

## Twitter Thread by [KRISHNAKUMAR](#)

[KRISHNAKUMAR](#)

[@krishchess](#)



### #Volume

TRADE  
THE  
VOLUME  
SIGNS  
SIGNIFICANT  
VOLUME  
CHANGES ARE A  
WARNING OF AN  
IMPENDING  
TREND

A huge increase in volume in stock trading at twice the normal volume on any given day compared with its previous month's average can be a strong technical signal. If the increase in volume takes place at the time a market is breaking a trendline and tending to move higher, chances are it will move much higher. If a stock pushes to a new high on very light volume, it is a signal there is not much conviction behind the up-move and that buying interest may be waning at higher prices. This could mean a top in the market is close at hand. A strong move lower on heavy volume is a bearish signal, and could mean that more price weakness lies ahead. Conversely, if a stock moves to a new low on very light volume, it could mean that a turnaround is imminent. It is difficult to take a trading signal from a volume alone. Such information should always be accompanied by good chart analysis as well as an awareness of the fundamentals on that stock.