

BLACK RAVEN FUTURES

A Rule Based Price Action Framework for NQ Futures

PUBLIC PREVIEW EDITION

PB-2 and Failed Breakout | NQ ORENKO 40 / 24 / 70

blackravenfutures.com

Preview Notice

This preview contains the front matter, complete manual contents, and Chapter 1. It is provided so readers can evaluate the scope, terminology, and teaching style before purchasing the complete manual.

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1 Introduction: Trade Less Understand More

Introduction Trade Less Understand More

Chapter Purpose

This chapter introduces Black Raven Futures as a selective, rule-based trading methodology built around two setups: PB-2 and Failed Breakout. It establishes the decision hierarchy used throughout the manual and explains why market context and structural location must be evaluated before an entry signal is considered.

Chapter Opening

Black Raven Futures is built on a simple principle: trade less, understand more.

Many retail trading methods rely heavily on pattern recognition, numerous technical indicators, automated signals, or subjective intuition. Automated trading systems may appear to offer a more sophisticated solution, but a strategy optimized on a limited historical sample can perform very differently when exposed to new market conditions. Complexity and automation do not eliminate the need to understand what the market is doing.

A trader does not need a PhD in mathematics or finance to develop a disciplined trading process. The Black Raven framework is built on two essential pillars: understanding market structure and consistently executing clearly defined rules.

This manual teaches only two trade setups:

PB-2 - a trend-continuation setup that develops after a qualified pullback within an established trend.

Failed Breakout - a reversal setup that develops when price moves beyond meaningful structure but fails to gain acceptance there.

These setups will be examined in detail throughout the following chapters, including their market logic, qualification requirements, entry signals, invalidation conditions, stop placement, structural targets, and common reasons for avoiding a trade.

The Black Raven philosophy does not require constant participation. A trader does not need to place five or ten trades each day simply to feel productive. The objective is to wait patiently for a small number of clearly defined opportunities and to remain inactive when the required conditions are absent.

The purpose of this manual is not to predict every market movement. Its purpose is to provide a consistent process for evaluating uncertainty, selecting qualified opportunities, controlling risk, and reviewing trading decisions objectively.

The problem this manual solves

Recognizing a familiar pattern is not enough to justify a trade. The same signal can produce very different results depending on where it appears, the condition of the market, the available room to the target, and the strength of the opposing price action.

A two-bar pullback may represent a continuation opportunity when it develops within a qualified trend. The same formation may have little value inside a trading range, near opposing structure, or after an extended and exhausted market move. Similarly, a temporary move beyond support or resistance does not automatically create a Failed Breakout. The broken level must be meaningful, the market must fail to gain acceptance beyond it, and a valid reversal signal must confirm the rejection.

Markets are uncertain and often appear noisy, but price movement is not interpreted in isolation. Repeated tests, breakouts, pullbacks, rejections, prior extremes, and transitions between trends and trading ranges provide observable structural information. Black Raven Futures organizes this information into a repeatable decision process.

The problem addressed by this manual is therefore not a lack of trading signals. Modern traders have access to more indicators, alerts, and automated systems than ever before. The real problem is determining whether a signal occurs within conditions that justify taking financial risk.

Black Raven Futures addresses this problem through one decision hierarchy:

CONTEXT → LOCATION → SETUP → SIGNAL → EXECUTION → MANAGEMENT

Each stage must support the next. A signal cannot compensate for weak context, poor location, insufficient room, or unacceptable risk.

1. Market Context Determines Direction

The evaluation begins with the overall condition of the market, not with the entry signal.

The trader first determines whether the market is trending, ranging, or transitioning between conditions. In a qualified trend, the primary opportunity is continuation through PB-2. Around meaningful structural extremes or failed attempts to leave a range, the Failed Breakout setup may become more relevant.

Market context does not predict the outcome of an individual trade. It determines which setup, if either, is appropriate for consideration.

2. Structure Determines Location

After identifying market context, the trader evaluates where the potential setup is developing.

Relevant structural locations include prior swing highs and lows, breakout origins, former support and resistance, trading-range boundaries, the EMA21, and prior price extremes. These locations can support a setup, obstruct its target, or invalidate the trade completely.

A similar-looking signal may be eligible in one location and unacceptable in another. The difference is not the appearance of the signal itself. The difference is its location in relation to market structure.

For this reason, Black Raven Futures places market structure above pattern recognition.

3. The Signal Determines Execution

Only after context and location have been confirmed does the trader evaluate the entry signal.

The signal identifies when the setup has completed and when market control may be returning to the anticipated side. It defines the potential entry and establishes the technical location of the protective stop. Under the Black Raven framework, the entry is considered only after the required ORENKO signal bar has completed.

The signal is the final execution trigger. It is not the beginning of the analysis.

A recognizable signal without qualified context, correct location, sufficient room, and acceptable risk is not a Black Raven trade.

Context → Location → Setup → Signal → Execution → Management.

What the reader will learn

This manual focuses exclusively on the Nasdaq-100 E-mini futures contract, commonly identified by the symbol NQ.

The primary Black Raven chart uses:

ORENKO 40 / 24 / 70 bars

Bar wicks

The 21-period exponential moving average

Price structure

Standardized Black Raven chart annotations

The ORENKO 40 / 24 / 70 configuration was selected as the standardized Black Raven chart through practical observation, strategy development, back-testing, and quantitative evaluation. This manual does not claim that it is the universally best chart configuration for every trader, strategy, or market condition. It is the chart on which the Black Raven rules have been developed and must therefore be used consistently when applying this methodology.

The reader will learn how to:

Distinguish trends, trading ranges, and transitional conditions

Identify meaningful structural levels

Evaluate trend quality before considering PB-2

Recognize valid and invalid PB-2 formations

Distinguish a genuine Failed Breakout from a temporary movement through a level

Confirm an entry using a completed ORENKO signal bar

Place a technical protective stop

Evaluate room before entering

Select targets according to market structure

Recognize conditions that require a No Trade decision

Review setup quality, execution quality, and outcome separately

The purpose is not to provide more trading signals. It is to improve the quality and consistency of the decisions made before, during, and after a trade.

What this manual does not promise

Trading futures involves substantial financial risk and is not appropriate for everyone. Losses are an unavoidable part of trading, and no setup, indicator, chart configuration, or analytical method can guarantee a profitable outcome.

The strategies and examples presented in this manual are provided for educational purposes. Historical performance, back-testing results, and selected chart examples do not guarantee future results. Market behavior changes, and a strategy that performed successfully under previous conditions may perform differently in the future.

Black Raven Futures does not promise that every qualified setup will succeed, that a trader will earn a particular income, or that trading can provide a reliable living. The objective of this methodology is to establish a structured decision process, define risk before entry, and promote consistent execution over a sufficiently large series of trades.

Every trader is responsible for determining whether futures trading is appropriate for their financial circumstances, experience, and risk tolerance.

Continue With the Complete Manual

The complete edition contains all 20 chapters, setup cards, execution rules, advanced price-action material, annotated charts, and three complete case studies.

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