Quantified Ante

SMC Predictive Strategy with Supporting Criteria for Quantified Ante Predictive Application

Basing off Smart Money Concepts

"Smart Money Concepts" (SMC) is a fairly new yet widely used term amongst price action traders (which is what the Quantified Ante platform operates and teaches from) looking to more accurately navigate liquidity & find more optimal points of interest in the market.

We are developing through what we are calling our Predictive Application (“PA”) the ability to programmatically determine where institutional market participants have orders placed (buy or sell side liquidity). By doing so, we will, in an automated manner, have developed a very “reasonable” approach through software to find practical entries & exits based on price action.

To date, we have scripted a QA Smart Money Concepts (SMC) & Liquidity Swings (LS) Indicator as a tool that displays real time market structure (internal & swing BOS/CHoCH), order blocks, premium & discount zones, equal highs & lows, and more that are be built into our PA thus providing a foundation to layer various strategies that have been developed/refined by the SMC + ICT Community.

The current version of this indicator only allows QA traders to automatically mark up their charts with various price action methodologies, enhancing their ability to navigate liquidity and find optimal points of interest in the market.

Now we are at a point in where we need to fold in all of the elements of this indicator into an application to in an automated manner allow for us to layer in ICT defined strategies, with our own unique nuances to them (using deep machine learning) to accomplish the development of our PA.

KEY FEATURES OF CURRENT INDICATOR

- **Real Time Market Structure:** Displays full internal & swing market structure labeling, including Break of Structure (BOS) and Change of Character (CHoCH).
- **Order Blocks:** Identifies bullish and bearish order blocks, highlighting areas where institutional market participants open positions.
- **Premium & Discount Zones:** Shows premium and discount zones to help identify optimal trading entries and exits.
- **Equal Highs & Lows:** Detects and labels equal highs and lows, indicating potential reversal points.
- **Fair Value Gap Detection:** Highlights imbalance areas on the chart for better analysis.
- **Alerts:** Provides alerts for the presence of swing structures and other relevant conditions.

QA traders can see automatic CHoCH and BOS labels to highlight breakouts of market structure which is meant to determine the market trend. What is needed from a development standpoint is that we need to take the “view” we currently provide and develop it into a strategy that allows for

us to start to weigh rather/or not if a confluence is created to add to our overall entry vs exit criteria.

The following are practical applications of each component of SMC that are used to determine entry/exit marks …

We will seek an internal structure which displays more labels within larger structures to key off. We also seek equal highs & lows (EQH/EQL) plotted alongside the internal structure to frequently give indications of potential reversals.

We also seek swings in market structure. These are also labeled as BOS and CHoCH and in our current indicator they are shown with a solid line & larger text to show larger market structure breakouts & trend reversals. Our Predictive needs to calculate structure breakouts & trend reversals to weigh rather/or not if a confluence is created to add to our overall entry vs exit criteria.

We also need to keely identify order blocks which highlight areas where institutional market participants open positions, our Predictive application is to use order blocks to determine confirmation entries or potential targets as we can expect there is a large amount of liquidity at these order blocks.

We also will seek a swing in market structure which our current indicator labeled as BOS and CHoCH. Our Predictive application is to use BOS and CHoCH to determine confirmation entries or potential targets as we can expect structural shifts to lead to price action movements to predict.

Our Smart Money Concepts indicator has many other features and in the following isolated example we can see how they can also help our Predictive application find potential levels for price action trading:

In our earlier documentation we provided a chart of a trade setup using the Previous Monthly High, Strong High, and a Swing Order Block as a stop loss. Accompanied by the Premium from the Discount/Premium zones feature being used as a potential entry. A potential take profit level for this trade setup that a user could easily identify would be the 50% mark labeled with the Fair Value Gap & the Equilibrium all displayed automatically by the indicator.

In summary, this indicator highlights all relevant components of Smart Money Concepts which can be a very useful interpretation of market structure, liquidity, & more simply put, price action.

NOTABLE SETTINGS

- **Mode:** Select Historical (default) or Present to display recent data on the chart.
- **Style:** Choose different styling for the indicator between Colored (default) and Monochrome.

- **Color Candles:** Plot candles based on the internal & swing structures on the chart.
- **Internal Structure:** Display internal structure labels and dashed lines for BOS & CHoCH.
- **Confluence Filter:** Filter nonsignificant internal structure breakouts.
- **Swing Structure:** Display swing structure labels and solid lines on the chart.
- **Swing Points:** Label swing points such as HH, HL, LH, and LL.
- **Internal Order Blocks:** Enable internal order blocks and select the number of recent internal order blocks to display.
- **Swing Order Blocks:** Enable swing order blocks and select the number of recent swing order blocks to display.
- **Equal Highs & Lows:** Display EQH/EQL labels for detecting equal highs & lows.
- **Bars Confirmation:** Select the number of bars needed to confirm an EQH/EQL symbol.
- **Fair Value Gaps:** Display boxes to highlight imbalance areas.
- **Auto Threshold:** Filter out non significant fair value gaps.
- **Timeframe:** Select the timeframe for fair value gap detection.
- **Extend FVG:** Choose how many bars to extend the fair value gap boxes.
- **Highs & Lows MTF:** Display previous highs & lows from daily, weekly, & monthly timeframes as significant levels.
- **Premium/Discount Zones:** Display premium, discount, and equilibrium zones on the chart.

Layering in Liquidity Swings

The QA Liquidity Swings Indicator is to be used by our Predictive application to identify significant swing areas, such as accumulation or distribution zones on lower timeframes, which may act as future support or resistance.

Swing levels are also highlighted, with broken swing highs (bullish) and broken swing lows (bearish) displayed as dashed lines in our indicator.

Specifically, the Liquidity Swings component of the current tool highlights swing areas with significant trading activity. It marks these areas with zones, showing the number of times the price revisited each swing area, and labels the accumulated volume within these areas.

NOTE: Filtering swing areas by volume is to help the Predictive application find on areas with higher liquidity and potential significance. This indicator is designed for descriptive analysis and is not intended for real time trading and that is something we need to deeply research in terms of how to include this into our PA for real-time decision making.

KEY FEATURES

- **Swing Area Highlighting:** Identifies and highlights swing areas with significant trading activity.
- **Revisit Count:** Shows the number of times the price revisited each swing area.
- **Accumulated Volume Labels:** Displays the accumulated volume within swing areas directly on the chart.
- **Volume/Count Filtering:** Filters out swing areas that do not meet a userset threshold for volume or count.

NOTABLE SETTINGS

- **Pivot Lookback:** Sets the lookback period for the calculation of pivot points.
- **Wick Extremity:** Uses the range from price high to the maximum between price close/open for swing highs, and from price low to the minimum between price close/open for swing lows.
- **Full Range:** Uses the full candle range as the swing area.
- **Intrabar Precision:** Utilizes intrabar data to calculate the accumulated volume within a swing area for more precise results.
- **Filter Areas By:** Determines how swing areas are filtered
- **Count:** Filters out swing areas where the price visited the area fewer times than the userset threshold.
- **Volume:** Filters out swing areas where the accumulated volume within the area is less than the userset threshold.

Introducing “Exploit” - known as “Silver Bullet Strategy” for the Predictive application

The Silver Bullet Strategy is a specific trading approach based on Smart Money Concepts (SMC). It leverages the principles used by institutional traders to understand market movements and make informed trading decisions. The strategy primarily aims to exploit inefficiencies in the market, focusing on liquidity, order flow, and institutional price levels. In Nasdaq futures trading, the Silver Bullet can be a powerful tool for identifying high-probability trade setups, minimizing risk, and optimizing profit targets.

We will name this strategy **Exploit by Quantified Ante**

Understanding the Core Concepts of the Strategy

The Silver Bullet approach revolves around several key components of Smart Money Concepts:

1. **Market Structure**: Understanding higher highs, lower lows, and swing points helps in determining the overall trend. The strategy involves identifying shifts in market structure, which may signal a change in direction or continuation of the trend.
2. **Liquidity Zones**: Institutions aim to accumulate or distribute orders around areas of liquidity, such as swing highs and lows, where stop-loss orders are typically clustered. The Silver Bullet strategy seeks to anticipate these zones and position trades accordingly.
3. **Fair Value Gaps (FVG)**: These gaps occur when the market leaves behind a void between two price levels, which often results in the market retracing to "fill" this inefficiency. Identifying FVGs can offer entry or exit points.
4. **Order Blocks**: These are areas where large buy or sell orders have been placed by institutions. Recognizing these zones can help traders anticipate future support or resistance levels.
5. **Time of Day Consideration**: Market activity tends to follow specific rhythms, and you will often hear Quantified Ante Trading Mentor speak about Macros when it comes to time-based delivery. For example, the Silver Bullet strategy often targets setups around specific times, such as the London Open or New York Open, when liquidity is higher, and more significant price movements occur.

Practical Application: Setting Up the Silver Bullet Strategy on TradingView

1. **Chart Setup**:
    - Use a **1-minute to 15-minute timeframe** to identify short-term patterns and significant liquidity zones. Your Quantified Ante Trading Mentor will show you views of each so you can work through the progression of times on a chart to seek price action that is favorable, as it is often not just found on looking at one chart timeframe alone.
    - Apply **Quantified Ante's proprietary indicator**, which include tools for marking order blocks, liquidity pools, and fair value gaps.
    - **Identify the key market structure** before entering a trade. This includes determining whether the market is in a bullish or bearish trend based on recent highs and lows.
2. **Identifying Entry Points**:
    - Look for **market structure shifts**: If a lower high has been broken in a downward trend, this could indicate a potential reversal.
    - **Wait for liquidity sweeps**: Target liquidity zones where you anticipate that stop losses will trigger, providing an opportunity for price reversal.
    - **Watch for fair value gaps and order blocks**: If an order block aligns with a liquidity zone and fair value gap, it enhances the probability of a successful trade.
3. **Executing the Trade**:
    - **Entry**: After identifying a valid setup (e.g., liquidity sweep followed by market structure shift), place a limit order at the fair value gap or order block for a more favorable entry.
    - **Stop-Loss Placement**: Position the stop loss just beyond the liquidity zone or recent swing high/low. This allows for a tighter stop and better risk management.
    - **Take-Profit Targets**: Target opposing liquidity zones or other high-probability areas where you expect price reversal.
4. **Time Frame Consideration**:
    - Use **London and New York sessions** for trades, as liquidity is typically higher.
    - Silver Bullet strategy may favor trades occurring within **30 to 90 minutes after major session opens** due to increased volatility.

Example Trade Using the Silver Bullet Strategy

Let's walk through a sample trade setup:

1. **Market Analysis**:
    - Time: **New York Open (9:30 AM EST)**
    - Market Structure: **Bullish** trend identified with higher highs and higher lows.
    - Liquidity Pools: Significant **liquidity resting above a recent swing high**.
2. **Trade Execution**:

    - As the price moves upwards, it **sweeps the liquidity above the swing high**, triggering a cascade of stop orders.
    - The price then **retraces into a fair value gap**, presenting an ideal entry point for a long position.
    - The **entry** is placed at the **midpoint of the fair value gap** with a stop-loss below the swing low.
    - **Take profit** is targeted at the next major liquidity zone above, capturing a significant portion of the move.

Risk Management

Risk management is crucial when using the Silver Bullet strategy. It involves:

- **Risking only 1-2% of the trading account** per trade to avoid significant drawdowns.
- **Adjusting the stop-loss and take-profit levels** based on volatility and market conditions.

Trading Psychology

Mastering the Silver Bullet strategy also requires the right mindset. Traders should:

- **Stay disciplined** and avoid overtrading, even if multiple setups occur.
- **Manage emotions**, as rapid price movements can cause impulsive decisions.

Conclusion

The Silver Bullet strategy is a versatile approach for trading Nasdaq futures, combining elements of Smart Money Concepts to anticipate market movements is what makes Quantified Ante Traders an elite group on their own. By understanding market structure, liquidity zones, fair value gaps, and order blocks, traders can improve their entry and exit decisions. Practical application requires careful chart analysis, disciplined execution, and robust risk management. Incorporating these principles can help traders emulate institutional behaviors and improve their trading outcomes.

Rules to Adhere to for Trading Prop Firms

APEX Trading

Evaluation Account Passing

Each Apex Evaluation is subjected to a Trailing drawdown.

Trailing Drawdown: Calculated based on the highest account balance achieved during trading.

The trailing drawdown adjusts dynamically as your account balance increases (unrealized P&L). It trails your peak balance and sets a floor (minimum balance level), below which your account will be flagged or terminated.

In order for the evaluation account to be passed the profit Goal must be achieved without violating the trailing drawdown rules over 7 trading days (however if evaluation bought in promo it may only be subjected to a 1 day to pass)

Table below shows different Apex account sizes with respective drawdowns in $ and also reflected as a percentage of the account size.

Account Size	Trailing Drawdown	% of Account	Profit Goal
25,000.00	1,500.00	6.0	1500
50,000.00	2,500.00	5.0	3000
75,000.00	3,500.00	4.7	4250
100,000.00	3,000.00	3.0	6000
150,000.00	5,000.00	3.3	9000
250,000.00	5,000.00	2.0	15000
300,000.00	10,000.00	3.3	20000

Performance Account Rules

In **Apex Trader Funding**'s **Performance Accounts**, the trailing drawdown typically **stops once you reach the initial account balance plus the profit target**. This means the trailing drawdown is no longer applied once you've achieved a certain level of profit.

Account Size	Profit Target	Trailing Drawdown	Trailing Stops At	Account Failure Level (post trailing)
25,000	1,500	1,500	26,600	25,100
50,000	3,000	2,500	52,600	50,100
75,000	4,500	3,500	78,600	75,100
100,000	6,000	3,000	103,100	100,100
150,000	9,000	5,000	155,100	150,100
250,000	15,000	5,000	255,100	250,100
300,000	20,000	10,000	310,100	300,100

Payout Rules as of November 1, 2024

A payout request can be submitted any time after 8 trading days (non-continuous) have been completed.

- 5 out of the 8 trading days must be profitable by $50.00

The first 3 payouts must leave a “safety net”. Requests cannot leave an account balance below $52,600.

- Exception to the rule applies to minimum amount payout requests ($500.00)
- Does not apply to 4th payout request and beyond
- Safety net requirement begins on November 6th, 2024

The first 5 payouts have minimums and maximums per account size.

- Minimum request on any size PA account is $500.00
- Maximum request PA account size dependent
    - $25k Account- $1500
    - $50k Account- $2000
    - $75k Account- $2,250
    - $100k Account- $2,500

    - $150k Account- $2,750
    - $250k Account- $3,000
    - $300k Account- $3,500
    - $100k Static Account- $1,000

The 6th payout and onward are 100% (no maximum amount).

Existing PA Account holders already at 100% or on month 3 will NOT be affected.

Approval of requests can be expected within 48 business hours.

Transfer of funds can be expected within 3-4 business days.

All payout requests must adhere to the 30% FLAT Consistency Rule.

- At the time of the payout request, you cannot have a single trade day over 30% of the total profit balance.
- “Profit balance” resets after each withdrawal approval

30% Negative P&L.

- Do not let your live, unrealized, open negative PnL go past 30% of your start of the day profit balance
- This is not a daily loss limit, it is for single/combo live open trades

Scaling: Trade half size of maximum contract allowance until $52,600 balance is met.

- e.g.: 50k account size has a maximum of 10 mini contracts, trade 5 contracts of
- Soft rule and accidents happen
- Soft rule is in place to have traders avoid using maximum contracts to blow past the trailing drawdown in new funded accounts

TopStep

Combine Account Passing

Rule:

- **Maximum Loss Limit:** Ensure your account balance does not reach or fall below the specified Maximum Loss Limit for your chosen account size.

Objectives:

1. **Profit Target:** Achieve the designated profit target for your account size.
2. **Consistency Target:** Your best trading day should account for no more than 50% of your total profits.
3. **Daily Loss Limit:** Avoid exceeding the daily loss limit, which varies based on account size.

Account Size	Profit Target	Maximum Loss Limit	Daily Loss Limit
$50,000	$3,000	$2,000	$1,000
$100,000	$6,000	$3,000	$2,000
$150,000	$9,000	$4,500	$3,000

Because of objective No 2. All accounts are subject to a minimum of 2 trading days to pass.

Funded Account Rules

Rule:

- **Maximum Loss Limit:** Ensure your account balance does not reach or fall below the specified Maximum Loss Limit for your chosen account size. (See table above)

Objectives:

- **Scaling Plan:** See
- **Daily Loss Limit:** Avoid exceeding the daily loss limit, which varies based on account size.
- **Payout rules:** See Payout section

Scaling Plan

$50,000 Account:

Account Balance	Maximum Position Size
$50,000	2 contracts
$52,000	3 contracts
$55,000	4 contracts
$57,000	5 contracts

$100,000 Account:

Account Balance	Maximum Position Size
$100,000	2 contracts
$103,000	4 contracts
$106,000	6 contracts
$110,000	8 contracts
$112,000	10 contracts

$150,000 Account:

Account Balance	Maximum Position Size
$150,000	2 contracts
$153,000	4 contracts
$156,000	6 contracts
$160,000	9 contracts
$165,000	12 contracts
$170,000	15 contracts

Key Points:

- **Micros as Full-Sized Lots:** In Topstep's Trading Combine, Express Funded Account, and Live Funded Account, micro contracts are considered equivalent to full-sized contracts. For example, 1 lot in ES is equal to 1 lot in MES regarding the Maximum Position Size.

- **Daily Evaluation:** Your maximum number of contracts allowed does not increase during the trading day. If your earnings meet or exceed the required amount to scale up, you need to wait until the following session to trade at the next Scaling Plan level. It's recommended to check your trade report each day after it updates at 5 PM CT to see the number of contracts available for your account during the next trading session.

- **Platform Limitations:** Certain platforms may prevent you from exceeding the Scaling Plan. Tradovate, NinjaTrader, and all Rithmic-based platforms will attempt to stop any order that would exceed your current lot limit for the Scaling Plan, but prevention is not guaranteed. The T4 platform cannot prevent any orders from exceeding the Scaling Plan due to technical limitations.

Payout Rules

5 Winning Days of $200 or More	30 Winning Days of $200 or More
5 non-consecutive days of Net PNL $200 or more **First Available Payout*	30 non-consecutive days of Net PNL $200 or more
Eligible to withdraw 50% of account balance **per payout request** **Minimum Payout Request is $125*	Eligible to withdraw 100% of account balance **anytime** **Minimum Payout Request is $125*

- Winning days do not need to be consecutive days. After taking a payout, a trader must complete five additional winning trading days from the date the most recent payout is processed before being eligible for their next payout. This is required for each payout request.

Account Padding Guidelines

$50K Padding Strategy (notes on $150K below):

Week one - two is for trading 1 contract per trade to mentally adjust to the notion you are no longer in a “combine.”

Seek 2-3 trades per session, do not overtrade, build the discipline of using the indicators combined with the known macros (as time of session becomes truly your friend to enable you to consistently profit) … allow the market to come to you and do not force your will on the market under the premise of wanting to grow / earn a payout.

You want to be accomplishing $250 - $300 days consistently for a solid 2-3 weeks, ensuing you are dialed in with setup identification and risk management. Don’t throw away the “funding” of your account work that you have just completed.

I typically like to see a month of solid performance under the belt before moving to 2 contracts. When ready (you will know so as long as you are journaling), move to 2 contracts. Again there is just no need to rush as in 6 months when you are pulling consistent cash from the futures market you will be thrilled you were patient and not going from funding to blowing and back again.

We like to next build to a $10,000 padding trading just 2 contracts and after the first month to two I am seeking $500 to $1,000 days, so $10,000 in profits is not a large target. When Thomas and I began this, it took about 4-5 months to get here as we did make a handful of mistakes while solving for the best formula. That being said, I would not be disappointed if it took 3-4 months to get there, as risk management is more important than big days at this stage.

Once you hit $11,500, withdraw $1,500 as it makes it is now “real” now.

Sitting at $10K now, move to 3-4 contracts per trade and sit at this lot size until you are at $25,000. This is where you start to ensure that mentally you are fine with seeing target numbers on the screen while waiting for your TP as well as not fretting when it is moving to your SL. I want you to begin to truly look at the screen not like $ but rather just a figure which allows for you to take meaningful emotion out of the experience (anyone that tells you, you will get to full “emotionless” trading is lying to you, your goal is to just minimize emotion).

Once at $25,000 I am preparing to move to a $100,000 balance and taking out payouts of $5,000. When mentally there, for every $15,000 in profit I pull $5,000 and in that equation. You will know when you have a good grasp of the work (treat it as a professional would, it is work) and ready for $15,000+ gross profit days.

Here is where I truly crossed the chasm and begin seeking 1-2 trades max between 5 got 10 contracts depending on my bias conviction, with really long hold times (I will also just sit a day out if my setup does not show itself, as I am comfortable that the market will be there tomorrow,

etc.), some even being the entire day from the AM macro. Very challenging mentally, as you will be up $10,000+ in a position, watch it draft back to up $2,000 to finish up $15,500. This is where it really compounds. Thomas very rarely shows you his trade results and I never do (as we have learned from early experiences that causes certain ones in the community to over trade and rush the process since our accounts are more seasoned and the lot sizes are larger so many start comparing apples to oranges), but trust that above is not hypothetical. And that is not what this is about, this is about building an educational platform for you all to succeed beyond you imagination, rather than an ego show of success.

At some point depending on your consistency, you will be presented with a Live Account option … that is something that we can further discuss when you get there. As there are other ideas to pursue such a multiple account linkage, etc.

NEXT:

$150K padding strategy is the $50K simply multiplied by 2 … I would not multiply for 3 just because it is three times larger. I like the $150K and the $50K accounts. When you get to linking we will further discuss what is optimal then for that strategy.

NOTE: APEX has interesting “draw-down” thresholds so always be mindful of them post funding to ensure you get out of their preliminary configurations which are a bit of a trap. Once pas that then it will be easier to scale in a manner with more breathing room.

Concepts for Machine Learning/Training

Determining Daily Bias

In the world of smart money trading, **daily bias** is the Quantified Ante Trader's compass, offering an essential guide to navigating each trading day with purpose and clarity. This foundational concept helps traders predict the likely market direction, allowing for more accurate entries, improved risk management, and better exit strategies.

Our approach today focuses on using **multiple timeframes to align with market structure** and refine daily bias, leveraging key elements we have refined from ICT (Inner Circle Trader) methodology/teachings, a widely respected approach in smart money trading. Our techniques provide a structured method to read price action like a professional, tracing institutional footprints to stay aligned with the market's true intentions. By mastering daily bias, Quantified Ante Traders can significantly improve their market positioning and increase their odds of capturing high-probability setups, especially when they understand how institutions manipulate early market moves to trap retail traders and establish their own positions.

Step 1: Understanding the Key Timeframes

Higher Timeframes: Weekly and Daily

The journey to determining daily bias begins on the higher timeframes, particularly the **weekly** and **daily** charts. These charts provide the **macro perspective**, establishing the overall trend and revealing key areas like **supply and demand zones** and **liquidity levels** where institutional trading activity is concentrated.

- **Weekly Chart**: This timeframe is the starting point, giving insights into the dominant market trend and highlighting areas where price is likely to react, such as major highs and lows. A bullish weekly trend generally sets a bullish daily bias, while a bearish weekly trend suggests the opposite.
- **Daily Chart**: Moving to the daily chart refines this macro view. Here, traders can identify more detailed price structure elements, like **swing highs and lows**, **breaks of structure (BOS)**, and **order blocks**. These elements confirm whether the market is trending or consolidating, further sharpening the daily bias.

Together, the weekly and daily timeframes work as a cohesive unit, forming the framework upon which the daily bias is built. Using historical examples or live charts helps illustrate this alignment and how a clear trend on the weekly chart translates into actionable levels on the daily.

Intermediate Timeframes: 4-Hour and 1-Hour

After confirming the larger market structure, the **4-hour and 1-hour charts** offer a closer look, helping refine entries and risk management.

- **4-Hour Chart**: This timeframe allows traders to confirm bias on a finer level, monitoring recent **order flow** and observing how institutions may be positioning themselves within the broader trend. The 4-hour chart often reveals emerging shifts in price structure that align with the higher timeframe's bias, confirming entry points and strengthening trade setups.
- **1-Hour Chart**: The 1-hour chart offers precision by highlighting areas of imbalance, like **fair value gaps (FVGs)**, as well as zones where price may react, such as recent highs and lows. Traders use this timeframe to confirm bias and fine-tune entry points, watching for signs of institutional support or resistance.

By analyzing how the **daily, 4-hour, and 1-hour charts** transition into each other, traders get a more nuanced view, helping identify shifts in market structure that reinforce or challenge the higher timeframe bias.

Step 2: Identifying Market Structure and Liquidity

Market Structure

The foundation of any smart money strategy is understanding **market structure**. Identifying whether the market is in an **uptrend, downtrend, or consolidation** phase on the daily and 4-hour charts sets the context for trades.

- **Swing Points**: Key swing highs and lows indicate the direction of the market. In an uptrend, higher highs and higher lows suggest bullish momentum, while lower highs and lower lows signal a downtrend. Recognizing these swing points clarifies the bias and allows traders to prepare for shifts.
- **Break of Structure (BOS)** and **Market Structure Shifts (MSS)**: A BOS indicates that price has broken through a key swing point, signaling a potential change in trend direction. MSS, on the other hand, identifies when price is shifting away from its current direction, suggesting the need for a bias adjustment.

Liquidity Zones

Liquidity is a core focus of the Quantified Ante methodology and is critical to the smart money narrative. Institutions, or "smart money," often target liquidity areas to facilitate their large orders without creating unnecessary price slippage.

- **Identifying Liquidity Pools**: Key liquidity pools exist around previous highs and lows, where retail traders commonly place stop losses or pending orders. These liquidity pools create targets for smart money to sweep before reversing the price.

- **Setting Bias with Liquidity**: Observing these zones provides vital clues for daily bias. For example, if liquidity rests above relative equal highs in a bearish market, smart money may drive prices upward to sweep those levels before reversing.

Traders can use liquidity zones to anticipate price reactions and set up their bias accordingly, improving their ability to predict market moves.

Step 3: Refining Bias with Quantified Ante Refined SMC Concepts

Order Blocks

Order blocks are one of the strongest tools in our arsenal for confirming bias. They represent the **last up or down candle** before a significant institutional move, often acting as support or resistance when revisited.

- **Identifying Order Blocks**: On the daily or 4-hour chart, the last bullish candle before a bearish move (or the last bearish candle before a bullish move) is typically an order block. The market's reaction to these zones confirms the daily bias when price respects the order block level.
- **Trading Order Blocks**: When price revisits an order block, it's often an ideal place to enter with the trend. A reaction here indicates smart money is still supporting the move, providing traders with a high-probability setup aligned with institutional flows.

Fair Value Gaps (FVG)

An **FVG** occurs when price moves sharply, creating an imbalance that leaves a gap between two candles. This imbalance is significant, as price often retraces to these gaps to rebalance before continuing its trend.

- **Identifying FVGs**: Fair value gaps appear most clearly on the 1-hour or 4-hour charts, offering an ideal zone for price to revisit. If price fills this gap and resumes its trend, it can reinforce the bias set by higher timeframes.

Daily Open and Equilibrium

Our concept of the **daily open** provides a reference point from which smart money manipulates early price action to trap retail traders. Price often deviates from the open briefly before reversing in the actual direction of the day.

- **Equilibrium**: The 50% retracement level within a consolidation phase acts as a magnet for price. Monitoring how price reacts around this level helps traders identify potential reversals, adding another layer of confidence in the bias.

Step 4: Combining All Timeframes for a Cohesive Daily Bias

Top-Down Analysis

Executing a **top-down analysis** from the weekly to the 1-hour chart enables traders to confirm and align their bias with market structure on every level.

- **Start on the Weekly** to identify the dominant trend.
- **Daily Chart** refines this trend with detailed structure and highlights key levels like order blocks and liquidity zones.
- **4-Hour Chart** confirms bias and identifies intermediate entry points.
- **1-Hour Chart** offers precision with fair value gaps and liquidity reactions.

This alignment across timeframes provides a comprehensive roadmap for the day.

Checklist for Daily Bias

To reinforce consistency, use the following checklist before each trading day:

1. **Review the Weekly Trend and Market Structure**: This sets the macro perspective.
2. **Identify Liquidity Zones on the Daily Chart**: Look for key highs, lows, and liquidity pools.
3. **Confirm Bias on the 4-Hour and 1-Hour Charts**: Use BOS, FVG, and order blocks to refine entries and validate bias.
4. **Monitor Early Session Liquidity Sweeps**: Pay attention to deviations from the daily open, as these early moves often reveal the day's real direction.

By following this structured approach to establishing daily bias, Quantified Ante Traders align themselves with smart money, enhancing the probability of successful trades while minimizing risk. Each element, from timeframes to liquidity zones, works together to provide a clear path forward, allowing traders to capitalize on the daily trend with confidence and precision.

Liquidity Pools and Price Action

Liquidity pools, both buy-side and sell-side, are critical to understanding price action, especially in the context of Smart Money Concepts which is the basis for a Quantified Ante trader to operate by. These liquidity pools represent clusters of pending orders that market participants place at key levels on the chart, like swing highs or swing lows.

1. **Buy-Side Liquidity (BSL)**: This refers to areas above resistance levels where buy orders (often stop-loss orders from traders who are short) are concentrated. When price action moves toward these levels, the market is essentially hunting for liquidity. Institutional traders (smart money) aim to trigger these orders to create volatility, allowing them to fill their larger orders at more favorable prices. A price run into a buy-side liquidity pool usually results in a brief upward move followed by a reversal, as the market captures liquidity.
2. **Sell-Side Liquidity (SSL)**: This is the opposite scenario, where liquidity pools exist below support levels. It's a cluster of sell orders (usually stop-loss orders from long traders). Smart money often drives the price downward into these zones to collect liquidity before moving the market back up. Price often bounces after these areas are cleared because smart money has taken the liquidity they need to execute their trades.

How It Relates to Price Action

- **Liquidity as Fuel for Movement**: Price action often targets liquidity pools because these are areas where large amounts of orders sit. When the market reaches these zones, the triggered orders provide liquidity for institutional traders to enter or exit positions.
- **Stop Hunts**: Often, the market appears to be breaking through a key level, only to reverse sharply after grabbing liquidity. These moves are engineered to "hunt" stop losses and give large players the liquidity needed for their trades. These stop hunts form key reversals in price action and are a fundamental concept in Smart Money trading.
- **Smart Money and Liquidity**: Smart Money targets these liquidity pools to execute large orders without causing unfavorable price movements. Retail traders often fall victim to these moves, as their stop-losses contribute to the liquidity that Smart Money uses.

Understanding where liquidity lies in the market helps Quantified Ante traders anticipate where price is likely to move, enabling more strategic entries and exits aligned with Smart Money behavior.

Question …

Would you consider relative equal "price" low resistance or high resistance liquidity?

Highs/lows… looking left of current price action.

Narrative …

As we all know, we Quantified Ante Traders are trading from the platform of Smart Money Concepts (SMC) as refined by our own techniques developed throughout past experiences.

So let's dive into the idea of **relative equal highs** or **relative equal lows**. These marks represent **liquidity zones** rather than resistance in the traditional sense. As what we are always seeking to trade within is the algorithmic move from one liquidity zone or "pool" to another. As this is how the market makers in an orderly manner balance order flow or what you will hear "books of business".

Let me dive a but further to illuminate the question under examination …

- **Relative equal highs** and **relative equal lows** are areas where price levels are clustered together, creating liquidity pools. These pools form because many retail traders as well as institutions place **stop-loss orders** and/or **pending orders** respectively around these levels.
- **High resistance liquidity** refers to **relative equal highs**. These highs are areas where liquidity has built up above the current price. This means smart money is likely to target these levels to trigger stop-loss orders placed by primarily retail traders. Once the stops are run (liquidity is "taken"), smart money may reverse or continue the move depending on the broader market structure. This is why we MUST understand how to detect market structure shifts. I will get into that below.
- **Low resistance liquidity** refers to **relative equal lows**. These lows act similarly, but they are below the current price. They represent liquidity resting at those levels in the form of stop-losses for long positions. Smart money may push the price down to trigger those stops, collect liquidity, and then reverse or continue in the intended direction.

Now read into how I framed this above. The market makers will seek the stop loss marks to gain a better price for the order flow that they already have on their books, getting better pricing for their institutional clients and better spreads overall

Key Concepts QA Trader <u>absolutely</u> must know …

- We teache that **liquidity is the fuel** for market movements. Relative equal highs and lows are like magnets that price moves toward because smart money seeks liquidity to execute large orders efficiently.
- Instead of viewing relative equal highs/lows as traditional resistance or support, view them as **liquidity targets**. When price moves toward these levels, it's often a signal that liquidity is about to be tapped, typically triggering a reversal but sometimes a continuation of the move, depending on where liquidity lies beyond the relative equal highs or lows. This is also why we will use multiple confluences to confirm of a trade setup for an A+ entry.

Here is a quick practical example to chew on …

- **Looking Left**: When looking to the left of current price action (lower time frames, 15, 5 and 3), if we see **relative equal highs** above the price, it's likely the market will move up to sweep the liquidity resting above those highs (high resistance liquidity). Conversely, if we see **relative equal lows** below current price, smart money may and typically does push the price down to sweep liquidity below those lows (low resistance liquidity).

Sooooo …

As a Quantified Ante Trader, we see relative equal highs as representation of **high resistance liquidity**, while relative equal lows as representation of **low resistance liquidity**. Both are crucial for understanding where smart money is likely to target for liquidity sweeps, which often precede reversals or major moves in the market. They are not traditional resistance levels but areas where liquidity is likely to be gathered.

Let's now hone on how to determine a Market Structure Shift …

Determining if a **market structure shift (MSS)** has taken place is crucial for Quantified Ante Traders to identify trend reversals or significant changes in the market's direction. In how we use Smart Money Concepts (SMC), a market structure shift signals that smart money has likely shifted its focus, creating opportunities for us to adjust our bias.

Here are the steps that I and thus, WE use to Determine if a Market Structure Shift Has Taken Place …

1. Identify the Current Market Structure:

- First, recognize whether the market is in an **uptrend**, **downtrend**, or **consolidation**. In an uptrend, price forms **higher highs** (HH) and **higher lows** (HL). In a downtrend, price forms **lower highs** (LH) and **lower lows** (LL).
- The structure is important because a market structure shift happens when this pattern breaks down.

2. Look for Breaks of Structure (BOS):

- A **break of structure** occurs when the price violates a previous **swing high** or **swing low**, signaling a potential change in the current trend.
- For example:
    - In an uptrend, if price breaks below the most recent **higher low (HL)**, it signals a possible weakening of the bullish trend and the beginning of a shift to bearish momentum.
    - In a downtrend, if price breaks above the most recent **lower high (LH)**, it indicates the potential start of a bullish reversal.

3. Confirm the Shift with a Retest:

- Once a break of structure occurs, watch for a **retest** of the broken level (previous swing high or low). If the price retests this level and fails to reclaim it, the market structure shift is more likely confirmed.
- For example, if price breaks below a higher low in an uptrend, it may retest this level as **resistance**. If it fails to break back above, this confirms the shift from bullish to bearish.

4. Identify the Change in Order Flow:

- After the break of structure and retest, you should notice a shift in **order flow**.
- In a bearish market structure shift, large bearish candles or an increase in sell-side activity confirm that smart money is favoring shorts. Similarly, in a bullish structure shift, strong buying pressure and bullish order blocks appear after the shift.

5. Watch for Support and Resistance Flipping:

- Another key confirmation of a market structure shift is when previous **support** turns into **resistance** (in a bearish shift), or previous **resistance** turns into **support** (in a bullish shift). This "flip" further validates the change in structure.

I like the following to use as definitions and think it can be used as a good example of a Market Structure Shift in an Uptrend …

1. **Uptrend**: The market has been forming higher highs and higher lows.
2. **Break of Structure (BOS)**: Price fails to form a new higher high and instead breaks below the most recent higher low.
3. **Retest**: Price moves back up to retest the broken higher low but cannot reclaim it, turning it into resistance.
4. **Confirmation**: Large sell-side volume enters the market, and price continues to drop, confirming the market structure shift to bearish.

Sooooo …

A market structure shift occurs when price **breaks the key levels** that define the current trend (swing highs or lows) and is confirmed when those levels act as **new support or resistance**. Recognizing a market structure shift helps Quantified Ante traders adjust our bias from bullish to bearish (or vice versa), positioning us on the right side of the market and aligning with smart money movements as they are unfolding real-time.

Order Blocks and Displacement

In the teachings and application of Quantified Ante methods, **order blocks** are crucial for spotting where institutional activity has occurred, thus setting up potential trading opportunities.

In today's lesson we are going to be using the **15-minute and 3-minute timeframes** (I personally also use the 5-minute BUT for this stage in your journey, we are only going to focus on 2 timeframes, so you can simply begin to recognize these elements that appear throughout a trading session. Order Blocks are core to the overall toolset that must be understood (this will not be an "overnight" learned skill FYI) when using the Quantified Ante systematic application of Smart Money Concepts.

I also want to note that you will hear of successful Quantified Ante traders dropping down to the 1-minute to execute their entry trade. For now I want everyone to pass on trying to develop that skill, as it is very complex and the 1 minute can introduce "noise" which will confuse a trader early in their learning journey. For example, our Predictive Software is being trained to enter on the 1-minute and truthfully I find that a software driven application is the only one that can routinely execute at this level of granularity as you have to be very fast on the gun pull to make that technique a reliable one.

Sooooo … let's get to it!

1. Understanding What an Order Block Is

An **order block** is the last up or down candle before a significant move in the opposite direction, indicating where institutions (smart money) placed large orders. Order blocks are identified because they represent zones where the market has shown clear interest from institutions, acting as strong support or resistance levels when price revisits them.

Key Characteristics of an Order Block:

- It's the last bullish candle before a significant bearish move (in a downtrend).
- It's the last bearish candle before a significant bullish move (in an uptrend).
- Price reacts strongly away from this candle, suggesting a shift in market sentiment or structure.

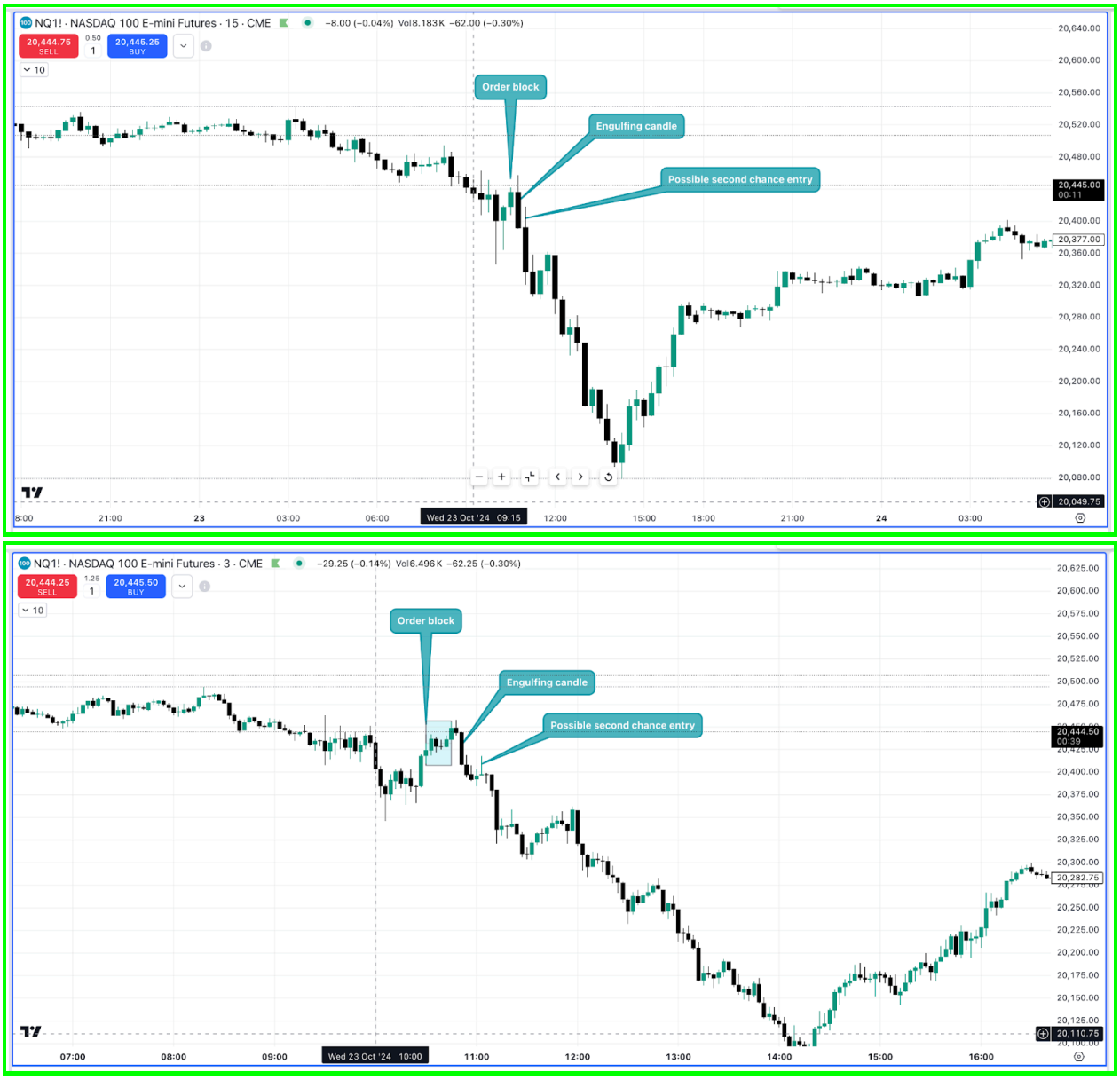
2. How to Identify a True Order Block on the 15-Minute and 3-Minute Timeframes

Step-by-Step Process on the 15-Minute Timeframe

1. **Identify the Trend and Market Context**:
    - Begin by understanding the current trend. Is the 15-minute timeframe showing higher highs and higher lows (bullish) or lower highs and lower lows (bearish)?
    - Knowing the trend gives context, as order blocks tend to be more effective when they align with the larger trend or signal a potential trend reversal.

2. **Spot the Last Up or Down Candle Before a Significant Move**:
    - In a **bearish setup**, find the last bullish candle before a large bearish move (downward displacement).
    - In a **bullish setup**, locate the last bearish candle before a sharp upward move (upward displacement).
    - A true order block will be clearly defined by a strong displacement or momentum shift after the candle, often indicating a major order flow change.

3. **Look for Significant Displacement (Strong Price Reaction)**:
    - Displacement is a strong move in price, often characterized by a large momentum candle, where price moves significantly away from the order block without much retracement.
    - In Quantified Ante terms, displacement shows that institutions are taking control of the market, creating a clear direction. This adds credibility to the order block because it signals that smart money has committed to a direction.
    - For example, a large bearish candle breaking recent lows confirms that the previous bullish candle was indeed the institutional sell order block.



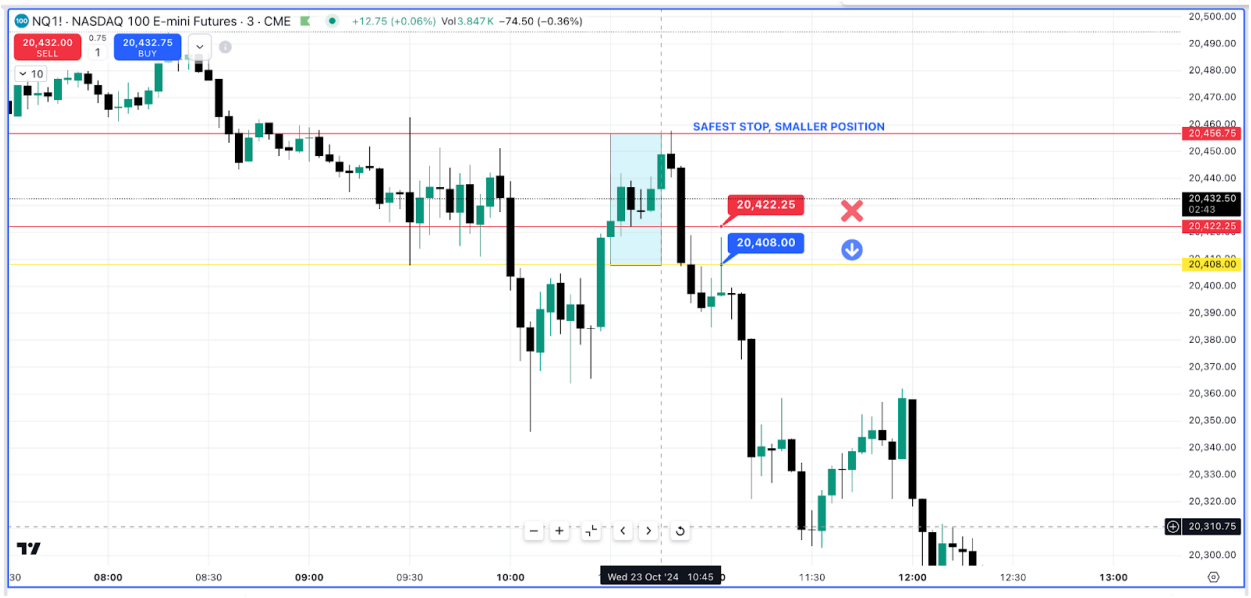
Refining Entries on the 3-Minute Timeframe

Once the 15-minute order block and displacement are identified, zoom into the **3-minute timeframe** to fine-tune the entry.

1. **Watch for Price Returning to the Order Block**:
    - When price revisits the 15-minute order block, it often presents a second chance to enter in the direction of the displacement.

- For a bullish order block, wait for price to pull back down into the zone created by the last down candle. For a bearish order block, wait for price to pull back up into the zone created by the last up candle.

2. **Confirmation on the 3-Minute Chart**:
   - Look for smaller displacements and structure shifts on the 3-minute timeframe to confirm the validity of the order block.
   - A strong 3-minute rejection or bullish/bearish engulfing candle within the order block zone indicates that price is respecting the order block and smart money is still defending this level.
3. **Enter with Stop Loss Above or Below the Order Block**:
   - Place the stop loss just outside the order block zone to manage risk effectively. This positioning protects the trade while allowing for minor volatility.
   - By positioning the stop just beyond the order block, you ensure that the trade aligns with Quantified Ante's risk management principles, letting the market tell you if the setup remains valid.



3. What Displacement Means and Why It's Critical to Order Blocks

Displacement is the strong price movement away from an order block, confirming that the institutional side has gained control in that direction. Displacement often indicates a break of structure, where price has swept previous liquidity and is now moving decisively in one direction.

Identifying Displacement on 15-Minute and 3-Minute Charts:

- **15-Minute Displacement**: This usually appears as a large impulsive candle with minimal wicks, breaking previous highs in a bullish move or previous lows in a bearish move.
- **3-Minute Displacement**: This can serve as confirmation when price revisits the 15-minute order block and shows a smaller but sharp move in the intended direction, indicating that the order block is respected on multiple levels.

Displacement adds conviction that the order block is more than just a temporary support or resistance level. It's an area that smart money uses to shift the market, setting up a potential high-probability trade.

**I don't see strong displacement on the 15m chart using the time example in previous chart markups. However, this looks like displacement to me.

And here on the 3m chart:

4. How to Trade an Order Block with Displacement

Once the order block and displacement have been confirmed, you can enter the trade with a strong setup and clearly defined risk.

Example Trade Setup in a Downtrend:

1. **Identify a Bearish Order Block on the 15-Minute Chart**:
    - Find the last bullish candle before a sharp downward move. Ensure there's a clear displacement afterward, signaling institutional selling.
2. **Wait for Price to Return to the Order Block**:
    - Be patient and wait for price to pull back up into the order block. Rushing into trades can lead to false entries, so waiting for this pullback is essential.
3. **Drop Down to the 3-Minute Chart for Confirmation**:
    - Once price enters the 15-minute order block zone, look at the 3-minute chart. Confirm the setup by watching for a smaller bearish displacement on the 3-minute, such as a sharp rejection or a bearish engulfing candle.
4. **Execute the Trade**:
    - Enter the trade once price shows a sign of rejecting the order block on the 3-minute chart.
    - Set your stop loss just above the high of the 15-minute order block, managing your risk within the zone.
5. **Manage the Trade According to Quantified Ante Principles**:
    - Use Quantified Ants's recommendation of taking partial profits at nearby liquidity zones, such as the previous lows, and consider moving your stop loss to break even after hitting the first target.

Example Trade Setup in an Uptrend:

1. **Identify a Bullish Order Block on the 15-Minute Chart**:
    - Locate the last bearish candle before a strong bullish move (upward displacement). Ensure there's a displacement move following this candle that breaks previous highs.
2. **Wait for Price to Pull Back to the Order Block**:
    - Allow price to return to the 15-minute bullish order block, showing patience for a retracement.
3. **Confirm the Entry on the 3-Minute Chart**:
    - Once price enters the order block zone, look for a bullish rejection on the 3-minute chart, such as a bullish engulfing candle or another displacement move upward.
4. **Execute and Manage the Trade**:
    - Enter when price confirms the rejection in the order block.
    - Place a stop loss below the low of the 15-minute order block and consider partial profits as price approaches nearby highs or liquidity pools.

Summary and Key Takeaways

- **Identify the 15-Minute Order Block**: Look for the last up candle before a sharp move down (bearish) or the last down candle before a sharp move up (bullish).
- **Confirm Displacement**: Ensure there's a strong, sharp move away from the order block, confirming that smart money is active in this zone.
- **Wait for Price to Return to the Order Block**: Be patient and allow price to revisit the order block for a potential entry.
- **Fine-Tune on the 3-Minute Chart**: Use the 3-minute chart to confirm the trade setup by looking for price rejection within the order block zone.
- **Set Tight Risk Parameters**: Place the stop loss just outside the order block to control risk, and use liquidity levels for profit-taking.

Following this method will help put you on the path of becoming a Quantified Ante Trader, a professional! You will trade with a higher probability of success, aligning with the institutional order flow and protecting yourself against unnecessary risk. By applying our approach to order blocks and displacement, you will improve their entries, stay in sync with smart money, and manage trades with a structured approach.

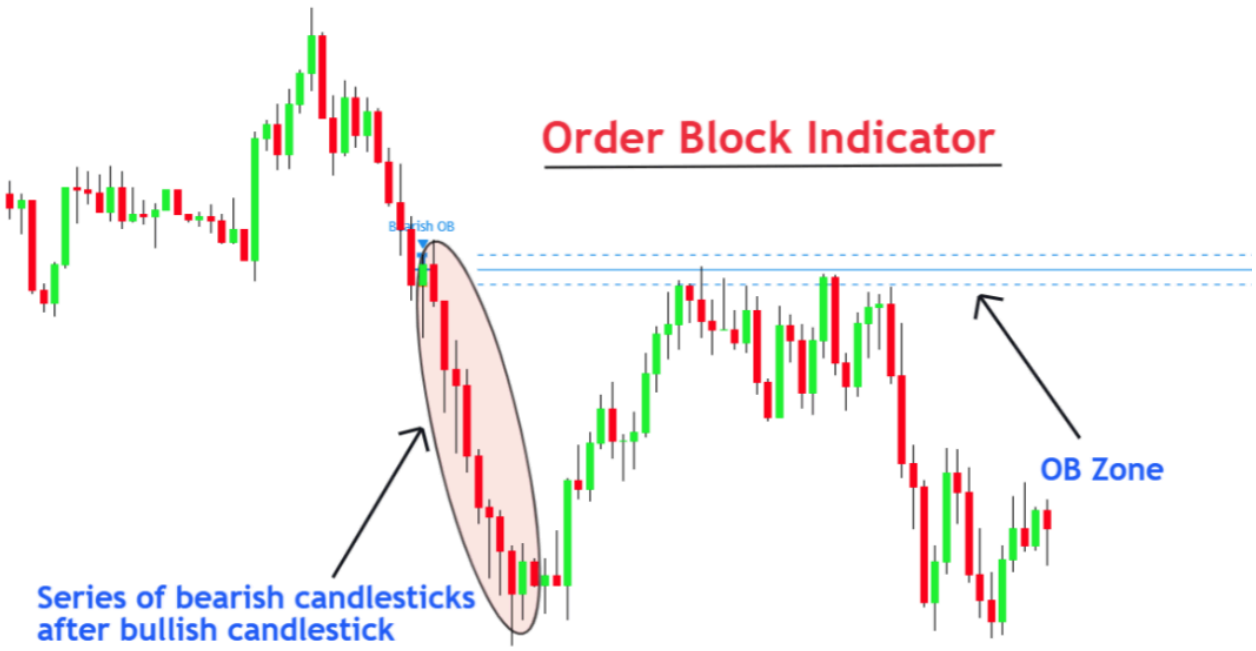
Keep in mind that this lesson on Order Blocks and Displacement is only one component of the overall Quantified Ante application of Smart Money Concepts.

Trading Order Blocks and Breaker Blocks - Assignment

This assignment has been for the Quantified Ante Community Members, who are interested in learning more about Order Blocks and how to trade Breaker Blocks (one of our favorite trades in the bag to use when they appear). This assignment will be focusing on actionable insights and practical examples for trading Order Blocks and Breaker Blocks effectively.

It expands upon the earlier lesson provided named: **Order Blocks and Displacement - The Beginning of a Learning Journey** (which I have copied in the text here in case you missed it).

Here is a general view of how to find an Order Block and have it confirmed with displacement to then give you an OB Zone in which the institutional order exists that market makers (governed by the algorithm organizing the overall market) will work to satisfy.



Trading High-Probability Order Blocks

Key Principles

- **Order Blocks** represent areas where institutional traders place significant orders, creating a base for price reversals or continuations.

- **Breaker Blocks** are failed Order Blocks where the price retraces and moves in the opposite direction, turning resistance into support or vice versa.

Strategy for Trading Bullish Order Blocks

Steps to Follow

1. **Bullish Price Action with Sell-Side Liquidity Sweep**
   Look for a phase where the price sweeps below recent lows, indicating a liquidity grab by smart money.
2. **Price Shift with Fair Value Gap Formation**
   Identify a new high formed after the sweep. A **Bullish Fair Value Gap (FVG)** often overlaps the Order Block, adding confluence. These gaps represent inefficiencies in price movement where the price is likely to return.
3. **Entry at the Fair Value Gap Tap**
   Enter when the price taps into the first FVG within the Order Block. This tap confirms institutional intent. Place:
   - **Target:** Above buy-side liquidity (previous highs).
   - **Stop-Loss:** Below the Order Block or the bottom of the FVG for reduced risk.

Your assignment is to share some charting in where you identified and narrated the setup.

Strategy for Trading Bearish Order Blocks

Steps to Follow

1. **Bearish Price Action with Buy-Side Liquidity Sweep**
   Observe the price sweeping above recent highs, signaling a liquidity grab.
2. **Price Shift with Fair Value Gap Formation**
   Following the sweep, identify a **Bearish FVG** overlapping with the Order Block.
3. **Entry at the Fair Value Gap Tap**
   Enter at the first FVG tap:
   - **Target:** Below sell-side liquidity (previous lows).
   - **Stop-Loss:** Above the FVG or the Order Block's upper boundary.

Your assignment is to share some charting in where you identified and narrated the setup.

Trading Breaker Blocks

Breaker Blocks represent failed Order Blocks that become effective in the opposite direction.

Bullish Breaker Block Setup

1. **Bearish Market with Lower Lows and Lower Highs**
   Look for a downtrend where sell-side liquidity is swept.
2. **Shift to Higher Highs**
   Price invalidates the bearish structure, creating a Bullish FVG.
3. **Entry at FVG Tap**
   Similar rules apply:
   - **Target:** Previous highs.
   - **Stop-Loss:** Below the FVG.

Your assignment is to share some charting in where you identified and narrated the setup.

Bearish Breaker Block Setup

1. **Bullish Market with Higher Highs and Higher Lows**
   Identify an uptrend where buy-side liquidity is swept.
2. **Shift to Lower Lows**
   Price breaks down, forming a Bearish FVG.
3. **Entry at FVG Tap**
   - **Target:** Previous lows.
   - **Stop-Loss:** Above the FVG.

Your assignment is to share some charting in where you identified and narrated the setup.

Understanding Standard Deviation Levels in the Context of how QA applies them to SMC

Good day Quantified Ante Traders! Let's take some time to explore how **Standard Deviations** are applied within Quantified Ante's use of the Smart Money Concepts (SMC) framework.

Standard deviations offer a powerful way to map market behavior, in what you will hear us refer to as Price Action, helping Quantified Ante Traders anticipate price reactions at statistically significant levels. In our use of the SMC methodology, the standard deviations from -6 to +6 provide a range within which price action is analyzed for potential **retracements**, **reversals**, or **continuations** - particularly around the critical levels of ±4, where liquidity often resides and is being targeted by the underlying Algorithm working to balance order flow.

Let's get started with a detailed breakdown of how standard deviations are used by Quantified Ante Traders, what they represent in terms of liquidity and price action, and how they can be integrated into your daily futures trading (or any other instrument / asset class that is governed by order flow through market markers).

1. Understanding Standard Deviation Levels in the Context of SMC

Standard deviations measure the distance of price movement from a **mean** or **average level**, typically over a selected period. In a financial context, each standard deviation represents how far price is deviating from this central mean, with **higher deviations** indicating **stronger directional movement**.

- In **SMC**, standard deviations are used not just as static levels but as dynamic zones where **liquidity**, **imbalances**, and **institutional interest** are likely to interact with price.
- The **range that Quantified Ante Traders apply to their Charts is from -6 to +6** standard deviations, which reflects zones that encompass different probabilities of price retracement or continuation. For example, as price reaches ±4 or beyond, it's statistically more extended, meaning it's either in an area of strong institutional movement or approaching an overextended zone ripe for a reversal or retracement.

2. Key Standard Deviation Levels in SMC

±1 and ±2 Standard Deviations: Near the Mean

- These levels are closest to the mean and indicate **normal price fluctuations** within a stable trend.
- In our view, these zones may hold liquidity but do not necessarily represent major areas where institutional moves or liquidity grabs occur.

±3 Standard Deviations: Stronger Institutional Interest

- By the time price reaches the ±3 level, there's often a noticeable shift in market sentiment or liquidity grab.
- Institutional traders may start positioning as price nears ±3 standard deviations, anticipating a move toward more extreme deviations (e.g., ±4) for a liquidity sweep or reversal.

±4 Standard Deviations: Critical Liquidity Zone

- At Quantified Ante we emphasize ±4 as a **key zone** where **liquidity sweeps** are likely, making it an ideal level for observing potential reversals or continuation setups.
- When price reaches ±4, it has typically moved far from the mean, meaning either a **significant institutional push** is happening, or price is approaching an area where a reversal could occur to bring price back toward equilibrium.

±5 and ±6 Standard Deviations: Extreme Price Movements

- The ±5 and ±6 levels are rarely reached but represent extreme extensions. These levels signal that price is heavily overbought or oversold, and **mean reversion** is highly probable.
- In SMC as applied by Quantified Ante, these levels suggest an imminent liquidity event, with smart money potentially ready to reverse the trend to capture liquidity pools that have formed around these areas.

3. How to Use Standard Deviation Levels in Daily Futures Trading

Applying standard deviation levels in futures trading involves observing how price interacts with these statistical boundaries. Here's a step-by-step approach:

Step 1: Mapping Standard Deviation Levels on the Chart (Manually)*

- Begin by plotting the standard deviations from -6 to +6 based on your selected timeframe. In daily trading, **3-minute**, **5-minute**, **15-minute** and **1-hour charts** often work best for observing standard deviation behavior in futures markets.
- The mean (0 deviation) acts as a pivot, while each deviation level marks areas where price has statistically significant chances of retracing or extending further.

* As all Quantified Ante Traders know we have developed our own Script that automatically applies Valid as well as In-validiated SD zones. So while you are not required to manually plot on your chart, it is a skill set that you may want to learn & practice as to where to place the SD tool is a skillset in and of itself.

Step 2: Observing Price Action Near ±4 Levels

- Pay special attention to price as it approaches the **±4 levels**. This is where smart money often seeks liquidity by sweeping highs or lows.

- If price approaches +4 or -4 with strong momentum, smart money may be pushing price to reach resting liquidity, which often leads to sharp reactions (reversals or continuations).
- For example, if price reaches +4, institutional traders may take profits or start positioning for a reversal, while retail traders may enter long positions, creating liquidity that smart money can absorb.

Step 3: Identifying Liquidity Sweeps and Price Reactions

- Watch for **wicks, long candles, or reversals** near the ±4 levels. Price frequently reacts at these levels because liquidity (e.g., stop losses or pending orders) is triggered, leading to potential reversals.
- In practice, if price approaches the +4 deviation with a strong uptrend, you might see a **reversal setup** if price suddenly rejects or wicks off this level, signaling that smart money is absorbing liquidity and potentially preparing for a reversal or retracement.

Step 4: Confirmation Using "QA Components" for Confluence

- Using the core concepts of **order blocks**, **break of structure (BOS)**, and **fair value gaps (FVGs)** assists astute Quantified Ante Traders to confirm bias when price interacts with ±4 levels.
    - **Order Blocks**: Near ±4 deviations, identify the last up or down candle as an order block. If price respects this level after a liquidity sweep, it indicates a high-probability reversal.
    - **BOS**: A break of structure near ±4 can signify a change in trend, especially if price breaks previous highs or lows around this deviation level.
    - **FVGs**: Price often returns to fill FVGs created near ±4 deviations, offering entry points as price retraces toward mean levels.

Step 5: Executing of a Trade - as an Example

- If price has reached a ±4 level and shows signs of reversal or continuation, enter based on the knowledge and tools.
    - For **long entries** at -4, wait for confirmation like a BOS to the upside or an order block to form.
    - For **short entries** at +4, look for bearish confirmations like a break of the most recent low or bearish order block.

In relation to the Specific Question about the ±1.5 SD Level

In how Quantified Ante applies Smart Money Concepts, the **±1.5 standard deviation level** is viewed more as a **retracement zone** than a reversal point. Price action at ±1.5 often signals a pullback within the current trend, giving us (SMC traders) an opportunity to **align with the prevailing institutional direction** rather than anticipating a full reversal. Here's how Quantified Ante Traders typically interpret and approach this level:

1. Context of the ±1.5 Standard Deviation in SMC

- **Retracement vs. Reversal**: The ±1.5 level generally marks an area where price is simply retracing, or "cooling off," before potentially continuing in the direction of the main trend. It's not as statistically extended as higher deviations like ±3 or ±4, where price may be overbought or oversold, so the expectation at ±1.5 is for **price to find support or resistance** and then resume the prevailing trend.
- **Liquidity Dynamics**: This level is often where smart money accumulates or adds to positions within the current trend, as it aligns with an area of consolidation rather than exhaustion. It's also a level where retail traders might anticipate a full reversal, but Quantified Ante Traders understand that institutional players may use this zone to reinforce their positions.

2. SMC Strategy at ±1.5 Standard Deviation Level

Since we are SMC traders, the ±1.5 level presents a retracement opportunity, and we will often look for confirmation that the trend will continue. Here's how this strategy is typically implemented:

In an Uptrend (Retracement at +1.5)

1. **We Wait for Price Action Confirmation**:
    - As price retraces to +1.5 in an uptrend, Quantified Ante Traders expect this level to act as a minor support zone.
    - We look for price action patterns that indicate bullish continuation, such as bullish engulfing candles, smaller pullback candles, or signs of institutional buying interest around this area.
2. **We Use Order Blocks and Fair Value Gaps (FVGs)**:
    - Quantified Ante Traders will also identify **order blocks** just below the +1.5 level, where smart money has previously stepped in to support price. If price respects this order block and bounces back up, it confirms the strength of the uptrend.
    - **Fair value gaps (FVGs)** can also appear at or near +1.5 as price retraces. We watch for price to fill any nearby FVGs before continuing upward, seeing this as an opportunity to buy within the trend.
3. **We Entry**:
    - If the market confirms continuation with bullish structure, Quantified Ante Traders traders might enter a **long position** around +1.5, using a tight stop-loss below the recent low or order block to manage risk.
    - This entry aligns with the uptrend, aiming to capture the next leg higher without anticipating a reversal.

In a Downtrend (Retracement at -1.5)

1. **Confirmation of Bearish Continuation**:

    - In a downtrend, the -1.5 level is a zone where price may find temporary resistance before continuing lower. Quantified Ante Traders look for bearish signs like a rejection candle, bearish engulfing patterns, or other price action confirming that sellers are still in control.
2. **Order Blocks and FVGs for Short Positions**:
    - If there's an **order block** above the -1.5 level, it can act as a resistance level where smart money may add to short positions. A clear rejection of this order block reinforces the downtrend.
    - An **FVG** near -1.5, if present, can also provide entry signals. Price might fill this gap on the way back down, giving us a point of entry that aligns with the continuation of the downtrend.
3. **Entry Strategy**:
    - Once bearish continuation is confirmed, Quantified Ante Traders may enter a **short position** around -1.5, placing a stop-loss above the recent high or order block to cap risk.
    - This approach focuses on trend alignment, using -1.5 as a retracement entry point rather than waiting for a reversal.

3. Why the ±1.5 Level Is Useful for Retracement Entries

The ±1.5 standard deviation level offers Quantified Ante Traders a unique advantage as it:

- **Aligns with Trend Continuation**: Since price hasn't reached extreme levels (like ±3 or ±4), the ±1.5 level is more likely to hold as a retracement, not an exhaustion point.
- **Balances Risk and Reward**: Entering near ±1.5 within the trend offers a balanced entry with clear stop-loss placement and solid risk-to-reward potential. Traders are able to join the institutional flow without committing to a high-risk reversal.

In essence, we see ±1.5 as an "institutional price zone" where retracements often provide opportunities to join the main trend. This approach minimizes the likelihood of being caught in a reversal and instead focuses on capturing trend momentum with confidence that smart money is supporting price direction.

Now let's move to some trading examples using Nasdaq Futures …

Example in Practice: Trading Nasdaq Futures with Standard Deviations

1. **Mean Level (0)**: Price is trading close to this level, indicating consolidation or a potential range.
2. **Approaching ±3 and ±4 Levels**:
    - As price trends upward and reaches +3, look for momentum to increase. If price breaks to +4, this is a cue to closely monitor for potential reversals.
    - At +4, if a reversal occurs with a BOS or FVG confirmation, this could signal an opportunity to short, with the expectation that price may retrace toward the mean or lower deviation levels.
3. **Using +5 and +6 for Extreme Moves**:
    - If price reaches +5 or +6, expect high volatility. Here, mean reversion is highly probable as price is extremely overbought or oversold, making a reversal more likely.
    - In this scenario, if price reverses with strong confirmation at +5 or +6, the target could be set back toward +3 or the mean for a more extended retracement.

In Smart Money Concepts, the **±1.5 standard deviation level** as we noted above is indeed viewed more as a **retracement zone** than a reversal point. Price action at ±1.5 often signals a pullback within the current trend, giving SMC traders (Quantified Ante Traders) an opportunity to **align with the prevailing institutional direction** rather than anticipating a full reversal. Here's how we typically interpret and approach this level:

Wrapping up the Tape …

In our daily futures trading, using standard deviations from -6 to +6 allows Quantified Ante Traders to see where institutional activity may be driving price and where liquidity events are likely to occur. By observing price interactions at key deviations, particularly ±4, traders can anticipate whether price will continue trending or reverse back toward the mean.

Incorporating the other Confluence Tools we subscribe to - such as order blocks, BOS, and FVGs, to name a few - alongside these standard deviation levels provides a structured, probabilistic approach to trading, helping us align with smart money moves and avoid retail traps. This strategy serves as an effective tool for determining high-probability trades and managing risk in dynamic futures markets.

Relationship Between Newer and Older SD Levels

- **Newer SD Levels Reflect Current Market Sentiment**
    - Newer SD levels are generated by the most recent price action and therefore represent the current distribution of volatility and liquidity.
    - These levels tend to align more closely with active institutional interest, making them stronger in the short term.

- **Older SD Levels Retain Relevance If Not Invalidated**
    - Archaic SD levels (those from earlier distributions) remain valid unless price action decisively breaches or consolidates around them.
    - When untouched, these levels act as magnets for price and can lead to reactions due to long-term institutional memory.

Prioritization of SD Levels

Here's how you can decide which levels to prioritize:

- **Extreme Levels *Take Precedence* (+/-4, +/-6 SD)**
    - Extreme SD levels signify areas where price is highly imbalanced, often leading to powerful reversals or continuations.
    - These levels, regardless of their age, are critical as they represent points where liquidity pools are likely resting.
      Example: A +6 SD level from a month ago could hold more weight than a +2 SD level created last week (which is why personally I will, unless invalidated, look back on SDs showing on my chart throughout the overnight and into the close of the NY session just to keep an eye on a potential liquidity pool to note).

- **Newer Levels Within the Current Distribution Are Often More Actionable**
    - These levels provide context for immediate trades since they reflect the present range and active order flow.
    - Use them for how we at Quantified Ante trade intraday, (at some point when we get everyone into "Live" accounts we will introduce not just intraday, but also short-term strategies) especially when the market is consolidating or trending.

How Bias or Preference Comes Into Play (relook at the Determining Bias lesson)

- **Market Context Dictates Bias**
    - In a trending market: Newer SD levels dominate, as they continuously adjust to the prevailing trend.
    - In a ranging market: Both newer and older SD levels are relevant, especially extremes, as price often oscillates between them.

- **Multiple SD Levels: Confluence Matters**
    - If a newer SD level aligns with an older, extreme SD level (e.g., a +2 SD from an older SD overlaps a +4 SD), that confluence adds significant strength.
    - Prioritize levels where multiple timeframes and tools agree.

Practical Action Steps

To make SD levels actionable, Quantified Ante Traders need to follow these steps:

1. **Identify the Range**
    - Determine the range from which the SD levels are derived. Is it a recent consolidation, trend, or a larger distribution (think AMD)? This provides context.
2. **Look how your SDs Levels are being Auto-Drawn the Key Zones we zero in on**
    - Combine SD levels with other SMC tools like Key Levels, Order Blocks, Fair Value Gaps, and liquidity sweeps for higher-probability trades.
3. **Focus on Confluence**
    - Look for overlapping SD levels (new and old) or alignment with key price points like previous highs/lows or institutional reference points.
4. **Trade Extremes with Caution**
    - Extreme SD levels (+/-4, +/-6) are often reversal zones but can lead to continuation if market sentiment is strong. Use additional confirmation like shifts in structure or liquidity sweeps before entering trades.
5. **Adjust as Price Evolves**
    - Continuously monitor which SD levels are being respected or invalidated. Update your analysis dynamically.

No Bias? Look for Validation

If you're unsure which SD level to prioritize:

- Watch how price reacts to both newer and older levels.
- Significant reactions (rejections, consolidations, or breakouts) validate the level and guide your bias.

Wrapping up the Tape …

Both newer and older SD levels have their place, with their relevance determined by the context of the market and their interaction with price. While newer levels often reflect the current trading

environment, older, extreme levels retain power unless invalidated. Confluence between these levels and the various other Quantified Ante SMC tools we are using ensures they become actionable and reliable.

Encourage your "friend" to focus on observing these interactions in real-time and build confidence through diligent practice and sharing noted charts back in the correct Discord channel!

Market Maker Models

MMBM is when we see bullish PA and MMSM is Bearish order flow.

1. **MMBM (Market Maker Buy Model)**:
    - This is a **bullish** market structure where the smart money narrative suggests that price is moving in a way to attract buy-side interest from institutional traders (as remember that is the liquidity that the Algo is moving to/from ALWAYS). In an MMBM, we see **bullish price action (PA)** as the market seeks to push higher. It typically follows a pattern where liquidity is sought out below key lows before a sustained move to the upside occurs.
    - Key features of an MMBM include liquidity sweeps below lows (Brandie, look at the chart you just narrated AHHHHH), followed by a reversal or shift in structure that leads to a bullish trend.
2. **MMSM (Market Maker Sell Model)**:
    - This is a **bearish** market structure where the order flow is aligned to the downside, as smart money targets lower price levels. In an MMSM, **bearish order flow** dominates as institutions position to sell at higher prices before driving the market lower. This often includes liquidity sweeps above key highs, drawing in retail buy orders before shifting downward.
    - Key features of an MMSM include a liquidity sweep above highs, followed by a shift to bearish structure, often signaling a downtrend.

Soooo …

These models help us identify when and where institutions might be positioning to drive price direction, allowing for alignment with smart money concepts such as a Quantified Ante Trained Trader to capitalize on. Remember:

- **MMBM**: Bullish structure, smart money is buying, with price typically moving from low to high (bullish PA).
- **MMSM**: Bearish structure, smart money is selling, with price moving from high to low (bearish order flow).

Relative Equal Price in Relation to Conceptual Support or Resistance - Liquidity Pools

Question …

Would you consider relative equal “price” low resistance or high resistance liquidity?

Highs/lows… looking left of current price action.

Narrative …

As we all know, we Quantified Ante Traders are trading from the platform of Smart Money Concepts (SMC) as refined by our own techniques developed throughout past experiences.

So let’s dive into the idea of **relative equal highs** or **relative equal lows**. These marks represent **liquidity zones** rather than resistance in the traditional sense. As what we are always seeking to trade within is the algorithmic move from one liquidity zone or “pool” to another. As this is how the market makers in an orderly manner balance order flow or what you will hear “books of business”.

Let me dive a but further to illuminate the question under examination …

- **Relative equal highs** and **relative equal lows** are areas where price levels are clustered together, creating liquidity pools. These pools form because many retail traders as well as institutions place **stop-loss orders** and/or **pending orders** respectively around these levels.
- **High resistance liquidity** refers to **relative equal highs**. These highs are areas where liquidity has built up above the current price. This means smart money is likely to target these levels to trigger stop-loss orders placed by primarily retail traders. Once the stops are run (liquidity is "taken"), smart money may reverse or continue the move depending on the broader market structure. This is why we MUST understand how to detect market structure shifts. I will get into that below.
- **Low resistance liquidity** refers to **relative equal lows**. These lows act similarly, but they are below the current price. They represent liquidity resting at those levels in the form of stop-losses for long positions. Smart money may push the price down to trigger those stops, collect liquidity, and then reverse or continue in the intended direction.

Now read into how I framed this above. The market makers will seek the stop loss marks to gain a better price for the order flow that they already have on their books, getting better pricing for their institutional clients and better spreads overall

Key Concepts QA Trader <u>absolutely</u> must know …

- We teache that **liquidity is the fuel** for market movements. Relative equal highs and lows are like magnets that price moves toward because smart money seeks liquidity to execute large orders efficiently.
- Instead of viewing relative equal highs/lows as traditional resistance or support, view them as **liquidity targets**. When price moves toward these levels, it's often a signal that liquidity is about to be tapped, typically triggering a reversal but sometimes a continuation of the move, depending on where liquidity lies beyond the relative equal highs or lows. This is also why we will use multiple confluences to confirm of a trade setup for an A+ entry.

Here is a quick practical example to chew on …

- **Looking Left**: When looking to the left of current price action (lower time frames, 15, 5 and 3), if we see **relative equal highs** above the price, it's likely the market will move up to sweep the liquidity resting above those highs (high resistance liquidity). Conversely, if we see **relative equal lows** below current price, smart money may and typically does push the price down to sweep liquidity below those lows (low resistance liquidity).

Sooooo …

As a Quantified Ante Trader, we see relative equal highs as representation of **high resistance liquidity**, while relative equal lows as representation of **low resistance liquidity**. Both are crucial for understanding where smart money is likely to target for liquidity sweeps, which often precede reversals or major moves in the market. They are not traditional resistance levels but areas where liquidity is likely to be gathered.

Let's now hone on how to determine a Market Structure Shift …

Determining if a **market structure shift (MSS)** has taken place is crucial for Quantified Ante Traders to identify trend reversals or significant changes in the market's direction. In how we use Smart Money Concepts (SMC), a market structure shift signals that smart money has likely shifted its focus, creating opportunities for us to adjust our bias.

Here are the steps that I and thus, WE use to Determine if a Market Structure Shift Has Taken Place …

1. Identify the Current Market Structure:

- First, recognize whether the market is in an **uptrend**, **downtrend**, or **consolidation**. In an uptrend, price forms **higher highs** (HH) and **higher lows** (HL). In a downtrend, price forms **lower highs** (LH) and **lower lows** (LL).
- The structure is important because a market structure shift happens when this pattern breaks down.

2. Look for Breaks of Structure (BOS):

- A **break of structure** occurs when the price violates a previous **swing high** or **swing low**, signaling a potential change in the current trend.
- For example:
    - In an uptrend, if price breaks below the most recent **higher low (HL)**, it signals a possible weakening of the bullish trend and the beginning of a shift to bearish momentum.
    - In a downtrend, if price breaks above the most recent **lower high (LH)**, it indicates the potential start of a bullish reversal.

3. Confirm the Shift with a Retest:

- Once a break of structure occurs, watch for a **retest** of the broken level (previous swing high or low). If the price retests this level and fails to reclaim it, the market structure shift is more likely confirmed.
- For example, if price breaks below a higher low in an uptrend, it may retest this level as **resistance**. If it fails to break back above, this confirms the shift from bullish to bearish.

4. Identify the Change in Order Flow:

- After the break of structure and retest, you should notice a shift in **order flow**.
- In a bearish market structure shift, large bearish candles or an increase in sell-side activity confirm that smart money is favoring shorts. Similarly, in a bullish structure shift, strong buying pressure and bullish order blocks appear after the shift.

5. Watch for Support and Resistance Flipping:

- Another key confirmation of a market structure shift is when previous **support** turns into **resistance** (in a bearish shift), or previous **resistance** turns into **support** (in a bullish shift). This "flip" further validates the change in structure.

I like the following to use as definitions and think it can be used as a good example of a Market Structure Shift in an Uptrend …

1. **Uptrend**: The market has been forming higher highs and higher lows.
2. **Break of Structure (BOS)**: Price fails to form a new higher high and instead breaks below the most recent higher low.
3. **Retest**: Price moves back up to retest the broken higher low but cannot reclaim it, turning it into resistance.
4. **Confirmation**: Large sell-side volume enters the market, and price continues to drop, confirming the market structure shift to bearish.

Sooooo …

A market structure shift occurs when price **breaks the key levels** that define the current trend (swing highs or lows) and is confirmed when those levels act as **new support or resistance**. Recognizing a market structure shift helps Quantified Ante traders adjust our bias from bullish to bearish (or vice versa), positioning us on the right side of the market and aligning with smart money movements as they are unfolding real-time.

Dollar Cost Averaging

Would you dollar cost average to improve the probability of making a losing trade a winning trade?

Narrative …

As we all know, we Quantified Ante Traders are trading from the platform of Smart Money Concepts (SMC) as refined by our own techniques developed throughout past experiences. As a result, we always want to make sure we are using the most ideal methods of managing trades, especially trades that are working against our entry thesis.

Why Dollar Cost Averaging in Unfavorable Trades is Counterproductive

1. **Averaging Down Distorts Risk Management**:
    - Smart Money Concepts, as we have refined them, emphasize strict risk management. Dollar cost averaging (DCA) into a losing position means continuously adding risk to a trade that has already shown signs of invalidation. So instead of jumping to DCA into a position, we first need to understand what invalidations have presented themselves to us real-time on our charts. So step 1 is always to first check what did we maybe miss? As remember, we are not teaching “scalping” but rather patient entry and long-hold time frames, which will give us maximum benefit from the discipline we have worked so hard to master.
    - Bear in mind that each additional entry compounds risk, making it harder to manage the trade within your planned risk limits. By doing this, we will often exceed our acceptable risk tolerance, which we simply DO NOT DO, as Quantified Ante traders simply do not put our accounts at serious risk. We are calculated, patient and risk averse because we are so refined in our technique. Meaning we simply do not need to put our accounts at serious risk since there will be another setup that is prime within a very short time horizon.
2. **It’s a Form of Emotional Trading**:
    - When traders average down, they often do so hoping the trade will eventually turn profitable, despite the market telling them otherwise. This type of trading is rooted in emotional attachment to the trade outcome rather than objective analysis. Since Quantified Ante traders are analytical traders, we have to work extremely hard never to emotionally trade.
    - Quantified Ante’s Smart Money approach teaches us as professional traders to follow **logic, structure, and institutional behavior** rather than emotions. By adding to a losing position, a trader is essentially letting fear and hope drive their actions, which leads to irrational decision-making.
3. **The Market is Showing a Bias Shift**:

- Dollar cost averaging into a losing position ignores one of Quantified Ante's critical concepts: **market structure shifts and liquidity targeting**. If a trade moves against the initial bias, it is often a sign that smart money has shifted focus, targeting liquidity in the opposite direction. So always be mindful that structure and liquidity are our trading bible we operate by. If you find yourself chasing poor entries and wanting to DCA to attempt to "turn a trade green" then stop trading, go back to do your homework on how to target liquidity more effectively.
- Professional traders (the Quantified Ante Community) recognize these cues and adapt by reassessing the position, not doubling down on it. Adding to a losing trade disregards the message from the market and assumes it will "go back" in the original direction, which is rarely reliable. Let's stay disciplined in every single trade!

4. **Averaging Down Reduces Flexibility**:
    - By adding to a losing position, we would be bringing on more leverage in or a cash account tying up more capital into a single trade that violates our initial position sizing we calculated prior to entering the initial trade, something we do not want to do as we break our financial boundaries we initially set, which is a very slippery slope and can quickly lead to seriously damaging an account. We never want to lose our ability to act on new, higher-probability setups, we simply recognize a poor trade decision, let it work to our predetermined parameters and prepare for the next A+ entry. We do not want to miss more favorable opportunities because we get enamored to "save" the initial trade.
    - Here are Quantified Ante we emphasize working with the **highest-probability trades** in alignment with the market's current structure and liquidity flow. Capital allocation should remain dynamic and flexible, not locked into hope trades.

5. **Misinterpretation of Institutional Strategies**:
    - Some traders mistakenly believe that averaging down mirrors institutional trading tactics. However, smart money operates with vast liquidity, long-term capital, and complex strategies that retail traders like us simply cannot replicate the pools of capital certain institutional trade desks operate with, so we just do not even try to pretend.
    - At Quantified Ante we teach to recognize smart money's footprints and follow rather than attempt to imitate institutional trade management directly. Averaging down is not aligned with these teachings and can be disastrous for us since we do not trade with institutional-level capital.

Best Practices for Managing a Trade That Isn't Going as Expected

OK, so enough of what not to do, let's make sure that we look at What To Do …

1. **Accept the Premise of "Stop Loss for Protection"**:
    - A stop loss is more than a line in the sand - it's a disciplined exit that prevents minor losses from becoming major ones. When price action signals that your bias was incorrect, respecting your stop loss is the first, best course of action.
    - Quantified Ante traders realize that every trade has a degree of risk, and the stop loss protects against outsized risk. Adjusting stop losses strategically rather than adding to losing positions will preserve capital and reduce emotional strain.

2. **Reassess the Trade with an Objective Eye**:
    - If a trade moves against your initial bias, pause to **reevaluate the structure and liquidity**. Ask yourself if the shift aligns with a new market structure or liquidity sweep that you initially overlooked.
    - If there is a new, high-probability setup that aligns with your bias, consider re-entering at a more favorable level rather than averaging down. By staying flexible, you adapt to the market's current story instead of sticking to a faulty narrative.

3. **Utilize Break-Even Stops and Partial Profit-Taking**:
    - When a trade moves in your favor initially but starts to pull back, consider using a **break-even stop** to lock in a risk-free position. This allows the trade to unfold while minimizing potential loss if the market reverses.
    - Remember the Quantified Ante approach, is to take partial profits at key liquidity zones as a smart way to manage profitable trades. This reduces risk exposure and prevents the need to "salvage" a trade if the market turns.

4. **Look for Higher-Probability Re-Entry Points**:
    - Instead of averaging down, wait for the market to reach a more favorable level - such as a **fair value gap** or **order block (order block teachings are in a separate lesson as please please do not look elsewhere for order block teachings, learn how Quantified Ante Traders identify and use Order Blocks)** that aligns with your original analysis. If the market structure still supports your bias, re-enter with a smaller position size at these higher-probability zones.
    - By waiting for these levels, you're following our teachings to let price come to you rather than chasing a trade.

5. **Stick to a Trade Journal and Review Mistakes**:
    - Keeping a trading journal allows you to objectively review each trade, including those where dollar cost averaging was tempting. Noting why a trade went against your bias, and how respecting your original stop loss preserved capital, can help break the habit of averaging down.

- Reviewing trades helps build discipline, aligning with ICT’s emphasis on continual learning and refining of trading psychology.

Lagging Indicators

Why Quantified Ante - Professional Traders, as that is what you are becoming - Do Not Use EMA or Similar Indicators in our approach to Smart Money Concept trading

1. **We Focus on Real-Time Price Action**:
    - QA's refinement of Smart Money Concepts is centered on reading the footprints of institutional activity directly from price action rather than lagging indicators. EMAs, like other moving averages, are based on past price data, which can delay signals in fast-moving markets and sometimes misalign with institutional moves.

2. **Reliance on Institutional Price Levels**:
    - Through our Mentors & Moderators, we aim to teach our Traders to focus on levels where institutions place their orders, such as **order blocks**, **liquidity pools**, and **fair value gaps (FVG)**, which are specific price levels derived from real-time price structure rather than derived from an indicator calculation. These levels often yield more reliable information on potential reversals or trend continuations than an EMA, which smooths price data over time.

3. **Emphasis on Market Structure and Liquidity Concepts**:
    - Our concepts rely on market structure shifts (MSS), break of structure (BOS), and liquidity sweeps, focusing directly on how smart money positions itself within the market. EMA-based strategies can obscure these core concepts by adding additional factors that don't align directly with institutional price action.

4. **Quantified Ante's Approach to Trend Recognition**:
    - Instead of using moving averages to determine trends, we are preparing to teach our Traders to recognize trends by identifying **higher highs and higher lows** in uptrends and **lower lows and lower highs** in downtrends. This approach keeps traders aligned with market structure, allowing them to read price action accurately without relying on an EMA or any other moving average indicator.

NOW, let me make this note for everyone, as you may see EMA in other Smart Money Concept teachings outside of Quantified Ante's Trading Platform

While **WE DO NOT** include EMAs as a tool in our teachings, some traders outside of QA in the overall universe of Smart Money trading occasionally add an EMA as a secondary tool for general context or trend orientation. For example, a 50 or 200 EMA might be added by some traders to give a sense of the long-term trend on higher timeframes. However, this is purely a supplementary addition and **is not part of what we will be teaching you, as we do not want to lean on stale data when it comes to reading real-time price action**.

Soooo …

Using an EMA is not necessary and, in fact, is outside of our refined approach to Smart Money Concepts. Instead, Quantified Ante will always focus our Traders on price action tools and market structure that are directly influenced by institutional trading behavior. As a Quantified Ante trader (and once the Academy is live, you will be a Certified Quantified Ante Trader) you will be learning and applying SMC as we intend, and that is to rely on the foundational concepts - order blocks, liquidity zones, BOS, MSS, and displacement - and keeping our charts as uncluttered as possible to observe institutional behavior clearly.

Account Padding

$50K Padding Strategy (notes on $150K below):

Week one - two is for trading 1 contract per trade to mentally adjust to the notion you are no longer in a “combine.”

Seek 2-3 trades per session, do not overtrade, build the discipline of using the indicators combined with the known macros (as time of session becomes truly your friend to enable you to consistently profit) … allow the market to come to you and do not force your will on the market under the premise of wanting to grow / earn a payout.

You want to be accomplishing $250 - $300 days consistently for a solid 2-3 weeks, ensuing you are dialed in with setup identification and risk management. Don’t throw away the “funding” of your account work that you have just completed.

I typically like to see a month of solid performance under the belt before moving to 2 contracts. When ready (you will know so as long as you are journaling), move to 2 contracts. Again there is just no need to rush as in 6 months when you are pulling consistent cash from the futures market you will be thrilled you were patient and not going from funding to blowing and back again.

We like to next build to a $10,000 padding trading just 2 contracts and after the first month to two I am seeking $500 to $1,000 days, so $10,000 in profits is not a large target. When Thomas and I began this, it took about 4-5 months to get here as we did make a handful of mistakes while solving for the best formula. That being said, I would not be disappointed if it took 3-4 months to get there, as risk management is more important than big days at this stage.

Once you hit $11,500, withdraw $1,500 as it makes it is now “real” now.

Sitting at $10K now, move to 3-4 contracts per trade and sit at this lot size until you are at $25,000. This is where you start to ensure that mentally you are fine with seeing target numbers on the screen while waiting for your TP as well as not fretting when it is moving to your SL. I want you to begin to truly look at the screen not like $ but rather just a figure which allows for you to take meaningful emotion out of the experience (anyone that tells you, you will get to full “emotionless” trading is lying to you, your goal is to just minimize emotion).

Once at $25,000 I am preparing to move to a $100,000 balance and taking out payouts of $5,000. When mentally there, for every $15,000 in profit I pull $5,000 and in that equation. You will know when you have a good grasp of the work (treat it as a professional would, it is work) and ready for $15,000+ gross profit days.

Here is where I truly crossed the chasm and begin seeking 1-2 trades max between 5 got 10 contracts depending on my bias conviction, with really long hold times (I will also just sit a day out if my setup does not show itself, as I am comfortable that the market will be there tomorrow, etc.), some even being the entire day from the AM macro. Very challenging mentally, as you will be up $10,000+ in a position, watch it draft back to up $2,000 to finish up $15,500. This is where it really compounds. Thomas very rarely shows you his trade results and I never do (as we have learned from early experiences that causes certain ones in the community to over trade and rush the process since our accounts are more seasoned and the lot sizes are larger so many start comparing apples to oranges), but trust that above is not hypothetical. And that is not what this is about, this is about building an educational platform for you all to succeed beyond you imagination, rather than an ego show of success.

At some point depending on your consistency, you will be presented with a Live Account option … that is something that we can further discuss when you get there. As there are other ideas to pursue such a multiple account linkage, etc.

NEXT:

$150K padding strategy is the $50K simply multiplied by 2 … I would not multiply for 3 just because it is three times larger. I like the $150K and the $50K accounts. When you get to linking we will further discuss what is optimal then for that strategy.

NOTE: APEX has interesting “draw-down” thresholds so always be mindful of them post funding to ensure you get out of their preliminary configurations which are a bit of a trap. Once pas that then it will be easier to scale in a manner with more breathing room.

Profit Targeting

Apex has a two-stage structure you should be familiar with. All evaluations are subject to a trailing drawdown, which I assume you're already acquainted with. For a funded account, using a 50k account as an example, the trailing drawdown remains in place until you grow the account by $2,600. Once you achieve this threshold, the trailing drawdown no longer applies.

Understanding the implications of trailing drawdown is crucial because it impacts your risk management strategy. If you're operating in an evaluation phase or have a funded account with an active trailing drawdown, you'll need to adjust accordingly. This often means securing profits sooner and minimizing partial exits from trades. Even when you move your stop loss to breakeven, it still counts against the drawdown, inching you closer to risking the account.

Addressing Your Questions:

- Set a limit order for all 5 at 10 points? Stop at 5 or 10 points?
- Set a limit order for all 5 at 15 points? Stop the same as above.
- Set a limit for 4 contracts at 10 or 15 and leave a runner. Stop same as an above. Something else?

You can certainly manage risk using fixed risk-to-reward ratios, ensuring that your potential rewards justify the risk - for example, risking $1 to earn $2 or $3 (2:1 or 3:1 ratios).

Another approach is to assess the trade setup on the charts and define a point of invalidation, such as the base of a Fair Value Gap (FVG), an Order Block, or a liquidity pool. If your point of invalidation is 15 points from the entry, and you wish to risk $300, you can calculate your position size accordingly. For example, since 1 point on the NQ is equivalent to $20, trading one mini contract would mean a 15-point stop loss equals $300 (15 * 20 = $300). If you prefer to risk less than $300, consider using Micros (MNQ), which equate to $2 per point. Micros also give you the flexibility to scale out of trades incrementally if needed.

When setting your profit targets, make sure they align with your risk parameters. Identify the next liquidity pool and assess whether the trade has enough potential to yield at least a 2:1 risk-to-reward ratio or better (without limiting yourself unnecessarily).

If you've reached a point where trailing drawdown is no longer a factor, aim for your predefined profit targets based on the chart structure. You can then leave runners with your stop loss moved to breakeven, attempting to maximize the trade. It’s generally a good idea to take 50% to 80% of your original position at your first target and let the remainder run. I hope this clarifies things.

If you have more questions or need further explanation, feel free to reach out or bring it up during stage time or in the pits with our moderators.

Determining All-time High

For trading Nasdaq futures, especially if we are looking for the **all-time high** (ATH), using the **continuous contract** (symbolized as NQ1! on platform Quantified Ante Traders use - TradingView) is the best option I find.

The continuous contract compiles data across all contract expirations, giving a comprehensive, AND uninterrupted historical price record. This view provides Quantified Ante Traders a more accurate representation of key levels, like the all-time high, than you'd get from individual quarterly contracts, which only capture a specific segment of the trading year.

Why Do We Use the Continuous Contract for All-Time Highs?

1. **Comprehensive Price Data**: The continuous contract seamlessly stitches together each quarterly contract's data, so it reflects the highest prices achieved across the entire market history of the Nasdaq futures, regardless of quarterly expirations.
2. **Consistency in Analysis**: Since the continuous contract isn't limited by the expiration of quarterly contracts, it shows price levels based on the Nasdaq 100's uninterrupted trading. This makes it ideal for identifying significant levels like all-time highs, which can serve as key reference points for support, resistance, and trend analysis.
3. **Adjustments for Rollovers**: Platforms like TradingView adjust for contract rollovers in the continuous contract, ensuring the historical price chart remains accurate even as contracts expire. This allows for a more accurate all-time high level than you'd see on individual quarterly charts, which may show slight variations due to these rollovers.

Confirming the All-Time High on the Continuous Contract

As of this writing, the continuous contract shows an all-time high at **21,213**. This level would be a reliable benchmark, since our charting platform (TradingView) is set to adjust for rollover and back-adjustment.

Sooooo ….

YES, using the **continuous contract** to determine the all-time high is the most accurate and reliable approach, especially for Nasdaq futures. This allows you to track the highest price level achieved across all contract periods, giving you a key level that most professional traders reference in their analysis.

Smart Money Concepts (SMC) + Expected FAQS + Responses to Questions

Summary

This Brief was created to serve as a reference tool for the QA Training & Leadership Team within our Community.

As our QA Members progress through learning Smart Money Concepts (SMC) and the refined strategies that Quantified Ante is morphing into our very own discipline, they have questions - **all throughout the day -** that require both foundational knowledge and a nuanced understanding of advanced trading concepts.

This document equips all of us with quick, accurate definitions and responses, ensuring we can confidently address QA Member questions, support their learning, and reinforce our community's reputation for an expertise that is category leading.

By providing clear definitions, FAQs, and suggested responses when answers are not immediately known, this Brief is designed to empower QA Training & Leadership Team to guide our Members effectively, even as they continue to deepen their own understanding. It ensures that we not only have reliable content to reference but also embody our values of precision, encouragement, and ongoing growth.

Ultimately, this resource strengthens the consistency and quality of mentorship across the community, enhancing each QA Member's learning journey.

Terminology Defined

Please note that we will be re-naming certain "terms" for example, SIlver Bullet will be named Exploit as we roll out our Academy and Predictive, but for the short term our Members are going to be asking "what does this mean", "I heard this", "Can you explain that", etc. So the following is a wonderful primer to reference:

Liquidity

- **Definition**: Zones in the market where stop losses accumulate, often targeted by institutional traders. Common liquidity areas include trendline liquidity, previous highs/lows, and equal highs/lows.

Fair Value Gap (FVG)

- **Definition**: A price imbalance between candles where there is no overlapping of wicks or bodies. Price often revisits these gaps to fill them, aligning with smart money seeking to rebalance.

Order Block (OB)

- **Definition**: The last bullish or bearish candle before a significant move in the opposite direction. Considered a zone of supply or demand created by institutional orders.

Displacement

- **Definition**: A sudden and sharp movement in price, often driven by institutional involvement, which breaks through a significant level of market structure (like a high or low). Displacement indicates strong momentum and can suggest a potential direction for the market as it shifts liquidity or fills imbalances. Traders use displacement as a signal of where smart money may be moving.

Breaker Block

- **Definition**: A reversal block where price breaks through a previously respected zone, often used for entries after a failed liquidity grab.

Equilibrium

- **Definition**: The 50% midpoint of a range, typically calculated using a Fibonacci retracement. Traders look for reactions here to gauge continuation or reversal potential.

Premium and Discount Zones

- **Definition**: Derived from the equilibrium point in a range. Above equilibrium is the premium zone (favorable for selling), while below is the discount zone (favorable for buying).

Mitigation

- **Definition**: The process where smart money returns to previously untested order blocks to fulfill unfilled orders, allowing for entry opportunities.

Institutional Candle (IC)

- **Definition**: Candles that indicate the presence of smart money involvement, typically large-bodied with minimal wicks and often near areas of liquidity.

Market Structure

- **Definition**: The flow and rhythm of price movement, which includes higher highs, higher lows in an uptrend, and lower lows, lower highs in a downtrend.

BOS (Break of Structure)

- **Definition**: BOS, or Break of Structure, occurs when price breaks a key high or low in the prevailing trend, indicating a potential shift in market direction. In an uptrend, a BOS happens when price breaks below a significant higher low, while in a downtrend, it occurs when price breaks above a significant lower high. BOS is a critical concept in SMC and ICT trading as it signals a possible reversal or continuation of trend, allowing traders to align with new market dynamics.

Market Structure Shift (MSS)

- **Definition**: A reversal in the prevailing market trend, indicating potential direction change. Key high or low breaches signify an MSS.

Liquidity Grab

- **Definition**: An intentional push in price to trigger stop losses, typically to fuel larger moves by larger market participants.

Sweep

- **Definition**: A temporary breach of a key high or low to capture liquidity before reversing direction.

Accumulation and Distribution

- **Definition**: Phases where institutions are gathering (accumulating) or offloading (distributing) positions, often resulting in range-bound price movement.

Buy-to-Sell Wicks / Sell-to-Buy Wicks

- **Definition**: Wicks that indicate a change in market sentiment where an initial buy or sell direction is reversed quickly, suggesting institutional involvement.

Imbalance

- **Definition**: Areas where there is a visible inefficiency in price movement, with little to no overlap between candles; often serves as a target for price to return.

Swing High/Low

- **Definition**: A visible peak (swing high) or trough (swing low) in the market, often marking areas for potential reversals or liquidity.

Price Action (PA)

- **Definition**: The analysis of price movement alone, without indicators, focusing on structure, trendlines, and price zones.

MMBM (Market Maker Buy Model)

- **Definition**: A specific market structure or pattern often used in QA strategies that represents phases where smart money is accumulating long positions. The MMBM typically involves a sequence where price shows liquidity grabs at lows, followed by higher lows, order blocks, and then rallies as buy-side liquidity is captured. It's the "footprint" of market makers buying positions over time.

MMSM (Market Maker Sell Model)

- **Definition**: This is the opposite of the MMBM. In the MMSM, the structure reveals phases of distribution where market makers are selling or offloading their positions. MMSM includes liquidity grabs near highs, lower highs forming, and then a drop as sell-side liquidity is captured. This model shows the typical behavior of market makers unloading positions.

REL (Relative Equal Low)

- **Definition**: A scenario where two or more lows are at roughly the same price level. Relative equal lows indicate areas of liquidity, as stop losses and orders tend to accumulate just below these levels. Smart money often targets these areas for liquidity grabs before making directional moves.

REH (Relative Equal High)

- **Definition**: Similar to REL, relative equal highs occur when two or more highs form near the same price. These levels are viewed as liquidity zones where buy-side orders (like stop losses of short sellers) accumulate, making them attractive targets for liquidity grabs before price reverses or continues in a trend.

CHoCH (Change of Character)

- **Definition**: A key signal indicating a potential trend reversal or shift in market sentiment. CHoCH happens when price breaks a significant high or low in the opposite direction of the current trend, suggesting that the market may be changing direction. It's often the first sign of a shift from one phase (accumulation, distribution) to another.

MSS (Market Structure Shift)

- **Definition**: A change in the prevailing structure of the market, often confirmed by a break in a recent high or low that defines a trend. An MSS is an indication that a new trend or correction phase may be starting. It typically requires more confirmation than CHoCH and is often used to confirm a directional bias after a displacement or liquidity grab.

Liquidity Void

- **Definition**: An area on the price chart with minimal trading activity, often appearing as a gap between candles or a sharp, one-directional move. Price frequently returns to these voids to fill the imbalance, providing opportunities for potential entries or exits.

Institutional Sponsorship

- **Definition**: The concept that major financial institutions (such as banks or hedge funds) influence the market direction by positioning trades around key levels of liquidity. Recognizing these sponsorship areas helps traders align their trades with "smart money."

Range Expansion

- **Definition**: A phase where price breaks out of a previous range (consolidation) and begins trending in a new direction. Range expansion often follows a period of accumulation or distribution, signaling the start of a new trend.

Dealing Range

- **Definition**: The high and low boundaries within a specific range, often used to define areas where institutional traders accumulate or distribute positions. Price often oscillates within the dealing range before a breakout.

Risk Premium

- **Definition**: The area above or below equilibrium in a range where institutional traders seek to enter at favorable prices. The premium (above equilibrium) is often used for selling, while the discount (below equilibrium) is used for buying.

Swing Failure Pattern (SFP)

- **Definition**: A reversal pattern that occurs when price attempts to break a previous high or low but fails to sustain the move, creating a “failed” swing. This failure often results in a quick reversal, capturing liquidity and trapping traders who anticipated a breakout.

Breaker Structure

- **Definition**: Similar to an order block but used when price breaks through a previous low or high and then retests that level. It’s a powerful reversal signal, especially when combined with a liquidity grab or other confirmation.

Inducement

- **Definition**: A term used to describe price action that “entices” traders into a trade, only to reverse sharply. Inducements are often engineered by institutional players to generate liquidity from retail traders before moving price in the intended direction.

Weekly Profile

- **Definition**: Analyzing market behavior and price structure on a weekly basis to identify dominant trends, key liquidity zones, and areas where institutional players may be positioning trades. This helps with establishing a high-timeframe directional bias.

Quasi-Market Structure (QMS)

- **Definition**: A concept where market structure appears to be reversing or consolidating without clear higher highs or lower lows, creating a temporary indecisiveness in price direction. QMS zones often serve as potential setups for liquidity grabs or breakout trades.

Low Resistance Liquidity Run (LRLR)

- **Definition**: A scenario where price moves smoothly in one direction with minimal resistance. This usually occurs when liquidity is sparse, allowing price to travel quickly to the next significant area of liquidity.

Optimal Trade Entry (OTE)

- **Definition**: A technique used by QA to find the ideal entry point within a pullback or retracement, typically around the 62% to 79% Fibonacci levels. OTE entries allow traders to enter trades at favorable prices, maximizing reward-to-risk ratios.

Imbalance Fill

- **Definition**: A concept where price returns to fill an area of imbalance (or fair value gap) created by a strong move, reflecting the tendency of price to seek balanced trading zones. An imbalance fill often offers opportunities for entries or exits as the market rebalances.

Price Delivery Algorithm

- **Definition**: The underlying logic or “algorithm” by which smart money moves price to efficiently fulfill orders, capture liquidity, and facilitate institutional objectives. Understanding this algorithm helps traders anticipate the direction and timing of major moves.

Sell Side / Buy Side Liquidity

- **Definition**: These refer to areas where stop-loss orders or pending orders reside. Sell-side liquidity is typically below recent lows, while buy-side liquidity is above recent highs. Institutions often target these areas for liquidity grabs to fuel major price moves.

Time and Price Theory

- **Definition**: A concept emphasizing the relationship between specific times of day and price movements, asserting that certain times (like kill zones) hold greater probability for significant moves. This theory underpins QA’s focus on timing trades within kill zones for optimal setups.

Silver Bullet

- **Definition**: A term used by QA to describe a highly probable trade setup that aligns with multiple confluences, often occurring around a specific time of day or in a particular price area. It is like a "perfect shot" that traders anticipate for a high-reward trade. Silver Bullet setups often appear during specific kill zones with precise liquidity grabs or order block reactions.

Kill Zones

- **Definition**: Designated time windows during major trading sessions when significant price movement is likely to occur due to high liquidity and institutional activity. QA's primary kill zones include the **London Kill Zone** (2 AM - 5 AM EST) and the **New York Kill Zone** (7 AM - 10 AM EST), where traders watch for setups like liquidity grabs, displacements, and directional moves.

Unicorn Model

- **Definition**: A rare and highly ideal trading setup or pattern, typically associated with a high level of confluence. It's considered "one-of-a-kind" due to the ideal combination of market structure, liquidity, and time-based elements, leading to a very high-probability setup.

TGIF (Thank God It's Friday)

- **Definition**: TGIF represents the strategic approach traders use to handle the unique market dynamics that occur on Fridays. Fridays are known for their own price behavior patterns, typically involving profit-taking, increased volatility, and potential for liquidity grabs as institutional traders close out positions for the week.

Judas Swing

- **Definition**: A deceptive, sharp move often seen during the opening of a session (especially London or New York), designed to "trick" traders by creating a false breakout or liquidity grab before reversing in the intended direction. This move targets stop-loss orders, trapping traders before the real move unfolds.

Turtle Soup

- **Definition**: A reversal setup named by Larry Williams, referring to a false breakout at previous highs or lows. Turtle Soup occurs when price briefly breaches a key level (like a previous high/low), triggers liquidity or stop losses, and then quickly reverses in the opposite direction, trapping breakout traders and hunting stops.

Relative Volume Candle Ratios

- **Definition**: A measure of volume intensity relative to the average volume over a certain period. In QA concepts, relative volume ratios help identify candles where institutional interest is likely, often visible through sharp increases in volume during significant moves or displacements. High relative volume ratios indicate strong conviction behind a price move.

HTF Power of Three

- **Definition**: A high-timeframe (HTF) trading model that outlines three phases: **Accumulation**, **Manipulation**, and **Distribution**. This model suggests that price often consolidates (accumulation), sees a liquidity grab or fake move (manipulation), and then trends in the true direction (distribution). It provides traders with a roadmap to anticipate market behavior.

Propulsion Block

- **Definition**: A candle or series of candles that initiates a strong directional move, leaving a gap or imbalance behind. Propulsion blocks signal areas of institutional buying or selling pressure and often serve as support or resistance zones where price may react on a return visit.

London Raid

- **Definition**: Refers to the high volatility and liquidity grabs commonly occurring during the **London Kill Zone** (2 AM - 5 AM EST). The London Raid is characterized by sharp price moves that often capture liquidity or set the stage for the trend direction of the day.

Asian Session

- **Definition**: The period between 8 PM and 2 AM EST when trading volume is generally lower, and price typically consolidates within a range. This session's range often serves as a framework for anticipating liquidity grabs and setups during the more volatile London and New York sessions.

New York Session

- **Definition**: The period from 7 AM to 5 PM EST, covering both the **New York Kill Zone** (7 AM - 10 AM EST) and Power Hour. The New York session is highly volatile, especially when it overlaps with the London session, making it a prime time for significant market moves and liquidity targeting.

Power Hour

- **Definition**: The final hour of the New York trading session (3 PM - 4 PM EST), often marked by increased volatility and institutional activity as positions are closed or adjusted before market close. Power Hour can feature last-minute liquidity grabs, strong reversals, or trend continuations, making it a key time for intraday setups.

Frequently Asked Questions (FAQs)

FAQ 1

Question: What is Smart Money Concepts (SMC) and how does it apply to QA strategies?
Answer: SMC focuses on the trading strategies used by large institutions or "smart money" that include concepts like liquidity grabs, order blocks, and market structure shifts. QA strategies utilize SMC principles to capitalize on institutional moves within the market.

FAQ 2

Question: What resources do I need to follow QA's trading techniques?
Answer: Essential resources include charting platforms like TradingView, a deep understanding of price action, and tools to identify liquidity zones, order blocks, and market imbalances. QA teachings typically recommend focusing on the basics of structure before moving to advanced setups.

FAQ 3

Question: Can I use SMC on any market or timeframe?
Answer: Yes, SMC principles are applicable across various markets (forex, stocks, crypto) and on multiple timeframes. However, effectiveness may vary depending on volatility and liquidity conditions, so it's important to adapt to each market's specific dynamics.

FAQ 4

Question: Is there a specific timeframe to learn SMC and QA concepts effectively?
Answer: The learning curve varies by individual. Generally, dedicated study and practice over six months to a year are recommended to gain proficiency, especially when interpreting institutional moves and price action nuances.

FAQ 5

Question: Why are liquidity grabs important in QA?
Answer: Liquidity grabs are essential because they represent points where institutional players often enter or exit trades. Recognizing these can help retail traders avoid common pitfalls and potentially position themselves alongside institutional movements.

FAQ 6

Question: How can I confirm an order block is valid?
Answer: A valid order block is typically characterized by a large, fast-moving candle following it, indicating institutional participation. Confirmation can also come from price returning to this block and respecting it as a support or resistance zone.

FAQ 7

Question: Are there indicators that help in identifying SMC concepts?
Answer: While SMC largely relies on manual analysis of price action, some custom indicators can assist in marking liquidity zones, fair value gaps, and order blocks. However, it's advised to first understand these concepts manually before using indicators.

FAQ 8

Question: Do I need advanced knowledge of trading to start learning QA and SMC?
Answer: Not necessarily. While prior knowledge helps, beginners can learn SMC concepts step-by-step by first understanding basic price action and market structure.

FAQ 9

Question: Can SMC and QA be combined with other trading strategies?
Answer: Yes, SMC concepts can complement other trading approaches, such as trend-following or breakout strategies. QA concepts add depth to any strategy by highlighting potential institutional movements and market manipulation areas.

FAQ 10

Question: How can I practice QA concepts without risking real money?
Answer: Paper trading platforms and demo accounts are ideal for practicing. Simulating trades based on SMC strategies helps you understand market movements and refine your approach without financial risk.

FAQ 11

Question: What is the “Silver Bullet” in trading, and when should I look for it?
Answer: The "Silver Bullet" is a highly probable trade setup with multiple confirmations, usually found within specific kill zones. The term used by QA is **“Exploit”** and this strategy is developed to illuminate a powerful entry that aligns with multiple confluences like order blocks, liquidity grabs, and market structure shifts. Traders often look for **Exploit** setups during key market sessions, especially in the London and New York kill zones.

FAQ 12

Question: What are “Kill Zones,” and why are they important in QA trading?
Answer: Kill Zones are specific time windows during the day when institutional traders are most active, leading to increased volatility and liquidity. The primary kill zones are the London Kill Zone (2 AM - 5 AM EST) and the New York Kill Zone (7 AM - 10 AM EST). These times are crucial for finding high-probability setups, as liquidity grabs and displacements are more likely to occur.

FAQ 13

Question: What does “Unicorn Model” mean in trading?
Answer: The “Unicorn Model” refers to a rare and ideal setup in SMC and QA trading that aligns perfectly with all desired confluences, such as price structure, liquidity, and timing. Due to its unique nature, it’s considered highly probable for success. However, these setups are rare, which is why they’re called “unicorns.”

FAQ 14

Question: Can you explain the concept of a “Judas Swing”?
Answer: A Judas Swing is a deceptive price move typically observed at the start of the London or New York sessions. It aims to create a false breakout, capturing liquidity by triggering stop-loss orders before quickly reversing in the intended direction. This is commonly used by institutions to trap traders and gather liquidity for a larger move.

FAQ 15

Question: What is “Turtle Soup,” and how is it useful in trading?
Answer: Turtle Soup is a reversal setup named by trader Larry Williams. It occurs when price temporarily breaks a previous high or low, triggering liquidity and stop losses, then reverses sharply. This strategy is designed to capture liquidity from breakout traders and trap them in a false move, allowing traders to capitalize on the reversal.

FAQ 16

Question: How does “Relative Volume Candle Ratios” impact trading decisions?
Answer: Relative Volume Candle Ratios measure the intensity of trading volume in relation to average volume. Higher ratios often indicate institutional involvement, suggesting that a move is backed by significant order flow. Traders use these ratios to identify strong conviction behind a price move, providing additional confidence in setups.

FAQ 17

Question: What is the “HTF Power of Three” model, and how is it applied?
Answer: The HTF Power of Three model outlines three market phases on a higher timeframe: Accumulation, Manipulation, and Distribution. Price first accumulates (often in a range), sees a liquidity grab or fake-out move (manipulation), and then trends in the intended direction (distribution). This model helps traders identify where institutional players might enter or exit positions.

FAQ 18

Question: Can you define a “Propulsion Block” in QA trading?
Answer: A Propulsion Block is a candle or series of candles that initiates a strong directional

move, often leaving behind a price gap or imbalance. It represents a point of significant institutional buying or selling. Propulsion blocks can act as support or resistance when revisited by price, providing entry or exit opportunities.

FAQ 19

Question: What is a “London Raid,” and when does it occur?
Answer: The London Raid refers to the sharp, liquidity-driven moves that occur in the London Kill Zone (2 AM - 5 AM EST). These moves often capture liquidity from highs or lows established during the Asian session, setting up the trend for the day. The London Raid is crucial for identifying high-probability entries based on liquidity targeting.

FAQ 20

Question: Why is the “Asian Session” range significant in QA trading?
Answer: The Asian Session (8 PM - 2 AM EST) is typically a period of lower volatility where price moves within a narrow range. This range is important because it often serves as a setup for liquidity grabs in the London and New York sessions, where price targets the highs and lows formed during the Asian session as points of liquidity.

FAQ 21

Question: What makes the “New York Session” important for QA traders?
Answer: The New York Session (7 AM - 5 PM EST) is one of the most volatile trading periods, especially when it overlaps with the London Session. This period is marked by large institutional moves, liquidity grabs, and trend-setting price action, providing a rich environment for setups like liquidity sweeps, order blocks, and displacements.

FAQ 22

Question: What is “Power Hour,” and why is it a focus in QA trading?
Answer: Power Hour is the last hour of the New York Session (3 PM - 4 PM EST), characterized by increased volatility as institutional traders close or adjust their positions before the end of the trading day. This hour often sees liquidity grabs, reversals, or trend continuations, making it an ideal time for intraday setups.

FAQ 23

Question: What is a “Liquidity Void,” and why does it matter in trading?
Answer: A Liquidity Void is a price area with minimal trading activity, usually appearing as a gap or a sharp, one-directional move. Price often returns to these areas to rebalance and fill the void, offering traders potential entries or exits as it seeks equilibrium.

FAQ 24

Question: Can you explain “Institutional Sponsorship” in the context of SMC?
Answer: Institutional Sponsorship is the idea that major financial institutions control market direction by positioning trades at key liquidity levels. Recognizing where these levels are helps traders align their positions with "smart money" and avoid retail traps.

FAQ 25

Question: What does “Range Expansion” mean, and how does it affect trading strategy?
Answer: Range Expansion refers to the phase when price breaks out of a consolidation range and trends in a new direction. This phase often follows accumulation or distribution and signals the start of a new trend, making it a prime time for traders to enter with the trend.

FAQ 26

Question: What is a “Dealing Range,” and how is it useful?
Answer: A Dealing Range is the high and low boundary within which price oscillates, often set by institutions for accumulation or distribution. Identifying the dealing range helps traders pinpoint areas where price may react or break out, offering potential trade setups.

FAQ 27

Question: What is the “Risk Premium” concept in SMC?
Answer: The Risk Premium concept refers to the areas above or below equilibrium where institutions prefer to enter positions at a favorable price. The premium zone (above equilibrium) is seen as advantageous for selling, while the discount zone (below equilibrium) is favorable for buying.

FAQ 28

Question: What is a “Swing Failure Pattern (SFP)” and how do traders use it?
Answer: A Swing Failure Pattern (SFP) occurs when price attempts to break a previous high or low but reverses, failing to sustain the breakout. This pattern often leads to a quick reversal, providing traders with a setup to capitalize on trapped breakout traders.

FAQ 29

Question: How does a “Breaker Structure” work in QA trading?
Answer: A Breaker Structure is similar to an order block but occurs when price breaks a previous high or low and retests that level. It’s a strong reversal indicator, especially when combined with a liquidity grab, making it valuable for spotting trend reversals.

FAQ 30

Question: What does “Inducement” mean in SMC?
Answer: Inducement refers to price action designed to “entice” traders into a position, only to

reverse sharply. This is a tactic often used by institutions to generate liquidity from retail traders before moving in the intended direction, so being aware of inducements helps traders avoid retail traps.

FAQ 31

Question: How is “Weekly Profile” used in SMC analysis?
Answer: Weekly Profile analysis involves studying market behavior and price structure over a weekly timeframe to identify dominant trends and liquidity zones. This approach helps traders establish a high-timeframe directional bias and locate potential areas where institutions may take action.

FAQ 32

Question: What is “Quasi-Market Structure (QMS)” and why is it significant?
Answer: Quasi-Market Structure (QMS) refers to market phases that lack clear higher highs or lower lows, indicating temporary indecision in price direction. QMS zones can serve as setups for liquidity grabs or breakout trades when price decisively moves out of this indecisive structure.

FAQ 33

Question: What does a “Low Resistance Liquidity Run (LRLR)” mean?
Answer: LRLR describes a smooth, low-resistance price movement in one direction, often due to sparse liquidity. This type of move allows price to travel quickly toward the next liquidity zone, giving traders potential entry or exit points based on momentum.

FAQ 34

Question: What is an “Most Favorable Entry (MFE)” or as some in the SMC sphere refer to as “Optimal Trade Entry (OTE)”?
Answer: MFE is a technique used by QA to pinpoint ideal entry points within a retracement, typically around the 62% to 79% Fibonacci levels. MFE entries maximize reward-to-risk ratios, allowing traders to enter at favorable prices with higher profit potential.

FAQ 35

Question: Can you explain “Imbalance Fill” in trading terms?
Answer: Imbalance Fill is when price returns to fill an area of imbalance or a fair value gap created by a strong move. Price often seeks to fill these zones as it rebalances, offering opportunities for entries or exits aligned with smart money's rebalancing.

FAQ 36

Question: What is the “Price Delivery Algorithm” according to QA?
Answer: Price Delivery Algorithm is the underlying mechanism by which institutional players move price to capture liquidity and facilitate orders. Understanding this concept helps traders anticipate where major moves are likely to occur, allowing them to align with institutional intentions.

FAQ 37

Question: What are “Sell Side” and “Buy Side Liquidity”?
Answer: Sell-side liquidity refers to areas where stop-loss orders or pending buy orders accumulate below recent lows, while buy-side liquidity is above recent highs. These liquidity pools are often targeted by institutions to fuel significant price moves.

FAQ 38

Question: How does “Time and Price Theory” influence trade timing in QA?
Answer: Time and Price Theory in QA emphasizes that certain times of day hold a higher probability for significant moves due to institutional activity. Key times like the London and New York kill zones provide optimal setups, as price often aligns with high liquidity and market momentum during these windows.

FAQ 39

Question: What does “TGIF” mean in QA, and why is it relevant?
Answer: In SMC and QA trading, TGIF stands for "Thank God It’s Friday." Friday sessions are known for unique price behaviors, such as profit-taking and liquidity grabs, as institutions close positions for the week. Many traders use TGIF as a caution to secure profits or exit trades early to avoid weekend risk.

FAQ 40

Question: What does “Break of Structure (BOS)” mean, and how do I use it in trading?
Answer: A Break of Structure, or BOS, occurs when price breaks a significant high or low, indicating a potential shift in the trend. For example, in an uptrend, a BOS would happen if price breaks below a recent higher low, suggesting a possible reversal. BOS is essential in SMC and ICT trading as it helps confirm changes in market direction. Traders use BOS to identify potential entry points, especially in areas like order blocks or liquidity zones, aligning their trades with institutional movements and enhancing trade timing.

FAQ 41

Question: What is a “Change of Character (CHoCH)” and how does it differ from a Break of Structure?
Answer: A Change of Character, or CHoCH, is a signal that a market might be reversing direction. It occurs when price breaks a significant high or low in the opposite direction of the

prevailing trend, indicating a possible shift in sentiment. While a Break of Structure (BOS) usually confirms continuation within a trend, CHoCH often marks the beginning of a trend reversal. Traders use CHoCH to anticipate potential changes in direction, especially at key levels like liquidity pools, as it often signals a new phase in market behavior.

FAQ 42

Question: What does “Market Structure Shift (MSS)” mean, and why is it important in SMC trading?
Answer: Market Structure Shift (MSS) indicates a change in the dominant market trend, marked by a break in a recent high or low that suggests a new trend direction. MSS is often used to confirm a reversal after a strong displacement or liquidity grab, offering traders confidence in the shift. Unlike CHoCH, which may show an initial reversal, MSS generally signals a more confirmed change in trend. Traders look for MSS as a foundation to align their positions with the new trend, often targeting key zones identified by institutional activity.

How to Respond with you “Don’t Know”

Here are a handful of directional responses I want us to use when you don’t immediately have an answer. Each response below will reinforce a knowledgeable stance while also encouraging continued learning with a supportive/confident posture.

It is critical that we always appear to be in command of the very platform we are teaching from, even when we do not have the exact answer. If we do not come across as in unison with what we are promising our Members they will lose faith and question if we are teachers or just wanting to be teachers.

It is critical that we do not just say “I don’t trade using that confluence” and close the conversation, while we can say that, we need to ensure that we hand them off to a Mentor on the QA Leadership Team, who can answer the question. As that component might not be in your personal trading arsenal, but absolutely something that the QA Member wants to add to theirs.

While I understand there is a journey for everyone to continue on, it is critical to fulfill our promise, and that does not need to be realtime …

“Great question! That’s a bit advanced, and I want to make sure I’m providing the most accurate answer. Let me double-check a few resources, and I’ll get back to you on this.”

- *This response shows care for accuracy and dedication to quality answers, giving time to consult resources or experts.*

“I appreciate you diving deep into this topic! Let me review some materials so I can give you a more detailed response. I’ll follow up shortly.”

- *Acknowledges the QA Member’s curiosity and provides assurance that they’ll receive a thorough answer.*

“That’s a fantastic question, and it shows you’re really engaged with these concepts! I’ll connect with [Lead Mentor’s Name] to ensure you get a precise answer.”

- *Shows teamwork and the value of a networked learning environment amongst us ALL, while also demonstrating dedication to the QA Member’s development.*

“This topic has a lot of nuances, so I want to make sure I fully understand your question. Could you explain a bit more about what you’re trying to achieve, and I’ll follow up with more insights?”

- *This helps clarify the question and gives us a bit more time to seek assistance, if needed, while making the QA Member feel valued.*

“I’ve come across that concept, but I want to check a few key points to provide a clear answer. I’ll confirm with the team and follow up soon.”

- *A balanced response that shows we has familiarity but also a commitment to thorough understanding before responding.*

“I think you’ve reached an important part of our training where this concept becomes clearer. Let’s revisit it in a Pit session soon, where I’ll make sure we address it in detail, and also follow it with documentation so everyone can reference back to it.”

- *Positions the question as an advanced topic that aligns with the training progression, while also offering a future learning opportunity.*

“That’s something I’m still researching myself to fully master. I’ll consult others more advanced in that trading skill and reach back with insights so we can both understand it better.”

- *This transparent approach shows that learning is a continuous journey and makes the one on the spot relatable while still sounding professional.*

“Your question shows you’re paying attention to the details - excellent! Let me clarify a few things with [Expert’s Name, Gannon, etc.] to provide you the most valuable guidance.”

- *Positions the question as insightful and indicates that they will seek guidance from an expert on the team, reassuring the QA Member of quality input.*

“That’s a topic we’ve discussed at length in previous sessions. I’ll refresh my understanding and make sure we cover it thoroughly in our next Pit Session, as well as have documentation with me to share out for future reference.”

- *Shows initiative to revisit a topic and offers the QA Member a solid timeline for an answer, reinforcing the importance of continuous learning.*

“Great observation! I’ll double-check the specifics and loop back with you, as I want to be 100% accurate with this explanation.”

- *Demonstrates our commitment to precision and transparency, assuring the QA Member that they will receive an accurate response.*