

# **KLEVFX**

**Official Playbook**



Invented and made by @klevfx



# KLEVFX A+ Reversal Trade Playbook

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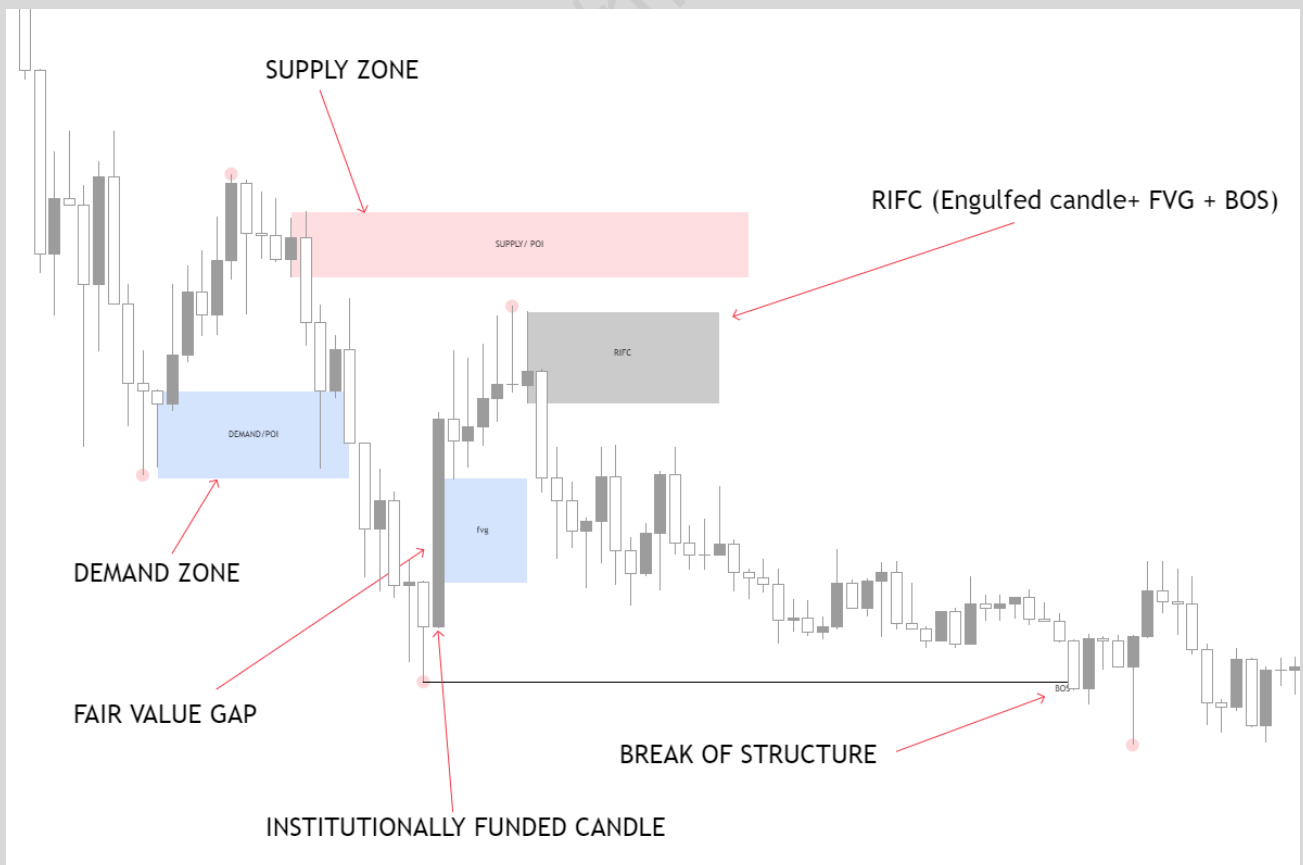
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## 1. Key Institutional Terminology (The Foundation)

This strategy is built upon the advanced principles of institutional price delivery. Understanding the following core concepts is essential to grasp the framework of the system:

Term	Definition (Taster)
<b>Composite Operator</b>	The collective force of all market participants (retail, hedge funds, large institutions) controlling price at a specific zone. The term represents the market being controlled by one powerful, unified force.
<b>Liquidity</b>	Refers to how active a market is, determined by the total volume and the number of active traders. When institutions take liquidity (e.g., stop losses), it creates the necessary fuel for the market to move in the intended direction.
<b>Points of Interest (POIs) / AOIs</b>	These terms refer to the supply and demand levels within the market. They are high-probability areas that must be correctly validated based on structure and liquidity before being considered for a trade.
<b>Break of Structure (BOS)</b>	A pivotal point where the market structure shifts, indicating a potential change in the prevailing trend.
<b>IFC (Institutionally Funded Candle)</b>	Price action on the chart created by institutions as they scale in their positions. They must sometimes open trades in the opposite direction to create necessary liquidity, resulting in this specific candle formation.
<b>RIFC (Refined IFC)</b>	The Refined Institutionally Funded Candle, a high-probability refinement of the general IFC concept.
<b>Imbalance</b>	A general term for unhealthy or inefficient price action that occurs when one side of the market dominates, leaving gaps in price delivery (also known as a Fair Value Gap or FVG).



## 2. Trading Parameters & Session Times

This strategy is highly selective and must only be executed during specific currency pairs and high-volume session windows.

Parameter	Specification
Tradable Pairs	EUR/USD (EU) or GBP/USD (GU)
Time Zone Assumption	BST (UK Summer Time, GMT+1) is 5 hours ahead of EDT (New York Summer Time, GMT-4).

### A. Key Trading Windows (The "Execution Hour"):

The primary entry must occur within these 1-hour windows when institutional activity is highest:

Session	UK Time (BST)	US Time (EDT)	Rationale
London Morning Session	8:00 AM - 9:00 AM	3:00 AM - 4:00 AM	London Open high volatility.
New York/London Overlap	2:00 PM - 3:00 PM	9:00 AM - 10:00 AM	Peak institutional overlap.

### B. Asia Session Definition (The "Liquidity Context"):

Session	UK Time (BST)	US Time (EDT)
Asia Session Window	10:00 PM - 6:00 AM	5:00 PM - 1:00 AM



### C. Inducement Window Rule:

The critical **Medium Inducement Event** must occur either *within* the 1-hour execution window or with a  $\pm 15$ -minute buffer around it.

Session	Inducement Acceptance Window
Morning	7:45 AM - 9:15 AM UK (BST) OR 2:45 AM - 4:15 AM US (EDT)
Afternoon	1:45 PM - 3:15 PM UK (BST) OR 8:45 AM - 10:15 AM US (EDT)

## 3. Validating Supply/Demand Zones (Crucial Filter)

A Supply or Demand Zone is considered **valid** only if it meets three strict criteria, designed to avoid **Smart Money Traps**.

- Liquidity Inducement:** The area that caused the price push must have **previously induced liquidity** *before* the main structural push began.
- Break of Structure (BOS) Creation:** The push originating from the zone must lead to a clear **Break of Structure (BOS)** on the higher timeframe.
- Asia Session Avoidance:** You **must avoid** any Demand Zone or Supply Zone that coincides with the **Asia Session High** or **Asia Session Low**. These are considered weak, low-level zones and common Smart Money Traps.

## 4. Market Context (The Initial Setup)

Context Phase	Definition	Higher Timeframe Target (TP)
<b>Main Push</b> (Trend-Following)	Price is making a clear, impulsive leg in the direction of the trend.	The <b>next High or Low</b> (including the Asia High or Low if aligned with the trend).
<b>Pullback</b> (Counter-Trend Retracement)	Price is moving in a retracement form against the main trend, pulling back to a <b>Validated</b> Supply or Demand Zone.	The <b>Extreme Supply Zone</b> or <b>Extreme Demand Zone</b> (the validated zone that initiated the prior main push).



## 6. Lower Timeframe Entry (The Trigger via Minor Inducement)

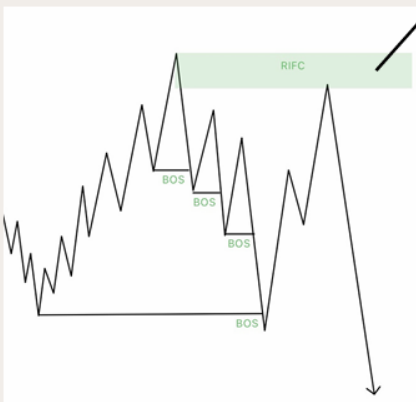
After the Medium Inducement, we drop to the 1-minute chart for the final confirmation.

1. **Medium Inducement Mitigation:** Price has mitigated the higher timeframe Validated S/D Zone.
2. **Minor Inducement Requirement (NEW):** Wait for price on the 1-minute chart to create and then sweep an **External High** (for a short trade) or an **External Low** (for a long trade). This is the **Minor Inducement**.
3. **Structure Break:** Look for confirmation using one of the two following patterns:

### Entry Type A: Full Break of Structure (BOS)

1. Price performs the **Minor Inducement** (sweeps a 1-minute external high/low).
2. Wait for a **Full Break of Structure (BOS)** on the 1-minute chart in the intended direction.
3. Identify the **Institutionally Funded Candle (IFC)** that caused the BOS.
  - o **IFC Definition:** A **Small Initial Candle** followed by a massive, high-volume **Vector Candle** (engulfing candle) that leaves a **Fair Value Gap (FVG)**.
4. **Limit Placement:** Place a limit order on the **top** (for a sell) or **bottom** (for a buy) of the IFC body.

## External BOS



External BOS: This LTF Entry is the most Highest Probabilit and best type of entry model you can have, This includes that price comes down to make a full External BOS not internal structure and retraces to the very first RIFC that was created, This is the best entry because you have multiple confluences put together: Internal BOS + More than 2 legs created + Breakes to the Downside + Extrenal BOS + Creates Liquidity before the RIFC that will be induced when coming to the RIFC. This makes this a **very good** entry and the highest probability but it's not as common to see as the other entries due to having so many confluence.

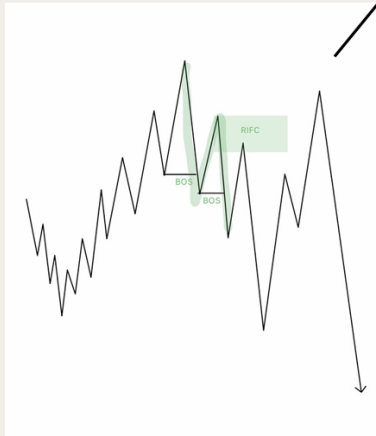


An example of everything marked out and a Perfect Extrenal BOS entry. All the confluence listed: Internal BOS + 2 Legs created + BOS to the downsid + External BOS + Liquidity created to induce (Trendline or EQ High/Lows).

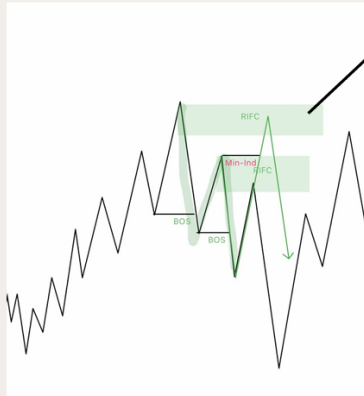
## Entry Type B: Two-Leg Retracement & IFC

1. Price performs the **Minor Inducement** (sweeps a 1-minute external high/low).
2. Identify a two-leg move in the reversal direction: **First Push** → **Retracement** → **Second Push**.
3. Identify the **IFC** during the **Retracement of the Second Push**.
4. **Limit Placement:** Place a limit order on the **top** (for a sell) or **bottom** (for a buy) of this IFC body.

## 2 Leg protocol



2 Leg Protocol: LTF entry based on price making 2 legs (Push, Retrace, Push and marking out the RIFC on the second Leg which is the push and waiting for price to retrace and enter from it) This Entry is **GOOD** and preferred as it gives 2 confluences to enter, this is still a little aggressive as maybe you are using this because the external BOS is too far away, but this is definitely much more higher probability than the Internal BOS as for the 2 leg you have: Internal BOS + Price continues to break to the downside.



The bad thing about this approach is that price can sometimes not respect the RIFC on the second Leg and continue to the first RIFC and use the high from the second Leg can be used as an inducement, But this is definitely a preferred approach compared to the Internal BOS.

## 7. Risk Management (SL & TP)

### Stop Loss (SL)

- **Placement:** The Stop Loss must be extremely tight, specifically between **3 to 7 pips**.
- **Positioning:** Place the SL to cover the **most recent Low or High** of the 1-minute structure that led to the entry (typically just above/below the **Minor Inducement** wick/high).

### Take Profit (TP)

- **Initial Target (Target 1):** Target a minimum **1:3 Risk-to-Reward (R:R)** ratio.
  - **Action:** Take **50% partials** off the trade at this point.
- **Final Target (Target 2):** Target a **1:10 Risk-to-Reward (R:R)** ratio.
  - **Action:** Take the **rest of the trade out** at this final target.