

This Article is divided into two parts:

- A) *What is Fresh Institutional Buying, and how can you Profit from it?*
- B) *Decoding IV (Fresh Institutional Volume) Setups*

A) What is Fresh Institutional Buying, and how can you Profit from it?

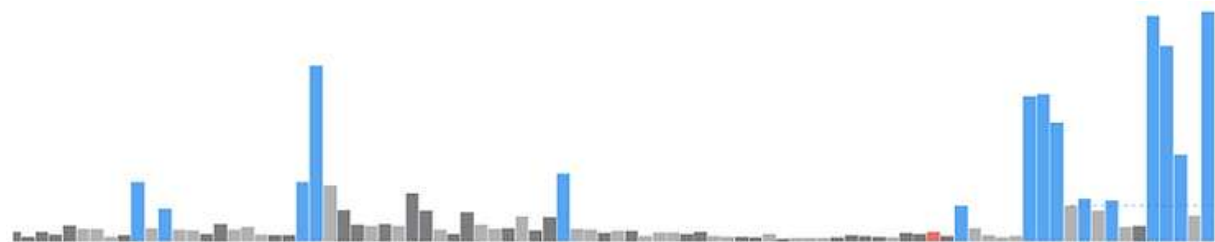


By the end of this post, you will see how identifying the first footprints of Institutional Buying can immensely benefit you in making money in stock trading. Identifying institutional buying is not a new concept. The only thing different that is being discussed here is the concept of fresh institutional buying. Our attempt is to make a profit from it.

Introduction

Institutions are the big fish. They have a significant influence on the movement of prices in the securities market. When they buy, they have to buy big, engulfing trades done by retail traders. Hence, their transactions leave a footprint on the charts.

In the chart below, you can clearly make out which days had participation from the institutions (*blue bars*). Let's call these blue bars Institutional Volume.



One can easily find out such days using simple filters on any scanner. For example, today's volume > twice/thrice the average of the previous 10/20/50 days' volume will throw many such names. Or today's volume > twice or thrice of highest volume in the previous 10/20/50 days will give good results too.

Then there are defined ways mentioned in books. Such as **Pocket Pivot volume candles**, which we have already been using in our Volume indicator and the Dashboard. Pocket Pivots volume candles appear when the volume on Up days is greater than the highest volume of down days in the last 10 days.

Very recently, **Bull snorts** have been made popular by veteran trader Oliver Kell. He defines bull snorts as those days when the volume is greater than thrice the relative volume. For that, you may consider Up day's volume > thrice of 10/20/50 days avg. volume. There is no fixed number of days for calculating the average.

Using the above filters, one can scan for Institutional Volume.

Fresh Institutional Volume (IV)

Institutional volume is important because it tells us about their participation. A lot has been written about it already in numerous books, so let's not repeat that again.

But it is the knowledge of the appearance of fresh institutional volume which can generate a much higher return for a trader. By fresh institutional volume, we mean the appearance of institutional volume after a pause. It can be a fresh bull snort or fresh pocket pivot volume candle or whatever way you define an institutional volume, but it has to be fresh.

Have a look at the chart below. The blue bars are **pocket pivot volume candles**, that represent institutional participation.



Now, blue bars are definitely important, but it is the knowledge of the first blue bar, which comes after a pause, that is even more important. This is where you get entries. The consequent blue bars are follow-through buying by institutions. This is where you ride the trade after taking the entry. Remember that it is the follow-through buying from the institutions that take the price higher. We call the first blue bar after a pause, as the **Fresh Institutional Volume (or simply IV)**.

The chart below shows you IV (represented by standing men), in addition to the pocket pivot volume candles in blue.



Standing men depicts IV (i.e. fresh institutional volume), while the chart at the bottom shows only pocket pivot volume candles in blue.

Conditions for IV

The following are the criteria for considering a day as Fresh IV:

- Volume must be more than twice the highest volume of the previous 10 days.
- It should be an Up day i.e. close > the previous day's close.
- The Daily Closing Range (DCR) should be a minimum of 50% and above. DCR is above 50% when the price closes in the top half of the candle.

How to use Fresh Institutional Volume (IV)

Price candles represented by IV are important. We use the spread between the High and Close of the price candle on which IV is made, and call it as the **area of interest** shown by institutions. A subsequent rise in prices above the so-called area of interest will imply that the new buyers/institutions find value in the stock too and in a way approve the trade made by the previous institution.

Suppose Institution A made an IV buy a few days back when the price made a high of 105. We will only be interested if the stock closes above 105 in subsequent days. Because that proves the intent of other institutions to approve the trade made by Institution A and find value in it. Breakout of the high of IV day is important for the subsequent move.



You certainly do not want to be in a position like the one below.



Let's see the chart of **Skipper Limited (NSE: SKIPPER)**. You will see how the breakout of resistance created by IV and close above the High of IV day can give massive returns.



- We got the first IV in mid-August, marked as 1. We must keep this stock on our watchlist here. There was no immediate follow-through buying.
- The stock started to move at the start of September when an entry could be taken. It also created another IV, marked as 2. No further movement happened after IV no. 2 till November, but the price didn't fall either and stayed in a range. It is important to note that during this period (from September to November), Nifty fell by over 1300 points.
- We got the next IV (no. 3) in mid-November, which was followed by a pullback on extremely low volumes. Now, not having this stock on the watchlist after IV no. 3 is a sin.

- What followed was a big breakout through fresh IV no. 4 where the price hit 20% upper circuit. And then came a series of follow-through buying which soared the price by a further 50%.

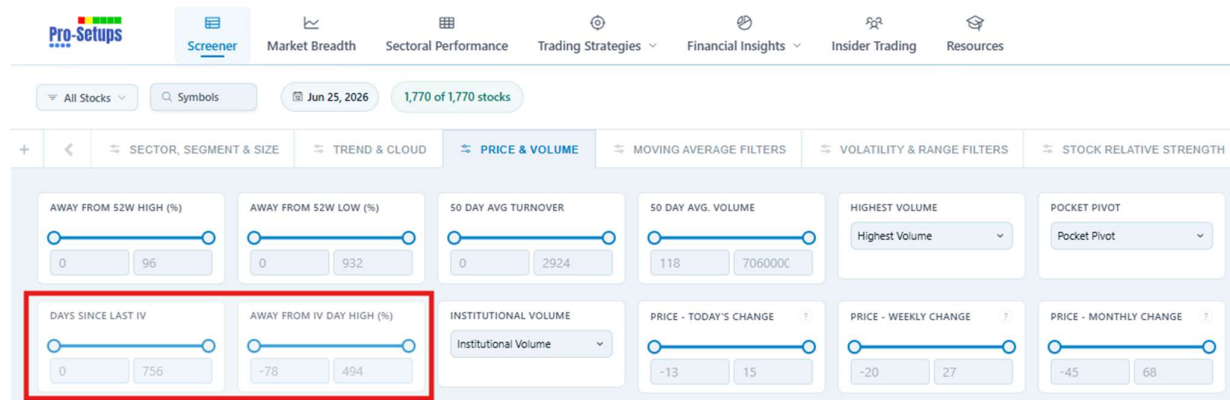
IV lines on the Pro-Setups and Volume indicator

We now have IV lines as part of the **Pro-Setups** indicator. Whenever an IV occurs, the Pro-Setup indicator prints **two horizontal lines on the High and Close**, as shown in the pictures above. Breakout of the IV day's high is important for the subsequent move.

In addition, the **Volume indicator** will have the option to **mark 'IV'** where Fresh Institutional Volume appears.

Fresh IV on the Pro-Setups Dashboard

As mentioned above, it is pivotal to know when an IV occurs. For this, our Pro-Setups Dashboard now has the filter to find out which stocks have seen IV recently. The data is restricted to a maximum of 2-3 months only since beyond that there is no point analyzing the same. You will be able to choose the period since the IV happened, and how far is the current price from the high of the fresh IV day.



Few examples of stocks breaking out of IV day's High

Let's see some more examples of IV setups. Note that it's not just long-term breakouts that work on fresh IV setups, you can also trade pullbacks and power play setups too. Notice how the stocks move up when the stock closes above the high of IV day.



RVNL



HIKAL



PSB



SAKSOFT



Fresh Institutional Volume (IV) area of interest (i.e. High-Close) also acts as a support zone on a subsequent retest

It has been observed that the area of interest i.e. High-Close zone which we are marking in the case of IV also tends to become the support zone on a subsequent retest. Just like the old theory of resistance turned support. Here are a few examples.





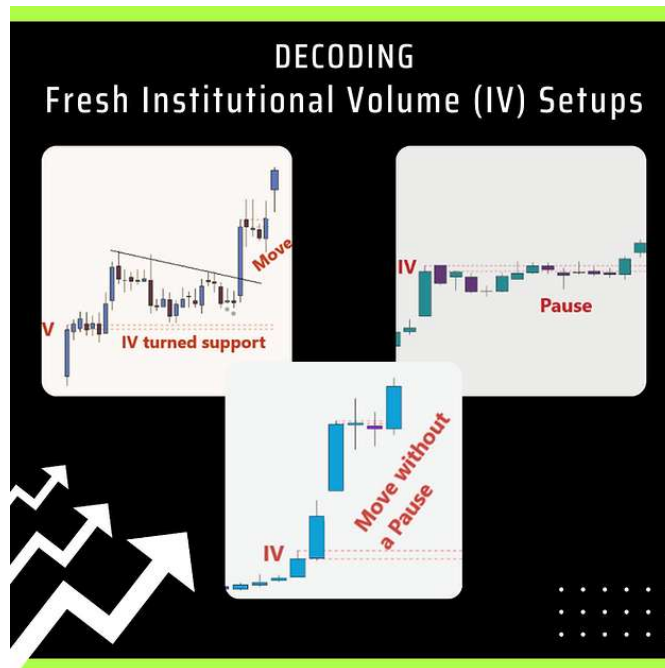
Conclusion

As mentioned in the beginning, identifying Institutional Buying is not a new concept. The only thing different that has been discussed above is the concept of **Fresh** Institutional Buying. The Fresh Institutional Volume (IV) tries to identify the first footsteps of institutional entry in stock and makes an attempt to profit from it.

We make a long entry only when the high of the IV day is broken and the price closes above it. In a way, the close above the IV day's high endorses the initial institutional buying.

The IV concept (or setup if you would like to call it) can be used in isolation or can be combined with other technical filters (like price above 50 and 200 days moving average etc.). It adds a new and strong arsenal to your trading.

B) Decoding IV (Fresh Institutional Volume) Setups



Now that you know what's an IV, the next step is to find setups that you can trade with it. There can be 3 possible setups that you can make out of IV:

A) Setups that do not stop after making an IV



B) IV-Pause-Move, setups those that pause a little after making an IV



C) IV as support

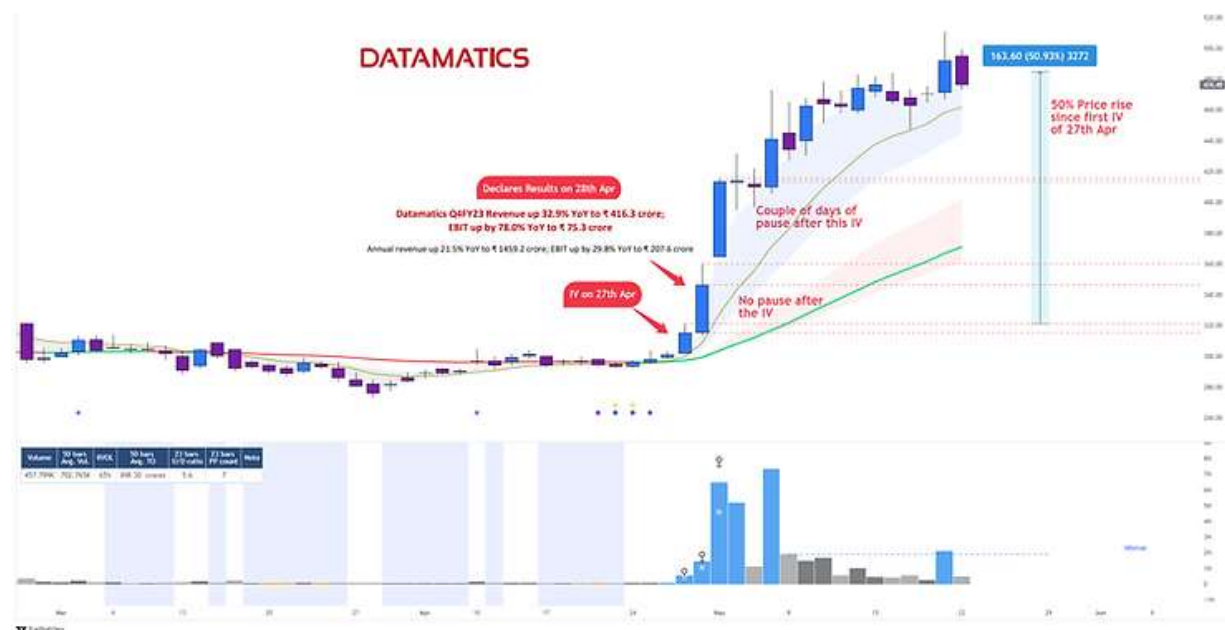


Let's have a look at each of these setups closely and also understand how to scan for them using the **Pro-Setups Dashboard**.

A) Setups that do not stop after making an IV

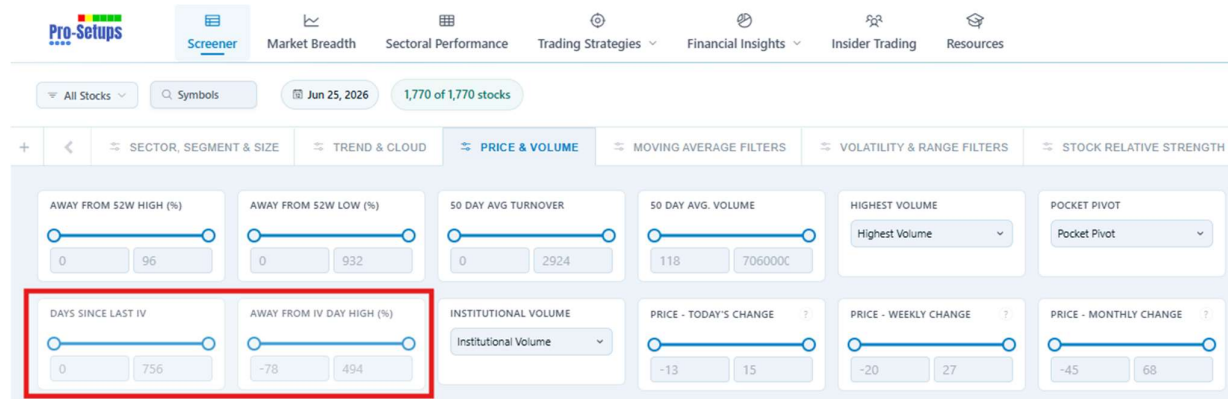
These will be the setups that will not stop after an IV. For them to show a continuous rise, there has to be a good trigger, like terrific results or an extremely positive news such as order win, commencement of a new factory, new initiative, drug approval, management change, etc. Without such a positive trigger, it is difficult to decipher whether the continuous move will happen or not. On technical charts, the IV candle can also be resulting in a breakout from a long base.

Consider the example of **Datamatics** below. The stock made an IV on 2nd April. Results were due the next day. The stock didn't stop on the day of results, even though the results were declared around 3PM. The company reported good numbers, and the stock gave a good 50% rise. The trigger here was the expectation of good quarterly numbers.



How to find such stocks in the Dashboard?

Well, you just have to see which stocks made an IV on the last trading day. For this, you will have to **enter 0** in both the input fields of “# Days since last IV”.



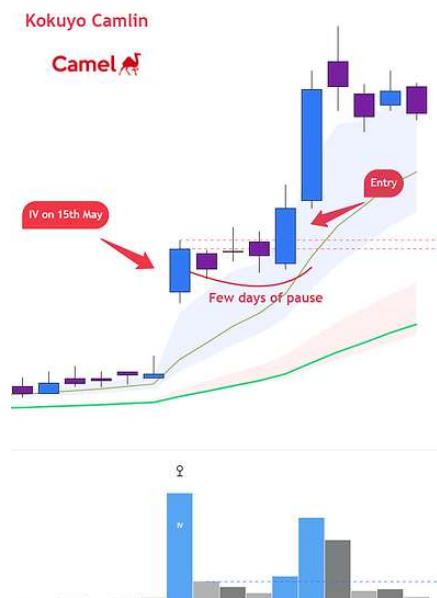
This will give you names that have made an IV volume today. If you’re scanning on a weekend or a holiday, make sure to enter 1 or 2 in the fields (since this input is based on dates and not the number of bars).

Rest of the analysis involves other qualitative factors (i.e. positive triggers), which you will have to do individually for each stock.

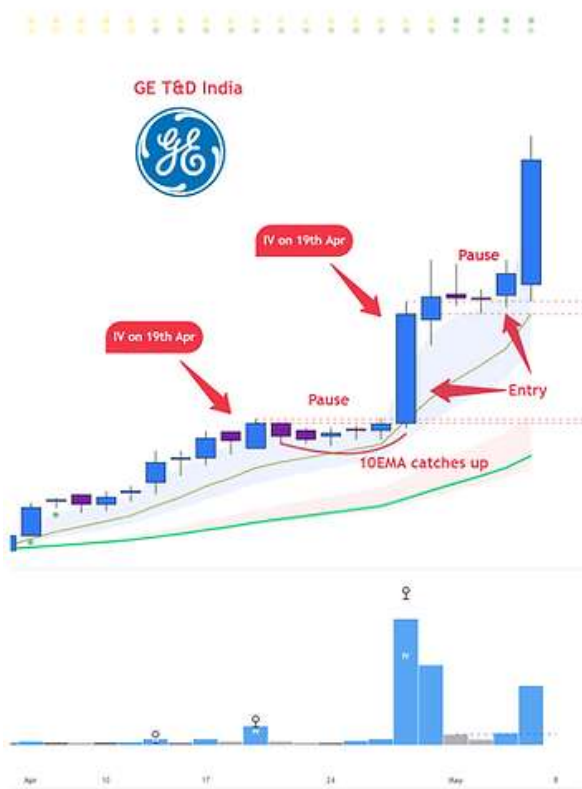
B) IV-Pause-Move: those that pause a little after making an IV

This setup gives a fair understanding of how much can be the risk if you go wrong. These are setups which develop after an IV is made but instead of making an immediate move, the stock takes a pause. The pause can be anywhere up to 2-10 days. The entry should ideally be taken when the price closes above the IV day’s high.

Have a look at the example of Kokuyo Camlin below. After making an IV on a gap up, the stock took 3 days of pause, before moving up again.



If it stays there for over a week, the **10EMA** also catches up to the price and we look to trade the bounce off it. Chola, NLC India, GE T&D and Emudhra are good examples of this kind of a setup.

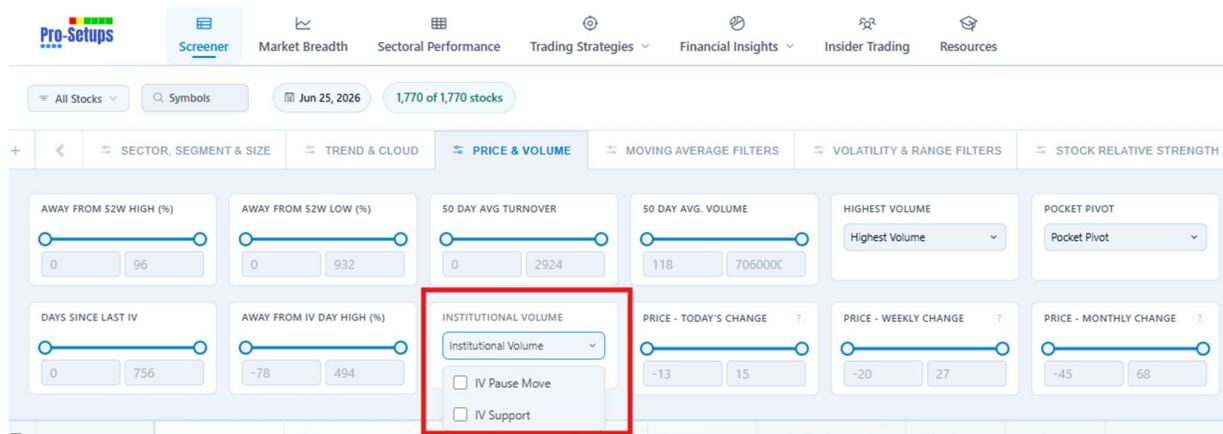


C) IV as Support

These are setups where price makes a move subsequent to IV but falls back and settles around IV high. Look for price action - some kind of compression or a sort of tight range around here - and take an entry when price starts to move up again. Aptech and Harsha Engineers are good examples of such trade setups.



To find setups mentioned in points B and C above, all you need to do is go to the Dashboard, and under the Institutional Volume filter, choose the required option.



The screenshot shows the Pro-Setups Screener interface. The top navigation bar includes the Pro-Setups logo, a 'Screener' tab, and several menu items: Market Breadth, Sectoral Performance, Trading Strategies, Financial Insights, Insider Trading, and Resources. Below the navigation bar, there are filters for 'All Stocks', a search bar, a date filter for 'Jun 25, 2026', and a stock count of '1,770 of 1,770 stocks'. The main filter area is divided into several tabs: SECTOR, SEGMENT & SIZE, TREND & CLOUD, PRICE & VOLUME (selected), MOVING AVERAGE FILTERS, VOLATILITY & RANGE FILTERS, and STOCK RELATIVE STRENGTH. The PRICE & VOLUME tab is active, showing various filters. The 'INSTITUTIONAL VOLUME' filter is highlighted with a red box. It includes a dropdown menu set to 'Institutional Volume' and two checkboxes: 'IV Pause Move' and 'IV Support'.