

How to build Framework SOP

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Introduction

This video explores how to build a framework so that you can have a daily bias for the trading day ahead. Follow the steps below in order but *cross-reference* each step in-synthesis for a logical daily Bias and plan.

Daily Context

Find Daily Context by *referring* to the narrative from the Weekly Range (Parent) to *render* and anticipate a Weekly Profile (following the Weekly Bias).

Task: Operate through *the narrative* intra-week with a *Down-up analysis (W < D)*.

1.0 - **Review** Daily Closes to *render* the Weekly Profile (use “The Flop”)

- A. Market Efficiency Paradigm
- B. Power of 3 Theory
- C. If unclear, hold a soft bias and wait for Daily Closes.

1.1 - **View** the Economic Calendar for the Week and note *Volatility Injections*

- D. No News/Bank Holiday?
- E. High Impact News & Medium Impact News?
- F. Central Bank Manipulation?
- G. If unclear, hold a soft bias and wait for important News Releases.

1.2 - **Analyze** Time & Price Theory to confirm the Weekly AP

- H. Time Theory - *Day of Week and Kill Zones*
- I. Price Theory - *Dealing Ranges and Swing Points*
- J. **Intermarket Analysis** - SMT Divergences of correlated markets. (+1 Complexity)

1.3 - **Summarise** Narrative to Framework for Daily Bias to complete Down-up Analysis

Note: Engage only after (*or upon*) Weekly AP Confirmation (1.2)

- If Weekly Range is ‘**Accumulation**’ → Sidelines (Daily Stance)
- If Weekly Range is ‘**Manipulation**’ → Defend (Daily Stance)
- If Weekly Range is ‘**Range Expansion**’ → Engage (Daily Stance)
- If unclear, hold a soft bias and wait for Daily Closes.

***Pro Tip:

- Use the 1 Hour Chart to help frame Daily Context within the Weekly Range

Daily Open

Use the Daily Bias from the Weekly Bias (Narrative) and Daily Context (Narrative to Framework), to build Daily Framework whilst employing the logic and reasoning from the Down-up Analysis.

Task: Build a Framework and Plan for the Daily Range before the open (or amid dead-time).

2.0 - Recap 1.0 and 1.3 for a Daily Stance (Daily Context)

- Engagement (High Probability Setups)
- Defence (Low Probability Setups)
- Sidelines (Waiting - specifically for your edge)

2.1 - Frame Daily Targets by *studying* Time & Price Theory with a (3 Day LB)

- Directional Bias: *Select targets in the direction of the Weekly Range*
- LT Targets: *Previous Days Liquidity & Inefficiencies (Daily Objective)*
- ST Targets: *Previous Session Liquidity & Inefficiencies (Low hanging Fruit Objective)*

2.2 - Anticipate a Daily Profile by *examining* the London Session

a) London Open Low of the Day

- If '**Asia**' Consolidated and '**LND Open**' formed a **Daily AP** amid 1:00 AM to 5:00 AM
- Anticipate '**NY Open**' to continue Range Expansion amid 7:00 AM to 11:00 AM

b) New York Open Low of the Day

- If '**Asia**' and '**LND Open**' consolidated near the **Daily Open** 1:00 AM to 5:00 AM
- Anticipate '**NY Open**' to form a Daily AP for Range Expansion amid 7:00 AM to 11:00 AM

2.3 - Classify the Daily AP for a New York session bias

- If London did form the Daily AP → New York Continuation
- If London did not form the Daily AP → New York Reversal
- If London is Over-extended → New York Consolidation (sidelines)
- If opposing HTF PD Array → Warning Sign for a Reversal Filter

With the New York Session Bias, you are now prepared to seek Trade Ideas for the Inception Model.

Action Step

1. Refer to the Weekly Bias (TDA) for Daily Context and operate with a Daily Bias (DUA).
2. Build Framework and plan for the Daily Range before the open (or during dead-time).
3. Anticipate a Daily Profile and classify the Daily AP for a New York Session Bias.