

## FU Candles / institutional candle

What are fu candles and what makes them valid Fu candles are truly amazing. They occur on all timeframes over all pairs and they mean one thing. It is a sign as to what direction banks are trading. A “physical” sign just as candlestick patterns are only these really work. It's really unbelievable how many times this occurs in the markets yet so few know or speak about it. True information about the markets will never be public otherwise how could the banks make their money?

Fu candles must have two confirmations in order to be valid.

1) It takes liquidity

2) It must break the high/low of the previous candle (lose below A true FU candle:



We most commonly see this occur with a doji or double top/bottom. It doesn't matter really as long as something generated liquidity and then was taken. The purpose of this lesson is nothing more than to train your eyes to see this pattern in the markets

Pure examples to demonstrate its power

In this one example we see 5 fu formations. Each one for more than 100 pips move each time. Price also kept coming back to the last area of supply and kept reacting from the previous FU

When each of these moves form, you understand which way banks are trading. Eg: see a fu form to the downside then we know banks are looking to sell. If it forms to the upside then we know banks are looking to buy. Remember : we look to get in when liquidity has been

taken and when we have liquidity to target. And Fu setups are a prime example of a move with no liquidity generated.



Another example. Here we see banks really wanting to move price up. 3 fu setups have been shown. A doji formed (generating liquidity) then the candle after briefly wicked below it taking all the sl of retail doji traders then flew in the other direction. Using this we find amazing entries (if found as forming or re entries using limits)

Remember we find these on all timeframes. For example if someone wanted to trade on the 1m or 5m this concept still applies. Allow me to demonstrate:



The 5 min time frame on gold. Each circle shows us an fu opportunity. The possibilities are really quite endless considering it appears on ALL timeframes. So if you don't see it on one you will on another. That's the beauty of it. Combined with all the other concepts we use this really helps us to put it into practical use and find entries using it.

Enter after the fu candle closes (whatever timeframe you see it on) and put your sl above the wick on the fu. That's one way to enter using it. Although personally I always want to keep my sl small so only use this with smaller time frames. Otherwise I use it for market direction or only limit orders as will be explained later.