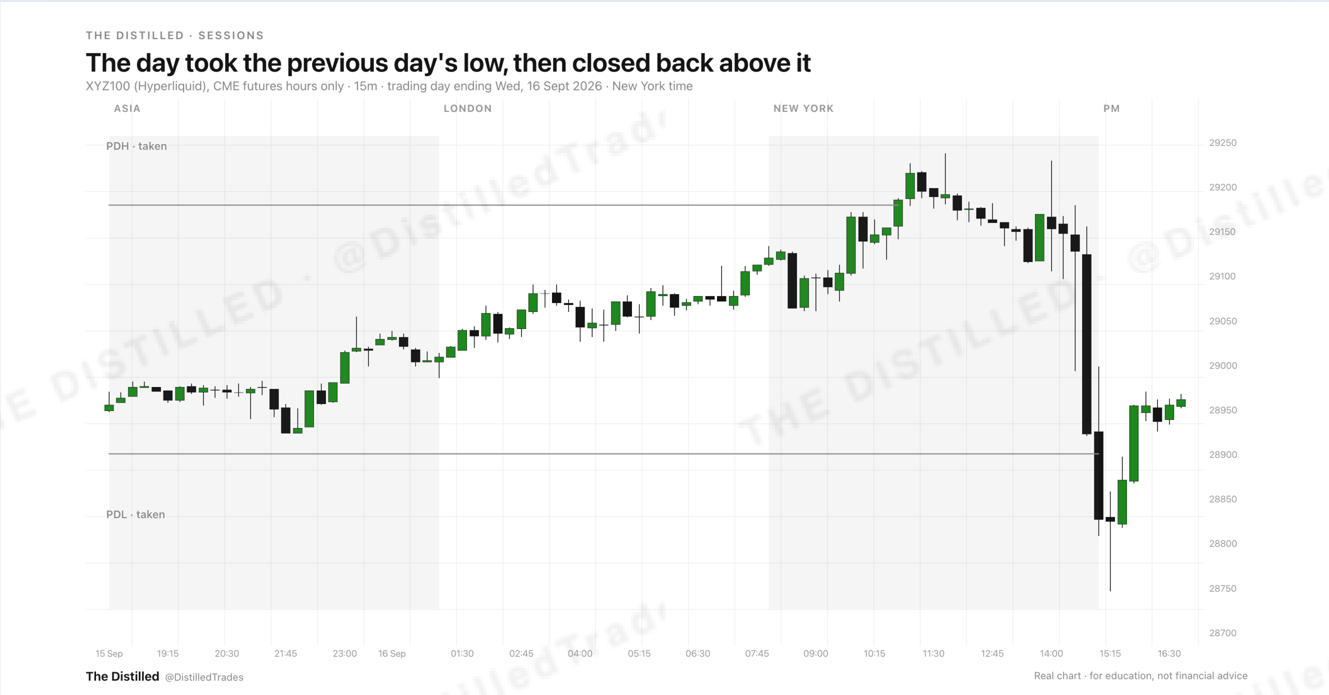
Liquidity

Where the stops sit, why price goes to them, and how to tell when a level was swept rather than broken.



XYZ100 (Hyperliquid) 15m, CME futures hours only, trading day ending Wed 16 Sep 2026, New York time: the day took the previous day's high in New York, then traded under the previous day's low at 15:00 and closed back above it.

For education only. This isn't financial advice, and trading carries a high risk of loss. Charts are real historical Hyperliquid data (XYZ100 tracks the Nasdaq-100 and is not CME futures), New York time. Numbers describe what price did; none of them is a signal, a promise or a win rate for you.

WHERE THE STOPS SIT

Every obvious level has orders behind it

Traders put their stops just beyond the levels everyone can see. A cluster of stops is **liquidity**: when price trades through it, those orders fill, which is why price so often reaches for these levels.

LEVEL	WHERE THE STOPS ARE
Swing highs and lows	Just beyond each confirmed swing
Equal highs and lows	Beyond two or more touches at the same price: the obvious double top or bottom
Session highs and lows	Beyond Asia, London and New York's extremes (see the sessions guides)
Previous day and week	Beyond PDH/PDL and PWH/PWL
Higher-timeframe candles	Beyond the last 1h or 4h candle's high or low (the C2)

How often they get taken

In our research on 1,284 NQ days (CME futures, 2021–2026), the day traded through the **previous day's high or low on 89%** of days, both on 12%. So "price took PDL" is what a normal day looks like, not a signal on its own.

SWEEP OR BREAK

What price did after taking the level

- **Sweep:** price trades through the level and closes back inside it. The stops were taken, and price didn't stay there.
- **Break:** price closes beyond the level and holds. That's acceptance.

AFTER TAKING THE…	DAY CLOSED BACK INSIDE
Previous day's low	53%
Previous day's high	44%

Statistics from our research on CME NQ futures, the same days as above. They are not taken from the chart on the cover.

That's close to a coin flip either way. A level being taken tells you where the stops went, not which way price goes next. That's why every Distilled model waits for more: a close back inside, a CISD, a break of structure.

Mark them like this

- Draw each level from the candle that made it.
- **Dotted** while it's resting, **solid grey** once taken.
- Write "sweep" or "break" next to every level that gets taken.

> **Try it**
>
> For the next ten days, mark PDH and PDL before the session opens. Each day, note which was taken first, and whether it was a sweep or a break.