PSEDYS | TECHNICAL REFERENCE MANUAL V3.0

EQH / EQL — Equal Highs and Equal Lows

Technical Reference Manual v1.0

PSEDYS | Complete Edition
Accumulated Liquidity · Double Top/Bottom · Stop Hunt Zone · Tolerance % · MTF · PSEDYS

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1. What are EQH/EQL? Concept

EQH (Equal Highs): Two or more Swing Highs at approximately the same price level.

EQL (Equal Lows): Two or more Swing Lows at approximately the same price level.

SMC Significance: EQH and EQL are **maximum liquidity zones** — all participants who placed stops above EQH (for Shorts) or below EQL (for Longs) create a massive pool of orders. Smart Money "hunts" these zones.

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2. Identification and Tolerance

```
EQH identified when:
  |High[i] − High[j]| / High[i] < tolerance%

  Standard tolerance: 0.1% – 0.3% (strict) or 0.5% (liberal)

Example:
  SH1 = 65000, SH2 = 65150
  Difference = 150/65000 = 0.23% → EQH (if tolerance = 0.3%)

EQL identified:
  |Low[i] − Low[j]| / Low[i] < tolerance%
```

Minimum: 2 nearly identical Swing Highs/Lows for EQH/EQL.
Strength increases with each additional High/Low at the same level.

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3. EQH/EQL as Liquidity Zones

```
EQH at 65000 (2x tested):
  → All Shorters with SL at 65100-65200 (above EQH)
  → All breakout buyers with Buy Stop orders at 65050+
  = Massive BSL (Buy-side Liquidity) pool above 65000

  Consequence: Smart Money can:
  (a) Sweep EQH (raid up, capture BSL) + sell → bearish reversal
  (b) True breakout above EQH (trend continues)

EQL at 58000 (2x tested):
  = SSL pool below 58000
  → Smart Money can sweep and reverse bullish
  → Or: true breakdown of support
```

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4. Trading Signals

Sweep EQH → Bearish

```
Setup:
1. EQH identified (2+ SH at the same level)
2. Price penetrates EQH with wick or bar
3. Close below EQH (sweep confirmed without breakout)
4. Entry Short
5. SL above sweep High
6. TP at EQL or major support below price
```

Sweep EQL → Bullish

```
Setup:
1. EQL identified (2+ SL at the same level)
2. Price penetrates EQL with wick
3. Close above EQL (sweep without breakdown)
4. Entry Long
5. SL below sweep Low
6. TP at EQH or major resistance
```

Breakout EQH (true)

```
Close > EQH + 2 or more bars with Close > EQH + volume:
  → True breakout, not sweep
  → Long with target at extension or FVG above
  → EQH becomes support (retest = entry Long)
```

5. EQH/EQL vs Double Top/Bottom

Aspect	EQH/EQL (SMC)	Double Top/Bottom (Classic)
Focus	Accumulated liquidity → sweep	Reversal pattern
Confirmation	Sweep + reverse Close	Break below neckline
Direction	Reversal at sweep	Reversal at neckline break
Possible Breakout	Yes (not all EQH are sweeps)	Rarer
Timeframe	Any	Predominantly swing/daily

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6. MTF and PSEDYS

```
EQH/EQL 4H/1D: major zones → major sweeps
EQH/EQL 1H: meso zones → intraday setups
EQH/EQL 15M/5M: relative noise

PSEDYS:
  - Automatic EQH/EQL scanner with 0.2% tolerance
  - Alert when price approaches EQH/EQL within ±0.3%
  - Combine with LQ Grab for confirmation
```

```
def find_eqh(swing_highs, tolerance=0.003):
    """Find pairs of Equal Highs."""
    eqh_zones = []
    for i in range(len(swing_highs)):
        for j in range(i+1, len(swing_highs)):
            h1 = swing_highs[i]['price']
            h2 = swing_highs[j]['price']
            if abs(h1-h2)/h1 < tolerance:
                eqh_zones.append({
                    'level': (h1+h2)/2,
                    'sh1': swing_highs[i],
                    'sh2': swing_highs[j],
                    'bsl_zone': (h1+h2)/2  # liquidity above
                })
    return eqh_zones
```

7. Practical Exercises

Exercise 1: EQH tested 3 times — sweep or breakout?

Situation: BTC EQH at 66000 (tested 3 times). Current 4H bar: High=66300, Close=65700. Moderate volume.

Answer: Sweep EQH — entry Short. Wick above 66000 (sweep BSL) + Close below 66000 (65700) = sweep confirmed. 3 tests of EQH = massive BSL pool captured. Entry Short at 65700 (Close). SL above 66300 (sweep High) = 66500. TP at EQL or major support = 62000. R:R: (65700-62000)/(66500-65700) = 3700/800 = 4.6 — excellent.

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Exercise 2: EQL sweep with Close above — but macro trend bearish

Situation: ETH 4H macro trend bearish. EQL at 1800. Sweep below 1800 (Low=1785), Close=1815.

Answer: LQ Grab bullish counter-trend — minimal sizing (25%). Sweep EQL bullish but macro trend bearish (4H). Likely bounce but limited duration (counter-trend). Entry Long with conservative target: immediate FVG/OB above (1850-1880). SL below 1785. Do not target swing high. Exit at first large bearish bar after TP1.

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8. Cheat Sheet

Concept	Rule
EQH	2+ SH at the same level (tolerance ±0.2-0.3%)
EQL	2+ SL at the same level
BSL	Buy-side pool above EQH
SSL	Sell-side pool below EQL
Sweep EQH	Wick > EQH + Close < EQH → bearish
Sweep EQL	Wick < EQL + Close > EQL → bullish
SL Sweep Short	Above sweep High
SL Sweep Long	Below sweep Low
Tolerance	0.2-0.3% for EQH/EQL
Strength	More tests = larger pool = stronger
True Breakout	Multiple Close above EQH + volume
vs Double Top	EQH: focus sweep; DT: focus neckline break

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