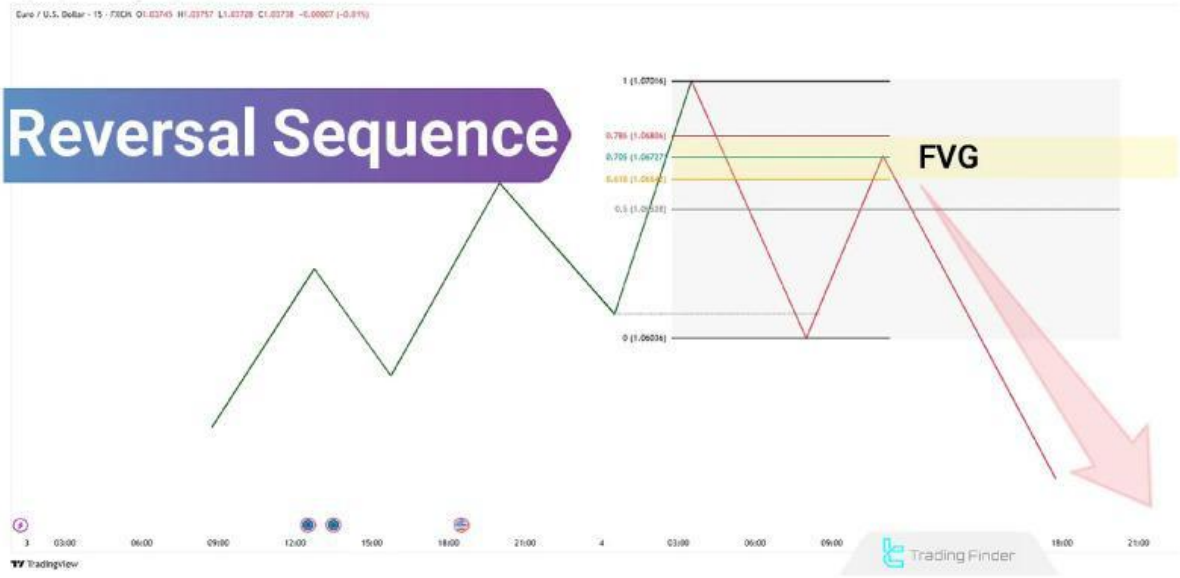
Reversal Sequence Strategy: Entering Trades with ICT Concepts [FVG, BB, OB]

The **Reversal Sequence Strategy** is a method based on the **ICT trading style**. It aims to enter trades **before the main market movement** begins. This strategy is applicable across **all markets**, **including Forex Market**, **cryptocurrencies**, and **indices**, and it can be used in all **Kill Zones** to identify entry points.



In the Reversal Sequence trading method, BOS and MSS are not required for trade entries

What is the Reversal Sequence Setup?

The Reversal Sequence Strategy is a method for entering trades without a **Market Structure Shift** (**MSS**) or **Break of Structure** (**BOS**).

This strategy focuses on **liquidity at key highs and lows**, **Fair Value Gaps (FVG)**, **Order Blocks**, and **OTE Levels**.

By increasing precision in entry points, the Reversal Sequence provides traders with a favorable **risk-to-reward (R/R) ratio**.

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Key Concepts to use the Reversal Sequence Strategy

When entering trades without a market structure shift or break, focusing on **Higher Time Frame (HTF)** areas is essential, as price reversals often occur from these zones. The following concepts are crucial for trading in these areas:

Identifying Key Highs or Lows

To execute the **Reversal Sequence** Strategy, first, wait for the price to reach a key **high or low** in the **higher time frame**, as this **movement** usually occurs rapidly. You can pinpoint significant highs or lows by identifying and **marking** these areas.

Fair Value Gap (FVG)

A **Fair Value Gap** is a three-candle pattern where the third candle does not overlap with the first. **This strategy** uses this area as a critical zone for trade entries.



Fair Value Gap in the Reversal Sequence Strategy in ICT Style

Price Inversion

Price Inversion occurs when a Fair Value Gap closes and acts as a support or resistance level. This concept is **typically** used to confirm **price reversals**.

Order Block

Order Blocks are significant areas where banks and financial institutions place large orders. In the **Reversal Sequence** Strategy, these levels often act as price **reversal points**, providing excellent opportunities for trade entries.

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Formation of Order Blocks in the Reversal Sequence Strategy in ICT Style

Breaker Block

A **Breaker Block** is similar to an Order Block, but in this pattern, the price first makes a new **high or low** and then **reverses**. These areas are often suitable for trade entries.

OTE Levels

OTE Levels are determined using Fibonacci retracement. In the Reversal Sequence Strategy, traders look to re-enter the main trend. The 70.5% Fibonacci level is one of the most important levels in this method.

Stages of Price Reversal Formation in the Reversal Sequence Strategy

Price reversals typically form in several stages, each providing further confirmation for trade entries. These stages include:

#1 Liquidity and Stop Hunts

In this stage, the **market breaks** a significant high or low, triggering stop orders, and quick reverses. This movement is **designed** to absorb new orders and create conditions for a trend reversal called a **Liquidity Sweep**.

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#2 Use of Premium and Discount Zones

In the Reversal Sequence Strategy, the price moves from **Premium (overbought)** to **Discount (oversold)** zones and vice versa.

Premium and Discount zones are determined using Fibonacci retracement and can be used alongside confirmations like FVG and Order Blocks for trade entries.

#3 Price Inversion and Closing of Fair Value Gap (FVG)

After absorbing liquidity, the **market returns** to the breakout zone and fills the Fair Value Gap (FVG). If the price stabilizes in this area, it can be considered as a sign of a **trend reversal**, acting as **new support** or **resistance**.

#4 Change in the State of Delivery (CISD)

In the **Change in the State of Delivery** **(CISD)** stage, a strong candle breaks the previous structure, and the price stabilizes above it, confirming new orders and the start of a fresh trend.

#5 Formation of Breaker Block or Final Confirmation via FVG

If a **Breaker Block** forms or a new Fair Value Gap (FVG) is filled, the final confirmation of a price reversal is achieved.

Bullish Trade in Reversal Sequence Setup

According to the chart of the USD/JPY pair in the 5-minute timeframe, the price hits a significant zone in **higher time frames** and absorbs liquidity.

After forming an **Order Block** and a **Change in Character of Delivery** (CISD), the trader should wait for the price to return to the Order Block. Upon price interaction with this level and **receiving** confirmation, a **BUY** trade can be entered using **OTE zones**.

Buying Opportunity Using the Reversal Sequence Strategy in ICT Style

Bearish Trade in Reversal Sequence Setup

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In the USD/CHF chart, the price reaches a **key zone** in **higher time frames**, triggers pending orders, and begins absorbing sell orders.

After forming a **bearish FVG** and a **Change in Character of Delivery** (CISD), wait for the price to return to this zone. Upon confirmation of a reversal from the **FVG** and analysis of **OTE zones**, a **SELL** trade can be initiated.

Conclusion

The **Reversal Sequence Strategy** in the ICT style is a method for entering trades without requiring a Market Structure Shift (MSS) or Break of Structure (BOS).

This strategy focuses on **liquidity**, **Fair Value Gap (FVG)**, **Order Blocks**, **Breaker Blocks**, and **OTE Levels** to provide better risk-to-reward entry points.

source:

1.our website link :
https://tradingfinder.com/education/forex/ict-reversal-sequence/

2.all Education :
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