

Order Block Identification Worksheet

'Order block' has no single standard definition, which is why two traders mark different zones on the same chart. This worksheet forces one definition — yours or your EA's — into the open, so marks can be checked, tested and argued with productively.

1. State the definition before marking anything

Decision	Your definition
What makes a candle "the" order block candle? (e.g. last opposite candle before a displacement move)	
Zone drawn from: candle body, full wick range, or midpoint?	
How strong must the departure move be to qualify? (e.g. closes beyond prior high/low, engulfs, moves $X \times \text{ATR}$)	
When is a block "mitigated"/dead? (price trades through it, 50% of it, touches it once)	
Which timeframe's blocks count, and do lower-timeframe entries need higher-timeframe agreement?	

2. The fifty-chart audit

- ☐ Take 50 historical charts your indicator or EA marked. Score each mark: matches your definition exactly / roughly / not at all.
- ☐ If "not at all" exceeds a few percent, the tool implements a different definition. Decide which one you are actually trading.
- ☐ Record what price did on first return to each zone: rejected, sliced through, or stalled. This is your zone-quality base rate — most traders have never counted theirs.
- ☐ Note the false zones: blocks drawn inside news spikes and at session opens behave differently from blocks formed in orderly moves. Consider filtering them explicitly.

3. Invalidation, written down

- ☐ A block trade's invalidation is a level, not a feeling: write it when the zone is marked, not when price approaches it.
- ☐ If price returns to the zone a second or third time, is the idea the same strength? Your definition must answer, or your results will.
- ☐ Distance from zone to invalidation is your stop; position size comes from that distance. Zones far from invalidation are expensive ideas, however pretty they look.

The worksheet rule: a zone you cannot define in one sentence is not analysis, it is decoration. Define it, count its behaviour, then trade it.