The world's best traders use this one thing, orderflow. And today, a multisefigure verified trader is going to show you exactly step by step and simplify the process of trading order flow. In the month of May, I made $23,000 using just these concepts. No matter what orderflow tool you use or how you view the market, this is what forms a market. And this is how candlesticks form. This is how line charts form. This is how a market moves up or down. Whether we talk about cars, watches, stocks, this is the driving factor of a

market. If I trade without order flow, I'm trading blindly. I need to see this because it gives me confidence that I am on the right side of the market with the right participants that I'm looking to trade with. >> Carmine Rosato teaches you exactly how to trade order flow, no matter what trading style you trade. >> This will give you a reason why the market may reject, the reason why the market's consolidating there. And then point number three is one of my favorites and a lot of I know like ICT

traders or smart money concepts will love this one. It's just this. >> No matter the strategy that you trade, whether it's ICT, smart money concepts, Fibonacci, supply and demand, it does not matter. Orderflow will make your trading better. If you use orderflow, and I'm a firm believer of this, no matter what trading strategy you use, ICT, smart money concepts, Fibonacci, supply demand, any trading strategy, if you can implement orderflow with that strategy, you'll get better

risk-to-reward ratios and you'll take better highquality confirmations with that strategy. Not only does Carmine teach you step by step and make it easy to trade order flow, he will then show you it traded live during New York session. So you can watch an elite trader trade candle by candle, showing their execution, their management, and their take profit. We're going to pull back again into these 87s and we hold it. But what I want you all to keep an eye on and this is what made me click

the buy button following this was on all of this on Chart Fanatics YouTube right now. Welcome everyone back to Chart Fanatics, the go-to channel for all the very best trading strategies and concept breakdowns with the best traders in the world. Talking of which today we have our first ever part two already on Chart Fanatics by popular demand cuz people wanted to know a deep dive and a masterass into orderflow trading. So there's only one person for the job and that is the one and only a verified

seven figure trader, the founder of investor trade, Carmine Rosoto. >> Thank you, Bruce. >> I say your last name right? >> Rosado. Yeah, >> Rosado. Yeah, >> yeah, people were saying you know you've made it when you only are known by your first name and that's it. >> But man, it's a pleasure to have you back.

I appreciate you coming back as well. And you know, as I said, the the comments on the last one, people loved it. People love the the low volume node.

However, a lot of people did want a deep dive purely into order flow, right? how to understand that. >> So let's give them the basics. I think like a lot of people get very intimidated with order flow. They see that they think it's noise. They see all this complex stuff when in reality it's very simple. Once you dumb down just to the basics of the driving mechanics of the market and how the market is very similar to an auction and when you understand an auction that's an edge in

short-term trading and being able to read the order flow in a simple way can be relatable to no matter what trading strategy you use. And I feel like a lot of people say that they don't need order flow, and I'm good with just candlesticks alone. But if you use orderflow, and I'm a firm believer of this, no matter what trading strategy you use, ICT, um, uh, smart money concepts, Fibonacci, supply demand, any trading strategy, if you could implement order flow with that strategy, you'll

get better risk-to-reward ratios, and you'll take better highquality confirmations with that strategy if you can add a layer of order flow to your confirmations. >> Definitely. No, definitely. And and you know even just the insight we got on the last episode you know showed show showed that really and showcased that on a high level but then today I think people are going to really have their eyes opened and just as you said seems complex on the surface but really if you just understand what it's representing it can

be very very simple and complement your trading massively >> right so I really want to dive into just the basics so anybody with any strategy can use this as an extra layer of confluence in their trading. So we have to first understand what drives a market or what makes up a market. Now in today's day and age, technology has taken a complete change in the markets. And with technology, we have a bunch of different softwares and tools on the computers that just give us the same information that we could have had if we

had no computer back in the 80s or back in the 90s when people were trading in the pits. So the concepts are relatable. It's just technology is giving us information in a different way. So, I want to dumb it down and get into that information with new technology based on the concepts of old school trading back in the pits without even charts. So, regardless of any market, any stock, forex, futures, penny stocks, options, there's going to be a buyer and a seller to every single transaction in the industry. Everybody says that there's more buyers and sellers. There's more sellers and buyers, but that's completely false. In a market, there could be only one buyer and one seller. And for them to come together, that's a completed transaction. >> We could have multiple buyers, multiple sellers, but for a transaction to get completed, a buyer has to come to a seller to complete a transaction. >> On top of every transaction, there's going to be either a limit order or a

market order. And there can never be two limit orders. There can never be two market orders. A limit order, a market order has to hit a limit order for a completed transaction to occur. Now it's very important to understand that there's multiple different participants in the auction and this has to do with bids and asks in the market. Now let's talk about the first participant which is a passive participant. This is seen as someone who is placing a limit order on the order book. They are adding

liquidity to the market. >> So if someone is placing a limit order on the market, they are wanting to buy that stock or that instrument for a specified price or better. Let's say Apple is trading at $100 and I'm willing to pay $90 for it. I place a limit order to buy >> on the bid. I'm placing a bid at call it $90. >> Yeah. >> Now, flip this and let's say now we're a seller. We want to sell Apple stock trading at $100. We're specifying we want to sell it on the ask or people

call this the offer. >> Mhm. >> For call it $110. So there's two different participants. When we're passively buying, we are buying on the bid. When we are passively selling, we are selling on the ask. Now, flip this. There's going to be aggressive participants. >> And these are market orders. So a market order essentially, if you are looking to buy something, you are buying on the ask. And if you're selling something, you are selling on the bid. >> Interesting. So for a completed

transaction to occur, we have to have a limit order hitting an aggressive market order. Someone's passive in the market and for that transaction to get complete, an aggressor has to come and hit that passive order. When we place limit orders, we're buying on the bid, selling on the ask. When we're placing a market order, if we're buying, we're buying on the ask and selling on the bid. So think about this. If we are an aggressive participant in the market, for us to buy, we have to buy from

somebody who is selling on the ask. A buyer hits a seller. If we are looking to sell something, we sell on the bid to somebody who is buying on the bid. For every transaction, there's an aggressor and then there's a passive participant in terms of a market or a limit order. And this is very crucial. This is the basics to an auction because no matter what orderflow tool you use or how you view the market, this is what forms a market and this is how candlesticks form. This is how line charts form. This is how a market moves up or down. Whether we talk about cars, watches, stocks, this is the driving factor of a market. So passive, aggressive, sell on buy on buy on sell. Okay. All right. So now how we relate this to how we can gain an edge in the market is let's act like you own a house and RZ is selling his house and he listed it on the market and he has an asking price of $100,000. Carmine comes by. Carmine's in the market to buy a house and Carmine says, "RZ, that's too much money for

that house. Mhm. >> I'm willing to buy your house at $90,000. Carmine is bidding now. >> Yeah. >> For $90,000. Two things could happen. RZ says, "No way." And Carmine has to say, "All right, RZ, you know what? I take your $100,000 offer." What that does is if you stay firm to your asking price, you are placing a passive order because you're adding liquidity to the market. You're adding a house for sale on the market. You are selling because you are

asking to sell. and Carmine comes along and he's buying to your asking price. >> Mhm. >> Flip this a little bit. Now Carmine's not willing to pay $100,000 and Carmine wants to buy for $90,000. Riz, you have your house listed for 3 months. You can't sell it. You say, "You know what, Carmine? I'm willing to hit your bid at $90,000." Now RZ hits my bid at $90,000. the market theoretically moves down because now the the transaction got occurred at a lower price and RZ

essentially sold to me on the bid because I was bidding for that house passively at $90,000. That was the price that I was willing to pay. >> Got you. >> And we relate this to the market. In simple terms, this is just one transaction. But in the market, there's thousands and millions of transactions on a daily basis. And we can use this to our advantage whether we're looking to capitalize on the market down or looking to capitalize on the market to the upside with this information alone.

>> Mhm. >> So now we relate this to the transactions of any stock, any instrument in terms of price. We have call it Apple stock just for simple terms. $100, $99, $98, 101, 102. This is the order book which shows every single passive order that someone is either looking to buy or sell on the market. So right now the market's currently trading 101 by 100, meaning it's offered or it's asked at 101 and it's bidding for 100. For price to theoretically move up, what would have to occur here is we would

need aggressive participants buying on the ask over nine contracts. So let's just say 10 hit the market. What that would do is it would bring the market up to trade 101. We would remove the nine and one extra would make this 12 if nobody adds or pulls to the market. >> And this is the driving factor of the market is we would need aggressive participants. It could be hundreds, thousands of contracts to aggressively hit all the passive sellers asking to sell for the market to move up. And we

would need all the aggressive sellers selling on the bid. Call it 10 + 17 plus 8 is 35 contracts. Let's just say 40 contracts hit the market right here. It would remove all these bids and bring the market down $3 or three points in this example. And this is the driving factor. So in the market, it's safe to say that there could be more aggressive participants than passive participants. But it's not safe to say that there are more buyers than sellers because at every single transaction, a buyer is

hitting a seller. So our job and the concepts of order flow is to kind of pinpoint who is aggressive in the market because aggressive is what gives us the intention. >> You can't fake orders that hit the market, but you could fake orders that don't hit the market which could be in the form of a limit order. So a lot of people say there's spoofing and I'm going to show everybody examples on my charts in a few minutes. >> But you can see spoofing occur and you could use that to your advantage and

you'll see that in the trade example that I'm going to show. But the main concept to the strategy is understanding who is aggressive in the market and who has an agenda to bring it up or down and then essentially follow their footsteps. We can also use it to our advantage by seeing a lot of aggressive participants in the market. And if so many traders are aggressive but the market doesn't budge, it would be very safe to say that somebody is passive in the market and that's where support or resistance

forms. So support and resistance forms just simply by more passive sellers at that level or more passive buyers at that level. If there's not enough aggressive participants, aggressive buyers to take us above passive sellers, the market's going to resist there and that's why a resistance level actually forms. >> Go ahead. >> All right. So there's three main ways we can relate this to a candlestick chart. Number one is let's say we see the market rally up and it comes to a level

of resistance in this area right here. And as the market's rallying up, we see a very large seller sitting here, call it a,000 contracts at whatever price this is right here. If the market's rallying up and we only see, call it 900 contracts hitting the seller at 1,000, then the market will start pulling back as there's a wall of selling activity there. And this is where we look to capitalize on a quick short-term pullback. Hey guys, I hope you're enjoying this episode so far. And don't forget, we send every single strategy breakdown from every episode for free on chartanatics.com. So the link for that is in the description below. So just make sure you click that. You just put your email in and every single week we will send you an up-to-date PDF strategy breakdown for you to keep, to learn from, to reference for free. And don't forget, we're also launching Chart Fanatics Live, where your favorite traders from Chart Fanatics will be live trading every single day. I will also be

including special guests on the live Chart fanatics edition. So, make sure you go subscribe to that YouTube channel right now. It's linked on the main profile of Chart Fanatics. So, make sure you're ready for that. Up to 6 million in futures funding. That's only possible at one place, Apex Trader Funding. You can get up to 20 accounts at Apex. No other futures firm offers anything even close. And that is why Apex pays out the most out of any futures firm. Already have paid out over half a billion

dollars. Half a billion dollars so far to traders just like you across the world. They're no stranger to the podcast or chart fanatics. We've had some of the record holders of largest payouts in prop firm history. obviously only through Apex with Trader Kane who did over $1.9 million in a single payout and Jadecap who's also done over $2.3 million in a single payout at Apex. Not only can you get up to 20 accounts, but also it's only a one-phase evaluation. There's no daily draw down. Up to

$25,000 of each payout is 100% yours to keep and 90% profit split thereafter. And most of all, there's no profit cap. Now, don't forget you can get a payout at Apex every 8 days. So, you can get either their 25K account all the way up to their 300K account and you can get up to 20 accounts. Now, make sure when you're getting an account at Apex, you use the code CF for up to 90% off at Apex Trader Funding. The link is in the description below. Use the code CF, get up to 6 million in futures funding today. Now,

let's get back to the episode. Similarly, if the market's rallying up and then we pull back down on this pullback, if there's a significant amount of buyers, call it a 100 contracts and only 90 contracts sell here, then the market will be forced to bounce and rally up. And this is where we're looking to capitalize on the order flow. >> Now, with the order flow, it's not really important to watch it at every single price, at every single minute, tick by tick, day by day, second by

second. It's important to watch it at levels of interest because you want to gauge the volume patterns around whatever level of interest. And that's why I think it's really good for any trading strategy to implement this because if you have your levels of interest, regardless of how you trade, you can get much better entries and take higher quality setups with better risk-to-reward ratios >> and you can have more confidence behind it. >> Way more confidence. In fact, once you trade order flow, you're never not going to trade orderflow. don't know any order flow trader that goes to it and then goes back because once you understand that this is the driving factor of the market, it is a complete game changer in your trading. >> So now point number two would be let's say we see the market rally up and now we're coming into our level of resistance and we see a lot of aggressive buying volume come in here. Thousands of contracts, thousands hitting the market, taking liquidity

away and hitting every single passive seller selling on the ask. These are aggressive buyers buying on the ask to passive sellers who are selling on the ask. >> Tons of buying volume comes in, but the market does not move anywhere. This is a very good indication of absorption and the market would then be forced to pull back as well when there's a lot of volume coming through. And we could even draw this to the downside. Let's see if the market's selling off. And we come into our level of support.

And as we come into the level of support, there's tons of selling volume here. But the market cannot sell off. In fact, there's even more selling volume here at the level of support than there was that dropped the market severely to the downside. >> Now, we have more volume here than we did when the market dropped, but the market is not going down. This is a very good indication that somebody is buying here passively and absorbing all the selling volume. And it's a good to follow their footsteps and look for a

possible bounce to the upside. So that's called absorption. When there's a lot of aggressors or aggressive participants coming in the market, but no follow through. It's a very big red flag. >> Movement's not taking place. >> Exactly. And you could really only see this through the order flow. You could kind of see it off of a a smaller time frame candlestick chart, but you're not going to get the accurate details as you would by reading the volume coming in. >> You you can try and guess. There won't

be confidence and you'll actually see >> exactly this will give you a reason why the market may reject, a reason why the market's consolidating there. And then point number three is one of my favorites and a lot of I know like ICT traders or smart money concepts will love this one is just a simple stop run or stop hunt. >> Now in terms of order flow, why these occur is let's say we see the market coming down again and >> we then consolidate here for quite some time and we build volume. this

consolidation in this range right here would be safe to say that there's some type of trader looking to um accumulate or get into a larger position because you need to do so on periods of consolidation. >> Yeah. >> In fact, in the market when a larger participant has an agenda to to join the market and get in long or short, he needs to buy when other people are selling and he needs to sell or they need to sell when other people are buying. Yeah. So for them to get in with a larger position, they need others to

sell because again, if they're selling, they're buying from them. They can't buy when everybody else is buying and they can't sell when everybody else is selling. So as the market's selling off here and we consolidate, there's going to be plenty of examples that I'm going to show you all in a bit where the market consolidates and builds volume near a low or rallies up and builds volume near the high. >> Mhm. This does not typically typically indicate a low or a high is in. So in

terms of volume, a low or a high is formed when there's a lack of liquidity. When there's consolidation, there is a lot of liquidity there. So this is why stop hunts occur is when the market then breaks down. And how many traders enter this short when it breaks down a period of consolidation for the market to eventually rally up >> and stop them out and then it continues moving up in their direction. or they take the market short here, eventually it breaks out, stops them out, and then

eventually reverses on them, and they could have made money if they weren't in that stop hunt. >> Yeah, >> these levels of stop hunts essentially are periods of illquidity or periods of a rejection of a longer time frame participant stepping in the market. And this would validate a valid low or a valid high forming in the market. And this is crucial to stop run stop hunts um because they indicate the market is not agreeing with prices being this low. And in terms of an auction, the only way

the market could go is the opposite direction to attract other participants as it's moving in that direction. >> So now that we see these concepts visually on the whiteboard and we drew it out, let's talk about it on the charts so everybody can kind of put these concepts together. Now there's three main tools that I use and again everybody sees these tools and they are not complex once you understand the concepts that I just explained on the whiteboard and you understand what you

are watching for. Every single orderflow tool shows you the same information just visually in a different way and it will always relate to these points that I just went over on the whiteboard. So if anybody ever gets lost or confused, these points on the whiteboard are going to be identical to what I'm explaining just different visually. >> Yeah. So on my charts right here, we see what's called a depth of market. And I think this is one of the most important tools in terms of order flow and in terms of reading the tape because it gives us so much information that we cannot get off of a chart alone. >> The most important thing that we're going to see here is every single passive order on the market will be displayed as a limit order, which I'm currently highlighting in the dark red columns. What this indicates is every single passive order at specific prices that hit the market. So at 5647 there's 29 contracts someone's looking to passively sell or asking to sell at that

price. >> Mhm. >> Now you want to go to 56.50. Up here there's 113 contracts offering to sell at 56.50. Flip this now to the bid side, the blue column. There's eight contracts looking to buy at 5646. And then there's 33 contracts looking to buy at 56,45 and 3/4. These are passive orders on the order book. Now, for a completed transaction to occur, let's say there's 13 aggressive buyers come in. They're hitting all these 13 sellers on the ask. Yeah. >> 21 buyers come in, they're hitting all

these at the 50 at the 56 46 and a halfs. Now, let's say a thousand contract order comes in. We could wipe away this guy and we'd wipe away everyone leading up to a thousand with the concept of nobody's adding liquidity to the market. >> Yeah, >> this can be seen completed transactions in terms of a volume profile. So, a lot of traders use volume profiles. It's probably the second most important tool in terms of reading the order flow because this shows completed transactions. You can't spoof

transactions that get completed. >> So, this is a volume profile and this splits buy versus sell data. 20 contracts, somebody sold, aggressively hit the bid, passively bought. 49 contracts, somebody aggressively bought, and somebody passively sold, and so on. In terms of the volume profile, it shows completed transactions. And then we're going to see delta, which I'm going to go over in a bit. And then we have a session volume profile, which just adds the two columns. We see 69 contracts

here. If you add 20 and 49, that equals 69. That's total volume. >> Yeah. Now the second thing, this is the solar system chart that everybody gets very confused with. And this is I would say where I find 70% of my trades come from a heat map because what I love about it is it shows not only current data, but it shows historical data. Let's say I go to the bathroom, I walk out of my office and I miss something to occur. Well, I could go back and see historical data which has happened 10 minutes ago at a

specific price versus the depth of market is kind of only showing me information or new information that's occurring right now. >> Yeah. >> So, in this example, what a heat map shows is the price will be all the way to the right and any large red orange uh colored line under price indicates a passive order on the order book. M. >> So here we see this orange line at the lows and if I just hovered over it that means somebody is bidding for 70 contracts at 5638. So there's a passive buyer looking to buy at 5638. 70 contracts. Could be one guy. It could be 30 guys. Now also highlighting over the bubble which the color indicates which side of the market is on. Red is obviously sell, green is obviously buy. >> Yeah. But now we had 70 passive buyers at the 5638s. There was only 61 contracts that aggressively sold into the 71 buyers here. Guess what happened? The market went up because there wasn't enough aggressive participants to overtake >> the passive buyers buying there. And

that's where support forms where this is where we look to gain the edge off the market trying to bounce to the upside. >> Of course, >> now I also have a footprint chart. Again, same information just visually different. I have it's a custom footprint chart that I created and it's just three different things that it shows me and column number one is going to show me total volume for that bar. So at the top of the bar we see 84. That just indicates that at 5797 and 3/4 this

price right here there was 84 total volume. And why this is important is because this will show me on this histogram >> there's not much volume being transacted here at the high which is a very good reversal indication. Mhm. >> The second column shows me delta, which just shows which side of the market is more aggressive. So if a delta is blue or a delta is positive, it indicates that there are more aggressive buyers hitting the market. >> And if the delta is red, it indicates

there's more aggressive sellers than there are buyers at that specific prices. Yeah. So delta shows me who or which participant at that specific price is more aggressive. And this is significant because I really only care about who is aggressive in the market because this is where it shows completed transactions occurring at that price. And then column number three is just a picture of the volume profile. And there's specific patterns that I look for such as like a B-shape or a P-shape in terms of the structure of the volume.

Here we can see a B-shape which just indicates that buyers or sellers are present um based on the structure of the volume being transacted. >> Mhm. Now, going into the first trade, this was um on May 9th, and I do want to say that in the month of May, I made $23,000 using just these concepts, keeping it very simple, focusing on quality setups and maintaining high risk-to-reward uh ratios. This trade was a 4.5 to1 realized risk-to-reward ratio. It was 20 ES contracts and a $20,000 profit. Now,

what we're going to see here, and the game plan for this I highlighted, was as long as the market rejects 5714 supply and the lower high is placed, I am a bear, and I want to look to play shorts. >> Yeah. >> Now, how I started this whole lesson off is that you can use this with any strategy, supply, demand. If you want to use this to any ICT terms or any type of smart money concepts, Fibonacci, this is just an added layer of confidence and an added layer of conviction. So in this

example, we had the market at this level of supply. I wanted a lower high to be placed and I got short 5706 going for about a 12point target. 12 to about 22 point target to the downside. Now here's our first rejection of the level of supply and directly after this, the market placed three different higher lows and I took two trades off of these lower highs being placed. But I want to show you all how we can get confirmation off of this rejection. So looking at the heat map again, no reason to over

complicate it. We see a thicker line at the top. That just means there is a thick wall of passive sellers sitting here. Think of it as resistance. >> Yeah, >> I highlighted that there's 111 contracts to sell because it's on the ask at 5710, which is this price right here. Someone is looking to passively sell directly under this level of supply >> that we just rejected right over here. at 5710, which is this right here. 111 contracts at 5710. The market rallies up and there's

aggressive buying denoted by this large green bubble which just indicates aggressive buyers hitting the ask and buying from someone who is selling on the ask the market. This to me is a good confirmation because this indicates 77 buyers hit at 5710. You can see this in the volume profile right here. >> There was 77 aggressive buyers, but there was 111 passive sellers. >> So there was less aggressive buyers than there were passive sellers forming the wall of resistance here. And to me, when

there is a uh influx or more passive sellers at a level and there are aggressive buyers, this is a very good signal that the market in the short term wants to quickly pull back. And this is where I find an edge in looking to capitalize and placing risk for a bearish position. Let's take a break for a minute there, guys, cuz I want to tell you about the best CFD prop firm in the entire industry, Funded Next. Funded Next is a proud sponsor of Chart Fanatics and they have been leading the CFD prop firm industry for many years.

Literally a top three prop firm. Now, why is that? Let me quickly just run through all the incredible things that they do. First off, they have challenges for every trader. Whatever you're looking for, they have. They have a one-step challenge. They have two-step challenges. And now, industry-leading instant funding. You get on demand payouts. You get instant access to funding. You get a no daily loss limit and for every 10% you make on the account it doubles your account size. Mind-blowing. Absolutely crazy. Now let me tell you though the trading conditions they are the best in the market when it comes to raw spreads and there are no slippage. When it comes to trading platforms they have MetaTrader 4, MetaTrader 5 and C trader as well. Something unique to Funded Next is that on every challenge type, you can get once you've achieved 10% on your funded account, up to 15% of the profits during the challenge phase given back to you. In addition to that, you can also get a reward bonus equivalent to the same

amount as your subscription fee on your first payout. And just in case that's not enough, there's no time limit on most challenges. News trading is allowed. There's no imposed limits on instruments or position sizes. They have scale up plans that can 10x your account size. And something that they did first, if you don't receive your payout within 24 hours, you will receive an additional $1,000 compensation. Now, if that doesn't tell you that they're for traders, I don't know what will. Now,

make sure you use the code CF to get the best offer available at Funded Next right now. The link is in the description below. Make sure you join Funded Next today. Now let's get back to the episode >> here on the candlestick chart. We could see the rejection. We could see my entry over here around 56 5706. And this is a good entry. The market pulled back. It dropped about 14 points or so and it missed my 84's target down here. I didn't scale out of this trade and I exited this trade for break even.

Few minutes later, the market revisits this 5710 level, places another lower high, and sellers appear again, and I take another entry short 5706, and this trade eventually hit my first target, and then hit my second target at the lows. And the same thing that we're going to see here, there's aggressive buying. We could see a volume by time if you want to use that. We could see this large passive seller that was sitting here. And we know that there's a lot of aggressive buying denoted by this large

green bubble. Yet there's a passive seller sitting here forming a wall. If these aggressive buyers cannot take the market above this passive seller, the market's only going to have one choice in an auction, and that's to advertise prices much lower. The market is a mechanism to just advertise price. So the way I look at the market is it's just a mechanism that's saying, "Hey, is this a good price? Is this a bad price?" >> And if it's a bad price, the market's

going to facilitate trade. If it's a good price, it's still going to facilitate trade. So, our job is to look for the advertising um components or the advertising opportunities where the market maybe might not agree with that for a reversal or may agree with it for a continuation move. >> Yeah. >> And then directly after this aggressive buying came in at the highs and that large passive seller was sitting there, we could see a lot of red bubbles coming in and people see say that, oh, if it's easy as just spotting a red bubble, then everybody would be millionaires. And it's with context is important. This is just indicating that the guys are trapped at the highs. There's a seller sitting here and there's aggressive follow through to the sell side by the red bubbles bringing the market much lower. >> Mhm. >> And then on the footprint chart, we can see the same exact thing. We want to look for a lot of aggressive buying, which is denoted by the large positive delta. Aggressive buying with no

follow-through. If somebody's buying, who is selling? It's the passive seller. And then the market rejects and sells much lower. Uh, and that was that. And then this is where I was able to get short. Sellers present, resisting the market again, capitalizing on this move down. And we talked about this in the last chart fanatics episode with the CLC rule. Context, location, confirmation. >> That's right. >> It's very important. And I think why a lot of traders get intimidated with

order flow is because they don't know how to use it the right way or they're looking for the wrong things. >> There's going to be tons of bids and asks. There's going to be tons of aggressive large volume coming in. But what's important is where that is being transacted, the location of the move, and the context of the market. Is it in an uptrend? Is it in a downtrend? Are we consolidating? And then most importantly, we could get our confirmation from this. Now, what I'm

trying to get here is that if you look here, there's technically a larger passive seller sitting here by this line right here. >> But the market rallies up and the market essentially just holds this and consolidates. This is not a bearish indication. This indicates the market's accepting this move versus the market coming up to this lower high where it originally rejected. And now the offers appear here with significantly more aggressive buying hitting the passive selling and now directly after that the

market sells off. So context, location, confirmation is important. I see a lot of traders blindly going after this. They see bids, they see asks, they see a lot of volume coming in and they automatically make the assumption that the market's going to move in the direction they think it's going to head. Mhm. >> Context, location, confirmation is significant and it has to be done at a level of interest. >> You're going to see tons of bids. Look at this example. The market was selling

off. Lower lows and lower highs. You see a bid here fills. Market continues to sell off. A bid here fills. Market continues to sell off. And so on and so on. Yeah, >> the CLC rule is important. This was in the middle of the range. This was not at a level of support or demand. This was just uh traders actively looking to place orders. We don't know the real agenda behind why bids are askers getting placed. This could be a seller looking to cover out of a short position. >> This could be a new buyer looking to get

into a long position. We don't know. This is where context, location, and confirmation is significant. >> And if you look at the two differences here, look at the first time the market comes up into this offer. We basically hang out. >> Mhm. versus this time we come into this offer. Look at all the aggressive selling coming in thereafter. And that's when we had the continuation to the downside. >> Yeah. >> And this was a $20,000 profit. Now, this trade a $35,000 profit. This was my

biggest trade year to date um so far. This was 30 ES contracts. My risk was standardized around $4,500. And this was an 8:1 risk-to-reward ratio. Why I love order flow is because I'm getting in before the move with the best risk-to-reward ratio with a high probability of the market moving in my direction if I'm correct on the analysis. So, what we're going to see here, and the plan was watching the previous day's low at 5846, the market's going to sell off into the previous day low and we're going to see

buying activity and I take the market long. Another very important point to understand in the market is when a level is super clear or a lot of traders are watching a specific level that every single b every single trader could see the reliability of it working is going to be slim. So in this example we can see a clear level of resistance in the pre-market that I've highlighted right here on multiple different tests. Theoretically and usually the market likes to break these levels to pick up

liquidity because they know a lot of traders are either going to short that move or their stop losses are going to be placed above that. >> Yeah. So, my thesis was to long a pullback under the previous day's low, targeting the very clear level of resistance. Levels that are obvious, levels that my 90-year-old grandmother could draw on her charts because they're so easy to see are not going to be reliable and they're good levels of liquidity where the market may want to head towards. In this example, I got

long 58.44 for a 30 point target and four points worth of risk. That was about a 10 to1 >> um planned risk-to-reward ratio. Now, what I'm going to show is the candlestick charts. We're going to see two, we're going to see four one minute candles. One, two, three, and four. Here, let's look at the order flow as the market's breaking the previous day's low. As it's breaking the previous day low, we see a lot of aggressive selling volume come into what I highlighted as the previous day low is the purple line. As it's breaking the previous day low, there's signs of accumulation. Remember, a lot of aggressive selling. We break the low and the market hangs out here for about two minutes time building volume. As I stated earlier when I was drawing on the whiteboard, when the market builds volume at a low or builds volume at a high, it's a very good chance that there's accumulation happening there. But there's a very good chance the market needs to break in this

example, the low to pick up liquidity, show there's a lack of interest as the market's breaking down for then the market to reverse. So, a very good reversal signal is if you see a lot of volume at a higher low, let the market break the higher low. And in this example, we're going to see the low break. It already broke the previous day low, but we're going to break this consolidation low. And this now is once it broke, we see the bids filling. We see the aggressive selling coming in. We see the high

volume come in. We see the volume tail. This shows there's a lack of interest. If there's a lack of interest, this is where reversal comes at these prices and the market breaks the previous low and automatically reclaims it. If you're a candlestick trader, yes, you could enter when the market breaks the low and we see a really large green bullish engulfing candle, but that might make you get long up here at the 53s, 52s versus I got long down here at the 44s when the order flow indicated that

there's a lack of market moving down and continuing lower. um because of we could see this little bit of a volume tail. We see the accumulation. We see the volume uh the bits filling and we see a failed breakdown under the previous low. This is good enough confirmation for me to get long. I'm not getting long up here waiting for the market to move up. I'm getting long when the order flow tells me to get long directly after this. Kind of putting all the concepts together here. Directly

after this stop run hunt, right, we could see the bids filling a lot clearer here. We see all these passive bids getting hit by the aggressive sellers. Directly after this, the market reclaims back up. Then we pull back and there's still bids here. 5847 bidding. Think of this as a floor. Think of this as a support level. >> The market's trying to move down here, but it cannot because there's a passive buyer >> basically supporting price and resisting it from going lower.

>> We could see this off the candlestick chart. And again, this is why a lot of traders say, "I don't need the order flow to see this." But you will know why the driving mechanics are supporting the market. If you don't use the order flow, we could see it supporting these the previous day low very, very well. That's totally fine. But by the time you enter off the candles moving up, you're going to get such a late entry versus getting long at the order flow when it tells us

to get in at that moment. Now, directly after this, we see four different attempts. one, two, three, four different attempts of supporting the previous day low again. And we're going to see the same exact thing. The bids supporting the move after just gives more conviction. Like you said earlier, the order flow gives us more conviction. It gives us more satisfaction that buyers are here and we're following the footsteps of the buyers. It's not if I trade without order flow, I'm trading

blindly. I need to see this because it gives me confidence that I am on the right side of the market with the right participants that I'm looking to trade with. We could see it support it well here, support it well here, support it well here, and support it well here on four different times, giving me more conviction that this move was going to work out. And again, this was my biggest profit of the year so far. $35,000 and an 8:1 realized risk-to-reward ratio. Now, here's another setup. And this

similar lead to a stop run stop hunt. And we're going to combine all the the concepts that I've went over so far. This was a $31,000 profit about a 7 to1 risk-to-reward ratio. >> And this was longing the market on a pullback and looking to take profits at this low volume node. I'm not sure if anybody watching this has seen my last episode on low volume node. >> I'm sure they have. Yeah. >> But um this target right here was based off of a low volume node. If you haven't

seen that video, I would recommend going and watching the previous chart fanatics episode. Now, this is where people say orderflow is BS because there's spoofing. Spoofing happens. Spoofing is technically illegal, but you can see this with the order flow, and this will give you an advantage. >> So, this was before the market opened up, and we're going to see some pretty thick passive buyers under the pre-market lows. >> Now, what we're going to see here is at 6026, we see,300

contracts. At 6022 we see a thousand contracts complete outliers in the data and again we could see this by these thicker lines or darker color lines. This is the whole concept of passive buyers or passive sellers. Now what's interesting here and this is why don't pay much attention to passive orders that do not get filled because in this example the market's going to sell off and these orders were pulled and they were not filled. >> Well Carmine, how do we know that? If we were to look at the volume profile at

6026, there wasn't a thousand contracts that got transacted here. There was only 400. If we were to really zoom in on this, we would see that this law red line there pulled and he never got filled. Similarly, we see this red line just disappear right here and no volume being transacted in terms of a,000 contracts at 6022. So, these orders were pulled. They were not filled. And this, I guess, is why people don't like order flow is because they say it could be spoofed. But in the previous examples,

you can't spoof completed transactions. You could only spoof limit orders. But when you could see spoof limit orders, you could use that information to your advantage. So despite those bids spoofing, the market still held this after the market open. So here's a 9:30 open right here. >> Yeah, >> the market pulled back and held 6026. Well, it held 6022 very well. And we actually supported where these previous bids that never got filled were. So, that's a little bit of a red flag or

something that doesn't look organic or doesn't look natural to the market's auction. The way I view the market is that I'm looking for things that are not organic, things that are don't look like a normal trader could do that looks kind of fake or artificial to a market's auction. And anything unusual is something to keep your eye on >> in terms of an edge. >> So, the market held that level despite those bids pulling and not filling. And that was kind of like why is that to me?

I don't know why at that moment, but directly after that, the market began to rally and we bidded much higher. We could see that on this rally up. Let's take a break for a minute there, guys, cuz I want to tell you about our incredible sponsor, Tradezeller. Tradezella is the number one trading tool in the entire trading industry. Tradezella allows you to become a more profitable trader, allows you to make immense progress as a trader, no matter if you're a beginner or an advanced level trader, because it makes

journaling easy. It makes journaling something that is fun and enjoyable and something that is interactive. So, no matter if you're a crypto trader, no matter if you're a futures trader, no matter if you're a forex trader, no matter if you're a stock trader, all you have to do is select your broker, your platform of choice, and connect it to Tradella and it will automatically sync your trades and pull all of that data onto the dashboard, making journaling and finding your edge and adapting your

edge so easy. In collaboration with Tradzella and Chart Fanatic specifically, we are actually getting the playbooks from the episodes that we're filming with these incredible verified traders and adding them as playbooks onto Trade Zella. So, you can actually go on there and see the rule sets already predefined. So, make sure you check that out as well. Now, you can actually get 10% off your monthly subscription using CF10 on Tradella right now. But more importantly, I would say CF20 for 20% off your yearly subscription with Tradezella. The links for Tradzella are in the description below. So, make sure you go check them out. Use CF20. Get 20% off your yearly subscription. Become a better trader today. Now, let's get back to the episode. Here's what it looks like on a candlestick chart. Here's our 930 open. Here's the market pulling back and holding 602622. And it supported it. Now, at this moment, this is not anything that I'm taking a trade off of, but directly after the market rallies up and

something significant forms on the order flow at 6040. On this rally, 6040 forms a new level of interest. And I was watching for a pull back into this level to target that low volume node uh at the 6060s, which was the target from the drop to the downside. Now, on these 6040s, why that was a level of interest was significant buying volume. So, kind of putting the pieces to the puzzle together. And another way that I view the market is as a storyteller. And our job is to read the story the market's

telling us before it tells us the story in its entirety. >> And if we can use context clues and put different pieces of context together, we can use those context clues to our advantage and form hypothesis of where we think the market's going to head on that rally up. Looking at the order flow, we see significant amount of buying volume here. significant amount of volume volume even here and even a low volume node in this footprint range right here >> 6041 all the way down to about 6034s

just significant positive delta or significant buying volume as the market's rallying and this was directly after the market bounced off those bids that never got uh filled and that pulled. So what I was watching for again a period of consolidation when the market consolidates it's best to let the market stop run or stop hunt break that period of consolidation and then reverse to the upside. So a scenario that I was watching for was a break under the consolidation uh low at 6036. If it could hold

>> I would then play longs targeting this upside level of the low volume node. Now what we're going to see here is 6036. This is the consolidation range that we see right here. Eventually breaks. Here's the consolidation range. We could see it off the the heat map. Breaks it and we see the bids filling. We see the passive buyer getting bought from somebody aggressively selling here. Not only does it fill, but it traps sellers. Think about this. If traders are seeing this pattern, a lot of traders call this

like an H pattern. >> Mhm. >> Where they'll short the market under the H. If a lot of traders are getting short, Carmine, how do we know they're getting short? Well, if we look at the order flow, you see a lot of trades hitting the bid. For a trade to hit the bid, somebody has to sell. So, a lot of traders are getting short here, and they are selling to somebody who is passively buying. Yeah. >> You're not going to be able to see that passive buyer if you're looking just at a candlestick chart. >> Yeah. >> And then directly after that, the market basically reclaims this previous low. It supports it here, and then you see all the aggressive buying volume step in after all that. um action that went down. Looking at the footprint, we see the level of interest. We see the level of low volume right here. So again, even applying the old concepts of low volume nodes from the previous chart fanatics episode, this low volume node held. >> Also, on top of that, we see a delta

outlier, you could kind of could see it right here, of 222 contracts inside of this low volume node after the market broke this stop hunt. And then we rally up. That positive delta indicates there's more aggressive buyers trying to lift the market higher. And this was the best opportunity. It was the smallest risk. I got long here at the 5037s. I didn't wait for the market to break this high right here. I got long at the low here because it offered the smallest risk, highest reward, and best

opportunity. It was a small three points worth of risk for a potential 23 points to the upside. When the order flow tells me when to enter, I enter. I do not rely on a candlestick chart to tell me when to enter. And I think this is such an important concept that traders have to realize is candlestick charts skew your risk-to-reward ratio. Yes, they may give you a higher probability of the market moving in a direction, but with order flow, you can really get precise entries before the market moves. What I mean by

that is a lot of traders wait for a fivem minute candle to close or like a threeminute candle to close. Fine if you have a strategy around that. Another thing I do want to say is that there's no right way to make money in the market. You could use any strategy, anything at the end of the day. It's what works for you, every individual trader. >> But if we were to wait, let's just say for a fivem minute candle to close. My defense to that is what does time or what does a candle closure have to do

with price? Price tells us what's happening right now. Time ha tells us what happened three minutes ago, five minutes ago. We want to know what happened right now. So let's just say I got long when the five minute candle closed in this level right here. I'm long theoretically right here. What that would mean is it if I place my stop loss where my analysis is wrong, I would have to place it at this low right here. So let's act like this is my risk box. This is how much I'm risking if my stop loss

hits. Now let's talk about reward. If I'm long here, my reward is these 60 666s. Now, my reward box is this. My reward box isn't even bigger than my risk box. So, this is what I mean by skewing risk-to-reward by waiting for a candlestick closure or waiting for, let's just say, a break just skews our risk of reward because we saw the buying activity here. Let's get in when we see the buying activity. Let's not get in when we see a fivem minutee candle close because that doesn't give us a lot of

information that we're going to use to our advantage. Now later the market pulls back and this is what I call market structure demand. A very good concept is if you see the market sell off consolidate and then rally up the period of consolidation and this is even validates what I said earlier on the whiteboard on the periods of consolidation you want to see that stop run. You want to see that stop month. You want to see it break that low indicating that a low is in. >> So here we have the period of

consolidation. We have a drop. We have a base and then we have a rally to the upside. This period of consolidation now becomes a level of interest. Call it around 6044. The market pulls back into this level of interest. And at this moment we see six consecutive red candles to the downside. >> In terms of technical analysis, the market just placed a lower high. It's putting in lower lows. And a lot of traders would consider this very bearish in terms of a trend especially that call it we just broke let's just say a trend

line as well. >> Yeah. >> When you understand the driving mechanics of the market this period of consolidation there's going to be buyers factored in there. This is our context. This is our location. Now we can look at our confirmation as look at this aggressive seller aggressively selling hitting the bid to somebody who was passively buying here. >> The market then bounces. If the selling cannot take out the passive buying, then the market will have to bounce and rally to the upside. And even going into the

order flow, we see the selling volume. There was 258 contracts to sell here. >> Yet the market could not even sell off directly above it. Look, 100 contracts, 149 contracts, 217 contracts. There's significantly more volume at the low than there was on the volume on the sell-off. Yet despite the high volume here, the market cannot move down because there's a larger passive buyer supporting the market. And this is where support comes in and this is where the reversal happened. >> Just go back to that last you see um

each of these uh bubbles >> in terms of time wise how are they being presented? So I see at the bottom there we can see that actually you know per >> uh vertical column is a minute right >> so you're seeing you know this is why you're able to get these precise entries quite and being able to move quite quickly is because you would be taking that information >> in real time. >> Correct. >> And then you know as price starts to move away after seeing that the those aggressive sellers weren't moving the price any lower you're then able to capitalize thereafter. >> Correct. So this happened at 11:27 and probably like 45 seconds. Yeah. And then the next minute opened. This is 11:28. So I mean this happened maybe in like a 15-second period, >> right? So the con the objective here is to not get in long just because you see this action. >> The reaction after the fact is what's crucial. And after the fact the market bounced and aggressive buying stepped in

there after. So I mean there's no time frame in terms of the volume. The volume is coming in now. Yeah. >> And a lot of people always ask me like Carman, what time frame chart do you use? And when I'm confirming my setups, I don't use a time frame chart. I'm using what I call the time frame of the now. And the now, what I really mean by that is the volume that's coming in right now. You can't classify that to a time 5 minute, 1 minute. It happened at 11:27 and 45 seconds. That's what h was

happening in that moment in the now when it occurred >> because it's easy to look at this chart and think, oh, you know, you've got in late, right? But that's not the same as a chart pattern. Correct. So that's not getting in at the high. It's actually just getting in where that volume is, which if we were then to compare to the one minute chart or the 5minute chart is actually a much more better entry. >> Correct. So if you were to just look at this candlestick chart here, right, this

this occurred at 6040. >> Mhm. >> And a bounce the aggressive buying came in at the 41s, 42s, 43s, and even 44s. >> Yeah. >> If we were to look at a candlestick chart, right? >> Here's the 40s. Here's the 41s. Here's the 42s. Here's the 43s. >> Versus, let's just say a lot of traders would wait maybe for the 47s, 48s. Fine, good entry. Nothing wrong with that. >> But now going back to the risk box, right? This getting long at the 42s,

43s. What this enables me to do is my reward box is significant. This is how much if my target hits up here. >> Yeah. >> Versus my risk box is going to be very small. >> Now, you could get a later entry, call it at the at the 47s or 50s. Now your risk box is here. >> Yeah. >> And your reward box is still there. Yeah. >> As long as it makes sense in terms of risk-to-reward, you should take the trade. But I like get this is how I'm able to get 8 to one 10 to1

risk-to-reward ratios. Yes. My win rate might be a little lower, but my risk-to-reward takes care of it. And risk-to-reward is more important than win rate. >> A lot of traders focus on high win rate strategies or high risk-to-rewards. High risk-to-rewards are more significant than win rates. Mhm. >> I had a 30% win rate, a 33% win rate 2 weeks ago and I still came out the weak green. Like it's if you focus on risk-to-reward ratios and not win rates, the wins will take care of themselves if you protect your losses. >> Yeah. >> Um and then even going back to the footprint, you could see the negative 258 delta there. Similar to we see the 258 here. Yeah. The same information, just a different tool. >> So we see 258 here. That means somebody aggressively sold. But despite all this selling volume here, somebody is buying this and supporting the market and then it bounces thereafter. Yeah. >> So that's our indication of the market. Now this trade uh was two different

setups. The first one off the supply is going to be a $3,300 loss. >> Another thing, if you look at all my setups, my risk is around the same dollar amount. I think it's important, we talked about this in the last Fanatics episode, keep the risk consistent. >> Um this was a $3,300 loss. The next trade, and this was a rejection off of supply. The next trade was a $25,000 profit, 7.6 risk-to-reward ratio. Same thing, shorting the level of supply. It's just this time I timed it properly

versus the last time I didn't time it properly. So, the loss is significantly lower than the win. And this is a crucial aspect, not even in terms of strategy, but in terms of risk-to-reward ratio. >> But talking about this, let's go over the plan. So the plan here was to short a strong pop into 5670 to 5700. I am looking to be a seller for a move down targeting 5640 which is a level of demand. >> Mhm. >> The market rallies up into this level of supply and I get short at the 5677s

with a fivepoint stop loss at the 82s going for about a 27 to 32 point target to the downside. Really good risk-to-reward ratio. The market comes up and here's I find my first entry short when it rejects this level of supply. And again, you can use candlestick charts to get your confirmation signals. But order flow gives me the reason why the market can potentially reject. >> Yeah. >> For footprint charts, this is a pattern that I look for. It's called the Pshape. >> It's when we see a lot of volume being

distributed at the high and then the market sells off. Yeah. >> In this example, we could see a lot of volume being transacted here and the bar before this, we could see a lot of aggressive buying transact here. Now, similarly to what I said earlier, if there's a lot of volume at a high, this usually indicates a high is not placed. While that is true, there are opportunities for quick short-term scalping opportunities. So, even despite there being high volume here in the terms of the volume bulge of the P,

right, everybody could see that P here with high volume then a drop. >> Yeah. despite high volume at the high, in terms of a low or a high being placed, you want to see a lack of volume, >> okay, >> being transacted. But in terms of a quick short-term pullback, going for a quick scalp, high volume is a good indication that traders are trapped. >> So, a pattern that I look for is when there's a lot of aggressive volume coming into the market, but no follow through. Here we can see a lot of

aggressive buying, a lot of aggressive buying, a lot of aggressive buying up here, followed by aggressive selling denoted by this negative 7 or 872 seller >> denoted by this negative 329 delta here as well. So we see the trap buyers, we see the aggressive sellers. I take the market short. We could even look at the heat map for this. We could see the market come up and similar to those winds that I showed you before. This looks identical, right? We see the passive seller sitting here. Yeah,

>> we see the aggressive buying. We see the market stall out and we consolidate. >> Mhm. >> Directly after this, we see some selling volume, selling volume, and even more selling volume. This to me, once this structure breaks right here, once the market breaks this consolidation is a good enough confirmation signal to get short here, it's at a level of supply. Right. If this was in the middle of the range, not as significant. Exactly. >> But it's at a level of interest. Whether

it's a 50% fib that people look at or some type of fair value gap or a supply zone resistance level, this is at a level of interest. Once the structure broke, this is a good enough confirmation to get short 73s. Put my stop at the 76s. That would be three points worth of risk right there. Happens in a minute period. >> If you look at a one minute chart, by the time you wait for the candle to drop, you know, you might be getting in at the 71s, 70s, 69s. Fine. But now your risk is much more and

your reward is going to be minimized. >> So this entry I got short a little late. I got short at the 70s. Totally fine. Stop above the highs. I eventually stopped out of this trade for a loss once the high of day was tested and broken. Now we could argue like I said earlier there was high volume at the high and this would indicate that the high would be broken at some point. A very very good concept is if there's high volume at the high, it's very likely that high to be broken again at

some other point in the future. And if there's high volume at a low, >> it's very likely the market to break that low at some point in the future. Yeah. Here we could see the high volume indicated by the Pshape >> and indicated by the volume profile that is shown right here. >> Yeah. So, it's indicating that at some point the market may want to impulsively break the high. So, now the second trade, this was the $25,000 profit, the 7.6 to1 risk-to-reward ratio was I got short again the 77s at the 82s. So, despite the first trade where I entered short here at the 70s, now I re-entered again at some other price much higher because I'm short. So, this just offers less risk and more reward because now we moved further away from my target. I think it's important if anybody ever stops out for a loss, don't throw your analysis out the window. Maybe you just mistimed the market. Maybe you were a little too early. A lot of people take a loss and they call it a session or they

walk away or they think they're completely wrong. >> You can be wrong. You may have just mistimed it. Maybe a few minutes later, the market will eventually agree with your analysis and you're patient enough to wait for more confirmation. >> So, here we see the impulsive move up around 11:15. And what this looks like on the candlestick chart is 11:15 is right here. We could see it by this larger upper wick right here. That's that impulsive move that you see right here. So high a day was swept, high a

day was broken. It was done on heavier volume. This is why we see an upper wick because it was immediately rejected. And then directly following this, we see the same structure that we saw earlier. We saw the market consolidate. And as it broke this consolidation is where I got short at the 5677s. Now we've left the volume tail here >> compared to earlier. >> We didn't we had the high volume there. >> Now a few minutes later the market swept the high. This is where traders see the

stop runs or >> you know how many traders got stopped out of this big big wick right here. >> There was so many traders that probably got stopped out of this and we could see that with the order flow. >> Now we have the volume tail and now we have the structure breaking. You know, you're not going to be able to see the structure on a one minute chart, right? You might see it right here, but it's not as clear as it is on this order flow, right? >> Yeah, of course.

>> And on top of this, we see another Pshape. But now, look, this Pshape was not transacted at the high. Here, we have the lack of volume at the high. >> Now, we even have a little bit of lack of volume at the top of the P. And now we have aggressive sellers denoted by this. Aggressive sellers denoted by this. >> Trapped buyers by buyers buying at the high side of supply. Remember the reason why supply is there is because there's an origin location of a lot of selling activity. Now the market's revisiting

this. If whoever formed that supply zone or whoever was selling here in the past, >> whether this level formed a day ago or two weeks ago, >> these traders who are buying this, they are buying aggressively to somebody passively selling. Mhm. >> We could say that it's possible that whoever's buying this, denoted by all this blue buying volume, is buying from whoever formed this supply level here with an agenda to bring the market to the downside. >> Yeah. >> And if you want to use a trend line, like again, you could use extra confluence to whatever's trading strategy you use, trend lines, whatever. Yes. I I sold when the trend line broke, but I didn't use a trend line to enter the setup. M >> I entered this setup when the order flow had this Pshape when we're at this level of supply when the buyers were trapped and we even see a Pshape directly a few minutes later as well. Now um this is the last trade. This was a $27,000 profit significantly sized down but look 8:1 risk-to-reward ratio. Was only on

seven ES contracts. Yeah, >> depending on your broker. I mean some brokers the margin requirement is $400 a contract. So theoretically, this trade in terms of margin only costed $2,800 out of my account to make a $28,000 profit. Highly leveraged instruments futures, but with highly leveraged comes high risk. My risk stays around the same and this the market sold off into a level of demand and I take the market long. Now, this is going to blend all the concepts together. What I was watching for was 4875, which was a level

of market structure demand. the market was supporting at this level and I wanted to pull back into this for the market to eventually bounce. What happened is I got long at the 75s going for about a 40 to 50 point target to the upside. >> Mhm. >> Here's the market structure level of demand. Like I said earlier, if the market sells off, consolidates and then rallies up the period of consolidation is crucial. I mark it as a level of market structure demand. Three hours later or excuse me, six hours later, the

market revisits this level, bounces. I take the market long and I sell as the market's moving up into strength. Now, the reason for this was let's look at the depth of market. The level of interest is at 50 or 4875 to about 4870. 4875 is right here. We're going to see, as I've been explaining all this podcast so far, aggressive selling hitting hitting a bid. And this could have been a good entry, honestly, right here. And this probably would have been a losing trade if I took this first setup at 943.

But what I want to highlight here is as the market's selling off, there's significant selling volume. 919 contracts hitting the bid, zero hitting the offer, giving us a negative delta of minus 919 at 4870. We could see it by the large selling volume 4870 and keep in mind their level of market structure demand is 4875. If this was at a random price point in the middle of the range is not as significant but it's coming into a level of market structure demand. Despite this order flow, nothing

indicates right here with this selling right here the market's going to bounce. Nothing indicates that the market may want to move up. And this is what it looks like on a candlestick chart. It's just continuous lower lows and continuous lower highs. Nothing here sparks my interest just yet. And this is why context is key. Directly after this activity of 919 contracts hitting 4870. Directly after this, the market sweeps and breaks the low. >> Mhm. >> Now we see the volume tail. As I said

earlier, a good sign of a low or high being placed is when there's a lack of liquidity or a lack of volume at that lot lower high. So now few points here. The market's at market structure demand. We're seeing the negative delta or the aggressive selling. We're seeing the passive bids filling. We're seeing the market sweep that low and automatically reclaim. And 30 seconds later, this is 94330. At 9:44, even a little before that, there's a bid right here. If I were to zoom in, you could see a larger,

thicker, passive buyer getting hit by a larger aggressive seller hitting the bid. Now, this looks great for put risk on market structure, demand, all this volume activity. And this would enable us to have five points worth of risk, eight points worth of risk for a potential of a 50 to 70 point rally to the upside as that was our nearest target. Looking at the delta footprint, we can see the same thing occurring here. First arrow is the strong selling. Could see the strong selling here. And then directly after that, the low is

broken. You can see the low breaking right here. And then the aggressive buying step in there after. And then the pullback right here holds this and holds this right here as support right here. >> Mhm. >> So now whoever is transacting this, >> think about this, right? We don't know if somebody hitting the bid is opening up a new long position. We don't know if they're opening up a new sell position. We don't know if they're covering. We don't know if they're opening to buy or

opening to or closing to sell. >> Mhm. >> What we do know is there's an unusual amount of volume here and an unusual amount of volume here. If the market's at this level of demand, it would be safe to say I would be leaning more towards this is a potential buyer. >> Yeah, >> it could still be a buyer buying on the bid here and buying aggressively on the offer here. What I mean by that is there's selling volume here and a lot of people would think this is selling.

>> Yeah. >> But somebody had to passively buy to all the selling volume. >> Mhm. the market bounced and now we're seeing all the aggressive buying here and it's supporting these levels very very well indicating that this is a good sign that somebody is buying the market or whoever is transacting here could be a buyer and as I said earlier like at this moment I don't know if this is a seller I don't know if this is a buyer but directly after this this is giving me clues that contextually I'm putting

pieces to the story together that this is a potential level of interest and a potential buyer here and I want to put risk on around these levels and then the market bounces and you look at my entry. My entry is here. My entry is not waiting for this trend line right here to be broken. I'm not entering here. I'm entering here when the order flow is telling me to enter. >> Yeah, >> still a good entry here. Nothing wrong with that. But now I'm long if I'm waiting for a trend line to break at the

4905s versus I got long at the 4870s. >> Mhm. So, as you said, you're because you keep your risk static as well. It makes a massive difference because >> it allows you to take more size by keeping the risk the same >> versus you would have to reduce your size but risk being the same if your entry was later waiting for that confirmation based on the technical pattern. >> Exactly. So, let's just say I waited for the technical pattern and I waited for like this trend line to break. Well, if

I'm long, call it at I don't know the 4900s, right? And I theoretically, if I'm long when the trend line breaks the 4,900s or 4890s, theoretically, I would have to place my stop loss at the low for me to be incorrect on this analysis. For a valid stop-loss placement, it has to be placed where your thesis would be proven wrong. >> If I'm long, when the market breaks this downtrend line, >> I would put put my stop loss under the low because that was the only point that

I theoretically would be incorrect on this if it revisits that. That just means I would have to reduce my size to make this risk fit even if I'm keeping the risk consistent versus entering down here. I could enter call with bigger size because my risk box is super small. >> Mh. >> And this is how you dynamically change your position size relative to the risk and exactly what we just said. You know, if I waited for the five-minute candle to close, I'm essentially would if I waited for the fiveminute candle to

close, I would get in where I exited some of this position. I want to be getting in where I did. I don't want to be getting in where I would exit at my target, waiting for a five-minute candle to close. >> And that's the concept of waiting for the order flow to tell you when to enter, not waiting for a candlestick chart tell you to tell you when to enter. It maximizes your risk-to-reward and it gets you in at that right moment with a higher probability of the market moving in your

direction. And again, and you know, to your point, it's based off context. So, you've, and this is the question I was going to ask you, you know, based on all the trades that you've shown uh both on the last episode and this episode, one thing I didn't highlight on the last one, which I think is very important, is you're doing your market prep beforehand. So, you're creating your your thesis, your bias, your story and context already when coming into the market. You're identifying your levels.

you're identifying where the potential for or where you're looking for those buyers or sellers to interact where you're already interested. So, it's not a case where it's like chaotic and you're just jumping on what's the order flow saying and then basing it off that. You're doing your preparation before coming to the market >> using you know both your your technical levels but then also the order flow marking that out and then once price gets there then your job essentially is

to check what that interaction and the auction is taking place. >> Correct. and then just react accordingly. >> I think the main thing really for the say the novice trade or the traders who are looking to incorporate this, the biggest thing I would say, you know, based off what I've observed is that they will just spend the time to train themselves to react faster. >> Correct? Everything's about reaction. So, it's not prediction, it's reaction. And in the market, you have to react to

the information that market's providing you if you're short-term trading, right? This is for short-term trading, of course. >> Um, when you see something, you have to react. You can't fear for anything. A lot of traders are too scared to lose money. They're too scared to click the buy or sell button because they're fearful of the unknown. >> And in the market, no one knows what's going to happen next. But you will know the patterns you look out for. And the patterns will give you a higher

probability of the market moving in your direction. I never wake up and know if I'm going to make money or lose money. But I wake up and know the setups that I'm looking for. And my job is to look for those setups because I know I've built a system around those setups that give me a higher probability of extracting profits in the market and and building my edge around it. >> And a lot of traders struggle in the market because they cannot react. They think, "Oh, am I reading this right?"

Or, "Oh, is this the right assumption to make here?" Or, "I'm a little scared that I'm a little too early to this." And you can't do that. You just have to fire and fire and attack. And you have to control the controllables. And the controllables are your risk and your plan and your strategy. The uncontrollables are where the market's going to head and >> where the where what how other participants are perceiving price action at that given moment. So yeah, reaction

is everything. >> A lot of traders try to predict and that's where the the losses should be avoided are >> and you have to just react to what the market's providing because if you react, you'll get in now and you won't get in later skewing your risk of reward. >> Exactly. And back to your point in terms of context and

and location like once you understand the auction and and the theory that we went over in terms of the uh real estate property, right? >> So when you know you're not ideally

looking to buy at a high when price is expensive, you're already you're looking for those buying opportunities when prices are low. and then taking that context and keeping that in mind. I think that's very important. It's like that's something you can control as a trader is making sure to try and transact around that model so that when you get to those low points and those areas that you've marked out and you've done your preparation uh before starting your actual trading now it's making sure

to stay disciplined to that knowing what you're looking out for when that takes place and then reacting and taking action accordingly. So having a process versus you know I think what people do is they look at this and think oh you can you know see the orders so you can transact anywhere and it's moving fast versus that bit is universal as a trader is having that context correct having that plan you know you know trading from the correct areas versus just anywhere. Um, one thing I would like to ask you

before we wrap up in terms of for those who are going to be taking this lesson and and taking sort of this, you know, a toz guide of of orderflow, like what should they be looking out for is say hurdles or things that might be a bit tricky to begin with that maybe there's some common practices or certain things that you can let them know of so that they can, you know, have a bit more of a smoother or at least know that okay, this is going to be a hurdle, but you know, once you overcome that, it's

going to become a lot easier. >> Yeah. So number one, I would definitely form this to your strategy. Like combine this with whatever strategy you use to give you an extra layer of confluence and confidence. >> Um this is just an added layer to confirming trades and finding where buyers and sellers are. >> Number two is that don't look at every single order at every single price at every single second of the market. This is where number one, your brain's going to get fatigued. Number two, you're

going to feel like you're all over the place because you don't know what to look for. It's just looking for the market to present unusual activity at your levels of interest and you act upon that in terms of passive, aggressive, buyers, sellers, the speed of the tape, the volume tail, the high volume. So do that around your levels of interest first as a beginner so you could kind of filter out what's going on in the noise in the middle of the ranges instead of just having to look at it at your levels of interest. >> Yeah. >> Another massive thing that tremendously helped and I even still get better to this day. Like I would say I'm a better order flow trader than I am now than I was 3 years ago and I'm a better trader now than I was in 2019, you know. So it's it's throughout the years your brain is like it's it's muscle memory. So you start seeing different patterns and I wake up every single day with confidence in my trading because I know the patterns that I should be looking

out for that will make the probabilities in my favor to make profits in the market. I don't wake up guessing. I don't wake up have a bias of, oh, I think the market's going to sell off because there was just some news that happened last night. I know that what I'm looking for, it's my job to spot that. And when I spot it, I put risk on without fearing. >> A really good thing that helps me, and I still do it to this day, in fact, when I do this, for some reason, I trade so

much better the following week, is throughout the days, I do this on weekends, is I review the data from the previous week. Mhm. >> So, I'll look at trades that I took last week and I'll even look at trades that I didn't take. I'll see maybe the market came to my level of interest and I'll go back and replay the order flow in real time >> and I'll see what can I spot here that maybe I missed in real time because maybe my mind was clouded and I had a bias. >> Maybe I wasn't reading the market

properly or maybe I thought something was going to occur and it blinded me from what was going on right now. So going back and reviewing what happened, how you traded it, how you could have traded it and and simulating the order flow in terms of a market replay. Like I know Tradezella has a market replay feature in terms of candlestick charts, but the platforms that I use for order flow give sophisticated real time second by second exact volume patterns >> um in terms of market replay that I can

go back. Maybe I missed something. Well, I'm going to go back and learn. And maybe I took a good trade. I want to go back and see what I saw and how I saw it. >> And I'll go back if I take a losing trade and I'll say, "All right, this was such a dumb decision, but I didn't recognize it in that moment because I thought something was going to occur." When I do that, I approach the following week with so much confidence, and it just naturally forces me to trade better, and I always have a better trade

week when I review my data and review the order flow, and I always learn something new in terms of the current market conditions. Market conditions are always changing. So, being able to go back and review your data is crucial to stay on top of things and to stay on top of adapting to when the conditions change. >> You know, some patterns are going to look differently. Like, I'll look for trapped buyers if the market's very flat or consolidating versus I'll look for a volume tail when the market's very volatile. >> Yeah. >> So, different patterns will show up in different market conditions. And you have to know the market conditions you're trading in to fit those patterns to make it work in a high probability >> in that time. Yeah. So would you suggest in terms of like if people were going away from this to start with is it a good exercise do you think for them to take what they currently use on a technical basis >> and then go and look at those same trades on the order flow as a as a step

one so they can get used to how does that look what what is it representing on the order flow and then again like continue to do that as you said like reflect on your trades consistently and then I guess slowly start to look at the order flow in real time. So, you're picking up on what those characteristics. >> Absolutely. Yeah. I could look at any successful trader and look at their strategy. They have success with it. Don't change anything when you find success. But I could I would high I

would very much agree with that. I can they could find more pinpointed entries >> and avoid trades that are I guess you could say known to lose before you enter it. >> Yeah. >> Just by confirming it with the order flow. You'll see trades that like maybe something in the order flow didn't agree with your entry and if you saw that you would have never taken that setup and it would have avoided a loss. >> Yeah. >> Uh it would have helped you avoid taking a losing setup. So yeah, another big

thing that I did and with certain platforms they offer market replays. Uh but what I really did and I have files back from 2019 on my computer at home. I would record my screens every single day and I would go back, speed it up, slow it down if you don't have access to a replay feature. And I, it's funny, I was nostalgic. I went back and look at my replay and my trading is the same as it was in 2019, 2020. >> Nothing's changed because the concepts don't change about the market's auction.

It's all the same. But being able to go back and see and review the data helps tremendously. And that's how you learn and that's how you speed up the learning curve. >> And I would also recommend like I have a eight video series on my channel. Yeah. >> About order flow. It's like order flow from the beginning, the basics to more advanced concepts on my channel. That's a very good starting point to understand like the tools and everything that we've went over in kind of more of a concise

way as well. Do you want to win seven figures in challenges without having to do anything at all? Seems too good to be true, right? Well, at propertrader.com, that is exactly what is possible. You are buying proper challenges anyway. Well, at propertrader.com, not only will you get the best prices and be able to compare your PropFirm challenges, but by automatically using the code PFT, you automatically get entered into this weekly giveaway where you can win over seven figures in challenges. All your

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challenges, two-step challenges, and three-step challenges just for you. So, no matter what type of challenge you prefer, they have an option. And not only that, we have Funded Next, one of the top three CFD firms in the industry. And again, an exclusive offer through PFT. Check it out on screen. The link for propertrader.com is in the description below. So, make sure you check that out. And remember, use code PFT at checkout at all your favorite firms and automatically be entered into the massive 7 figure giveaway every

single week. Now, let's get back into the episode. Okay, so briefly, I just posted uh something new in the intraday commentary tab. Basically, watching 67 uh 14ish represents Friday's low volume node also represents Thursday's high. Um, I don't know if you all remember, but the selling that we saw there at like 6714 also aligns with like uh the pre-market high from Thursday as well, combined with Friday's low volume node combined with large delta from the rollover Friday at the close. So, at the open, I

am watching if this thing wants to pop. kind of want to gauge the the market around uh 6714 to 672122 and then to the downside I'm watching the 67 uh 66 87s 88s market's going to open here. Uh, so two main levels. Um, everything now since FOMC is out of the way, since triple witching, OPEX, whatever you want to call it, um, is out of the way also. This could be, you know, the start. Not saying today, but maybe later in the week, you know, some profit taken to occur, maybe some euphoric volume for then the market to reverse. But now that major economic um events are over with, especially rollover and especially FOMC, this could possibly be the start of, you know, some volatility picking up hopefully, which is something that we definitely want to see. Um, so now just again be patient. I have alerts set at my levels, so I'm really going to only want to be trading around my levels. For those who did uh join the academy webinar last night, you know, we talked about the equation of where plus when and why equals a trade. Where is

our level of interest, right? When we have a level of interest combined with confirmation at our level of interest, that's when we're going to have the best trades and that's where we're going to have the um equation kind of be validated. So my wear right now is 6714 672122ish and then to the downside my wear is 66.88 6687. So two main levels I'm watching price action around if the market comes into it. Uh but until that I got to be patient for the market to hit my levels. If anybody has any other

levels or anything that they're watching, you know, when you see confirmation, you see a trade around it, take it, right? Don't hesitate. When your plan comes into fruition and when you see an opportunity, you take the trade. Don't wait for Carmine to say he's watching this or watching that because Karma could be wrong as well, right? The best analysis is always going to be your own analysis. I know I've been saying this every time I come on voice chat, but um I'm still working on the systems to to do the live

stream um so you guys could see the screen while I'm talking. So if I ever need to explain something, it'll be there for you to see. It's coming. I'm working on it. It's just there's a bunch of backend things that some members don't have access to it right now. And again, I can't do it if not everybody has access to it. And I haven't figured out a way to automate existing members into that. I'm working on it, believe me. But it will be very beneficial for you all to see the screen

as well. So, if I'm explaining something, it's a visual for you to just bounce to the screen and look at. So, pretty much directly in the first three minutes, the market's been pretty bid, meaning it's supporting these upside prices and every tick higher is being supported by larger bids stepping into the market. Tesla ripping. I guess it's a good time for me to check my position on that. Tesla's up over 2% today. Just broke above the pre-market high and last week's high.

Uh, as far as NASDAQ levels, I really don't have much. I mean, we have the all-time high from Friday, 30 points away on the NASDAQ, and 30 points is pretty much nothing on the NASDAQ. There's no supply. Um, somebody mentioned to me that we have a 45 minute level of demand. I rarely use that time frame, but that time frame is valid on a 45minut. Both the NASDAQ and the S&P have bounced off of a 45minute level of demand overnight and it is supporting this market here. Oh yeah, that long-term is looking very

nice right now portfolio. The best thing that I did was I bought the 2x ETF of Tesla. So if Tesla's up 2%, I'm up four over 4% right now on this long term. Still holding that trade strong. Kind of like this pullback here on ES for a quick little fivepoint sixpoint rally up into the 14s. I like how this pullback's holding on pretty aggressive selling. It's pulling back right into the first minute period of consolidation and it's being supported here. Um, and we have yet to test that upside level.

So, that upside level could be a magnet here. Uh it's a small little meat on the bone type of setup because you know that level of interest is only six points away but VIX moving down. Yeah, I kind of like this S&P to go test that 14s to 16s right now. This pullback is similar to the scenarios that we saw last week where we pulled back. It's done on aggressive selling and it's holding. So, let's see if this range continues to hold just for a quick pop up into the 1416s, right? If the market moves up and then

pulls back and or consolidates on aggressive selling, but that holds and supports the market and continues to consolidate, usually is a very bullish indication just for a quick little little more upside. We also have a failed Pshape as well. at once was a clear P and now it's kind of developing which just shows that those sellers um on the footprint lacked the downside continuation. [Music] I just got alerted on something kind of stock is this? Holy I just got alerted on BOXL. It's up 380% today. What the hell is

that? I don't even remember setting an alert on that. I think that I I think I set an alert on this back when I was trading penny stocks in like 20 17 if that's even a thing. I don't even remember. Box XL up 390% today. All right, I'm watching this pullback here on ES. Let's see if we hold above the opening print. We're we're supporting the opening print pretty well right now. If this could hold the open, I might take a stab at it. Going for the 14s. Doesn't look like it's holding it

though. Box XL. That is insanity. Does anybody know if you could see when you set an alert on to? Like I want to know when that alert was set. opening holding the open right now. Let's see if we can start catching a little bit of a bid off of it. So, main thing I'm watching for now is just if aggressive buying comes in, I'd look to enter these 08s, 09's targeting the 1516s, but I want to see the aggressive buying come in first. I just like all this selling here supporting the market. It's holding above the opening print. We've yet to test the upside levels. All right, I'm trying this at the 08s. I'm going to be going for the 1516 target first and then I'll target the 19s. I'm going to put my stop tight. It's two points under the low of day. I mean, it's under the low of day. Two points above my entry. This is just saying that the upside level is going to be a magnetic force to price. We're seeing a lot of selling on this pullback. We're holding above the

opening print. We just consolidated at the low and we've yet to test the upside price. So, it's worth a twopoint risk for me. Two points super small for an 8 point 9 point target to the upside. It's like a 4 and a half to five R. It held that opening print significantly well on aggressive selling. Strong block order just came in right there for the sell side. Strong at bid trade just came in at the 08s. Pretty heavy volume on that. And it's holding pretty well, which is good to see. you know, could just

support that thesis of a passive buyer here. Let's see the high of day being taken out now. I would really love to see the high of day. Here we go. Going for that high. Come on. Strong pop up into the 1516s. Would love to see this have success above the high. I would not want to see this fail to break the high day on this action that we're seeing here. Tesla's still up. It's up 3% right now. Let's see a high strong high a day break. Come here on. Come on. Break that high of day strong. Get an impulsive pop

up into the target. Here we go. High of day being tested. So, the main thing that I'm watching for here is just aggressive prints hitting the offer. And then as the market breaks the high, I want to see stronger bids on the passive side of the market supporting the breakout. I would not want to see it, let's just say it break the high and then come back into the range and selling come in. All right. All we're going for is a target up into the 15s. Yeah, it broke the high. moving back

into the range. Would like to see a more aggressive break than that. Come on. You got this, buyers. Tesla up over up over 3% now. It's testing 440. Pretty insane. NASDAQ has yet to break that all-time high, that Friday high at the uh 2488s. Again, still 30 points away. S&P test a new high a day up into the 13s. All we need is a strong pop into the 1516s. I'm going to get out of this trade. Depending on the break, it's going to be dependent on my scale. Maybe scale 50%, 75% or 100% depending on how strong it

is coming into the target or how weak it is coming into the target. At this point, up over 2 R on the setup, but has yet to hit target. Here's 13's offering to 16s. I'll make it a general range. 14s to 19s is where I'm looking to exit this trade dependent on how strong the pop is. All right, into the 14s. 400 lots hitting the offer here. It's failing to break above it. 421 on the offer at the 6714s. No sign of trading above it. Stops now adjusted to break even. have yet to exit at the target at the

14s. Honestly, going for a little bit more. This thing has a little more juice up. Uh we've yet to test that Thursday high and I've yet to test a low volume node. We're just teethering it with it right now, but technically 14's target did hit. I'm just going for a little bit more on this. I want to see 15 16s. Stop is adjusted to break even. However, trade's currently up 3R. If you look at the offer side, there's 421 hit the offer at the 14s. Zero hit the bid. So there is a passive sell

order that's stopping the market and stopping the aggressive buying from breaking above it. We need to see a strong break above it to validate this into our 1516s target. The buying's really trying up here which is a good sign to see. We don't want to see this buying fail. I'll tell you that the buying is really trying to stick here and it's really trying. would not want to see this fail. I just had a Oh, 1280 on the offer. You see that? 1,280 sitting on the offer here. Here's the 14s. Here's the 15s.

All right. Looking to scale out here on a sign of strength. First sign of weakness. I'm looking to get out of this trade. There's a zero print sitting at the 14s. Zero print sitting at the 14s. Supported. Filled. Strong pop up. I'm exiting this trade here. 1516s. Here we go. Here's 15s. 322 delta at the 15s. I'm looking to get out of this trade here. Strong pop. Come on. Give me one more pop, one more impulse. I don't want to get greedy with this though. There is high volume forming

here on the new current footprint bar, you know. So, if the selling comes in, this could form into a P. I don't want to get greedy with this. I want to see 15's bid. Here we go. 15s. 15s. 15s. Come on. Bid. Bid. 16s. 16s. Strong volume's coming in, man. I don't want to exit this just yet. Strong volume's coming in. All right, I'm out. 15s. I'm out. I'll take my seven points on two on two points of risk. I'm out at the 15s. This thing definitely has a little more

strength, but I'm taking my 4R on that. Not going to get greedy with it. You know, this thing could go to the 19s 20s. I don't want to get greedy with it. Nice little 4R in the first 20 minutes. And here it goes. Can't look at where it's going to go now after the buying is definitely strong. However, ah, look at that. The buying is strong. We're forming zero prints to the upside. There's strong blue positive delta as the market's rallying. Nice trade in the first 20.

All that thesis was ready. Simple. Ah, look at this freaking thing. Here's the 19s here. would this would have been my final target here. These 19s. Ah, if anybody isn't long, definitely I would highly recommend de-risking and scaling out at least some here at these 19s. This thing could go break the all-time highs, but taking some profits off and scaling out would be a good move here at these 19s. Should have, would have, could have, right? An extra four points would have been nice, but I'll take that 4R all day

long. Um, all right. So, this thesis was simple. Ready? Market opened up right in the first three minutes. First three minutes of the market being open, we were significantly bid, right? And then looking at the order flow in the first three minutes, we were significantly bid. And around 9:31, there was a little tiny pullback. I'm talking two points, two and a half points at 9:32. around 6707. Call it 6707. It was a pullback 931 for 30 seconds time. Then the market pulled back around 9:36 to 940 and we held the open print.

Right? So on the footprint chart I have it coded to the open. We held the open and from that period of 935 to 940 941 there was a significant amount of selling volume coming in and holding on the pullback. This is why it's important to review the data because last week there were so many setups in the past two weeks where the market rallies, it pulls back and on that pullback, we were aggressively hitting the bid and the market was not selling off. So, not only did we have a passive buyer with that analysis because

there was a ton of aggressive selling and the market was not selling off, we were holding VWOP, we were holding today's open price. I mean, today's open was 6706. It held it perfectly and we were holding on the passive uh buying at VWOP and without the upside level being touched which I used that upside level as a magnet and another piece of confluence uh to take this long. So I mean again as I stated before too this was a setup where was not a 10 20 point target. This was small risk getting in and putting our risk at

the open price. Right? When we got long at 6708s, we were putting our stop under the low of day, which was two points. Right? So long at the 08s targeting the 1516s, that's a 4R, right? It doesn't equate to a lot of points, 10, 12, 15 points that we're normally going for. But when we had two points of risk and our stop where we're going to invalidate this trade being so tight, we could go in with larger size and adjust to fit a two-point stop-loss. Right? Technically, if our average stop loss is four or five

points, we can go in with double the size on a trade like this because our risk is super small, right? So, being able to adjust and saying, "Hey, all right, maybe I'm only going for an eight point target here." That's fine. I could double my size because my stop loss is only two points away. And yeah, eight points might not be a lot. Seven points might not be a lot, but when you double your size, that's technically 14 points or eight or 16 points on your normal size. So adjusting relative to the risk is crucial especially in a market where the ranges haven't been significant and uh you know playing a scenario like this. This this was a trade that appeared multiple amounts of times in the past two weeks and if it wasn't for me reviewing the data that I did yesterday I I don't know if I would have had the confidence to take a setup like this. But multiple things aligned and and that was pretty much it. NASDAQ has not hit all-time high yet. Eight points away from it. Tesla up three and a half%. I don't want to keep

looking at my portfolio because when you look at your portfolio, it's always a good time to sell it. But I'm just going to do it. Very nice. Up close to 7% right now. Does that trade make sense before we look for another setup? Did Does everybody understand that trade? Okay, cool. It was It's super simple. Jericho does not understand it. So, all it was was the opening print. The market pulled back from 9:35 to about 9:45 call it with aggressive selling, but the market was not selling off. remained

bid, which means somebody is passively buying it, similar to what we saw the past two weeks on every single pullback. Specifically, I'll tell you what day it was. Uh I think it was like a Thursday and I kept taking the market short. Yeah, it was on 911 actually. Every single pullback was met with aggressive selling that wasn't selling the market off lower. And that to me was a very bullish sign which indicated for me today to try a long holding VWOP holding the opening print aggressive selling which just

means a passive buyer was supporting the market and we have yet to test the upside level of supply. So I was using that as a magnet. Four points of confluence there. Where do I see zero prints? I see zero prints at uh on the uh on a volume profile. I look on my depth of market. It's it's easier for me to see them. So this long thesis is over with. I'm I'm I'm not interested in longing this at this moment. You know, the the it fulfilled our target hit the 16s to 19s hit. We're actually rejecting the 19s

very well. Uh so right now in terms of another setup, I'm I'm going to be patient and let just the market develop a little bit more. And also if anybody uses a footprint, there was a perfect Bshape there as well on the 939 footprint, right? We look for Bshapes. Perfect Bshape down there as well. So, five points of confluence there. Um, somebody asked, "There was a plus 1500 lot delta at the 13s 14s when I got out. Would that have made any difference to you holding the position?" Um, you

know, maybe if I'm a little more patient with this, but when my risk is two points and I'm in with the size that I'm in, I can't afford not getting out when my target hits like this because any sharp pullback, whether that's two points, three points, right? Any quick little pullback, number one, is going to diminish my profits and number two is going to skew up my risk-to-reward, right? Think about it. Like if my stop loss is two points away, a sharp pullback. And like this is a mild

example. A a pullback might come two three points and that's wiping a one R away from me right there. So for me technically stating I should have been remaining in this if the 13s 14s held. I think how you pronounce your name is Arian. Sorry if I mispronounce it. I honestly hate when people mispronounce my name. So I'm sorry if I ever botch anybody's name. But um technically speaking, as long as the market remains above that large delta, there's no reason to be out of this trade. But for me, with how I was in and

how I confirmed it, when when my target hits for this specific setup because it was like not a lot of meat on this bone, I I got to get out because again, a pullback is going to diminish my RR. But yeah, it's still strong. Like I mentioned when I got out, this thing has strong buying. It's just that I don't have the patience for it and I can't have the patience for it on this specific setup. NASDAQ right near all-time highs. I had a FedEx ringing my doorbell. I ordered the new iPhone on uh last week

and I freaking wasn't home on Friday to sign for it and uh they rang my doorbell. I knew how to go answer that. Look at this thing. It's still remaining bid. It's still very very strong. Anybody still in this? Anybody still holding runners? I'm curious. At least some of the positions still on. Man, Tesla up 4%. Sheesh. All right, market's going to open here shortly. Uh main thing that I am watching for today is this 6672 all the way down to about 6660 level of interest which just represents

yesterday's number one close, number two highest amount of volume and number three previous day high. So three points of confluence right there. Also have VWOP in the middle of it. Um, so watching for a pullback into this for any type of of buying activity, uh, where I'm going to look to get long to the upside if the market does rally. Uh, 6687 has been a tough key level of resistance the past few sessions. I don't know if you all remember that from uh, last September 16th, last two Tuesdays ago.

Uh it's just been a key level that the market has kept resisting and supporting and now overnight off PCE data we've hit this level uh and resisted it pretty well. So if the market could break above it, hold above it, I'm going to be looking for longs targeting 6700 6705 for some type of continuation. And I don't really want to start turning bearish just yet until like the 6650s uh and below or are broken because there's two larger drops to the downside from yesterday's sell-off that got bought up. So, it's very safe to say that we're going to have buyers that are factored in here at the 40s, at the 45s, the 35s from this drop to the downside. So, I would be very cautious shorting a drop uh still above this level. come today. But again, as always, have a plan, follow a plan. The market is a mechanism that is constantly providing us new information, and it's our job to read this new information and, you know, go with the flows of the market. So, let's see what is going to happen here.

We're going to open up in about a minute. Market is now open. large bids now filling at these lows directly at the open. So, it's probably going to be a volatile one. So ideally now need to see a reclaim back above uh 6672 6675 to validate any long thesis. I don't know really right now with this structure and information if this is a buy the dip scenario. This may be let the dip rally let buyers you know try to attempt to bounce and then once they prove strength to the upside then could look to follow their

footsteps. Okay, so now we're reclaiming back above those 6676s. This is where it becomes very interesting to me because we're seeing these buyers at the low fill with all these bids. We're seeing the aggressive buying coming in on the footprint and now we're bouncing off this level of support here. So, this is looking very good to go break the 6687s 88s. I'm going to be looking for a pull back into the 6675s. 6675 is a sharp pullback to get long. And this thing is just going vertical.

I need to enter on a pullback. I can't enter on this on this rally here. Well, perfect bounce off the level. There's no confirmation just yet. It's just a vertical move up. need to see a pullback. There's also a zero print sitting at the 74s. Valid zero print sitting at 6674. Here it goes to break these pre-market highs. If it hits the target first, then this pullback is going to become, you know, less of a high quality setup for me. Wow. Just a straight vertical move up directly at our level of interest.

I mean, that's 20 points right there in five minutes. Four minutes, not even. 20 points in four minutes. And here comes the pre-market highs. 6690. Insanity. I I can't. So, the issues that I have with now longing a a significant rally like this, right? If I'm long here at the 66.86 is number one, I'm longing near the pre-market highs. Number two, where am I going to place my stop? If I'm long here at 66.86, 86. For me to be incorrect on this setup, my stop would have to be under the 7472s. So that

means my risk would be about 12 points if I enter this setup right now. So in terms of confirmation, it's great. But in terms of risk of reward, longing after an extended move without a pullback for me is just not something that's super ideal. Look at this thing. It's just non-stop bidding, bidding, bidding. This is a good setup if anybody is in long off the key level. I mean, perfect bounce off of it. Perfect aggressive buying. [Applause] [Applause] All right. So, basically what I just

posted in the Discord is that if we break these pre-market highs at 6690 and we do go up to our target at the 6700 6705s first without pulling back and filling the zero prints which formed at 6674, right? zero prints that did fill or did form at 6674 and a half. I'm going to mark these on my charts now. Uh if we pull back first without filling these zero prints, let's go here. All right, valid zero print 6674 and a half. Um if we pull back before breaking the pre-market highs, I will then look

to long this pullback into those zero prints at the 7574s. If we do break the pre-market highs 6690 and we do hit 6700 6705 and then sellers appear if that occurs first before the zero print fills I'll look to reverse this rally targeting the zero print right we all know how strong the zero prints are they act like magnetic forces for the market um there is a valid one at 6674 from this rally so we're building a lot of volume near these highs right value is trying to get accepted much higher

So when we see consolidation like this uh it's indicating that the market is accepting these higher prices which then makes me more inclined to want to be long in a pullback. You know if a sharp sudden pullback could come back into this level uh this to me and fill the zero print would be a good little long opportunity to go target the high a day. So it's really dependent on does this high get taken out? Does the pre-market highs break? Do we pull back first? But I would say probably the first thing is

going to happen where we're going to break these pre-market highs. Pre-market highs exactly is 90 90 and a quarter. Pre-market highs. Excuse me. 90 and a quarter. All right. So, now that we did break the pre-market highs, my analysis is shifting a little bit since the market's not pulling back to speculate that a pullback's coming. And I could speculate that if a pullback does come, it's likely to go fill the zero print sitting at the 6674s uh now that the pre-market high is taken

out. So, now my analysis is shifting not for a trend short, but more for a pullback short uh because a relief needs to come to fill those zero prints. So, let's see. We just filled this offer. Now the selling pressure is coming in. And especially that value is shifting higher. This isn't necessarily a trend, so to speak. This is necessarily a little more of a quick little relief to go fill those zero prints. Also, yesterday's close is around 66.92, which is right where we're hitting 6691.

So yesterday's settlement right around there. All right. So, what's in my head right now is mainly just now observing for any type of either a buyers to become trapped, c or b any type of absorption, or c any type of strong aggressive selling to go for that quick little pullback. It's just a little difficult to short this pullback because of how strong and aggressive the buying is. But there hasn't been one relief pullback yet. Value is shifting higher. Maybe we look to long a quick pullback

and say that 6700 needs to trade first. 6700 6705s, right? This previous level right here that we have. Maybe this needs to trade first. So, I'm even going to shift my analysis towards not even shorting this upside since the value is shifting higher, right? We know value is shifting higher by looking at the profile. Volume's developing. I would even look to be long and now a pull back into 6686 all the way down to 6680s about uh if we pull back into this this is going to be my line in the sand for that downside

move. So looking for a pullback into 66 86 85s and under uh to get long targeting 6700 6705. If these 86s and 85s are broken, I favor more drop to fill the zero print at 6674. That's my plan. So, looking along these 6686s to like 82s, just a general range right here. Uh if we pull back into this and hold, I'm going to be looking for a long targeting 6700, right? We're kind of not going after the zero print. If the market does break this level at 6686 and fails to support it, I favor that zero print filling.

I favor that zero print filling. If the market fails to hold this level right here, we're holding it. Large bid just came in here. Large bid just came in. Another large bid just came in. All right, we're seeing these bids fill. I'm going to be looking for a long here. I'm going to be looking for a long here at these 86s. 87s. Be looking for a long here. 66 86 87s. Bids filling. Holding this level, pulling back. Upside level still haven't triggered. It's going without me. The pullback, the

the entry was at the 86s, 87s, not here at the 92s, right? Because we're targeting if we're targeting 6700, that's eight points of target right there. 6705, that's 13 points of target. For me to place my stop loss on this, it's got to be under the 85s. Here it goes without us. Look at that revival. Look at that rebound right there. That was the trade right there. That was the trade right there. That was the setup right there. I wouldn't even mind at this rate a pull back into 6690, 66.88 88 to try another

long 90s to 88s. I wouldn't mind a pull back into that. I don't think we're going to get it, but the entry was down there. See what happens when a quick second a quick second of not entering could do to a position. What the heck was that? See what happens to a quick second. What that could do to a position? Insanity, right? Give me a pull back into the 90s. See what happens with a a split second decision of not entering could do to a position in short-term trading and value is shifting higher again.

That was the setup right there. You know, you'd be sitting very pretty if you long that pull back into the 86s, 82s. You'd be sitting very pretty up here. Traded near the high of day with all this consolidation, all this aggressive buying. Okay, so now we're pulling back into this range. We do have consumer sentiment coming out in less than 10 minutes here. Let's see what happens if these 90s bids fill here. Right directly under this, we have a significant level of high volume sitting at the 90s 89s. And directly

under that, we have those 86s that just supported the market on that pullback. Let's see what happens here at these 90s. The most amount of selling that we've seen so far has been here uh at this high a day, and the market is still holding. I would like to see these 90s fill though. I would like to see these 90s fill, right? These bids that are sitting here. And then we even have this activity of where those bids kept appearing down here at these 87s, right? We see this bid appears, bid fills, bid appears, bid

fills. These 86s, 87s. So even a deeper pull back into the 90s to 86s. I would like got to follow my rules, right? One of the worst things that we could do as traders is bend our rules just one time to make money. It might give you that instant gratification to make money and you might feel good in that moment, but breaking habits and instilling bad habits is detrimental to our trading. You know, doing something one time and getting rewarded on it subconsciously rewards our brain thinking that's the

right decision. I just can't do it. I need I would love to see these 90s bids fill, but it's just not doing it. All right, we see these 90s right here. Value shifting. We're holding above yesterday's settlement. We're seeing the buying activity at the 86s. We're seeing the bids fill. We still have unfilled levels at the 0 uh se 6705 6700s. We do have five minutes until consumer sentiment though. Less than five minutes until consumer sentiment break this low. It's I just want to see

the reaction under this low right here. Right under this previous little drop consolidation low as we come into a major market event. However, like consumer sentiment, the volatility doesn't pick up, I got to wait until after consumer sentiment. It's a gamble holding into the news like this or data. I think that trade before is a really good example of how thinking too much or waiting to enter in a matter of seconds can completely influence a trade on you or not. And that's the reality of short-term

trading. you know, thinking too much, a split-second hesitation could make or break a trade. It really could. If we were to look at these two bars, right, on the footprint chart, the most amount of selling we've seen here has been on these two recent bars right here. Right? We can see that also on the heat map. We could see a significant amount of red selling as the market's pulling back. This was the same exact trade that I took earlier this week on Monday where I took the market long in

the first few minutes uh as it was pulling back on aggressive selling. We're seeing all the aggressive selling here holding on a pullback. This could be the sign of a passive buyer. And with all the context that I've been explaining so far, it really does fit the whole theme of a buyer is active here. It's going to just suck uh if the 6700 6705s trade first. because that will just complete this whole thesis and complete the whole trade. Two minutes until consumer sentiment. However,

I don't like opening up or initiating a trade into a high impact data like this, right? Because think about it, if I'm long at these 90s 92s and we're just hanging out here right before consumer sentiment, if the consumer sentiment leads to a negative reaction in the market, it is a gamble, right? It could lead to a positive one and the market just absolutely skyrockets and it makes me money or it could absolutely dump on me and it has no control of me getting out of that trade at the price I want to

pay. And that's a gamble in my opinion is being in a position where there's a 50/50 outcome in terms of uncontrollable event in the market. Ah, it stinks seeing this thing at the high. But if anybody's ever in a position and uh they see that volume is building higher, volume is building lower, that means that move is accepting those lower or higher prices and is a very good sign to either a you know long a pullback or a shorter rally depending on the context and that more upside or more downside is

likely as the market is accepting those higher or lower prices. In this example, we've seen that as the market's breaking out, we're seeing the pullbacks hold from buying. We're seeing the passive selling um or the passive buying and we're seeing the value shift significantly higher as the market's breaking out. So, it's a very bullish sign. This is kind of why I'm leaning towards that. 30 seconds until consumer sentiment. [Applause] 5 seconds. I hope it pulls back and not rallies.

6700's the target. If anybody is in long off these 6700s. Yeah, there you go. Here's our target. 6700 6705. If anybody's still in long, good area to derisk yourself. I mean, it's going to be a long shot here, but even a pullback into the 90s to 86es, I would look to enter another long or enter a long. And that's going to be my old that's going to be my line in the sand. If those 90s to 86s are broken, I would then flip my thesis and flip my analysis for downside and look for a short targeting that zero print. So my new line in the sand is 66 uh 90 to 6686. We'll be watching if this holds. If this fails, we'll be looking for shorts to target that zero frame at 74. So, now we're going to break those 90s in this bid right here. Selling really is increasing. Let's see if this holds. This is going to be key here. These 90s to 86s. It's an old key level. It's where we're seeing passive buying today. It's where these bids are appearing. It's where there's the most

amount of selling here. It's just going to be significant moving forward. Large selling delta here. 1,600 delta sitting at the 90s. All right. So, now we're breaking this level pretty aggressively. And now I'm I'm way more inclined to go fill that zero print that the 67 6674 is the selling is just building. It's expanding. There's large negative delta here. I'm going to be looking for a pop back up into those 86s 90s now to short into uh to target the 74s. [Applause]

Looking for a short up into 6686 and it's just not going to give it to me. Look at this selloff, man. Holy. Well, zero prints are filled. All right. Not yet. Not yet. They are not filled yet. All right, I'm even looking to short these 80s here. We could pop into these 80s. 80s 84s. Targeting the 74s. We could pop into these 80s 84s. I would target them the 74s. All right, I'm short here off the 80s. 80 and a halfs. Short off the 80 and 1 halfs. Going for a 74 to 72 target. Short here.

Stop losses above the 84s. [Applause] Zero prints still aren't filled. 74 and a halfs have not been filled. We just got a strong reaction. Strong offer just filled there. Strong offer filled on that pop. Still haven't filled the 74 and a halfs. Remains unfilled. We came one tick away from it. Back at the 80s again. Let's see if this seller steps in. Here we go. Just targeting the 74.5s to 72s which is today's open 73s three points worth of risk for about an eight point reward. Here's the 74 and a

half's just filled 74 and a half zero print filled stop gets adjusted to break even. Now I did not get an exit there. The zero print did fill 74 and a halfs. Gave me a second chance there. Just didn't give me an opportunity to exit down here. I'm going to be taking 75% of this off at these 74s. 75% of it is off. I'm in small size now. Going for a 72 open price. bid is filling down here. The selling is strong and aggressive. I'm only in six more contracts. Stops to break even on the remainder.

Stops break even on the remainder. Here we go. Strong flush. Today's opening print is the 73s. I thought it was the 72s. Here's some strong continuation down. I mean, we're right near the lower day. Could this thing break out? Break down onto the lower day. Here's the 73s. Here we go. Here's a strong breakdown. The selling's building. Here we go. 72s. Here's a new low day coming up. I'm out. I'm all out. 71s. All out. 71s. Nice little scalp. Uh the thesis for this was simple. This thing is still weak. I'm just uh it's a little too close to comfort for down here. It's at a level of support. I don't want to get a little greedy with it. The whole thesis was for the zero print to fill filled perfectly. Um so this trade was very simple, right? Looking at the heat map here. All this morning we were looking for longs. We saw the acceptance much higher. It eventually did break out. uh we had the zero print that was underpriced at 6674 on the candlestick chart. The market did

break out and hit our target at 6700 6705. That validated the long thesis. There was plenty of opportunities and I know some of you right here I see took long at the 85s took long at the 89s. So I see a lot of you um did get long on that. Unfortunately, just my hesitation made me miss that slightly and it didn't make sense in terms of RR target hit long played long trade fulfilled. Then the market dumps breaks the line of sand. It breaks the line of sand at the 86s validating weakness there. Right on top

of the weakness, we have exhaustion prints. If you look at the footprint at the high of day, exhaustion prints are factored in at the high of day, which indicates selling is very strong. market breaks the line in the sand which is the 86s and then going down to a smaller time frame adjusting the level to 6680. What 6680 represented was this large offer on the heat map right the market rallied into this large offer confirmed the weakness confirmed the break of the line in the sand confirmed that we have the exhaustion at

the high of day confirmed that the market may want to go revisit the zero print offer fills down here on the heat map. We could see it by this uh large red line indicating strong tra uh buyers on this rally up on the footprint chart. We could also see the Pshape, which is what I refer to as trap buyers, giving me enough confirmation to get short there at the 80s, putting my stop loss above the 83s, which is this little consolidation range right here, which is also the um close of this strong drop

one minute candle right there as well. A market specifically on my charts right here. small risk, three points worth of risk for a minimum six to eight points reward this trade. I believe I closed at like a three R, which is a very good R. Could have been a little more if I held offer filled. Double top here at this offer on the footprint. We could see another Pshape. And then we could see a clear rejection on two one minute bars at this green box up here at 6680 to fill the zero print. I love zero prints

so much. they are just magnetic forces to the market where it likes to gravitate towards uh to provide a fair opportunity for other participants to transact in. So sick day. Um much needed setup there after missing that morning rally. I mean that morning rally would have been a a nice one, but I think that goes to show you to not FOMO into a move, right? I could have easily FOMOed into a move. I could have easily chased the market long. I could have easily just got in because I missed the move and wanted to make money on it,

but I tried to keep my cool as best as possible and wait for another opportunity. In in I guess you could say hindsight, I mean a great entry would have been at the rejection of this. A great entry would have been much higher because that would have been a bigger reward to fill the zero print at the 74s and less risk. But when an opportunity presents itself and you have to take it and that's why I love shorting pops when large offers appear or large trap buyers appear right in this example we could see the market

tried to rally up it context is fitting context location confirmation the context of this move was we broke the line in the sand our upside target hit we see the selling pressure come in right at the highs the most amount of selling pressure was right here context is there location of This move 6680 was where this offer appeared. Confirmation track buyers. We could see it on the footprint. We could see a large green aggressive trades hitting the offer, filling this passive seller. If a large amount of volume comes in aggressively,

and we cannot overtake this wall of passive selling, this is a very good indication the market may want to go down. Add context and location. We had that downside zero print that filled, giving this more validation. Truthfully, if we didn't have that zero print, I don't think I would have taken this trade. But I just know how reliable they are and how the market likes gravitating towards them. So, that's it. I don't really see any other opportunities at this moment. So, just going to continue to be patient. And

that's pretty much it. What I really like to look for is once the weakness is confirmed, once the context is in my favor, and once we're at a good location, a good confirmation signal for me is that what I like to see here. I mean, we see it on two different times on the heat map, right? We see the market rally. I love shorting the pops because it offers better risk-to-reward. If I short on a pop, I'm basically getting in further away from my target, which makes my reward wider. And if it's moving further

away from my target, it makes my stop loss tighter, giving me a better risk-to-reward ratio. What I like seeing is on the pops, the offer filling when the context fits. And large aggressive buying, right on this bubble right here, we could see 357 contracts hit this offer and the market couldn't rally higher. Same thing we see over here around the uh 88s. We see this offer up here. Large aggressive trades hitting the offer and then an immediate dump after that. And again, context fitting that gave me the indication that the

market would want to go fill that zero print. So, I keep selling off. I can't look at where it's gone. The whole trade idea was for the zero print to fill. But I think that's going to be it for me today. Hope you all got some value out of the session and learned something. there was good opportunities in my opinion both sides um unfortunately wasn't able to catch both sides just one side but still grateful for that and that's what happens when you follow your system and take trades based off your

playbooks so I'm going to end it simple playbook uh and I'll post a review later in the Discord peace out everybody look at this move just keeps dumping I think a good point to mention here is that you cannot look at where the market's gone after you've exited the trade, right? You have to look at, did you follow your plan? What happens after your plan is fulfilled is a new trade idea. It's a new thesis. It doesn't fit that trade thesis that you entered off of, for example. Yeah, it sucks seeing

the market drop another 30 points from my entry here. Yeah, I could have made so much more money, but my plan wasn't for this bigger move. My plan was for just a quick little sell off down, right? So, where a lot of traders, including myself, get stuck up on is that they see the move after they've exited the trade and they think, "Hey, I should still be in this," or, "Hey, I could have made x amount of dollars more." While yes, that is natural and true and valid, you have to look at it

as, hey, was there an opportunity after my original thesis played out to possibly re-enter to then capitalize on this move, right? have to look at it as a new trade idea versus a trade idea uh that is continuing from your thesis that already validated and played out. Uh that's just the way that I look at it. So market's going to open here in about 3 minutes. Um did you all see my pre-market plan video I posted in the Discord? My main level for today is going to be this 6716 level. Um, for me, if the market does

not even attempt to go for it, and we straight off the bat break under yesterday's low, break under these pre-market lows, that in itself for me is going to be another indication of of weakness and likely to go fill out the 6677 level of demand. Now, I don't know how that's going to play out, if it's going to play out, but a sign of weakness for me is if the market does not even attempt to go for that 6716 level, and maybe right off the bat, we see a strong selloff under these pre-market lows, the 6697s, the 6690s.

Uh, that in itself is a sign of weakness where I would then look for shorts targeting the 6677s all the way down to Friday's low around the 6657s. So larger level, larger range going to be key support here as well. And then the upside bullish plan is if the market does rally and break above the 6716s, um obviously looking to long that to target the 66 or 6731s where the market put in a higher lower high at yesterday. So remember always just our job is to not predict where the market's going to go.

The way I look at the market is number one have the levels of interest and number two once the levels of interest um are traded at gauge how the market's reacting at them gauge what the market uh gauge the volume around it are buyers aggressively entering or buyers not aggressively entering are sellers trapped or sellers just drilling into the bid right so have levels of interest doesn't matter how you draw the levels of interest and then get confirmation at the levels of interest and again it

doesn't matter how you get the confirmations there. So no matter what just have a plan, follow that plan and and manage your risk uh accordingly. So market's going to open here in 10 seconds. I always reset my depth of market. If anybody uses a depth of market directly at the 9:30 open, I reset it and good luck. Let's see what the market does. Pretty strong buying directly at the bell. valid zero print sitting at the 6707 and a halfs. Zero print did form at the and now filled 07 and a halfs.

So really gauging price action. 6716 is my level and then to the downside the 66 97s to 91s. So till that trades everything is going to be a little bit more noisy to me. Another thing that I do want to say is looking back at my data since I was not around to trade yesterday. I spent some time when I got to my computer to kind of review a lot of my setups recently. I cannot tell you all the amount of the the good setups that I take are so crystal clear in terms of my playbooks, in terms of my setups and

majority, I would say 80% of the losing trades that I take. I can't tell you why I took that setup looking back at it and reviewing it. And that goes to show you that if we are forced to take setups that are repeatable, that are based off the patterns in our playbooks, we automatically put ourselves in the position to take great setups where the odds are in our favor for that trade to work out. And the trades that we enter based on what we think is going to happen or based on what we want to see

occur are the setups that are going to lose or have a higher probability of losing before entering. And I think that's crucial and very important. In one of the academy webinars, I want to say two weeks ago, I talked about and I gave them all homework in the academy saying, "Review your data, review your entries, replay the trades, and see if you can find common similarities." And by me practicing that exercise yesterday, and I'm I'm a I'm big into this. You'll be able to spot the dumb decisions you make, and you'll be able to spot the losing trades and find common similarities. A lot of my losing trades, and these are probably the most frustrating trades, are the ones where you cannot even explain why you're taking that setup. It doesn't fit any of your criteria other than what we perceive the market to do based on what we want to see. It's so crucial. Also, a question. Do you guys like the pre-market plan videos that I post? Are they helpful? Do you guys go through

them or would you rather just a text plan? Another thing is that at 9:45 we have PMI data and at 10 a.m. we have consumer confidence. So it's the last day of the quarter and the last day of the month. So prior or post this data post coming into end of day I would be a little surprised to see kind of a lackluster session I would be not surprised to see a little bit of a volatile one post 10 a.m. data uh and again going into the close because last day of the quarter and uh last day of the month as well and

September is statistically usually a a more of a red month. So I just posted an intraday commentary. I mean, it's kind of the same thing that I've been saying on voice. Uh, with the intraday price action so far, it's definitely leaning more towards the the the bare side. Um, but to make any type of analysis, I would need to see what the market does under these 6697s, 6691s. So definitely leaning more towards the bare side with this intraday price action but too early to say anything

until the 66 97s 91s do break. Now in previous market conditions and I haven't done this recently just because I feel like I it's not something that I've noticed a repeatable pattern around. But in recent market conditions, what I would normally do is let's say we had a key level below price, right? Let's just say we're looking to short. We have a line of lease resistance, meaning if 6696 does break, that's going to lead to a 20 point sell off into the level of demand on the price, right? Let's just

say that that is what's going to happen. Just throwing out a scenario there. In different market conditions, what I would normally do is say, all right, I know if 6697 could break, it's going to lead to further selloff. So, what I would like to do is get short before that level breaks if the selling is there. Meaning, let's just say we short this pop here at 6703. I'm getting in before the move because I'm seeing selling before the move. And I know if that selling continues here

and I'm short 6703. If it does go break that 6697 level, number one, I'm in before the move. Number two, my risk-to-reward is going to be much better. And number three, if the move does start to amplify, I'm in way above price where it's just going to validate our original thesis under the 6697s. Uh giving us more of a reward and better confirmation to get in at a higher price. Um I've used I used to do that so many times in different market conditions, but I feel like in these conditions,

it's really just being patient for your levels to hit and uh gauging what the market does at them. NASDAQ hitting yesterday's high, filling the gap on QQQ. Almost there. Let's see what those equities I posted in the pre-market plan are doing. Nvidia, not much. Apple, not much. Still in the middle of the range. This S&P, I mean, on on a one minute chart, I mean, on the tape, it looks like every pop from 936 on has been shorted into. So maybe somebody's building into a downside position. Maybe

somebody's looking to reload on these pops. But it seems like around this 6703 6702 level, looking at the heat map specifically and even the footprint looks like somebody's shorting these pops pretty aggressively. 6703 6704. We got data coming out 5 minutes. So, expect a little bit of a volatile reaction around this 9:45 mark and then another initial reaction at 10:00 a.m. Here's another pop. It just I don't know. To me, it looks like somebody is Let's see if this fails. Uh just see

seems to me like somebody's uh maybe selling these pops. 6703 6704 6705. I'll post a screenshot in intraday commentary. Just posted an intraday commentary. Uh basically what I'm explaining, nothing to act upon. I'm just noting that every single time the market has tried to move up, it's been whacked by a seller. Nothing aggressive, nothing major, nothing significant. It's just what the only event we've seen so far since the market's been open. Now if this develops

and you know breaks that 6797 91 level then you know that will provide a piece of context and a clue if that does come in fruition. If it doesn't then it's you know nothing irrelevant for me in my analysis. Zero print at the 6706 and a halfs. No, there is not I don't see one. No valid zero print so far. There was one earlier but it filled. Yes. I mean, look at this. Another pot that is kind of attempting to fail here. And then on the footprint as well. I'm going to post a screenshot of this.

Every single time that the market goes for a high on the footprint, um, news coming out in a minute. If anybody is in a position, I know it's not major high impact news, but it's probably going to lead to a volatile reaction. Um, if anybody's ever in a position as we get closer to major data, just be cautious with it. You know, it's a gamble holding at the data if the market's close to your entry. For example, if I'm long, let's just say 6703, 6704, and I know 20 seconds before news or data, we're trading at the 05s, 06s, and I'm only in two, three points of profit. I don't know. Most of the time, I'm dumping that trade and not holding into data because I find it to be a gamble. the market could aggressively sell off, negatively react to the data and just screw our position, you know. So, if anybody is in a position prior to data, just understand that if you're risk accepted and the market is kind of far away from your entry, then holding into it is a little more of a

I don't want to say gamble, but it's a little bit more of a protective higher probability gamble. But if we're close to entry, you know, it's it's it's a little more of a higher risk gamble, I guess you could say. The major economic data is going to be uh 10 a.m. consumer confidence. NASDAQ hit yesterday's high and has bounced off it perfectly. NASDAQ hit yesterday's high. Uh actually, no, it missed it by like three points. NASDAQ yesterday high 24737 I'm sorry not yesterday's high th uh

Friday's high sorry Friday's high actually is 44s 24744 which we did hit perfectly right now so NASDAQ is finding a bid above yesterday's high or Friday's high 24744 after reviewing a lot of my data. One thing that I have in my mind that I really want to start implementing more is that just cutting out BS trades and cutting out lower probability setups based on where my experience thinks the market's going to head based on where I want to see the market go. You know, the way I look at

it is that for me it's better, right? You're going to see me be very picky with setups moving forward. I really am going to try to hone in on this and be very strict with it. Um, and not only, you know, benefit my trading, but also show you all the benefits of being very selective and picky with your setups and how well it will do. The way I look at this, and this is kind of what's justifying it, is that if I take, let's just say, one setup during the whole week, which is probably not going to be the case. I'm

just throwing something out there, right? And that one setup gives me 20 points, 25 points. For me, I rather take one setup than take 10 trades in a week and only come out with 20 points, right? Have a have a 15-point winner, another 10-point winner, have a fivepoint loser, six point loser, three-point loser, 10 point winner, right? And then at the end of the end of the week, you know, despite having 10 trades, it still comes out to 20 points, 25 points. For me, I'd rather take one 20 point winner than

take take 10 trades that you know at the end of the week come out to a net 20 points. And by doing so and by being more selective and not trading what you want to act upon, it'll help with that. And that's something that I really want to work on moving forward and cleaning up my losses. Essentially, I want to clean up the losses that are not good in my trading. Okay, so pretty nasty rejection here. Pretty nasty five minute rejection. It's still going with the thesis that every single time the market tries to move up, it it fails. You know, it's it's still occurring. That previous rally was a little higher, but it's still going with the thesis of, you know, somebody could be actively selling all these pops. It's kind of just how I'm viewing it and reading it at this moment. 10 minutes until consumer confidence. I mean, this the selling is definitely coming in pretty aggressively here. You can see it building. You can see the tape speeding up. You can see a lot of trades hitting the bid. You can see a

lot of red. Uh, and remember what I said in my pre-market plan. If a confirmation or a piece of context for me in itself is a lack of an attempt to go test the 6716s, and we've kind of seen the lack of the attempt at it so far. It wouldn't be a good sign if these buyers cannot go test these uh 6716s. I just posted a screenshot of intraday commentary. Um, this to me is a chop zone, right? So, where the market's hanging out under the 16s but above the 6697s, this to me is a chop zone. This to me is

a level that I don't want to be trading in the middle of this, right? This is a forming a balance. This is forming picking up liquidity. This is forming let's pick up orders. This is forming not continu not having continuation. This is forming stop hunts. This is forming just not ideal price action in the middle of the range that I just highlighted here. So until we can break under the 97s or above the 16s, that's really what I want to see and I want to hone in on that. That will be where the best

opportunities are going to come from. In the middle of it, we're not going to go anywhere. you know, until we can break out of the extremes, the highs and the lows, you know, this move is just not going to go anywhere. So, under the 97s to 91s, giving it a little breathing room under the pre-market lows and then above the 6716s, the large delta. Yeah, to me, post 10 a.m. data, another failed attempt as a large sweeper just came in. I was just going to say another failed attempt at going for 6716s

post 10 a.m. data is a sign of weakness for me and I'm going to be going with that latter bearish scenario uh to target 6677 demand if another failed attempt post 10 a.m. does not go for that level above and or another valley you get sold into. Selling is definitely building. The one thing I am a little fearful of is that this may be a scenario where 10 a.m. data comes in and this thing just continues to drop and leaves us, you know, behind. It's definitely one fear in my mind at this moment is that, you know, to

selling his building. We have 10 a.m. data coming out in 4 minutes, but I mean it's building prior to this data and maybe the data comes out and this thing just dumps and for those who did not enter, it's kind of going to leave us in the dust and leave us behind. There's definitely one fear in my mind. VWAP from

FOMC level at September 17th has been providing support and resistance at multiple occasions since then. Could be your bullish bearish line. Sephi Seph, if you could send a picture

that would be great. If you could send a screenshot. Okay. Well, now here comes some buying coming in. This is directly at our 6697 level as well. Two minutes until consumers confidence. This is kind of why you do not want to trade in the middle of the range. I mean, even playing in the lower portion of the range, right? 66.97. The market just bounced 10 points off of that, but playing in the middle of it, it's a little questionable. A minute until data. NASDAQ still holding the previous day

high. 24744 20 seconds. Pretty interesting to see the book super thin on the bid side and super thick on the ask side. Super thick on the sell side, but super thin on the bid side. I mean, the current thickness h it just thickened out. the a lot of the thickness on the on the sell side is like 60 contracts, 40 contracts, but on the buy side it's like 20 contracts. It's like half the thickness on the bid side. Yeah, the the offer side is definitely significantly thicker than the bid side.

One thing I am noticing is we are rejecting on the heat map this large size of offers that kind of pulled as we got closer to news. So I mean let's see how how this reacts to 6710 6712. This could be another pull and slam scenario. Um, we did pull from the 10 a.m. data of these offers here at 6710 6711. Just got alerted on Nvidia. Let's see what Nvidia is doing. Nvidia starting to break out. Nvidia is breaking out above that 184 level that I talked about in the pre-market plan. A lot of buying volume coming in here on

ES and it's kind of just stolen out. Nvidia breaking out. Look at this Nvidia. I'm going to be keeping an eye on this to support the overall market. Did NASDAQ get above VWOP? NASDAQ did get above VWOP. All right, looks like the S&P is in route to the 6716 level. Large offers just appearing here on ES trying to get filled at the 09 short. Did not get filled. There's a PCA form in here. There's a pull and slam offer filling at these tens and twelves. I tried to get filled short at the09's

just unsuccessful. Now we're moving back under the open price. If we have success back under these uh 07s, 06s, this is going to most likely turn into a revisit of the 6697 level. If we can break under these 06s, 05s, I'm sorry, 06s, 07s, there's a Pshape at the high. There's a lot of trap buyers at the high. The bid was significantly thinner prior to this 10 a.m. data. To me, this is a something that I'm looking to uh play to the downside here. Nvidia is breaking out above a very clear resistance level, which if that fails, it's going to support this bearish thesis as well. issue was I can't short these 04s now. I had an order at the 09's that just did not fill. Here it comes. Man, the selling is super heavy. Would have been sitting nice if I was short at the 09's. I put a limit order out there. I just did not film. There's a perfect Pshape at the high. And there there's a pull and slam there as well. I would consider that a pull and slam. Not the prettiest pulling slam.

Let's see if we if we reject these 06s 07s on this pop right here. If we come into these 06s, 07s and rejects, um, I don't mind an entry up here if it rejects these 06 07s targeting the 96 low a day. Just give me a little more of a lift. I would love to short into a little more of a lift. You know, getting short here at these 03s, 04s is fine, but my stop would have to be at the 08's 09's. And that's like five points of risk for a eight point reward. Me, this is confirmed weakness. To me,

this is strong selling. To me, this is a revisit of the 97's level premarket lows. Uh it's just if you haven't got an entry short, it's hard to chase it down here at the lows. If anybody is in short, this looks very, very nice. For anybody that is in short, this looks very nice for a lower day break. Really what's in my head right now is watching, and this kind of goes against what I said earlier about not trading in the middle of this range, but just looking at the most recent price action,

that rejection at the highs was a very strong and aggressive one. So, I mean, if we come back into today's open, which is sitting at the 6706s, and it fails, it would just show that the sellers at the high are also selling and continuously putting pressure on all the pops higher. So, ideally, I would like to see a pop up into the 6706s that fails to short into. And I think a lack of that for me is going to be a little difficult to enter here, uh, in terms of risk-to-reward because if we come into

the 6706s and it fails, um, I would then look to put my stop above the 0809's. So, that would give me three, four points of risk. And then I would then conservatively look to target the low of day, which would be 10 points away. So it would give me like a threer plus and that's conservatively big if statement. You know the big if is that if if we pop into it needs to reject. That's just kind of what's in my head at this moment. And this would kind of be applying my OLC rule. So here's the 06s. Now 06s did trade.

06s did trigger. Another thing as well is if the market does bid back above the 06s and 07s, this would invalidate that thesis that I just mentioned completely would invalidate it, which now looks to be the case. Am I filled at the 06? No, I have not taken an entry yet. Watching, but I have not entered to me. Now this is not looking bearish. You know if the sellers at the high of day which rejected the market significantly and this is this also validates why it's not appropriate to chase right even though I was getting

great confirmation down there. This is why it is not appropriate to chase the market at all and this is why I'm against it completely is that if I did chase the market because I wanted to enter this even though getting great confirmation it didn't make sense in terms of RR. it does not make sense to take the trade. Right? If I was short at the 03s, 04s, my risk was too high and I'm essentially shorting into the low where my reward was not fitting my risk. So, just because the RR did not make sense, it made me void or

avoid the earlier short. And now, as we pop, it's coming back up where we saw the sellers earlier at the high of day. We're now revisiting this kind of invalidating that those sellers are also strong because if they were strong, we wouldn't have a revisit of this level. And also going back to my most original point where I posted in the intraday commentary, initiating a trade in this range is is always going to be a lower probability in the middle of the range. Could we take something? Absolutely. But is it

always going to be lower probability until it moves outside? Yes. that range that I highlighted in the pre-market plan. I mean, not in the in the intraday commentary. So, that's a great example of me not entering despite getting good confirmation. Me not entering because of my risk of reward. And imagine then I chased the market because I wanted to get in just because the confirmation made sense and I voided and and did not put any influence on my risk of reward, I would be screwed right now. And that's

why you always got to think about your RR before entering. Even if your confirmation is great, right? Because if I was short at the 09's, I would have been fine. I would, you know, I'm I'm break even right now. Maybe I would have gotten out at break even. Maybe I still would be in the trade. But if I shorted at the 03s, I'd be significantly underwater. And that's why always put an influence on your risk of reward first because at one minute I was watching to take the market short

and after a no fill I wasn't comfortable chasing the market and that's a very important lesson for anybody that does look to chase. It is not good to chase. I hate to say it now, but when in doubt, zoom out. All right. When in doubt, zoom out. Zooming out. I'm going to post another screenshot of this in intraday commentary. When in doubt, zoom out. We're in the middle of this range. Look what I just posted in intraday commentary. When in doubt, zoom out. Right. Zooming out, we could get so caught up in these fluctuations, but zooming out, we're still in the middle of this range. Now, there will be a point where we break out of this range today. I would I would be very surprised to see the market hang out in the middle of this range that I just posted here. I would be very, very surprised. So, there will be a point that the market does break out of it. The question that we don't need to answer is when, where, and why, right? We don't know when it's going to happen. We don't know where it's going to

happen, up or down, and we don't know what's going to be the cause of it of the why. We don't know if buyers are going to step in. We don't know if sellers are going to step in. Right? Could we get in early? Absolutely. Right? If I was short earlier at 6709 where I was where I was trying to get short, part of that thesis was in speculation that if those sellers that I saw at those at those highs, if they were valid and they were strong, it would take the market out of that range, which is why

my target if I was in that trade would have been under the range. So, there will be a point where we do break out of this range, right? Maybe you see confirmation to take the market long here. Sure, if it fits your setup, go for it. you know, maybe go target the 16s instead. But initiating something in the middle of the range at some point will work today. But at any point in the first hour that we've seen so far did not work out. At some point it will break out, right? Like getting long here, we might

look back at it later and say right now is a good point to get long that we're eventually going to go break the 16s. There will be a point where in the middle of the range it's a good opportunity to get long or short that eventually takes us out of that range. That's a risk that needs to be accepted and that is a probability that needs to be determined before entering the setup if that makes sense. Right? We're not going to stay in the range forever. Did that make sense? Like there will be

a point and you're going to say, "Oh, Carmine said not to trade in the middle of the range. Oh, Carmine just opened up a position in the middle of the range. There will be a point where the market does move out of this range that I just posted and I'm highlighting on my on this on the charts. The question is when, where, and why. And it shouldn't be us up to us to determine that. Oh, I got to answer a phone call really quick. I mean, one sec. I'm going to go on mute. All right, I'm back. Yeah, like somebody

just said, right, it's a good analogy. Even a broken clock is right twice a day. Exactly. So, there will be a point where at some point in your day when the market does go eventually break down under the range or above the range, there will be a point where it initiates that. And while that could be an excellent opportunity to enter, out of the market being open for 55 minutes so far, every opportunity so far has been shortlived. in terms of moving us out of the range. That's a good analogy, though. Even a broken clock is is wrong twice a day. It's so true. And that also goes to show you how dynamic the auction is as well. how you know one minute I was looking for a short at the 6709's market drops 10 points and all of a sudden I'm just completely voiding both the long and the short and that goes to show you how dynamic the auction is and why in my opinion it's so important to never be married to an idea or a bias that you have the ability and the capability to switch from let's trade this to no trade this

or let's long this to let's short this in a matter of seconds when the market provides that opportunity to do so. This is mainly speaking for short-term trading. You know, if you're going for trend trading, it's a little different, but in terms of like short-term trading, going for quick seven, 10 point scalps, I I think that's a vital attribute or I know that's a vital attribute. And regardless of if anybody's trend trading, scalping, high frequency trading, there has to be

a strong awareness of risk-to-reward. It is such a crucial aspect and I would I have a lot of confidence in saying this like just based on the interaction with a lot of members. It seems like 90% of the members in here properly manage their risk properly. like for everybody that's in a losing streak and a rot everybody that sends me their trades that they want me to look over I do see a lot of traders do manage their risk properly and I think that's if that's one thing that if anybody can

learn from this that is the most important thing and I I got a lot of confidence in saying that I see a lot of members properly manage their risk which is a a very another another very important attribute is I don't really see a lot of traders have larger losses in here, which is good. You know, that's that's a good positive first step. Trump is speaking at 11:00. What is he speaking on? Is it uh economic policy? Is it what is it about? If I was short there at the 09's like I was trying to,

I most likely wouldn't have got out of that trade at break even. Nobody knows why he's speaking. In the morning, he said he was going to send nuclear submarine to Russian waters. Interesting. Let me see. Are we sure he's 100% speaking? Tell you what, also look at the NASDAQ. That thing is just uh that's the definition of balance right there. NASDAQ chart. Tuesday, PMI, consumer confidence. Tomorrow we got ISM data. Next week, there's really no news, which is good. Department of War. Okay, so that could

be a major market uh event, especially if it's on war. the easier setup and this is kind of a prediction. This is not like vow to trade off of but just based on the structure in the market in my opinion the easier setup would be the upside move. I think the downside would the downside structure if this breaks under

66.97 is just not super clear to me as much as if this thing breaks out to the upside would be. But I don't know. It's it could go either way. Nvidia is really now breaking out. That

Nvidia chart so clean. Yeah. Nothing yet, guys. I got nothing that I'm comfortable putting risk risk behind. Um, a thing that I talk about in the academy, I'm not sure how many people are in the academy and how many people are in the uh just Discord only here, but in the academy, and if you're in this, you know exactly what I'm talking about, but there's a lesson in the course videos where I talk about imagine you have one bullet left in your in your sniper and you got to take the shot,

right? Are you making sure that everything's aligning for you to hit that shot? It's a clear shot, right? If you got that one bullet left and think about that in terms of the market, meaning if you got one trade left, are you making sure, does everything align? Are you making sure your setup is there? Are you making sure, is it clear? Is it part of your training? Is it part of your playbooks? Acting like you have one shot left, and is that shot going to be worth your while? If it is, it's a

trade you got to take. If it's like, "Ah, I don't know. It's not super clear. I'm a little worried about this. I'm not a fan of the location of this. I'm not a fan of these things." Then it's a shot you shouldn't be taking. So act like you got one bullet left. So here we go. Now breaking under 6697. This is going to be a crucial reaction. I just put a poll in intraday commentary. I'd like you all to vote in that. What do you guys trade the most of? ES Spy, NQQ, or do you guys trade

other equities like uh and options on Apple, Amazon, Nvidia, Tesla? What do you guys trade the most of? I'm just curious. Just put a poll in the introday commentary. So now we've just broken under the intraday low. We've yet to break under the pre-market low. Uh but this is kind of now validating our bearish thesis. It's important to see if the continuation is going to be here or if the market fails under this range. You know, it's this is so far been a balanced day. So now we're finally seeing that extension

under these lows. It's it's crucial to see if this continues or this fails to continue. And this is kind of why I've extended my level down to 6691 is giving it a little breathing room under the pre-market low. Right? This is kind of why I've given it a little breathing room is because of the session so far been has been relatively balanced and we want to question we want to we want to answer the question of is this a valid break under this range or is this a valid fake out so carefully watching price action here the NASDAQ is definitely relatively stronger nowhere near the intraday low holding above the pre-market though. VIX is really not supporting this downside move either. We're kind of seeing a B-shape down here on the footprint. Let's see if we move back into this range. If we start moving back into this intraday range, this could have this the potential of being a major fake out and an upside reversal. Let's watch it reclaim back above 6,700 here. Let's see if this can reclaim back above

6700. All right. If this can break and hold back above 6,700, I really would indicate this is a failed breakdown under the pre-market lows. I do have a buy order ready to go. Just have not clicked the button yet. I want to see a strong break above 6,700. I just like how we broke and moved back into the range. I'm trying this at the 99s. I'm long at the 99s. My stop's going to be under the 96s and I'm going to be going for a 6710 6712 high a day first target and then I'll target the 16s above that.

Uh I like this failed breakdown under the lows. I like the reclaim of this range. If the buying volume steps in, we also see a Bshape at the low of day. The buying volume can step in here and really build. It'll put the pressure to everybody who was basically trapped in the middle of this range. So, this is going to be about a four to four to one R with my entry down here at the 99s. And then if this can reclaim here above 6706 which is today's open this is really going to validate this move and I would

have a very uh strong confidence of us testing the 16s level if this can reclaim the 06s 06's 07s but nice B shape at the lower day. Yeah, I feel very confident above 6706, which is today's open. If I could see 6706 bid, I would really really like this setup. A lot of trades are hitting the offer, which is something that we want to see. VIX did not really support that downside move either. And we have the relatively weaker name, right? The relatively weaker name, which was NASDAQ below yesterday's lows. ES

breaking the lows is the relatively stronger name. So if it's the stronger index, it should hold the level of support. Here's the 06s. Here's these 06s. It's going to be crucial to reclaim back above today's open print. Now, 6706. ES the stronger name did find support right at yesterday's low. Need a reclaim above the 06s. Here we go. 06es strong free claim above it. Here we go. 6710 6712 is my first target on this setup. 6710 to 6712 high a day is my first target on this setup.

It's rejected this market once, twice, three, four times here. Here's the 6710s. First sign of weakness. I'm going to be looking to exit 75% of this trade. I'm going to hold some runners up into the 16s. Larger offer is appearing here at 6710. 490 contracts. We have rejected this market multiple times. So 75% is going to be coming off here at these uh 6710s on a strong break of this. 65 or 75% of it is coming off at the 60 uh 710s. 260 on the offer now. It's getting thinner. There's trades are hitting the offer so aggressively here. 875 delta on the offer. I don't want to be playing games with this. So strong pop. 75% is coming off 6710. Right. We've rejected this market multiple times here intraday so far. Massive size hitting the offer at the 6710s. There was 600 contracts on the offer there. Now we have an a positive delta of 8.81 there. 6709's right. Multiple rejections here so far in a day at 6710. multiple rejections. Usually this consolidation here is a good sign. If you look at every other

time that we've rejected 6710 so far intraday, it's kind of hit it, rejected immediately. Here we've hit it and kind of consolidating a little near it. So to me, this means that the market is trying to figure out and is potentially accepting these higher prices at these levels. Right? Every single time we've come into 6710, it's hit it and immediately rejected. Now we're hitting it and kind of consolidating and building value at these higher prices, which is a very good sign for bulls.

Okay. 6706 here is uh the o open price could start developing into um if this supports the market this could be the pullback that holds if the 6706's are are found as support. Really wouldn't want to see it start offering under it and significantly under it. Remember, somebody has been actively selling on the pop so far intraday, which is why the first target was 6710, 6712. Somebody has been actively selling every single rally and every single pop higher. If this can have success, it could really be the expansion that we're

looking for for continuation. But until then, it's going to be difficult until we overturn the 6710s. There's been multiple tests and multiple rejections of this so far intraday. We are still holding the 6706s though, which is a very good sign for this pullback to hold. And we are consolidating near these highs, which again is also another good sign uh of the market accepting these higher prices. Here we go. 6710 again. 6710 is again 75% of this trade is off here. 6711 really now just going for a high a

day/6716 final target on this. That's really the final target is a high a day 6713 to 6716 key level. Another rejection now look at that. Look at that rejection of the 6710s and another thicker offer sitting there. 427 contracts. 411 contracts. 6710 and a quarter. Now NASDAQ is above the high a day and it is holding above the high of day/open print as well. You know, for this continuation to work up into 6716, we we need to see the 6710s continue to bid, right? It's not going to go straight up as much as I

would love it to do. So, but I don't it's you know, you got to sit in pullbacks and gauge it. The market pulled back into today's open perfectly and held it as support. Market's not always going to move straight up into our target every single time. There is definitely significant orderflow activity appearing here though at 6710. Even on I'll go to a one minute chart now. It's just significantly 6710 is just multiple rejections. So, can't get too bullish or can't

expect continuation until we bid that level. We have yet to bid that level. So, I mean, we already got 12 points on three points worth of risk. So, we've already achieved the 4R. I mean, now really for this setup, we're going for 17 points on on three points of risk. It's almost a six to six to one R. If this thing does eventually hit the 16s, I'm only in 25% of this though. It could very well reject these 10. Let's Let's not throw that out of the window, you know. Let's not throw it out

of the window because Carmine's in long that we might reject these 6710s. It's It's a possibility. And like I said, until we bid the 6710s, that's honestly a likely scenario. We need to bid 6710. So, let's not throw it out of the window because uh Karma was Carmine's long, right? You have to always remain objective. You always got to remain objective. And if I was not long, yes, this is rejecting the 6710s very well. Absolutely. Look at this. Look at this activity here. 6710.

I would love to see a strong break of up above it, but let's see what happens. NASDAQ is holding today's open print perfectly. Yeah, look at that. It's holding the opening print very well. Here's the 11s. Let's go for a new high a day on ES here. This would be very nice if we could get a new high a day. Look to scale out another 10 above the high a day above the 13s and hold 10 15 more% into the 16s and that'll be it for this trade. Give us a new high a day. A lot of volume building here on the

footprint. A lot of volume building here on the heat map. Listen, I I hate holding runners. I do. Come on. Give me a new higher day. Give me a new high a day into the 16s. VIX just did not support that downside move at all. While the S&P was just selling off aggressively, VIX was holding VWAP perfectly. I have VIX inversed. So, VIX was rejecting VWAP on a normal uh VIX perfectly, which just did not support that thesis at all. Here we go. Here's a new high a day here. First sign of weakness above these 13s

into the 16s. I'm getting out of this trade. First sign of weakness above these 13s and 16s. I'm getting out of this trade. Probably should have looked to scale some out there on the high of day break, but I did not. You know, the market is still relatively balanced. So, this is going for a target at the 16s means we're going to move out of the balance. My confirmation at the low was we're going to stay in the balance. Ah, maybe I should have scaled out some more there at the high of day.

I should have also realized that the 13s above this high a day is yesterday's close, yesterday's settlement. should have definitely looked to scale more above that, but I mean on the size that I'm in with my 25% an extra two points is is not that significant, you know. Is that is that exhaustion at the top? That is not exhaustion. Uh I mainly look for exhaustion where there's at least three plus ticks of no volume on one side of the market. All right, if we can get see the 13s again, I'm going to scale out some more

and then hold very small size for the 16s breakout. What's crazy is that like this is what I was talking about earlier is like the original plan is long and above the 16s. So, I mean, if this thing does hit those 16s, this can validate our original thesis, but there was just an opportunity much lower to get long that I saw. There's 900 contracts sitting at 6715. 900 contracts sitting 67 uh 6714 and 3/4. 900 contracts sitting there. Let's see if we go after that. Is Trump speaking right now? Is that

what's going down? Is Trump on the mic? or no, not at all. He just said Carmine's treating really good. He likes it. That's pretty funny. How I determine exhaustion and this might be different from anybody else you you learn it from you know on the internet that anybody else follows but for me how I classify exhaustion is if I'm if I see three ticks of price where at a high or low there's no signs. So at the high let's call it if I see no trades on the bid for three ticks or

more at a high I consider that exhaustion. at a low. If I see three ticks or more of no volume on the offer side, that to me is exhaustion. That's how I classify it, which is probably different than a lot of traders classify it, but that's just what I look for is if I see three ticks of of no trades on the bid at a high and three ticks of no trades on the offer at a low, to me, that's exhaustion. We saw this last Friday. We saw this Friday after the 10 a.m. data. Also, it cannot be done from data.

It has to be done outside of data. We had data at 10 a.m. and I think the exhaustion prints came in at like 10:20 or something like that. But if it gets done directly at 10 from the data, I don't consider it exhaustion. And I consider it a a data induced exhaustion, which for me is not part of something I look for. I don't look at I don't look at CBD or anything like that. For me, I mean, for you, it could it could work out well. For me, I don't really look at that often. You know, if you have a pattern behind

it, sure. Nothing wrong with it. So that 900 lots uh offered that was sitting at the 14s, he did pull. He is no longer there. He pulled at the 14s. There's no longer a 900 lot offer there. CVD divergence. Yeah, I don't really look at CBD. Not that I don't mind it. It's just that I don't really have a system or like a playbook or a pattern built off of it. If I did, no, I would, you know, but I don't. And that's not anything wrong with it. This is why I hate holding runners, you know? I mean, an extra few points, it's going to pay a dec a good amount, but I mean, I've already achieved a 4R and I'm these runners are trying to make me achieve a 6R. Is that getting greedy with it? might be a little bit. You know, I've already achieved the 4R on this trade. Runners decrease your life expectancy. Listen, I really despise holding runners, and I know a trader would disagree with that, but I despise holding runners. If I'm achieving a 4R in 30 minutes time, you know, holding runners, is it

really something I should consider? All right. If we move back under these 06s, I'll cut these runners. What's crazy is that if we cut if we move under the 06s and the runners are cut the 25% of this trade, that's still going to be a 2 R. if I cut those runners on the just the runners. That's not including the 4R and the 75% we already took off, which is the beauty of having a good entry. You know, the creativity and the breathing room you're enabled in a trade if you have a great

entry. You know, cutting the 25% of runners at a 2R is still a good payday on just the runners. Let's see. Let's see if these runners are going to pay. Yeah, the entry was simple. The entry was the market was extremely balanced in the first hour, right? We were going to test the 6697 level, which was our pre-market level of interest. 6697. We broke under the 6697s. And while we broke it, the NASDAQ, which was the weaker index, was holding its low. it was putting in higher lows. On top of

this, the VIX, which I don't use often, but I have it on my charts, was rejecting VWOP, which supports that it's not supporting the S&P from selling off. On top of this, at 10:30, we broke under the balance range low and the pre-market low and failed to build volume under these pre-market lows here and these intraday lows. On top of that, as the market was breaking the low around 10:40 Eastern time, as we broke the intraday low on the footprint, there was a B-shape and on the uh heat map there was a

rounding pattern where we rallied up, pulled back and held this drop base rally structure. So there was just multiple signs of confluence indicating that this was a potential fake breakdown. I may cut these runners here now. Let's see how we reject or resist this uh 6706 level. It's at VWOP also. It's in the middle of the range. You know, I highly doubt we're going to stay in this range today. I would I would have a lot of confidence that either we're going to break out and hit

the 16s or we're going to sell off and break the intraday low. You know, I don't think we're going to stay in this range today. It's just not something that I would I would say is likely. My entry was at the 99s. Yeah, I longed the pullback when the market put in this bottoming pattern uh at these lows. It basically had this bottoming pattern. We had strong aggressive buying coming in and uh I wanted to see a break above the 6700s. As soon as the buying volume stepped in, uh I longed to the 6699s.

All right, now this thing's selling off. I'm uh I just dumped this trade here. I just dumped the runners all out of this trade. Solid setup. Yeah, I got no business holding these runners anymore. It's breaking under the opening print. This is really I I know traders are going to disagree with this, but it's based off my data and my analysis. Stop holding runners. You know, runners for me, if I'm achieving a 4R in 10 minutes, I was risking three points and I made a little over 12

points on this trade in in 10 minutes time, 15 minutes time. holding runners for a six plus R is just based on my data, it doesn't it doesn't give me that extra advantage, but excellent setup. I mean, long at the 99s and taking profits at the 11s on three points of risk. So, all right, I think that is going to be it for me today. I'm going to do a one and done. It's already now approaching close to 11:30 and we're in the middle of this range. Uh, does anybody have any questions

before I hop off here? Does anybody have any questions before I hop off here? I'm new here. When you enter I couldn't tell when you entered the trade. I entered when the market failed to break down under the balance range. So, it failed to break under today's low. It reclaimed today's low and held today's low as support pretty well. This was around 10:41 to about 10:44 Eastern time that we transacted that way where we had broken under today's intraday low reclaimed back into the range and while we were

reclaiming back into the range there was a Bshape on the footprint there was the pullback holding and there was large aggressive buying volume stepping in and those were my confirmation points along with the VIX not supporting the downside move and I was targeting 6710 to 6712 because 6710 to 6712 was where the market had rejected I don't know like six or seven different times intraday. Now in hindsight we could have applied the same exact thing right here right in hindsight the market broke above the

high a day and failed. So in hindsight we could have said let's short the high a day and where I put my target could have been a good initiation for a downside move. I will post a replay. I'll post a recording of this for anybody that wasn't on the live stream and I'll post the recording of this so you could see my screens and uh you'll have the replay to go back and see all right what exactly was I watching at this moment. You'll see exactly where and why and when I entered. I'll post it a little later on. Now, moving forward, what I would leave you all off with and if I was still trading this uh would be the latter scenario of now if we break under the 97s and it resists it and it rejects it. This is going to be the downside move that we're talking about. Uh so just be cautious of the 6697s to 6690s. I would just be very cautious around it and watch price action around it again. So see you all tomorrow. Peace out. All right. Enjoy the rest of your day. All right. So this context of this

setup, it was on September 2nd was the week prior to this. the market, this is a daily chart, had broken above the previous all-time high at 6508. And this is a scenario, and again, this is another playbook to add to your context or add to your uh system is this is what I call look above and fail scenario. When the market has an all-time high, an all-time low, a resistance level, a support level, and we break that level, especially on increasing volume, yet fail to close above that level or in fact break back

under that level. This is a very good sign for a reversal. A very good sign the market is not accepting this move and a very good sign in this context that lower prices are going to be very likely. So going to a smaller time frame chart such as a 30 minute we could see this level marked out where the market had broken above it. It failed to close above it and the following session we saw a significant amount of red aggressive selling to the downside indicating that this is a look above and fail scenario which again is a sign of

weakness. Now we have the market opening up on Labor Day which is Monday September 1st. It was a half day, nothing significant, but zooming out, we could see the market basically consolidating in this tight range right here, which I call the balanced range low. Now, Tuesday happens. This is the first full trading session of the week, and the market in this pre-market session begins to aggressively sell off, combining with the context of the look above and fail scenario. Now, we aggressively move lower and the market

is selling off about 90 points or so. And now I'm going to add my levels that I had on my charts again. Here's the failed uh all-time high breakout. Here's the sell-off. And the market is now selling off about 90 points in a pre-market session with essentially zero relief or zero signs the market wants to bounce. Here's the pre-market session selling off. And now we're selling off into this level of demand on a 2-hour chart at 6389 with elevated volume. When I see the market sell off on elevated

volume into a level of interest, not only do we have a level of interest, which is this two-hour demand zone at 63.89, but we also now have elevated volume at the level of interest. So, this goes to show you that we have a level of interest pre-existing. And now the elevated volume shows that there is interest at this level of interest. And this is something that I now need to keep my eye on significantly and watch price action around. So in the pre-market plan, the main thing that I was watching for here was after that

selloff overnight, I'm first looking for a relief bounce at this level at 6389 demand. And then I would look to target the the levels of upside. And again, this was such an important key level of demand in the intraday commentary. This is kind of where I update my thoughts throughout the day via text commentary. Uh this is essentially like the live trading room in investor trade. Uh it's all done via text. Uh elevated volume here again at this level and zooming in to August 21st. There was larger sized

buying around 6380 from August 21st which was a few weeks ago. This was the nearest level of strong volume that I have from the tape. So zooming in here we could see this elevated volume which was getting transacted around 6385 6384 from August 21st. So now going to August 21st what makes this even more significant now is August 21st was where this level of demand essentially formed from. Here we have the 21st. Here we have the 20th. And this was the period where the market consolidated in this range followed by

an aggressive rally to the upside indicating this is a level of demand. And on the 2-hour chart starting at 6389 and even a 30 minute at the 6373s. So now just to reiterate all the points, we're selling off without a relief in the pre-market plan into this level of interest with elevated volume. Now that's our pre-planned scenario, our pre-planned context. This is where now the live trade is going to come into the effect to understand what happened when the market was open. And just to understand also a little bit in depth,

the market's going to sell off and I get long at the 6390s going for a 15 to 20.5 point target having a sixpoint stop-loss. Again, this is where I got my 3 and a half to one um risk-to-reward ratio. So now I'm going to play the tape here and let's get into this live replay because there's a couple key points that made me click this buy button here. So what we're going to see now in this live replay is the market is going to sell off and we could see in the start of the market this is the first five

minutes we're going to sell off into the 6389 level and off the footprint chart which you could see as uh this top left platform. We're going to see a lot of red there which just indicates the market is selling off into this level of demand with a lot of selling. Now, fast forwarding this a little more, what we're going to see down here is what I call, and this is a playbook that I talk about in the Investor Trade Academy is what I call a B-shape. And not only did the market now break under the pre-market low, where my cursor is at, the market is breaking the pre-market low in a level of demand. If the market ever breaks a low or breaks above a high, similar to what I just showed above all-time high and fails and it reclaims back into that range, that to me is a very good reversal signal. So, right now, the market is breaking under this pre-market low where we saw it had the elevated volume in the pre-market with aggressive selling volume. You could see it by the red bubbles indicating trades hitting the bid and

all the red tape hitting on the footprint chart. And what we're going to see here now, I'm going to speed this up a little bit. So, this is going to be 2x speed is we're going to see the market essentially build volume near this low. And now we're going to reclaim back into the range above those pre-market lows that formed down here where my cursor is at. Right now, we're starting to see aggressive volume coming in. And now we're reclaiming back into the range. Keep in mind, if I pull up the Discord

here on August 21st where that level of demand came from, this is where that volume came from around 6385. So now we see volume inside from a previous session, a level of demand, which again is why that level of demand uh formed. So now playing this replay, we're going to see the market try to rally up here, right? And now we're going to pull back again and we're going to build volume around 6384. You're going to see me zoom in here. We speed it up and watch the volume build here near the low of day.

It's building at the 84s. We could see the heat map kind of building volume. We tried to rally. We pulled back into the 84s again. Try to rally right there. Watch. We're going to pull back again. And now we see heavy volume developing here at the low. And we kind of see this rounding pattern at 6480 or 6384 6485. And again, the market's reclaiming into this range. So speeding up this replay even more, we're going to pull back again into these 87s and we hold it. Now, what's very important here is I'm

going to speed it up is the market's going to lift and we leave another Bshape on the footprint chart. But what I want you all to keep an eye on, and this is what made me click the buy button following this was on this pullback right here, I'm going to screenshot this so you could see it a lot better. On this pullback right here, we see high volume on the footprint. We see high volume on the footprint and a lift, which gives us that B. And now we see a lot of aggressive selling here with a bid appearing. And now we're going to see the market lift. If I were to zoom in on this day, this is a flag right here. This is a a perfect um wedge or flag, whatever you want to call it, where the market basically consolidates. And what made it more valuable or reliable was there's a lot of aggressive selling and then the market's going to lift. So watch this occur here in real time. I'm going to play this replay for you all. We're going to aggressively rally and aggressively lift. Boom. Right there. Now, this range 6387 is something

now I'm watching for the market to pull back into because we're spotting these buyers. If the market pulls back into these buyers and supports these buyers, that's a very, very bullish sign. So, the market's going to lift and watch what's going to happen here. We're going to pull back. All right. So now what we're going to see here is the market's going to pull back into this high volume on the footprint and we're going to pull back into which again you can't really

see this from the chart which is what I like and kind of makes it more reliable. We're going to pull it back into this range right here at the 887s. And this is also the range of this high volume right here on the footprint chart. and watch. You're going to see as I get in long, you're going to see this open P&L start to be active, which shows that I have an open position. Let's fast forward this. We're going to dip down and you're going to see me get long the 90s right here. So, we dip. It holds

this volume. It holds this activity on uh bookmap, right? You see all this activity right here. This right here is where I'm getting long right about now. So now I'm in long at the 90s. My stop loss is up below the 84s where the high volume is at the low and I'm going to target the 6405s which is just a pre-market high. The real reason for entering this trade was this buying right here on that flag holding that selling that lifted the market there holding which indicated a passive buyer and the volume on the

footprint also holding. Keep in mind this is at a level of demand with a 90 point selloff without any relief. I was just going for a quick relief bounce and breaking under the pre-market low and now holding it as support once we've reclaimed back into the range. Those were the main pieces for this setup and I'm in this trade long now. Truthfully, a better confirmation I'm going to fast forward this here. A better confirmation is going to be a revisit of this level. Watch what happens here when the market

pulls back into this. A very good sign, this is what I call passive buying, passive bids entering the market, is when the market pulls back into this level where there's strong bids. You can see it here on the on the bookmap down at the bottom at the 6387s. We hold this level of bids and the market lifts aggressively. Us holding this orange line, which is a passive buyer, is very bullish. And even right here is an excellent point to enter, putting your stop loss under the low. And then from there, it was just game over. The market rallies, we lift even higher. I'm still in this trade. And now I'm looking to get out at the first sign of weakness. It blew past my target. So what I do is I have a target in mind. If it just blows straight past my target, I'm not getting out there. I'm getting out on the first sign of weakness. So what you're going to see here, speeding this up, as soon as I start seeing a little red come in right there, I get out of this trade. And that was uh 289 points on the S&P. You times that by 50

a contract. Uh and that was the setup. it continued to rally on me and I could have made x amount of dollars more, but I had a plan, followed my plan and that was it. It was a simple trade that lasted 10 minutes uh with a significant profit. And that's the beauty of having a repeatable setup. And just to reiterate these points, all it was was the support that we saw come down here around the 6387s. It held as support. I took it long there. More bids were filling, right? We see this orange line

filling down here. Um, and I think it was good that you could see my execution. So, you can see, all right, as soon as I see this, I'm clicking the buy button. I'm not waiting for the market to lift. I'm not waiting for it to, you know, have a lot of aggressive buying. I'm getting in when I see this confirmation. And if it wasn't for those other points, again, just reiterating them large aggressive volume breaking under the pre-market low, right? Look at all this elevated volume here at a level

of demand after 90 point selloff without any relief. reclaiming the range, bids filling, aggressive buying coming in, the B shapes on the profile, just validated this trade, and that was pretty much it. It's just a simple setup. It's repeatable. It comes down to repeatability. If you can have a setup that's repeatable, you have a setup that is going to make you money in the long term. And that was it for this trade. So, if you learned anything from this, if you wanted me to make more videos

like this, let me know. >> Now, again, Cari being with us today and, you know, diving deep into this. and it definitely opened my eyes even to a better understanding. And same with everyone at home. Drop a comment with your biggest takeaway from this episode. Any questions, feel free to drop them in the comments below. Me and Carmine will take a look at those. But to Carmine's point, links for Carmine's channel and his other socials will be in the description below.