Discretionary Strategy

This is my personal trading plan, this is how I mark out all my levels and how I come up with all trade ideas I take during the trading session. I do not use nothing I havent mentioned here.

Tradeable Instruments:

Currency futures, Indices, Bonds, Cryptocurrencies, Commodities

Instruments of my choice:

BTC, FGBL

Risk Management*:

Risk Per Trade: 1 %

Risk Per Day: 4%

Risk Per Strategy: 10% (If individual setup get to 10% DD, I will stop trading it and re-evaluate)

Risk Per Account: 25% (If I get into 20% DD, I will stop trading a re-evaluate)

Money allocation: I never put more than 25% on any broker account, there is no need to have money laying at broker account, all that is needed is to have enough margin)

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Trade Management:

Scaling in out? No, **All in - All out**

Take Profit: First Trouble Area on trading timeframe

Stop loss: Trailled on execution timeframe

The key point for Risk management and trading psychology:

I don't believe in trading psychology, I don't think meditation, reading trading psychology book and all the self-improvement stuff makes you a better trader, maybe a better person but not a trader.

Because of that, I don't do any of the things mentioned above, as I believe all the fundamental problems in trading come from undercapitalization, and not knowing what you are exactly doing.

These things can be fixed with having enough money and screen time, not meditation.

I believe that a healthy body has a great impact on trading and capability of focus, so I make sure I sleep enough and don't eat like trash during the week.

I worked too long and too hard to makes this all work, trading is not a fun thing to do but it is a profitable thing to do. There is no reason to get emotional as my main goal is always to be able to come and trade the next day. If I get emotional and start to make mistakes, I can jeopardize that.

If I have a bad day I simply walk away, if I have a good day I don't try to push my luck too much as the main goal is not greedy and stare into the screens when I don't have to.

Small daily gains will always outperform attempts to catch one huge trade.

Trades are journaled every weekend using Edgewonk and review of the journal is done at end of every month where I mostly look at things that don't work and try to figure out why and fix them and also if I can more leverage things that do work.

Trading Hours:

I trade during a London Trading session, my trading session starts at 8 AM CET and ends around 4 PM CET, around 4 PM my focus is low and I prefer to do something else.

For Bund, this is pretty much end of the day as I don't like to trade 5 PM cash close (unless I'm not in a position and let it run).

For Bitcoin, I either set up alerts on Trading timeframe levels or just leave limits if an opportunity is clean.

I am aware of the fact that I am not at the screen as I do go for a run or do something else, so I only take A+ trades outside of hours I can have 100% focus.

About Trading Strategy:

This is an intra-day discretionary strategy, but It is not a scalping strategy.

My goal is to capture intra-day swings without overtrading and taking too much trades.

Because watching intraday timeframes can be tricky and can lead to over-trading, I have decided to give different timeframes different purpose.

Positions in crypto should not be held through funding and positions in Eurex should not be held overnight.

Daily (Analysis) Timeframe

This is the analysis timeframes. I don't execute trades on this timeframe but it is used for marking out key HTF levels where OTF (other-timeframe participants are likely to enter)

These are the things I look for at Daily Timeframe

1. Daily Bias Bars - Engulfing, SFP, Inside Day, Context Candle

2. Price action based levels

3. Composite HVNs and POCs

4. Option Strikes

5. Yearly VWAP

Time of HTF Analysis:

Weekly - Looking at the weekly close, level, bias bar once a week on Sunday. Only marking out when something catches my eye

Daily - Analysis and levels are adjusted depending on the market. On BTC Daily should be checked every morning at LO open and every night at Daily close. On Bund looking at daily at 10 pm close is enough.

Daily Bias Bars:

Engulfing:

Bullish Engulfing - Has to trade below previous Bearish bar and has to close above previous bars high.
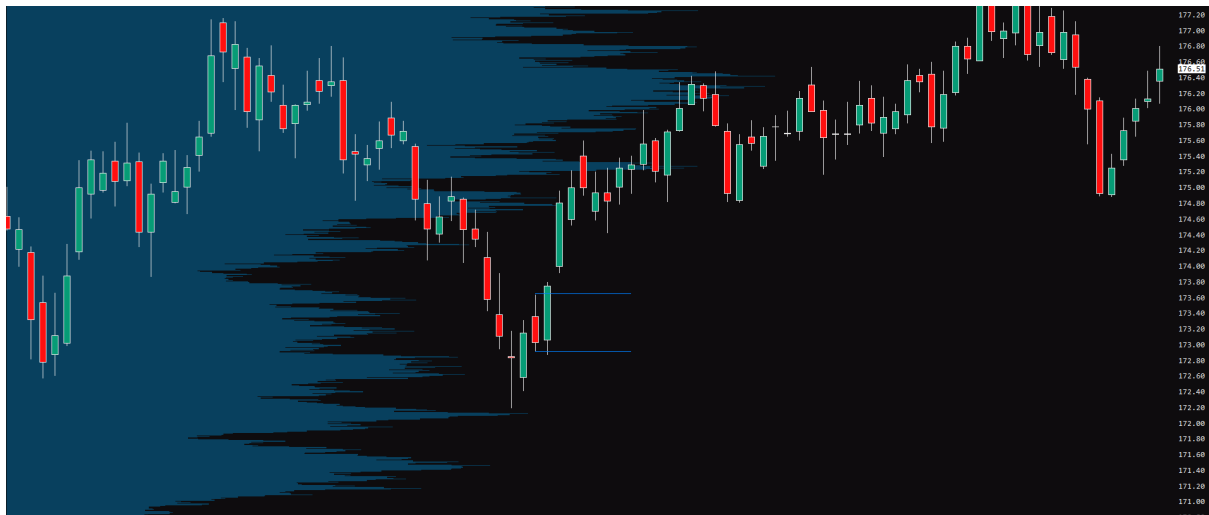
Bearish Engulfing - Has to trade above previous Bullish bar and has to close below previous bars low.

How To Trade Engulfing Pattern?

The best engulfing candles happen in counter-trend direction when everyone thinks the price will just continue higher/lower.

Once engulfing close, mark out levels on trading timeframe.

Daily SFP

A candle which trades below/above key swing low/high, but manage to close above/below.

For me valid SFP on daily is when the market fails to break any significant swing low/high, these can be a prior week, month highs/lows or just general support and resistance levels tested on 2nd or 3rd attempt.

Bullish SFP

Bearish SFP

How to trade SFP?

Conservative: Look for untested levels from "SFP Day" on trading timeframe to trade trend continuation.

Aggressive: Pre-mark swing highs/lows in advance, start fading the move in advance on orderflow and other confirmations before the daily even close.

Inside Day

When daily close inside of the range of previous day without breaking prior day high or low we have a inside day candle.

Most of books/courses teach to use this as breakout move on break of inside day high or low, but very often market breaks one side of inside day, trapping breakout traders and move to other direction.
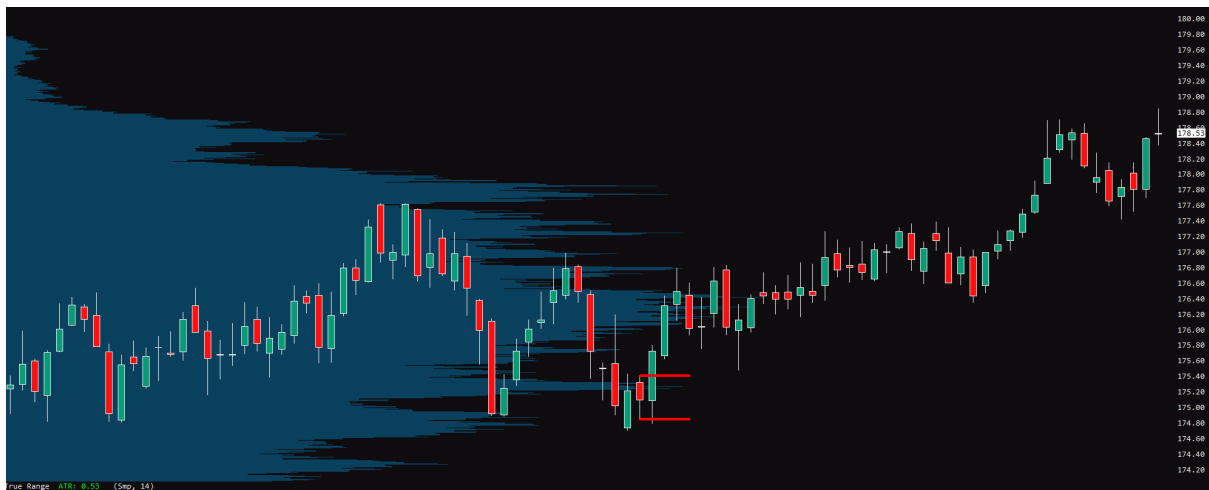
How to trade Inside Day?

Mark out inside day high and low and watch for a reaction, if price accepts above/below on trading timeframe, trade the continuation.

If there is the failure to break the high/low with ltf and orderflow confirmation, fade the inside day high/low targeting another side of the candle.

Context Candle

These are usually a "Doji" type candles that tell some sort of story by using simple common sense.

Usually when you have a hammer/pinbar type of candle you want to see a breakout on the next day, if this does not happen, you can assume that market is likely to move to the opposite side.

The image below shows this candle and how the market was not able to break it's low, therefore continuation higher was more likely.

These candles don't happen often and there is no set of rules how to trade them, but I found out that sometimes when you look at the candle and think about what happened during the trading day you can gain valuable insight from it.

Price Action Based levels

Support and Resistance

The simple horizontal and diagonal support and resistance levels marked out by using price action.

I don't go crazy with this since I don't want to have too many price action levels on the chart so I mark out just those with 100% clean reaction from the past

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Price action patterns - FTRs and O/U

FTR and O/U pattern happens on daily timeframe same as it happens intraday.

It is rarer but I want to be aware of these.

Here is a chart of them happening in the past.

Composite HVNs and POCs

This opens the door to go batshit crazy with these levels and I often end up marking every little hvn or cutting large ones into pieces so I won't miss any intraday move.

The truth is that marking out edges of the large ones is more than enough. AMT rules apply here and the price is often rotational inside and trending outside.

But in general, I just use them as key levels and I always mark out HVNtop, bottom and POC with different colours so I quickly know where are we.

They also very often line up with daily S/R levels.
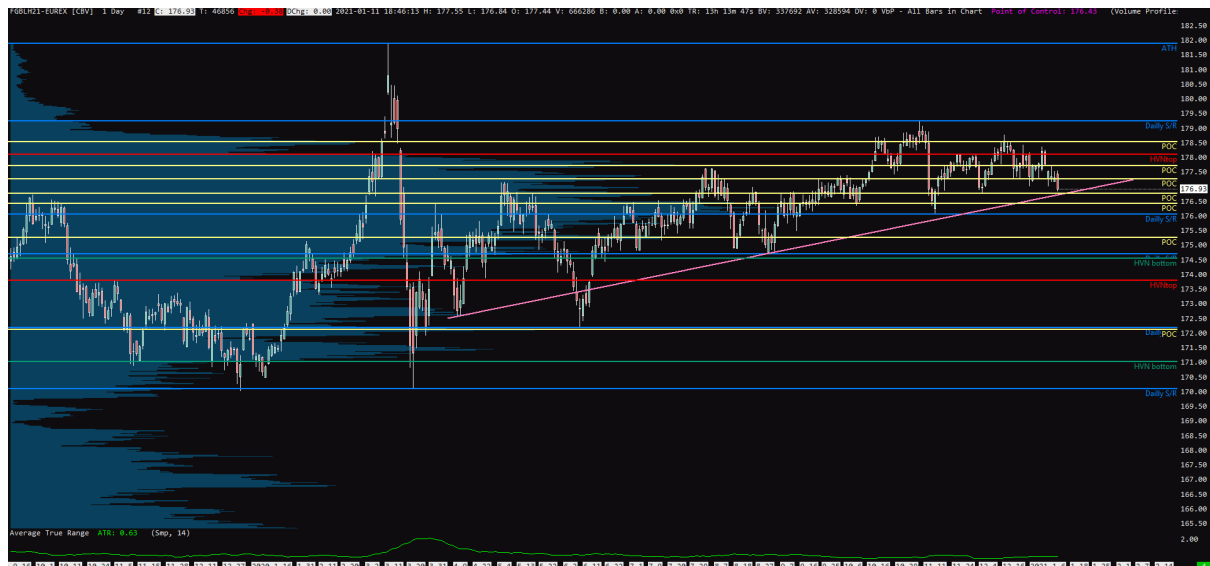
As seen on the chart above, there is one big HVN as the price was pretty much consolidating inside for a long time, this is very often the case for most markets.

Although these HVNs have a lot of wholes inside where you can separate them, I only mark out the biggest edges with 1-2 POCs inside the node (only the obvious ones)

My goal is to end up with not too much levels on a chart but the truth is these work very well and reactions from them are great.

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For smaller nodes, I also mark out only POCs instead of HVN tops and bottoms.

Option Strikes

Same as daily s/r, hvns and pocs.

Strike prices in option market with highest OI as a key pivot.

To not go super crazy with this I only check out nearest month expiration with highest OI for puts and calls.

Source:

BTC – https://www.coinoptionstrack.com/options/BTC/options-chain

Bund – https://www.barchart.com/futures/quotes/GG*0/options

10 Days to expiration on **01/22/21**   Implied Volatility: **3.50%**   Price Value of Option point: **EUR 1,000**

			Calls					Puts		
Links	Last	Volume	Open Int ⌄	Premium	Strike	Last	Volume	Open Int	Premium	Links
⋮	0.06s	1,208	16,932	60.00	178.50	1.63s	N/A	2,820	1,630.00	⋮
⋮	0.02s	140	16,528	20.00	179.50	2.59s	N/A	1	2,590.00	⋮
⋮	0.24s	3,623	16,457	240.00	177.50	0.81s	2,886	26,876	810.00	⋮
⋮	0.03s	2,356	12,903	30.00	179.00	2.10s	N/A	1,143	2,100.00	⋮
⋮	0.01s	N/A	10,906	10.00	181.00	4.07s	N/A	93	4,070.00	⋮
⋮	0.12s	5,444	10,848	120.00	178.00	1.19s	4,089	17,662	1,190.00	⋮
⋮	0.01s	N/A	7,645	10.00	180.50	3.58s	N/A	48	3,580.00	⋮
⋮	0.01s	504	7,356	10.00	180.00	3.08s	N/A	4	3,080.00	⋮
⋮	0.45s	1,126	3,654	450.00	177.00	0.52s	15,419	46,313	520.00	⋮
⋮	1.10s	N/A	1,594	1,100.00	176.00	0.17s	16,604	45,281	170.00	⋮
⋮	0.74s	126	1,520	740.00	176.50	0.31s	10,414	29,337	310.00	⋮
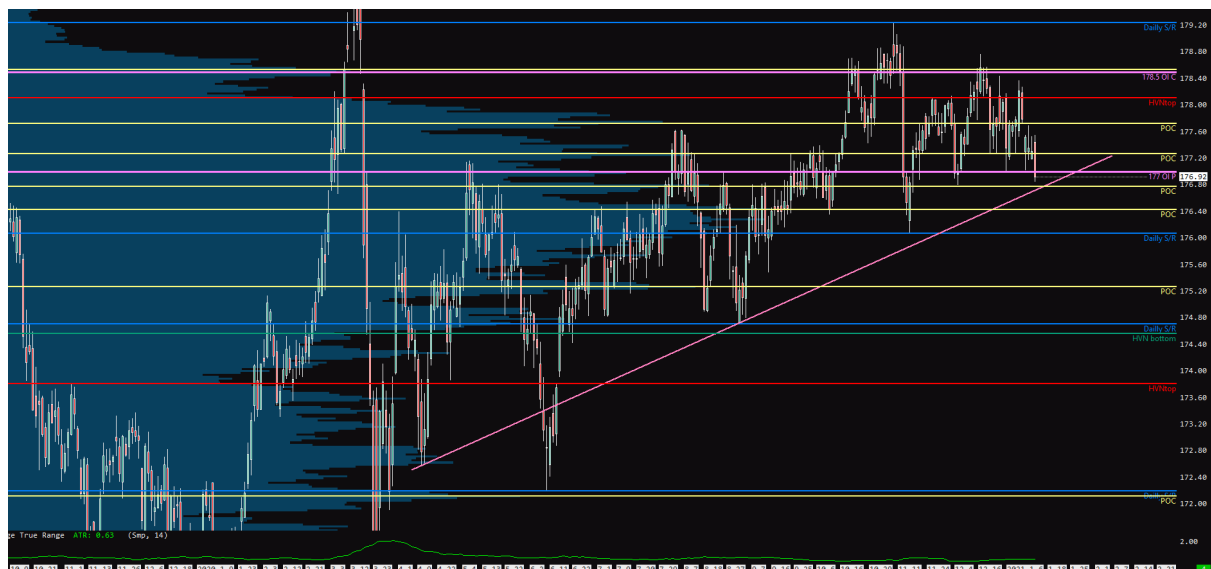
Example of this in BTC with 36k highest OI Call
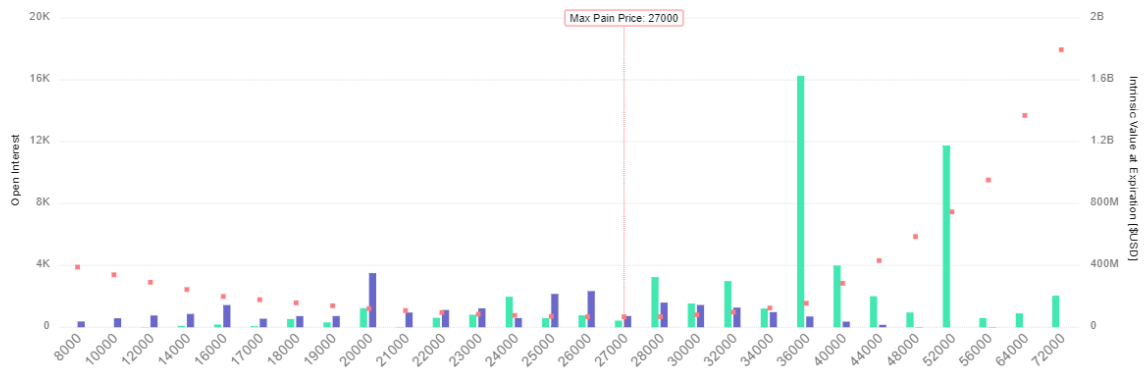
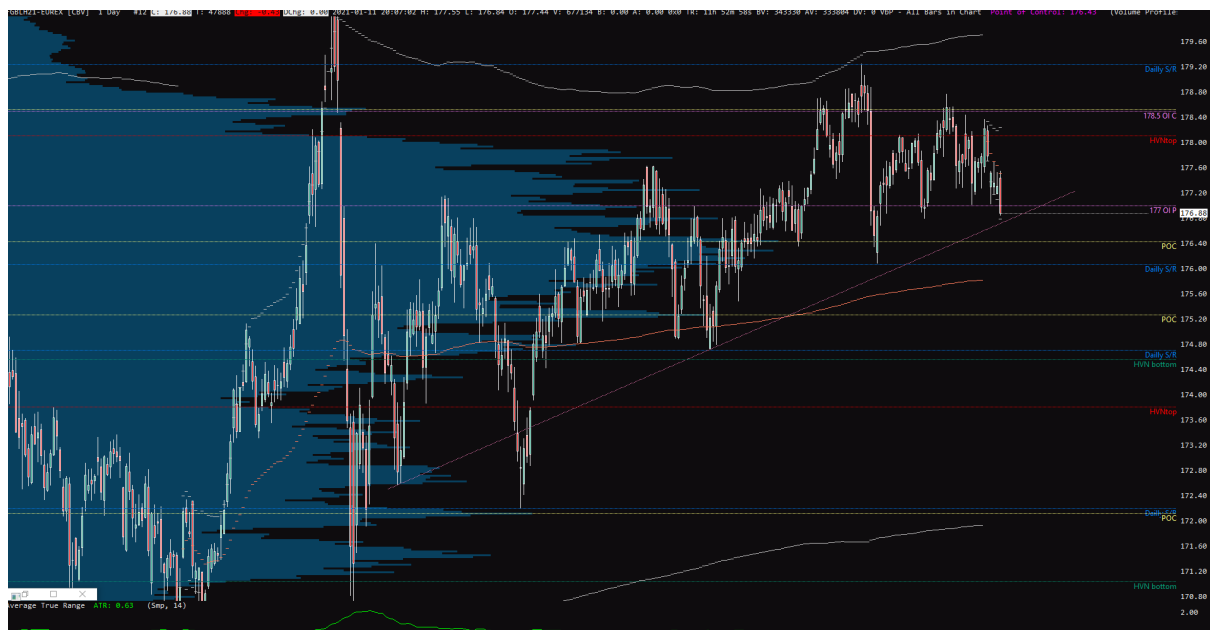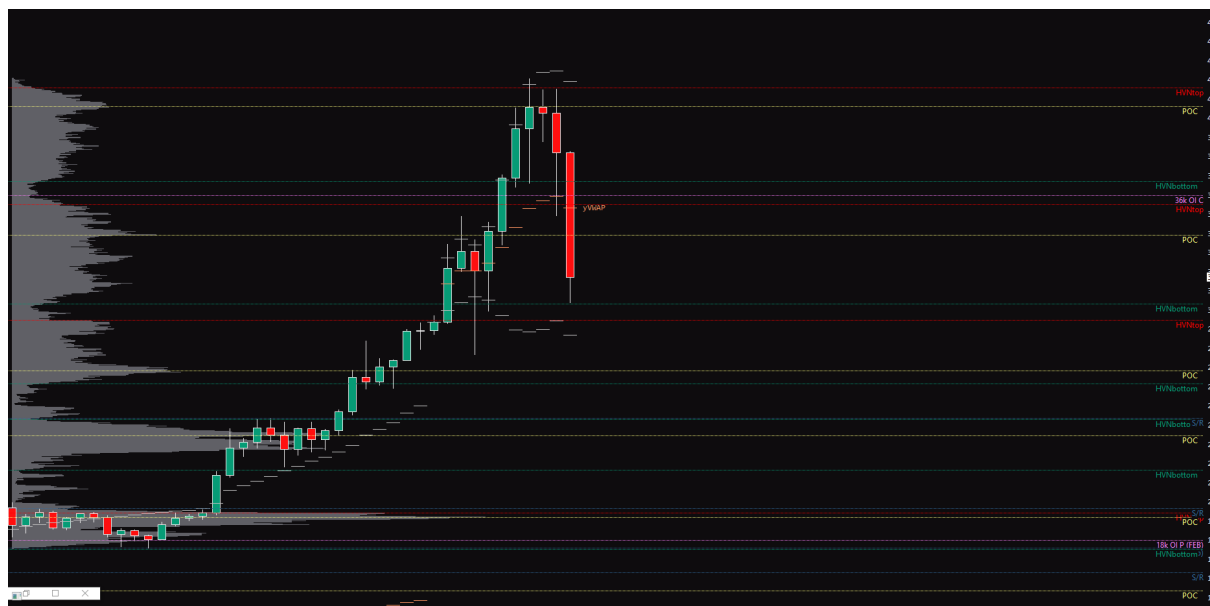Note: Only paying attention to monthly expirations only, not weekly.

Yearly VWAP

The final piece of a daily chart is a yearly vwap.
Simple dynamic S/R that play significance. I also use 2 standard deviation

bands to spot possible mean-reversion plays.

Example of Daily chart of Bitcoin:

Daily levels are not perfect, although sometimes the reaction is to the tick, more often they act just as map and navigation through the environment, precision comes from trading and execution timeframes.
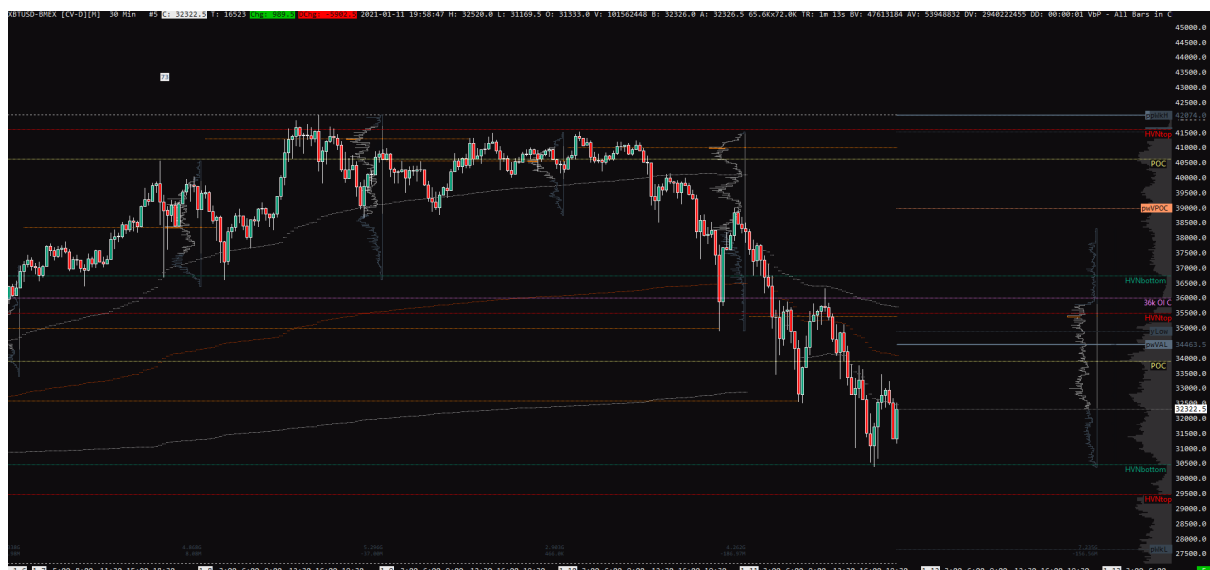
Trading Timeframe

The trading timeframe is used for trading, but not execution.
It is the 30-minute timeframe where I put precision into all levels marked out on daily timeframe.
If I open my 30-minute timeframe chart and I have way too many levels in close proximity of price, I most likely have too many levels on the daily timeframe chart.
There are no indicators on 30-minute chart expect weekly vwap with 1 std dev. bands, daily profile with extended nVPOCs and same composite profile as on daily.

(note - rules for VWAP band is the same as for trading the TPO)
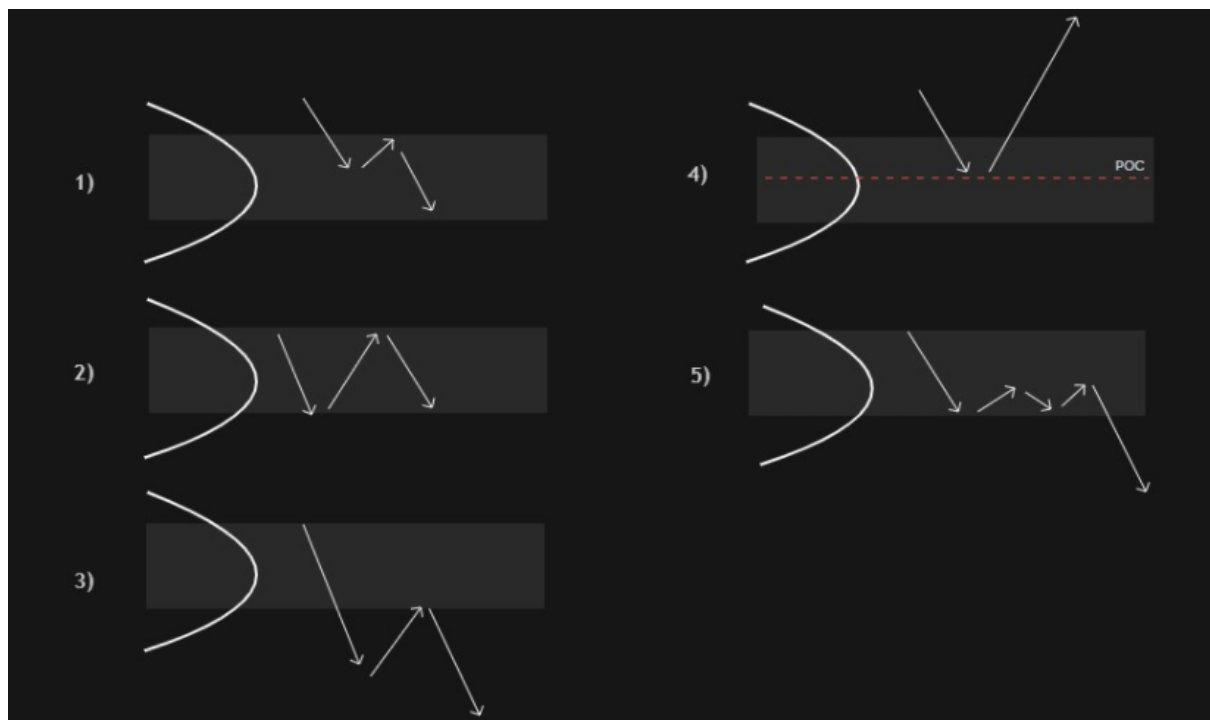
At the start of every trading day look at the 30-minute timeframe.

on 30 minute timeframes prepare the scenario for the whole trading session and I look for following.

1. Relation to VWAP bands. If we are above/below them there is likely hood of trending day. If we are inside, there is a likelihood of rotational behaviour to VWAP or the other side.

2. 30min FTRs, O/Us and potential SFPs (key swing highs and lows)

3. nVPOCs from previous sessions

4. Relation to the HTF context - I want to ask myself questions like What happened prior day? Are we inside HTF HVN or currently travel to another one? Do I have any bias based on Daily Bias Bars or S/R levels?

All of this is helping my stay with a bigger picture as I have found out that jumping straight from Analysis to execution chart makes me too zoomed-in too quickly.

After I set up bias for a day I mark out the key 30 min levels mentioned in point 2)

These levels should add precision to HTF picture or mark empty spots so I can take trades into HTF levels.

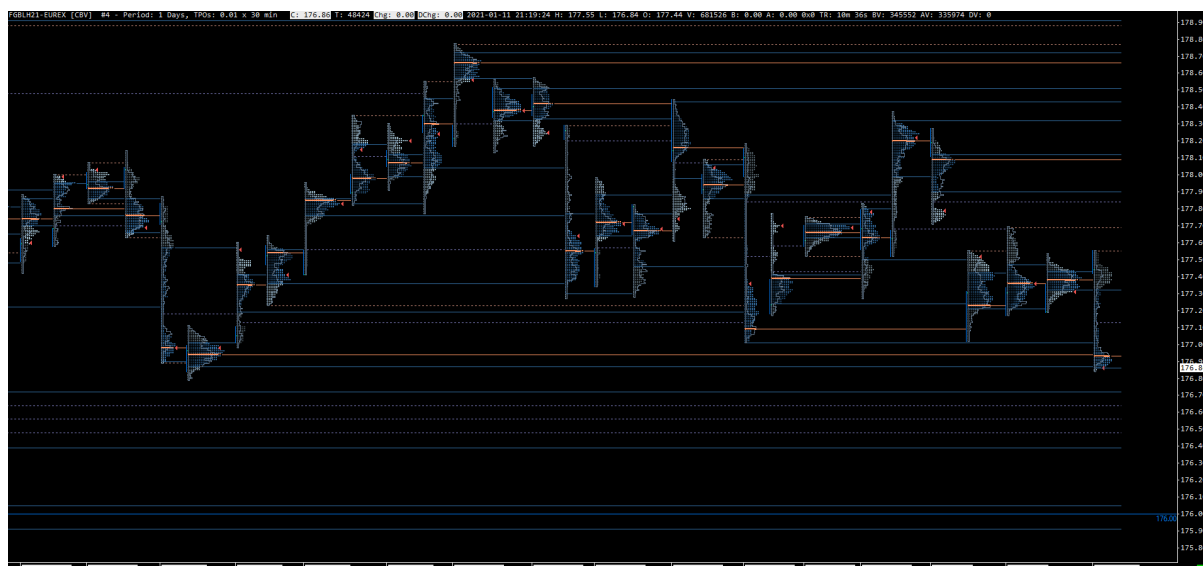I very often don't even mark these as I always have 30min chart opened and look at it frequently.
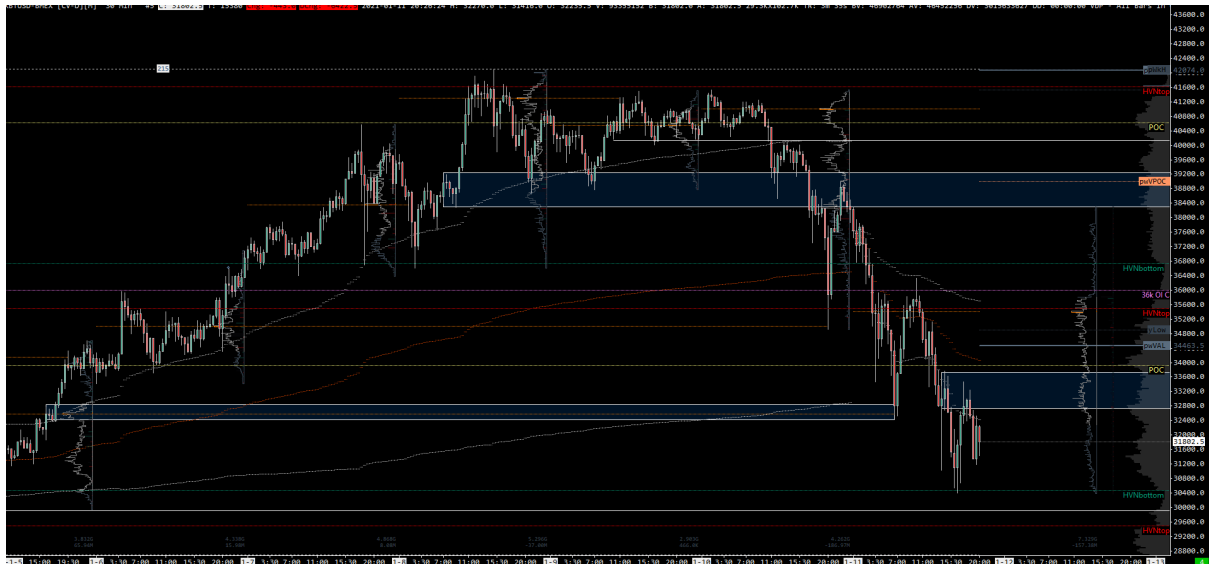
TPO Chart

I see TPO chart as an equivalent of 30-min timeframe. I look at it before every session so I dont miss any nVPOC, but also to mark out all single prints and Poor Highs/Lows.

Purple - Singles

Orange - Poor highs and lows

I dont put these to my intraday chart, I have TPO opened on the side and look at it through the session.

Execution Timeframe - Tick chart

Third party indicators I use -

Gamma Bands for BTC - https://www.simplesystemtrading.com/gamma-bands-study/

Volume Dots -https://www.simplesystemtrading.com/check-out-volume-dot/

Trading From one 30-min level to another. I am not chasing patterns on tick charts or blindly trade levels market on Daily timeframe.

This is actually a very important rule to follow and this is also why my execution chart does not have any HTF levels market in.

Here are some setups I take.

1. 30 min SFP confirmed with Orderflow confirmation (CVD divergence, Footprint chart) and broken market structure on tick-chart

2. Fading 30-min FTR,O/U either blindly placing limit if there is an untested tick FTR,O/U inside the structure or with price action confirmation

3. Fading retest of untested nVPOC

4. Break and retest outside previous day value area

5. Acceptance inside previous day value area targeting the other side

6. A retest of VWAP in line with 30-minute trend continuation

7. Fading prior day high with orderflow confirmation (CVD divergence, Footprint chart)

8. Taking a trade based on D1 levels (S/R, 30min structure during Daily Bias Candle, Acceptance in/out HTF node etc) - all these trades are mapped on 30 min chart before execution.

9. Fading gamma bands key level.

Although this sound like a lot these things work together and they are fairly easy to spot with enough time for decision making as the 30-min timeframe is the key one.

Eg.1) 30min SFP, confirmation on footprint with trapped traders, Execution on a break below WVAP and FTR retest
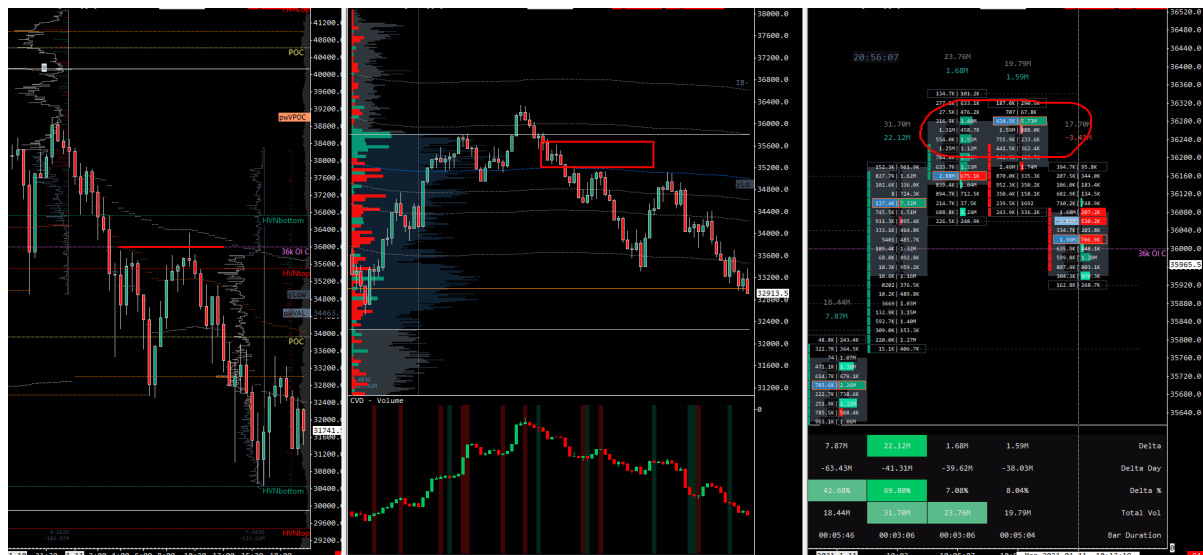
Eg.2) nVPOC Fade also at bottom of weekly VWAP Bands, climatic selling on CVD and footprint, price broke the market structure and made small O/U
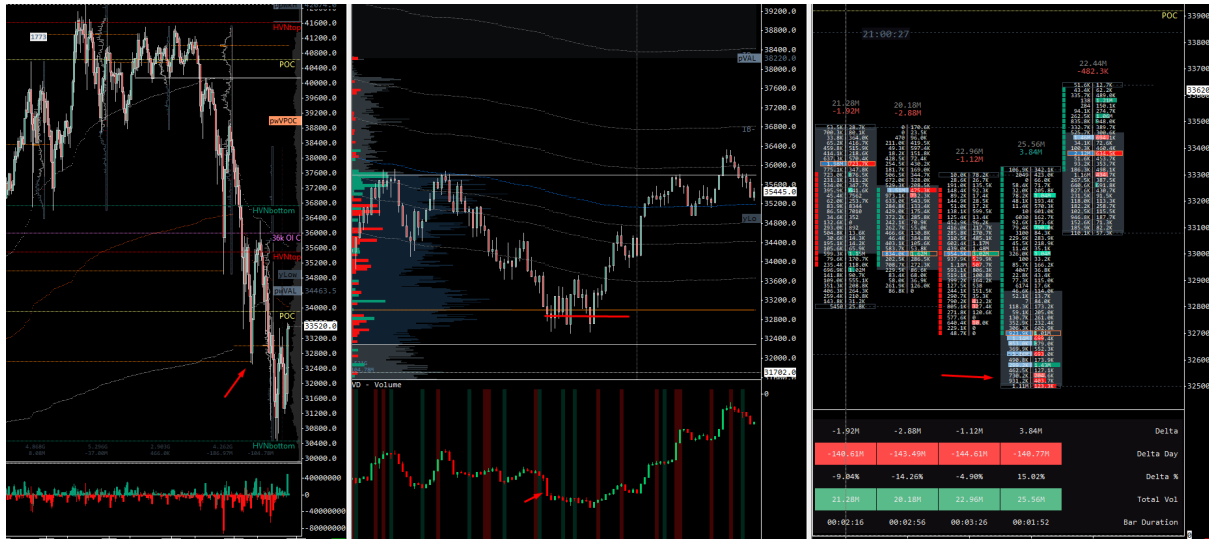
Eg.3) Price is below HTF POC this means rotation lower is more likely, 30min S/R broken with untested FTR which is also prior day VAL, an entry with a limit order or on the second jab with CVD divergence at gamma-band
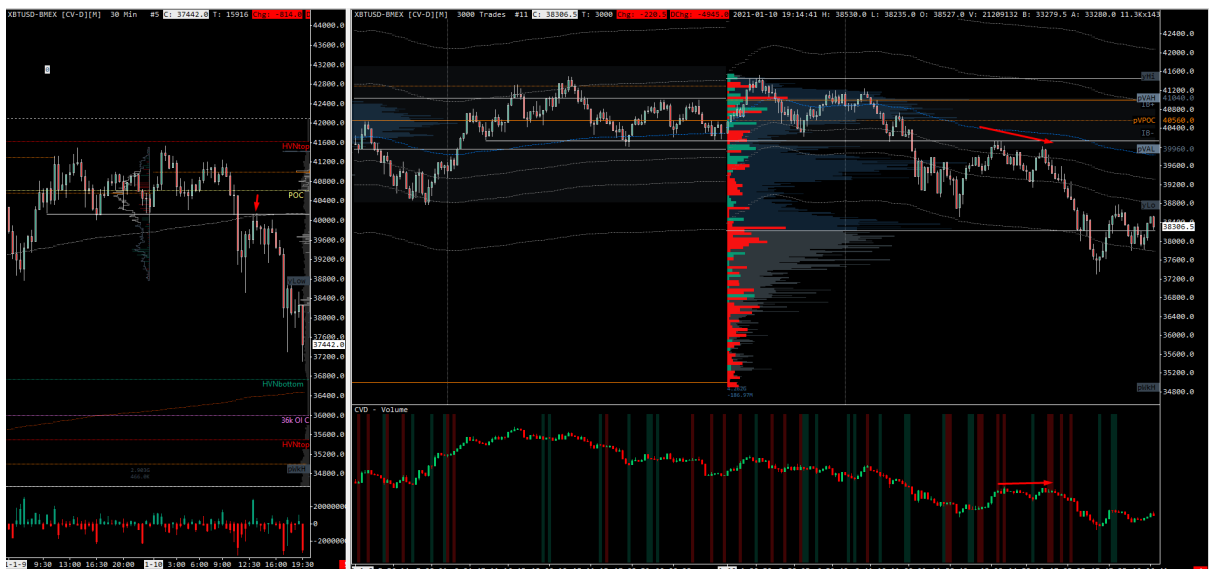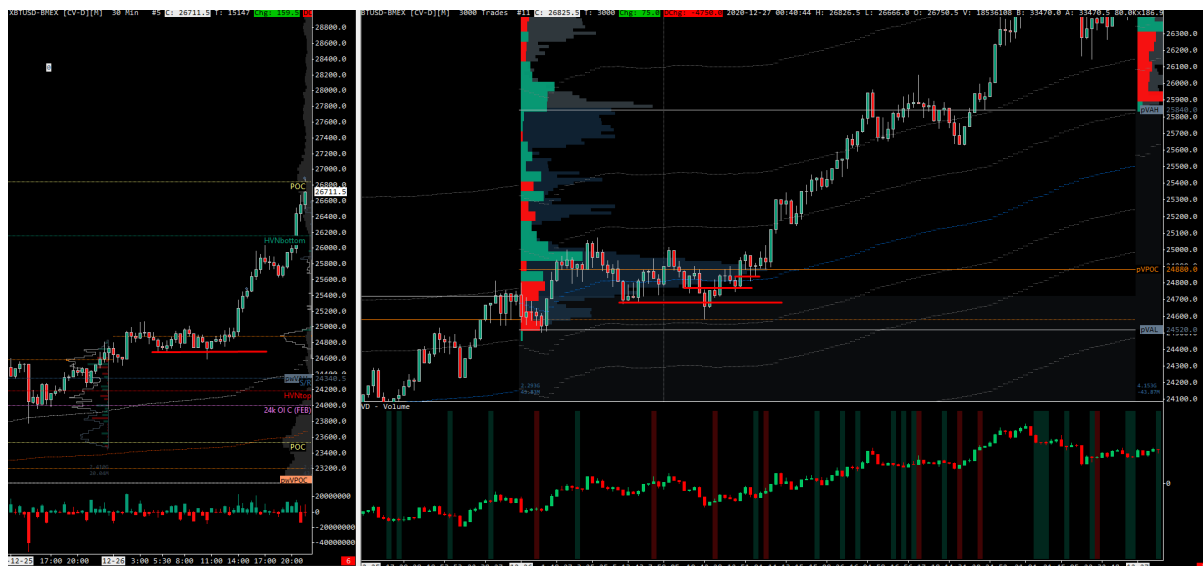

Eg.4) Trade no.1 30 min SFP, the first entry can be made into tick FTR, if missed or not comfortable to enter below VWAP, wait for the break and reclaim with V-shape O/U structure

Trade no.2 Clean 30min FTR, no reason to not place bid inside for reaction.
also VAL for a day.
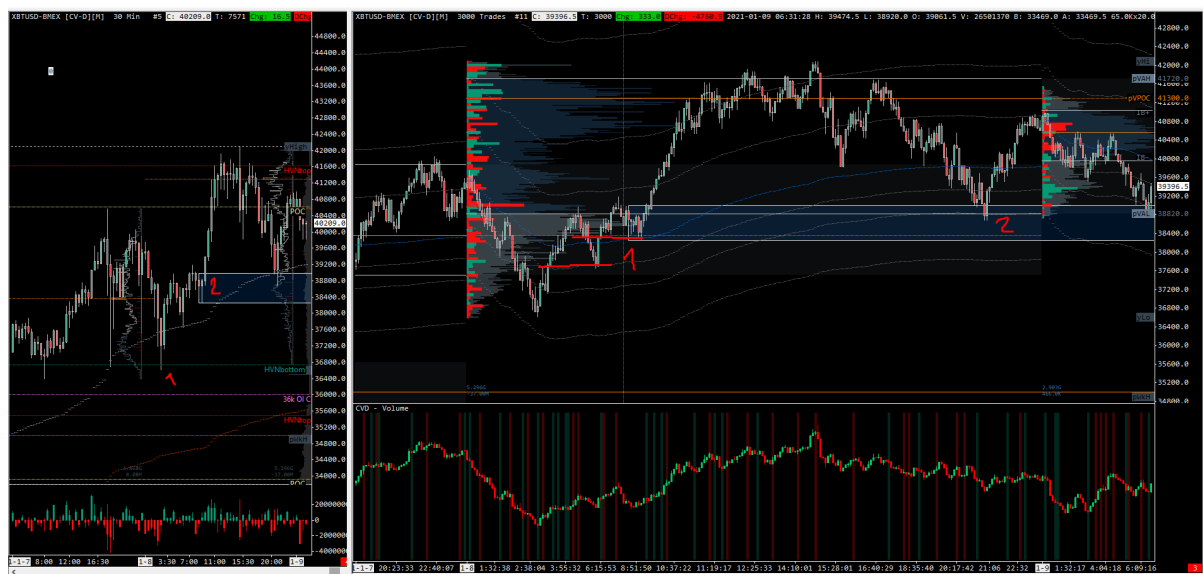
Eg.5) Break and acceptance above prior day VAH, quick 30 min stop run,
reclaim of VWAP with O/U FTR structure

Eg.6) 30min gap fill with key HTF levels and prior day VAL, execution on break
and retest of VWAP

Eg.7) 30min sfp optimal entry on O/U into blue reclaimed level not reached, if this happens I want to wait for another structure to be broken, in this case, it is vwap, an entry on S/R flip after vwap wit clean target above
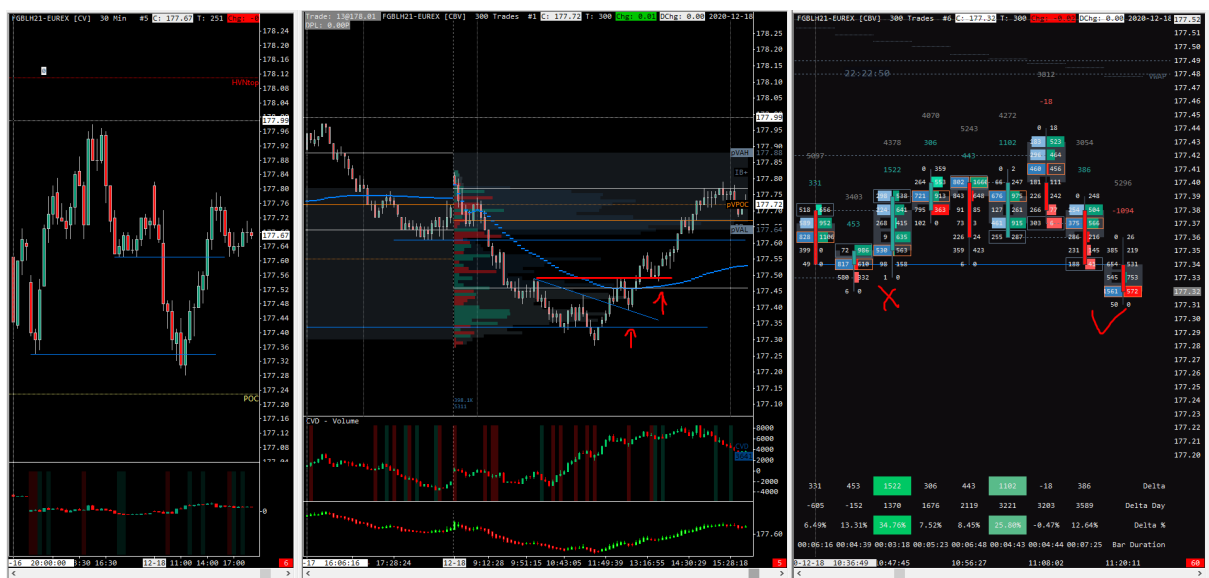
eg.8) 30Min FTR at HVN bottom and daily SR, MS marked out Market structure shift, entered after impulse and FTR created. Unfinished auction on footprint finished with large sell trapped below.
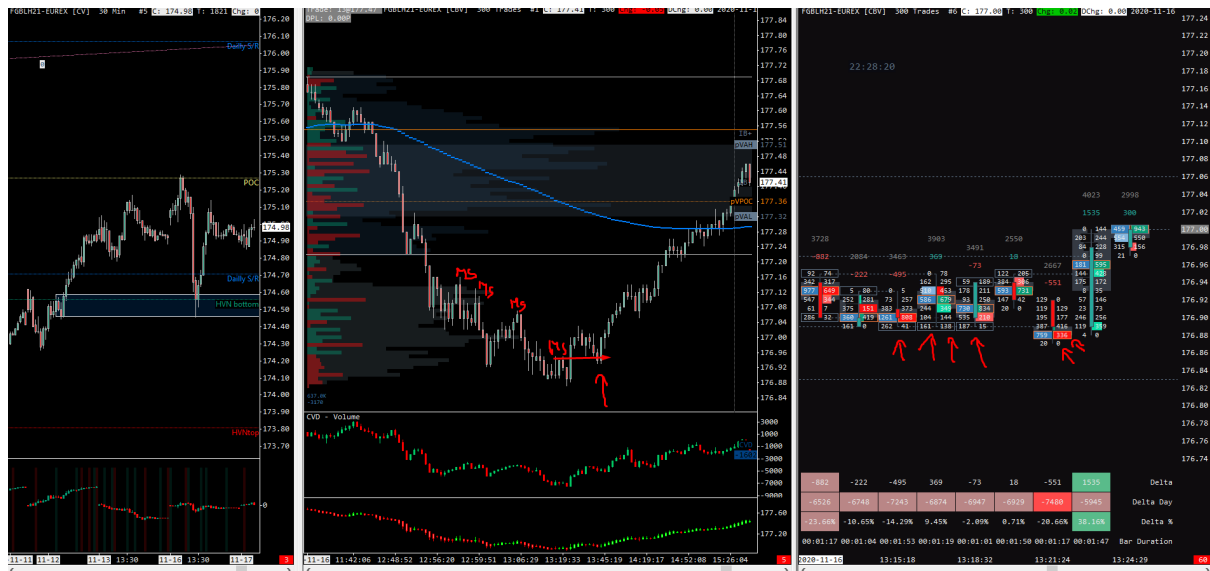
Eg.9 Gap fill into POC and Option OI price, confirmation on strong bounce from yPOC and shift from strong sellers to buyers on Footprint. Several opportunities to enter targeting VWAP

Recap

Daily (HVNbottom and top, POC, S/R, Option Strike with highest OI, yearly VWAP with bands) → **30min** FTRs, O/U, Potential SFPs, nVPOCs, prior day Value → **Execution TF** taking trades with LTF PA and OF confirmation in direction with 30 market progression.

Swing Trading Strategy

Swing trading strategy that I use for trading BTC, alts, fx, commodities etc. is exactly same as an intraday strategy but trading timeframe (30min) is also used for executions and all trades have to be based on daily timeframe level (Mostly just simple S/R)

I look at products to swing every evening around daily close.

Swing trading is not my main strategy but helps me diversify and lay off a little bit of pressure from an urge to preform in intraday trading.

As an addition, I use H2 timeframe which is only used for trailing stops as I might get too aggressive with trailing on 30minute and getting shaken out.

When I enter swing trades I'm not too greedy to get the best entry, I am okay getting little wide with stop and let things play out

EG on Euro Stoxx. Swing low taken into HVN bottom and day closed as SFP. Entry next day at POC and 30 min S/R. Target gap fill.