ICT TRADING PLAYBOOK

Triton Trades

Inner Circle Trader

The essentials guide to ICT concepts. This book is the go-to handbook for any trader looking to trade using ICT or SMC techniques

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Market Opinions

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Disclaimer

The contents of this e-book are for educational purposes only and should not be considered as financial or investment advice. These are my interpretations of ICT concepts, which have been authored and created by Michael J. Huddleston aka The Inner Circle Trader.

The contents of this e-book are just the basics of ICT concepts and are not a complete explanation. His official YouTube channel (The Inner Circle Trader) provides a more detailed overview of ICT concepts.

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Liquidity

What is liquidity?

Liquidity is created when traders place and execute orders in the markets. There are four types of Orders in the markets.

- Buy Orders
- Buy Stops
- Sell Orders
- Sell Stops

Buy Orders are the orders you place when you want to buy something at the current price. For example, if you enter into a long position on $EURUSD now, that's a Buy Order.

Buy/Sell Stops are stoplosses. Let's say you're in a long position on $EURUSD and place your stoploss below a recent low. That stoploss is a Sell Order for your Buy Position. Since you're in a Buy position the only way to exit a Buy position is to Sell. Thus it's called a "Sell Stop" order.

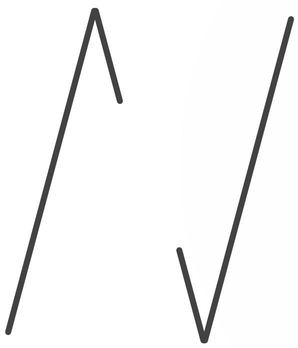
All the orders placed and executed create liquidity. We aim to identify areas with high liquidity pools (where lots of traders place their orders)

Liquidity

How to identify liquidity?

There are 3 types of liquidity pools in the markets.

- Regular Liquidity
- Relative equal highs or equal lows
- Consolidations or ranges



Regular Liquidity

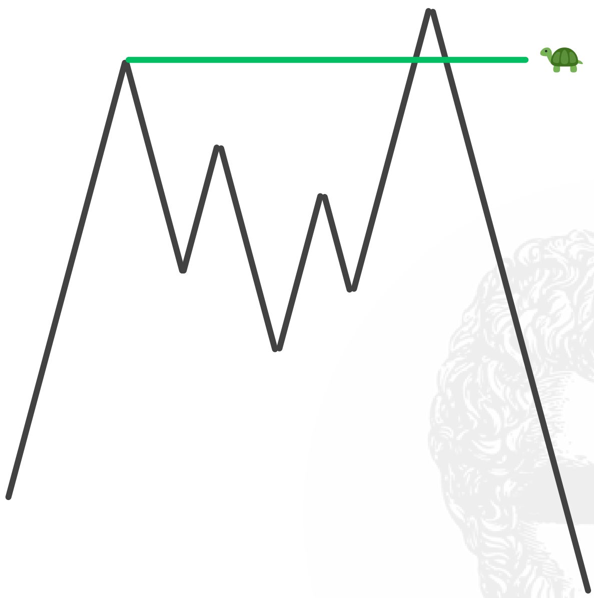
Relative Equal Highs
or Equal Lows

Consolidations or Ranges

Liquidity

How to trade liquidity?

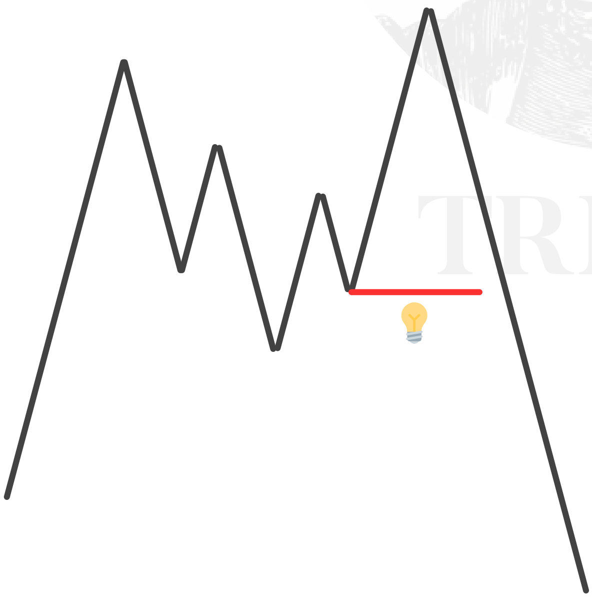
Regular liquidity pools & Relative equal highs or lows



Number 1: Turtle Soup

Not recommended for beginners despite the hype on social media.

Uses a wide SL and sometimes has lower RR than waiting for confirmations



Number 2: Confirmations

Easier for beginners and intermediate traders.

Easy to spot and prevents guesses or false breakouts.

CISD or MSS can be used.

Liquidity

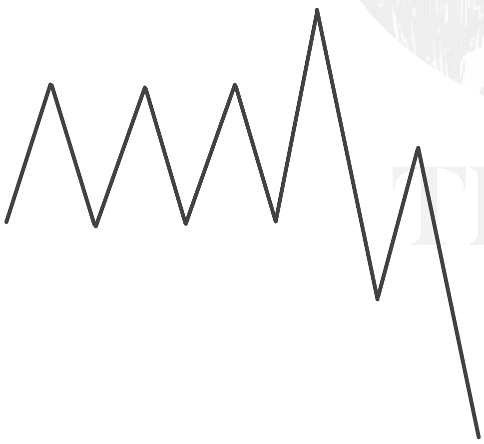
How to trade liquidity?

Consolidations or ranges

Number 1: Bullish scenario

Wait for a sweep below the lows and a bounce higher

Wait for MSS and enter on a FVG/OB or other PD Arrays



Number 2: Bearish scenario

Wait for a sweep above the highs and a retracement lower

Wait for MSS and enter on a FVG/OB or other PD Arrays

Liquidity

Introduction to Time-Based Liquidity
There are 2 variations of liquidity that you should understand.

The first is price-based liquidity, which we just covered. The second is time-based liquidity. This is what we want to focus on.

The algorithm will always operate using Time and Price, so we can filter out the important levels of liquidity using this.

Here are some examples of Time-Based Liquidity:

- Previous Year High
- Previous Quarter High
- Previous Month High
- Previous Week High
- Previous Day High
- Previous Session High

And the same would go for lows.

Liquidity

Introduction to Time-Based Liquidity

Using this, we can refine the liquidity pools we are looking for in the charts.

For example, we can look at the Previous Day's High or Low. And this isn't limited to just the previous day, we can look back up to 3 intervals.

So for example, we can look at the previous 3 sessions high or low, the previous 3 days high or low, and so on.

This way, we don't have to "guess" which is the right liquidity pool. We can just focus on specific highs and lows that align with time.

This simplifies our trading process and allows us to be more specific with our trading strategy and model.

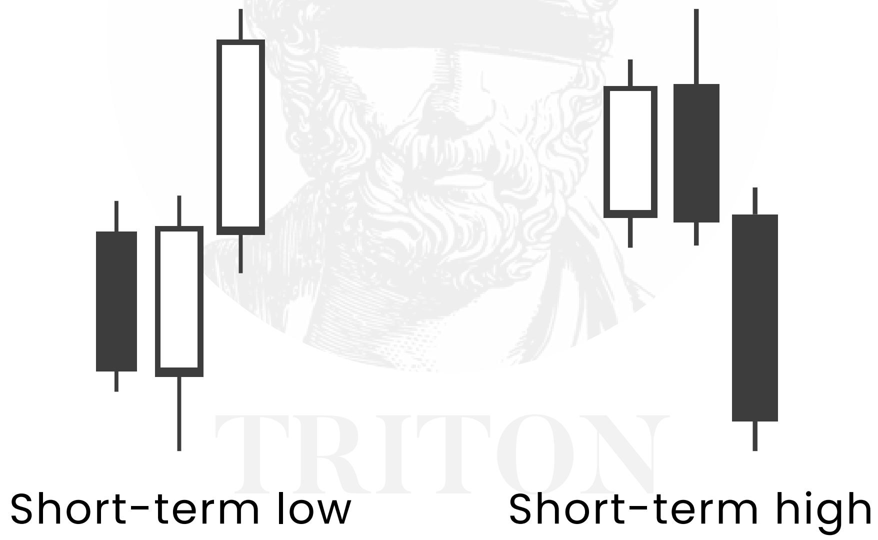
Market Structure

Types of Highs and Lows

There are 2 types of highs and lows which I focus on.

- Short-term highs/lows
- Intermediate-term highs/lows

There is a very simple process that I use to determine the type of high/low on the charts. The first is using the Three-Candle Formation (TCF).



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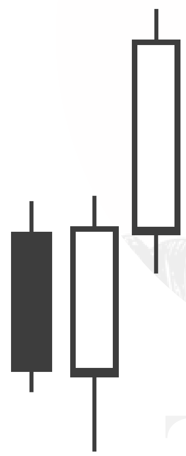

Short-term low

A STL is a candle which has a lower low than the left and right candle

Short-term high

A STH is a candle which has a higher high than the left and right candle

Market Structure

Types of highs and lows

This is the simplest part of the market structure. But it's the most confusing point, especially for beginners. Most of the time, you would mark out a "high" or a "low" based on the color of a candle.

So a low will be a bullish candle, and a high will be a bearish candle. This is not the case at all. The ONLY way to determine a high or a low is with the Three-candle Formation (TCF).

So whenever you're marking out a high or low, be sure it's an ACTUAL high or low using the TCF method. Now, let's move on to identifying Intermediate-term highs and lows

Market Structure

Types of highs and lows

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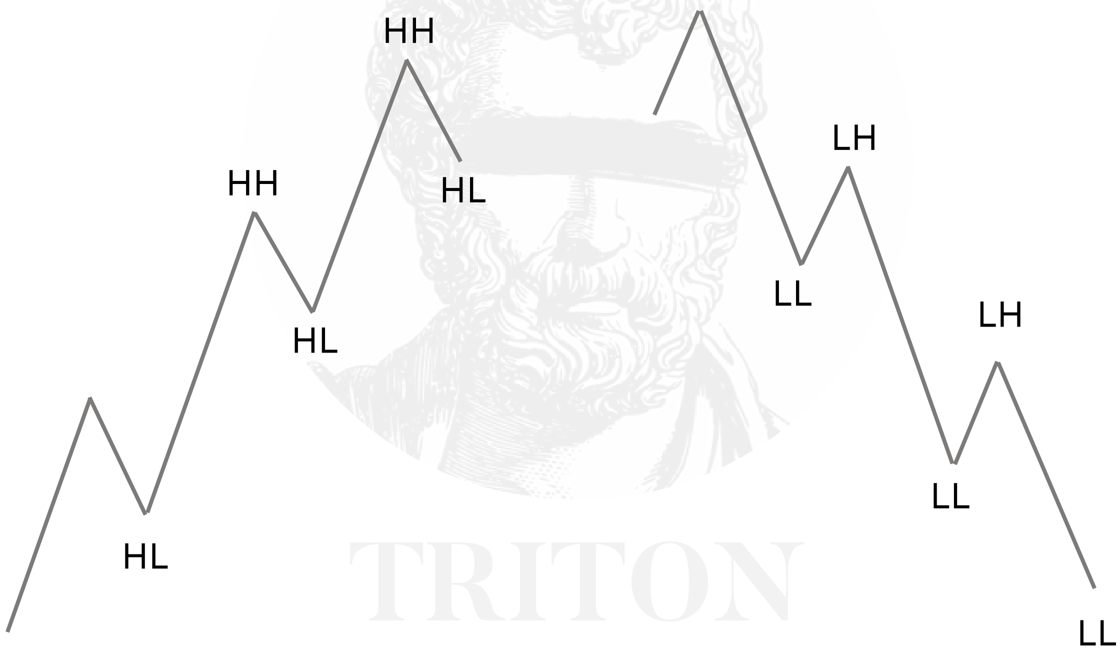
Market Structure

Market Structure - MSS vs SMSS

First of all, you must learn the 2 types of Market Structure

When price is making higher highs and higher lows, price is in an uptrend.

When price is making lower lows and lower highs, price is in a downtrend.



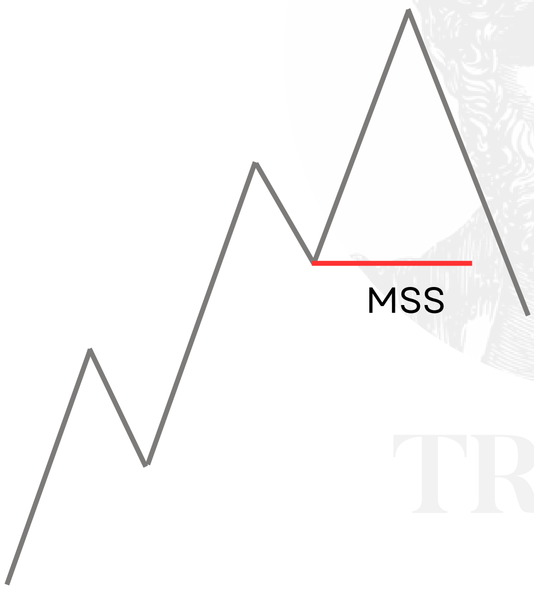
Uptrend **Downtrend**

Market Structure

Market Structure - MSS vs SMSS

When price is in an uptrend and breaks a recent swing low, it is called a Market Structure Shift (MSS). This is because price has switched from an uptrend to a downtrend.

When price is in a downtrend and breaks a recent high low, it is called a Market Structure Shift (MSS). This is because price has switched from a downtrend to an uptrend.



Uptrend to Downtrend

Downtrend to Uptrend

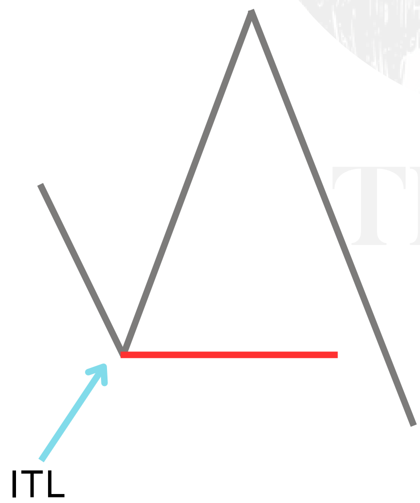
Market Structure

Market Structure - MSS vs SMSS

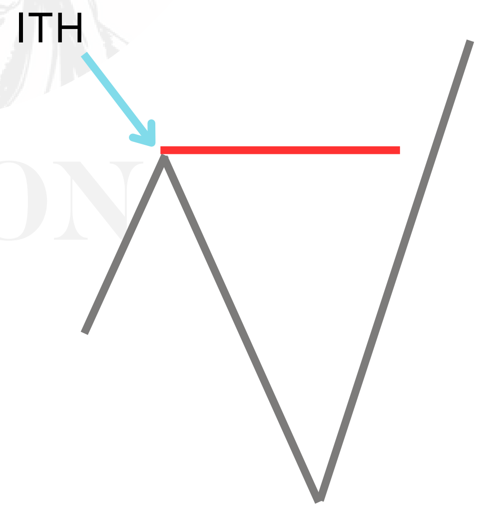
Now that you've learned about the Market Structure Shift (MSS), let's learn about the Significant Market Structure Shift (S.MSS)

Remember when we learned about ITH/L in the previous pages? Now we're going to be using it to identify S.MSS

When price is in a downtrend and breaks an ITH, it is considered as a Significant Market Structure Shift (S.MSS)
When price is in an uptrend and breaks an ITL, it is also considered a Significant Market Structure Shift (S.MSS)



S.MSS



S.MSS

Market Structure

Market Structure - MSS vs SMSS

Moving forward, you can use this guide to help you out.

STH/L = Market Structure Shift (MSS)
ITH/L = Significant Market Structure Shift (S.MSS)

Now your first question might be;
Which type of MSS should I use?

The answer is you can use both. But I would recommend you to journal this as you might have a higher win rate using either one of these.

As always, it depends on the trading strategy and model you're using. You can use this as a part of your entry confluence when trading, just like any other ICT concept.

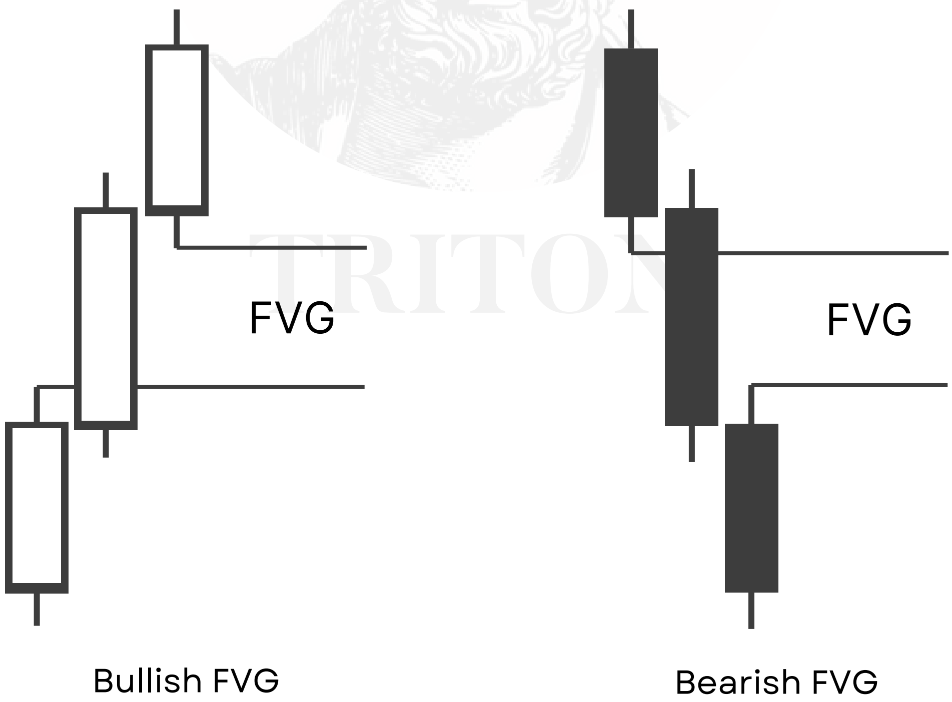
PD Array Matrix - FVG

What is a FVG?

The “Fair Value Gap” (FVG) is sometimes referred to as an “imbalance” or an “inefficiency” in price.

An FVG is a 3-candle pattern that forms when price makes a quick move to the upside or the downside. This leaves a “gap” in price. Usually, price will come back to fill these gaps.

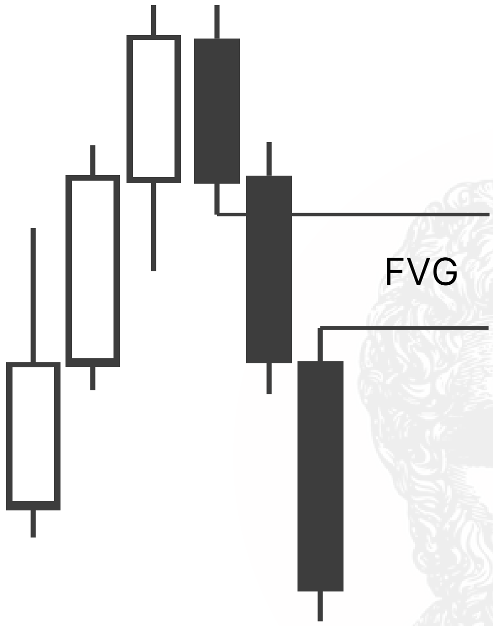
FVG is an area of price where there are no overlapping candle wicks.



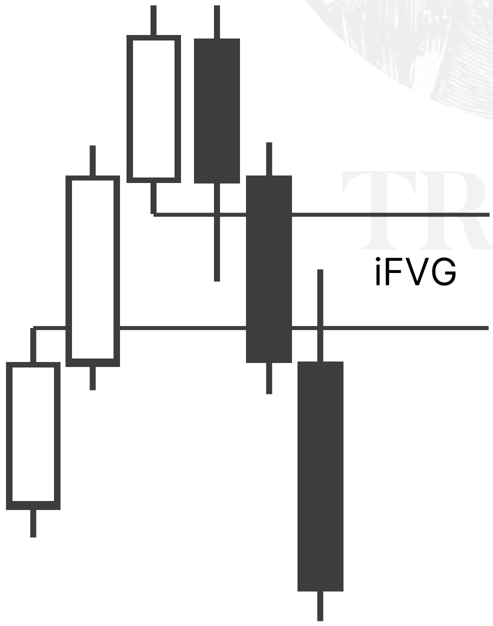
PD Array Matrix - FVG

Types of FVGs

There are different variations of FVGs we can spot. The easiest one to spot are the Regular FVG and Inverse FVG.



A regular FVG is the 3-candle pattern shown in the previous page.

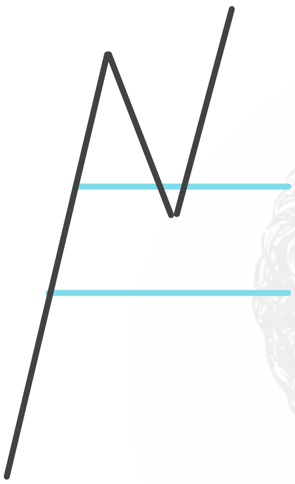


An Inverse FVG is a regular FVG that got “violated” or broken through.

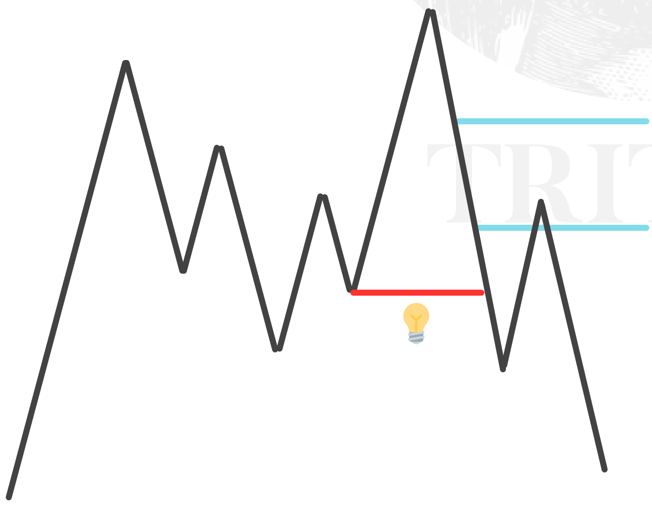
PD Array Matrix - FVG

How to trade using FVGs?

We can use FVGs in many different ways. We can use them as HTF Points of Interest (POI), as an entry PD Array, or wait for an Inverse FVG retest.



FVG used as a HTF POI to deliver price higher/lower



FVG being used as an entry PD Array

PD Array Matrix - FVG

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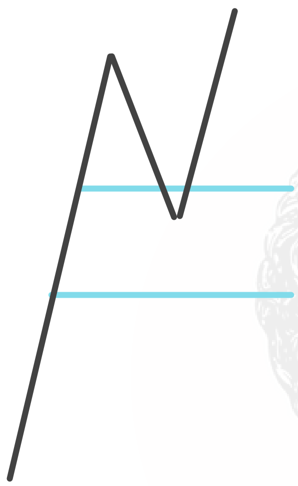

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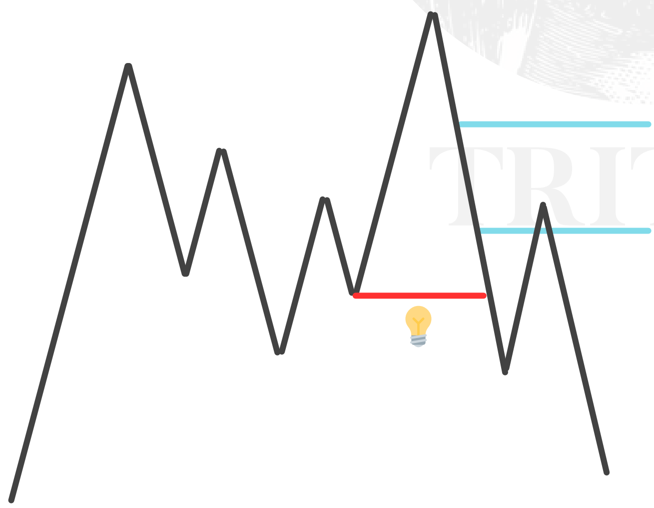


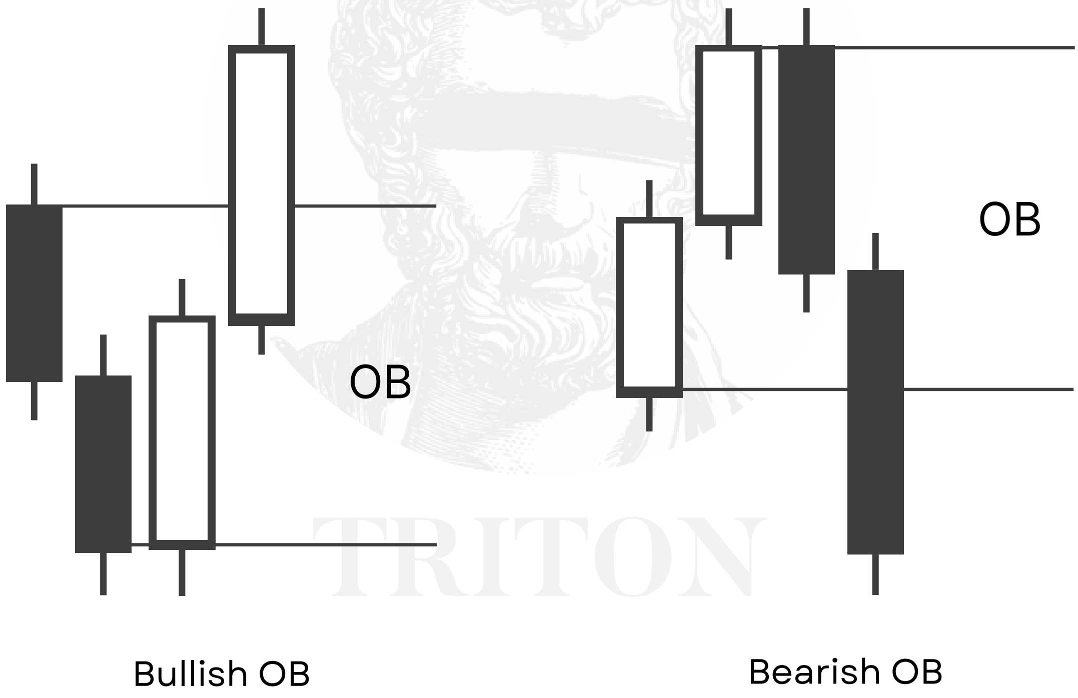
FVG being used as an entry PD Array

PD Array Matrix - Orderblocks

What is an orderblock?

A bullish orderblock is the consecutive bearish candles before the move up.

A bearish orderblock is the consecutive bullish candles before the move down.



PD Array Matrix - Orderblocks

How to identify an orderblock correctly?

Most traders usually confuse the Orderblock (OB) with a “supply” or “demand” zone. To be clear, the Orderblock has nothing to do with supply or demand.

A bullish orderblock isn’t the “last bearish candle” before the move higher, it’s the “last consecutive bearish candles” before the move higher.

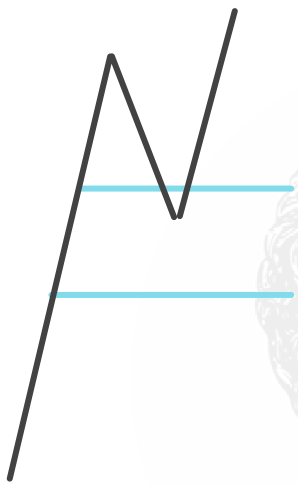
A bearish orderblock isn’t the “last bullish candle” before the move lower, it’s the “last consecutive bullish candles” before the move lower.

This is the simplest way to identify orderblocks for beginners. There are other methods to identify and use the orderblock, and I won’t get into that in this e-book to keep it simple.

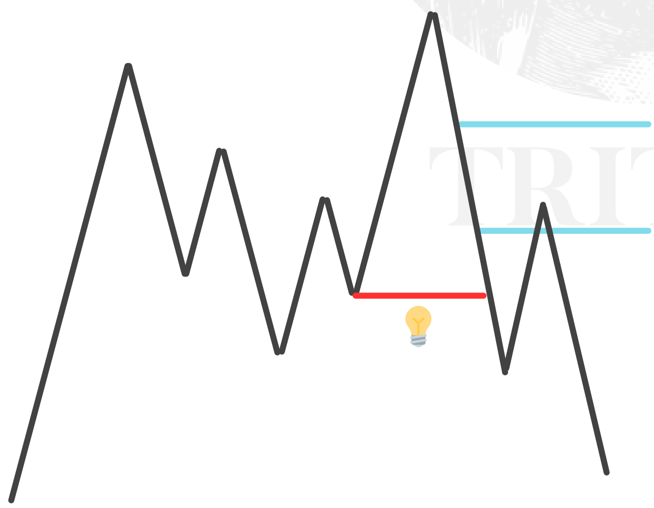
PD Array Matrix - Orderblocks

How to trade using orderblocks?

We can use orderblocks in many different ways. We can use them as HTF Points of Interest (POI), as an entry PD Array, and to give us the HTF narrative / context



Orderblock used as a HTF POI to deliver price higher/lower



Orderblock being used as an entry PD Array

PD Array Matrix - Orderblocks

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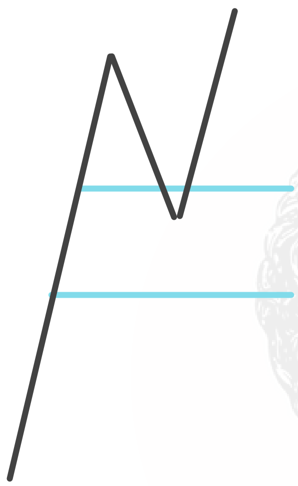

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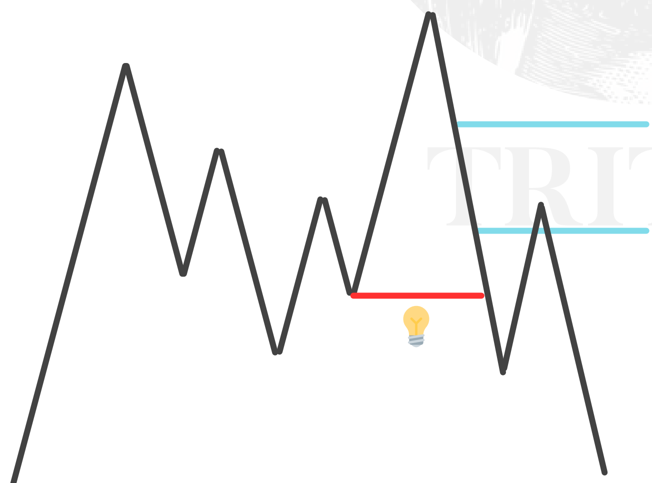

Orderblock being used as an entry PD Array

Time & Price

Seasonality in trading

There are multiple seasons during a year, and different seasons have different levels of volatility and liquidity in the markets.

Seasonality refers to a longer-term view, usually over a span of a few months. Certain seasons are usually better than others when it comes to trading

Seasons you should AVOID:
- Summer (July & August)
- Year end holidays (December)
- New Year's (January)

The other months are usually good to trade, and have a higher level of volatility/liquidity compared to the above months.

Time & Price

Market Killzones

Killzones are time windows during the day when most traders are trading, thus there's more liquidity.

More liquidity -> Better price action

Forex Killzones:

- Asia's Range (8 pm - Midnight)
- London Open (2 - 5 am)
- New York (7 - 10 am)
- London Close (10 - 12 pm)

Indices Killzones

- Asia's Range (8 pm - Midnight)
- London Open (2 - 5 am)
- New York AM (8:30 - 11 am)
- New York PM (1:30 - 4 pm)

You should focus on trading the London or the New York session only. All timings are in EST (New York time).

Time & Price

Market Silver Bullets

Silver Bullets are 1-hour windows during a killzone when price will rebalance a FVG and run towards the short-term Draw-on-Liquidity (DOL)

Silver Bullets:

- London Open (3 - 4 am) 4 pm - 5pm
- New York AM (10 - 11 am) 11 pm - 12pm
- New York PM (2 - 3 pm) 3 am - 4 am

The NY PM Silver Bullet only applies to indices. I don't use it for forex or any other market.

I usually trade during the London Open Silver Bullet for forex and during the NY AM Silver Bullet for indices.

Risk Management

Conservative Risk

This is generally the most used strategy when it comes to funded accounts. The idea is you'll risk very little per trade till you have a buffer. Then, you can risk a bit more as you wouldn't be in drawdown if you lost a few trades.

For example, I'm only risking 0.5% until 2% profit in an account. Then I'll use 1% risk. If I lose a trade and go back below 2% profit, I'll use 0.5% risk again.

This strategy makes it very hard to blow accounts, as there needs to be over 20 losing trades in a row before hitting the max drawdown limit. This is the strategy I use on my funded accounts.

Risk Management

Regular Risk

Using regular risk is using a fixed risk regardless of drawdown or profits. Usually there needs to be a very solid strategy with fixed rules to do this. The ideal number to risk is 0.5% - 1% of the account, depending on the winrate.

Aggressive Risk

Using aggressive risk is important to pass an account quickly. Most traders usually do this in the challenge phase, when they don’t mind blowing the account. Here they’ll risk 1.5% - 2% every trade, till they hit the profit target or max drawdown.

Very Aggressive Risk

This usually requires a strategy with a high winrate and low trade frequency. I’ll usually be risking 4% - 4.5% per trade in order to pass the account within 1-2 trades. This is the most riskiest way by far.

Why you keep failing

Why 99% of traders fail

There's actually a very simple formula for trading. You see, trading only comprises of 3 core elements

- Trading Plan
- Risk Management
- Psychology

This is what forms the "trading triad". Notice how I didn't mention a trading strategy?

That's because a strategy is what you do on the charts, while a trading plan takes into account everything else such as your account balance, your risk tolerance, your goals or ambitions.

And most importantly, your trading circumstances.

Not everyone can trade the 30-second chart, and not everyone can trade the Daily chart.

Everyone is unique, with their own preferences and unique circumstances. You might have a full-time job, or taking care of your kids at home.

Why you keep failing

Why 99% of traders fail

So when most traders “fail” or blow their accounts, it’s usually because one of the “trading triads” doesn’t fit into their life.

Maybe it’s the trading plan, psychology, mindset, risk management or maybe the content they consume is misleading.

Either way, I notice that my students will only achieve success once they identify this problem, and overcome it completely.

So ask yourself these questions:

- Do you get overwhelmed or confused when you open the charts?
- Do you feel like you’re guessing trades and not finding consistency?
- Do you find it difficult to identify which Orderblock, FVG, or Liquidity to use?
- Are you stuggling to place your entry, TP, or SL correctly?
- Do you have a clear step-by-step trading plan you follow?

Why you keep failing

The number 1 reason of blown accounts

If you answered “Yes” to any of the questions above…

Then you know the exact reason why 99% of traders fail and keep blowing their accounts.

Most of the “gurus” or “influencers” will never tell you the full truth about trading.

Because the truth is…

- You don’t need more concepts
- You don’t need more videos
- You don’t need another “strategy”

There’s 1000s of hours of content on YouTube teaching you how to trade and the various different strategies

The problem isn’t the strategy, it’s the implementation

You don’t know how to implement the concepts you learn, on the charts - effectively!

And it’s not your fault, those influencers don’t want you to be profitable so you’ll constantly pay them for help.

Why you keep failing

And those influencers hope you'll never break out from the cycle of failure.

I fell victim to this myself, spending over $15,000.00 on my trading "education" before realizing I didn't need any of it.

I just needed someone to guide me step-by-step, and tell me what I'm doing right, or what I'm doing wrong.

That way, I can learn from my mistakes faster and I know I'm on the right path towards success.

So no, you don't need more "education" from these influencers flexing their rented Lamborghini's

You need actionable advice you can implement TODAY, to see results in your trading.

- 1-on-1 Coaching and guidance to help you succeed
- Simple A-Z course for ICT concepts
- A simplified trading Blueprint for any market or pair
- Weekly QnA Calls to answer your questions and doubts
- Trade breakdowns to learn how to take A+ trades

Why you keep failing

I spent over $2,000 per MONTH to learn all of these from my mentor. That's over $10,000 I spent to become a profitable and consistent trader.

But I don't want you to spend 10 grand and go through the struggles I did. Trust me, I've been there and I don't wish any of you to go through that.

So I'm not gonna charge you £2000/month

Or £700/month
or £500/month
or £200/month

Heck, I'm not even gonna charge you £100/month for it.
(i know, this is crazy)

You get access to EVERYTHING, from my entire 25-module course, personalized guidance from me, the weekly group calls, and the QnA sessions + trade breakdowns

For only... £89/month

But since I'm giving personalized guidance to everyone who joins... I have very limited spots

So **click HERE** to join now and secure your spot.