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# Complete Guide on Central Bank Dealers Range (CBDR)

Categories: Forex Education ICT (Inner Circle Trader) Education

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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**.

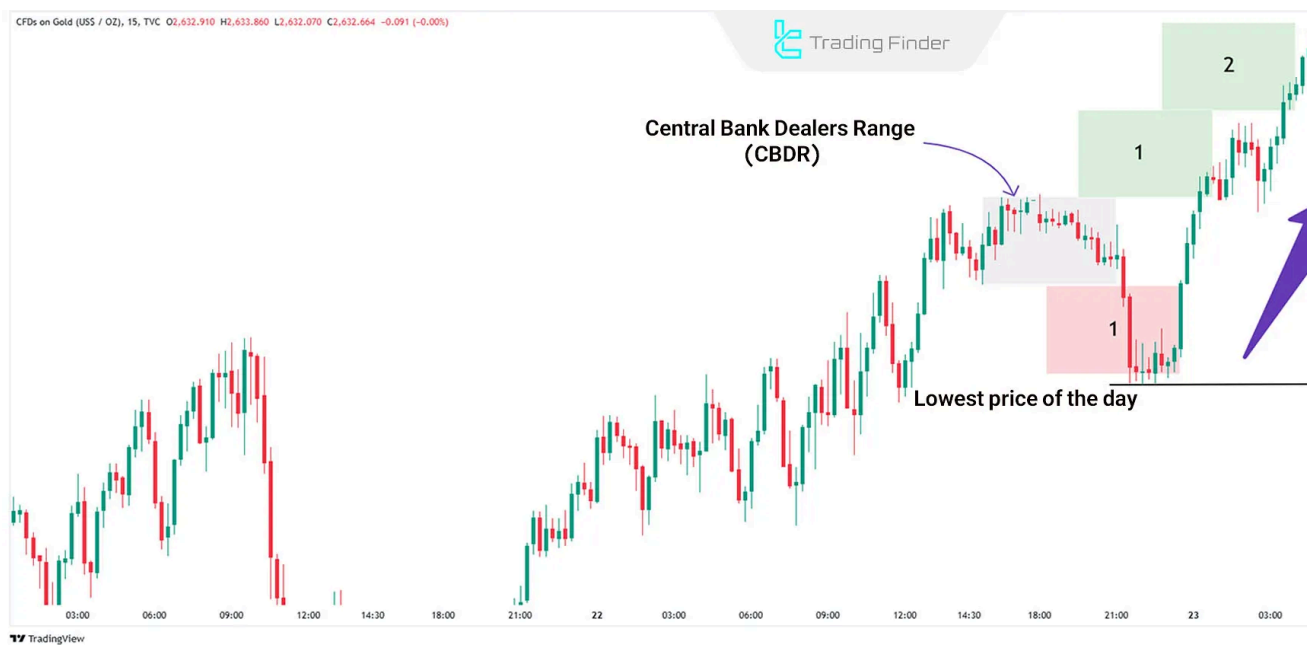


Central Bank Dealers Range (CBDR) in Bearish Days of the Market

## 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.

## 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

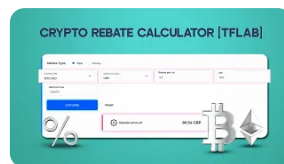
## Which Days of the Week Are Best for CBDR?

- Tuesdays and Wednesdays:** These days often mark **weekly highs** or **lows**, offering more opportunities for CBDR-based trades;
- 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;
- Overlap of Trading Sessions:** The overlap between **London** and **New York** sessions, known as the **kill zone**, offers **high volume** and suitable trading opportunities.

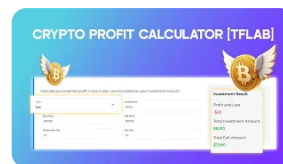
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## Conclusion

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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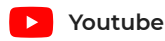
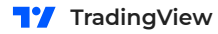


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