

# ICT Trading Logic Sheet — Explicit Candle Structure

This document formalizes ICT concepts into explicit, rule-based candle definitions suitable for discretionary execution, systematic review, or algorithmic implementation.

## Market Structure

### **Swing High:**

$\text{High}[i] > \text{High}[i-1] \text{ AND } \text{High}[i] > \text{High}[i+1]$

### **Swing Low:**

$\text{Low}[i] < \text{Low}[i-1] \text{ AND } \text{Low}[i] < \text{Low}[i+1]$

### **Break of Structure (Bullish):**

$\text{Close}[\text{current}] > \text{High}[\text{previous swing high}]$

### **Change of Character (Bearish):**

$\text{Close}[\text{current}] < \text{Low}[\text{last higher low}]$

## Liquidity Concepts

### **Equal Highs:**

$|\text{High}[i] - \text{High}[j]| \leq \text{ATR} \times \text{tolerance} (0.05\text{--}0.1 \text{ ATR})$

### **Liquidity Sweep (Sellside):**

$\text{Low}[\text{current}] < \text{Liquidity Low} \text{ AND } \text{Close}[\text{current}] > \text{Liquidity Low}$

### **Invalid Sweep:**

Close remains beyond liquidity without reclaim

## Displacement & Imbalance

### **Displacement Candle:**

$|\text{Close} - \text{Open}| \geq 1.5 \times \text{AvgBodySize} \text{ AND } \text{Close} \text{ in extreme 25\% of range}$

### **Bullish Fair Value Gap:**

$\text{High}[C1] < \text{Low}[C3]$

### **FVG Invalidation:**

Full candle close beyond opposite edge

## Order Blocks

### **Bullish Order Block:**

Last bearish candle before bullish displacement causing BOS

### **OB Zone:**

$[\text{Low}[\text{OB}], \text{High}[\text{OB}]]$

**OB Invalidation:**

Close below OB low

## Premium / Discount Logic

**Dealing Range:**

Range = [Swing Low, Swing High]

Equilibrium =  $(\text{High} + \text{Low}) / 2$

**Discount Zone:**

Price < Equilibrium

**Premium Zone:**

Price > Equilibrium