Training on Buy Side and Sell Side Liquidity (BSL & SSL) in ICT Strategy

Buy Side and Sell Side Liquidity are key concepts in the **ICT trading strategy**, playing a crucial role in identifying market structure and tracking smart money footprints.

Buy Side Liquidity and Sell Side Liquidity in ICT Style

Understanding this concept enables traders to recognize areas where **pending orders** and **stop losses accumulate**, allowing for a more precise assessment of **market bias** through **liquidity sweep** analysis.

What are BSL and SSL?

There are two types of liquidity zones, and understanding them helps analyze future price trends.

Important Note: A stop loss for a **Buy** position is a **Sell** order, and a stop loss for a **Sell** position is a **Buy** order.

Buy Side Liquidity

Refers to the volume of pending orders, primarily **Buy Stops**, placed by retail traders to protect their **Sell** positions.

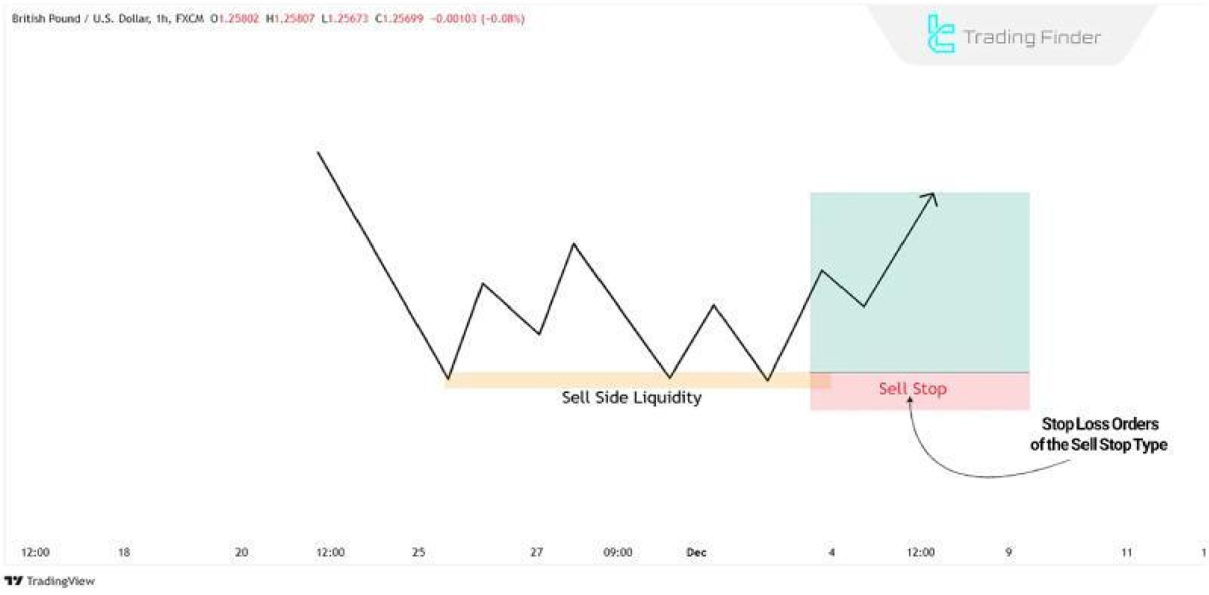
These orders are usually located above key price levels, such as **previous highs** or **equal highs** (EQH).

Schematic representation of Buy Side Liquidity (BSL)

Sell Side Liquidity

Sell Side Liquidity (SSL) refers to accumulated **Sell orders**, typically placed as **Sell Stops** below key price levels.

Retail traders set these orders below previous lows or equal lows **(EQL)** to protect their **Buy** positions.



Schematic representation of Sell Side Liquidity (SSL)

Placement of Buy Side and Sell Side Liquidity

As mentioned before, traders place **Buy Stop** or **Sell Stop** orders in key, predictable areas to protect their positions. **These areas include**:

- **Previous swing highs/lows**: swing highs and swing lows points on the chart where the price has reversed in the past
- **Daily or weekly highs/lows**: These zones are significant because many traders use these timeframes to set their stop losses
- **Equal highs or equal lows**: When two or more highs or lows align at the same level, a cluster of stop losses forms

Buy Side and Sell Side Liquidity Grab

Liquidity sweep refers to a strategic move by **institutional traders** aimed at triggering pending orders and stop losses. When the market approaches **BSL**, financial institutions may push the price slightly above resistance levels.

This action triggers retail traders' stop losses, supplying liquidity to institutional orders. The result of this liquidity grab is often a **rapid bearish reversal** in the market.

Liquidity sweep on Buy Side Liquidity (BSL), followed by a rapid bearish reversal in GBP/USD

In a **downtrend**, a similar event occurs when the price dips below a key **support level (SSL)**, triggering retail traders' stop losses. This often results in a **sharp, bullish reversal** in the market.

Sell Side Liquidity sweep, followed by a rapid bullish reversal in GBP/USD (1-hour chart)

How to Use BSL and SSL in Trading

Liquidity plays a crucial role in determining the price movement direction. **Methods for utilizing Buy Side liquidity and Sell Side liquidity** include:

- Price is always seeking **balance** or **liquidity absorption**
- Price movement between **P/D arrays** is driven by this search, making it essential to mark these zones
- Identifying **high-quality trade setups** requires analyzing market structure alongside **Order Blocks** and **premium/discount zones** on higher timeframes
- Daily timeframe liquidity is often concentrated at the **Previous Week's High/Low (PWH/PWL)**, the **Previous Day's High/Low** **(PDH/PDL)**, or the **Asian, London, and New York session** highs/lows.
- Equal highs and equal lows serve as **high-liquidity areas**, often targeted by institutions to grab pending orders.

Conclusion

Buy Side and Sell Side Liquidity refer to **clusters of stop losses** placed **above highs or below lows**.

Retail traders are particularly vulnerable to these traps, especially when setting stop losses at **predictable levels** such as **previous highs/lows**, **equal highs/lows** (EQH/EQL), **session highs/lows**, and **daily/weekly** highs/lows.

Trading during liquidity sweep comes with risks such as **market manipulation, false breakouts,** and **unexpected volatility**.

To mitigate these risks, traders should avoid placing stop losses at predictable levels and apply proper risk management strategies.

source:

1.our website link :
https://tradingfinder.com/education/forex/ict-bsl-ssl/

2.all Education :
https://tradingfinder.com/education/forex/

3.TradingFinder Support Team (Telgram):
https://t.me/TFLABS