HOCH
TRADING

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Before I share my own trading plan, I'd like to share who taught me how to trade and give credits where its due. This is in no way a plan I discovered by myself. Instead, it is a combination of plans from different courses and mentors I have had throughout my trading career.

The trading course that led to my success
▼

⬚ phantomtradingfx

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My two mentors

⬚ rightness.trading

⬚ fractalmarkets

## Now that credits have been given, let's get into the trading strategy

Sessions strategy

M15 Scalping strategy

My Sessions Strategy:

Before even starting your session, always look at Forex factory for any red folders concerning EUR or USD pairs. If there is a RED folder, trade before or after the news event. Do not hold your trade during the news release.

Quick recap of how you determine Supply & Demand zones:

(I expect everyone to know how to find these on the charts before getting into this strategy)
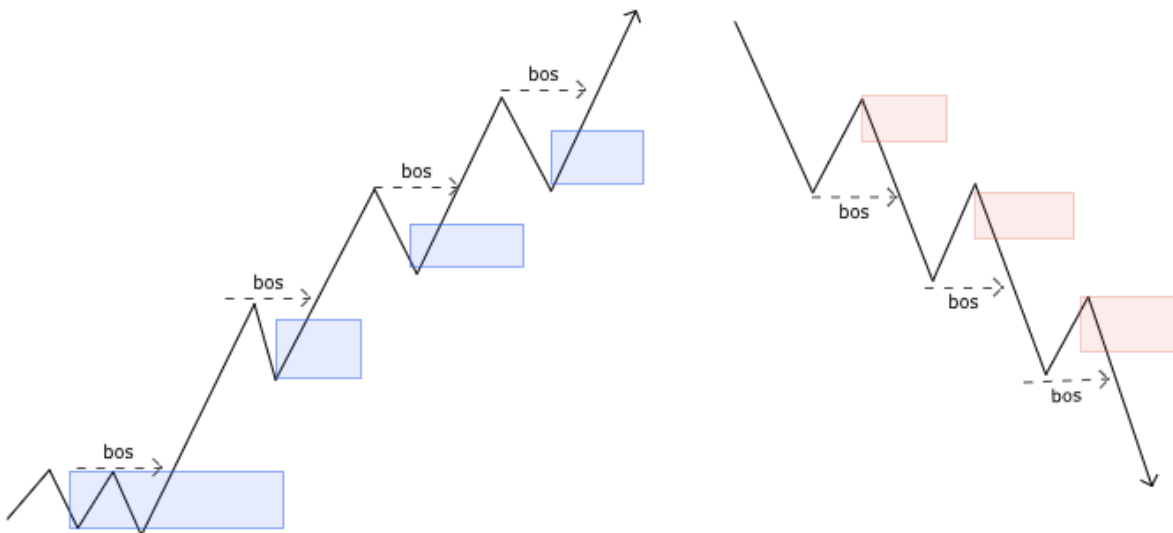
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@Libros_Trading_Algoritmico

- **Step1: Look at H4/Daily demand/supply:**

  o We DO NOT care about structure in this strategy. We simply care about whether supply or demand is in control, and if price reacts to the zones. *(Daily or H4 depending on what time frame is clearer for zones)*

  - *Overall these zones on the h4 or Daily will only matter for reactions on the smaller time frames. We DO NOT wait for these POI's to get hit to enter a trade. Remember, a simple "reaction" on H4 or Daily zones, can give us 100R trades on the m1 timeframe!*

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Step 2: use M15 timeframe for **Unmitigated** Supply and Demand zones.
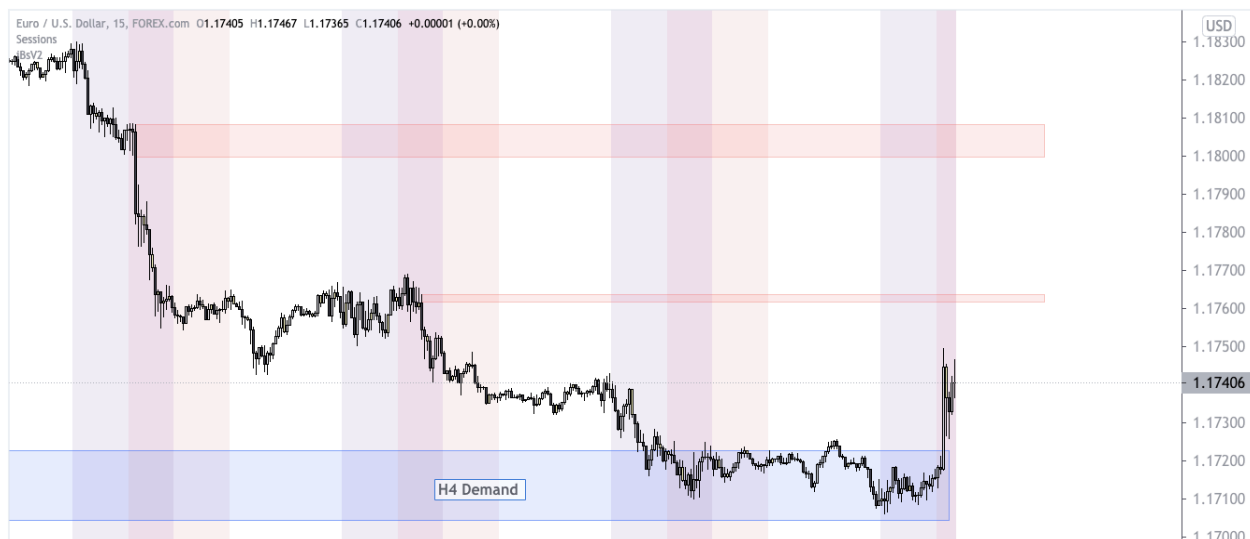
Step3: use m5 to refine your m15 unmitigated supply/demand zones.

If possible, refine even till m1 or m2. This all depends on how clean the zones are. If you go from m5 to m1 and it now gives you 2 unmitigated zones, then keep it to the m5. However, if it gives you two zones but one has been mitigated, go for the most recent zone that has not been mitigated yet. The fact that this zone comes from a mitigation, makes it a higher probability zone.

I like full body candles, or wicks for supply/demand zones. If I cannot find one of these two, I'll go up or down in time frames to find the perfect fit. (m1, m2, m3, m4, m5)

Once you have successfully annotated your H4/Daily zones, and your refined m15 zones, we can switch to the m1 timeframe and wait for our session to start.

Step4: there are 3 different entry types I use in this strategy during my session:
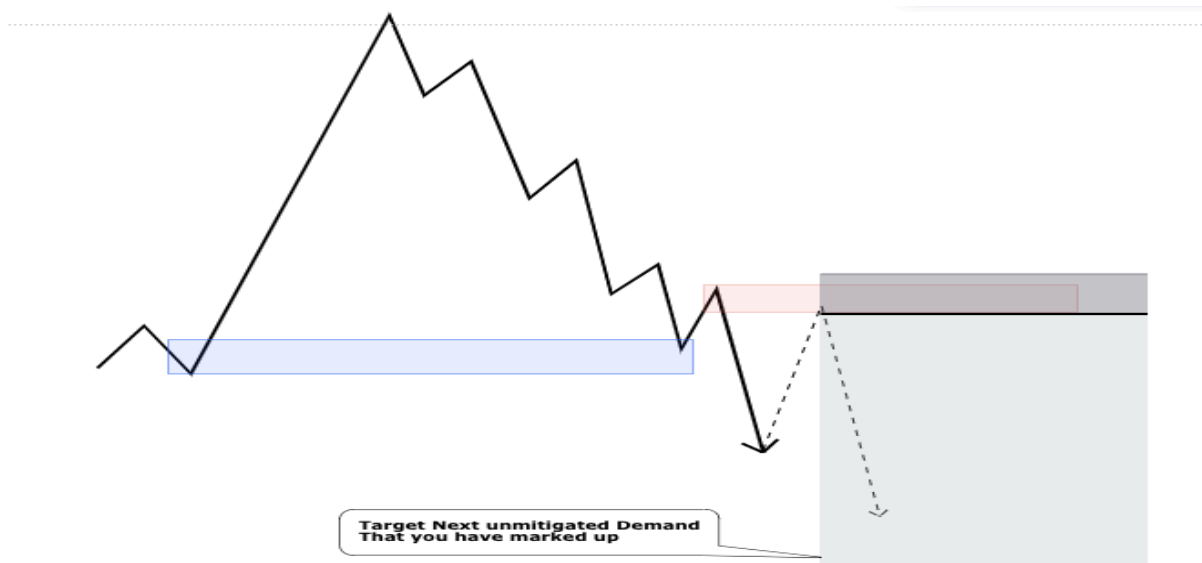
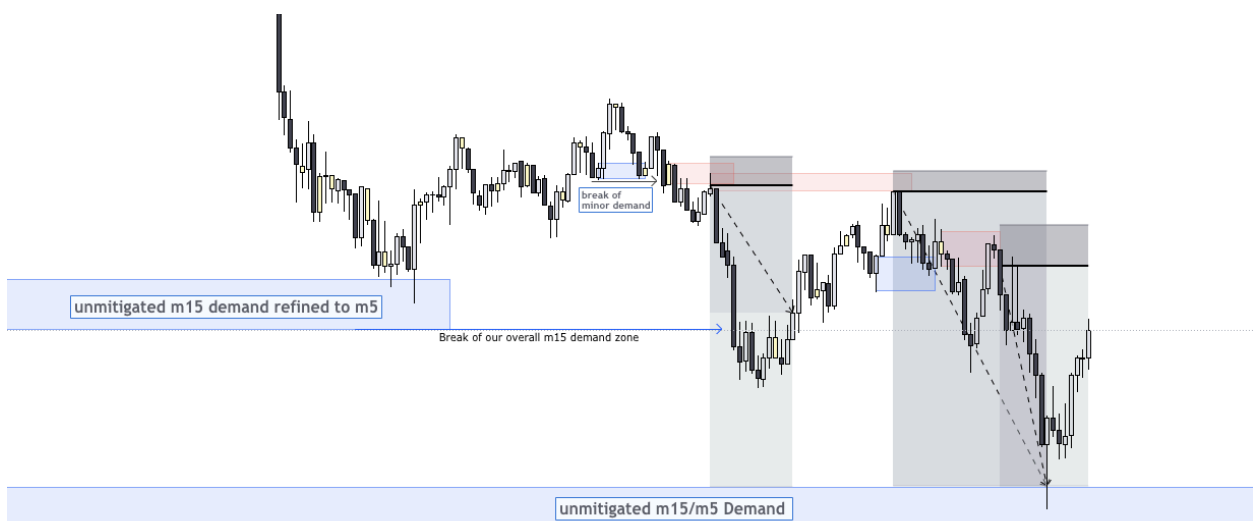- *DS/SD flips*

- *Continuation Trades*

- *Choch Trades*

FLIPS

Demand to Supply flip: (DS Flip)

- If price reaches into your unmitigated demand zone and reacts, you will be waiting for a break of demand in order to look for shorts.

  - *Does this mean it needs to break the whole zone? NO. If demand (in the zone) was strong, it would have an immediate reaction and provide you with a choch to the upside breaking supply levels that provided the temporary downtrend (pullback).*

  - *However, if supply breaks your unmitigated demand level or the most recent demand (just like on the chart image below), we have a strong indication that supply is in control. So,*

we can take the trade from the supply that <u>caused</u> the break.

**Target Next unmitigated Demand
That you have marked up**

Chart example:
(zoom in to read the annotations)

break of
minor demand

unmitigated m15 demand refined to m5

Break of our overall m15 demand zone

unmitigated m15/m5 Demand

In the picture above, we can see price reacting to our unmitigated m15 (refined to m5 or below) zone. How come we got into a sell before price breaks the zone?

It is very simple: If this demand was strong, it would have reacted strongly and broke new supply levels. Instead, we saw a flip which indicated that demand was weak, and supply was back in control. We take an entry on the OB or supply zone that caused the flip.
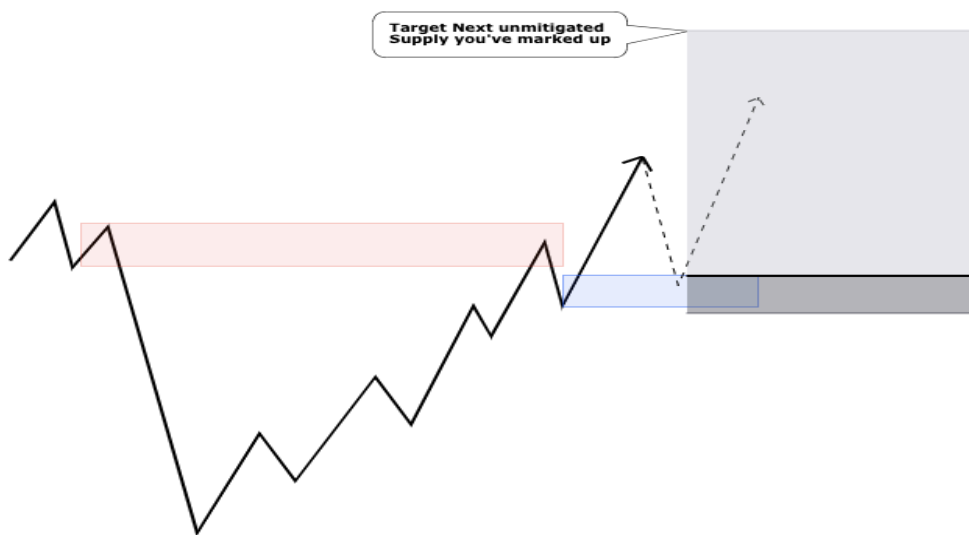
Here is a schematic of the same chart:
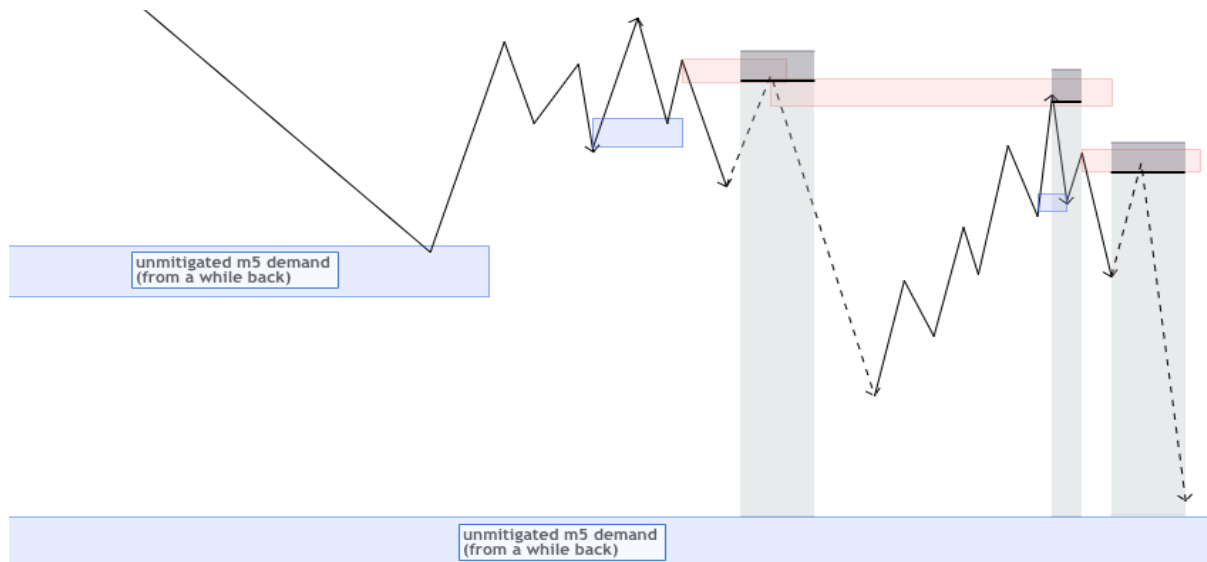
unmitigated m5 demand
(from a while back)

unmitigated m5 demand
(from a while back)

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Supply to demand flip: (SD flip)

- If price reaches into your unmitigated supply zones you have marked up, you will be waiting for a break of supply.
  - *The same rules apply for SD flip as for the DS flip*


Chart example:

In the chart example above, we can see that technically price did not break our m15 unmitigated supply zone. However, it did break our minor supply indicating that supply at this level is not strong at all. If our main m15 supply were strong, price would have reacted and provided a choch. Since demand broke its minor supply, we can place a trade on our demand that caused the break.
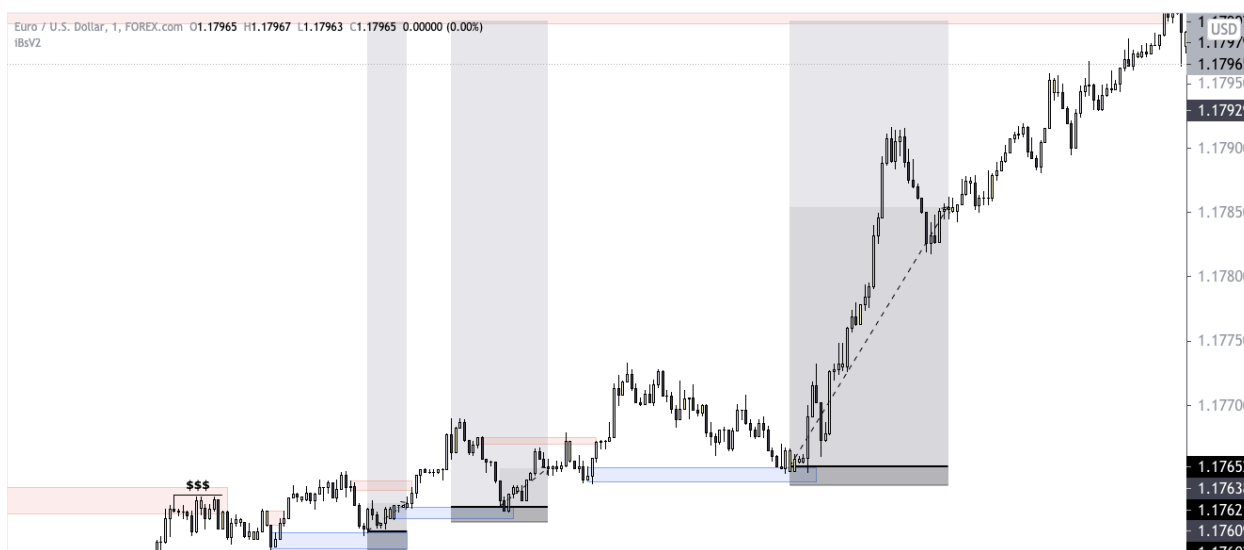
Continuations

Continuations are very simple, and my favorite way to stack orders. Once again, we DO NOT care about structure. All we care about is a <u>break of the most recent minor supply or demand.</u>

Your entry will be from what caused the break. Ideally, you'll look for full body candles. If you cannot find them, feel free to go up to the m2 and m3 time frame. Inside-bars are very helpful for it as well.

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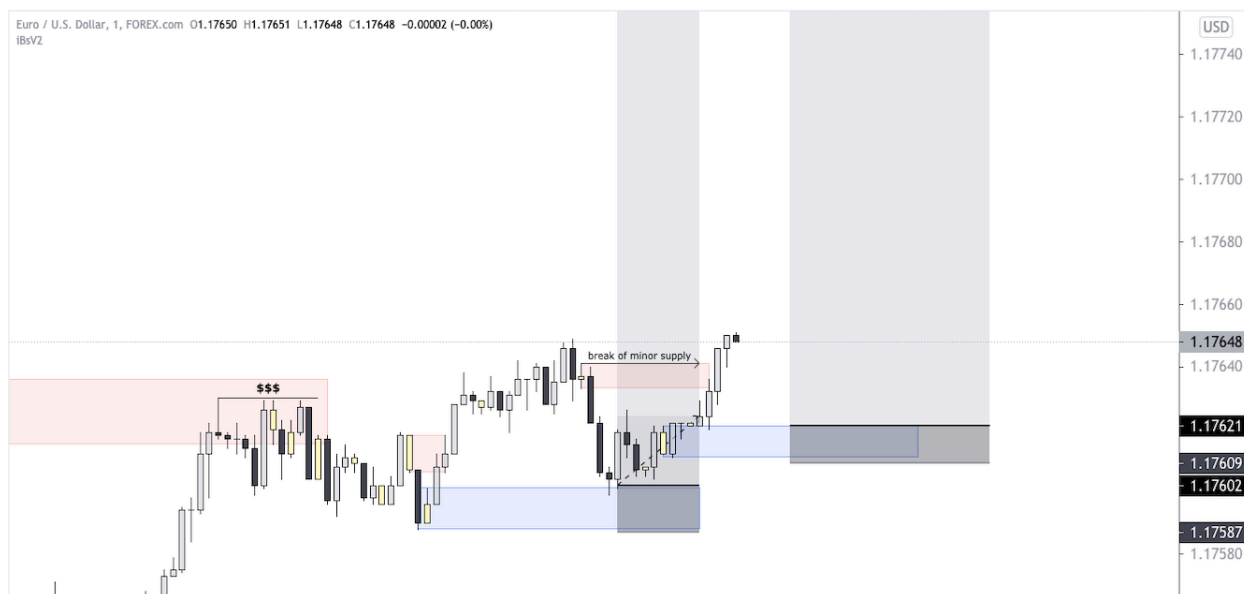
Since price broke our minor supply (marked in red), we can place an entry from what caused the break.
Here are all the scale ins/continuations that were provided according to the rules. By targeting the next unmitigated supply, we reached a total of *82.5R*. This is the power of scale-ins/continuations


After each new continuation, I will drag my stop loss under the new demand.

Choch Trades

Change of character is basically a change in trend. For me, the ideal set up is to have a choch that breaks two minor supply or demand zones.

Although a choch could be valid if it breaks one zone, I find it more reliable if it reacts from a HTF zone and breaks two minor supply/demand zones (as illustrated below)
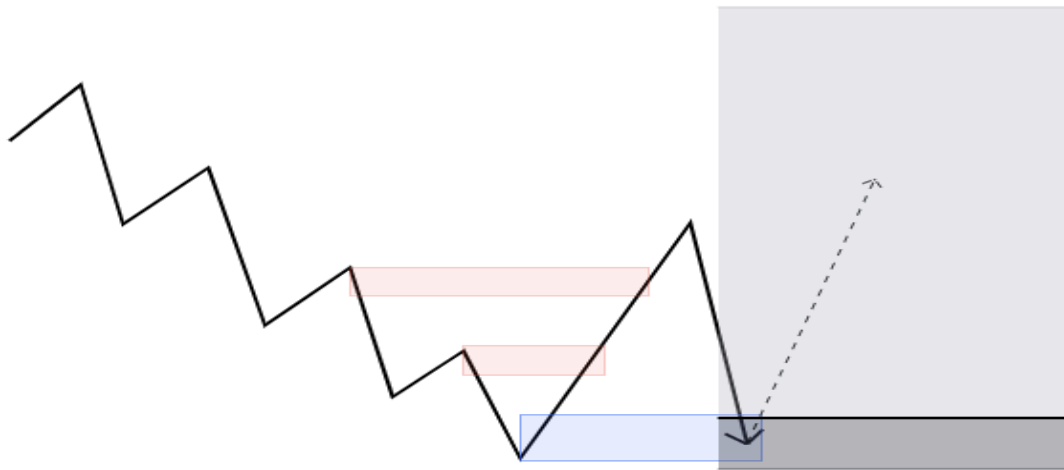
In this schematic you can see that demand has broken two minor supply levels. This is a choch. Could you place an order on the play? **ONLY IF THE PULL BACK DOES NOT COME FROM AN UNMITIGATED SUPPLY ZONE**

*If price does come from an unmitigated supply zone, wait for a confirmation entry*
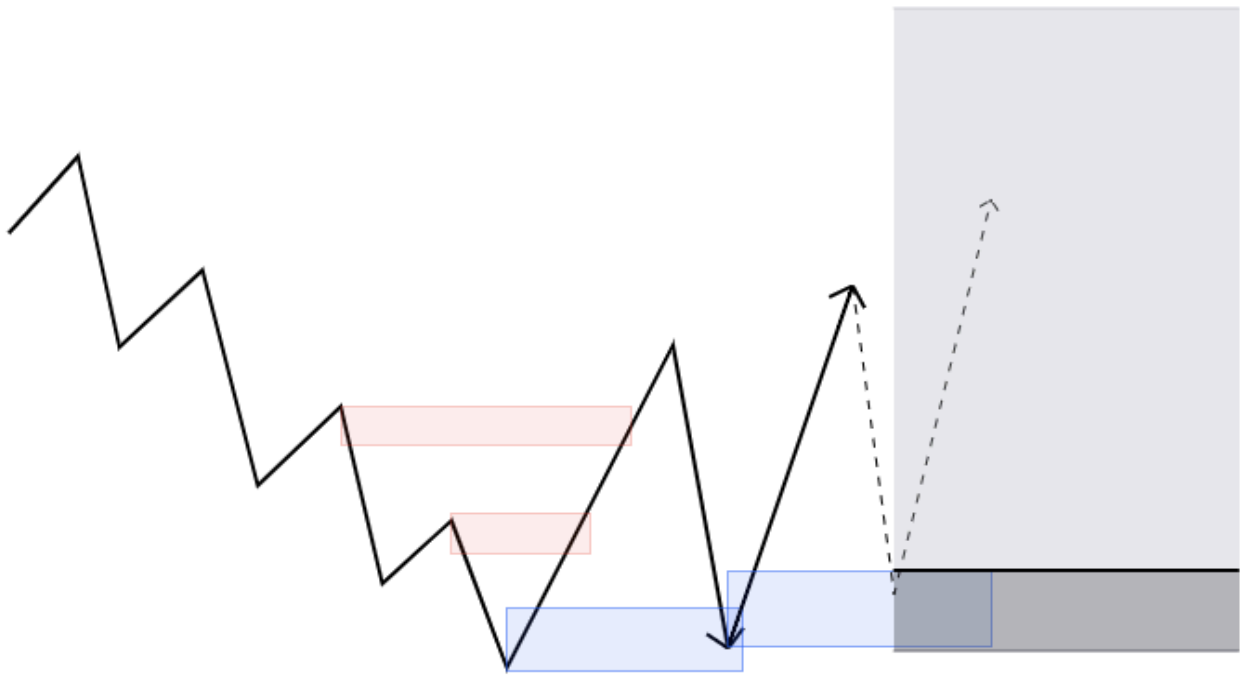
❗ Additional information ❗

No matter what entry type I have shown, if your pullback comes from an unmitigated zone, you cannot place a limit order. <u>NEVER</u>. You would have to wait for a new flip, and let the market show its hands. This information seems very basic, but to me it was a small "nugget" that made it all click.

Now you know if price is creating engineered liquidity, or not. You will not be confused about being on the side of the market, and you will avoid unnecessary losses.

Here are schematics to explain the concept:

unmitigated m5 demand
(from a while back)
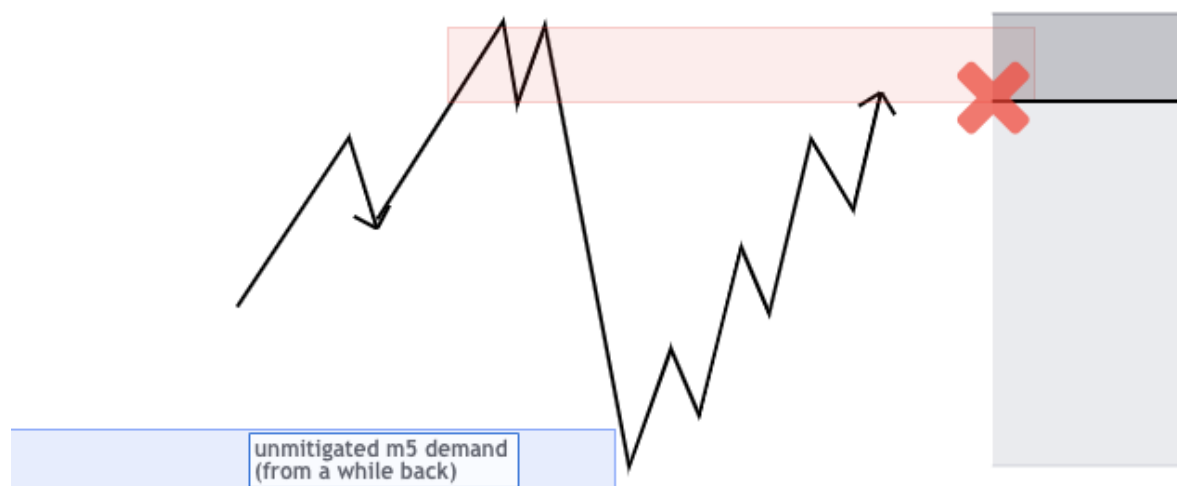
In this example, we have a supply set up, but price is pulling back from an unmitigated demand zone. Even though we are in a MAJOR downtrend, we can simply not put our sell limit because demand is in control.

In order for us to be able to take the sell in the same scenario, we would need a flip or a change of character so that we know supply is back in control.
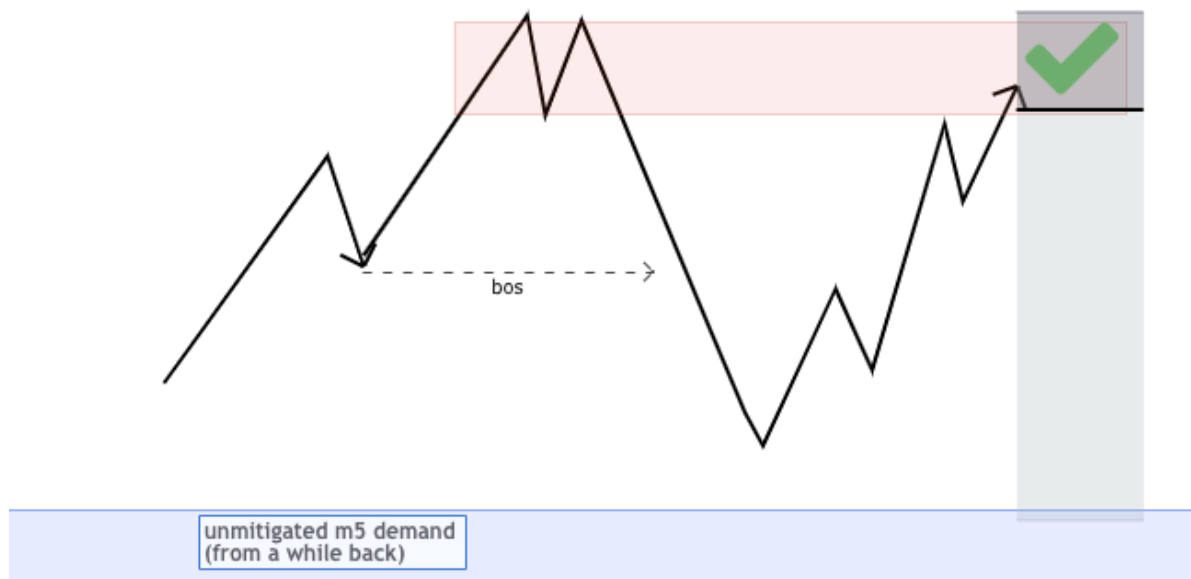

unmitigated m5 demand
(from a while back)
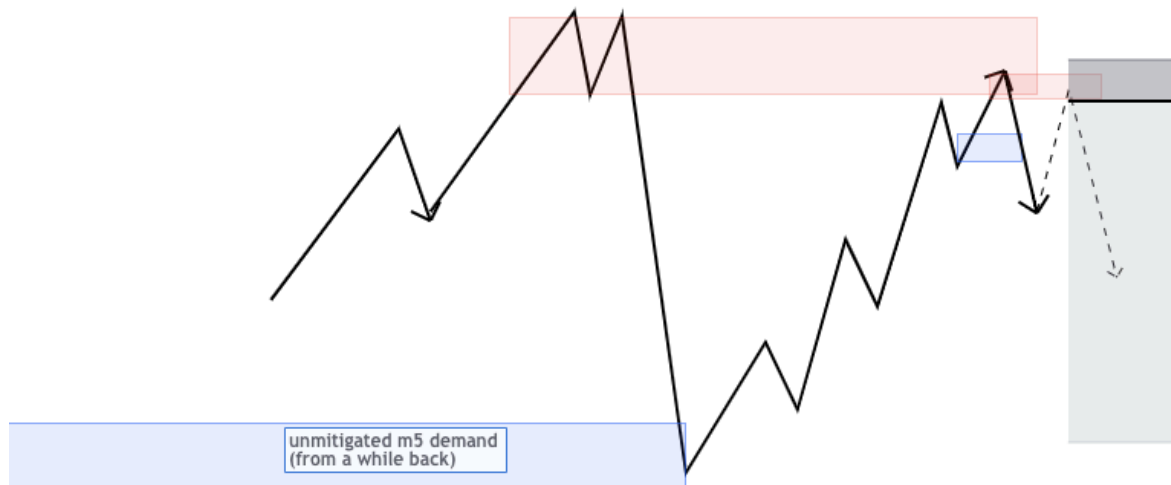
The only way to be able to place a limit order without worrying if our zone will hold or not without waiting for flips or choch, is if our initial zone broke structure, but also its pullback is NOT coming from an unmitigated zone.

Below will be displayed both scenarios in which you can take a limit (risk entry).

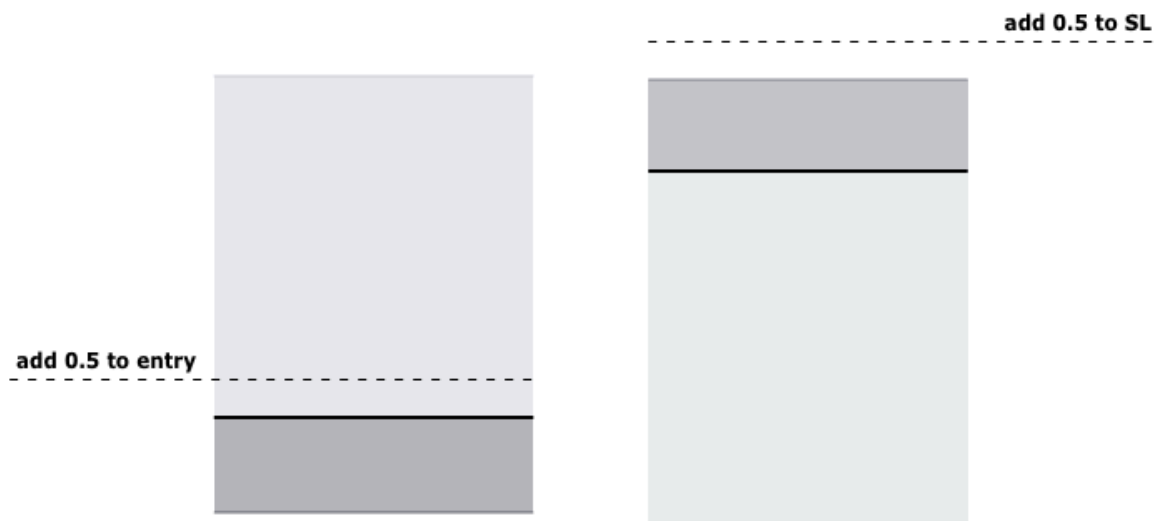*Price trade through the unmitigated m5 demand zone*

Price did not reach the unmitigated m5 demand zone, indicating a healthy pullback with from which we can take a short.

How to account for spread (Funding challenges, etc.)

- *If your spread is max 0.5 pips, you will have to account for spread this way:*

add 0.5 to SL

add 0.5 to entry

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If you struggle with finding Supply or demand zones, and liquidity pools, you can use the "Fixed range Volume Profile" indicator.


The way you use it, is by first selecting the start of the impulsive movement, and drag it till the end of the impulsive movement.
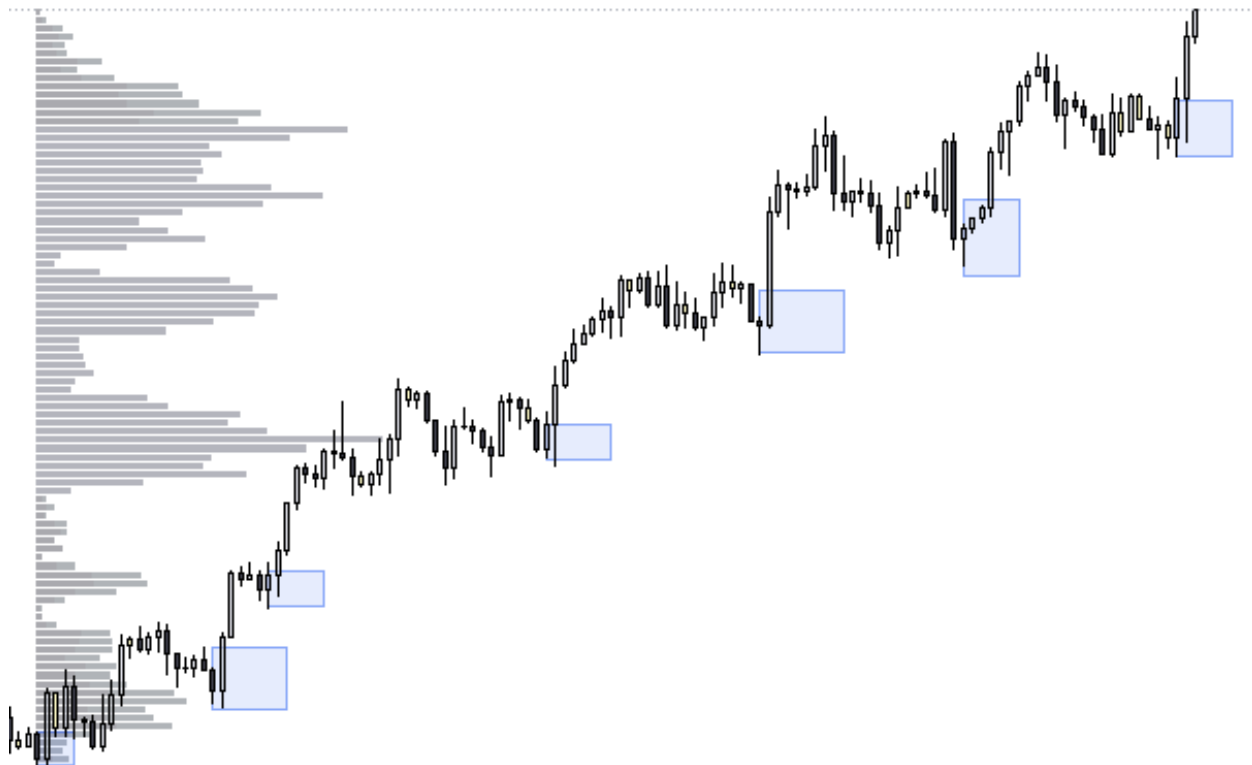
The volume profile will basically tell you where most of the orders lie. The bigger the bell shape, the stronger the demand or supply. The zones with almost no data, are simply liquidity zones/ imbalances.

These are the exact settings I use for the Indicator.

☑ Volume Profile

☐ Show Values

Width (% Of The Box)   30

Placement   Left ⌄

Up Volume

Down Volume

Value Area Up

Value Area Down

☐ POC

BONUS

Brief m15 scalping strategy

This is a very structured way I scalp any pair when setups appear:

Step1: use the H1 chart and look for overall bias. (what is your trend? Are we bullish or bearish)?

Step2: use the M15 chart and wait for a break of structure


From this image we can see that h1 is bullish, and we just got a M15 Break of structure. You will now mark up the candle that caused the BOS (Demand zone)

Step3: use the m5 to refine the m15 demand/supply zone or order block

Step4: on the m1 chart you will patiently wait for price to reach your zone and wait for it to break m1 structure.

Once price tapped in your zone and broke structure, you can enter in a trade from the demand/OB that caused the m1 BOS
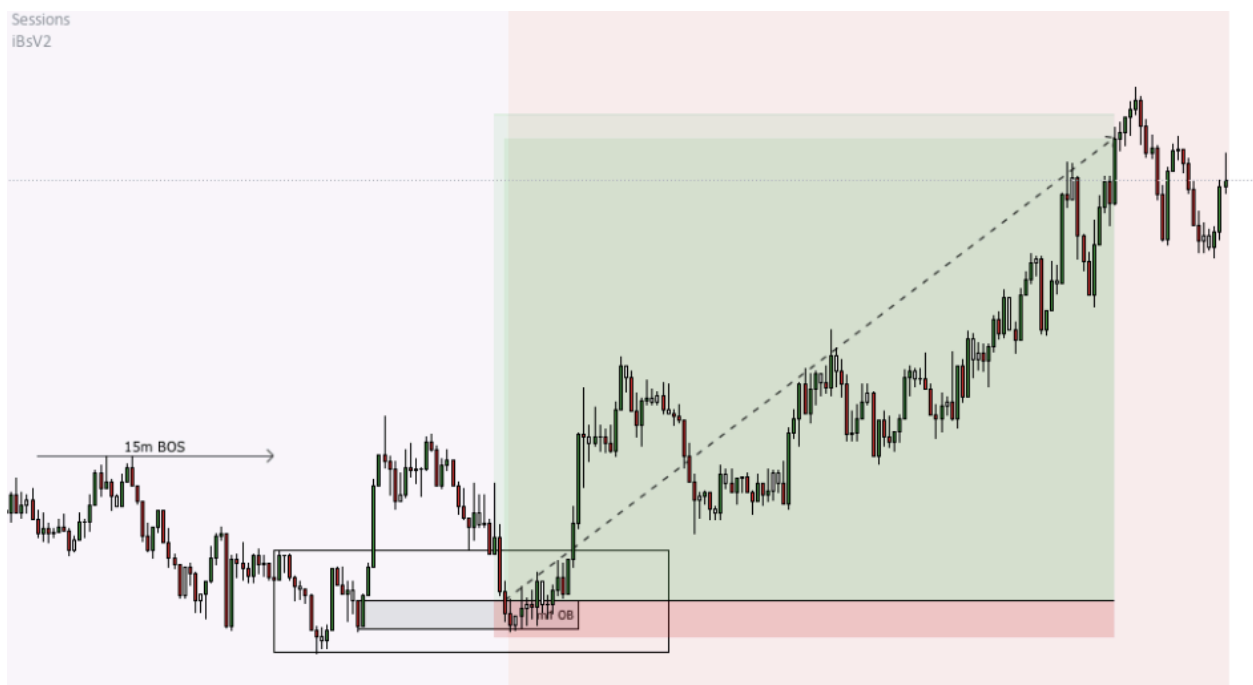
We can clearly see that when price reached out m5 zone, price then broke structure up and formed a full body to body order block. This is your ideal entry.

In terms of targets, look for double tops/bottoms, trendline liquidity, or major demand and supply zones.

Choch FX Trading plan checklist

1 Markup H4/Daily demand/supply zones
Is price reaching, and reacting to the zone?
(We do not care about this timeframe unless price is
reacting from one of the zones.)

2 Markup all m15 unmitigated supply/demand zones.

3 Use the m5 to refine the same unmitigated zone
a. If possible, and not confusing, refine it down to the
smallest time frame possible. (m4, m3, m2, m1)
1. If your refinement gives you more than one obvious
unmitigated zone, go back up to the timeframe which
provides ONE clear zone.
2. Use clear wicks, or full body candles (order blocks)

4 Pay attention to price on m1 and look at price when it
reaches or is reacting from one of your unmitigated zones.
a. Entry types:
1. DS/SD flips
2. Continuations
3. Choch

5 Target next unmitigated supply or demand zone/ obvious
double tops, bottoms, trendline liquidity.

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