Next Level Order Flow
Module 8:
Flow Driven Market

Disclaimer

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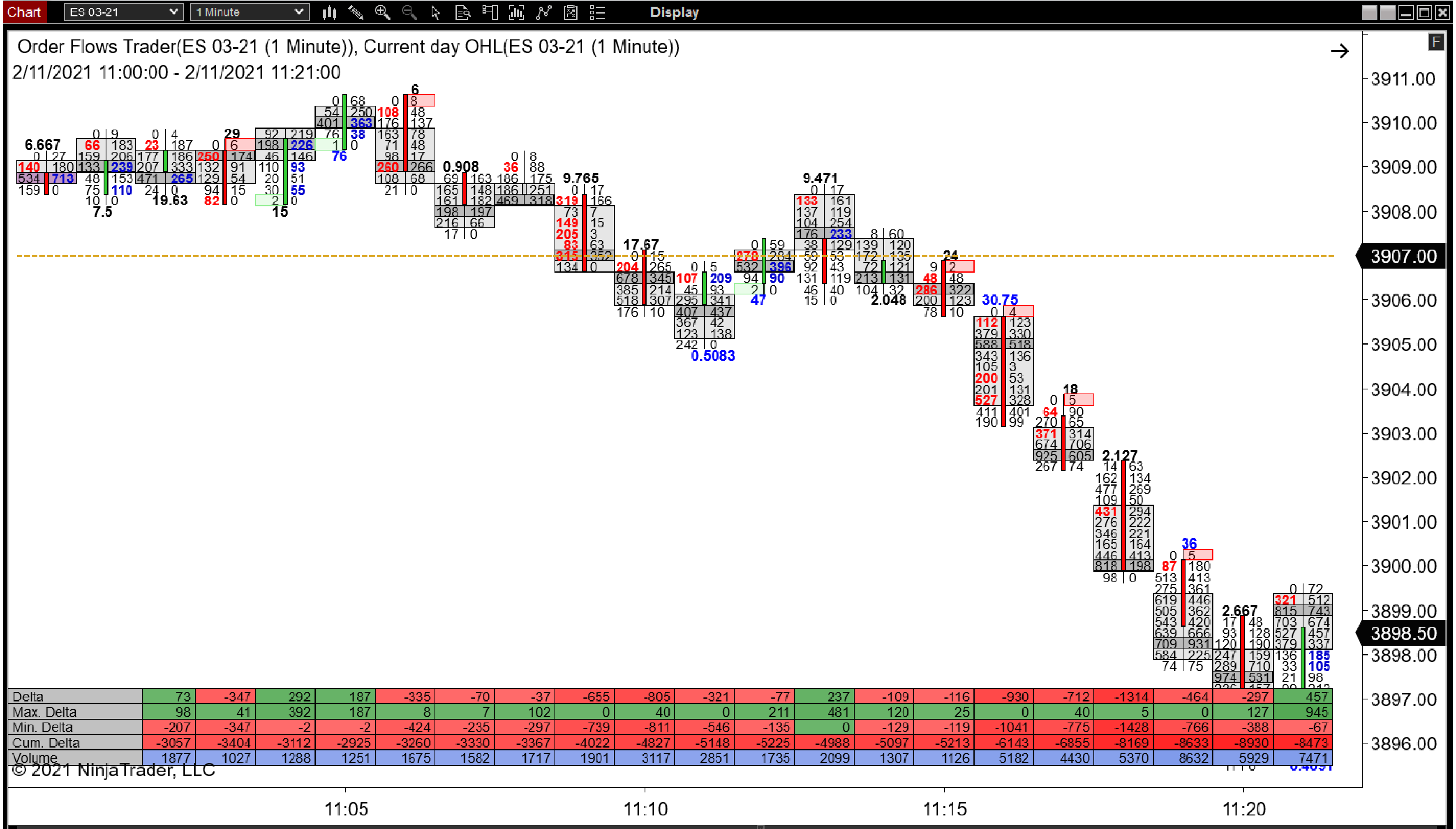
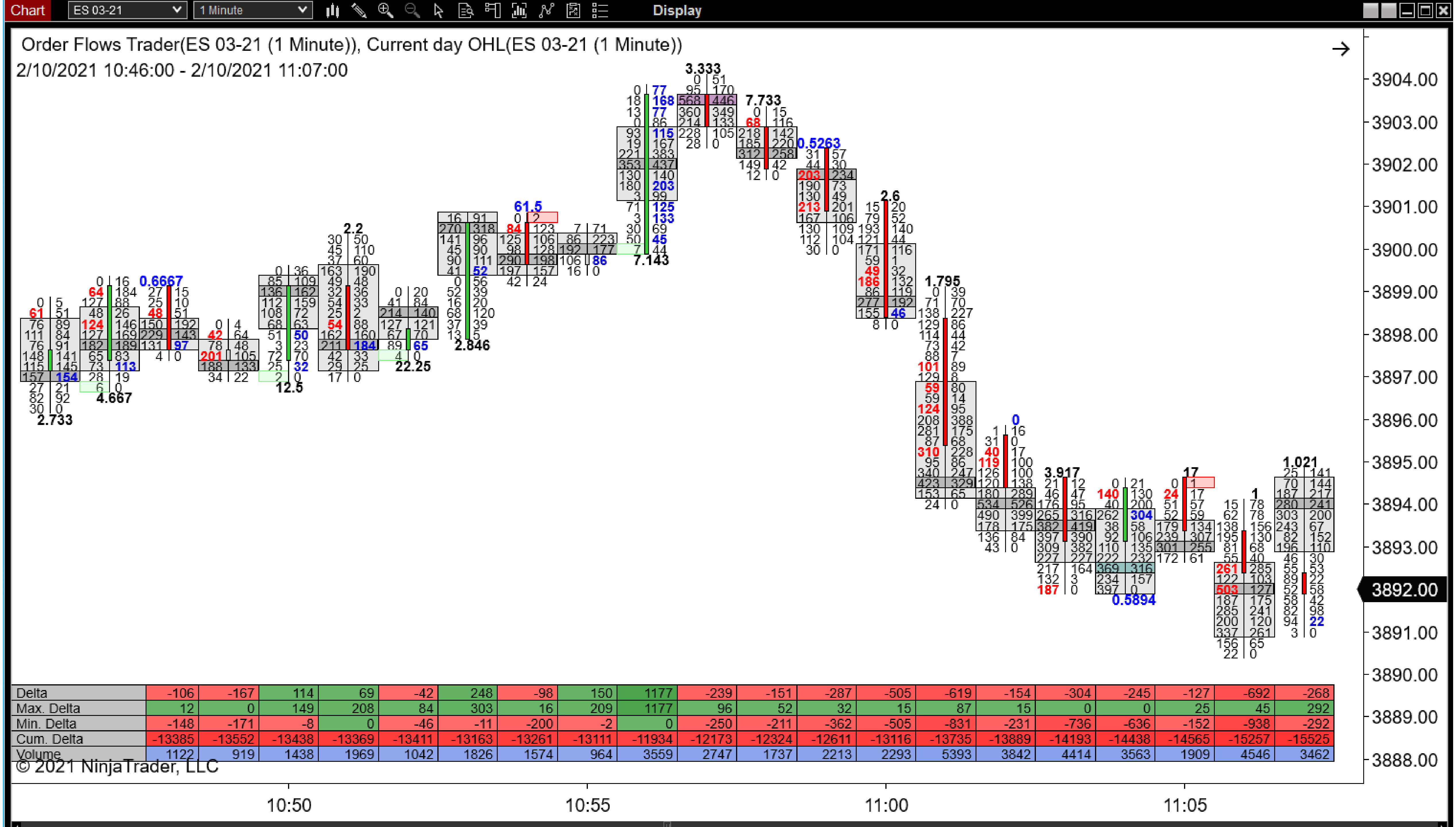
In order to be successful at trading you need understanding of what the other traders, traders you are competing with, are doing. There will be times you want to trade along side with them and there will be times you want to trade against them.



Delta	73	-347	292	187	-335	-70	-37	-655	-805	-321	-77	237	-109	-116	-930	-712	-1314	-464	-297	457
Max. Delta	98	41	392	187	8	7	102	0	40	0	211	481	120	25	0	40	5	0	127	945
Min. Delta	-207	-347	-2	-2	-424	-235	-297	-739	-811	-546	-135	0	-129	-119	-1041	-775	-1428	-766	-388	-67
Cum. Delta	-3057	-3404	-3112	-2925	-3260	-3330	-3367	-4022	-4827	-5148	-5225	-4988	-5097	-5213	-6143	-6855	-8169	-8633	-8930	-8473
Volume	1877	1027	1288	1251	1675	1582	1717	1901	3117	2851	1735	2099	1307	1126	5182	4430	5370	8632	5929	7471

Flow driven market

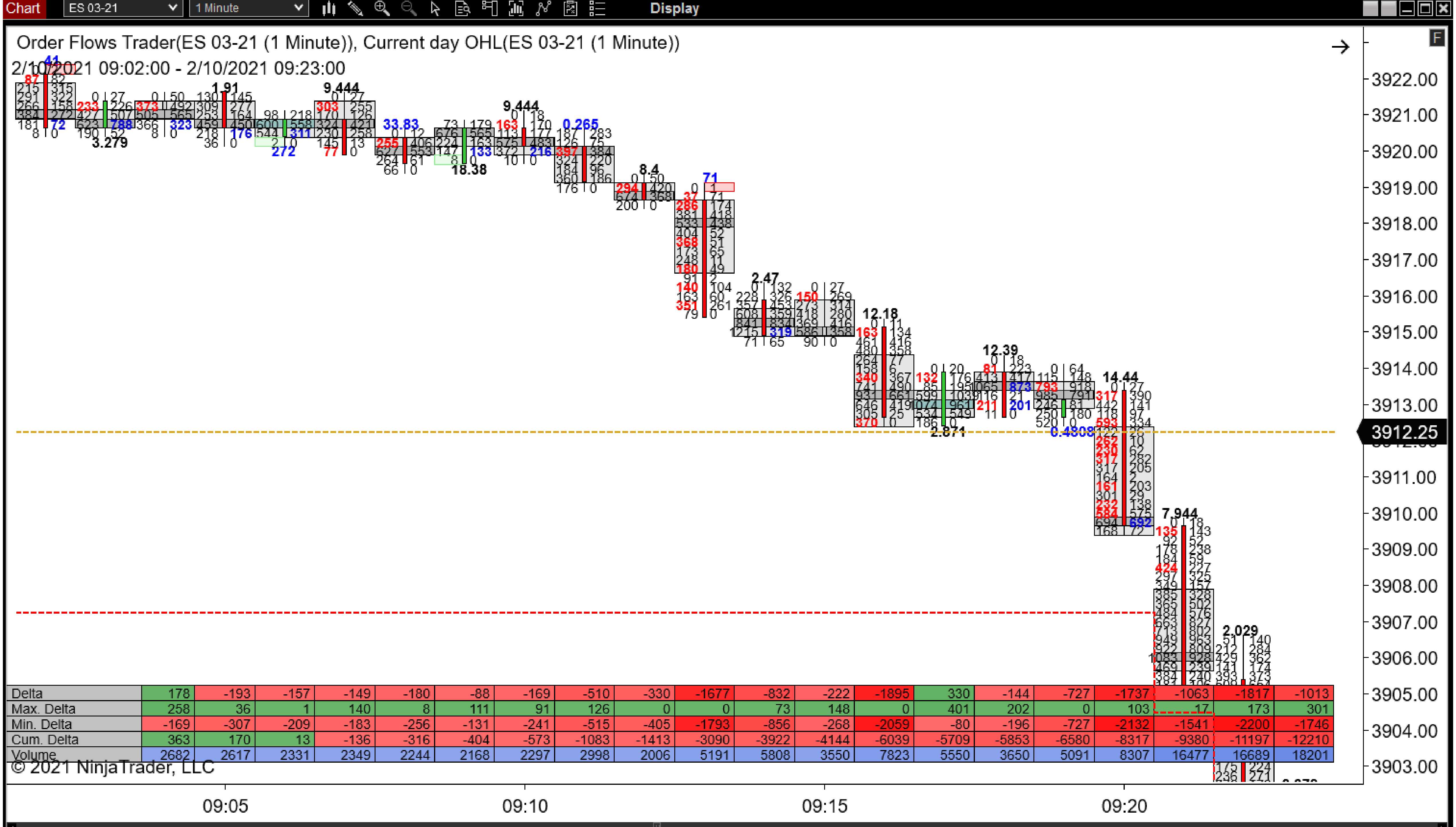
Order flow allows you to strip out specific situations in the market from the randomness that is every where. The specific situations give you opportunities out of the randomness of the market. That is part of the trading process.



Delta	-106	-167	114	69	-42	248	-98	150	1177	-239	-151	-287	-505	-619	-154	-304	-245	-127	-692	-268
Max. Delta	12	0	149	208	84	303	16	209	1177	96	52	32	15	87	15	0	0	25	45	292
Min. Delta	-148	-171	-8	0	-46	-11	-200	-2	0	-250	-211	-362	-505	-831	-231	-736	-636	-152	-938	-292
Cum. Delta	-13385	-13552	-13438	-13369	-13411	-13163	-13261	-13111	-11934	-12173	-12324	-12611	-13116	-13735	-13889	-14193	-14438	-14565	-15257	-15525
Volume	1122	919	1438	1969	1042	1826	1574	964	3559	2747	1737	2213	2293	5393	3842	4414	3563	1909	4546	3462

Flow driven market

A flow driven market is a condition that occurs when traders are not passive, working bids and offers most of the time. Traders are more aggressive, they are more initiating in their trading because they want to get in now. They are buying the offer or selling the bid.



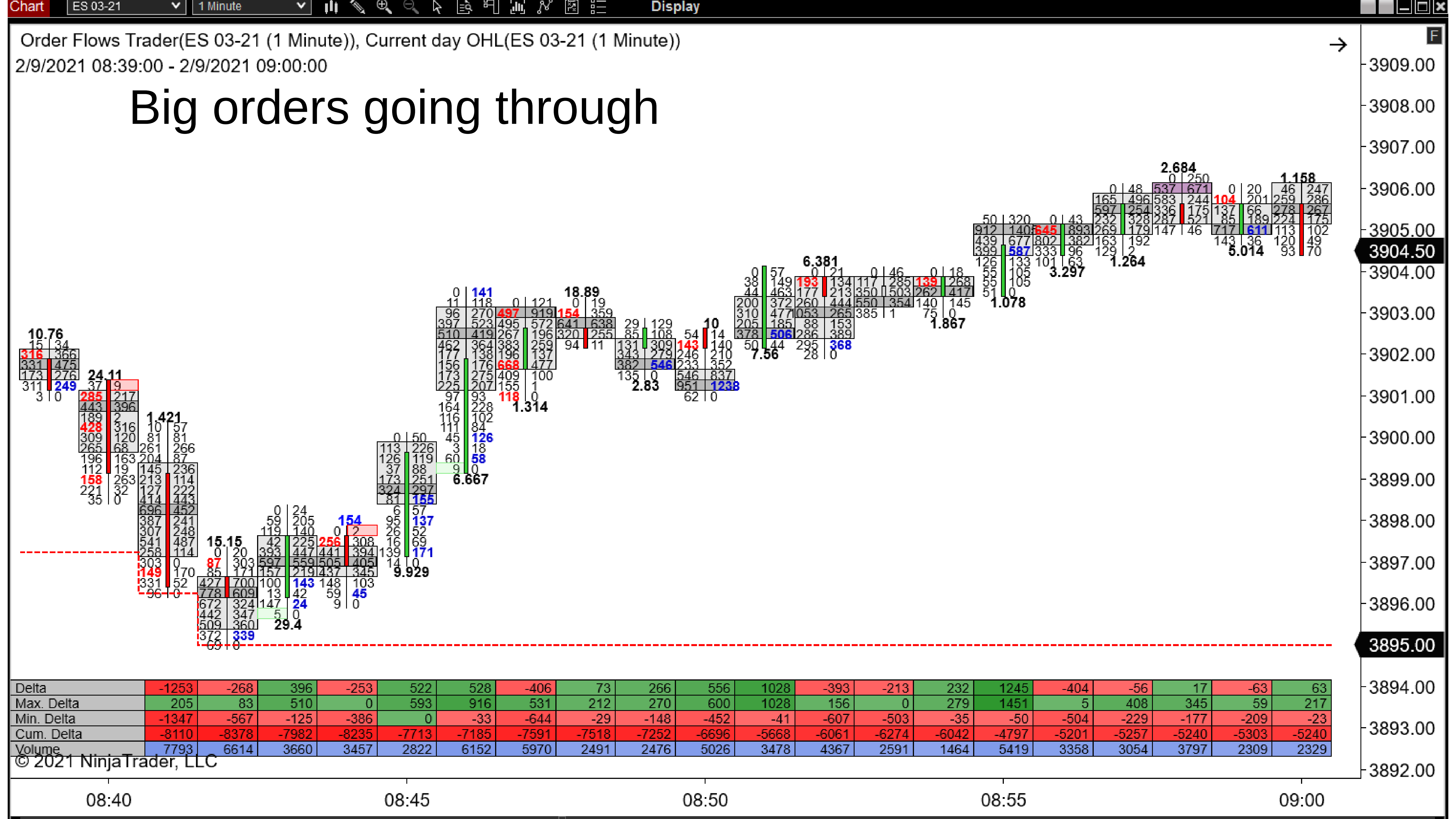
Delta	178	-193	-157	-149	-180	-88	-169	-510	-330	-1677
Max. Delta	258	36	1	140	8	111	91	126	0	0
Min. Delta	-169	-307	-209	-183	-256	-131	-241	-515	-405	-1793
Cum. Delta	363	170	13	-136	-316	-404	-573	-1083	-1413	-3090
Volume	2682	2617	2331	2349	2244	2168	2297	2998	2006	5191

Delta	-832	-222	-1895	330	-144	-727	-1737	-1063	-1817	-1013
Max. Delta	73	148	0	401	202	0	103	17	173	301
Min. Delta	-856	-268	-2059	-80	-196	-727	-2132	-1541	-2200	-1746
Cum. Delta	-3922	-4144	-6039	-5709	-5853	-6580	-8317	-9380	-11197	-12210
Volume	5808	3550	7823	5550	3650	5091	8307	16477	16689	18201

Flow driven market

In a flow driven market you see big players active. The big players have an order to fill, they don’t care if they are running into support or resistance or some technical level. They have to buy or sell.

Big orders going through



Delta	-1253	-268	396	-253	522	528	-406	73	266	556
Max. Delta	205	83	510	0	593	916	531	212	270	600
Min. Delta	-1347	-567	-125	-386	0	-33	-644	-29	-148	-452
Cum. Delta	-8110	-8378	-7982	-8235	-7713	-7185	-7591	-7518	-7252	-6696
Volume	7793	6614	3660	3457	2822	6152	5970	2491	2476	5026

Delta	1028	-393	-213	232	1245	-404	-56	17	-63	63
Max. Delta	1028	156	0	279	1451	5	408	345	59	217
Min. Delta	-41	-607	-503	-35	-50	-504	-229	-177	-209	-23
Cum. Delta	-5668	-6061	-6274	-6042	-4797	-5201	-5257	-5240	-5303	-5240
Volume	3478	4367	2591	1464	5419	3358	3054	3797	2309	2329

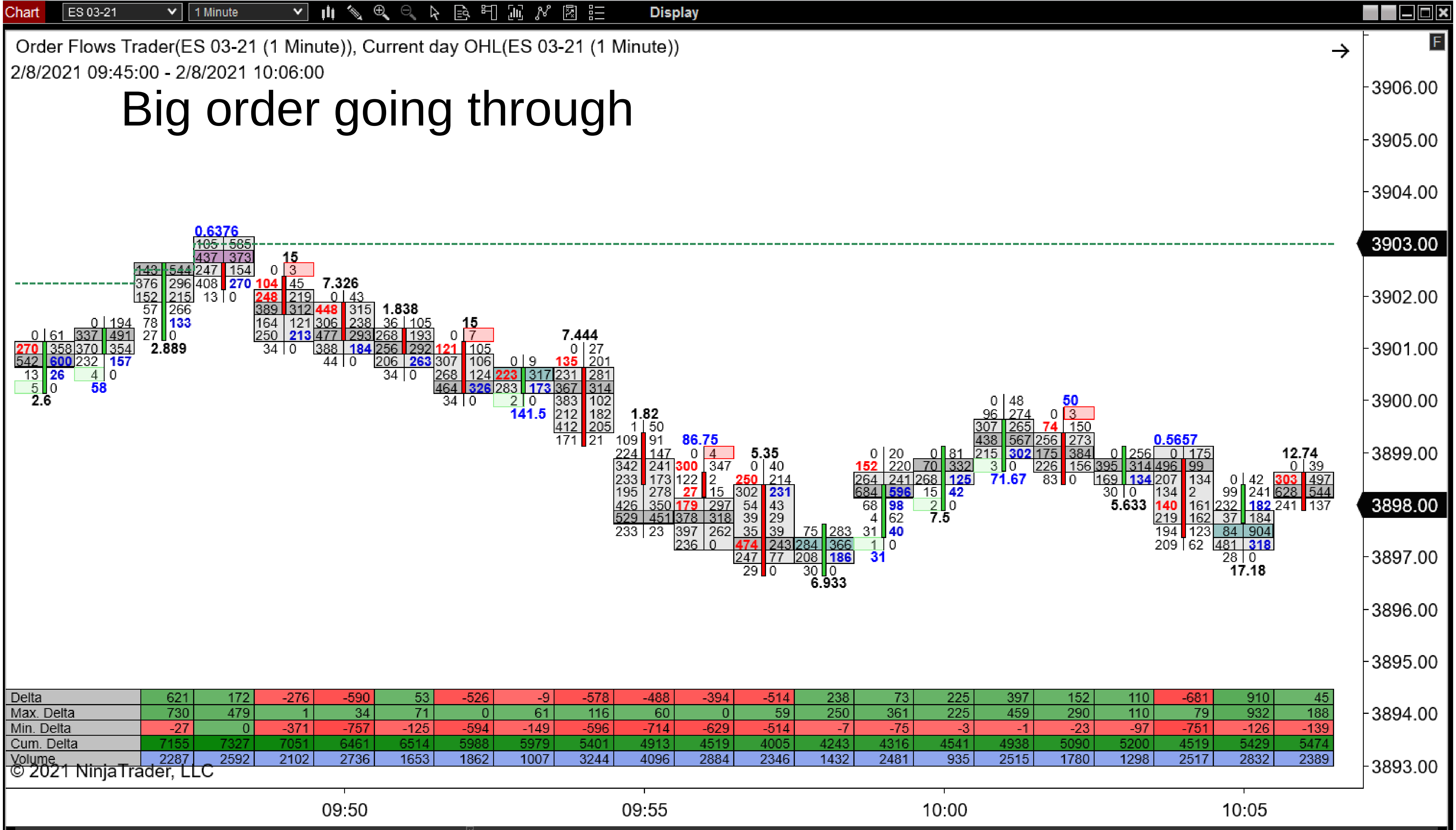


Chart
ES 03-21
1 Minute
Display
Order Flows Trader(ES 03-21 (1 Minute)), Current day OHL(ES 03-21 (1 Minute))
2/8/2021 09:45:00 - 2/8/2021 10:06:00
Big order going through
Delta 621 172 -276 -590 53 -526 -9 -578 -488 -394 -514 238 73 225 397 152 110 -681 910 45
Max. Delta 730 479 1 34 71 0 61 116 60 0 59 250 361 225 459 290 110 79 932 188
Min. Delta -27 0 -371 -757 -125 -594 -149 -596 -714 -629 -514 -7 -75 -3 -1 -23 -97 -751 -126 -139
Cum. Delta 7155 7327 7051 6461 6514 5988 5979 5401 4913 4519 4005 4243 4316 4541 4938 5090 5200 4519 5429 5474
Volume 2287 2592 2102 2736 1653 1862 1007 3244 4096 2884 2346 1432 2481 935 2515 1780 1298 2517 2832 2389
© 2021 NinjaTrader, LLC
09:50
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3893.00

Flow driven market

You and I can’t move markets. Most of the trading that happens doesn’t move the markets. Its that 10-15% of traders out there, the big longer term traders that trade in size that can move markets. The old saying “if you can’t beat them, join them” applies to the markets now more than ever. Algos don’t move the markets.

Flow Driven Market

What also causes moves? Besides the big players getting active in the market, it also comes down to traders trying to guess what other traders are doing. Market goes up 5 points, pulls back 2 points, goes back up 2 points. Now everyone is looking for the market to keep going up.

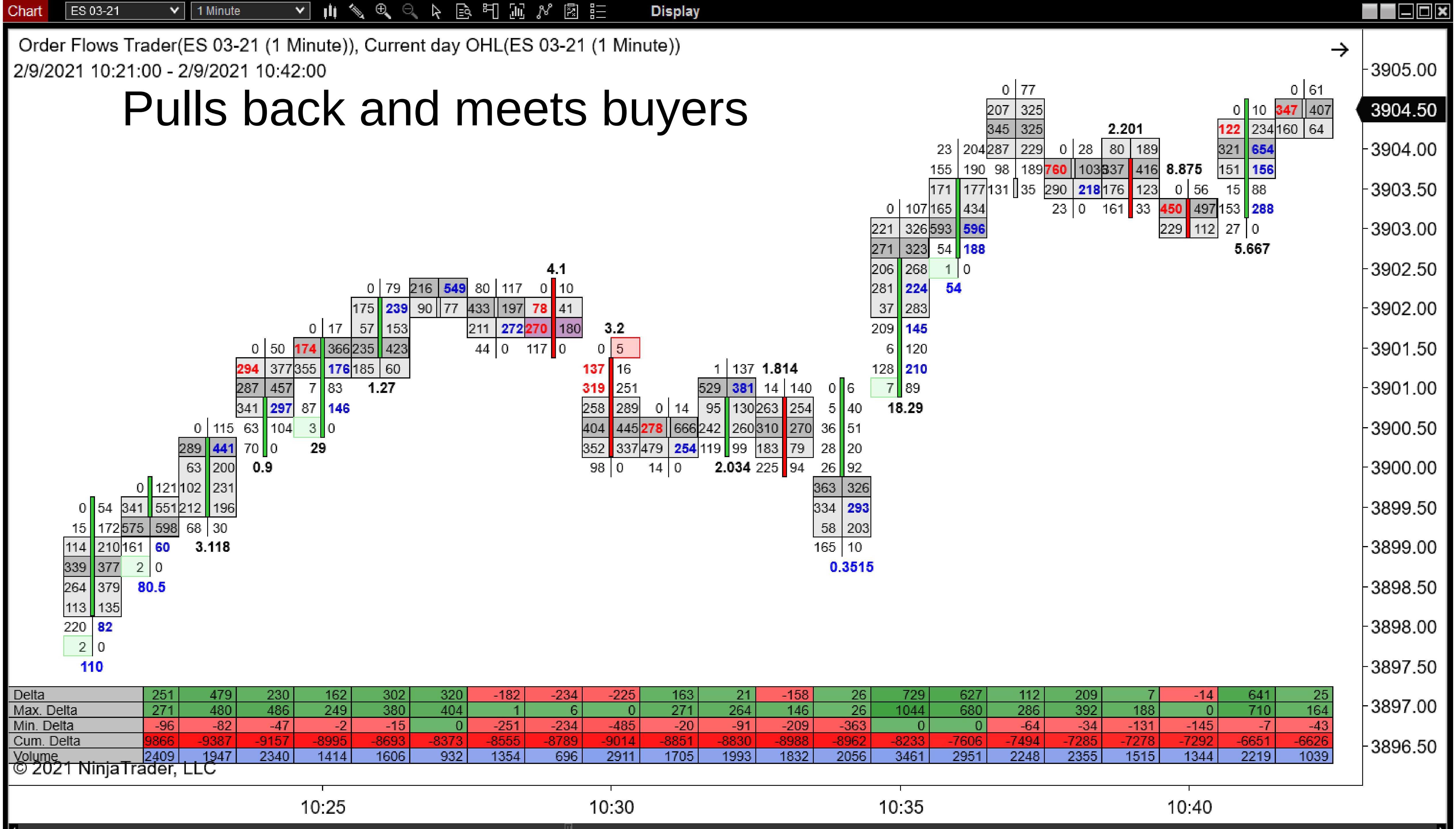
Chart
ES 03-21
1 Minute
Display
Order Flows Trader(ES 03-21 (1 Minute)), Current day OHL(ES 03-21 (1 Minute))
2/9/2021 10:21:00 - 2/9/2021 10:42:00
Pulls back and meets buyers
Delta 251 479 230 162 302 320 -182 -234 -225 163 21 -158 26 729 627 112 209 7 -14 641 25
Max. Delta 271 480 486 249 380 404 1 6 0 271 264 146 26 1044 680 286 392 188 0 710 164
Min. Delta -96 -82 -47 -2 -15 0 -251 -234 -485 -20 -91 -209 -363 0 0 -64 -34 -131 -145 -7 -43
Cum. Delta 9866 -9387 -9157 -8995 -8693 -8373 -8555 -8789 -9014 -8851 -8830 -8988 -8962 -8233 -7606 -7494 -7285 -7278 -7292 -6651 -6626
Volume 2409 1947 2340 1414 1606 932 1354 696 2911 1705 1993 1832 2056 3461 2951 2248 2355 1515 1344 2219 1039
© 2021 NinjaTrader, LLC
10:25
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3905.00
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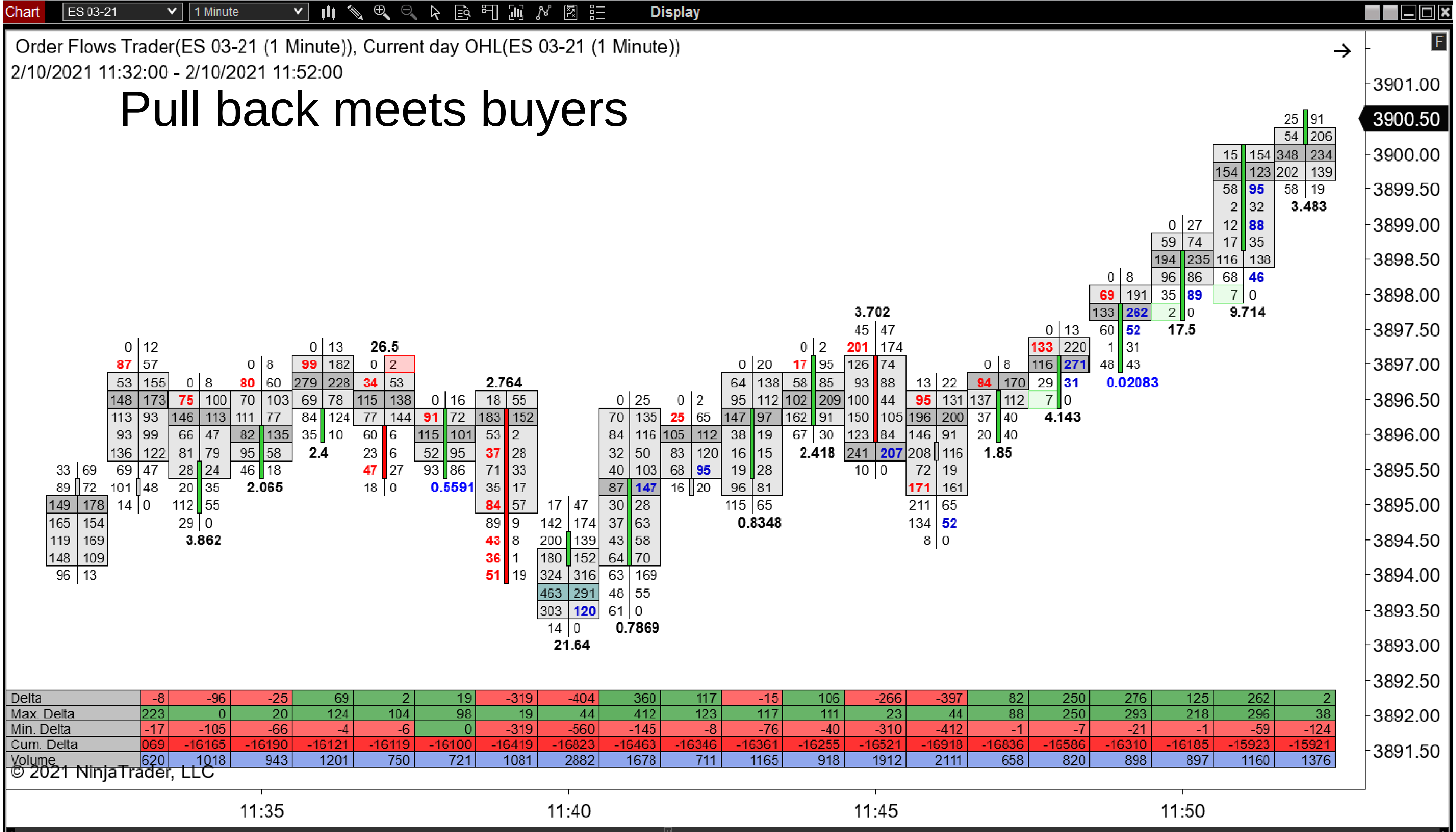
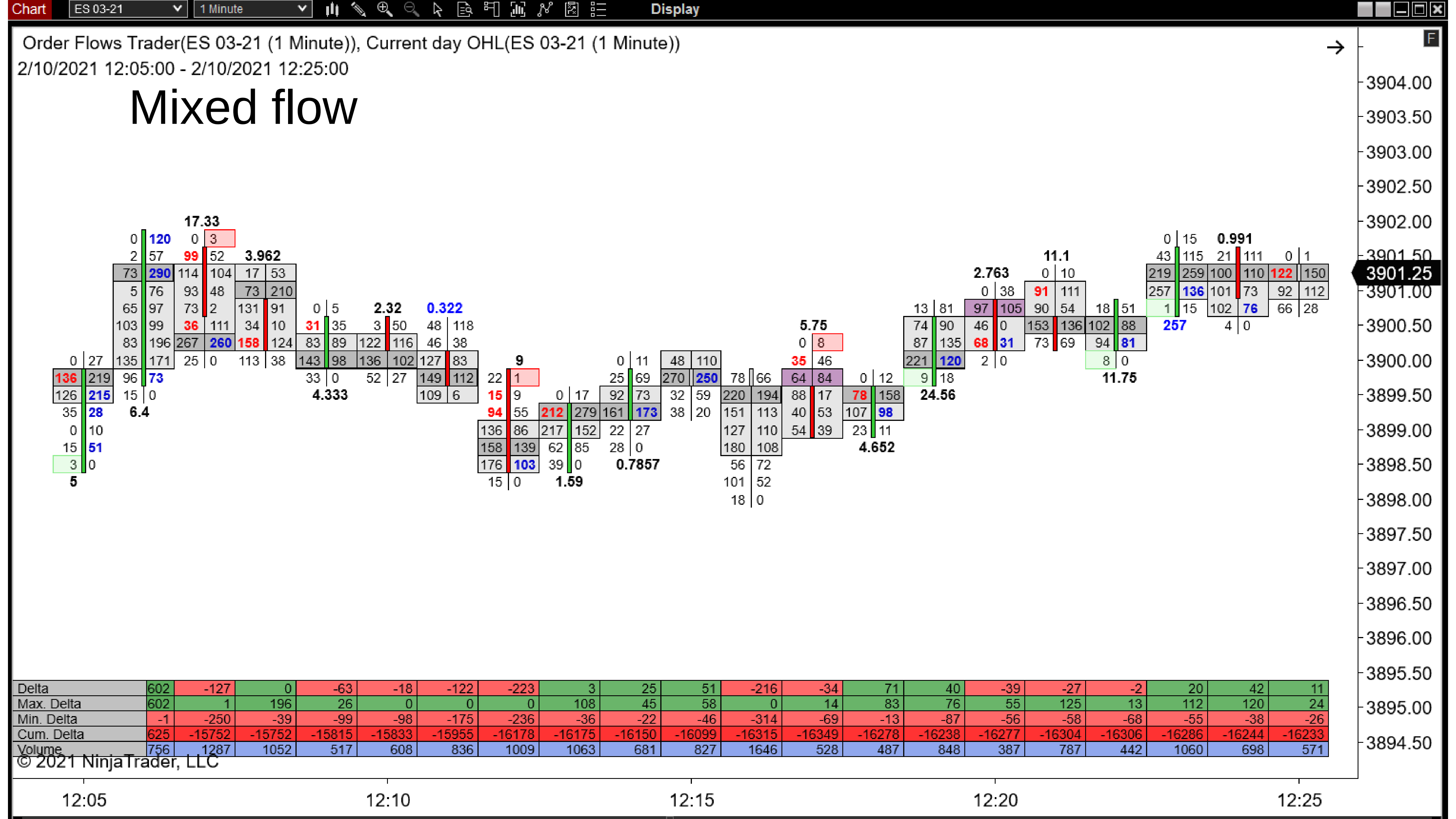


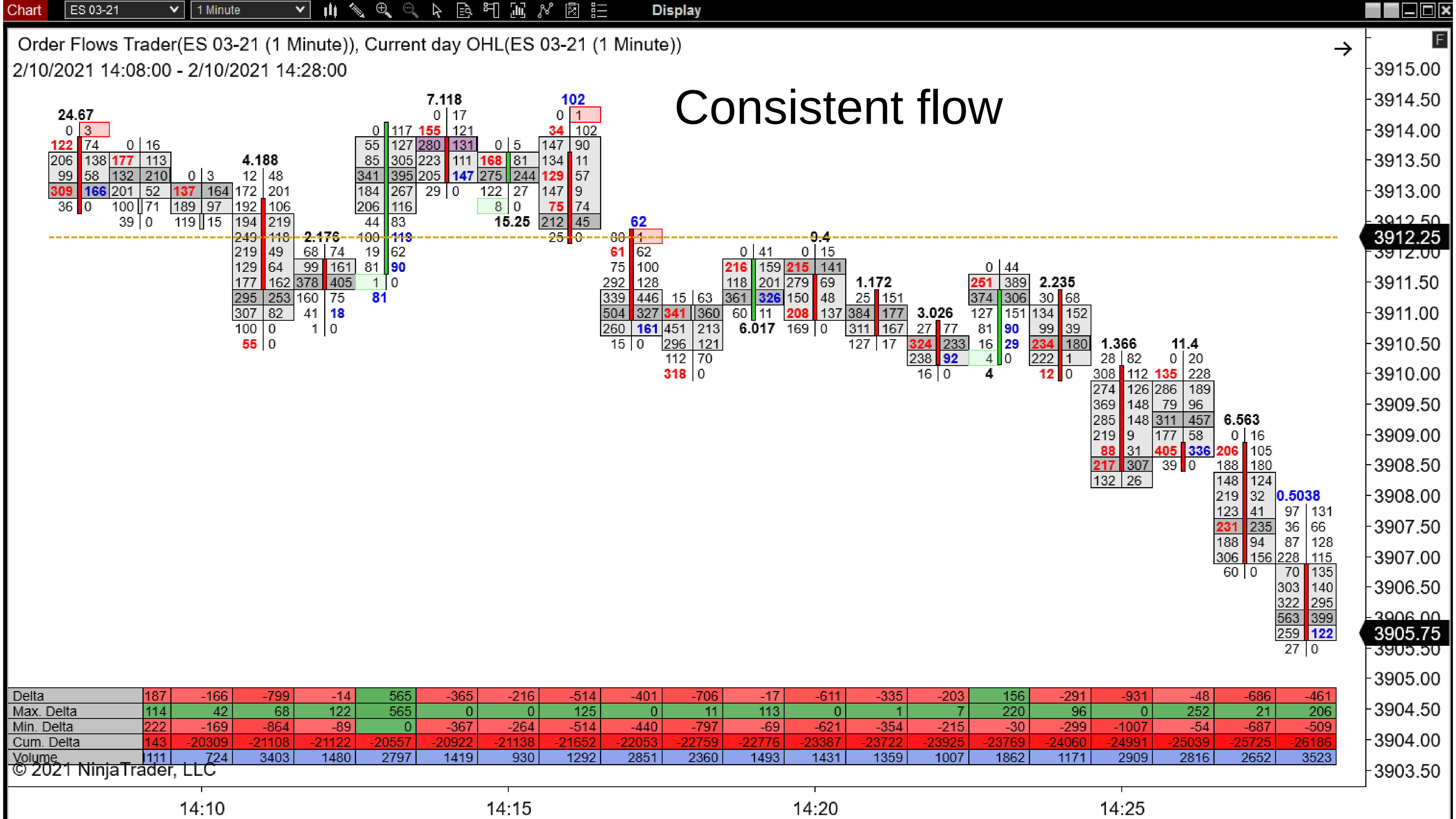
Delta	-8	-96	-25	69	2	19	-319	-404	360	117	-15	106	-266	-397	82	250	276	125	262	2
Max. Delta	223	0	20	124	104	98	19	44	412	123	117	111	23	44	88	250	293	218	296	38
Min. Delta	-17	-105	-66	-4	-6	0	-319	-560	-145	-8	-76	-40	-310	-412	-1	-7	-21	-1	-59	-124
Cum. Delta	069	-16165	-16190	-16121	-16119	-16100	-16419	-16823	-16463	-16346	-16361	-16255	-16521	-16918	-16836	-16586	-16310	-16185	-15923	-15921
Volume	620	1018	943	1201	750	721	1081	2882	1678	711	1165	918	1912	2111	658	820	898	897	1160	1376

Flow direction

As simple as it sounds, you want to trade in the direction of the flow because that is the direction that facilitates the easiest returns.



Delta	602	-127	0	-63	-18	-122	-223	3	25	51	-216	-34	71	40	-39	-27	-2	20	42	11
Max. Delta	602	1	196	26	0	0	0	108	45	58	0	14	83	76	55	125	13	112	120	24
Min. Delta	-1	-250	-39	-99	-98	-175	-236	-36	-22	-46	-314	-69	-13	-87	-56	-58	-68	-55	-38	-26
Cum. Delta	625	-15752	-15752	-15815	-15833	-15955	-16178	-16175	-16150	-16099	-16315	-16349	-16278	-16238	-16277	-16304	-16306	-16286	-16244	-16233
Volume	756	1287	1052	517	608	836	1009	1063	681	827	1646	528	487	848	387	787	442	1060	698	571


Order Flows Trader(ES 03-21 (1 Minute)), Current day OHL(ES 03-21 (1 Minute))
2/10/2021 14:08:00 - 2/10/2021 14:28:00
Consistent flow
Delta 187 -166 -799 -14 565 -365 -216 -514 -401 -706 -17 -611 -335 -203 156 -291 -931 -48 -686 -461
Max. Delta 114 42 68 122 565 0 0 125 0 11 113 0 1 7 220 96 0 252 21 206
Min. Delta 222 -169 -864 -89 0 -367 -264 -514 -440 -797 -69 -621 -354 -215 -30 -299 -1007 -54 -687 -509
Cum. Delta 143 -20309 -21108 -21122 -20557 -20922 -21138 -21652 -22053 -22759 -22776 -23387 -23722 -23925 -23769 -24060 -24991 -25039 -25725 -26186
Volume 111 724 3403 1480 2797 1419 930 1292 2851 2360 1493 1431 1359 1007 1862 1171 2909 2816 2652 3523
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14:10
14:15
14:20
14:25

Flow driven market

The big traders in the world, the ones who are not algorithmic or fully automated, essentially trade based on the story of the market. Their edge is in understanding the market from a way bigger picture sense than the chart sense.

Flow driven market

What we want to be able to see is where there is significant buying or significant selling taking place. We are not interested so much in the normal back and forth between speculators and algos. The significant buying or significant selling is often the result of big players.

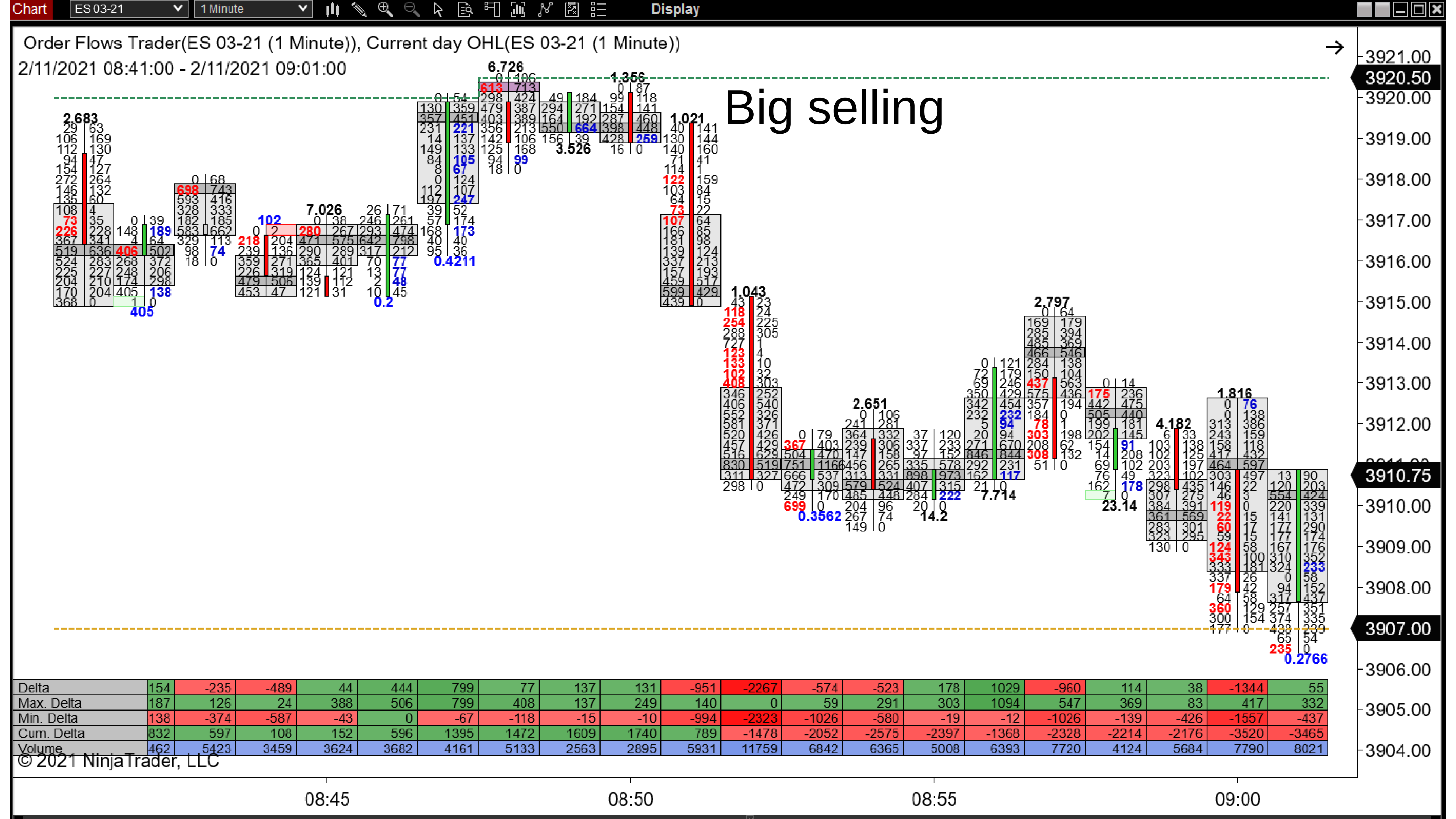
Chart
ES 03-21
1 Minute
Display
Order Flows Trader(ES 03-21 (1 Minute)), Current day OHL(ES 03-21 (1 Minute))
2/11/2021 08:41:00 - 2/11/2021 09:01:00
Big selling
Delta 154 -235 -489 44 444 799 77 137 131 -951 -2267 -574 -523 178 1029 -960 114 38 -1344 55
Max. Delta 187 126 24 388 506 799 408 137 249 140 0 59 291 303 1094 547 369 83 417 332
Min. Delta 138 -374 -587 -43 0 -67 -118 -15 -10 -994 -2323 -1026 -580 -19 -12 -1026 -139 -426 -1557 -437
Cum. Delta 832 597 108 152 596 1395 1472 1609 1740 789 -1478 -2052 -2575 -2397 -1368 -2328 -2214 -2176 -3520 -3465
Volume 462 5423 3459 3624 3682 4161 5133 2563 2895 5931 11759 6842 6365 5008 6393 7720 4124 5684 7790 8021
© 2021 NinjaTrader, LLC
08:45
08:50
08:55
09:00

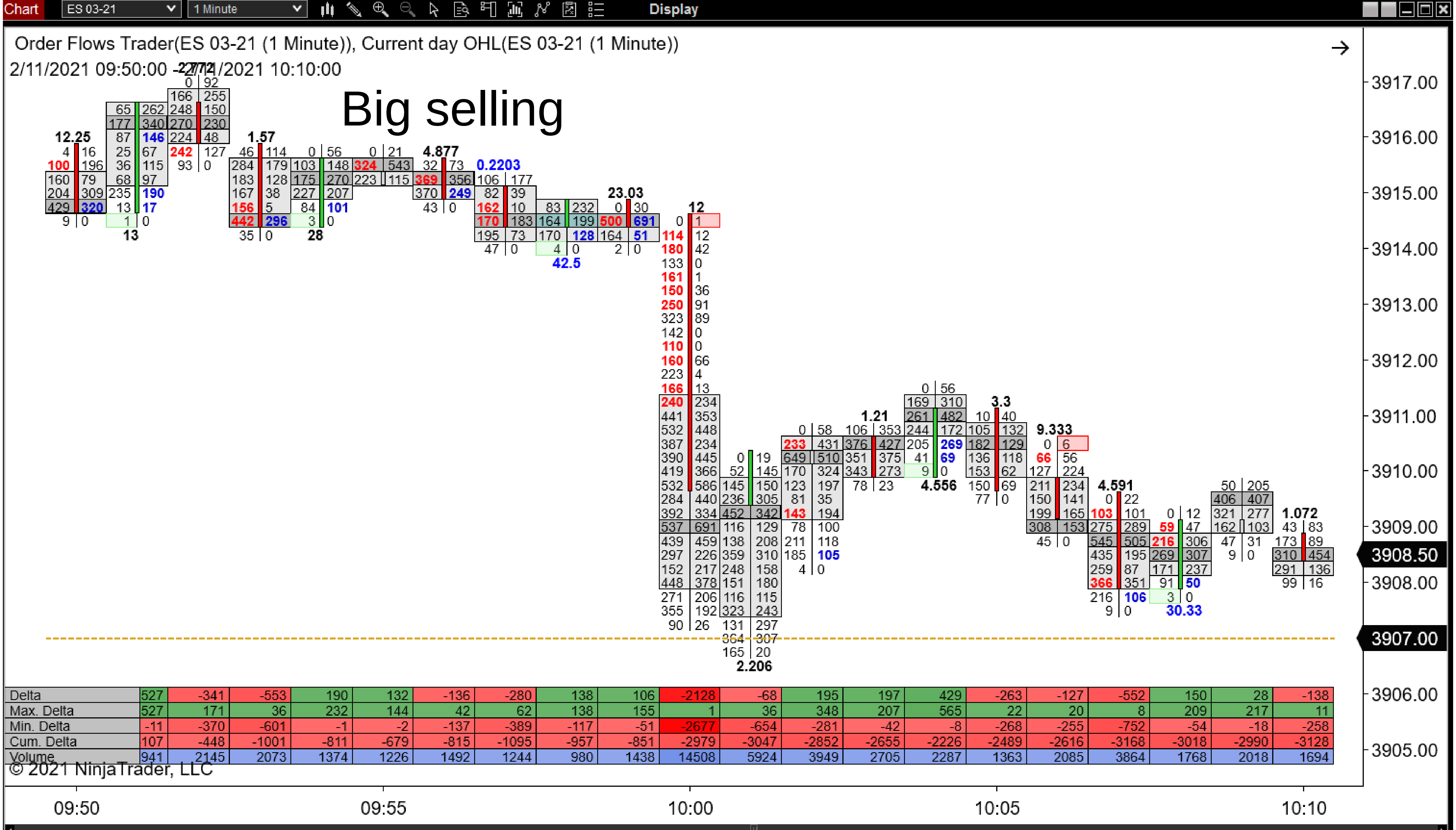
Chart
ES 03-21
1 Minute
Display
Order Flows Trader(ES 03-21 (1 Minute)), Current day OHL(ES 03-21 (1 Minute))
2/11/2021 09:50:00 - 2/11/2021 10:10:00
Big selling
Delta 527 -341 -553 190 132 -136 -280 138 106 -2128 -68 195 197 429 -263 -127 -552 150 28 -138
Max. Delta 527 171 36 232 144 42 62 138 155 1 36 348 207 565 22 20 8 209 217 11
Min. Delta -11 -370 -601 -1 -2 -137 -389 -117 -51 -2677 -654 -281 -42 -8 -268 -255 -752 -54 -18 -258
Cum. Delta 107 -448 -1001 -811 -679 -815 -1095 -957 -851 -2979 -3047 -2852 -2655 -2226 -2489 -2616 -3168 -3018 -2990 -3128
Volume 941 2145 2073 1374 1226 1492 1244 980 1438 14508 5924 3949 2705 2287 1363 2085 3864 1768 2018 1694
© 2021 NinjaTrader, LLC
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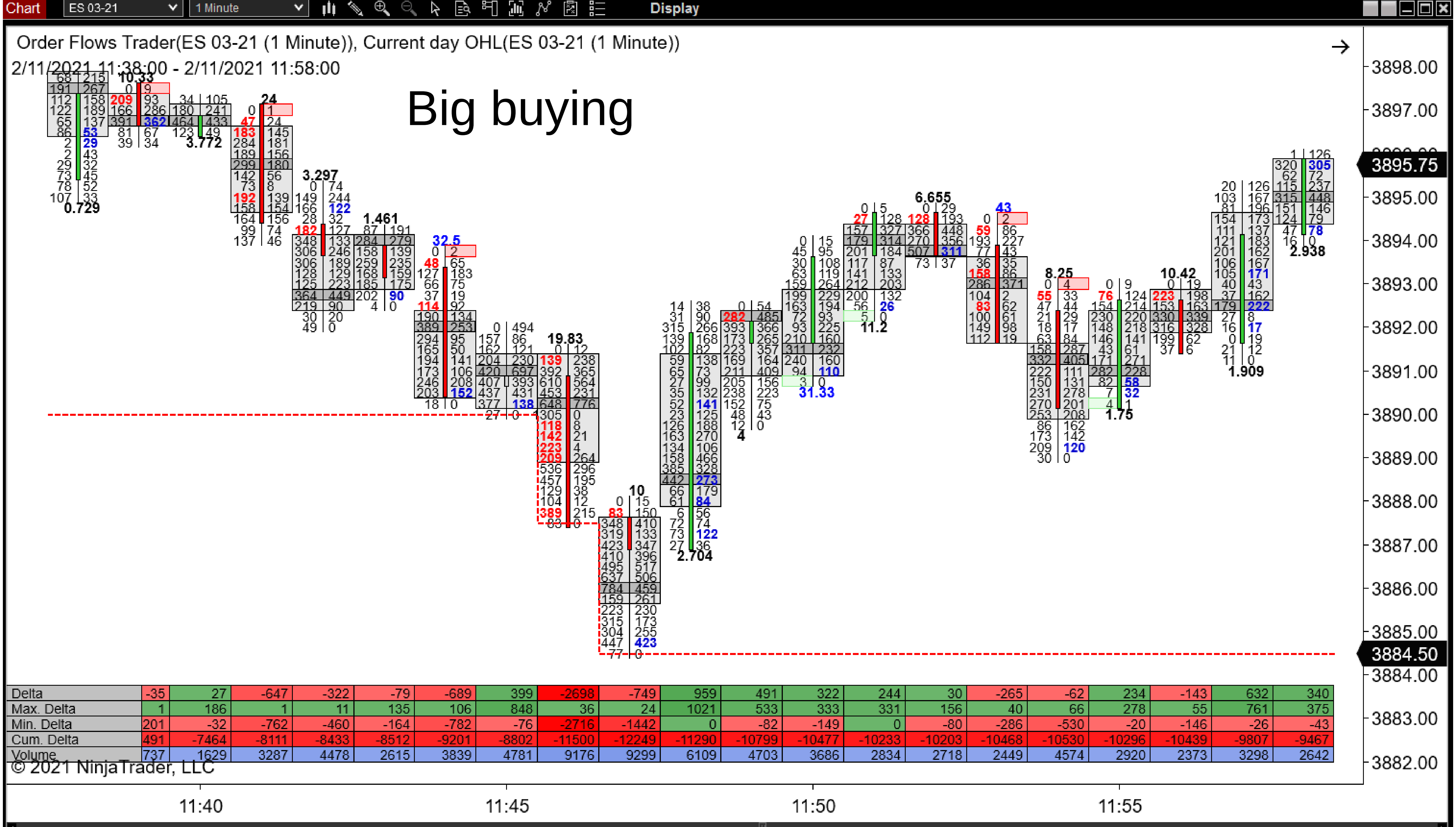
Chart
ES 03-21
1 Minute
Display
Order Flows Trader(ES 03-21 (1 Minute)), Current day OHL(ES 03-21 (1 Minute))
2/11/2021 11:38:00 - 2/11/2021 11:58:00
Big buying
Delta -35 27 -647 -322 -79 -689 399 -2698 -749 959 491 322 244 30 -265 -62 234 -143 632 340
Max. Delta 1 186 1 11 135 106 848 36 24 1021 533 333 331 156 40 66 278 55 761 375
Min. Delta 201 -32 -762 -460 -164 -782 -76 -2716 -1442 0 -82 -149 0 -80 -286 -530 -20 -146 -26 -43
Cum. Delta 491 -7464 -8111 -8433 -8512 -9201 -8802 -11500 -12249 -11290 -10799 -10477 -10233 -10203 -10468 -10530 -10296 -10439 -9807 -9467
Volume 737 1629 3287 4478 2615 3839 4781 9176 9299 6109 4703 3686 2834 2718 2449 4574 2920 2373 3298 2642
© 2021 NinjaTrader, LLC
11:40
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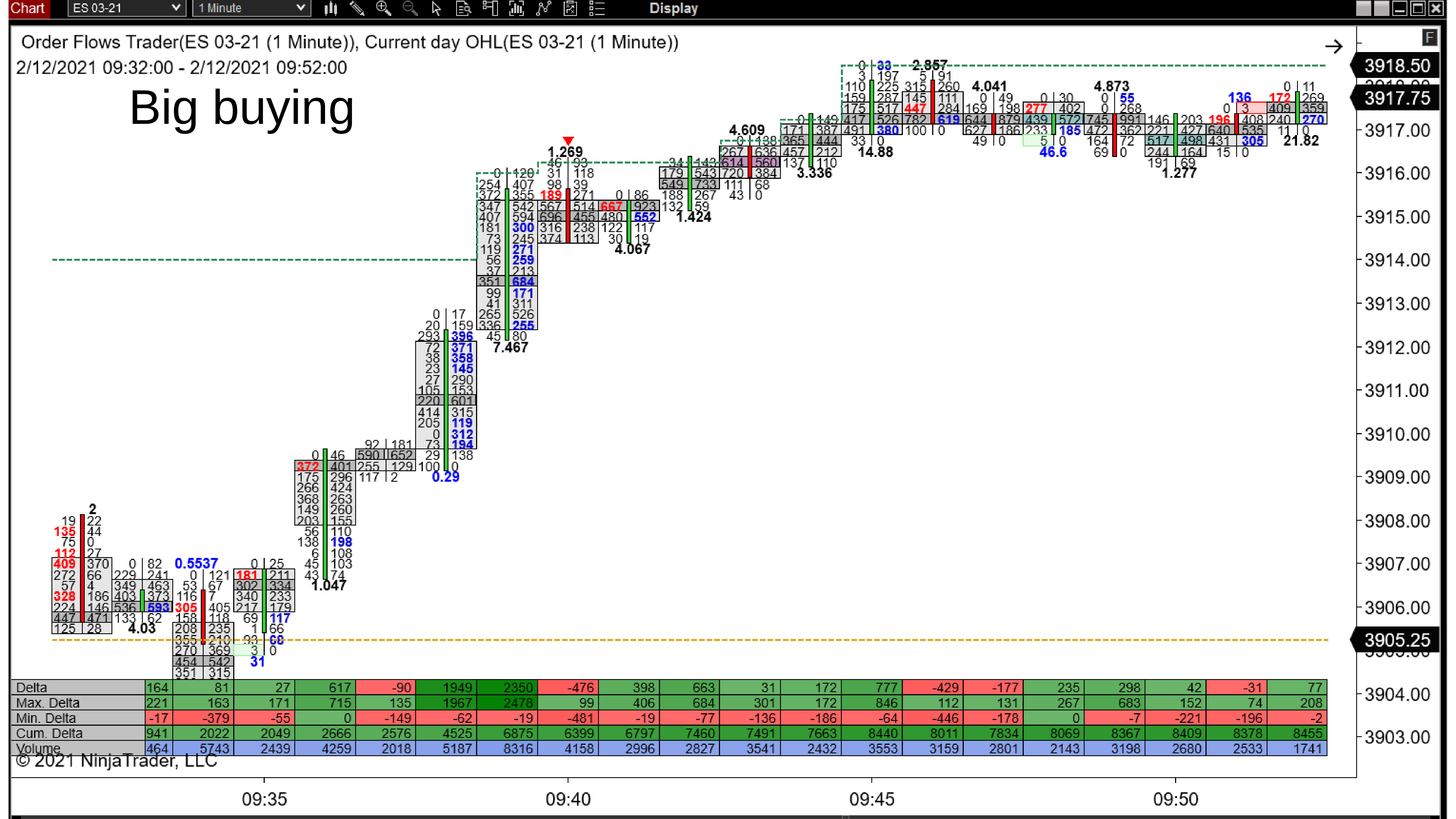
Chart
ES 03-21
1 Minute
Display
Order Flows Trader(ES 03-21 (1 Minute)), Current day OHL(ES 03-21 (1 Minute))
2/12/2021 09:32:00 - 2/12/2021 09:52:00
Big buying
Delta 164 81 27 617 -90 1949 2350 -476 398 663 31 172 777 -429 -177 235 298 42 -31 77
Max. Delta 221 163 171 715 135 1967 2478 99 406 684 301 172 846 112 131 267 683 152 74 208
Min. Delta -17 -379 -55 0 -149 -62 -19 -481 -19 -77 -136 -186 -64 -446 -178 0 -7 -221 -196 -2
Cum. Delta 941 2022 2049 2666 2576 4525 6875 6399 6797 7460 7491 7663 8440 8011 7834 8069 8367 8409 8378 8455
Volume 464 5743 2439 4259 2018 5187 8316 4158 2996 2827 3541 2432 3553 3159 2801 2143 3198 2680 2533 1741
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09:35
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3918.50
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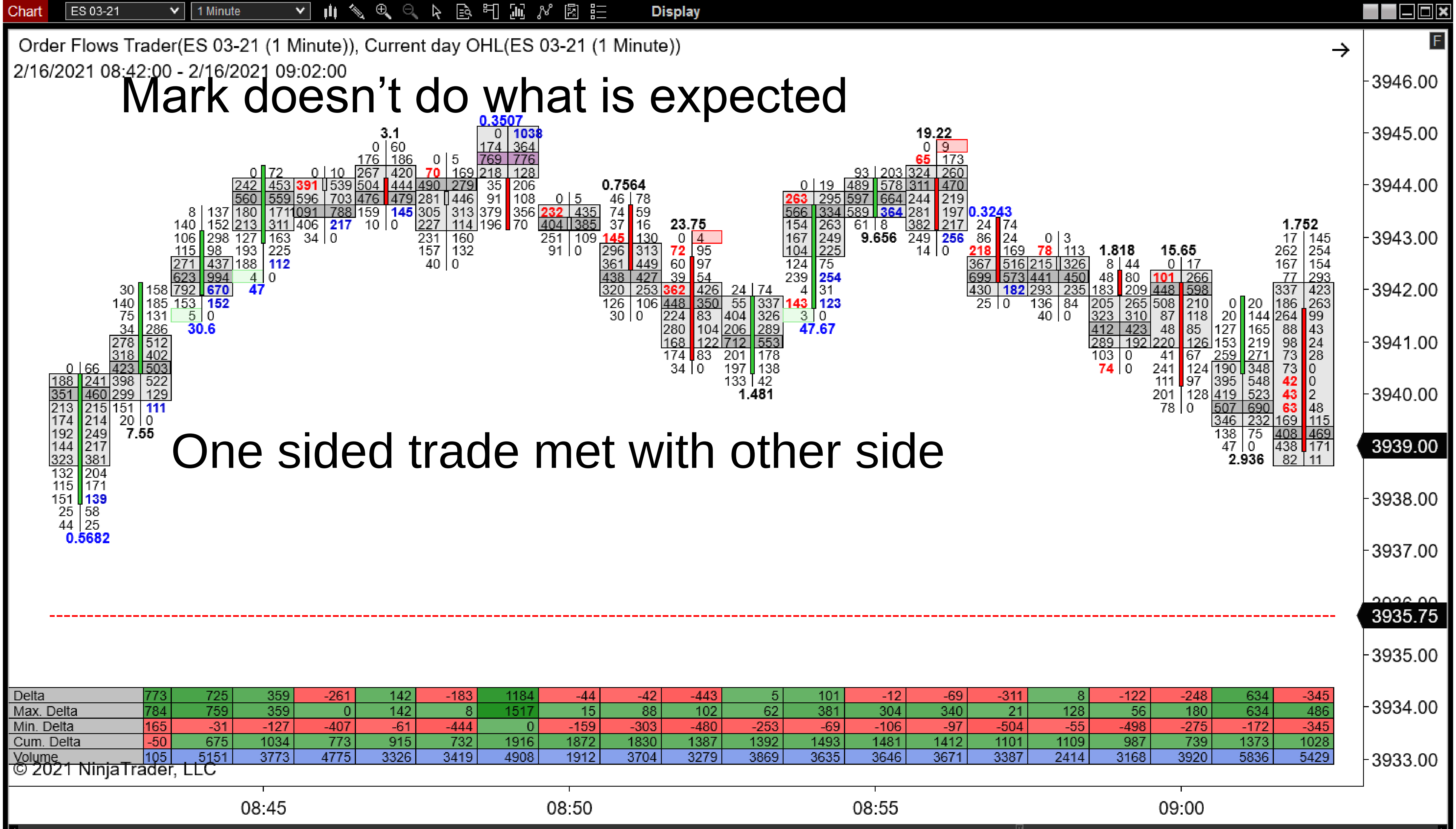
One-Sided vs. Two-Sided Trade - Some of the best trading opportunities occur when the market tries to do something expected of it but fails to do it. If this market failure is so obvious that other traders also see it and jump in to trade that failure.

This is what I mean when I talk about take trades in context of market. When looking at order flow bearish activity can occur after a prolonged move down. That doesn’t mean it is a good short. It just means the order flow is bearish.



Delta	773	725	359	-261	142	-183	1184	-44	-42	-443	5	101	-12	-69	-311	8	-122	-248	634	-345
Max. Delta	784	759	359	0	142	8	1517	15	88	102	62	381	304	340	21	128	56	180	634	486
Min. Delta	165	-31	-127	-407	-61	-444	0	-159	-303	-480	-253	-69	-106	-97	-504	-55	-498	-275	-172	-345
Cum. Delta	-50	675	1034	773	915	732	1916	1872	1830	1387	1392	1493	1481	1412	1101	1109	987	739	1373	1028
Volume	105	5151	3773	4775	3326	3419	4908	1912	3704	3279	3869	3635	3646	3671	3387	2414	3168	3920	5836	5429

One-Sided Trade vs. Two-Sided Trade – When two-sided trade occurs the market has found acceptance, balance, creating value. When one-sided trade occurs, the market starts breaking out and look for an area where balance can occur.

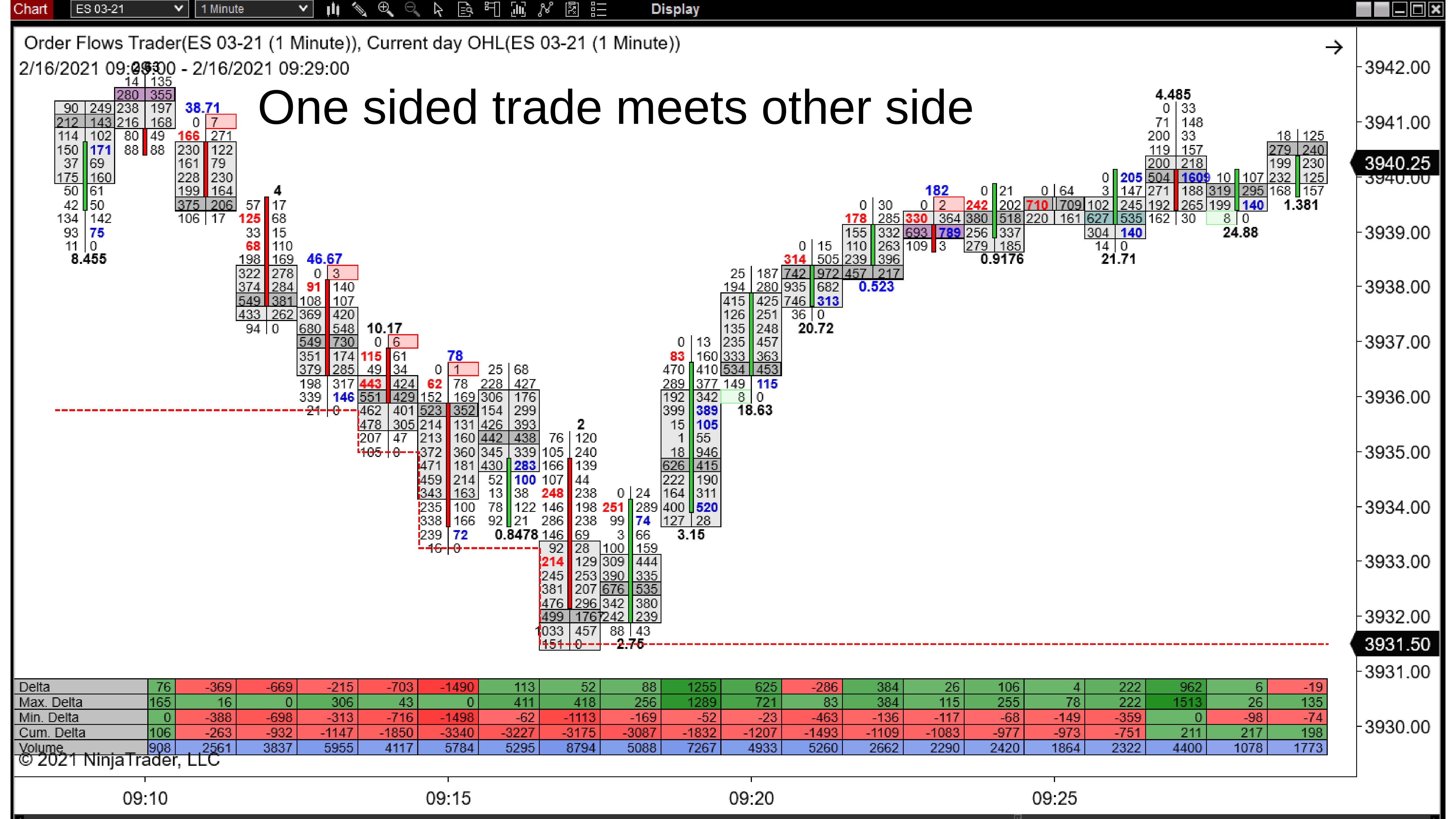
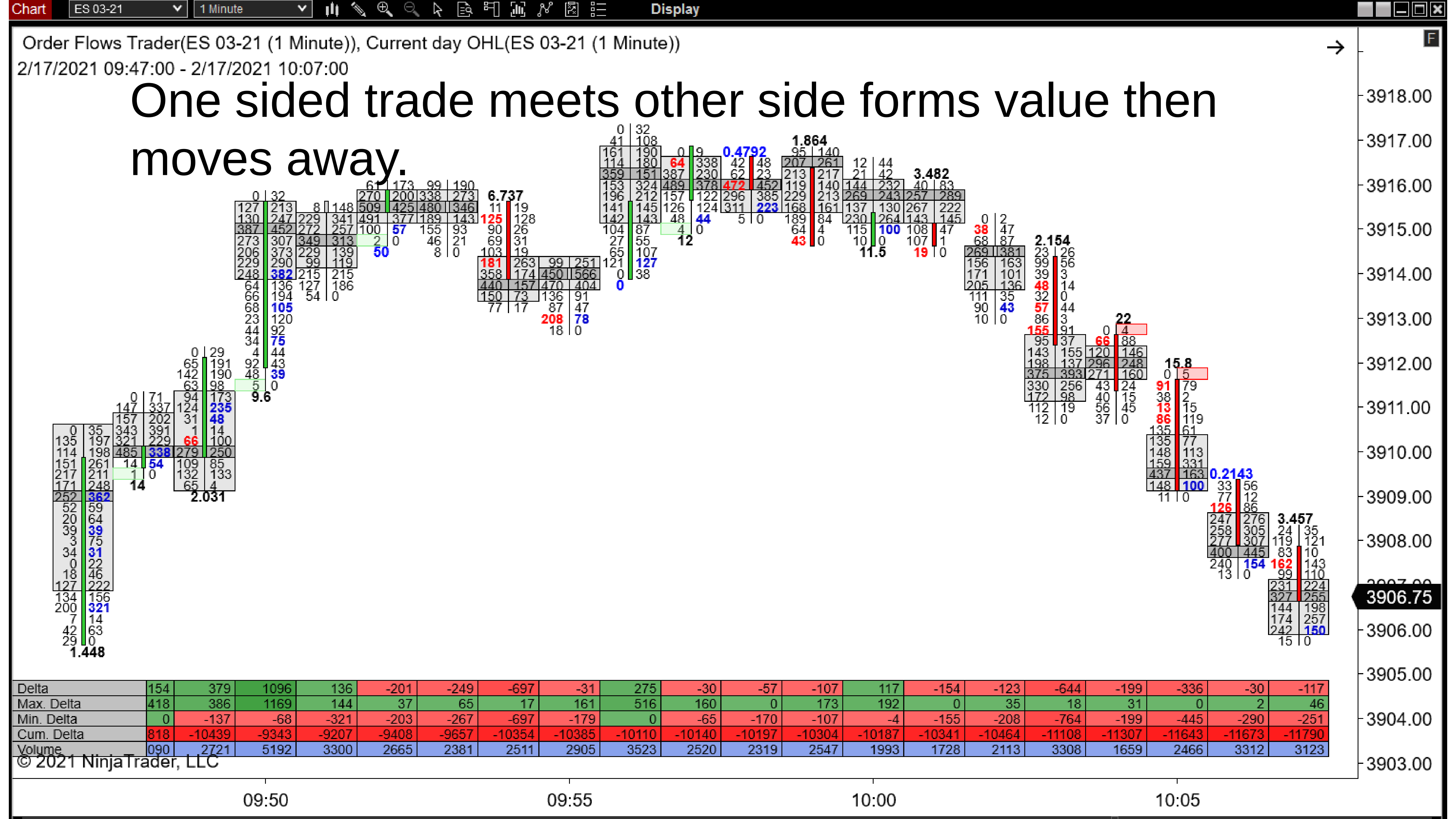


Chart
ES 03-21
1 Minute
Display
Order Flows Trader(ES 03-21 (1 Minute)), Current day OHL(ES 03-21 (1 Minute))
2/16/2021 09:09:00 - 2/16/2021 09:29:00
One sided trade meets other side
Delta 76 -369 -669 -215 -703 -1490 113 52 88 1255 625 -286 384 26 106 4 222 962 6 -19
Max. Delta 165 16 0 306 43 0 411 418 256 1289 721 83 384 115 255 78 222 1513 26 135
Min. Delta 0 -388 -698 -313 -716 -1498 -62 -1113 -169 -52 -23 -463 -136 -117 -68 -149 -359 0 -98 -74
Cum. Delta 106 -263 -932 -1147 -1850 -3340 -3227 -3175 -3087 -1832 -1207 -1493 -1109 -1083 -977 -973 -751 211 217 198
Volume 908 2561 3837 5955 4117 5784 5295 8794 5088 7267 4933 5260 2662 2290 2420 1864 2322 4400 1078 1773
© 2021 NinjaTrader, LLC
09:10
09:15
09:20
09:25

One-Sided Trade vs. Two-Sided Trade – When traders try to take the market out of a balance area and fails and trades to the other side of value, then breaks, what is going on? Traders were expecting the market to breakout but there was not enough one-sided trade that it failed and failed miserably. It traded to the other end of balance and other traders started to notice what was happening and also started getting in on the move.



Delta	154	379	1096	136	-201	-249	-697	-31	275	-30	-57	-107	117	-154	-123	-644	-199	-336	-30	-117
Max. Delta	418	386	1169	144	37	65	17	161	516	160	0	173	192	0	35	18	31	0	2	46
Min. Delta	0	-137	-68	-321	-203	-267	-697	-179	0	-65	-170	-107	-4	-155	-208	-764	-199	-445	-290	-251
Cum. Delta	818	-10439	-9343	-9207	-9408	-9657	-10354	-10385	-10110	-10140	-10197	-10304	-10187	-10341	-10464	-11108	-11307	-11643	-11673	-11790
Volume	090	2721	5192	3300	2665	2381	2511	2905	3523	2520	2319	2547	1993	1728	2113	3308	1659	2466	3312	3123

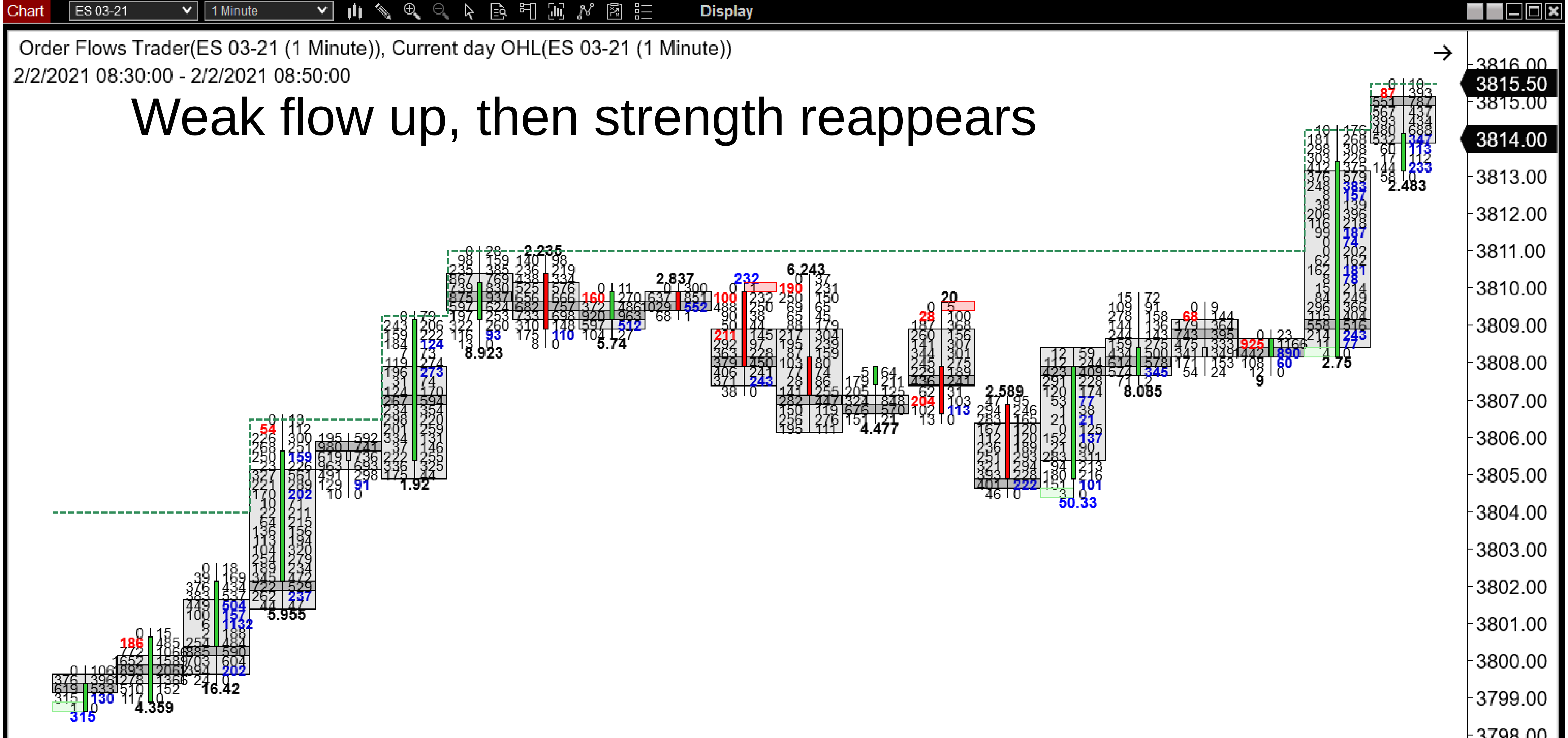
Strong & Weak Flow

Weak order flow occurs when the market is just rotating and facilitating trade. It is not weak in the sense that no one is participating, rather it is weak because there is no directional price strength being exhibited in the market.

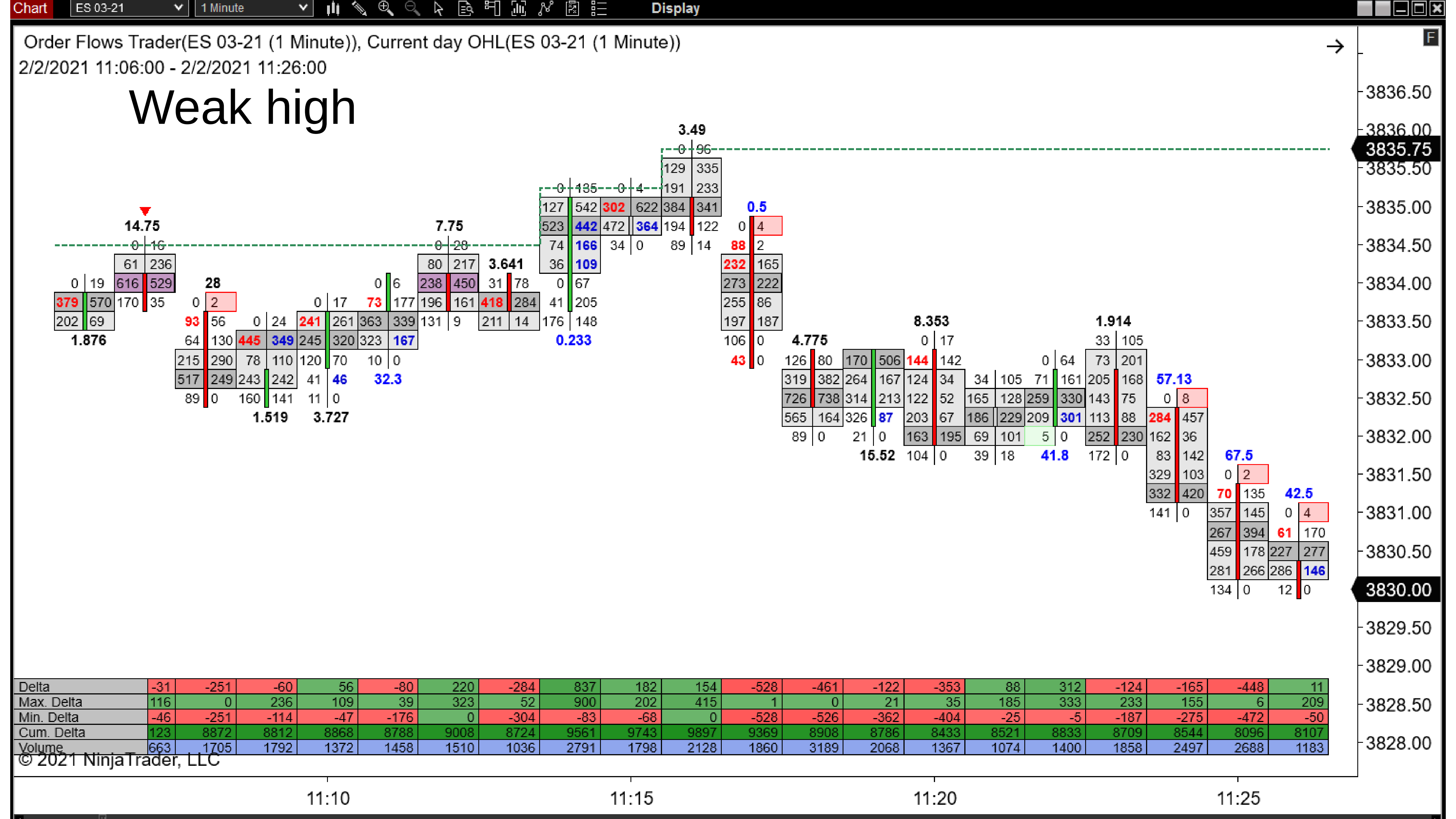
Strong & Weak Flow

When you see a market going up on weak flow it doesn’t mean everyone has turned bullish and there is going to be a lot of aggressive buyers present. The market could simply be rotating.

Weak flow up, then strength reappears



Delta	327	1404	1274	-236	656	279	-297	116	-30	-819	464	299	-62	-579	526	-342	-260	-348	2354	665
Max. Delta	698	1440	1580	219	785	542	177	218	254	1	477	346	443	50	630	269	305	100	2707	976
Min. Delta	148	-542	-188	-293	-121	0	-400	-63	-30	-925	0	-145	-116	-799	-29	-419	-291	-367	-3	-30
Cum. Delta	404	5808	7082	6846	7502	7781	7484	7600	7570	6751	7215	7514	7452	6873	7399	7057	6797	6449	8803	9468
Volume	143	8634	8882	6538	6990	8397	7509	4422	3438	4757	5250	3379	4440	4523	4360	4942	3802	4626	10002	6443



Order Flows Trader(ES 03-21 (1 Minute)), Current day OHL(ES 03-21 (1 Minute))
2/2/2021 11:06:00 - 2/2/2021 11:26:00
Weak high
3835.75
3830.00
Delta -31 -251 -60 56 -80 220 -284 837 182 154 -528 -461 -122 -353 88 312 -124 -165 -448 11
Max. Delta 116 0 236 109 39 323 52 900 202 415 1 0 21 35 185 333 233 155 6 209
Min. Delta -46 -251 -114 -47 -176 0 -304 -83 -68 0 -528 -526 -362 -404 -25 -5 -187 -275 -472 -50
Cum. Delta 123 8872 8812 8868 8788 9008 8724 9561 9743 9897 9369 8908 8786 8433 8521 8833 8709 8544 8096 8107
Volume 663 1705 1792 1372 1458 1510 1036 2791 1798 2128 1860 3189 2068 1367 1074 1400 1858 2497 2688 1183
11:10
11:15
11:20
11:25
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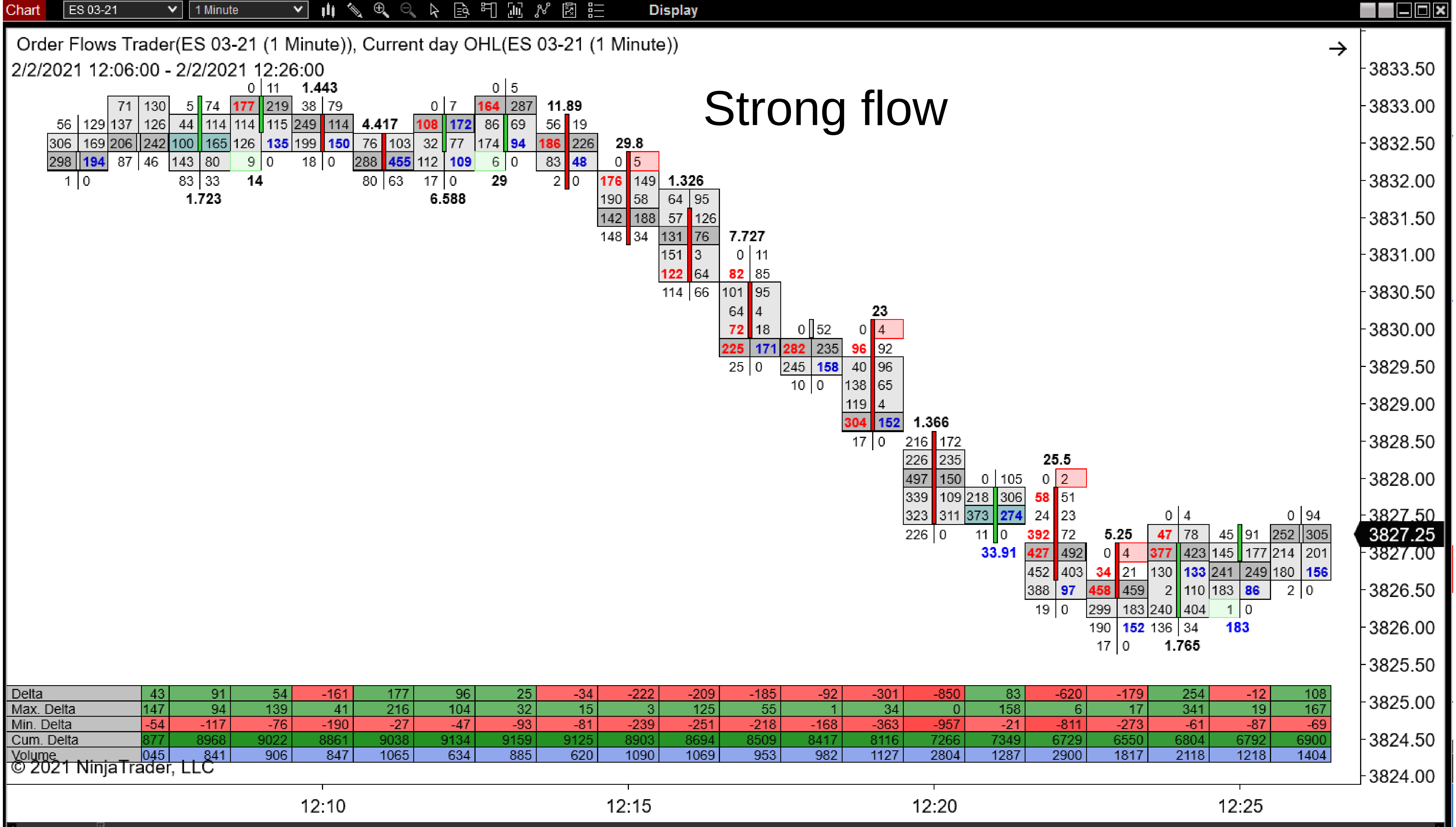
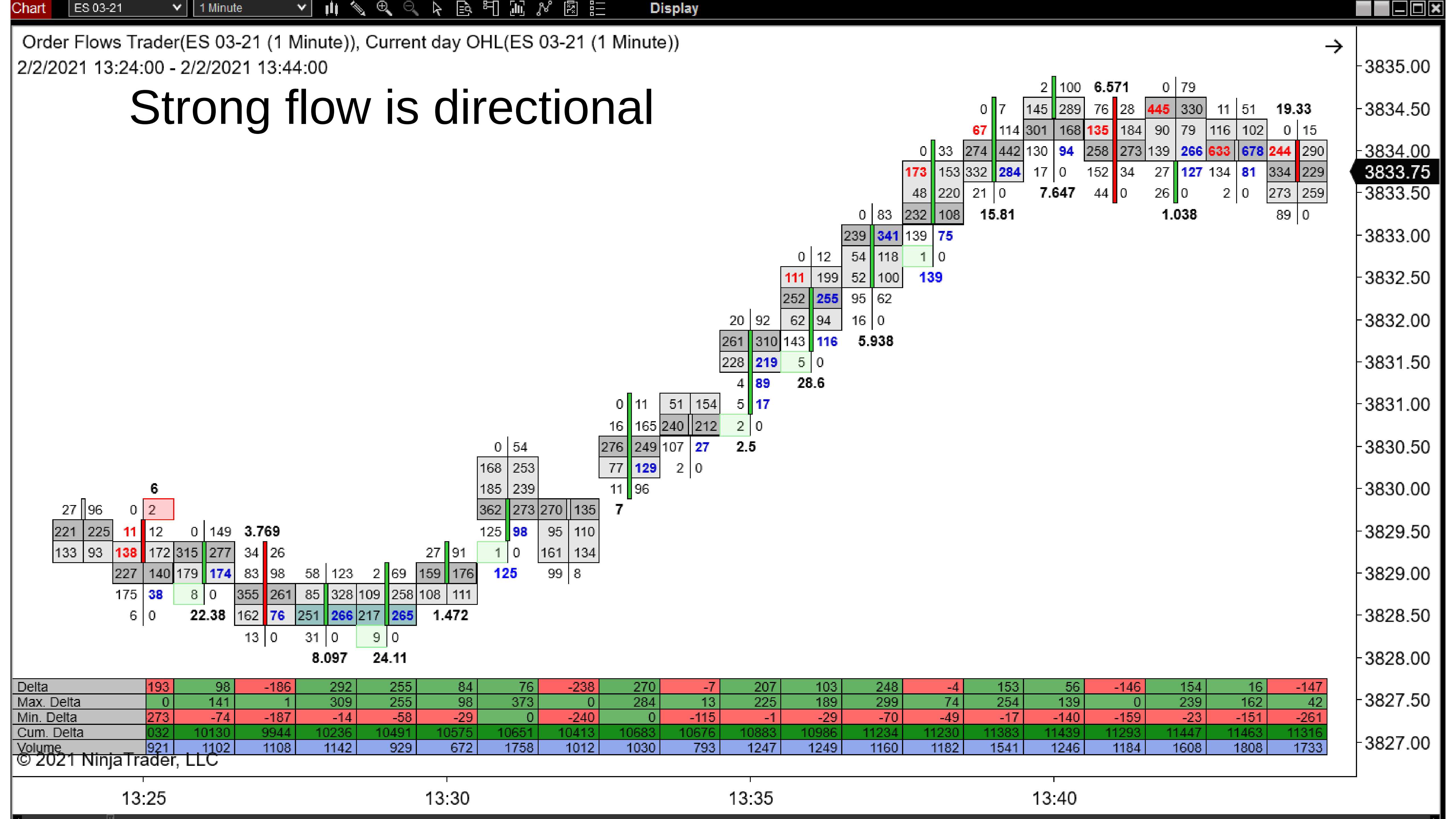
Strong & Weak Flow

The signs of strong flow is seen in directional price movement often in conjunction with imbalances. You start to see overwhelming buyers in up moves or overwhelming selling happening in down moves.



Delta	43	91	54	-161	177	96	25	-34	-222	-209	-185	-92	-301	-850	83	-620	-179	254	-12	108
Max. Delta	147	94	139	41	216	104	32	15	3	125	55	1	34	0	158	6	17	341	19	167
Min. Delta	-54	-117	-76	-190	-27	-47	-93	-81	-239	-251	-218	-168	-363	-957	-21	-811	-273	-61	-87	-69
Cum. Delta	877	8968	9022	8861	9038	9134	9159	9125	8903	8694	8509	8417	8116	7266	7349	6729	6550	6804	6792	6900
Volume	045	841	906	847	1065	634	885	620	1090	1069	953	982	1127	2804	1287	2900	1817	2118	1218	1404



Delta	193	98	-186	292	255	84	76	-238	270	-7	207	103	248	-4	153	56	-146	154	16	-147
Max. Delta	0	141	1	309	255	98	373	0	284	13	225	189	299	74	254	139	0	239	162	42
Min. Delta	273	-74	-187	-14	-58	-29	0	-240	0	-115	-1	-29	-70	-49	-17	-140	-159	-23	-151	-261
Cum. Delta	032	10130	9944	10236	10491	10575	10651	10413	10683	10676	10883	10986	11234	11230	11383	11439	11293	11447	11463	11316
Volume	921	1102	1108	1142	929	672	1758	1012	1030	793	1247	1249	1160	1182	1541	1246	1184	1608	1808	1733

Flow driven market

A flow driven market is very similar to a trending market because you tend to see the same things. A directional price move, initiative trading, high volume and big ranges.

Strong & Weak Flow

When price starts to aggressively move on the back of imbalances, what do you think is happening? Watch the volume. If the imbalances are on heavy volume, then chances are bigger timeframe traders are coming into the market. Imagine they are just stepping over everyone in their way and taking the liquidity. Go with them.

Flow driven market

Flow driven markets tend to be more fundamentally driven. Technical levels are being driven over. Not respected. Why? Because long term timeframe traders have orders they need to fill. It exhibits clear price direction.

Flow driven market

The opposite of a flow driven market is a technically driven market. A technically driven market is one that reacts to technical levels. A technically driven market is dominated by day-time frame traders.

Flow driven market

Longer term traders don’t necessarily care what the chart says. They don’t say, “oh we’re at a resistance level.” If they have to buy, they buy. That is why you see supposed support and resistance levels broken all the time.

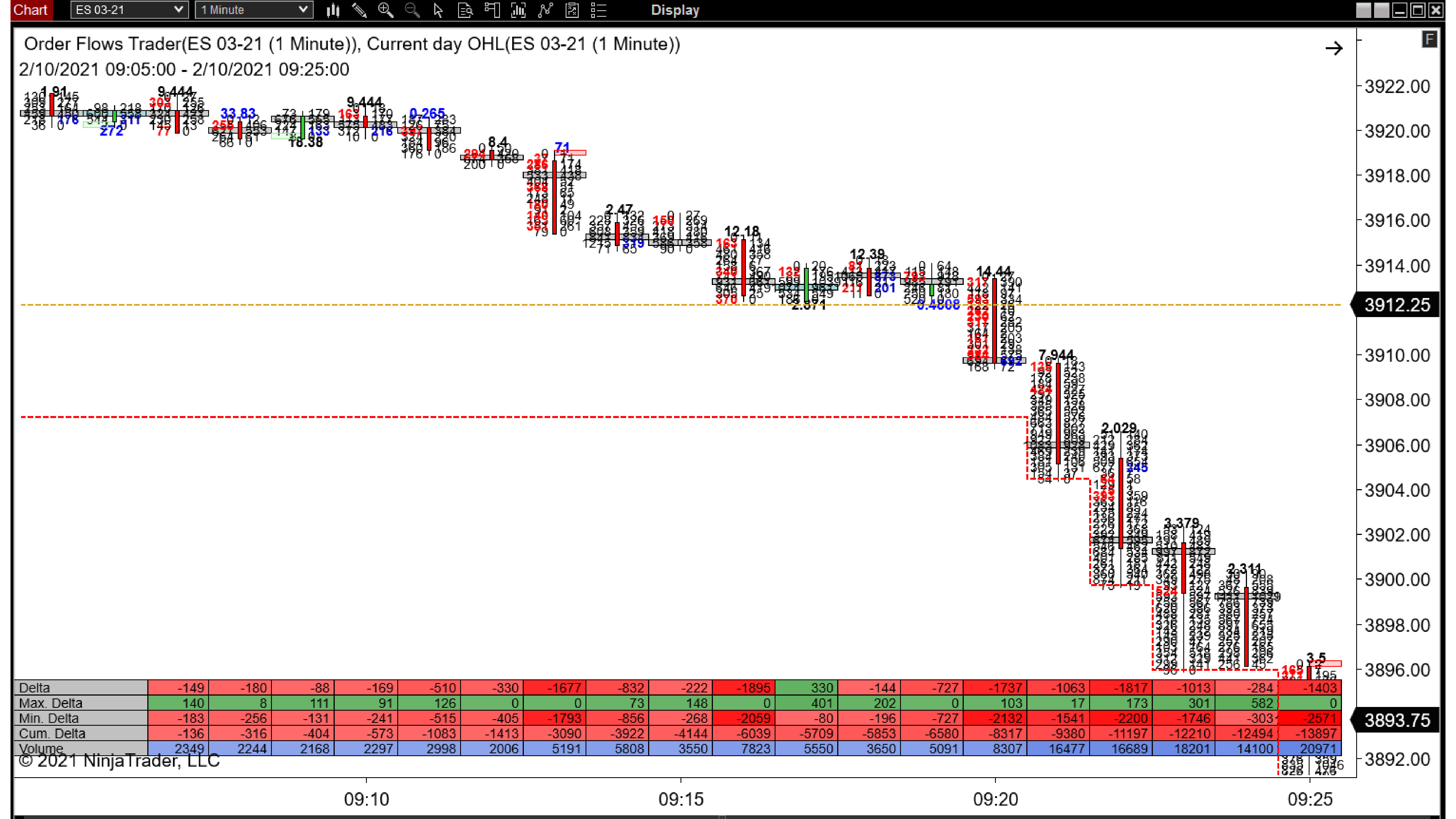


Chart
ES 03-21
1 Minute
Display
Order Flows Trader(ES 03-21 (1 Minute)), Current day OHL(ES 03-21 (1 Minute))
2/10/2021 09:05:00 - 2/10/2021 09:25:00
3922.00
3920.00
3918.00
3916.00
3914.00
3912.25
3910.00
3908.00
3906.00
3904.00
3902.00
3900.00
3898.00
3896.00
3893.75
3892.00
Delta -149 -180 -88 -169 -510 -330 -1677 -832 -222 -1895 330 -144 -727 -1737 -1063 -1817 -1013 -284 -1403
Max. Delta 140 8 111 91 126 0 0 73 148 0 401 202 0 103 17 173 301 582 0
Min. Delta -183 -256 -131 -241 -515 -405 -1793 -856 -268 -2059 -80 -196 -727 -2132 -1541 -2200 -1746 -303 -2571
Cum. Delta -136 -316 -404 -573 -1083 -1413 -3090 -3922 -4144 -6039 -5709 -5853 -6580 -8317 -9380 -11197 -12210 -12494 -13897
Volume 2349 2244 2168 2297 2998 2006 5191 5808 3550 7823 5550 3650 5091 8307 16477 16689 18201 14100 20971
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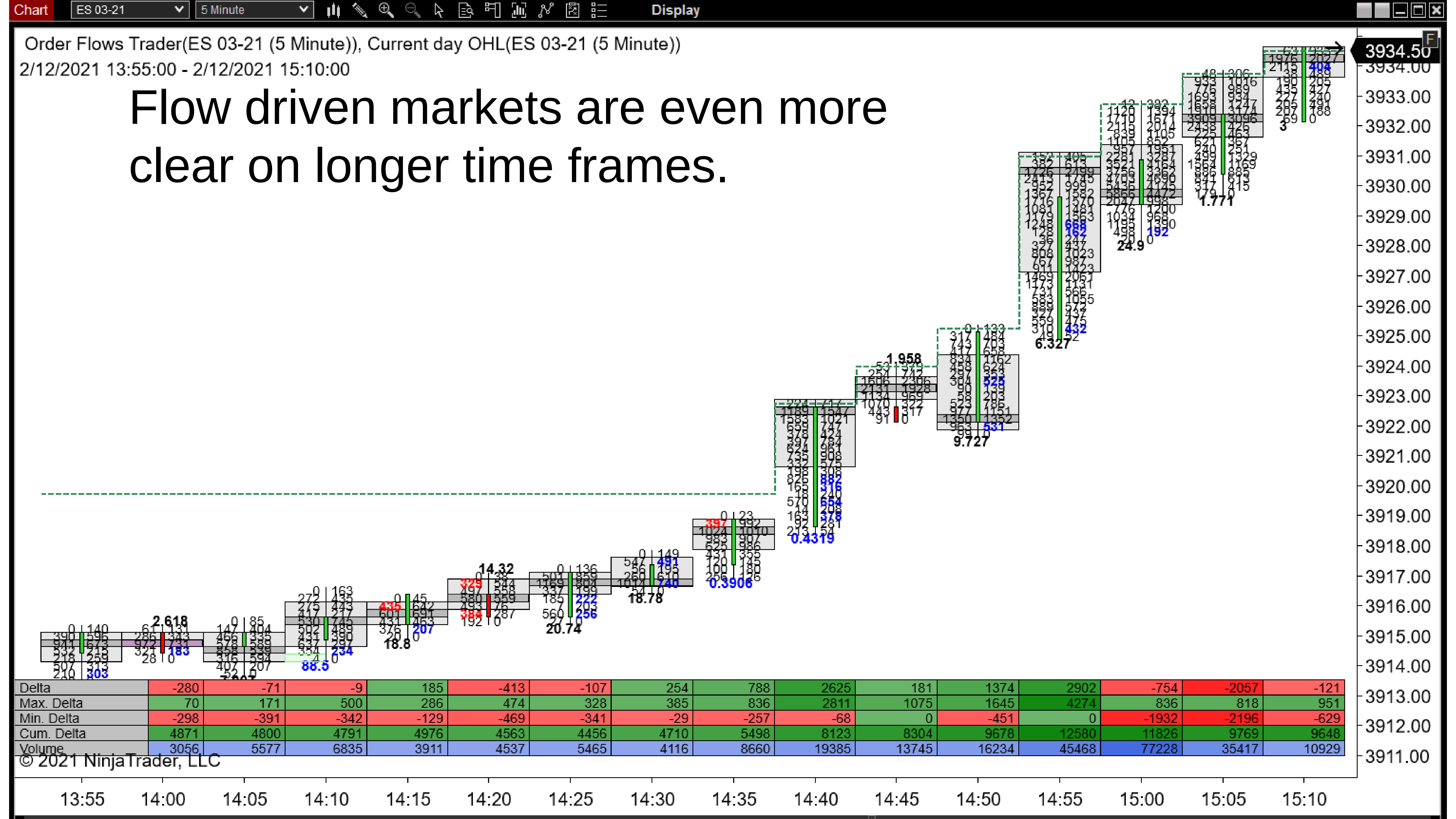
09:10
09:15
09:20
09:25

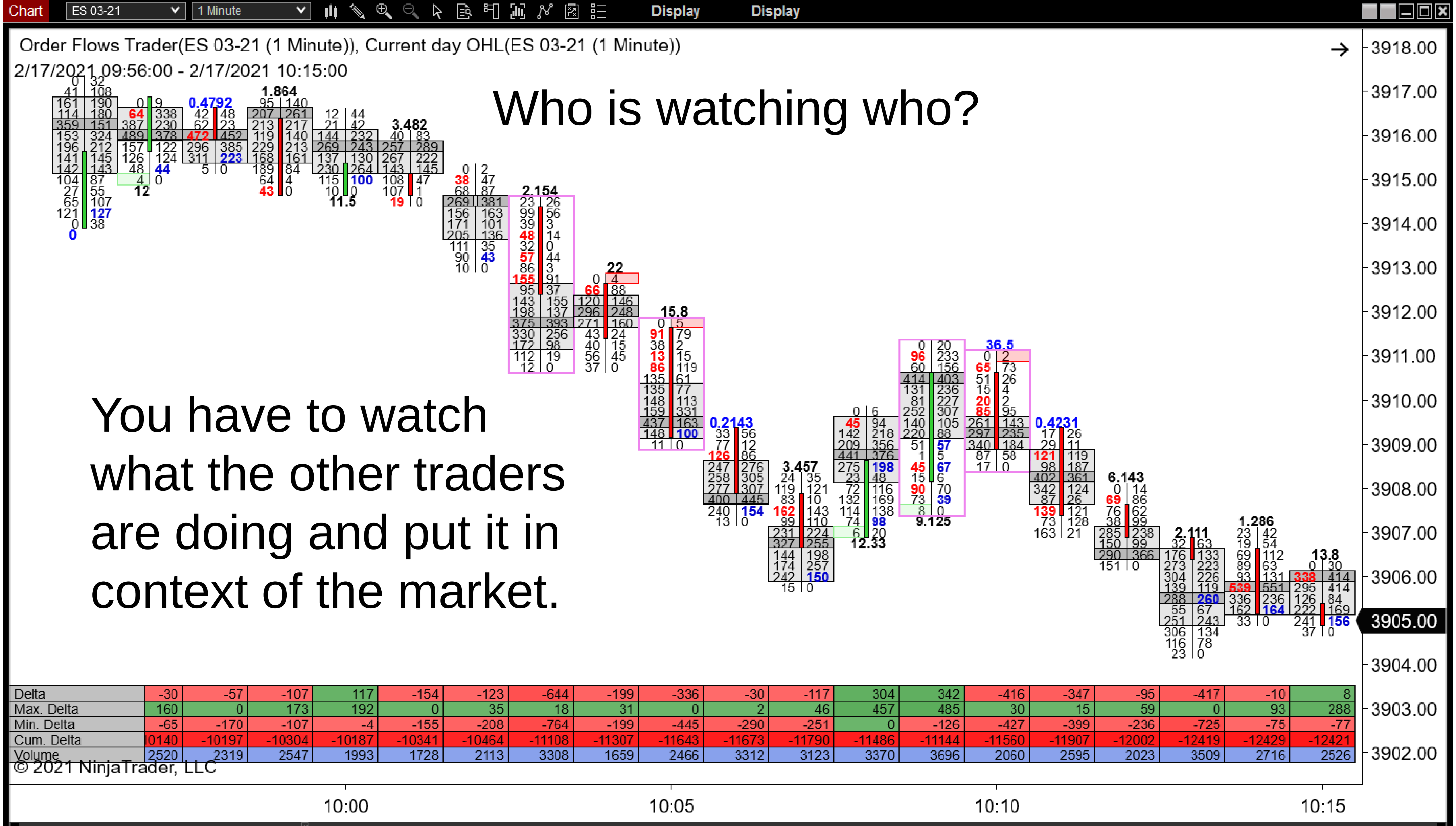
Flow driven markets are even more clear on longer time frames.



Flow driven market – How to trade it

In a flow driven market you enter a trade and then it just immediately moves to your stop and you get stopped out. You feel like “they” are watching you. But the reality is you are not watching them. That is what the order flow is useful for, for watching them. That’s the problem, you are not watching what the other traders are doing.

Who is watching who?



Delta	-30	-57	-107	117	-154	-123	-644	-199	-336	-30	-117	304	342	-416	-347	-95	-417	-10	8
Max. Delta	160	0	173	192	0	35	18	31	0	2	46	457	485	30	15	59	0	93	288
Min. Delta	-65	-170	-107	-4	-155	-208	-764	-199	-445	-290	-251	0	-126	-427	-399	-236	-725	-75	-77
Cum. Delta	10140	-10197	-10304	-10187	-10341	-10464	-11108	-11307	-11643	-11673	-11790	-11486	-11144	-11560	-11907	-12002	-12419	-12429	-12421
Volume	2520	2319	2547	1993	1728	2113	3308	1659	2466	3312	3123	3370	3696	2060	2595	2023	3509	2716	2526

You have to watch what the other traders are doing and put it in context of the market.

It often feels like no matter what you do in the market, nothing goes right. You are trading out of market conditions. You are trading a market condition that is **NOT** what the current market condition is. That is why it often feels like nothing you do is working.

Sometimes you have to stop thinking and just start reacting. What you have to be most concerned with is where the big orders get filled.

Conflicting flow

There are different types of order flow:
Normal flow
Flow driven
Conflicting flow

Conflicting flow is when you have bearish and bullish order flow all around.

Conflicting flow

What makes conflicting flow unique is that the market is ambiguous and can go either way. Most traders don’t like when the market is vague. They want all their ducks lined up in a row. They say what is the point of order flow is there is conflicting flow? Why doesn’t order flow just tell me where to buy and where to sell? However, from this market confusion, opportunity can arise.

Conflicting flow

The power of conflicting flow is recognizing when you have conflicting flow. But what does that mean? When there is uncertainty in the market, you stay out until…certainty appears.

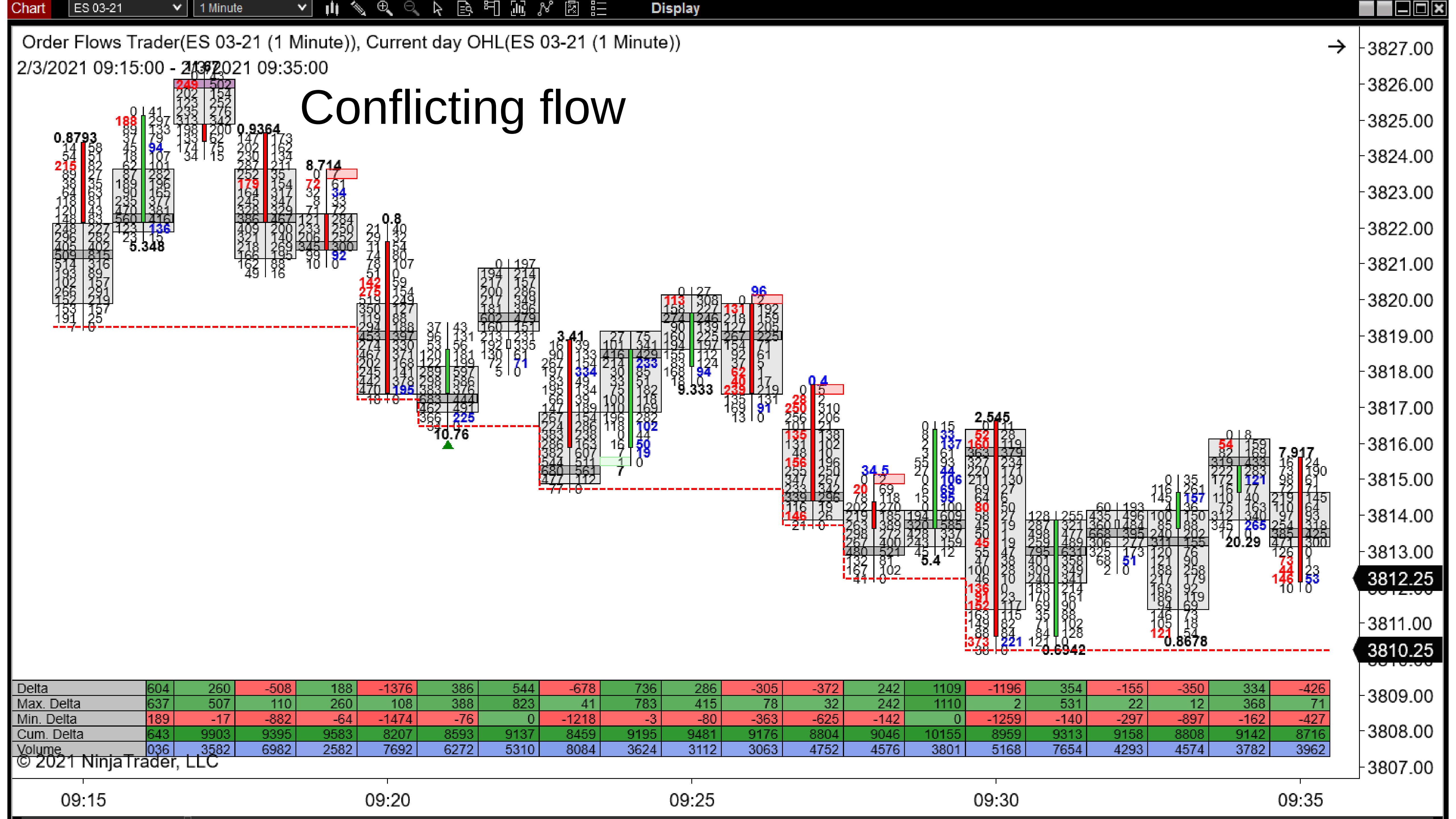


Chart
ES 03-21
1 Minute
Display
Order Flows Trader(ES 03-21 (1 Minute)), Current day OHL(ES 03-21 (1 Minute))
2/3/2021 09:15:00 - 2/3/2021 09:35:00
Conflicting flow
Delta 604 260 -508 188 -1376 386 544 -678 736 286 -305 -372 242 1109 -1196 354 -155 -350 334 -426
Max. Delta 637 507 110 260 108 388 823 41 783 415 78 32 242 1110 2 531 22 12 368 71
Min. Delta 189 -17 -882 -64 -1474 -76 0 -1218 -3 -80 -363 -625 -142 0 -1259 -140 -297 -897 -162 -427
Cum. Delta 643 9903 9395 9583 8207 8593 9137 8459 9195 9481 9176 8804 9046 10155 8959 9313 9158 8808 9142 8716
Volume 036 3582 6982 2582 7692 6272 5310 8084 3624 3112 3063 4752 4576 3801 5168 7654 4293 4574 3782 3962
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09:15
09:20
09:25
09:30
09:35
3812.25
3810.25

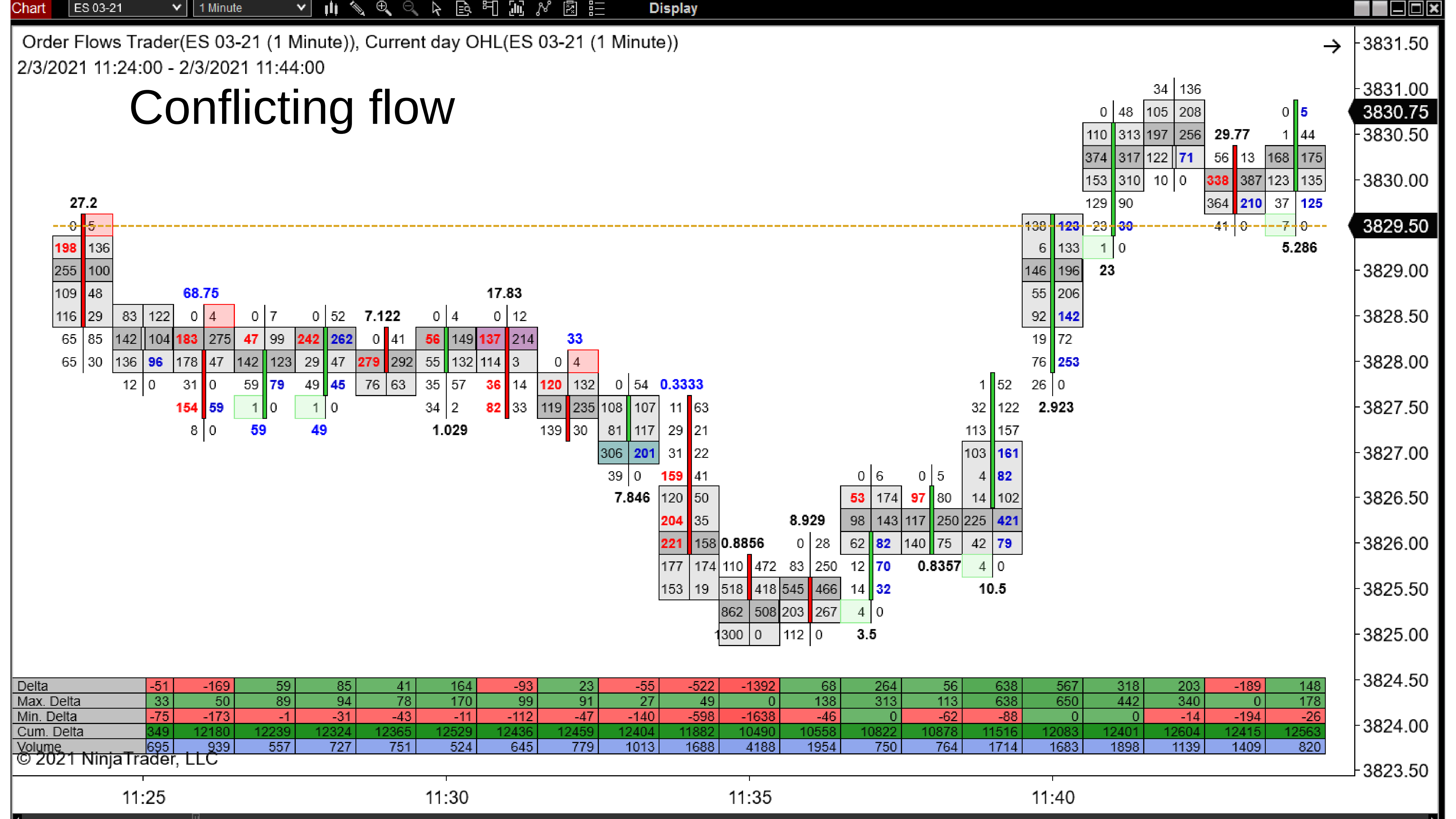
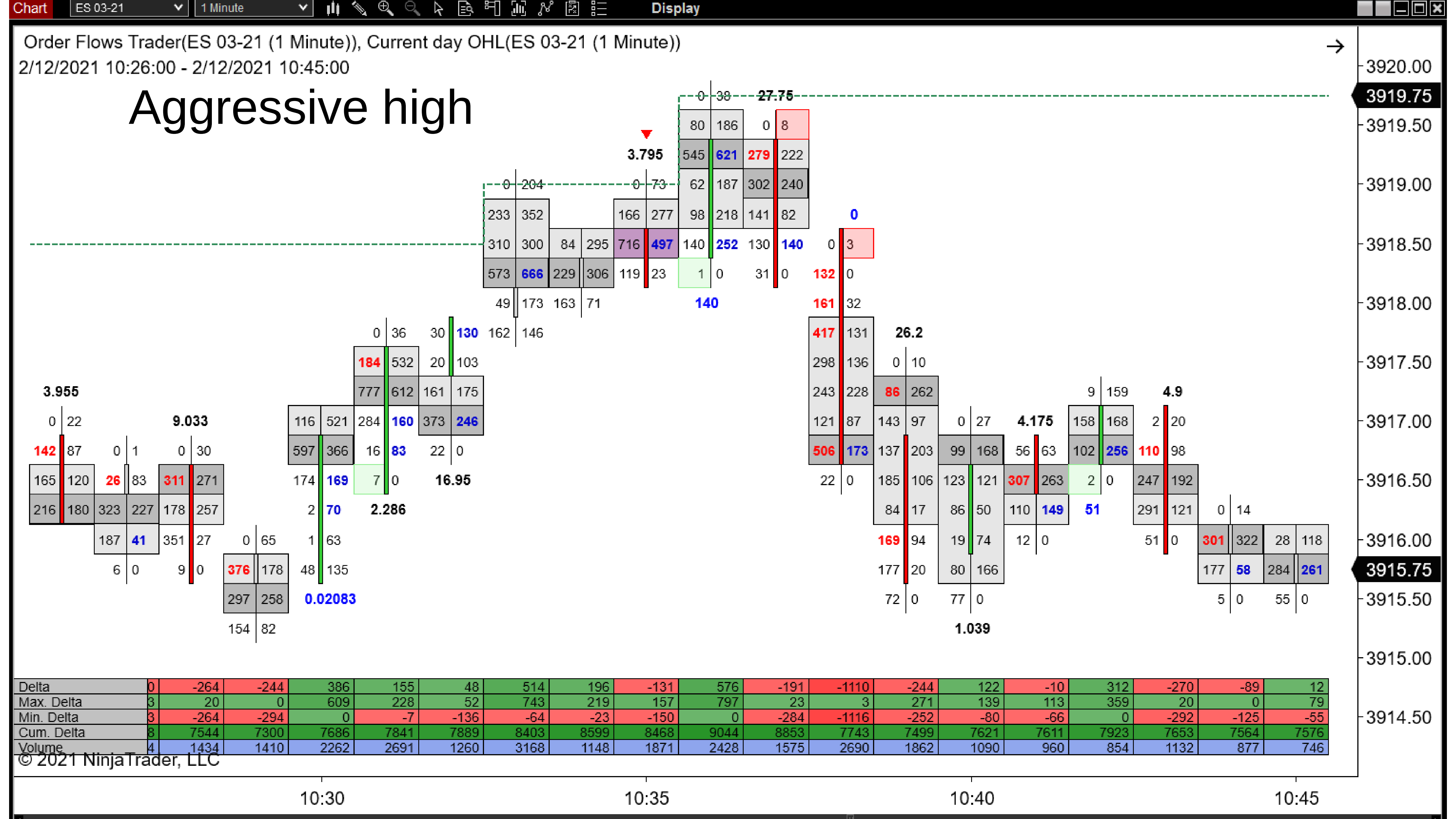


Chart
ES 03-21
1 Minute
Display
Order Flows Trader(ES 03-21 (1 Minute)), Current day OHL(ES 03-21 (1 Minute))
2/3/2021 11:24:00 - 2/3/2021 11:44:00
Conflicting flow
Delta -51 -169 59 85 41 164 -93 23 -55 -522 -1392 68 264 56 638 567 318 203 -189 148
Max. Delta 33 50 89 94 78 170 99 91 27 49 0 138 313 113 638 650 442 340 0 178
Min. Delta -75 -173 -1 -31 -43 -11 -112 -47 -140 -598 -1638 -46 0 -62 -88 0 0 -14 -194 -26
Cum. Delta 349 12180 12239 12324 12365 12529 12436 12459 12404 11882 10490 10558 10822 10878 11516 12083 12401 12604 12415 12563
Volume 695 939 557 727 751 524 645 779 1013 1688 4188 1954 750 764 1714 1683 1898 1139 1409 820
© 2021 NinjaTrader, LLC
11:25
11:30
11:35
11:40
3831.50
3831.00
3830.75
3830.50
3830.00
3829.50
3829.00
3828.50
3828.00
3827.50
3827.00
3826.50
3826.00
3825.50
3825.00
3824.50
3824.00
3823.50

Flow driven market

One of the keys of being a successful trader is knowing who is driving the market. By knowing who is driving the market it helps you anticipate what can happen next in the market.

For example, the market is at the highs and you see a lot of buying but it just can’t go higher.


Order Flows Trader(ES 03-21 (1 Minute)), Current day OHL(ES 03-21 (1 Minute))
2/12/2021 10:26:00 - 2/12/2021 10:45:00
Aggressive high
Delta 0 -264 -244 386 155 48 514 196 -131 576 -191 -1110 -244 122 -10 312 -270 -89 12
Max. Delta 3 20 0 609 228 52 743 219 157 797 23 3 271 139 113 359 20 0 79
Min. Delta 3 -264 -294 0 -7 -136 -64 -23 -150 0 -284 -1116 -252 -80 -66 0 -292 -125 -55
Cum. Delta 8 7544 7300 7686 7841 7889 8403 8599 8468 9044 8853 7743 7499 7621 7611 7923 7653 7564 7576
Volume 4 1434 1410 2262 2691 1260 3168 1148 1871 2428 1575 2690 1862 1090 960 854 1132 877 746
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Flow driven market

Not every trade is easy, sometimes it going to be a struggle. The footprint chart can give you an edge because you can see things clearly. For example, if you want to buy, but there is not much other buying occurring from other traders, are you going to buy? If you can see other traders coming in and coming in aggressively, you won’t hesitate.

Flow driven market

Understanding the market is flow driven means you understand the market conditions better than other traders who you may potentially lose your money to. You don’t have to be the best trader in the world, but you don’t want to be the last trader in the move. You have to be better than the other traders out there, but you probably won’t be the best trader out there. You don’t have to outrun the bear, just the person you are with.

Remember you are always looking at what can influence the market and how the order flow that is coming in may influence the market.

This concludes the Module 8: Flow Driven Markets.

In the next module we will discuss order flow trade setups that you can look for in the markets.