Market Maker Models (MMXM)

What are market maker models?

Market maker models are the ways the market delivers price to the desired PD array or zone which are known as the Draw On Liquidity (DOL).

There are different ideologies as to how the market delivers price to the desired DOL, the most obvious and most used answer to this is – the algorithm. This means nothing in the markets is random, there is always a reason as to why certain things happen.

There are literally 2 things the market does; it either goes up or down. Simple right? But the way the market does this is in the forms of market maker models.

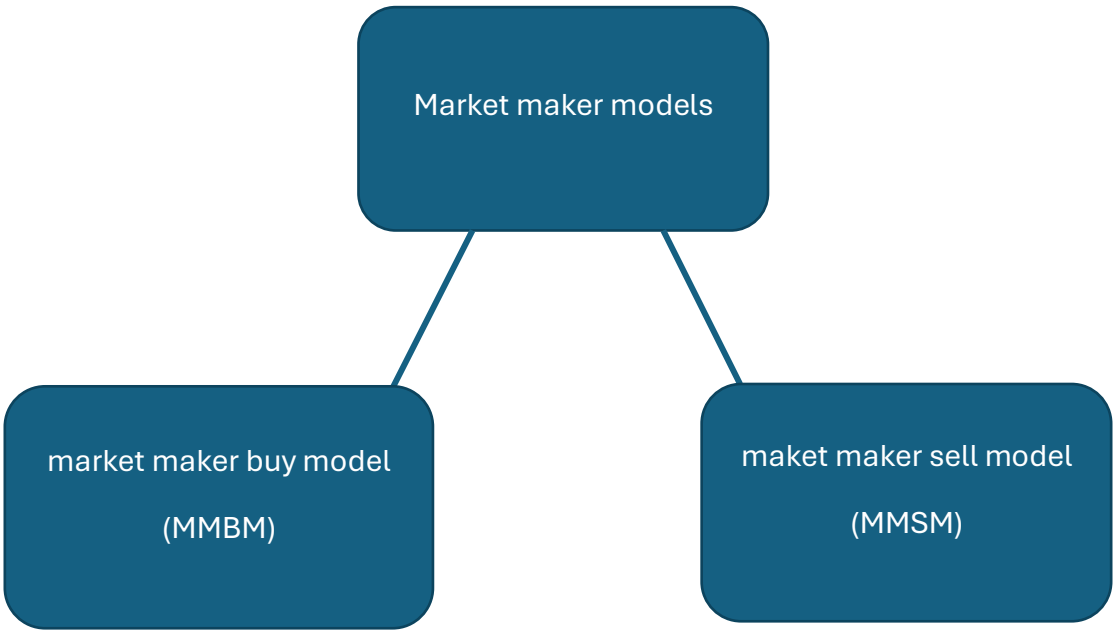
These market models are specific patters by which the market delivers.

What's the purpose of knowing about MMXM?

By identifying the current MMXM we are in either in the higher time frame or lower time frame we can do what the retails say as “following the trend”.

We can pair the concept of MMXM with STDV which will be shown later in this pdf.

Now, there are 2 types of market maker models;



What's the difference between these 2?

It is quite simple;

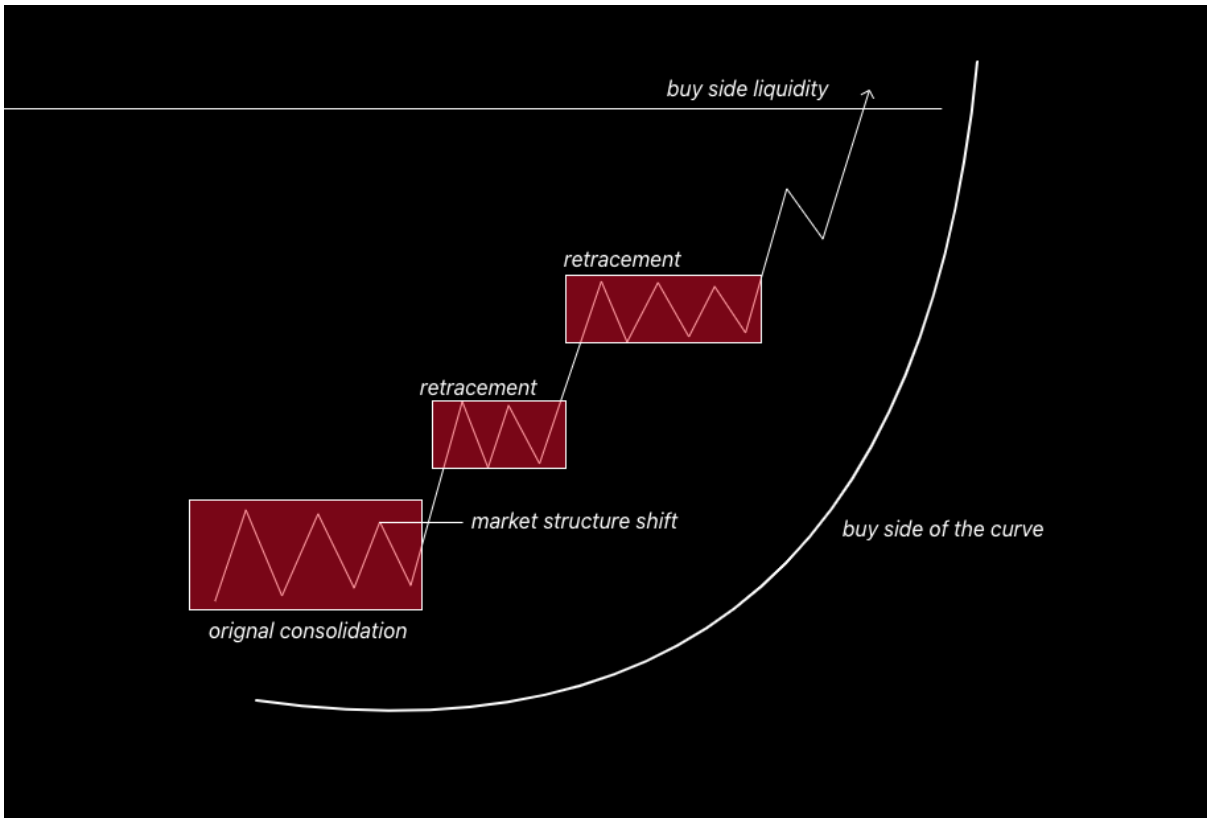
Market maker buy models deliver us higher.

Market maker sell models deliver us lower.

In simpler words an MMBM goes up while a MMSM goes down.

There are different phases within these MMXMs that help deliver price to the desired destinations.

MMBM template;

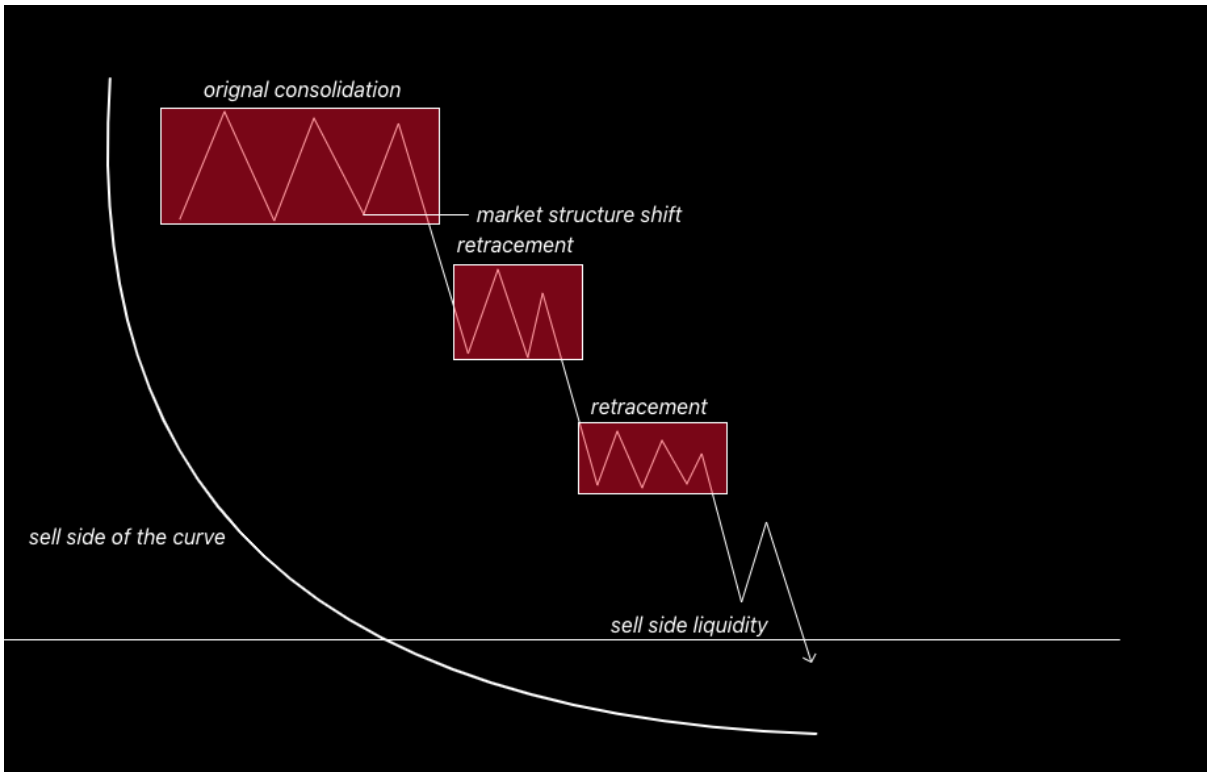


After we have taken some form of sell side liquidity we soon get a market structure shift indicating that price will likely deliver to the opposing liquidity i.e buy side liquidity.

After a market structure shift we will likely have a retracement to a PD array such as an FVG or an OB to fill in orders for delivering to the buy side liquidity.

After that price moves in movements known as “expansions”, these are simply energetic moves in the desired direction. Expansions are almost always followed by a retracement to balance the energetic move it has just made.

MMSM template;

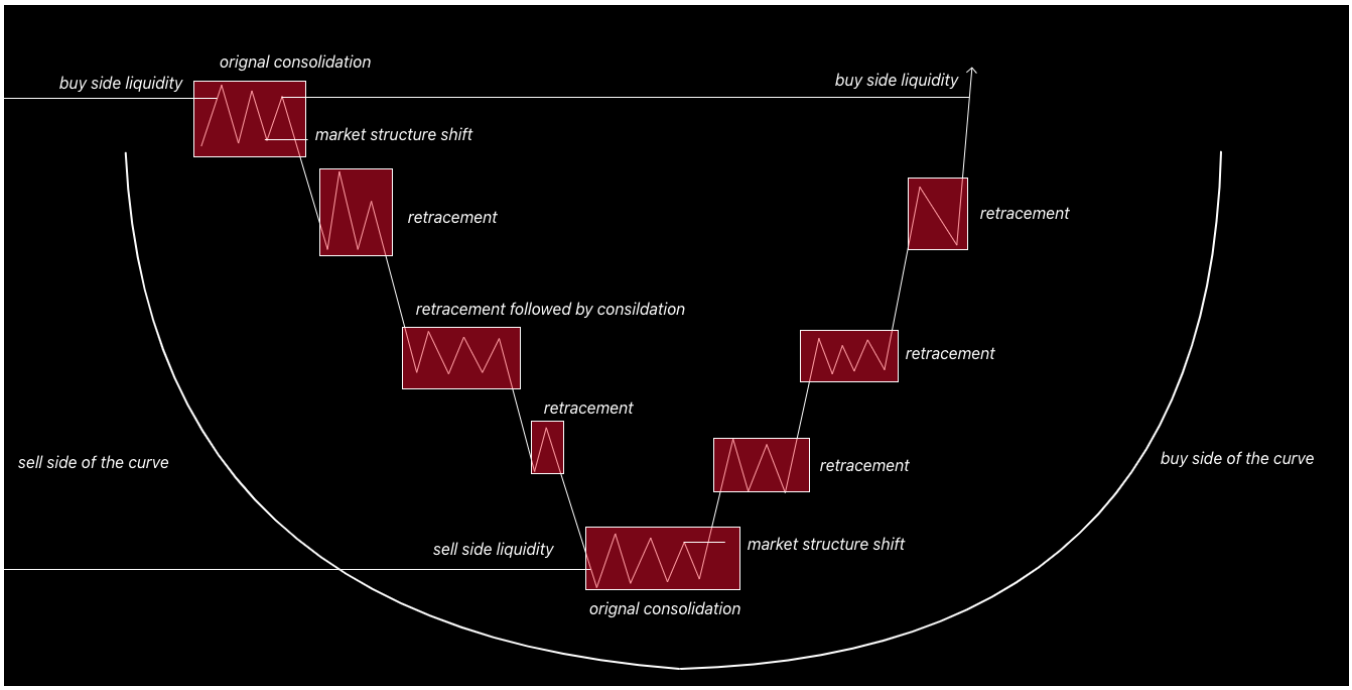


We apply the same concept of MMBM in this area but in the opposing direction, we are delivering to the down side after taking some form of buy side liquidity.

And after taking buy side liquidity, what is our target? Sell side liquidity!

The exact same phases of MMBM follow here in the MMSM.

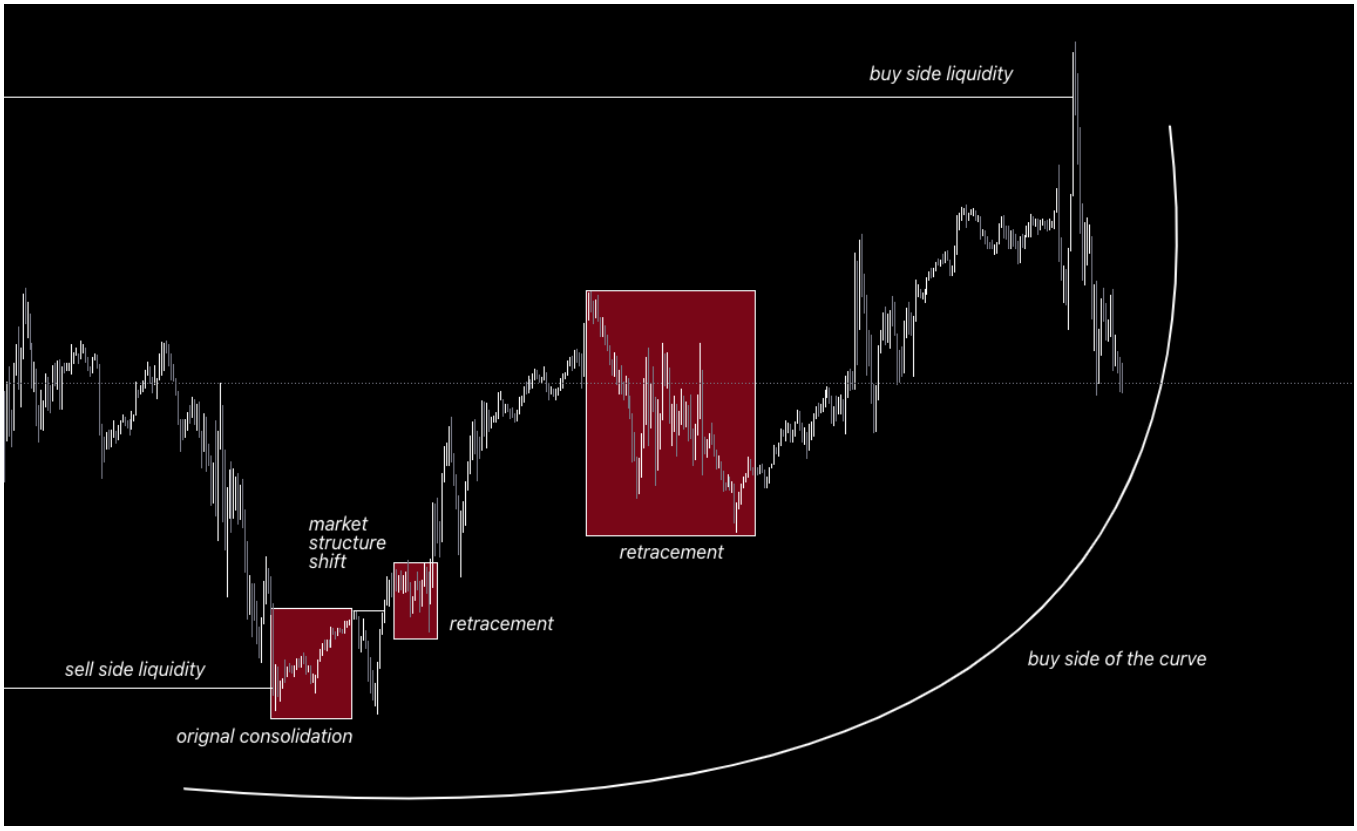
If we combine both these MMXMs together we get something like this;



Here we have a MMSM followed by a MMBM. Simple!

Now lets consider some in chart examples.

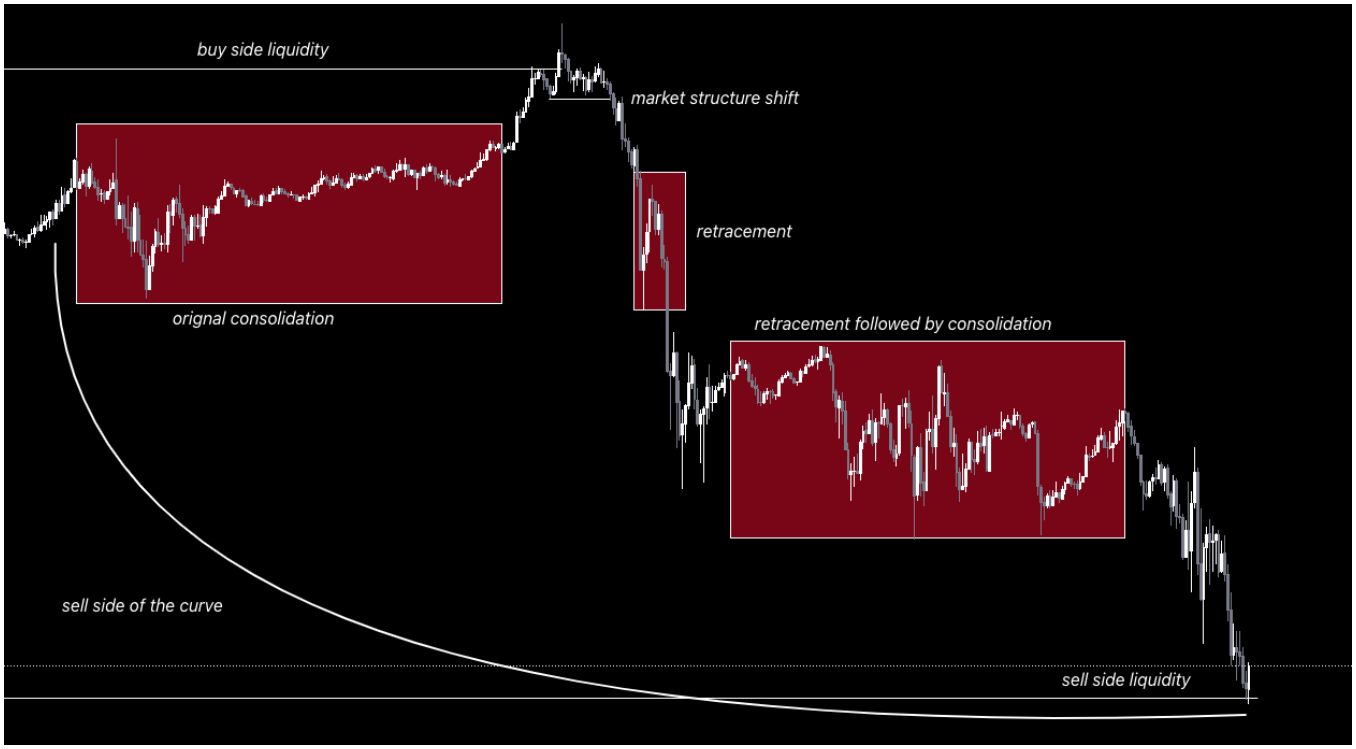
In chart MMBM template example;



Very similar to the template drawn earlier right?

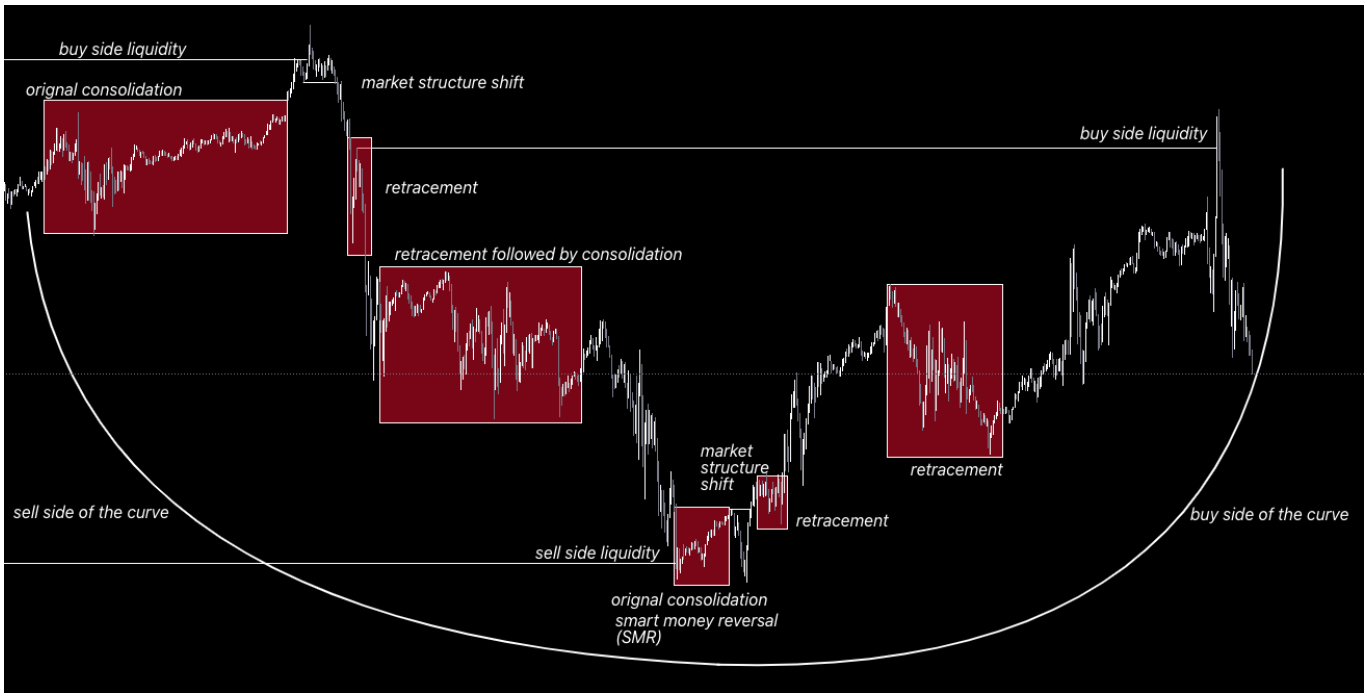
Read the explanation given under the template drawing above and compare it to this one.

In chart MMSM template example;



Make the comparisons from the above drawn templates to this one as well.

In chart example of how both the MMXMs look together;



Exactly the same templates, just added in together to draw our relations. Analyse it.

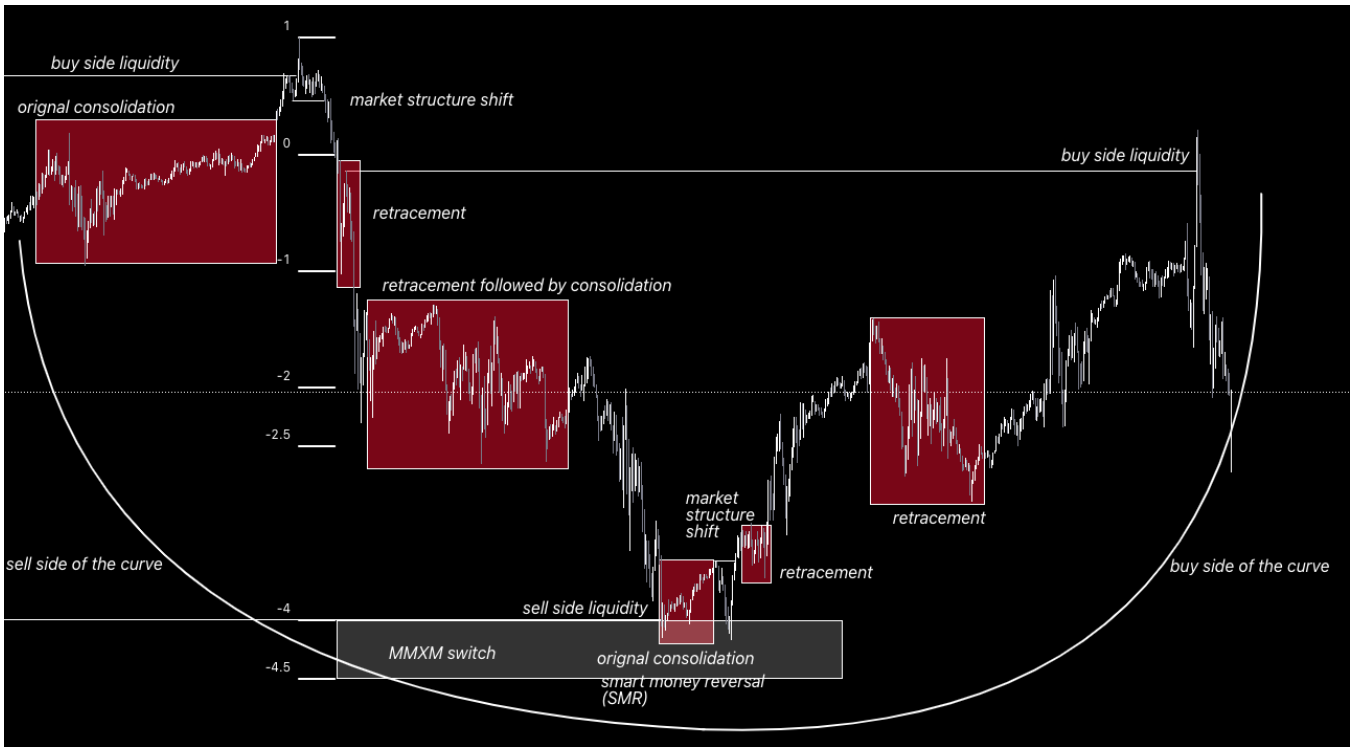
MMXM + STDV

What is the relationship between them?

It is quite simple; once we hit the –4 and –4.5 zone of the STDV we have a MMXM switch.

A switch means we are either converting from a MMSM to a MMBM (as shown above) or converting from a MMBM to a MMSM.

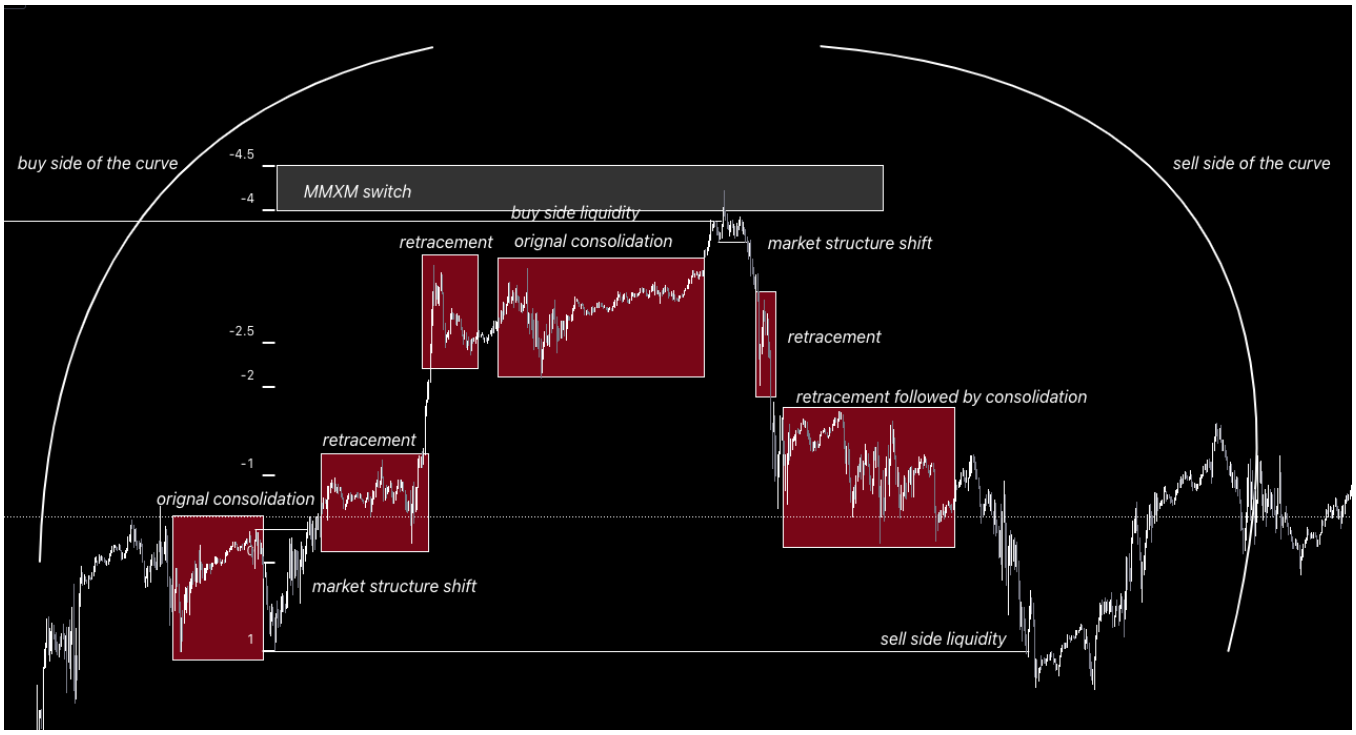
Here is an example of the switch from MMSM to MMBM;



Lets look at this example, as we know once we hit the –2 and –2.5 zone we have a retracement, and that is exactly what we have here.

And finally once we hit the –4 and –4.5 zone we have a MMXM switch from MMSM to a MMBM.

Example of a MMXM switch from MMBM to MMSM;



Exactly the same here, we have all the phases of an MMXM on both sides of the curves and we have the exact same MMXM switch from the –4 and –4.5 zone, but here from a MMBM to a MMXM.