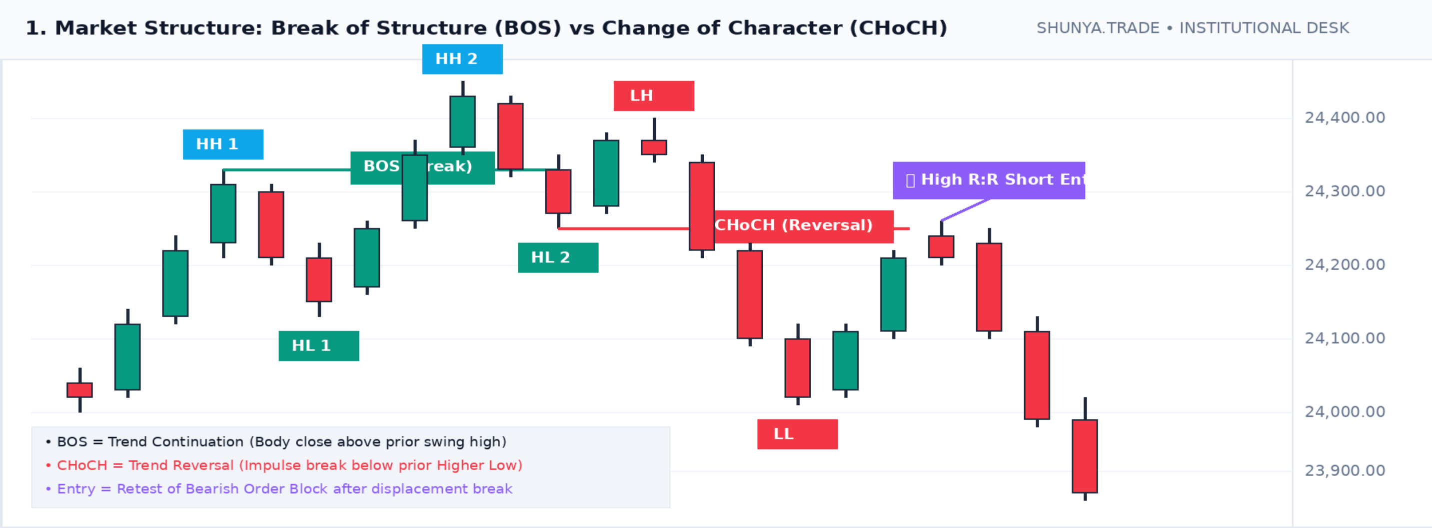
Smart Money Concepts (SMC) Visual Candlestick Cheat Sheet

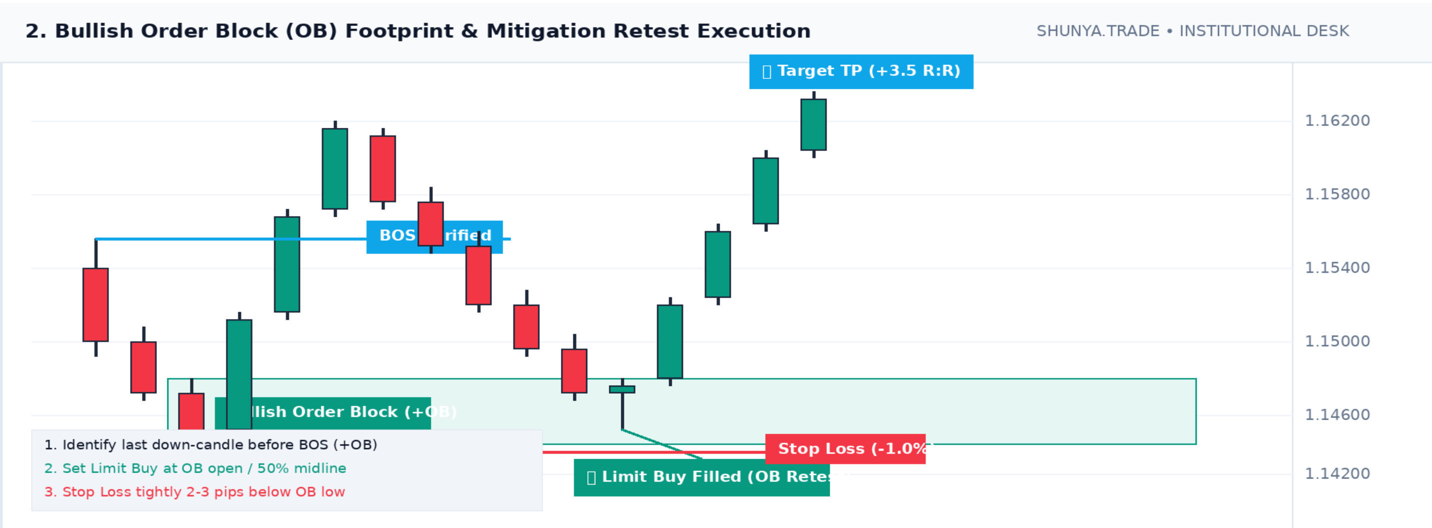
https://shunya.trade/smc-kb

1. Market Structure: Break of Structure (BOS) vs Change of Character (CHoCH)



Pattern	Anatomical Criteria (Candle Action)	Institutional Execution Rule
BOS Continuation	Candle **body closes** beyond prior Higher High (uptrend) or Lower Low (downtrend).	Confirms trend continuation. Look for pullback entries into newly formed discount/premium Order Blocks.
CHoCH Reversal	Impulse candle aggressively breaks and body-closes beyond the previous Higher Low (HL2).	Signals structural trend reversal. Await pullback to Bearish Order Block / FVG to enter short.

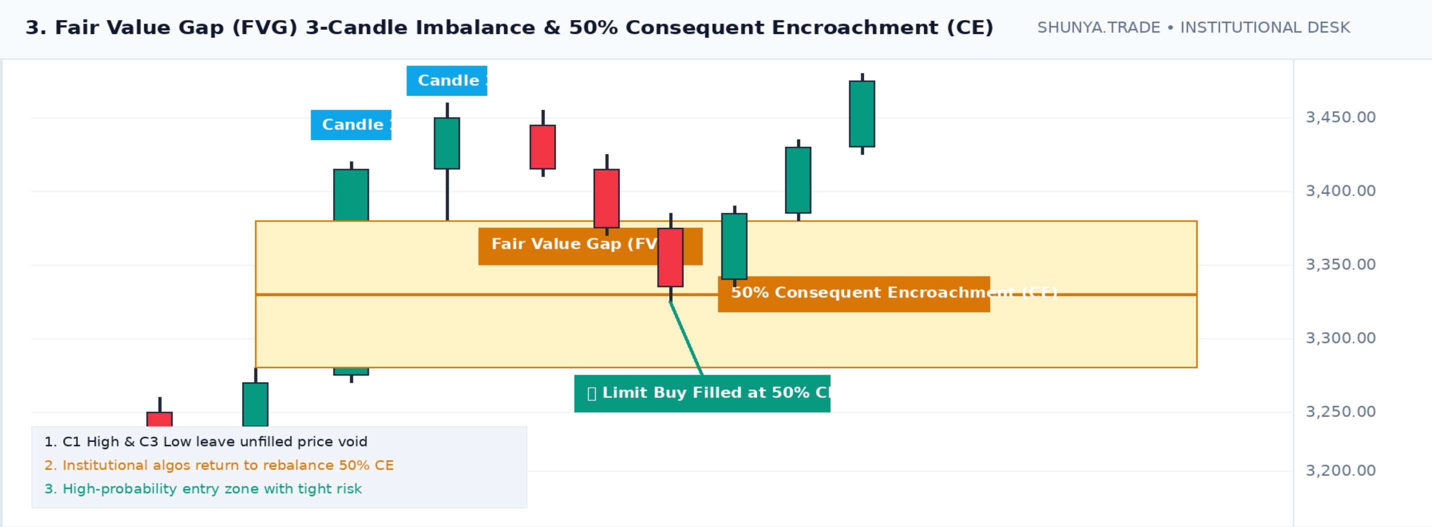
2. Bullish & Bearish Order Blocks (OB) & Mitigation Retest



OB Type	Footprint Identification	Order Entry & Invalidation
Bullish OB +OB Demand	The last down-close candle before an explosive multi-candle rally that breaks structure (BOS).	Place Limit Buy at OB open / 50% midpoint. Stop-loss 2-3 pips below OB low. Target prior swing high.

Part 2: Fair Value Gaps (FVG) & Liquidity Sweeps

3. Fair Value Gap (FVG) 3-Candle Imbalance & 50% Consequent Encroachment (CE)



FVG Phase	Candlestick Anatomy	Institutional Reaction Zone
Imbalance Price Void	Candle 1 wick high and Candle 3 wick low do NOT touch, creating an open void across Candle 2 body.	Algorithms re-visit to balance liquidity. Set Limit Order at **50% CE Midline** of the void.

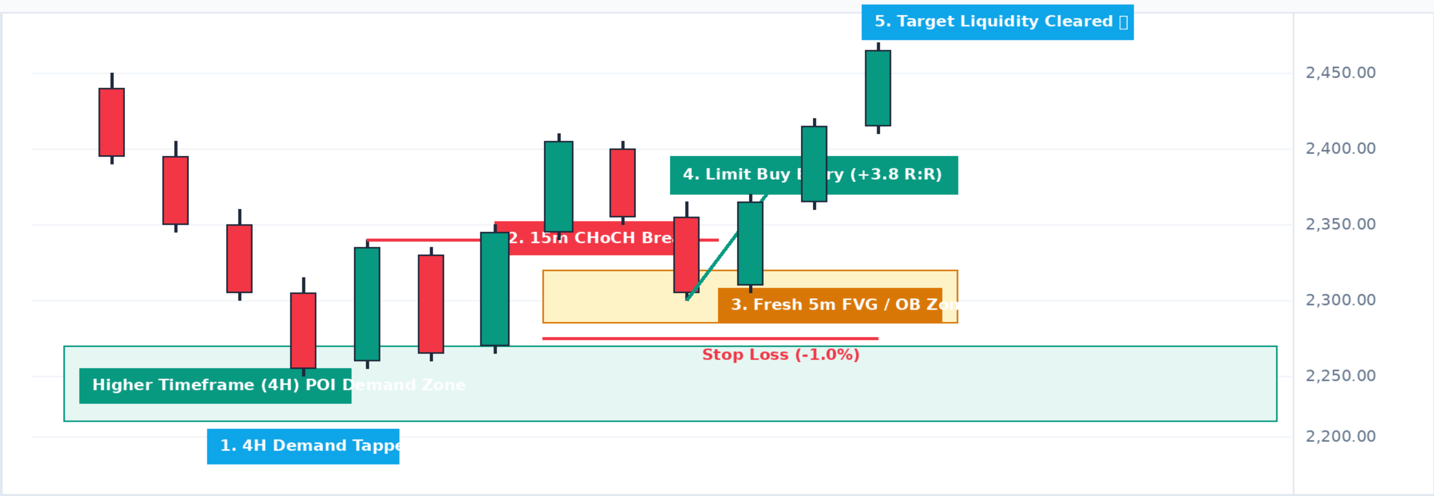
4. Liquidity Pools: Equal Highs (EQH) Stop Hunt & Swing Failure Pattern (SFP)

Liquidity Type	Retail Bait Setup	Smart Money Trap & Reversal
EQH / EQL Double Tops/Bottoms	Retail places stop-losses (buy stops) directly above double tops expecting resistance.	Institutions spike past EQH to absorb buy stops (Liquidity Sweep), then dump price downwards.

Part 3: 6-Step Multi-Timeframe Execution & Mathematical Geometry

5. The 6-Step Multi-Timeframe Setup: 4H POI Tap → 15m CHoCH → 5m OB Entry

5. Complete Multi-Timeframe Execution: 4H POI Tap -> 15m CHoCH -> 5m OB Entry SHUNYA.TRADE • INSTITUTIONAL DESK



Step	Timeframe	Actionable Objective	Execution Rules
1. Macro Bias	**Daily / 4H**	Identify HTF BOS direction and 50% Equilibrium Premium/Discount boundary.	Only BUY in Discount (<50%). Only SELL in Premium (>50%).
2. HTF POI	**4H / 1H**	Mark unmitigated Order Blocks with displacement imbalances (FVGs).	Must be the origin candle that broke prior HTF structure.
3. Confirmation	**15m / 5m**	Wait for price to tap HTF POI, then observe **LTF CHoCH shift**.	CHoCH must display displacement (strong candle body close + fresh FVG).
4. Entry Trigger	**5m / 1m**	Set Limit Order at the newly created 5m OB or 50% FVG midline.	Stop-Loss placed 2-3 pips beyond structural swing extreme.
5. Targets	**Execution**	Target opposing liquidity pools (Major swing highs/lows, unmitigated opposing OBs).	**Minimum 1:3.0 Risk-to-Reward Ratio**. Move stop to BE at TP1.

50% Equilibrium: Equilibrium = (High + Low) / 2 • Buy: Price < 50% (Discount) • Sell: Price > 50% (Premium)	**50% FVG Midline (CE):** CE = (Candle 1 Wick + Candle 3 Wick) / 2 • Limit entry for institutional rebalancing	**Risk/Reward Formula:** R:R = (Target - Entry) / (Entry - Stop) • Mandatory Minimum: **1:3.0 R:R**

  • Full Guide: https://shunya.trade/smc-kb