



# Volume-Based Market Bias Indicator

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MANUAL

# Introduction

Welcome to the Volume-Based Market Bias Indicator manual, This quantitative indicator provides a detailed view of the participation of buyers and sellers, allowing traders to better understand market dynamics..

## Advantages:

Using separate volumes to distinguish between buyers and sellers provides a more detailed view of market behavior, enhancing the understanding of market dynamics and increasing the likelihood of successful trading operations.

If you have access to separate volumes, that is, knowing how many buyers and sellers are in action, the benefits of the volume indicator become even more significant:

**Analysis of the imbalance between buyers and sellers:** You can see who has control over the market, whether there are more active buyers or sellers. A higher buying volume may indicate potential price growth, while a higher selling volume might suggest a potential decline.

**Identification of trend reversals:** Separate volumes allow you to identify changes in the ratio between buyers and sellers. This can help you identify more precise potential trend reversal points.

**Trend strength analysis:** You can assess the strength of a trend by observing the increase in buying or selling volume. A trend with increasing volume may be more robust and lasting.

**Risk management:** Knowing the number of buyers and sellers can help you make more informed risk management decisions, such as placing stop-loss or take-profit levels at strategic points.

**Confirmation of trading signals:** Separate volumes can confirm the validity of trading signals generated by other indicators or technical analysis strategies.

As for the Gaussian curve composed of separate volumes, represented as a chart with price on the Y-axis and a histogram of total volumes per price level on the X-axis, it provides a clear visualization of volume distribution in the market. This chart, known as "Volume Profile," offers several advantages:

**Identification of key trading points:** The Volume Profile displays price levels with the highest volume, known as "Point of Control." These levels indicate where most of the trading activity is concentrated and can act as supports or resistances.

**Visualization of areas of interest:** The Volume Profile easily helps you identify zones with high or low volume, aiding in spotting potential accumulation, distribution, or congestion zones.

**Risk management:** The Volume Profile can assist you in determining key stop-loss and take-profit levels, based on the points of control and equilibrium prices.

**Confirmation of breakouts:** The Volume Profile can confirm or question price level breakouts. A breakout with significant volume might indicate a stronger validity of the breakout.

**Liquidity analysis:** The Volume Profile shows the distribution of liquidity in the market, helping you identify areas of higher activity or volatility.

In conclusion, using separate volumes and representing the Volume Profile with a Gaussian curve provides a detailed and comprehensive view of the market, enabling you to make more informed trading decisions and improve your analytical and strategic abilities.



- **PREFACE**

- This indicator works on any ProRealtime chart.
- It works on all Timeframes.
- It works on all markets with available volumes data.
- Volumes are separated tick by tick on any timeframe.
- There is no need to use tick-by-tick timeframes.



# To launch the indicator

-Volume-Based Market Bias indicator

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## SECTION 1



# How to Start Indicator

1 Select the "INDICATORS" button.

2 Select the indicator

3 Select where to apply the indicator, Volume-based market bias is an indicator to be applied on the price.

To use VBM bias indicator, follow the steps below carefully:

**Open the chart of your interest:** Launch the trading platform or application that allows you to view financial charts. Select the asset or financial instrument you want to analyze the trend for.

**Click on the "INDICATORS" button:** This option will grant you access to the list of available indicators.

From the list of indicators, search for and select the option labeled "VBM Bias" or a similar indicator name.

**Choose where to apply the indicator:** After selecting VBM bias from the list of indicators on your chart, you need to specify where exactly you want to apply the indicator. Since this is an indicator to be applied on the price, you should choose "Price" or a similar option from the available choices.

Once you have completed all these steps, the VBM Bias indicator will be applied to the chart with its default settings.





# Setting Customization

- Volume-Based Market Bias indicator

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## SECTION 2





# Indicator Settings

Impostazioni grafico - DAX40 Perf Index 1 minuto

Modalità di visualizzazione

Modelli di grafico  
Senza nome\*

Indicatori Grafico

Prezzo  
\$AT IT VBM Bias Indicator.23 (f 50 10 1)

Aggiungi Indicatore

\$AT IT VBM Bias Indicator.23 Modifica Configurazione: Senza nome\*

Parametri	Zone di colore (0)	Scala (Lineare)
<input type="checkbox"/> DarkView	SpikeVolume: 50	
DepthList: 10	Box: 1	

Linea	Colore	Etichetta
<input type="checkbox"/> \$AT IT VBM Bias Indicator.23	<input checked="" type="checkbox"/> Rialzo <input type="checkbox"/> Ribasso	<input checked="" type="checkbox"/> Misura +0

1. **DarkView:** This variable allows optimizing the contrast of the indicator when using a chart with a dark background.
2. **SpikeVolume:** This variable allows setting a filter that informs whether a volume higher than a certain size has occurred. In case this happens, a flame will be drawn.
3. **DepthList:** This variable allows sizing the length of the list that scrolls on the chart.
4. **Box:** This variable allows setting the height of the Gaussian histogram. It can be sized even below the unit value. In the case of forex markets, the value of 1 is equivalent to one pip.

## CLARIFICATION:

The "**SpikeVolume**" filter is important. It should be configured based on the specific market being analyzed. Knowing the average volumes of that market, it is advisable to set this variable in a way that receives a signal only when volumes exceed sizes that rarely occur, such as during a strong impulse generated by news or in the presence of a very strong market bias.



# Indicator Settings : Dark View

1. **DarkView** : This variable allows optimizing the contrast of the indicator when using a chart with a dark background..



# Indicator Settings : Spike of Volume

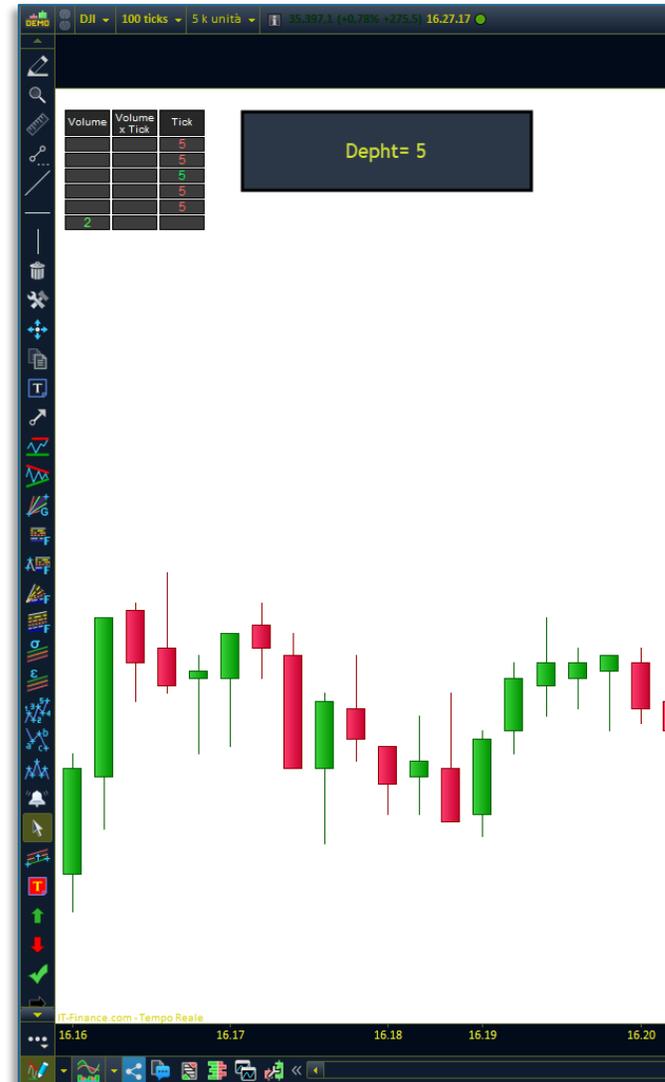
2. **SpikeVolume** : This variable allows setting a filter that informs whether a volume higher than a certain size has occurred. In case this happens, a flame will be drawn.

For example, if you set "**SpikeVolume**" = 100 in the DAX market, a flame (🔥) will appear if an order equal to or greater than 100 volumes occurs. The flame will be drawn on both the scrolling list and the candle.



# Indicator Settings : Depth List

3. **DepthList**: This variable allows sizing the length of the list that scrolls on the chart.



## CLARIFICATION:

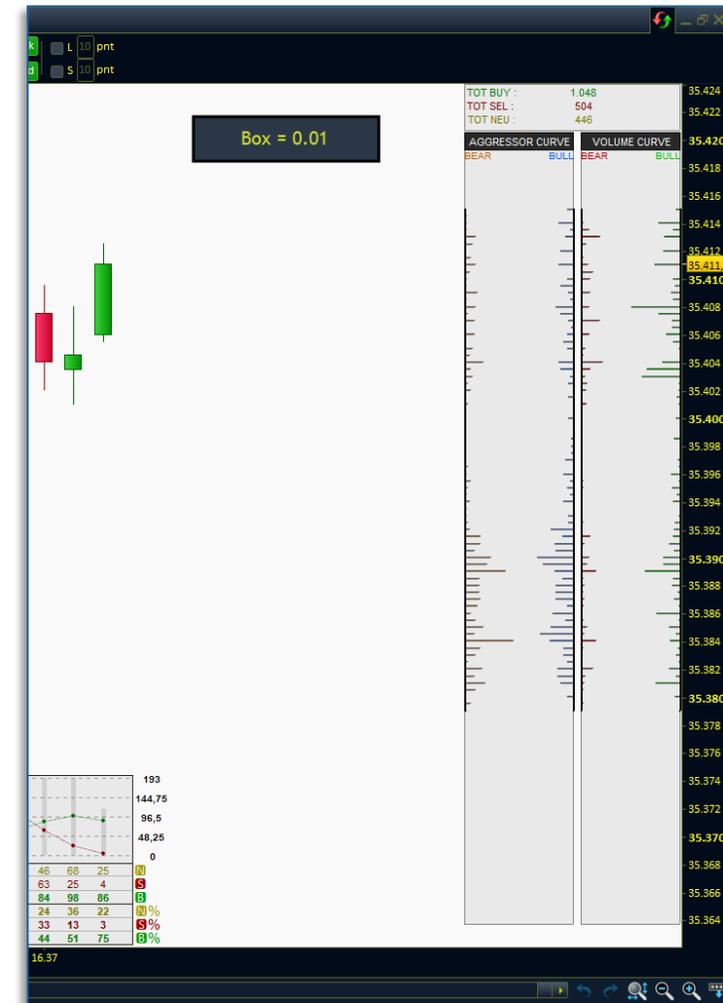
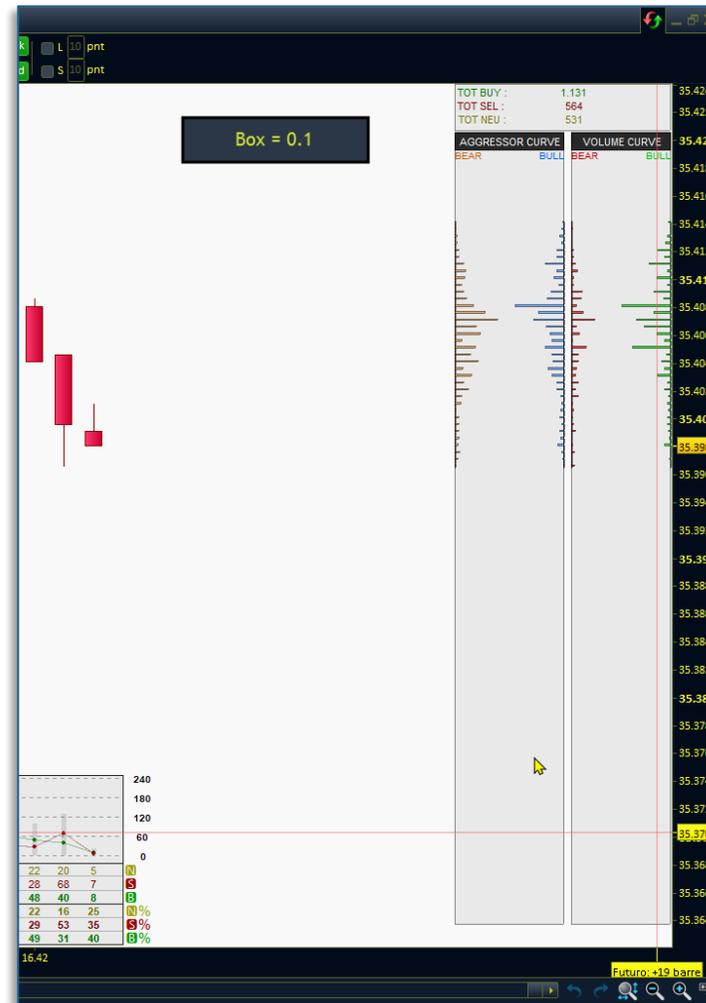
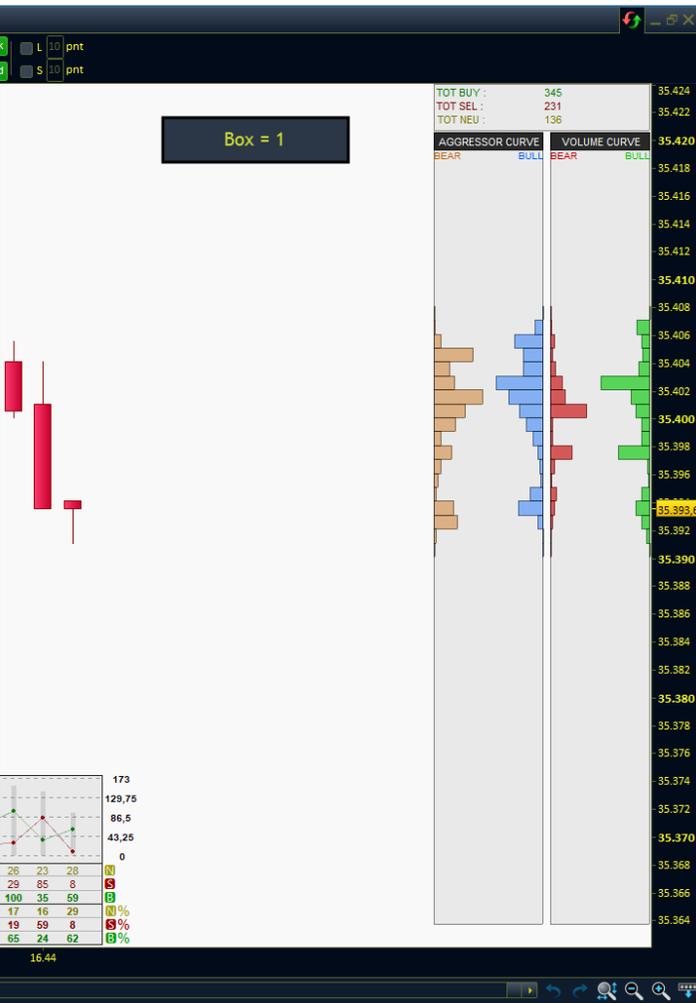


In highly fast-paced markets, extending the list can be useful to have enough time for volume analysis.



# Indicator Settings : Box

5. **Box:** This variable allows setting the height of the Gaussian histogram. It can be sized even below the unit value. In the case of forex markets, the value of 1 is equivalent to one pip.





# Alarm settings

- Volume-Based Market Bias indicator

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## SECTION 3



# Indicator for the alarm

The VBM indicator has an additional tool available for setting alarms that notify volume spikes. The title of the indicator is: "\$SAT IT VBM Alarm Indicator.23"

For technical reasons, this indicator is separate and is solely used to set alarms.



The indicator generates a signal (1) when the volume is equal to or greater than the value of the "SpikeVolume" variable (2).

In the example, the set value is equal to 10.

The indicator has 4 output data points (4):

- Line +1
- Line 0
- Line -1
- SIGNAL

**SIGNAL (2)** is the output we need to set the alarm; the other outputs should be ignored (3).



# Alarm

To set an alarm, you need to follow these steps:

1. Open a new chart of the market you're interested in and set the timeframe to 1 tick.
2. Apply the "VBM Alarm" indicator below the chart and proceed with alarm settings.
3. Select the platform's alarm function and press the indicator's panel.



# Alarm

1 select output="Signal"

2 set the condition: >

3 select 2 parameters value = 0

4 the result of this instructions is:  
IF SIGNAL > 0 THEN  
The alarm goes off

1. Select the **"signal"** output.
2. Set the condition you want to verify (in the case of a **buy** signal, ">" means greater).
3. Set the **value to 0**.
4. The result of these instructions will be that: **if the signal is greater than 0, trigger the alarm, as a volume greater than the "Spike volume" variable has been bought.**

1 select output="Signal"

2 set the condition: <

3 select 2 parameters value = 0

4 the result of this instructions is:  
IF SIGNAL < 0 THEN  
The alarm goes off

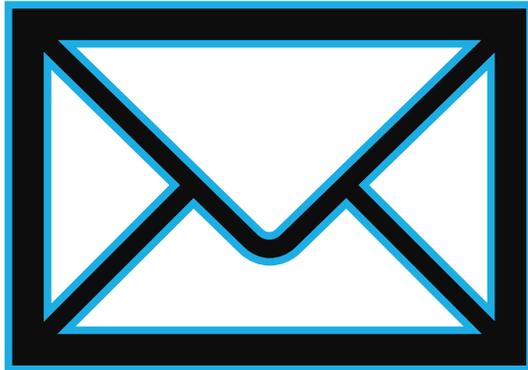
1. Select the **"signal"** output.
2. Set the condition you want to verify (in the case of a **sell** signal, "<" means lesser).
3. Set the **value to 0**.
4. The result of these instructions will be that: **if the signal is less than 0, trigger the alarm, as a volume greater than the "Spike volume" variable has been sold.**





# Contact

For any information, you can contact me using the following methods:



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