

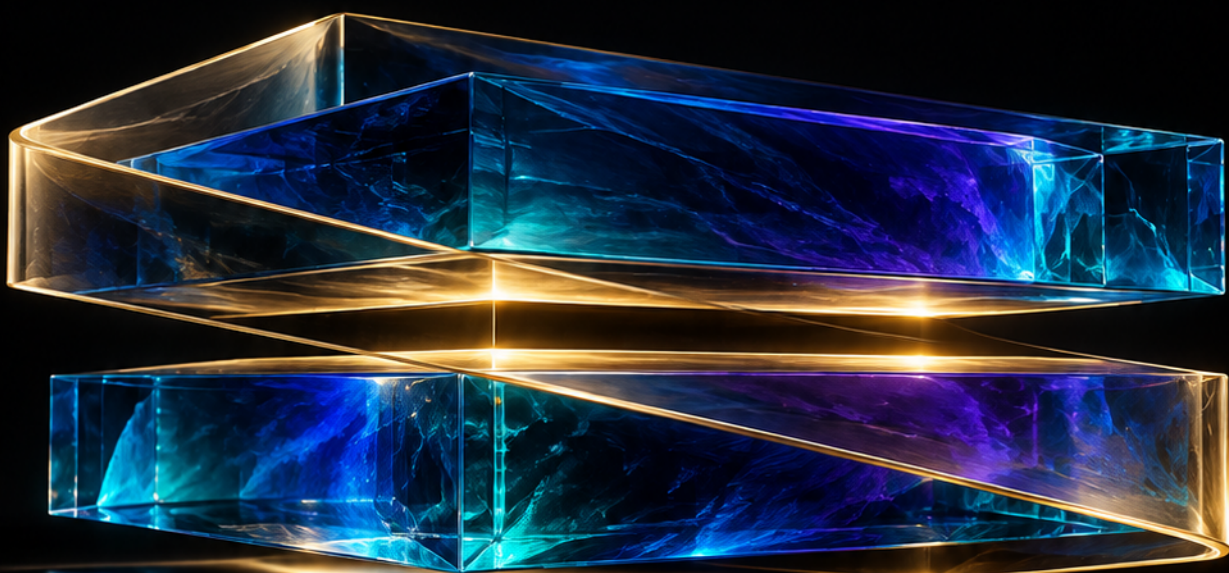
Issam Algo

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FAIR VALUE GAPS

and Inversion Gaps

A Practical Illustrated Guide

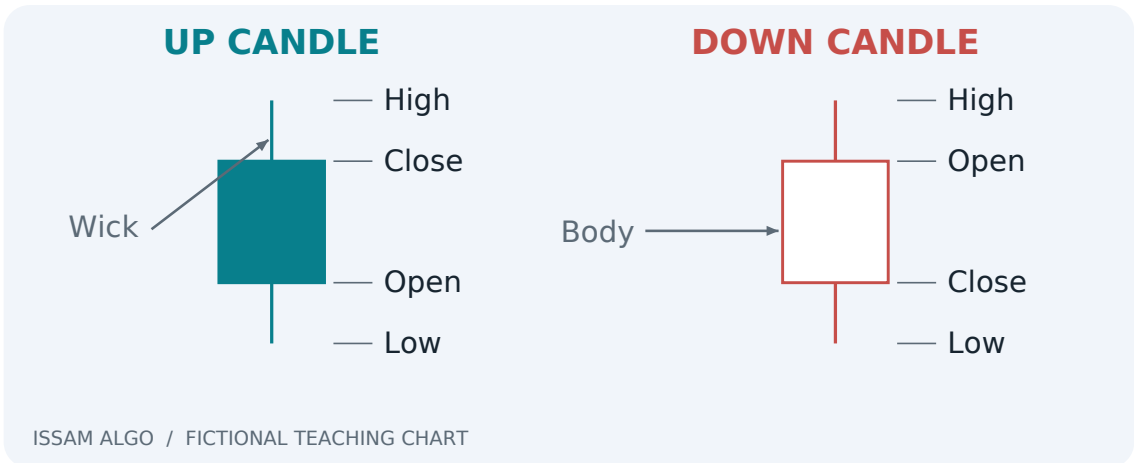


ISSAM KASSAS

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Three candles. One zone.

Read the full high-to-low range of each candle. The body shows open and close; the thin wick reaches the high and low.



Teal: close above open. Coral outline: close below open. The illustrated gaps use wick extremes, not just body edges.

A fair value gap compares candle 1 with candle 3 in a consecutive three-candle sequence. The middle candle connects the move. Wait until all three candles have closed before marking a final zone.

What the name does not mean: it is not an estimate of an asset's fair price. The middle candle can span the entire zone, so the pattern does not establish an absence of trading or missing volume.

Treat it as a price-pattern convention. Candles alone do not identify who traded or reveal hidden institutional orders.

COMMON MISTAKE

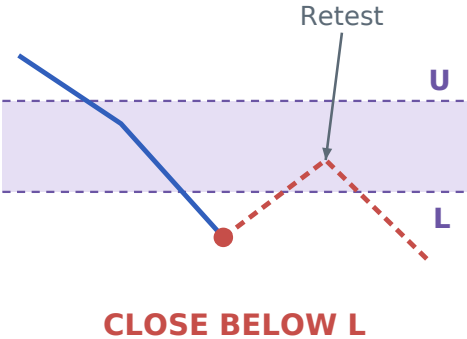
Calling a fair value gap a "volume gap." This book teaches price geometry, not volume-at-price analysis.

When a gap changes role

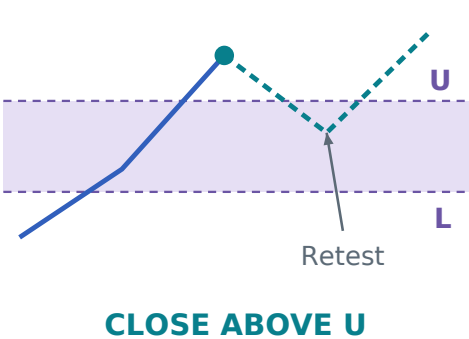
An inversion candidate keeps the same price zone but changes the role you are watching for. A failed bullish gap may become a resistance area; a failed bearish gap may become support. [1,2]

SAME COORDINATES / NEW QUESTION

SUPPORT → RESISTANCE



RESISTANCE → SUPPORT



ISSAM ALGO / FICTIONAL TEACHING CHART

Arrows show possible paths, not forecasts. A qualifying close creates a candidate; a later retest may hold, fail or never happen.

Bullish FVG → bearish IFVG: first close below L. Observe a later return from below.

Bearish FVG → bullish IFVG: first close above U. Observe a later return from above.

Do not use a touch earlier in the inversion candle as a later retest. The close that establishes the new state was not known yet.

COMMON MISTAKE

Selling or buying merely because a rectangle has changed colour. An inversion label is not a complete decision rule.