

Become a Master of AI Tools

Upgrade your career with in-demand AI skills

Coursiv

Learn More

TradingFinder > Education > Forex Education > Learn IRL & ERL in ICT; Internal and External Ran...

Learn IRL & ERL in ICT; Internal and External Range Liquidity

Categories: Forex Education ICT (Inner Circle Trader) Education Smart Money Education

Article Level: Expert



Writer: Arjun Mandal



Reviewer: Davit Kvaratskhelia



Fact checker: Nino Gogochashvili

Modified: May 6, 2025

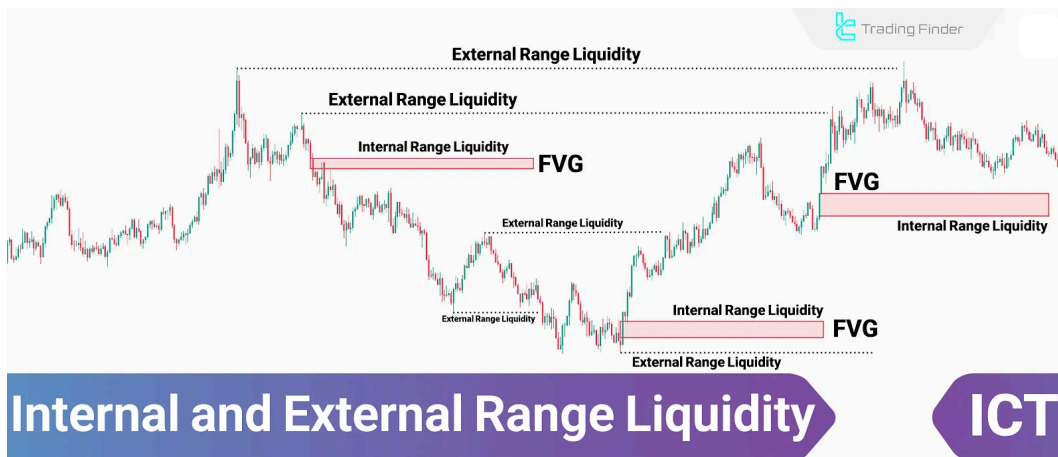
Comments: 0

Views: 621

5 Min

In the **ICT Style**, price movement in financial markets is shaped solely towards **liquidity**; In this context, liquidity is divided into two categories of **Internal Range Liquidity (IRL)** and **External Range Liquidity (ERL)**.

Internal Range Liquidity (IRL) refers to **Fair Value Gaps (FVGs)** within a **range**, while External Range Liquidity (ERL) refers to **Old Highs** and **Old Lows**.



An overview of ICT Internal and External Range Liquidity, showing some examples of these concepts on the chart

How Does Price Move According to ICT?

According to this style, prices in financial markets move solely to gather **liquidity** and adjust **imbalance zones** such as **Fair Value Gaps (FVGs)**.

The creator of the **ICT style** views the market as moving **algorithmically**, driven toward areas of liquidity regardless of **patterns** or **analyses** from other technical styles.

What is a Dealing Range in ICT?

This concept refers to the space between a **Swing High** and a **Swing Low**, forming a price movement step.

Within this range, various levels and areas exist, including **Fair Value Gaps (FVGs)**, **Order Blocks**, and **liquidity levels** related to short-term **high**s and **low**s.



A schematic of a Dealing Range showing Internal Range Liquidity (IRL) and External Range Liquidity (ERL)

What Are Internal and External Range Liquidity?

Internal range liquidity represents trapped orders within a **swing**, while external range liquidity targets **breakout** traders and **stop hunts**.

Internal Range Liquidity (IRL)

Internal Range Liquidity (IRL) refers to **Fair Value Gaps (FVGs)** formed within a **price range**, where each gap represents an imbalance and a liquidity target that attracts market movement.

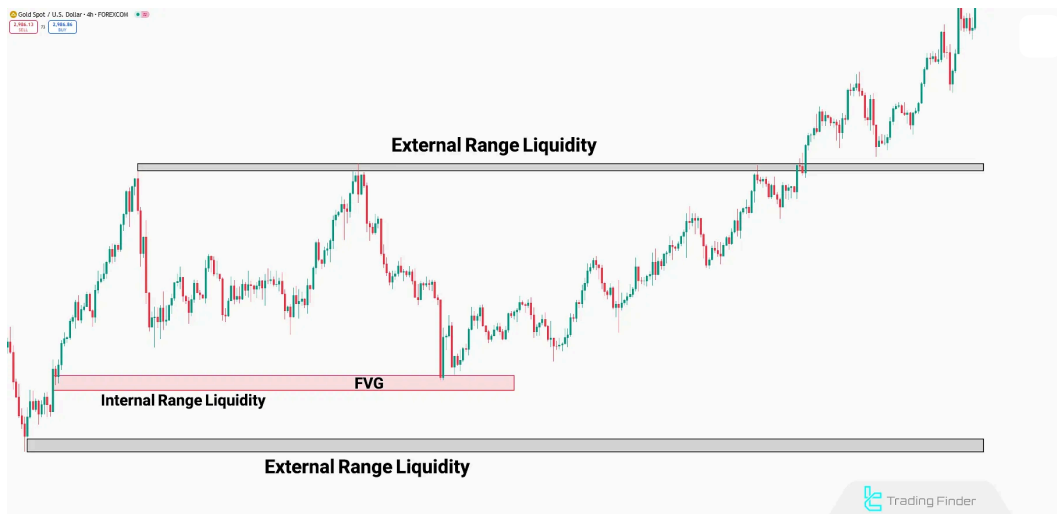


Internal Range Liquidity (IRL) or Fair Value Gaps (FVG), with four examples identified in a price movement step

External Range Liquidity (ERL)

External Range Liquidity (ERL) refers to the levels above **Old Highs** and below **Old Lows**; Retail traders perceive these levels as **resistance or support** due to the high concentration of **stop orders**.

This liquidity attracts the market, making these areas prime targets for **stop hunts**.



External Range Liquidity (ERL) or Old Highs and Lows, with two examples marked in a price movement step

How Does Price Move Towards Liquidity?

In ICT analysis, price movement in the market is algorithmically drawn towards liquidity. When the market reaches an **Internal Range Liquidity (IRL)**, it will be drawn towards an **External Range Liquidity (ERL)**. Conversely, after reaching an **External Range Liquidity (ERL)**, the market is drawn back towards an **Internal Range Liquidity (IRL)**. This cycle occurs constantly.

What Are the Applications of Internal (IRL) and External (ERL) Liquidity Concepts?

By applying IRL and ERL effectively, traders can refine their approach to **Identifying Daily Bias** while ensuring **Precise and Optimized Trading**, aligning their entries with liquidity cycles and

institutional **order flow**.

Identifying Daily Bias

Traders can determine the overall **market direction** and **daily bias** by using internal and external liquidity concepts in higher timeframes such as **monthly**, **weekly**, and **daily** charts.

Precise and Optimized Trading

Applying this concept in timeframes lower than 4 hours helps traders accurately identify optimal areas to enter trades. Additionally, stop loss and take profit levels can be set more precisely using these concepts.

Conclusion

The concepts of **Internal Range Liquidity (IRL)** and **External Range Liquidity (ERL)** in ICT style refer to **Fair Value Gaps (FVGs)** and **Old Highs** and **Lows** that act as liquidity-attracting zones.

In this approach, price moves **algorithmically** to collect **liquidity** and **fill gaps** between IRL and ERL. The continuous interaction between these liquidity ranges forms the foundation of this analysis, guiding market direction and enabling precise **entry** and **exit** points in trades.

FAQs

Why does the price moves towards liquidity in ICT? ▼

This style moves to collect orders and adjust imbalance zones, such as Fair Value Gaps (FVG).

What is Internal Range Liquidity (IRL)? ▼

It refers to areas within a price range containing Fair Value Gaps, which the market tends to fill.

What is External Range Liquidity (ERL)? ▼

This liquidity refers to levels at Old Highs and Old Lows, which are usually areas where retail traders place stop orders.

How is a Dealing Range defined in ICT? ▼

It refers to the distance between a Swing High and a Swing Low, forming a specific price movement.



5 From 5.0

(1)

Date this post

Table Of Content

How Does Price Move According to ICT?

What is a Dealing Range in ICT?

What Are Internal and External Range Liquidity? ▼

Internal Range Liquidity (IRL)

External Range Liquidity (ERL)

How Does Price Move Towards Liquidity?

What Are the Applications of Internal (IRL) and External (ERL) Liquidity Concepts?



Conclusion

Top Posts



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

Ram Nisha | Dec 23, 2024

8,024 Views



Break of Structure (BOS) on ICT

Eda Kaya | Dec 22, 2024

7,618 Views

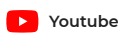
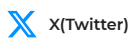


Turtle Soup Strategy from ICT Style

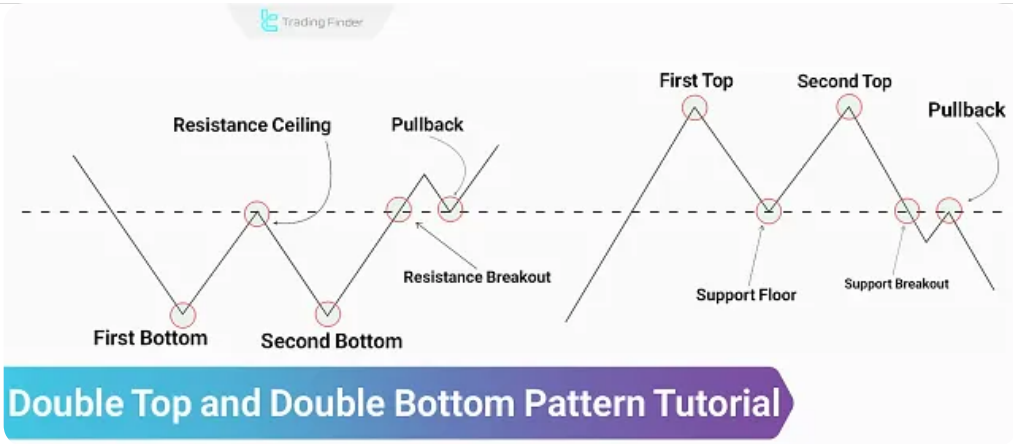
Arjun Mandal | Dec 23, 2024

7,628 Views

Our Social Media



Latest Articles

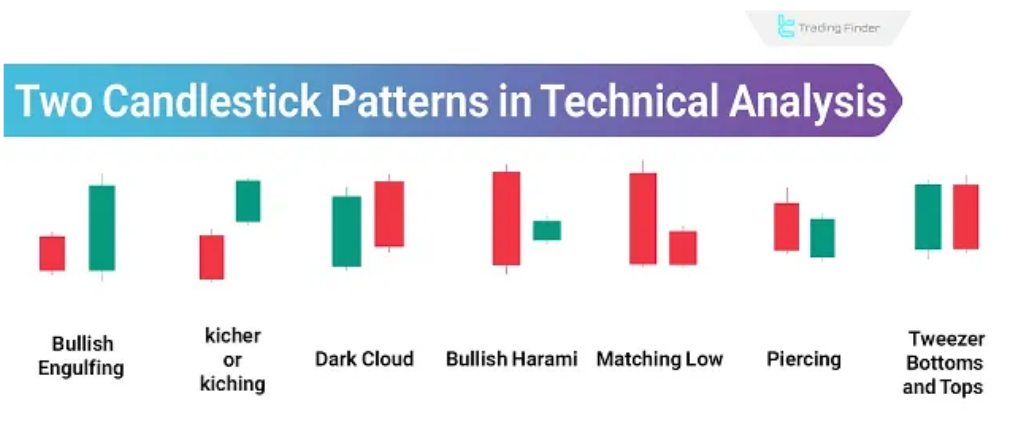


Double Top and Double Bottom Pattern Tutorial

Double Top and Double Bottom – Classic Reversal Pattern

Forex Education

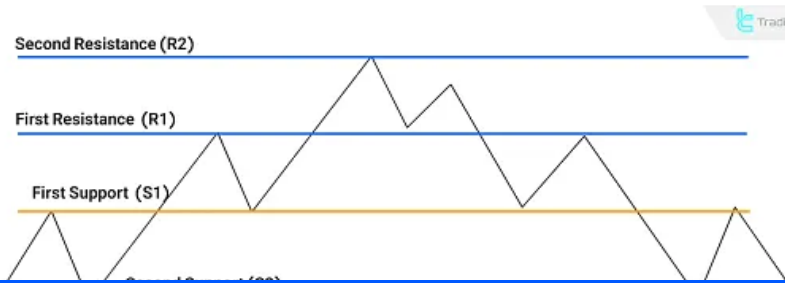
Ram Nisha | Jun 24, 2025



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

Forex Education

Arjun Mandal | Jun 23, 2025



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."

About Us

Contact Us

Forex Methodology

Our Team

Jobs

Report a Bug

Advertisement

Affiliates

Our Scores

Indicators & Oscillators

Products

Financial Market Education

Trading Tools

Trading Tools

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.