The "Three Drive" Scalping Strategy

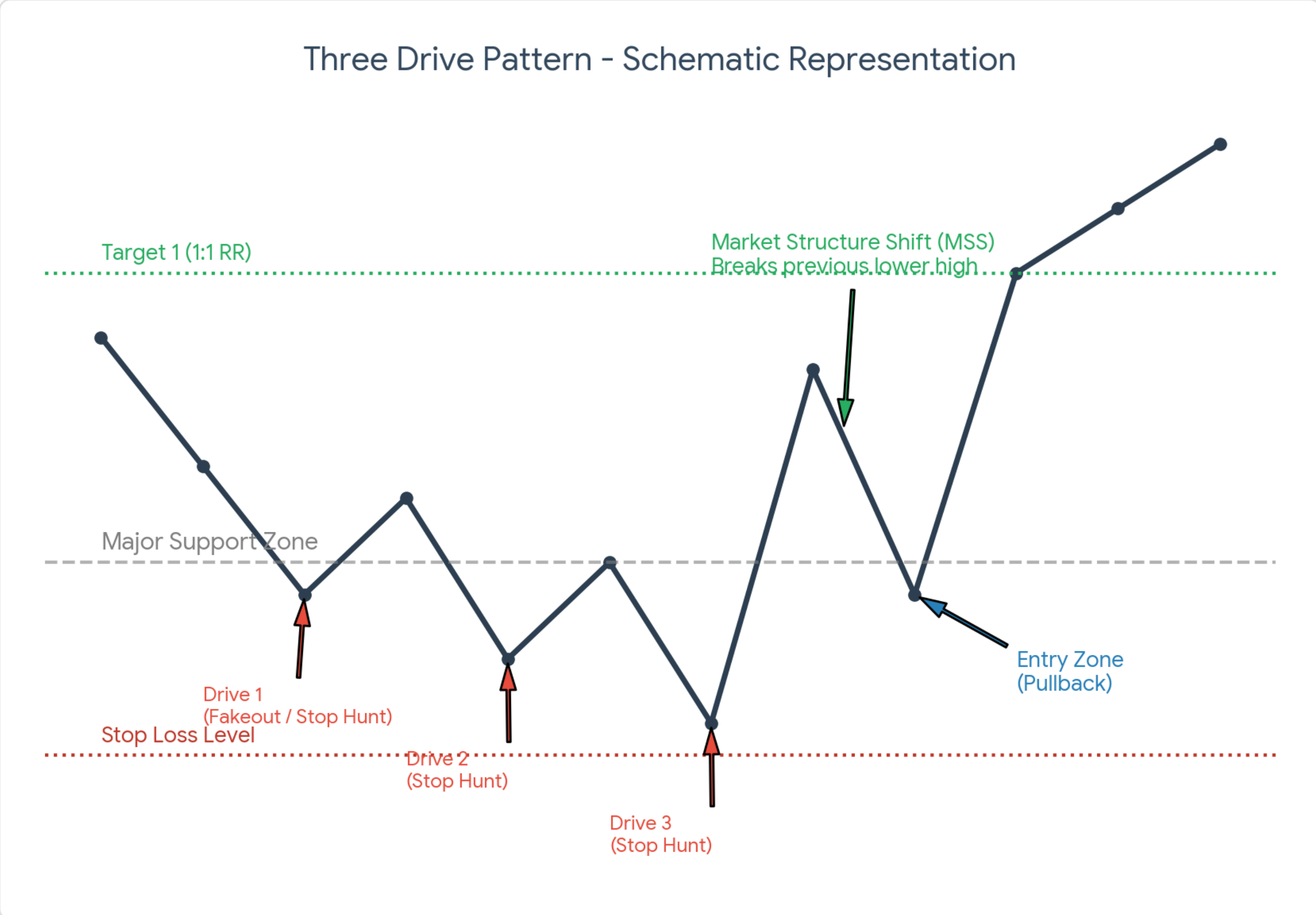
Pure Price Action Framework for Institutional Order Tracking

The **Three Drive Pattern** is a pure price action scalping strategy designed to capitalize on institutional stop-loss hunting at major support or resistance levels. Institutions manipulate prices slightly past key levels to trigger retail stop-loss orders (which act as liquidity), allowing them to fill massive orders before the actual reversal begins.

Strategy Parameters

- **Timeframe:** 1-minute chart.
- **Applicability:** Indices, Stocks, Options, and Equity Intraday.
- **Indicators:** None required (pure price action).

Strategy Schematic



Step-by-Step Execution

Step 1: Identify a Key Level

Mark major support or resistance zones on your chart. Wait for the price to approach this predefined level.

Step 2: Observe the Stop-Loss Hunts (The Drives)

When the price reaches the support level, wait for it to create a minimum of two "fakeouts" or "drives." Retail traders will often buy early based on basic candlestick patterns (like a Doji or Bullish Engulfing). The price will bounce slightly, then sharply drop to break the recent low, hitting retail stop-losses. This cycle of bouncing and making a new fakeout low must happen at least twice (forming 3 or sometimes 4 drives).

Step 3: Wait for a Market Structure Shift (MSS)

> Do not attempt to predict the exact bottom during the fakeouts. Wait for the price to aggressively reverse upward and break the most recent **lower high** (the specific high that led to the final stop-hunting low). Breaking this high is the "Sign of Strength" (SOS) confirming that institutional accumulation is complete and the trend is officially shifting.

> #### Step 4: Execute the Entry
> Once the recent high is broken (Market Structure Shift confirmed), look to enter on a pullback. Place your entry order in the zone between the newly broken high and the major support level.

Risk Management & Targets

- **Stop-Loss Placement:** Place your stop-loss slightly below the absolute lowest point of the final stop-hunt (the last drive). Add a small buffer to avoid getting stopped out by spreads. Do not trade without a stop-loss, as failure to hold this level indicates the larger trend is continuing.
- **Target 1 (Partial Booking):** Set your first target at a **1:1 Risk-to-Reward ratio**. Once the price hits this level, book partial profits and trail your stop-loss to breakeven (your entry price).
- **Target 2 (Runner):** Aim your remaining position for the original swing high where the initial downward move started before the stop-hunts began.

Optional Enhancements

While this is a raw price-action strategy, you can add confluence by using oscillators like **RSI, MACD, Stochastic RSI, or Volume**. Apply one of these indicators and look for **divergence** during the consecutive stop-hunts (e.g., the price makes a lower low during a fakeout, but the RSI makes a higher low). Ensure you trade this setup in the direction of the higher timeframe trend to minimize false signals.