

Level 2 Data + Charts

Rajan Dhall MSTA



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Who am I? Rajan Dhall MSTA

1. Worked as an FX & FX options broker
2. Worked as an FX analyst
3. Worked for a Hedge Fund (Using order flow and ladders)
4. All the while working for the Society of Technical Analysts
5. Work as an Multi-Asset Analyst



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What is Level 2?

1. See the Orders awaiting execution on the Buy and Sell side of the Order Book to analyse movements in the price of a security
2. Monitor fast moving markets
3. Identify trading opportunities
4. Help identify iceberg (Filtered) orders or other automated trading patterns
5. Utilise a variety of market indicators to make informed decisions
6. Become a price-maker as opposed to a price-taker by deciding at what price to buy or sell, and placing the order directly with the Exchange's order book via Direct Market Access (DMA)



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Where do Charts come in?

1. Reading a Level 2 screen to validate breaks of key technical analysis levels. S/R & Price Patterns.
2. Breakout trades are a very common strategy for trading markets.
3. Level 2 market data can help you assess if the breakout is real or false.



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Classic Setup (LLOY)



What are we looking at?

LLOY.XLON	LLOYDS BANKING GROUP PLC ORD 10P					Close 69.34 (17-MAR-2017) GBX			
Segment	SET0	Sector	FE00	EMS	30,000	LAT	69.08	-0.26 (-0.37%)	12:12:16
Trade Hi	69.31	Auto Vol	22,820,665	PE Ratio	23.8207	LAT Hi	69.29	-0.05 (-0.07%)	08:00:19
Trade Lo	68.75	VWAP	69.0257			LAT Lo	68.76	-0.58 (-0.84%)	10:51:32
Trade Count	5,462	Cum Vol	35,042,335			Year Hi	74	26-MAY-2016	
Auction	69.2					Year Lo	47.1	06-JUL-2016	

4	12,703	69.08	-	69.09	13,253	2
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Depth	201				260	Depth
12:12	6,700	69.08	69.09	7,161	12:11	
12:12	2,600	69.08	69.09	6,092	12:11	
12:12	2,703	69.08	69.1	10,000	12:11	
12:12	700	69.08	69.1	10,849	12:11	
12:12	4,025	69.07	69.1	18,458	12:11	
12:12	1,284	69.07	69.1	5,527	12:11	
12:12	2,600	69.07	69.1	5,966	12:11	
12:12	10,000	69.07	69.1	6,867	12:12	
12:12	6,676	69.07	69.1	5,054	12:12	
12:12	2,800	69.07	69.1	4,450	12:12	
12:12	1,200	69.07	69.11	10,000	12:11	
12:12	10,240	69.07	69.11	500	12:11	
12:12	3,300	69.07	69.11	6,977	12:11	
12:11	3,539	69.06	69.11	2,600	12:11	
12:12	2,600	69.06	69.11	8,719	12:11	
12:12	10,000	69.06	69.11	10,849	12:11	
12:12	1,200	69.06	69.11	6,200	12:11	
12:12	8,421	69.06	69.11	1,500	12:11	

LLOY Live Trades			
Time	Trade Price	Volume	≈ Value
12:12:20	69.077	1,647	1,138 O
12:12:16	69.08	13,421	9,271 A
12:12:12	69.07	2,600	1,796 A
12:12:12	69.07	6,701	4,628 A
12:12:12	69.07	3,358	2,319 A
12:12:12	69.07	2,250	1,554 A
12:12:05	69.083	400	276.33 O
12:12:02	69.077	4,506	3,113 O
12:11:41	69.10	3,311	2,288 A
12:11:37	69.113	633	437.49 O
12:11:32	69.1091	14,500	10,02k O
12:11:17	69.11	7,195	4,972 O
12:11:15	69.11	2,600	1,797 A
12:11:15	69.11	4,147	2,866 A
12:11:15	69.11	6,000	4,147 A
12:11:14	69.11	5,082	3,512 A





● realtime

VOD.XLON	VODAFONE GROUP PLC ORD USD0.20 20/21				
Segment	SET0	Sector	FE00	EMS	10,000
Trade Hi	214.3	Auto Vol	16,893,475	PE Ratio	-13.9854
Trade Lo	210.62	VWAP	211.7058		
Trade Count	6,102	Cum Vol	25,691,365		
Auction	210.7				

		Close 211.4 (17-MAR-2017)		GBX
LAT	210.9	-0.5 (-0.24%)		12:34:57
LAT Hi	214	2.6 (1.23%)		08:01:26
LAT Lo	210.65	-0.75 (-0.35%)		11:37:48
Year Hi	240.1	15-AUG-2016		
Year Lo	186.5	02-FEB-2017		

6	9,112	210.85	-	210.9	13,839	3
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VOD Live Trades

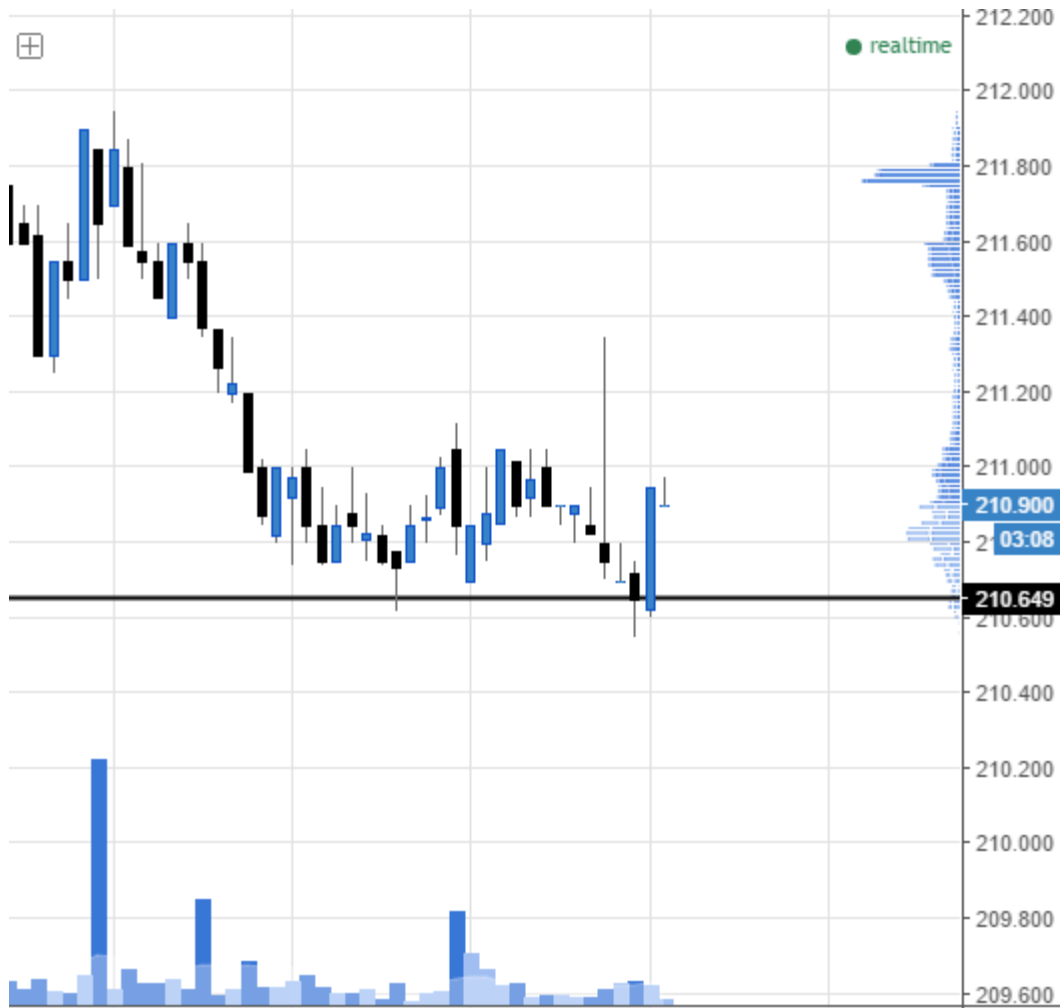
Time	Trade Price	Volume	≈ Value		
12:29	1,199	210.7	211.05	1,199	12:34
12:29	1,500	210.7	211.05	5,000	12:35
12:30	5,000	210.7	211.1	4,794	12:06
12:30	2,000	210.7	211.1	3,364	12:17
12:31		210.7	211.1	4,000	12:25
12:32		210.7	211.1	3,658	12:25
12:34		210.7	211.1	1,500	12:26
12:34		210.7	211.1	3,000	12:26
12:02	70,523	210.65	211.1	7,046	12:27
12:02	3,492	210.65	211.1	2,000	12:27
12:19	2,300	210.65	211.1	18,724	12:30
12:29	4,794	210.65	211.1	12,159	12:30
12:30	1,199	210.65	211.1	5,000	12:34
12:30	10,127	210.65	211.1	3,326	12:35
12:33	3,000	210.65	211.15	3,000	12:02
12:02	950	210.6	211.15	3,492	12:02
12:02	3,492	210.6	211.15	2,000	12:25
12:30	10,351	210.6	211.15	11,818	12:30
12:33	4,794	210.6	211.15	3,485	12:33

Time	Trade Price	Volume	≈ Value	
12:35:06	210.881	2	4.22	O
12:34:57	210.90	992	2,092	A
12:34:57	210.90	2,067	4,359	A
12:34:57	210.90	3,644	7,685	A
12:34:57	210.90	2,516	5,306	A
12:34:57	210.90	327	689.64	A
12:34:57	210.90	2,173	4,583	A
12:34:57	210.90	11,525	24.31k	A
12:34:12	210.85	168	354.23	A
12:34:00	210.85	2,604	5,491	A
12:34:00	210.85	9,675	20.40k	A
12:34:00	210.85	2,386	5,031	A
12:33:37	210.85	455	959.37	O
12:33:37	210.85	3,261	6,876	O
12:33:37	210.85	1,272	2,682	A
12:33:37	210.85	2,600	5,482	A



Price then tested the support level and broke higher.

There were at least 109k orders lying in wait.



Combining the two

Laying them side by side is the most effective way to use them

Using an alert system to notify you when price is coming to your desired level

Volume profile and Level 2

How we can use them together



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Close 4680.5 (21-MAR-2017) GBX

LAT	4649	-31.5 (-0.67%)	14:04:02
LAT Hi	4685.5	5 (0.11%)	11:11:06
LAT Lo	4625.5	-55 (-1.18%)	08:00:36
Year Hi	5377	20-SEP-2016	
Year Lo	3760	24-JUN-2016	

SHP Live Trades

Time	Trade Price	Volume	≈ Value	
14:03:58	4,650.00	96	4,464	A ▲
14:03:50	4,650.95	1,920	89.30k	O
14:03:18	4,651.50	23	107.00	A
14:03:18	4,651.50	56	260.40	A
14:03:18	4,651.50	144	670.80	A
14:03:18	4,652.50	70	325.75	A
14:03:18	4,652.50	105	488.63	A
14:03:02	4,654.00	37	172.18	A
14:03:02	4,654.00	29	135.96	A
14:03:02	4,654.00	100	465.40	A
14:02:53	4,652.50	66	3,071	A
14:02:53	4,652.50	33	1,535	A
14:02:53	4,652.50	13	604.83	A
14:02:34	4,652.425	400	18.61k	O
14:02:30	4,652.00	13	604.76	A
14:02:17	4,652.00	100	4,652	A
14:02:12	4,651.50	186	8,652	A
14:02:12	4,651.50	27	1,256	A ▼



Close 4680.5 (21-MAR-2017) GBX
 LAT 4643 -37.5 (-0.8%) 14:07:38
 LAT Hi 4685.5 5 (0.11%) 11:11:06
 LAT Lo 4625.5 -55 (-1.18%) 08:00:36
 Year Hi 5377 20-SEP-2016
 Year Lo 3760 24-JUN-2016

SHP Live Trades

Time	Trade Price	Volume	≈ Value	
14:07:28	4,643.50	55	2,554	A ▲
14:07:13	4,641.95	1,222	56.72k	O
14:07:17	4,643.50	64	2,972	A
14:07:14	4,643.50	1	46.44	A
14:07:14	4,643.50	165	7,662	A
14:07:14	4,644.00	78	3,622	A
14:07:14	4,644.00	100	4,644	A
14:07:14	4,644.50	89	4,134	A
14:07:11	4,645.50	53	2,462	A
14:07:11	4,645.00	100	4,645	A
14:07:11	4,645.00	147	6,828	A
14:07:11	4,645.00	200	9,290	A
14:07:07	4,644.00	36	1,672	A
14:07:07	4,643.00	36	1,671	A
14:07:07	4,643.00	47	2,182	A
14:07:07	4,643.00	100	4,643	A
14:07:07	4,643.00	31	1,439	A
14:07:07	4,643.00	28	1,300	A ▼





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How to use them to trade

1. Recognising and trading off 'iceberg orders' that can be identified on a Level 2 screen.
2. An iceberg order is a large single order managed by an exchange that has been divided into equal quantities by the use of an automated program, for the purpose of hiding the actual order quantity.
3. This can hold back the share price at a specific level as the when the price gets to your level look for clues.

Iceberg order →

14:59:41	4,660.00	294	13.70k	A
14:59:41	4,660.00	100	4,660	A
14:59:41	4,660.00	216	10.07k	A
14:59:41	4,660.00	295	13.75k	A
14:59:41	4,661.00	297	13.84k	A

- Any Questions? -

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