From Zero to Hero

Become the best at trading with Artsmrkts

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Introduction
The strategy is used for FOREX trading, for any currency pairs and metals. Strategy is based on how the big players manipulate the market and accumulate their positions. It is a challenge to think like a big player, but we know what rules they play by.

We asked 2 institutional traders, basic rules, and one trading set up so that even a beginner can trade and profit. Below we have summarized the strategy fundamentals and examples. If you need more information, feel free to contact our manager.

Basic rules:

1. A strong buying trend is defined when the 9 SMA (Simple moving average) is above the 18 SMA. And vice versa for a bearish trend: the 18 SMA should be below the 9 SMA. Big players enter after a strong manipulative move, where small players are not expecting it. Entry is below the low of the current London session, or below the previous day's low, or below the previous week's low.
2. Entries are only made after the opening of the NY session, after 7am local time, if you have strong news after 12pm NY, you should wait for the news to come out and only then look for a position for a trade.
1. The exit is made in the ratio of 1:2 to the stop loss.

Trend identification

As you can see from the chart, you can see the green areas, this is a strong trend area on D1, this trend on gold continues until early September. But you see a strong downward trend, which is called a pullback, or correction. This means that the market is highly overbought and is starting to decline, but you are safe from buying longs on this correction. That is the power of the trading rule. Let's see, what was the trend on the h1 chart, on the hourly chart at this time?

The 9 SMA was below 18 almost the entire time of the pullback on the hourly chart.

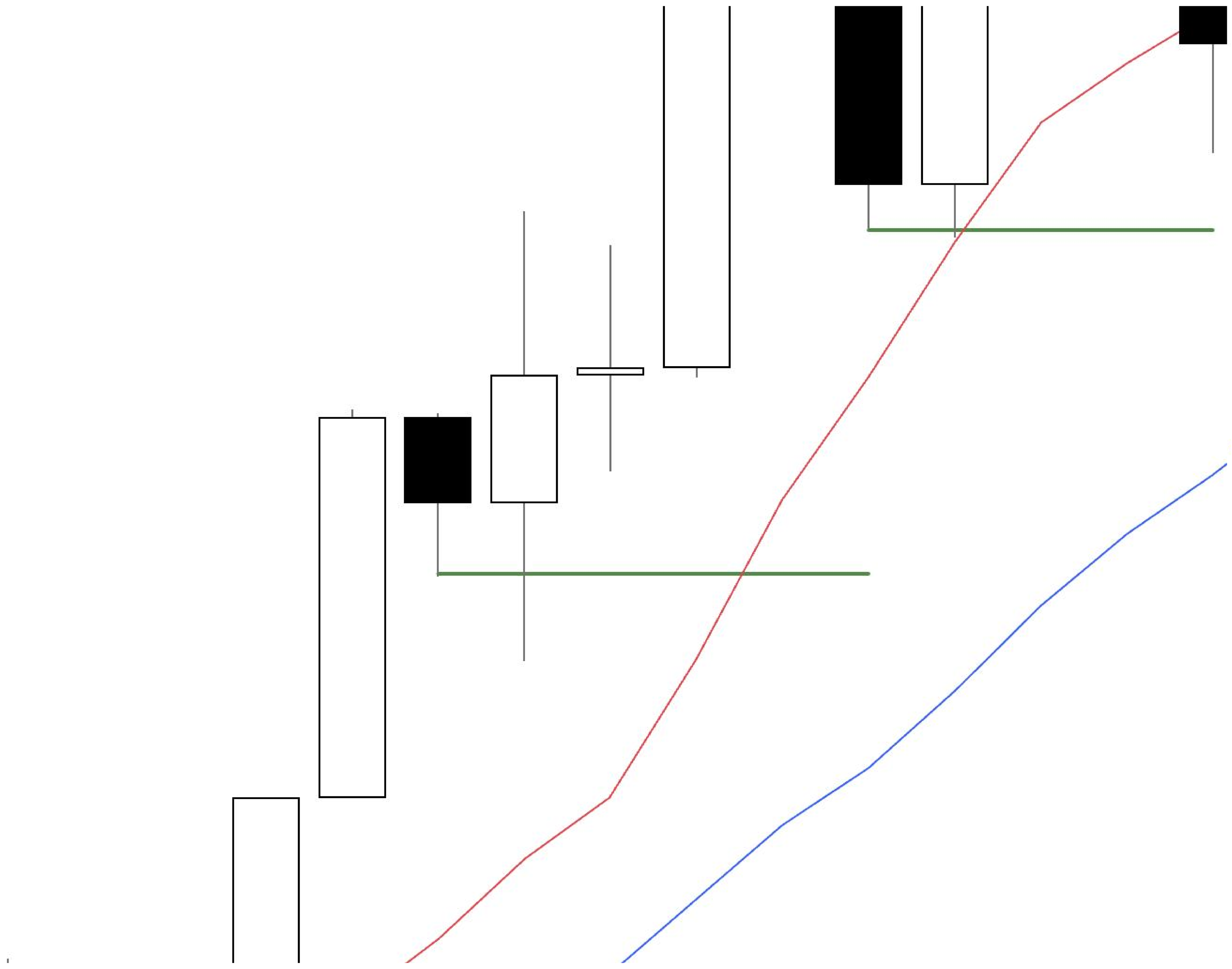
In order for you to catch a really powerful and correct movement you will need to use the trend of two timeframes.

These are the trends on D1 and on h1, it is the position of the moving averages that will tell you the trend.

Manipulation of the big player

As we can see on the chart, there is a clear manipulative move. If the trend is bearish, we see a false breakout above last days highs. If the trend is bullish, we see a false breakout below the lows of previous days.

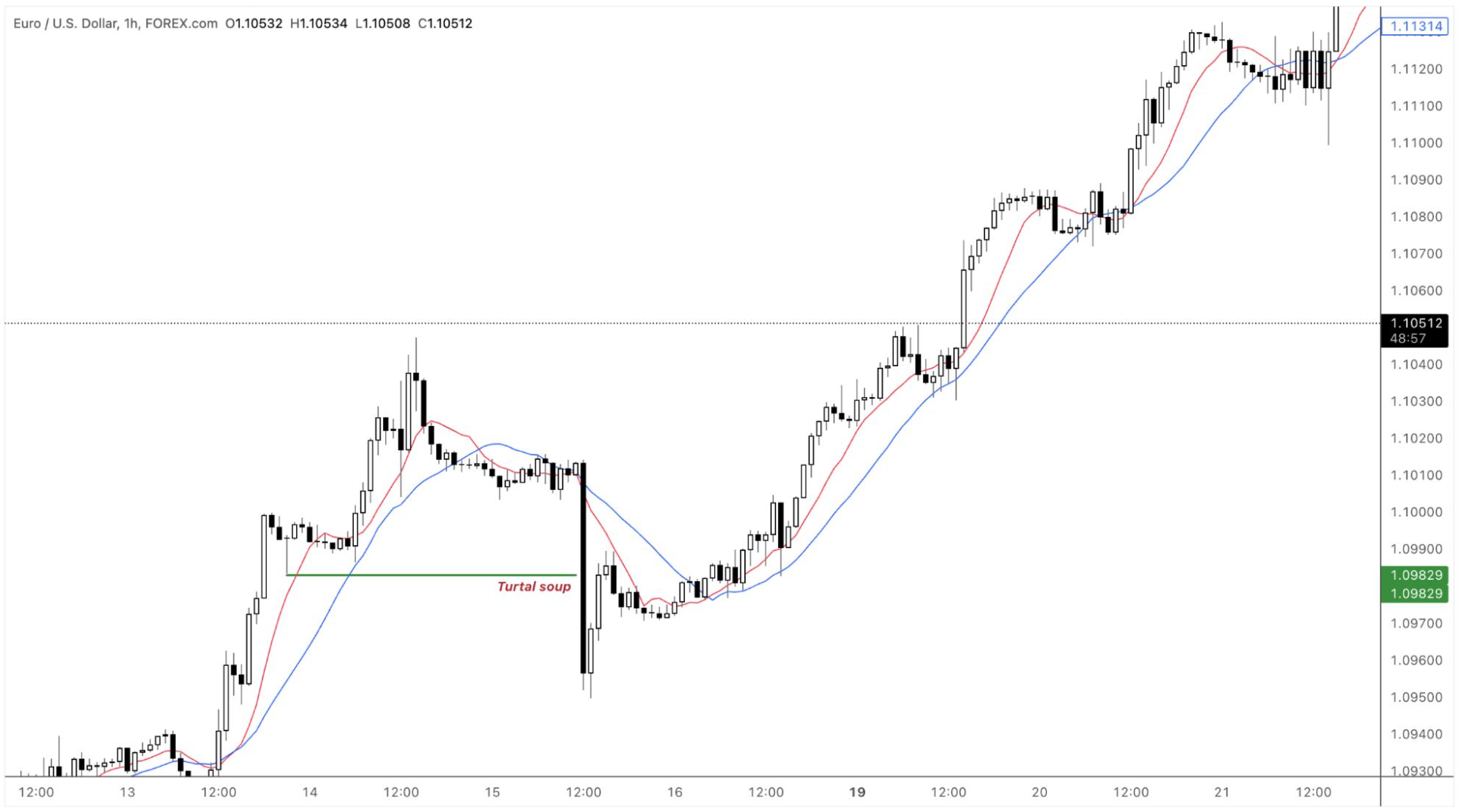
This does not happen often: 3-5 times a month, or about every week, you will have a false move against the trend you are observing using the relative position of the SMAs



Following the breakdowns is easy enough, you just need to look at the bottom of yesterday's candle.

A strong trend starts with the "turtle soup"

Linda Raschke used false breakout against the trend to find her entry points. She is one of the best female traders in the world and has written many books about her trading system. We won't dive into her system in detail, it's quite extensive, but we'll outline it briefly here and show specific examples that apply to the strategy.



"Turtle Soup - Why this name? Previously, a group of traders were known for trading exits out of the 20 day range, trading "on the breakout". They called themselves turtle traders. So a failed breakout attempt was ironically called "turtle soup".

Big players use such manipulations to accumulate their positions. Seeing a strong bullish trend, the whole financial world is trying to get into a long position. But where will their stop losses end up? Very often these will be the lows not only of yesterday, but also the lows of last week or even month. Small traders will be sure that this is a market reversal and will dump their positions, while big players will build up theirs at a discount.

The best short trades with a fast and dynamic market will occur for you on the main trend, after a strong manipulative move against the trend, above previous highs. The market then quickly reverses and follows the major trend.

Above we see the same for the EUR pair.

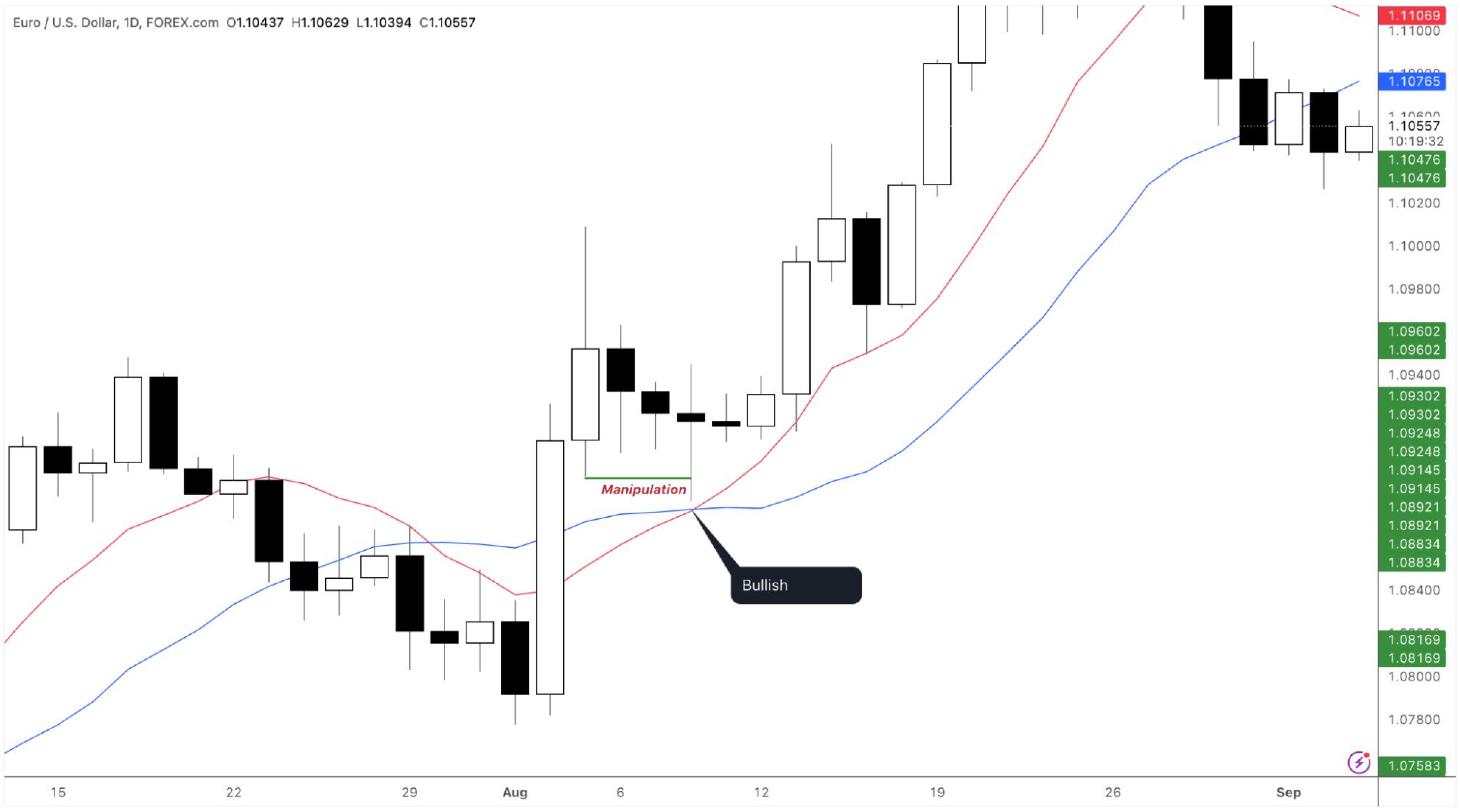
Order search algorithm

What a typical deal with a high probability of success looks like.
These are a few conditions:

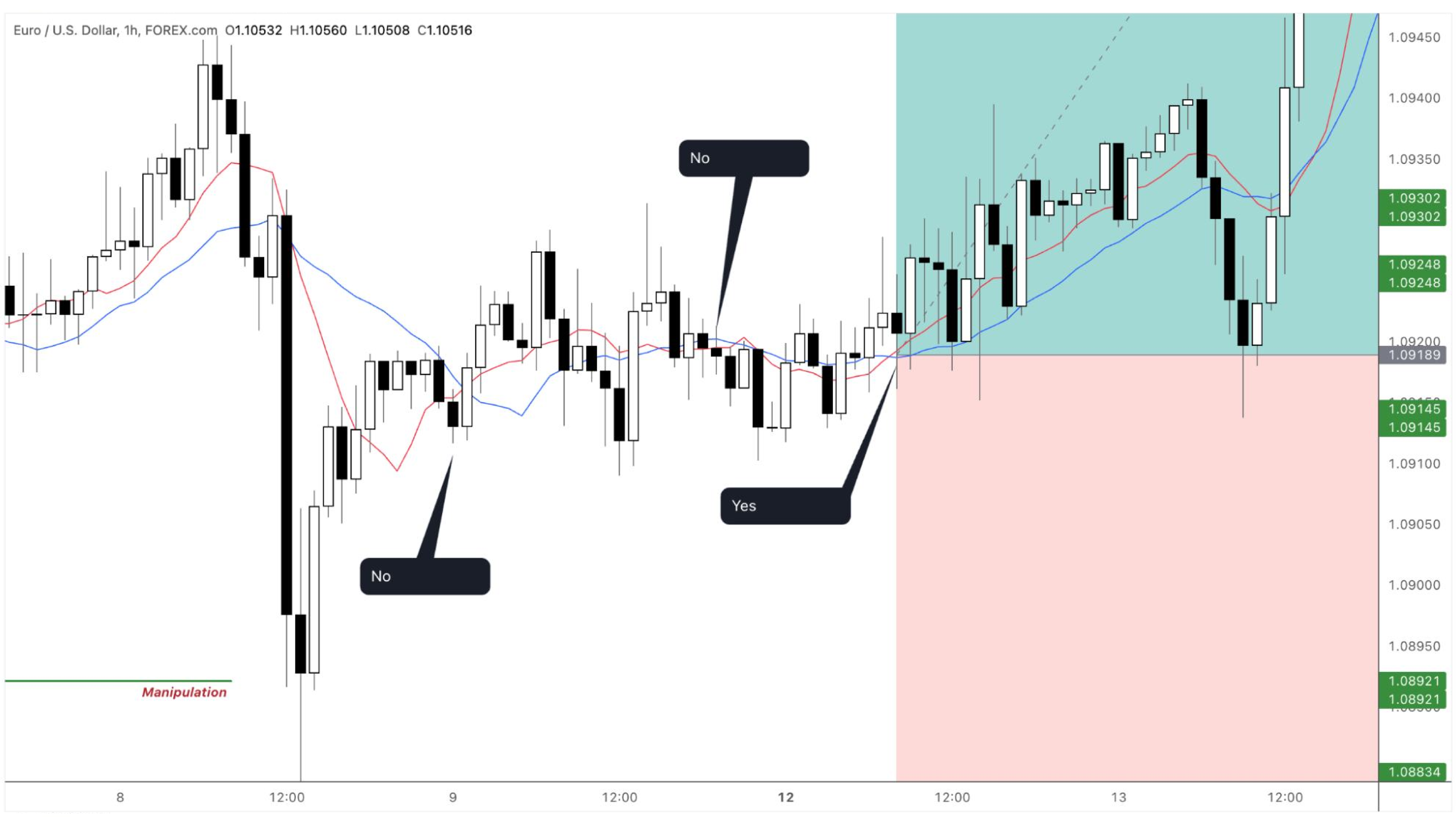
1. **Exploring the D1 chart:** Combining two timeframes to find an entry point. Both timeframes should signal us that they are both pointing in the same direction, this can be easily determined by the position of the SMA. (see trend definition). Expect a false breakout (turtle soup, manipulation) below the previous day's low in a bull market, or above the high in a bear market.
2. **Switch to the h1 chart:** Next, we need to wait for the manipulation of a major player, that is, the breakout of the low not on the trend, which is shown to us by the position of the SMA on the D1 chart, and then
3. On the h1 chart we are waiting for the crossing of the 9 and 18 SMAs to confirm the trend change.
4. Position entry is performed at the intersection of the SMA.
5. Set Stop loss below the manipulation. Take profit above the last trend maximum.

Example 1. XAUUSD

Example 2. EURUSD

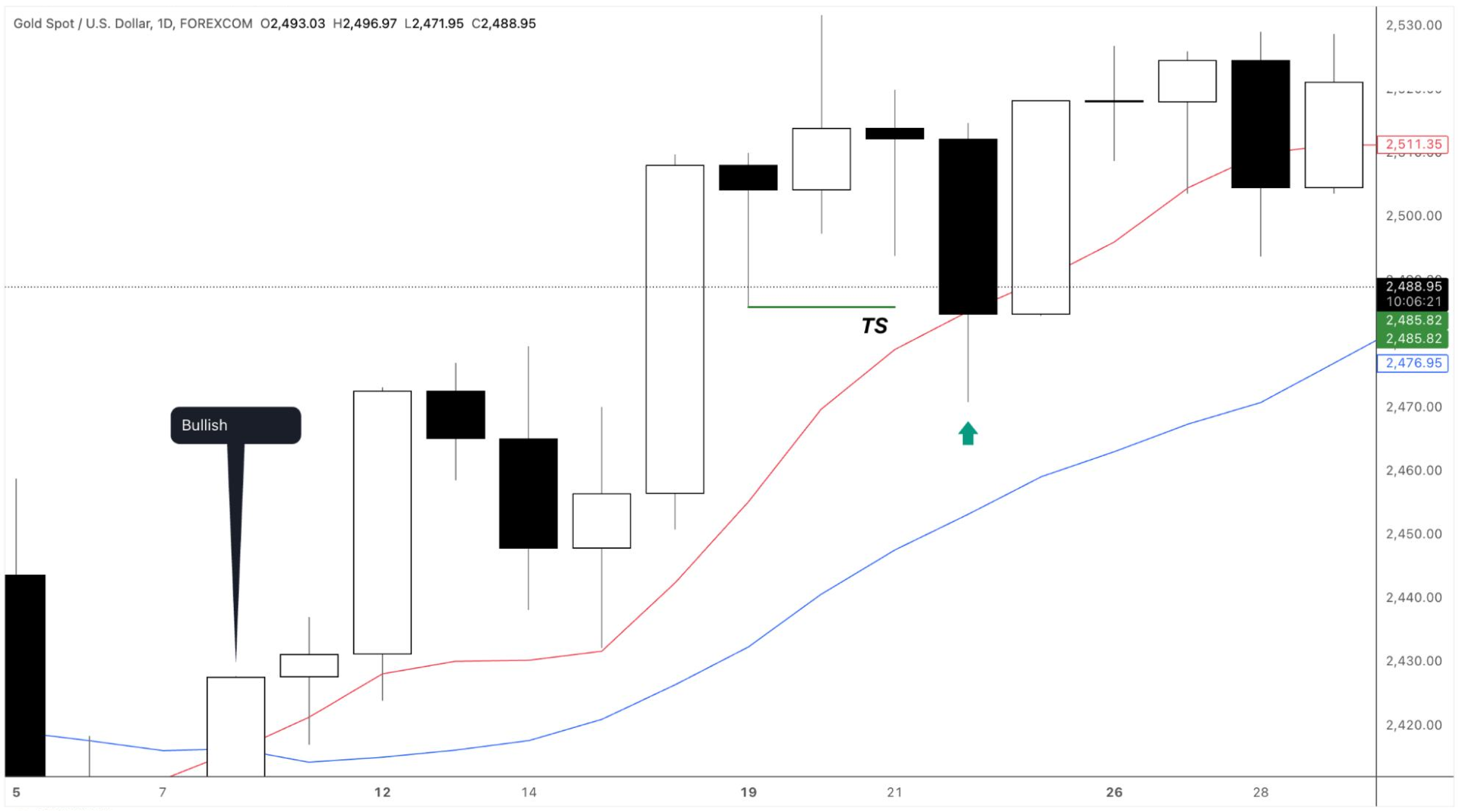


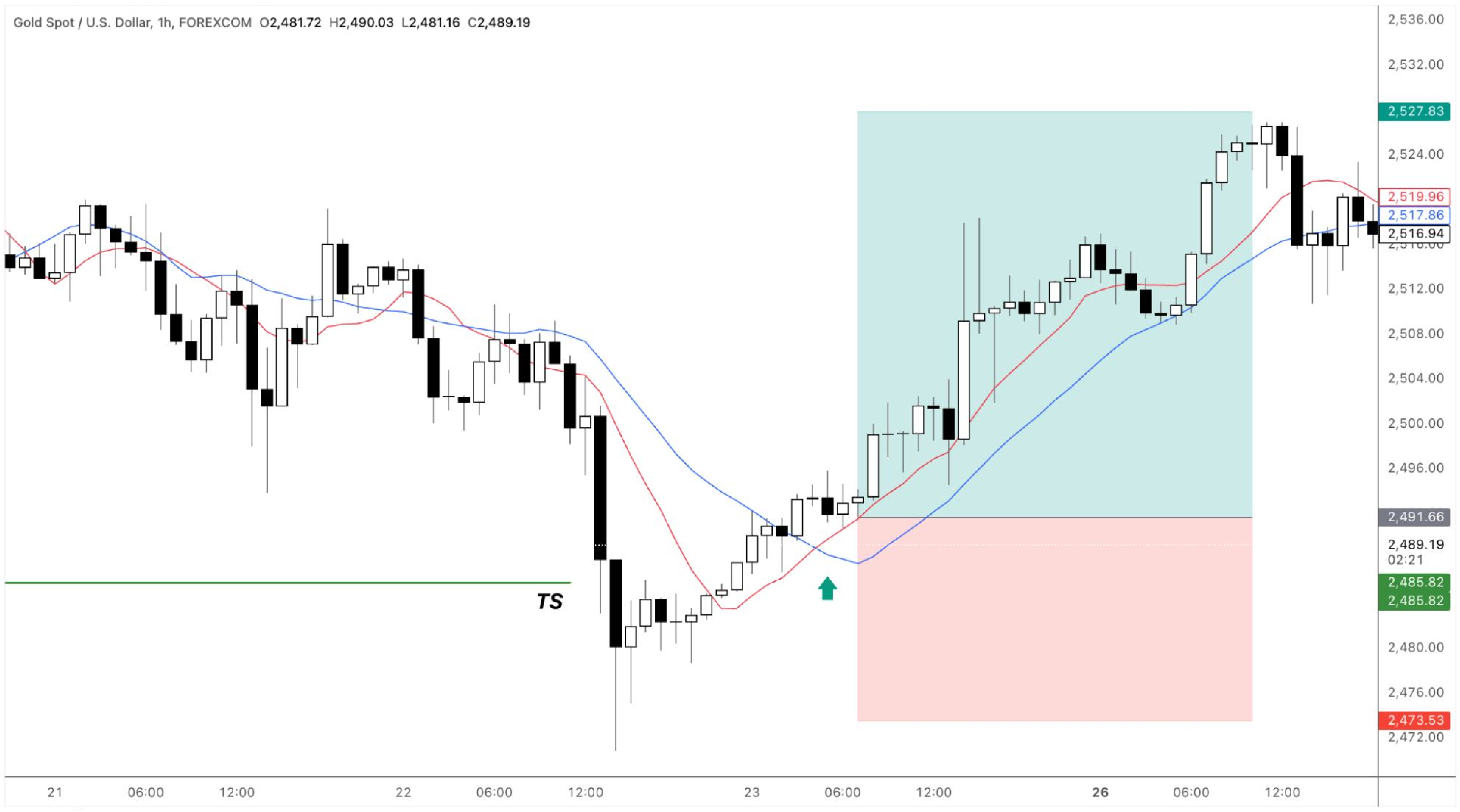
Note that after the manipulation, the market was in a very narrow range and the lines crossed many times. This is the night and Asian session, so we entered the crossing of the lines, which occurred after 7 o'clock EST.



The following is a rule of thumb: only open trades between 7AM and 3PM EST

Example 3: XAUUSD, profit on the next day





The entry at 7am EST, occurred after the 9 and 18 SMAs crossed 2 hours earlier on the hourly chart.

Example 4 XAUUSD, long term short

As Larry Williams - World Champion Trader, Robbins Cup winner - used to say. (link), market conditions rule the market. If you have a good understanding of market conditions, you will be able to predict the long-term trend. Your position, or part of it, can stay in the market and bring you profit. You can close the main part in a day or two, 20% in two weeks, getting the maximum from the market. After all, you are trading on a strong trend.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USA S&P 500 Index, 1D, ICMARKETS O5,526.30 H5,528.00 L5,493.80 C5,508.90
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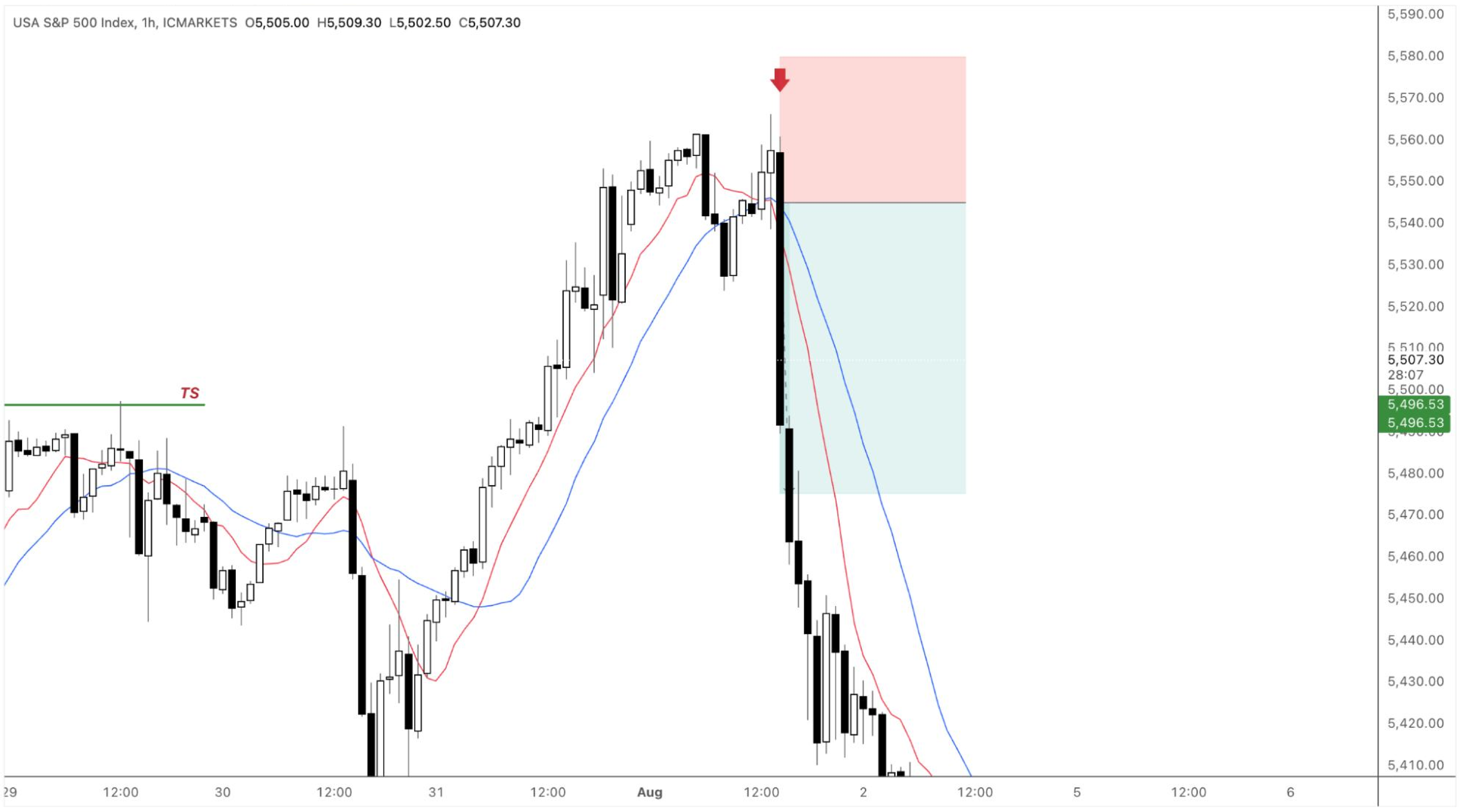
USA S&P 500 Index, 1h, ICMARKETS O5,505.00 H5,509.30 L5,502.50 C5,507.30
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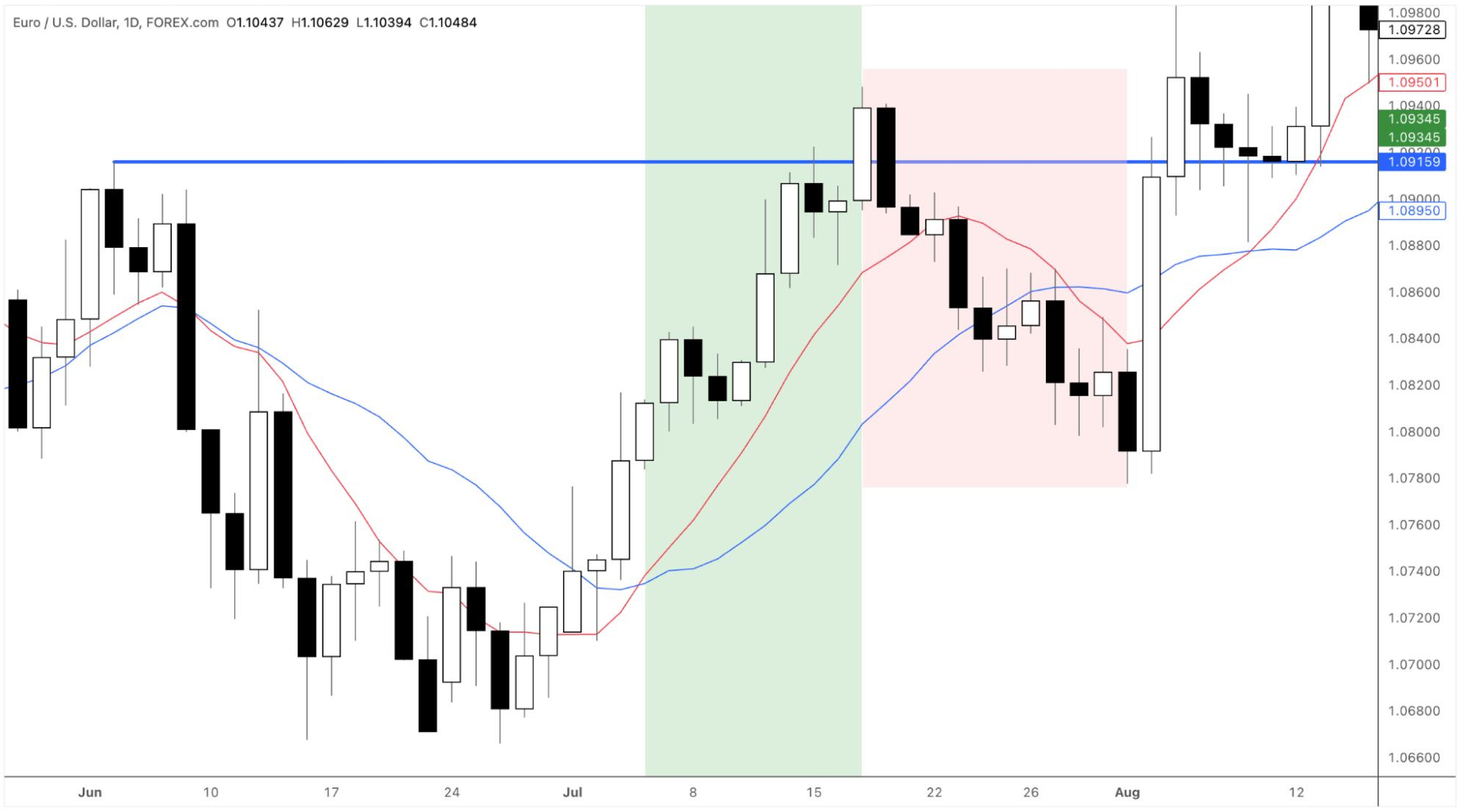
Trades without manipulation on D1 chart

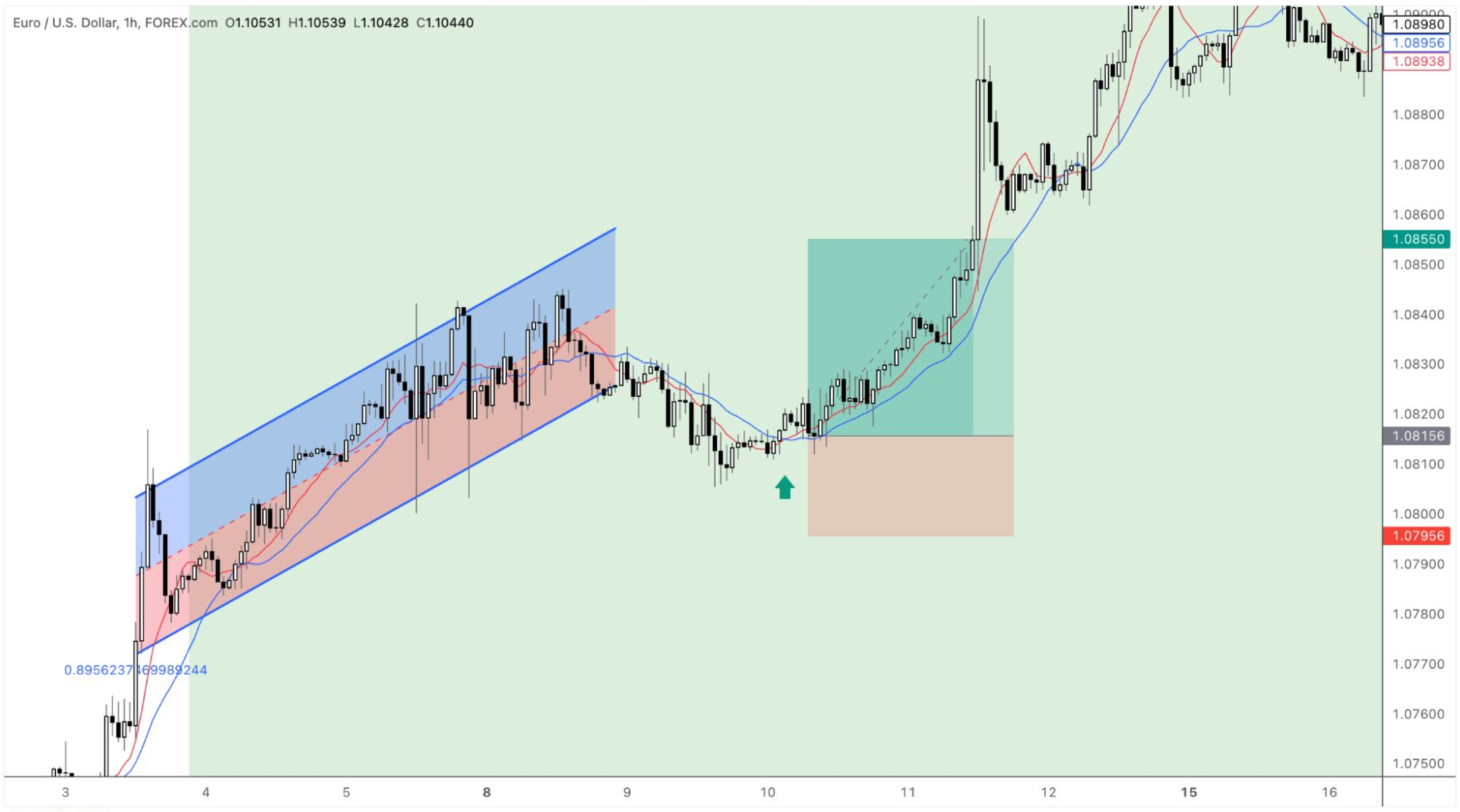
First of all, let's introduce one more rule.

Look at the chart, should we look for long trades waiting for manipulation and further continuation of the bullish trend? No, the whole point is that we are looking for trades until we have overcome the maximum or minimum on the D1 chart.

This is a past reference point in a bullish trend. After reaching it, we should not look for a continuation of the trend.



But all the time (during the green area) we did not get manipulation below the previous day's or week's lows. Each daily candle low is higher than the previous one. What should a trader do in this situation? Find manipulation on the h1 chart and further crossing of 9 and 18 MA.



As we can see, there is a channel exit that small traders use to analyze. Bank traders know this, so they create a false exit from the trend and go below the lows of the previous trading sessions. Stop loss can be placed below the previous day's low.

Example EURUSD, false breach of support zone

If the overall D1 SMA trend is bullish, you may not see manipulation below last days low, but you can use the support level to look for a false move.

Big players in the financial markets use support levels and false breakdowns as strategic tools to manage their positions and influence the market. These techniques allow them to accumulate positions by creating false signals for smaller traders, which can lead to significant losses for the smaller traders.

A false breakout occurs when price crosses a support or resistance level but then comes back up. This creates the illusion that the trend will continue, when in fact a reversal is taking place. Large players can use this strategy to trap smaller traders by forcing them to open positions on a breakout that ultimately turns out to be a false breakout.

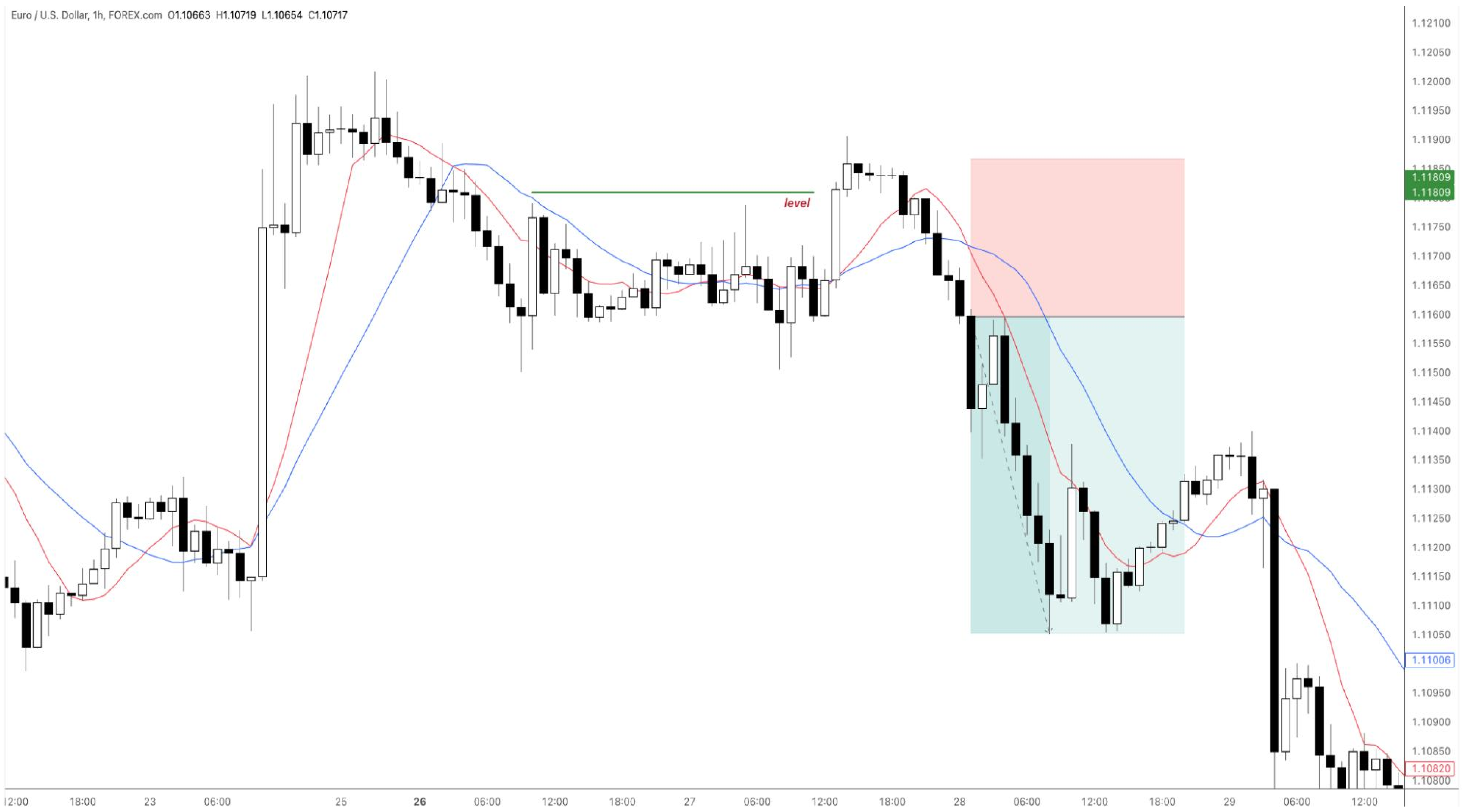
How it works

Creating a false signal: Large market participants may temporarily “break” a level to attract the attention of smaller traders. This can be done with a sharp price movement that gives the impression that the breakout is true.

Position accumulation: After small traders open positions on a breakout, large players start to close their positions, which leads to a reverse price movement. This allows them to accumulate positions at more favorable prices.

The examples below do not need to have a false break of the low of the day or week on the D1 chart

Example 5. EURUSD Short



Example 6. EURUSD Short

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Example 7. EURUSD Long

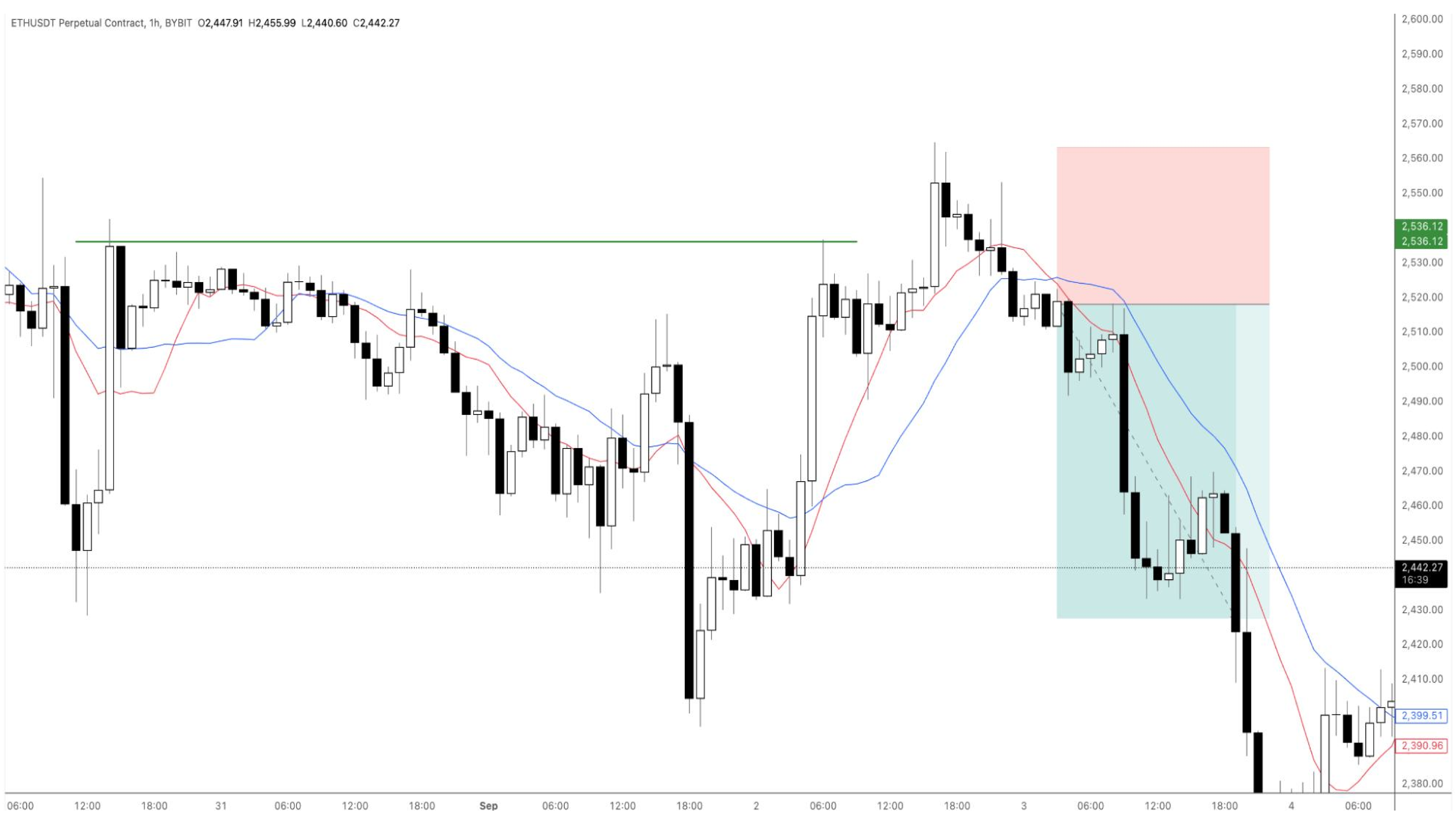
Similar conditions for the trade were a little later in the long. We extended the support level that was extended into the future. Earlier price touched it several times and in the screenshot below there are 3 touches and then a false breakout, consolidation and crossing of 9 and 18 SMA which is the entry signal

Example 8. USDJPY Short

Example 9. USDJPY Long

The mirror level is often used by traders who are looking for a reversal, but even here the market gives them a surprise. The level works, the price bounces off the upper boundary of the accumulation. But later their stop losses are taken out by a strong downward movement.

ETHUSDT Perpetual futures Bybit



Trading rules and risk management

1. Enter trades only by the rules, be consistent and disciplined.
2. Do not rush to enter the trade until the candle has closed on the current TF, and there was no crossing with SMA
3. Stop-loss is set below the manipulation candle if you are in a long position, and above the manipulation candle or candles if you are in a short position.
4. Take profit set 2 times bigger than the Stop-loss size.
5. In a month with the current strategy you will not get a large number of trades, but it is enough for a steady growth of the deposit.
6. If you have a trading loss, stop trading and wait for the next trading day and new conditions for entry.
7. The best market entries

   - after manipulation
   - on the trend, which you determine by the ratio of 9 and 18 SMA on the senior timeframe
   - and after their crossing on the junior timeframe

8. With a risk to profit ratio of 1 to 2, even if you make 60% losing trades, you will still be profitable.
9. After entering the market, set SL and TP and let the market make a choice, step away from the computer, do not follow the market.

1. Do not move SL and TP.

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