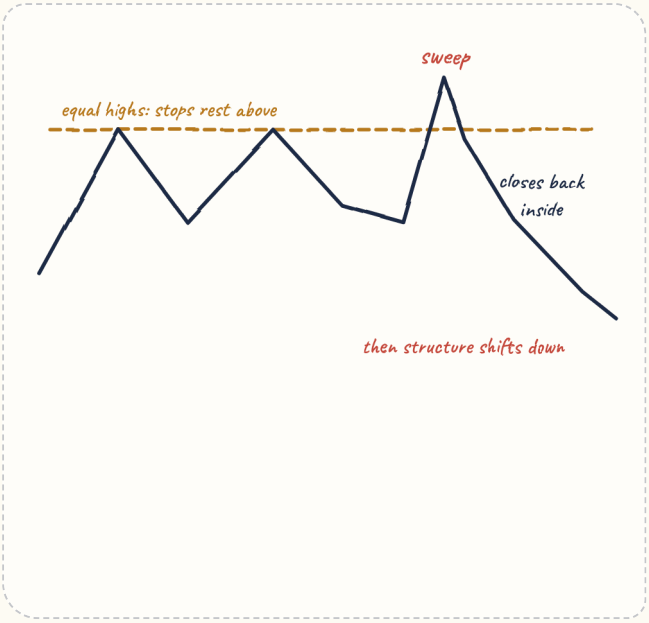
XAUUSD Global · study note

Liquidity sweep

A liquidity sweep is a quick move through an obvious high or low, where stop and breakout orders sit, that closes back inside the range.



Key points

- Liquidity tends to rest at the previous day's high and low, the Asian range, equal highs or lows, round numbers and obvious swings.
- Sweep or breakout? A sweep closes back inside the prior range with little follow-through; a breakout closes beyond it and holds.
- Sweeps are common at the London and New York opens and around US data releases.
- The sweep alone is not an entry. Wait for a shift in structure the other way.

How traders use it

1. Before the session, mark equal highs and lows and the previous day's high and low.
2. After a sweep, wait for a close back inside and a structure shift on your entry timeframe.
3. Stop beyond the sweep extreme plus a buffer, with size reduced to fit.

Watch out

- ✗ Fading every new high as a sweep in a strong trend.
- ✗ Stops just beyond the obvious level: the very place being swept.
- ✗ Entering before the candle closes back inside.

Key line: **Through the level, back inside, then a structure shift. No close back inside = no sweep.**