

Plutus Flow Quick Reference

Statistical OBV, Delta Analysis & Absorption Signals

What Is Plutus Flow?

Plutus Flow is Signal Pilot's advanced volume analysis indicator combining:

- **Statistical OBV** — On-Balance Volume with statistical significance filtering
- **Delta Analysis** — Buy volume vs. sell volume breakdown
- **Absorption Detection** — Identifying when large orders absorb selling/buying

Core Components

COMPONENT	WHAT IT SHOWS	VISUAL
OBV Line	Cumulative volume trend	Main line (green/red)
Statistical Bands	Normal OBV range	Upper/lower bands
Delta Histogram	Buy vs. sell volume	Green/red bars
Absorption Dots	Large order detection	Colored dots on chart

OBV Interpretation

OBV Line Color

COLOR	MEANING
● Green	OBV rising (accumulation)
● Red	OBV falling (distribution)
● Orange	OBV flat (neutral)

OBV vs. Price

OBV	PRICE	INTERPRETATION
Rising	Rising	Confirmed uptrend — healthy
Rising	Falling	Bullish divergence — accumulation
Falling	Falling	Confirmed downtrend — healthy
Falling	Rising	Bearish divergence — distribution

Statistical Significance

Band Breakouts

EVENT	MEANING	IMPLICATION
OBV above upper band	Unusually strong buying	Potential breakout
OBV below lower band	Unusually strong selling	Potential breakdown
OBV at upper band	Buying exhaustion possible	Watch for reversal
OBV at lower band	Selling exhaustion possible	Watch for reversal

The Bands: 2 standard deviations from 20-period mean of OBV

Delta Analysis

Reading the Delta Histogram

-  Strong buying pressure
-  Moderate buying
-  Light buying
-  Neutral
-  Light selling
-  Moderate selling
-  Strong selling pressure

Delta Signals

DELTA PATTERN	MEANING
Positive delta + green candle	Buyers in control, trend confirmed
Negative delta + red candle	Sellers in control, trend confirmed
Positive delta + red candle	Absorption — buyers absorbing selling
Negative delta + green candle	Distribution — selling into strength

Absorption Detection

What Is Absorption?

When large institutional orders "absorb" opposing pressure without letting price move significantly.

Absorption Signals

SIGNAL	WHAT HAPPENED	IMPLICATION
Bullish Absorption 	Large buying absorbed selling pressure	Price likely to rise
Bearish Absorption 	Large selling absorbed buying pressure	Price likely to fall

Recognizing Absorption

CHARACTERISTIC	BULLISH ABSORPTION	BEARISH ABSORPTION
Candle	Red body or doji	Green body or doji
Delta	Strongly positive	Strongly negative
Volume	Above average	Above average
Result	Price doesn't fall	Price doesn't rise

Divergence Recognition

Bullish Divergence (Buy Setup)

Price: \ Lower low
OBV: / Higher low

Translation: Sellers exhausted, buyers accumulating quietly

Bearish Divergence (Sell Setup)

Price: / Higher high
OBV: \ Lower high

Translation: Buyers exhausted, sellers distributing quietly

Volume Delta Patterns

Healthy Trend (Long)

BAR	DELTA	VOLUME	INTERPRETATION
1	+++	High	Strong initiation
2	++	Medium	Continuation
3	+	Low	Pullback (healthy)
4	+++	High	New leg higher

Exhausting Trend (Caution)

BAR	DELTA	VOLUME	INTERPRETATION
1	+++	High	Strong move
2	++	High	Still strong
3	+	Very High	Climax volume
4	—	High	No follow-through

Plutus + Pentarch Confluence

PENTARCH SIGNAL	PLUTUS CONFIRMATION
TD	Bullish divergence, absorption at lows
IGN	Delta expansion, OBV breakout
WRN	Bearish divergence forming
CAP	Climax volume, delta exhaustion
BDN	OBV breakdown, negative delta

Quick Checklist: Using Plutus Flow

Before Entry

- [] What's OBV trend direction? (Rising/Falling)
- [] Any divergence vs. price?
- [] Delta supporting the trade direction?
- [] Absorption signal present?
- [] OBV inside or outside statistical bands?

During Trade

- [] Is delta supporting continued move?
- [] Watch for divergence developing
- [] Monitor for absorption against your position

Exit Signals

- [] OBV divergence against position
- [] Delta consistently opposing your trade

- [] Absorption signal against your position
- [] OBV hits extreme band (exhaustion)

Common Mistakes

MISTAKE	BETTER APPROACH
Trading every divergence	Wait for price confirmation
Ignoring volume context	High volume divergence > low volume
Using Plutus alone	Combine with Pentarch + Janus
Expecting instant reversals	Divergence can persist for bars

Settings Quick Reference

SETTING	DEFAULT	OPTIONS
OBV Length	20	10-50
Delta Display	Histogram	Histogram / Line
Absorption Sensitivity	Normal	Low / Normal / High
Statistical Bands	On	On / Off

Key Formulas

OBV Calculation:

```
If Close > Previous Close:  
    OBV = Previous OBV + Volume  
If Close < Previous Close:  
    OBV = Previous OBV - Volume  
If Close = Previous Close:  
    OBV = Previous OBV
```

Delta:

```
Delta = Buy Volume - Sell Volume  
(Estimated from price action within bar)
```

Signal Strength Ranking

STRENGTH	WHAT YOU SEE
Strongest	Divergence + Absorption + Band extreme
Strong	Divergence + Absorption
Moderate	Divergence alone
Weak	Delta shift without divergence

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