

# Trading SNR

*the*

# Malaysian Way

*What I Never Learnt in 23  
Years of Trading I Wish I Had*

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AnyScanner

## **The OHLC and Price Action**

- Candlestick Chart vs. Line Chart
- All About Price Manipulation/Rejection

## **The Malaysian SNR Levels**

- Types of SNR
- Fresh and Unfresh
- Snr + Miss + Touch

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- MTF Analysis – roadblocks, breakout, etc
- Setup/Entry Confirmation

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- Types and Uses

## **Trendline**

- Types and Uses of Trendline
- The 'X' Power Trendline

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- Chart Refinement
- Trade Examples

# The Truth About Price Action

Liquidity will always exist and therefore so will manipulation according to Richard Wyckoff, one of the legendary traders:

Wyckoff proposed a heuristic device to help understand price movements in individual stocks and the market as a whole, which he dubbed the "Composite Man."  Market Makers

*"...all the fluctuations in the market and in all the various stocks should be studied as if they were the result of one man's operations. Let us call him the Composite Man, who, in theory, sits behind the scenes and manipulates the stocks to your disadvantage if you do not understand the game as he plays it; and to your great profit if you do understand it."* (*The Richard D. Wyckoff Course in Stock Market Science and Technique*, section 9, p. 1-2)

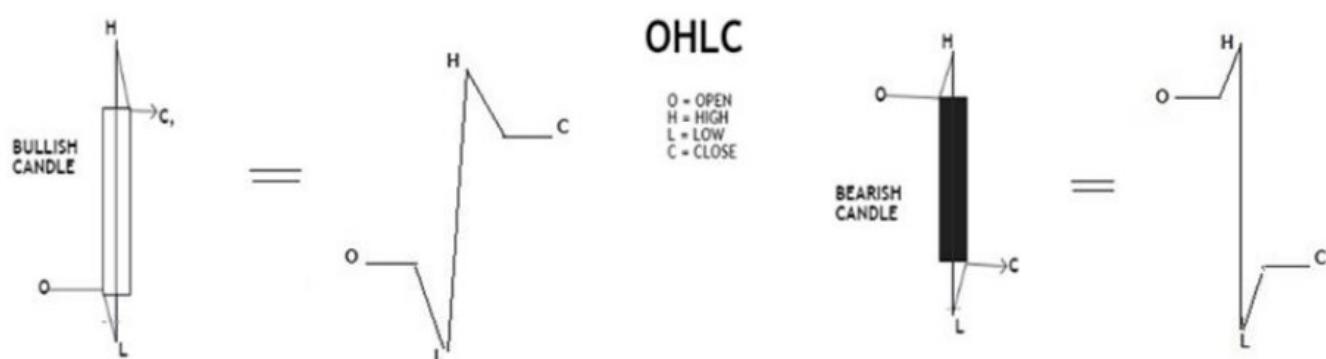
Wyckoff advised retail traders to try to play the market game as the Composite Man played it. In fact, he even claimed that it doesn't matter if market moves "are real or artificial; that is, the result of actual buying and selling by the public and bona fide investors or artificial buying and selling by larger operators." (*The Richard D. Wyckoff Method of Trading and Investing in Stocks*, section 9M, p. 2)

# Technical Analysis

Basically, technical analysis is the study of price action using charting method. Price chart is categorized into: *Candlestick*, *Line* and *Bar* charts. But for the purpose of this course, our focus is on candlestick and line charts.

## Candlestick chart

Candlestick chart displays information on OPEN, HIGH, LOW and CLOSE (**OHLC**) prices of a financial instrument. We use this information to see and understand price behaviour along a chart (time-price relationship).



From the above diagram, we can rightly assume these fundamental truths about price information per given session:

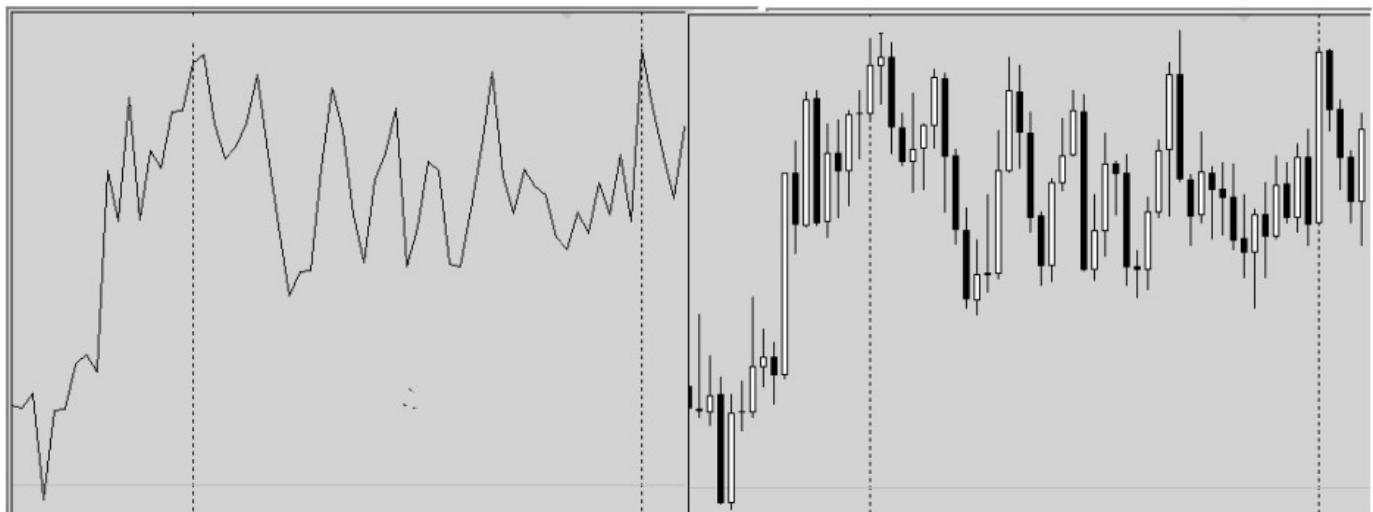
- 1) If price is to move **UP**, it must first move **DOWN**.
- 2) If price is to move **DOWN**, it must first move **UP**.

Why this is so? Because the essence of every major player in the financial markets is to MANIPULATE prices to his own advantage. They trade off the liquidity (bulk orders) at each level of support and resistance (SnR).

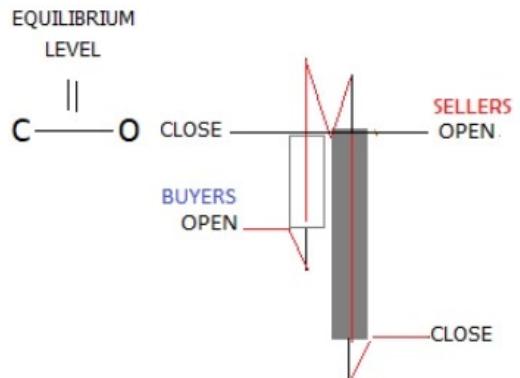
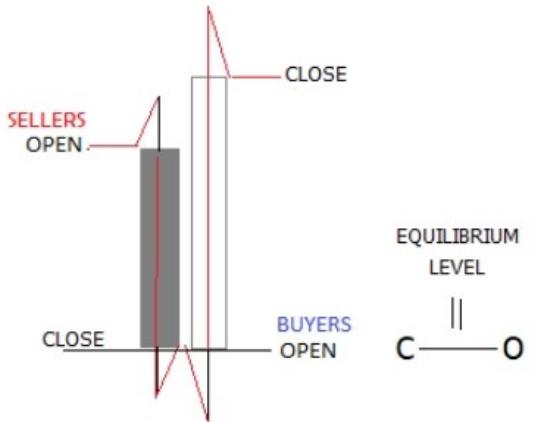
## Line chart

Line chart only displays information on candlestick's body in relative to the CLOSE and OPEN prices per session. So, the line chart negates the candlestick's wicks.

### *Candlestick chart vs. Line chart*



So, what do you understand about market equilibrium?



## ... And **Price Rejection Mechanism**

### PRICE REJECTION

The rejection candle is one of my most utilized candlestick pattern signals.

The anatomy and concept is similar to the classic 'Pin Bar' – which is the most engaged topic of interest in all the price action discussions, and communities online. Rejection candles are a candlestick pattern that communicates denial of higher or lower prices.

The market tries to move to an area, but it 'rejected' by the market.

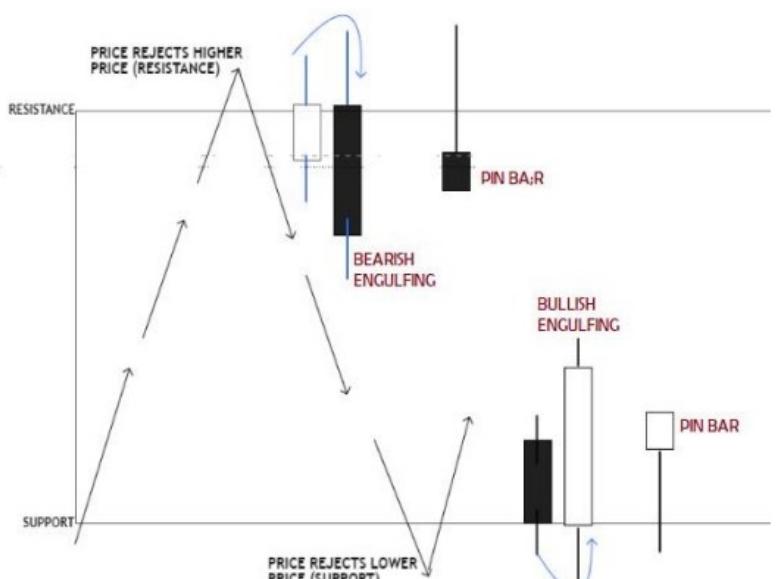
This denial leaves a very distinct feature in the anatomy of the candlestick – a long lower or upper wick.

The better quality rejection candles pack thicker candle bodies (closing in the direction of the rejection).

Simple anatomy diagram, comparing the classic pin bar to the more authoritative rejection candle pattern that I use.

Rejection candles have a thicker body. The 'bounce' from the rejection causes the closing price to be higher or lower than the open price. The thicker body demonstrates more strength and authority as a reversal signal in the rejection candle anatomy.

### Anatomy of Price Rejection What Happens at Support and Resistance Levels



## *Introducing... the Malaysian SNR*

According to the Malaysian traders, there is a unique significance where price closes in previous session and opens in new session of the market. This open-close mechanism of price provides a trading pattern that is consistent and recursive with any tradable financial instrument.

The Malaysian traders ignore the conventional way of trading the Support and Resistance (SNR) levels but rather focus on the body of candlestick.

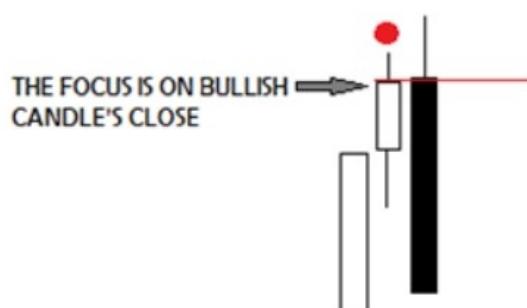
### **Identifying the SNR Level**

To identify the SNR level, your focus is on the close and open prices. You draw a line across the first candlestick's close to join the next candlestick's open. Ignore the wicks.

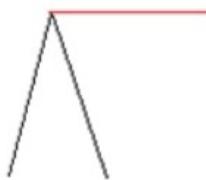
For resistance level, you draw line from the bullish candle's close to join the next bearish candle's open and then extend the line forward. You'll identify this as 'A' shape on line chart.

#### **SNR (RESISTANCE)**

CANDLESTICK CHART

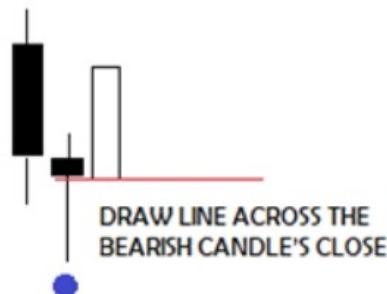


LINE CHART

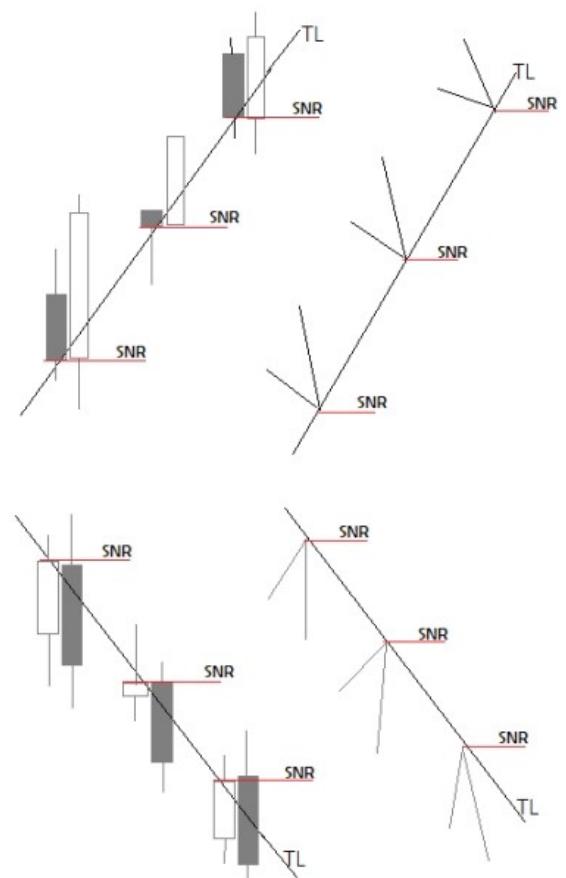
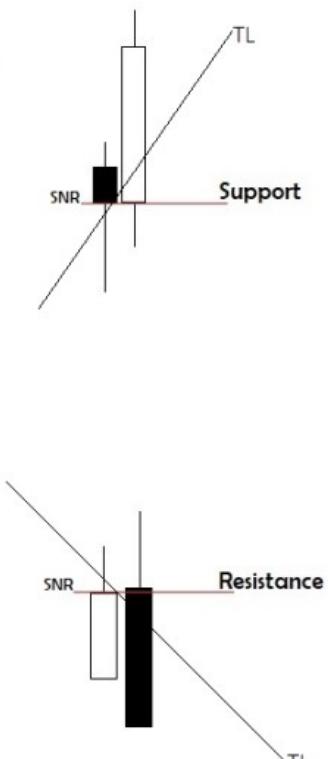
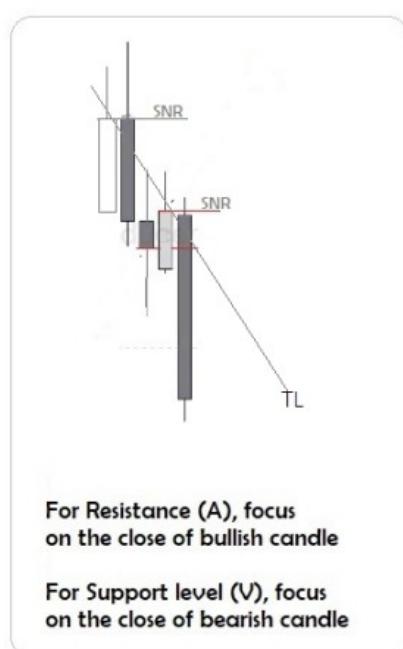


On support level, you draw a line across bearish candle's close to join next bullish candle's open. This can be identified on a line chart as 'V' shape.

### SNR (SUPPORT)

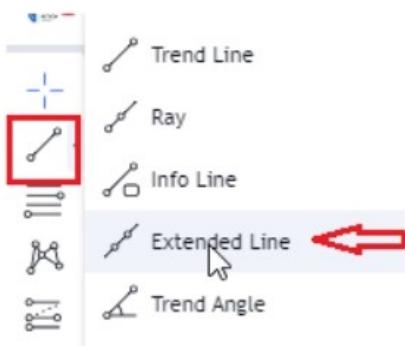


### Marking the SnR Level



## HOW TO SETUP AND USE THE TRENDLINE

1. In your TradingView, click on 'Line' → 'Extended Trendline' and place your cursor in trade window



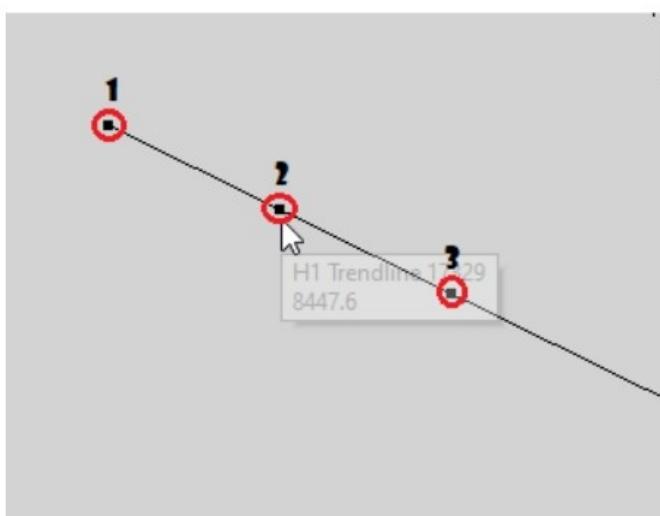
2. Double click on the line to show Settings
3. Choose only "Middle Point" and "Extend Right"

AND

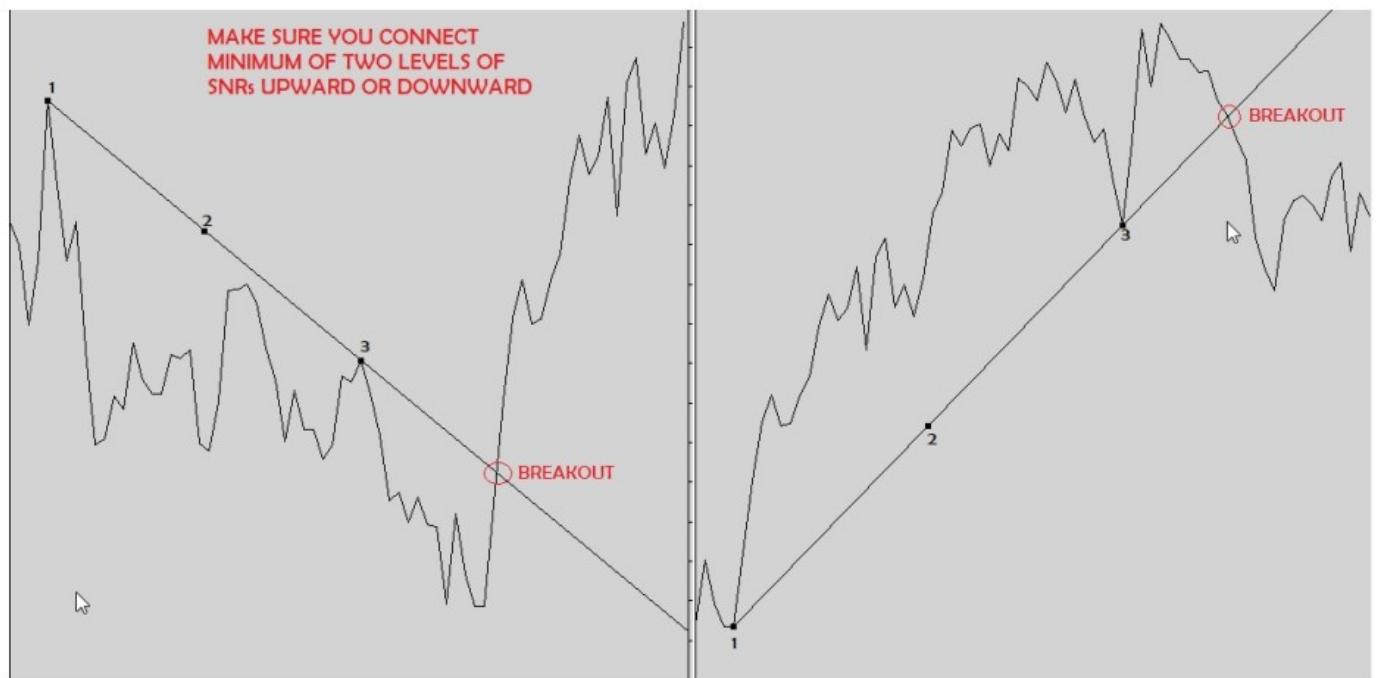
1. In your MT4 or MT5 trading platform,



And place your on trade chart window and drag it to your right to see the default line.

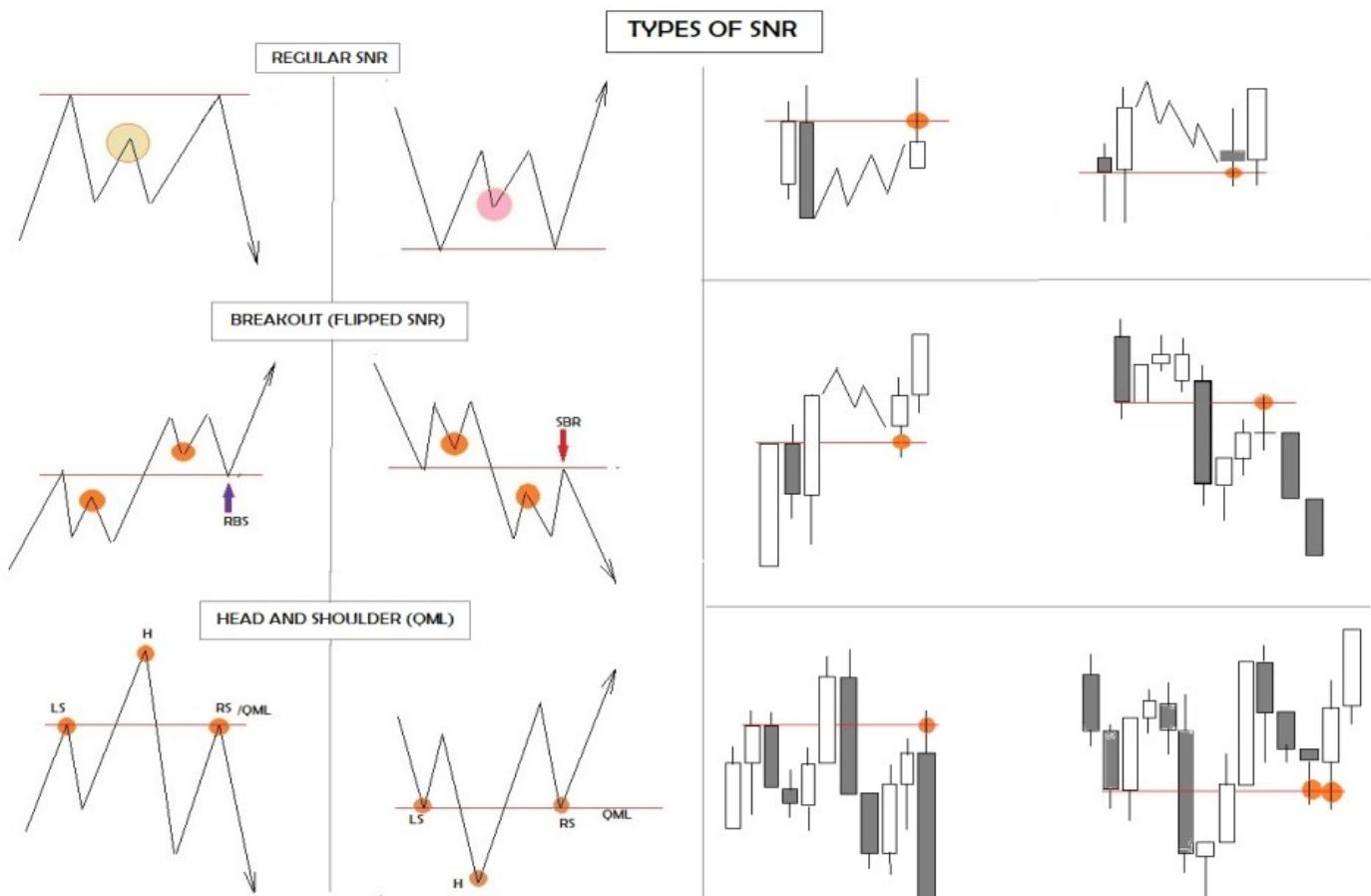


**NOTE:** Use your cursor to adjust points #1, #3 back and forth (except the middle point #2 which is only used to move the whole line to anywhere in the chart).

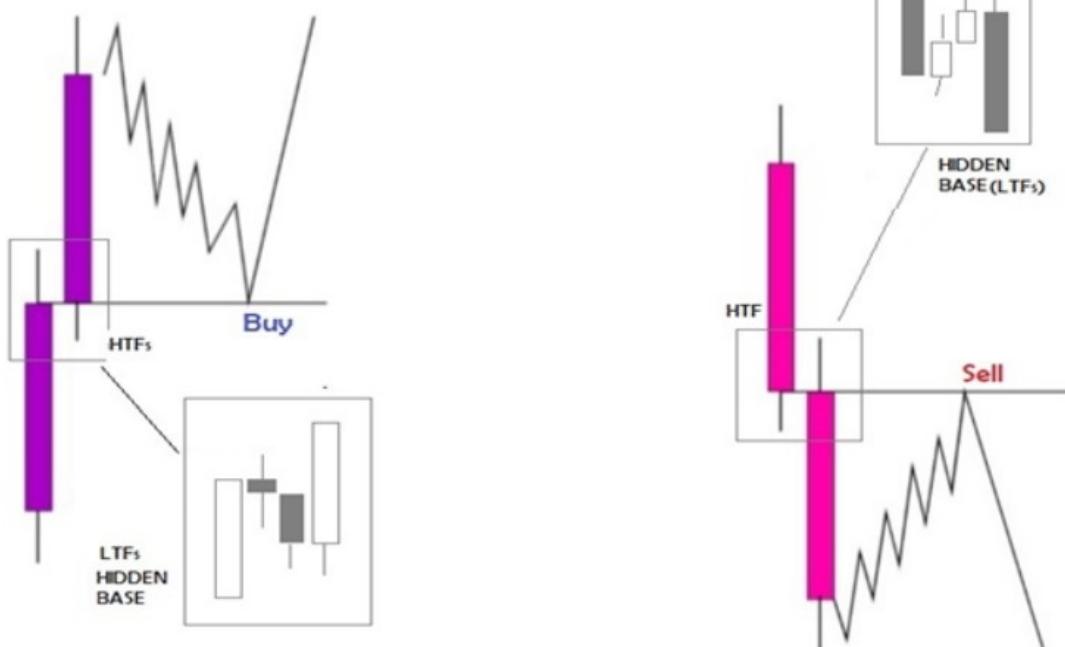


For accuracy purpose, change your trade chart type into a "Line". It is easy to place the trendline points on SNRs using the Line chart first and thefeafter, you can change it to 'Candlestick' chart to see where the wick will touch an SNR level.

# Types of SNR

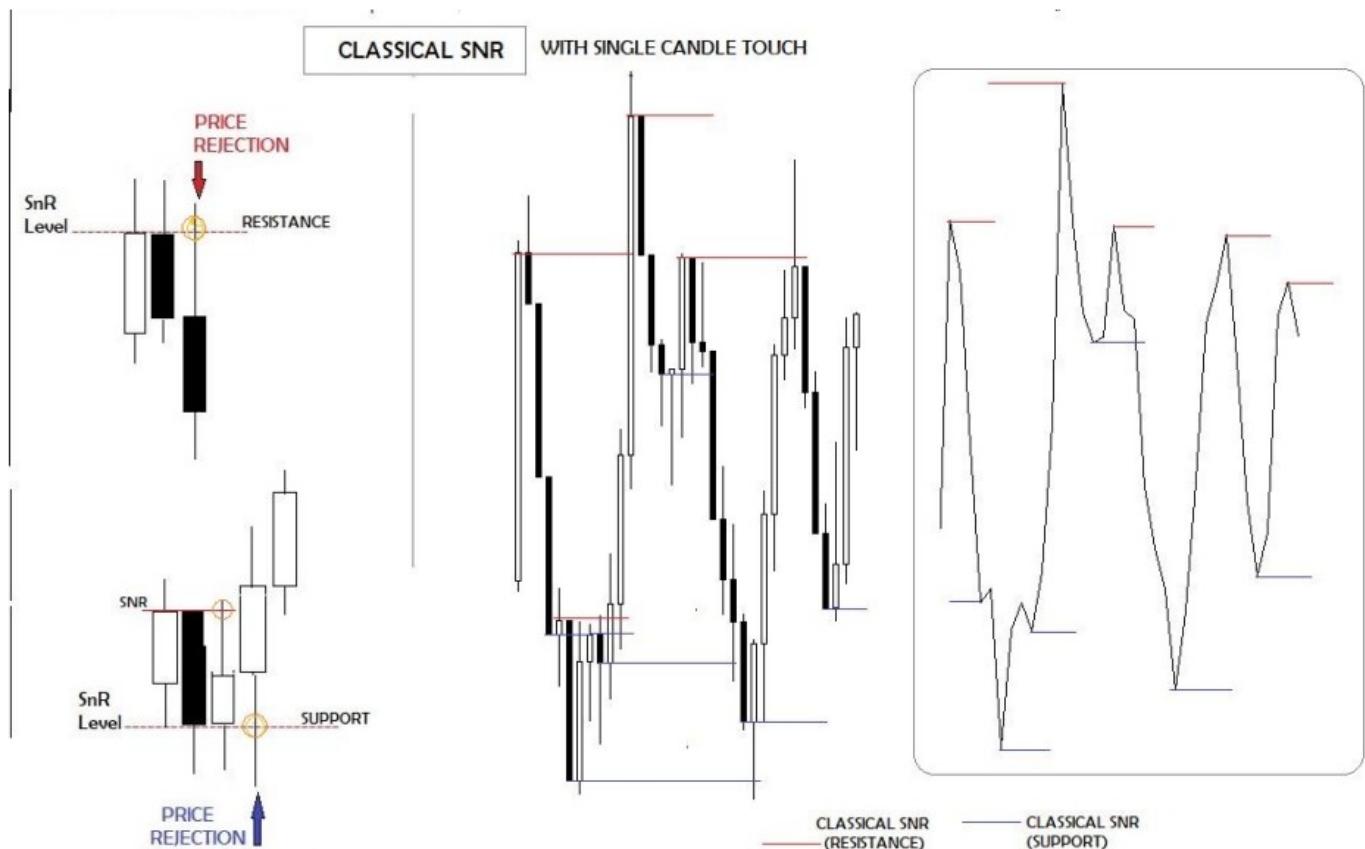


## OPEN AND CLOSE (GAP) SNR

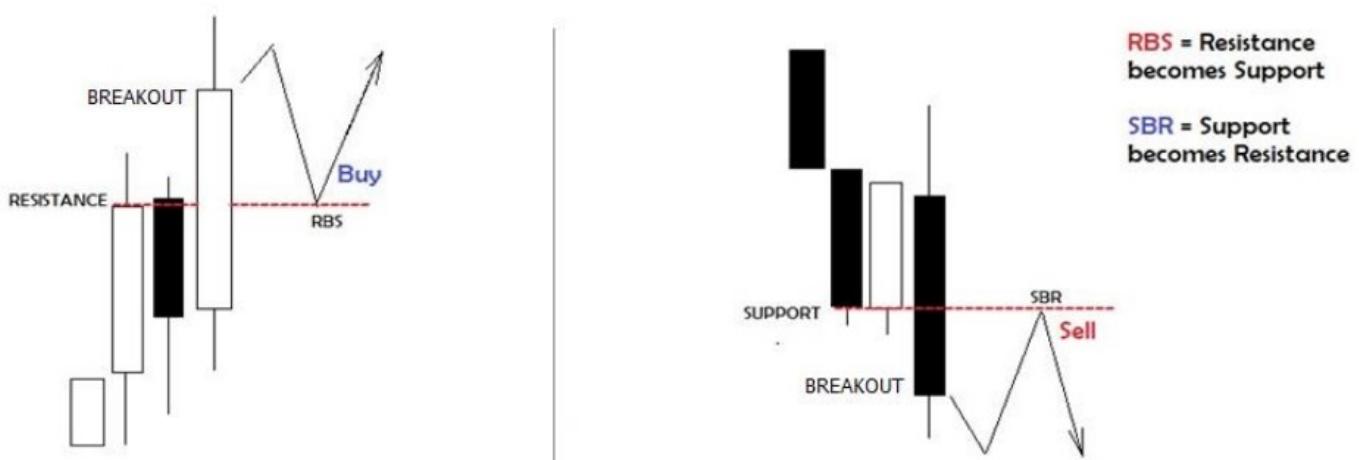


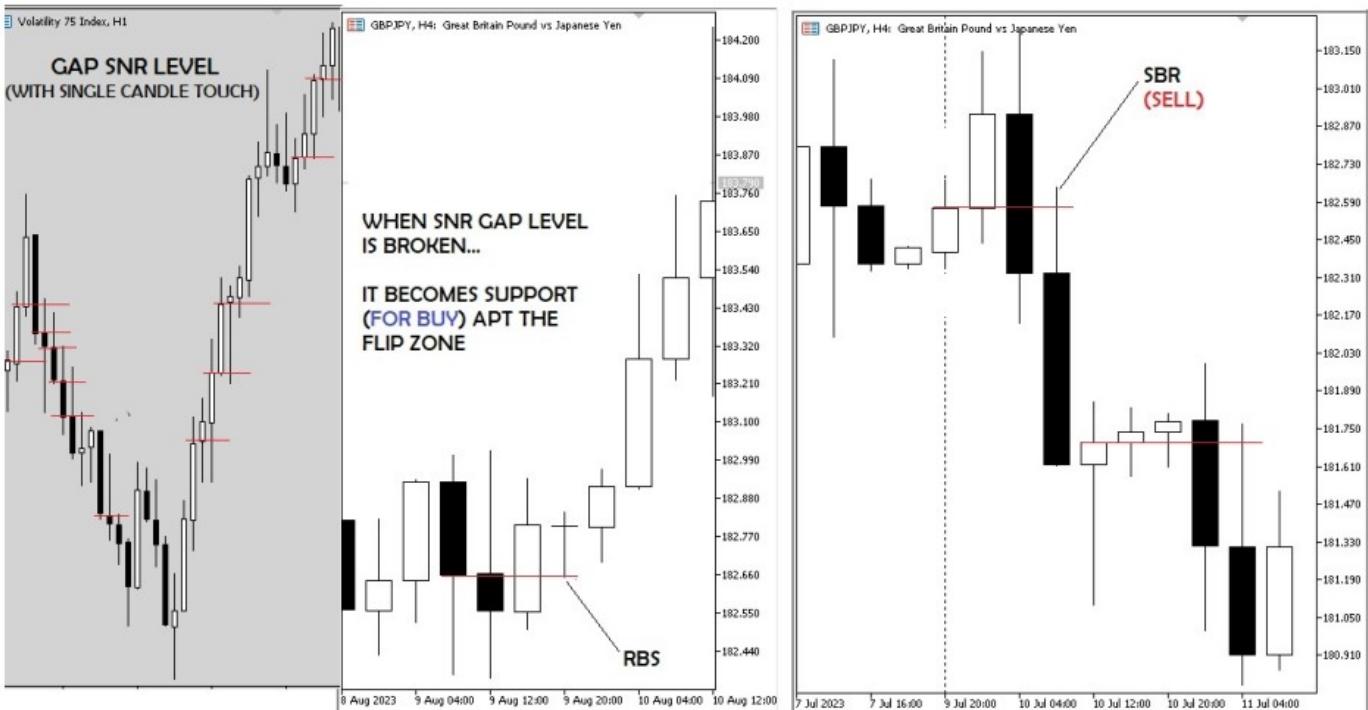
How does price react to the SNR levels?

## CLASSICAL SNR



## BREAKOUT (FLIPPED) SNR

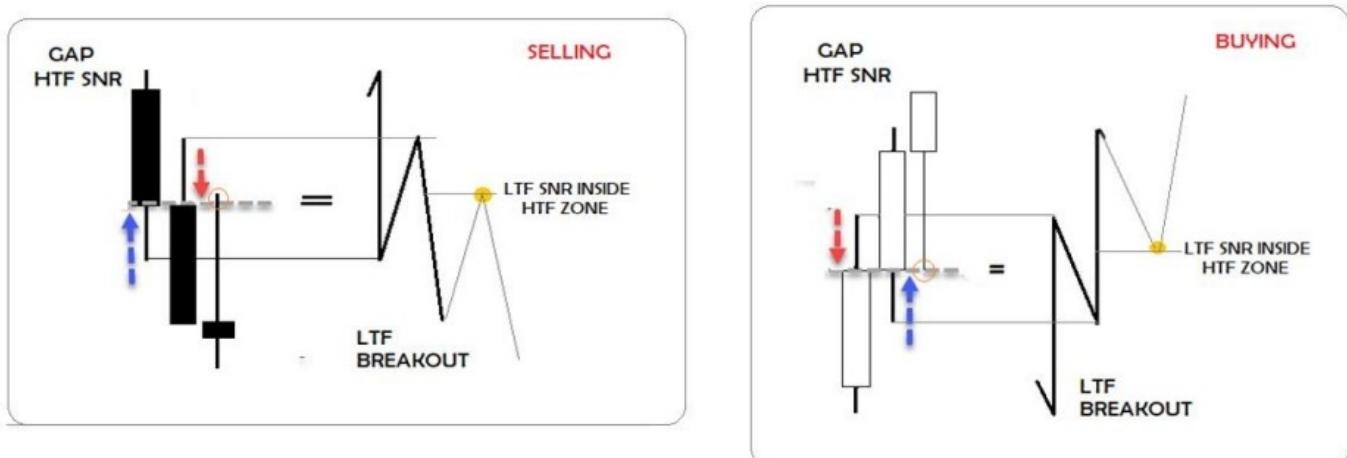




## GAP (Open-Close) SNR

GAP or Open-Close is a unique type of SNR that exhibits an expressive pattern within. By its own formation, Gap is usually a 'Hidden Zone' in a higher timeframe (HTF) but when refined in a lower timeframe turns a Breakout (Flipped SNR).

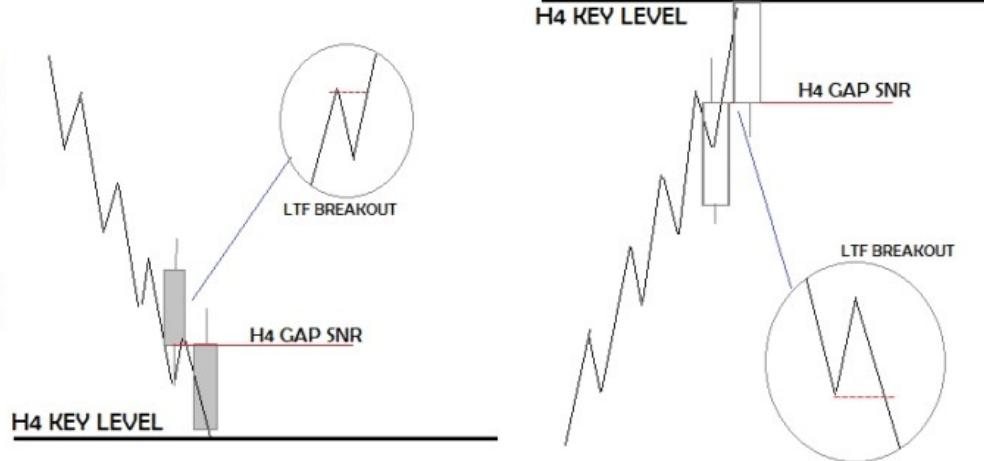
## HTF GAP SNR (Hidden Zone) = LTF Breakout



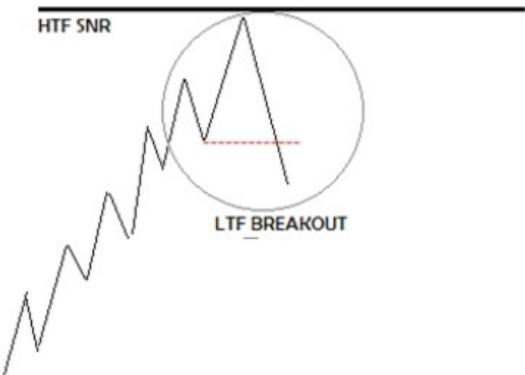
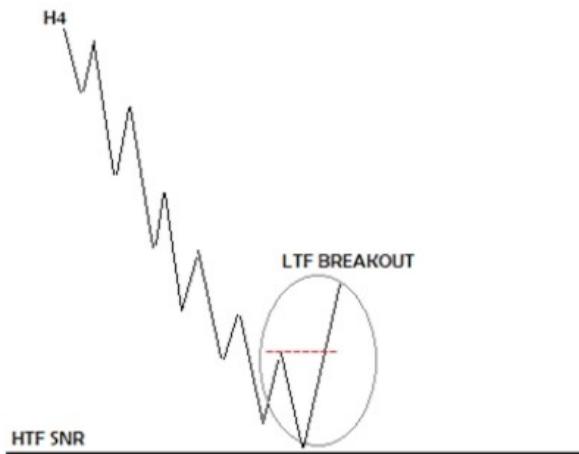
According to Malaysian traders, when you see a H4 Gap pattern (called 'Decision' Level) at the Touch of HTF SnR level, pay close attention because that is usually a breakout to reverse the trend from its original direction.

## BUYING

- The way to determine if price has reversed or not is by using the last swing high or low that taps into HTF SnR Level.
- The last Gap Level (Open and Close) can also be used as a Reversal signal.



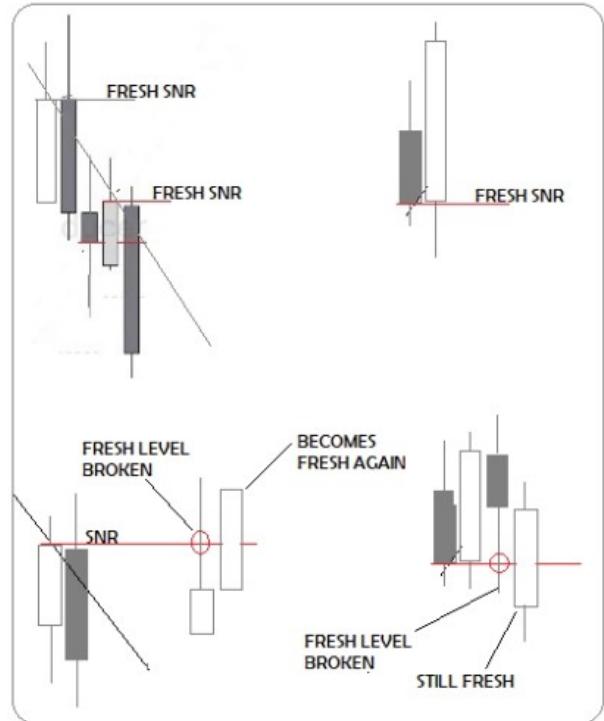
## SELLING



# Fresh and Unfresh SNR Levels

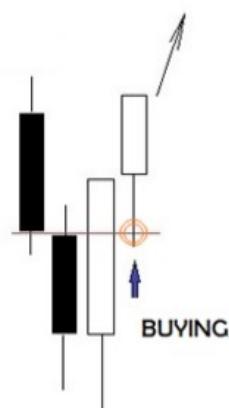
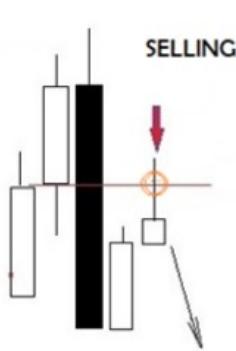
- Fresh SNR is when a level is unbroken by candle's wick. If an SNR is broken by candle's body, it is considered a fresh level.
- Unfresh SNR is a level broken by candle's wick.
- A fresh SNR is more significant than unfresh one because it holds liquidity required by the institutions.
- Price taps into fresh SNR and it rejects with a candle's wick. A body touch is not accepted.
- Price travels from one HTF's fresh level to another breaking through the internal swing highs and lows (LTF's SNR) and finally to the other side of the HTF'S fresh level.

(Monthly to Monthly, Weekly to Weekly, Daily to Daily, H4 to H4, etc).



## SNR + TOUCH

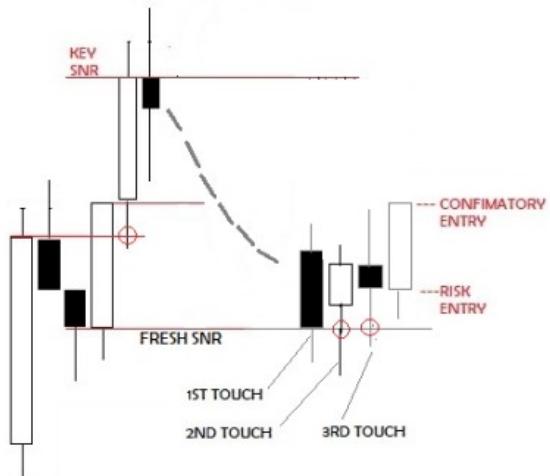
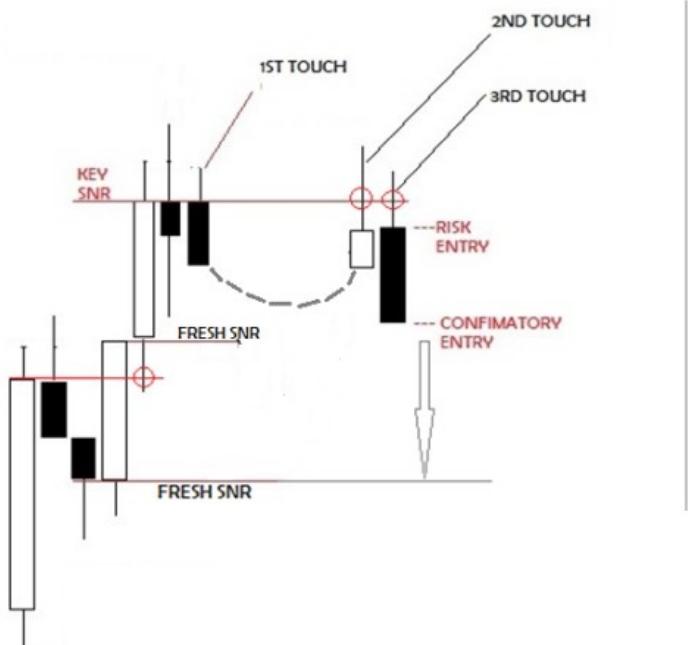
To trade an SNR level, you need a **price rejection** (touch of candle's wick) off the level. By the Malaysian rule of trade:



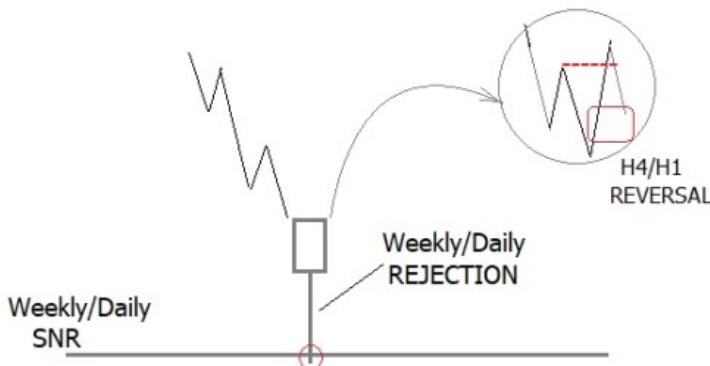
### VALIDATION!

First of touch of an SNR MUST be candle's **'WICK'** and not the body. This is clear indication of price rejection off an SNR.

It becomes significant if it has a LIQUIDITY SWEEP for more setup confirmation.

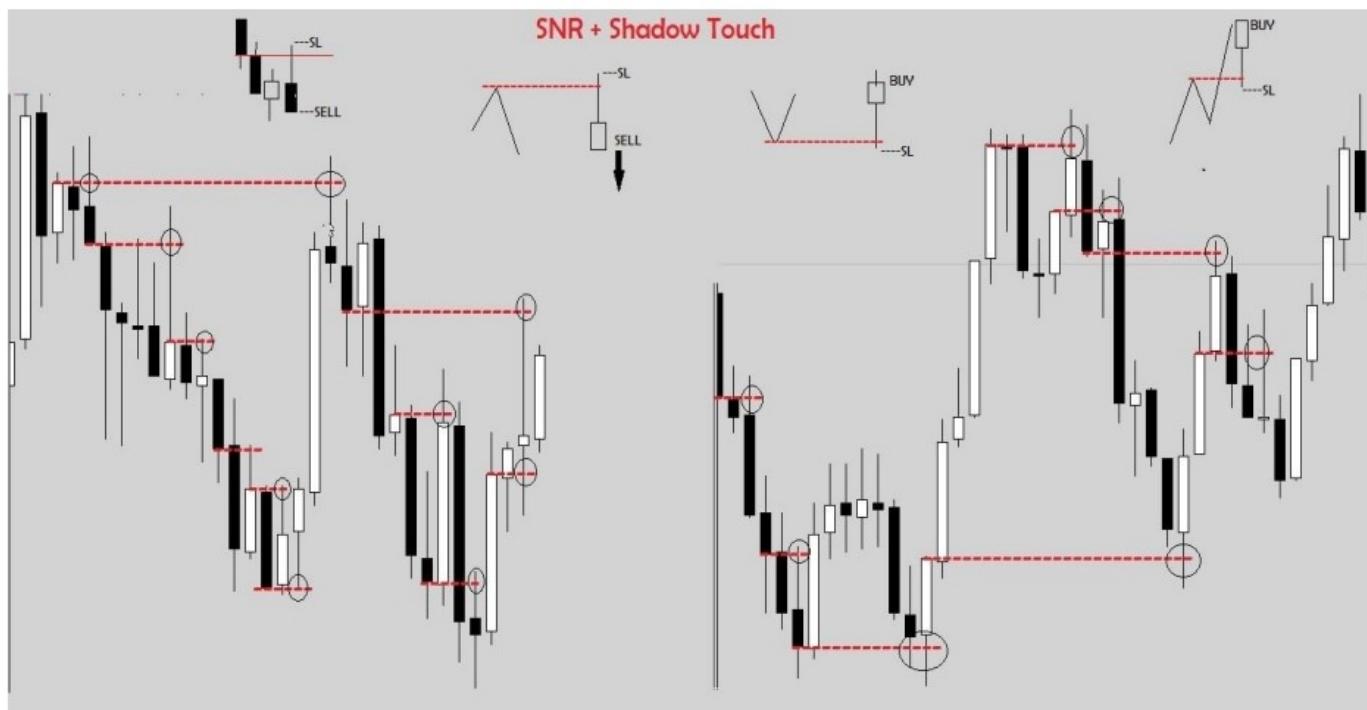


- First touch is candle's body not the wick. So, it is **INVALID** setup and a non-**confirmatory** touch.
- 2<sup>nd</sup> and 3<sup>rd</sup> touch come with wicks not bodies. So, it is a **VALID** and **confirmatory** setup.

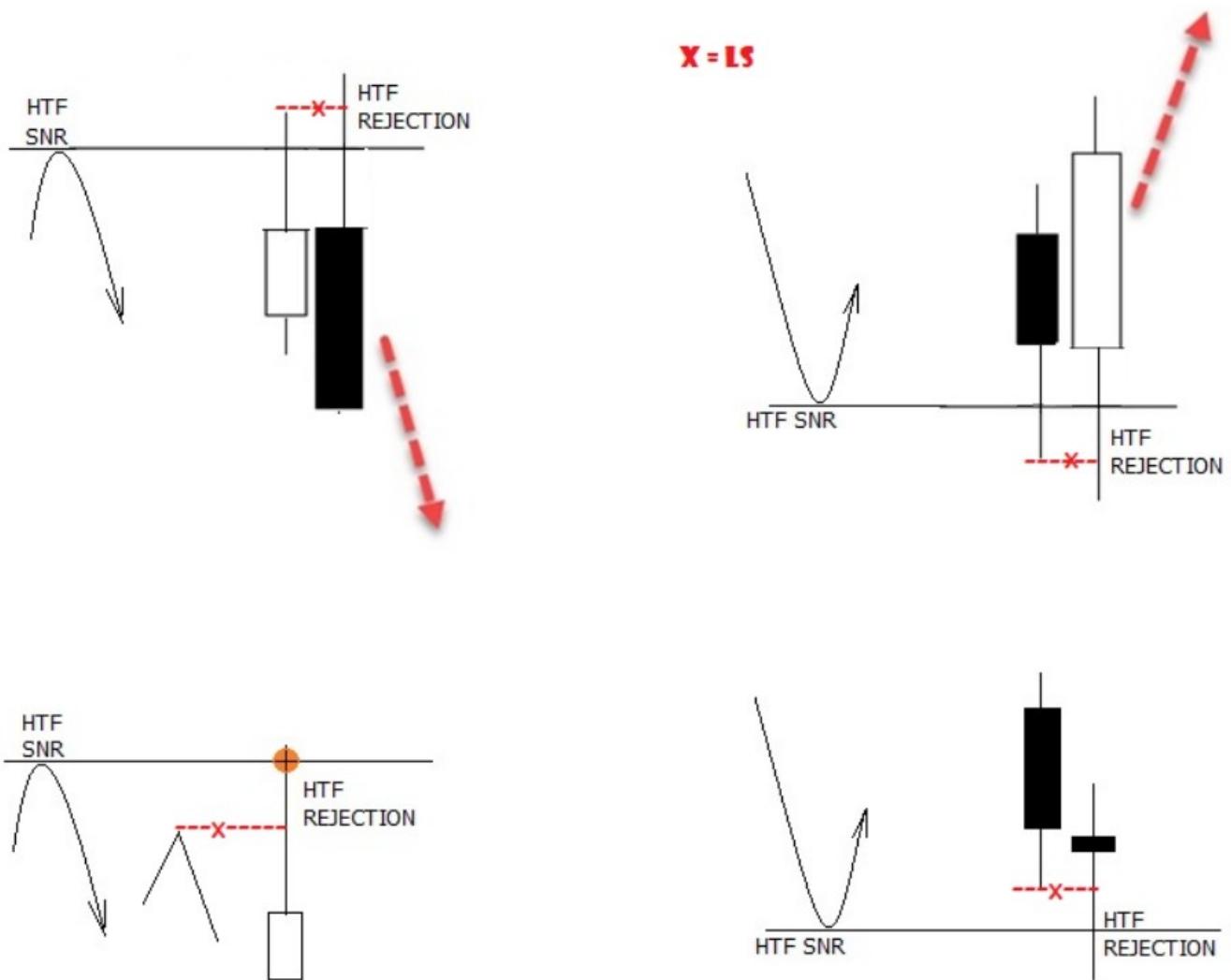


### HEAR THIS!

WHEN YOU HAVE HTF'S (WEEKLY/DAILY/H4) PRICE REJECTION AT HTF SNR LEVEL, YOU MAY NOT NEED TO WAIT FOR CLOSE. JUST GO TO LOWER TIMEFRAME AND IDENTIFY A BREAKOUT TO ENTER POSITION.



# SNR + LIQUIDITY SWEEP



If you HTF Touch doesn't carry a Liquidity Sweep, you will refine to a lower timeframe to see it. For example, if you have Daily Rejection without a Liquidity Sweep, refine to H4 or H1 to identify it.

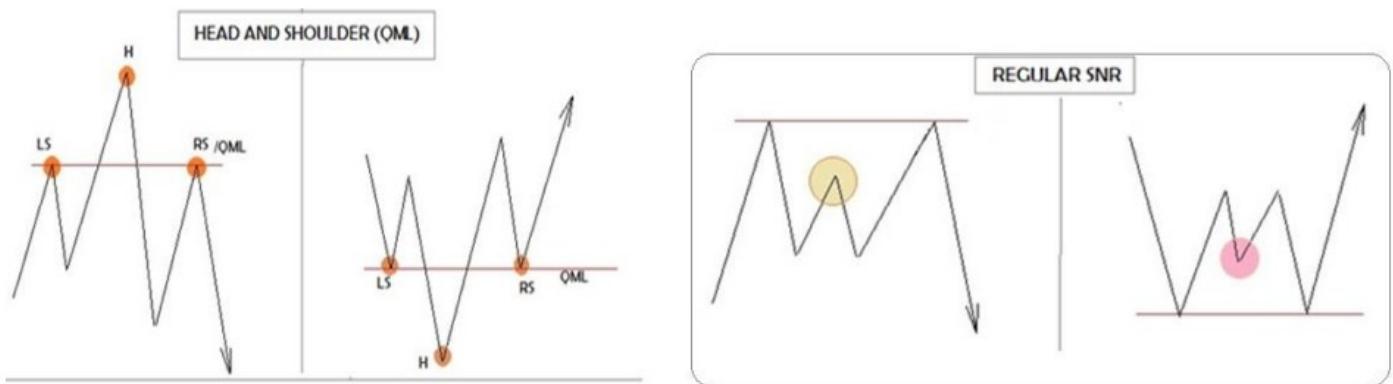
Here is an example SNR Touch refinement (Daily → H4 → H1):



## SNR + MISS

A Single Candle Breakout or Touch is an aggressive type of price movement that breaks through or touches an SNR level without a “**MISS**”. What is a MISS?

A **MISS**, according to the Malaysian SNR traders, is when an SNR forms and price moves away, but the following candles’ wicks **fail** to touch the SNR level. The MISS validates an SNR level.





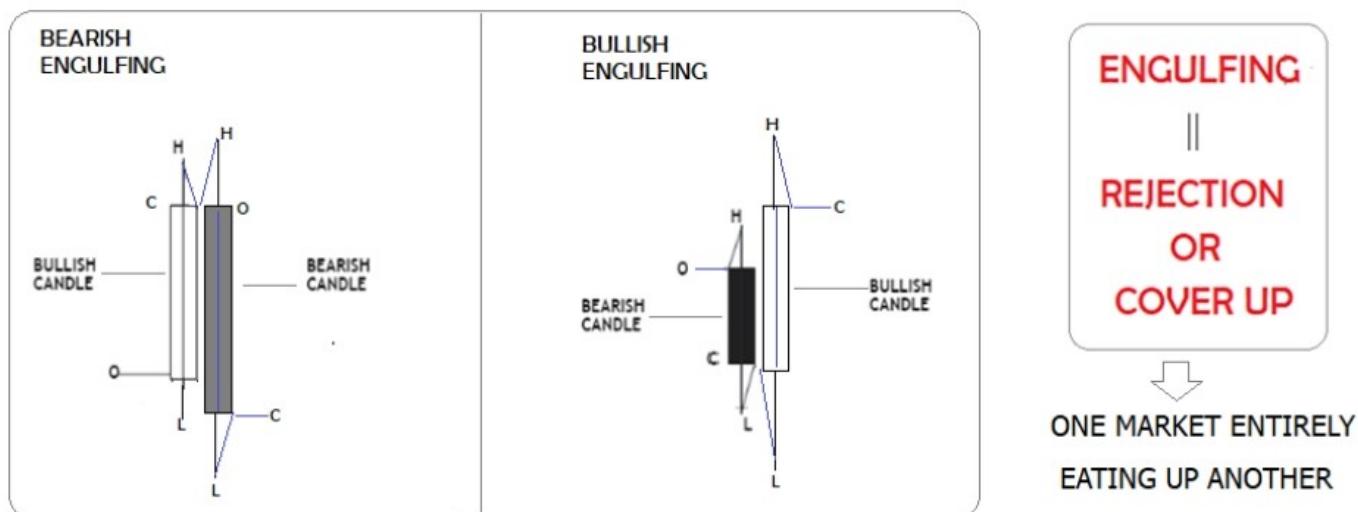


**SEE TRADING PLAN AT THE END OF THIS MANUAL!!!**

# Engulfing Patterns

ENGULFING = REJECTION OR COVER UP

An Engulfing means a complete covering up of an object. That is, the second candlestick completely **engulfs** or **covers up** the first candlestick. This pattern represents price rejection in any financial market irrespective of any timeframe.



## ★ UNDER THIS COURSE

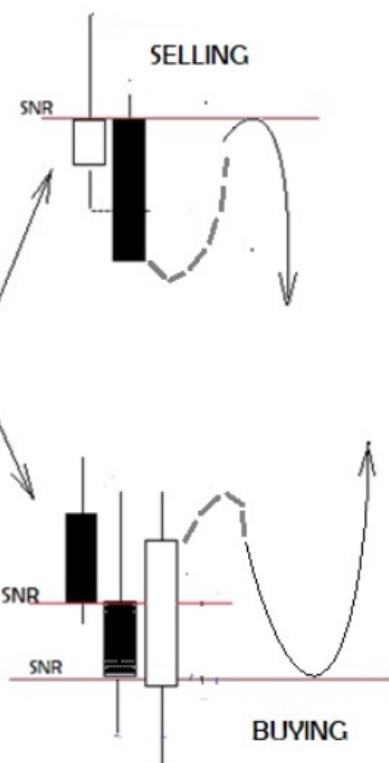
ENGULFING IS VALID AS LONG AS THE ENTIRE BODY OF 1<sup>ST</sup> CANDLE IS ENTIRELY ENGULFED BY 2<sup>ND</sup> CANDLE.

## USES OF ENGULFING

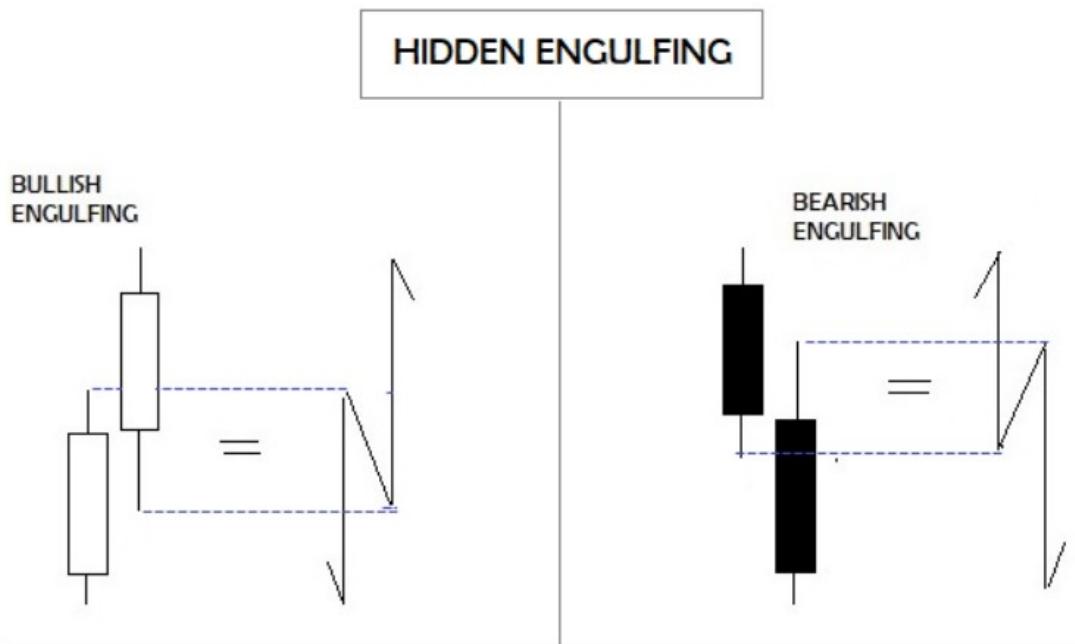
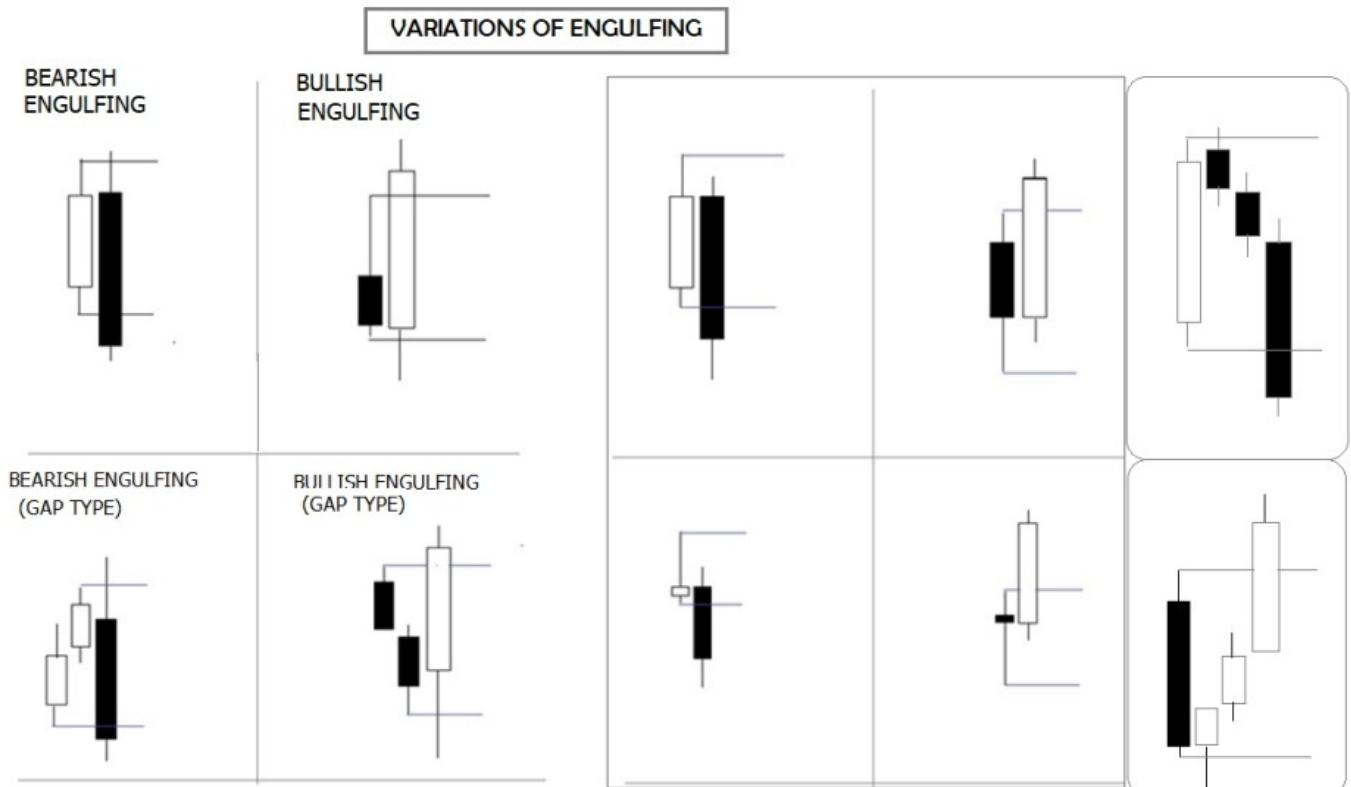
- 1) ENGULFING pattern is used to mark a zone.
- 2) It can also be used as confirmation entry on price retest of zone.

## WHY IS ENGULFING SIGNIFICANT TO TRADE?

- 1) Because it carries an SNR Level at the edge.
- 2) It represents a price rejection when recent candle entirely engulfs the previous candle



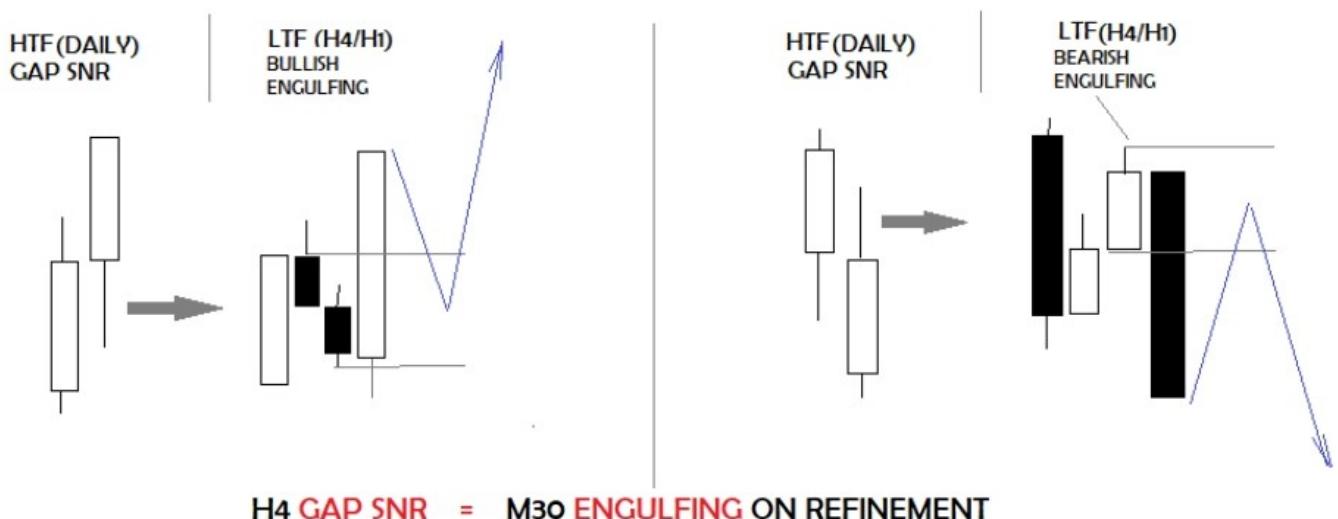
## How to Recognise Engulfing Patterns



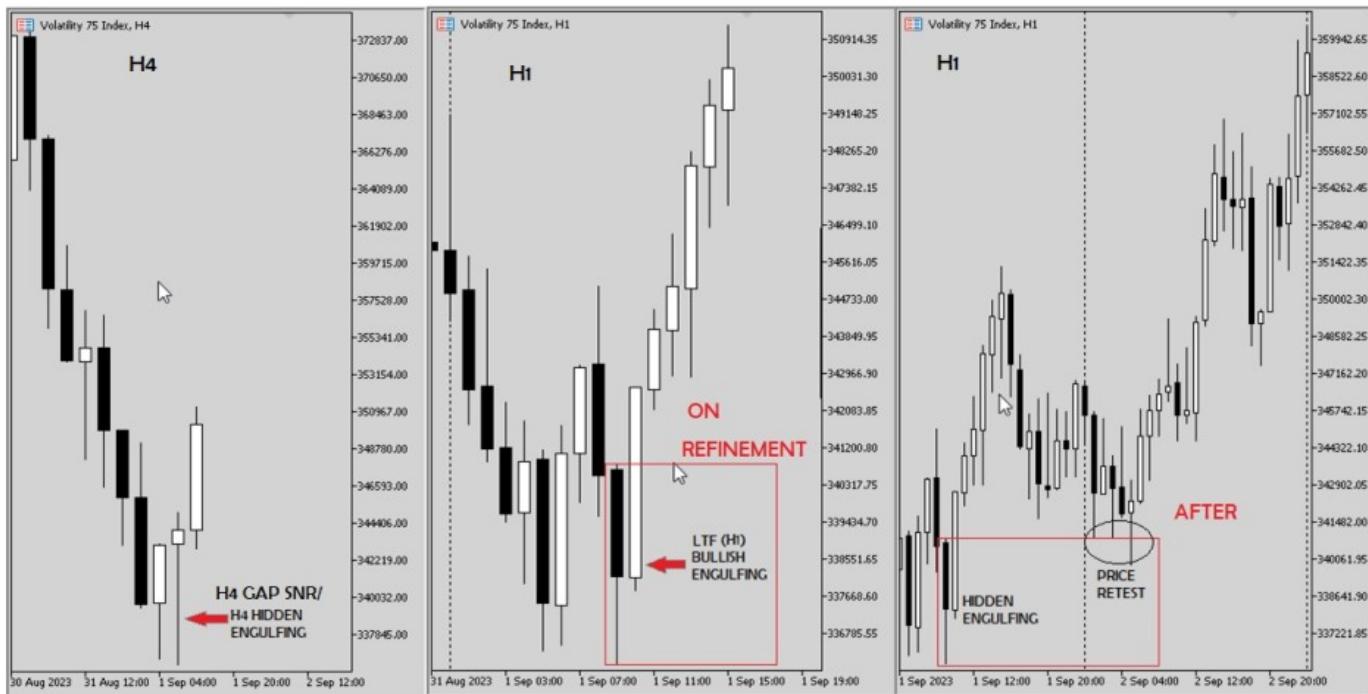
When HTF Gap has within a LTF Engulfing. The Hidden Engulfing becomes more obvious when refined in LFTs. The lower you go on a LTFs, the more is Engulfing made manifest.

That's why I emphasized:

## HTF GAP SNR = LTF ENGULFING



## H4 GAP SNR REFINED INTO LTF (H1) ENGULFING:



## Scalping for Maximum Profits!



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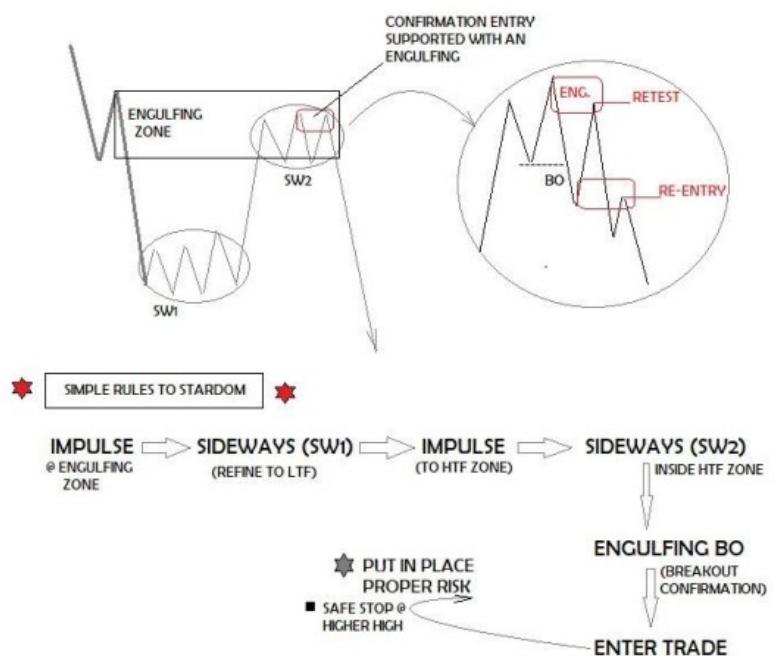
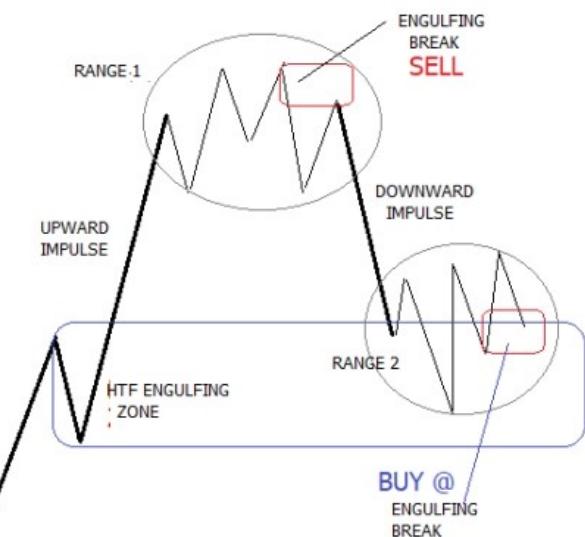
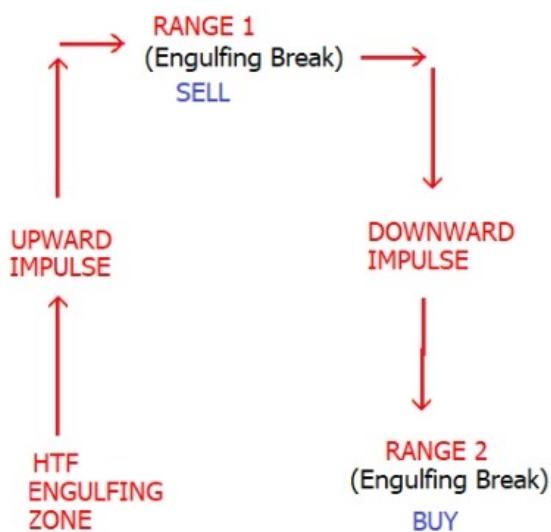
## TIMING YOUR TRADES @ MARKET OPENING SESSION



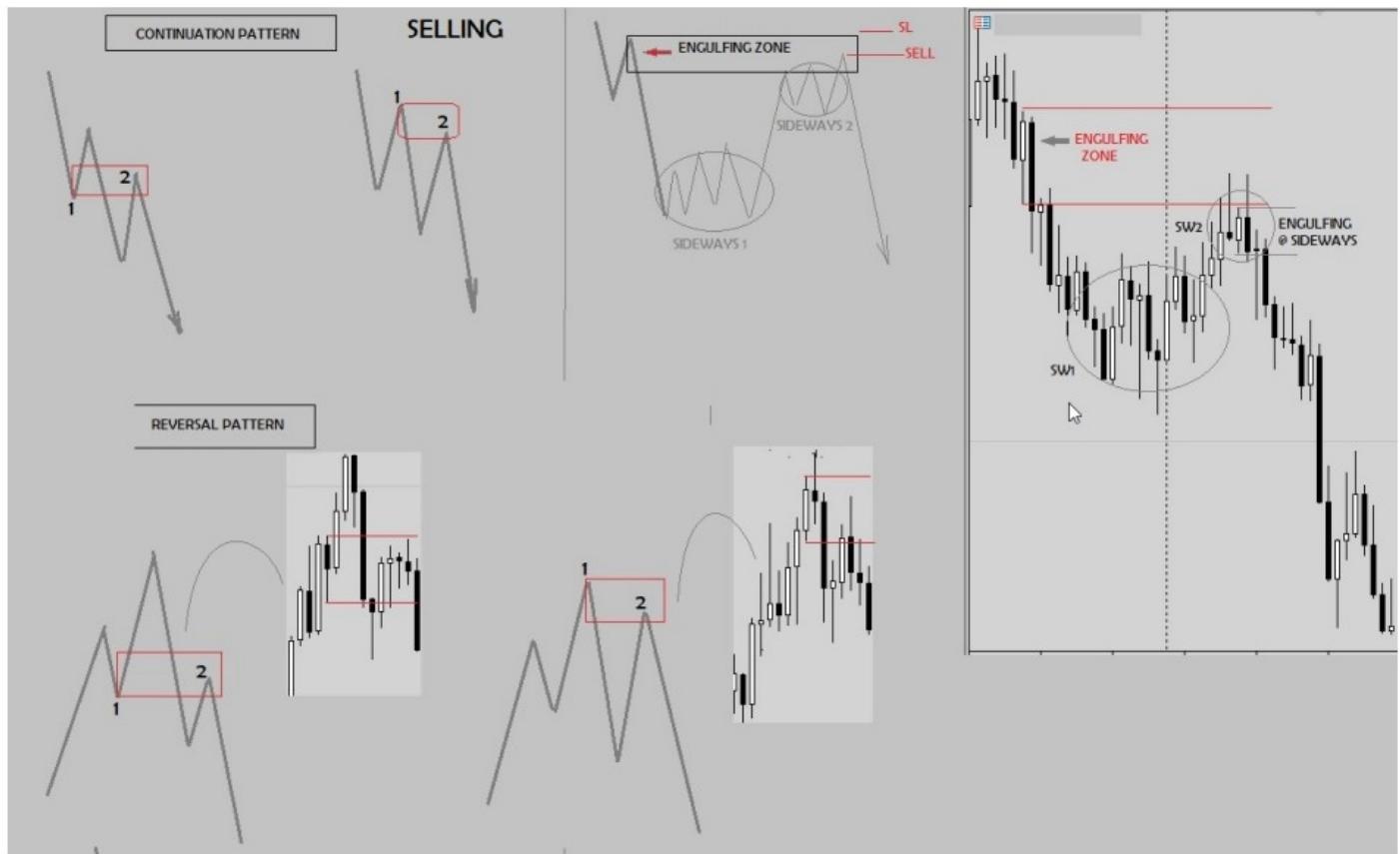
## @ LONDON CLOSE



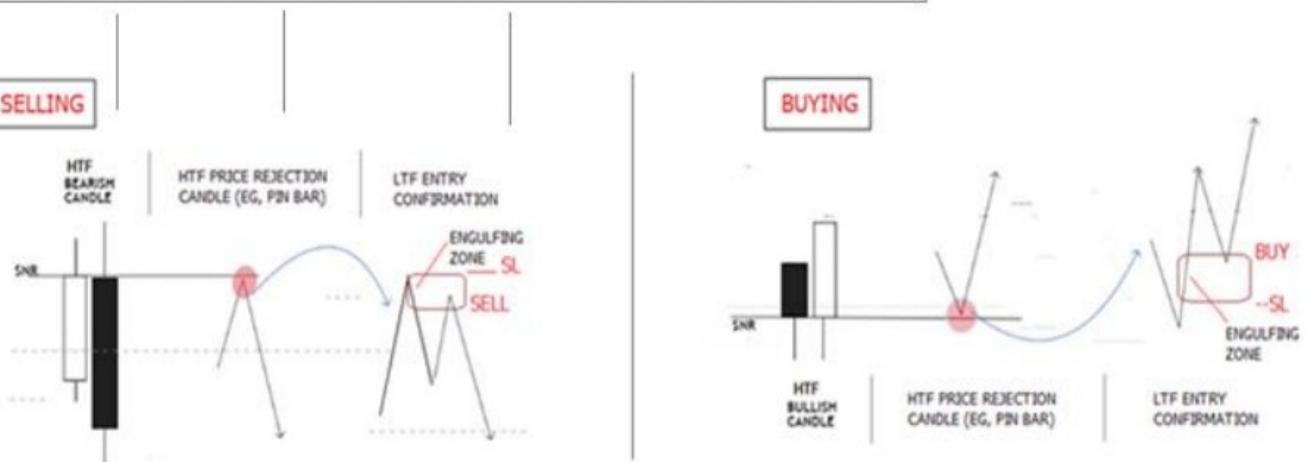
## ENGULFING TRADING STEPS



## ENTRY CONFIRMATION



### HTF SETUP – CONFIRMATION – ENTRY @ LTF BREAKOUT



# **Trendline**

## ***Mapping the Trend***

TRENDLINES are basically an angled SNRs. That is, it maps out the direction of SNRs in a trending market.

The tool is used:

1. To determine whether there is an uptrend, a downtrend or a sideways
2. To determine the point of entry.

Trendline validates or signifies an SNR level especially when they both intersect at the same point to give clues. So, your trendline has to be paired with SNR level. This is called 'MARRIAGE CONCEPT' by a Malaysian trader, Ariff T.

So, what is VALIDITY or SIGNIFICANT? It is something that gets more attention than the other. A valid marking of SNR level relies on this.

The objective of Trading SNR + Trendline is:

1. Identify an SNR level (fresh or unfresh)
2. Find a Trendline that connects with your SNR
3. Enter at Trendline touch (confluence)

**NOTE:** Trendline doesn't apply to a GAP SNR (except when refined into LTF Engulfing).

## RULES GUIDING THE USE OF TRENDLINE

1. Use the Trendline to connect from one SNR to the another.
2. Focus on where the candlestick's body closes and another one opens. Ignore the wicks.

(It is essential you use the Line chart first and thereafter change the chart to Candlestick). It is easy to connect the "A" and "V" shaped SNRs on Line chart than candlestick chart.

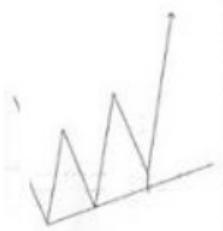
3. Trendline cannot be used to connect the GAP SnR.
4. Ensure you connect at least two SNRs upward or downward.
5. No candlestick should close above or below point #3.
6. Only ENTER a trade when a candle's wick touches and rejects an SNR at **point #3 of the trendline**.
7. DO NOT take a trade at point #2. An entry is still valid beyond point #3 as long no CS' close below or above the trendline.



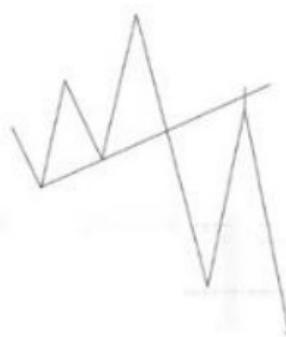


## TYPES OF TRENDLINE

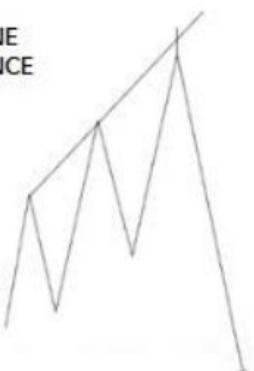
REGULAR

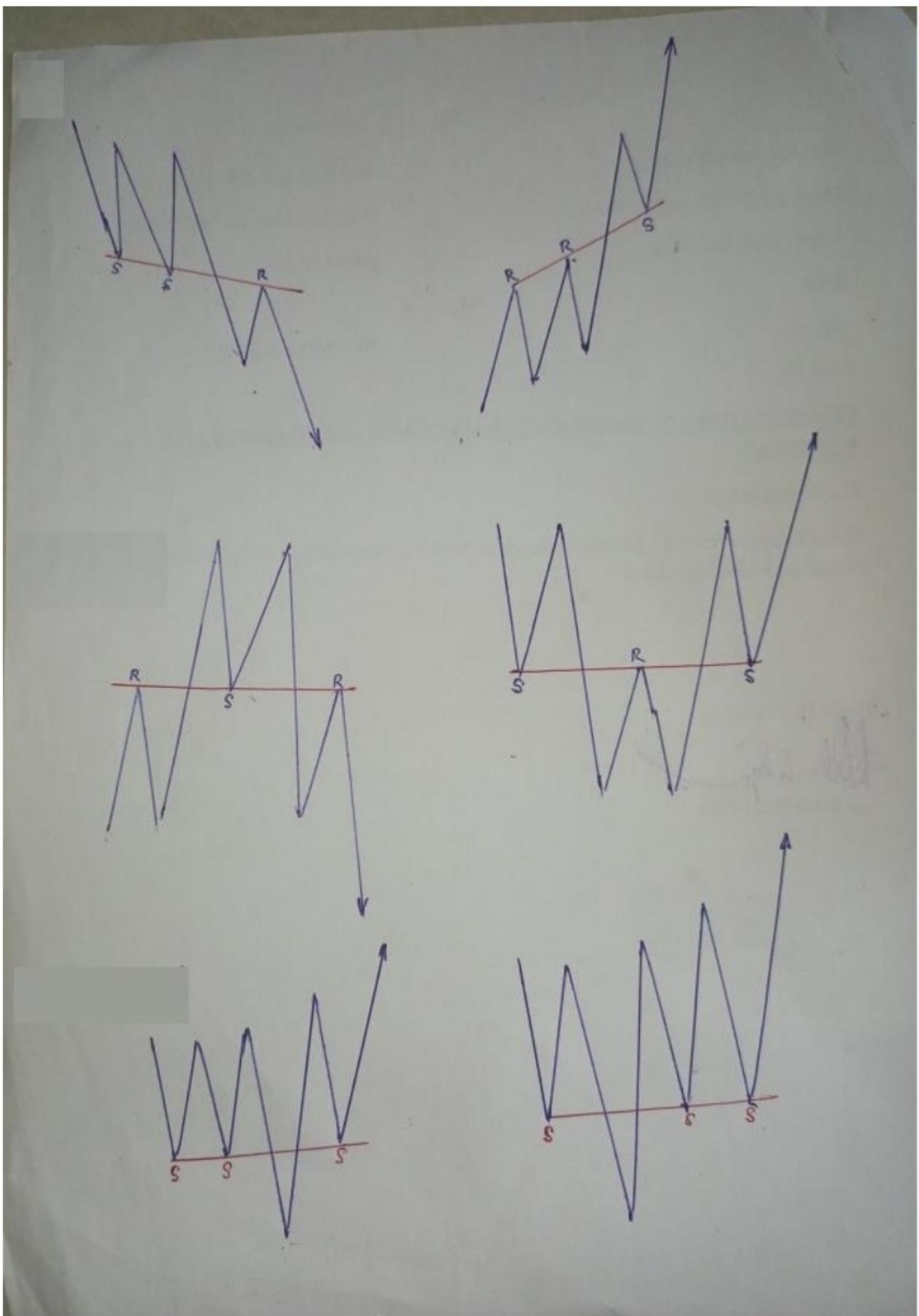


BREAKOUT

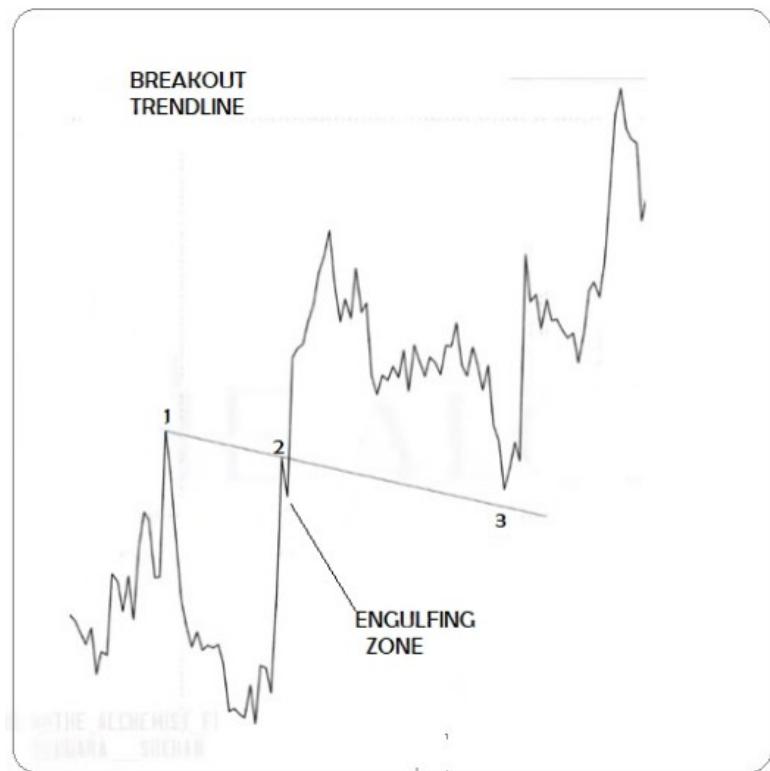
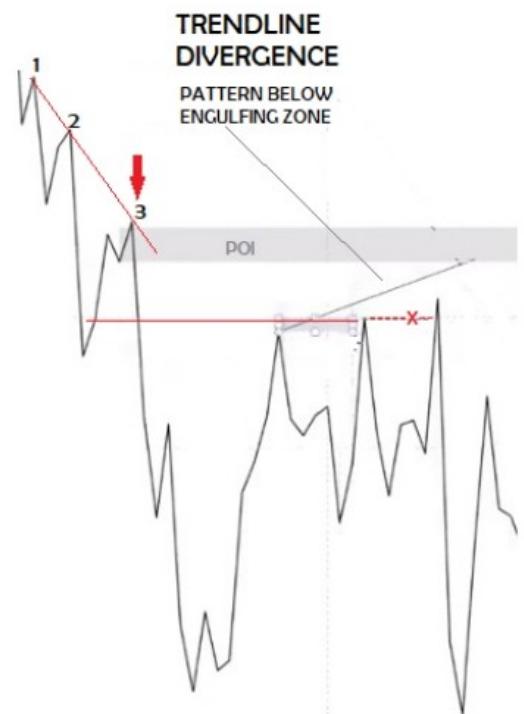
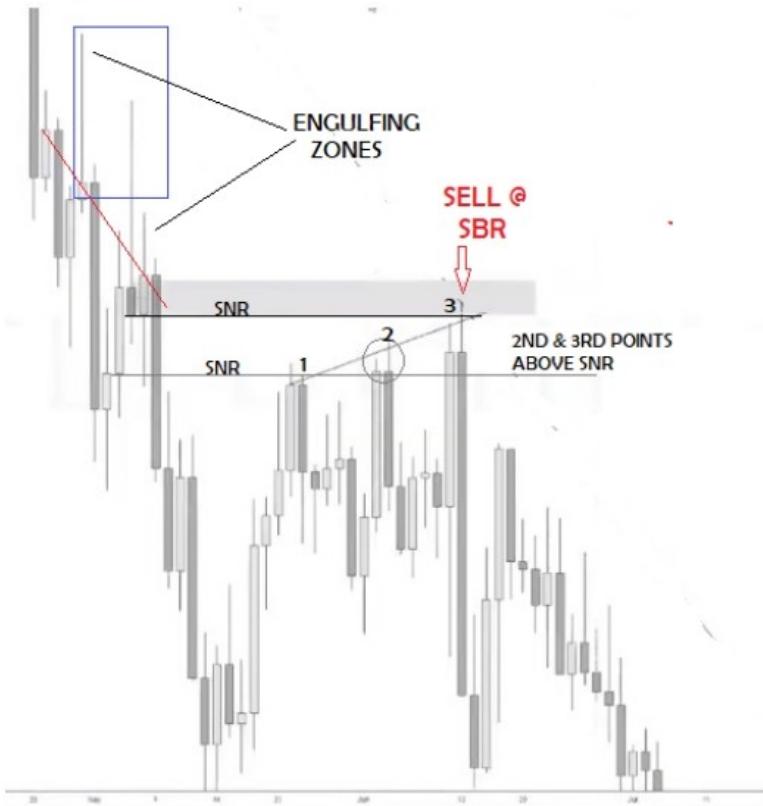


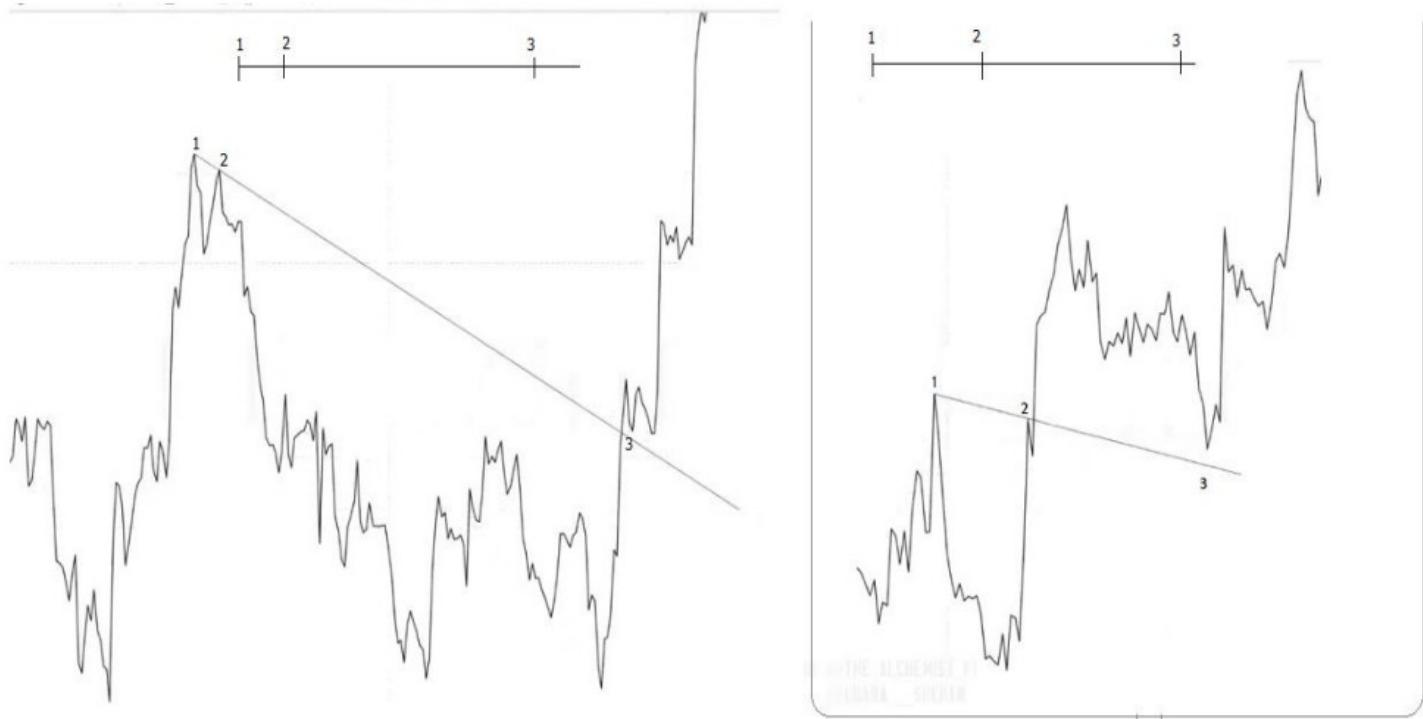
TRENDLINE  
DIVERGENCE





## GOLD DAILY



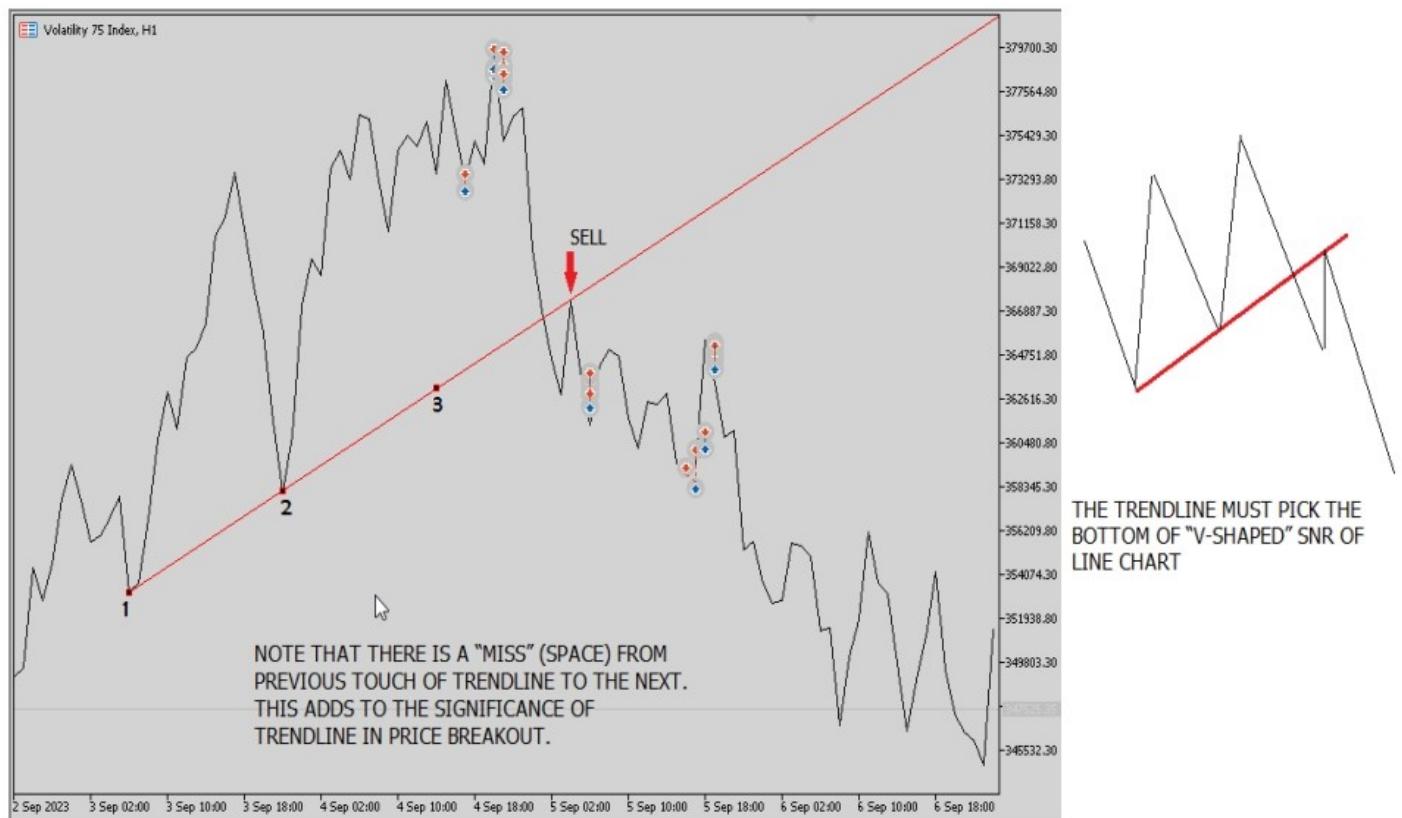


## STEP INDEX, H4



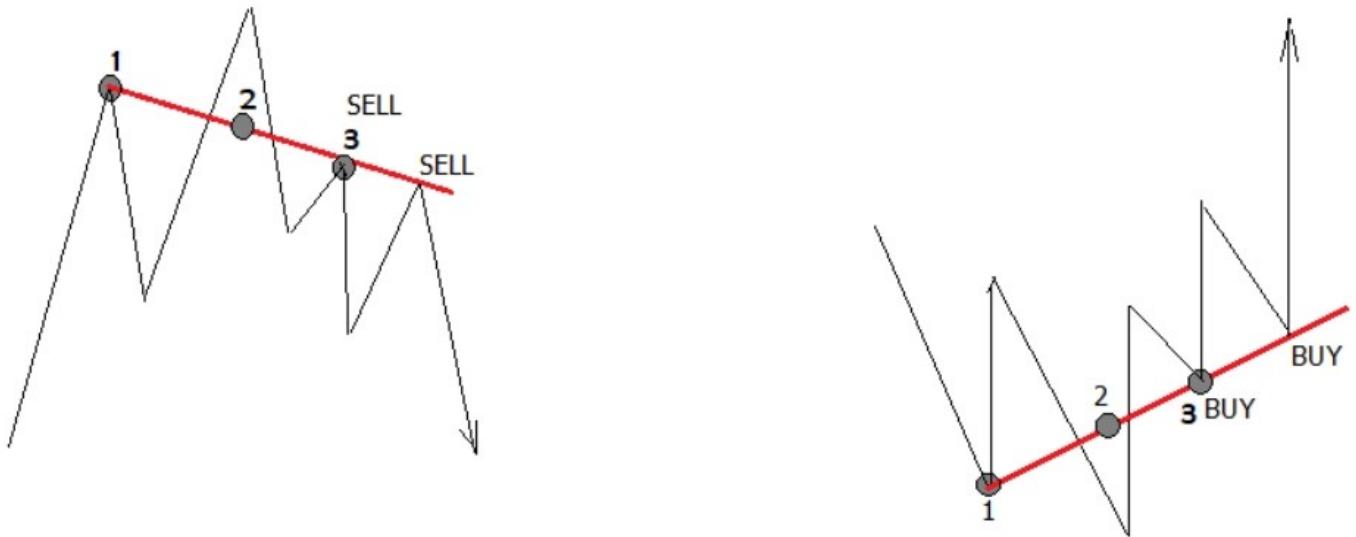


### VOLATILITY 75 INDEX, H1





## QML / HNS + TRENDLINE:

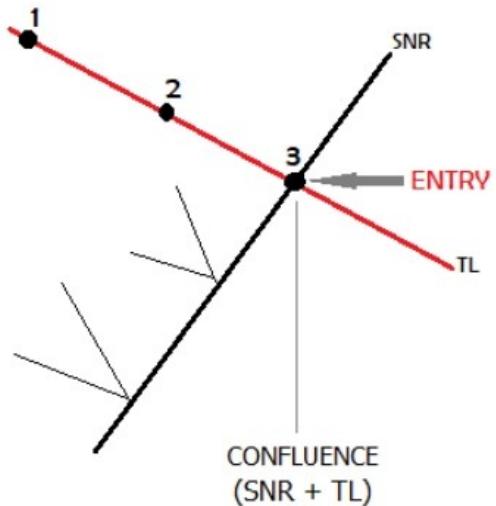




## DAILY SETUP INSIDE WEEKLY KEY LEVEL:

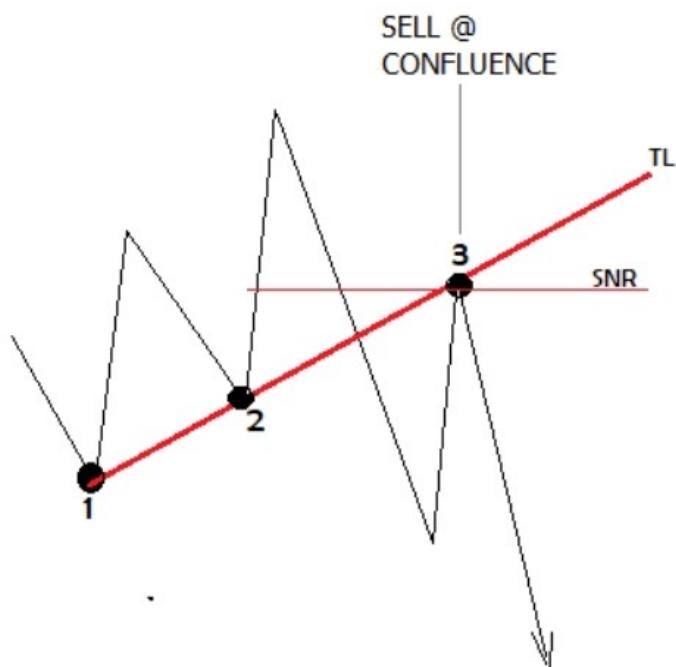


# The “X” Factor of Trendline



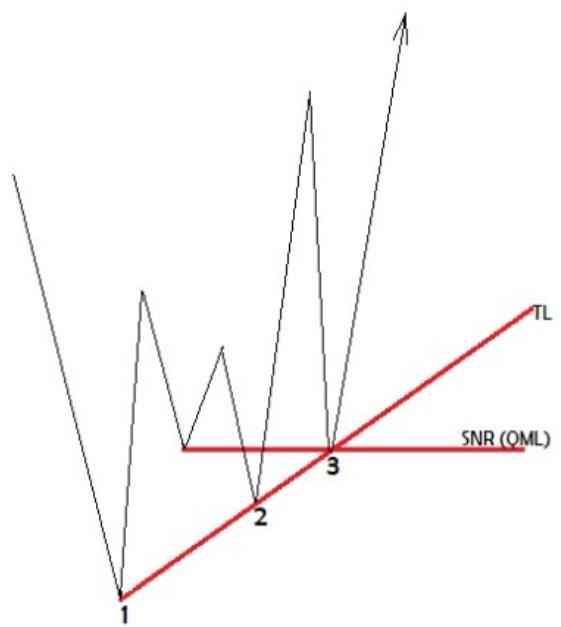
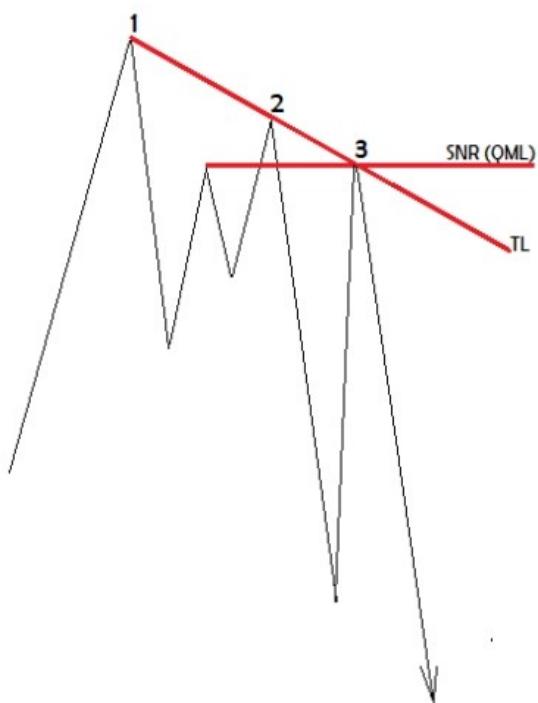
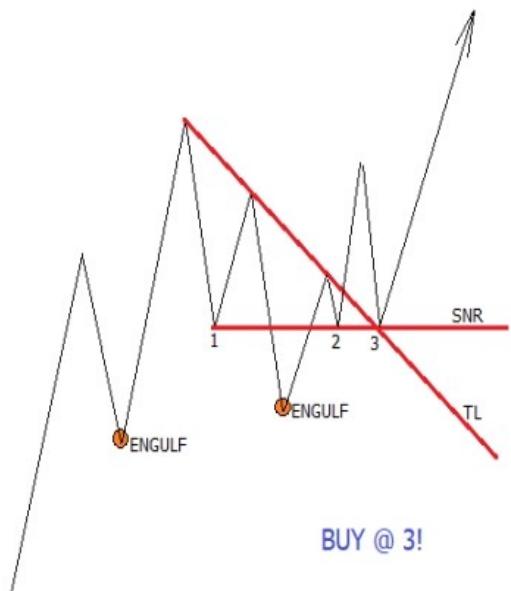
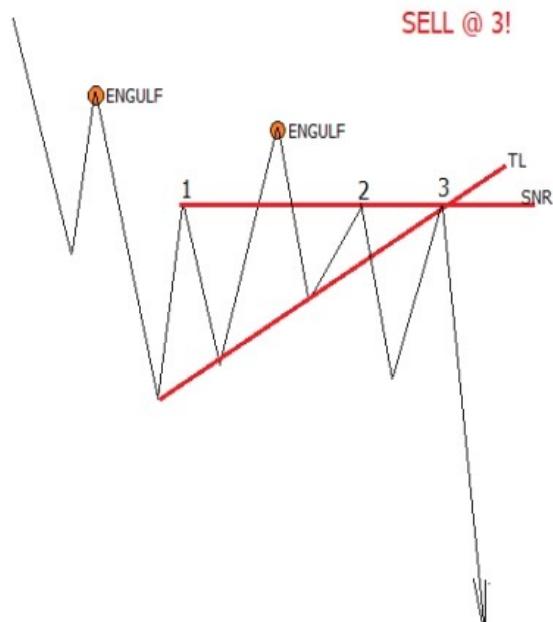
## CONFLUENCE!

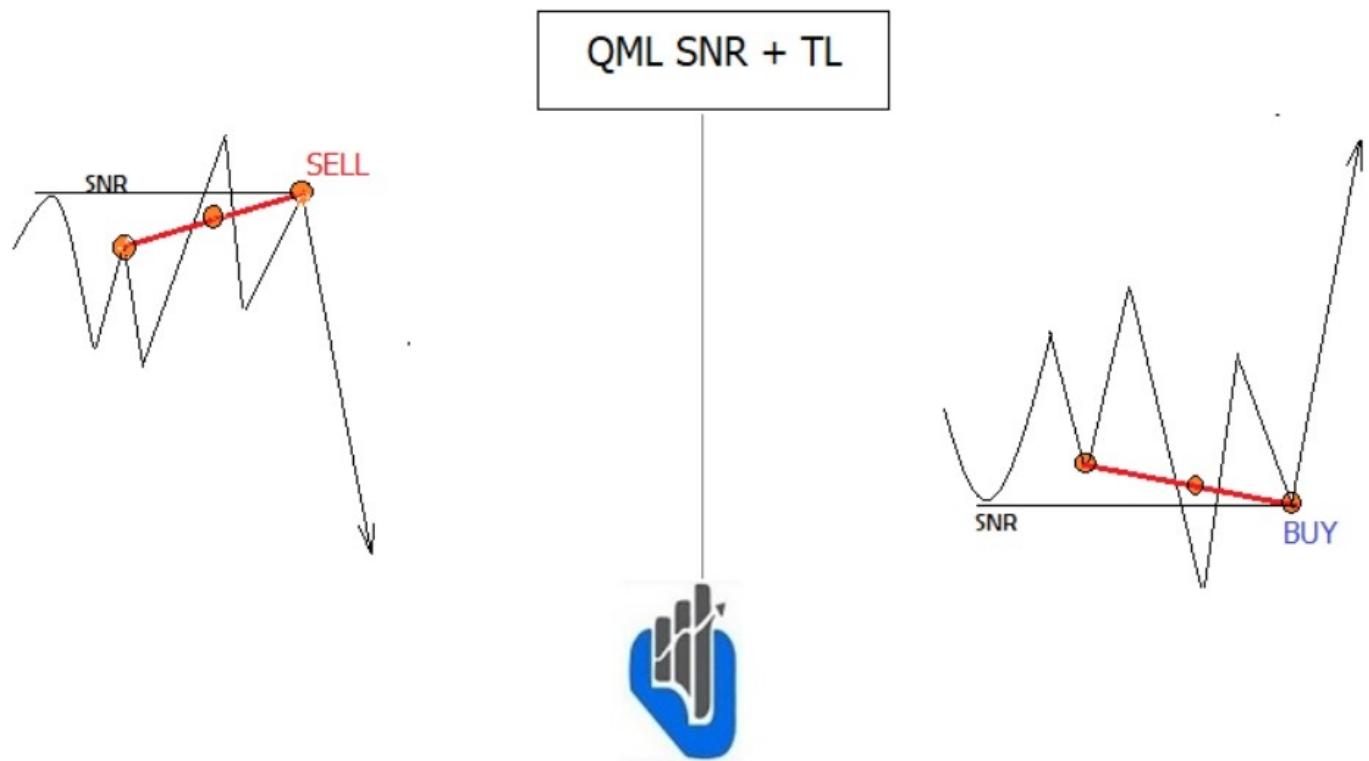
Two or three points of convergence that result in the same direction. These points could be SNR + Trendlines, or 2 SNRs converging at the same point to give sell or buy.



# QMX

comprises of QM + Trendline crossing (X)







## QML SNR + ENGULFING:



1) THE MARKET MUST BE ABOVE OR BELOW THE SNR LEVEL. THIS IS HOW THE MARKET TELLS YOU WHERE THE WICK (TOUCH) WILL FORM.

2) THE PEAK OF QML SNR IS MUST BE AN ENGULFING FOR PRICE TO RETEST IT. IF IT CARRIES AN SNR, IT BECOMES MORE SIGNIFICANT TO TRADE.

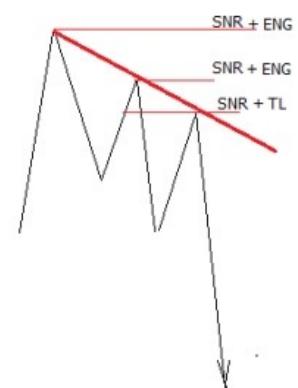
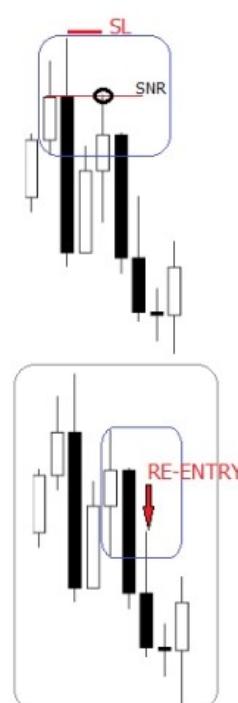


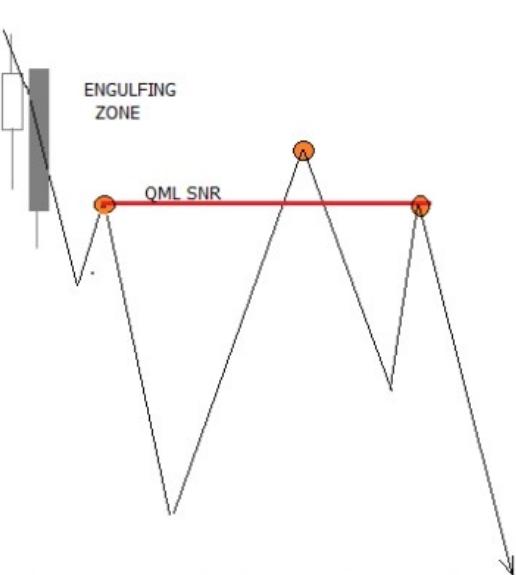


**YOU SEE THE SIGNIFICANCE!**

THE PEAK ENGULFING CARRIES  
SNR WHICH GOT RETESTED AFTER  
BREAKOUT.

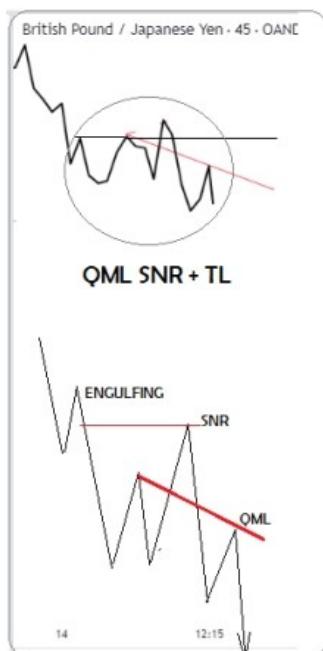
SO, AN ENGULFING AT QML SNR  
SERVES AS SETUP & ENTRY  
CONFIRMATION. JUST BE SMART!





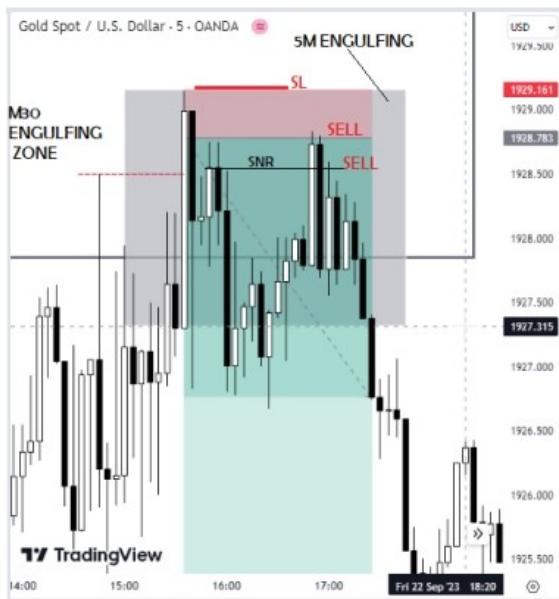
WHENEVER AN SNR FALLS UNDER A HTF ZONE, IT CALLS FOR ATTENTION. THIS IS DAILY TF FOR SWING TRADER. FOR SCALPER, YOU REFINE INTO LTF BREAKOUT FOR A LOW-RISK ENTRY.

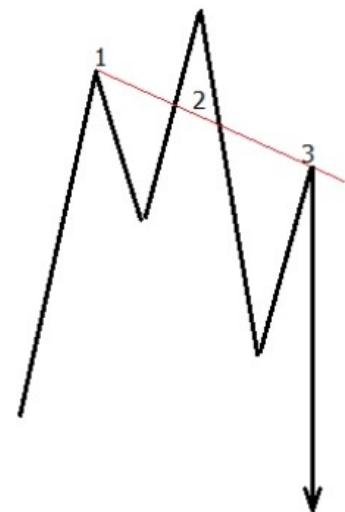
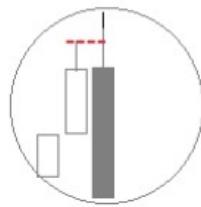
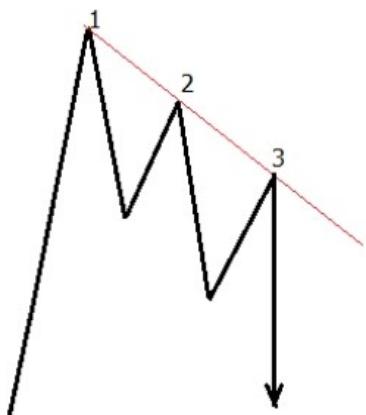
## GBPJPY M45





## REFINEMENT TO M5 TF:





Points 1, 2, and 3 carries an ENGULFING. This is necessary to serve as zone and setup/entry confirmation. It validates your SNR + TL pattern.

**NO VALIDATION, NO TRADE!**

## Gold M15:



**NO VALIDATION, NO TRADE!**

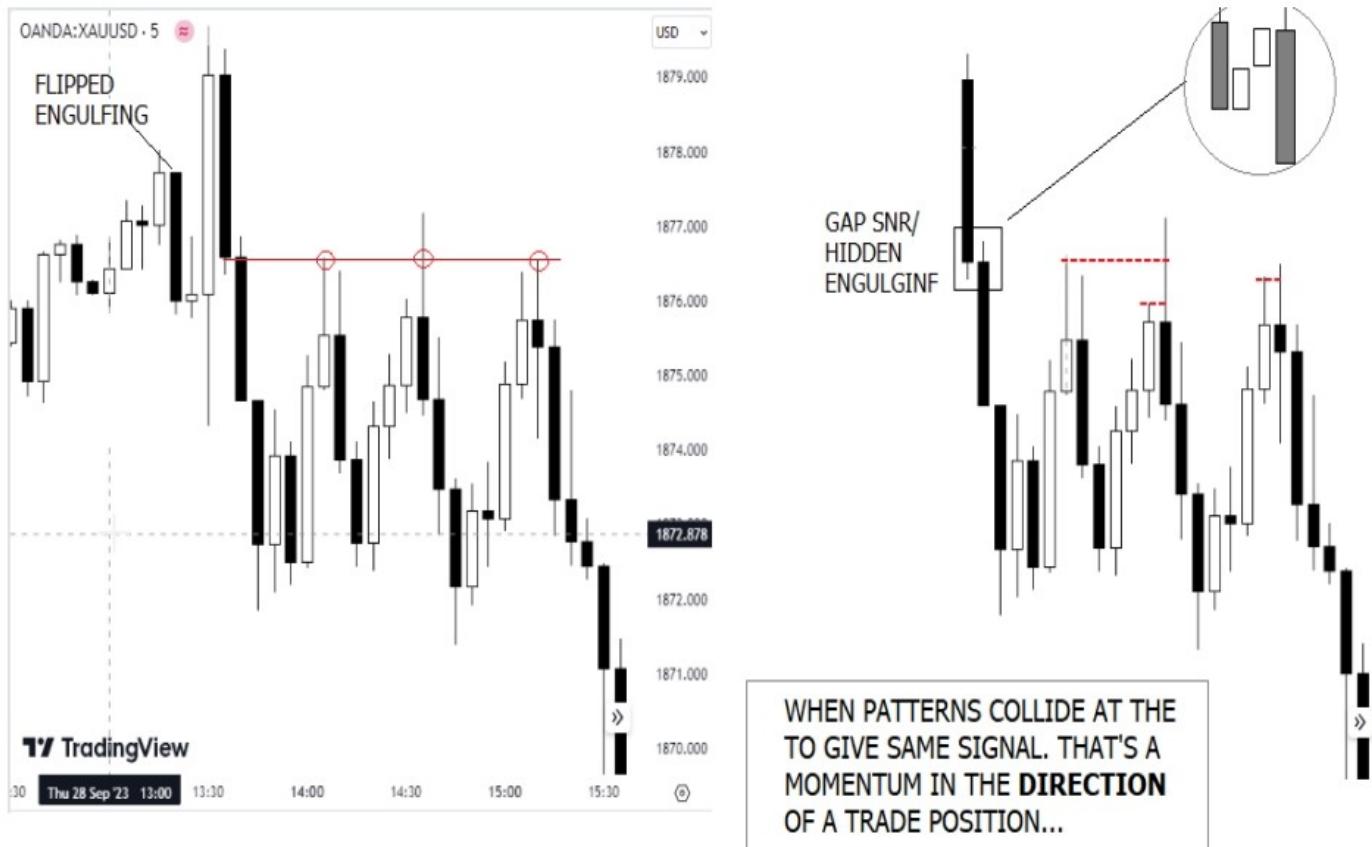
## Gold (XAUUSD) M15: SNR + TL



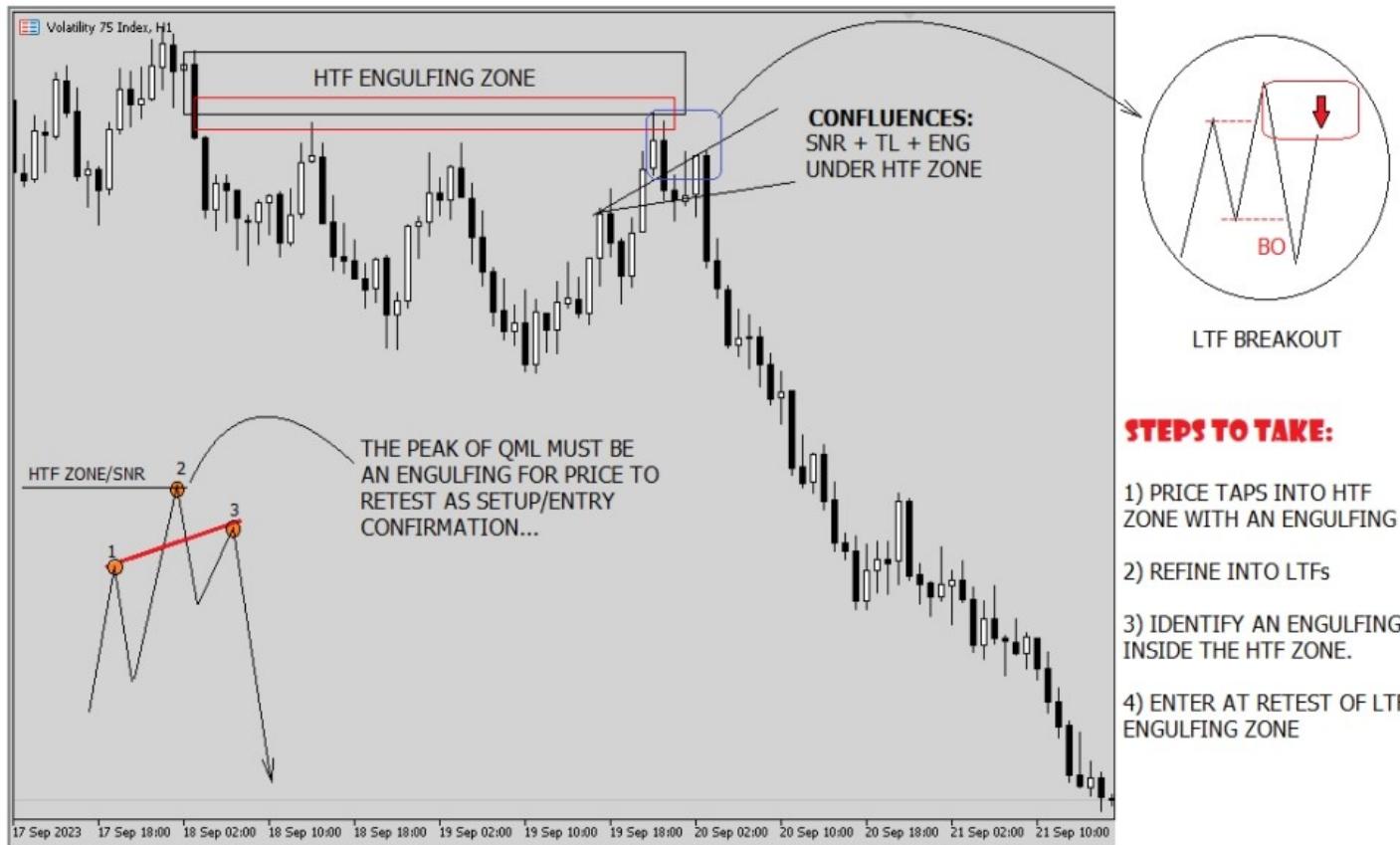
## WHEN TWO PATTERNS COLLIDE – It confirms momentum!



## GOLD M5



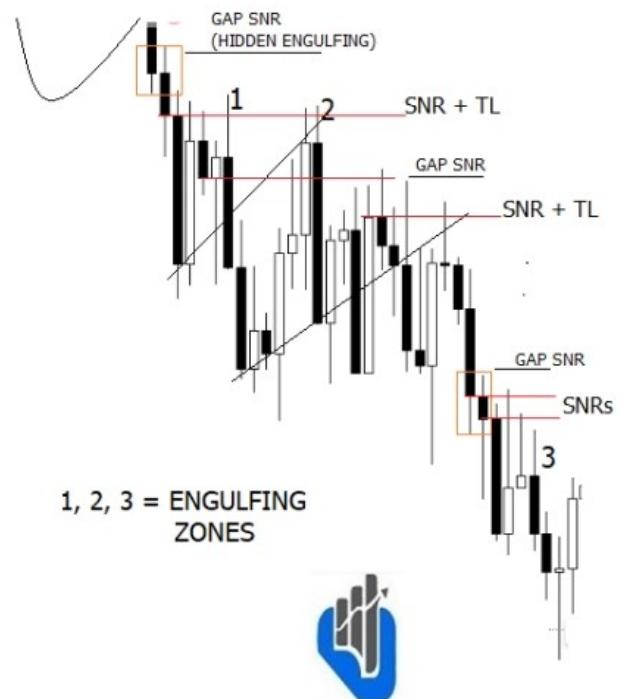
## VOLATILITY 75 INDEX H1:



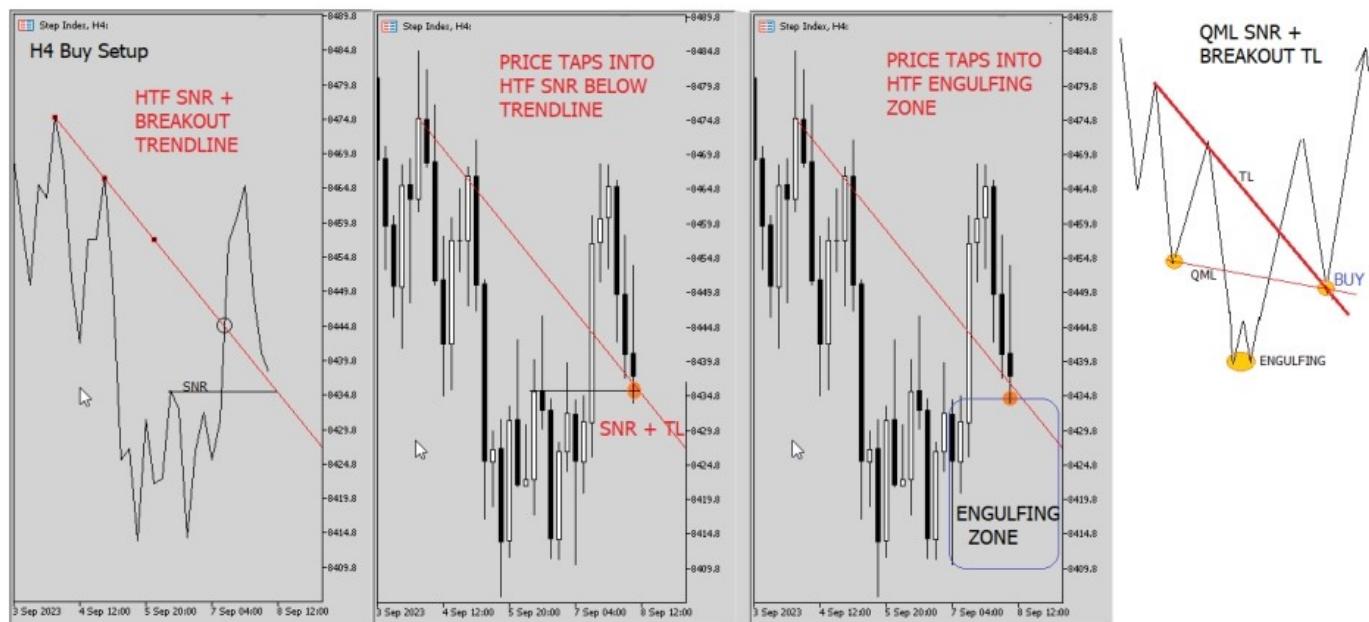
## STEP INDEX (H1):



## BREAKOUT SNR / GAP SNR + TL:



## STEP INDEX (H4):



## CHART REFINEMENT (H4 – M30):



We got a Flipped Engulfing from chart refinement of H4 Hidden Engulfing. And then a RETEST after breakout. Good Entry Confirmation as M15 price rejection intersects H4 Breakout Trendline (inside the HTF Engulfing zone).

We can still go lower to see more comfortable Entry Confirmation (LTF Breakout).

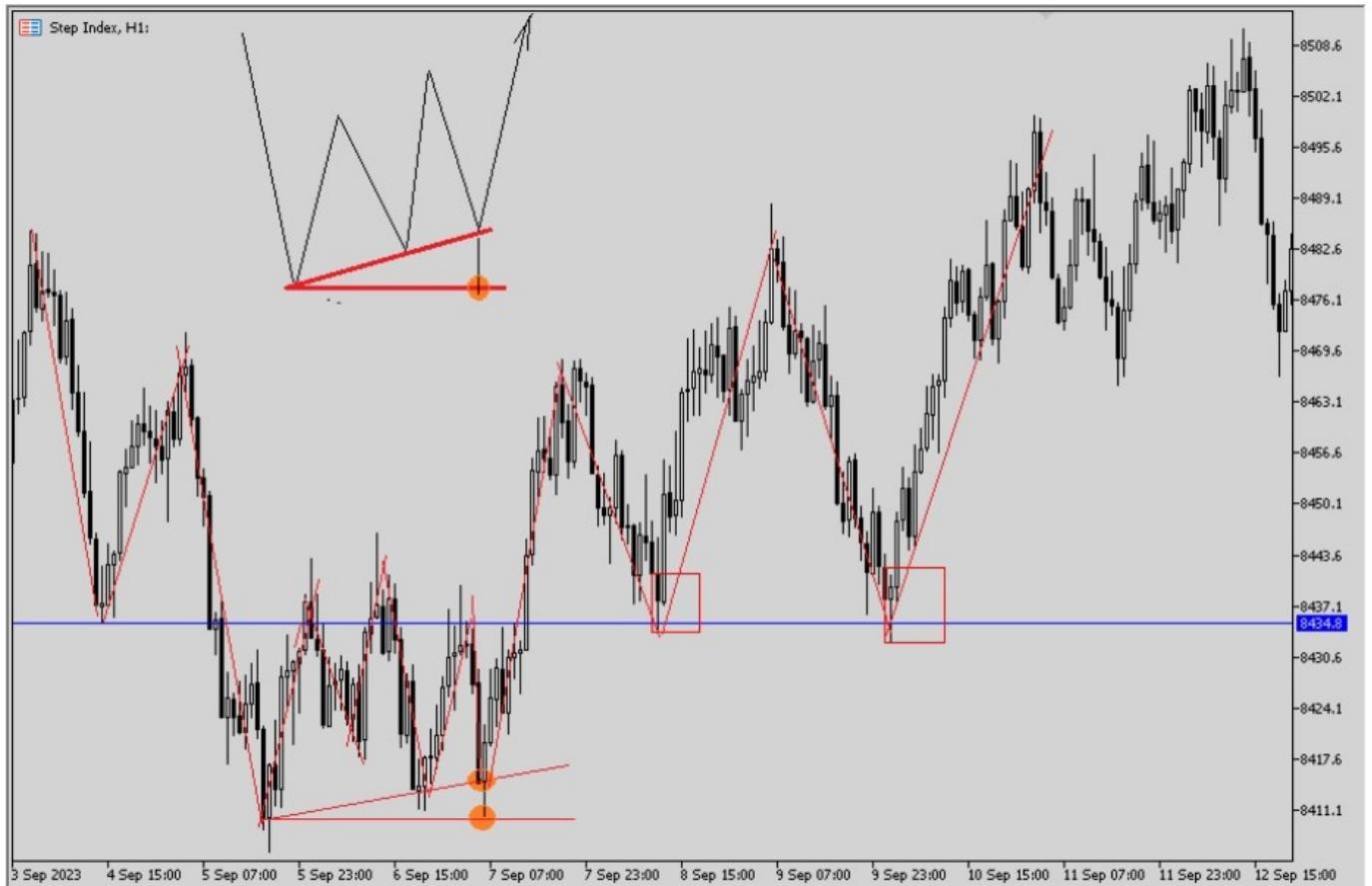


1<sup>ST</sup> TOUCH at INTERSECTION of two SNRs (Classical and GAP). Then with a Flipped Engulfing inside HTF zone.

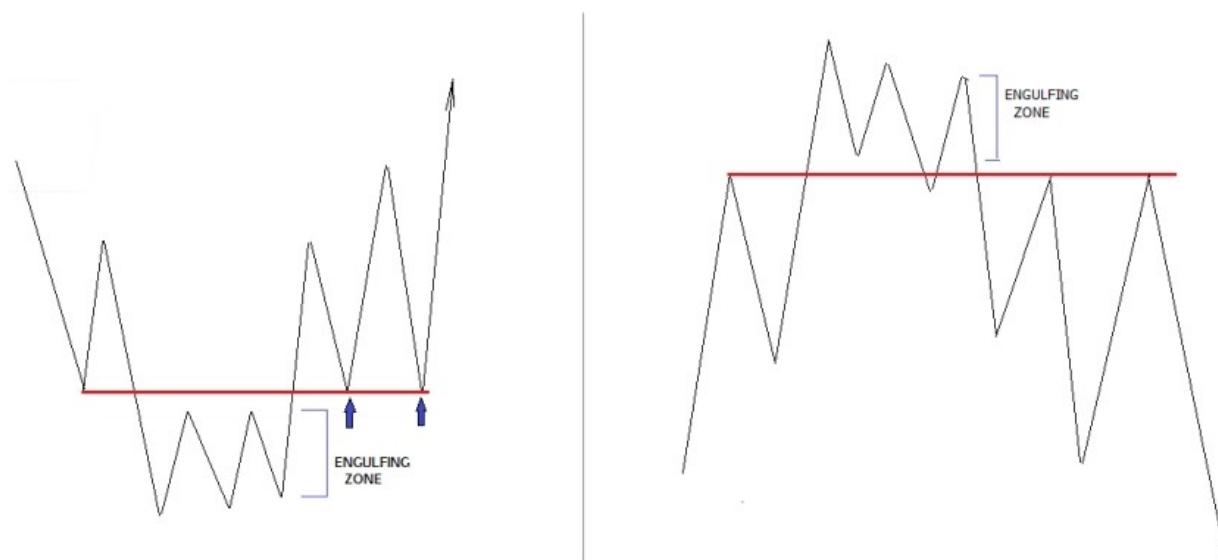
## STEP INDEX (M15):



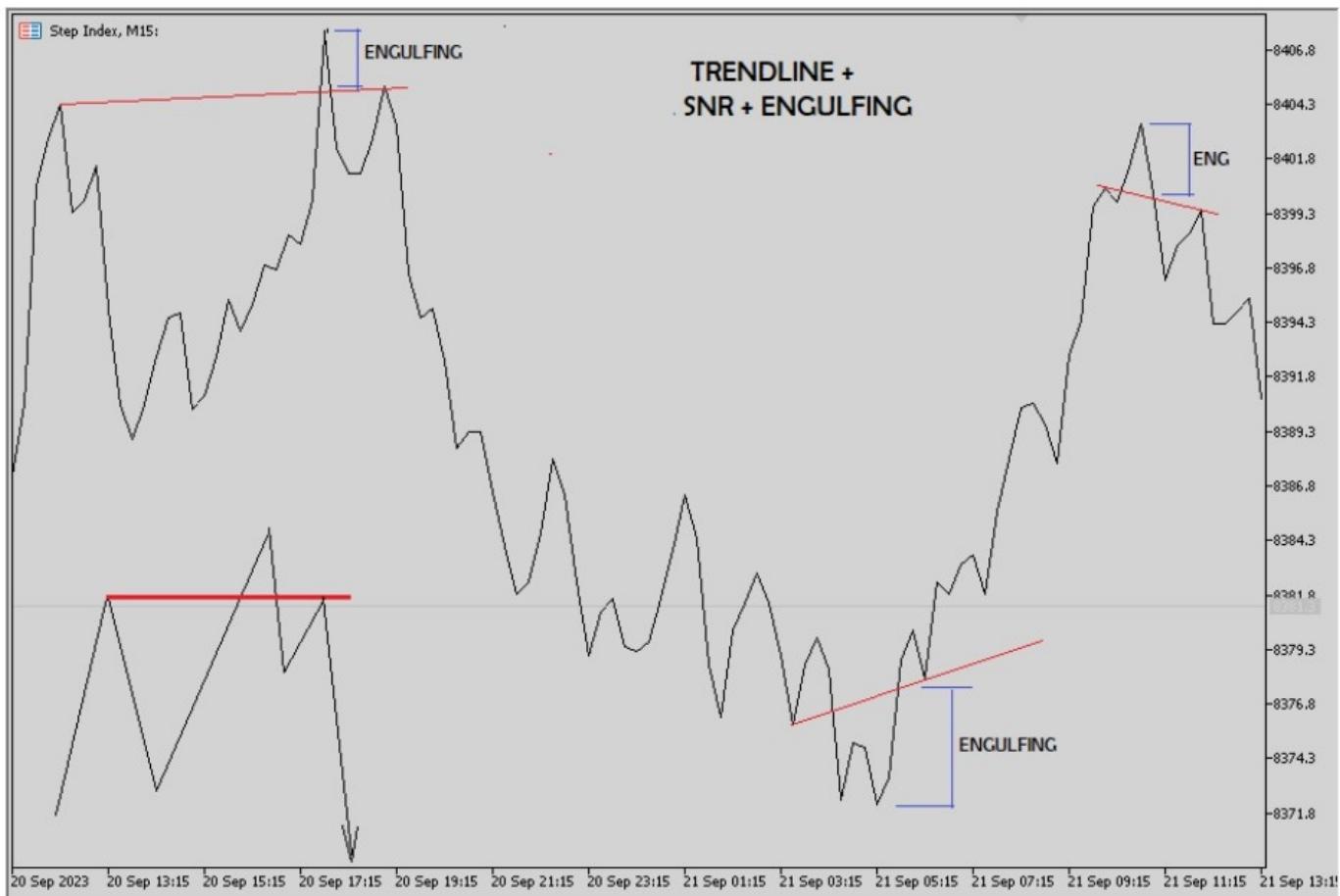
AFTER:



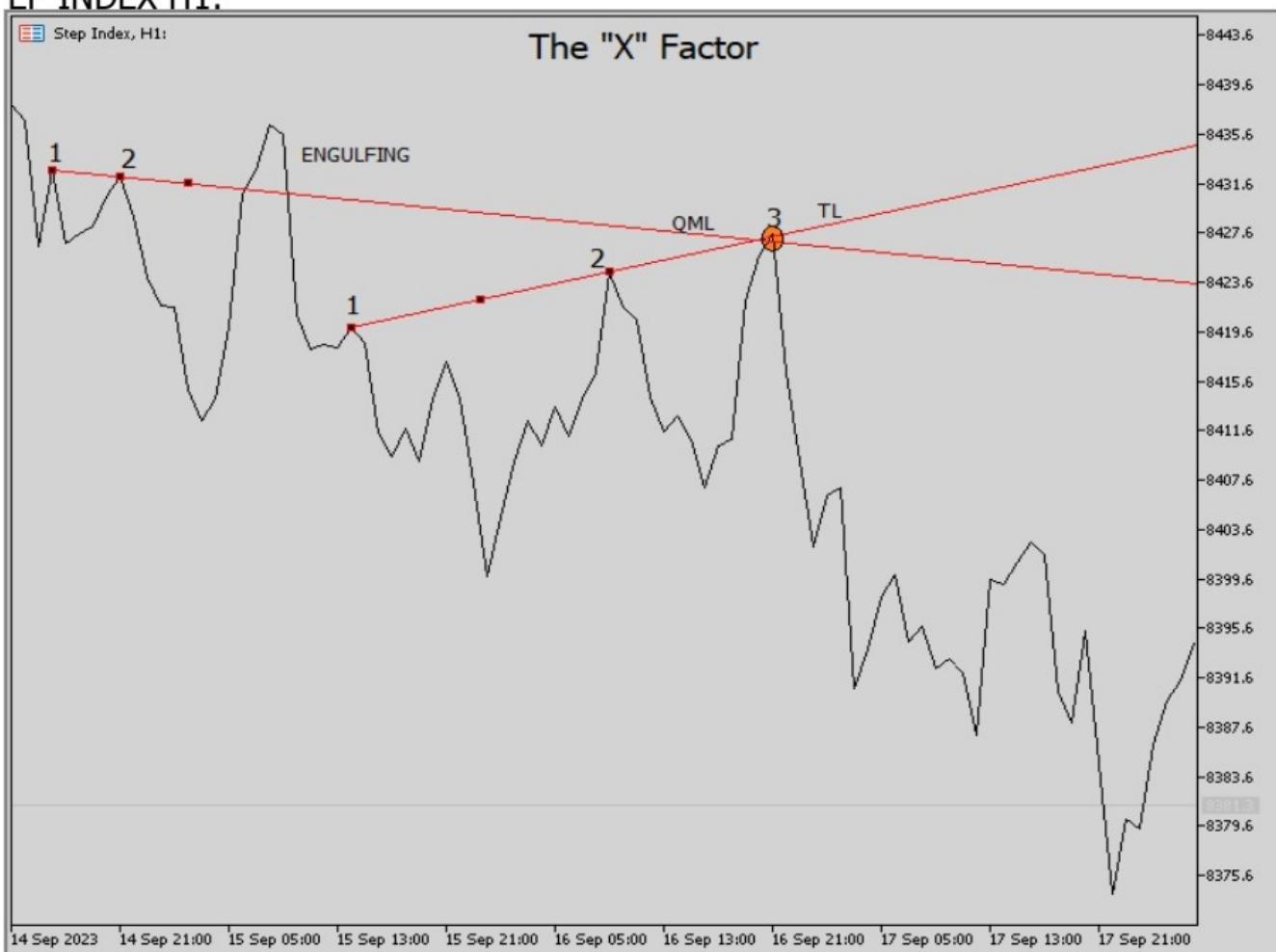
## MY FAVOURITE TRENDLINE



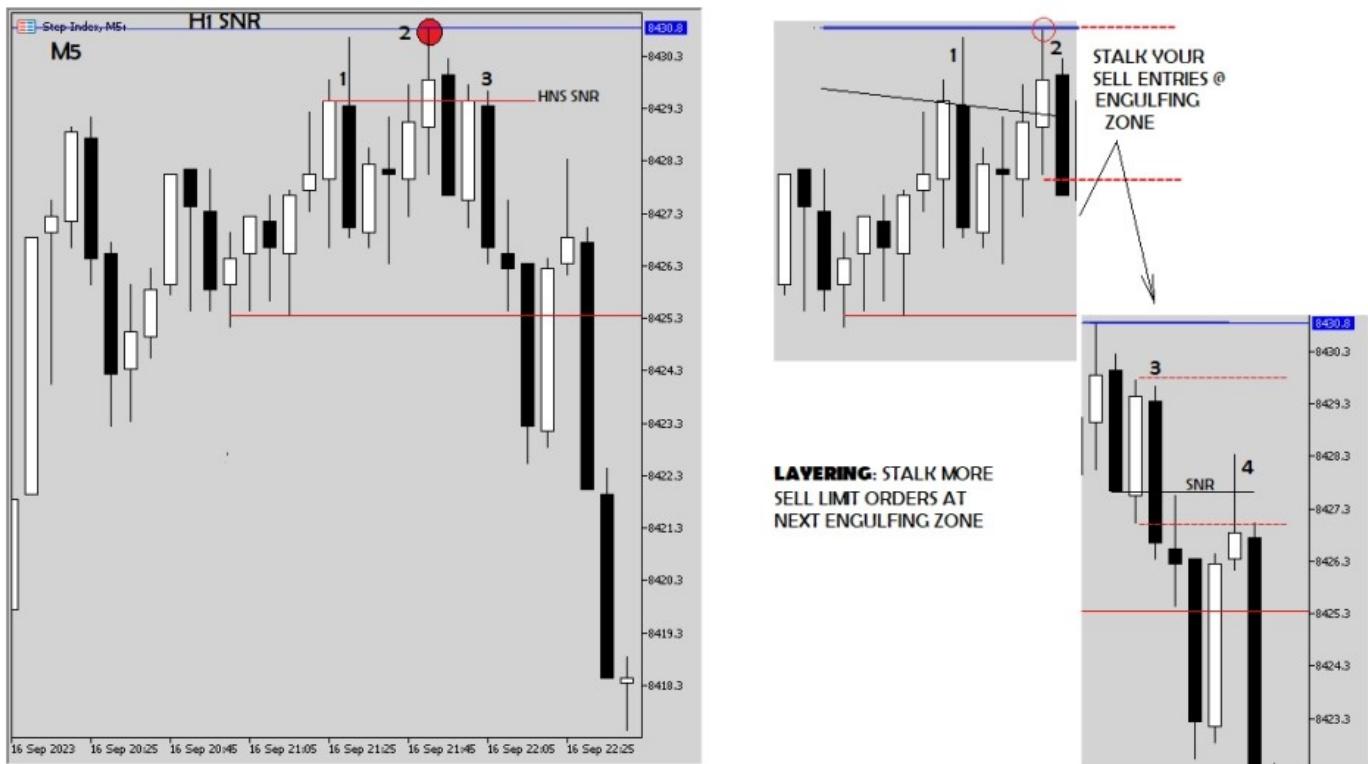
## STEP INDEX (M15) BUY & SELL:



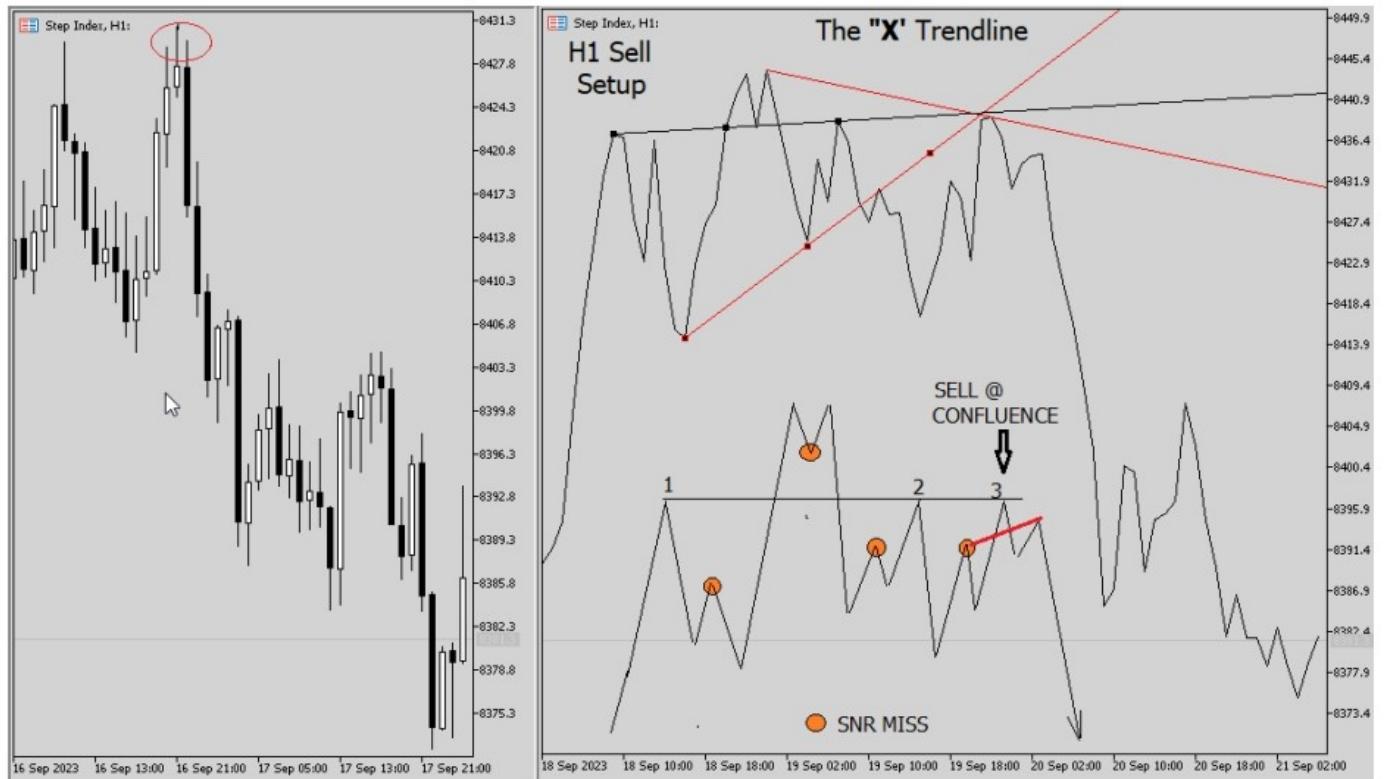
## STEP INDEX H1:

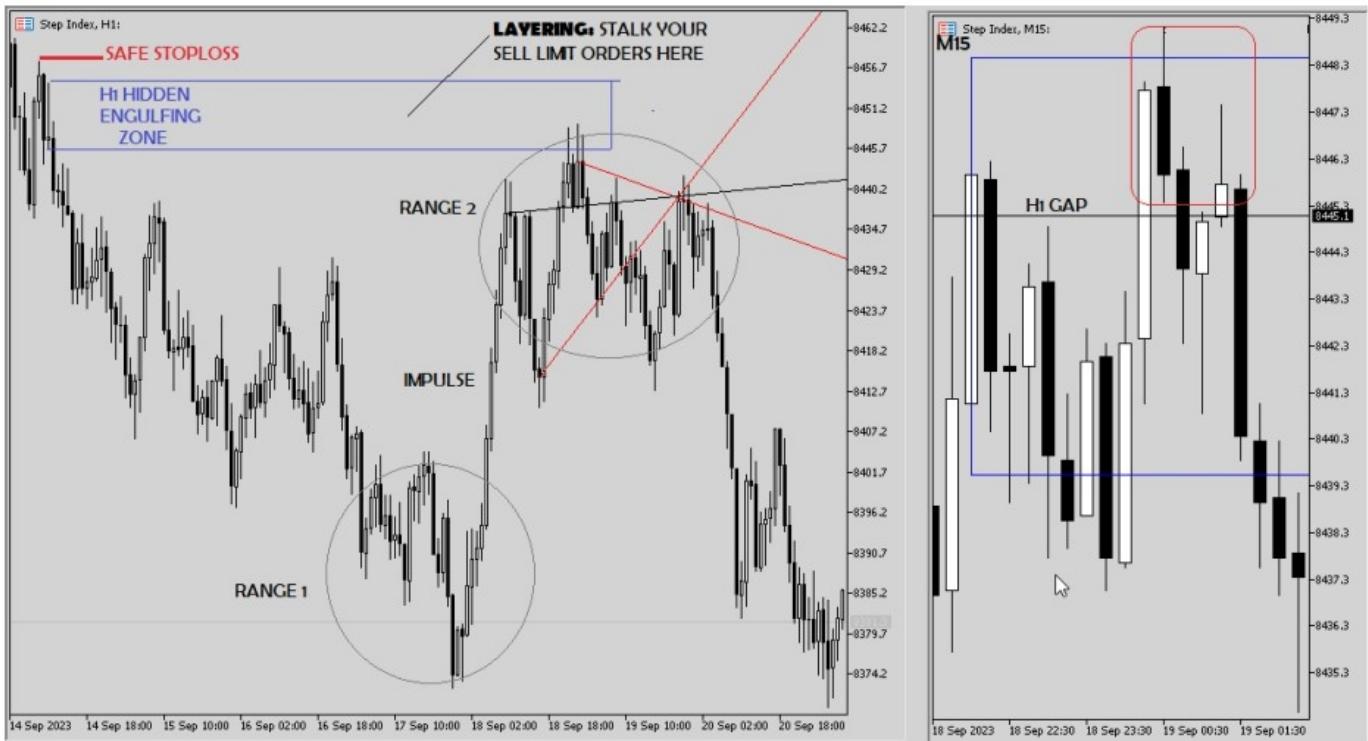


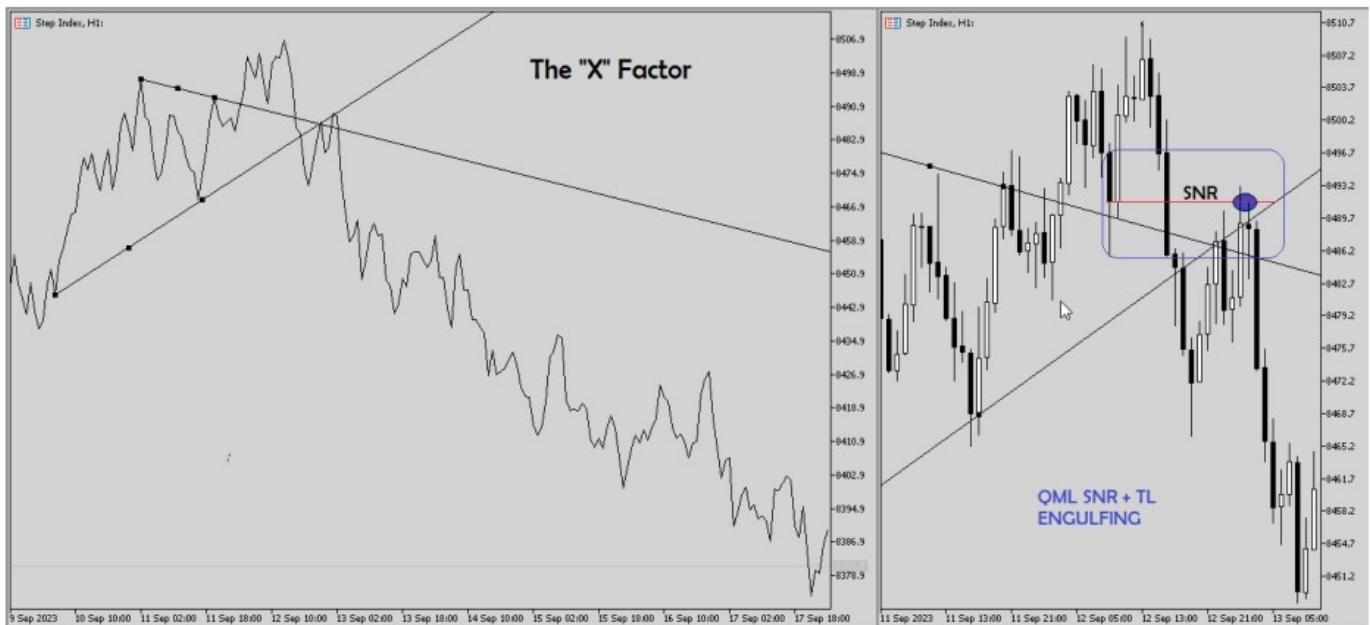
**ON REFINEMENT TO LTF (M5), WE IDENTIFY HNS SNR UNDER HTF ENGULFING ZONE WITH THE HEAD TOUCHING HTF SNR. THIS IS A GREAT CONFLUENCE.**

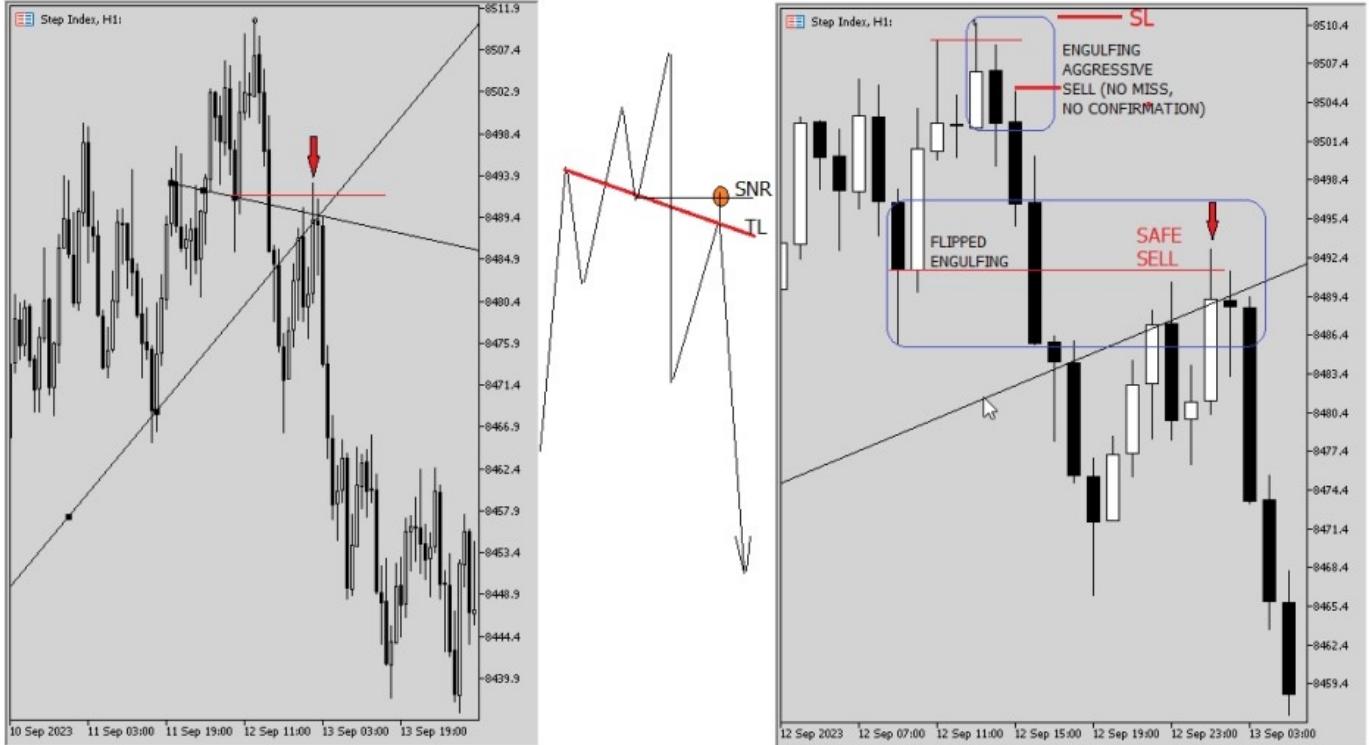


**AFTER:**



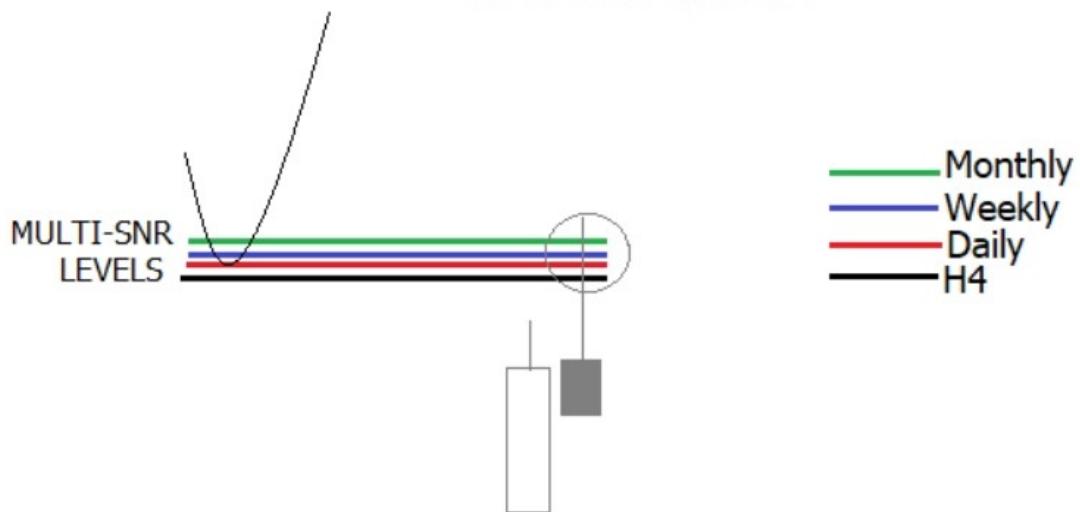








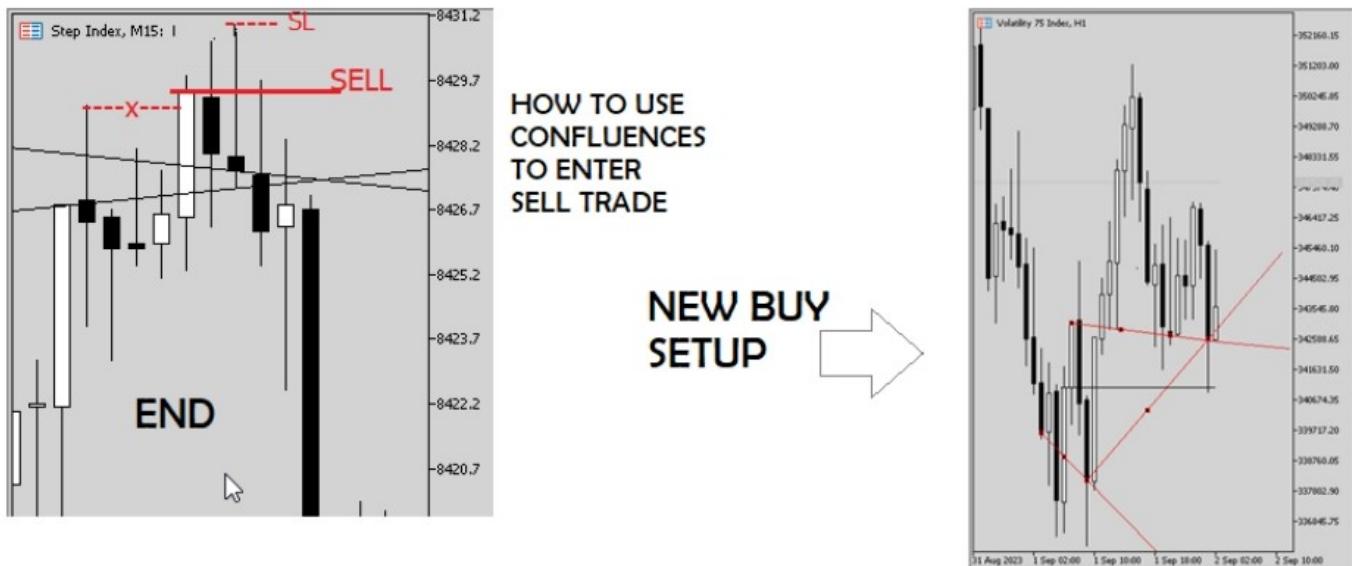
## SIGNIFICANCE





## ON REFINEMENT TO LTF (M15):





## GBPJPY M5



## ANOTHER FAVORITE TRENDLINE SETUPS

### VOLATILITY 75 INDEX, H1



### V75 H1





# **Storyline and MTF**

## What is Storyline and MTF?

STORYLINE is the DIRECTION of market movement from one level to the other. And it is not for LTFs but HTFs – Monthly, Weekly, Daily. Basically, storyline is focused on the direction of Daily TF and higher. Most important is the Daily and then Weekly direction.

### **Multi-Time Frame (MTF)**

Multi = more than one  
Time = Dimension/Trend  
Frame = Border/Limitation

DIRECTION is what causes price to break SNR levels. It is a multi-timeframe (MTF) game.

- Monthly – not consistent for direction
- Weekly – main direction
- Daily – Retracement/roadblocks for weekly direction.
- H4 – Confirmation/Roadblocks (Gap level) for Daily and Weekly direction.
- H1 – very special because price decides whether direction is valid or not. Make sure it gives wick/gap candle.

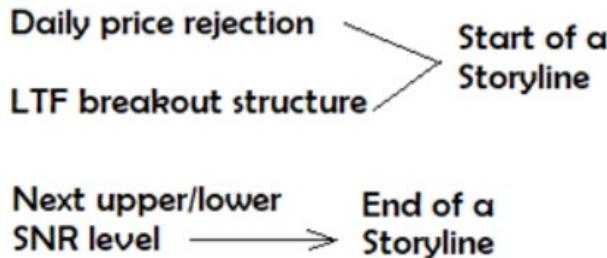
H4 – it can also disturb the Daily direction.

H1 – make sure it gives wick or gap candle.



Each timeframe has its own structure and which must be fulfilled. Price moves from support to resistance and resistance to support, over and over again. The storyline starts

from Monthly to Monthly, Weekly to Weekly, Daily to Daily, and then the intradays – H4, H1, M30, etc.

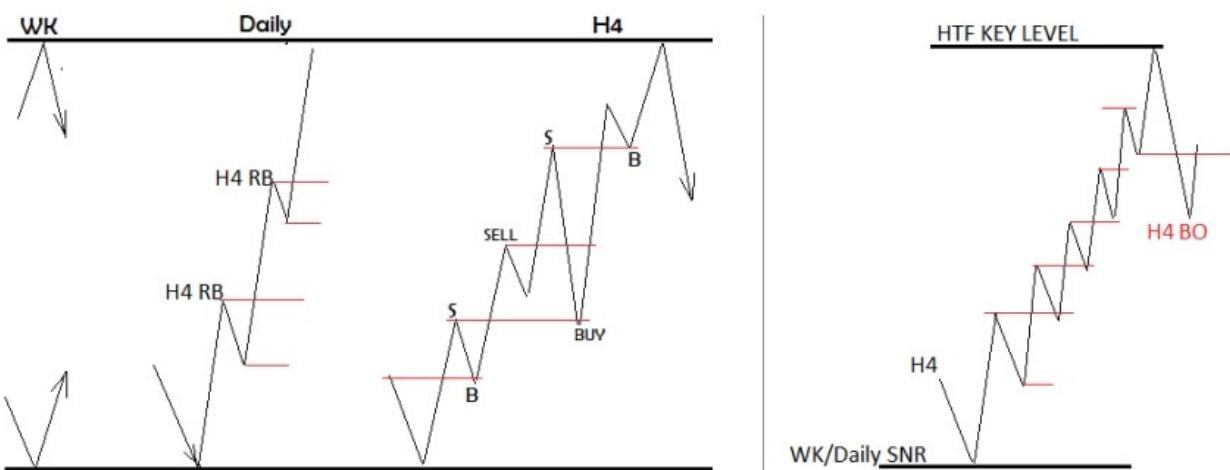


## HEAR THIS!

Basically, price travels from a fresh SNR to another SNR on the other side of market.

## ROADBLOCKS

Henceforth, it is highly essential for trader to watch out for roadblocks/obstacles (internal structural highs and lows) in every timeframe.



Series of pullbacks in LTFs (H4/H1/M30) that contribute to HTF's (Daily) direction. If H4 breaks an SNR level, it goes to Daily SNR. On Daily breakout, it looks to Weekly SNR to break.

Storyline starts from fresh level of Weekly and ends in the next fresh of Weekly. The same thing as Daily and intradays.

This is a basic fact that within a particular TF storyline, there are obstacles or pullbacks. These are found in LTFs (one step lower than HTF).

MULTI-TIME FRAME COMBINATION				
SETUP	MN	W1	D1	H4
REJECTION	W1	D1	H4	H1/M30
ENTRY CONFIRMATION	D1	H4	H1	M30/M15/M5

YOU CAN USE THIS TIME FRAME COMBINATIONS

SETUP	ENTRY
Weekly	H4 (Swing Trader)
Daily TF	M30 (Swing Trader)
H4 TF	M15/M5/M1 (Intraday Trader/Scalper)

Do enough backtesting in order to find out the best timeframe that suits your own personality. Practice helps you to see your weakness and strength before you come to the battlefield.

### FOR SCALPING ONLY!

- H4 Breakout starts at Daily storyline
- H1 Breakout starts at H4 storyline
- M30 Breakout starts at H1 storyline
- M15 Breakout starts at M30 storyline and so forth.
- M1 Breakout starts from M5 storyline as Take Profit is at next fresh level of M5.

NOTE: Always look for fresh SNR level at M15 and above.

FRESH SNR	BREAKOUT	TAKE PROFIT
M15	M1	M5
M30	M5	M15
H1	M15	M30

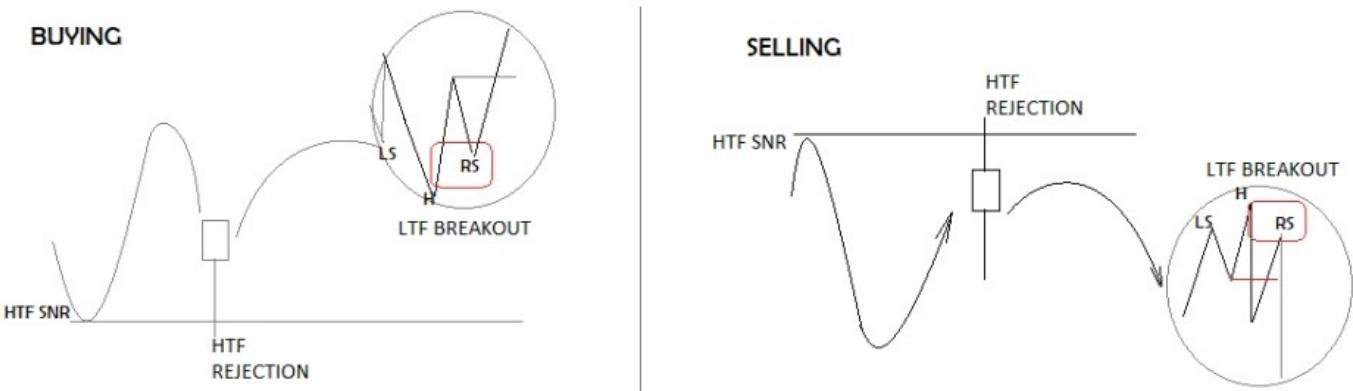
### 2 TF's Confirmation Rule:

Price taps SNR fresh level of HTF with a rejection (wick). Go two timeframes lower for breakout which SNR doesn't need to be fresh.

**Weekly Setup = H4 Confirmation.**

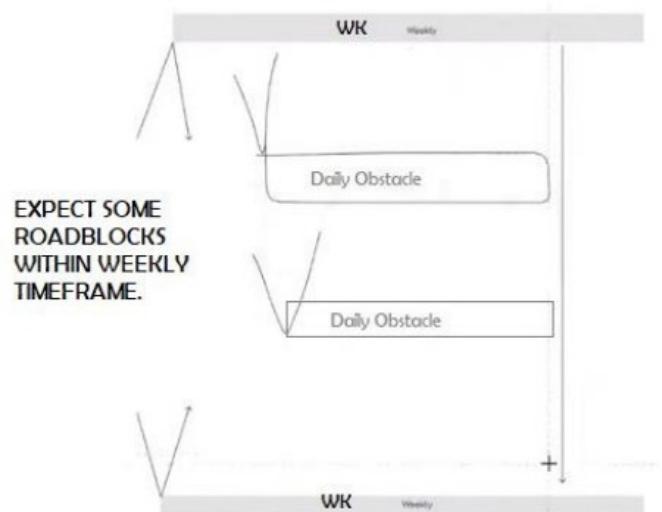
**Daily Setup = H1 Confirmation**

At LTF (H4) Breakout, you WAIT for pullback to buy or sell from right shoulder or the QML. That means, right shoulder would serve as retest to the peak (head).

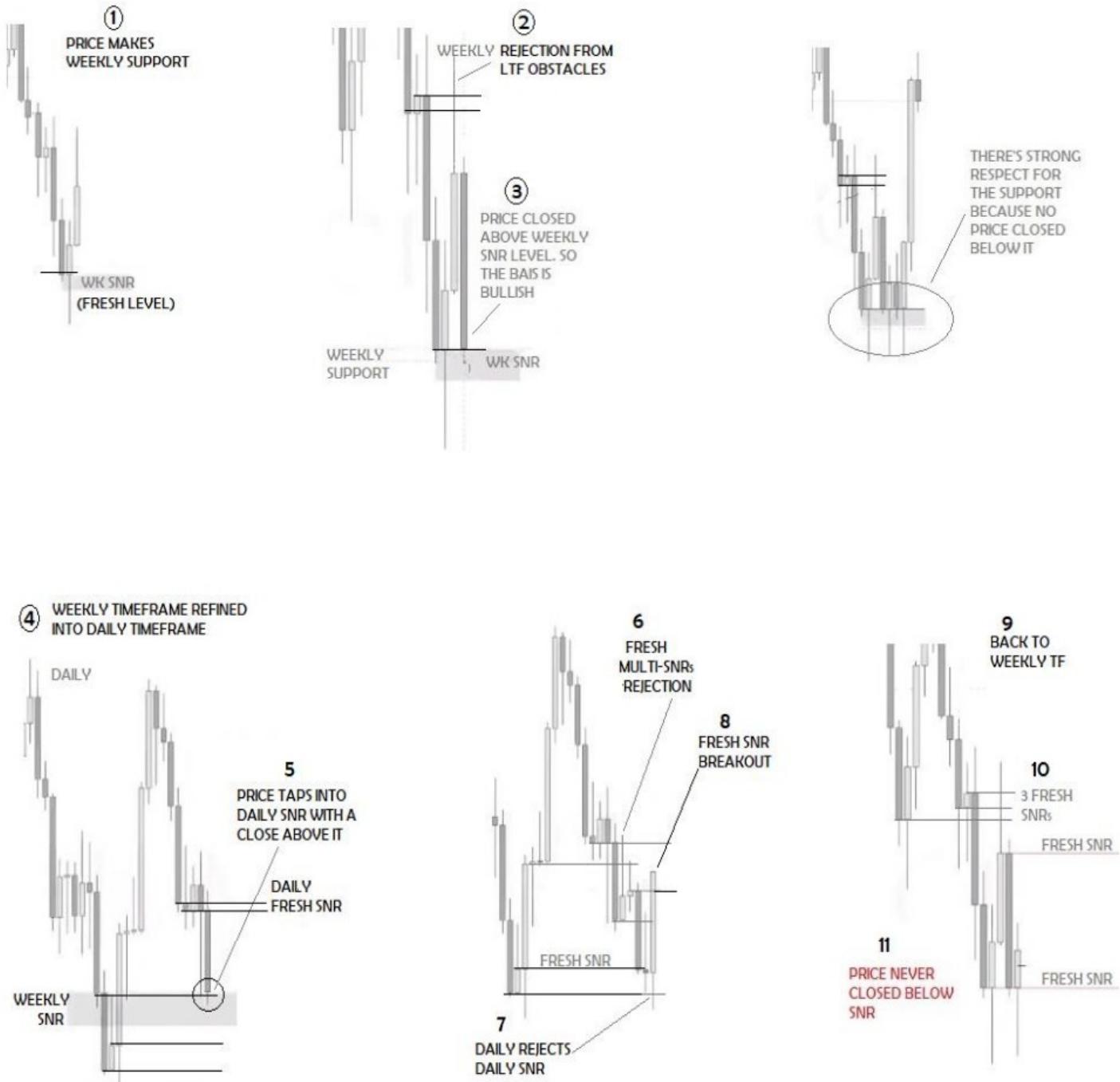


You must monitor two timeframes and structures approaching the HTF (Daily) SNR level. If you have Daily SNR level, you monitor Daily – H4. For H4 SNR level, you monitor H4 – H1/M30.

Also, if Weekly is bullish and Daily is bearish, then Weekly storyline can't continue bullish until Daily bearish storyline is ended.

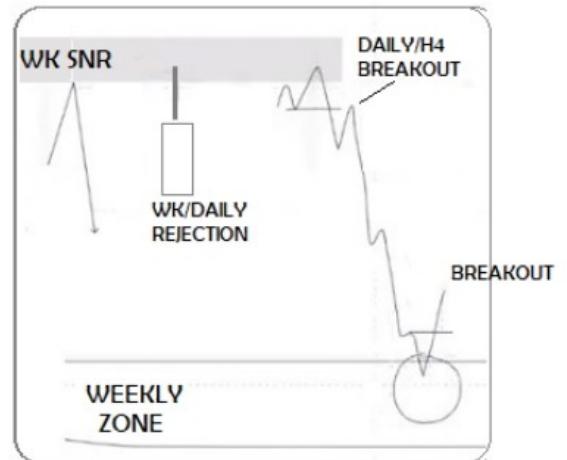
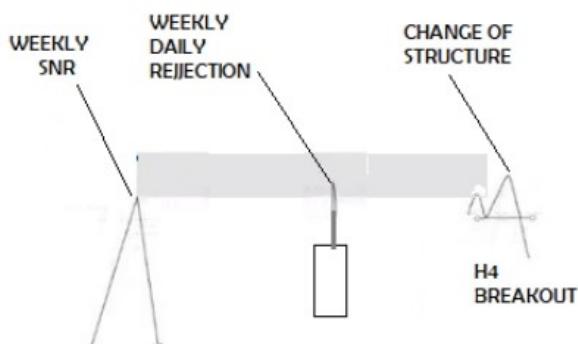


## DO YOUR STORYLINE & MTFs LEVELS BY LEVELS





## HOW TO IDENTIFY A CHANGE OF STORYLINE



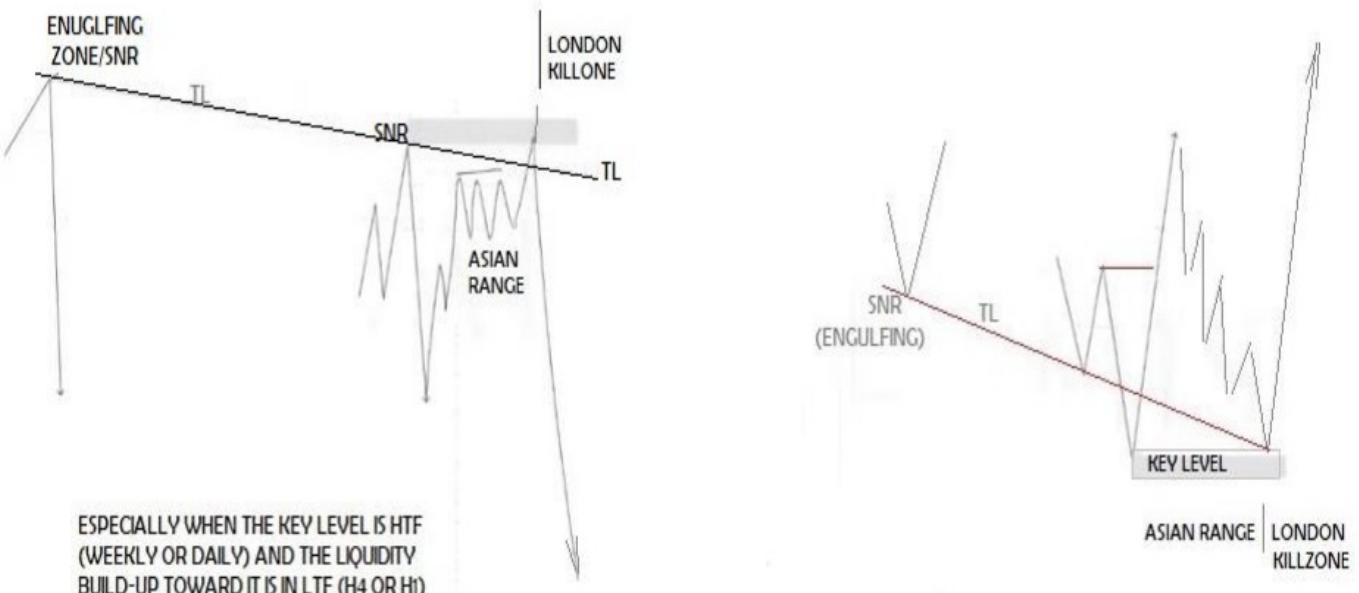
NEXT IS HOW USE INTRADAY MARKET SESSIONS TO TIME YOUR TRADES

## DURING NEWS REPORT



## GOLD M15 @ NEW YORK OPEN





## ★ 5 Action Plans ★

### 1) Marking the Zone

- \* Use a HTF Engulfing setup
- \* Draw an SNR Line across the CS' C-O extending to the right

### 2) Price Rejection

- \* Price taps into ENG zone with a wick.
- \* An SNR touch with a close off the level.
- \* Price rejection candle – Engulfing or Pin Bar.

### 3) Price Breakout

- \* HTF refinement: Go down one time frame lower.
- \* LTF breakout pattern with EG zone inside HTF zone.

### 4) Confluence Point

- \* Confluences: Trendline + SNR convergence

### 5) Entry Confirmation

- \* Retest of LTF EG zone.
- \* Multiple re-entry using continuation pattern.
- \* Place Stoploss at lower low (buying) or higher high (selling).

## FIVE FUNDAMENTAL TRUTHS

- 1. Anything can happen.
- 2. You don't need to know what is going to happen next in order to make money.
- 3. There is a random distribution between wins and losses for any given set of variables that define an edge.
- 4. An edge is nothing more than an indication of a higher probability of one thing happening over another.
- 5. Every moment in the market is unique.

- MARK DOUGLAS

## Trade What You See!

*"There are those who think they are studying the market - when all they are doing is studying what someone has said about the market --- not what the market has said about itself."*



RICHARD D. WYCKOFF  
1873-1934