PREVIEW

Issam Algo

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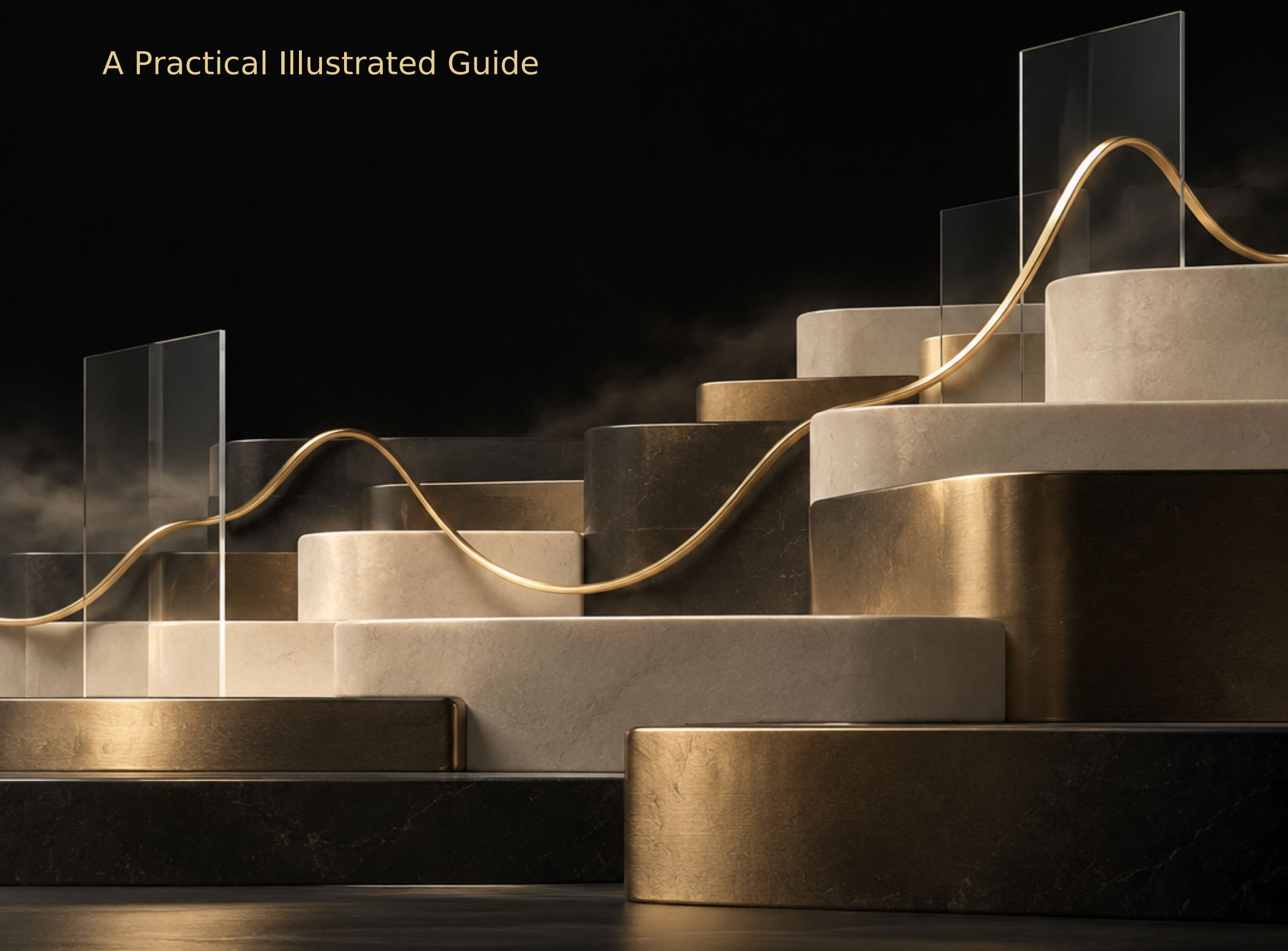
SMART MONEY CONCEPTS

A Practical Illustrated Guide



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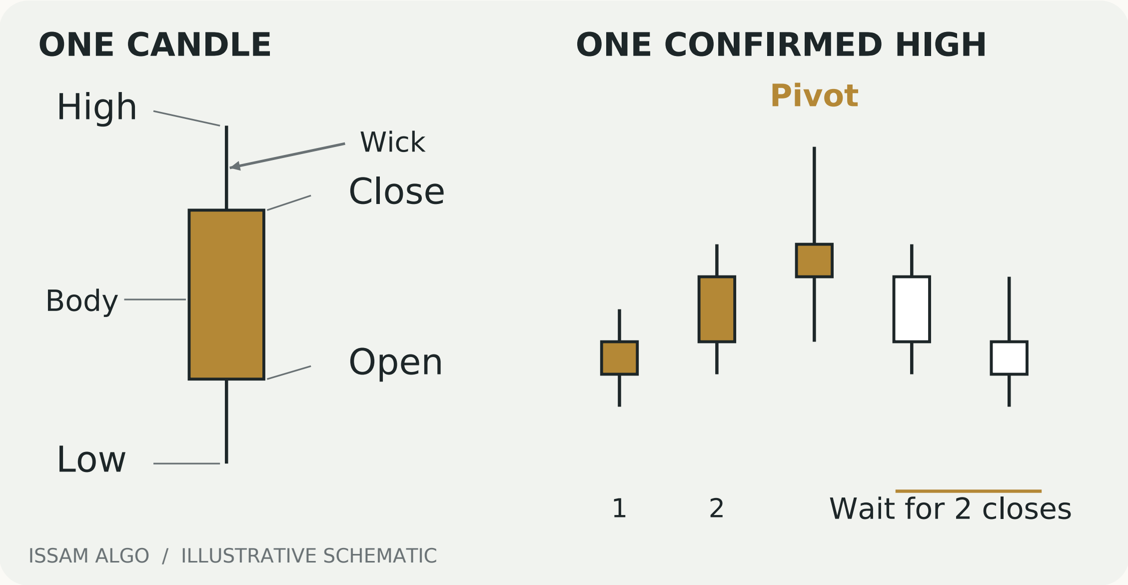
Read the candle.
Then find the swing.

A candle records an interval's open, high, low and close. Its body joins open to close; the wicks reach the extremes. A five-minute candle summarizes five minutes, not the order of every price move. [1]



Filled gold = close above open. Hollow = close below open. Time runs left to right; higher on the chart means higher price.

Our swing rule: a swing high must exceed the highs of two bars on each side. A swing low must be below their lows. Ties do not qualify. Wait for both right-hand bars to close.

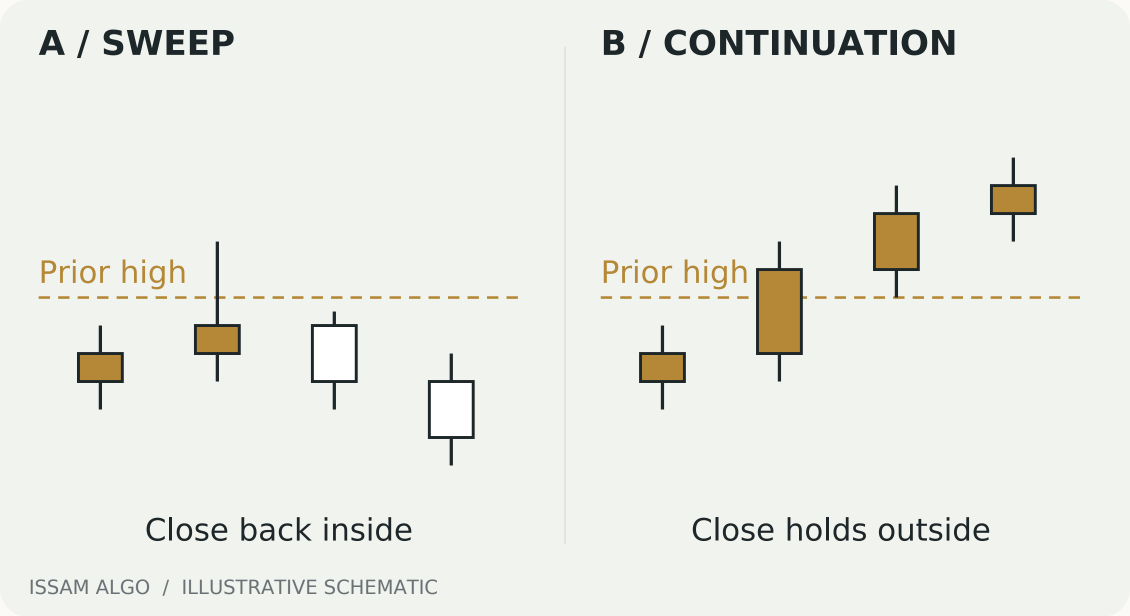
For structure, keep alternating confirmed highs and lows; if two of the same type occur in a row, keep the more extreme one.

COMMON MISTAKE

Marking a pivot before the two confirming bars exist. A neat historical label was not necessarily known at the time.

A breach has two possible stories

Our sweep convention: price trades beyond an already marked extreme, then that candle closes back inside. The close matters. At the first breach, you cannot yet know whether rejection or continuation will follow.



Same reference high, different closes. Left: a sweep and rejection. Right: a close above the high, followed by further buying.

A sweep shows a failed attempt to hold beyond the level on that candle. It does not prove deliberate stop hunting, and it does not guarantee a reversal.

A breakout may instead keep going. Stop-triggered activity can reinforce a move, as documented in some FX research. [4] Wait for the specific confirmation in your rules before considering an entry.

COMMON MISTAKE

Selling every move above a high. Identify the close first; then assess the next evidence.