📚 *SMC/ICT LESSON: EQUAL HIGHS — UNDERSTANDING BUY-SIDE LIQUIDITY*

Team, today we're going to cover a very important concept in ***Smart Money Concepts (SMC) and ICT: Equal Highs (EQH).***

If you understand equal highs properly, you'll start seeing ***where liquidity is building*** *and why price sometimes makes a seemingly random push above a high before reversing.*

🔵 *WHAT ARE EQUAL HIGHS?*

Equal highs are two or more highs that form around the same price level.

For example, imagine Gold does this:

4,500 → 4,520 → 4,500 → 4,520

If price reaches approximately ***4,520*** *twice and fails to break through, we have:*

EQH = Equal Highs

They don't have to be mathematically identical. In real markets, you might see:

- *High 1:* ***4,520***

- *High 2:* ***4,521***
- *High 3:* ***4,519***

We can still consider that an area of equal highs because the highs are clustered around the same level.

💧 *WHY ARE EQUAL HIGHS IMPORTANT?*

This is where ICT/SMC becomes interesting.

Equal highs often represent a pool of ***Buy-Side Liquidity (BSL).***

Think about what other traders might be doing around those highs.

A trader who is already ***short*** *may place their stop-loss above the previous high.*

A breakout trader may place a ***buy-stop*** *above the high, expecting price to break upward.*

So above the equal highs, there can be a concentration of orders.

That creates liquidity.

For example:

EQH — 4,520

⬆️ *Buy stops / short stops*

4,520

⬆️ *Liquidity*

4,500

Price can therefore be attracted toward that area because there is liquidity available above the highs.




9:46
TradingView
11
Gold Spot / U.S. Dollar
4,437.925 +49.710 (+1.13%)
2
4,490.000
4,485.000
4,480.000
4,475.000
4,470.000
4,465.000
4,460.000
4,455.000
4,450.000
4,445.000
Premium
4,438.010
4,437.925
03:15
4,430.000
4,425.000
4,420.000
4,415.000
4,410.000
4,405.000
Equ
4,400.000
4,395.000
4,390.000
4,385.000
4,380.000
4,375.000
4,370.000
BOS
EQH
EQH
BOS
CHoCH
CHoCH
22:00
3
03:00
ETHUSD
XAUUSD
5m
SPX

🧠 *THE LIQUIDITY SWEEP*

One of the most important patterns to understand is:

EQH → BSL → Sweep → Reversal

Imagine Gold creates:

High 1 = 4,520

Price pulls back.

Then:

High 2 = 4,520

Now we have EQH.

Later, Gold rallies:

4,515 → 4,520 → 4,525

Many traders immediately think:

"Gold broke resistance! BUY!"

*But then Gold quickly falls back below **4,520**.*

*That could be a **buy-side liquidity sweep**.*

The market has taken the liquidity sitting above the equal highs.

🔥 *BUT HERE'S THE MOST IMPORTANT PART*

An equal high does NOT automatically mean SELL.

This is a common mistake.

Some traders see EQH and immediately place a short.

That's not what we're looking for.

We want to understand ***what happens after the liquidity is taken.***

Example:

EQH

↓

Price sweeps above EQH

↓

Price fails to hold above it

↓

Bearish displacement

↓

Bearish MSS/CHoCH

↓

FVG forms

↓

Price retraces into FVG

↓

🔴 ***SHORT***

That's a much higher-quality ICT/SMC setup.

📈 *WHAT IF PRICE BREAKS THE EQH AND CONTINUES?*

This is equally important.

Suppose Gold reaches:

4,520 EQH

Then breaks:

4,520 → 4,530 → 4,540

and actually ***accepts above the highs****.*

Instead of reversing, the market continues higher.

In that situation, the equal highs may have acted as ***buy-side liquidity that helped fuel continuation*** *rather than a reversal.*

Therefore:

Liquidity sweep ≠ guaranteed reversal.

We need to read the reaction.




Premium
4,460.000
4,440.000
4,436.115
07:37
4,420.000
4,400.000
BOS
4,381.250
4,381.250
EQH
BOS
4,360.000
4,340.000
EQH
BOS
BOS
BOS
CHoCH
4,320.000
4,300.000
4,280.000
LL
Discount
4,260.000

🎯 *EQH + MARKET STRUCTURE*

This is where we combine liquidity with structure.

A strong bearish setup might look like:

Step 1

Identify EQH.

Step 2

Mark the BSL above it.

Step 3

Wait for price to trade above the EQH.

Step 4

Watch for rejection/displacement.

Step 5

Look for a bearish MSS/CHoCH on the lower timeframe.

Step 6

Identify the FVG/OB created by the displacement.

Step 7

Wait for the retracement.

Step 8

Execute the short.

Step 9

Target the next pool of sell-side liquidity.

So the complete model becomes:

EQH → BSL Sweep → MSS → Displacement → FVG → Entry → SSL

🥇 *GOLD EXAMPLE*

Let's say XAUUSD creates equal highs at:

4,600

Price later rallies into them.

Instead of selling immediately, we wait.

Gold trades:

4,595 → 4,600 → 4,608

The EQH has been swept.

Then we see a strong bearish candle:

4,608 → 4,590

That tells us sellers have stepped in.

Now we look for a bearish MSS on the 1M/5M.

If confirmed, we could look for an entry on a retracement into the FVG.

Our targets could then be the next sell-side liquidity areas:

4,570 → 4,550 → 4,520

*The important thing is that **the EQH gave us the location**, while the lower timeframe gave us the **confirmation**.*

🔄 *EQUAL HIGHS VS EQUAL LOWS*

Remember this simple relationship:

Pattern	Liquidity
Equal Highs (EQH)	Buy-Side Liquidity
Equal Lows (EQL)	Sell-Side Liquidity

Equal Highs

*Liquidity is generally **above** the highs.*

Potential sequence:

EQH → BSL sweep → bearish reaction

Equal Lows

*Liquidity is generally **below** the lows.*

Potential sequence:

EQL → SSL sweep → bullish reaction

⚠️ *DON'T MAKE THIS MISTAKE*

Don't think:

"EQH = SELL."

Instead think:

"EQH = THERE MAY BE BUY-SIDE LIQUIDITY ABOVE PRICE."

That's a much better way to think about it.

*Your job is to determine **what price does after reaching that liquidity.***

🧠 *ADVANCED CONCEPT: EQH ON MULTIPLE TIMEFRAMES*

Equal highs become even more interesting when they appear on higher timeframes.

For example:

4H EQH

can be much more significant than a tiny EQH on the 1M chart.

You could have:

4H EQH

↓

1H EQH

↓

15M EQH

↓

Price eventually sweeps the entire area.

This creates a much larger liquidity event.

*That's why we should always start with the **higher timeframe** and then use the lower timeframe for execution.*

🎯 *HOW I WANT YOU TO TRADE EQH*

Don't trade the pattern itself.

*Trade the **story behind it.***

Ask yourself:

1️⃣ ***Where are the highs?***

2️⃣ ***Are they approximately equal?***

3️⃣ ***Where is the BSL?***

4️⃣ ***Is price approaching a premium area or HTF PD array?***

5️⃣ ***Does price sweep the highs?***

6️⃣ ***What happens after the sweep?***

7️⃣ ***Do we get MSS/CHoCH?***

8️⃣ ***Do we get displacement?***

9️⃣ ***Where is the FVG/OB?***

🔟 ***Where is the next liquidity target?***

If you can answer those questions, you're no longer just looking at a chart.

You're reading the delivery of liquidity.

📌 *THE GOLDEN RULE*

Equal highs show you WHERE liquidity may be resting. They don't tell you WHEN to enter.

The entry comes from the reaction after liquidity is taken.

Your model:

EQH

→ BSL

→ Liquidity Sweep

→ MSS

→ Displacement

→ FVG/OB

→ Entry

→ Next Liquidity

🔥 ***LESSON TO REMEMBER***

The market doesn't move randomly.

When you see obvious equal highs, don't immediately ask:

"Should I sell?"

Ask:

"What liquidity is sitting above these highs, and what will price do after it takes it?"

That change in thinking is one of the biggest steps toward understanding ***ICT/SMC price action.***

Study the liquidity. Wait for the confirmation. Execute only when the story makes sense. 🎯📊

“Liquidity tells us where the market may want to go; structure tells us whether it’s ready to turn.”