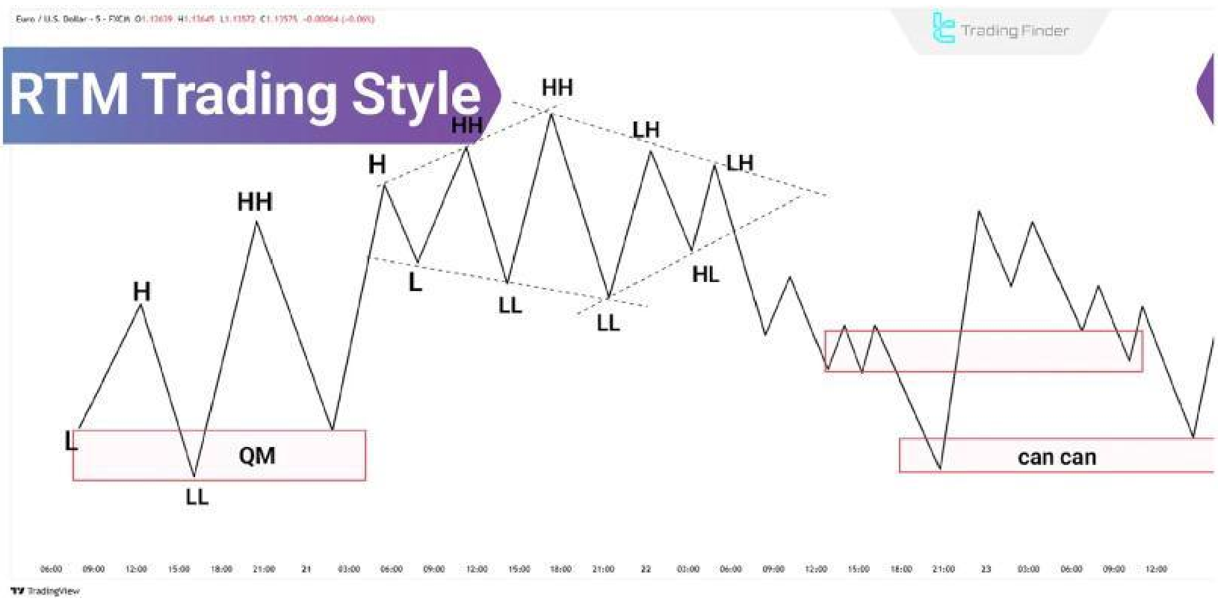
What Is RTM Price Action? Using RBR, DBR, DBD, and RBD Structures in RTM Style

RTM Style, short for **"Read The Market"** is an analytical method in financial markets that, instead of relying on indicators, examines price behavior based on market structure, liquidity, and order flow. Focus of this style in **technical analysis** is on identifying points where large market players **enter** or **exit**.

In **RTM Style**, the trader doesn't predict price movement but analyzes it as the result of **supply**, **demand**, **liquidity absorption**, or **liquidity removal**. Tools such as **price nodes, compressions, structure breaks**, and **candle types** help improve the understanding of this process.



RTM Style Training for Trading Strategies

What Is RTM Style?

In **RTM** **Price Action**, the focus is on identifying specific zones where large investors have made heavy entries or exits. These zones, referred to as **price nodes**, only gain significance when analyzed alongside **market structure, candle types, and liquidity**.

This style uses various tools to demonstrate how large volumes of capital move without leaving obvious traces. The most important tools in **RTM Style** include:

- **Price structures** such as RBR, DBD, and others
- **Supply and Demand Zones**
- Identification of **Momentum** **and Base Candles**
- **Liquidity behaviors** such as stop hunts and compressions (**CP**)
- The role of **price nodes** combined with the concept of **Nested Zones**

Ultimately, the goal of **RTM** is to identify entry points with low stop-losses based on actual market behavior.

Table of Advantages and Disadvantages of RTM Style

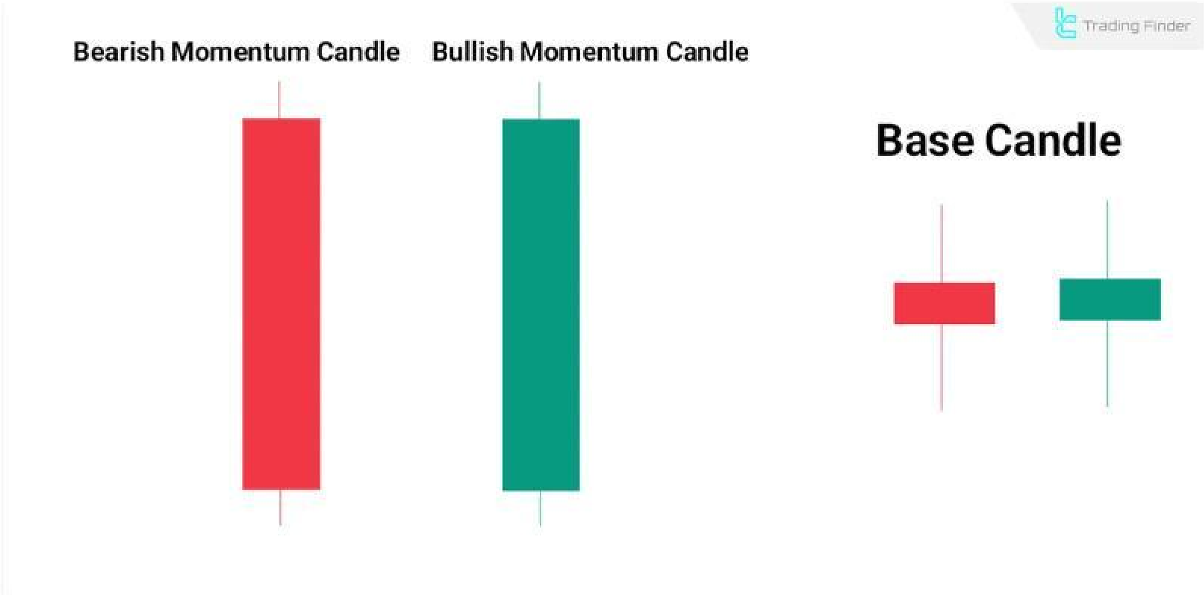
Before learning and applying **RTM Style**, price behavior, and order flow analysis, one must understand its strengths and weaknesses:

Advantages	Disadvantages
Accurate identification of large market players' behavior	Requires time and experience to master the concepts
Focus on market logic instead of external tools like indicators	Highly complex for beginner traders
Offers high risk-to-reward ratio in trades	Low win rate if analysis is executed poorly
Applicable across all timeframes and markets (Forex, Crypto, etc.)	High chance of counter-trend trades if higher timeframes are ignored
Detailed analysis of decision-making zones and liquidity	High potential for misinterpretation of structures without proper training
Ability to filter weak zones using key factors	Lack of comprehensive educational standards and scattered learning resources

Candles in RTM Style

In **RTM Style**, candle analysis is based on their **dominance** over one another rather than their names or visual patterns. For example, if a **bullish green** candle fully **engulfs** the previous bearish candle, it indicates the **buyers' dominance** in the market. Candles used in RTM include:

- **Base Candles**
- **Momentum Candles**



Base and Momentum Candles in RTM Style Training

RTM Base Candle

A **Base Candle** reflects a moment of relative balance between buyers and sellers. This candle usually forms **before or after** sharp price movements.

Key characteristics of a Base Candle:

- **Smaller body** compared to the total wick length
- **Bullish** or **bearish** color does **not** affect zone analysis
- Indicates **price pause**, compression, or preparation for the next move
- Forms the basis for drawing **supply and demand zones** in **RTM structures**

RTM Momentum Candle

A candle that signals **clear dominance** of one market side (buyers or sellers).

Key characteristics of a Momentum Candle:

- **Body larger** than the total wick length
- **Short or no wicks** (no wick is ideal)
- Clear directional bias; e.g., bullish candle opens low and closes high with strong buying pressure
- **Fast and decisive** price movement

Differences Between Momentum Candle and Base Candle in RTM Style

Recognizing the difference between **Momentum** and **Base Candles** is essential in using **RTM Style**. This distinction forms the foundation for **identifying core market structures**.

Characteristic	Momentum Candle	Base Candle
Body	Large	Small
Wicks	Short or none	Typically long
Price Behavior	Strength and dominance	Pause and balance
Usage	Confirms trend direction	Basis for zone drawing

Core Concepts of RTM Style

Three core concepts form the analytical foundation of **RTM Style**, and understanding them enables precise market analysis and high-probability entries:

- **Market Structure**
- **Supply & Demand Zones**
- **Liquidity**

Market Structure in RTM Price Action

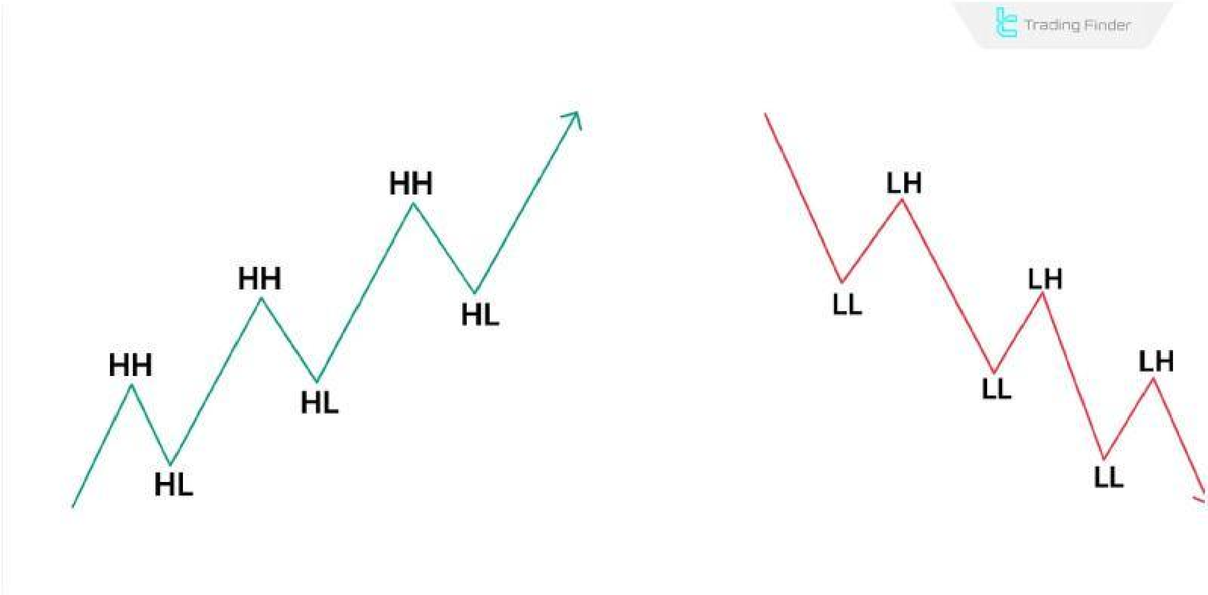
Market structure reveals the price's directional movement, helping identify the dominant trend and reversal points. **Core elements include**:

Higher High (HH) and Higher Low (HL)

If new highs and lows are formed above the previous levels, the trend is **bullish**, indicating **buyers** are in control and pushing prices upward.

Lower Low (LL) and Lower High (LH)

If each new low and high is lower than the last, the market is in a **bearish trend**, signaling **stronger sellers** and a desire to push prices downward.



Higher and lower highs/lows in RTM Style

Structure Break in RTM Method

When a price breaks an important high or low in the direction of the current trend, it's called a **Structure Break**. This confirms trend continuation and is a key sign in **RTM analysis**.

Trend Reversal in RTM Style

A break of a significant high or low **for the first time** signals the **end** of the **current trend** and the potential of **beginning a new trend**. For example, if the price breaks a key **low** during an uptrend, it could mark the **start of a downtrend**.

Supply & Demand Zones in RTM Price Action

These zones are areas where the **imbalance** between buyers and sellers causes **price reversals**. Key components:

Demand Zone in RTM

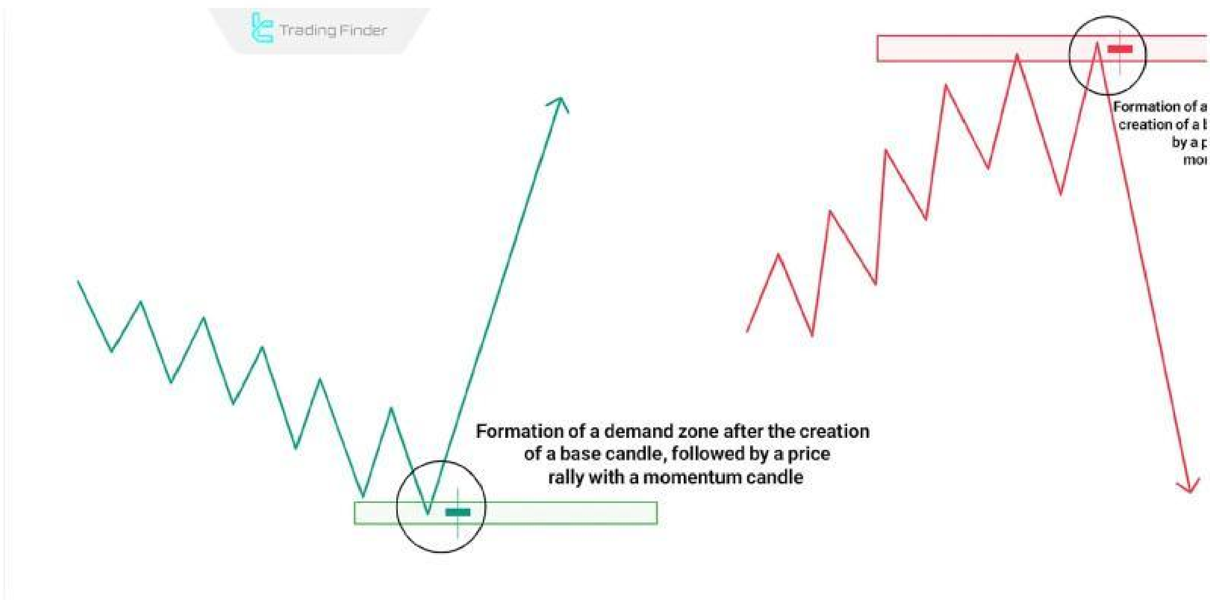
A region on the chart where price previously **rallied strongly**. This indicates strong **buy orders** and may again fuel price growth.

Supply Zone in RTM

A region from which prices previously **dropped sharply**. Signifies **seller dominance** and may again push prices lower.

How to Precisely Draw Zones in RTM Style?

Supply and demand zones are typically drawn by combining **Base Candles** and **Momentum Candles**. The range between the last **neutral candle (base)** and the **first strong impulse candle** is defined as the zone. The **faster and stronger** the movement from the zone, the **more valid** it is.



Price rally from demand zone and drop from supply zone in RTM Style Training

Hidden Orders

RTM Style assumes some buy or sell orders remain in these zones, and prices may **react again** upon returning to them.

Liquidity in RTM Style

Liquidity is not just a side factor but a **target** for price movement. In **RTM**, liquidity is seen as the **fuel** that **powers price**. The analyst must identify where the market is heading for liquidity and where it's most likely to be absorbed.

Stop-Loss Clusters in RTM Price Action

Behind major highs and lows, numerous **stop losses** are typically placed. **Market makers** target these zones because triggering stops injects **liquidity** into the market.

Stop Hunt in RTM

Sometimes, price swiftly moves into certain zones to trigger stop-losses. This movement is typically **short-term and temporary**, but its **primary goal** is to absorb **liquidity** for the continuation of the main trend.

The Four Market Structures in RTM Style

The **four core structures** in **RTM Price Action** represent the most fundamental price movements. These patterns help identify **decision-making zones** and **potential reversal or continuation points**. Each structure consists of two **upward** and two **downward** movements. Key **RTM Style** structures include:

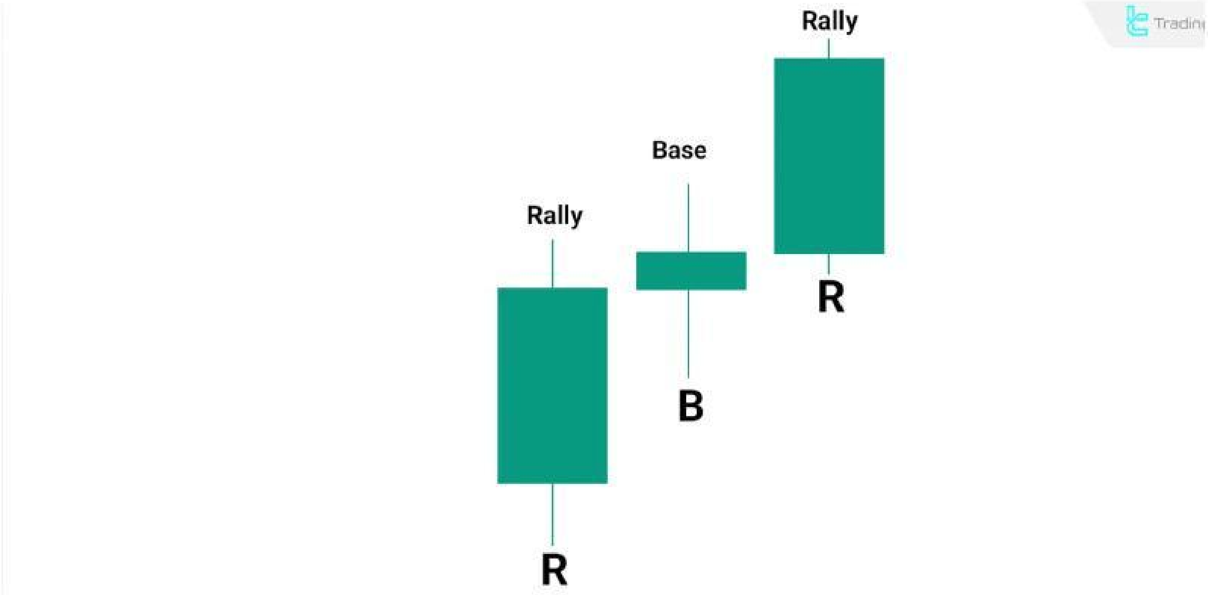
- **Rally–Base–Rally (RBR)**
- **Drop–Base–Rally (DBR)**
- **Drop–Base–Drop (DBD)**
- **Rally–Base–Drop (RBD)**

Rally–Base–Rally (RBR) in RTM Method

Price rallies upward enters a **base phase** (balance), and then continues its bullish movement with greater momentum. This indicates **active buyers** with strong momentum.

Use Cases of RBR:

- Entry after a pullback to the **base zone** for long positions
- Ideal for **sustained bullish trends**



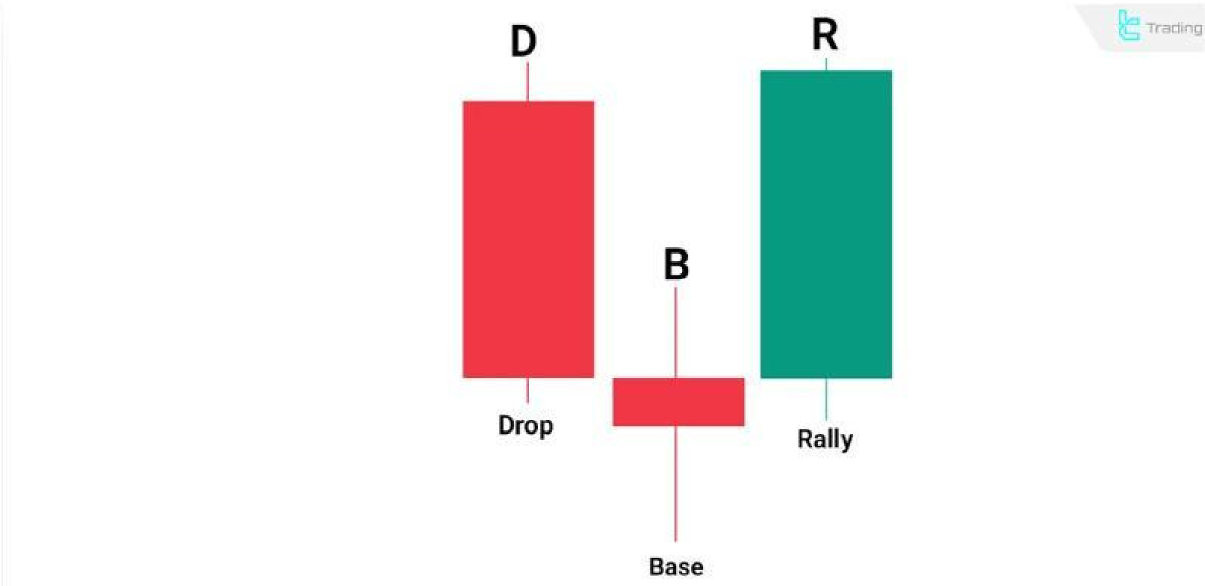
Active buyers creating a Rally–Base–Rally (RBR) structure in RTM Style Training

Drop–Base–Rally (DBR) in RTM Style

Price drops (Drop), stabilizes in a **base**, then **reverses upward** (Rally). This reflects **buy order absorption** and the **end of selling pressure**.

Use Cases of DBR:

- Effective for identifying the **end of bearish corrections**
- Base zone typically hosts **leftover buy orders**



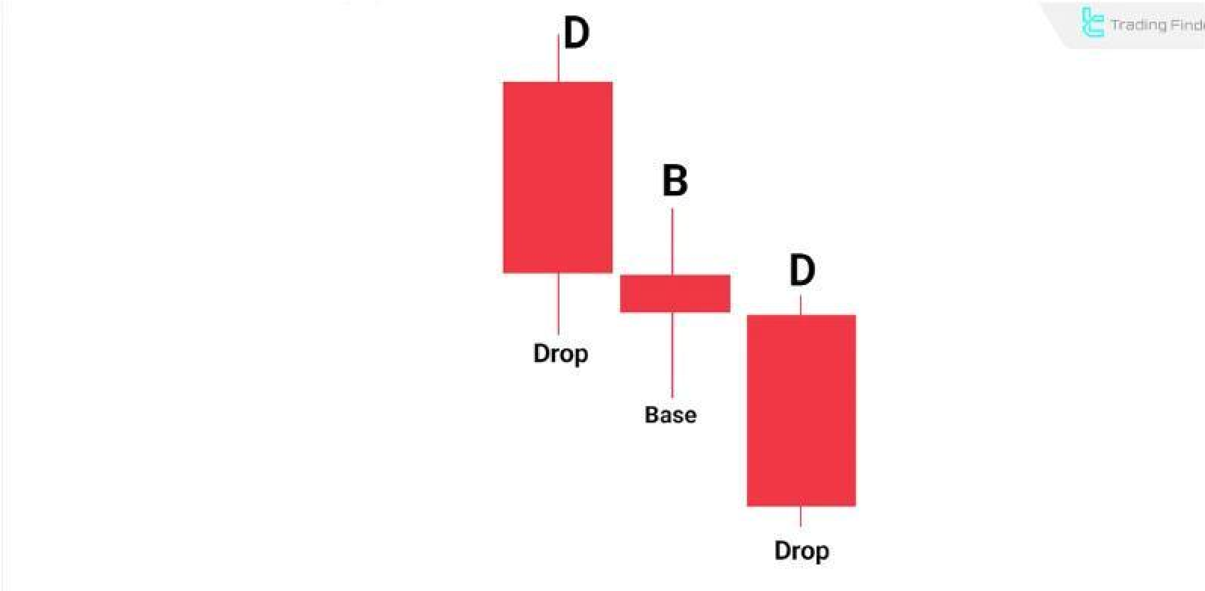
Buy order absorption through a Drop–Base–Rally (DBR) structure in RTM Price Action

Drop–Base–Drop (DBD) in RTM

Price falls due to selling pressure, pauses in a **base**, then **continues falling** as sellers return. This structure signals **full seller control**.

Use Cases of DBD:

- Entry for short positions after a **retest of the base**
- Indicates a **strong bearish trend** with high validity



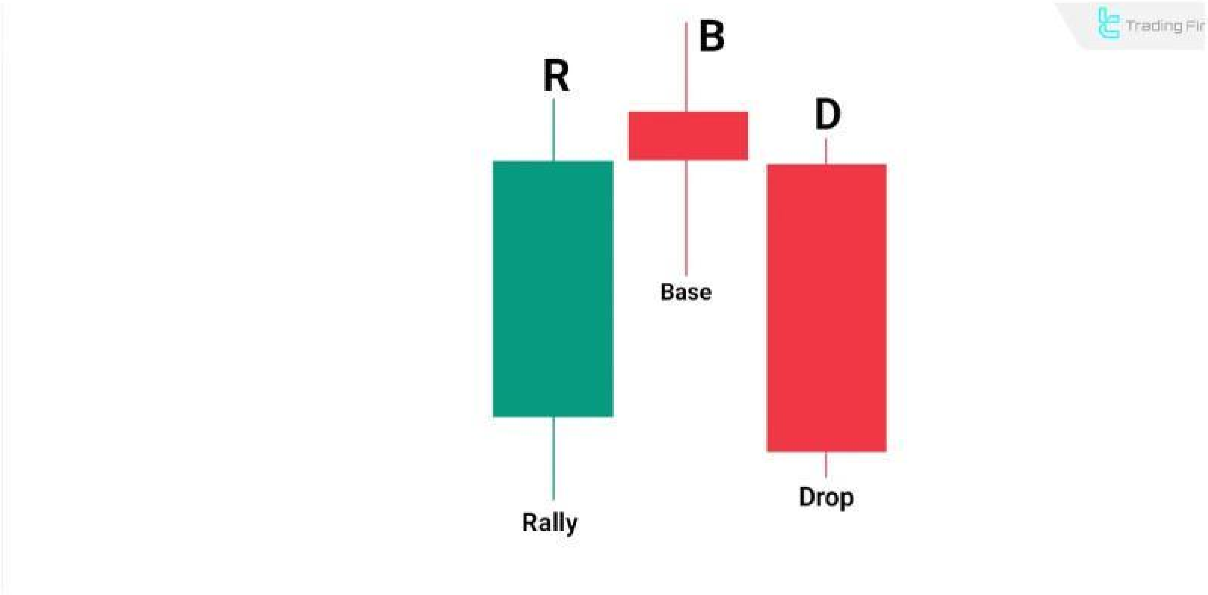
Active sellers forming a Drop–Base–Drop (DBD) structure in RTM Style Training

Rally–Base–Drop (RBD) in RTM

Price initially rallies, pauses in a **base**, then **drops** as selling pressure enters. This indicates **buyer exhaustion** and **new selling interest**.

Use Cases of RBD:

- Useful for identifying **the end of rallies**
- The base zone becomes an ideal **entry point for short trades**



Sell order absorption through a Rally–BaseDrop (RBD) structure in RTM Price Action

Zones in RTM Style

In **RTM**, certain supply and demand zones carry more significance. Based on their formation and how price has interacted with them, zones are categorized into three types:

- **Authentic Zone**
- **Reaction Zone**
- **Fresh Zone**

Authentic Zone in RTM Style

In **RTM Price Action**, an **Authentic Zone** is a region where, for the **first time**, a strong imbalance between buyers and sellers caused a **powerful price move**.

This zone is **not** based on reactions to old structures. Instead, it acts as the **original source** of major orders and does **not overlap any previous zone**. As a result, it's considered the **most valid and reliable** zone in **RTM**.

First strong imbalance creates an Authentic Zone in RTM Style

Reaction Zone in RTM Method

Reaction Zone is an area that the price has **previously reacted to** and where a new structure now forms. It typically overlaps an older zone and may trigger another reaction due to **unfilled historical orders**.

Since it's not the origin of the first move, this zone is **less reliable** than an Authentic Zone and requires **more confirmation**, especially on **lower timeframes**, before entering a trade.

Price returning to a Reaction Zone in RTM Price Action

Fresh Zone in RTM

A **Fresh Zone** in **RTM Style** is a region that, after being formed, has **not yet been touched** by price. Because no orders have been triggered there, it has the **highest potential** to cause a strong reaction upon the first touch.

This initial touch, called **FTB (First Time Back)**, is often a **high-probability reversal point**. Therefore, **Fresh Zones** are prioritized over tested zones when looking for trades in **RTM Price Action**.

First touch of a Fresh Zone and formation of FTB (First Time Back) in RTM Training

Criteria for Zone Validity in RTM Price Action

In **RTM**, the **validity of a zone** is not based on appearance alone. Instead, it depends on **how the price behaves** around that area and whether it shows potential for **reversal or continuation**.

Base Candle Quality in RTM Style

To consider a zone **valid** in RTM, it must start with a **clear, high-quality base candle**—where the market pauses and shows a relative balance between buyers and sellers.

If the base is too large, extended, or made up of multiple candles, the zone's validity weakens. Even if there's a strong breakout or it's a **Fresh Zone, it can't be trusted unless the base is compact, clear, and well-defined**. Without that, analyzing other factors becomes irrelevant.

Departure Strength in RTM Style

One of the most important indicators of a zone's **validity** in **RTM Style** is how the price departs from it. If the price exits the zone with a series of **strong and consecutive momentum candles**, it indicates the presence of significant orders and a **clear market imbalance**.

Conversely, if the price leaves the zone with just a **single weak candle** and then pauses or reverses, it's likely that the zone is **weak** or lacks **sufficient liquidity**. Therefore, a **strong, impulsive departure** is a clear sign of zone credibility and **heavy decisions made by major players**.

Alignment with Higher Timeframe Trend in RTM Method

Respecting the **higher timeframe trend** plays a key role in **validating zones** within RTM. If the direction of price movement in the analyzed timeframe **matches the higher timeframe trend**, there is a greater chance the zone will react effectively, and the price will **continue moving in the same direction**.

This alignment indicates that the trade is in the **direction of dominant liquidity flow**.

On the other hand, if the analyzed timeframe contradicts the higher timeframe trend—even if the zone appears structurally sound—there is a higher risk of **invalidity or sudden reversal**. Thus, aligning with higher timeframe trends is a crucial method for **reducing trade risk** in **RTM Price Action**.

Types of Setups and Patterns in RTM Style

In **RTM Style Training**, trading setups are defined based on price behavior within key zones and structure breaks. These setups form the core of trade entries and are each based on **liquidity logic** and **reactions from large market participants**.

Engulfing Pattern in RTM

The **Engulfing pattern** in price action is one of the clearest signs of a **shift in control between buyers and sellers**. This pattern occurs when one candle **completely engulfs** the previous candle in terms of **opening and closing**.

If the second candle is **bullish** and fully covers the previous **bearish candle**, it's called a **Bullish Engulf**, indicating strong buyer entry and **likely upward movement**. Conversely, if the second candle is **bearish** and engulfs a bullish candle, it forms a **Bearish Engulf**, suggesting a potential price drop.

In **RTM Style**, engulfing is **not limited to candles**. A **sudden and powerful break** of a supply or demand zone is also considered a **structural engulf**. It is a critical tool for identifying **trend reversals**, **big player entries**, and **zone validation**.

Sudden break and engulfing of a supply zone in RTM Style

FL (Fail to Return) Setup in RTM

The **FL Setup** is a widely used entry pattern in **RTM Style**, built on the **strong break** of key **Support/Resistance (SR)** zones, forming a new valid trading area.

As the price approaches an important SR zone, it often pauses briefly, forming **tight base candles**. After breaking the zone—often forming a structure like **DBD** or **RBR**—a new area forms on the broken SR level, known as the **FL Zone**.