

Orderflows Inner Circle Weekly Webinar #8

MAJOR IMBALANCES

Seeing Where Big Traders Show Hand

Orderflows Inner Circle Weekly Webinar #8 – Major Imbalances

Order flow provides you with tradable insights as they happen, giving you the time to profit from the market-generated information. The order flow display of market activity and data organization covers it all for the trader – time, price, volume, overall market activity, as well as the specific activity of aggressive buyers and aggressive sellers. Therefore, there is no need to add every technical analysis tool your charting software offers when using order flow. And finally, those players in the market – the locals, market makers and the large institutions, which can turn the market the fastest, read and understand order flow and use it to their advantage.

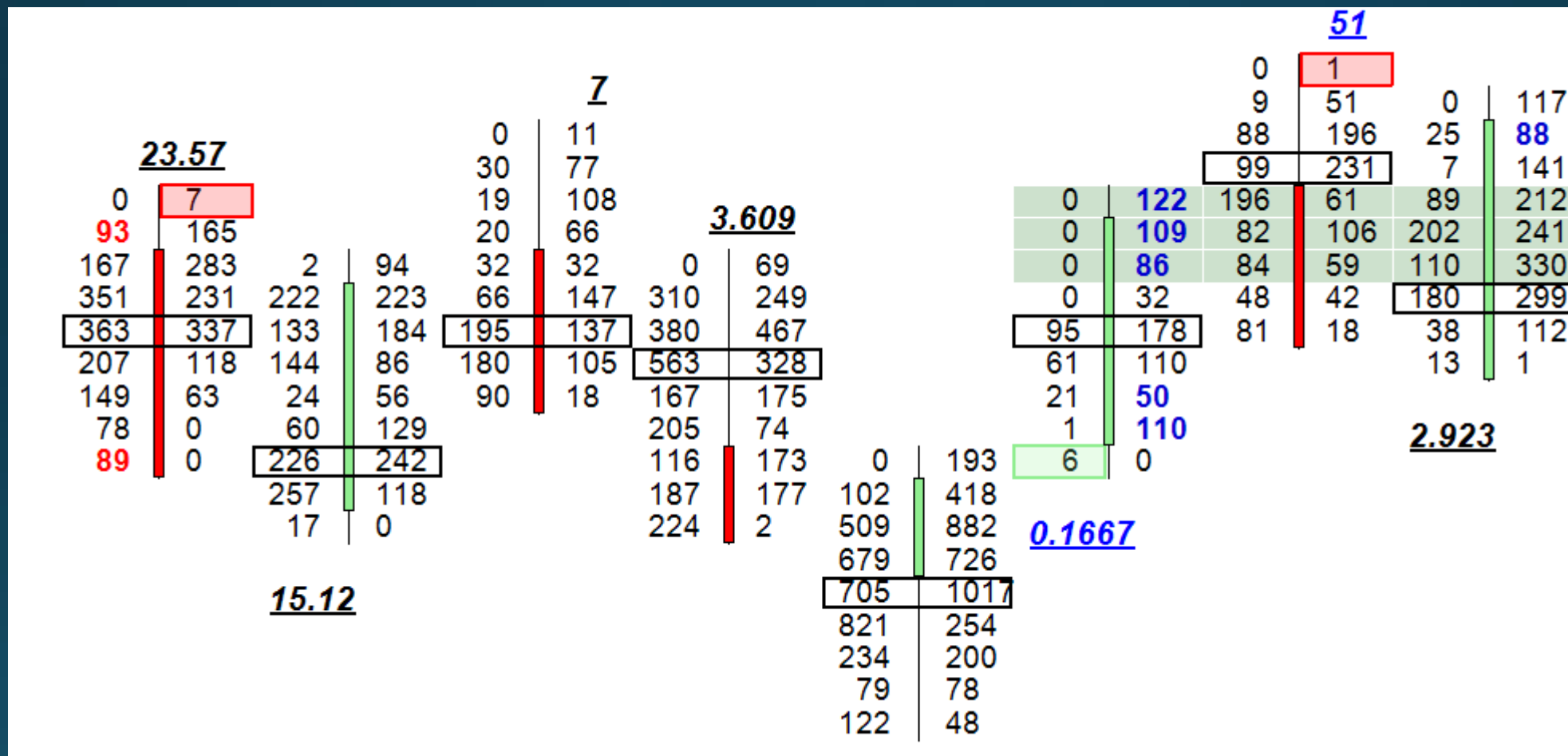
Orderflows Inner Circle Weekly Webinar #8 – Major Imbalances

Once you understand how to read order flow and its nuances, some of which admittedly are subtle, your market understanding and trading prowess will be taken to new levels.

Order flow enables you to see who is doing what and to whom. You will also be able to recognize when the market is about to pause, as well as when it is on the brink of moving. The market's structure for any time frame is revealed to the order flows trader and is confirmed as it occurs. You will not get this advantage with any other trading methodology, period.

Orderflows Inner Circle Weekly Webinar #8 – Major Imbalances

You should know what imbalances are...



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Market imbalances occur when one side dominates the other. Buyers overwhelming sellers or the opposite, sellers overwhelming bidders.

Market imbalances is not a system. It is based on raw data that is not manipulated, it reflects reality. Volume is the all that matters, it is what it is.

Who can cause market imbalances? Locals? No. Retail traders? No.

More often than not market imbalances are caused by commercial and institutional traders.

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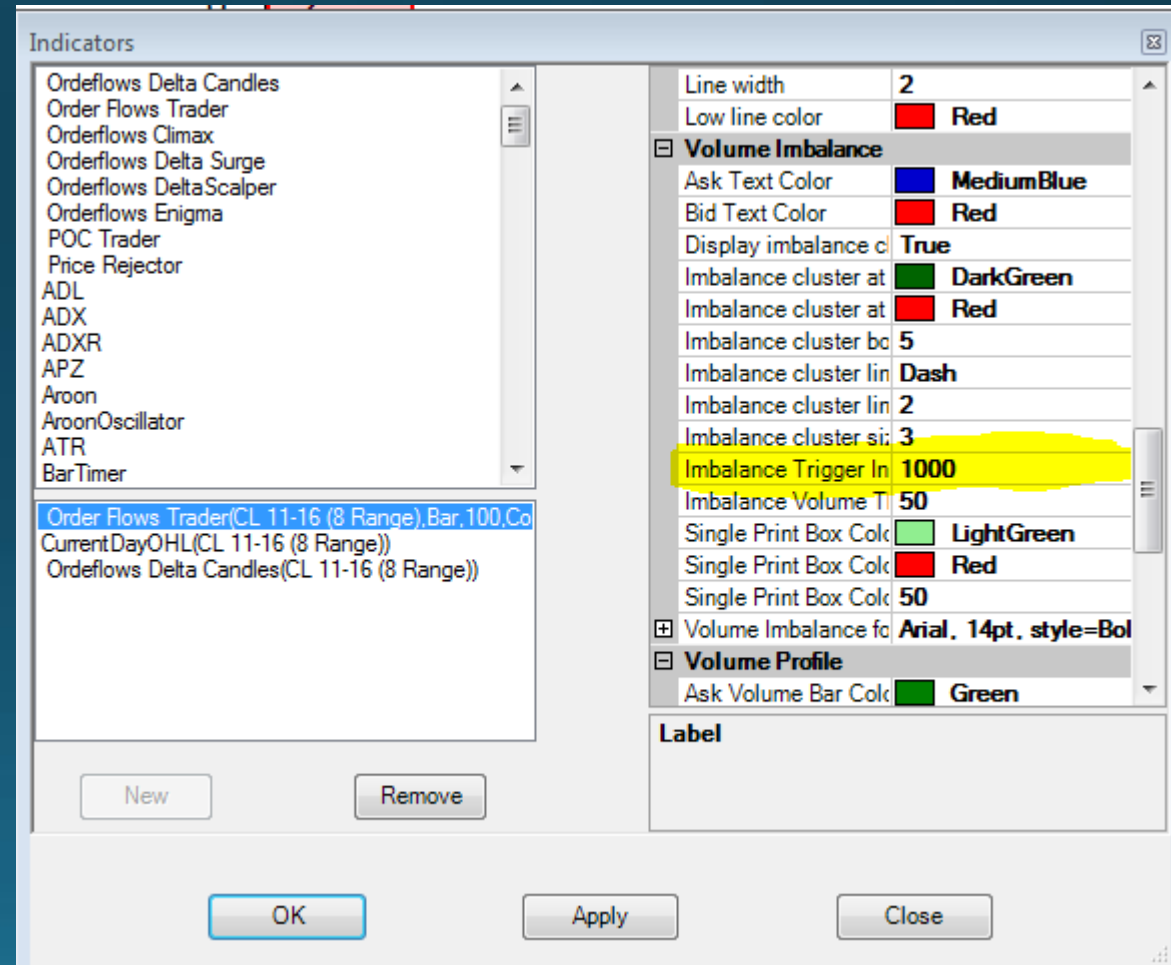
If you do not know how to recognize this potential market changing activity from its initiation, what the major players are doing or who is in control of the market, you can miss the next move or get caught on the wrong side of the market. Order flow, through major imbalances reveal the big player's activity, and therefore, their commitment in the market. Because large players cannot execute size orders instantly at favourable prices, the order flow reveals their entry into the market and gives you time to trade accordingly. This telegraphed information gives you almost the same advantages possessed by the initiating player. This is a powerful advantage over most technical signals that are almost always two bars late.

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What I will be talking about today are what I consider “Major Imbalances.”

Percentage terms

Volume terms



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Everyone talks about following the big money, the institutions, but they don't tell you how see what they are doing.

Show hand.



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Show hand is when you tell everyone what you are doing instead of keeping it a secret.

Traders spend a lot of time trying to hide their intentions in the market, but there are times they don't care and just get on with it.

Major Imbalances are a way to see who is showing their hand.

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There are two types of markets: local driven market and a commercially driven market. Each market has to be approached differently.

A local driven market is a “fade” type market with limited opportunity.

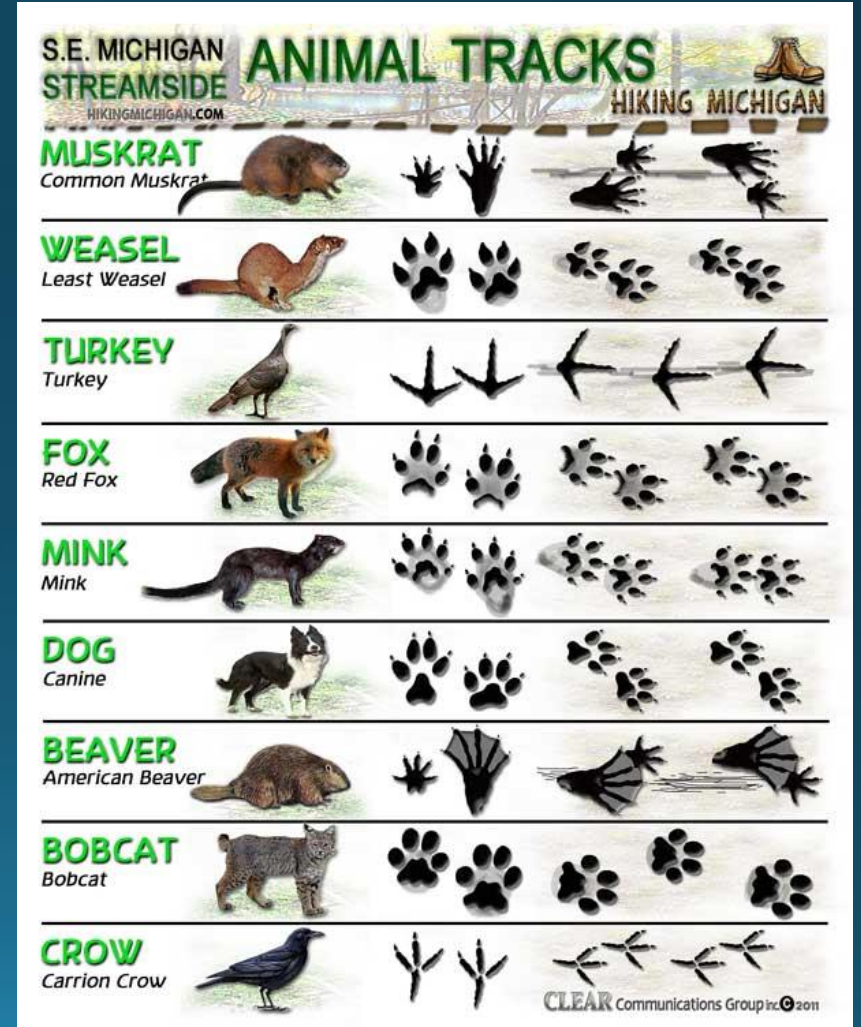
A commercial or institutional driven market is a “go with” market with big opportunity.

Knowing who is driving the market will help you minimize your losses and increase your profits which is every trader’s goal.

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Major Imbalances will clue you in when the commercial and institutions are clearly driving the market.

Remember, the reason traders refer to the order flow chart as a footprint chart is because you are looking to decode the footprints left by other traders in the market.

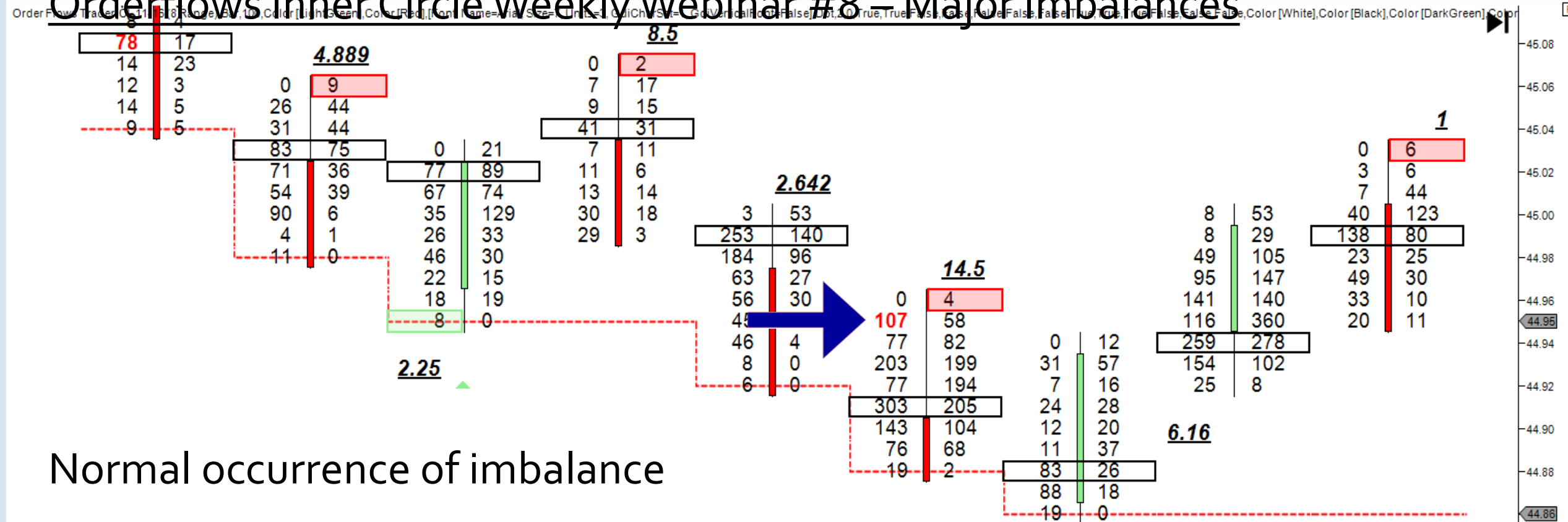


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Normal Imbalance – is the area in a bar you expect an imbalance to occur.

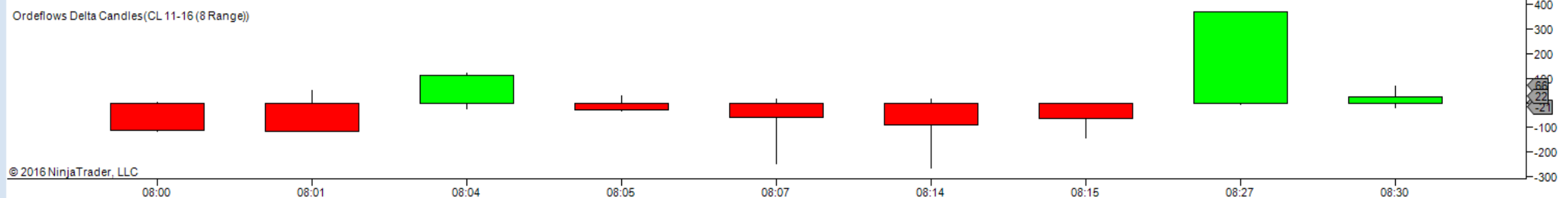
There are certain areas in a bar that have a higher chance of an imbalance of occurring. Near the top in a red bar or near the bottom in a green bar.

Order: [Flowers](#), [Traders](#), [Circles](#), [Inner Circle](#), [Webinars](#), [#8 - Major Imbalances](#)



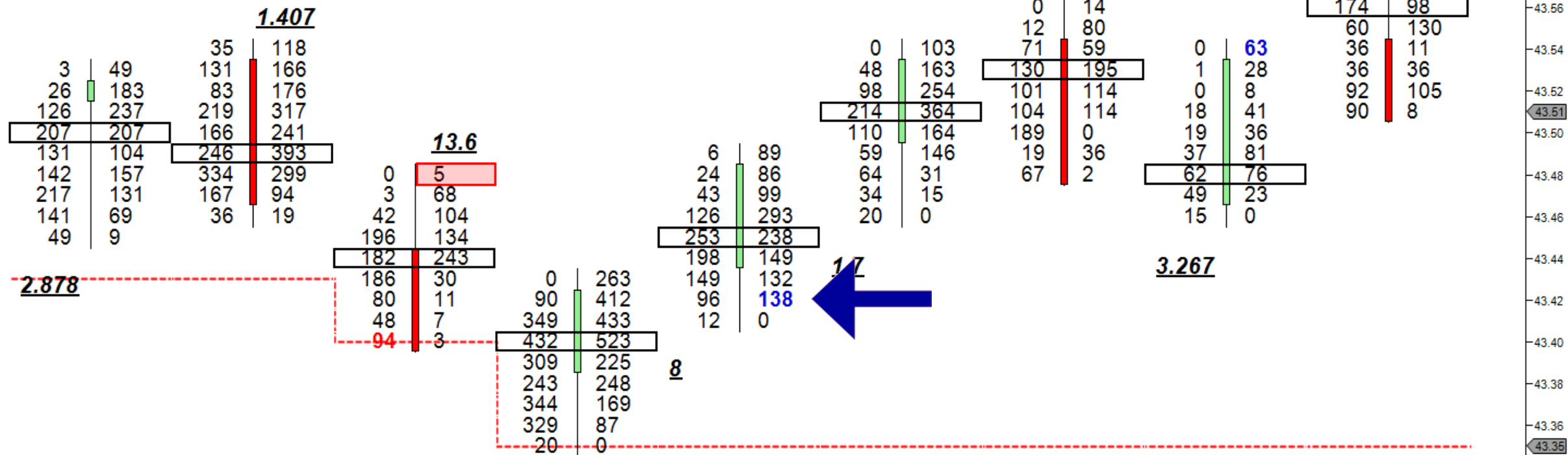
Normal occurrence of imbalance

Delta	09	-116	111	-30	-57	-89	-61	367	22
Max. Delta	2	51	122	27	17	17	0	369	66
Min. Delta	14	-116	-24	-31	-247	-264	-143	-8	-21



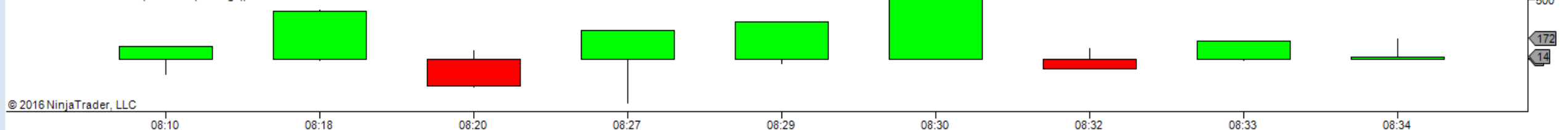
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Normal occurrence of imbalance



Delta	04	406	-226	244	317	593	-79	155	14
Max. Delta	07	412	69	244	317	593	88	155	172
Min. Delta	25	-5	-235	-370	-40	0	-79	-12	0

Orderflows Delta Candles(CL 11-16 (8 Range))



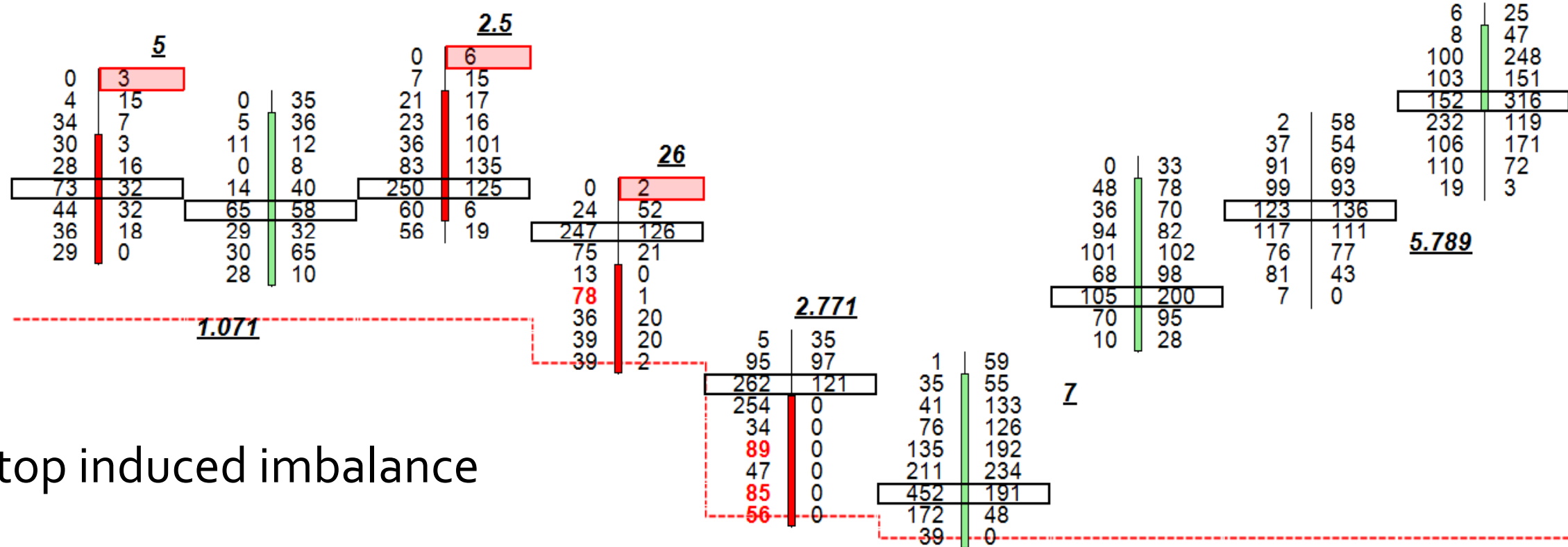
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Stop Induced Imbalance – when a stop is triggered causing the market to sweep through the order book. Characterized by multiple zeros and often a quick snap back.

Differs from a normal sweep of the order book by a trader actively trading, not an order sitting on the order server.



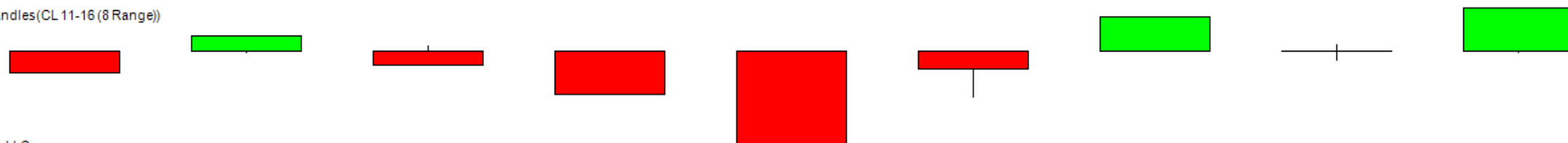
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Stop induced imbalance

Delta	52	114	-96	-307	-674	-124	254	8	316
Max. Delta	1	114	39	0	0	7	254	52	322
Min. Delta	57	-5	-97	-309	-674	-327	0	-64	-6

Orderflows Delta Candles (CL 11-16 (8 Range))



Sweep induced imbalance



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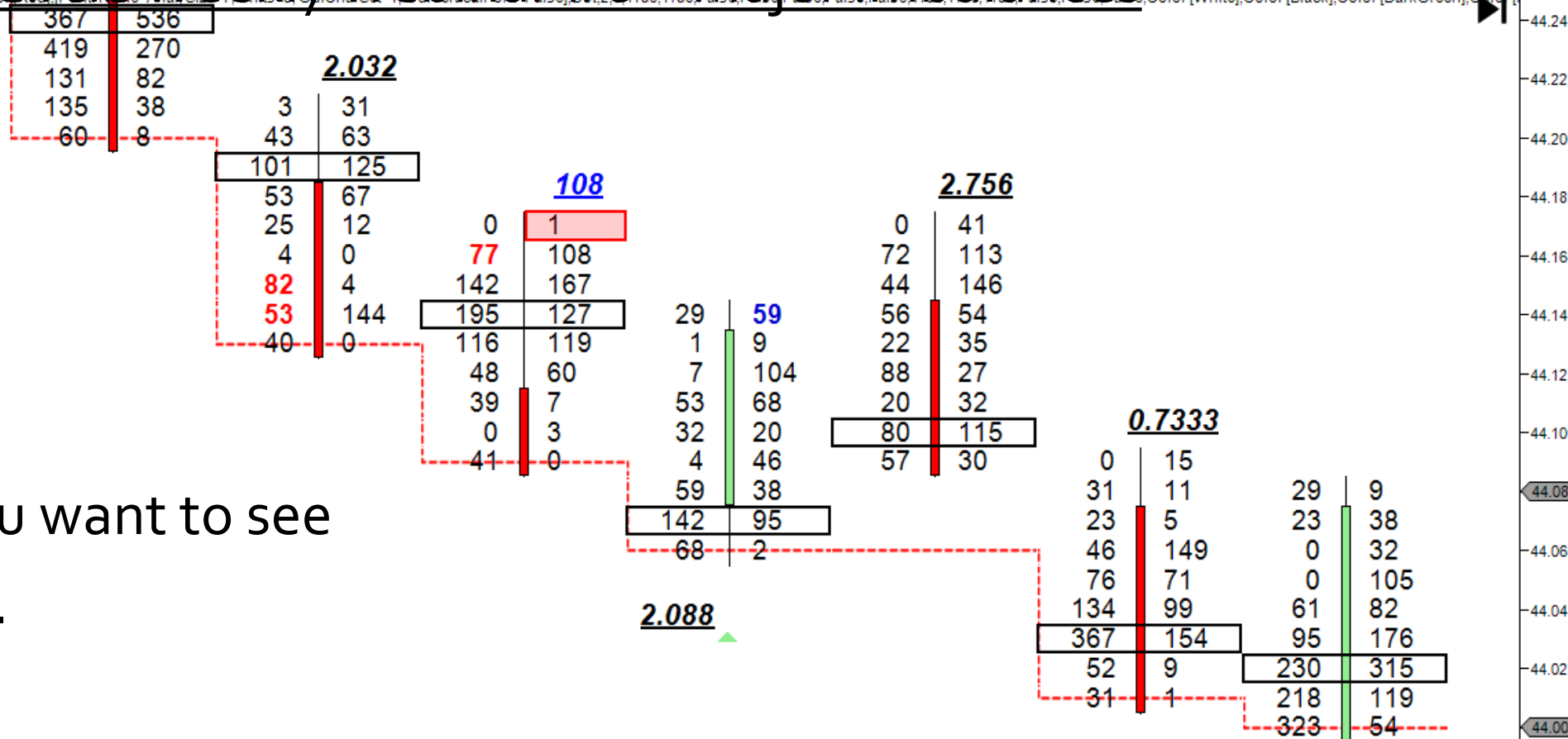
Major Imbalances occur when there is a huge ratio. I use 1000%.

Cluster of 3. When you have 3 imbalances over 1000% either in one bar or spread out over 2 bars. Bars should be in same direction.

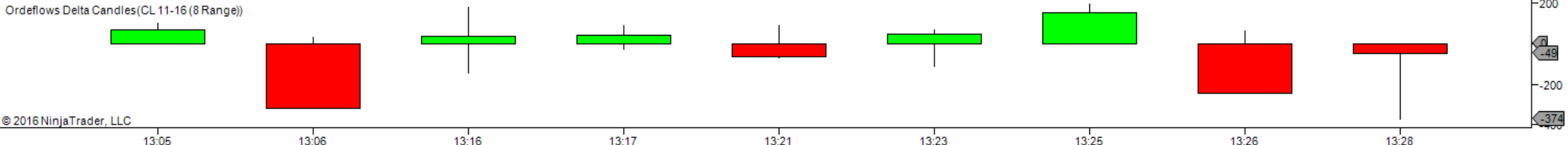
What traders fail to realize is that Major Imbalances can occur over 2 bars.

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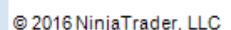
Aggressive sellers
showing hand.
Going into low you want to see
aggressive sellers.



Delta	70	-317	39	42	-66	46	154	-246	-49
Max. Delta	01	33	181	89	89	70	199	62	0
Min. Delta	-2	-317	-146	-25	-67	-110	0	-247	-374

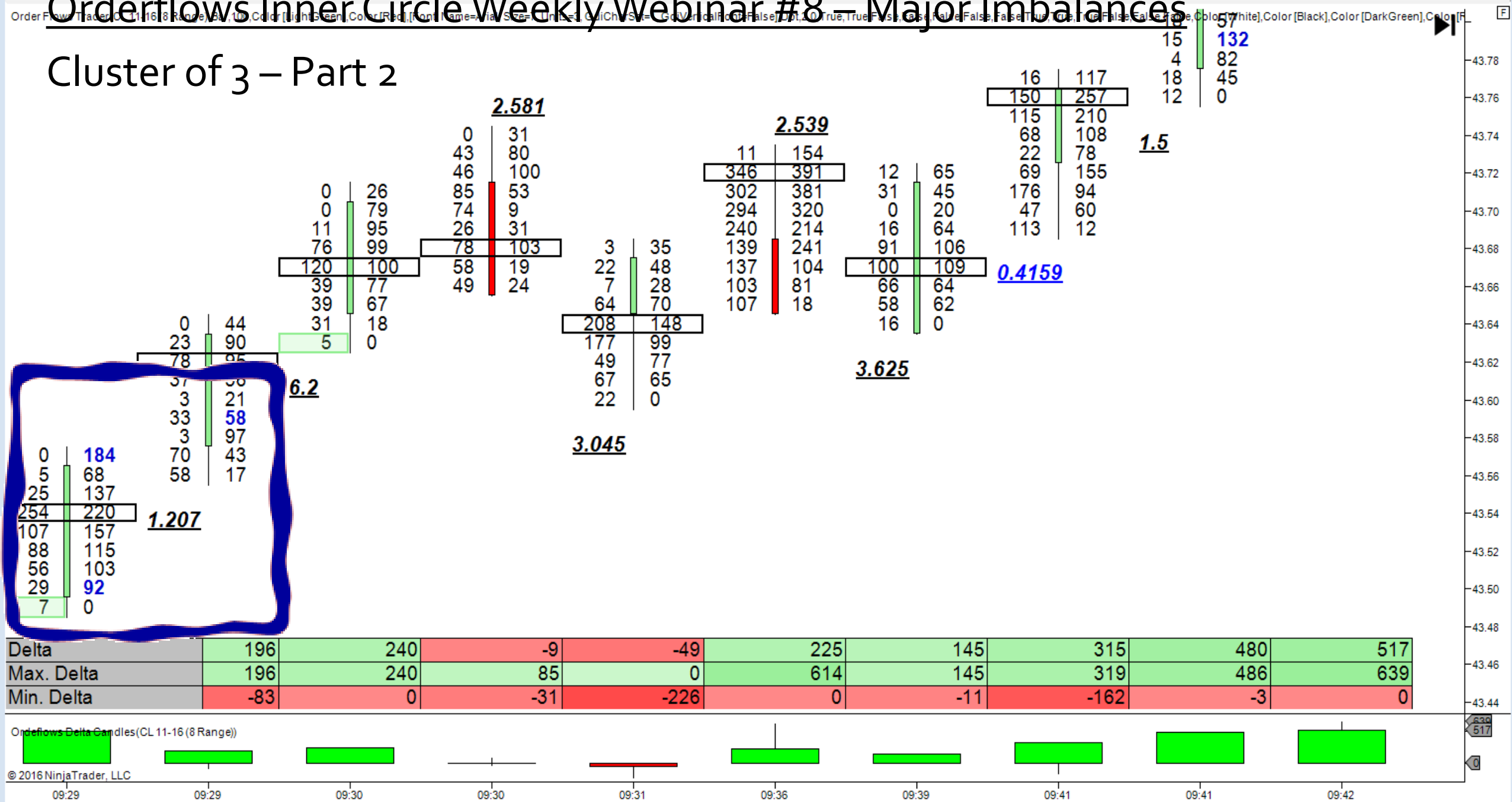


Cluster of 3 – Part 1



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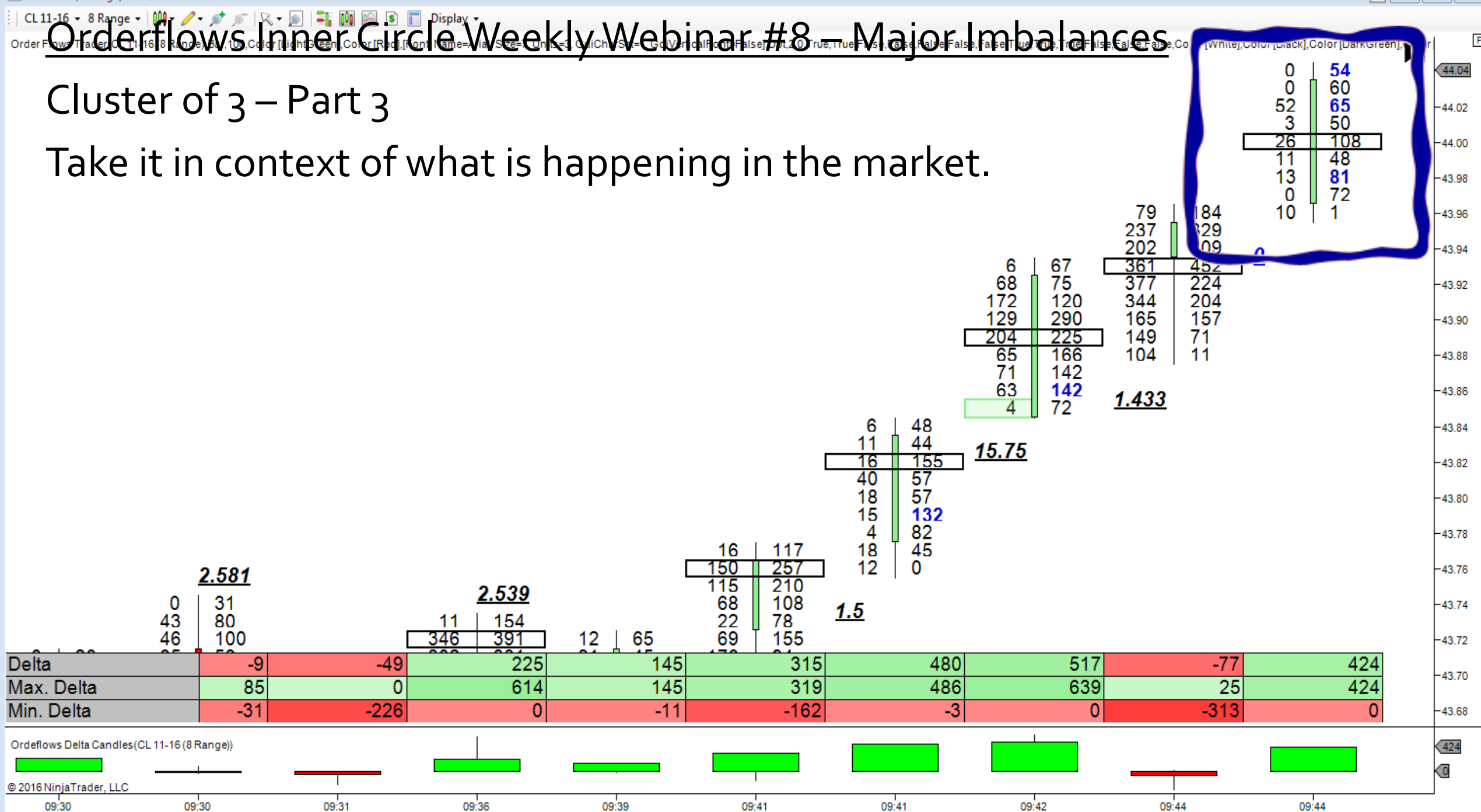
Cluster of 3 – Part 2



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Cluster of 3 – Part 3

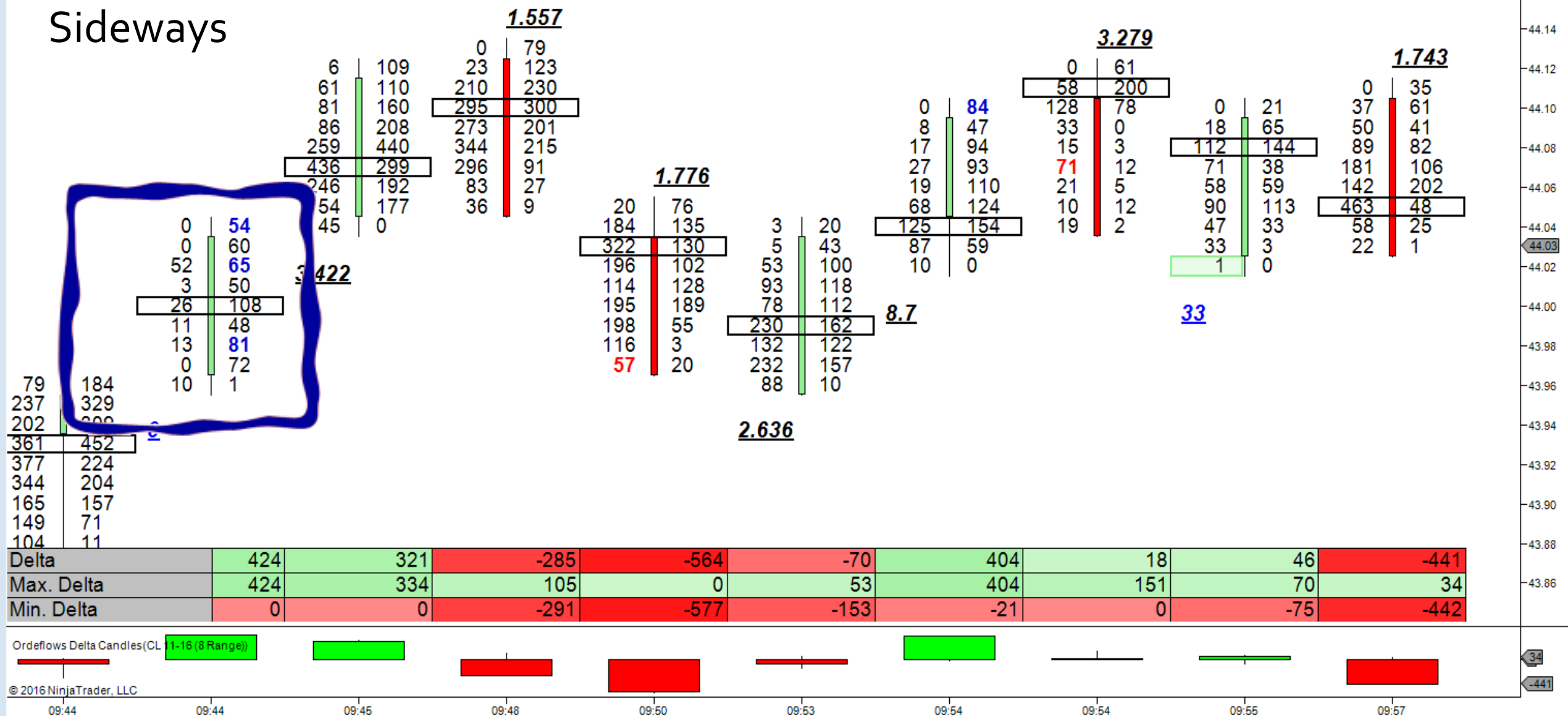
Take it in context of what is happening in the market.



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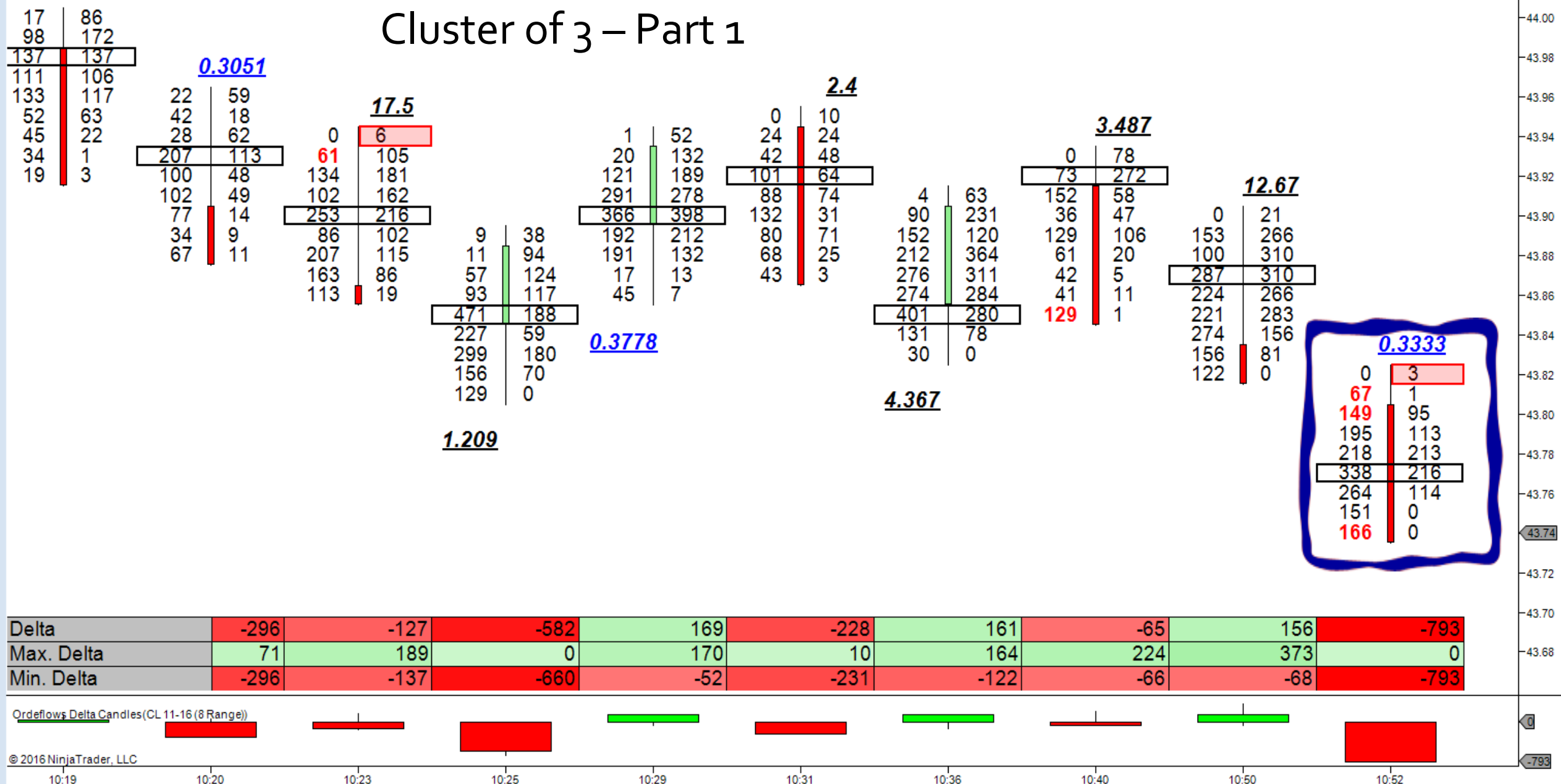
Cluster of 3 – Part 4

Sideways



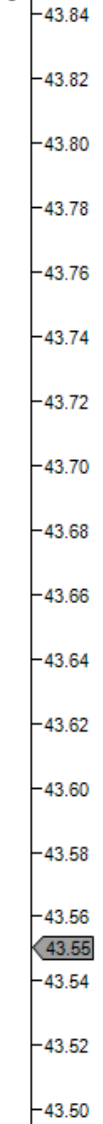
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Cluster of 3 – Part 1



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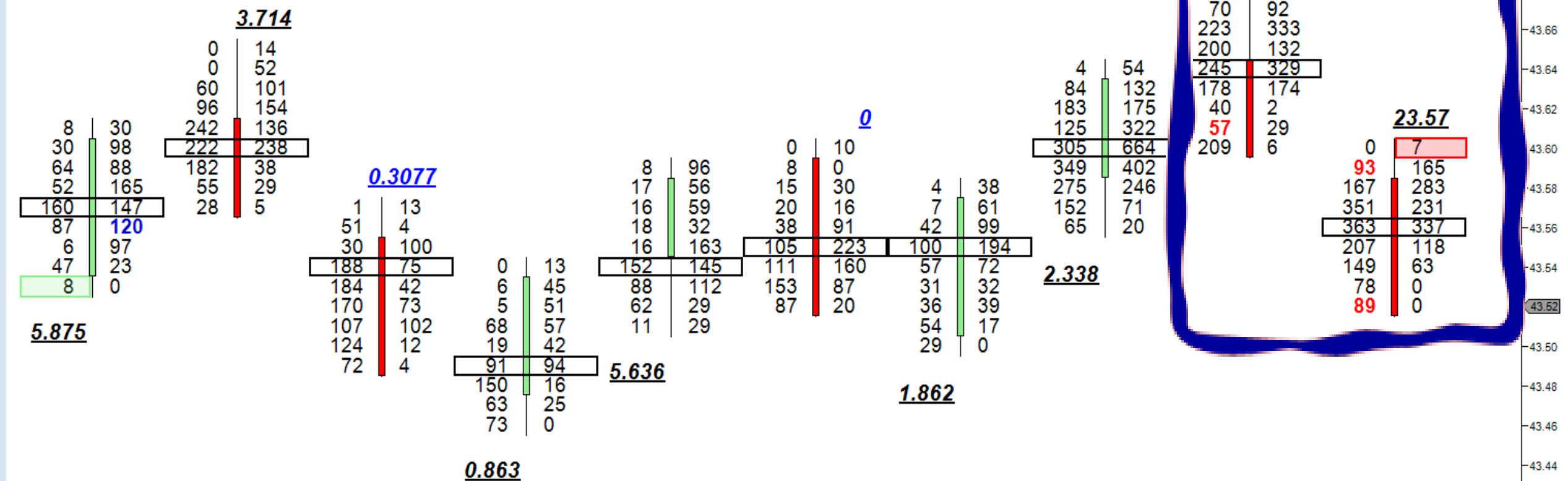
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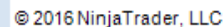
Cluster of 3 – Part 1



Delta	-118	-502	-132	333	100	192	544	-100	-293
Max. Delta	122	0	15	336	178	196	554	155	6
Min. Delta	-119	-506	-252	-12	-20	-79	0	-106	-293

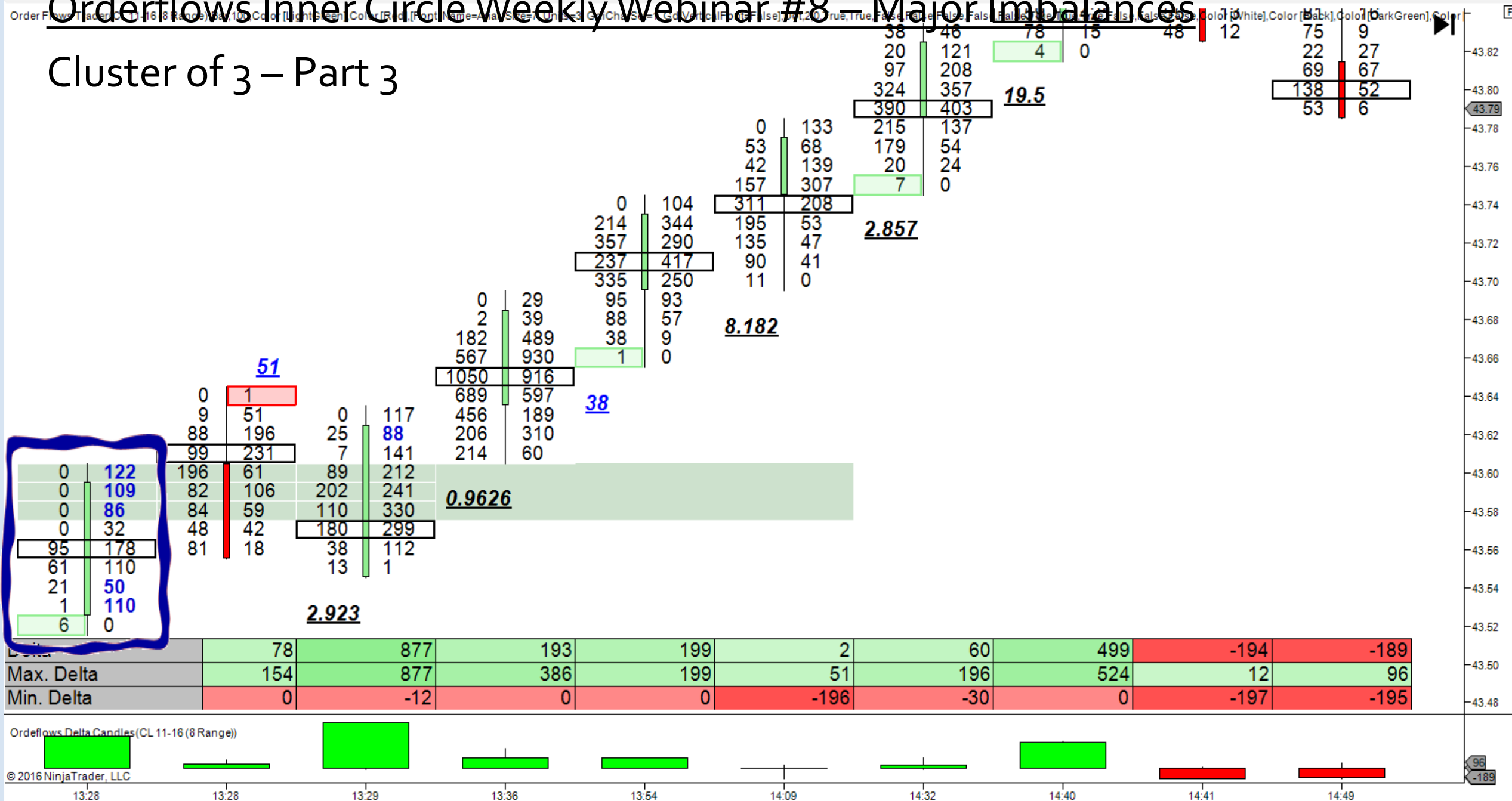
Orderflows Delta Candles (CL 11-16 (8 Range))

Cluster of 3 – Part 2

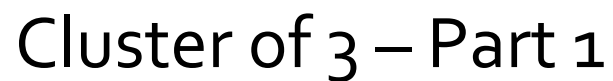


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Cluster of 3 – Part 3



or DWI



Ordeflows Delta Candles(ES 12-16 (10 Range))

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Orderflows Inner Circle Weekly Webinar #8 – Major Imbalances

62 | 1035
2790 | 4016
3375 | 2981
1429 | 1593
923 | 728
592 | 834
670 | 456
1212 | 12
350 | 23
723 | 793
526 | 50

Cluster of 3 – Part 2

44.9
0 | 10
356 | 449
227 | 248
537 | 703
808 | 578
365 | 193
285 | 38
499 | 24
682 | 446
500 | 269
663 | 105

8 | 342
191 | 879
562 | 1294
2306 | 1834
2507 | 3050
2821 | 2560
726 | 1519
2443 | 2774
877 | 786
1113 | 607
91 | 0

72 | 523
366 | 399
54 | 356
1633 | 1760
1434 | 1518
1167 | 1134
890 | 1542
705 | 660
338 | 724
990 | 971
407 | 72

1.691
119 | 598
455 | 1011
897 | 720
142 | 334
439 | 574
1273 | 2669
1294 | 817
895 | 408
140 | 2
195 | 30
129 | 36

113 | 182
416 | 401
199 | 484
436 | 336
635 | 707
682 | 941
335 | 369
503 | 722
677 | 780
967 | 587
194 | 0

9.946
0 | 56
473 | 557
1665 | 2031
1824 | 2145
2410 | 2059
1850 | 1619
2023 | 1053
1079 | 689
1309 | 522
1407 | 982
1991 | 496

1 | 466
386 | 419
150 | 172
33 | 1647
825 | 1269
927 | 1462
1714 | 1686
1756 | 2070
2548 | 1653
1074 | 726
116 | 0

13 | 452
32 | 176
1 | 575
1937 | 2097
3449 | 5420
4278 | 3448
2594 | 3792
2545 | 2017
1310 | 1631
1117 | 1346
181 | 42

12.23

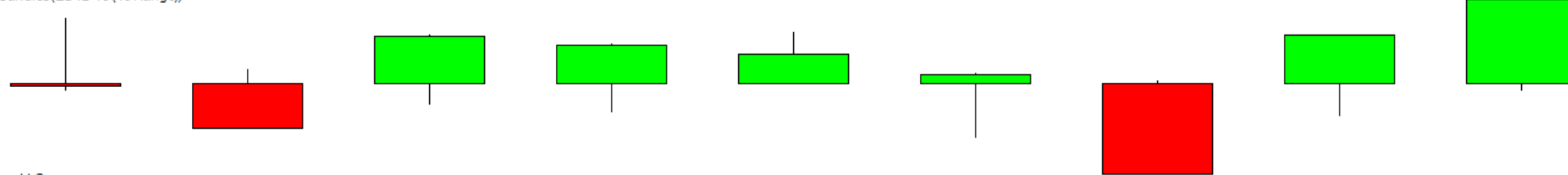
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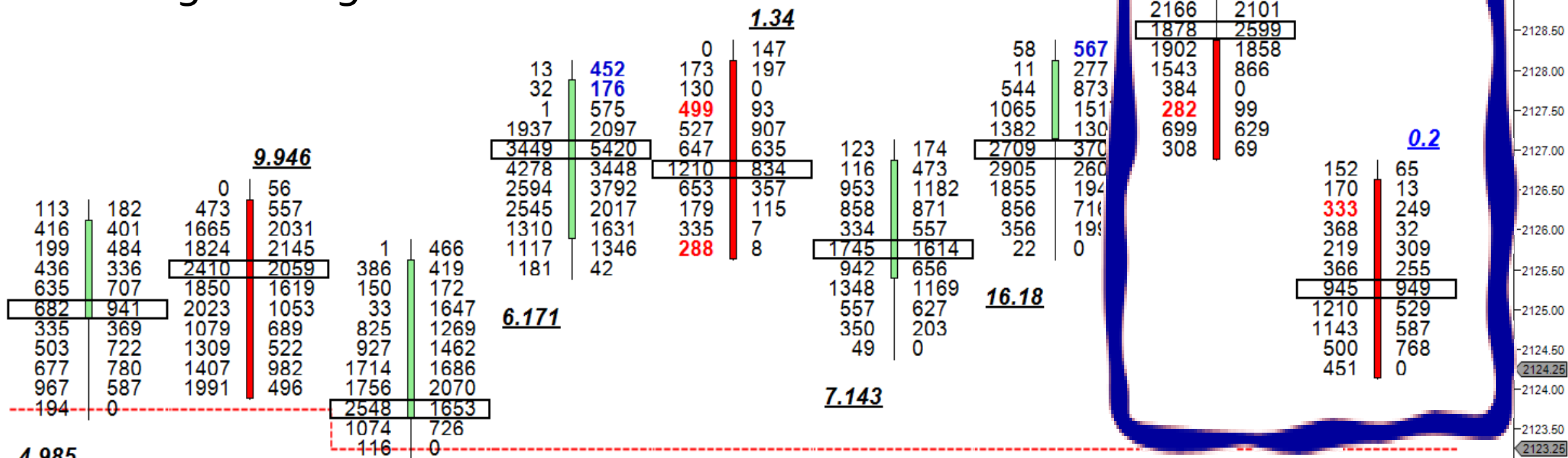
Delta	61	-1859	2000	1603	1221	352	-3822	2040	3539
Max. Delta	11	588	2008	1657	2150	415	117	2041	3915
Min. Delta	7	-1875	-877	-1189	0	-2238	-3822	-1372	-294

Orderflows Delta Candles(ES 12-16 (10 Range))



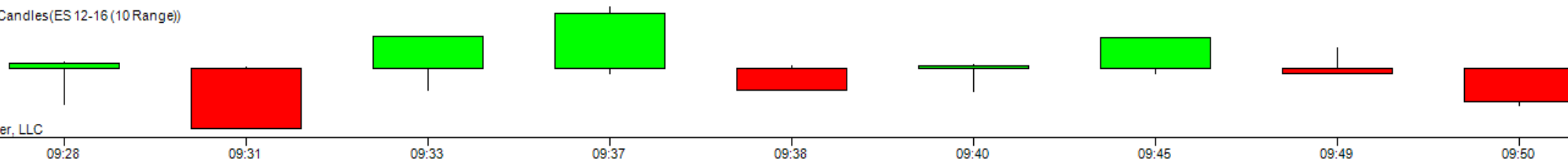
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Cluster of 3 – Part 3



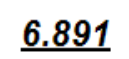
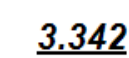
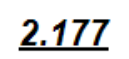
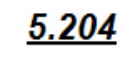
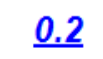
Delta	52	-3822	2040	3539	-1341	151	1934	-281	-2101
Max. Delta	5	117	2041	3915	197	247	1934	1293	0
Min. Delta	88	-3822	-1372	-294	-1349	-1451	-348	-350	-2338

Orderflows Delta Candles(ES 12-16 (10 Range))



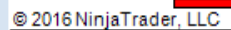
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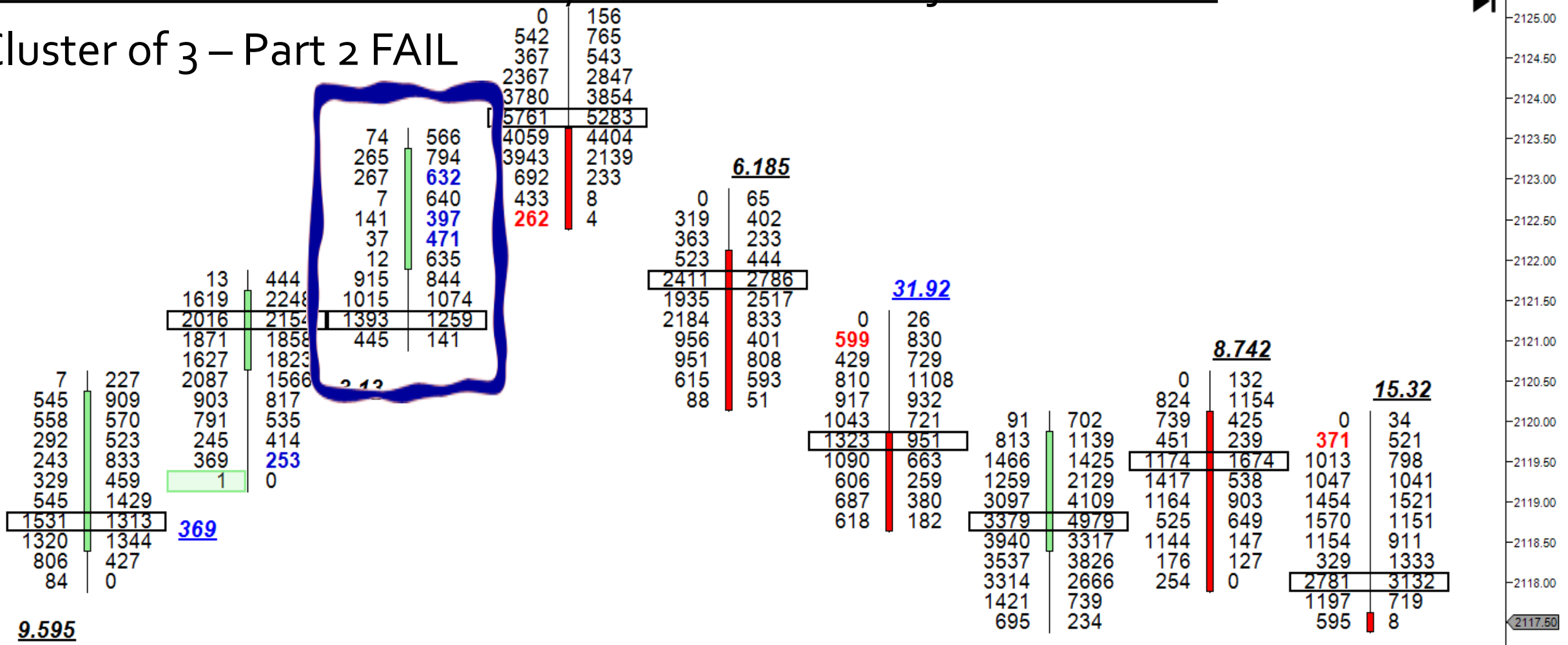
Ordeflows Delta candles (EE 12-16 (40 Range))

Cluster of 3 – Part 1 FAIL

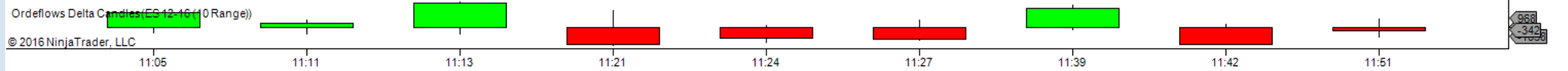


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Cluster of 3 – Part 2 FAIL

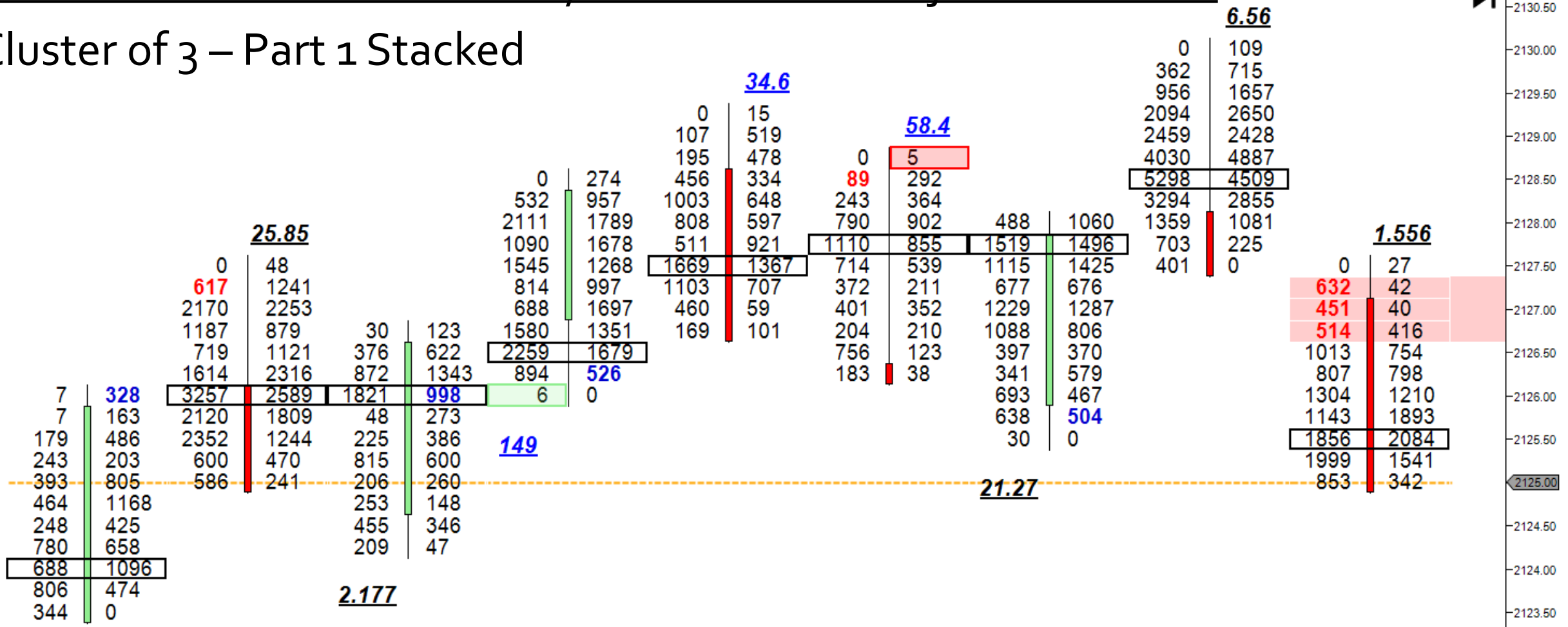


Delta	74	570	2882	-1970	-1212	-1341	2253	-1880	-342
Max. Delta	81	853	2888	1943	222	857	2533	436	968
Min. Delta	26	-716	-661	-1974	-1695	-1393	-219	-1880	-1058



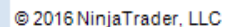
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Cluster of 3 – Part 1 Stacked

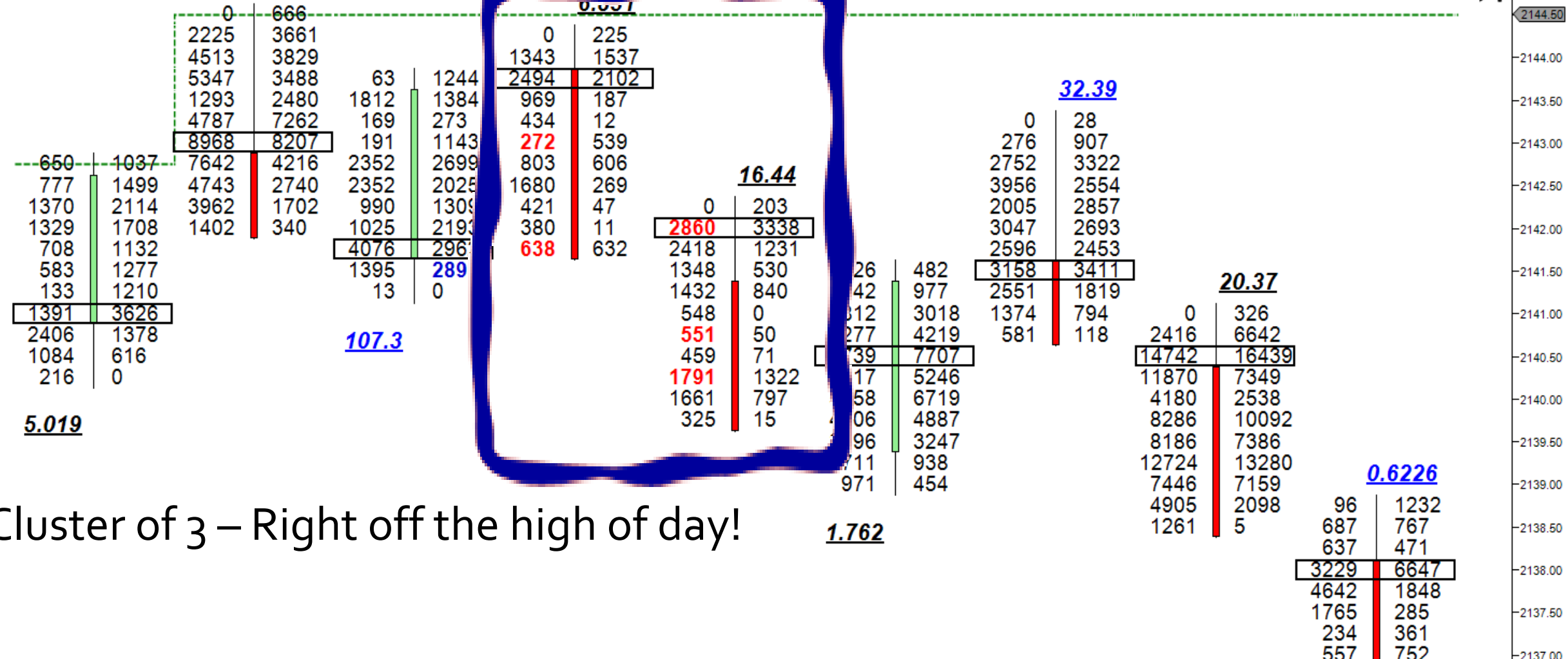


Delta	17	-1011	-164	697	-735	-971	455	160	-1425
Max. Delta	54	610	494	1239	538	414	607	2543	0
Min. Delta	72	-1067	-662	-532	-799	-1004	-352	-109	-2633

Cluster of 3 – Part 2 Stacked

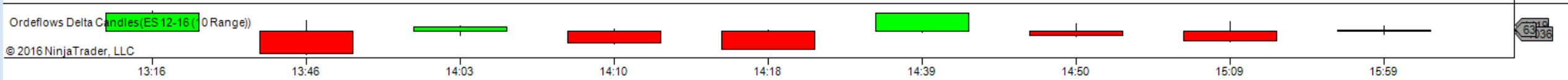


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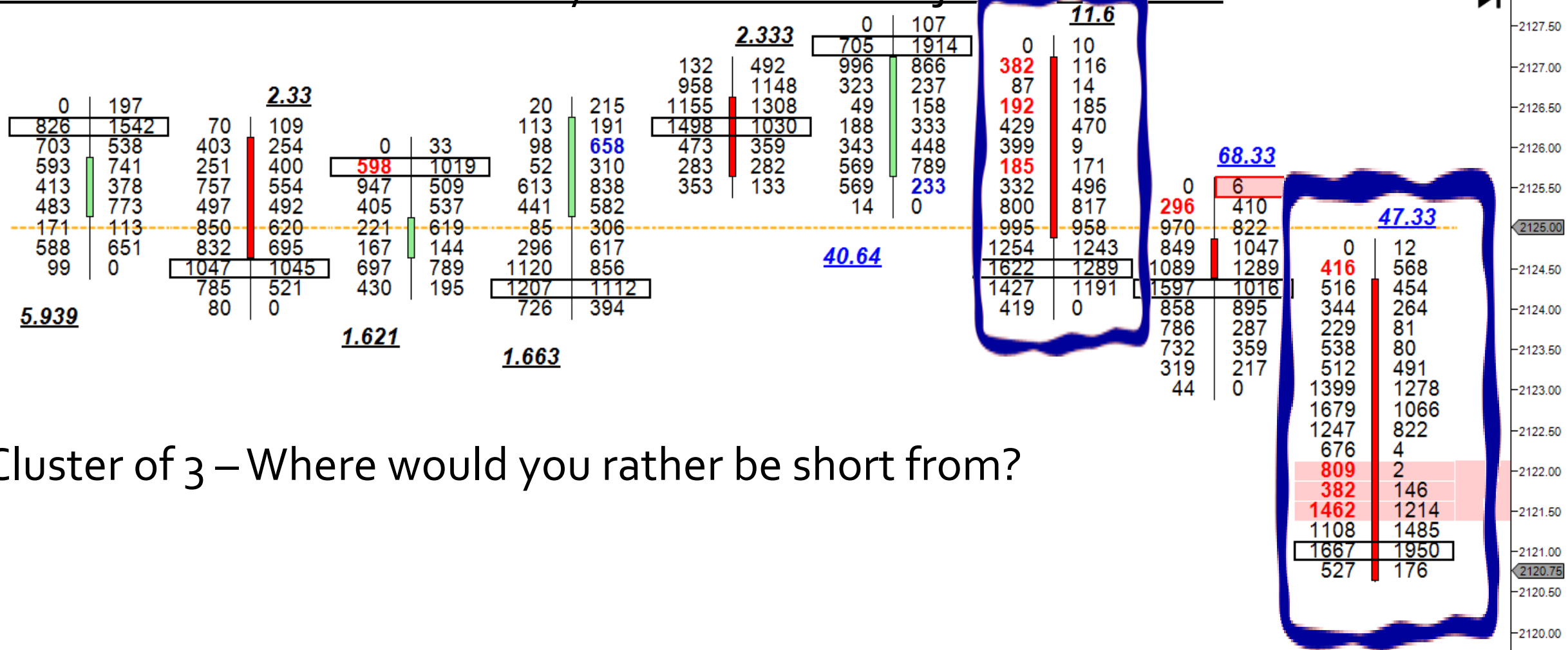


Cluster of 3 – Right off the high of day!

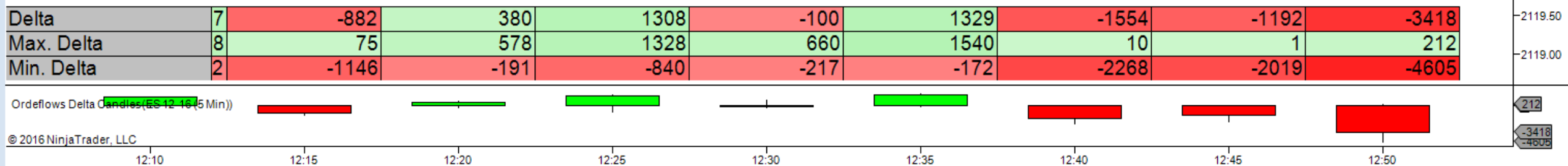
Delta	50	-6291	1083	-3267	-4996	4939	-1340	-2702	63
Max. Delta	2	2926	1431	390	235	4965	1994	2621	1419
Min. Delta	3	-6461	-1302	-3582	-5011	-421	-1469	-3093	-1036



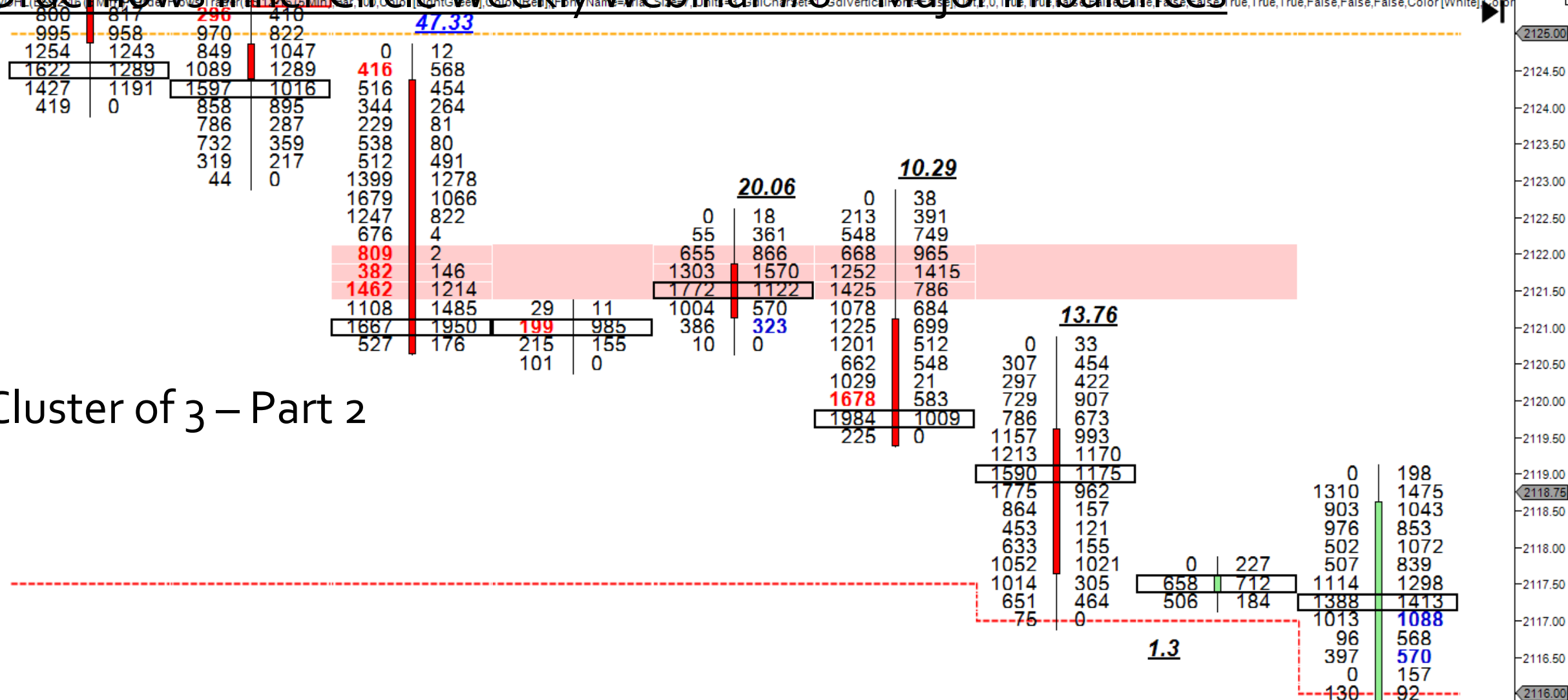
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Cluster of 3 – Where would you rather be short from?



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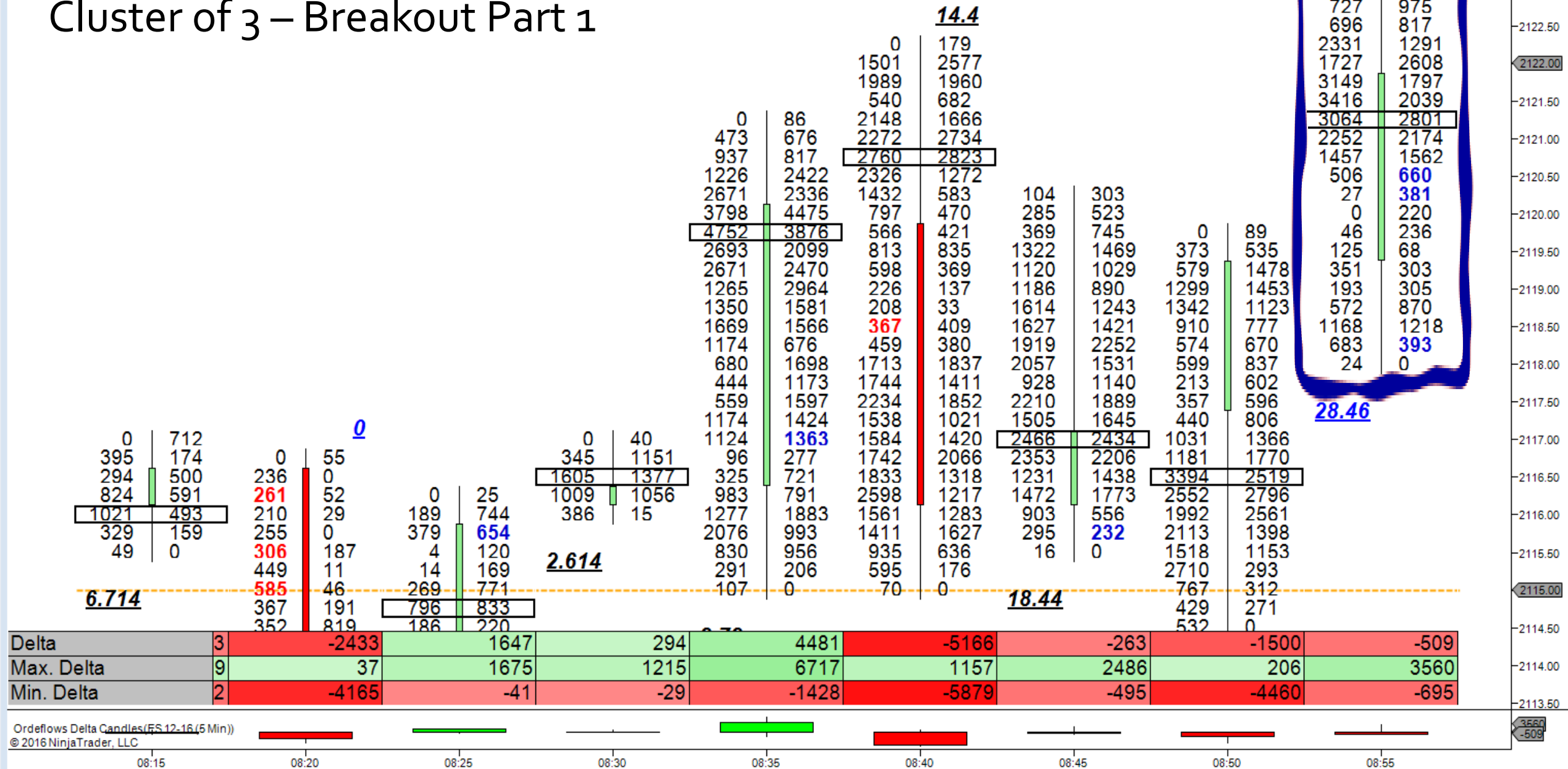


Cluster of 3 – Part 2

Delta	4	-1192	-3418	607	-355	-4788	-3584	-41	2330
Max. Delta	0	1	212	854	488	873	1149	0	2916
Min. Delta	8	-2019	-4605	-48	-479	-4788	-4086	-375	-49

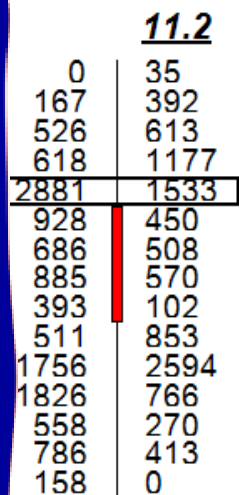
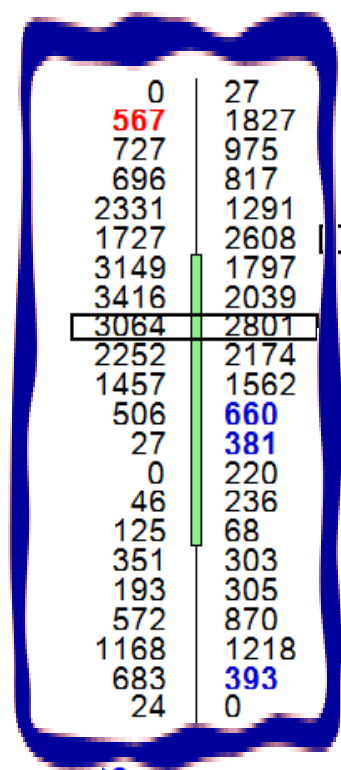
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Cluster of 3 – Breakout Part 1

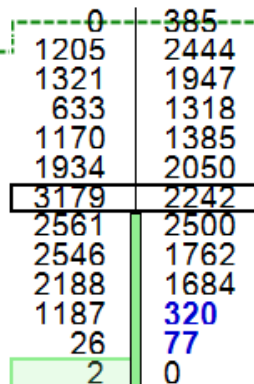


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Cluster of 3 – Breakout Part 2



8.352



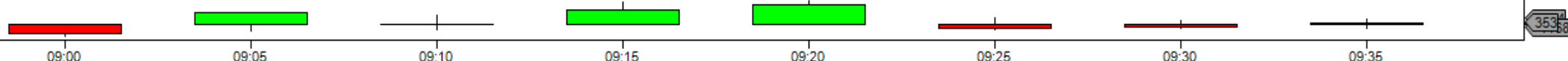
13

7.89

20

315.5

Delta	9	-2403	3122	162	3870	5197	-1037	-743	353
Max. Delta	0	53	3272	2584	6014	6353	1602	981	1354
Min. Delta	5	-3190	-1709	-1326	-58	-123	-1526	-984	-1168



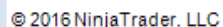
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Some limitations – market and volume.

Markets that have less volume tend to have less imbalances.

When you are looking at Major Imbalances in a thin market, its even less.

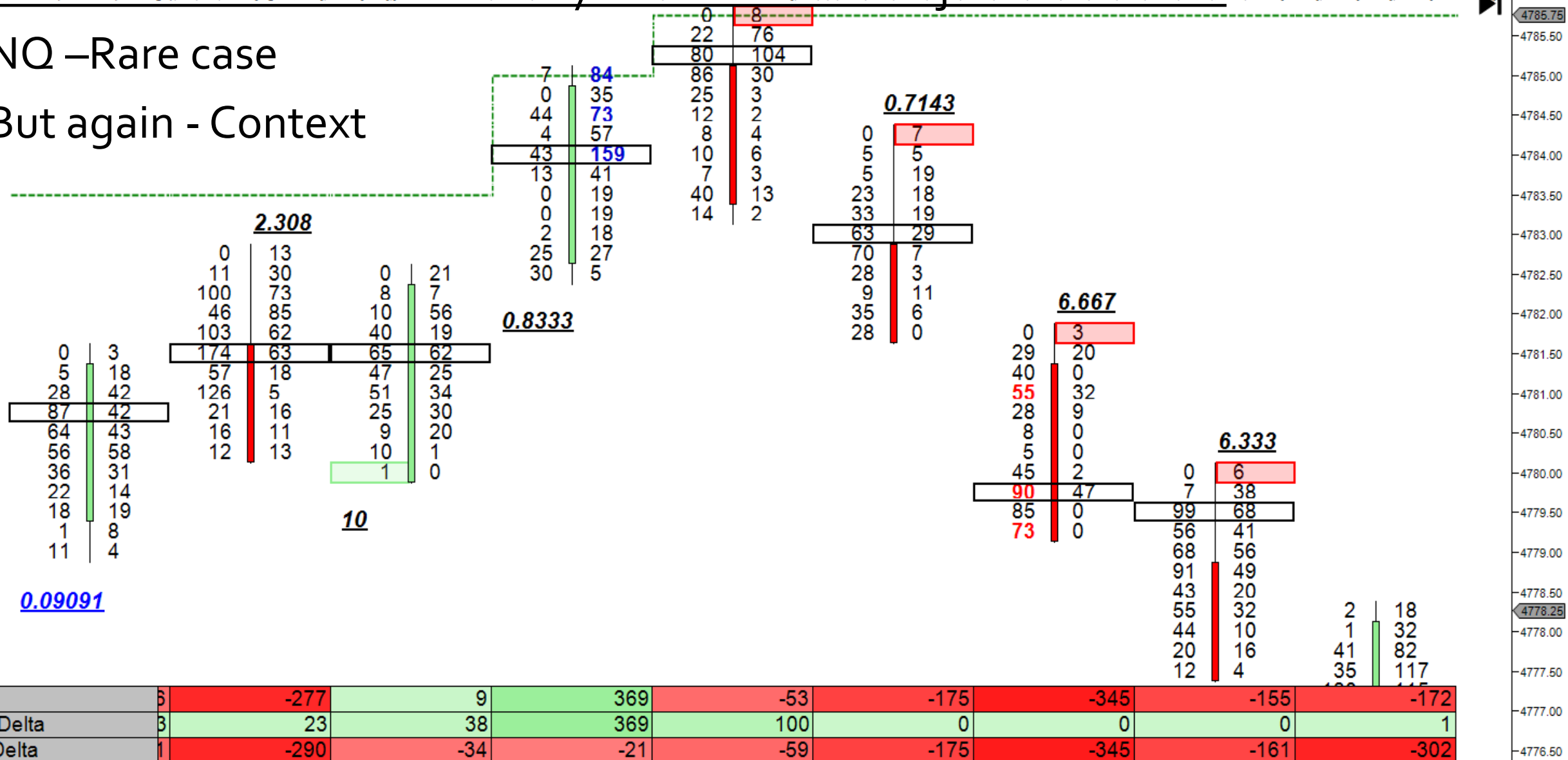
YM – Not a lot of volume



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NQ –Rare case

But again - Context



0.09091

0.8333

0.7143

2.308

6.667

6.333

10

Orderflows Inner Circle Weekly Webinar #8 – Major Imbalances

Cluster of 3.

3 imbalances over 1000% either in one bar or spread out over 2 bars.

Bars should be in same direction.

Take trades in context of the market.

Thank You!