

Patterns and Setups

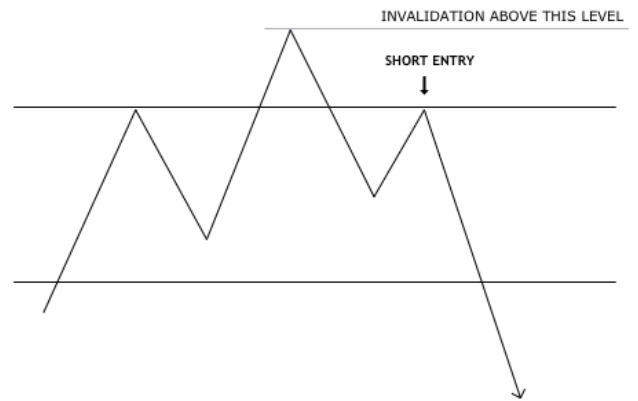
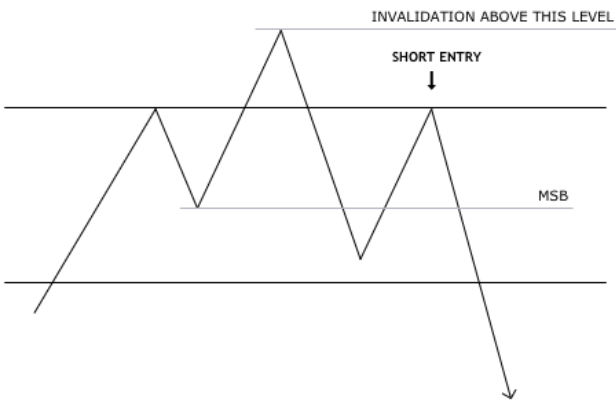
1. Over and Under / Quasimodos

Basically, it consists of shorting the right shoulder of a H&S pattern. In the case of a bullish O/U, longing the right shoulder.

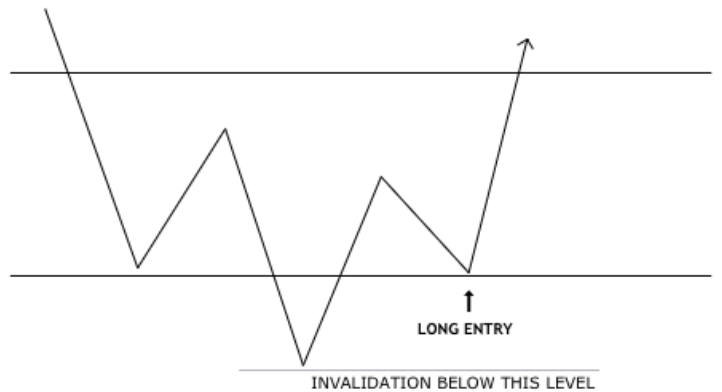
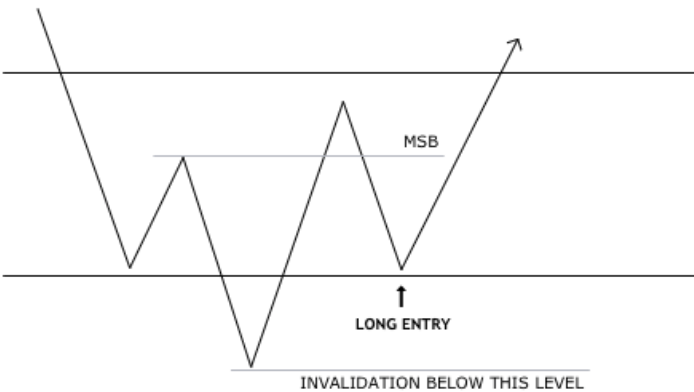
How to spot it?

1. Price finds support or resistance
2. Price breaks through that level, grabbing liquidity
 - a. Bullish O/U: price breaks up
 - b. Bearish O/U: price breaks down
3. Price pulls back to retest
4. Price approaches previous support or resistance, depending on the case
5. Enter position placing your SL above/below the "head" of the pattern

Bearish Quasimodo / Over-and-Under Structure



Bullish Quasimodo / Over-and-Under Structure



2. Three Tap

The three-tap setup has a high probability rate to predict a visit towards the opposite extreme of a range. It's tailored around trapping breakout traders and forming a base to retest after that (where they puke their positions)

How to spot it?

1. Identify your range
2. After a swing point is swept/deviated, prepare to bid/ask the original range low/high
3. Retest
 - a. If you anticipated a price retest with bids/asks, place your stops below/above the wick that swept the swing
 - i. Very similar to how you'd execute an Over-and-Under



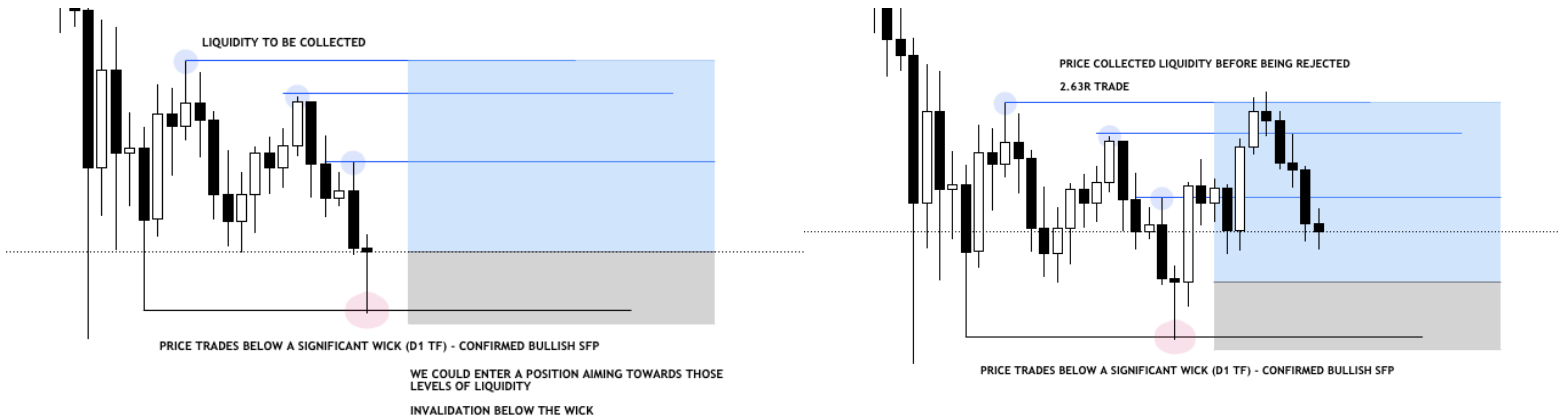
For a bearish illustration, the opposite happens. *Inverted scale for representation*



3. Swing Failure Pattern (SFP)

A swing failure pattern occurs when a candle trades above/below a significant swing high/low, then fails to close above/below. These are basically failed attempts to break structure.

Exhibit: Bullish SFP - *Inverse logic applies to a bearish SFP*



Over-and-Unders, Three Taps and SFP's are setups you can anticipate and execute. Remember, price is always telling a story, is up to you to get hints on what it may do next

- Watch LTF price action behavior
 - Changes in structure on LTF may give clues to what comes next on HTF

Some other basic setups include the following:

- Longing demand
- Shorting supply
- Failed demand orderblock = breaker (look for shorts from this level)
- Failed supply orderblock = breaker (look for longs from this level)

Abbreviations:

EQ = Equilibrium

LTF = Low/Lower Timeframes

HTF = High/higher Timeframes

MSB = Market Structure Break

OB = Orderblock

S/D = Supply and Demand

SSR = Significant Support/Resistance

S/R = Support and Resistance