The Evaluation Playbook

A complete method — how to mark the zones, when to take them, where to stop, and how to size it so an evaluation survives a losing run.

Rules current as of 7 September 2026

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What this is

A supply and demand method, written out in full: how to find the zones, which ones are worth taking, exactly where the entry, stop and target go, and how to size it so a normal losing run does not end the account.

It is one approach among many. It is not the only thing that works and it is not a guarantee of anything — nothing here promises a return, and any method can lose. What it is, is complete. Most free material gives you the idea and leaves out the rules, which is why people read ten of them and still cannot place a position.

Educational only. Not financial advice. Everything at FundedAxe runs on simulated accounts.

The premise, in one paragraph

Price does not move because of a pattern. It moves because at some price there was more resting interest on one side than the other, and that imbalance had to be resolved.

When a large participant needs to fill a position far bigger than what is available at one price, they cannot do it in one go without moving the price against themselves. So the fill happens in a small area over a short time - and if it is not finished, the remainder stays there. When price returns to that area later, the rest of that interest is still waiting.

That unfinished area is what you are marking. Everything below is a set of rules for finding it and deciding whether it is worth anything.

> **The tell is always the same: a tight area where price paused, followed by a departure that was fast and one-sided. Slow, balanced departures mean the imbalance was resolved. Those zones are worthless.**

Marking a zone

Three parts, in this order. Get these mechanical and the rest of the method becomes simple.

1. Find the leg

Look for a move that went a long way in few candles, in one direction, with small pullbacks. That is the departure. If you have to squint to decide whether it was impulsive, it was not.

2. Walk back to the base

From the start of that leg, walk backwards to the small cluster of candles where price paused before it left. That cluster is the base. One to five candles is ideal. More than about ten and it is not a zone, it is a range, and ranges do not hold.

3. Draw two lines

The **proximal** line is the edge of the base nearest to current price - the first line price touches on the way back. The **distal** line is the far edge, the extreme of the base. Your zone is the space between them.

For demand, proximal is the top of the base and distal is the low. For supply, proximal is the bottom and distal is the high. The distal line is where the idea is wrong, which makes it your stop.

ELEMENT	DEMAND	SUPPLY
Base sits	below current price	above current price
Proximal line	top of the base	bottom of the base
Distal line	low of the base	high of the base
Departure	sharp move up	sharp move down
You are looking to	enter long	enter short

Use candle bodies for the base and wicks for the distal line. Body for the entry keeps you from chasing; wick for the stop keeps you from being taken out by the noise that created the zone in the first place.

Which zones are worth taking

This is the part that separates a method from a shape. Most zones on any chart are not worth a position. Five filters, and a zone should pass at least four.

- **Departure strength.** The leg away should be fast and one-sided. A useful rough test: the move away is at least three times the height of the base itself. If it crawled away, skip it.
- **Freshness.** Untouched zones are the ones with interest still resting in them. Every touch consumes some of it. First return is the one worth taking. After the second, treat the zone as spent.
- **Time in the base.** Less is better. A tight base means the imbalance was severe enough that price could not linger. A wide, slow base means both sides were happy there.
- **Room to the target.** Measure from the proximal line to the next opposing zone. If that distance is less than three times your stop distance, the zone is not tradeable at acceptable risk, however pretty it looks.
- **Agreement with the higher timeframe.** Covered next. A demand zone inside higher-timeframe supply is a zone facing the wrong way, and it is the single most common way this method is misapplied.

If you cannot say out loud which four filters a zone passed, you do not have a setup. Say it before the position, not after.

The higher-timeframe map

Top-down, always. Three timeframes, each with one job.

The map — daily or 4-hour

Mark the major zones and nothing else. This tells you which direction you are willing to take positions in this week. If the daily is inside a large demand zone, you are looking for longs. That is the whole job of this timeframe.

The setup — 1-hour or 15-minute

Inside the direction the map allows, find the specific zone you will actually use. This is the one you draw properly, with proximal and distal lines.

The trigger — 5-minute or 1-minute

Only for timing the entry, and only if you are using confirmation rather than a resting limit order. Never for deciding direction. Direction on a 1-minute chart is noise.

The most common failure in this method is taking a good zone that faces against the map. The zone was fine. The direction was decided two timeframes above it and ignored.

Entry, stop and target

Two ways in, and the honest trade-off

Resting limit at the proximal line. You get the best price and the smallest stop, and you are filled on every touch — including the ones that go straight through. Better average entry, more losers.

Confirmation on the lower timeframe. You wait for price to enter the zone and show a reaction: a lower-timeframe base forming, or a shift in structure against the approach. Fewer losers, worse price, larger stop, and you will miss the fastest reversals entirely.

Neither is better. Pick one and run it for at least thirty positions before judging it, because below that sample you are reading noise. Switching between them after every loss is how people manufacture the worst of both.

The stop

Beyond the distal line. Not at it - a few points past, because the extreme of the base is exactly where resting stops cluster and it gets swept. If that stop is too wide for your risk, the answer is a smaller position, never a closer stop. Moving the stop to fit the position size is the single most destructive habit in this document.

The target

The next opposing zone on the setup timeframe. Not a fixed multiple, not a round number - the place where opposing interest is actually waiting.

Minimum 3:1 against your stop distance. Below that, the maths in the sizing section stops working, and you will need a win rate you probably do not have.

	RESTING LIMIT	CONFIRMATION
Entry price	better	worse
Stop size	smaller	larger
Win rate	lower	higher
Missed moves	none	some
Suits	patient, mechanical	discretionary, screen-time

When not to take it

The rules for skipping matter as much as the rules for entering, and they are shorter.

- The zone has already been touched twice.
- The zone faces against the higher-timeframe map.
- There is less than 3:1 to the next opposing zone.
- High-impact news lands within the hour. News events are allowed at FundedAxe - that is not the same as the spread being safe at the moment of release.
- You have hit your daily loss limit. There is no such thing as one more.
- You cannot name the four filters the zone passed.

Write the skip rules on the same page as the entry rules. Most people only write down the reasons to act, which is why they act.

Sizing — the part that decides whether any of it works

A method with an edge and bad sizing still ends the account. The reverse is also true: modest sizing survives long enough to find out whether the edge is real.

Risk one number, fixed, as a percentage of the account. Not a lot size - a percentage, so it scales down automatically while you are losing. Between 0.5% and 1% on an evaluation.

Here is why that number is not conservative but structural. The figures below are illustrative arithmetic, not our results:

RISK PER POSITION	COST OF A 5-LOSS RUN	AGAINST A 7% MAX DRAWDOWN
0.5%	2.5%	survivable
1%	5%	survivable, tight
2%	10%	exceeds the floor
3%	15%	exceeds the floor twice over

A five-loss run is not unusual. At a 45% win rate one occurs roughly every 18 positions, and a run of eight occurs inside a normal quarter. Neither means anything is broken - that is simply what a 45% win rate looks like from the inside.

So risking 3% to reach a target faster is not faster. It is a shorter route to the floor, and the arithmetic says so before you place a single position.

Choose the risk that survives your worst realistic losing run, then accept whatever timeline falls out of it. Choosing the timeline first and back-solving the risk is how accounts end.

Running it inside an evaluation

The method does not change. The constraints around it do, and they are the reason people who can otherwise do this still fail evaluations.

Work out how many positions the target actually needs

At 1% risk and a 3:1 target with a 45% win rate, expectancy is roughly 0.8% per position. Against a 10% reward target that is about 13 positions. Against a 3% target it is about 4.

Those are very different jobs. The first is a month of patience. The second is a good week. Same method, same risk - the target chosen at checkout decided the difficulty before you started.

ROUTE	REWARD TARGET	MAX DRAWDOWN	MIN DAYS	CONSISTENCY RULE
Pay After Pass	3%	8%	0	none
1-Step	10%	7%	5	50
1-Step Pro	8%	6%	4	30
Instant	none	—	5	20

The consistency rule will shape how you take zones

A consistency score caps how much of your total gain may come from your single best day. At 50, no one day may exceed half of everything you made. One enormous day early on can trap you - now you must grind out an equal amount again just to bring the ratio back inside the rule.

This is the rule that punishes exactly the sort of day this method occasionally produces: one zone, perfectly placed, that runs for a very long way. Pay After Pass has no consistency rule at all, which makes it the natural home for an approach with lumpy results.

The drawdown switches type the day you pass

Challenges are static - the floor is fixed. Funded accounts on 1-Step, Instant and Pay Later are trailing, so the floor follows your equity up. Nothing about your sizing should change that day, but where the floor sits absolutely has, and it needs checking before every session afterwards.

The review loop

Three lines after every position: which zone you took, whether it followed the rules above, and the outcome. Those are three separate questions and keeping them separate is the entire point.

A position can follow every rule and lose. That is a good position. A position can break every rule and win. That is a bad position that happened to pay, and early on it is the most dangerous thing that can happen to you, because it teaches you the wrong lesson at the moment you are most willing to learn.

The only weekly number that matters

The percentage of positions that followed your rules. Not the running total - the compliance rate. Above 90% and still losing, the method needs work. Below 70% and the method is untested, because you have not actually run it yet.

People spend weeks trying to fix a method they never followed.

Compliance is the leading indicator. The account balance is the lagging one. Manage the leading indicator and the other either follows or tells you something true.

A four-week way to start

- **Week 1 — mark only.** No positions. Mark zones on one instrument, one timeframe pair. At the end of each day, note which held and which broke. You are calibrating your eye, and it costs nothing.
- **Week 2 — one position a day, maximum.** 0.5% risk. The limit is the lesson: it forces you to choose the best zone rather than take the first.
- **Week 3 — add the higher-timeframe filter.** Skip everything that faces against the map, and count the skips. That number is usually the most surprising part of the exercise.
- **Week 4 — review.** Thirty-ish positions in. Now, and not before, look at win rate, average win and average loss separately. Only now do you have enough to conclude anything.

A $9.99 Pay After Pass account is a reasonable place to run those four weeks. It has the lowest reward target we offer at 3%, no minimum days and no consistency rule - and if it does not work out you are out $9.99, not a challenge fee.

Two things worth doing next

Put it on an account

Pay After Pass starts at $9.99 on any size from $10,000 to $400,000 — and the rest of the fee is only due once you have passed. 3% reward target, no minimum days, no consistency rule, 80% reward split. If it does not work out, you are out $9.99.

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Bring it to the Hall

A room of people running the same method — posting zones before they resolve rather than after, comparing what held and what broke. Free, no pitch, no paid tier, and you do not need an account with us to be there.

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Educational only. Not financial advice. Nothing here promises a return.