Learning ICT Market Order Flow; Institutional & Smart Money Concept (SMC)

Order Flow (OF) reflects the stream of buy or sell orders from traders, investors, institutions, and other market participants. Ultimately, this flow determines the direction and movement of currency prices in both **ICT Style** & **SMC Strategies**.



ICT Market Order Flow Trading Guide: Institutional & Smart Money Concept (SMC)

Order Flow (OF) generally comprises candles that counter the primary market trend.

What is ICT Market Order Flow?

Order Flow (OF) is an institutional concept that reveals the footprints of **Smart Money**. During **price corrections** following an **uptrend**, Smart Money executes its positions.

Since they manage substantial capital, executing all trades at once is impossible. As a result, **corrective candles** are referred to as **Order Flow**.

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Identifying ICT Order Flow

To identify Order Flow, you must first understand **Break of Structure (BOS)**. Order Flow comprises corrective candles that form before a Break of Structure (BOS) occurs.

When the price breaks the structure, identify **pullbacks** below the BOS level and mark them as Order Flow. OF is categorized into two types based on market trends:

Bullish Order Flow

Bullish Order Flow represents the entry of **buy orders** and **demand pressure** from Smart Money. It consists of **bearish** (pullback) candles that form in an **upward** movement before a **Break of Structure** (BOS).

In Bullish Order Flow, bearish candles **support** the price, encouraging traders to **buy** from these zones.

Notably, this setup highlights **valid demand zones, bullish order blocks, and PD arrays**as the key areas where price holds, while **supply zones and bearish order blocks** are often overlooked by the market, serving as zones to **induce liquidity grabs** before the trend resumes.

- If there's only one pullback candle, it can be marked as Order Flow.
- If there are multiple candles, all should be marked as the Order Flow zone.



Identifying ICT Bullish Order Flow on GBP/USD 15-min Chart

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Trading with Bullish Order Flow

To trade using **Bullish Order Flow**, identify and mark Order Flow zones below the **BOS** level.

Multiple Bullish Order Flow zones may exist, so wait for price corrections to test these zones.

These zones often align with **demand zones**, **bullish order blocks**, or **PD arrays**, which act as **strong buy areas**, while **supply zones** or **bearish order blocks** and **PD arrays** above are typically bypassed as **liquidity traps**.

The steps for trading Bullish Order Flow are:

1. **Testing the Order Flow Zone**: As the price approaches the **Bullish Order Flow zone**, look for **bullish** evidence, such as **Market Structure Shift (ICT MSS)** on lower timeframes.
2. **Evaluating Evidence**: If the first Bullish Order Flow zone doesn't provide the necessary evidence, wait for the price to test the **second** Order Flow zone.
3. **Entering the Trade**: Execute a buy trade once sufficient bullish evidence is observed. The **Stop Loss (SL)** should be placed **below** the Order Flow zone or according to your risk management strategy.

4. **Setting Take Profit (TP)**: Set the **Take Profit (TP)** at targets like the previous price high or the following liquidity draw points.

The example below illustrates this process:



Trading Based on Bullish Order Flow on GBP/USD 15mi[illegible]

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Bearish Order Flow

Bearish Order Flow represents the entry of **sell orders** and **supply pressure** from Smart Money. **Bearish Order Flow (OF)** consists of **bullish** (pullback) candles that form in a **downward** movement before a **Break of Structure** (BOS).

These bullish candles act as **resistance** to the price, prompting traders to **sell** from these zones.

In this context, **supply zones, bearish order blocks, and PD arrays** emerge as critical **resistance** levels where price reacts, while **demand zones and bullish order blocks** are frequently ignored, functioning as **liquidity inducement zones** to fuel the downtrend.

- If there's only one pullback candle, it can be marked as Order Flow.
- If there are multiple candles, all should be marked as the Order Flow zone.



Identifying Bearish Order Flow on EUR/USD 15min Chart

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Trading with Bearish Order Flow

To trade using **Bearish Order Flow**, identify and mark Order Flow zones above the **BOS level**. Multiple Bearish Order Flow zones may exist, so wait for price corrections to test these zones.

These zones typically correspond to **supply zones**, **bearish order blocks**, or **PD arrays**, serving as prime **sell** areas, while **demand zones or bullish order blocks** below are often skipped as **liquidity traps**. Steps for trading Bearish Order Flow:

1. **Testing the Order Flow Zone**: As the price approaches the Bearish Order Flow zone, look for bearish evidence, such as **Market Structure Shift (ICT MSS)** on lower timeframes.
2. **Evaluating Evidence**: If the first Bearish Order Flow zone doesn't provide the necessary evidence, wait for the price to test the second Order Flow zone.
3. **Entering the Trade**: Execute a sell trade once sufficient bearish evidence is observed. The **Stop Loss (SL)** should be placed above the Order Flow zone or according to your risk management strategy.
4. **Setting Take Profit (TP)**: Set the **Take Profit (TP)** at targets like the previous price low or the following liquidity draw points.

The example below illustrates this process:



Trading Based on Bearish Order Flow on EUR/USD 15min Chart

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Conclusion

ICT Market Order Flow is a tool for decoding the precise entry and exit points of **Smart Money**, enabling traders to align with institutional positioning within the **market structure**.

By leveraging this concept, traders can not only determine the **correct direction of the market structure** but also pinpoint **which support and resistance zones** or **supply and demand zones** are **likely to hold**.

Sources:

Our Website Link :

https://tradingfinder.com/education/forex/ict-market-order-flow/

All Education :

https://tradingfinder.com/education/forex/

TradingFinder Support Team (Telgram):

https://t.me/TFLABS


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