

# Plutus Flow v1.0 Guide

## Enhanced OBV with Divergence Detection & Flow Ribbons

### What is Plutus Flow?

Plutus Flow is Signal Pilot's **enhanced On-Balance Volume (OBV)** indicator with four analytical layers: the OBV line, flow ribbons, statistical bands, and automatic divergence detection. It helps identify accumulation and distribution before price confirms.

### The Four Layers

#### Layer 1: OBV Line

The primary cumulative volume line displayed in the indicator panel. - **Rising OBV** = Accumulation (buying pressure) - **Falling OBV** = Distribution (selling pressure)

#### Layer 2: Flow Ribbon & Basis

Colored background bands comparing OBV to a dynamic baseline: - **Green ribbon** = OBV above basis (bullish flow) - **Red ribbon** = OBV below basis (bearish flow)

#### Layer 3: Statistical Bands

Upper and lower bands at  $\pm 2$  standard deviations: - **White dots** = Price entering extreme zone - **Yellow dots** = Price exiting extreme zone

#### Layer 4: Divergence Detection

Automatic identification of price-OBV divergences with labels: - **Bull Div** = Bullish divergence detected - **Bear Div** = Bearish divergence detected - **Bull Hid** = Hidden bullish divergence - **Bear Hid** = Hidden bearish divergence

## Divergence Types Explained

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### Regular Bullish Divergence

- Price makes **lower low**
- OBV makes **higher low**
- Meaning: Selling pressure weakening, potential reversal up

### Regular Bearish Divergence

- Price makes **higher high**
- OBV makes **lower high**
- Meaning: Buying pressure weakening, potential reversal down

### Hidden Bullish Divergence

- Price makes **higher low**
- OBV makes **lower low**
- Meaning: Trend continuation in uptrend

### Hidden Bearish Divergence

- Price makes **lower high**
- OBV makes **higher high**
- Meaning: Trend continuation in downtrend

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## Adjustable Settings

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### Calculation Settings

SETTING	DESCRIPTION
HTF Timeframe	Higher timeframe for OBV calculation

## Quality Settings (FlipGuard System)

SETTING	DESCRIPTION
FlipGuard Bars	Minimum bars between opposite signals
Strict Cross Gate	Alignment requirement for crosses
Robust Extremes	Alternative statistical method
FlipGuard 2.0	Z-gate, min
Sequence Filter	Additional filtering layer

## Assists Settings

SETTING	DESCRIPTION
HTF Alignment Timeframe	For multi-timeframe confirmation

## Divergence Settings

SETTING	DESCRIPTION
Min Price Swing	xATR threshold for divergence detection

## Visual Settings

SETTING	OPTIONS
Show Divergence Labels	On/Off
Show Extreme Zone Exits	On/Off
Color Customization	Various color options

## Visual Components

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Displayed in a **separate panel below the price chart**:

ELEMENT	DESCRIPTION
OBV cumulative line	Main indicator line
Trend ribbons	Green/red background shading
Cross signal dots	Green (bullish cross), Red (bearish cross)
Extreme zone markers	White (breach), Yellow (exit)
Divergence labels	Bull Div, Bear Div, Bull Hid, Bear Hid
Statistical band lines	$\pm 2\sigma$ boundaries

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## How to Read Plutus Flow

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### Flow Direction

- 1. Green ribbon expanding** = Strong accumulation
- 2. Red ribbon expanding** = Strong distribution
- 3. Ribbon flipping color** = Flow direction changing

### Cross Signals

- **Green dot** = OBV crossing above basis (bullish)
- **Red dot** = OBV crossing below basis (bearish)

### Extreme Zones

- **White dot** = Entering overbought/oversold territory
- **Yellow dot** = Exiting extreme zone (potential reversal area)

## Divergence Signals

- Wait for divergence label to appear
- Confirm with other indicators (Pentarch, Volume Oracle)
- Use for reversal or continuation setups

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## Trading Applications

### Accumulation Detection

Look for: - Rising OBV while price consolidates - Green ribbon expanding - Bullish cross dots forming - Volume increasing on up moves

### Distribution Detection

Look for: - Falling OBV while price holds high - Red ribbon expanding - Bearish cross dots forming - Volume increasing on down moves

### Divergence Trading

1. Identify divergence label (Bull Div, Bear Div, etc.)
2. Wait for price confirmation (structure break)
3. Enter with stop beyond the swing point
4. Target based on measured move or levels

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## Integration with Other Indicators

### Plutus Flow + Pentarch

- Plutus shows accumulation/distribution
- Pentarch provides timing signals
- WRN + Bear Div = Strong reversal warning
- TD + Bull Div = Potential accumulation complete

## Plutus Flow + Volume Oracle

- Both analyze volume but differently
- Volume Oracle = Regime classification
- Plutus Flow = Flow direction and divergences
- Use together for complete volume picture

## Plutus Flow + Janus Atlas

- Plutus identifies when flow changes
- Janus provides key levels for entries
- Trade flow changes at significant levels

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## Best Practices

- 1. Don't trade divergence alone** - Always confirm with price action
- 2. Hidden divergences = trend continuation** - Trade in trend direction
- 3. Regular divergences = potential reversals** - Wait for structure break
- 4. Watch the ribbon color** - Flow direction matters more than single dots
- 5. Use extreme zones carefully** - They indicate stretched conditions, not guaranteed reversals

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For volume analysis strategies, see the Education Hub curriculum on OBV and institutional flow concepts.

### Signal Pilot Education Hub

[signalpilot.io](https://signalpilot.io) | [education.signalpilot.io](https://education.signalpilot.io)

Educational purposes only. This is not financial advice. Always do your own research.