

MFB - Value Reading Session - I.B.

Overview

MFB - Value Reading Session - I.B. is a current-day Fixed Range Volume Profile designed to analyze a user-defined time window during the active trading day.

The default window is the Initial Balance period:

09:30–10:30 New York time

This represents the first hour of the U.S. equity regular trading session. For MNQ, that corresponds to approximately **08:30–09:30 Chicago time**.

Unlike the original **MFB - Value Reading Session**, which builds a profile from the previous day's full New York RTH session, this version builds its profile from the selected time window of the **current trading day**.

What the Indicator Displays

The indicator collects 1-minute market data during the selected window and creates a volume profile containing:

- **POC — Point of Control:** The price row with the highest volume.
- **VAH — Value Area High:** The upper boundary of the value area.
- **VAL — Value Area Low:** The lower boundary of the value area.
- **VA MID:** The midpoint between VAH and VAL.
- **IB High:** The highest price reached during the selected window.
- **IB Low:** The lowest price reached during the selected window.
- **Volume histogram:** A visual representation of volume distributed across price rows.
- **Optional value reading:** A bullish, bearish, or mixed reading based on the current price and the profile structure.

The default Value Area is 70% of the selected window's volume, but this percentage can be adjusted.

Using It to Trade the Initial Balance

The Initial Balance is commonly used to define the early structure of the regular trading session.

IB High and IB Low

The IB High and IB Low establish the initial range created during the first hour.

Traders may use these levels to identify:

- Breakout attempts
- Failed breakouts
- Range expansion
- Rejection back into the Initial Balance
- Potential support and resistance zones

A sustained move above the IB High can indicate upside range expansion. A sustained move below the IB Low can indicate downside range expansion. However, a brief move outside the range followed by a return inside may represent a failed breakout or rejection.

VAH and VAL

VAH and VAL describe where approximately 70% of the selected window's volume occurred.

They can be used as reference points for:

- Acceptance outside value
- Rejection from value
- Pullback entries
- Range-bound conditions

- Potential return-to-value trades

For example:

- Holding above VAH may indicate bullish acceptance.
- Holding below VAL may indicate bearish acceptance.
- Returning inside the value area may suggest that the breakout is losing strength.
- Remaining between VAH and VAL may indicate balance or rotational conditions.

POC

The POC represents the price with the greatest concentration of volume within the selected window.

It may function as:

- A reference point for market balance
- A potential support or resistance level
- A price magnet during rotational conditions
- A confirmation point for directional value

The POC should not be treated as a guaranteed target. Its usefulness depends on how price behaves around the surrounding value area.

Value Readings

After the selected window is complete, the optional reading evaluates the current price in relation to the profile.

A bullish reading generally occurs when:

- Price is above VAH
- The POC is above the VA MID

A bearish reading generally occurs when:

- Price is below VAL
- The POC is below the VA MID

A mixed reading occurs when the current price location and the POC structure do not agree.

These readings are intended as contextual information rather than standalone trade signals. Traders may combine them with market structure, order flow, trend direction, volatility, and risk-management rules.

Using a Custom Time Window

The Initial Balance period is only the default. The indicator can be used with any specified intraday time window.

Examples include:

- **09:30–10:00 New York time:** First 30 minutes
- **09:30–11:00 New York time:** Extended opening range
- **10:00–11:00 New York time:** Second-hour profile
- **08:30–09:30 Chicago time:** MNQ's equivalent RTH opening hour
- **14:00–15:00 New York time:** Afternoon profile
- **Overnight or European-session windows:** When the appropriate timezone and session times are selected

The user can adjust the following settings:

- Profile start time
- Profile end time
- Timezone
- Value Area percentage
- Row resolution
- Histogram width

- Whether the profile develops live
- Whether the IB High and IB Low are displayed
- Whether the profile levels are extended
- Whether the value reading is shown

The selected window is interpreted using the chosen timezone.

Using **America/New_York** is recommended for New York session analysis because it automatically accounts for daylight-saving changes.

Developing Versus Completed Profiles

When **Show Developing Profile** is enabled, the profile updates as new volume enters the selected window.

Once the selected window ends, the profile becomes fixed for the rest of the current trading day. The POC, VAH, VAL, VA MID, IB High, and IB Low are then based on the completed window.

This allows traders to observe both:

1. How value develops during the selected period.
2. How price behaves relative to the completed profile afterward.

Difference From the Original Indicator

MFB - Value Reading Session

The original indicator:

- Uses the previous completed New York RTH session.
- Builds a profile from approximately 09:30–16:00 New York time.
- Projects the prior session's POC, VAH, VAL, and VA MID into the following session.
- Compares the current session's opening location with the previous session's value.

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The Initial Balance version:

- Uses the current trading day.
- Builds a profile from a customizable intraday window.
- Defaults to the current day's 09:30–10:30 New York Initial Balance.
- Displays the current day's IB High and IB Low.
- Updates during the selected window and then freezes after the window completes.
- Compares current price behavior with the current day's Initial Balance profile.

In simple terms:

*The original indicator analyzes **yesterday's value for today's context**.*

*The I.B. version analyzes **today's selected opening or intraday range for today's developing context**.*

Data and Methodology Note

The indicator uses 1-minute OHLCV data from the selected symbol. For MNQ, this represents exchange-reported futures volume from the CME data feed.

The profile is an approximation of volume-at-price:

- Each 1-minute candle's volume is assigned to its closing-price row.
- Up and down volume are classified according to candle direction.
- The indicator does not provide true bid/ask delta or tick-level aggressor volume.

Therefore, the profile is best used as a structured reference for market value, balance, acceptance, rejection, and Initial Balance behavior—not as a guaranteed directional signal.

Peace