

Market Structure

The foundation behind every trade you take.

What is Market Structure?

Market structure is how price moves, forming highs and lows that show direction. It's the foundation of every trade, because it tells you whether to look for buys or sells and keeps your decisions aligned with the market.

Why does it matter?

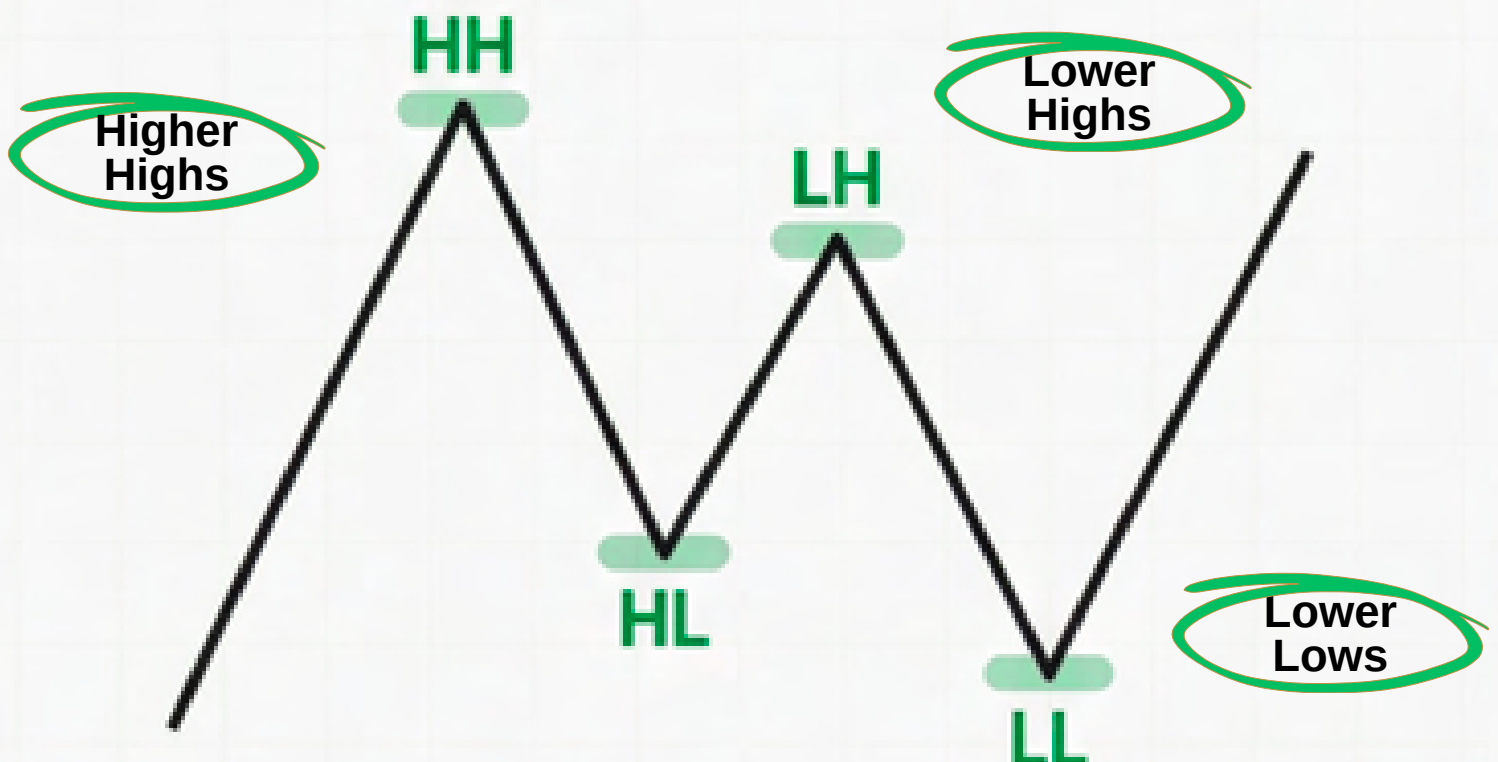
It tells you what the market is actually doing.

Without structure, you're guessing.

With structure, you know whether to look for buys or sells, where price is likely to react, and when a move might be changing.

What are the 3 states?

- Uptrend → price is moving higher (higher highs & higher lows) **BULLISH**
- Downtrend → price is moving lower (lower highs & lower lows) **BEARISH**
- Range → price is moving sideways (no clear direction) **SIDEWAYS**



Higher Highs Higher Lows

What does it mean?

Each new peak is higher than the last, and each pullback stays above the previous low, showing buyers are in control.

If highs and lows are both moving up → the trend is up = **BULLISH** trend.

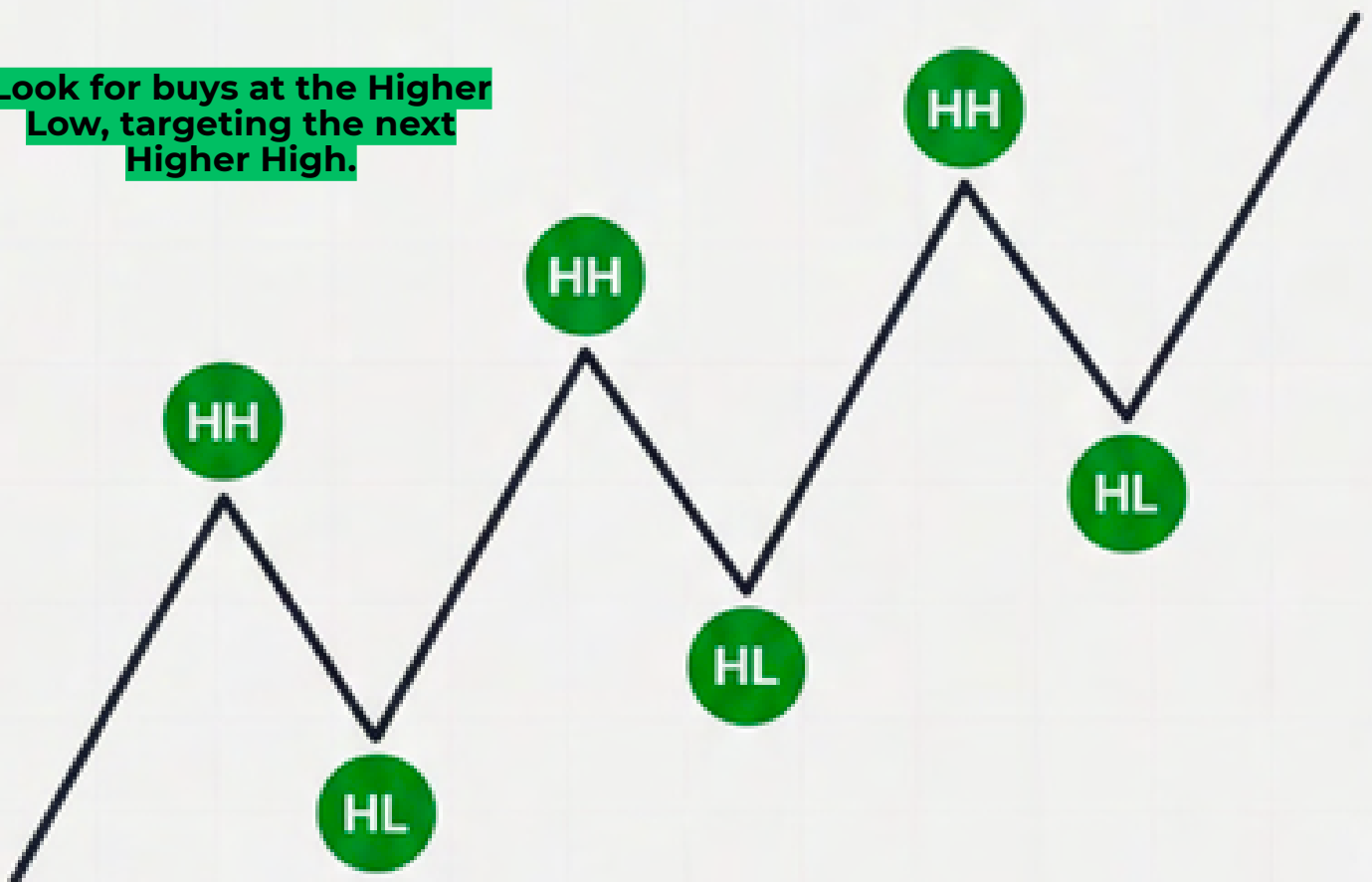
How to mark it?

Mark each peak and pullback — if both keep moving higher, it's an uptrend.

Why does Timeframe matter?

Timeframe matters because higher highs and higher lows can look different depending on the scale. HH/HL on D1 is more powerful than on M5.

Look for buys at the Higher Low, targeting the next Higher High.



Higher Highs Higher Lows

What does it mean?

When price is unable to make a new High, the market is struggling to continue upward, which often signals a possible shift or weakening of the uptrend.

Each Lower High shows buyers failed to push past the last peak. Each Lower Low shows sellers are in control. Together = **BEARISH** trend.

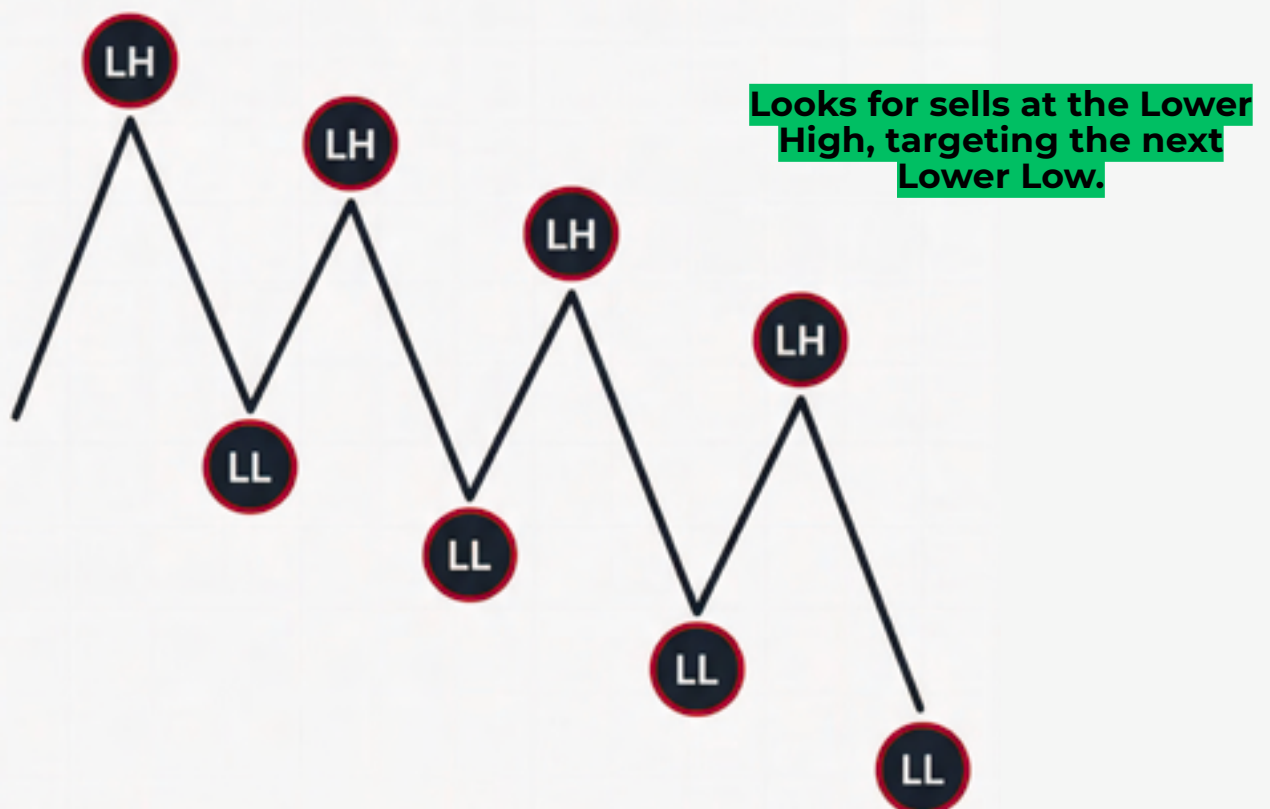
How to spot the shift?

- Price stops making HH
- Then breaks a HL
- And starts forming LH and LL

That shift shows buyers are losing control and sellers may be taking over.

Why does Timeframe matter?

LH/LL on weekly + daily = very strong **BEARISH** bias.



Change of Character

The first signal that the trend might be reversing.

Everything you need to know about CHoCH:

What is Change of Character (CHoCH)?

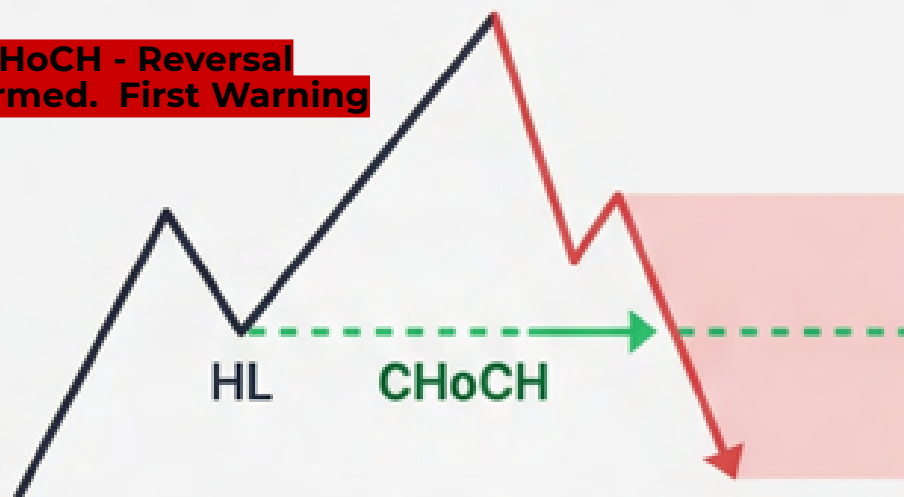
When the market shows the first sign that the trend is changing direction. When price stops following the current trend and breaks structure in the opposite direction, like an uptrend starting to show weakness and potentially turning into a downtrend (or vice versa).

How to identify it?

By watching for a break in the current market structure.

- In an uptrend, price stops making higher highs and breaks a higher low
- In a downtrend, price stops making lower lows and breaks a lower high
- You often see momentum slow down before the break happens
- The break should be clear and followed by a move in the opposite direction

CHoCH - Reversal confirmed. First Warning



CHoCH in Practice

CHoCH starts the trend.

↘ CHoCH on HTF

CHoCH on Weekly or Daily is Major

DO NOT Ignore it.

RE-EVALUATE your entry bias.

↘ CHoCH on LTF

CHoCH on 15M or 5M signals short term reversal..

Use for entry timing, not bias.

↘ Miskake

Treating every CHoCH as a reversal.

Confirm with Liquidity sweep + POI before trading it.

↘ CHoCH Checklist

Simple rule: If structure breaks and momentum flips — a CHoCH may be happening.

- Has price stopped making higher highs or lower lows?
- Has a key structure level been broken (previous high or low)?
- Is there a clear shift in momentum (slowing trend or strong reversal candle)?
- Did price break structure in the opposite direction of the trend?
- Is the break clean and not just a small wick or fake move?
- Has price started forming the opposite structure after the break?

Break of Structure

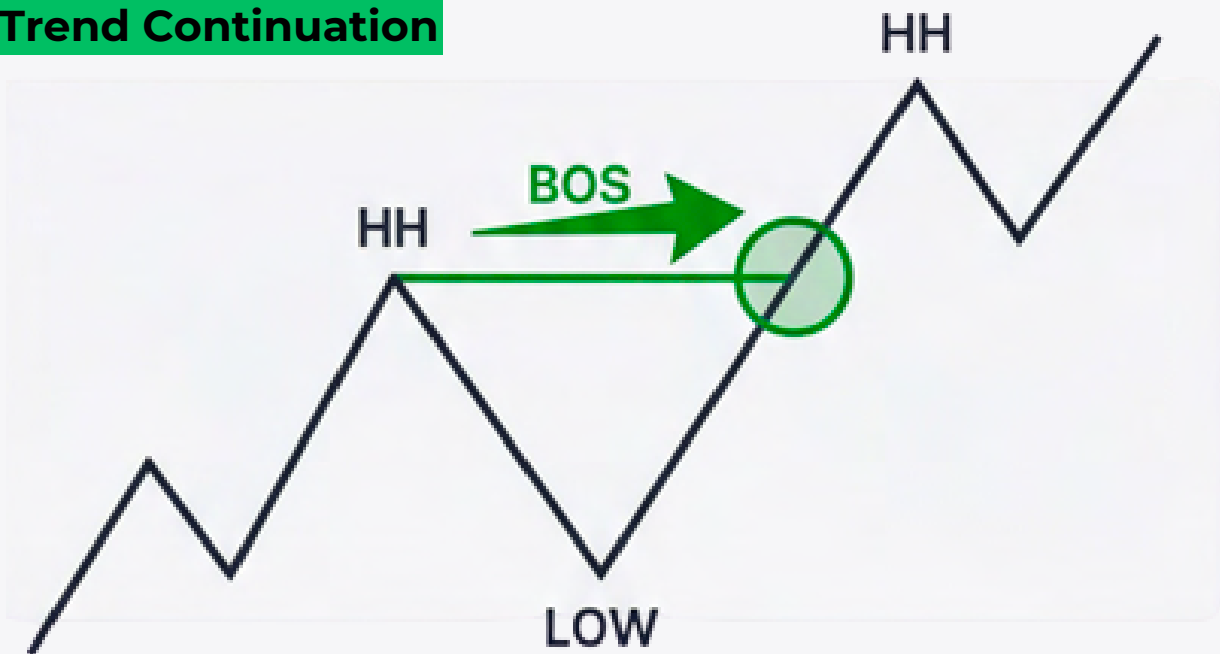
BOS confirms the trend. CHoCH starts it.

What is BOS?

A Break of Structure (BOS) happens when price continues in the direction of the trend and breaks the previous key swing high or low. A BOS confirms that the current trend is still strong and continuing in the same direction.

- In an uptrend, price makes a new higher high (breaking the previous high)
- In a downtrend, price makes a new lower low (breaking the previous low)

BOS Trend Continuation



↙ BOS BULLISH:

- Price breaks above the last Higher High.
- High Trend is strong
- Look for buys on pullback.

↘ BOS BEARISH:

- Price breaks below the last Lower Low.
- Low Trend is strong
- Look for sells on pullback.

Good CHoCH

Bad CHoCH

↘ Good CHoCH

A good CHoCH is when price grabs liquidity, then clearly flips direction with strong momentum.

- Price swept liquidity before breaking
- Strong impulsive move breaks structure
- Aligns with HTF bias
- Clear POI (OB or FVG) left behind
- Sharp move
- Minimal overlap

↘ Bad CHoCH

A bad CHoCH is messy price action that looks like a shift, but lacks strength and follow-through.

- No clear liquidity sweep before the move
- Price doesn't clearly break structure
- Does not align with higher timeframe direction
- Weak or slow move, not impulsive
- Lots of overlap and confusion

↘ Filter Rule:

Not all CHoCH are created equal. LEARN TO FILTER.
before calling a CHoCH valid, ask:

- Did price grab liquidity first?
- If No, its probably a trap.

BOS Vs CHoCH

↘ BOS Break of Structure

- Goes with the trend
- Confirms continuation
- Look for entries in the trend direction
- More reliable signal

↘ CHoCH Change of Character

- Goes against the trend
- Signals possible reversal
- Wait for more confirmation
- Higher risk signal

↘ How to use both together:

- Start with CHoCH → spot the potential shift
- Then wait for BOS → confirm the new direction
- Then trade with the new structure

HIGH PROBABILITY BOS

Followed by sharp move, no overlap.

LOW PROBABILITY BOS

Slow grind, lots of wicks.

FALSE BOS

Price closes back inside - invalidated.

Market Structure Shift (MSS)

What is MSS?

When the market clearly changes direction. The market has not just hinted at a change — it's starting to move in a new direction.

CHoCH with liquidity sweep attached, that's what makes it powerful.

It's similar to a CHoCH, but often shows a stronger, more confirmed shift in momentum.

MSS step by step:

1. Identify the current trend (Uptrend or downtrend)
2. Watch for weakness (price slows down or struggles to make new highs/lows)
3. Liquidity is taken (price sweeps a key high or low)
4. Structure breaks in the opposite direction (A strong move breaks the previous key level)
5. Momentum shifts (price moves decisively in the new direction)
6. New structure begins forming (higher highs/lows (bullish) or lower highs/lows (bearish))

MSS vs CHoCH

CHoCH = structure breaks.

MSS = liquidity swept THEN structure breaks.

MSS is the higher quality signal.

