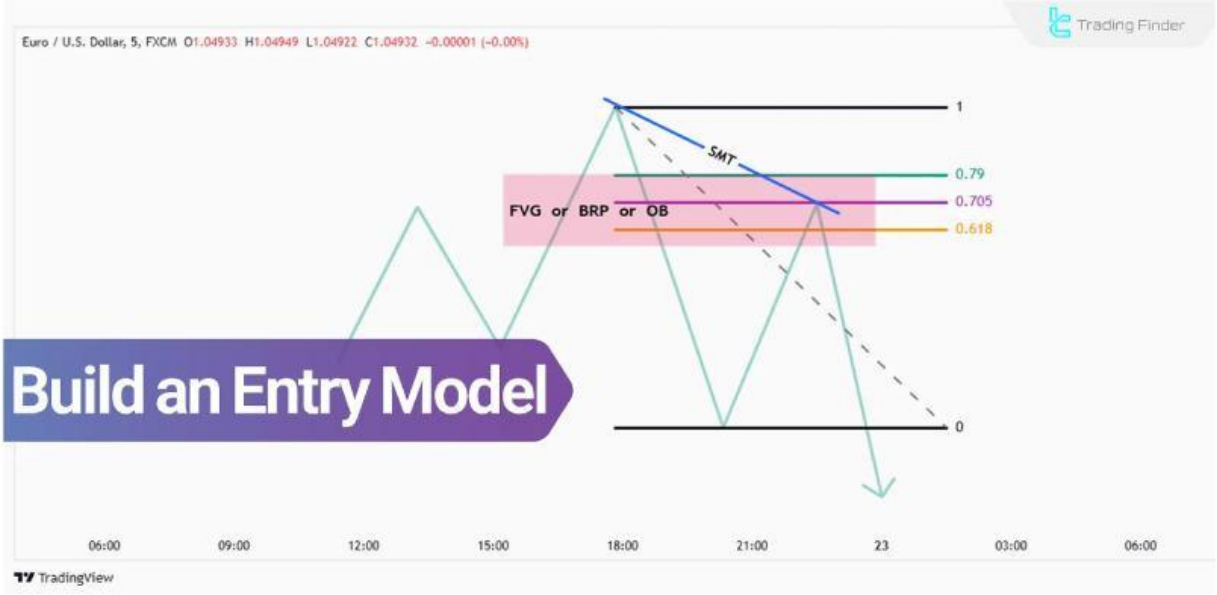
Build an Entry Model in ICT - Select a Model Based on FVG, IRL, OTE, and BPR

To design an entry model using **ICT concepts**, the primary focus is on shorter timeframes and entry tools, including **Fair Value Gap (FVG), Order Blocks, Balance Price Range (BPR),** and **Optimal Trade Entry (OTE)**.



Building a trade entry model using ICT methodology

Guide to Building an Entry Model

Several aspects must be considered when designing an entry model using **ICT methodology**, as outlined below:

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Selecting the Entry Timeframe

The first step in constructing an ICT-based entry model is defining the **timeframe**, which varies according to each trader's style.

Some traders opt for higher timeframes, such as **15 minutes**, while others prefer lower timeframes, including **1 minute** or even **15 seconds**.

Note: The following explanations will use 5-minute and 1-minute timeframes, as they provide more flexibility for short-term trades.

Choosing the Right Kill Zone

Forex kill zones are specific times of the day with high market liquidity. For example, the **New York Open** is a prime time for searching for trade entry opportunities due to its high volatility and liquidity.

Key Concepts for an ICT-Based Entry Model

The following concepts are essential for constructing an entry model:

- **Displacement:** Strong directional price movements consisting of multiple large-bodied candles
- **Fair Value Gap (FVG):** Price imbalance indicating areas of inefficiency
- **Order Block:** Institutions and large investors buy or sell orders
- **Balance Price Range (BPR):** Overlapping areas of two Fair Value Gaps (FVGs)
- **Optimal Trade Entry (OTE):** Fibonacci-based setup to identify key price reversal levels
- **Internal Range Liquidity (IRL): Liquidity pools** within a price range (formed by FVGs)

These concepts form the foundation for developing an ICT entry model.

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Types of ICT Entry Models

ICT-based entry models are typically constructed by combining multiple concepts. The following sections discuss different ICT entry models.

Entry Based on Fair Value Gap (FVG)

The **FVG-based entry model** consists of **three** steps:

1. **Liquidity Grab**: Liquidity is collected from a key range, leading to a price reversal;
2. **Displacement**: After liquidity grab, the price makes an **Displacement move** in the opposite direction, resulting in a Break of Structure (BOS);
3. **Return to Fair Value Gap**: Following BOS, price retraces to the Fair Value Gap, creating an entry opportunity.



Schematic of bullish and bearish Fair Value Gap entry in ICT method

Entry Based on Internal Range Liquidity (IRL)

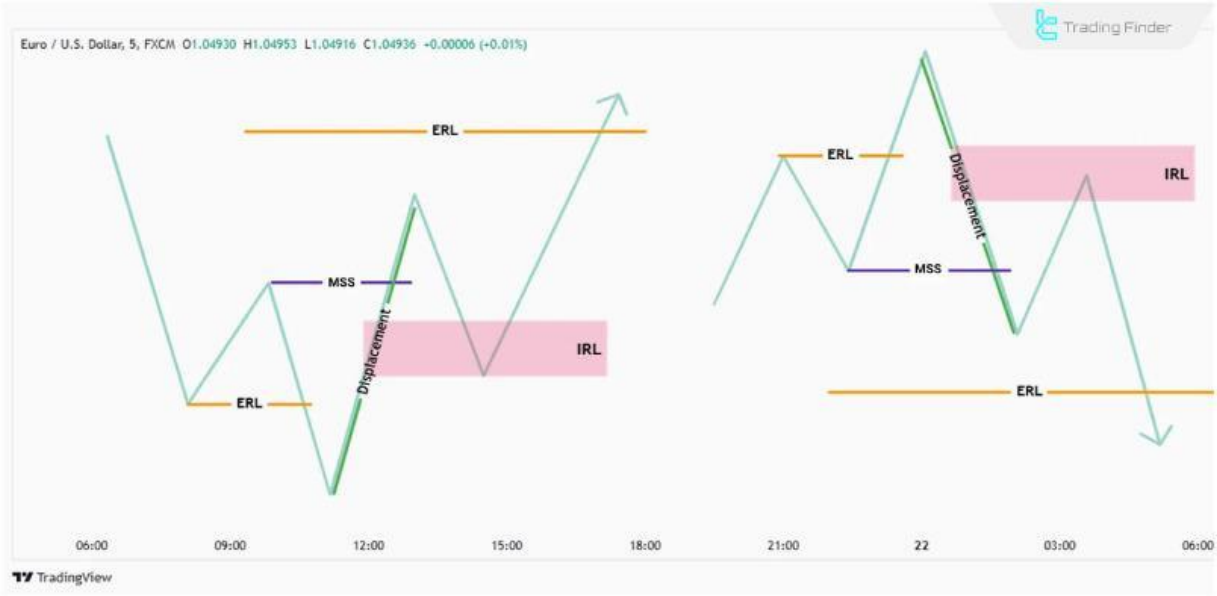
The IRL-based entry model is summarized in three steps:

1. **Internal Liquidity Grab**: Price moves towards **Internal Range Liquidity** (IRL), often with a brief counter-trend move;

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2. **Displacement**: After collecting internal liquidity, the price makes an aggressive move in the main trend direction, causing a Break of Structure (BOS);

3. **Next Target**: Price moves towards External Range Liquidity (ERL) after absorbing internal liquidity.



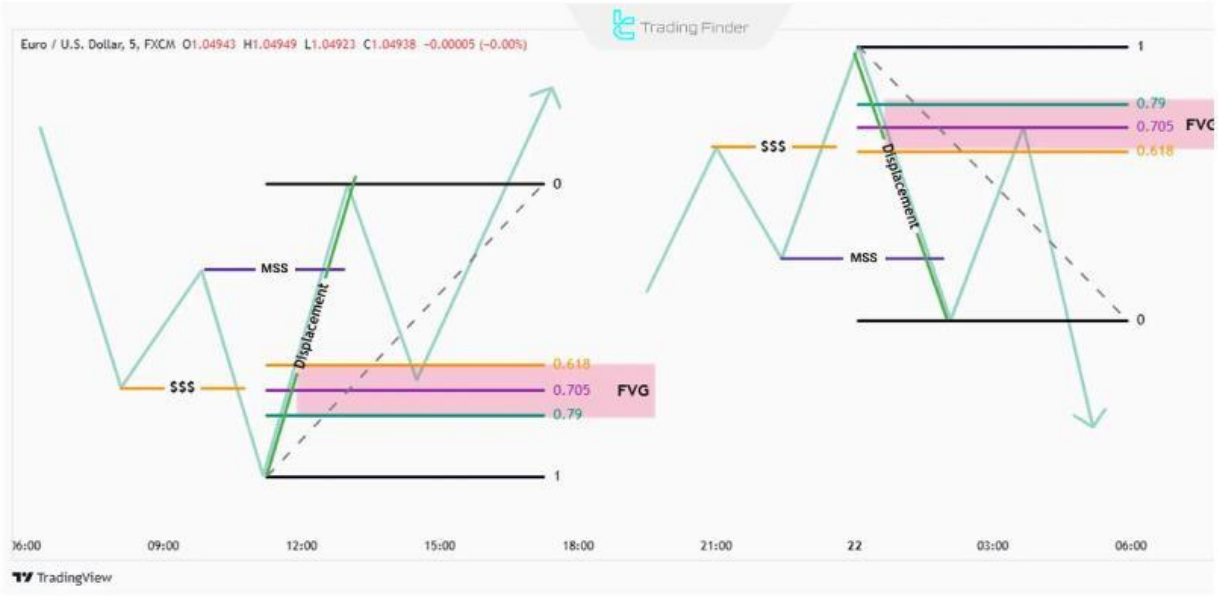
Schematic of Bullish and Bearish Entry Using Internal and External Liquidity Concepts in ICT Method

Entry Based on FVG Within OTE Setup

The model is a variation of the first one, but **the Fair Value Gap occurs within OTE levels**. The steps are:

1. **Liquidity Grab:** Liquidity is absorbed from a key area, followed by a rapid price reversal;
2. **Displacement:** A strong move against the prior trend leads to a Break of Structure (BOS);
3. **Return to FVG:** Price retraces to the Fair Value Gap after BOS;
4. **Additional Condition:** The Fair Value Gap must lie within **OTE retracement levels (0.62 to 0.79)** to improve the risk-to-reward ratio.

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Schematic of Bullish and Bearish entry using OTE levels and FVG in ICT method

Internal Liquidity with OTE Levels

The **Internal Liquidity with OTE model** is a combination of the second and third models, where **internal liquidity is collected, and the Fair Value Gap lies within OTE levels**.

1. **Internal Liquidity Grab:** Price first moves to collect **internal liquidity**;
2. **Displacement:** A strong price move creates a Break of Structure (BOS);
3. **Return to FVG in OTE Zone:** Entry occurs when the price retraces to an FVG **within OTE levels (0.62-0.79)** after BOS.

Entry Based on Balance Price Range (BPR)

The **Balance Price Range (BPR) model** is designed based on the overlap of **aggressive moves** and **Fair Value Gaps** in both directions (like a **rapid up-and-down move**). The steps are:

1. **Aggressive Buy & Sell Moves:** A sharp two-sided move creates overlapping Fair Value Gaps;
2. **Identifying the Balance Zone:** The overlapping FVGs define an entry point;
3. **Entry & Risk Management:** Entry occurs at the **balance zone**, with **stop-loss above the highs or below the lows** of the aggressive moves;

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4. **Combining with Other Concepts:** This model can be combined with **OTE levels, discount zones, or premium zones** for better risk-to-reward ratios.



Schematic of Bullish and Bearish Entry Using Balance Price Range with Overlapping FVGs in ICT Method

Schematic of Bullish and Bearish entry using OTE levels and FVG in ICT method

Schematic of Bullish and Bearish Entry Using Balance Price Range with Overlapping FVGs in ICT Method

Key Considerations in Combining Techniques for a Custom Model

One advantage of ICT trading is its **flexibility in combining different concepts**. Traders can integrate elements such as **Fair Value Gaps, Order Blocks, Balance Price Range, and Internal Liquidity** based on their preferences. Key points include:

- **Defining Precise Entry Criteria:** Each model should have specific conditions for identifying entry points;

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- **Considering Risk-to-Reward Ratio:** Using concepts like **OTE levels** can optimize this ratio;
- **Testing Models in Various Market Conditions:** Each model should be **tested in different market conditions** (bullish, bearish, and ranging) to ensure effectiveness.

Conclusion

When identifying **an ICT-based entry model**, combining concepts like **FVG, OB, Balance Price Range, and OTE setups** provides a **structured approach to trade entries**.

Analyzing appropriate timeframes, recognizing **high-liquidity kill zones**, and focusing on **key market levels** are crucial steps.

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