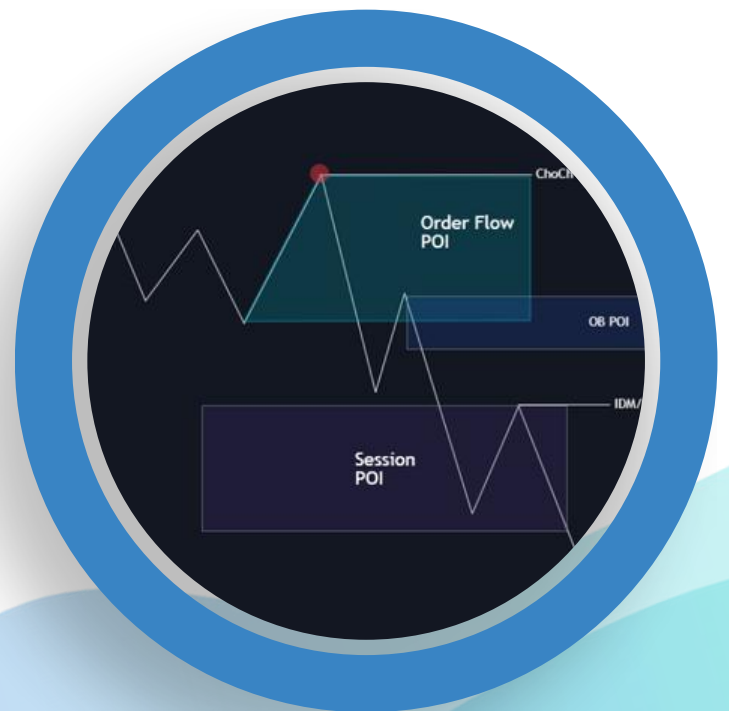




World Class SMC

ADVANCED SMC STRATEGY

Part 1. Theory



By WinWorld Team
& Friends

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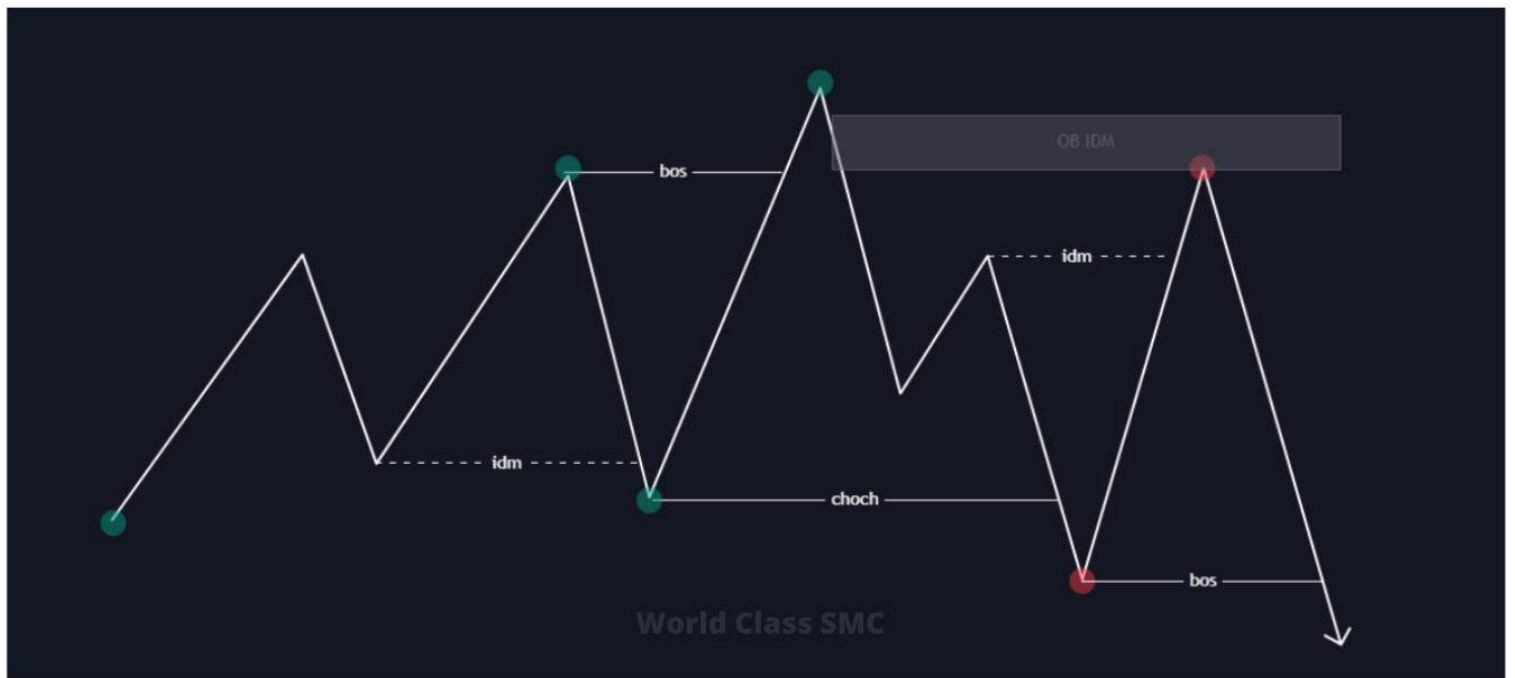
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Advanced Smart Money



By WinWorld Team
& Friends



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.

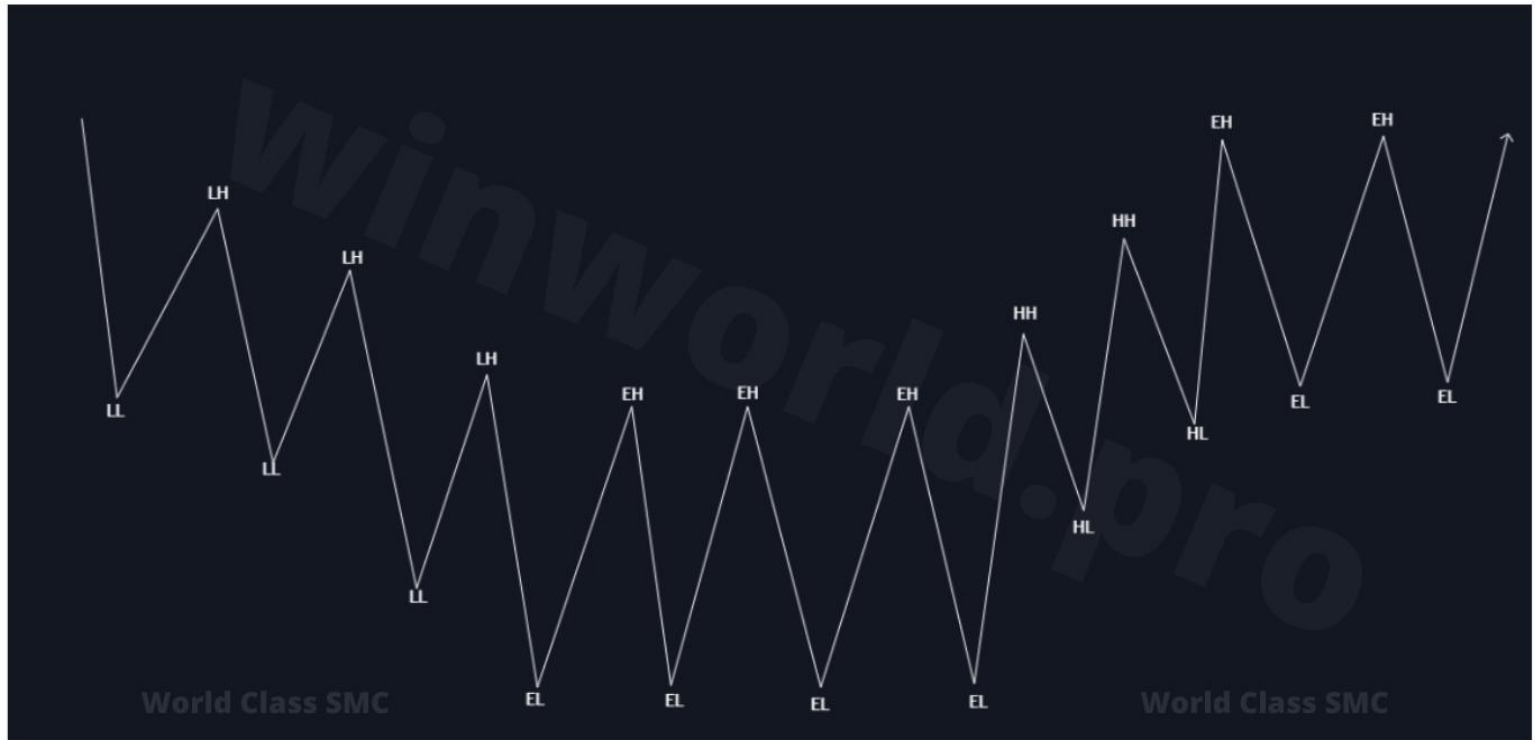
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Disclaimer: we do not claim authorship of the strategy itself. We are only the developers of World Class SMC indicator, which is based on this strategy.

Advanced Smart Money

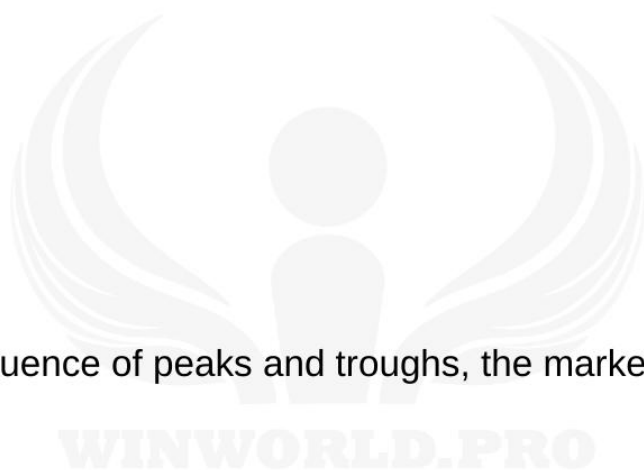
The strategy is based on market structure, which is based on liquidity. But let's talk about liquidity later, and now let's focus on the structure itself. Let's get started.

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To determine the state of the market, one needs to identify the sequence of highs and lows of the structure:

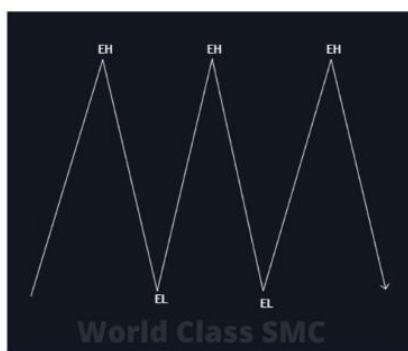
- HH** - higher high
- HL** - higher low
- LH** - lower high
- LL** - lower low
- EH** - equal high
- EL** - equal low



Based on the sequence of peaks and troughs, the market can be in three states:



Bullish market structure - a sequence of higher lows (**HL**) and highs (**HH**)



Sideways movement – consists of equal highs (**EH** or EQH) and equal lows (**EL** or EQL)



Bearish market structure - a sequence of lower highs (**LH**) and lows (**LL**)

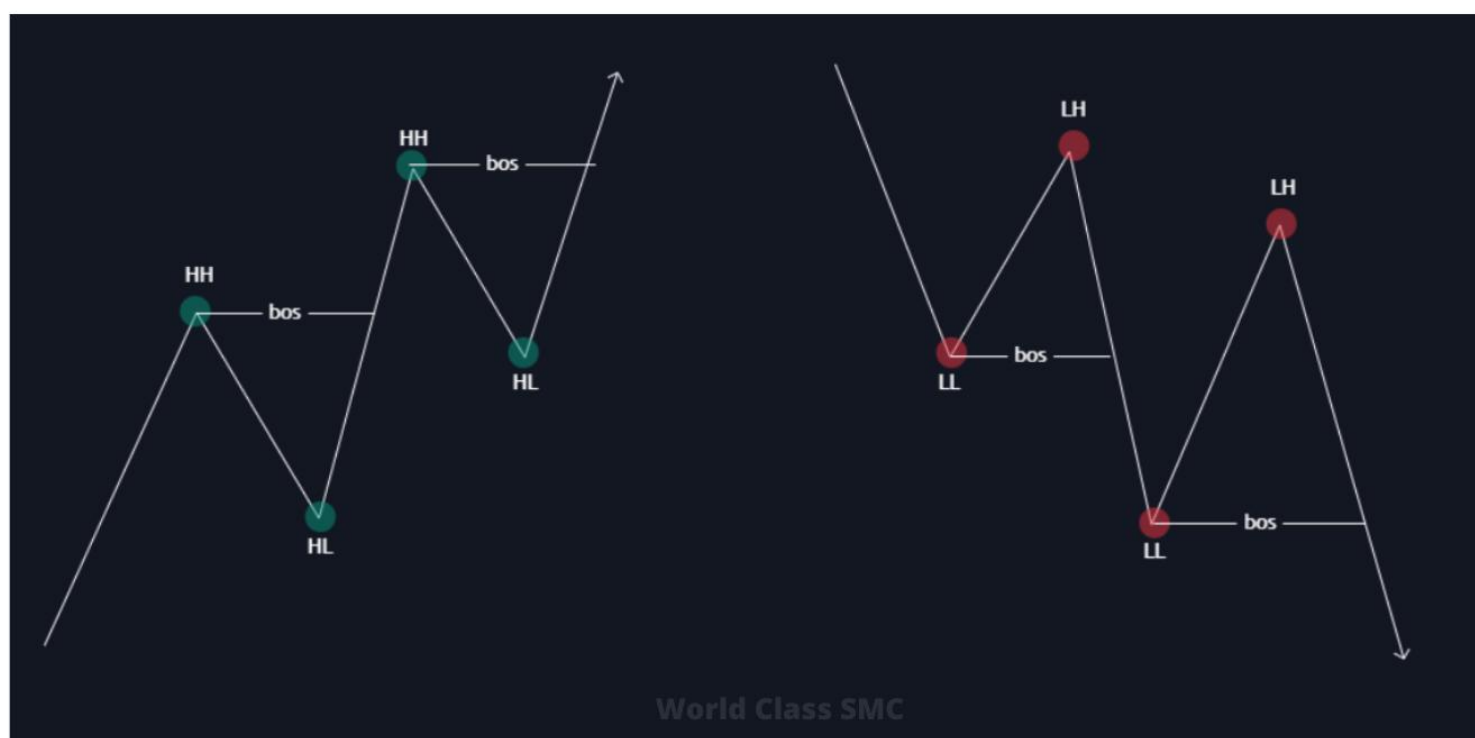
Based on the clear positioning of highs and lows, we determine the market's direction and corresponding trading plans. Depending on the current trend, we will define our **POI** (points of interest) and wait for a trading setup. We will talk about this later step by step.

Break of Structure (BOS)

BOS- Break Of Structure. This denotes the continuation of a trend when the price updates the previous higher high (**HH**) in a bullish trend or a lower low (**LL**) in a bearish trend.

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This is schematically represented as follows:



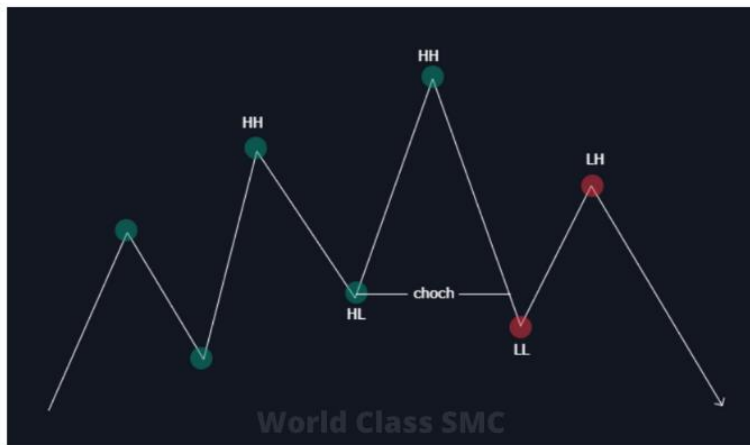
Everyone, look at the diagram above. The left depicts a bullish structure, the right – a bearish one. When the price updates the previous high in an ascending trend or the low in a descending trend – the breakout point is called BOS.

The left and right sides of the diagram represent BOS in ascending and descending structures respectively. When breaking the previous high or low, the trend is considered to be continuing. Nothing new here, it's all consistent with classic technical analysis, just with trendy notation.

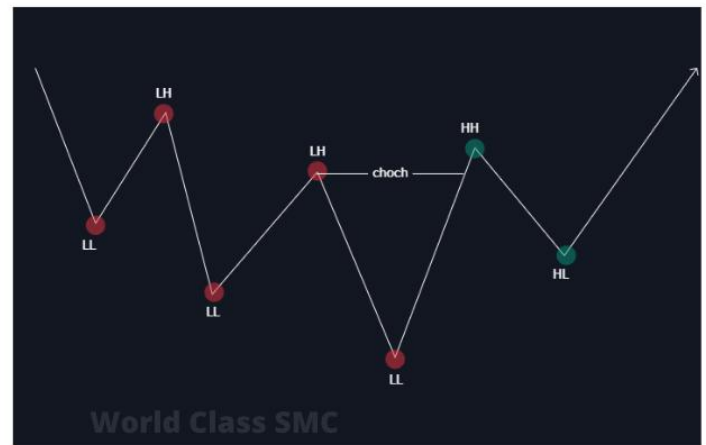
Change of Character (CHoCH)

CHoCH - Change of Character. This indicates a trend reversal when the price drops below the last low in an ascending structure (HL) or rises above the last high in a descending structure (LH).

It looks like this:



When the price falls below the last low in an ascending structure – the structure breaks, and the trend intends to reverse its direction.



When the price rises above the last high in a descending structure – the structure breaks, and the trend intends to reverse its direction.

This is a classic concept of market character change, utilized not only in traditional technical analysis but also in the Smart Money concept. But that's not all; it gets a bit more interesting.

Newbies always have the same issue, from what I've noticed. You look for CHoCH where it can't be - on the right side of the price. Remember, any market structure tool is ALWAYS determined and located ONLY on the LEFT side of the price.

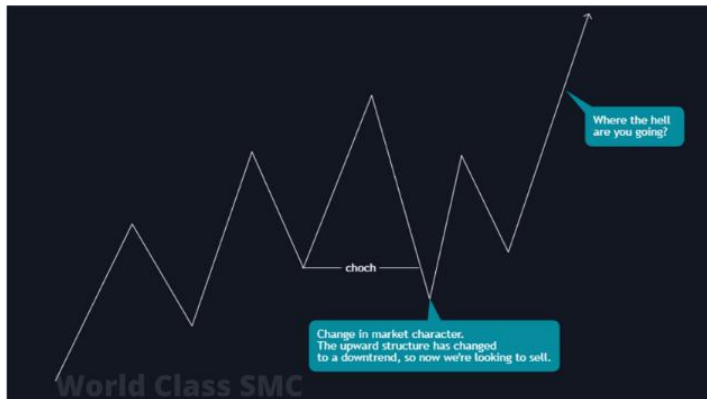
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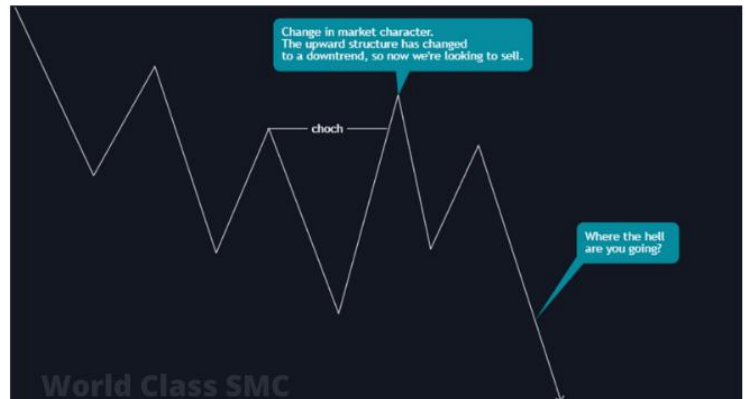
Inducement (IDM)

Inducement – the last price pullback in the market structure. **Inducement** is the area and the specific point that prompts (stimulates) traders to buy and sell.

The main criterion for a trend change, as you already know, is CHoCH. Almost all practicing traders of both technical analysis and Smart Money followers follow this example. But as you may have noticed if you've ever tried to trade, rather than just googling the ultimate strategy to make you a billionaire, there's this feature:

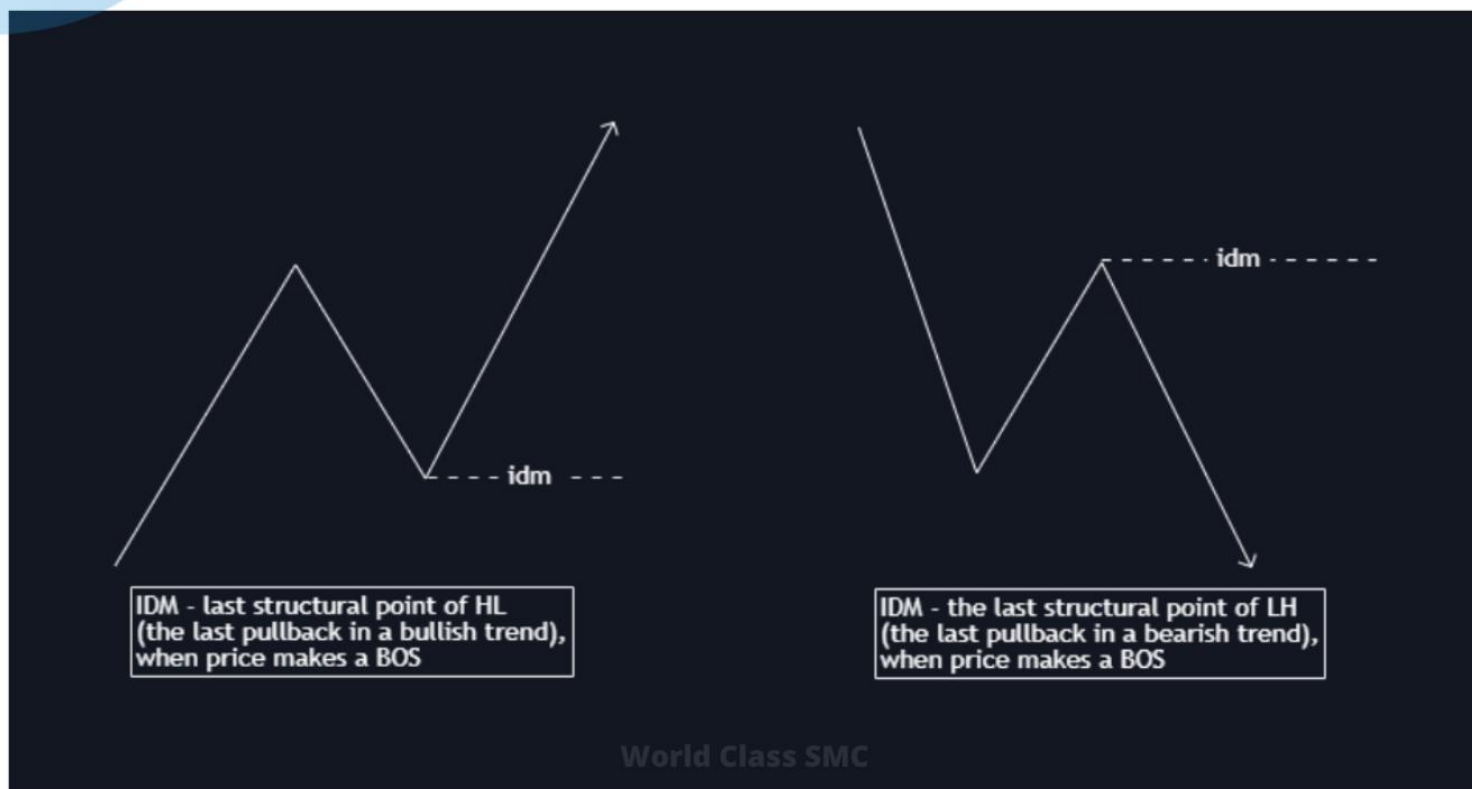


Bullish structure breaks. Price doesn't change direction and continues to rise. Ha-ha, gotcha.



Bearish structure breaks. Price doesn't change direction and continues to fall. Ha-ha, gotcha.

Seems like I've made it clear. This is a false market structure break. The market structure breaks, traders start trading in the new direction, but instead of following the new structure, the price continues the old one. Such a sneaky trick.



Inducement (IDM, IND) is the extreme point of the last pullback in the structure when the price makes a BOS. Until the price updates the previous high in an ascending trend or the low in a descending one, the IDM remains the previous point.



With this in mind, the IDM will follow the price as long as it remains valid and the price makes a BOS.

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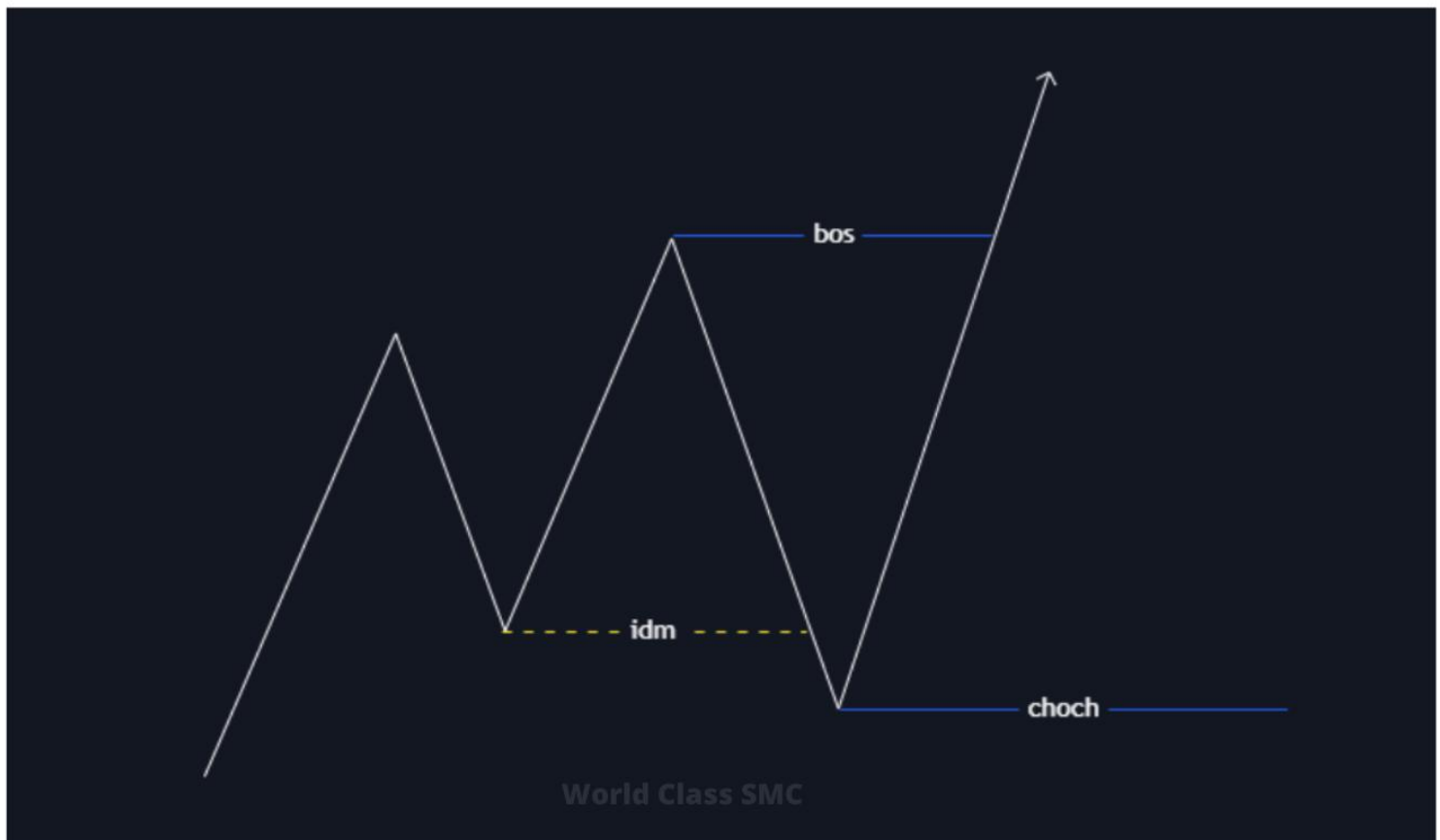
I don't know who came up with the concept of Inducement, but the essence of this action is not new. The main feature of market movement is **liquidity**, and inducement is nothing more than a collection of liquidity.

As the price moves in one direction, it will always pull back. Regardless of the pullback's strength, liquidity is collected; you can anticipate movement, but when it will happen is a mystery.

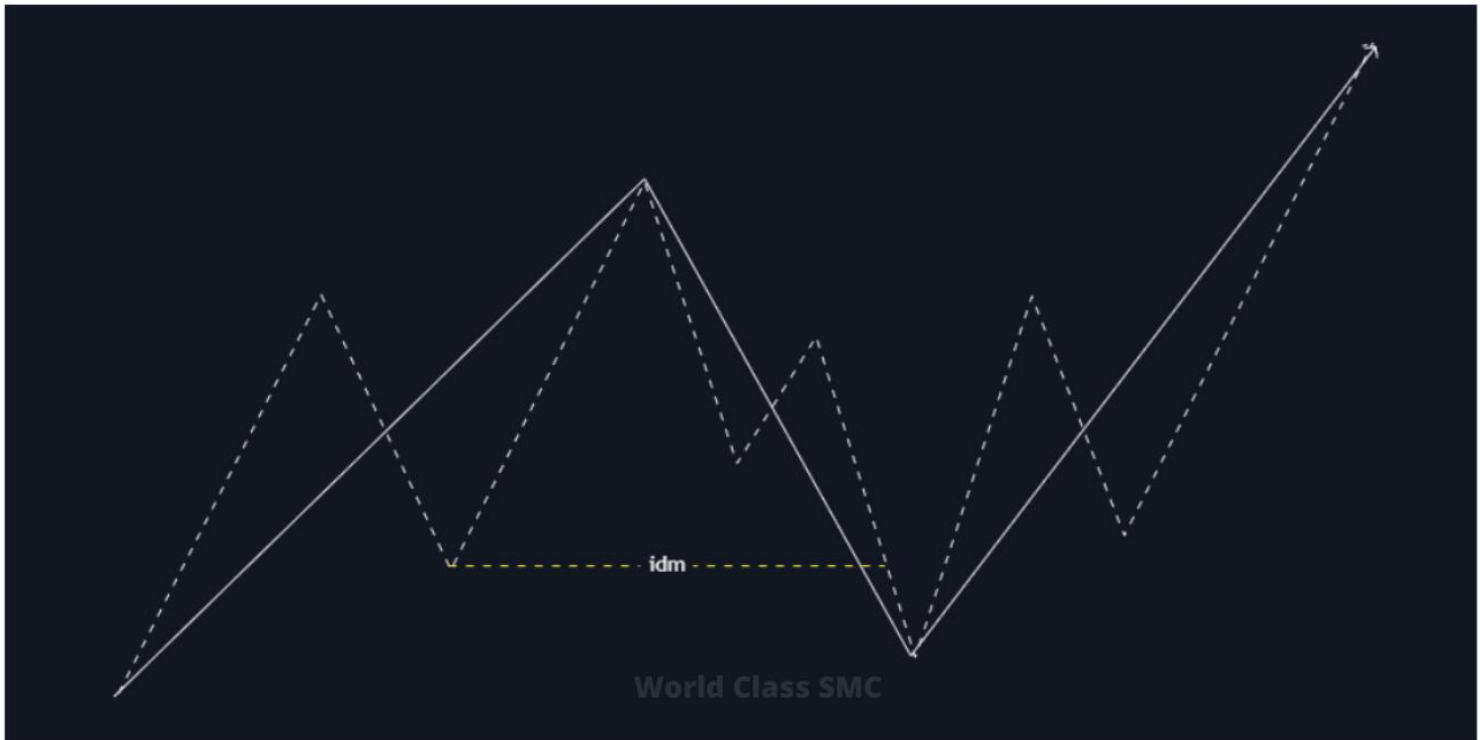
Market Structure with IDM

This Smart Money strategy involves using the structure only with inducement. Inducement acts as a trap for those, who base their strategy on classic market structure. The main catch for us is liquidity. Once you've collected liquidity, you can look for an entry point. Until liquidity is gathered, no trades. Act like you're in a street fight, only jump in when your side is winning. Always step into a fight when the war is already won.

Wait for the liquidity to be gathered before taking action; otherwise, you might become the liquidity.



Look up. The last structural movement is our IDM. When the price reaches the IDM, the highest point will be our structural point. When surpassing this point, we have a BOS, and the lowest point becomes our new structural point – CHoCH. If the price reaches CHoCH and drops further, we have a change of character, i.e., a trend reversal.



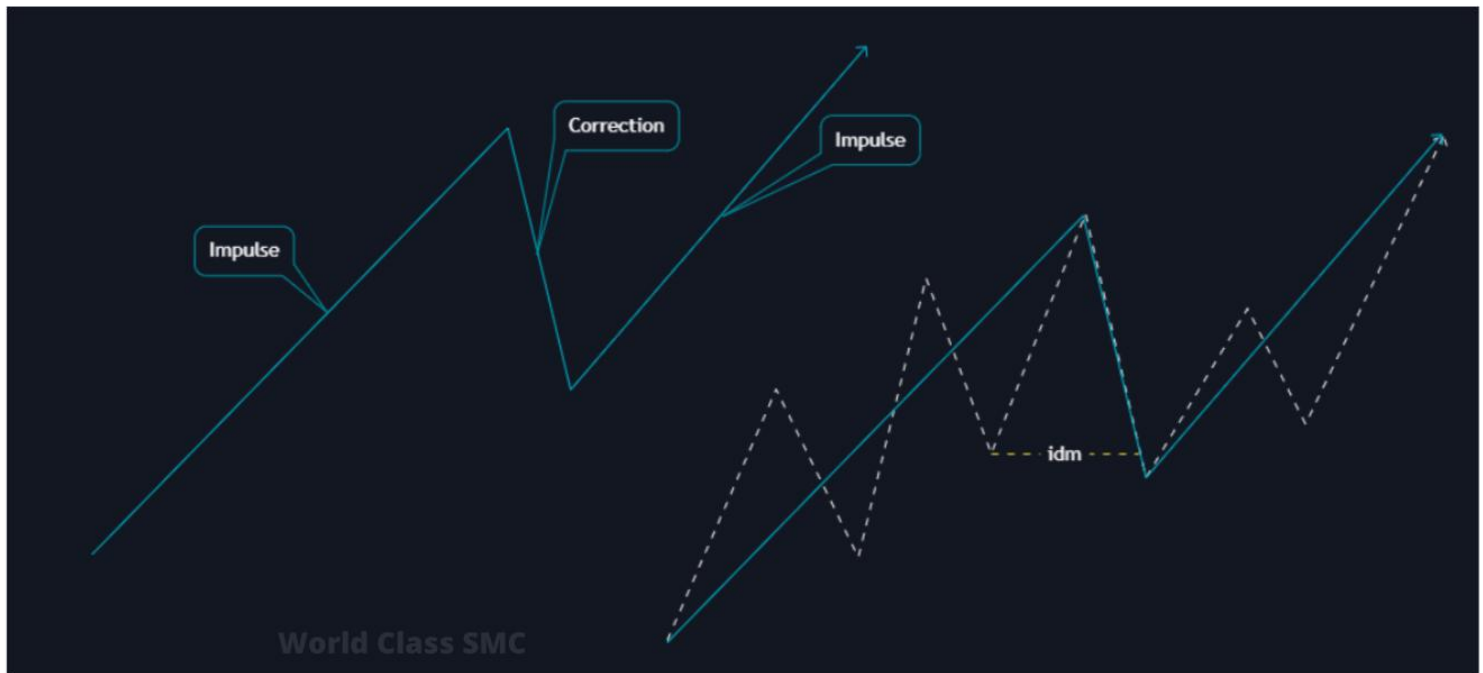
The dotted line represents the market structures in classical application. The solid line represents the market structure using IDM.

When, according to the classic definition of structure, there's a trend change at our IDM point, in our new version, it's merely inducement, i.e., liquidity collection, after which we can look for an entry point. As you can see, the structure drawing takes this liquidity into account, which didn't affect the trend itself.

Impulse and Correction

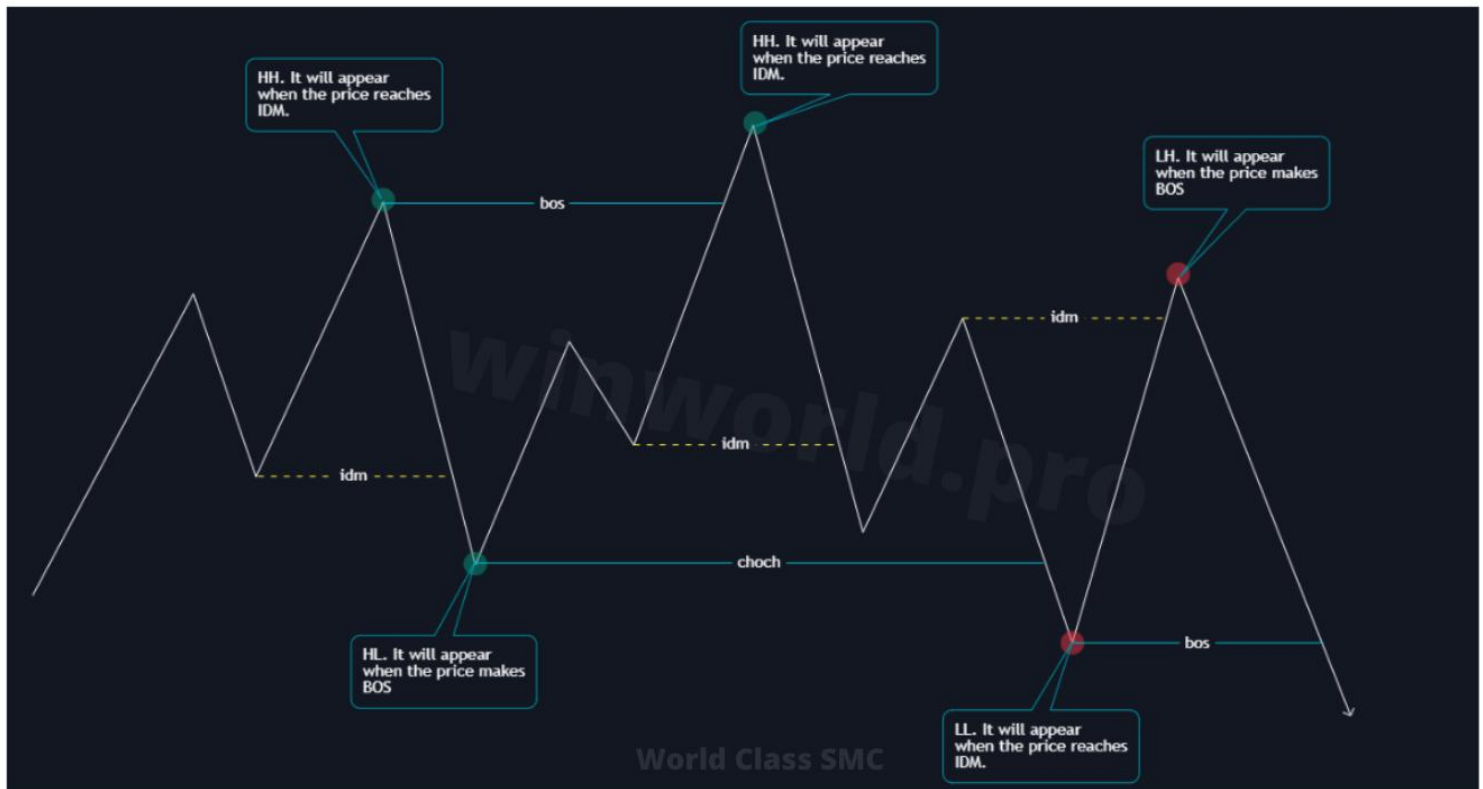
The dotted line represents the market structures in classical application. The solid line represents the market structure using IDM.

When classic market structure principles tell us that there is a trend change, for us it is just an inducement, or so called liquidity grab, after which we can look for an entry point. As you can see, the structure drawing takes this liquidity into account, which didn't affect the trend itself.



You can refer to the diagram mentioned earlier for an example.

Structure point formation



Structural points only appear when specific actions occur:

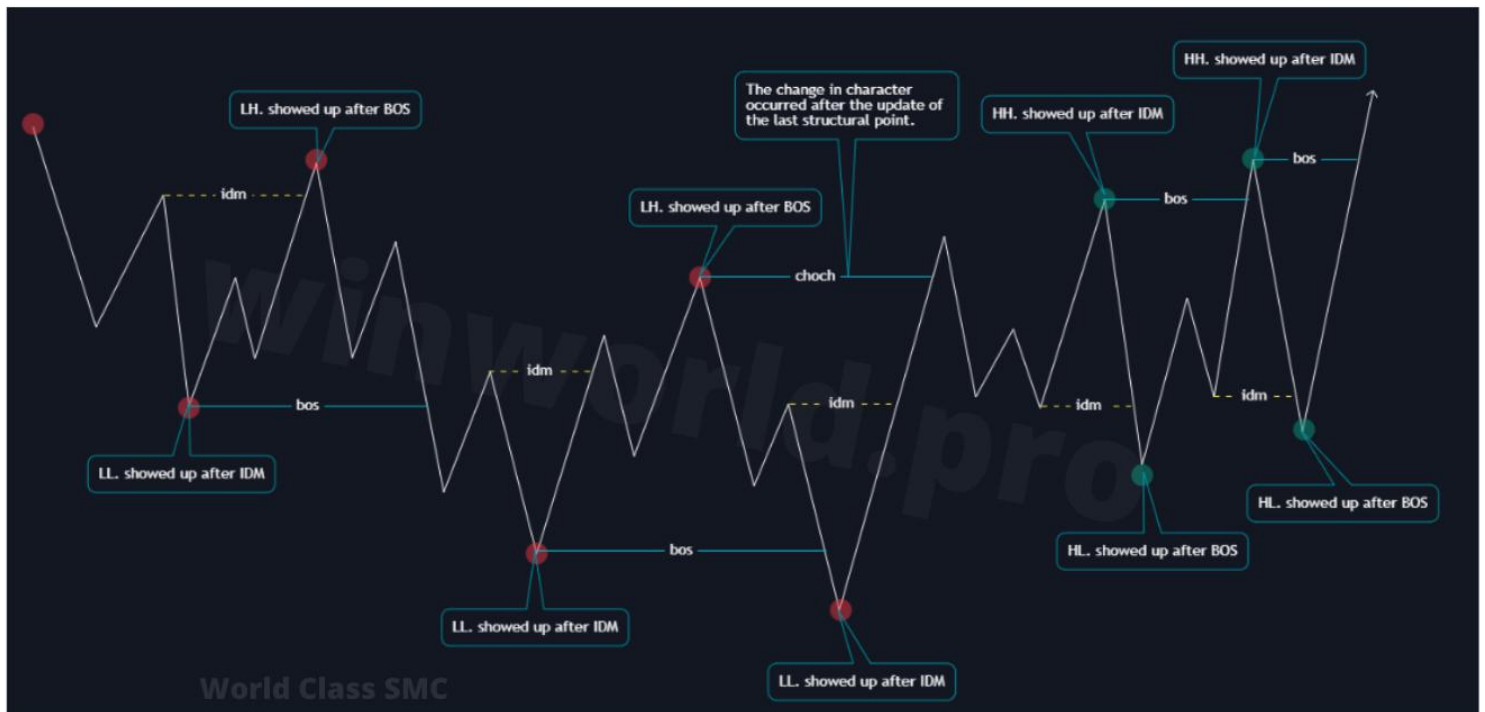
HH (higher high) in a bullish structure only appears when the price drops and closes below **IDM**. **LL** (lower low) in a bearish structure only appears when the price rises and closes above **IDM**.

HL (higher low) in a bullish structure only appears when the price rises and closes above **BOS**. **LH** (lower high) in a bearish structure only appears when the price drops and closes below **BOS**.

The two paragraphs above are something you should read, memorize, and remember it forever. You should be awakened in the middle of the night and still recall where and when structural points are formed. Otherwise, what's the point?... The point is that you risk losing you whole deposit!



A schematic representation of structural points considering IDM is shown in the above diagram, while the actual structure and brief explanations can be found in the diagram below.



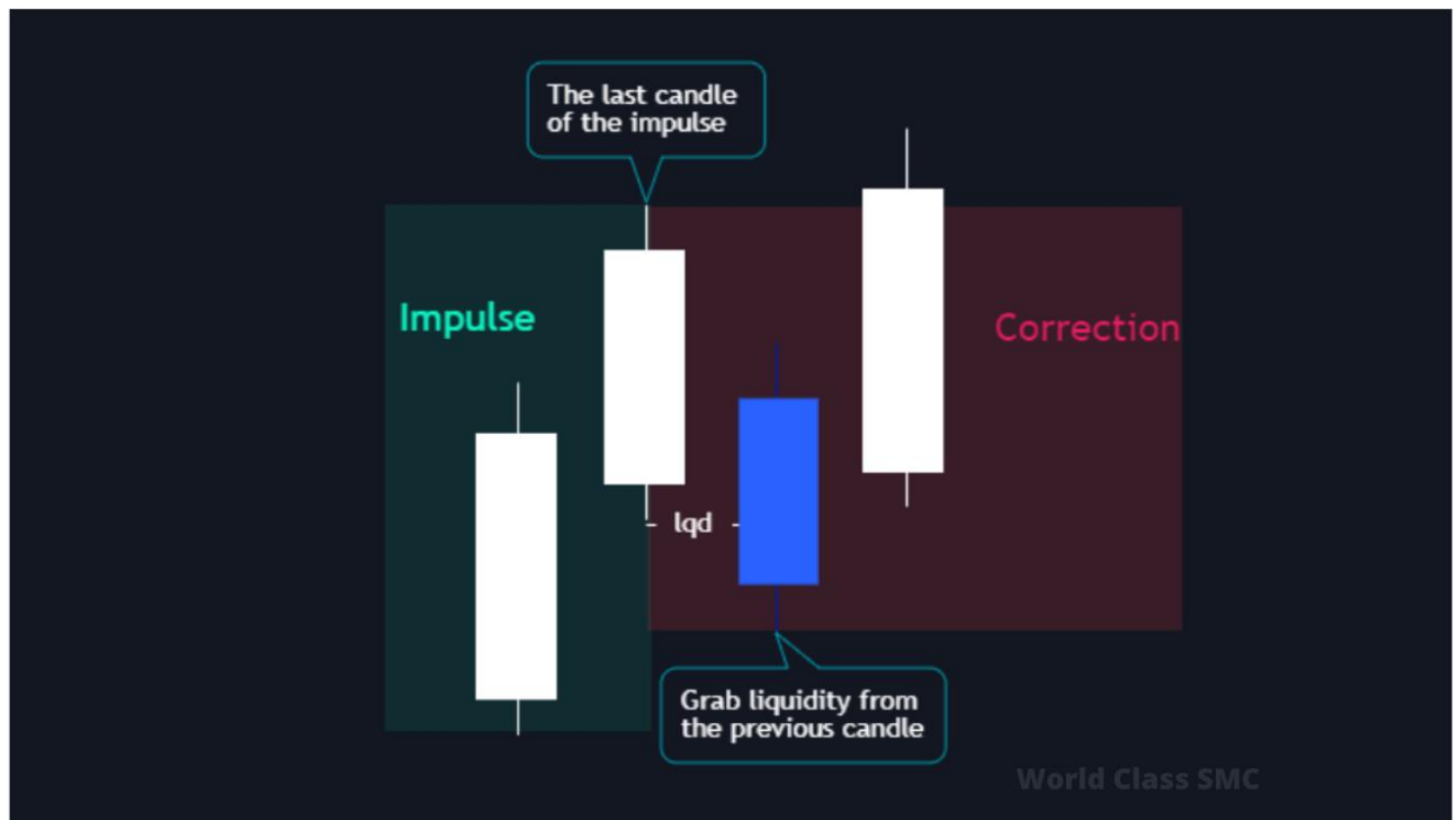
That's the basics regarding structure. Some ambiguous moments might arise, which we will address below.

Swing – Defining Structural Points

There's a rule among traders that everyone sees a chart in their own way. Show ten people the same chart, and you'll get ten different structures. So, how can everyone trade by the same rules if everyone believes they're right? To avoid disagreements, one needs to adhere to the rules for plotting structural points.

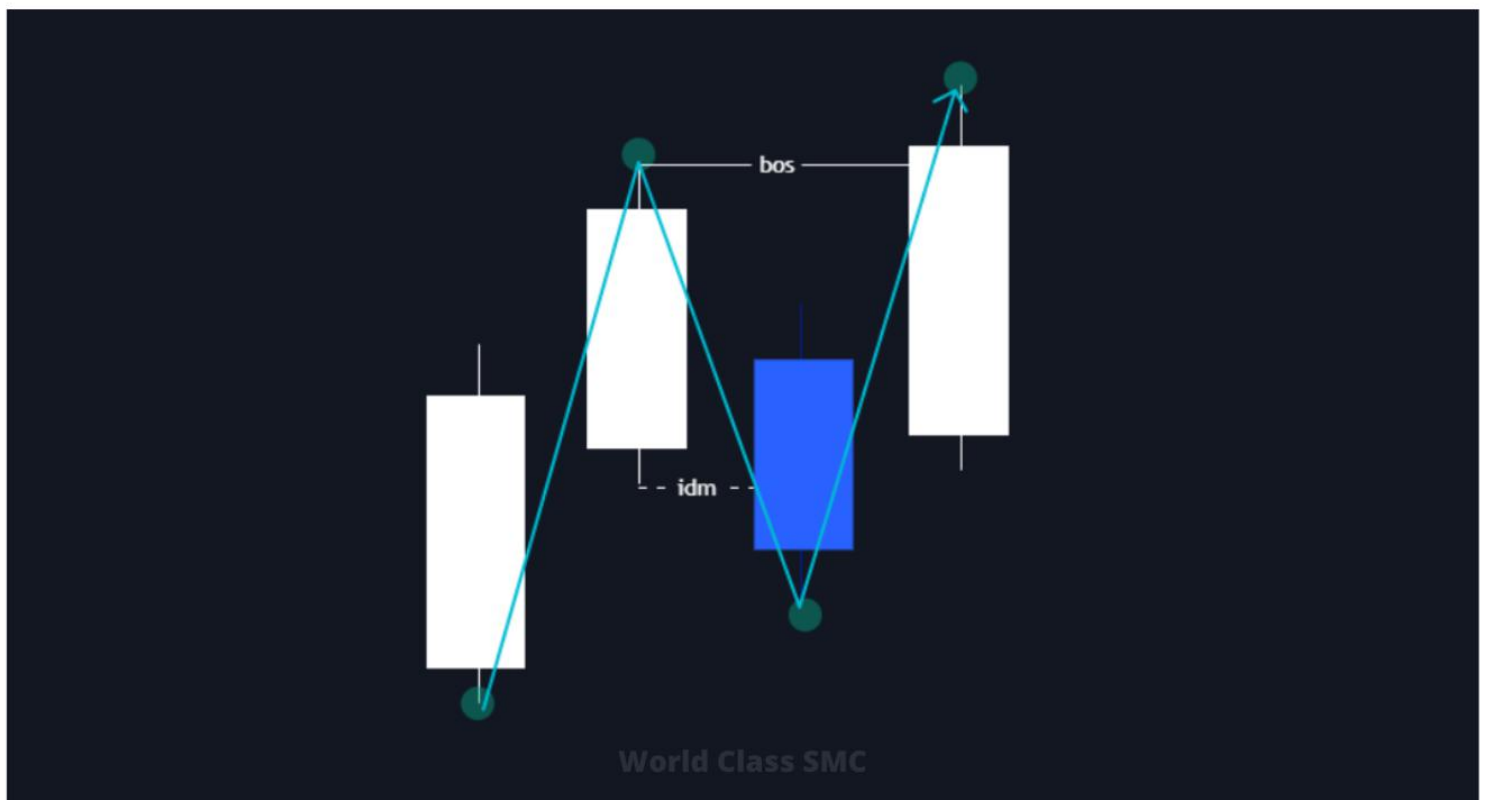
It's not complex; the main thing is to grasp the essence. Traditionally, swings are determined by candlestick patterns consisting of 3 or 5 consecutive candles. But they don't provide a precise explanation as to why it's so. What about the wicks, candlestick openings, and closures? In this Smart Money strategy, and the overall concept of smart money, everything is based on liquidity, and there's a logical rationale. So, let's dive in.

To accurately identify IDM, liquidity, order blocks on a chart, one must properly identify impulses and corrections.



Consecutive candle movements in one direction represent an impulse, while a candle retracement below/above the previous one signifies a correction. To better comprehend this, think of these candle movements as the structure described earlier.

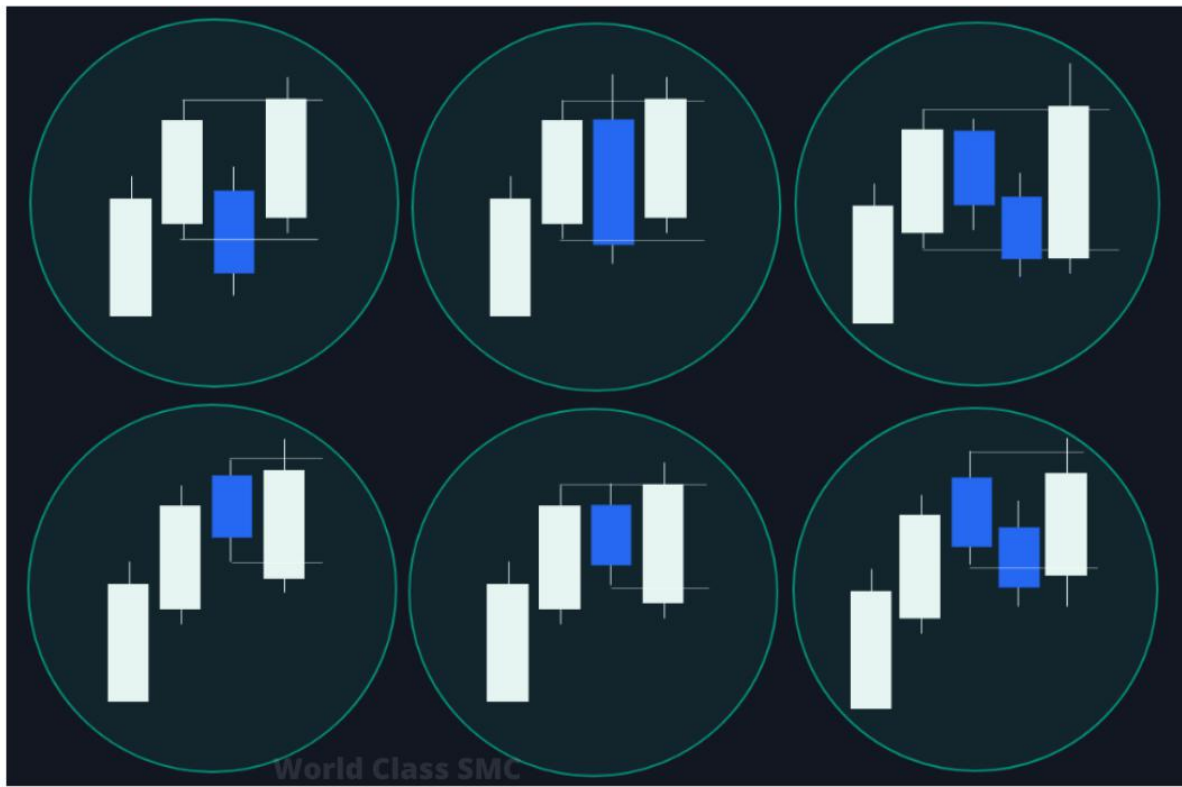
Consecutive candle movements, i.e., impulse, are trend movements without IDM removal. Correction with liquidity removal from the previous candle is IDM. Correction ends when the price updates the maximum/minimum of the last impulse candle, i.e., there will be a BOS. It's the same structure, just on a different scale.



Using this logic, one can quickly determine which pullbacks are valid and which ones aren't.

Valid Pullbacks

Below, you can observe valid pullbacks:



And now invalid pullbacks:



Study these images closely and try to understand the logic of the valid pullbacks. Understand the essence of the liquidity that must be removed from the previous candle – the last impulse candle. Note that the **candle color doesn't matter**.

On a chart segment, it'll look like this:



You won't see these pullbacks correctly right away; it'll take some time and practice. This is a crucial part of the trading system. If you incorrectly identify valid pullbacks, it will lead to incorrect identification of IDM, BOS, CHoCH, POI, and subsequently, the entry point.



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And a little bit more of an example



Structure with IDM

It's time to learn how to distinguish structure considering the valid pullbacks. It's as simple as learning to make pancakes. A few failures here and there, realizing your mistakes, and then correcting them – it's all the same. The main thing is to develop an eye for it (without getting a punch from someone else). "Hey, Andrew, we got a structure here, looks promising – check it out!"

By now, you should be aware that IDM represents the latest movement. Now that we've got the valid pullbacks, the IDM will be the last valid pullback. In the illustration below, I've provided two pullbacks and the IDM as an example. They might vary from the norm, but the essence remains the same.

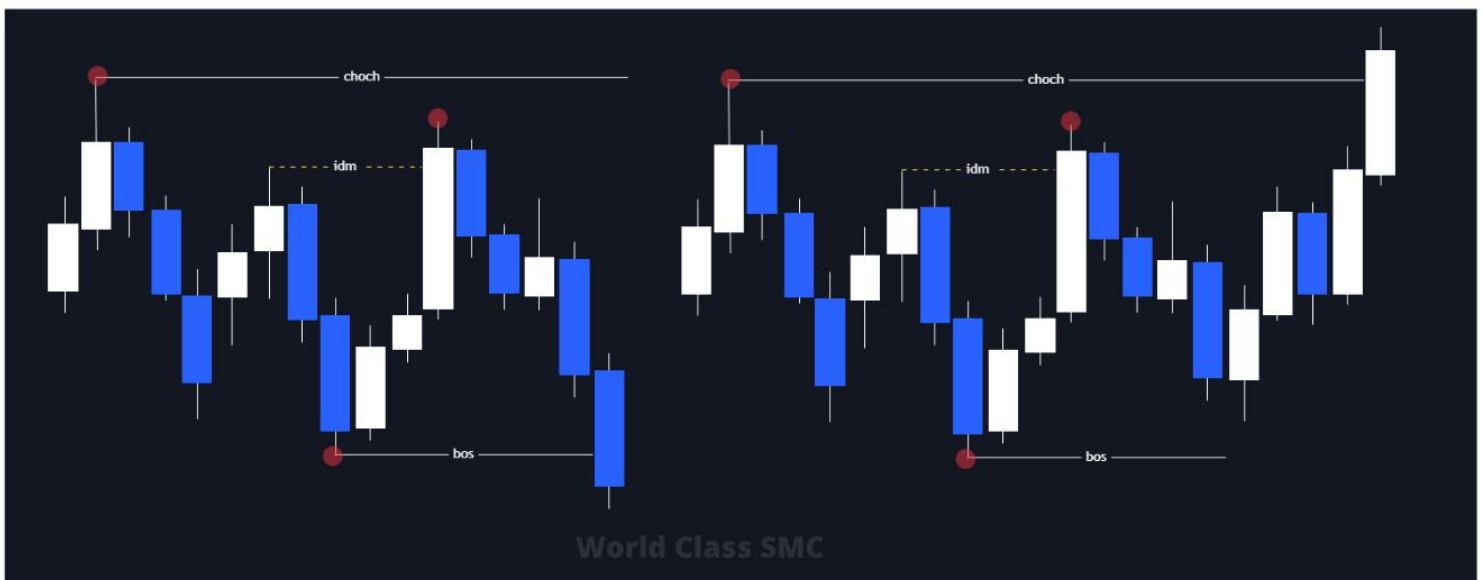


See? It's straightforward. Just learn how to mark pullbacks correctly and, and you'll always spot where the IDM is. Piece of cake, isn't?

The same goes for BOS and CHoCH.



When the price reaches the level of the last pullback, i.e., IDM, we get a structural point (BOS).



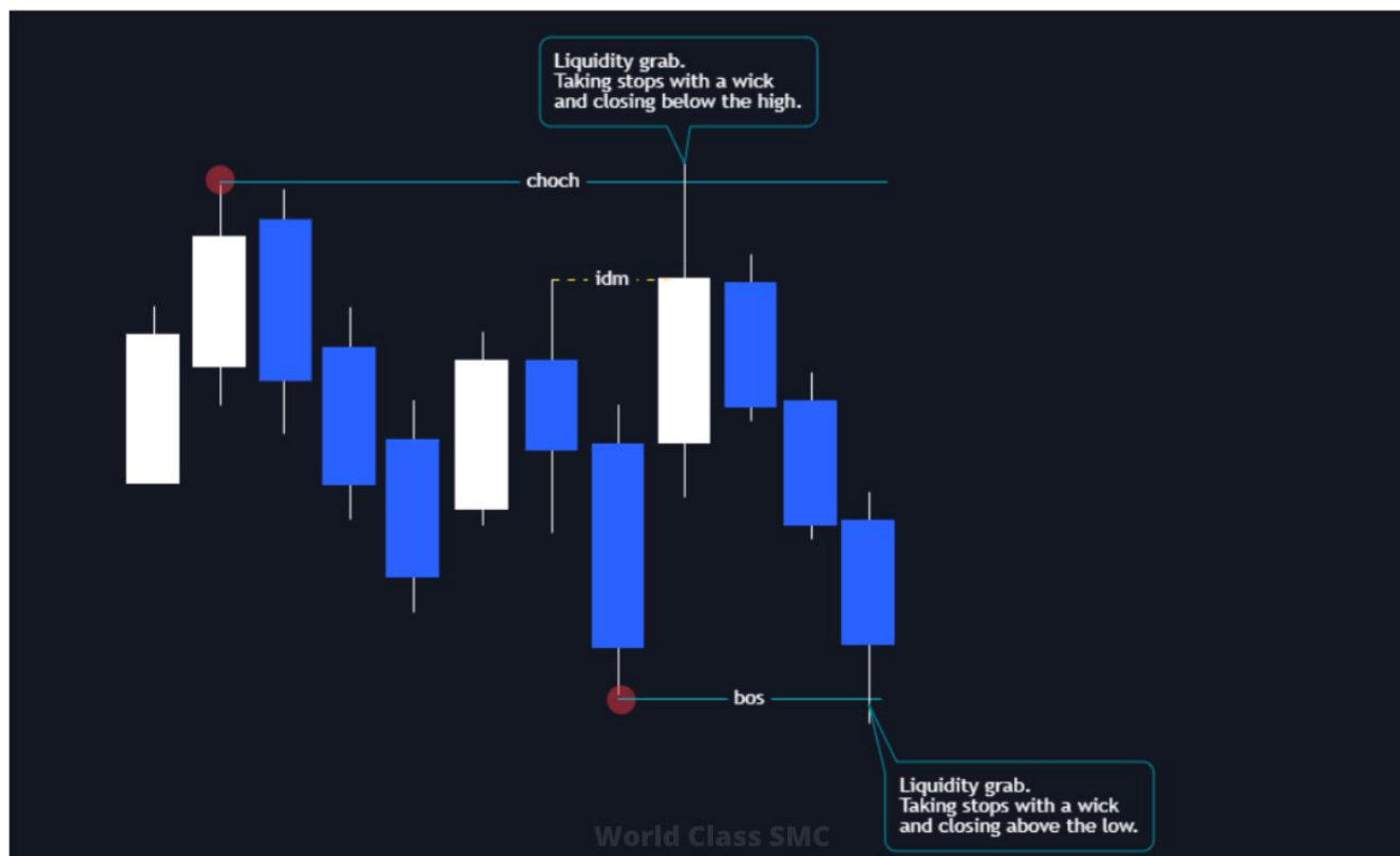
As you can see, IDM, BOS, and CHoCH are not placed randomly. Due to the rules, looking at the same chart, you should see a consistent structure. If your buddy and you derive different structures from the same chart, you will need to refer to this guide once again to determine who is wrong and doesn't respect the market. And you should always respect the market.



At this stage, you need to grasp the essence of building a structure without diving into intricate nuances. Learn to correctly identify pullbacks, IDM, and knowing where the IDM is, you can effortlessly pinpoint primary structural points and the moments of BOS and CHoCH. The illustration above presents a few complex scenarios, but more on that later.

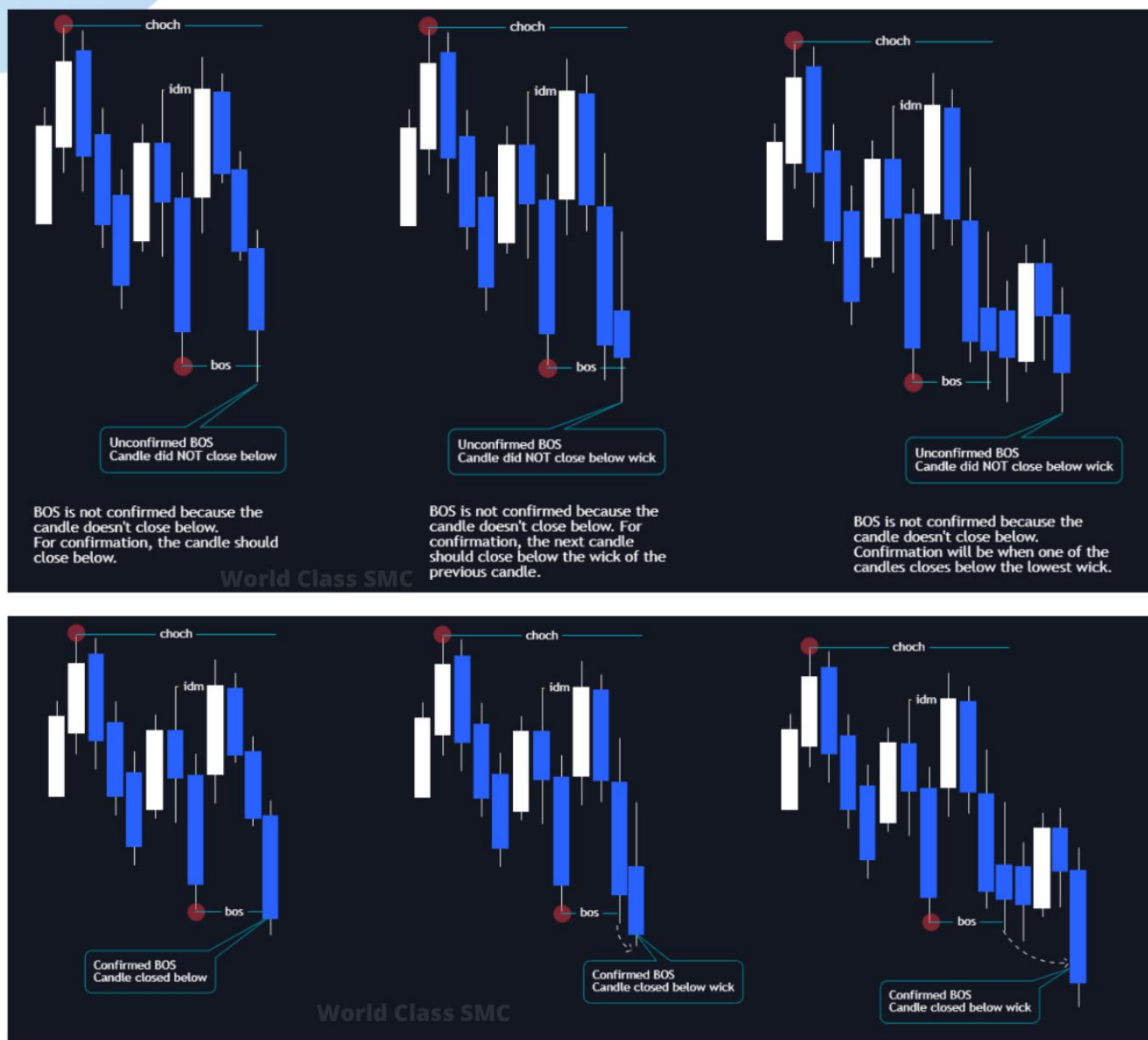
Liquidity Grab

Since the system is based on a structure that depends on the candle type, certain moments can alter the structure. This makes the system more complicated, no doubt. While the candle's closure and wick don't affect plotting the valid pullbacks, they heavily influence structural points.



When the price breaks a significant zone (POI, point of interest) and closes with a shadow, this is considered liquidity grab. Such a maneuver suggests that the big players don't intend to proceed further and are reversing the market. Why? Because it is what it is. If liquidity was grabbed and the price bounces in the opposite direction, and the candle closes with a shadow, it indicates that the required volume has been achieved, and there's no need to push the price further. You can see an example of this in the above illustration.

Due to this feature, there's an impact on the structure. If a candle, with its shadow, drops below BOS/CHoCH and closes above, leaving only the shadow below, the structure is not confirmed. Confirmation only occurs when the candle closes its body below/above structural points or POI zones.

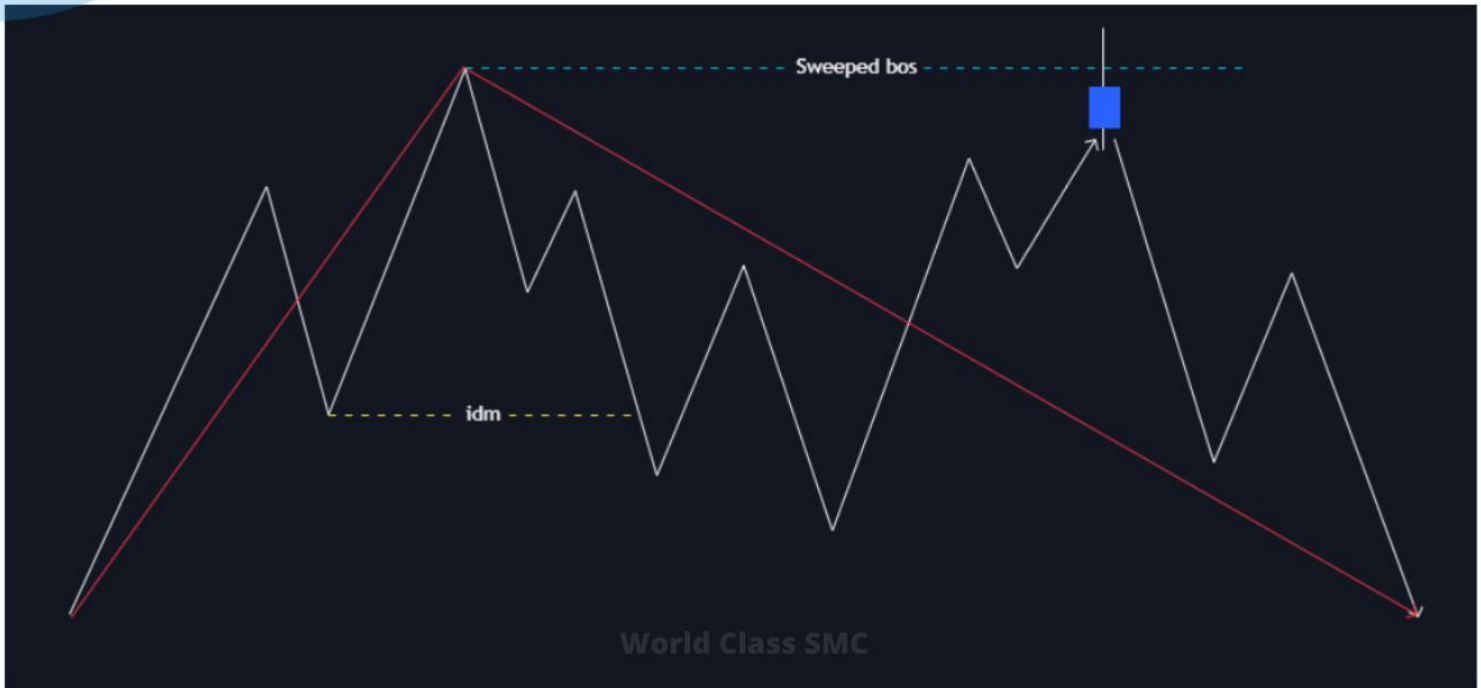


On this illustration, every BOS is confirmed.

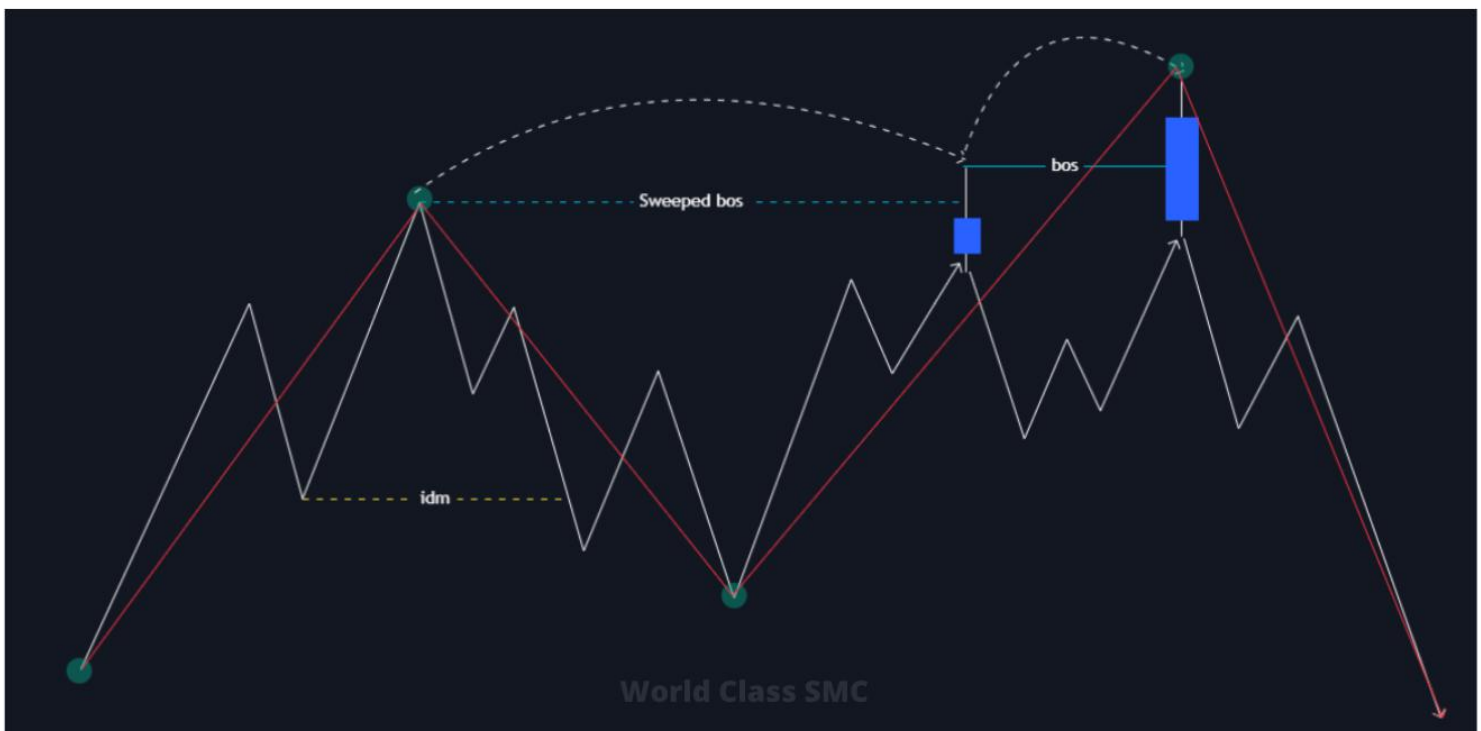
The same principle applies to: BOS, CHoCH, Order Block, Order Flow. Liquidity grab is not just an IDM; any candle closure is relevant there.

If a candle grab liquidity but closes without confirmation, then instead of BOS, it's termed Swept BOS, and instead of CHoCH, it's Swept CHoCH.

Swept BOS

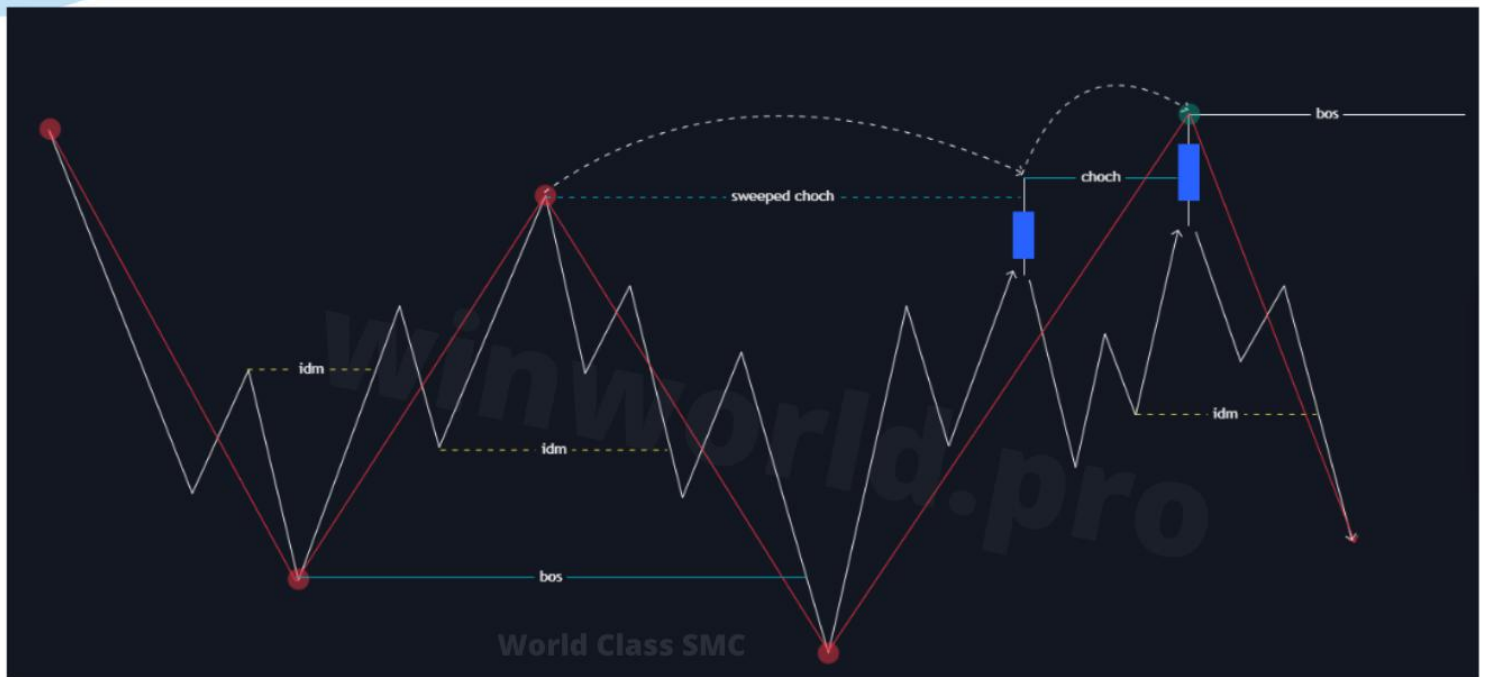


If BoS was swept and then price updates the tail of the liquidity grab candle and settles above its shadow, then BOS is deemed confirmed. However, the higher high (HH) is shifted. Check the illustration below for clarity.



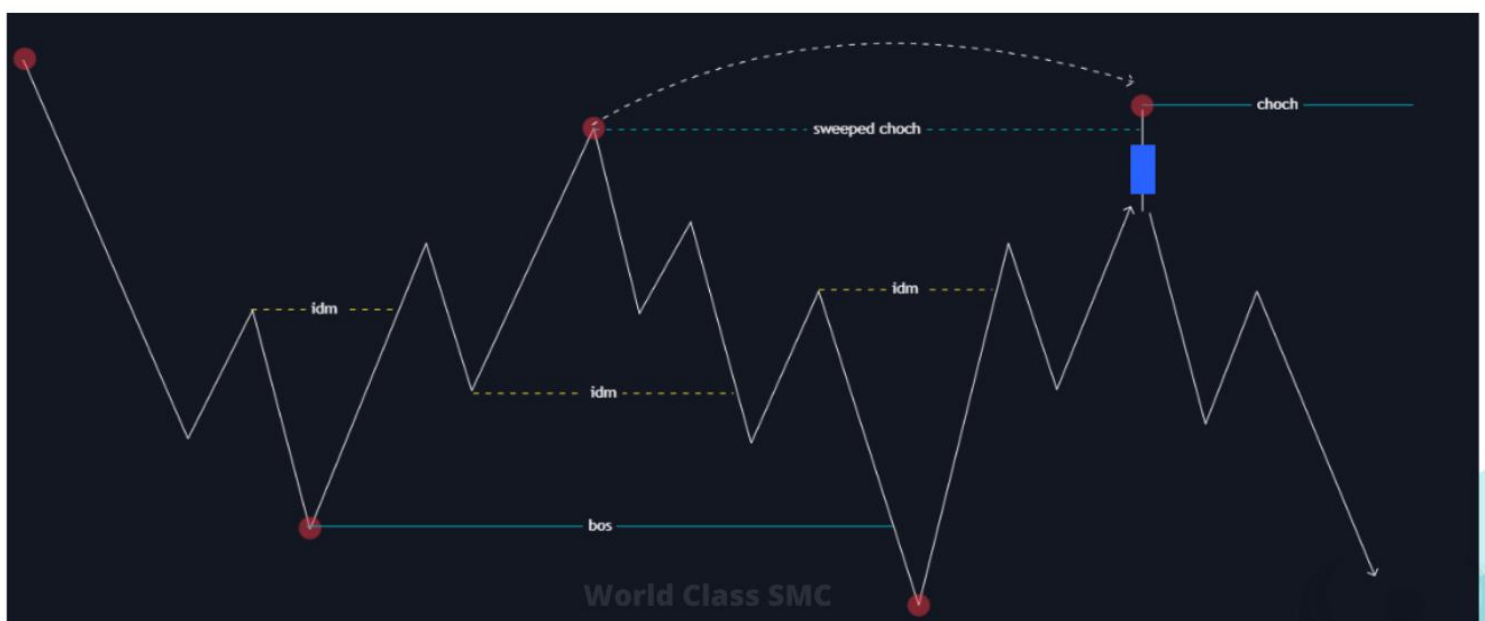
We understand that many of you will not grasp it at first time, but take a bit of time for practice and everything will become impossibly easy. It also applies to ChoCh.

Sweepled ChoCh



If the price takes out market participants' stops (liquidity grab) and the candle closes without confirming a market character change, then the trend continues despite the presence of a higher price. I know it sounds intricate. In essence, if the price makes a wick CHoCH, then that CHoCH is nullified; it didn't activate. When one of the subsequent candles closes above this shadow, then CHoCH is confirmed and becomes active. With this, it's simpler; the real CHoCH just occurs a bit later.

And if CHoCH is not confirmed, it's even worse.



With Sweepled ChoCh, the structure can continue its trend up to the BOS point

There are times, quite often in fact, when IDM conflicts with CHoCH. What to do then?
What's next?

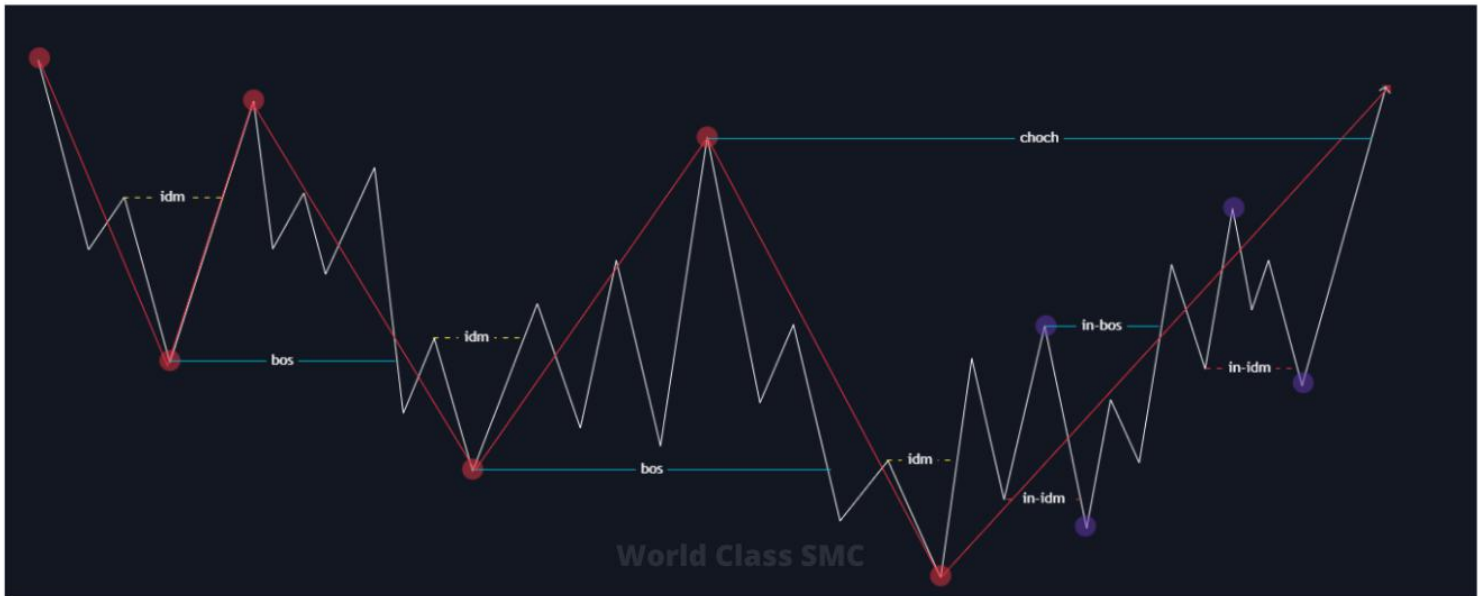


When IDM and CHoCH overlap in the structure, confusion arises. It seems that a structure point's confirmation should come only after IDM, but there is no IDM. The essence of IDM is liquidity, and that's that. With an upward movement, the price pulls back for liquidity, i.e., for IDM, and continues its path. If IDM and CHoCH coincide, it means the market will pull back to that point, gather liquidity, and keep rising (as per the example above). In such cases, we again shift the structural point to its previous position and just enjoy life.

Internal Structure

In the market, there will be times when a structure is contained within another structure, all on the same timeframe. How is this possible? That's the mystery of the market.

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When you've marked a structure on your higher timeframe, the picture might look like the diagram above. Between the minimum and maximum of the price, there can be quite a distance, and within it a structure forms of the same timeframe. There's nothing fancy about it. It's not a boogeyman; there's no need for fear.

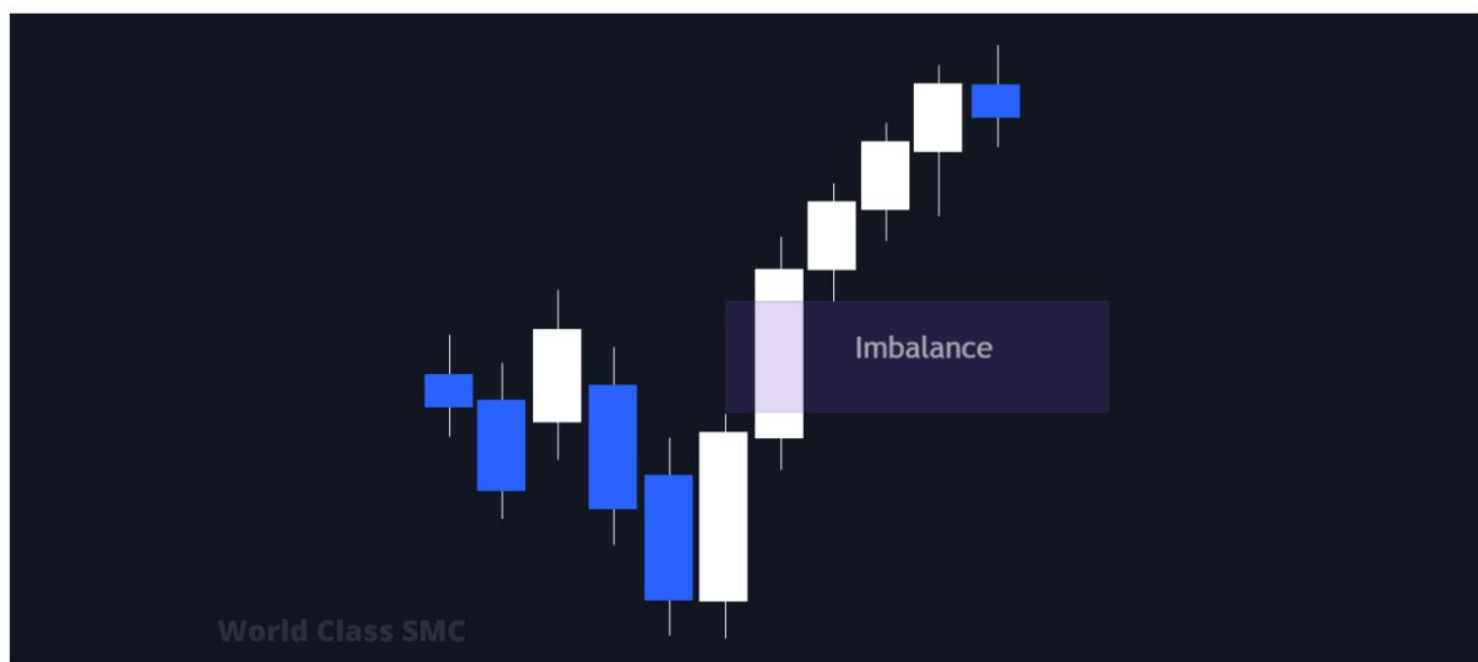
In such cases, trading can be based on both the internal and external structures simultaneously. If the Risk-Reward ratio (RR) is sufficient to make a take on a smaller TF, then we trade on it. If the RR is low (below 1:5), we just patiently wait, enjoy some tea with cookies, and wait for the price to reach the POI of the external structure.

Phew! We have covered full structure now! We're gradually getting to the entry points. But it's too early to relax.

Imbalance

This might be the easiest part of this guide. Behind the bullish imbalance are more buyers, and behind the bearish one – more sellers. When there's a sharp market movement up or down, and the shadows of the candles don't overlap, that's precisely where the market imbalance occurs.

Imbalance is a price gap (price inefficiency) that is marked as a gap between three consecutive candles. Imbalance is highlighted from the maximum of the first candle to the minimum of the third during a bullish move, and from the minimum of the first to the maximum of the third candle during a bearish move.



This is not complex at all. Take three candles and see if there's any unfilled distance between the first and third candle. If there is, it means there's an imbalance. If there isn't, it means no imbalance is present. Simple. And a single example, I think, should be clear enough.

Everything seems easy. But to identify a genuine order block on highs/lows, it's crucial to correctly pinpoint the imbalance.



Marking always starts from the very top or the very bottom. The candle that's at the peak/valley is the primary one, and it's from this candle that the search for imbalance begins, not from the ones inside. In essence, that's pretty much it.

POI

POI - Point of Interest. Since there are no specific "points" in trading, POI stands for a zone of interest. This zone is where you decide to take action.

If you've chosen a trading system based on the smart money concept, you need to be aware and understand the presence of several areas that are your interest zone. For us, the interest zone is such where we decide to buy or sell. Let's discuss these elements one by one:

- **Order Block**
- **Order Flow**
- **Liquidity**

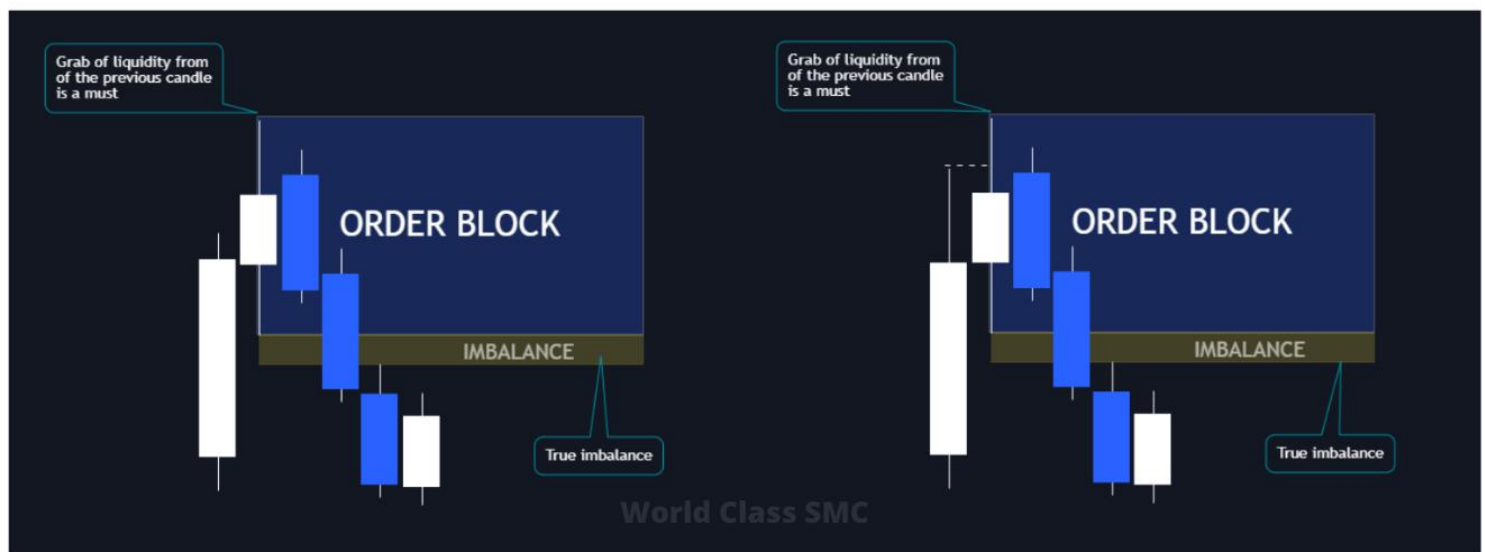
These three elements should be enough for any trading scenario. To motivate you even more, even my cat could grasp these concepts, so they're quite straightforward.



Order Block

The **order block** - is a price range on the chart where a significant player places orders in the market to shake the price and reverse its direction.

We placed orderblocks first because everybody love them, and also their relevance depends on the existing imbalance, which you read a little about earlier. There are several types of block constructions, each similar to the other, but with different rules. They all have a more or less similar execution, but here we'll stick to the author's rules. So, pay attention:

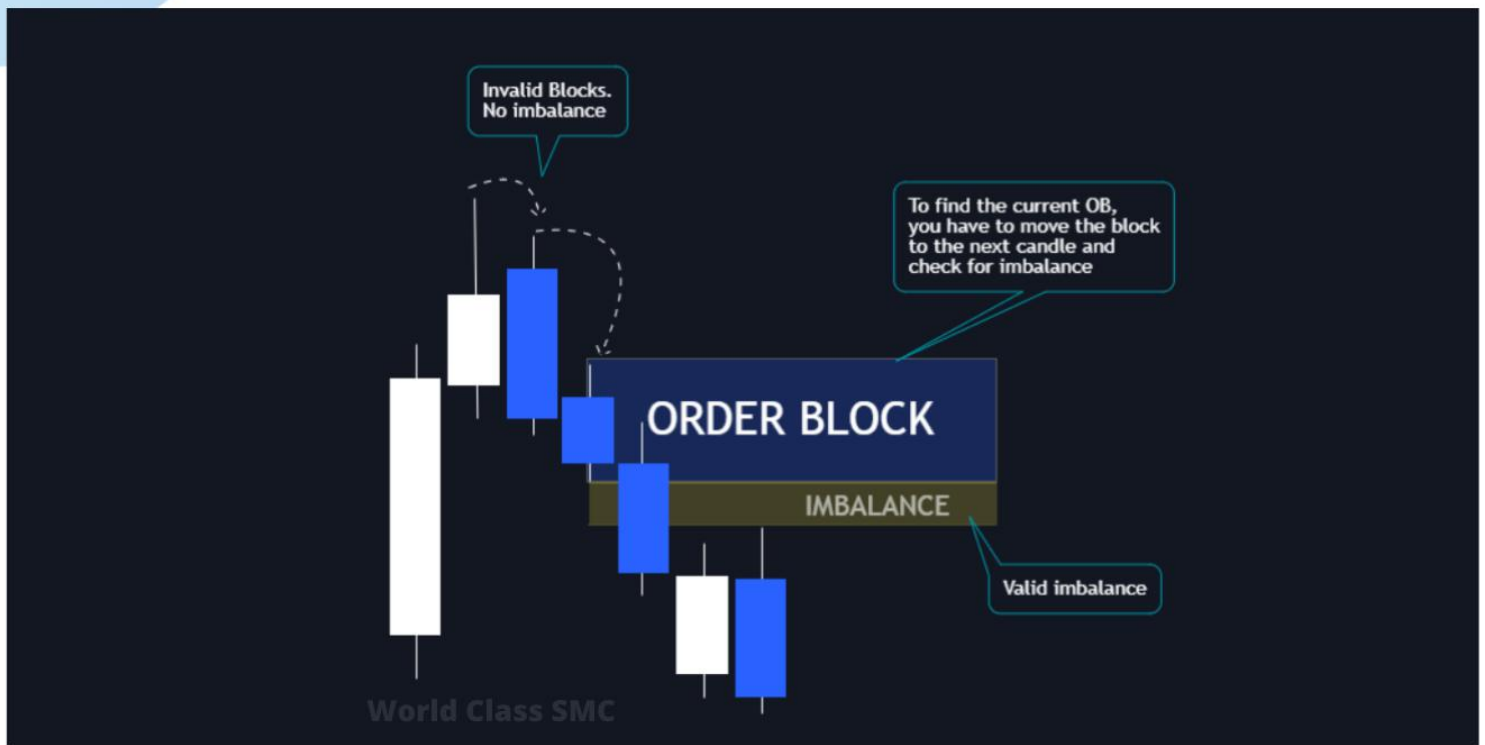


The main thing is liquidity: we need to find the candle that took the liquidity from the previous one. At the maximum, this will be the highest candle, and at the minimum, naturally, the lowest. The essential criteria for marking a relevant Order Block are:

- Presence of taken liquidity
- Presence of a current imbalance

Rest assured, these blocks do work. And if you doubt it, you can backtest it on the hourly chart for the past year. There will be nuances due to the chosen tools, but that's beyond the scope of this topic.

Are there blocks if there's no imbalance?



If the following candle also lacks imbalance, we move the block from candle to candle until we finally see the imbalance.



Practice it yourself, and marking imbalance will become a kid's play. Initially, there may be some confusion, especially when combined with structure, but it's worth it. If all this was sheer nonsense, we wouldn't waste our time on it.



So, the primary criteria for drawing the correct Order Block are:

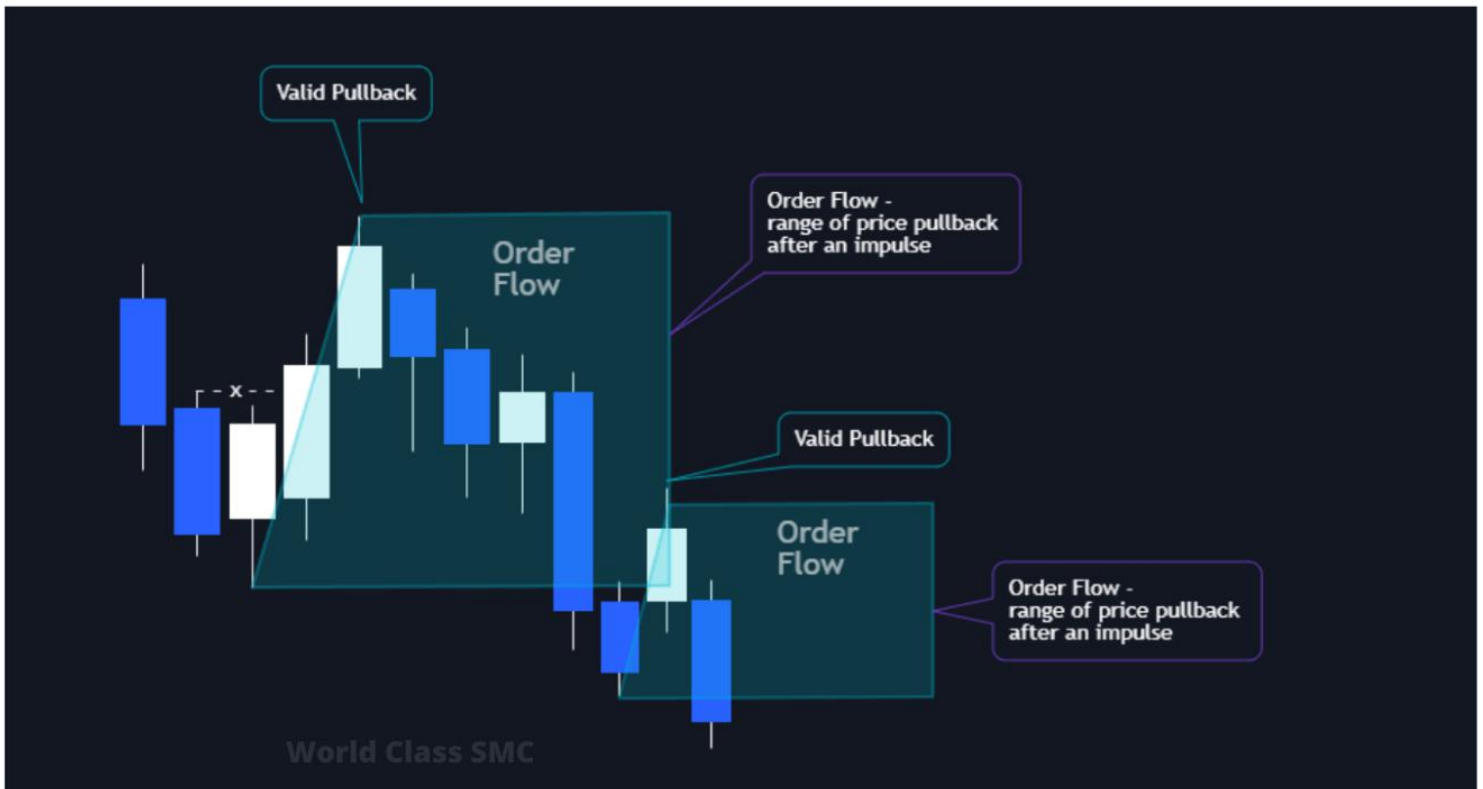
- Presence of liquidity taken from the previous candle;
- Presence of an uncovered imbalance;
- If the block has no imbalance, take the next candle and check for its imbalance;
- A block can be located not only at the highs and lows but also in the middle of the move.

If you'll be marking candles as blocks that didn't take liquidity, then you might end up becoming the liquidity yourself. Before the price starts to move, it needs to grab other market participants' stops. Either yours or others.

Order Flow

Order Flow – is the last impulsive movement before the price reversal.

Order Flow is very easy to identify. You already understand what a pullback is after an impulse and which pullbacks are valid, and which are invalid. Well, the range of the valid pullback is the order flow.



The range of the Order Flow is the distance from the start of the corrective movement to its end. You already know where the beginning is, and you also know where the end is.



Why do we need Order Flow if we have such wonderful Order Blocks? Imagine trying to cross a large muddy swamp in your old car to get some oven-hot cupcakes at home. Is there any chance you could make it out or get stuck right at the beginning?



Look at the illustration above. After the formation of the Order Block and Order Flow, the price goes lower. Our cupcakes are cooling in the block, but as you can see, the price doesn't reach the target and bounces off the order flow. You will often encounter situations where the price won't reach the block and will reverse. There's nothing hasty or unusual about this; in the entry section, I will indicate entry points in both scenarios.

Order Flow is the block on the higher timeframe, and as you should understand, the older the TF, the "stronger" it is. Therefore, no one guarantees that the price will bounce off your specific block.

Moving on.

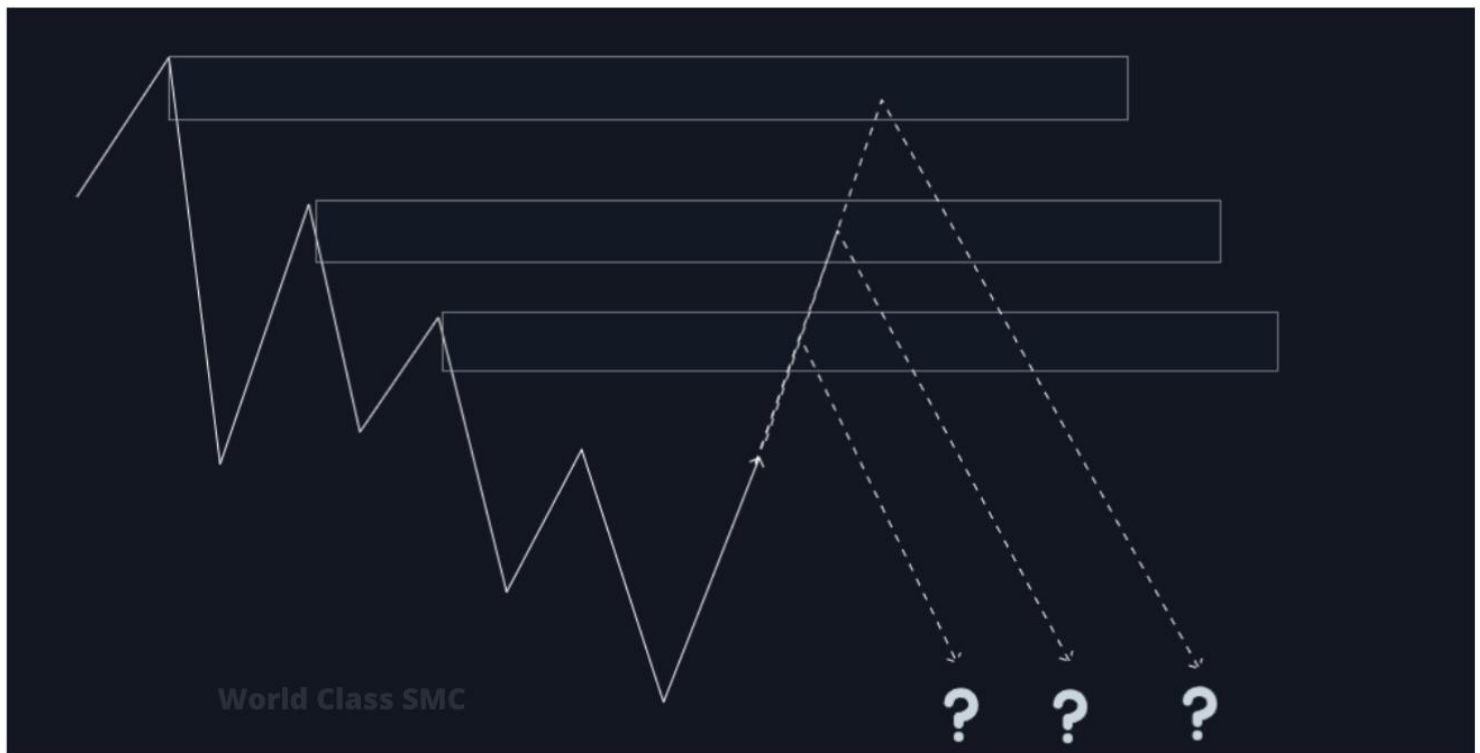
Liquidity

Liquidity is our main goal, same as our POI. Order Block and Order Flow are also liquidity since a lot of traders trade based on blocks, meaning they set their stops right behind them. Got it? Alright, now we'll cover everything step by step.

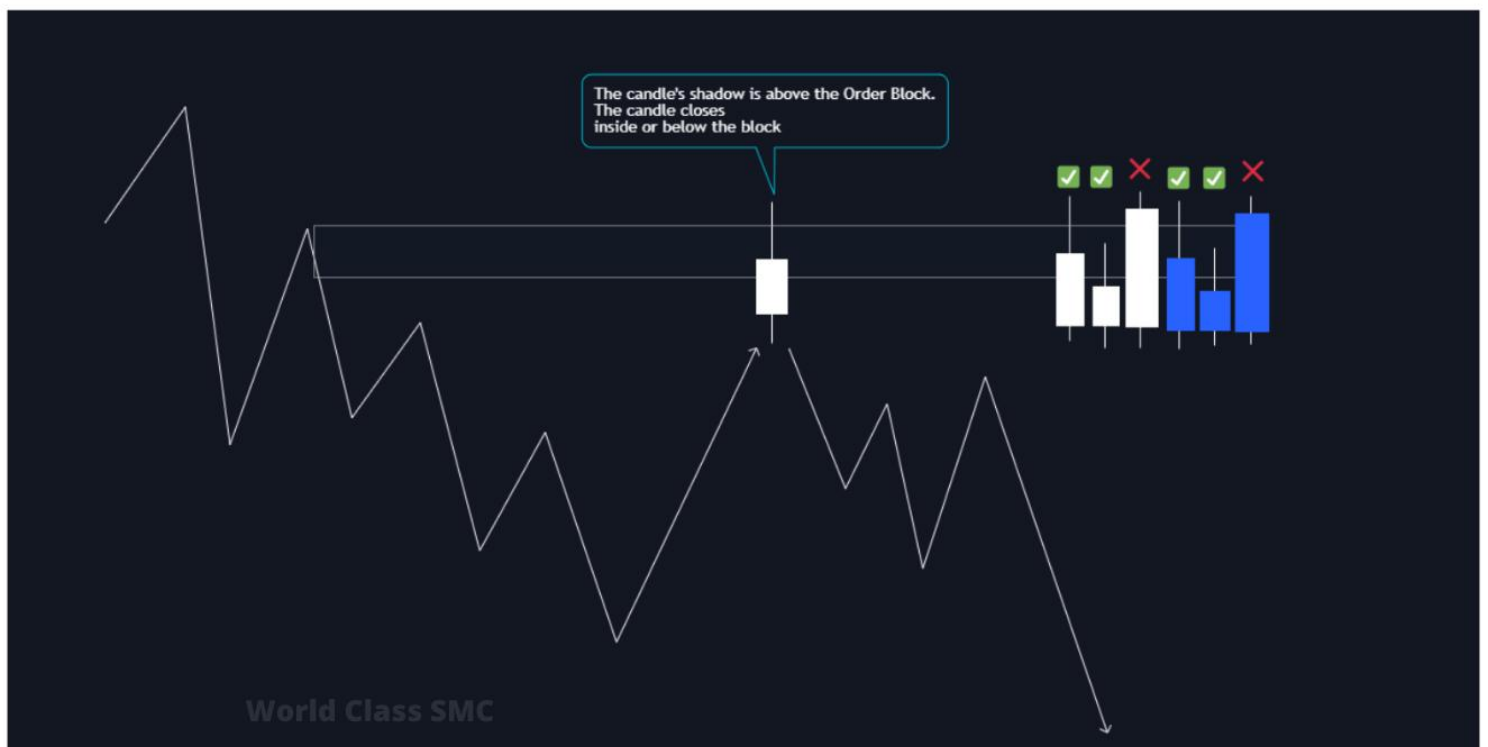
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Order Block as Liquidity

Blocks are also **liquidity**. Stops accumulate both behind blocks from traders who trades with the Smart Money strategy and from the general crowd, who sets stops just beyond the highs and lows. Here, see the illustration below. Which block will the price bounce from?



But we don't care where it bounces off. We look at the situation from the inside and take appropriate steps (although not always the right ones). Do you still remember the candlestick's shadow when there's a false BOS or CHoCH? No? Are you kidding me? For whom am I writing then? Go back and read again!

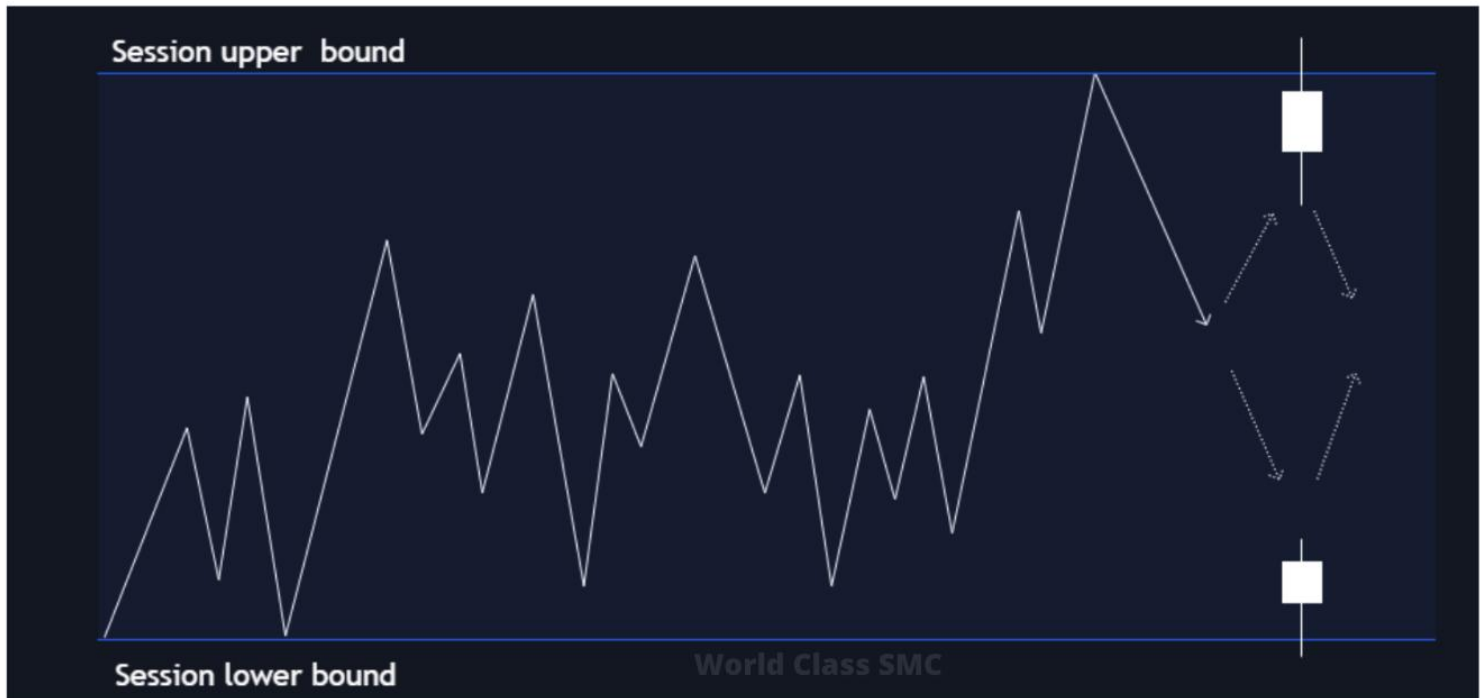


When a candle closes inside the block or below the block (or above), it's a call to action – liquidity is taken.

Session as Liquidity

When the price approaches the session's high or low (Asian, London, New York), we anticipate a familiar setup.

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It's all about the sessions down the line.

Sessions as Liquidity

Session briefing

Three Main Forex Market Sessions. When trading currency or indices, there are three main sessions that occur daily. We all know the forex market operates 24 hours/5 days a week, but during those hours, there are spikes and dips in volume and volatility we need to be aware of. Whether you prefer to trade in less volatile markets (Asian session) or in high-volume, active markets (London and New York sessions), read on for more details.

Asian Session

The Asian session comes first. The reason the trading day starts with it is that it opens the trading week as early as Sunday, at 8:00 AM in Tokyo and 9:00 AM in Sydney. This is also sometimes referred to during the APAC (Asia-Pacific) opening. This session usually experiences very variable price movements, except for some APAC pairs, which occasionally show volatility. Furthermore, significant volume or manipulation by BFIs (Banks and Financial Institutions) is rarely observed during this time, resulting in very natural and slow price movement.

Liquidity in the Asian Session. There's a unique feature here. Due to the natural way low volatility of the Asian session is created, liquidity forms both above and below the session's range.

London Session

Following the Asian session, the London session begins. This is the primary trading time in the UK and Europe, but it doesn't bother traders from Russia from trading smoothly. Why do people love the London session? Asia typically accumulates liquidity within or around its range, and as time passes, market volatility increases. When trading opens in Frankfurt or London, a massive heap of orders enters the market. This provides perfect trading conditions, especially for those who want to benefit from significant intraday movements.

Frankfurt's Opening

Frankfurt opens at 8:00 AM Central European Time or 7:00 AM Greenwich Mean Time (an hour before London). This period doesn't always experience high volatility, but on some days, the price sweeps all the liquidity from the Asian session, leading to a prolonged one-directional move until the New York session opens.

It's a somewhat complex session to trade, and you need to put in more effort to determine the trading direction and make the right deal.

Before London's Opening. London opens an hour later. The official start is at 8:00 AM local time. The London session is characterized by high volatility in the first 2-3 hours, after which this volatility begins to decrease as both retail traders and financial institutions head for lunch.

London trading is excellent, especially if you're dealing with major pairs, European indices, or stocks, because London movement is genuine movement.

Lull in London From about 11:00 AM to 12:00 PM (noon), price fluctuations gradually subside as the primary movements in the London session wind down. This doesn't mean the end of our trading day and that we won't see more volatility; from three o'clock up to an hour before or after the New York session opening, you might notice an uptick again. Most traders who trade both sessions take a break, and those who trade only in London might even call this a lull day.

New York Session

Next up is the New York session, a favorite among those residing in North and South America as well as Brits/Europeans who aren't keen on waking up early for the London session and prefer to begin trading at 1:00 PM in their local time zone. The New York session is special because it also aligns with the opening of the US stock market, leading to volatility in certain asset classes that forex traders might trade, including indices.

Before the New York Opening As with the Frankfurt opening, it's wise to pay a bit of attention to trading and analysis an hour before the session opens. This is the period between 7:00 and 8:00 AM Eastern Time. Usually, there's a minor "silence" in volatility during this time. It's essential for a day trader to be aware that normal market movement will soon resume.

New York Trading Begins Then, at 8:00 AM Eastern Time, the New York forex session commences, typically accompanied by significant volatility, though not as consistently as the first hour or two of the London session. During the New York session, you'll typically witness a large volatility spike in major pairs and North American indices from about 7:00 to 11:00 AM Eastern Time, and sometimes even some volatility up until 1:00 – 2:00 PM Eastern Time. It's worth noting that the London session closes at 4:00 PM local time, signaling reduced volumes from London-based banks and other financial entities.

US Stock Market Opens The US stock market officially opens at 9:30 AM Eastern Time. Around this time, you'll notice an increase in volatility in the major pairs, as US equities see a substantial volume at the open.

Session Liquidity

Session liquidity is a concept that can assist us in identifying highs and lows that might potentially be left "unprotected" (and thus, swept away) or targeted. The idea is that the high and low of a trading session will have a pool of liquidity above and below these zones respectively, regardless of whether there was high volatility at that time or the price remained stagnant. As a result, we might anticipate a price surge to update the high or low of the trading session, followed by a movement in the opposite direction. This maneuver can be utilized for both initiating a new trade and setting take-profits.

Session Highs and Lows

Determining the session highs and lows is quite straightforward. One can use the session range indicator which automatically highlights the session's high and low. For those who dislike indicators and prefer a clean chart, these points can be manually marked by simply noting the session's beginning and end. Regardless of where the liquidity was post-session, whether absorbed or formed, this information will aid in deciding the trading direction for the day.

Day's Rises and Falls Similar to session highs and lows, HOD (High of the Day) and LOD (Low of the Day) are also primary liquidity levels that can either be swept or used as target liquidity to spur movement. Typically, one should mark the highs and lows of previous days to understand where liquidity is pooled, as well as the current day's high and low if you are broadly within a price range.

Market Cycles

In Forex, we also have market cycles such as:

- **Intraday**
- **Weekly**
- **Monthly**

However, to maintain relevance, we will only delve into intraday and weekly cycles, as they are most commonly used by day traders in Forex and the stock market. A market cycle is simply a cycle during a specified time frame during which we can anticipate the market moving in a particular manner due to varying volatility periods.

Weekly Cycles

Weekly cycles are quite straightforward. Expect that on Mondays and Fridays, price movements will be more range-bound, while Tuesdays, Wednesdays, and Thursdays will witness a trend throughout the week. Alternatively, sometimes the price chart might show reversals mid-week depending on the context of price action. Again, these are general concepts and aren't always present in the market. Thus, for a more accurate insight into what might happen next, it's best to rely on market structure and liquidity.

Previous Day as Liquidity

The concept remains similar. Simply mark the previous day's low and high and monitor the price movement towards that liquidity. You can visualize the scenario in your mind, similar to the above, so there's no need to repeat.

IFC. Single Candle Block

IFC refers to the candle often termed as the "Banker's candle," "Institutional Funding Candle," or "SCOB (Single Candle Order Block)." If you're more into common terms, it's simply the "pin-bar," "hammer," or "shooting star."

In essence, the candle mentioned above is the one that sweeps liquidity from significant zones and closes either below or above. You'll frequently encounter such candles in trading, so it grabs attention.

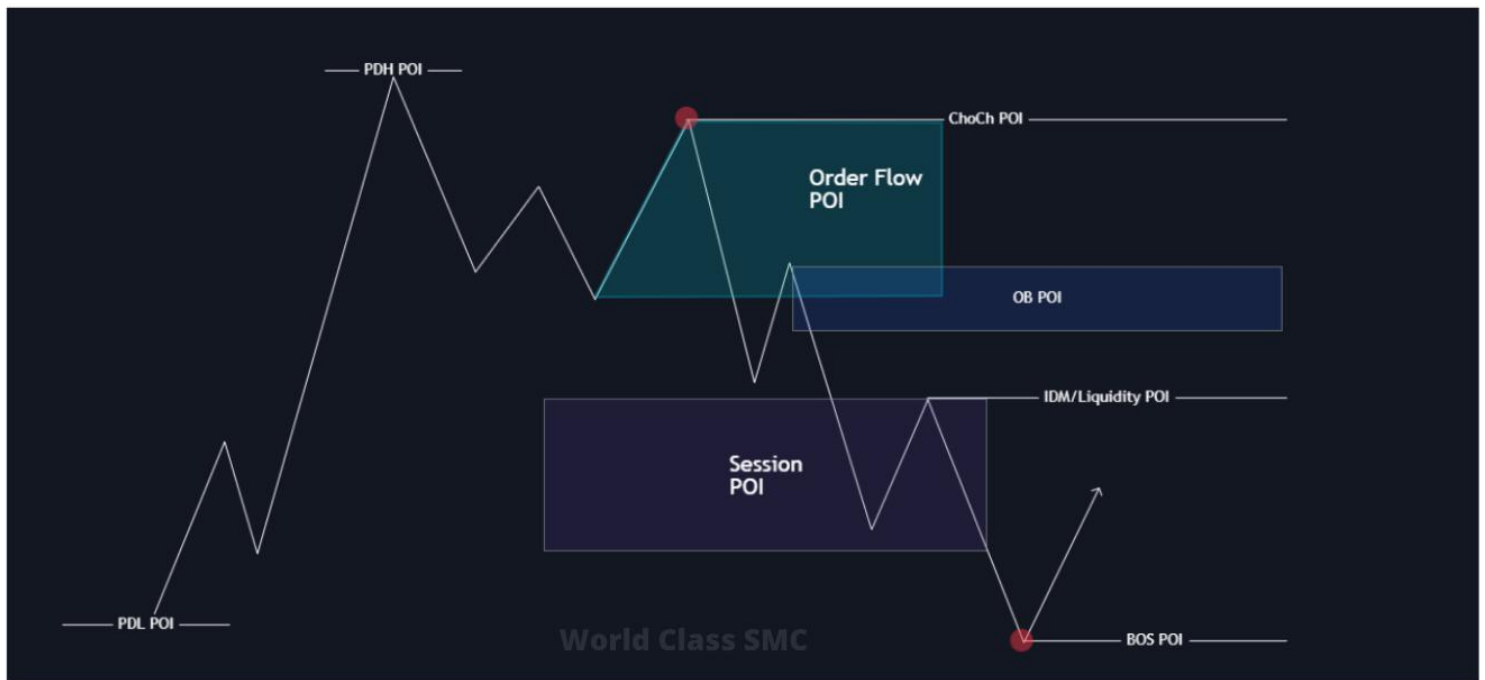
The IFC serves as a strong reversal indicator. Why a "single candle block"? Because it is what it is, friends! When such candle emerges in an area of interest, it acts as a block where one can expect a reaction without any further confirmation from a break or imbalance.



When your monitor displays a situation where liquidity is swept by a single candle with a price's close either below or above (depending on the scenario), you can immediately highlight the IFC candle as an order block and seek a trade on the LTF (Lower Time Frame). However, if the IFC candle lacks an imbalance, you can slightly refine the system and mark the candle's tail as a POI (Point of Interest) zone.

Here's a piece of wisdom for you: if your chart lacks active and proper order blocks, locate the shadow of any candle that hasn't been tested. Candle wicks also serve as POIs, but on a lower TF (Time Frame), hence they can provoke a reaction. Why the wick? Because a wick represents an Order Block on LTF. Think about it for a moment.

Summary of POI



Here's a metaphorical tattoo you should wear: My Points of Interest (POI)

- BOS
- CHoCH
- ORDER BLOCK
- ORDER FLOW
- SESSION
- DAY LIQUIDITY (PDH/ PDL)
- LIQUIDITY
- IDM
- IFC

And again:

- **BOS**
- **CHoCH**
- **ORDER BLOCK**
- **ORDER FLOW**
- **SESSION**
- **DAY LIQUIDITY (PDH/ PDL)**
- **LIQUIDITY**
- **IDM**
- **IFC**

That's it, guys!

You've now officially learned 1st part of advanced SMC trading! There will be two more parts in the future: 2nd — "Trading by SMC", 3rd — "Entries". We will announce them in our telegram channel, so stay tuned!

A couple of tips for you so you can start easy in the market:

- **Start practicing immediately.** This kind of information has to be practiced a lot in real life in order for it to turn into knowledge and then into money. Don't waste time dreaming about your trades — start searching them!
- **Don't be ashamed of losses.** Everybody lose, even professionals. Your first trades may be garbage. But if you keep strengthening your knowledge of SMC strategy and practicing endlessly, you **will** start to get better results over time, that's proven by history.
- **Don't compare yourself to anybody.** You may think that professional traders are come aliens with genius-level intellect because they earn huge bags of money everyday, but the reality is different: these guys spent years and lost tens and hundreds of thousands dollars before they finally got their first true profit by building good system.

Remember: **trading is a numbers game.** You have to practice everyday in order to understand what works and what doesn't, what is useful and what is not. **You won't become rich over night, but you will become rich over time**, if you follow the damn rules!

Our teams wants to once again express gratitude and huge admiration to **XPYCTuK**, a trader without whom this guide would never have been published.

❤ We love you, man!

Also, our team built strucure mapping indicator — **World Class SMC.**

It fully automates chart drawing, so you could focus on finding the best entries!

Saves time. Reduces stress. Increases profits.

Can't be better.

🌐 Get 2-day **FREE** trial on our website winworld.pro
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