ALETHIA

ES Thesis Playbook

Daily 15-Minute Memory Refresh - Version 1

THE PURPOSE

Read this once each trading day until the six stories become automatic. Do not memorize pattern names in isolation. Refresh the behavioral sequence, what qualifies the thesis, what invalidates it, where the trade should go, and when you are forbidden to add.

Time	Review
1 min	**Master flow:** Context -> Control -> Location -> Attempt -> Response -> Destination -> Equation -> Act
8 min	**A-tier:** Strong Trend, Channel PB, BO-Acceptance-BOPB, Range-Extreme Failed BO (about 2 min each)
2 min	**B-tier:** Failed Reversal / Failure-of-Failure Resumption
2 min	**Observe-only:** Mature-Trend Transition / MTR
2 min	**Final recall:** Say the six thesis names from memory and state one disqualifier for each

NON-NEGOTIABLE RULES

1. Regime sets the default expectation; price action must earn an exception. **2.** Damage is not automatically a flip. **3.** Breakout is a claim; follow-through determines acceptance. **4.** Structure sets the stop; risk budget sets size. **5.** Nearest reasonable destination first. **6.** Every add must independently earn its existence. **7.** If the thesis or equation is unclear, WAIT or DO NOTHING.

THE SIX STORIES

A-tier: 1) Strong-Trend Continuation; 2) Channel Pullback / Resumption; 3) Breakout -> Acceptance -> BOPB; 4) Range-Extreme Failed Breakout.
B-tier: 5) Failed Reversal / Failure-of-Failure Resumption.
Observe-only initially: 6) Mature-Trend Transition / MTR.

Goal: recognize the market story first; use patterns only as evidence inside that story.

Strong-Trend Continuation

BEHAVIORAL STORY

Dominant side clearly controls -> opposition cannot create meaningful damage -> brief/shallow pullback provides another opportunity -> trend resumes.

BEST CONTEXT / LOCATION

Best in a fresh spike, tight trend, trend-from-open, small-pullback trend, or the early phase after a strong breakout. Prefer room to the prior extreme and beyond. Buying high / selling low can be correct because strong trends often do not offer deep value.

MUST BE PRESENT / QUALIFICATION

Clear AIL/AIS; urgency and repeated accomplishment; strong closes / separation / shallow pullbacks; CT bars are weak or quickly rejected; major structure is intact; first or early pullback; realistic room to the next destination.

PREFERRED TRIGGER

First/early PB; H1/H2 or L1/L2; first meaningful EMA test; BOPB; failed CT attempt; continuation after a weak one- or two-leg pullback.

STRUCTURAL INVALIDATION

Beyond the structure whose break would prove the CT side accomplished meaningful damage. The stop is not automatically one tick beyond the signal bar; it belongs where the continuation premise is no longer valid.

DESTINATION MAP

First: prior trend extreme.
Second: breakout extension / measured move / next magnet only after acceptance through the prior extreme.

DISQUALIFIERS / PASS

Major CT break + strong FT; pullback becomes deep and clearly two-sided; repeated failure to make progress; late climax at important excess; entry directly into a nearby major magnet with poor room; transition is developing.

SCALING RULE

Do not add merely because the pullback is deeper or price is cheaper. Add only after new evidence improves probability - e.g., CT attempt fails, support holds, or continuation produces renewed FT. If CT accomplishment is increasing, scaling is forbidden.

MANAGEMENT / UPDATE

Hold while control and structure remain intact. A single opposite bar is not enough. Reduce/exit if the expected resumption repeatedly fails or CT side gains real accomplishment. Do not convert a damaged continuation trade into a hope-based swing.

30-SECOND PRE-ENTRY CHECK

[ ] Regime is genuinely strong trend, not mature channel/range
[ ] AIL/AIS is clear and not meaningfully damaged
[ ] CT pullback is weak/shallow/brief relative to trend
[ ] Entry has room to prior extreme
[ ] Trigger shows the dominant side resuming
[ ] Structural stop is known
[ ] Reward vs risk remains favorable
[ ] I am not chasing after the easy entry is already gone

MEMORY HOOK

STRONG TREND = SEEK PARTICIPATION, NOT A TOP OR BOTTOM.

Live sentence: Strong AIL; first shallow PB; bears fail to damage structure; bull resumption triggers; prior high is first destination -> long if equation is positive.

Channel Pullback / Resumption

BEHAVIORAL STORY

AI remains intact, but the market is more two-sided -> wait for favorable location -> CT side stalls/fails -> original trend resumes.

BEST CONTEXT / LOCATION

Best in a healthy or maturing channel where the trend remains intact but pullbacks are deeper and overlap is increasing. Location matters more than in a strong spike: EMA, trend line, breakout point, prior swing support/resistance, lower/upper channel area.

MUST BE PRESENT / QUALIFICATION

AI still intact; channel has not become a broad trading range; pullback reaches a favorable structural location; CT effort does not create a true control flip; old trend has a credible path back to its prior extreme.

PREFERRED TRIGGER

With-trend signal after CT pressure stalls; H2/L2 or second attempt often useful; failed CT breakout; failed test against AI; resumption from EMA/TL/BO-point support or resistance.

STRUCTURAL INVALIDATION

Beyond the meaningful pullback swing or structural area whose break would show the channel has transitioned into a broader two-sided state or opposite control.

DESTINATION MAP

First: prior trend extreme.
Second: extension only after the old extreme is accepted and trend strength reappears.

DISQUALIFIERS / PASS

Channel is becoming broad range; repeated trend-direction attempts fail; strong CT break gets FT; location is at late excess/TCL/MM rather than favorable trend-side structure; reward to prior extreme is too small.

SCALING RULE

Never add merely because the channel gave a better price. Add only after the pullback itself fails, support/resistance holds, or the dominant side produces new FT. If each CT push is getting stronger/deeper, do not scale.

MANAGEMENT / UPDATE

Expect more noise than in a strong trend. Hold through ordinary two-sided bars if the premise remains intact, but reassess if the trend cannot retest the old extreme or if CT pressure produces progressively more structural accomplishment.

30-SECOND PRE-ENTRY CHECK

[ ] AI remains intact
[ ] Channel is still a trend, not already a broad range
[ ] I am entering from favorable structure, not chasing the channel
[ ] CT side has stalled/failed or trend side is reasserting
[ ] Prior extreme offers enough reward
[ ] Stop sits beyond meaningful pullback structure
[ ] No late climax/excess is immediately against me
[ ] If location is mediocre, I will pass

MEMORY HOOK

CHANNEL = CONTROL MAY PERSIST, BUT LOCATION MUST IMPROVE.

Live sentence: AIL bull channel; deeper PB to BO point/EMA; bears fail to extend; bull second attempt triggers -> long toward prior high.

Breakout -> Acceptance -> BOPB

BEHAVIORAL STORY

Balance -> one side makes a breakout claim -> market accepts new prices -> opposition tests the claim -> opposition fails -> breakout resumes.

BEST CONTEXT / LOCATION

Best when leaving meaningful balance: a trading range, opening range, major prior swing, or other structure that clearly contained price. The breakout must have room before the next opposing magnet.

MUST BE PRESENT / QUALIFICATION

Genuine BO of meaningful structure; FT through price extension or time acceptance; price holds outside the old area; pullback cannot reclaim the prior range/level; breakout side remains capable of resuming.

PREFERRED TRIGGER

Aggressive: strong BO close + FT when context is exceptional. Preferred: BOPB / successful test of BO point / failed opposition followed by resumption.

STRUCTURAL INVALIDATION

Beyond the BO structure or reclaim area that would negate acceptance. If price returns into the old range and becomes accepted there, the thesis is damaged or failed.

DESTINATION MAP

First: next meaningful magnet or measured-move objective supported by the breakout.
Second: further extension only if the first destination is accepted.

DISQUALIFIERS / PASS

Immediate reclaim into old range; no FT plus strong opposite response; BO occurs directly into a larger-range extreme with no acceptance; pullback is actually rebuilding balance; breakout side cannot resume after the test.

SCALING RULE

Scaling is forbidden while the pullback is reclaiming the old range or while acceptance is deteriorating. Add only if the BO test holds and the original side resumes with better evidence.

MANAGEMENT / UPDATE

The BOPB is valuable because the market answers 'yes' twice: the BO survives, then survives opposition. If the test holds but resumption is weak, lower confidence. If the old range is reclaimed with acceptance, exit rather than defend the story.

30-SECOND PRE-ENTRY CHECK

[ ] The breakout is from meaningful balance/structure
[ ] There is actual acceptance, not just one impressive bar
[ ] The pullback cannot reclaim old value
[ ] Opposition fails at/near the BO point
[ ] There is room to the next magnet / MM
[ ] Structural invalidation is outside normal BO-test noise
[ ] I am not buying a breakout into larger-range resistance
[ ] The BOPB itself still has a positive equation

MEMORY HOOK

BREAKOUT = CLAIM. BOPB = THE CLAIM SURVIVED A CHALLENGE.

Live sentence: Two-hour range -> bull BO + FT -> pullback holds above range -> bears cannot reclaim -> bull resumption -> long toward MM / next magnet.

Range-Extreme Failed Breakout

BEHAVIORAL STORY

Broad range -> price tests/escapes a true extreme -> breakout fails to gain acceptance -> price reclaims the range -> trapped breakout traders help drive price back toward value.

BEST CONTEXT / LOCATION

Best only in an established broad trading range and near a true edge. Avoid the middle. Prior day/session highs/lows can matter if they coincide with the range structure, but the range context is primary.

MUST BE PRESENT / QUALIFICATION

Established range; breakout attempt beyond edge; poor FT, strong opposite response, or quick reclaim; evidence that breakout side cannot hold outside; adequate room back to value.

PREFERRED TRIGGER

Reclaim of range; failed second breakout attempt; strong opposite signal with FT; micro/major double test only when it expresses the same failed-acceptance behavior.

STRUCTURAL INVALIDATION

Beyond the failed BO extreme or structure proving that the breakout is actually becoming accepted. If price establishes sustained acceptance outside the range, the fade thesis is wrong.

DESTINATION MAP

First: range midpoint / return toward value.
Second: opposite range extreme only if strength persists through the midpoint and opposing attempts fail.

DISQUALIFIERS / PASS

Breakout gets strong FT and holds outside; range was actually transitioning into trend; entry is in the middle rather than at an edge; the supposed failed BO never truly reclaimed; opposite response is weak and unresolved.

SCALING RULE

Never add against expanding trend bars outside the range. Add only if another breakout attempt fails or the reclaim receives stronger opposite FT. Averaging because 'ranges reverse' is forbidden.

MANAGEMENT / UPDATE

Once back inside the range, ask whether the move can reach midpoint. At midpoint reassess - do not automatically hold for the far edge. If the breakout side regains acceptance outside the range, exit.

30-SECOND PRE-ENTRY CHECK

[ ] This is a broad range, not a strong trend/channel
[ ] Entry is near a real range extreme
[ ] Breakout failed to gain/keep acceptance
[ ] Price has reclaimed or clearly rejected outside prices
[ ] There is credible trapped-breakout logic
[ ] Midpoint provides sufficient first reward
[ ] Stop is beyond failed-BO structure
[ ] If BO acceptance strengthens, I will not average against it

MEMORY HOOK

RANGE EXTREME = TRADE THE FAILED ATTEMPT, NOT 'LOW PRICE' OR 'HIGH PRICE'.

Live sentence: Broad range; bears break below low; poor FT; bulls reclaim range; bear second attempt fails -> long toward midpoint first.

THESIS 5

OBSERVE-ONLY INITIALLY

Mature-Trend Transition / MTR

BEHAVIORAL STORY

Old trend was dominant -> meaningful CT damage appears -> old side tries to restore the trend / test the old extreme -> restoration fails -> opposite side earns a control flip.

BEST CONTEXT / LOCATION

Best after a mature trend, multiple signs of slowing, meaningful trend-line/structure damage, and a test of the old extreme. Ideal locations include excess, prior major H/L, MM/TCL areas - but location alone never creates the reversal.

MUST BE PRESENT / QUALIFICATION

Mature old trend; meaningful CT damage; old extreme gets tested or the old side makes a credible restoration attempt; old side fails; new side then produces structural accomplishment and FT. Exception: exceptionally strong opposite BO + strong FT can flip faster.

PREFERRED TRIGGER

Preferred: failed old-extreme test followed by opposite BO + FT; strong second signal; break of meaningful swing structure after failed restoration.

STRUCTURAL INVALIDATION

Beyond structure that would restore the old trend. If the old side strongly reclaims the extreme and resumes accepted trend behavior, the MTR thesis is invalid.

DESTINATION MAP

First: meaningful correction / developing range objective, often EMA, prior HL/LH, channel start, or nearby structural reference.
Later: larger opposite-trend destination only if new control persists.

DISQUALIFIERS / PASS

CT break caused little real damage; old trend strongly restores itself; entry occurs before the test/failure; tight old trend has only its first minor reversal attempt; you are shorting/buying solely because trend 'went too far.'

SCALING RULE

Initially: no discretionary scaling because this family is observe-only. In future, scaling would require the opposite side to gain additional structural evidence, never merely a better countertrend price.

MANAGEMENT / UPDATE

Your main task is classification, not catching the top/bottom. Separate: DAMAGE -> TEST -> FAILURE -> FLIP. You may exit an old-trend trade before having enough evidence to reverse.

30-SECOND PRE-ENTRY CHECK

[ ] Old trend is mature, not fresh
[ ] CT side has created meaningful damage
[ ] Old side has had a real chance to restore itself
[ ] That restoration attempt has failed
[ ] Opposite side has produced structural accomplishment + FT
[ ] First target is correction/range, not fantasy trend reversal
[ ] I am not confusing damage with flip
[ ] Until this thesis graduates from observe-only, I do not need to execute it

MEMORY HOOK

DAMAGE IS NOT FLIP. WAIT FOR THE OLD SIDE TO FAIL.

Live sentence: Mature AIL -> strong bear damage -> weak test of old high -> bulls fail -> bears break meaningful swing with FT -> AIS becomes credible.

Failed Reversal / Failure-of-Failure Resumption

BEHAVIORAL STORY

Dominant trend / accepted breakout gets challenged -> a credible opposing thesis attracts participation -> that opposing thesis fails -> trapped CT traders help the original direction resume.

BEST CONTEXT / LOCATION

Best when the original trend/BO is still fundamentally intact and the opposing reversal looks credible enough to attract traders but not strong enough to truly transfer control. Good locations often occur after an apparent reversal at a meaningful level that fails.

MUST BE PRESENT / QUALIFICATION

Clear dominant trend or accepted BO; credible opposing reversal/failure trade; opposing side gets enough of a trigger to attract participation; opposing thesis then fails; original side reasserts control. Failure-of-failure adds another layer: the apparent failure trade itself fails.

PREFERRED TRIGGER

Reclaim of failed reversal signal; failed second CT attempt; strong original-side response; failed-failure BOPB / resumption.

STRUCTURAL INVALIDATION

Beyond structure proving the opposing reversal was actually accepted. If CT side gets strong FT and breaks meaningful structure, stop calling it a failed reversal.

DESTINATION MAP

First: prior trend extreme / original BO extreme.
Second: trend extension or MM only after the extreme is accepted.

DISQUALIFIERS / PASS

Original trend already materially damaged; reversal gets genuine FT; there is no meaningful trap; original side cannot reclaim; you are using 'failed reversal' as a label to excuse a losing trend trade.

SCALING RULE

Add only after the opposing setup demonstrably fails and the original side reasserts control. Never add while the countertrend reversal itself is gaining FT.

MANAGEMENT / UPDATE

The information comes from a credible opposing idea failing. Do not invent trapped traders. If no real reversal participation occurred, there may be no meaningful trap fuel.
Failure-of-failure means the original claim wins after both sides have been tested.

30-SECOND PRE-ENTRY CHECK

[ ] Original trend/BO remains fundamentally intact
[ ] Opposing reversal was credible enough to attract participation
[ ] Opposing thesis has actually failed, not merely stalled
[ ] Original side has reclaimed / resumed with evidence
[ ] Prior extreme offers adequate first reward
[ ] Stop is beyond structure proving CT acceptance
[ ] I am not using the label to avoid admitting trend damage
[ ] If CT FT strengthens, I exit / stand aside

MEMORY HOOK

A GOOD REVERSAL THAT FAILS CAN BECOME FUEL FOR THE OLD TREND.

Live sentence: Strong AIL -> convincing bear reversal triggers -> no bear FT -> bulls reclaim reversal area and accelerate -> long toward prior high / extension.