

Market Profile Basics Traders react differently to prices at different times, so it is important to recognize the type of activity that is taking place. There are two broad categories of buying and selling activities known as initiative & responsive. Differentiating between the two is important, and the structure of Market Profile will provide clues to the type of activity taking place. To determine which activity is taking place, you must compare the current day's profile to that of the previous day. If traders take the initiative to move prices higher or lower than the previous day's value area, the action indicates that the activity is initiative. If, on the other hand, selling activity is dominant when prices are higher than the previous day's value area, or buying activity prominent when prices are lower, you can conclude that responsive activity is taking place. **Traders.com** **To read More, Please download the book.** [Download This Book](#)