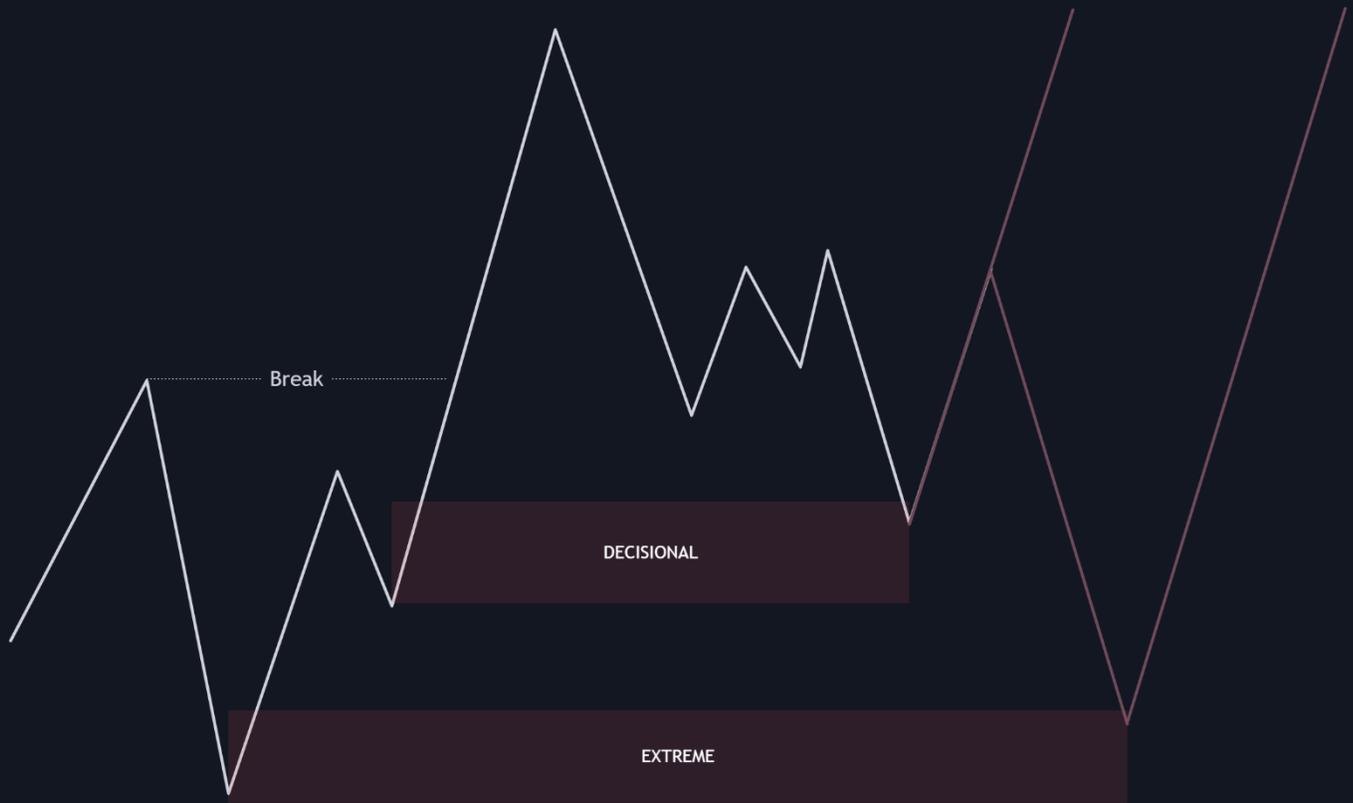


The **Extreme and Decisional**:

The extreme consists in the zone that is just near the protected structure.
The decisional will be the zone that was created for the choch or the bos.

The **Extreme and Decisional** example:



I personally use the rules of zone selection to see which one I will take. It will change also depending the instrument you are trading.

INDUCEMENT (IDM) chart example:



The inducement is important to know, if you're waiting for an entry on your zone and price react just before it, it can induce you in bad decisions as Fear of missing opportunity and to get an early entry. Spot your zone and wait for it no matter what happens.



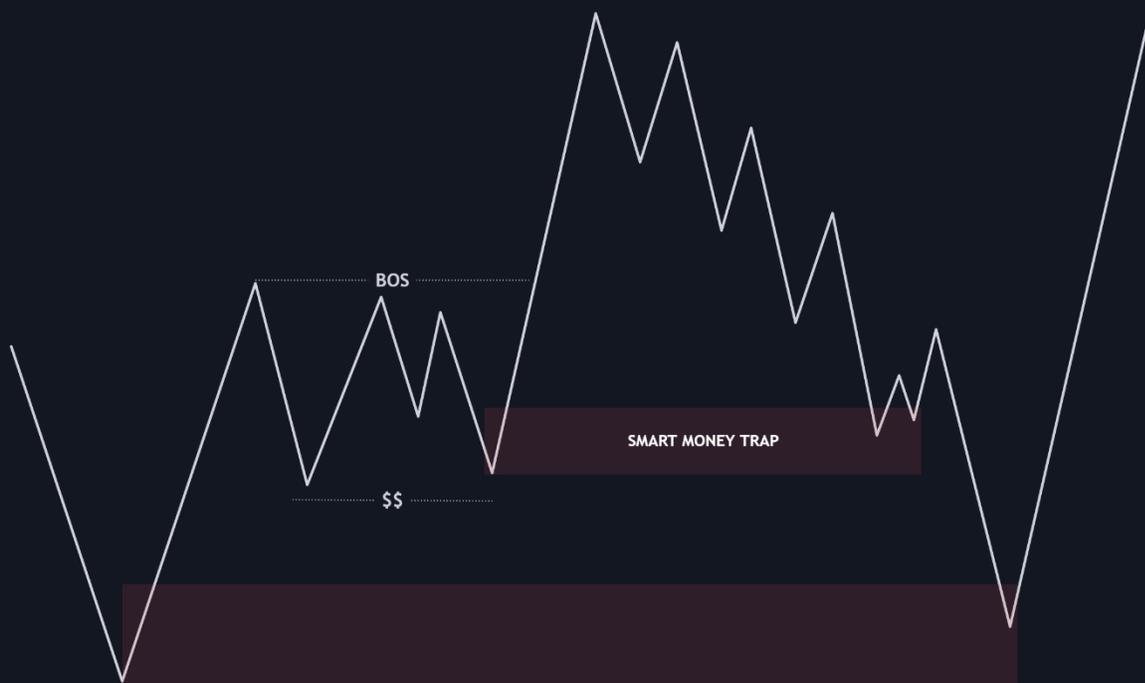
The Smart money trap:

Spot zones are important, being able to spot the trap could help in the filtration of your zone. The smart money trap is basically liquidity before a POI but as it is a valid zone, many smart money traders get trapped in those.



As we can see the smart money trap (SMT) is mostly the place where inducement is created before a zone. It's possible that price reacts from a SMT and decides to follow it but we prefer to follow a strict plan that gives us the best possible probabilities in order to get the best edge and to maintain it.

The Smart money trap bullish example:



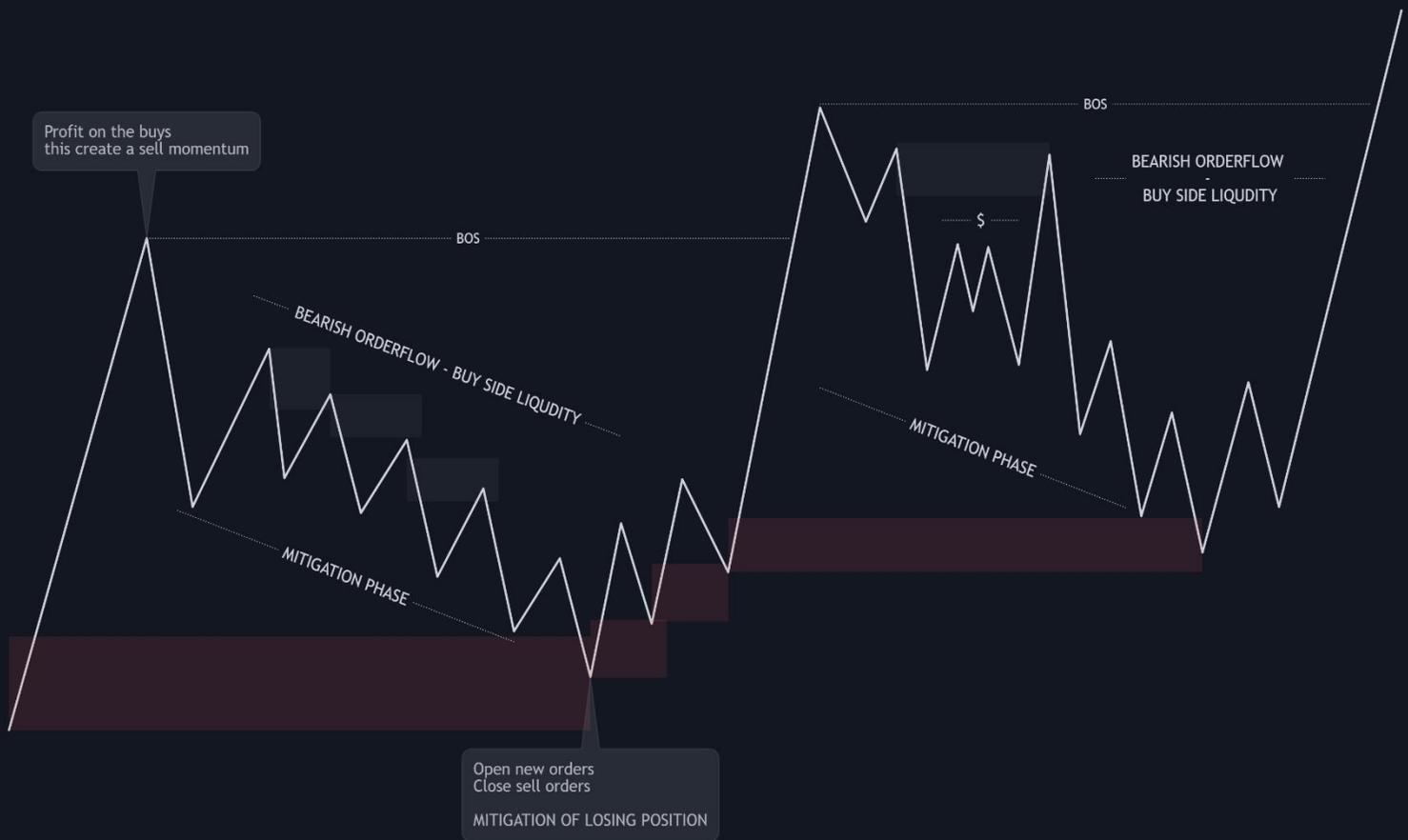
The Smart money trap chart example:



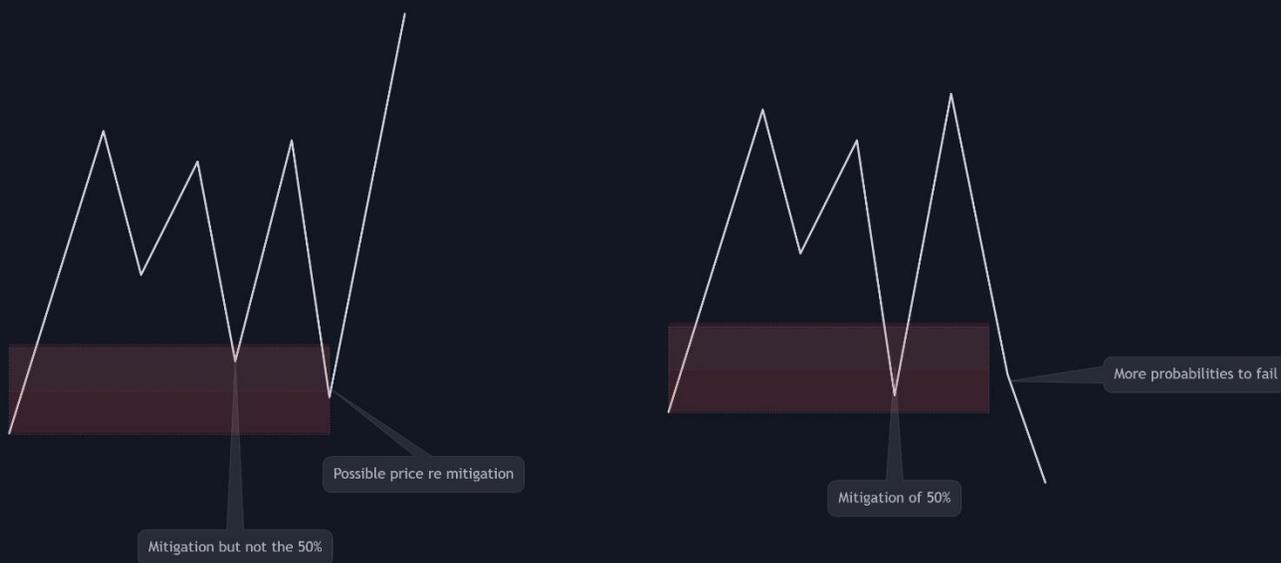
Chapter 5: MITIGATION PROCESS

Market moves by up and down in a certain direction, why price needs to make those retracements? To facilitate their own liquidity bank and financial institution will take both buys and sells positions. In a bullish market, more buys will be taken and vice versa in a bearish trend.

Let's say we are bullish. Banks will create a point of interest (OB) by taking both positions, then we have a bullish momentum created by big buys. At a certain level for many reasons bank will start to take profit on their buys, those buys TP will become sell positions that will induce a big push. The push will stop at the point of interest (OB), created by the bank earlier. In this zone, banks will close their losing positions at BE or with a small loss and will take even more buys positions.



Simply, the process of mitigation shows how bank tend to generate their own liquidity. Once an OB is mitigated, it loses power. As price has already triggered a part of the orders, there is less probabilities to get a decent position from that one. Personally, I use the 50% of the zone to see from where it could fail.



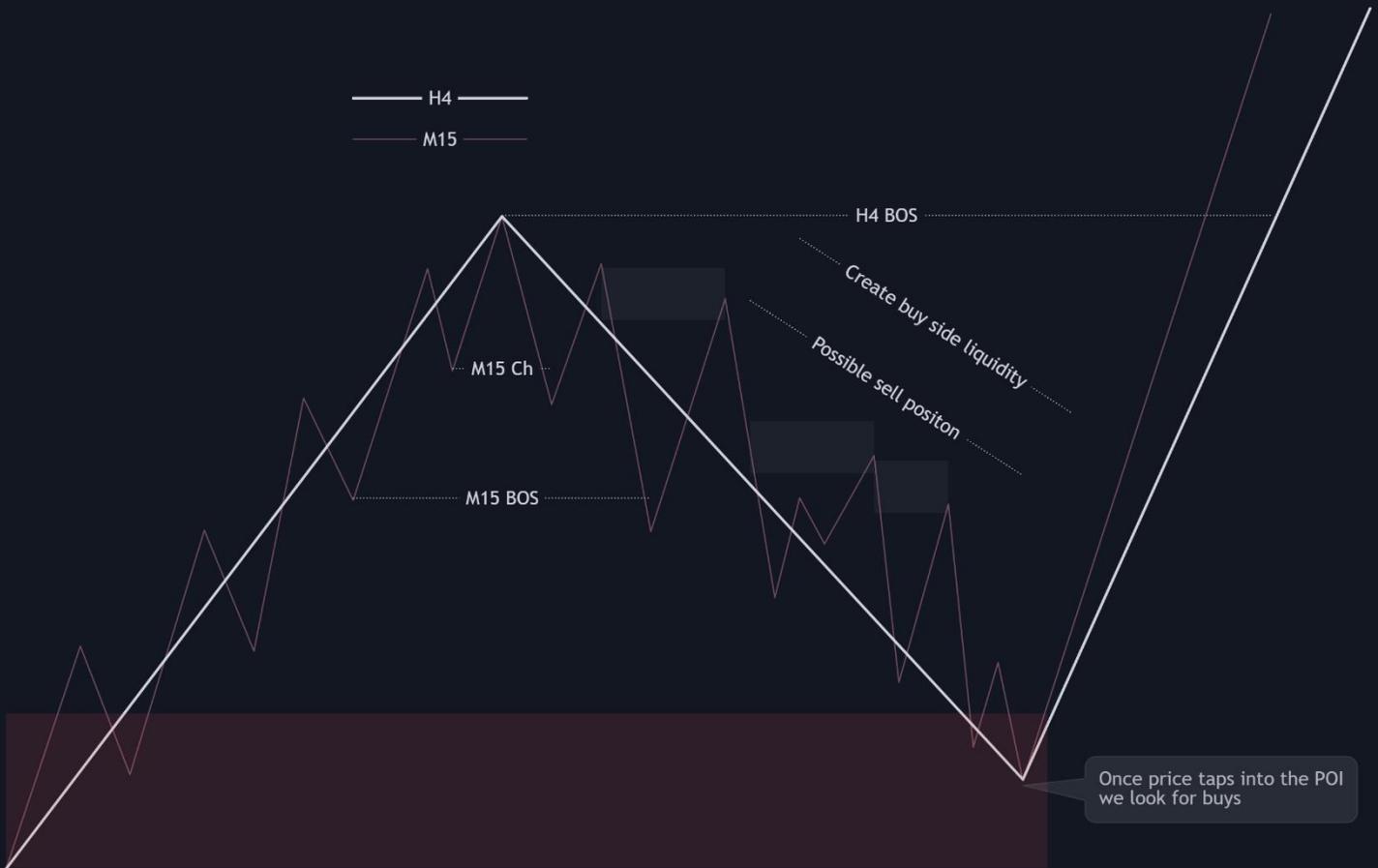
As we can see price will likely fail when price reaches its 50% or more.

The Mitigation process chart example:



The mitigation process is visible on each timeframe as we know that markets are fractals. But be aware that a higher time frame mitigation will be more important than a lower time frame one.

Let's say we are bullish, when price will make its H4 mitigation, the m15 will fail at the break of structure. Once the M15 will switch to bearish, we will be able to follow the mitigation process in a bearish way until the H4 demand.



On the bullish leg, we can also follow M15 with buys positions. Once the M15 choch, we start to have probabilities of going down, but sometimes price can make a choch to grab liquidity in order to continue its bullish move. Once we break the structure, the mitigation process is applicable on the m15 bearish leg until the H4 demand.

Chapter 6: Pricing model

On the SnD chapter (pg 32-35), we saw the model of supply and demand. The pricing model will likely use this on the market depending the trend. In fact, on the pricing model, we have the premium, the equilibrium and the discount zone.

The **PREMIUM** zone:

That's the most expensive place in a leg of the market. In a bearish market this shows that the price is too expensive for people. This is why this zone is called premium, because as the price is expensive, and we are bearish we know that price could likely go down

The **EQUILIBRIUM**:

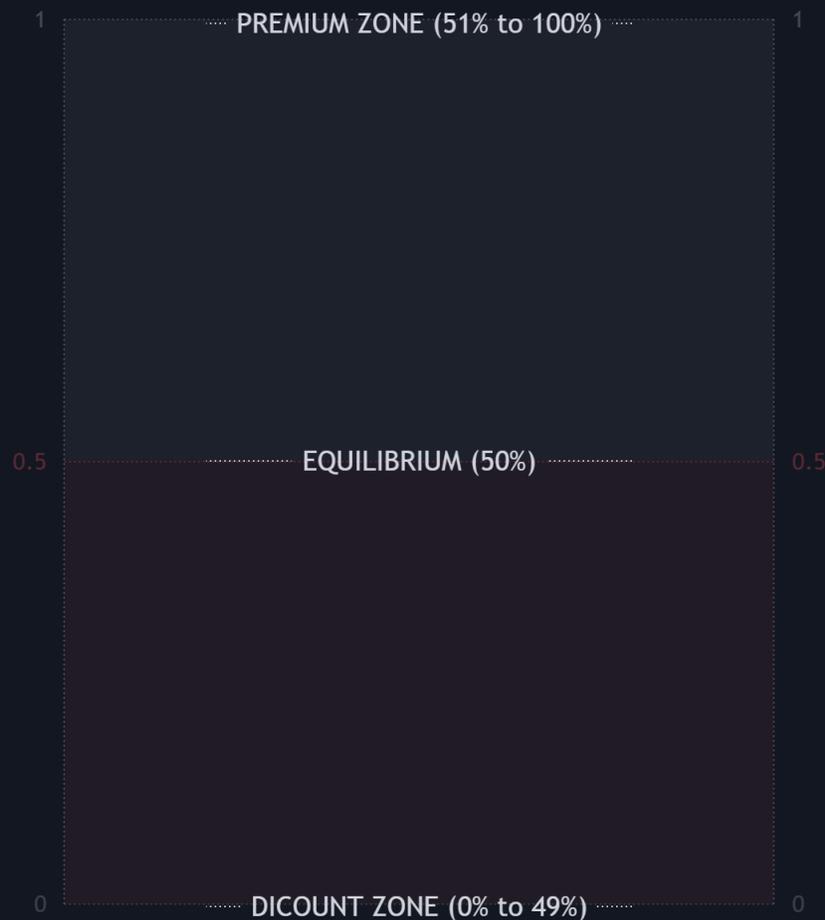
This is the 50% of the leg. In this area the price is at an equilibrium. This equilibrium could be used to continue the trend or price can use it as liquidity.

The **DISCOUNT** zone:

This is the cheapest place in a leg of the market. In a bullish market, we look for buy in this zone. In a bullish market this shows that the price is very cheap. This is why this zone is called Discount, because as the price is low, and we are bullish we know that price could likely go up and we could enter with a nice price.

The model on tradingview can be used with the Fibonacci tool or the Gann box by only taking the 0% - 50% - 100%.

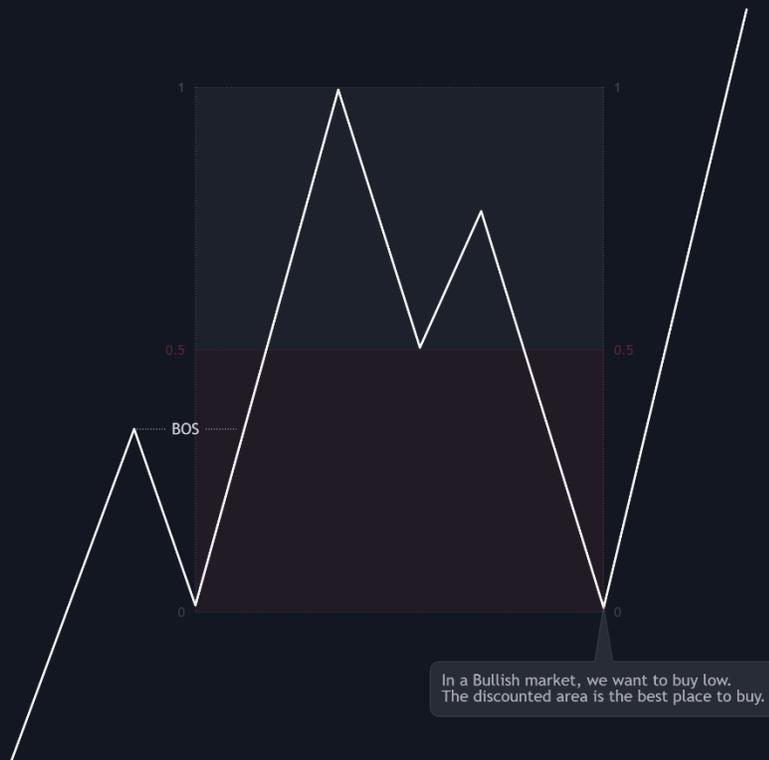
The Pricing model:



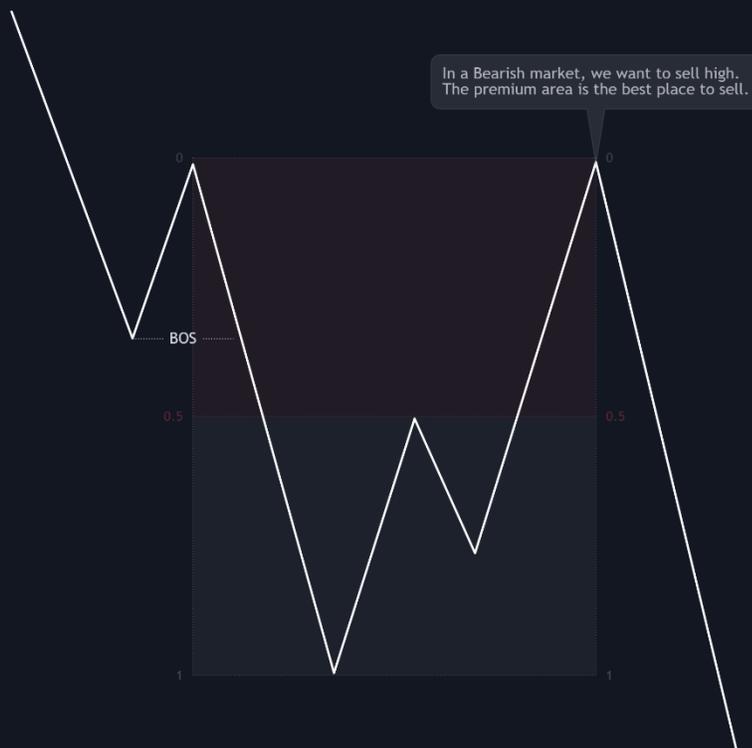
As we saw earlier, we have 3 zone. Here above I present to you the model that you can create on your trading view as a model of pricing.

I advise you to look at this model on the higher time frame and not on the time frame of your entries. It's really important to know where you are in the leg of the structure to not get too fast on a trade and to become the liquidity.

The Pricing model (bullish):



The Pricing model (bearish):



The Pricing model chart example:



This is very helpful to guide you into your trend and see where you are.

The timeframe where I use the pricing is H4 or daily to see where are the swings. I can also utilize M15 to check my intraday trend when it's needed.

Chapter 7: Enter on the market

To enter on the market, we need to follow strict rules. There are common entry models that we'll be able to use on the market. The entries are taken on the 1-minute timeframe but you can also look for 2 or 3 minutes if the price action is not easy to read.

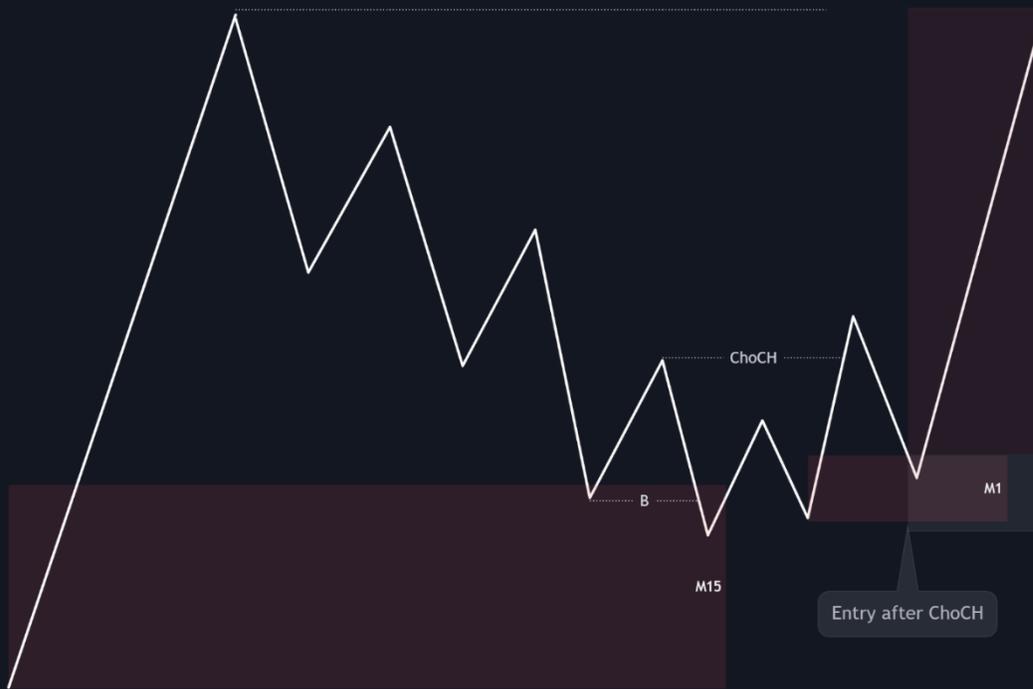
The **ChoCH** entry:

The Choch entry must be taken on a HTF POI. I likely use M15 POI and M1 ChoCH entry.

The **ChoCH** entry bearish model:



The ChoCH entry bullish model:



The

ChoCH entry chart model:

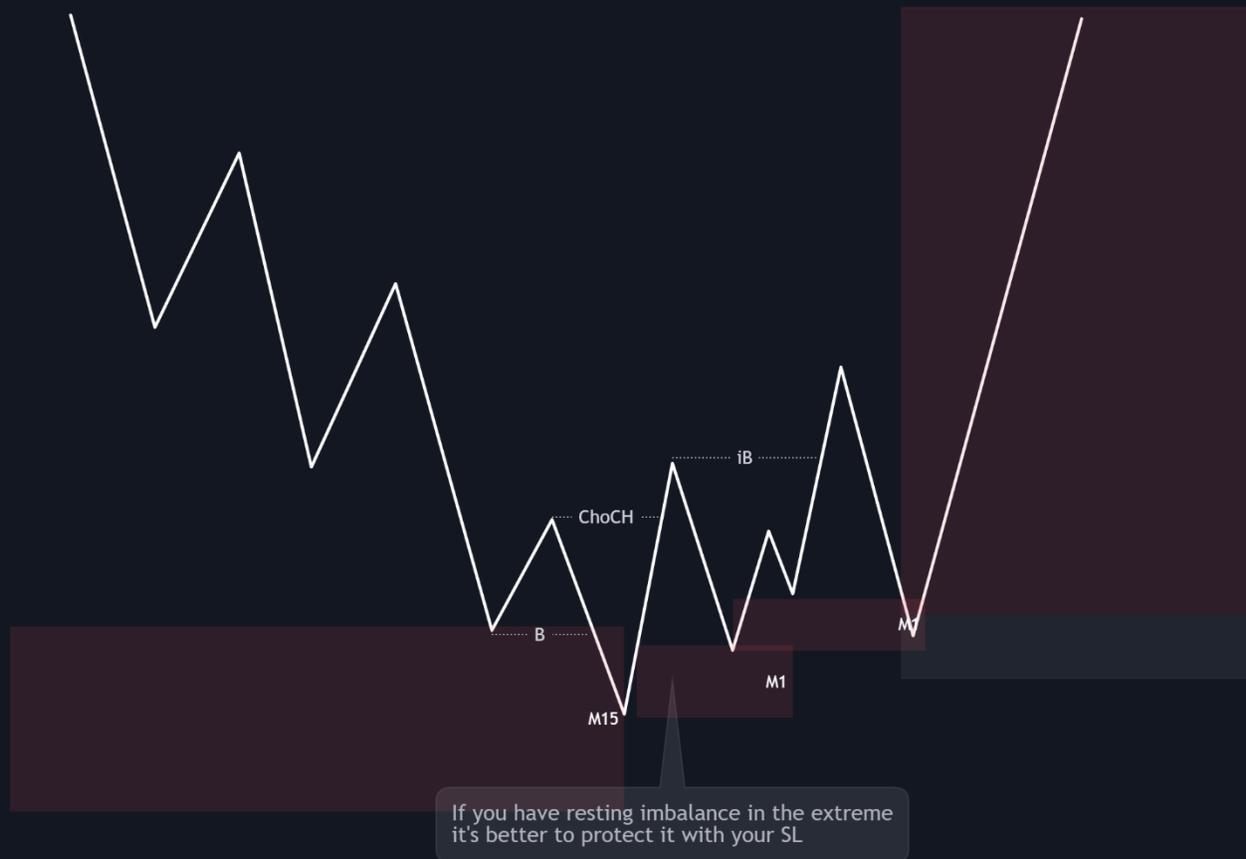


For the sweep before the ChoCH only a wick is acceptable but to break the ChoCh we need a candle close in order to follow it.

The C-I entry:

The C-I model consists to wait for a choch and then an internal bos to have more probabilities for the price to go down.

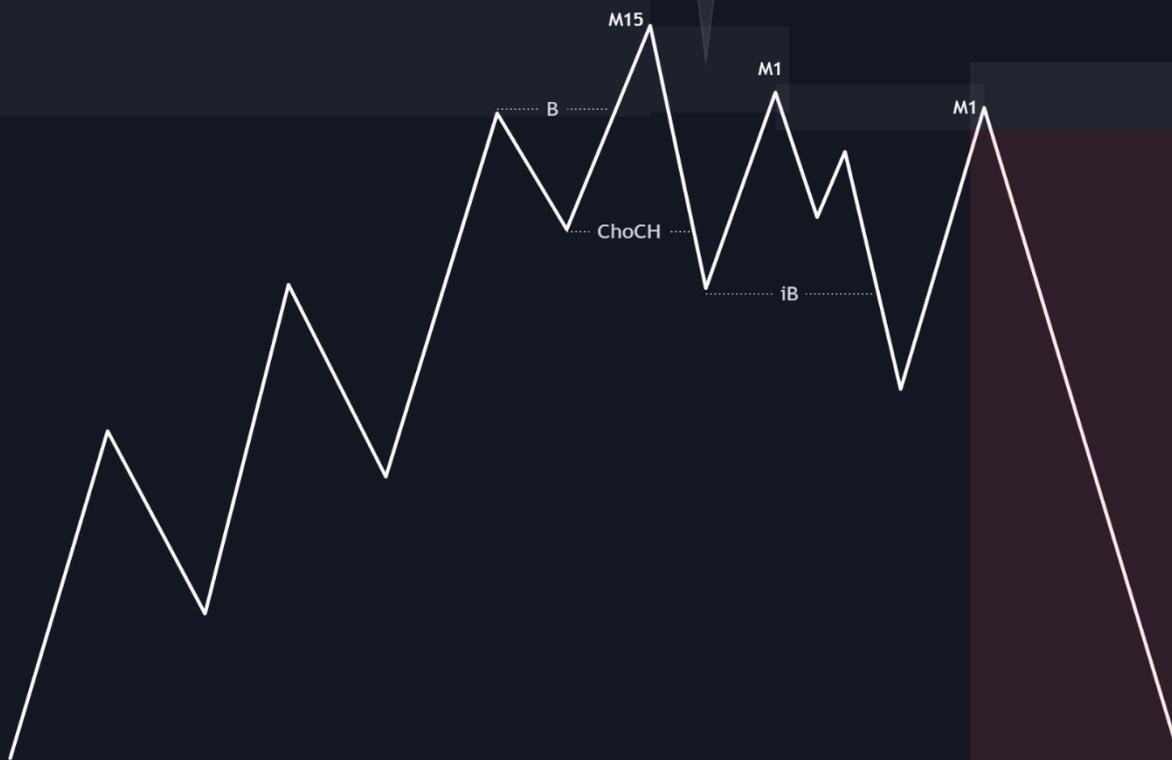
The C-I entry bullish model:



This increases a lot your probabilities to win a trade. I use it most with the GOLD.

The C-I entry bearish model:

If you have resting imbalance in the extreme it's better to protect it with your SL



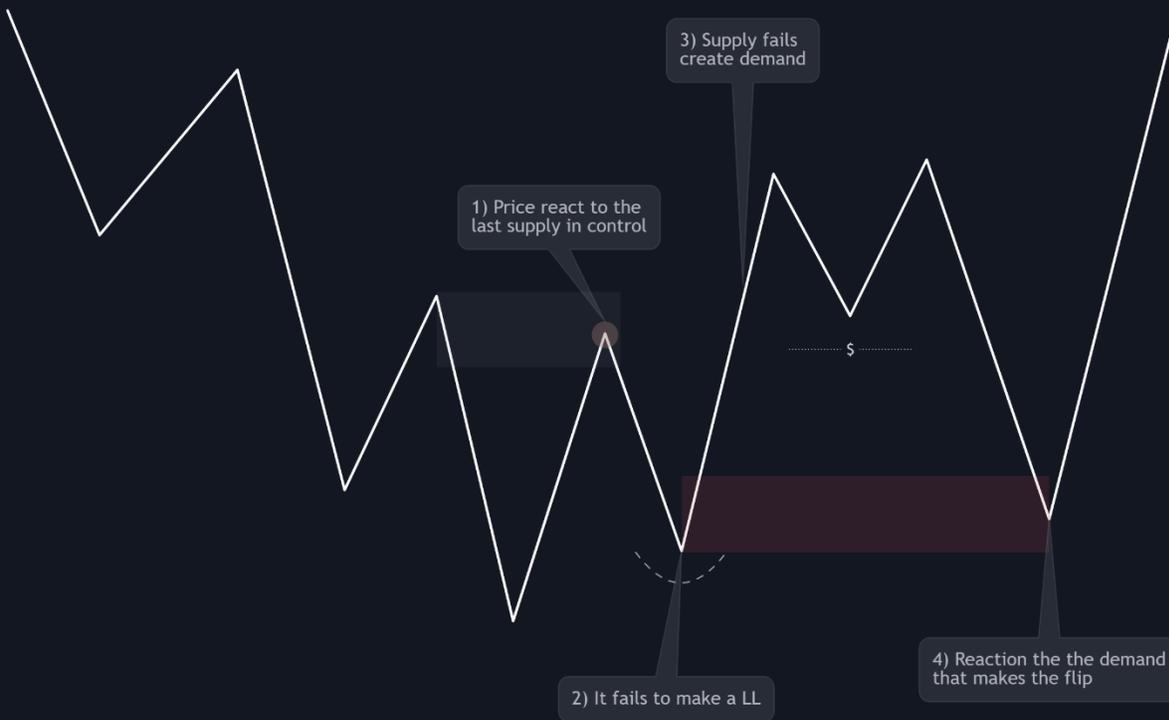
The C-I entry chart model:



The **Flip** entry:

The flip entry shows a fail from a supply or a demand to follow the market. In a bearish market, the supplies are in control of the market and vice versa, in a bullish market, the demands are in control. When a supply fails to follow the structure, it will flip and create a demand. The demand will take control of the market.

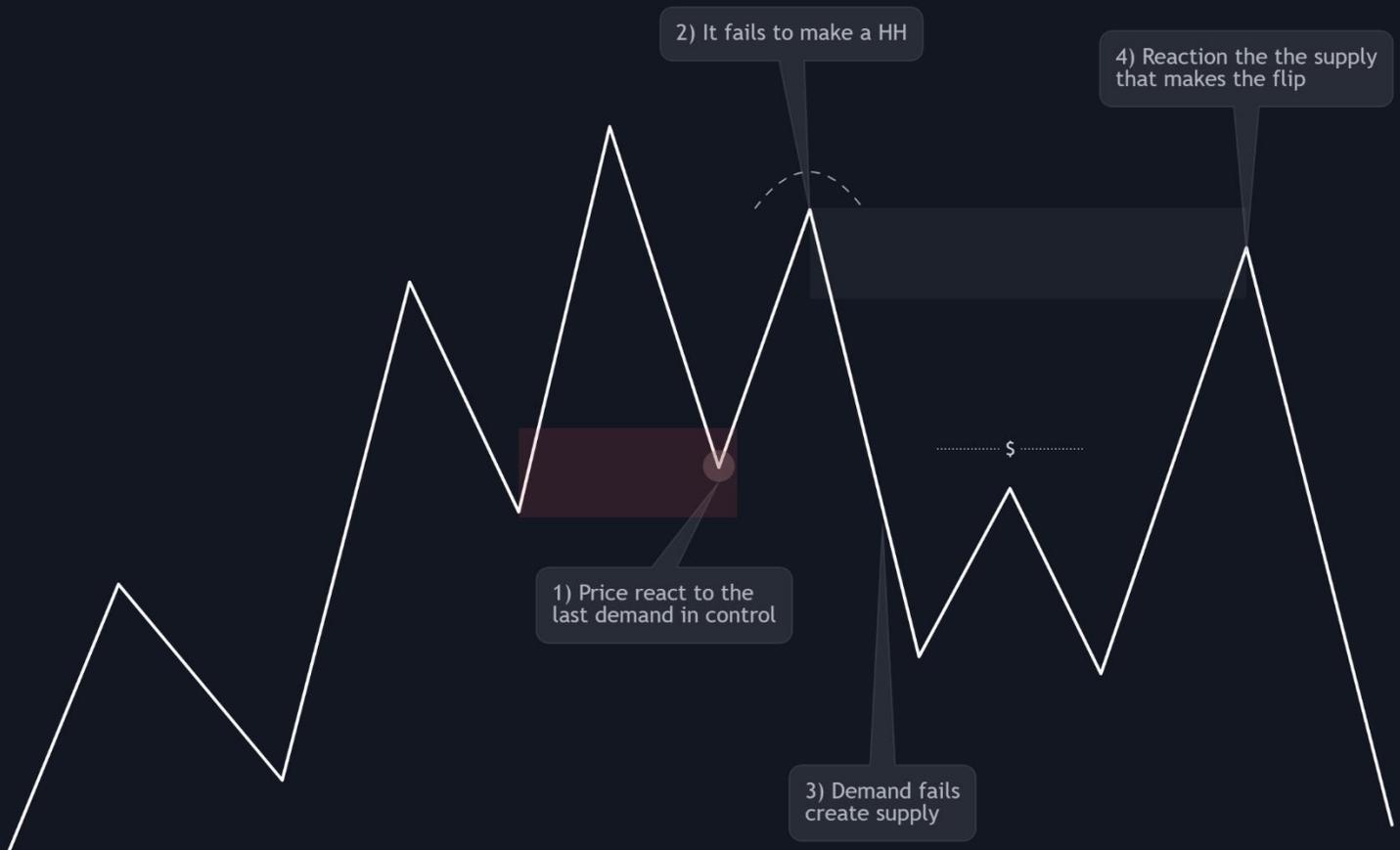
The **Flip** entry bullish model:



We can identify a flip in 4 steps:

- 1) Price reacts to the last supply in control. (Price must react to the supply to affirm it is one and not a just a fake level)
- 2) After the reaction price fails to create a new Lower Low.
- 3) Supply fails and creates a demand.
- 4) Price reacts to the demand created by the flip

The Flip entry bearish model:



The flip has different model, I use 3 in total. One of them if price doesn't create any liquidity, then I will use extreme POI. One, when price creates liquidity and then we select the zone that makes the flip. And the last one is when price reacts to the last zone in control it creates a choch before break the zone.

The **Flip** entry model (No liquidity):



With this model as we don't have liquidity, we use the flip as liquidity for the extreme.

The **Flip** entry model (Liquidity):



The Flip entry model (Cflip):



On this model we can see a model of choch on the last zone in control and this could be used as a sweep and shift.

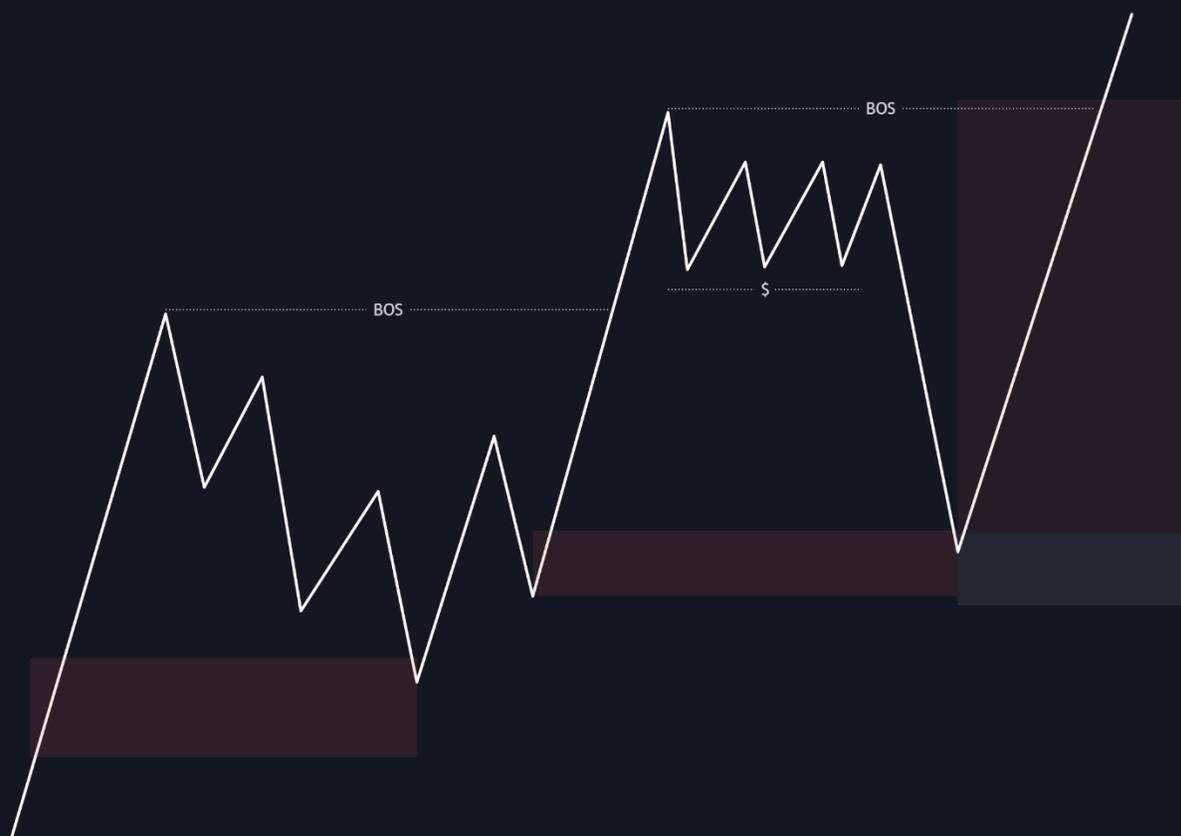
Flip chart example?



Those models are commonly used after the mitigation of a HTF POI or when we sweep a big liquidity as External range liquidity.

The following one will be when we are already trending, as a continuation trade. You can take them to stack or because you were not there when the market shows your entry criteria.

The **continuation** trade model:



Make sure to always follow the rules of the zone selection to choose the best POI. The continuation trade for me needs Bos, momentum and liquidity that's the most important rule.

The continuation trade chart model:

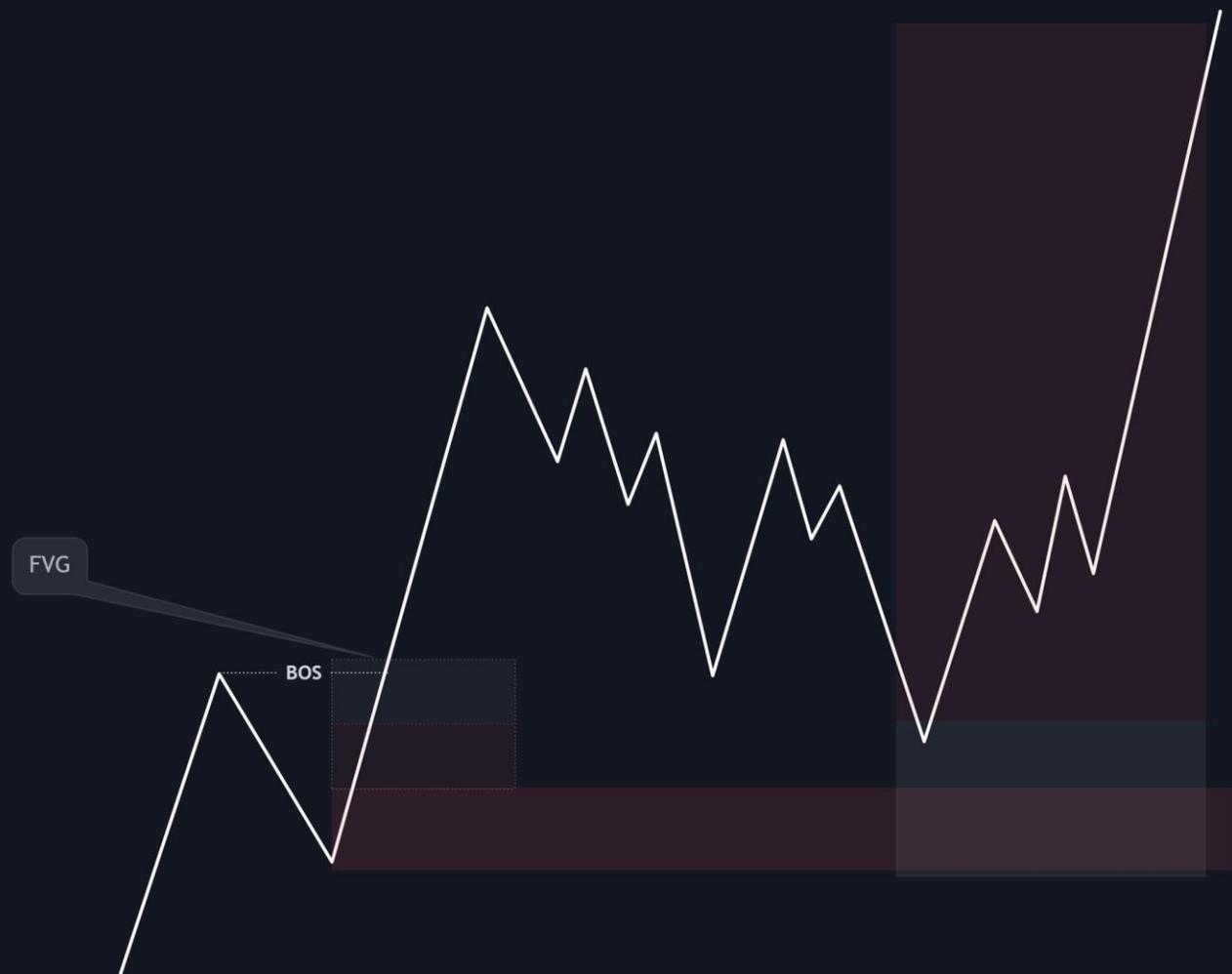


The FVG entry:

FVG means Fair Value Gap that's another name for the imbalance. The FVG is used when we have a big candle after our POI and in this big candle, we will take the 50% of the imbalance and take our entry at this area.

Why doing this? When we have a big amount of imbalance, price will not necessarily need to tap in your POI to follow its move. Taking care of that, the 50% works very well for the reaction of the price.

The FVG entry model:



As we can see this entry decreases a lot the risk reward. It's all on you if you want to use it or not. For what concern my experience, I use it when I can get a minimum of 4RR. It's better to know this entry in case the price doesn't react to your zone and you are asking yourself why it happens. To implement this entry could be very great when you are in PROTREND and can have a big take profit.

(PROTREND means you are following your trend)

The FVG entry model:



As we can see to take the FVG we will use the same tool as the pricing model. We will drag it from our big candle after the POI until the first wick that pullback the market. The 50% will be used for the entry and the SL will be below or above the initial POI you placed.

Chapter 8: Trade management

We went through all the concepts, now we will go through the trade management. This chapter will explain the different time frame used and also the overall management of your trade as TP, SL BE, etc.

The **Time Frame** used:

Daily: Once a week to check the overall bias of the market. Mark the extreme zones, Pricing

Example:



On the example above, price is bullish and as we can see market reacted from its protected low and its demand. This demand creates a big move to the upside that broke internal structure. Price comes back to its extreme zone.

H4: Every day to check the bias of the market, liquidity, pricing, POIs
Example:



In the example here, it makes a choch and comes back into its daily and its h4 POI. As we remember, daily is bullish and as price comes back into an extreme demand with liquidity we can expect a big push to the upside. We need to wait for the M15.

M15: M15 is used for the intraday pricing. Intraday means that this is the price action we will follow day by day with our higher time frame bias. This time frame can be used alone when H4 is in a range or doesn't show something clear. On the M15 we look for the structure, the liquidity, the POIs.



On the M15 here, price makes a ChoCH and a BOS and we can see a visible liquidity. We have a lot of imbalances to fill and price swept all the liquidity very fast.

M1: Entry time frame ONLY!

Example:



On the M1 it was possible to use the C-I model as we can see the price follows it very strictly.

This was just a little explanation of the timeframe. A complete chapter “Daily process” is at the end of this book and explains in details how to take a trade from A to Z.

NB: When market is not clear in those time frames, do not hesitate to change it a little, for example you can go on h3 r h2 if the h4 doesn't show good POIs.

The Trade management:

Totally besides the strategy, what all the profitable traders have in common is that they manage their trade properly following their plans. The trade management will firstly consist in having a nice stop loss at a precise level that cancels the setup. Secondly, A precise take profit and also precise partials profits if you decide to use them. Finally, a break-even level that indicate to you that you can set your SL on the entry point to not be able to lose money anymore.

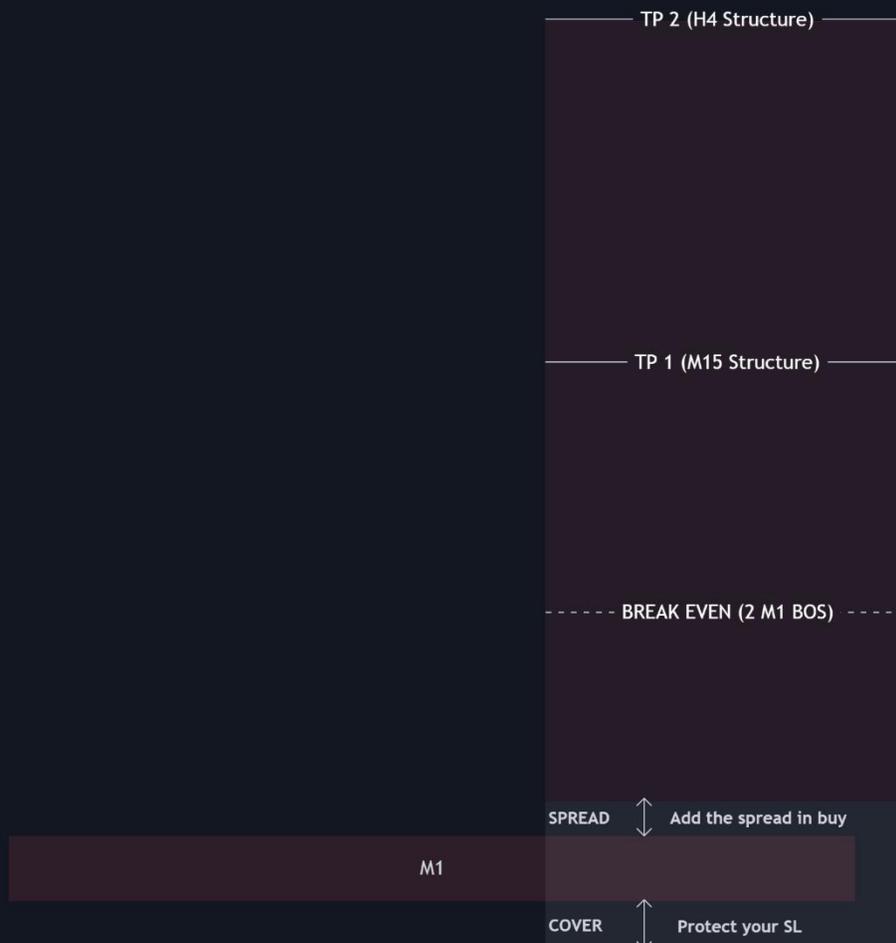
With my plan, the trade management will change if we are in pro trend or in counter trend. It's important to take care of the spread. In the long term this can affect the capital.

When you sell the market, price triggers your entry point at the real price of the market, but your stop loss will be hit at the spread level. If you have 0.5 pips of spread it's important to add them to your stop loss to not get out at an equal level or a little grab of liquidity.

When you buy the market, price will trigger your entry point at the spread level, that means that you need to add the spread to your entry price. Otherwise, price can touch your zone but not trigger you because of the spread. I think some schematics will be helpful to better understand that.

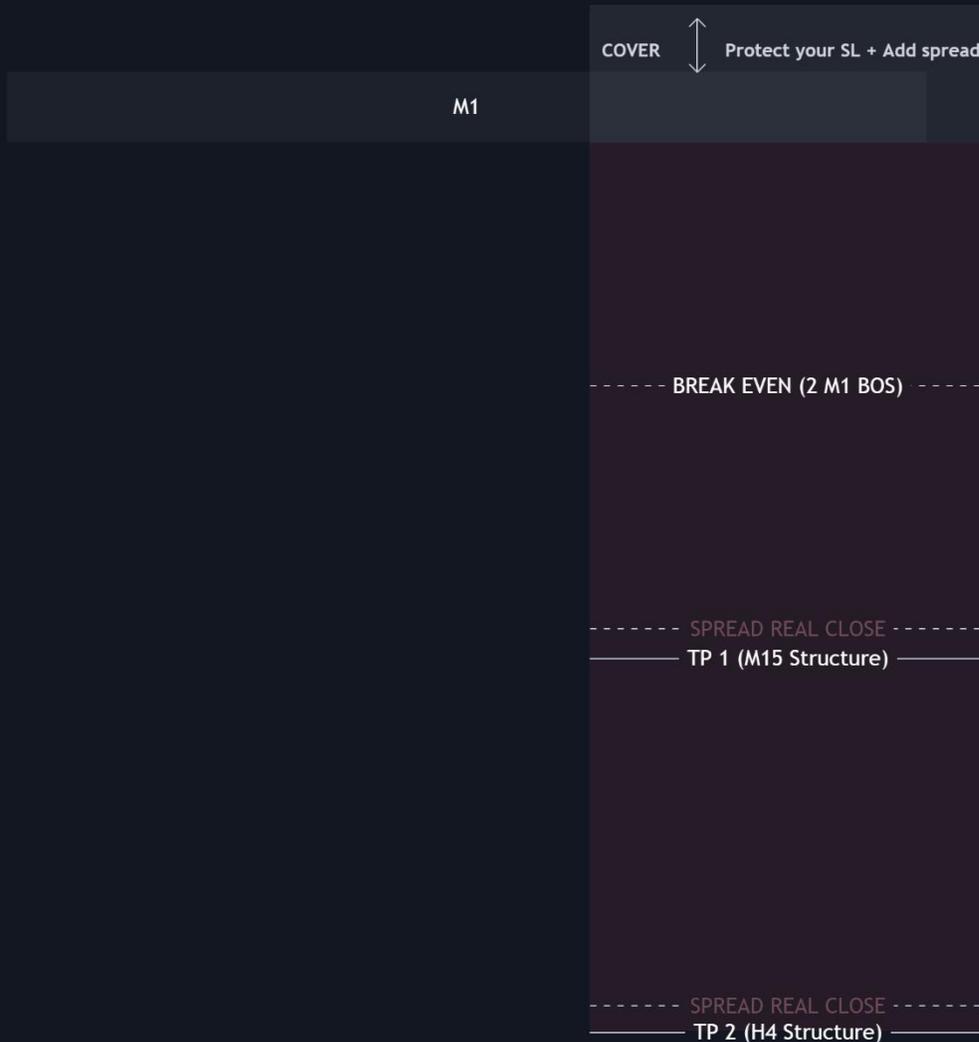
The **PRO TREND** management:

Bullish:



The break-even will be set after 2 M1 BOS. The first TP or the total TP depending on your will be the M15 structure (As we are in pro trend this level should fails). The second TP is the H4 structure (it's needed to have both h4 and m15 in the same trend to reach this level).

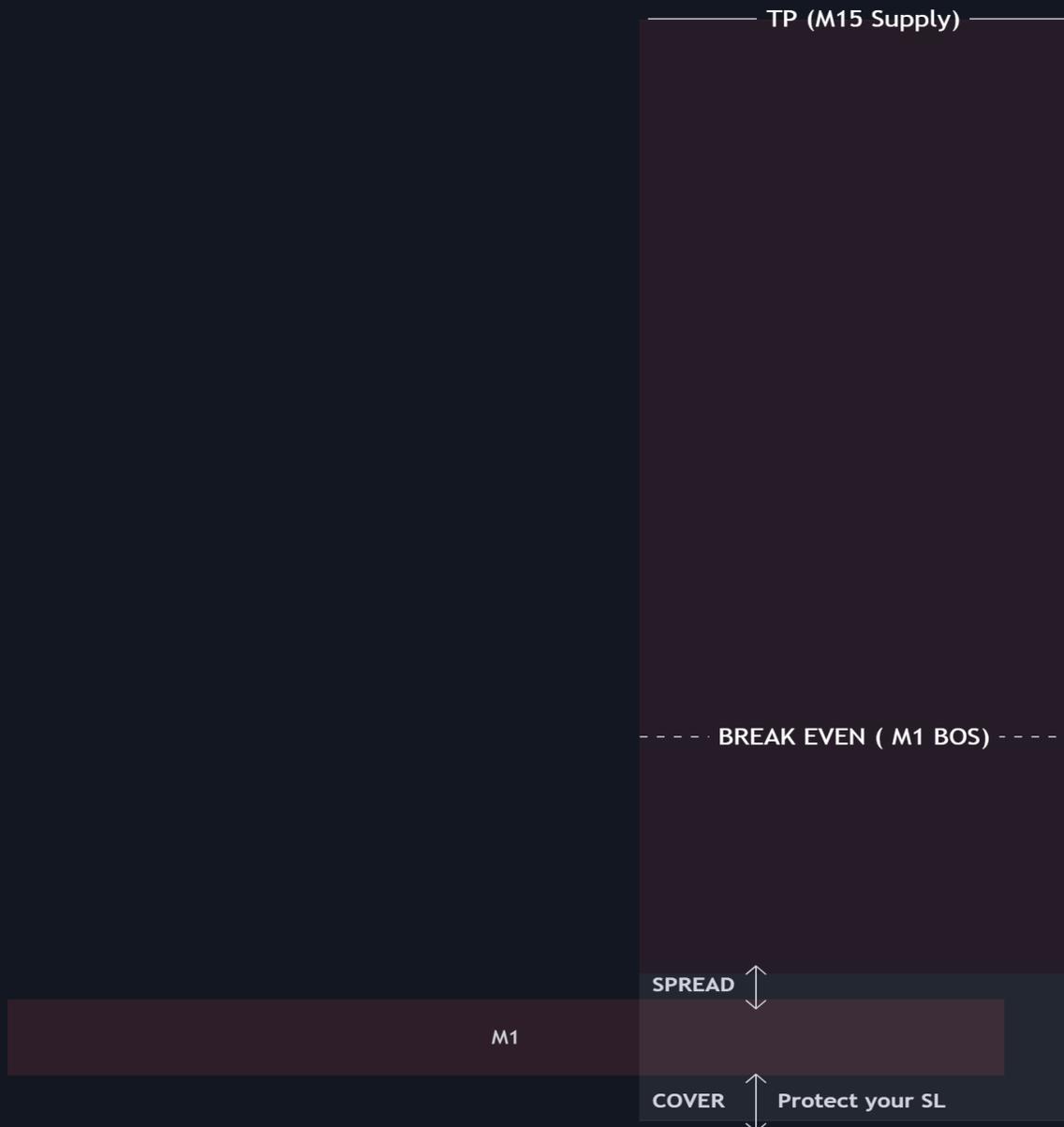
Bearish:



On the sell one we don't have to take care of the spread for the entry point. But as your stop loss will be triggered at the spread level it's important to add it to your initial cover. The break-even level will stay the same, and for your partials you also need to take care that when price will hit your take profit, the profit will be taken at the spread price

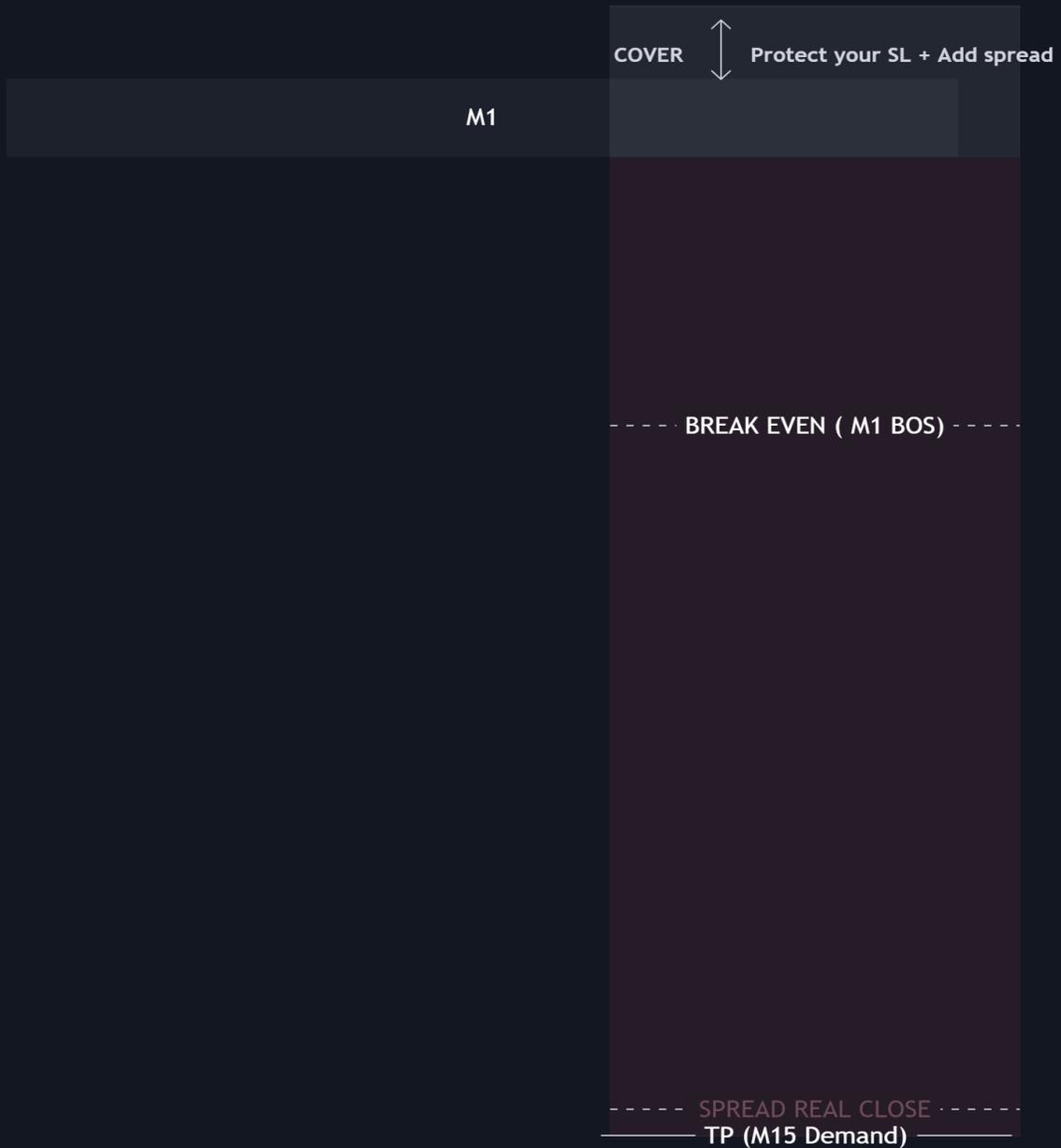
The **COUNTER TREND** management:

Bullish:



The break-even will be set after a M1 BOS. The TP will be on the next M15 supply as it is where price is supposed to react, before dropping to the downside. If your BIG timeframes are showing to you that you can have a TP on a H4 supply then take a partial at the M15 supply and look for another one at the H4 supply

Bearish:



If your BIG timeframes are showing to you that you can have a TP on a H4 demand then take a partial at the M15 demand and look for another one at the H4 demand.

Chapter 9: Daily process

Firstly, to find your own daily process you should understand that everyone is different. Some people will be able to look at the chart for 5 hours without getting tired and some get tired after 2 hours. As a trader it's really important to know yourself in order to not make any overtrading. Overtrading can induce to a lot of bad decisions and a lot of wasting of money.

The sessions are also really important. The best liquidity is during London and New York on major instrument. The Asian pairs will have a lot of liquidity during the Asian session. Following what you have to do in the day, you have to pick up one or two sessions that you will be able to trade with 100% focus. That doesn't mean looking at the chart for the 5 hours, but being in the zone with you and your trading.

The daily process will start by checking the different news that we've got for today. I also advice to pick some article about the pairs you are trading to know more about the fundamentals of these.

If you are on the Monday, you can start by the daily time frame to check the structure and the extreme POIs. You can also take a look at the liquidity if it's needed.

The **Daily** time frame:



On the daily time frame, price is bearish. Price makes a bullish choch and comes back to its extreme supply in the premium zone. We already have a sweep of liquidity in the supply (Price reacted one time and then fails).

From the daily time frame, I expect a bearish move. To enter in this bearish move, we'll have to wait the delivery of the POI. The delivery will simply be a choch or break of structure in a lower time frame that indicates to us the probability of the price to go down.

The H4 time frame:



On the H4 time frame price is bullish. We can see that the sweep in the daily is a BOS on the h4 time frame. Here, price looks to lose bullish power on the H4. As we know price is moving from supply to demand to rebalance the price. Here, we can see that above the decisional demand we have resting imbalance, that can be used to rebalance the price if it wants to go up.

Knowing that, we could follow our daily time frame and look for sell opportunity even if we are not in pro trend on the H4.

The M15 time frame:



On the M15 time frame, price is bullish and it makes a bearish ChoCh. On the bullish leg we have almost no imbalance, except for the one before the H4 demand. Knowing that, we know that price could likely join the H4 demand before potentially a move to the upside.

As we can see after the Choch, price reacts as well at the supply that was created by the ChoCH. After, we have an internal BOS and a lot of building of liquidity before the extreme supply. This extreme supply will be the place to look for an entry. The first TP will be at the weak low or the M15 demand and the 2nd Tp will be the H4 demand. As the big picture is bearish and we are in an extreme supply of a protected low, we could expect a nice bearish move.



As we can see price gives a very nice bearish move. Without the high time frame picture, it is very difficult to know that.

Always keep in mind that the big picture will have more influences than the lower picture.

Total trade: 1:22RR. With the partials, it depends on how many % you are taking per TP. I personally take between 30% to 40%

NB: When price is efficient on the left side, it will be run fast.

Chapter 10: Money management

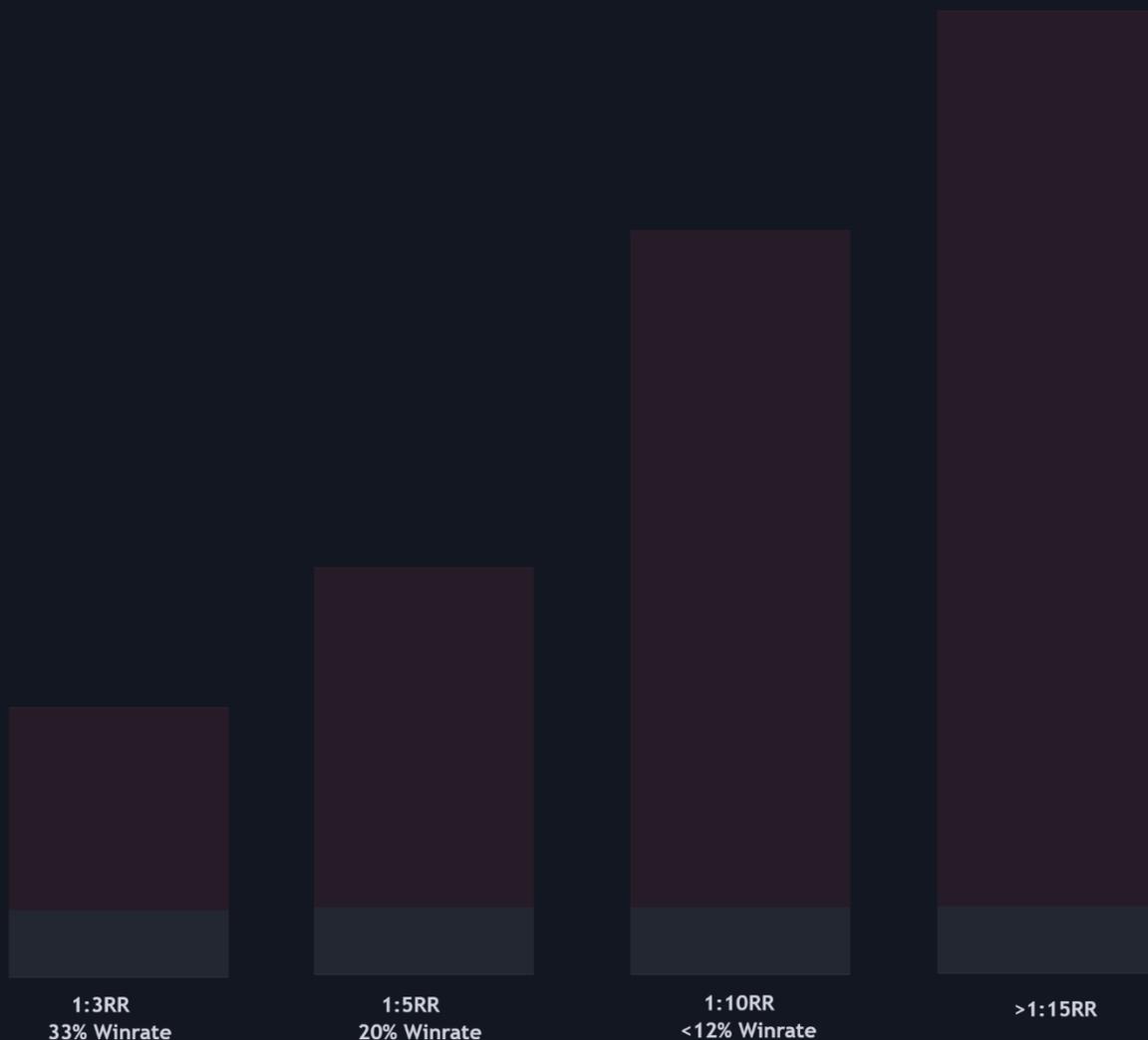
Understand the **Risk reward**:

The risk reward is something that can really change your trading for the end of your life. In fact, as a trader, it's important to think in terms of probabilities when we are trading.

If you only take 1:3 RR trade, it means that you have to win 33% of your trade in order to not lose money.

If you look for 1:5 RR, you will need to win 20% of your trades. That means that you can be wrong 80% of the time.

Now if we are looking for even bigger RR, then you can literally scale up an account very fast.



What do you need to be profitable?

1:2RR	1:3RR	1:5RR	1:10RR	1:15RR	1:20RR
>50% winrate	>33% winrate	>20% winrate	>10% winrate	>7% winrate	>5% winrate

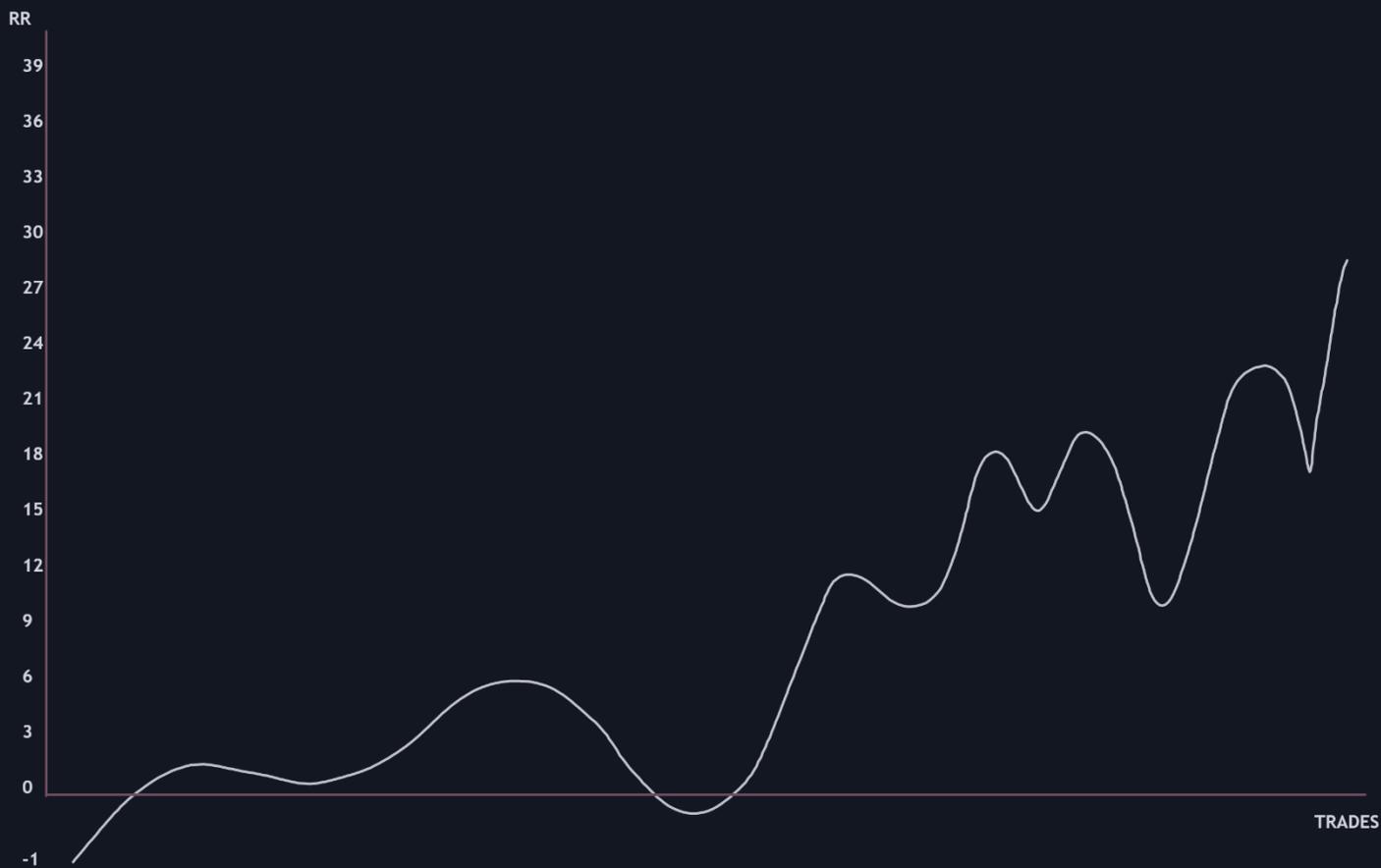
This table shows how much win rate could be powerful on the market. This is literally a game changer that can replace your way to trade forever, as it did for me. Personally, I use between 5 and 20RR with about 40% win rate. This allows me to make very profitable month even if I'm more wrong than right.

In trading you don't need to be right all the time, you need to follow the probabilities. For some people it's hard to handle a win-rate <50% because they think they are stupid and they have bad emotions; at the end this induces to a lot of bad decisions that can separate you from your edge and this is what differentiates the profitable and the not profitable traders.

Some traders have always different RR as me, but you can also use money management with strict tp and not taking care of the rest. If you do that, I advise you to use between 5 and 10RR maximum! 5RR with SMC is easily achievable with the daily process I give you, and strict 5rr tp on the long term can be very lethal. I personally use strict TP when I trade prop firms.

You won't always win money every day, every week, every month. It's very important to understand and save it in your mind, when you are actually taking losses and have bad moments.

What an equity chart looks like when you're profitable?



You can have bad moments, but if you follow your plan and your rules at the end it will worth it. This chart can also be compared to the psychology of a trader during the day.

Chapter 11: Trader bestfriends

The trading plan:

Every business needs a plan to be executed. In trading, that's exactly the same. Trading is a lonely path and that's also a jungle. Once you are on the chart you can do whatever you want, nobody will tell you to take care at the trend or the liquidity that can delete your entry. You need to create that thought process by yourself.

Many people ask me about the course or my trades, most of them have more than 5 years' experience in trading, but still lose money. The first question I will ask is: have you a trading plan? 95% of the people doesn't have one and the resting 5% are not able to follow it on the long term.

The trading plan contains:

- Active instruments
- Timeframes
- Active session
- Risk management and trade exit
- Entry criteria
- Step by step process time frame per time frame.

Active Instruments

AUDUSD - Main pair for intraday trading

XAUUSD - Main commodity for intraday trading

Timeframes

D - 4H - Narrative for bias and daily overall picture

15m - Structure for intraday bias and identify good POI's

M1, M2, M3 = POIs

5s = Entry (Choch / MSE / FVG)

Set alerts at 15m and 1m POI's. If it goes off, then monitor price action on the 1m then in 5s for an entry.

Active Sessions

Overlap - New York - 13:30 to 17:00

Risk Management and Exit

0.5% per trade

Maximum of 3 trades a day.

2 Losses in a row maximum.

Potential trade exit : Before news ; Volume low ; End of the day

How can you manage to create your trading plan?

I personally use NOTION to make it. There is how I tend to make my trading plan.

ENTRY CRITERIA

We enter based on key levels of supply and demand that have a significant role in market structure. We identify by marking out HH's, HL's, LH's, and LL's that caused a break of significance.

Once price has reached our HL, we will wait a reaction either that area that shows a intent for price to want to go either higher or lower. We can identify this by the supply or demand looking to follow through with its exceptional order flow. We have to identify where the capital injection was made and wait for price to come back to that point to indicate for the price to follow through with its true intentions.

Counter Trend:

- Monitor price action and the reaction points closely.
- Do not be greedy, take profits early if needed, but ideally not before 50% - use the trade through to its next demand/supply area and take a hedge if opportunity arises.

Pro Trend:

- Monitor price action and the reaction points closely.
- Enter trade based on different second entry criteria after an HT delivery.
- We need to aggressively partial or trail with 50% when in continuation, let price play itself out and move entry to 50% only once the first 50% has been formed. Partial at the next swing structure HT level and let rest run.

D-4H

Narrative for bias and daily overall picture

- 🕒 Do check out Weekly and daily to identify if reacting of any key HTF S/D levels.

Chart markings

What do I note on my chart?

- Swing highs & lows
- BOS's - Valid BOS by body break's showing intent
- Supply and Demand levels
- Liquidity points - weak H/L, EQH/L, trendline liquidity, structural liquidity, internal range liquidity.
- Expectational orderflow - Trend structure following HL to HH's or LH to LL's anticipating the next HH or LL. Mark the most recent Strong high/low and weak high/low.

15m

This timeframe is used for immediate direction

Chart markings

What do I note on my chart?

- Swing highs & lows
- ChoCH's and BOS's - Primarily body breaks showing intent
- Supply and Demand levels
- Liquidity points - weak H/L, EQH/L, trendline liquidity, structural liquidity, internal range liquidity.
- Premium / discount - Buy at discount and sell at premium
- Expectational order flow - Trend structure following HL to HH's or LH to LL's anticipating the next HH or LL. Mark the most recent Strong high/low and weak high/low.
- Inducement - liquidity before mitigation of a S/D level
- Sweep external range LQ

📄 Example of what markup should look like at start of day

1m

This timeframe is used before the entry. We use it to refined the M15 Poi's. And look for structural shift that gives a POI to trade in second

What do I look here ?

- M1 orderflow POI's
- M1 refined POI's from m15
- Poi's that swept liquidity with momentum
- Imbalance
- ChoCH and flip on M15 delivery
- Flip on a Structural level
- Liquidity (BSL/SSL)
- M1 Poi hard to find, switch to M2

If you decide to use notion for your trading plan. I created a template that you will be able to use. You need to copy it on your personal NOTION.

LINK : <https://dexterrfx.notion.site/STUDENT-TRADING-PLAN-1-5bcfefca4c444c69aad9bf80a84f7803>

The trading journal:

What can make you different from the rest of the world? Trading journals. The trading journal is a simple file, on notion, sheet or word as you prefer. The trading journal will be the safe place for your data. This is where you will save every trade you take with the maximum information possible about your strategy.

The trading journal is very helpful to see where are your own mistakes. In fact, you'll not make the same mistakes of another trader and you will need specific information about your own data, when you save all your trades and also all your losses you can group them to see where are your common mistakes and create rules about that.

How it looks:

Aa Name	Lesson Date	Status	Type	RR	Column
GOLD -	June 16, 2022	Loss	Sell	-1	New york
GOLD -	June 10, 2022	Loss	Sell	-2	New york
GOLD -	June 9, 2022	Loss	Sell	-1	New york
GOLD -	June 3, 2022	Win	Sell	4	New york
GOLD -	June 2, 2022		Sell	-2	New york
GOLD -	May 31, 2022		Sell	-2	New york
GOLD -	May 24, 2022	Win	Sell	6.5	New york
GOLD -	May 23, 2022	Win	Sell	3.5	New york
GOLD -	May 20, 2022	Win	Sell	4	New york
GOLD -	May 19, 2022	Loss	Sell	-2	New york
GOLD -	May 12, 2022	Win	Sell	12	New york
GOLD -	May 9, 2022	Loss	Sell	-1	New york
GOLD -	May 6, 2022	Loss	Sell	-2	New york
GOLD -	May 4, 2022	Win	Sell	6.5	New york
GOLD -	April 21, 2022	Loss	Sell	-1	New york
GOLD -	April 16, 2022	Loss	Sell	-1	New york
GOLD -	April 14, 2022	Win	Sell	5.8	New york

COUNT 33 VALUES 32

You can have your dates, the risk reward, the status, the type, the timeframes, the type of entries, the sessions, etc.

GOLD -

☰ Column	New york
📅 Lesson Date	May 24, 2022
☰ RR	6.5
⌵ Status	Win
☰ Type	Sell

You can also add your markups and also notes. I personally add the notes directly on my chart.

D

H4/H1

TradingView Chart

tv <https://www.tradingview.com/x/2fjph7jp/>



M15

TradingView Chart

tv <https://www.tradingview.com/x/5YmBNWxd/>



M1

TradingView Chart

tv <https://www.tradingview.com/x/s709KeVi/>



TP

SMC Vocabulary –

BOS = Break of structure

iB = Internal BOS

OF = Orderflow

SLOW = Swing low

SHIGH = Swing high

ChoCH = Change of character

SND = Supply and demand

POI = Point of interest

AOI = Area of interest

OB = Orderblock

LQ = Liquidity

BSL = Buy side liquidity

SSL = Sell side liquidity

IMB = Imbalance

FVG = Fair value gap

IDM = Inducement

TF = Timeframe

EQ = Equilibrium