ICT Short-Term Trading Course: Comprehensive Algorithmic NotesBelow is a detailed, structured, and algorithmic note based on the ICT Short-Term Trading Course transcripts from five videos. This note is designed to be clean, comprehensive, and AI-ready, enabling an AI with historical price data to implement the concepts, rules, and conditions to generate trading signals and anticipate setups. The framework is rule-based, focusing on time and price analysis, weekly profiles, market maker templates, and higher timeframe ranges.

Introduction

* Focus: Short-term trading (duration of a few days to one week) using time and price analysis.
* Key Concepts:
  + Intra-week market reversals and overlapping trading models.
  + Blending Interbank Price Delivery Algorithm (IPDA) data ranges with Price Delivery (PD) arrays.
  + Defining weekly range profiles and market maker manipulation templates.
  + Using monthly and weekly ranges to frame trades.
* Objective: Create a systematic, algorithmic framework for generating trading signals and anticipating setups based on historical price data.

Section 1: Intra-Week Market Reversals & Overlapping ModelsOverviewIntra-week reversals occur within a trading week, often catching traders off guard. Overlapping models involve blending multiple trading disciplines (e.g., swing, short-term) to enhance reversal prediction.Key Characteristics of Intra-Week Reversals

* Speed and Magnitude: Rapid, large price movements (e.g., 200+ pips in 24 hours) indicate reaching for institutional levels.
* Premium to Discount Movement: Price shifts between premium (overbought) and discount (oversold) PD arrays.
* Reversal Points: Often align with higher timeframe PD arrays (e.g., daily bullish order block mean threshold).

Algorithmic Rules

* Identify Market State:
  + Determine if the current price is in a premium or discount range relative to the larger trading range (defined by monthly/weekly highs and lows).
* Monitor Price Movement:
  + Calculate the average daily range (ADR) over the last 5 days.
  + If price exceeds ADR significantly (e.g., 1.5x ADR) on Monday or Tuesday, flag a potential reversal.
* Locate Higher Timeframe PD Arrays:
  + Identify daily or weekly PD arrays (e.g., order blocks, rejection blocks) near the price extreme.
* Signal Generation:
  + Condition: Rapid move + proximity to a higher timeframe PD array.
  + Action: Anticipate a reversal; prepare to enter a trade in the opposite direction of the rapid move.

Overlapping Models

* Higher Timeframe Dominance: When short-term models (e.g., one-shot-one-kill sell) conflict with higher timeframe models (e.g., swing buy), the higher timeframe prevails.
* Algorithmic Rule:
  + Check Alignment: If a short-term sell signal occurs but weekly/daily PD arrays suggest a buy, defer to the buy signal.
  + Blend Disciplines: Use insights from swing and position trading to confirm short-term setups.

Section 2: Blending IPDA Data Ranges & PD ArraysOverviewIPDA data ranges (time-based lookbacks) and PD arrays (price-based levels) are combined to predict liquidity runs and price targets.IPDA Data Ranges

* Lookback Periods: 20, 40, and 60 trading days (approximately 1, 2, and 3 months).
* Purpose: Identify historical PD arrays likely targeted by the algorithm.

PD Arrays

* Premium Market (Resistance):
  + Bearish mitigation blocks, breakers, liquidity voids, fair value gaps, bearish order blocks, rejection blocks, old highs/lows.
* Discount Market (Support):
  + Bullish mitigation blocks, breakers, liquidity voids, fair value gaps, bullish order blocks, rejection blocks, old lows/highs.
* Hierarchy: The algorithm seeks these arrays in the listed order.

Algorithmic Rules

* Determine Market State:
  + Classify current price as premium (above midpoint of range) or discount (below midpoint).
* Lookback Analysis:
  + Scan 20, 40, and 60-day periods for PD arrays above (premium) or below (discount) current price.
  + Exclude exhausted arrays (already traded and reversed from).
* Target Identification:
  + Select the next PD array in the hierarchy based on market state (e.g., bearish order block in premium market).
* Signal Generation:
  + Condition: Price approaches the identified PD array.
  + Action: Enter a trade targeting the array (sell at premium, buy at discount).

Blending Time and Price

* Efficiency: Price moves efficiently to PD arrays during fast market conditions.
* Rule: Prioritize the closest untested PD array within the shortest lookback (20 days) unless overridden by a stronger higher timeframe array.

Section 3: Defining Weekly Range ProfilesOverviewWeekly range profiles classify price action to anticipate market behavior, driven by manipulation and higher timeframe arrays.Key Profiles

* Classic Tuesday Low of the Week (Bullish):
  + Manipulation: Hovers above discount array on Monday, drops into it on Tuesday.
* Classic Tuesday High of the Week (Bearish):
  + Manipulation: Hovers below premium array on Monday, rises into it on Tuesday.
* Wednesday Low/High of the Week:
  + Similar to Tuesday profiles but occurs on Wednesday; Monday/Tuesday may be trending days.
* Consolidation Thursday Reversal (Bullish/Bearish):
  + Consolidation Monday-Wednesday, reverses on Thursday (often news-driven).
* Consolidation Midweek Rally/Decline:
  + Consolidation Monday-Wednesday, expands Thursday-Friday to premium/discount arrays.
* Seek and Destroy Bullish/Bearish Friday (Low Probability):
  + Consolidation Monday-Thursday, aggressive move on Friday (news-driven).
* Wednesday Weekly Reversal (Bullish/Bearish):
  + Consolidation Monday-Tuesday, reverses Wednesday after hitting higher timeframe arrays.

Algorithmic Rules

* Profile Identification:
  + Analyze Monday-Tuesday price action:
    - Hovering above discount → Tuesday Low.
    - Hovering below premium → Tuesday High.
    - Consolidation → Thursday Reversal or Midweek Rally/Decline.
* Manipulation Detection:
  + Check proximity to higher timeframe PD arrays (daily/weekly).
  + If price hovers without breaking, expect a run into the array.
* Signal Generation:
  + Condition: Profile conditions met + price reaches PD array.
  + Action: Enter trade in anticipated direction (buy for bullish profiles, sell for bearish).

Section 4: Market Maker Manipulation TemplatesOverviewTemplates define how market makers manipulate price within weekly profiles, providing entry and exit points.Templates

* Classic Tuesday Low of the Week:
  + Scenario 1: Trades to discount liquidity pool (e.g., old monthly low).
  + Scenario 2: Retests old high as support.
  + Scenario 3: Hits bullish order block (monthly/weekly/daily).
  + Target: Premium PD array (lesser timeframe) + Fibonacci 127%/168%.
* Classic Tuesday High of the Week:
  + Scenario 1: Trades to premium liquidity pool (e.g., old monthly high).
  + Scenario 2: Retests old low as resistance.
  + Scenario 3: Hits bearish order block.
  + Target: Discount PD array + Fibonacci 127%/168%.
* Wednesday Low/High of the Week:
  + Similar to Tuesday templates, adjusted for Wednesday timing.
* Consolidation Thursday Reversal:
  + False break below/above Monday-Wednesday range, reverses on news (e.g., FOMC).
  + Target: Opposite liquidity pool (buy stops for bullish, sell stops for bearish).
* Consolidation Midweek Rally/Decline:
  + Expands post-consolidation to premium/discount arrays + Fibonacci 127%/168%.
* Seek and Destroy Bullish/Bearish Friday:
  + Aggressive run to daily/weekly PD arrays, often reverses.
* Wednesday Weekly Reversal:
  + Runs stops at higher timeframe arrays, reverses with Fibonacci 127%/168% targets.

Algorithmic Rules

* Template Selection:
  + Match weekly profile to corresponding template based on Monday-Tuesday action.
* Entry Points:
  + Enter at higher timeframe PD array (e.g., daily order block) on a 1-hour chart during Kill Zones (London/New York open).
* Targets:
  + Exit at lower timeframe PD array (e.g., 4-hour) + Fibonacci extension (127%, 168%, or 100% symmetrical swing).
* Confirmation:
  + Use news events (e.g., FOMC, employment data) to confirm Thursday/Friday moves.

Section 5: Using Monthly & Weekly RangesOverviewHigher timeframe ranges (monthly and weekly) provide context for short-term trades, defining probable price directions.Monthly Ranges

* Identification: High and low of each monthly candle.
* Premium/Discount: Split range at midpoint; above = premium, below = discount.
* Probability: Assess likely direction based on PD arrays.

Weekly Ranges

* Identification: High and low of each weekly candle.
* Relation to Monthly: Weekly ranges build the monthly range.
* Framing Trades: Use weekly ranges to target daily setups.

Algorithmic Rules

* Define Monthly Context:
  + Identify monthly high/low and current price position (premium/discount).
* Set Weekly Targets:
  + Find opposing weekly PD array (e.g., premium if monthly is discount).
* Execute Trades:
  + Scan weekly, daily, 4-hour discount/premium arrays for setups.
  + Enter on 1-hour chart during Kill Zones, aiming for weekly target.
* Monitor Expansion:
  + If Monday-Wednesday high/low is broken intra-week, expect aggressive move to monthly/weekly PD array.

ConclusionKey Takeaways

* Intra-week reversals hinge on speed, magnitude, and higher timeframe PD arrays.
* IPDA ranges and PD arrays predict liquidity runs with a clear hierarchy.
* Weekly profiles and manipulation templates structure market behavior anticipation.
* Monthly and weekly ranges frame short-term trades with high probability.

Implementation

* Systematic Approach: Apply the rules sequentially (market state → PD arrays → signals).
* Backtesting: Test with historical data to refine conditions and validate signals.
* Precision: Define entries (1-hour Kill Zones), exits (lower timeframe PD arrays + Fibonacci), and reversals (profile/template triggers).