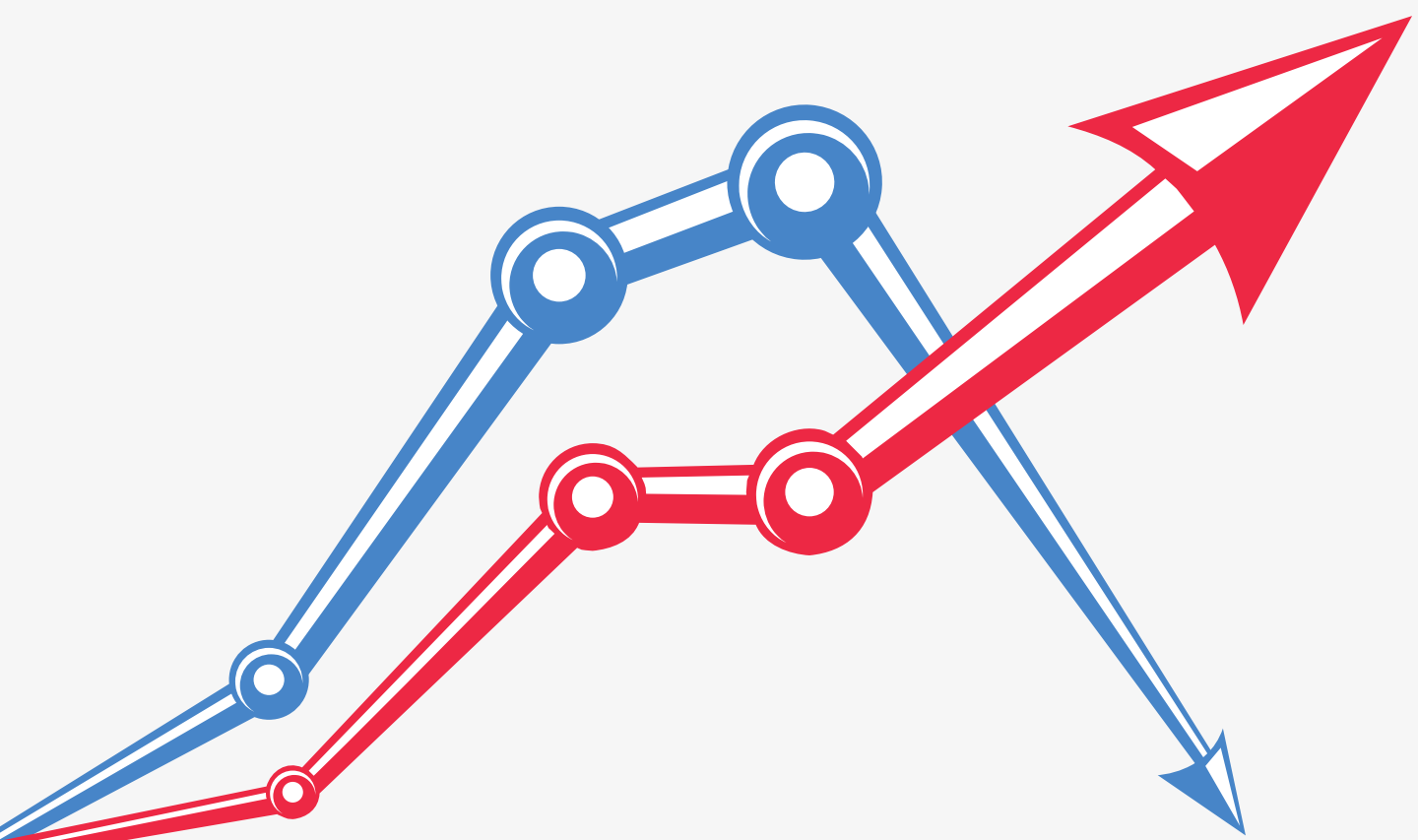


# VOLUME INDICATORS

Trading professionals, especially new traders, frequently overlook the analysis of volume indicator parameters. However, volume is significant in technical analysis since it supports patterns and trends. Additionally, it shows how many stocks were bought and sold at a particular time in the market. This aids us in determining how other traders view the market, once more. One of the key advantages of volume is that it drives the price movement of the stock, i.e., it provides us with early warnings as to whether the price movement will continue or reverse. Indicators of volume are therefore useful tools for traders.



# 1. On-Balance Volume Indicator-

On **Balance Volume (OBV)** is a volume indicator that adds up volume on good days and deducts volume on bad days to assess the cumulative purchasing and selling pressure. All of the day's volume is regarded as up-volume when the stock closes higher than it did on the previous day. Likewise, all of the day's volume is regarded as down-volume when the stock closes lower than the previous close. One should concentrate on its direction rather than the value.



## 2. Volume-Weighted Average Price-

When both price and volume are taken into account, the **volume-weighted** average price displays the average price an item has traded at throughout the trading session. This indicator displays the price at which the security is trading, showing if it was purchased or sold at a reasonable price.



# Disclaimer:-

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