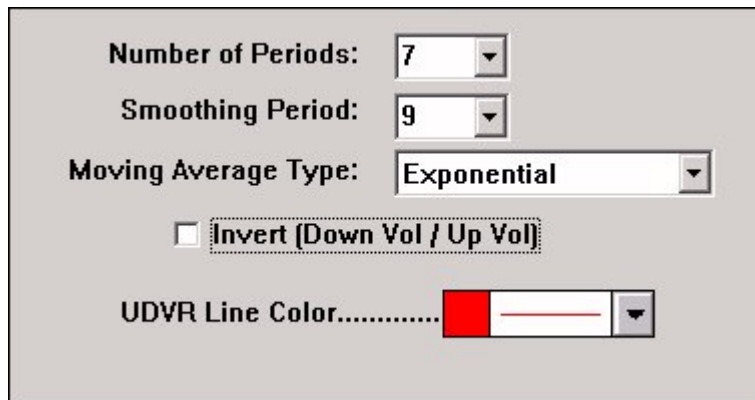# Up/Down Volume Ratio (UDVR) [1]

The Up/Down Volume ratio compares the representation of buyers vs. sellers over a period of time. The assumption is that if a stock closes UP for the day, the attributable volume was induced by buying pressure and thus the stock is under accumulation. Conversely, if a stock closes DOWN for the day, the trading activity is deemed to be selling induced, a sign of distribution. Up/Down ratio is calculated by creating a ratio of the volume on days when price increased to volume on days when price decreased. For each n-day period: U/D ratio = Sum of Volumes on Up Days Sum of Volume on Down Days This value oscillates around a value of 1. For U/D ratios greater than 1 there have been more buyers than sellers over that time period and the ratio is bullish. U/D ratios less than 1 exhibit more sellers than buyers over the study period and the ratio is bearish.

Presentation

Above is a Daily Candlestick Chart of Cisco Systems (CSCO). The bold red line in the lower window pane represents the Up/Down Volume Ratio as specified in the preferences below. A volume histogram for CSCO can be seen in the middle pane. The bold blue line in the top pane is a Moving Average overlaying the price data.

Preferences:

- **Number of Periods** - Number of bars over which to sum the up and down volume before computing the ratio of up to down (or down to up).

- **Smoothing Period** -If you would like the UDVR value to be smoothed, specify a period other than 1 here.

- **Moving Average Type** - Type of smoothing to use, if applicable.

- **Invert (Down Vol / Up Vol)** - Check this box if you would like the indicator to be inverted to a ratio of Down Volume / Up Volume.

- **UDVR Line Color** -Color of the chart line.

Formula Copy

```
UPVOL = SUM(VOL, m)
for up bars (CL >
CL1) DOWNVOL =
SUM(VOL, m) for
down bars (CL <
```
Other [2]

Source URL:https://www.linnsoft.com/techind/updown-volume-ratio-udvr#comment-0

Links
[1] https://www.linnsoft.com/techind/updown-volume-ratio-udvr [2] https://www.linnsoft.com/indicator-tags/other