

Volume Analysis Checklist

Signal Pilot Education Hub

Volume & Delta Analysis Trading Checklist

From Lesson 2: Volume Doesn't Lie, But You're Reading It Wrong

Use this checklist to trade using delta analysis, absorption/exhaustion patterns, and volume profile intelligence with Plutus Flow.

Pre-Trade: Analyze Volume Quality

- [] **Check delta alignment with your direction**
 - Longs: Require positive delta (buy volume > sell volume)
 - Shorts: Require negative delta (sell volume > buy volume)
 - Use Plutus Flow CVD for real-time delta tracking
- [] **Verify CVD trend alignment**
 - CVD rising = accumulation (bullish bias)
 - CVD falling = distribution (bearish bias)

- No divergence between price and CVD

- [] **Identify Volume Profile levels**

- POC (Point of Control): Fair value magnet
- HVN (High Volume Node): Real support/resistance
- LVN (Low Volume Node): Rejection zones (fast moves expected)

- [] **Recognize pattern type**

- **Absorption:** High volume + price holds = Strong hand stepped in
- **Exhaustion:** High volume + price rejects = Move is done



Entry Criteria (All Must Be Met)

- [] Delta supports your direction (positive for longs, negative for shorts)
- [] CVD trending with trade direction (not diverging from price)
- [] Absorption or exhaustion pattern confirmed via Plutus Flow
- [] Entry area at or near Volume Profile POC/HVN (not in LVN gaps)
- [] Janus Atlas structural confirmation (sweep or breakout)
- [] Volume Oracle regime = trending (not volatile/choppy)



Trade Execution

Entry:

- [] Enter after absorption at HVN or exhaustion at resistance/support
- [] Entry price: \$ _
- [] Delta at entry: _ (positive for longs, negative for shorts)

Stop Loss:

- [] Place stop beyond absorption/exhaustion zone

- [] 1.5-2× ATR buffer below/above key structure
- [] Stop price: \$
- [] Position size: (based on stop distance)

Take Profit:

- [] Target 1 (1.5R): \$ (next HVN or POC)
- [] Target 2 (2.5R): \$ (HTF resistance/support)
- [] Target 3 (trailing): Let Pentarch RUN event guide exit

🚫 Invalidation Criteria (Exit Immediately)

- [] Delta reverses against your position (CVD diverges)
- [] Absorption fails (price breaks through absorbed level)
- [] Exhaustion pattern invalidated (price breaks through resistance)
- [] Volume Oracle regime shifts to volatile (high chop)



Post-Trade Review

Delta behavior:

- Was delta aligned throughout? _____

Pattern accuracy:

- Did absorption/exhaustion play out as expected? _____

Volume Profile effectiveness:

- Did POC/HVN/LVN levels hold? _____

Lesson learned:

- _____

Win/Loss: **R-multiple:**

Remember:

- Volume shows quantity, delta shows quality
- Absorption = strength (price holds despite volume)
- Exhaustion = weakness (price rejects despite volume)
- Trade at HVN/POC, avoid LVN gaps
- Require CVD and price alignment

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