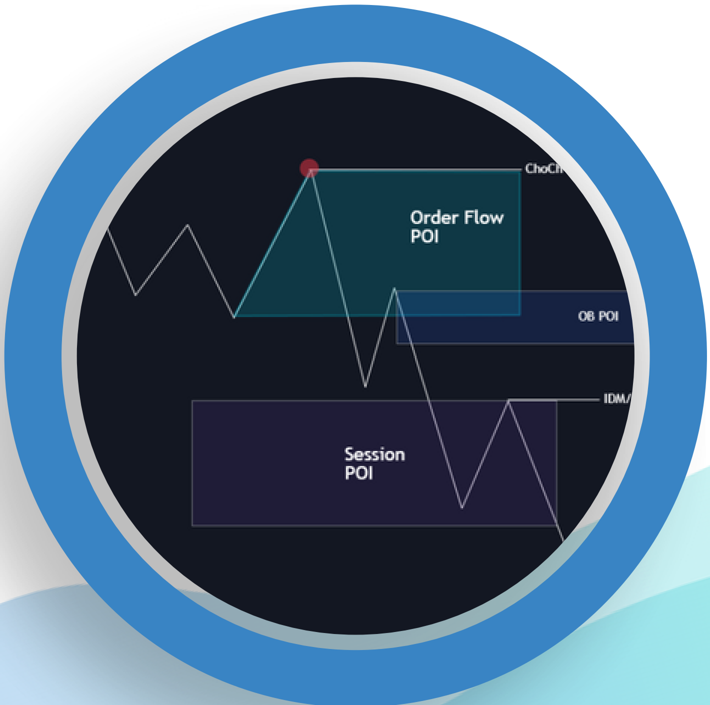
World Class SMC

ADVANCED
SMC STRATEGY

Part 2. Trading by SMC



By WinWorld Team
& Friends

winworld.pro t.me/WorldClassSmc t.me/WinWorld_Team

We would like to express our gratitude for this material to XPYCTuK, a great trader, mentor and friend of WinWorld Team. XPYCTuK, if you are reading this, we love you.

All of the following is available for free in the Internet. We have just composed everything in one guide, removing all the unnecessary and leaving the most important.

None of the topics below can be skipped, because misunderstanding of one topic can lead to a wrong analysis and, therefore, a number of painful stop-losses.

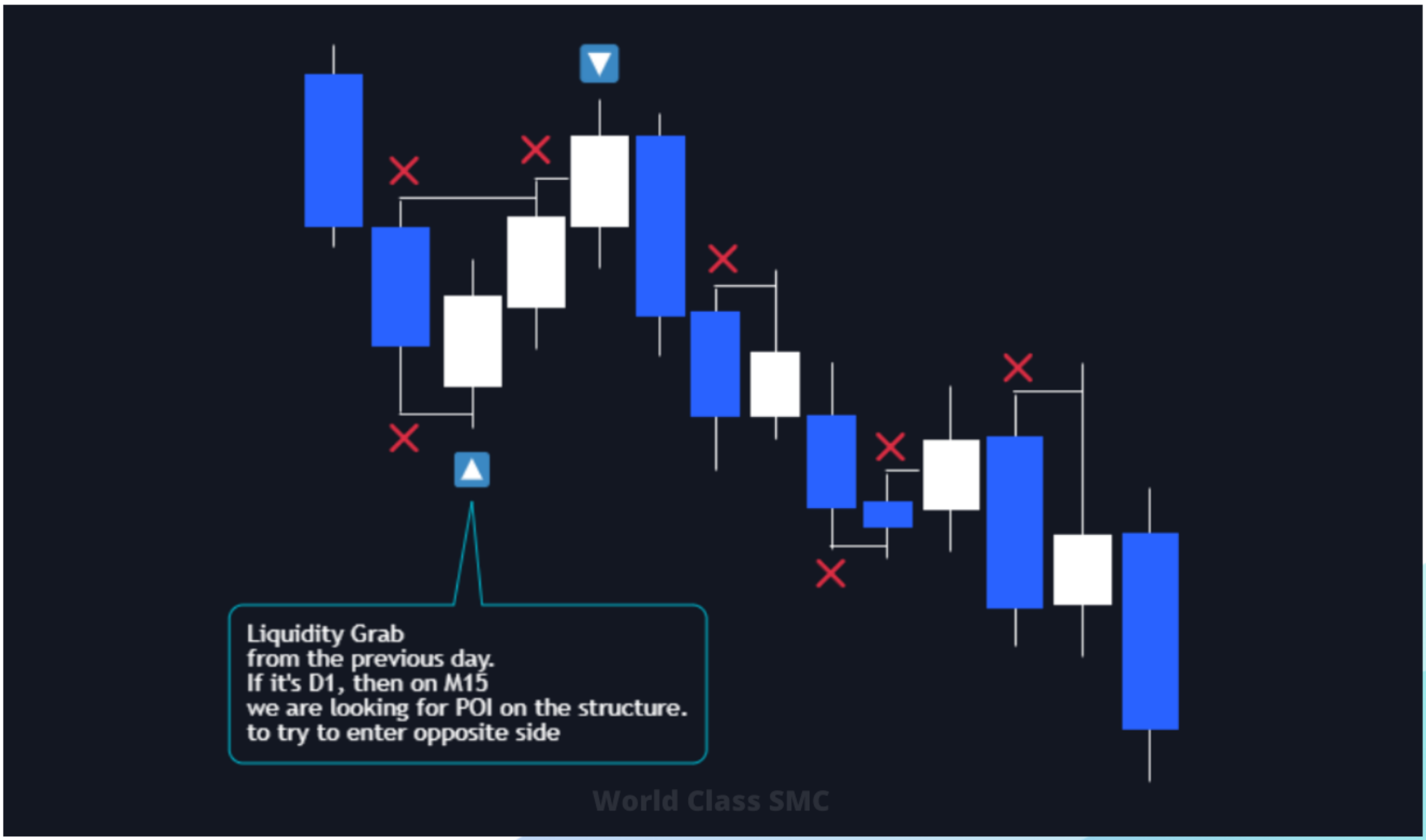
Disclaimer: we do not claim authorship of the strategy itself. We are only the developers of World Class SMC indicator, which is based on this strategy.

Trading Strategy

In this section, only a trading scheme will be presented. First, you'll need to choose a trading direction and mark potential POIs on the chart. When the price approaches your area of interest, that's when you'll begin seeking an entry point. More on this a bit later.

Morning Analysis

So, before getting directly into trading, there are several essential steps to consider. Wake up, have a meal, and open up the daily chart. As day traders, our trades are conducted within the day, making the daily chart analysis crucial for us.



For evaluating the daily chart, you can use two options:

- D1 Market Structure
- Candlestick Analysis

Neither of the approaches are wrong. You can sketch out the D1 structure for evaluating larger amplitude price movements. Using the structure, you can assess potential directions from one POI zone to another. Meanwhile, candlestick analysis helps in determining the price movement direction for "today." Observe closely; prices often sweep the previous day's liquidity and change direction.

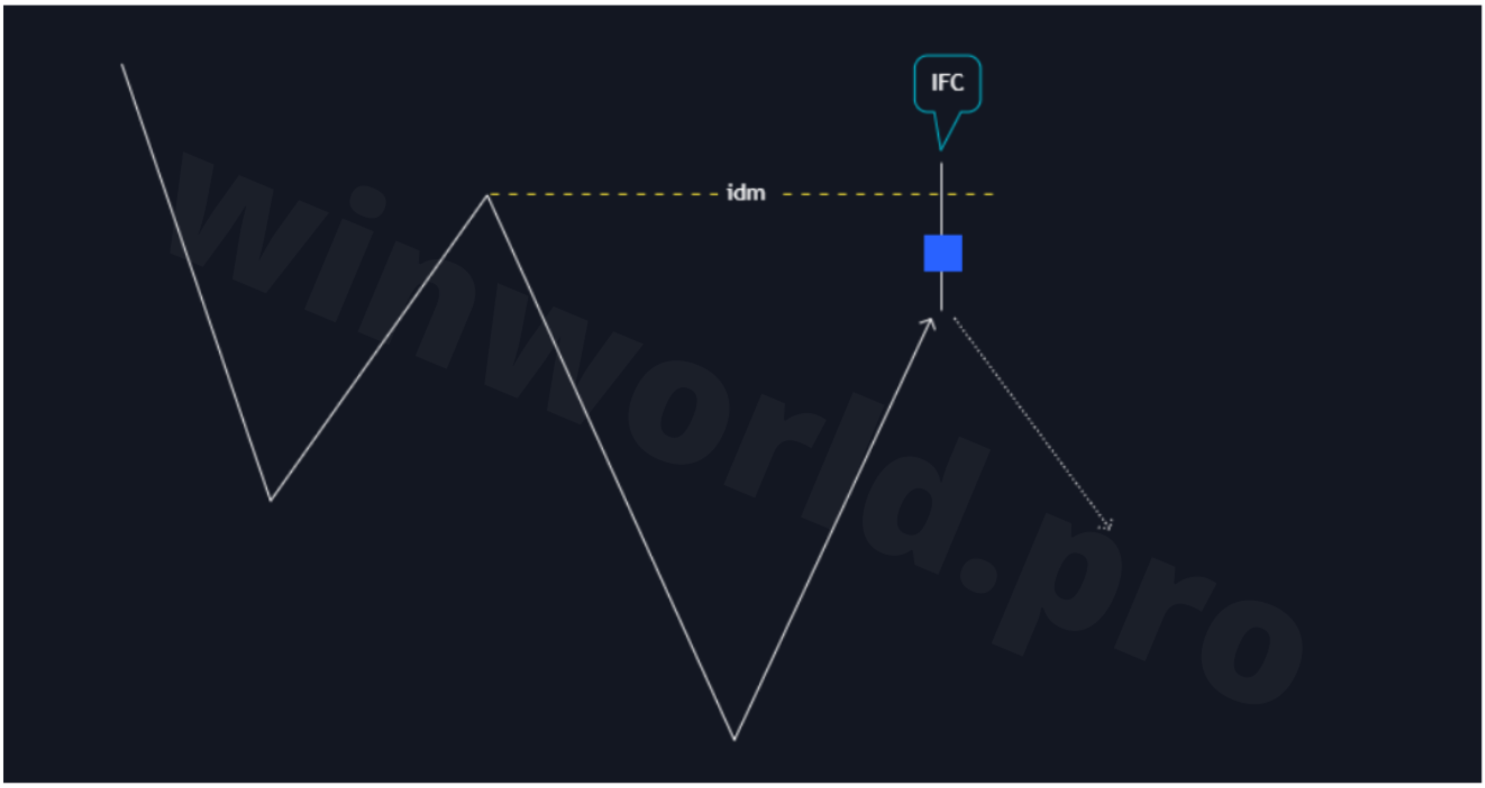
Initially, this might seem challenging. It's not easy to gauge when the big players have enough liquidity to turn the price. The big players, much like janitors, constantly rush from one corner to another, sweeping (collecting) liquidity from every crack.

After assessing the daily chart, we need to sketch out the structure of our working timeframe. In our case, the working TF is M15. Why? Because the M15 amplitude is sufficient for achieving a Risk-Reward (RR) ratio of at least 1:5, and on average 1:10, without carrying over to the next day. But we don't trade on M15; it's solely for structure and marking POI zones. All trades are executed on M1.

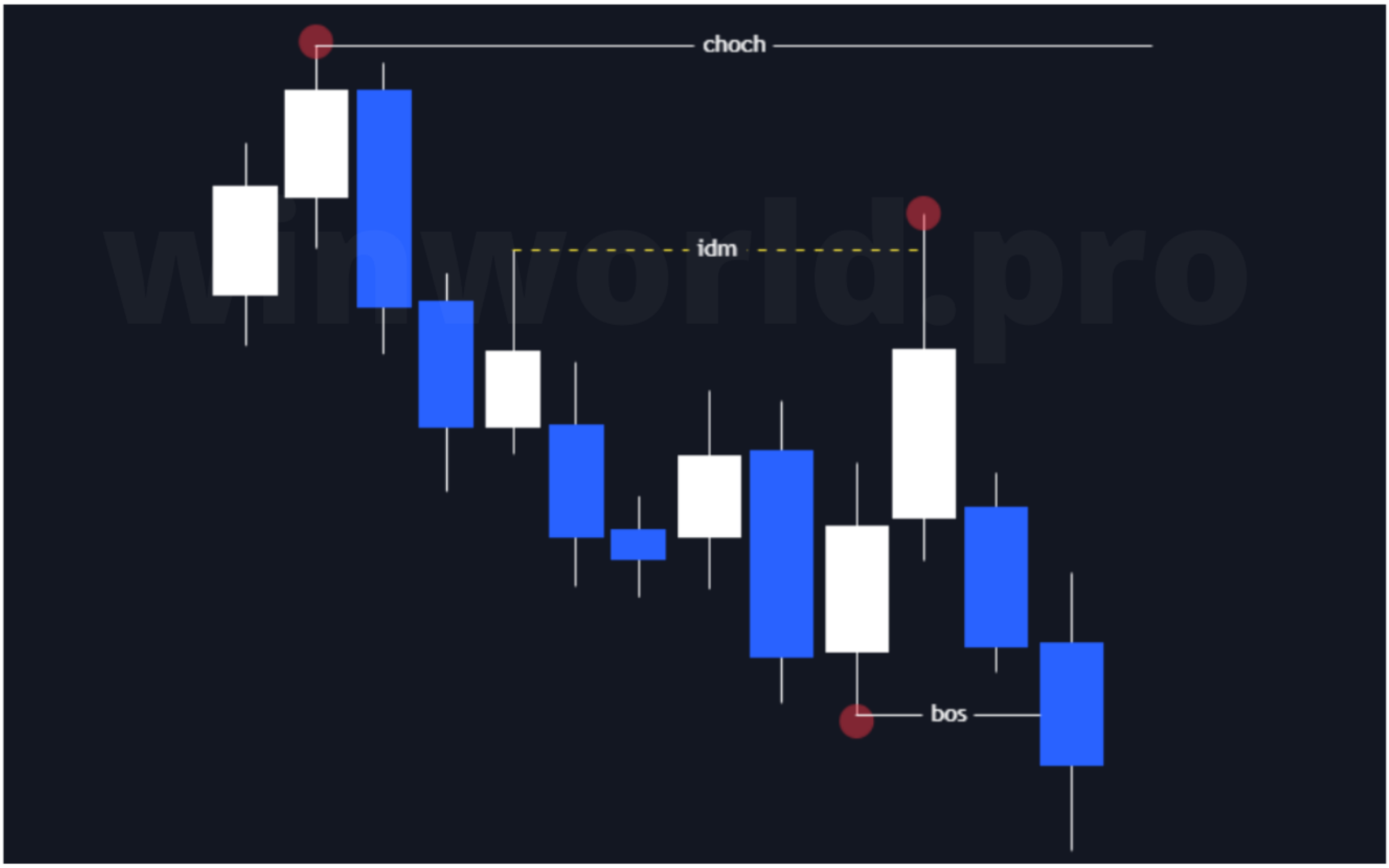
Trend Trading

For trend trading, we have numerous areas of interest. Remember, all this is on M15! M1 will be discussed later.

Sweep IDM

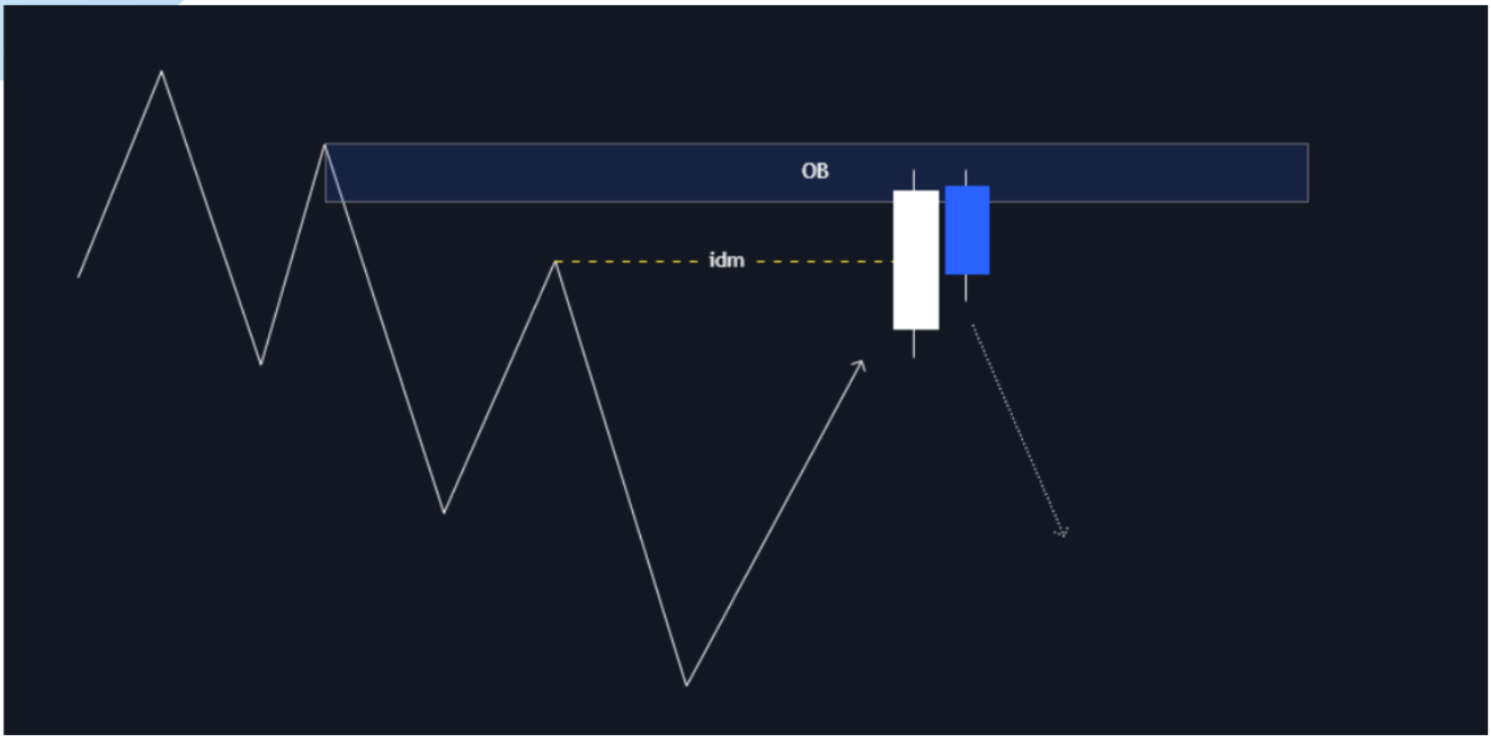


When the price retraces above the last pullback, reaching our IDM, it's the first opportunity to enter a trend trade. If the trend is downwards, the price should collect the IDM from above, and we look for selling opportunities. To comply with the rules, the grab of IDM liquidity should occur with an IFC candle, meaning a sweep.



When such a formation emerges, we highlight the entire candle or its wick (as per the IFC rules above) and look for an entry point in SELL on a lower TF. Remember, I'm just illustrating POI zones within the structure for now.

First Order Block before IDM

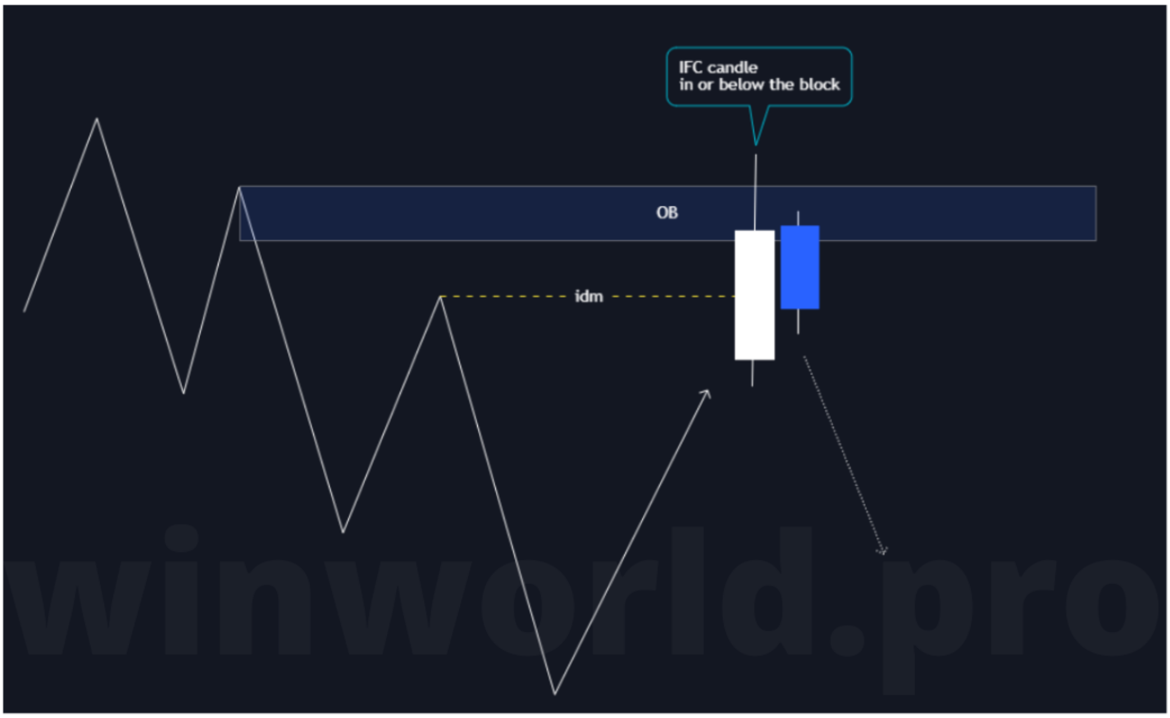


If the IDM was breached (price close before IDM), price will usually fall down, but there should a “space” to fall. To reverse the price, the first order block before IDM is used. For instance, with a downward trend, if the price retraces upwards past IDM and establishes itself above it, we search for the very first order block, starting from IDM and moving upwards.

When the price enters the Order Block, we then start to search entry point on M1.

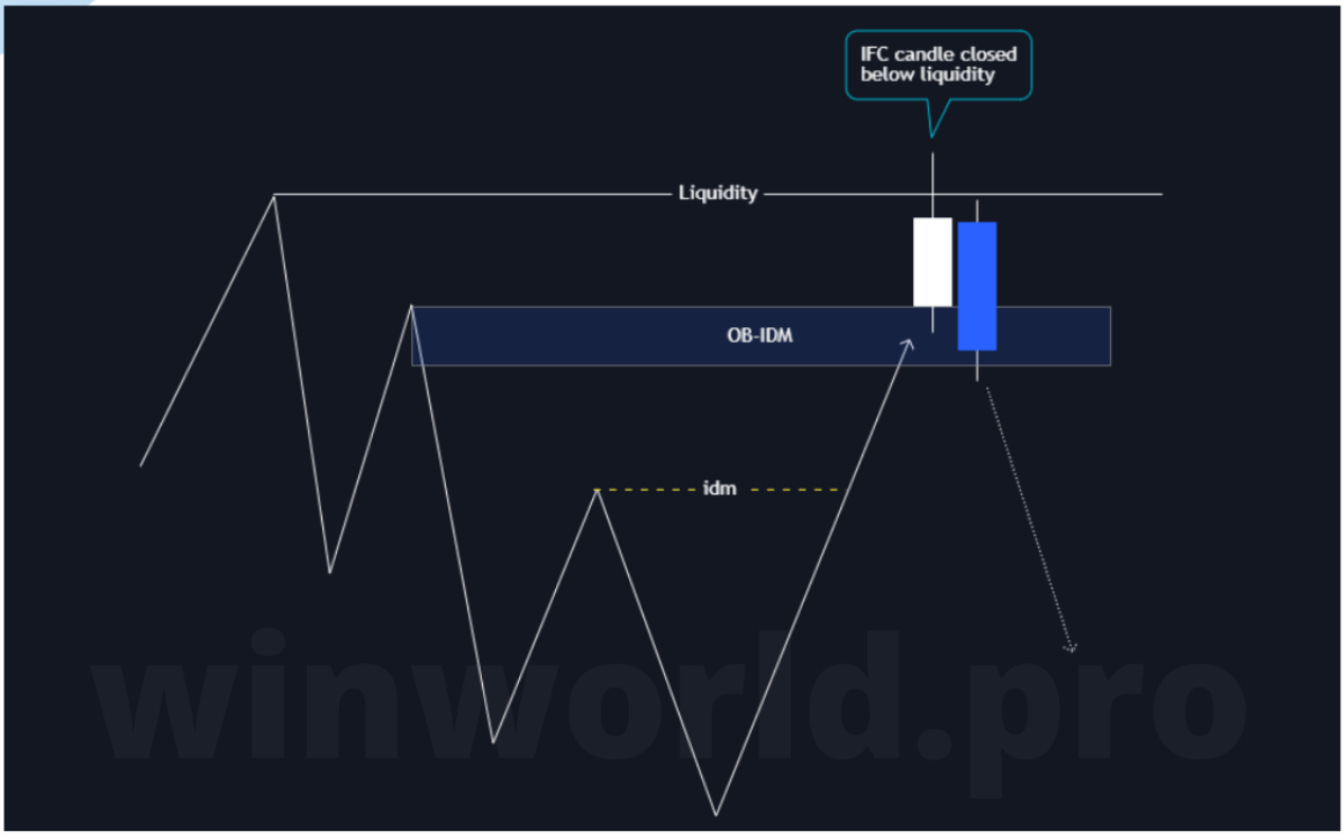
Liquidity grab (sweep) from the block before IDM

Do you remember that blocks represent liquidity too? Thus, if the block is breached, we must wait for the candle to close.



If block was reached, but we see an IFC candle, then our POI zone remains valid, and we can trade. It's essential to wait for the candle to close, and it's close price should either be within the block's zone or below it (or above if we're awaiting to buy).

Liquidity Grab (Sweep)



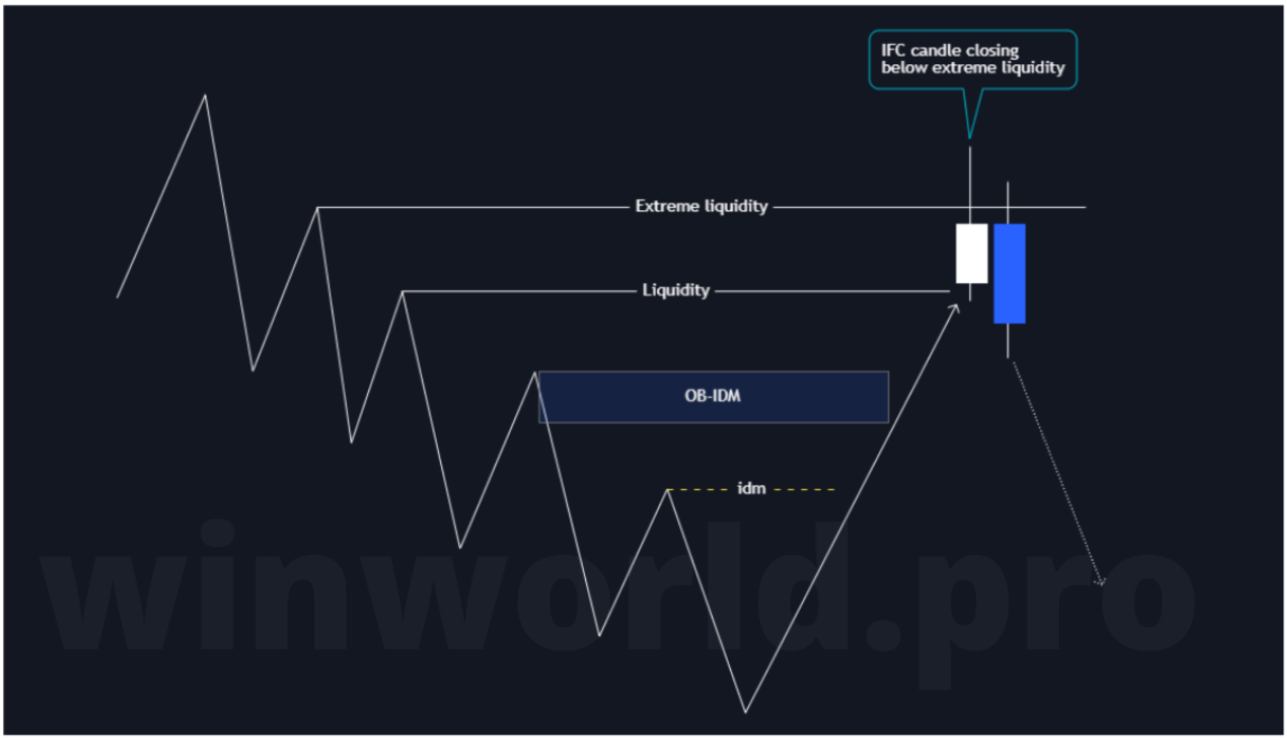
If the price rushes like a supercar, speeding through IDM, Order Block before IDM, space and time, but hasn't yet reached ChoCh, we can trade from liquidity. How? Using the IFC candle and any liquidity zone, including ChoCh.

Every order block acts as liquidity, so if it gets swept and no consolidation occurs, it's a great opportunity to look for entry on a lower TF.

Extreme Liquidity

Extreme Liquidity, or extreme liquidity, is a liquidity zone that lies right before ChoCh. When the price is surges and seems to be on the verge of a trend change, it suddenly halts and reverses. Why?

Extreme liquidity acts as the last internal structure liquidity. It's pivotal, and the price often rebounds right after it grabbed it.



The same IFC candle sweep technology applies here as in previous cases.

Extreme Order Block

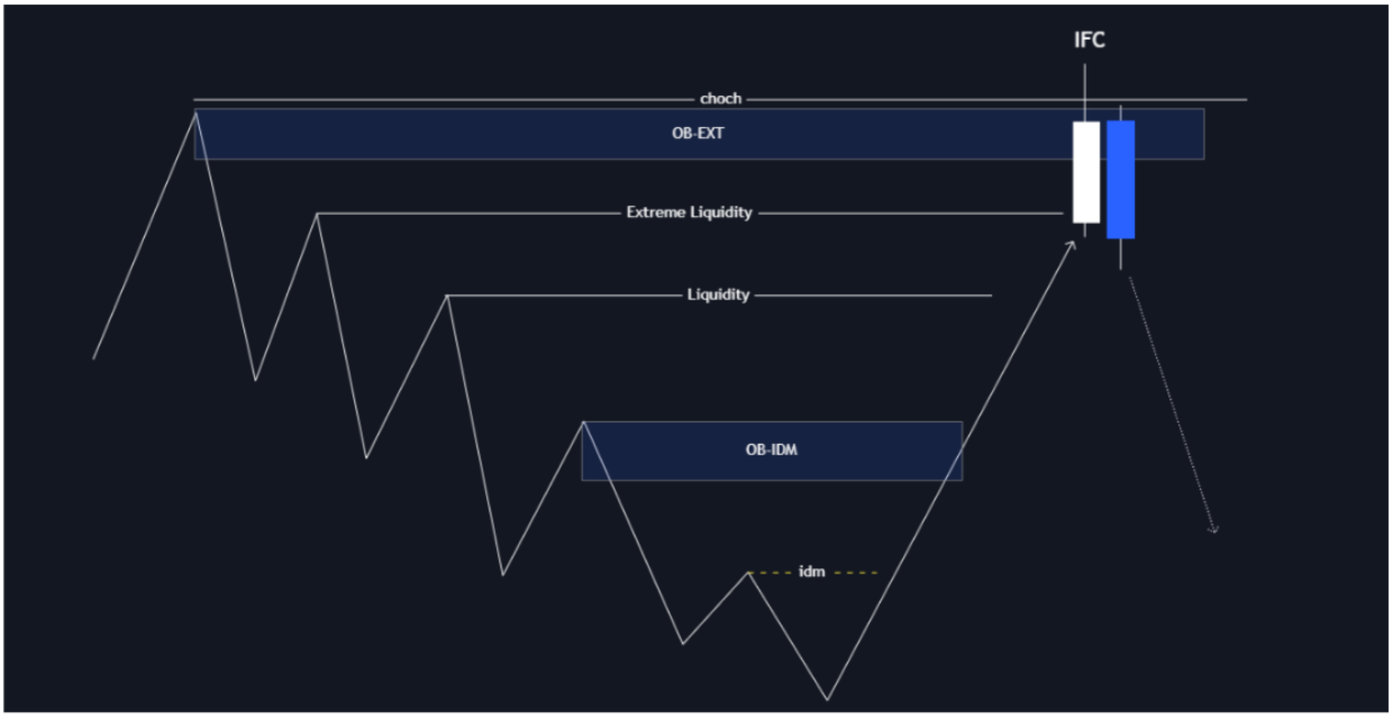
You might be wondering if the candle can close above the extreme liquidity, thus indicating no intent from the big players to reverse the price. So, what to do? Wait for a trend change? Await ChoCh? Certainly not. We didn't endure all this movement just for that.

After IDM, there's a block that has been highly active. The next block, which is important to us, is the very last block. When the price breaches the IDM block, we instantly mark the first block from the ChoCh side and await the price in that area.

Indeed, it turns out we have just two Order Blocks where we anticipate the price and from which we'll be entering. Everything else is through IFC.

ChoCh

Liquidity grab from ChoCh is also a potential counter-trend trade. And why not? ChoCh represents liquidity. If liquidity from it's zone was taken and we observe this via IFC, it's a prime opportunity for a trade.



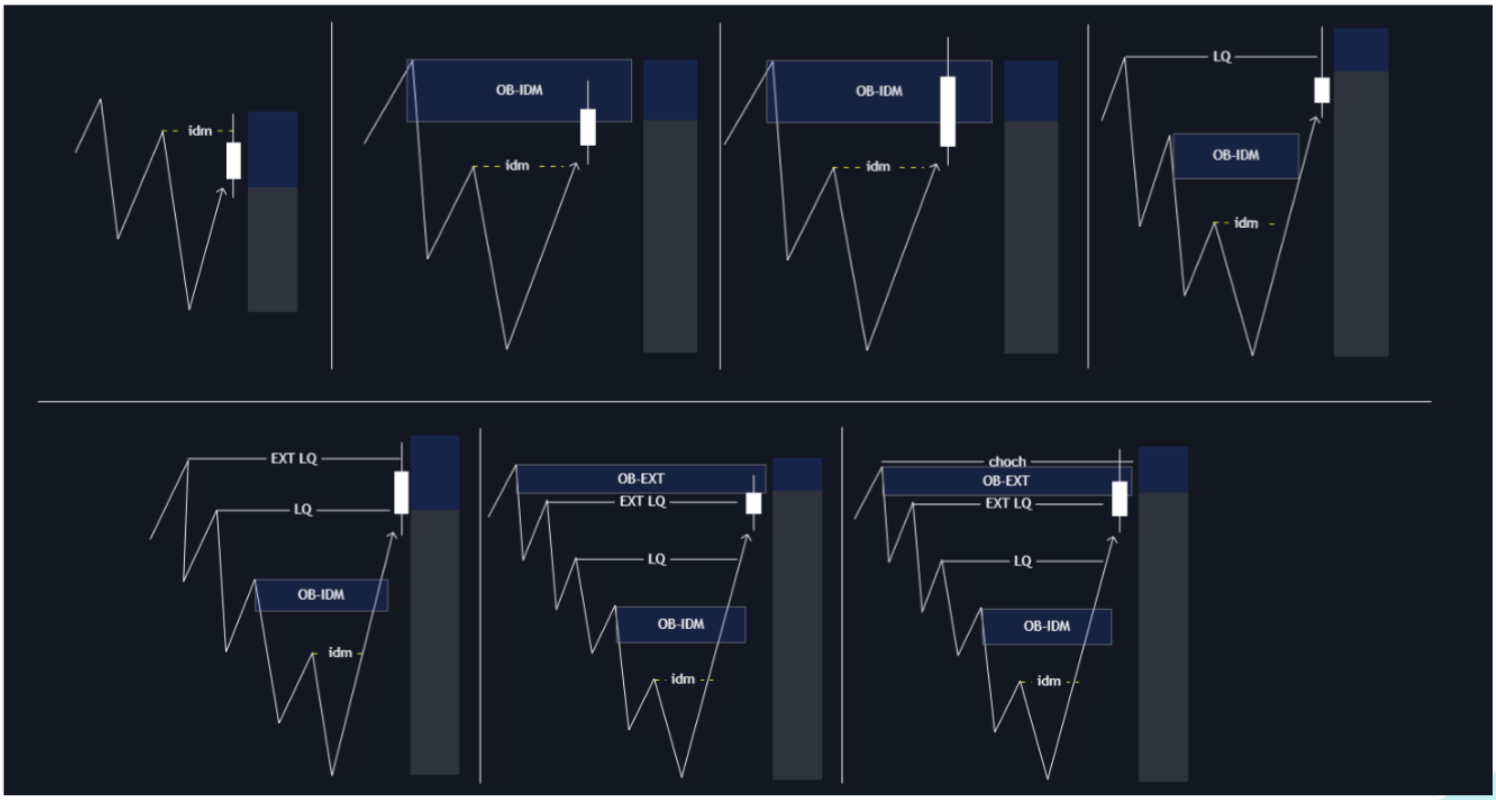
It seems we already have many POI options.

In total

Our trend trades are:

- **IFC IDM** (liquidity grab from IDM, IFC candle)
- **Order Block IDM** (liquidity grab from IDM, rebound from the first block)
- **IFC Order Block IDM** (liquidity grab from the IDM block)
- **IFC Liquidity** (liquidity grab from internal liquidity)
- **IFC Extrim Liquidity** (liquidity grab from extreme internal liquidity)
- **Order Block Extreme** (liquidity grab from extreme liquidity and a bounce from the last block)
- **IFC ChoCh** (grab of external liquidity (ChoCh))

It might seem like we have too many POI zones, which may lead us to huge load of stop-losse. However, price usually reverses either from a post-IDM block or a block after extreme liquidity. Essentially, we have just two potential reversal zones. But the market isn't always cyclical, and anything can happen. For such unpredictable situations, we must be prepared. And we are.

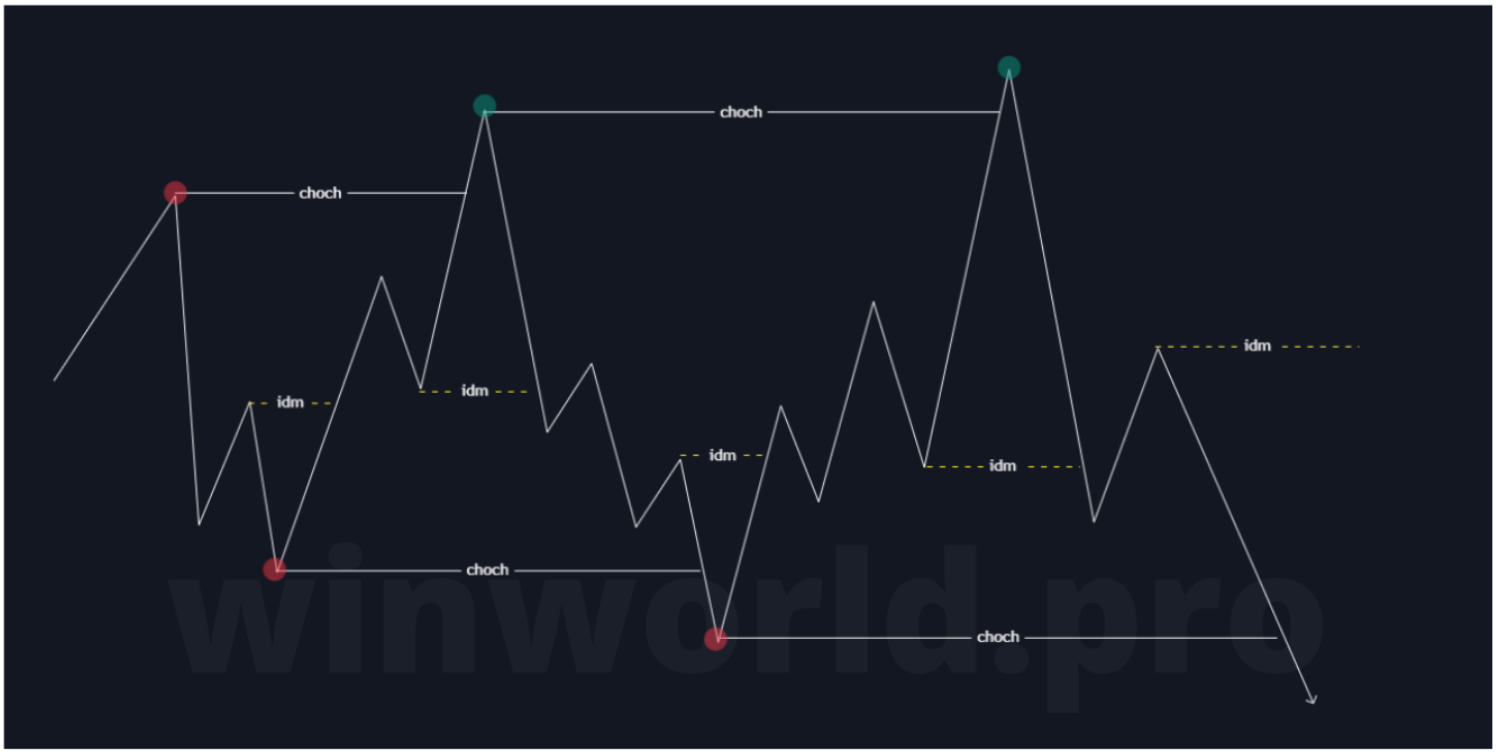


And yes, don't forget about the Order Flow section. Can't recall? Go back and read!

Counter-trend trading

We are day traders, so trading blindly by the trend is not foolish, but it's not wise either. What's the likelihood the trend will continue instead of reversing? 50/50?

When there's a shortage of liquidity, the big players start shaking the price. The same mess will occur with the structure. Initially, you may face such confusion that will play with your nerves and make you believe the strategy is garbage, but you need to trust the process.

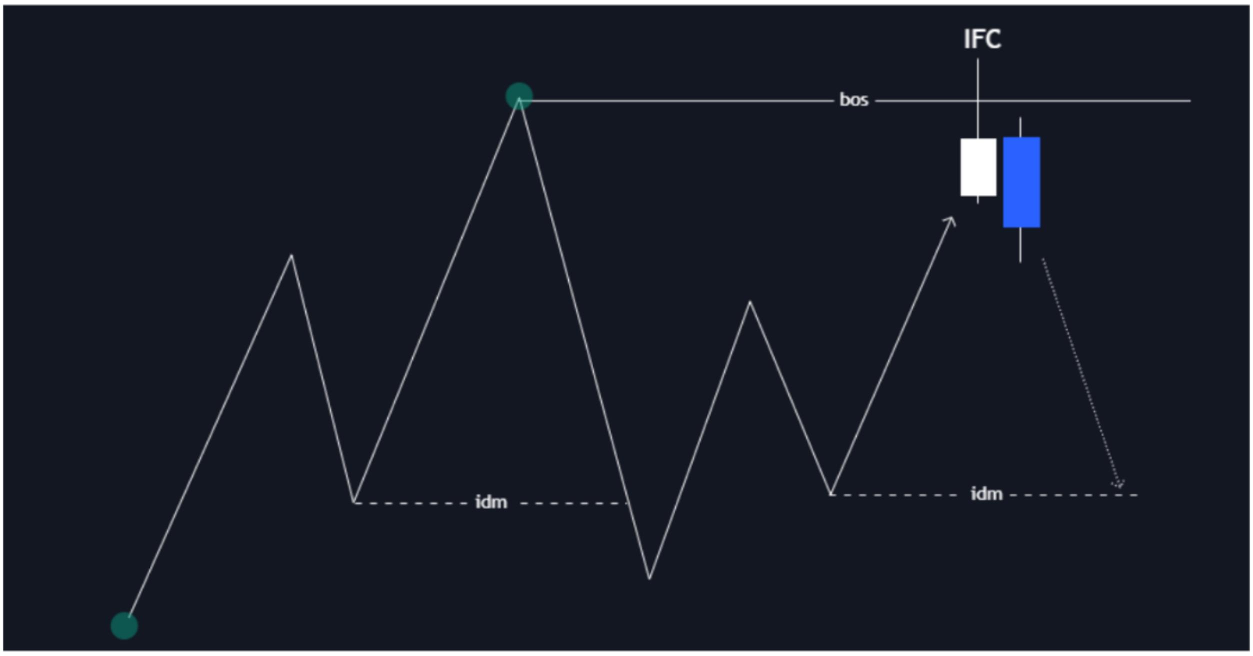


Look here for now. This thing is not very frequent, but you'll encounter this once in a while: **BOS doesn't occur in the structure, but instead ChoCh pops up repeatedly**. It's an unpleasant situation where you might accumulate stops. That's why I don't like trading solely on structure: **prices move towards liquidity, not structure**.

Because of this, you must be ready to trade not only with the trend but against it. For that, you can take into consideration a couple of POI options.

Sweeped BOS (IFC)

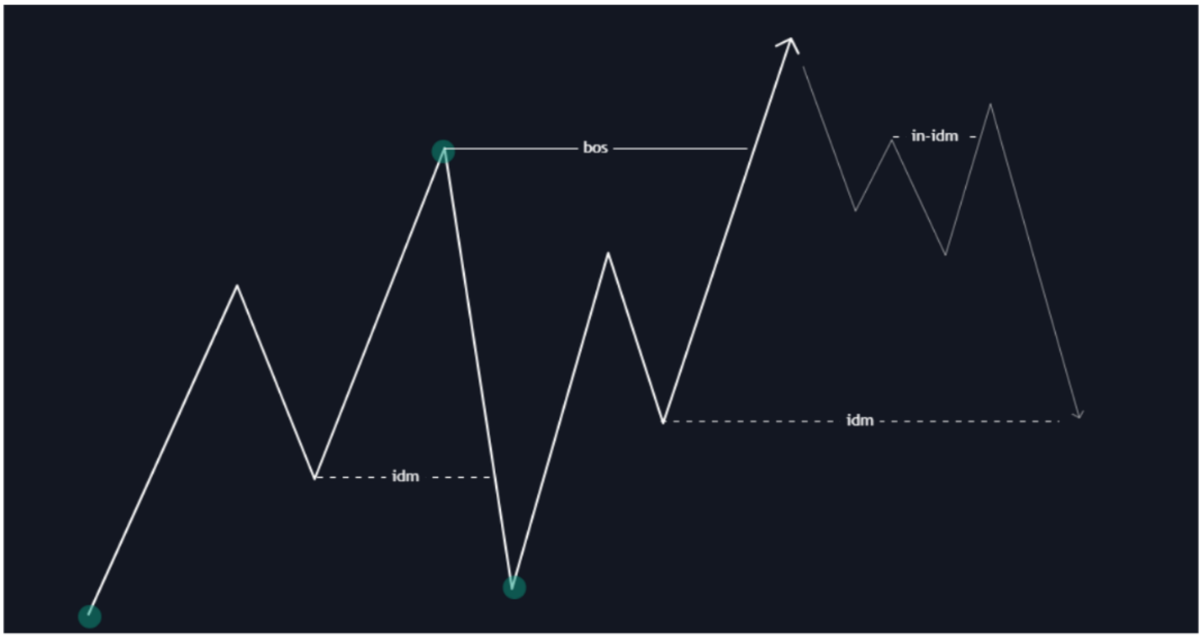
The first POI zone for counter-trend entries is right at the start, i.e., after a Sweeped BOS.



Sweeped BOS is external liquidity grab with the candle closing below (or above, depending on the trend). We understand we're trading against the momentum (the trend on the higher TF looks like a momentum), there, we need to reduce our risks, but we can't "stretch" the trade infinitely; we exit at the first liquidity grab or secure a significant part and leave the rest to run.

Trading with IDM

When the BOS is confirmed, we understand that sooner or later, the price will reverse to reach IDM.



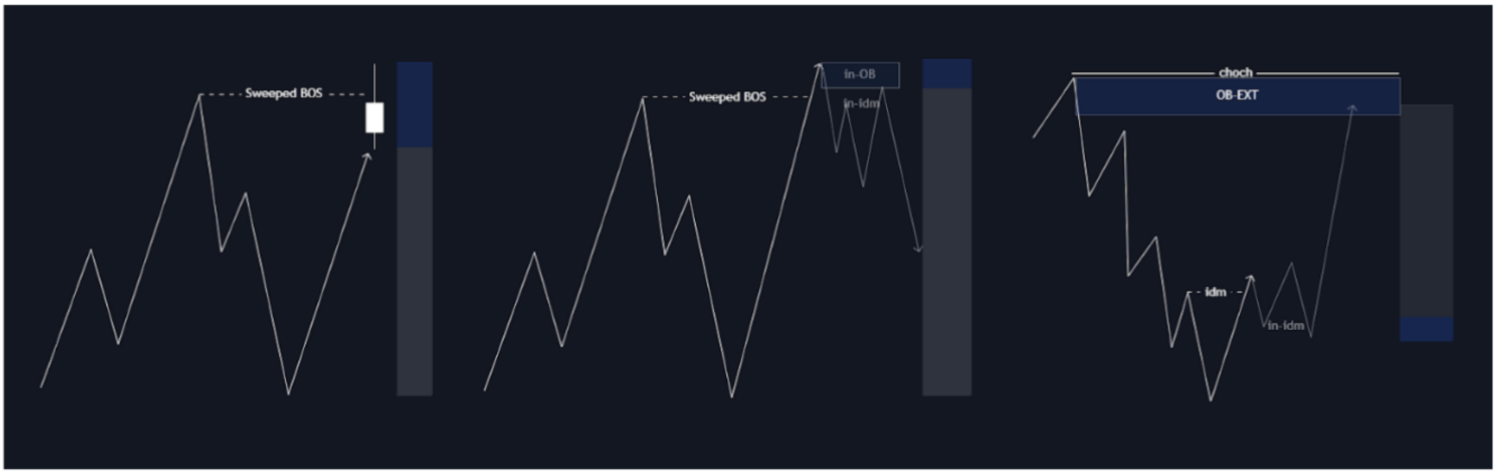
The entry scheme is illustrated above. To validate the structural point, you need to await the IDM liquidity grab. If IDM isn't closed, we might simply wait for it to close. How to trade it? Same way as was discussed before – as soon as liquidity appears and it wasn't collected, you can jump in the trade right after it will be collected.

Inside the Structure

If the structure's amplitude is significant, why not base a trade on the internal structure against the main movement with R:R rati? Let's be real, this is kinda obvious.

When the price breaches IDM, but doesn't provide an entry point, we understand that there's a high probability (but still not a 100% guarantee) that price will move to our extreme liquidity. Why not hop onto that rollercoaster and make a counter-trend trade? Nothing can stop us tho. The entry formula remains the same: price has to form the IDM and then grab it.

In conclusion, we will have fewer entries against the trend. Therefore, why take more risks?



Sweeped BOS (IFC BOS) (external liquidity (BOS) grab with an IFC candle)

IDM Counter-trend (opposite IDM, target, IDM in trend)

IDM Counter-trend (opposite IDM, target, extreme liquidity order block)

These are the main POI moments where you need to go to a smaller TF and look for entry points. Trade both with and against the trend. **Don't be scared**; experience won't come by itself. But for now, practice on a demo or small account. If you have surplus of capital and aren't afraid of burning it, you can algo give a try.

You can also seek trades based on the internal structure. Remember: **IDM rises with the price**. So, once the IDM is cleared, you can hop onto this leaving train and take a trade (only through LTF confirmation and with a favorable RR).

Liquidity Trap

If you've grasped the essence of the above, then when trading with the trend, we only have two potential POI blocks. The first block is the **Order Block IDM**, and the second is the **Order Block Extreme**. In other words, the first and the last. If there are other blocks between them, they act as liquidity, and you can't enter from them as a rebound. Such blocks are labeled as **LT**.

LT (**Liquidity Trap**) is a fake order block that gives a slight reaction but merely serves to lure in opening orders in the wrong direction. It's a trap, an inducement, a bait, just like IDM.

In some cases this trap is called **SMT**, but messes up with original definition of Smart Money Technique, which is a divergence between corelated assets in the market. But we will get back to this later. Now let's talk about **Liquidity Trap**.

We ignore LT, even if there's a reaction from them. However, you can try to enter the market if you see an IFC, but you're already familiar with that.

Order Block (OB), Order Flow (OF), Imbalance (IMB, FVG), Inducement (IDM, IND), structural points (BOS, ChoCh), sessions, daily range (PDH, PDL), any point of interest (POI) – all of these are **liquidity**. There aren't strategies that guarantee profit in every trade. Our task is to wait for the price to reach the point of interest with confirmation on the lower TF and then try to profit. Could it work out? Well, it could! Couldit not? Well, it could not! **We're trading probabilities**, just like all traders.

Now it's time to move on to entry points. **More in Part 3. Stay tuned!**

One more thing!

3rd part is coming soon, we are already working on it, so **stay in touch, folks**! But for now let's talk a bit about something you can realte to.

We know ourselves that drawing structure youself on tens and hundreds of asset everyday is a **hell of work**, because we've been doing it ourselves a long time, but then we've decided to automate and a few month after a game-changing structure mapping indicator was born — **World Class SMC.**

It that **fully** automates structure mapping and pattern finding, so you can focus on finding the best entries and therefore making the best trades possible!

We really advise you to give it a try with our **2-day FREE trial,** so you could see the true greatness of our tool yourself!

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