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WhatsApp +254 101316169

www.institutional-trader.com

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# **DISCLAIMER**

IDEAS & STRATEGIES SHARED IN
THIS PRIMER ARE INTENDED AS
EDUCATIONAL INFORMATION ONLY
& ARE NOT INTENDED AS
INVESTMENT ADVICE.

YOU CAN IMPLEMENT THEM WHILE TRADING AT YOUR OWN RISK.

Timing the market at the right time is not a walk in the park. You need a set of rules that will ensure you don't undergo huge draw downs, or your order is not left out, or your stop loss is not hit and then the market moves to your anticipated direction.

This **Smart Money Entry Types** concept will help you to develop a solid strategy that you can use in your HTF key zones to catch some good moves, most of the time.

#### What is Smart Money?

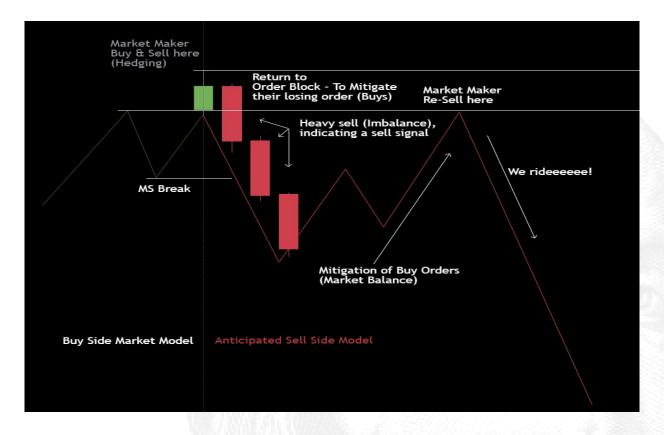
Smart money refers to the capital that big boys such as institutional investors, central banks, and other big financial institutions control.

#### How Does Smart Money Make Profit?

Smart Money (or the Market Maker or Liquidity Provider) includes large institutions such as Central Banks, Large Financial Institutions e.t.c.

These companies participate in the market by quoting both BUY & SELL prices (simultaneously) on any financial instrument with hopes of making profit on the bid–ask spread, or a turn(Hedging).

e.g When Smart Money wants to sell, they pair available buy orders;

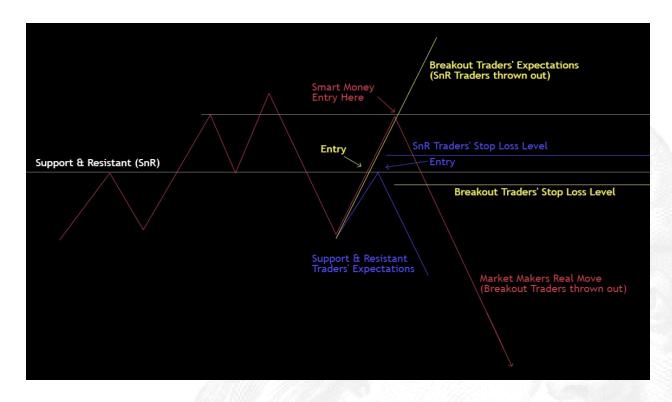


#### How Retail Traders Make Their Profit?

Most retail traders use this strategy to place BUY STOPS above the resistance level (breakout traders) and SELL LIMITS below the resistance level (suppose price is currently below the resistance level) (retest traders), so that whichever way the price goes, their orders are activated.

Using such a strategy (hedging) is 'GOOD' until you realize that you are "a small-scale farmer". You will either lose all your money (blow account) or be thrown out of a nice move (SL being hit)!

Therefore, using this strategy can be challenging since the market maker will ensure that they throw both breakout and retest traders out before they make the actual move.



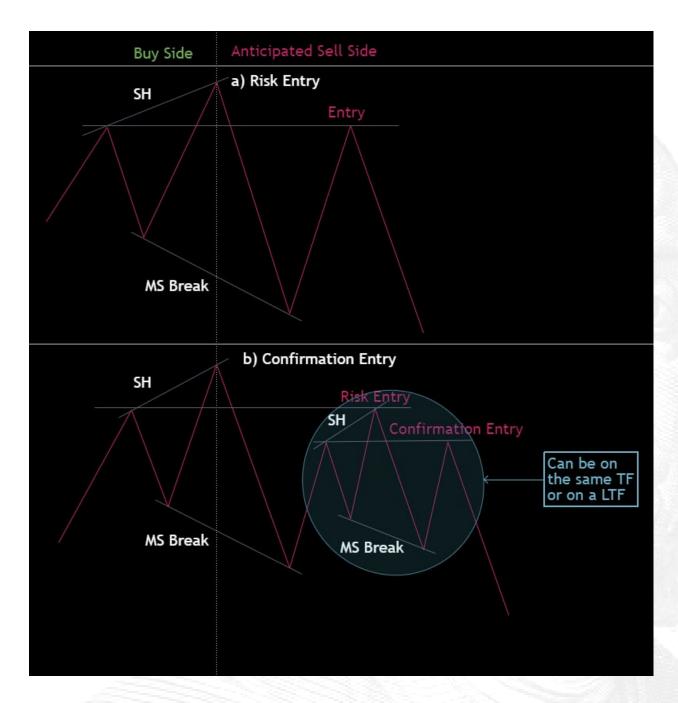
### **Smart Money Entry**

Understanding how **Smart Money & Retail Traders** participate in the market will help you to also understand how to trade with Smart Money.

Here, trading with smart money just needs you to follow the footprints of the market maker, whichever pattern they present, you wait at the right place to ride with them.

# **Smart Money Entry Types include;**

- 1. RISK ENTRY
- 2. CONFIRMATION ENTRY



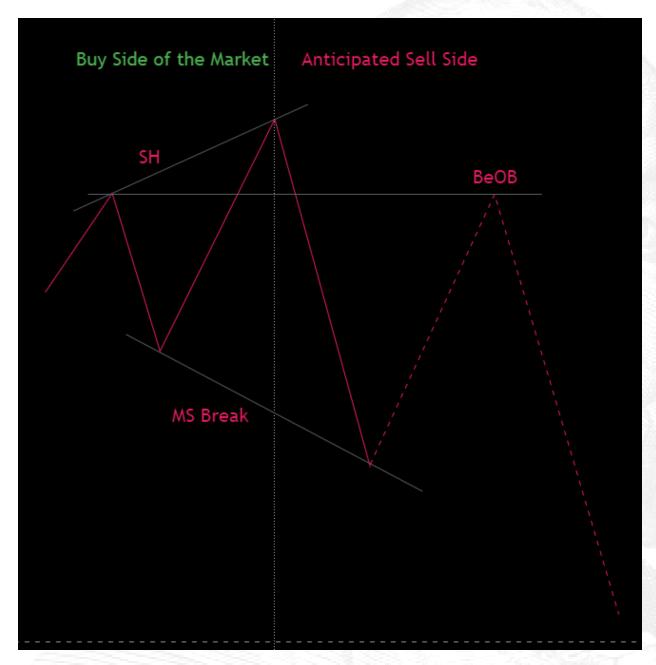
## 1. RISK ENTRY

This is an aggressive entry that does not require any confirmation.

Identify POI and wait for price (with pending order) to come back to your POI.

# This Entry Type is Ideal;

- ☐ With prevailing market trends
- ☐ When trading reversal of a trend





#### 2. CONFIRMATION ENTRY

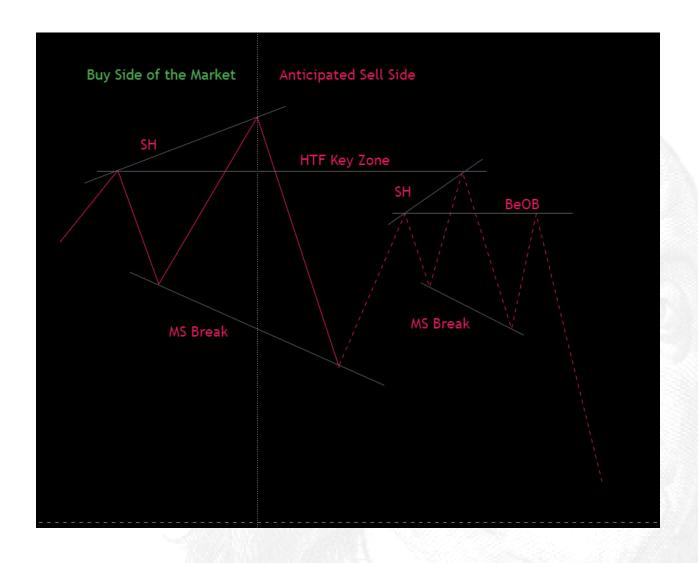
This is a conservative entry that requires confirmation, especially from HTF (Must do Top-Down Analysis within your 3 TF Matrix). Identify POI on HTF & refine it to LTF.

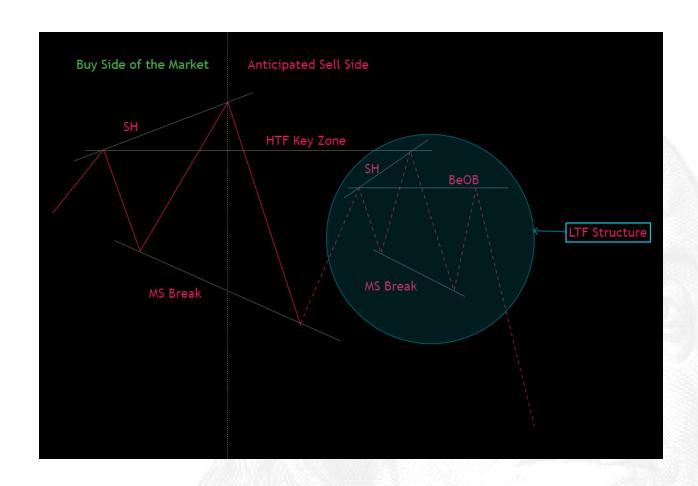
Confirmation entry type is best when you want to spot setups with small risks and higher rewards.

e.g.: If HTF POI is H4, look for a confirmation entry on M15.

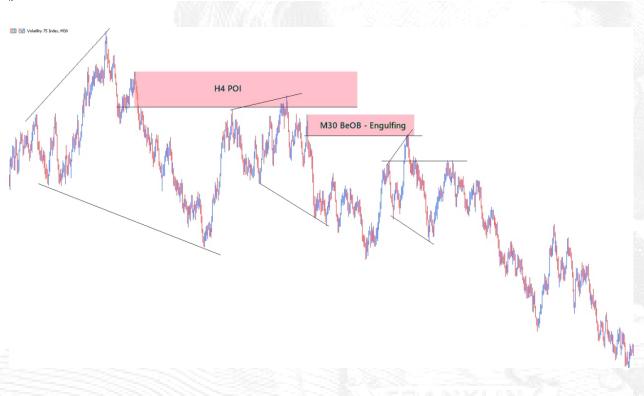
# This Entry Type is Ideal;

- ☐ When the range between HTF POI & Refined POI on a LTF is LARGE.
- ☐ When trading with the trend.









# Smart Money Analysis - Confluence

You can apply these smart money entries at any TF with other confluences such as liquidity inducement, EQH/Ls, fake BMS, and many more.





Always sell above the Flip Zone (if it forms) because that's where most of the <u>inducement</u> is happening.

Always buy below the Flip Zone (if it forms) because that's where most of the <u>inducement</u> is happening.

#### Final word

Since <u>smart money</u> is a significant force that influences and moves the financial markets, you need to understand how they work so that you are not caught on the wrong side of the market.

Sign up for a demo account and practice this strategy on **Synthetic/Volatility Indices**.