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# ICT Trading Style Abbreviations and Terminologies [FVGs, OBs, PO3 & MMXM]

Categories: Forex Education ICT (Inner Circle Trader) Education

Article Level: Intermediate



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Modified: Mar 9, 2025



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The **Inner Circle Trader (ICT)** trading style is based on **precise market structure analysis** and the **trading behavior of major financial institutions**.



### ICT Trading Style Abbreviations and Terminologies

This approach helps traders **identify Smart Money movements** and align their strategies accordingly.

The ICT **terminology** encompasses a wide range of concepts, including **Order Blocks (OB)**, **Fair Value Gaps (FVG)**, and **Market Structure Shifts (MSS)**.

## What is the ICT Trading Style?

Michael Huddleston developed the **ICT (Inner Circle Trader) trading style**. It revolves around **market structure analysis, liquidity concepts, and the trading behavior of large financial institutions** such as **banks and hedge funds**.

The primary objective is to **track and align with Smart Money movements**. ICT traders use **market structure, Break of Structure (BOS), Order Blocks (OB), and Fair Value Gaps (FVG)** to identify **optimal entry and exit points**.

## Five Key ICT Terms

This section introduces **five essential ICT terms** which form the foundation of this trading methodology:

1. **Fair Value Gap (FVG)**: Price gap between the **first and third candles** in a three-candle formation, where the price has not yet been retracted.



Bullish & Bearish Fair Value Gaps (FVG) – A core concept in ICT trading

2. **Market Structure Shift (MSS)**: Shift in **ICT market structure**, indicating a **trend change**, whether short-term or long-term.

3. **Power of Three (PO3)**: Fundamental ICT concept that describes how price is delivered throughout the day, consisting of **Accumulation, Manipulation, and Distribution**.

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4. **Order Block (OB)**: **Smart Money zone** where **institutional orders** are placed for **entry or exit**.

**5. Optimal Trade Entry (OTE):** Refined ICT **trade entry model** based on **Fibonacci retracements** and **market trends**.

## Market Structure Terminologies in ICT

This section includes **terminologies related to market structure**, which help traders **identify trends and key market shifts**.

- ⚡ **Break of Structure (BOS):** **Key level breakout**, signaling a potential trend shift.
- ⚡ **Break of Market Structure (BMS):** **Market structure change**, indicating a **trend reversal**.
- ⚡ **Market Structure Shift (MSS):** Short or long-term directional trend shift.



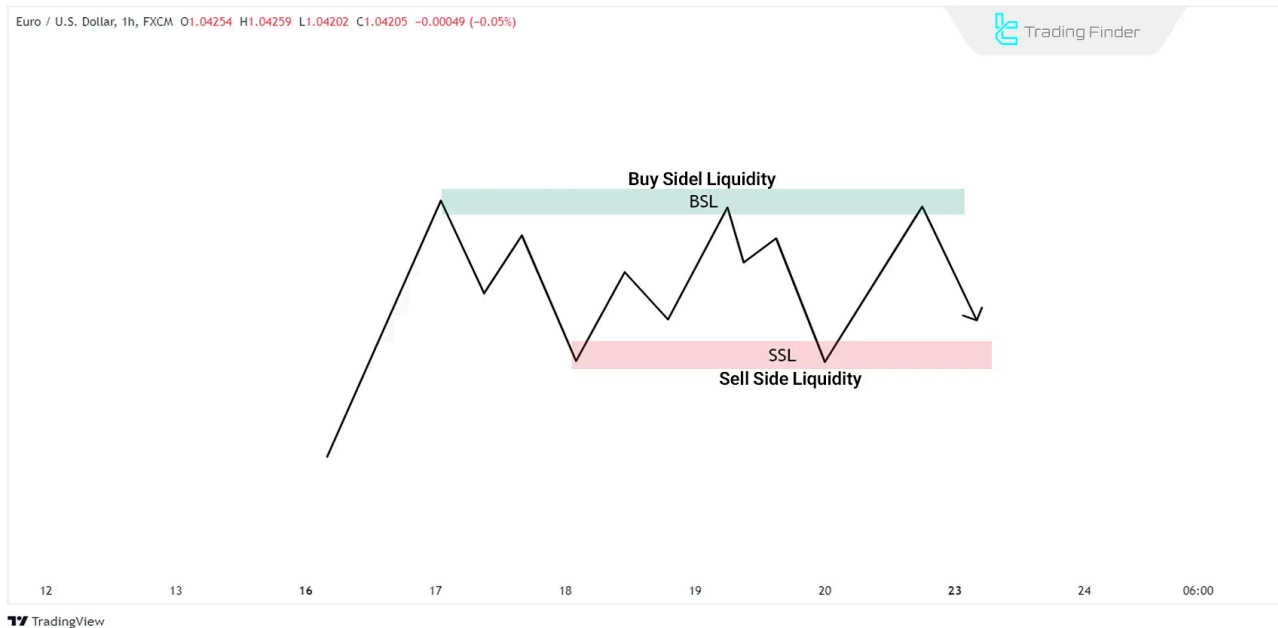
MSS (Market Structure Shift) identified on the EUR/USD chart

- ⚡ **Change in State of Delivery (CSID/CSD):** Shift in **price delivery mechanics** dictated by the market algorithm.
- ⚡ **Consequent Encroachment (CE):** Price entry into a **previously untraded area**.
- ⚡ **Change of Character (CHoCH):** **Sudden shift in market direction**, signaling **trend weakness or potential reversal**.

## Liquidity and Imbalance Terminologies in ICT

These terms focus on **liquidity imbalances** and **market inefficiencies**, highlighting **high-order flow zones** and **trading opportunities**.

- ⚡ **Fair Value Gap (FVG): Three-candle price gap** where the price **has not yet returned**.
- ⚡ **Inversion Fair Value Gap (IFVG): Fast-moving price zone** that **has not been revisited**, moving in the **opposite direction**.
- ⚡ **Fair Value for Buying (FVFB): Discounted price gap**, offering an **attractive buy opportunity**.
- ⚡ **Fair Value for Selling (FVFS): Premium price gap** presenting an **optimal selling opportunity**.
- ⚡ **Breakaway Gap: Gap formed at a key breakout level**, indicating **market structure changes**.
- ⚡ **Premium & Discount Array (PD Array):** This is a **price model** using **Fibonacci retracements**, categorizing prices as **Premium (above 50%)** or **Discount (below 50%)**.
- ⚡ **Equilibrium (EQ):** The **50% retracement level**, where buying and selling pressures **balance**.
- ⚡ **Liquidity (LQ):** The **ease of converting an asset or security into cash** without **significantly affecting its price**.
- ⚡ **Liquidity Void (LV):** **Chart area where no trades have been executed**, creating a **price vacuum**.
- ⚡ **Buy-Side Liquidity (BSL):** **Buy orders** available in the market.
- ⚡ **Sell-Side Liquidity (SSL):** **Sell orders** available in the market.



Buy-Side Liquidity (BSL) & Sell-Side Liquidity (SSL) in ICT trading

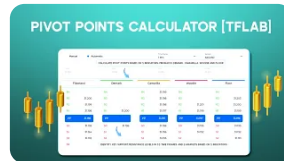
- ⚡ **External Range Liquidity (ERL):** Liquidity present **outside the current price range**.

- ⚡ **Internal Range Liquidity (IRL):** Liquidity present **within the current price range**.
- ⚡ **Liquidity Pool (LP):** Zone with a **high concentration of buy or sell orders**, including **stop-loss orders**.
- ⚡ **Draw on Liquidity (DOL):** Price movement **toward high-liquidity zones**.
- ⚡ **First Point of Liquidity (FPOL):** The **first liquidity level** reflecting market activity, often used as a **potential entry or exit point**.

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## Key ICT Price Zones & Blocks

This section explains **critical price zones and order blocks**, which traders use to **define high-probability trade areas**.

- ⚡ **Order Block (OB):** A **Smart Money zone** where **large orders** are placed.
- ⚡ **Bearish Order Block (OB-):** **Order block** confirming a **downtrend**.

### ⚡ **Bullish Order Block (OB+):** Order block supporting an **uptrend**.



### Bearish & Bullish Order Blocks (OB) in ICT trading

- ⚡ **Mitigation Block (MB):** Risk-reduction block where **Smart Money** hedges trade.
- ⚡ **Bullish Mitigation Block (MB+):** Mitigation block operating in an **uptrend**.
- ⚡ **Bearish Mitigation Block (MB-):** Mitigation block operating in a **downtrend**.
- ⚡ **Breaker Block (BB):** Former **order block**, now acting as **support or resistance**.
- ⚡ **Bullish Breaker Block (BRK+):** Breaker block confirming **bullish momentum**.
- ⚡ **Bearish Breaker Block (BRK-):** Breaker block confirming **bearish momentum**.
- ⚡ **Rejection Block (RB):** Failed price zone leading to **trend reversals**.
- ⚡ **Vacuum Block (VB):** Zone with **no executed trades**, where price moves rapidly.
- ⚡ **Reclaimed Order Block (ROB):** Order block that price revisits and reactivates.
- ⚡ **Propulsion Block (PB):** Block that drives **aggressive price movement** in a specific direction.
- ⚡ **Mean Threshold (MT):** The **midpoint of an order block**, acting as a **retacement level**.
- ⚡ **Return to Order Block (RTO):** When **the price returns to an order block**.
- ⚡ **Return to Breaker (RTB):** When **the price revisits a breaker block**.
- ⚡ **Point of Interest (POI):** **Key zone** where traders focus on **potential price reactions**.

## ICT Timeframe and Session Terminologies

This category includes **terms related to different timeframes and trading sessions** in ICT methodology, enhancing precision in analysis.



ICT Trading Timeframes and Key Market Sessions

- ⚡ **Higher Time Frame (HTF): Longer-term timeframe** used for market analysis.
- ⚡ **Lower Time Frame (LTF): Short-term timeframe** for detailed market entries and precision analysis.
- ⚡ **High of Day (HOD): Highest price reached** during the current trading session.
- ⚡ **Low of Day (LOD): Lowest price reached** during the current trading session.
- ⚡ **Previous Day Low (PDL): Lowest price recorded on the previous trading day.**
- ⚡ **Previous Day High (PDH): Highest price recorded on the previous trading day.**
- ⚡ **Previous Session High (PSH): Highest price reached in the previous trading session.**
- ⚡ **Previous Session Low (PSL): Lowest price reached in the previous trading session.**
- ⚡ **Previous Week High (PWH): Highest price recorded during the previous week.**
- ⚡ **Previous Week Low (PWL): Lowest price recorded during the previous week.**
- ⚡ **Previous Month High (PMH): Highest price recorded in the previous month.**
- ⚡ **Previous Month Low (PML): Lowest price recorded in the previous month.**
- ⚡ **True Day Close (TDC): The market closing price at 17:00 New York time.**
- ⚡ **True Day Open (TDO): The market opening price at 00:00 New York time.**

- ⚡ **New Day Opening Gap (NDOG):** Price gap formed at the beginning of a new trading day.
- ⚡ **New Week Opening Gap (NWOOG):** Price gap appears at the start of a new trading week.

## ICT Trading Sessions

- ⚡ **Asian Session (Asian Session):** Trading hours are from 19:00 to 03:00 New York time.
- ⚡ **Asian Kill Zone (A-KZ):** High-liquidity window within the Asian session between 20:00 and 22:00 New York time.
- ⚡ **Asian Range (Asian Range):** Price range formed during the Asian session.
- ⚡ **London Open (LO):** London trading session opens from 02:00 to 05:00 New York time.
- ⚡ **London Close (LC):** London session closes from 08:00 to 11:00 New York time.
- ⚡ **London Open Kill Zone (LO-KZ):** High-liquidity period from 02:00 to 05:00 New York time.
- ⚡ **London Close Kill Zone (LC-KZ):** High-impact trading period from 09:00 to 11:00 New York time.
- ⚡ **New York Open (NYO):** New York session opens from 08:00 to 11:00 New York time.
- ⚡ **New York Open Kill Zone (NYO-KZ):** High-liquidity period that occurs from 07:00 to 09:00 New York time.
- ⚡ **ICT Macro Times (ICT Macro Times):** Key time-based pivots monitored by the market algorithm for trade execution.

## ICT Price Level Terminologies

This section includes **key price level terms**, helping traders **identify crucial support** and **resistance areas**.



### Short- and Mid-Term Highs/Lows – Key ICT Price Level Terms

- ⚡ **All-Time High (ATH):** Asset's **highest price ever recorded**.
- ⚡ **All-Time Low (ATL):** **Lowest price ever recorded for an asset**.
- ⚡ **Higher Low (HL):** **Newly formed higher low in an uptrend**.
- ⚡ **Higher High (HH):** **Newly formed higher high in an uptrend**.
- ⚡ **Lower Low (LL):** **Newly formed lower low in a downtrend**.
- ⚡ **Lower High (LH):** **Newly formed lower high in a downtrend**.
- ⚡ **Short-Term High (STH):** The **highest point within a short timeframe**.
- ⚡ **Intermediate-Term High (ITH):** **Highest point within a medium timeframe**.
- ⚡ **Long-Term High (LTH):** **Highest point within a long timeframe**.
- ⚡ **Short-Term Low (STL):** **Lowest point within a short timeframe**.
- ⚡ **Intermediate-Term Low (ITL):** **Lowest point within a medium timeframe**.
- ⚡ **Long-Term Low (LTL):** **Lowest point within a long timeframe**.
- ⚡ **Equal Highs (EQH):** **Price formation where two or more highs align at the same level.**
- ⚡ **Equal Lows (EQL):** **Price formation where two or more lows align at the same level.**
- ⚡ **Support & Resistance (S/R):** **Key price levels** where the price tends to **reverse or breakthrough**.
- ⚡ **Key Support & Resistance Levels:** **Major price levels** prevent **further price drops or surges**.

- ⚡ **Range Contraction:** Period of **low volatility**, where price **consolidates within a narrow range**.
- ⚡ **Range Expansion:** Period of **high volatility**, where price **moves powerfully in one direction**.

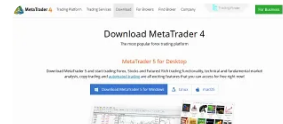
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## ICT Strategies & Trading Models

This section covers **ICT trading strategies and models**, which traders use to refine their **entry, exit, and market execution techniques**.

- ⚡ **Accumulation, Manipulation, Distribution (AMD): Three-phase model** Smart Money uses to control price movements.
- ⚡ **Power of Three (PO3):** Trading concept describing how price **progresses through Accumulation, Manipulation, and Distribution** during a session.
- ⚡ **Buy-Side Imbalance Sell-Side Inefficiency (BISI):** Market condition where **buy orders dominate sell orders**, creating an imbalance.
- ⚡ **Sell-Side Imbalance Buy-Side Inefficiency (SIBI):** Market condition where **sell orders exceed buy orders**, leading to inefficiency.
- ⚡ **Balanced Price Range (BPR):** Zone where the price reaches equilibrium after an extended move.
- ⚡ **Liquidity Inducement (IDM):** When **Smart Money deliberately moves prices to trick retail traders** into entering poor positions.
- ⚡ **Institutional Order Flow (IOF):** Large financial institutions executing major orders that influence liquidity.

⚡ **Institutional Order Flow Entry Drill (IOFED): Practice method for trading ICT concepts**, focusing on institutional order flow.

⚡ **Interbank Price Delivery Algorithm (IPDA): System banks use to manage price movement and liquidity distribution.**

⚡ **Smart Money Technique (SMT): Methods used by institutions to manipulate price and market flow.**

⚡ **Smart Money Divergence (SMT Divergence - SMT Div): Divergence pattern created by Smart Money** indicates price manipulation.

⚡ **Market Maker Profile (MMP): Trading profile tracking market makers' behavior.**

⚡ **Market Maker Buy Model (MMBM): Model representing Smart Money accumulation** before a bullish move.

⚡ **Market Maker Sell Model (MMSM): Model showing Smart Money distribution** before a bearish move.

⚡ **Market Maker Sell/Buy Model (MMXM): Combined strategy of Smart Money accumulation and distribution cycles.**

⚡ **One Shot One Kill (OSOK): Precision-based trade execution method** for high-probability setups.

⚡ **Thanks God It's Friday (TGIF)** is a **Friday-specific trading model** that reflects price behaviors unique to weekly closes.

⚡ **Judas Swing: Fake price breakout** that traps **retail traders and hunts stop-losses.**

⚡ **Turtle Soup (TS): Trading strategy capitalizing on market reversals** from key levels.

⚡ **Turtle Soup Buy Model (TSBM): Bullish version of the Turtle Soup setup.**

⚡ **Turtle Soup Sell Model (TSSM): Bearish version of the Turtle Soup setup.**

⚡ **Silver Bullet: High-probability trade signal or pattern** often used for optimal trade entries.

⚡ **ICT Unicorn: Rare but highly profitable trading event** offering exceptional trade opportunities.

## Other General ICT Terminologies

This section contains **general terms in ICT trading**, encompassing technical and fundamental analysis, risk management, and trade execution.

- ⚡ **Technical Analysis (TA):** Study of **price movements, chart patterns, and indicators** to forecast price action.
- ⚡ **Fundamental Analysis (FA):** Examining **economic factors, financial reports, and macroeconomic data** to assess an asset's value.
- ⚡ **Price Action (PA):** **Market movement analysis** based on price structure **without using indicators**.
- ⚡ **Stop-loss (SL):** **Predetermined price level** where a trade is automatically exited to **limit losses**.
- ⚡ **Take Profit (TP):** **Target price level** where a trade is exited to **secure profits**.
- ⚡ **Breakeven (BE):** The price level where **gains and losses in a trade are equal**, ensuring no net profit or loss.
- ⚡ **Risk-to-Reward Ratio (RR):** Comparison of **potential loss (risk) to expected gain (reward) in a trade**.
- ⚡ **Stop Hunt (SH):** **Market move designed to trigger stop-loss orders**, often used by institutions to **accumulate liquidity**.
- ⚡ **Drawdown (DD):** The **percentage decrease in account balance** due to consecutive losses.
- ⚡ **Dealing Range (DR):** **Specific price range where market movement is confined**.
- ⚡ **Average Daily Range (ADR):** Asset's **average price movement range** in a single trading day.
- ⚡ **Average True Range (ATR):** Measure of **market volatility**, accounting for price gaps and extreme movements.
- ⚡ **Commitment of Traders Report (COT):** **Report that details institutional trading positions**, offering insights into market sentiment.

## Conclusion

Michael Huddleston developed the **ICT (Inner Circle Trader) trading methodology** based on **market structure analysis and Smart Money behavior**.

ICT helps traders **identify institutional liquidity movements** and align their trades accordingly. Key ICT concepts include **Order Blocks (OB), Fair Value Gaps (FVG), Market Structure Shifts (MSS), and liquidity patterns**.

## FAQs

What is ICT Trading Style? ∨

The **ICT (Inner Circle Trader) method** is a trading approach based on **market structure, liquidity analysis, and institutional behavior tracking**.  
What are the core ICT trading concepts? ∨

Core ICT concepts include **Order Blocks (OB), Fair Value Gaps (FVG), Market Structure Shifts (MSS), and Smart Money liquidity movements**.  
How can traders apply ICT strategies? ∨

Traders use **market structure, Break of Structure (BOS), Order Blocks (OB), and Fair Value Gaps (FVG)** to identify **optimal trade entries and exits**.  
What is liquidity and imbalance in ICT? ∨

Liquidity refers to **market areas where significant buy/sell orders are present**, while **imbalances represent inefficient price movements** that Smart Money exploits.

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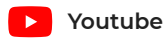
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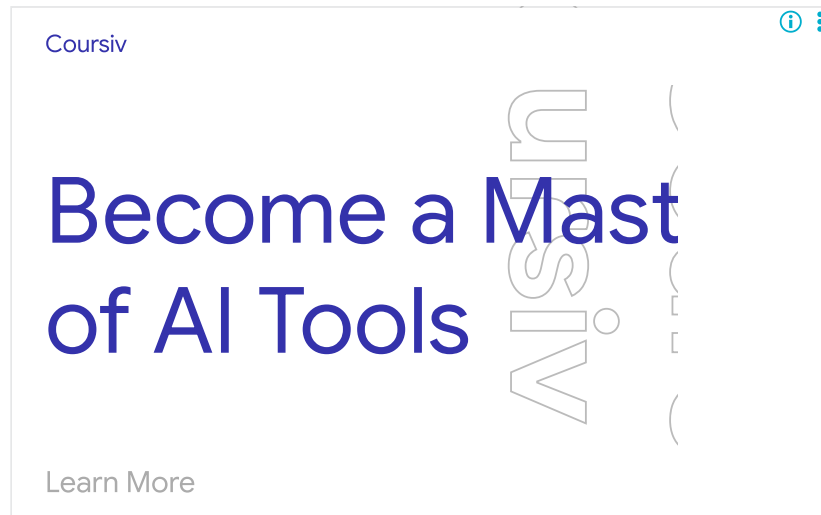
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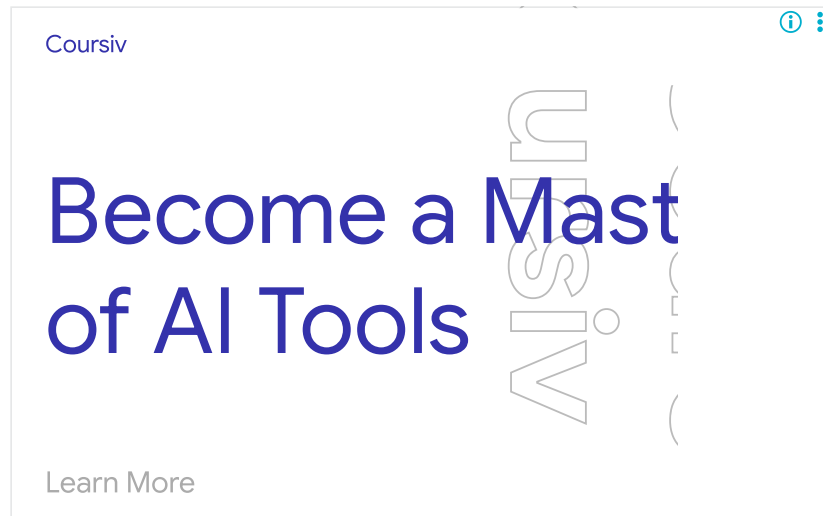
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