Up/Down Volume Ratio

The Up/Down Volume ratio (U/D volume ratio) compares the interest of buyers vs sellers over a period of time.

It considers the volume on Up days and Down days over a specified period.

To calculate the U/D volume ratio, we divide the sum of the volume on Up days by the sum of the volume on Down days.

$$\text{U/D volume ratio} = \frac{\text{Sum of volume on Up days}}{\text{Sum of volume on Down days}}$$

Up Day → Closing Price Today > Closing Price Yesterday

Down Day → Closing Price Today < Closing Price Yesterday

It is assumed that if the stock has an Up day, the volume was due to the buying pressure and if the stock has a Down day, the volume was due to the selling pressure.

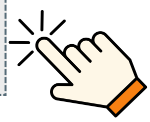
U/D = 1 — Equal number of buying & selling had occurred.

U/D > 1 — More buyers than sellers and the ratio is bullish. In other words, more volume on the upside than on the downside

U/D < 1 — More sellers than buyers and the ratio is bearish. In other words, more volume on the downside than on the upside

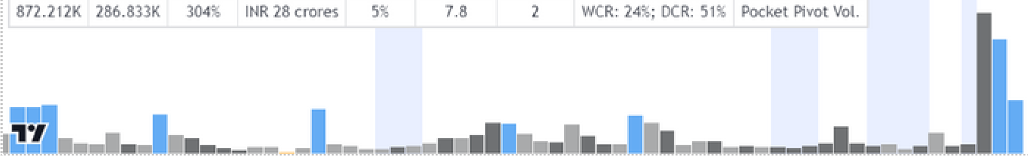
Swing & Positional traders, especially those who follow the CANSLIM technique, like to see a **U/D volume ratio of a minimum of 1.25-1.50** in their setups for long trades. Higher the better.

A higher U/D volume ratio is considered when a stock is **within a valid setup**. When the breakout has already happened, the U/D volume ratio is bound to be very high.



Our **Pro-Setups Volume indicator** tells you the value of 21-Day U/D Volume Ratio.

Volume	50 bars Avg. Vol.	50 bars RVOL	50 bars Avg. TO	50 bars ADR	21 bars U/D ratio	21 bars PP count	Closing Range	Note
872.212K	286.833K	304%	INR 28 crores	5%	7.8	2	WCR: 24%; DCR: 51%	Pocket Pivot Vol.



In the **Pro-Setups Dashboard**, you can select the minimum & maximum values of the U/D Volume Ratio.