



# LIQUIDITY



*Mr Stoploss*

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HIGH RR trades with liquidity  
*(most important)*



# What is Liquidity?

## Key Points

- » Liquidity is basically the sum of all orders (limit & market) at a specific price.
- » Placing more orders at the specific price adds to liquidity whereas fulfillment of orders takes away liquidity.
- » **See the schematic below.** Liquidity is present at every area marked orange because it is the most common place where market participants will place buy, sell and stop orders.

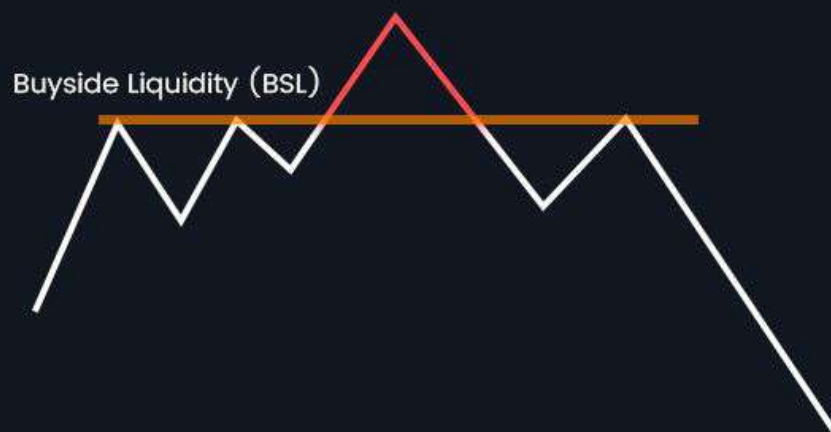


- » Liquidity is of paramount importance to large institutions who want to fill big positions.

# Buyside Liquidity

## Key Points

- » Buyside Liquidity is the liquidity generated when sell stops are taken out. (See the Schematic below)



- » Potential areas were Buyside Liquidity rests:

- Previous week high (PWH)
- Previous day high (PDH)
- Equal Highs (EQH)
- Above Daily/HTF Resistance
- Above Structural Highs



External  
Liquidity

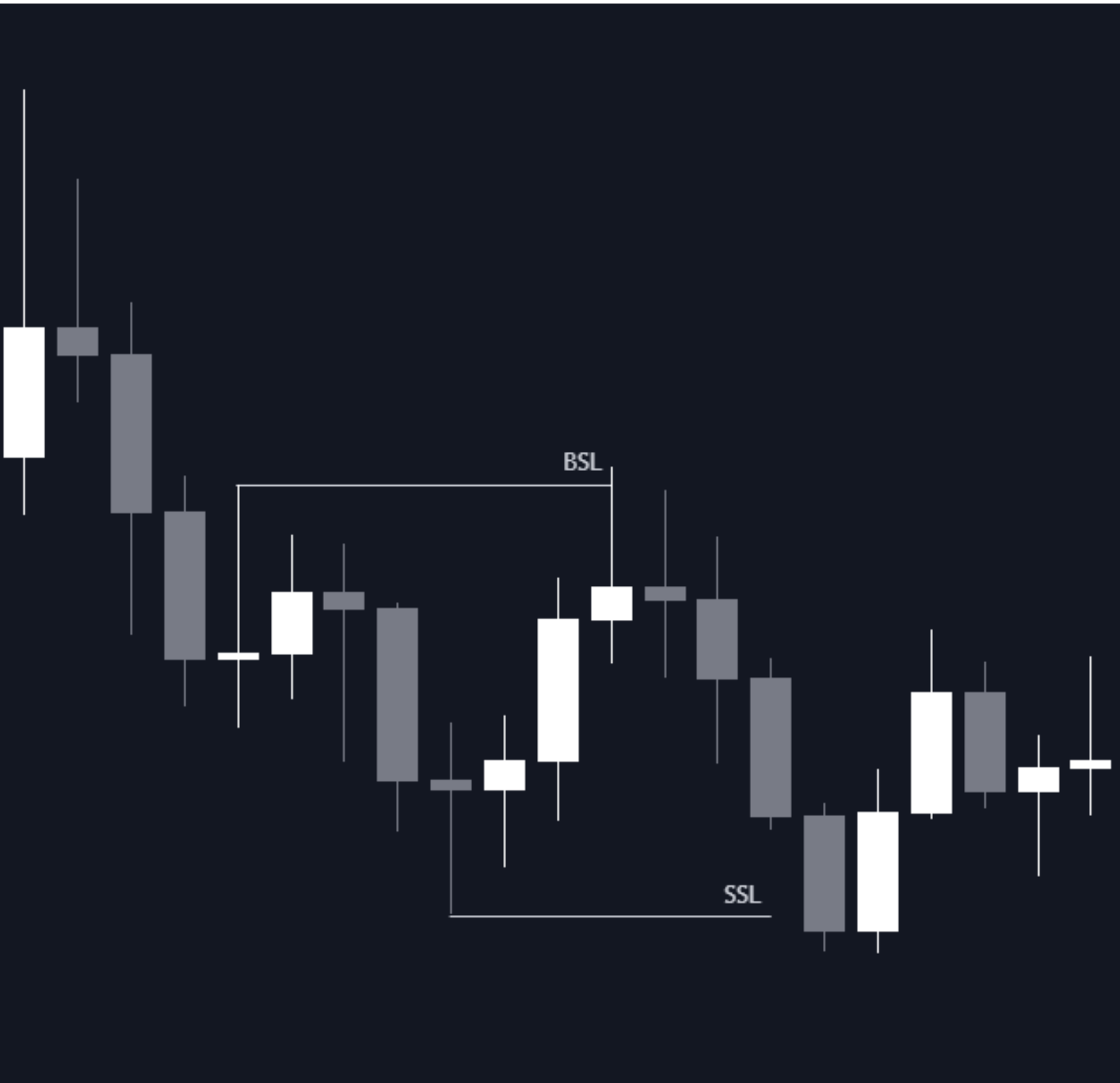
Internal  
Liquidity



- Fair Value Gaps
- Order Blocks
- Volume Imbalances
- Trendline

# BUT...





# Sellside Liquidity

## Key Points

- » Sellside Liquidity is the liquidity generated when buy stops are taken out. (See the Schematic below)



- » Potential areas were Buyside Liquidity rests:

- Previous week low (PWL)
- Previous day low (PDL)
- Equal Lows (EQL)
- Below Daily/HTF Support
- Below Structural Lows



External  
Liquidity

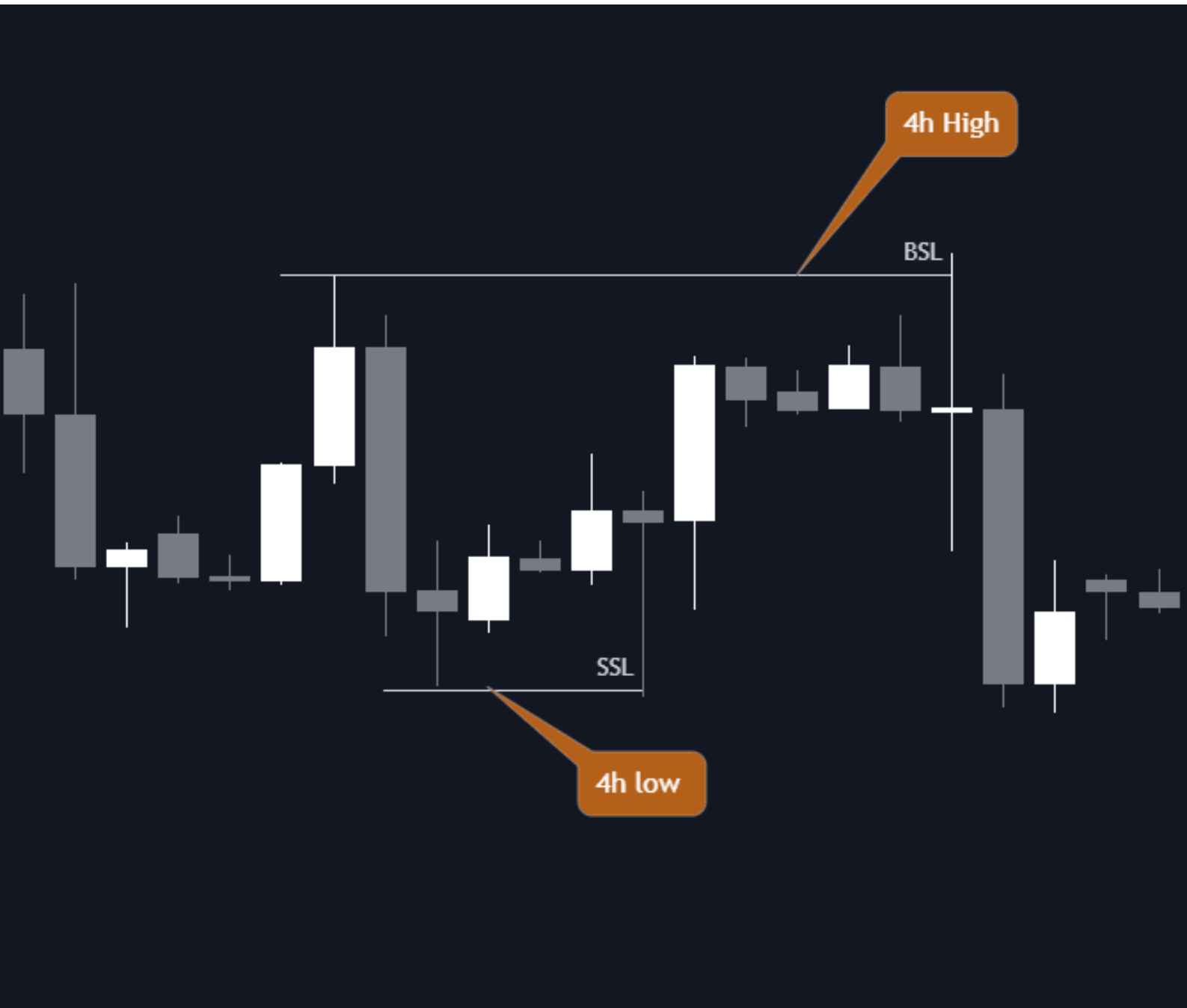
Internal  
Liquidity



- Fair Value Gaps
- Order Blocks
- Volume Imbalances
- Trendline

# BUT...





# Potential DOL

## Key Points

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- » Draw on liquidity basically means where do you think price is headed towards next.
- » Some ICT Traders also like to term as Daily Bias and that is perfectly fine as well.
- » Let's see an example:



# Example

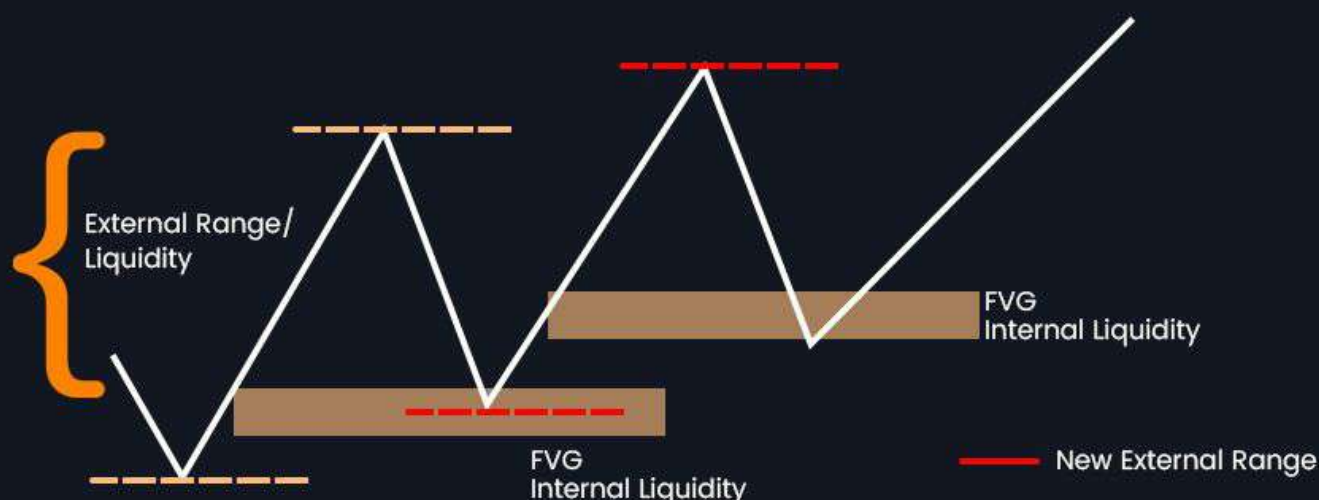


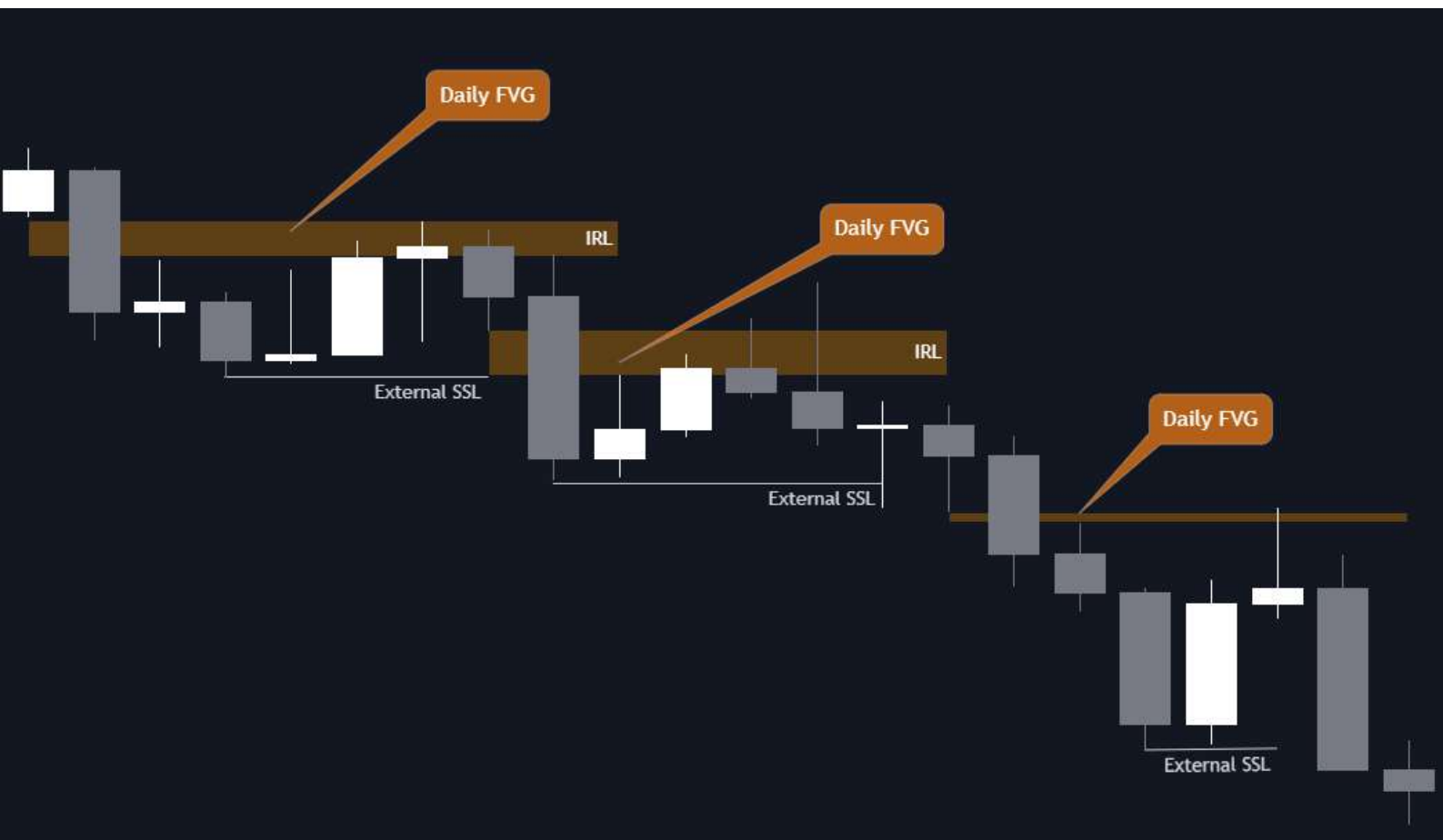
Go to **"06:00"** of this video for example

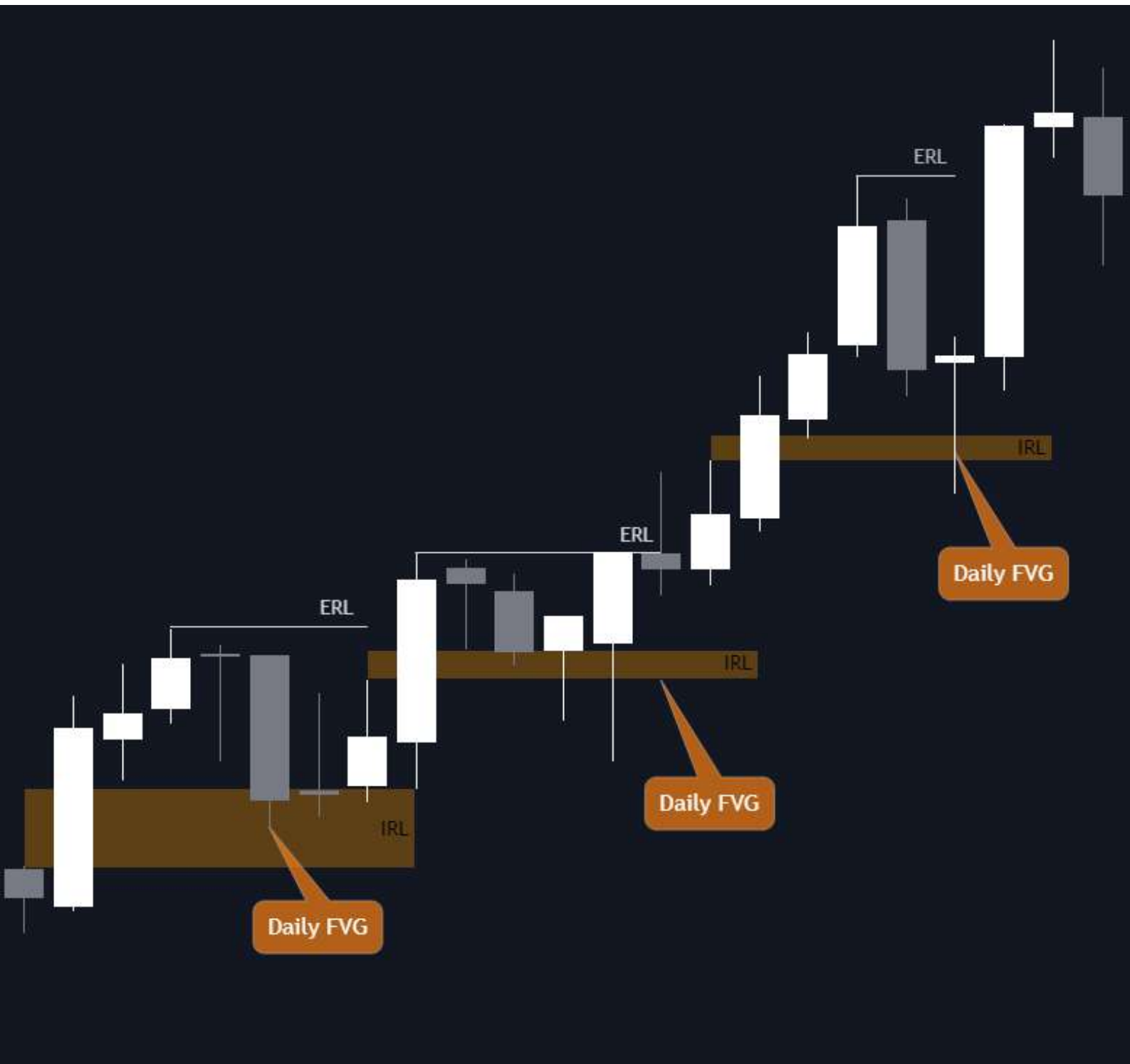
# Internal & External Liquidity

## Key Points

- » External range liquidity refers to the buy side liquidity above the range high and sell side liquidity below the range low in the current trading range.
- » Internal Liquidity is liquidity inside the defined range (External Range Liquidity)
- » Internal Range liquidity is represented by Orderblocks, Fair Value Gaps, Volume Imbalances and Trendline liquidity.
- » Market moves between External (ERL) and Internal Liquidity (IRL). **Look at the schematic:**









# My 3 Step Strategy

## Steps

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- 1** Identify the Daily Bias or next potential Draw on liquidity (DOL).
- 2** Go to the lower timeframe such as the 30m /5m and look for potential entires.
- 3** Wait for these timeframes as these are high volume times:  
London = 1:30-4:00 am EST  
NY = 7:30-10:30 am EST



## Example



Go to **"10:45"** of this video for example



**@MrStoploss01**



**@MrStoploss01**