

VOL NO.01

MARKET STRUCTURE

THE ICT PO3

In this volume, we will discuss about the ICT PO3.

(P.S: If you can't see what's written on the pictures, you can zoom in by holding CTRL+ mouse scroll)

The PO3(power of 3) is basically composed three phases being:

- A = Accumulation
- M = Manipulation
- D = Distribution

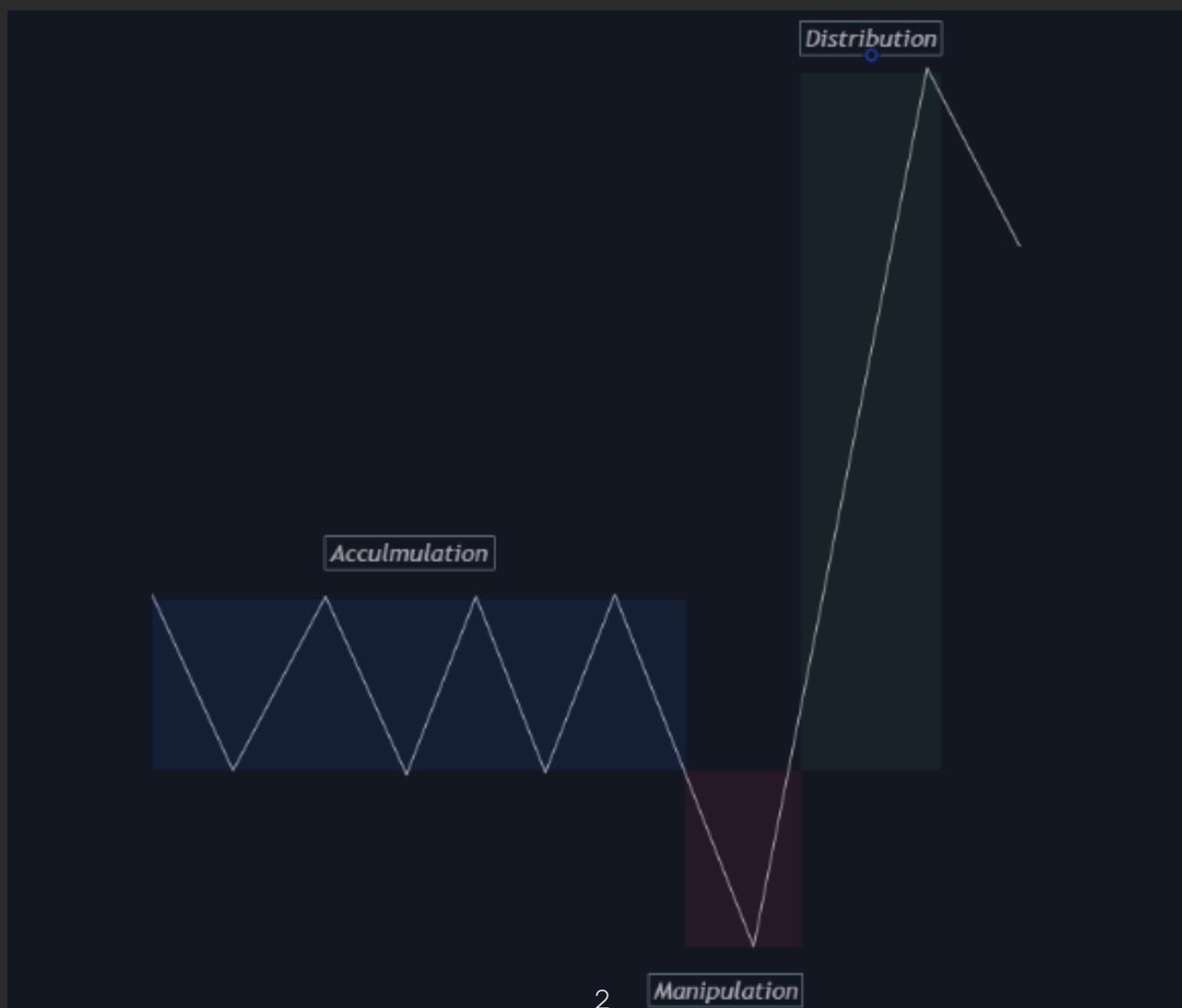
We can see it in a form of a bullish candle: open, low, high, close or a bearish one: open, high, low, close.

Accumulation being the range at the open.

Manipulation being when we form the low under the open.

Distribution being when we form the high.

We can also see it as just a consolidation being the accumulation, the manipulation a raid of one side of the liquidity, and the distribution the principal move.



Why?

The reason for the accumulation phase is for the market makers to enter as many orders as they would like.

Since the books don't offer enough liquidity for them at all times. Unlike us retail trader, they trade with enormous amounts, so in order for them to be able to enter a trade, they have to either stop people out or wait longer.

This is why we have the accumulation phase, if market makers are looking to long, they will accumulate in an area where retail traders might think we are bearish, so they will go short, and the market makers will buy longs in exchange. Remember, every trade must have his counter party.

Then comes the manipulation phase, here the market makers are going to enter the last bit of their orders before taking the price to their target, they will stop all the retail traders out, flooding the market with market orders, which the market makers will buy out entirely, and directly take us to the opposite direction.

Now that you've learnt this concept, you are going to see it everywhere, but trust me, this isn't enough to enter a trade, take this volume like a case study to understand how the market works better.

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