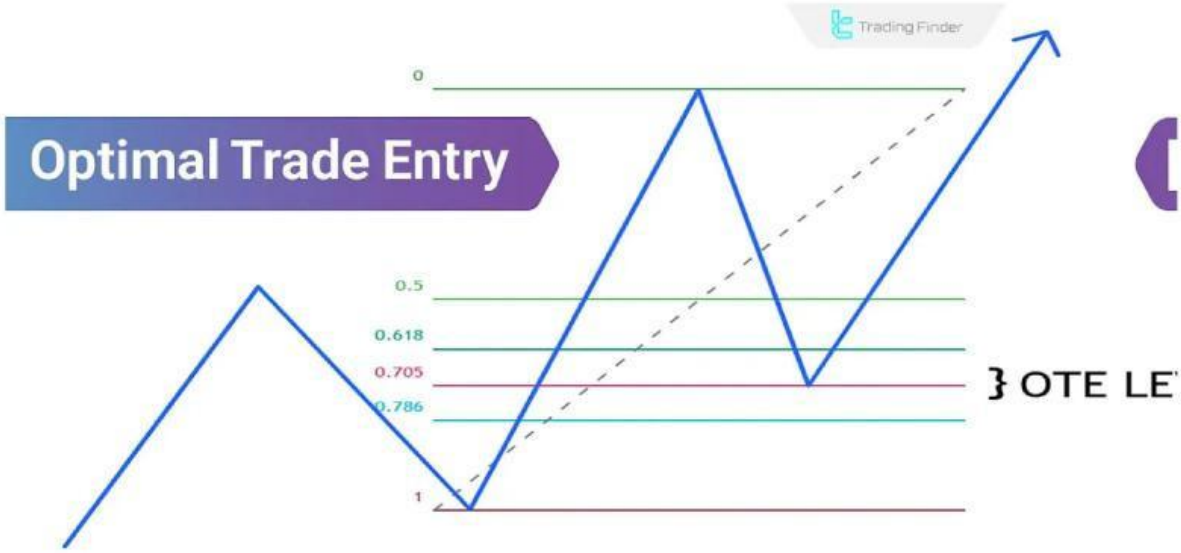
# Comprehensive Guide to Optimal Trade Entry (OTE) Strategy in ICT Style

**OTE (Optimal Trade Entry) strategy** uses multiple **Fibonacci levels** to identify the optimal **time** and **place** to **enter** a position. In essence, OTE refers to finding the **best entry points** during price retracements.




ICT Optimal Trade Entry (OTE) Strategy

## What Is OTE (Optimal Trade Entry)?

The OTE setup is designed to help traders enter positions with precision during **price retracements**.

### OTE in ICT Style

in **ICT Style, OTE** utilizes the **Fibonacci tool** to identify optimal **entry points**, particularly within **specific times of the day**. As a result, entries are mostly made during corrective moves within a primary trend.

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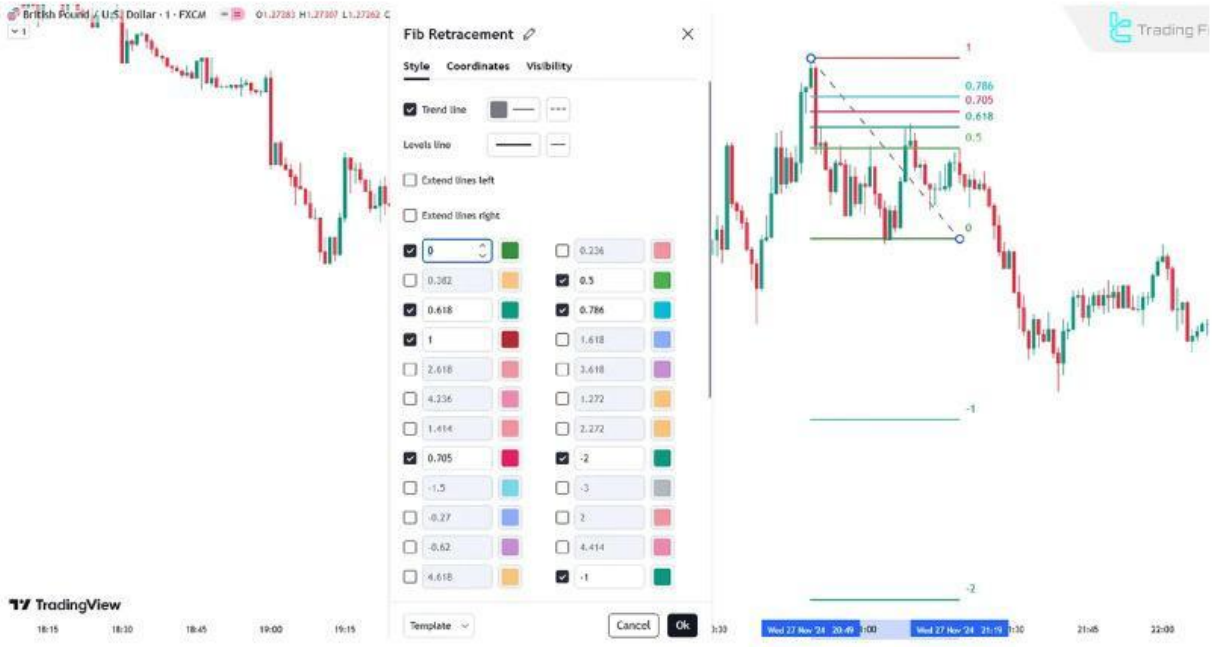



OTE strategy works by using key Fibonacci levels to identify price reversal zones and optimal entry points

## Required Tools for OTE Setup

To successfully apply the **OTE setup**, you'll need to utilize several concepts and tools:

### Fibonacci Tool




Proper Settings of Fibonacci tool used in the OTE strategy

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The Fibonacci tool helps identify **retracement** and **extension levels**. **Key Fibonacci levels in OTE** include:

**For Entry Zone:**

- **62% (0.618)**
- **70.5% (0.705)**
- **79% (0.79)**

**For Stop Loss:**

- **(1) 100%**

**For Take Profit:**

- **0**
- **-1**
- **-1.5**
- **-2**

## Order Blocks

Key areas where price reactions are likely due to significant prior price movements, such as **PD Arrays** and **Order Blocks**.

## Liquidity Zones

These Liquidity zones (in Forex) include **stop-loss levels** or **pending orders**, where price tends to move to collect liquidity.

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## Higher and Lower Timeframe Analysis

Analyze higher timeframes (e.g., **daily** or **4-hour**) to determine the trend, and lower timeframes (e.g., **15-minute** or **5-minute**) to find precise entry points.

## Specific Timing

The OTE strategy works best when trades are entered during a specific **time** of the day (**ICT Kill Zones**).

# Steps to Execute the OTE Setup

To use the **OTE setup** effectively, it is best to follow the provided guidelines to avoid potential errors.

## #1 Analyze the Trend in Higher Timeframes

**Identify the main market trend:**

- Check for key **highs** or **lows** and assess the **market structure**;
- Look for **pullback zones** to enter **long trades** in an **uptrend**;
- Look for pullback zones to enter **short trades** in a **downtrend**.

## #2 Identify the Key Order Block

**Locate the Order Blocks where price started its significant move:**

- **In an uptrend:** Look for the last bearish candle before the bullish move;
- **In a downtrend:** Look for the last bullish candle before the bearish move.

## #3 Apply the Fibonacci Tool

Draw Fibonacci levels on the most recent main swing:

- Use the tool from the **swing low** to the **swing high**;
- Entry zones usually lie within the **62% to 79% retracement levels**.

## #4: Confirm Liquidity Grab

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Ensure that price has collected**liquidity** before reaching the OTE zone:

- This could involve a previous **high** or **low**;
- Look for retail traders' **stop-loss**

## #5: Mark the Specific Time Window

Best time for OTE setup is between**8:30 AM and 11:00 AM New York time**. Adjust this timeframe to your local timezone using a converter.

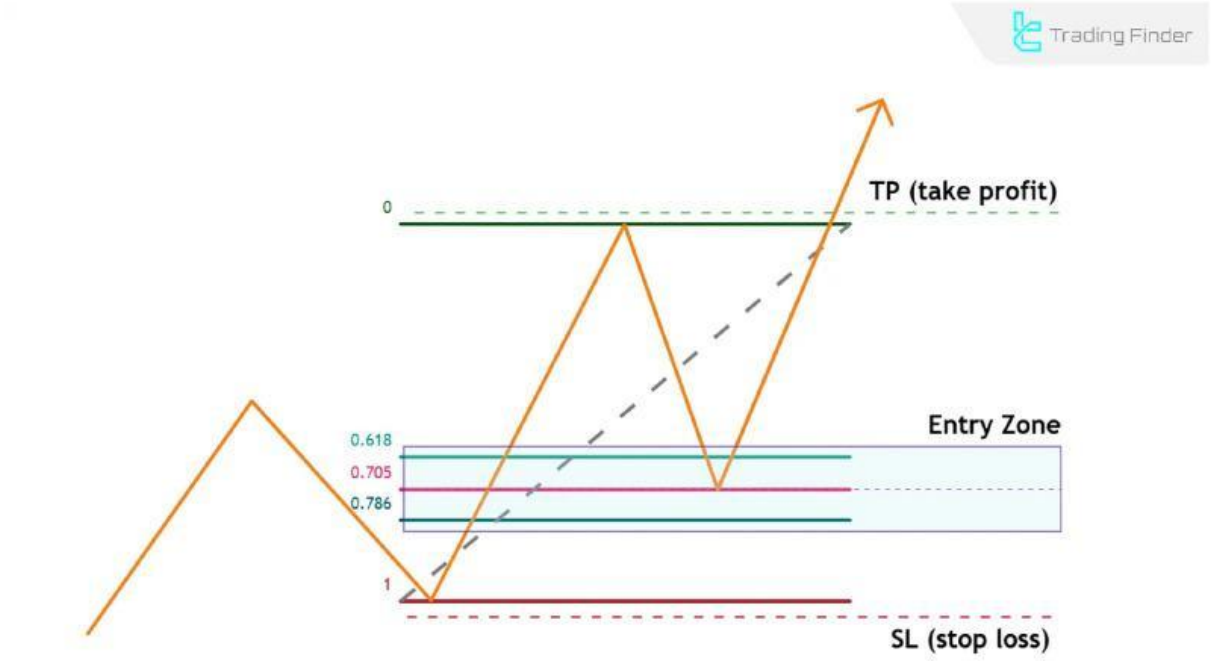
## #6: Identify Lower Timeframe Triggers

Move to a lower timeframe (e.g.,**5-minute** or **15-minute**) and look for:

- Market Structure Break (**Break of Structure**);
- Confirmation candle from the Order Block;
- **Retest** of the OTE zone.

# Managing the Trade in OTE Setup

Trade management becomes more straightforward with **OTE** since all critical components (**entry**, **stop-loss**, and **take-profit** levels) are derived from **Fibonacci** settings.




Components of a trade in the OTE strategy, including entry zone, take-profit, and stop-loss levels

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## Stop Loss Placement

- **For a bearish setup: Above** the **100%** Fibonacci level;
- **For a bullish setup: Below** the **100%** Fibonacci level.

## Take Profit Targets

Take-profit targets can include:

- The previous **high** or **low** (opposite direction of entry);
- Fibonacci extension levels (e.g., 1- or 2-).

## Risk Management

Always risk a **fixed** percentage of your capital (e.g., **1%**) per trade. Using an appropriate **Risk/Reward Ratio** ensures trade optimization.

**Note:** The **One Shot One Kill Indicator** from **TradingFinder** is an effective tool that enables the combination of the**Market Maker Buy and Sell Model** (MMXM) strategy and the One Shot, One Kill strategy, guiding you toward optimal trade entries (OTE).

# Practical Example of OTE Setup




This is how OTE strategy works in an uptrend

On the daily timeframe, price is in an uptrend:

1. **Higher timeframe** analysis confirms an uptrend;
2. A new bullish move breaks a **market structure**;

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3. Fibonacci levels are drawn from the swing low to the swing high;
4. It's between **8:30 AM and 11:00 AM New York time**;
5. Price retraces to the **5% level**;
6. Enter the trade with a stop-loss below the **100% level** and take-profit at the previous high.

The image below is the same as the previous example in a **downtrend**:




This is how OTE strategy works in an Downtrend

## Key Tips for Success in OTE

- Always **analyze higher timeframes** to determine the main trend;
- Only enter trades **after liquidity has been grabbed**;
- **Confirm** the structure break **in lower timeframes**;
- Stick to the specified timeframe (**8:30 AM to 11:00 AM New York time**;)
- **Discipline** and **risk management** are essential for success.

## Common Mistakes Traders Make with OTE Setup

- Failure to analyze the main trend in **higher timeframes**;
- Using the strategy outside its **specific time** window;
- Misinterpreting the **market structure break**;
- Incorrectly placing **Fibonacci** start and end points;
- Applying the strategy **against** the main trend.

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## What Markets are Suitable for OTE Setup?

**OTE strategy** is ideal for markets like **Forex**, **NYSE stocks**, **futures** and **indices;** This is because the strategy aligns with **New York session liquidity** and It is less effective in markets not tied to New York trading hours.

## Conclusion

The **ICT** style and **OTE** tool allow traders to identify **optimal entry** and **exit points** with precision.

This method is particularly beneficial for **retail traders** [especially **scalpers]**, as it focuses on a **specific time of day** and considers detailed market behavior.


source:

1.our website link :
https://tradingfinder.com/education/forex/ict-optimal-trade-entry-pattern/

2.all Education :
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