Orderflows Inner Circle Weekly Webinar #9

LONGER DURATIONS

Trading Order Flow With Longer Duration Charts

Orderflows Inner Circle Weekly Webinar #9 – Longer Durations

The precursor to order flow is Market Profile.

Market profile is based on 30 minute time frames in a search for value.

I liked market profile when it first came out. I spent a lot of time with it.

My experience with market profile has shaped my thoughts on order flow.

Orderflows Inner Circle Weekly Webinar #9 – Longer Durations

A question I get asked a lot in regards to order flow is can I use order flow with longer term charts?

I used to have a longer term view of the market. I would hold for hours. My style has changed over time especially as my available time has gotten more limited.

Orderflows Inner Circle Weekly Webinar #9 – Longer Durations

For a method of trading to be sustainable it should work on just about any market in just about any time frame. I say "just about" because nothing is 100% certain.

When someone says they have a way to trade crude on 25 second charts that it only works with crude, then my senses raise up and I tend to play devils advocate because I have a feeling that the system is curve fitted or optimized. Which is probably the worst thing you would want as a trader.

Trading is a numbers game in that you need to be able to survive long enough to catch the good trades.

Orderflows Inner Circle Weekly Webinar #9 – Longer Durations

What do I consider a longer duration?

15 minute – 30 minute

10 range chart

Orderflows Inner Circle Weekly Webinar #9 – Longer Durations

Look for same things

- Stacked imbalances.
- Ratios
- Delta changes

This presentation will focus on stacked imbalances.

Orderflows Inner Circle Weekly Webinar #9 – Longer Durations

Why are stacked imbalances so important, especially on longer durations?

It often represents a new flow of orders coming to the market which has the potential to create support or resistance.

That is the benefit of understanding order flow is it shows you when new order flow is coming to the market.

Orderflows Inner Circle Weekly Webinar #9 – Longer Durations

What is new order flow? Long term money either getting into or out of the market. Long term money is the money that supports a move up or offers resistance on a move lower.

Orderflows Inner Circle Weekly Webinar #9 – Longer Durations

You hear a lot of people saying they approach the market with a “top down approach”. That phrase actually originated with market profile traders.

What it means is to start your day looking at monthly charts, then weekly charts, then daily charts, then intraday charts. Knowing where the reference points are so when the market gets to that area they can react accordingly.

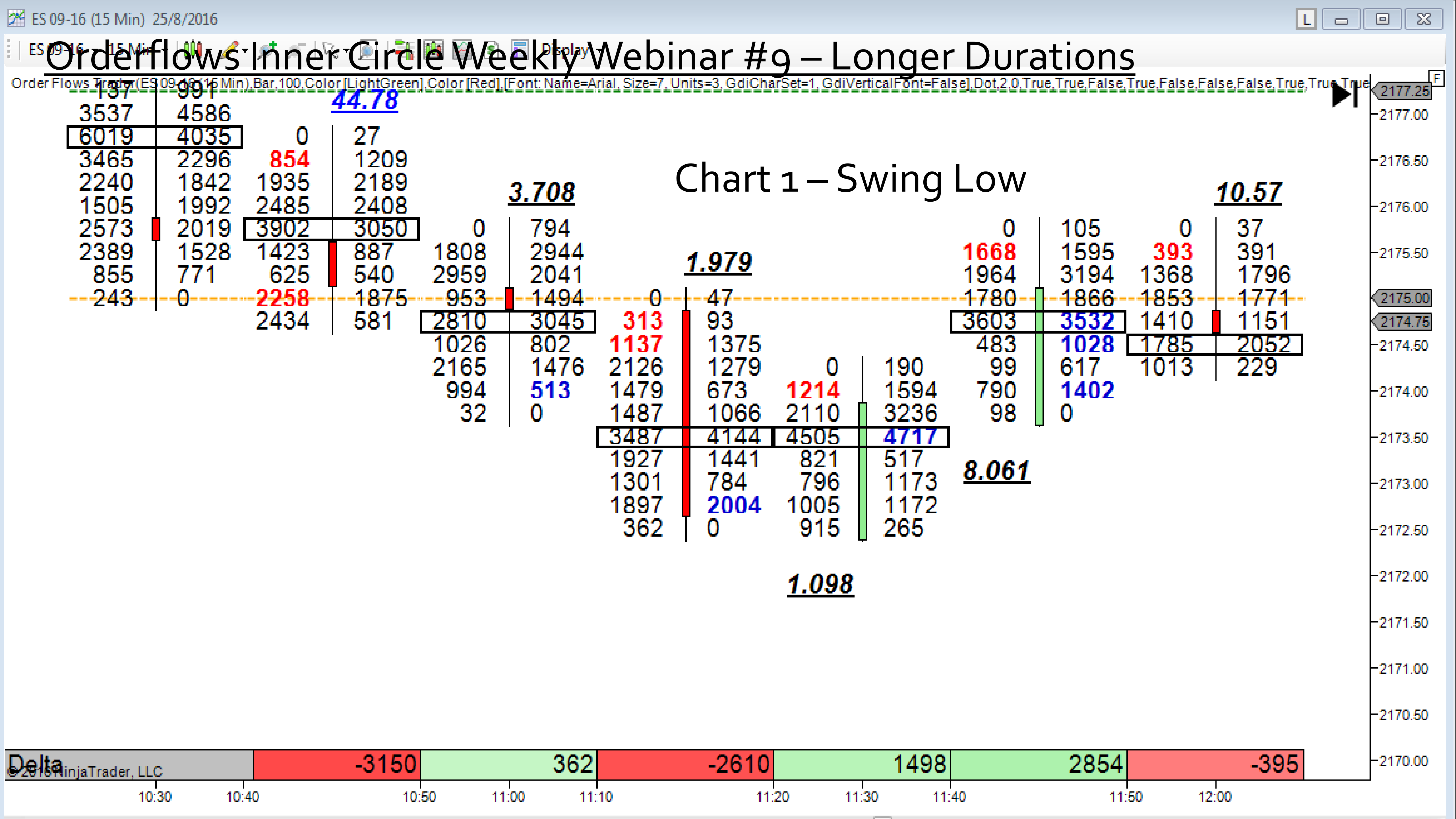
Order flow is similar. You want to have an idea of where the market may react or travel to.

But what do you do once the day starts and trading is happening?

Orderflows Inner Circle Weekly Webinar #9 – Longer Durations

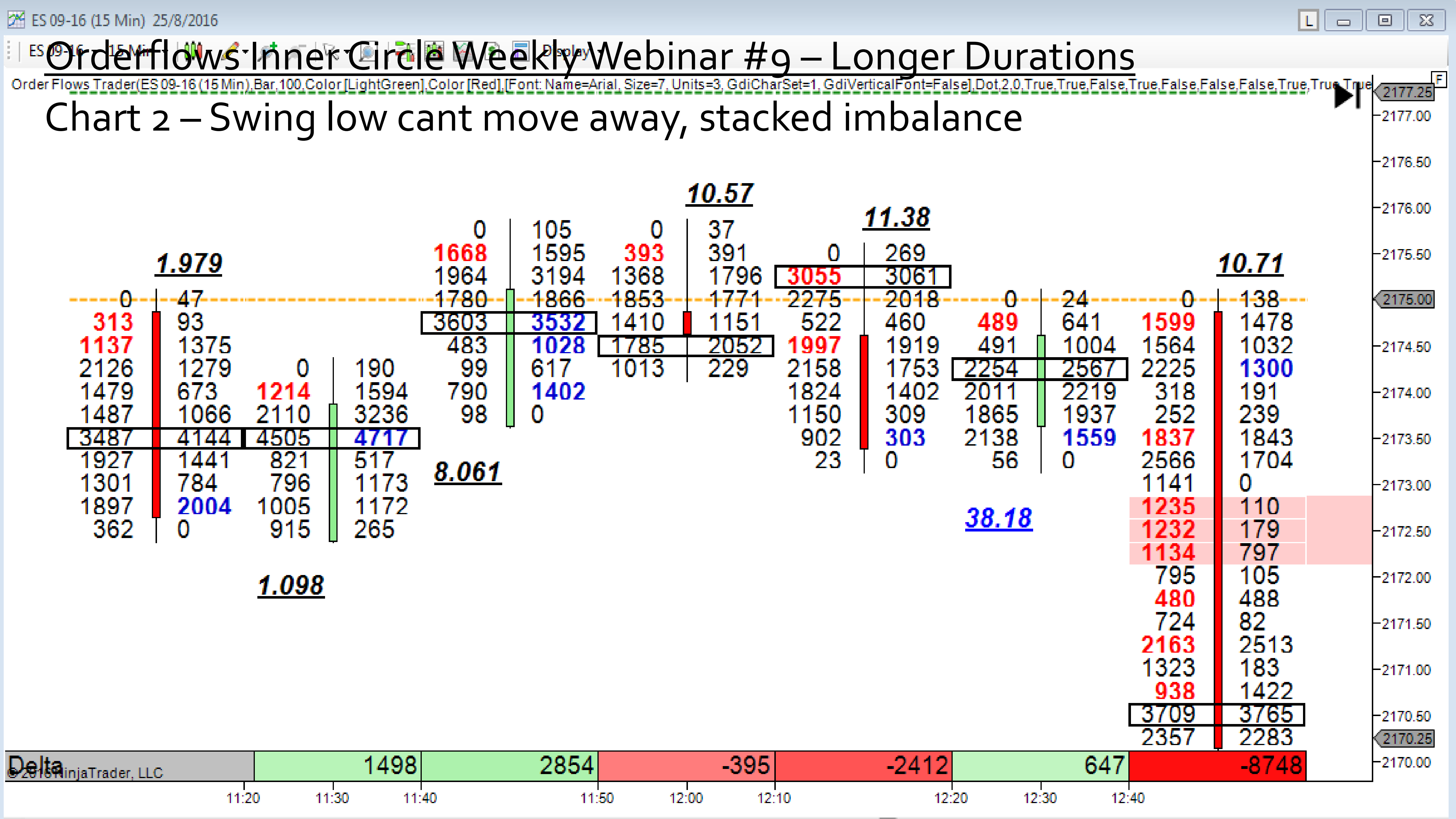
I run 15 minute and 30 minute charts to see areas of market generated support and resistance levels in the order flow.

Orderflows Inner Circle Weekly Webinar #9 – Longer Durations



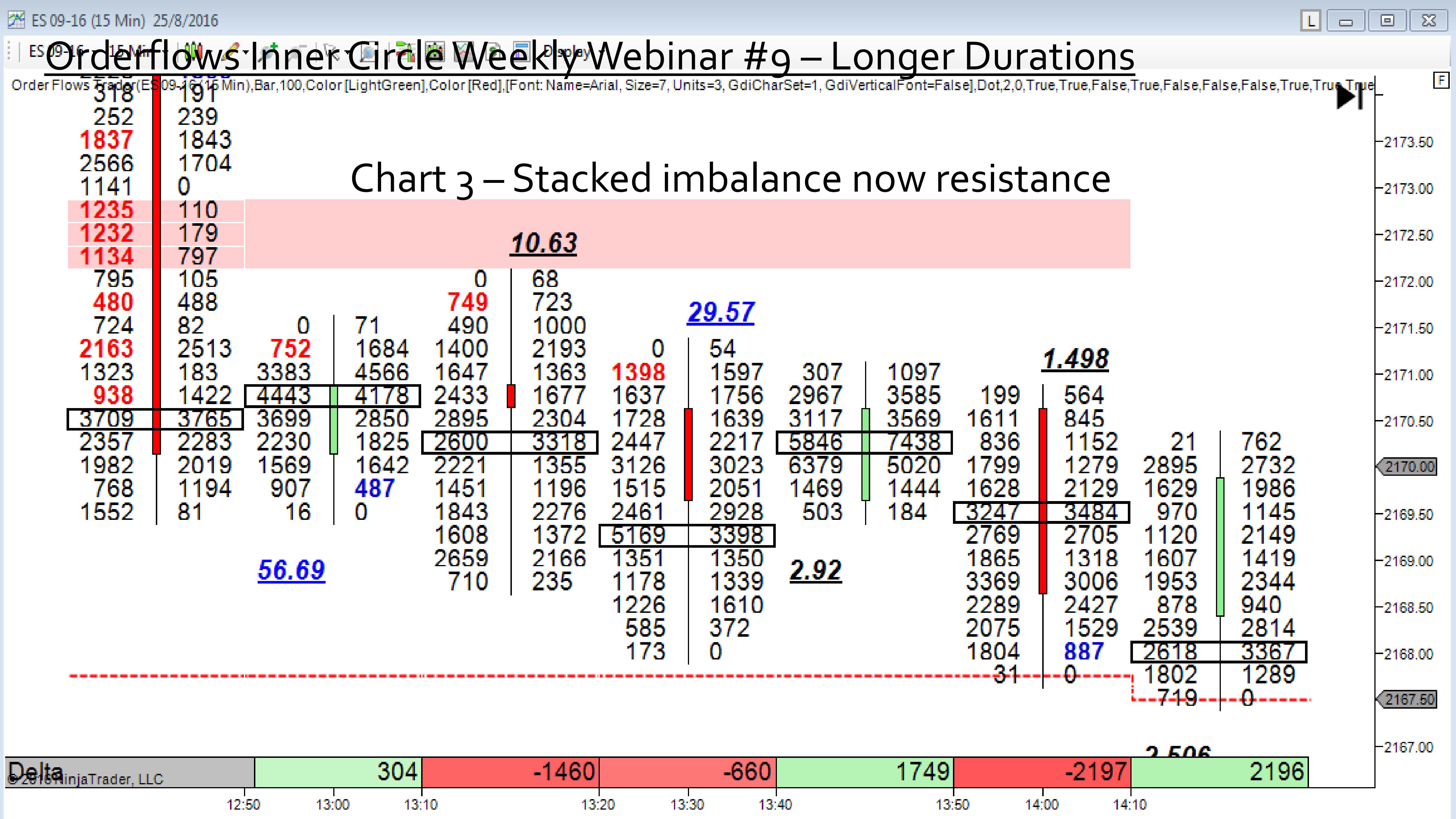
Orderflows Inner Circle Weekly Webinar #9 – Longer Durations

Chart 2 – Swing low cant move away, stacked imbalance



Orderflows Inner Circle Weekly Webinar #9 – Longer Durations

Chart 3 – Stacked imbalance now resistance

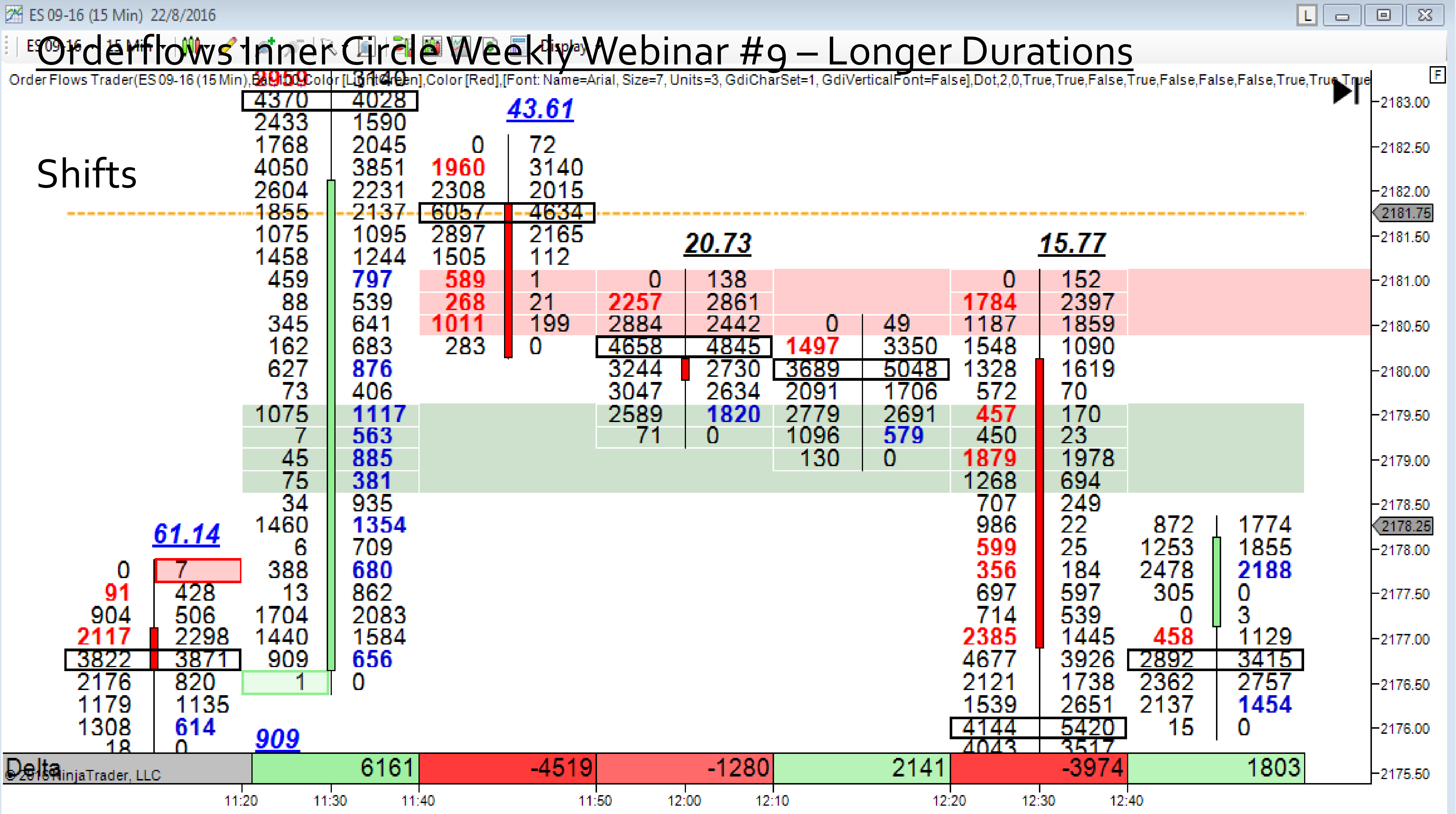


Orderflows Inner Circle Weekly Webinar #9 – Longer Durations

Shifts in aggressive buyers and sellers on longer duration charts.

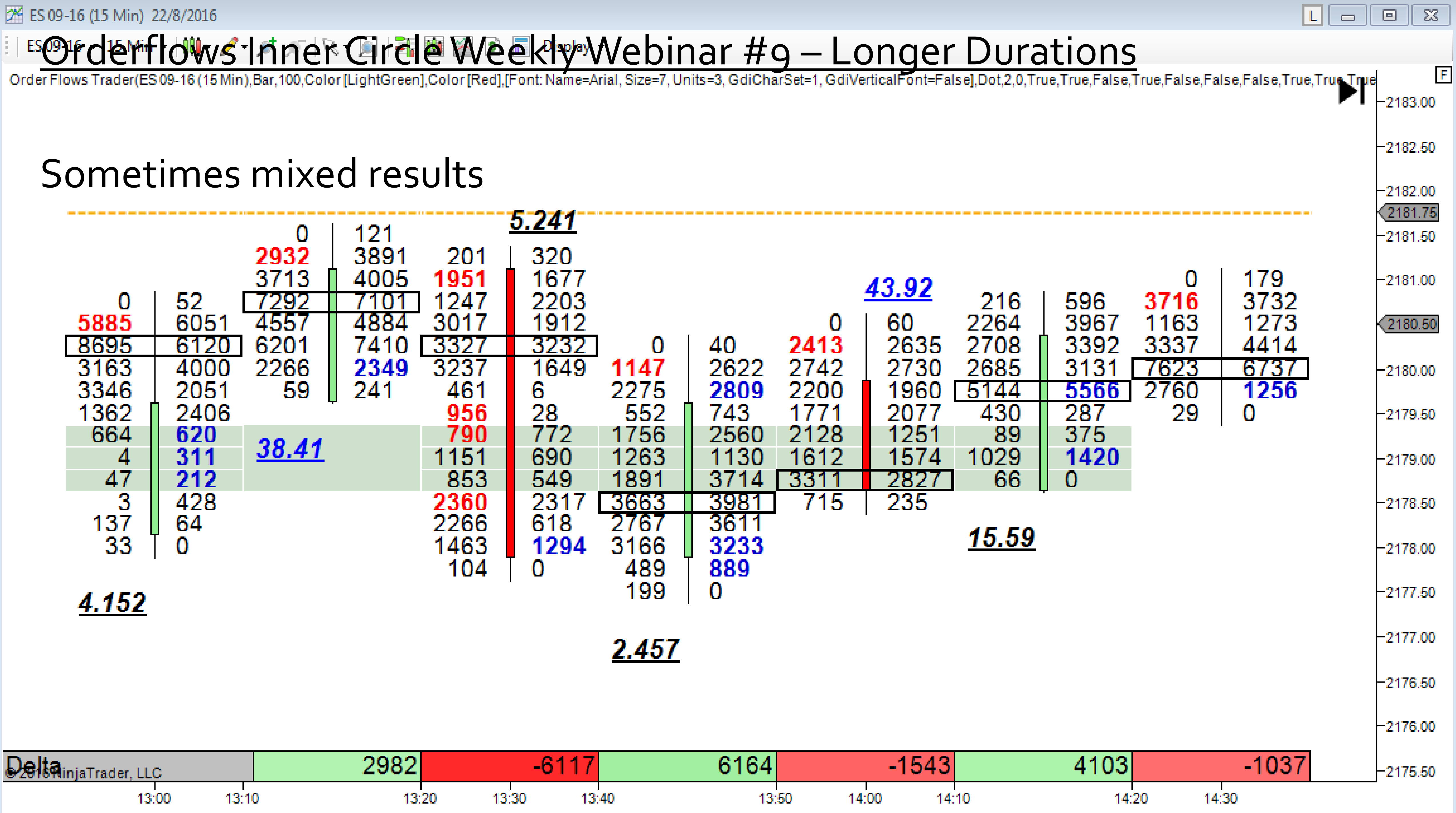
Orderflows Inner Circle Weekly Webinar #9 – Longer Durations

Shifts



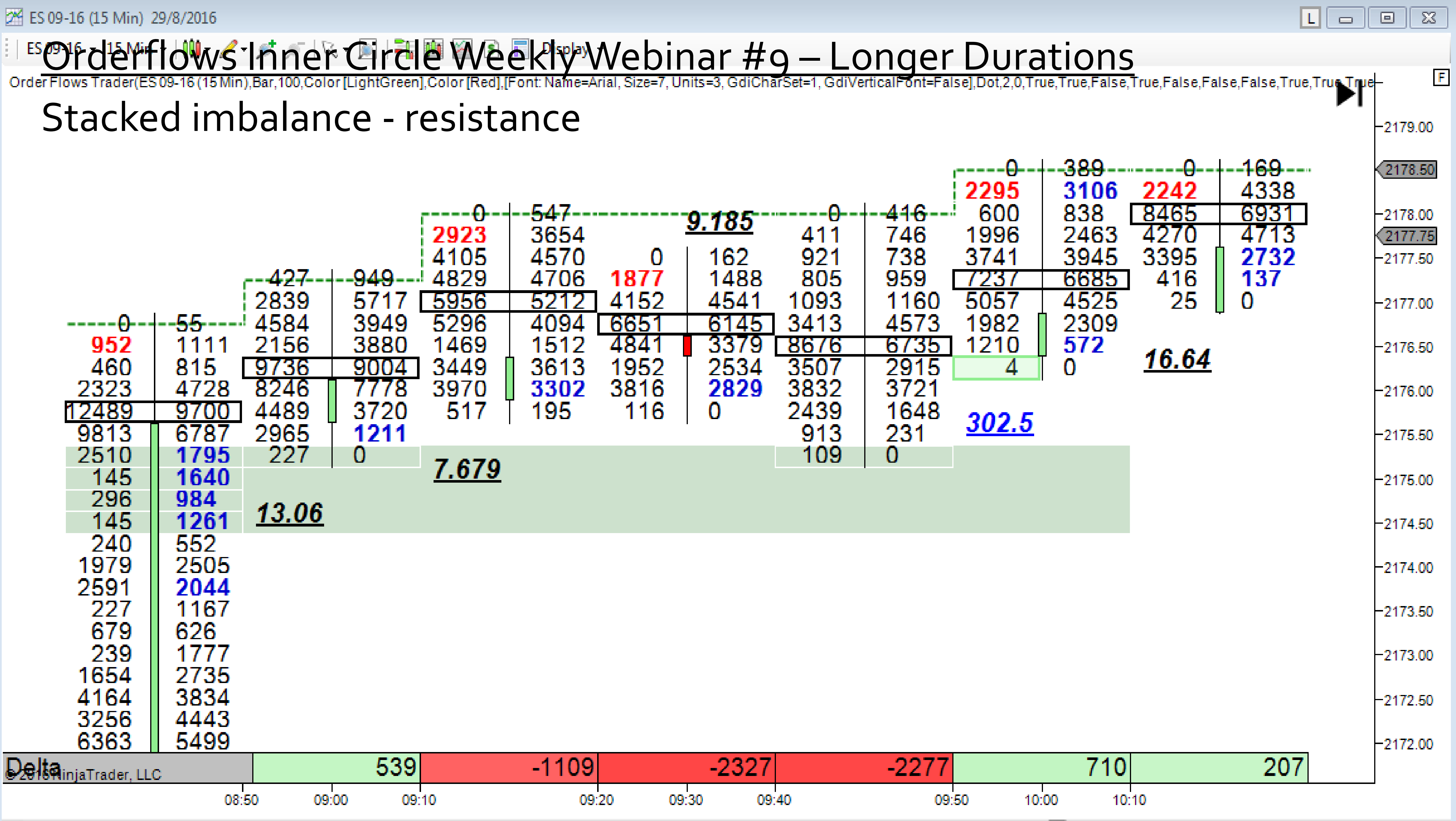
Orderflows Inner Circle Weekly Webinar #9 – Longer Durations

Sometimes mixed results



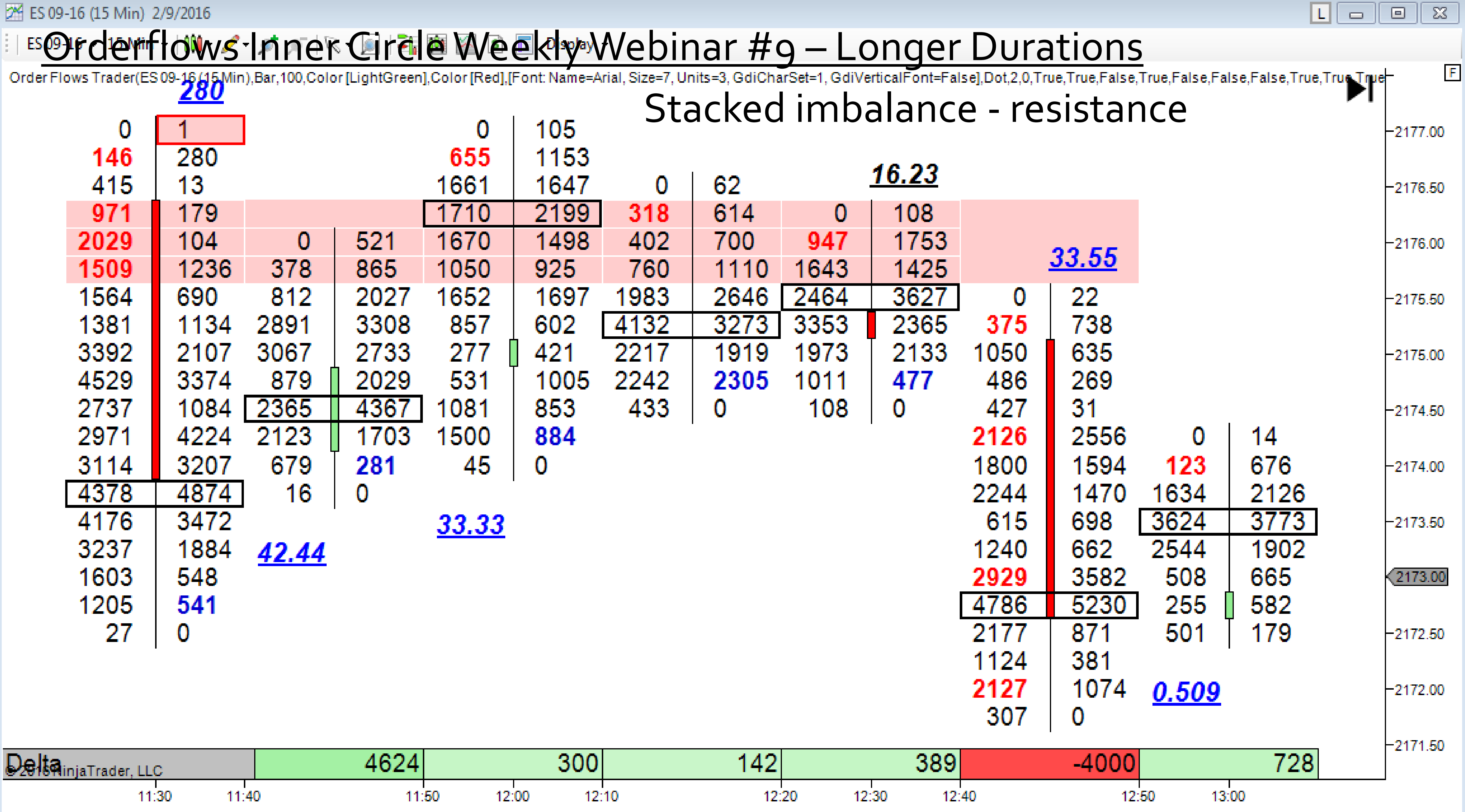
Orderflows Inner Circle Weekly Webinar #9 – Longer Durations

Stacked imbalance - resistance



Orderflows Inner Circle Weekly Webinar #9 – Longer Durations

Stacked imbalance - resistance

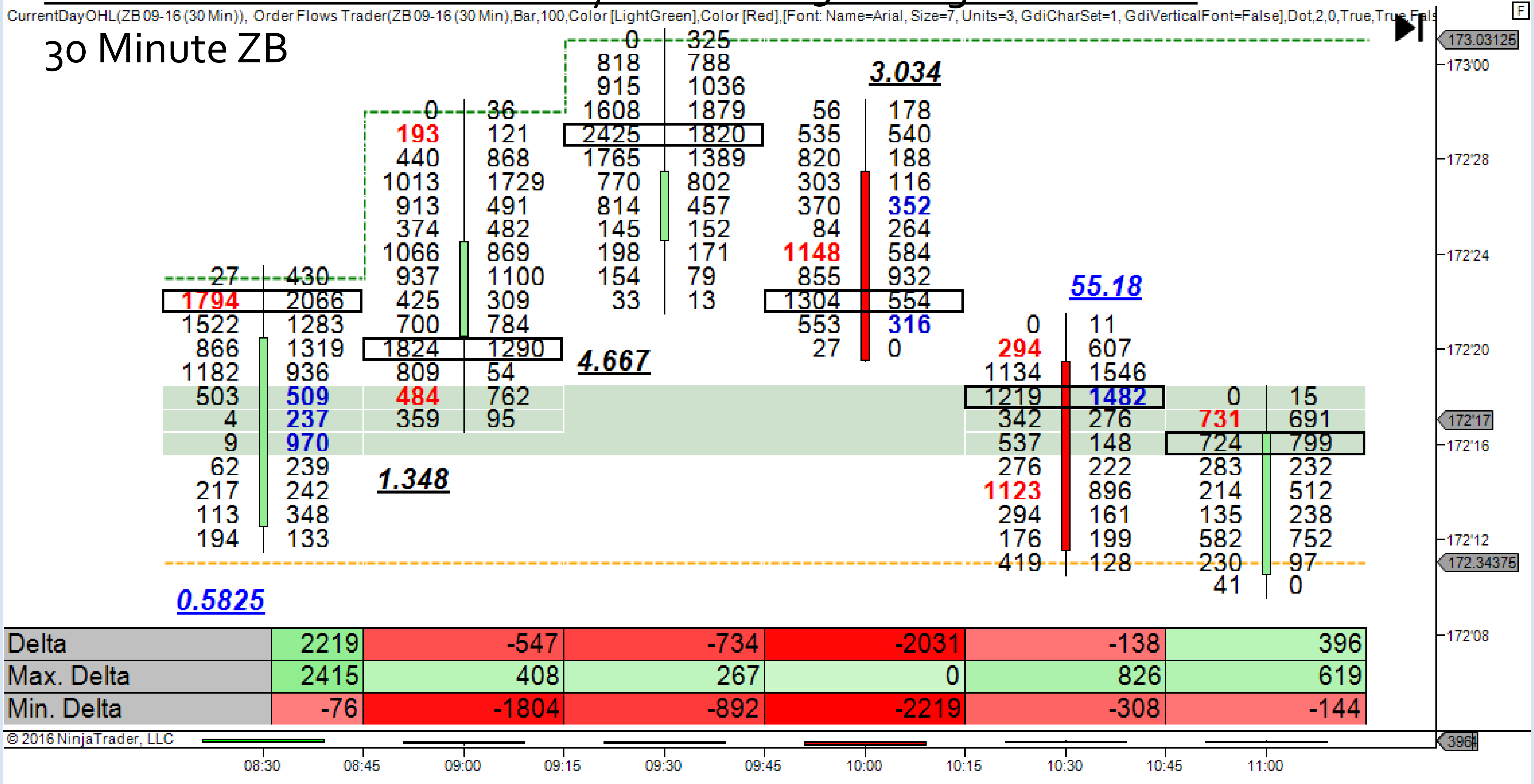


Orderflows Inner Circle Weekly Webinar #9 – Longer Durations

Let's drill down a bit. 30 minute charts with imbalances then look at same time on a short term chart and hopefully you can see the value of using longer duration charts with short duration charts.

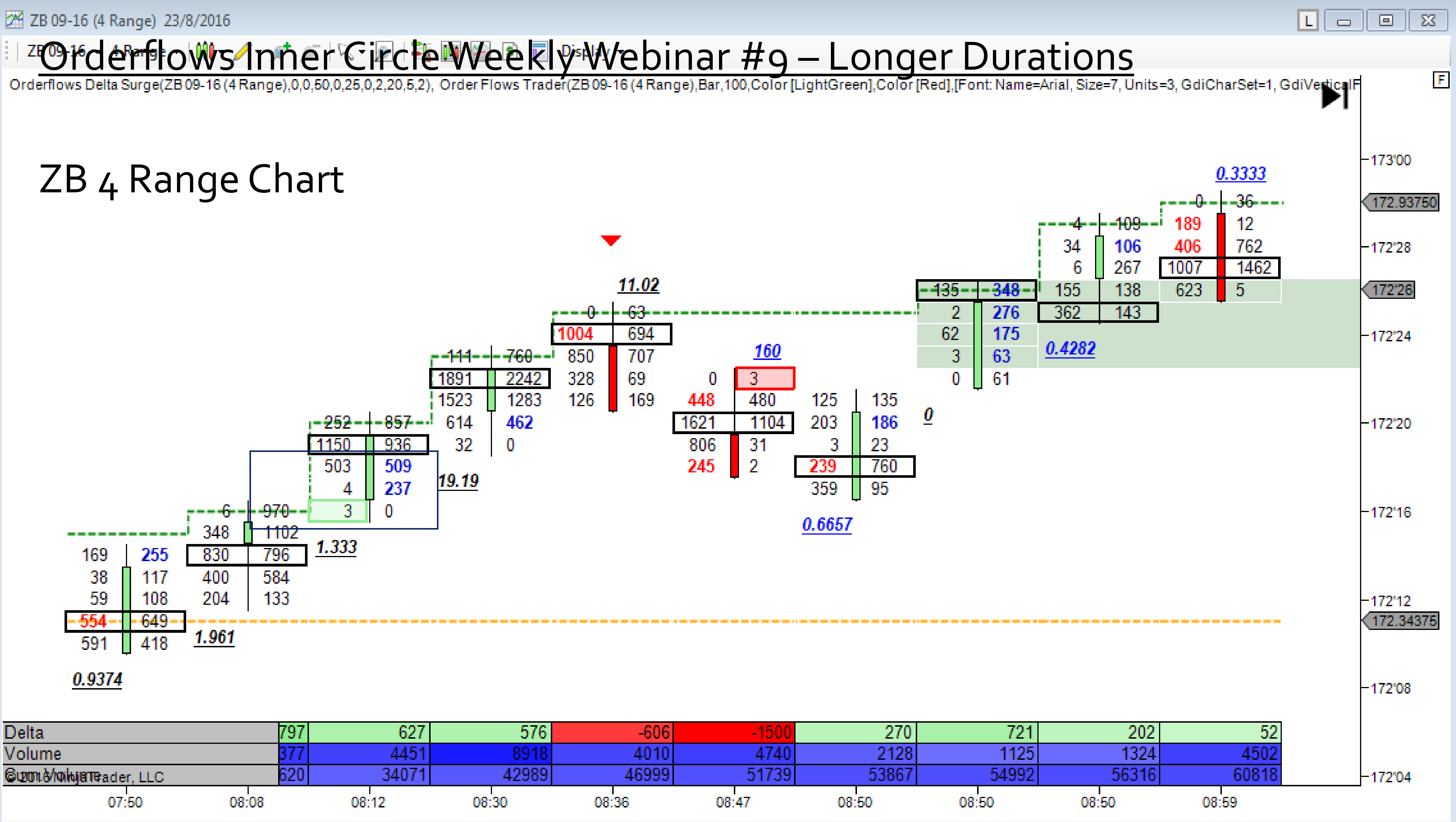
Orderflows Inner Circle Weekly Webinar #9 – Longer Durations

30 Minute ZB



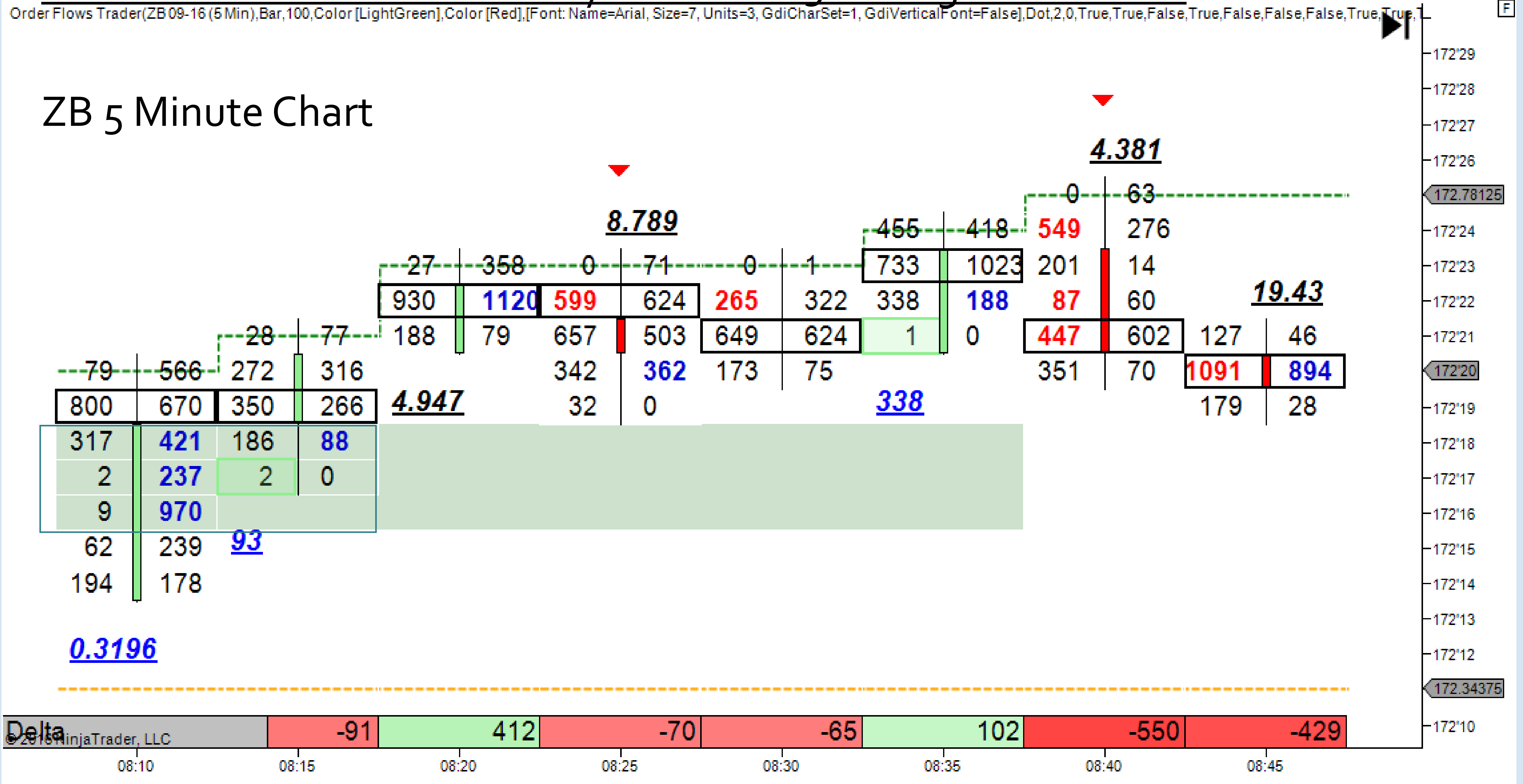
Orderflows Inner Circle Weekly Webinar #9 – Longer Durations

ZB 4 Range Chart



Orderflows Inner Circle Weekly Webinar #9 – Longer Durations

ZB 5 Minute Chart

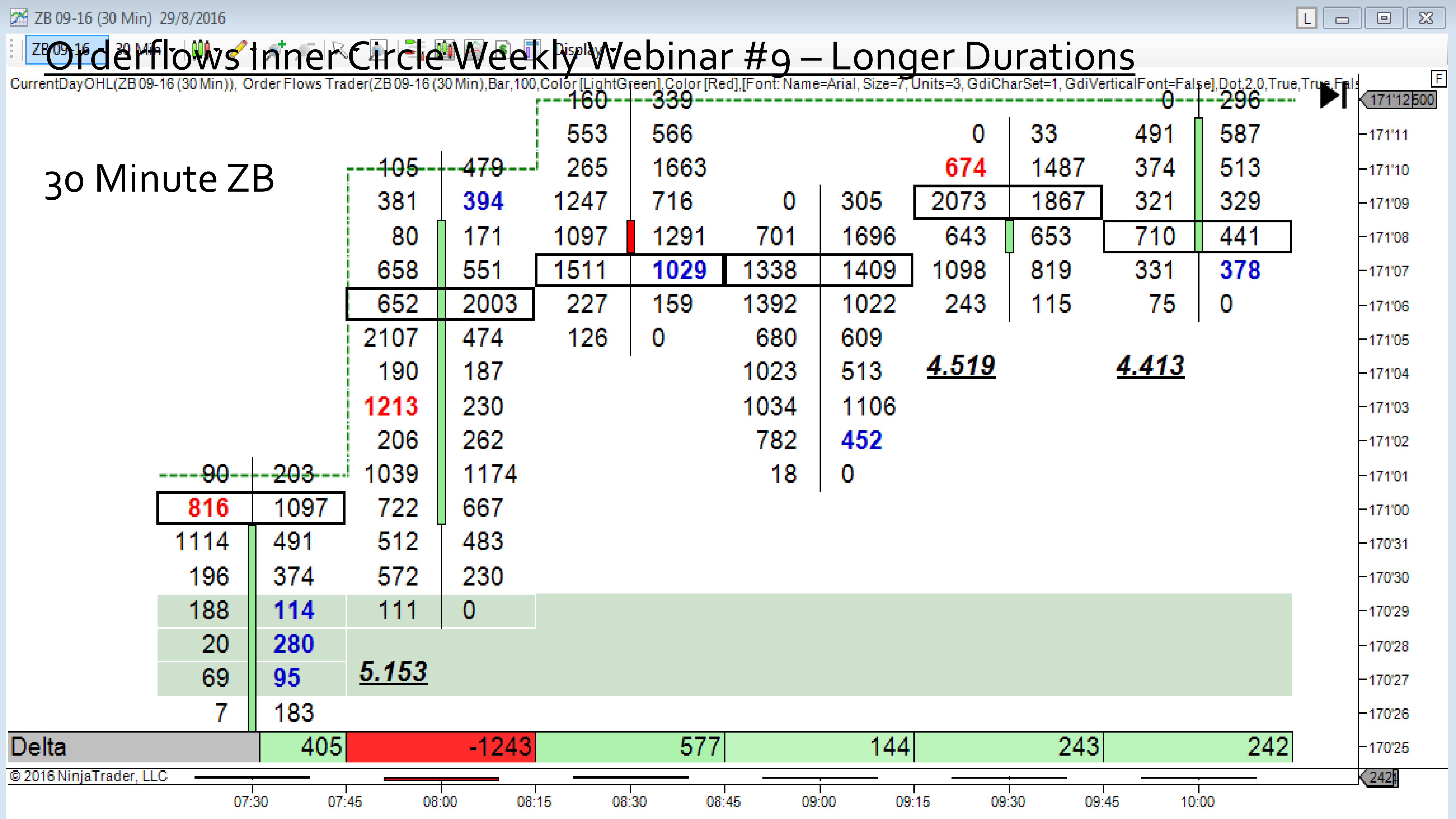


Orderflows Inner Circle Weekly Webinar #9 – Longer Durations

Let’s drill down a bit. 30 minute charts with imbalances then look at same time on a short term chart.

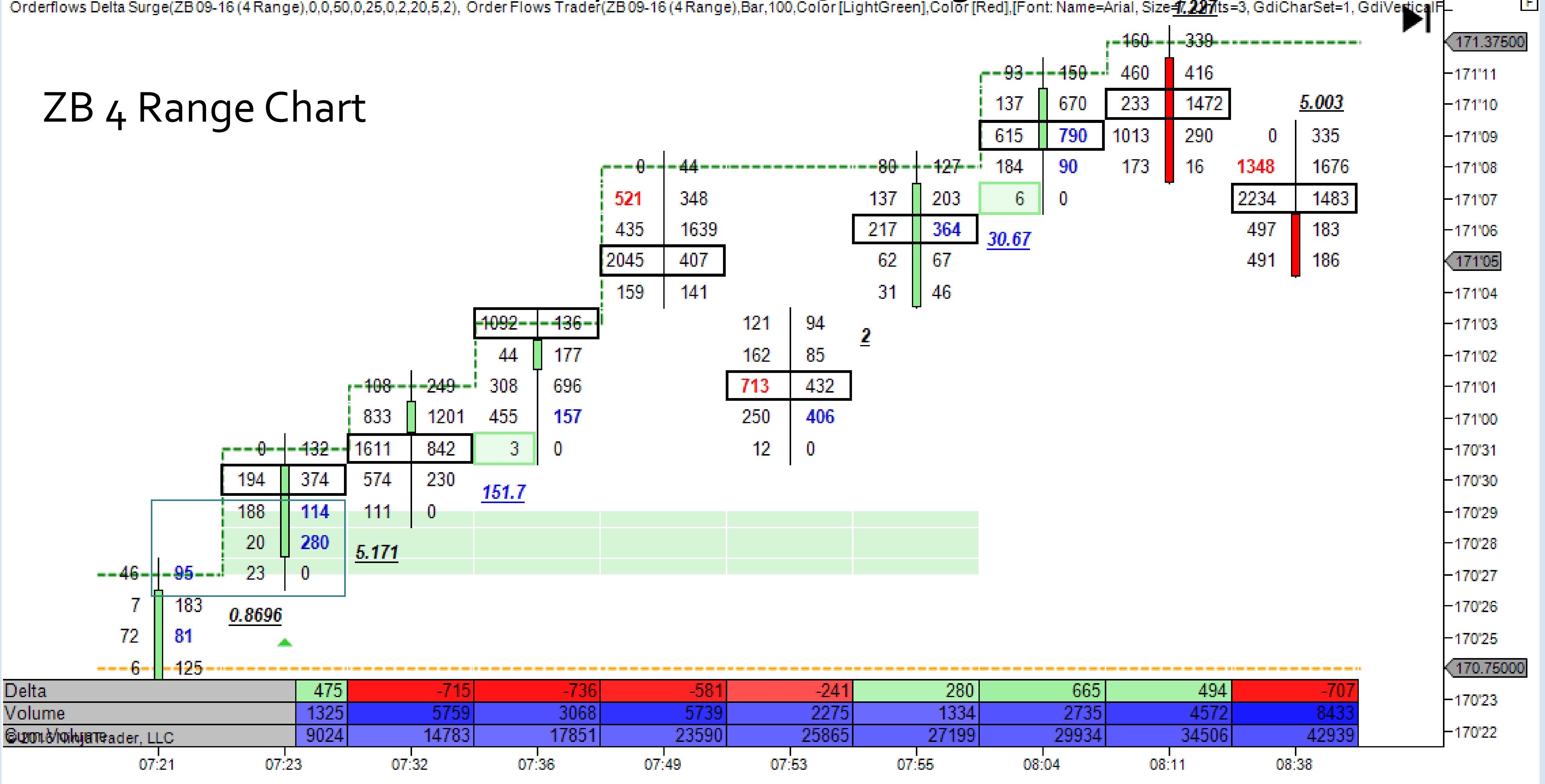
Orderflows Inner Circle Weekly Webinar #9 – Longer Durations

30 Minute ZB



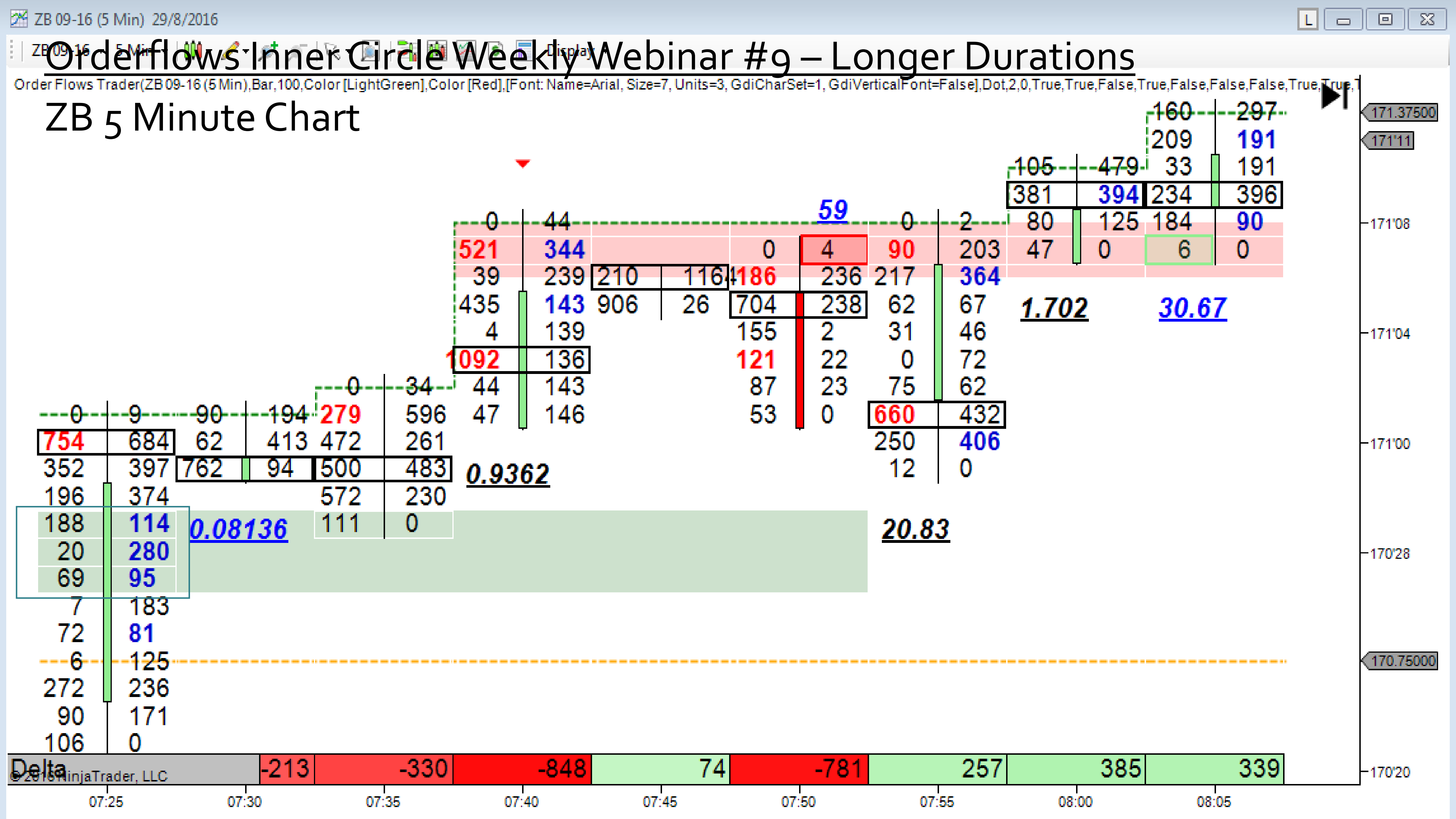
Orderflows Inner Circle Weekly Webinar #9 – Longer Durations

ZB 4 Range Chart



Orderflows Inner Circle Weekly Webinar #9 – Longer Durations

ZB 5 Minute Chart



Orderflows Inner Circle Weekly Webinar #9 – Longer Durations

The problem with comparing a 30 minute chart, 4 range chart and 5 minute chart is when you look back on a 30 minute chart and think "oh an imbalance, I should take it." Well, has the bar closed? Or is it still forming?

With stacked imbalances you should wait for a bar to close because a stacked imbalance can disappear pretty fast while a bar is still forming. Then you no longer have a stacked imbalance.

Orderflows Inner Circle Weekly Webinar #9 – Longer Durations

The problem with day trading is that day traders expect to get a big move everyday when you don't get one at all.

You have to pick your spots everyday and get the best setups to get the best moves.

Looking at longer duration can help you pick better spots.

Thank You!