

80% Value Area Strategy with Strongest Confluence

Components Used:

- ✓ 80% Value Area Rule (Price re-enters VA → High probability of full traverse)
 - ✓ VWAP (Volume Weighted Average Price) (Institutional benchmark)
 - ✓ MACD (Momentum Confirmation) (Avoids weak setups)
 - ✓ RSI (Overbought/Oversold Reversals) (Prevents false entries)
 - ✓ Candlestick Pattern Confirmation (Pin bars, engulfing, inside bars)
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Buy (Long) Conditions

1. **Price Opens Below Value Area (VAL)** – Meaning the market is trading outside of yesterday's value zone.
2. **Price Re-Enters the Value Area** – The price must move back above VAL and **stay inside for 2-3 bars**.
3. **VWAP Confirmation** – Price is trading **above VWAP**, confirming bullish institutional support.
4. **MACD Bullish Crossover** – MACD line crosses above the signal line, confirming momentum.
5. **RSI Above 40 But Below 70** – Prevents buying into overbought conditions.
6. **Candlestick Confirmation** – A bullish engulfing, pin bar, or inside bar appears inside VA.
7. **Target = POC First, Then VAH** – Take partial profits at **POC** and final target at **VAH**.
8. **Stop-Loss** = Below **swing low** or **1.5x ATR** outside VAL.

Extra Tip:

- ◆ If price is also above the 9-EMA & 21-EMA, the trade has **higher probability!**
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Sell (Short) Conditions

1. **Price Opens Above Value Area (VAH)** – Meaning the market is trading outside of yesterday's value zone.
2. **Price Re-Enters the Value Area** – The price must move back below VAH and **stay inside for 2-3 bars**.
3. **VWAP Confirmation** – Price is trading **below VWAP**, confirming bearish institutional bias.
4. **MACD Bearish Crossover** – MACD line crosses below the signal line, confirming downside momentum.

5. **RSI Below 60 But Above 30** – Prevents selling into oversold conditions.
6. **Candlestick Confirmation** – A bearish engulfing, pin bar, or inside bar appears inside VA.
7. **Target = POC First, Then VAL** – Take partial profits at **POC**, final target at **VAL**.
8. **Stop-Loss** = Above **swing high** or **1.5x ATR** outside VAH.

Extra Tip:

- ◆ If price is also below the 9-EMA & 21-EMA, the trade has **higher probability!**
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Why This Setup Is the Strongest?

- ✓ High Probability Entry (80% VA Rule) → Ensures a structured trade plan
- ✓ Institutional Order Flow (VWAP) → Confirms if smart money supports the move
- ✓ Momentum Confirmation (MACD) → Avoids false breakouts
- ✓ Overbought/Oversold Filter (RSI) → Reduces bad entries
- ✓ Candlestick Patterns → Confirms actual price behavior at key levels