
INSTITUTIONAL SERIES



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SMART MONEY CONCEPTS

Institutional Order Flow &
Liquidity Analysis

Learn to think like the banks, hedge funds, and
market makers who move billions every day.

By **AVIK KANRAR**

Founder, cRyPtO sMaRt

First Edition · 2026 · Free Educational Series

FREE COURSE

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Author's Note

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Have you ever placed the perfect trade, set your stop-loss exactly where the textbooks told you, and watched in disbelief as the price hit your stop — then immediately reversed and went exactly where you predicted?

That was not bad luck. That was not a coincidence. That was Smart Money at work.

Banks, hedge funds, and market makers do not trade like retail traders. They do not use RSI or MACD. They do not draw trendlines or look for head-and-shoulders patterns. They move price to where the LIQUIDITY is — where YOUR stop-loss is sitting — and they use your loss to fill their massive orders.

This course will change the way you see the market forever. You will learn to see what institutions see, think the way they think, and position yourself alongside them instead of against them.

Once you understand Smart Money Concepts, you can never unsee them. Every chart will tell you a completely different story than before. And that story is the truth.

Welcome to the other side.

Avik Kanrar

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PART I



THE HIDDEN GAME

What they never taught you about how markets really work



01

CHAPTER 1

The Lie They Taught You

Why 95% of retail traders lose money

Let me ask you a question that will make you uncomfortable: if standard technical analysis — support and resistance, trendlines, RSI, MACD — actually works consistently, why do studies show that 90-95% of retail traders lose money? If the tools work, the people using them should be profitable. But they are not. Why?

The answer is not that the tools are broken. The answer is that the game is not what you think it is. You have been taught to trade against the most well-funded, most sophisticated participants in the market — banks, hedge funds, and algorithmic systems that spend billions on technology and intelligence. And you have been taught strategies that these institutions can see, predict, and exploit.

The Uncomfortable Truth

Retail traders place stop-losses at obvious levels (below support, above resistance). Institutions can see where these stop-losses cluster. They push price INTO these stops to collect the liquidity they need to fill their massive orders. Your loss is literally their entry. This is not a conspiracy theory — it is the fundamental mechanics of how large orders get filled in financial markets.

Think about it this way: a hedge fund wants to buy \$500 million worth of Bitcoin. They cannot simply place a market order — it would move the price up 5% before they finish filling. So instead, they need to find sellers. Where are the sellers? Exactly where retail traders have their stop-loss sell orders. The institution pushes price down to those stops, triggers a cascade of selling, and uses that selling pressure to fill their buy order at a discount.

THE PARADIGM SHIFT

This is not unfair and it is not illegal. It is simply how markets work at scale. Once you understand this mechanism, you stop being the victim and start being the informed participant. Smart Money Concepts teach you to see the game from the institution's perspective.

The rest of this course will teach you to identify where institutions are likely to enter, which direction they are likely to push price, and how to position yourself on the same side as them. You are about to learn the language of the 5% who profit.

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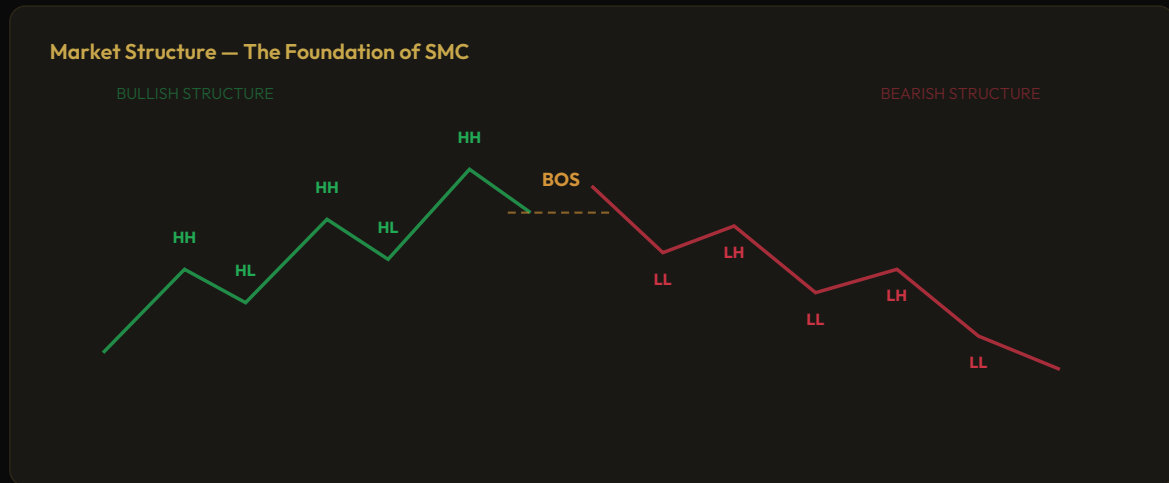
CHAPTER 2

Market Structure — The Real Map

The foundation everything else is built upon

If you could only learn ONE concept from Smart Money trading, it should be market structure. Market structure is the backbone of everything — order blocks, fair value gaps, and liquidity all depend on understanding structure first. Without it, every other SMC concept is useless.

Market structure is simple: it is the pattern of highs and lows that price creates as it moves. In a bullish structure, price makes Higher Highs (HH) and Higher Lows (HL). Each swing high is higher than the previous one, and each swing low is higher too. In bearish structure, price makes Lower Highs (LH) and Lower Lows (LL).



Why Structure Matters So Much

Structure tells you WHO is in control. In bullish structure, buyers are in control — only look for buy setups. In bearish structure, sellers are in control — only look for sell setups. Trading against the structure is like swimming against a river current. You might survive for a while, but eventually the river always wins.

THE STRUCTURE-FIRST RULE

Draw market structure on the HIGHER timeframe first (daily or 4-hour), then zoom into the lower timeframe to find your entry. Your higher timeframe structure is your compass — it tells you which direction to trade. Never fight the higher timeframe.

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CHAPTER 3

BOS & CHoCH — Reading the Shift

The two signals that tell you when power changes hands

Now that you understand market structure, you need to know how to detect when structure **CHANGES**. There are exactly two ways structure shifts, and each one has a specific name and a specific meaning. Learning to spot these two events in real-time will transform your trading.

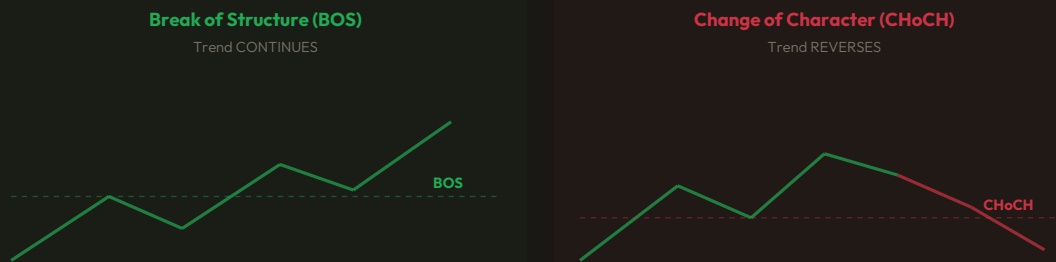
Break of Structure (BOS)

A BOS happens when price breaks beyond the most recent significant high (in an uptrend) or low (in a downtrend) in the **SAME** direction as the existing trend. A BOS is a continuation signal — it tells you the current trend is still in control and you should continue trading with it.

Change of Character (CHoCH)

A CHoCH happens when price breaks a key structural level in the **OPPOSITE** direction of the existing trend. This is a reversal signal — it warns you that the current trend may be ending and a new trend is beginning. A CHoCH is the earliest warning of a potential trend change.

BOS vs CHoCH — Reading Structural Shifts



Here is the critical difference: a BOS tells you to keep doing what you are doing. A CHoCH tells you to prepare for a change. When you see a CHoCH after a long uptrend, it does not mean you immediately short — it means you stop buying and watch for confirmation that the new bearish structure is developing.

WHAT COUNTS AS SIGNIFICANT?

Not every broken level is a BOS or CHoCH. The key is **SIGNIFICANCE**. Only major swing highs and lows count. Minor wicks and small fluctuations are noise. Learn to identify the key swing points and ignore everything else.

PART II

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INSTITUTIONAL TOOLS

The concepts that reveal what Smart Money is doing

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CHAPTER 4

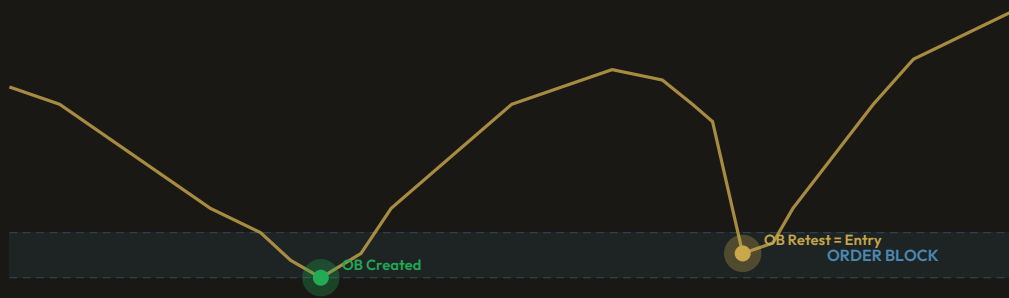
Order Blocks — Where Banks Enter

Finding the institutional footprint on your chart

Imagine you could see exactly where JPMorgan placed their last massive buy order. Imagine you could draw a zone on your chart that says 'this is where the bank entered.' That is essentially what an order block is — it is the visible footprint that an institutional order leaves on the chart.

When a bank needs to accumulate a large position, they cannot do it in one order. They accumulate over time in a specific price zone. On your chart, this zone appears as the last opposing candle before a strong move. A bullish order block is the last bearish (red) candle before a powerful upward move. A bearish order block is the last bullish (green) candle before a powerful downward move.

Bullish Order Block — Institutional Entry Zone



How to Trade Order Blocks

- Step 1: Identify a strong impulsive move (large candles in one direction)
- Step 2: Find the last opposing candle before that move — that is your Order Block
- Step 3: Mark the high and low of that candle as your OB zone
- Step 4: When price returns (retests) to this zone, look for an entry
- Step 5: Enter with a stop-loss just beyond the OB zone
- Step 6: Target the next significant structural high or low

THE STRONGEST ORDER BLOCKS

Not all order blocks are equal. The best order blocks are the ones that caused a BOS — a break of structure. These are called 'order blocks with displacement.' The stronger the move that followed the OB, the more likely that zone will hold when price returns to it.

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CHAPTER 5

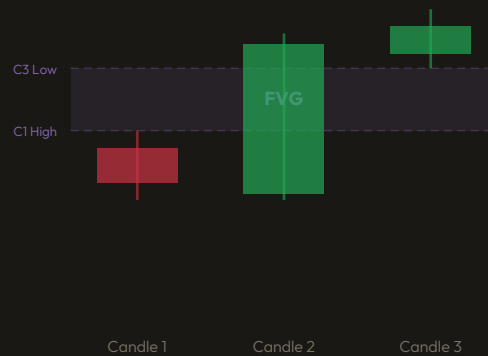
Fair Value Gaps — The Imbalance

Where price moved too fast and left a gap

Have you ever watched a crowd rush through a narrow doorway? People push forward so aggressively that gaps form in the crowd. Some spots get trampled, others get completely skipped. Fair Value Gaps are the market's version of this — price moved so fast in one direction that it left behind 'unfilled' territory.

A Fair Value Gap (FVG) is created when three consecutive candles form and the wicks of candle 1 and candle 3 do not overlap. The gap between them is the FVG — a zone where no actual trading occurred. The market considers this an imbalance that often needs to be 'filled' before price continues.

Fair Value Gap (FVG) — Imbalance Zone



How to Trade FVGs

Bullish FVG: Gap between Candle 1's high and Candle 3's low (in an up-move). When price retraces into this gap, it is a buy opportunity.

Bearish FVG: Gap between Candle 1's low and Candle 3's high (in a down-move). When price retraces into this gap, it is a sell opportunity.

Best practice: Wait for price to fill 50-100% of the FVG before entering. Place stop-loss beyond the FVG. Target the next structural level.

THE ULTIMATE SMC SETUP

When an FVG overlaps with an Order Block, you have one of the most powerful trade setups in Smart Money Concepts. This overlap creates a 'premium entry zone' where institutional interest is concentrated. Always look for FVG + OB confluence.

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CHAPTER 6

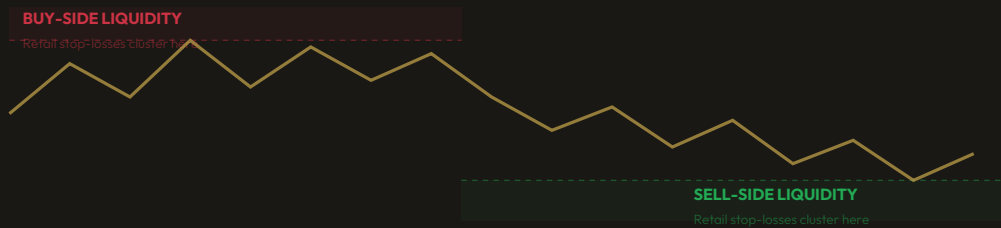
Liquidity — The Fuel of Price

Understanding why price goes where it goes

This chapter will change how you see every single chart for the rest of your trading life. Liquidity is the answer to the question every trader asks: 'Why did price go there?' Price does not move randomly. Price moves to where the money is. And the money is wherever stop-loss orders are sitting.

Every stop-loss order is a pending market order waiting to be triggered. When your buy trade's stop-loss gets hit, your broker sends a sell order to close your position. When hundreds of stop-losses get hit at the same level, it creates a wave of selling — and that wave is exactly what institutions need to fill their buy orders. Your pain is their profit.

Liquidity Pools — Where Smart Money Hunts



Types of Liquidity

Buy-Side Liquidity (BSL): Stop-losses sitting ABOVE equal highs, swing highs, or resistance levels. When price sweeps up into BSL, short sellers get stopped out, creating selling pressure that institutions use to enter shorts.

Sell-Side Liquidity (SSL): Stop-losses sitting BELOW equal lows, swing lows, or support levels. When price dips into SSL, long traders get stopped out, creating selling that institutions use to enter longs.

WHERE NOT TO PLACE YOUR STOP

This is why placing your stop-loss at the 'obvious' level is dangerous. If you can see the level, so can the algorithms. Place your stops beyond the liquidity zone — give yourself extra room. It is better to have a slightly larger stop-loss than to be hunted by institutions.

PART III

THE SMC SYSTEM

Putting it all together into a tradeable framework

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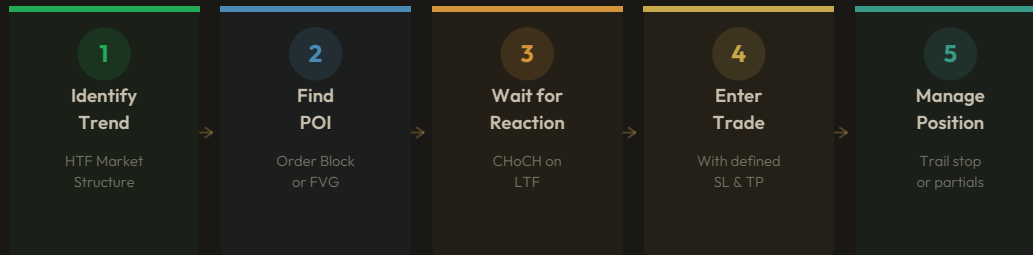
CHAPTER 7

The Complete SMC Entry Model

A step-by-step system for every trade

You now have all the individual pieces: market structure, BOS, CHoCH, order blocks, fair value gaps, and liquidity. But pieces alone do not win games — you need a system that tells you exactly how to combine them. This chapter gives you that system.

The SMC Entry Model — Complete Setup



The 5-Step SMC Entry Model

Step 1 — Identify HTF Trend: Check the daily or 4-hour chart. Is the structure bullish or bearish? This is your directional bias. Only trade in this direction.

Step 2 — Find Your POI: On the same timeframe, identify the next Order Block or FVG in the direction of the trend. This is your Point of Interest.

Step 3 — Wait for Price to Reach POI: Be patient. When price reaches your marked zone, drop to a lower timeframe (15-min or 5-min).

Step 4 — Confirm with LTF CHoCH: On the lower timeframe, wait for a Change of Character in your trade direction. This confirms that institutions are active at this level.

Step 5 — Enter and Manage: Enter the trade with stop-loss below the OB/FVG zone. Target the next liquidity pool or structural level. Trail your stop as price moves in your favor.

THE HARDEST PART

The hardest part of this model is Step 3: waiting. Price might take hours or even days to reach your POI. The temptation to enter early is enormous. Resist it. The model works BECAUSE of the patience. Without it, you are just another retail trader clicking buttons.

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CHAPTER 8

SMC Risk Management

Protecting capital the institutional way

Smart Money Concepts give you better entries, but they do not make you invincible. Even the best SMC setup can fail. The difference between a professional and an amateur is not that the professional never loses — it is that the professional's losses are small and controlled while their wins are large.

SMC-Specific Risk Rules

Stop-Loss Placement: Always beyond the OB/FVG zone + a small buffer. If the OB low is at \$100, place your stop at \$98-99 to avoid false wicks.

Position Sizing: Same 1-2% rule as always. SMC does not change risk management — it improves entries.

Partial Profits: Close 50% at the first structural target. Move stop-loss to breakeven. Let the remaining 50% run.

Maximum Trades: 1-3 SMC trades per day maximum. These are sniper entries, not machine-gun sprays.

MINIMUM 1:3 RISK-REWARD

SMC trades should naturally have excellent risk-reward ratios (often 1:3 or better) because your entry is at the institutional level and your target is the next liquidity pool. If your SMC setup does not offer at least 1:3, the setup is not good enough — wait for a better one.

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CHAPTER 9

Combining SMC with Indicators

Using RSI, EMA, and volume as confirmation tools

Some SMC purists will tell you to never use indicators. I disagree. Indicators are not your primary tool in SMC trading — structure, order blocks, and liquidity are. But indicators serve as excellent confirmation to increase your confidence in a trade.

How to Use Indicators WITH SMC

RSI: When price reaches a bullish OB and RSI is below 40 (oversold), the confluence increases your probability. When price is at a bearish OB and RSI is above 60, that adds confirmation.

EMA: Use EMA 50 and 200 on the higher timeframe to confirm trend direction. If price is above both EMAs and you see bullish structure, you have strong alignment.

Volume: When price reaches an OB and volume spikes, it confirms institutional activity at that level. Low volume at an OB means weak interest — be cautious.

Think of indicators as supporting witnesses in a courtroom. The primary evidence is the structure and order flow. The indicators add credibility to the case. You would never convict based on witness testimony alone, but combined with physical evidence, the case becomes overwhelming.

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CHAPTER 10

Becoming Smart Money

The mindset shift that changes everything

You have now learned concepts that the vast majority of retail traders will never understand. Market structure, order blocks, fair value gaps, liquidity pools, BOS, CHoCH — these are the tools of institutional analysis. But knowledge without execution is useless. This final chapter is about becoming, not just knowing.

Think Like an Institution

Before every trade, ask yourself: 'Where is the liquidity?' Stop asking 'where is price going?' and start asking 'where does smart money NEED price to go to fill their orders?' This single shift in thinking will change everything.

Be the Hunter, Not the Hunted

Every time you see a sweep of liquidity followed by a reversal, recognize it. Every time price runs through 'obvious' stop-loss levels and then reverses, you are watching Smart Money at work. Your job is to wait for the hunt to happen, then enter alongside the hunters.

Patience is Your Edge

SMC setups do not appear every hour or even every day. They require specific conditions: correct structure, a valid POI, a sweep of liquidity, and a confirmed entry. This means you will spend most of your time waiting. And that waiting is your greatest competitive advantage over impatient retail traders.

Your SMC Trading Identity

You are a sniper, not a machine gunner. You take fewer trades but each one is precise. You are a student of structure, always reading the story that price tells through its highs and lows. You are a liquidity hunter, always aware of where stops are clustering and where institutions are likely to strike. You are Smart Money.

THE FINAL WORD

The market is a transfer of money from the impatient to the patient, from the uninformed to the informed. You are now informed. Practice patience. Execute with discipline. And never, ever stop learning.

Quick Reference Sheet

Market Structure

Bullish: HH + HL | Bearish: LH + LL | BOS: Trend continues | CHoCH: Trend reverses

Order Blocks

Last opposing candle before a strong impulsive move. Bullish OB: Last red candle before up-move. Bearish OB: Last green candle before down-move. Best when they cause a BOS.

Fair Value Gaps

Gap between Candle 1 wick and Candle 3 wick (no overlap). Price tends to fill the gap before continuing. Best when FVG overlaps with an Order Block.

Liquidity

BSL: Stops above equal highs (institutions sweep to enter shorts). SSL: Stops below equal lows (institutions sweep to enter longs). Place YOUR stops beyond these zones.

SMC Entry Model

1. HTF Trend ☑ 2. Find OB/FVG ☑ 3. Wait for price ☑ 4. LTF CHoCH confirms ☑ 5. Enter with SL beyond zone.
Min R:R = 1:3

Glossary

BOS — Break of Structure — price breaks a key level in the trend direction (continuation).

BSL — Buy-Side Liquidity — stop-losses clustered above swing highs.

CHoCH — Change of Character — price breaks a key level against the trend (reversal).

Displacement — A strong impulsive price move that validates an order block.

Equal Highs/Lows — Multiple swing points at the same level, creating a liquidity magnet.

FVG — Fair Value Gap — an imbalance zone where candle wicks do not overlap.

HH / HL — Higher High / Higher Low — bullish market structure.

HTF — Higher Timeframe — the chart used to identify overall trend direction.

Imbalance — An area where price moved too fast, creating an unfilled zone.

LH / LL — Lower High / Lower Low — bearish market structure.

Liquidity — Clusters of stop-loss orders that institutions target to fill their positions.

LTF — Lower Timeframe — the chart used for precise entry timing.

Market Structure — The pattern of swing highs and lows that defines trend direction.

Order Block — The last opposing candle before a strong institutional move.

POI — Point of Interest — a zone where you expect price to react (OB or FVG).

Smart Money — Institutional participants: banks, hedge funds, and market makers.

SSL — Sell-Side Liquidity — stop-losses clustered below swing lows.

Sweep — Price moving through a liquidity zone to trigger stop-losses.



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ABOUT THE AUTHOR



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