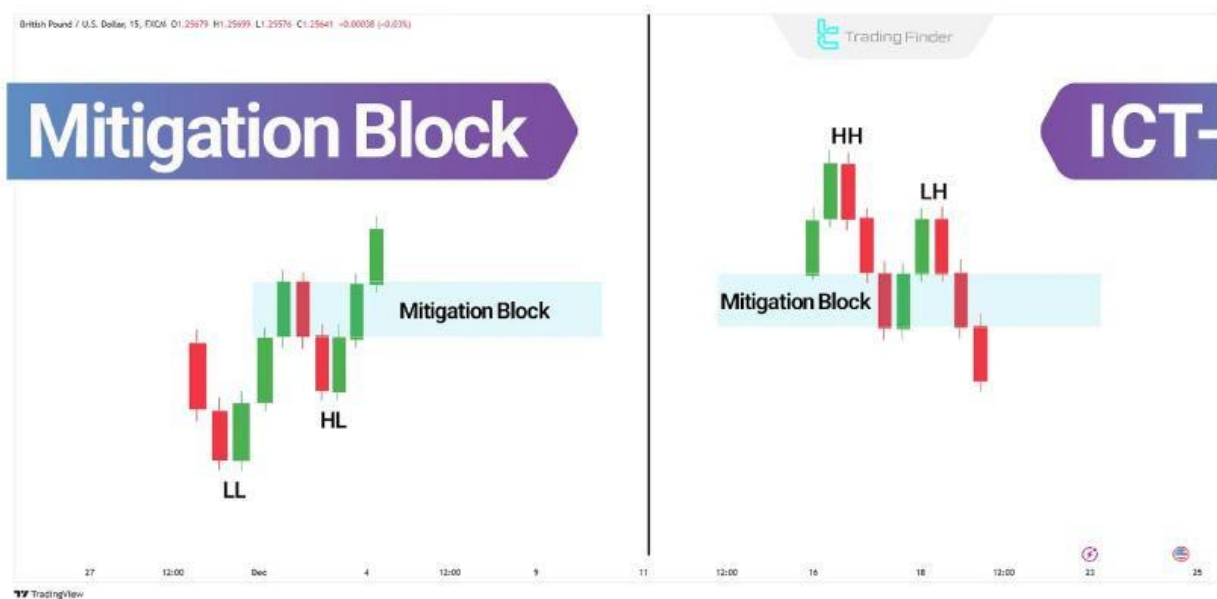# Mitigation Block (MB); Bullish & Bearish + Mitigation Example

A **Mitigation Block (MB)** is a type of **Order Block** in the **ICT Style**. It disrupts the current market trend and alters the market structure.

Mitigation Block (MB) in ICT Style is a type of breaker block

The **Mitigation Block** continues the market's current trend and breaks the previous high or low. Thus, it acts as a **support or resistance** level for the next price movement.

What is a Mitigation Block?

A **Mitigation Block (MB)** is a zone where **market makers** ⬀ **settle orders** before a price direction changes. This area often acts as a **support** or **resistance** level.

Example of a Mitigation Block

The price initially moved upward in the **XAG/USD** 15-minute chart, forming higher highs (HH) and higher lows (HL).

Upon reaching a **bearish reference area**, it could no longer create a new high and began to decline.

Then, the price broke the previous low, turning the **market structure** bearish. This formes the **Mitigation Block**, and subsequently, the price returns to this block, providing a suitable **selling opportunity**.
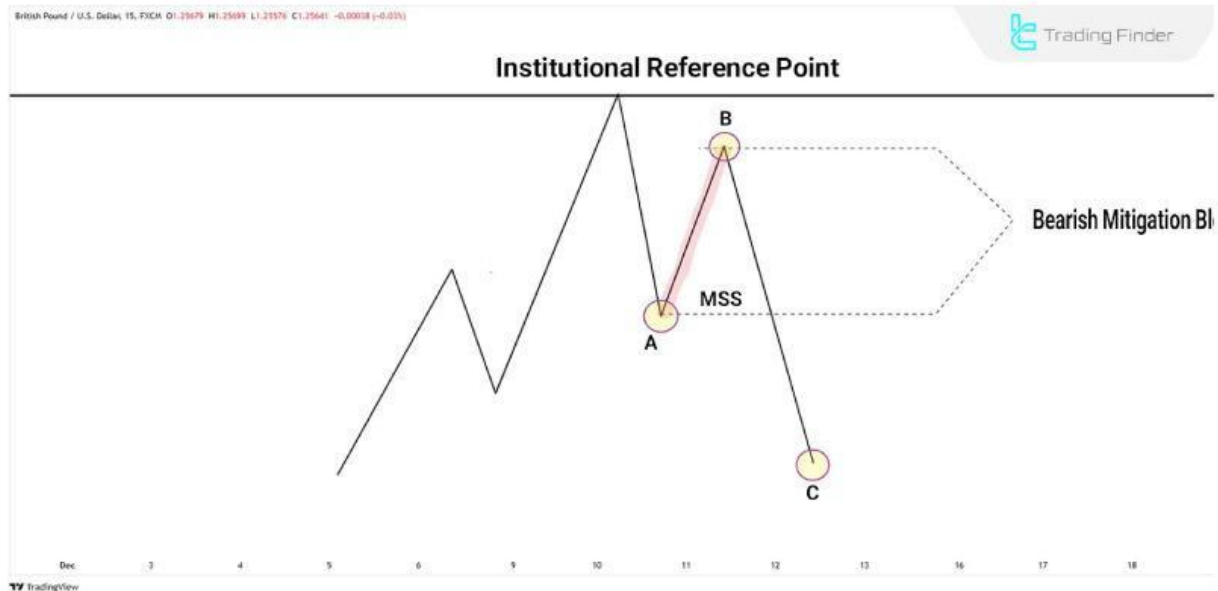

Functionality of a Mitigation Block in a bearish chart

How to Identify a Mitigation Block?

To identify and trade with Mitigation Blocks, we divide them into two types:

#1 Bearish Mitigation Block

This block forms at the end of an **upward** trend. When the price reaches a **strong bearish level**, it fails to create a **higher high (HH)** and instead forms a **lower high (LH)**.

Then, it breaks below the previous **higher low (HL)**, signaling a market structure change toward **bearishness**.
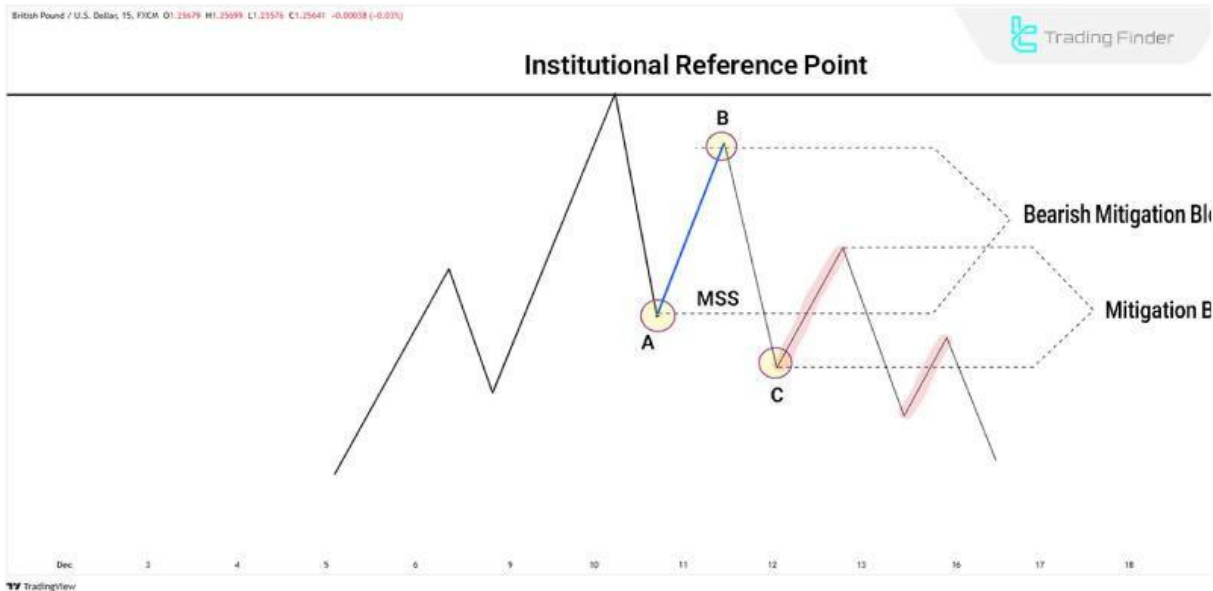

Schematic representation of the Bearish Mitigation Block

Steps to Identify a Bearish Mitigation Block

1. The price reaches a **key level** on a higher timeframe.
2. On a lower timeframe, this sequence occurs:
   - ⚡ The price creates a **Higher High (HH)** and a **Higher Low (HL)**
   - ⚡ The **Higher Low (HL)** fails to create a new high, and the price breaks below it
3. A **Break of Structure (BOS)** occurs, forming a **Lower High (LH)**.

Note: The area between the broken low and the **Lower High (LH)** is the **Bearish Mitigation Block**.

This zone marks where traders reduce their losses in the rally, and **smart Money** initiates selling.
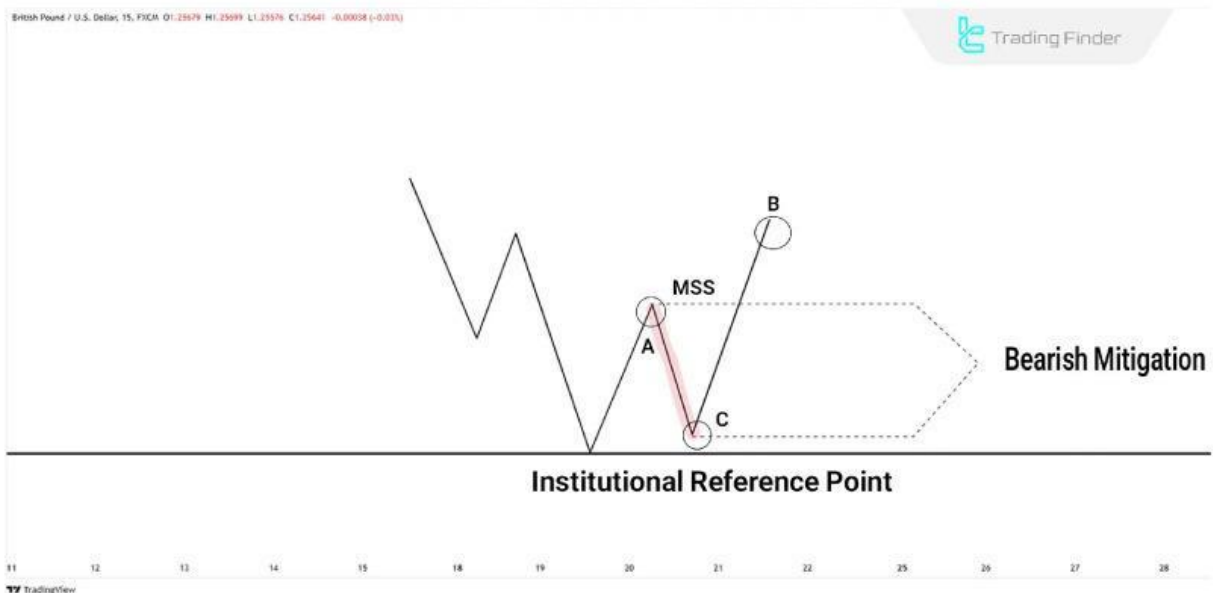
Schematic representation of identifying a Mitigation Block in a bearish trend

#2 Bullish Mitigation Block

This block forms at the end of a **downward** trend. When the price reaches a **strong support level**, it fails to form a **lower low (LL)** and instead creates a **higher low (HL)**.

Then, it surpasses the previous **lower high (LH)**, signaling a **market structure Shift** toward **bullishness**.
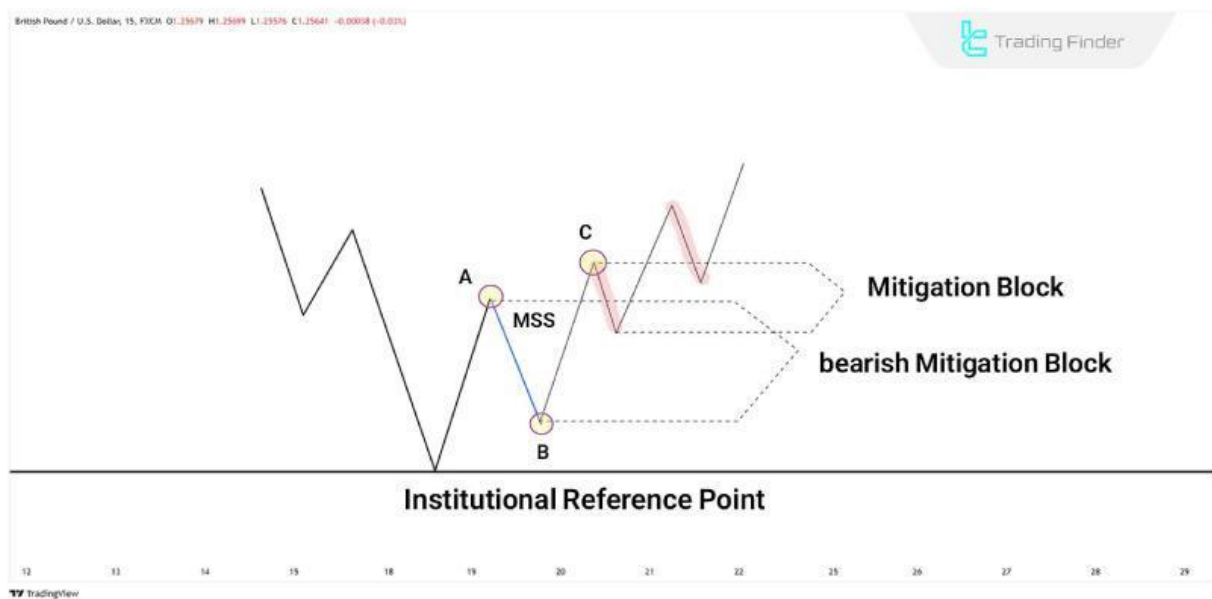

Schematic representation of the Bullish Mitigation Block

Steps to Identify a Bullish Mitigation Block

1. The price reaches an **important support zone** on a higher timeframe.
2. On a lower timeframe, this sequence occurs:
   - ⚡ The price creates a **Lower Low (LL)** followed by a **Lower High (LH)**
   - ⚡ The **Lower High (LH)** fails to create a new low and the price breaks above it
3. A **Break of Structure (BOS)** occurs, forming a **Higher Low (HL)**

Note: The area between the broken high and the **Higher Low (HL)** is the **Bullish Mitigation Block**. In this zone, traders who sell during the downtrend reduce their losses, and **smart Money** initiates buying.

Schematic representation of identifying a Mitigation Block in a bullish trend

Difference Between Mitigation Block and Breaker Block

Although **Breaker Blocks** and **Mitigation Blocks** are reversal patterns with significant similarities, there are key differences:

#1 Functionality

⚡ **Mitigation Block:** The zone where **smart Money** settles pending orders before the price direction changes.

⚡ **Breaker Block:** The zone where price breaches confirm the **break of the previous trend** and continue in the new direction.

#2 Market Structure

⚡ **Mitigation Block:** The price doesn't reach or sweep the previous high or low. Instead, it halts and fails to move higher (in an uptrend) or lower (in a downtrend). The **market structure** then shifts, creating a new direction.

⚡ **Breaker Block:** This block forms when the price **breaks the previous high or low**. After this **break**, the market structure changes, and a new trend begins.

Visual differences between a Breaker Block and a Mitigation Block

Conclusion

The **Mitigation Block** identifies **key market zones** where the market structure changes. It offers excellent **trading opportunities** for buying or selling, allowing traders to align with **Smart Money movements**.

Source:

Our website link :

https://tradingfinder.com/education/forex/ict-mitigation-block/

All Education :

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