The "Power of Three" Strategy; Accumulation, Manipulation, and Distribution

Accumulation, Manipulation, and Distribution (ICT Power of 3 strategy) is a trading strategy designed to help retail traders **identify** the **movements** of **Smart Money**.

This approach divides **market activity** into three stages [**Accumulation, Manipulation,** and **Distribution**].

Large financial institutions discreetly **accumulate** assets during the accumulation phase without **attracting** attention.



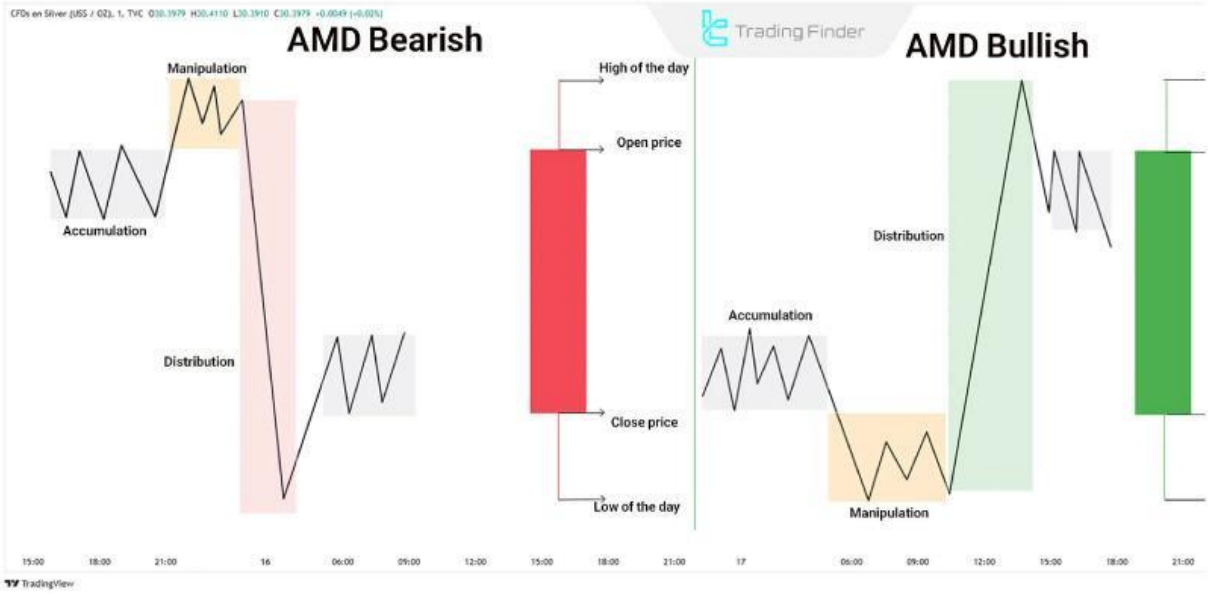
In the manipulation phase, the market **deceives** retail traders into making **incorrect** decisions through misleading price **movements**.

Finally, in the distribution phase, **Smart Money** drives the market in its desired **direction** to **maximize profits**.

To quickly identify and easily utilize the Power of Three strategy, you can use the **Trading Finder (TFLAB)** indicator suite:

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- **Power of Three Indicator for MT4**
- **Power of Three Indicator for MT5**
- **Power of Three Indicator for TradingView**



The Power of Three Strategy: Accumulation, Manipulation, and Distribution

What are Accumulation, Manipulation, and Distribution?

Accumulation, **Manipulation**, and **Distribution** (or **AMD**) are the three key phases of a **potential price movement** in the **ICT trading style**.

Accumulation Phase

The **accumulation** phase starts at the market **opening**, where the price moves within a **narrow range near the opening price**. During this stage, **Smart Money** builds its position quietly.

Although the price appears trapped, it signals **preparation** for a larger movement. In **accumulation**, retail traders typically place buy orders at **horizontal support** and sell orders at **horizontal resistance**.

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Diagram of How Price Accumulation Forms in the Power of Three model in ICT Style

Manipulation Phase

This phase is designed to **mislead** retail traders. After accumulation, Smart Money drives the market in the **opposite** direction:

- On bearish days, retail traders are enticed to **buy**
- On bullish days, traders are persuaded to **sell**

This is achieved through a false breakout of the accumulation range:

- If the price breaks **above** the range, it triggers sellers' **stop losses** and prompts new buyers to **enter**
- If the price breaks **below** the range, it triggers buyers' stop losses and prompts new sellers to enter



Diagram of How Price Manipulation Forms in the Power of Three style in ICT Style

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Distribution Phase

The AMD strategy's final stage is the **distribution** phase, which reflects the **day's main market movement**.

During this phase, **Smart Money** strengthens its positions after deceiving retail traders and absorbing their **liquidity**.

Then the market will move into the opposite direction of retail traders' expectations.



Diagram of How Price Distribution Forms in the Power of Three in ICT Style

How to Trade with the ICT Power of 3 Strategy?

To implement the ICT Power of 3 strategy:

1. **Identify Daily Bias**: Predict the overall **price movement** and the **next daily candle** direction
2. **Analyze Smaller Timeframes**: Use **lower timeframes** to identify the **distribution** phase

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Power of Three in a Bullish Market

The following steps outline trading with the Power of Three in an uptrend:

1. **Price Consolidation Near Opening Price:** Price stabilizes **near** the **daily opening price**, and Smart Money builds buy positions.
2. **Sudden Sell-Off**: A quick downward **movement** traps **retail traders** and **targets old lows**.
3. **Retail Traders' Losses**: Retail buyers face **losses** due to a **false breakout**, allowing Smart Money to complete their buy positions at **lower.**
4. **Upward Move Towards Old Highs**: Price moves towards old **highs**, **activating** buy stops and gathering **liquidity**.
5. **Reaching the Day's High**: Smart Money **exits** buy positions and initiates sell trades at the day's high.
6. **Return to Daily Range**: After liquidity is absorbed, the price **returns** to the **daily range**, marking the **end** of the trading day.



How to Trade with Accumulation, Manipulation, and Distribution in ICT style

Power of Three strategy in a Bearish Market

The following steps outline trading with the Power of Three strategy in a downtrend:

1. **Price Consolidation Near Opening Price**: Price stabilizes near the **daily opening price**, and Smart Money builds **sell.**
2. **Sudden Buying Pressure**: A quick **upward movement** traps retail traders and targets **old highs**.
3. **Retail Traders' Losses**: Retail sellers face **losses** due to a **false breakout**, allowing Smart Money to complete their **sell positions** at higher prices.

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4. **Downward Move Towards Old Lows**: Price moves towards **old lows**, **activating sell stops** and gathering liquidity.

5. **Reaching the Day's Low**: Smart Money exits **sell positions** and initiates buy trades at the day's low.

6. **Return to Daily Range**: Once liquidity is **absorbed**, the price returns to the daily range, signaling the conclusion of the trading day.



How to Trade with Accumulation, Manipulation, and Distribution in ICT style

source:

1.our website link :
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