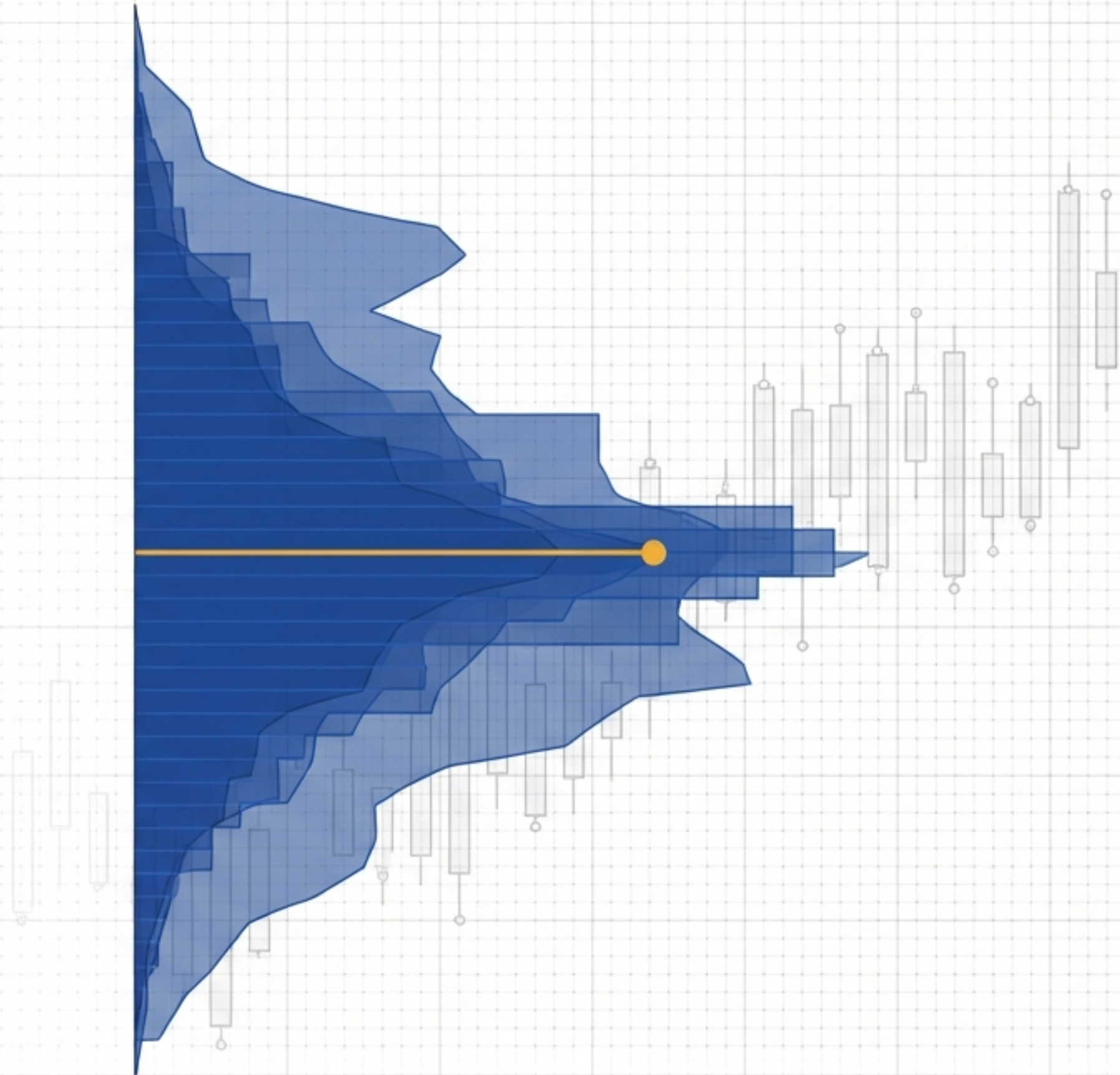


The Volume Profile Playbook

Uncovering Institutional Footprints & Market Sentiment

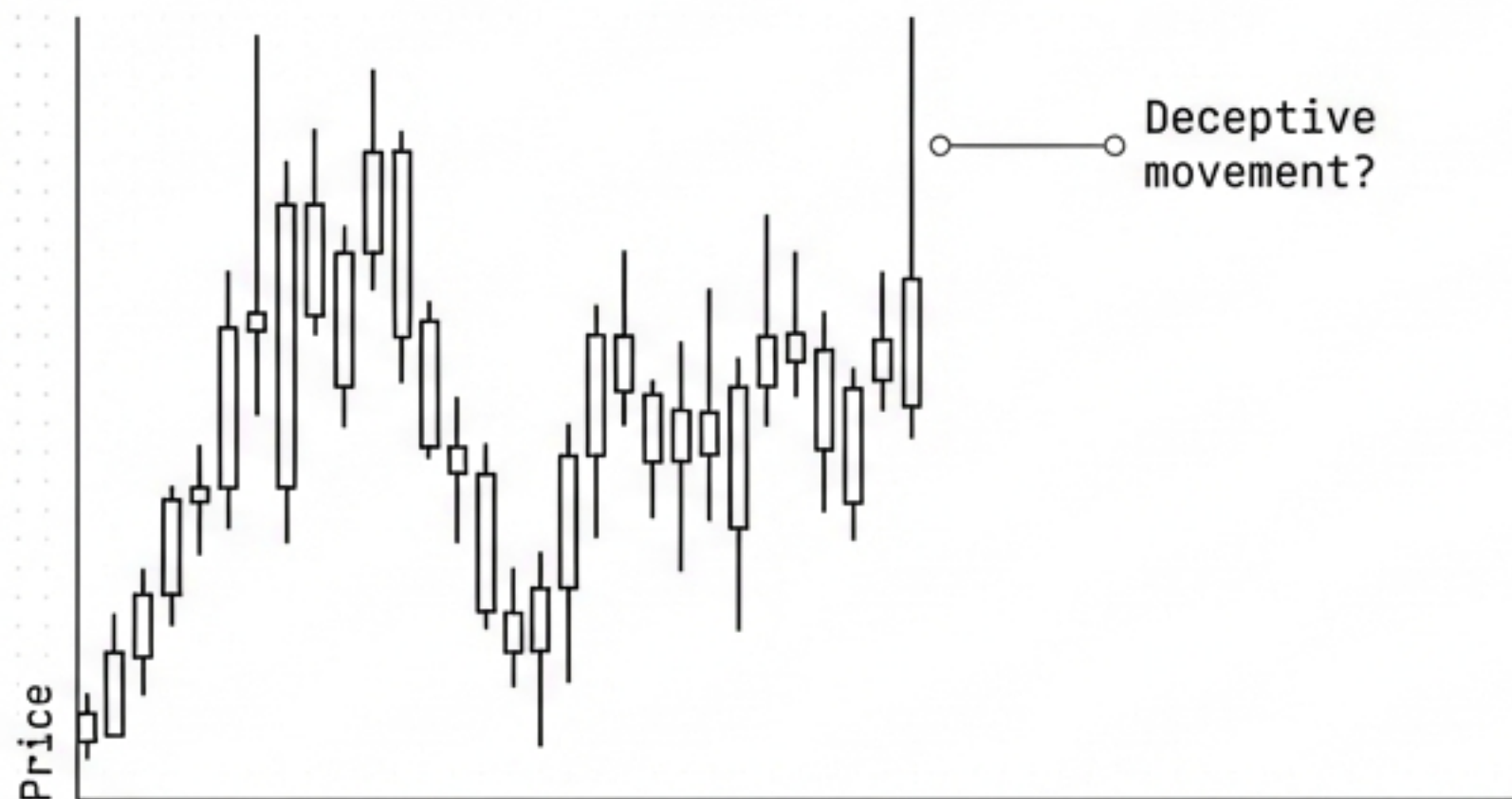
Volume Profile = A map of how much volume traded at specific price levels, revealing where the market accepted or rejected value.



Stop Guessing. See Where the Money Is.

Standard Charts (Time) vs. Profile Charts (Interest)

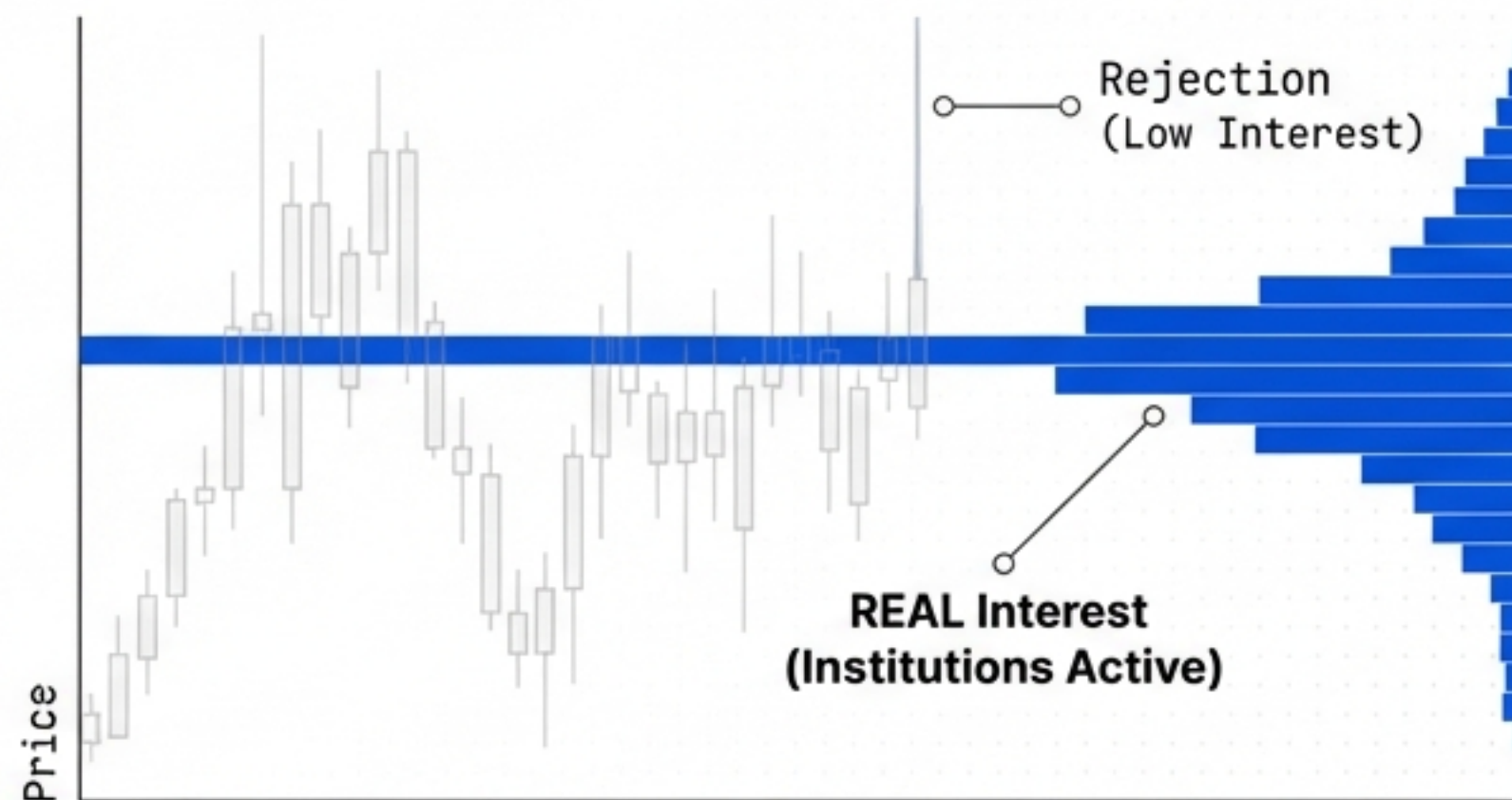
Price is Advertised



JetBrains Mono

Shows price movement over time. High volatility can look significant even on low volume.

Volume is Accepted

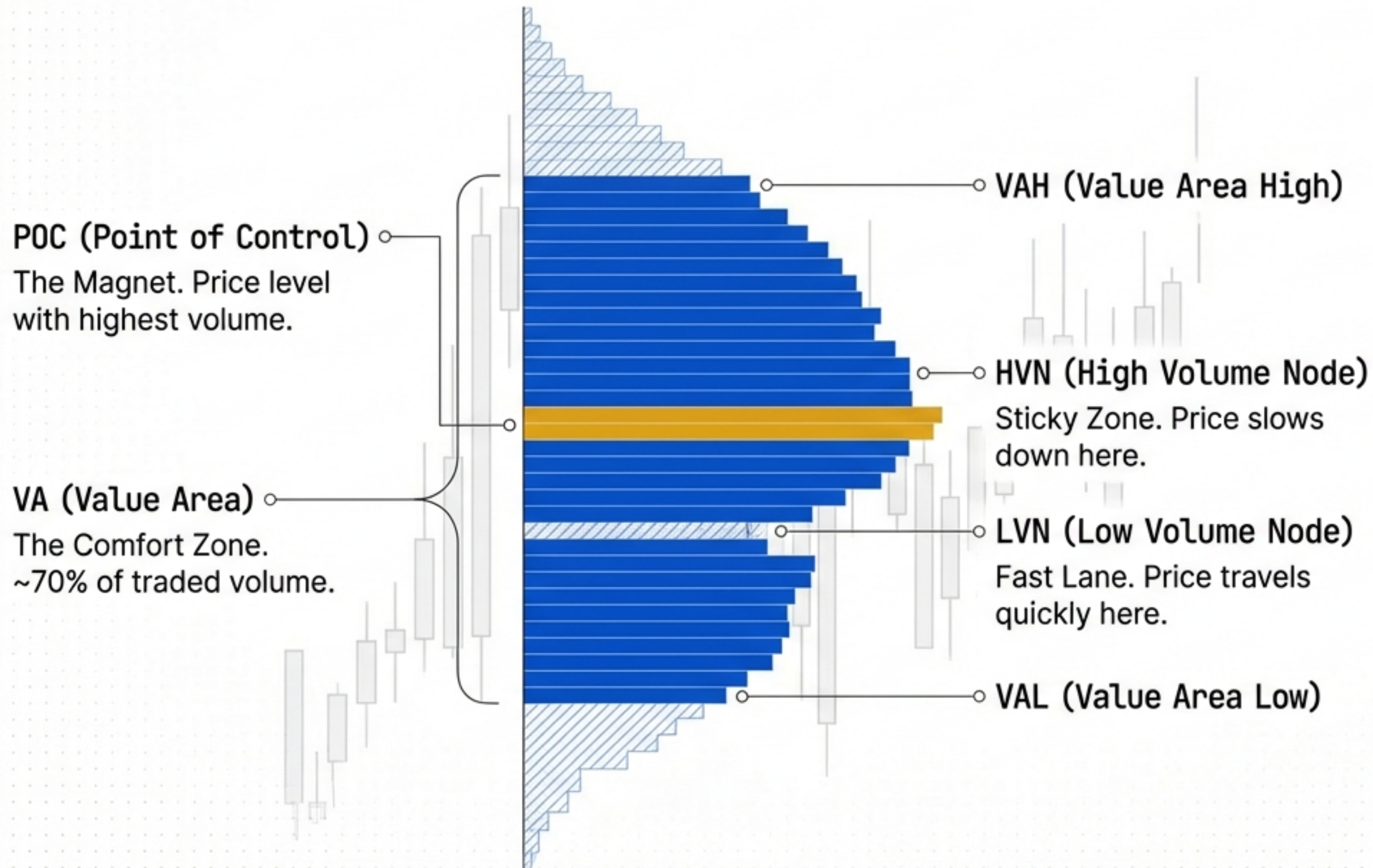


JetBrains Mono

Shows interest at price. Reveals institutional commitment.

“The wider the profile at a specific level, the more interest big institutions had in trading there.”

Anatomy of the Profile: The 5 Essentials



JetBrains Mono

Context Note:

1. Developing Profile (Building live today)
2. Composite Profile (Many sessions combined)

JetBrains Mono

Context Note:

1. Developing Profile (Building live today)
2. Composite Profile (Many sessions combined)

Every Day Tells a Story. Which Chapter Are We In?

D-Shape



Balance / Rotation



P-Shape



Bullish / Short Covering



b-Shape



Bearish / Liquidation



Thin Profile



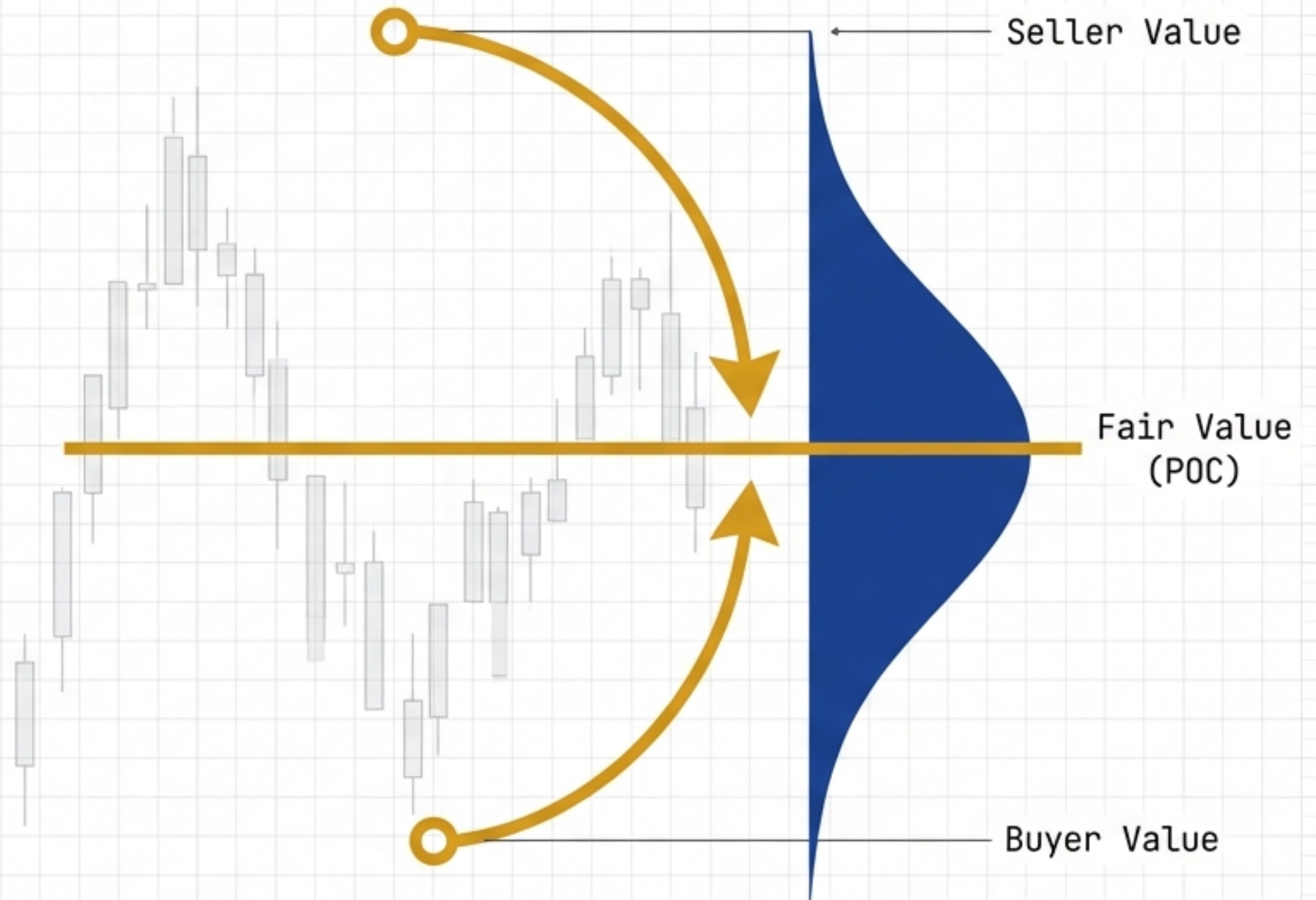
Trend / Momentum



The shape of the profile reveals the market sentiment. Identify the shape, and you identify the strategy.

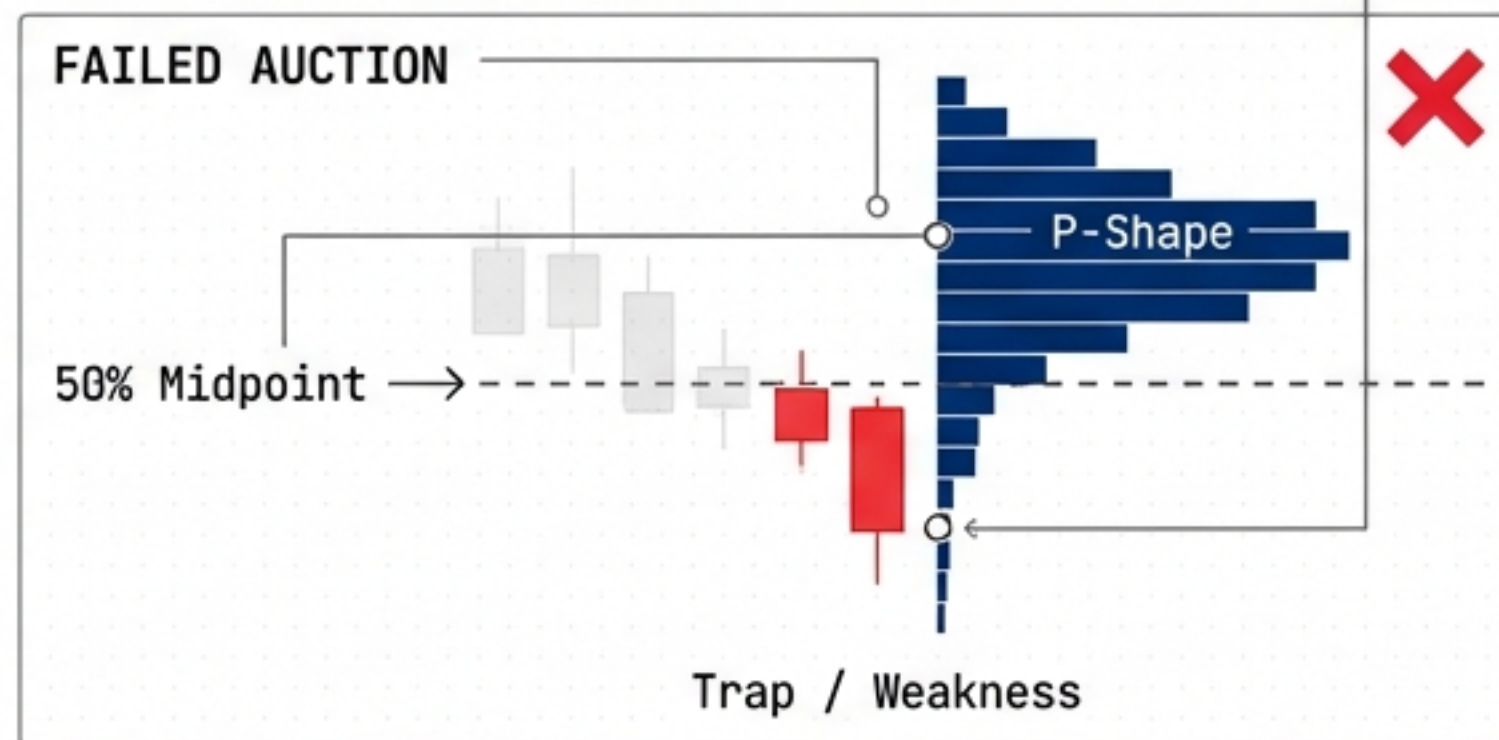
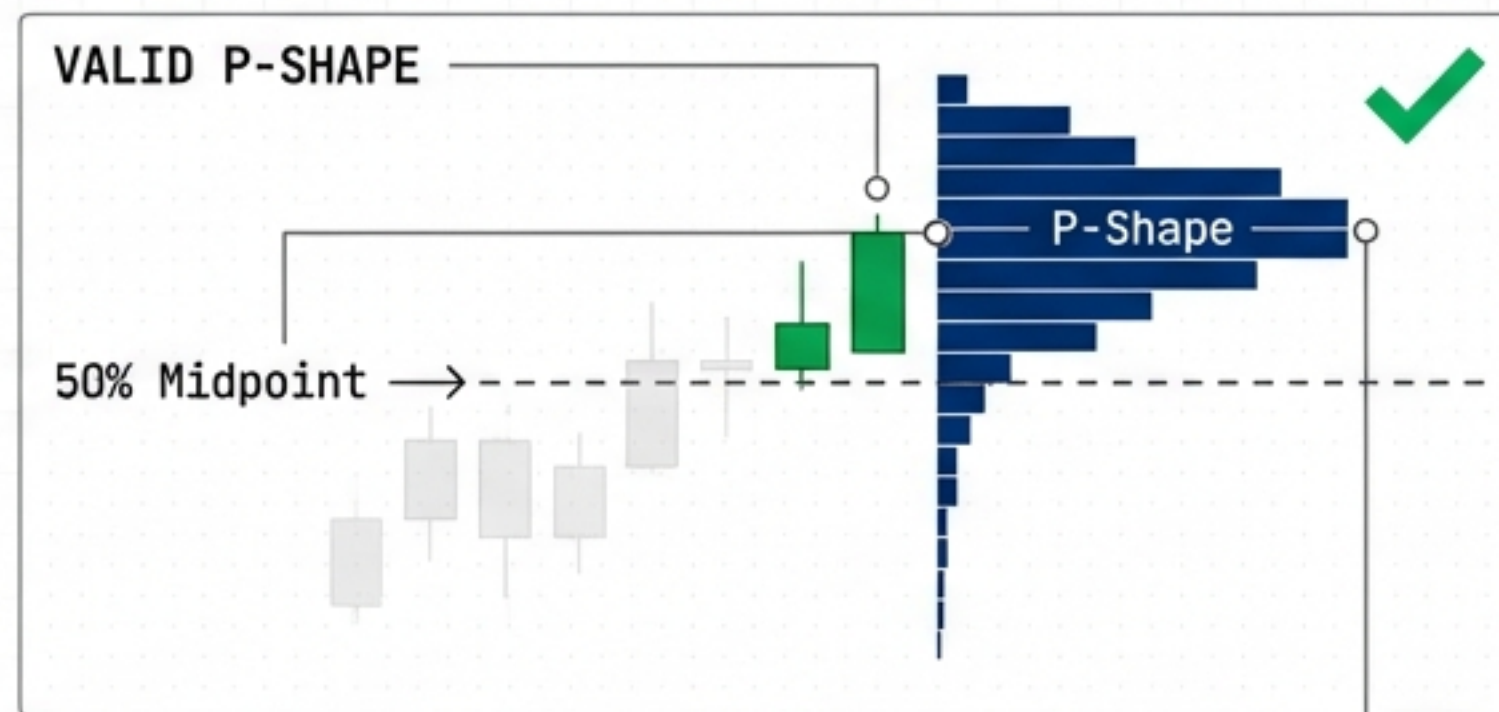
The D-Shape: Trading Market Balance

- **Context:** Occurs ~70% of the time. Buyers and sellers agree on value.
- **Market Sentiment: Contentment.** Institutions are happy to trade within this range.
- **Strategic Implication:** The market has no directional conviction.
- **Key Action:**
 - The **Magnet:** Price loves to revert to the POC.
 - Do not look for breakouts.
 - Prepare to trade the edges (Rotation).

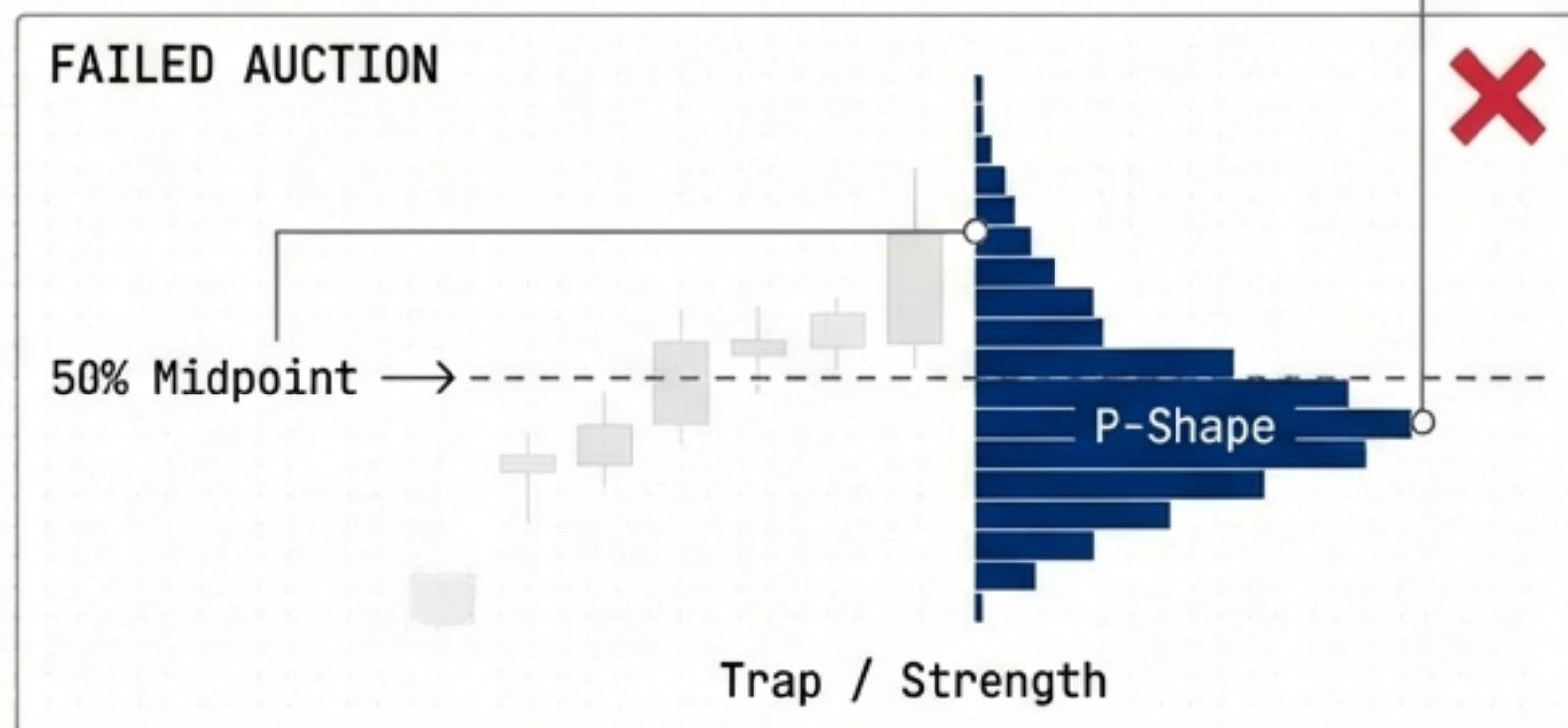
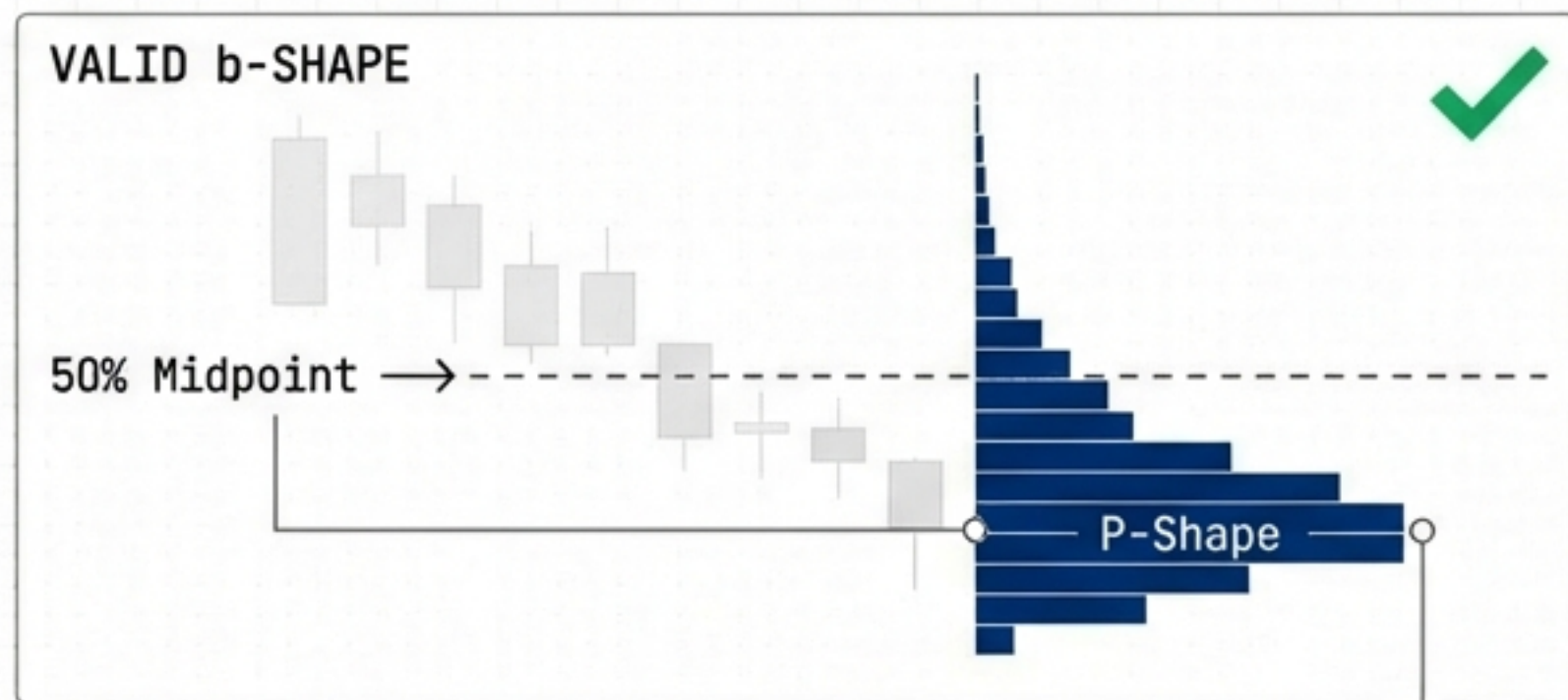


The P-Shape: Aggressive Buying & Short Covering

- **Visual ID:** Fat top, thin stem (Like a 'P').
- **Context:** Uptrend continuation or Short Covering.
- **Key Zones:**
 - **POC:** Support at the top heavy area.
 - **Stem:** Travel zone. Look for bumps here for entries.
- **CRITICAL RULE: The 'Proper P':**
 - **Valid:** Price must close in the **top 50%** of the daily range.
 - **Invalid:** If price closes low, it's a trap (Failed Auction).

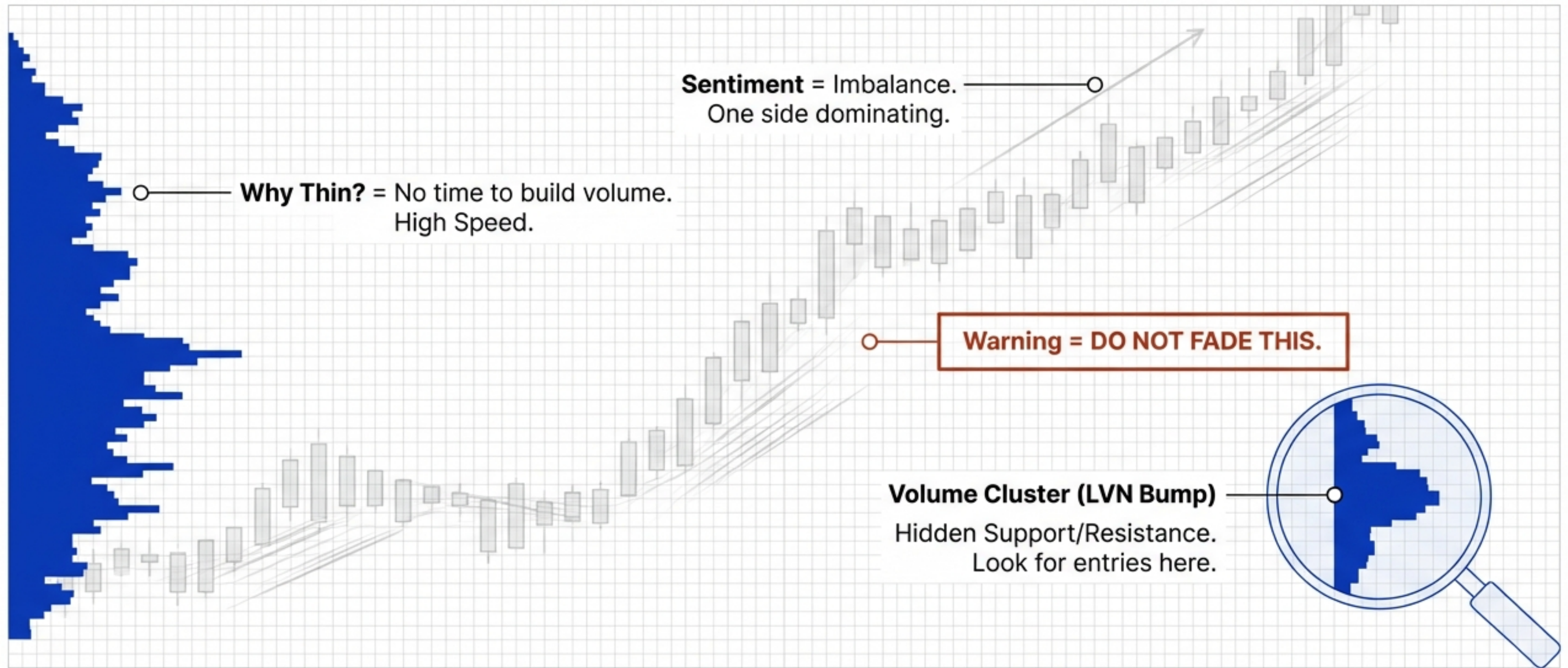


The b-Shape: Aggressive Selling & Long Liquidation



- **Visual ID:** Fat bottom, thin stem (Like a 'b').
- **Context:** Downtrend continuation or Long Liquidation.
- **Key Zones:**
 - **POC:** Resistance at the bottom heavy area.
 - **Stem:** Travel zone. Look for bumps for short entries.
- **CRITICAL RULE: The 'Proper b':**
 - **Valid:** Price must close in the **bottom 50%** of the daily range.
 - **Invalid:** If price closes high, bearish sentiment is negated.

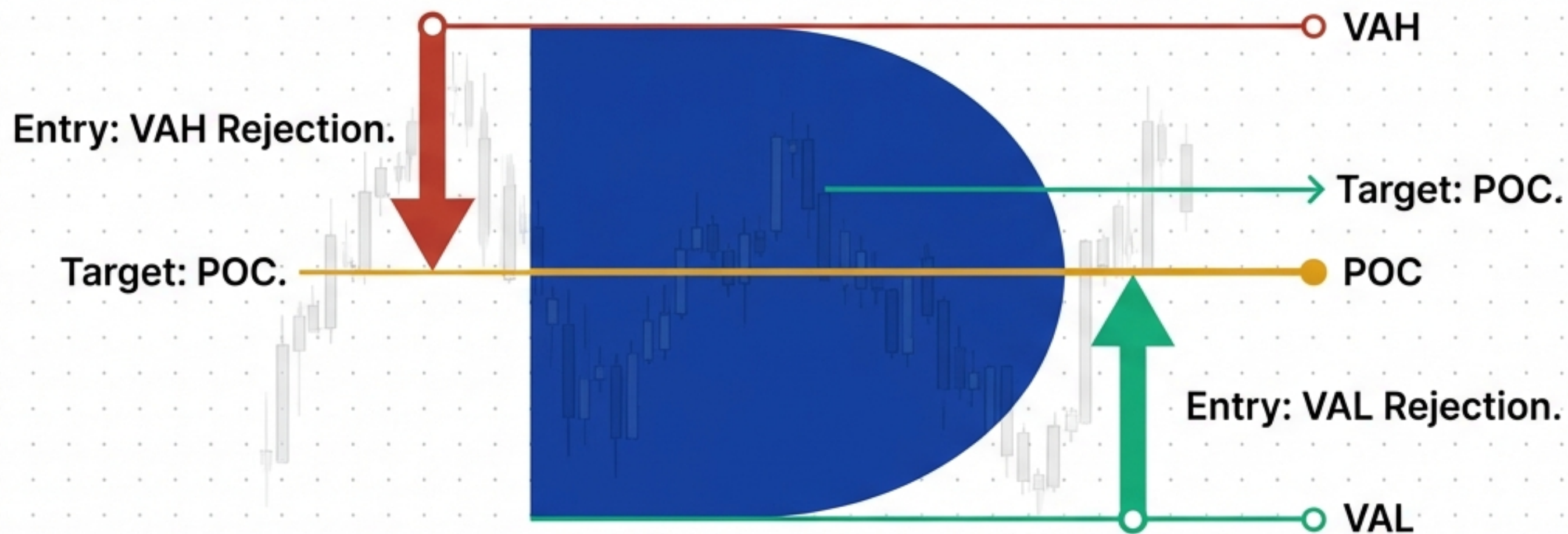
The Thin Profile: The Runaway Train



Playbook #1: Trading Rotation (Inside Value)

Best for: D-Shape / Balanced Days

RULE: Fade the Edges. Do not bet on breakouts.



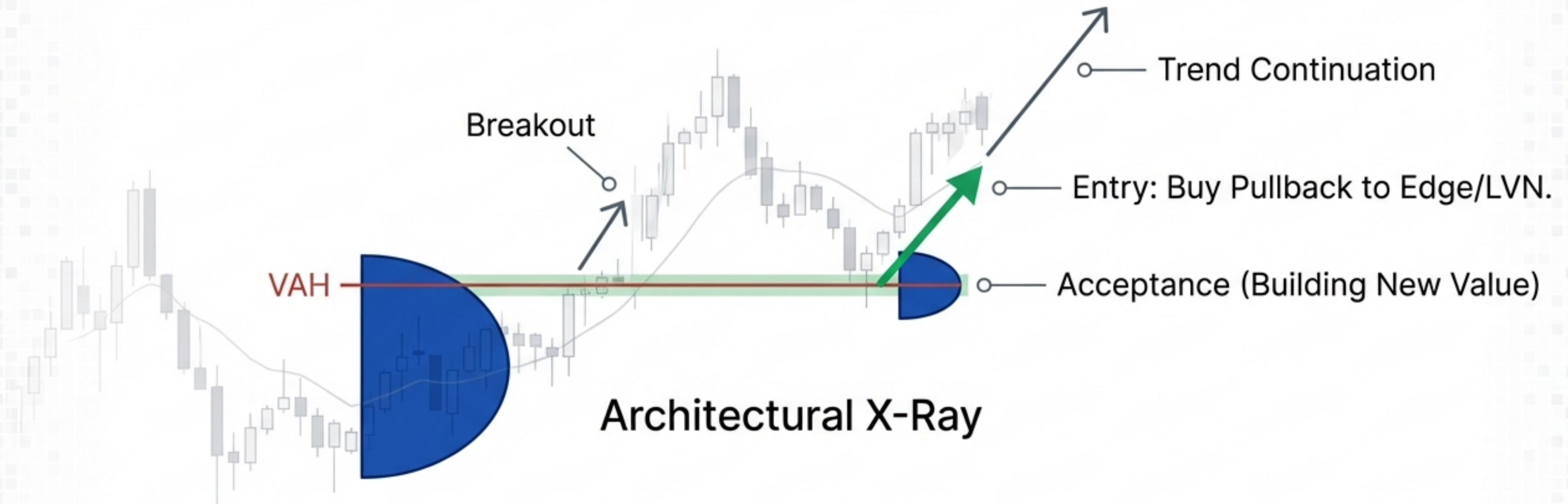
Confirmation Box

Look for: Rejection wicks or order-flow absorption at edges.

Playbook #2: Trading Trend (Outside Value)

Best for: P-Shape, b-Shape, Thin Profiles

RULE: Go With It. If value migrates, don't fight it.



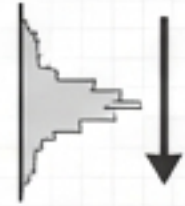
Key Concept: Don't fade a move if the market is building **new value** outside of old value.

The 'Golden Setup': Volume + Price Action Confluence

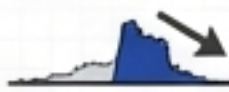
High Probability Strategy for Thin Profile Days

Visual Ingredients

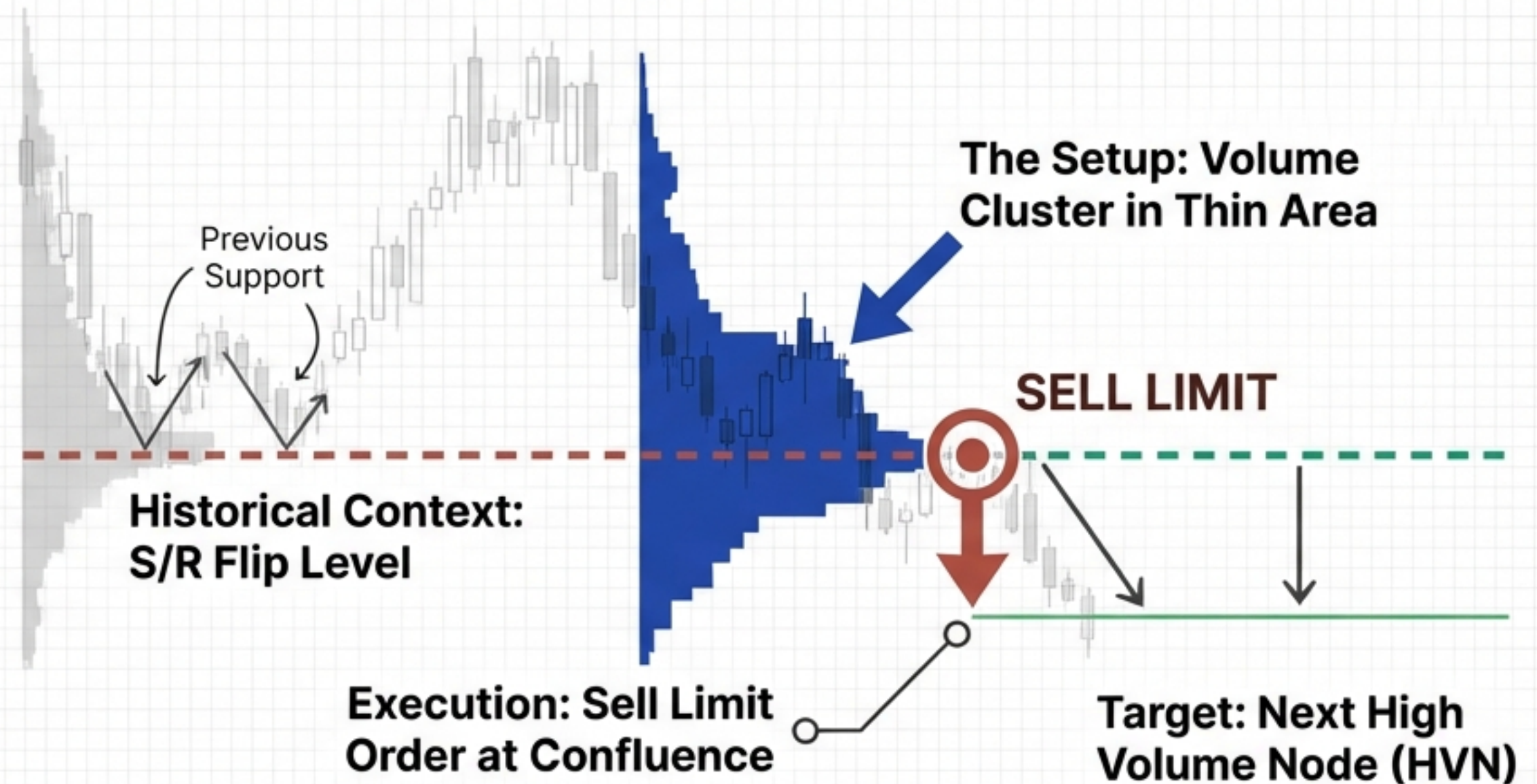
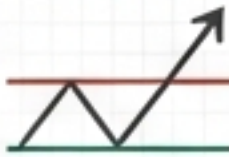
✓ **Context:** Thin Profile (Strong Trend).



✓ **Volume:** Significant Cluster (Bump) in thin area.







✓ **Price Action:** S/R Flip (Historical level).



Key Concept: Volume bump in thin air confirms acceptance at a historical level. High probability for trend continuation.

The Trader's Cheat Sheet

	HVN (High Volume Node)	Sticky / Slow / Chop	Mean Reversion / Target
	LVN (Low Volume Node)	Fast / Travel Zone	Breakout / Continuation Entry
	Inside Value	Balance	Fade the Edges (Buy Low / Sell High)
	Outside Value (+Acceptance)	Imbalance / Trend	Go With It (Buy Retest)

“Context is King. Identify the shape, understand the story, then apply the rule.”