WELCOME

In this e-book, you will learn all about SMC, how it really works in a simple and understandable way. Learn all about structure, entry skill and liquidity. You will be able to apply this anywhere, for example, in the Forex market, stocks, cryptocurrencies, indices, etc. Study as much as possible, over and over, as it may take some time to understand some points. But as soon as you understand how everything actually works, you will definitely find out what Smart Money is, you will understand the reason for the price dynamics.

We wish you successful progress in trading.

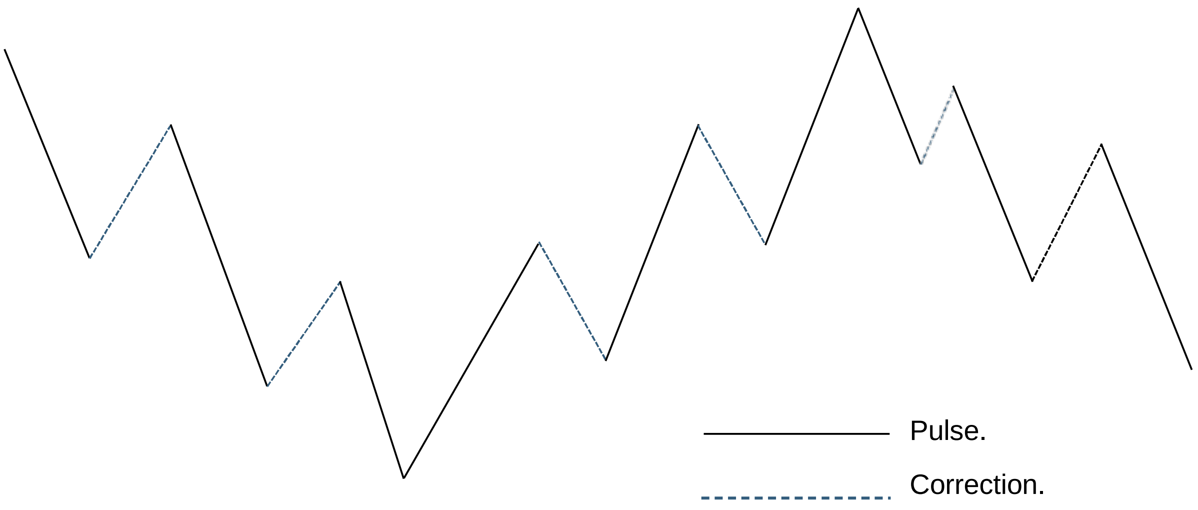
KEYWORDS REDUCTION

SMC	- The concept of smart money;
SMT	- Trap for smart money;
bos	- Violation of the structure;
FBOS	- False demolition of the structure;
CHoCH	- Trend changes;
IDM	- Awakening;
OB	- Order block;
OF	- Order flow;
FVG	- Fair value gap;
IMB	- Imbalance;
IPA	- Inefficiency of price movement;
IFC	- Candle of institutional financing;
POI	- Zone of interest;
AOI	- Area of interest;
HTF	- Higher time interval;
LTF	- Lower time interval;
EQH	- Equal maximum;
EQL	- Equal minimum;
snr	- Support and resistance;
D2S	- Demand for supply;
S2D	- The ratio of demand to supply;
ERL	- Extreme liquidity;
BSL	- Liquidity on the buy side;
SSL	- Liquidity on the sell side;
TL	- Trend line;
PDH	- High of the previous day;
PDL	- Low of the previous day;
PWH	- High of the previous week;
PWL	- Minimum of the previous week;
H.O.D.	- Maximum of the day;
LOD	- Minimum of the day;
SOS	- A sign of strength;
SOW	- A sign of weakness;
LQD	- Liquidity;

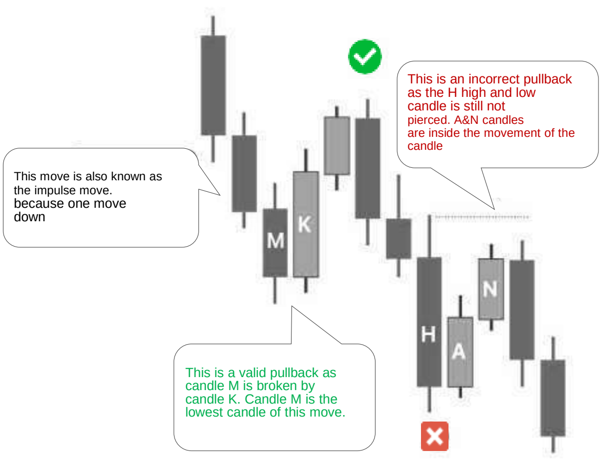
CONTENT

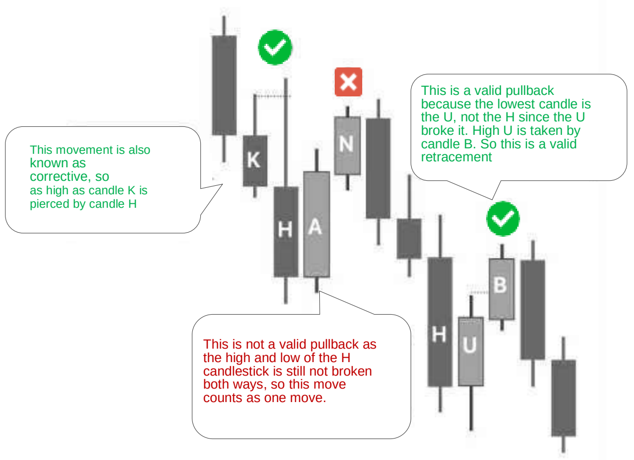
PULSE AND CORRECTION

When the market momentum becomes very strong either up or down, these price actions are called momentum, the price usually moves in two directions - momentum and correction. You can understand it this way: there are a lot of institutional and bank buyers in the momentum movement, and in the correction phase, retail traders are trying to buy, sell, and the market moves in a certain range.
Now I'm going to explain to you in detail what it looks like.



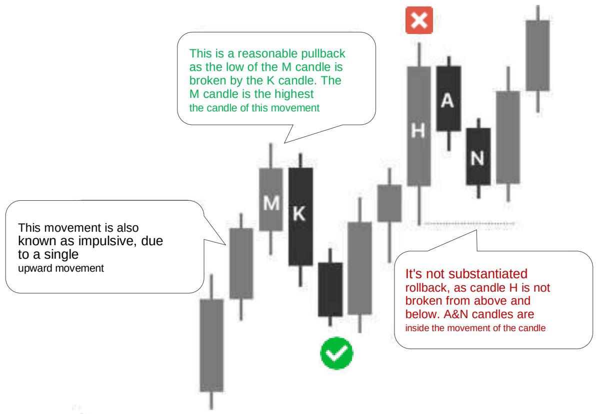
CORRECTION RULE

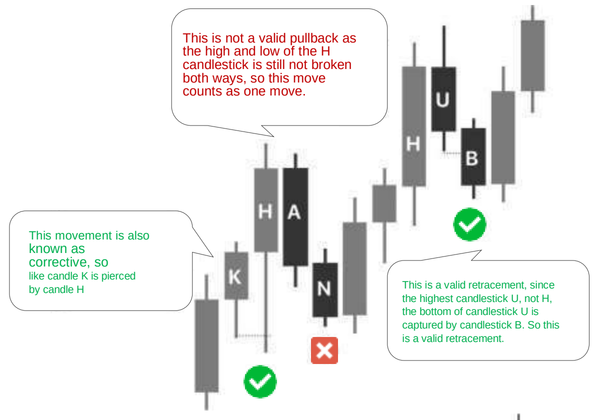




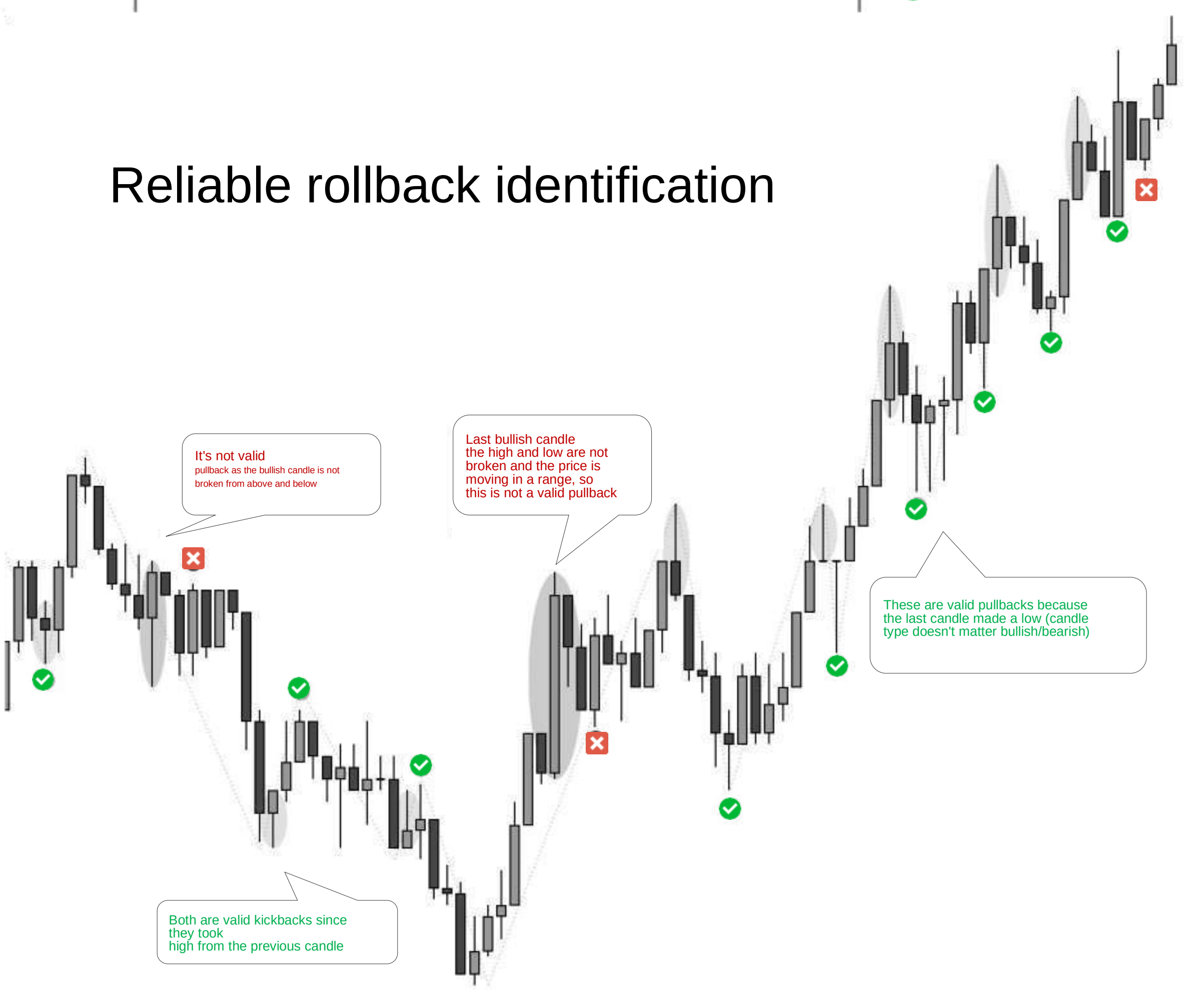
Remember! Correction rules

When the price breaks the previous high or low candle, it doesn't matter which candle, it can be bullish or bearish and closes with a body higher/lower, this is a sure pullback. One more thing: the price breaks the highs/lows and closes with a shadow above/below
high / low, this is a sure rollback.





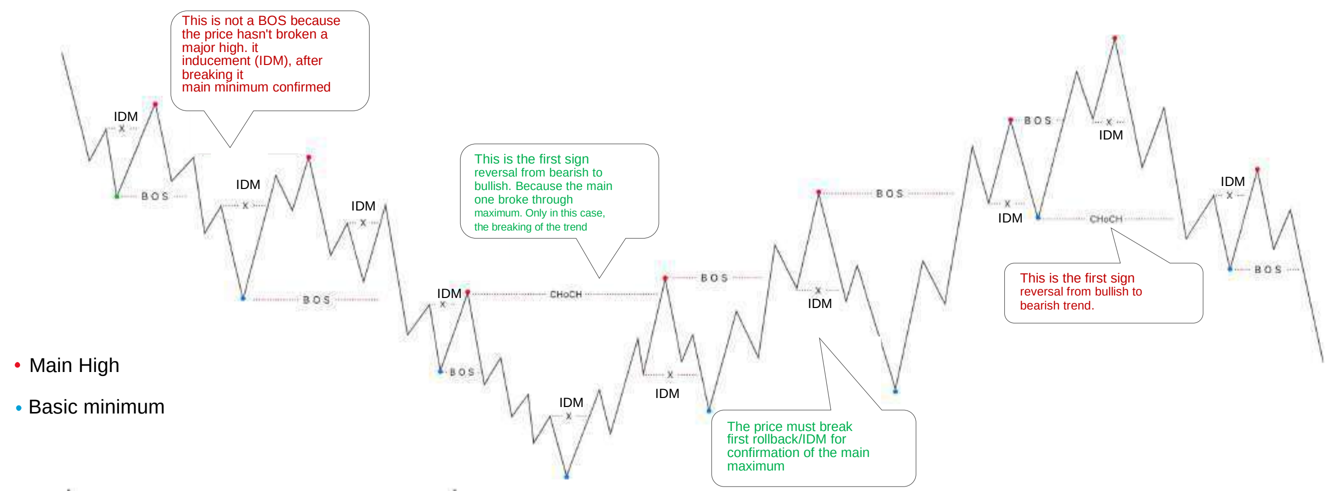
Reliable rollback identification

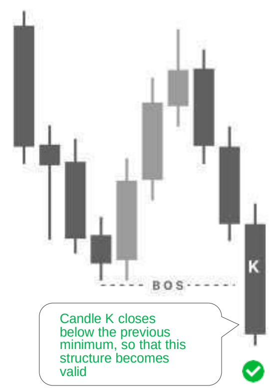


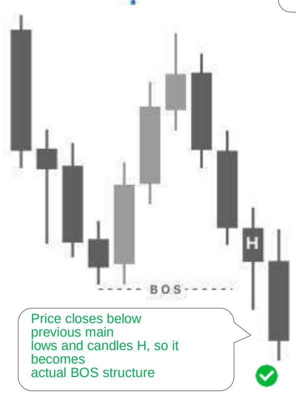
BOS/CHOCH STRUCTURE DISPLAY

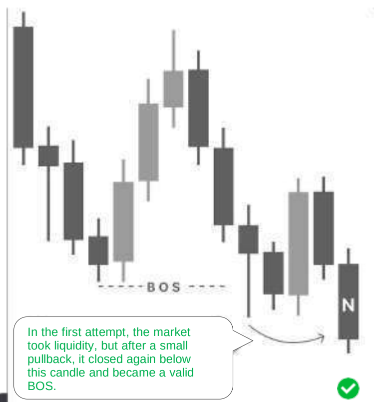
The concept of smart money basically consists of two things - structure and liquidity, in this part we are going to talk in detail about breaking the structure and changing the trend. To designate a structure, we usually need one thing - an inducement (IDM) to validate the structure and make entries. Motives are very important for structure layout, now I'm going to show you exactly how you can draw a preliminary structure in different situations and what criteria you should follow for structure layout.

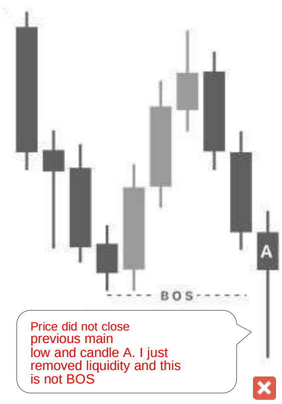
X_ _ _ _ _ _ _ _ _induce/rollback

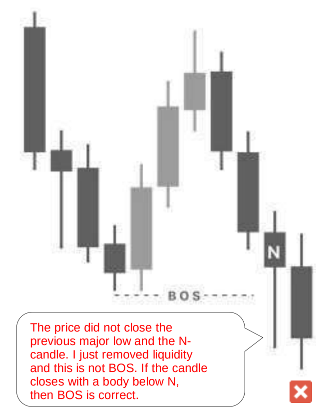






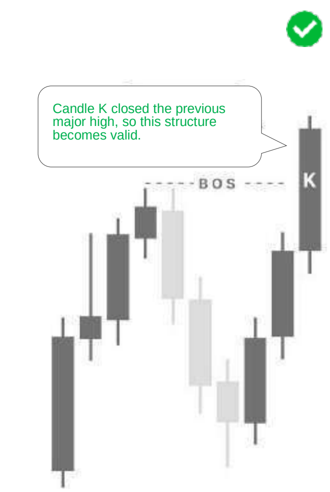


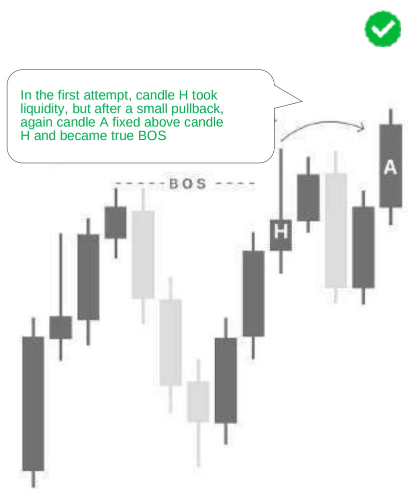


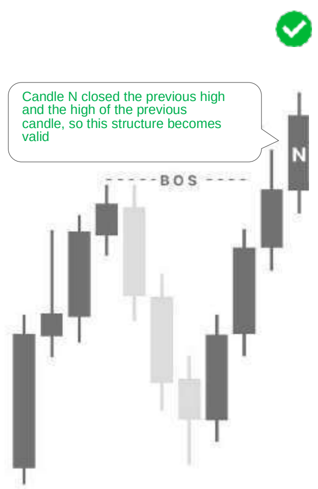


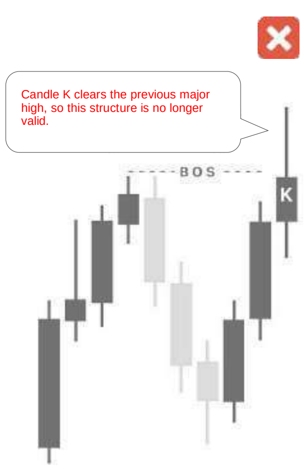
Remember!

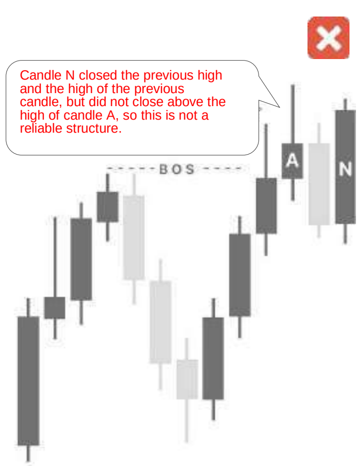
Bull market or bear market, it doesn't matter, in both scenarios, you need a full candle close to confirm the breakdown of the structure. If the candle breaks through the minimum/maximum with a shadow, then these structures are considered as reversal liquidity. Now I'm going to show you some charts of bullish structures, how you can identify valid and invalid BOS/CHoCH.





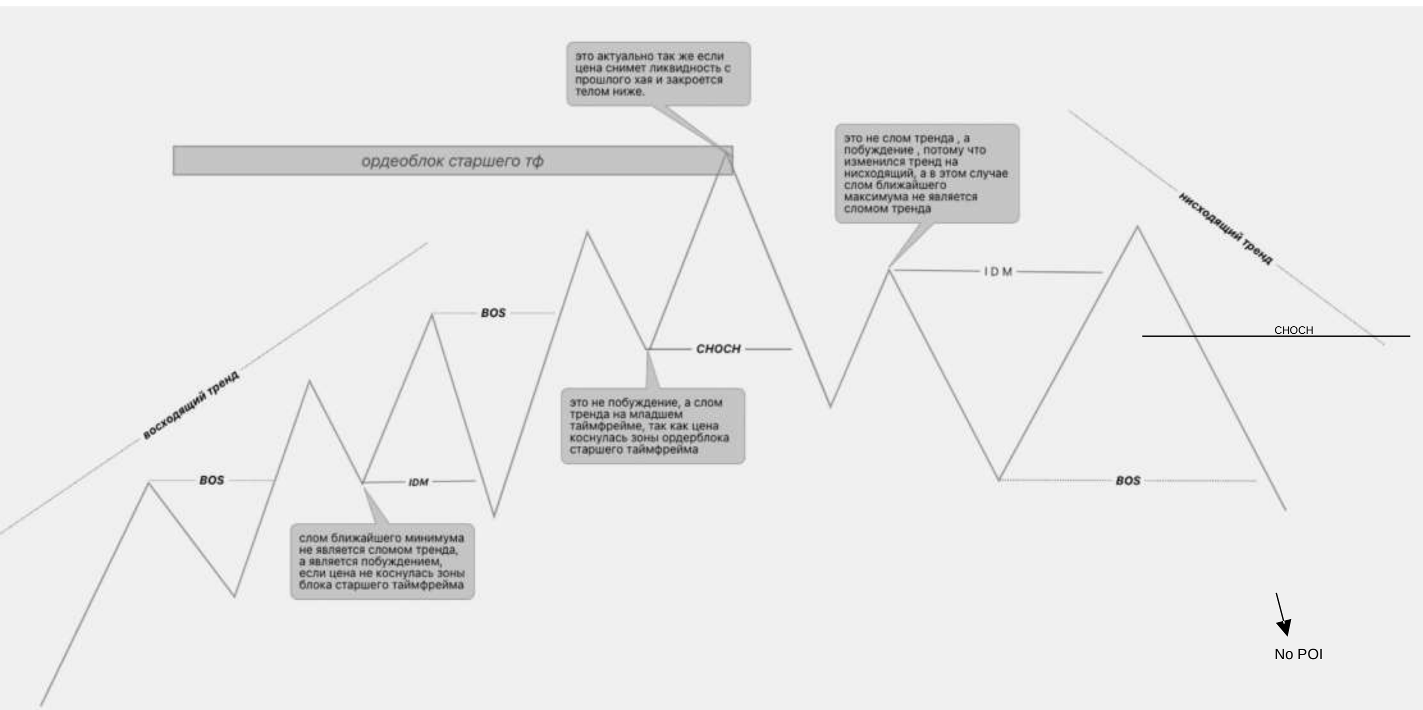






Remember!

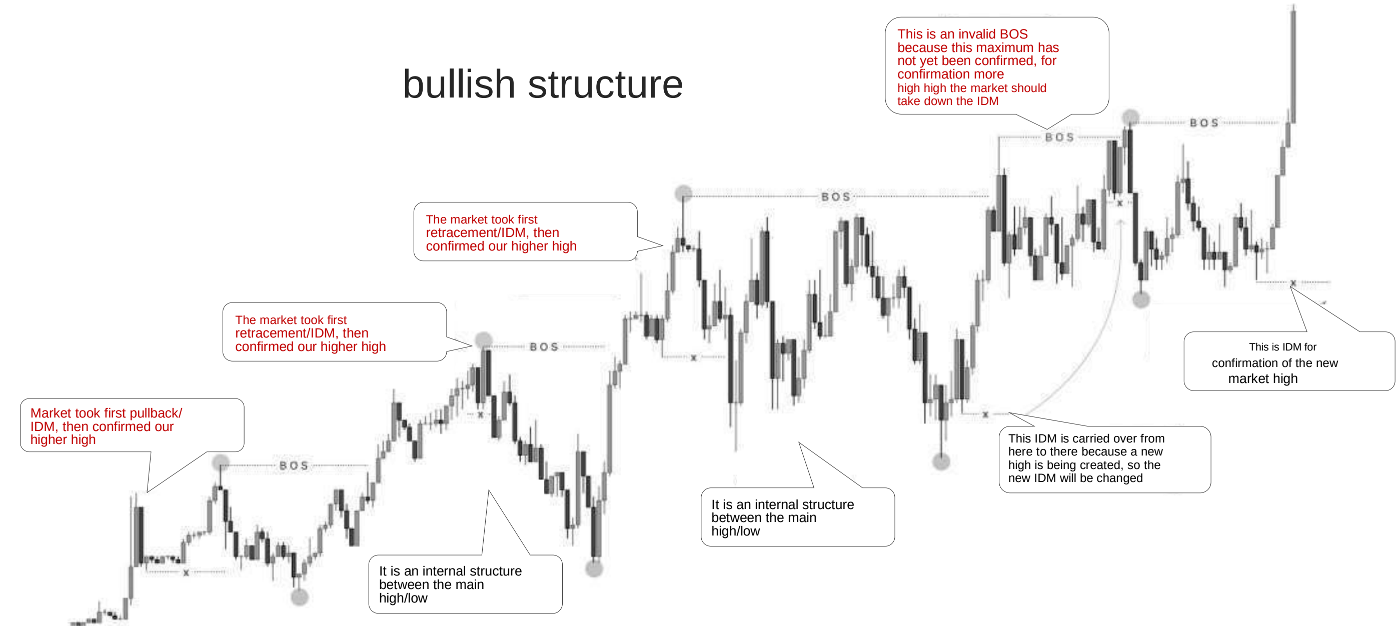
A trend reversal (CHOCH) occurs in two cases when the price touches the POI or removes liquidity from the POI and breaks the first recent high/low. If the price has not touched the POI, then the first recent high/low is the IDM. And when the price breaks
the main high / low, this is also called ChoCH.
CHoCH and BOS may look the same on the outside, but there is a big difference between them.
BOS only form when a trend continues, whether the trend is bullish or bearish. CHoCH are formed only when the trend reverses. You can easily see this from the example below.



Remember!

These are explanations of bullish and bearish charts. You need to carefully and calmly understand each point, because once you clearly understand the structure of the graph, the rest of the things will become clear. Try to get as deep as possible into each point and topic again and again, and then move on to the next one. It's a unique way of building a structure

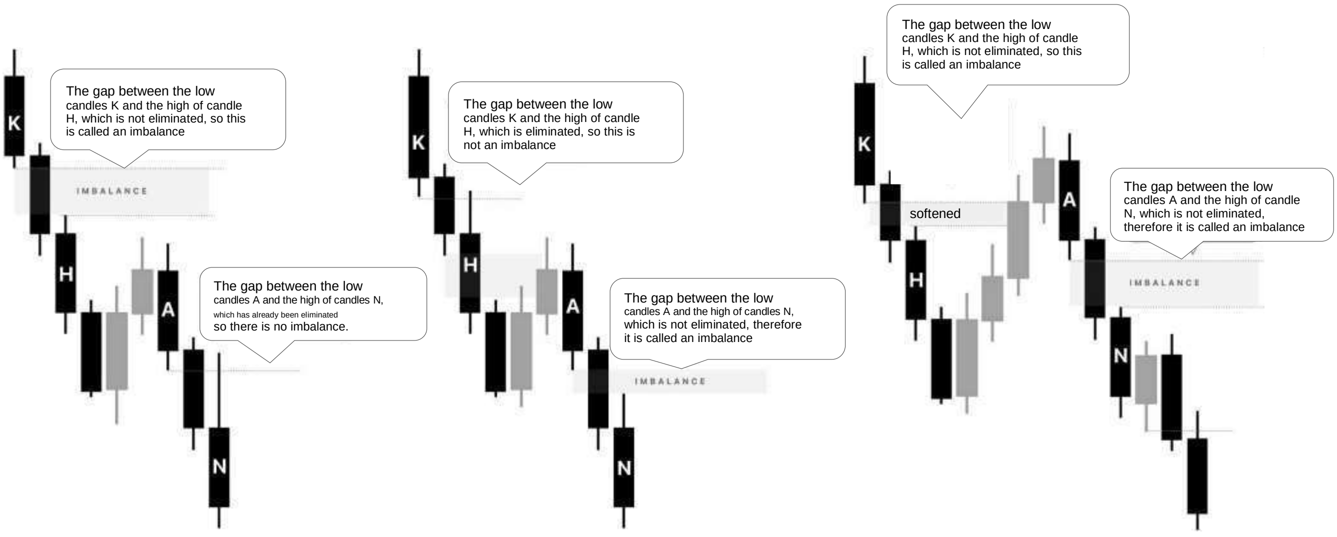
bullish structure



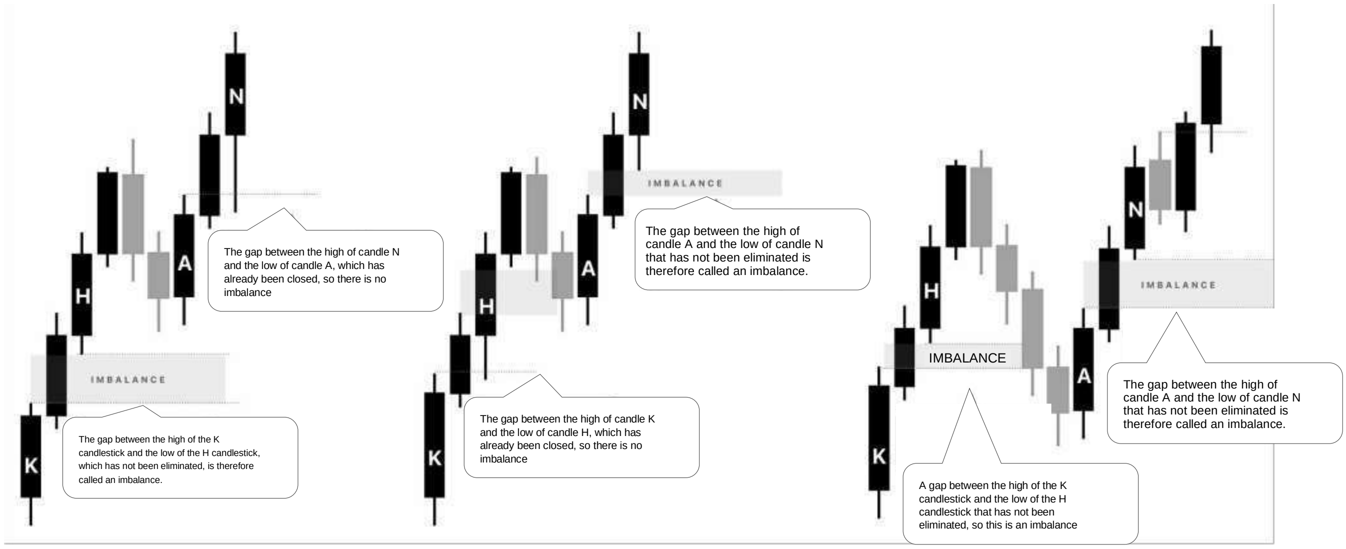
Bearish structure

UNBALANCE / FVG

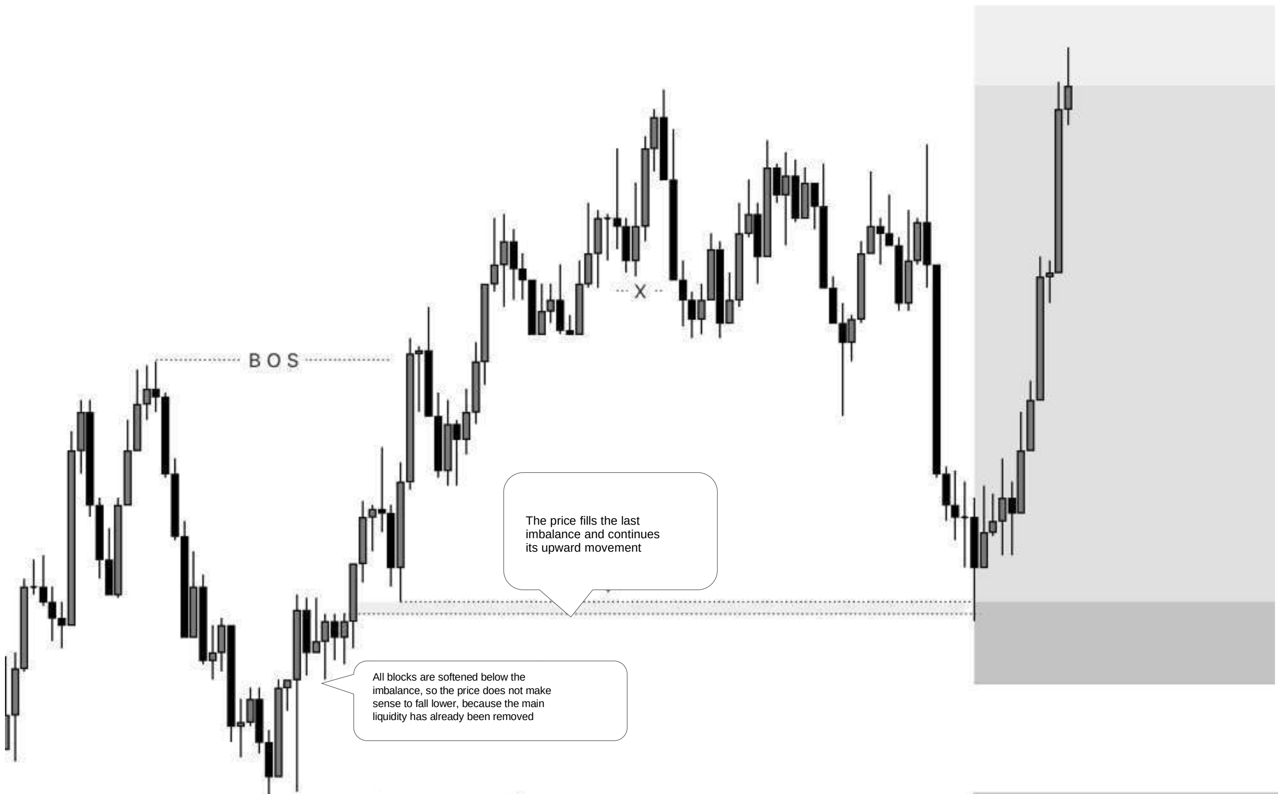
When the price starts to rise sharply or starts to fall, it is called mispricing. There is a gap between the candles, which is called imbalance, it is also known by other names such as FV (Fair Value Gap). Let's take a look at the example below. We usually use it during POI and block order marking. You can understand it from the following examples/

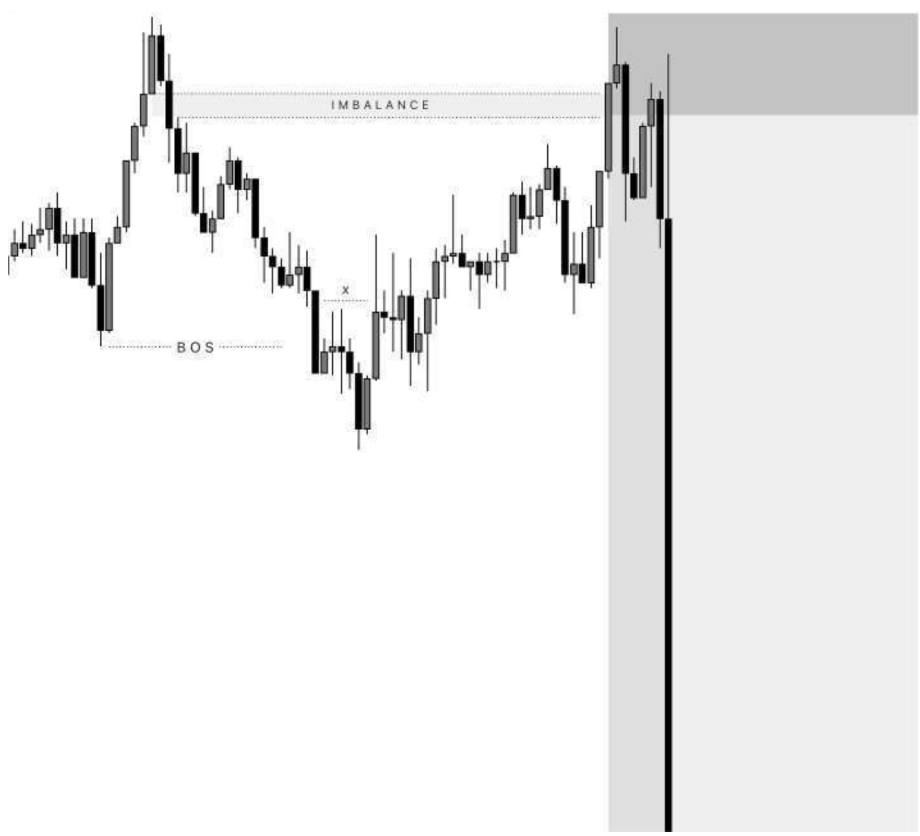


Bearish/bullish imbalance



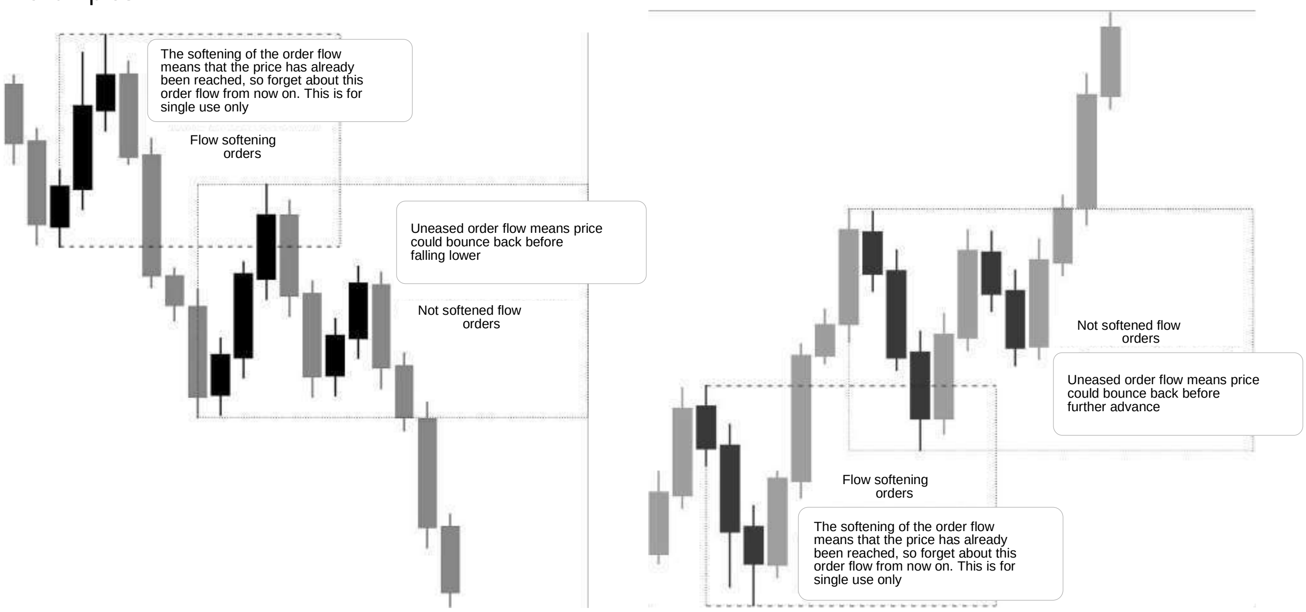
These are the given examples for finding extreme imbalance for an entry. Imbalance is mainly used during entry to look for POIs and block orders. But if below the imbalance all blocks are softened
you can use the imbalance as a place to enter.



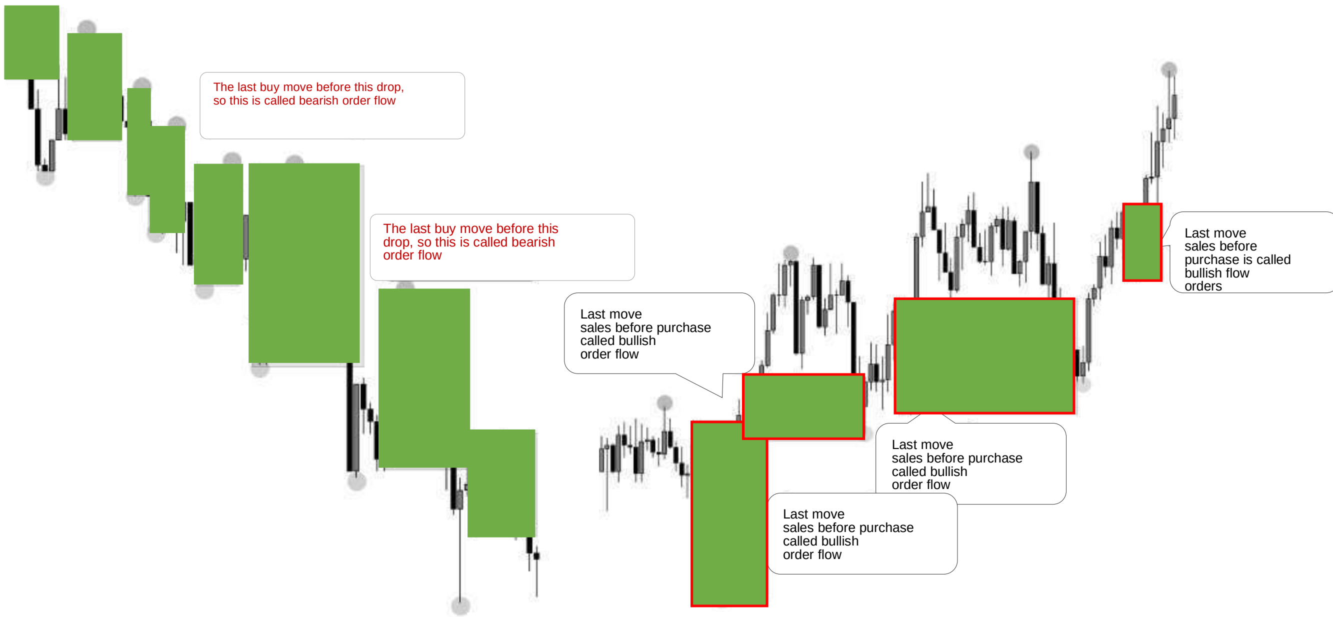


ORDER FLOW

Order flow (OF) can basically be easily understood as follows: the last buy move before a fall is called a bearish order flow, and the same in a bull market, the last sell move before the momentum is called a bullish order flow. If (OF) has already been softened, that is, the price has touched it, then the probability of working it out and a block order inside it is unlikely. But if everything (OF) is relaxed on the chart, you need to look for an untouched block order in the last impulse. You can decide for yourself to trade on the basis of (OF) or a block order, but the price sometimes does not reach the block order because it receives a reaction from (OF). A block order is a refined form (OF). Let's look at examples.

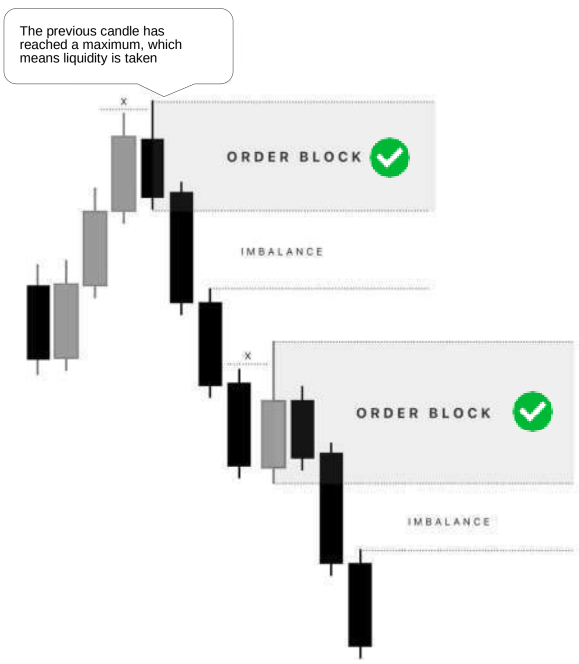


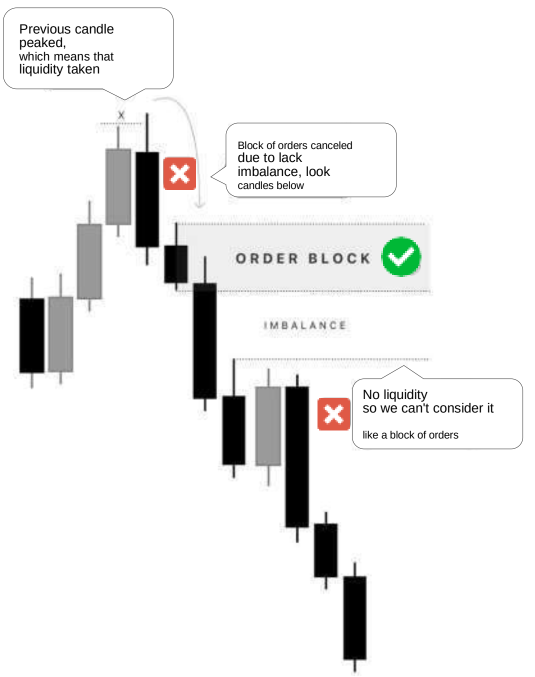
Bearish/bullish order flow



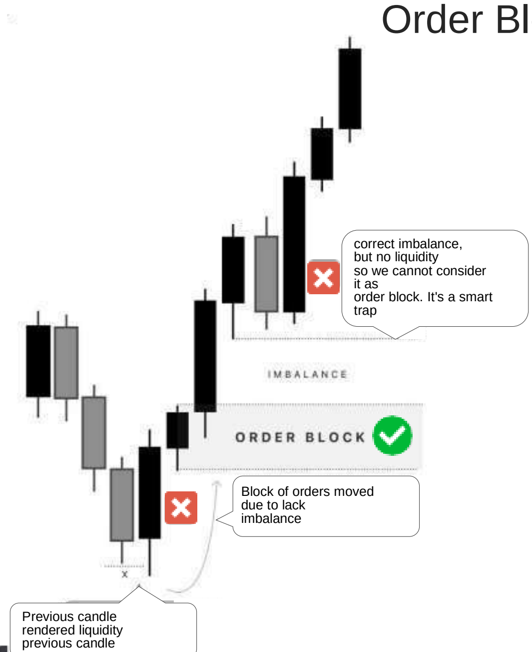
ORDER BLOCK

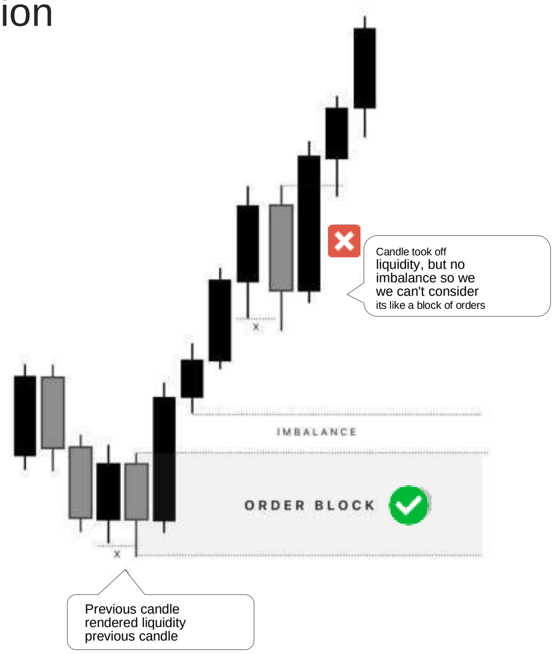
The order block is the main part of the smart money concept during entry. An order block means the place where smart traders enter to buy and sell. To mark any bullish/bearish block of orders, the candle must take liquidity from the previous candle or structure and create an imbalance. And now we are going to discuss in more detail how we can identify and trade this. You have to remember, the price usually reacts to the Decesional order block - this is the first block before or after the IDM and the Extreme order block - the most extreme block to the beginning of the impulse. All other blocks are traps. If the price breaks through the first block from IDM, then the price will go to the extreme block.





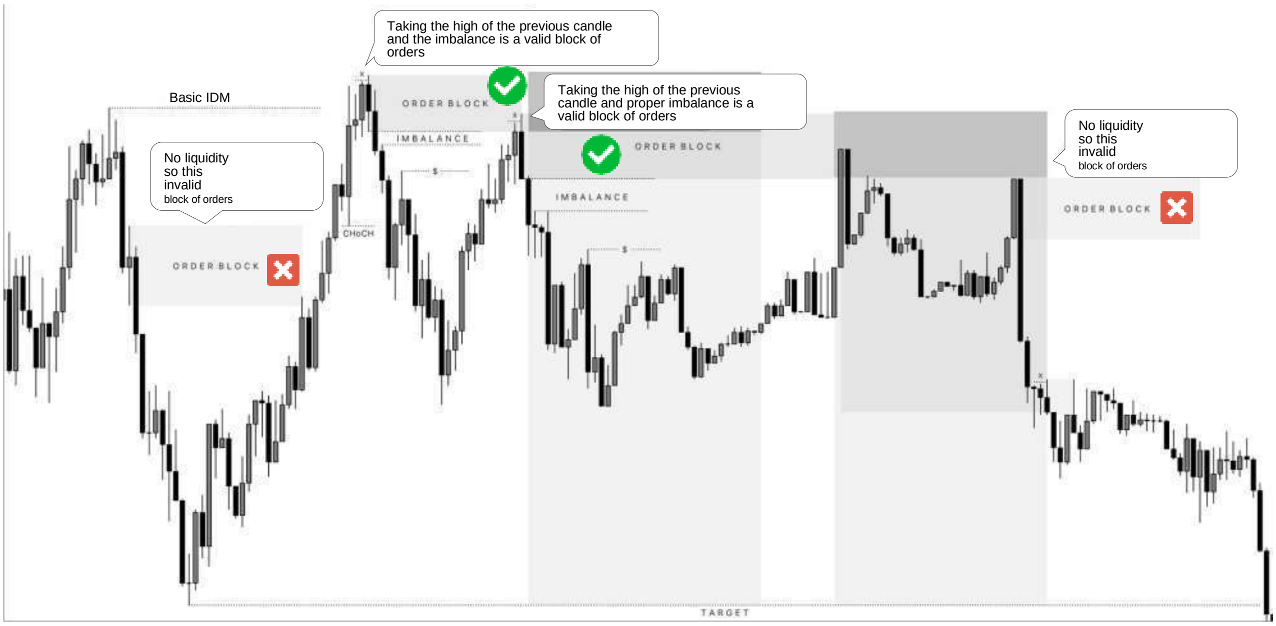
Order Block Identification





Now you can better understand how an order block actually works, to mark an order block you need proper imbalance and liquidity withdrawal. In the following chapters, we will discuss trade entries in more detail. These are just examples for defining valid OBs.

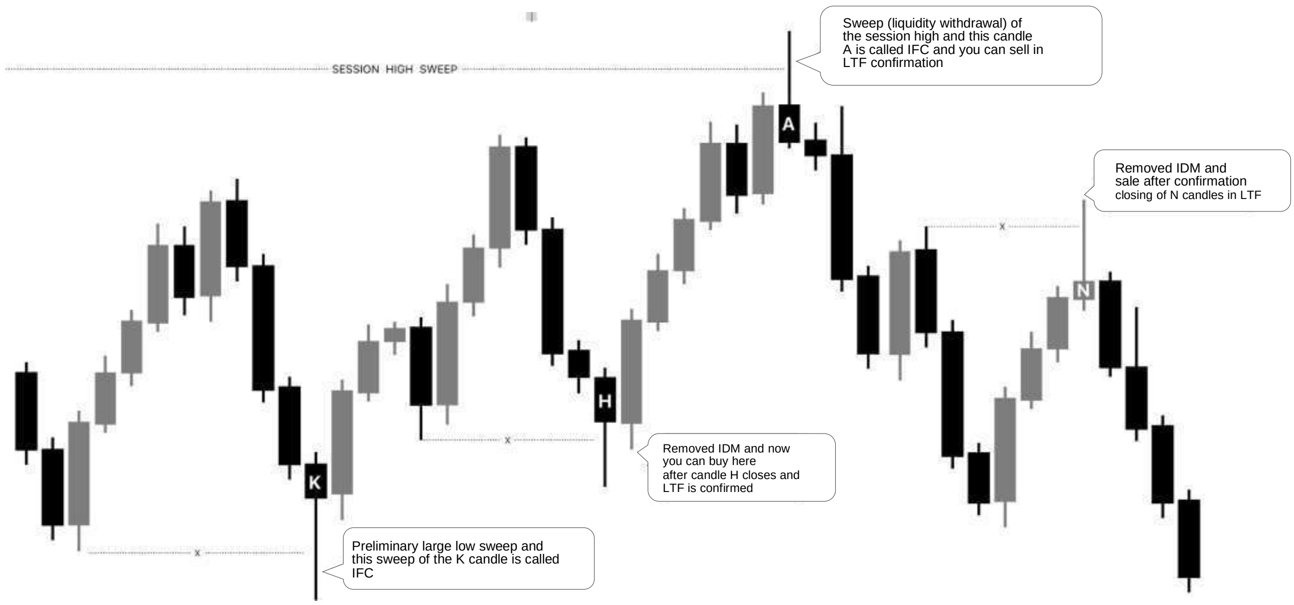
Bearish block order



Bullish block order

IFC CANDLE

The institutional funding candle is a big part of the SMC for determining POI. When the price breaks but cannot close above or below the major swing highs or lows, or the major session highs and lows, as well as the IDM, this is called an IFC. Basically an IFC candle means that the price has hit all major StopLosses and then reacts top/bottom to a reversal. Once the liquidity has been squeezed out, you can buy or sell in the LTF confirmation. One more thing you need to understand, IFC candle colors don't matter. Now you will understand the explanation in the graphs below.



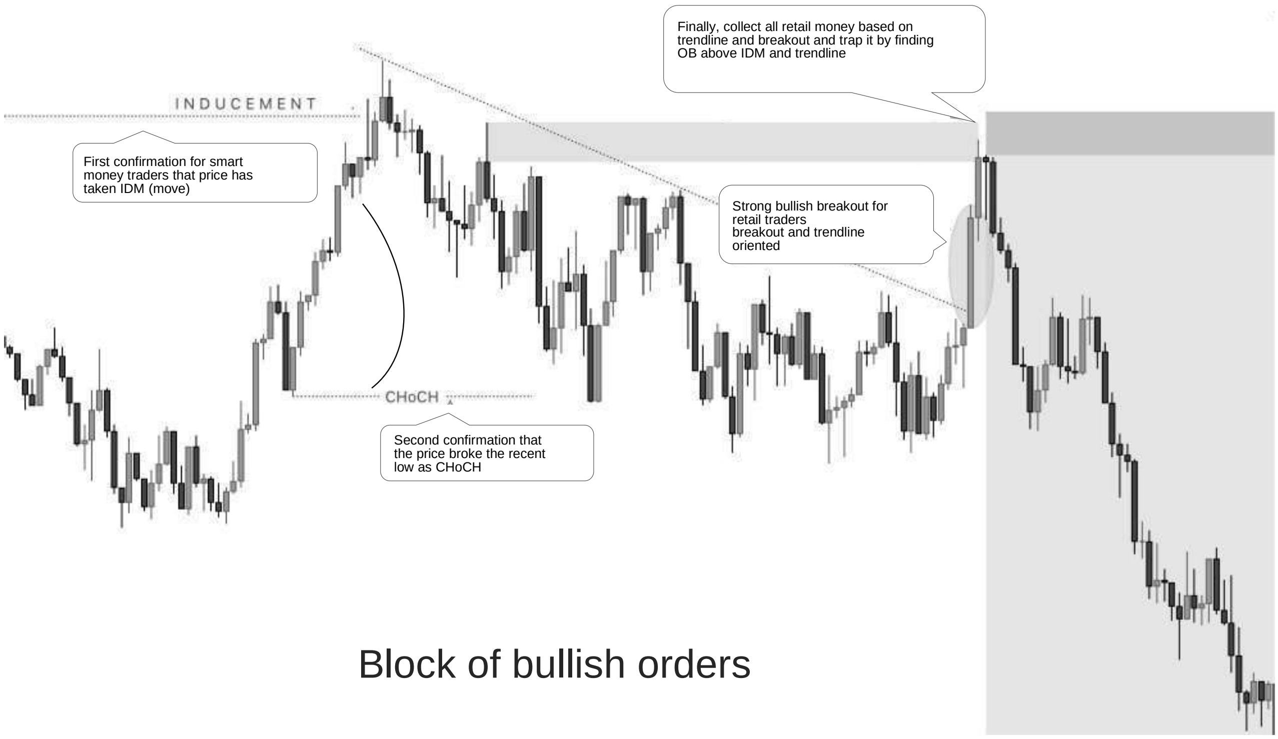
Candle of Institutional Funding

RETAIL LIQUIDITY

Most traders trade based on retail patterns such as trendlines, patterns, indicators, support and resistance. This is the biggest
the reason for manipulating retail patterns is because smart money traders (banks and INSTs) are trading against traders. Now I'm going to explain here how traders think and what happens after that.

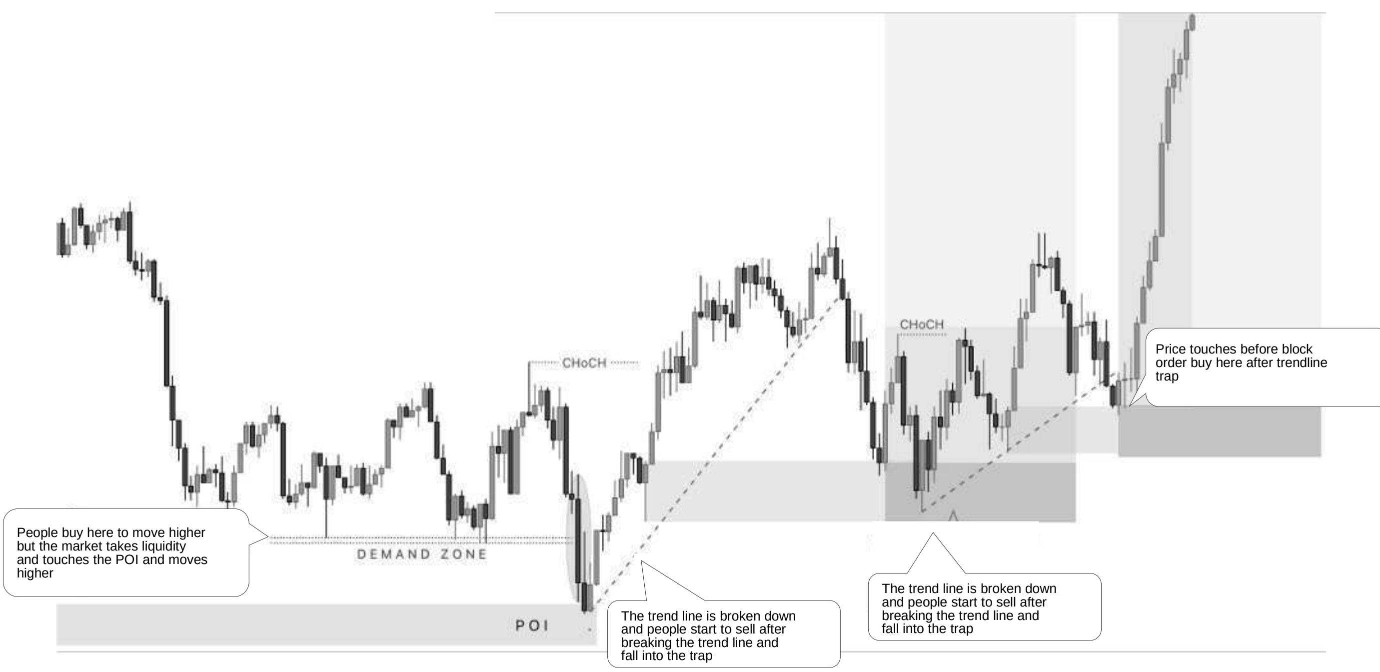
Support and resistance / EQH / EQL

When you are considering buying or selling after a breakout of a trend line, you need to wait for the correct setup according to the SMC. If the price breaks up, consider selling, and if the price breaks down, consider buying according to the SMC, but you need to keep in mind some criteria based on the SMC, not just the trendline. These examples will help you understand how a trend line gets trapped. As soon as the price breaks the trend line, you find the IDM and the first block order above/ below it and from there make a trade after confirming the LTF



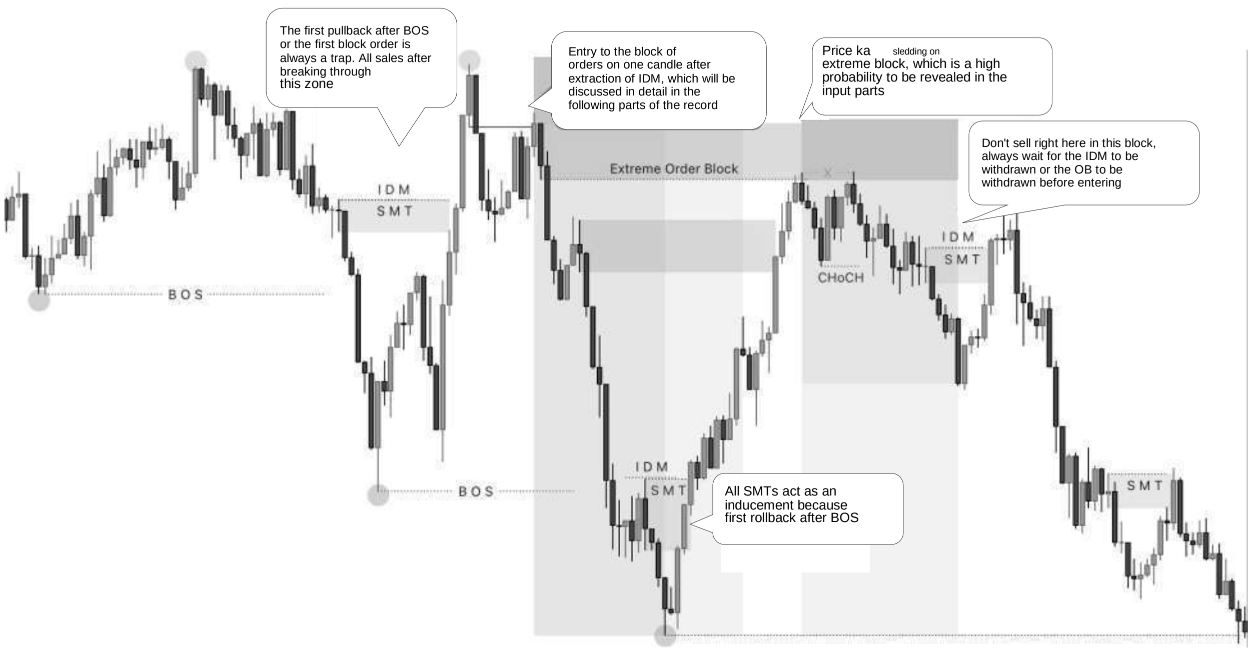
Block of bullish orders

Trendline and Liquidity Breakthrough

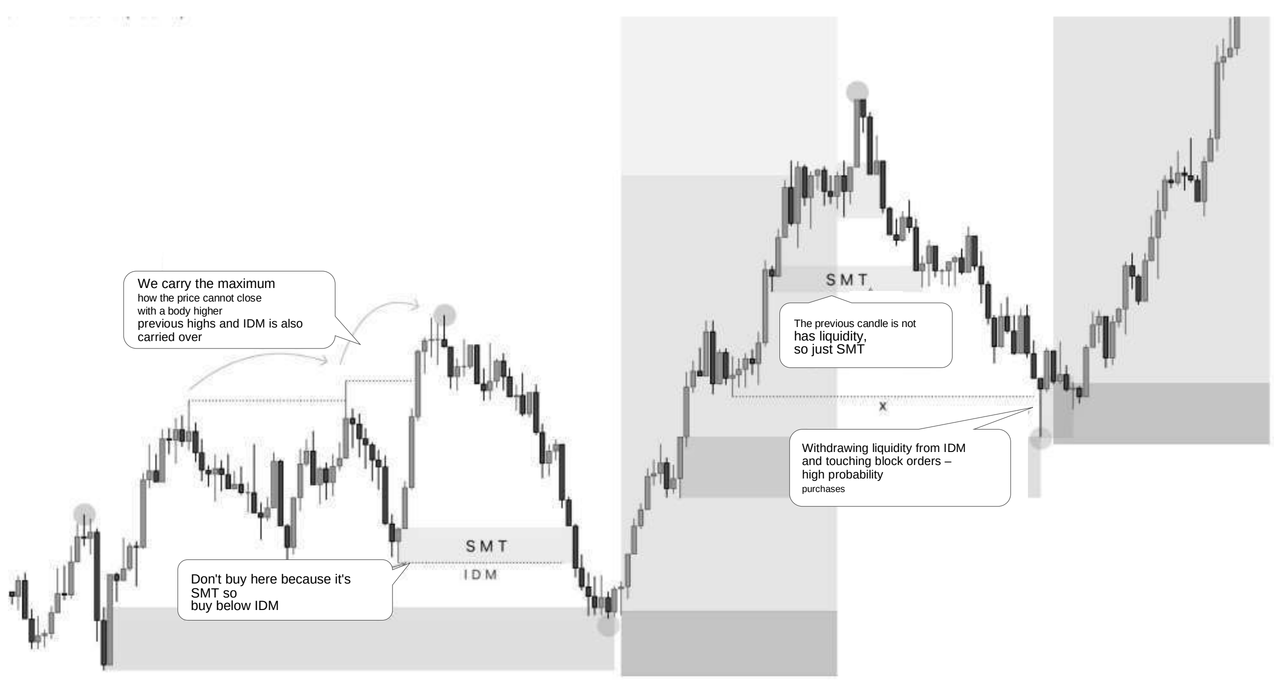


SMART MONEY TRAP/IDM

Many smart traders usually trade based on the order structure and block, but the order block is not really an SMC. An order block is simply an additional confirmation to buy or sell. If you're looking at the block
orders, do not trade blindly, you must wait for momentum or liquidity to get clear confirmation before buying or selling a block
orders. Let's see how it works.



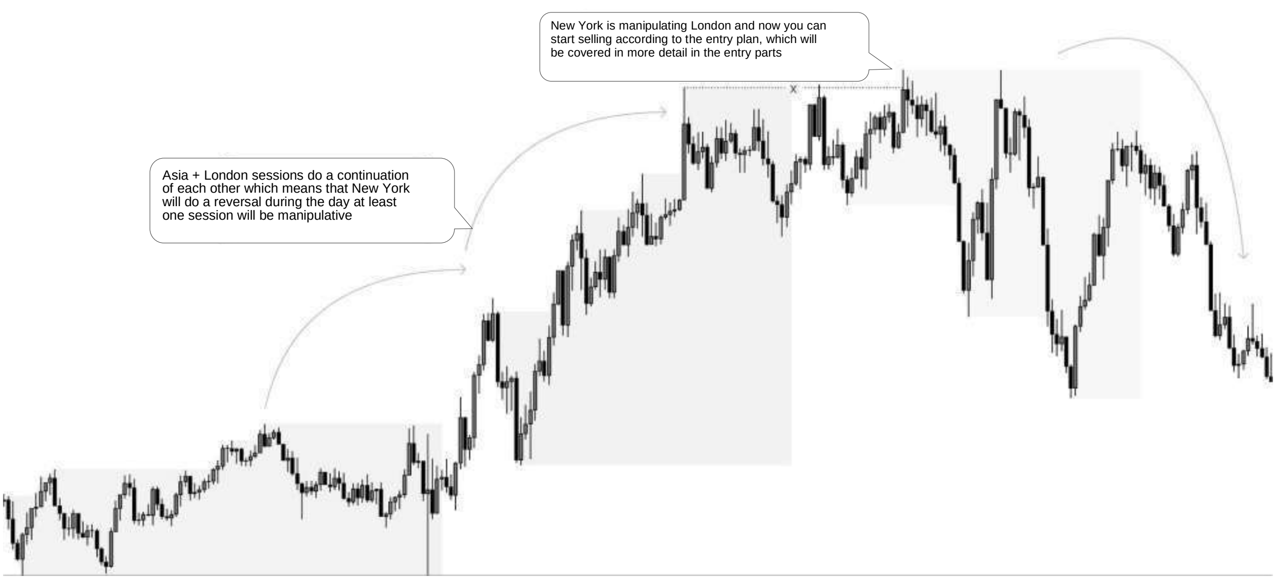
Smart money trap



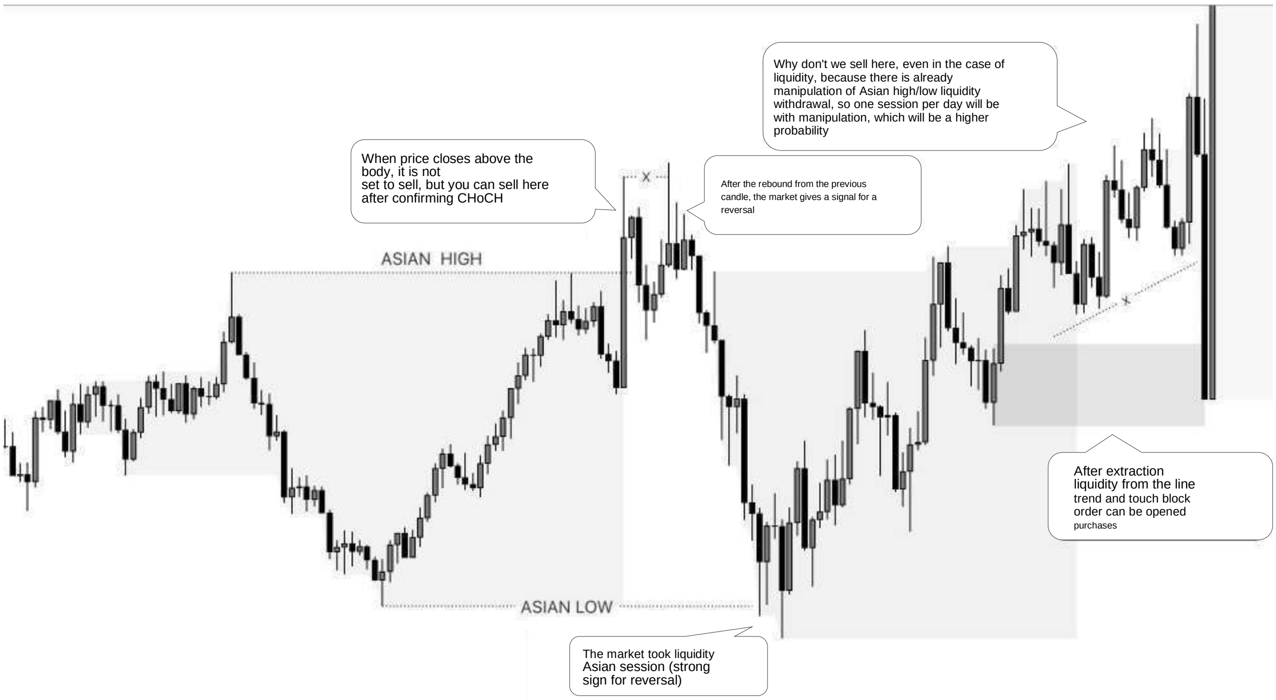
SESSION LIQUIDITY

Time and price are an important part of the smart money concept. When the market takes any session High/Low, it gives a reversal move up or down. Because every session High/Low acts like liquidity. At least one session per day will be manipulative. If Asia + London are a continuation of each other's trend, then New York will give you a reversal movement and will manipulate London. If London has removed liquidity from the high or low and vice versa from Asia, then New York will move further in the direction of London. Now let's look at a few examples.

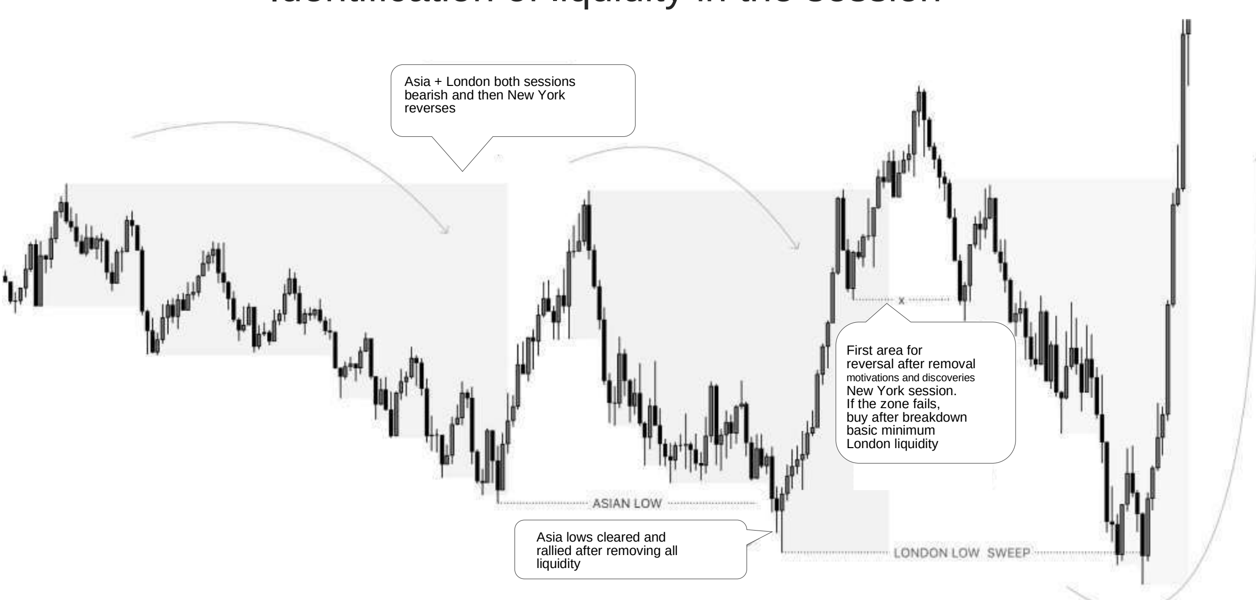
Identification of liquidity in the session



Each session high low acts as liquidity because most traders place a buy or sell stop below or above the session high low. The market needs liquidity to push the price higher or lower. How you can trade these settings, I will explain in more detail in the Entry Types topic. Here are some more examples about session liquidity.

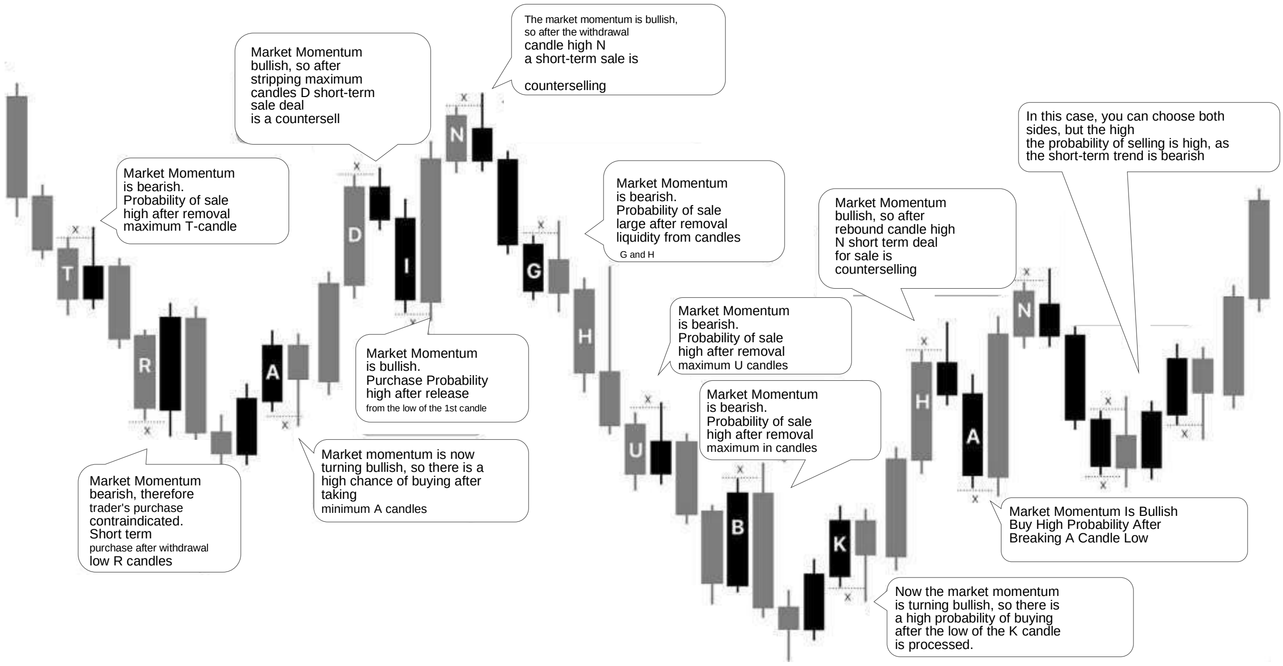


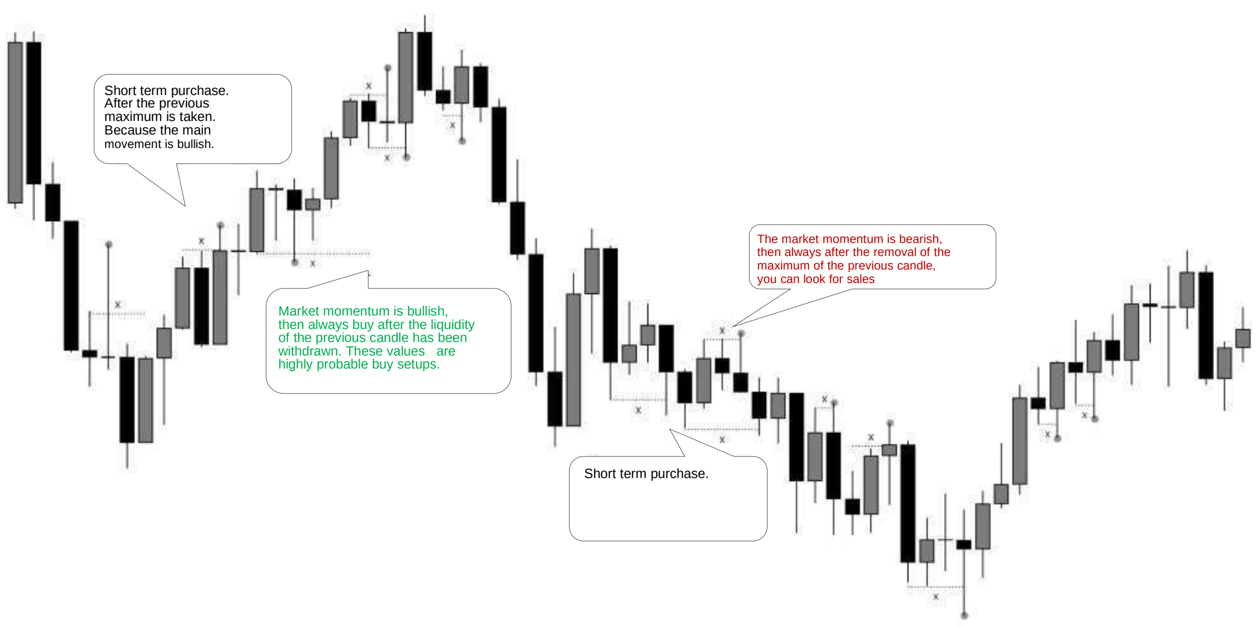
Identification of liquidity in the session



DAILY LIQUIDITY OF CANDLES

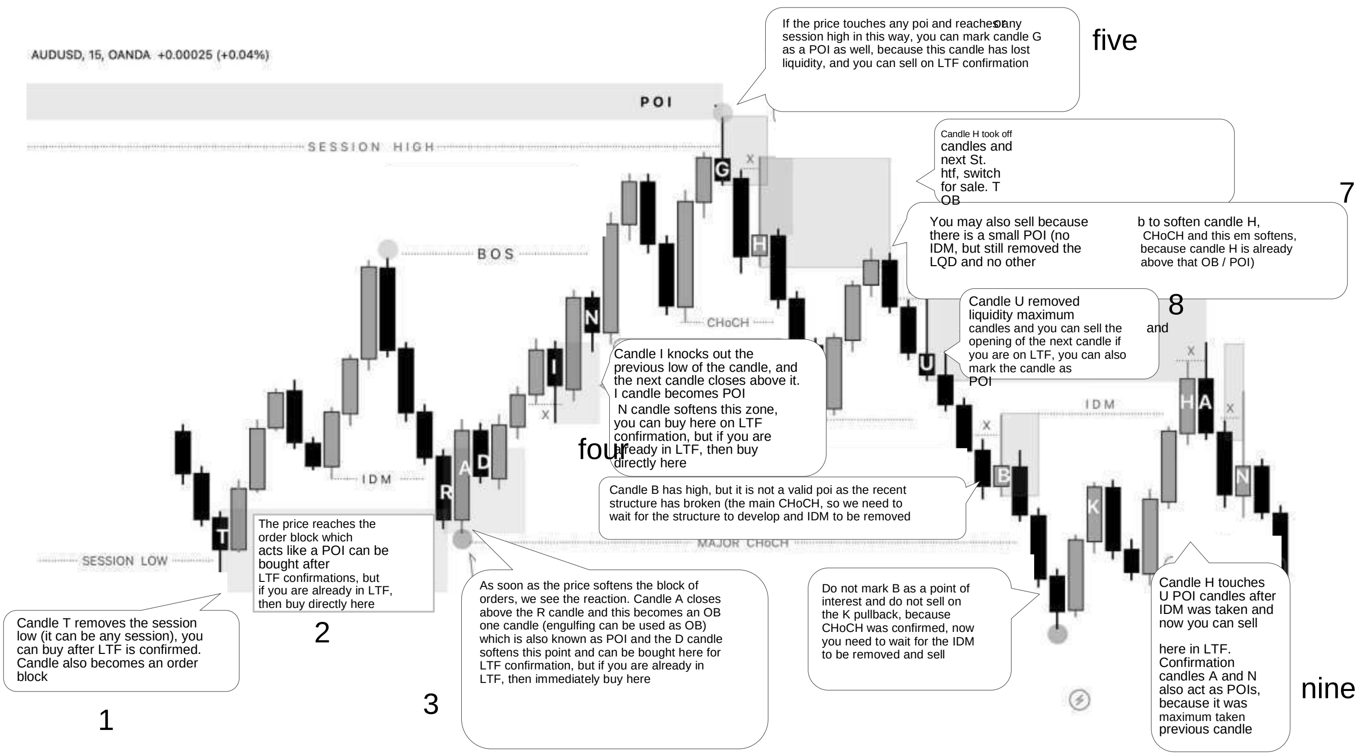
The reason for daily liquidity is simple and similar to the reason for sessional liquidity because most traders buy on a breakout. When the market breaks the low of the previous candle, most traders try to sell after the previous low is broken. The same thing happens on the bullish side. When the market turns bearish and liquidity is withdrawn from the previous daily high, it is a high probability to sell and buy in the short term in a bear market. The same thing happens in a bull market. After taking liquidity, you should switch to M15 and wait for the nearest structure to break to confirm an up/down move for the current day. Now you can better understand how you can determine daily liquidity.

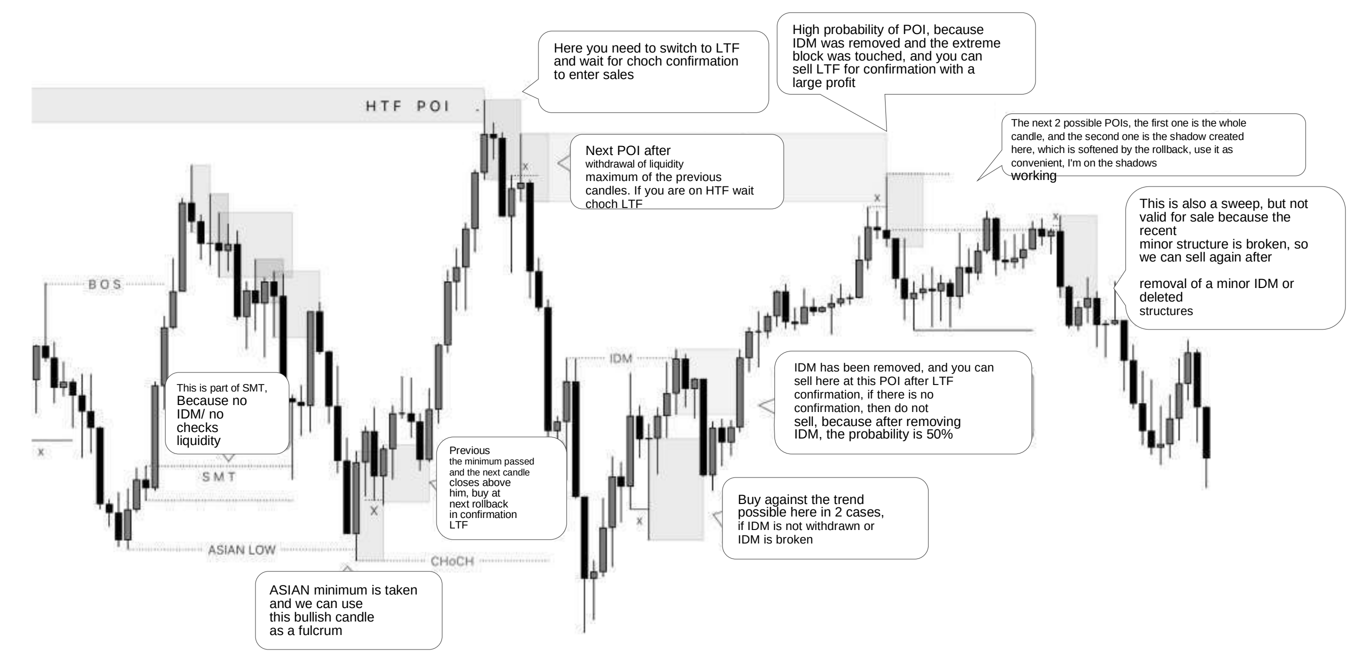




POI IDENTIFICATION

There are different types of POIs that act as liquidity, but how do we determine which liquidity we can use as a POI. The order block is also used as POI and inducement and all liquidity. Now I'm going to explain here how many types of POIs work in the concept of smart money and how you can determine, let's understand with concrete examples. You don't have to trade all. But you must know all possible zones.

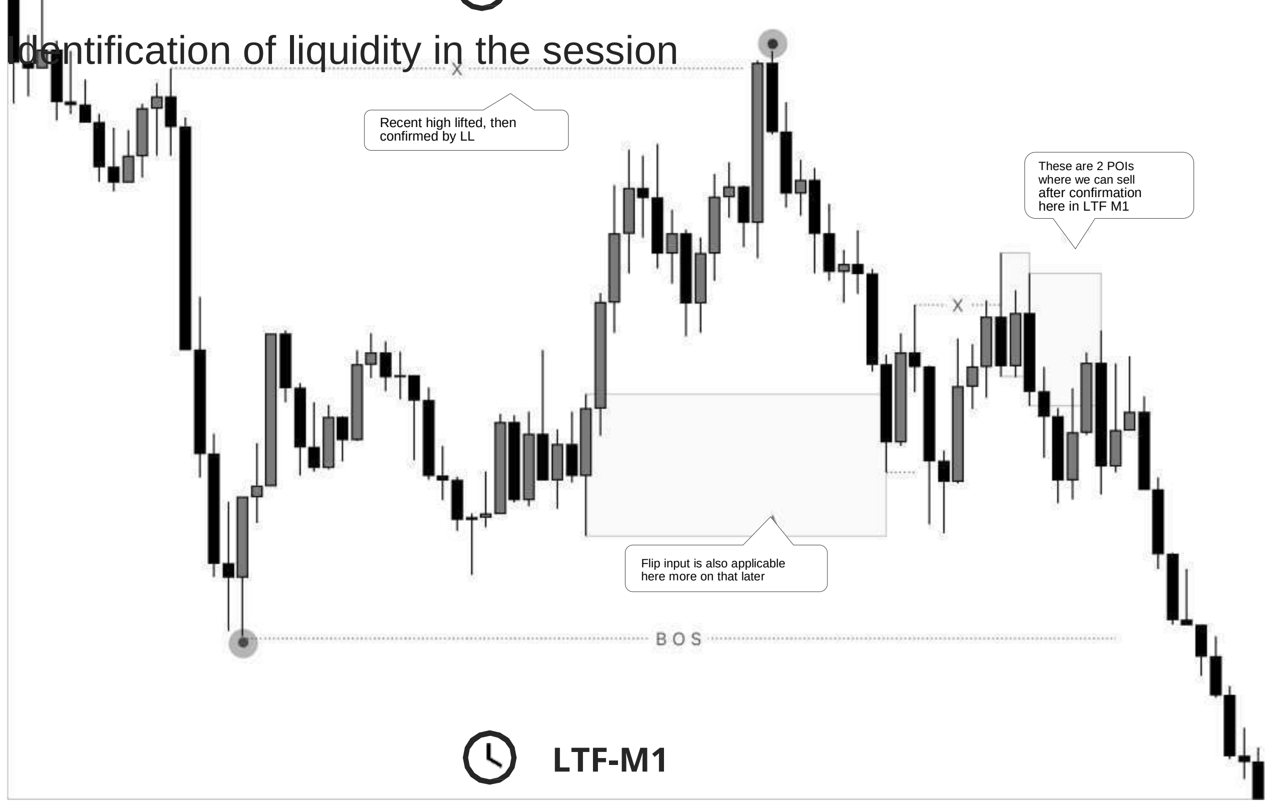




MULTIPLE TIME INTERVAL

We mainly use multi-timeframe analysis to determine the structure, trend, entry criteria and different timeframes depending on different types of trading style and different types of markets such as Forex, Crypto, Stock, Indices, Synthetics and others. You must use 2 time frames as a day trader. First, I'm going to show you an example of FOREX or INDICES.

HTF-M15

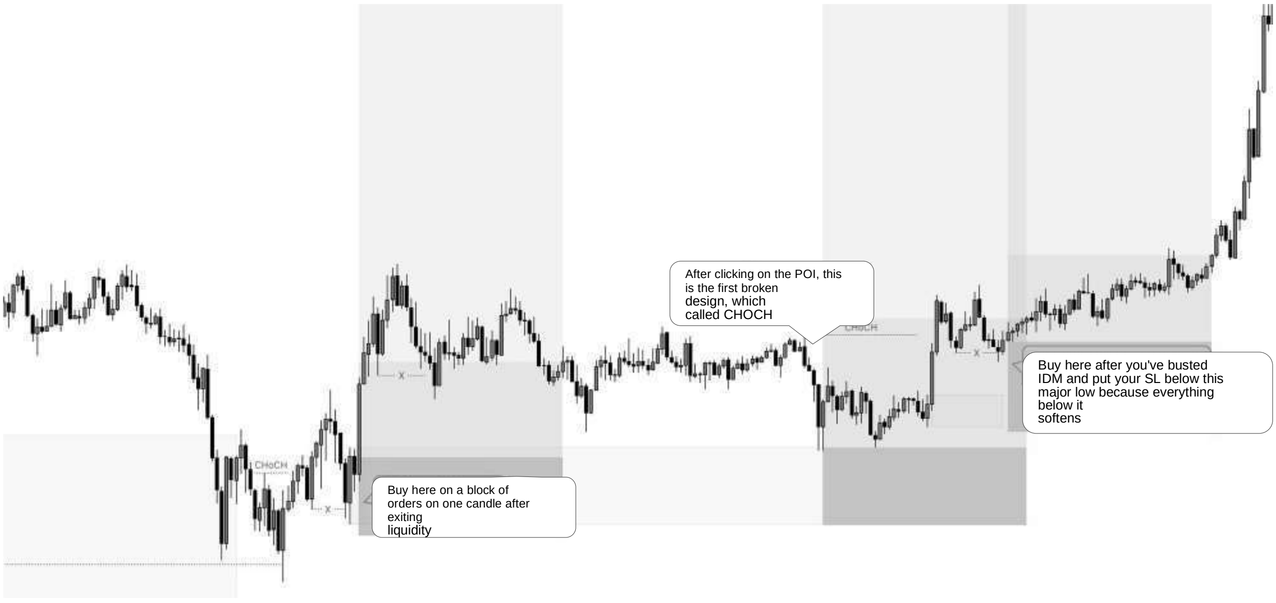


LTF-M1

This is CRYPTO market with BTC USDT example and you can take any currency pair, I used H1 as higher timeframe according to day trader and same H1 timeframe you can take in Forex market then you should use M5 LTF for confirmation.

HTF-H1

LTF-M5

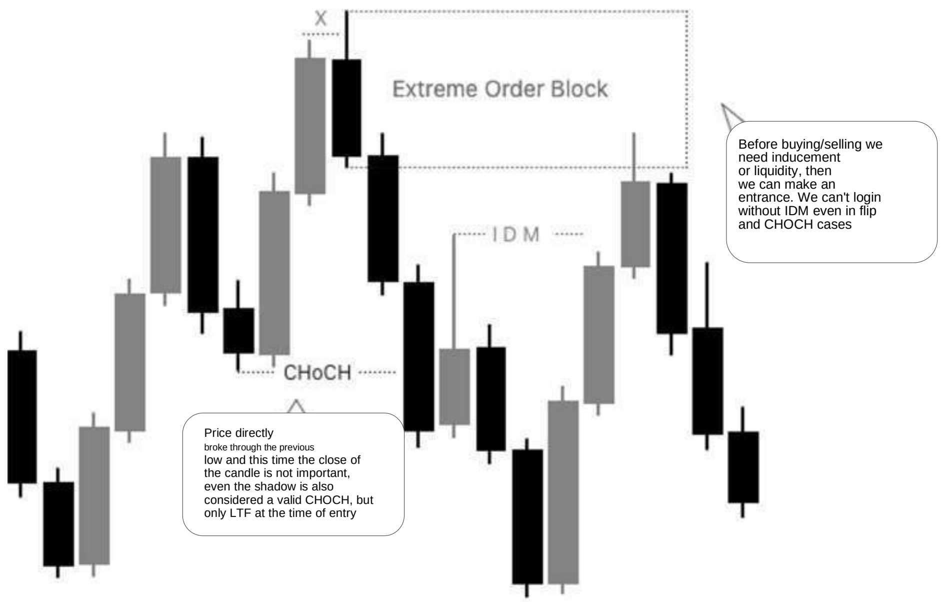


EXPLANATION OF INPUT TYPES

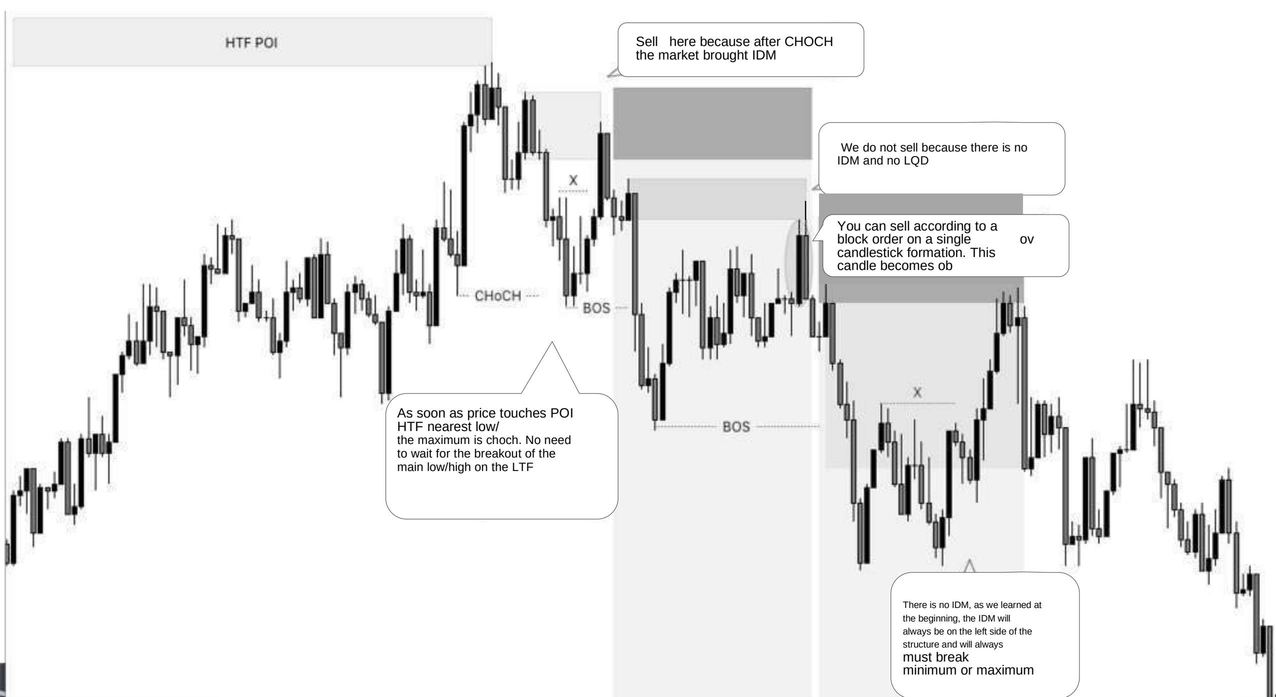
Everything is right in every strategy, the main part is how we should work on POI. Now I will tell you about all the main types of high-probability entries that will help you make decisions on lower time frames in order to reduce risk and maximize profit.

There are various types of entry modules, such as CHoCH / BOS / FLiP / Entry based on withdrawal of liquidity (general) / - Entry on the withdrawal of liquidity from the previous candle (Single candle entry formation). Let's see what happens on the lower timeframe during entries. Below is the general entry model

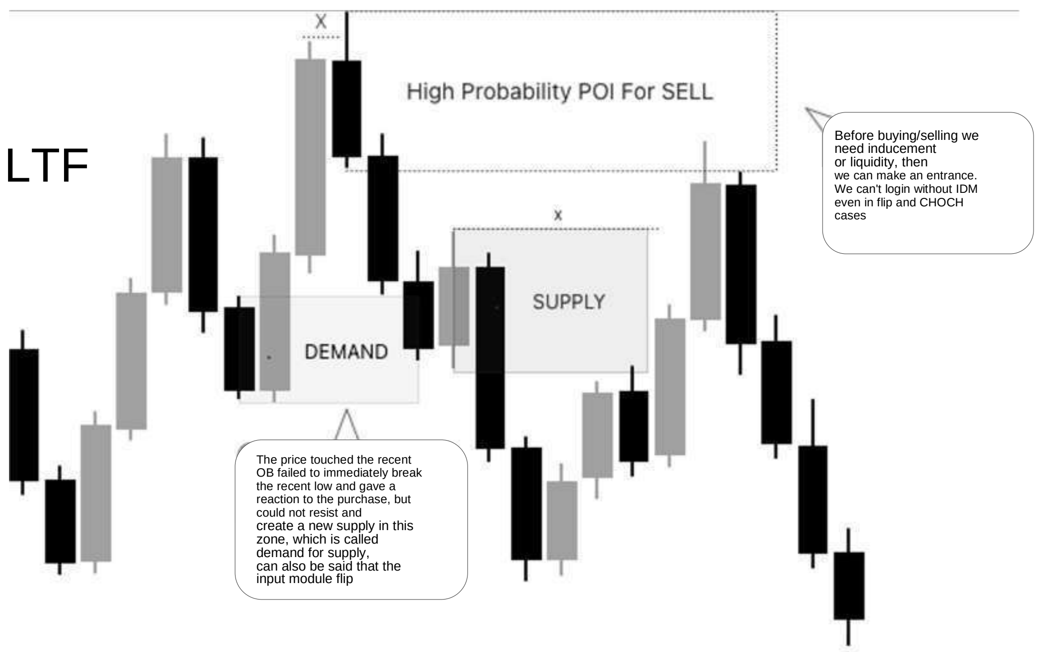
LTF



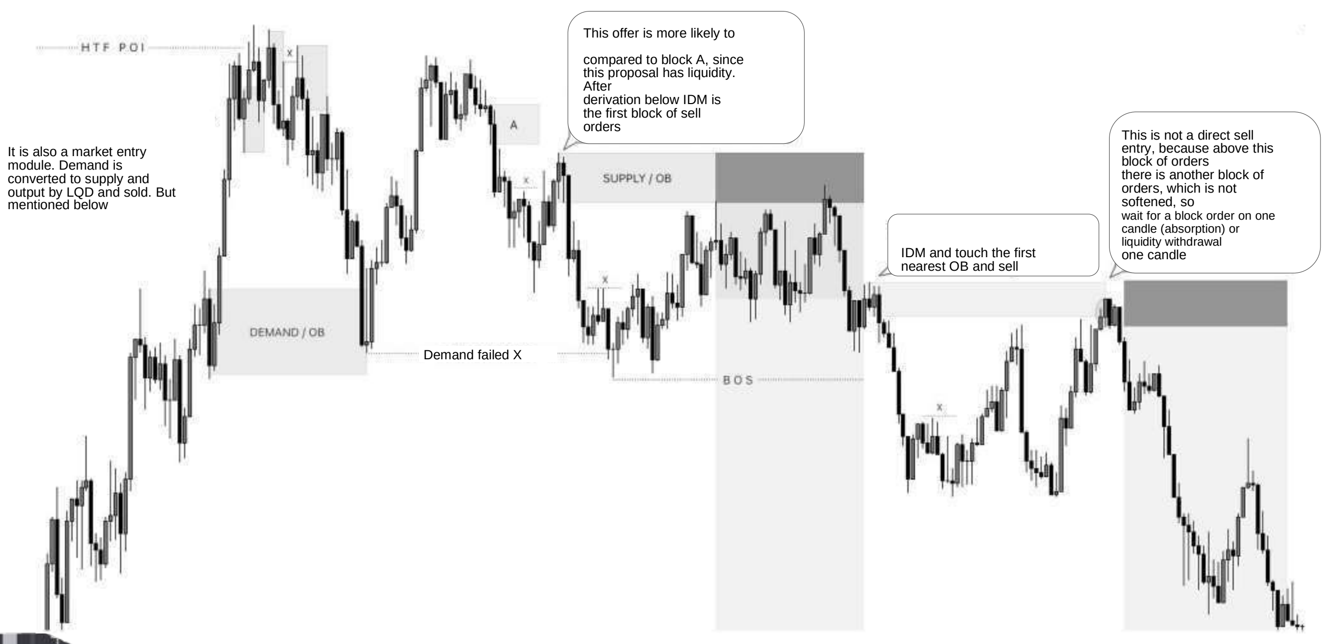
1.CHoCH with IDM input module



When the price reaches the supply zone (OB/OF) of the HTF, you should switch to a lower time frame according to our multi-time frame ratio. You should switch to LTF and wait for confirmation if the price does not directly break the previous recent high/low as CHoCH and takes a small pullback from the block order and eventually breaks this OB, this process is called Flip when demand is converted to D2S supply or supply is converted to S2D demand. Let's understand the above diagram and example.

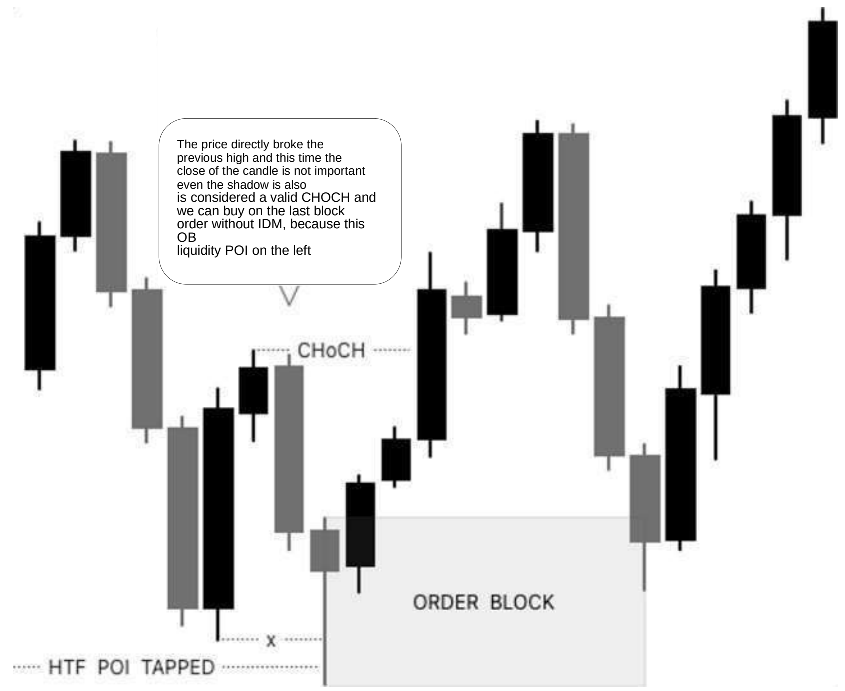


2. FLiP with IDM input module

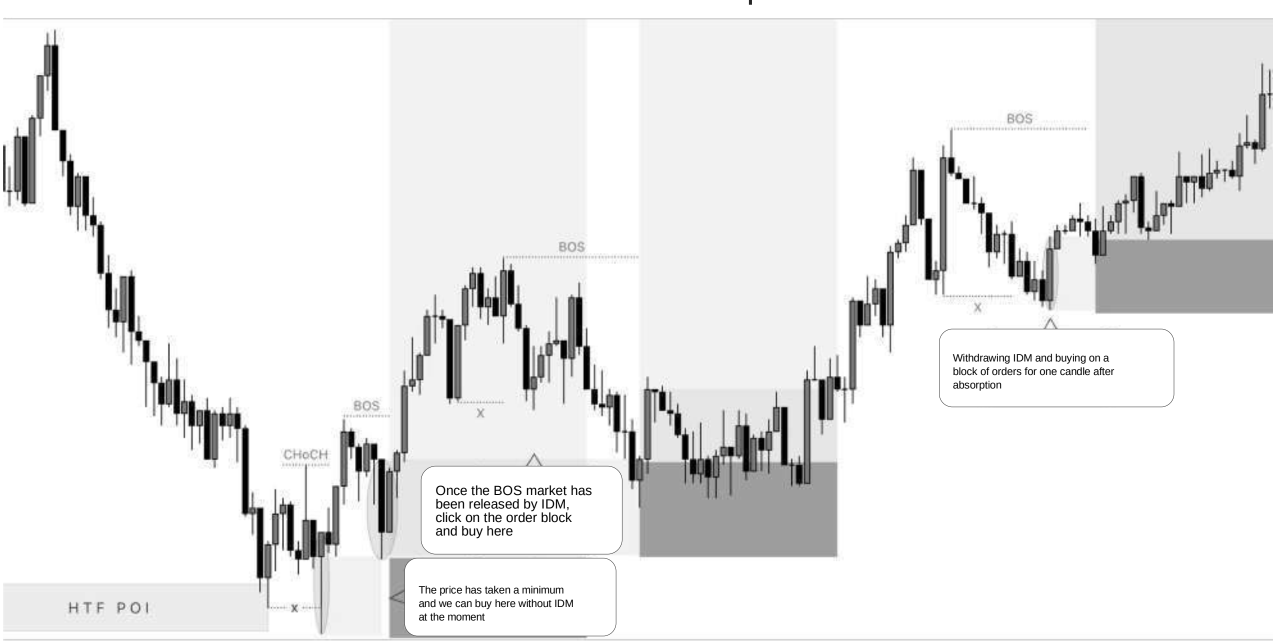


CHoCH is the first sign for a reversal and when the trend changes you will see two types of entry, the first is CHoCH with prompting and the second is CHoCH without prompting. No incentive structure needed in this case, just remove the previous POI low/ high and we can enter according to our entry module and the same applies in bullish and bearish conditions. Let's understand with the help of the given diagrams and examples.

LTF

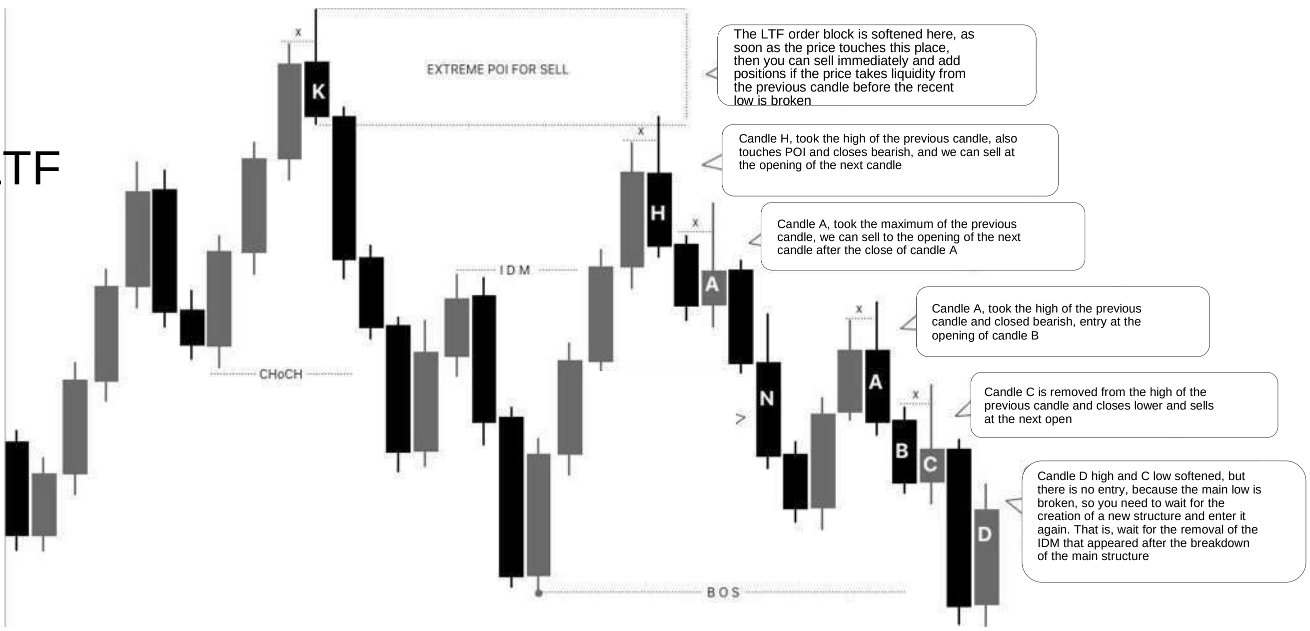


3. CHoCH without IDM input module



If you don't know how to scale gains and cut losses, then SMC not for you. The entry to withdraw liquidity from the previous candle is a very powerful way to add multiple entries to your winnings. The entry to withdraw liquidity from the previous candle and the entry to withdraw liquidity from highs and lows are similar. The entry to withdraw liquidity from the previous candle is not used everywhere, you must define a POI on the LTF to add such entries. And once the price touches the POI, this type of entry can be expected, until the next major low on the LTF. Now I am going to explain here how and where you can trade using the withdrawal of the main liquidity and the withdrawal of liquidity from the previous candle.

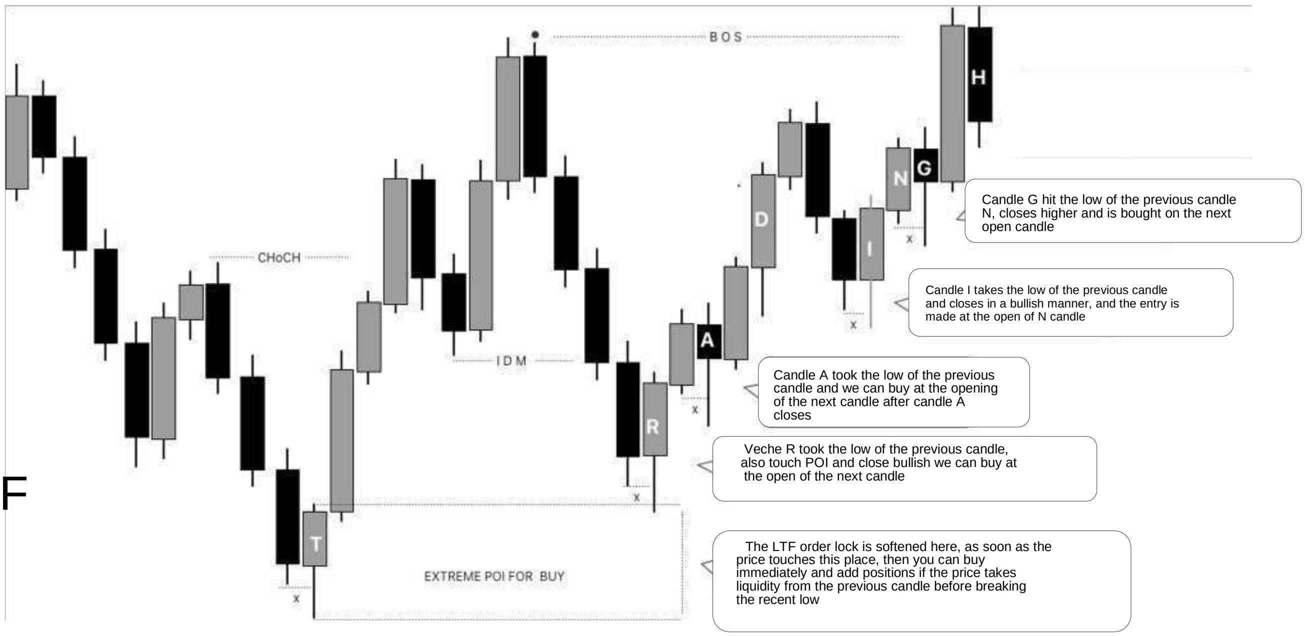
LTF



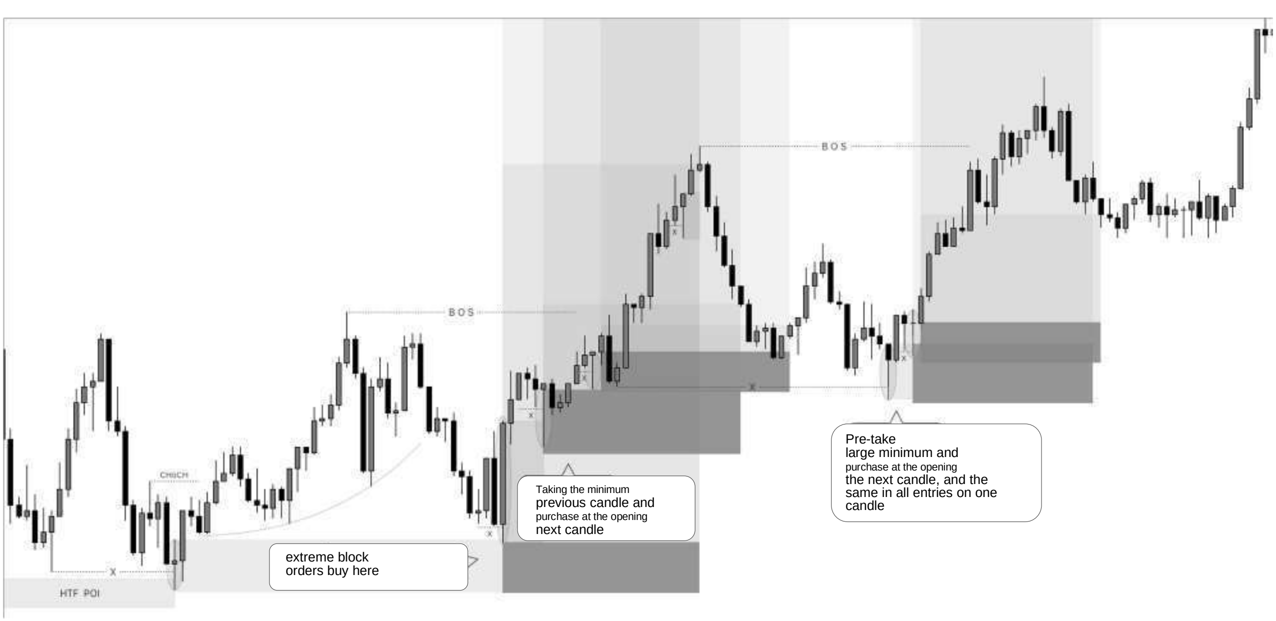
4. Entry withdrawal of liquidity from the previous candle

Basically, the sweep and entry to withdraw liquidity from the previous candle work on a similar pattern. Taking the main highs and lows of the structure or withdrawing liquidity from the IDM and POI is called a liquidity sweep, and taking the highs and lows of the previous candle is called the entry on a one-candle formation.

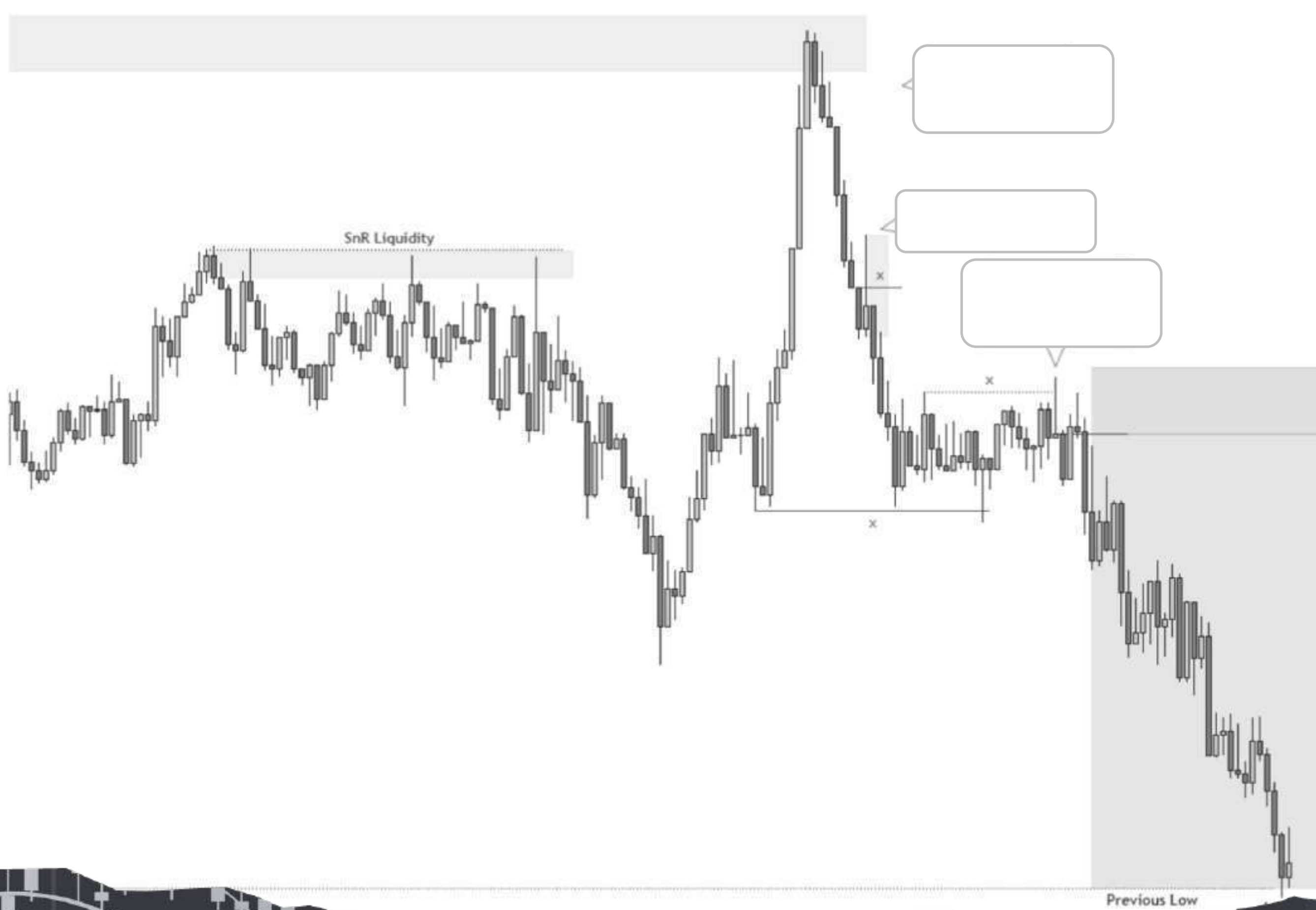
LTF



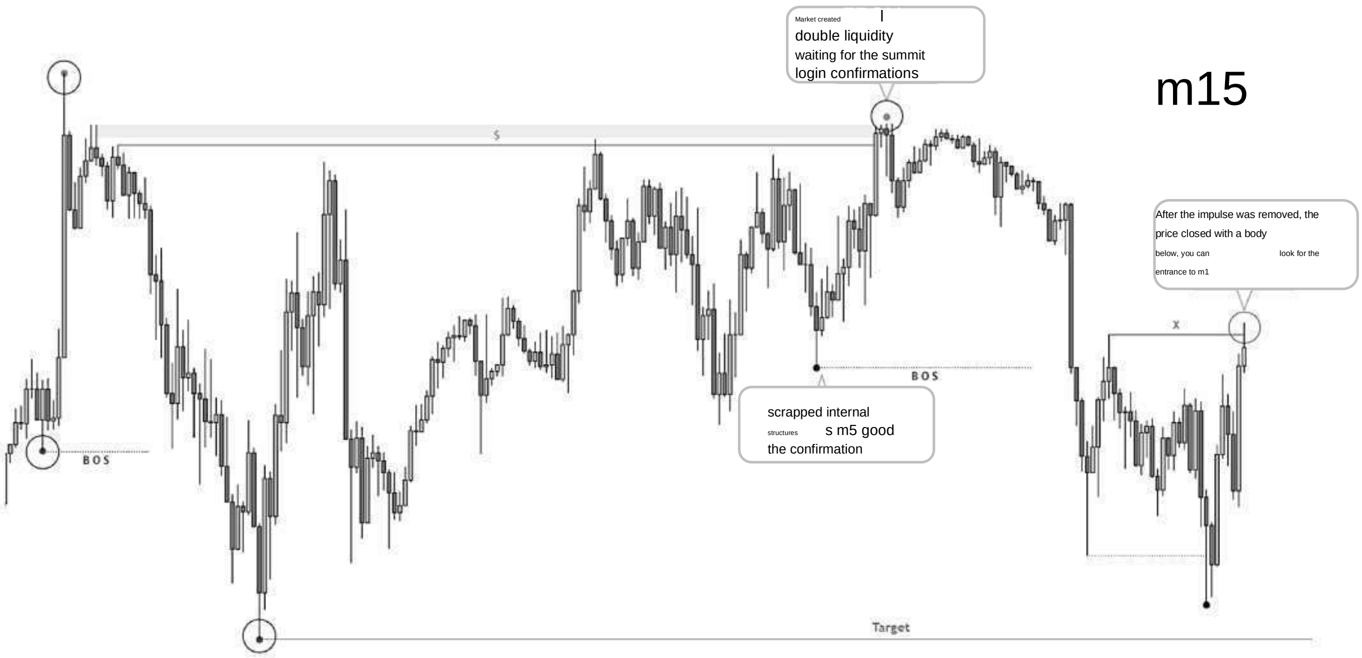
5. Single candle entry and liquidity sweep entry

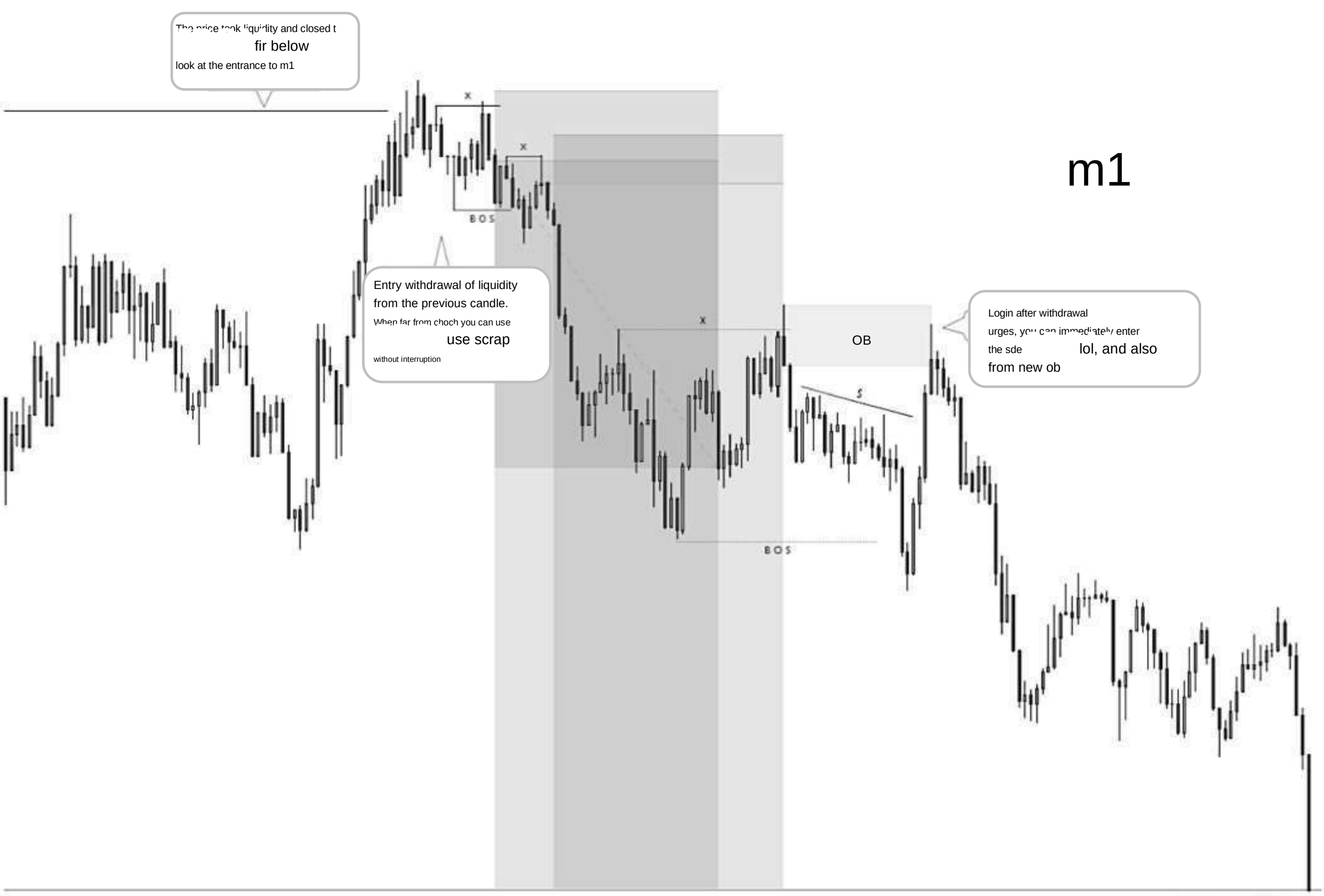


m15

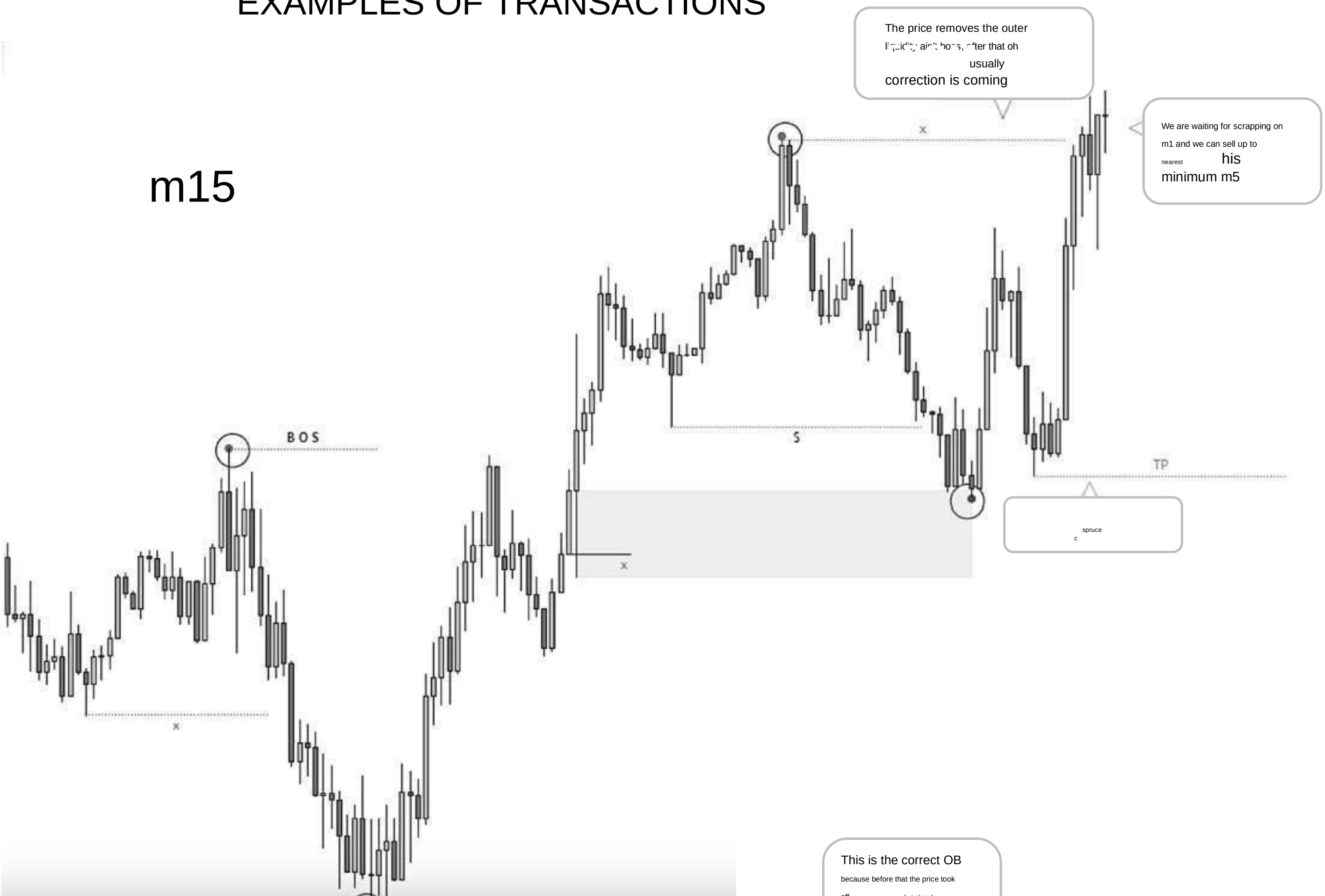


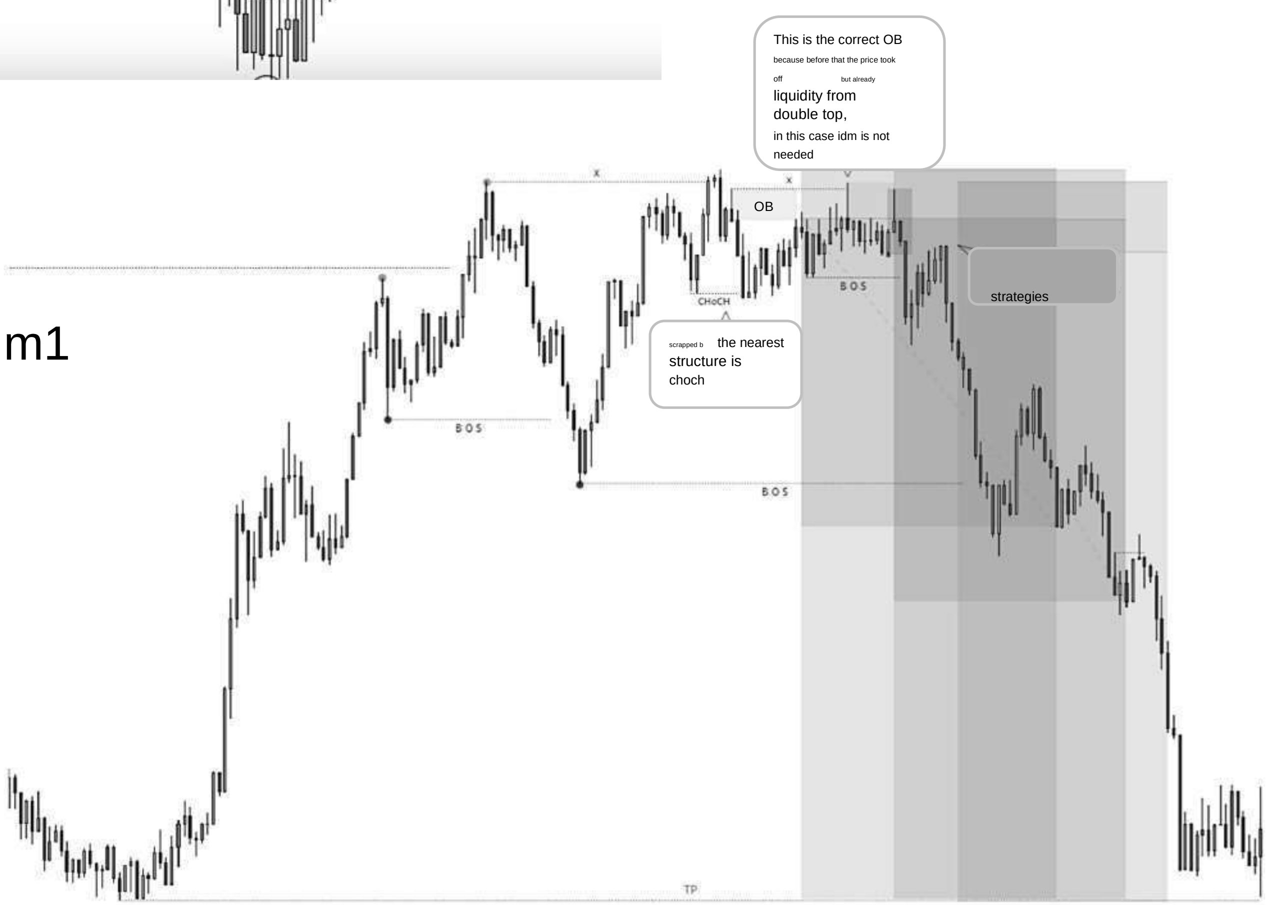
EXAMPLES OF TRANSACTIONS





EXAMPLES OF TRANSACTIONS





MANAGEMENT OF RISKS

Trading is a game of probabilities, so you must risk according to
your capital and your own opportunities, there are no holy strategies, you have to think both ways, first think about the risk you take in the trade, don't think about the profit, when you focus on risk management, then the profit will be automatic. Many people do the wrong thing by focusing only on profits and start thinking only about

about profit, forgetting about risk management, because it's all about the game of probabilities, so think about probability from both sides. You should always take trading with proper risk management, if you have your own live account then take 1%-2% max in one trade and
if you have an account with a fund, take 0.25-1% risk per trade. When the trade moves in line with your direction, focus on protecting your Stop Loss first. When the market breaks a recent high or low then move your Stop Loss to break even and don't try to catch 1:30-50RR because most traders are brainwashed on social media to show you a big RR but it's actually 1:5-1:10 - it's a great risk/reward ratio, you don't have to go for a big RR. Focus on protecting what you have and wait for entry

with a high probability. Don't trade emotionally or you won't be able to make money. Trade without emotion and always trade high probability POIs, don't trade everywhere, patience is a big part of trading so wait for it and enter when everything goes well as planned.
Self account risk per trade 1-2% Trading
account risk 0.25 - 1%