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# SMT Divergence

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# SMT Divergence

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**Smart Money Technique(SMT) Divergence is meant to annotate divergences between closely correlated assets. It occurs when the trend of an asset differs from the other highly correlated asset and can be a powerful signal for traders, indicating a potential reversal of the trend. By understanding the significance of SMT divergence, traders can make more informed decisions and achieve greater success in their trading strategies.**

# SMT Divergence(EUR vs GBP)

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Euro / U.S. Dollar, 15, OANDA O1.06268 H1.06292 L1.06247 C1.06271 +0.00003 (+0.00%)

## EURUSD 15M



British Pound / U.S. Dollar, 15, OANDA O1.24466 H1.24480 L1.24434 C1.24452 -0.00014 (-0.01%)

## GBPUSD 15M



# SMT Divergence(EUR vs GBP)

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Euro / U.S. Dollar, 15, OANDA O1.06268 H1.06292 L1.06247 C1.06270 +0.00002 (+0.00%)

## EURUSD 15M



British Pound / U.S. Dollar, 15, OANDA O1.24466 H1.24480 L1.24434 C1.24454 -0.00013 (-0.01%)

## GBPUSD 15M



# SMT Divergence(EUR vs GBP)

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Euro / U.S. Dollar, 15, OANDA O1.06268 H1.06275 L1.06247 C1.06267 -0.00002 (-0.00%)

## EURUSD 15M



British Pound / U.S. Dollar, 15, OANDA O1.24466 H1.24466 L1.24434 C1.24455 -0.00012 (-0.01%)

## GBPUSD 15M



# SMT Divergence(Nasdaq 100 vs S&P500)



# SMT Divergence(Nasdaq 100 vs S&P500)



# SMT Divergence(US10Y vs US05Y)





# SMT Divergence(US10Y vs US05Y)



# SMT Divergence Trading Strategy

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**When SMT divergence occurs, there're two methods available for entering trades(either asset 1 or 2, or both, but usually we select the asset with the liquidity sweep):**

- 1. In the current time frame, use ICT method to seek an entry opportunity.**
- 2. Switch to lower time frame and use ICT method to seek an entry opportunity.**

**\*ICT method:**

- 1. Wait for an entry opportunity after a liquidity sweep, displacement and MSS occur.**
- 2. Better if entering in London or NY killzone session as much as possible.**
- 3. Find OB+ or FVG+ in the discount zone of the displacement when long / Find OB- or FVG- in the premium zone of the displacement when short.**

# SMT Divergence Trading Strategy

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U.S. Dollar / Japanese Yen, 15, FXCM O154.618 H154.646 L154.594 C154.625 +0.007 (+0.00%)

JPY

155.200

155.180

155.160

155.140

155.120

155.100

155.080

155.060

155.040

155.020

155.000

154.980

154.960

154.940

Higher Time Frame

Lower Time Frame

Asset 1

SMT Divergence

Asset 2

MSS

LQ Sweep

FVG+ in the discount zone

15:00

16:00

17:00

18:00

19:00

20:00

21:00

22:00

23:00

17

# SMT Divergence Trading Strategy

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U.S. Dollar / Japanese Yen, 15, FXCM O154.618 H154.646 L154.483 C154.532 -0.086 (-0.06%)

JPY

Higher Time Frame

Lower Time Frame

Asset 1

SMT Divergence

Asset 2

LQ Sweep

FVG in the premium zone

MSS

07:00

08:00

09:00

10:00

11:00

12:00

13:00

14:00

15:00

16:00

# SMT Divergence Trading Strategy(EX1)

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British Pound / U.S. Dollar, 15, OANDA O1.24715 H1.24719 L1.24695 C1.24695 -0.00020 (-0.02%)

## GBPUSD 15M

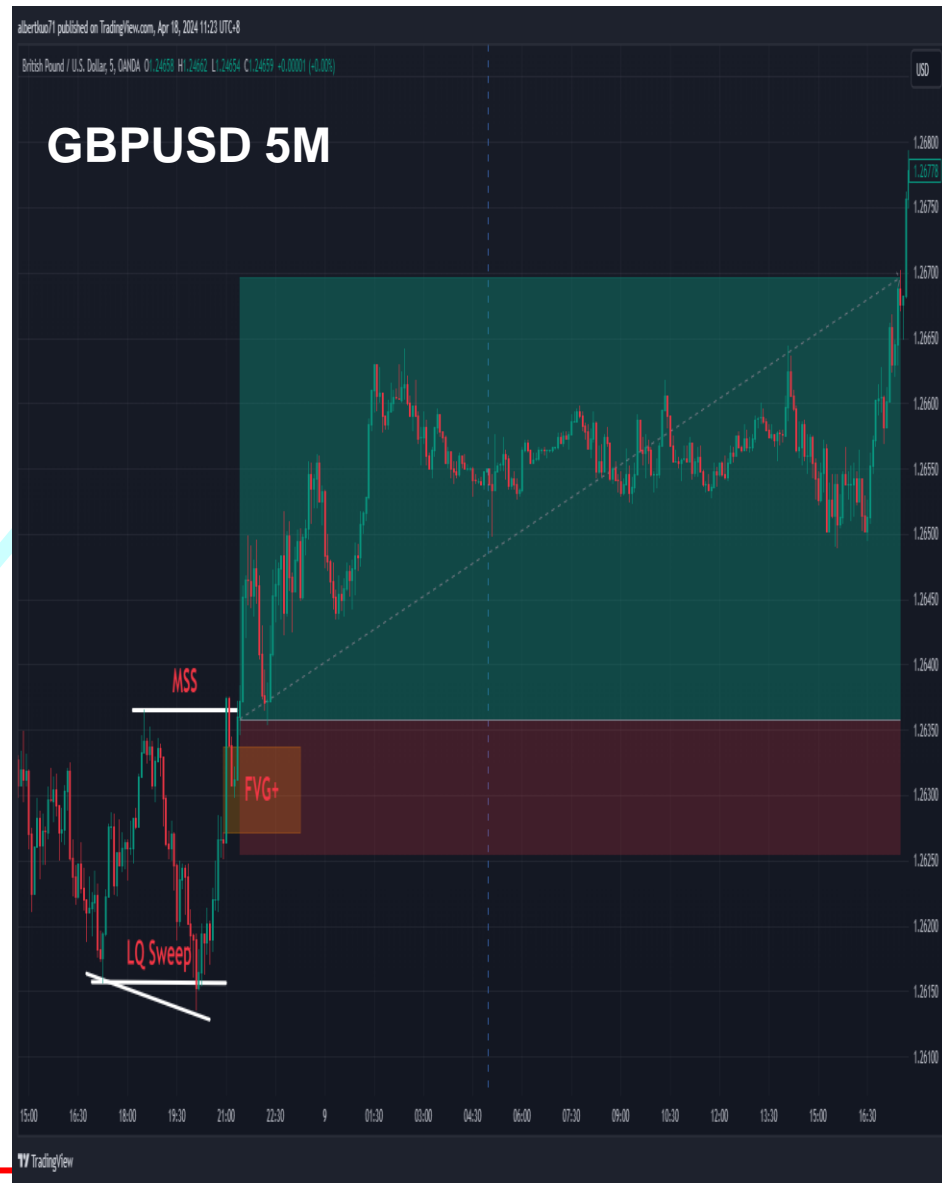


Euro / U.S. Dollar, 15, OANDA O1.06453 H1.06459 L1.06438 C1.06439 -0.00014 (-0.01%)

## EURUSD 15M



# SMT Divergence Trading Strategy(EX2)



# SMT Divergence Trading Strategy(EX3)



# SMT Divergence Trading Strategy(EX4)





# SMT Divergence Trading Strategy(EX5)



# SMT Divergence Trading Strategy(EX6)

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Euro / Japanese Yen, 15, OANDA O164.850 H164.851 L164.800 C164.811 -0.040 (-0.02%)

## EURJPY 15M



British Pound / Japanese Yen, 15, OANDA O192.412 H192.412 L192.306 C192.340 -0.072 (-0.04%)

## GBPJPY 15M



# SMT Divergence Trading Strategy(EX7)

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# SMT Divergence Trading Strategy(EX8)

