

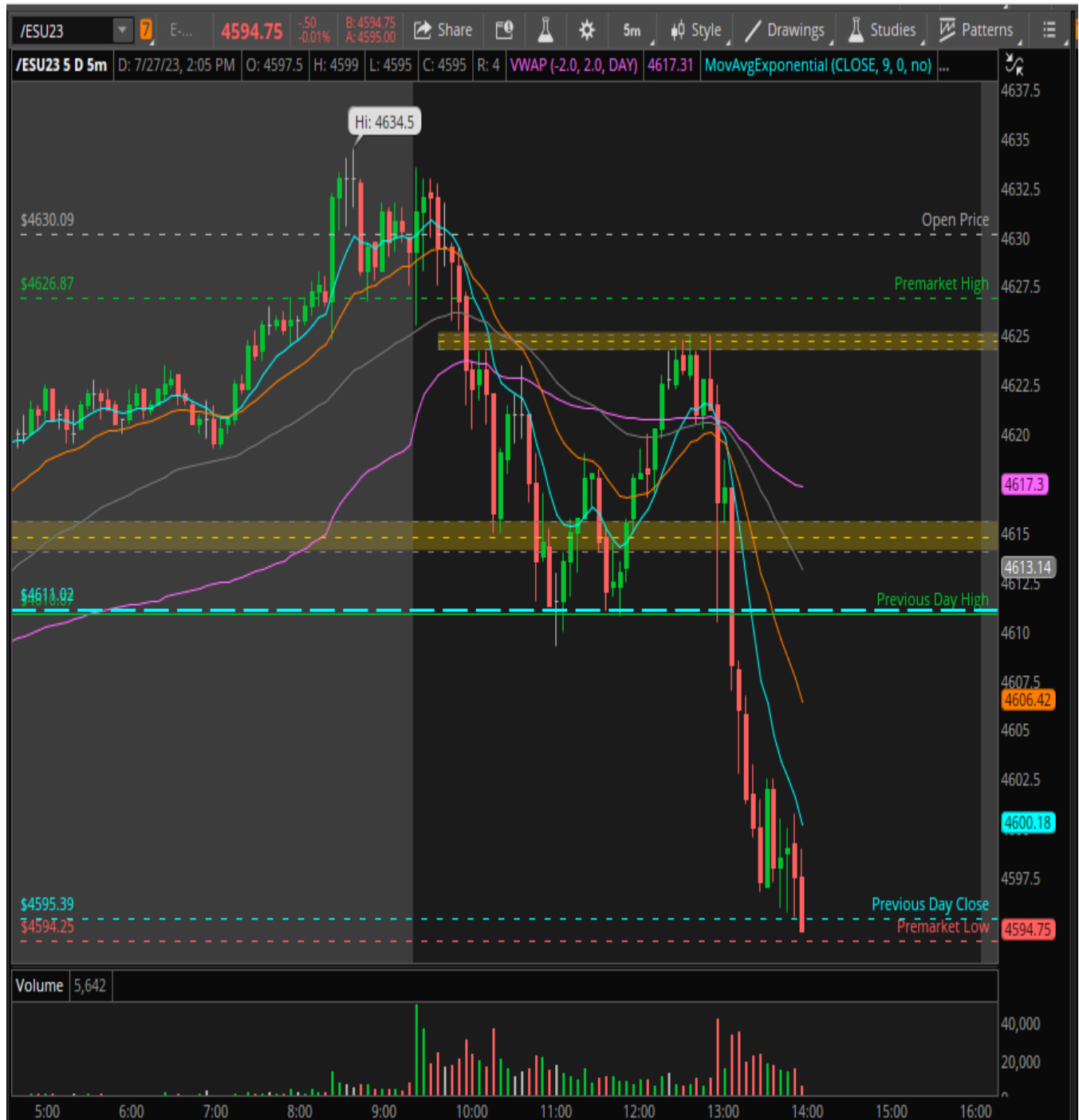
Fair Value Gaps....

By disciplined_daytrader · July 27, 2023

Yes, ICT has invaded my consciousness and im all here for it.

Fair Value Gaps

- A candle stick formation that offers insight to how the Market Makers fill orders. When only buying or selling is offered in a specific window of time we call that a Fair Value Gap. If there is a straight down red candle and no wicks through it or not buying through it then MMs only offered sell orders in that gap of price. The market will naturally gravitate to those zones so that the MMs can fill the other side of that order. This 50% retracement of that gap is considered "fair value."



- Here we have a 5m ES chart with 2 fair value gaps. The lower FVG is a long FVG from the premarket and you can see on our first drop down into that gap we hit the 50% retracement and bounced nicely back into vwap before selling back off. That happened because fair value was found after a gap was left behind and within that fair value the market had more buyers trying to hold that gap level, eventually they were eaten up

because the overall trend was still down and smart money wanted to continue the selloff. The 2nd FVG was a 5m short FVG (skinnier one on top) where we hit the 50% retracement and we hit that level mid day then used it to sell off massively. This was a very clean A+ setup ecause the internals were also trending lower. I should have made 25 points on that trade but instead I was out for lunch. Cant be too mad about it cuz thats what trading is but it is a little fomo enducing lol.



- Same setup occurred on the YM



- And same setup on NQ. Yes this was a super skinny FVG but a FVG is an FVG, i dont make the rules.