> [Quoting Gxp1]
> The only problem is that after the upthurst, i would have placed sell limit on the low of the fourth bar(up bar) which looks like no demand and be in.only to later get stopped out if the SL was on the high.However 2nd attempt after ND would have been ok

I hear you brother. Been there. Done that.

As much as I hate to admit it, the use of multiple time frames helps. I have always maintained that a chart never lies. And if achart never lies, that means all charts tell the truth. Well, if all charts tell the truth, why would you need more than one? This must be true because markets are fractal. However, because markets are fractal it is also true that higher time frames matter.

Whilst I haven't come over to the multiple time frame analysis camp (i.e. 4 different charts), I do see some value in looking at two.

Take a look at the chart (s) below. The chart on the left is a 12 min. and the chart on the right is a 3 min. (3 x 4 = 12).

Let's start on the left. I call this the tend chart.

1. Climatic Action: wide spread up bar on ultra high volume that closes off its high with the next bar down. Markets do not like wide spread up bars on ultra high volume because they can contain selling. We know this interval had to have some selling (supply) in it, how else could the next interval be down ?

2. Hidden Up Thrust: Wide spread bar that makes a higher high than the previous bar, but closes down and closes near its low on increasing volume. We call this a Hidden Up Thrust because the close is down rather than up. Note that the high of this interval is equal to the high of the climax interval. This interval has to be weak. If this was a strong bar, then the close would not be near the bottom of the range. Weakness is confirmed with the next bar down.

3. Squat: A narrow range (NR4) interval that closes up and in the middle of its range on increasing volume. The volume to range ratio is telling us that something is capping the market. That thing is supply.

4. Squat: More evidence that the market is being capped. Volume is increasing but the range of the bar is decreasing. So as the activity (or effort) increases, the range (or result) is decreasing.

5. Trap up Move: (aka Outside Key Reversal **((OKR))**). What we want to note here is that this is the first sign of weakness that actually closes below the Bias Line. If price is below the Bias Line then at least this one measure of trend is down.
The interval after the OKR is really key. Note how this interval closes lower than any of the intervals to the left. It closes lower than the Test interval and even lower than the lowest interval that had No Supply. This is a change in behavior.

Now we don't trade the indicators, but we don't trade against them either. So we note that the Chart Mode is now down (red). And even though the BPL is blue, price is below it.

So we can now jump from the trend char to the trading chart.

Notice the interval marked "Test". This Test ultimately fails as the next interval closes down and happens to be an Effort to Fall. But look at the time. This Test is at 0612. The same time we see the change in behavior on the higher time frame. We can see that price is below the Bias Line, price is below the BPL and the BPL is red and Chart Mode is red. As a failed Test this would be a good entry. If you entered after the test had failed, then you would actually be entering on the interval labeled as a squat. Remember, you don't know that the test has failed until the close of the next interval.

A & B: These are the more traditional entries. First lets think big picture. These two No Demands are moving into the range of a high volume interval (the Effort to fall), but the volume is decreasing. So where there was once a lot of activity, we are now seeing very little activity. This is telling. Especially if the high activity was done by sellers and the low activity is now being done by buyers.

A. Although this is a down bar, it has a high that is higher than the previous two(2) intervals so I see it as No Demand. As you know, I hate these type of bars-buying bars that close down. But the determining factor is the higher greater than the high of the two(2) previous intervals. It is confirmed as No Demand with the next interval down, however, the next interval fails to make a lower low and thus does not bring you into the market. If you keep your limit order in place for more than just one interval, you get brought in on the next interval.

But if you don't want to keep it in place especially because this next interval is No Supply in its own right, then you are not yet into the market.

B. This is either No Demand or an Up Thrust in the form of No Demand. A limit order placed a pip or two below the low would bring you into the market on the next interval.

This marks the highest probability VSA entry.

Attached Image (click to enlarge)