



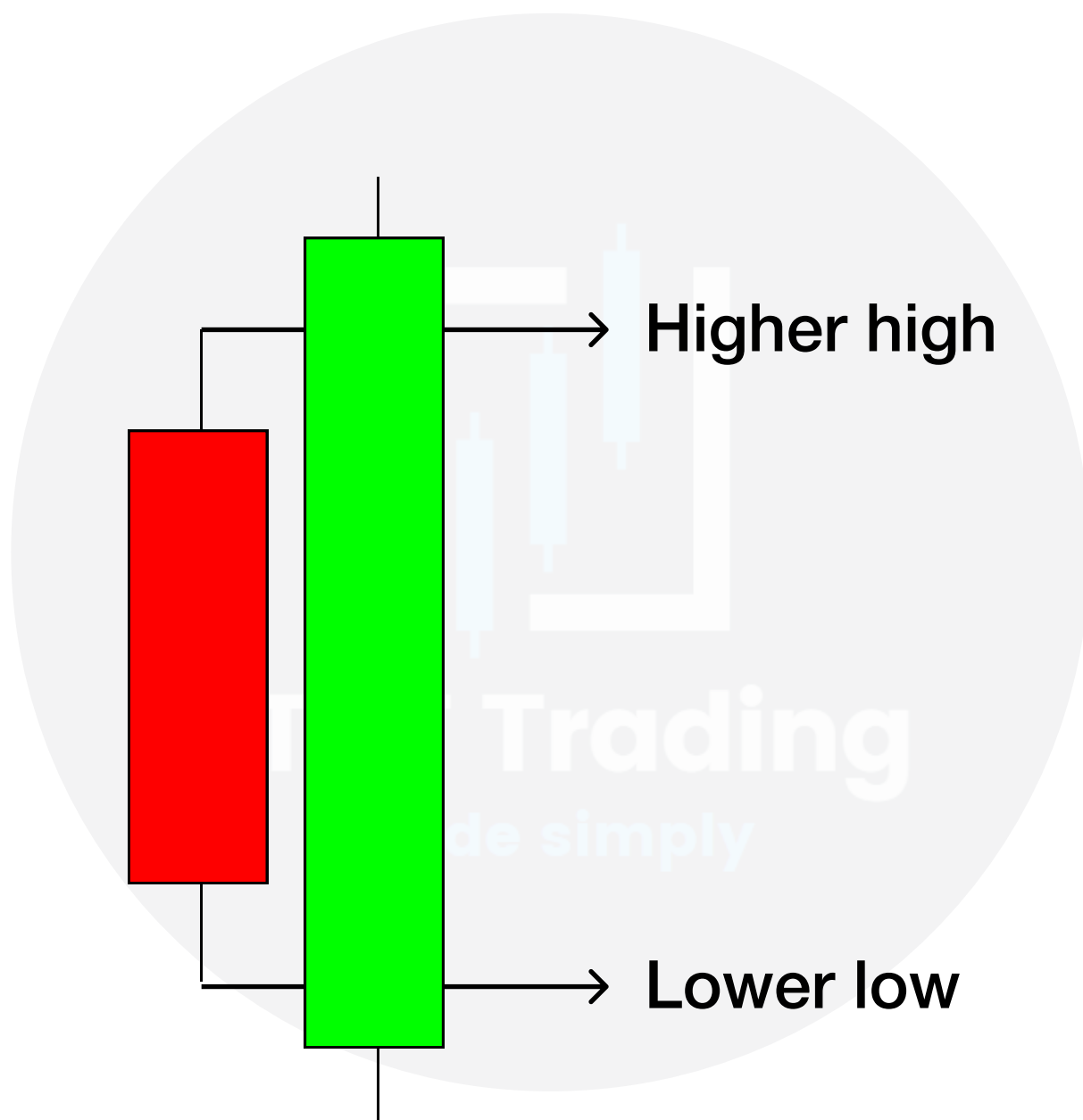
THE STRAT

Outside bar
Scenario (3)

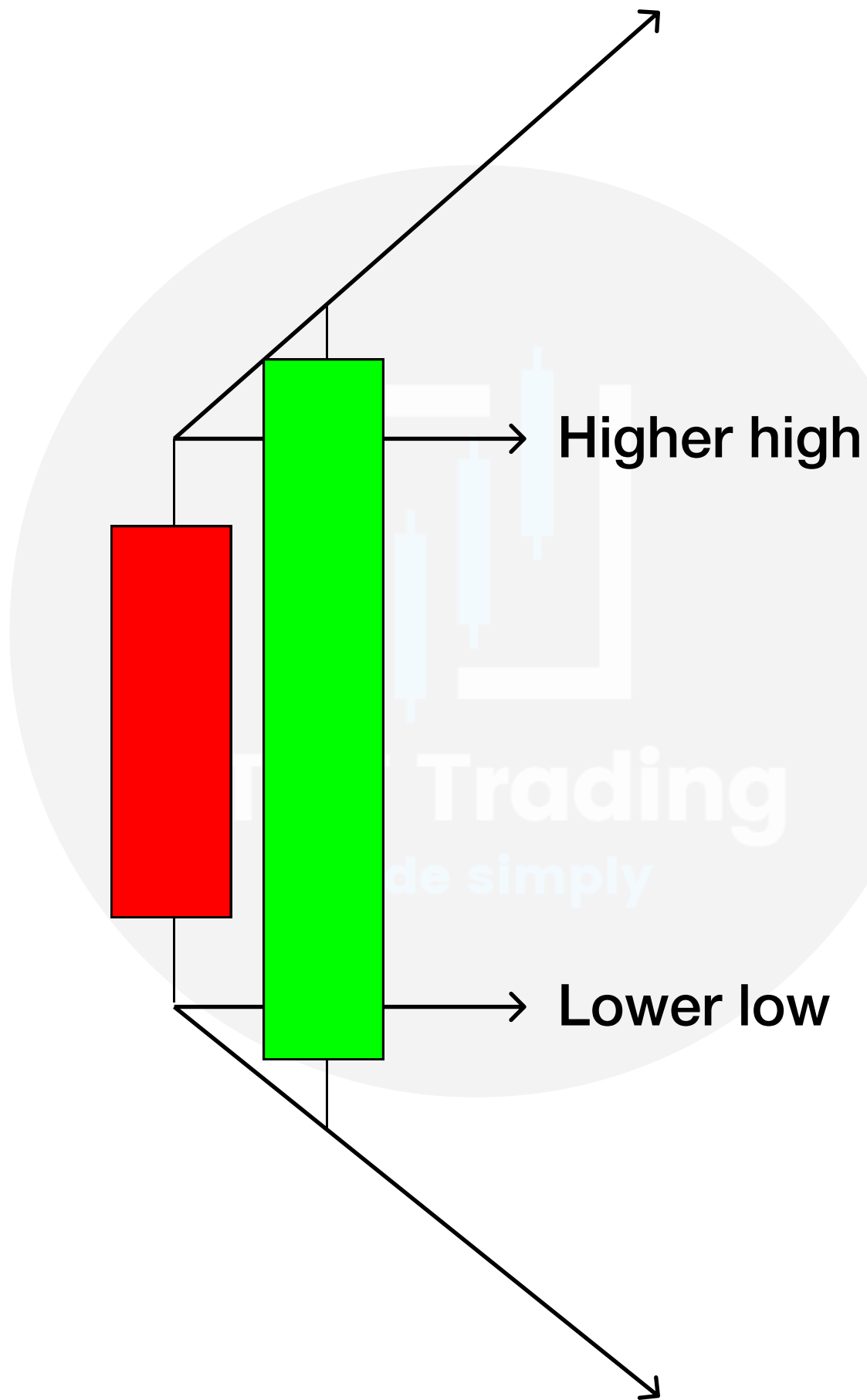
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A scenario 3 takes out both sides of the previous candles range.



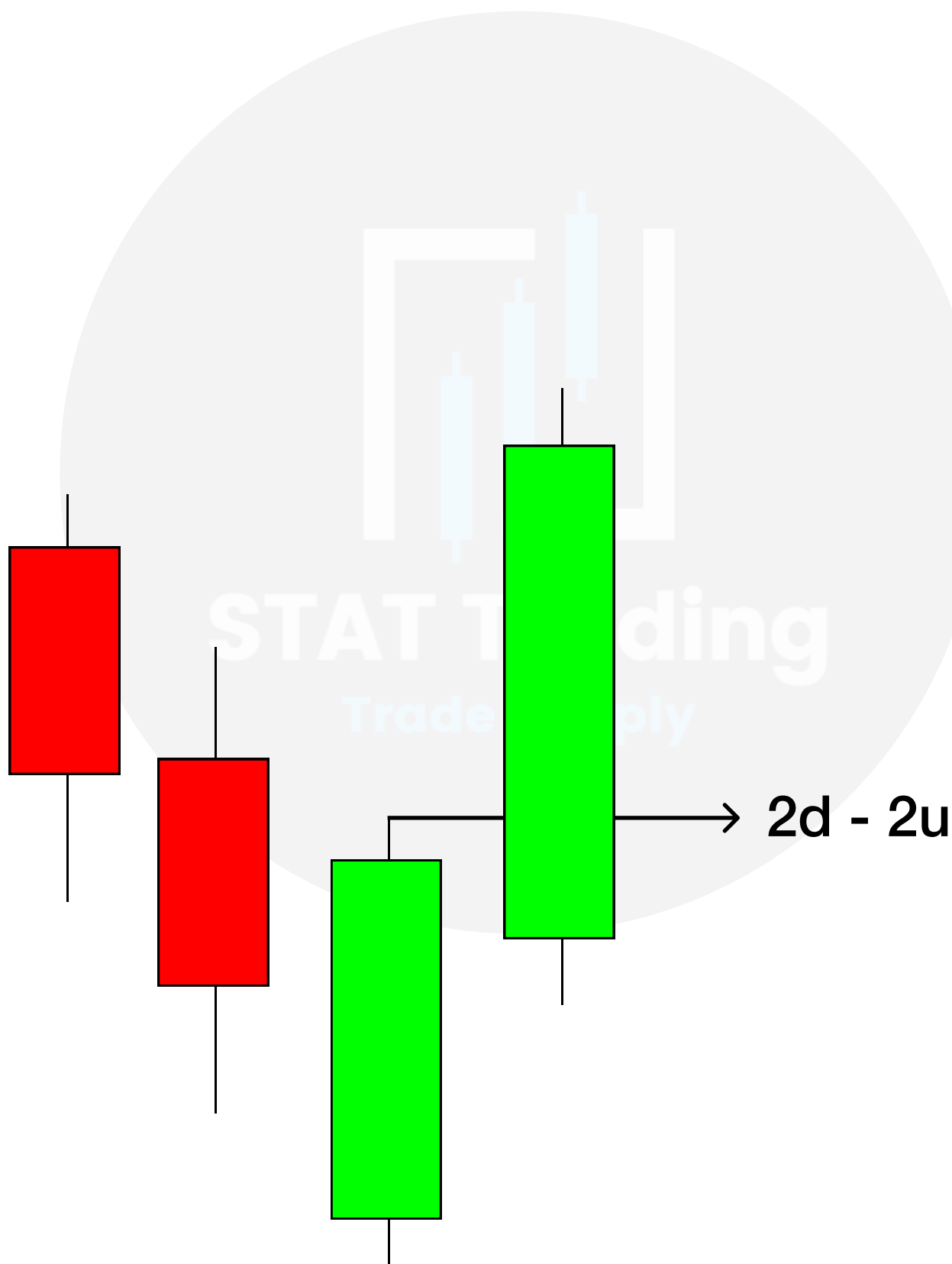
An outside bar is a broadening formation on a lower time frame [LTF]



If we look at the above candle on a lower time frame you will see the LTF broadening formation.

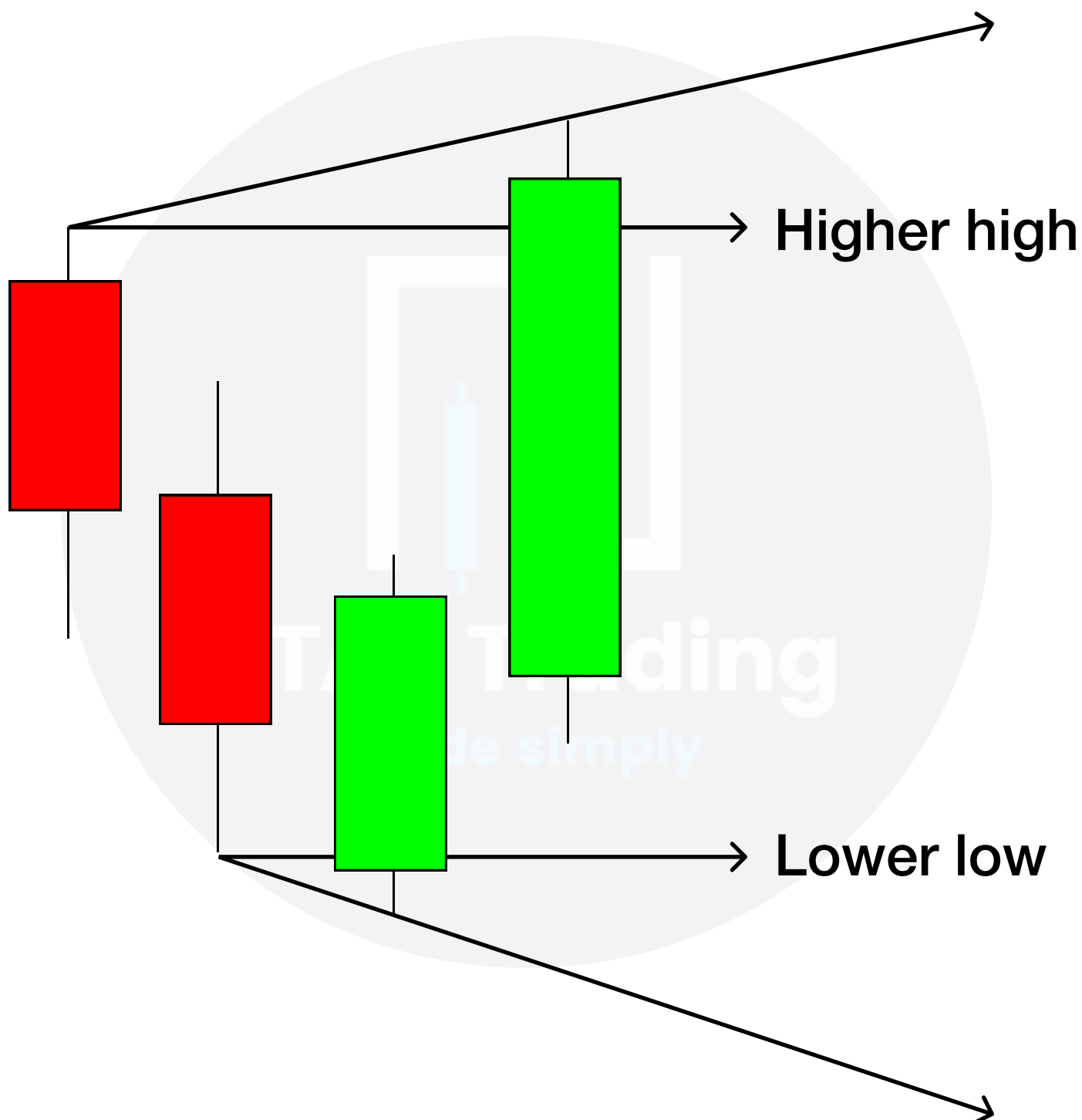
2-2 reversals are compound 3's.

In fact, all strat reversals are compound 3's.



What is a compound outside bar?

By blending candlesticks together with our eyes, we can see the lower low and higher high, outside bar!

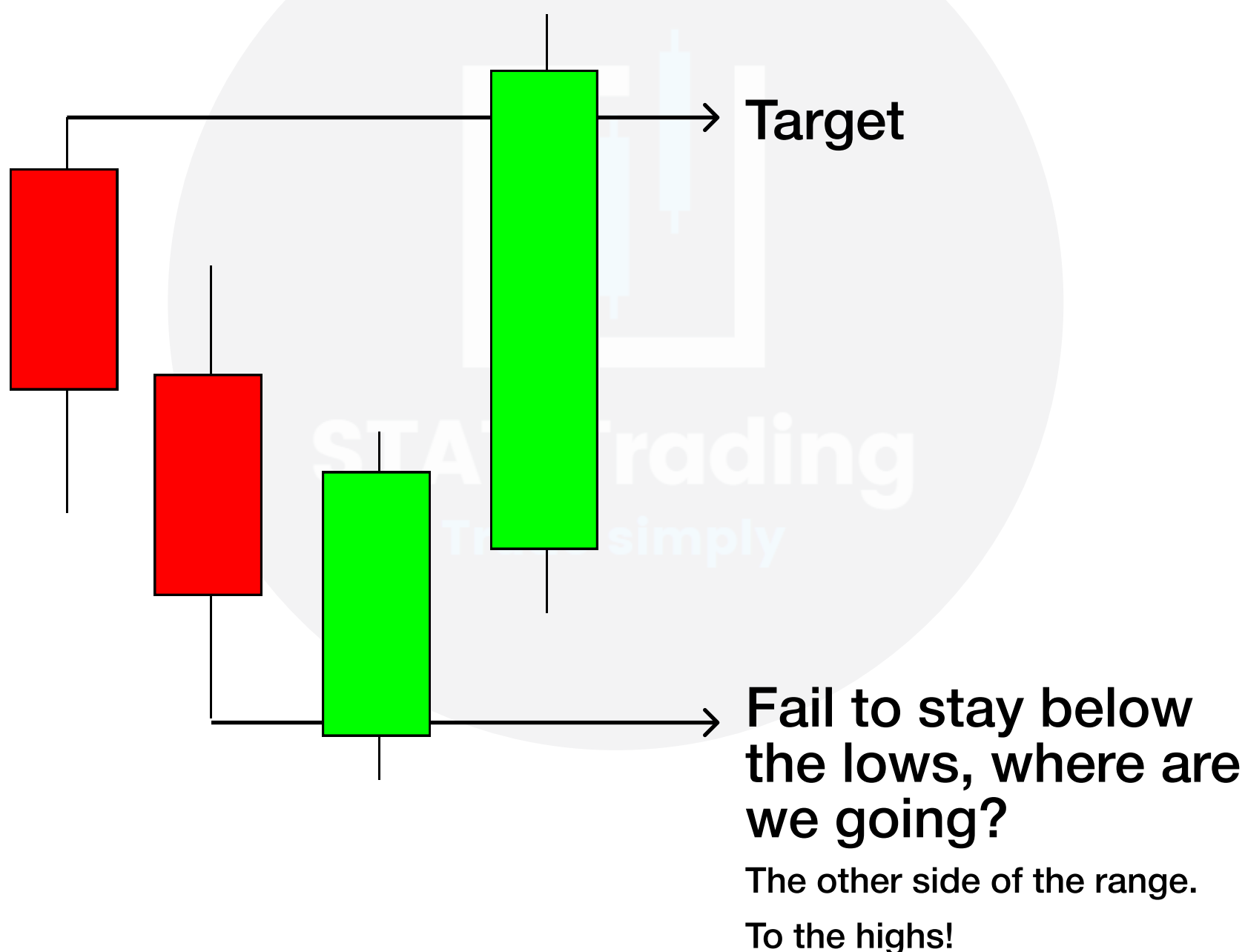


The last two candles make an outside bar of the previous 2 candles when blended.

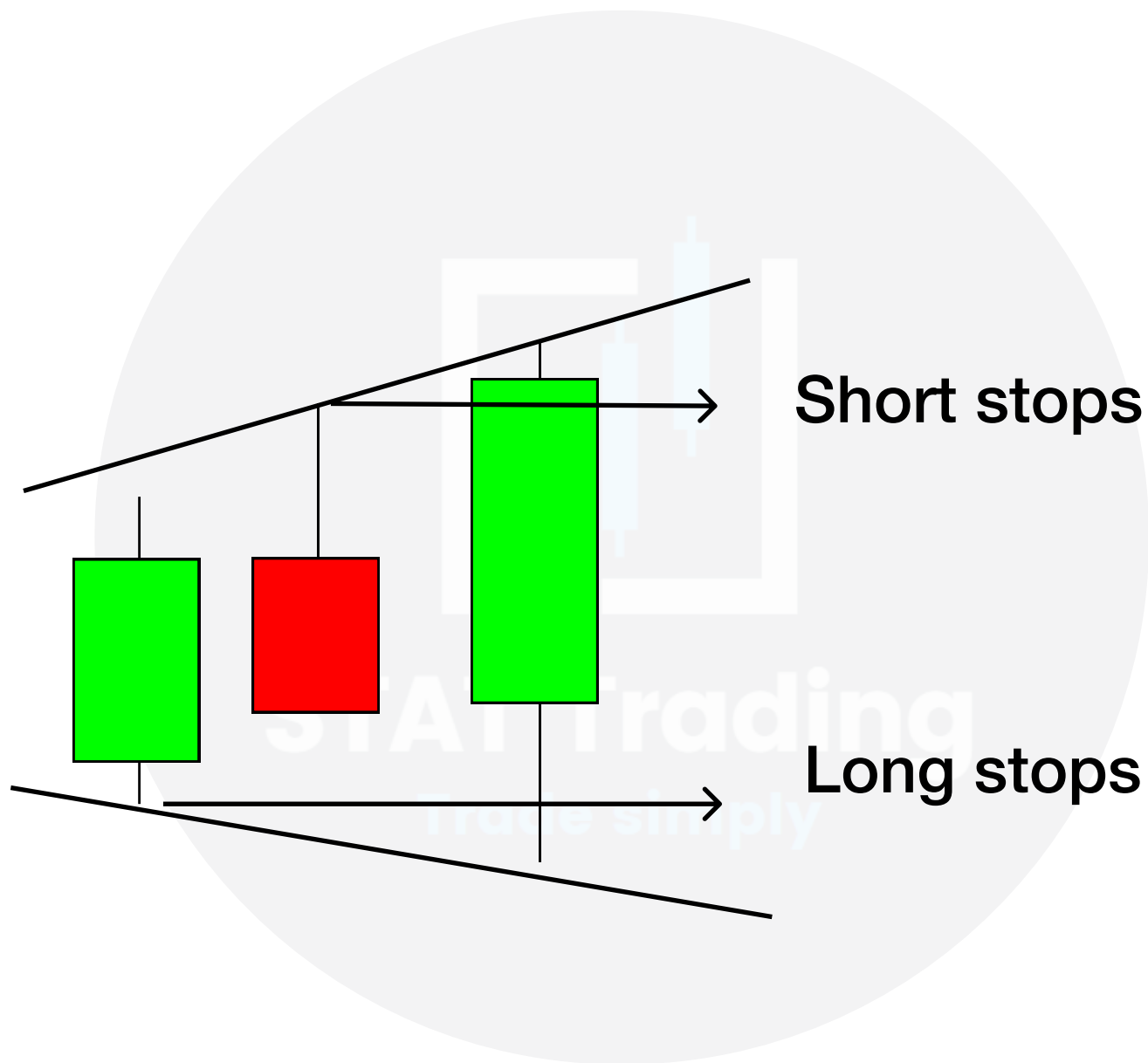
They make a lower low and a higher high.

Outside bars are range expansion. The previous range is now getting bigger.

When we fail one side of the range, we can anticipate we are going to take out the other side.



Learn to recognize when scenario 2's fail and are potentially going 3 & you will always be on the winning side.



The longs got stopped out when we made a new low and the shorts got stopped out when we made a new high. Both longs and shorts got stopped out by this scenario 3.

Traders are taught to place stops at obvious pivots. By identifying the highs and lows we can identify where traders are long or short against (stop placement) and we can identify when they are in a losing position.

Identifying candlesticks as a 1 2 or a 3 is the FIRST universal truth of #THESTRAT

