Next Level Order Flow Module 6: Volume

Disclaimer

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CFTC Rules 4.41 - Hypothetical or Simulated performance results have certain limitations, unlike an actual performance record, simulated results do not represent actual trading. Also, since the trades have not been executed, the results may have under-or-over compensated for the impact, if any, of certain market factors, such as lack of liquidity. Simulated trading programs in general are also subject to the fact that they are designed with the benefit of hindsight. No representation is being made that any account will or is likely to achieve profit or losses similar to those shown. Traders love statistics and prices, but when you mention volume, they dismiss it. Footprint same thing. The volume footprint chart will show you exactly how much volume transacted at a price on the bid and on the offer.

Most traders just look at volume after the bar closes.

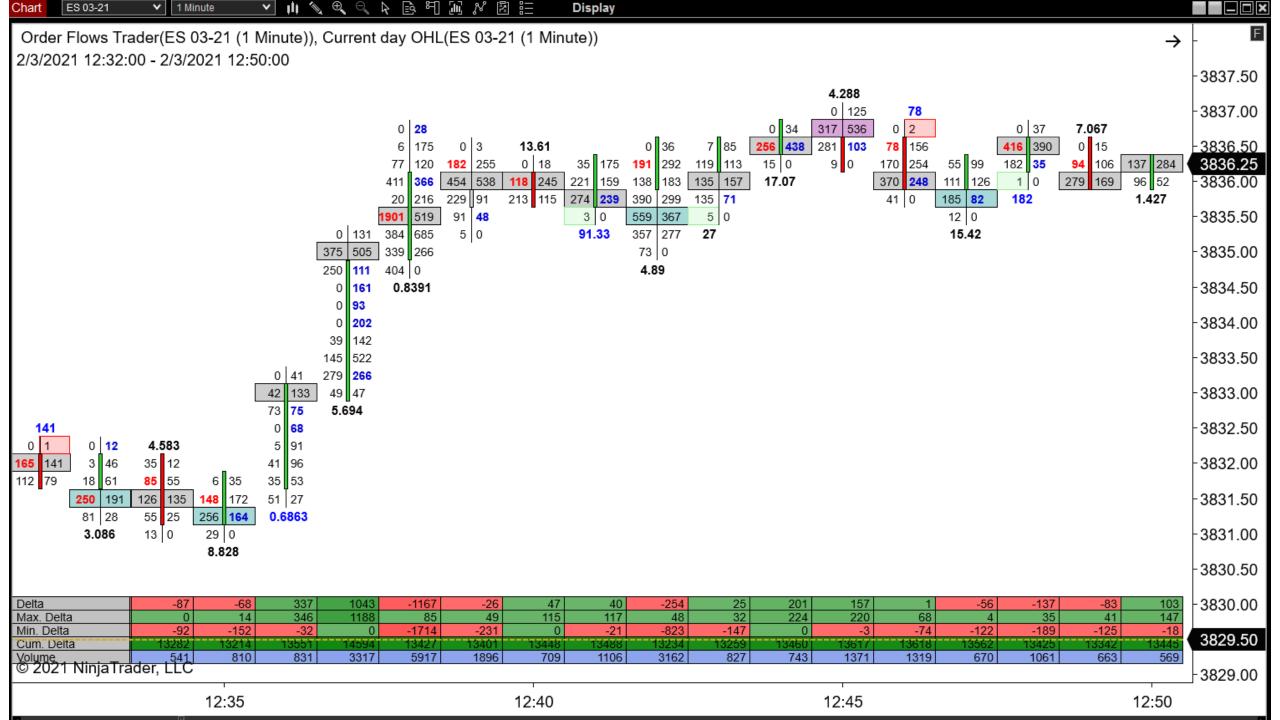
Volume by itself isn't very useful. You have to know how to understand it and use it.

Volume – what makes volume different than price in terms of market activity is you can measure the intensity of volume. You cannot do that with price. The intensity of volume will enable to you see the fear and greed of traders.

Chart ES 03-21 V I Minute V 川 🔌 🔍 🔍 ຊ 🛱 ፲년 🖋 🖾 🗄 Display	
Order Flows Trader(ES 03-21 (1 Minute)), Current day OHL(ES 03-21 (1 Minute)) →	- 3902.00
2/10/2021 11:33:00 - 2/10/2021 11:54:00	-3901.50
244 194 0 50 152 232 350 296	-3901 00
233 232 112 46 25 91 59 42 21 0	3900.75 - 3900.50
0 16 5.92 244 194 0 50 152 232 350 296 233 232 112 46 25 91 59 42 21 0 54 206 26 12 15 154 348 234 2.269 154 123 202 139 58 95 58 19	-3900.00
154 123 202 139 58 95 58 19 2 32 3.483	-3899.50
	-3899.00
194 235 116 138 0 8 96 86 68 46	-3898.50
3.702 133 262 2 0 9.714 13 45 47 0 13 60 52 17.5	-3898.00
0 13 26.5 0 12 0 13 26.5 0 12 0 13 201 174 133 220 1 31	-3897.50
87 57 0 8 99 182 0 2 0 20 17 95 126 74 0 8 116 271 48 43 53 155 0 8 00 279 228 34 53 2.764 64 138 58 593 88 13 22 94 170 29 31 0.02083 148 173 75 100 70 103 69 78 115 138 0 16 18 55 0 25 0 2 95 112 102 209 100 44 95 131 137 112 7 0	-3897.00
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140 173 75 100 70 103 65 78 113 136 0 16 16 13 13 13 136 136 0 16 16 13 13 13 136 136 0 16 16 13 13 13 136 14 91 72 183 152 70 135 25 65 147 97 162 91 105 105 106 4.143 93 99 66 47 82 135 35 10 60 6 115 101 53 2 84 116 105 112 38 19 67 30 123 84 146 91 20 40 136 122 81 79 95 58 2.4 23 6 52 95 37 28 32 50 83 120 16 15 2.418 241 207 208 116 1.85 69 47 28 2.065	-3896.00
69 47 28 47 27 93 86 71 33 40 103 68 95 19 28 10 0 72 19 101 48 20 35 2.065 18 0 0.5591 35 17 87 147 16 20 96 81 171 161	-3895.50
101 13 16 0.33 17 07 147 16 120 56 17 16 14 0 112 55 84 57 17 47 30 28 115 65 211 65 29 0 89 9 142 174 37 63 0.8348 134 52	-3895.00
3.862 43 8 200 139 43 58 8 0	-3894.50
51 19 324 316 63 169	-3894.00
463 291 48 55 303 120 61 0 14 0 0 7860	-3893.50
14 0 0.7869 21.64	-3893.00
Delta 6 -25 69 2 19 -319 -404 360 117 -15 106 -266 -397 82 250 276 125 262 2 14 -91 Max. Delta 0 20 124 104 98 19 44 412 123 117 111 23 44 88 250 293 218 296 38 167 36	-3892.50
Min. Delta 5 66 4 6 0 319 50 145 8 70 41 7 21 1 59 124 3 91 Cum. Delta 5 -16190 -16110 -16419 -16823 -16463 -16364 -16255 -16521 -16918 -16836 -16380 -16185 -15923 -15921 -15907 -15998	-3892.00
Volume 8 943 1201 750 721 1081 2882 1678 711 1165 918 1912 2111 658 820 898 897 1160 1376 1442 875 © 2021 NinjaTrader, LLC	-3891.50
11:35 11:40 11:45 11:50	_

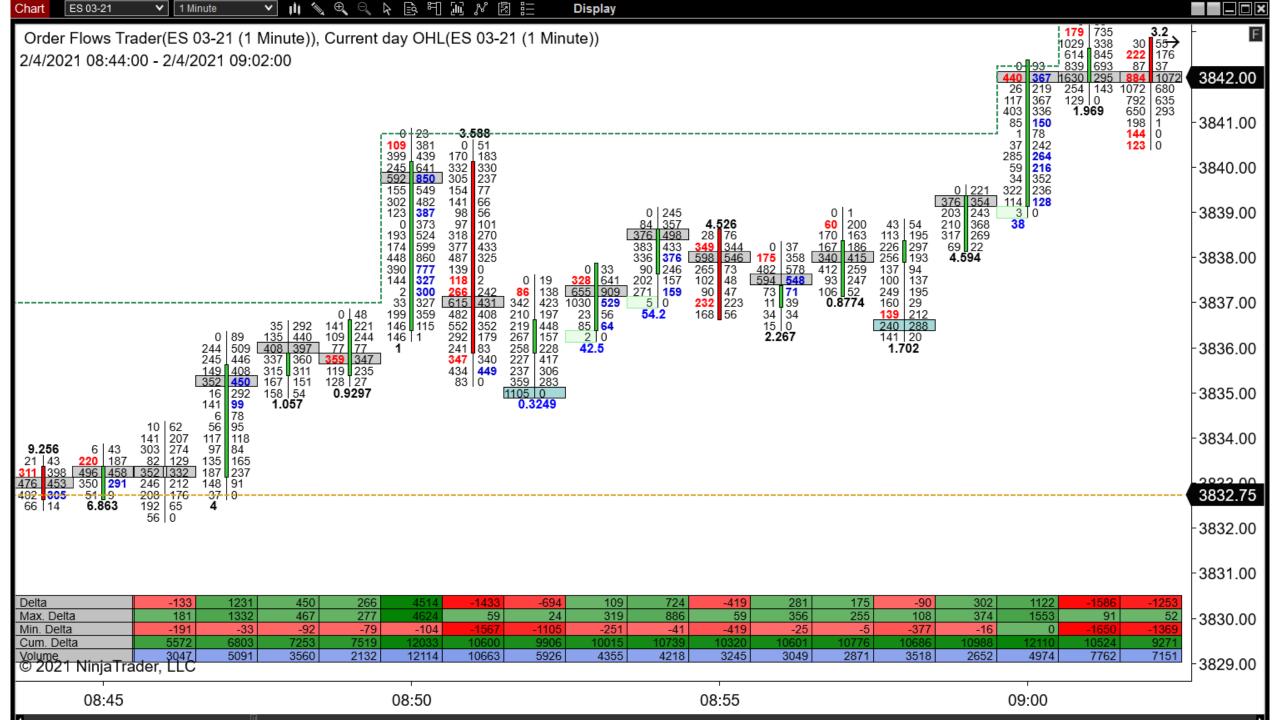
Order Flows Trader(ES 03-21 (1 Minute)), Current day OHL(ES 03-21 (1 Minute)) 2/2/2021 08:34:00 - 2/2/2021 08:52:00
136 273 406 241 77 74 5 64 220 123 143 243 28 86 179 221 436 241 291 228 71 2 9 3 74 371 243 28 86 179 221 436 241 9 3 124 103 47 9 3 124 103 47 9 3 124 103 47 9 3 124 103 47 9 3 10 11 125 10 174 8.085 9 3 3 141 103 47 95 53 77 74 8.085 9 3 3 101 100 119 676 570 102 113 294 246 1 38 165 21 13 102 125 117 167 120 125 121 130 125 125 121 130 125 121 120 125 121 121 120 125 123
196 241 77 74 564 229 183 122 243 116 134 132 10 2.70 100 2.17 345 54 24 12 10 2.70 100 2.17 345 54 24 12 10 10
196 241 77 74 564 229 183 122 243 116 134 132 10 2.70 100 2.17 345 54 24 12 10 2.70 100 2.17 345 54 24 12 10 10
196 273 406 241 77 74 564 229 183 122 243 345 54 24 12 9 124 125 12 124 124 125 125 125 125 124
196 273 406 241 77 74 564 229 183 122 243 345 54 24 12 9 124 125 12 124 124 125 125 125 125 124
196 273 406 241 77 74 564 229 183 122 243 345 54 24 12 9 124 125 12 124 124 125 125 125 125 124
196 273 406 241 77 74 564 229 183 122 243 345 54 24 12 9 124 125 12 124 124 125 125 125 125 124
196 273 406 241 77 74 564 229 133 142 241 134 154 162 201 234 244 291 228 71 2 9 38 141 255 205 125 62 31 2.589 120 174 8.085 38 38 0 141 255 231 2.589 120 174 8.085 38 38 0 141 255 237 77 298 294 246 1 38 0 141 255 53 77 380 38 345 102 174 8.085 3807.00 201 259 150 119 676 570 102 113 20 226 226 256 276 151 21 13 0 225 250 256 256 276 151 121 13 0 226 226 225 256 256 276 151 111 4.477 112 120 125 137
196 273 406 241 77 74 564 229 183 122 243 345 54 24 12 9 124 125 12 124 124 125 125 125 125 124
196 273 406 241 77 74 564 229 183 122 243 345 54 24 12 9 124 125 12 124 124 125 125 125 125 124
130 274 371 243 21 143 201 220 221 228 71 2 9 9 124 170 38 0 141 255 205 125 62 31 2.589 120 174 8.085 9 9 38 0 141 255 205 125 62 31 2.589 120 174 8.085 9 - - - - 3807.00 2267 594 354 150 119 676 570 102 113 294 246 1 38 - - - 3807.00 2268 220 256 276 151 21 30 283 165 21 21 - - 3806.00 195 592 34 131 963 325 321 294 246 1 38 - - 3806.00 195 174 4.477 1167 120 125 21 213 - -
234 354 150 119 676 570 102 113 294 246 1 38 201 259 256 276 151 21 13 0 283 165 21 21 201 259 195 111 4.477 167 120 0 125 195 592 334 131 195 111 4.477 167 120 0 125 195 592 334 131 195 111 4.477 167 120 0 125 196 1736 222 255 334 311 393 228 311 301 393 228 311 393 228 131 393 228 180 216 3805.00 306 30
195 592 334 131 112 120 152 137 196 741 37 146 236 189 21 90 619 1736 222 255 251 293 283 311 321 294 94 213 393 228 180 216 -3805.00 129 91 1.92 1.92 1.91 101 101 101 -3805.00 -3805.00
50.33
50.33
UU.UU
Max. Delta 542 177 218 254 1 477 346 443 50 630 269 305 100 2707 976 274 209 Min. Delta 0 -400 -63 -30 -925 0 -145 -116 -799 -29 -419 -291 -367 -3 -30 -944 -63 -3803 00
Cum. Delta 7781 7484 7600 7570 6751 7215 7514 7452 6873 7399 7057 6797 6449 8803 9468 8571 8624 Volume 8397 7509 4422 3438 4757 5250 3379 4440 4523 4360 4942 3802 4626 10002 6443 8031 5159 © 2021 NinjaTrader, LLC
08:35 08:40 08:45 08:50

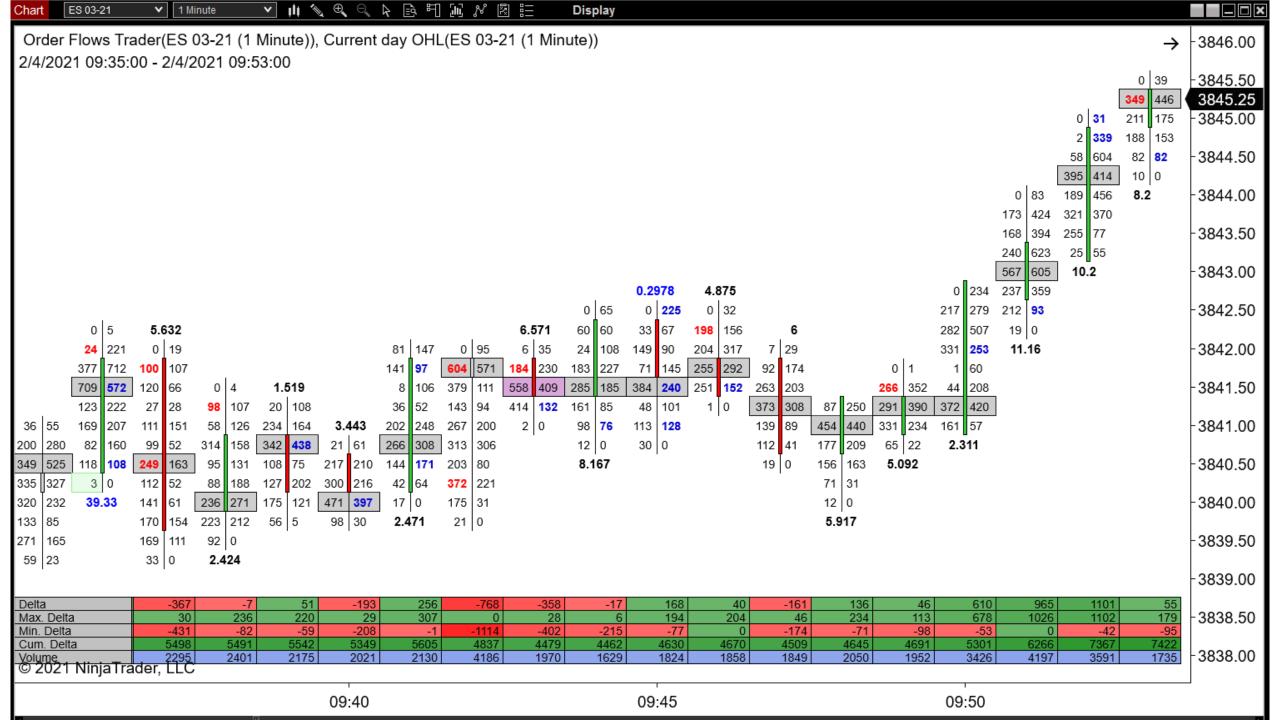
What you must pay attention to is not only the price the market is trading at but how much is trading at that price. While the market is not perfect, its not perfectly efficient and all the information is not perfectly disseminated into the market. Its close but not perfect. But the market reflects all the thoughts on the market based on the information available. Price and volume tell you how much the market likes or dislikes the current price and whether agree with it or not.



Volume is important because volume = money = commitment to a move.

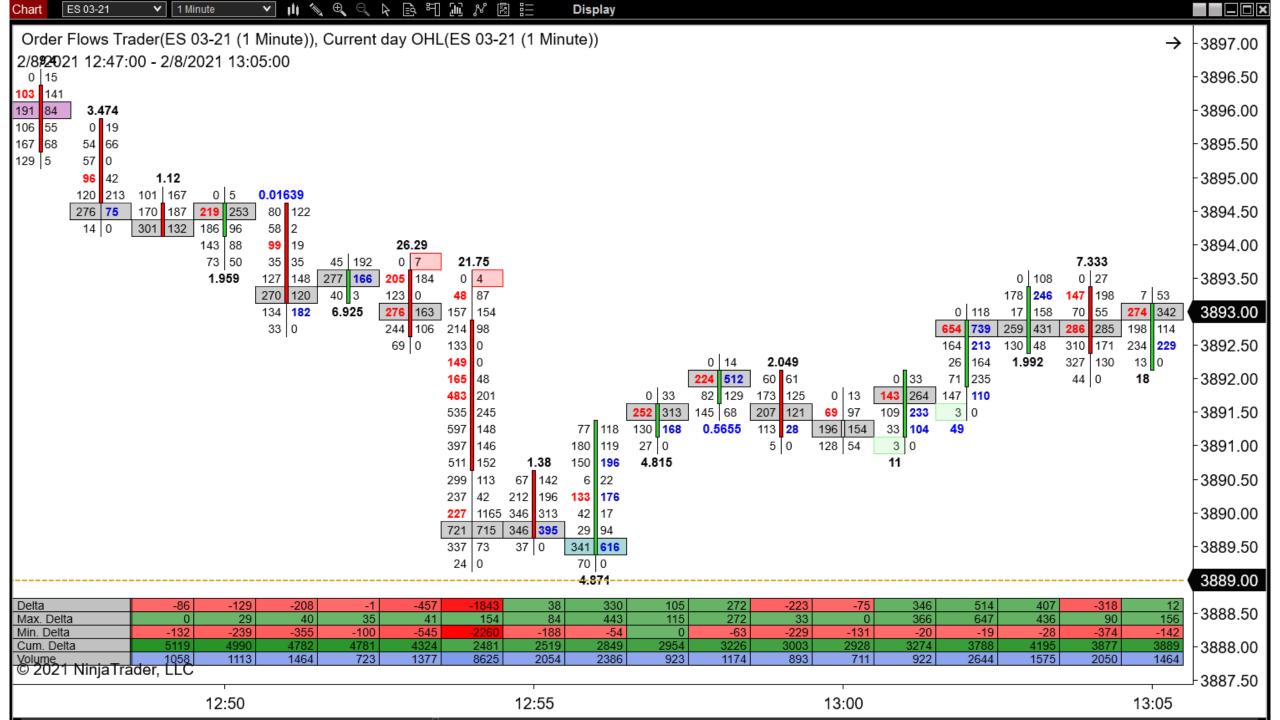
Lack of volume = lack of commitment of a price movement.

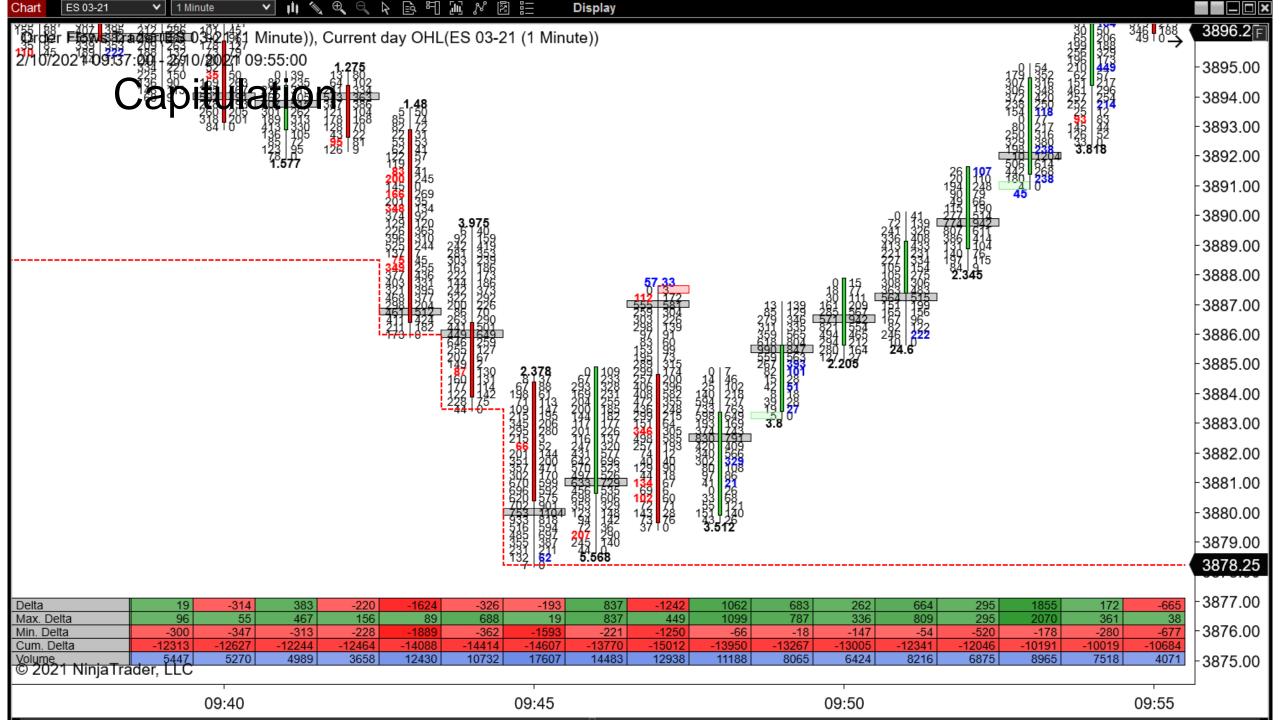




One of the tell-tale signs of big money participating in the market is volume. It's true size matters. When you see big volume appear it is often the result of a big size trader. The POC in a bar shows where the most volume is in a bar. You want to keep an eye on it as it can give you a clue as to where the big money is active.

Chart ES 03-21 V 1 Minute V	▏雌✎◀〻▣判淝ァथಔ☷ Disp	lay		
	nute)), Current day OHL(ES 03-21 (1 Minute))			→ - _{3878.00}
2/5/2021 09:14:00 - 2/5/2021 09:32:0	00		15 20	4 -3877.50
			398 40 535 4 0 55 364 4	- 3877 00
			47 143 164 33 224 342 121 88	19 3876.75 33 3876.50
			2.022 31 131 176 18 15.63 _ 0 46 214 275 0.687	38 - 3876.00
3.393		0 70	0 19 11 149 236 93 42 122 104 297 312 414 152 128 486 474	-3875.50
3.393 0 28 55 95 259 405		0 79 105 402 801 564	0 55 364 4 47 143 164 33 224 342 121 88 224 342 121 88 224 342 121 88 15.63 0 46 214 275 0.687 0 19 11 149 236 93 42 122 104 297 312 414 152 128 486 474 438 403 205 299 466 385 540 254 491 208 153 263 434 287 46 0 75 0 146 47 49 0 11.74	-3875.00
457 355 42 5		0 39 397 381 195 149 311 253	75 0 146 47 49 0 11.74	-3874.50
392 231 228 255		195 149 311 253 50 190 404 222 26 84 160 121 273 655 4 0 900 819 40 154 286 8 104		-3874.00
158 120 136 158 9 0 172 57 53 51		273 655 4 0 900 819 40		-3873.50
166 87 318 182 8.5		154 286 8 104		-3873.00
226 2 0 12 183 57 91 102		8 169 150 142		-3872.50
399 204 197 115 12.38		0 30 169 199		-3872.00
345 292 219 208 0 32 357 395 469 647 244 396 1 358 206 309 552 623 558 55	1.596 9 141 2.529 0 47	26 218 321 516 250 264		-3871.50
358 206 309 552 623 558 55 317 36 539 360 381 230 18 94 117 102 27 227 193 36		197 142 651 723 253 39 193 307 859 760 0.9881 319 231 393 165 71 135 265 70 1 21 152 243 5.614 351 207 207		-3871.00
22 0 156 211 29 155 13 9	5 306 169 63 374 338 29 109 16 0 144 84 123 6.135 35 85 680 877 5	71 135 265 70 1 21 152 243 5.614		-3870.50
12	8 0 234 141 12 155 89 124 1824 1043 304	351 207 207 297 93 233		-3870.00
	586 662 781 951 6 71 348 131 197 355 70 472 511 23 104 14 0 287 99 55 330 387 188 221 312 463 599 401 316 211 410 334	297 93 233 176 209 344 97 403 270		-3869.50
	463 599 401 316 211 410 334 140 0 370 237 256 260 913	608 16 0		-3869.00
	181 10 51 15 37 5.02	0		-3868.50
Delta 97 -153	209 -366 20 511 -733	-313 510 82 875 -160) -181 345 -398 166 3	-3868.00
Max. Delta 186 55 Min. Delta -204 -243	212 73 379 680 10 -86 -621 -43 0 -801	100 804 207 992 20 -481 -118 -215 -287 -417	7 -195 -18 -492 -369 -1	
Cum. Delta -3284 -3437 Volume 3949 3419 © 2021 NinjaTrader, LLC		<mark>4109 -3599 -3517 -2642 -2802</mark> 4465 4410 5008 5761 4204		84
	1			- 3866.50
09:15	09:20	09:25	09:30	



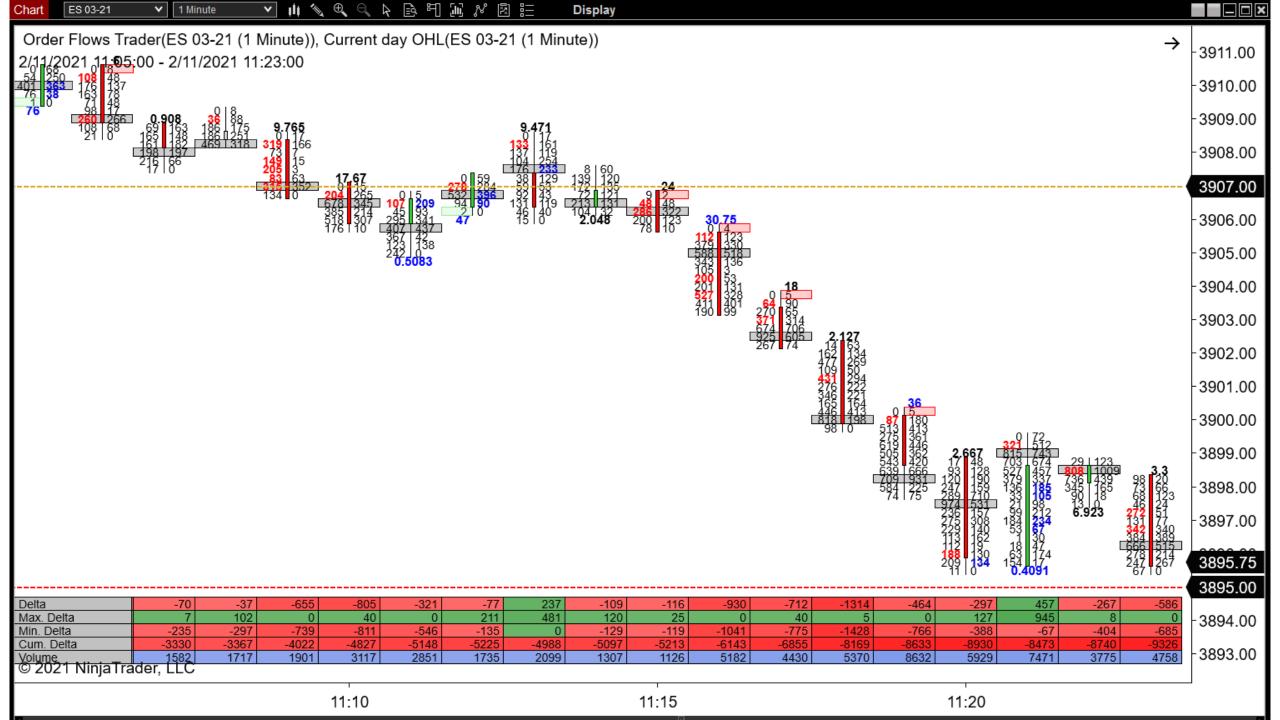


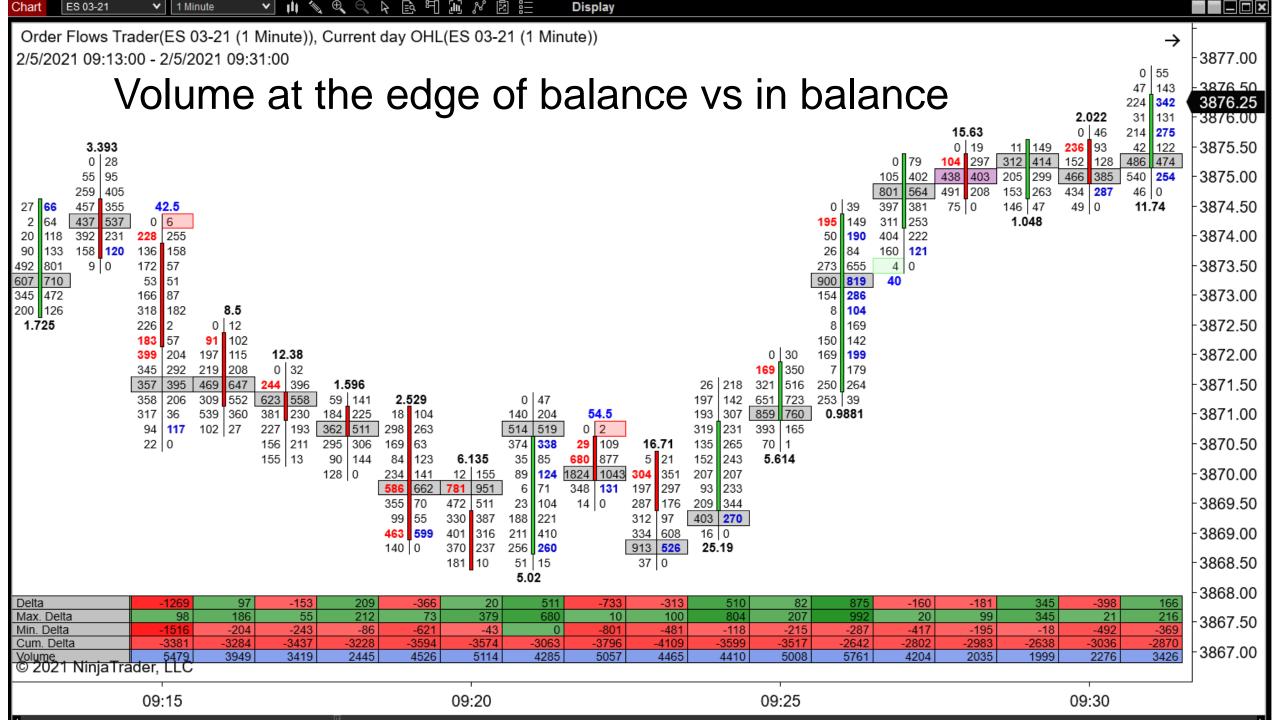
To use volume properly, a trader needs to look at volume traded at price, not just on bar close or later.

A move needs to be sustained with volume. A market can move on thin volume, but a market won't move on no volume. Volume is a way to measure the strength or weakness of a move.

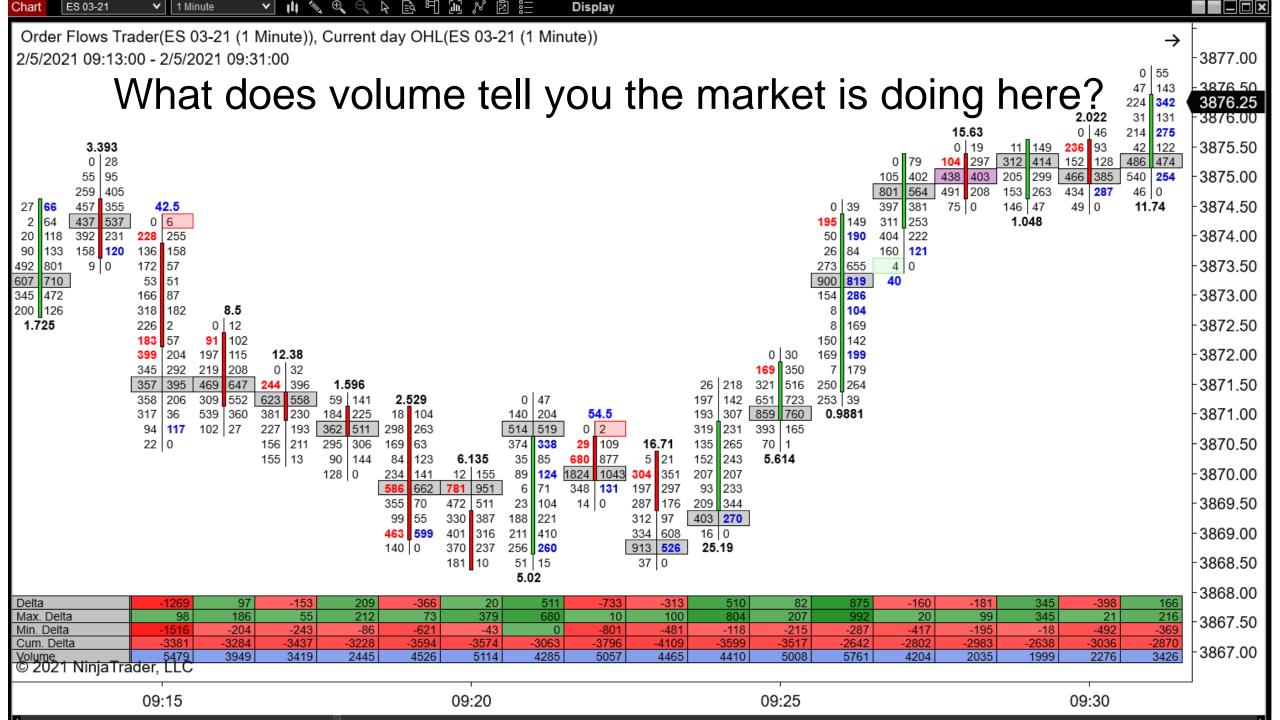
A trader must take volume not only in context but also in reality.

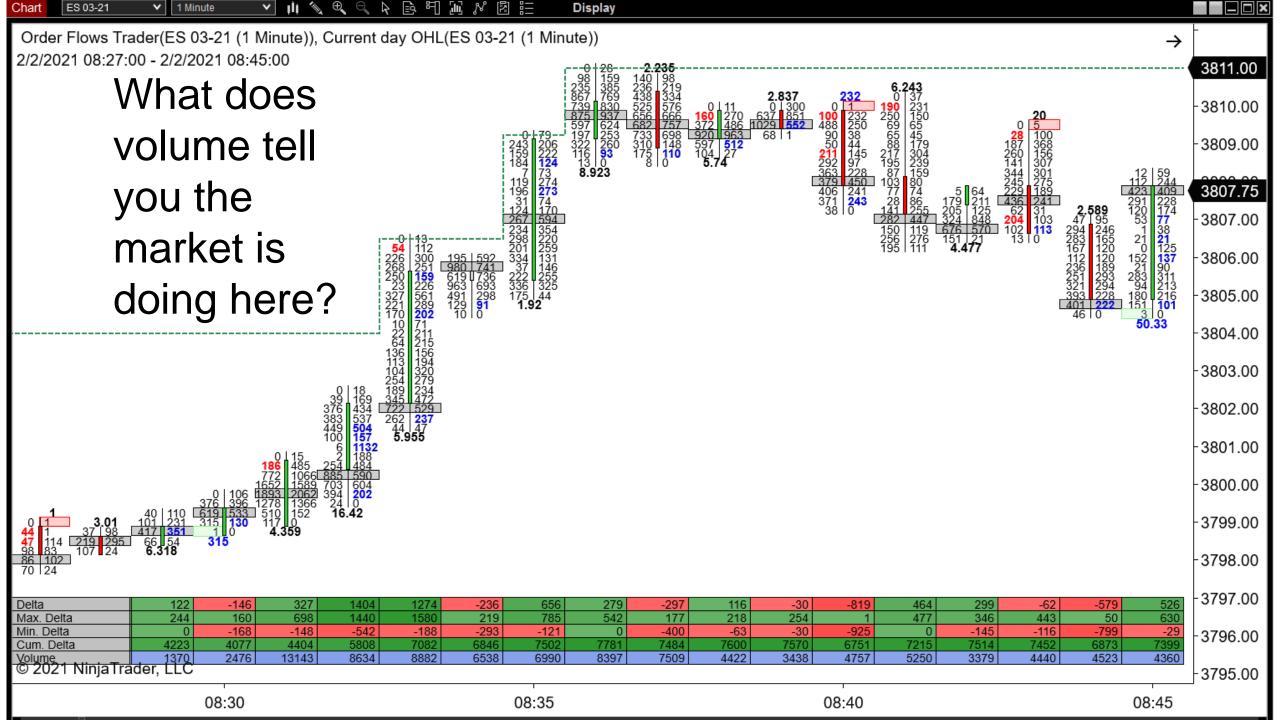
Volume that occurs in a balance area, in the value area should be considered different that when the market is breaking out of the value area.



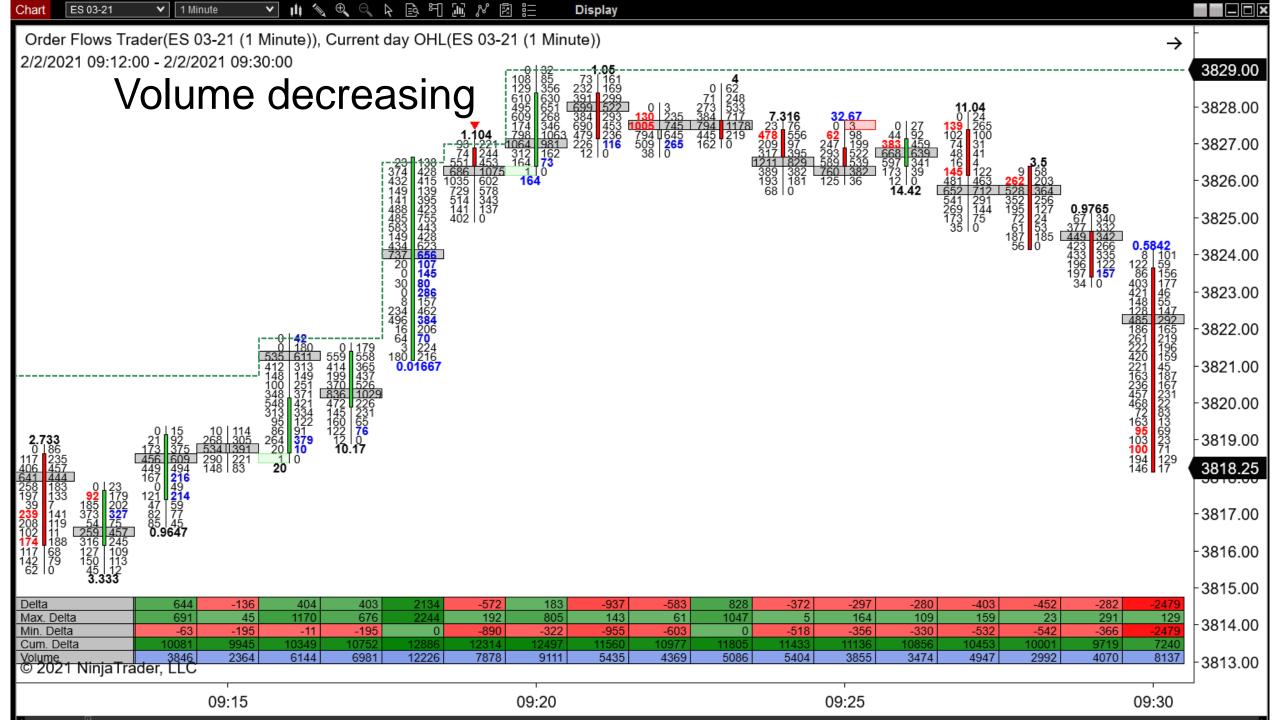


You are always looking at volume based on the distribution at price levels where the market traded. When you see low volume pops or drops, what is the market telling you? Is price being accepted? When price isn't being accepted, there is a strong tendency for price to move in the opposite direction.

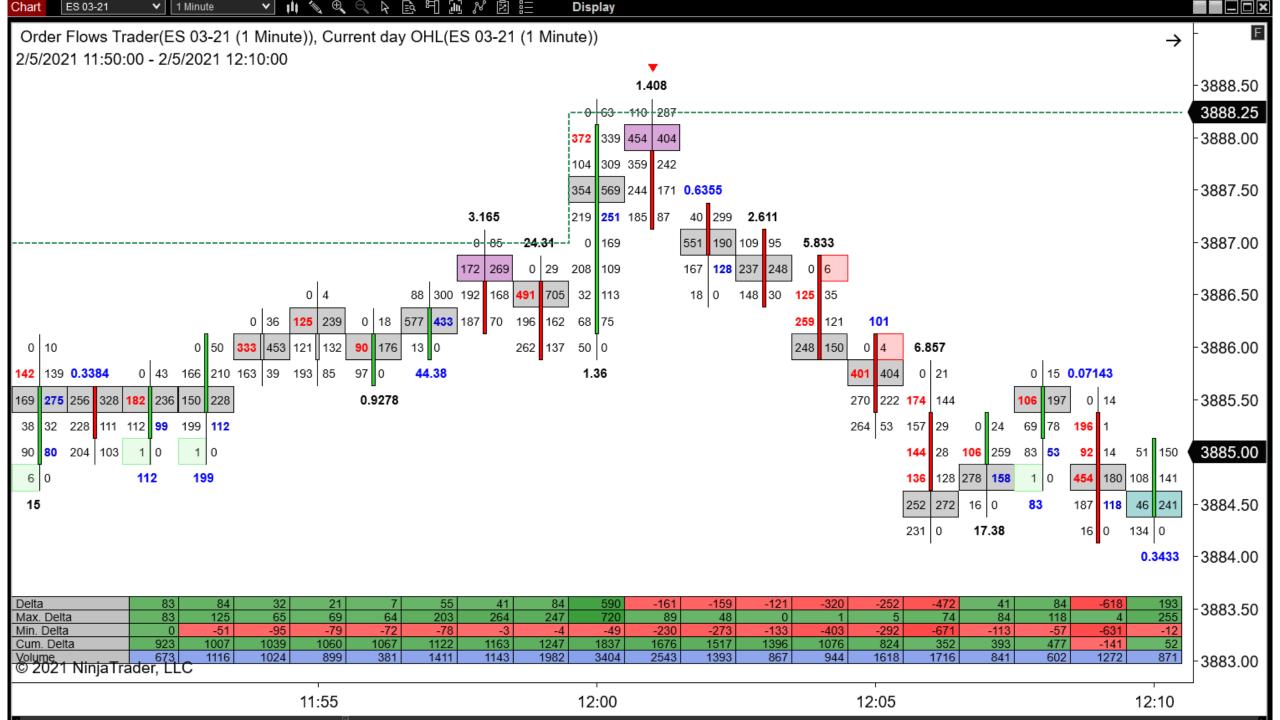




Does volume increase or decrease in the direction where the market is facilitating trade? Decreasing volume indicates trend weakness and most likely the value area won't expand anymore.



When a market reaches or makes a new high or low, look to the left and judge the volume. Was the volume down considered high volume, average volume or low volume. You want to be able to decide if the high or low is going to hold or if the market will break to new lows. If the volume was low, chances are high that there is a pretty good chance the high or low may hold.



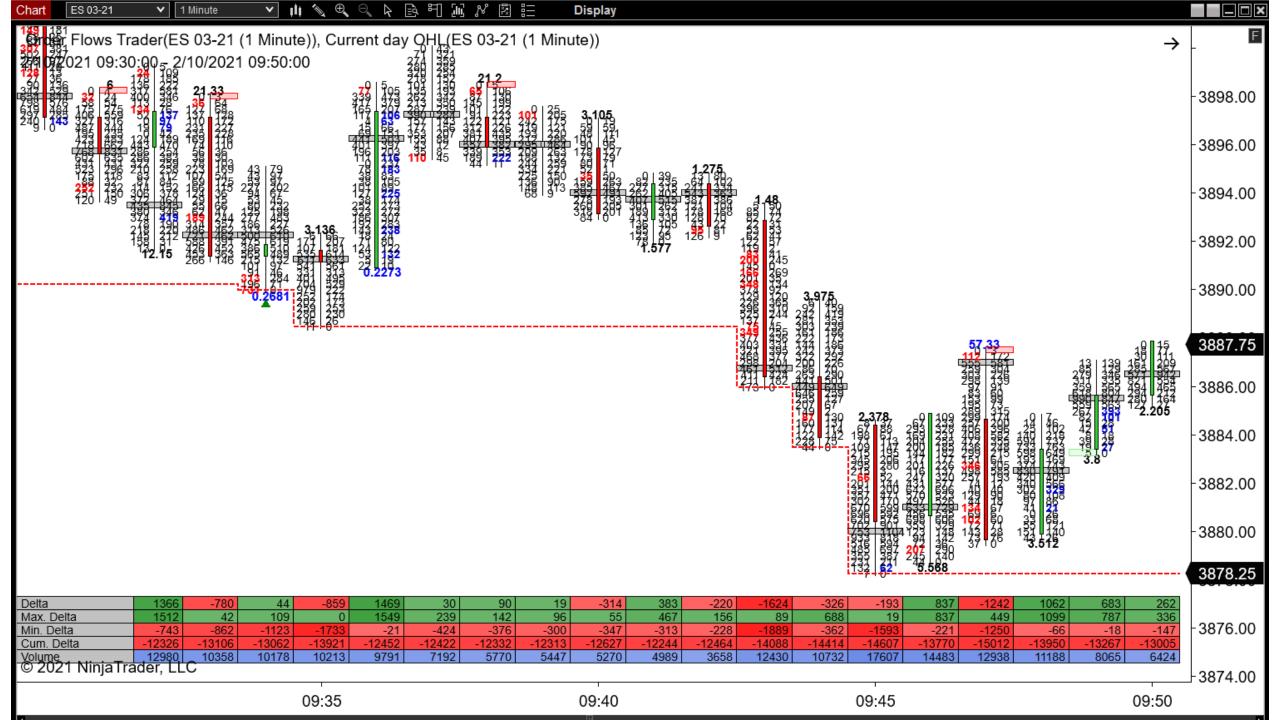
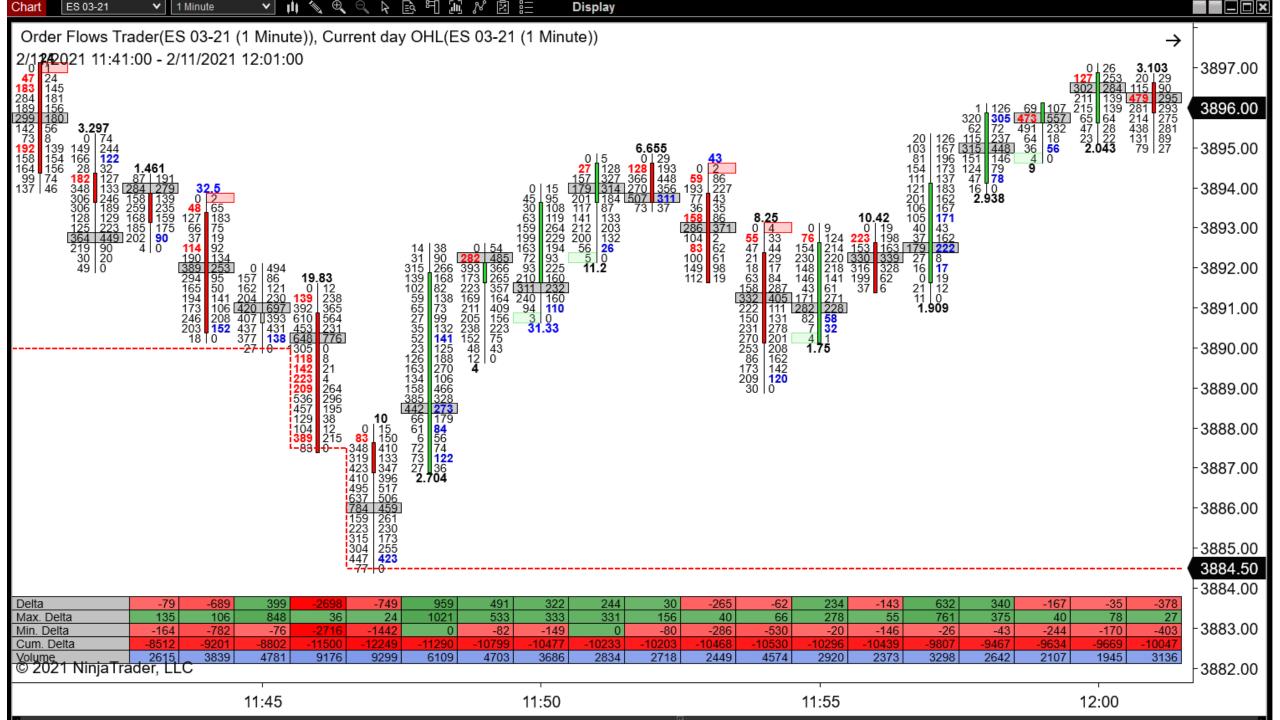
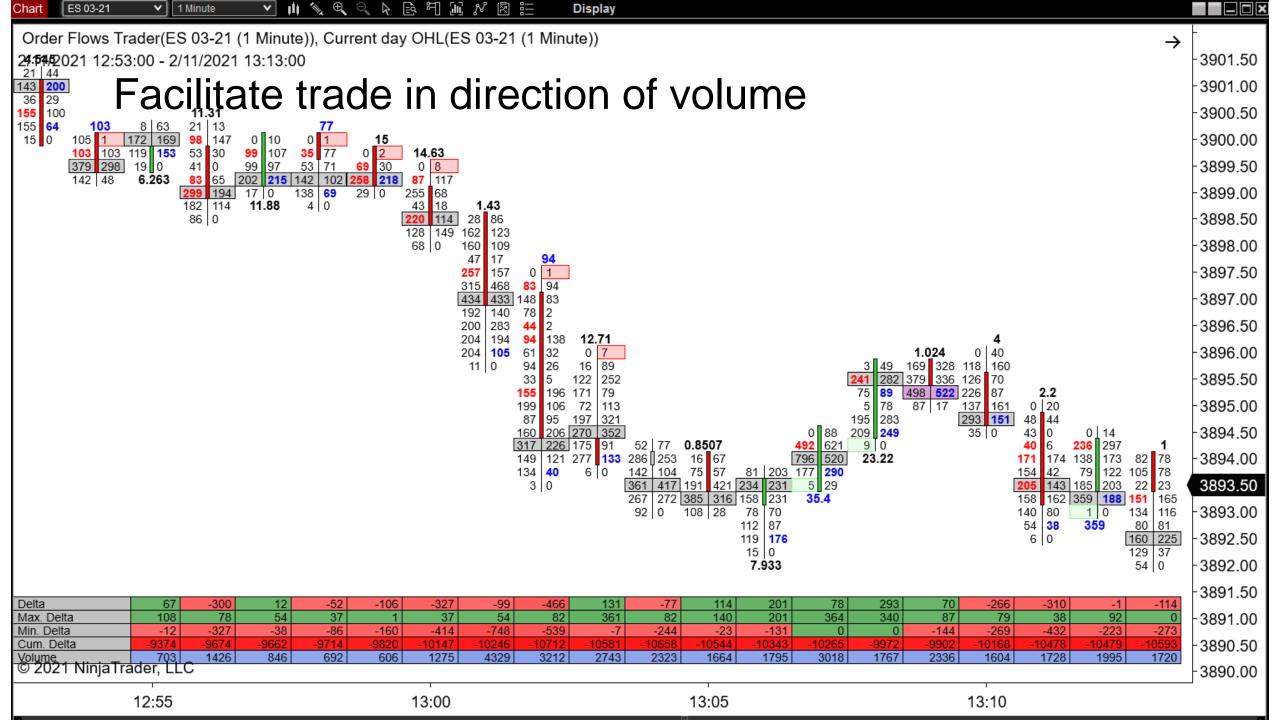


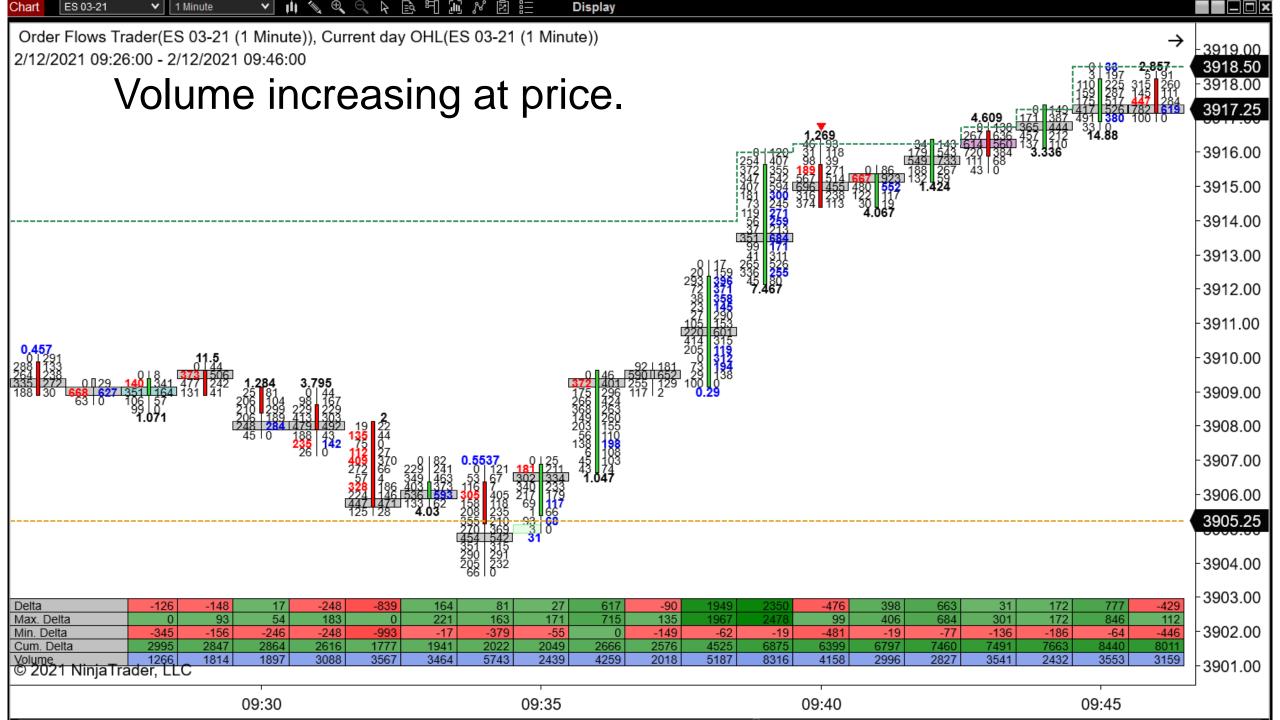
Chart ES 03-21 🗸 I Minute 🗸 🖓 🖓 🖓 🖓 🛱 📶 🖋 🗟 🗄 Display				
Order Flows Trader(ES 03-21 (1 Minute)), Current day OHL(ES 03-21 (1 Minute))	→			
2/11/2021 11:23:00 - 2/11/2021 11:43:00 $0 \begin{vmatrix} 30 & 9.84 \\ 3.3 & 125 \end{vmatrix}$ 189 $0 \begin{vmatrix} 25 \end{vmatrix}$	-3899.00			
3.3 125 189 0 25	-3898.50			
3.3 125 98 20 205 98 20 205 73 66 313 357 385 428 68 123 55 93 456 68 215 10.33	-3898.00			
68 123 55 93 456 339 46 24 101 146 87 116	-3897.50			
$ \begin{array}{cccccccccccccccccccccccccccccccccccc$	-3897.00			
342 340 8 58 53 61 384 389 137 234 134 176 24 384 389 137 234 134 176 24 666 515 181 252 247 277 0 4 8.567 279 189 315 300 2 29 39 34 3.772 284 181	-3896.50			
666 515 181 252 247 277 0 4 8.567 279 189 315 300 2 29 39 34 3.772 284 181 278 214 315 502 150 86 92 96 4.64 0 30 159 211 352 251 2 43 189 156 247 267 276 106 132 94 93 125 0 25 233 257 10 80 89 51 29 32 299 180 67 0 97 25 54 0 157 165 135 116 0 36 188 164 14 46 78 47 73 45 142 56 3.297	-3896.00			
247 267 276 106 132 94 93 125 0 25 233 257 10 80 89 51 29 32 299 180 67 0 97 25 54 0 157 165 135 116 0 36 188 164 14 46 78 47 73 45 142 56 3.297 45 0 485 493 95 104 268 434 71 81 23 127 5 0 78 52 73 8 0 74	-3895.50			
	-3895.00			
	-3894.50			
399 409 498 457 31 155 221 174 139 494 2 71 155 180 64 18 99 74 182 127 87 191 437 316 357 460 1.051 116 275 208 159 197 246 72 216 234 3.813 137 46 348 133 284 279 184 13 423 381 24 59 0 5 116 190 274 366 141 67 407 532 134 280 306 246 139 306 246 159 137 46 348 133 284 279 184 13 242 59 0 5 116 190 274 366 141 67 407 532 134 280 306 246 158 139				
165 182 158 206 44 62 56 193 187 202 278 231 158 90 295 235 118 210 306 189 259 2	35 - 3893 50			
102 56 260 338 22 49 182 214 182 102 231 330 165 165 333 289 122 166 128 129 168 12 420 396 208 134 26 31 399 403 143 239 335 226 229 184 125 143 169 132 125 223 185 1 -97-11- 81 70 48 39 239 315 383 408 31 8 204 209 144 153 115 144 364 449 202 9	⁷⁵ - 3893.00			
255 172 89 121 584 449 402 516 10.81 274 188 120 106 167 132 219 90 4 0 153 145 175 163 328 445 297 274 26 0 29 0 102 42 30 20 -78-0222 325 13 187 244 277 356 36 0 49 0	-3892.50			
-78 -0 222 325 13 187 244 277 356 36 0 49 0 318 136 0 5 154 278 234 283 2.833	-3892.00			
255 172 89 121 584 449 402 516 10.61 274 188 120 106 167 132 30 20 153 145 175 163 328 445 297 274 26 0 29 0 102 42 30 20 -78 0 - 222 325 13 187 244 277 356 36 0 49 0 318 136 0 5 154 278 234 283 2.833 2.833 2.833 243 261 39 65 545 452 364 357 351 132 280 228 238 232 411 519 83 132 208 238 232 361 233 103 367 361 233 103 363 637 361 233 109 1083 37 101 363 637 364 233 493 447 456 466<	-3891.50			
538 650 353 735 106 127 466 447 361 233 009 1083 37 101 363 637	-3891.00			
175 - 1021 049 574 245 646 288 493 1157 710 165 173	-3890.50			
696 0 183 0 183 0	3890.00			
	- 3889.50			
Max. Delta 84 21 643 180 266 283 996 461 377 352 269 861 3 390 1 186 1 11 11 Min. Delta -277 -1303 0 -286 -67 -684 -123 -215 -159 0 -134 -11 -280 -152 -201 -32 -762 -460 -11	5 - 3889 00			
Cum. Delta -8926 -10075 -9775 -9721 -9686 -10071 -9084 -8695 -8604 -8386 -8168 -7548 -7774 -7456 -7491 -7464 -8111 -8433 -85	2 3888 50			
Volume 4040 7975 6524 5446 5153 10005 9971 5529 5801 3272 2940 4718 2228 2188 1737 1629 3287 4478 26 © 2021 Ninja Trader, LLC	- 3888.00			
11:25 11:30 11:35 11:40				

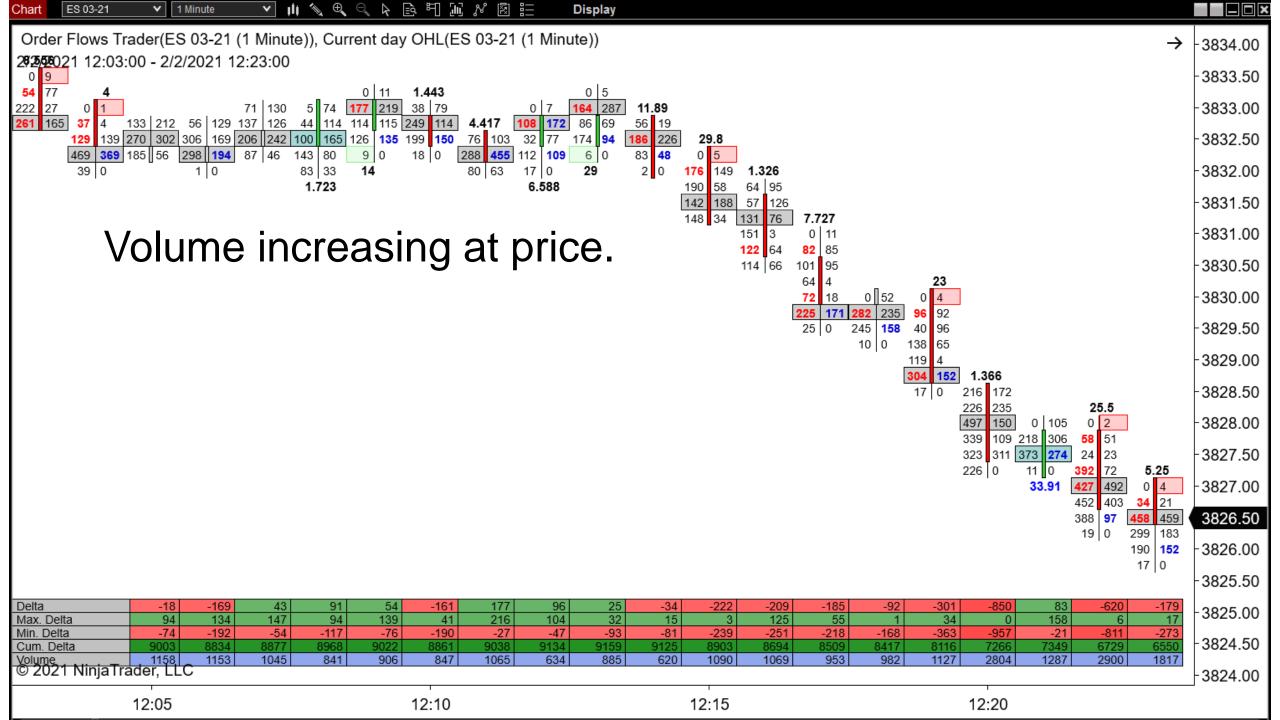


Volume helps you determine the direction of the market. The market always facilitates trade in the direction of volume. If volume is starting to dry up, then the move in that direction is likely not going to continue very much longer unless more volume comes in. However, if you continue to see volume increasing as the market is making a directional move, chances are the market will continue in that direction. The market is facilitating trade in that direction.

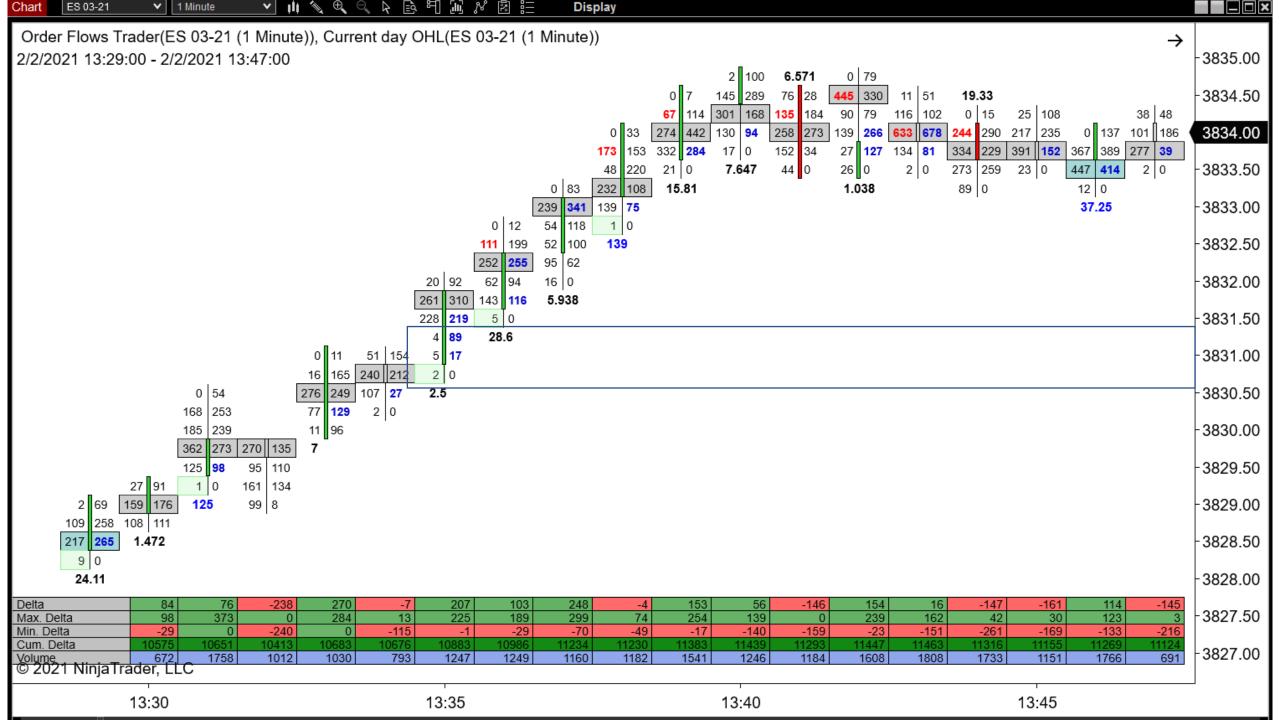


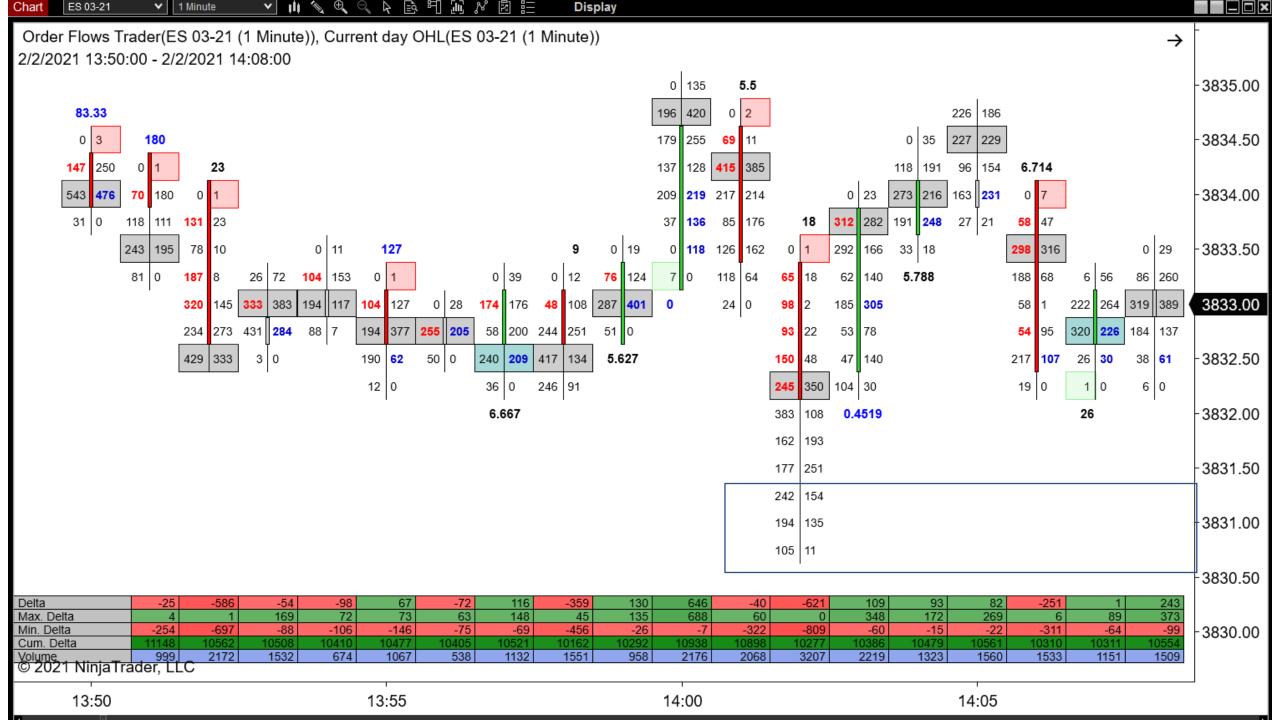
Volume is the fuel that not only moves price. Often to create price movements it takes significant volume. Keep an eye on price levels where you see increased volume. Most traders are just looking at time where volume increased but not price.



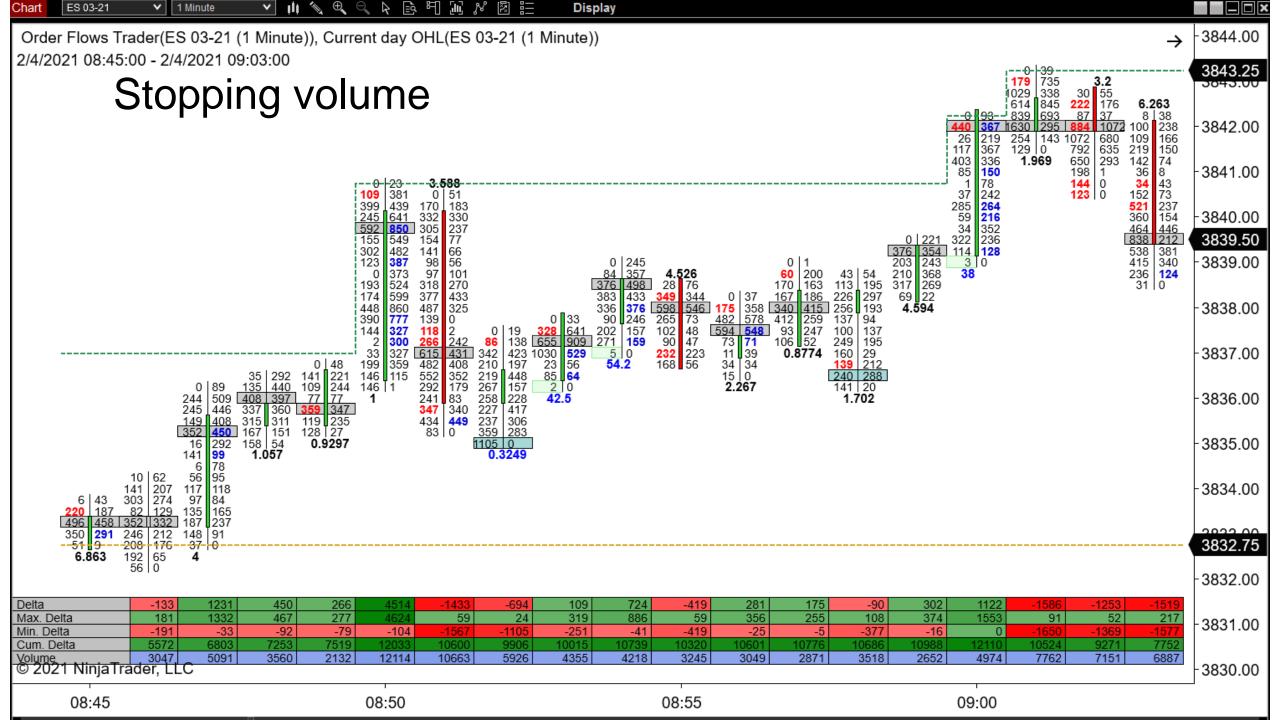


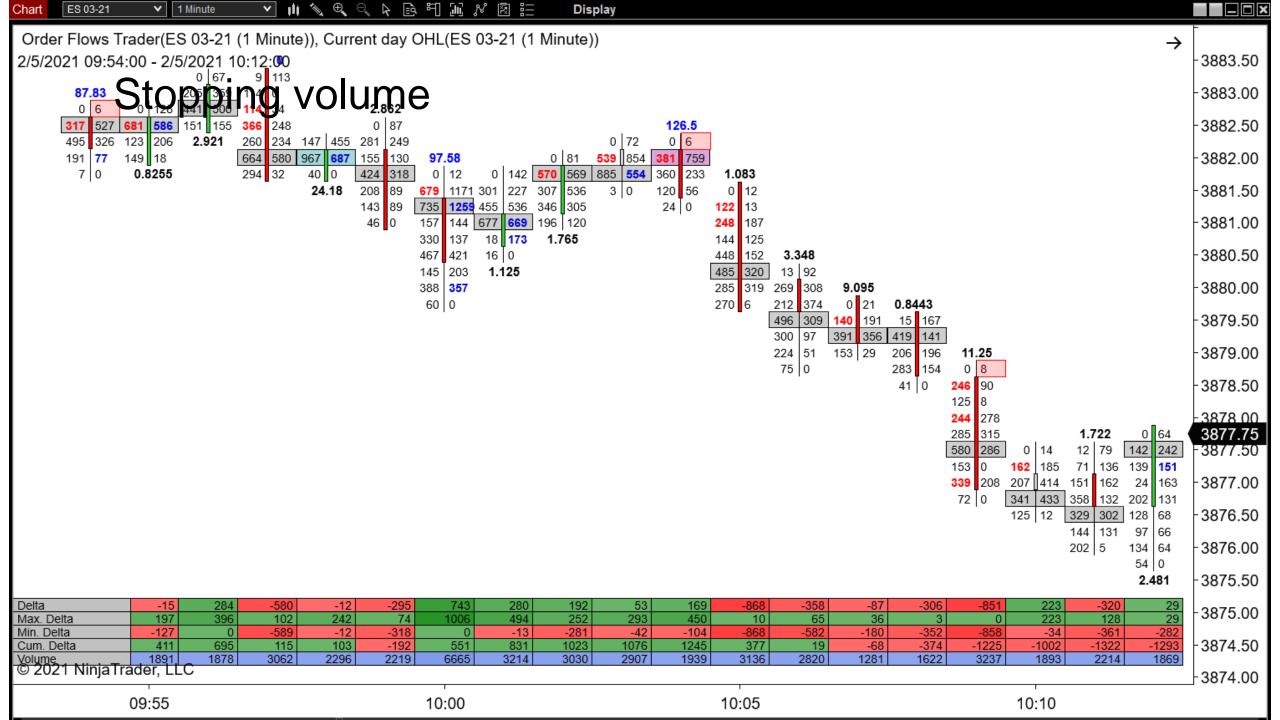
Misconception of volume in order flow – most traders will tell you volume should increase in the direction of the trend. However, this does not always apply to a market moving fast. In a fast market, all the bids will get hit or all the offers will get lifted. Where volume increases is when price moves to an area of support or resistance. The thin areas in the order flow becomes your next support or resistance levels.

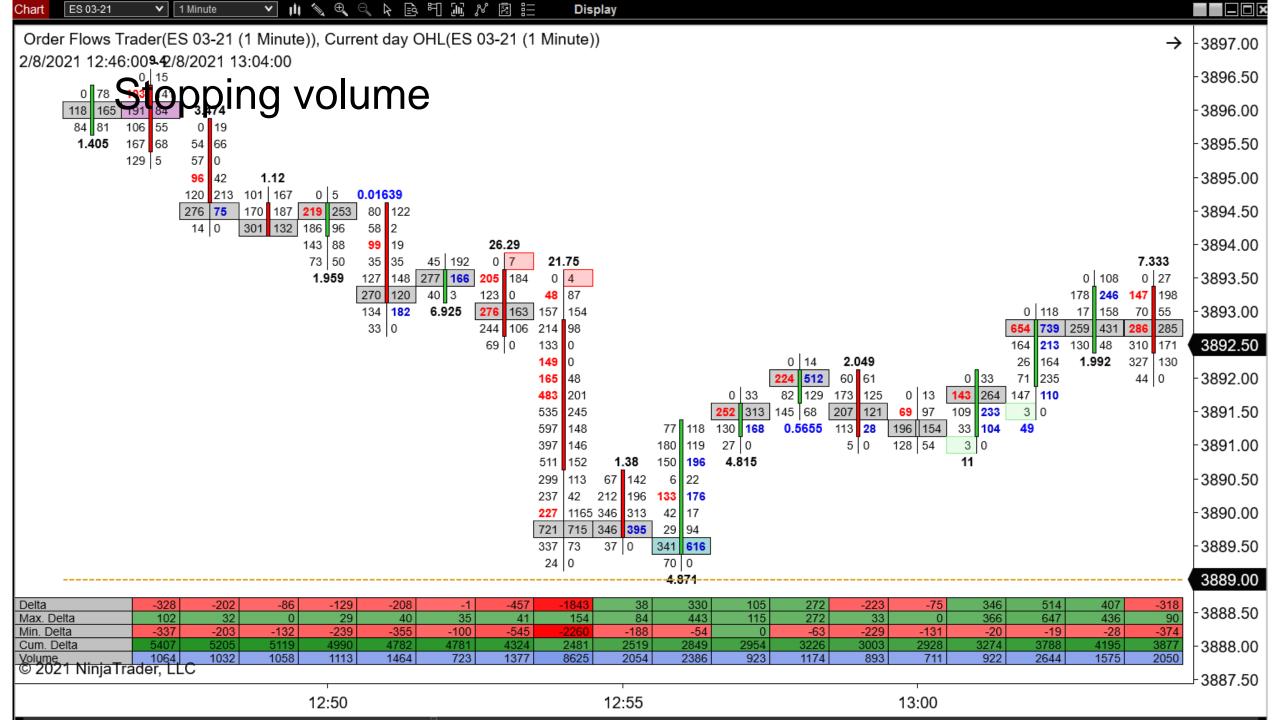




Stopping volume is where a rotation occurs. Stopping volume is where the big money traders come in to distribute supply (at a high) or absorb supply (at a low). This is different than supply and demand. Because in stopping volume, buyers are not stepping up aggressively, instead they are supporting the market.



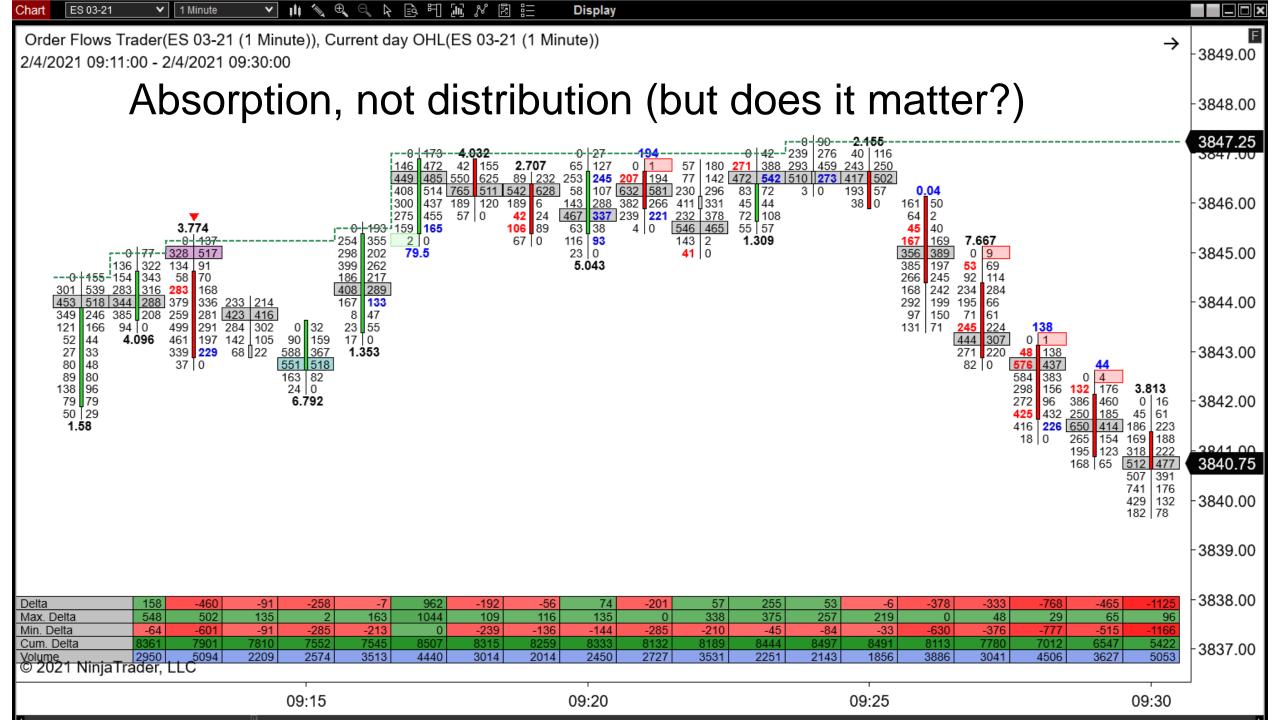


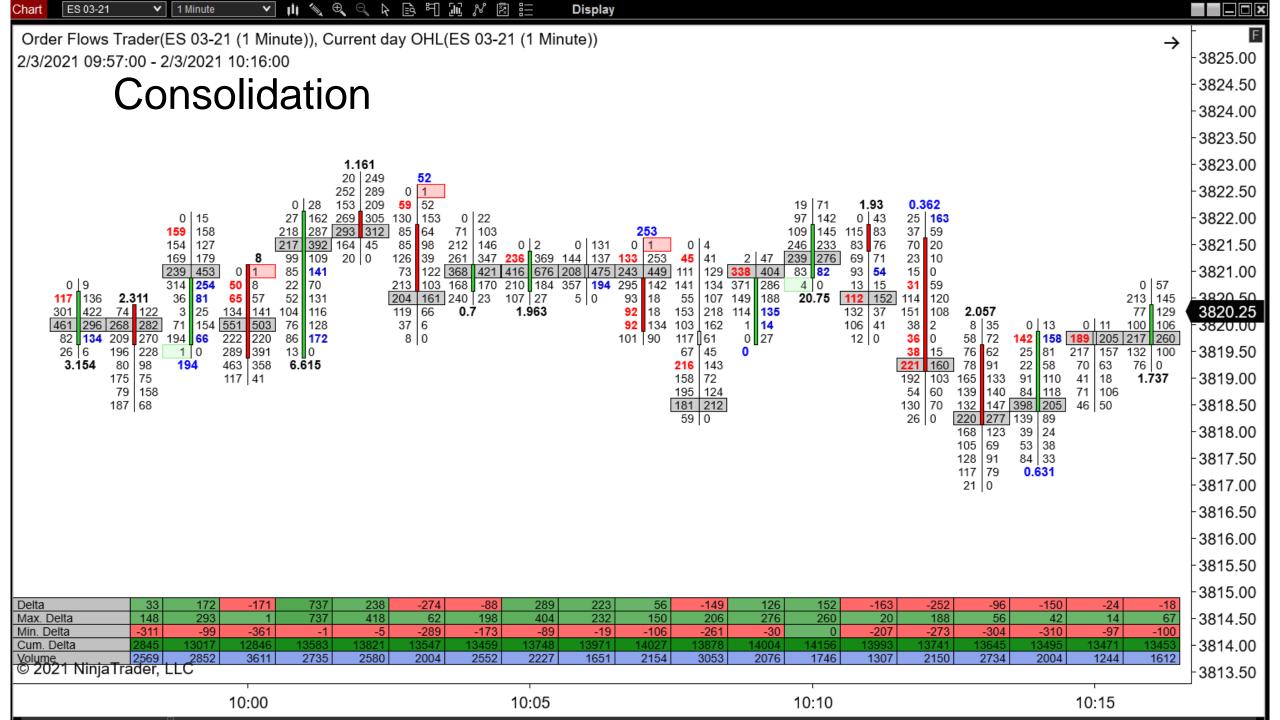


Absorption versus consolidation

The most important clue in determining absorption or consolidation is volume. Absorption tends to happen on high volume. Someone is providing liquidity to absorb the aggressive trading.

Chart ES 03-21 🗸 I Minute 🗸 이 다 🖻 테 🛺 🖋 🗟 듣 Display	
Order Flows Trader(ES 03-21 (1 Minute)), Current day OHL(ES 03-21 (1 Minute))	-
2/3/2021 09:43:00 - 2/3/2021 10:02:00	
	-3823.00
2 88 1.161 50 242 20 249 357 261 252 289 178 410 5.885 0 28 153 209	
178 410 5.885 0 28 153 209 444 673 19 26 0 15 27 162 269 305 766 674 100 153 159 158 218 287 293 312	-3822.00
	3821.75
124 316 530 519 12 169 179 8 99 109 20 0 333 450 513 491 0 8 0 9 239 453 0 1 85 141 66 100 139 45 31 77 44 108 0 9 314 254 50 8 22 70	-3821.00
	0021.00
0 8 93 23 32 66 96 89 117 136 2.311 36 81 65 57 52 131 0 18 53 161 40 0 188 131 114 177 301 422 74 122 3 25 134 141 104 116 54 224 20 58 116 221 157 182 461 296 268 282 71 154 551 503 76 128	- 3820.00
	3020.00
$\begin{array}{cccccccccccccccccccccccccccccccccccc$	0040.00
0 47 6 65 1.688 185 199 28 0 3.154 80 98 194 463 358 6.615 0 57 153 363 4.778 8.143 69 133 273 282 175 75 117 41 1.795 69 84 120 109 9 2 86 0 14 0 18 63 171 250 291 79 158 41 203 73 239 74 151 310 418 55 43 87 182 89 114 105 289 125 118 185 214 187 68	-3819.00
1.795 69 84 10	
468 519 305 429 366 353 117 85 77 42 176 238 130 164 185 230 0 51 96 90 32 294 326 806 946 352 273 116 217 98 166 197 256 139 105 169 91 59 48 231 309 2.056 173 263 170 61 255 247 333 351 241 258 29 33 330 310 98 200 31 0 108 93	-3818.00
294 326 806 946 352 273 116 217 98 166 197 256 139 105 169 91 59 48 231 309 2.056 173 263 170 61 255 247 333 351 241 258 29 33 330 310 98 200 31 0 108 93 179 217 124 72 141 94 251 77 242 184 264 339 127 102 128 140 46 155 135 75 33 124 96 42 6 0 270 262 263 294 66 22 44 74 267 144 62 97 31 124 96 42 6 0 270 262 263 294 66 22 44 74 267 144 62 97 214 649 114 13 206 144 59 <td></td>	
33 124 96 42 6 0 270 262 263 294 66 22 44 74 267 144 62 97 214 649 114 13 206 144 59 33 4 0 180 122 104 461 396 183 126 2 0 11 151 153 3 50	-3817.00
461 396 183 126 2 0 11 151 153 3 50 197 305 91 0 29.5 157 39 11 32 163 118 131 91 18 0 301 112 0.6111	
163 118 131 91 18 0 14 0 301 112 0.6111	-3816.00
11.64 148 35 460 361	
<u>854 611</u> 716 616	-3815.00
Absorption 450 344 207 138 115 69 79 22 0	
	-3814.00
79 22	3014.00
22 0	0010.00
Delta 269 -153 261 -229 382 -50 309 -1417 675 1322 -114 162 108 16 33 172 -171 737 238 Max. Delta 377 231 404 7 382 95 392 13 699 1663 96 197 128 122 148 293 1 737 418	-3813.00
Min. Delta -70 -201 -65 -293 -58 -125 -77 -1788 -3 -9 -148 -372 -45 -87 -311 -99 -361 -1 -5	
Cum. Delta 1540 11387 11648 11419 11801 11751 12060 10643 11318 12640 12526 12688 12796 12812 12845 13017 12846 13583 13821	-3812.00
Volume 3225 2781 3073 2697 2540 1712 1775 7767 3297 6548 3838 3718 1672 1990 2569 2852 3611 2735 2580 © 2021 NinjaTrader, LLC	
09:45 09:50 09:55 10:00	





Absorption versus consolidation

Algos tend to run consolidation areas. Long term traders tend to run absorption areas.

If traders are putting in a lot of effort to move the market but it doesn't move there is someone absorbing that aggressive trading.

Example, the market hits a low and you see big strong negative deltas, but the market is not really going lower. You see more selling, selling, selling. But what is happening? Buyers just keep reloading their bids, that is why you have the big negative deltas, and the market doesn't go lower.

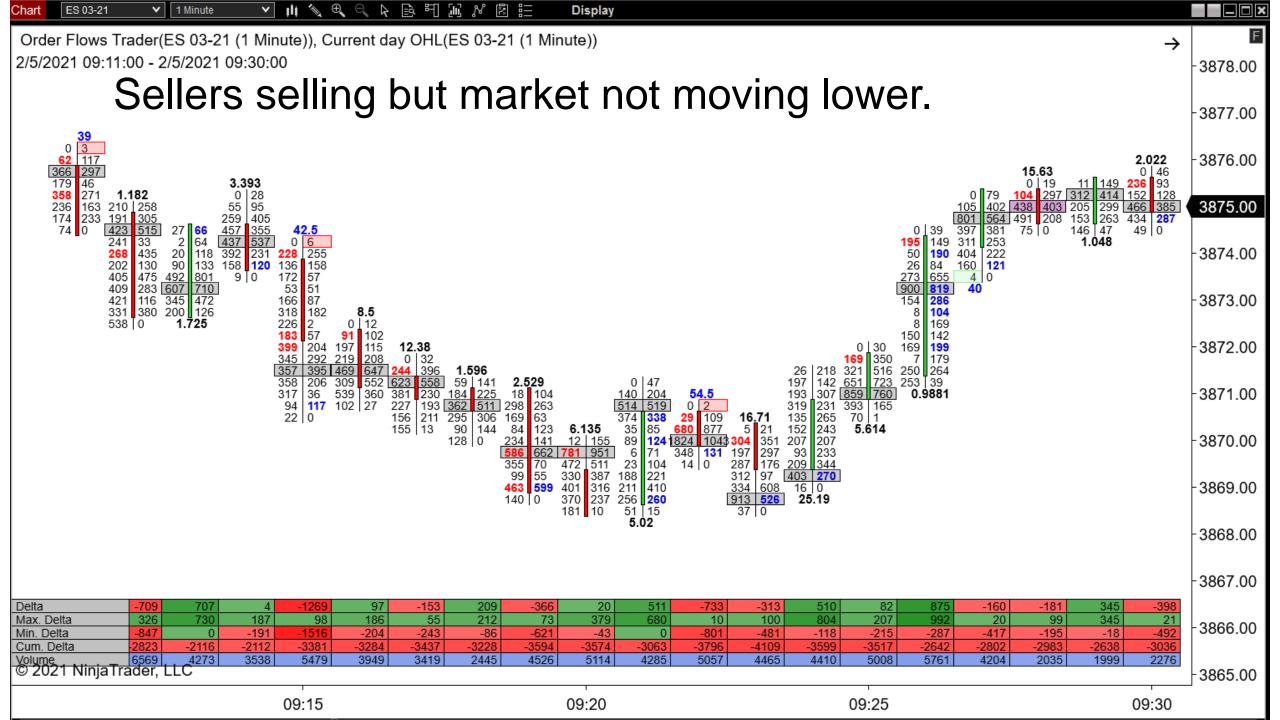
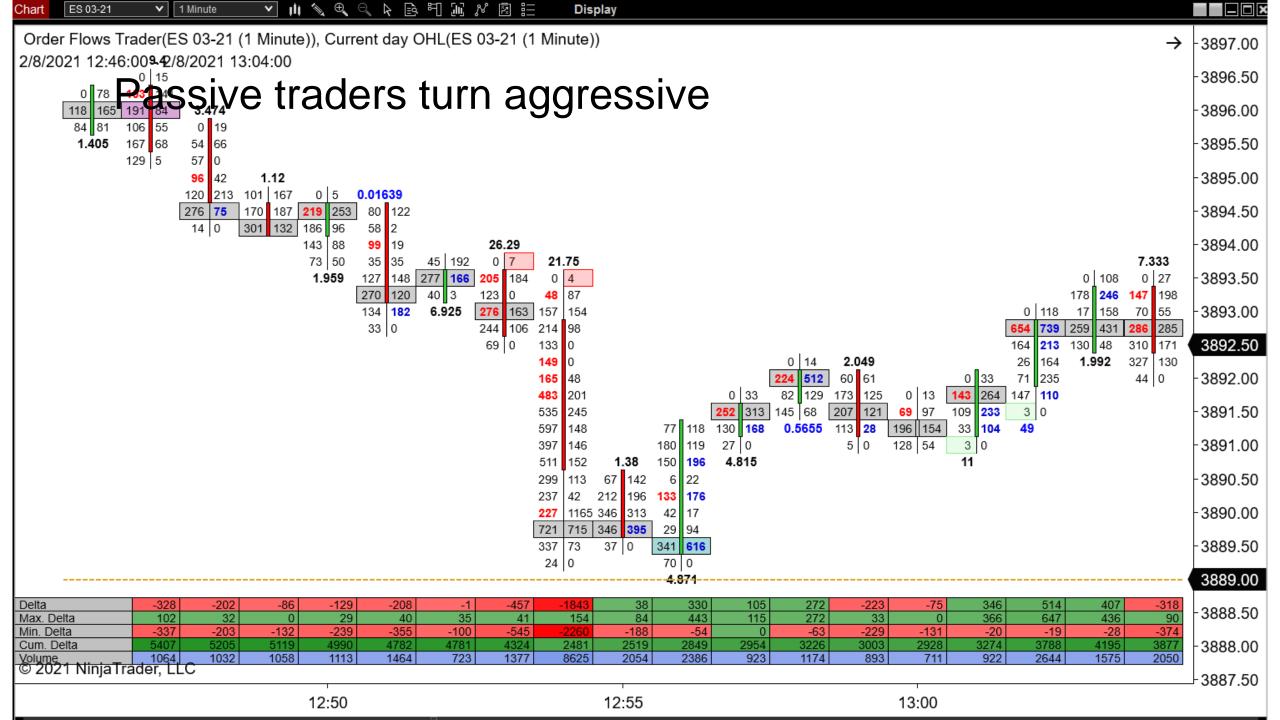


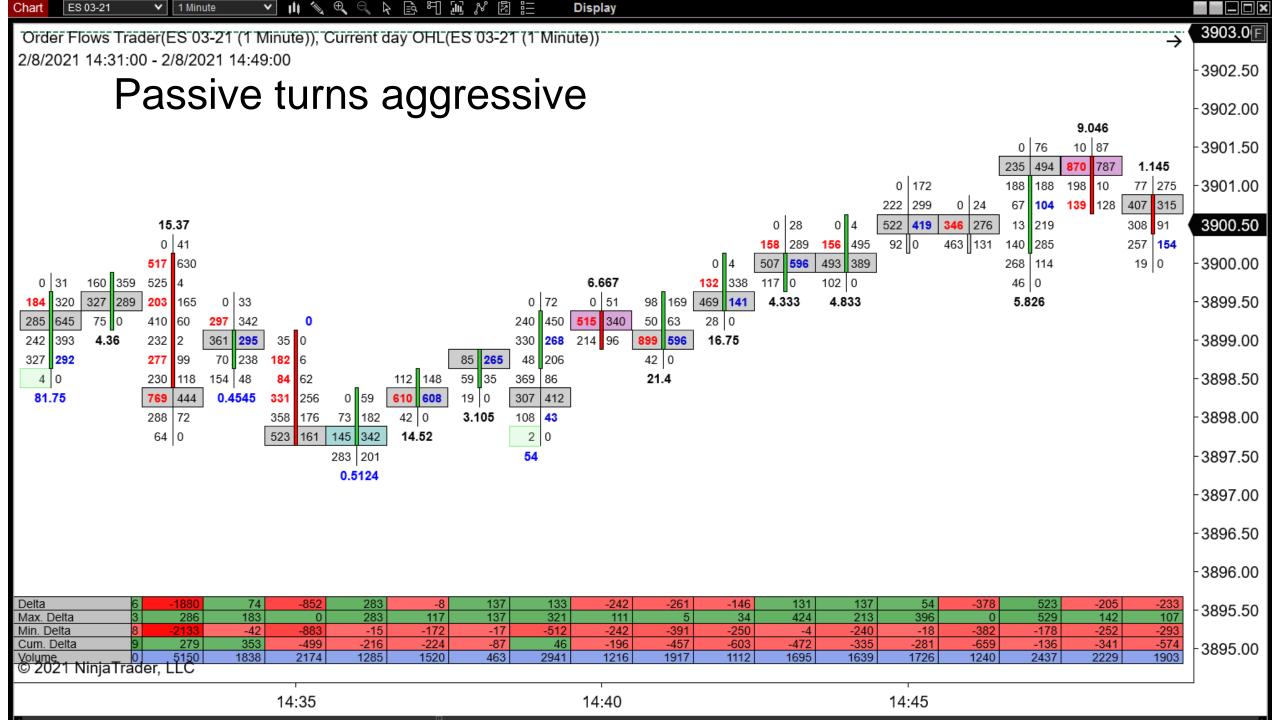
Chart ES 03-21 🗸 I Minute 💙 내 🌂 🔍 🔍 🔍 🛱 🖽 🎶 🔯 🗄 Display	
Order Flows Trader(ES 03-21 (1 Minute)), Current day OHL(ES 03-21 (1 Minute)) →	- F
2/16/2021 09:30:00 - 2/16/2021 09:49:00	-3946.50
Buyers buying but market not moving higher.	-3946.00
	- 3945.50
0.9286 5.44 2.205 0 2269 0 210 0 4 0 728 0 25 0 117 0 156 111	-3945.00
0 50 0 201 743 558 269 195 0 2 40 167 1050 894 150 136 371 420 252 344 0 1 0 1 183 300 417 498 167 82 602 405 132 168 12 135 423 358 150 38 376 252 198 186 386 188 32 210 68 111	-3944.50
281 253 636 639 18 14 498 354 337 613 417 658 329 365 5 0 164 88 522 527 211 81 351 326 531 683 0 204 344 358 283 227 9.278 165 98 390 103 338 311 236 57 30 252 56 118 29 232 95 495 265 215 115 0 41 20	-3944.00
385 338 347 340 193 105 16 0 6 0 159 51 4.424 7 0 26 0 69 19 676 877 0 3 72 135 293 383 7 0 65 2.126 19.04 454 23 160 60 4.343 5.742 103 258 404 199 27.57 225 90 0 67 0 66	-3943.50
124 175 28 0 340 167 177 291 252 379	-3943.00
29 288 359 397 635 576 213 304 186 344 454 421 512 681 195 193	-3942.50
275 301 14 365 489 333 135 158 3.051 14 132 237 15 238 300 208 33 16 59	-3942.00
2 143 123 236 57 0 2 0 90 19 106 180 95 1 78 196 95 0 2 0 90 19 106 180 95 1 78 196	-3941.50
242 379 78 0 146 217 83 163 18 0 355 21.91	-3941.00
7 43 291 254 0 11 1 17 431 325 87 241	-3940.50
73 184 254 77 212 394 149 110 252 246 721 585 52 0 273 22 229 82	-3940.00
2.865 145 80 181 345	- 3939.50
271 266	-3939.00
198 41 222 262	-3938.50
Delta 3 134 1995 -288 21 229 -77 455 -385 70 -224 -102 46 -189 -727 195 -131 -363 -2254 Max. Delta 161 165 2058 108 111 231 107 598 7 192 162 114 112 15 2 275 383 273 553	-3938.00
Min. Delta -177 -97 -4 -335 -98 -30 -226 -22 -385 -106 -224 -188 -101 -308 -1170 -165 -131 -416 -2464 Cum. Delta 1731 1865 3860 3572 3593 3822 3745 4200 3815 3885 3661 3559 3605 3416 2689 2884 2753 2390 36	- 3937.50
Volume 3763 3206 3851 2812 1751 2081 1979 2865 1499 2488 1952 1706 1812 2071 3763 4301 2437 4385 11622 © 2021 NinjaTrader, LLC 157 0	-3937.00
09:30 09:35 09:40 09:45	

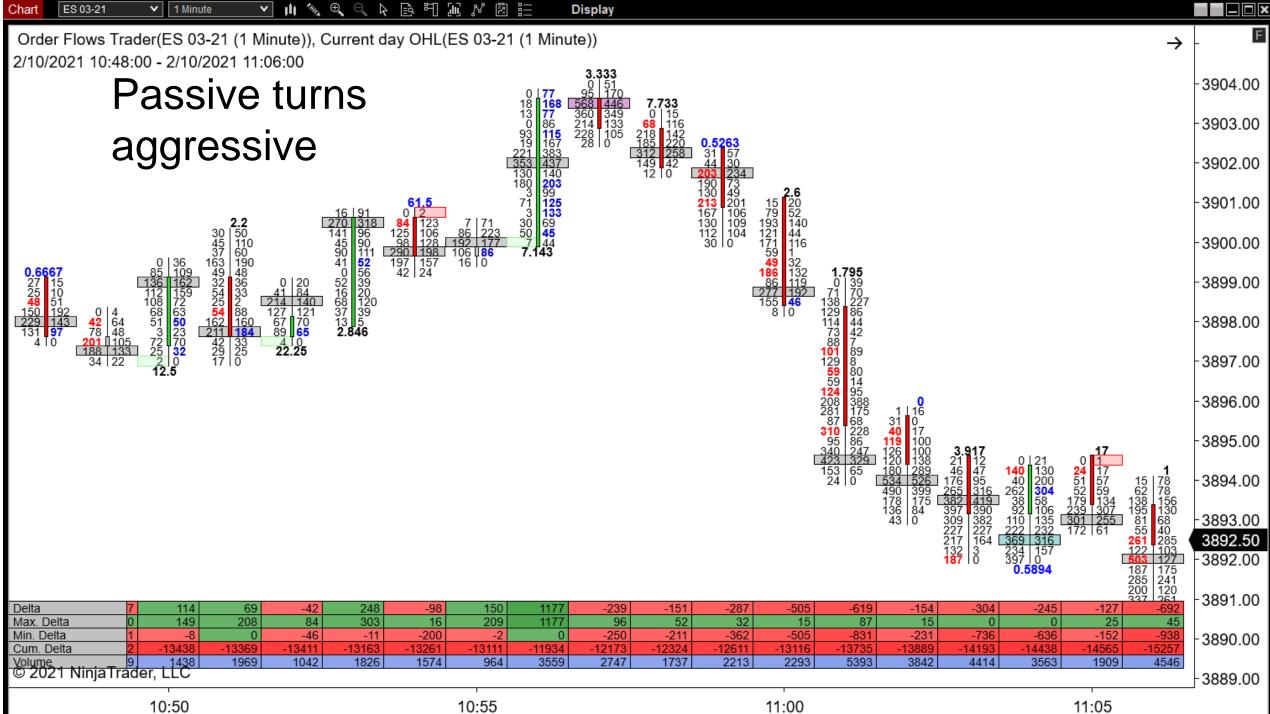
When aggressive traders put in a lot of effort, there needs to be a result for them in the form of price moving in their direction. If not, what is the market telling you? Someone is one the other side of the market absorbing that volume. What will happen? One side will give up and when that side gives up, the other side can press it further and shift prices in their favor.

The difference between absorption and consolidation is often found in the volume. Absorption tends to have significant amounts of volume going through. The aggressor's effort is not causing a reaction in the market. The market is not moving in the direction of the aggressive activity.

Absorption tends to resolve itself after the aggressive trader give up. Then the passive traders turn into the aggressive trader and start initiating. What does it mean absorption resolve itself? It means there is a continuation of price.







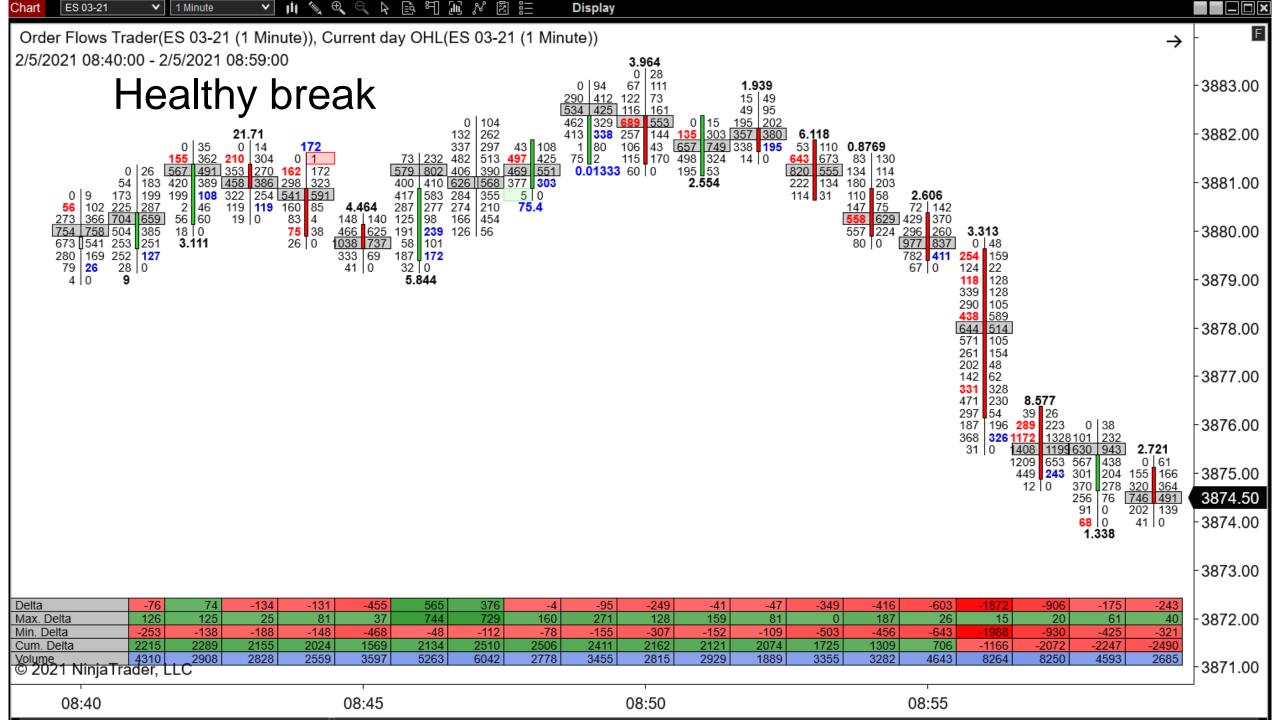
10:50

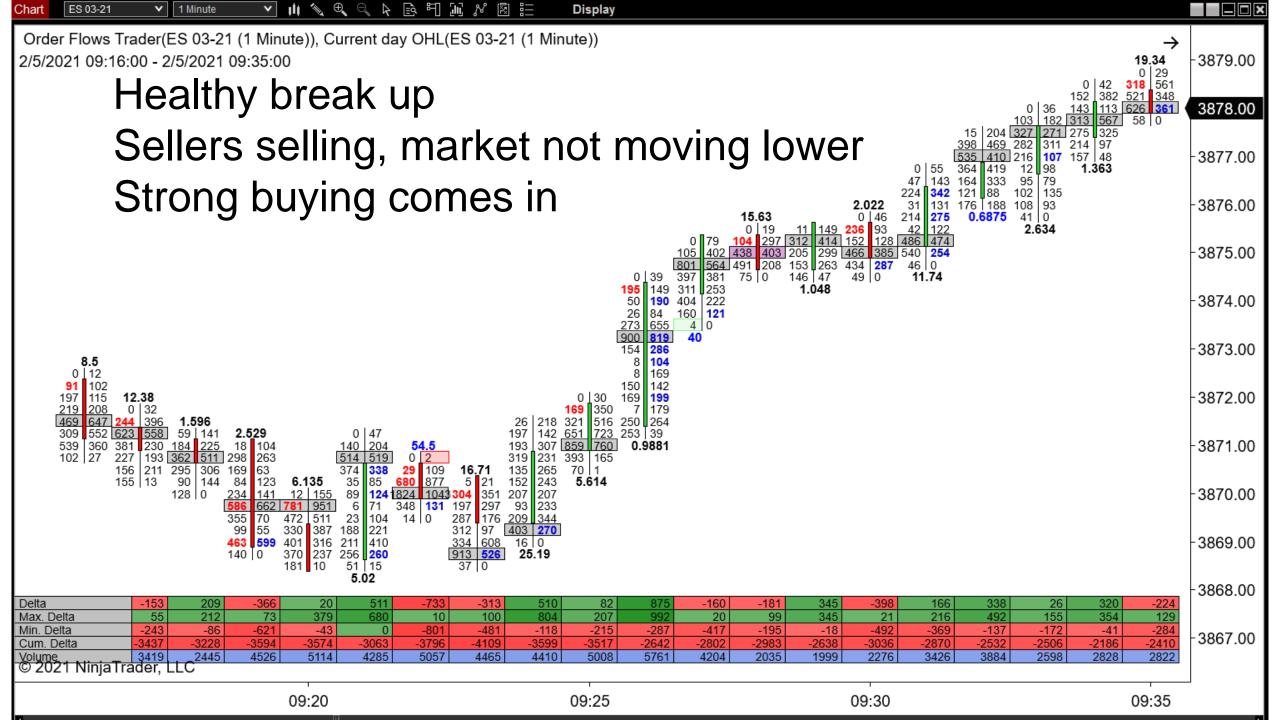
The real giveaway in recognizing absorption is when you see big effort but no reward. Watch price and volume. Is price moving with all that volume?

Order Flows Trader(ES 03-21 (1 Minute)), Current day OHL(ES 03-21 (1 Minute)) 3946.50 21/6/2021 09:30:00 - 2/16/2021 09:49:00 3946.50 0 <	Chart ES 03-21 V 1 Minute V 川 🔌 🔍 🔍 k 🖹 町 沥 ぷ 窓 듬 Display	
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0.8286 0.44 0.2285 0 10 4 0 228 0 25 11 3945.50 183<300	Why isn't the market moving higher?	-3946.00
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281 283 683 613 417 653 613 613 211 313 326 650 614 20 334 336 663 0 1 336 650 614 20 336 650 610 630 117 20 55 560 610 630 117 20 55 560 4.424 7 0 266 757 10 336 576 213 336 560 4.424 7 0 266 767 107 1		-3945.00
281 283 683 613 417 653 613 613 211 313 326 650 614 20 334 336 663 0 1 336 650 614 20 336 650 610 630 117 20 55 560 610 630 117 20 55 560 4.424 7 0 266 757 10 336 576 213 336 560 4.424 7 0 266 767 107 1	0 50 0 201 743 558 269 195 0 2 40 167 1050 894 150 136 371 420 252 344 0 1 0 1 183 300 417 498 167 82 602 405 132 168 12 135 423 358 150 38 376 252 198 186 386 188 32 210 68 111	-3944.50
386 382 347 130 193 106 16 0 159 51 4.424 7 0 26 0 66 19 97 19.04 464 197 0 3 -3943.50 -3943.50 -3943.50 -3943.50 -3943.50 -3943.50 -3943.50 -3943.50 -3943.50 -3942.50 -3942.50 -3942.50 -3942.50 -3942.50 -3942.50 -3942.50 -3942.50 -3942.50 -3942.20 -3942.50	281 253 636 639 18 14 498 354 337 613 417 658 329 365 5 0 164 88 522 527 211 81 351 326 531 683 0 204 344 358 283 227 9.278 165 98 390 103 338 311 236 57 30 252 56 118 29 232 95 495 265 215 115 0 41 20	-3944.00
103 258 44 199 27.57 300 167 0 66 -3943.00 124 175 280 330 157 172 21223 304 -3943.00 186 344 444 421 572 611 151 58 -3943.00 186 344 444 427 172 21223 300 16 59 -3943.00 141 132 300 157 15 230 300 16 59 -3942.50 143 355 300 20 90 16 160 -3942.50	385 338 347 340 193 105 16 0 6 0 159 51 4.424 7 0 26 0 69 19 676 877 0 3 72 135 293 383 7 0 65 2.126 19.04 454 23 160 60 4.343 5.742	-3943.50
29 288 359 397 633 576 713 304 -3942.50 146 365 440 365 49 331 156 3.051 -3942.50 14 132 237 15 28 300 206 33 16 59 -3942.00 14 132 237 15 28 300 206 33 16 59 -3942.00 1413 237 15 28 300 206 33 16 59 -3942.00 2413 237 57 0 2 16 78 16 178 196 146 180 -3941.50 241 245 77 0 16 178 184 -291 246 111 3940.50 -272 292 272 222 292 272 222 292 222 292 222 292 222 292 222 292 222 292 222 292 222 292 222 292 222 292	103 258 404 199 27.57	
275 301 413 365 483 313 158 3.061 - - - - - - - 3942.00 33 16 50 - - 3942.00 - 31 16 50 - 3942.00 - 3942.00 - 3942.00 - 3942.00 - 3942.00 - 3942.00 - 3941.50 -	29 288 397 635 576 213 304	
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271 266 -3939.00 198 41 222 262 -3938.50 394 121 121 -363 -229 -77 455 -385 70 -224 -102 46 -189 -727 195 -131 -363 -2354 -3938.50 394 121 -363 -226 -22 -385 70 -224 -102 46 -189 -727 195 -131 -363 -2354 -3938.50 394 121 -363 -226 -22 -385 70 -224 -102 46 -189 -727 195 -131 -363 -256 -3938.50 Max. Delta 161 165 2058 108 111 231 107 598 7 192 162 114 112 15 2 275 383 273 553 Min. Delta -177 -97 -4 -335 -98 -30 -226 -22 -385 3661 3559 3605 3416	2.865 145 80 181 345	-3939.50
222 262 3938.50 394 195 288 21 229 -77 455 -385 70 -224 -102 46 -189 -727 195 -131 -363 -2354 -3938.50 Max. Delta 161 165 2058 108 111 231 107 598 7 192 162 114 112 15 2 275 383 273 553 553 563 165 -2464 -303 -246 -2464 -256 -2464	271 266	-3939.00
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Min. Delta -177 -97 -4 -335 -98 -30 -226 -22 -385 -106 -224 -188 -101 -308 -1170 -165 -131 -416 -2464 Cum. Delta 1731 1865 3860 3572 3593 3822 3745 4200 3815 3885 3661 3559 3605 3416 2689 2884 2753 2390 36 Volume 3763 3206 3851 2812 1771 2081 1979 2865 1499 2488 1952 1706 1812 2071 3763 4301 2437 4385 11622 © 2021 Ninja Trader, LLC 157 0	Delta 3 134 1995 -288 21 229 -77 455 -385 70 -224 -102 46 -189 -727 195 -131 -363 -2354	-3938.00
Volume 3763 3206 3851 2812 1751 2081 1979 2865 1499 2488 1952 1706 1812 2071 3763 4301 2437 4385 11622 © 2021 NinjaTrader, LLC 157 0 3937.00	Min. Delta -177 -97 -4 -335 -98 -30 -226 -22 -385 -106 -224 -188 -101 -308 -1170 -165 -131 -416 -2464	
	Volume 3763 3206 3851 2812 1751 2081 1979 2865 1499 2488 1952 1706 1812 2071 3763 4301 2437 4385 11622	

Absorption is sometimes the meeting of short-term trading and longer-term traders. The short-term traders are helping to facilitate trade up or down until the meet a longer-term trader who needs to fill an order.

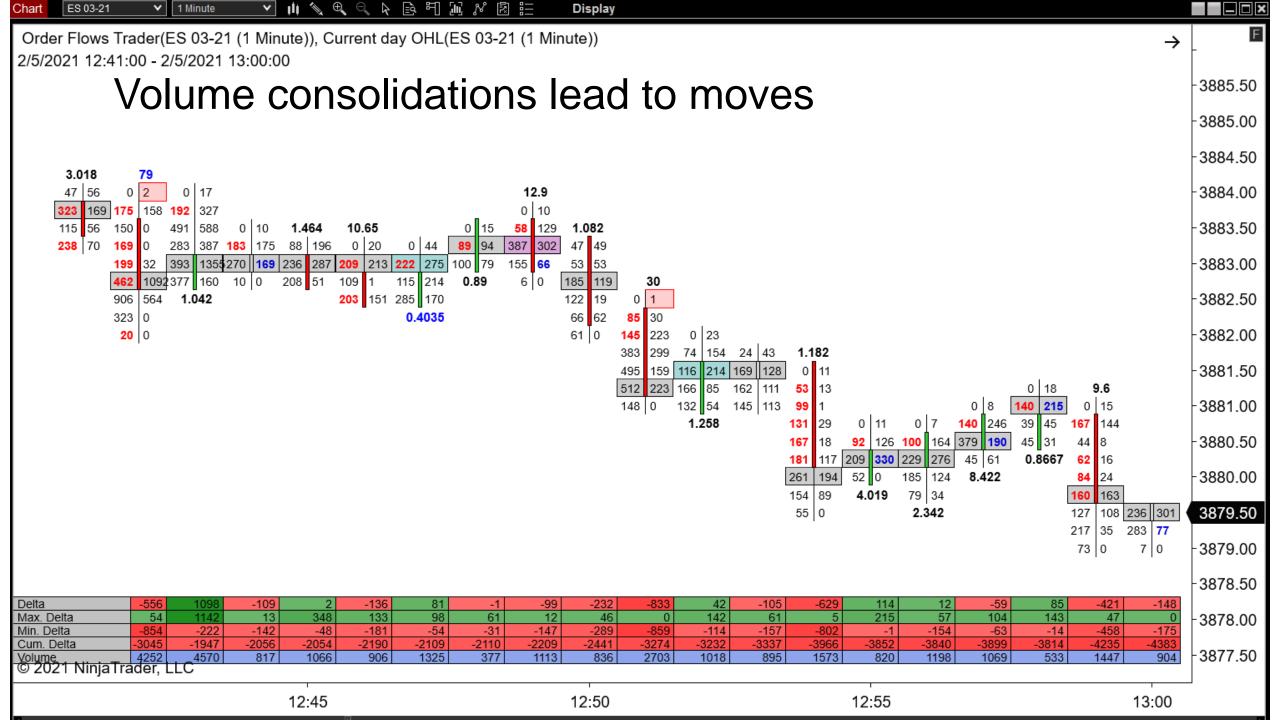
What does a healthy move or break out look like? A combination of short covering and new longs (on a breakout to the upside). Or long liquidation and new shorts. It is a combination of short-term trading and longer-term trading. You do get an increase in volume as well as elongated bars.

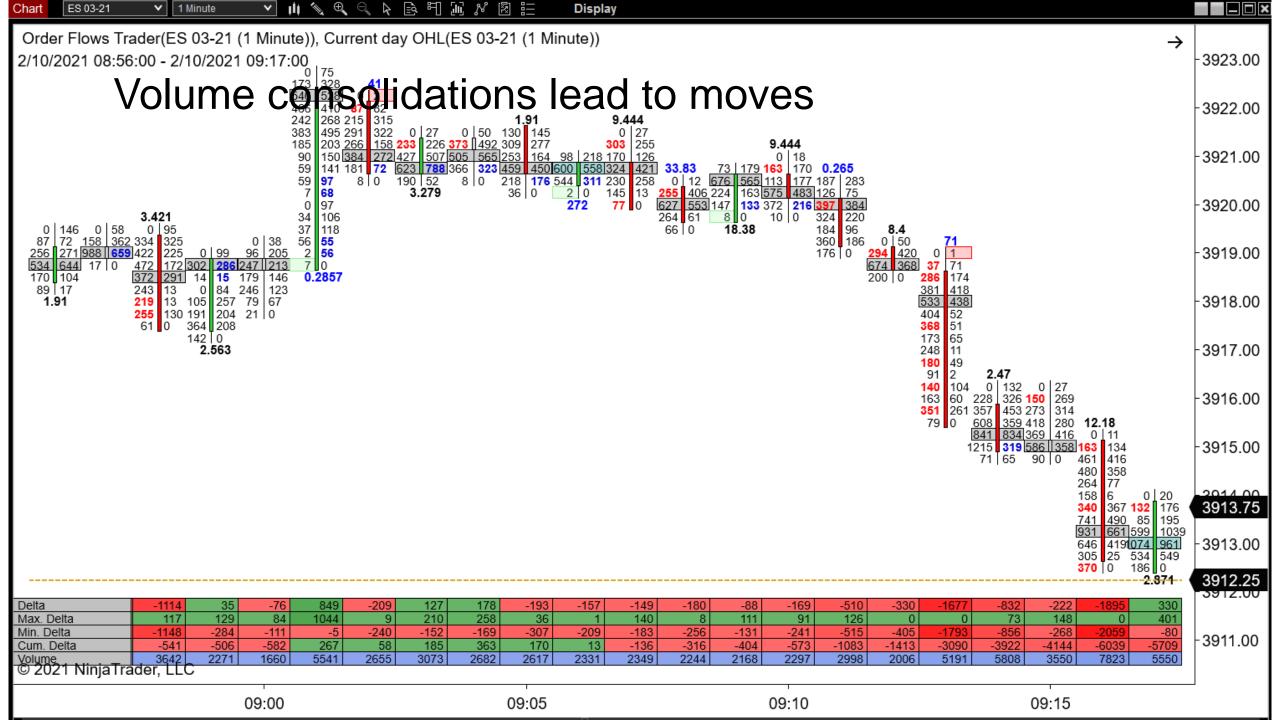


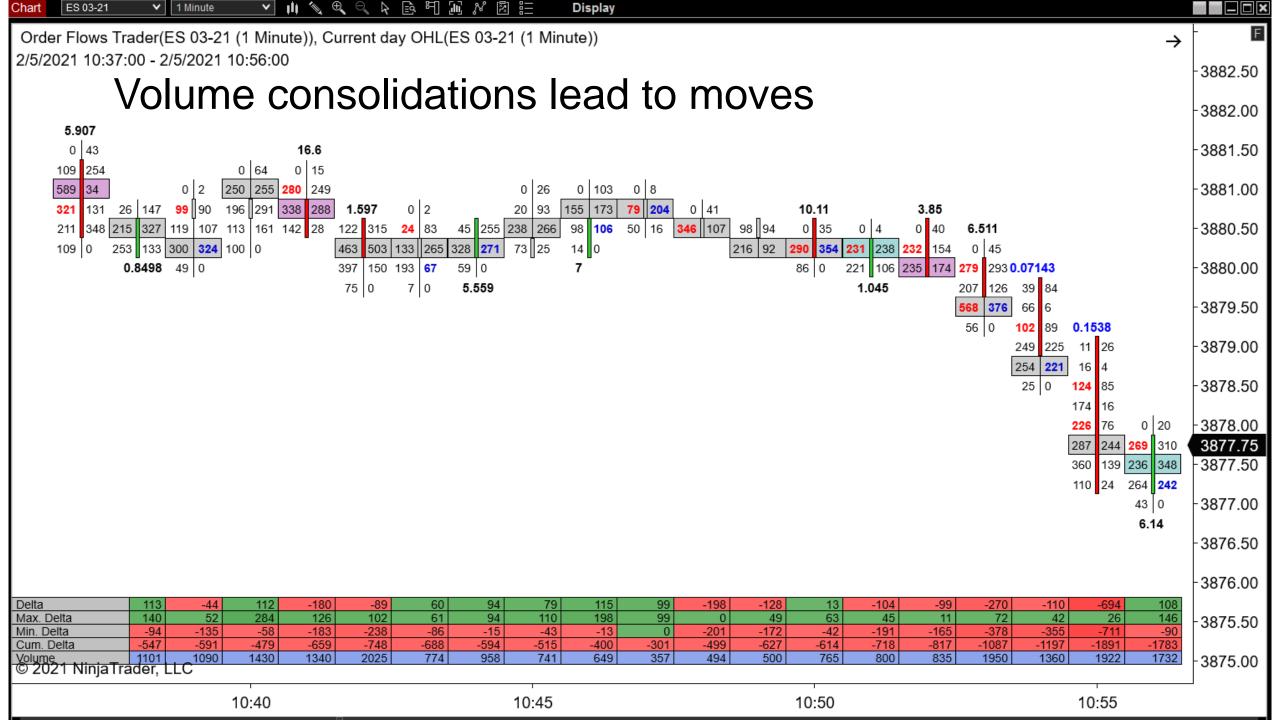


Volume Consolidations

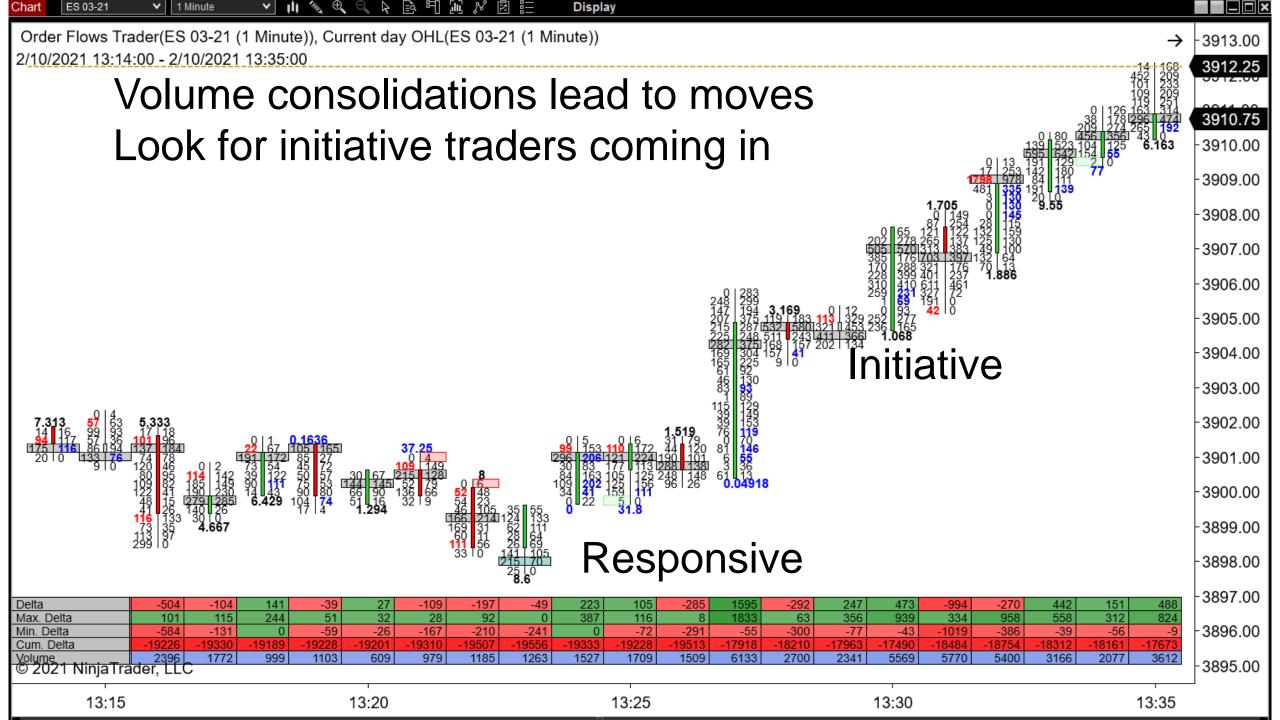
Many traders think trading consolidations are boring, but when you understand consolidations, you know that when the market moves out of consolidation that is where the really big moves can occur.







There are different types of volume. There is initiative volume and responsive volume. Initiative volume starts moves, gives the market direction. Responsive volume responds to an opportunity in the market.

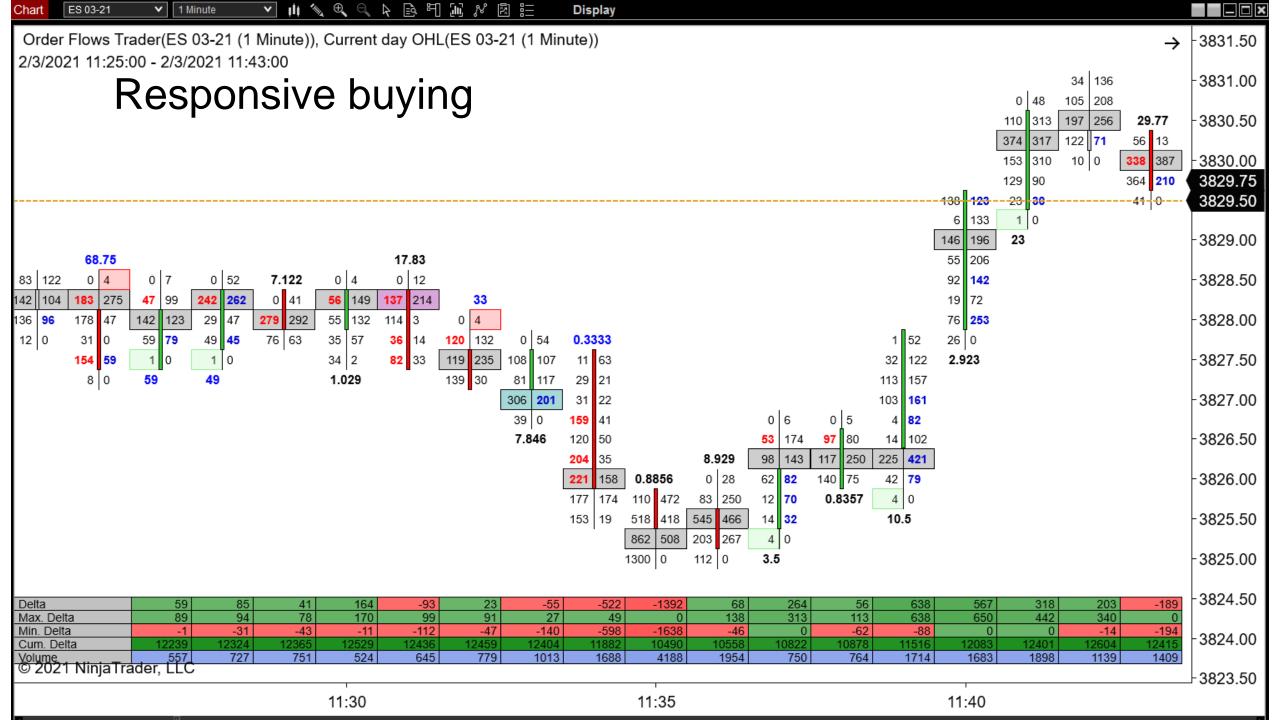


Volume Responsive

Responsive buyers think "oh, wow this is a great deal, I will buy it here." They respond to the low prices. You can see this on a delta chart when there is strong volume delta. Going back to volume. Remember I said volume is a sign of smart (big) money. When there is solid volume what do you think is happening. The big traders weren't going to let prices drop further and responded to the low prices by buying. You also want to be buying.



Chart ES 03-21 🗸 I Minute 💙 비 🔨 🔍 🔍 📐 🖻 티 🛺 🖋 🕅 = Display		
Order Flows Trader(ES 03-21 (1 Minute)), Current day OHL(ES 03-21 (1 Minute))	÷	-
2/11/2021 11:24:00 - 2/11/2021 11:42:00		-3899.00
125 189 162 248 Responsive buying		-3898.50
313 357 385 428		-3898.00
55 93 456 339 101 146 87 116		-3897.50
0 88 179 101 9 43 33 19 14 53 16.5 112 158 209 93 34 105 24 303 477 0 4 122 189 166 286 180 241 0 1 303 477 0 4 122 189 166 286 180 241 0 1		-3897.00
$ \begin{array}{cccccccccccccccccccccccccccccccccccc$		-3896.50
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276 106 132 94 93 125 0 25 10 80 89 51 29 32 299 180 97 25 54 0 157 165 135 116 0 36 188 164 14 46 78 47 73 45 142 56 3.2 45 0 485 493 95 104 268 434 71 81 23 127 5 0 78 52 73 8 0		-3895.50
- 2.186 642 370 74 216 305 363 237 269 131 111 107 33 192 139 149	244	-3895.00
529 384 246 359 57 135 312 438 393 379 0 59 244 207 164 156 28	32	-3894.50
437 316 357 460 1.051 116 275 208 159 197 246 72 216 243 234 3.813 137 46 348	133	- 3894 00
184 13 423 381 24 59 0 5 116 190 274 366 141 67 407 532 134 280 306 165 182 158 206 44 62 56 193 187 202 278 231 158 90 295 235 118 210 306 165 162 158 206 44 62 56 193 187 202 278 231 158 90 295 235 118 210 306 165 162 163 162 163 162 261 165 <t< td=""><td>246 189</td><td>3893.75 -3893.50</td></t<>	246 189	3893.75 -3893.50
420 396 208 134 26 31 399 403 143 239 335 226 229 184 125 143 169 132 125	129 223	-3893.00
255 172 89 121 584 449 402 516 10.81 274 188 120 106 167 132 219	90	-3892.50
-78 - 0722 325 13 187 244 277 356 36 0 49		-3892.00
318 136 0 5 154 278 234 283 2.833 243 261 39 65 545 452 364 357		-3891.50
411 519 83 132 280 228 238 232 538 650 353 735 106 127 466 447		-3891.00
361 233 1009 1083 37 101 363 637 -175 102 1049 574 245 646 288 493		-3890.50
- 26 0 <u>1157 710</u> 165 173 - 696 0 183 0	(3890.00
		-3889.50
Max. Delta 21 643 180 266 283 996 461 377 352 269 861 3 390 1 186 1	322 11	-3889.00
Cum. Delta -10075 -9775 -9721 -9686 -10071 -9084 -8695 -8604 -8386 -8168 -7548 -7774 -7456 -7491 -7464 -8111 -4	460 433	-3888.50
Volume 7975 6524 5446 5153 10005 9971 5529 5801 3272 2940 4718 2228 2188 1737 1629 3287 4 © 2021 NinjaTrader, LLC	478	-3888.00
11:25 11:30 11:35 11:40		



Volume is the backbone of the market. Some call it the fuel of the market. But one thing you have to know is the market needs volume to facilitate trade. In some markets volume is extremely big, while others it is much smaller. You have to understand what is considered big volume and small volume in your market.

The key concept to take away from volume is that the market facilitates trade in the direction of volume. Volume is what causes a market to move. Being able to see price levels where heavy volume traded will help you determine what is going to happen in the market.

This concludes the Module 6: Volume.

In the next module we will discuss Value and how to see and use Value in the order flow.