



GORILA CAPITAL

Free trading-education guide · smart-money-notes

SMART MONEY NOTES · FREE GUIDE

Smart Money Concepts Glossary

Sixty SMC and price-action terms explained in plain English, with the honest caveats most glossaries leave out.

Inside

- Structure terms
- Liquidity terms
- Zones and imbalances
- Time and session terms
- Risk and execution terms
- What SMC is not

A free lesson taken from **Price Action Pro**, the course we are preparing for Skool. Free to read and share.
Education only, not investment advice. Trading is high risk.

PART 1

How to use this glossary

Smart Money Concepts (SMC) is a vocabulary for describing price action: structure, liquidity, imbalances and zones. Much of it renames older ideas from supply and demand, Wyckoff and classic price action. A shared vocabulary is useful because it lets you describe a chart precisely and get useful feedback.

Note

No one outside a bank's trading desk knows exactly what "smart money" is doing at any moment. Treat SMC as a model for organising what you see, not as inside knowledge.

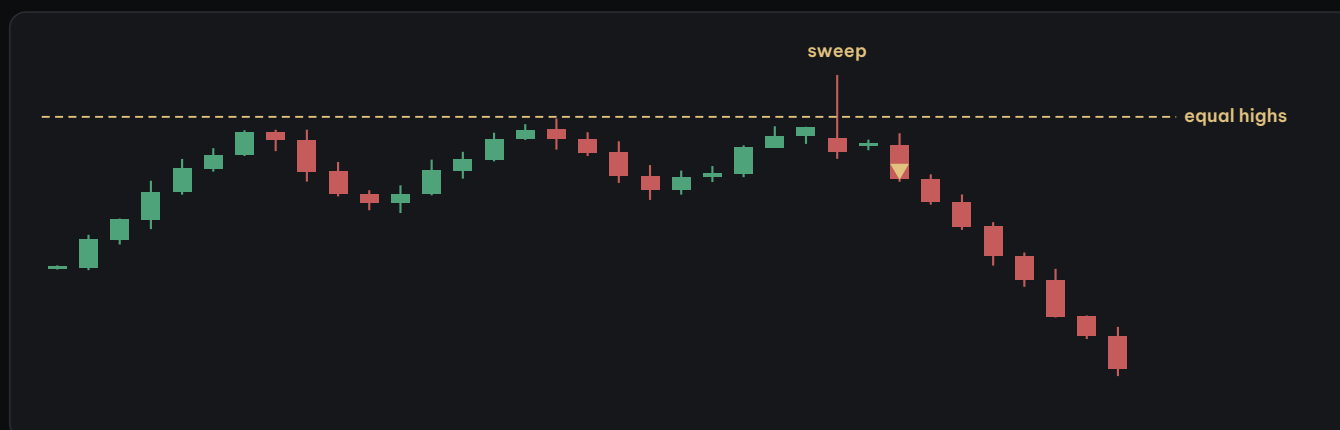
Structure terms

Term	Meaning
Swing high / swing low	A candle with lower highs (or higher lows) on both sides; the basic building block of structure
HH / HL	Higher high / higher low: the pattern of an uptrend
LH / LL	Lower high / lower low: a downtrend
BOS (break of structure)	Price closes beyond the last swing in the trend direction; trend continuation
CHoCH (change of character)	The first break against the current trend; an early warning of reversal
MSS (market structure shift)	Often used like CHoCH, usually with displacement
Internal vs external structure	Minor swings inside a leg vs the major swing points of the range
Dealing range	The current swing high to swing low that price is trading within
Strong / weak high	A high that caused a BOS (strong) vs one that did not and is likely to be taken (weak)

PART 2

Liquidity terms

Term	Meaning
Liquidity	Resting orders at obvious prices
BSL / SSL	Buy-side liquidity above highs / sell-side below lows
Equal highs / lows (EQH / EQL)	Double tops/bottoms that attract stops
Sweep / raid / grab	Price takes a pool and fails to continue
Inducement	A minor high or low that tempts early entries before the real level is reached
Stop hunt	Informal term for a sweep of an obvious stop cluster
Trendline liquidity	Stops placed under a well-respected trendline
Internal liquidity	Pools inside the dealing range, such as FVGs
External liquidity	Pools at the range highs and lows
Draw on liquidity	The pool price seems to be heading towards next



Equal highs collect buy stops. A wick through them that closes back inside is the sweep.

PART 3

Zones and imbalances

Term	Meaning
Order block (OB)	Last opposing candle before a structure-breaking move
Breaker block	A failed order block that flips role
Mitigation block	A block from a failed swing that did not take liquidity; similar to a breaker
Supply / demand zone	Base of candles before a strong move away
FVG / imbalance	Three-candle gap where candle 1 and 3 wicks do not overlap
IFVG	Inversion FVG: a failed gap watched from the other side
BPR	Balanced price range: overlapping bullish and bearish gaps
Volume imbalance	Gap between candle bodies (wicks overlap)
Consequent encroachment (CE)	The 50% level of a gap
Mean threshold	The 50% level of an order block
Premium / discount	Upper / lower half of the dealing range
Equilibrium (EQ)	The 50% level of the dealing range
OTE (optimal trade entry)	Retracement area often defined as 62-79% of a leg

PART 4

Time and session terms

Term	Meaning
Kill zone	A session window with typically higher volatility (e.g. London open, New York open)
Asian range	The high and low formed during the Asian session; often targeted in London
Judas swing	An early move in one direction at a session open that reverses
Power of three (AMD)	Accumulation, manipulation, distribution: range, false move, real move
Silver bullet	A popular one-hour window model; a time filter, not a guarantee
Midnight open / daily open	Reference prices some traders use to judge premium/discount for the day
Macro times	Short windows some educators believe show algorithmic activity; evidence is anecdotal

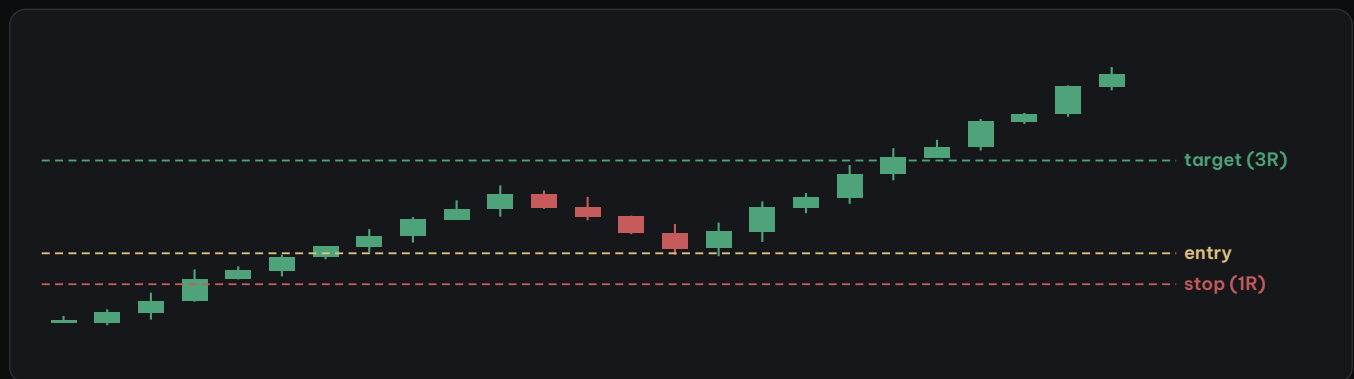
Common mistake

Treating time models as rules. Session windows describe when volatility is common. They do not tell you direction.

PART 5

Risk and execution terms

Term	Meaning
R	One unit of risk (entry-to-stop distance)
R:R	Reward-to-risk ratio
Partial	Closing part of a position at a target
Break-even (BE)	Moving the stop to entry
Invalidation	The price where the idea is wrong
Confluence	Several independent reasons agreeing
LTF confirmation	Waiting for a lower-timeframe shift inside a higher-timeframe zone
Drawdown	Peak-to-trough decline in the account
Expectancy	Average R per trade over many trades



Risk is the distance from entry to stop. Reward is measured in multiples of that risk (R).

PART 6

What SMC is not

- It is not proof of what banks are doing. Many terms describe common market behaviour that also appears in retail-heavy markets.
- It is not a high-win-rate system by default. Strategies built on SMC still lose often; what matters is risk management and expectancy.
- It is not more accurate on smaller timeframes. Lower timeframes have more noise and more false signals.
- It does not replace fundamentals. Data releases and central banks still move markets.

Used well, SMC gives you a precise language for structure and liquidity. Used badly, it gives you a reason to see a setup on every candle. The checklists in our other free guides are designed to keep it strict.

- ☐ I can define BOS and CHoCH and mark them on a chart
- ☐ I can explain the difference between internal and external liquidity
- ☐ I can grade an FVG and an order block with a checklist
- ☐ I know my R per trade before I enter
- ☐ Post your marked-up chart in the free Telegram or Discord community and ask for a review. Explaining your reasoning out loud is the fastest way to find the gaps.

PART 7

Abbreviations at a glance

Abbr.	Meaning	Abbr.	Meaning
BOS	Break of structure	OB	Order block
CHoCH	Change of character	FVG	Fair value gap
MSS	Market structure shift	IFVG	Inversion FVG
BSL	Buy-side liquidity	BPR	Balanced price range
SSL	Sell-side liquidity	CE	Consequent encroachment
EQH/EQL	Equal highs/lows	OTE	Optimal trade entry
HTF/LTF	Higher/lower timeframe	AMD	Accumulation-manipulation-distribution
PDH/PDL	Previous day high/low	EQ	Equilibrium
PWH/PWL	Previous week high/low	R:R	Reward-to-risk

KEEP LEARNING

Where to go next

This guide is one free lesson. If it helped, these are the next steps, all optional.

Next step	What it is
Free community	Daily market notes, session plans and chart reviews. No signals for sale, no account managers.
Telegram	t.me/gorilacapital99
Discord	discord.gg/aHRUT6DhT
WhatsApp channel	whatsapp.com/channel/0029Vb8jer11nozBPjBeAM06
Gorila Zones (\$49, one-time)	Our TradingView education tool that marks supply and demand zones, structure breaks and a historical stats table. Details: finance-gorila.pages.dev/indicator
Price Action Pro (coming soon on Skool)	The full course this guide comes from: structure, liquidity, zones, sessions and risk, with drills and chart reviews. Join the community above to hear when it opens.
More free guides	finance-gorila.pages.dev/free

Risk warning

Education only, not investment advice. Trading is high risk. Leveraged products such as CFDs and forex can lose money fast, and most retail accounts lose money. Past examples do not predict future results. Only trade money you can afford to lose, and check that any provider you use is authorised in your country.

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