PRECISION PIPS

Advanced ICT Master Lesson

Six concepts, one price-delivery narrative: CE, Inducement, Power of 3, CISD, BPR and IFVG.

Today we go deeper

Today we're connecting **six ICT concepts** and studying how they can appear together in one price-delivery narrative:

1 Consequent Encroachment (CE)	**2** Inducement	**3** Power of 3 (AMD)
4 CISD	**5** BPR	**6** IFVG

> **The goal isn't to memorize six definitions.** The goal is to understand how price can move from liquidity → manipulation → displacement → repricing → delivery.

Liquidity → **Manipulation** → **Displacement** → **Repricing** → **Delivery**

Lesson roadmap

Concept	What it helps you study	Page
1 CE	How deeply price trades into an imbalance.	2
2 Inducement	What role an obvious swing plays in the liquidity narrative.	3
3 Power of 3 (AMD)	A framework for price delivery: range, sweep, expansion.	4
4 CISD	Whether the way price is being delivered has changed.	5
5 BPR	Overlapping opposing imbalances as a retracement reference.	6
6 IFVG	A violated FVG changing its role on the retest.	7
All together	One full sequence, the eight key questions and the group challenge.	8-11

*All charts in this lesson are **schematic candlestick illustrations** drawn to show the idea. They are not real XAUUSD data. Green candles close above their open; red candles close below it.*

1. Consequent Encroachment (CE)

CE is the **50% midpoint** of an FVG/imbalance. When price returns to an FVG, study how deeply it trades into that imbalance. Ask:

- Did price reach the CE?
- Did it react before CE?
- Did it trade through CE?
- Did it completely fill the imbalance?

> ⚠ CE is a reference point, not an automatic entry.

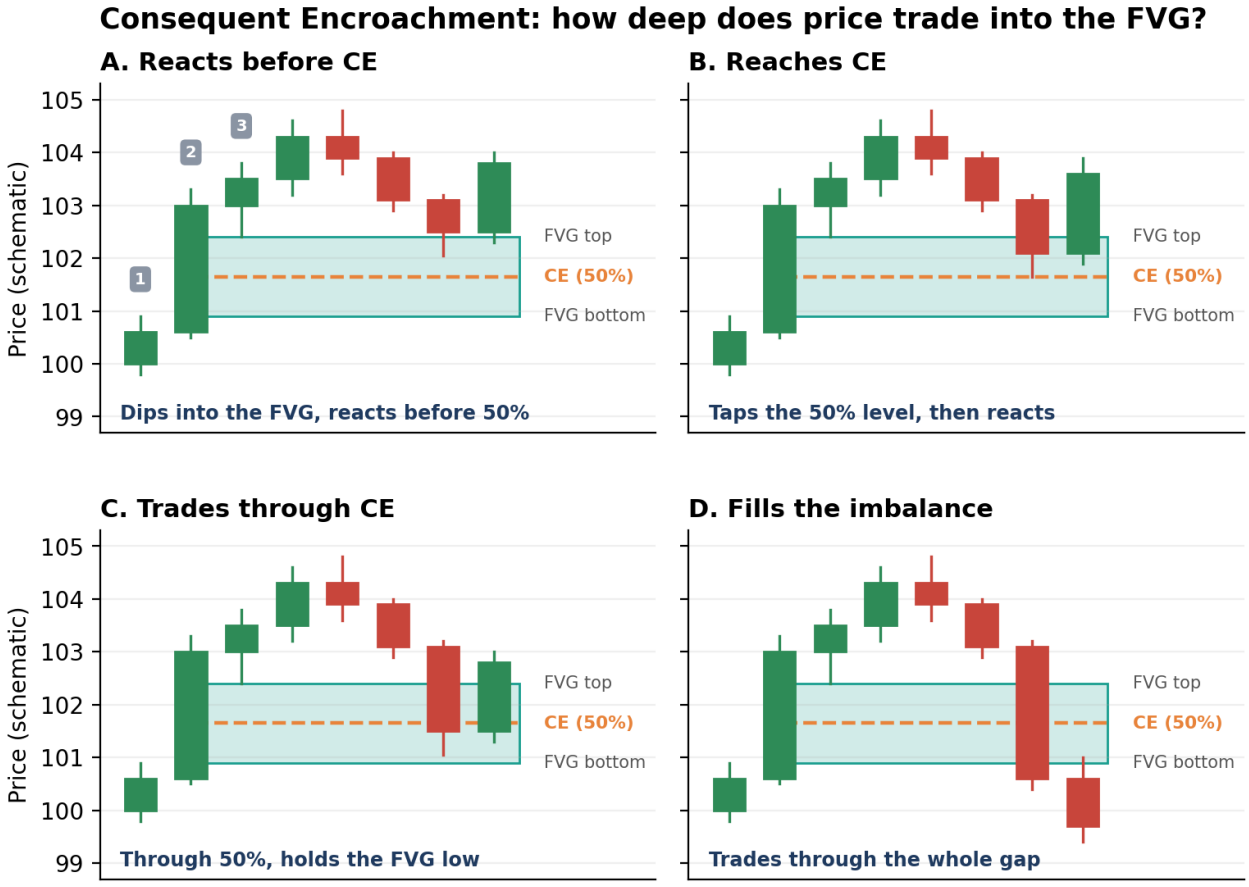


Figure 1: Four ways price can behave when it returns to a bullish FVG (schematic candles).

How to read Figure 1
Candles 1 to 3 create the bullish FVG (candle 1's high to candle 3's low). The dashed orange line is CE, the midpoint.
A reacts before CE. **B** reaches CE and reacts. **C** trades through CE but holds the bottom of the FVG. **D** trades through the whole imbalance.

2. Inducement

Inducement refers to price action that can encourage traders to participate around an obvious short-term high or low, potentially creating liquidity that price can later target.

Study: obvious setup → participation → liquidity → liquidity taken → delivery.

> **The key question:** "What role is this swing playing within the larger liquidity narrative?"

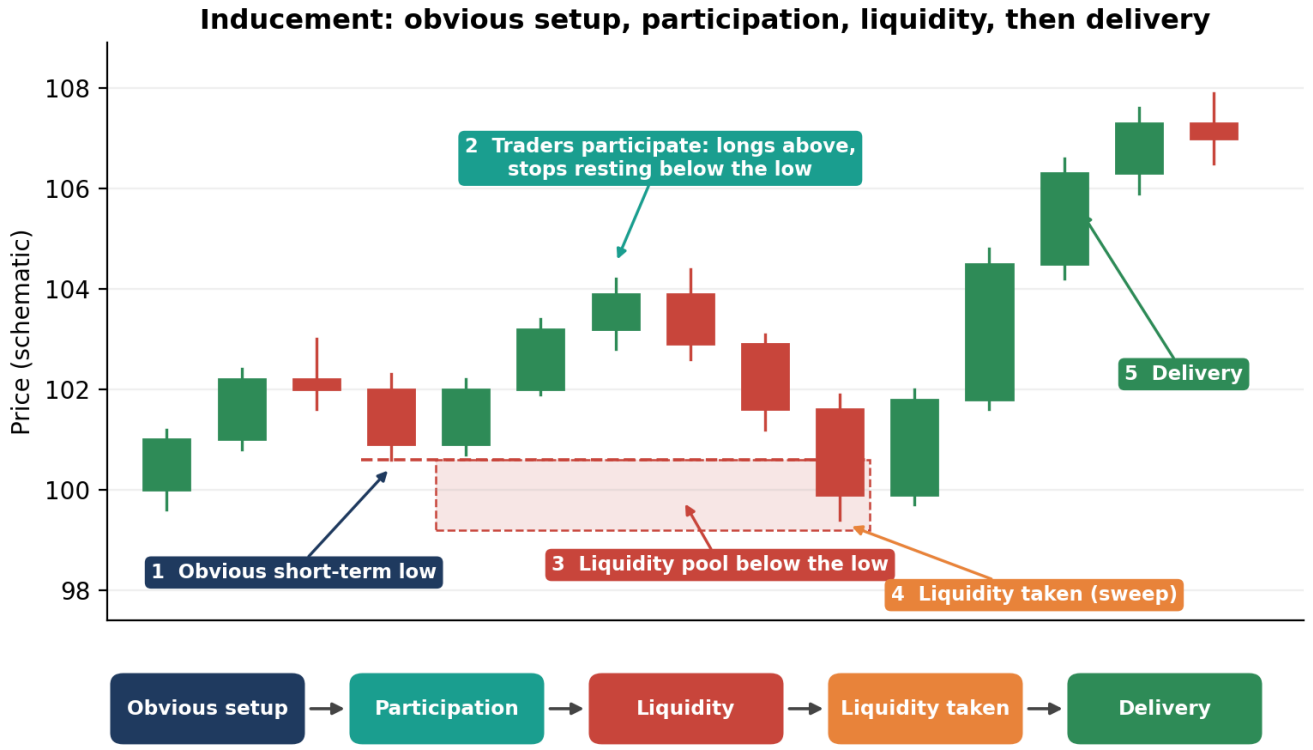


Figure 2: An obvious short-term low attracts participation; the liquidity below it is taken before delivery begins.

> **How to read Figure 2**
> **1** An obvious short-term low forms. **2** Traders join the obvious setup; their stops rest below the low. **3** That resting stop liquidity forms a pool below the low. **4** Price sweeps it (liquidity taken) and rejects. **5** Delivery follows.

3. Power of 3 (AMD)

A — Accumulation **M** — Manipulation **D** — Distribution

A simplified sequence:



⚠ AMD is a framework for studying price delivery. Don't force every chart into it.

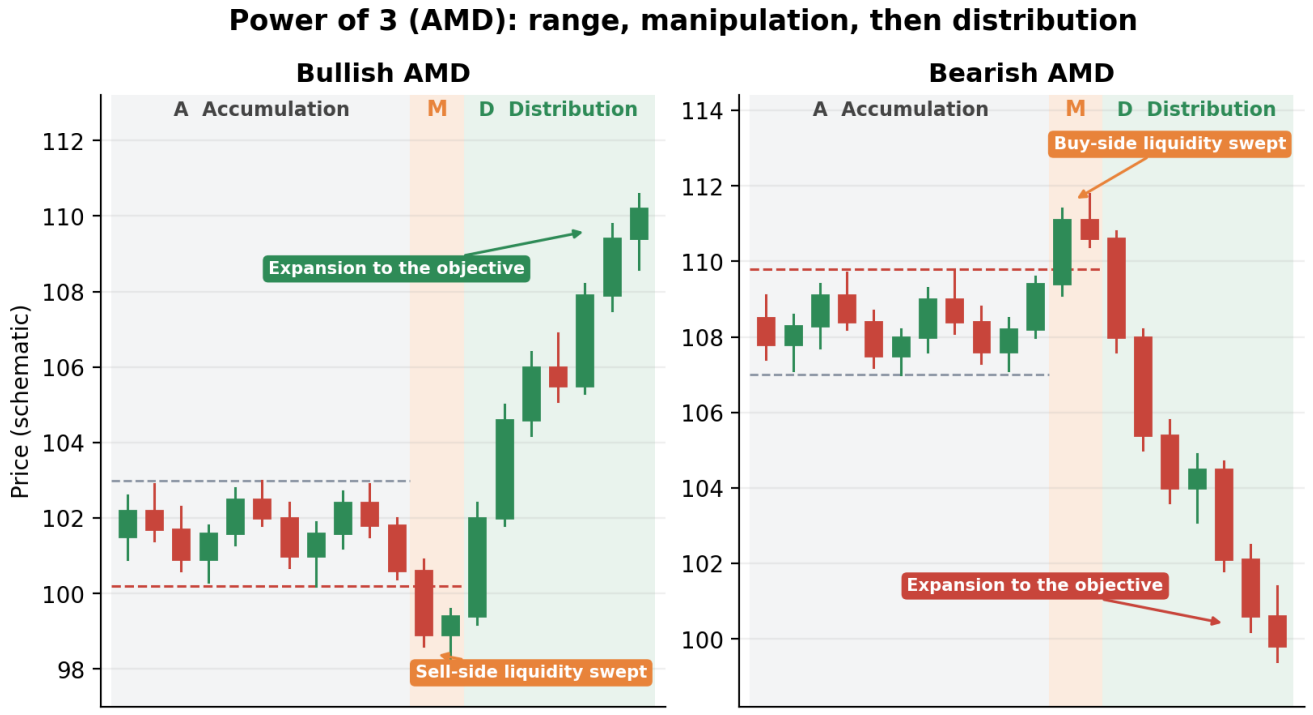


Figure 3: AMD in both directions. The bearish panel is the bullish one mirrored (schematic candles).

How to read Figure 3
Left: a range (A), sell-side liquidity swept below it (M), then expansion upward (D).
Right: the mirror image. A range, buy-side liquidity swept above it, then expansion downward. Dashed lines mark the range extremes.

4. CISD: Change in State of Delivery

CISD is used to study a **change in the way price is being delivered**. Instead of looking only for a traditional BOS, observe whether the market has shifted from one directional delivery to another.

For example: bearish delivery → liquidity event → bullish change in delivery → bullish expansion. This can help you study a potential shift in order flow before or alongside broader structural confirmation.

> ⚠ Don't treat every candle color change as CISD. You need to study the delivery and context.

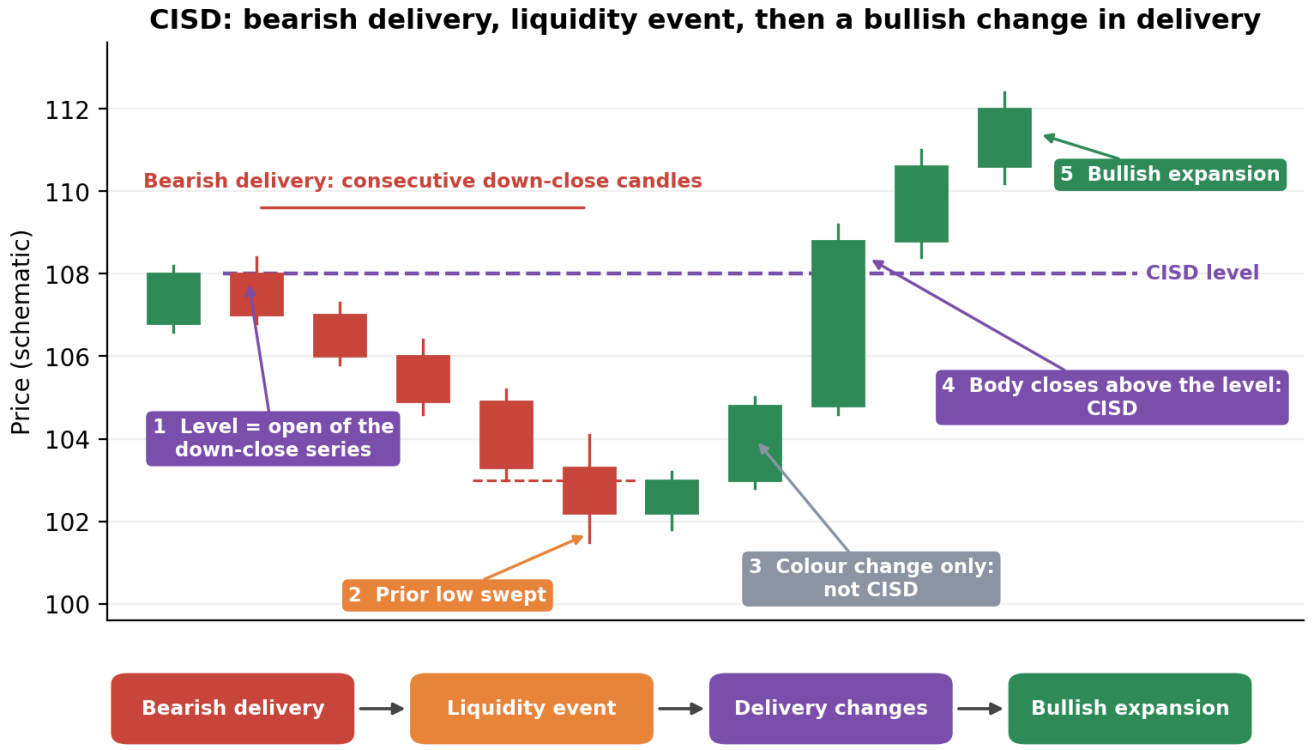


Figure 4: One common way to mark CISD is at the open of the down-close series; a body closing back above it suggests delivery has changed.

How to read Figure 4
1 The purple level is the open of the down-close series. **2** A prior low is swept (the liquidity event). **3** A colour change alone does not close above the level, so it is not CISD. **4** A body closes above the level: delivery has changed. **5** Bullish expansion follows.

5. BPR: Balanced Price Range

A Balanced Price Range (BPR) can develop when **opposing imbalances overlap**: a bullish imbalance overlapping a bearish imbalance. The resulting overlapping area becomes something worth studying as price returns.

BPR can therefore become another PD-array reference when analyzing retracements.

> ⚠ Don't assume every overlapping area is automatically a high-quality BPR. Study the displacement that created the imbalances and the larger narrative around them.

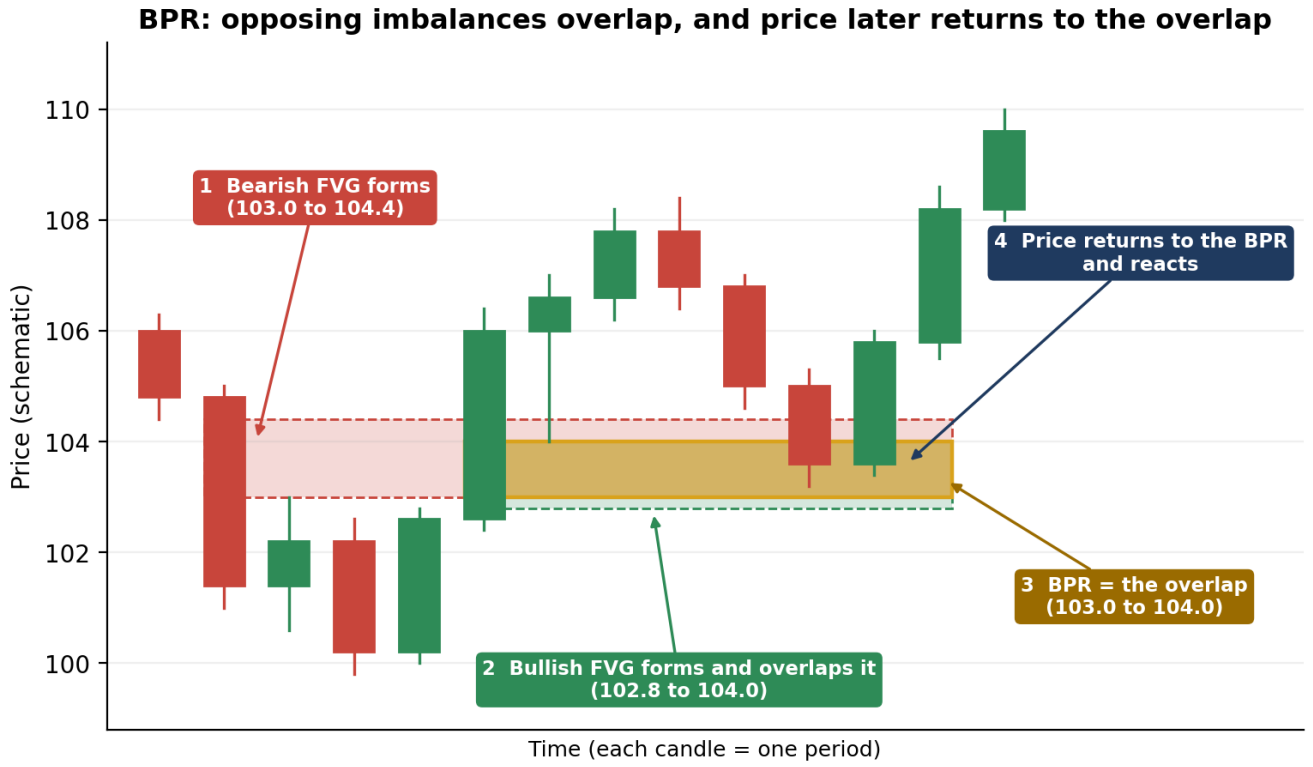


Figure 5: A bearish FVG and a bullish FVG overlap; price later returns to the overlap (schematic candles).

How to read Figure 5
1 A bearish FVG forms on the way down. **2** A bullish FVG forms and overlaps part of it.
3 The gold band is the overlap, the BPR. **4** Price returns to the BPR and reacts.

6. IFVG: Inverse Fair Value Gap

An IFVG involves an FVG that has been **violated** and subsequently studied from the opposite side. For example, a bullish FVG is created. Price later trades through it with sufficient displacement. That former bullish imbalance can then become an area to monitor for potential resistance when price returns.

> **The important sequence:** FVG → Violation → Change in role → Retest

This is why you shouldn't permanently label an FVG as bullish or bearish without watching what price does afterward.

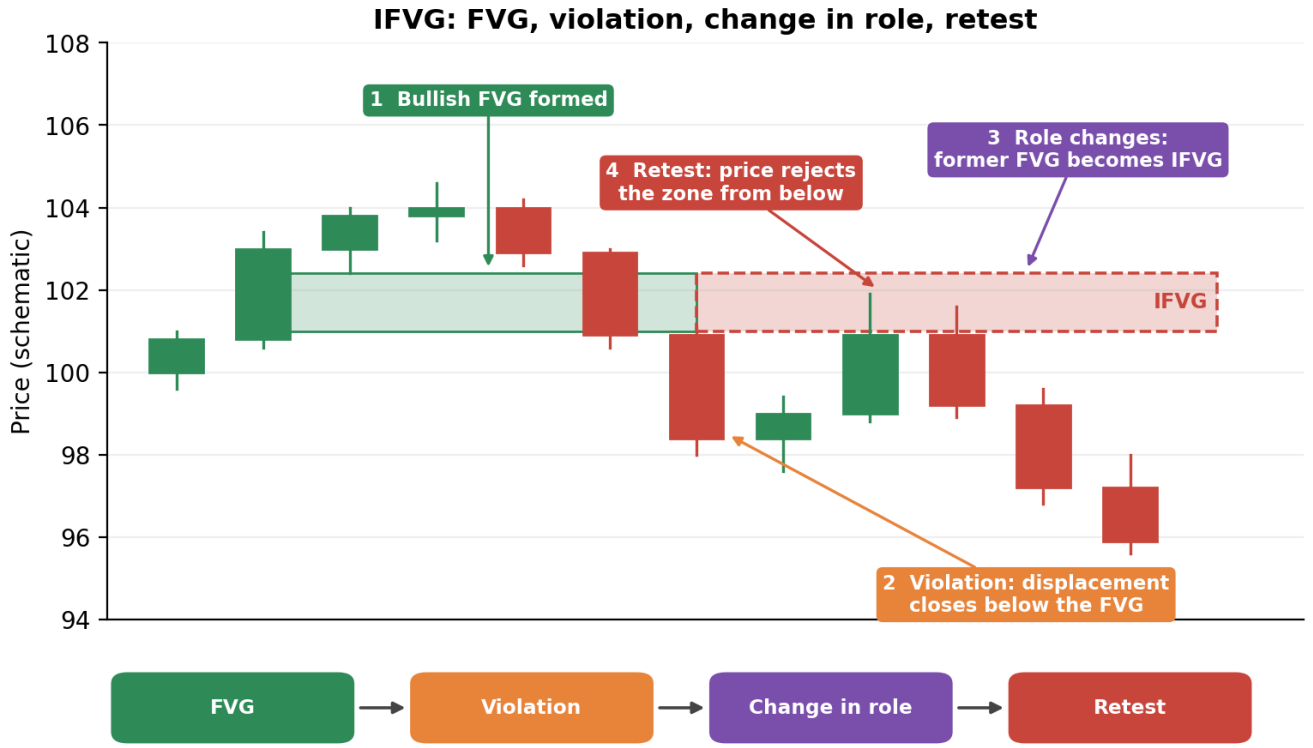


Figure 6: A bullish FVG is violated by displacement and then acts as resistance on the retest (schematic candles).

> **How to read Figure 6**
> **1** A bullish FVG forms. **2** Displacement closes below it: the violation.
> **3** The former FVG changes role and becomes an IFVG. **4** On the retest, price rejects the zone from below.

Now connect everything

Imagine this sequence on XAUUSD. Figure 7 draws it as one bullish story; the numbers on the chart match the table below.

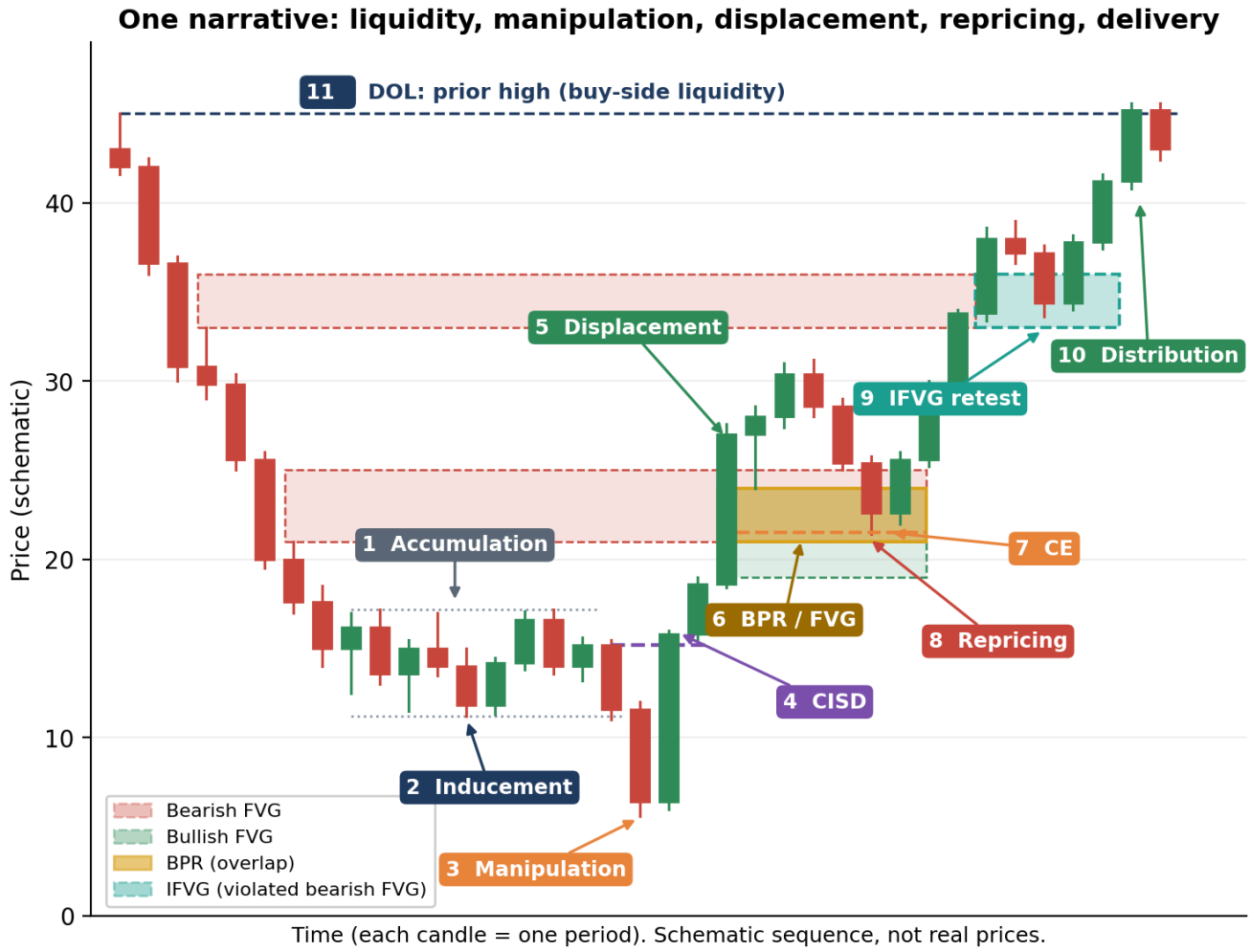


Figure 7: All six concepts in one schematic sequence (illustrative candles, not real prices).

What each step means and why it matters

#	Stage	What happens	Why it matters
1	**Accumulation**	Range develops.	Sets up resting liquidity above and below the range.
2	**Inducement**	Obvious short-term liquidity forms.	Draws participation and stops around an obvious swing.
3	**Manipulation**	Liquidity is swept.	Price takes the resting orders before the real move.
4	**CISD**	Delivery begins changing.	Suggests the direction of delivery has shifted after the sweep.
5	**Displacement**	Strong expansion creates an FVG.	Shows intent and leaves an inefficiency behind.
6	**BPR / FVG**	Imbalance becomes an area of interest.	Overlapping imbalances mark a reference zone for retracements.
7	**CE**	Price reaches the 50% level of the imbalance.	A reference point to study, not an automatic entry.
8	**Repricing**	Price returns through the area.	Shows how price behaves when it comes back to the inefficiency.
9	**IFVG**	A violated imbalance changes its role.	The old bearish imbalance can now be watched as support.
10	**Distribution**	Price delivers toward the larger DOL.	The expansion phase toward the objective.
11	**DOL**	The draw on liquidity: the prior high.	Gives the whole sequence its objective.

The big lesson

> ⚠ Don't try to trade six concepts at once. These are tools for understanding price.

Your job is to answer:

1. Where is liquidity?
2. What is price drawing toward?
3. What happened when liquidity was taken?
4. Did delivery change?
5. Where did displacement occur?
6. Where did price leave an inefficiency?
7. How did price behave when it returned?
8. Where is the next objective?



Figure 8: Which concept answers which part of the story.

Precision Pips group challenge

Go to XAUUSD and find **one historical move**. Try to identify:

☐ Accumulation	☐ Displacement	☐ IFVG
☐ Inducement	☐ FVG	☐ Distribution
☐ Liquidity sweep	☐ CE	☐ DOL
☐ CISD	☐ BPR	

Then **write the story of the move** from beginning to end.

> **Don't just say what price did.** Explain **why** each event mattered in the sequence. That's how we move from simply marking ICT concepts to actually reading price delivery.

Story worksheet

Stage	What price did	Why it mattered
Accumulation		
Inducement		
Liquidity sweep		
CISD		
Displacement		
FVG / CE		
BPR		
IFVG		
Distribution		
DOL		

Educational study material only. Illustrations are schematic and hand-built to explain concepts; they are not real XAUUSD data and not trade signals or financial advice. Trading carries risk.