

The ABC's of VSA: Back to Basics

By Lauren Snedeker



Today's Objectives

- Recognize the role volume plays in the market
- Identify the anomalies of supply and demand
- Predict smart money movement
- Commit to learning 4 VSA Signals



Why Volume?

- Volume is the activity of whom?
 - **The Smart Money**
- This means that volume provides:
 1. Clues to what the Smart Money is doing
 2. Info on the start & stop of a campaign
 3. Interest in higher or lower prices
 4. The relative amount of supply and demand



Where do you start?

1. Ultra High Volume Bars

Climactic Action Bars

2. Start of a campaign by the Smart Money

3. How do you do it?

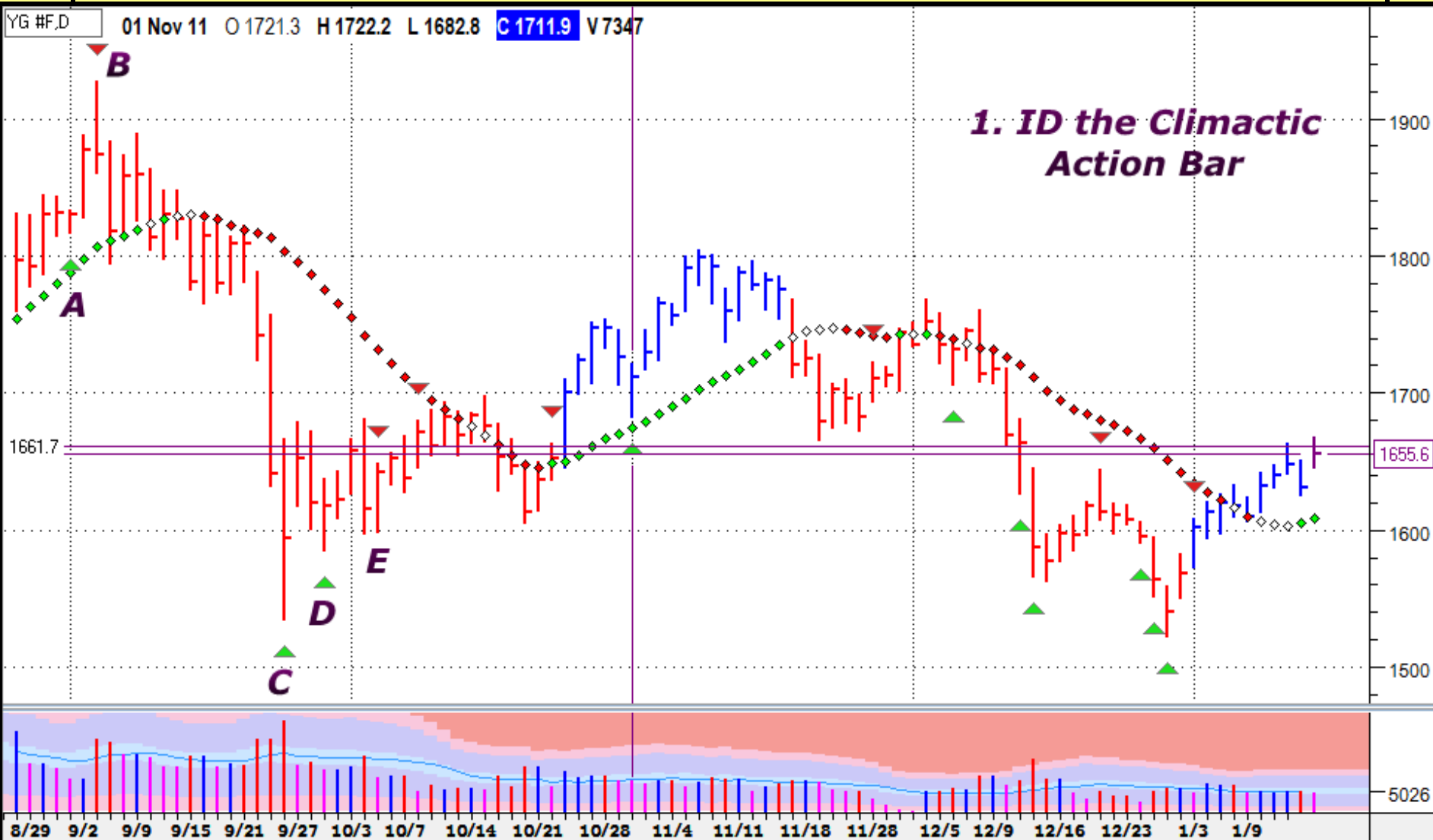
- a. Identify the climactic action bar
- b. Draw horizontal lines to track it
- c. Wait for a price bar to break the line
- d. Watch for ultra low volume to enter the trade

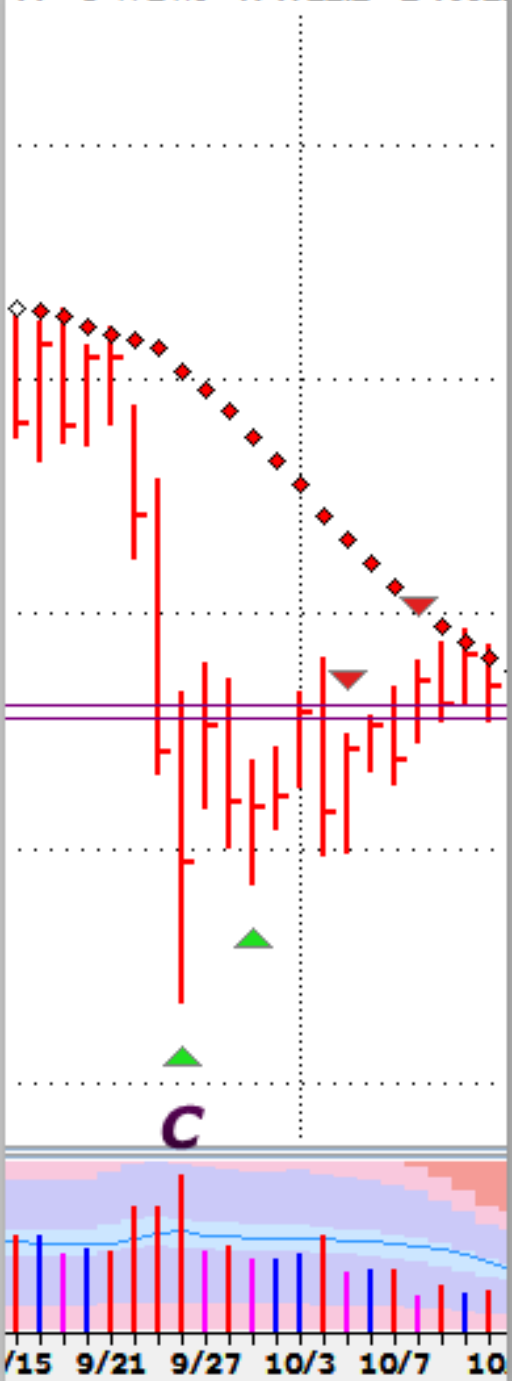


1. Identify the Climactic Action Bar

- See if you can pick out the Climactic Action Bar!
- Ready????
- Let's Begin!

Where is the Climactic Action Bar?

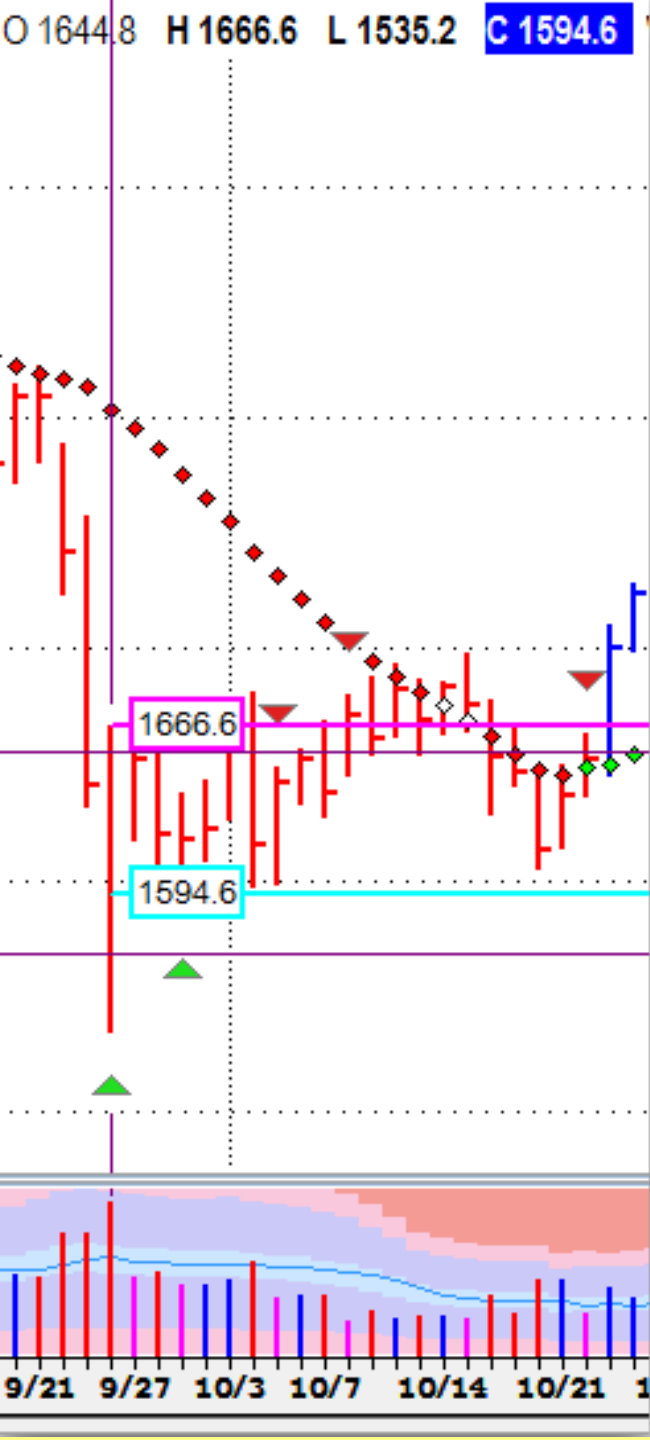




Answer = C

- ✓ Ultra High Volume Bar
- ✓ Wide Spread Price Bar
- ✓ Downtrend
- ✓ “Test after Shakeout”
- ✓ Accumulation Phase begins

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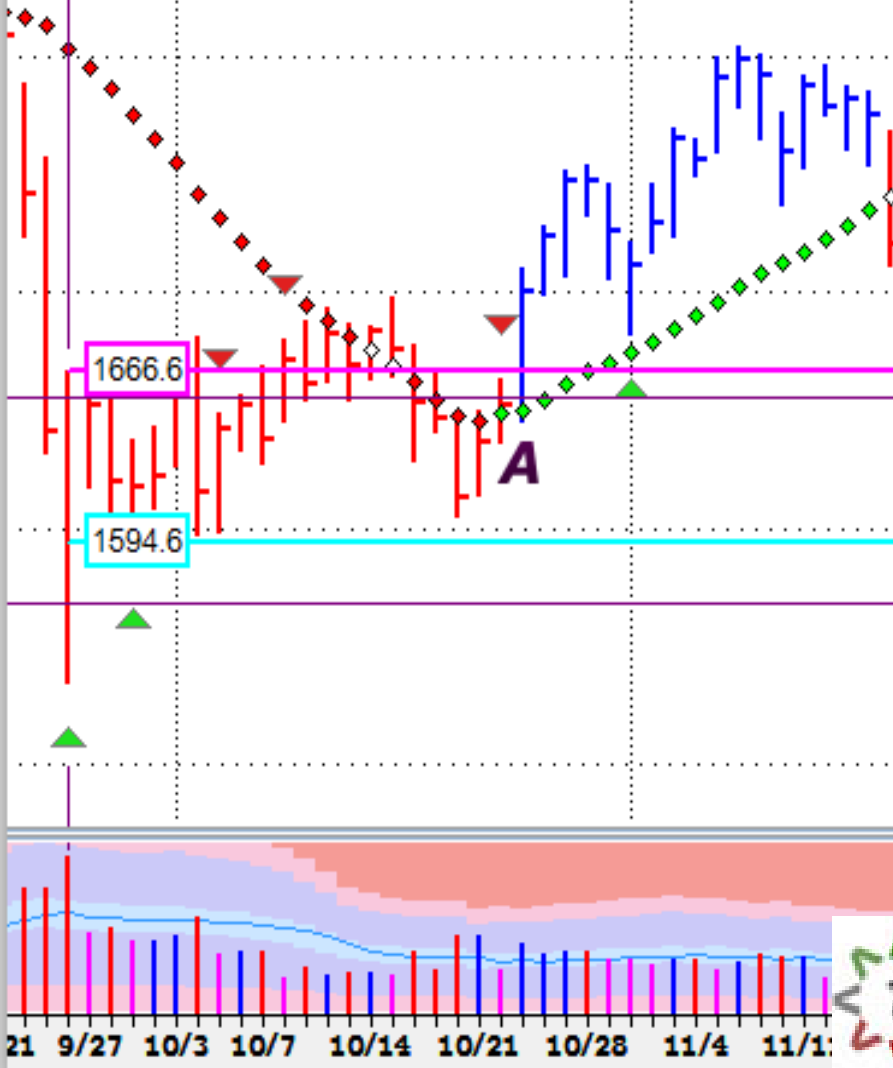


2. Draw Horizontal Lines

- Draw a line at the High of the bar
- Draw a line at the Close of the bar
- You now have a range:
 - Congestion
 - Pull backs
 - Testing/buying



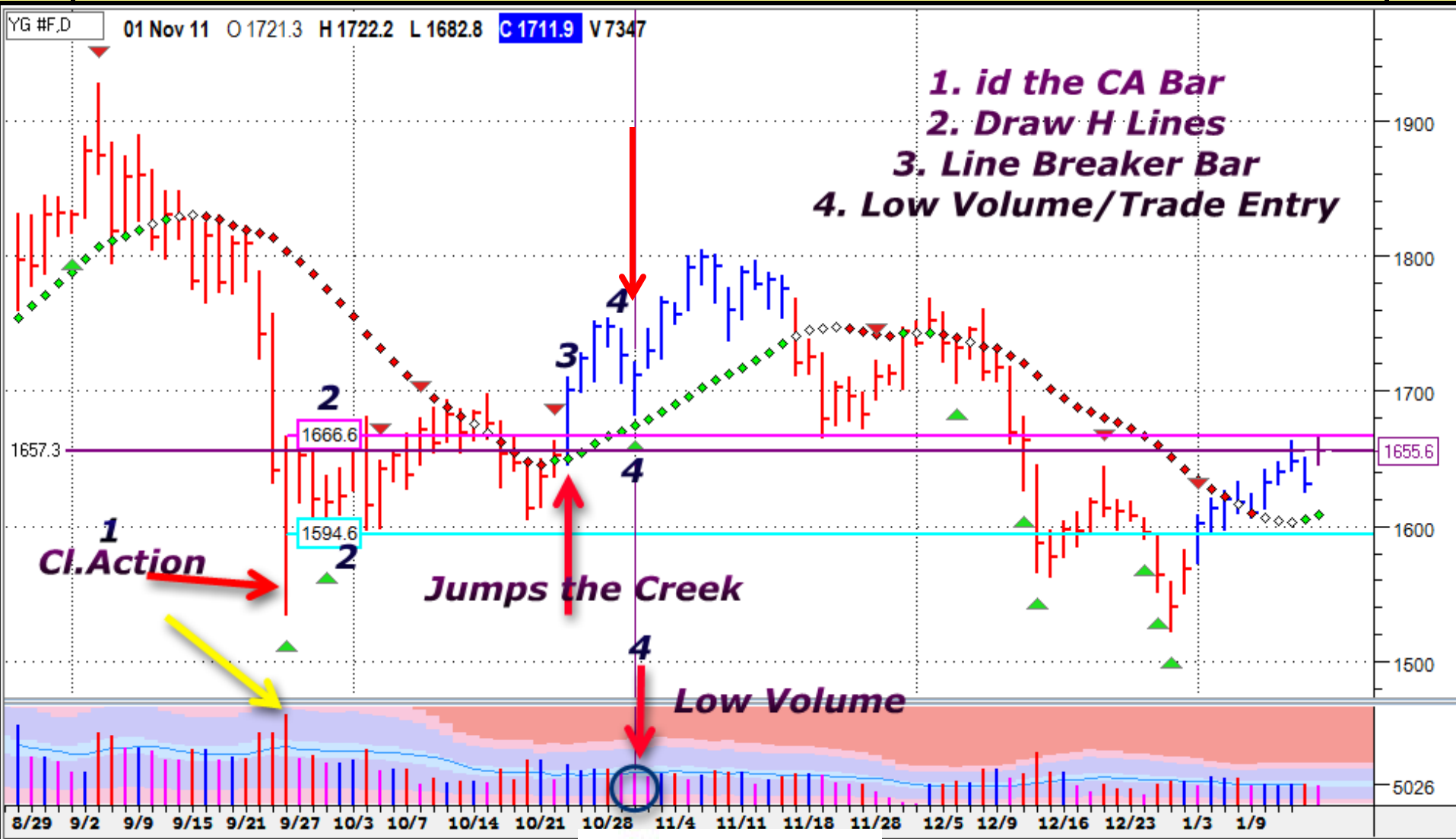
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Line Breaker Bar

- ✓ Bar A breaks the high and closes higher
- ✓ 2nd Green diamond = trend change
- ✓ UH volume & Wide Spread = effort
- ✓ High Close = interest

4. Enter on Low Volume



Volume and Supply

Have you ever heard of this phrase?

Buy High, Sell Low

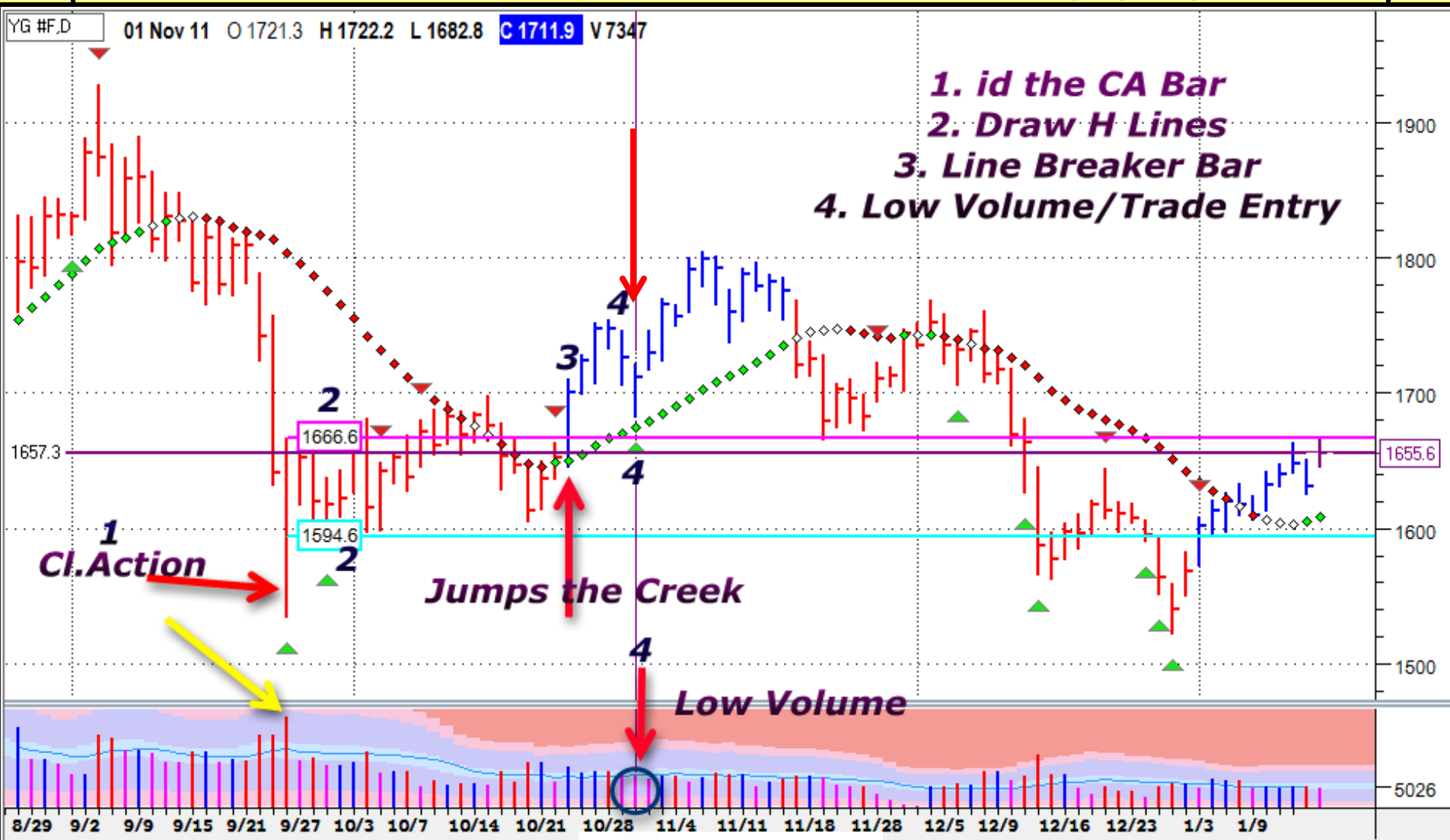
Smart Money Buys when
prices are **Low** &
Sells when prices
Are **High**



Buying/Accumulation Phase

- The Ultra High Volume = the start of the buying phase
- As orders come in one after another, it creates this ultra high volume
- **Volume** becomes a gauge for the **supply** left in the market
- The **lower the volume**, the higher the chance prices will rise – **no more supply left to buy**

Low Volume = Little Supply



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4 Signs you Need to Know

1. No Supply

2. No Demand

1. Shakeout

2. Up Thrust

- These are confirming signals



- These are traps set by the SM

No Demand

v.

No Supply

- Up Bar
- Volume Lower than previous two
- Lack of interest in higher prices
- Strongest in downtrend
- Confirms end of SM campaign
- Enter 2 bars later

- Down Bar
- Volume Lower than previous two
- Lack of interest in lower prices
- Strongest in uptrend
- Confirms end of SM campaign
- Enter 2 bars later

UpThrust

v.

Shakeout

- Up Bar
- Pushes up to trap long holdings
- Closes on dead low
- Volume varies
- Narrow Spread
- Next bar down
- Great place to exit
- Extreme High

- Down Bar
- Pushes down to trap short holdings
- Closes mid to high
- Ultra High Volume
- Wide Spread
- Next bar up
- Great place to exit
- Extreme Low

Objective Checklist

- ☐ Can you identify a climactic action bar?
- ☐ Can you determine a campaign by the SM?
- ☐ Can you establish a trading range?
- ☐ Can you recognize low volume to mark the end of a SM campaign?
- ☐ Can you use 4 VSA Signals for entry and exits?

What Next???

- Sign up for more information
- Get a free copy of The Complete VSA Sequences Explained ebook
- Get a copy of this presentation
- Get a learning treat just for being here today

HOW?????

- Email me: lauren@tradeguiders.com



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