand we want enter and exit in the shape of a V. For a supply it would be an upside down V. The reason we want to see this is because it shows the "banks" pushing price in and out. This means on the retest we should be on the same side as these "banks". Here's some examples:

Bullish VSR

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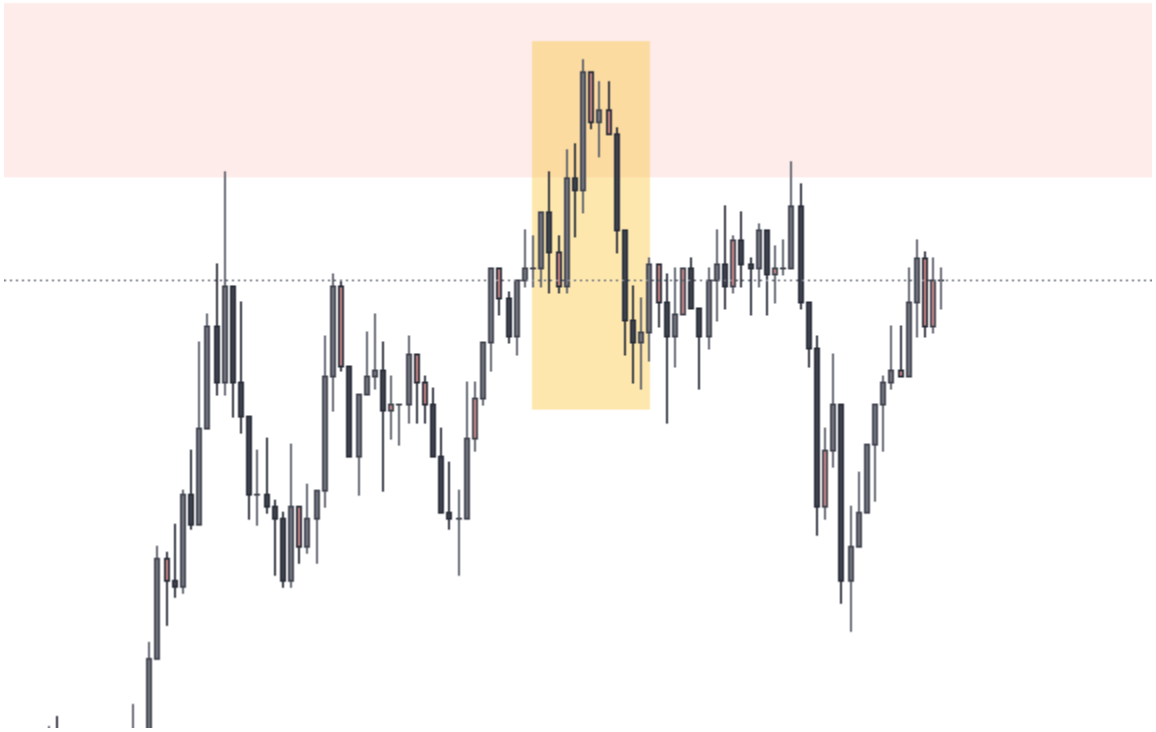

Bearish VSR

RSI divergence

When you hear RSI you will often think about how retail trade it. Buy in the low 30% and sell in the upper 70% but most of the time that doesnt work. Thats not how I use it. I use it to find divergance.

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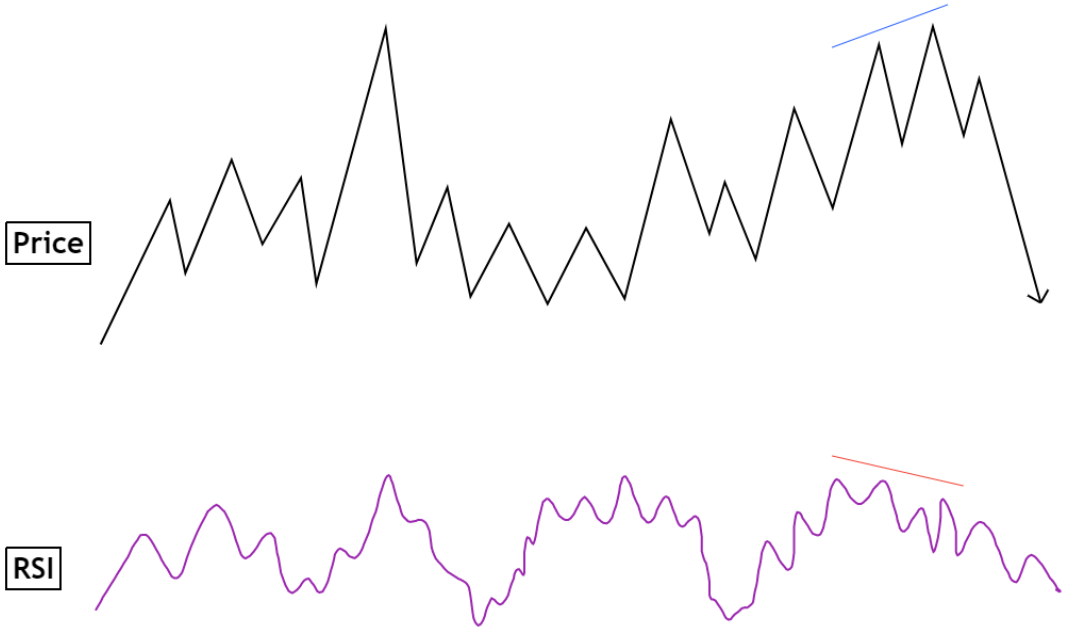
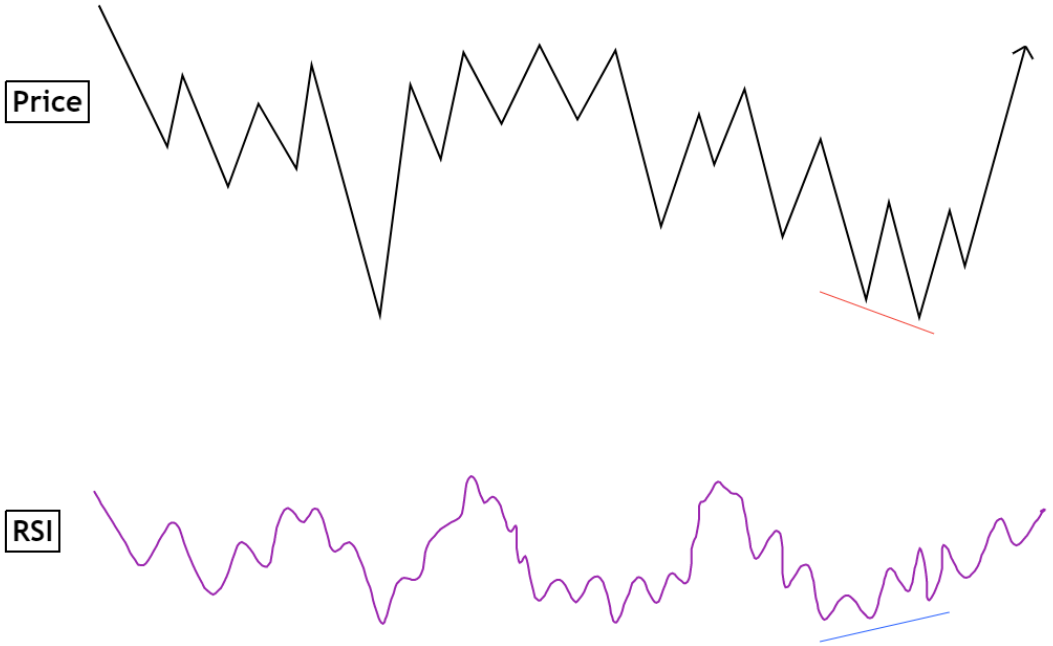


To put it simply divergance is when price is going in one direction but the RSI is going in the oposite. In this diagram the price is trending up but the RSI is trending down. This means that we could see downside soon.



For a bullish scenario the RSI would have to be moving up and price moving down. This would then signify we could see upside soon

Now lets have a look at real life example

Above we can see we are trading up into a HTF area of supply. We can see price is clearly going up but the RSI is moving down. Then we get a CHoCH and a supply/demand flip. We can now set the order with the SL above the supply created on the flip.

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Price trades into the supply and then moves off to a weak low to the left and hits TP for 9.6R.

Premium and discount.

The next thing I like to use as a confluence is the fib tool. Now yet again I dont use it like retail does but instead to see where we are in the H4 or 15M structure leg.

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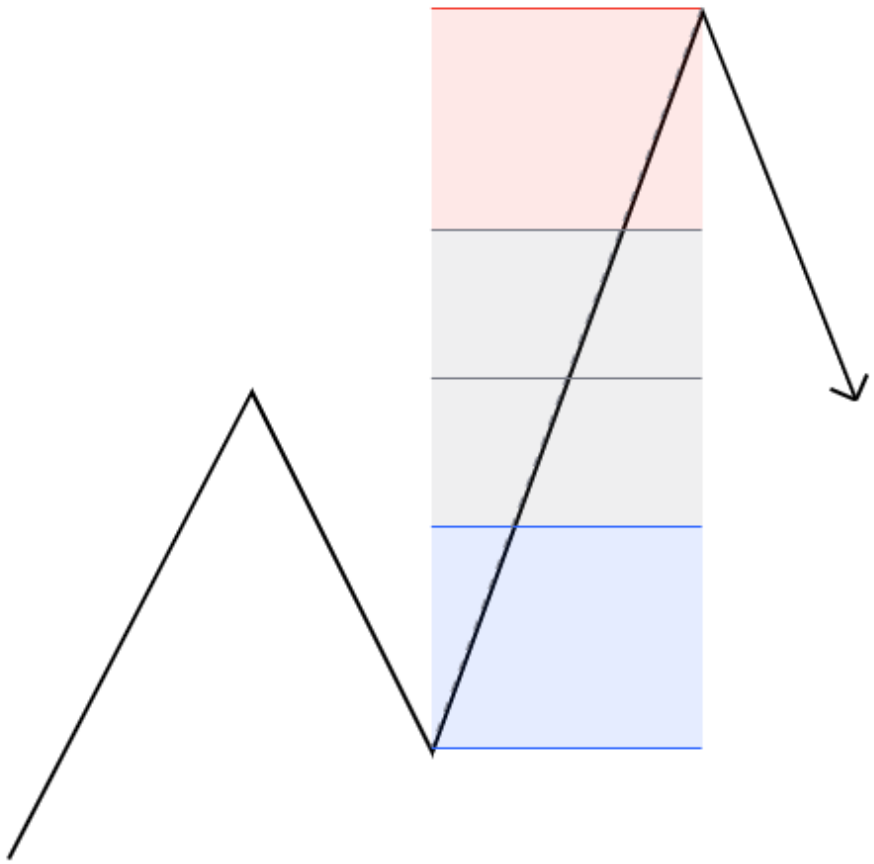

For example say we are trending up on the H4 and we start to get a pull back, I will add the fib from market structure high to low and see where we are in the leg. The red section means that price is in deep premium and that it is good to sell, conversely the blue means we are in deep discount and its good to look for buys. You don't want to be buying in the red and selling in the blue as price could easily come and take you out as liquidity as the big move. For me its okay to be buying and selling in the grey area but the closer you get to each end the more risky it is to do what opposite of the colours meaning. Lets have a look at a real life example:

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Here we are trending up and have just started to pull back on the H4. Price pulls into a HTF area of demand which also lines up with the blue discount zone of the fib. Here we can now look for a LTF setup.

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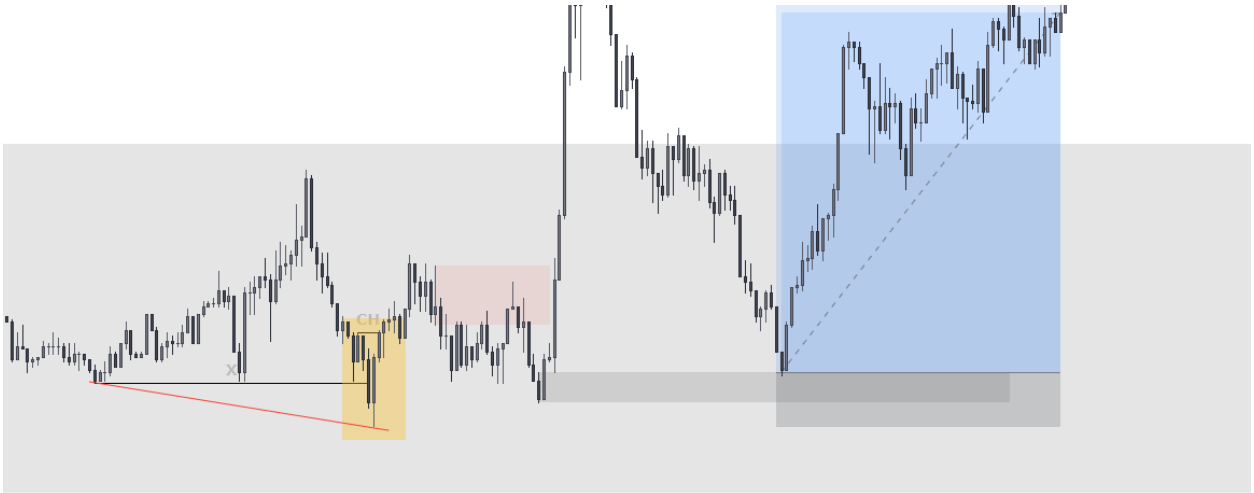
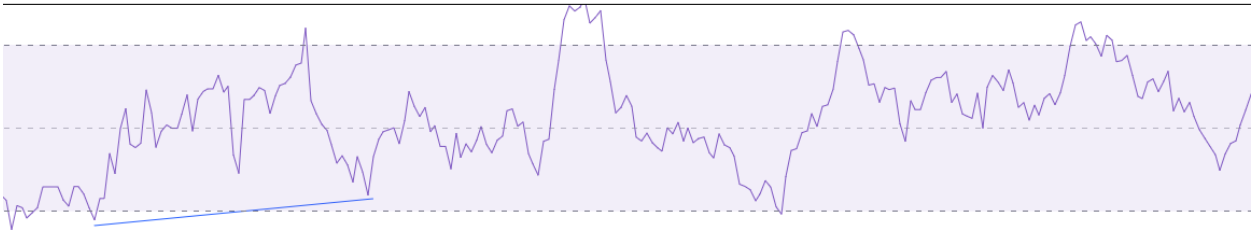
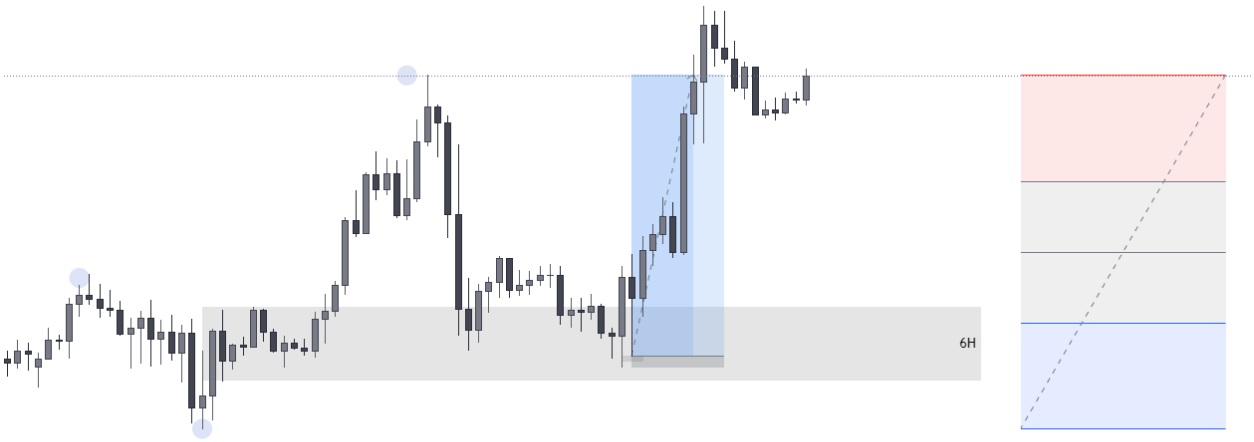




Here we have a CHoCH and then a supply/demand flip. There is also a VSR and a RSI divergence. Based of this and the blue discount zone we can take a long.



Targeting the weak high price goes to TP for 25R.

How to manage a trade.

Now that your in a trade you need to know how to manage it. If anything trade management is more important than entering the trade. This will help you cut losses early and identify where to take money out of the markets.

The first step that I do to manage a trade and my risk is only use 0.5% risk per entry. To do this you can either use an EA or a risk calculator on the web. Heres a few good sites to use:

https://www.myfxbook.com/forex-calculators/position-size
https://www.babypips.com/tools/position-size-calculatorhttps://www.cashbackforex.com/tools/position-size-calculator

Personally I use an EA. This stands for expert advisor. All this does is calculate the lot size in the MT4/5 PC app. To use it all I have to do is input my risk and where ever i set my entry an SL at it will calculate my lot size based off the risk. You can purchase this here:

https://www.magickeys.trade/home.html

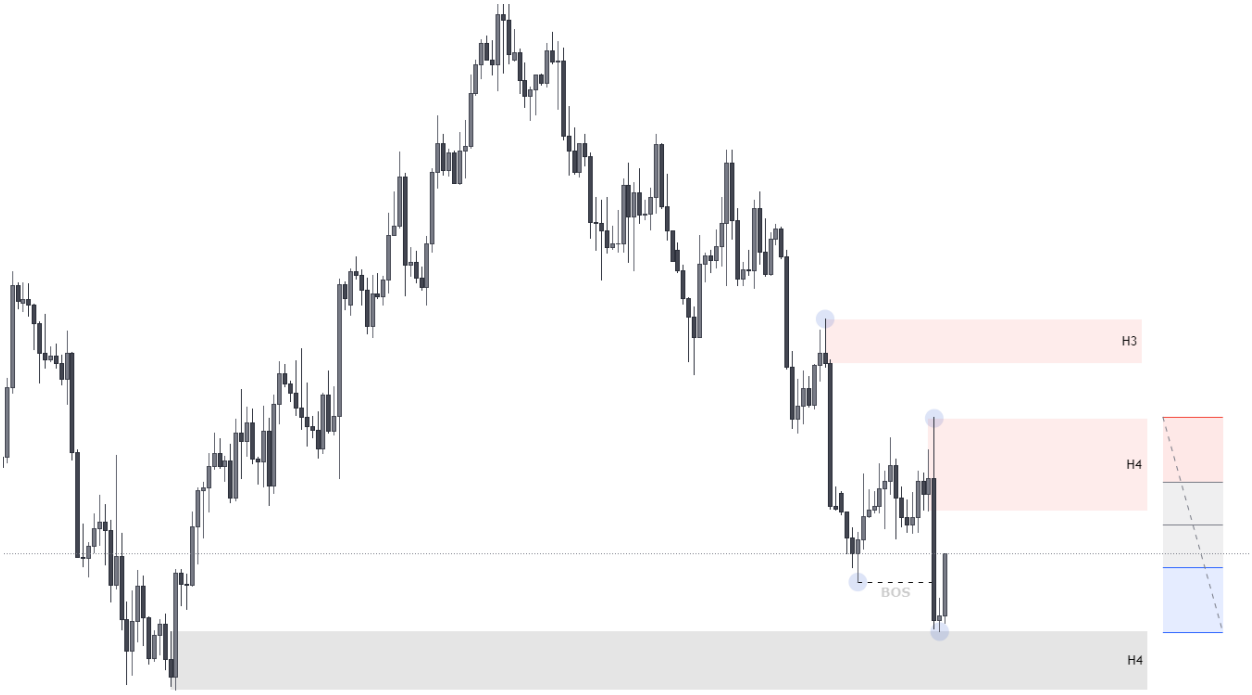
The next form of management I do is going risk free. Most trades like to go risk free when the break the most recent high. I've found that when you do that price may come down to your entry again and then shoot off towards your target. To avoid getting taken out I like to take 20% of the trade volume off at 4R. For me this covers the amount I would lose if price came and hit SL.

The final bit of management I do is 10R partials. If im targeting more than 10R I like to secure some profits. That way if price reverses on me I have some money from the trade no matter what. The percentage of the trade I partial depends on the trend of the trade. If we are pro trend, when I hit 10R I will take 50% off of the trade. This is because pro trend moves should run to new lows and personally I want to be part of that. On the other hand if we are moving counter trend I will be more aggressive with my partials due to the fact we could turn pro trend any minute. When we are counter I will take 80% off at 10R.

Trade examples

Now that we know each component on how to trade, we need to know how I put them together, heres some examples of how I frame up trade ideas.

Example 1



Here price is in a down trend but has just mad a BOS so we can expect a pull back. Theres a H4 demand that its come into so we could look for a trade off that.

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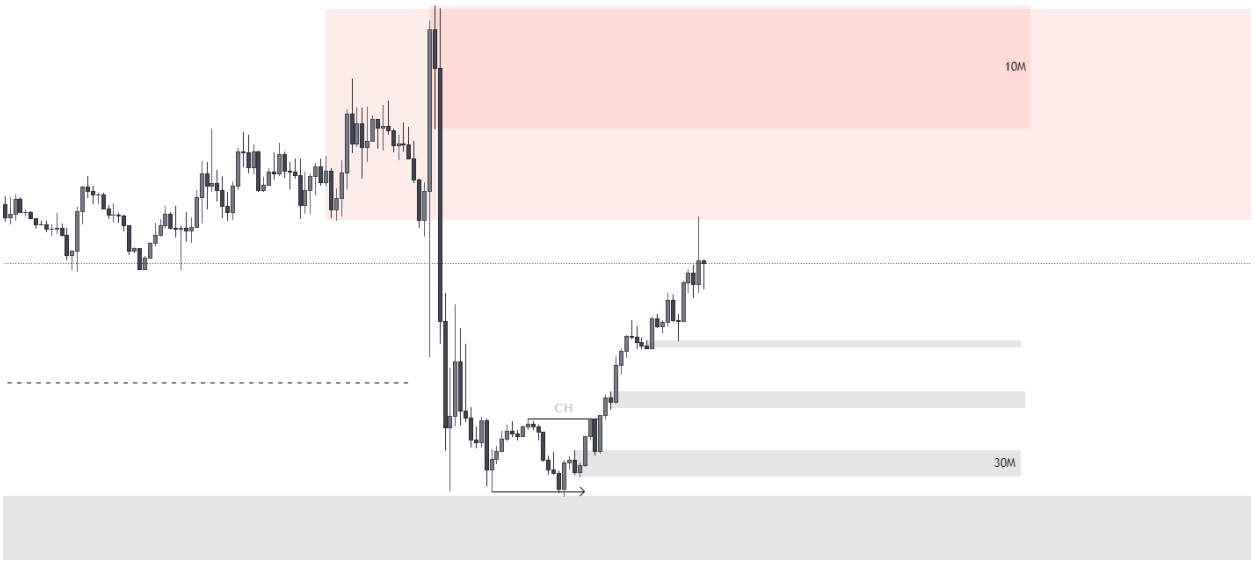
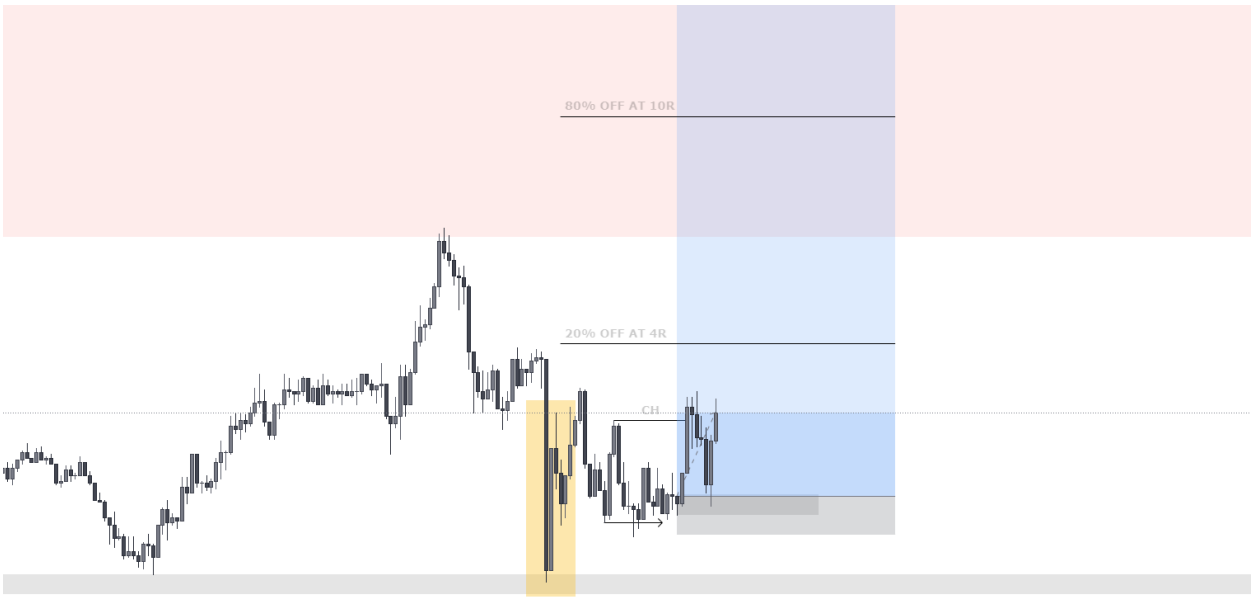
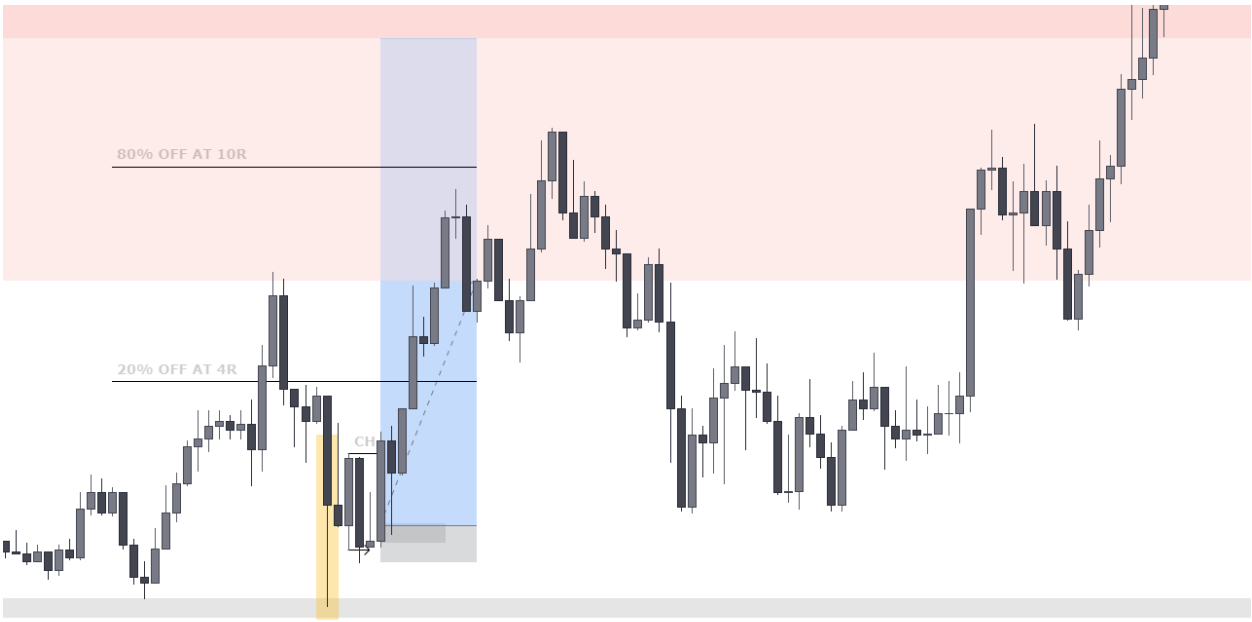


On the 15m price has mad a CHoCH over the asain session and is now moving up. I mark out some areas of demand and wait to see how price reacts to them



One gets a nice VSR so now im look for an entry method. This comes as a CHoCH and I set my order at the demand that made the CHoCH with SL just under it. Because it counter trend I will take off 80% at 10R.



Then price tags me in and goes to TP. Here you can see how taking that 10R partial would have helped mentally as you have secured profits before the pull back.

Example 2

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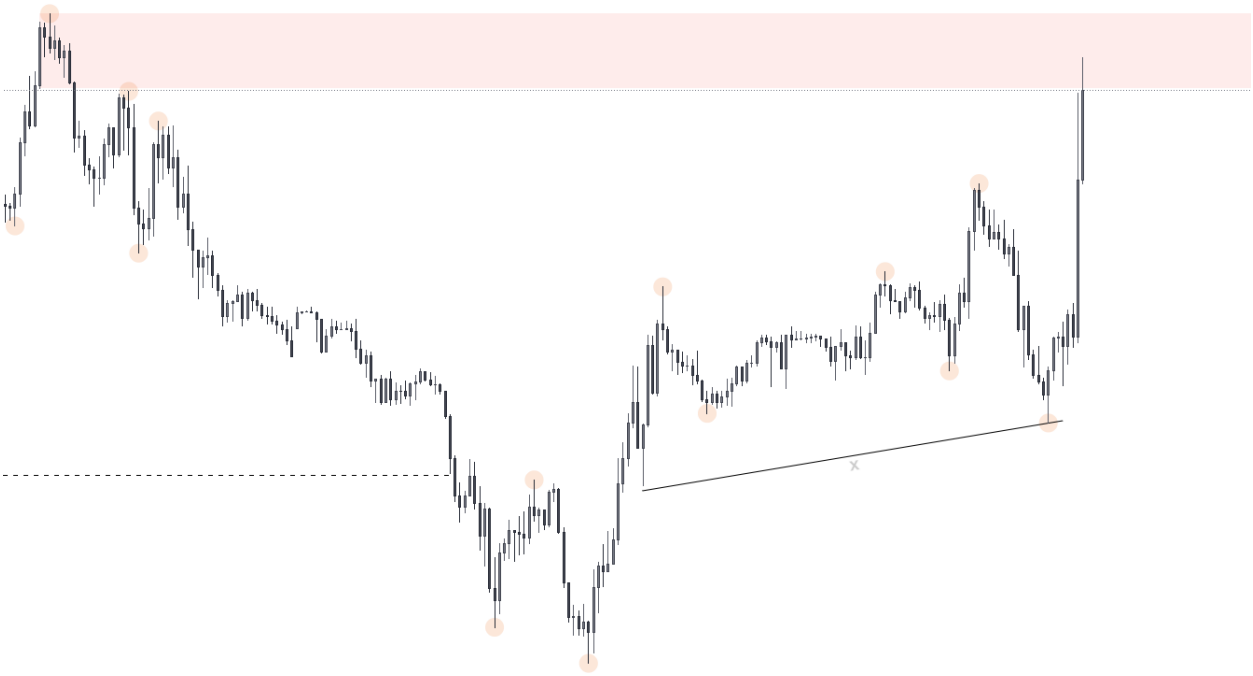
Here price has just made a flip on the H4. I would like to trade from that flip. I refine the supply down to H1 and then wait for price to reach it.



Price then reaches it and prints a liquidity trendline below on the 15M.

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On the 1m we start to get RSI divergence and then a CHoCH and flip. For me this is a quality setup I'll take any day.

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Because we are pro trend its valid to target the H4 lows. I will also only take off 50% at 10R and let the rest run to the weak H4 low.

Funding options and when to know your ready.

For some people it can be hard to get large amounts of money to trade. In the past that was the only way to trade but now you can trade other companies money. These companies are called prop firms and will let you trade their money if you pass a test.

The main one I personally trade with is FTMO. These are the best in my opinion and let you trade up to 400K of their capital. They also have a good profit split at 80/20 meaning you get 80% of what ever you make.

On their website they have an option to sign up for a free trial. Personally I think you should pass at least 2 of them before taking a real challenge.

However before you even think about taking one you need to be profitable, i see too many traders wanting to take one but haven't had a consistent amount of winning weeks. Once you do then take it. For advice on which one to take I personally think you can go full time trading a 50K FTMO account but only take what you can afford to lose.