

MASTER THE LIQUIDITY



TRADE WITH JATT
TRADE CONFIDENTLY

A Quick Revision For The Traders

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Introduction

Master the Liquidity is a practical revision book designed for traders who want clarity, not complexity. This book focuses on liquidity, structure, and execution — the core concepts that actually move the market. There are no indicators, no hype, and no unnecessary theory.

Each page covers one concept only, written in a simple and direct way so that:

- You can revise your full trading model quickly
- Students can understand concepts without confusion
- Decision-making becomes clean and rule-based

This book is not about predicting the market. It is about understanding where liquidity is and how price reacts around it.

Read it before the trading session, after market close, or anytime your mindset needs a reset.

Order Block

What Is An Order Block

What is an Order Block?

An Order Block is the last bullish or bearish candle before a strong institutional move.

How is it formed?

- Price moves in a range
- A strong impulsive move happens
- The candle before that impulse = Order Block

Types:

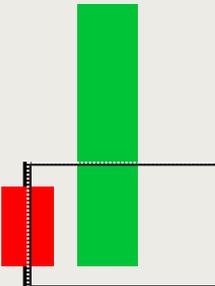
- Bullish OB → last bearish candle before a strong upward move
- Bearish OB → last bullish candle before a strong downward move

How to use it?

- Mark OB as a zone, not a line
- Wait for price to return to OB
- Enter on rejection
- SL below/above OB

Example mindset:

Price returns to OB + rejection → valid trade setup



Fair Value Gap

What Is A FVG

Fair Value Gap is an imbalance created when price moves aggressively.

How is it formed?

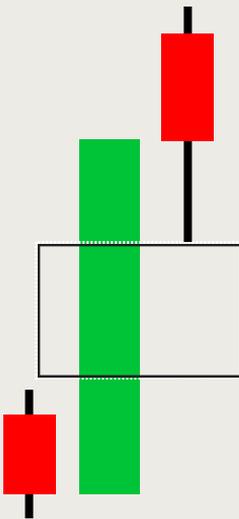
- Strong impulsive move
- 3-candle structure
- Imbalance between candle 1 and candle 3

Types:

- Bullish FVG → buy reaction expected
- Bearish FVG → sell reaction expected

Rule:

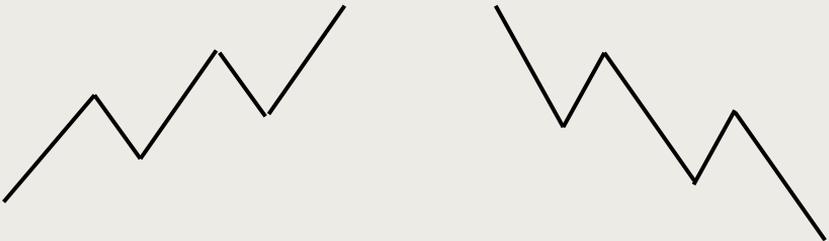
Market often fills FVG before continuing the move



Trend

What Is Trend

- Trade only in the direction of the trend
- Trend is defined from H1 bias
- Bullish trend:
 - Price targets Sell-Side Liquidity (SSL)
 - Buy only after SSL sweep
- Bearish trend:
 - Price targets Buy-Side Liquidity (BSL)
 - Sell only after BSL sweep
- Counter-trend trades are not allowed



Daily BIAS

What Is A Daily BIAS

What is Daily Bias?

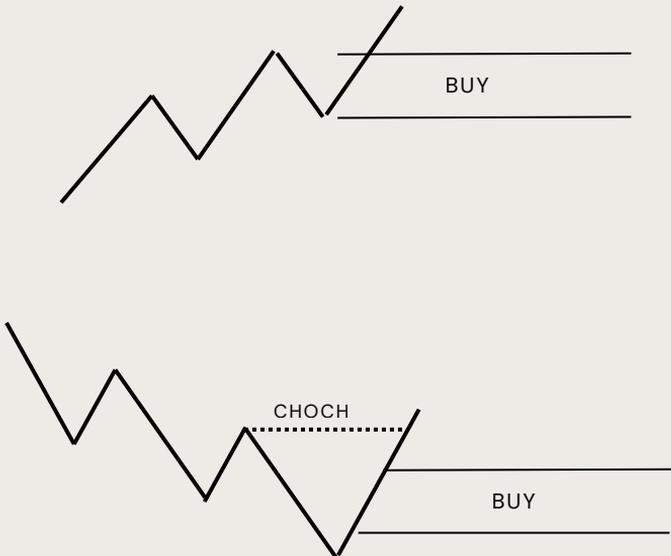
The overall direction of the market for the day.

How to identify?

- Daily / H4 market structure
- Liquidity location
- Previous day high & low

Rule:

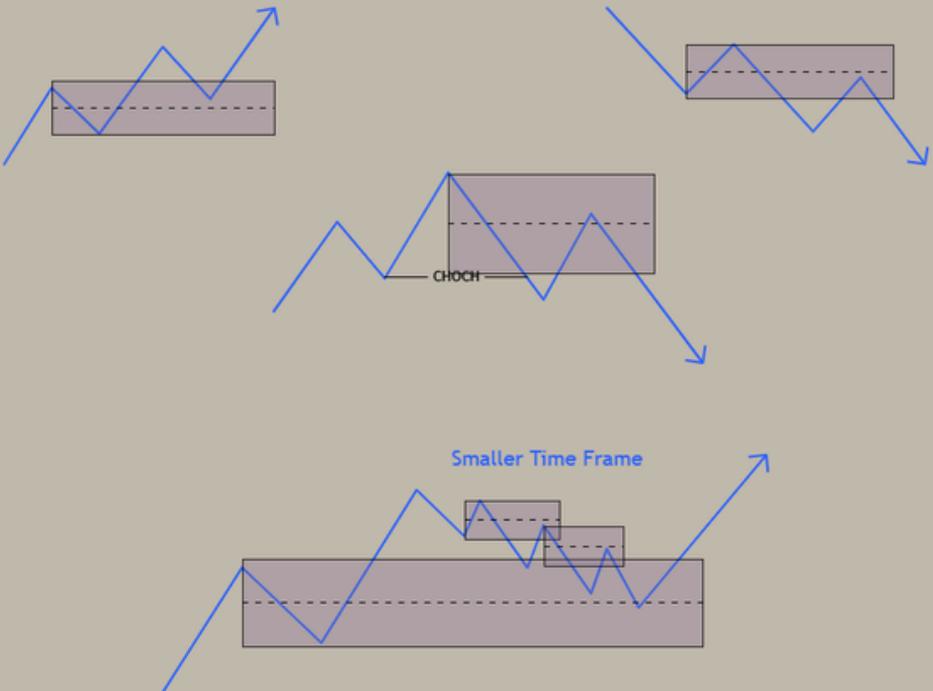
Trades against daily bias are low probability



An Example Of Daily BIAS

Daily BIAS

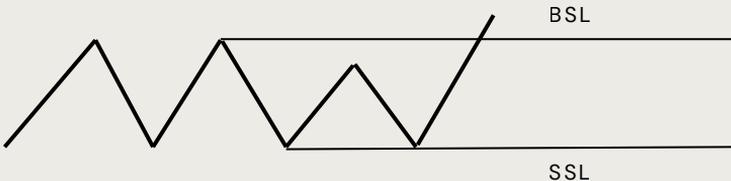
Daily BIAS Is Only Trend Marking And Finding A Perfect POI In 1 Hour Time Frame



SSL/BSL Liquidity

What Is A SSL/BSL

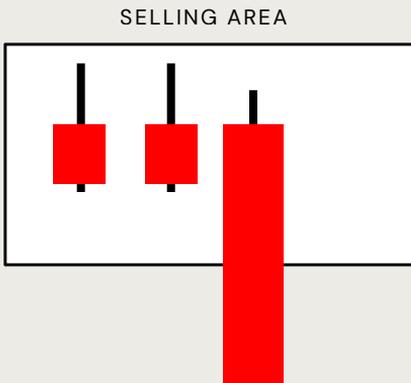
- Sell-Side Liquidity (SSL):
- Liquidity below price
- Formed under equal lows / weak lows
- Retail buy traders' stop losses
- Price often moves down to collect SSL before buying
- Buy-Side Liquidity (BSL):
- Liquidity above price
- Formed above equal highs / weak highs
- Retail sell traders' stop losses
- Price often moves up to collect BSL before selling
- Trading Rule:
- Liquidity must be taken first
- After SSL/BSL sweep:
- Look for OB or FVG
- Then wait for confirmation



2 Candle Rejection

What Is A 2 Candle Rejection

- What is it?
- A rejection pattern formed by two candles at a key level.
- Structure:
 - First candle → test of level
 - Second candle → strong opposite close
- Meaning:
 - Smart money rejected price



Momentum Shift

What Is A Momentum Shift

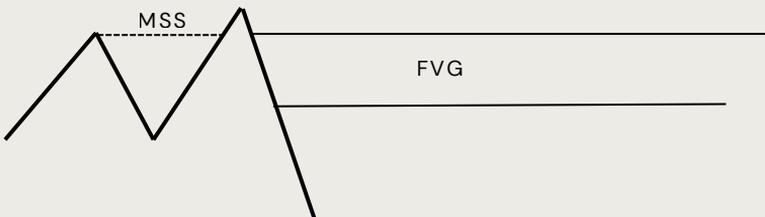
- What is Momentum Shift?
- A Momentum Shift is when the market changes direction after absorbing liquidity. This indicates that smart money has taken control.
- How to identify:
 - Previous structure breaks (BOS / CHoCH)
 - Liquidity taken from SSL/BSL
 - Price reacts strongly in opposite direction
 - Candle patterns showing strong impulsive moves

Rule:

Momentum shift confirms potential trade setup in the direction of smart money.

Example mindset:

Price sweeps liquidity below previous lows → strong bullish momentum shift → enter long on confirmation

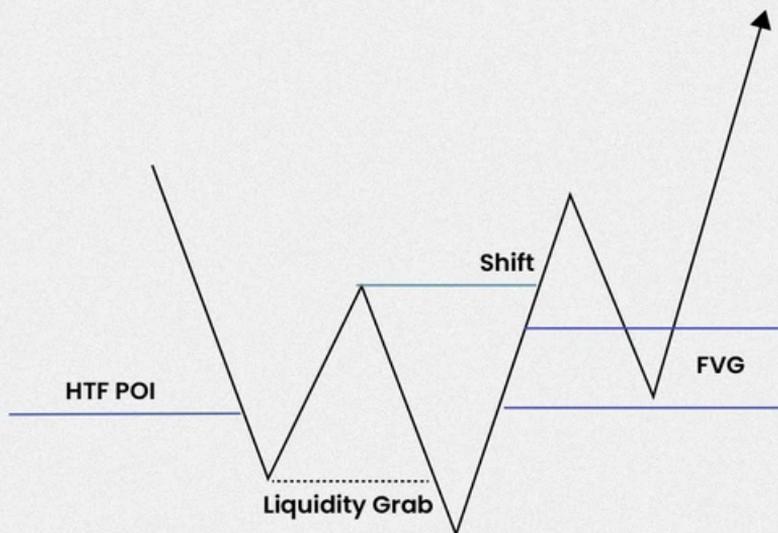


Entry Process (Step-by-Step)

- My Personal Entry Workflow:
 - Daily Trend:
 - Check the 1-day chart for overall trend direction
 - H4 Liquidity:
 - Identify major liquidity levels (SSL/BSL) on the 4-hour chart
 - 1-Hour Analysis:
 - Check liquidity zones + daily bias + trend alignment
 - OB / FVG Check:
 - Move to 30-min or 15-min chart
 - Identify OB and FVG for potential entries
 - Entry Models:
 - Zoom into 15-min or 5-min charts
 - Apply pre-defined entry models for precision
 - 1-Min Confirmation:
 - Watch 1-minute chart for 2-candle rejection or pattern confirmation
 - Enter trade once confirmed
 - Rule:
 - Always align entry with trend, liquidity, and momentum shift for high probability trades.

MODEL 1: HTF POI + SHIFT + FVG

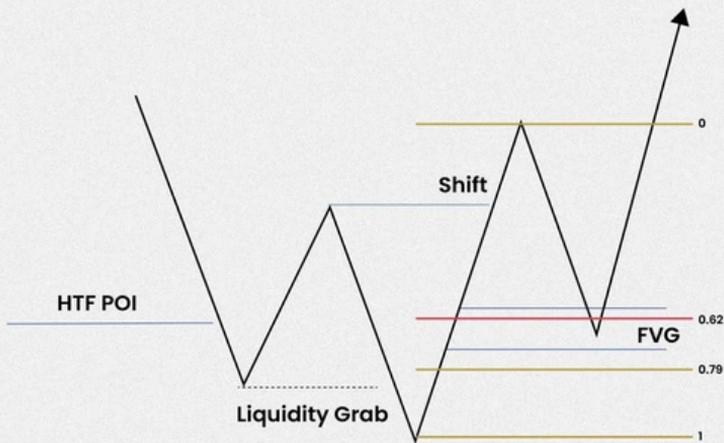
- HTF Liquidity Grab
- HTF POI
- MSS (shift)
- FVG in Discount
- Good Risk to Reward



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MODEL 3: HTF POI + SHIFT + FVG + OTE

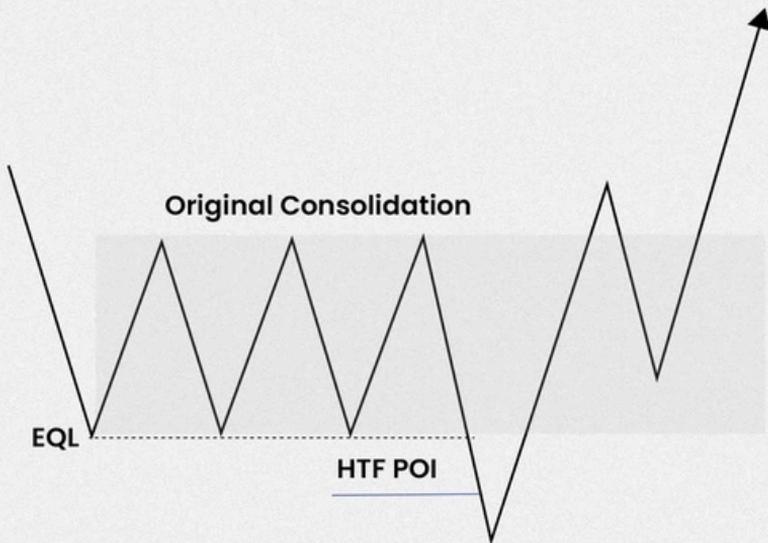
- HTF Liquidity Grab
- HTF POI
- MSS (shift)
- FVG in Discount (0.62% to 0.79%)
- Good Risk to Reward



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MODEL 4: BOX SETUP

- Consolidation Range
- HTF Liquidity Grab
- HTF POI
- Retest to Original Consolidation
- Good Risk to Reward



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Psychology

- Mindset is everything in trading.
- Control your emotions: Fear and greed destroy accounts faster than bad setups.
- Focus on the process, not the result: Win or loss doesn't define your skill; consistent decision-making does.
- Detach from individual trades: Each trade is a piece of data, not a personal battle.
- Confidence from preparation: Knowing your workflow, OBs, FVGs, and entry models builds calmness.
- Visualize patience: Picture yourself waiting for setups, not chasing the market.
- Practice mantra:
- "I trade setups, not impulses. I follow liquidity, structure, and momentum."
- Reading this page daily will condition your mind to think like smart money, reduce impulsive trades, and strengthen your patience.

Patience in Trading

- Wait for confirmation: Price may touch OB/FVG multiple times; enter only on reaction.
- Avoid overtrading: Missing a setup is better than forcing a low-probability trade.
- Stick to your plan: Your rules are stronger than any market movement.
- Track and review: Observe setups that worked and didn't; learn from waiting, not rushing.
- Patience is the edge that separates consistent traders from impulsive players.

Discipline & Journal Practice

- Discipline: Stick to your trading rules regardless of market outcomes. Avoid impulsive entries and always follow your workflow.
- Daily Journal: Record every trade with details: setup, entry, exit, SL, reason, emotion, and result.
- Review Weekly: Identify patterns of mistakes, successes, and areas for improvement.
- Mental Clarity: Journaling builds focus and keeps your psychology in check.
- Continuous Learning: Every entry, win or loss, is data to refine your strategy and mindset.
- Discipline + Journal = Trading consistency and growth.

Trading Rules & Execution Plan

- Trading Rules & Execution Plan (Smart Money Concept)
- 1. Understanding Retail Behavior
- Before taking any trade, observe what retail traders are doing
- The market must take liquidity first
- No liquidity taken = No trade
- 2. Entry Confirmation
- A valid Market Structure Shift (MSS) is preferred
- If MSS is not present, then:
- At least two strong rejection candles must appear on the chart
- Never enter without confirmation
- 3. Avoid Random OBs and FVGs
- Not every Order Block (OB) or Fair Value Gap (FVG) is valid
- Mark only those OBs and FVGs that align with your strategy
- Do not mark unnecessary or random zones

- Always determine the 1 Hour (H1) bias first
- Trades must follow this bias
- After bias confirmation:
- Identify the Point of Interest (POI)
- 5. Lower Timeframe Execution (30M – 5M)
- Take only trend-based trades
- For Buy setups:
- Order Block above Sell-Side Liquidity (SSL)
- For Sell setups:
- Order Block below Buy-Side Liquidity (BSL)
- Strong FVGs can also be used
- These areas provide higher-probability trades
- 6. Liquidity Confirmation
- Liquidity must be identified on the 1 Hour timeframe
- Liquidity must also be present on lower timeframes (30M–5M):
- Equal highs / equal lows
- Internal liquidity
- Liquidity confirmation on both timeframes is mandatory
- Core Rule
- Bias → Liquidity → POI → Confirmation → Entry
- If this sequence is not present, do not trade.

Final Reminder

- Clear concepts make strategy simple. Confusion leads to overtrading.
- Extra Notes / Wisdom:
- Discipline > Luck: Your account grows with rules, not predictions.
- Review & Learn: Keep a trade journal and learn from each move.
- Adapt, don't guess: Market evolves, so stay flexible and aware.
- Mindset matters: Trading is 70% psychology, 30% skill.
- — Trade With Jatt



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