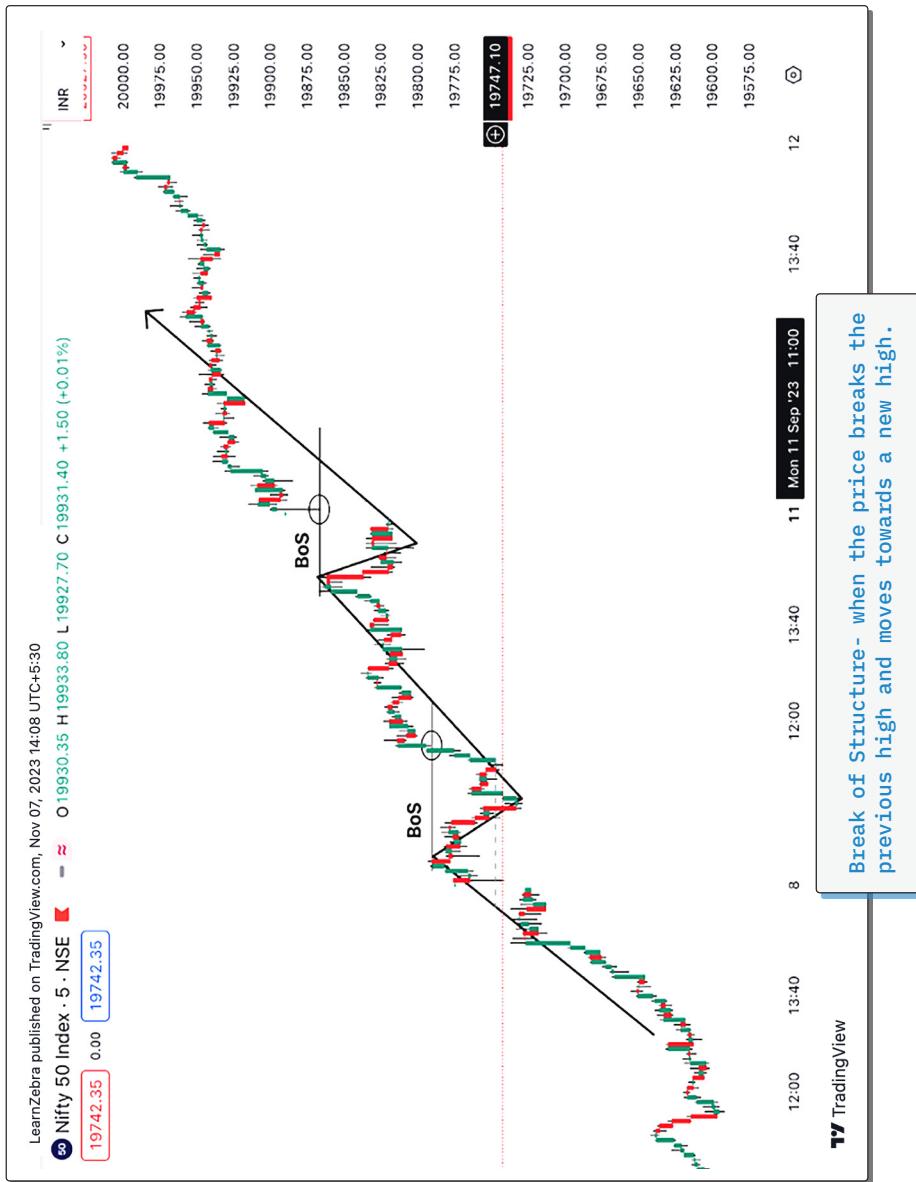
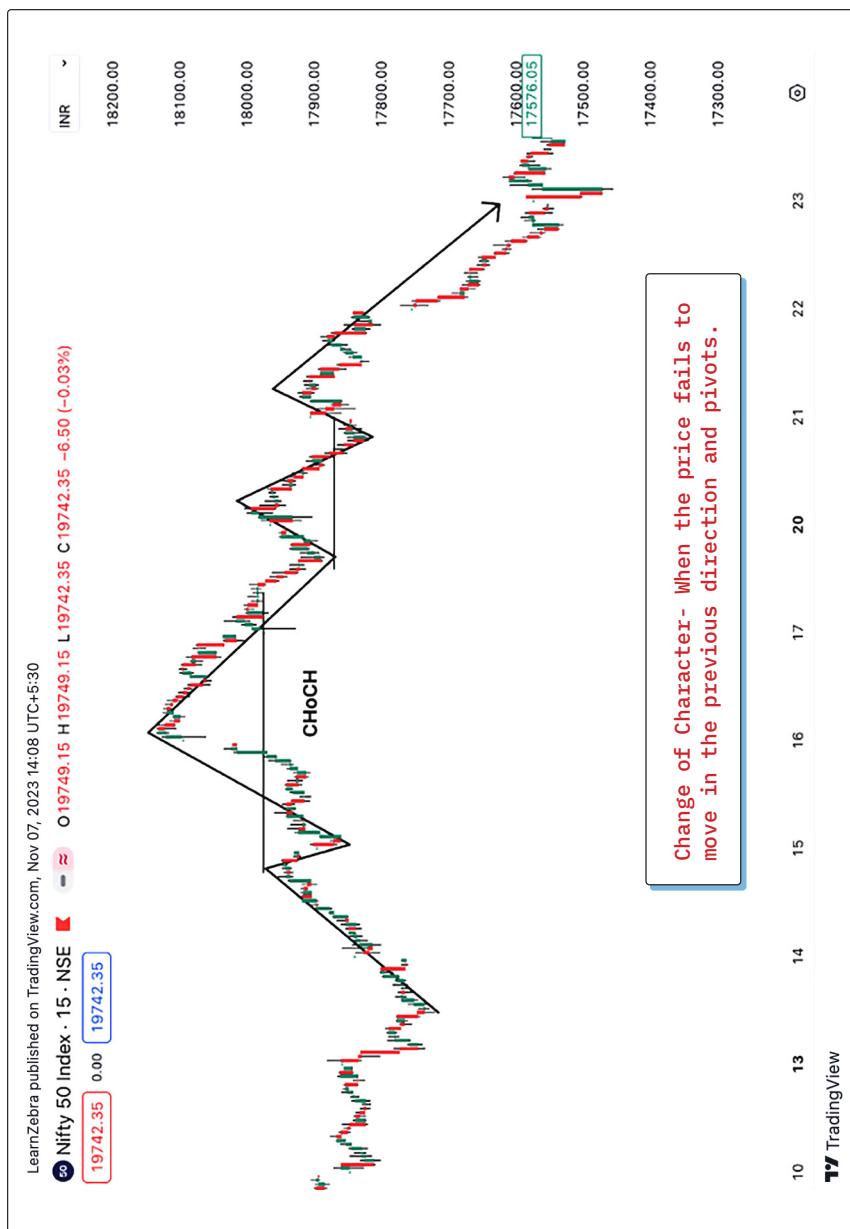


BREAK OF STRUCTURE





CHANGE OF CHARACTER



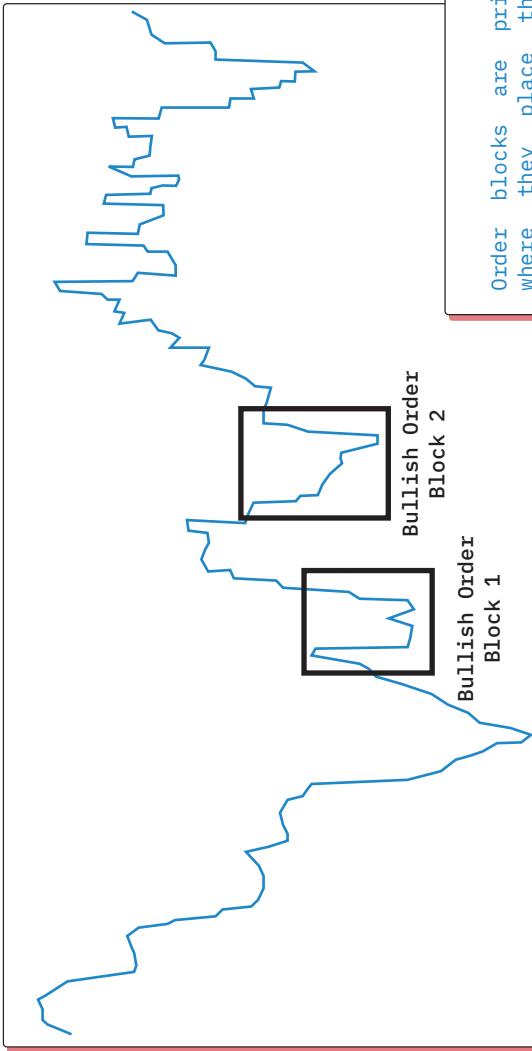


Autosave



Publish

This does not end here. Smart money does not buy in one go- they break their trades into small chunks to avoid creating explosive moves in the market. They move silently like a hungry Cheetah. But, due to the evolution of the Smart Money Concept, there are findings that says they create order blocks in the market.



Order blocks are price levels where they place their limit orders and wait for the price to come nearby. Once the order block is fulfilled, a move can be seen on the chart in their favourable direction. These are also called 'Pending Order Blocks.'



Indicators



Alert

Replay



T



ZEBRA LEARN

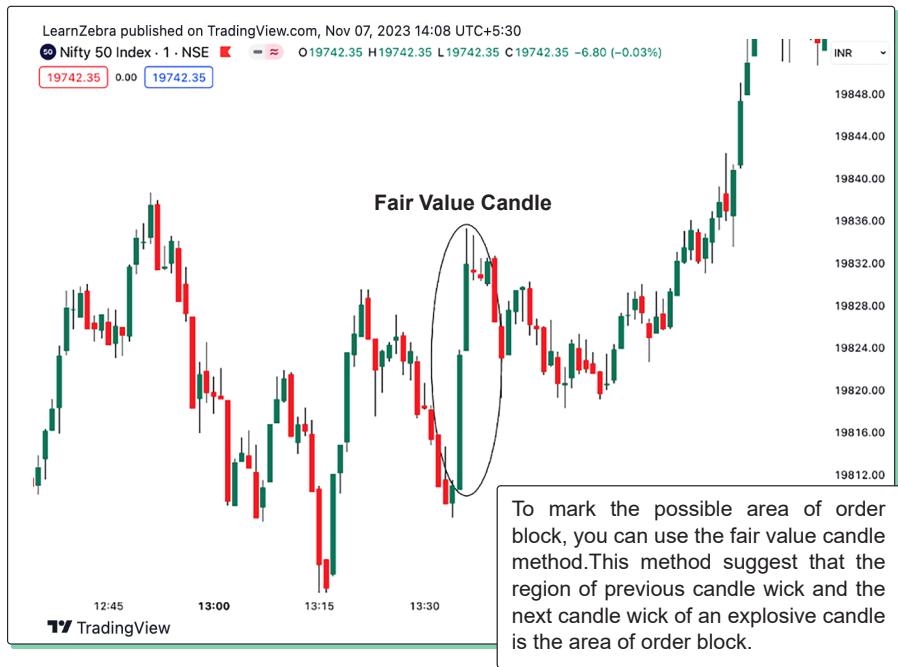


For example:

If a big player has to buy a stock, he cannot do it in one go. Why? The answer is- the stock will run like crazy and might hit the upper circuit. This also breaks the compliance. **To respect the compliance, he has to put multiple buy orders of less quantities.**



Such explosives in the market create Fear Of Missing Out (FOMO). While stock operators are infamous, they play their game smartly. They possess the power to make or break the market, but they don't do it. However, they focus on riding the trend at the earliest.





Autosave



Publish



As you can see on the above chart, one explosive candle captured good points but then retraced back to the level of a fair value candle. The chart clearly tells that the fair value candle zone works and price has moved after reaching the zone. As a trader, you need to mark these areas to get more accuracy.



WHAT DO ORDER BLOCKS LOOK LIKE?

When the price moves strongly in a direction, it gives hope for a trend. But, there will be some high-interest areas of HNIs where they have set their limit orders.



In the above picture, Nifty was in a downtrend and making big red candles on the 1-minute timeframe (**A**). Even after the market fell aggressively, sudden buying can be seen near the 19,900 level (**B**). For most retailers, it might be a time for celebrating sell-off in the market but only the big players knew that they were getting a fair valuation and a perfect spot for entry. After a few minutes, the market retraced back near the order block zone, but due to heavy buy interest from big players, the price pivoted without touching the zone (**C**).



Autosave



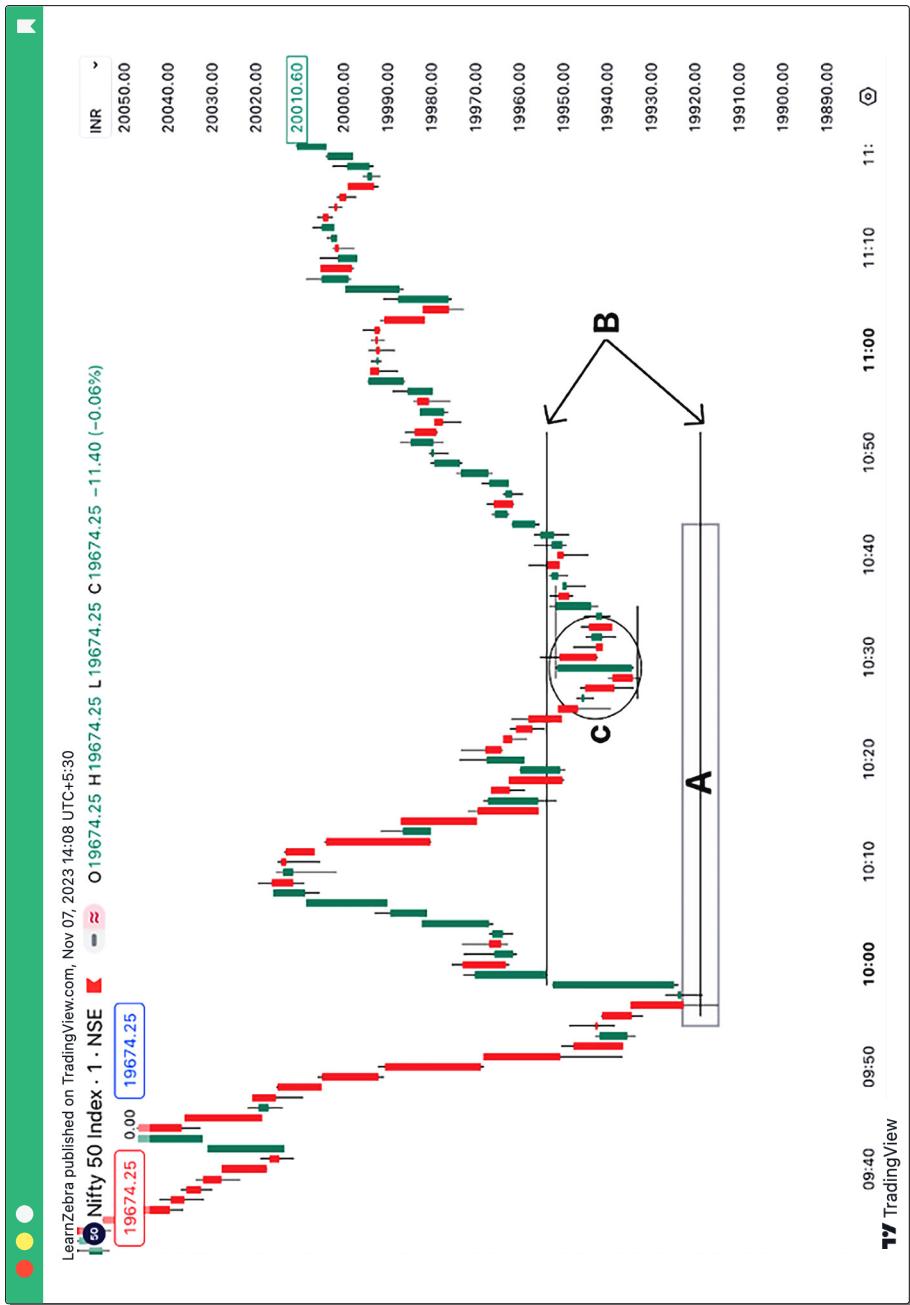
Publish

HOW TO TRADE USING THE SMART MONEY CONCEPT?

To BUY using the SMC method, take the following steps:

- Look for aggressive selling on any security.
- Look for a strong price shift to the upside.
- Mark the lower wick of the candles as an order block.
- Extend it and see if the price retraces back to this level.
- Try finding fair-value candles and an order block to mark the potential buying area.
- Let the price retrace to this level and make a bullish reversal sign.
- Buy above the high of the reversal candle.
- Place stoploss below the low of the green candle or swing low.
- The next resistance area is considered as the target area.
- With this strategy, you can get a big risk-to-reward ratio.







Autosave

<



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A

In the above chart, A indicates an order block where the price saw a sudden shift in the movement. The A is now in our focus and is the price for order fulfillment.

B

The B indicates that the fair value candle has given us a potential buying zone for a perfect entry. As you move further, you can see a bullish Marubozu candle indicating order fulfillment above the order block. Now, do not confuse the next potential buying zone as the order block zone. Yes, it's true that the price has pivoted from above the order block but not every time it is likely to reach to the exact marked level.

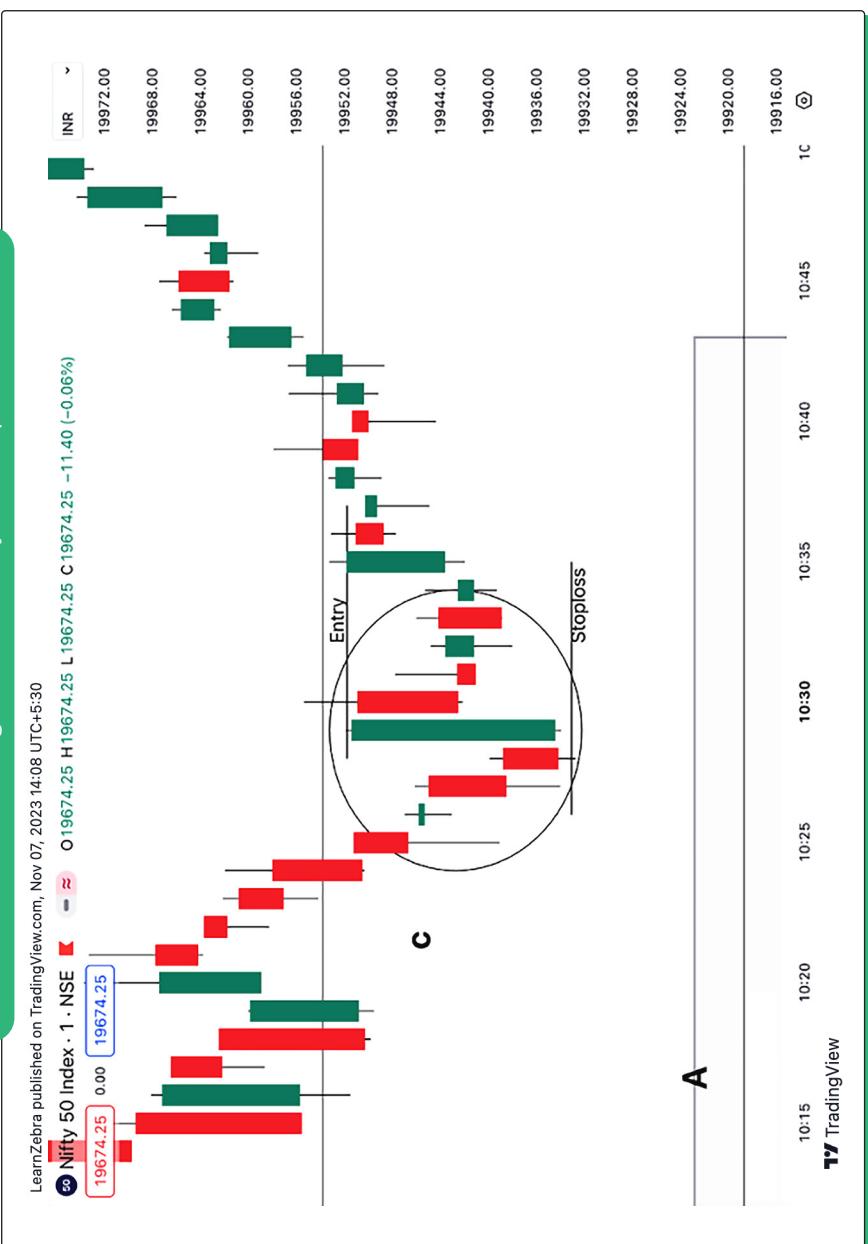
C

The C indicates the entry and stoploss level for this trade. With this strategy, we bought above the bullish candle and kept stoploss at the low. We succeeded to ride the trend till the major resistance level.





Here's a zoomed-in image for the entry and stoploss level:





Autosave



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To ➤ **SELL** using the SMC method, take the following steps:

- ✓ Look for aggressive buying in any security.
- ✓ Look for a strong price shift to the downside.
- ✓ Mark the upper wick of the candles as an order block.
- ✓ Extend it and see if the price retraces back to this level.
- ✓ Try finding fair-value candles and an order block to mark the potential selling area.
- ✓ Let the price retrace to this level and make a bearish reversal sign.
- ✓ Sell below the low of the reversal candle.
- ✓ Place stoploss above the high of the red candle or swing high.
- ✓ The next support area is considered as the target area.
- ✓ With this strategy, you can get a big risk-to-reward ratio.





Indicators



Alert

Replay



LearnZebra published on TradingView.com, Nov 07, 2023 14:08 UTC+5:30

Nifty 50 Index · 1 · NSE O 19674.25 H 19674.25 L 19674.25 C 19674.25 -11.40 (-0.06%)

19674.25 0.00 19674.25

INR

19670.00



TradingView

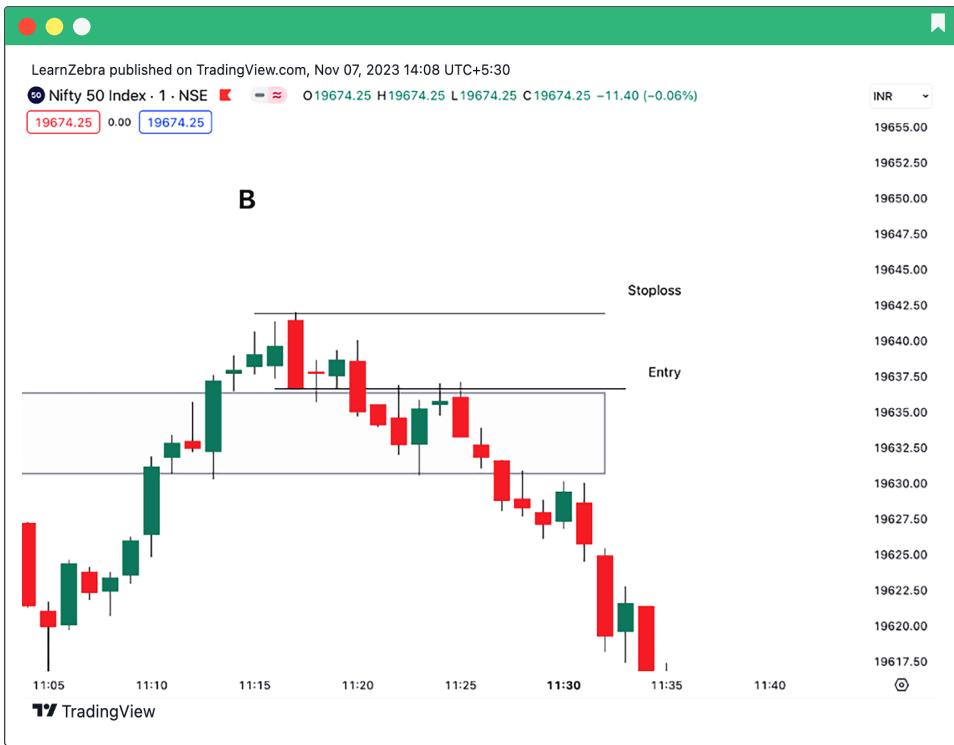
A

In the above chart, A represents the order block where the price is about to retest. After a while, the price retraced back to the marked order block. Note that every time you may not have a perfect order block or a fair-value candle.

B

An order block represents high interest zones of Smart Money and tells you about the subsequent order fulfilment. Around 11:30 a.m. the price tried to breach the order block but failed and Nifty made a bearish Marubozu candle. This bearish candle confirms a sell trade with the entry below its low and the stoploss above its high.

Here's is a zoomed-in picture for entry and exit points:



CONCLUSION

In conclusion, the Smart Money Concept (SMC) is a trading technique that provides insights into how institutional traders and large players operate. It emphasises on identifying key market components like Break of Structure (BoS) and Change of Character (CHoCH) and recognises order blocks for strategic entry.

To apply SMC, traders should look for aggressive market moves, mark order blocks, and wait for price retracements to establish positions. This approach can offer a favourable risk-to-reward ratio and enhance trading strategies. However, trading involves risks, so proper research and risk management are crucial for success.



3.3

MASTERING ELLIOTT WAVE THEORY FOR PROFITABLE TRADING

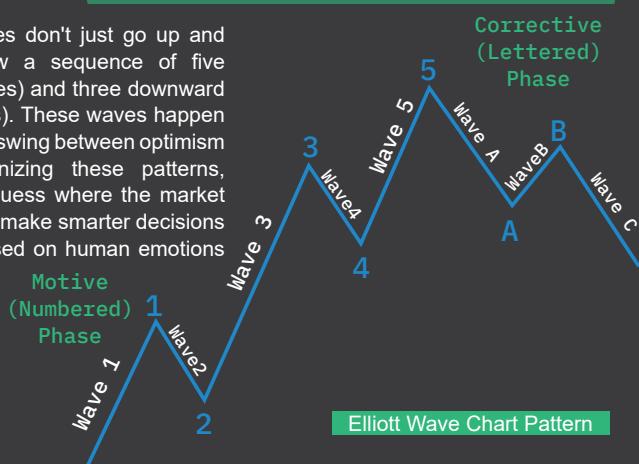


Strategy video

Ralph Nelson Elliott

The Elliott Wave Theory is a roadmap for understanding how financial markets move. Picture it as a pattern-based guide developed by Ralph Nelson Elliott in the 1930s.

It suggests that market prices don't just go up and down randomly; they follow a sequence of five upward waves (like good times) and three downward waves (like challenging times). These waves happen because market participants swing between optimism and pessimism. By recognizing these patterns, traders and analysts try to guess where the market is headed next, helping them make smarter decisions about buying and selling based on human emotions and behaviour.





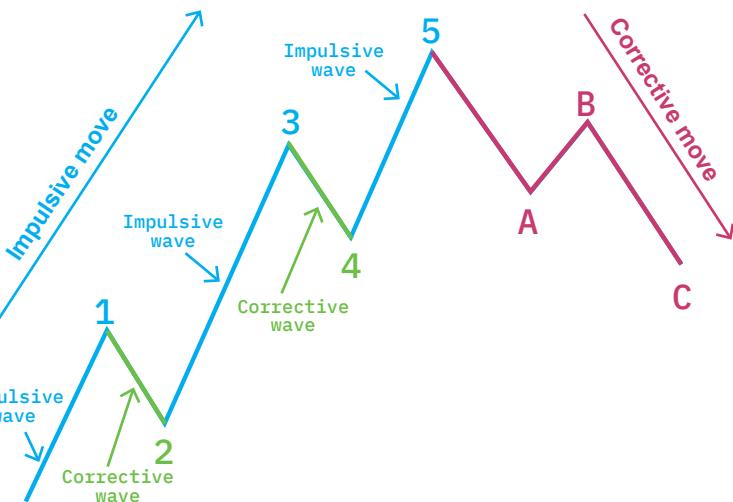
THE STRATEGY: UNDERSTANDING THE OBJECTIVE

Before we delve into the trading strategy, let's revisit the fundamentals of Elliott Wave theory. Elliott Wave theory suggests that financial markets move in a repetitive pattern of impulsive and corrective waves.

IMPULSIVE WAVES

Impulsive waves are characterized by strong upward or downward price movements.

- In my analysis, I've identified an impulsive wave as Wave #1 when the price of Grasim surged significantly.



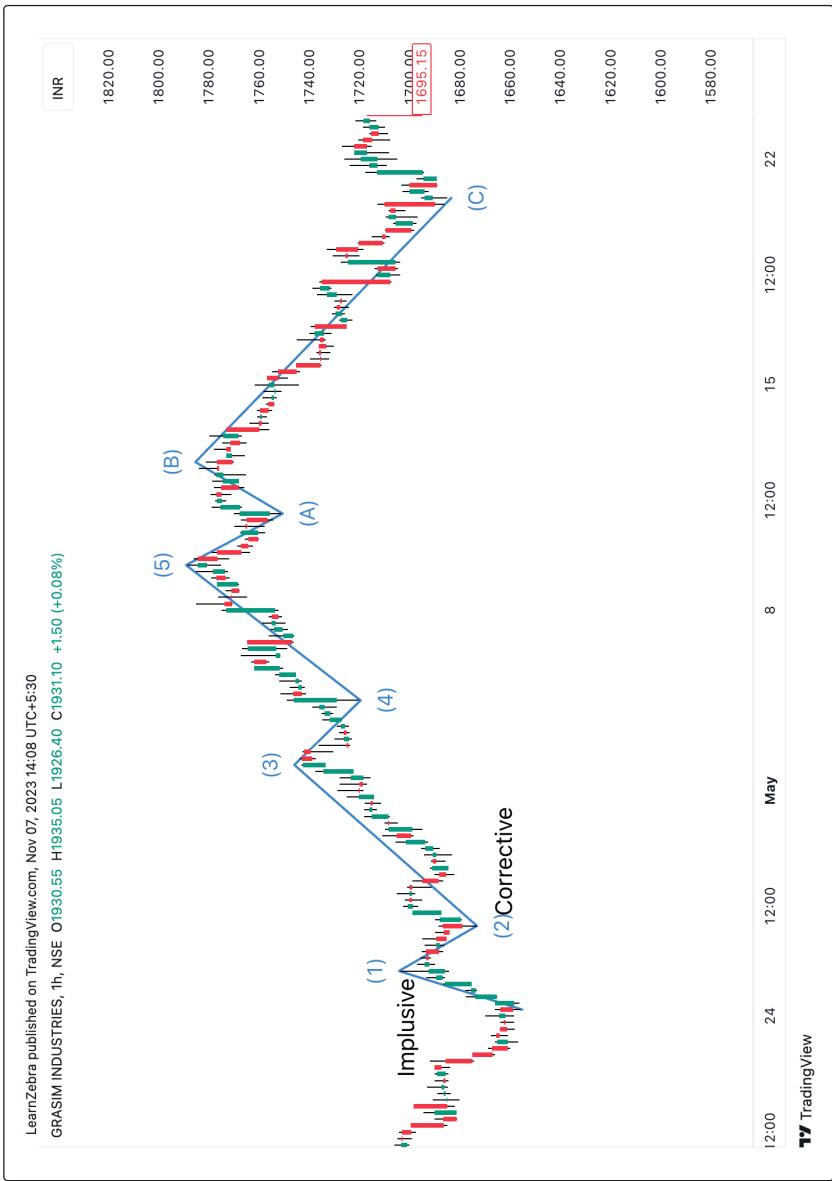
CORRECTIVE WAVES

Corrective waves involve pullbacks or consolidation in price.

- Wave #2 represents a corrective wave in which the price retraced from its previous impulsive move.



RULES FOR IDENTIFYING ELLIOTT WAVES





To confirm the presence of Elliott Waves and distinguish them from random price fluctuations, I you should follow these rules:

1. WAVE 3 RULE:

Wave #3 should be the longest and most powerful of all the impulsive waves.

2. WAVE 4 RULE:

The low of Wave #4 should not fall below the high of Wave #1.

3. WAVE 5 RULE:

Wave #5 should be shorter than Wave #3 but longer than Wave #1.

4. WAVE 2 RULE:

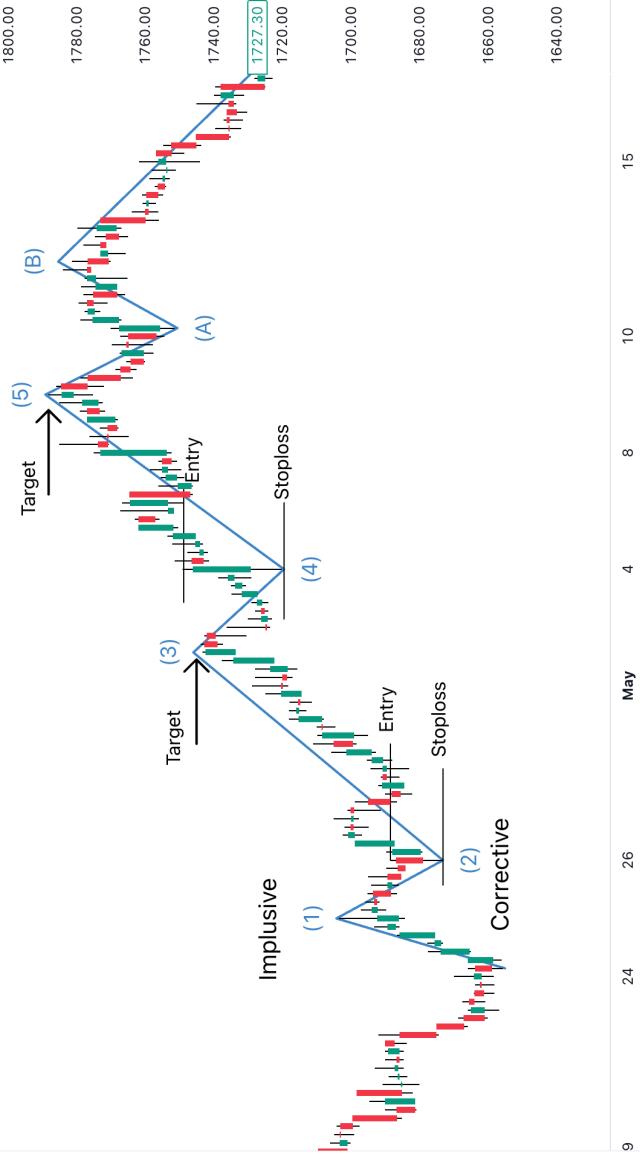
The low of Wave #2 should be lower than the low of Wave #4.

These rules are essential to ensure the validity of Elliott Waves and guide your decision-making process.



THE EXECUTION

LearnZebra published on TradingView.com, Nov 07, 2023 14:08 UTC+5:30
GRASIM INDUSTRIES: 1h, NSE OI93055 H1935.05 L1926.40 C1931.10 +1.50 (+0.08%)



TO BUY USING THIS STRATEGY, TAKE THE FOLLOWING STEPS:

Open a charting platform.

Choose a security you want to trade.

Mark the swing highs and lows as per the Elliot Wave Theory.

The first buying opportunity is at the correction point (2) of the first impulsive move that initiates the Elliott Wave.

The second buying opportunity is at the correction point (4) of the Third wave. When the price makes a bullish indication at the swing low, take the long trade at the high of the bullish candle.

Place **STOPLOSS** below the swing low in all cases.

TARGET will be the next swing high.

Ideal Risk to reward ratio will be 1:2.

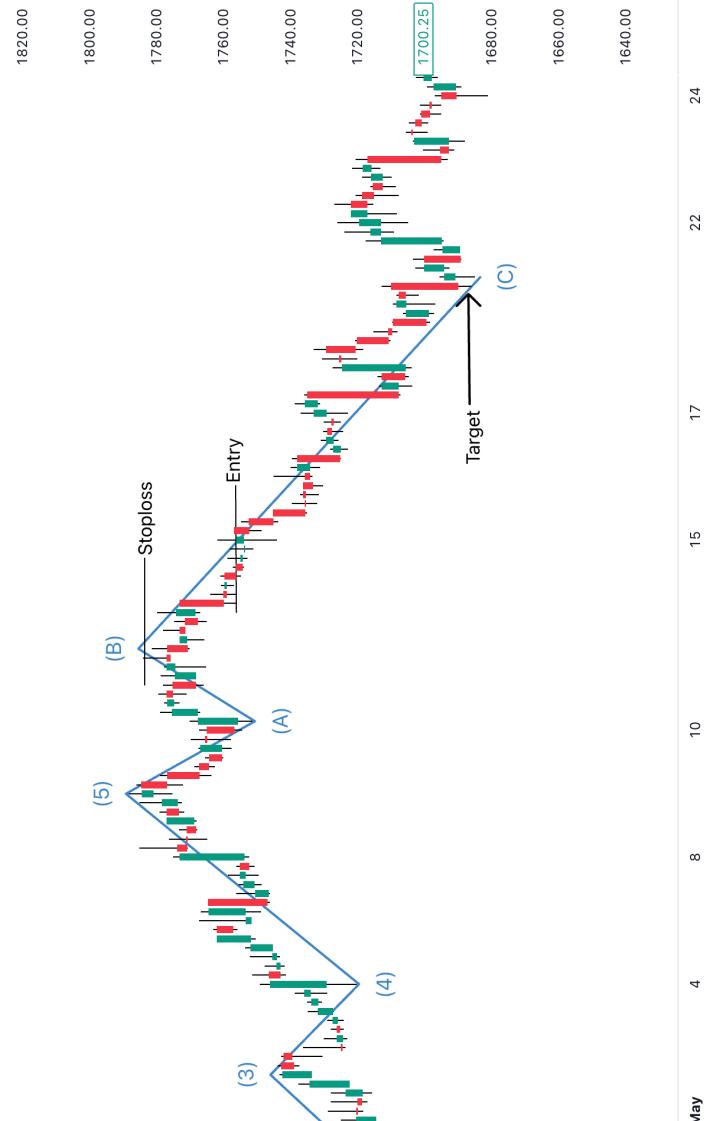




TO SELL

INR

LearnZebra published on TradingView.com, Nov 07, 2023 14:08 UTC+5:30
GRASIM INDUSTRIES, 1h, NSE: O193055 H1935.00 L1926.40 C1931.10 +1.50 (+0.08%)



TO SELL USING THIS STRATEGY, TAKE THE FOLLOWING STEPS:

Open a charting platform.

Choose a security you want to trade.

Mark the swing highs and lows as per the Elliot Wave Theory.

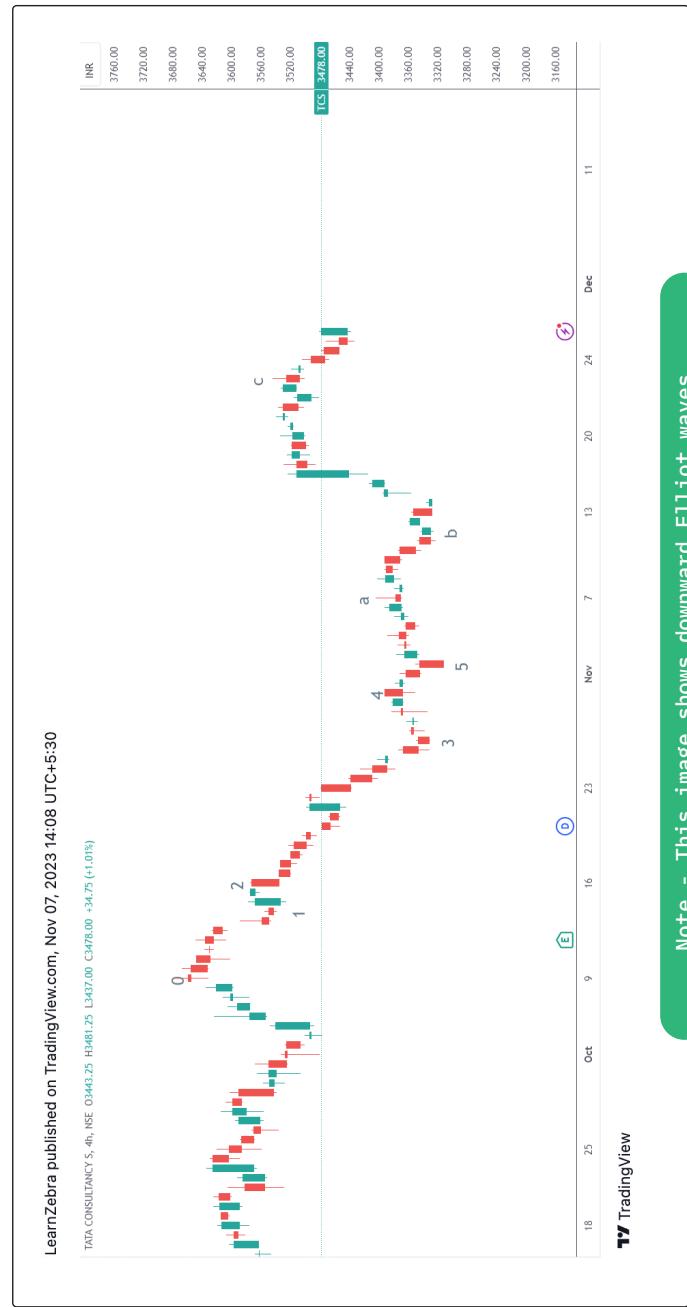
The first selling opportunity is at the Swing high of the wave B that initiates the downward direction.

The second selling opportunity is at the swing high of the wave C. When the price makes a bearish indication at the swing high, take the short trade at the low of the bearish candle.

Place **STOPLOSS** above the swing high in all cases.

TARGET will be the next swing low.

The ideal Risk to reward ratio will be 1:2.





Autosave

▼



Publish

CONCLUSION: PUTTING IT ALL TOGETHER

In closing, we'll wrap up our journey of Elliott Wave theory and this trading strategy. Remember, while this strategy can be potent, no approach is foolproof. Success in the financial markets requires a blend of strategy, discipline, and risk management.



3.4

MASTERING FRACTAL-BASED TRADING: A PERSONAL APPROACH



Strategy video

Benoit Mandelbrot

"A fractal is a way of seeing infinity."
—Benoit Mandelbrot, Father of Fractal Geometry.
Unveiling the Power of Fractals

In this chapter, I'm excited to share an advanced trading strategy that has proven to be a game-changer in my journey as a trader.

Bill Williams

We will explore the intricacies of fractals, a tool developed by the legendary Bill Williams. Fractals have the potential to revolutionise the way you approach the markets. I'll walk you through how they work and how to harness their power.

DISCOVERING THE ESSENCE OF FRACTALS

Fractals are a visual representation of price patterns within a given time frame. They offer a unique perspective on market dynamics. The concept behind fractals is relatively simple: they indicate that a specific number of candles before and after a particular point have not breached a specific price level.

In my strategy, I prefer the 4/4 setting, meaning 4 candles on each side of the fractal.

FRACTAL SETTINGS

Williams Fractal Range Back 4

Williams Fractal Range Forwards 4



Let me break it down further.

If we consider a green fractal, it means that 4 candles are preceding it and 4 are following it. All of which have failed to surpass the price level marked by the fractal. This pattern signifies a fractal high.

Conversely, a red fractal occurs when the preceding 4 candles have not broken the low, and the subsequent 4 candles also steer clear of that low. This forms a fractal low.

THE FRACTAL TRADING APPROACH

Now, how can we leverage these fractals for trading? The answer lies in the breakout strategy. We need to combine fractals with other indicators or tools to implement this strategy effectively. In my example, I'll demonstrate how to incorporate a moving average, but remember that you can use various indicators like RSI or MACD to complement fractals.



Autosave



Publish

HOW TO APPLY FRACTAL INDICATOR ▼ ON CHART

STEP 1: Go to any trading platform (I am using www.tradingview.com in this case).

STEP 2: Search “Willian Fractal Trailing Stops by Simple Crypto”.

The screenshot shows a search results page for 'williams' in the 'Indicators, Metrics & Strategies' section of TradingView. The search bar contains 'williams'. On the left, there are categories: 'My scripts', 'Technicals', 'Financials', and 'Community Scripts'. Under 'Technicals', several indicators are listed: 'Williams Percent Range', 'Williams Alligator', 'Williams Fractals', and 'Williams Fractal Trailing Stops'. The 'Williams Fractal Trailing Stops' item is highlighted with a blue border. Below it, other related items are listed: 'Williams %R', 'Williams Vix Fix Bottoms and Tops', 'Williams Fractals with Alerts by MrTuanDoan', and 'Williams Accumulation/Distribution'.

STEP 3: Apply and tweak its settings.

The screenshot shows the 'FRACTAL SETTINGS' dialog box. It has two input fields: 'Williams Fractal Range Back' set to 4 and 'Williams Fractal Range Forwards' also set to 4. Each field has an information icon (i) to its right.

STEP 4: Along with this, apply a 50-Day Simple Moving Average.

The screenshot shows a configuration bar for a moving average. It displays 'SMA 50 close 0 SMA 50' followed by several icons: a magnifying glass, a gear, and curly braces {}, which likely represent different configuration options or layers. There is also an 'X' icon and an ellipsis '...' at the end of the bar.



Indicators



Alert

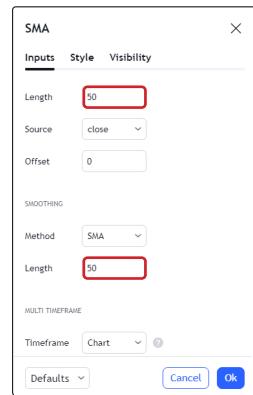
Replay



LET'S DIVE INTO THE PRACTICAL APPLICATION OF THIS STRATEGY

1. Adding a Moving Average:

Start by adding a Simple Moving Average (SMA) to your chart. The choice of the SMA period depends on your preference. For this illustration, I'll use a 50-period SMA. The SMA will help determine the direction of your trade.



LearnZebra published on TradingView.com, Nov 07, 2023 14:08 UTC+5:30

50 Nifty 50 Index · 1h · NSE ⚡ 000 019817.35 H19832.45 L19816.05 C19820.50 +3.25 (+0.02%)

19819.95 0.00 19819.95

Williams Trailing Stops 4 4 0 Close 0.00 0.00 0 0 0 0

SMA 50 close 0 SMA 50 ⚡ { } X 000



Entry Points

BUY

SL 2

SELL

Sell Points

TradingView

2. Setting the Direction:

The SMA acts as a directional filter. When the price is above the 50-period SMA, we look for buy trades, and when it's below, we focus on sell trades. This approach provides a clear bias based on the moving average's position.

3. Identifying Entry Points:

To buy, do the following things:

- Add 50-period SMA on the chart.
- Wait for the price to move above the 50-period SMA.
- Buy when the previous fractal high is broken with a green candle for the entry.

4. Implementing Stoploss:

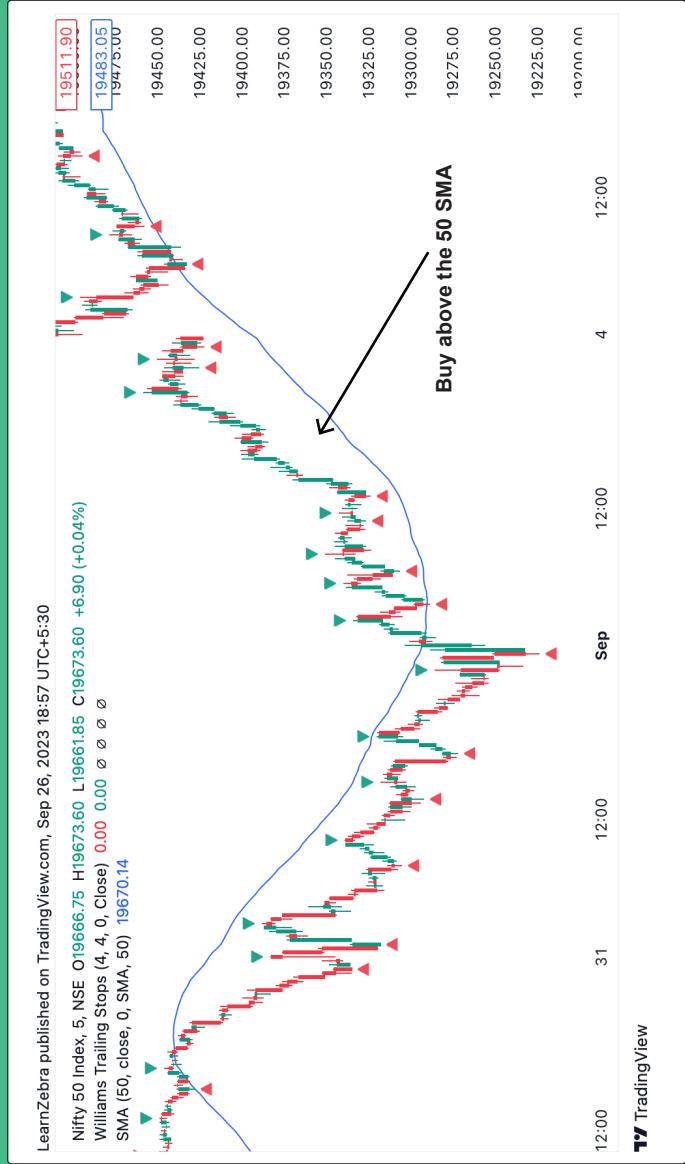
A crucial element of risk management is setting stoplosses. Depending on your risk tolerance, you can place the stoploss either at the fractal level or, if the fractal is too distant, at the nearest significant swing high or low. Maintaining a risk-reward ratio of at least 1:2 or 1:3 is advisable.



THE EXECUTION

Let's examine a few real-world examples to see how this fractal-based strategy works in practice:

Contrastingly, when a green fractal formed above the 50-period SMA, it indicated a potential buy trade. I entered a long position at the fractal's high, and my stoploss was placed just below the recent swing low. This trade also yielded positive results, reinforcing the strategy's efficacy.



TO BUY USING THIS STRATEGY, TAKE THE FOLLOWING STEPS:

Open any charting software.

Select the security you want to trade.

Look for an uptrend and points where the bear run has exhausted. Why? Because a spot where the bear run has exhausted can turn into a reversal point for the price. It can rally, giving us an excellent Risk to Reward ratio.

Set 'Williams Fractal trailing Stoploss by SimpleCrypto'.

Wait for the price to move above the 50-day Simple Moving Average.

Look for the fractal high to be broken.

BUY when the price breaks the previous fractal high.

Since we have tweaked the fractal range forward from 2 to 4, we have a strong resistance that will get broken, and the price can move in the upward direction.

The ideal place to put the **STOPLOSS** is the recent swing low or below the 50-day Simple Moving Average.

The **TARGET** point is when the price starts to face rejection, and there is a chance of reversal at any point.

The ideal Risk to Reward ratio is 1:2.

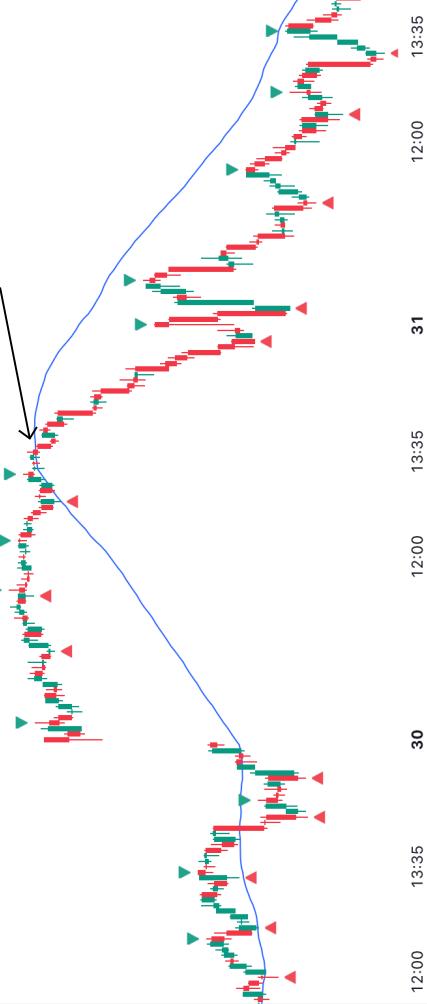
> TO SELL

In this case, a red fractal appeared below the 50-period SMA, signalling a potential sell trade. I entered a short position at the fractal's low. Setting my stoploss just above the recent swing high ensured that my risk was well-defined. The trade played out successfully, providing a satisfying 1:2 risk-reward ratio.

LearnZebra published on TradingView.com, Sep 26, 2023 18:58 UTC+5:30

Nifty 50 Index, 5, NSE Q19666.75 H19673.60 L19661.85 C19673.60 +6.90 (+0.04%)
 Williams Trailing Stops (4, 4, 0) 0.00 0.00 0 0 0
 SMA (50, close, 0, SMA, 50) 19670.14

Sell below the 50 SMA



TradingView

TO SELL USING THIS STRATEGY, TAKE THE FOLLOWING STEPS:

Open any charting software.

Select the security you want to trade.

Look for a downtrend and points where the bull run has exhausted. Why? Because a spot where the bull run has exhausted can turn into a reversal point for the price. The price can then pivot from there and fall giving us a good Risk to Reward ratio.

Set 'Williams Fractal trailing Stoploss by SimpleCrypto'.

Wait for the price to fall below the 50-day Simple Moving Average.

Look for the fractal low to be broken.

SELL when the price breaks the previous fractal low.

Since we have tweaked the fractal range backwards from 2 to 4, we have a strong support that can be broken and the price can give move in the downward direction.

The ideal place to put the **STOPLOSS** is the recent swing high or above the 50-day Simple Moving Average.

The **TARGET** point is when the price takes support and reverses at any point.

The ideal Risk to Reward ratio is 1:2.







Autosave



Publish

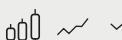
FINAL THOUGHTS

The fractal-based trading strategy I've shared is a versatile approach that can be applied across various timeframes and markets. It thrives on simplicity and precision. You can significantly enhance your trading prowess by utilizing fractals as dynamic support and resistance levels and integrating them with a moving average.

However, it's important to remember that no trading strategy is infallible. Risk management remains crucial. Always practice efficient position sizing and adhere to your risk-reward ratio diligently.

As you venture into fractal-based trading, you'll likely encounter a learning curve. However, this strategy can become a valuable tool in your trading arsenal with practice and patience. Over time, you'll develop the intuition to identify optimal trade setups and make informed decisions.





Indicators



Alert

Replay



3.5

TRADING WITH RENKO CHARTS



Strategy video

Columns

High-low

Renko

Line break

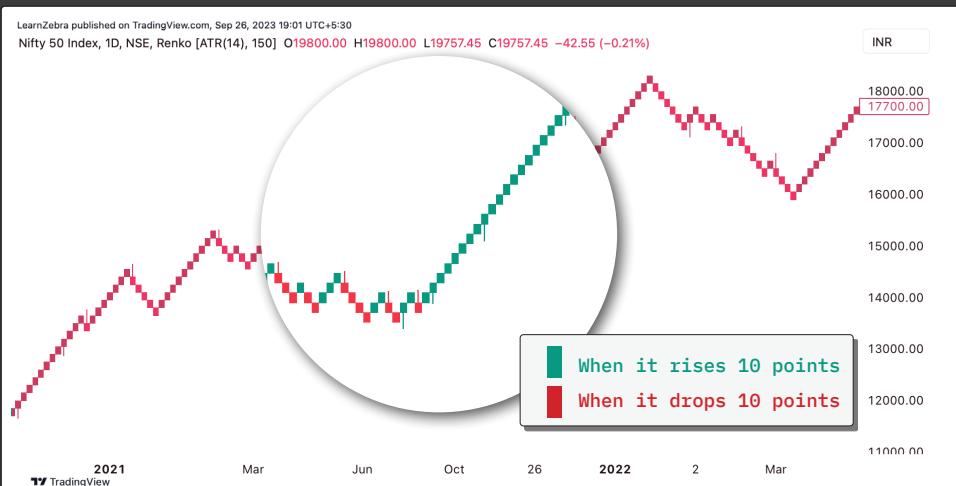
Kagi

In this chapter, I am going to use Renko Charting along with Candlestick Charting format for getting effective trading signals. Now, what are Renko charts and how do they differ from Candlesticks? I will get to this in a minute.

This trading setup can be used on any timeframe but I recommend using it on the 15-minutes time frame as it performs well on a 15-minute chart. I have tried to make this strategy as simple as it can be so that both novice and experienced traders can use it. Now, let us talk about the Renko Charts.

UNDERSTANDING RENKO CHARTS

Renko charts provide a different way of identifying price trends and reversals by cutting off noise from the price chart. Renko charts look like bricks that represent fixed price movements. For example, a 10-point Renko chart will have new bricks formed whenever the price moves 10 points.



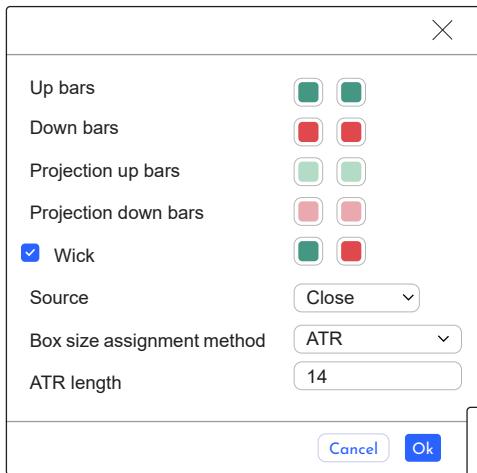


Autosave

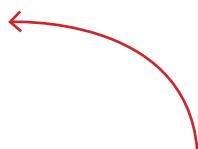


Publish

To make it even easier to understand, the Renko chart makes a green brick whenever the underlying asset rises 10 points and conversely, the Renko chart makes a red brick whenever the underlying asset drops 10 points. Since only sustained moves are plotted on the Renko charts, it helps in filtering the noise and makes price trends stand out clearly.



Another thing to remember is that unlike candlestick, the Renko bricks are always equal in size. I recommend using the Renko charts on its default model which uses the ATR (Average True Range). (Do not worry you do not have to know what ATR is to execute this setup effectively).



I am using the default model because the Renko charts with ATR based brick size adjust to market conditions automatically.

I hope you must have got a clear idea of what Renko charts are and how it differs from the traditional candlestick chart. Next, let me discuss the rules of this trading strategy.



Indicators



Alert

Replay



TRADING WITH RENKO CHARTS

The core premise of this trading strategy is to use the Renko charts for identifying long-term support and resistance levels,

RSI 14 close SMA 14 2



Stoch RSI 3 3 14 close 14 close



Mark and combine RSI and Stochastic RSI on the same chart for timing the trades.

On the other hand, I will be using the candlestick charts for entries, stoploss and trade management.

Do not get confused. Let me repeat.

I am using the Renko charts, RSI and Stochastic RSI for spotting the trade and I will be executing that trade with the help of a candlestick chart.





Autosave

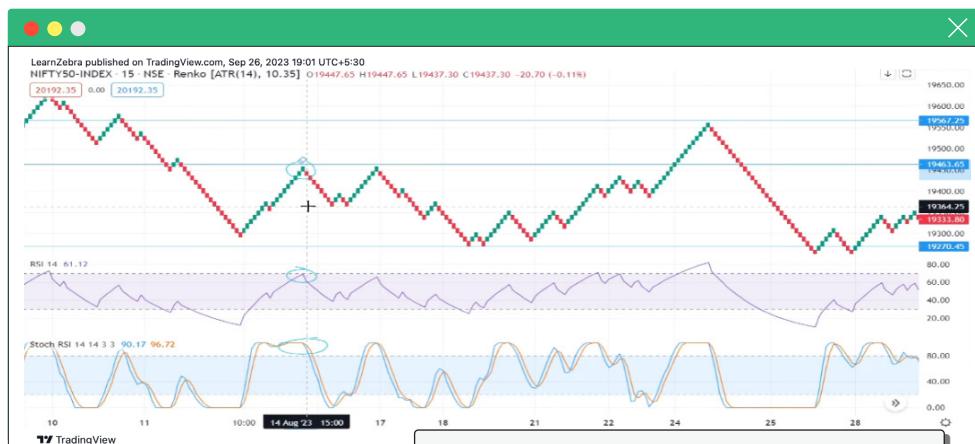


Publish

HERE ARE SOME OF THE RULES YOU NEED TO FOLLOW:

- 1 Plot the Renko charts in the default mode. Mark the long-term support and resistance levels you see.
- 2 Add the default RSI and Stochastic RSI on the Renko chart.
- 3 I will sell once the price is at the resistance levels and forms a Red brick while the RSI and Stochastic RSI are both indicating overbought market conditions and vice versa.
- 4 After selling, I will look for the corresponding price level and timeframe on the Candlestick chart for entering and placing the stoploss.
- 5 I will book profits at 1:3 risk to reward ratio minimum or if the conditions support, I can also trail my SL and ride the market trend.

Do not worry, let me show you some examples of this strategy:



So, I will look at the time and open a candlestick chart of the same underlying asset.

NIFTY50-INDEX 15 NSE 019459.10 H19455.85 L19428.90 C19430.90 -27.30 (-0.14%)

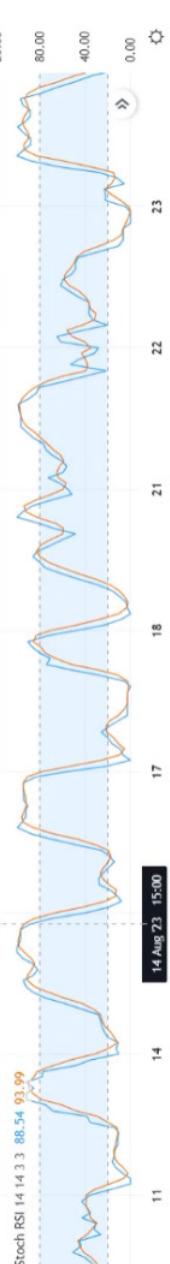
20192.35 0.00 20192.35



RSI 14 57.31



Stoch RS 14 14 3 3 88.54 93.99



1d 5d 1m 3m 6m 1y 5y 10y All

14 Aug 23 15:00

11 14 17 18 21 22 23

As you can see, this is the same price chart. Notice how the RSI is not overbought here. I will sell here (look at the cursor) and place my stoploss on the swing high.

TradingView