## CHART STRUCTURE

**3MTRADING** 

**SPENNYFX** 

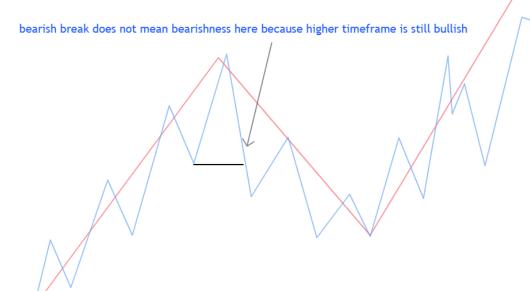
- There are 4 main components to analyzing a market and properly executing a trade.
- Structure (helps use create a bias for the market, bullish or bearish)
- Supply and Demand zones (helps us pick areas we expect to see bullishness or bearishness from)
- Entry Confirmation (specific things we need to see in the supply and demand zones in order to enter a trade)
- Trade Management (the strategy of managing your profits/losses once you have entered a trade)
- This section will go over the first step, Structure

## **TIMEFRAMES**

- Timeframes are an extremely important concept in trading that many people do not understand correctly
- There is no one timeframe that is the best to trade, the purpose of looking at different timeframes is to get a better understanding of how price was delivered to us
- The main timeframes that we look at in this strategy are the Daily, 4H, 1H, and 5min
- However, we may look at any other timeframes in order to get a better understanding of how price was delivered in a certain area

Euro / U.S. Dollar, 4h, OANDA 01.06922 H1.07044 L1.06922 C1.07005 +0.00083 (+0.08%) Vol3.791K

1.12000



• Looking at several different timeframes is the key to determining the real bias of the market, because sometimes one timeframe could be showing a different bias than another

• The key is to create a bias off of what multiple timeframes are telling you. In this example, the red line is the 4h timeframe and the blue is the 15m timeframe. Just because the 15m timeframe gives a bearish break down, does not mean you fully switch your bias to shorts. The higher timeframe is still in a bullish bias, so to not get caught up being in the wrong side of the market, we tend to stick with what the higher timeframe is telling us.

In the case that the I5m chart makes a bearish break down, we
would not try to short, we would just wait until a new break up
happens so that now both timeframes are in confluence and the
probability of our trade running in the right direction is much
higher

~



8.00000

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## MODEL BREAKDOWN

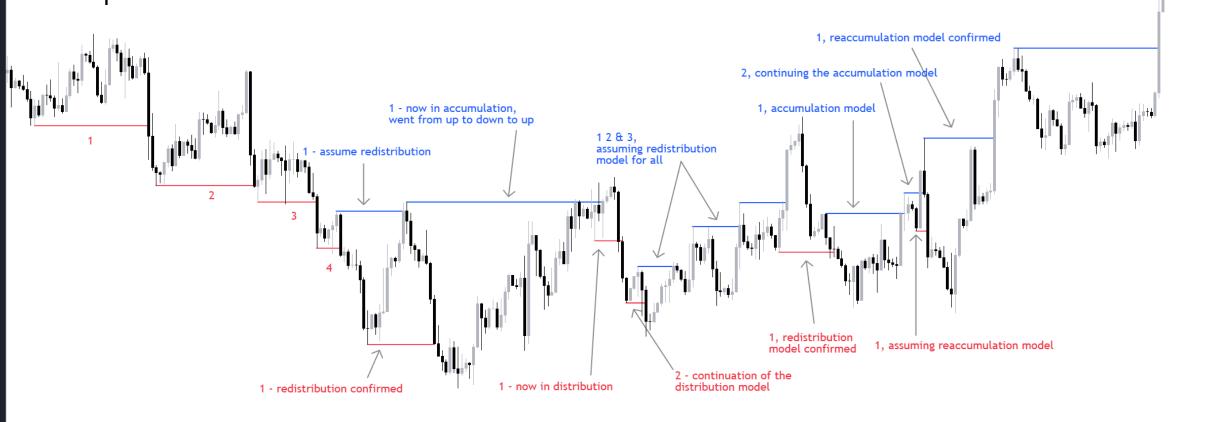
- There are 4 main models we look at which are determined by looking at the order of bullish or bearish breaks
- I. Accumulation
- 2. Distribution
- 3. Reaccumulation
- 4. Redistribution

## ACCUMULATION / DISTRIBUTION / REACCUMULATION / REDISTRIBUTION

- When a market is going back and forth, (break up, break down, break up, break down), we say that the most recent break determines the model
- If the most recent break is up, then we are in an accumulation model, if it is down then we are in a
  distribution model
- If there are multiple breaks up in an accumulation model, then one break down means we assume a reaccumulation will happen (we are expecting a bullish break next)
- If there are multiple breaks down in a distribution model, then one break up means we assume a redistribution will happen (we are expecting a bearish break next)
- We are allowed to assume reaccumulation or redistribution when up to 3 breaks in the opposite way happen, for example if we have 4 breaks up, then 3 down, we can still expect reaccumulation and be bullish, if 4 or more breaks down happen, we turn our bias for that timeframe bearish

Euro / U.S. Dollar, 4h, OANDA O1.09406 H1.09489 L1.09369 C1.09399 -0.00007 (-0.01%) Vol13.532K

 Use the definitions from the last slide to try and understand what is happening here from a models perspective, start from left to right and determine what each breaks means, down or up



1.0

8.00000

1.08800

1.07800

1.06400

1.05800

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- Note: The timeframes we look at are our preference and this strategy could be replicated on any timeframe
- Those are the basics of structure and how we use it to determine a bias in the market. This topic goes much more in depth, but we are happy to help anyone in the private group with any further questions.