Mastering ICT Breakaway Gaps: A Comprehensive Trading Guide

An **ICT Breakaway Gap** is a **fair value gap (FVG)** that remains **unmitigated** following a strong **price movement**.

This gap is unique because it forms when the **price separates** from a significant **high** or **low** and continues decisively without returning to fill the gap.

The **ICT Breakaway Gap** is one of the most powerful yet lesser-known concepts in the **ICT trading style**.

This advanced strategy goes beyond traditional **fair value gap (FVG)** trading and systematically identifies **low-risk** trading setups.



Breakaway Gaps in ICT trading style

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Key Components of Breakaway Gaps

Three critical components contribute to the formation of a **breakaway gap**:

Breaker Block

Acts as the primary barrier preventing **price reversal**. A **breaker block** forms when the **price breaks** a significant **high** and moves **upward**.

On its return, the first obstacle it encounters is the **breaker block**, which stops further downward movement.

Inverse Fair Value Gap

Provides secondary confirmation of the **price movement** and gap formation. When the **price moves upward** and breaks a **bearish fair value gap**, it turns into a **bullish inverse fair value gap**.

Balanced Price Range (BPR)

Creates an overlapping area that helps maintain **price direction**. The overlap between a **bearish** and **bullish FVG** creates the **BPR**, which prevents further downward movement and leaves the **BISI** as a **breakaway gap**.

What is the difference between Breakaway Gaps & Regular Fair Value Gaps?

What distinguishes **Breakaway Gaps** from regular **FVGs** is their behavior post-formation. While **FVGs** typically get **filled**, **Breakaway Gaps** indicate exceptional movement that prevents immediate **price return**.

The significance of a **Breakaway Gap** lies in its ability to confirm **price direction** and **momentum strength**. When identified with **high volume**, it will signal stronger **conviction** in the breakout's direction.

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Types of ICT Breakaway Gaps

ICT Breakaway Gaps are divided into two main types:

Bullish Breakaway Gap

A **Bullish Breakaway Gap**, or **BISI**, forms near a significant **high** after breaking it with a strong **upward move**.



Bullish Breakaway Gap can be seen in EUR/USD Chart

Bearish Breakaway Gap

A **Bearish Breakaway Gap**, or **SIBI**, forms near a significant **low** after breaking it with a strong **downward move**, and the **price** is not expected to return.

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Bearish Breakaway Gap is visible in EUR/USD Chart

Market Structure Analysis with Breakaway Gaps

Understanding **market structure** is crucial for successful **ICT Breakaway Gap** trading and can be analyzed systematically using various parameters:

Premium/Discount Arrays (PD Arrays)

To identify **premium and discount zones**:

- Define a **price range** between **high** and **low points**
- Use **Fibonacci tools** to divide the range into two distinct zones: **premium** (above 50%) and **discount** (below 50%)
- To effectively plan trades, search for key elements like **Order Blocks**, **Fair Value Gaps**, and **Breaker Blocks** in these zones

Order Flow Dynamics

When analyzing **Order Flow**, focus on zones where **price** exhibits specific behaviors. A **trading range** is defined when both **buy-side** and **sell-side liquidity** are taken. Key factors include:

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- Formation of **Order Blocks**
- **Liquidity pools**
- **Price equilibrium points**
- **Smart money footprints**

Price Movement Patterns

Specific **price movement patterns** reveal the quality of a **Breakaway Gap**. Patterns with **above-average volume** are generally more effective.

Consider that the **price** tends to maintain direction after a valid **Breakaway Gap**, confirming the underlying trend's **strength**.

This is particularly important when the **price** moves away from significant **support or resistance levels**.

Multi-Time Frame Analysis in ICT Breakaway Gaps

The role of **multi-timeframe analysis** is vital in the trading journey with **ICT Breakaway Gaps**.

This approach significantly enhances decision-making by providing a comprehensive **market view**.

Higher Time Frames

Gaps in **higher time frames**, such as **daily** or **weekly charts**, are more reliable than those in **lower time frames**.

This approach helps maintain an **unbiased perspective** and avoids common **trading errors**.

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Lower Time Frame Confirmation

After establishing a **higher time frame bias (like Daily Bias)**, use **lower time frames** for precise **entry timing**. Structure your analysis with **lower time frame confirmation** as follows:

- Identify potential **Breakaway Gaps** in **higher time frames**
- Look for relevant **fair value gaps** in **lower time frames**
- Confirm **entry signals** with **volume analysis**
- Monitor **price movement patterns** for continuation

Time Frame Correlation Techniques

Successful **multi-timeframe trading** requires consistency in **time frame selection**. Stick to a combination for at least **30-50 trades** before making changes.

This approach allows you to improve **risk-to-reward ratios** by using **higher time frames** for directional bias while executing trades in **lower time frames**.

Correlation also helps avoid **overnight risks** and **news events** while maximizing **profit potential**.

Please pay attention to **volume patterns** during **time frame correlation**, as the **high trading volume** accompanying **Breakaway Gaps** confirms their **validity** and **strength**.

Implementation and Risk Management

Successful trading with **ICT Breakaway Gaps** requires a disciplined implementation and **risk management** approach.

Entry and Exit Strategies

The most effective **entries** occur when **Breakaway Gaps** are clearly confirmed through **volume** and **price movement**.

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Exit strategies should follow a structured approach based on **multiple contracts**:

- First target at initial **support/resistance levels**;
- Second target at major **market structure points**;
- Final portion for broader moves.

Capital Management Guidelines

Adhering to the **one-percent rule** is crucial for protecting **trading capital**. This includes:

- Never risk more than **1-2%** of the total **trading account** on a single trade
- Calculating **position size** based on **stop-loss distance**
- Adjusting **leverage** according to **market volatility**

Stop-Loss Placement

Stop-loss strategies vary based on trade context and **market conditions**. For **Breakaway Gap trades**, stops are placed:

- Above/below the subsequent execution of the **gap**
- At the highest/lowest point of the **manipulation phase** for **trend trades**
- Using a **5-10 point range** for **London session trades**.

A minimum ratio of **1:2** is ideal for optimal **risk-to-reward ratios**, allowing profitability even with a low **win rate**.

Conclusion

ICT Breakaway Gaps are essentially **Fair Value Gaps** that remain **unmitigated** after strong **price movements**.

Mastering **ICT Breakaway Gaps** requires deep understanding and disciplined execution.

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source:

1.our website link :
https://tradingfinder.com/education/forex/ict-breakaway-gaps/

2.all Education :
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