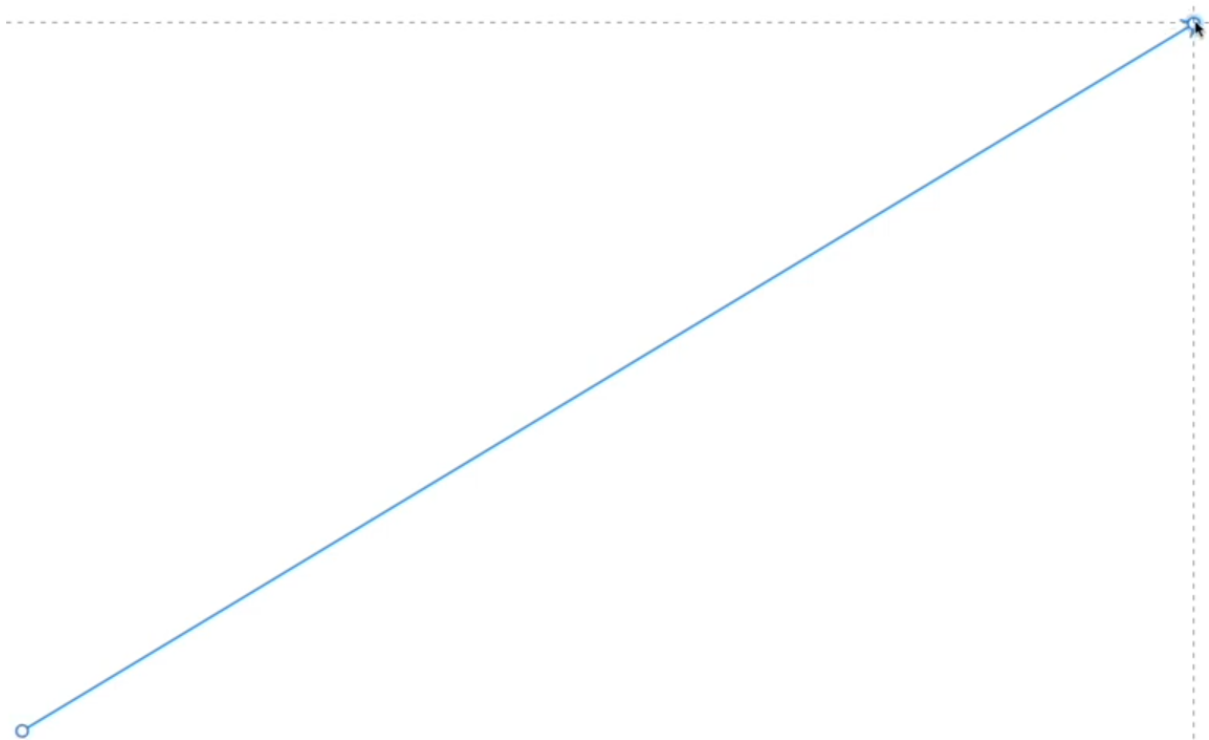
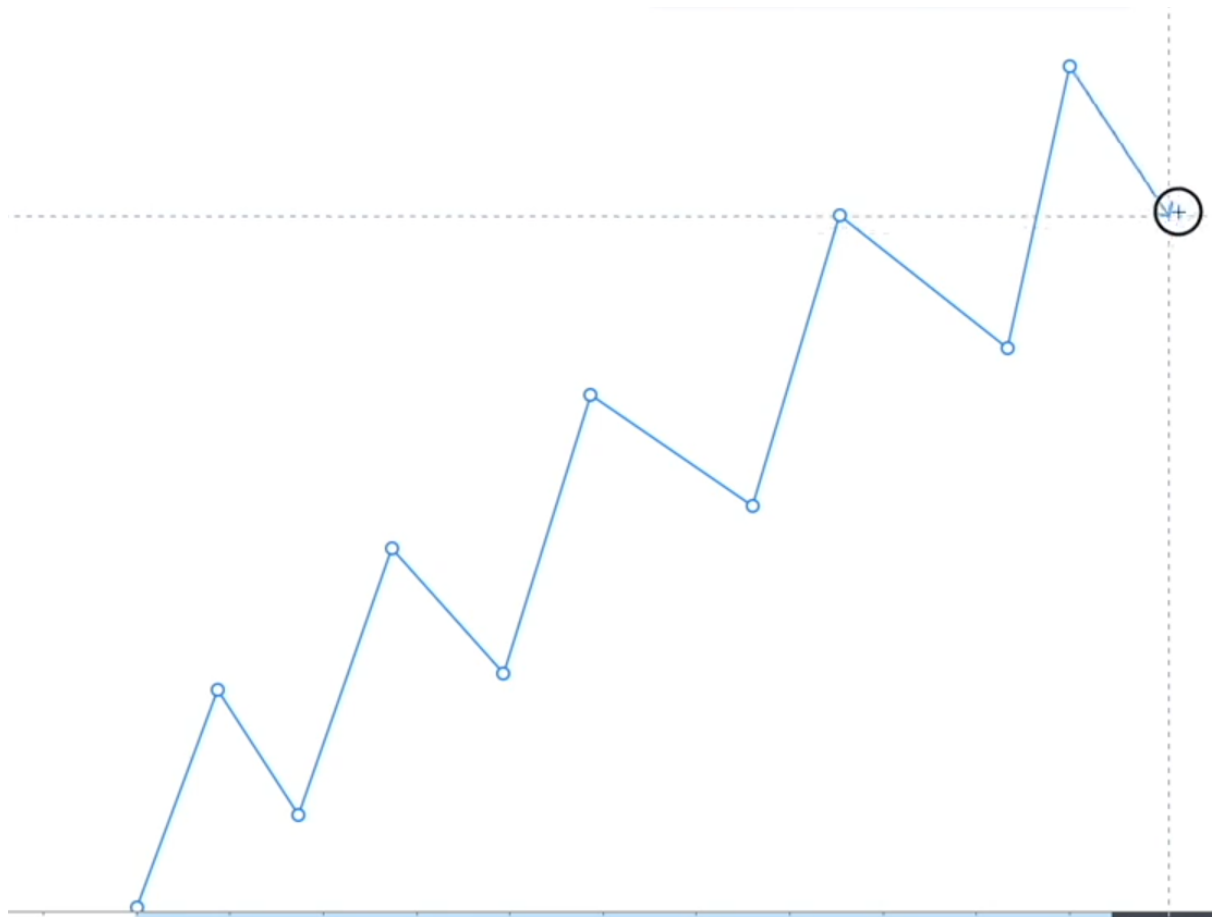


2 Important Rules

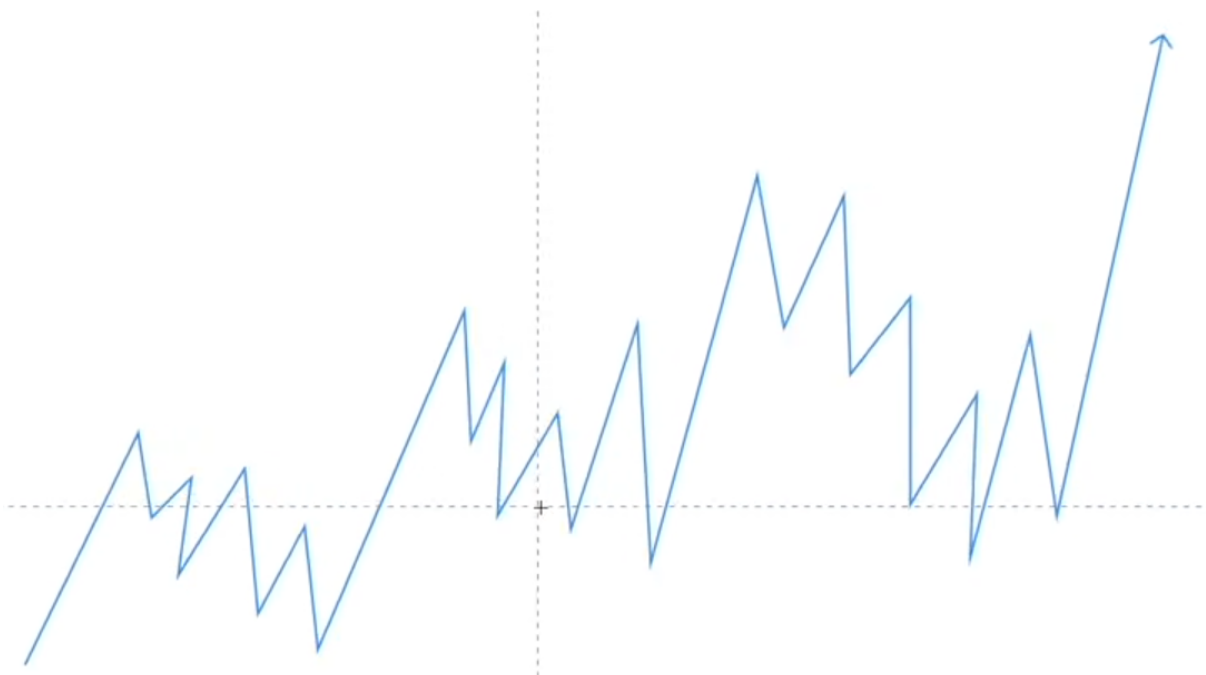
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Here we are going to talk about fundamentals of the OB strategy. So as we know price does not go from A to B in one straight line, if it did then obviously it will be incredibly simple.

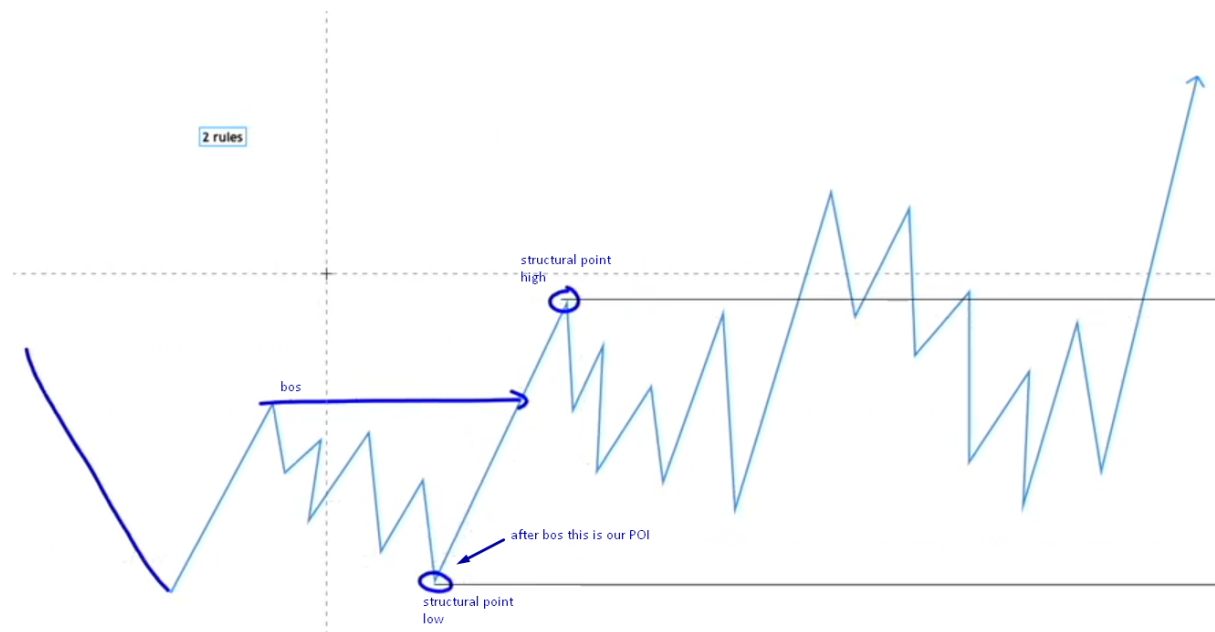


We also know that price doesn't go from A to B in an easy move like this. We know price doesn't not create new HHs and HLs like this.



Price actually moves like this. When price move like this, we struggle to identify what is our highs and lows, because market isn't clean at all.

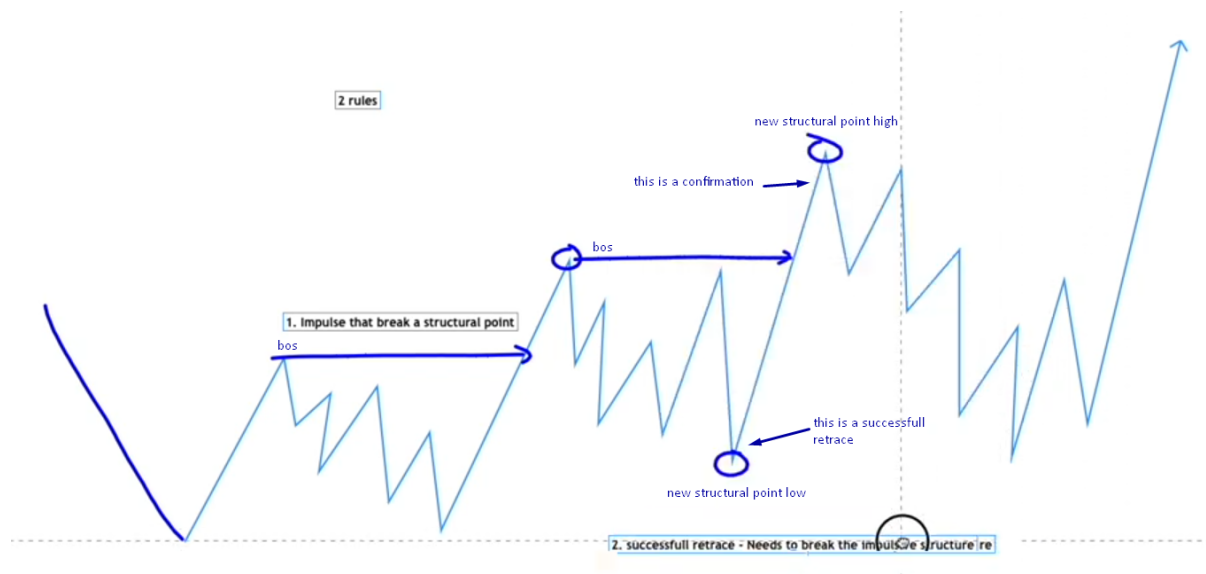
So we have 2 rules that we need to know in order to identify what trend we are in and to identify market structure. And they are:



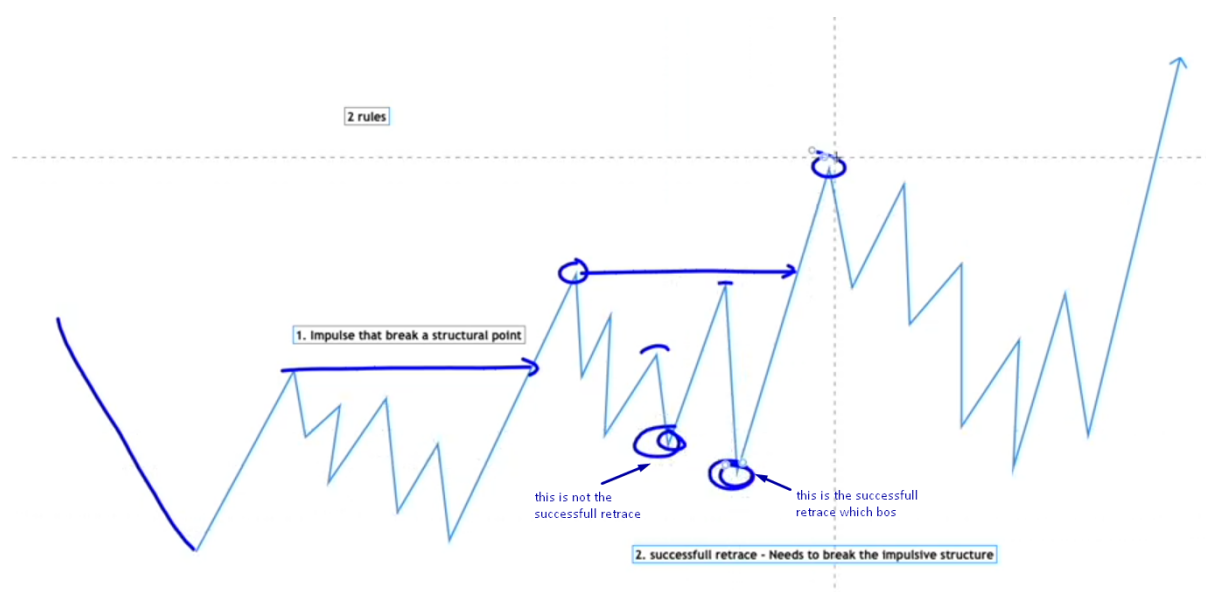
We need an impulse, so we are going to focus from here. So first we need an impulse which bos, so this is coming from like either.

So its coming from down there, but it creates a structural point here. We need to bos this, with an impulse. The part the OB or the where the price came from that bos, thats going to be our POI.

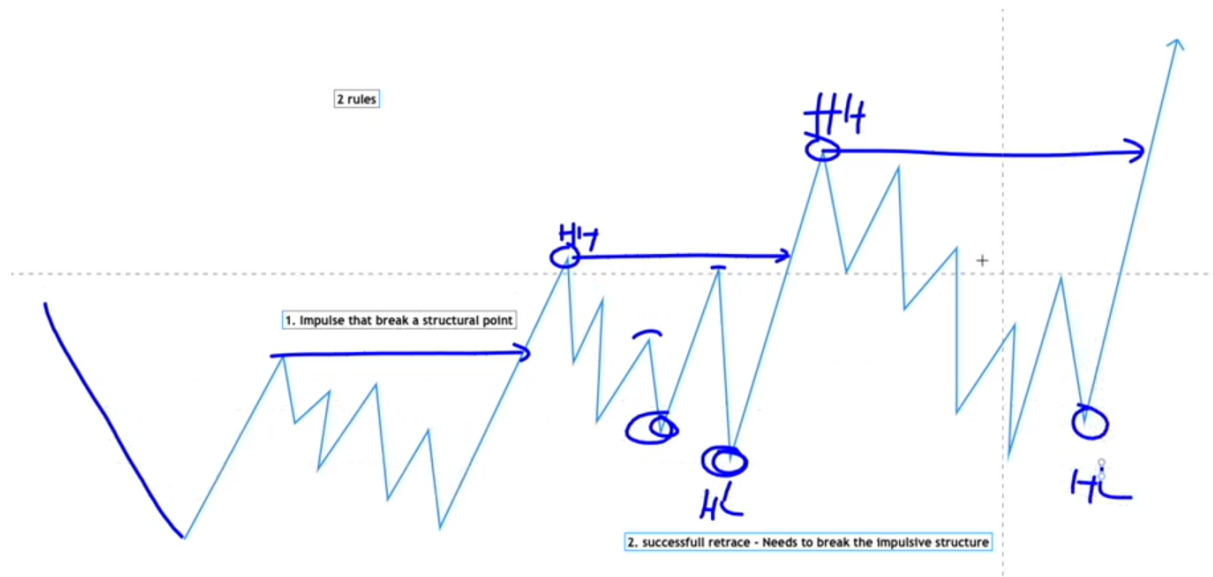
And what I mean by that is going to be the lowest part of our range and the impulse is going to be the upper part of our range at that point. So thats going to be in this case for a bullish move.



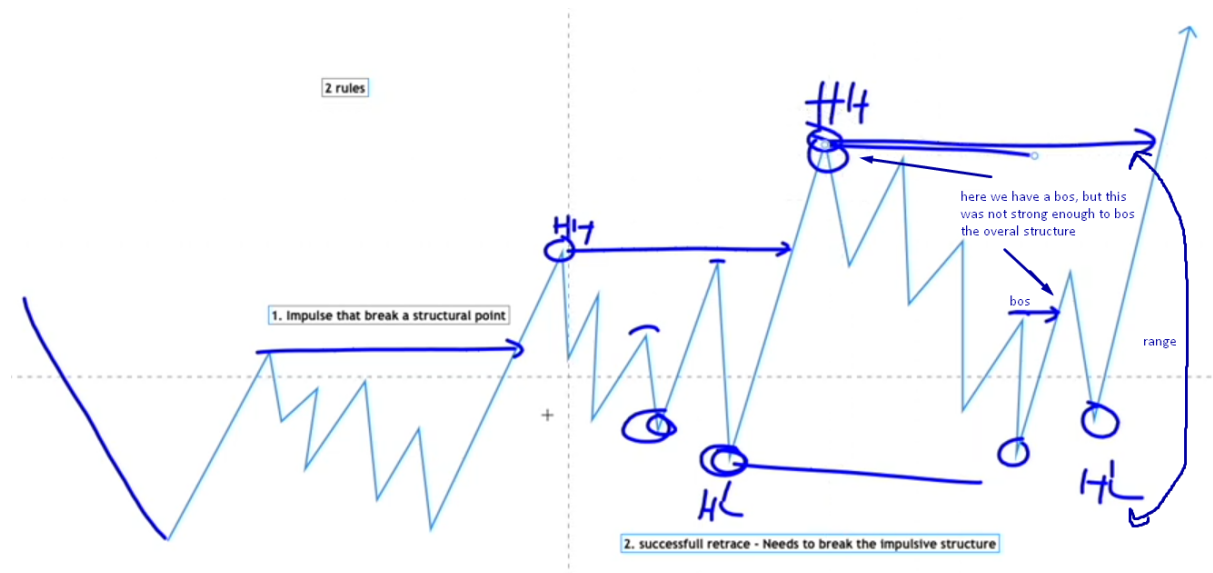
So to confirm if price is going to be bullish, what we need is to have a bos of this new structural point. Now this break happens all the way here, and that's the break of the structural point, where did that bos originate from? Here and this is what we are going to call a successful retrace.



And this is the 2nd rule, and it what makes it successful is needs to break the impulsive structure, because if we think about it from this one and I purposely do it like this, we have a structure break here, and they originate from here, but this is not irrelevant, because it didn't break the structural point that the impulse created, so this is not the successful retrace. This is the successful retrace which bos.



Now when this happens, it makes this one our HL, not any of the previous lows. And up there is going to be our new HH. So we got HH, HH and HL, is going to be this one same way going again is if we bos from here, the only one that we are going to be referencing is going to be this one, so this one is going to be a HL, not any of previous lows.

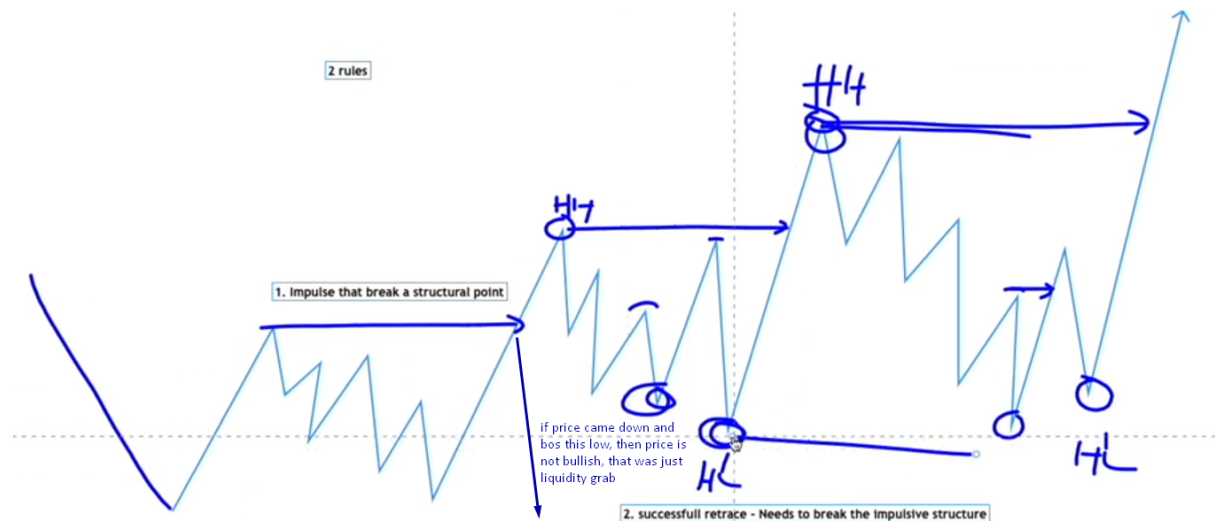


Regardless of the bos, we have here, because we got a bos here, but this was not strong enough to bos the overall structure, so this is going to be forming our range. So the range is from the structural points that bos.

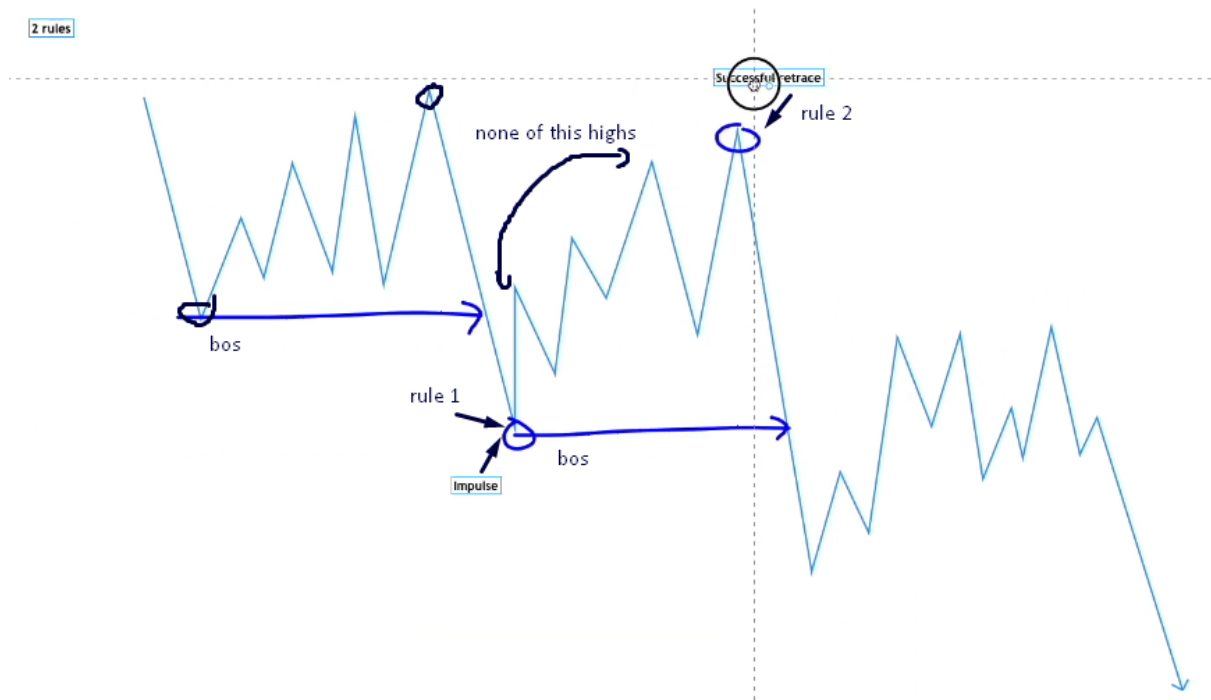
But to confirm if price is bullish, we need 2 of the rules, we need the impulse and we need a successful retrace, which breaks.

Rules:

1. Have the impulse move, that breaks a structural point.
2. Have a successful retrace.



If for example, price came and bos this low, then price is not bullish, that was just a liquidity grab and prices come back down right.

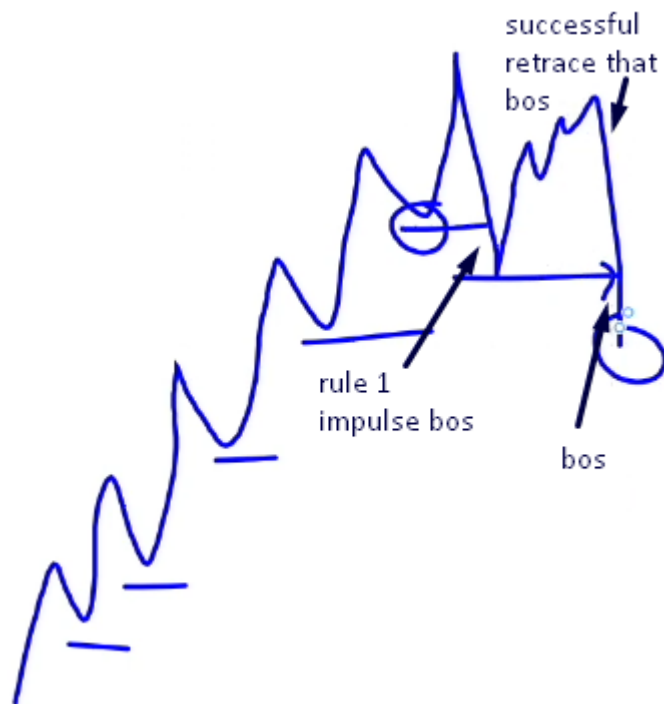


So now with bearish example as we know, price does not move straight.

So what's rule nr 1? We need the impulse that breaks a structural point.

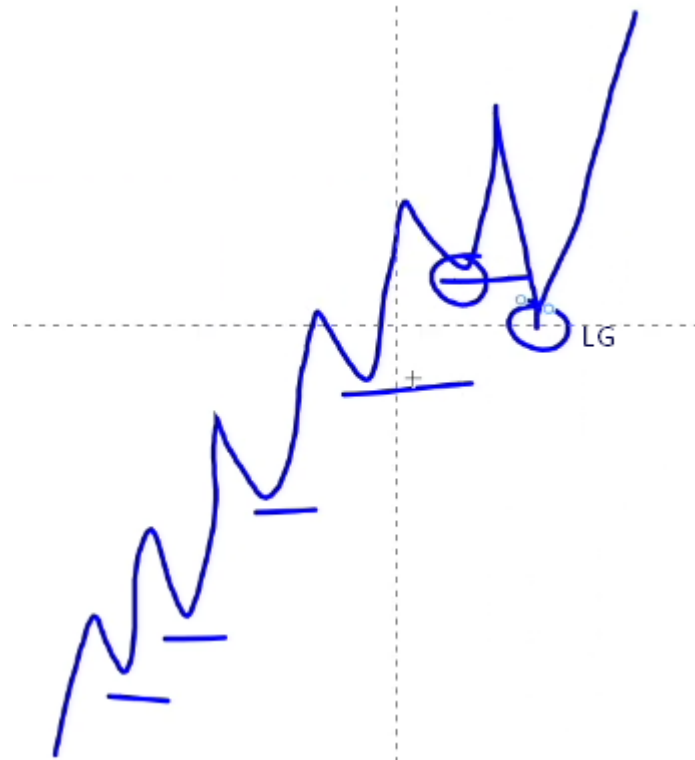
And rule nr 2? We need a successful retrace. Where is a successful retrace in this situation which bos? None of this highs until we reach this one, so that is our successful retrace which bos structural point.

So what does that mean?

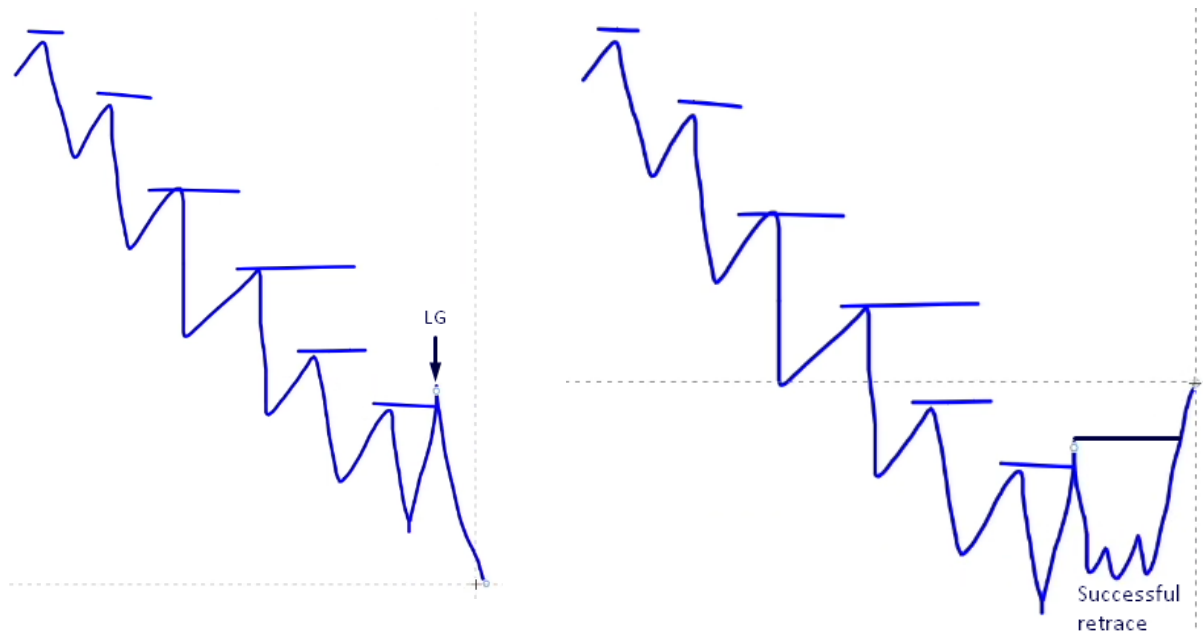


If we are looking for a bullish trend, for example the only thing that we need to be thinking about is if this lows are being broken, forget about the highs, if this lows are being broken that is the only thing that we need to be worried about.

So say for example this low gets broken, at this point, is the first indication that it could be a change in trend or something happening in the market to confirm if price is going to bos or not, if price is going to change in trend, what do we need is the impulse and we need a successful retrace, which bos. That will confirm that the bullish trend has now come to an end, and price is now going bearish.



Because sometimes we get like a bos and then price continues, what we call this is a liquidity grab (LG).



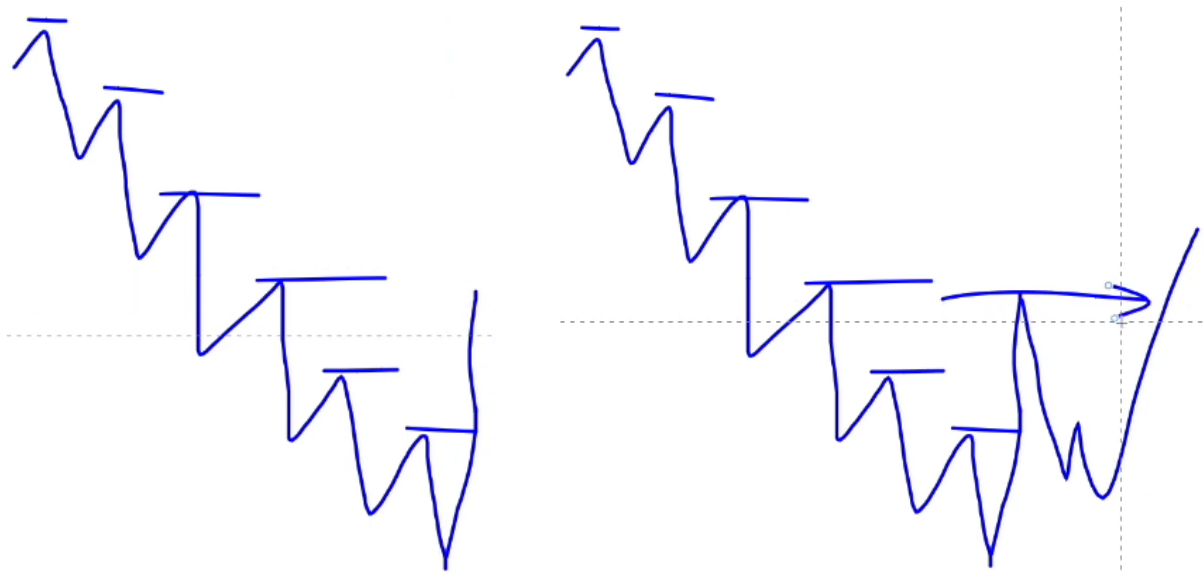
Now on bearish move is the same situation. So bearish move we have got new lows being formed, and the only thing we need to be worried is the highs, we need to

think are the highs being broken. If the high gets broken, we have one or two things, it could be just a liquidity grab and price can continue coming down, or alternatively we can have a change in trend.

But what confirms that is the impulse and the successful retrace.



So we just need to be patient, if we get a bos even breaks the two structures, we still need to have a successful retrace to confirm that price is going to change to bullish.

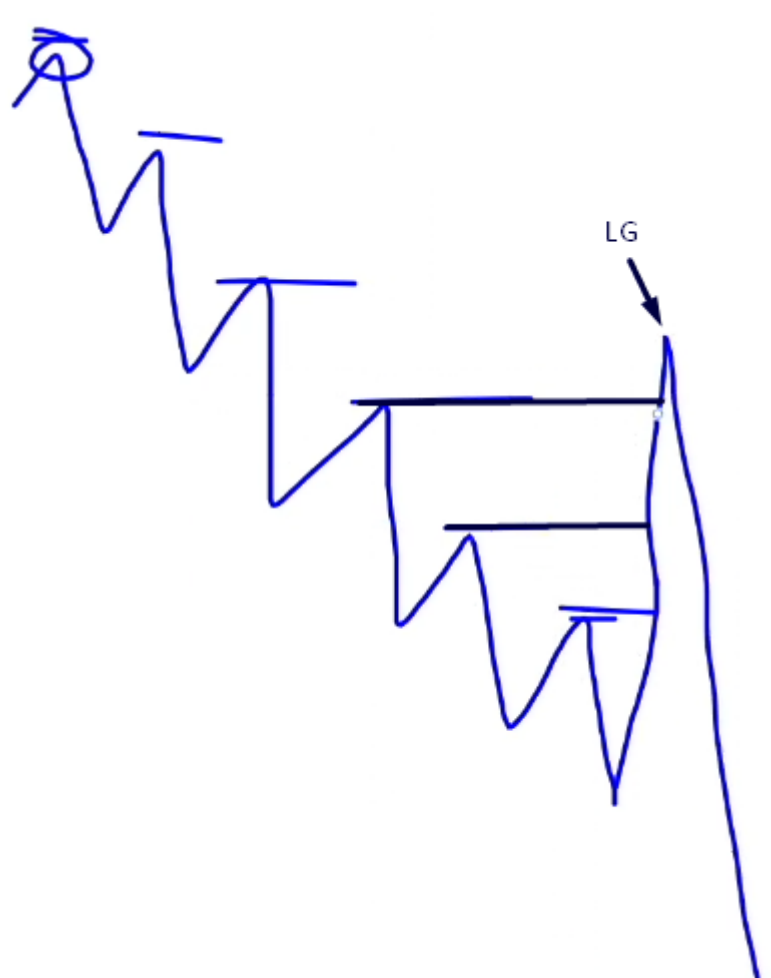


Price is not bullish at this point, price is only bullish if we have a successful retrace which bos, so essentially another bos.

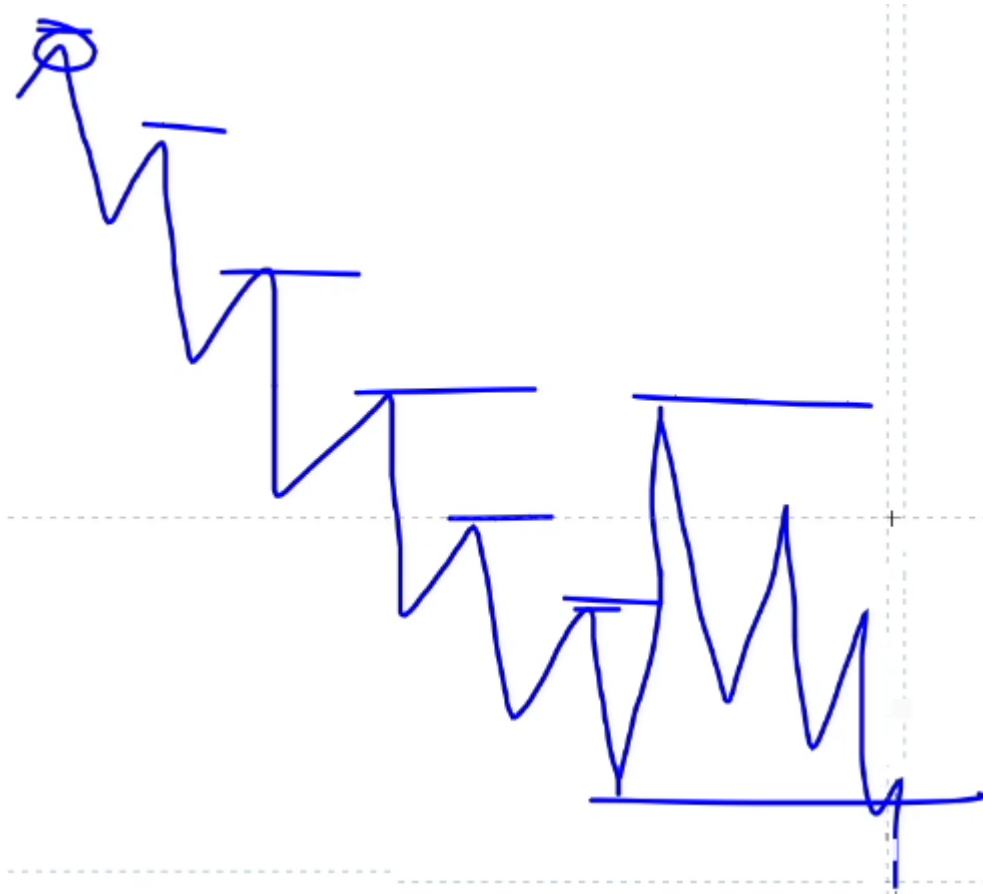


So as I mentioned the 2 rules is so crucial, because it will help us when we are in for example, lets say we are in the trade up here, we are probably panicking, because

of bos, there is nothing to be worried about until we bos again.

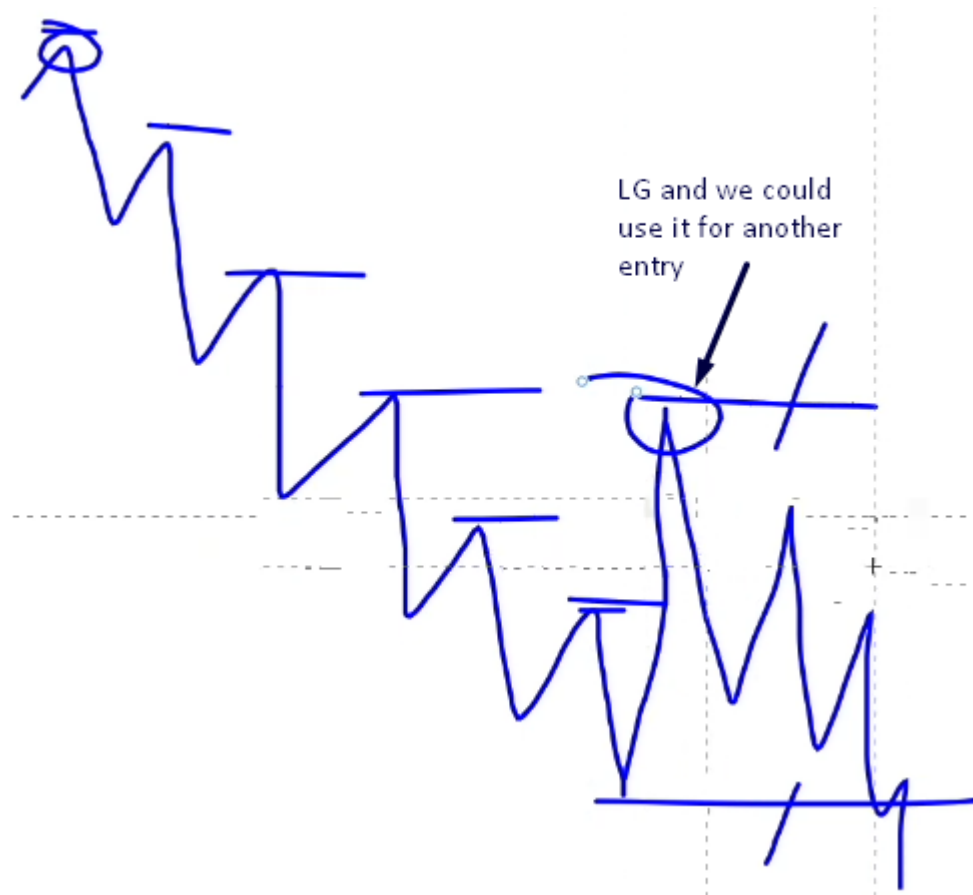


Because price can just grab liquidity from boths highs or even the third high, and then continue down.



When this happens we form a range from what is being created, so we are waiting for that range to be broken either way.

If the range is broken to the upside then yes price is going bullish, if range is broken the downside, then price is going to continue.



That was a liquidity grab and we could probably look for another entry.

This are the 2 rules we need to know:

2 rules

1. Impulse (IM)
2. Succesful retrace (SR)



If we think about it from a chart perspective, as we can see, price is obviously very scattered.



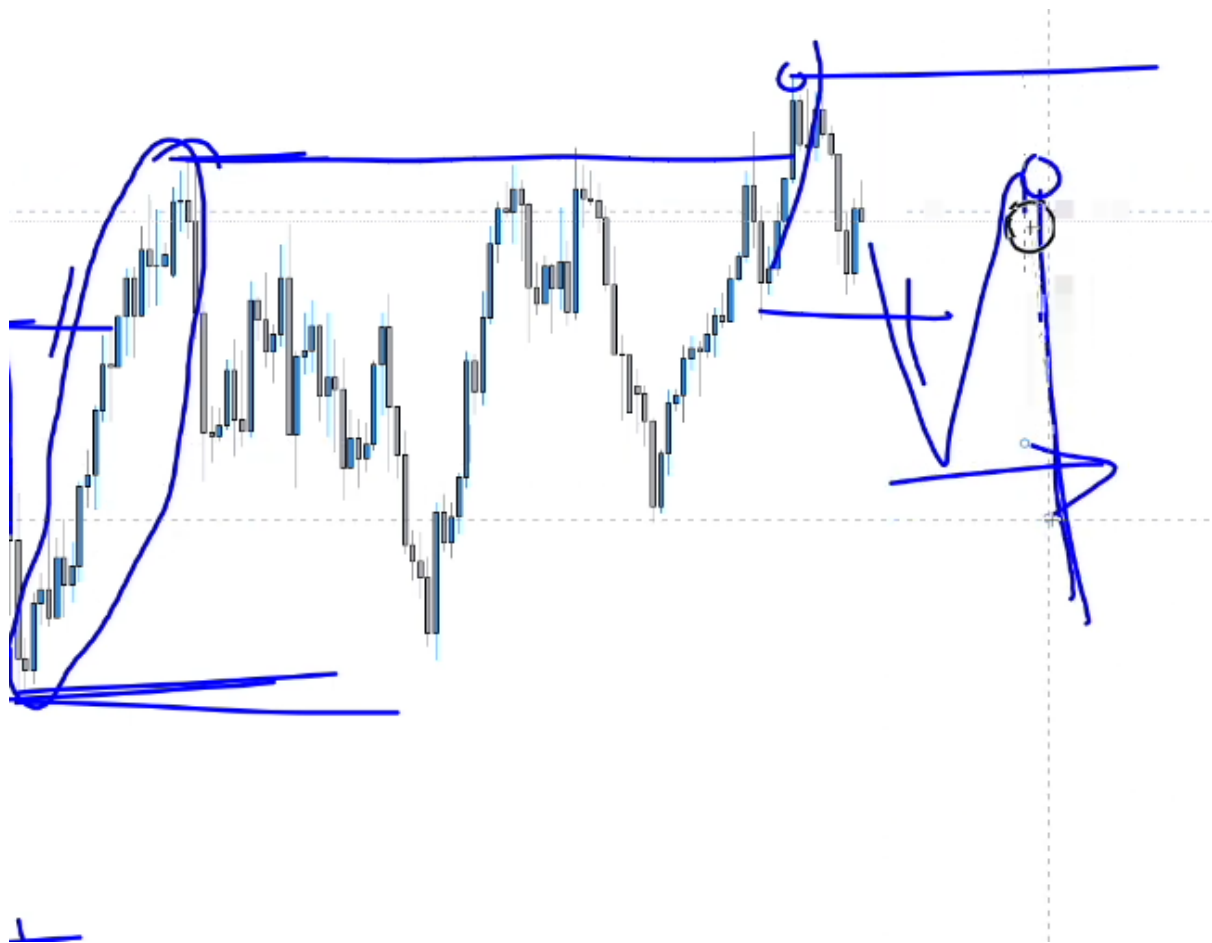
But if we think about it if we draw out, what is actually happening, so we have a structural high and we have a structural low, we have the impulse, which bos, so we created a new high right, the low is down here.

To confirm if price is bullish, we need a bos this high, so although we have a bos here to downside is that relevant? No, because our trading range is from here to here. Price needs to bos range to upside or downside to determine which way price is going to go.



Price bos bullish, so what does that confirm? That price is going to be bullish, because that is now our successful retrace, so now this is our new range, is that essentially how we see it.

For example here again, this range was not bos until this move here. Is price still bullish? Yes. Why? Because we this would now be considered our new impulse right, and now this move here is our successful retrace. So now this is our new range.



Now with this new range we need to wait for a break, continue the trend or to break it. If it breaks the trend, then we need to wait for a successful retrace, we need to wait for this to confirm if price is going to be bearish.