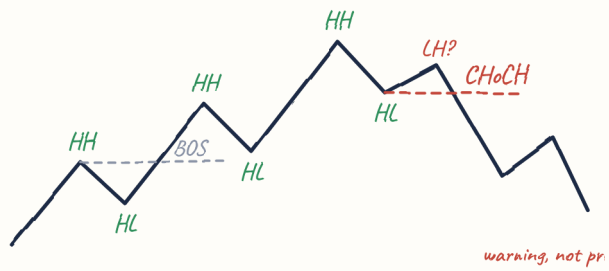
XAUUSD Global · study note

Trend structure

An uptrend makes higher highs (HH) and higher lows (HL); a downtrend makes lower highs (LH) and lower lows (LL). Structure is the map you read before any entry.



Key points

- Break of structure (BOS): price breaks a swing in the trend's direction, which suggests the trend is continuing.
- Change of character (CHoCH): the first break against the trend, such as an uptrend losing its last higher low. A warning, not a confirmed reversal.
- After a CHoCH in an uptrend, a reversal is confirmed by a lower high and then a break of the CHoCH low.
- Use candle bodies closing beyond the swing, and one fixed definition of a swing, so you label the same way every time.
- Higher timeframe structure (D1, H4) outranks lower timeframe structure (M15, M5).

How traders use it

1. Label the last 6 to 10 swings on H4: up, down or range.
2. In an uptrend look for longs at higher lows; in a downtrend, shorts at lower highs.
3. Put the stop beyond the swing whose break would change the structure.

Watch out

- ✗ Labelling structure on a news-spike candle.
- ✗ Calling every small wick a new swing.
- ✗ Trading against the H4 trend because M5 turned.

Key line: **Trend = HH + HL (or LH + LL). The first break against it is a warning, not a signal.**