

What is a Failure Swing & How Does It Create an OB?

- A Failure Swing is a move that tries to break structure but fails to make a proper BOS
→ **It looks like price is going to continue, but momentum dies**

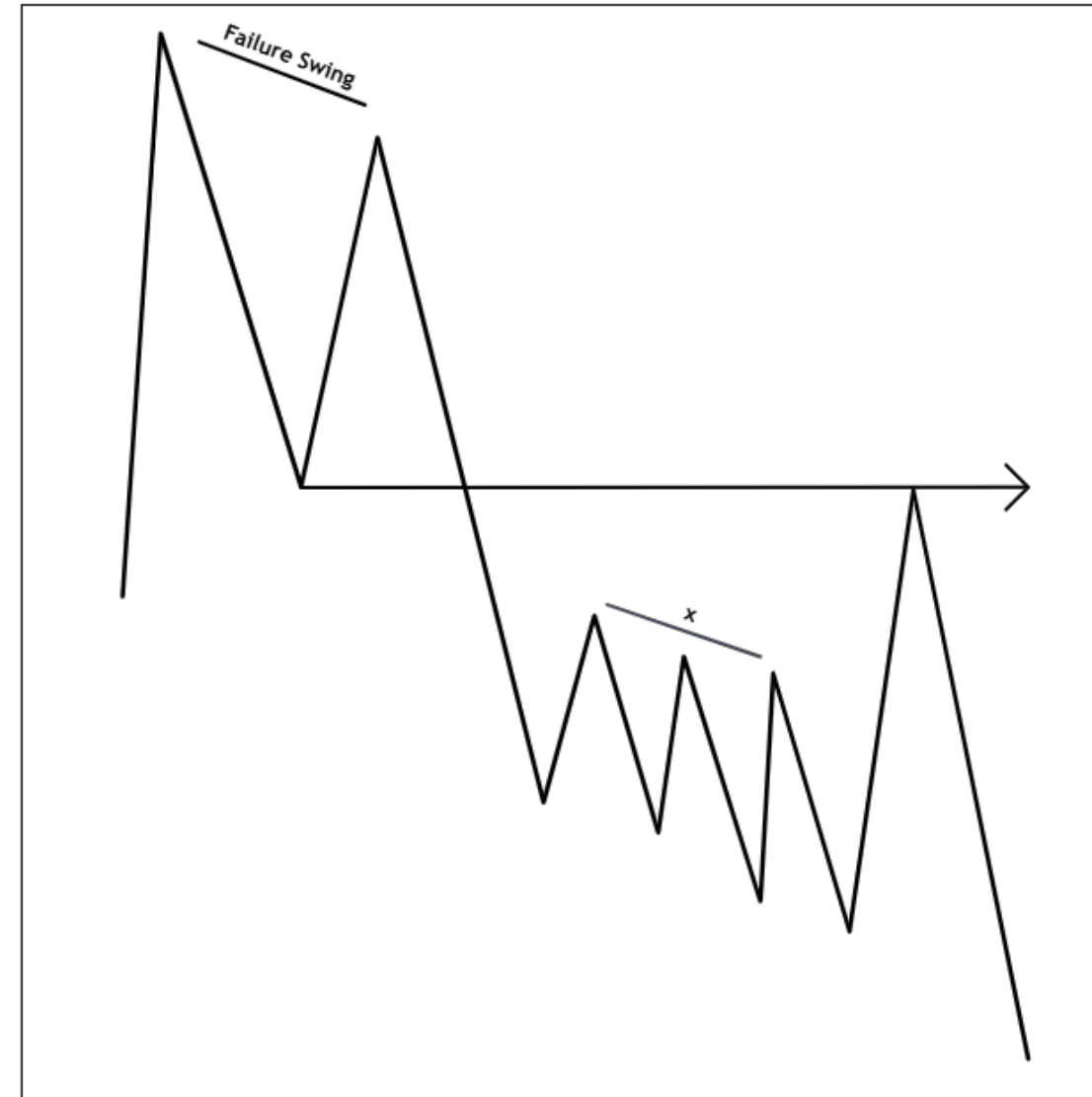
This failed impulse often becomes a key liquidity zone
Institutions use this to:

- Trap breakout traders
- Induce FOMO entries
- Reverse into their real direction

The candle before the failed move often becomes a mitigation order block

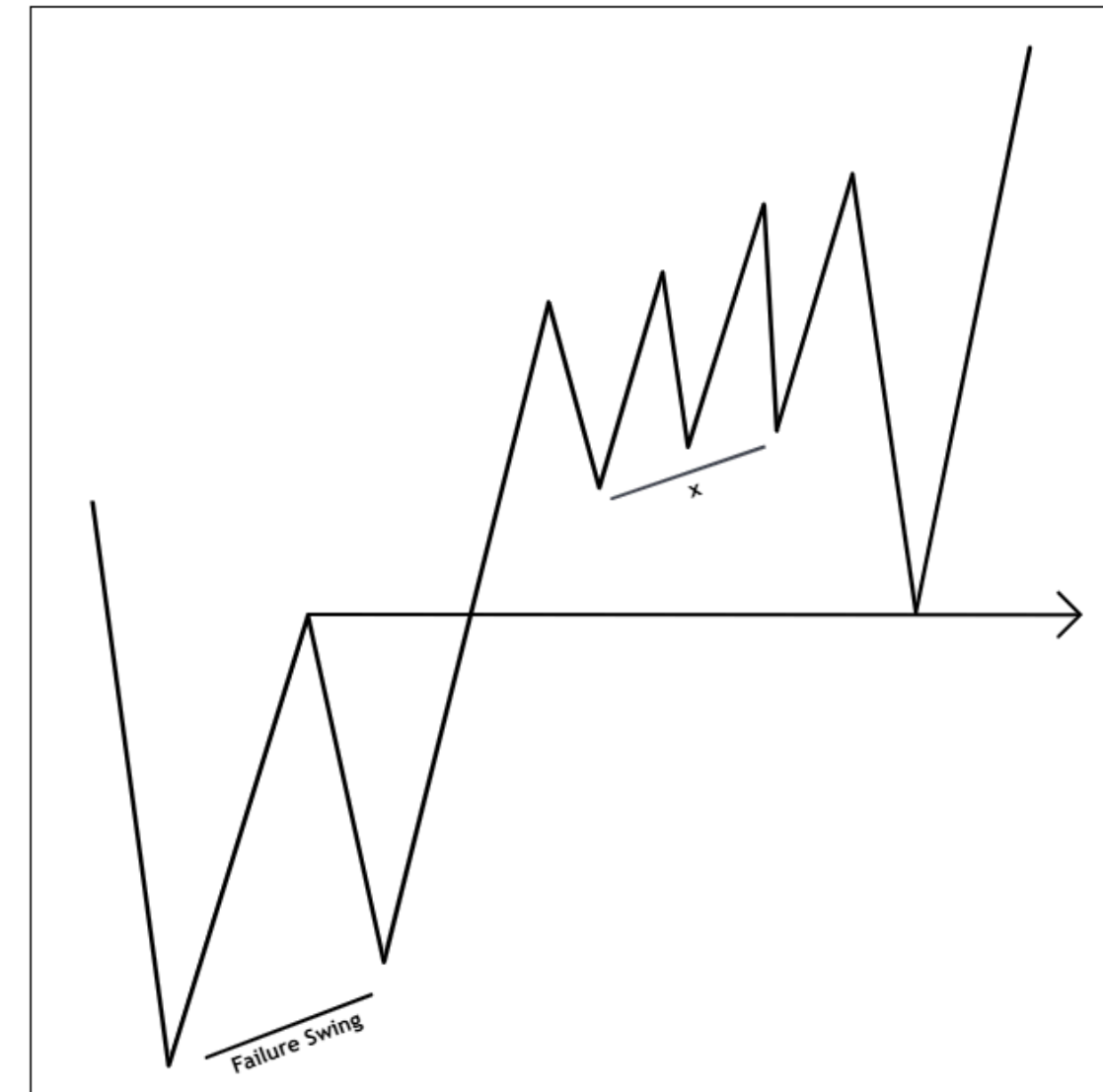
- It holds imbalance
- It sits right under/over inducement liquidity
- It's used to mitigate prior positions before full reversal

These are NOT the origin of the trend — they're the turning points inside manipulation phases.

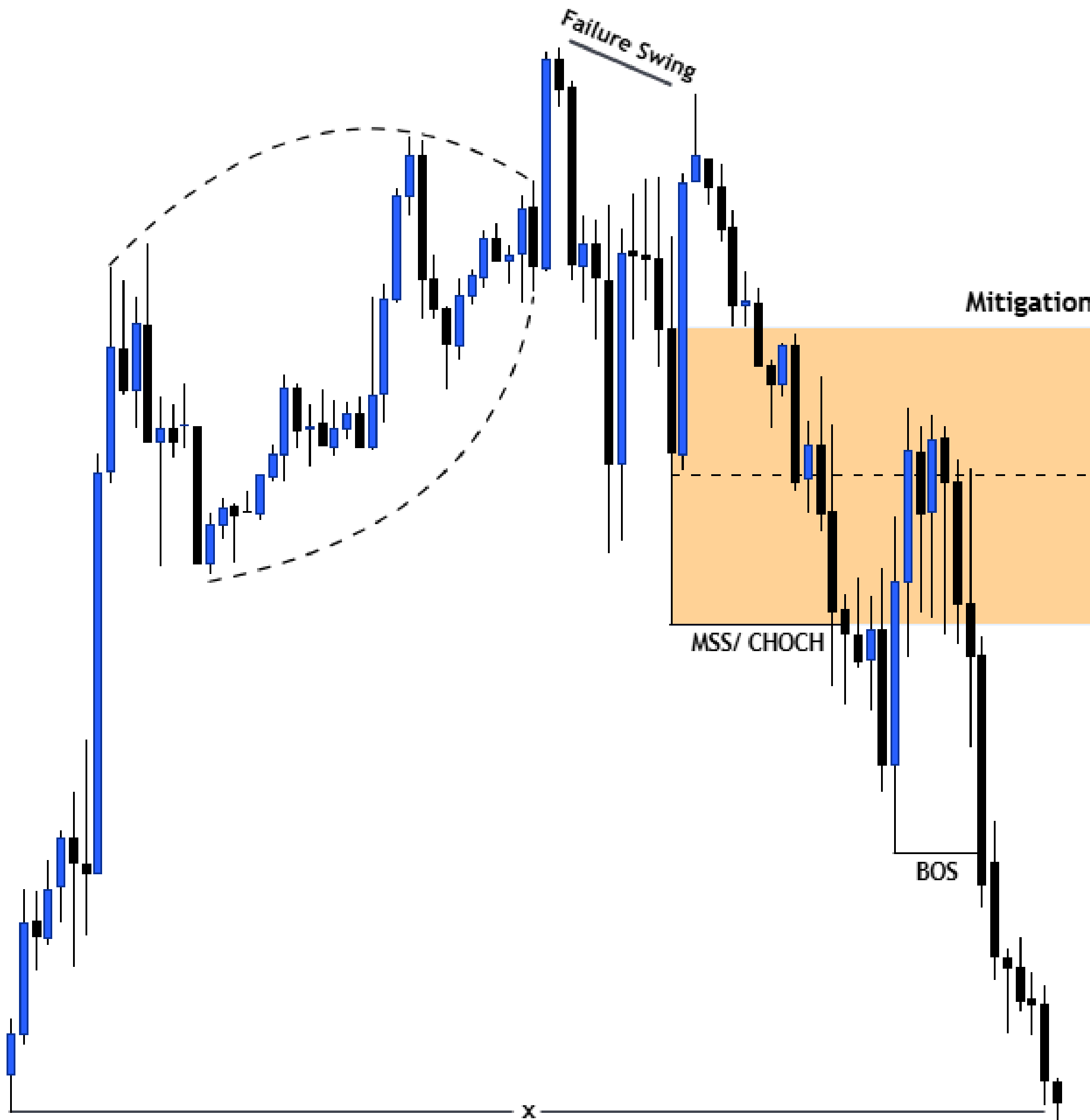


Uptrend

Downtrend



The Role of Mitigation in Failure Swings



Smart money doesn't chase — they return to mitigate

→ Failure swing zones are typically used again as entry areas

A proper Failure Swing OB has 3 features:

1. Price sweeps liquidity and fails to hold the break
2. Momentum reverses quickly — creating a Market Structure Shift
3. Price later returns to mitigate that zone before expanding

Often found:

- After a fake breakout
- At the end of a trap move (Silver Bullet style)
- Inside NY/London killzone

Bonus: If the OB holds a fair value gap, even stronger confirmation

ENTRY STRATEGY: How to Trade the Failure Swing OB

Here's how to catch these sniper entries:

Step 1: Identify HTF bias (4H or 1H)

Step 2: Watch for structure that almost breaks, then fails

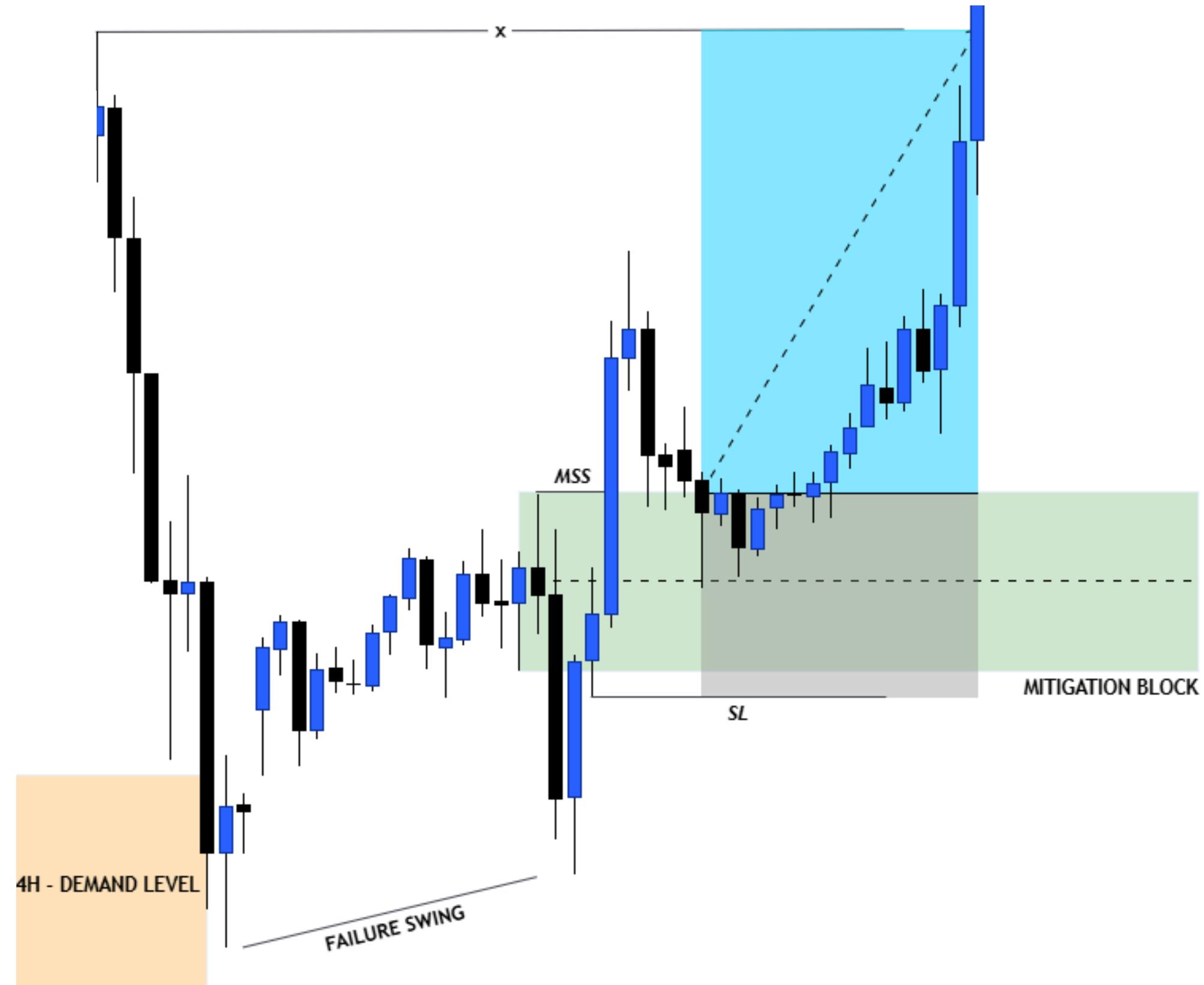
- Fake BOS
- Quick reverse (strong rejection)
- Step 3: Mark the candle before the failed impulse
- Should be the last up/down candle before the swing
- Preferably in a POI or liquidity zone

Step 4: Wait for mitigation (usually in killzones)

- Price should return to OB
- Watch LTF price action:
 - → BOS or MSB
 - → Entry from refined FVG/IFVG/Breaker

Step 5: Target:

- Return to origin
- Opposing OB
- Liquidity highs/lows



Bonus Play (Advanced):
Use confluence from OTE + internal liquidity sweep = extremely accurate sniper trade