

# Complete Guide on Central Bank Dealers Range (CBDR)

Categories: Forex Education ICT (Inner Circle Trader) Free Trading Courses

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The **Central Bank Dealers Range** (CBDR) represents price **stabilization** before the **market's major moves**. Central banks and large financial institutions use this range to manage **liquidity** and prepare the market for **significant shifts**.

CBDR is used to identify **breakouts** or **reversals** and guide daily bias in higher timeframes.

## What is the Central Bank Dealers Range (CBDR)?

The CBDR price range in **ICT Strategy** is used to predict a trading day's **highest** and **lowest** price. This range is calculated between **2:00 PM and 8:00 PM New York time**, and higher or lower ranges can be estimated using specific deviations from the **average** price.

The range can be expanded by incorporating deviations **above** and **below** the **average** price. Typically, this deviation reflects how prices are **dispersed** relative to the mean.



## What Range is Ideal for CBDR?

⚡ **Range Height:** Calculated by finding the **highest** and **lowest** price within the specified time. It is preferable to use the candlestick **bodies**; however, wicks can be included if the bodies are too **small**;

⚡ **Optimal Range:** CBDR should ideally be less than **40 pips**, with **10 to 20 pips** yielding better results;

⚡ **Larger Ranges:** Short-term trades tend to perform better if the range exceeds **40 pips**.

## Advantages of Using CBDR

⚡ **Precise Forecasting:** CBDR enables traders to **predict price movements** with greater accuracy;

⚡ **Risk Reduction:** It supports informed decision-making, avoiding **high-risk** trades;

⚡ **Increased Profitability:** Identifying trading opportunities with **higher probabilities** of success;

⚡ **Flexibility:** Applicable across **various markets** and timeframes.

## How to Use CBDR in Trading?

Each trading day, the market seeks to move the price at least **1-2 times** the CBDR range against the **trend** in order to collect **liquidity**.

Then, it moves **four steps in the trend direction**, equivalent to the daily CBDR range.

## Bearish Days

On bearish days, the ideal scenario is for the price to exceed the CBDR range by no more than **two units**, typically moving just **1 unit** up to collect liquidity.

The **day's lowest price** can be predicted as **three units below the CBDR range**, typically seen at the **end of the London trading session**.

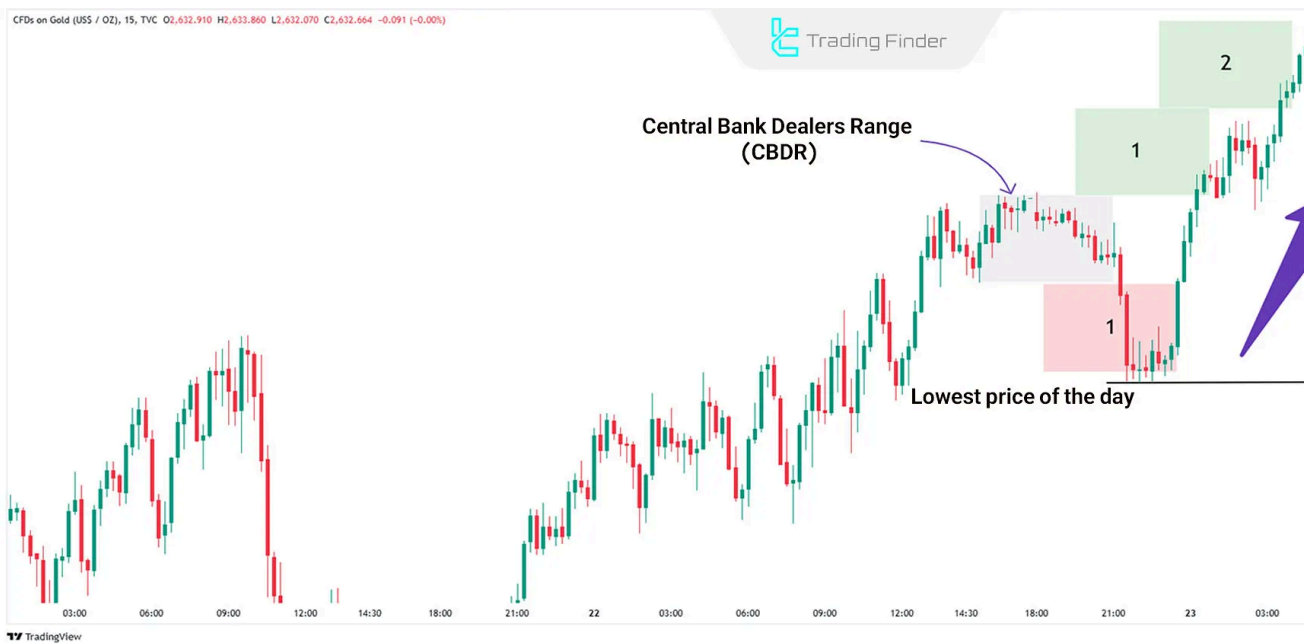


Central Bank Dealers Range (CBDR) in Bearish Days of the Market

## Bullish Days

On bullish days, the ideal scenario is for the price to drop no more than **two units** below the CBDR range, typically moving just **1 unit** down to collect liquidity.

The **day's highest price** can be predicted as **three units above the CBDR range**, typically seen at the **end of the London trading session**.



Central Bank Dealers Range (CBDR) in Bullish Days of the Market

Beside CBDR, you can learn how to use other strategies in [TradingFinder forex education](#) section.

## Which Timeframes Are Suitable for CBDR?

The best timeframes for CBDR are **15-minute** and **30-minute** intervals:

- ⚡ **15 Minutes:** Ideal for short-term trades, providing a more precise view of price fluctuations;
- ⚡ **30 Minutes:** Better for an overall view and **long-term** planning.

## Which Currency Pairs and Assets Are Suitable for CBDR?

CBDR was initially designed for trading **NASDAQ** and **S&P500 indices**. Following its success, this method expanded to other financial markets, including **forex** and precious metals.

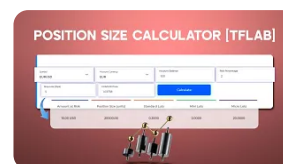
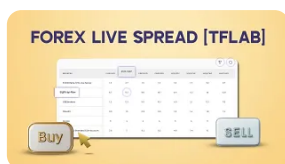
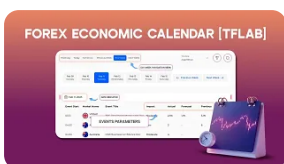
Currency pairs like “**GBP/USD**” and “**EUR/USD**” are the best choices for this strategy. Additionally, it has performed well in the **gold market (XAU/USD)**.

## How to Achieve Better Results with CBDR?

To succeed with CBDR, traders should focus on the following principles:

- ⚡ Precise identification of the **CBDR range**;
- ⚡ **Risk and capital management**;
- ⚡ Analyzing **news and market conditions**;
- ⚡ Exercising **patience** and trading under ideal conditions.

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## What Role Do Central Banks Play in CBDR?

Central banks and **smart money** significantly influence the CBDR and its formation:

- ⚡ **Interest Rate Decisions:** Cause changes in price volatility and the CBDR range; You can be aware of these changes by using TradingFinder [Central Bank Interest Rates Tool](#)
- ⚡ **Monetary Stimulus Actions:** Affect price ranges by **increasing** or **decreasing** liquidity
- ⚡ **Currency Interventions:** Lead to sudden changes in the CBDR range

## Which Days of the Week Are Best for CBDR?

1. **Tuesdays and Wednesdays:** These days often mark **weekly highs** or **lows**, offering more opportunities for CBDR-based trades;
2. **Days with Significant Economic News:** High-impact news releases (e.g., **interest rate decisions, employment reports, or inflation** data) can create volatility, driving prices toward **CBDR** targets;
3. **Overlap of Trading Sessions:** The overlap between **London** and **New York** sessions, known as the **kill zone**, offers **high volume** and suitable trading opportunities.

## Conclusion

The **Central Bank Dealers Range** (CBDR) is designed to identify price **highs** and **lows** within a trading day.

This style combines **time analysis, price ranges; Central bank behavior**, enables traders to make more informed decisions about **daily** trades.

## FAQs

Can CBDR be used for all trading days? ∨

No, this style is not suitable for days with low volatility.

What are the best times for CBDR-based trades? ∨

**London Session:** To initiate daily price movements;

**New York Session:** To capture high volatility and potential reversals;  
Do economic news events impact CBDR? ∨

**End of London Session:** For consolidations or trend reversals.

Major economic news (e.g., interest rates, employment data, or inflation) can increase market volatility, pushing prices towards 2 or 3 standard deviations of the CBDR.  
Can CBDR be used for long-term trades? ∨

CBDR is designed for intraday trading but can confirm entry and exit points in long-term trades.



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(5)

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### Table Of Content ✕

What is the Central Bank Dealers Range (CBDR)? ∨

How to Use CBDR in Trading? ∨

Which Timeframes Are Suitable for CBDR?

Which Currency Pairs and Assets Are Suitable for CBDR?

How to Achieve Better Results with CBDR?

What Role Do Central Banks Play in CBDR?

Which Days of the Week Are Best for CBDR?

Conclusion

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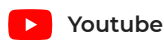
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