

Decoding SMC Trading Strategy with *PU Prime*



Highlights

- 01 What is SMC Trading Strategy
- 02 Understand Market Structure
- 03 What is Order Block / Support and Resistance
- 04 Fair Value Gap (FVG)
- 05 Logic Behind SMC strategy



What is Smart Money Concept (SMC)

As a Retail Trader, we often fail, we most of the time making losses than profit from our trade. Thus, why not we follow the market maker move and ride the same trend/direction?

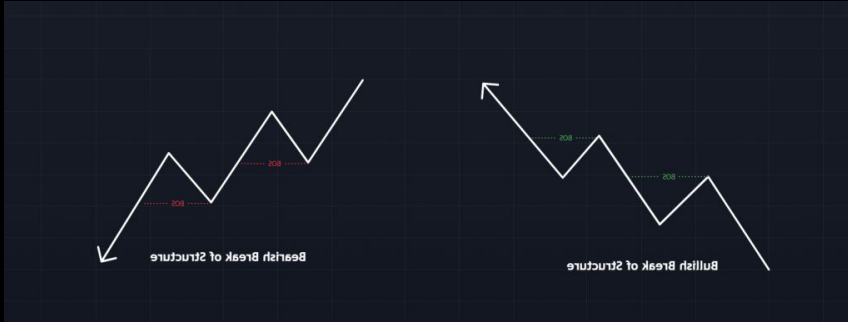
Smart money = Institutional player.

This concept is to understand how the market maker accumulate, manipulate and distribute their position in the market from the change of price action and market structure.



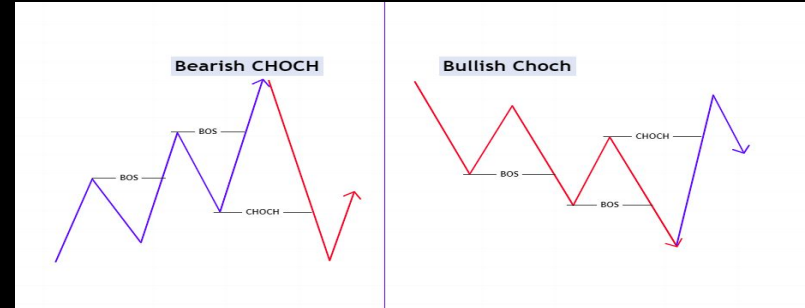
Understanding Market Structure

Traders shall understand the market structure -
Eg. Uptrend, Sideways, Downtrend



A trader shall be able to recognise the current market structure

A break of structure is mean the market make a higher high and a higher low in an uptrend and vice versa.



A change of character (ChoCH) is mean the trend failed to continue its current trend and signal a possibility of a reversal of the current trend.

GBPUSD, 4h O1.26348 H1.26385 L1.26329 C1.26351 +0.00006 (+0.00%)



USDJPY, 4h O151.647 H151.647 L151.603 C151.605 -0.041 (-0.03%)



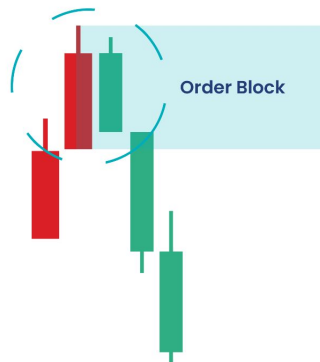
Order Block

Order Block is a footprint left by the market when an impulsive move occurs. **OB** is the last candlestick before the strong move that creates an imbalance in the market

*Valid OB

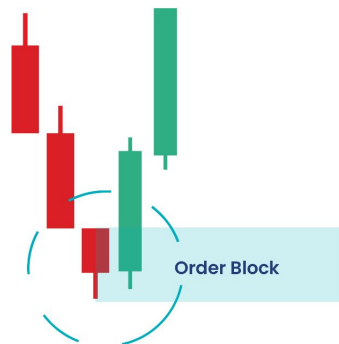
- Must create Inefficiency
- Must have BOS / ChoCH
- Must be unmitigated

Bearish scenario



The last bullish candle before a sharp & substantial downward movement

Bullish scenario



The last bearish candle before a sharp & substantial upward movement

Liquidity **Poll** and Liquidity grab

Liquidity pool is the area where the Smart Money is likely to execute large orders due to the availability of opposite market orders (S/L)

Liquidity grab occurs when large volume of orders at key price level are triggered and distorting the market prices.

❖ *Your S/L is my entry target*

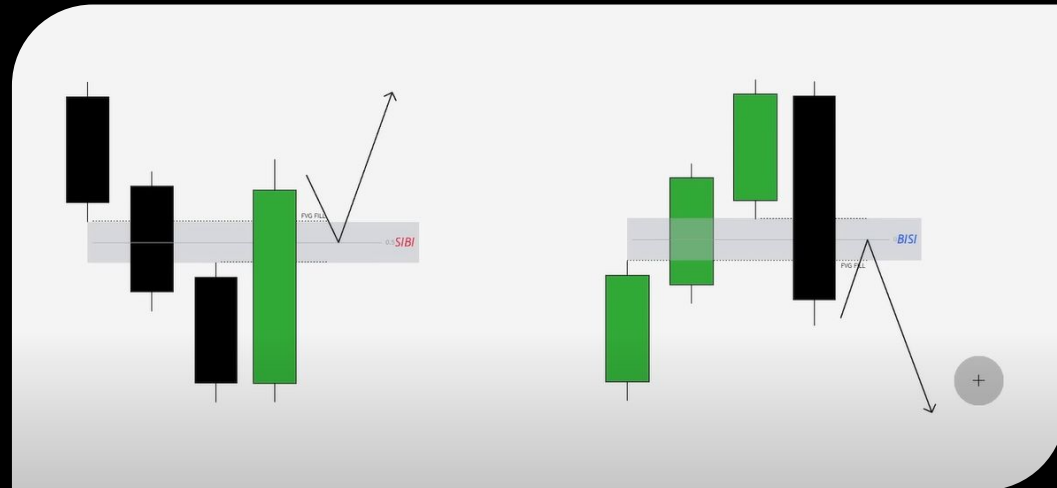


Fair-Value-Gap (FVG)

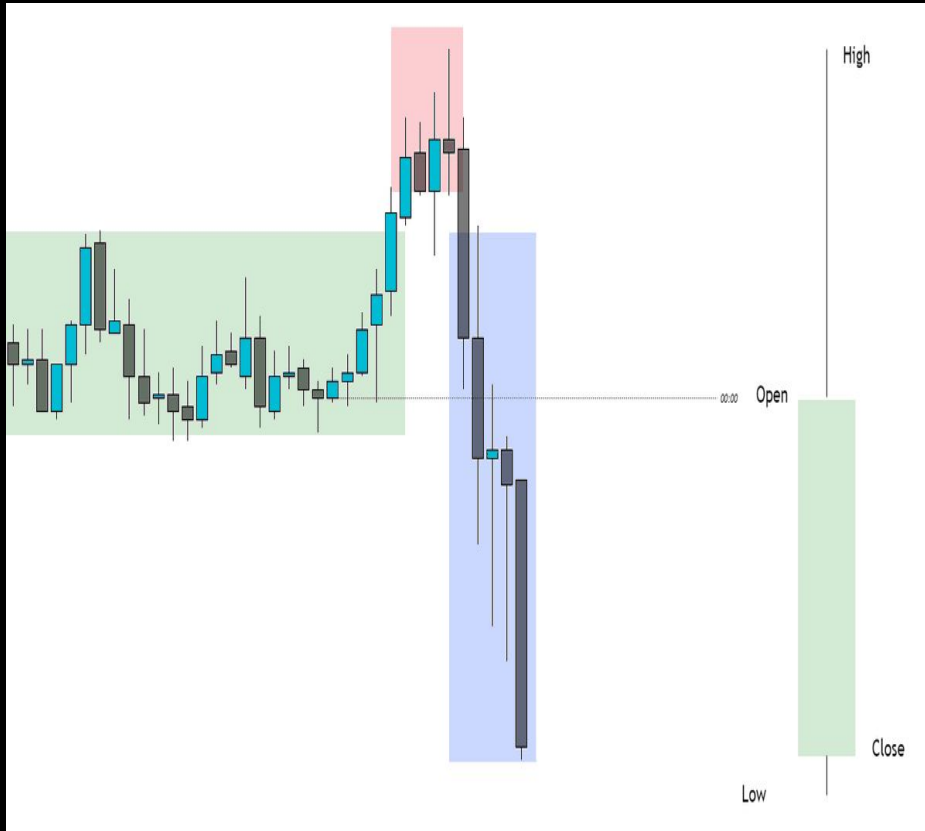
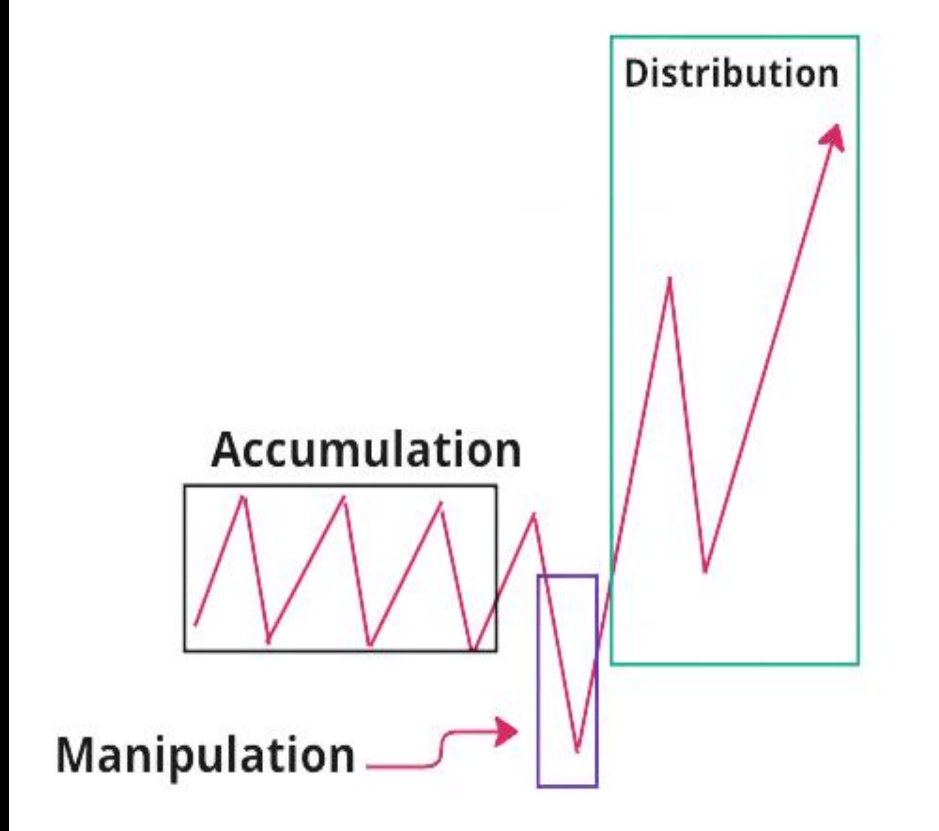
A phenomenon occurs when there is a significant disparity between the number of buy and sell orders for an asset which incur a gap. The theory is to believe that the gap will later to be filled.

*Valid FVG

- Unmitigated
- Best to be confluence with Support/Resistance level
- Confluence with BOS or ChoCH
- FVG at the beginning of the trend is more solid



Accumulating, Manipulation, Distribution



Understanding the **SMC** concept

- Follow the market movers (avoid to trade against them.)
- Better risk-management when setting T/P and S/L (If you know the “footprint” left by the market maker in the market)
- Avoid falling into the trap e.g. : Liquidity grab



Thank You

