

Identifying Swing Low in ICT Trading Style - Free Guide

Swing Low occurs when the price declines and reverses **upward** at a specific point, forming a new low.

These points appear across various timeframes and markets, making them useful in **analyzing** market **trends** in technical analysis and the **ICT trading style**.



A complete guide to ICT Swing Low trading strategy

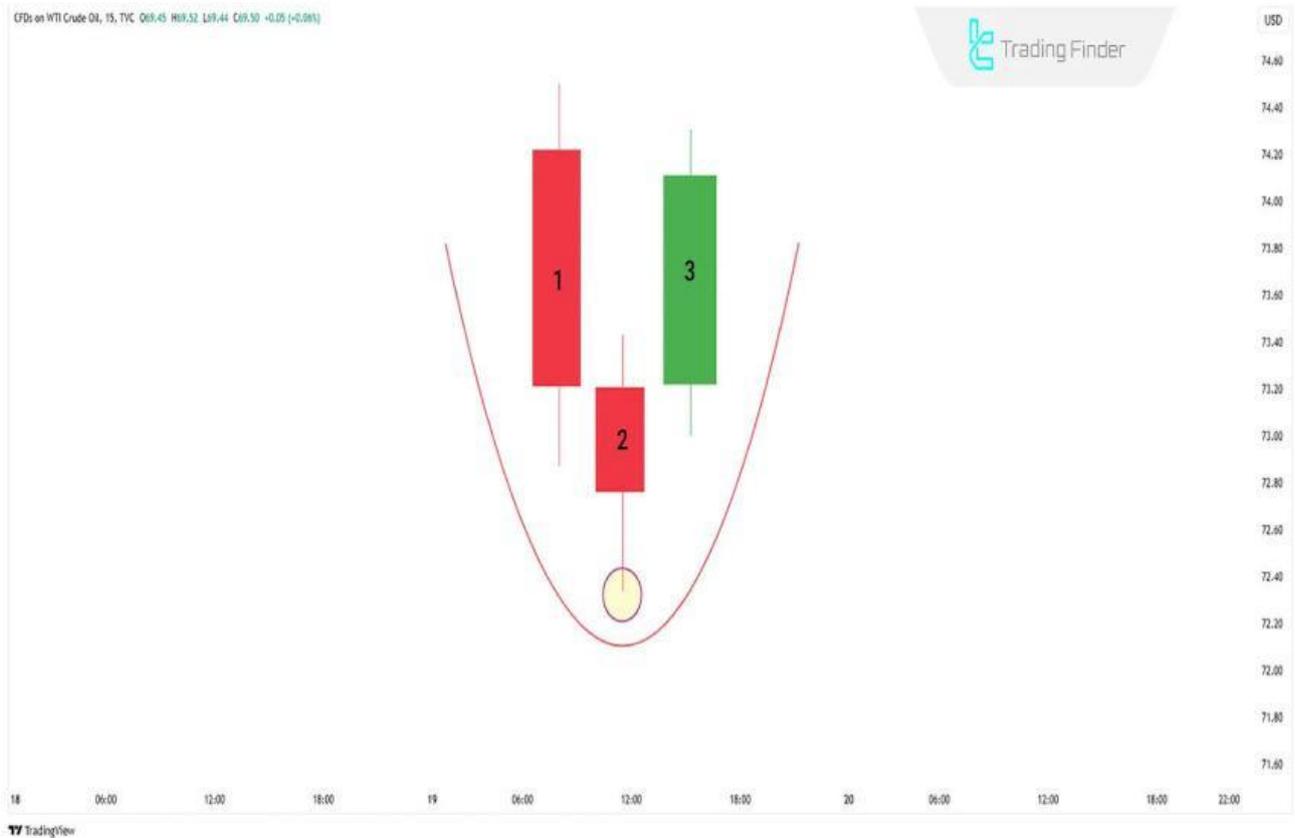
The counterpart to this strategy is **Swing High**, which forms during the creation of new highs.

Swing Low Structure

The Swing Low structure consists of three candles:

- ⚡ The second candle is in the **middle** and has a lower price than the **first** and **third** candles.
- ⚡ The first and third candles on either side have higher lows than the second candle.

This pattern resembles a "V" shape, where the second candle marks the lowest point of the pattern. At this point, the price begins its upward movement.



An illustration of the Swing Low structure

How to Identify Swing Low?

Follow these steps to identify this pattern:

1. **Locate the lowest low** of a candlestick (the lowest point on the chart)
2. **Check the low of the left** candle to ensure it is higher than the selected low
3. **Check the low of the right** candle to ensure it is also higher than the selected low

If the lows of the left and right candles are higher than the middle candle, it is identified as an ICT Swing Low.



Example of identifying Swing Low in USD/JPY Chart

How to Trade with Swing Low

To trade with this ICT strategy, follow these four steps:

#1 Identify Swing Low on the Chart

Locate a point where the market has reached its lowest value and begun an upward move. This pattern typically appears in **market support areas**.

#2 Uptrend and Resistance Breakout

In an uptrend, after this pattern forms and a resistance is broken, a **buy signal** is generated.

#3 Set a Stop Loss

Place the stop loss just below this pattern to limit losses in case of unexpected price reversals.

#4 Set a Take Profit

Place the Take Profit near the next resistance level to capitalize on the upward price movement.



Example of buying with Swing Low Strategy in an uptrend

What are the Applications of Swing Low?

Swing Low is an essential tool for **analyzing market trends** and their strength. **ICT**

Swing Low applications:

- ⚡ Formation of this pattern at higher levels indicates an uptrend
- ⚡ Conversely, lower Swing Lows indicate a **downtrend**

Additionally, the distance between these patterns provides insights into the intensity and strength of the market trend.

In many cases, this pattern acts as a critical point reflecting **changes in the direction** or **strength** of price movements.

Where Does ICT Swing Low Form?

This pattern in ICT trading style typically form in market support zones, where buying pressure prevents further price decline:

- ⚡ In a downtrend, this pattern is followed by a short retracement
- ⚡ In an uptrend, this pattern leads to continued upward movement and higher price levels

Conclusion

Swing Low is a simple yet powerful concept in technical analysis that highlights reversal or continuation points in trends.

By analyzing price ICT Swing Lows, traders can identify ideal entry points for trades.

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