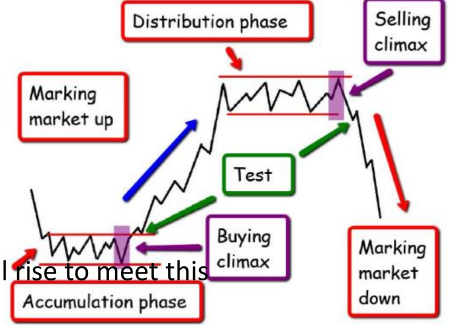
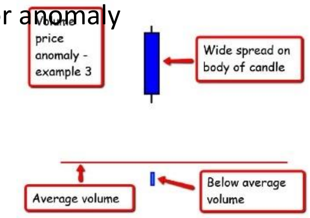


VPA Cheat sheet

1- Law of supply and demand- if demand is greater than supply then price will rise to meet this demand and V/V.
2- Law of cause and effect- you must first have a cause to have an effect. i.e. if you have a small volume you will have a small movement.
3- Law of effort and result- action has an equal and opposite reaction. So, if prices moves 'X' then volume should also move that same amount. If they're not in sync, we have an anomaly.

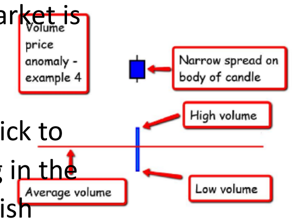
Principles

Art not a science, patience (market doesn't reverse on a dime), its all relative (in terms of volume feeds), practice makes perfect, VPA is only part of the story (we use TA & S/R to confirm), validation or anomaly (were looking for either or)

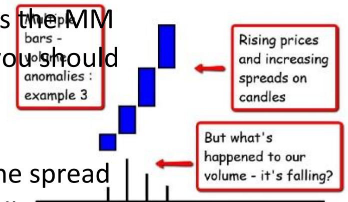


Anomalies-

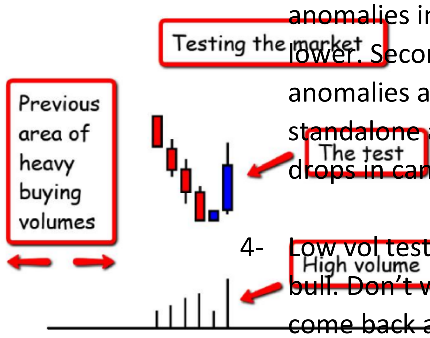
1- Large spread & low vol= potential trap, that it's been manipulated by MM, we might look to exit. Big result. Little effort. MM's are trying to feel out sentiment here. Signalling that the market is not joining in.



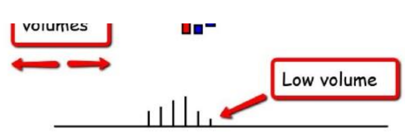
2- Small spread & high vol= potential trap, the move higher is NOT a genuine move but a trick to suck traders into weak positions and take out stops before reversing sharply and moving in the opposite direction. Signalling that the market is weak here that usually forms atop a bullish trend. What is actually happening is that the market has reached a price at which further effort does not result in higher prices, as each wave of new buyers is met with longs selling out at this level and taking their profits, 'off the table'. So, there is no sustained move higher in price. The first sign of a real struggle, with the specialists struggling to clear their warehouse before moving the market lower, and fast. The market is not receptive to higher prices, but the specialists cannot move the market lower until they are ready, and so the battle continues. It's the MM selling preventing any real rise to FOMO retailers trying to go long. If you are long you should look to exit your position.



3- Multiple bars rising but dropping volume= Candle 2 we know somethings wrong. The spread isn't enough to warrant the large volume. Signally MM are exiting at this level. Candle 3- is two anomalies in one. First being that the spread is larger in relation to last candle, but volume is lower. Second is that it alone is rising on lower vol and even bigger spread. Candle 4- is two anomalies again as there's even more spread in and less vol in relation to last candle and also standalone a widespread candle as vol is low. MMS are selling out at candle 2 that's why volume drops in candles 3/4. They see the market moving higher and trapping traders in weak positions.

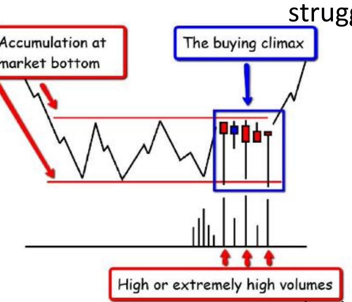


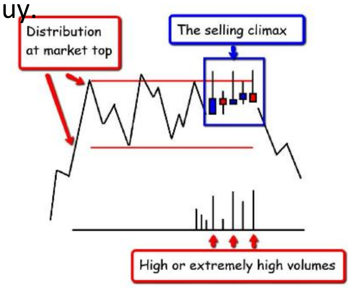
4- Low vol test- MM never sure all the selling has been absorbed when mounting a campaign to bull. Don't want to be hit by sellers. Think of it as a flash sale for a warehouse. They want it to come back as a low vol test. It only matters that this candle has a small body. But usually want it to be a hammer of sorts. Price can now move higher.



5- High vol test- Is a problem for MM. MM’s now have to quickly take price down to get rid of all sellers before moving price up again. This candle’s body is significantly bigger.

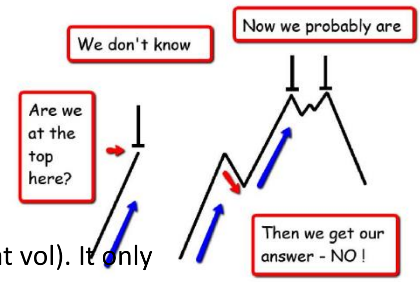
6- Selling Climax- at the end of a distribution zone atop a markup phase. High volume near the end done by the MM, not retail. In the end of the campaign it will get really volatile as the MM’s struggle to sell large amt of shares without driving prices down. Retailers trying to buy.



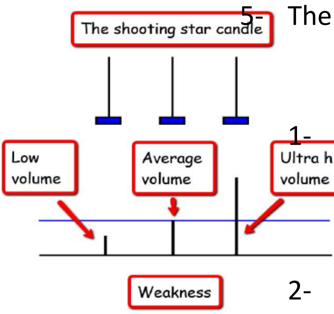


Candle analysis (Principles)

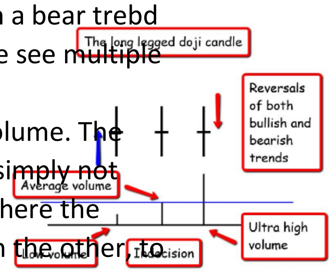
1- The length of a wick is always the first point of focus because it reveals strength, or indecision
2- Lack of a wick signals strength
3- Narrow body is weak sentiment and wide body is strong market sentiment
4- Volume validates price.
5- The location of the candle in the trend matters

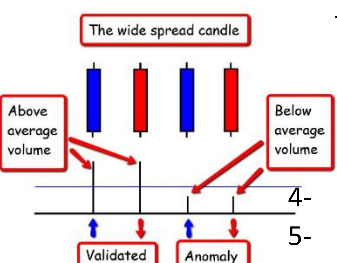


Types (premier are hammer, shooting, doji)

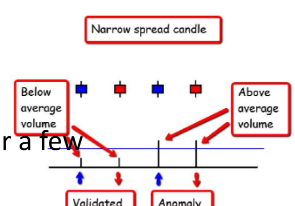


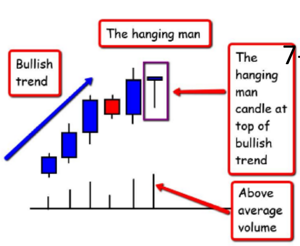
1- Shooting star=weakness. It cannot be an anomaly (even without looking at vol). It only signals weakness at the potential top of a trend and also on volume. Shooting star in a bull trend on low vol is usually just a brief pause before continuing up. Also, if we see multiple shooting stars on increasing vol its signalling weakness
2- Hammer candle= strength. It cannot be an anomaly (even without looking at vol). It only signals strength at the potential top of a trend and also on volume. Hammer in a bear trebd on low vol usually just means a brief pause before continuing lower. Also, if we see multiple hammers on increased vol especially after a trend its signalling strength.
3- Long legged doji candle= indecision. CAN have an anomaly in terms of (low) volume. The answer for low vol doji that the price is being moved by the insiders, who are simply not joining in at the moment. The most common reason for this is stop hunting, where the market makers and insiders are moving prices violently, first one way and then the other, to shake traders out, and to take out stop and limit orders in the process. They are not buying or selling themselves, but simply 'racking' the price around, generally using a news release as the catalyst.

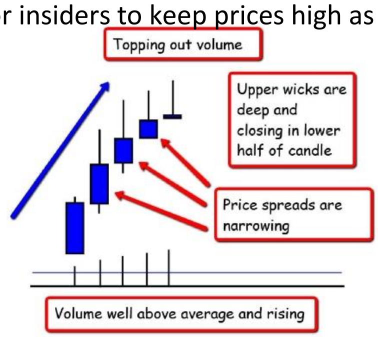


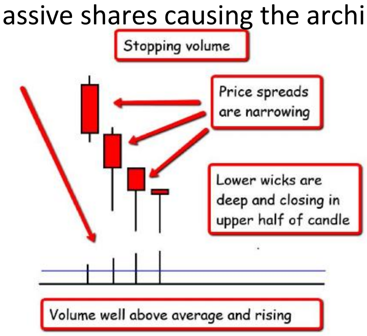


4- Widespread candles=strong sentiment. Volume should not be avg or low.
5- Narrow spread candles= weak sentiment. Volume should not be avg or high.
6- Hanging man- weakness. Atop a bull trend on vol. Usually confirmed by shooting star a few candles later. Not bullish even though t was bought up. First signs of weakness.
7- Topping/btm out volume- on rising volume and giant wicks to the upside. Becoming difficult for insiders to keep prices high as they unload massive shares causing the arching look.









Camarilla Pivot Points

The basic idea behind Camarilla Pivot Points is that price has a tendency to revert to its mean until it doesn't.

What makes it different than the classic pivot point formula is the use of Fibonacci numbers in its calculation of pivot levels.

Similar to classic pivot points, it uses the previous day's high price, low price, and closing price.

The most important levels are S3.S4 and R3, R4. R3 and S3 are the levels to go against the trend with a stop loss placed around R4 or S4. While S4 and R4 are considered as breakout levels when these levels are breached its time to trade with the trend. Depending on where price opens, the tool can suggest a trade that could exploit a reversion to the mean or a breakout to new highs or lows.

Scenario #1: Open price is between R3 and S3

Buy when the price moves back above S3 after going below S3. Target will be R1, R2, R3 levels.

Place Stop loss at the S4 level

Scenario #2: Open price is between R3 and R4

Buy when the price moves back above R3 again after going below R3. Target will be 0.5%, 1% and 1.5% .

Place stop loss at R3

Wait for the price to go above S3 and then when it moves back below S3 again, sell or go short.

Target will be S1,S2,S3 levels, and the stop loss will be above R4. Target S1, S2, and S3.

Scenario #3: Open price is between S3 and S4

Wait for the price to go above S3 and then when it moves back above S3 again, then go long.

Target will be R1,R2 R3 levels and stop loss below S4.

Wait for the price to go below S4 and then when it moves below S4, go short.

Place stop loss above S3. Target 0.5%, 1% and 1.5%

Scenario #4: Open price is above R4

Buying can be risky at this level. Wait for the price to go below R3.

As soon as the price moves below R3. go short.

Place stop loss above (R4+R3)/2. Target S1 , S2 and S3

Scenario #5: Open price is below S4

Selling could be risky at this level as the price has opened with a big gap down.

Wait for the price to go above S3.

When the price moves above S3, buy

Place a stop loss of (S4+S3)/2. Target R1, R2, and R3.