Table of Contents for the MW OFA WaveVolume ® Study

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3. **Settings process**

4. **Case Study examples of the WaveVolume Study**

5. **FAQ Section**

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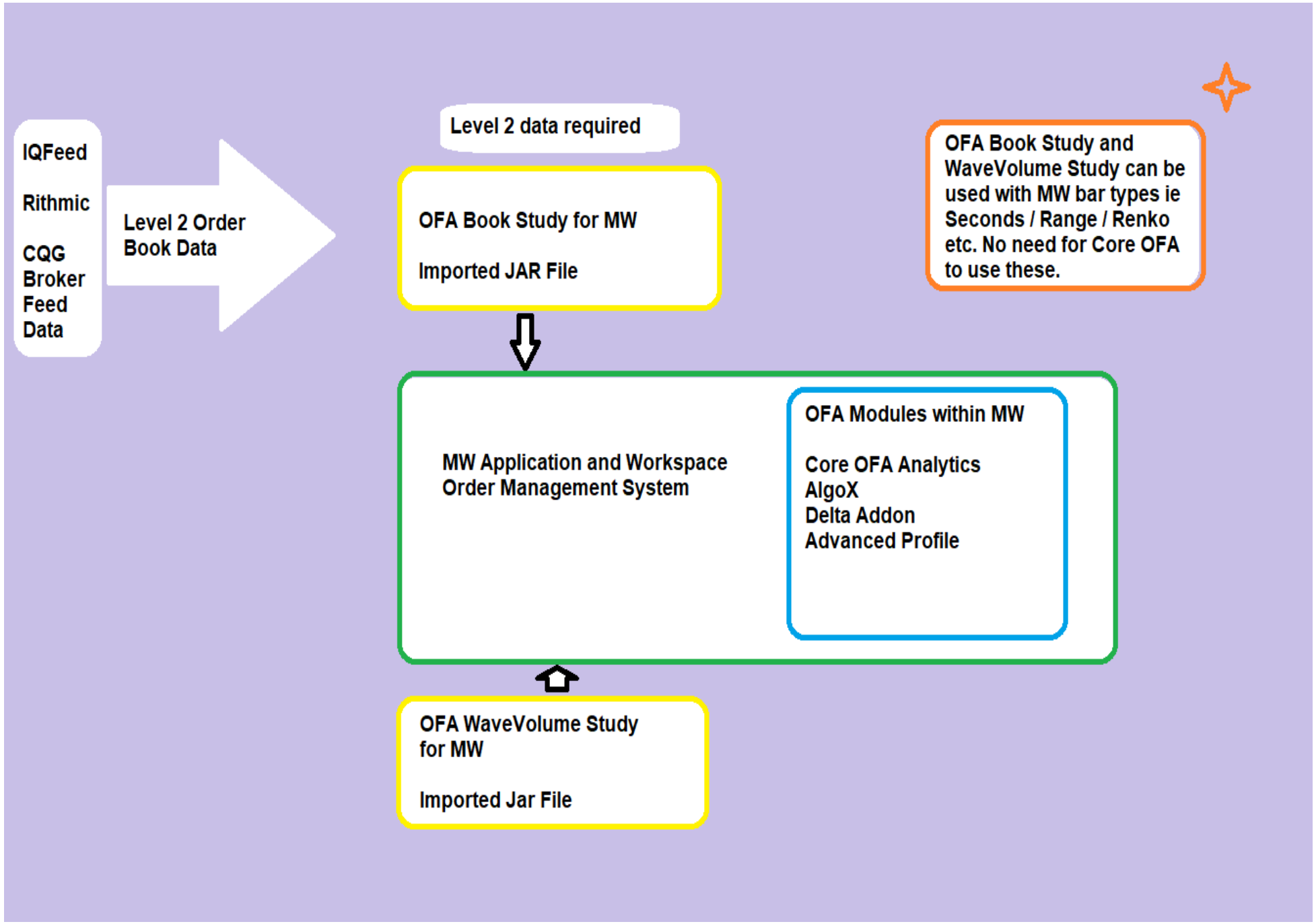
Disclaimer – to be clear there is no affiliation to the references made in this document to a 'similar' indicator/study available on other 'older' platforms – the process and calculation is different as is the OFA Auction/Bar building process. The purpose and function of this tool for OFA is to enhance the foundation of this tool for OFA Auction Bars with its own tolerance and accumulation process. Some patterns of inside bars are addressed in the calculation with provision of a simple tolerance/adjustment parameter to define the number of ticks to allow for this. This is proprietary to OFA as to the exact accumulation logic but you can see where inside bars are accommodated in certain scenarios.


IQFeed
Rithmic
CQG
Broker
Feed
Data
Level 2 Order
Book Data
Level 2 data required
OFA Book Study for MW
Imported JAR File
OFA Book Study and
WaveVolume Study can be
used with MW bar types ie
Seconds / Range / Renko
etc. No need for Core OFA
to use these.
MW Application and Workspace
Order Management System
OFA Modules within MW
Core OFA Analytics
AlgoX
Delta Addon
Advanced Profile
OFA WaveVolume Study
for MW
Imported Jar File

OFA Wave Volume ® Addon Summary

Following from my own research and usage of the Wyckoff method in my trading particularly for the Accumulation zones and the process for this, my attention was drawn to this volume process many years ago. I found it a very valuable and revealing tool in general, but in combining with the OFA Auction process you can see in the Case Studies the effective application of OFA Wave Volume for OFA Probe and Rotation Auctions.

Volume is freely provided data that is mostly Underused by traders. We do cover delta volume and other tools in the Delta Addon and I have always referenced volume in various ways including simple bar / auction volume. With this approach of the waves and swing volume you can get a clearer read on the buying and selling waves.

OFA Wave Volume ® Study

Rather than using some volume oscillator with moving averages to approximate and smooth out the volume – why not use something which is a more accurate representation of the volume. As the market and price movement unfolds in a series of buying and selling Waves, these prices do not unfold in bundles of equal time. Combined with OFA Probe and Rotation (Non-time based) Bars and thus a more natural movement of price and orderflow, by not subdividing the volume into time periods you are not obscuring the true force of the buying and selling waves. This software study provides a unique and highly valuable insight into the market's true structure.

Wave charts were first created by Richard Wyckoff as part of his tape reading techniques. He encouraged students to '**think in waves**' ; and thus wave analysis was an integral part of his trading method. I encourage you to seek out examples of this in your online search and see the link suggestions below. Please note that this is distinct from and separate to the Elliot wave method.

I have provided a few links below which serve as some background/education and research for those who want to look deeper into this and the Wyckoff Phases and process. Note as per the top of the document there is no affiliation to these sites or people. I did buy the 'Trades about to Happen' book by David Weis many years ago and so familiar with this process.

Weis Wave Plugin: A Modern Adaptation of the Wyckoff Wave & Volume (weisonwyckoff.com)

You can see what this sells for on the above page and this was built with time-based charts in mind. The OFA version uses a different logic process with a tolerance tick adjustment (as outlined in the settings section below) and combines with the OFA Auction Bar process.

Weis Wave Plugin - Trading Psychology Edge

Some additional references and application examples of usage.

The Wyckoff Method: A Tutorial [ChartSchool] (stockcharts.com)

This is a great reference to the methodology and schematics for the accumulation and distribution phases relating to Wyckoff Events. Interestingly this is the basis of several up to date education and training processes on how the professionals trade.

Questions to ask in the process of observing and assessing/analysing the Buy and Sell Waves

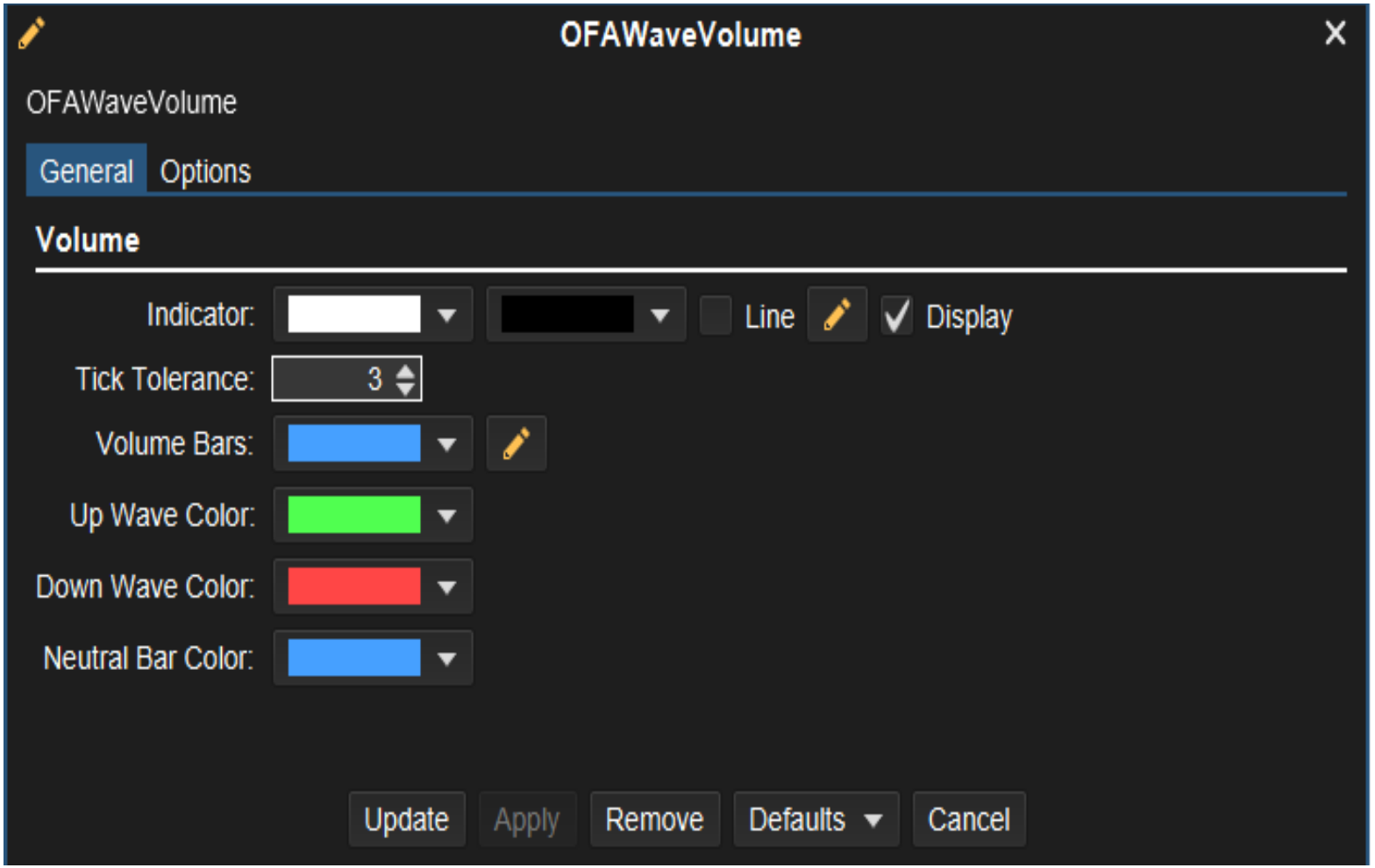
A key part of the Wave Volumes is comparing the relative volume of the swings and comparing the Effort vs Result.
For a larger Wave volume did the price progress relative to other waves or is there any indication of absorption in the Wave move (Up or Down).
With practice / observation and experience you will detect clues of changes in the trend and where momentum follows through vs absorption.

Look for waning / declining up waves into the Highs and waning / declining down waves into the lows. **SOT – Shortening of the thrust** !

With wave volume - how far did the swing move in ticks relative to prior swings ? Did it move less with same volume? ; indicative of absorption.

Observe where buyers pick up at the lows and sellers pick up at the highs - is there follow through or absorption
what do they do with the volumes and the stops in any liquidity area ?

Looking for evidence of Selling at lower prices from the highs as a key sign that the market may be progressing lower
and then buying at higher prices from the lows as sign that the market may be progressing higher.


OFAWaveVolume
OFAWaveVolume
OFAWaveVolume
General
Options
Volume
Indicator:
Line
Display
Tick Tolerance:
3
Volume Bars:
Up Wave Color:
Down Wave Color:
Neutral Bar Color:
Update
Apply
Remove
Defaults
Cancel

OFA Wave Volume ® Indicator Parameters in the above Screenshot Figure

To add this Indicator to a lower chart panel, select from the Top Menu Study option and from the **OFA Study** submenu.

Tick Tolerance – using the ofa method of capturing certain instances of inside bars this defines a threshold for any difference to be <= to this value – default is 3 but can be increased depending on the bar type in use ie OFA Bar type Linear or Probe and Rotation or any of the other available MW Bar types. This facilitates the method to define a smoother contiguous Swing up or down before the swing is broken by a change in direction.

Plots as histogram

Up Wave Color – this setting defines the Color of the Up Swing Bars –

Down Wave Color – this setting defines the Color of the Down Swing Bars –

Neutral Bar Color – this setting defines the Color of the Neutral Bars – these will rarely show in an OFA Probe and Rotation bar and more likely to show in an OFA Minutes/Seconds bar.

Volume Bars – this setting is used to define the **Width setting** of each bar – open the pencil icon to access the settings.

Case Studies

The next section contains 12 case studies, illustrating this Addon features with annotated charts. Some of the case studies also include elements from the other Addons in this launch release ie OFA Book. The other modules OFA Delta and OFA Advanced Profile have been included in some of the case studies for illustration. This first 5 are for OFA WaveVolume for MW

MotiveWave - Console (AJ2405)
Steady accumulation at lows show net bid (green) net buying deltas supporting and buying at lows - then turn in white 4 line on close book line. Waning selling waves turning into green buy waves in lower panel
net buy delta supporting the green net bids
net buy deltas aligned to green net bids
steady accum at bid at lows here in cumulative
balanced overall net bid book and increasing buy waves

MotiveWave - Console (AJ2405)
File Edit View Study Strategy Format Configure Window Help
@YMM23
OFA®(8,3)
AAPL 15m
@ESM23 OFA®6,3
QCLN23 OFA®6,3
QGCQ23 OFA®6,3
@YMM23 OFA®8,3
@NQM23 OFA®12,4
@YMM23 - OFA®(8,3)
ES-Wave-Book
NY pm session of YM 33600 price - Buy wave established -
waning selling waves into lows.
Book support on the BID to support long/buy trade
DRV=5.9
MDR=1.8
overall net buy deltas in line with the Bid Book below - ideal combination for both buy delta and net bid book
OR sell delta and net Offer book
motivewave.com
19:33:38
19:34:23
19:34:39
19:35:53
19:46:53
19:54:08
19:56:54
20:01:17
20:02:29
OFABook(8)
OFABook(8)
OFAWaveVolume(3)
Volume
OFA®(8,3) 1 min 5 min 10 min 15 min 20 min 30 min 45 min 1 hour 2 hour 6 hour 1 day 1 week 2 week 1 month 3 month
Home Charts Floating Account Trade Report Options Scan Optimize
375M of 464M
Jun-05 22:23:16

MotiveWave - Console (AJ2405)
File Edit View Study Strategy Format Configure Window Help
@ESU23
OFA®(6,3)
AAPL 15m
@ESU23 OFA®6,3
QCLQ23 OFA®6,3
QGCQ23 OFA®6,3
@YMU23 OFA®8,3
@NQU23 OFA®12,4
QCLQ23 30s
@ESU23 30s
@ESU23 6RG
QCLQ23 8RG
@ESU23 - OFA®(6,3)
Delta Volume
OFABook(4)
See Wave Volume in lower panel example of waning selling the Effort vs Result example of build of volume making no progress - Bid Book supporting and then ES moves higher away from the lows. Note also failed spoof attempt at lows in book with net buy deltas
DDV=589
MDDV=450
4420.00
4418.00
4416.00
4414.00
4412.25
4410.00
4407.75
4406.00
4404.00
103
4402.00
motivewave.com
15:47
15:50
15:52
15:55
15:57
16:00
16:03
16:05
16:07
16:08:15
16:10
16:11
16:15
16:20
16:21
16:25
16:30
16:35
16:40
16:45
16:50
OFABook(8)
Failed book spoof attempt to get sellers into lows - check net buy delta and then Bid Book change comes in
Bid book support into lows with cumulative book
2000
1000
0
-1000
OFABook(8)
1000
0
-1000
OFABookLines(8)
Strong clear bid book line support at lows and bar by bar bid support
1750
1250
750
Decline of selling waves but Note the larger sell wave with little progress - eg of Effort vs Result and Absorption of volume at lows - combined with the Read on the Book Shape with Bids in control
OFAWaveVolume(3)
15.0K
5000
909
OFA®(8,3)
1 min
5 min
10 min
15 min
20 min
30 min
45 min
1 hour
2 hour
6 hour
1 day
1 week
2 week
1 month
3 month
Home
Charts
Floating
Account
Trade Report
Options
Scan
Optimize
445M of 564M
Jun-22 1:04:15

AAPL 15m
@ESU23 OFA®6,3
QCLN23 OFA®6,3
QGCQ23 OFA®6,3
@YMU23 OFA®8,3
@NQU23 OFA®12,4
QCLN23 30s
@ESU23 30s
@ESU23 6RG
QCLN23 8RG
QCLN23 - OFA®(6,3)
Delta Volume
OFABook(4)
Clear decline/waning of Selling Waves into the Lows on CL.
Book Support comes in with strong net Buy deltas - then
Buy waves build at the turn from the lows with 'small' sell
counter pullback waves
DDV=150
MDDV=80
MDR=3
motivewave.com
Jun-14 17:08:35
OFABook(8)
strong bid book support coming in after selling
wave
OFABook(8)
OFABookLines(8)
Selling waves decline - auction lower completes
with evidence of Buying waves comingn in at lows
Building buy waves and small sell
pullback waves
OFAWaveVolume(3)

MotiveWave - Console (AJ2405)
File Edit View Study Strategy Format Configure Window Help
@ESU23
Range(6)
AAPL 15m
@ESU23 OFA®6,3
QCLN23 OFA®6,3
QGCQ23 OFA®6,3
@YMU23 OFA®8,3
@NQU23 OFA®12,4
QCLN23 30s
@ESU23 30s
@ESU23 6RG
QCLN23 8RG
@ESU23 - Range(6)
Volume
Building Buy Waves and shallow sell waves for this ES 6 Range chart. See the accumulated Book with waves of Bid support along with each Wave.
4419.50
4418.25
4414.75
4410.00
4405.00
4400.00
4395.00
166
15:01:55 15:05 15:07 15:10 15:12 15:15 15:17 15:20 15:25 15:30 15:35 15:40 15:45 15:50 16:00 16:07 16:15 16:20 16:24 16:30 16:35
OFAWaveVolume(3)
Decling sell waves then buy waves following
weak sell waves after strong buy wave holding balance before continuation higher
40.0K
30.0K
20.0K
10.0K
1141
OFABook(8)
1500
500
-500
-1500
-2500
Waves of Bid book accumulation (Green) with each wave build - and below bar by bar Bid support
OFABook(8)
500
-500
OFA®(8,3) 1 min 5 min 10 min 15 min 20 min 30 min 45 min 1 hour 2 hour 6 hour 1 day 1 week 2 week 1 month 3 month
Home Charts Floating Account Trade Report Options Scan Optimize
515M of 580M Jun-14 0:13:27

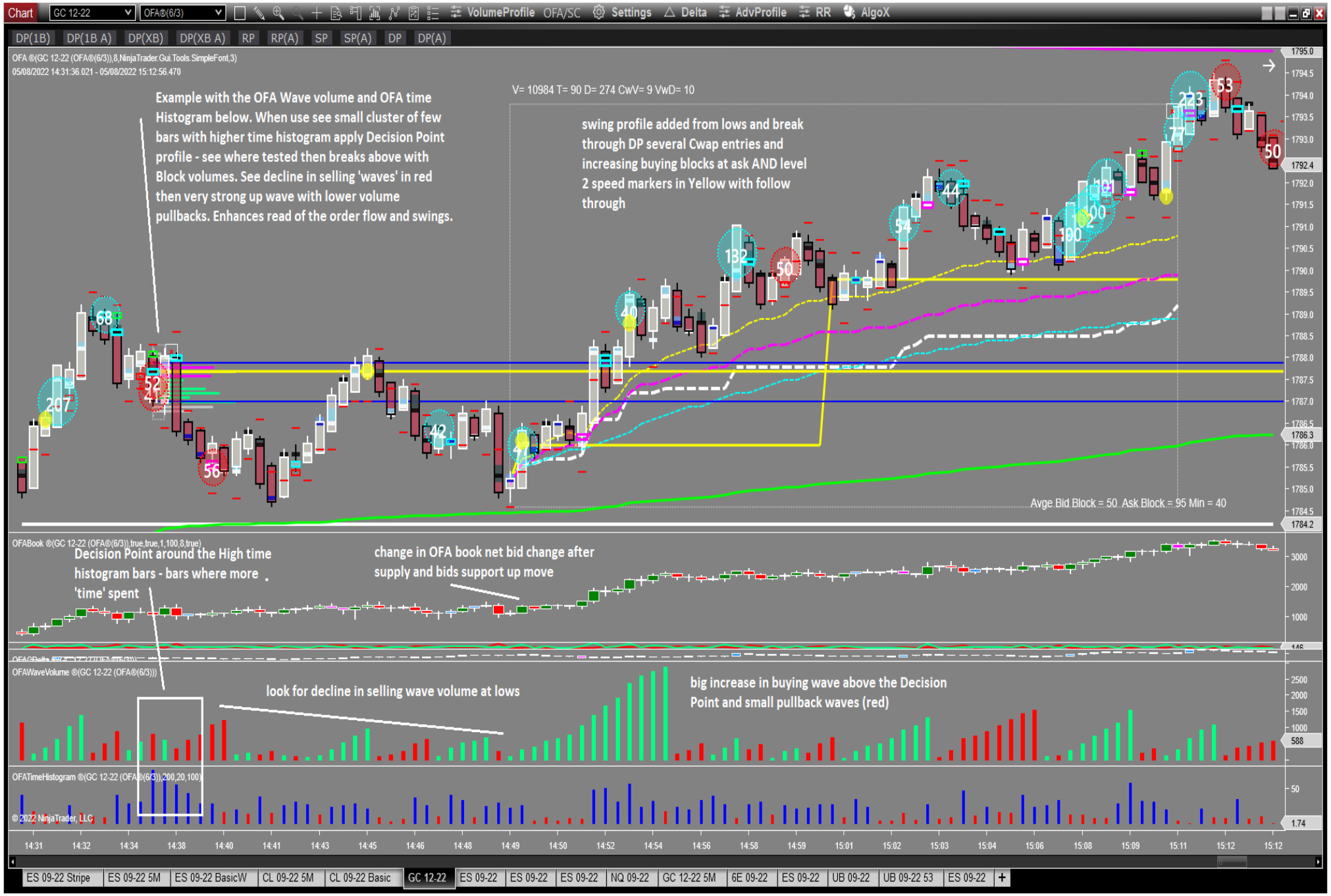


Chart
GC 12-22
OFA®(6/3)
VolumeProfile
OFA/SC
Settings
Delta
AdvProfile
RR
AlgoX
DP(1B)
DP(1B A)
DP(XB)
DP(XB A)
RP
RP(A)
SP
SP(A)
DP
DP(A)
Example with the OFA Wave volume and OFA time Histogram below. When use see small cluster of few bars with higher time histogram apply Decision Point profile - see where tested then breaks above with Block volumes. See decline in selling 'waves' in red then very strong up wave with lower volume pullbacks. Enhances read of the order flow and swings.
V= 10984 T= 90 D= 274 CwV= 9 VwD= 10
swing profile added from lows and break through DP several Cwap entries and increasing buying blocks at ask AND level 2 speed markers in Yellow with follow through
Avge Bid Block = 50. Ask Block = 95 Min = 40
Decision Point around the High time histogram bars - bars where more 'time' spent
change in OFA book net bid change after supply and bids support up move
look for decline in selling wave volume at lows
big increase in buying wave above the Decision Point and small pullback waves (red)
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ES 09-22 Stripe
ES 09-22 5M
ES 09-22 BasicW
CL 09-22 5M
CL 09-22 Basic
GC 12-22
ES 09-22
ES 09-22
ES 09-22
NQ 09-22
GC 12-22 5M
6E 09-22
ES 09-22
UB 09-22
UB 09-22 53
ES 09-22

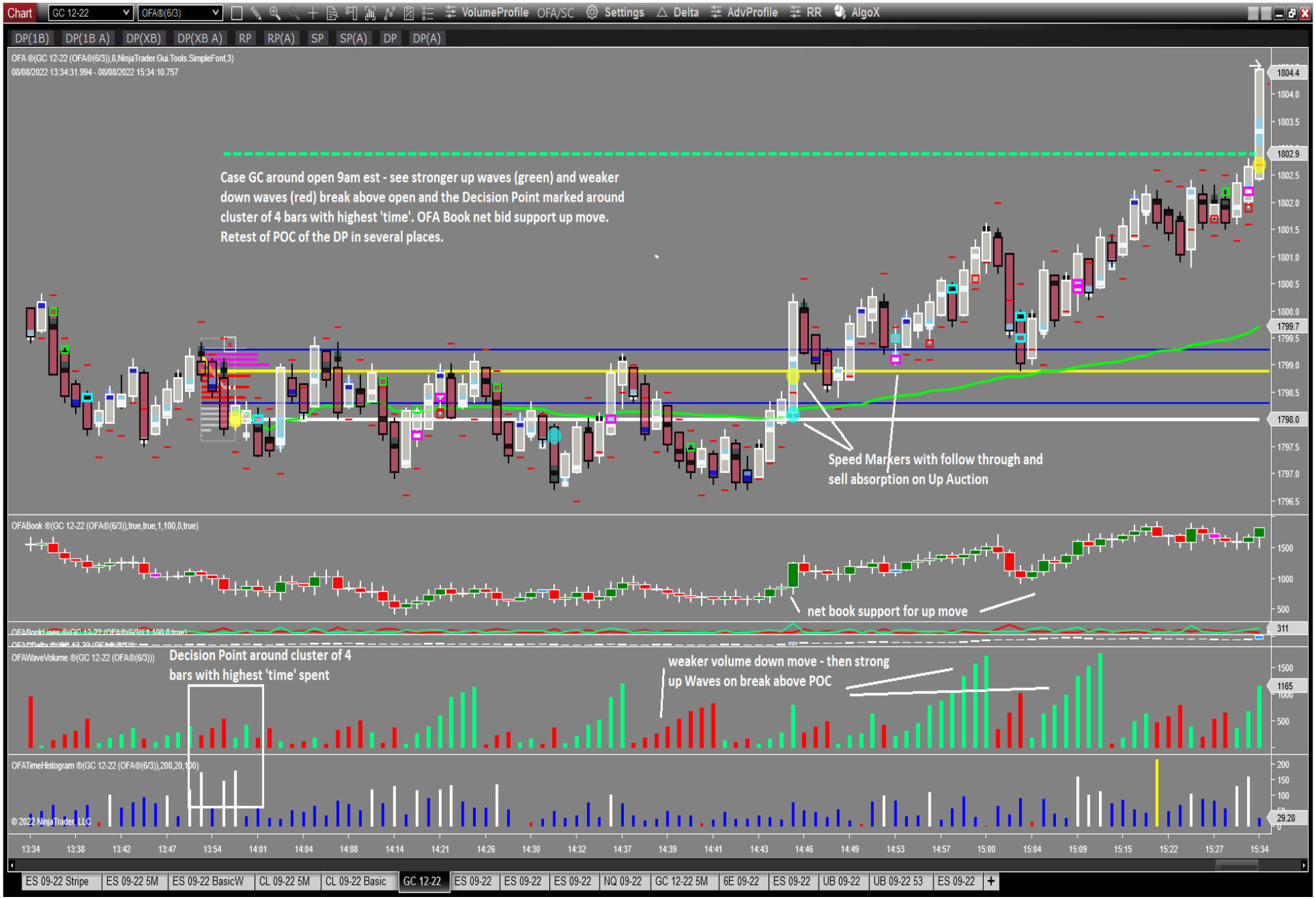
Chart
GC 12-22
OFA®(6/3)
VolumeProfile
OFA/SC
Settings
Delta
AdvProfile
RR
AlgoX
DP(1B)
DP(1B A)
DP(XB)
DP(XB A)
RP
RP(A)
SP
SP(A)
DP
DP(A)
OFA ®(GC 12-22 (OFA®(6/3)),8,NinjaTrader.Gui.Tools.SimpleFont,3)
08/08/2022 13:34:31.994 - 08/08/2022 15:34:10.757
Case GC around open 9am est - see stronger up waves (green) and weaker down waves (red) break above open and the Decision Point marked around cluster of 4 bars with highest 'time'. OFA Book net bid support up move. Retest of POC of the DP in several places.
Speed Markers with follow through and sell absorption on Up Auction
OFABook ®(GC 12-22 (OFA®(6/3)),true,true,1,100,8,true)
net book support for up move
OFAWaveVolume ®(GC 12-22 (OFA®(6/3)))
Decision Point around cluster of 4 bars with highest 'time' spent
weaker volume down move - then strong up Waves on break above POC
OFATimeHistogram ®(GC 12-22 (OFA®(6/3)),200,20,100)
© 2022 NinjaTrader, LLC
ES 09-22 Stripe
ES 09-22 5M
ES 09-22 BasicW
CL 09-22 5M
CL 09-22 Basic
GC 12-22
ES 09-22
ES 09-22
ES 09-22
NQ 09-22
GC 12-22 5M
6E 09-22
ES 09-22
UB 09-22
UB 09-22 53
ES 09-22

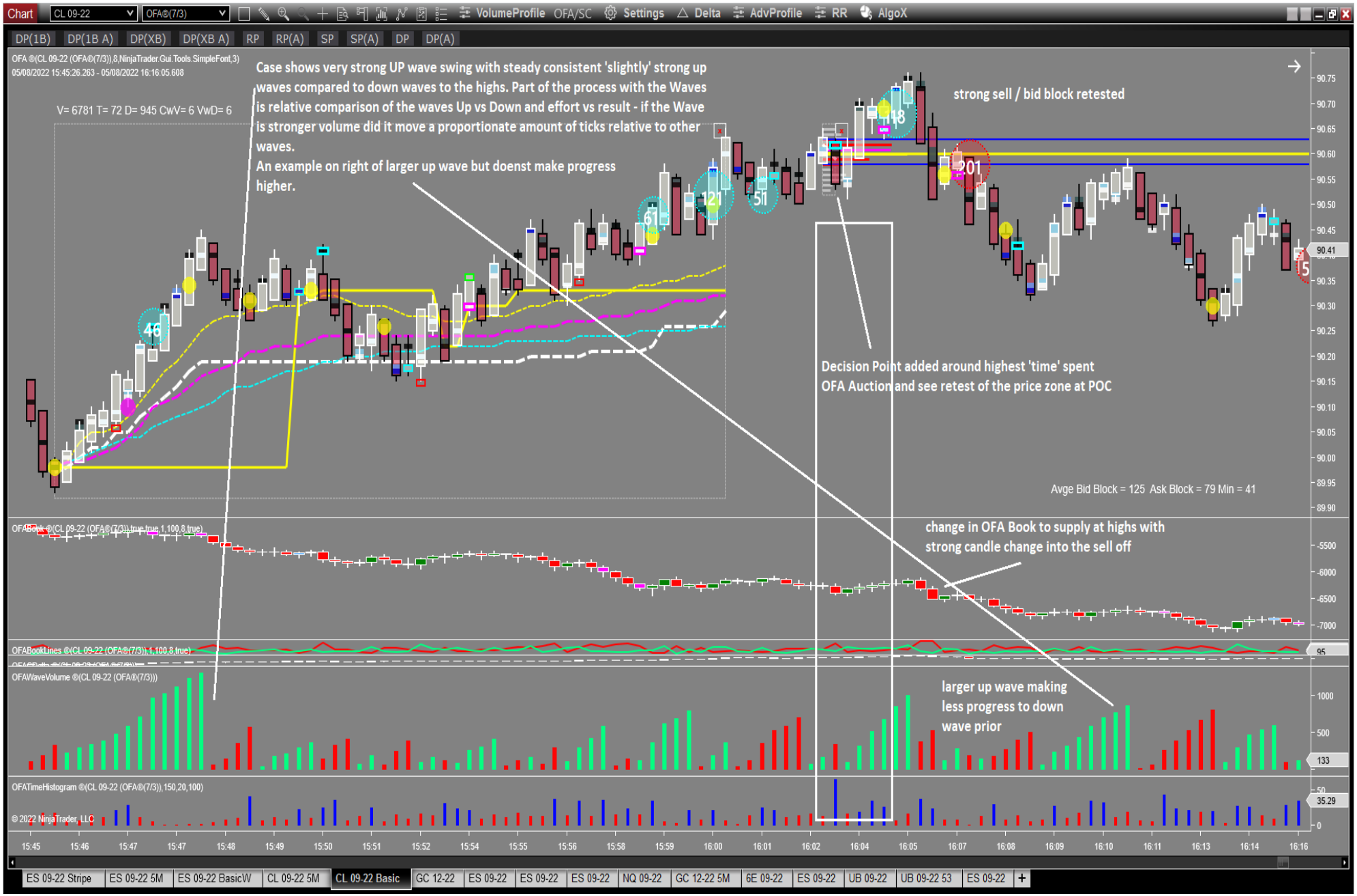
Chart
CL 09-22
OFA®(7/3)
VolumeProfile
OFA/SC
Settings
Delta
AdvProfile
RR
AlgoX
DP(1B)
DP(1B A)
DP(XB)
DP(XB A)
RP
RP(A)
SP
SP(A)
DP
DP(A)
OFA ®(CL 09-22 (OFA®(7/3)),8,NinjaTrader.Gui.Tools.SimpleFont,3)
05/08/2022 15:45:26.263 - 05/08/2022 16:16:05.608
V= 6781 T= 72 D= 945 CwV= 6 VwD= 6
Case shows very strong UP wave swing with steady consistent 'slightly' strong up waves compared to down waves to the highs. Part of the process with the Waves is relative comparison of the waves Up vs Down and effort vs result - if the Wave is stronger volume did it move a proportionate amount of ticks relative to other waves.
An example on right of larger up wave but doenst make progress higher.
strong sell / bid block retested
Decision Point added around highest 'time' spent
OFA Auction and see retest of the price zone at POC
Avge Bid Block = 125 Ask Block = 79 Min = 41
change in OFA Book to supply at highs with strong candle change into the sell off
larger up wave making less progress to down wave prior
OFABook ®(CL 09-22 (OFA®(7/3)),true,true,1,100,8,true)
OFABookLines ®(CL 09-22 (OFA®(7/3)),1,100,8,true)
OFAWaveVolume ®(CL 09-22 (OFA®(7/3)))
OFATimeHistogram ®(CL 09-22 (OFA®(7/3)),150,20,100)
© 2022 NinjaTrader, LLC
ES 09-22 Stripe
ES 09-22 5M
ES 09-22 BasicW
CL 09-22 5M
CL 09-22 Basic
GC 12-22
ES 09-22
ES 09-22
ES 09-22
NQ 09-22
GC 12-22 5M
6E 09-22
ES 09-22
UB 09-22
UB 09-22 53
ES 09-22

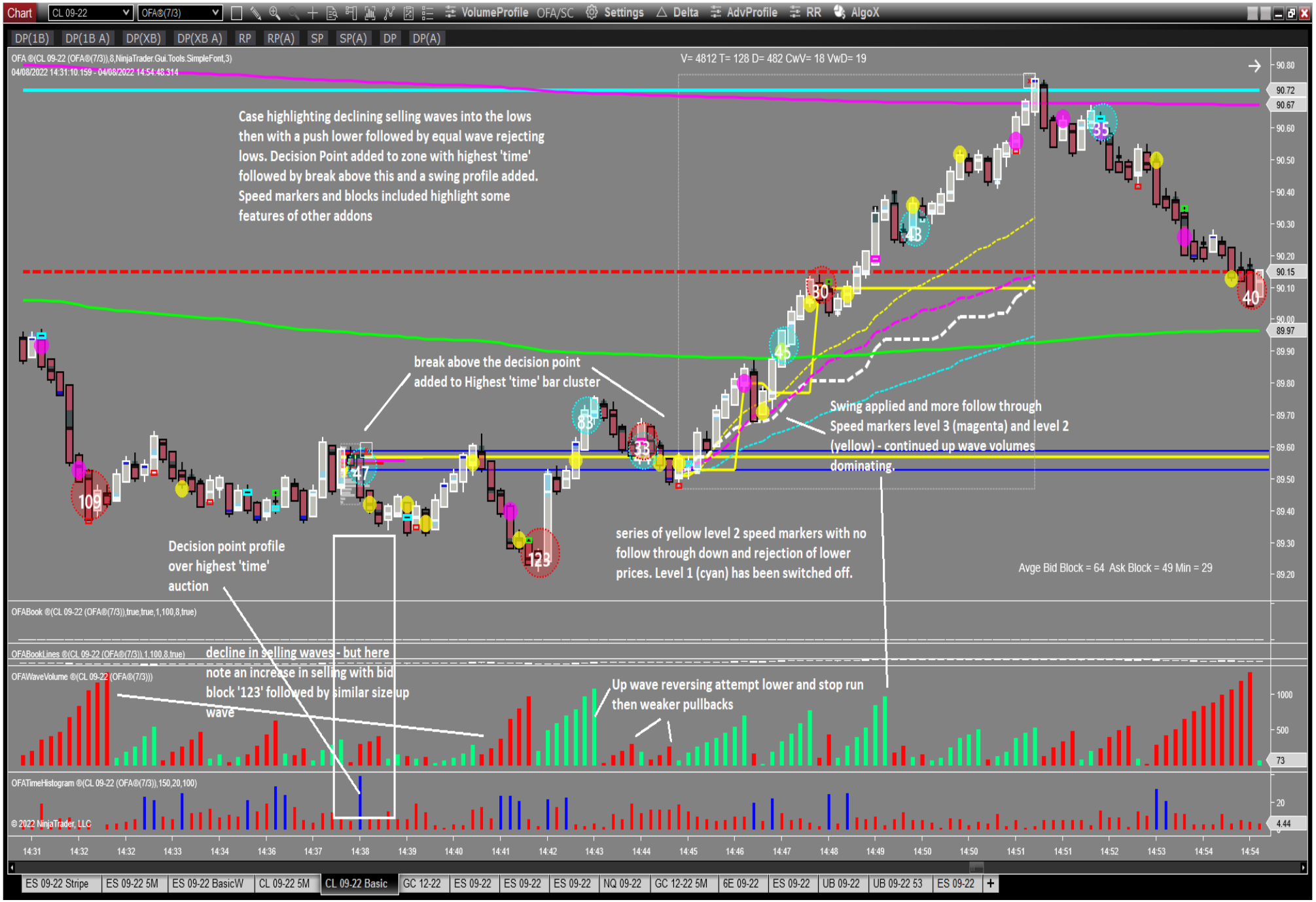
Chart
CL 09-22
OFA®(7/3)
VolumeProfile
OFA/SC
Settings
Delta
AdvProfile
RR
AlgoX
DP(1B)
DP(1B A)
DP(XB)
DP(XB A)
RP
RP(A)
SP
SP(A)
DP
DP(A)
OFA ®(CL 09-22 (OFA®(7/3)),8,NinjaTrader.Gui.Tools.SimpleFont,3)
04/08/2022 14:31:10.159 - 04/08/2022 14:54:48.314
V= 4812 T= 128 D= 482 CwV= 18 VwD= 19
Case highlighting declining selling waves into the lows then with a push lower followed by equal wave rejecting lows. Decision Point added to zone with highest 'time' followed by break above this and a swing profile added. Speed markers and blocks included highlight some features of other addons
break above the decision point added to Highest 'time' bar cluster
Swing applied and more follow through Speed markers level 3 (magenta) and level 2 (yellow) - continued up wave volumes dominating.
Decision point profile over highest 'time' auction
series of yellow level 2 speed markers with no follow through down and rejection of lower prices. Level 1 (cyan) has been switched off.
Avge Bid Block = 64 Ask Block = 49 Min = 29
OFABook ®(CL 09-22 (OFA®(7/3)),true,true,1,100,8,true)
OFABookLines ®(CL 09-22 (OFA®(7/3)),1,100,8,true)
OFAWaveVolume ®(CL 09-22 (OFA®(7/3)))
decline in selling waves - but here note an increase in selling with bid block '123' followed by similar size up wave
Up wave reversing attempt lower and stop run then weaker pullbacks
OFATimeHistogram ®(CL 09-22 (OFA®(7/3)),150,20,100)
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ES 09-22 Stripe
ES 09-22 5M
ES 09-22 BasicW
CL 09-22 5M
CL 09-22 Basic
GC 12-22
ES 09-22
ES 09-22
ES 09-22
NQ 09-22
GC 12-22 5M
6E 09-22
ES 09-22
UB 09-22
UB 09-22 53
ES 09-22

Chart
CL 09-22
OFA®(7/3)
VolumeProfile
OFA/SC
Settings
Delta
AdvProfile
RR
AlgoX
DP(1B)
DP(1B A)
DP(XB)
DP(XB A)
RP
RP(A)
SP
SP(A)
DP
DP(A)
OFA ®(CL 09-22 (OFA®(7/3)),8,NinjaTrader.Gui.Tools.SimpleFont,3)
01/08/2022 16:01:45.233 - 01/08/2022 16:24:27.624
V= 6661 T= 120 D= 79 CwV= 17 VwD= 7
Case showing clear strong down (selling) waves with weaker volume pullback Up waves. Decision Point added to zone of highest 'time' Auctions. Observe follow through of level 2 (yellow) and level 3 (magenta) speed markers. Swing profile added with several opportunities at evolving 50 pullback
Highest 'time' auctions and decision point added - not breakdown and retest
Strong selling waves - with weaker and waning up wave pullbacks
continued increase in selling Waves
Avge Bid Block = 55 Ask Block = 48 Min = 29
OFABook ®(CL 09-22 (OFA®(7/3)),true,true,1,100,8,true)
OFABookLines ®(CL 09-22 (OFA®(7/3)),1,100,8,true)
OFAWaveVolume ®(CL 09-22 (OFA®(7/3)))
OFATimeHistogram ®(CL 09-22 (OFA®(7/3)),150,20,100)
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ES 09-22 Stripe
ES 09-22 5M
ES 09-22 BasicW
CL 09-22 5M
CL 09-22 Basic
GC 12-22
ES 09-22
ES 09-22
ES 09-22
NQ 09-22
GC 12-22 5M
6E 09-22
ES 09-22
UB 09-22
UB 09-22 53
ES 09-22

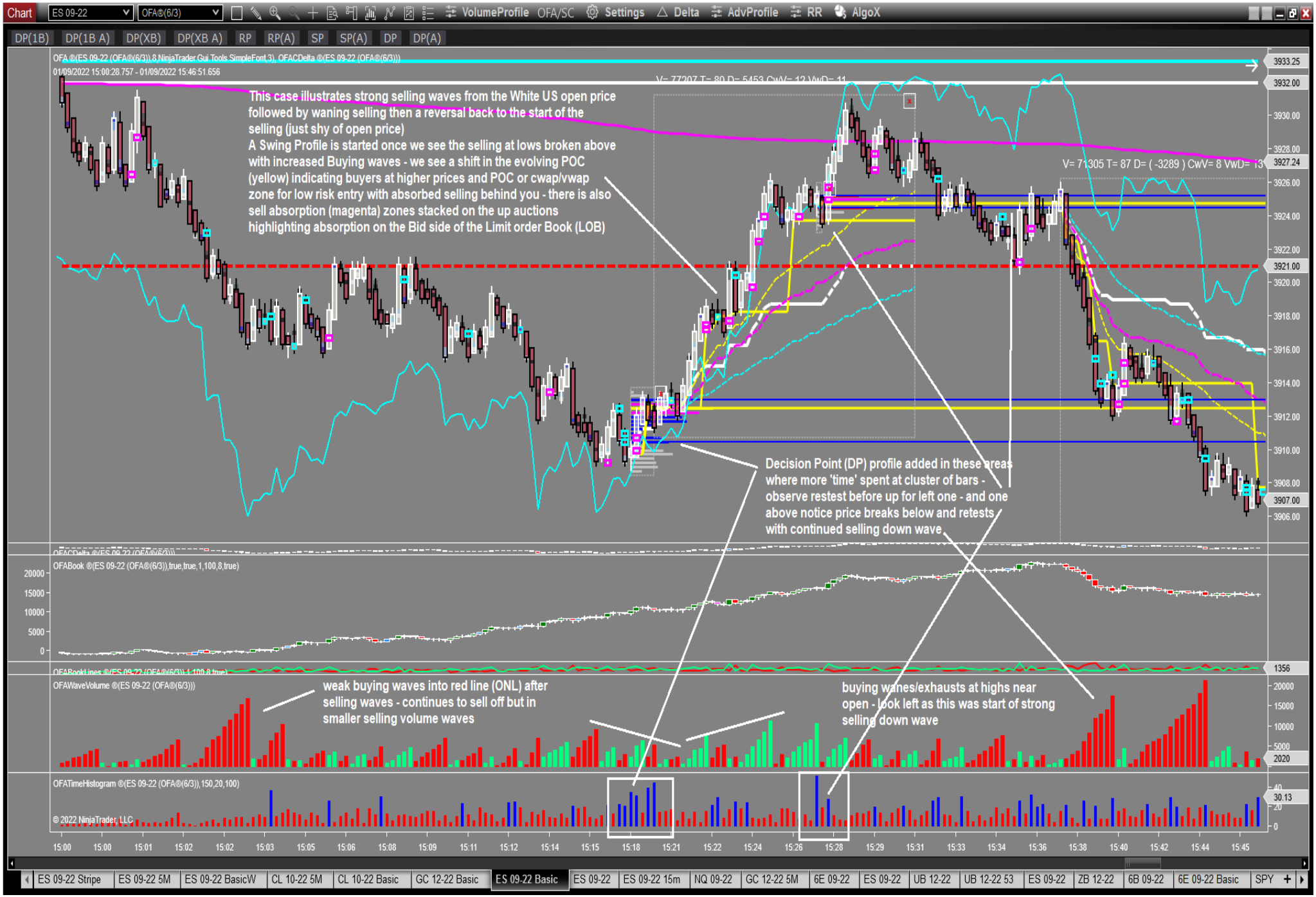
Chart
ES 09-22
OFA®(6/3)
VolumeProfile
OFA/SC
Settings
Delta
AdvProfile
RR
AlgoX
DP(1B)
DP(1B A)
DP(XB)
DP(XB A)
RP
RP(A)
SP
SP(A)
DP
DP(A)
01/09/2022 15:00:28.757 - 01/09/2022 15:46:51.656
This case illustrates strong selling waves from the White US open price followed by waning selling then a reversal back to the start of the selling (just shy of open price)
A Swing Profile is started once we see the selling at lows broken above with increased Buying waves - we see a shift in the evolving POC (yellow) indicating buyers at higher prices and POC or cwap/vwap zone for low risk entry with absorbed selling behind you - there is also sell absorption (magenta) zones stacked on the up auctions highlighting absorption on the Bid side of the Limit order Book (LOB)
Decision Point (DP) profile added in these areas where more 'time' spent at cluster of bars - observe restest before up for left one - and one above notice price breaks below and retests with continued selling down wave
OFABook ®(ES 09-22 (OFA®(6/3)),true,true,1,100,8,true)
OFAWaveVolume ®(ES 09-22 (OFA®(6/3)))
weak buying waves into red line (ONL) after selling waves - continues to sell off but in smaller selling volume waves
buying waves/exhausts at highs near open - look left as this was start of strong selling down wave
OFATimeHistogram ®(ES 09-22 (OFA®(6/3)),150,20,100)
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ES 09-22 Stripe
ES 09-22 5M
ES 09-22 BasicW
CL 10-22 5M
CL 10-22 Basic
GC 12-22 Basic
ES 09-22 Basic
ES 09-22
ES 09-22 15m
NQ 09-22
GC 12-22 5M
6E 09-22
ES 09-22
UB 12-22
UB 12-22 53
ES 09-22
ZB 12-22
6B 09-22
6E 09-22 Basic
SPY

FAQ Section

How do I install this Addon?

This is an Import process of the JAR file you downloaded. See the download/installation section on the next page; which shows the MotiveWave Download page access on the site via My Account → Downloads/Install → MotiveWave. Once you have ordered and the license is assigned you will be able to access these file(s) on this MotiveWave download page.

Please also watch the Settings Video in the OFA WaveVolume Lesson.

Please give OFA support time to update your details on MW as this requires an additional step – slightly different to the Core OFA/AlgoX and other Modules for MW.

Do I need Level 2 data subscription for any features of this Addon – no only Level 1 data is required – the MotiveWave OFA Book Addon is the one that requires Level 2 data.

Can I use this Study on NON OFA charts and Bar types – YES this Study can be imported and used on any MW chart type including Crypto. All other OFA Addons/Modules are authorised and added in a different process

I am not seeing the Study in the drop down list OFA Study or it doesn't load.
Please check with OFA support as we need to update the authorisation details on MW in order to use the study.
Please also confirm and ensure that your OFA email is the SAME as your MW email id.

MotiveWave Requirements, Install, OFA Steps and Settings

For detailed features please visit the OFA MotiveWave Tutorial Section

Key Details:

- Mac OS or Windows (recommend 64bit with 8+ GB RAM)
- Requires Real-Time Tick-by-Tick Order Flow Data
  - Continuum, CQG, Rithmic, Kinetic, IQfeed, eSignal, BarChart, FXCM, Gain
  - OFA not supported by IB, TDA, Google and others
- **REQUIRES MotiveWave License**
- Download MotiveWave
- Detailed MotiveWave Support Guides
- Tutorials for OFA in MotiveWave
- Technical Support support@motivewave.com or help@orderflowannalytics.com

OFA is coded inside MotiveWave – Add-Ons are below (if purchsaed)

1. Follow onscreen instructions to setup workspace and datafeed
2. On any chart, right-click and select Chart Settings
3. Under Bar Settings > Bar Size select OFA Bars or OFA Linear Bars
4. Select an Interval or Probe and Rotation value

Once your Order has been processed for one of the 2 Addons for MW or the bundle you will see the Download zip files on the MW Download Page : Access via My Account - Download/Install - MotiveWave. Download the file(s) to your desktop download area. Open the zip file and import the .JAR file into MW Study Import study process.

Download OFA Book Tools Add-On

Download OFA Wave Volume Tools Add-On