



DRYSDALE
TRADING GROUP

VWAP WAVE Core Setup Guide



© 2025 Drysdale Trading Group LLC
All Rights Reserved.

VWAP WAVE Principles

- Trading isn't an exact science—precision isn't the goal. We aim for well-reasoned decision-making, not perfection.
- The market tends to persist in its current behavior rather than abruptly changing direction. Instead of predicting shifts, we align with prevailing market conditions. Trade based on what you see, not what you hope.
- When price holds or re-enters the VWAP value area, it often gravitates toward the VWAP. If it moves beyond that level, the next likely target is the opposite end's value band.
- When price remains within or returns to VWAP value area, the VWAP serves as a key magnet. If it fails to break through and accept, expect a move toward the most recent extreme value band.
- Trading within the VWAP value area is often choppy. Adapt your approach to avoid unnecessary losses from false moves.
- When price breaks out of VWAP value area, it typically seeks to explore new levels in the breakout direction, often targeting a prior value zone.
- Not all trades are equal. The highest-quality setups emerge near fresh contextual shifts—this is where the best opportunities lie.
- The VWAP WAVE strategy provides a structured way to interpret market behavior, but not every scenario can be perfectly understood. Embrace uncertainty where necessary.

Open Sauce



DRYSDALE
TRADING GROUP

VWAP Wave Setup 1

Price Discovery Continuation

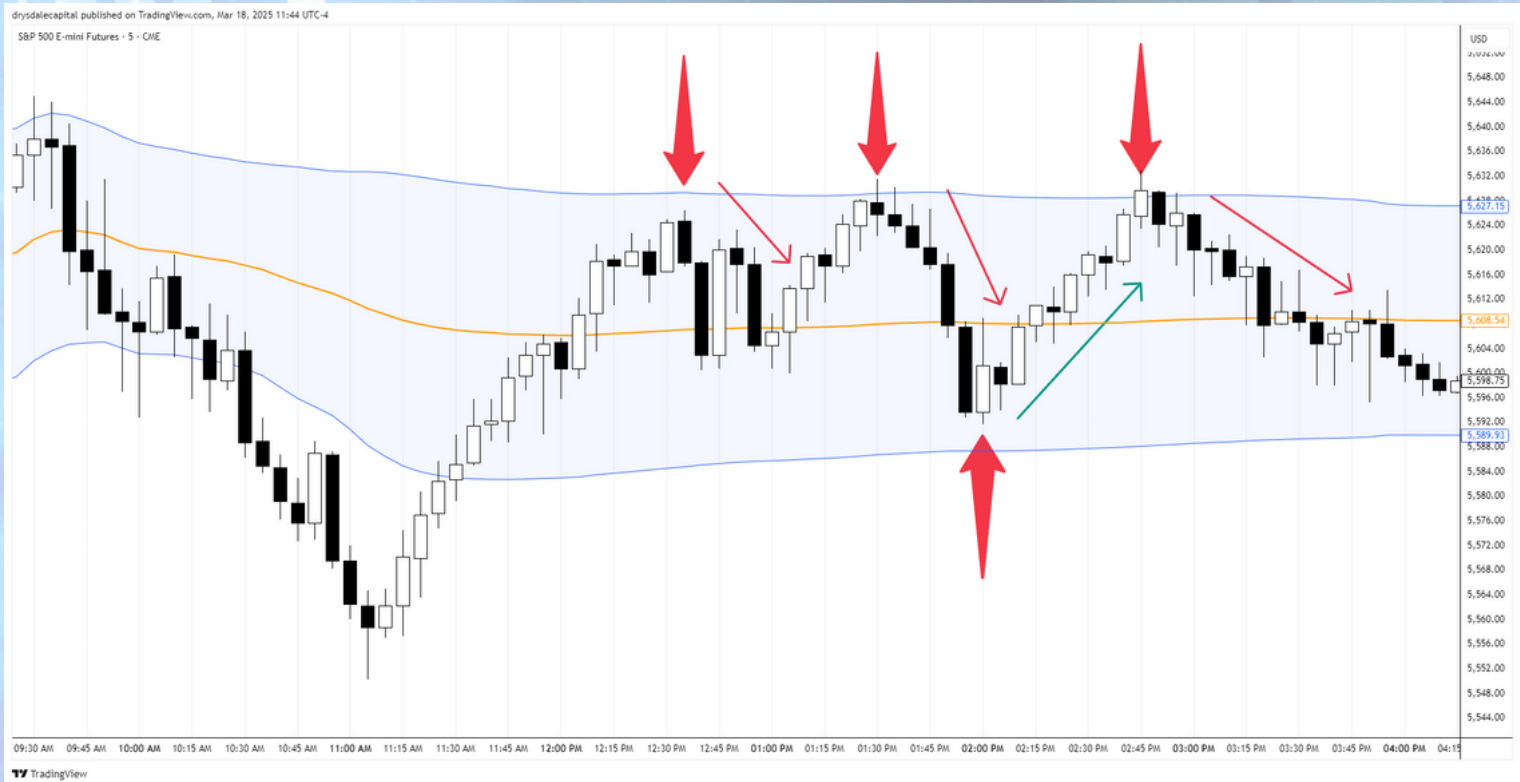


Setup Criteria

- Price breaks out of VWAP value area
- Must show price “acceptance,” time or distance outside of value
- Entry is on backtest pullback of VWAP deviation band
- Enter on first sign of strength after backtest
- Stop goes a few points above/below backtest candle
- You can also enter on break out of value, but be prepared for a rejection, rather than waiting for acceptance
- Note: let the trade breath, often times they will setup to the tick, but many times they will also retest again

VWAP Wave Setup 2

Fade Value Area Extremes

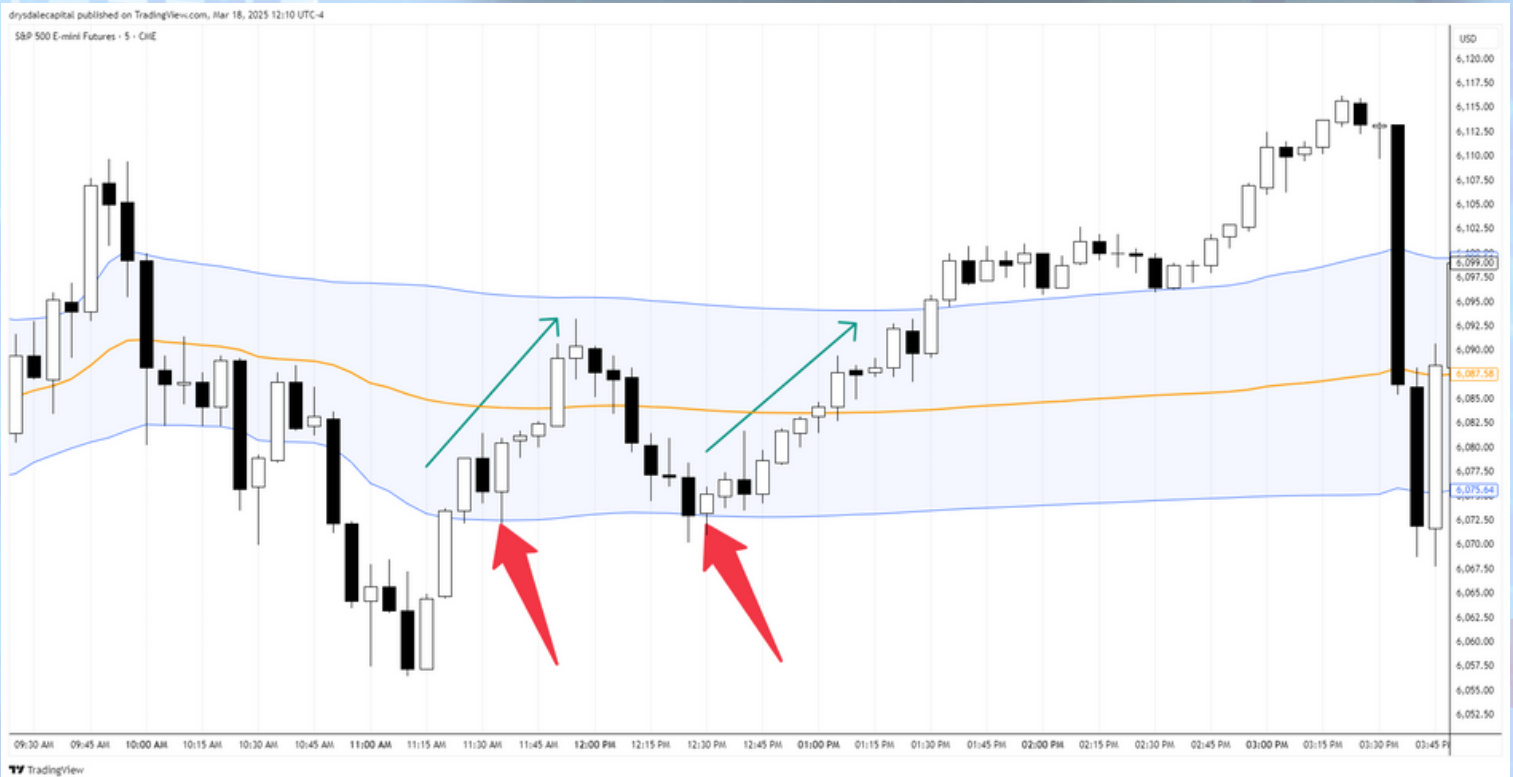


Setup Criteria

- Price is spending time inside of VWAP value area
- Must show price “acceptance,” time or distance inside of value
- Entry is on first sign of weakness or rejection on test of VWAP deviation band *area*
- You can also get in on touch, or scale in at proximity
- Stop goes a few points above/below testing candle wick
- Note: These setups can have tighter stops, a strong break or even grind through the VWAP band is a sign to get out

VWAP Wave Setup 3

Return to Value



Setup Criteria

- Price breaks back into VWAP value area after spending some time and distance outside in price discovery
- Entry is on backtest pullback of VWAP deviation band after price breaks into value and shows acceptance
- You can also enter on break into value, but be prepared for a rejection, rather than waiting for acceptance
- Stop goes a few points above/below testing candle wick
- Note: Often times these will not backtest, so the only setup would have been on break into value area



DRYSDALE
TRADING GROUP

VWAP Wave Setup 4 VWAP Bounce



Setup Criteria

- Higher Volatility days are better, with price going in and out of value
- Entry is on test of VWAP after price breaks into value
- After test of VWAP, enter on strength in direction away from VWAP
- Stop goes a few points above/below testing candle wick
- Note: VWAP can be a choppy spot where big players are getting in and out, expect traps and games here, like a VWAP break and reclaim (another setup)