

# Smart Money Concepts Trading Glossary

## **Break Of Structure (BOS) (CONTINUATION)**

A BOS is when the price breaks above or below, and continues in the direction of the trend. (CONTINUATION).

## **Break Of Structure Down**

When the price breaks and closes BELOW the wick of the previous LOW in a DOWNTREND.

## **Break Of Structure Up**

When the price breaks and closes ABOVE the wick of the previous HIGH in an UPTREND.

## **Buy Side Liquidity (Smart Money SELLS)**

Where an Order Block forms where Smart Money SELLS into retailers (dumb money) BUYING orders - Pushing the price DOWN.

## **Change of Character (CHoCH) (REVERSAL)**

Refers to a much larger shift in the underlying market trend, dynamic or sentiment.

This is where the price moves to the point where there is a change in the overall trend. (REVERSAL)

## **Change of Character Down**

When the price breaks and closes below the previous uptrend.

## **Change of Character Up**

When the price breaks and closes above the previous downtrend.

## Daily bias

Tells us which direction, trend and environment the market is in and what we are looking to trade.

### Daily bias Bearish

When the market environment is DOWN and the trend is DOWN - we look for shorts (sells) in the market.

### Daily bias Bullish

When the market environment is UP and the trend is UP - we look for long positions (buys) in the market.

### Discount market <50%

The market is at a discount when the price trades BELOW the equilibrium level. We say the price is at a discount (low price).

## Equilibrium

Equilibrium is a state of the market where the demand and supply are in balance with the price. We say the price of the market is at fair value.

### Fair Value Gap (FVG)

A 3 candle structure with an up or down impulse candle that indicates and creates an imbalance or an inefficiency in the market.

### Fair Value Gap Bearish

A 3 candle structure with a DOWN impulse candle that indicates and creates an imbalance or an inefficiency in the market.

Between candle 1 and 3, do NOT show common prices. The price needs to move back up to rebalance and fill the gap.

## **Fair Value Gap Bullish**

A 3 candle structure with an UP impulse candle that indicates and creates an imbalance or an inefficiency in the market.

Between candle 1 and 3, do NOT show common prices. The price needs to come back down to rebalance and fill the gap.

## **Levels of liquidity**

The area of prices where smart money players, identify and choose to BUY or SELL large quantities.

E.g. Supports, resistances, highs, lows, key levels, trend lines, volume, indicators, psychological levels.

## **Liquidity**

The degree, rate and ability for an asset or security to be easily bought (flow in) or sold (flow out) in the market at a specific price.

## **Liquidity sweep (Liquidity grab)**

Smart money buys or sells (and sweeps or grabs liquidity) from traders who enter, exit or get stopped.

## **Market down structure**

When the price makes lower lows and lower highs.

## **Market structure**

Indicates what a market is doing, which direction it's in and where it is more likely to go.

## **Market Structure Shift (MSS)**

MSS shows you when the price is breaking a structure or changing the direction in the market.

## **Market up structure**

When the price makes higher lows and higher highs.

## **Order block**

Large market orders (big block of orders) where smart money buys or sells from different levels of liquidity.

## **Order Block Bearish**

A strong selling or a supply zone for smart money.

## **Order Block Bullish**

A strong buying or a demand zone for smart money.

## **Order block events**

Large market orders where smart money buys or sells from certain events i.e. High volume, supports, resistances, highs, lows, key levels, Break Of Structure, Change of Character, News or economic event.

## **Point Of Interest (POI)**

POI is an area or level in the market where there is expected to be a large amount of buying or selling activity i.e. Order blocks.

## **Premium market >50%**

The market is at a premium when the price trades ABOVE the equilibrium level.

We say the price is at a premium (high price).

## **Sell Side Liquidity (Smart Money BUYS)**

Where an Order Block forms where the Smart Money BUYS into the retail (dumb money traders orders - Pushing the price UP.

## **Smart Money**

These are the smart, informed, and savvy financial institutions that invest (buy and sell) their large capital into different financial markets.

## **Smart Money Concepts**

SMC is a more sophisticated method of price action to spot, identify and locate where smart money is buying and selling their positions

## **Sweep Buy Side Liquidity (Smart Money SELLS)**

Smart Money SELLS into positions (and sweeps liquidity) from retail traders who are short (get stopped) and for long traders who buy and enter their trades.

## **Sweep Sell Side Liquidity (Smart Money BUYS)**

Smart Money BUYS into positions (and sweeps liquidity) from traders who are long (get stopped) and for short traders who enter their trades.

# Final Words

If you have a trading question about SMC or you'd like to share your feedback, you are welcome to contact me by emailing [Timon@TimonAndMATI.com](mailto:Timon@TimonAndMATI.com).

Trade well, live free.



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Facebook Group:

<https://www.facebook.com/groups/matitrader>

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## WHAT?

- ✓ Smart Money Strategies
- ✓ Daily SMC MATI Strategy
- ✓ Buy & Sell Side Liquidity
- ✓ BOS, CHoCh & FVG
- ✓ Premium & Discount 50%
- ✓ 6 Main SMC elements
- ✓ Ideal entry, stop loss & take profit levels
- ✓ 50% Rule to Lock in Profits
- ✓ High Impact News Alerts

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