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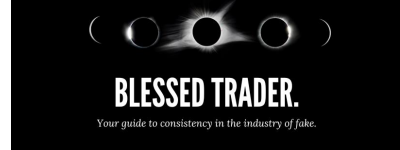


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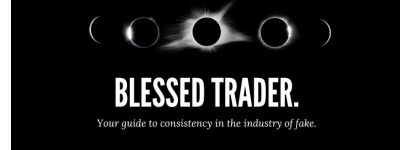
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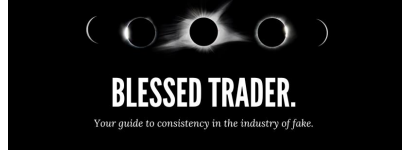
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LESSON - 18



The Market Structure Shift In The State Of Delivery

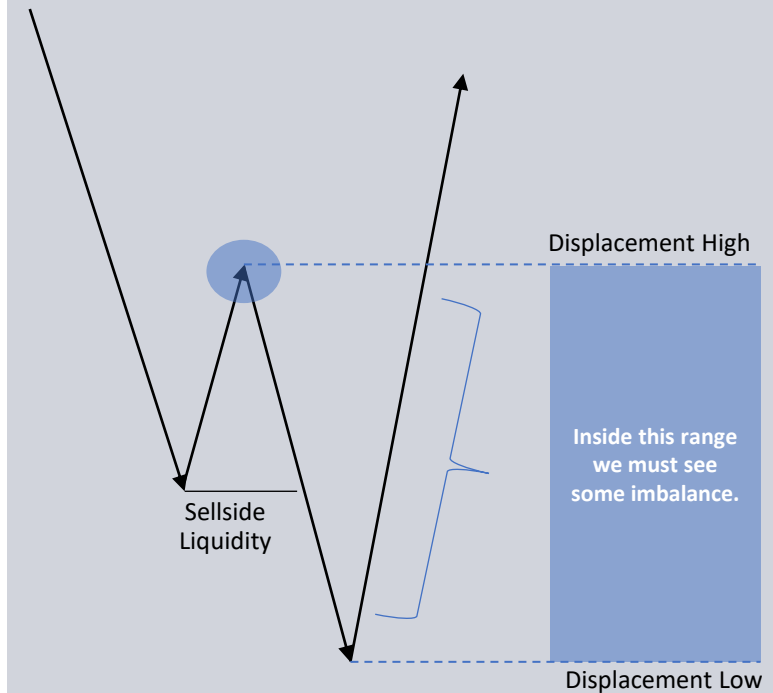


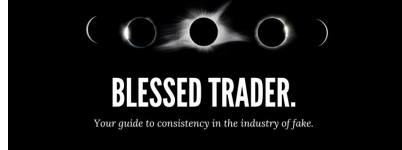
Market Structure Shift (MSS) - Bullish

Let's firstly cover the basics and go over in simple terms how everything looks like: in a Bullish scenario we see the price going lower, it forms a Bullish retracement then we have a stop run below that low to run the Sellside Liquidity that's resting there and then it breaks out higher, once the high gets broken with momentum in other words, we must see clear displacement inside the run that breaks the structure, (that's probably one of the most important signatures here) the move has to be energetic right after the Sellside Liquidity run, the longer price stays below that low or around it, the chances of it being a good Market Structure Shift drops, it must show a very clear willingness to go higher right after we see the Liquidity Raid.

So, how do we know if the expansion after the stop run is strong enough? We must ask ourselves one simple question when the price moves into one direction fast, what does it leave? – It leaves an imbalance. So, inside the range of Displacement Low and Displacement High we must see some Fair Value Gaps there, we want this move so clear that we ideally see a clear break with a closed candle (wick usually is not enough) depends on the whole setting and where we're on the map but again ideally we always want to see a clear candle close above the Displacement High.

So, we want to see this energetic move to be sure that price is not going to just simply run towards the Displacement high as Buyside Liquidity, to then just keep on dropping lower, in other words, we want it to be as parabolic and one-sided as it gets and we, of course, won't always get it, but the first sign to look for is if the price is leaving imbalance or not.

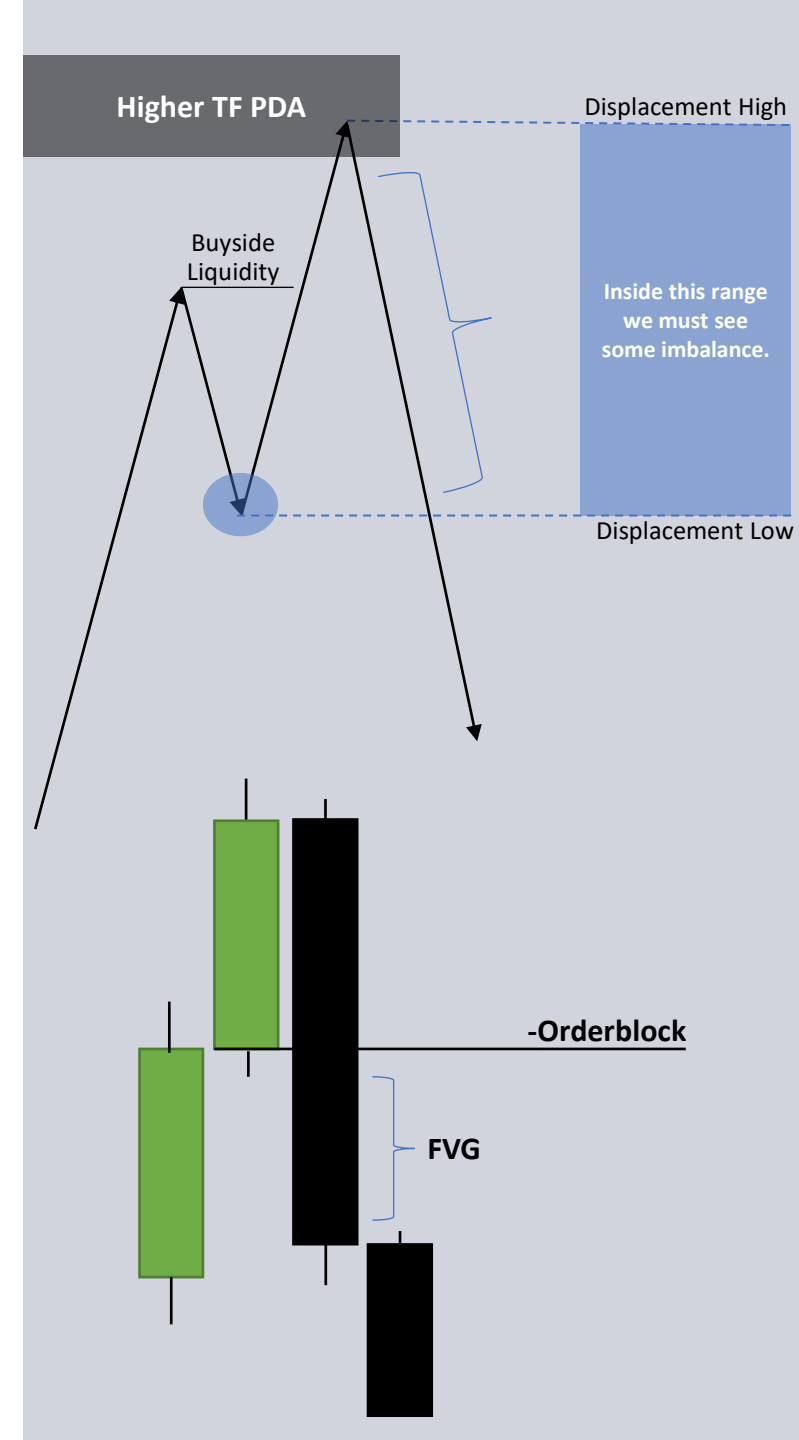


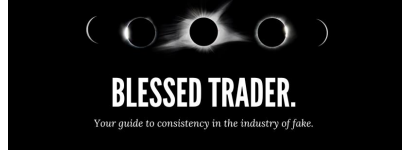


Market Structure Shift (MSS) - Bearish

Exact same scenario here, we want to see a run on some Buyside Liquidity – an old high, consolidation, etc. and then ideally rally into buy stops / opposing higher TF PDA, so if we're waiting for a 5min MSS, the best case scenario is when price runs the Buyside Liquidity and into a 15min and or 60min POI like a FVG or a Bearish –Orderblock, reject it and reprice lower very sharply leaving imbalance inside the range between the Displacement High & Displacement Low.

Spotting The Market Structure Shifts correctly is something that can make or break trader's results, there're a lot of traps in the markets when we see the price either slowly going towards the Displacement Low, or running towards it but then leaving a huge wick there, reacting after running below the Displacement low – all these signs in price delivery are showing you that it's probably not what we're looking for and price could go sideways and play games inside the range between the Displacement High and Low, so 1 – We need to be sure and strict of what we're waiting for; 2 – We must see price running the Buyside Liquidity (into ideally some HTF PDA) then wasting 0 time and energetically running and closing below the Displacement Low. This is usually how High Probability Orderblocks are born that we look to trade from later on. The move on Buyside Liquidity being a one solid up close candle (-OB) inside the Higher TF PDA followed by a sharp run Lower (FVG) and continuation below the Displacement Low – that's a High Probability area right there (example on the right).

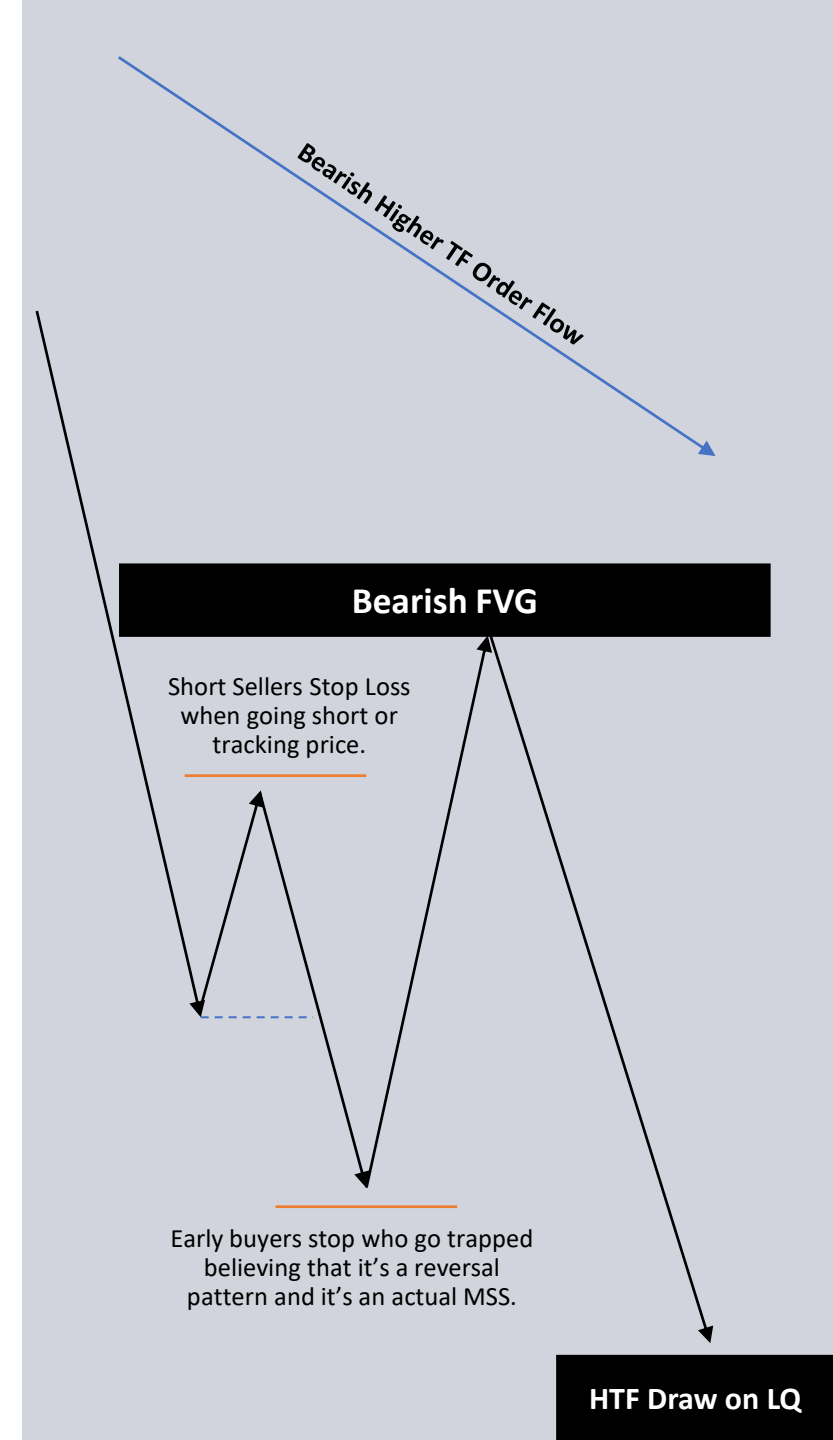


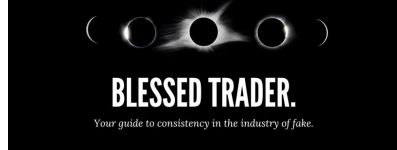


Market Structure Shift (MSS) - Traps

This is a very common situation in the price delivery and something that we always talk about that a simple pattern when price runs liquidity and reverses doesn't always mean it's a reversal (MSS), a lot of times when the Higher TF move is directional and in example it's a bearish trend we see a run on an old low followed by an expansion higher above the high, a lot of times if it happens on a Lower TF (i.e. 5min) and the Higher TF (i.e. 4hour) is still on a run towards the main Draw On Liquidity that day or week, price will simply just push higher above the old high (to sweep the Buyside Liquidity, the place where short sellers are placing their stops or those who're tracking price by moving their stops above every newly formed high), so price runs above it into some PDA that's in line with the Higher TF orderflow like a bearish FVG and just continues to go lower firstly taking out all the sellers and then trapping all the early, aggressive buyers.

So, to sum up, what this means is that it's sometimes not so much about the Market Structure Shift but where it happens and when it happens, if there's no clear draw on LQ and price gives a Market Shift in the middle of let's say London Lunch, that usually holds no weight and pretty much means nothing.



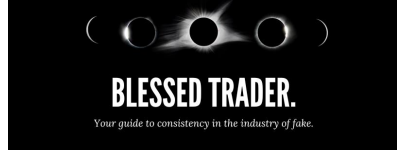


Market Structure Shift (MSS)

Another completely different bullish scenario (of what we want to see) is when the Higher TF's are in line with our bullish direction, then price on the Lower TF's right after the NY Midnight Open runs below the AR Low into a 15/60min Bullish PDA - let's say +Orderblock and or FVG and then gives a clear 5min Market Structure Shift Higher leaving clear imbalance inside the bullish run right in the middle of London Killzone (LOKZ) - that's a clear sign of potential LOKZ Low Of The Day forming, that's when all the pieces of the puzzle are in line, and that's when we pay the most attention to MSS (example on the right).

The situation described above is, of course, perfect and we won't always have that but the point here is to be able to see deeper inside the price delivery, time of the day (time & price), aligning Higher TF's with Lower TF's and so on, not blindly looking for these reversal signatures in price left and right as that's what gets most traders in trouble as there're lots of these patterns forming during the day, and the majority of them are just simple traps described in the previous slide, (they're liquidity sweeps mistaken for MSS).

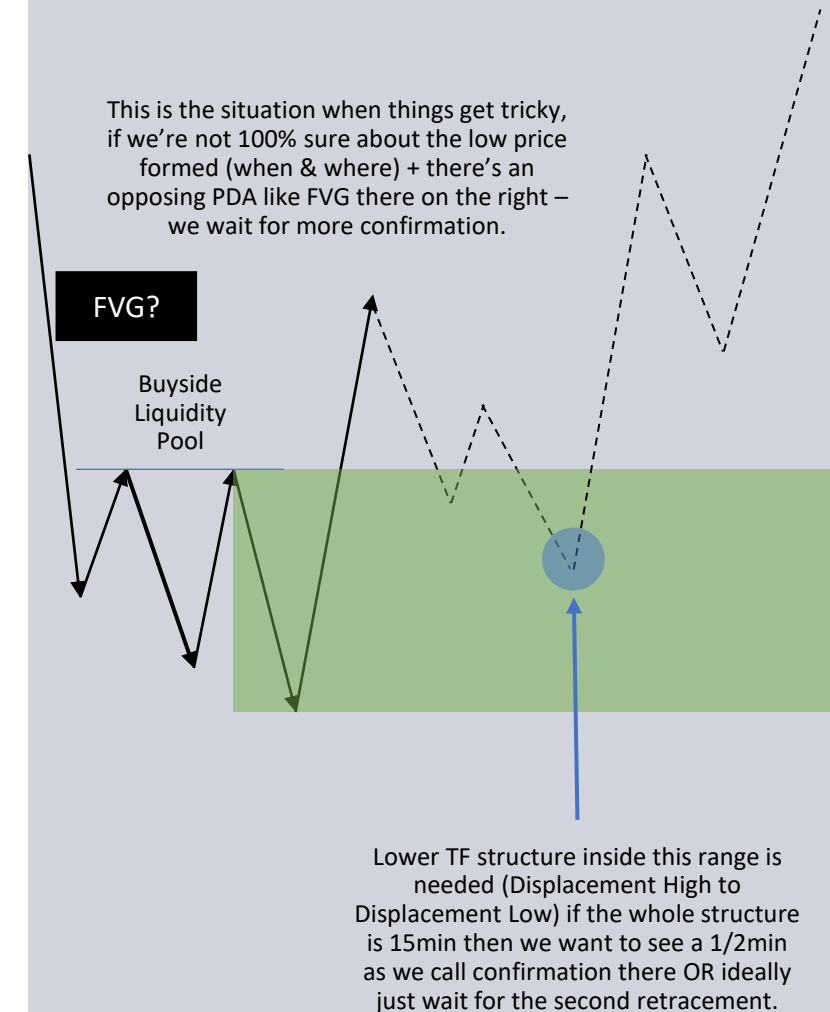


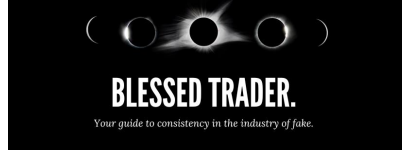


Market Structure Shift (MSS)

Sometimes price as the Displacement High forms a Liquidity pool (let's say equal highs) – let's imagine that the price has been moving aggressively lower from the Higher TF POV and there're some bearish PDA's above the equal highs – even if we're inside the opposing Higher TF Bullish PDA, at that point – be more patient and demand more from the price delivery as that's also when it could be just a quick Buyside Liquidity Pool sweep instead of a Market Structure Shift to go deeper into the Bullish Higher TF PDA.

The best counter to that is when price moves so energetically higher (leaving an imbalance and closing way above the Displacement High) that we don't even have to question it, however, if price doesn't react sharply then that's exactly when we just wait for more development to find out if it's a trap or it's actually reversing.



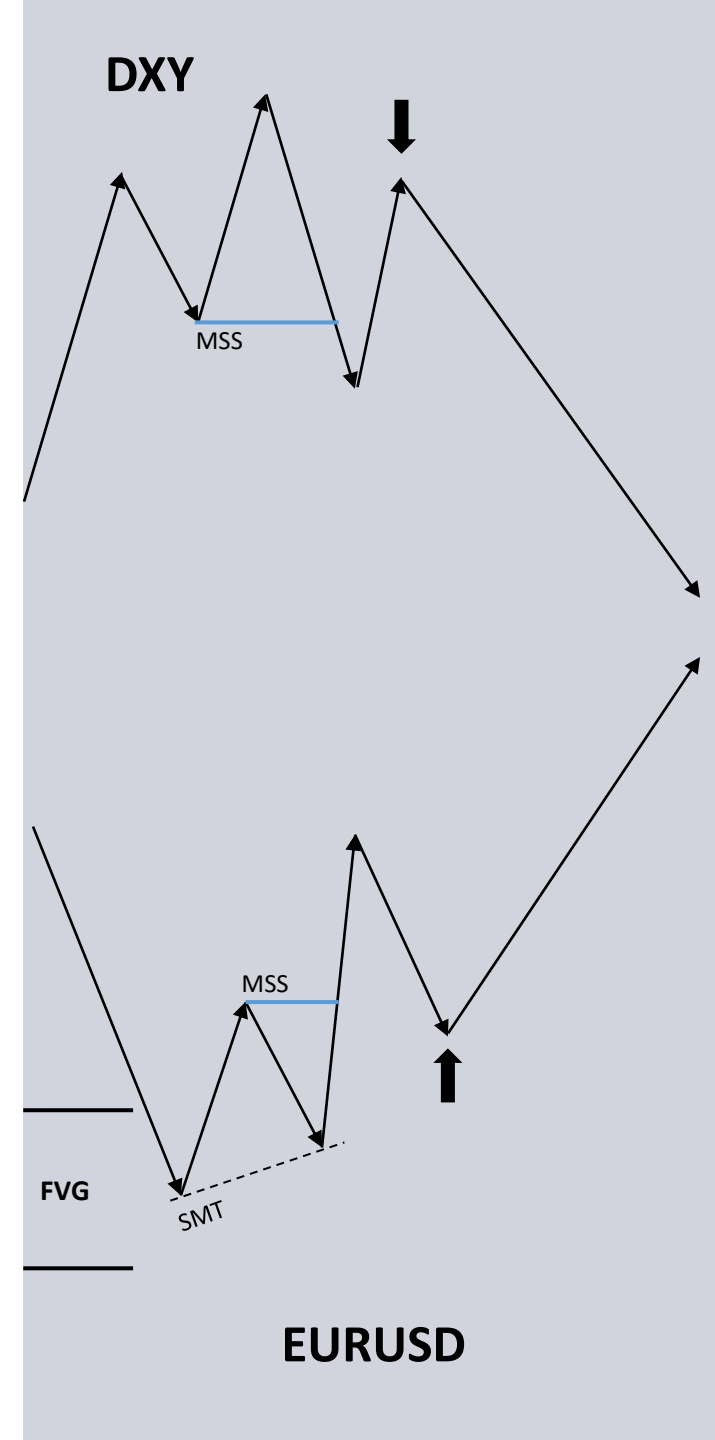


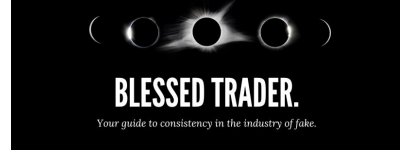
Market Structure Shift (MSS) – SMT Divergence

This is something that even experienced traders don't have in their arsenal is the Market Structure Shift that happens after SMT Divergence.

At first, if we're concentrated on one particular TF and in a bullish scenario we see price forming a higher low (that looks more like a Low Resistance signature rather than a reversal), and then price gives a quick sudden move higher – it just looks weird and not something we're used to seeing, definitely not screaming “price is reversing”, more like price is building Sellside Liquidity for a quick retracement higher to then reprice lower.

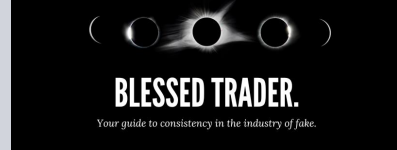
So, now when price trades into an opposing PDA during a specific time of the day our eyes must be locked on both DXY & EURUSD / GBPUSD to see if price is moving in alignment or is there some SMT going on, if DXY runs the BSLQ and goes lower but EURUSD fails to do that and instead forms a higher low instead of a lower low (SMT) and then we see a quick move higher – that's our Market Structure Shift (MSS).





Let's dive into some analysis & examples





1. Price runs Buyside Liquidity - look for opposing (Bearish) PDA's above it.
2. Sharp reaction lower - ask yourself what is the time of the day and does it make sense for price to form this strong high here?
3. See if price moves energetically and leaves imbalance inside the range of Displacement High to Displacement Low (Green Box)
4. See how price acts around the MSS Low, is it as ICT calls "slicing it" or is price having trouble breaking it?





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These types of MSS in the market are the BEST. If the whole setting is right, it's like a loaded deal and there's no need to wait for any confirmations.

Price moves slowly towards the 60min FVG, then sharply drops below an old low into 60min FVG and goes parabolic from there leaving no questions that the price switched from a Sell-Program to a Buy-Program and now the Buyside Liquidity is the main target.



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One trick that you will thank me for later on in your trading journey is the BPR - Balanced Price Range that happens inside the Displacement High / Displacement Low range.

Even a lot of OG ICT traders don't know this but refining a BPR inside this sharp Stop Run followed by quick displacement higher that gives MSS is a very high probability area.

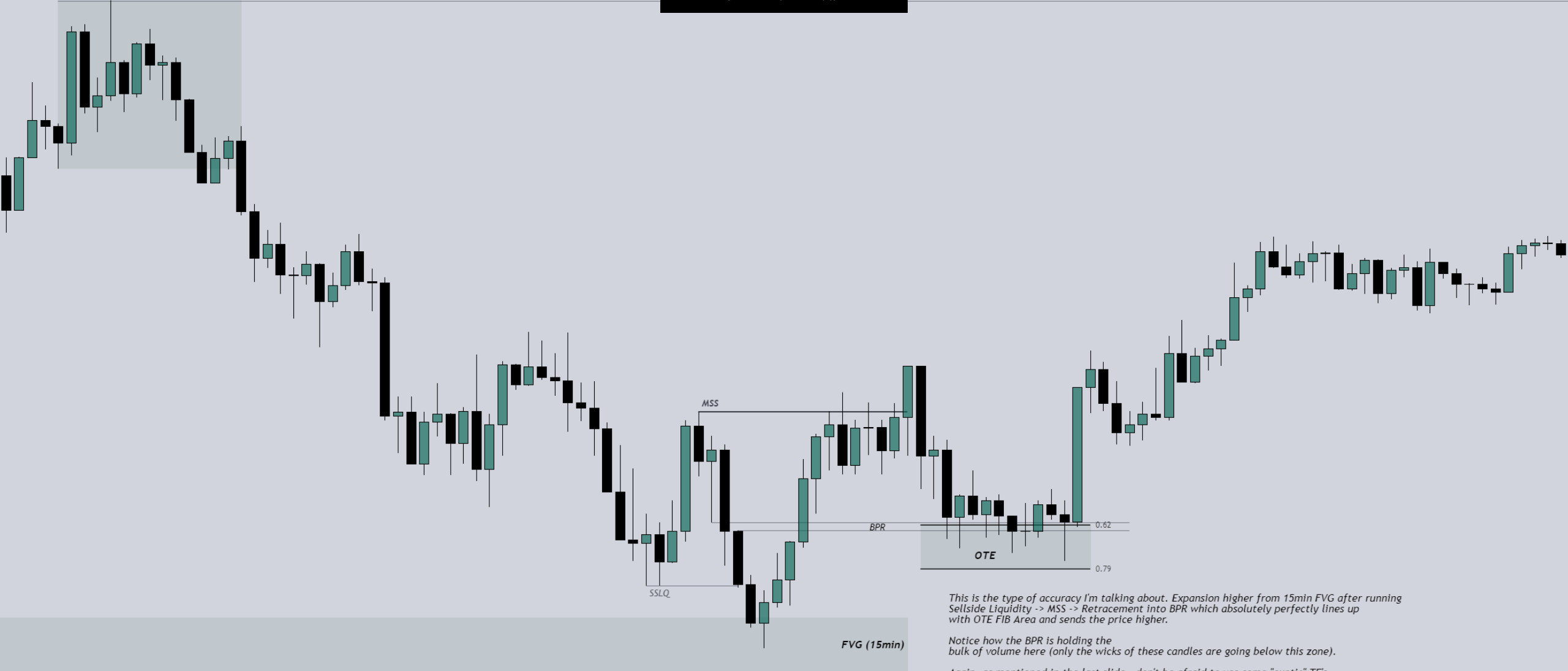
When refining that area, don't be afraid to use TF's that we don't normally use like 8minute / 10minute etc. refine that area and line it up with some other overlapping confluence, you will be surprised how accurate this is.



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Buyside Liquidity



This is the type of accuracy I'm talking about. Expansion higher from 15min FVG after running Sellside Liquidity -> MSS -> Retracement into BPR which absolutely perfectly lines up with OTE FIB Area and sends the price higher.

Notice how the BPR is holding the bulk of volume here (only the wicks of these candles are going below this zone).

Again, as mentioned in the last slide - don't be afraid to use some "exotic" TF's to refine the Balanced Price Range.



Perfect MSS after a Buyside Liquidity hunt into -OB & FVG
+ strong displacement lower leaving imbalance (and BPR)
inside the Displacement High & Displacement Low range.





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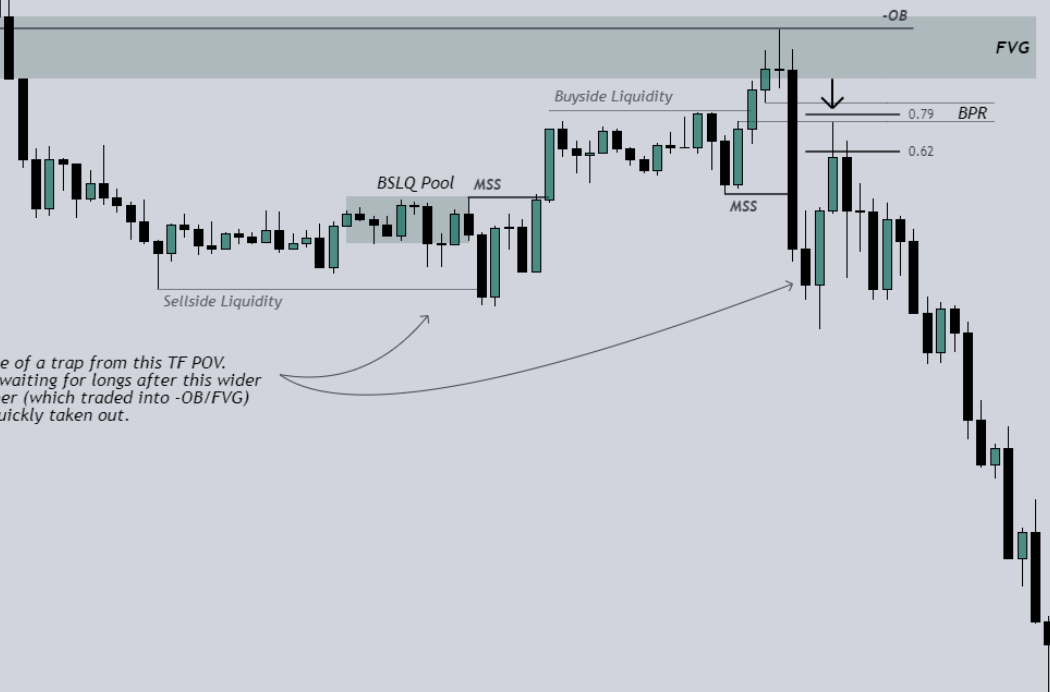
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Bearish Higher TF Orderflow

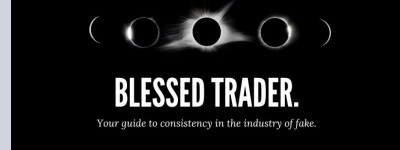
1.

This is an example of a trap from this TF POV. Those who're waiting for longs after this wider retracement higher (which traded into -OB/FVG) had their stops quickly taken out.



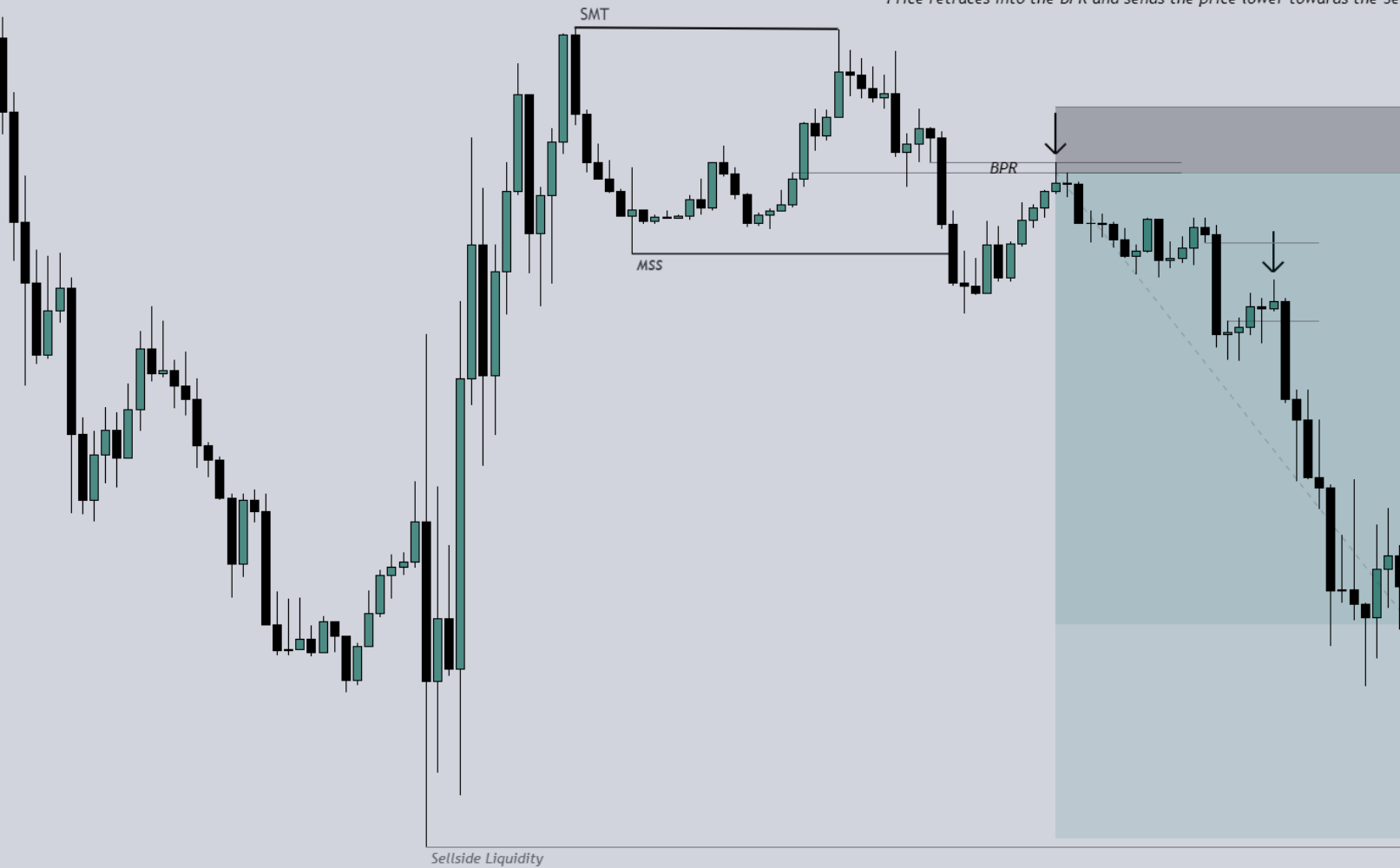
2.

And right away we have a completely opposite example, which lines up with the time of the day + Higher TF Orderflow and Draw on LQ and ideal Lower TF price delivery: Run on BSLQ, MSS, retracement to BPR & OTE FIB Zone.



Here is the SMT Divergence example to the bearish side.

Price fails to break the high (when DXY runs Liquidity)
then price sharply runs lower leaving imbalance. BPR is not a must but if it's there - that's perfect for us.
Price retraces into the BPR and sends the price lower towards the Sellside Liquidity.





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