



MC TRADING

More Confident Trading



The concept of rising prices when demand exceeds supply and the lowering of prices when supply exceeds demand is universal. These tools will give you an edge in the market with the assessment of the intensity of Supply and Demand and the consequent future direction of price.

SUPPLY and DEMAND SYSTEM (with Alternative calculations for the NYSE and NASDAQ)

Background

This Institutional quality tool is a comprehensive trading system using Supply, Demand and Volume data, ignoring mathematical formulas based on historical price data.

Volume, Supply and Demand, when interpreted correctly, give a clear and accurate indication of where future prices will go, Up or Down. The very basic drivers of any auction or sale is the Bidders (Demand or Buyers) and the Askers (Supply or Sellers). Using this very basic market principle, the more the Demand the Higher price will go and likewise, the more the Supply the Lower price will go. In depth studies of these two basic drivers of any market can reveal when Supply or Demand becomes very dominant and will influence price.

The "Big Boys" or "Smart Money" is big players and can at once or over time influence markets. If you want to know what the "Big Boys" or "Smart Money" is doing, then this is for you! Trading with and not against the "Big Boys" will improve your winning rate dramatically. Not only will your number of winning trades increase, but you will end up catching bigger moves also, as the "Big Boys" can move markets directionally over time or quick and substantially! The "Big Boys" outnumber the retail traders by far in the number of contracts traded. When the "Smart Money" makes a move, they leave behind a "footprint". By studying Supply and Demand data, these "footprints" become visible if interpreted correctly and give an indication whether the next price move will be Up or Down, based on the overwhelming Supply or Demand, reflecting in the Readings and Signals.

We developed a system where only raw volume, supply and demand data are used. To interpret this raw data and display it in an understandable and useable way can be tricky, so we developed a Dashboard to display these readings according to algorithms we developed. We also added a BXB (Bar by Bar) Signals Dashboard to make interpretation and use of the readings easier, especially for a bar to bar assessment. The tools work on any Time base chart interval (Intraday or Daily).

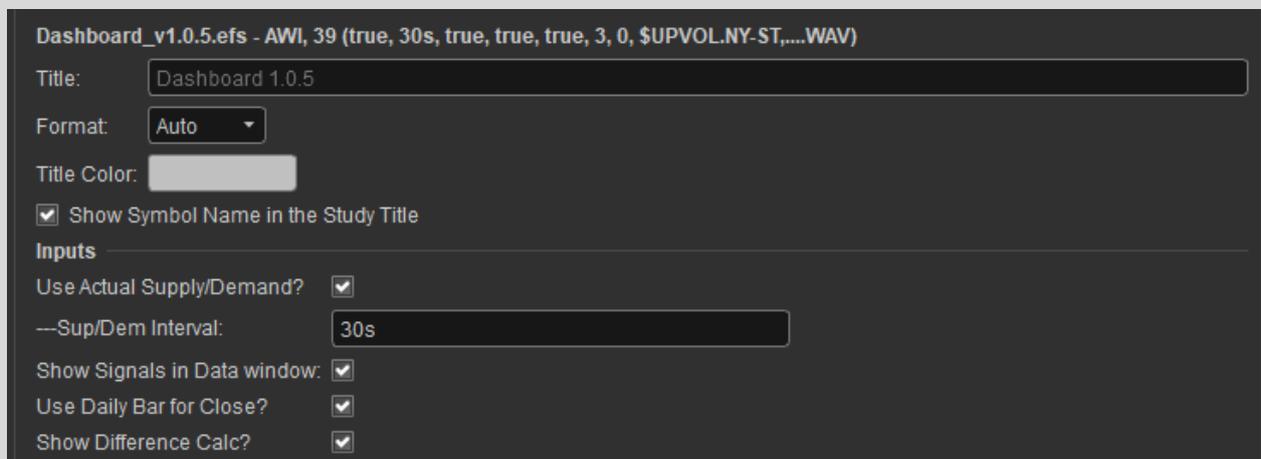
Readings are based on Supply and Demand and Volume obtained from raw internal data of the total stock market. It is updated live in real-time every day during regular trading sessions

only, and does NOT take into account any price indicators or mathematical formulas using price. We do however show the cumulative price change for the trading session and in some instances assess price movement's relationship to Supply and Demand readings. It is therefore fair to say that the readings and signals are independent from other popular price indicators, using historical price data. The readings are an independent assessment of the one and only measureable fundamental market mover: SUPPLY and DEMAND, ignoring price data in most instances.

It does not matter if price is influenced by a geopolitical event, seasonality, fundamental economic data releases or sentiment driven news, etc. It all reflects in Supply and Demand, where "footprints" of the "Big Boys" or "Smart Money" can be seen. Supply and Demand are updated in real-time and from day to day, giving analyzed indications to where the next move will be. A true predicting tool, compared to most price indicators which have a lagging effect, using only historical price data.

NYSE and NASDAQ markets for Alternative setting and Actual setting for all markets:

For Sup / Dem calculations on *all instruments except* for the NYSE and NASDAQ the box "Use Actual Supply/Demand **MUST** be ticked, otherwise it will either use the alternative calculations of the NYSE or NASDAQ, depending on which Dashboard you use, which will make no sense and be misleading and not correct. If this Actual calculation is used a time frame must be specified to calculate Supply and Demand. The default is 1 for a one-minute calculation which we use on Daily and Weekly charts. For all Intraday time frames we use 30s for 30-second calculations. This is very important!!



The Supply and Demand Dashboard displays readings in 4 rows. The BXB Signals Dashboard also displays signals and readings in 4 rows.

Supply / Demand Dashboard

Row 1: Supply / Demand Reading

An algorithm displaying a reading according to the Strength of Supply and Demand. Readings displayed in red and lime are the readings that is considered substantial. Red and maroon is where Supply is dominant and lime and blue is where Demand is dominant.

Row 2: Cumulative Net Price

This is the difference between the previous regular session's closing price and the current price. If the current price is higher, thus price has moved up, it is displayed in blue or when it has moved down it is displayed as negative in a maroon color. When it changes color, price has moved from a lower position to a higher position, or vice versa, since the last sessions closing price.

Cumulative price is colored yellow when a possible exhaustion pattern is detected. A yellow block will also appear to the far right of the Dashboard for a possible pattern on the current bar.

Row 3: Supply / Demand Direction and Direction strength

Displays a red and maroon down triangle when Supply, as measured by an algorithm, is controlling the auction. We are mostly concerned about the red colored down triangles, because this is when the Supply direction is substantial ("Big Boys" are buying).

Likewise, a blue and lime up triangle is displayed when Demand is in control of the auction. We are mostly concerned about the lime colored up triangles, because this is when the Demand direction is substantial ("Big Boys" are selling).

Row 4: Volatility of Supply and Demand

Calculated Volatility of Supply and Demand, NOT price, on an averaged basis.

A volatility reading of less than 100% is bullish, the lower the reading the more bullish and likewise, readings above 100% is bearish. A reading below 85% is considered extremely bullish and colored lime, otherwise readings between 85% and 100% is colored blue.

A volatility reading of 100% and more is bearish, the higher the reading the more bearish A reading above 110% is considered extremely bearish and colored red, otherwise readings between 100% and 110% is colored maroon

The change in this Volatility from bar to bar is displayed to the right of the Dashboard. A negative red reading is considered to be bearish and a positive blue reading bullish.

Signals on the right of Sup / Dem Dashboard and in Data window

BoD stands for Buying on Decline and is shown at the bottom to the right of the Dashboard as lime colored text "BoD", when demand is considered to be strong and Cumulative price change is still negative. In the data window, if this option is selected, it will show a 1 to the right of BoD.

SoA stands for Selling on Advance and is shown at the top to the right of the Dashboard as red colored text "SoA", when supply is considered to be strong and Cumulative price change is still positive. In the data window, if this option is selected, it will show a 1 to the right of SoA.

DEM - When demand is considered to be strong a lime colored up triangle is displayed at the bottom to the right of the Dash board. In the data window, if this option is selected, it will show a 1 to the right of DEM.

SUP - When demand is considered to be strong a red colored down triangle is displayed at the top to the right of the Dash board. In the data window, if this option is selected, it will show a 1 to the right of SUP.

A small diamond is displayed on top to the right of the Dashboard indicating the direction of the Supply and Demand reading. A maroon diamond indicates the reading is weaker and blue diamond the reading is stronger, compared to the previous bar.

Lookback

If you want to see signals for previous bars, you can select the option “Show Signals in Data window”. When selected the signals, if any, will appear in the Data window when you hover your mouse over any selected bar.

BXB Signals Dashboard

It is important to note that all Signals and readings are calculated from one bar to the next bar, whilst the Supply and Demand Dashboard uses a cumulative approach, starting each trading day.

Row 1: Signals

Signals are displayed as Up triangles, Down triangles and Blocks, according to the algorithm calculations of Supply and Demand data, looking for confluence patterns and anomaly situations.

Triangles: Up triangles is when to look for possible Buys and Down triangles is when to look for possible Sells. Lime colored and red colored triangles are where more criteria is satisfied, whilst blue and maroon is just as good possibilities, but with less criteria met. Many good trades on can be taken on blue and maroon triangles. Lime and red colors is just very conservative signals on this dashboard.

Blocks: Are all warning signs, colored differently for different types of warnings. Normally appears when there is a possibility of a new directional move to start OR the possibility of the end of an existing directional move. When these warnings appear you must give close attention to other signs and indications to either exit an existing position, OR look for other signs and indications to take a new position.

Row 2: Sup / Dem Volatility Trend for the bar

If the one bar Volatility trend is Up a blue Up triangle is displayed and when down, a maroon Down triangle is displayed.

Row 3: Average Sup / Dem Volatility Trend – When selecting the **Actual calculations only**

If the Average Volatility trend is Up a blue Up triangle is displayed and when Down, a maroon Down triangle is displayed.

Row 3: Stock Market Direction – For NYSE and NASDAQ **alternative calculation**

If the one bar % > VWAP (Volume Weighted Average Price) trend is Up, a blue Up triangle is displayed and when down, a maroon Down triangle is displayed.

Row 4: Supply / Demand Reading for the bar only – When selecting the **Actual calculations only**

An algorithm displaying a reading according to the Strength of Supply and Demand. Readings for the current bar displayed in red and lime are the readings that is considered substantial. Red and maroon is where Supply is dominant and lime and blue is where Demand is dominant. This reading differs from the Sup/Dem Dashboard and is calculated for the bar only on the BXB Dashboard, whilst the Sup/Dem Dashboard displays these readings cumulatively for the day as it progresses if intraday charts are used. On Daily time charts it will be the same reading, as it only accumulates for the day and start new readings every day.

Row 4: Percentage Stocks Above VWAP - For NYSE and NASDAQ **alternative calculation**

Shows the actual reading as a percentage of the number of Stocks above it's VWAP (Volume Weighted Average Price). Threshold levels are at 30%, 50% and 70% and readings are coloured according to these levels. Maroon is below 30%, yellow is between 30% and 50%, blue is above 50% but below 70% and 70% and higher is coloured lime.

Signals on the right of BXB Dashboard and in Data window

UP - When demand is considered to be strong and certain criteria are met, a lime colored up triangle is displayed at the bottom to the right of the Dash board. In the data window, if this option is selected, it will show a 1 to the right of UP.

DOWN - When demand is considered to be strong and certain criteria are met, a red colored down triangle is displayed at the top to the right of the Dash board. In the data window, if this option is selected, it will show a 1 to the right of DOWN.

For NYSE and NASDAQ **alternative calculation**

Cyan Up Triangle on the top right means the % > VWAP crossed one of the thresholds (30%, 50% or 70%) to the upside.

Magenta Down Triangle on the top right means the % > VWAP crossed one of the thresholds (30%, 50% or 70%) to the downside.

The numerical reading on the right hand side is the Sup / Dem Volatility change for the last bar. Negative maroon means the Volatility trend is Down, and positive blue means the Vol trend is Up.

For **Actual calculations** only

Cyan Up Triangle means Sup/Dem direction for the bar only is strong to the upside and a magenta down triangle means Sup/Dem direction for the bar only is strong to the downside.

Lookback

If you want to see readings/signals that is normally only displayed to the right of the BXB Signals Dashboard (Up, Down and Vol change) for previous bars, you can select the option “Show Signals in Data window”. When selected the signals, if any, will appear in the Data window when you hover your mouse over any selected bar.

Markets it will work on

The Dashboards can be inserted on any chart symbol, BUT the Alternative calculations (when not selecting Actual calculations in the settings) is designed to work with the Stock Index Futures, ETF's and Stocks of the New York Stock Exchange and Stocks listed on the Dow Industrial Index. (\$SPX, ES, \$INDU, SPY etc.). Using it on other symbols not selecting Use Actual Calculations, will be fruitless, unless there is a strong correlation to the Stock market and Index futures.

We have a different Dashboards available for the Nasdaq Futures (NQ), ETF (QQQ) and any Stock listed on the Nasdaq when not selecting the Actual calculations. The **Actual calculations** work the same on both these two dashboards for every or any symbol used on the chart, when selected.

Time Template to be used

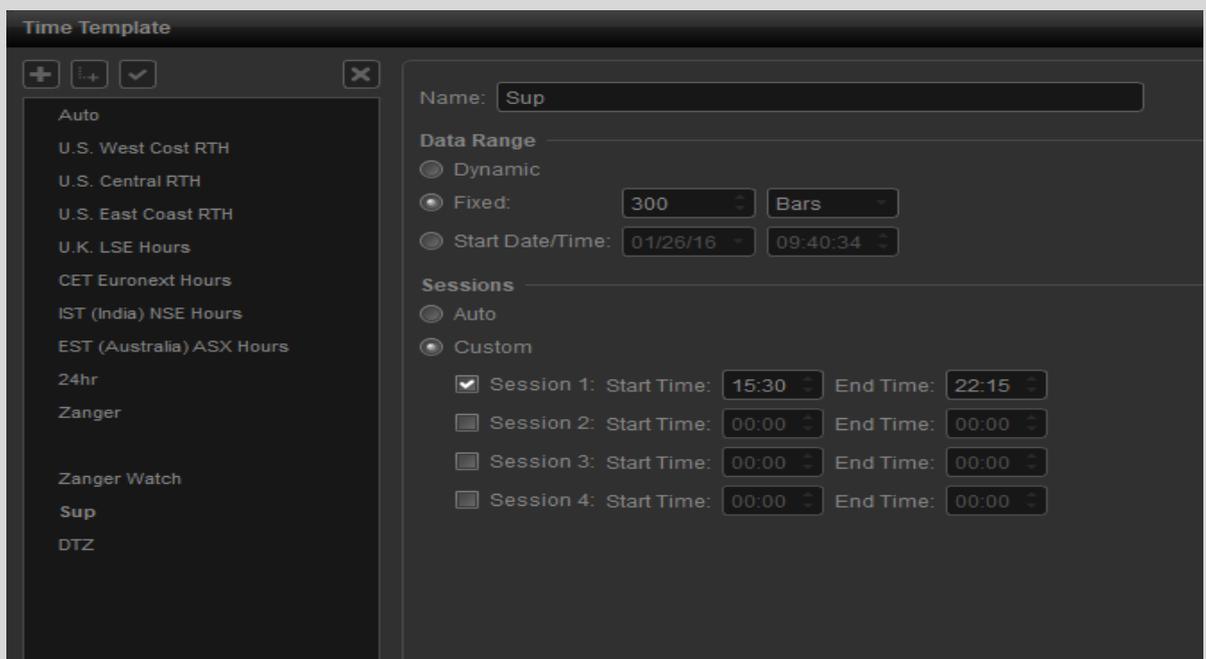
Alternative calculation

For the **Alternative calculation** it must be used on time based charts, using a time template for the US Eastern Time Regular Trading Hours' time template for the particular chart symbol to be accurate. The **Alternative calculation** only applies to the symbols of the NYSE or NASDAQ. It does not matter which one of the two Dashboards you are using, because the regular trading hours is the same for both exchanges.

It works on Daily charts as well as Intraday charts. If you are in a different Time Zone and eSignal is set up according your local time, you must adjust the opening and closing time to your local time that corresponds to the US Eastern Time Regular Trading Hours (9h30 to 16h00 or we use 16h15). If your local time is 15h30 when it is 9h30 in the US, you will use 15h30 to 22h15.

Also select a fixed data range. 300 bars should be enough for the **Alternative calculation**.

Alternative calculation Settings:



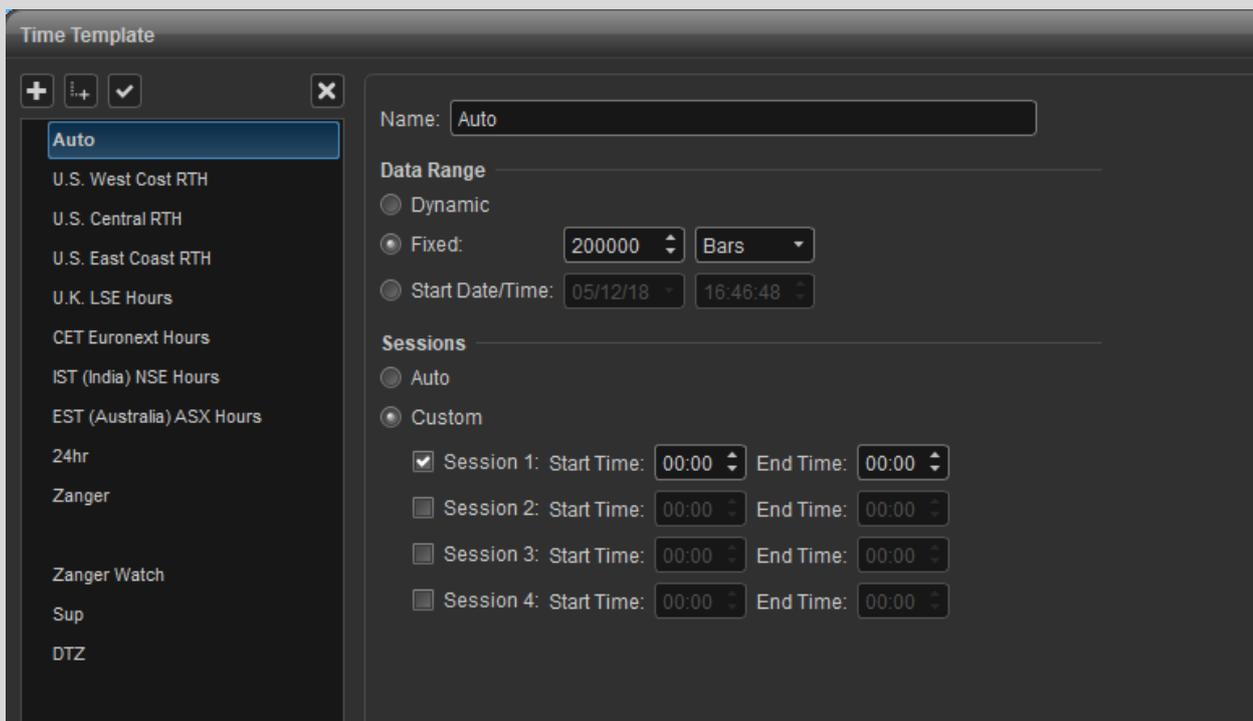
Actual calculation

For the **actual calculations** a 24-hour template may be selected, alternatively only the regular trading hours for the chart symbol can be selected. If you use 00:00 to 00:00 only the actual trading hours for the symbol will in any case be used and that is the recommended setting.

Fixed bars must be selected and we use normally 200000 bars, depending how far back you want to display the data on your chart. Remember if you select very small time intervals for the calculations in the settings you will need much more bars to display further back in time on your charts. Every bar represents the calculated time interval selected, irrespective of the chart time frame used!

NB - You must have at least enough bars on your chart selected to begin calculating from the beginning of the trading day for Intraday time frames, otherwise calculations maybe distorted!

Actual calculation Settings:



Important

For the **alternative calculations** for the NSYE and NASDAQ, only use readings and signals of bars that completed during Normal Trading Hours. **NB- Readings and signals outside Normal Trading Hours will not be correct using this option.**

We recommend to only act on readings and signals after bar closes as it can change during formation of bars.

Use the Dashboard tools for the **alternative calculations**, only on Symbols for the specific Stocks, ETF's or Indexes of the NYSE or NASDAQ whichever Dashboard is applicable.

For Actual calculations any symbol and time template can be used. Please do not use the Alternative calculations on any symbol not trading on the NYSE and NASDAQ!!!

For Weekly charts or any time frame longer than a day unselect “Use Daily bars for close” and use ONLY the Actual calculations for all symbols charted on time frames longer than a day.

NOTE: The differences in displays and settings have been highlighted as follows: Actual calculations and Alternative calculation where differences are applicable.

Mail any questions to: info@mctrading.cc