

Quoting Mingary

Hello, I have a question for the VSA enthusiasts. Do combinations of signals have any significance? For example: Let's say we have this configuration happening on the last 15 bars and the context looks like the price is extended. STOPPING VOLUME SELLING CLIMAX SHAKE OUT. If in your opinion this has any validity, what "triplets" would be the strongest combinations? Thanks

Gavin and TradeGuider call them "sequential set-ups". They are usually 3 or 4 indications of strength or weakness grouped together that give the highest probability trades. Gavin has listed a few of the sequences in his book. The main thing about them is that they are classified by number and not the name of the bar. This, of course, makes using the Tradeguides program essential. However, in his book, which can be downloaded for free at times, Gavin does give the bar names for a few of the sequences.

With or without Tradeguides, we know that a high probability sequence will usually start with Ultra High/Climatic volume. Therefore one would want to start looking for set-ups only after seeing that type of volume. We also know that the "entry signal" is typically a low volume interval. That would be a No Demand or No Supply/Test interval. If that low volume interval appears within the range of the previously high volume interval, we know that the set-up has an increased probability of success.

Take a look at the chart below.

There are two **VSA** set-ups on this chart. Neither is perfect. And only the second one is a "Sequential set-up". In the first set-up, we get the Climatic volume we look for to start, but the very next bar is No Supply and then the market takes off to the upside. As previously stated, a sequence would have at least three (3) intervals. Of course a long could be taken here. Especially because price is in a place where one would be looking to take longs and we see an engulfing candle. But then we would not be talking strictly about a **VSA** entry signal. I point this out mainly to show that the higher the volume the better for the high probability set-ups.

With that said, take a look at the short set-up. The first thing to note is that the volume on the UpThrust is high but not really extreme. But notice that in this example, the No Demand is within the range of the UpThrust and the Supply coming in interval. So in this case, we do get that low volume interval within the range of the high volume interval. This set-up can also come as Supply coming in, UpThrust and then No Demand. So these are in fact not so much sequences as they are groupings of indications of strength or weakness.

Attached Image (click to enlarge)

