How to Install and Add an Expert to MT4 Platform [Visual Guide]

In technical analysis and price charts, the **Previous Monthly High and Low (PMH & PML)** represent the highest and lowest traded prices over the past month.

The **Previous Monthly High (PMH)** and **Previous Monthly Low (PML)** are essential data points for market analysts as they indicate price fluctuations over a monthly timeframe. The levels derived from them play a significant role in market trends.

Previous Monthly High and Low on the candlestick chart of the EUR/USD currency pair

What are the previous Months' high and low?

Each of these concepts has its own significance, which is detailed below, along with an illustrative example:

Previous Monthly High (PMH)

This value represents the highest price that an asset (such as stocks, cryptocurrencies, commodities, etc.) has reached during a full trading month.

On a candlestick chart, the **highest shadow (wick)** of the highest candlestick in the past month indicates this level.

Previous Monthly High on the candlestick chart of the USD/JPY currency pair in the 4-hour timeframe

Previous Monthly Low (PML)

This value indicates the lowest price that an asset has reached during a full trading month.

On a candlestick chart, the **lowest shadow (wick)** of the lowest candlestick in the past month represents this level.

Previous Monthly Low on the candlestick chart of USD/CAD in the 4-hour timeframe

Why Are the Previous Month's Highs and Lows Important?

The highest and lowest points of the monthly candlestick have multiple applications in trading strategies like **ICT style**:

- ⚡ **Identifying Price Volatility:** The gap between **PMH** and **PML** reflects the price fluctuation range over the month

- ⚡ **Support and Resistance:** The previous month's **low** may act as a **support level**, while the previous month's **high** could serve as a **resistance level**.

- ⚡ **Liquidity Zones:** In **ICT Style** and **Smart Money** strategies, these points are considered **Liquidity in Forex**, highlighting areas where stop-loss orders tend to cluster

- ⚡ **Market Behavior Analysis:** These levels help traders understand price behavior throughout the month and year.

- ⚡ **Trend Identification:** A **gradual increase** in **PMH** and **PML** indicates an **uptrend**, whereas a **decline** suggests a **downtrend**.

This trend behavior can determine seasonal or yearly price direction in higher timeframes.

Conclusion

The **Previous Monthly High (PMH)** and **Previous Monthly Low (PML)** are the **highest** and **lowest** prices a market reaches over a **full month**. These levels may be formed based on either **candlestick wicks** or **bodies** and often act as **support and resistance zones**.

source :

1: our website link :
https://tradingfinder.com/education/forex/pmh-pml/

2: all education :
https://tradingfinder.com/education/