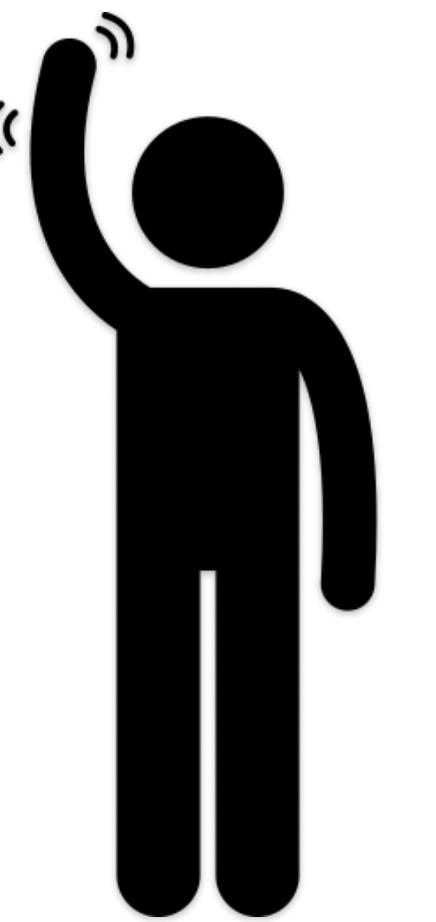


# How to find Directional Bias

Inception Model 1.0

# Hello.



## In this video we will cover the following:

- Directional Bias
- Weekly Institutional Order Flow
- Weekly Draw on Liquidity

+ *Receive a Directional Bias Print-out at the end*

**Start from the *Weekly Open*,**  
**and find a **Directional Bias** for the week every Sunday.**

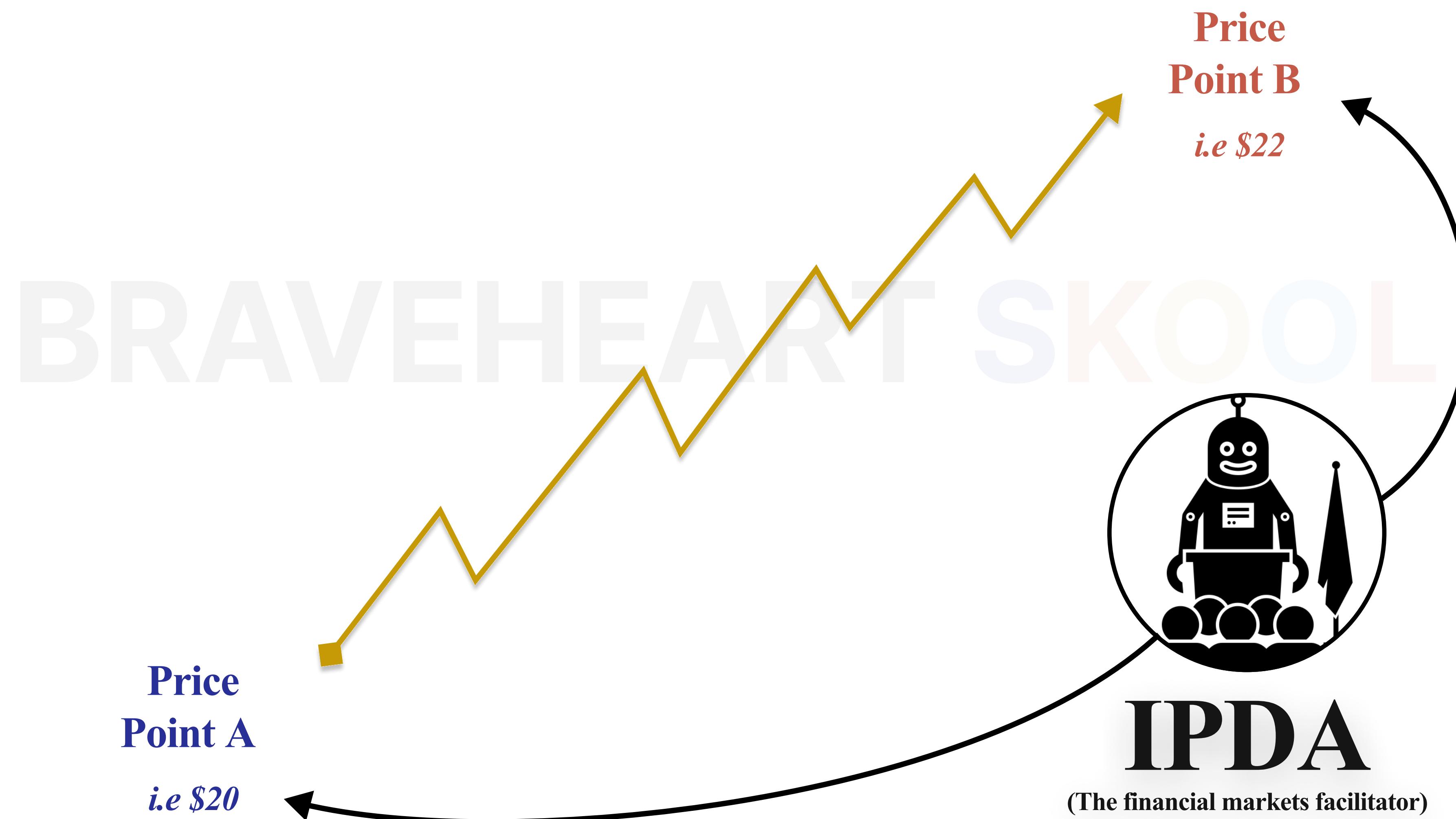
**Directional Bias consists of 2 components:**

1. *Weekly Chart Institutional Order Flow*
2. *Weekly Chart Draw on Liquidity*

**Lets discuss how to analyze both components for Directional Bias**

# Weekly Chart Institutional Order Flow

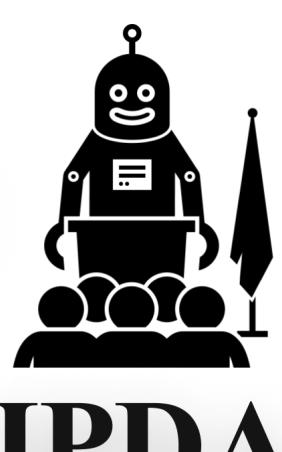
# What is Institutional Order Flow?



# Feb. 2024 Sell-side Liq > TO > Nov. 2023 Inefficiency



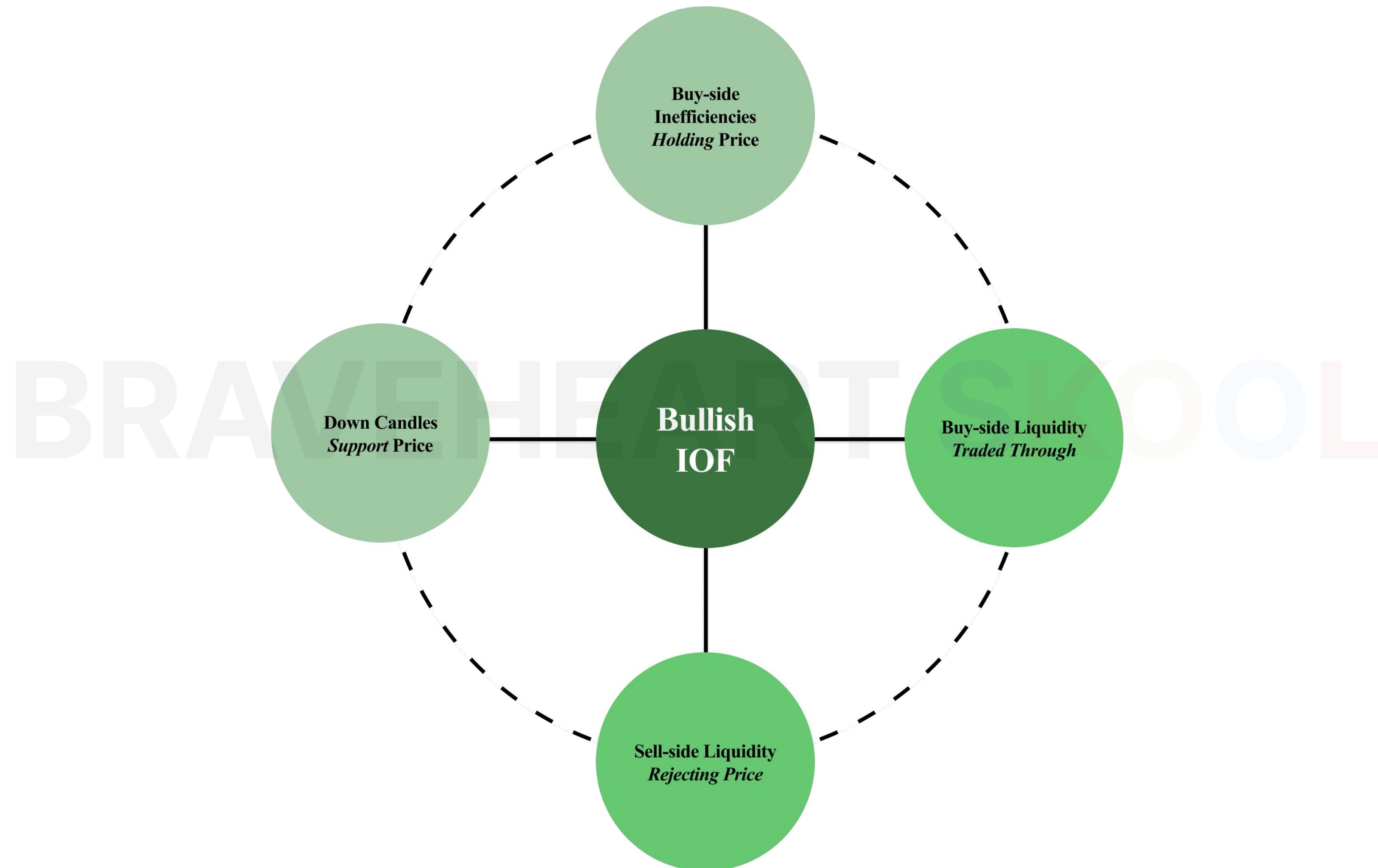
# Feb. 2024 Sell-side Liq > TO > Nov. 2023 Inefficiency



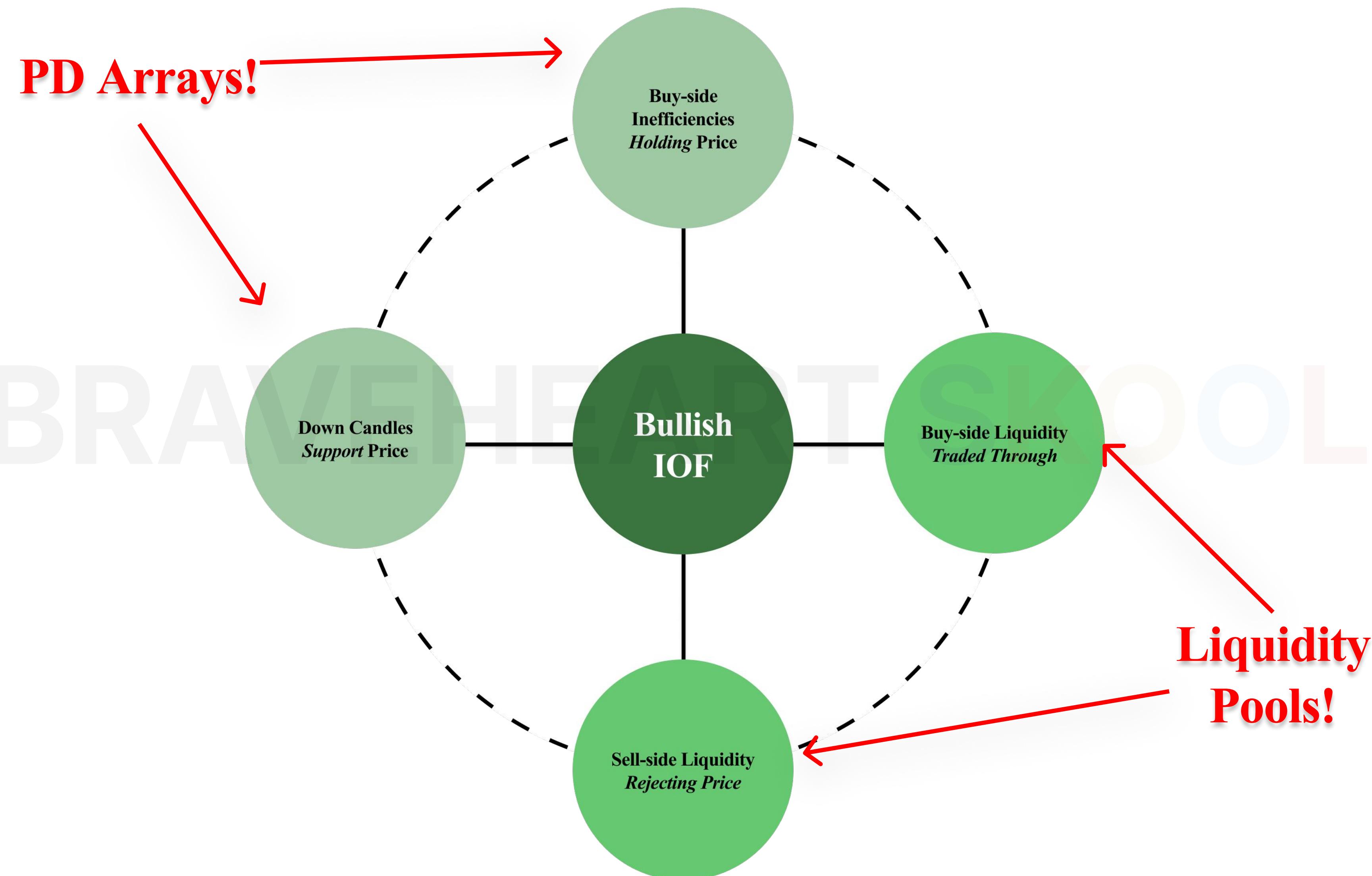
(The financial markets facilitator)

## (The financial markets facilitator)

# How to probe Institutional Order Flow (Bullish)



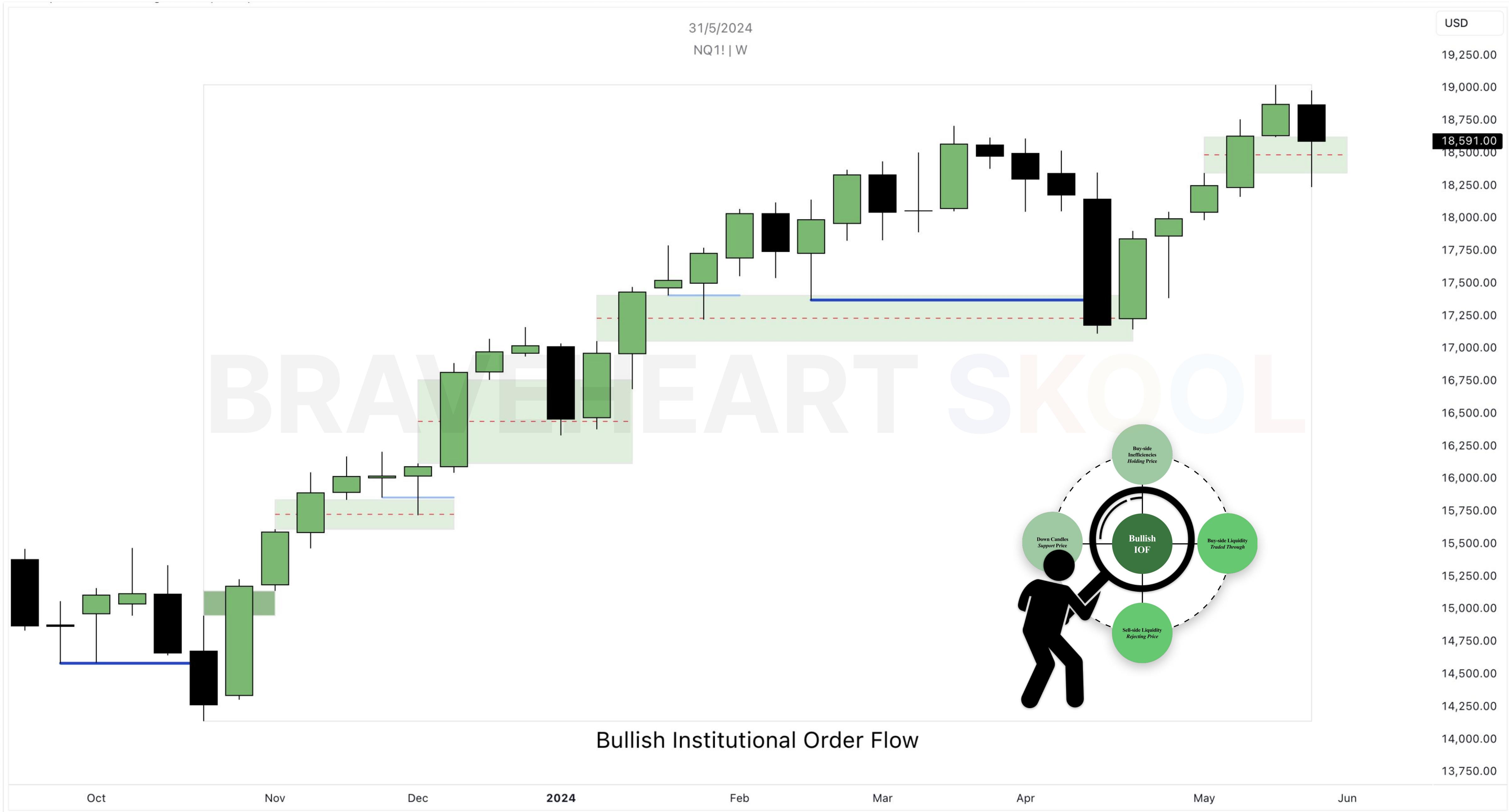
# How to probe Institutional Order Flow (Bullish)



# Step 1: Look- back 9 Months of Price Data on the Weekly Chart



## Step 2: Probe for Bullish IOF using the 9 month data-range

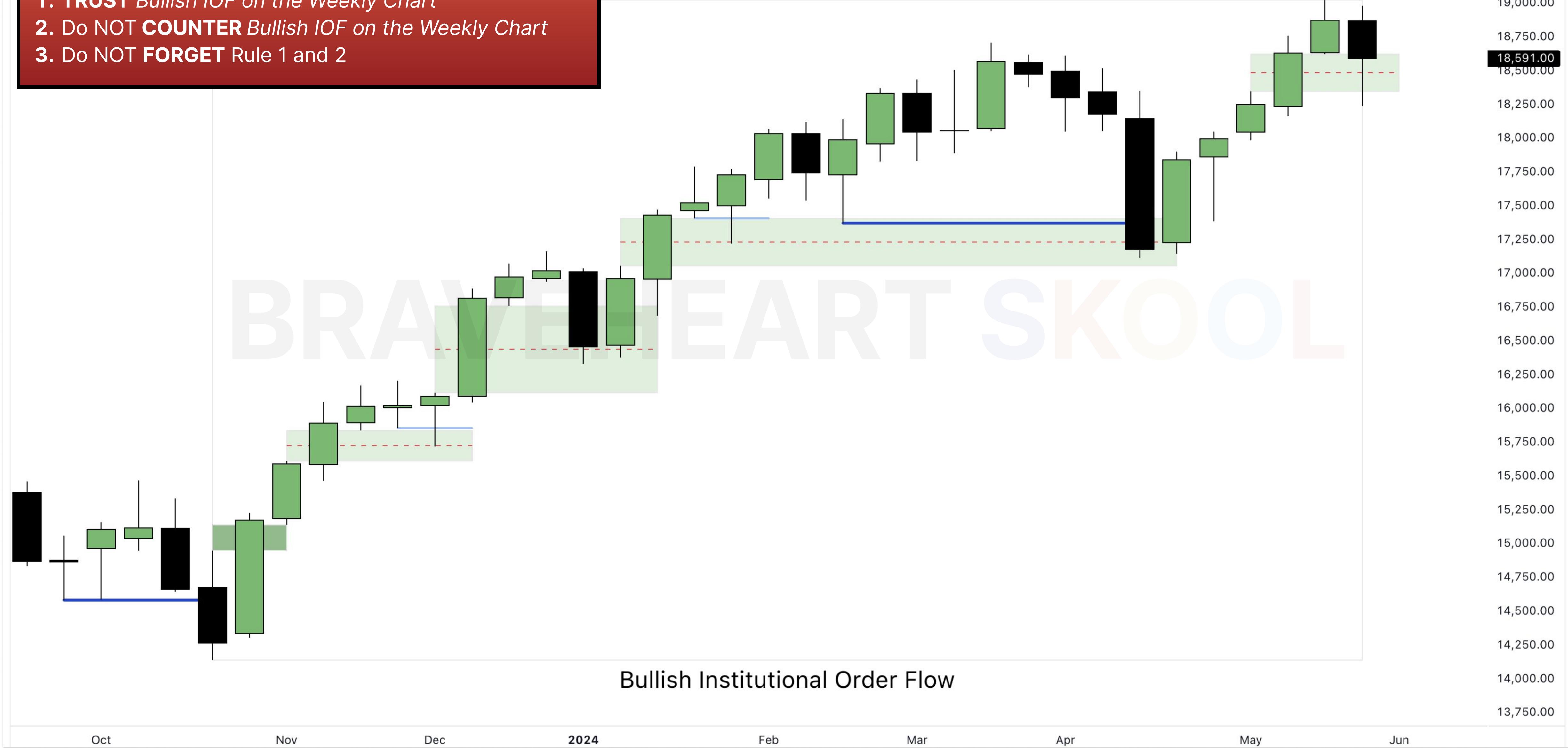


# Step 3: Respect Weekly Chart's IOF Rules

## **Weekly IOF Rules:**

1. **TRUST** *Bullish IOF on the Weekly Chart*
  2. Do NOT **COUNTER** *Bullish IOF on the Weekly Chart*
  3. Do NOT **FORGET** Rule 1 and 2

31/5/2024  
NQ1! | W



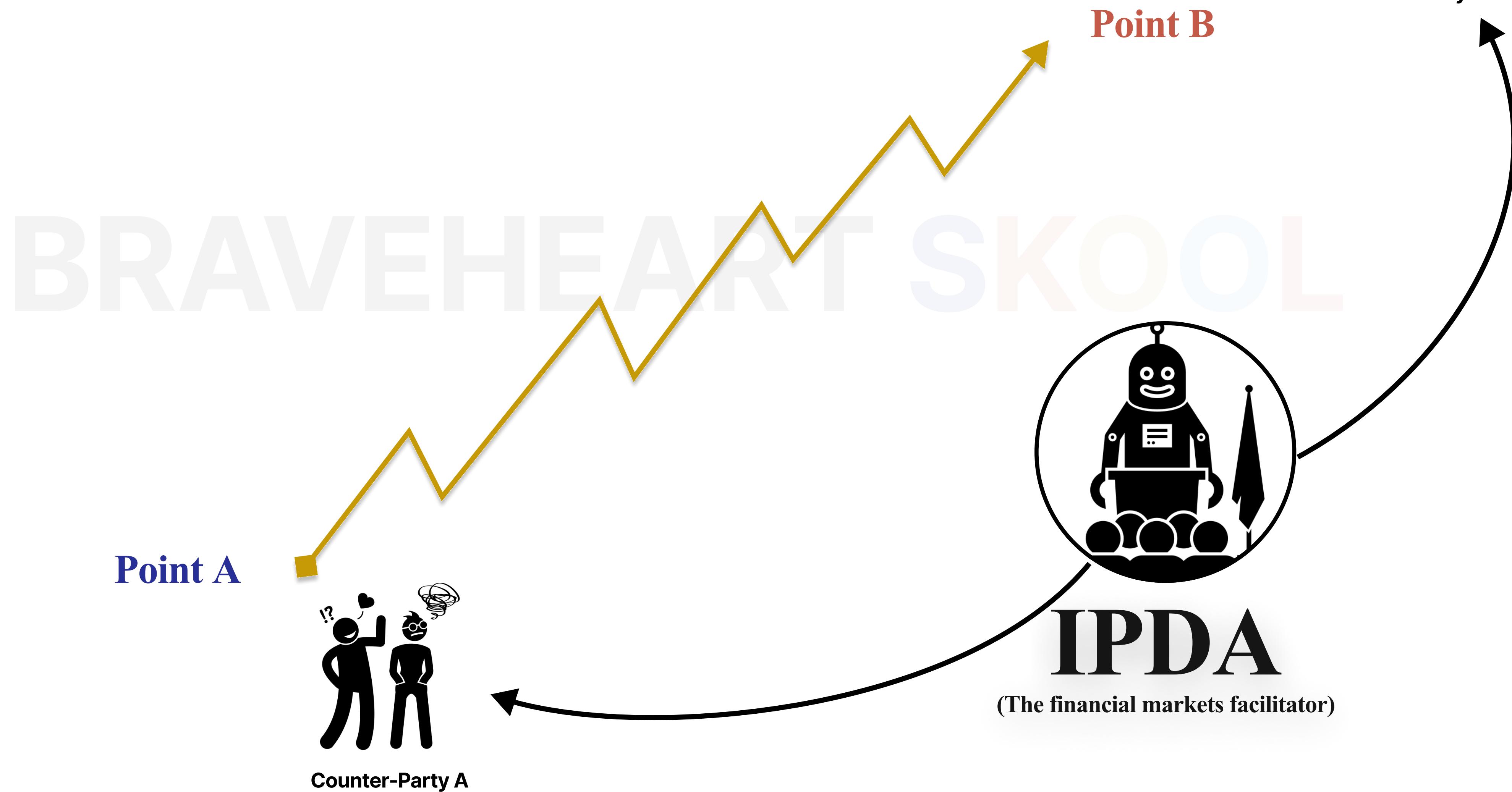
**PDF Section will include the steps for Bearish Examples**

**You now have identified Weekly Chart Institutional Order Flow**

**Now lets frame a Draw on Liquidity to complete Directional Bias.**

# Weekly Chart Draw on Liquidity

# What is Draw on Liquidity?



***Draw on Liquidity*** will be either:

1. *Liquidity Pool (Areas of pending Buy-Stops/Sell-Stops)*
2. *Inefficiencies (Areas needed to be Rebalanced)*

# Draw on Liquidity: Liquidity Pool



# Draw on Liquidity: Inefficiency



**Now find the Draw on Liquidity,  
FOLLOWING the Weekly Charts IOF.**



# Weekly Chart IOF

12/7/2024

XAUUSD | W

USD

2,480.00

2,440.00

2,411.15

2,400.00

2,360.00

2,320.00

2,280.00

2,240.00

2,200.00

2,160.00

2,120.00

2,080.00

2,040.00

2,000.00

1,960.00

1,920.00

1,880.00

1,840.00

1,800.00

1,760.00

## Weekly IOF Rules:

1. TRUST Bullish IOF on the Weekly Chart
2. Do NOT COUNTER Bullish IOF on the Weekly Chart
3. Do NOT FORGET Rule 1 and 2

BRAVEHEARTSKOOL

9-Month Data Range

Aug

Sep

Oct

Nov

Dec

2024

Feb

Mar

Apr

May

Jun

Jul

A

**BUT first!**

**Let's classify **2 types** of Draw on Liquidity.**



## The 2 types of DOLs

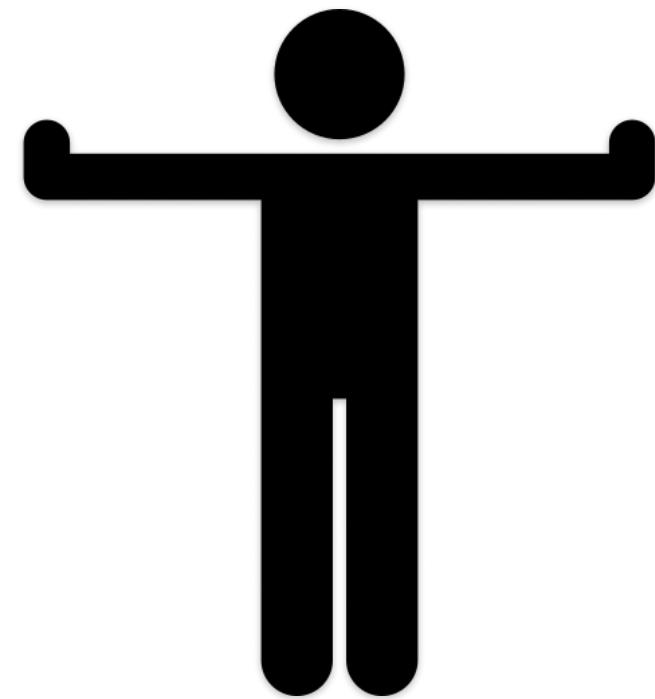
1. *Short-term Draw on Liquidity (Low hanging Fruit Target)*
2. *Long-term Draw on Liquidity (Weekly Range Expansion Target)*

# ST and LT Draw on Liquidity Targets



**Terminus** is when the DOLs has been met (*mostly the LT DOL*).

This is when you **END & STOP** following the Directional Bias!



**Now...**

**Let's identify the 2 types of DOL to complete your Directional Bias.**



# Short-term Draw on Liquidity

# Short-term DOL is the nearest objective for the Week.

There are 2 types of Short-term Draws on Liquidity:

- Type 1 - The *nearest PWH* (with a 3 Week LB from Sunday Open)
- Type 2 - The *furthest PDH* (with a 3 Day LB from Sunday Open)

**IF** type 2 ST DOL is *expired* (*furthest PDH*), **THEN** seek type 1 ST DOL (*nearest PWH*)



**IF** type 2 ST DOL is *expired* (*furthest PDH*), **THEN** seek type 1 ST DOL (*nearest PWH*)



# Long-term Draw on Liquidity

# **Long-term DOL is beyond the Short-term DOL for the Week.**

**There are 2 types of Long-term Draws on Liquidity:**

- Type 1 - A valid **Liquidity Pool** *beyond* the Short-term DOL.
- Type 2 - A valid **Inefficiency** *beyond* the Short-term DOL.

**The Long-term Draw is VALID,  
ONLY IF...**

**The *Liquidity (External)* or *Inefficiency (Internal)* matches Time Theory.**

### **Time Theory:**

- Previous Months Ranges
- Previous Weeks Ranges
- Previous Days Ranges

**ONLY then is the Long-term Draw is now VALID :)**

# LT-DOL: Previous Months Liquidity



# LT-DOL: Previous Months Liquidity



## You now have Directional Bias for the week

1. Weekly Institutional Order Flow
  - a. *i.e Buy Program*
2. Weekly Draw on Liquidity
  - a. *i.e STDOL - Previous Wednesdays High*
  - b. *i.e LTDOL - Previous Weeks Inefficiency*

**Remember that Directional Bias for the week will *end* at terminus.**

# Rules for Terminus:

## Short-term Draw on Liquidity

- a. IF the markets are *lacking volatility*, THEN consider **terminus** at the *ST DOL*

## 1. Long-term Draw on Liquidity

- a. IF the markets are *experiencing volatility*, THEN strive for **terminus** at the *LT DOL*

# Directional Bias Examples

**Follow this simple Mental Model for Directional Bias every Sunday.**

(+ *Print out included below*)

# Directional Bias Mental Model (Narrative)

## Step 1: Weekly Institutional Order Flow

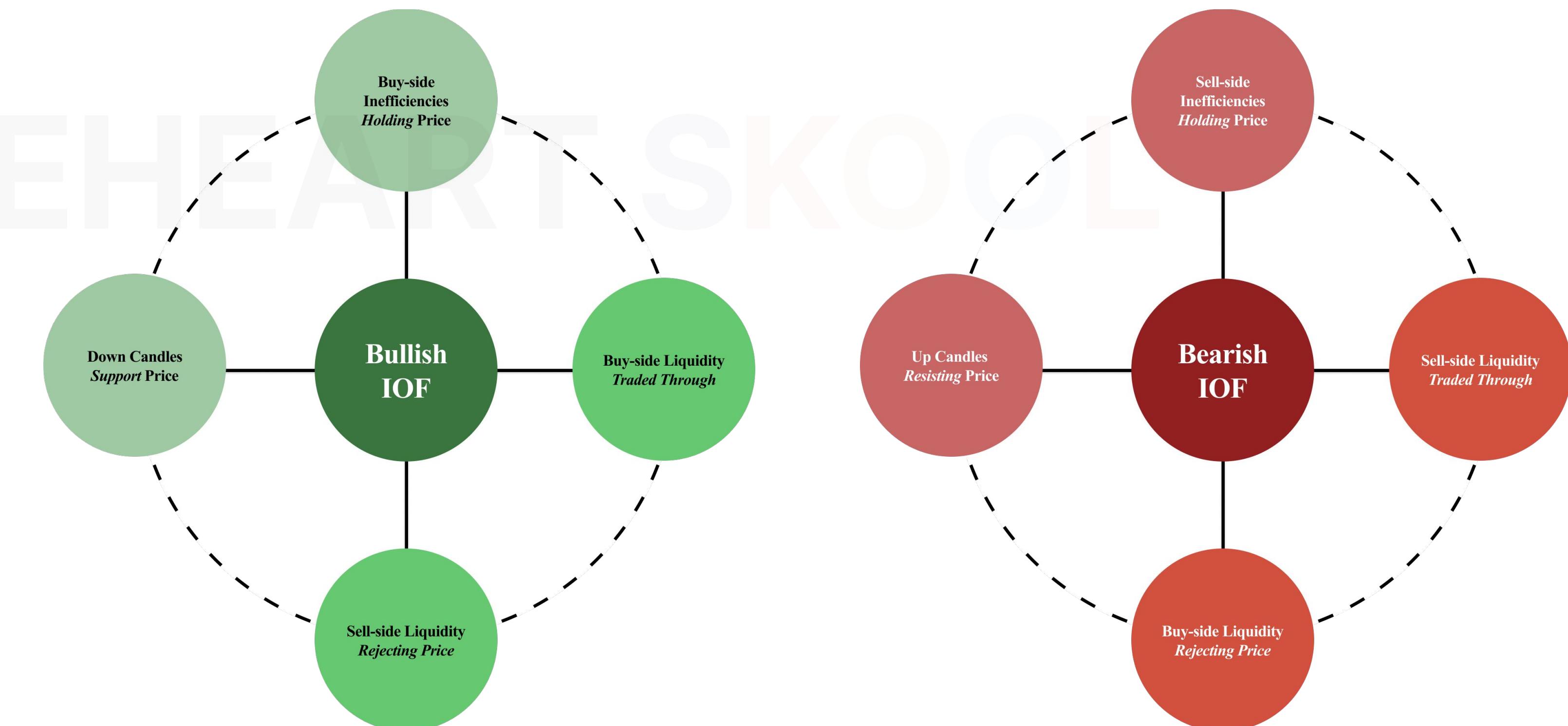
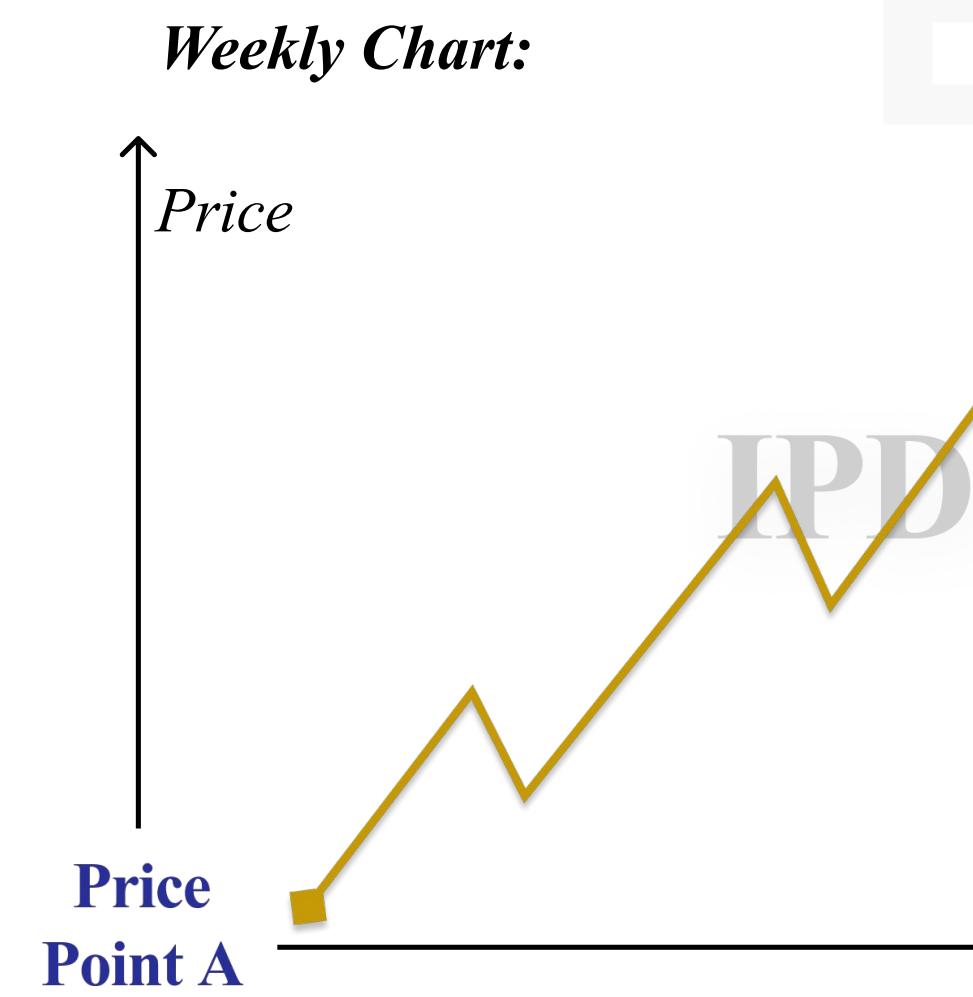
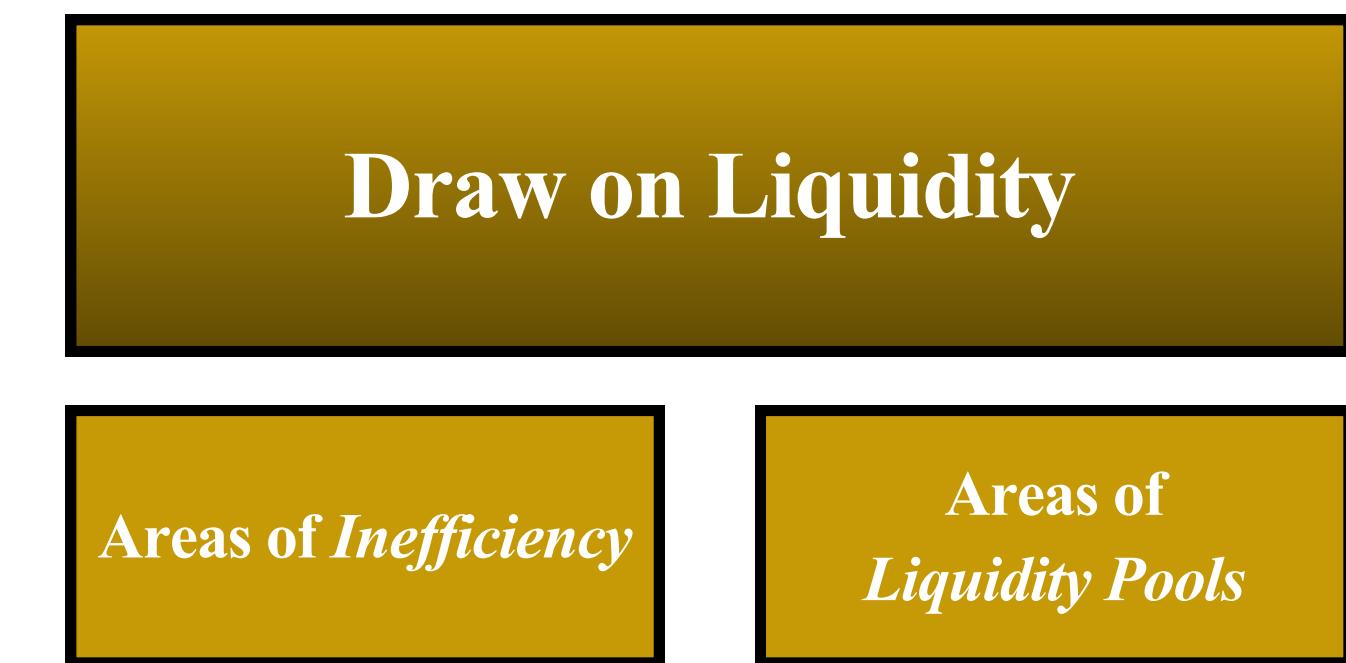
- a. Are we in a ***Buy Program*** on the *Weekly Chart*?
- b. Are we in a ***Sell Program*** on the *Weekly Chart*?

## Step 2: Weekly Draw on Liquidity

- a. What is the **ST DOL**? i.e *Wednesdays High*
- b. What is the **LT DOL**? i.e *October 2023 Highs*

TIME

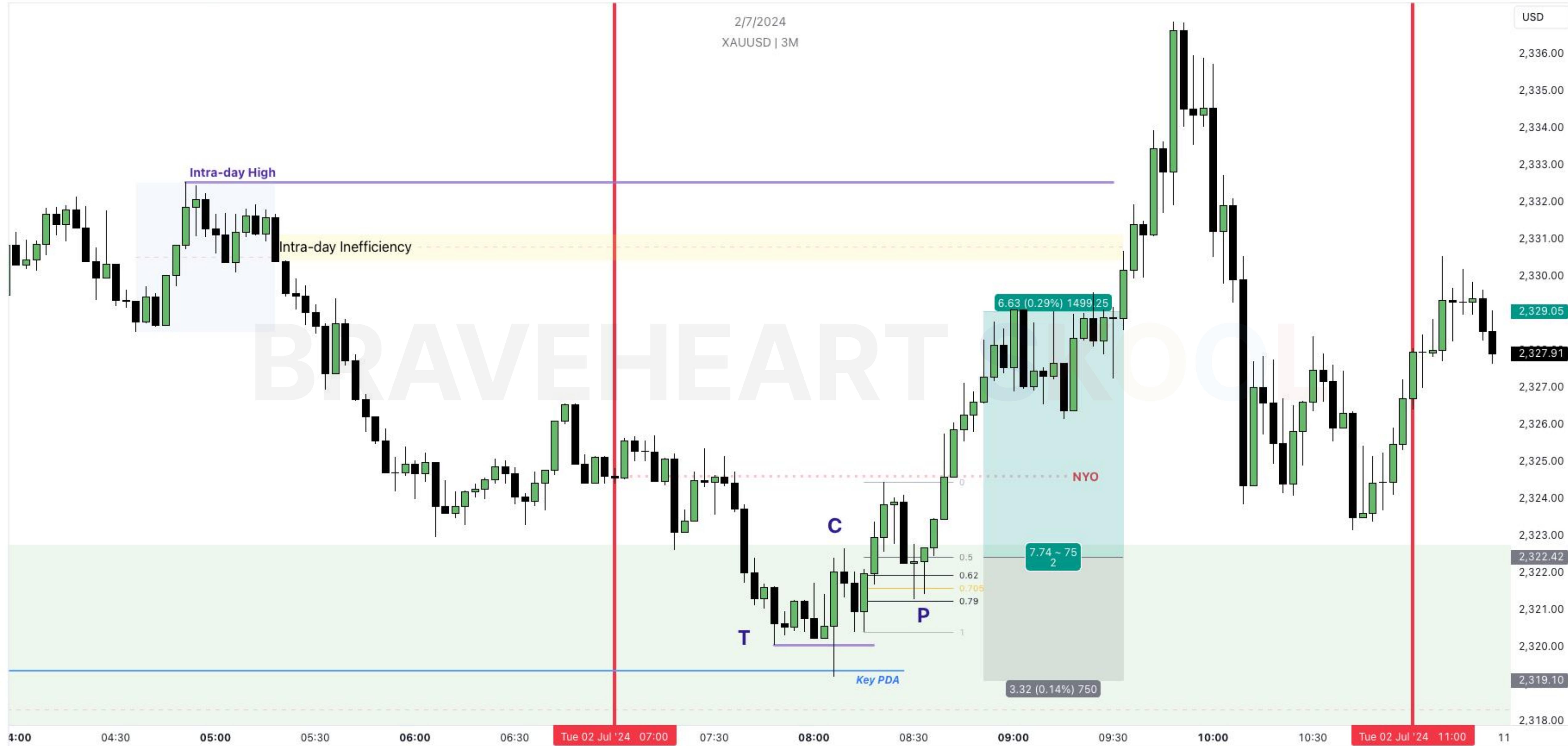
PRICE



# Example 1: Directional Bias



# Example 1: Directional Bias + *Inception Model 1.0*



## Example 2: Directional Bias



## Example 2: Directional Bias + *Inception Model 1.0*

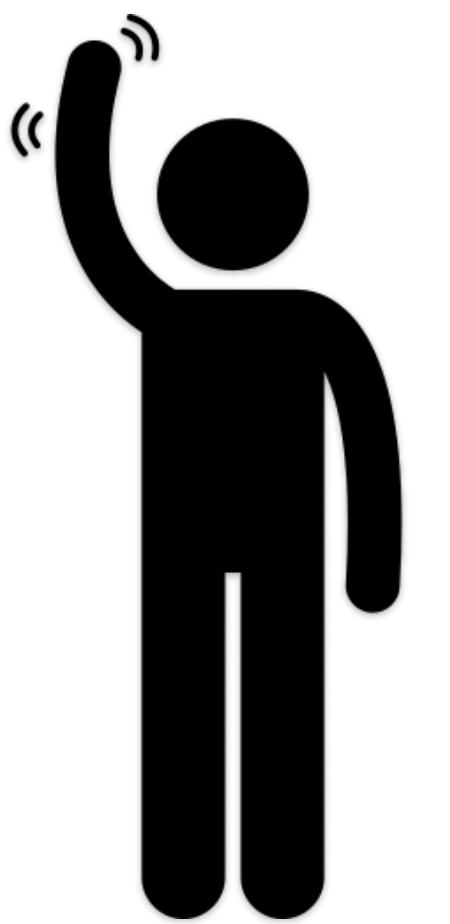


# Summary

## How to find Directional Bias:

1. Identify, follow and respect the Weekly Chart's IOF
2. Identify a ST and LT DOL in the direction of Weekly IOF
3. End and stop the Directional Bias at Terminus (*or at the end of TIME-LINE*)

Cya. Bye.



# PDF Examples for Bearish Case-studies

# How to probe Institutional Order Flow (Bearish)

