TBF TRADING ACADEMY

Liquidity Sweeps

How smart money hunts stops before the real move.

Module: 04 — Liquidity

For educational purposes only. Trading involves risk of loss.

Where liquidity sits

- Above equal highs and below equal lows.
- Above obvious swing highs (buy-side liquidity) and below swing lows (sell-side liquidity).
- Around round numbers and session highs/lows (Asia, London, New York).
- Above/below trendlines that retail traders draw.

Anatomy of a sweep

A sweep is a fast wick beyond a liquidity pool that is immediately reclaimed. The candle takes out stops, prints a rejection wick, and closes back inside the range. This is the fuel institutions need to move price in the opposite direction.

Sweep vs break

- Sweep: wick through, body closes back inside → reversal setup.
- Break: body closes decisively beyond the level → continuation setup.

The sweep + CHoCH setup

- 1. Identify a HTF liquidity pool.
- 2. Wait for price to sweep it (wick + rejection).
- 3. Drop to LTF and wait for a CHoCH in the opposite direction.
- 4. Enter on the retrace into the LTF order block or FVG.
- 5. Target the opposite side of the range.

Session timing

The highest-probability sweeps occur at the London open, the New York open, and around key economic releases. Avoid trading sweeps mid-session when volume is thin.

Liquidity Sweeps — Chart Example