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Training on Buy Side and Sell Side Liquidity (BSL & SSL) in ICT Strategy

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Article Level: Intermediate



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Modified: Apr 8, 2025

Comments: 0

Views: 1,168

6 Min



Buy Side and Sell Side Liquidity are key concepts in the **ICT trading strategy**, playing a crucial role in identifying market structure and tracking smart money footprints.



Buy Side Liquidity and Sell Side Liquidity in ICT Style

Understanding this concept enables traders to recognize areas where **pending orders** and **stop losses** **accumulate**, allowing for a more precise assessment of **market bias** through **liquidity sweep** analysis.

What are BSL and SSL?

There are two types of liquidity zones, and understanding them helps analyze future price trends.

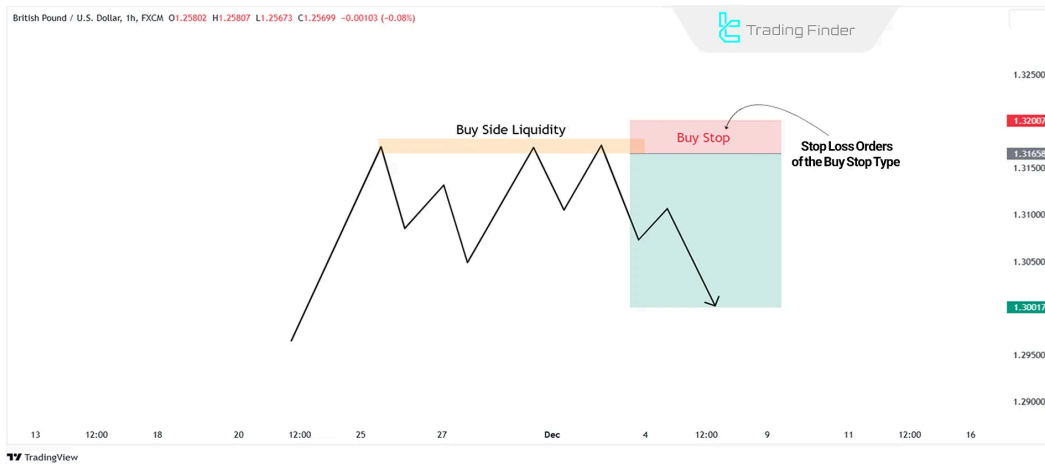


Important Note: A stop loss for a **Buy** position is a **Sell** order, and a stop loss for a **Sell** position is a **Buy** order.

Buy Side Liquidity

Refers to the volume of pending orders, primarily **Buy Stops**, placed by retail traders to protect their **Sell** positions.

These orders are usually located above key price levels, such as **previous highs** or **equal highs (EQH)**.

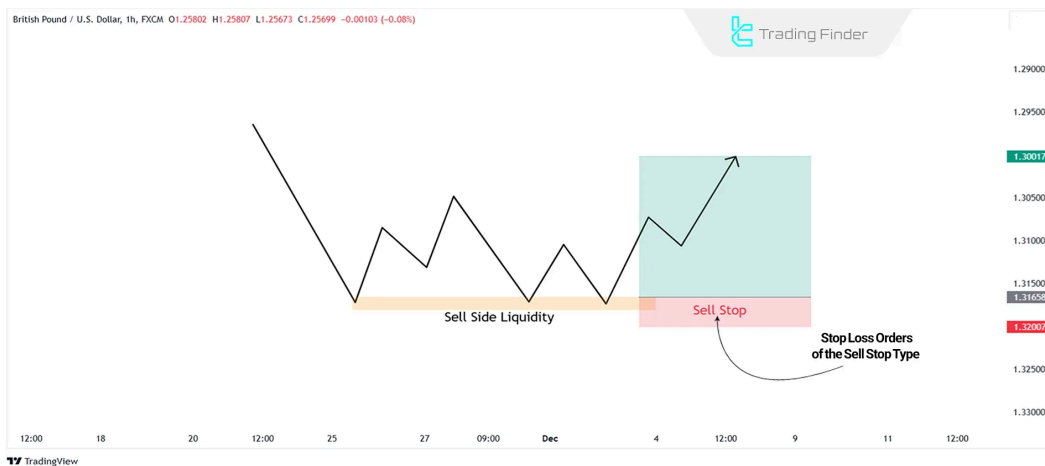


Schematic representation of Buy Side Liquidity (BSL)

Sell Side Liquidity

Sell Side Liquidity (SSL) refers to accumulated **Sell orders**, typically placed as **Sell Stops** below key price levels.

Retail traders set these orders below previous lows or equal lows (**EQL**) to protect their **Buy** positions.



Schematic representation of Sell Side Liquidity (SSL)

Placement of Buy Side and Sell Side Liquidity

As mentioned before, traders place **Buy Stop** or **Sell Stop** orders in key, predictable areas to protect their positions. **These areas include:**

- ⚡ **Previous swing highs/lows:** **swing highs** and **swing lows** points on the chart where the price has reversed in the past

- ⚡ **Daily or weekly highs/lows:** These zones are significant because many traders use these timeframes to set their stop losses
- ⚡ **Equal highs or equal lows:** When two or more highs or lows align at the same level, a cluster of stop losses forms

Buy Side and Sell Side Liquidity Grab

Liquidity sweep refers to a strategic move by **institutional traders** aimed at triggering pending orders and stop losses. When the market approaches **BSL**, financial institutions may push the price slightly above resistance levels.

This action triggers retail traders' stop losses, supplying liquidity to institutional orders. The result of this liquidity grab is often a **rapid bearish reversal** in the market.



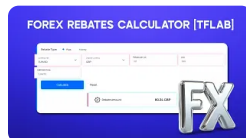
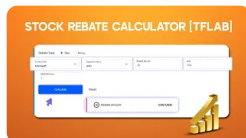
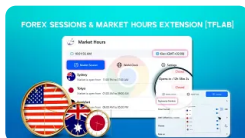
Liquidity sweep on Buy Side Liquidity (BSL), followed by a rapid bearish reversal in GBP/USD

In a **downtrend**, a similar event occurs when the price dips below a key **support level (SSL)**, triggering retail traders' stop losses. This often results in a **sharp, bullish reversal** in the market.



Sell Side Liquidity sweep, followed by a rapid bullish reversal in GBP/USD (1-hour chart)

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How to Use BSL and SSL in Trading

Liquidity plays a crucial role in determining the price movement direction. **Methods for utilizing Buy Side liquidity and Sell Side liquidity** include:

- Price is always seeking **balance** or **liquidity absorption**
- Price movement between **P/D arrays** is driven by this search, making it essential to mark these zones
- Identifying **high-quality trade setups** requires analyzing market structure alongside **Order Blocks** and **premium/discount zones** on higher timeframes
- Daily timeframe liquidity is often concentrated at the **Previous Week's High/Low (PWH/PWL)**, the **Previous Day's High/Low (PDH/PDL)**, or the **Asian, London, and New York session** highs/lows.
- Equal highs and equal lows serve as **high-liquidity areas**, often targeted by institutions to grab pending orders.

Conclusion

Buy Side and Sell Side Liquidity refer to **clusters of stop losses** placed **above highs or below lows**.

Retail traders are particularly vulnerable to these traps, especially when setting stop losses at **predictable levels** such as **previous highs/lows, equal highs/lows (EQH/EQL), session highs/lows, and daily/weekly** highs/lows.

Trading during liquidity sweep comes with risks such as **market manipulation, false breakouts, and unexpected volatility**.

To mitigate these risks, traders should avoid placing stop losses at predictable levels and apply proper risk management strategies.

FAQs

What are Buy Side and Sell Side Liquidity? ▼

Buy Side Liquidity (BSL) consists of pending Buy orders, usually placed above key resistance levels, whereas Sell Side Liquidity (SSL) consists of pending Sell orders, typically located below key support levels. ▼

Why are Buy and Sell Stop Losses considered key liquidity points? ▼

Stop losses are placed at significant market levels, making them attractive targets for institutions. These zones contain high volumes of orders that provide liquidity for large trades. ▼

How do financial institutions use liquidity? ▼

Institutions manipulate price towards liquidity zones to trigger retail traders' stop orders, then utilize this liquidity to execute large trades with minimal slippage, often reversing price direction afterward. ▼

What are the key levels for identifying liquidity? ▼

Key liquidity levels include:

Previous highs/lows
 Equal highs/lows
 Session highs/lows ▼

What is a liquidity sweep? ▼

A liquidity sweep is a deliberate price movement by institutions to target liquidity at key levels, triggering retail traders' stop losses to gather liquidity for executing large trades.



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Buy Side and Sell Side Liquidity Grab

How to Use BSL and SSL in Trading

Conclusion

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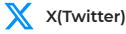




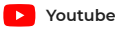



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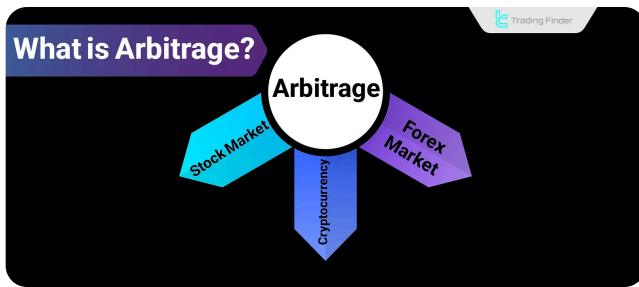
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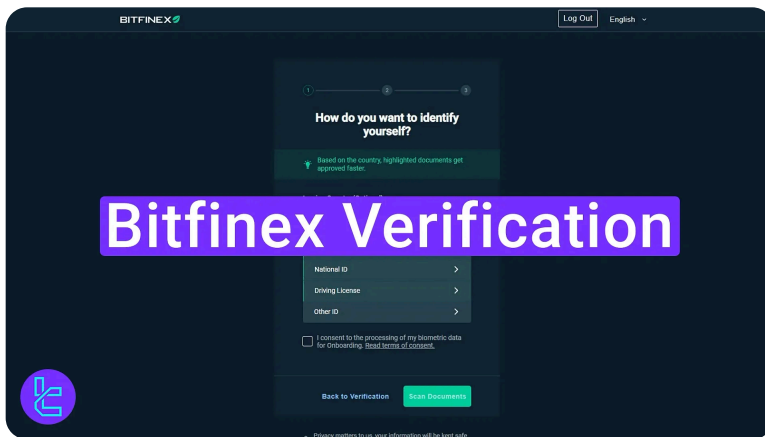
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