

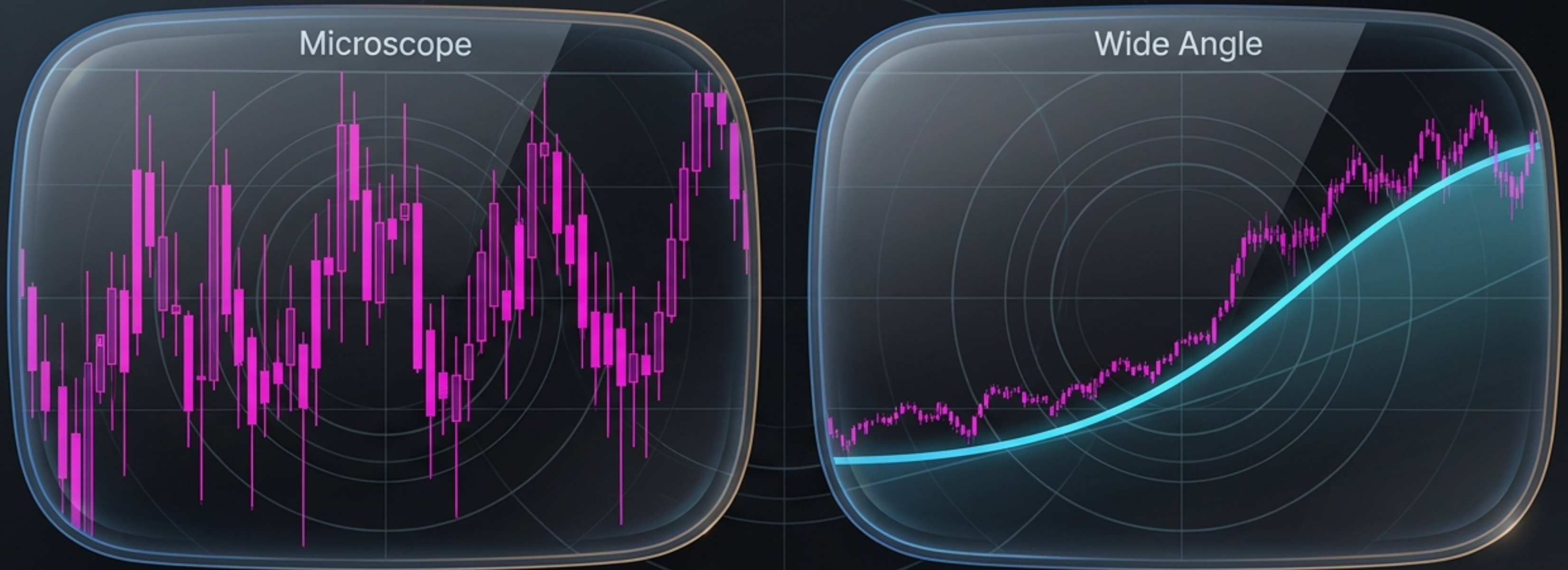


The Rule of Three

Precision Top-Down Trading Analysis

Navigating timeframe dissonance to execute with the 'Big Picture' in mind.

Dominant trends remain invisible under a microscope

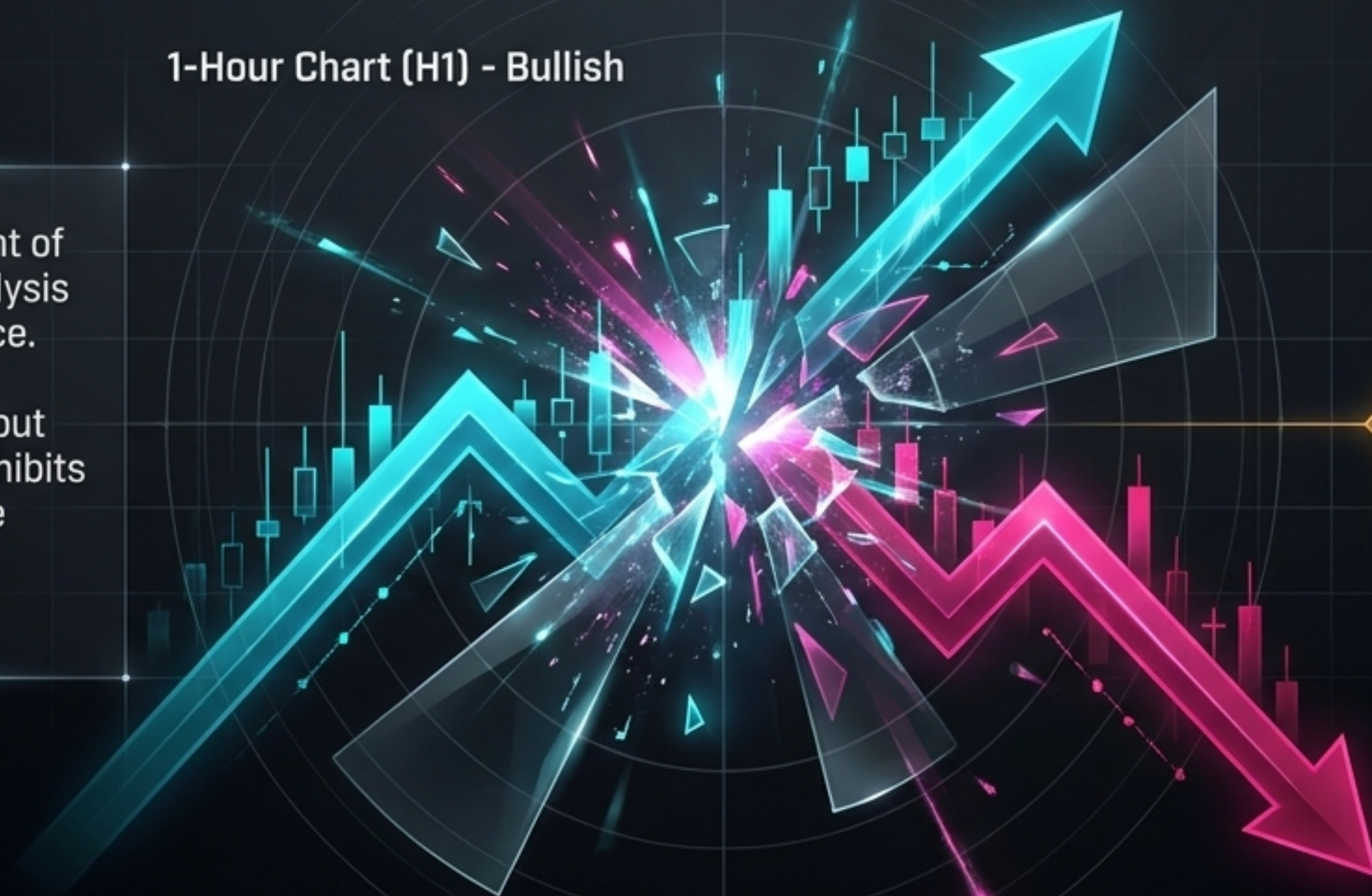


The core of precise execution is trading with the "Big Picture" in mind. Analysing the market strictly from a micro perspective obscures the dominant trend, making true directional movement indistinguishable from mere market noise. Elevated vantage points are mandatory for structural clarity.

The execution paralysis of conflicting timeframes

The most common point of failure in technical analysis is timeframe dissonance. When the 1-hour chart issues a bullish signal but the 15-minute chart exhibits a bearish structure, the trader is left paralysed.

1-Hour Chart (H1) - Bullish

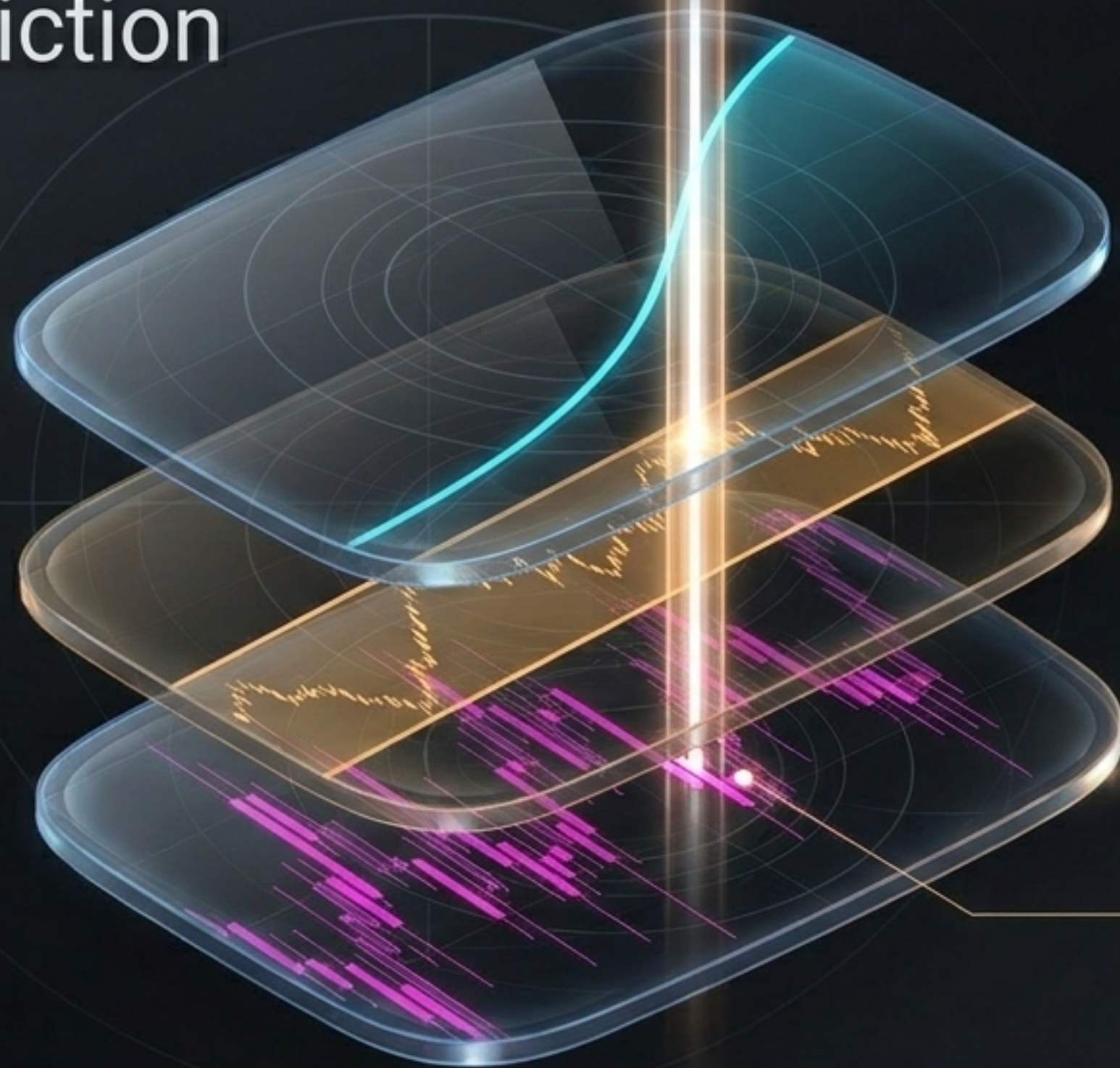


15-Minute Chart (M15) - Bearish

The Analyst's Dilemma:
Which signal dictates
the trade?

Vertical hierarchy resolves horizontal contradiction

Lower timeframe conflict cannot be resolved on a lower timeframe. It must be resolved by deferring to higher timeframe structure.



Top Layers (Daily / H4):
Determine the dominant trend.

Bottom Layers (M15 / M5):
Reserve strictly for precise entries.

The Rule of Three aligns market narratives into a single signal



Successful top-down analysis relies on a strict, three-tiered verification protocol. A trade is only triggered when the Bias, the Structure, and the Execution all align on the same vector.

Step 1: Establish the overarching narrative via the Weekly Bias



The Weekly chart strips away intraday noise and short-term volatility. Its sole purpose in the analysis chain is to establish the macro bias. It answers the fundamental question: over the long term, who is in control of this market?

Output = Directional Bias (Long or Short).

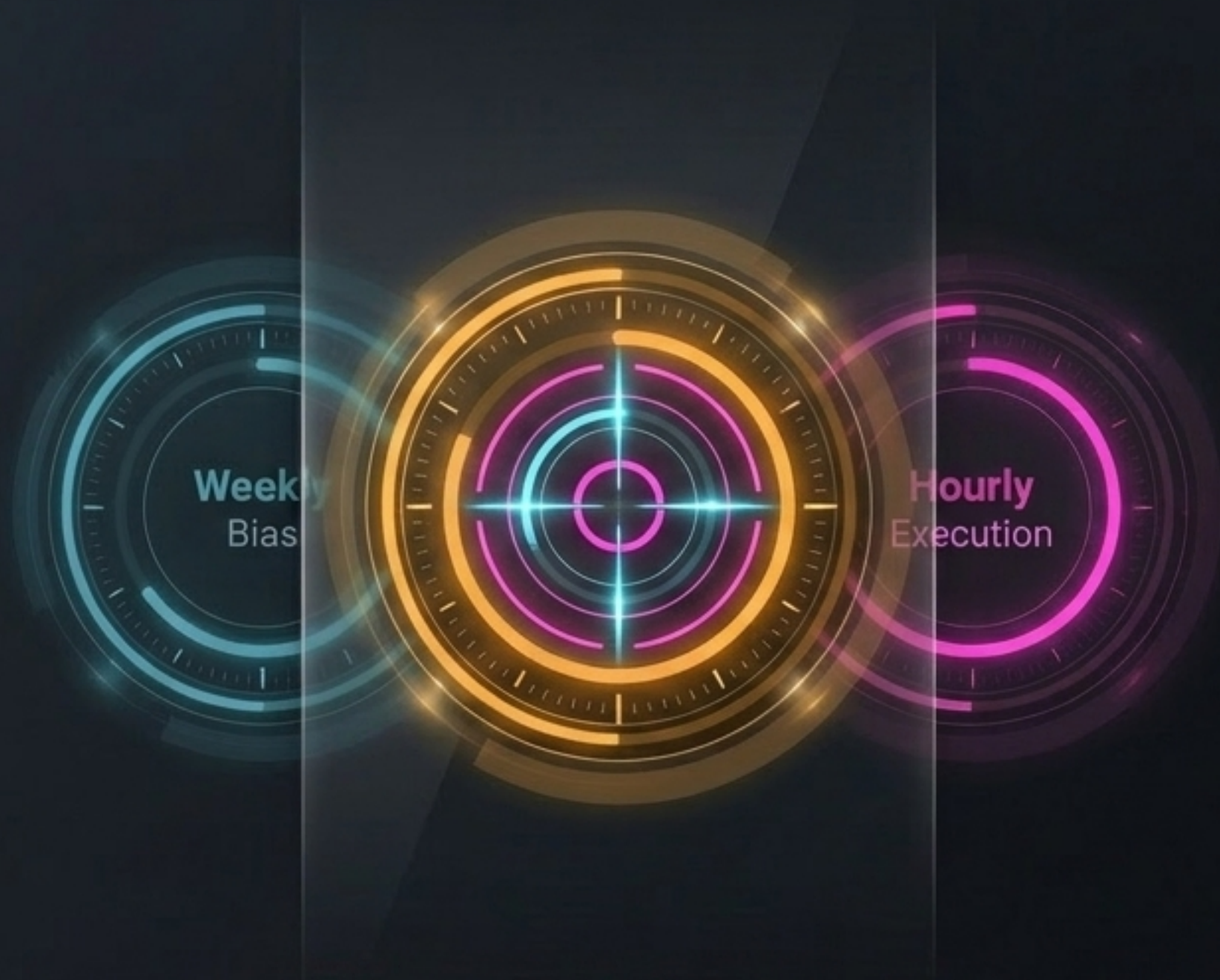
Step 2: Validate the dominant trend through Daily Structure



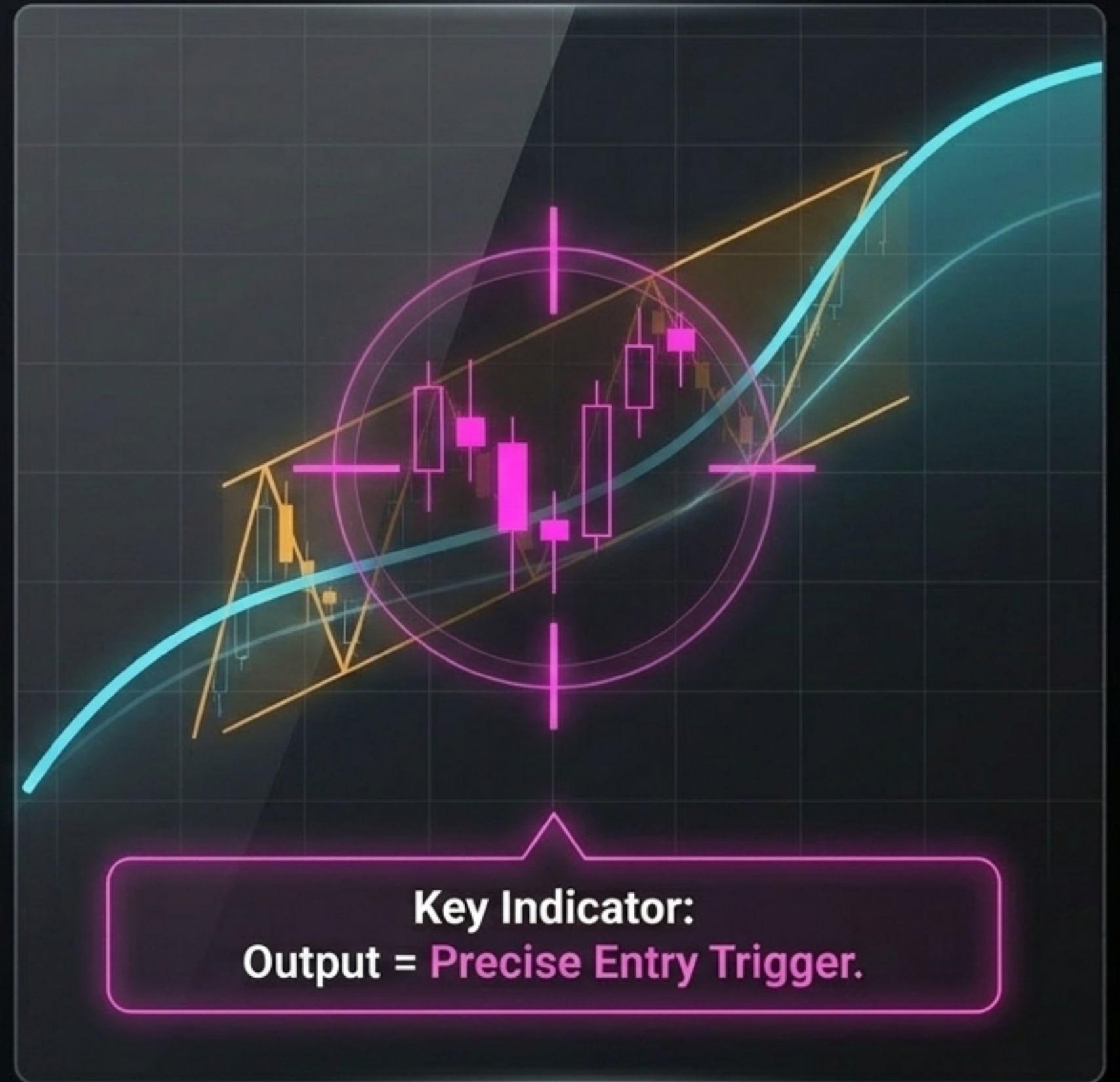
Once the **Weekly bias** is set, consult the **Daily (or H4) charts**. This tier is not for finding an entry point; it is for determining the dominant structural trend. If the Daily structure contradicts the Weekly bias, the trading setup is invalid.



Step 3: Pinpoint the entry via Hourly Execution



Only when the Bias (**Weekly**) and Structure (**Daily/H4**) are aligned do we consult the lower timeframes. The Hourly chart dictates the execution window, while the M15 or M5 charts are utilised exclusively to trigger precise entries. This effectively eliminates the noise of M15 bearish pullbacks in a broader H1/Daily bullish trend.



The Timeframe Utility Matrix

Tier	Specific Charts	Strategic Objective	Trader Action
Tier 1 (Macro)	Weekly / Daily	Bias & Structure	Determine the dominant trend and overall market control.
Tier 2 (Meso)	H4 / H1	Execution Context	Resolve timeframe dissonance; wait for alignment with Tier 1.
Tier 3 (Micro)	M15 / M5	Precision Entry	Trigger the specific trade with minimal drawdown.

Precision requires filtering out the noise



Top-down analysis is not about consuming more chart data; it is about consulting the correct charts in the correct sequence. By locking in **Bias**, confirming **Structure**, and strictly timing **Execution**, you transform conflicting data streams into a single, high-probability signal.