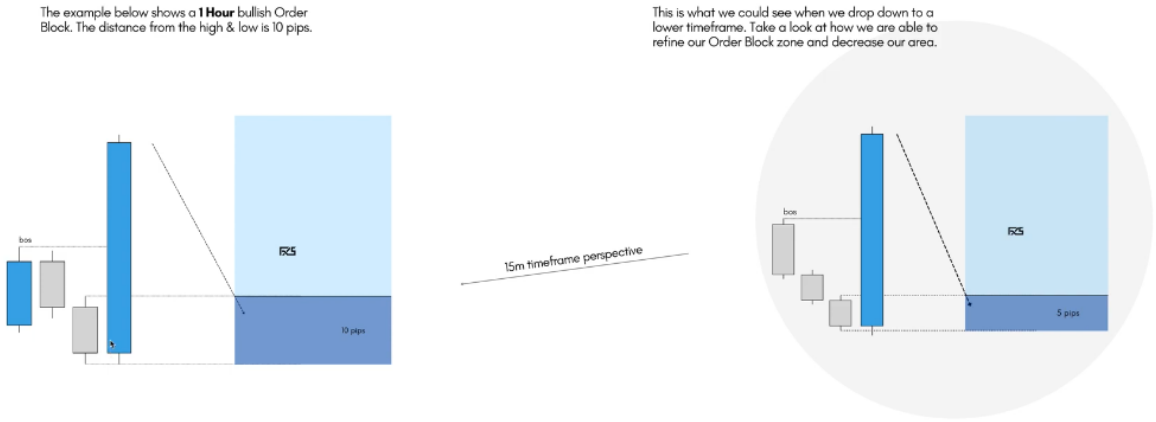
Lower Timeframe Order Block Refinement

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So first thing we need to do with OBs is we can refine them down when possible. So its important for us to note where that momentum has come into the market. Meaning where have the institutions previously got in. Because what happens is wherever that momentum started, price will **usually** come back to that area to mitigate and then for price to continue its move, wheter that be to the upside or to the downside.

The reason why refining OBs down on LTF is beneficial to us is because it tightens our AOI, meaning we can get in more precise with a tighter stop loss, and usually decrease our drawdown on a trade. It will also give us the chance to increase our RR on our trades, so we can get a better return.



Now the examples show and OB refinement. So lets start, this is showing a **1h** bullish OB. So we had this BOS, this is the last down candle before the up move that BOS. So this would be our OB, we take the high and the low. So here our stop is 10 pips.

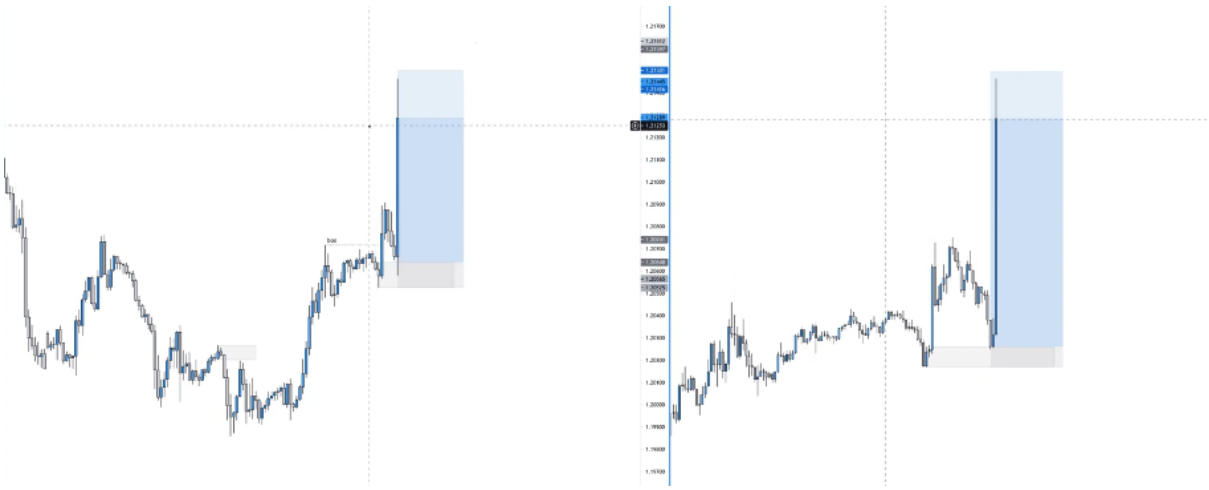
Now if we look at a 15m perpective as we can see, this is what we could be seeing when we drop down from a 1h to a 15m. Take a look at how we are able to refine our OB an decrease our area.

So this is what we can see on 1h, and I know its only 3 candles but when we drop down to 15m we can look at right where is that momentum come into the market. In this example is this candle here which also BOS, this is the last down move, and this down move on 15m could be 5 pips.

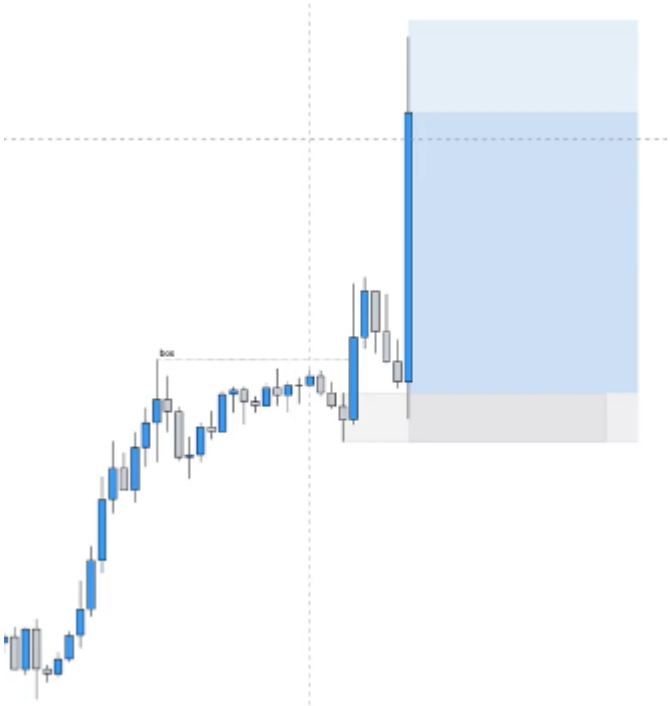
So 10 pips for an 1h OB refine down to the 15m to 5 pips.

Now what this means for our entry and stop loss?

Is we can obviously get in with half the size of a stop loss, meaning more precision, more RR and potentially less drawdown on a trade. So this is what it means by LTF refinement.



So first example we are gonna be looking at is a bullish OB refinement. Here on left is an 1h on AU, and this chart on the right is the 15m.



Now if we zoom in on 1h chart, what we have? We had a high, a pullback and then we did BOS. So we put in a new HH, and have a clear OB right here. So we take the last down move before the BOS.

Now if we entered in purely of this, we would enter at the top with our stop loss at the bottom, and we had 11 pips.





Now if we look to the right and see if we can refine it down, this the 15m. Now we can see the 1h OB on 15m like this.

Can we refine it down? So where has the momentum come in? Well its clearly come in on this candle here. We can see how large and momentous this candle is. Now what we can do is refine our 1h OB down to well firstly where is the last down candle or its this one here, but if we take the next candle we haven´t engulfed the OB. So lets refine it down to this candle here, and what thats essentially doing is taking our stop loss for which was over here on 1h at 11 pips, refining it down to 6 pips.

So if we look at where price is, we can see we tapped in perfectly here, we would be running at 11.15RR and over the left 1h OB, we had be running at around 5.6RR.

So we can see we have pretty much what we have doubled our return, just by understanding refinement and how we can be more precise.

So can we take this even a step further?



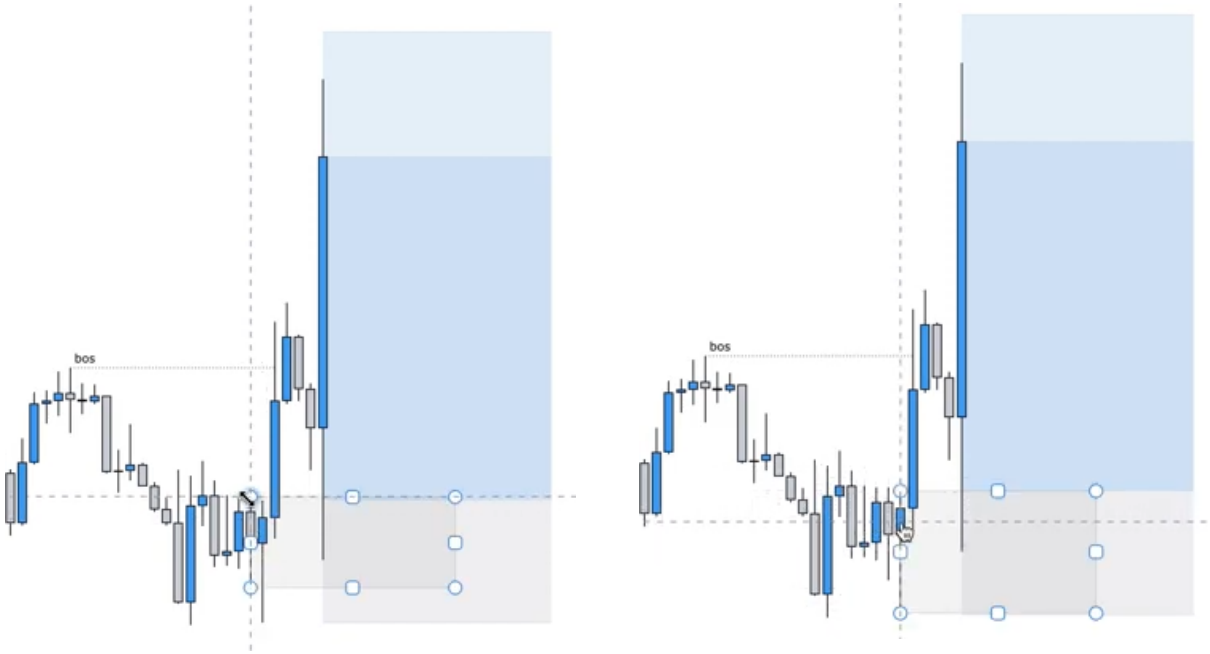
Yep. Well if we look at the next candle, we can see we have this little doji candle here, it isn´t showing any momentum, and it still hasn´t engulfed the OB, so we can take it a step further and look at this as our OB here.

As we can see, price impulsed up and we come back and we tapped in, so we can refine our zone even more. So technically speaking we can have a 3.5 pip stop loss.

Now do I recommend it?

Not really, because we have the low that we used before to mark our OB, so we can still account for the low, but the concept remais, we tapped in where the momentum began, tapped in perfectly and then we saw the move to the upside.

So if we can refine it down to this candle, we are looking at 3.5 pips, and our trade would be running just short 19% in one candle. So thats the power of refinement and looking to see where that momentum is come into the market.



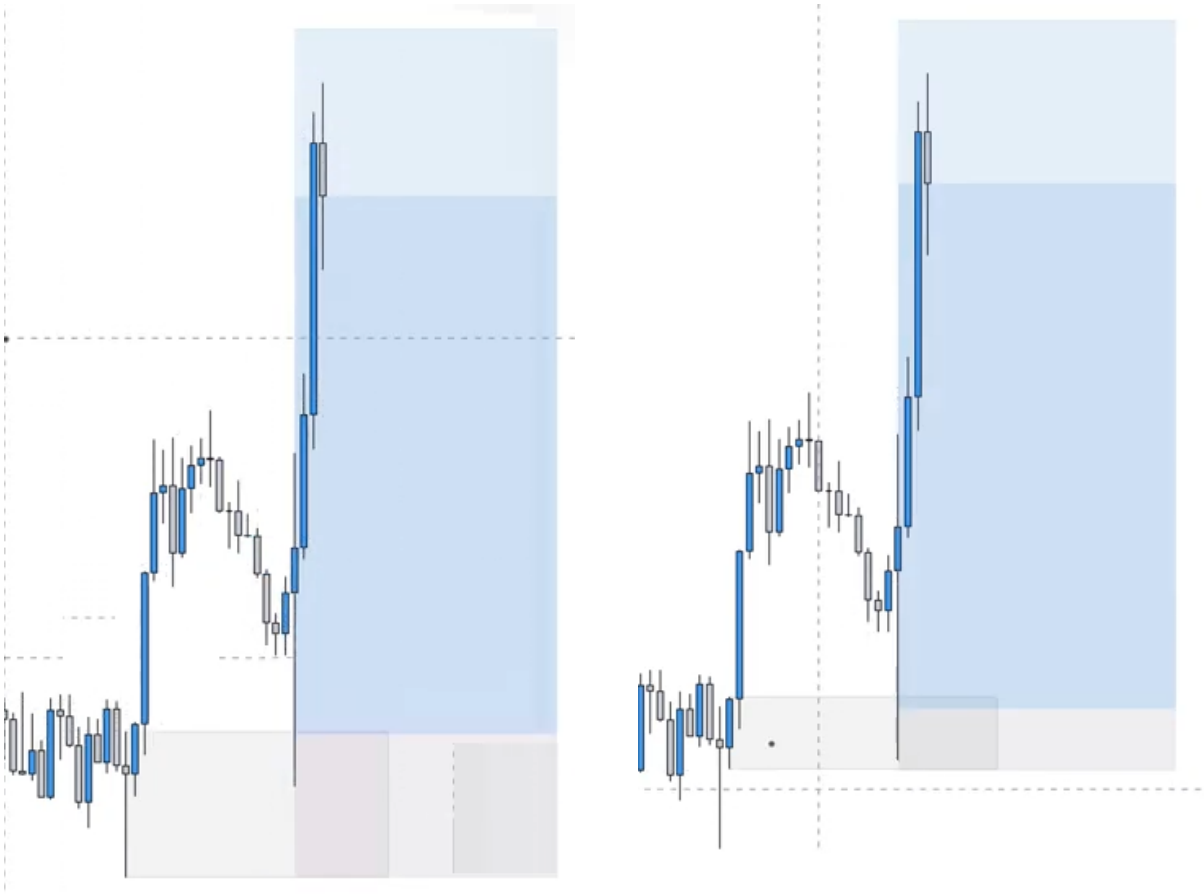
Now lets go to other example at EU. Taking another look at EU, again we had the 1h on the left, and the 15m on the right. So starting on the 1h, we had an impulsive move up above structure, as we can see, we BOS. So that give us a OB to work with.

So we have this last down move, before the up move, but the next candle didn´t show any momentum and it didn´t engulf the OB.

So we refine it down. Now in this case we do have a large wick so the area to work with is larger. So it comes down to our own preference on what candle we wanna take.

So we are gonna take this refined, because this is the last move in this consolidation, before the expansion out. We can see we BOS and we pulled back, we tapped in and then we continue to the upside.

Now if we measure from the high and the low we are looking at 17.6 pips and running around 2.8RR.



Now 15m, what do we have? We have the last down move with this large wick before expanded out of this consolidation range.

We then tapped back in, but we can refine this down even more. So firstly if we just say we entered with a limit order as price come back in, stop loss would be 14 pips, but we can still refine it down even more.

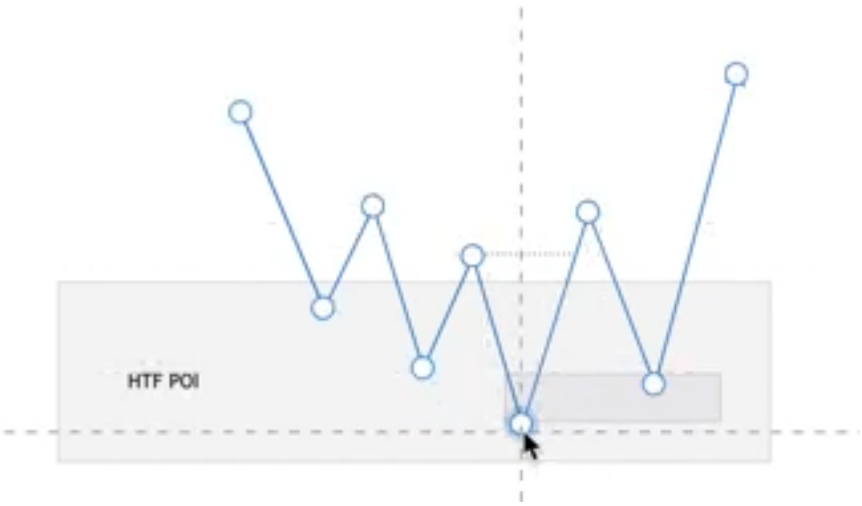
So we can take this candle and look at the next one, because we haven´t shown any real momentum, so this is the candle that we can be looking at to take, because we can see the next candle is when we actually got a breakout of this range, so the momentum came in on this candle.

So what this allows us to do is reduce our stop loss from 14 pips down to as little as 6 pips.

Now obviously we wanna account for a couple pips but lets just go with this for now. So we can see we tapped in perfectly but then continue to the upside.

So we had 4.8RR with previous candle OB, but as we can refine it to 6 pips we have doubled more than doubled our profit to 10.3RR.

So we can see the power of this refinement, now obviously this are risky entries, if we are just placing entries without no confirmation once price comes in.



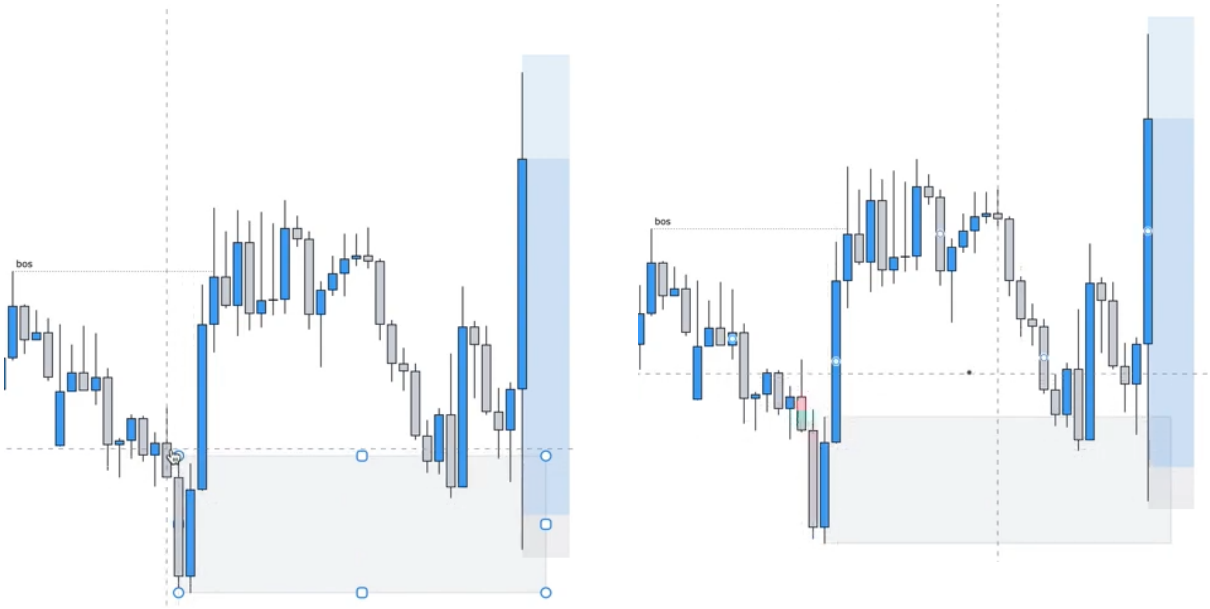
Now we will get into how we can wait for more information. A quick little tip of what we look for once price taps in on a 1h or 15m OB into the OB, we can drop to a LTF like 5m or 1m, or even a 30s and what we are looking for is essentially priced to tap in just like this and then show us the BOS.

So just like we have here where we know price is BOS, we wanna see it on a LTF. So just like this we wanna see a nice impulse up which will look like this. So we can see we broke above structure, so we had this LL, LH, a BOS and lets just say that this is a HTF POI or OB.

So we tapped in and then we wanna see that LTF BOS which will then create an OB on the LTF. So this gives us more confirmation, a lot more confirmation rather than taking riskier entries, with the one tap and then go.

We are waiting for price to show its hand and once get this BOS, we can then obviously enter.

We have a very tight stop loss and this is how we are able to get involved with like a one, two, or three pips stop loss, and then obviously have a really good RR in trades.

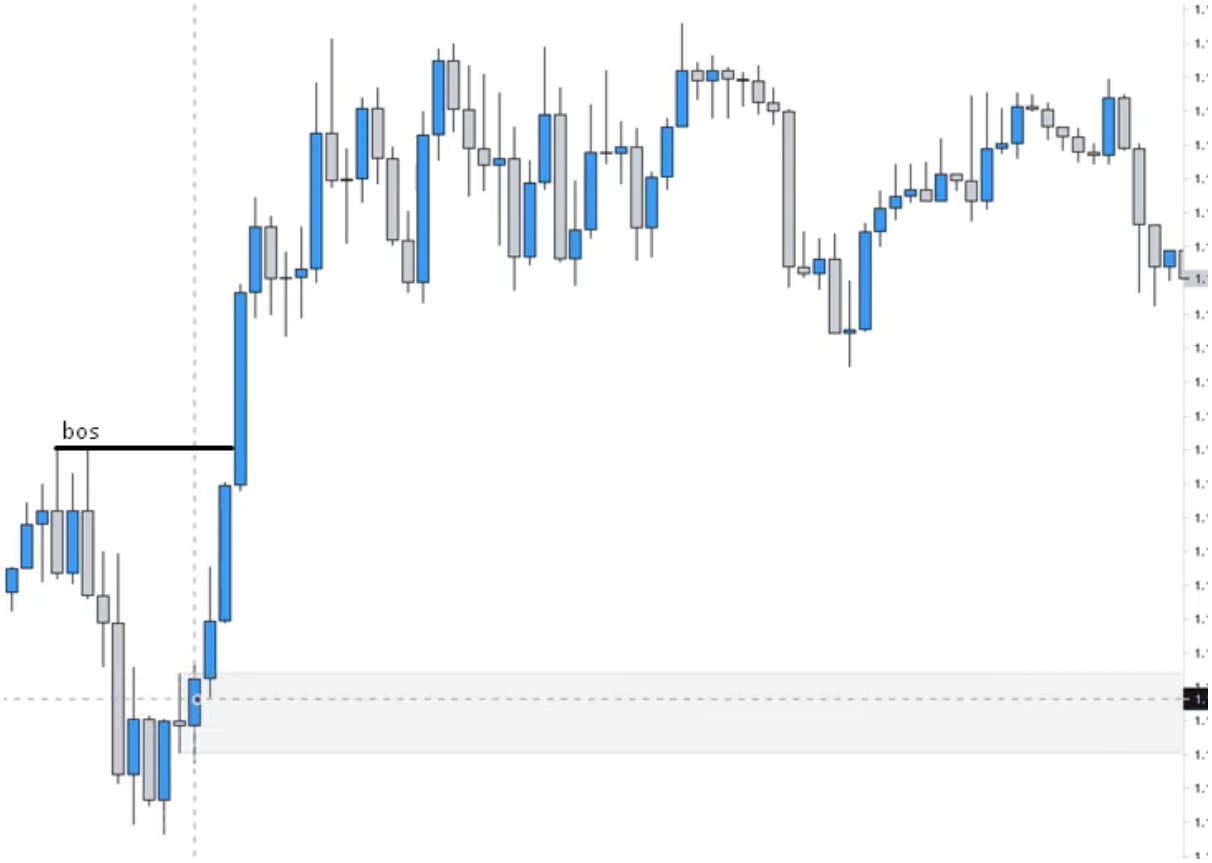


So next example we have pretty much the same thing, but I wanna drill this concept as much as I can because its very powerful. So here we have 1h, we impulsed up BOS, so this is where the move initiated from.

So we have the last down move here, but we can refine it down to this candle here, just like that. Which gives us a OB of 15.8 pips.

So once we pushed off, we can set our entry, and we would have got tagged in on this candle here. Now our stop loss would need to be as high as 15.7 pips. So we can see tapped in once, twice, again we pushed off, but then we come back in to push lower, before we then pushed off and BOS.

Now 15.7 pips is a very large stop loss size, so lets see how we can refine it down on the 15m.



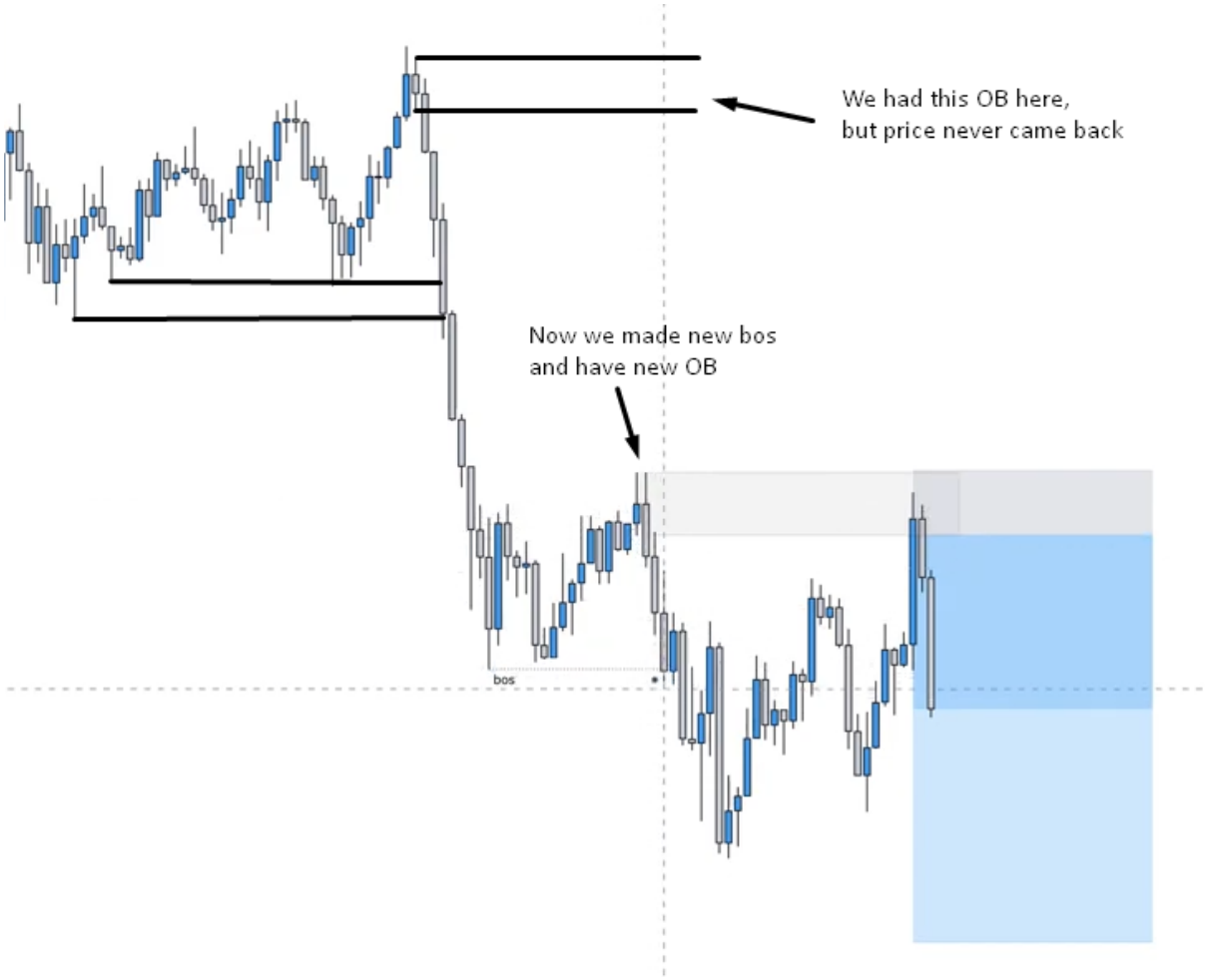
So here is the 15m, now that this is that move here, its just on the 15m, we can see the last down move is here, on this doji. So the momentum came in on the next candles which also broke above this high, so this is the last down move. So its likely for price to come back to this area potentially come lower to here, but it could come to here, and then continue.



So lets see what happens. So here we go. We also built some liquidity from this lows here. Now we can see we did wick in, so this was probably caused by news, but news is just a way for the large institutions get in push price down to mitigate and close out any sells positions I have before stacking orders and then continuing.

So if we was to set our entry on the 15m OB, we will be looking at our entry there. We have a 5 pips stop loss, so we can see we are able to reduce our stop loss size from 1h which was 15pips to 15m which is 5 pips. So 10 pips reduced from our stop loss which ultimately is gonna give us a lot better RR on trades.

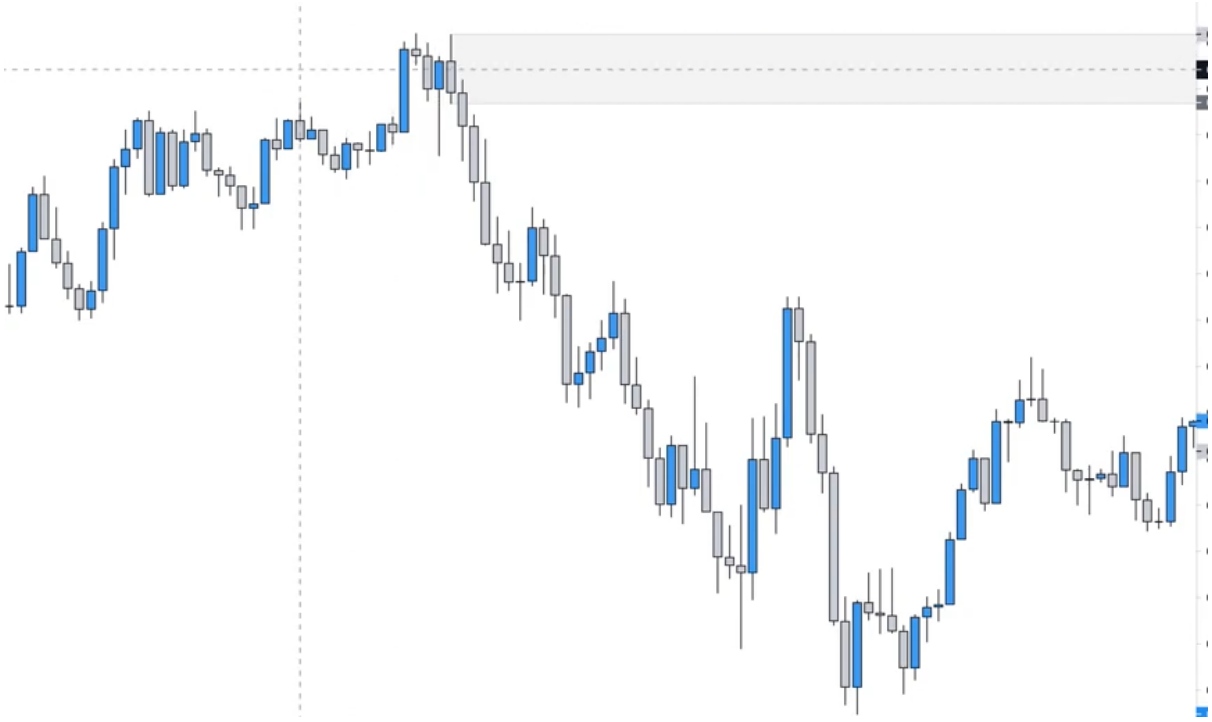
So we can see the higher up here, we are looking at 11RR and on the 1h we have 3RR.



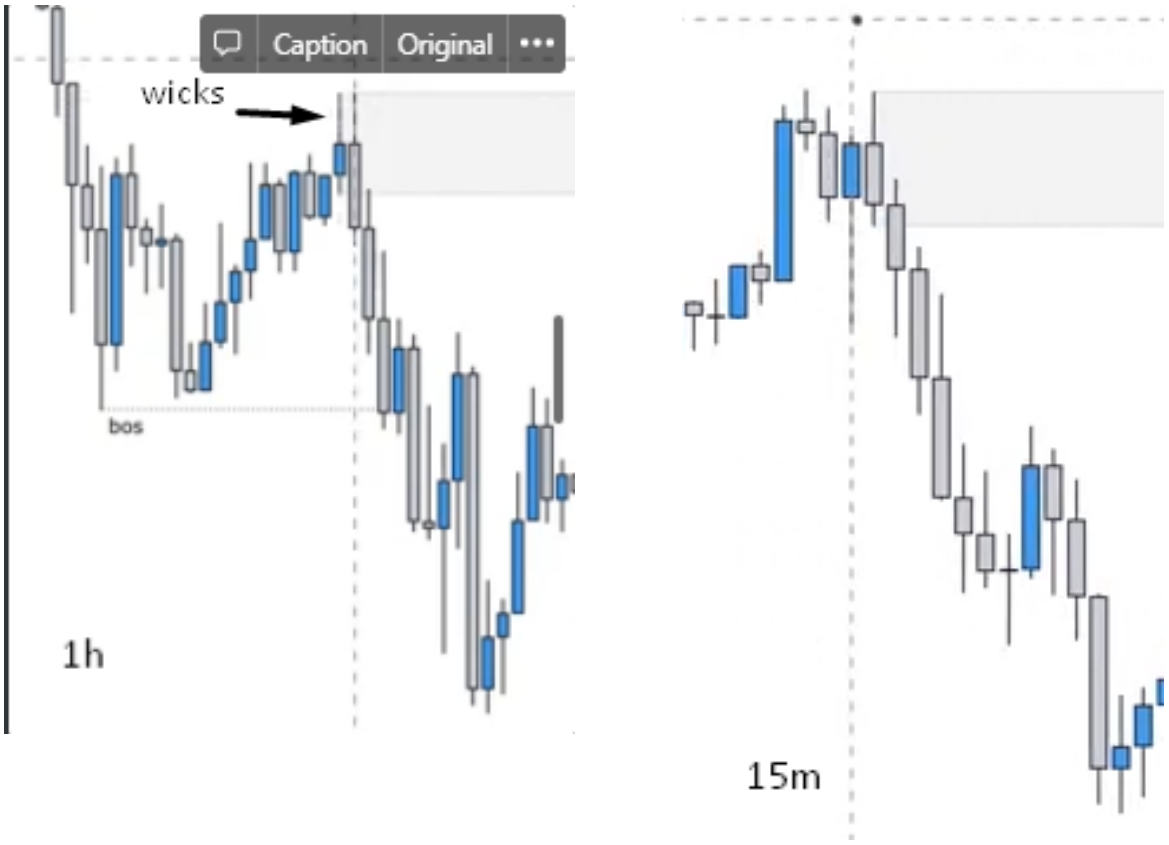
Now we are on AU looking at a sell example, so we are looking for bearish OB refinement. Now here we did have very impulsive move down that broke a lot of structure, so we would have an OB up here, that we could look at, but as we look at what price done, we pulled back then we bos again, create another OB. So it doesn´t necessarily mean price needs to come up there to 1st OB, because we have bos already.

So this could be used for a later date. We bos here, so we have the bearish OB, the last bullish candle, before the down move.

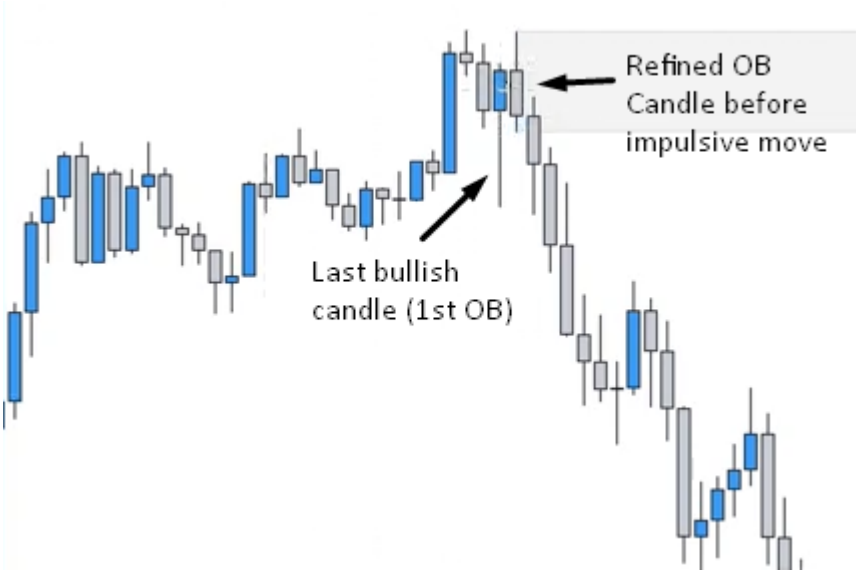
Now if we are looking at entering we would have been tagged in on our limit order here with our stop loss needing to be 12 pips. Now a good target for us to be looking at is the low which is here or just below it. So we are looking at 5RR to the low.



But if we again look to the 15m, we can see the same move than 1h, but we can refine it down.



So if we look at the 1h we have this wicks. Now when we see wicks at the top or bottom like this, it basically means its an AOI on LTF. So this is that on the 15m.



So when we have this move to the downside, which bos as well, and we have the last bullish up move before the down move, but we can refine it to this candle because we haven´t shown the momentum. So this is our refined OB.

So we now looking at 7 pips as opposed to 12 pips from the 1h OB.



And then we can see what we got was price tapped in, mitigated to the 50% of the OB, and then the momentum came in.



Now as we have refined it down we have nearly 9RR to the low as opposed to 5RR from 1h. So we have nearly doubled our return, just to the low.