

Peace – Here is an improved version of “MFB – Value Acceptance”.

The original indicator is hidden on Tradingview, so I thought I could make improvements, and then try to re-post.

New improvements include “RSI Divergence”, and Session VWAP green or red (according to buyers or sellers momentum).

Here is the Luxalgo – Quant description:

MFB - Value Acceptance: The Upgrades

We've evolved your indicator from a simple alignment tracker into a robust momentum and divergence suite. Here are the core improvements:

- **Quantified Value Acceptance:** Momentum isn't just a fleeting signal anymore. The new "Value Acceptance" logic ensures that bullish or bearish conditions (Price vs VWAP, 9/20 EMA cross, and RSI $>/<$ 50) must be held for a consecutive number of bars (default 3) before confirming a trend change.
- **Visual Clarity:** The VWAP line now dynamically shifts to a darker green (or red) only when momentum is fully accepted. We've also removed chart clutter while keeping the vital information accessible via the top-right dashboard.
- **Automated RSI Divergence:** The RSI pane now automatically detects and draws trendlines for both Bullish (lower low in price, higher low in RSI) and Bearish (higher high in price, lower high in RSI) divergences, giving you a leading indicator for potential exhaustion.
- **Unified Alert System:** We've streamlined the alerts. The new "Momentum Change" and "RSI Divergence" alerts are omni-directional,

meaning one alert catches both buy and sell scenarios, saving you alert slots and setup time.

How These Alerts Provide "Air Support"

Think of these alerts as your overwatch, providing crucial intelligence regardless of your timeframe preference:

For Higher Time Frame (HTF) Traders (e.g., 1H, 4H, Daily):

- **Strategic Bias:** An HTF "Momentum Change" alert acts as a massive directional filter. If the 4H chart confirms Bullish Value Acceptance, you now know the macro-trend has shifted. You can then confidently drop to lower timeframes to hunt for long entries, knowing you have the "air support" of the broader market behind you.
- **Early Reversal Warnings:** An HTF "RSI Divergence" alert is a powerful warning that a long-standing trend is losing steam. It gives you time to tighten stop-losses or prepare for a macro-reversal before the EMAs even cross.

For Lower Time Frame (LTF) Traders (e.g., 1m, 5m, 15m):

- **Tactical Entries:** LTF traders can use the "Momentum Change" alert as a direct entry trigger or confirmation. Because it requires *consecutive bars* of agreement, it filters out a lot of the noisy, one-bar fake-outs common on the 1-minute chart.
- **Precision Exits:** If you enter a scalp on a 5m Momentum Change, receiving a 5m "RSI Divergence" alert against your position is the perfect "air support" signal to take profits or scale out, as immediate momentum is waning.

By combining the macro-awareness of HTF divergence with the tactical confirmation of LTF Value Acceptance, you can build strategies with significantly higher probability.

A few extra Trading Psychology thoughts if U dig:

I've always liked the "Strategic Lense" of Momentum Trading Theory, and certain momentum strategies have been proven through results and not just the theory.

For both the Higher Time Frame (HTF) or Lower Time Frame (LTF), the momentum change indications are very helpful.

I prefer the 5 min and 1 min chart, yet this indicator works on all time frames.

A high probability Momentum Change signal could add Air Support and (or) Common Ground to both a higher time frame reading, or a lower time frame trade signal.

Indicators like Session VWAP, Exponential Moving Averages and RSI are considered within the MFB – Value Acceptance indicator.

I plan to wait for momentum change when there is any sort of structural signal like a 5 minute FVG-123 or CISD at a key level.

There is a new “RSI Divergence” trendline to add support as well.

I am reminded that trading requires a probabilistic mindset, and that losing trades are part of the business.

A "Probabilistic Mindset Awareness" requires a "Continuous Reframing", and then being patient to read responses at key levels or higher time frame FVG-123s that are moving away from key levels.

Every Trader no matter how long they've been trying to create a trading business, has "gaps of understanding".

I believe the greatest challenge for me has been to remember the probabilistic mindset, because I have studied so many strategies that would have worked if I had viewed the trading session with a "Probabilistic Understanding".

That said:

A teacher once said that though trading the markets involves probabilities, when you win for the day, stop trading and close the account.

Every person will know for themselves, but I like to root a session to a particular trading window (5 min chart), then look for FVG-123s on the 1 min chart, and applying good risk management to process through trade entries and profit maximization.

For example:

If entering a trade, and the trade moves to either 1R or 2R, some Teachers advise to move the stop loss to break even when at 1 R, or just wait to move the stop to the nearest FVG or candle when price reaches 2R ("2R rule").

Sometimes price really moves, so I'm only using stop loss (not a take profit).

Sometimes the market is looking for the next level of liquidity, which could be very far away, so only using stop loss is very wise.

Therefore, the “2R rule” makes sense (Moving stop to the FVG nearest 2R, or the nearest candle to 2R – if price gets there).

For me, I am practicing the trade entries and getting comfortable with risk management. It seems to me that risk management is the key to profit maximization.

It takes time for a person to understand the probabilistic reality of how markets work, and I often think that accepting that reality is the key to a successful trading business.

I need a mechanical process in order to deal with the probabilities of the markets, and I think that is what the markets are teaching me. To find peace through a mechanical process.

I am learning to have peace of mind through a mechanical process, while working with high probability “proven” strategies.

Very often a price move (displacement) is manipulation, and will be retraced through, which may indicate an opportunity to trade a reversal.

The rule is:

No displacement – No trading.

A losing a trade is part of the process of later finding a winning trade.

There is a saying:

Amateur Traders are always looking for trades, and Professional Traders nurture patience in waiting for trades.

Patience is The Edge.

The Mechanical process is the peace, and realizing that potential peace involves remembering that a probabilistic mindset is key.

I am working on maintaining an awareness that winning trading involves a series of trades that include losses and wins.

Peace -