Trading with Vacuum Blocks in ICT Strategy - Guide

Vacuum Blocks (Liquidity Gaps) in **ICT trading** refer to **gaps formed during high market volatility**, often caused by major **economic news releases, geopolitical events, supply** and **demand imbalances,** or the **opening** of **new trading sessions**.

Vacuum Blocks in ICT Strategy

What is a Vacuum Block?

A **Vacuum Block** is a **gap in price action** that occurs due to **major economic events** (e.g., **FOMC, NFP**), the **opening of the market**, or **the start** of a **new session**.

Since no trades take place in these gaps, they are known as **liquidity voids**. Price typically returns to fill this gap before continuing in the original direction.

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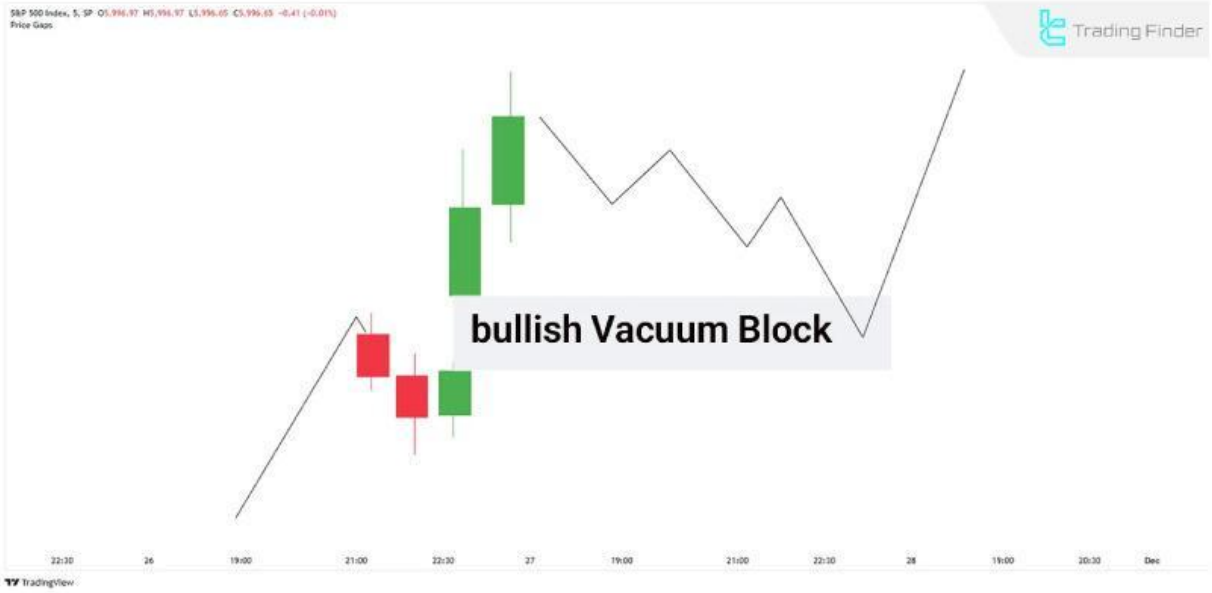
Formation of a Bullish Vacuum Block

A **Bullish Vacuum Block** forms when **price gaps up above the current market level**, creating a price gap.

This scenario **indicates strong bullish momentum** but also a **liquidity void** that price is likely to revisit. Price tends to return to this area to fill the liquidity gap before resuming its upward movement.



Schematic illustration of how a bullish vacuum block forms in an uptrend

How to Trade a Bullish Vacuum Block?

To trade a **Bullish Vacuum Block**, first analyze the cause and impact of the event that led to the price gap. If the event has a **long-term impact**, wait for **price to return to the vacuum block** before looking for trade confirmations.

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- Once price **retraces to the gap**, look for **bullish confirmation signals**, such as a **Market Structure Shift (MSS)** on lower timeframes or confluence with **OTE levels**.
- After confirmation, **enter a buy trade** and **place the stop-loss below the lowest point of the vacuum block**.

How to enter a long trade using a bullish vacuum block in ICT

Formation of a Bearish Vacuum Block

A **Bearish Vacuum Block** forms when **price gaps down below the current market level**, creating a liquidity void. This often occurs due to **major economic** or **geopolitical events**, causing a **sharp decline** in **asset prices**.

- A **bearish vacuum block indicates strong bearish momentum**, but price tends to **retest the gap** before continuing downward.

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Schematic representation of a bearish vacuum block in a downtrend

How to Trade a Bearish Vacuum Block?

To trade a **Bearish Vacuum Block**, first **identify the cause** and significance of the **price gap**. If the **event has a lasting impact**, wait for **price to return to the liquidity void** before looking for trade confirmations.

- Once price **retraces to the vacuum block**, look for **bearish confirmations**, such as **Market Structure Shift (MSS)** on lower timeframes or reaction to **OTE levels**.
- After confirmation, **enter a sell trade** and **place the stop-loss above** the **highest point** of the vacuum block.

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Identifying Vacuum Blocks with Indicators

To simplify **Vacuum Block detection**, traders can use the **[TFlab] free indicator**, available on different platforms:

- **MT4 Version of the Vacuum Block Indicator**
- **MT5 Version of the Vacuum Block Indicator**
- **TradingView Version of the Vacuum Block Indicator**

Which Assets Experience Liquidity Voids More Frequently?

Vacuum Blocks typically occur in assets **sensitive to economic news** and **macro events**, including:

- **Major forex pairs** (e.g., EUR/USD, GBP/USD)
- **Stock indices** (e.g., S&P 500, NASDAQ)
- **Commodities** (e.g., gold, crude oil)
- **Cryptocurrencies**, which are known for **high volatility**

Does Price Always Fill a Vacuum Block?

Price **does not always** fully fill a vacuum block.

- Sometimes, **only part of the gap is filled** before the trend resumes.
- Other times, **price completely fills the gap** before continuing in the same direction.
- There is no guarantee that a vacuum block will be filled entirely.

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Conclusion

A **Vacuum Block (Liquidity Gap)** is a price gap caused by **high volatility** or **economic events**. These gaps tend to be **filled**, making them useful for identifying **key trading levels** and **risk management strategies**.

Sources:

1.our website link :
https://tradingfinder.com/education/forex/ict-vacuum-block/

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

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