

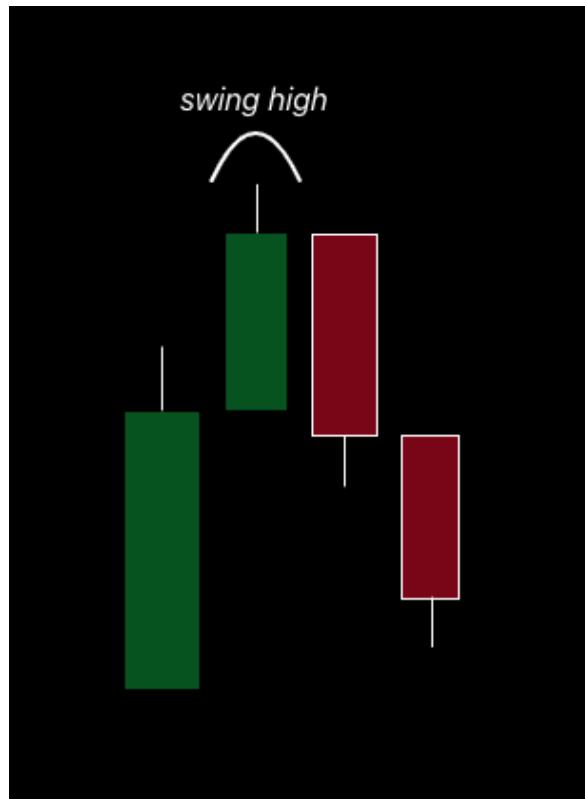
## Terms and vocabulary

- Price : the current value the stock or index is at. It can be viewed by the value shown on the right side on the scale on your charts.



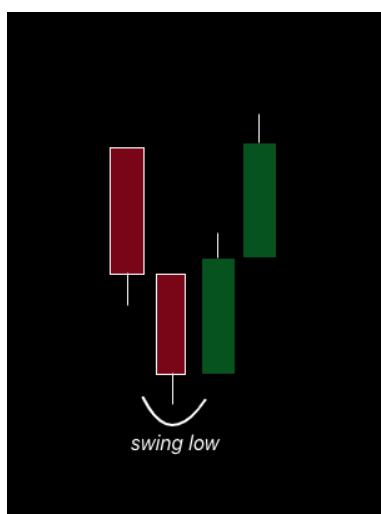
The scale shows the price around as well as where price is at right now with the highlighted number.

- Swing high : a point in price action formed by FOUR candles. It is what gives us a pivot point or simply a point in market structure. The only rule here is that the second candles wick should always be the highest compared to the previous candles and the of the 2 candles after the swing candle. (sounds confusing but it will be clear with picture).



See how the second candle or the swing candle holds the highest place compared to the one before it and the 2 candles after it.

- Swing low : same rules as for a swing high but for a down wick.



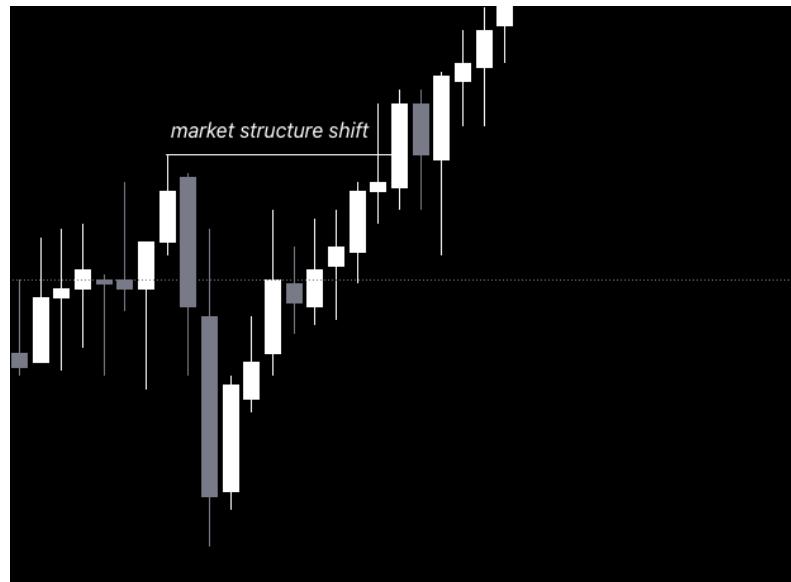
- Bullish : markets either going up or we are anticipating a move up.
- Bearish : markets either going down or we are anticipating a move down.
- Liquidity : an area which could be old highs or old lows as well as any imbalances where we expect buy or sell stops to be placed.
- Daily bias : refers to our daily outlook for the day. If your daily bias for the day is bullish that means we expect the market to give us higher prices for the day. And vice versa for if your daily bias is bearish, as in that case we are expecting market to give us lower prices on that day.
- Order flow : gives us the basic information we need regarding if the market is trending up or down on that time frame. For example if the order flow on the higher time frame is bullish then we can expect the same on lower time frames. Note; this is different from market structure. You could have a bearish market structure and have bullish order flow at the same time and the same goes for the other way around.
- Scalp/scalping : refers to a very short trade. We want in and out the market very quickly. Trades may last seconds to a few minutes.

- Hold : we define a trade as a hold if we want to stay in that position for longer than just a few minutes. These trades may last minutes to hours.
- Swing trade : refers to a trade that may last days.
- Momentum : combines direction and speed/velocity at which we are delivering to that direction. Momentum is defined as high when price is volatile and heading in a direction. Loss of momentum would be when price loses speed in a particular direction.
- Volatility : corresponds with how much liquidity is in the market at that moment. High volatility gives us more speed while low volatility gives us slow speed. News tend to be an injection of volatility. Days where there is no news or bank holidays often are low volatile days.
- Long : in a buy position, we want the market to reach higher prices, betting that the market will go up.
- Short : in a sell position, we want the market to reach lower prices, betting that the market will go down.
- Price action (PA) : term used to define the way price is moving at that moment. We sometimes say that we have “choppy price action” which means price is moving in a way

that isn't tradable and we want to step away from the charts. Price action could be good as well and do what we want it to do; aka high probability conditions.

- Market structure : refers to if the market is bullish or bearish for a particular time frame based on the structure and the market structure shifts.
- Market structure shift (MSS) : point in the price where we get a candle body close above the recent swing high when price was previously bearish or when we get a candle body close below the recent swing low when price was previously bullish.

Market structure shift to the up side;



Market structure shift to the down side;



- Buy side liquidity (BSL) : current and old highs where buy stops are placed.

- Sell side liquidity (SSL) : current and old lows where sell stops are placed.
- equal highs/lows (EQH/EQL) : where there are 2 or more highs or lows aligning at the same area. It doesn't have to be perfect, just around that area, it is for that reasons that these are also called relative equal highs or lows.
- Low time frame (LTF) : smaller time frames such as the 1 minute, 5 minute and sometimes the 15 minute time frame as well.
- High time frame (HTF) : bigger time frame such as the 1 hour, 4 hour and anything higher than that.
- Premium : the area above the 0.5 or equilibrium point.
- Discount : the area below the 0.5 or equilibrium point.
- Premium discount array (PDA/PD array) : refers to our fair value gaps, order blocks, inversion fair value gaps, breaker blocks etc...

- Fair value gap (FVG) : area where price was moving too fast and has left an imbalance.
- Order block (OB) : the last up closed candle (in case of MSS to the down side) or the last down closed candle (in case of MSS to the up side).
- Breaker block (BB) : an order block that has been disrespected by the body of a candle closing past the order block.
- Inversion fair value gap (iFVG) : a fair value gap that has been disrespected by the body of a candle closing past the fair value gap.
- Change in state of delivery (CISD) : candle closes past the opening prices of up and down closed candle. Used as alternate to MSS.
- Take profit (TP) : area where we look to close or cut our position whilst in profit. We could either close a part of our position here or close the entire position.
- Stop loss (SL) : area where we want to “cut our losses”.