INSIDE THE CIRCLE

M1

market maker

Twitter: @SpungVa

Chapters

1. Introduction to MODULE 1

noun

1. each of a set of standardized parts or independent units that can be used to construct a more complex structure, such as an item of furniture or a building.

M1 is meant to give the new traders or traders new to this style of trading an understanding of these key concepts I use on the daily basis in my tweets. These tools are considered Essentials among PA traders and will be the foundation of every future model I make for you. Consider this somewhat of a reference point you can return at any time if you need.

I wills build on these concepts as time progresses meaning I will add even more information that isnt shared online at all. As I said on twitter this will be a regular thing and I plan on making 20 to 30 PDFs if this first one does well.

I hope you take your time into backtesting these concepts and learn to use them before putting any real money behind them. What works for me doesn't mean it will work for you. What I understood very easily and mastered doesn't mean you will as well. Learning the skill takes time and trading involves tremendous amounts of risk. Be careful with your capital and don't enter trades blindly.Never put in more than you can afford to lose.
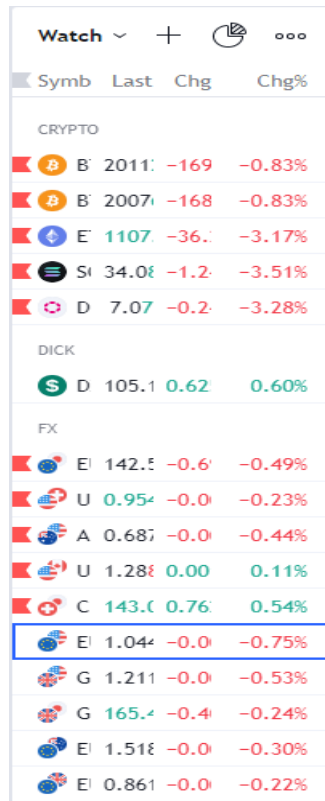
Time

I get at least 10 questions Daily regarding the timezone my charts are in and killzones timezone. The times I tell you are strictly UTC-4. What I recommend is putting your charts in UTC-4 so you don't waste time calculating it and converting it into your local time.

15:11:36 (UTC-4)

Watchlist

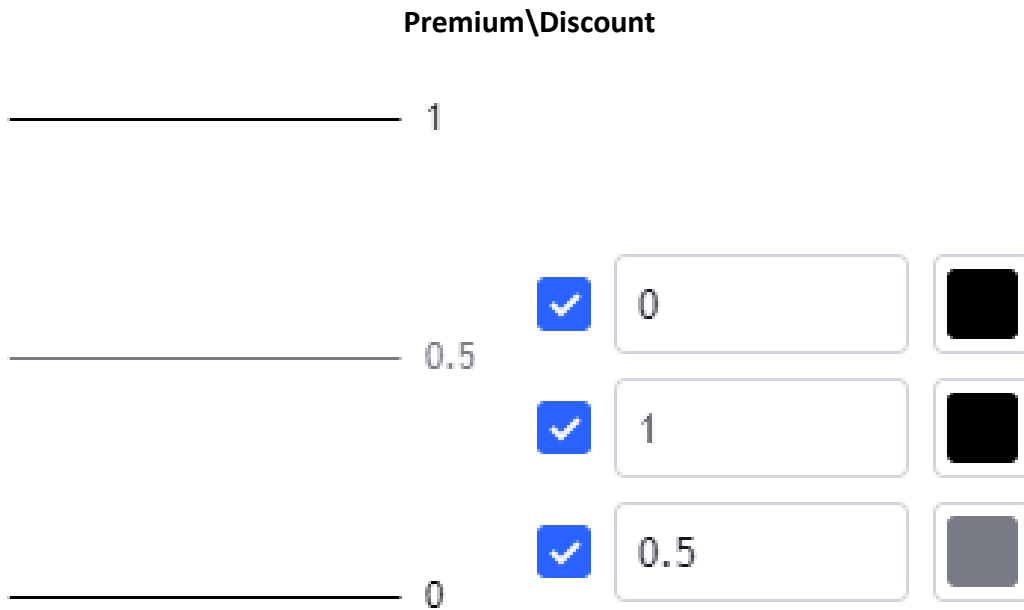It's a great tool to gain lighting fast access to your favorite trading pair\Currency\w.e .

Press the + Button at the top of the screen to add a FX pair, Cryptocurrency etc. after that you can sort them out the way youd like to. You can also bookmark your favorite pairs and leave the pairs that you don't like at the current time unbookmarked.
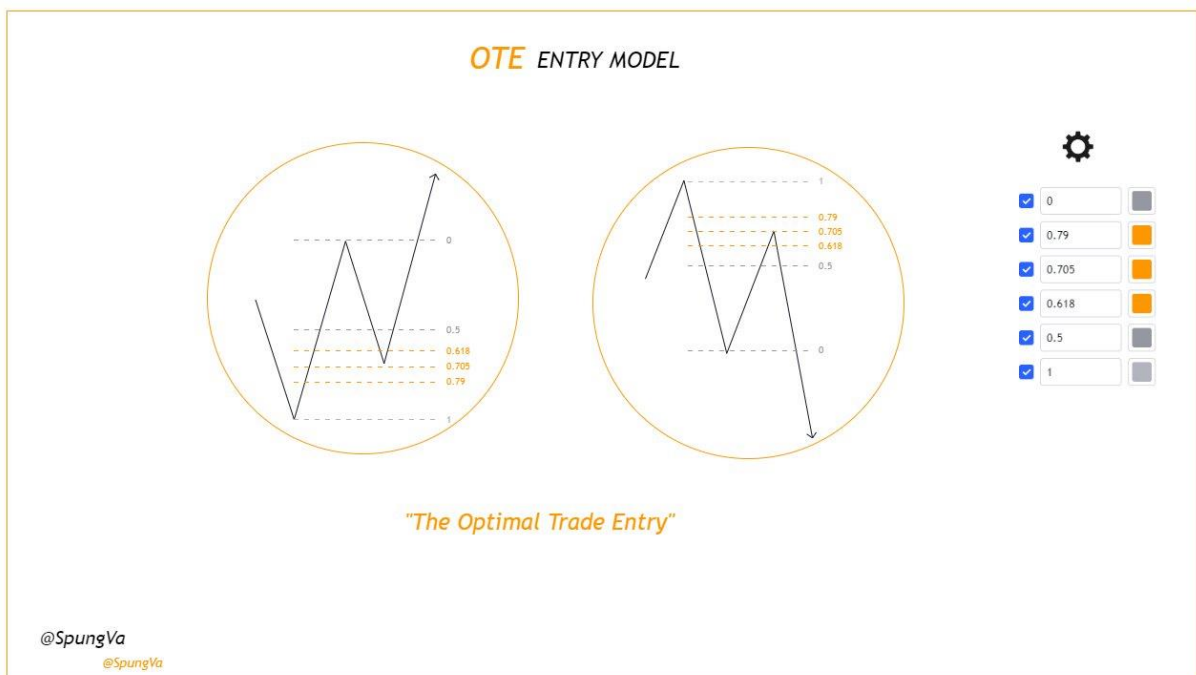
Fib

There are 2 Fibonacci settings that will be beneficial for you in this journey.

Premium\Discount

OTE(Alternative to the other entry models)

"The Optimal Trade Entry"

@SpungVa

3. Terminology

List of all the terms I use:

OTE- Optimal Trade Entry
FVG - Fair Value Gap
LIQ - Liquidity
OB - Order Block
POI - Point Of Interest
BRK - Breaker Block
IPDA - Interbank Price Delivery Algorithm
BISI - Buyside Imbalance Sell Side Inefficiency
SIBI - Sell side Imbalance Buyside Inefficiency
MB - Mitigation Block
MSB/BOS/CHOCH- Break Of Structure
AMD - Accumulation, Manipulation, Distribution
PO3 - Power Of 3 ↑
MMSM - Market Maker Sell Model
MMBM - Market Maker Buy Model
SMR - Smart Money Reversal
OC - Original Consolidation
AMD - Accumulation, Manipulation, Distribution
LKZ - London Kill Zone
NYKZ - New York Kill Zone
AR- Asian Range
SSL - Sellside Liquidity
BSL- Buyside Liquidity
LTF - Low Time Frame
HTF - High Time Frame
PDH - Previous Daily High
PDL - Previous Daily Low
PWH / PWL - Previous Weekly High/ Low
TSS- Turtle Soup Sell
TSB - Turtle Soup Buy
R:R - Risk To Reward
SH - Stop Hunt
SMT - Smart Money Technique
EQH - Equal Highs
EQL - Equal Lows
PD Array- Price Delivery Array
SMT - Smart Money Tool

4. Psychology

Just put in the time bro.

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5. News

The news events allow extreme manipulation to occur I recommend you:

Sit out FOMC & NFP

If you insist on trading high impact news NEVER enter before the large move caused by the news wait for it to happen and then proceed with your plans and ideas.

What tool do you use?

FX FACTORY https://www.forexfactory.com/calendar

The best calendar for traders

9:00am	)))	EUR	🟥	ECB President Lagarde Speaks
	)))	GBP	🟥	BOE Gov Bailey Speaks
	)))	USD	🟥	Fed Chair Powell Speaks
All Day		All	🟥	OPEC-JMMC Meetings
▶8:30am	)))	CAD	🟧	GDP m/m
	)))	USD	🟥	Core PCE Price Index m/m
	)))	USD	🟧	Unemployment Claims

Expected Impact (all, none)

☑ 🟥 ☑ 🟧 ☐ 🟨 ☐ ⬜

Event Types (all, none)

☑ Growth ☑ Housing
☑ Inflation ☑ Consumer Surveys
☑ Employment ☑ Business Surveys
☑ Central Bank ☑ Speeches
☑ Bonds ☑ Misc

Currencies (all, none)

☑ AUD
☑ CAD
☑ CHF
☐ CNY
☑ EUR
☑ GBP
☑ JPY
☐ NZD
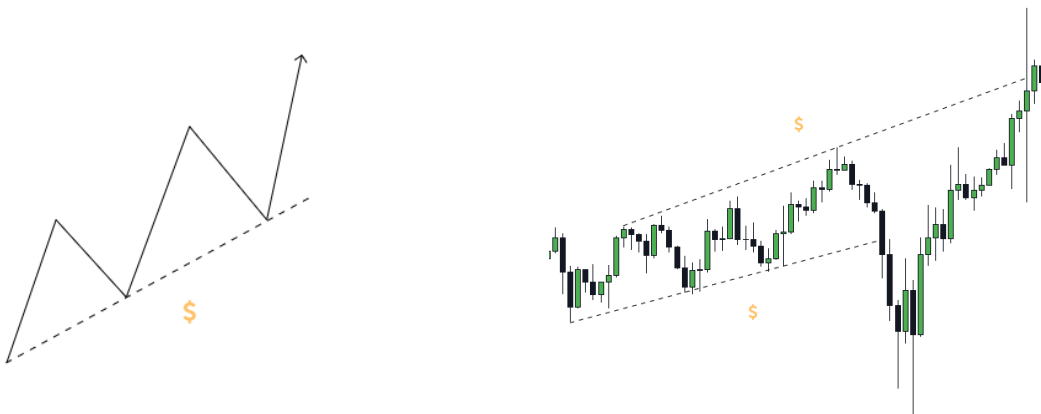☑ USD

6. Types of Liquidity

Think of the market like the snake game, it looks for "apples". After the market taps into a liquidity pool it will reverse or continue depending where the next apple(Liquidity pool) is.

This can be in form of a previous session, previous day, previous week, intraweek ,intraday highs and lows.
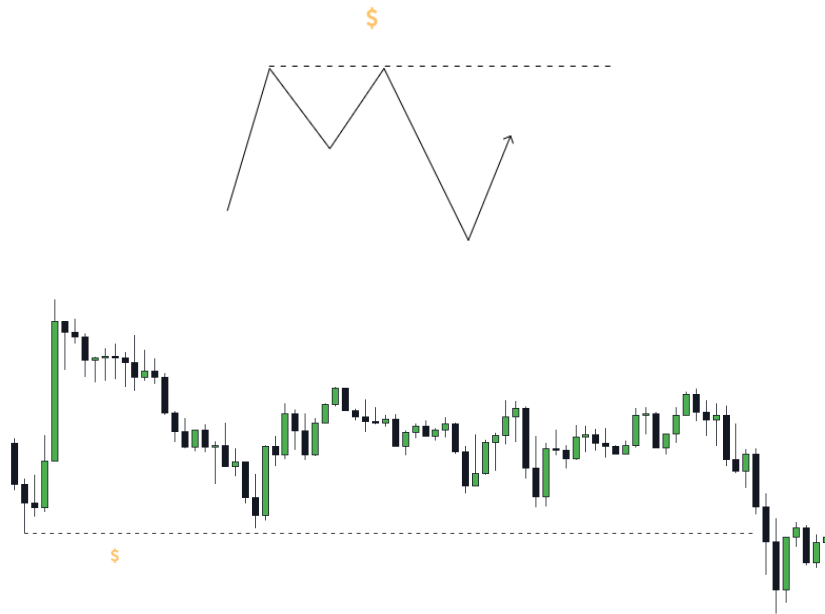
Structural
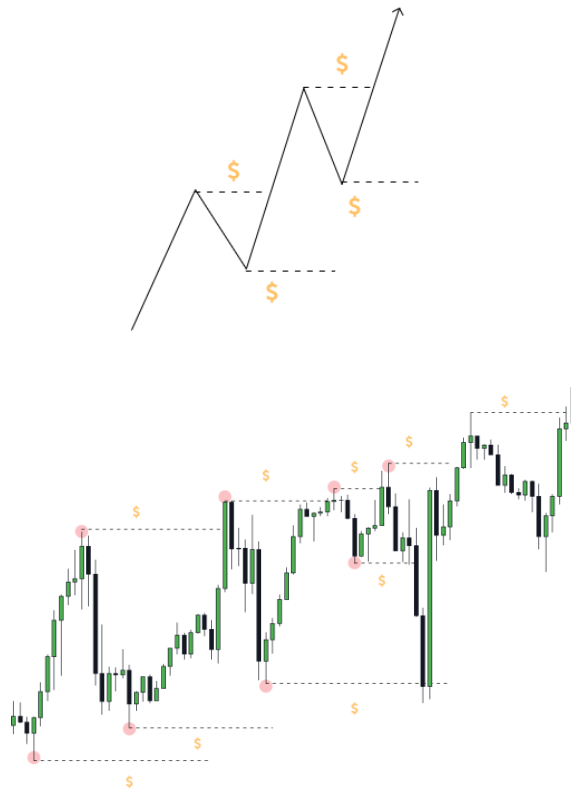
Trendline phantom

Equal Highs\Lows

Old High\Low

7. Structure

Mastering market structure allows you to determine where the market wants to go next, its trend and direction. Knowing where the structure got broken or is going, helps you frame your setups. The market is either expanding\trending or consolidating and the expansion can be to the down side or to the upside(Uptrend or Downtrend).
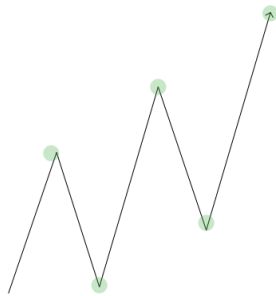
Downtrend

STRUCTURE ESSENTIALS SERIES
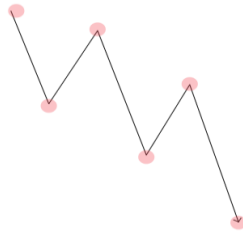
Uptrend

STRUCTURE ESSENTIALS SERIES

Market structure isnt as simple as it looks on these schematis. You will need to keep an eye on a myriad of things. For example

Consolidations within an uptrend
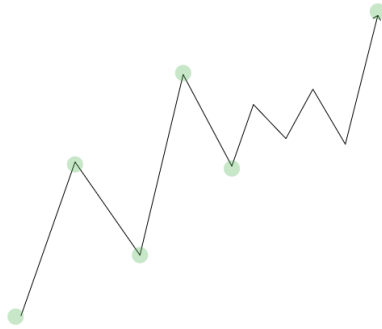
Sructure breaks(wicks count)

Break of Structure
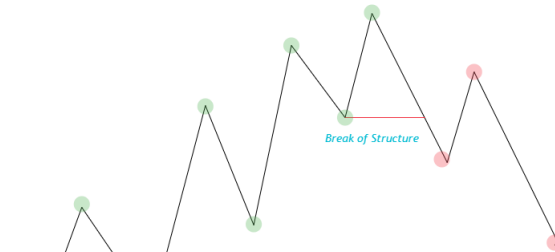
Higher timeframe view

Just because the structure was broken on the 1 minute timeframe it doesn't mean the market wants to go down. Be flexible with the timeframes you use and stay within the HTF narrative.

LTF
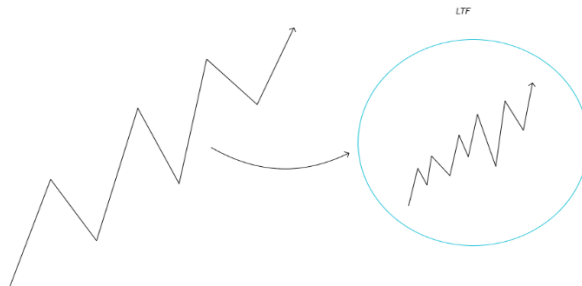
8. Reversals

After grabbing liquidity and breaking structure expect a reversal to the direction of your bias and enter on one of the LTF entry models

a) Turtle Soup Setup(Ideal for FX) no break of structure needed

b) The Regurgitated

c) The Breaker

d) The FVG

Break of structure

9. Entry models

BEARISH ENTRY MODELS

OLD HIGH / HTF PDArray — ORDERBLOCK

STOPHUNT

BREAK OF STRUCTURE

HTF PD ARRAY

STOPHUNT / OLD LOW

HTF PD ARRAY

STOPHUNT / OLD LOW
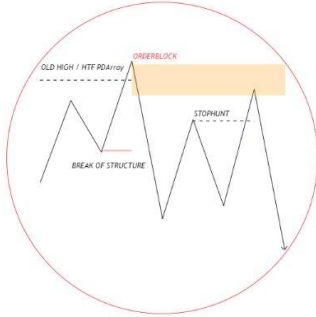
BREAKER
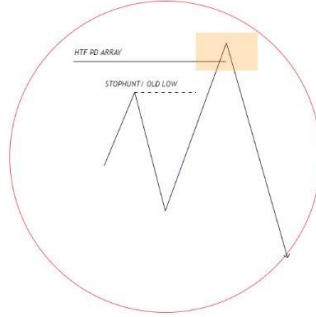
"The Regurgitated"

"Turtle Soup Sell"

"Breaker block entry"

FVG

HTF PD Array
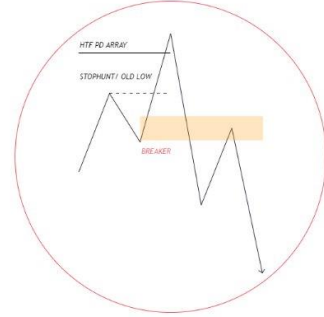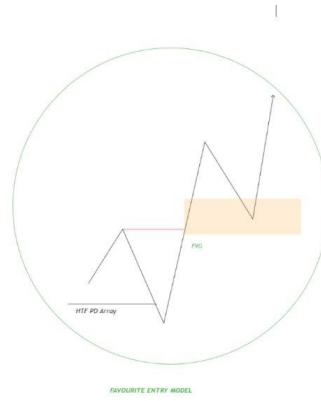
FAVOURITE ENTRY MODEL

BULLISH ENTRY MODELS

old low

ORDERBLOCK

Stophunt

Stophunt

HTF PD Array

BREAKER

Stophunt

HTF PD Array
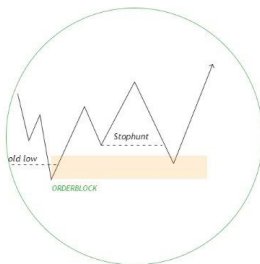
"The Regurgitated"
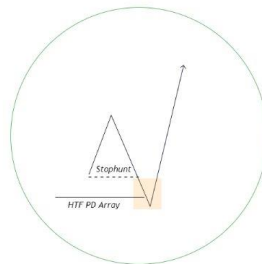
"Turtle Soup Buy"
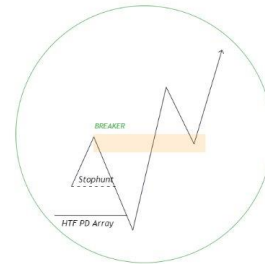
"Breaker block entry"

There are many PD Arrays I can go over but the main ones you should concentrate on are

Orderblocks

An orderblock is the lowest engulfed candle(the candle after it closes higher than the OB) in a series of up\down candles with the most range from open to close

Orderblocks form around "Support" levels\Liquidity pools & PD Arrays

A new orderblock may form near the orderblock the price is returning to. Orderblocks are considered mitigated when the price hits the 50% level of it(Mean threshold)

The best orderblocks are the ones that have a displacement 2-3 times the size of the OB and create an imbalance\FVG

ORDERBLOCK
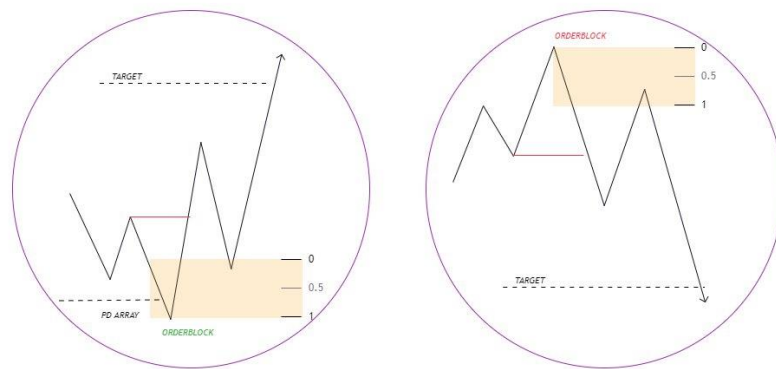
@SpungVa
@SpungVa

Breakers

Breakers can simply be looked like structural patterns, just like Orderblocks they form near "Support levels"\ Liquidity pools.

Breaker entry is an ideal entry if you miss the opportunity to enter on a Tourtle Soup Setup. When entering on Breakers your Stop Loss should be either at the 50% level (Mean threshold) of an orderblock or under\above a swing low\high below an OB.
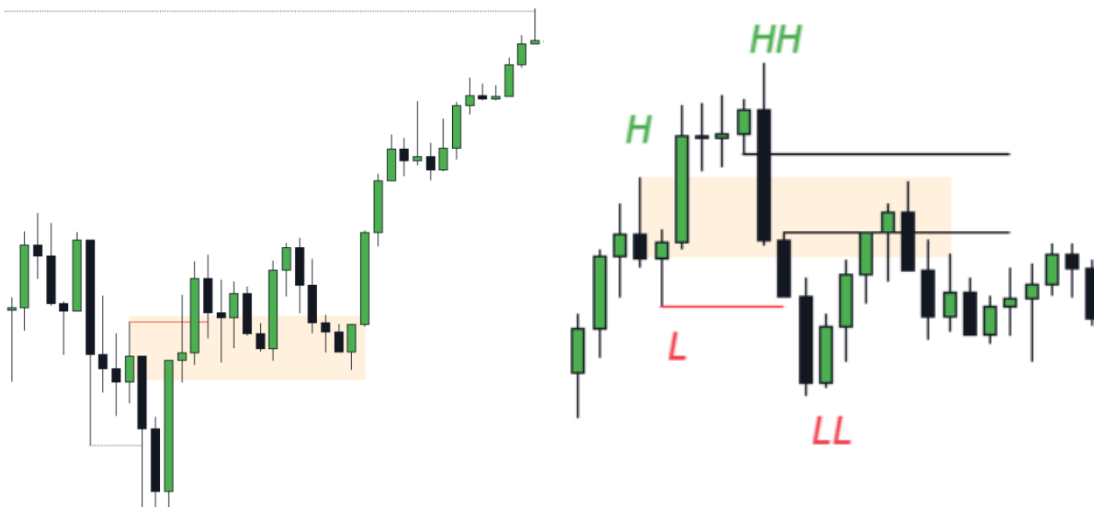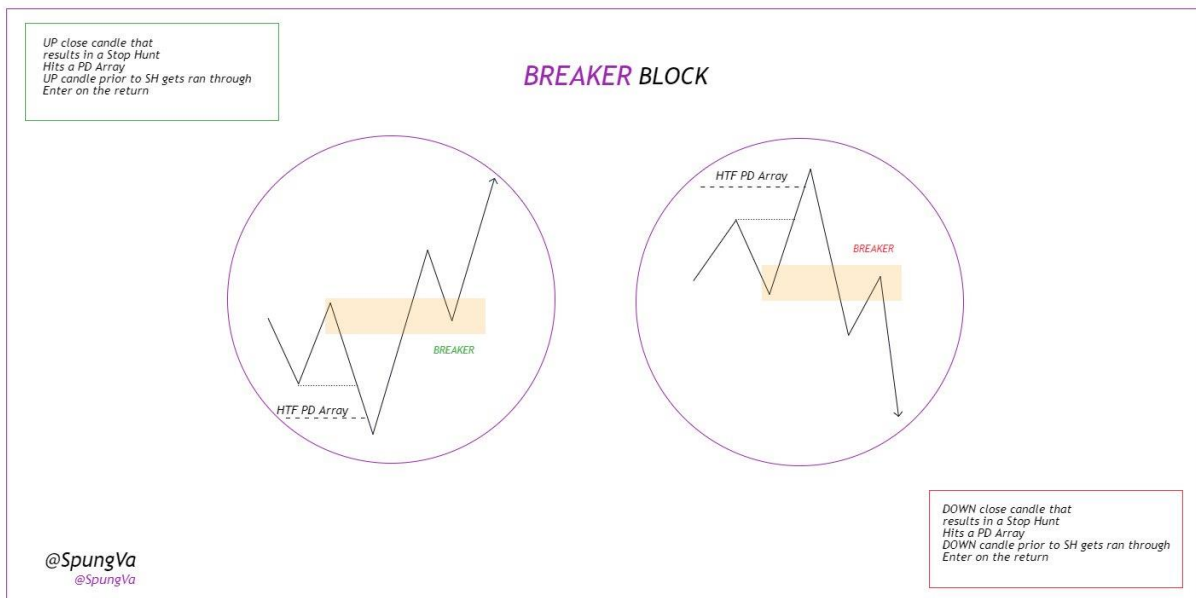
Fair Value Gap

The market during price delivery offered us only one side and it wants to rebalance that area to continue delivering following its original direction.

A Fair Value Gap is a 3 candle pattern.

ICT FAIR VALUE GAP
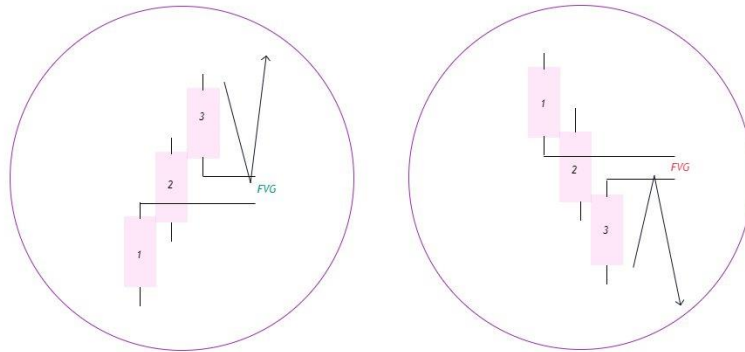
@SpungVa
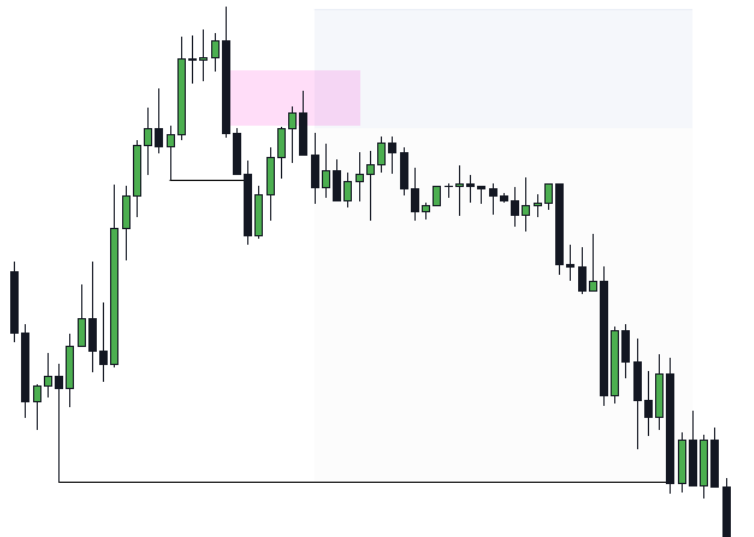
11. Bias

Having a clear bias in mind is the key to great setups. Knowing\Expecting where price will move next increases the probability of a trade going in your favour.

The key to bias

Ask yourself a few questions.

Where will the price want to go to? In other words where is the next Liquidity objective.

Is there something to prevent it going there?

Does the structure accompany the idea?

Steps

Open your TradingView.

Find your favorite pair\currency\ what ever you trade.

Open the 1W chart and see where the next weekly candle is the most likely to move to.
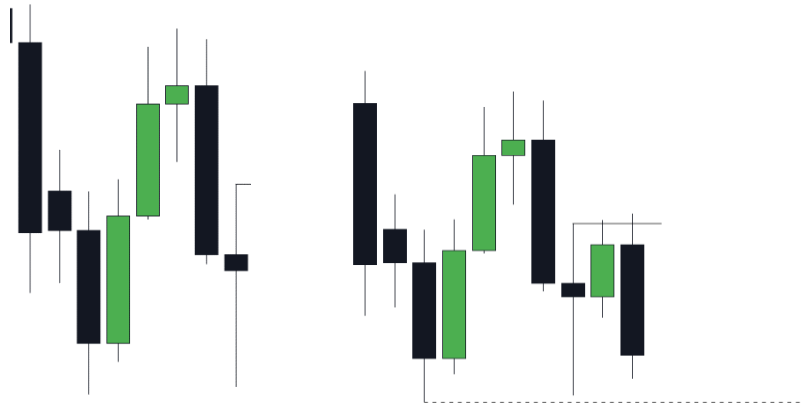
On the 1D chart mark out the **highest high** and the lowest low In the last 20 day period

20 days range

Mark out important PD Arrays that will help you with the bias
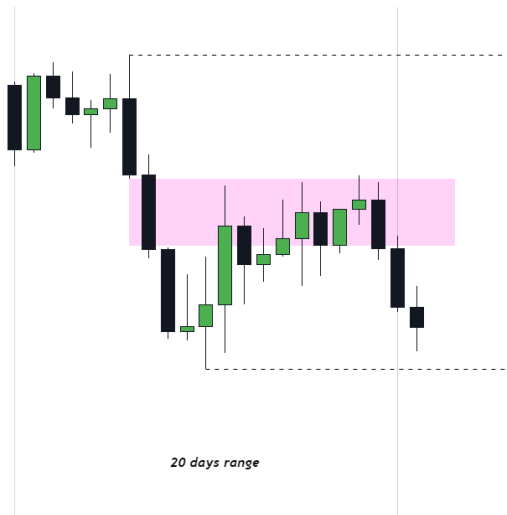
In this case we can see a FVG which we can use

Mark out important structure
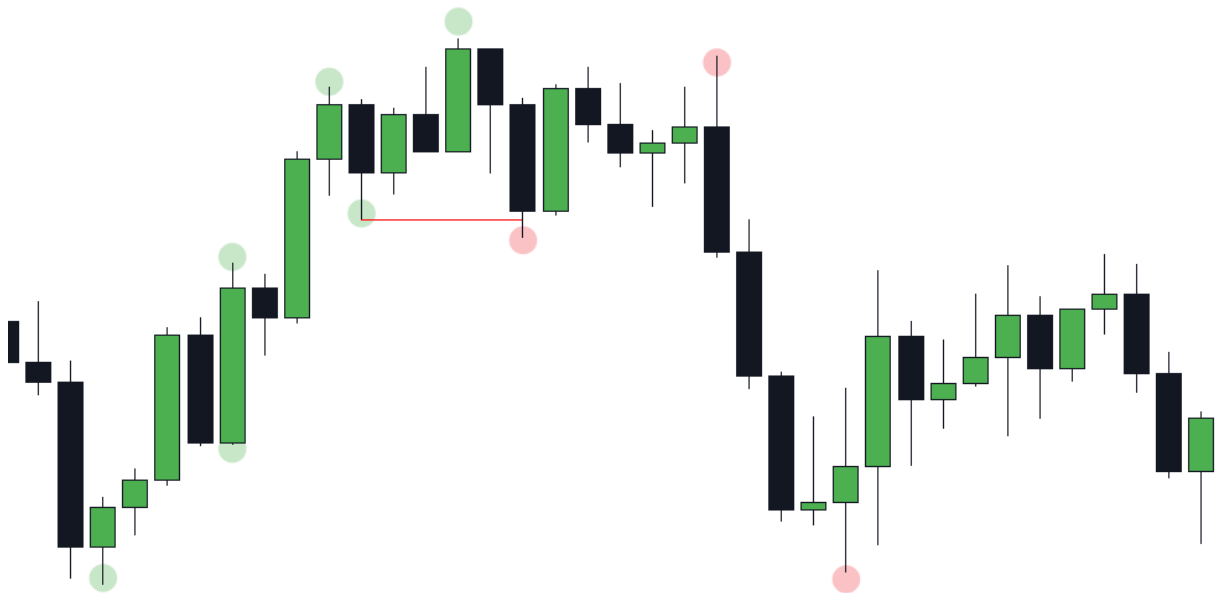
After completing these steps we have a clear image where the price will go next..

In the last 20 days we can see a bearish fair value gap we filled and a close draw on liquidity in form of an old low. The idea of the bearishness is stupported with the structure being bearish.

Yesterday we went down but we didn't take that low instead we created equal lows and that's considered a Liquidity target.

Now lets say im trading on todays date how would I frame my bias.

We clearly broke internal structure on the 4h timeframe

High swept look for reversals and target EQL

EQUAL LOWS $
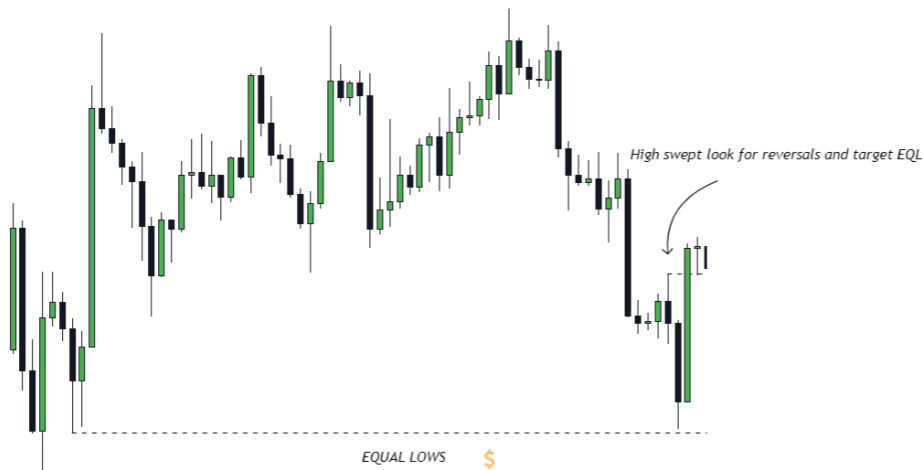
New day starts. We get minimal movement through asia and london , New york sweeps london high and breaks down giving us a breaker & fvg entry

LDN HIGH SWEPT

Fri

But what if I see a good setup form opposing my bias?

You can still take the setup but be nimble and assume half the original risk youd assume for trades. You want to have quick scalps with clear targets.

12. Killzones

Everyone has heard about the term "Time and Price". Time is one of the essential parts of trading and it influences your setups every day. Trading during certain killzones makes the setup higher probability due to the volume exerted at that point in time.

The majority of the daily volume is around 3am to 10am.

Asian range

Asian range
20:00-00:00

Mark out the lowest Asia low and the highest asia high and expect reversals around those Areas during London or New York killzones.

If you decide to trade Asian Range look for pairs that don't contain USD. USD pairs very often consolidate during those times & focus on OTE entries.
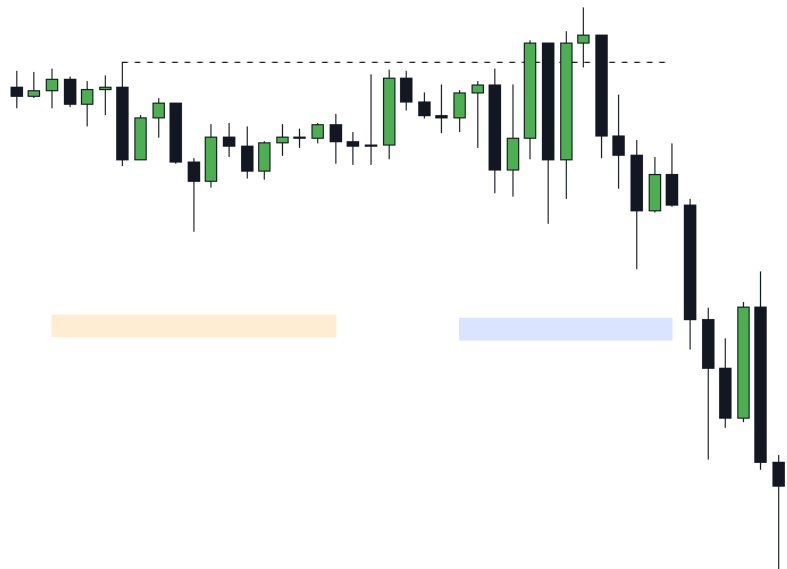
London Killzone

London Killzone

02:00 - 05:00

Ideal pairs for this killzone are: GBP and EUR pairs.

LOKZ very often creates the low\high of the day or at least a large move you can capitalize on. If for FOMC caused a large wicksaw the day before or the Asian range isnt visibly consolidating try skipping the London killzone. News are a big factor this Killzone if there are none at all , try your luck in the NY killzone.

High of the day in London
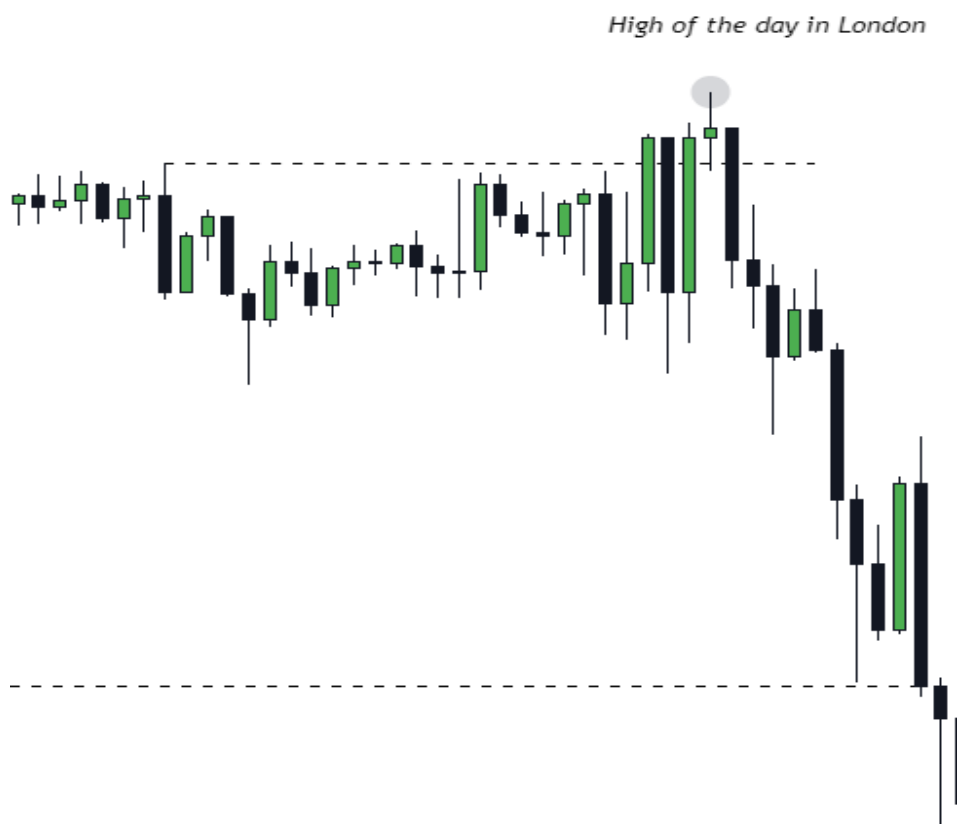
New York Killzone

New York Killzone

7:00-10:00

Best pairs to trade are USD & CAD pairs.

New york open consistently gives good setups. Its often a very news filled session. You can capitalize on a reversal of the London Killzone move or the continuation depending if the daily target is hit or not.

High of the day in London

Target hit> Ny Reversal

New York Lunch

New York Lunch

12:00 - 13:00

New York Lunch is a strict NO trade zone. Do not enter trades that you think will need to be held through Lunch and do not enter trade opportunities that reveal themselves inside the NY Lunch period. After lunch ends and NY PM session starts you can enter on the first retracement into an Orderblock Or a FVG.
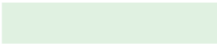
1st retracement into an OB post Lunch

Discount\Premium allows you to see targets and possible entries clearly.

The market wants to return to fair value. If a market is in Discount it will seek Premium Arrays & if the market is in Premium it will seek Discount Arrays.

Every time a High is taken the market is in Premium and will seek Discount.

Every time a Low is taken the market is in Discount and will seek Premium.

PD Array matrix specifies targets in Premium\Discount the market will seek out
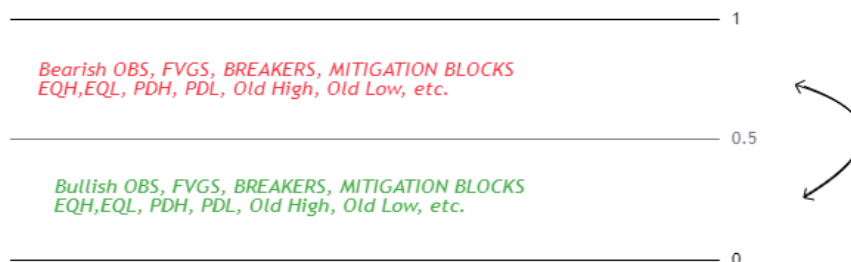
Tip: Lets say a buy opportunity shows itself and you want to enter on a FVG. Pull the P\D from the low of the displacement to the high of the displacement and using top down analysis go from 15 to 5 to 4 to 3 to 2 to 1.(5,3,1 if you don't have TV premium) When going down in timeframes as soon as you find a FVG that's in discount that's your entry.

As a target you will use a PD Array in premium

EXAMPLE:

14. Risk Management

Without proper risk management you will NEVER make it in this industry. Absolutely never. So lets go over it

Risk management:

You will use the System ICT gave out.

Its not recommended to risk more than 2% of your account per trade.

Many of you will have different risk% youre comforatable trading with

Some will use 2% some 1.5% some 1%

What you need to do:

After taking a loss **HALVE YOUR RISK(Half of 2% is 1%)**

If you take a loss again after lowering it to 1% **HALVE IT AGAIN**

STAY AT 0.5% Risk UNTILL YOU MAKE BACK 50% of money lost risking 1%

This keeps you safe from blowing your account if a loss streak occurs(And it definetly will it happens to everyone its normal)

Calculating your position size:

Money in your account x Risk youre willing to take

Money in your account x Risk youre willing to take

Account size 10k

Risk 2%

Position size 200$

Keep in mind this is for the people without a system in place. If you have a risk management system that **works** keep using it don't change just because I told you so. But if you have nothing that will protect your capital in the long run step your game up.

15. CHART EXAMPLES

Euro / U.S. Dollar, 5, FOREX.com O1.04262 H1.04269 L1.04245 C1.04247

Australian Dollar / U.S. Dollar, 5, FOREX.com O0.68153 H0.68164 L0.68148 C0.68159

Turtle soup buy

U.S. Dollar / Swiss Franc, 5, FOREX.com O0.95990 H0.95999 L0.95978 C0.95983

PDH

Australian Dollar / U.S. Dollar, 3, FOREX.com O0.68154 H0.68172 L0.68154 C0.68168

Asia high

26

British Pound / U.S. Dollar, 15, OANDA O1.20967 H1.20992 L1.20964 C1.20987

First retracement into a 15m fvg after lunch ended

British Pound / U.S. Dollar, 5, OANDA O1.20990 H1.20991 L1.20964 C1.20981

LDN KZ eqh

asia low swept

27

BTC Perpetual Futures Contract, 5, BINANCE O19449.9 H19449.9 L19407.4 C19421.8

Mon

Swiss Franc / Japanese Yen, 5, FOREX.com O140.956 H140.992 L140.952 C140.992

NY continues londons move lower until the target is hit

Monday LOW

Closing words

M1 is just an essentials PDF, along the series I am going to add more concepts & go deeper into the topics mentioned here as well to widen your understanding of the topic and teach you more advanced things related to them.

M2 Comes out after my vacation & if this post does well. Run up the likes, retweets if you want an in depth trade model that will cover most of yalls needs as traders.

Contents of M2: Advanced structure, Daily profiles, Trade Model & more soon to be announced.