Displacement Move; Strong and Fast ICT Moves with Key Level Breaks

The **Displacement Move** in the **ICT methodology** is fundamental in analyzing market structure, identifying the impact of liquidity flow and **Smart Money** entry. This movement happens when price **braeks significant levels**.



Displacement or Aggressive Move in ICT Methodology

What is a Displacement Move?

A **Displacement** or **Aggressive Move** occurs when the price powerfully and rapid breaks through a significant level, such as a short-term high or low.

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For a displacement move to be valid, it must **exhibit greater** strength and momentum than **previous movements**. As a result, the price covers **a larger distance** in a shorter time.

When the price moves strongly in one direction, it indicates the entry of **market makers** into the market.

These **movements** can be used to identify **daily bias**, **Breaks of Structure (BOS)**, and **Changes of Character (CHOCH)**.

What Are the Characteristics of Displacement in ICT?

The displacement move has several key characteristics that distinguish it from other price movements:

Fast and Powerful Movement

Large candles with small or no **wicks indicate** complete dominance by buyers or sellers, and the **market moves** decisively in one direction.

Break of Key Levels

Displacement moves typically break support and **resistance levels**, previous highs and lows, and key **market structures**, which adds credibility to the move.

Liquidity Inducement

Before a displacement move occurs, the market may create traps for retail traders by **Inducement** liquidity and attracting liquidity to one side.

This often leads to retail traders entering in the wrong direction, while **Smart Money** uses this liquidity for its own entry.

Creation of Imbalances and Fair Value Gaps (FVGs)

Displacement moves often result in price delivery imbalances, leading to **Fair Value Gaps (FVGs)**, as shown on the chart. These gaps typically act as potential corrective zones or re-entry points into the trend.

Importance of Higher Timeframe Market Structure

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In ICT, every displacement move must align with the market structure on **higher timeframes** (HTF). This helps identify the primary market direction and prevents entering invalid trades.

Bullish Displacement Move

A **Bullish Displacement Move** occurs when the price moves strongly upward, indicating institutional buying and market-maker activity. Key features of this move include:

- At least three consecutive bullish candles with large bodies and small or no wicks.
- A **Fair Value Gap (FVG)** between candles indicates efficient price delivery.
- Absence of corrections or irregular movements during the move, confirming the strength and clarity of the trend.

How to Trade Based on a Bullish Displacement Move?

In the **EUR/USD** chart, after analyzing the market structure on higher timeframes and confirming the bullish trend, identify the **Premium and Discount Zones** to find the best entry point. After a strong bullish displacement move, wait for a price correction to the FVG or **Order Block**.

Then, with confirmation of a **Market Structure Shift (MSS)** or **Break of Structure (BOS)**, enter a buy trade and target liquidity at higher levels.



How a Bullish Displacement or Aggressive Move Works in ICT Methodology

Bearish Displacement Move

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A **Bearish Displacement Move** indicates widespread selling and institutional exit from the market. Key features of this move include:

- At least three consecutive bearish candles with large bodies and small or no wicks.
- Formation of an **FVG** in the downward direction, indicating efficient price movement.
- Absence of strong corrections during the move, confirming strong selling pressure.

How to Trade Based on a Bearish Displacement Move?

In the **GBP/USD** chart, after analyzing the market structure on higher timeframes and confirming the bearish trend, identify the **Premium and Discount Zones** to find the best entry point.

After a strong bearish displacement move, wait for a price correction to the FVG or **Order Block**.

Then, with confirmation of a **Market Structure Shift (MSS)** or **Break of Structure (BOS)**, enter a sell trade and target liquidity at higher levels.



How a Bearish Displacement or Aggressive Move Works in ICT Methodology

Risk Management in Displacement Move Trades

Displacement moves can create great trading opportunities, but they also come with risks, such as:

- Unexpected **market volatility** and sudden reversals
- Misinterpretation of **market structure**, leading to incorrect entries

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- Late entry into trades, resulting in missed risk-to-reward opportunities

Using **Stop-Loss** orders and proper capital management is essential to mitigate risks. Additionally, traders should analyze displacement moves within the context of higher timeframe trends.

Conclusion

The **Displacement Move** in ICT is a concept that aims to understand price dynamics and the objectives of large market makers.

These moves are characterized by **strong candles, breaks of key levels**, and the **formation** of **FVGs**.

By combining market structure analysis, higher timeframe analysis, and risk management, traders can use these moves to enter and exit trades effectively.

source:

1.our website link :
https://tradingfinder.com/education/forex/displacement-move/

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

TradingFinder Support Team (Telgram):
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