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No Displacement Model in ICT Trading [Uptrend & Downtrend]

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Article Level: Intermediate



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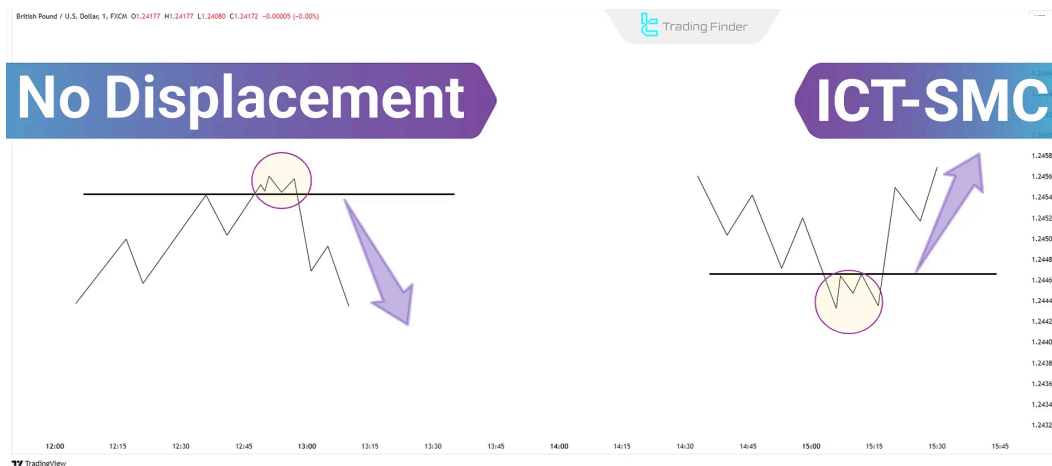
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No Displacement in the **ICT trading model** and **Smart Money** refers to a scenario where the price breaks a key level (such as a short-term high or low) but **instead of continuing** in the same direction, it **quickly** retraces back to the previous range.



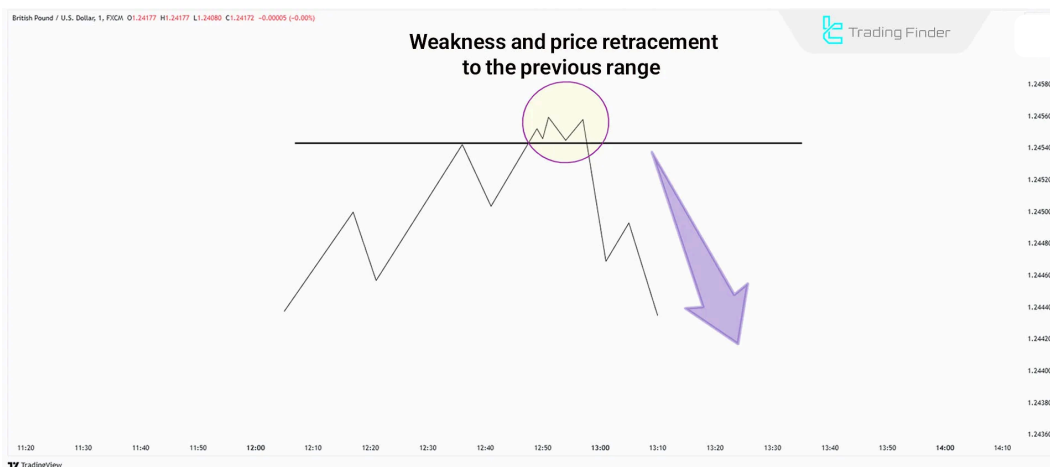
Weakness in movement or lack of displacement in the ICT model

This behavior typically indicates market weakness in **sustaining** the current trend and increases the **probability** of price reversal or a shift in direction.

Characteristics of No Displacement

To identify No Displacement, it is essential to recognize its characteristics, which include:

- ⚡ **Quick retracement to the previous range:** After breaking a key level, the candles are not aggressive, and the price quickly moves back into the prior range.
- ⚡ **Small and weak candles:** The candles formed after the breakout are usually small and they lack momentum.
- ⚡ **Failure to close beyond the breakout level:** In the absence of Displacement, candles typically do not close near the breakout level but rather revert back into the range.
- ⚡ **Failed Breakouts:** Unsuccessful breakouts are a clear indication of No Displacement and are often considered as reversal signals.



Signs of Movement Functions Weakness in the ICT Model

Why Does No Displacement Occur?

No Displacement happens due to various factors such as:

- ⚡ **Lack of liquidity in Forex**
- ⚡ **Counter-orders at the breakout level** (e.g., buying pressure at a bearish breakout)
- ⚡ **Market consolidation**, where price lacks directional momentum to sustain a breakout

How to Identify No Displacement?

To assess No Displacement, traders must analyze **candlestick behavior at key levels**. If a breakout occurs with **large candles closing near the high or low**, it indicates strong Displacement and a high likelihood of continuation. Trading tools

On the other hand, a **quick retracement to the previous range with small candles** suggests a lack of Displacement. Evaluating this pattern across **multiple timeframes** helps in identifying precise trade opportunities.

How to Use No Displacement in Trading?

In an **uptrend**, a **breakdown** of a low without Displacement suggests weak bearish momentum and a buying opportunity. In a **downtrend**, a breakout above a high **without Displacement** indicates weak bullish momentum and presents a selling opportunity.

Trading tools

Failed **breakouts** are **strong reversal** signals that can be leveraged for counter-trend trades.

No Displacement Example in Uptrend

To trade with this setup in an uptrend, the following is used:

- ⚡ Price breaks a **short-term low** but instead of continuing downward, it quickly retraces.
- ⚡ Candlesticks are **weak and lack bearish strength**.



How No Displacement Functions in Bullish Trades

No Displacement Example in Downtrend

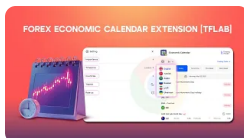
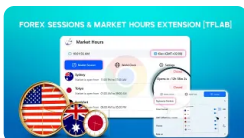
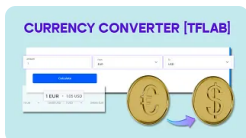
To trade with this setup in an **Downtrend**, the following is used:

- ⚡ Price **breaks a high**, but **no strong bullish candles**
- ⚡ Price **quickly retraces**, indicating **weak buying pressure**



How No Displacement Functions in Bearish Trades

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Conclusion

The **No Displacement Model** in **ICT trading** highlights **market weakness in trend continuation**.

When price breaks a key level but fails to show strong momentum, the probability of **reversal increases**. [Trading tools](#)

Failed breakouts under such conditions provide **ideal reversal trade opportunities**. Combining this pattern with **risk management strategies** and **multi-timeframe analysis** enhances trade accuracy.

FAQs

What does Weakness in Movement mean? ∨

Weakness in movement refers to a situation where price breaks a key level (such as a high or low) but quickly retraces to the previous range instead of continuing aggressively in the breakout direction. ∨

In **uptrends**, No Displacement on **low breakouts** suggests **buying opportunities**

In **downtrends**, No Displacement on **high breakouts** often provides **selling opportunities** ∨

What is the difference between Displacement and No Displacement?

Displacement shows strong price movement with **large candles closing near the high or low**, indicating **trend continuation**

What is the best timeframe for analyzing No Displacement? ∨

No Displacement suggests **market weakness**, where price quickly **retraces to the previous range**, increasing the probability of **reversal** **all timeframes**. However:

· **Lower timeframes** offer more **precise entry points** ∨

· **Higher timeframes** help **confirm the pattern**

Yes. Tools such as **Volume indicators** and **RSI** helps to confirm market weakness and potential trend reversals. ∨

How to improve trading performance using No Displacement? [Trading tools](#) ∨

Combine the No Displacement Model with **risk management strategies**, **liquidity analysis**, and **multi-timeframe confirmation** to optimize trade entries and exits, increasing the probability of success.



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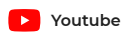
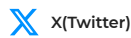


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