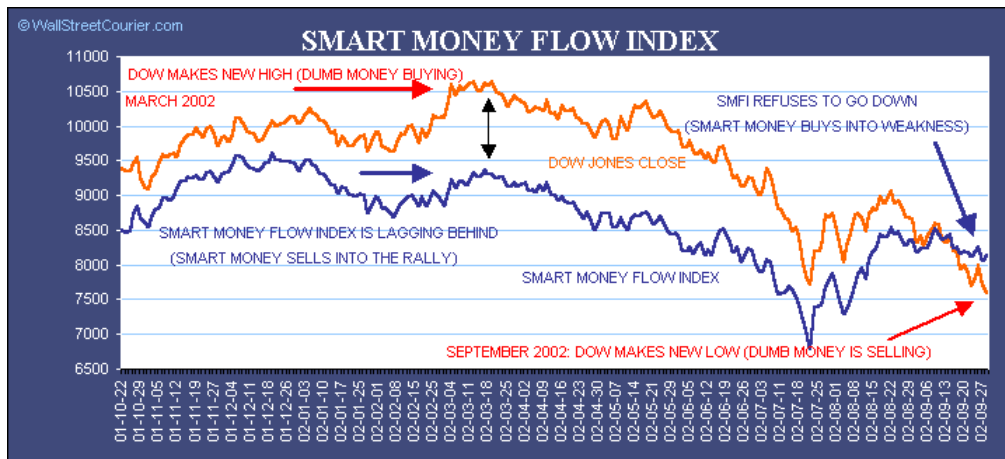


Smart Money Flow Index explained

The **Smart Money Flow Index** has long been one of the best kept secrets of Wall Street. Everybody knows the importance of a closing price and other last hour indicators like the Closing Tick, which we publish daily on our portal. The **Smart Money Flow Index** is therefore calculated according to a special formula by taking the action of the Dow in two time periods: the first 30 minutes and the last hour. The first 30 minutes represent emotional buying, driven by greed and fear of the crowd based on good and bad news. There is also a lot of buying on market orders and short covering at the opening. Smart money waits until the end and they very often test the market before by shorting heavily just to see how the market reacts. Then they move in the big way. These heavy hitters also have the best possible information available to them and they do have the edge on all the other market participants. It is a clear buy signal if the Dow falls to a new low which is not confirmed by the **SMFI**. But whenever the Dow makes a high which is not confirmed by the **SMFI** there is trouble ahead (Chart below). Watching this indicator is like being on a plane and see the pilots jumping off with parachutes. **This magnificent indicator has called every major top and bottom since we are online.** Please read here what the well known market pro **Don Hays** says in a **Barron's** interview about the **Smart Money Flow Index**! We offer a daily version of our Smart Money Flow Index for active short-term traders in the [Day Trading Section/Daily Market Indicators](#).



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Smart Money Flow Index chart

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