

Order Flow Framework: (Forex edition)

Courtesy: Feras Jaara

forexquantme@gmail.com

<http://www.facebook.com/bankflowsignals>

Important Intraday Price Levels

Balance point or 5 days mean or Midpoint level:

Input: Previous 5 days High, Low and Close

Output: Balance point or 5 days mean or Midpoint level.

Formulae: Midpoint level= (5 Days High + Low + Close) / 3

Rules:

1. This midpoint level defines the trend whether it's bull or bear market. A cross above the midpoint level indicates up trend. A cross below midpoint level indicates down trend.
2. All trades start at midpoint and extend outward.
3. A cross above or below the midpoint level and the probability is that price will travel towards the High range level or Low range level of the day.
4. A cross above or below midpoint level and expectation is that price move in 2-day higher pattern, Next day.

3 days High range and Low range levels:

Input: Previous 3 days High and Low.

Output: High range and Low range levels of the day, also called outer channels.

Formulae: High range level = $((3 \text{ Days High} - \text{Low}) / 2) + \text{Midpoint level}$

Low range level = $((3 \text{ Days High} - \text{Low}) / 2) - \text{Midpoint level}$

Entry Trigger: Buy near bounce of low range level.
Sell near bounce of high range level.

Rules:

1. Breakout outside the high range level and expectation is that price could remain outside this level for the rest of the day and continue into the next day high range (or low range) called extended channel.
2. Whenever price consolidates around the high range level (or low range) after a 3 day trending period, the market will often reverse down (or up) towards the midpoint level in the 4th day.
3. If price is trading around the high range level (or lows), the price will try and move towards the midpoint level, especially after a 2 day extension pattern. If price is trading near the midpoint then price is trying to move towards high range (or lows).



Primary range, Secondary range and Trading range levels:

(Optional. This is only to get target.)

Input: 60 days ATR.

Output: Primary range, Secondary range and Trading range levels.

As a day trader, main objective is to target trading range level.

Formulae: Primary range level = 60 days ATR * 1.3

Secondary range level = 60 days ATR * 0.5

Trading range level = Secondary range * 0.5

Initial Balance (IB) High and Low Levels:

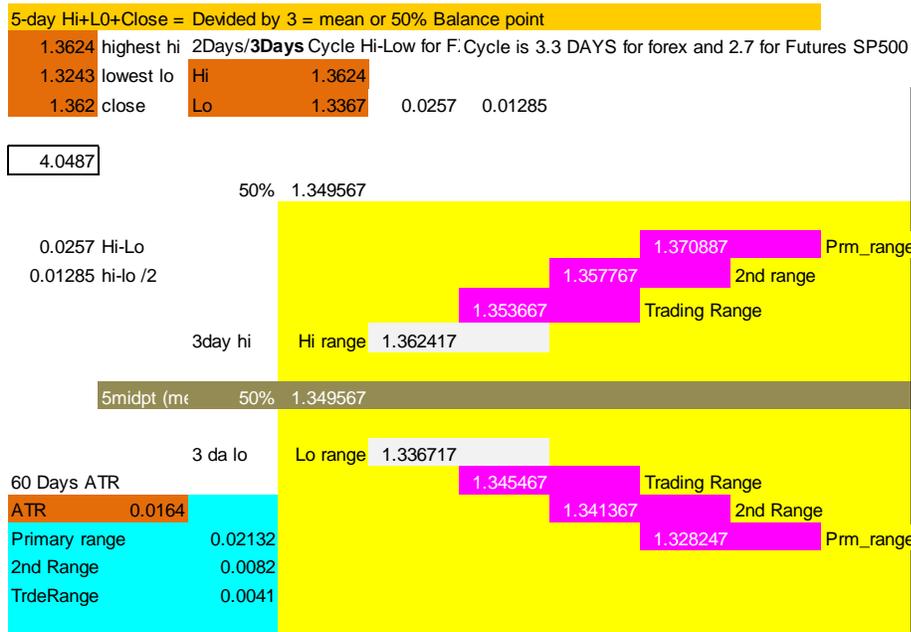
Every Wednesday, Draw High and Low of Monday and Tuesday. These are IB High and IB Low levels. The IB High and IB Low remains same throughout the week until next Wednesday open.

Other rules:

1. Whenever a breakout occurs, often price will come back and retest the breakout.
2. Whenever the weekly timeframe closes on its lows or highs on Friday the expectation is that there will be a reversal pattern of 2 days, before the trend continues in the next week.
3. Buy support each day in a rising weekly timeframe (bottom-to-top). Sell resistance each day in a falling weekly timeframe (top-to-bottom).

Excel Guide

5 day Midpoint and 3 day ranges:



Fill in Orange boxes and the spreadsheet will do the rest:

720 or 12hour Calculation and Ranges. Traded as counter trend , Use Hi and Lo ranges to enter

720 TIME FRAME: 3 Divided by 3 = mean or 50% Balance point

1.3626 highest high of previous 720
1.3503 lowest low of previous 720
1.3621 close

4.075

50% 1.358333

0.0123 Hi-Lo
0.00615 hi-lo /2

Hi Range	1.364483
Lo Range	1.352183

Use 3rd candle for Entry
if price is at support and resistance Triggers.

Weekly IB Hi and Lo : Simply Use Monday Tuesday Highest Hi and Lowest Lo.

IB Hi/Lo Mon + Tues

Hi	1.34652
Lo	1.32437

1st Hour VA Calc. Use GMT 00 1st Candle or Bar: Enter hi and Lo of 1st hour

1hr VA

Hi	0
Lo	0

1hr VA	0
1hr +40	0.004
1hr -40	-0.004

Spreadsheet will automatically calculate all values

Lines to draw:

5 Days	Prm Range	1.3709
white	2nd Range	1.3578
or	Trading Range	1.3537
blue	Hi Range	1.3624
	5midpt	1.3496
	Lo Range	1.3367
	Trading Range	1.3455
	2nd Range	1.3414
	Prm Range	1.3282
720	Hi Range	1.3645
yellow	720midpt	1.3583
	Lo Range	1.3522
1h bar	1 hr +40	0.0040
orange	1h VA	0.0000
dashed	1 hr -40	-0.0040
IB	Hi	1.3465
aqua	Lo	1.3244



