

Twitter Thread by GoCharting



GoCharting

@gocharting



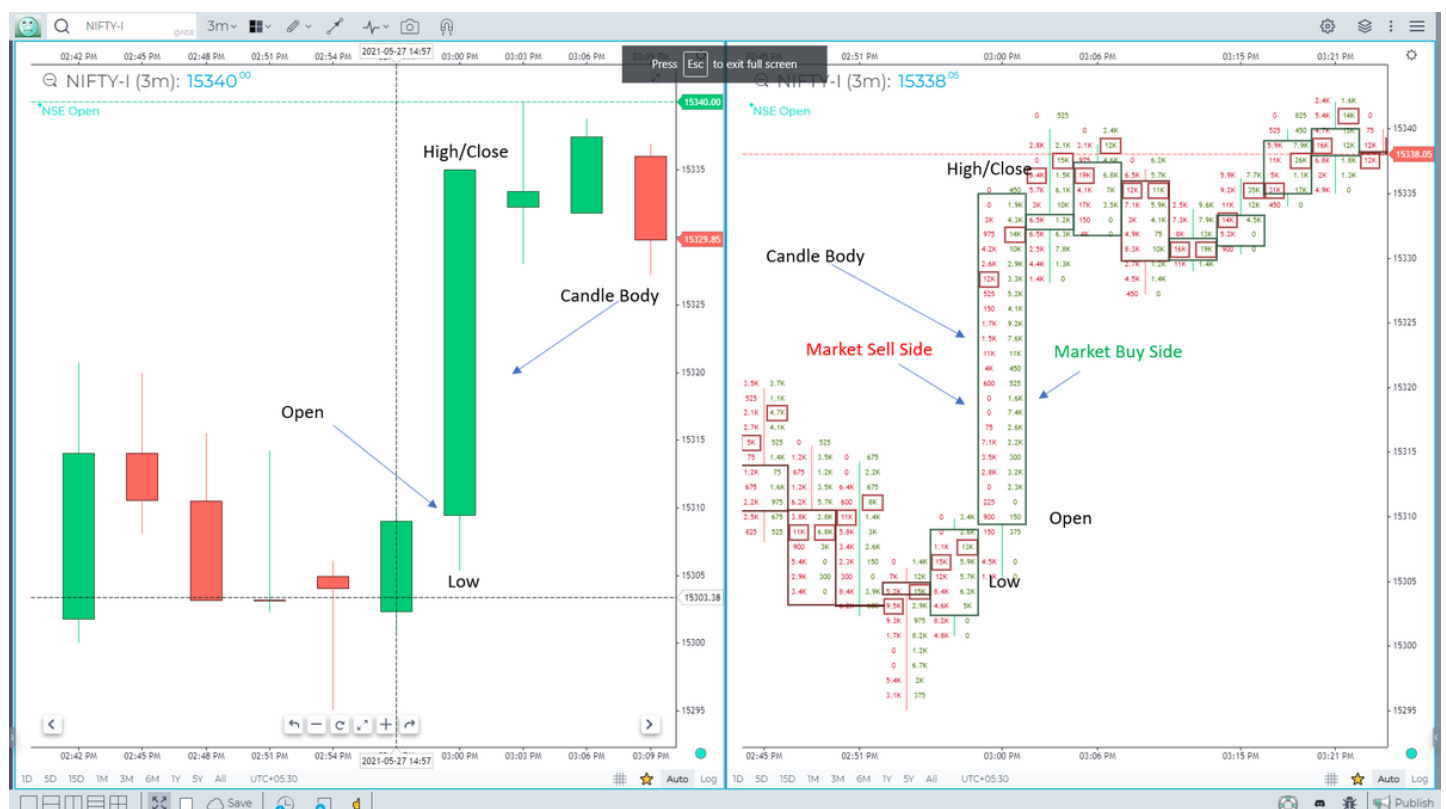
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Why Orderflow Charts?

Lets explain this with some basics comparing Candlestick Chart with Ordeflow Chart

Order flow candle shows the contract volume traded on the seller side (left) and contract volume on the buyer side (right) on each single price level...

#orderflow



2 / n

Why this additional info important to the trader?

Trader is now

1. Closer to the actual market happenings
2. Gets an insight to the candle
3. Receives in depth market information in real-time
4. Can see the volume on each price level separated in buyers and sellers ...

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5. Can discover price and volume patterns that cannot be seen with a regular candle chart
6. Can see how the buy and sell orders affect the price
7. Better assessment of whether the market will continue its trend

More self-confidence when trading...

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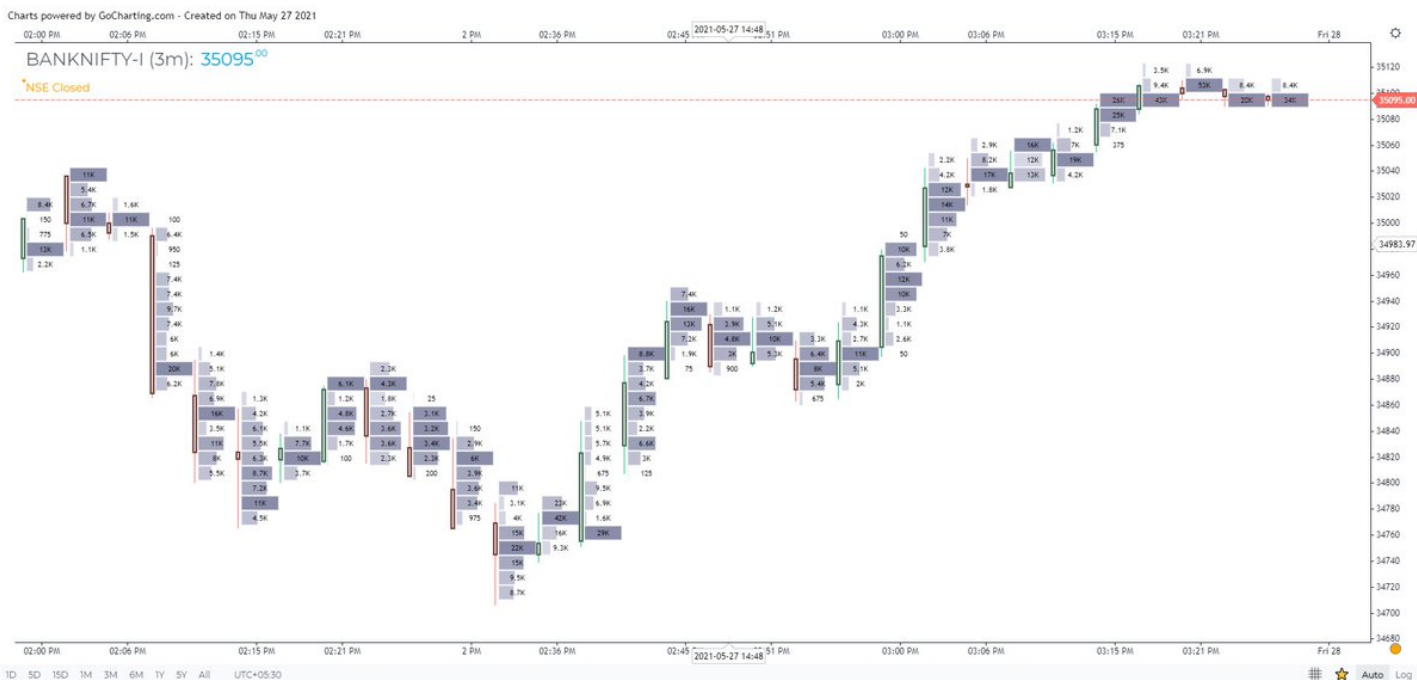
Most Common Order Flow Chart Types

1. Volume Order Flow Chart
2. Bid x Ask Order Flow Chart
3. Delta Order Flow Chart

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Volume Orderflow Chart

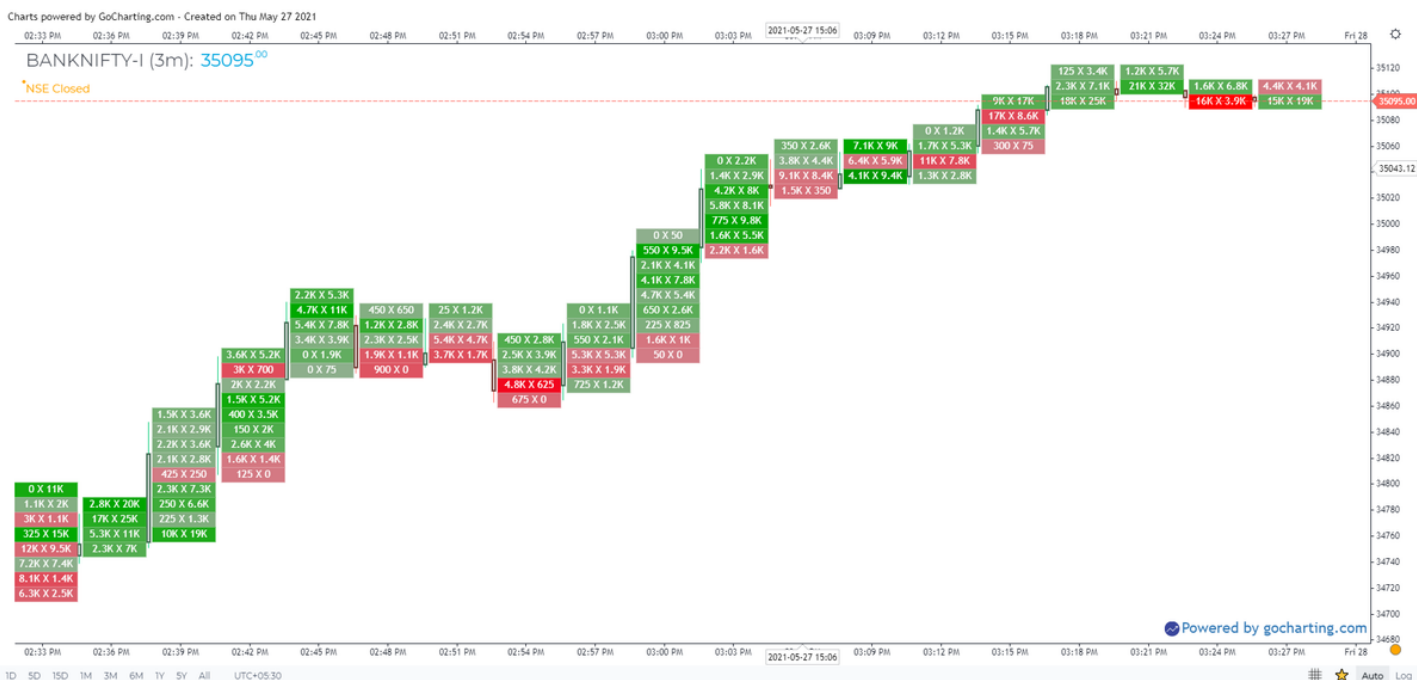
Basically this gives you the Volume Profile of every Candle



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Bid x Ask Order Flow Chart

■ This order flow chart type splits the total volume into the seller and buyer side. It illustrates the volume traded on each side at a certain price level.



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The bid x ask order flow provides overview of how the volume is traded at a certain price and whether it has been traded more on the buyer or seller side. Helps in identifying a change in momentum, market pressure and order absorption

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Each bar brick is color coded based on Delta.

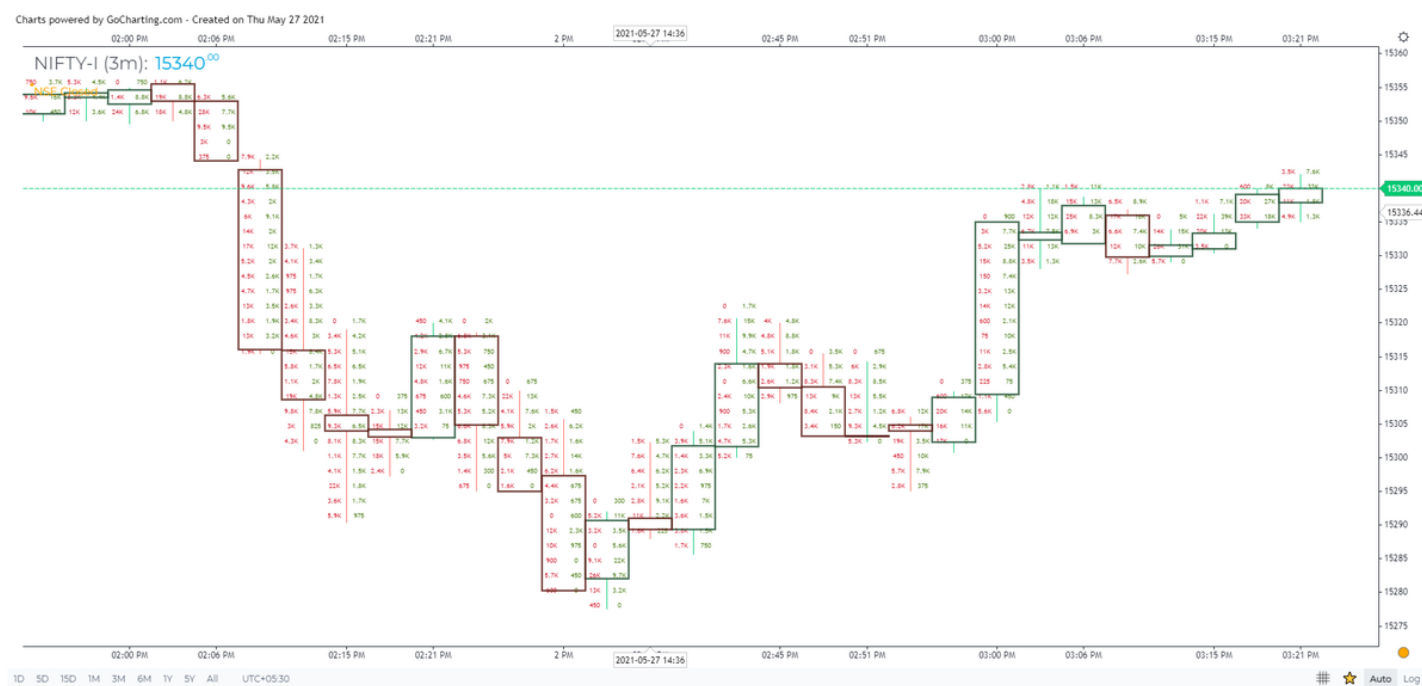
Delta = Buy Volume - Sell Volume

Green = + Delta (Buy Volume > Sell Volume)

RED = - Delta (Buy Volume < Sell Volume)

9/n

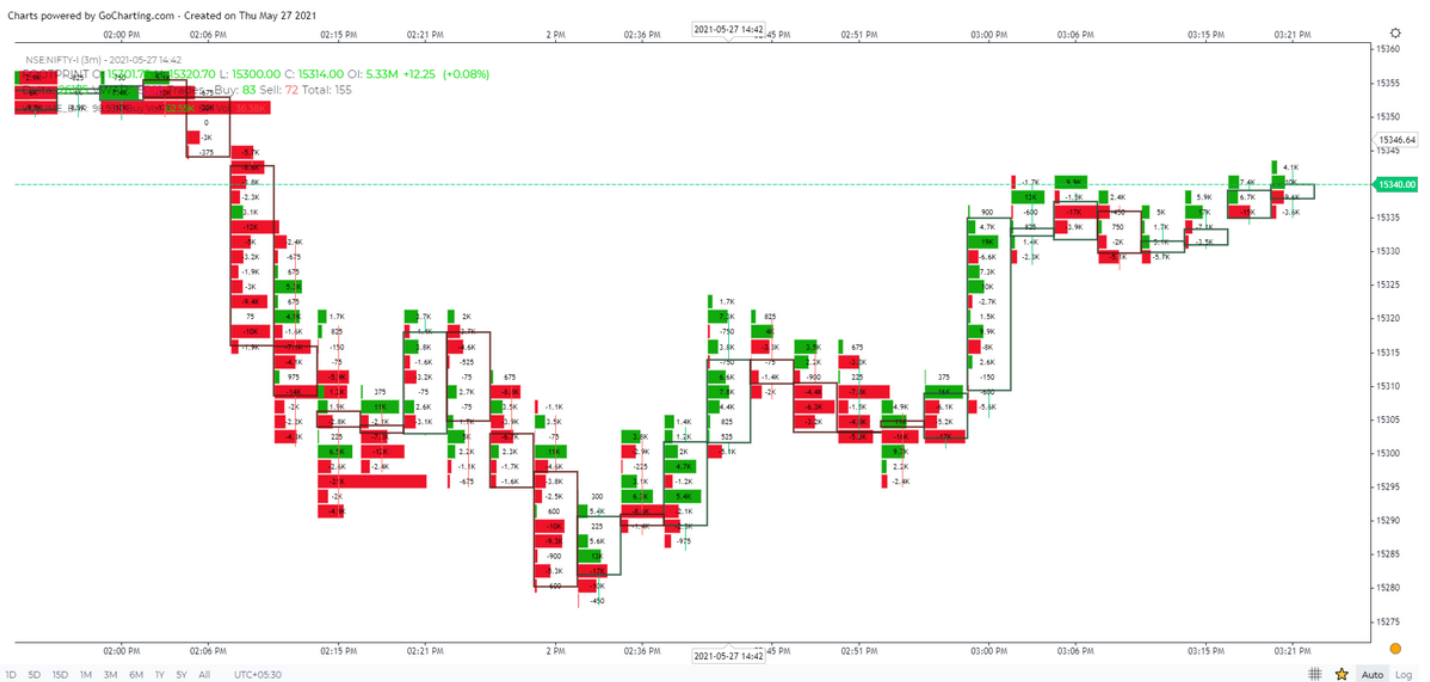
Another popular variation is where the sellers are on the left side of the candle and buyers on the right side



10/n

Delta Order Flow Chart

Chart illustrates difference between buy and sell market orders. Delta is shown in +ve or -ve. +ve delta illustrates there are more aggressive buyers active and, in contrast, a -ve delta illustrates more aggressive sellers were active.



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Delta order flow chart type provides an opportunity to measure the aggressive buying and selling pressure at a price level and indicates which side is more aggressive - buyers or sellers.

Popular Order Flow Chart Combinations

Order flow charts can also be combined in various ways to have multiple order flow information in one chart.

■ Bid x Ask Order Flow + Volume Combo

Bid x Ask Order Flow + Profile Combo

Bid x Ask Order Flow + Delta etc.

