

QUANTUM ALGO

Smart Money Concepts COMPLETE CHEAT SHEET

The essential reference for institutional trading — order blocks, FVGs, liquidity, market structure, and risk management on one page.

1. MARKET STRUCTURE

Bullish Structure: Higher Highs (HH) + Higher Lows (HL) = Uptrend

Bearish Structure: Lower Highs (LH) + Lower Lows (LL) = Downtrend

Signal	What Happens	Meaning	Action
BOS (Break of Structure)	Price breaks swing point WITH trend	Trend continues	Look for pullback entry
CHoCH (Change of Character)	Price breaks swing point AGAINST trend	Potential reversal	Wait for confirmation BOS

2. ORDER BLOCKS (OB)

The last opposing candle before a strong impulsive move = institutional entry zone.

Quality Checklist:

- Created a Break of Structure
- Strong displacement away (multiple large candles)
- Unmitigated (not previously tested)
- FVG confluence (gap overlaps OB)
- Aligns with HTF bias

Entry:

Method	Entry Level	Risk	Reward
Aggressive	OB edge (body high/low)	Tight stop	Highest R:R
Standard	50% of OB body	Medium stop	Best balance
Conservative	LTF CHoCH inside OB	Wider stop	Highest probability

Stop Loss: Always beyond OB wick. Never inside OB body.

3. FAIR VALUE GAPS (FVG)

3-candle imbalance where wick of candle 1 and wick of candle 3 don't overlap. ~70-80% fill rate on 1H+.

5-Point Quality Filter:

1. HTF alignment | 2. Strong displacement | 3. Unmitigated | 4. Confluence | 5. High-volume session

Type	Entry Zone	Target	Invalidation
Bullish FVG	50% of gap (top half)	Previous swing high	Full close below gap
Bearish FVG	50% of gap (bottom half)	Previous swing low	Full close above gap

4. LIQUIDITY

BSL (Buy-Side Liquidity): Stops above swing highs. Target for institutions filling SELL orders.

SSL (Sell-Side Liquidity): Stops below swing lows. Target for institutions filling BUY orders.

Equal Highs/Lows: Maximum liquidity concentration. The flatter = the more stops = the bigger target.

Sweep-Shift-Entry Model:

1. SWEEP: Price takes liquidity (wick through level)
2. SHIFT: CHoCH on LTF within 1-5 candles
3. ENTRY: Enter FVG/OB created during shift. Stop beyond sweep wick. Target opposing liquidity.

5. MULTI-TIMEFRAME FRAMEWORK

Style	Bias TF (HTF)	Setup TF	Entry TF (LTF)
Scalping	1H	15M	5M
Day Trading	4H	1H	15M
Swing Trading	Daily	4H	1H
Position Trading	Weekly	Daily	4H

Rule: Only trade in the direction of HTF bias. No clear bias = no trade.

6. RISK MANAGEMENT

Position Sizing Formula:

$$\text{Position Size} = (\text{Account Balance} \times \text{Risk \%}) / |\text{Entry} - \text{Stop Loss}|$$

Example: $\$10,000 \times 2\% / 0.0050 = 40,000$ units (0.40 lots)

Rule	Value	Why
Max risk per trade	1-2%	Survive 25+ consecutive losses
Daily loss limit	3R (or 6%)	Prevent revenge trading
Weekly loss limit	6R (or 10%)	Force reflection period
Minimum R:R	1:2	Profitable at 40% win rate
Partial TP	50% at 1R	Lock profit, let rest run
Max correlated trades	3 positions	Prevent hidden leverage

7. SESSION KILLZONES

Session	Time (EST)	Best For	Key Behavior
Asian	7PM - 2AM	Crypto, range marking	Low forex volume, defines range
London Open	2AM - 5AM	Forex, Gold	Sweeps Asian range, Judas Swing
NY AM	8:30AM - 11AM	All markets	News events, continuation or reversal
London Close	10AM - 12PM	Forex	Profit-taking, reversals

8. PRE-TRADE CHECKLIST

- HTF bias identified (bullish or bearish)
- Price is at an HTF point of interest (OB, FVG, or liquidity level)
- Liquidity has been swept OR is clearly targeted
- Displacement + FVG formed in trade direction
- Entry zone is unmitigated (first touch)
- R:R is minimum 1:2
- Risk is 1-2% of account maximum
- No conflicting correlated positions open
- Trading during an active killzone
- Stop loss is beyond structural invalidation (OB wick)

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Quantum Algo — See What Institutional Traders See

Trading involves substantial risk. This cheat sheet is for educational purposes only.