COUNTER-TREND SWING TRADING

Patrick Nill — Counter-Trend Swing Trading

A counter-trend swing method from multiple-time world trading champion Patrick Nill that trades the consolidation ranges left behind by large impulses, anchored to weekly Market Profile value-area zones and confirmed with footprint order flow, all governed by a strict 1% risk rule.

Patrick Nill's strategy is a structured, discretionary counter-trend swing method built on the PBD model: a large price impulse — up (the "P" structure) or down (the "B" structure) — is followed by a consolidation range, and Nill trades the range, never the impulse itself. Once price is ranging he runs one of two playbooks: playing the boundaries back and forth ("ping-pong") until a breakout resolves it, or trading a breakout-and-pullback continuation in the impulse direction. His primary reference zones are the weekly Market Profile Value Area High and Low; when an impulse and its range line up with those levels the signal is materially stronger, and he dials down to the 15-minute chart and then footprint and order flow to pinpoint entries. Trades are swing-held from four hours to three days, with targets set back near the origin of the initial impulse and stops always defined before entry — over, inside, or above the zone. Risk management is the cornerstone: never more than 1% of the portfolio per trade (0.2–2% personally), sized for a 50–60% win rate that will produce streaks of 10–20 consecutive losses, and any backtested system with a drawdown over 20% is discarded.

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SECTION 01

Overview — Who Is Patrick Nill and What Is This Strategy?

Patrick Nill is a multiple-time world trading champion who trades a structured, discretionary counter-trend swing method. He and his partner Thomas teach the framework — the **PBD model** — at their academy. The approach is deliberately low on mathematics and high on structure: identify a clear price impulse, wait for the consolidation range that follows it, and trade that range using high-volume reference zones for context and order flow for precision.

Nill describes himself as a counter-trend "slow trader". He does not chase the fast part of the move. He waits for the market to stop, build a range, and reveal where large participants are positioned, then takes defined-risk entries against the immediately preceding push.

> *The impulse is not the trade. Nill never trades the initial impulse move — he waits until it is established and price begins to range, then trades the range. The edge is not a formula; it is strict risk management, patience, and psychological discipline applied to a simple, repeatable structure.*

SECTION 02

Core Principles

- Trade the **consolidation range**, not the impulse. Enter only after the impulse is complete and price is ranging.
- The **weekly Market Profile** Value Area High (VAH) and Value Area Low (VAL) are the primary reference zones. A setup that aligns with these levels is significantly stronger.
- Use the **15-minute chart** as the primary chart for identifying setups and preparing trades.
- Once price reaches a marked weekly zone, drop into the **footprint chart and order flow** to pinpoint the exact entry — the footprint is more precise than the order book.
- **Never risk more than 1%** of the portfolio on a single trade. Position size is the control, not conviction.
- Every trader must find their own **"Trader DNA"** — the style they are psychologically comfortable holding through losses. There is no holy grail.
- Stay **out of the market during high-impact news**. Trade the technical simplicity of volume levels instead of news spikes.

SECTION 03

The PBD Model — The Core Setup

The PBD model classifies the market by the shape of the last large move and the range that follows it. Nill trades the range in both cases; the structure only tells him which side to favour and where his reference zone sits.

The "P" Structure (Impulse Up, Then Range)

A large impulse move upward, followed by a consolidation range that forms above the origin of that impulse. The prior move was bullish, so the range is read as a pause in — or a distribution against — that up-move. Nill looks for the weekly VAH/VAL to sit at or near the range boundaries.

The "B" Structure (Impulse Down, Then Range)

The mirror image: a large impulse move downward, followed by a consolidation range. The prior move was bearish, and the range is a pause in — or an accumulation against — that down-move. Again, the setup strengthens when the range lines up with a weekly value-area level.

The "D" Component

The source material does not fully define the "D" element of the model. In practice the method focuses entirely on trading the consolidations that follow the P and B impulses, so the P and B structures plus the range playbooks below are sufficient to execute the strategy.

SECTION 04

Execution — Playing the Range

Nill does not act during the impulse. He waits for a range to form and then applies one of two playbooks depending on how clean the range is.

Playbook 1 — Range Boundaries ("Ping-Pong")

When the consolidation range is well defined, trade it back and forth: buy near the range low, sell near the range high, and repeat until price eventually breaks out of the range. Each leg is a defined-risk trade with its stop just outside the boundary being played.

Playbook 2 — Breakout / Pullback Continuation

Monitor the range boundaries for a decisive break. Trade the continuation if the market breaks further in the impulse direction. Alternatively — and preferably — if price breaks out and then pulls back to the edge of the range, look for an entry at that edge to ride the resumed trend.

SECTION 05

Key Technical Tools & Reference Zones

Nill combines a macro read of where volume has traded with a micro read of live order flow at the moment of entry.

Weekly Volume Profile (Market Profile)

A weekly-based Market Profile provides the **Value Area High (VAH)** and **Value Area Low (VAL)** — the boundaries of the range that contained the bulk of the week's traded volume. These are Nill's primary reference zones. When a price impulse and its subsequent range align with these weekly levels, the trade signal is significantly strengthened.

Reading Profile Shape & Flow

The shape of the volume profile shows where large participants are positioned and how price is likely to behave. Low-volume areas are "freedom" — price tends to move through them quickly. High-volume areas act as friction — price slows down and often reverses there.

The 15-Minute Chart

The 15-minute chart is the primary timeframe for spotting the impulse, framing the range, and preparing the trade. It is fine-grained enough to define boundaries precisely without dropping into scalping noise.

Footprint Charts & Order Flow

Once price reaches a marked weekly profile zone, Nill dials down to the footprint chart and order flow to time the exact entry. He considers the footprint more precise than the order book because it shows executed volume at each price rather than resting intentions.

SECTION 06

Trade Management — Targets and Stops

Holding Period

Nill is a swing trader, not a scalper. Trades are typically held from **four hours to three days**, averaging around one day. He achieves his best results when he sets the trade up and then leaves the initial parameters untouched rather than actively managing.

Profit Targets

Take-profit targets are generally set **back near the beginning of the initial impulse** — "under the pulls". The expectation is that the range resolves back toward where the impulse started.

Stop-Loss Placement

The stop loss is always set **before entering the trade** so that risk is calculated precisely. Placement depends on the setup: over the zone, in the middle of the zone, over the top of the zone, or based on the volume of the most recent candles.

SECTION 07

Risk Management Rules

Risk management is the cornerstone of Nill's longevity. The rules are not negotiable.

The 1% Maximum Risk Rule

Nill never risks more than **1% of the portfolio** on a single trade. On his personal capital he scales this down further, to roughly **0.2%–2%** per trade.

Expecting Losing Streaks

With a win rate of **50–60%**, streaks of **10 to 20 consecutive losses** are statistically normal. Low risk per trade is what keeps those streaks from producing a severe drawdown.

Backtesting Drawdown Limits

When testing a new strategy, Nill prioritises consistency and **rejects any strategy with a drawdown greater than 20%**, ideally keeping drawdowns under 10%.

Championship Sizing vs. Private Capital

In high-stakes events such as the Robbins World Cup, a trader needs 100%–200% returns to win, so Nill raises risk to **2%–3% per trade** for those events only. He would never trade his own retirement capital at that level.

The COVID Negative-Oil Lesson

During COVID, Nill believed oil could not trade below zero and heavily bought contracts as price fell. The market crashed to **negative $42**, producing massive losses. The lesson: unpredictable anomalies can always happen.

> *No belief about what "cannot" happen is a substitute for a predefined stop. Risk rules exist precisely for the events you did not think were possible, and they must never be broken.*

SECTION 08

P Structure vs B Structure

Aspect	"P" Structure	"B" Structure
Initial impulse	Large move **up**	Large move **down**
Range location	Consolidation after the up-impulse	Consolidation after the down-impulse
Directional bias	Favour the up-move context	Favour the down-move context
Key weekly reference	VAH / VAL at or near the range boundaries	VAH / VAL at or near the range boundaries
Primary entry tool	Footprint & order flow at the marked zone	Footprint & order flow at the marked zone
Playbooks available	Ping-pong the range; breakout/pullback continuation	Ping-pong the range; breakout/pullback continuation

SECTION 09

Trade Checklist

Before Every Entry

- [ ] A large impulse (P or B) has occurred and is clearly complete — I am not trading the impulse itself.
- [ ] A consolidation range has formed and its boundaries are defined on the 15-minute chart.
- [ ] The range and impulse align with the weekly Market Profile VAH or VAL.
- [ ] I have chosen a playbook: ping-pong the boundaries, or breakout / pullback continuation.
- [ ] Price has reached the marked weekly zone and footprint / order flow confirms the entry.
- [ ] The stop loss is placed — over, inside, or above the zone — **before** I enter.
- [ ] The position is sized so the risk is no more than 1% of the portfolio.
- [ ] The profit target is marked back near the origin of the initial impulse.
- [ ] No high-impact news release is due during the expected holding period.
- [ ] My headspace is calm — I am not nervous, pressured, or trading to recover a loss.

SECTION 10

Psychology & Philosophy

- **Trader DNA.** Every trader must find the style they feel psychologically comfortable with — scalping versus swing trading, trend versus counter-trend. Nill's DNA is counter-trend and slow. There is no single "correct" method.
- **Emotional control.** If he feels nervous, pressured, or in a bad headspace, Nill closes his trading screens, steps away from the market, and spends time with his children to reset.
- **Avoiding news volatility.** He avoids being in the market during high-impact fundamental releases, preferring the technical simplicity of volume levels over the stress of news spikes.
- **Step-by-step learning.** Learning to trade goes crawl, walk, jog, run, sprint. Beginners should not expect to be world-class in two months; the work is journaling, reviewing the rules, and progressing one stage at a time.

SECTION 11

Key Terms

Term	Definition
PBD Model	Patrick Nill's setup framework that classifies the market by a large impulse followed by a consolidation range, taught at his and Thomas's academy.
"P" Structure	A large impulse move upward followed by a consolidation range.
"B" Structure	A large impulse move downward followed by a consolidation range.
Impulse	The large, fast directional move that precedes the range. Nill does not trade it — he trades what comes after it.
Consolidation / Range	The sideways price band that forms after an impulse. The primary trading arena for this strategy.
Market (Volume) Profile	A chart of how much volume traded at each price over a period. Nill uses a weekly-based profile.

Term	Definition
Value Area High (VAH)	The upper boundary of the price range that contained the bulk of a period's volume; a primary reference zone.
Value Area Low (VAL)	The lower boundary of that high-volume price range; a primary reference zone.
Footprint Chart	A chart showing executed buy and sell volume at each individual price level within a candle; used to time exact entries.
Order Flow	The real-time sequence of executed orders and resting liquidity, read at the entry zone for confirmation.
Counter-Trend Trading	Taking positions against the immediately preceding impulse, expecting a move back toward the impulse origin.
Ping-Pong (Range Trading)	Buying the range low and selling the range high repeatedly until the range breaks.
Trader DNA	The trading style a given person is psychologically suited to hold through drawdowns.
1% Risk Rule	The maximum portfolio risk per trade; scaled to 0.2–2% personally, and only 2–3% in championship events.
Robbins World Cup	A high-stakes live trading championship where larger position sizing is used because winning requires 100–200% returns.
Drawdown	The peak-to-trough decline in account equity. Nill rejects backtested strategies with drawdowns above 20%.