

The ABC's of VSA: Accumulation Part I

By Lauren Snedeker



Today's Objectives

- What?** To detect the start of Accumulation
- Why?** To alert us to a potential trade set up
- How?** With the TG indicators & the book
The Complete VSA Sequences Explained

What is Accumulation???

It is the start of the _____ Phase by the Smart Money

It is also marked by two things: 1 _____ Volume and
2 _____ Spread

This is also when there is more _____ in the market than _____. (supply or demand?)

The Accumulation Phase

What? The buying by the Smart Money

When? Into a falling market

Why? So they can buy low

How? Climactic Action bars – wide spread, UHV



Stopping Volume

Strength Coming in

Selling Climax



Cause and Effect = Case Study

**Climactic
Action**



**The
Accumulation
Phase**



Change in Volume

Change in Trend

Taking a Long Trade



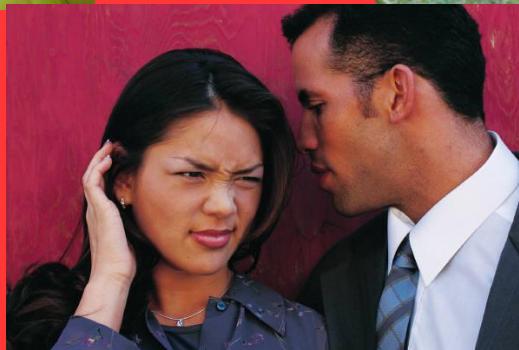
**Testing the supply
before bringing the
Market Up =
Shakeout, Test, No
Supply**

Gavin's Trade Set Ups

- ❖ Start with a bottom reversal or dip down gotcha maneuver – The Shakeout, Bottom Reversal, Bag Holding, Demand Overcoming Supply, Professional Selling Climax
- ❖ Start with High Volume and a “failure to fall” scenario

Lauren's Deviation

PSST! Here is a secret...shhhhh!



Earlier Warning Signs...

- ✓ A Wide Spread Down Bar
- ✓ On Ultra High Volume
- ✓ Middle to Low close
- ✓ The market then falls and does the “Failure to Fall” maneuver and comes back up to retest this price area
- ✓ Entry is predicated upon this closing price

Ex 1: Potential Stopping Volume

- ❑ Down Bar, Gapped Down often on Bad News
- ❑ Volume is higher than the previous two bars
- ❑ Low close
- ❑ Wide Spread suggests Buying by the SM is overcoming Selling by the herd
- ❑ High Volume indicates there is still supply present. Price can't move up until supply has been absorbed. **Demand overtaking Supply**

Ex 2 – Potential Climactic Action

- High to Ultra Volume Down Bar
- Wide Spread, Middle to Low Close
- Next Bar should be up to confirm
- Again – Demand overcoming Supply by SM
- Again – Buying overcoming Selling
- Volume – orders coming in one after another, others are covering shorts, Professionals are Buying

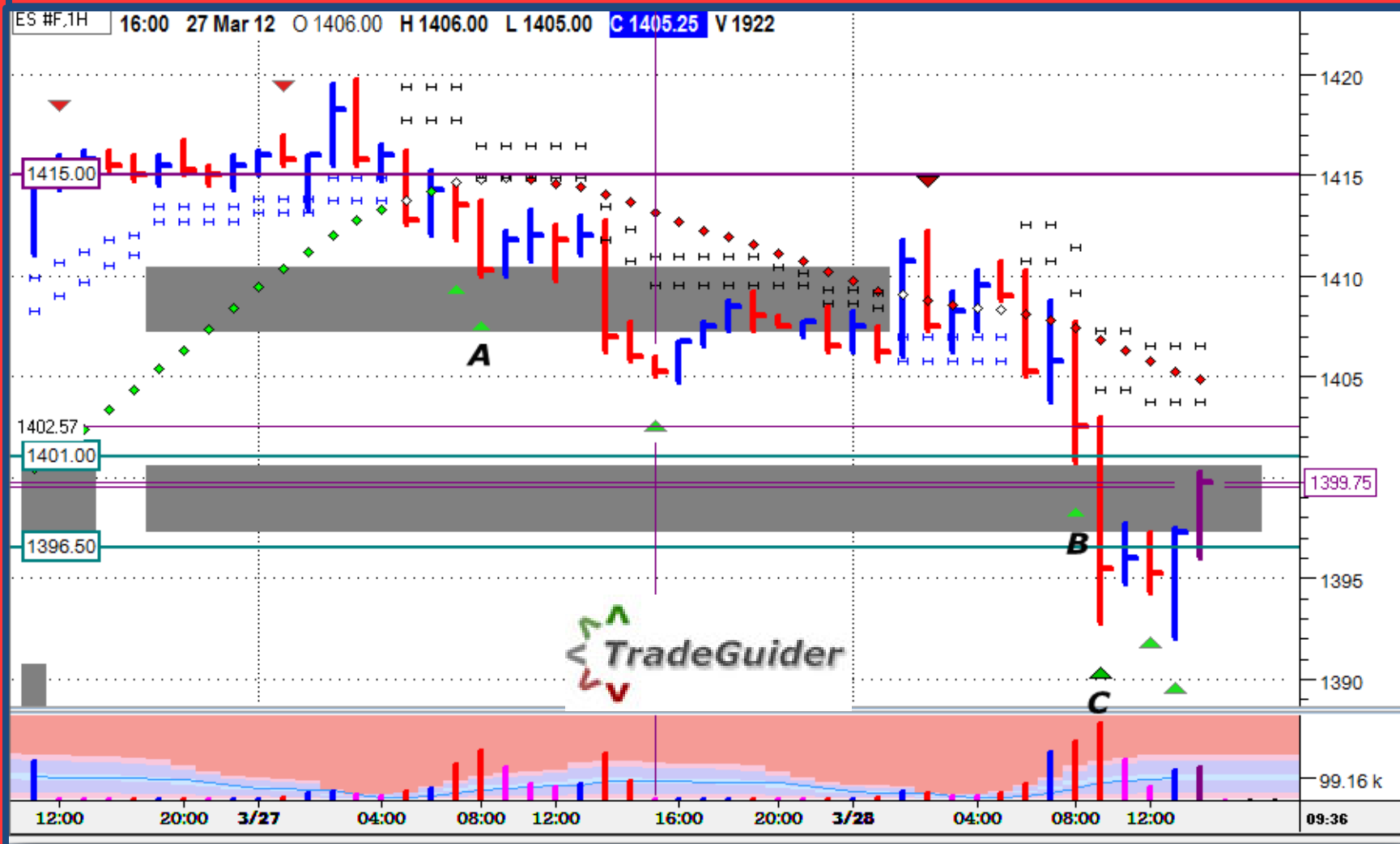
Ex 3 – Selling Climax

This indicator refers to the Herd not the SM!!!

If you read the dialogue box, you will see they are saying Professionals are Buying, absorbing the Supply. Almost identical description as the others

You often see this in conjunction with Stopping Volume or Climactic Action

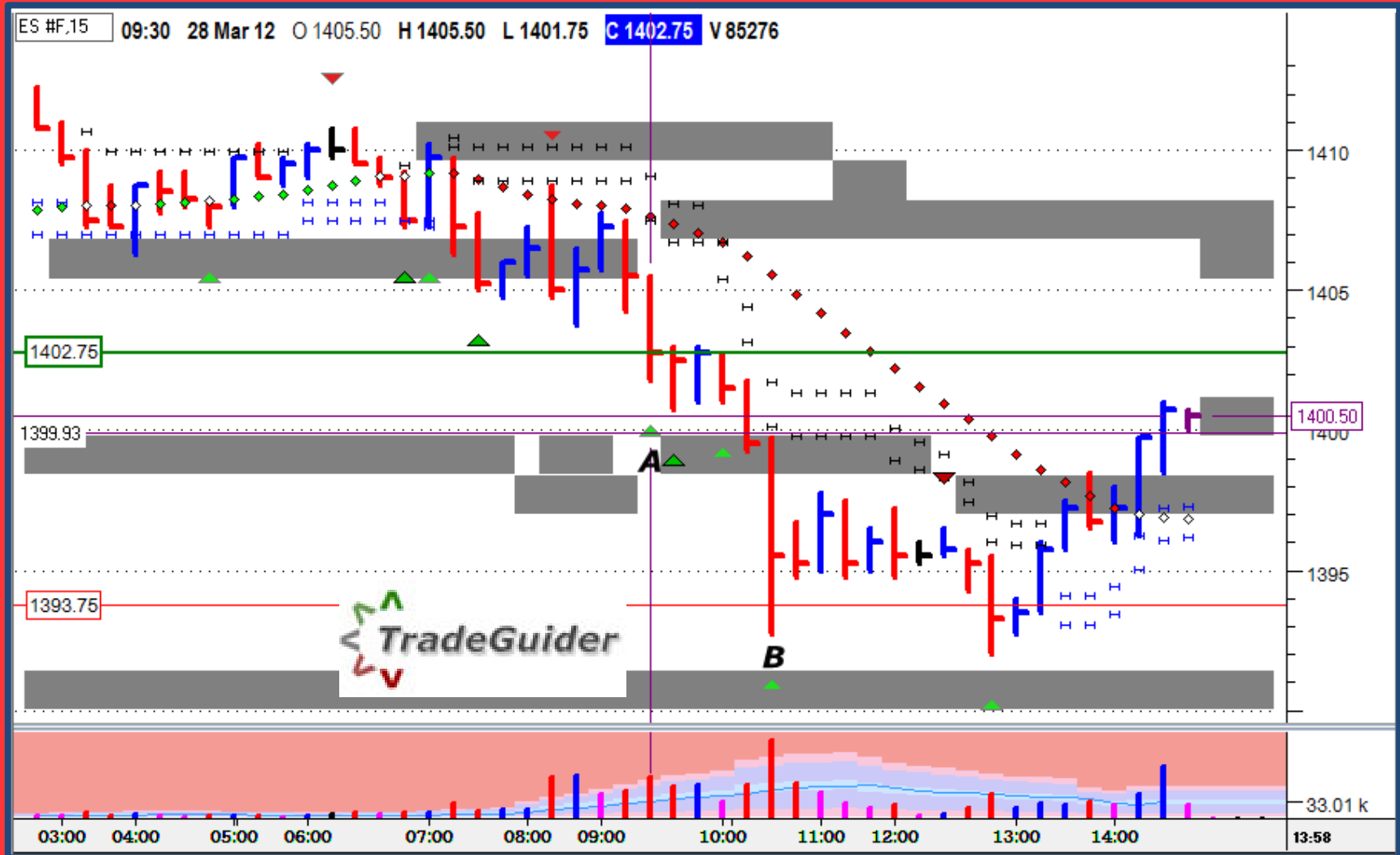
Stopping Volume & Shakeout



Potential Stopping Volume



Selling Climax



Pay Attention!

Look behind you – where has the price come from?

Can you see where it mushroomed over?

Can you see where this bar broke

Through the old Climactic Area

That marked the Distribution Phase?



When you see it...

1. Note the volume, the spread and the place where it occurs
2. Mark the close of the bar
3. Wait 😊

Recap of Accumulation

- ❖ It's the buying phase of the Smart Money
- ❖ It's when demand for low prices starts to overcome the supply in the market
- ❖ Ultra High Volume and Wide Spread Down Bars alert us to the start of this phase

Thank you!

Dankeschön!

The image features a white background with scattered yellow and red rose petals. The petals are arranged around the central text, with some overlapping it. The overall composition is clean and elegant, with a focus on the two expressions of gratitude.