

Orderflows Inner Circle Weekly Webinar #11

THE OBVIOUS

Knowing What To Look For

Orderflows Inner Circle Weekly Webinar #11 – The Obvious

Some of the questions I get asked often are what is my favorite trade set up?
Or which indicator do I favor most?

I don't have one specific thing I look for in the market. There are many things. Sometimes it is a combination of things.

Somedays I come in not expecting to trade, but being a trader, you trade, and sometimes the market sets things up for you that is so clear it is what I call "The Obvious."

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Often times we look right at something and don't realize we actually found it and keep looking for it. What I mean is we can be looking for reasons for a market turn and not see it as it is happening.

As a trader what you want are the moves, 3 points, 5 points, 10 points in the ES. A buck move in the CL. I am not interested in a tick here or a tick there. That's scraps.

Think about how a hedge fund makes money. 80% of their profits come from 20% of the their trades. They catch the big moves. They don't make their money from lots of small trades.

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Each week I have been talking about a different way to use order flow.

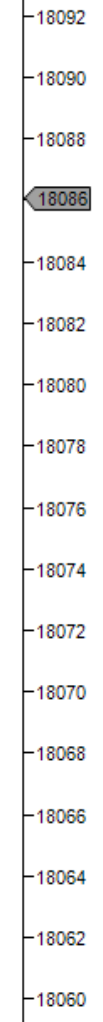
I don't expect you to apply every single one to your daily trading. Its more of a frame work for you to build your trading method around.

What works for one trader may not work for another trader. No two traders will trade exactly alike.

I believe a trader has to make a personal journey to find what works for him. What he can stomach and what he understands.

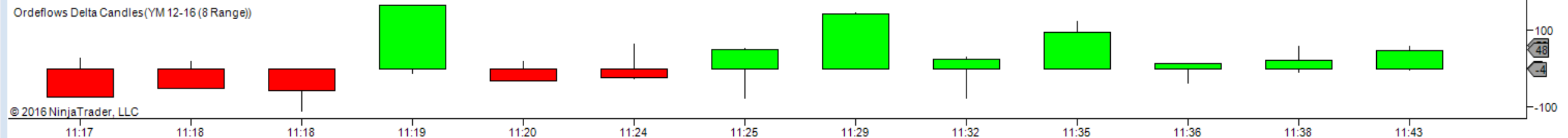
[White], c

Double bottom low with Single Print



A vertical number line with tick marks at 100, 48, -4, and -100. Arrows point from 100 to 48 and from 48 to -4.

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There are many aspects of trading that are difficult to control, both externally and internally. There are things occurring daily that we as traders have absolutely no control over.

But this discussion highlights what we can control as traders:

1. Organizing the market data correctly.
2. Knowing what to look for.
3. Having a trading plan to capitalize on the opportunities that the market presents.

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I often say you can only take what the market gives you. While I like to get points and not ticks, sometimes that is all the market gives you.

But you should always be on the lookout for the big moves, areas where the market seems to be turning. Moves away from value.

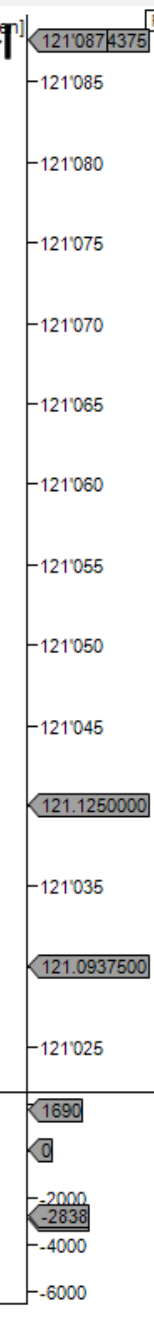
What I call “The Obvious”.

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I have been around successful traders my entire career. They each have their own way of trading. But they all look for what they call their “slam dunk” trade. I prefer to call it “The Obvious” trade.

ZF 4 Range POC at swing low and selling imbalance

9 | 114



A vertical number line with tick marks and labels. The labels are: 121'085, 121'080, 121'075, 121'070, 121'065, 121'060, 121'055, 121'050, 121'045, 121.1250000, 121'035, 121.0937500, 121'025, 1690, 0, -2000, -2838, -4000, -6000. The numbers 121.1250000 and 121.0937500 are highlighted with a grey background.

Ordeflows Delta Candles(ZF 12-16 (4 Range))

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It is easy to see the obvious levels you should have bought or sold after the fact. The hard part is seeing them as they are happening.

We often get caught up in all the minutia of the market that we overlook the obvious stuff as it happens right in front of us.

What are “The Obvious” trades?

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What do I consider my “Obvious Trades?”

Here are the easy ones that I am always looking for:

Single Prints at highs or lows.

Double tops (bottoms) with less volume.

Imbalances at extremes.

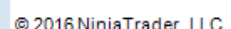
Extreme POC.

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Single prints occur when there is very little trade occurring at the edge of a bar. Its most effective at the end of a move.

Why is it important? It is often a sign of price rejection.

ZF 4 Range Single Print at HOD



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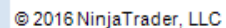
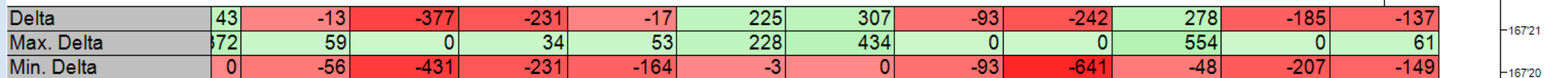
Double tops (bottoms) with less volume.

Why is this important? Again it is a sign of price rejection.

If you just made a high and circle back to it but on less volume, watch out. The market is definitely telling you something. Its telling you it is rejecting those prices.

ZB 1-min POC at HOD, double top with less volume

ZB 1-min POC at HOD, double top with less volume



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Imbalances are extremes.

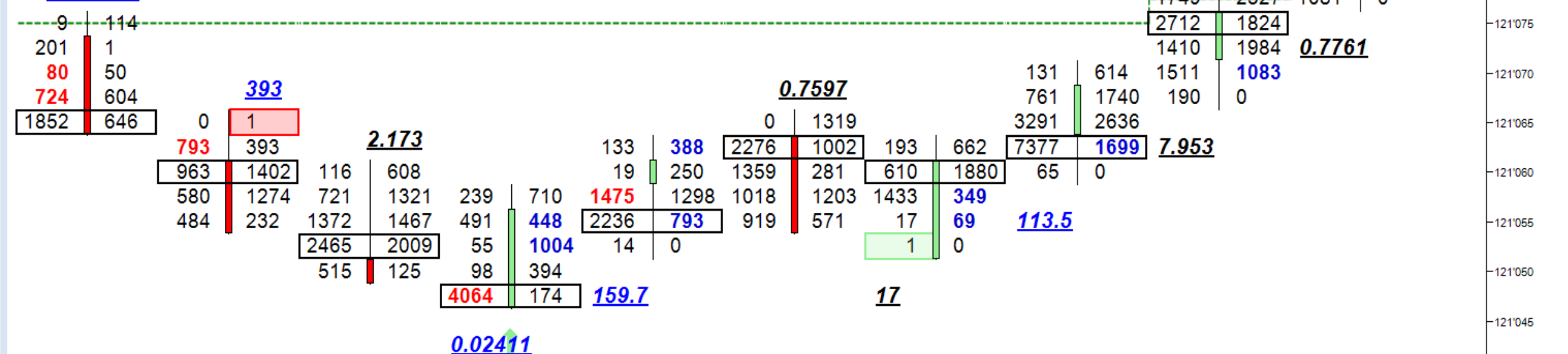
Indicates aggressive buying (if a buying imbalance) at a high and the market reversed. Indicates aggressive selling (if a selling imbalance) at a low and the market reversed.

Why is this important? Two reasons – First it shows that an aggressive move failed and the supply/demand view changed. Secondly it often shows areas of trapped traders.

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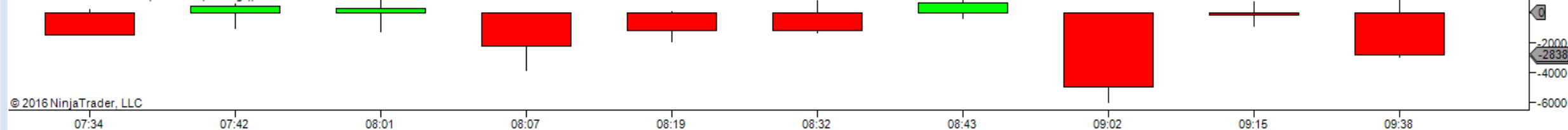
ZF 4 Range POC at swing low and selling imbalance

0.008772

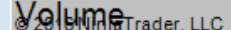


Delta	482	341	-2217	-1148	-1196	706	-4936	-154	-2838
Max. Delta	581	1344	0	63	804	1197	1	744	1690
Min. Delta	-1047	-1257	-3865	-1899	-1309	-336	-5979	-848	-2958

Orderflows Delta Candles(ZF 12-16 (4 Range))



5-min ES FOMC day



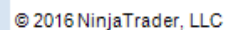
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Extreme POC.

When the POC of a bar is at either the top in a red (down) candle or the bottom of a green (up) candle.

ZF 4 Range POC at swing low after imbalance

ZF 4 Range POC at swing low after imbalance

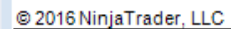


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Trading is about making decisions. Having go-to trades in your arsenal will help you make trading decisions.

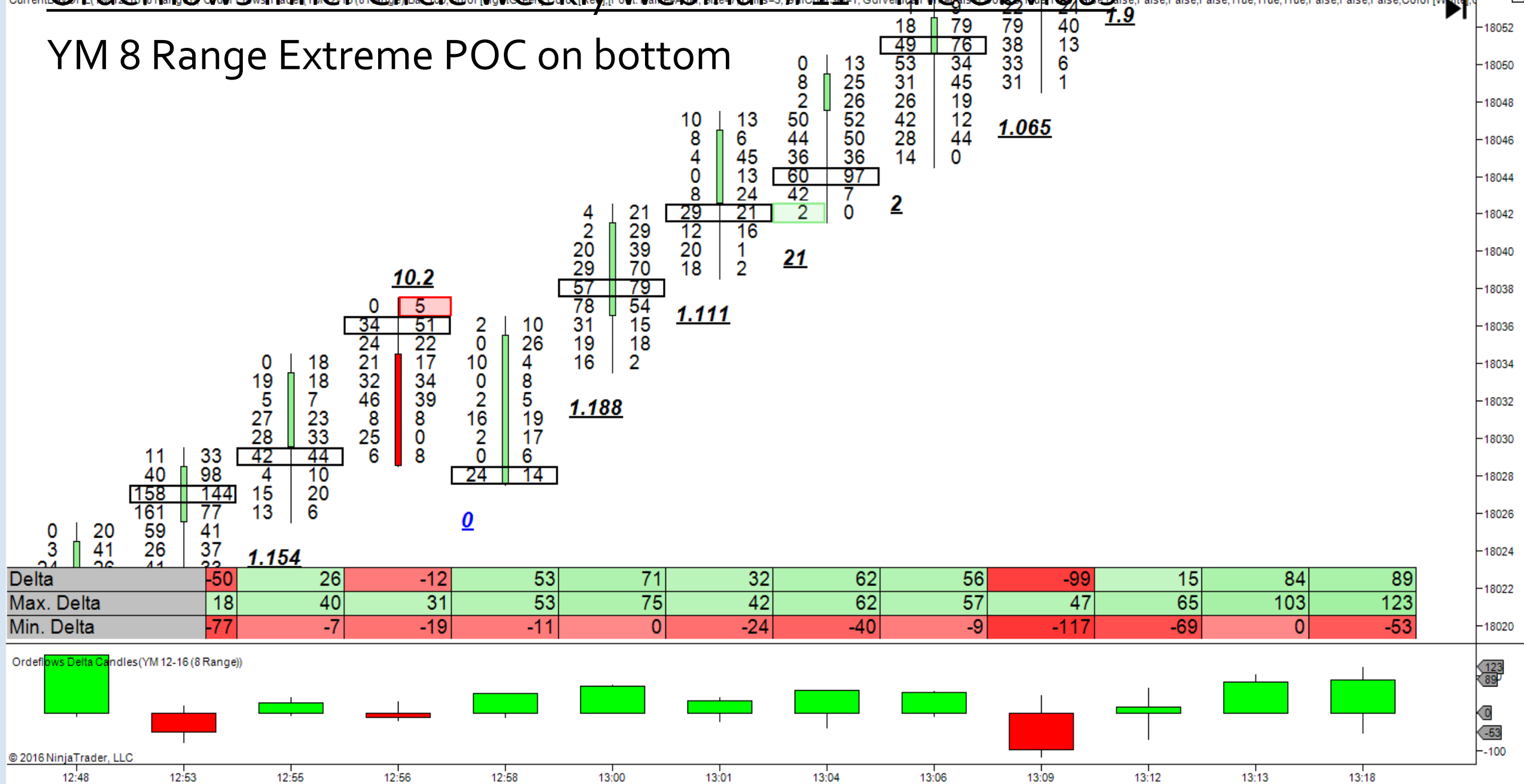
Let's dig deeper and I will take you through some examples...
(in no particular order)

Extreme POC on LOD then a single print LOD

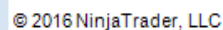


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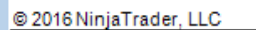
YM 8 Range Extreme POC on bottom



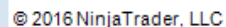
YM 8 Range POC on bottom



ZF 4 Range LOD Double bottom with less volume failed

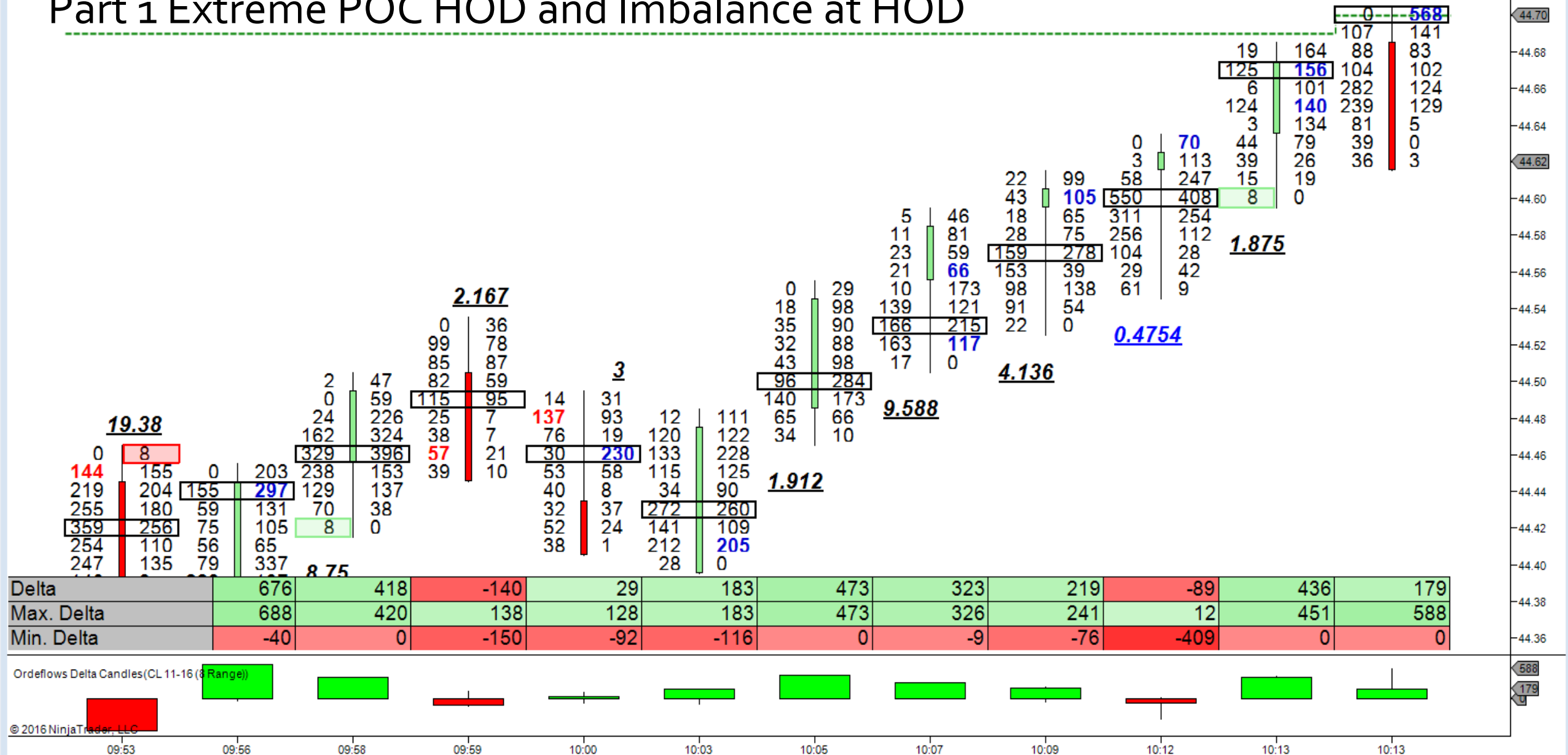


ZF 4 Range POC at swing high - fail

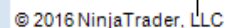
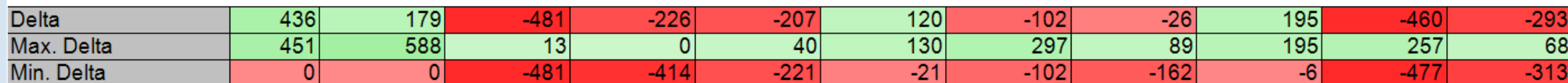


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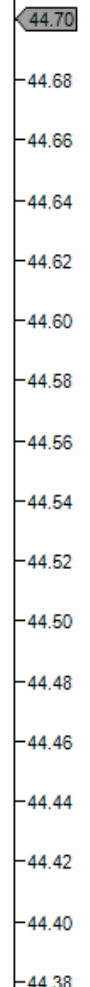
Part 1 Extreme POC HOD and Imbalance at HOD



Part 2

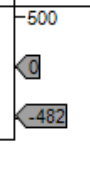


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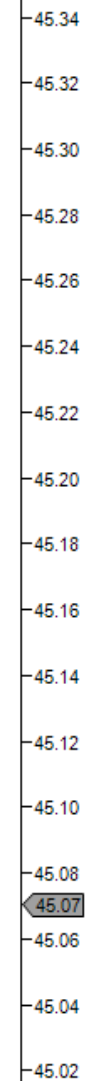


44.36

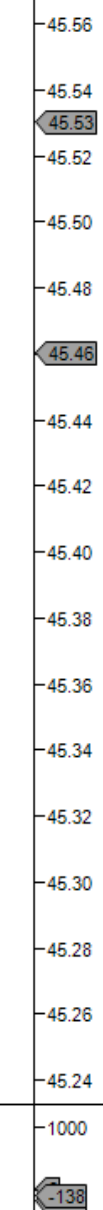
44.34



[White ▶



Double Top



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

This chart displays eight range candles for the CL 11-16 contract. The candles are green for up ranges and red for down ranges. The time intervals are 13:10, 13:11, 13:12, 13:13, 13:14, 13:15, 13:18, and 13:21. The price scale on the right ranges from -138 to 1000.

Time	Open	High	Low	Close
13:10	-138.5	-137.5	-139.5	-138.5
13:11	-138.5	-137.5	-139.5	-138.5
13:12	-138.5	-137.5	-139.5	-138.5
13:13	-138.5	-137.5	-139.5	-138.5
13:14	-138.5	-137.5	-139.5	-138.5
13:15	-138.5	-137.5	-139.5	-138.5
13:18	-138.5	-137.5	-139.5	-138.5
13:21	-138.5	-137.5	-139.5	-138.5

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3.093

0.9296

0.4337

0.8932

0.6944

7.368

7.786

46.17

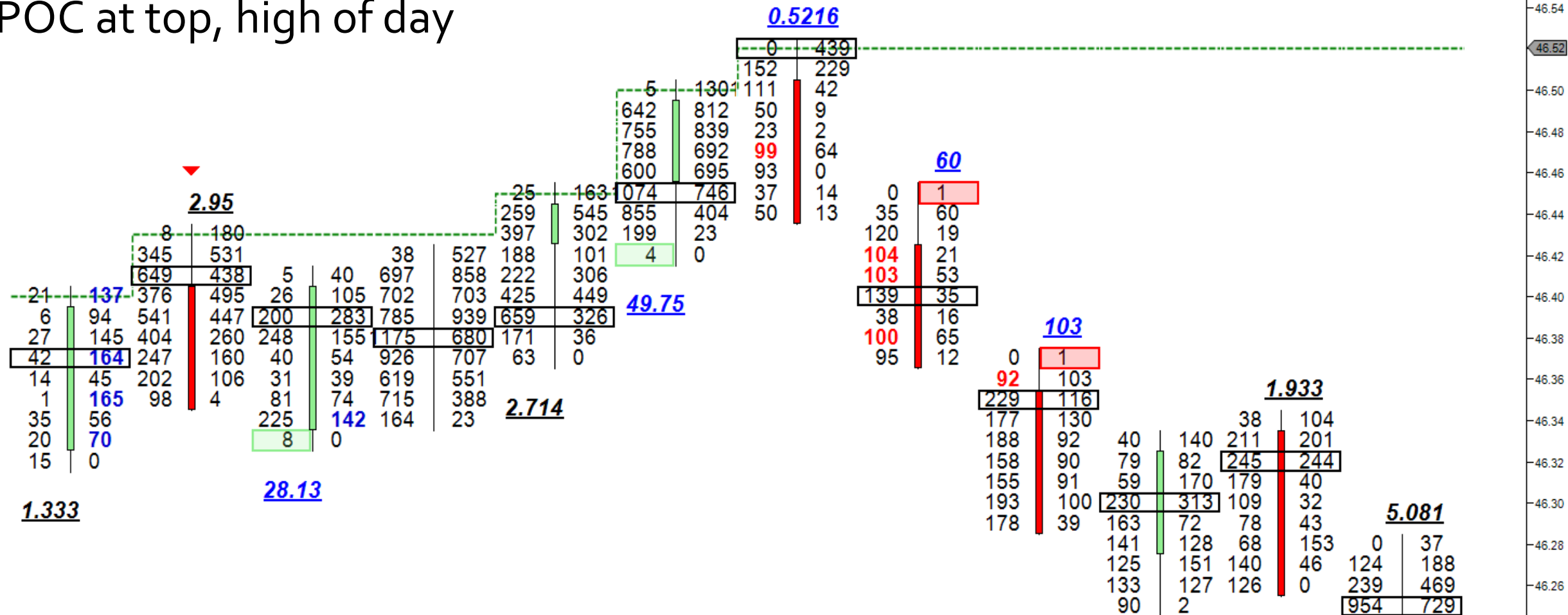
1.1

45.58
45.56
45.54
45.52
45.50
45.48
45.46
45.44
45.42
45.40
45.38
45.36
45.35
45.34
45.32
45.30
45.28
45.26
45.24

13:22

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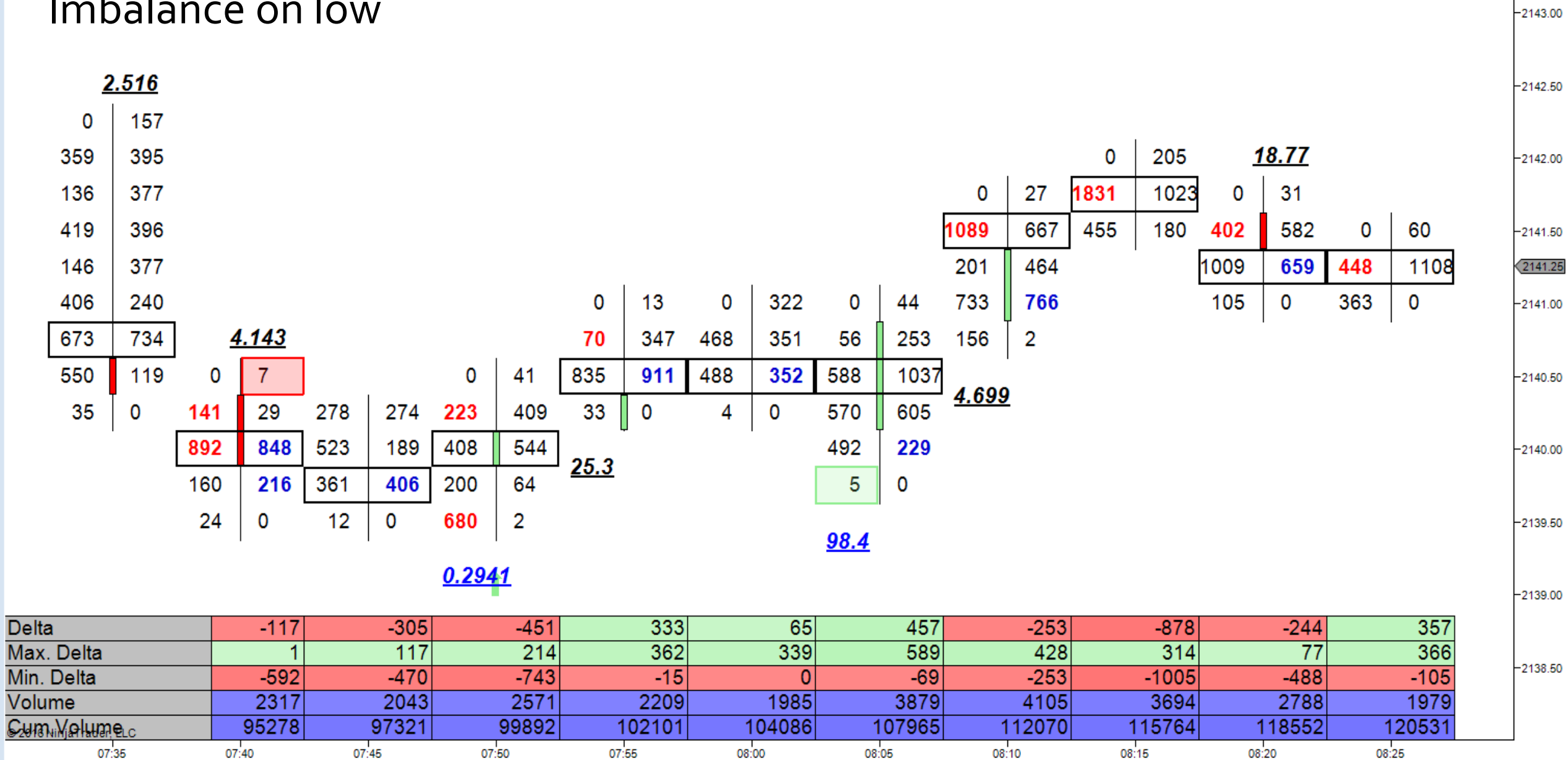
POC at top, high of day



Delta	-249	28	-445	-181	590	197	-452	-608	125	-331	-645
Max. Delta	448	69	133	226	927	514	0	0	125	18	8
Min. Delta	-253	-112	-636	-454	0	0	-453	-616	-169	-331	-661

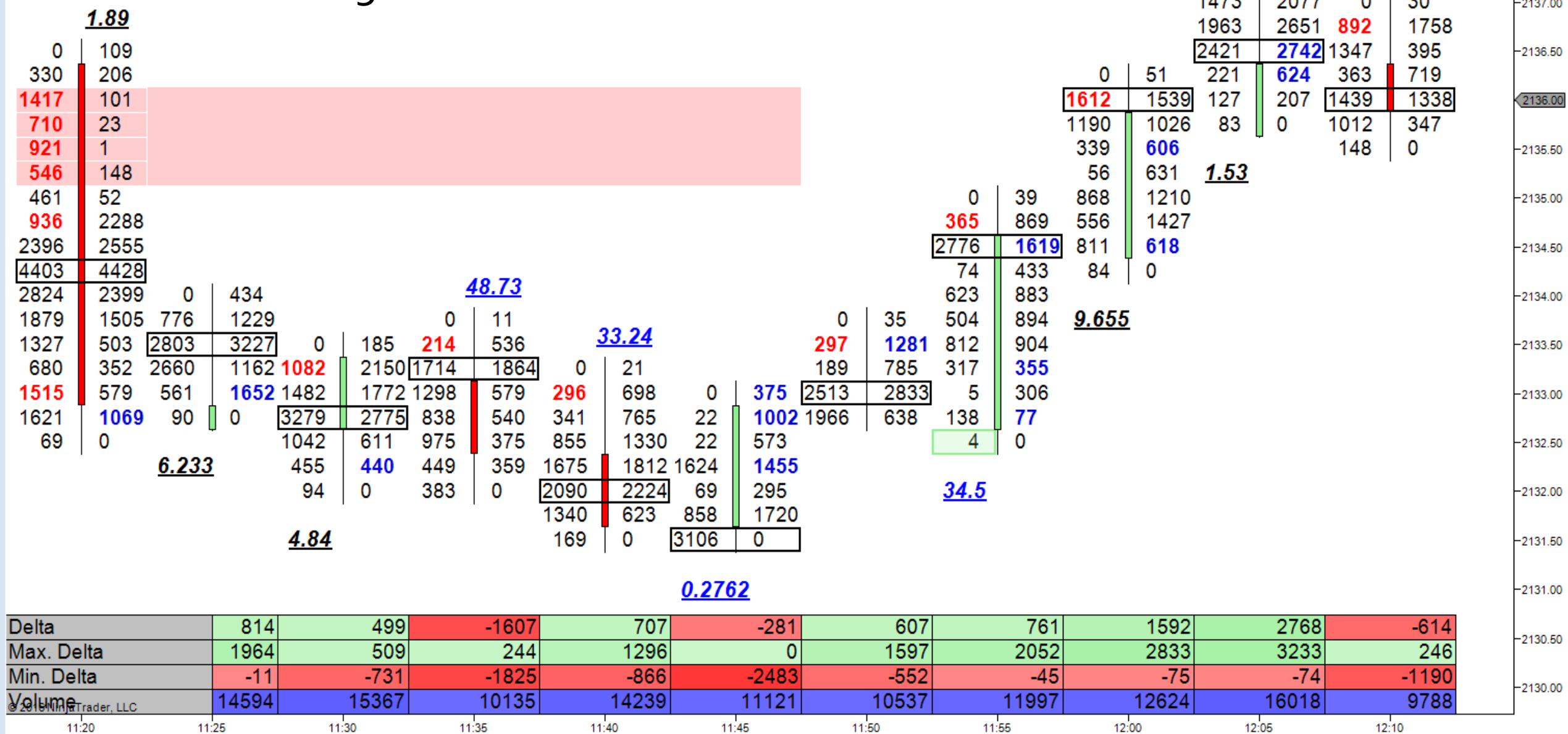
Orderflows Delta Candles (CL 11-16 (8 Range))

Imbalance on low

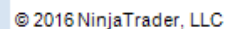


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POC at bottom 5-min ES



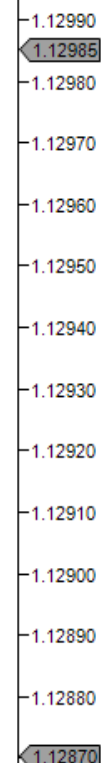
5-min CL Hanging around the high



White?

F

48.33



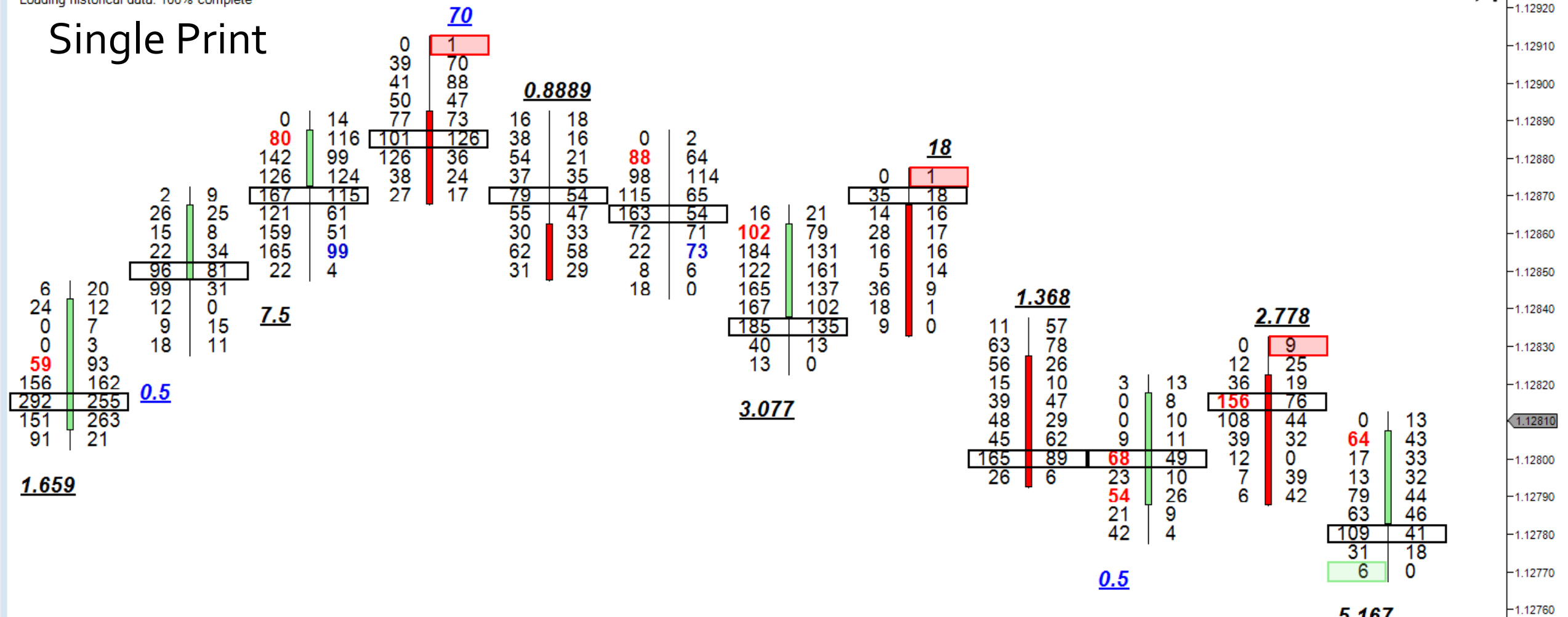
1.12830
1.12820

Delta Candles (6)

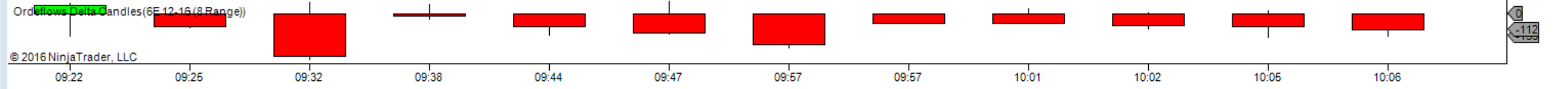


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Single Print

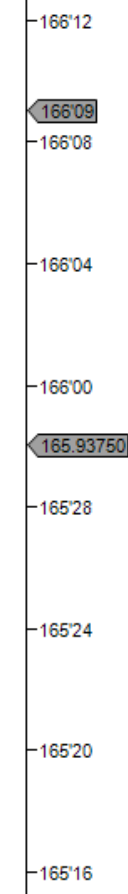
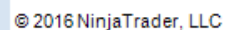


Delta	-85	-299	-17	-91	-135	-215	-69	-64	-80	-90	-112
Max. Delta	19	84	68	2	86	1	3	37	6	24	0
Min. Delta	-95	-315	-34	-147	-137	-239	-69	-70	-101	-162	-153

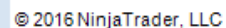


for White

0.2286

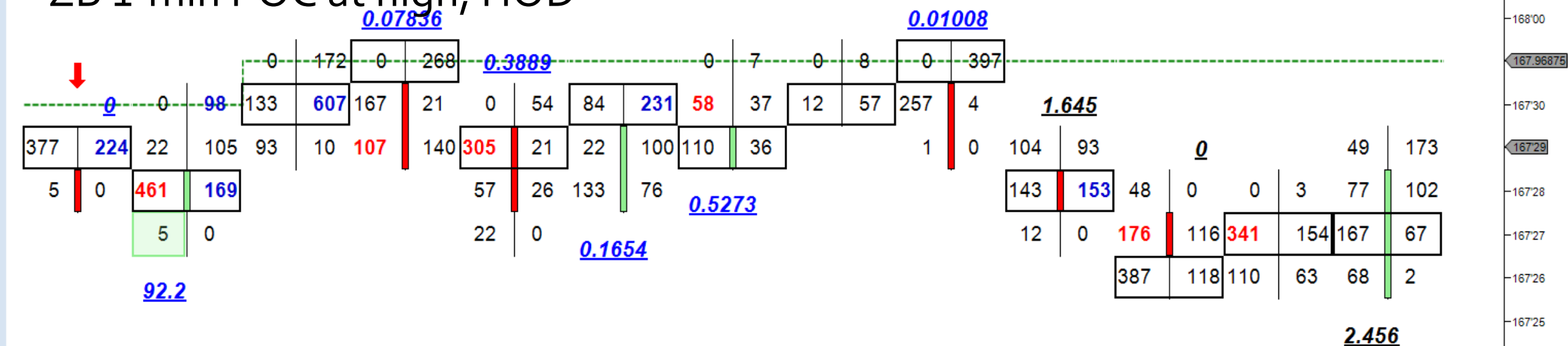
Ordeflows Delta Candles(ZB 12-16 (4 Range))

ZB 4 Range Single Print at LOD



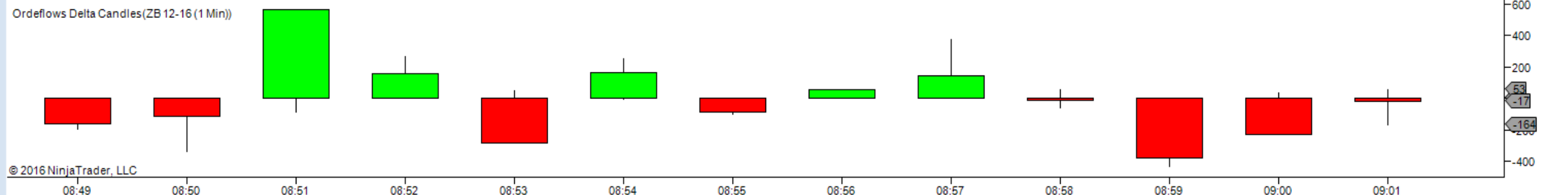
ZB 1-min POC at high, HOD

ZB 1-min POC at high, HOD

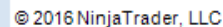


Delta	16	563	155	-283	168	-88	53	143	-13	-377	-231	-17
Max. Delta	0	564	268	49	251	0	57	372	59	0	34	53
Min. Delta	38	-85	0	-284	-5	-100	0	0	-56	-431	-231	-164

Ordeflows Delta Candles(ZB 12-16 (1 Min))

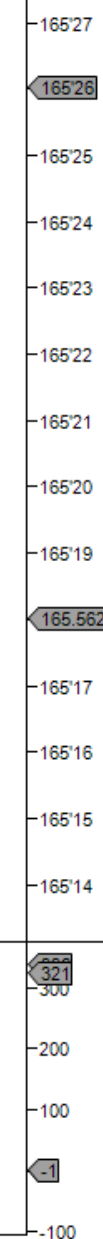


ZB 1-min Running along the LOD and volume getting lesser and lesser



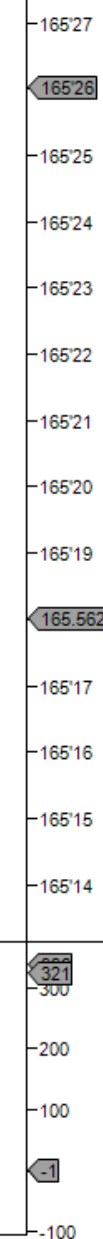
Finite Control

166
165.26
165.562
321
300
200
100
-1
-100



166
165.26
165.562
321
300
200
100
-1
-100

166
165.26
165.562
321
300
200
100
-1
-100



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Put together your own arsenal of “go-to” trade setups that you can rely on everyday.

When traders talk about having a trading plan. That is what they mean. Know what you are going to look for and execute.

Sports and trading are very similar – sports teams they go into a match with a plan of action and try to stick with it.

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Order flow is a tool that can help your trading. However, just like any tool, how we use it often yields far different results.

I have my own way of trading, you have yours. What is important is how you simplify your trading perspective and consider the parts of your trading that you can control.

Thank You!