SMC CONCEPTS

SMT Divergence Pairs

Compare corresponding extrema, then check your intended instrument's own entry conditions.

SMT commonly means Smart Money Technique. This worksheet records a failure of related markets to confirm corresponding highs or lows. A mismatch can change later or persist through a losing trade. It does not identify who placed orders.

Candidate pairs: a starting point for a defined study

Comparison	Initial comparison rule	Keep these details
NQ / ES futures	High with high; low with low when studying positive co-movement	Contract month, interval, session and data timing
EUR/USD / GBP/USD	Corresponding swings over the same interval	Quote providers and currency-specific announcements
Gold / silver	Check the relationship for the selected study period	Spot or futures, exact symbols and contract months
EUR/USD / DXY	Explicitly inverse: high against the corresponding low	Direction premise and both reference prices

Correlation varies with the observation period and sampling interval. These candidates are not permanent correlation rankings. Each instrument keeps its own price axis and reference level.

Constructed bullish and bearish comparisons

Hypothetical move	NQ	ES	Reading
Earlier / later low	20,000 / 19,990	5,000 / 5,002	Bullish mismatch
Earlier / later high	20,100 / 20,110	5,025 / 5,023	Bearish mismatch
Both make lower lows	Reference crossed	Reference crossed	No low non-confirmation under this rule
Both make higher highs	Reference crossed	Reference crossed	No high non-confirmation under this rule

These examples use candle highs and lows, including wicks. A touch equals the old price; a crossing exceeds it. Define equality and tick tolerance before collecting observations. Close-based structure confirmation is a separate rule.

Align the exact symbols, chart interval, time zone, session, delay status and chosen reference window. With continuous futures, retain the back-adjustment setting and any rollover in the sample.

Full illustrated guide: homedadpro.com/en/smt-divergence/. Correlation reference: CME index relationships.

Read the Sequence

Historical prices: September 21, 2026. New York time. One-minute NQZ2026 and ESZ2026.

The market prices below are historical. The order, stop and target are a hypothetical exercise; no actual execution is claimed.

Time / event	NQZ2026	ESZ2026 / interpretation
Earlier lows	09:24 low 30,202.25	09:25 low 7,759
09:29 lows	30,208.75: holds earlier low	7,758.75: crosses earlier low
09:30 structure	Close 30,253.25 above 09:27 high 30,233	Check the intended trading instrument
After 09:31 close	FVG 30,223.50-30,230	Completed three-candle gap now known
Hypothetical plan	Entry 30,226.75; stop 30,201.75	25-point risk; 2R target 30,276.75
Later bar events	Entry level touched 09:33; target level 09:37	No stop touch between those events

The 09:32 NQ low remained above the proposed entry. The 09:33 bar crossed the entry while staying above the stop. One-minute OHLC cannot prove queue fills, slippage or every intrabar path. The paper result excludes costs and supplies no win rate.

Indicator timing and changing observations

A pivot confirmed by three subsequent five-minute bars becomes known 15 minutes after the pivot bar closes, assuming consecutive bars. A label drawn back on the pivot is not evidence that it was visible there in real time.

Record the first visible label and later changes. A divergence dashboard can count pattern frequency; that is different from a strategy win rate with defined entries, exits, costs and a stated sample.

If the second market crosses its reference later, retain both timestamps. If your entry area forms but price never returns, retain an unfilled setup. If the trade loses while the other market holds, retain the loss.

For the NQ exercise, 25 points x $20 = $500 per contract before costs. In a separate hypothetical worksheet with exactly $12 total round-trip costs, a $1,000 gross target nets $988 and a stop loses $512. Break-even = 512 / 1,500 = 34.13%; this is payoff arithmetic, not observed SMT performance.

References: TradingView repainting; CME NQ contract.

Your SMT Observation Log

Fill in a PDF viewer or print. Fields remain interactive and do not calculate automatically.

Choose the pair and references before the outcome. Keep the comparison, entry eligibility, actual fill and final result as separate events.

Instrument A / contract

Instrument B / contract

Observation interval

Session / time zone

Expected positive / inverse relationship

Delay / session / adjustment settings

A: reference price and timestamp

B: reference price and timestamp

References selected at

Mismatch first observed at

A: later extreme and timestamp

B: later extreme and timestamp

Intended instrument / entry condition

Condition first known at

Planned entry / stop / target

Unfilled or actual fill / time

Second reference crossed later? Time

Exit reason / result

Fees / slippage / net result

Baseline / SMT group / test period

Original observations, screenshots and the next rule to test

Keep the same entry model in both comparison groups. Retain losses, missed fills and changing signals. A pattern count is not a trading win rate.