



 **The Legacy Trading Protocol**

Master the “London Sweep System” and Automate Your Edge



THE LEGACY TRADING PROTOCOL

INTRODUCTION

PREFACE: THE ZERO-SUM GAME

You Are The Liquidity

I want you to pause for a moment and look at the chart on your screen.

It looks like a bunch of red and green candles moving up and down, right?

Wrong.

That chart is a visual representation of wealth transfer.

Every time you click "Buy," someone else had to click "Sell."

Every time you make a dollar, someone else had to lose a dollar.

Every time you lose a dollar, someone else takes it.

Forex is a Zero-Sum Game.

It is a direct competition between participants. And in this competition, the participants are not equal.

On one side, you have "The Whales":

Central Banks, Hedge Funds, and Commercial Banks. They have billions of dollars, supercomputers, and teams of PhD mathematicians. They move the market.

On the other side, you have "The Plankton":

Retail traders. You. Me. The guy on YouTube. We have small accounts, limited data, and high emotions. We do not move the market; we get moved by it.

For decades, the Retail Trader has been fed a lie.

You were told that if you draw enough trendlines, use enough indicators, and watch enough news, you can beat the Whales.

That is a lie.

The Whales designed the game. They know where you put your Stop Loss. In fact, they need your Stop Loss. They need your money to provide the liquidity for their massive orders.

This book is not about "beating" the banks. That is impossible.

This book is about joining them.

The Legacy Trading Protocol is based on a single, uncomfortable truth: The market is rigged.

But if you know how it is rigged—if you can spot the specific "Sweep" patterns the banks use to trap retail traders—you can stop being the prey and start eating what the predators eat.

We are going to teach you how to see the Matrix.

Welcome to the other side.

WHO THIS BOOK IS FOR

The "Breakeven" Trader

This guide is not for the person who thinks trading is a "get rich quick" scheme. If you are looking for a magic robot that prints money while you sleep, close this PDF right now.

This book is for The Struggling Retail Trader.

You are the person who:

- Has watched hundreds of hours of YouTube videos.
- Knows what Support and Resistance is, but still gets stopped out.
- Has a strategy that works for a week, and then blows up the next week.
- Feels like the market is personally watching you, waiting for you to enter so it can reverse.

You aren't stupid. You are hard-working. You are disciplined in other areas of your life.

But you are frustrated.

You are frustrated because you are playing a game where the rules are hidden.

You are using retail logic in an institutional game.

We are about to change the rules.

We are going to strip away the noise—the RSIs, the MACDs, the trendlines, the news trading.

We are going to replace them with a Protocol.

A Protocol is not a "suggestion." It is a strict set of rules.

- We trade one specific time window.
- We look for one specific pattern.
- We use one specific risk model.

If you are tired of guessing and ready to start operating like a professional Risk Manager, you are in the right place.

Let's get to work.

 **RISK DISCLAIMER**

Trading foreign exchange on margin carries a high level of risk and may not be suitable for all investors. The high degree of leverage can work against you as well as for you. Before deciding to trade foreign exchange, you should carefully consider your investment objectives, level of experience, and risk appetite. The possibility exists that you could sustain a loss of some or all of your initial investment and therefore you should not invest money that you cannot afford to lose.



THE TRADER'S TOOLKIT

OFFICIAL RESOURCES FOR THE LEGACY TRADING PROTOCOL

A strategy is only as good as the infrastructure it runs on. To execute the **London Sweep System** with precision, we rely on this specific technology stack.

Below are the exact tools used inside the Legacy Lab.



THE ACCELERATOR (OFFICIAL UPGRADE)

The Legacy Lab Inner Circle (Indicator + Discord)

You can trade the London Sweep Strategy manually using the rules in this guide. Or, you can automate the process and trade live with us.

- **The Indicator:** Automatically draws the 2-6am Range, detects valid Sweeps, calculates the 1.0 pip filter, and prints Entry/SL/TP lines on your chart. It removes human error.
- **The Discord:** Join the trading community. Get the Daily Bias every morning, access the complete platform and trade alongside other Legacy Lab members.

Stop guessing. Start executing.



[CLICK HERE TO UNLOCK THE INDICATOR & DISCORD]

1. THE CHARTS (MANDATORY)

TradingView

This is the non-negotiable canvas for our strategy. You cannot trade the London Sweep Protocol without professional-grade data. This is also the only platform compatible with the *Legacy Lab FX Custom Indicator*.

- **Why We Use It:** Real-time data feeds, server-side alerts (so you don't miss sweeps), and the ability to replay markets for backtesting.
- **Best For:** Manual charting and running our indicator.

👉 [CLICK HERE TO GET TRADINGVIEW](#)

2. THE BROKER (EXECUTION)

HankoTrade

Your broker is your business partner. If they have wide spreads, your 10-pip stop loss will get hit prematurely. We use HankoTrade because they understand the needs of high-precision traders.

Why We Use It:

- **Low Spreads:** Essential for our fixed-risk model.
- **1:500 Leverage:** Maximizes efficiency on smaller accounts.
- **No Requotes:** Fast execution during the London volatility spike.

👉 [CLICK HERE TO OPEN A HANKOTRADE ACCOUNT](#)

3. THE FUNDING (SCALING)

FTMO

Once you have mastered the "One Trade Per Day" discipline, do not risk your own savings. Leverage your skill to trade institutional capital. FTMO is the industry leader in prop trading.

- **The Goal:** Use the Legacy Protocol to pass the challenge.
- **Why We Use It:** They are the most reliable firm in the industry with the best payout reputation. Their rules align perfectly with our risk management protocols (Max Daily Loss).
- **Target Account:** Start with the \$50k Challenge once you have backtested the strategy.

👉 [CLICK HERE TO START YOUR FTMO CHALLENGE](#)

4. JOURNALING (THE DATA)

TraderSync

You cannot improve what you do not measure. While manual spreadsheets are good, TraderSync automates the process. It connects directly to your broker and pulls your trade data instantly, generating professional charts of your performance.

- **Why We Use It:** It automatically identifies your mistakes (e.g., *"You lose 80% of trades taken after 11 AM"*). It acts as your automated trading coach.

👉 [CLICK HERE TO AUTOMATE YOUR JOURNAL WITH TRADERSYNC](#)

5. INFRASTRUCTURE (THE RELIABILITY)

Forex VPS

If you plan to use trade copiers, run automated EAs, or simply ensure your connection to the broker never drops during a trade, a Virtual Private Server (VPS) is mandatory. It gives you a dedicated server located right next to the broker's exchange for near-zero latency.

- **Why We Use It:** To ensure 100% uptime and faster execution speeds than a home internet connection.

 [CLICK HERE TO SECURE YOUR VPS](#)

SECTION 1: FOREX FOUNDATIONS

CHAPTER 1: THE REALITY OF THE MARKET

Red Pill vs. Blue Pill

Welcome to the **Legacy Lab FX** tribe.

Before we look at a single chart, we need to have an honest conversation. If you have been trading for any length of time, you have likely heard the following advice:

- *"The trend is your friend."*
- *"Buy when the RSI is oversold."*
- *"Wait for the moving averages to cross."*

And yet, 95% of retail traders lose money.

If the common advice worked, everyone would be rich. The reality is that the Forex market is not designed for retail traders to win. It is designed for institutions to facilitate global trade and for large banks to profit from liquidity imbalances.

1.1 The Zero-Sum Game

Forex is largely a zero-sum game. For you to buy a lot of EUR/USD and make a profit, someone else had to sell it to you and lose money.

Who is on the other side of your trade?

Sometimes it is another retail trader. But usually, it is an algorithm, a hedge fund, or a commercial bank.

These entities have deeper pockets, faster data, and better technology than you. Trying to beat them at their own game using "retail patterns" (like flags and wedges) is like bringing a knife to a nuclear war.

1.2 The Legacy Lab Philosophy

We do not try to beat the banks. **We try to track them.**

Our entire philosophy is built on one concept: Footprints.

Institutions are so large that they cannot hide. When a bank wants to enter a position worth \$500 million, they leave a massive footprint on the chart. They create distinct patterns of accumulation and manipulation.

The **London Sweep Strategy** you will learn in this book is not about predicting the future. It is about identifying the specific footprint that smart money leaves when they are trapping retail traders, and simply stepping into the market alongside them.

CHAPTER 2: THE PLAYERS

Know Your Enemy

To trade successfully, you must understand the hierarchy of the food chain. You are not at the top.

2.1 The Central Banks (The Gods)

At the top are the Central Banks (The Fed, ECB, BOE). They control the supply of money. They don't trade for profit; they trade to stabilize their national economy. When they speak, trends last for years.

2.2 The Interbank Market (The Whales)

This includes major commercial banks like JPMorgan, Deutsche Bank, Citi, and UBS. They are responsible for 70%+ of the daily volume.

- **Their Goal:** To fill client orders and make profits from currency fluctuations.
- **Their Problem:** They have *too much* money. They cannot just click "Buy" without moving the price against themselves. They need **Liquidity** (more on this in Chapter 3).

2.3 The Speculators (The Sharks)

Hedge funds and prop firms. They are aggressive. They hunt for trends and volatility.

2.4 Retail Traders (The Plankton)

This is you. This is the "dumb money."

Retail traders have small accounts and high emotions. They chase price. They put their Stop Losses in obvious places.

The Harsh Truth:

The "Whales" (Banks) need to eat. And the easiest source of food is the "Plankton" (Retail).

When you see a price spike that hits your Stop Loss by 1 pip and then immediately reverses in your direction, that wasn't bad luck. That was a Whale eating Plankton.

That was a **Liquidity Sweep**.

CHAPTER 3: LIQUIDITY

The Fuel of the Market

This is the most important theoretical chapter in this book. If you understand Liquidity, you understand Forex.

3.1 What is Liquidity?

In simple terms, liquidity is the ability to buy or sell an asset without causing a drastic change in its price.

Imagine you want to buy 1 lot of EUR/USD. That's easy. There is plenty of liquidity.

Now imagine a bank wants to buy 50,000 lots of EUR/USD.

If they just click "Buy," they will consume every sell order at the current price, then the next price up, and the next. The price will skyrocket before their order is filled. They will get a terrible entry price.

3.2 The "Order Book" Problem

To fill a massive **Buy** order without moving the price, the bank needs to find a massive amount of **Sell** orders to match it against.

Where can they find thousands of Sell orders sitting in one place?

Answer: Below the Support Levels (The Lows).

Why? Because that is where retail traders place their **Sell Stops** (Stop Losses for long positions) and **Sell Stop Orders** (Breakout sellers).

3.3 The Stop Hunt (The "Sweep")

This is the mechanic behind our strategy.

1. **Accumulation:** The bank sees that retail traders are buying. A "Support" level forms (for example, the Asian Range Low).
2. **The Trap:** Retail traders place their Stop Losses just below that low.
3. **The Sweep:** The bank aggressively pushes the price **DOWN** through that low.

4. **The Result:** Retail stops are triggered (which become Sell Orders). The bank uses those Sell Orders to fill their massive Buy Orders.
5. **The Reversal:** Once the bank is filled, they stop suppressing the price. The market rockets upward.

The retail trader says: "I got stopped out by a fakeout!"

The Legacy Lab trader says: "The bank just got filled. Now I enter."

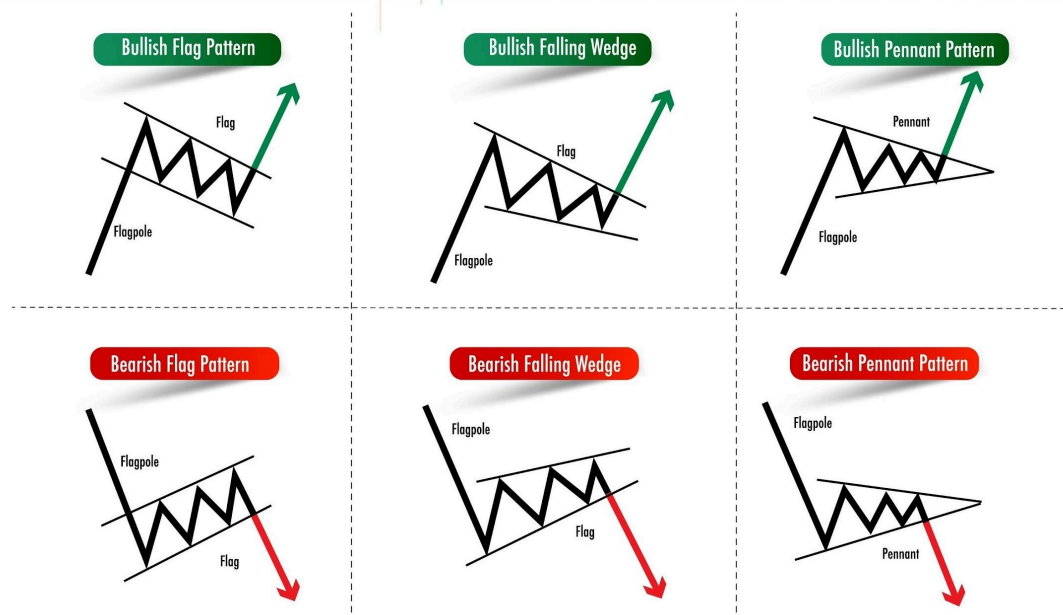
CHAPTER 4: MARKET STRUCTURE 101

Reading the Roadmap

Before we can trade the Sweep, we need to know the direction of the higher timeframe current.

4.1 The Basics

- **Bullish Structure:** Higher Highs (HH) and Higher Lows (HL).
- **Bearish Structure:** Lower Lows (LL) and Lower Highs (LH).



4.2 Break of Structure (BOS)

A Break of Structure occurs when price closes beyond the previous High (in an uptrend) or Low (in a downtrend). This signals that the trend is healthy and continuing.

4.3 Change of Character (CHoCH)

This is the first sign of a reversal.

If price is making Lower Lows and Lower Highs, but then suddenly breaks the last Lower High and closes above it, the character of the market has changed. The Bears are weak. The Bulls are stepping in.

4.4 Structure & The Sweep

Our strategy combines Liquidity with Structure.

We look for a Sweep of Liquidity (The Trap) followed by a Change of Character (The Confirmation).

The Golden Rule of Structure:

Don't fight the Higher Timeframe. If the 4-Hour chart is downtrending, we prefer to look for Sweeps of the Highs (to sell), rather than Sweeps of the Lows (to buy).

CHAPTER 5: TIME & PRICE

Why the "When" Matters More Than the "Where"

You can have the perfect technical setup, but if you trade it at 3:00 PM New York time, it will likely fail. The algorithms that drive price operate on a strict schedule.

5.1 The Asian Session (The Accumulation)

- **Time:** 7:00 PM – 2:00 AM EST (approx).
- **Behavior:** Consolidation. Price moves sideways.
- **Legacy Lab Function:** We do not trade this. We watch it build the **Liquidity Pool**. The Highs and Lows of this session become our targets.

5.2 The London Session (The Manipulation)

- **Time:** 3:00 AM – 11:00 AM EST.
- **Behavior:** Volatility injection. The "Judas Swing."
- **Legacy Lab Function:** This is where the **Sweep** usually happens. The Frankfurt/London open often pushes price into the Asian stops to induce traders before the real move.

5.3 The New York Session (The Distribution)

- **Time:** 8:00 AM – 5:00 PM EST.
- **Behavior:** Trend continuation or Reversal.
- **Legacy Lab Function:** The overlap of London and New York (8:00 AM – 12:00 PM) is our **Killzone**. This is when we look for the Retest and the Entry.



END OF SECTION 1 HOMEWORK

1. **Define "Liquidity" in your own words.** Write it down. If you can't explain it simply, you don't understand it yet.
2. **Identify the "Plankton."** Look at your last 5 losing trades. Did you buy right before price dropped? Did you sell right before it ripped up? You likely provided liquidity for a bank.

3. **Chart Setup:** Open TradingView. Set your time zone to **UTC-5 (New York)**. This is crucial for the rest of this guide.
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THE Legacy Trading Protocol

SECTION 2: THE STRUGGLE (WHY YOU LOSE & HOW WE FIX IT)

CHAPTER 6: THE RETAIL TRADER'S CYCLE OF DOOM

Why 90% of Traders Donate Money to the 10%

If you are reading this guide, you have probably experienced the "Cycle of Doom." It looks something like this:

1. **The Discovery:** You find a new strategy or indicator on YouTube. It looks perfect. You are excited.
2. **The Honeymoon:** You try it for a few days. You win a trade! You think, "This is it. I'm going to be rich."
3. **The Reality Check:** You take a loss. Then another. Then a big one because you got angry and doubled your lot size.
4. **The Doubt:** You blame the strategy. "It doesn't work," you say. "The market is manipulated."
5. **The Search:** You go back to YouTube looking for a *new* strategy.

And the cycle repeats. Years go by. Accounts are blown.

6.1 The "Holy Grail" Fallacy

The Cycle of Doom exists because most traders are looking for the wrong thing. They are looking for a strategy with a **100% Win Rate**.

They want certainty.

But the market is not a place of certainty; it is a place of probability.

A professional trader knows that losing is part of the job. A loss is not a failure; it is a business expense. If you run a coffee shop, buying coffee beans is an expense. You don't cry when you pay the supplier.

In trading, a losing trade is just the cost of doing business to get to the winning trade.

6.2 The Casino Analogy

Casinos don't win every hand of Blackjack. Players win all the time. But the Casino never loses money at the end of the year.

Why?

Because they have an Edge (a statistical advantage) and they have Risk Management (table limits).

Legacy Lab FX turns you into the House.

- **The Strategy:** Gives you the Edge (approx 60-70% win rate).
- **The Rules:** Give you the Table Limits (Risk Management).

CHAPTER 7: THE FOUR HORSEMEN OF ACCOUNT DESTRUCTION

The Real Reasons You Are Failing

You think you are failing because you don't have the right indicator. That is false. You are failing because of four specific behaviors.

7.1 Horseman #1: Lack of Structure

Most traders wake up and say, "I wonder what the market will do today."

They look at EUR/USD, then Gold, then Bitcoin. They look at the 1-minute chart, then the 4-hour chart. They are guessing.

The Fix:

You need a boring, repeatable process.

- Same Pair.
- Same Time.
- Same Setup.
- Same Risk.

Boring is profitable. Excitement is expensive.

7.2 Horseman #2: Overleverage (The Math of Ruin)

This is the fastest way to die.

When you risk 10% or 20% of your account on a single trade, you are mathematically guaranteed to go to zero.

The Recovery Trap:

- If you lose **10%** of your account, you need an **11%** gain to get back to breakeven. (Doable).
- If you lose **50%** of your account, you need a **100%** gain to get back to breakeven. (Extremely Hard).
- If you lose **90%** of your account, you need a **900%** gain to get back to breakeven. (Impossible).

In **Legacy Lab FX**, we never risk more than **1%**. This ensures you can survive a 10-trade losing streak and still be in the game.

7.3 Horseman #3: Overtrading (Death by a Thousand Cuts)

"If I take more trades, I make more money."

False.

In trading, "More is Less."

Every time you enter a trade, you pay a spread and commission. You also expose yourself to risk.

The best trades usually happen during the initial volatility injection (the London/NY overlap). Trades taken late in the day (after 12pm) are usually low-quality "noise."

7.4 Horseman #4: Emotional Trading (The Amygdala Hijack)

When you lose money, your brain perceives it as physical pain. Your Amygdala (the fight or flight center) takes over. It shuts down your Prefrontal Cortex (the logic center).

This is why you make stupid decisions after a loss. You are literally not thinking straight.

This is called "Tilt." And the only cure for Tilt is to walk away.

CHAPTER 8: THE LEGACY LAB FIX

The 5 Non-Negotiable Rules

To break the Cycle of Doom, we do not ask you to "try harder." We force you to follow a rigid set of rules. These rules are the "walls" that keep you safe.

Rule 1: One Setup Only

We do not trade Head and Shoulders. We do not trade Support and Resistance bounces. We do not trade trendlines.

We trade the London Sweep.

That's it.

By focusing on one single pattern, you become a specialist. Like a sniper who only takes the perfect shot, rather than a machine gunner spraying bullets everywhere.

Rule 2: One Trade Per Day

This is the most controversial rule in our system, and the most effective.

You are allowed exactly one trade per day.

- **If you Win:** You stop. You bank the profit. You feel good. You don't give it back.
- **If you Lose:** You stop. You accept the 1% expense. You protect your mental state. You live to fight tomorrow.

This rule single-handedly cures Overtrading and Revenge Trading.

Rule 3: Fixed Risk Per Trade (1%)

You will risk the same percentage of your account on every single trade.

Whether you feel "super confident" or just "okay" about the setup—the risk is 1%.

This stabilizes your equity curve and removes the stress of "how much should I bet?"

Rule 4: The Routine (The 8am–12pm Window)

You are not a slave to the charts. You are a business owner.

Your "Shop Hours" are 8:00 AM to 12:00 PM EST.

- Before 8am: You are preparing (marking the range).
- After 12pm: You are closed.

If a setup happens at 2:00 PM? We don't care. We missed it. We enjoy our freedom.

Rule 5: Journal Every Trade

If you don't measure it, you can't improve it.

Most traders treat their history like a graveyard—they never want to look at it.

You will treat your history like a goldmine. You will screenshot every setup. You will write down how you felt.



TRADER'S DRILL (HOMEWORK)

1. **Calculate the Math of Ruin:** Open a calculator. Take \$1,000. Subtract 10% (Trade 1). Subtract 10% (Trade 2). Do this 5 times. See how fast \$1,000 becomes \$590. Now do it with 1%. See the difference?
 2. **The "One Trade" Challenge:** For the next 5 trading days, commit to taking ONLY one trade per day on Demo. Even if you see a perfect second setup, sit on your hands. Feel the urge. Fight it.
 3. **Audit Your Schedule:** Can you trade 8am–12pm EST? If not, how will you adjust? (Note: The strategy can be traded purely on limit orders if you have a day job, which we will cover in Section 9).
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THE ULTIMATE FOREX TRADING GUIDE

SECTION 3: THE LONDON SWEEP STRATEGY (THE FULL RULES)

CHAPTER 9: THE TIME WINDOWS

When to Hunt vs. When to Hibernate

In real estate, it's "Location, Location, Location."

In Forex, it's "Timing, Timing, Timing."

You can have the perfect setup, but if it appears during the Asian lunch break or the New York close, it is worthless. The algorithms that drive price action operate on a rigid schedule. We must sync our watches with theirs.

9.1 The Setup Phase: 2:00 AM – 6:00 AM EST

- **The Function:** This is the construction phase. The market is building the "Trap" (The Range).
- **Your Job:** You are strictly an observer. You are drawing lines. You are **not** trading.
- **Why 2-6am?** This captures the late Asian session and the Pre-London open. It provides a clean high and low point that usually defines the liquidity for the day.

9.2 The "Killzone": 8:00 AM – 12:00 PM EST

- **The Function:** This is the execution phase. This is the "New York / London Overlap."
 - London is still open (providing volume).
 - New York just opened (providing volatility).
- **Your Job:** This is the only time you are allowed to click "Buy" or "Sell."
- **Why this specific window?**
 - **Before 8am:** Price is often manipulated by news releases or pre-market positioning. It is "noisy."

- **After 12pm:** The London market closes. Volume drops by 60%. Moves tend to die out or consolidate.

CHAPTER 10: STEP 1 — THE TRAP (BUILDING THE RANGE)

Defining the Battlefield

Every morning, before you do anything else, you must define the boundaries of the battlefield.

10.1 How to Mark the Range

1. Open your chart (we recommend the 15-minute timeframe).
2. Identify the **Highest High** formed between 2:00 AM and 6:00 AM EST.
 - Draw a horizontal line. Label it: **Range High**.
3. Identify the **Lowest Low** formed between 2:00 AM and 6:00 AM EST.
 - Draw a horizontal line. Label it: **Range Low**.

10.2 Analyzing Range Quality

Not all ranges are created equal. As a professional, you must judge the quality of the trap.

- **The "Goldilocks" Range (Ideal):** The price action is tight and consolidated. The distance between High and Low is between **15 and 40 pips**. This builds "tension" like a coiled spring.
- **The "Messy" Range (Caution):** The price is whipping back and forth with huge candles. This indicates the market is already volatile and the liquidity is not clearly defined.
- **The "Giant" Range (Avoid):** If the range is 60+ pips wide, the move has likely already happened. There is no tension left.

Pro Tip: Use the *Legacy Lab FX Indicator* to draw this box automatically. It eliminates human error in identifying the true high/low.

CHAPTER 11: STEP 2 — THE TRIGGER (THE SWEEP)

Identifying the Institutional Footprint

We discussed the theory of the sweep in Section 1. Now, here are the **hard rules** for identifying it live.

11.1 The Directional Bias

- **Bearish Bias:** If price sweeps the **Range High**, we are looking for **Shorts**.
- **Bullish Bias:** If price sweeps the **Range Low**, we are looking for **Longs**.

11.2 The 1.0 Pip Rule

The market is noisy. Sometimes price will go 0.1 pips above a high just because of spread variation. That is not a sweep.

- **The Rule:** Price must travel at least **1.0 pip** beyond the Range line.
- **Why?** This confirms that the Stop Loss orders sitting at that level were actually triggered and filled.

11.3 The "Close Inside" Rule (The Dealbreaker)

This is the filter that saves you from blowing your account on trend days.

- If the candle breaks the level and **closes outside** the range → **INVALID**. This is a breakout. Do not trade.
- If the candle breaks the level and **closes back inside** the range → **VALID**. This is a sweep.

11.4 The "Big Candle" Filter

Sometimes, a sweep happens because of a massive news event (like CPI or NFP). The candle might be 50 pips long.

- **The Rule:** If the sweep candle is **2x larger** than the average candle size (ATR), **DO NOT TRADE**.
- **Why?** Massive candles create instability. Price rarely reverses cleanly after a 50-pip spike; it usually chops or continues. We want controlled institutional movement, not chaotic news spikes

CHAPTER 12: STEP 3 — THE ENTRY (THE RETEST)

Precision Over Speed

Amateurs enter immediately after the sweep candle closes.

Professionals wait for the price to come to them.

12.1 The Entry Anchor Point

We do not enter "at market." We enter using Limit Orders at a specific price.

- **For Buys:** Your entry price is exactly at the **Range Low** line.
- **For Sells:** Your entry price is exactly at the **Range High** line.

12.2 The Execution Sequence

1. **Wait** for the Sweep Candle to close inside.
2. **Verify** the time is between 8:00 AM – 12:00 PM.
3. **Place a Limit Order** at the Range Line.
4. **Wait** for price to pull back and fill your order.

Why the Retest?

By waiting for the price to return to the line, we achieve two things:

1. **Confirmation:** It proves the level is holding.
2. **Risk Reward:** It gives us the tightest possible Stop Loss. If you enter too early (chasing the candle), your Stop Loss has to be much wider.

12.3 The "Missed Trade"

Sometimes, price will sweep and rocket away without retesting.

Let it go.

Do not chase it. Do not enter "worse."

If the market does not give you your price, it does not deserve your money.

CHAPTER 13: STEP 4 — THE EXIT (SL & TP)

The Mathematics of Profit

We do not use emotional exits. We use mathematical exits.

13.1 The Fixed Stop Loss (10 Pips)

Every single trade in the **Legacy Lab FX System** uses a **10 Pip Stop Loss**.

- **Why 10 Pips?**
 - It is wide enough to breathe on major pairs like EUR/USD and GBP/USD.
 - It is tight enough to give us high Risk:Reward ratios.
 - It removes "decision fatigue." You never have to calculate where to put your stop. It is always 10 pips from your entry.

13.2 The Take Profit Targets (R-Multiples)

We scale out of our trade to pay ourselves as the move progresses.

Target 1: Safe Income (0.8R)

- **Distance:** Approx 8 pips.
- **Action:** Close 50% of position. Move Stop Loss to Breakeven.
- **Why:** This pays for the trade. Once TP1 is hit, you cannot lose money.

Target 2: The Wage (1.6R)

- **Distance:** Approx 16 pips.
- **Action:** Close 25% of position.
- **Why:** This banks the bulk of your profit.

Target 3: The Runner (2.4R)

- **Distance:** Approx 24 pips.
- **Action:** Close remaining 25%.
- **Why:** This captures the extended move if the market trends hard.

CHAPTER 14: INVALIDATION

When To Sit on Your Hands

Knowing when *not* to trade is a skill that separates the wealthy from the broke.

14.1 The "Double Sweep"

If price sweeps the High, and then immediately goes down and sweeps the Low...

Walk Away.

The market is expanding in both directions (megaphone pattern). It is indecisive and dangerous.

14.2 The "Late Bloomer"

If the retest happens at 12:05 PM...

Walk Away.

The volume is leaving the market. The probability of the trade working drops significantly after noon.

14.3 The "News Spike"

If there is a Red Folder news event (like FOMC Interest Rate Decision) scheduled for 2:00 PM, and you get a setup at 1:00 PM...

Walk Away.

The market is waiting for the news. Technical analysis often fails during these high-impact events.



TRADER'S DRILL (HOMEWORK)

1. **The "100 Candle" Test:** Go to a 15m chart. Find 10 examples of massive candles (3x normal size). Look at what happened next. Did price reverse

cleanly, or did it chop around? (This proves the value of the Big Candle Filter).

2. **Draw the Zones:** For the entire previous week, draw the 2am-6am box on GBP/USD. Check how many times price respected those lines later in the day.
 3. **Limit Order Practice:** On a Demo account, practice placing "Limit Orders" rather than "Market Orders." Get used to the feeling of waiting for price to come to you.
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SECTION 4: THE PLAYBOOK (REAL CHART EXAMPLES)

CHAPTER 15: THE ANATOMY OF A PERFECT SELL

Case Study: GBP/USD — The "Classic" London Reversal

The best way to learn is to see the pattern in its purest form. We call this the "Textbook Setup." It occurs when all our criteria align perfectly.

15.1 The Setup (2:00 AM – 6:00 AM)

Context: The market opened quietly. The Asian session was tight and consolidated.

- **The Range:** Between 2:00 AM and 6:00 AM, GBP/USD bounced between 1.3334 and 1.3313.
- **Analysis:** This 20-pip range is ideal. It is "coiled."



Figure 15.1: *The 2am-6am Range. Notice the clean horizontal levels marked as "Range High" and "Range Low."*

15.2 The Sweep (7:30 AM – 8:30 AM)

Context: As the New York session nears, volatility spikes.

- **The Move:** A large green candle drives aggressively *above* the Range High.
- **The Trap:** Retail traders see a "breakdown" and start buying.
- **The Turn:** The candle suddenly rejects. It leaves a long wick at the bottom and closes (back inside the range).

15.3 The Entry (The Retest)

Context: It is now 9:20 AM. We are in the Killzone.

- **The Action:** We place a Sell Limit (The Range High).
- **The Fill:** Price gently drifts back down to "kiss" the level. Our order is filled.
- **The Risk:** Stop Loss is set (10 pips below entry).

Figure 15.3: *The Entry. We do not chase the red candle. We wait for the green pullback candle to tag our line. This gives us the perfect price.*

15.4 The Result

- **Outcome:** Price taps our entry and immediately reacts. It flies to the Range Low.
- **Profit:** We hit TP3 for a total of +2.4R.

CHAPTER 16: THE ANATOMY OF A PERFECT BUY

Case Study: EUR/USD — The "Frankfurt Fakeout"

Sometimes the sweep happens early (Frankfurt Open), but the entry waits for our window.

16.1 The Setup

Context: EUR/USD has been uptrending on the 1-hour chart, but hits resistance.

- **The Range:** 2:00 AM – 6:00 AM forms a box between 1.565 and 1.588.



16.2 The Sweep (3:30 AM)

Context: London Open creates a massive spike down.

- **The Move:** Price shoots down, taking out the lows.
- **The Logic:** This induces breakout buyers.
- **The Rejection:** By 7:30 AM, price has drifted back up *inside* the range.

16.3 The "Patience" Phase

Context: It is 7:30 AM. The sweep is confirmed, but it is **not** our trading window (8am-12pm).

- **The Discipline:** We wait. We do not enter early.

16.4 The Execution (9:15 AM)

Context: New York opens. Price rallies one last time to test the Range Low.

- **The Entry:** We have a Buy Limit waiting.
- **The Fill:** Price hits & fills us.
- **Result:** A clean buy to the Range High.

CHAPTER 17: THE "INVALID" TRADES (RED FLAGS)

Knowing When To Walk Away

You make money by trading the good setups. You keep that money by avoiding the bad ones.

Example A: The "Steamroller" Breakout

Scenario: Price hits the Range High.

The Candle: Instead of rejecting, a massive green candle closes above the range.

The Verdict: NO TRADE.

Why: There was no rejection. The Bears are in total control. This is a legitimate breakout, not a trap.



Figure 17.1: *The Steamroller. Notice the candle body closes OUTSIDE the range. This invalidates the setup immediately.*

Example B: The "Messy" Range

Scenario: Price touches the Range High.

The Candle: It closes above.

The Verdict: NO TRADE.

Why: It failed the 1.0 Pip Rule. This is likely just broker spread or noise. We need a definitive punch through the level to confirm stops were triggered.



Example C: The "Late" Show

Scenario: A second perfect sweep happens at 1:00 PM.

The Verdict: NO TRADE.

Why: The London banks have gone home. Volume is drying up. The chances of the price just chopping sideways for the rest of the day are high.

ameripro created with TradingView.com, Dec 08, 2025 14:53 UTC-5

Euro / New Zealand Dollar - 5 - FXCM O2.01568 H2.01573 L2.01545 C2.01549 -0.00019 (-0.01%)
Legacy Lab FX Pro (2, 6, 8, 12, 10, 0.8, 1.6, 2.4, 1, 20, 2.5, 50, 60) 2.01890 2.01284



TradingView

CHAPTER 18: ADVANCED VARIATIONS

The "Deep Sweep"

Sometimes, the market is extremely aggressive.

Definition: A Deep Sweep is when price travels significantly far (e.g., 20-25 pips) past the range line before rejecting.

The Adjustment:

When a Deep Sweep occurs, the "Retest" might not make it all the way back to the Range Line. The buyers are too aggressive.

- **Aggressive Entry Tweak:** In a "Deep Sweep" scenario, you are allowed to enter on a **50% Retest** of the Sweep Candle, rather than the Range Line itself.
- **Warning:** This is for advanced traders only. Master the standard entry first.



Figure 18.1: *The Deep Sweep. The rejection was so violent that price couldn't get back to the entry line. Advanced traders can use the 50% wick entry here.*



TRADER'S DRILL (HOMEWORK)

1. **The "Red Flag" Hunt:** Open your charts. Find 5 examples where price broke a range but **continued trending** (The Steamroller). Study what the candles looked like. Did they close outside?
 2. **The "1-Pip" Measurement:** Use the ruler tool on TradingView. Measure 5 different wicks that looked like sweeps. Did they actually travel 1.0 pip? Or just 0.4 pips? Train your eye to see the difference.
 3. **Screenshot Collection:** Start a folder on your computer called "Playbook." Every time you see a perfect setup (whether you traded it or not), save a screenshot. Aim to collect 50 examples.
-

THE Legacy Trading Protocol

SECTION 5: RISK MANAGEMENT (THE MATH OF CONSISTENCY)

CHAPTER 19: THE CASINO MINDSET

Why the House Always Wins (And How You Become the House)

Walk into any casino in Las Vegas, and you will see marble floors, free drinks, and billion-dollar buildings.

Where did that money come from? It came from "Gamblers" who tried to beat the system.

The Casino is not lucky. The Casino is not "predicting" the next card. The Casino simply relies on **Math**.

- They know they will lose some hands.
- They know they will lose some big jackpots.
- But they know, with 100% mathematical certainty, that over 1,000 hands, they will end up with more money than the players.

19.1 The "Edge" vs. The "Gamble"

Most retail traders are the Drunk Tourist at the Blackjack table. They bet big when they "feel lucky." They chase their losses. They have no system.

Legacy Lab FX turns you into the Casino.

- **Your Strategy (The Sweep)** is your statistical edge. It wins ~70% of the time.
- **Your Risk Management** is your table limit. It ensures no single player (loss) can bankrupt the casino.

If you have a winning strategy but poor risk management, you will eventually blow your account. It is a mathematical certainty.

If you have a mediocre strategy but perfect risk management, you can actually make money.

19.2 The Golden Rule of Survival

Rule: You must survive the learning curve to get to the earning curve.

If you risk 10% per trade, a streak of 5 losses (which happens to everyone) destroys 50% of your capital. You are dead.

If you risk 1% per trade, a streak of 5 losses leaves you with 95% of your capital. You are barely scratched.

CHAPTER 20: THE "R" SYSTEM

The Language of Professional Traders

Amateurs talk in "Pips" or "Dollars."

- *"I made \$500 today!"*
- *"I caught 50 pips!"*

Professionals talk in "R".

- *"I made 2.4R today."*

20.1 What is "R"?

R stands for Risk Unit.

It is the amount of money you are willing to lose on a single trade.

- If you have a \$10,000 account and risk 1%, your **1R = \$100**.

20.2 Why Pips Don't Matter

Imagine Trader A and Trader B both catch a 20-pip move.

- **Trader A** had a 50-pip Stop Loss. He made **0.4R**. (20 gain / 50 risk). This is a bad trade. He risked a dollar to make 40 cents.
- **Trader B** had a 10-pip Stop Loss (The Legacy Lab Standard). He made **2.0R**. (20 gain / 10 risk). This is an amazing trade. He risked a dollar to make two.

By using a fixed **10-Pip Stop Loss**, we supercharge our R-Multiples. We don't need the market to move 100 pips to get rich. We only need it to move 24 pips to hit a massive **2.4R** home run.

20.3 The Magic of Asymmetry

Because our wins (averaging 1.6R to 2.4R) are bigger than our losses (always 1R), we can lose *more often* than we win and still make money.

Win Rate	Outcome
40% Win Rate	You are Break Even / Slightly Profitable.
50% Win Rate	You are VERY Profitable.
60% Win Rate	You are Wealthy.

You do not need to be right all the time. You just need your math to be right.

Figure 20.1: *The Profitability Matrix. Notice how with a 2:1 Reward-to-Risk ratio, you only need to be right 33% of the time to break even.*

The Breakeven Rule: The moment price hits **TP1**, you must move your Stop Loss to your Entry Price. We never let a winning trade turn into a loser. If the market gives you 8 pips, you take half off the table and protect the rest. This is how you survive long enough to catch the 50-pip runners.

CHAPTER 21: POSITION SIZING MASTERY

The Formula That Saves Your Account

Most beginners trade "Fixed Lots."

- *"I always trade 0.10 lots."*

This is dangerous.

If your Stop Loss is 10 pips, 0.10 lots risks \$10.

If your Stop Loss is 50 pips, 0.10 lots risks \$50.

Your risk is fluctuating wildly. You are gambling.

21.1 The "Legacy Lab" Calculation

To trade like a pro, your **Risk (\$)** must remain constant, which means your **Lot Size** must change every trade.

Since our strategy uses a **Fixed 10-Pip Stop Loss**, the math becomes incredibly simple.

The Formula:

$$\text{\$Lot Size} = \frac{\text{Account Balance} \times \text{Risk \%}}{100} \text{\$}$$

Wait, let's make it even simpler for the standard pairs (EURUSD/GBPUSD).

The "Napkin Math" Method (For 1% Risk):

1. Take your Account Balance.
2. Move the decimal 3 places to the left.
3. That is your Lot Size.

Example: \$10,000 Account

- Move decimal 3 places left = **1.00 Lots**.
- 1.00 Lots x 10 Pips = \$100 Loss (Exactly 1%).

Example: \$5,000 Account

- Move decimal 3 places left = **0.50 Lots**.
- 0.50 Lots x 10 Pips = \$50 Loss (Exactly 1%).

Example: \$100,000 Funded Account

- Move decimal 3 places left = **10.00 Lots**.
- 10.00 Lots x 10 Pips = \$1,000 Loss (Exactly 1%).

(Note: This creates an approx value for USD pairs. Always use a position size calculator app to be exact, but this shortcut works for quick mental math).



CHAPTER 22: THE DRAWDOWN PROTOCOL

The "Circuit Breaker" Rules

Even the best traders have bad weeks. The market might be choppy. You might be distracted.

To prevent a bad week from becoming a blown account, we install Circuit Breakers.

Just like a house cuts the power if there is a surge to prevent a fire, you must cut your trading if you hit a drawdown limit.

22.1 The Daily Hard Stop (2R)

You are allowed to lose **2R** in a single day.

- Since we have a "One Trade Per Day" rule, this usually means if you lose one trade, you are done anyway (1R).
- However, if you are an advanced trader taking a second entry (re-entry), and you lose that too... **STOP**.
- Do not look at the charts. Do not "paper trade." Close the laptop. Your brain is compromised.

22.2 The Weekly Hard Stop (6R)

If you lose **6R** in a single week (e.g., 6 losses in a row), you are done for the week.

- Take the weekend off.
- Review your journal.
- Usually, a losing streak this long means market conditions have shifted (e.g., a war broke out, or it's August liquidity), OR your psychology is broken.
- You cannot "make it back" on Friday. You will only dig the hole deeper.

22.3 The "CEO" Review

At the end of the month, look at your drawdown.

- If you are down **-5%** or more, cut your risk in half (trade 0.5% risk) for the next month.
- You must "earn the right" to trade full size again by posting a profitable month.

This prevents the "Death Spiral."

CHAPTER 23: COMPOUNDING

The Eighth Wonder of the World

You don't get rich by hitting one giant trade. You get rich by hitting small trades and letting the account grow exponentially.

23.1 The "Fixed %" Growth

By risking 1% of your *current* balance (not starting balance), your lot sizes naturally grow as you win.

- **Trade 1:** \$10,000 Acc. Risk \$100. Win 2R (\$200). New Bal: \$10,200.
- **Trade 2:** \$10,200 Acc. Risk \$102. Win 2R (\$204). New Bal: \$10,404.
- **Trade 3:** \$10,404 Acc. Risk \$104...

It looks slow at first. But after 100 trades, the curve goes vertical.

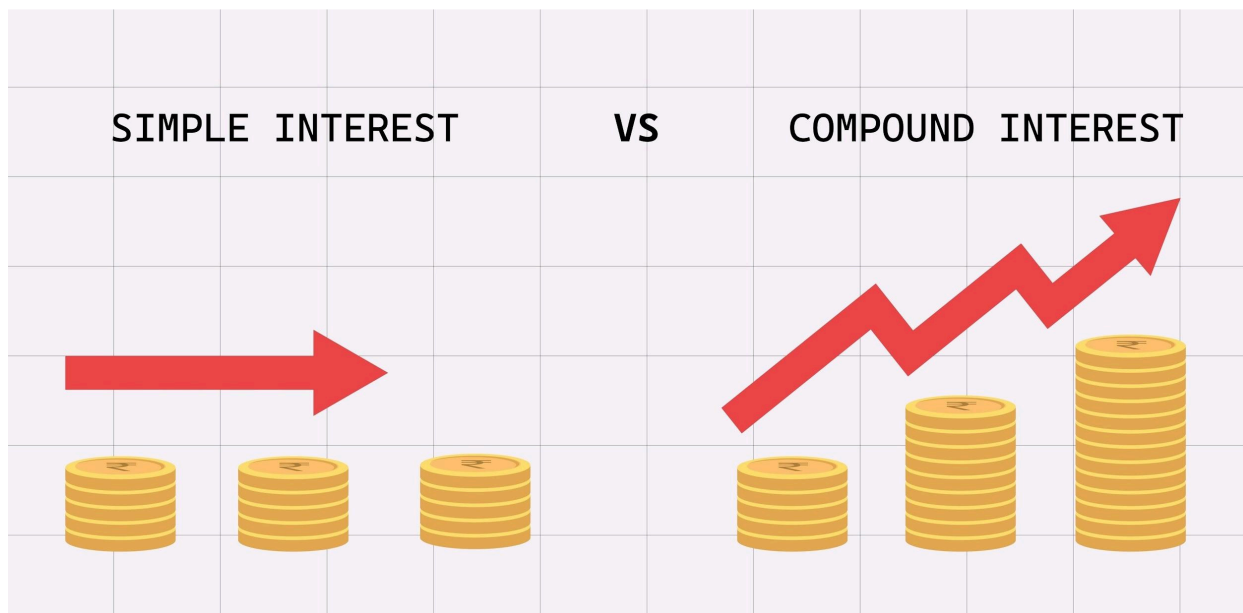


Figure 23.1: Linear vs. Exponential Growth. Notice how the curve accelerates after the 50th trade. This is where wealth is built.



TRADER'S DRILL (HOMEWORK)

1. **Download a Position Size Calculator:** Go to your phone's app store (or use Myfxbook). Download a calculator.
 2. **The "Fire Drill":** Imagine you have a \$50,000 account and want to risk 1% on GBP/USD with a 10-pip stop. How many lots? (Answer: 5.0 Lots). Calculate this for 5 different account sizes until it is instant.
 3. **Write Your "Circuit Breaker" Contract:** Take a piece of paper. Write: "*I, [Name], agree to stop trading immediately if I lose 2 trades in a day.*" Sign it. Tape it to your monitor.
-

THE Legacy Trading Protocol

SECTION 6: PSYCHOLOGY (THE TRADER OPERATING SYSTEM)

CHAPTER 24: THE TRADER OPERATING SYSTEM (TOS)

Rewiring Your Brain for Probability

You are running faulty software.

Human beings evolved to survive on the savannah, not to trade financial markets.

- **On the savannah:** If you see a threat (a lion), you run. Fear saves you.
- **In the market:** If you see a threat (a losing trade), you freeze or panic. Fear kills you.

To succeed at **Legacy Lab FX**, you must uninstall your human survival instincts and install the **Trader Operating System (TOS)**.

24.1 The Core Beliefs of TOS

A professional trader does not "hope." They operate on a set of core beliefs that cannot be shaken.

Belief #1: "I trade my system, not my emotions."

I do not care what I think the market will do. I only care what my strategy says to do. If the Sweep happens, I enter. If it doesn't, I don't. I am a robot executing a script.

Belief #2: "I am a risk manager first, trader second."

My primary job is not to make money. My primary job is to protect what I have. Profits are just the byproduct of good protection.

Belief #3: "One trade does not define me."

A winning trade does not make me a genius. A losing trade does not make me a failure. They are just data points in a set of 1,000 trades.

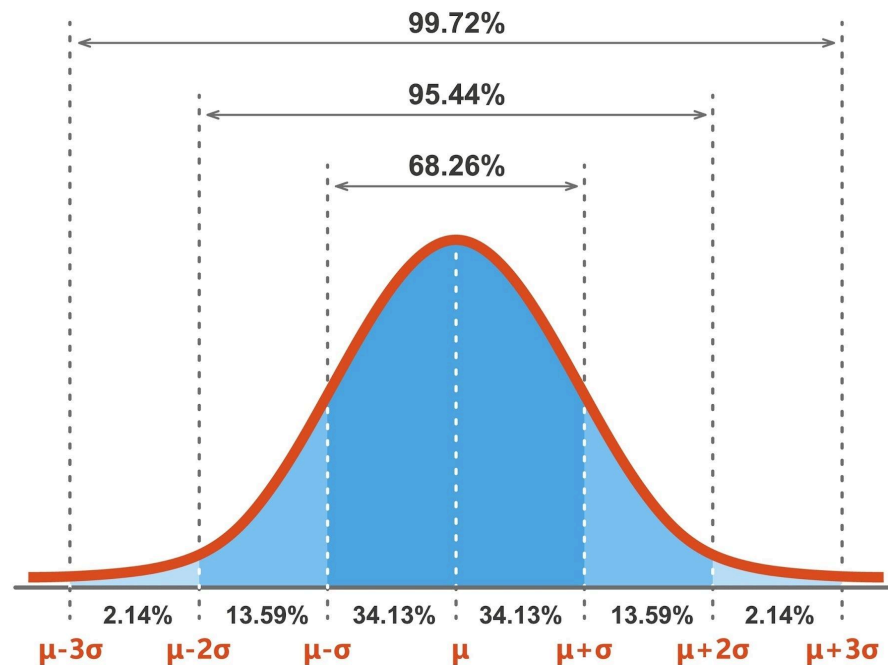
24.2 The "Probabilistic Mindset"

Most people think in "Right vs. Wrong."

- *"I bought, and price went down. I was wrong."*

Traders think in "Probability."

- *"I bought because this setup has a 70% chance of working over time. It failed this time. That is simply the 30% showing up. Next."*



-

Figure 24.1: *The Distribution Curve. Even a 70% win-rate strategy will have clusters of losses. This is natural variance, not a broken system.*

CHAPTER 25: THE 5 ENEMIES

Identifying the Saboteurs

There are five specific emotions that will try to destroy your account. You must recognize them the moment they appear.

Enemy #1: FEAR (The paralyzer)

Symptoms: You see the perfect Sweep and Retest, but you don't click the button. You are afraid of losing money.

The Fix: Trust the Math. You know your risk is fixed at 1%. You know your edge works over 100 trades. By skipping the trade, you are actually guaranteeing failure because you are missing the winners that pay for the losers.

Enemy #2: GREED (The Account Killer)

Symptoms: You hit TP1, but you don't close any profit because you "think it's going to the moon." Or, you act on a "sure thing" and double your lot size.

The Fix: Follow the Exit Protocol. TP1 pays for the risk. TP2 banks the wage. Greed is hoping for more than the market is offering. Take what is on the table.

Enemy #3: FOMO (Fear Of Missing Out)

Symptoms: You see a big green candle shooting up at 10:00 AM. You didn't get an entry, but you "feel" like you need to be in. You buy at the top.

The Fix: Remember the Bus Stop Analogy. There is always another bus coming. If you miss this trade, there will be another London Sweep tomorrow. Chasing a trade is like running after a bus—you usually just get run over.

Enemy #4: OVERCONFIDENCE (The Silent Killer)

Symptoms: You just won 5 trades in a row. You feel invincible. You stop marking your levels carefully. You start taking entries on your phone while driving.

The Fix: The market loves to humble arrogant traders. After a winning streak, consciously reduce your position size for a day. Force yourself to stay humble.

Enemy #5: IMPATIENCE (The Boredom)

Symptoms: The market is chopping sideways. Nothing is happening. You take a trade just to "feel" involved.

The Fix: Recognize that Cash is a Position. Being out of the market is an active choice. You are a sniper waiting in the grass. A sniper doesn't shoot at trees just because he's bored. He waits for the target.

CHAPTER 26: THE IDENTITY SHIFT

"Fake It Till You Become It"

You will never become a millionaire trader as long as you see yourself as a "struggling beginner." You act according to your identity.

26.1 The "Employee" vs. The "CEO"

- **The Employee Trader:** Shows up late. Skips the plan. Complains about the market. Wants a paycheck every Friday.
- **The CEO Trader:** Shows up early. Follows the business plan. Reviews performance metrics. Knows that profits come quarterly, not daily.

Exercise:

Every morning, look in the mirror and say: "I am a Risk Manager at a multi-million dollar hedge fund. My job is to execute the plan flawlessly."

It sounds cheesy. It works.

26.2 Detachment from Money

If you are sweating while a trade is open, you are trading too big.

You must reach a point of "Emotional Neutrality."

- **Win:** "Okay. Good execution."
- **Loss:** "Okay. Good risk management."

If your heart rate goes up, **lower your lot size**. You cannot trade properly if you are afraid of the money you are risking.

CHAPTER 27: THE WINNING ROUTINE

The Rituals of High Performers

Consistency in results comes from consistency in routine. You cannot have a chaotic life and a structured trading account.

27.1 The Pre-Game Ritual (7:30 AM – 8:00 AM)

1. **Hydrate:** Drink water. Your brain needs it.
2. **Check News:** Look at ForexFactory. Are there Red Folder events today?
3. **Mark the Levels:** Draw your 2-6am Range.
4. **Visualization:** Close your eyes. Visualize the Sweep happening. Visualize yourself entering. Visualize the stop loss being hit and you remaining calm.

27.2 The "In-The-Zone" Protocol (8:00 AM – 12:00 PM)

- **Phone Away:** Put your phone in another room. No TikTok. No distractions.
- **Single Monitor Focus:** You don't need 6 screens. You need one chart.
- **The "Hands Off" Rule:** Once you place a Limit Order, take your hand off the mouse. Sit on your hands if you have to. Do not micromanage the trade.

27.3 The Post-Game Review (12:05 PM)

1. **Journal:** Log the trade immediately while the emotions are fresh.
2. **Screenshot:** Capture the chart.
3. **Walk Away:** Win or lose, close the laptop. Go to the gym. Go outside. Do not look at the chart again until tomorrow.



TRADER'S DRILL (HOMEWORK)

1. **The "10-Second" Rule:** Next time you feel FOMO or Fear, count to 10 backwards before clicking. Usually, the impulse passes.
2. **The "Why" Audit:** Write down 5 reasons WHY you want to be a trader. If the answer is just "Money," you will quit when it gets hard. You need a deeper reason (Freedom, Family, Legacy).

3. **Create Your Avatar:** Write a paragraph describing the "Future You." How do they dress? How do they act? How do they handle a loss? Read this every morning.
-

THE Legacy Trading Protocol

SECTION 7: JOURNALING (THE SECRET TO CONSISTENCY)

CHAPTER 28: DATA IS YOUR MOST VALUABLE ASSET

Why the "Boring" Work Makes the Millions

Imagine a CEO who doesn't look at his company's balance sheet. He doesn't know what his expenses are. He doesn't know which product is selling. He just "feels" like it's going okay.

That company will be bankrupt in 6 months.

Most traders run their business exactly like that. They focus entirely on **Sales** (Taking Trades) and ignore **Accounting** (Journaling).

28.1 The Mirror

Your journal is not a diary. It is a mirror.

It reflects your behavior back to you with brutal honesty.

- You *think* you are losing because of "market manipulation."
- Your journal *shows* you are losing because 80% of your losses happen when you trade after 12:00 PM.

Once you have data, you can fix the problem. Without data, you are just guessing.

28.2 The "Sample Size" Mentality

You need to shift your focus from "The Trade" to "The Sample."

A casino doesn't care about the result of one spin of the roulette wheel. They care about the result of 10,000 spins.

Your journal collects your "spins." Only after you have logged 50 trades can you look at your Win Rate and R-Multiple to see if your edge is playing out.

CHAPTER 29: THE 4 PILLARS OF A PROFESSIONAL JOURNAL

What to Track (Beyond Just "Profit/Loss")

Most amateurs just write down: "Bought EURUSD. Made \$50."

This is useless. It tells you nothing about how you made that money. Was it skill? Or was it luck?

At **Legacy Lab FX**, we track four specific categories for every single trade.

Pillar 1: Technical Execution

- Did the trade meet every rule?
- Was the range marked correctly?
- Was the sweep confirmed?
- Did I enter on the retest or did I chase?

Pillar 2: Emotional State (The "Bio-Metric")

- How did I feel *before* the trade? (Calm, Anxious, Bored?)
- How did I feel *during* the trade? (Did I stare at the P/L?)
- How did I feel *after* the trade? (Relieved, Angry, Cocky?)

Pillar 3: Risk Management

- Did I stick to 1% risk?
- Did I move my Stop Loss? (Big sin).
- Did I take partials at the correct R-levels?

Pillar 4: Outcome Analysis

- What was the result in R? (e.g., +2.4R or -1.0R).
- Did price hit TP but spread took me out?
- Did I miss the entry by 1 pip?

CHAPTER 30: THE DAILY LOG TEMPLATE

Your End-of-Day Protocol

You will use this template every single day. Copy it into a physical notebook, Notion, or Excel.

LEGACY LAB FX — DAILY TRADE LOG

Date: / / | Pair:

PHASE 1: THE SETUP

- **Range Identified:** 2am–6am High/Low marked?
- **Sweep Direction:** (High / Low)
- **Sweep Size:** Pips (Must be > 1.0)
- **Confirmation:** Did candle close back inside? (Yes/No)

PHASE 2: THE EXECUTION

- **Entry Time:** (Must be 8am–12pm)
- **Entry Price:**
- **Stop Loss:** (Fixed 10 Pips?)
- **Take Profits:** 0.8R / 1.6R / 2.4R Set?

PHASE 3: THE MINDSET

- **Mood Before Trade:** (Circle one) *Neutral / Anxious / Excited / Bored / Revenge*
- **Did I hesitate?** (Yes/No)
- **Did I break any rules?** (List them):

PHASE 4: THE RESULT

- **Outcome:** (Win / Loss / BE)
- **Total R Gained/Lost:** R
- **Notes:**

CHAPTER 31: THE WEEKLY REVIEW (THE "CEO MEETING")

How to optimize Your Performance

Every Saturday morning, you are not a trader. You are a Consultant hired to audit your own performance.

You sit down with your Daily Logs from the week and answer these 3 questions.

Question 1: "Did I follow the plan?"

Look at your "Mistakes" column.

- If you followed the plan and lost money → **Good Trading.** (Market variance).
- If you broke the rules and made money → **Bad Trading.** (Reinforcing bad habits).
- If you broke the rules and lost money → **Tuition.** (Learn from it).

Question 2: "What is my biggest leak?"

Look for patterns in your losses.

- *"Wow, 4 out of my 5 losses happened on days when I didn't sleep well."*
- *"All my winning trades happened between 9:00 AM and 10:00 AM."*
- *"I keep losing when I trade Gold. Maybe I should stick to GBP/USD."*

Question 3: "What is the goal for next week?"

Don't set a money goal ("I want to make \$1,000"). You can't control the market.

Set a Process Goal.

- *"Next week, my goal is to have ZERO hesitation errors."*
- *"Next week, my goal is to log every trade within 5 minutes of closing."*

CHAPTER 32: THE EQUITY CURVE

Visualizing Your Journey

You need to track your cumulative R-Multiple in a line graph.

32.1 The "Jagginess" Test

- **Smooth Curve:** Indicates consistent risk management. Even if it's going down slightly, a smooth line means you are disciplined.
- **Jagged Curve (Spikes and Crashes):** Indicates you are changing your lot size randomly or emotionally. This is dangerous.

32.2 The "Breakeven" Plateau

Most traders hit a phase where they stop losing money, but they aren't making money yet. The line goes flat.

Celebrate this.

This is the hardest stage to reach. It means you have stopped bleeding. You have mastered Risk Management. Now you just need to refine your Entry/Exit to start climbing.



TRADER'S DRILL (HOMEWORK)

1. **Build Your Station:** Create your journal today. Whether it's a physical Moleskine notebook or a Google Sheet. Set it up with the columns from Chapter 30.
 2. **The "50 Trade" Contract:** Commit to logging your next 50 trades without judging yourself. Tell yourself: *"I am just collecting data."*
 3. **Audit Your Past:** If you have trading history in your broker account, go back and look at your last 10 losses. Be honest—how many were "Rule Breaks"?
-

THE Legacy Trading Protocol

SECTION 8: BACKTESTING (BUILDING UNSHAKEABLE CONFIDENCE)

CHAPTER 33: THE TIME MACHINE

How to gain 3 Years of Experience in 3 Weeks

Imagine if a pilot could fly a plane for 1,000 hours before ever leaving the ground. They would be calm, precise, and prepared for any storm.

That is what Backtesting is.

Most beginners skip this. They fund a live account and "learn by losing money."

Legacy Lab Traders are smarter. We use the "Time Machine" (TradingView Bar Replay) to simulate years of trading data in a few weekends.

33.1 Data vs. Belief

You can read this book. You can believe me.

But until you see the strategy work with your own eyes 100 times in a row, you will not trust it when real money is on the line.

- **Backtesting turns "Hope" into "Knowing."**
- When you *know* the strategy recovers from drawdowns, you won't panic when a drawdown happens live.

CHAPTER 34: THE 3-PHASE PROTOCOL

The Scientific Method for Profit

We do not just look at charts. We follow a strict scientific protocol.

Phase 1: The Manual Grind (Training the Eye)

Goal: Train your retinas to spot the Sweep instantly.

Tool: TradingView Bar Replay Mode.

Process:

1. Go back 6 months on GBP/USD (15m Chart).
2. Hit "Replay."
3. Press "Forward" one candle at a time.
4. **Mark the 2-6am Range manually.**
5. Watch for the Sweep.
6. If it happens, place a "Short Position" or "Long Position" tool on the chart.
7. See if it hits TP or SL.
8. Log the result in a spreadsheet.

Do this for 50 trades.

Warning: This is boring. It is tedious. Do it anyway. You are building muscle memory.

Phase 2: The Automated Audit (Verifying the Math)

Goal: Get massive sample size quickly.

Tool: The Legacy Lab FX Indicator (Backtest Mode).

Process:

1. Turn on the Indicator.
2. Enable "Show Historical Trades."
3. Scroll back 1 year.
4. The Indicator will automatically paint every valid setup and show the Win/Loss result.

5. Look at the **Stats Table** (built into the indicator):
- *What is the Win Rate?* (e.g., 64%)
 - *What is the Max Drawdown?* (e.g., -5R)
 - *What is the Total Net R?* (e.g., +120R)

Figure 34.1: *The Legacy Lab Indicator Stats Panel. Instant feedback on how the strategy performed over the last 12 months.*

Phase 3: Forward Testing (The Psychology Test)

Goal: Test yourself, not the strategy.

Tool: Demo Account (or very small Live Account).

Process:

Trade the strategy live, in real-time, for 30 days.

- **The Catch:** You must treat the Demo money as if it were real.
- If you break a rule on Demo, you fail Phase 3. You must restart.
- You cannot move to a full-sized Live Account until you have completed a "Perfect Month" (no rule breaks) in Phase 3.

CHAPTER 35: WHAT TO LOOK FOR

Interpreting Your Data

When you backtest, you are not just looking for "Profit." You are looking for the "Personality" of the strategy.

35.1 The "Losing Cluster"

You will eventually see 4 or 5 losses in a row during your backtest.

Pay attention to this.

- How does it look on the chart?
- Was the market trending hard?
- Was it a holiday week?
- **Takeaway:** Visualize yourself experiencing this live. Realize that it is normal. Realize that if you kept trading, the winning streak came right after.

35.2 The "Equity Valley"

Your profit line will not go straight up. It will go up, dip, go sideways for a week, then shoot up again.

Understanding this "Valley" prevents you from quitting during the flat periods.

35.3 The "Pair Personality"

You might notice:

- *"Wow, EUR/USD respects the 10-pip stop perfectly."*
- "GBP/JPY moves too fast; it stops me out before going to TP."
Action: Use this data to choose your "Main Pair." We recommend GBP/USD and EUR/USD because our data shows they perform best with this specific logic.

CHAPTER 36: OPTIMIZATION (THE DANGER ZONE)

Don't "Curve Fit"

A common mistake is "Curve Fitting."

- *Trader*: "If I change the Stop Loss to 12 pips, I would have won that trade! I'm going to change my rules to 12 pips."

STOP.

Just because a 12-pip stop worked last week doesn't mean it works long term.

- If you change a rule, you must re-test it over **100 trades**.
- Never change your rules based on one bad trade.

The Legacy Lab Standard:

We have optimized the 10 Pip Stop and 0.8/1.6/2.4 Targets over thousands of data points. Stick to the standard settings until you are profitable.



TRADER'S DRILL (HOMEWORK)

1. **The "Weekend War"**: This weekend, dedicate 4 hours to Phase 1. Backtest January and February of this year manually.
 2. **The "Drawdown Simulator"**: Find the worst losing streak in your backtest data. Print out those 5 losing charts. Tape them to your wall. Look at them and say: *"This is the cost of doing business."*
 3. **Indicator Setup**: If you have purchased the **Legacy Lab FX Indicator**, go to the settings and toggle "Show Backtest Panel." Screenshot your results for GBP/USD on the 15m timeframe.
-

THE Legacy Trading Protocol

SECTION 9: LIVE EXECUTION (THE 8AM–12PM PROTOCOL)

CHAPTER 37: THE "GREEN LIGHT" SYSTEM

The Pilot's Pre-Flight Checklist

Commercial pilots do not hop in a plane and guess if it's ready to fly. They read a checklist. If one item is "No," the plane does not leave the gate.

You are a pilot. Your capital is the passengers.

Every morning at **8:00 AM EST**, you must run the **Green Light Sequence**.

37.1 The Sequence

Question 1: Is the 2am–6am Range marked?

- *Check:* Do I see clear blue lines at the High and Low?
- *Status:* If No → **RED LIGHT**. (Go mark it).

Question 2: Has a Sweep occurred?

- *Check:* Did price break the High or Low?
- *Check:* Was the break ≥ 1.0 Pip?
- *Status:* If No → **RED LIGHT**. (Wait).

Question 3: Did the candle close back inside?

- *Check:* Look at the candle body. Is it back in the range?
- *Status:* If No (Close Outside) → **RED LIGHT**. (Invalid Breakout).

Question 4: Is the "Big Candle" Filter clear?

- *Check:* Was the sweep candle massive (news spike)?
- *Status:* If Yes → **RED LIGHT**. (Too volatile).

Question 5: Is it between 8:00 AM and 12:00 PM?

- *Check:* Look at the clock.
- *Status:* If No → **RED LIGHT.** (Go do something else).

VERDICT:

Only if ALL answers are "Green" do you proceed to Chapter 38.

CHAPTER 38: THE EXECUTION

Precision Striking

You have a Green Light. Now you execute. You do not hesitate. You do not "think." You follow the script.

38.1 Placing the Order

We do not use Market Execution unless price is moving too fast to catch a limit. We prefer **Limit Orders**.

- **Step 1:** Right-click the chart at the exact price of the **Range Line** (High or Low).
- **Step 2:** Select "Buy Limit" or "Sell Limit."
- **Step 3:** Input your Stop Loss (10 Pips away).
- **Step 4:** Input your TP1, TP2, TP3.
- **Step 5:** Click **Submit**.

38.2 The "Hands-Off" Rule

Once you click Submit, your job as a Trader is finished. You are now a Risk Manager.

- **Do not stare at the P/L.**
- **Do not drag the Stop Loss.**
- **Do not close the trade early because you are "scared."**

The Only Valid Intervention:

If price hits TP1 (0.8R), you are allowed to move your Stop Loss to Breakeven. This makes the trade "Risk-Free."

- *Note:* Some aggressive traders leave the Stop at -10 pips to give the trade more room to breathe. Both approaches are valid, but **pick one** and stick to it.

The Breakeven Rule: The moment price hits **TP1**, you must move your Stop Loss to your Entry Price. We never let a winning trade turn into a loser. If the market gives you 8 pips, you take half off the table and protect the rest. This is how you survive long enough to catch the 50-pip runners.

CHAPTER 39: THE PROFESSIONAL FILTER

When To Abort Mission

Even if you have a Green Light, there are external factors that can scrub the mission.

39.1 The "Red Folder" Rule

Check the Economic Calendar (ForexFactory).

- Is there a "High Impact" (Red Folder) USD event in 10 minutes? (e.g., CPI, NFP, FOMC).
- **Action:** Cancel all pending orders.
- **Why:** High-impact news creates slippage. Your 10-pip stop might turn into a 30-pip loss instantly. We do not gamble on news.

39.2 The "Stalemate" Rule

You enter a trade at 9:00 AM.

It is now 11:30 AM.

Price has barely moved. It is hovering 2 pips above your entry.

- **Action:** Close the trade manually.
- **Why:** The momentum is dead. Liquidity is drying up as the London Close approaches (12:00 PM). Do not leave "zombie trades" open into the afternoon.

39.3 The "One Bullet" Rule

You take a trade at 8:30 AM. It hits Stop Loss.

At 10:00 AM, a second setup appears.

- **Action: DO NOT TAKE IT.**
- **Why:** You have one bullet per day. You missed. Pack up your rifle and go home.

- *Psychology Note:* The second trade is usually an emotional "Revenge Trade." The win rate on second trades is significantly lower.



TRADER'S DRILL (HOMEWORK)

1. **Print the Checklist:** Take the "Green Light" questions from Chapter 37. Type them up. Print them. Tape them to your monitor. Do not trade without reading them out loud.
 2. **The "News" Drill:** Go to ForexFactory. Look at the last 3 "NFP" (Non-Farm Payroll) days. Look at the chart at 8:30 AM on those days. Notice the chaos? That is why we stand down.
 3. **The "Breakeven" Test:** In your backtesting, test two versions:
 - Version A: Move SL to Breakeven at TP1.
 - Version B: Leave SL at -10 pips until the end.
 - Which one makes more money? (Hint: Version B usually makes more money, but Version A feels safer psychologically. Choose your poison).
-

THE Legacy Trading Protocol

SECTION 10: THE LEGACY LAB FX INDICATOR

CHAPTER 40: THE PROBLEM WITH MANUAL TRADING

Why Humans Are the Weak Link

You have read the last 9 sections. You know the strategy works.

But you also know the reality of waking up at 7:30 AM every day:

- You might draw the line 2 pips too high.
- You might miss the sweep because you were making coffee.
- You might calculate the lot size wrong.
- You might hesitate because the candle "looked scary."

The strategy is perfect. You are not.

Human error is the #1 cause of lost profits in a profitable system.

40.1 The Solution: Automation

We realized that 90% of the tasks in the **London Sweep System** are repetitive.

- Marking the 2-6am Timeframe? **Repetitive.**
- Calculating 10 pips? **Repetitive.**
- Checking if the candle closed inside? **Repetitive.**

So, we coded it.

We built an algorithm that does the "boring" work for you, so you can focus on the one thing a computer can't do: Pulling the Trigger.

CHAPTER 41: THE LEGACY LAB INDICATOR

Your New Trading Assistant

The **Legacy Lab FX Indicator** is a custom script built for TradingView. It is not just lines on a chart; it is a complete trading operating system.

Feature 1: The "Auto-Range"

Stop drawing boxes.

The indicator automatically highlights the 2:00 AM – 6:00 AM zone in gray. It draws perfectly straight lines at the High and Low. It updates every single day without you touching it.

Feature 2: The "Sweep Detector"

You don't need to stare at the screen waiting for a breakout.

When a valid Sweep occurs (Break + 1 Pip + Close Inside), the indicator prints a clear "BUY" or "SELL" label on your chart.

- *Bonus:* You can set a mobile alert to ping your phone: *"Legacy Lab Alert: GBPUSD Sweep Detected."*

Feature 3: The "ATR Filter" (The Safety Net)

Remember the "Big Candle" rule? The indicator calculates the Average True Range (ATR) in the background.

If a sweep candle is too volatile (likely news), the indicator WILL NOT give you a signal. It protects you from dangerous markets automatically.

Feature 4: The "Target Painter"

The moment a signal appears, the indicator draws 4 lines on your chart:

- **Stop Loss (Red):** Fixed at 10 Pips.
- **TP1 (Green):** 0.8R.

- TP2 (Green): 1.6R.
- TP3 (Green): 2.4R.

No calculator needed. Just copy the numbers into your broker.



TradingView



TradingView



Figure 41.1: *The Indicator in Action. Notice the gray time zone, the clear "BUY" tag, and the TP lines automatically projected.*

CHAPTER 42: THE TRUTH TELLER (BACKTEST MODE)

Trust, But Verify

Most indicator sellers show you pretty screenshots but hide the losses.

We show you the ugly truth.

The Legacy Lab Indicator includes a "Strategy Tester" Panel in the bottom right corner of your chart.

It scans the last 1,000 candles and tells you:

1. **Win Rate:** (e.g., 62%)
2. **Total Trades:** (e.g., 142)
3. **Net Profit:** (e.g., +85R)

You can toggle settings (like changing SL to 12 pips) and watch the numbers change in real-time. This is how you optimize your edge.

CHAPTER 43: HOW TO GET IT

Joining the Ecosystem

The **Legacy Lab FX Indicator** is not available to the public. It is exclusive to members of the **Legacy Lab Discord**.

Why Discord?

Because an indicator alone is not enough. You need:

1. **The Tool:** The Indicator.
2. **The Environment:** A community of traders trading the *same* setup at the *same* time.
3. **The Guidance:** Daily morning livestreams where we review the 2-6am range together.

The Offer

You have two choices:

- **Choice A:** Continue marking lines manually, calculating risk on your phone, and wondering if you did it right.
- **Choice B:** Plug in the tool that automates the process, join the tribe, and trade with professional precision.

Unlock Your Access



THE LEGACY TRADING PROTOCOL

CONCLUSION

FINAL WORDS

The First Day of Your New Life

You have reached the end of this guide.

You now possess the blueprint.

You understand the "London Sweep." You know why it happens (Liquidity). You know when to trade it (8am–12pm). You know exactly where to place your Stop Loss (10 Pips).

But here is the hard truth:

Knowledge is not Power. Knowledge is Potential Power.

Reading this book did not make you a profitable trader.

Only Execution can do that.

Most people who read this book will do nothing.

- They will say, "*That makes sense.*"
- Then they will go back to their messy charts.
- They will go back to risking 5% on a "hunch."
- They will go back to the Cycle of Doom.

Do not be most people.

You have a choice right now.

You can close this PDF and go back to being "Liquidity" for the banks.

OR...

You can commit to the Legacy Protocol.

Commit to the boredom.

Commit to the One Trade Per Day.

Commit to the journal.

Trading is the hardest way to make easy money. It requires you to fight your own human nature every single morning.

But on the other side of that fight is freedom.

- Freedom from a boss.
- Freedom from a schedule.
- Freedom to build a Legacy.

The tools are in your hands. The strategy is proven. The math is undeniable.

The only variable left is You.

Welcome to the Legacy Lab.

We'll see you on the charts.

— **The Legacy Lab Team**

GLOSSARY

The Language of the Tribe

Accumulation: The phase where institutions build positions, usually causing the market to move sideways (e.g., the 2am–6am Range).

Asian Range: The price action between 2:00 AM and 6:00 AM EST. This forms the "Trap" for our strategy.

Break of Structure (BOS): When price closes beyond a previous high or low, signaling a continuation of the trend.

Confirmation Candle: The candle immediately following a Sweep. It must close back inside the range to validate the setup.

Drawdown: The reduction in capital from a peak to a trough. We measure this in "R" (Risk Units).

Equilibrium: The midpoint (50%) of a range or candle.

Killzone: The specific time window where we are allowed to execute trades (8:00 AM – 12:00 PM EST).

Liquidity: Pending orders (Stop Losses and Buy/Sell Stops) sitting above highs and below lows. This is what the banks hunt.

Lot Size: The volume of the trade. In the Legacy Protocol, this changes every trade to ensure the risk stays fixed at 1%.

R-Multiple (R): A unit of risk. If you risk \$100, then $1R = \$100$. We target wins of $0.8R$, $1.6R$, and $2.4R$.

Retest: When price returns to a broken level (the Sweep line) to confirm it before reversing. This is our entry trigger.

Spread: The difference between the Bid and Ask price. We account for this in our entry.

Stop Hunt: See "Sweep."

Sweep: When price moves beyond a High or Low to collect liquidity (trigger stops) and then immediately reverses.

Wick: The thin line above or below a candle body. A long wick indicates rejection and is a key signature of a Sweep.