

The ABC's of VSA: SOW Sequence Set Ups

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Objectives

- Using The Complete VSA Sequence Explained ebook to recognize the Distribution phase
- Looking at three Climactic Action sequences and how to recognize them



1. The Distribution Phase marks the end of the buying phase.
2. The Distribution Phase can be quick or take awhile to complete.
3. The Distribution Phase is also known as the selling phase.



4. The Volume in the Distribution Phase is the supply of the Smart Money.
5. The Climactic Action of the Distribution Phase creates a retracement area before the market falls.

Answers

- All the statement are True!!!!!!!!!!

True

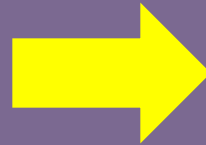


False

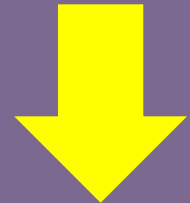


Cause and Effect = Case Study

**Climactic
Action**



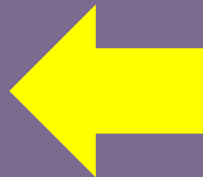
**The
Distribution
Phase**



Change in Volume

Change in Trend

Taking a Short Trade



**Checking how much
demand for higher
prices before bringing
the Market down =
Up Thrust, No Demand**

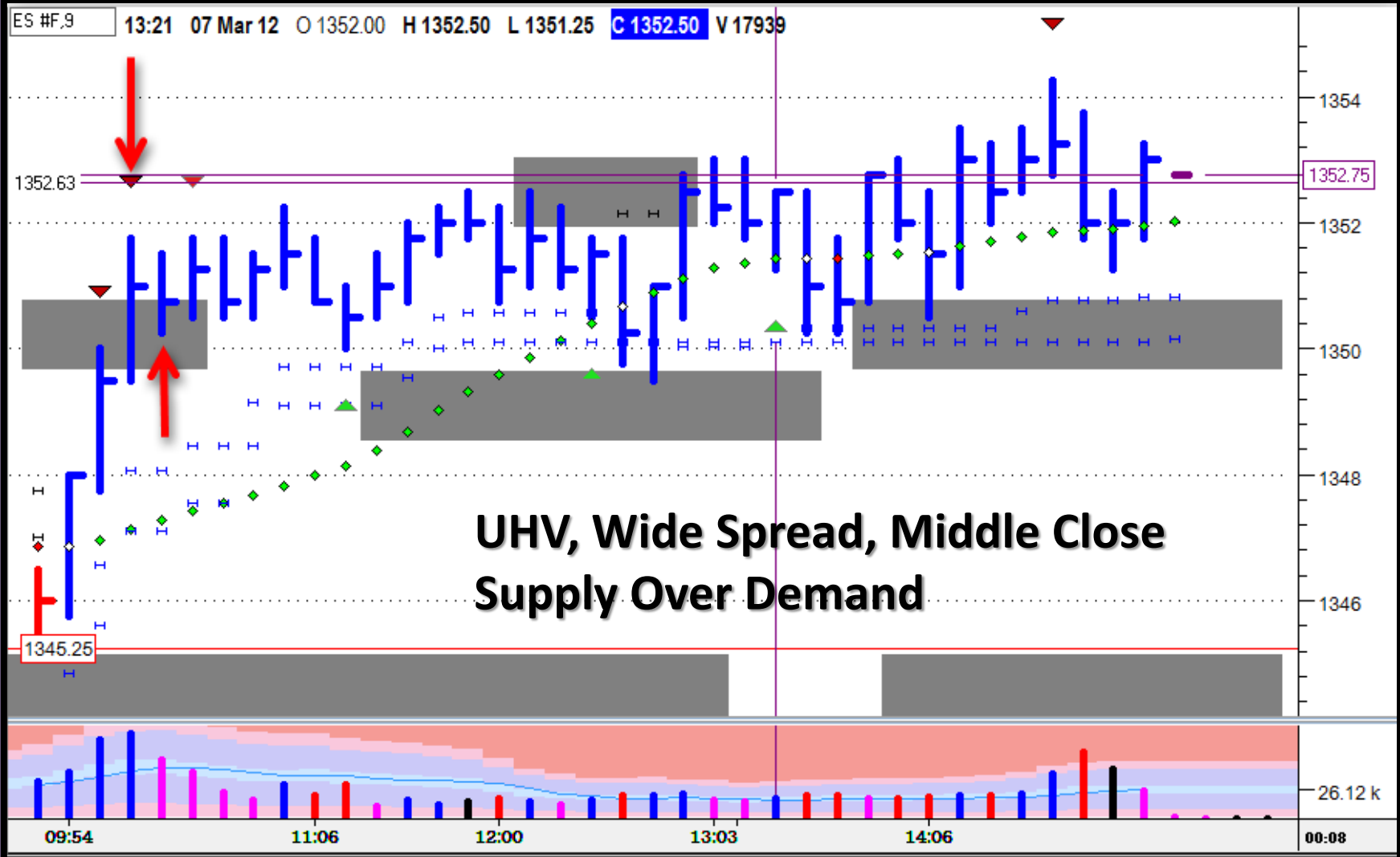
Phase 1: Distribution Begins

- **Potential Buying Climax**
- **Supply Coming In**
- Potential Climactic Action
- End of a Rising Market (rare)
- Supply Overcoming Demand
- Possible Hidden Selling

Potential Buying Climax

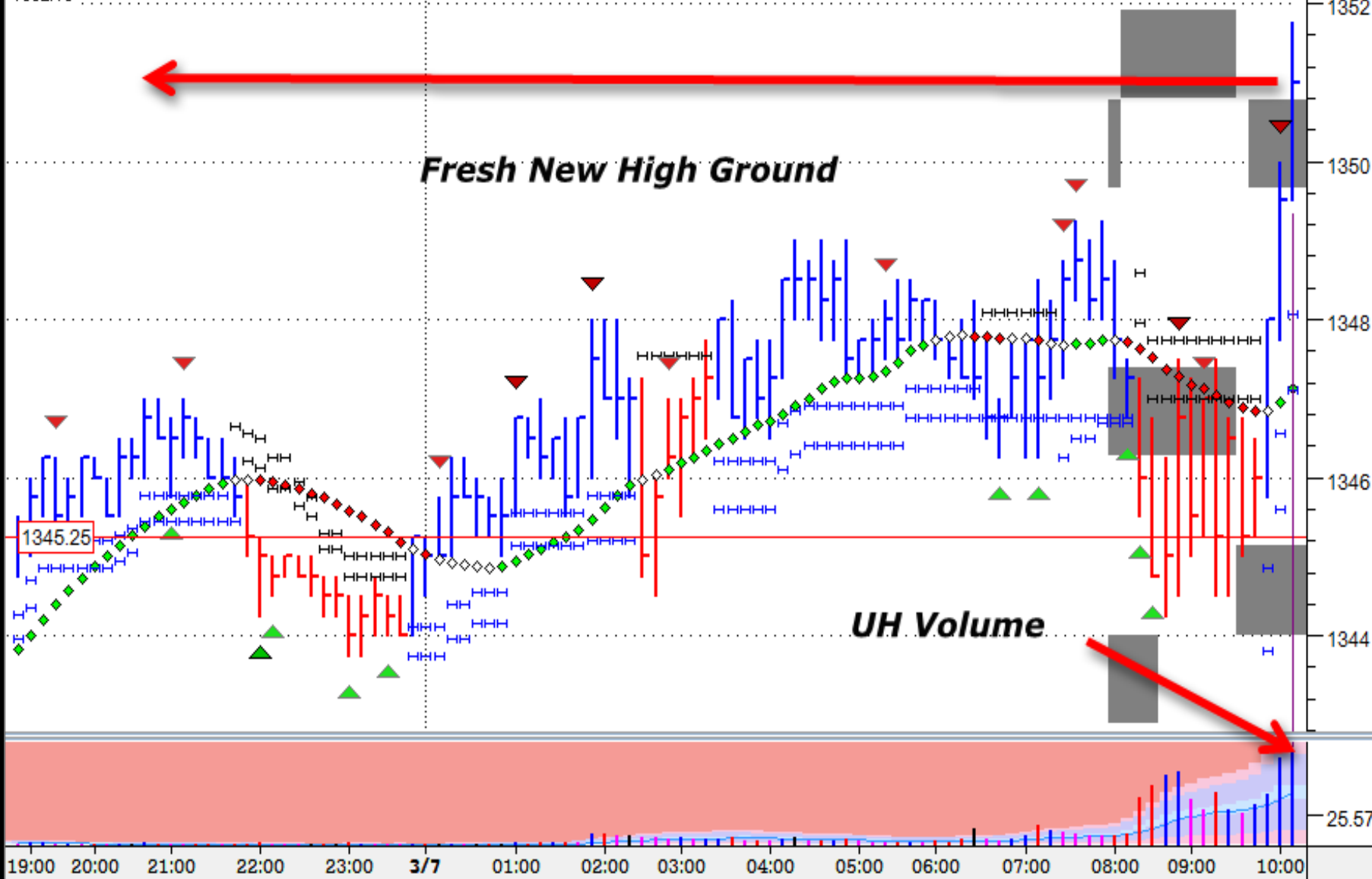
- Up Bar
- Volume = High to Ultra High
- Middle Close
- Uptrend behind you
- Next bar down to confirm
- Expect Upthrusts, No Demands Future SOW

Potential Buying Climax

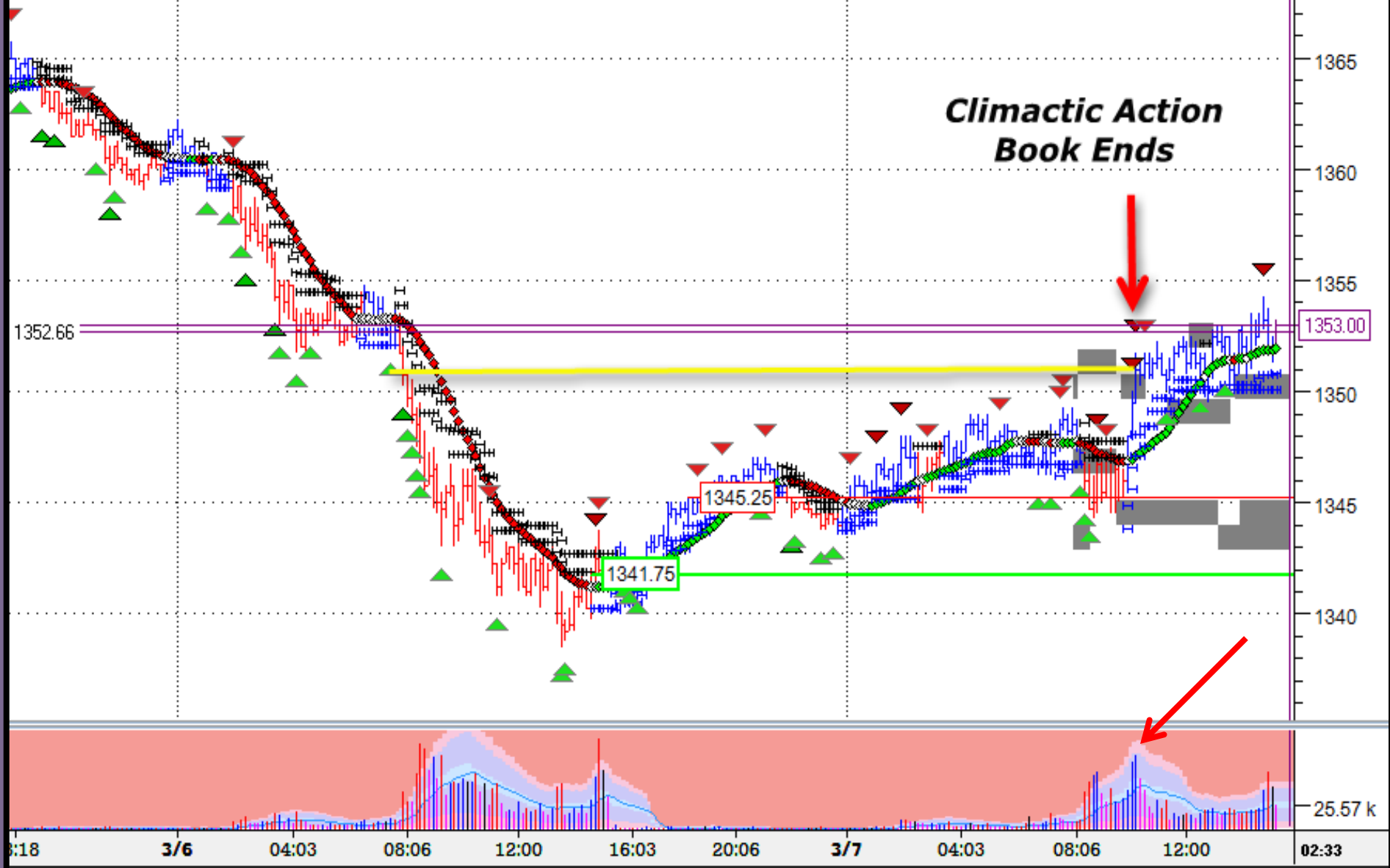


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1352.13



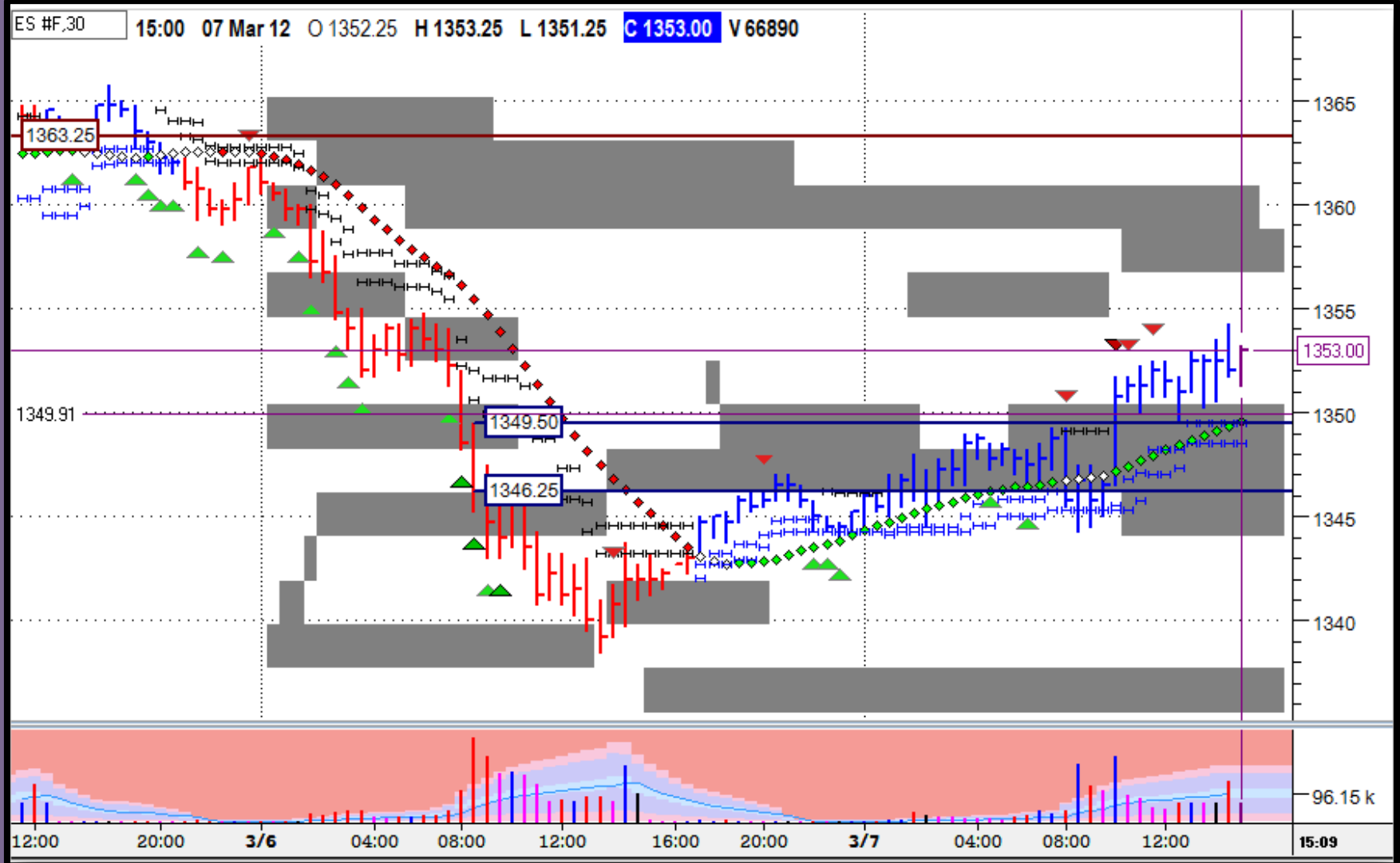
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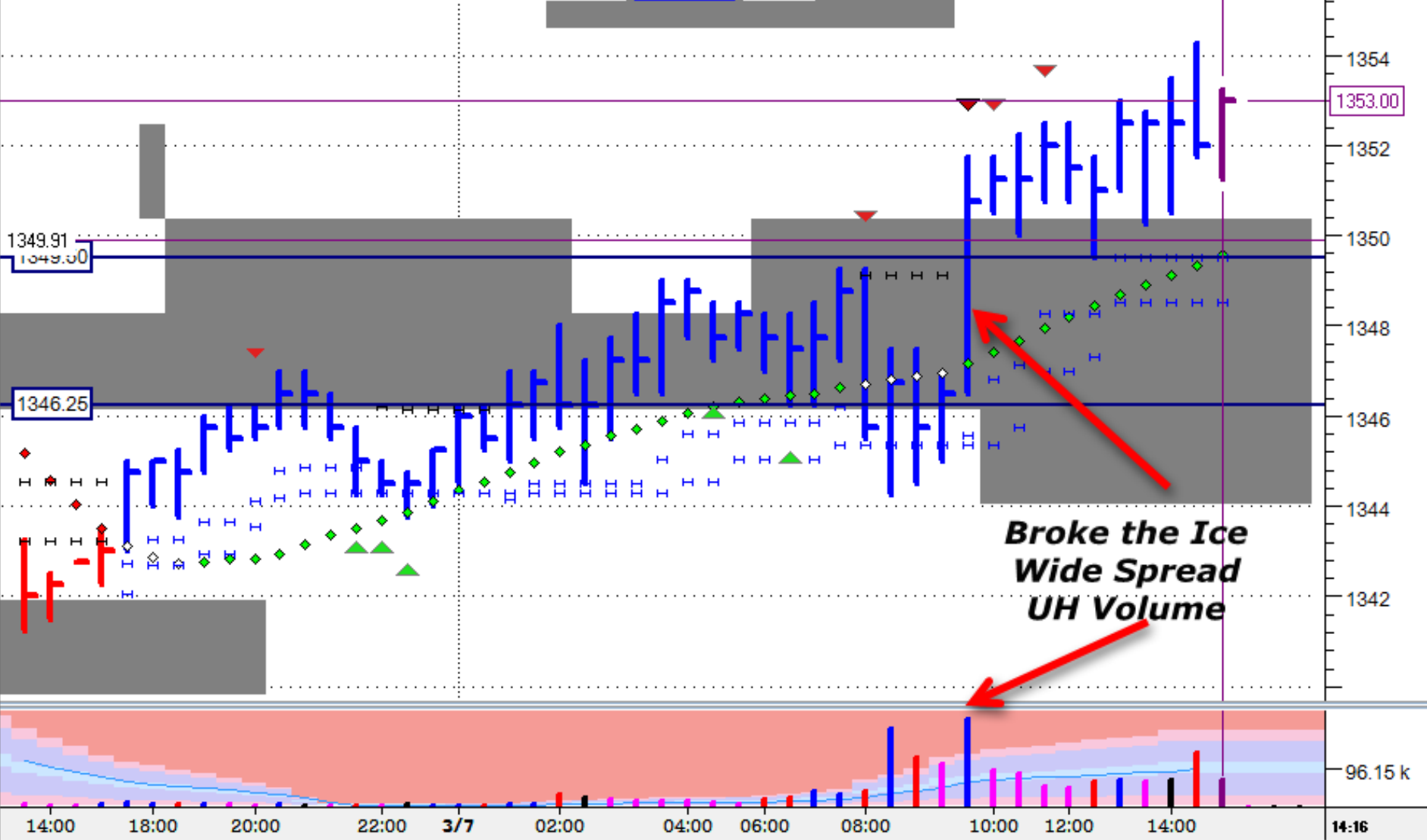
Supply Coming In

- Up Bar
- Volume = High to Ultra High (Climactic Action)
- Next bar down, closing low is a good SOW
- Future = No Demand bars, Upthrusts
- Look carefully behind you for Absorption Volume/Breakout (1%)

Background



ES #F,30 15:00 07 Mar 12 O 1352.25 H 1353.25 L 1351.25 C 1353.00 V 66890



How to Recognize

- ❖ Ultra High Volume
- ❖ Up Bar
- ❖ Breaks through a trading range
- ❖ Supply has hit the market
- ❖ The Selling Phase by the Smart Money