VOLUME PROFILE FIELD MANUAL

A TRADER'S STUDY COMPANION

# The Volume Profile Field Manual

## Reading Volume at Price to Find Where Smart Money Trades

*Value areas, the point of control, high & low volume nodes, profile shapes, and two complete playbooks — mean reversion and the vacuum/trap method.*

STUDY EDITION • PRINT & ANNOTATE • BUILT FROM TWO VOLUME-PROFILE MASTERCLASSES

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**THE ONE SENTENCE VERSION**

Normal volume tells you *how much* traded and *when;* volume profile tells you **at what price** it traded — which reveals where big money positioned, where value is, and where price moves fast through a vacuum.

CHAPTER 0

# How to Use This Manual

This is a **study companion**, built from two volume-profile masterclasses and reconciled into one coherent framework. Work through it *in order* — the playbooks in Chapters 6–7 only make sense once you own the vocabulary in Chapters 1–5.

## Two playbooks, one tool

The two source videos teach **opposite-looking strategies** with the same tool, and that's not a contradiction — they apply in different market states:

- **Playbook A — Mean Reversion:** in a *balanced/ranging* market, fade the extremes (above VAH = expensive, below VAL = cheap) back to the point of control.
- **Playbook B — The Vacuum/Trap Method:** in a *trap/breakout* scenario, trade *through* low-volume nodes after smart money traps the crowd.

> **SET EXPECTATIONS HONESTLY**
>
> The source videos open with eye-watering claims ($9k → $170k in 90 days; "300%" and "888%" moves). One creator states plainly: "**these results are not typical**" and shows a losing trade. Treat volume profile as a high-quality *map of where to act* — not a money printer. Income claims are marketing, not evidence.

## Legend

| Symbol | Meaning |
|---|---|
| **Key Idea** | Core concept worth memorizing. |
| **Trap / Warning** | A common mistake that costs money. |
| **Pro Tip** | A habit experienced traders actually use. |

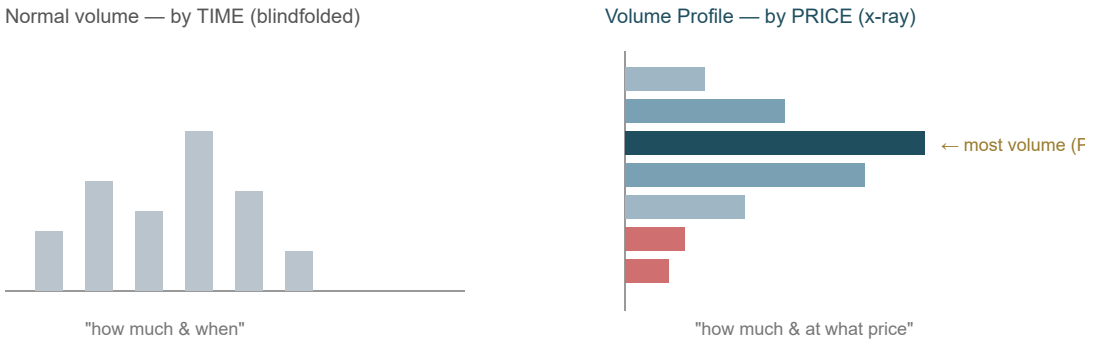
CHAPTER 1

# Why Volume Profile

The default volume bars at the bottom of your chart show **volume by time** — how much traded each bar. Useful-ish, but it has **no idea at what prices** the real buying and selling happened.

**KEY IDEA — THE WHOLE POINT**

Volume profile is normal volume **flipped on its side.** Instead of a volume bar per *time* interval, you get a volume bar per *price* level. Now you can instantly see which prices institutions were actually interested in.




**TRAP**

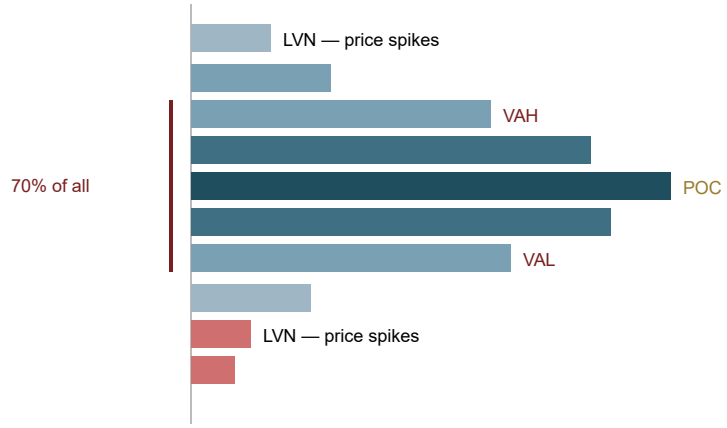
Trading on normal volume alone is "trading blindfolded." You may be entering at the exact price levels where institutions are *offloading* onto you. The question to ask is always: **where** did the volume happen, not just when.

CHAPTER 2

# Anatomy of a Profile

Five terms carry the entire framework. Learn them cold.

| Term | What it is |
|---|---|
| **Point of Control (POC)** | The single price level with the **most volume traded**. The "fairest" price; price loves to revert to it. |
| **Value Area (VA)** | The price range where **70% of all volume** traded. This is where the market agreed value lives. |
| **Value Area High (VAH)** | Top of the value area. Above it = "expensive." |
| **Value Area Low (VAL)** | Bottom of the value area. Below it = "cheap." |
| **High Volume Node (HVN)** | A price area with lots of volume — a fight, consolidation, acceptance. |
| **Low Volume Node (LVN)** | A price area with little volume — one side dominated; price ripped through. **The key to the vacuum method.** |




volume Value Area

A profile is a sideways histogram of volume at each price. Fat middle = value; thin edges = vacuums.

**HOW TO DRAW IT**

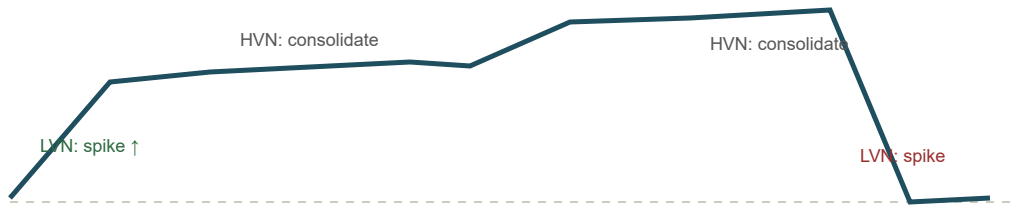
In TradingView, add the **Fixed Range Volume Profile** indicator, then draw it from a recent **swing low to swing high** (or across the move you want to analyze). Enable the Value Area High and Value Area Low lines in settings. You now have your three database levels: VAH, POC, VAL.

CHAPTER 3

# How Price Behaves at Nodes

Everything price does can be read through the lens of **balance** (high-volume areas) versus **imbalance** (low-volume areas).

| Node | What it means | What price does there |
|---|---|---|
| **HVN** (high volume) | **Balance.** No clear winner; buyers & sellers fight. Acceptance / fair value. | Consolidates, moves sideways, spends a lot of time. |
| **LVN** (low volume) | **Imbalance.** One side dominated by a landslide; price wasn't there long. | Spikes through fast — the "vacuum." Often a fair-value gap. |




**KEY IDEA — THE VACUUM**

Because so few traders are positioned inside an LVN, when price enters one it tends to get "**sucked through like a vacuum**" — fast, with little resistance. Low volume = low resistance. This single fact powers the trap method in Chapter 7.

## Acceptance vs rejection at the edges

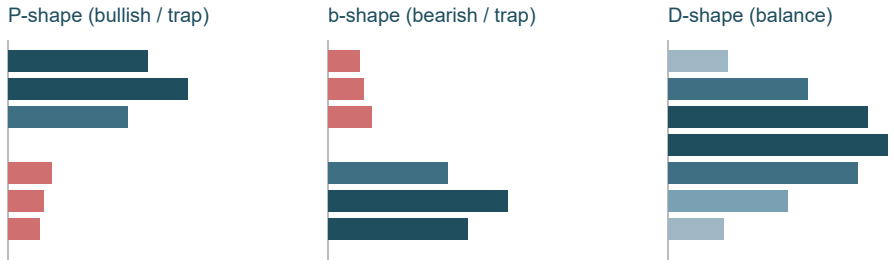
When price pops above the VAH: if buyers keep stepping in to buy higher and price **stays above**, the market is *accepting* new highs → bullish continuation. If it falls back into the range, the breakout failed → expect a move back toward POC / VAL.

CHAPTER 4

# Profile Shapes — P, b, and D

The overall *shape* of a profile tells a story about who did what. Three matter most.

| Shape | Looks like | Usually means… | …but watch for |
|---|---|---|---|
| **P-shape** | Volume bulge at the **top**, thin stem below. | Imbalance up, then acceptance → often bullish. | If it formed on covering, the thin stem is a vacuum trap → fast move *down*. |
| **b-shape** | Volume bulge at the **bottom**, thin stem above. | Move down, then consolidation → often bearish. | Can be a trap setting up a fast move *up*. |
| **D-shape** | Fat in the **middle** (bell). | Balanced, range-bound market. | Best for mean-reversion (Playbook A). |




**TRAP — SHAPES AREN'T DESTINY**

A P-shape is "widely accepted as bullish" and a b-shape as bearish — which is *exactly why* they make good traps. Don't trade the shape blindly. The shape only tells you a story; Chapter 5 tells you whether to believe it.

CHAPTER 5

# Reading the Cause — Offense vs Defense

This is the concept that separates a trader with conviction from someone blindly trading patterns. When a profile forms, ask one question: **was it built by smart money entering, or smart money exiting?**

| | Offensive (real move) | Defensive (trap) |
|---|---|---|
| **What smart money did** | Entered *new* positions in the direction of the move. | Covered / exited existing positions (e.g., shorts buying back). |
| **Volume signature** | Multiple distributions / lots of HVNs building *throughout* the trend. | A big move on a thin **single LVN** — almost no real volume in the move. |
| **Likely outcome** | Move continues. | Move **fails** — fast reversal back through the vacuum. |

**KEY IDEA — THE COVERING TRAP**

A wave of shorts *covering* (buying to close) prints as buying and pushes price up — so retail jumps in thinking it's bullish. But smart money's real position still wants price *lower*. The thin LVN under price is the trapdoor. When the trapped longs bail, their exits become fuel for an explosive move down.

So whenever you match a profile shape, narrate it: *"Is smart money on offense or defense right now?"* Offense → trust the move. Defense → hunt the fade.

**PRO TIP — WHO IS WRONG?**

For you to be right, someone has to be wrong. Before every trade, name the trapped counterparty: *"These breakout buyers are trapped above a vacuum,"* or *"These shorts are trapped below the POC."* If you can't name who's wrong, you don't have a trade.

CHAPTER 6

# Playbook A — Mean Reversion to the POC

Best in a **balanced, range-bound (D-shape) market** on a higher timeframe. Logic: 70% of trade happened inside the value area, so prices *outside* it are statistically an anomaly — too cheap or too expensive — and tend to revert to the POC.

## The rules

| Condition | Bias | Plan |
|---|---|---|
| Price drops **below VAL** | "Cheap" → look long | Buy the reclaim of VAL; partial at POC; full profit near VAH. |
| Price pops **above VAH** | "Expensive" → look short | Short the rejection back below VAH; partial at POC; full profit near VAL. |

```
Below VAL = cheap → BUY toward POC  |  Above VAH = expensive → SELL toward POC
```

**PRO TIP — TIMEFRAME & PATIENCE**

Use it on **larger timeframes** (e.g. weekly) to build a strong bias — those higher-TF levels are the ones institutions watch. Then be patient and wait for price to actually reach VAH/VAL. It works on any timeframe, but the edge is cleanest where the levels are most significant. Stack it with supply/demand: a demand zone sitting right at the VAL is "textbook."

**TRAP — REVERSION FAILS IN TRENDS**

Mean reversion assumes balance. In a strong *trending/accepting* market, price will break VAH and keep going (acceptance, not anomaly). Don't blindly fade a runaway trend — confirm the market is range-bound first, and require a *reaction* (reclaim/rejection) rather than catching a falling knife.

CHAPTER 7

# Playbook B — The Vacuum / Trap Method

Best when you spot a **trap** (P/b-shape formed on covering or news). You trade the fast move as the trapped crowd gets flushed through a low-volume node. Three steps.

## Step 1 — Spot the shape

Find a P-shape or b-shape that matches a trap scenario, with a thin LVN where price can vacuum through. You want the consolidation to be **narrow** relative to the whole move.

## Step 2 — Read the cause (which scenario?)

| Scenario | What it looks like |
|---|---|
| **1. End-of-day covering** | Trend all session, then shorts take profit at support → fast burst the other way late in the day. Trade the *next morning's* reaction. |
| **2. News / event** | Huge pop on FOMC/CPI/headlines with volume in a tight range at the top and **no value built** there. The stop-losses stacked in the range become rocket fuel when the floor drops out. |
| **3. Overnight unwind** | Aggressive push during Globex (overnight); at the 9:30 open it gets "cleaned up" and reverses to the end of the vacuum. |

## Step 3 — The A+ entry (mechanical)

**KEY IDEA — THE TRIGGER IS A POC FAILURE**

You need (a) a trap scenario, plus (b) the **point of control to fail**. Think tug-of-war: if the side that "should" be winning loses the POC, they're losing the rope → expansive move coming.

- **Entry:** on the candle that closes through / rejects the POC in your direction.
- **Stop:** just on the other side of the POC (you don't want it reclaimed).
- **Target:** the far end of the low-volume node (end of the vacuum).
- **Manage:** trail your stop under/over each candle to squeeze extra R out of the fast move.

**PRO TIP — SWING THE BAT MORE THAN ONCE**

No strategy is 100%. In the source example, the first POC-fail entry *lost 1R*; the trader re-entered on the second POC rejection and made **+4R**. Conviction in *why* lets you take the re-entry without fear. Tight stops + big targets means a low win rate can still be very profitable — the math (risk:reward) is the edge.

CHAPTER 8

# Worked Examples

## Example 1 — Mean reversion (AMD, weekly)

On the weekly, AMD had a strong uptrend with several possible demand/support zones — using supply/demand alone you'd be guessing which holds. Drawing a fixed-range profile low-to-high gave VAH, POC, VAL. A **demand zone sat right at the VAL** (textbook confluence). Waiting for price to revert down to that VAL gave a precise long entry, from which price spiked higher. Later, with price extended above VAH ("expensive"), it mean-reverted back down and stopped *exactly* at the prior POC before continuing.

> **TAKEAWAY**
>
> The profile turned four vague support zones into **one** high-conviction level (VAL + demand). That filtering — not the headline % — is the real value.

## Example 2 — The vacuum trap (ES futures)

A day trended down, then end-of-day short covering produced a P-shape pop on thin volume — a classic defensive move loading a trap. The next session (9:30), price rejected the POC to the downside. **Entry** on the close back under the POC, **stop** just above it, **target** the end of the LVN below. The first attempt failed (−1R); the second POC rejection delivered ~+4R as price vacuumed down through the low-volume area.

| You see… | It means… | Likely outcome |
|---|---|---|
| Big move on a thin single LVN, then narrow consolidation | Defensive / covering → trap | Fast reversal through the vacuum |
| Move with HVNs building throughout the trend | Offensive / new positions | Trend continues — don't fade it |
| Price outside VA in a balanced market, then reclaims | Anomaly → mean reversion | Revert to POC |

CHAPTER 9

# Honest Assessment & Pitfalls

## What's genuinely solid

- **Volume at price > volume by time** — objectively true and genuinely useful for finding institutional levels.
- **POC / value area / HVN-LVN** are real, widely-used auction concepts (this is Market Profile, pioneered at the CME by Peter Steidlmayer / J. Dalton).
- **"Read the cause" (offense vs defense)** is a more sophisticated take than most retail content — it stops you trading shapes blindly.
- Stacking the profile with supply/demand and waiting for a *reaction* is sound process.

## What to be skeptical of

**READ BEFORE RISKING MONEY**

- **The two playbooks can contradict.** One fades VAH/VAL back to POC; the other trades breakouts *through* nodes. You must first diagnose the market state (balance vs trap) or you'll apply the wrong one. This manual separates them on purpose.
- **Hindsight examples are cherry-picked.** "300%/888%" and "$9k→$170k" are marketing. The mechanics are real; the highlight reel is not your expected outcome. One creator admits results "are not typical."
- **Data source matters.** One video notes TradingView uses *tick* data, not true exchange volume — fine on liquid stocks/higher timeframes, but on small intraday futures ranges the profile can be inaccurate. For serious intraday work, real-volume platforms (**ATAS**, Sierra Chart) are preferred. Spot forex has no centralized volume at all.
- **Profile depends entirely on where you draw it.** Anchor it to a meaningful swing (low→high of the move). A lazy anchor gives meaningless levels.

> *"There's a different level of conviction that comes with understanding why you're doing what you're doing, rather than just trading patterns." — and that conviction only counts if the 'why' is actually correct.*

CHAPTER 10

# Learning Path & Practice Drills

## A sane order to learn in

1. **Vocabulary first** — POC, VA, VAH, VAL, HVN, LVN until instant (Ch 2).
2. **Train your eye on nodes** — on 20 charts, mark where price spiked (LVN) vs consolidated (HVN). Confirm the pattern is real.
3. **Diagnose state** — for each chart, label it: balanced (D) → Playbook A, or trap (P/b on thin volume) → Playbook B.
4. **Pick ONE playbook to start.** Mean reversion (Ch 6) is gentler for beginners; the vacuum method (Ch 7) needs faster execution.
5. **Backtest by replay** — anchor the profile, wait for the level, log the reaction. Don't risk money until the eye is trained.

## Daily practice checklist

- ☐ Draw a fixed-range profile from the relevant swing low→high.
- ☐ Mark VAH, POC, VAL and label the shape (P / b / D).
- ☐ State the market state: balance or trap?
- ☐ Name the trapped counterparty ("who is wrong?").
- ☐ Plan entry / stop / target *before* price arrives.
- ☐ Log the outcome + whether you diagnosed the state correctly.

## Going deeper

- **Books:** *Mind Over Markets* & *Markets in Profile* (James Dalton) — the rigorous source of Market/Volume Profile.
- **Platforms:** TradingView Fixed Range VP to learn; ATAS / Sierra Chart for real-volume intraday.
- **Pair it** with the Order Flow Field Manual — footprint confirms *at* the profile level whether buyers/sellers are actually stepping in.

> **PRO TIP — THE 50-REP RULE**
>
> You don't "know" a level held or vacuumed until you've watched it succeed *and* fail dozens of times. Log every reaction. Patience to wait for the level *is* the strategy.

APPENDIX A

# Glossary

| Term | Definition |
|---|---|
| **Volume profile** | A histogram of volume traded at each price level (volume "at price"). |
| **Normal volume** | Volume per time interval — tells you how much & when, not at what price. |
| **Point of Control (POC)** | Price level with the most volume traded; price tends to revert to it. |
| **Value Area (VA)** | Price range containing 70% of all volume — the "agreed value." |
| **VAH / VAL** | Value Area High / Low — the top & bottom of the value area. Above VAH = expensive; below VAL = cheap. |
| **HVN** | High Volume Node — area of acceptance / consolidation / balance. |
| **LVN** | Low Volume Node — area of imbalance; price spikes through (the vacuum). |
| **P-shape** | Profile fat at the top — usually bullish; can be a covering trap. |
| **b-shape** | Profile fat at the bottom — usually bearish; can be a trap. |
| **D-shape** | Bell-shaped, balanced, range-bound profile — ideal for mean reversion. |
| **Vacuum** | Fast move through an LVN due to lack of resistance/positioned traders. |
| **Offensive move** | Smart money entering new positions; trend likely continues. |
| **Defensive move** | Smart money covering/exiting; move likely fails (trap). |
| **Acceptance** | Price trades & builds value at new levels — confirms continuation. |
| **Fixed Range VP** | A profile drawn over a chosen range (swing low→high) rather than a session. |

APPENDIX B

# One-Page Cheat Sheet

**THREE DATABASE LEVELS**

Draw Fixed Range VP from swing low → swing high. Read **VAH** (expensive line), **POC** (magnet), **VAL** (cheap line). 70% of volume sits between VAH and VAL.

| Market state | Playbook | Core rule |
|---|---|---|
| Balance (D-shape, ranging) | **A — Mean Reversion** | Below VAL = buy; above VAH = sell; target POC. |
| Trap (P/b on thin volume) | **B — Vacuum / Trap** | Scenario + POC fails → enter, stop past POC, target end of LVN, trail. |

```
HVN = consolidate (balance)  •  LVN = spike through (vacuum)  •  POC = magnet
```

**NEVER FORGET**

- Diagnose state *first* — the two playbooks contradict if mixed up.
- Ask "is smart money on offense or defense?" and "who is wrong?"
- Shapes aren't destiny — read the cause (entering vs covering).
- Anchor the profile to a real swing. Wait for the level. Patience is the edge.
- TradingView = tick data; use ATAS/Sierra for real intraday volume.

APPENDIX C

# Self-Test & Answer Key

Cover the answers. Write your response in the margin first.

**1. What does volume profile show that normal volume cannot?**

> Volume at each price level (where it traded), not just how much and when.

**2. Define POC, and why does it matter?**

> Point of Control = the price with the most volume; it acts as a magnet that price tends to revert to.

**3. What is the value area, and what % of volume does it hold?**

> The price range holding 70% of all traded volume (between VAH and VAL).

**4. HVN vs LVN — what does price do at each?**

> HVN = consolidates (balance); LVN = spikes through fast (imbalance / vacuum).

**5. Why can a "bullish" P-shape lead to a big move down?**

> If it formed on short covering (defensive), the thin LVN below is a trapdoor; trapped longs flush price down through the vacuum.

**6. The one question to ask of every profile?**

> Is smart money on offense (entering) or defense (covering/exiting)?

**7. Mean-reversion rule when price is below the VAL?**

> Price is "cheap" → look for a long back toward the POC.

**8. In the vacuum method, what is the mechanical trigger?**

> A trap scenario PLUS the point of control failing; enter on the POC rejection, stop past the POC, target the end of the LVN.

**9. Where should you anchor a fixed-range profile, and why does it matter?**

> From a meaningful swing low to swing high; the levels are only as valid as the range you draw them over.

**10. Which market state suits Playbook A vs Playbook B?**

> A (mean reversion) = balanced/D-shape range; B (vacuum) = a trap (P/b on thin volume / news / covering).

**11. Why prefer ATAS/Sierra over TradingView for intraday futures?**

> TradingView uses tick data, not true exchange volume; profiles on small intraday ranges can be inaccurate.

**12. A −1R loss then a +4R win on the same idea teaches what?**

> No strategy is 100%; conviction in the "why" lets you re-enter, and tight-stop/big-target math makes a low win rate profitable.

APPENDIX D

# Trade Journal & Profile Log

Print extra copies. Log every level-reaction — wins and losses both count as reps. Aim for 50 before judging your read.

| Field | Entry |
|---|---|
| **Date / Time** | |
| **Market / Timeframe** | |
| **Profile anchored from → to** | |
| **Shape** | ☐ P ☐ b ☐ D (balance) |
| **Market state** | ☐ Balance → Playbook A ☐ Trap → Playbook B |
| **Levels** | VAH: _____ POC: _____ VAL: _____ |
| **Offense or defense?** | ☐ Offensive (continue) ☐ Defensive (trap) |
| **Who is wrong?** | |
| **Entry / Stop / Target** | E: _____ S: _____ T: _____ |
| **Action** | ☐ Long ☐ Short ☐ No trade (waited) |
| **Outcome** | ☐ Win ☐ Loss ☐ BE R: _____ |
| **State diagnosed right?** | ☐ Yes ☐ No (did I pick the correct playbook?) |
| **What I learned** | |

**WEEKLY REVIEW**

Did I diagnose balance vs trap correctly? Did POC act as a magnet? Were my LVN "vacuum" reads accurate? Which playbook is my edge — and which should I drop for now?

END OF MANUAL

*"See where the volume happened — not just when."*

Study companion compiled for personal use from "The Best Volume Profile Strategy (That Actually Works)" and "The Secret To Using The Volume Profile." Concepts summarized for education — not financial advice.