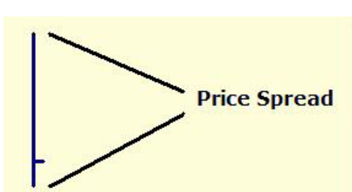
Volume is usually shown as a histogram on the bottom of the chart.  We recommend that you don't use the open interest volume, since this can be misleading.  However, for real-time charts, tick volume may be used where no transaction volume is available.

At this point, it is important to note that volume gives us an indication of the amount of *activity* that has taken place during whichever timeframe is being monitored.

All markets move in 'phases'; we can observe the market building a cause for the next move.  These phases vary – some last only a few days, some several weeks.  The longer phases give rise to large moves, and the shorter phases result in smaller moves.

The amount of volume taken in isolation means little – it is the *relative* volume we are interested in.  The chart below shows the *relative volume indicator* that is unique to TradeGuider.  It is showing that there is considerably more bearish volume in the market, which is why the prices decline on this chart.  Once you have established the relative volume of business, you must consider how the market responds to this activity.


**Chart 2**:  The relative volume indicator (chart courtesy of TradeGuider)




The spread is the range from the high to the low of the price bar.  We are particularly interested in whether the spread is abnormally wide, narrow, or just average.  The TradeGuider software interprets the spread size, and all other relevant information for you, so there is no need to establish anything by eye (which can be difficult at times).

The graphic below shows how TradeGuider reports all the required information with easily comprehensible English words, rather than arbitrary numerical values.