

TCPS Liquidity Engine

How to Read Institutional Liquidity Flow

A FREE Guide for Structure-Based Traders
Presented by TCPS Engineering Team

*Disclaimer: This guide is for educational purposes only.
Not financial advice. Trading involves risk of loss.*

01. What Is Institutional Liquidity Flow?

In every financial market, there are two types of participants: retail traders and institutional traders (banks, funds, market makers). Institutions do not trade like retail. They operate with large capital that cannot enter or exit positions without moving the market.

Because of this size constraint, institutions must hunt for liquidity. They need to find enough opposing orders to fill their positions without alerting the market. This creates a predictable pattern of price manipulation:

Key Concept: Institutions hunt liquidity before making their real move.

Smart traders learn to read these manipulations. Most retail traders chase breakouts and get trapped.

The TCPS Engine is built to detect these institutional footprints in real time. It scans for three specific signatures that precede most significant market moves:

02. The Three Institutional Signatures

1. Liquidity Sweep (The Trap)

Most traders place stop-losses just below swing lows (for longs) or just above swing highs (for shorts). Institutions know this. They intentionally push price beyond these levels to trigger stops, building their position at a discount before reversing the market.

The Sweep pattern: price breaks a clear level, collects all stop-losses, then immediately reverses. This is often called a "liquidity grab" or "stop hunt."

2. Order Block (The Footprint)

When institutions place large orders, they create price zones where future price is likely to react. These zones, called Order Blocks (OBs), act as invisible support and resistance levels.

A bullish OB forms when price drops into a zone where institutions aggressively bought. A bearish OB forms where they aggressively sold. Price tends to respect these zones in the future.

3. Change of Character (The Confirmation)

After a sweep and a reaction at an OB, the market structure shifts. A Change of Character (CHOC) confirms that the trend has shifted direction. This is the green light for entry.

03. The TCPS 3-Phase Framework

The TCPS Engine combines these three signatures into a single, repeatable framework:

Phase 1: Structure (Setup)

Identify key OBs and swing points using EMA50 direction and market structure. Know where institutions are likely to react.

Phase 2: Sweep (Trigger)

Wait for price to breach a swing point and immediately reverse. This is the institutional trap.

Phase 3: CHOCH (Execution)

Confirm the reversal with a Change of Character. Enter with structure. Place TP at the next OB and SL below the sweep low.

04. Real Example (BTC 4h)

Scenario: BTC is trading at \$78,400 on the 4-hour chart after a sharp decline from \$82,000.

Step 1: Identify the OB at \$77,500-\$77,800 where institutions previously bought. EMA50 is flattening. Market structure shows lower highs but momentum is slowing.

Step 2: Price drops below \$77,200 (previous swing low). Retail stops get triggered. This is the liquidity sweep.

Step 3: Price immediately reclaims \$77,500 and forms a higher high above \$78,000. This is the CHOCH. The structure has shifted from bearish to bullish.

Result: Long entry at \$78,000. Target TP1 at \$79,500 (next OB). TP2 at \$81,000 (structure high). Stop at \$77,000 (below sweep low).

This exact setup repeats across all timeframes and instruments.

05. Next Steps

This guide covers the foundational concepts. The TCPS VIP room applies these concepts in real time with:

- >> Real-time sweep detection alerts
- >> Live CHOCH confirmations with entry zones
- >> Weekly BTC structure reviews every Monday
- >> Direct access to the TCPS analysis team
- >> Full execution context: entry, targets, invalidation

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