**[Price Reading](http://www.readthemarket.com/index.php/en/178-english-rtm/492-price-reading)**

In order to be able to trade the markets, we need to be able to understand why price is where it is, and where it will go to next. The best indicator for all this is Price itself. It holds all the clues you'll ever need to work the market out. We do our trading at levels called Supply and Demand Zones (Video), and we watch Price Action there to give us signs as to the intentions of the big money.

 Here’s what we look for on the charts:

General: HTF. Know where price is coming from and going to, and the PA past and present in all the TFs, from the Monthly down.

Specific: At the zones you want to trade, look to

**PAST**.

Study the zone in all TFs, down to M1. Ask yourself :

Where were the decisions made?

Clean S/D? (Mark these lines )

No clean S/D? (compressed zone)

Did price really shoot away form the zone, or did it CP away?

Did the zone itself react at the right place? Look beyond the zone further into the past. See what it reacted to. Was there a better S/D nearby that price wants to visit? This explains many fakeouts.

Did price originally react to the RS of a Flag Limit? It can fakeout to true SD of the FL.

**PRESENT. APPROACH.**

How is price returning to the zone?

Where’s the nearest flag in the TF you want to trade? This is your tg1 in this TF. Flags in the LTFs? What does PA tell you?

Has price tested the last flag on approach? (good sign)

Has price compressed into the zone in this TF or LTFs? (good sign)

Is there big news on the way? Has there just been big news?

**REACTION**

In LTF, does price react violently to the first decision point? Does it quickly engulf the nearest S/D? (good sign)

Does price simply CP away? Maybe it wants to go to the next decision point  
If the first decision point breaks, watch the signs on approach to the next, and, of course, reaction.

Chew this over for now. Apply it to your chart history. Apply it to as many failed setups as successful ones. Millions of them if possible! Capture and file them all. This will help make it instinctive