

Timing Your Entries

Identifying Zones

The main trick in identifying high probability zones is to find a level on which the market is reacting multiple times. This should be a level where the market is reacting with aggressive or rejection candles and the level should be tested at least three times. Now we mark this level on the chart. Another important thing here is not just to mark a price point as supply and demand are zones rather than being particular price points. So mark a horizontal zone in such a way that most of the aggressive/rejection candles that were formed on this level are marked.

Once we mark this zone we patiently wait for a price pattern to form in this zone where we can mark a small stoploss and great RR ratio.

Let's see application of the above theory in practice with the following examples:

Examples

Example 1:

A. Zone Marking:



B. Reaction at the Zone:



1. In the above screenshot it is clearly visible that the zone with multiple touch points and reactions have been marked. Post that when the price came back to this zone in the future it made a double top pattern exactly at this zone. This helped us to keep a small risk and high risk-reward ratio and capture the following down move.

Example 2:

A. Zone Marking:





B. Reaction at the Zone:



1. In the above screenshot it is clearly visible that the zone with multiple touch points and reactions have been marked. Post that when the price came back to this zone in the future and made an inverted Head and Shoulder exactly at this zone. This helped us to keep a small risk and high risk-reward ratio and capture the following up move.

Example 3:

A. Zone Marking:



B. Reaction at the Zone:



1. In the above screenshot it is clearly visible that the zone with multiple touch points and reactions have been marked. Post that when the price came back to this zone in the future it made a double top top pattern along with a rising chanel exactly at this zone. This helped us to keep a small risk and high risk-reward ratio and capture the following down move.

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Hope you love it!

Good Luck!

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