Complete Guide on Central Bank Dealers Range (CBDR)

The **Central Bank Dealers Range** (CBDR) represents price **stabilization** before the **market's major moves**. Central banks and large financial institutions use this range to manage **liquidity** and prepare the market for **significant shifts**.

CBDR is used to identify **breakouts** or **reversals** and guide daily bias in higher timeframes.

What is the Central Bank Dealers Range (CBDR)?

The CBDR price range in **ICT Strategy** is used to predict a trading day's **highest** and **lowest** price. This range is calculated between **2:00 PM and 8:00 PM New York time**, and higher or lower ranges can be estimated using specific deviations from the **average** price.

The range can be expanded by incorporating deviations **above** and **below** the **average** price. Typically, this deviation reflects how prices are **dispersed** relative to the mean.

What Range is Ideal for CBDR?

- **Range Height**: Calculated by finding the **highest** and **lowest** price within the specified time. It is preferable to use the candlestick **bodies**; however, wicks can be

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included if the bodies are too **small**;

- **Optimal Range**: CBDR should ideally be less than **40 pips**, with **10 to 20 pips** yielding better results;
- **Larger Ranges**: Short-term trades tend to perform better if the range exceeds **40 pips**.

Advantages of Using CBDR

- **Precise Forecasting**: CBDR enables traders to **predict price movements** with greater accuracy;
- **Risk Reduction**: It supports informed decision-making, avoiding **high-risk** trades;
- **Increased Profitability**: Identifying trading opportunities with **higher probabilities** of success;
- **Flexibility**: Applicable across **various markets** and timeframes.

How to Use CBDR in Trading?

Each trading day, the market seeks to move the price at least **1–2 times** the CBDR range against the **trend** in order to collect **liquidity**.

Then, it moves **four steps in the trend direction**, equivalent to the daily CBDR range.

Bearish Days

On bearish days, the ideal scenario is for the price to exceed the CBDR range by no more than **two units**, typically moving just **1 unit** up to collect liquidity.

The **day's lowest price** can be predicted as **three units below the CBDR range**, typically seen at the **end of the London trading session**.

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Central Bank Dealers Range (CBDR) in Bearish Days of the Market

Bullish Days

On bullish days, the ideal scenario is for the price to drop no more than **two units** below the CBDR range, typically moving just **1 unit** down to collect liquidity.

The **day's highest price** can be predicted as **three units above the CBDR range**, typically seen at the **end of the London trading session**.



Central Bank Dealers Range (CBDR) in Bullish Days of the Market

Beside CBDR, ypu can learn how to use other strategies in **TradingFinder forex education** section.

Which Timeframes Are Suitable for CBDR?

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The best timeframes for CBDR are **15-minute** and **30-minute** intervals:

- **15 Minutes**: Ideal for short-term trades, providing a more precise view of price fluctuations;
- **30 Minutes**: Better for an overall view and **long-term** planning.

Which Currency Pairs and Assets Are Suitable for CBDR?

CBDR was initially designed for trading **NASDAQ** and **S&P500 indices**. Following its success, this method expanded to other financial markets, including **forex** and precious metals.

Currency pairs like "**GBP/USD"** and "**EUR/USD"** are the best choices for this strategy. Additionally, it has performed well in the **gold market (XAU/USD.)**

How to Achieve Better Results with CBDR?

To succeed with CBDR, traders should focus on the following principles:

- Precise identification of the **CBDR range**;
- **Risk and capital management**;
- Analyzing **news and market conditions**;
- Exercising **patience** and trading under ideal conditions.

What Role Do Central Banks Play in CBDR?

Central banks and **smart money** significantly influence the CBDR and its formation:

- **Interest Rate Decisions**: Cause changes in price volatility and the CBDR range; You can be aware of these changes by using TradingFinder **Central Bank Interest Rates Tool**
- **Monetary Stimulus Actions**: Affect price ranges by **increasing** or **decreasing** liquidity
- **Currency Interventions**: Lead to sudden changes in the CBDR range

Which Days of the Week Are Best for CBDR?

1. **Tuesdays and Wednesdays:** These days often mark **weekly highs** or **lows**, offering more opportunities for CBDR-based trades;

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2. **Days with Significant Economic News**: High-impact news releases (e.g., **interest rate decisions, employment reports**, or **inflation** data) can create volatility, driving prices toward **CBDR** targets;

3. **Overlap of Trading Sessions**: The overlap between **London** and **New York** sessions, known as the **kill zone**, offers **high volume** and suitable trading opportunities.

Conclusion

The **Central Bank Dealers Range** (CBDR) is designed to identify price **highs** and **lows** within a trading day.

This style combines **time analysis**, **price ranges**; **Central bank behavior**, enables traders to make more informed decisions about **daily** trades.

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