Stop Hunting Training - Triggering Stop Losses of Retail Traders - ICT

Stop hunting is a process in which the market is designed to **trigger the stop losses** of **retail traders**, with these movements ultimately benefiting **institutional** traders and market makers.



Stop Hunting Areas of Retail Traders

Stop Hunting in the **ICT style** refers to a scenario where the price triggers a **stop-loss** order with a **shadow (wick)** and then reverses direction toward the **take-profit level**. This phenomenon is also known as "**stop-loss hunting**."

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Examining the Mechanism of Stop Loss Hunting in Stop Hunting

Objectives of Stop Hunting

Smart Money executes stop hunting for several reasons:

Liquidity Extraction

Stop-loss levels are known as areas of high **order volume**. Large market players use these orders to **facilitate trades** and **absorb liquidity**.

Narrowing Price Spread

Market makers use **stop-hunting** to generate sufficient liquidity, enabling them to reduce the cost of **entering** or **exiting** large trades.

Creating Volatility

Stop Hunting induces stress among **retail traders**, leading to impulsive decisions. These actions benefit market makers by creating Volatility in the market.

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How Does dose Stop Hunting Works

Market makers identify areas where numerous stop-losses are placed, such as **below support**, **above resistance,** or **near-round numbers**.

Then they drive the price toward these areas with significant **trade volumes**. Once **stop-losses** are triggered, a large number of orders enter the market to create **liquidity in Forex**.

This liquidity allows major **market makers** to execute large trades at more favorable prices. Afterward, the price often returns to its original direction.



Recognizing Stop Hunting Areas for Identifying Reversals and Liquidity

How to Identify Stop Hunting? Signs of Stop Hunt

To **spot hunting** on a chart, watch for these signs:

- **Long Wicks:** The price touches a **specific level** and **suddenly** reverses quickly;
- **Temporary Breaks of Key Levels:** The price temporarily breaches support or resistance but **promptly** returns to its previous path;
- **Unexpected Volatility:** Rapid price **movements** in one direction, followed by a quick reversal.

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How Stop Hunting Develops and Affects the Chart

Conclusion

Stop Hunting is a common **phenomenon** in financial markets, used by market makers to absorb liquidity and **execute large** trades at better prices.

Retail traders can mitigate risks and benefits by **understanding** and **identifying** this method.

Sources:

1.our website link :
https://tradingfinder.com/education/forex/ict-stop-hunting/

2.all Education :
https://tradingfinder.com/education/forex/

3.TradingFinder Support Team (Telgram):
https://t.me/TFLABS

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