

# iFVG Model Simplified Overview

This model is a momentum-based trading strategy that aims at taking advantage of times of high volatility and expansion in the market.

## Higher-Timeframe Alignment:

- Detect a valid 1-hour or 15-minute fair value gap (three-candle pattern such that the first and third candles don't overlap at any price range).
- Based on data-driven research, several validation conditions of the POI ensure that this model only selects desirable fair value gaps that will lead to favorable, expansionary market conditions.
- Require that price respects the Value Area (VA) to confirm direction.
- This ensures that there are no trades taken without a clear higher-timeframe trend in favor.

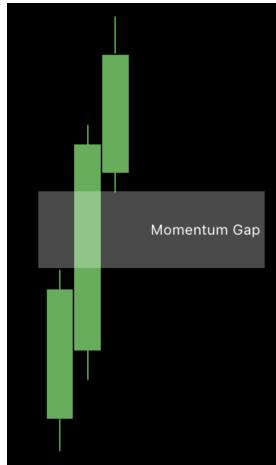


Figure 1: Example of a valid momentum gap or fair value gap assuming it satisfies validation conditions.

## Lower-Timeframe Entry:

- From the 1h (15min) POI, detect a 5min (1min) “inverse” fair value gap (i.e., a fair value gap in the opposite direction that has been clearly disrespected, as shown in Figure 2 below).
- Entry is triggered once price closes through the fair value gap, provided it meets research-backed criteria that indicate one-sided market delivery.

- Stop-loss and target are determined based on the different variations of the iFVG model being used, but an example is shown in Figure 2 below.
- Later variants of the iFVG model adapt a dynamic exit strategy based on price and volume.

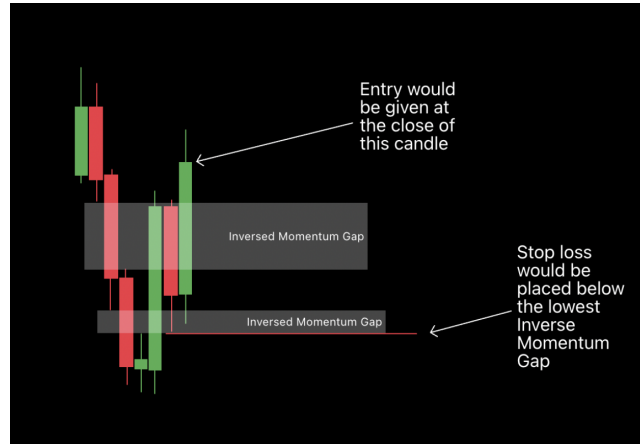


Figure 2: Example of a valid lower timeframe entry function assuming it satisfies validation conditions.

### Trade Management & Constraints:

- Entry window is 9:30–12:00 ET.
- All trades are held until the stop-loss/target gets triggered or the NYSE closes at 4pm ET.
- Different variants of this model will have different hyperparameters and slightly different rules.

### Example:

The momentum-based iFVG trading model is inspired by principles of market structure in order flow analysis. Figure 3 below illustrates the surface-level logic of the model on a bullish CPI day. It effectively highlights the model's foundational approach to exploiting one-sided delivery under favorable market conditions.



Figure 3: Example of the simplified core logic behind the momentum-based iFVG model during a bullish CPI session.