Rejection Block and Price Reversal Training in ICT Style

A **Rejection Block** is a price zone where the price touches but **cannot break through**, resulting in a reversal.



How the Rejection Block Works in ICT Style

This phenomenon usually occurs at significant market **highs or lows** and sometimes after **liquidity** has been collected.

Traders utilize this area to identify potential price reversal points for entering or exiting trades.

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What is a Rejection Block?

A **Rejection Block** forms when the price touches previous market highs or lows and absorbs the liquidity in those areas.

Long wicks appear on the chart at this point, indicating a reversal from that zone. These long wicks are the **Rejection Blocks**, which traders use to identify price reversal points.

To quickly identify these areas, traders can use specialized indicators provided by the Trading Finder suite:

- **Rejection Block Indicator for MetaTrader 4**
- **Rejection Block Indicator for MetaTrader 5**
- **Rejection Block Indicator** for TradingView



How the Rejection Block Indicator works

Bullish Rejection Block

To identify trading setups using a **Bullish Rejection Block**, follow these steps:

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- A candlestick with a **long lower wick** may form when the price touches previous market lows and absorbs their liquidity. This indicates reluctance for further price decline and signals the start of an upward trend;
- The long lower wick is identified as the **Rejection Block** in this case;
- If the price revisits below the body of the candlestick in the block (to hunt sell-side stops), this creates an opportunity for a **buy** trade;
- To limit losses if the price falls, set a **stop loss** between 10 and 20 pips below the Rejection Block.



How a Bullish Rejection Block operates in an uptrend, with its components highlighted in the image.

Bearish Rejection Block

To identify trading setups using a **Bearish Rejection Block**, follow these steps:

- A candlestick with a long **upper wick** may form when the price touches **previous market highs** and absorbs their liquidity. This indicates a reluctance to increase the price further and signals the start of a **downward** trend.
- In this scenario, the long upper wick becomes the **Rejection Block**.
- If the price revisits above the candlestick in the block (to hunt buy-side stops), this creates an opportunity for a **sell** trade.
- Set a **stop loss** between 10 to 20 pips above the Rejection Block to manage risks in case of unexpected upward movements.

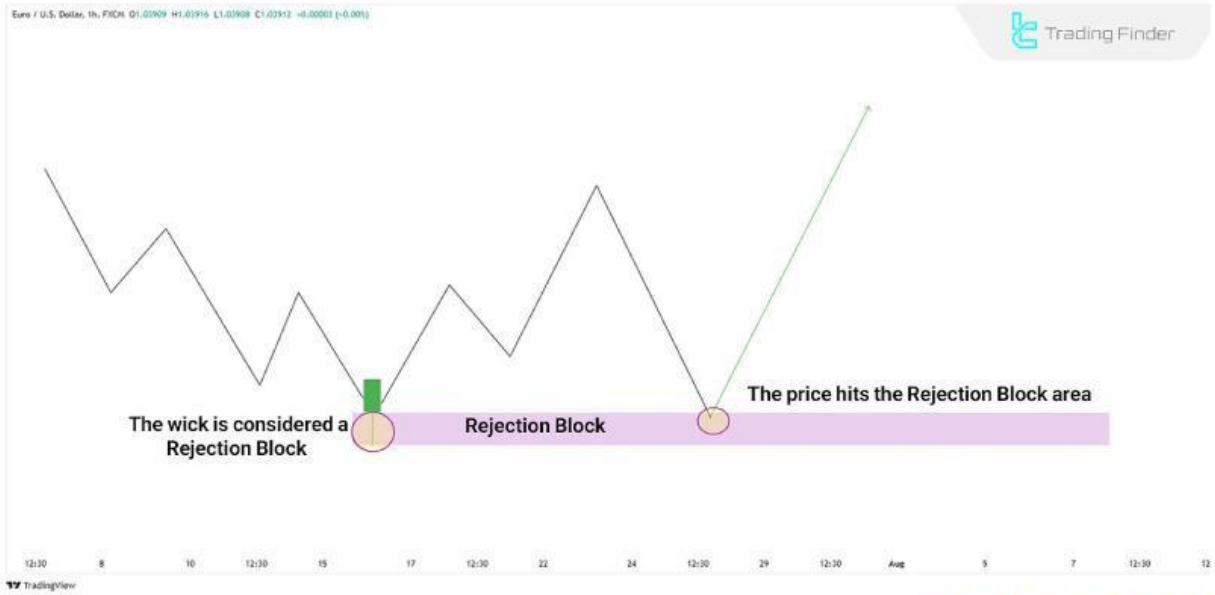
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How a Bearish Rejection Block operates in a downtrend, with its components illustrated in the image.

Key Characteristics of Rejection Blocks

- **Long Wicks**: Rejection Blocks often feature long wicks, reflecting the price's failed attempt to break a level;
- **Liquidity Sweep**: Despite touching previous highs or lows and absorbing liquidity, the price changes direction;
- **Formation at Significant Levels**: These blocks often form at key market points (major highs and lows);
- **Indicate Price Weakness**: These blocks demonstrate the price's inability to break a specific level, often leading to reversals.



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A schematic representation of the Rejection Block, showing the price's inability to break certain levels.

Are ICT Rejection Blocks Reliable?

Yes! Even if the price does not react to **Order Blocks** or **Fair Value Gaps**, the Rejection Block is often the **last opportunity** within the market cycle. For this reason, the likelihood of a profitable position increases.

Order Block: It usually forms at Fibonacci retracement levels such as 50%, 62%, or 70%.
Rejection Block: It always forms at deeper levels, such as 80% or 90% of Fibonacci.

Conclusion

Trading with **Rejection Blocks** is one of the most effective **ICT trading** methods, identifying price **reversals** at deep retracement levels (80% and 90% Fibonacci).

This approach, with tight stop losses and **high risk-reward** ratios, is ideal for managing risk and improving trading returns.

Sources:

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

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

3.TradingFinder Support Team (Telgram):
https://t.me/TFLABS

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