There is one indicator that predicted every mega move and big reversal this month. And because of it, I've been able to catch 800 points on the NASDAQ futures and 200 points on the ES futures week after week. So, if you're tired of watching the entire move happen without you, this is for you. Because what I'm about to share with you didn't just help me. It's helping traders who are trading live with us every single day. New traders, busy traders, and traders who are one step away from giving up. And

the best part, this wildly used indicator, it's already in your platform. All you need to do is plug it in and follow the three simple steps. But here's the thing, most people use it completely wrong. And I know how frustrating that is because I did the same mistake too. Back then when I started trading, I was clinging to that indicator like it was my only way out of the slow corporate death. Every day I would rush home through traffic, skip dinners, totally drained. And I would load up that indicator fully convinced

thinking to myself, that's it. This is the one that is going to save me. And then as soon as I get a buy signal, I would open the trade. But a few minutes later, boom, down 200 bucks. Next day, same thing. Another perfect looking signal. Another trade. Boom. Another 200 bucks down the drain. And it felt like no matter what I did, the market just kept eating away my hardearned money for breakfast. Really, really frustrating. Spending all day in draining and boring meetings. And [music] then as soon as I

got home, the market was waiting right there for me, ready to slap me in the face. But you know what's even weird? Every time I looked back on my charts, that indicator looked perfect, so clean, so accurate. But I remember thinking, how come when I look back and after the fact everything looks great, but [music] as soon as I tried to use it real time, it's not working. It wasn't until I lost so much money that I had to take a close look and I [music] added one simple step. And this was a gamecher because

fast forward to now, this indicator [music] is responsible for some of my biggest trades I've ever had only because I finally understood the missing piece. I was finally able to see when the price is too expensive to buy or too cheap to sell. and I was able to see when a big reversal is about to happen before it actually happened. The indicator that I'm talking about is the RSI, but not the way most people use it. So, in this video, I'm going to show you how I use that indicator every single day. So, you

[music] finally stop watching the move happen without you and finally start catching these moves. Now, before we get into the juicy details, let's make sure that we have our charts set up the right way. For that, we want to add our indicator first. You want to head to indicators. And by the way, I use here Trading View. You can use any other platform. It would work just as well. And now we want to type in RSI, relative strength index. And all you need to do is doubleclick and add it to your chart.

We're going to leave the settings as they are. We want to focus only on the two bands, 70 and 30 RSI. Next, we want to make sure that we set up the time frame to 1 hour. And look, this is extremely important because the 1 hour is going to give us the most accurate and highest probability setups, the best setups. It will filter out the noise and that is what I personally use in combination with the RSI. So, what exactly is the RSI? The RSI simply shows us how fast and how far the price is moving in one direction. Nothing

complicated. If the price moves too fast, too far in one direction, this is usually an emotional move, meaning buyers are getting greedy and sellers are panicking. And those emotional moves are exactly the ones we want to take advantage of. Now let's take a look at the RSI on the chart. The lower band is RSI 30. And each time this line starts moving towards RSI 30 or lower, this means that the price is oversold. In other words, the price dropped too quickly to the downside and for that particular period of time is too cheap

to keep selling. And it's the exact same way in reverse. The upper band is RSI 70 and each time this line starts pushing towards RSI 70 or higher. This means that the price is overbought. In other words, the price pushed too fast to the upside for that period of time that it is too expensive to keep pushing higher. Now, if you don't understand all of it, don't worry about that. We're going to go through plenty of examples and you will understand everything in depth. Now, let's get into our rules and see

how we can capitalize on that information. So, rule number one, if the RSI is at 30 or below, we want to be looking to buy. If the RSI is at 70 or above, we want to be looking to sell. And as we go through that video, we going to add more rules to that. But for now, I want to make sure that you understand the basics. So, in this example, the RSI is above 70. Based on the information that I gave you, what would you do here? Buy or sell? If you said sell, you're exactly right. As we can see, the price immediately reverses

to the downside. Now, let's take a look at one more example. In this case, the RSI is below 30 oversold. Based on the information that I gave you, what would you do here? Buy or sell? If you thought buy, that is exactly right. As we can see, the price reverses and goes straight to the upside. Now, we've got the basics locked in. We buy when the RSI is below 30 and oversold, and we sell when the price is above 70, overbought. But there is a huge problem most traders run into. And honestly, I can already see the comment section, but Sylvia, the price can stay overbought or oversold forever. And you know what? You're exactly right. It can. And this is why most traders and most beginners get totally crushed, including myself at the beginning. Because if you buy at 30 and pray the price to go up or sell at 70 and hold the price to go down, you're pretty much guessing. So instead of guessing, we want to add structure and levels. And this is, by the way, the missing piece I've been missing the

whole time at the beginning of my trading career and blindly following just indicators. So by adding just that one simple step, you can boost the accuracy by 20% and turn random signals into a reliable system. And that leads me to rule number two. Before we start taking blindly trades based on the overbought or oversold RSI, we want to check for one very important thing, the liquidity zones. And this is the exact crucial step I've been missing at the beginning. So now I want you to write this down. If the RSI is oversold below

30, we want to look to the left and we want to check if there is any previous low or previous breakout zone on the chart. In other words, is there any support area? If the RSI is overbought and above 70, we want to look to the left as well and check for previous high or previous breakdown area. In other words, we're checking if there is any resistance zone on the left. So, why do we look for these support and resistance areas? This is where smart money places their orders. When the RSI is oversold

and is dropping straight into a support area from the hourly chart, this is where smart money already has their orders, their buy orders waiting there. And this is where most amateur traders put their stop-losses. So their stop losses act as liquidity pocket and very often the price reverses exact at that area and it works the exact same way in reverse. If the RSI is overbought heading towards resistance, this is where big money is placing their sell orders. And this is where most retail traders would chase breakouts or put

stop- losses. So these zones act as magnets. This is why combining these levels with the RSI is going to give you much more reliable signals. So, let me show you on the charts. That right here is the RTY, the Russell 2000, and the hourly chart. And as we can see, we're right here at this oversold area, way below 30. And so, now we want to look to the left and see is there any previous low on the chart. As we can see right here, this was a previous low acting as a solid liquidity area. So now based on

the information that I gave you, we are oversold and we're right at support. What would you do here? Buy or sell? If you thought buy, you're exactly right. This is the exact area where the price started to bounce of that zone. Buyers stepped in and reversed the price. Now, let's take a look at one more example. As we can see, the RSI here is overbought, way above 70. And when we look to the left, we see that this right here was the previous high. And we slightly broke above the high. Now,

based on the information that I gave you, what would you do here? Buy or sell? If you said sell, you're exactly right. We see that sellers stepped in and immediately reversed the price to the downside. So before we add one more rule, I want to summarize what we've got so far. We're looking at the RSI and if the RSI is oversold and below 30, we want to look to the left and see if there is a previous support area, a previous low or a breakout area. In this case, we're going to be looking for a

buy. If the RSI is overbought around 70, we want to look to the left and we want to make sure that we are at the previous high or previous breakdown area. In other words, around resistance. In this case, we want to be looking to sell. Now, just these two steps alone are going to increase your accuracy a lot. But if you want to squeeze even more out of this indicator, there is one more piece we can add to our rules. Which leads me to our rule number three, waiting for our very specific candlestick formation, and I call that

candlestick the pitchfork. So, the reason we want to wait for a candlestick confirmation, is because this is going to give us some more clue if there are really more buyers or sellers stepping in around these areas. So, if we're oversold, meaning the RSI is at or below 30, and we're at a support area, we want to be looking in a perfect world for a few red candlesticks in a row, and then we want to see one green candlestick. As soon as that hourly candlestick closes green, our entry is happening above the

high of that first green candlestick. And it works the exact same way in reverse. If we're looking for a short, we want to make sure that the RSI is at 70 or above, meaning overbought and that we're at a very important resistance area. In this case, we want to see in a perfect world a few green candlesticks in a row straight into resistance. And then we want to see one red candlestick on the hourly closing red. This is showing us and confirming us that there are more and real sellers stepping in

and our entry is happening below the low of that first red candlestick. Now I want to show you two live trades that I took live in our trading community so that you see how everything looks in real life. Okay, so that right here is the ENQ the NASDAQ futures and the one hour chart. And by the way, I trade 99% of the time the ENQ futures. I've mastered that instrument over the last 13 years and even in chat they call me sometimes the NASDAQ queen. But if you're trading anything else, anything different, any other instrument would work for that RSI strategy as well. So the first thing we want to do is check if our three rules are filled. So right before the US market opens, I want to know where we're at on the chart and what is our RSI showing us. And as we can see the RSI is right at 70 overbought. Now we want to look to the left on the chart and see is there any previous high and resistance area. And as we can see that right here is a previous high and this is our resistance zone. Now in order for me to take the

setup I want to have the pitch for confirmation. I want to make sure that I have one red candlestick on the hourly closing red and the next candlestick going below the low of that candlestick. Now, let's replay and see what happens. As we can see, we have one red candlestick. Now, in order for me to enter, I want to make sure that the next candlestick goes below the low of this red candlestick. If this happens, I'm going to hit the short sell button. Now we got our confirmation and the market

dumped straight to the downside. Now in this example, the stop loss can be placed slightly above that red candlestick right here. Or if you want to give it a little more room, you can even place it right above the resistance area. And something important to mention here, by the way, we're not working with a ruler. Sometimes the price is going to stop below the resistance and not really touch that resistance. And sometimes in other cases it's going to break through that area and then reverse which is why

we're looking at the price action and observing the candlesticks and waiting for a confirmation. And as we can see we're right here at the previous low and we're heading towards oversold. So it makes sense just to take most of your profits here because the market might reverse as well. And what I like doing in cases like that, I just like taking partials of my position, paying myself along the way, and trailing the stop on the remaining of my position. So, in this case, I'm just going to go ahead

and take partials and trail the stop. Now that I have two more contracts left, I'm going to move the stop-loss above the high of this red candlestick. And this is a trailing stop that I like using. And this is just allowing me to leave some of my position open and just trail my stop and be able to capture bigger move without giving back some of my unrealized profits. So the way I do it is manually. Each time the hourly candlestick closes, I'm going to move the stop-loss above the candlesticks

high. So, the price continued further lower, which is why I'm going to move now, in this case, the stop loss right here above the high of this red candlestick. And then I'm going to wait and see if I can squeeze even more out of this trade. Now, it looks to me like the price starts to reverse a little bit, which is why

I'm just going to go ahead and take all of my profits. This was a huge move that I was able to take in a huge reversal. And I'm going to just take my profits and call it a day

and come back the next day. So now I want to show you one more example on the ENQ futures this time on the long side and this is as well a trade I took live in our trading community. So we're here on the hourly chart as well and we want to check first what is the RSI showing us and as we can see right after the market opens the US market open we are heading straight lower and the RSI shows way below 30 oversold. So the next thing we want to do is we want to check to the left. Is there any previous low,

previous support zone where potentially big buyers might be stacking buy orders and looking for liquidity. And as we can see right after I zoomed out, I see this low right here which is acting as a liquidity zone as well. So my second criteria is filled. Now I want to wait for one green candlestick first. As soon as I have a green candlestick and the price goes above the high of that green candlestick, aka my pitchfork, I'm going to be entering a trade on the long side. So, I'm looking to buy. So, now I have

one first green candlestick. As soon as the price starts taking the high, I'm going to be placing a buy order. As we can see, the price goes straight to the upside. So in this case the stop loss can be placed slightly below the low below the low of that first green candlestick. And in terms of takerit you can target the previous resistance area and previous high which is right here. And in cases like that I like paying myself along the way. And like I mentioned I like trailing the stop. And

because we're already heading towards the mid zone of our RSI, I'm going to just go ahead and move my stop loss below the low of this hourly candlestick. So, because it was Friday, I took most of my profits, but I decided just to keep two more contracts over the weekend because this is a very nice liquidity zone also from the daily chart and I just want to let this trade go and I was already in a very nice profit. So, I'm going to just continue holding on to this trade. As long as the market

continues up, I have no reason to sell for right now. As we move further higher, I'm going to slightly trail my stop loss below the low of this green candlestick. This is how I'm securing my unrealized profits and trying to make sure that I can capture even more of the move, targeting this previous high right here. As we can see, I finally got stopped out for a very nice profit from my trailing stop. And so, this is how I like managing these positions using the RSI, the support and resistance liquidity zone or magic lines. And by the way, I'm going to link a video on how to draw these lines exactly because I've done a video recently on that. So, I hope that video helped you how to identify key liquidity levels combining with the RSI to spot key reversal points. And if you want to know where are these liquidity zones, we also sent each week our weekly gains guide where we are showing exactly the most important liquidity areas and the strategy for each week. It's totally free. You can check the link in the

description below. And if you wanted to trade live with us, I'm going to post the link in the description as well. Feel free to check it out. Thank you so much for watching and bye for now.