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THE PATH TO PROFESSIONAL TRADING

INVESTMENT IS THE FUTURE!



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A COMPLETE GUIDE FROM BASICS
TO SMART MONEY CONCEPT



Maintenance

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Chapter 1: Introduction

In recent years, financial markets have become an integral part of the global economy, offering participants the opportunity to invest, accumulate capital, and hedge against risks. Advancements in technology and increased accessibility to information have made trading more attainable for a broader audience, leading to a significant surge in interest in financial instruments and trading strategies.

Trading is the process of buying and selling financial assets with the aim of generating profit. This process demands not only knowledge and analytical skills but also discipline, emotional resilience, and robust risk management strategies. Trading is a multifaceted activity that blends the art of decision-making with the scientific analysis of markets.

This guide is designed to help readers systematize their knowledge, learn proven analytical methods, and acquire the practical tools necessary to trade consciously and securely in financial markets. It covers the entire process—from the fundamental structure of markets to the development of a personal trading strategy—while also incorporating modern concepts such as Smart Money and algorithmic trading.

1.1. Purpose and Goals of This Guide

The primary purpose of this guide is to provide readers with a comprehensive and systematic understanding of how financial markets function and to ensure they can apply this knowledge successfully in practice. It covers all key stages in a trader's development—from basic knowledge and psychology to the creation of personal trading strategies and the application of advanced analytical methods.

The goals of this guide are as follows:

- To provide a solid foundational understanding of financial markets, their structures, and operations;
- To address key economic and psychological factors influencing the trading process;
- To introduce fundamental and technical analysis methods;
- To explain the concept of Smart Money and demonstrate its practical applications;
- To provide step-by-step guidance on creating a trading strategy and managing risk;
- To explore the basics of algorithmic trading and the automation of trading processes.

This guide serves as a reliable starting point for beginner traders seeking to understand how markets function, as well as a valuable resource for experienced investors looking to enhance their skills and deepen their understanding of complex trading concepts.

1.2. Who Will Benefit from This Material?

This guide is intended for a broad audience interested in gaining practical knowledge about financial markets and trading. Regardless of the reader's level of expertise, there is something valuable in these pages for everyone.

1. Beginner Traders

For those taking their first steps in financial markets, this guide provides a clear and structured presentation of fundamental concepts and practical methods. Beginners will learn:

- How financial markets operate and the factors that influence them;
- The basics of fundamental and technical analysis;
- How to develop a personal strategy and implement effective risk management.

2. Experienced Traders

For seasoned traders, this guide offers in-depth analyses of modern techniques and concepts such as Smart Money and algorithmic trading. It will help experienced traders:

- Optimize existing strategies and increase efficiency;
- Gain a deeper understanding of market psychology and the behavior of major market participants;
- Apply advanced analytical techniques and automation tools.

1.3. Fundamental Principles of Trading

Trading in financial markets requires a systematic approach, discipline, and a clear understanding of market mechanisms. Regardless of the chosen strategy or time frame, successful traders follow a set of core principles to minimize risk and maximize the probability of profitability.

Every trade should be based on a predefined strategy and thorough market analysis. Entry and exit points, along with stop-loss and take-profit levels, must be clearly defined before opening a position. This helps avoid emotional decision-making and unplanned actions.

Risk management is one of the most critical aspects of trading. One should never risk more than they can afford to lose. Effective capital management typically involves limiting risk on a single trade to 1–2% of total capital and diversifying positions. This approach preserves capital and reduces the impact of individual losses.

Discipline and consistent execution are indispensable traits of a successful trader. Sticking to a structured trading plan based on careful analysis helps prevent impulsive or irrational decisions. Additionally, keeping a trading journal to document every trade, review mistakes, and identify strengths and weaknesses is essential for continuous improvement.

1.3. Fundamental Principles of Trading

Since trading is dynamic and constantly evolving, adaptability is crucial. Market conditions change, and strategies that work in one environment may become obsolete in another. Therefore, traders should regularly review their approaches, analyze mistakes, and stay updated on new tools and methods. This ensures they maintain a competitive edge and respond effectively to changing conditions.

Psychological resilience also plays a key role in trading success. Emotions such as fear, greed, and overconfidence can lead to poor decisions and significant losses. The ability to manage emotions and accept losses as a natural part of trading allows for objective, long-term decision-making. Traders must remember that no strategy guarantees constant profits; success should be measured by long-term performance.

In conclusion, embracing these principles forms the foundation of a systematic and professional approach to trading. They increase the chances of success while protecting capital from excessive losses. Through continuous learning, analysis, and adaptability, traders can develop their skills and consistently improve their performance.

1.4. The Importance of Trading in Today's Economy

Trading plays a significant role in the modern economy, directly influencing the financial system, investment flows, and capital allocation. It contributes to price formation, enhances market liquidity, and offers market participants effective tools for risk management. In these ways, trading is a cornerstone of the global financial infrastructure.

One of its primary functions is establishing the fair market value of assets. Prices, determined by supply and demand, reflect current economic conditions, the expectations of market participants, and macroeconomic factors. This pricing mechanism enables informed decision-making based on real-time market data. With globalization and digitization, trading has become more accessible, amplifying its economic influence.

Another critical role of trading is providing liquidity. Liquidity—the ability to quickly buy or sell assets with minimal price impact—helps reduce volatility and supports financial system stability. It also facilitates capital acquisition for companies seeking to grow. Transparent and liquid markets enhance investor confidence and drive economic progress.

1.4. The Importance of Trading in Today's Economy

Trading also plays a key role in financial risk management. Instruments like futures, options, and swaps allow companies and investors to hedge against adverse price movements, offering protection during times of uncertainty. This contributes significantly to financial system stability.

In addition, trading supports the efficient distribution of capital and investment processes. It channels resources into the most promising and innovative sectors, enabling portfolio diversification and reducing risk for investors, while providing businesses with the capital needed for expansion and innovation.

In conclusion, trading is one of the most vital components of today's economy. It ensures the efficient functioning of financial markets, facilitates risk management, and allocates capital to where it's needed most. As technology advances and global integration deepens, the role of trading will only continue to grow—making it an indispensable element of economic progress and a critical tool for market participants.

Chapter 2. Fundamentals of Financial Markets

Financial markets are an integral part of the global economy. They contribute to economic development, the efficient allocation of capital, and the maintenance of financial stability by facilitating interactions between those in need of capital and those with excess financial resources.

One of the primary roles of financial markets is the mobilization and redistribution of capital. Through instruments such as stocks, bonds, currencies, and derivatives, companies and governments raise funds to finance operations and implement investment projects. At the same time, investors are given opportunities to put idle funds to work and earn returns based on the risk and return profiles of these assets.

Another key function of financial markets is price formation. Asset values are determined by supply and demand dynamics, which reflect the prevailing economic climate, investor sentiment, and broader global trends. Price fluctuations provide valuable signals to both investors and regulators, enabling more informed decision-making.

Financial markets also provide liquidity—allowing participants to buy and sell assets quickly and with minimal transaction costs. High liquidity prevents excessive price volatility and supports the overall stability of the financial system. It also enables companies to access capital efficiently, while allowing investors to respond promptly to changing market conditions.

2.1. Financial Markets: Roles and Structure

In addition, financial markets play a significant role in risk management. The use of derivative instruments such as options and futures allows for the hedging of risks arising from changes in market conditions. This is particularly important during periods of economic instability, as the ability to minimize investment losses and protect assets becomes critical for financial sustainability.

The structure of financial markets consists of several sub-segments, each with distinct functions:

- Capital Market: This market, where stocks and bonds are traded, enables the financing of long-term investments. Companies and governments raise capital in this market.
- Foreign Exchange (Forex) Market: This market facilitates the conversion of national currencies. It forms the backbone of international trade and payments.
- Derivatives Market: Instruments such as options, futures, and swaps are traded in this market, primarily for hedging risks and speculative profit.
- Money Market: This market, where short-term debt instruments are traded, is used for liquidity management and meeting short-term financing needs.

In this context, financial markets function as a complex and multi-layered system in the operation of the modern economy. They enable the efficient allocation of capital, the maintenance of liquidity, price formation, and risk management. This system is not only the foundation of economic growth but also an indispensable tool for regulating financial processes and ensuring stability.

2.2. Types of Financial Markets

Financial markets are a multi-layered system that facilitates the circulation of capital and financial instruments among economic actors. These markets are classified based on the type of assets traded, the maturity periods, and their functional characteristics. This segmentation of financial markets allows for a better understanding of both their structures and their roles in the global economy.

1. Capital Market

The capital market encompasses instruments used to obtain long-term financial resources. This market has two primary segments: the stock market and the bond (debt) market. • In the stock market, shares of companies are bought and sold. These securities provide investors with ownership rights in the company, often accompanied by the opportunity to receive dividends (profit shares). • In the bond market, governments or corporations issue bonds to borrow funds from investors. These bonds commit to paying interest along with the principal at maturity, offering a fixed income to the investor, while providing long-term resources to the issuer.

2. Money Market

The money market includes short-term financial transactions with maturities of up to one year. Key instruments traded in this market include treasury bills, commercial paper, and interbank loans.

The money market is crucial for liquidity management. Institutions and governments meet their short-term cash needs through this market. Additionally, this market is one of the fundamental elements that support the stability of the financial system.

2.2. Types of Financial Markets

3. Foreign Exchange Market (FOREX)

The foreign exchange market (FOREX) is a global platform where international currencies are bought and sold. This market is one of the fundamental building blocks of international trade, investments, and cross-border business. The primary participants in this market include central banks, commercial banks, investment funds, and individual traders.

Key features of the FOREX market include:

- High liquidity: As the market with the largest trading volume globally, instantaneous buying and selling are possible.
- 24-hour availability: Trading is possible 24 hours a day, five days a week, facilitating a market structure characterized by intense global interaction.

4. Derivatives Market

The derivatives market deals with the buying and selling of financial instruments whose prices are dependent on the value of another asset (underlying asset). The instruments traded in this market include:

- Futures contracts
- Options contracts
- Swap agreements

The primary objectives of this market are:

- Hedging: Large financial institutions and corporations particularly use derivatives to protect themselves against fluctuations in asset prices.
- Speculation: Experienced investors and traders attempt to generate profits by leveraging these instruments.

Transactions take place both on organized exchanges (e.g., CME) and over-the-counter (OTC) markets.

5. Commodities Market

The commodities market involves the trading of physical goods and raw materials. The main asset groups traded in this market include:

- Energy resources: Crude oil, natural gas
- Metals: Gold, silver, copper
- Agricultural products: Wheat, coffee, cocoa, corn, etc.

Transactions can occur in two forms:

- Contracts for physical delivery (primarily for large producers and buyers)
- Futures contracts, used to hedge against price fluctuations or for speculation

2.2. Types of Financial Markets

6. Credit Market

The credit market is a segment of the financial market that regulates borrowing and lending relationships. In this market, banks, credit institutions, and individual investors play active roles. The main components of the credit market include:

- Mortgage loans (home loans)
- Consumer loans (personal loans, auto loans, etc.)
- Corporate loans (loans that meet the financing needs of companies)

The credit market plays a pivotal role in financing economic activities. It also regulates liquidity flow, allowing both individuals and institutions to meet their cash needs.

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2.3. Key Participants in the Market

Financial markets are a complex system where different actors interact. Each participant directly or indirectly contributes to price formation, market liquidity, and the overall stability of the financial system. These actors can be categorized based on their objectives, strategies, and roles in the economy.

1. Central Banks

Central banks are the primary regulatory bodies of the financial system and play a key role in maintaining economic stability. Their main tasks are:

- Setting and implementing monetary policy
- Regulating interest rates
- Controlling the money supply in the market
- Ensuring the stability of the national currency

Examples: The U.S. Federal Reserve, the European Central Bank (ECB)

The policies implemented by central banks (such as interest rate cuts or hikes, open market operations) can have wide-ranging effects across all segments of the financial markets. These effects can directly influence investor behavior, exchange rates, credit costs, and economic growth dynamics.

2. Commercial Banks and Financial Institutions

Commercial banks, along with other financial institutions, perform intermediation and financing duties by serving both individuals and companies. Their primary activities include:

- Providing credit and managing deposits
- Payment and transfer operations
- Offering investment products and brokerage services

These institutions act as intermediaries between investors and securities issuers, ensuring the efficient flow of capital. They also play an active role in both retail (individual) and institutional (company, fund, etc.) transactions.

2.3. Key Participants in the Market

3. Institutional Investors

Institutional investors are organizations that manage large volumes of capital. This category includes:

- Pension funds
- Insurance companies
- Investment funds
- Sovereign (government) wealth funds

These investors conduct high-volume transactions in the markets, directly influencing price formation and liquidity. They generally adopt long-term investment strategies and place great importance on risk management. They diversify their investments across stocks, bonds, real estate, and other financial instruments to ensure portfolio balance.

4. Companies and Commercial Enterprises

Companies and large-scale businesses enter financial markets to raise capital. They particularly benefit from the market in the following ways:

- By issuing stocks (equity) or bonds (debt) to secure financing.
- By actively trading in foreign exchange and commodity markets, employing hedging (risk management) strategies against fluctuations in exchange rates or commodity prices.

Access to financial markets enables companies to develop investment projects, enter new markets, and enhance their competitive strength.

5. Individual Investors (Retail Investors)

Individual investors are private individuals who trade in financial markets to grow their capital. In recent years, technological advancements have made it easier to access online platforms, increasing the influence of individual investors in the markets.

Individual investors:

- Trade products such as stocks, bonds, currencies, and derivatives.
- Build portfolios based on their own goals, risk tolerance, and knowledge level.
- Typically adopt various approaches, from speculative short-term trades aimed at quick gains to long-term investment strategies.

2.3. Key Participants in the Market

6. Government Agencies and Regulators

Government agencies, such as securities commissions, control the activities of financial markets, ensure transparency, and enforce laws. Regulations aim to protect investors, prevent manipulations, and ensure the stability of the financial system.

Examples:

- U.S. Securities and Exchange Commission (SEC)
- Central Bank of the Russian Federation

7. Market Makers and Brokers

Market makers are companies or organizations that provide liquidity in the markets. By maintaining buy and sell prices, they reduce the spread between bid and ask prices and ensure the fulfillment of orders. Brokers act as intermediaries between buyers and sellers, provide access to financial markets, and execute clients' trade orders.

8. Speculators and Arbitrageurs

Speculators are participants who try to profit from short-term price fluctuations. Their activities can increase liquidity and speed up the price formation process. Arbitrageurs attempt to profit by exploiting price differences for the same asset across different markets, thus balancing prices and increasing the efficiency of markets.

Thus, financial markets function through the interaction of various participants, each fulfilling a specific role. The joint activities of these participants ensure the flow of capital, risk management, and the formation of market prices, making financial markets one of the most important components of the global economy.

2.4. Key Economic Factors Affecting the Market

Financial markets are highly sensitive to a variety of economic factors that shape participants' expectations and determine the direction of price movements. Understanding these factors is an integral part of making analyses and sound trading decisions.

One of the most important of these factors is the interest rates set by central banks. An increase in interest rates raises borrowing costs, which in turn reduces consumption and investment; it also strengthens the national currency. In contrast, a decrease in interest rates stimulates economic activity and weakens the currency. Investors closely follow the decisions of institutions like the Federal Reserve (Fed), the European Central Bank (ECB), and the Bank of England (BoE), as these policies directly impact asset values.

Inflation is another key factor. Rising prices reduce consumers' purchasing power and may prompt central banks to implement tighter monetary policies. Data such as the Consumer Price Index (CPI) and the Producer Price Index (PPI) are important indicators of inflationary pressure and are carefully analyzed by market participants.

2.4. Key Economic Factors Affecting the Market

Economic growth, measured through indicators such as Gross Domestic Product (GDP), determines the overall dynamics of an economy. A stable increase in GDP supports optimism in the markets, while a decline can lead to corrections or panic. Moreover, data such as the unemployment rate, retail sales, industrial production, and business confidence indices are important indicators reflecting the health of the economy, directly affecting investor behavior.

Geopolitical and political developments — events such as elections, international conflicts, sanctions, and changes in trade policies — can lead to significant market fluctuations, especially in the short term. These developments present both risks and opportunities for investors. Finally, market expectations are often as influential as the data itself. Sometimes, a positive economic report can lead to price declines if it fails to meet expectations. Therefore, it is crucial for investors to consider not only the content of the data but also how it aligns with market expectations.

A comprehensive analysis of key economic factors provides investors with the opportunity to more accurately forecast market behavior, understand the nature of price movements, and develop strategies based on solid foundations.

Section 3: Trading Psychology

Trading psychology is one of the key factors in determining success or failure in financial markets. Regardless of knowledge level and technical skills, the ability to control one's emotional state and reactions plays a critical role in the decision-making process. A lack of psychological preparation can lead to impulsive behavior, disruption of trading strategies, and significant financial losses. Understanding the psychological aspects of trading helps in developing discipline, staying calm in stressful situations, and enhancing overall trading effectiveness.

One of the most important goals of trading psychology is emotion management. The market often triggers strong emotions such as fear, greed, hope, and frustration in investors. Fear can lead to exiting profitable positions too early or avoiding risk, while greed can result in holding onto positions for too long and missing the right exit point. Hope may cause an investor to remain in a losing position, while frustration can lead to the desire to recover losses, resulting in rash decisions. A successful investor learns to recognize and control their emotions, enabling them to act rationally and stay true to their predetermined plan.

Discipline is the foundation of successful trading. It is the ability to stick to the established strategy regardless of current market conditions or emotional state. A disciplined investor does not give in to emotional impulses and rigorously follows capital management rules. One effective way to develop discipline is by regularly maintaining a trading journal.

3.1. The Importance of Psychology in Trading

Trading psychology is one of the most crucial elements in determining success or failure in financial markets. Regardless of how high one's knowledge level and technical skills are, the ability to control emotional states and personal reactions plays a critical role in the decision-making process. A lack of psychological preparation can lead to impulsive behavior, disruption of the established trading strategy, and significant financial losses. Understanding the psychological aspects of trading helps in developing discipline, maintaining calm in stressful situations, and increasing overall trading efficiency.

One of the main objectives of trading psychology is emotion management. The market often triggers strong emotions in investors, such as fear, greed, hope, and frustration. Fear can lead to exiting profitable positions too early or avoiding risk, while greed can cause positions to be held for too long, resulting in missing the right exit opportunity. Hope can cause an investor to remain in a losing position, while frustration leads to the desire to recover losses, prompting rash decisions. A successful investor learns to recognize and control their emotions, enabling them to make rational decisions and stick to the plan they've previously created.

Discipline is the cornerstone of successful trading. It is the ability to stick to the established strategy regardless of market conditions or emotional state.

3.1. The Importance of Psychology in Trading

Recording all trades, along with their reasoning and outcomes, helps the investor analyze mistakes, identify recurring patterns, and improve decision-making skills.

Additionally, it is crucial to consider the impact of cognitive distortions on the trading process. For example, confirmation bias causes the investor to search only for information that supports their own opinions, while ignoring opposing data. Anchoring causes the investor to fixate on a specific reference price, making it difficult to conduct an objective evaluation. Being aware of these distortions allows one to minimize their impact and make more balanced decisions.

Developing healthy trading habits plays a decisive role in forming a successful investment career. This includes systematic learning, regular analysis of results, and continuous skill development. Clearly defined entry-exit rules, risk management, and sticking to the plan reduce emotional pressure and increase the likelihood of long-term success.

In conclusion, trading psychology directly affects trading outcomes. Effectively managing emotions, developing discipline, and being aware of cognitive distortions allow the investor to make more rational and reasoned decisions. Working on psychological aspects takes time and effort, but it is an integral part of a sustainable and profitable trading strategy.

3.2. Primary Emotions Experienced by Traders and Ways to Control Them

Emotions play a decisive role in the decision-making process within financial markets. Understanding and managing emotional states allows the investor to act more consciously and with discipline. The most common emotions that investors face include fear, greed, hope, and frustration. When not managed properly, each of these emotions can lead to significant losses; however, when controlled effectively, they can contribute to success.

Fear is one of the most common emotions in trading. This emotion can manifest as the fear of losing money or the fear of missing out on an opportunity (FOMO – Fear of Missing Out). The fear of losing money can lead the investor to close positions prematurely or even avoid trading altogether, missing potential profits. FOMO, on the other hand, can result in opening positions without proper analysis, which can lead to irrational losses.

To control fear, the following steps are recommended:

- Create a clearly defined trading strategy and stick to it rigorously.
- Use stop-loss orders to limit potential losses.
- Regularly analyze both mistakes and successes to strengthen self-confidence.
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Greed causes the investor to keep positions open for longer than necessary, hoping for greater profits. This can lead to significant losses, especially when the market moves in the opposite direction. Greed also encourages unnecessary increases in trade volume, violating risk management rules.

3.2. Primary Emotions Experienced by Traders and Ways to Control Them

Ways to Control Greed:

- Set realistic profit targets and realize profits when those targets are reached.
- Follow money management rules by limiting risk for each trade.
- Maintain an objective perspective towards the market and avoid emotional impulses.

Hope can cause the investor to stay in a losing position even when clear exit signals are present. This leads to the loss increasing and discipline breaking down.

To manage hope, the following are necessary:

- Always adhere to predetermined criteria for entry and exit points.
- Evaluate trades objectively based on data, not emotions.
- Accept mistakes and be ready to close the losing position.

Frustration often arises after a series of unsuccessful trades and can lead to impulsive and reckless decisions. The desire to "take revenge on the market" usually worsens the situation and increases losses.

To overcome frustration, the following steps are helpful:

- View failures as learning and growth opportunities.
- Take breaks after emotionally taxing periods.
- Keep a trading journal to analyze and correct mistakes.

Managing emotions requires a conscious approach and systematic work. As emotional resilience and self-control develop, the trader can make rational decisions even in market uncertainty and maintain their discipline. Over time, the ability to manage emotions provides the trader with a crucial competitive advantage that leads to stable results.

3.3. Developing Discipline and Trading Habits

Discipline is the cornerstone of successful trading. In volatile and rapidly changing market conditions, the ability to stick to pre-determined rules is the most important characteristic that separates a consistent investor from an impulsive player. Without clear discipline, even the most advanced strategy loses its effectiveness.

Trading discipline begins with a plan. Every investor should have a trading plan that includes entry and exit rules, risk levels, profit targets, and stop-loss limits. Adhering to this plan ensures that decisions are based on objective data rather than emotions, and helps maintain composure during times of market uncertainty.

The formation of trading habits requires regular practice and self-discipline. These habits include:

- Keeping a trading journal
- Analyzing executed trades
- Preparing before each trading day
- Managing emotional states

Incorporating these practices into a daily routine enhances the trader's steady development and trading efficiency.

One of the fundamental habits is accepting losses as a natural part of the process. A disciplined trader does not succumb to the urge for revenge against the market and does not attempt to recover losses but instead learns from them and moves forward. This approach is crucial for maintaining psychological balance and preventing destructive losing streaks.

Furthermore, maintaining a balance between work and rest is also essential. Excessive fatigue weakens the ability to make sound decisions; therefore, trading hours should be planned to preserve mental clarity and energy.

In conclusion, discipline in trading is not an inherent trait but a skill that can be developed over time. Continuous self-reflection, correcting behaviors, and setting tangible goals build the professional approach necessary for long-term success.

4. Smart Money Concept (SMC)

4.1. Fundamental Analysis

Fundamental analysis is a method used to evaluate the intrinsic value of financial assets by examining economic, financial, and political factors. The goal is to determine whether an asset is overvalued or undervalued, and to predict future price movements based on macro and microeconomic indicators.

It plays a crucial role in understanding the broader market environment, especially when combined with Smart Money Concepts, as it reveals the fundamental forces driving price action — not just the technical footprints.

Key Components of Fundamental Analysis:

1. Macroeconomic Indicators

These indicators reflect the overall health of a country's economy and directly influence currency value, interest rate expectations, and investor sentiment.

- GDP (Gross Domestic Product):
- A comprehensive measure of a country's economic performance. Growth in GDP usually signals economic expansion, often boosting stock markets and strengthening the local currency.
- Inflation Rate:
- Persistent inflation erodes purchasing power and often triggers central banks to tighten monetary policy — a major catalyst for volatility in forex and equity markets.
- Interest Rates:
- One of the most influential tools in economic management. Higher interest rates tend to reduce borrowing, slow down economic activity, and attract foreign capital (strengthening the currency). Conversely, lower rates stimulate growth but may weaken the currency.
- Labor Market (Unemployment Rate):
- A tight labor market implies growing household income and consumer spending, which supports economic momentum. Central banks watch this closely to gauge inflationary pressure and adjust policies accordingly.

2. Corporate Financial Statements

For equity traders and long-term investors, analyzing company-level data is just as critical. These documents provide insights into a company's financial strength, profitability, and sustainability.

- Balance Sheet:
- Shows the company's assets, liabilities, and equity — basically a snapshot of its financial health.
- Income Statement (P&L):
- Highlights revenues, expenses, and net profits over a period. It tells you if the business is making money or just burning through cash.
- Cash Flow Statement:
- Tracks the movement of cash in and out of the business. Positive cash flow is essential for operations, expansion, and survival.

4.1. Fundamental Analysis

Geographical and Global Factors

- Political stability or instability affects the markets.
- Trade wars and sanctions can shift market power dynamics.
- Global crises, pandemics, or military conflicts have a significant impact on supply and demand.

Fundamental Analysis and Smart Money Concept (SMC) Context

In the context of the Smart Money concept, fundamental analysis plays an essential role in determining market entry and exit points. Big players (institutional investors, funds, market makers) base their trading decisions on economic data, company reports, and global events.

For example:

- Central banks release data on interest rates; this affects the value of the national currency.
 - Large companies release quarterly reports; this affects stock values and, consequently, market indices.
 - Political instability or economic crises create high volatility, which institutional players can use to find favorable entry points.

Smart Money always aims to accumulate liquidity. Before moving the market in the right direction, they can create “misleading” movements, pushing the crowd into buying or selling. Understanding fundamental analysis helps retail investors predict the movements of big players and avoid traps set by Smart Money.

Thus, fundamental analysis is an essential tool that allows investors to evaluate the true value of assets, understand the movements of large market players, and make more informed trading decisions.

4.2. Technical Analysis

Technical Analysis

Technical analysis is a method of predicting the price movements of an asset based on historical data, charts, and patterns that emerge in market behavior. Unlike fundamental analysis, which focuses on economic indicators, technical analysis examines price dynamics and trading volume, helping investors find the most optimal entry and exit points.

Basic Principles of Technical Analysis:

- Price Discounts Everything

Market prices reflect all available information, including fundamental factors, economic events, and the psychology of market participants.

- Price Movements Follow Trends

Trends can be upward, downward, or horizontal. Identifying the current trend and understanding its strength enables investors to make more accurate trades.

- History Repeats Itself

The behavior of market participants is cyclical, which makes it possible to predict future movements using graphical patterns and indicators.

Basic Tools of Technical Analysis:

- Support and Resistance Levels

• Support is the level where the price “finds support” and moves upward.

• Resistance is the level where the price encounters obstacles and moves downward.

These levels are commonly used to determine stop-loss levels and target profit areas.

- Trend Lines and Channels

They help determine the direction and dynamics of the market.

Upward trends are characterized by higher lows and higher highs.

4.2. Technical Analysis

- Downtrend is characterized by lower lows and lower highs.
- Chart Patterns
 - Reversal Patterns (Double Top, Head and Shoulders, Sail, etc.)
 - Trend Continuation Patterns (Flag, Sail, Triangle, etc.)
- Indicators and Oscillators
 - Moving Averages smooth price movements and help identify trends.
 - RSI (Relative Strength Index) measures the strength of a trend and helps identify overbought and oversold conditions.
 - MACD (Moving Average Convergence Divergence) is used to detect trend changes.
- Technical Analysis and Smart Money
 - Smart Money uses technical analysis to detect liquidity and create traps for retail traders. For example:
 - They may accumulate positions at support levels and create fake breakouts.
 - They generate "false signals" near key levels, forcing the crowd to make incorrect trades.
 - They use volume clusters and liquidity areas to enter and exit the market.
- Understanding Technical Analysis and the Smart Money Concept helps investors better identify market manipulations and make more balanced trading decisions.

4.3. What is Smart Money and How is It Defined?

- The concept of Smart Money refers to players with significant financial resources, such as large institutional investors, hedge funds, market makers, and other professional market participants, who can influence market movements. These players shape global trends, manage liquidity, and use mechanisms that allow them to buy and sell assets at the best prices.
- Key characteristics of the Smart Money concept:
- Liquidity Management: Smart Money actively manages liquidity in the market, which allows them to create trends and manipulate price movements. They have the ability to manage large capital volumes without significantly affecting the market price.
- Setting Traps for Retail Investors: Smart Money can create false signals and encourage investors to make faulty trades using market price manipulation tactics. For example:
- Deceptive Breakouts: Smart Money may guide investors to open positions with apparent breakouts, but this is actually part of a liquidity gathering strategy.
- Price Manipulations: By moving the price suddenly, they can change the market direction in areas where retail investors provide liquidity.
- Volume and Accumulation Area Analysis: A commonly used method to track Smart Money movements is the analysis of trading volume and accumulation areas. These areas are typically zones where the price consolidates and represent locations where liquidity accumulates before a significant momentum move.
- Use of Fundamental and Technical Analysis: Smart Money uses both fundamental and technical analysis to predict market movements. They may also use algorithmic trading to manage large trading volumes without significantly impacting the market.
- Long-Term Strategies and Patience: Unlike retail investors, Smart Money sticks to long-term strategies, relying on careful analysis and planning. They do not chase quick profits, but instead focus on gradually accumulating assets and generating long-term gains.
- Understanding Smart Money's strategies can help retail investors better recognize market manipulations and avoid traps created by large players.

4.4. Fundamental Principles of Smart Money Concept (SMC)

The Smart Money Concept (SMC) is based on understanding how large players manage liquidity and how they create market movements in their favor. The core idea of SMC is that market prices do not move chaotically, but rather in accordance with the interests of institutional participants, who accumulate and redistribute liquidity through specific mechanisms.

One of the fundamental principles of SMC is the concept of supply and demand zones. These zones are formed at points where large players accumulate positions. When the price returns to these zones, it often encounters support or resistance, which provides investors with high-probability entry points for successful trades.

Another key component of SMC is liquidity imbalance. Imbalance occurs when the price makes a sudden move in one direction, creating areas where trading volume is insufficient. These areas are often re-tested because the market returns to fill the liquidity gap. Investors using SMC track these moments to find opportunistic entry points.

Liquidity manipulation is another essential aspect of the Smart Money Concept. Large players create false breakouts to trap retail investors. For example, the price may break a significant support level, move to attract sellers, and then reverse in the opposite direction to manipulate the market.

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This allows institutional participants to accumulate positions at advantageous prices. Market structure plays an important role in SMC. Large players act during accumulation and distribution phases. During the accumulation phase, they buy assets at low prices, creating horizontal movement, and then initiate a strong upward movement. Conversely, during the distribution phase, they sell assets at high prices, exiting their positions before a downward movement begins. These patterns help experienced investors identify critical moments of trend changes.

Understanding the fundamental principles of SMC gives investors an advantage over the crowd, as it provides the opportunity to trade in parallel with the movements of large players. Using methods such as liquidity zones, market structure analysis, and detecting manipulations helps to find more accurate entry and exit points, minimize risks, and enhance the effectiveness of trading strategies.

4.5. Liquidity Manipulations and Institutional Levels

Liquidity manipulations are one of the most important tools used by major market players, allowing them to steer price movements in their desired direction and accumulate positions at favorable prices. Institutional players, such as banks, hedge funds, and market makers, use various strategies to gather liquidity and create favorable conditions for trading.

One of the most frequently used manipulation mechanisms is the misleading breakout (Stop Hunt) tactic. This strategy targets areas around significant support and resistance levels where retail investors' stop-loss orders tend to concentrate. By falsely breaking these levels, large players activate stop-loss orders and liquidate the positions of smaller investors. This allows them to accumulate liquidity before reversing the price direction, providing advantageous positions for large players to trade.

Institutional levels play a key role in analyzing the Smart Money strategy. These levels are formed in areas where large players open or close positions with significant trading volumes. These areas often overlap with consolidation, imbalances, and market extremes. By analyzing price movements at these levels, investors can accurately identify potential entry and exit points, making trading decisions more precise.

Understanding these strategies and manipulations helps investors recognize the actions of major players, avoid traps, and make more successful and informed trades by correctly interpreting market signals.

4.6. Analysis of Trading Strategies According to SMC

Smart Money Concept (SMC) strategies are based on understanding the behavior of major market players and using these behaviors to their advantage. Unlike traditional methods, such as trading based on indicators or classical support and resistance levels, SMC strategies focus on liquidity, imbalance areas, and manipulations, offering traders the opportunity to execute trades with a high probability of success.

One of the main strategies of SMC is trading in supply and demand zones. These zones are where major players open or close significant positions. When the price returns to these zones, there is a high probability of a new move in the direction of the main trend. To enter a position, traders analyze the price reaction at these levels and confirm the signal with additional factors, such as candlestick patterns or volume.

Another effective strategy is trading by returning to liquidity imbalance zones. Imbalance occurs when the price moves rapidly in one direction without making a significant correction, leaving behind "liquidity gaps." The market returns to close these gaps and tests these areas before continuing the main movement. Traders using SMC identify these areas on the chart and wait for a confirming signal before entering a trade.

Liquidity manipulation (Liquidity Grab) is another crucial element that forms the foundation of Smart Money strategies. Large players often create false breakouts at key levels to collect stop orders from retail traders and then move the price in the opposite direction. Traders using SMC strategies look for such scenarios and enter trades after weak positions are liquidated. For example, if the price breaks a support level and then quickly returns above that level, it could be a buy signal.

Another strategy is to trade based on market structure shifts. When a trend changes, the price first creates new highs or lows and then returns to key liquidity zones. This provides an excellent opportunity to identify potential trend reversals and prepare to enter a position.

SMC trading requires patience, discipline, and a careful analysis of market structure. Using these strategies allows traders to align with the real workings of the market, avoid traps set by large players, and make informed trading decisions.

Section 5. Practical Guide for Traders

5.1. How to Choose a Broker and Trading Platform?

Choosing a broker and trading platform is one of the most important decisions in a trader's career, as it directly affects the comfort, security, and efficiency of the trading process. First and foremost, ensure that the broker is licensed and regulated by reputable regulatory bodies such as the SEC, FCA, CySEC, etc. This guarantees adherence to financial standards and protection of customer interests.

It is crucial to pay attention to the trading conditions: spread size, the presence of commissions, the speed at which orders are processed, as well as slippage and whether various order types are supported. A quality broker offers a transparent commission structure and competitive trading conditions.

The selection of a trading platform is also an important factor. Popular platforms include MetaTrader 4/5, cTrader, TradingView, and others. A good platform should offer an intuitive interface, technical analysis support, high execution speed, and the ability to customize according to personal preferences. For advanced traders, support for algorithmic trading and integration with analytical services is also important.

Customer support from the broker is also essential. A reliable customer support service should be available 24/7, provide quick responses to inquiries, and resolve technical or financial issues without delay.

Additional features, such as a demo account, mobile application, education, and analysis, can also provide advantages in broker selection. It is recommended to test the services in a demo account before starting real trading.

5.2. Creating a Trading Plan

A trading plan is a systematic document that outlines the rules and principles to follow when making decisions in the market. This plan helps the trader stay focused, avoid impulsive actions, and guides disciplined trading.

A good trading plan should include an explanation of the strategy, criteria for opening and closing positions, risk management rules, and psychological approaches. The plan should align with the trader's individual style: aggressive, moderate, or conservative.

An essential part of a successful plan is capital management. The trader must clearly define the acceptable risk percentage per trade, methods for diversification, and how to protect their capital from losses. Additionally, setting limits on the number of trades per day or week is important to avoid overtrading.

Psychological factors are just as important as risk management. The plan should include methods for controlling emotions, acceptable conditions for entering the market, and techniques for recovering after a series of losing trades.

Regularly updating the trading plan and analyzing its effectiveness ensures adaptation to market changes and improvement of results. Keeping a trading journal, along with the plan, helps track progress and identify recurring mistakes.

In conclusion, selecting the right broker and having a well-structured trading plan form the foundation for successful and long-term activity in financial markets.

6. Graphs

Chart Analysis is one of the most essential parts of technical analysis. It allows traders to visually assess market structure, identify price movement patterns, and make informed decisions based on the formation of specific models. In modern Smart Money Concept (SMC) practice, special attention is given to elements like OB (Order Block), FVG (Fair Value Gap), BOS (Break of Structure), CHOCH (Change of Character), and other patterns.

Order Block (OB)

An Order Block is a zone of price accumulation from which a strong move in one direction begins, initiated by large market participants. These zones are considered strong support and resistance areas. Traders use OBs to identify potential entry and exit points based on how price reacts when it returns to these areas.

Fair Value Gap (FVG)

FVG is the gap between the closing price of one candle and the opening of the next, formed as a result of a strong impulsive move. It highlights an area where unfilled orders remain, and price is highly likely to return to fill this gap. These zones are often used to identify possible pullbacks or trend continuations.

Break of Structure (BOS)

BOS occurs when price breaks a significant local high or low, disrupting the previous market structure. This signals a potential continuation of the current trend or the beginning of a correction. BOS is recorded as confirmation of increased momentum or a shift in market conditions.

Change of Character (CHOCH)

CHOCH is a key signal in SMC indicating a shift in market behavior. It happens when price first breaks the opposite structure of the current movement—for example, breaking a local low in an uptrend or a high in a downtrend. CHOCH serves as an early confirmation of trend reversal and helps in planning market entries.

6. Graphs

Other important SMC elements include:

Liquidity Sweep: This occurs when the price moves beyond previous highs or lows, triggering stop-loss orders from other traders, and then reverses direction. This allows big players to capture liquidity before moving the price in their intended direction.

Mitigation Block: These are areas where institutional traders close previous positions or take partial profits, leading to short-term pullbacks. They also serve as entry zones.

Imbalance: A gap between supply and demand, reflected by sharp price movements and uneven volume distribution. These zones are often revisited in the future as price returns to fill in the liquidity void.

Range: A price zone where the market moves sideways without a clear trend. A breakout from this range is often followed by strong impulsive movement.

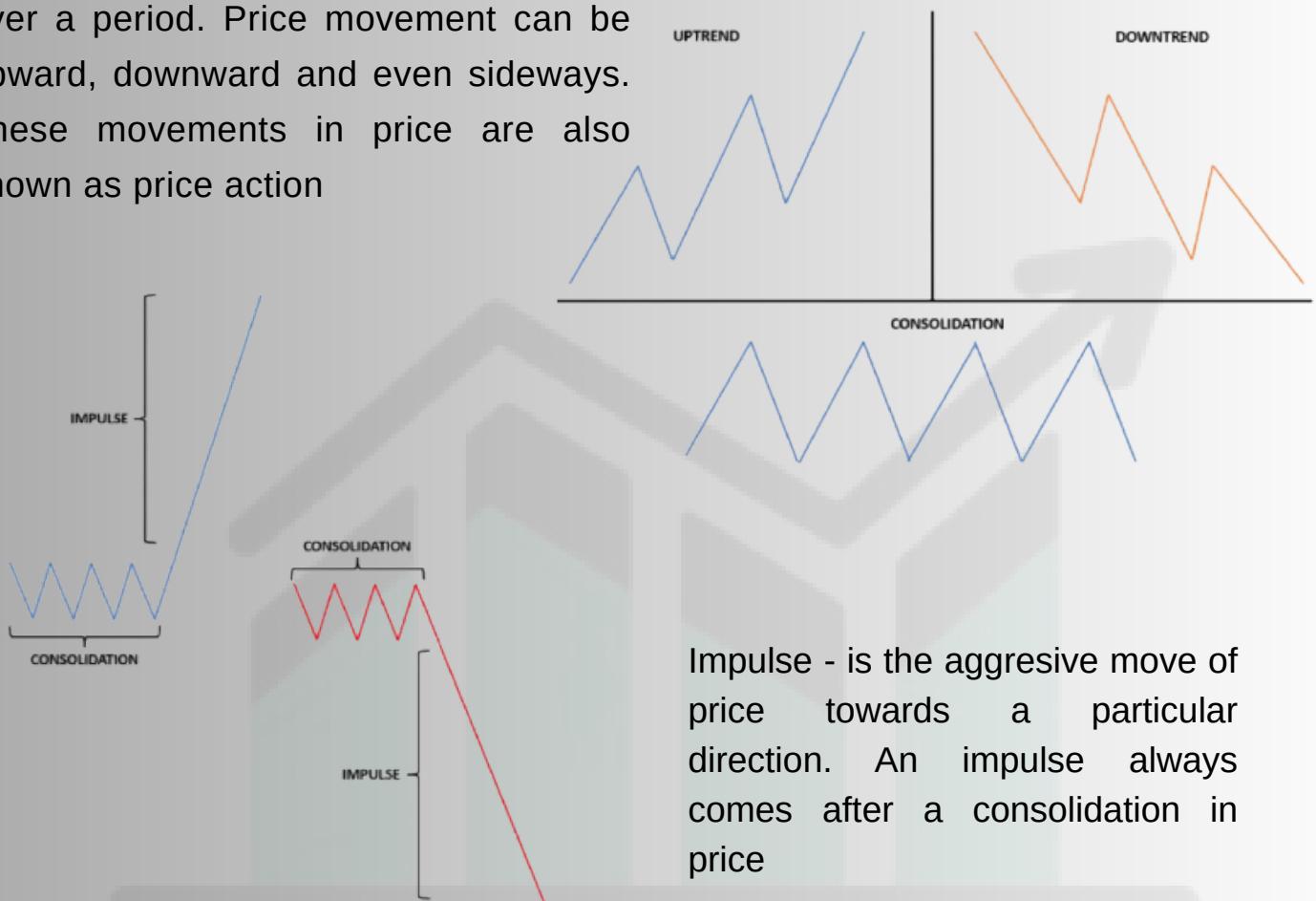
In addition to these concepts, technical analysis includes many classic patterns such as Head and Shoulders, Double Top, Triangles, Flags, Pennants, and more. These patterns form across different timeframes and help in predicting the likely direction of future price movement.

Using chart patterns effectively requires careful analysis of market context. The same pattern can have different meanings depending on the situation. That's why it's crucial to combine chart analysis with an understanding of market structure, liquidity, and the behavior of large market players.

When used wisely, these tools help traders accurately identify areas of interest, forecast likely price movements, and build strategies with higher chances of success. Consistent practice with chart analysis and keeping personal observations can build confidence and sharpen pattern recognition skills.

6. Graphs

A trend is the overall direction of price over a period. Price movement can be upward, downward and even sideways. These movements in price are also known as price action



Impulse - is the aggressive move of price towards a particular direction. An impulse always comes after a consolidation in price

Retracement - is the correction movement after an impulse movement



6. Graphs

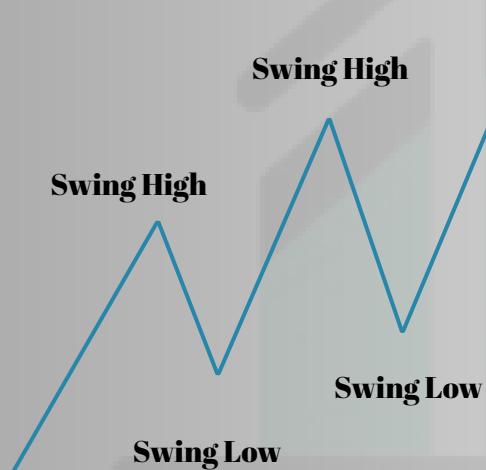
SWING POINTS

“Swing points in an uptrend (vice versa for the downtrend)”

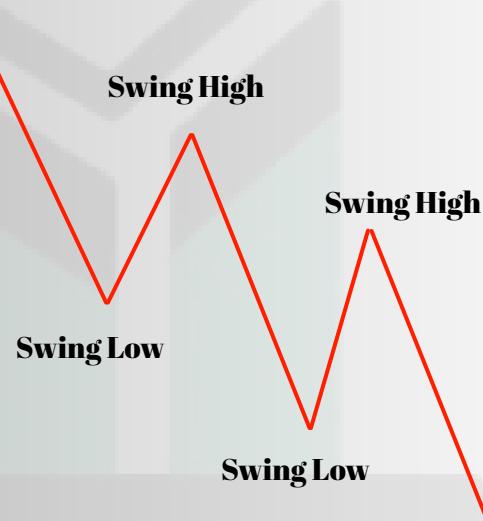
We have two types of swing points

- Swing low - is the lowest point between two consecutive highs
- Swing high - is the highest point achieved by price before the retracement move

UPTREND



DOWNTREND



PREMIUM & DISCOUNT

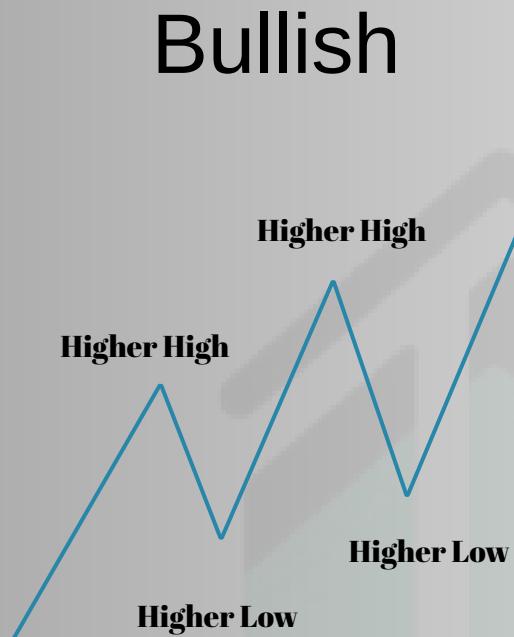
Premium and discount is the theory of buying at cheap prices and selling at high prices. We use premium and discount by placing the fibonacci tool on both the swing high and swing low of our current range. The Fibonacci is used to determine the end of the retracement move. In an uptrend, price will usually retrace to the discount before another impulsive move occurs. In a downtrend, price will usually retrace to the premium before another impulsive move occurs.

6. Graphs

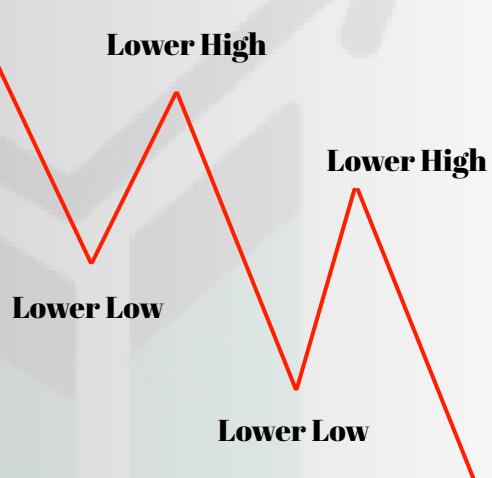
Market structure is a representation of the trend in which the market is currently trading in. We have two forms of structure:

- bullish structure
- bearish structure

Bullish



Bearish



An uptrend is referred to as bullish market structure. In a bullish market, the market is characterized by making a series of higher highs and higher lows.

A higher low is the lowest point that breaks structure to the upside.

A higher high is the highest point achieved by price before the retracement move.

A downtrend is referred to as bearish market structure. The bearish market is characterized by making lower highs and lower lows

A lower low is the lowest point achieved by price before the retracement move

A lower high is the highest point that breaks structure to the downside

6. Graphs

BREAK OF MARKET STRUCTURE (BOS)

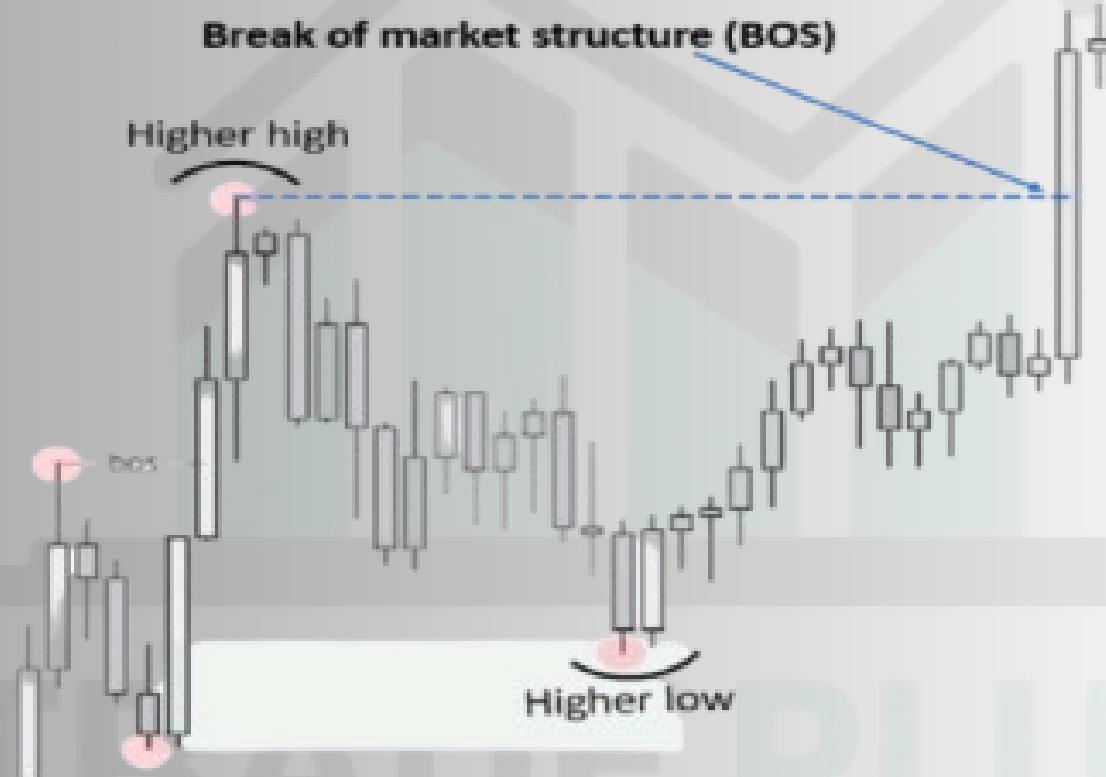
"BOS in an uptrend (vice versa for the downtrend)"

Break of market structure occurs when price closes above a swing high/low.

In an uptrend, when price closes above a higher high, this is considered as a break of structure and indicated that the market wants to continue trading in the direction of the trend.

Note:

- After break of structure, always wait for retracement
- Always trade in the direction of the BOS



A break of structure is only considered valid when price closes above the higher high with a full body, when price closes above the swing high with a wick, this is not considered as a break of structure.



6. Graphs

CHANGE OF CHARACTER (CHoCH)

CHoCH happens when price breaks a swing high followed by a break of the swing low OR CHoCH happens when price breaks a swing low, followed by a break of a swing high CHoCH in the uptrend (vice versa for the downtrend)"

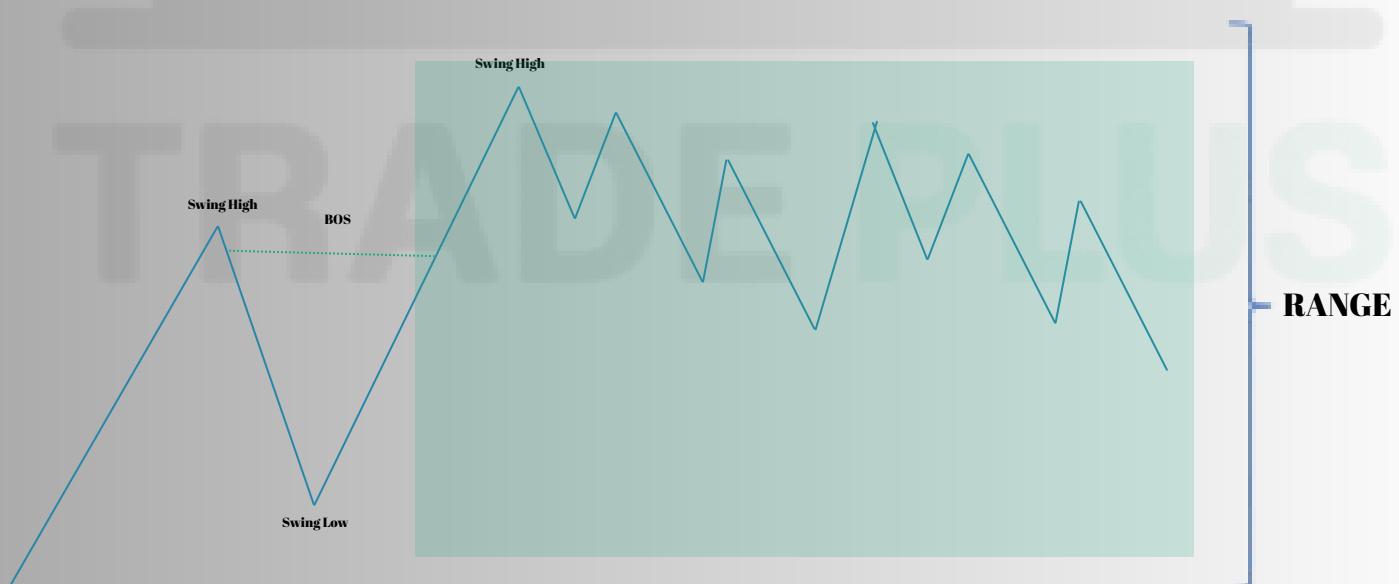
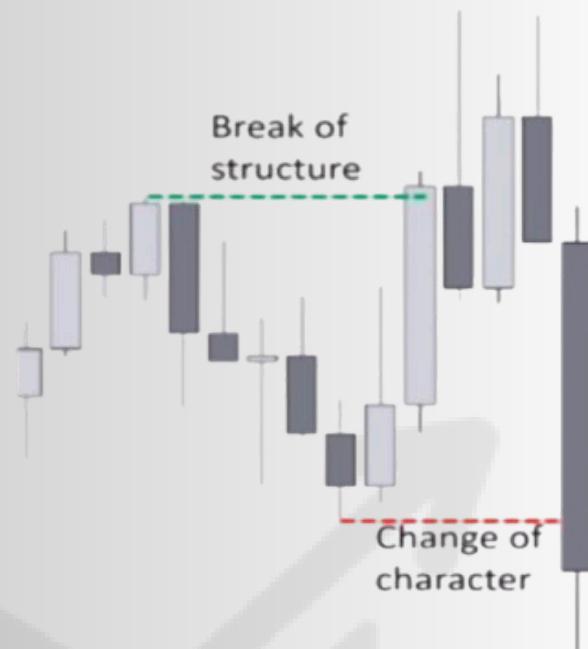
In an uptrend, when price closes below a higher low, this is considered as a change of character and signifies that the market is likely to start a new trend.

CHoCH - is the first sign of reversal in trend and signifies that the market wants to change from one trend to another.

RANGE

A range is price action contained within a swing high and swing low.

After BOS, there will always be formation of a new consolidation, that is what we call a range.



Note:

A new trend can only be confirmed after two consecutive breaks of structure in the same direction

BOS vs CHoCH

What is the difference between BOS and CHoCH

BOS - represents continuation of a trend

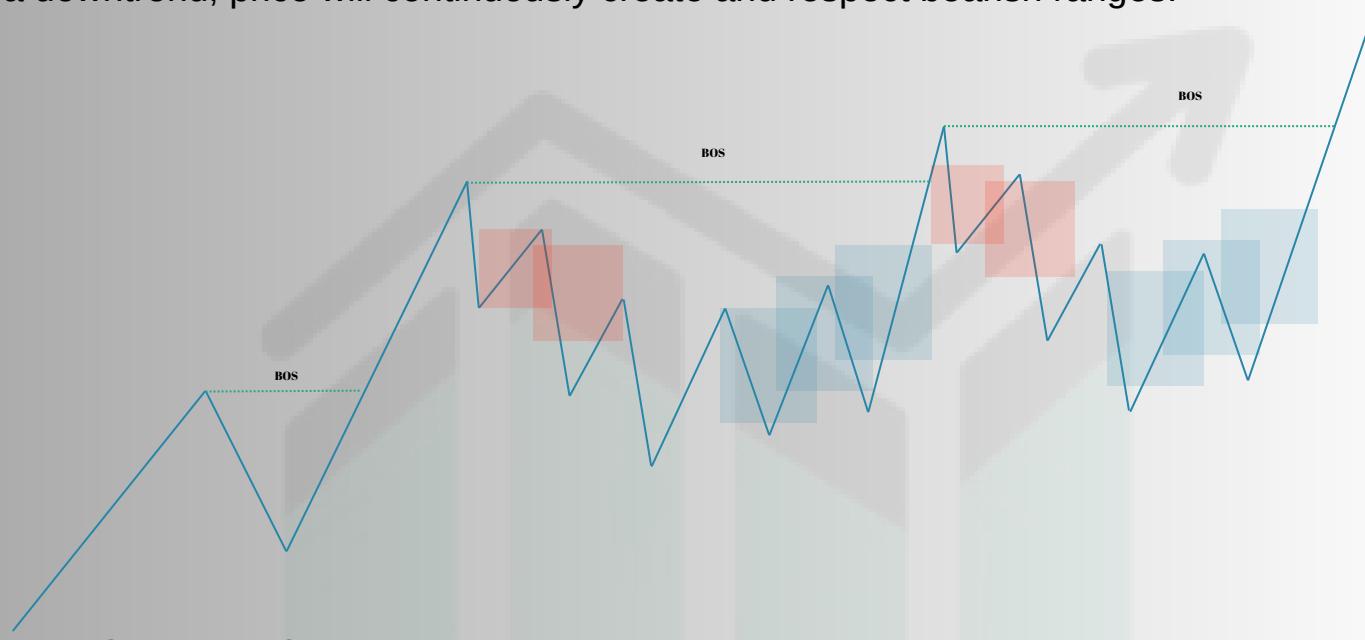
6. Graphs

ORDERFLOW

Orderflow is a trend continuation model which represents how orders are being created and filled in the market. Simply put, orderflow is when price respects previously created ranges.

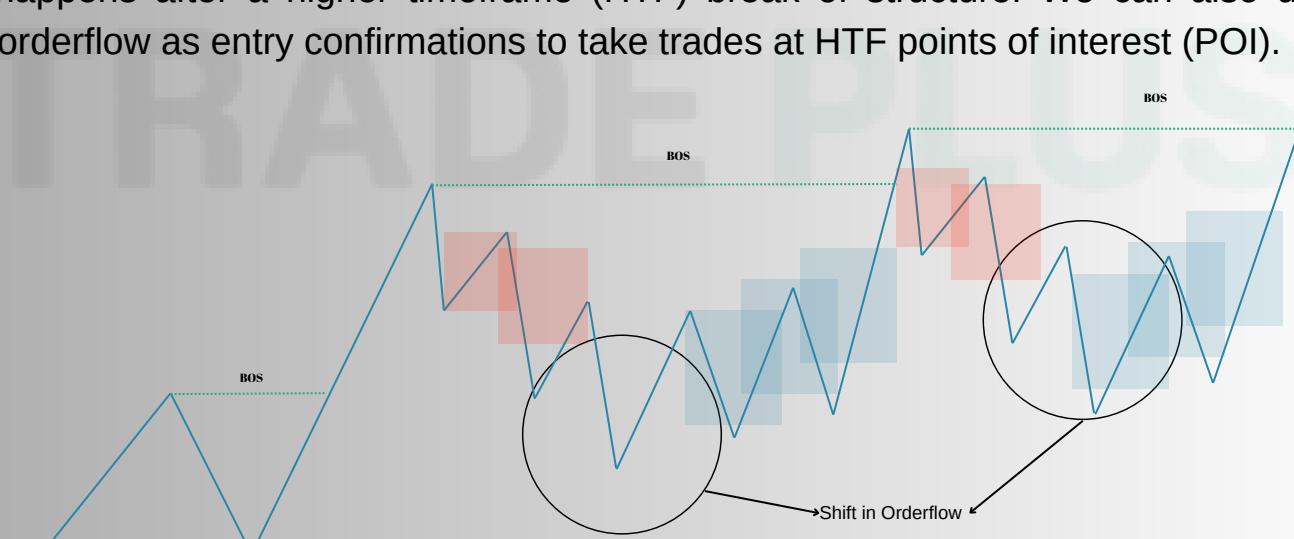
That is to say;

- In an uptrend, price will continuously create and respect bullish ranges.
- In a downtrend, price will continuously create and respect bearish ranges.



SHIFT IN ORDERFLOW

However, when price fails to respect the most recently created range, this is considered as shift in orderflow. Shifts in orderflow are mostly lower timeframe (LTF) reversals and usually happens after a higher timeframe (HTF) break of structure. We can also use shifts in orderflow as entry confirmations to take trades at HTF points of interest (POI).



6. Graphs

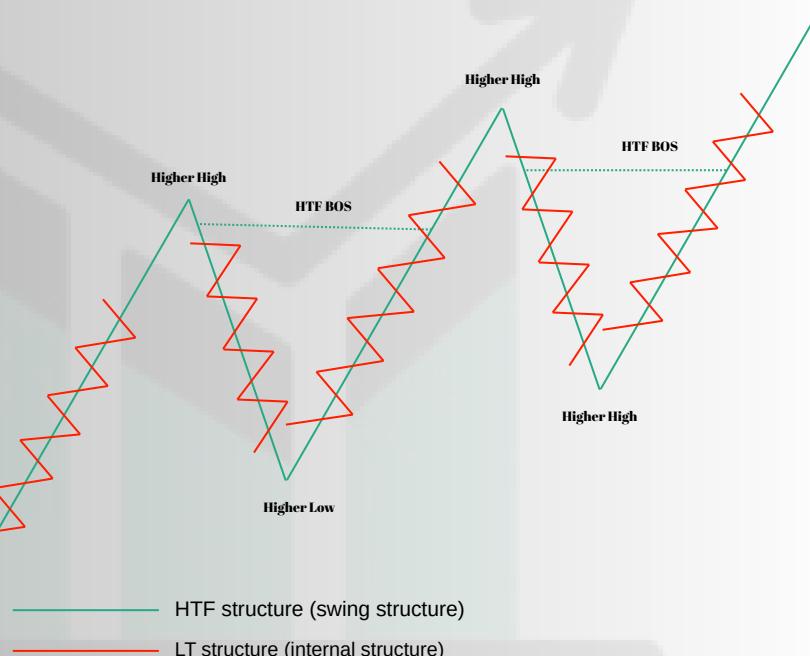
MULTI-TIMEFRAME MARKET STRUCTURE

We view the market in a multi-timeframe perspective by look at both swing structure and internal structure. Where swing structure represents HTF structure and internal structure represents LTF market structure. Let us take an example of an uptrend. In an uptrend price is known to make a series of higher highs and higher lows, this is what we call HTF swing structure, but within this HTF swing structure we have another type of structure known as internal structure. This internal structure is viewed as swing structure on the LTF.

We capitalize on LTF market structure to find intraday trade setups in line with the HTF market structure.

How is this achieved?

In our previous example we can see that the market is in an uptrend, where the blue line represents the HTF structure and the red line represents LTF structure.



When we look at this LTF structure, what we see is that the LTF was forming higher highs and higher lows during the HTF impulse move.

When the HTF forms a higher high, we can see that the LTF also formed a change of character.

Note:

- when we see a LTF change of character after a HTF break of structure, this is a sign that the retracement move has likely started and we can use this as a confluence to get into counter trend trades. Even at the formation of the HTF higher low, we can see that the LTF formed a change of character which signified that the retracement move has likely come to an end. Again, we can use this as a confluence to get into pro trend trades.

Please note:

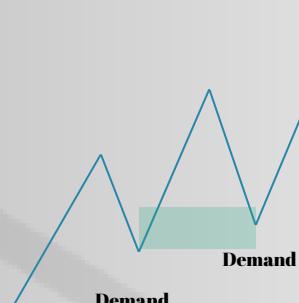
- In an uptrend a true change of character must be formed within the discount of the HTF range. If it is formed in the premium of the HTF range, it is considered invalid and we don't trade from it.
- In a downtrend a true change of character must be formed within the premium of the HTF range

6. Graphs

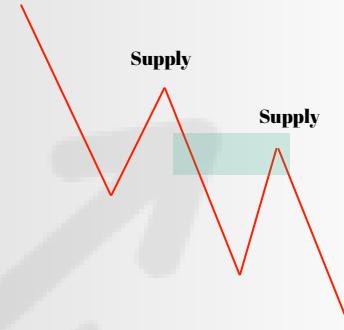
3. SUPPLY AND DEMAND

Supply and demand is what determines market direction. That is to say, when the demand is high price moves up, and when supply is high price moves down. In simple terms, in an uptrend demand is in control and in a down trend supply is in control

UPTREND



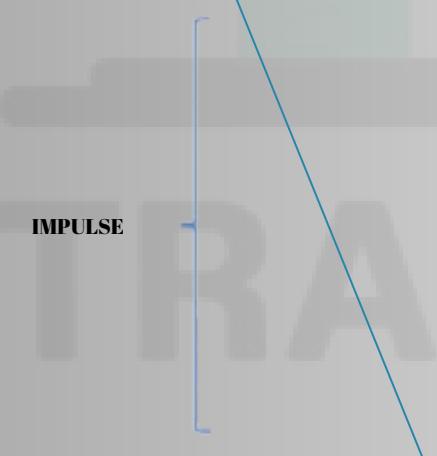
DOWNTREND



CONSOLIDATION

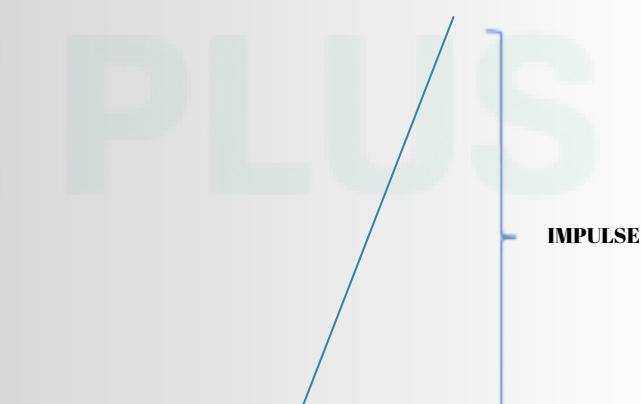


IMPULSE

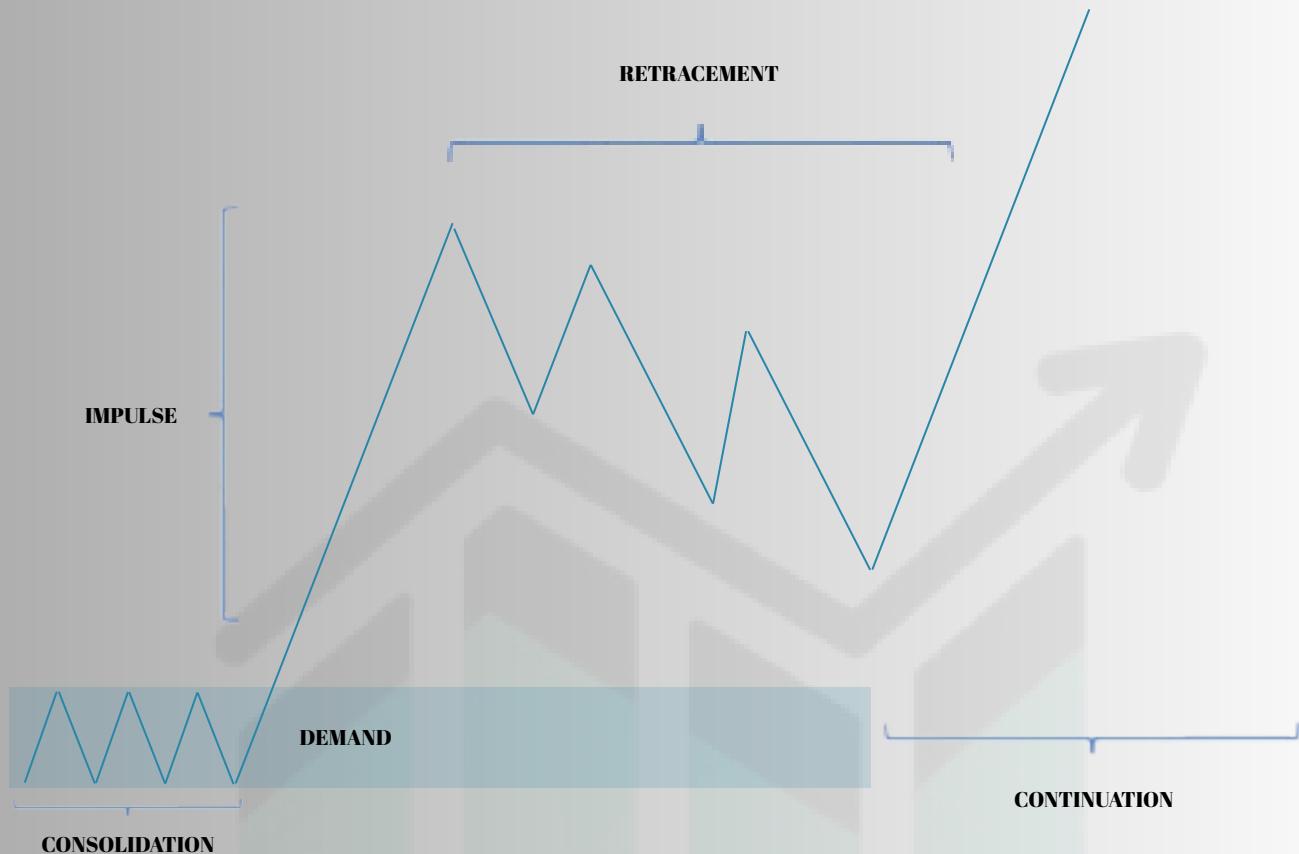


The market is an interaction between buyers and sellers and through supply and demand we can get to know who is in control where demand represents buyers and supply represents sellers.

At the start of every impulse move, there is either demand/supply that led to this impulse. After every impulse, there is always a retracement before a continuation.



6. Graphs



No one knows what the market will do next, that is why we only look to get into continuation trades.

ORDERBLOCK

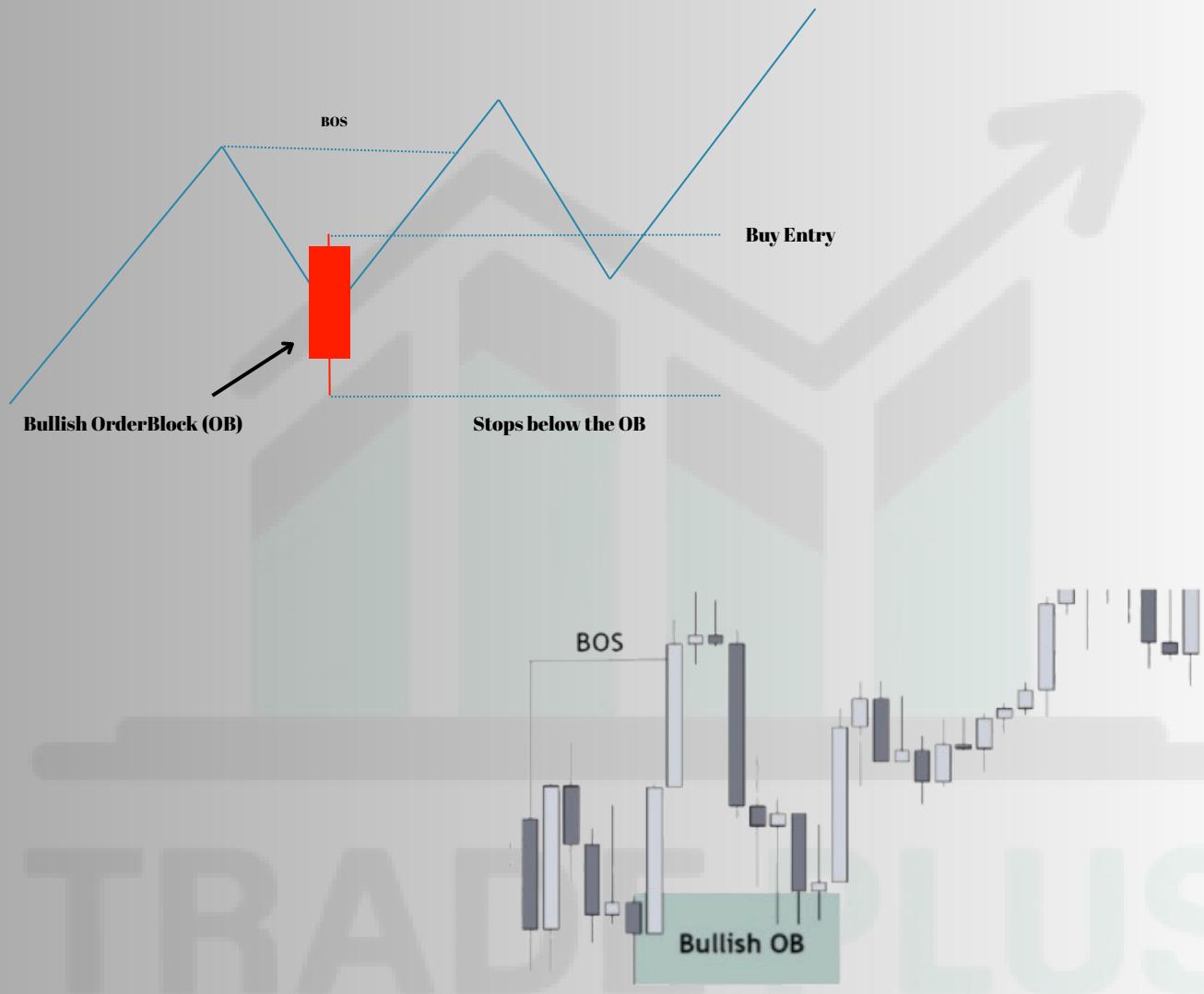
Orderblocks are candles where market markers (banks) have placed their positions, the market usually returns and respects these orderblocks. There are two types of orderblocks;

- bullish orderblock
- bearish orderblock

6. Graphs

BULLISH ORDERBLOCK

The bullish orderblock is the last bearish candle before the impulsive bullish movement that breaks the market structure high

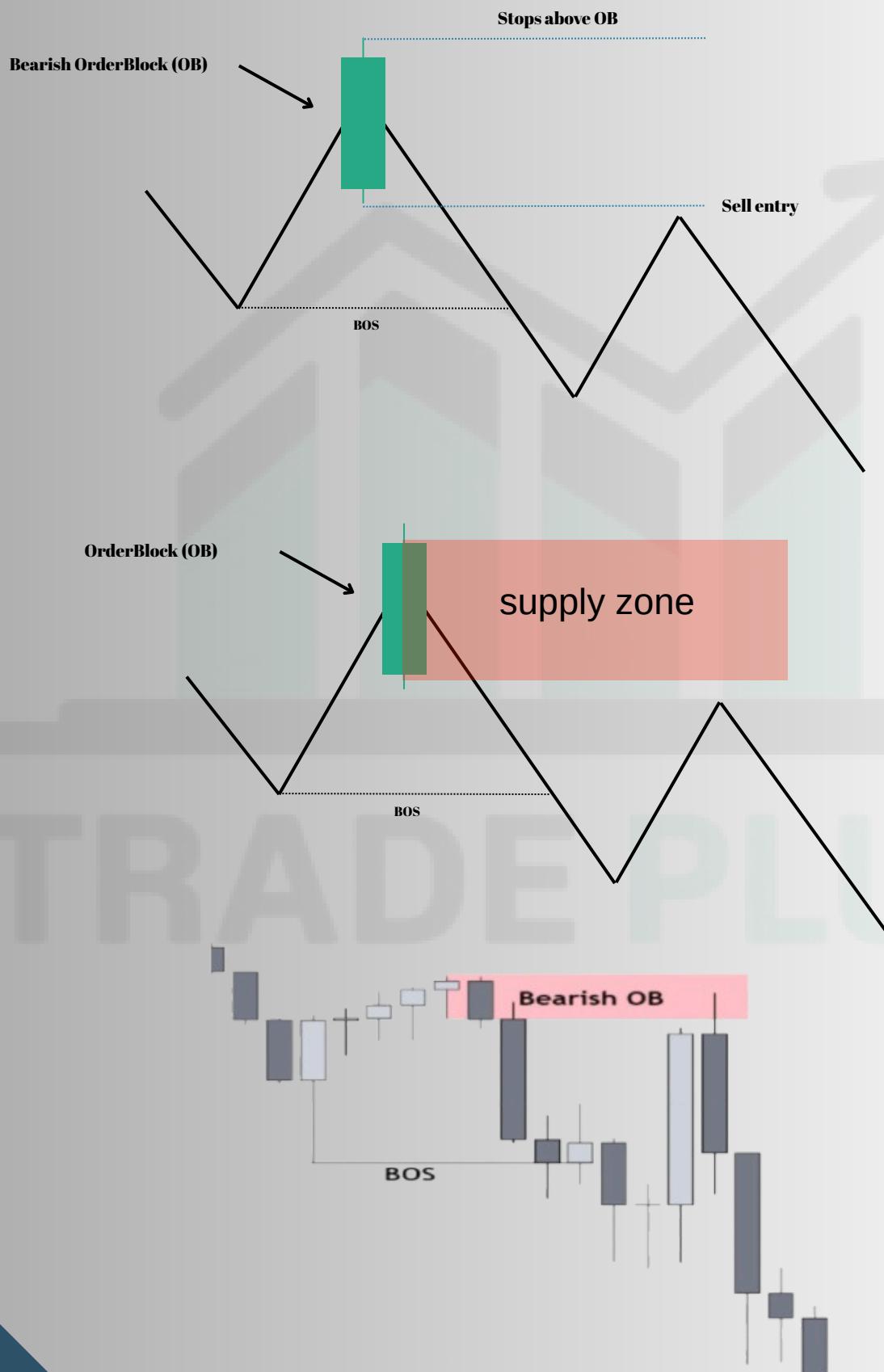


BEARISH ORDERBLOCK

The bearish orderblock is the last bullish candle before the impulsive bearish movement that breaks the market structure low.

6. Graphs

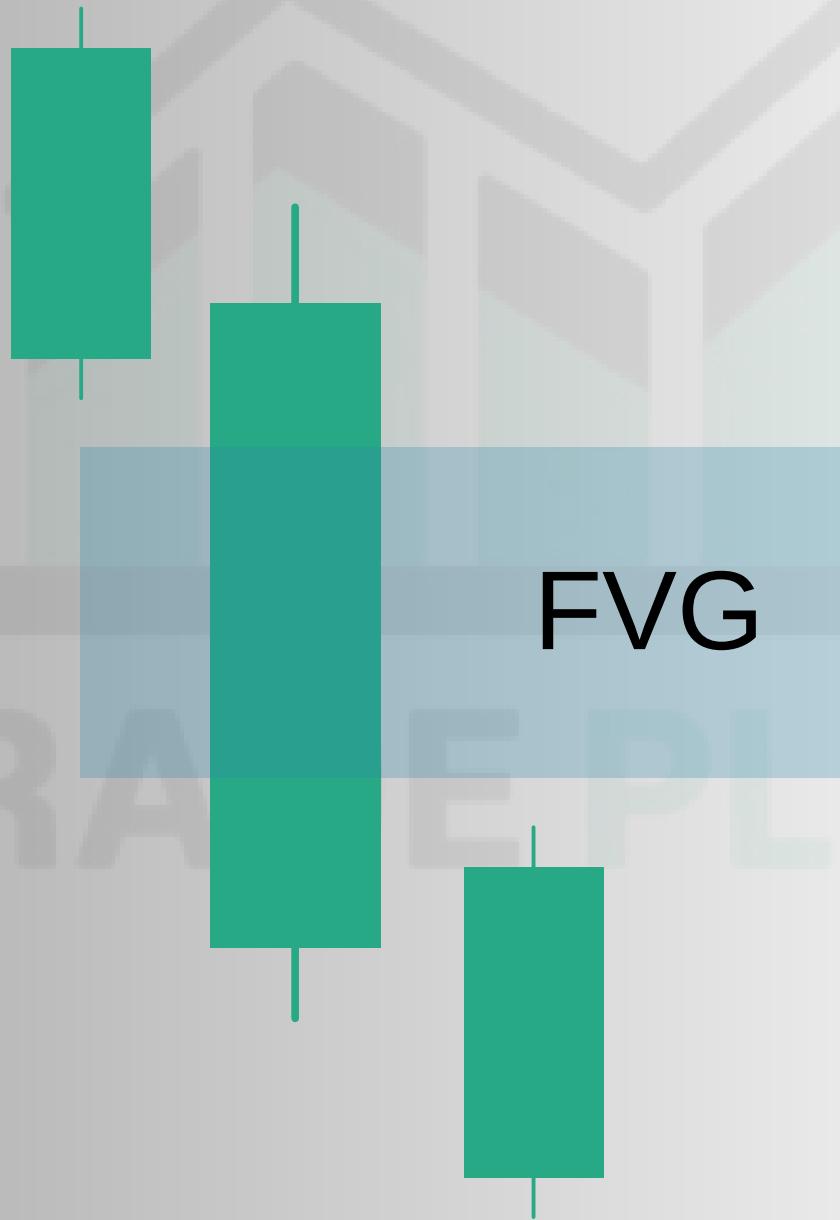
These orderblocks are our true supply and demand zones. When marking supply/demand zones, we draw a rectangle around the high and low of the orderblock.



6. Graphs

A fair value gap (FVG) is a gap left on a price chart when the price moves too quickly between two points, skipping certain levels.

These gaps often indicate that the market has moved away from its “fair value” and may return to fill the gap later. Smart traders often use these gaps as potential entry or exit points, betting that the market will return to fill the gap.



6. Graphs

How to identify supply and demand

Step 1:

identify the trend. This is essential because we know in an uptrend demand is in control and in a downtrend, supply is in control

Step 2:

Mark up the swing points with their corresponding breaks of structure.

Step 3:

Find and markup orderblocks within the previous range.

When the market taps into a demand/supply zone, we are likely to see a continuation

4. LIQUIDITY

For a trader to buy/sell a currency pair, there must be another trader with an opposite position. The existing facility to place these positions in the market is called LIQUIDITY.

Liquidity is defined by stoplosses, where the stoplosses exists is where the liquidity also exists. Banks/institutions need to activate the stop losses of existing orders in the market so that they can place their positions in the market.

Why do banks manipulate price?

Banks initiate large trading volumes and sometimes find it difficult for some of their trades to be filled in, so they manipulate the price so that they can have their positions filled in the market.

There are two types of liquidity in the forex market, these include;

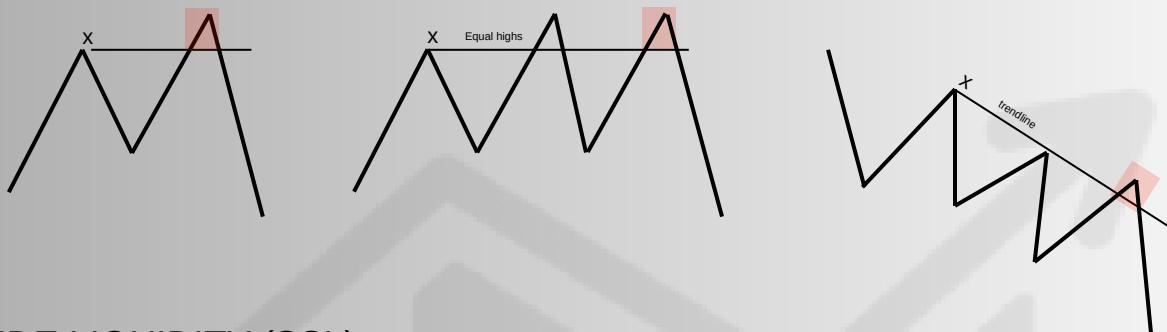
- Buy side liquidity (BSL)
- Sell side liquidity (SSL)

6. Graphs

BUY SIDE LIQUIDITY (BSL)

We view buy side liquidity as stoplosses of sell orders. After BSL is taken, the market reverses to the downside because banks use BSL to place sell orders in the market.

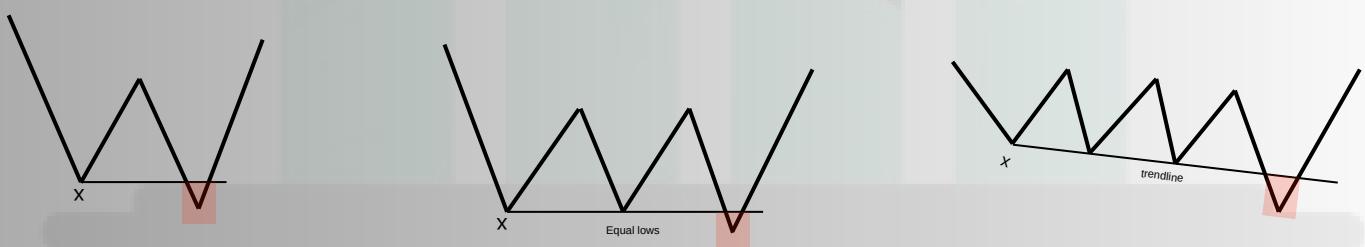
Examples of BSL



SELL SIDE LIQUIDITY (SSL)

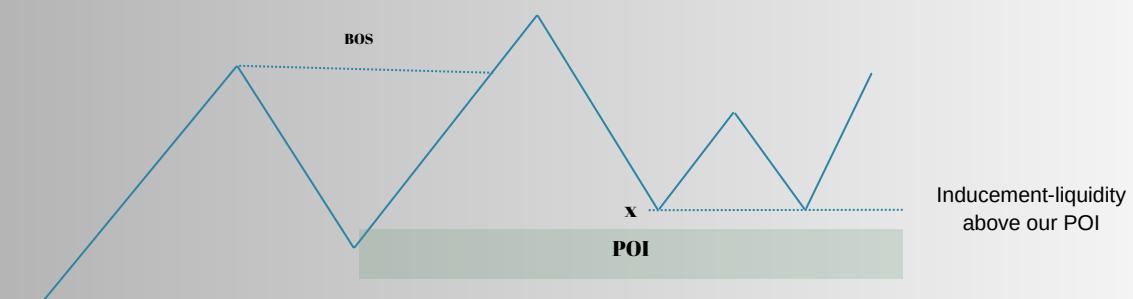
We view sell side liquidity as stoplosses of buy orders. After SSL is taken, the market reverses to the upside because banks use SSL to place buy orders in the market.

Examples of SSL



INDUCEMENT

We view induction as liquidity that lies below/above our points of interest.

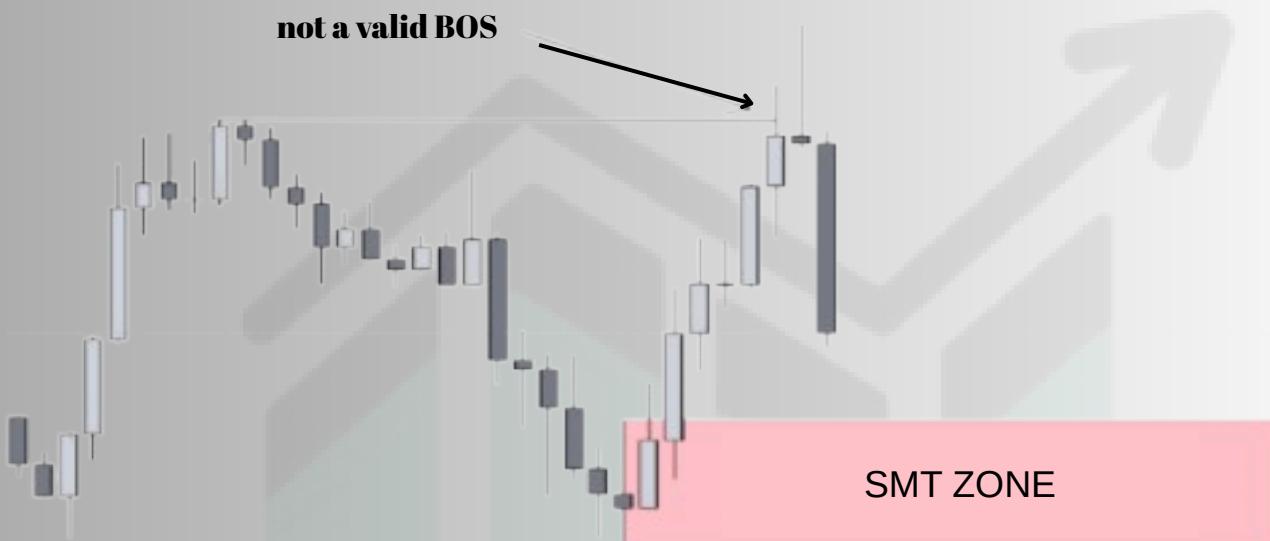


6. Graphs

SMART MONEY TRAP (SMT)

A smart money trap is an area where SMC traders are tricked into trading on the wrong side of the market.

When price closes above a swing high/low with a wick, the demand/supply zone it creates is invalid and this is what we call a smart money trap.



A lot of SMC traders will look to trade from this SMT zone and will usually be stopped out most of the times.



Note:

- Sometimes price may respect the SMT zones, but to be on a safer side, never take trades in an SMT zone

6. Graphs

5. PUTTING EVERYTHING TOGETHER

In this chapter we will discuss how to use all the above concepts as confluences for taking trades.

Factors of confluence

- Timeframe
- HTF analysis
- LTF entries

TIMEFRAME

For swing trading Analysis: Weekly, Daily,
Entries: H4, H1

For day trading and scalping

Analysis: H4, H1, M30, M15
Entries: M15, M5, M1,

HTF ANALYSIS

Step 1:

Determine and mark up the current HTF swing points

Step 2:

Determine and markup the current range and apply the fibonacci tool on both the swing high and swing low.

Note:

- In an uptrend only take trades from the discount of the HTF range.
- In the downtrend only take trades from the premium of the HTF range.

Step 3:

- Markup supply zones in the premium of the current HTF range if at all the market is in a downtrend OR
- Markup demand zones in the discount of the current HTF range if at all the market is in an uptrend

6. Graphs

Note:

- Only take trades that are in line with HTF orderflow. That is to say in an uptrend, we will only be looking for buys and in the downtrend, we will only be looking for sells

After you are done with the above steps, wait for the market to approach your point of interest (POI) and when it does, go to the LTF and wait for entry confirmations.

LTF ENTRY

When the market approaches our HTF POI, wait for a LTF shift in orderflow

Step 1:

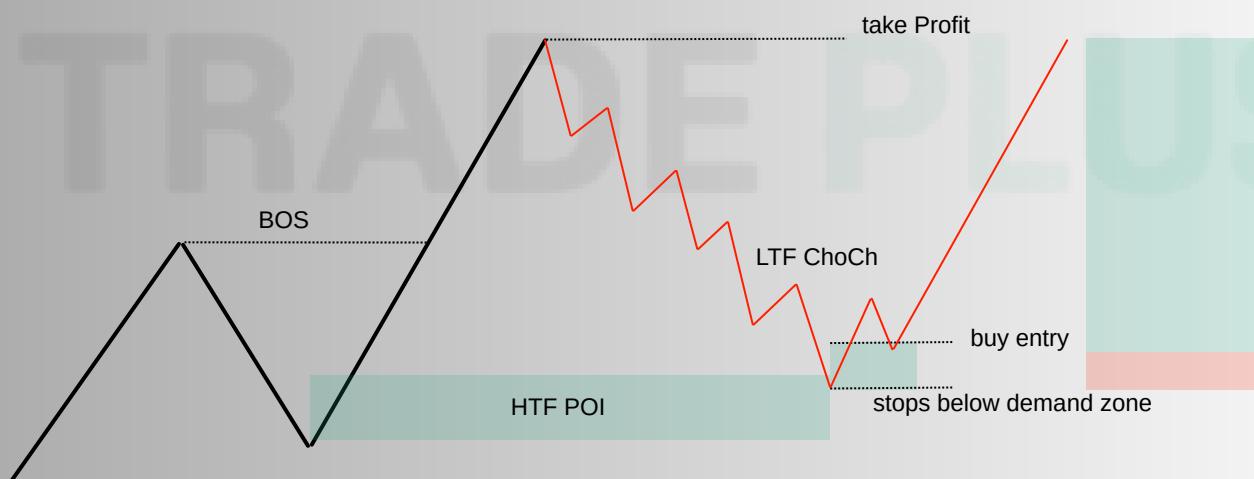
When we get a change of character (CHoCH) on the LTF, markup the range that led to the CHoCH

Step 2:

Markup the orderblock within the range that caused the CHoCH.

Step 3:

Place an entry on the supply/demand zone you marked up with the stoploss above the supply zone if it's a sell. Place the stoploss below the demand zone if it is a buy.



Conclusion

In this guide, we have consistently reviewed the key aspects necessary for the formation and development of a trader: from the basics of the functioning of financial markets and the psychology of trading to technical and fundamental analysis, the concept of Smart Money and creating your own strategy. Each of these elements is an important building block in the foundation of confident and disciplined trading.

Trading is not only a set of techniques, but also a path of internal growth. Constant self-improvement, analysis of your actions, working with emotions and flexibility of thinking are integral qualities of a successful market participant. This path requires patience, practice and openness to learning.

The knowledge formed in the process of reading should become the basis for building your own trading system, adapted to individual goals and characteristics. Practice, discipline and attention to detail are what will determine your success in the long term.

Next steps

1. Continue learning. Use additional sources, delve into topics of interest, take courses and monitor the markets.
2. Create a trading diary. This will help you track your mistakes and progress.
3. Work on your psychology. A successful trader is, first of all, a balanced person.
4. Test strategies. Before risking your funds, test your approaches on a demo account or in a simulator.

Remember: there is no finish line in trading - it is a path of constant learning and adaptation. But the very fact that you have reached the end of this guide speaks of your serious intention to grow and develop in this business. Good luck on your trading path!

AUTHORS



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A trading expert with a deep understanding of market structure and institutional strategies, Michael empowers traders to navigate the markets with confidence.

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Passionate about precision trading and risk management, Daniel breaks down complex strategies into actionable insights for traders at all levels.



Sophia Carter

With years of experience in financial markets, Sophia specializes in identifying money movements and helping traders refine their strategies.