BASIC DEFINITIONS FOR VOLUME ANALYSIS

KP2 FROM HIGH TO LOW WAS -2500 CONTRACTS
KP3 FROM HIGH TO A HIGH WAS 395 CONTRACTS
KP2 RATIO FROM HIGH TO LOW WAS -52

THE KP2 RATIO IS THE STRENGHT AT WHICH BUYERS
OR SELLERS ARE PROVIDING SUPPORT OR RESISTANCE
IN THE FORM OF LIMIT ORDERS.

A HIGHER POSITIVE NUMBER INDICATES
LIMIT ORDER RESISTANCE

A HIGHER NEGATIVE NUMBER INDICATES
LIMIT ORDER SUPPORT

THERE IS NO "MAGIC NUMBER" TO INDICATE SUPPORT
OR RESISTANCE. YOU SHOULD REFERENCE PAST VALUES
TO DETERMINE A CURRENT MOVES RELATIVE STRENGTH
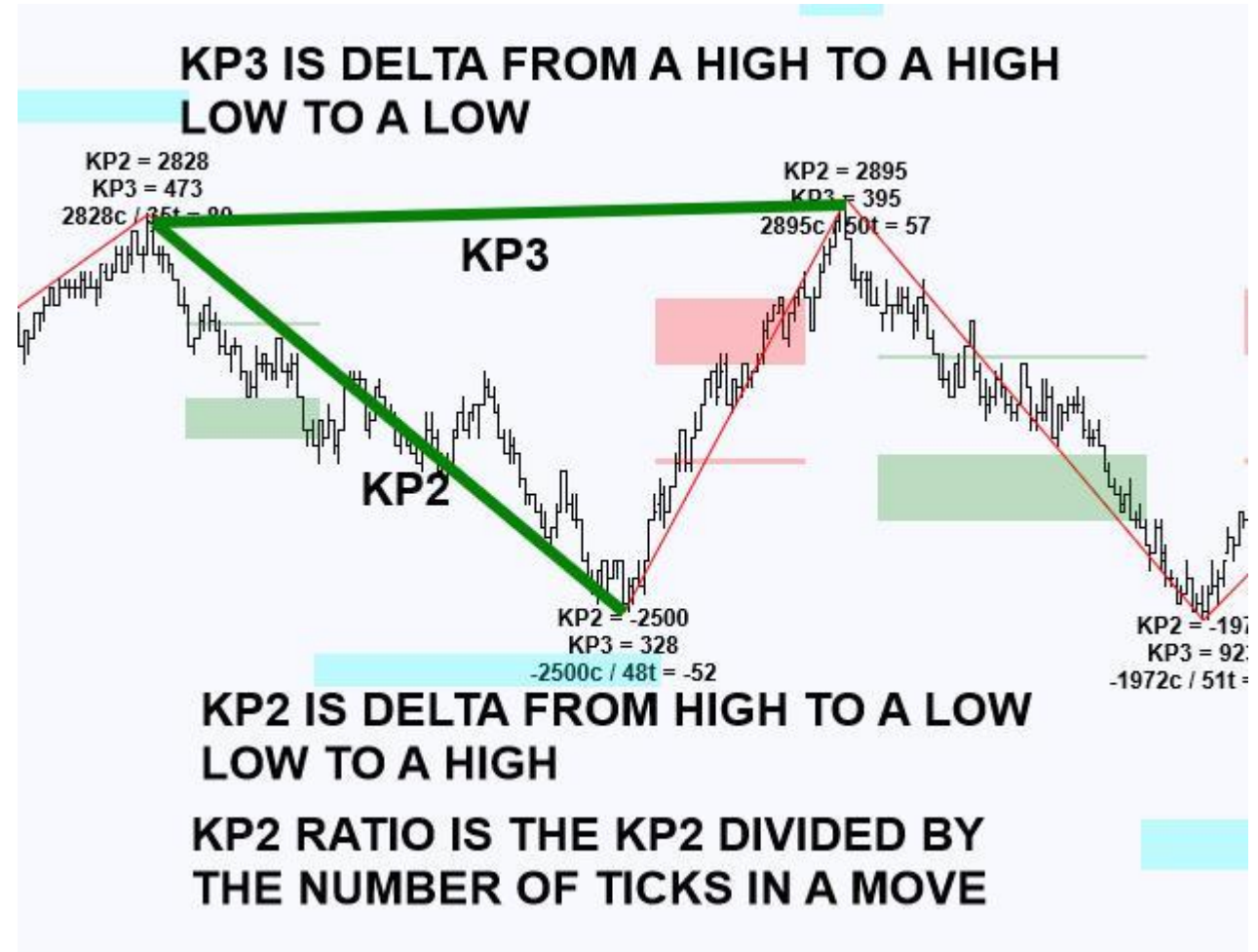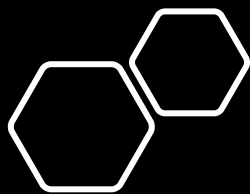
CHART SETUP ES – VOLUME ANALYSIS

- YOUR DATA SERIES MUST HAVE TICK REPLAY ENABLED FOR ANY DIVERGENCE INDICATOR TO WORK

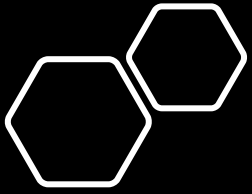- THE CHART HAS THE DIVERGENCE INDICATOR, KP2 RATIO, KP2, AND THE ZONES (ZIGZAG_ZTP)

CHART SETUP SPY – VOLUME ANALYSIS

• YOUR DATA SERIES MUST HAVE TICK REPLAY ENABLED FOR ANY DIVERGENCE INDICATOR TO WORK

• THE CHART HAS THE DIVERGENCE INDICATOR, KP2 RATIO, KP2, AND THE ZONES (ZIGZAG_ZTP)

INDICATOR SETUP – DIVERGENCE INDICATOR ES

THE IMPORTANT PARAMETERES ARE FIRST TO CHOOSE ANY FILTERS.

ZoneTraderPro CAN FILTER FOR THE SIZE OF THE ORDER.

TO FILTER FOR ORDER SIZE, PUT IN THE FILTERS YOU WANT, AND CHECK RECONSTRUCT TAPE.

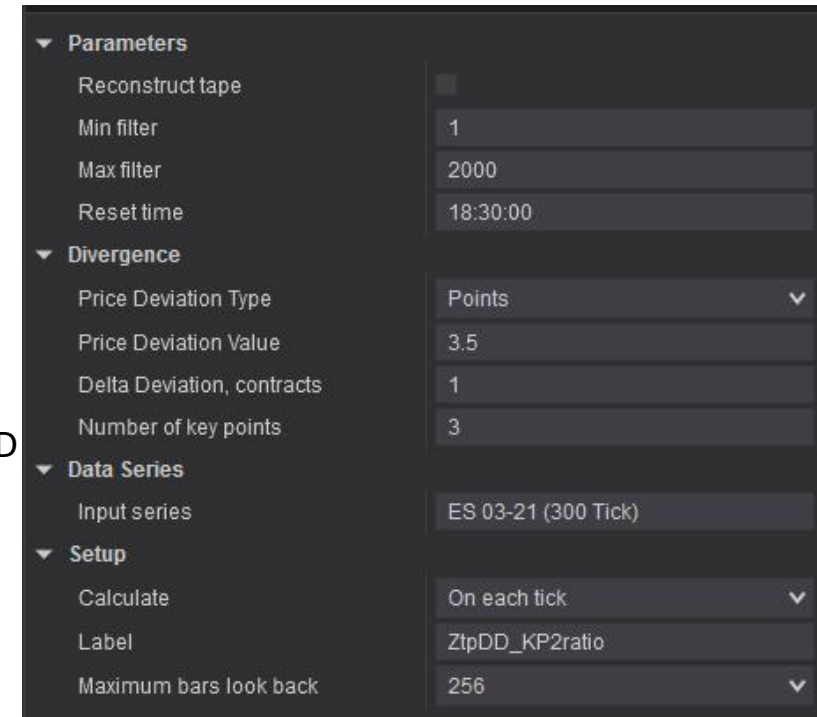YOUR DATA SOURCE MUST HAVE TICK REPLAY ENABLED FOR ANY DIVERGENCE INDICATOR TO WORK

UNDER THE DIVERGENCE TAB, BOTH THE SHOW AND

ACCUMULATION/DISTRIBUTION MUST BE CHECKED

THE MOST COMMON DEVIATION TYPE IS PRICE. THIS EXAMPLE IS SETUP FOR 3.5 POINT ZIGZAG.

DELTA DEVIATION = 1 SETS A MINIMUN NUMBER OF CONTRACTS

TO HAVE A DIVERGENCE SIGNAL

SET NUMBER OF KEY POINTS TO 3

CHECK THE BOX FOR SHOW KEY POINTS DELTA TO SEE THE

REALTIME LIVE NUMBERS UPDATE ON THE CHART

Parameters	
Reconstruct tape	
Min filter	1
Max filter	2000
Reset time	18:30:00
Divergence	
Price Deviation Type	Points
Price Deviation Value	3.5
Delta Deviation, contracts	1
Number of key points	3
Data Series	
Input series	ES 03-21 (300 Tick)
Setup	
Calculate	On each tick
Label	ZtpDD_KP2ratio
Maximum bars look back	256

INDICATOR SETUP – DIVERGENCE INDICATOR SPY

THE IMPORTANT PARAMETERES ARE FIRST TO CHOOSE ANY FILTERS.

ZoneTraderPro CAN FILTER FOR THE SIZE OF THE ORDER.

TO FILTER FOR ORDER SIZE, PUT IN THE FILTERS YOU WANT, AND CHECK RECONSTRUCT TAPE.

YOUR DATA SOURCE MUST HAVE

TICK REPLAY ENABLED FOR ANY DIVERGENCE INDICATOR TO WORK

UNDER THE DIVERGENCE TAB, BOTH THE SHOW AND

ACCUMULATION/DISTRIBUTION MUST BE CHECKED

THE MOST COMMON DEVIATION TYPE IS PRICE. THIS EXAMPLE IS

SETUP FOR .35 POINT ZIGZAG FOR SPY AND INCLUDES CLASSIFICATION SETTINGS.

DELTA DEVIATION = 1 SETS A MINIMUN NUMBER OF CONTRACTS

TO HAVE A DIVERGENCE SIGNAL

SET NUMBER OF KEY POINTS TO 3

CHECK THE BOX FOR SHOW KEY POINTS DELTA TO SEE THE

REALTIME LIVE NUMBERS UPDATE ON THE CHART

INDICATOR SETUP – KP2 AND KP2 RATIO INDICATOR

THE IMPORTANT PARAMETERES ARE FIRST TO CHOOSE ANY FILTERS.
ZoneTraderPro CAN FILTER FOR THE SIZE OF THE ORDER.
TO FILTER FOR ORDER SIZE, PUT IN THE FILTERS YOU WANT,
AND CHECK RECONSTRUCT TAPE.

YOUR DATA SOURCE MUST HAVE
TICK REPLAY ENABLED FOR ANY DIVERGENCE INDICATOR TO WORK

THE MOST COMMON DEVIATION TYPE IS PRICE. THIS EXAMPLE IS

SETUP FOR 3.5 POINT ZIGZAG.

THIS WOULD BE .35 FOR A .35 CENT ZIGZAG ON A SPY CHART

ADJUST MAX FILTER HIGHER FOR SPY TO 200000 OR HIGHER

DELTA DEVIATION = 1 SETS A MINIMUN NUMBER OF CONTRACTS

TO HAVE A DIVERGENCE SIGNAL

SET NUMBER OF KEY POINTS TO 3

Parameters	
Reconstruct tape	
Min filter	1
Max filter	2000
Reset time	18:30:00
Divergence	
Price Deviation Type	Points
Price Deviation Value	3.5
Delta Deviation, contracts	1
Number of key points	3
Data Series	
Input series	ES 03-21 (300 Tick)
Setup	
Calculate	On each tick
Label	ZtpDD_KP2ratio
Maximum bars look back	256

PRICE AND RATIO RESPOND IN SYNC
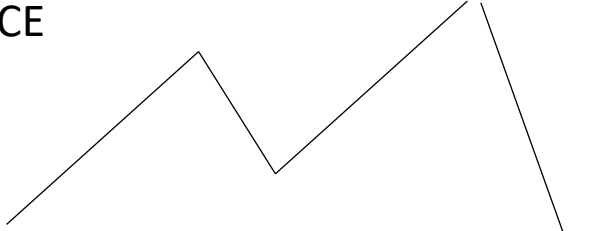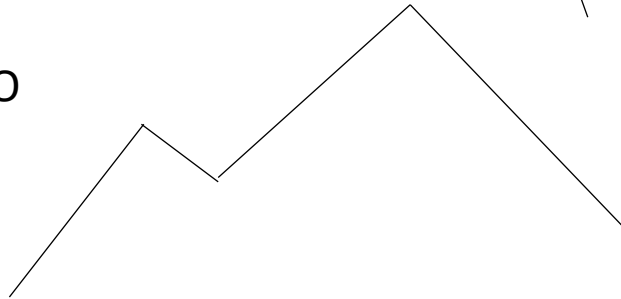
PRICE

RATIO

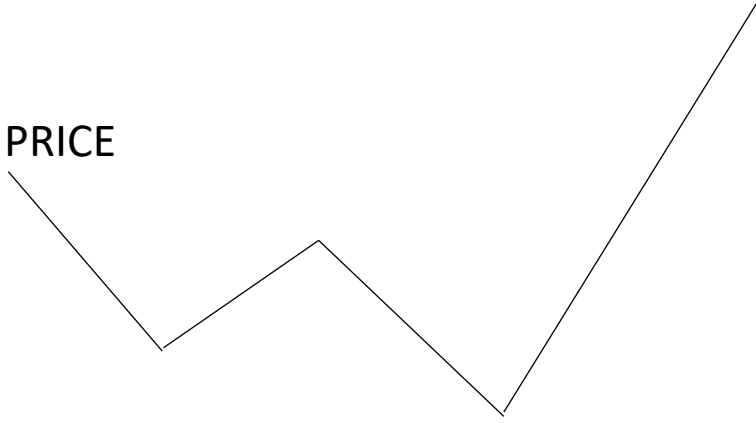PRICE AND RATIO RESPOND TOGETHER

INCREASING RATIO INDICATES INCREASING SUPPORT
OR RESISTANCE

NOTE THE 8 POINT INCREASE IN PRICE WHEN RATIO
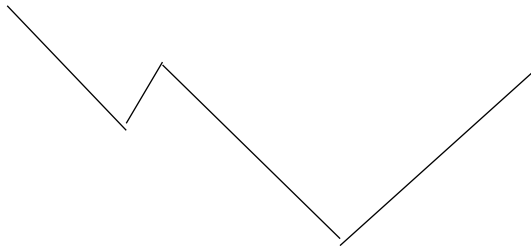IS FLAT – NO INCREASING RESISTANCE

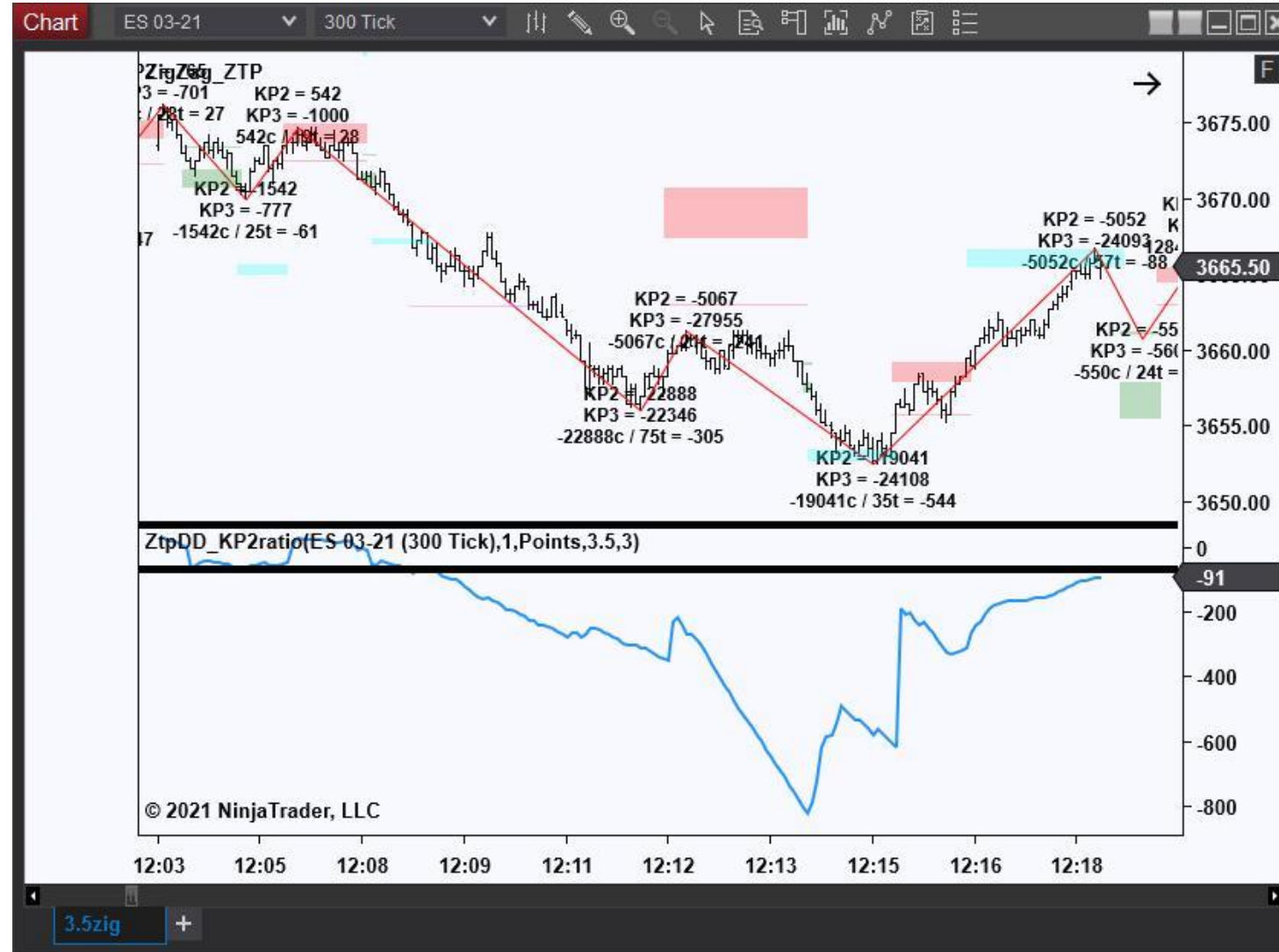# PRICE AND RATIO RESPOND IN SYNC

PRICE

RATIO

PRICE AND RATIO RESPOND TOGETHER

INCREASING RATIO INDICATES INCREASING SUPPORT

SETUP OCCURRED 1/4/21 WITH A 120 POINT DROP
FROM THE OPEN. OVER 40,000 CONTRACTS
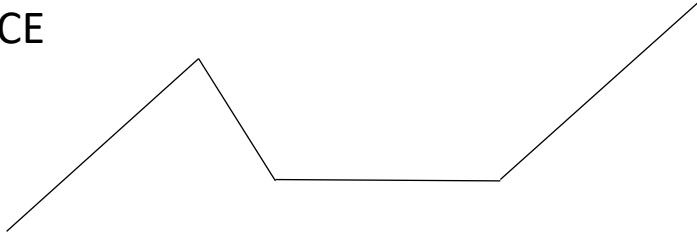ABSORBED AT THE LOWS. PRICE ROSE 48 POINTS

NEVER RECALL SEEING KP2 RATIO AS HIGH AS -544
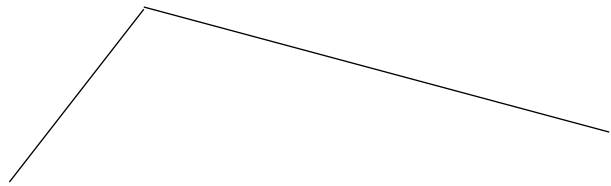AND -305 IS CONSIDERED RARE

PRICE AND RATIO NOT IN SYNC - ES

PRICE

RATIO

PRICE IS SIDEWAYS – RATIO IS INCREASING (BASED
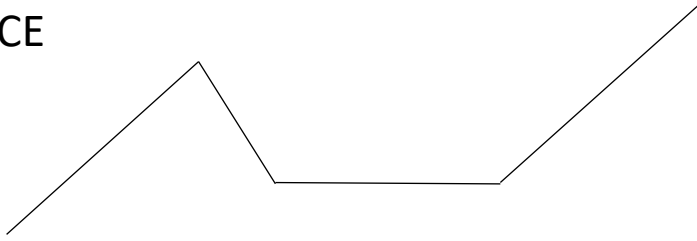UPON ABSOLUTE VALUE)

INCREASING RATIO INDICATES INCREASING LIMIT
ORDER SUPPORT
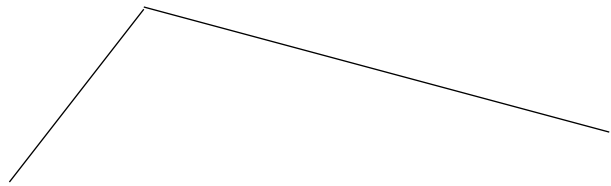
NOTE THE INCREASING RATIO STARTING AT 1315

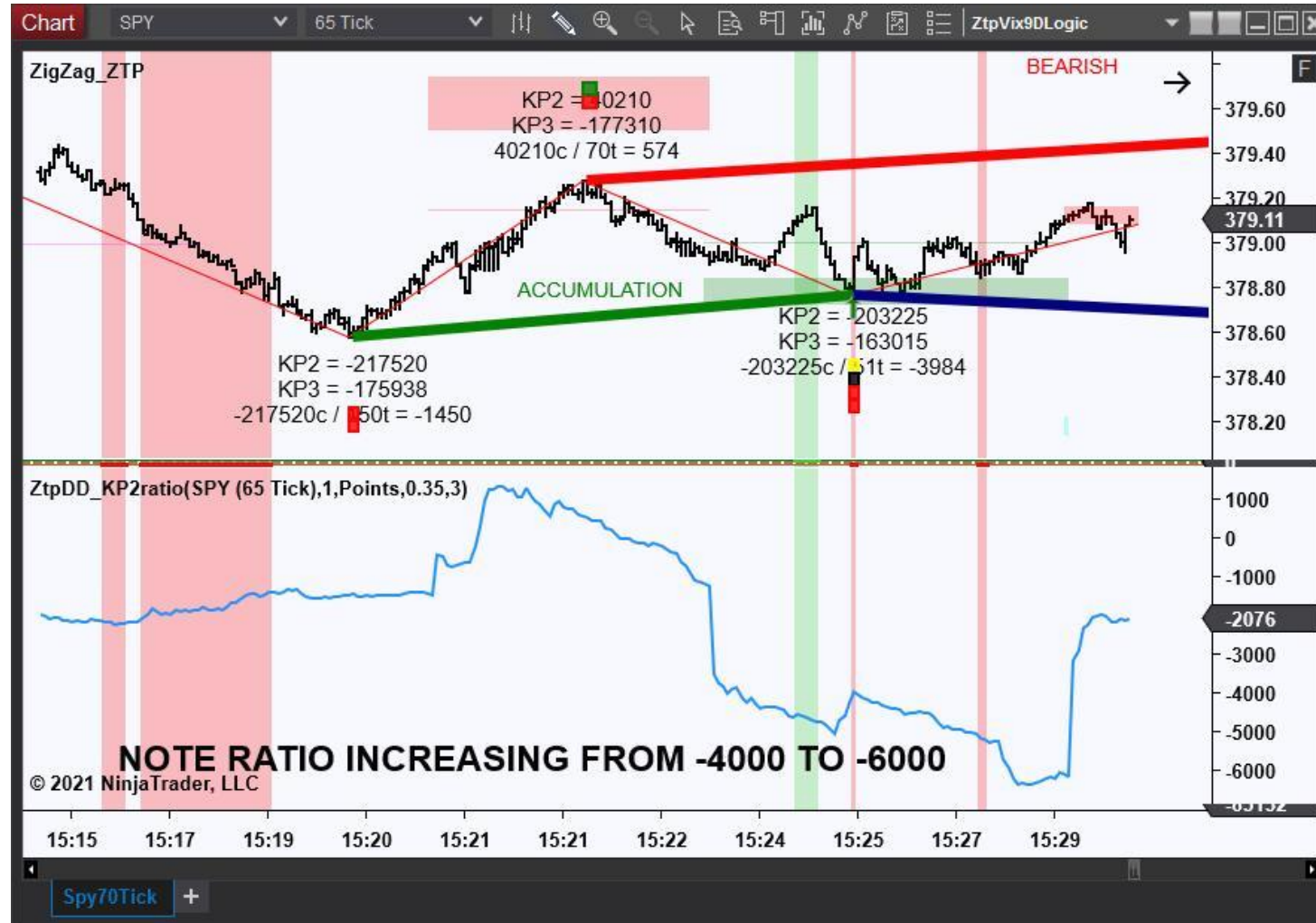# PRICE AND RATIO NOT IN SYNC - SPY

PRICE

RATIO

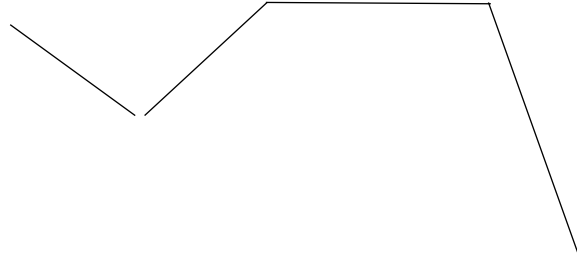PRICE IS SIDEWAYS – RATIO IS INCREASING (BASED UPON ABSOLUTE VALUE)

INCREASING RATIO INDICATES INCREASING LIMIT ORDER SUPPORT

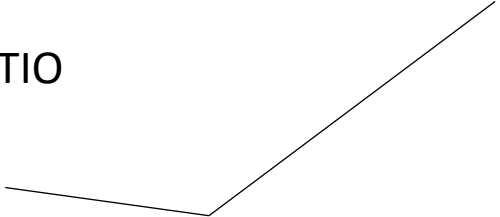COMPARE THE PREVIOUS VALUE (-1450) TO CURRENT VALUE (>-6000)

PRICE AND RATIO NOT IN SYNC - ES

PRICE

RATIO

PRICE IS SIDEWAYS – RATIO IS INCREASING (BASED UPON ABSOLUTE VALUE)

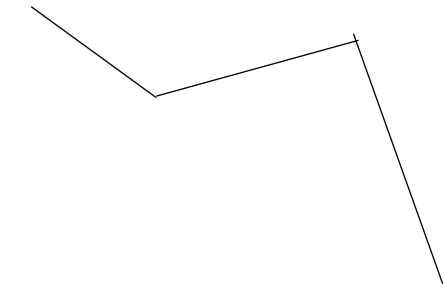INCREASING RATIO INDICATES INCREASING LIMIT ORDER RESTISTANCE

NOTE THE INCREASING RATIO STARTING AFTER 0949
NO INCREASING SUPPORT AT 1003 – PRICE FALLS

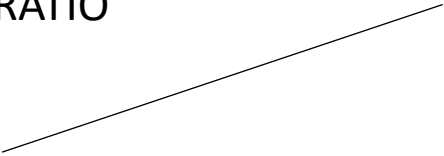COMPARE CURRENT RESISTANCE TO PREVIOUS

STRONG TRENDS - ES

PRICE

RATIO

PRICE IS DOWN – RATIO IS INCREASING (BASED
UPON ABSOLUTE VALUE)

INCREASING RATIO INDICATES INCREASING LIMIT
ORDER RESTISTANCE

NOTE THE INCREASING RATIO STARTING AFTER 0949
NO INCREASING SUPPORT AT 1003 – PRICE FALLS

COMPARE CURRENT RESISTANCE TO PREVIOUS