THE C2 SERIES · **GUIDE 2 OF 3** · FREE

Change in state of delivery

A move is delivered by a run of candles. The price that run began at is not a line somebody drew — it is where the move started. When price later **closes** back through it, the delivery that produced the move has changed hands. This guide builds that level from nothing: how to find the run, why the level is its opening price and not its close or its wick, why closing through it is a different event from merely reaching it, and what the run leaves behind.

01 First, what a C2 is

You do not need the first guide in this series to read this one, but you do need its vocabulary, so here it is in a paragraph. A **C2** is a two-candle event. Take a candle — call it **C1** — and note which way it closed. If C1 closed down, its low is the level; if C1 closed up, its high is the level. The next candle trades through that level and then closes back on the original side of it. That is the whole pattern: a level taken, and a close back through it. When that candle instead closes **at or beyond** the level, and the very next candle closes clear of its whole range — above its high, or below its low — the event is a **C2X**, which guide 1 sets out in full.

The one honest claim worth carrying forward: **the taking on its own says very little**. Levels get taken constantly. It is the **reclaim** — the close back through — that tells you the attempt failed, because it is the only part of the pattern that requires the market to finish a whole candle on the far side. That is a statement about reading the chart, not a reason to trade it: measured, an entry taken on the reclaim did no better than one taken on a random candle with the same stop. Hold on to that idea, because the rest of this guide applies exactly the same standard to a different price.

02 Why most levels mean nothing

Most lines on most charts are *chosen*. Round numbers. Yesterday's high. A line drawn across two touches that happened to line up, with the third touch quietly ignored. Some of those are useful. Many are decoration — picked because they look tidy, and defended afterwards.

A **CISD** is not chosen. It is read off. You ask one question of the chart — *which candles actually delivered this move?* — and then one more — *what price did that group start at?* There is exactly one answer, and two people looking at the same candles get the same number to the tick. That is the property worth having. Not that the price is magic: that it is **derived rather than picked**, so it means the same thing to everybody who marks it, and so a claim about it can actually be checked.

THE DEFINITION, WHOLE, BEFORE WE JUSTIFY ANY OF IT

A CISD is the opening price of the first candle of the run that delivered the move. When a later candle closes back through that price, delivery has changed.

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03 A run is one delivery

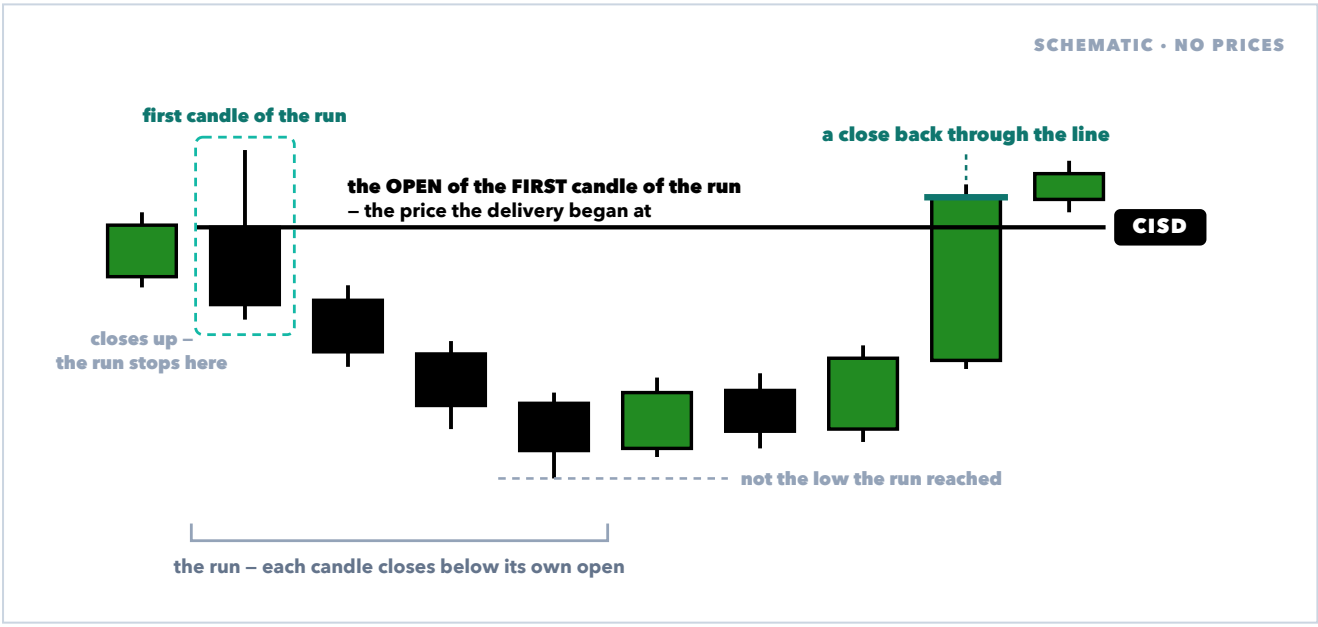
Start with the word, because it does the work. **Delivery** is just price being moved from one place to another, and a run of same-way candles is the market doing that in one continuous effort. Read the name of this guide back with that in mind and it stops being jargon: a *change in state of delivery* is the effort that moved price being replaced by a different one.

Look at any decisive move on a chart and you will find it was not delivered evenly. There is almost always a cluster: a group of candles that all close the same way, back to back, with nothing closing against them in between. Four green candles. Five black ones. That cluster is **one delivery**. Nearly everything the move achieved, it achieved there — and the candles either side of it are the market doing something else.

The rule for what belongs to the run is about closes, and it is about each candle on its own terms: **a candle belongs to a down run if it closes below its own open**. Not below the previous candle's close. Not below the previous candle's low. Below its own open. The run ends at the first candle that closes the other way. Walk backwards from the candle that finished the move and keep going while the candles keep closing in the move's direction; the moment one closes against it, you have found where the run begins.

That is the whole search. It has no settings, and nothing about it is a matter of taste.

Before a real chart, the same thing drawn: a run, and the one price in it that the definition points at.



> The level is an **open**. The lowest price the run reached and the price it finished at are both somewhere else on this drawing — and every open after the first was simply handed over by the candle before it.

DIAGRAM 1 A run delivering a move, and the one price in it that nobody chose: where the first candle of the run opened. A later candle closes back through that price, and the delivery that produced the move has changed hands.

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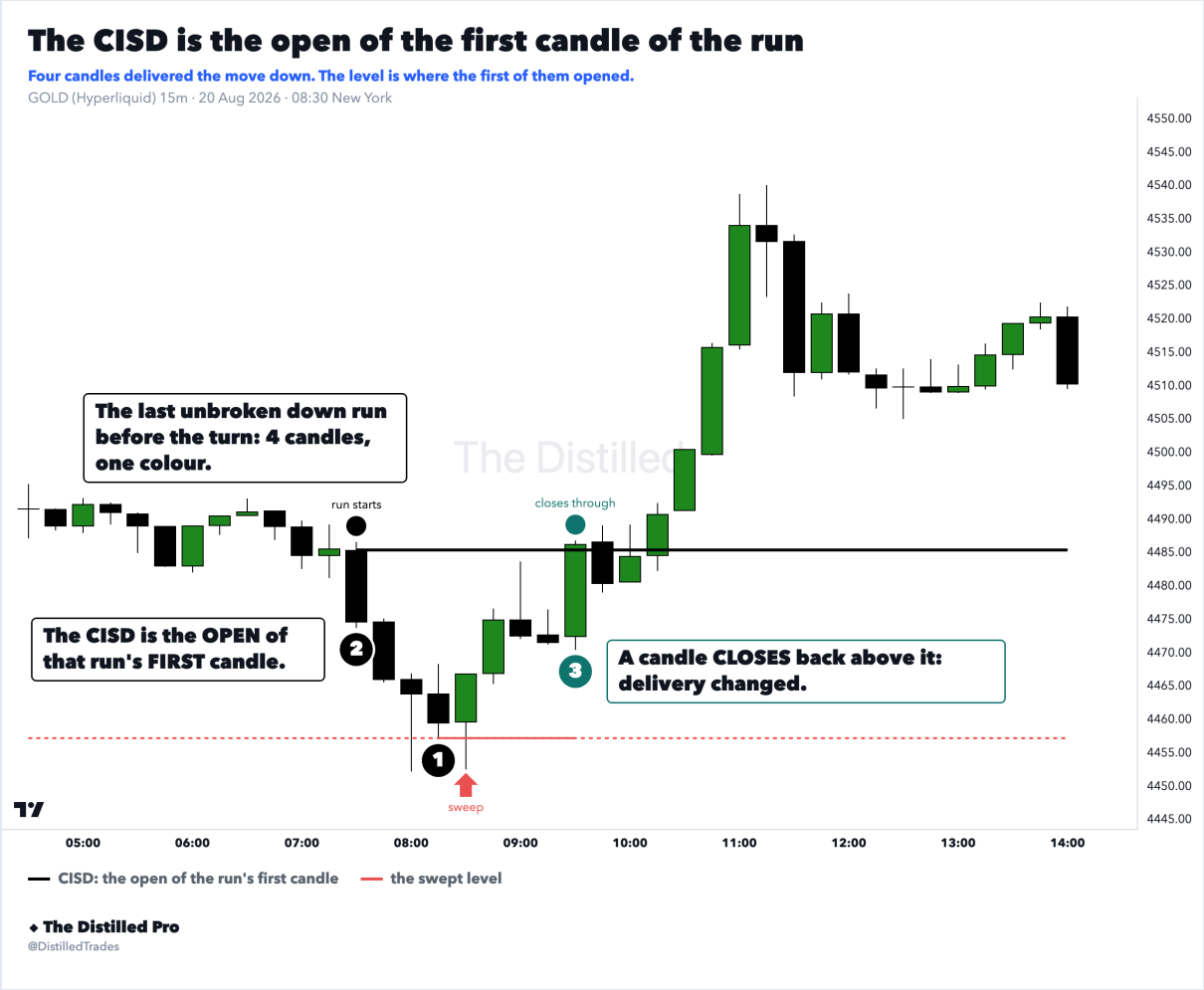


FIGURE 1 GOLD (Hyperliquid), fifteen-minute candles, 20 August 2026, New York time. Four candles from 07:30 to 08:15 each closed below their own open: that is the run. The first of them opened at 4,485.3 – the black line, and the CISD. The 08:30 candle swept the 08:15 low and closed back above it; price closed back above the CISD four candles later, at 09:30.

04 Why the open, and not the close or the wick

This is the part people skip, and it is the part that makes the level worth marking.

Take the run in Figure 1 and read its opening prices in order. The first candle opened at 4,485.3 and closed at 4,474.5. The second opened at 4,474.6. The third opened at 4,466.0 against a previous close of 4,465.9; the fourth at 4,463.8 against 4,463.7. Every open after the first is simply the close before it, carried forward within a tenth of a dollar. They are not decisions. They are continuations.

Which leaves exactly one price in the whole run that was **not** handed to it by the candle before: **the opening price of the first candle**. That is where this delivery began, and there is no second candidate for the job. Every other price inside the run is a consequence of the run already being underway.

Now the two rejected alternatives. The **close** of the run marks where the delivery *ended* – it tells you how far the move got, which is a fact about the past and nothing else. The price we want marks what would have to be undone. The **wick** – the extreme low or high the run reached – is the most quoted number on any chart and the least stable one on it: a single print, often exceeded by a fraction of a point, and the number most likely to differ between one data feed and the next.

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There is also a structural reason to prefer an open, and it is the cleanest argument of the four. Of the four prices a candle has, **the open is the only one that is final the moment the candle begins**. The high, the low and the close all keep moving until the period is over. An open cannot be revised by anything that happens inside its own candle. If you want a level that describes a starting point, use the one price that was fixed at the start.

Two honest caveats. A run does not require each candle to open where the last one closed – only that each closes the way the move was going; in Figure 3 the run's third candle opens a little below the second one's close and still belongs to it. And where a session breaks – these charts skip the daily halt, 17:00 to 18:00 New York – the next candle can open away from the last close. That gap is the only place the inside of a run gets a genuinely new price, and it is worth noticing when it happens.

THREE PRICES THE RUN OFFERS · ONE OF THEM IS THE LEVEL

The open – used

Where the delivery **began**. Fixed the instant the candle starts; nothing later inside that candle can change it.

The close

Where the delivery **ended**. Tells you how far it got, not what would have to be given back.

The wick

The furthest price **reached**. One print, often by a hair, and the least stable number on the chart.

05 Finding the run, step by step

FOUR STEPS, ON BARE CANDLES, WITH NO TOOLS

1. **Find the turn.** In this series that is the C2 or C2X you have already identified: a level taken, and a close back through it.
2. **Walk backwards from it** until you reach the last candle that closed the way the move had been going.
3. **Keep walking back** while each candle keeps closing that way, and halt at the first one that closes the other way. What you stepped over is the run.
4. **Mark the open of the run's first candle** – one horizontal line, extended right. That is the CISD.

Notice what is *not* in those four steps: anything about how the turn happened. Whether the turn completed on the sweeping candle – a C2 – or on the candle after it – a C2X – makes no difference to what sits behind it, which was already fixed before the turn began. **The CISD is a fact about the move that is ending, not about the candle that ends it.** Figure 2 is exactly that case: a late reclaim in front, an untouched run behind.

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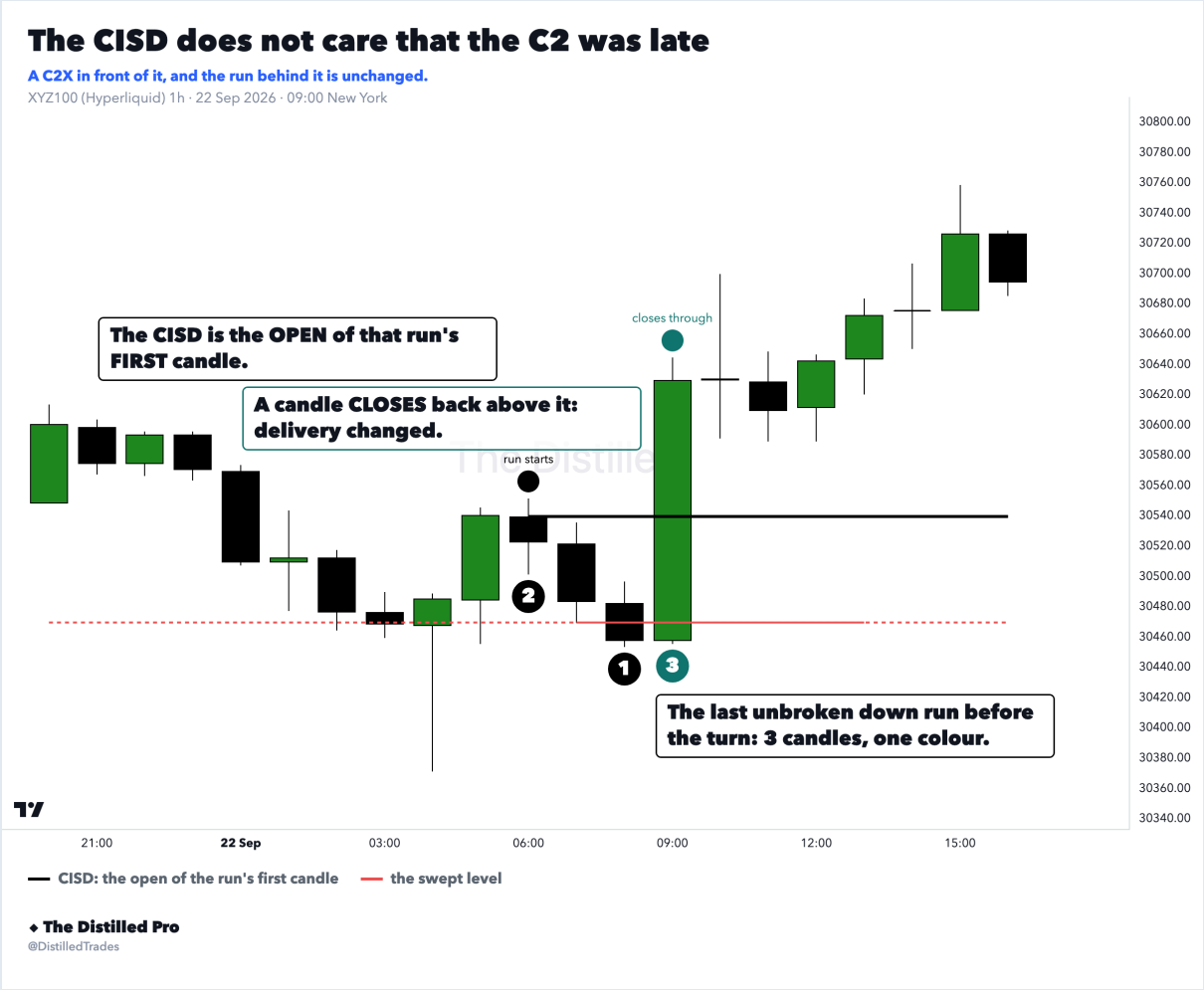


FIGURE 2 XYZ100 (Hyperliquid), one-hour candles, 22 September 2026, New York time. The reclaim here arrived a candle late – a C2X: the 08:00 candle took the 07:00 low and closed below it, and the 09:00 candle closed above the whole of it – and the run behind it is untouched by that: three hourly candles from 06:00 to 08:00, the first opening at 30,539. The same 09:00 candle closed back above that price too, at 30,629.

06 Reaching it is not closing through it

Price wanders. In any given hour it will trade through dozens of prices you could have marked, in both directions, and nearly all of that traffic means nothing. If touching a level counted as an event, every level would be an event several times a day and the word would mean nothing at all.

So the claim is not about touching. **Delivery has changed when a candle closes back through the CISD.** A wick through the level is what price did somewhere inside the period. A close is where the period was left when it ended – the price the market came to rest at, not one it passed through on the way somewhere else.

There is a neat internal check on this, and it is worth walking through slowly. The C2 you started from *is* a wick through a level: one candle trading beyond a price and then closing back on the original side. That is the entire shape. If a wick through a level were enough to establish something, then the C2 itself would count as a change in delivery – and it plainly does not, because the whole point of a C2 is that a level was taken and **not held**. The same standard has to apply in both directions or it is not a standard. We require a close through C1's level to call a reclaim; we require a close through the run's open to call delivery changed. One test, used twice.

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The practical consequence is that you wait. Until the candle closes, nothing has happened. A level being touched right now is a level being *tested*, and a test that is still running has no result yet. This is uncomfortable in exactly the way you would expect: the close through often arrives some distance from where the level sits, and the reader who acted on the touch was, for a while, right. Being briefly right is not the same as the structure having said anything.

And the interval between the reclaim and the close through the CISD is not fixed. In Figures 2, 3 and 4 the candle that completes the turn closes through the CISD as well. In Figure 1 there are four candles between them. Nothing in the structure sets that gap. They are two separate events and it is a mistake to treat the first as though it were the second.

THE SAME LEVEL, TWO VERY DIFFERENT STATEMENTS

Reached

Price traded to or through the level at some point inside the candle, and the candle still finished on the original side. The level has been visited. Nothing about delivery has been established, and the level is unchanged.

Closed through

The candle **finished** on the far side. A whole period ended with price beyond the point the old delivery set out from. That is the event the word CISD is describing.

07 Whose candles?

Run lengths vary and none is correct: four candles in Figure 1, three in each of the others. What sets the length, more than anything else, is which candles you chose to draw in the first place — and that turns out to matter.

A run is a fact about a *timeframe*, not about the market. Fifteen-minute candles and one-hour candles on the same instrument, over the same afternoon, give you different runs and therefore different CISDs. Both are correctly read. Neither is the real one.

What changes is the size of the statement. A level built from fifteen-minute candles describes a change in a fifteen-minute delivery, and those change hands often. A level built from four-hour candles describes something that happens a few times a month. The procedure is identical; the sentence it produces is not.

So choose the candles first, then read the level off them — and once chosen, judge it on its own candles. If you mark a fifteen-minute CISD and then wait for an hourly close to confirm it, you have quietly asked two different questions and will get a muddle for an answer. Every figure in this guide carries its timeframe in the top-left corner for exactly this reason.

Which candles should you choose? That is a question about you rather than about the market — how often you can look at a chart, and how long you are willing to hold a view. The useful part is that the structure is identical at every size: learn to read it once and you can read it anywhere on the dial.

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08 Four ways the level gets marked wrong

1. **Marking the extreme instead of the open.** The lowest price of a down run is the number everyone quotes and the one worst suited to the job. The level is an open. If your line sits at the bottom of a wick, you have drawn a different thing.
2. **Swallowing the turn into the run.** This one is genuinely easy to get wrong. The candle that ends a move can itself close in the old direction: it can close back through a swept level and still finish below its own open. Walk back *from* the turn, not *through* it, or your run will include the very candle that finished the delivery and your level will be one candle late.
3. **Letting the line drift.** The CISD is one price, read once. It does not get nudged as price moves, and it does not get re-drawn to fit what happened next. If you are adjusting it, you have gone back to picking a level rather than reading one.
4. **Counting a touch.** Covered in section 06, and the most common of the four by a distance.

None of these need software to avoid. They need the definition applied in the same order every time.

THE SAME FOUR STEPS, ASKED OF DIFFERENT CANDLES

Fifteen-minute candles

Figures 1 and 4. The runs are minutes long, the level is read and closed through inside a single session, and another one will be along shortly.

One-hour candles

Figures 2 and 3. The same procedure, the same four steps, and a run that took a few hours – a level that describes a longer stretch of the chart.

09 The zone the run leaves behind

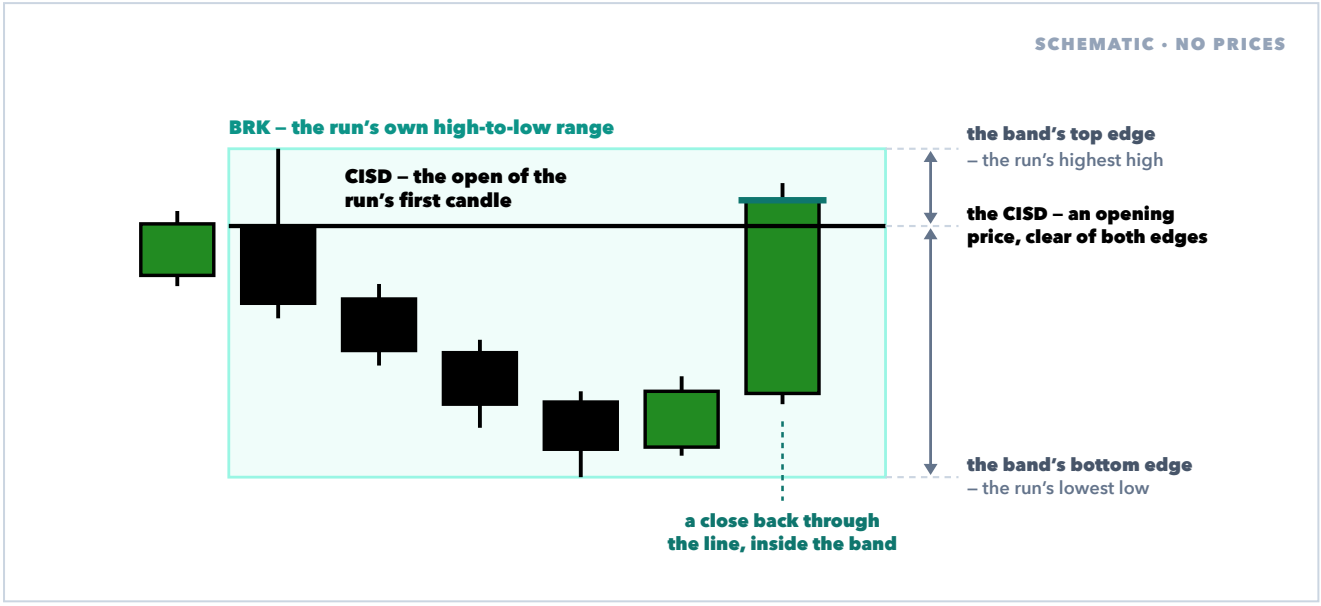
A run is not only a price. It is a band of prices – it occupies space on the chart, from the highest high any of its candles reached to the lowest low. That band is where the old delivery did its work, and once price has closed back through the CISD the band sits behind price as territory it came from rather than territory it is heading into.

That band has a name: the **breaker**, marked **BRK** on our charts and shaded in Figures 3 and 4. Its edges are the run's own extremes: the highest high and the lowest low its candles reached. **The CISD is not one of them.** It is an opening price, and an open normally sits some way inside the range its own run went on to cover – in both shaded figures the CISD line sits inside the band, if close to one edge. Only a run whose first candle opened at its own extreme would put the two in the same place. Marking the band as well as the line is useful for a plain reason: the run is several candles with bodies and wicks, and when price comes back it comes back into an *area*, rarely to a single price to the tick. The band tells you the return is happening; the line inside it tells you where the delivery began.

What the band is not is a promise. It describes where a delivery happened. Drawing it does not oblige price to do anything on the way back, and this guide will not pretend otherwise.

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The band and the line, drawn together, so the difference between them is measured rather than asserted.



> The band's edges are the run's own extremes. The CISD is an **opening price**, and it sits **inside** the band rather than bounding it – only a run whose first candle opened at its own extreme would put the two in the same place.

DIAGRAM 2 The same run as the diagram before, shaded. The band is everything the run covered, high to low; the line inside it is where the delivery began. Two different objects read off the same four candles – and when price comes back it comes back into the band, rarely to the line to the tick.



FIGURE 3 GOLD (Hyperliquid), one-hour candles, 20–21 May 2026, New York time. The run is three hourly candles, 19:00 to 21:00, that each closed above their own open; the first opened at 4,540.0 – the blue line. The shaded band is that run's own high-to-low range: the BRK zone. The 21:00 candle took the 20:00 high and closed above it; at 22:00 a candle opened at 4,561.7 and closed at 4,533.1, below the whole 21:00 candle (a C2X) and back below the level.

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10 Coming back to it

Once delivery has changed, the old origin does not go away. It becomes the price the market refers back to – the last agreed starting point of a delivery that has since been reversed. Both of the returns in this guide are worth reading closely, because they show the distinction from section 06 doing real work.

In Figure 3, price came back to the GOLD CISD seven candles after closing through it, at 05:00 on 21 May. That candle traded up to 4,542.5 – 2.5 above the level at 4,540.0 – and closed at 4,530.3, almost ten below it. The level was reached and was not closed through. In Figure 4, on fifteen-minute XYZ100 candles, the return arrives on the very next candle after the close through: it trades down to 28,321, 36 points below the level at 28,357, and closes at 28,496, far above it. Same shape, other direction. In both, the wick goes in and the close comes out.

Note also that the interval sets nothing. Seven hourly candles in one example, a single fifteen-minute candle in the other. There is no waiting period after which a return becomes meaningful, and none of this is a forecast – the level describes what has already been delivered.

Both returns were chosen because the level held. That is not the norm to count on. In our research on other data (CME index futures, gold, Bitcoin), across 123,978 entries taken on a close through the CISD, 67% saw price come back at least half-way to the stop before it moved 1R in the entry's favour, and at a 2R target entries like these reach it about 1 time in 3 – roughly what chance gives at that target.

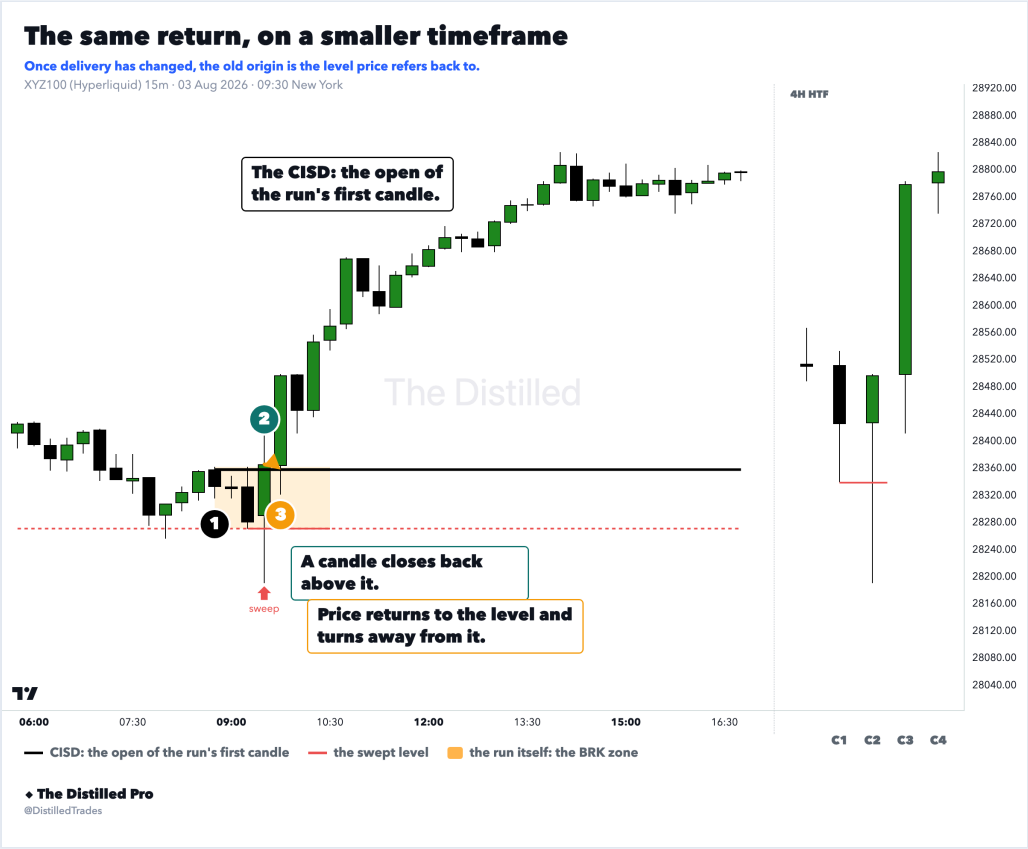


FIGURE 4 XYZ100 (Hyperliquid), fifteen-minute candles, 3 August 2026, New York time. Three candles from 08:45 to 09:15 make the run; the first opened at 28,357. The 09:30 candle swept the 09:15 low, to 28,190, and closed at 28,365, above the line. At 09:45 price came back into the shaded band, traded 36 points through the line and closed well above it. The panel on the right is the four-hour chart, C1 to C4: the 06:00–10:00 candle took the 02:00 candle's low and closed back above it, a four-hour C2 around the whole sequence.

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11 What a CISD does not tell you

It does not tell you what happens next. Everything on these pages is written in the past tense on purpose: a run *delivered* a move, a candle *closed* back through where it started. That is a description of something already finished, and a description is not a prediction.

It does not tell you the move is over — delivery changing hands on fifteen-minute candles is a small sentence about a small stretch of chart. And it is not rare: on any liquid instrument, on any timeframe, runs happen all day and some of them get closed through. Reading the level is the easy part. Deciding which ones deserve your attention is a different question, this free guide does not answer it, and anyone who tells you the answer is simple is selling you something.

And a change of delivery can itself be undone. Sometimes a candle closes back through the CISD a second time, in the original direction, and the statement you marked is cancelled. That is not the definition failing — it is the definition doing its job. The same test that told you delivery had changed is now telling you it has changed back, on the same evidence standard, and the honest response is to read it rather than argue with it.

12 Do it by hand tonight

Open any chart with nothing on it. Find a decisive move and the candle that ended it. Walk back to the run. Draw one horizontal line at the open of the run's first candle and extend it right. Then step forward one candle at a time and watch two things only: the first candle that **closes** through your line, and what price does when it comes back to it. Write down which came first and how long each took.

Do that thirty times and the definition stops being a definition and becomes something you see. Everything in this guide is free and chartable by hand — that is genuinely how we learned to read it. **The Distilled Pro** finds and draws these automatically, across timeframes, which saves the marking; it does not make any of it more true.

The rest of the series — free.

1 • The Sweep and the Reclaim — what a C2 is, and why the reclaim is the part that tells you the attempt failed. **3 • Putting Them Together** — the whole sequence read live on a bare chart. Both free, in the same place as this one.

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SCAN

RISK WARNING

Education only, not financial advice. Trading carries a high risk of loss. Charts are real historical data; nothing here is a signal or a promise of results.

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