TBF TRADING ACADEMY

Market Structure

Reading trend, ranges, and shifts like an institutional trader.

Module: 01 — Foundations

For educational purposes only. Trading involves risk of loss.

What is market structure?

Market structure describes how price organizes itself into a sequence of swing highs and swing lows across time. Reading it correctly tells you the trend, where liquidity sits, and when the current move is about to end.

The three states of price

- Uptrend: higher highs (HH) and higher lows (HL).
- Downtrend: lower lows (LL) and lower highs (LH).
- Range: repeated failure to break either side; price rotates between defined equal highs and equal lows.

Break of structure vs change of character

Break of Structure (BOS)

A BOS is continuation. In an uptrend, price breaks the most recent HH; in a downtrend, price breaks the most recent LL. BOS confirms the trend is still intact.

Change of Character (CHoCH)

A CHoCH is the first sign of reversal. In an uptrend, the first time price breaks the most recent HL to the downside is a CHoCH. It does not guarantee a reversal — it warns you the auction is shifting.

Rule of thumb: BOS = trade with the trend. CHoCH = wait for confirmation before flipping bias.

How to mark structure on any chart

- Start on the higher timeframe (Daily or 4H) to define bias.
- Only mark swing points that have at least one closed candle on either side (protected swings).
- Ignore internal noise. If you have to squint, it is not a valid swing.
- Drop down to the entry timeframe (15m / 5m) only after HTF bias is set.

Common mistakes

- Marking every wiggle as a swing — leads to overtrading.

- Treating a wick break as a BOS. Prefer a body close beyond the level.
- Flipping bias on a single CHoCH without confirmation (retest + rejection).

Market Structure — Chart Example