# Inducement After Break of Structure (BOS) in ICT and SMC Styles

**Inducement or Deception (IMD)** refers to conditions where smart money and large market players **manipulate** the market to lure **retail traders** in the opposite direction.

The manipulation creates a false impression of price movements, leading traders to enter **against** the future trend, ultimately **resulting** in losses.

**Inducement** refers to areas where liquidity from retail stop-loss orders is hunted. One such area forms after a **Break of Structure** (BOS), mainly if no price pullback occurs before the break. The targeted area is known as the **Liquidity Inducement Zone** in such cases.




How Liquidity Inducement is created after Break of Structure in ICT and SMC

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# What is Liquidity Inducement After Break of Structure (BOS)?

A **Break of Structure** (BOS) occurs when price breaks key levels. Sometimes, after this break, the price continues its movement **without a pullback** or collecting the initial inducement liquidity.

In such scenarios, if a trader waits for the initial **inducement** liquidity to be collected, they may miss the trading opportunity. Therefore, it is better to wait for the price to create a new **inducement liquidity** and then collect it.

After this stage, suitable trading opportunities can be sought. During this process, **structural** highs and lows are also confirmed.

## Liquidity Inducement After BOS in a Bullish Market

In a bullish market, new liquidity **inducement after a Break of Structure** (BOS) refers to an area where the price continues its upward movement without an **initial pullback**.




Liquidity Inducement after Break of Structure (Inducement after BOS) in a bullish market

To identify liquidity inducement after a Break of Structure (BOS) in a bullish market, follow these steps:

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## #1 Bullish Market Structure

In a bullish market, the price typically creates **higher highs and higher lows**. When the price breaks the **previous high**, it is called a Break of Structure (BOS).

A valid pullback before this break is considered an **Inducement Zone**.

## #2 Price Failing to Collect Inducement in a Bullish Trend

If the price continues its upward movement without collecting the initial inducement liquidity, wait for a **Minor Break of Structure (Minor BOS)** to identify a new inducement zone.

## #3 Identifying Bullish Inducement

- During a minor BOS, the lowest low and **highest high** in the bullish leg are identified;
- Then, a valid pullback within this bullish leg is found, which will act as the **Inducement Level**.

**Note:** The [TFlab] team has developed Inducement indicators for various platforms, including:

- **TradingView Inducement Indicator**
- **MetaTrader 4 Inducement Indicator**
- **MetaTrader 5 Inducement Indicator**

## #4 Application in Bullish Movements

New inducements can be found at each stage of the price's **upward movement**, even if the previous **inducement** liquidity has not been collected.

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## Liquidity Inducement After BOS in a Bearish Market

In a **bearish market**, new liquidity **inducement after a Break of Structure** (BOS) refers to an area where the price continues **downward** without an **initial pullback**.




Liquidity Inducement after Break of Structure (Inducement After BOS) in a bearish market

To identify liquidity inducement after a **Break of Structure** (BOS) in a **bearish** market, follow these steps:

### #1 Bearish Market Structure

In a bearish trend, the market typically forms **lower highs and lower lows**. When the price breaks the previous low, it is called a **Break of Structure** (BOS). A valid **pullback** before this break is considered an **Inducement Zone**.

### #2 Price Failing to Collect Inducement in a Bearish Trend

If the price continues downward without collecting the initial inducement liquidity, wait for a **Minor Break of Structure (Minor BOS)** to identify a new inducement zone.

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### #3 Identifying Bearish Inducement

- During a minor BOS, the **highest high** and lowest low in the bearish leg are identified;
- Then, a valid pullback within this bearish leg is found, which will act as the **Inducement Level**.

### #4 Application in Bearish Movements

At each stage of the price's **downward movement**, new inducements can be found, even if the previous **inducement liquidity** has not been collected.

## Conclusion

Liquidity **Inducement** after a **Break of Structure** (BOS) is a key concept in **ICT style** and **Smart Money**, used by traders to identify entry and exit points.

Smart Money **misleads retail traders to trigger stop orders and create liquidity**, ensuring the market follows its main trend. This is reinforced by **false breakouts and Judas Swings**.

## source:

**1.our website link :**
**https://tradingfinder.com/education/forex/inducement-after-bos/**

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

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

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