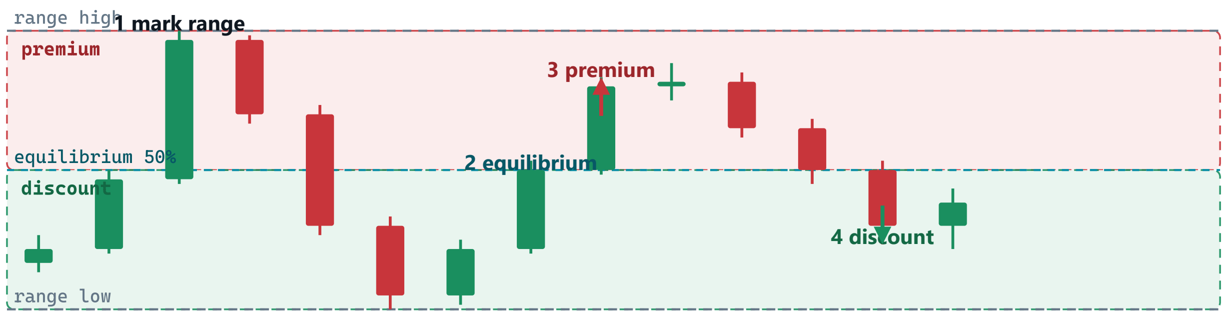
FIELD GUIDE · SMART-MONEY STRUCTURE

Premium & discount

Traders mark a price range from its swing low to its high, then split it in half. The upper half is premium, the lower half discount. This handout shows how that midpoint frames where price sits.

QUANTREEF
market microstructure



PHASE 1 · MARK THE RANGE

Find the range

Pick a clear swing low and a clear swing high and draw a line at each. The space between them is the range you measure everything else against.

`low 60,000 · high 66,000`

PHASE 2 · EQUILIBRIUM

Split it at 50%

Draw a line at the exact midpoint of the range. This 50% level is called equilibrium, and it divides the range into two halves.

`eq 63,000`

PHASE 3 · PREMIUM

Above the middle

Any price in the upper half sits in premium, meaning it is relatively expensive within this range. It is simply the more expensive side of the midpoint.

`above 63,000`

PHASE 4 · DISCOUNT

Below the middle

Any price in the lower half sits in discount, relatively cheap within this range. The deeper part of this half is sometimes labelled the optimal entry area.

`below 63,000`

Key terms

range — The distance between a chosen swing low and swing high on the chart.

equilibrium — The 50% midpoint of the range; the line dividing premium from discount.

premium — The upper half of the range, where price sits relatively high within it.

discount — The lower half of the range, where price sits relatively low within it.

How to read & use it

Read the two halves

Above the 50% line is premium, below it is discount. The label is relative to this one range only, not a judgement of true value.

The optimal entry idea

The deeper discount or premium areas are sometimes called an optimal entry zone. It is just a way to describe location within the range, not an instruction to act.

Ranges get redrawn

When price prints a fresh high or low, the range and its midpoint must be redrawn. The zones are only as current as the range you marked.

HOW QUANTREEF SHOWS THIS

In Quantreef, premium and discount zones are drawn as descriptive context to help you read market structure. They are educational information, not a signal, recommendation, or prediction about what price will do next.