



Reversal Sequence Strategy: Entering Trades with ICT Concepts [FVG, BB, OB]

Categories: Forex Education ICT (Inner Circle Trader) Education

Article Level: Advanced

Writer: Arjun Mandal | Reviewer: Eda Kaya | Fact checker: Ram Nisha | Modified: Apr 22, 2025

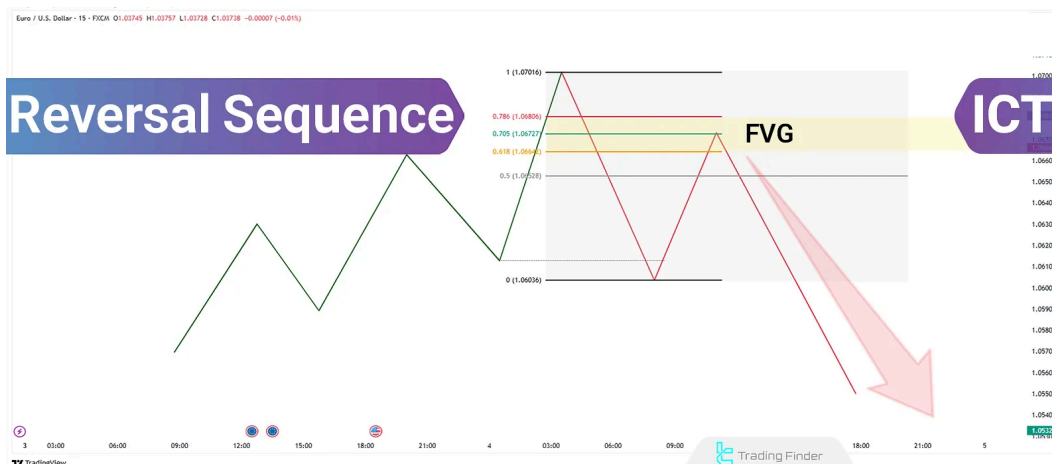
Comments: 0

Views: 428

7 Min



The **Reversal Sequence Strategy** is a method based on the **ICT trading style**. It aims to enter trades **before the main market movement** begins. This strategy is applicable across **all markets, including Forex Market, cryptocurrencies, and indices**, and it can be used in all **Kill Zones** to identify entry points.



In the Reversal Sequence trading method, BOS and MSS are not required for trade entries

What is the Reversal Sequence Setup?

The Reversal Sequence Strategy is a method for entering trades without a **Market Structure Shift (MSS)** or **Break of Structure (BOS)**.

This strategy focuses on **liquidity at key highs and lows**, **Fair Value Gaps (FVG)**, **Order Blocks**, and **OTE Levels**.



By
re
K

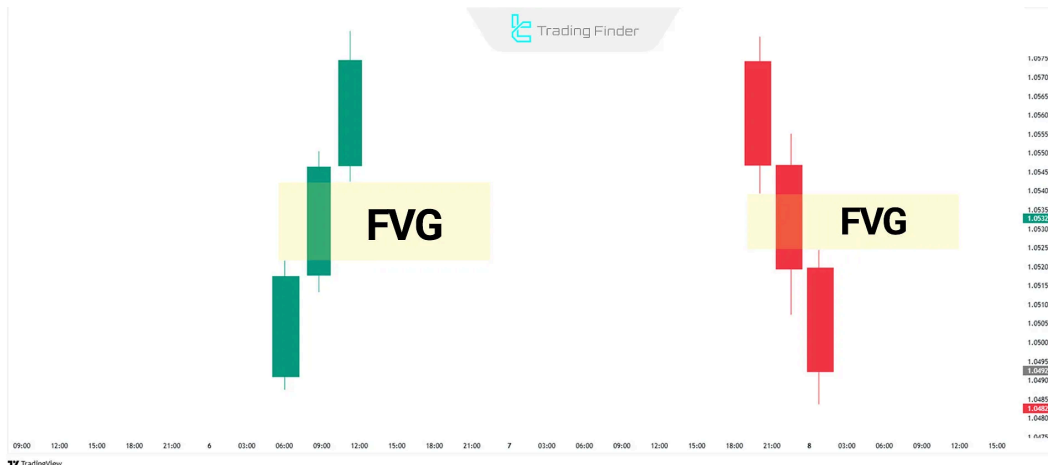
When entering trades without a market structure shift or break, focusing on **Higher Time Frame (HTF)** areas is essential, as price reversals often occur from these zones. The following concepts are crucial for trading in these areas:

Identifying Key Highs or Lows

To execute the **Reversal Sequence** Strategy, first, wait for the price to reach a key **high or low** in the **higher time frame**, as this **movement** usually occurs rapidly. You can pinpoint significant highs or lows by identifying and **marking** these areas.

Fair Value Gap (FVG)

A **Fair Value Gap** is a three-candle pattern where the third candle does not overlap with the first. **This strategy** uses this area as a critical zone for trade entries.



Fair Value Gap in the Reversal Sequence Strategy in ICT Style

Price Inversion

Price Inversion occurs when a Fair Value Gap closes and acts as a support or resistance level. This concept is **typically** used to confirm **price reversals**.

Order Block

Order Blocks are significant areas where banks and financial institutions place large orders. In the **Reversal Sequence** Strategy, these levels often act as price **reversal points**, providing excellent opportunities for trade entries.



Formation of Order Blocks in the Reversal Sequence Strategy in ICT Style

Breaker Block

A **Breaker Block** is similar to an Order Block, but in this pattern, the price first makes a new **high or low** and then **reverses**. These areas are often suitable for trade entries.

OTE Levels

OTE Levels are determined using Fibonacci retracement. In the Reversal Sequence Strategy, traders look to re-enter the main trend. The 70.5% Fibonacci level is one of the most important levels in this method.

Stages of Price Reversal Formation in the Reversal Sequence Strategy

Price reversals typically form in several stages, each providing further confirmation for trade entries. These stages include:

#1 Liquidity and Stop Hunts

In this stage, the **market breaks** a significant high or low, triggering stop orders, and quick reverses. This movement is **designed** to absorb new orders and create conditions for a trend reversal called a **Liquidity Sweep**.

#2 Use of Premium and Discount Zones

In the Reversal Sequence Strategy, the price moves from **Premium (overbought)** to **Discount (oversold)** zones and vice versa.

Premium and Discount zones are determined using Fibonacci retracement and can be used alongside confirmations like FVG and Order Blocks for trade entries.

#3 Price Inversion and Closing of Fair Value Gap (FVG)

After absorbing liquidity, the **market returns** to the breakout zone and fills the Fair Value Gap (FVG). If the price stabilizes in this area, it can be considered as a sign of a **trend reversal**, acting as **new support** or **resistance**.

#4 Change in the State of Delivery (CISD)

In the **Change in the State of Delivery (CISD)** stage, a strong candle breaks the previous structure, and the price stabilizes above it, confirming new orders and the start of a fresh trend.

#5 Formation of Breaker Block or Final Confirmation via FVG

If a **Breaker Block** forms or a new Fair Value Gap (FVG) is filled, the final confirmation of a price reversal is achieved.

Bullish Trade in Reversal Sequence Setup

According to the chart of the USD/JPY pair in the 5-minute timeframe, the price hits a significant zone in **higher time frames** and absorbs liquidity.

After forming an **Order Block** and a **Change in Character of Delivery (CISD)**, the trader should wait for the price to return to the Order Block. Upon price interaction with this level and **receiving** confirmation, a **BUY** trade can be entered using **OTE zones**.

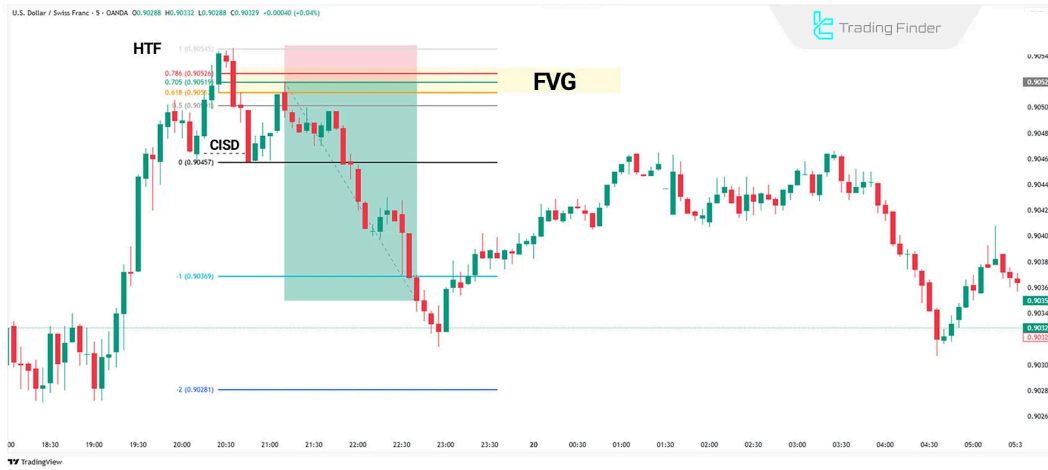


Buying Opportunity Using the Reversal Sequence Strategy in ICT Style

Bearish Trade in Reversal Sequence Setup

In the USD/CHF chart, the price reaches a **key zone** in **higher time frames**, triggers pending orders, and begins absorbing sell orders.

After forming a **bearish FVG** and a **Change in Character of Delivery (CISD)**, wait for the price to return to this zone. Upon confirmation of a reversal from the **FVG** and analysis of **OTE zones**, a **SELL** trade can be initiated.



Selling Opportunity Using the Reversal Sequence Strategy in ICT Style

Conclusion

The **Reversal Sequence Strategy** in the ICT style is a method for entering trades without requiring a Market Structure Shift (MSS) or Break of Structure (BOS).

This strategy focuses on **liquidity**, **Fair Value Gap (FVG)**, **Order Blocks**, **Breaker Blocks**, and **OTE Levels** to provide better risk-to-reward entry points.

FAQs

What is the Reversal Sequence Strategy? ▼

It is an ICT trading method that helps traders enter the market before the main trend movement begins.

What are the key concepts needed for the Reversal Sequence Strategy? ▼

Key concepts include **Fair Value Gap (FVG)**, **Order Blocks**, **Breaker Blocks**, and **OTE Levels**, which are used to identify entry and exit points.

How can key highs or lows be identified? ▼

To apply the Reversal Sequence Strategy, wait for the price to reach key zones on higher time frames, as these movements are often quick. By identifying and marking these areas, key highs or lows can be pinpointed.

What is a Fair Value Gap (FVG)?

A Fair Value Gap is a three-candle pattern where the third candle does not overlap with the first.

These gaps are considered critical zones for trade entries.



5 From 5.0

(1)

Rate this post





Table Of Content



What is the Reversal Sequence Setup?

Key Concepts to use the Reversal Sequence Strategy



Stages of Price Reversal Formation in the Reversal Sequence Strategy



Bullish Trade in Reversal Sequence Setup

Bearish Trade in Reversal Sequence Setup

Conclusion

Top Posts



What is an ICT Order Block and How to Trade It?

Ram Nisha | Dec 23, 2024

7,991 Views



Turtle Soup Strategy from ICT Style

Arjun Mandal | Dec 23, 2024

7,606 Views

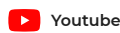
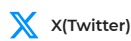


Break of Structure (BOS) on ICT

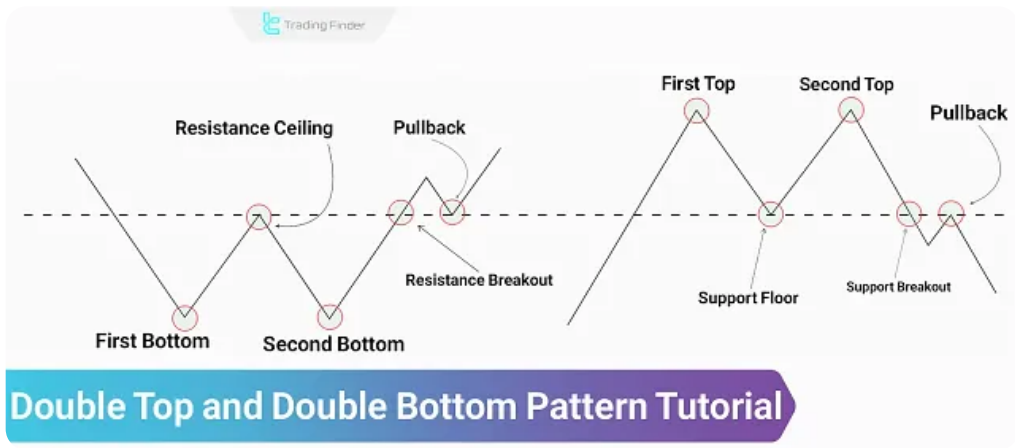
Eda Kaya | Dec 22, 2024

7,592 Views

Our Social Media



Latest Articles

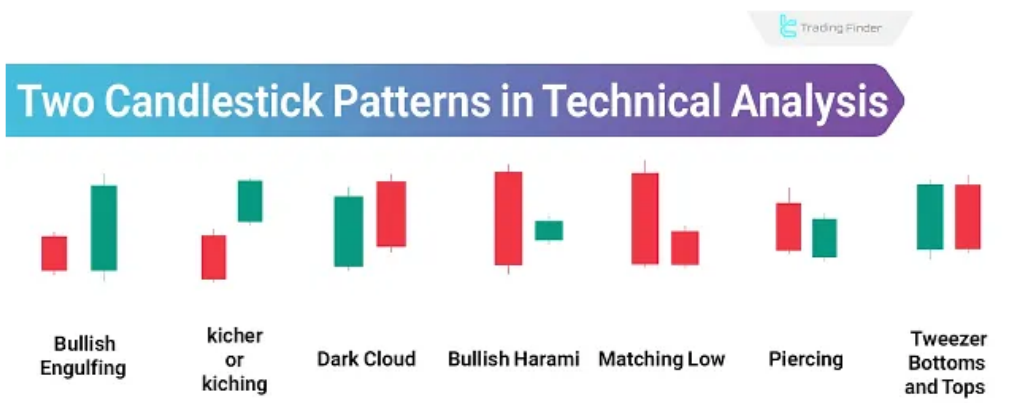


Double Top and Double Bottom Pattern Tutorial

Double Top and Double Bottom – Classic Reversal Pattern

Forex Education

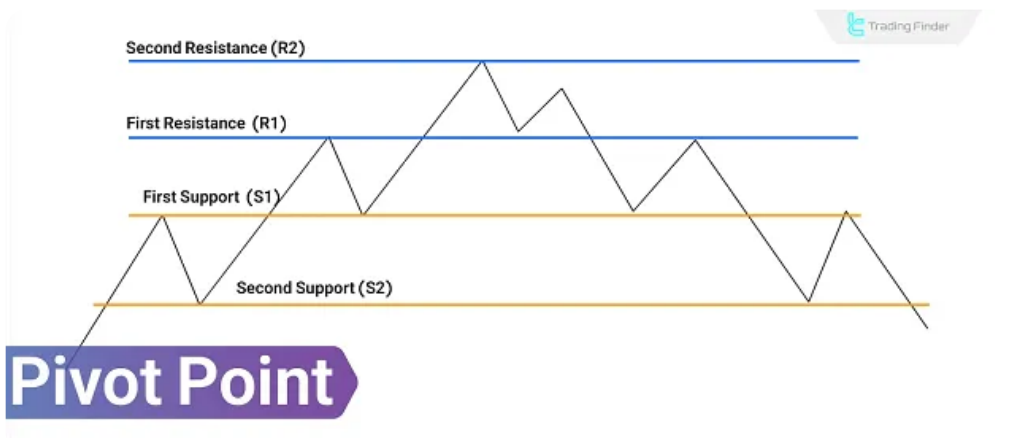
Ram Nisha | Jun 24, 2025



Dual Candlestick Patterns in Technical Analysis [Kicking, Harami, and Piercing]

Forex Education

Arjun Mandal | Jun 23, 2025



Pivot Point in Technical Analysis: Entry, Exit, Stop-Loss, and Price Targets

Forex Education

Davit Kvaratskhelia | Jun 22, 2025



Complete training in financial markets such as "Forex," "Stock Market," and "Cryptocurrencies" only becomes comprehensive with tested trading tools and strategies. "Trading Finder," with its experience, aids traders and investors in gaining a correct understanding and deep learning. The training programs are designed based on tools for traders of all levels, from "beginner to advanced."



 English (EN)
▼

About Us

Our Team

Advertisement

Indicators & Oscillators

Trading Tools

Contact Us

Jobs

Affiliates

Products

Trading Tools

Forex Methodology

Report a Bug

Our Scores

Financial Market Education

Risk Disclosure:

Participating in financial markets involves high risk, which can result in the loss of part or all of your investment. There are no

[Show More](#) ▼

Disclaimer:

[TradingFinder.com] assumes no responsibility for any potential losses or damages. All decisions are the sole responsibility of

[Show More](#) ▼

Disclosure of revenues and advertisements:

The "TradingFinder" platform offers various services, some of which, like introductions, are free, while others, such as our

[Show More](#) 

[Privacy Policy](#)

[Risk Warning](#)

[Cookies Policy](#)

[Copyright and Idea Submissions](#)

[Terms and Conditions Agreement](#)

© 2025 TradingFinder, Inc. All rights reserved.