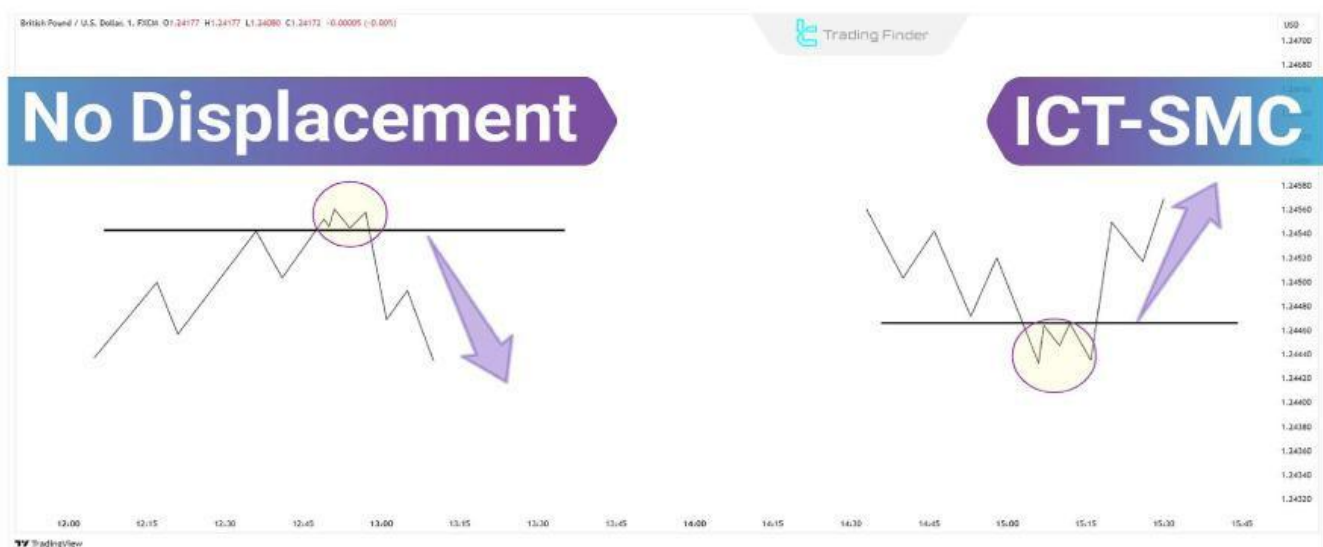


No Displacement Model in ICT Trading [Uptrend & Downtrend]

No Displacement in the **ICT trading model** and **Smart Money** refers to a scenario where the price breaks a key level (such as a short-term high or low) but **instead of continuing** in the same direction, it **quickly** retraces back to the previous range.



Weakness in movement or lack of displacement in the ICT model

This behavior typically indicates market weakness in **sustaining** the current trend and increases the **probability** of price reversal or a shift in direction.

Characteristics of No Displacement

To identify No Displacement, it is essential to recognize its characteristics, which include:

- ⚡ **Quick retracement to the previous range:** After breaking a key level, the candles are not aggressive, and the price quickly moves back into the prior range.
- ⚡ **Small and weak candles:** The candles formed after the breakout are usually small and they lack momentum.
- ⚡ **Failure to close beyond the breakout level:** In the absence of Displacement, candles typically do not close near the breakout level but rather revert back into the range.
- ⚡ **Failed Breakouts:** Unsuccessful breakouts are a clear indication of No Displacement and are often considered as reversal signals.



Signs of Movement Functions Weakness in the ICT Model

Why Does No Displacement Occur?

No Displacement happens due to various factors such as:

- ⚡ **Lack of liquidity in Forex**

- ⚡ **Counter-orders at the breakout level** (e.g., buying pressure at a bearish breakout)

- ⚡ **Market consolidation**, where price lacks directional momentum to sustain a breakout

How to Identify No Displacement?

To assess No Displacement, traders must analyze **candlestick behavior at key levels**. If a breakout occurs with **large candles closing near the high or low**, it indicates strong Displacement and a high likelihood of continuation.

On the other hand, **a quick retracement to the previous range with small candles** suggests a lack of Displacement. Evaluating this pattern across **multiple timeframes** helps in identifying precise trade opportunities.

How to Use No Displacement in Trading?

In an **uptrend**, a **breakdown** of a low without Displacement suggests weak bearish momentum and a buying opportunity. In a **downtrend**, a breakout above a high **without Displacement** indicates weak bullish momentum and presents a selling opportunity.

Failed **breakouts** are **strong reversal** signals that can be leveraged for counter-trend trades.

No Displacement Example in Uptrend

To trade with this setup in an uptrend, the following is used:

- ⚡ Price breaks a **short-term low** but instead of continuing downward, it quickly retraces.
- ⚡ Candlesticks are **weak and lack bearish strength**.



How No Displacement Functions in Bullish Trades

No Displacement Example in Downtrend

To trade with this setup in an **Downtrend**, the following is used:

- ⚡ Price **breaks a high**, but **no strong bullish candles**
- ⚡ Price **quickly retraces**, indicating **weak buying pressure**



Conclusion

The **No Displacement Model** in **ICT trading** highlights **market weakness in trend continuation**. When price breaks a key level but fails to show strong momentum, the probability of **reversal increases**.

Failed breakouts under such conditions provide **ideal reversal trade opportunities**. Combining this pattern with **risk management strategies** and **multi-timeframe analysis** enhances trade accuracy.

source:

1.our website link :

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