

Peace – Here is the new MFB – Trade Entry Quality indicator –

Luxalgo – Quant description:

Indicator Purpose

MFB – Trade Entry Quality is designed to help traders avoid taking every simple level touch or liquidity sweep. Its purpose is to identify potential **higher-quality CISD opportunities** only when price approaches an important level with sufficient momentum, directional conviction, and structural confirmation.

It is especially useful for traders who want to combine:

- Key session and higher-timeframe levels
- Quality candle approaches
- ATR-based displacement
- CHoCH and FVG confirmation
- CISD reactions
- Acceptance and Reversal behavior

The indicator is not intended to predict every market move. Instead, it acts as a **quality filter** for level-based setups.

Key Levels Used

The indicator monitors several types of levels:

- Previous Day High and Low
- Previous Week High and Low
- Asian session High and Low
- London session High and Low

- 9:30 AM opening ranges:
 - 15-minute range
 - 30-minute range
 - 60-minute range
- The dedicated **6:00 PM–8:00 PM Eastern range**
 - High
 - Low
 - 50% midpoint

The 6:00 PM–8:00 PM range is intended to serve as an early-Asia reference range. Its completed high, low, and midpoint are plotted from **8:00 PM through 12:00 PM Eastern**.

What Qualifies as a “Good” CISD?

A level touch alone does not produce a Good signal.

The indicator first evaluates the approach to the level using:

1. Level Interaction

Price must interact with a monitored high or low.

Generally:

- A high is treated as a potential resistance area for bearish reactions.
- A low is treated as a potential support area for bullish reactions.

The touch remains valid for a configurable number of bars through the **Level Touch Lookback** setting.

2. Approach Quality

The approach candles are evaluated using:

- True range compared with ATR
- Candle direction
- Close location within the candle
- Number of qualifying displacement candles

This helps distinguish between:

- A weak, slow drift into a level
- A decisive approach showing directional intent

The main controls are:

- ATR Length
- Approach Candle Count
- Minimum Qualifying Candles
- Displacement Threshold
- Minimum Closure Efficiency

3. Structural Confirmation

After the level interaction and quality approach, the indicator looks for a structural response such as:

- CHoCH
- CISD through an existing FVG structure
- A confirmed 5-minute breach and reversal sequence

Only after these conditions align does the indicator print a **Good** label.

Signals are confirmed at candle close to reduce intrabar signal changes.

Acceptance and Reversal Logic for the 6pm–8pm Range

The dedicated 6pm–8pm range also includes additional behavior labels.

Acceptance

An Acceptance label can appear when:

- Price breaks above the range high and produces a bullish FVG-123 in the breakout direction
- Or price breaks below the range low and produces a bearish FVG-123 in the breakout direction

This suggests that price is accepting beyond the range rather than immediately rejecting it.

Reversal

A Reversal label can appear when:

- Price breaks the range high, sweeps back through the 50% midpoint, and forms a bearish FVG-123
- Or price breaks the range low, sweeps back through the 50% midpoint, and forms a bullish FVG-123

This is intended to identify a failed breakout or liquidity sweep followed by a structural reversal.

The FVG-123 logic currently uses the indicator's existing three-candle fair value gap detection.

How This Can Help Asia Session Traders

Asia-session trading often has different characteristics from the New York session, particularly on **MNQ** and **MGC**:

- Lower average volume
- Slower price development
- More consolidation

- Smaller candle ranges
- More frequent drifting into levels
- Breakouts that may lack immediate follow-through
- Liquidity sweeps that do not always lead to sustained movement

Because of this, an Asia-session trader may not want to treat every touch of an opening range or session level as a valid entry.

This indicator can help by requiring price to demonstrate more evidence before printing a signal:

1. Price reaches a meaningful level.
2. The approach has enough directional quality relative to recent ATR.
3. Price creates a structural response.
4. A CISD or FVG condition confirms the reaction.
5. The signal is printed only after the candle closes.

For slower Asia conditions, the ATR-based approach is useful because it measures displacement relative to the current market environment rather than relying only on fixed point distances. However, the default settings may still be selective during quiet periods.

Traders may need to test adjustments such as:

- Lowering the displacement threshold
- Reducing the minimum number of qualifying candles
- Slightly reducing closure-efficiency requirements
- Using a longer approach window
- Separately tuning MNQ and MGC settings

For example, MGC may behave differently from MNQ because of its tick size, volatility profile, and reaction to overnight liquidity. The same settings should not automatically be assumed optimal for both markets.

Practical Asia Workflow

A potential workflow could be:

1. Mark the completed 6pm–8pm Eastern high, low, and midpoint.
2. Use the high and low as the primary overnight reference levels.
3. Watch for a break of either level.
4. Determine whether price shows:
 - Acceptance beyond the level, or
 - A sweep back through the midpoint followed by Reversal
5. Use Good CISD labels as additional confirmation rather than entering solely on the first touch.
6. Compare the reaction with other levels such as PDH, PDL, PWH, PWL, Asian High, and Asian Low.
7. Avoid treating a slow, low-quality drift into the level as equivalent to a true displacement approach.

This creates a framework for trading the opening range while being more selective about the quality of the approach and the confirmation after the level is reached.

The indicator is a decision-support and filtering tool, not a guarantee of direction or profitability. It should be tested separately on MNQ and MGC across different Asia-session conditions, including trend days, compressed ranges, news periods, and low-liquidity environments.

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