Twitter Thread by Shinobi Signals



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I've made over 6 figures trading Supply and Demand.

Here is the best kept SECRET to trading super accurate zones...■

By the end of this thread you will understand..
1. How to use LVL2/T&S. ■
2. How to use Supply/Demand with LVL2/T&S. ■
3. How to better your trading. ■

WHY YOU SHOULD USE LVL2/T&S
People use indicators like VWAP, EMAs, etc. The reality is that most indicators are LAGGING indicators. There is only 1 leading indicator and that is LVL2/T&S. This is what is creating the candles in front of you. This gives us an EDGE.

When tied with supply & demand, it allows us to see if buyers are sitting at our demand, and sellers are sitting at our supply.

If you haven't already read my supply & demand thread, read that before you read this to avoid confusion.
https://t.co/RAyj1HQvRs

> I turned $10k into $230k in under 2 months.
>
> I've tested many strategies, but this is the one that helped me yield the BEST results.
>
> This is how I trade Supply and Demand...\U0001f9f5 pic.twitter.com/sMLL7xCBwO
>
> — Shinobi Signals (@ShinobiSignals) August 16, 2022

WHAT IS LVL2?
LVL2 data provides us with real time supply and demand info of a stock through the amount of open buy and sell LIMIT orders.

Limit orders are orders that have NOT been filled yet.

HOW TO READ LVL2
LVL 2 is split into 2 sections, left side is the BID, right side is the ASK.

Each section has 3 columns.
1. Ex = Exchange of the orders
2. Bid/Ask = Price order is placed at
3. BS/AS = Size of the order

Image below for reference.



SPY | SPDR S&P500 ETF TRUST TR UNIT ETF | 429.70 +.84 +0.20% | 429.70 +.84 +0.20% | Bid: 429.42 x 3 | Ask: 429.45 x 8

Ex	Bid	BS	Ex	Ask	AS
ARCA	429.42	3	ARCA	429.45	8
EDGX	429.40	4	AMEX	429.45	4
NASDAQ	429.40	4	EDGX	429.45	4
BATS	429.40	4	NASDAQ	429.45	4
EDGA	429.38	5	BATS	429.45	4
Y	429.38	5	EDGA	429.47	5
CINN	429.38	3	Y	429.47	5
AMEX	429.35	1	CINN	429.47	3

On TOS you have to multiply the BS/AS numbers by 100. On other brokers/platforms it may not be the same case.

For example..
3 on the bid = 300 shares @ 429.42
8 on the ask = 800 shares @ 429.45

WHAT IS T&S? (TIME & SALES)
T&S also known as the "tape" shows all orders that are FILLED. LVL2 shows unfilled orders, the tape shows filled orders.

So the limit orders you see on LVL2, will potentially be filled and shown on the tape.

HOW TO READ THE TAPE
The tape is also divided into 3 columns.
1- Time: The time the transaction took place.
2- Price: The price the transaction took place.
3- Size: How many shares were bought/sold.

You want to pay attention to the price and size of each order.

Let's breakdown why the price the order went through at is important.

Below Bid: Aggressive selling pressure.
Bid: Strong selling pressure.
Between B/A: Neutral.
Ask: Strong buying pressure.
Above Ask: Aggressive buying pressure.

LVL 2 allows us to identify where buyers are sitting at providing us a "floor" (support) and where sellers are sitting at providing us a "wall" (resistance).

Using LVL2 and the tape with the supply and demand strategy allows us to have confluence in our S&D zones.

When we see BIDS stacking up at our demand zone with little to no sellers on the ASK side, this allows to be confident that buyers are present.

When we see ASK stack up at our supply zone with little to no buyers on the BID side, this allows to be confident sellers are present.

When watching the tape it is important to see the orders on the LVL2 get FILLED. If you see the orders on the LVL keep disappearing this could mean it's not true order and instead a flashing order.

Let's go over two important LVL2/T&S tips..

FLASHING ORDER
A flashing order is when there is a big buyer/seller on the LVL2 and before their price gets tested, they remove their order.

They do this because they want to scare traders like you, if someone sees a big order on the opposing side they will panic and sell.

HIDDEN BUYERS/SELLERS
Ever wonder why a stock can't get past a certain level but there's no sign of sellers on the LVL2/T&S? This is because there's a hidden seller accumulating orders before the move.

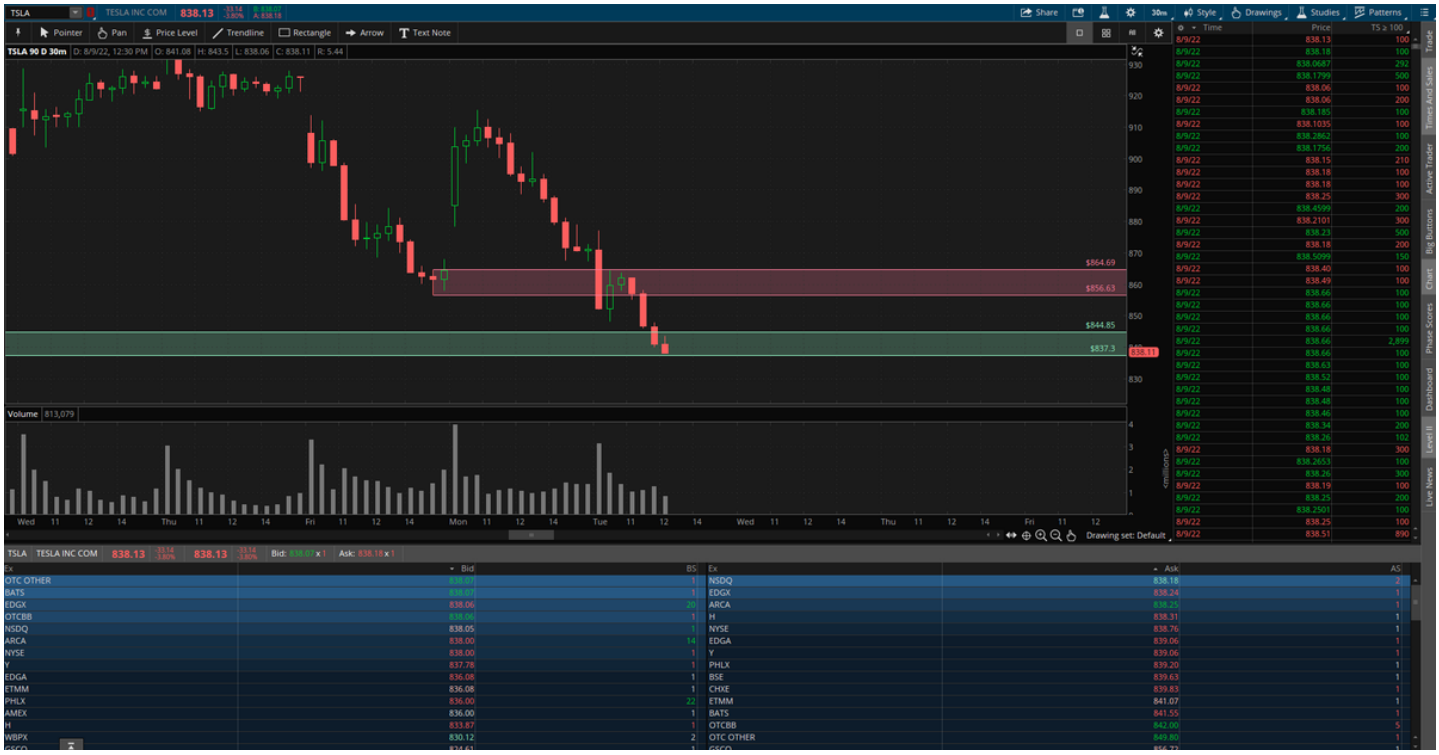
Same thing for the opposing side.

Now that you understand LVL2/T&S and also some key tips.

Let's see this in action. I will be showing an example of $TSLA from last week bouncing off demand and buyers showing up on the LVL2 and filling on the T&S.

Since you've already read my S&D thread you should know how to properly draw zones, and how zones flip when broken.

In this case we have a TSLA zone from $837.3-$844.85. We also had a previous demand, now supply because it broke, from $856.63-$864.69.



We open, break through our demand (flips to supply), reject EXACTLY from it, and move down towards our demand at $837.3.

If you take a look at the LVL2, buyers are present on the BID, 2000 orders at 838.06, 1400 orders at 838, & 2200 orders at 836.

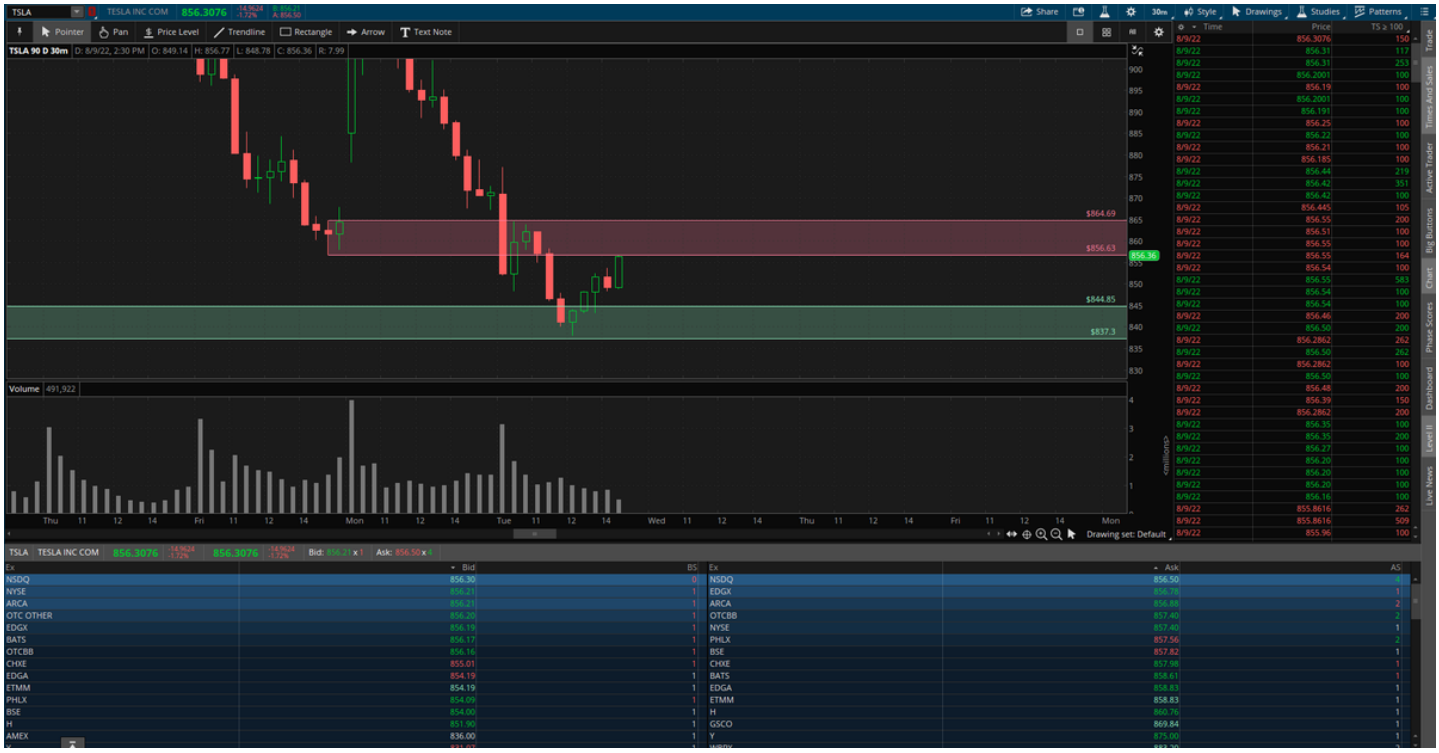
The ask has nothing.



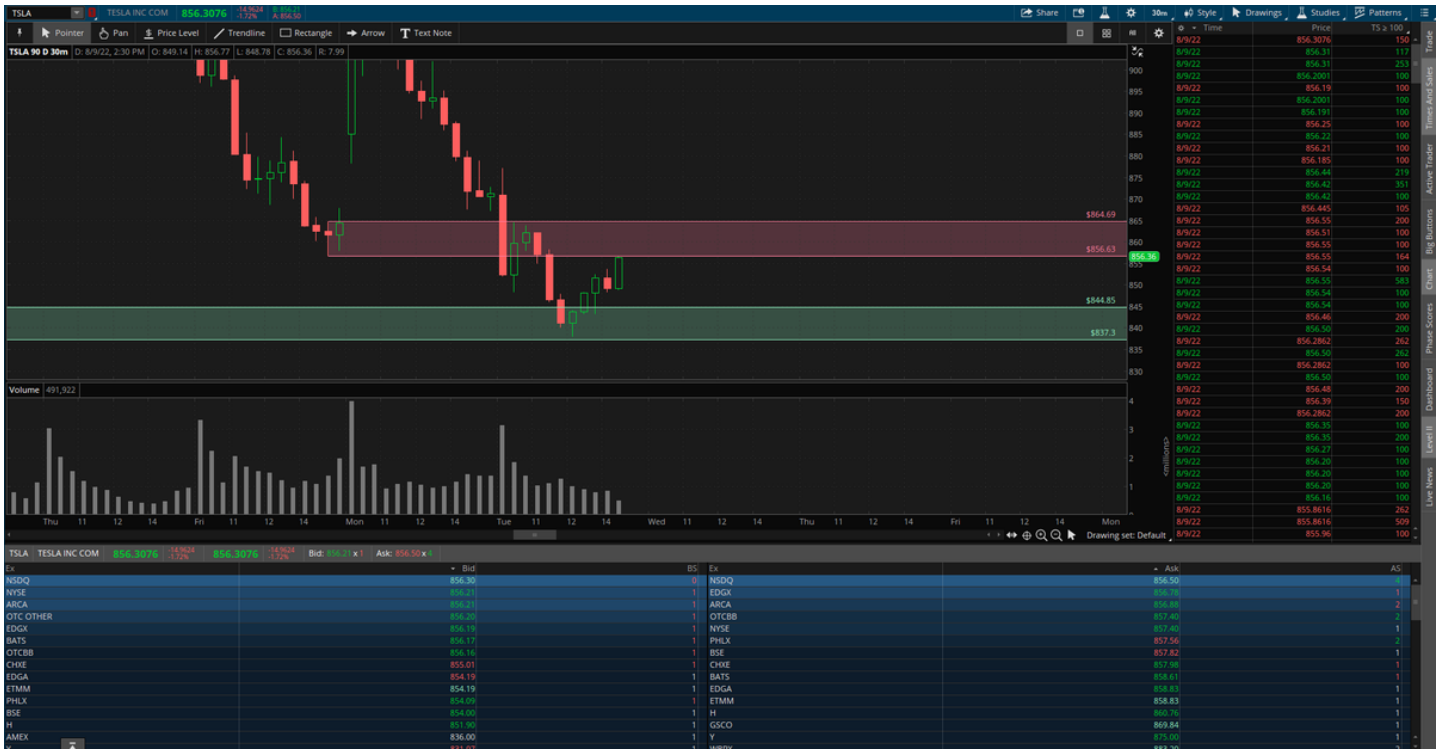
On the tape you're also seeing some orders come in at the ASK. Which as mentioned shows strong buying pressure.

Orders fill, we bounce exactly from our demand zone and move back to test our supply zone.

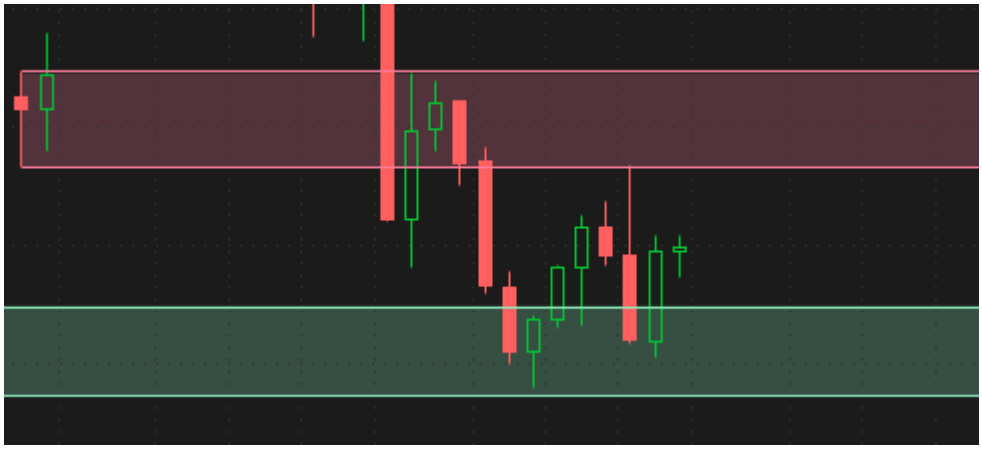
Now the scenario flips....



Now that we're at supply, buyers are no longer present defending their move up, and sellers show up on the LVL2. Look at the difference between the BID and the ASK on the LVL2.



You already know what happens next, we were at supply, sellers took control and brought it back down to our demand (look at the wick), buyers took control, orders got filled, brought the price back up.



Reading the tape will not be easy at first, it moves fast and you will have to train your eyes to catch the big orders, but just like everything, it takes time and once you have it down you will become a beast. Put LVL2 and S&D together and you have yourself an amazing system!

If you made it this far, I am hosting a Mastermind where I will be teaching traders how to unlock the next level in trading ...

Here is an application to apply: https://t.co/2hX7V2e0mV

Note: Not everyone will be accepted, please fill the form to the best of your ability <3