UNICORN MODEL

THE STRONGEST ENTRY MODEL IN THE GAME

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The Unicorn Model is an advanced price action strategy designed to identify strong turning points in the market. By combining the Breaker Strategy and Fair Value Gaps (FVGs), this model offers a unique and reliable approach to spotting high-probability trade setups.

What makes the Unicorn Model so effective is its ability to highlight key areas of future support or resistance, providing traders with a structured framework for entering and managing trades. By merging two powerful entry techniques—the breaker block and the FVG—it significantly enhances trade accuracy and risk management.

When these two elements overlap, they form what is known as the Unicorn Model, a zone that signals a potential trend continuation.

The Unicorn Model can be applied to any timeframe and any asset, making it universal. However, the probability of success can be increased by various factors, which will be explained later in the document.

Understanding the Core Concepts

Before fully grasping the Unicorn Model, it is essential to understand its two key components:

- **Breaker Blocks** – These occur when price sweeps liquidity above a key high or below a key low, followed by a strong market reversal. The area where this reversal started becomes a crucial support or resistance zone.

- **Fair Value Gaps (FVGs)** – These represent price inefficiencies, often formed by a strong impulsive move, leaving a gap between candles. This gap frequently gets revisited, creating potential trade opportunities.

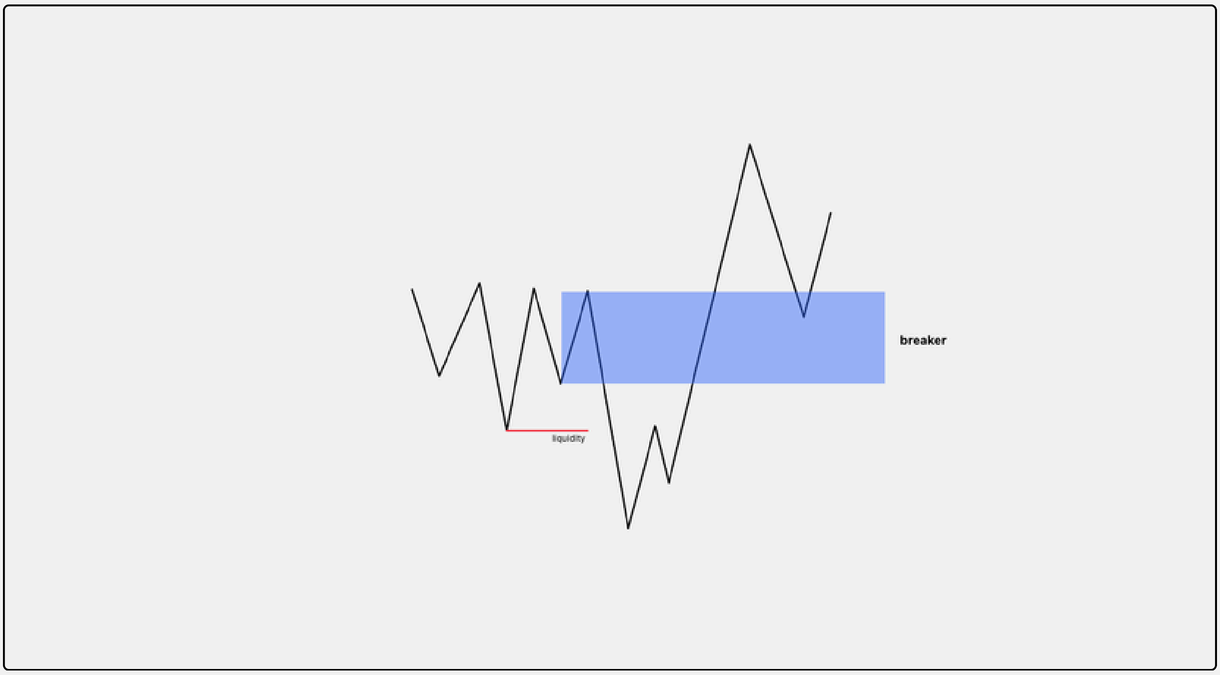
Breaker Blocks

A Breaker Block occurs when the market collects liquidity above a significant high or below a significant low, followed by a strong reversal. The zone where this reversal began then serves as a key support or resistance level.

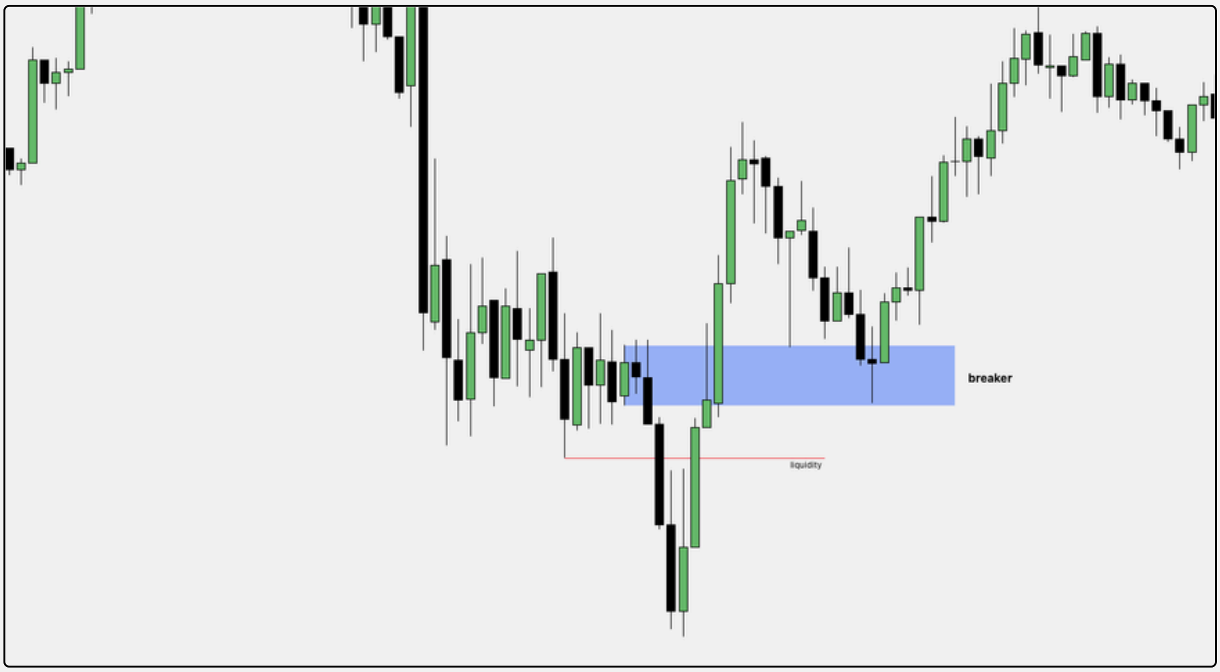
Characteristics of a Breaker Block:

- Liquidity is collected (stop hunt or sweep).
- The market breaks the previous structure (Break of Structure - BOS).
- Price returns to test the breaker block as an entry point.

In theory



In practice



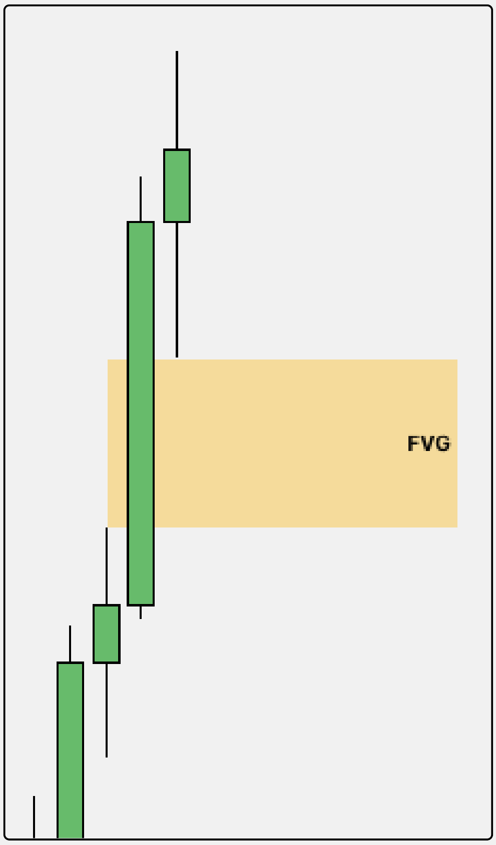
Fair Value Gaps

A Fair Value Gap (FVG) is an inefficiency in the market where price has made a large impulsive move without sufficient counter-orders. This results in a gap that is often filled later.

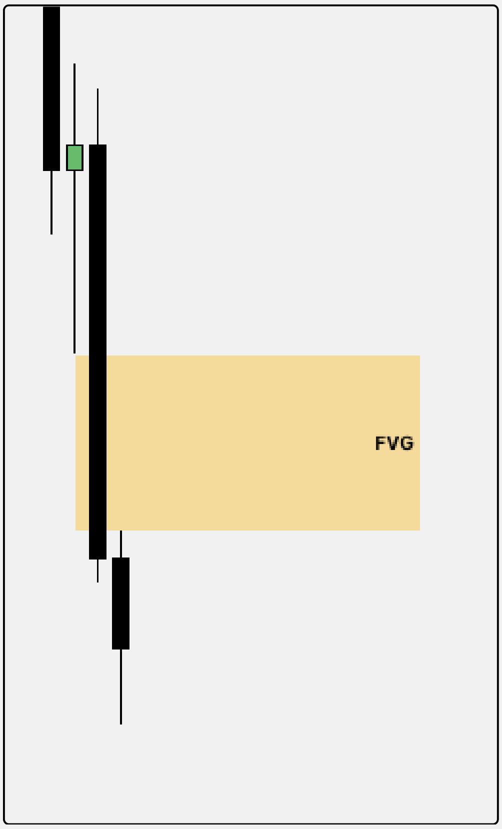
Characteristics of an FVG:

- It consists of a three-candle structure: a large impulsive candle with an unfilled space between the previous and next candle.
- FVGs show displacement in the market and a desire to move towards a further target
- It acts as additional confluence when it coincides with a breaker block.

Bullish FVG



Bearish FVG



The Unicorn Model in Practice

In practice, the Unicorn Model can be spotted on any timeframe. However, it works best during volatile price movements. For this reason, the model is often used around the New York Open, as this event brings significant market volume.

But what is the best way to trade the model? Below are several steps that can be followed for a successful trade using the Unicorn Model.

1. **Determine your daily Draw on Liquidity**
   It is essential that the HTF bias is clear and that a logical Draw On Liquidity is present on the chart, which will serve as the trade's target.

2. **Liquidity Grab**
   Wait for a liquidity grab, preferably during New York Open. Institutions use this liquidity to fill their positions before the "real" move is initiated.

3. **Break of Structure**
   After the manipulation has occurred, you want to see a break of structure. This break of structure should be strong, meaning there must be clear displacement in the price movement.

4. **The creation of the FVG**
   Look for an inefficiency (FVG) that has formed after the liquidity grab. This is a sign that price may return to this zone before the actual move begins.

5. **The creation of the Breaker**
   Identify the breaker block, and make sure it aligns with the FVG. The price must return to this zone for a potential entry.

Unicorn Model in practice

IIn the example below, we see how the Unicorn Model plays out perfectly. At 9:30 (NYO), there is a manipulation move where liquidity above the highs is taken out. Immediately after, we see the price displaced downward, and a break of structure occurs. Due to the strength of the displacement, an FVG and a Breaker are also created, which ultimately served as the perfect entry for shorts.

This is a textbook example of anticipating shorts according to the Unicorn Model, where technicals and timing align. Of course, the model works exactly the opposite for longs.

Free

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