

ICT Trading Strategy – Mentorship Guide

This document provides a structured overview of the Inner Circle Trader (ICT) trading strategy. It is intended for educational purposes to help traders understand market dynamics, institutional behavior, and disciplined execution.

1. Understanding ICT Trading Strategy

The Inner Circle Trader (ICT) trading strategy is a methodology developed by Michael J. Huddleston. It is not a mechanical system for placing trades, but a framework to understand how markets move, how institutions participate, and how retail traders can align with smart money concepts.

2. How the ICT Strategy Works

Market Structure Analysis

Traders analyze swing highs and lows, support and resistance zones, and consolidation areas. Understanding market structure helps anticipate potential reversals or trend continuation.

Order Flow Analysis

ICT emphasizes identifying institutional order flow. Large buy or sell orders reveal where smart money may be entering or exiting positions, offering clues to future price movement.

Market Manipulation Patterns

The strategy teaches traders to recognize stop hunts and false breakouts. These patterns are often used to remove retail traders from positions before a true move occurs.

3. Key Components of the ICT Strategy

- Fair Value Gap (FVG) – Identifying price imbalance
- Optimal Trade Entry – Balanced price ranges
- Asian Session Range – Reference for intraday price action
- Pivot Points – Key support and resistance levels
- Order Blocks – Institutional buying and selling zones
- Kill Zones – High-liquidity trading sessions
- London Open Momentum – Volatility at session open
- New York Session Volume Profile – Liquidity and sentiment analysis

4. Risks and Limitations

- Requires patience and strict discipline
- Can be complex for beginner traders
- Relies heavily on correct interpretation

- Not immune to sudden news or volatility

5. Final Notes

The ICT trading strategy offers a structured approach to understanding forex and financial markets. Traders are encouraged to practice proper risk management, maintain discipline, and combine ICT concepts with experience and continuous learning for long-term success.