

# Trading Strategies Roadmap

## Intraday Swing Strategy Table (Text-Only with Colors)

Previous Day Close	First Leg of the Day	Bias	Market Context	What to Watch For	What to Do	Why
● Negative	● Positive (Buying)	● Bearish	Morning buyers stepping in (pullback)	3 red candles below resistance	⌚ Wait → ▼ Short after support break	Weak buyers likely can't sustain. Sellers wait for exhaustion.
● Negative	▼ Negative (Selling)	● Bearish	Continuation of weakness	Halt or sideways move	⌚ Wait → ▼ Short on breakdown or LH	Selling pressure is present. Confirm next weakness before entry.
✓ Positive	▼ Negative (Selling)	● Bullish	Morning dip against trend	3 green candles forming support	⌚ Wait → ● Long on resistance breakout	Sellers fade early. Buyers likely to reclaim control.
✓ Positive	● Positive (Buying)	● Bullish	Buyers continuing yesterday's momentum	Halt or higher low (HL)	⌚ Wait → ● Long after breakout or HL	Confirm strength before joining momentum. Don't chase blindly.

## Key Logic Summary

### Setup Type

### Action

● Negative Close + ● Buying First

Wait → Short after structure

● Negative Close + ▼ Selling First

Wait → Short after halt

✓ Positive Close + ▼ Selling First

Wait → Long after structure

✓ Positive Close + ● Buying First

Wait → Long after confirmation

## ● Scenario 1: Previous Day Close = Negative, First Leg = ● Positive (Buying Swing)

🚩 Bias	Bearish (downside expected)
🎯 Expectation	Morning rise is a <b>pullback</b> , not a trend
⚠️ Risk	Trap for late buyers

### 🧠 Logic:

- A **negative close yesterday** tells us that **sellers dominated**, often due to institutional selling, weak market sentiment, or panic.
- If today opens with a **buying swing**, it **goes against the bias**.
- Many retail traders buy early, thinking it's a reversal — but institutions usually **use that bounce to re-enter shorts**.

### ✅ Strategy:

- **Do not short immediately** into strength — it's risky.
- **Wait for resistance formation**: 3 red candles in a zone = price failing to go higher = supply building.
- **Enter short** after the **support breaks**, confirming buyers have lost strength.

## ● Scenario 2: Previous Day Close = Negative, First Leg = ▼ Negative (Selling Swing)

🚩 Bias	Bearish
🎯 Expectation	Trend continuation
⚠️ Risk	Chasing the move too early

### 🧠 Logic:

- If sellers dominated yesterday **and** start dominating from the open today → strong continuation setup.
- However, even in strong trends, **markets don't fall in straight lines**.
- Chasing early breakdowns often results in **whipsaws or pullbacks**.

### ✅ Strategy:

- Let the first sell-off finish.
- **Wait for price to pause** (inside bars, sideways action, or small pullbacks).
- Once a **lower high or fresh weakness** appears, **enter short** on confirmation.
- You're participating **with trend**, but safely after structure confirms it.

## 🟢 Scenario 3: Previous Day Close = Positive, First Leg = ▼ Negative (Selling Swing)

📌 Bias	Bullish
🎯 Expectation	Morning weakness is a pullback
⚠️ Risk	Entering long too early into falling prices

### 🧠 Logic:

- A positive close implies strength, buying interest, or institutional support.
- If price opens weak today, it's often a **temporary dip**, not a reversal.
- However, **catching a falling knife** is dangerous.

### ✅ Strategy:

- Let sellers show their hand.
- Wait for **support to form** (3 green candles = buyers absorbing supply).
- Then, once **resistance is broken**, go long → buyers proving they're back in control.

## 🟢 Scenario 4: Previous Day Close = Positive, First Leg = 🟢 Positive (Buying Swing)

📌 Bias	Bullish	🔗
🎯 Expectation	Trend continuation	
⚠️ Risk	Chasing highs without structure	

### 🧠 Logic:

- Market closed strong yesterday, and opens strong today → buyers in control.
- Still, **markets breathe**: even strong moves pause, trap late buyers, or retest levels.

### ✅ Strategy:

- Do not enter blindly into early green candles.
- Wait for **a pause** (inside bar, HL pullback).
- Go long **after breakout** or **higher low confirms** the next leg.

## Why Wait for “3 Candle” Structure?

- 1 candle = noise
- 2 candles = reaction
- 3 candles = **market consensus**
- This filters out **fake moves** and gives you a **confirmed swing zone** to trade around.

## Big Picture Thinking

Principle	Meaning
Bias gives direction	Yesterday's close creates a directional expectation
Structure gives timing	Today's candles confirm when and how to enter
First swing defines setup	Whether it's a pullback or continuation
Confirmation avoids traps	You wait for market to speak clearly before acting

## What is a V-Shape Recovery?

A **V-shape** forms when:

- Price falls sharply (first leg)
  - Immediately reverses upward with equal or stronger momentum
- This traps early shorts (or longs) and changes intraday sentiment fast.

## If Previous Day Closed **NEGATIVE**, and Next Day forms a V-shape Recovery Up

Situation	Meaning	Action Plan
 Negative close	Sellers dominated yesterday	Prepare to short
 Morning fall	First leg follows bearish bias	Still bearish
 Sudden reversal	Strong reversal = <b>V-shape recovery</b>	Market structure is <b>changing</b>

### Logic:

- The market **traps early shorts** by reversing sharply.
- Buyers are **absorbing supply**, possibly showing fresh strength.
- Trend is shifting: your original short bias **is no longer valid**.

### ✔ What to Do:

- **Reclassify** this V-shape as a “**buying swing**”.
- Now wait for **resistance creation** (3 red candles).
- Then **short again** only **after support breaks**, treating this as a buying swing for a short setup.

### ✔ Summary (Negative Close + V-shape Recovery)

Step	What to Do
1	Recognize V-shape → buyers are strong
2	Don't short blindly on recovery high
3	Treat the V-reversal as a <b>buying swing</b>
4	Wait for resistance to form + support break
5	Then short <b>with confirmation</b> , not hope

### ● If Previous Day Closed **POSITIVE**, and Next Day forms a V-shape Drop and Recovery

Situation	Meaning	Action Plan
✔ Positive close	Bullish bias	Look for long
▾ Morning selloff	Pullback	Normal
● Fast recovery	Buyers reclaim con ↓	Bullish confirmation

## 🟢 If Previous Day Closed POSITIVE, and Next Day forms a V-shape Drop and Recovery

Situation	Meaning	Action Plan
✅ Positive close	Bullish bias	Look for long
📉 Morning selloff	Pullback	Normal
🟢 Fast recovery	Buyers reclaim control	Bullish confirmation

### ✅ What to Do:

- Again, treat the **recovery as a buying swing**.
- Wait for resistance breakout **after support formation** (3 green candles).
- Long after confirmation — just as your original plan said.

### 🧠 Key Principle:

**A V-shape recovery changes the structure**

It **invalidates the original swing** and creates a **new one** you must react to.

Instead of forcing a short in a V-shape reversal, **reset your plan** and reapply your rules to the new swing.

### 🎯 Why It Matters

A V-shape shows that the **initial move was rejected** strongly. It's often caused by:

Reason	Explanation	📄
🧠 Trapped traders	Traders who entered shorts (or longs) get squeezed.	
📦 Exhaustion of one side	The selling (or buying) power suddenly dies.	
👤 Institutional absorption	Big players absorb all the opposite orders, then push price back up (or down).	
⚡ News trigger	Event creates sharp panic, then gets absorbed or reversed instantly.	

### 🧠 V-Shape Psychology

Let's break it into 2 parts:

#### 1 First Leg Down (or Up):

- Price moves rapidly with momentum
- Traders jump in late (thinking trend will continue)
- Looks convincing at first

## 2 Instant Reversal:

- Price bounces **without base** (no consolidation)
  - Sharp candles in opposite direction
  - Traps the early traders (painful for them)
  - Stops get hit → leads to further fuel in opposite direction
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## Real Example Scenarios

### ▼ Negative Close Yesterday

→ Today opens with **falling price** (sellers dominate)

→ **Sudden recovery** → price shoots up → **V-shape**

### Thought Process

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Shorts are happy in the morning

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Suddenly, price reverses & climbs higher

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Those shorts now lose control, panic cover

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New buyers join → strength builds


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Result: **Short bias is invalidated**


### What to do:

- **Do NOT short the top** of the recovery
  - Treat the V-shape as a **new swing**
  - Wait for **3 red candles to form resistance**, then short after **support breaks**
  - OR: Join the long if structure allows
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### **Positive Close Yesterday**

 Today opens with **sharp selling**

 **Sudden bounce** → price fully recovers

 V-shape structure again

#### **Thought Process**

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Buyers panic in morning (thinking reversal)

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Sellers push — but price doesn't stay down

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Market bounces up quickly

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Buyers regain control, trend resumes

### What to do:

- Wait for 3 green candles (support) to form
- Then enter long after breakout above resistance

## Why V-Shape Is Tricky

Risk	Why it happens
 False signals	Early traders misread trend
 No time to react	Reversal is too quick
 Traders get trapped	In wrong direction or stop loss zones
 Emotionally exhausting	Triggers fear, greed, revenge trades

## How to React to a V-Shape

Step	Action
 1	Identify if V-shape is forming (fast reversal with no base)
 2	Cancel original bias immediately (it's invalidated)
 3	Wait for <b>structure</b> (3 candles: support/resistance)
 4	Trade <b>the new swing</b> , not the old one
 5	Always enter after <b>confirmation</b> , never during reversal

## Master Rule:

"Every V-shape is a failed swing. The failure is the clue. The recovery is the new direction."

Excellent question — the **inside candle** (a.k.a. inside bar or narrow range candle) is one of the most important candles at key levels like **support and resistance** — especially when you're swing trading or watching structure closely.

Let's deeply explore:

## 📌 What Is an Inside Candle?

- A candle that stays **within the high and low** of the previous candle.
- It shows **indecision, compression, or absorption**.
- Looks like the market is **pausing**.

### 📊 Example:

yaml

📄 Copy ✎ Edit

```
Previous Candle: High = 102, Low = 98
```

```
Inside Candle:   High = 101, Low = 99
```

The inside candle does not break out of the previous range — it's "hidden" inside.

## 🧠 Why Is the Inside Candle Important at Resistance or Support?

### 🔒 1. It Represents a Pause in Momentum

At **resistance**, when buyers are strong, you often see large bullish candles.

But when an inside candle appears:

- It means **momentum is slowing down**.
- Buyers are either exhausted or cautious.
- Sellers may start showing up.

At **support**, it shows **sellers are losing steam**.

### 📦 2. It Builds Pressure (Coiling)

Think of it like a **spring being compressed**.

- Multiple inside candles = **price tightening**
- Once it breaks (either side), it **explodes**
- The longer the compression, the **stronger the breakout/breakdown**

📌 Especially powerful at resistance or support zones, where one side must lose.

### □ 3. It Can Be a Trap or Confirmation

- At resistance, an inside candle followed by a **red candle** = confirmation of selling.
- At support, an inside candle followed by a **green candle** = confirmation of buying.

🔑 This gives you:

- **Entry trigger**
  - **Confirmation that one side is taking control**
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### 📊 4. Inside Candle = Stop Loss Tightener

- Once support or resistance is confirmed with an inside bar:
    - You can **enter with a small stop**
    - SL = high or low of the inside bar
    - This gives you a great **risk-reward ratio**
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### 🧠 5. It Reveals “Who’s Absorbing Whom”

- At resistance: If inside bar forms → sellers may be absorbing buyer orders.
- At support: If inside bar forms → buyers may be absorbing sell orders.

👉 **Absorption leads to reversal** or continuation with strength.

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## ✅ Inside Candle Checklist (Support/Resistance)

Question	Answer
Is the inside bar forming near a key level?	📌 Good sign
Is it following a strong move?	⚠️ Watch for trap
Does the next candle confirm breakout or breakdown?	✅ Entry signal
Can I use the inside candle to define risk?	✅ Yes – SL just outside the range

## 🔄 Summary: Why It's So Valuable

At Resistance	At Support
Signals buyers may be tired	Signals sellers may be tired
Wait for red candle next to confirm short	Wait for green candle next to confirm long
Entry: After breakdown of inside bar low	Entry: After breakout of inside bar high

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