

# Trading Strategy with Breaker Block in ICT Style

The **Breaker Block** is one of the concepts in the **ICT trading style**. This method focuses on the **break of Order Blocks** (OB) and their **transformation** into **new zones** for **price retracement**, creating an entry area for trading based on the **Breaker Block (BB)** strategy.



ICT schematic of a Bullish Breaker Block (ICT Breaker Block) in ICT

## What is a Breaker Block?

A Breaker Block is an **Order Block** (OB), broken **by price**, which transforms into a **new support** or **resistance** zone for price **retracements**. This shift usually occurs due to a **Liquidity Sweep** and a **Market Structure Shift (MSS)**.

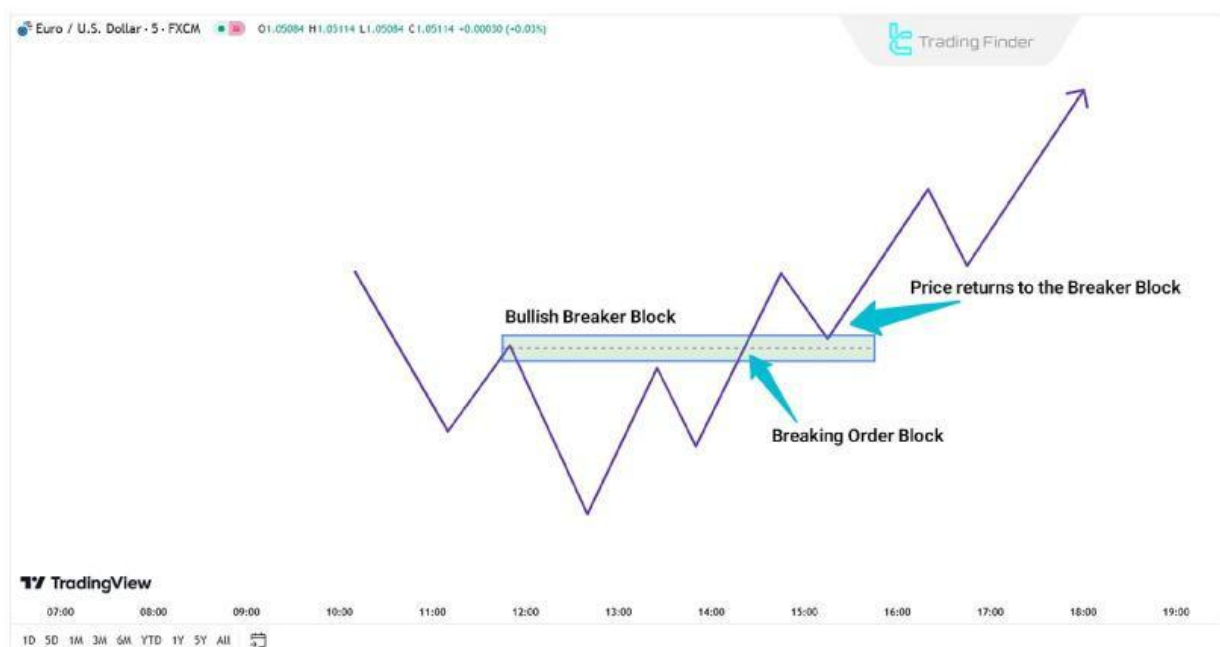
# Types of Breaker Blocks

Breaker Blocks (BB) exist in two forms:

- ⚡ **Bullish**
- ⚡ **Bearish**

## Bullish Breaker Block

A **bearish Order Block** (OB-) is broken by an **upward** price movement. After the break, it shifts to act as a **support** zone, aiding further price increases.



## Bearish Breaker Block

A bullish Order Block (OB+) is broken by a **downward** price movement. After the break, it shifts to act as a **resistance** zone, aiding further price decreases.



General schematic of a Bearish Breaker Block (ICT Breaker Block)

## Principles for Identifying a Breaker Block (BB)

To validate a Breaker Block, the following points should be assessed:

- ⚡ **Liquidity Sweep:** At first, price will capture **liquidity** located behind a specific zone
- ⚡ **Order Block Break:** Price breaches the upper limit (in bearish OB) or lower limit (in bullish OB), invalidating it
- ⚡ **Market Structure Shift (MSS):** A confirmed trend reversal (from bullish to bearish or vice versa) must occur

# Step-by-Step Guide for Trading with Breaker Blocks

To execute the Breaker Block trading strategy, follow the steps below:

## #1 Identify the Market's Overall Trend

Determine the market's overall **direction** using higher timeframes to ensure your BB aligns with the **main trend**.

## #2 Wait for a Liquidity Sweep

Wait for the price to move toward a **liquidity pool**, absorb it, and then **reverse**.

## #3 Identify the Order Block Break (OB)

When the price breaks an Order Block, it will turn into a **Breaker Block (BB)**:

- ⚡ If the price closes above a bearish Order Block, a **Bullish Breaker Block** forms
- ⚡ If the price closes below a bullish Order Block, a **Bearish Breaker Block** forms

## #4 Enter the Trade

Once the Breaker Block area forms, wait for the price to **retrace** to this zone and enter the trade with MSS or CHoCH **confirmation** signals.



A Bullish Breaker Block on GBP/USD price chart (ICT Breaker Block)

In the image below, a short trade entry using this strategy can be seen:





A Bearish Breaker Block on GBP/USD price chart

Now, let's define trade parameters for both bullish and bearish setups:

## Bullish Breaker Block

- ⚡ **Entry Point:** When the price retraces to the BB zone
- ⚡ **Stop Loss (SL):** Slightly below the BB area
- ⚡ **Take Profit (TP):** Liquidity levels on the opposite side



A Bullish Breaker Block trade with entry, stop-loss, and take-profit levels

## Bearish Breaker Block

- ⚡ **Entry Point:** When the price retraces to the BB zone
- ⚡ **Stop Loss (SL):** Slightly above the BB area
- ⚡ **Take Profit (TP):** At liquidity levels on the opposite side



A Bearish Breaker Block trade with entry, stop-loss, and take-profit levels

**Note:** To simplify the identification of Breaker Blocks, you can use the indicator developed by the [TFlab] team:

- ⚡ TradingView version of the Breaker Block indicator
- ⚡ MetaTrader 4 version of the Breaker Block indicator
- ⚡ MetaTrader 5 version of the Breaker Block indicator

## Best Timeframes and Markets for Breaker Blocks

The Block Breaker strategy, adheres to a specific timeframe for use:

### Timeframes

- ⚡ Use daily timeframes to analyze overall trends
- ⚡ Lower timeframes (5 or 15 minutes) are suitable for precise entries

### Markets

- ⚡ Forex, futures, and cryptocurrency markets

## Advantages and Limitations of the Breaker Block Strategy

| Advantages                                        | Limitations                                             |
|---------------------------------------------------|---------------------------------------------------------|
| Accurately identifies zones with liquidity bias.  | Requires advanced skills for proper zone identification |
| Broad applicability across different markets      | Risk of false signals in highly volatile markets        |
| Enhances trading precision when combined with MSS | -                                                       |

## Comparison of Breaker Block and Order Block

⚡ **Order Block:** A zone expected to reverse or **continue** price movement

⚡ **Breaker Block:** When the price breaks an Order Block, it transforms into a Breaker Block, **reversing** its role (support to resistance and vice versa)

## Conclusion

**The Breaker Block strategy** focuses on identifying **broken Order Blocks** and **capturing liquidity** to pinpoint precise entry and exit points in the market.

This approach requires a thorough understanding of **market structure**, **suitable timeframes**, and **confirmation signals**. It is applicable across various markets and timeframes.

### source:

1.our website link :

<https://tradingfinder.com/education/forex/ict-breaker-block-strategy/>

2.all Education :

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