

RektProof Setups / Notes

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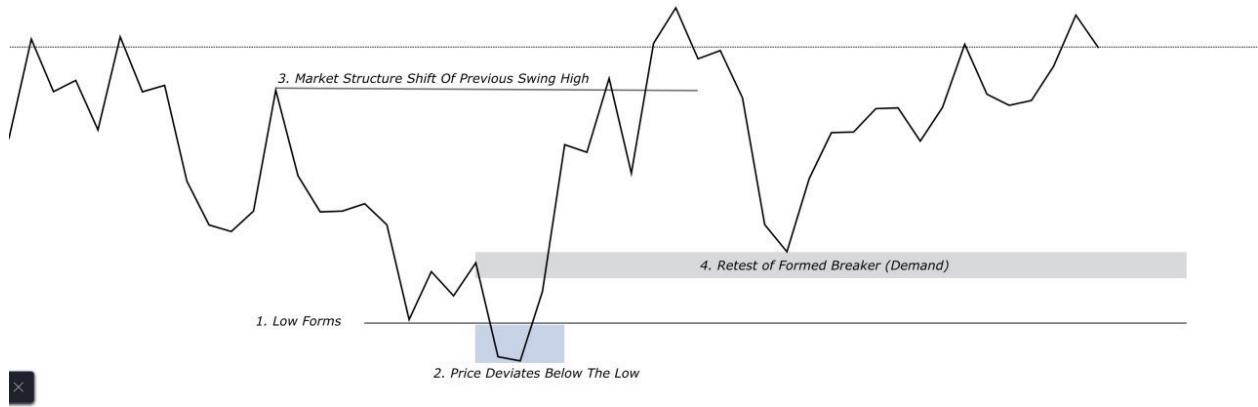


analysis
education
discussion

RP Breaker Setup

Here is a review of some current price action on a short setup using the breaker setup.

High forms, Price breaks the high/deviates above and prints a market structure break, Formed Demand in grey.



Ideally you want this demand to hold to confirm a valid shift.



Demand fails to hold and you have a MSB to the downside. Price retests the newly formed breaker.



Price proceeds to the next area of liquidity (Equal Lows) before reversing

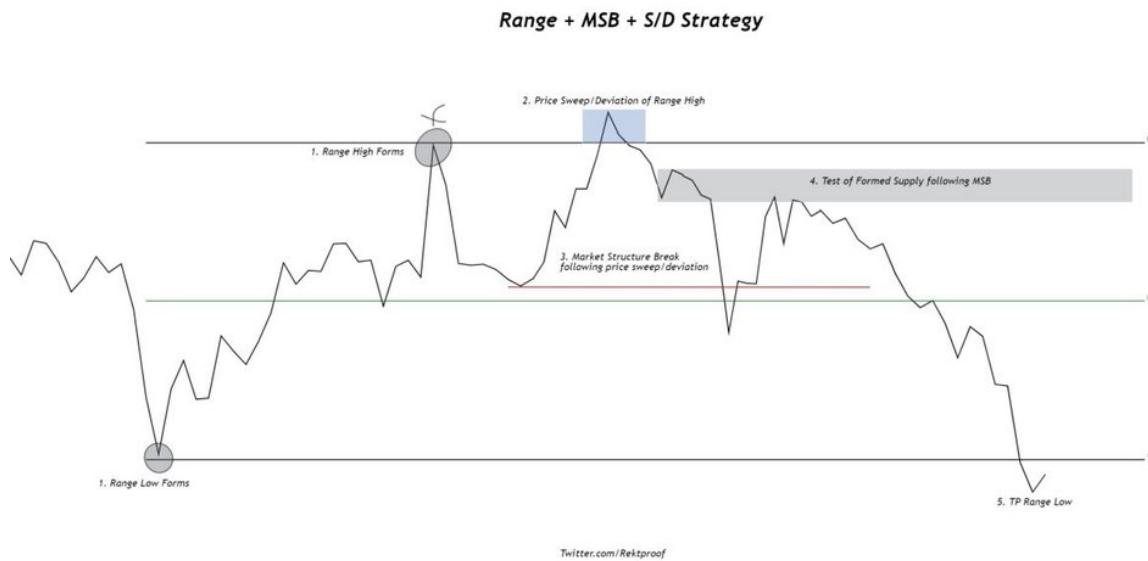


Range strategy

Quick write up on a commonly used setup I tend to look for when price ranges.

Criteria are as follows:

1. Range Forms
2. Price sweep/deviation of range point
3. MSB (Market structure break)
4. Test of formed SD
5. TP



1. Range forms

- Price outlines two swing points in the market.
- Price sweep/deviation
- Following the identified swing points- price proceeds to sweep/deviate before closing back inside range



2. MSB

- Following the price sweep/deviation; price breaks structure and shifts to a new low.
- Test of formed SD
- Formed supply following sweep + MSB



3. TP

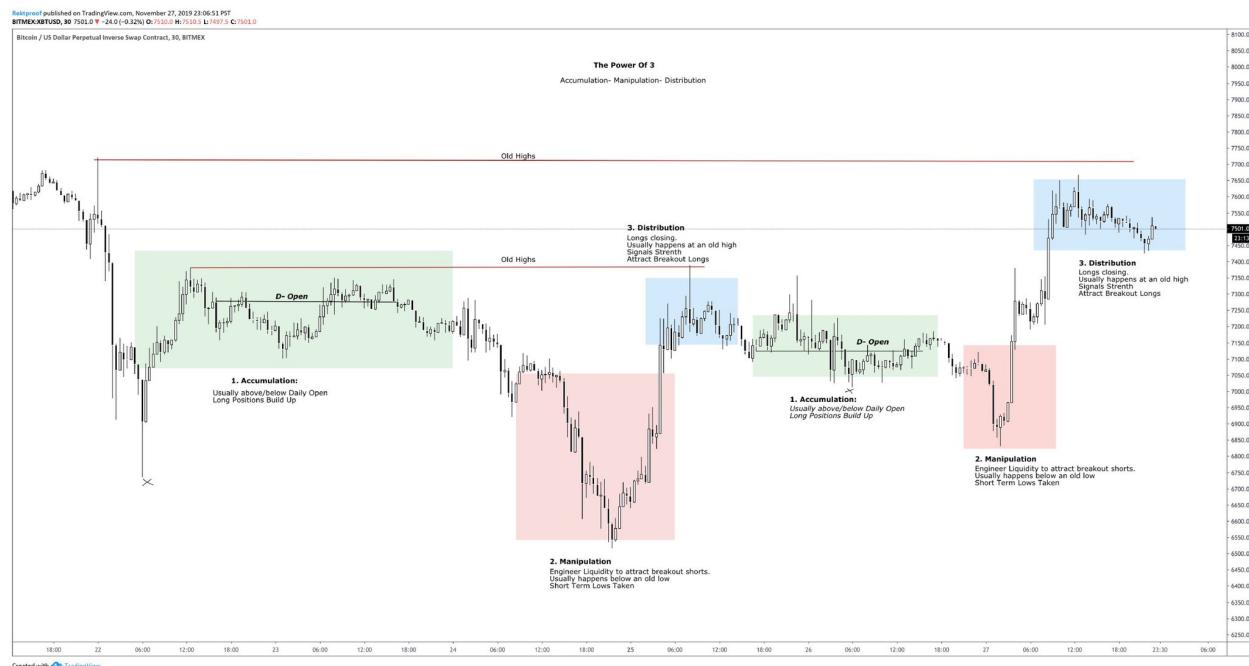
Following the test of the formed SD, price proceeds to the untapped low.



Power of Three

1. Accumulation : Positions Build Up
2. Manipulation: Engineer Liquidity
3. Distribution: Positions Exit

Notes on the chart:



BTC Had a pretty good example on the power of 3 yesterday.

Accumulate at day open, manipulate price down shortly after to engineer liquidity then push price up and look to distribute.



More examples





Broken Swing Points

I want to briefly cover instances when I see traders get trapped within different variations as price consolidates and breaks down and how to potentially avoid.

Small write up to cover:

- Broken Swing Points
- Potential Entries

- Conclusion



Broken swing points vs Swing failure pattern

We know the standard swing failure pattern; price sweeps a level and reverts to the opposing side.

What If we fail to sweep but close below a swing failure pattern?

This is when breakout traders come in and are trapped hence the manipulation cycle.



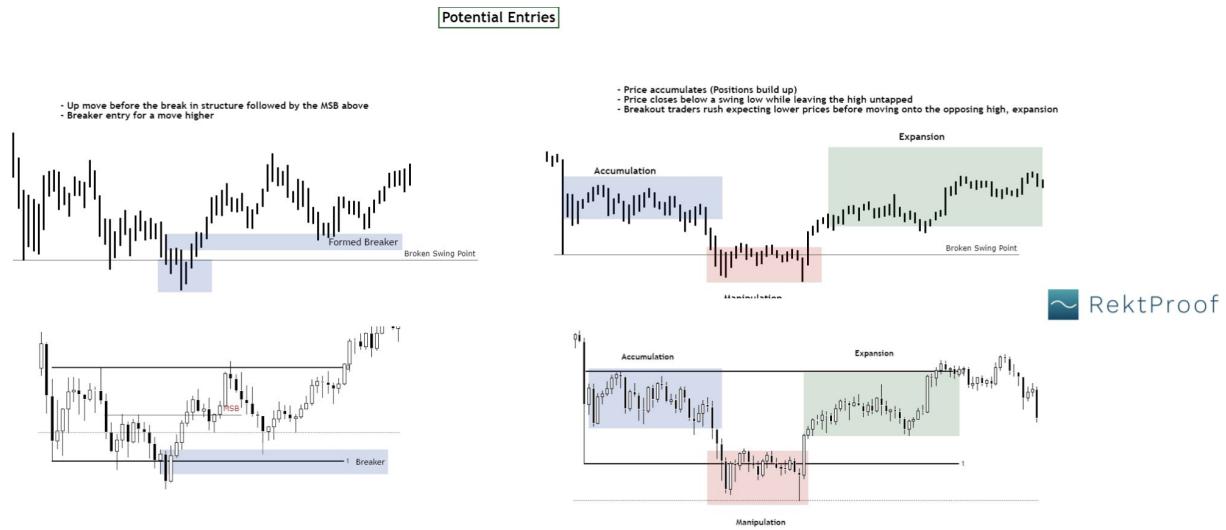
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Potential Entries

PO3's play a vital role when price breaks a key swing point. As long as we leave an opposing high any close below is a high probability we trap first and then go for the high second

Breakers offer good entry points for a broken low once we shift above



Conclusion

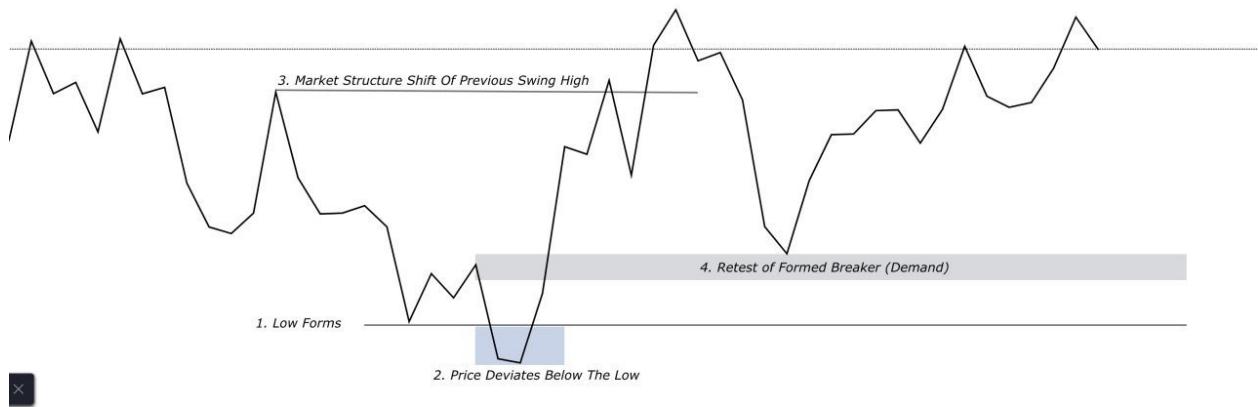
Acting out of impulse anticipating certain movements will only leave you tied into a position that you didn't have a gameplan for. Ask yourself why we are breaking down, if we left any opposing ends that might potentially trap retail traders.

Reversal Pattern

Quick write up/examples on a commonly used reversal setup that I tend to look for.

Criteria are as follows:

1. Low forms
2. Price Deviates/Sweep below the low
3. MS Shift
4. Test of formed Breaker/Demand





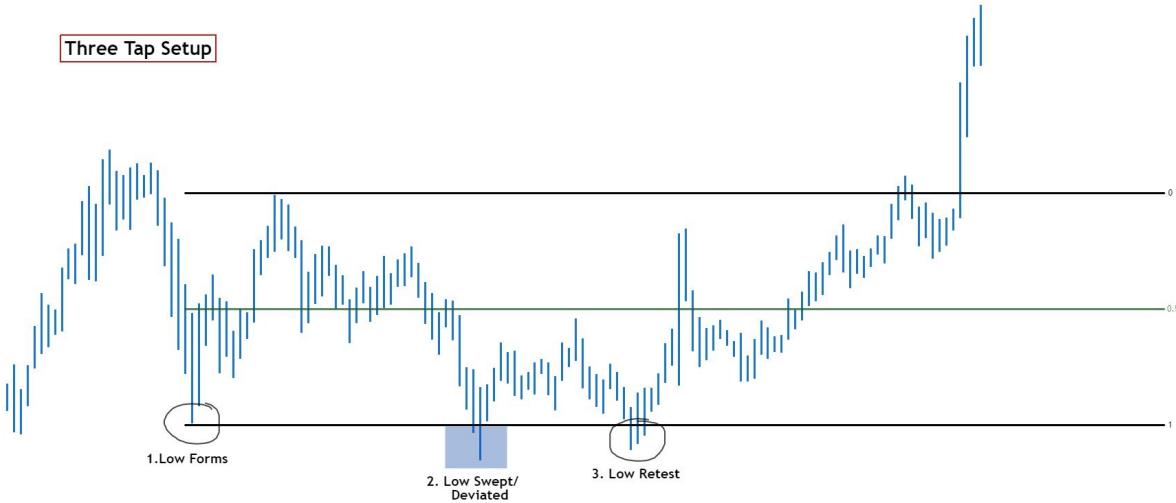




Three Tap Setup

One of the easier setups to spot and play after identifying your range. This setup is tailored around trapping breakout traders and forming a base to retest at a later date

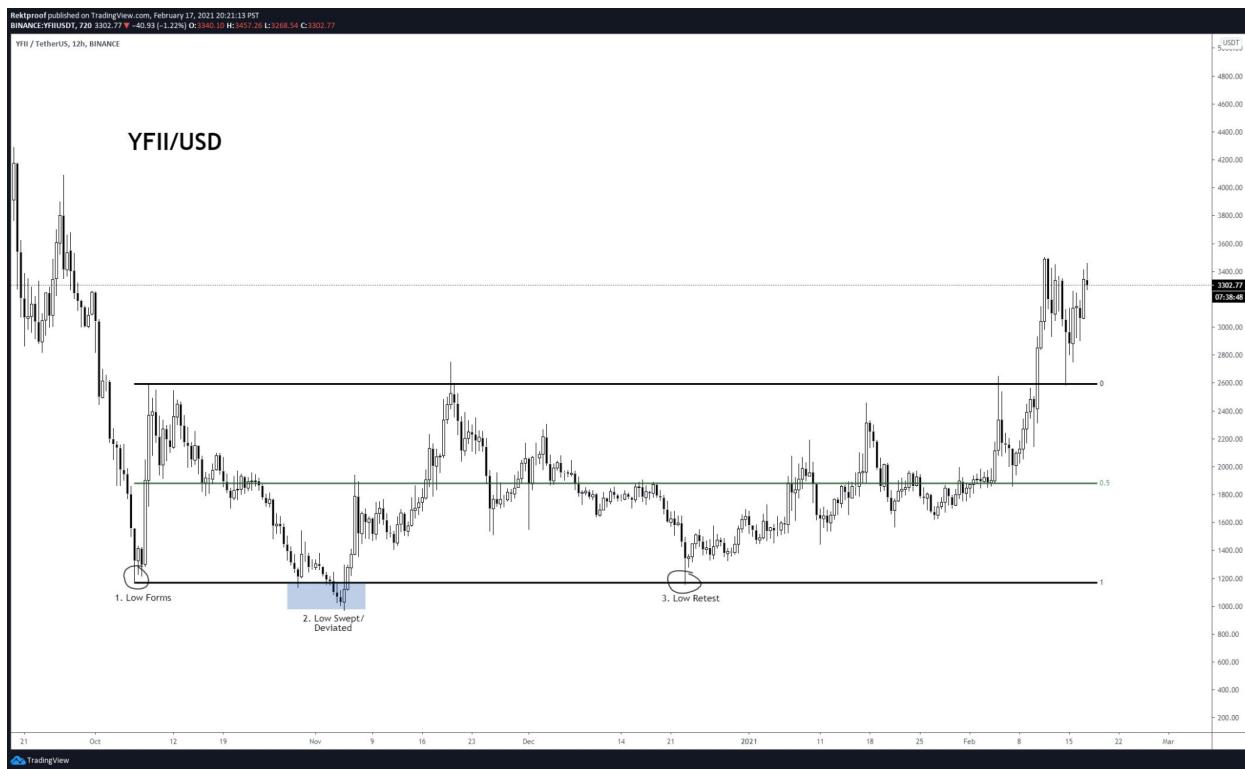
1. Swing Point forms
 2. Swing Point Swept/Deviate
 3. Retest



When price reaches a formed swing point in a range it is common to get "bearish at demand" and "bullish at supply".

Those expecting a break will enter a breakout trade, ultimately getting trapped as we return to the level the trap started at a later date.











Conclusion

The market revolves around liquidity moving from low to high and vice versa, running stops on both ends.

It's good to enter the market at the extremes:
The area buyers stepped in and the area sellers stepped in.

PriceAction - Market Structure Breaks

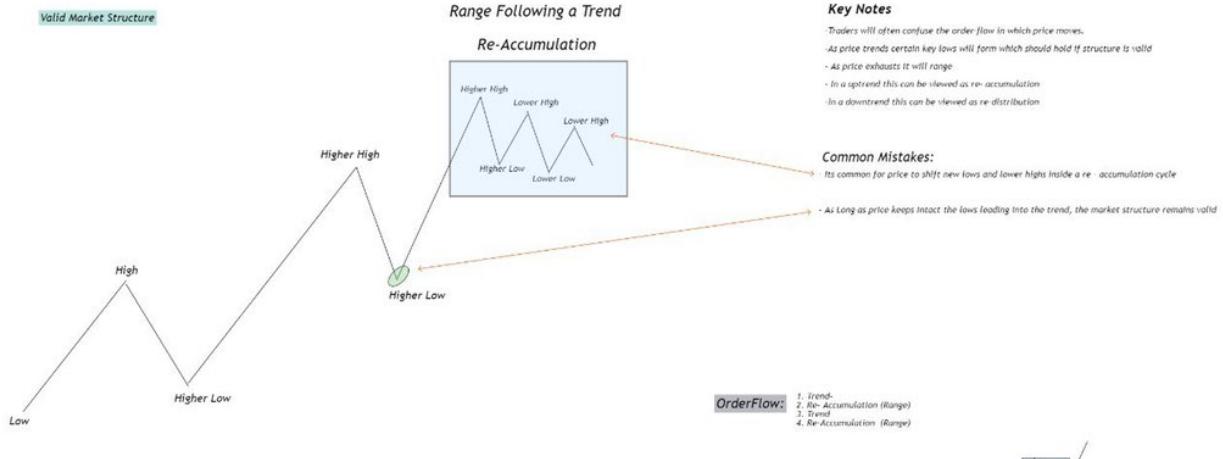
Market structure vs Market structure breaks - a write up on what I consider to be a valid market structure shift.

The views are subjective to my own trading knowledge as it's different for everyone.

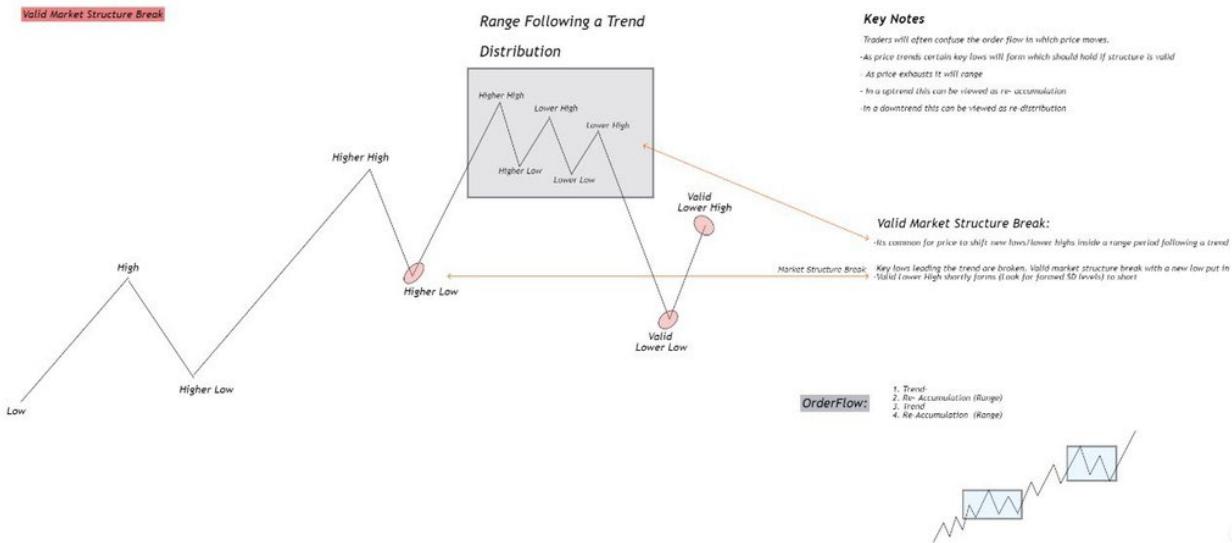
Orderflow

Trend-Range (accumulate-Distribute)

Valid Market Structure



Valid Market Structure Break



Valid Market Structure

Valid market structure is market structure that follows orderflow with unbroken lows as price exhausts and enters re accumulation.



Valid Market Structure Break

When market structure breaks a key low as price trends. Price goes range bound into distribution.

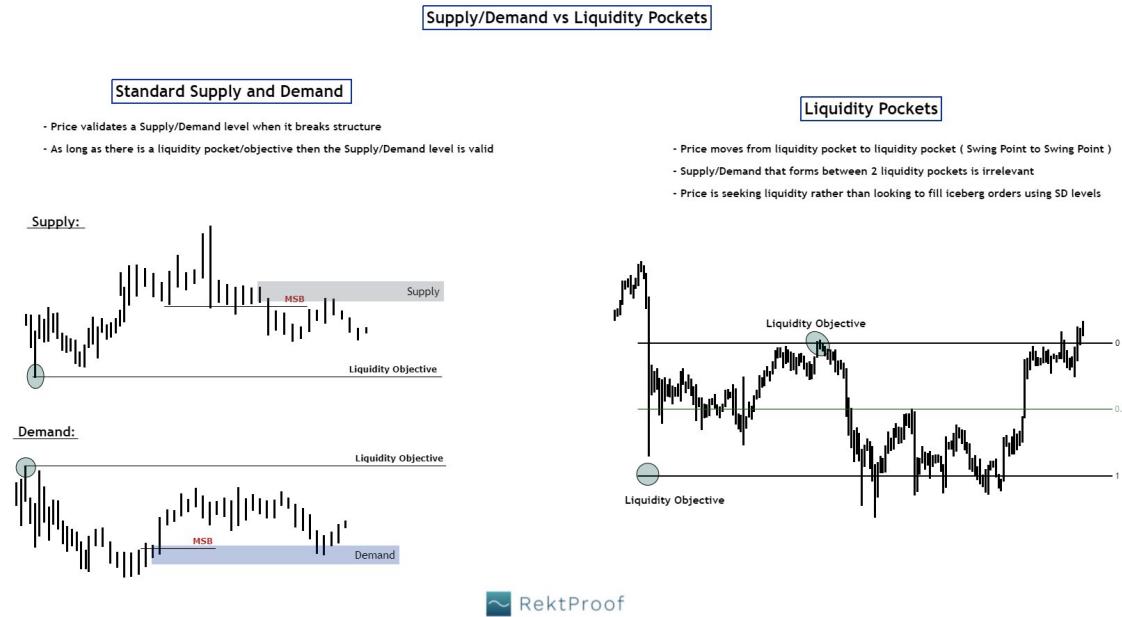


PriceAction - Supply/Demand vs Liquidity

Understanding Supply/Demand vs Liquidity

Knowing what a Supply/Demand (SD) is and knowing how to use them are different. Small writeup to provide clarity, to my perspective:

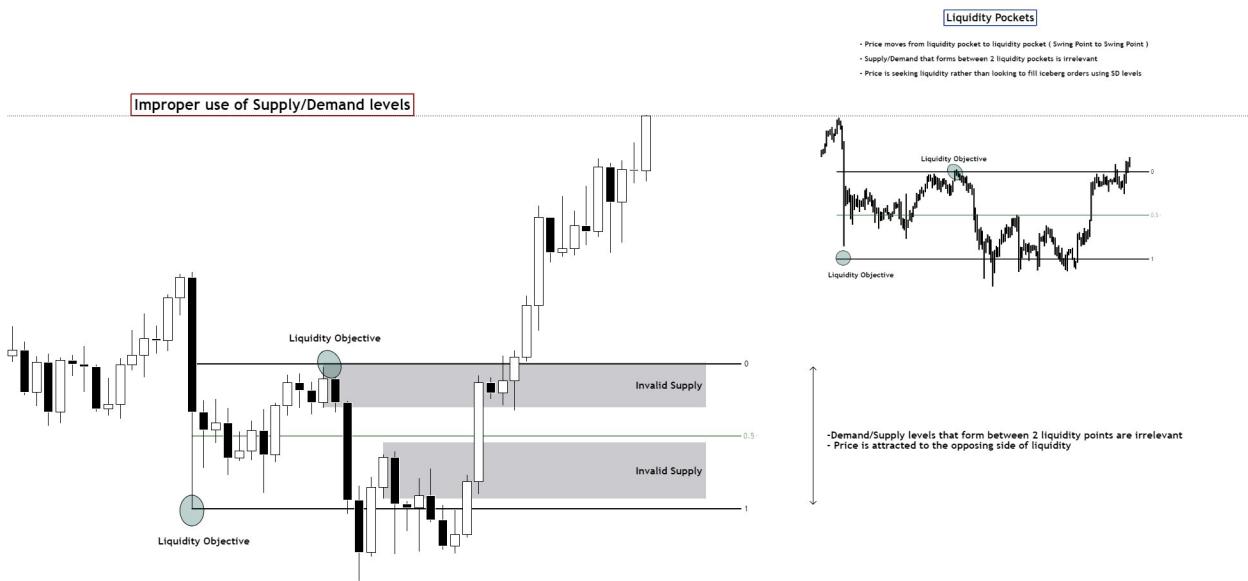
- Improper use of SD
- Suggested Use of SD
- Conclusion



Improper use of SD

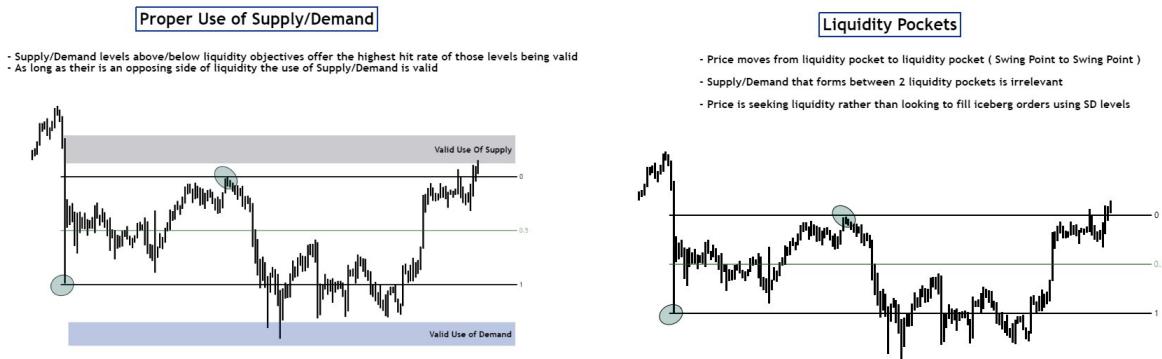
Price always has an objective. When you have 2 swing points/liquidity pockets we are moving from one end to the other.

Mocking up SD levels between those 2 points will more then likely invalidate as price has decided it will engineer stops



Suggested use of SD levels

Normally how I mark up SD areas are at the bottom of a range/bottom-top of liquidity points. As price taps demand/runs a low we then move onto the next area of liquidity/supply invalidating all in-between.



Conclusion

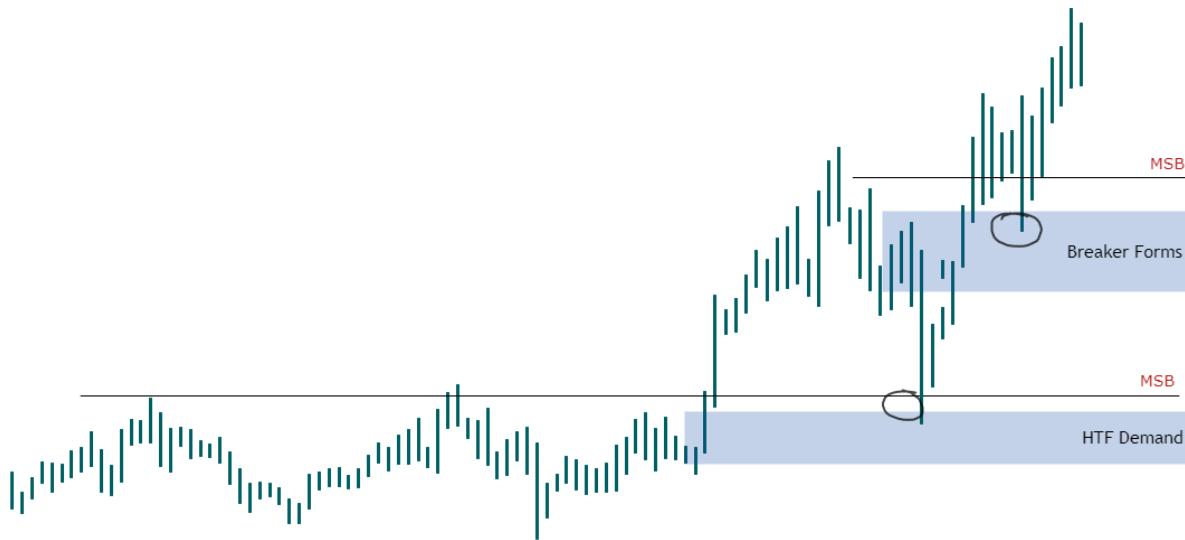
Ask yourself what price is attracted too. If you know how to draw a certain level without context as to what the market is seeking this does not mean it will work and be applicable. Knowing levels vs using judgement come into play. Context is key.

Price Action - Alts

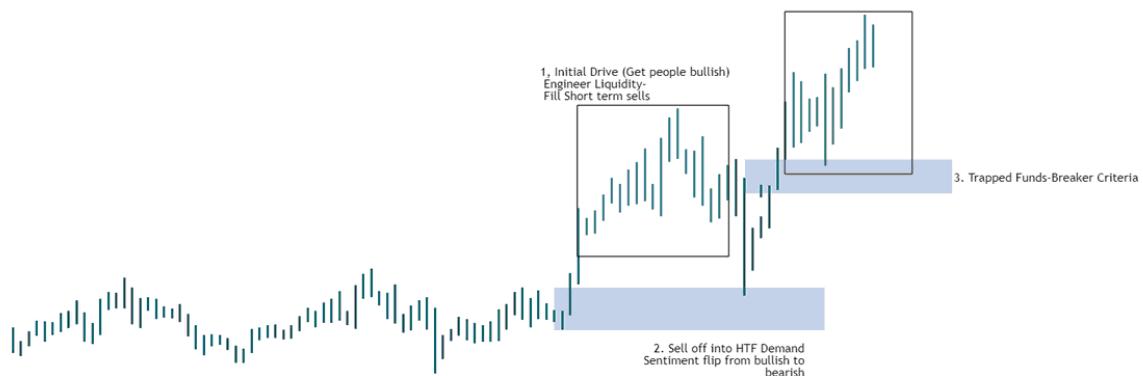
This is how Alts have played out the last few weeks to my perspective and currently.

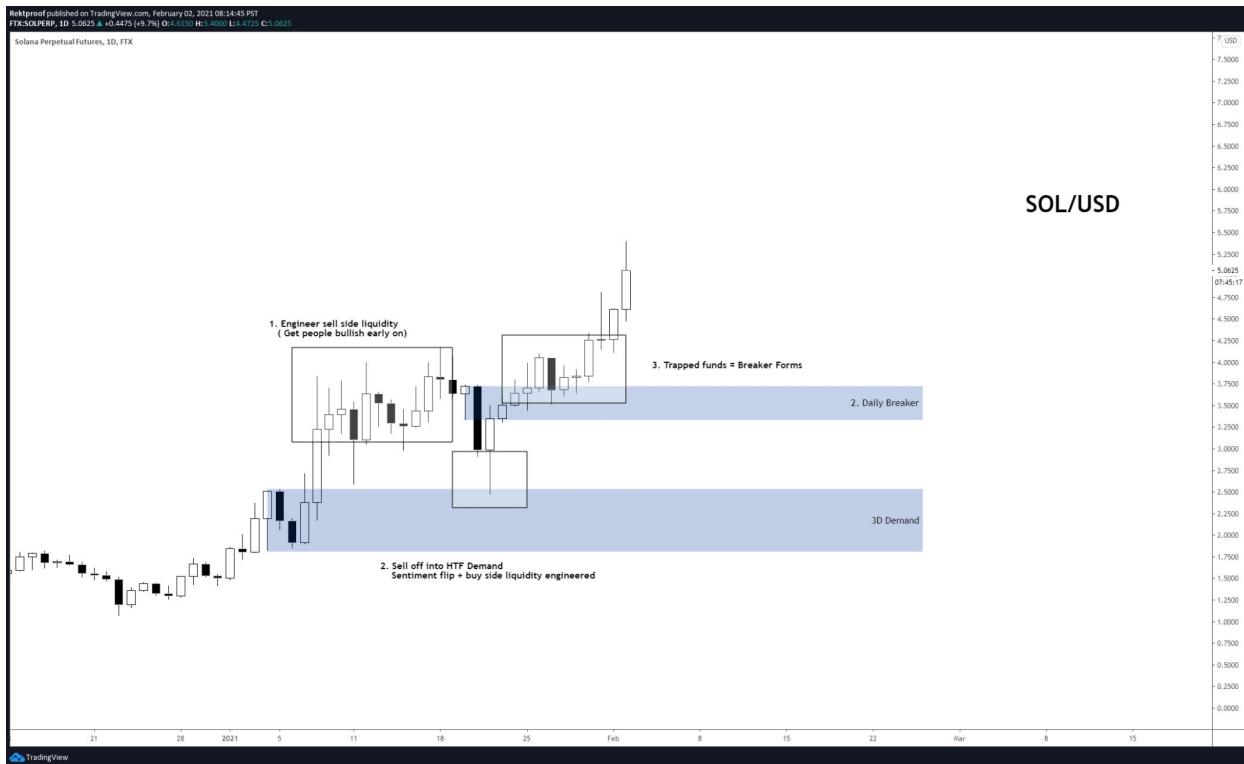
1. Initial drive up (get people bullish)
2. Sell off into HTF Demand (Sentiment flips bearish)
3. Price gets back above with trapped funds in lock.

Examples below



When you see price move up early in the week and sentiment favoring a certain side its good to zoom out and mark out your untested HTF Demands as we might be engineering liquidity.





Conclusion

Mark out your HTF Demands

Don't chase price but rather wait for certain elements to present themselves before entering. Requires patience and discipline but the clarity in the move is much clearer.

Block out the noise and trade your system.

The power of consistency and patience

I only take 3 types of setups in any given market and always document them.

Breakers have always been my highest hit rate, followed up by ranges +SD.

Meanwhile every time I take a pre confirmed setup; it never ends well.

Gotta have patience in any given market.

