

ICT Trading Style Abbreviations and Terminologies [FVGs, OBs, PO3 & MMXM]

The **Inner Circle Trader (ICT)** trading style is based on **precise market structure analysis** and the **trading behavior of major financial institutions**.



ICT Trading Style Abbreviations and Terminologies

This approach helps traders **identify Smart Money movements** and align their strategies accordingly.

The ICT **terminology** encompasses a wide range of concepts, including **Order Blocks (OB)**, **Fair Value Gaps (FVG)**, and **Market Structure Shifts (MSS)**.

What is the ICT Trading Style?

Michael Huddleston developed the **ICT (Inner Circle Trader) trading style**. It revolves around **market structure analysis**, **liquidity concepts**, and the **trading behavior of large financial institutions** such as **banks and hedge funds**.

The primary objective is to **track and align with Smart Money movements**. ICT traders use **market structure**, **Break of Structure (BOS)**, **Order Blocks (OB)**, and **Fair Value Gaps (FVG)** to identify **optimal entry and exit points**.

Five Key ICT Terms

This section introduces **five essential ICT terms** which form the foundation of this trading methodology:

1. **Fair Value Gap (FVG)**: Price gap between the **first and third candles** in a three-candle formation, where the price has not yet been retracted.



ICT Fair Value Gap

Bullish & Bearish Fair Value Gaps (FVG) – A core concept in ICT trading

2. **Market Structure Shift (MSS)**: Shift in **ICT market structure**, indicating a **trend change**, whether short-term or long-term.

3. **Power of Three (PO3)**: Fundamental ICT concept that describes how price is delivered throughout the day, consisting of **Accumulation, Manipulation, and Distribution**.

4. **Order Block (OB)**: **Smart Money zone** where **institutional orders** are placed for **entry or exit**.

5. **Optimal Trade Entry (OTE)**: Refined ICT **trade entry model** based on **Fibonacci retracements** and market trends.

Market Structure Terminologies in ICT

This section includes **terminologies related to market structure**, which help traders **identify trends and key market shifts**.

⚡ **Break of Structure (BOS):** Key level breakout, signaling a potential trend shift.

⚡ **Break of Market Structure (BMS):** Market structure change, indicating a **trend reversal**.

⚡ **Market Structure Shift (MSS):** Short or long-term directional trend shift.



ICT Market Structure Shift (MSS)

MSS (Market Structure Shift) identified on the EUR/USD chart

⚡ **Change in State of Delivery (CSID/CSD):** Shift in **price delivery mechanics** dictated by the market algorithm.

⚡ **Consequent Encroachment (CE):** Price entry into a **previously untraded area**.

⚡ **Change of Character (CHoCH):** Sudden shift in market direction, signaling **trend weakness or potential reversal**.

Liquidity and Imbalance Terminologies in ICT

These terms focus on **liquidity imbalances** and **market inefficiencies**, highlighting **high-order flow zones** and **trading opportunities**.

⚡ **Fair Value Gap (FVG):** Three-candle price gap where the price **has not yet returned**.

⚡ **Inversion Fair Value Gap (IFVG):** Fast-moving price zone that **has not been revisited**, moving in the **opposite direction**.

⚡ **Fair Value for Buying (FVFB):** Discounted price gap, offering an **attractive buy opportunity**.

⚡ **Fair Value for Selling (FVFS):** Premium price gap presenting an **optimal selling opportunity**.

⚡ **Breakaway Gap:** Gap formed at a key breakout level, indicating **market structure changes**.

⚡ **Premium & Discount Array (PD Array):** This is a **price model** using **Fibonacci retracements**, categorizing prices as **Premium (above 50%)** or **Discount (below 50%)**.

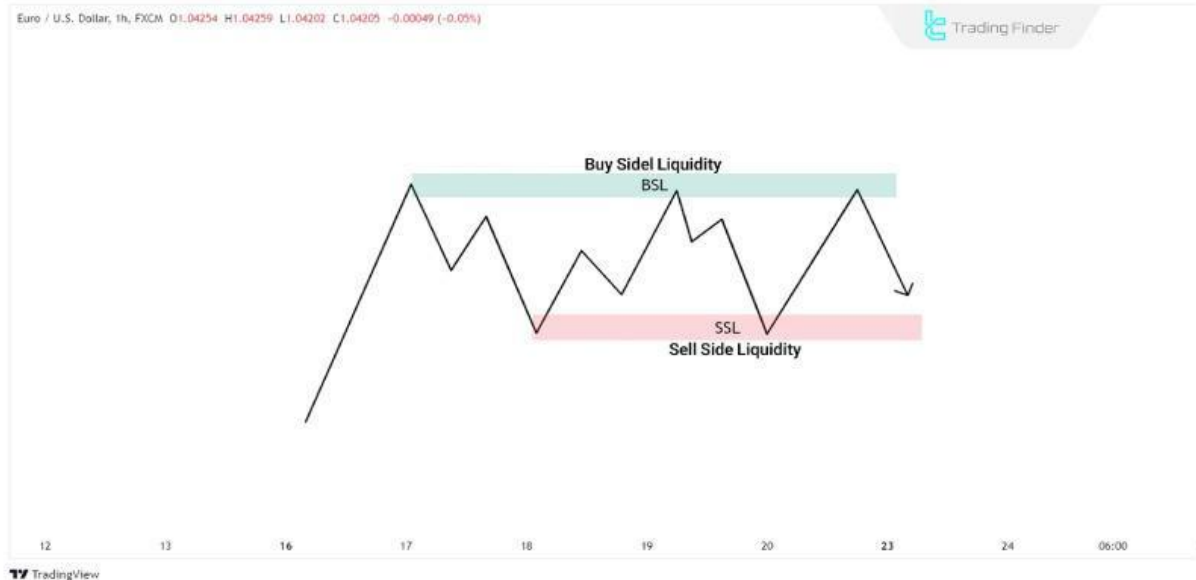
⚡ **Equilibrium (EQ):** The **50% retracement level**, where buying and selling pressures **balance**.

⚡ **Liquidity (LQ):** The ease of converting an asset or security into cash without significantly affecting its price.

⚡ **Liquidity Void (LV):** Chart area where no trades have been executed, creating a price vacuum.

⚡ **Buy-Side Liquidity (BSL):** Buy orders available in the market.

⚡ **Sell-Side Liquidity (SSL):** Sell orders available in the market.



Buy-Side Liquidity (BSL) & Sell-Side Liquidity (SSL) in ICT trading

⚡ **External Range Liquidity (ERL):** Liquidity present outside the current price range.

⚡ **Internal Range Liquidity (IRL):** Liquidity present within the current price range.

⚡ **Liquidity Pool (LP):** Zone with a high concentration of buy or sell orders, including stop-loss orders.

⚡ **Draw on Liquidity (DOL):** Price movement toward high-liquidity zones.

⚡ **First Point of Liquidity (FPOL):** The first liquidity level reflecting market activity, often used as a potential entry or exit point.

Key ICT Price Zones & Blocks

This section explains critical price zones and order blocks, which traders use to define high-probability trade areas.

⚡ **Order Block (OB):** A Smart Money zone where large orders are placed.

⚡ **Bearish Order Block (OB-):** Order block confirming a downtrend.

⚡ **Bullish Order Block (OB+):** Order block supporting an **uptrend**.



Bearish & Bullish Order Blocks (OB) in ICT trading

- ⚡ **Mitigation Block (MB):** Risk-reduction block where **Smart Money** hedges trade.
- ⚡ **Bullish Mitigation Block (MB+):** Mitigation block operating in an **uptrend**.
- ⚡ **Bearish Mitigation Block (MB-):** Mitigation block operating in a **downtrend**.
- ⚡ **Breaker Block (BB):** Former **order block**, now acting as **support or resistance**.
- ⚡ **Bullish Breaker Block (BRK+):** Breaker block confirming **bullish momentum**.
- ⚡ **Bearish Breaker Block (BRK-):** Breaker block confirming **bearish momentum**.
- ⚡ **Rejection Block (RB):** Failed price zone leading to **trend reversals**.
- ⚡ **Vacuum Block (VB):** Zone with **no executed trades**, where price moves rapidly.
- ⚡ **Reclaimed Order Block (ROB):** Order block that price revisits and reactivates.
- ⚡ **Propulsion Block (PB):** Block that drives aggressive price movement in a specific direction.
- ⚡ **Mean Threshold (MT):** The **midpoint of an order block**, acting as a **retracement level**.
- ⚡ **Return to Order Block (RTO):** When the price returns to an order block.
- ⚡ **Return to Breaker (RTB):** When the price revisits a breaker block.
- ⚡ **Point of Interest (POI):** Key zone where traders focus on **potential price reactions**.

ICT Timeframe and Session Terminologies

This category includes **terms related to different timeframes and trading sessions** in ICT methodology, enhancing precision in analysis.

ICT Timeframe Terminologies

ICT Trading Timeframes and Key Market Sessions

- ⚡ **Higher Time Frame (HTF): Longer-term timeframe** used for market analysis.
- ⚡ **Lower Time Frame (LTF): Short-term timeframe** for detailed market entries and precision analysis.
- ⚡ **High of Day (HOD): Highest price reached** during the current trading session.
- ⚡ **Low of Day (LOD): Lowest price reached** during the current trading session.
- ⚡ **Previous Day Low (PDL): Lowest price recorded on the previous trading day.**
- ⚡ **Previous Day High (PDH): Highest price recorded on the previous trading day.**
- ⚡ **Previous Session High (PSH): Highest price reached in the previous trading session.**
- ⚡ **Previous Session Low (PSL): Lowest price reached in the previous trading session.**
- ⚡ **Previous Week High (PWH): Highest price recorded during the previous week.**
- ⚡ **Previous Week Low (PWL): Lowest price recorded during the previous week.**
- ⚡ **Previous Month High (PMH): Highest price recorded in the previous month.**
- ⚡ **Previous Month Low (PML): Lowest price recorded in the previous month.**
- ⚡ **True Day Close (TDC): The market closing price at 17:00 New York time.**
- ⚡ **True Day Open (TDO): The market opening price at 00:00 New York time.**
- ⚡ **New Day Opening Gap (NDOG): Price gap formed at the beginning of a new trading day.**
- ⚡ **New Week Opening Gap (NWOG): Price gap appears at the start of a new trading week.**

ICT Trading Sessions

- ⚡ **Asian Session (Asian Session): Trading hours are from 19:00 to 03:00 New York time.**
- ⚡ **Asian Kill Zone (A-KZ): High-liquidity window** within the **Asian session** between **20:00 and 22:00 New York time.**
- ⚡ **Asian Range (Asian Range): Price range formed during the Asian session.**

- ⚡ **London Open (LO):** London trading session opens from 02:00 to 05:00 New York time.
- ⚡ **London Close (LC):** London session closes from 08:00 to 11:00 New York time.
- ⚡ **London Open Kill Zone (LO-KZ):** High-liquidity period from 02:00 to 05:00 New York time.
- ⚡ **London Close Kill Zone (LC-KZ):** High-impact trading period from 09:00 to 11:00 New York time.
- ⚡ **New York Open (NYO):** New York session opens from 08:00 to 11:00 New York time.
- ⚡ **New York Open Kill Zone (NYO-KZ):** High-liquidity period that occurs from 07:00 to 09:00 New York time.
- ⚡ **ICT Macro Times (ICT Macro Times):** Key time-based pivots monitored by the market algorithm for trade execution.

ICT Price Level Terminologies

This section includes **key price level terms**, helping traders **identify crucial support** and **resistance areas**.



Short- and Mid-Term Highs/Lows in ICT

Short- and Mid-Term Highs/Lows – Key ICT Price Level Terms

- ⚡ **All-Time High (ATH):** Asset's **highest price ever recorded**.
- ⚡ **All-Time Low (ATL):** **Lowest price ever recorded for an asset**.
- ⚡ **Higher Low (HL):** **Newly formed higher low in an uptrend**.
- ⚡ **Higher High (HH):** **Newly formed higher high in an uptrend**.
- ⚡ **Lower Low (LL):** **Newly formed lower low in a downtrend**.
- ⚡ **Lower High (LH):** **Newly formed lower high in a downtrend**.
- ⚡ **Short-Term High (STH):** **The highest point within a short timeframe**.
- ⚡ **Intermediate-Term High (ITH):** **Highest point within a medium timeframe**.
- ⚡ **Long-Term High (LTH):** **Highest point within a long timeframe**.
- ⚡ **Short-Term Low (STL):** **Lowest point within a short timeframe**.
- ⚡ **Intermediate-Term Low (ITL):** **Lowest point within a medium timeframe**.
- ⚡ **Long-Term Low (LTL):** **Lowest point within a long timeframe**.

- ⚡ **Equal Highs (EQH):** Price formation where two or more highs align at the same level.
- ⚡ **Equal Lows (EQL):** Price formation where two or more lows align at the same level.
- ⚡ **Support & Resistance (S/R):** Key price levels where the price tends to reverse or breakthrough.
- ⚡ **Key Support & Resistance Levels:** Major price levels prevent further price drops or surges.
- ⚡ **Range Contraction:** Period of low volatility, where price consolidates within a narrow range.
- ⚡ **Range Expansion:** Period of high volatility, where price moves powerfully in one direction.

ICT Strategies & Trading Models

This section covers **ICT trading strategies and models**, which traders use to refine their **entry, exit, and market execution techniques**.

- ⚡ **Accumulation, Manipulation, Distribution (AMD): Three-phase model** Smart Money uses to control price movements.
- ⚡ **Power of Three (PO3):** Trading concept describing how price progresses through **Accumulation, Manipulation, and Distribution** during a session.
- ⚡ **Buy-Side Imbalance Sell-Side Inefficiency (BSI):** Market condition where buy orders dominate sell orders, creating an imbalance.
- ⚡ **Sell-Side Imbalance Buy-Side Inefficiency (SBI):** Market condition where sell orders exceed buy orders, leading to inefficiency.
- ⚡ **Balanced Price Range (BPR):** Zone where the price reaches equilibrium after an extended move.
- ⚡ **Liquidity Inducement (IDM):** When **Smart Money** deliberately moves prices to **trick retail traders** into entering poor positions.
- ⚡ **Institutional Order Flow (IOF):** Large financial institutions executing major orders that influence liquidity.
- ⚡ **Institutional Order Flow Entry Drill (IOFED):** Practice method for trading ICT concepts, focusing on institutional order flow.

- ⚡ **Interbank Price Delivery Algorithm (IPDA):** System banks use to manage price movement and liquidity distribution.
- ⚡ **Smart Money Technique (SMT):** Methods used by institutions to manipulate price and market flow.
- ⚡ **Smart Money Divergence (SMT Divergence - SMT Div):** Divergence pattern created by Smart Money indicates price manipulation.
- ⚡ **Market Maker Profile (MMP):** Trading profile tracking market makers' behavior.
- ⚡ **Market Maker Buy Model (MMBM):** Model representing Smart Money accumulation before a bullish move.
- ⚡ **Market Maker Sell Model (MMSM):** Model showing Smart Money distribution before a bearish move.
- ⚡ **Market Maker Sell/Buy Model (MMXM):** Combined strategy of Smart Money accumulation and distribution cycles.
- ⚡ **One Shot One Kill (OSOK):** Precision-based trade execution method for high-probability setups.
- ⚡ **Thanks God It's Friday (TGIF)** is a Friday-specific trading model that reflects price behaviors unique to weekly closes.
- ⚡ **Judas Swing:** Fake price breakout that traps retail traders and hunts stop-losses.
- ⚡ **Turtle Soup (TS):** Trading strategy capitalizing on market reversals from key levels.
- ⚡ **Turtle Soup Buy Model (TSBM):** Bullish version of the Turtle Soup setup.
- ⚡ **Turtle Soup Sell Model (TSSM):** Bearish version of the Turtle Soup setup.
- ⚡ **Silver Bullet:** High-probability trade signal or pattern often used for optimal trade entries.
- ⚡ **ICT Unicorn:** Rare but highly profitable trading event offering exceptional trade opportunities.

Other General ICT Terminologies

This section contains **general terms in ICT trading**, encompassing technical and fundamental analysis, risk management, and trade execution.

- ⚡ **Technical Analysis (TA):** Study of price movements, chart patterns, and indicators to forecast price action.

⚡ **Fundamental Analysis (FA):** Examining **economic factors, financial reports, and macroeconomic data** to assess an asset's value.

⚡ **Price Action (PA):** **Market movement analysis** based on price structure **without** using indicators.

⚡ **Stop-loss (SL):** **Predetermined price level** where a trade is automatically exited to **limit losses**.

⚡ **Take Profit (TP):** **Target price level** where a trade is exited to **secure profits**.

⚡ **Breakeven (BE):** The price level where **gains and losses in a trade are equal**, ensuring no net profit or loss.

⚡ **Risk-to-Reward Ratio (RR):** Comparison of **potential loss (risk) to expected gain (reward) in a trade**.

⚡ **Stop Hunt (SH):** **Market move designed to trigger stop-loss orders**, often used by institutions to **accumulate liquidity**.

⚡ **Drawdown (DD):** The **percentage decrease in account balance** due to consecutive losses.

⚡ **Dealing Range (DR):** **Specific price range where market movement is confined**.

⚡ **Average Daily Range (ADR):** Asset's **average price movement range** in a single trading day.

⚡ **Average True Range (ATR):** Measure of **market volatility**, accounting for price gaps and extreme movements.

⚡ **Commitment of Traders Report (COT):** **Report that details institutional trading positions**, offering insights into market sentiment.

Conclusion

Michael Huddleston developed the **ICT (Inner Circle Trader) trading methodology** based on **market structure analysis** and **Smart Money behavior**.

ICT helps traders **identify institutional liquidity movements** and align their trades accordingly. Key ICT concepts include **Order Blocks (OB)**, **Fair Value Gaps (FVG)**, **Market Structure Shifts (MSS)**, and **liquidity patterns**.

Sources:

1.our website link :

<https://tradingfinder.com/education/forex/ict-abbreviation/>

2.all Education :

<https://tradingfinder.com/education/forex/>

3.TradingFinder Support Team (Telgram):

<https://t.me/TFLABS>



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