

Orderflows Delta Trading Course

Lesson 4 – Delta Trade Setups

Disclaimer

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By now you should understand the importance of the different delta numbers and the different types of chart types so now we can move on to the good part – putting it all together to find trade setups.

I am going to explain 7 order flow delta trade setups so that you can learn them and apply them in your own trading.

Setups

1. Delta Surge
2. Delta Divergence
3. Delta Flips
4. Delta Transition
5. Delta Tails
6. Delta Bulges
7. Delta Reversal

I am a big believer that you need more than one trade setup to trade successfully, that doesn't mean that you need dozens. Just use the ones that fit your trading style and is easy and comfortable for you.

Delta Surge

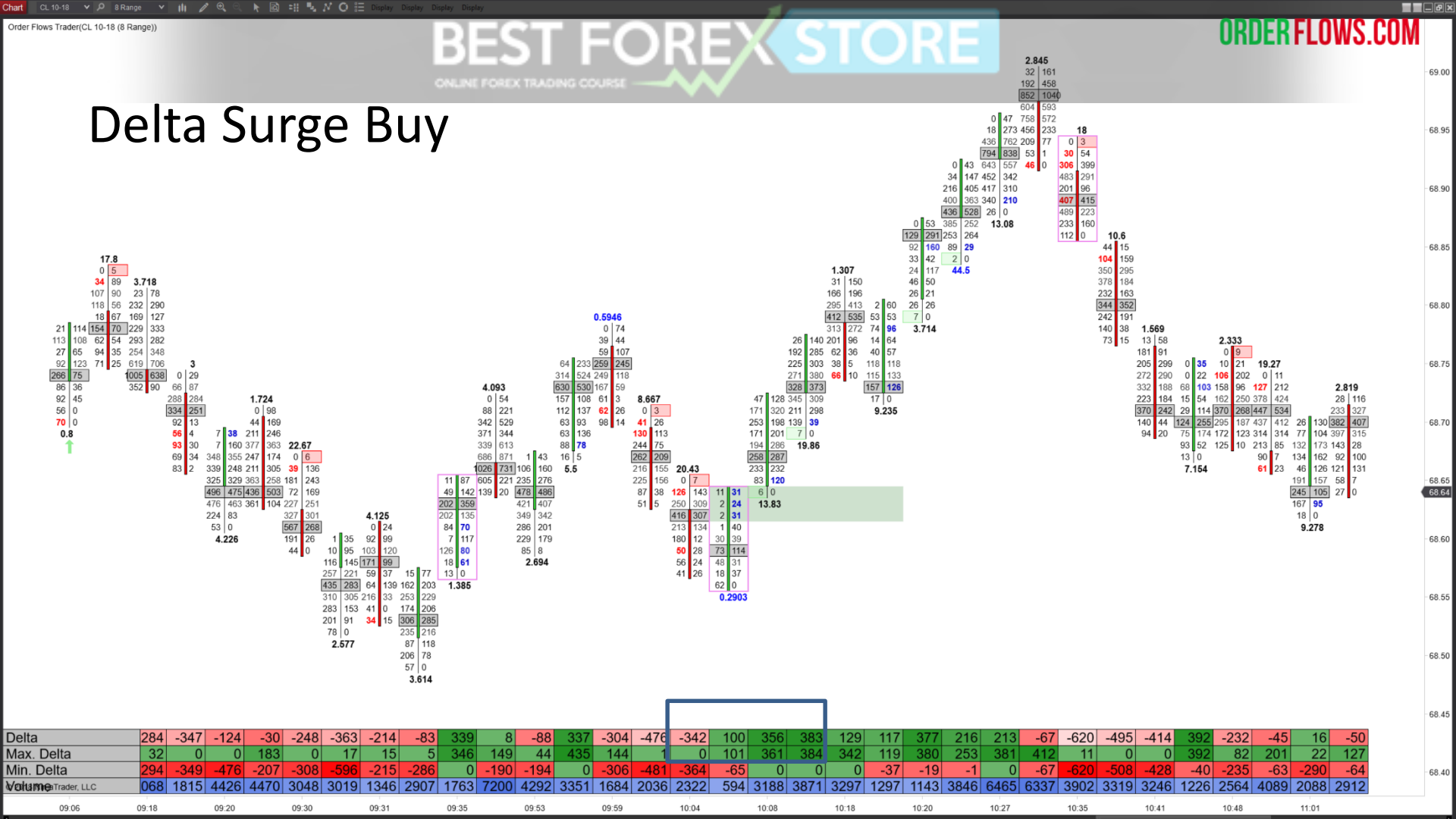
Delta Surge – Occurs when delta gets stronger (in either a positive or negative sense) over several bars.

Indicates accumulation or distribution is occurring.

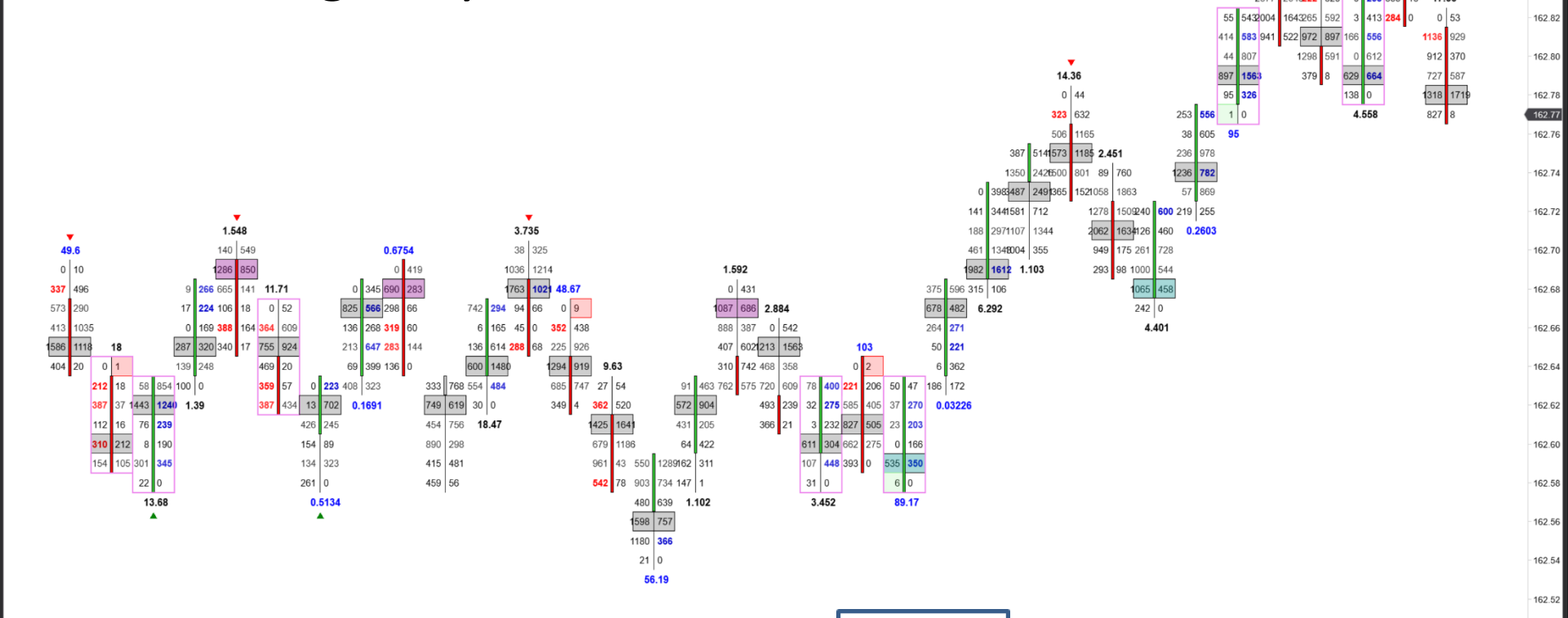
Look for the delta surge around market turning points or periods of consolidation.

Delta Surge is a specific pattern in the delta. It consists of 4 bars.

For a delta surge buy it starts with a negative delta in bar 1, then positive delta bar 2, then greater positive delta in bar 3 than bar 2, finally greater positive delta in bar 4 than bar 3.



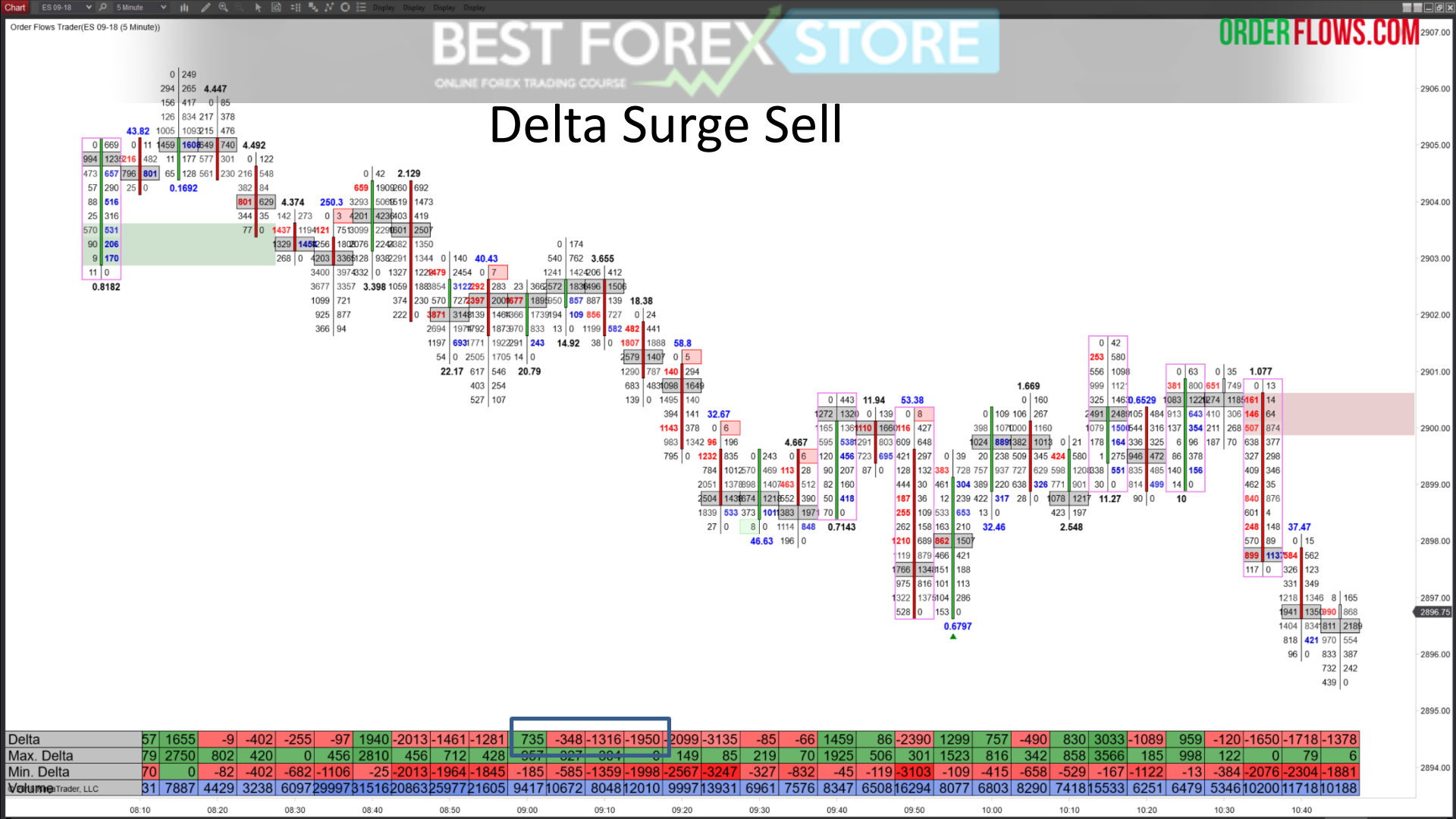
Delta Surge Buy

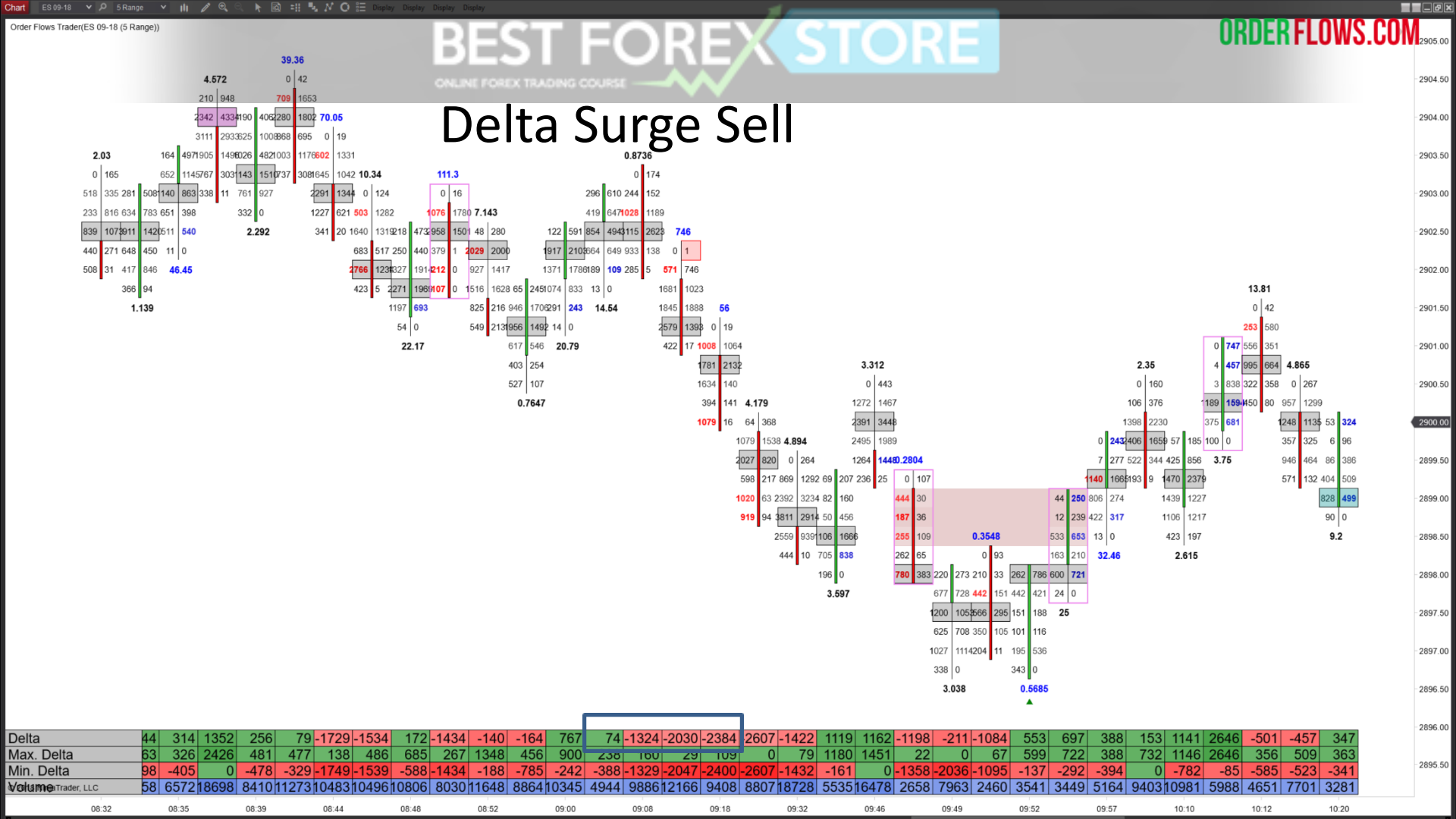


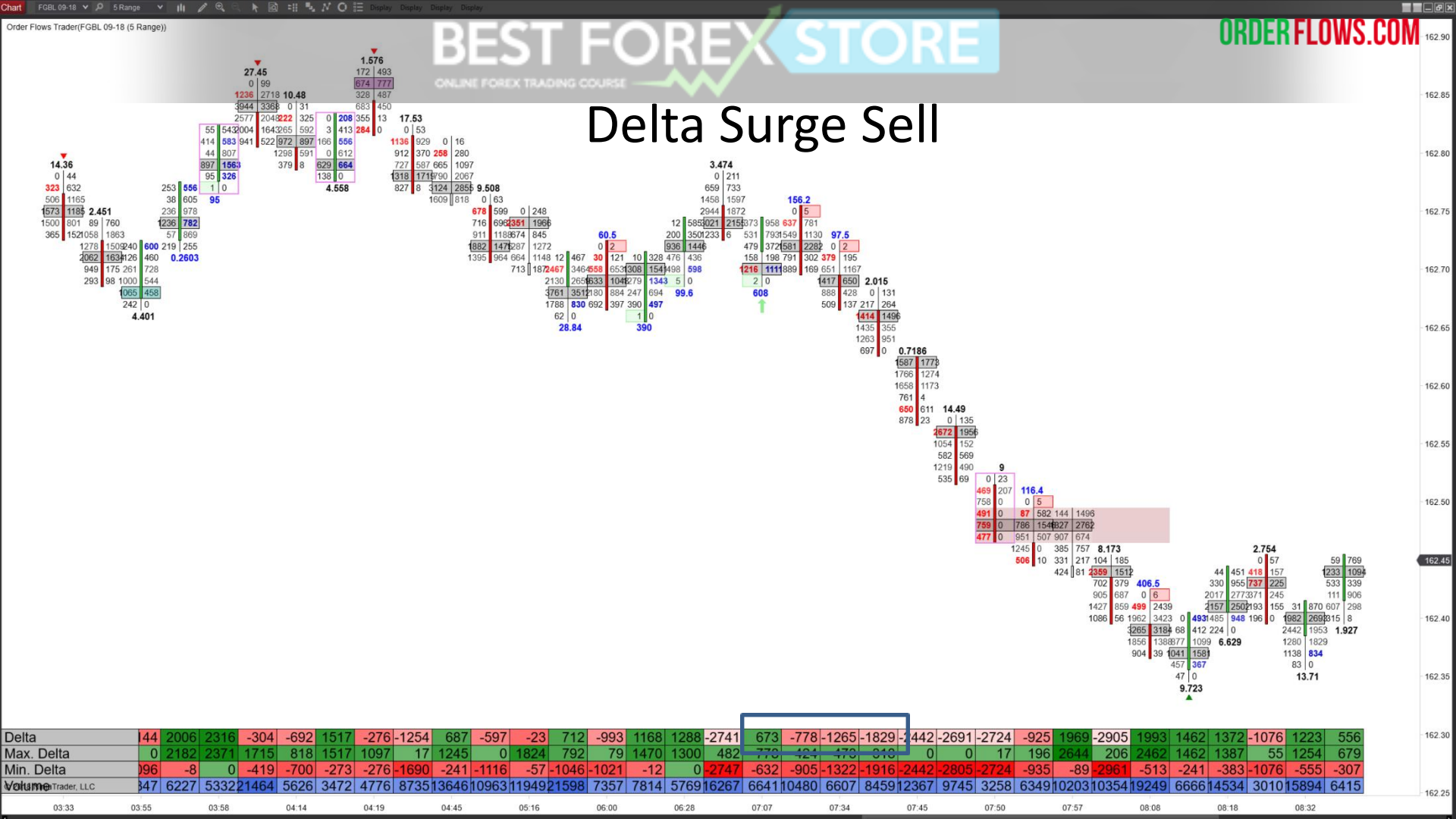
Delta	960	675	-1186	-238	594	897	-754	-322	969	-570	138	-474	-947	839	-31	72	797	-1295	385	545	1013	-1074	-288	310	-144	2006	2316	-304	-692	1517	-276	-1254
Max. Delta	979	684	217	495	594	1086	417	0	1525	184	755	1232	0	839	1583	1317	797	2	125	700	1010	600	973	1257	0	2182	2371	1715	818	1517	1097	17
Min. Delta	-7	-63	-1186	-499	-611	0	-754	-1498	-18	-694	-324	-539	-1785	-125	-399	-180	-444	-1295	-331	-83	-799	-1669	-353	-559	-1096	-8	0	-419	-700	-273	-276	-1690
Volume	974	1789	4851	4531	2570	4252	2857	6315	5475	6049	6222	7607	8559	3845	6994	6630	2553	4136	1718	3772	7387	17084	8434	11936	5847	6227	5332	21464	5626	3472	4776	8735

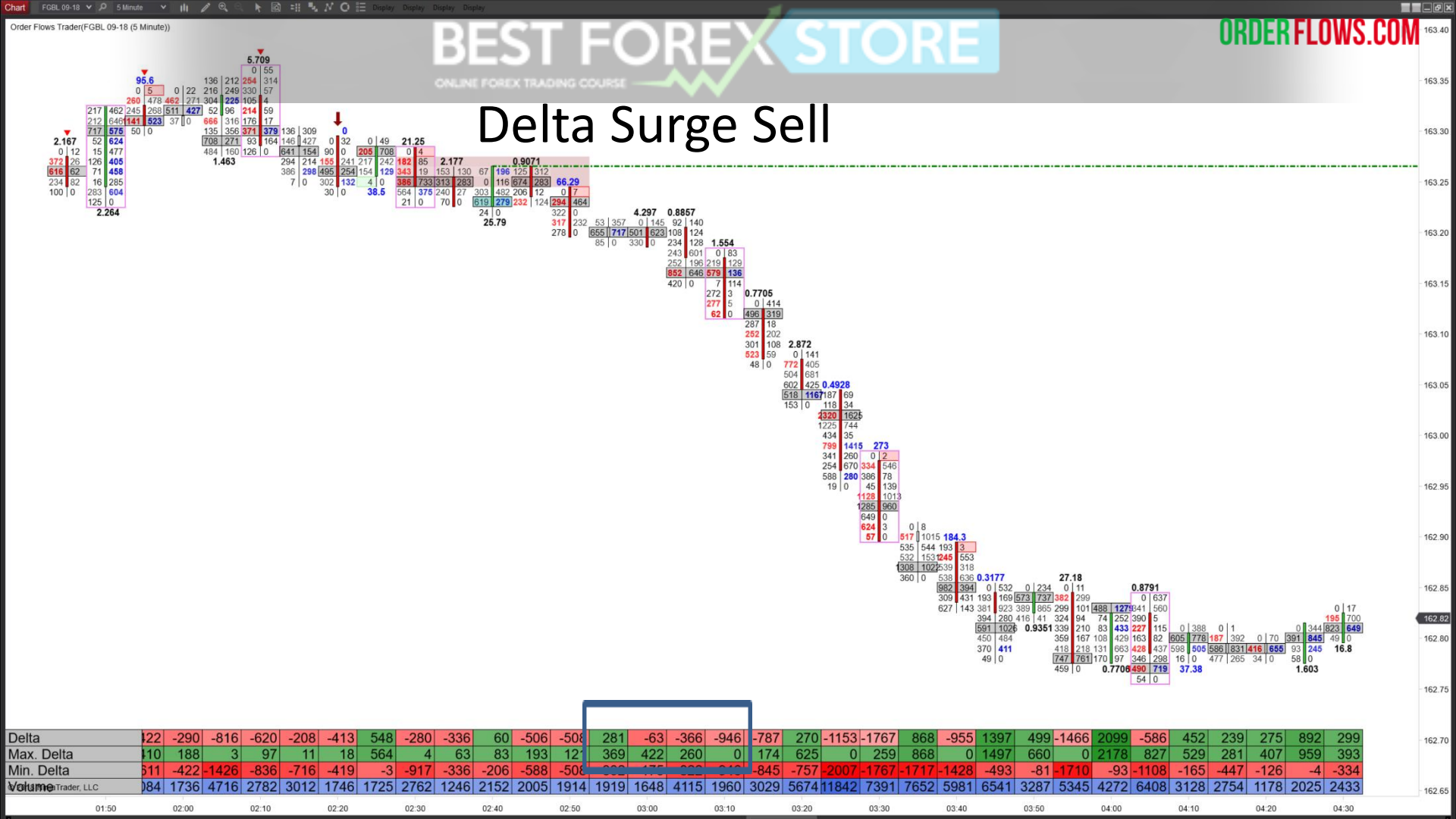
01:1701:3301:4502:0002:0402:1302:2002:3402:4002:5102:5903:0803:3303:5503:5804:1404:19

For a delta surge sell it starts with a positive delta in bar 1, then negative delta bar 2, then greater negative delta in bar 3 than bar 2, finally greater negative delta in bar 4 than bar 3.









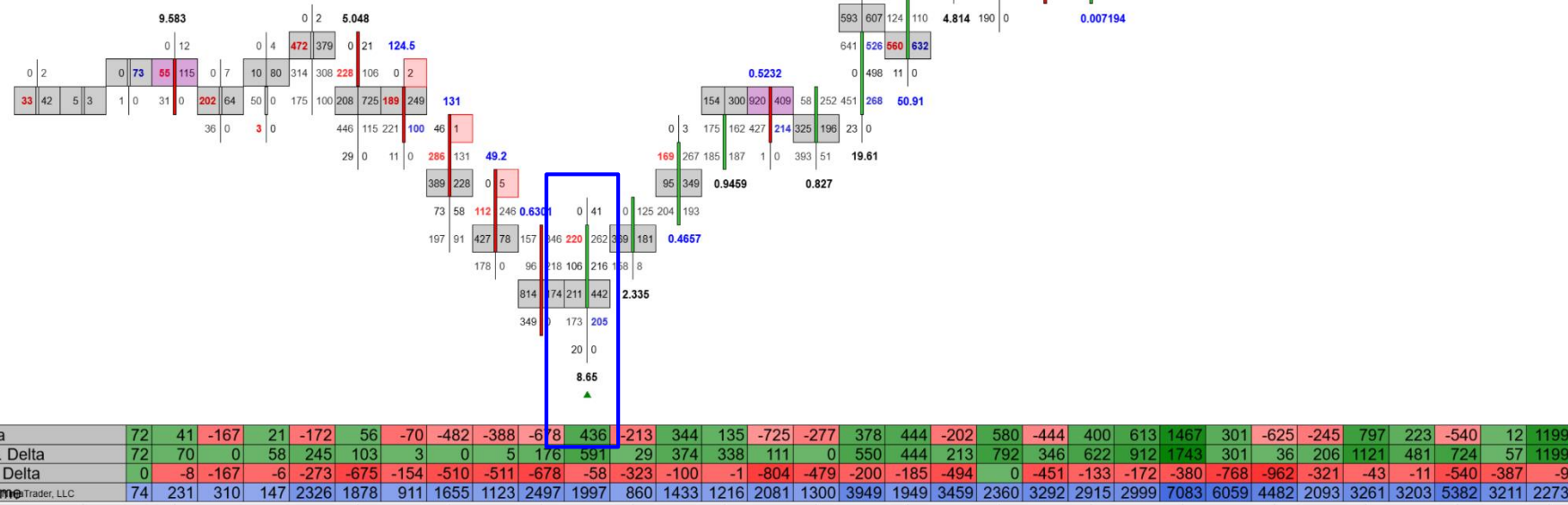
I have found delta surge works best when coming out of an area of sideways activity.

Think of the current market state. Take trades in context.

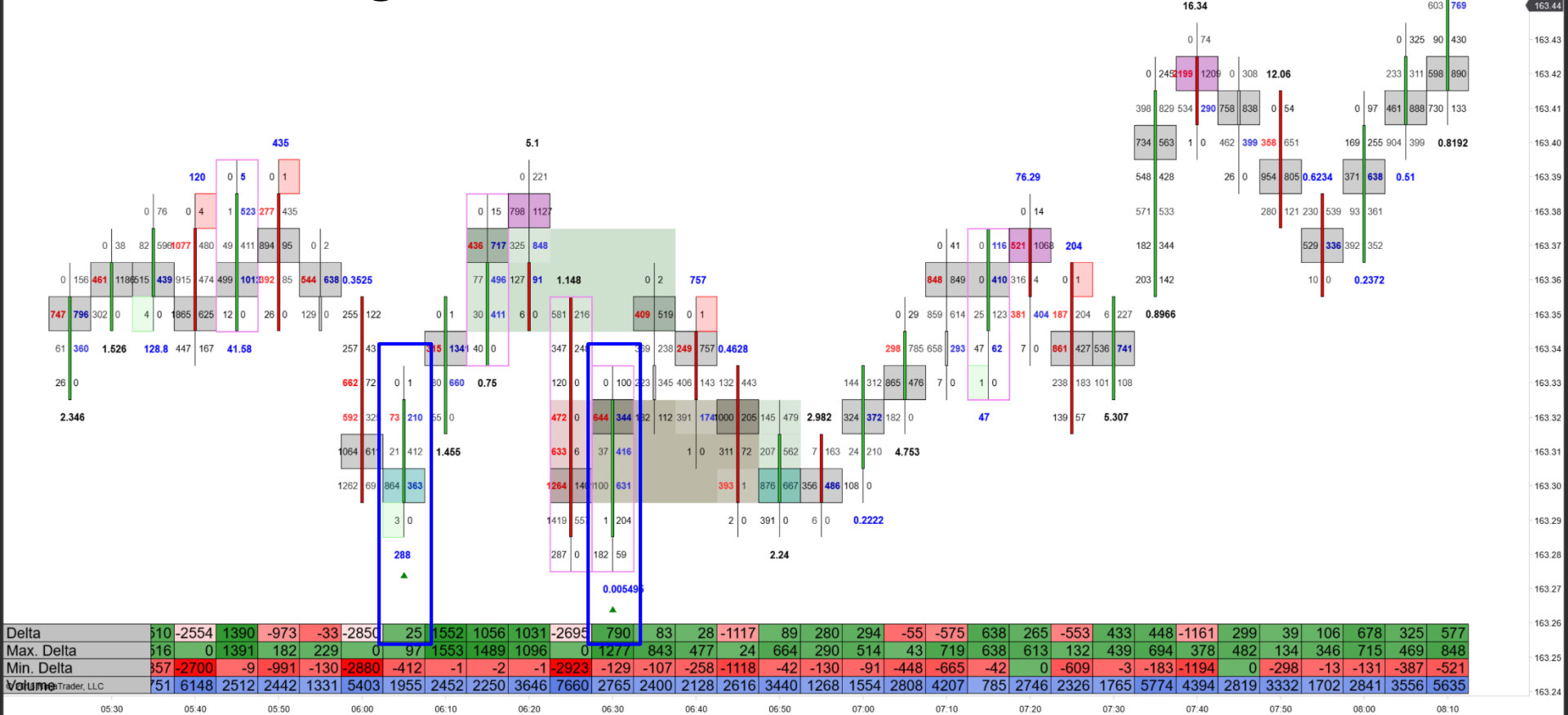
Delta Divergence

Delta Divergence – A delta divergence sell occurs when a new or equal high is made with negative delta. A delta divergence buy occurs when a new or equal low is made with positive delta.

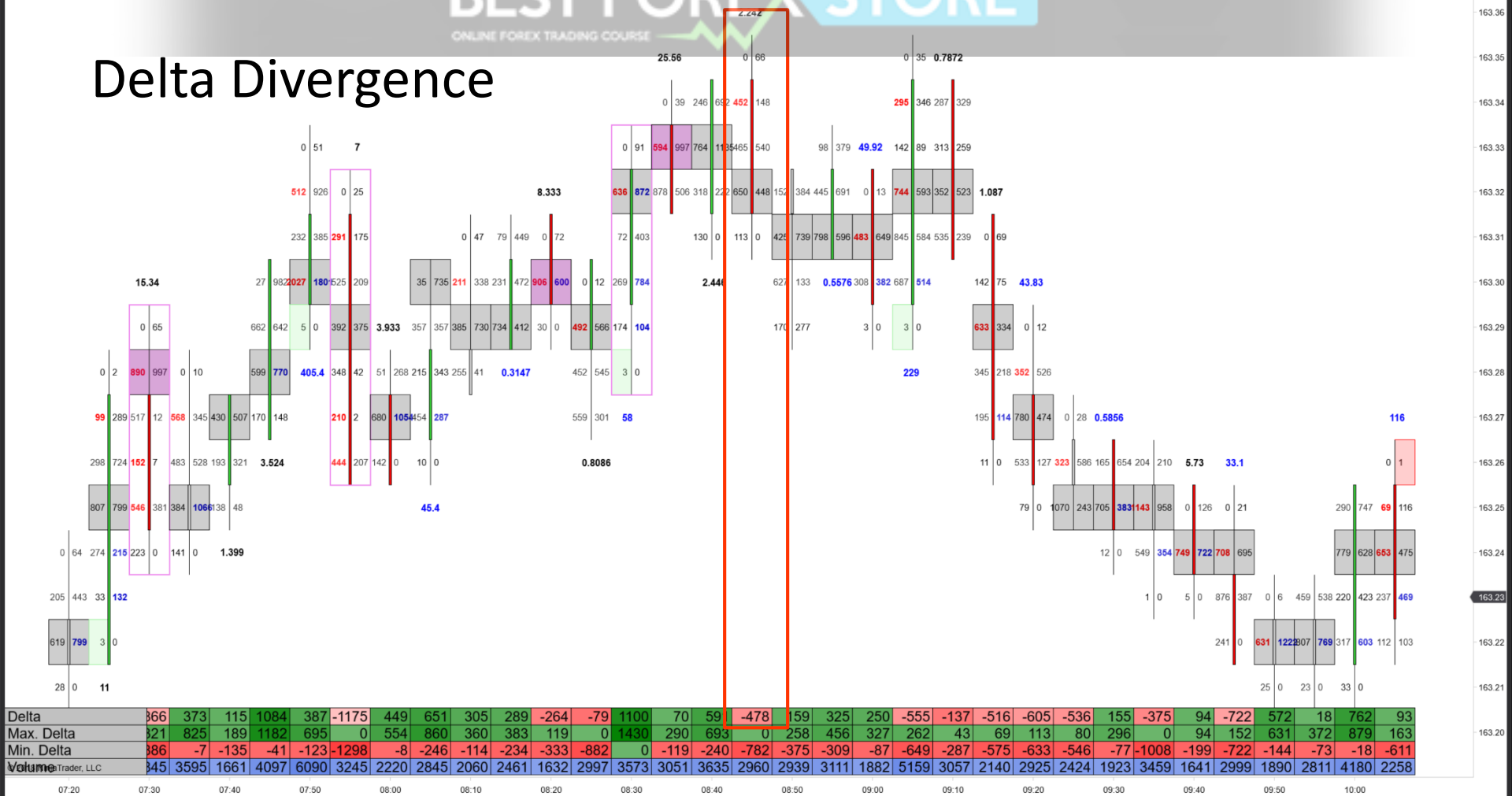
Delta Divergence

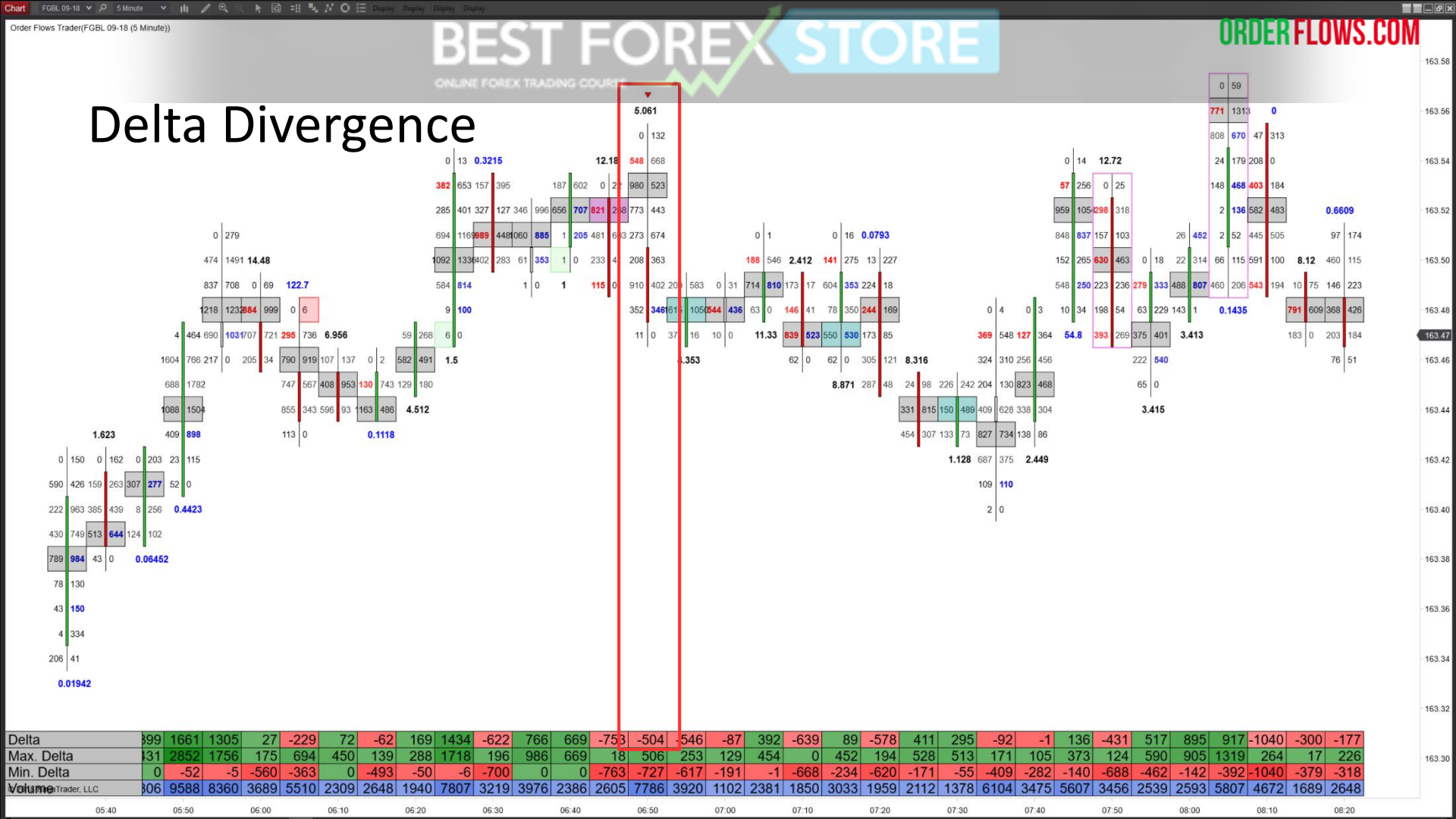


Delta Divergence



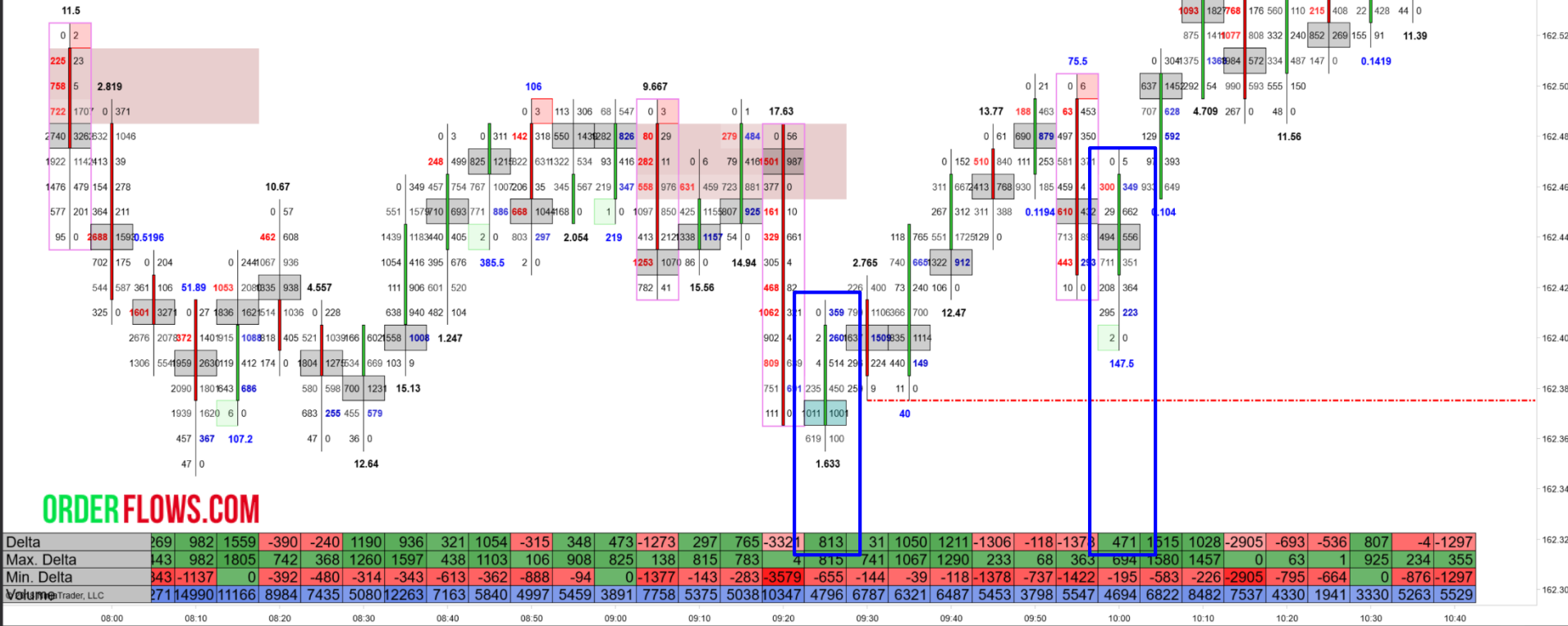
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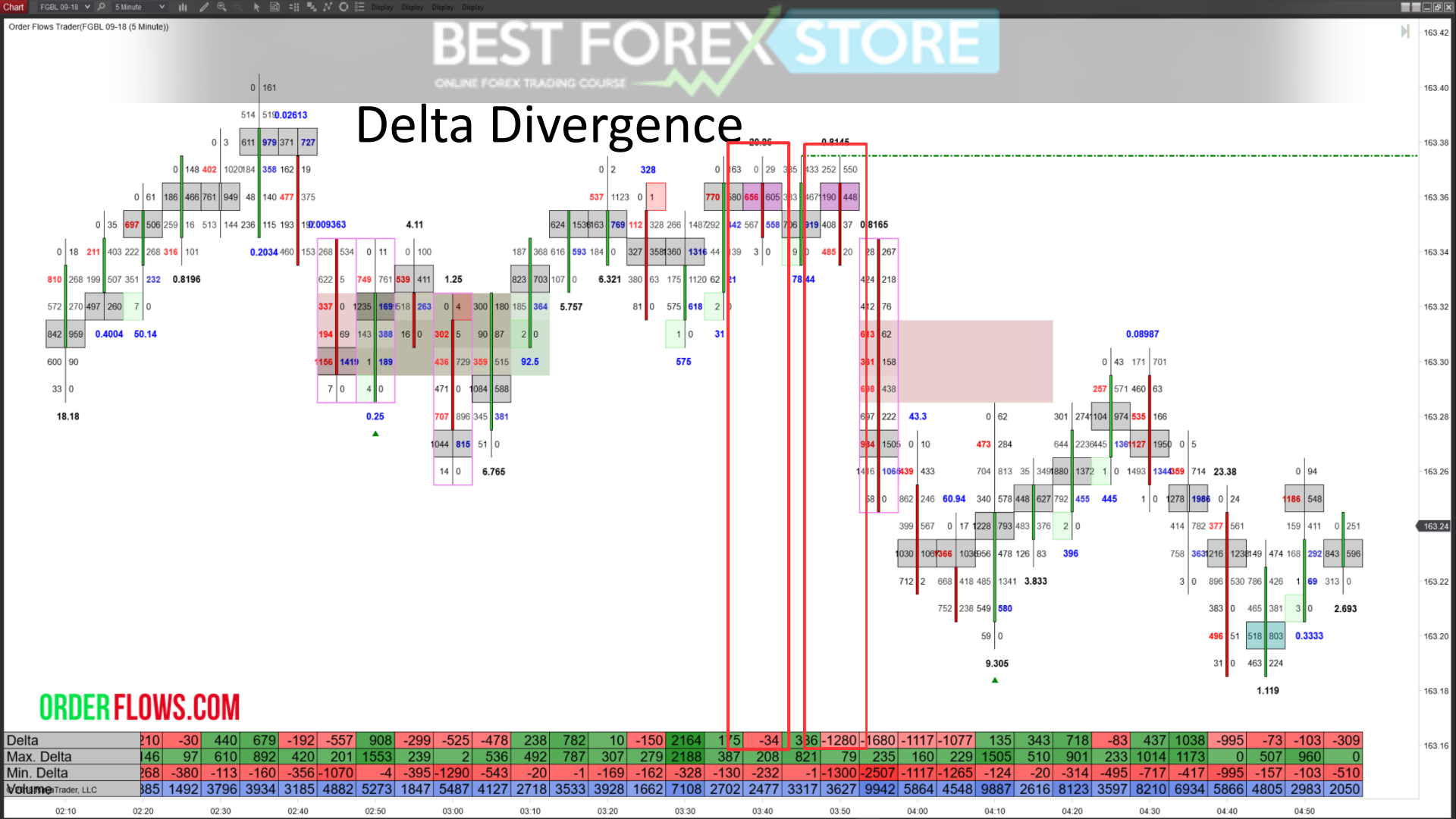


Delta Divergence – Is not restricted to highs of day or lows of day, but can also be used for swing trading. Intermediate highs or low. Look for delta divergences at swing highs and swing lows.

Delta Divergence



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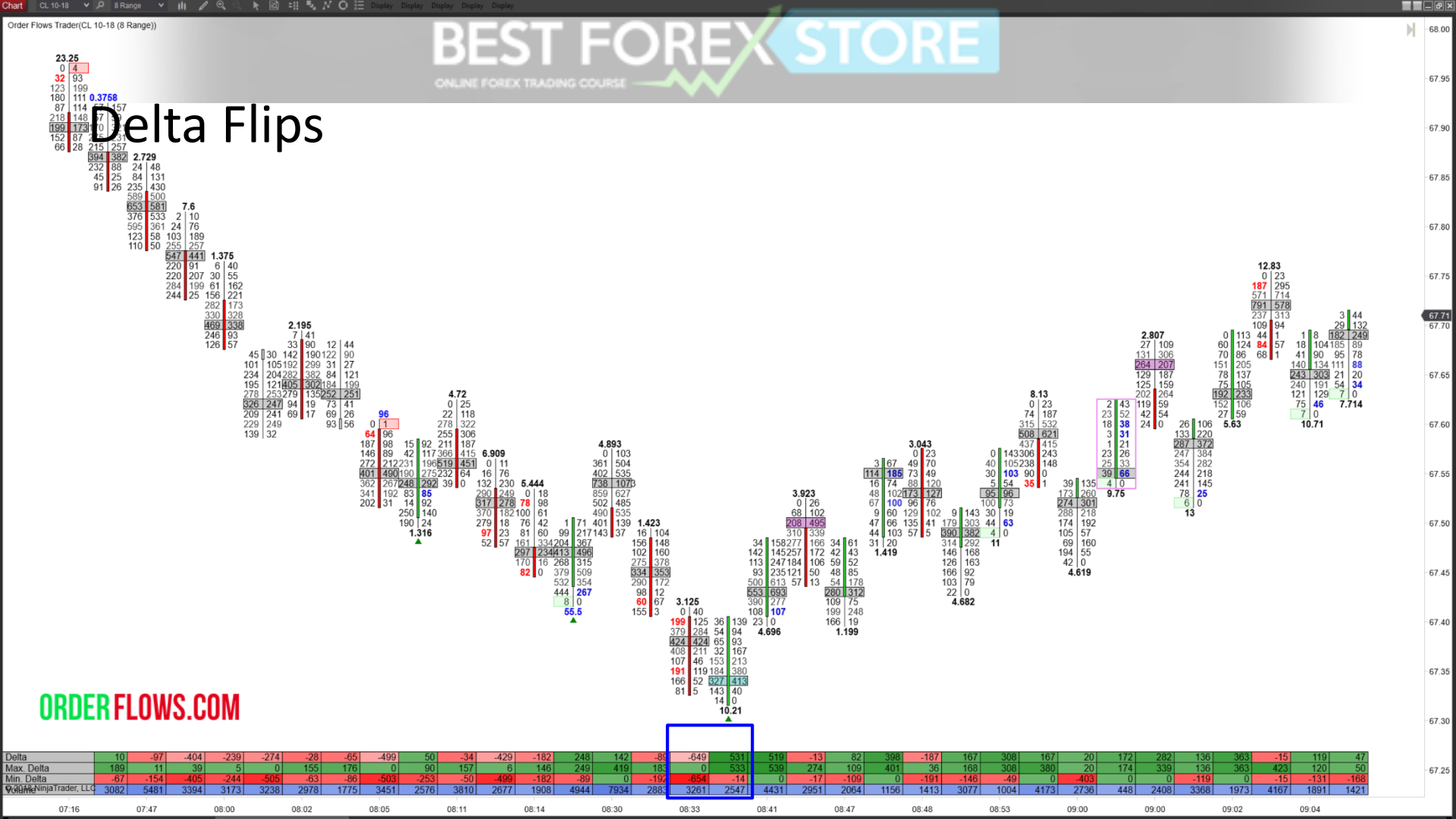
Delta Flip

Delta Flip – A delta flip occurs the market is experiencing a sharp change in perception of value and of direction.

The market went from all sellers to all buyers in two bars or all buyers to all sellers also in the period of two bars.

Delta Flips – A delta flip buy occurs when one bar has 0 Max Delta and closes near its Min Delta value and the next bar is the opposite, it has a 0 Min Delta and closes near its Max Delta value.

A delta flip sells occurs when one bar has 0 Min Delta and closes near its Max Delta value and then next bar has 0 Max Delta and closes near its Min Delta Value.



Delta Flips



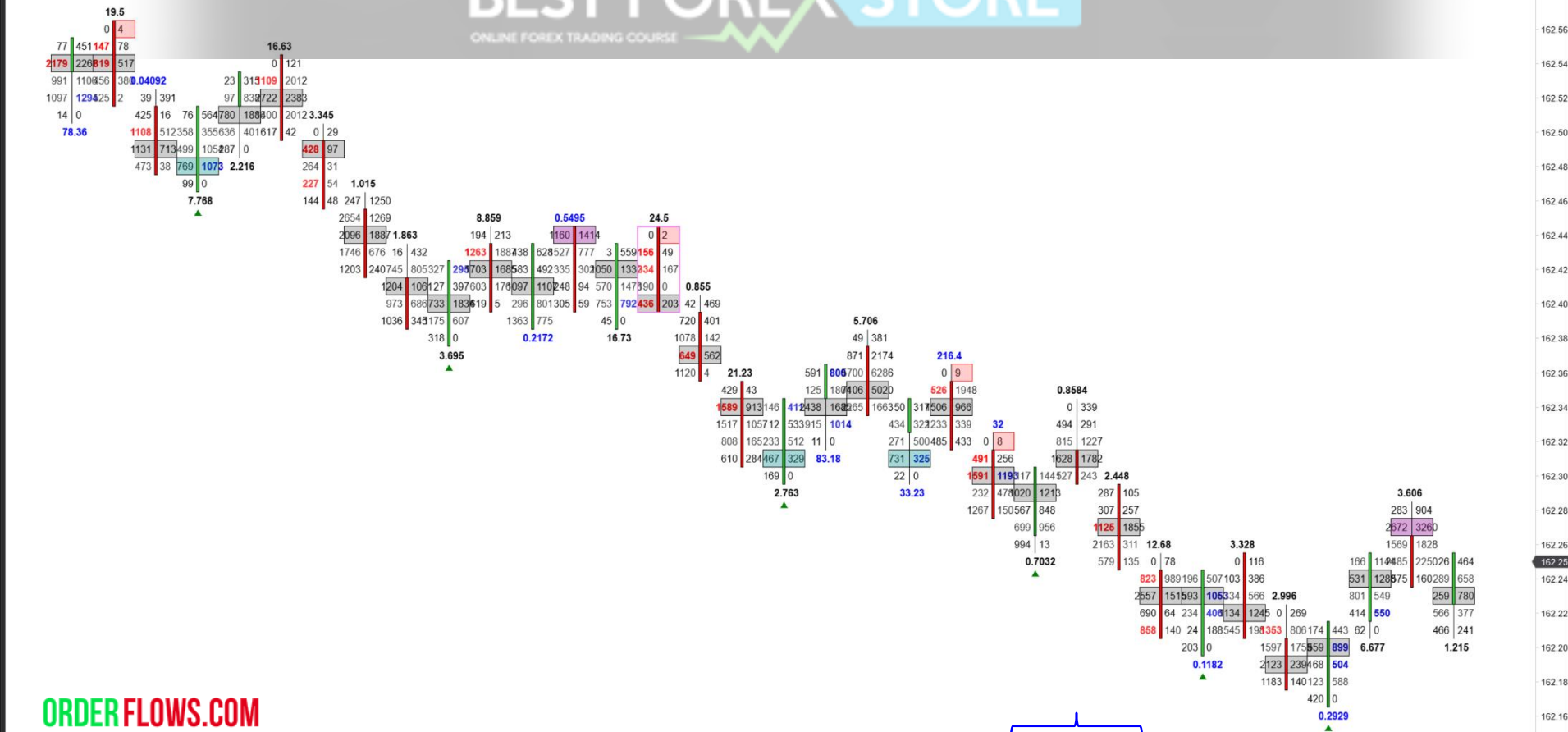
Delta	483	64	-52	333	-73	-242	123	303	519	116	-205	-115	-466	212	1	357	-422	-402	-781	-150	98	216	-123	-204	-465	-432	205	257	-27	-174	-329	-283	-154
Max Delta	614	310	90	333	177	47	132	333	519	204	34	60	212	192	357	422	71	0	48	120	62	1	47	0	0	205	291	203	7	0	66	82	
Min Delta	0	-3	-128	-125	-91	-293	-79	-28	0	0	-273	-128	-466	-65	-21	-61	0	-409	-309	-176	-27	-231	-272	-204	-485	-458	-94	-17	-32	-186	-329	-283	-351
Volume	3571	2992	2850	1859	1895	2150	1900	1425	1427	1442	901	1849	1720	1334	2607	2427	1412	3118	4309	1794	822	2668	3243	1158	2477	2074	2333	1095	1233	1236	2645	933	2670
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BEST FOREX STORE

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Order Flows Trader(FGBL 09-18 (4 Range)), Orderflows Turns(FGBL 09-18 (4 Range))

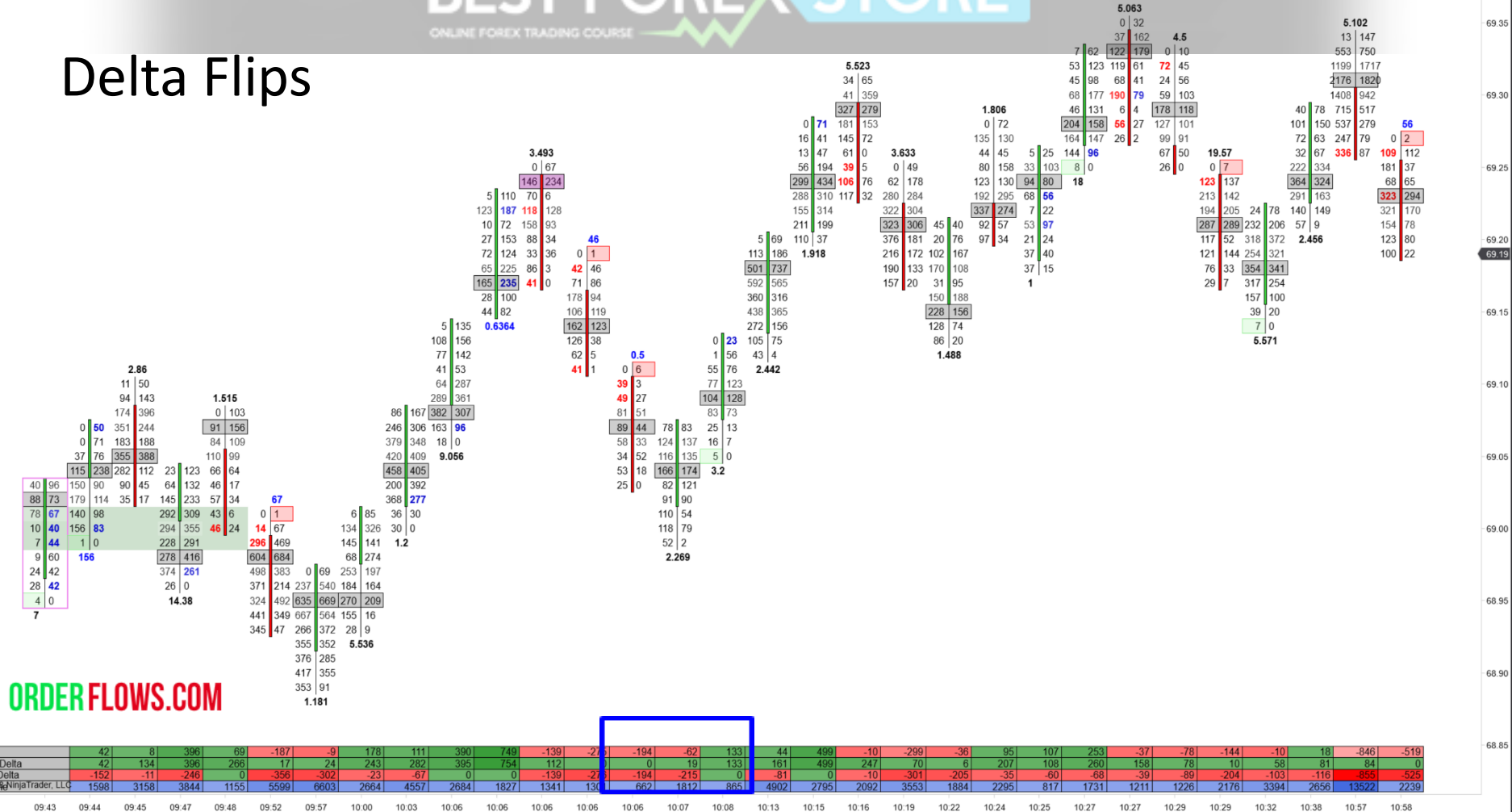


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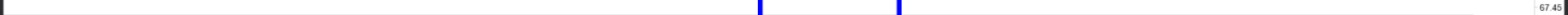
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Max Delta	4	343	1321	639	1116	0	10	703	722	804	403	305	1743	1	128	0	777	1549	7	0	887	0	1146	1457	0	0	1045	831	55	1264	1597	2195	919
Min Delta	-1039	-1544	-22	-477	-476	-852	-2627	-657	-292	-421	-619	-936	-9	-728	-2035	-2654	-129	-450	-3179	-936	-406	-1899	-1585	0	-1890	-2172	-182	0	-2379	-351	0	-150	-779
Volume	3014	4923	5007	6392	13054	1357	13335	7398	6069	8565	7793	6532	6727	15551	5248	7786	2874	9543	32457	2974	7641	5833	7944	7764	7211	7793	3457	4930	11752	3837	5748	16486	4189

With a delta flip you can have an intervening bar. A bar in between the negative bar and the positive bar.

Delta Flips



23.6



Number of children	Frequency
0 children	10.00
1 child	9.00
2 children	8.00
3 children	7.00
4 children	6.00
5 children	5.00
6 children	4.00
7 children	3.00
8 children	2.00
9 children	1.00
10 children	1.00

Delta Transition

Delta Transition – A delta transition occurs as the market is transitioning from supply to demand or demand to supply.

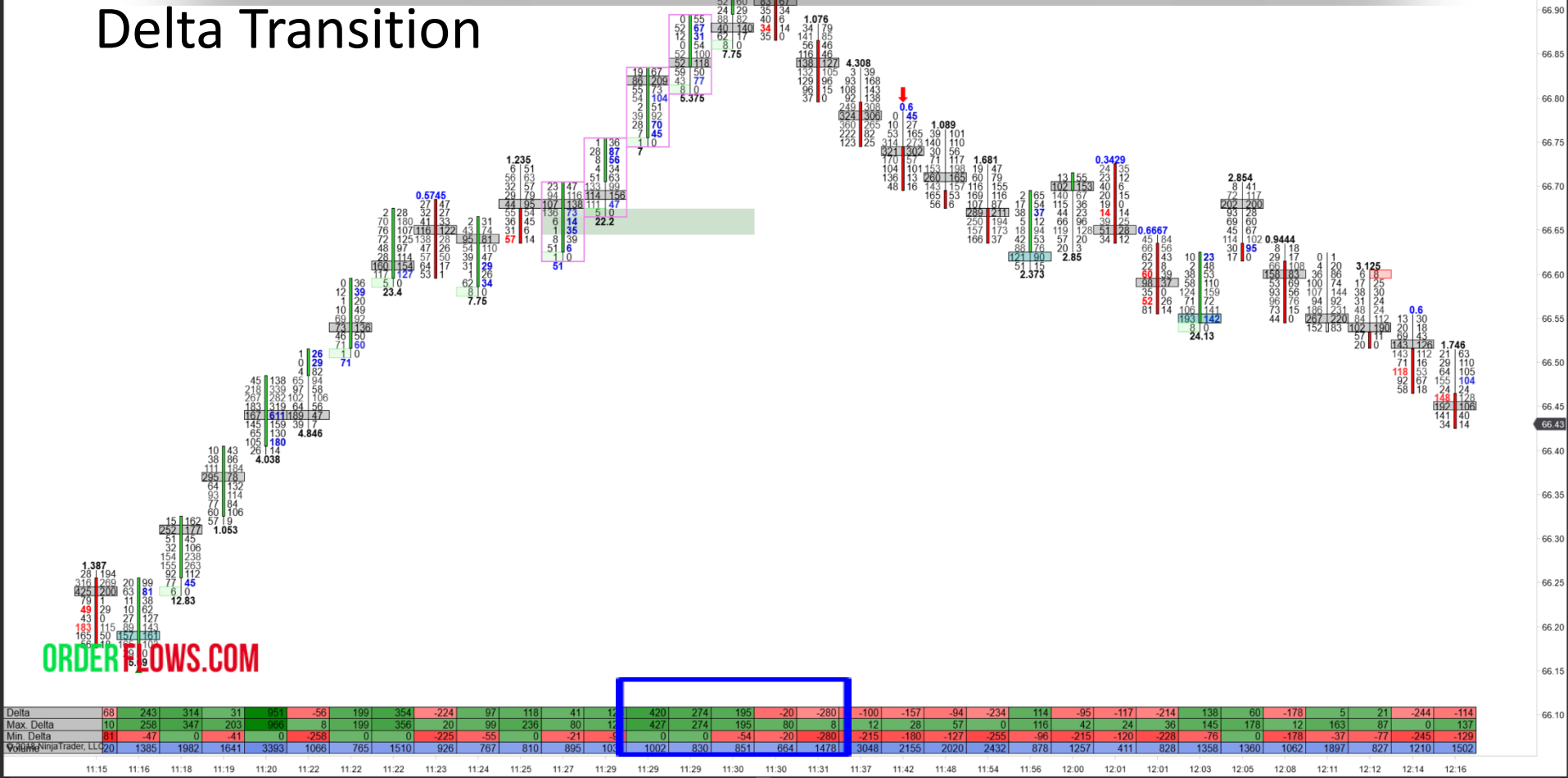
With the delta transition you are analyzing the delta over several bars, in context to the market. When you reach a swing high or a swing low or high of day or low of day.

For a sell, what you are looking for is a rising market but the delta is getting weaker on the way up then the market turns and starts to sell off on negative delta numbers.

For a buy, what you are looking for is a declining market but the delta is getting weaker on the way down then the market turns and starts to rally on positive delta numbers.

Basically what I am looking for in a SELL is a winding down of aggressive buying (strong positive delta) then a bar of mixed delta (small delta, either positive or negative) then a bar of strong aggressive selling (strong negative delta).

Delta Transition

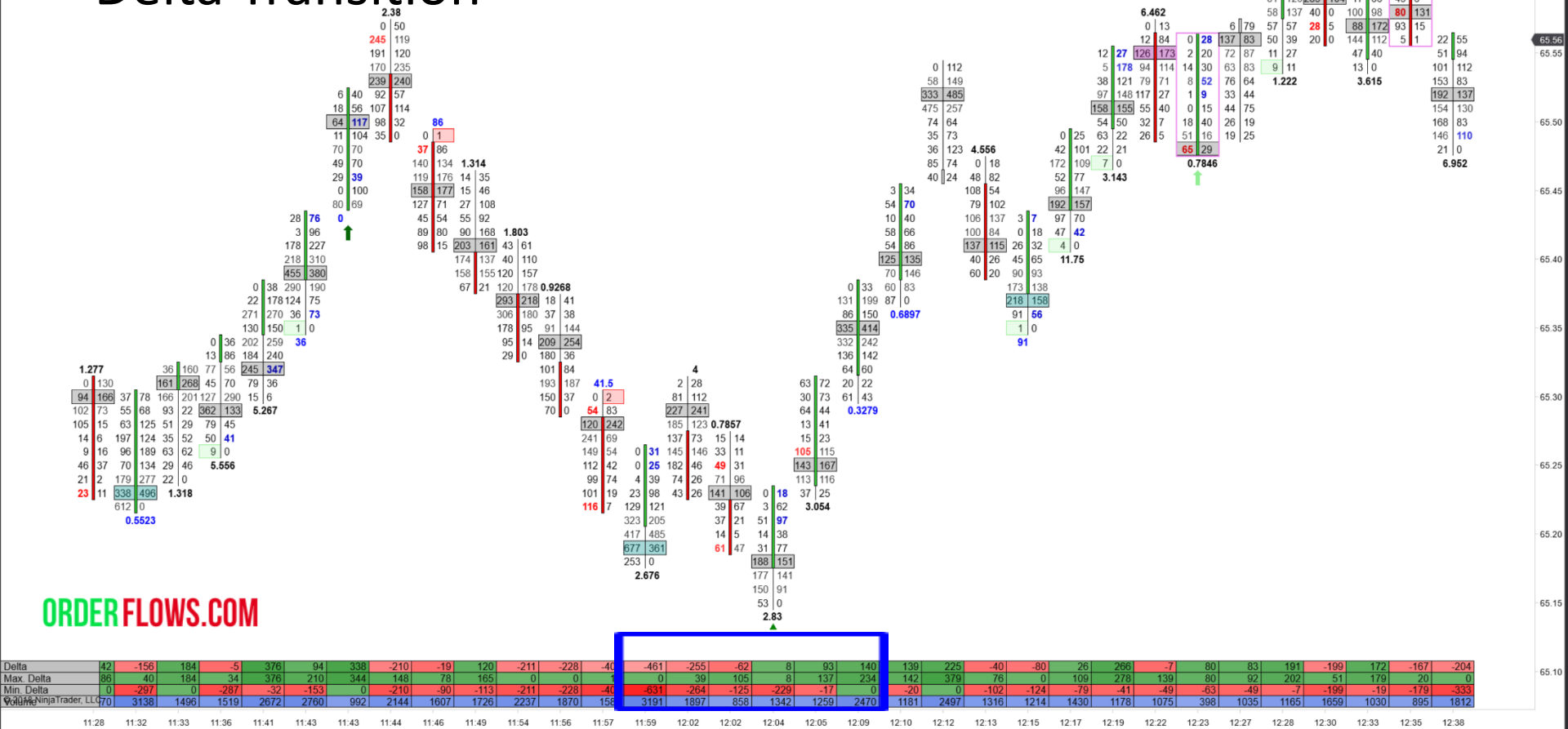


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Delta	-6	-5	121	66	-80	33	-92	404	-24	-112	192	259	252	54	169	-30	-170	58	37	105	66	-347	-225	-263	447	-44	50	-57	-166	-154	-1	92
Max Delta	70	93	121	146	11	61	63	412	113	2	191	259	252	262	169	148	6	58	87	159	160	0	10	0	447	90	52	52	2	81	29	171
Min Delta	31	-48	-56	0	-80	-64	-116	-73	-24	-116	-15	0	0	-19	-19	-34	-170	-176	-36	-32	-122	-359	-228	-263	-28	-44	-37	-59	-168	-154	-188	0
Volume	62	1641	387	1114	738	1633	1356	1680	1100	702	754	1201	912	2538	845	2160	568	1984	1071	2561	2482	807	1777	1023	3093	918	548	425	712	1774	3001	804

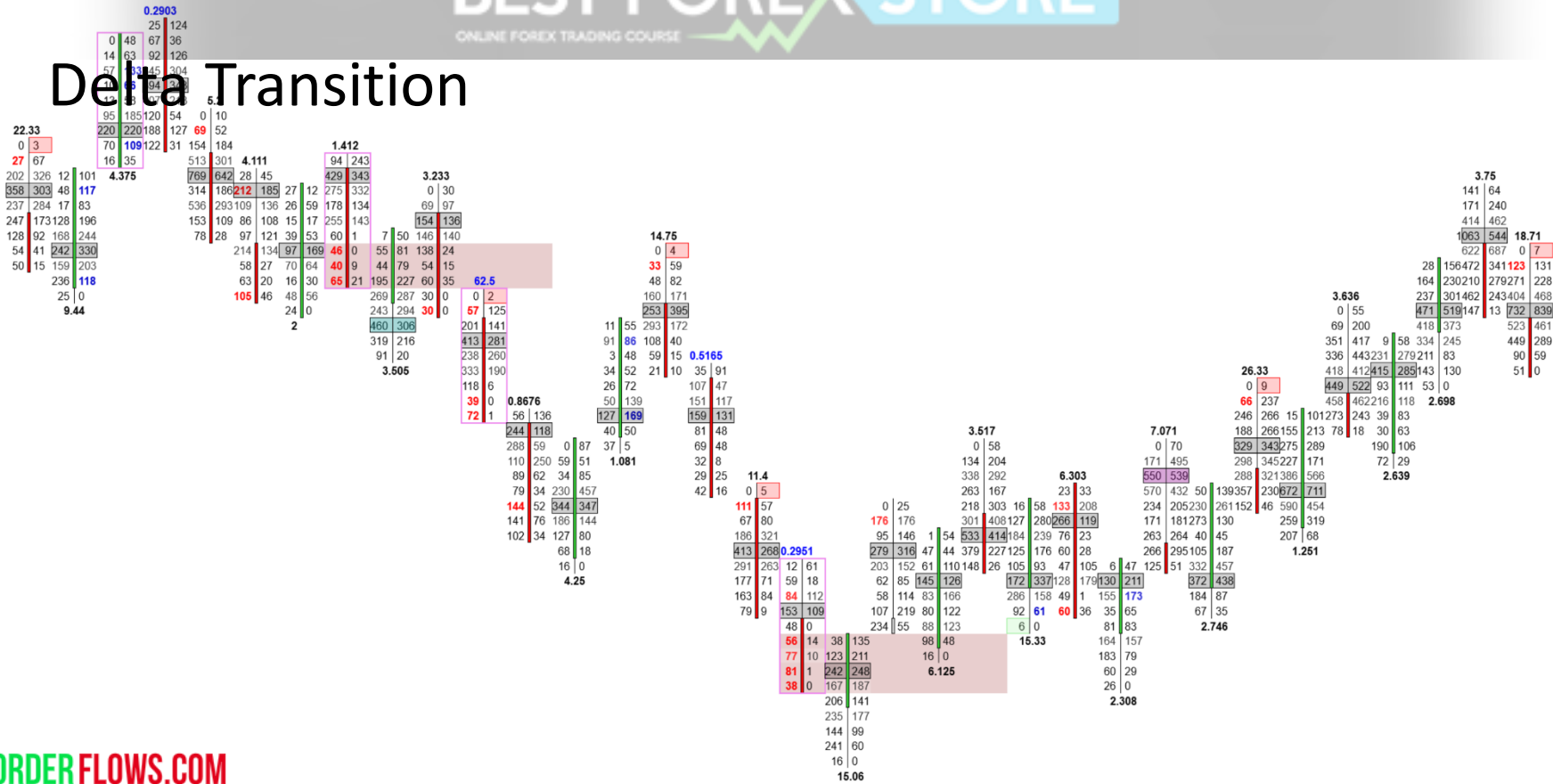
What I am looking for in a BUY is a winding down of aggressive selling (strong negative delta) then a bar of mixed delta (small delta, either positive or negative) then a bar of strong aggressive buying (strong positive delta).

Delta Transition



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Delta Transition



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Delta	357	422	-402	-781	-150	98	-216	-123	-204	-465	-432				329	-283	-154	74	174	-215	289	-110	4	182	126	139	106	340	-163	-22	-829	-161	
Max Delta	357	422	71	0	48	120	62	1	47	0	205	291	203	7	0	66	82	360	194	132	291	40	10	413	249	256	119	383	0	35	195	122	
Min Delta	-61	0	-409	-809	-176	-27	-231	-272	-204	-465	-458	-94	-17	-32	-189	329	-283	-351	-26	-62	-259	-56	-167	-205	0	-21	-63	-109	-19	-233	-174	-829	-162
Vol Delta	2427	1412	3118	4391	1794	822	2668	3243	1158	2477	2074	2333	1095	1923	1238	3645	933	2670	2502	1412	4413	2515	1574	1684	4882	3432	3987	5678	5204	2427	4096	8575	5125

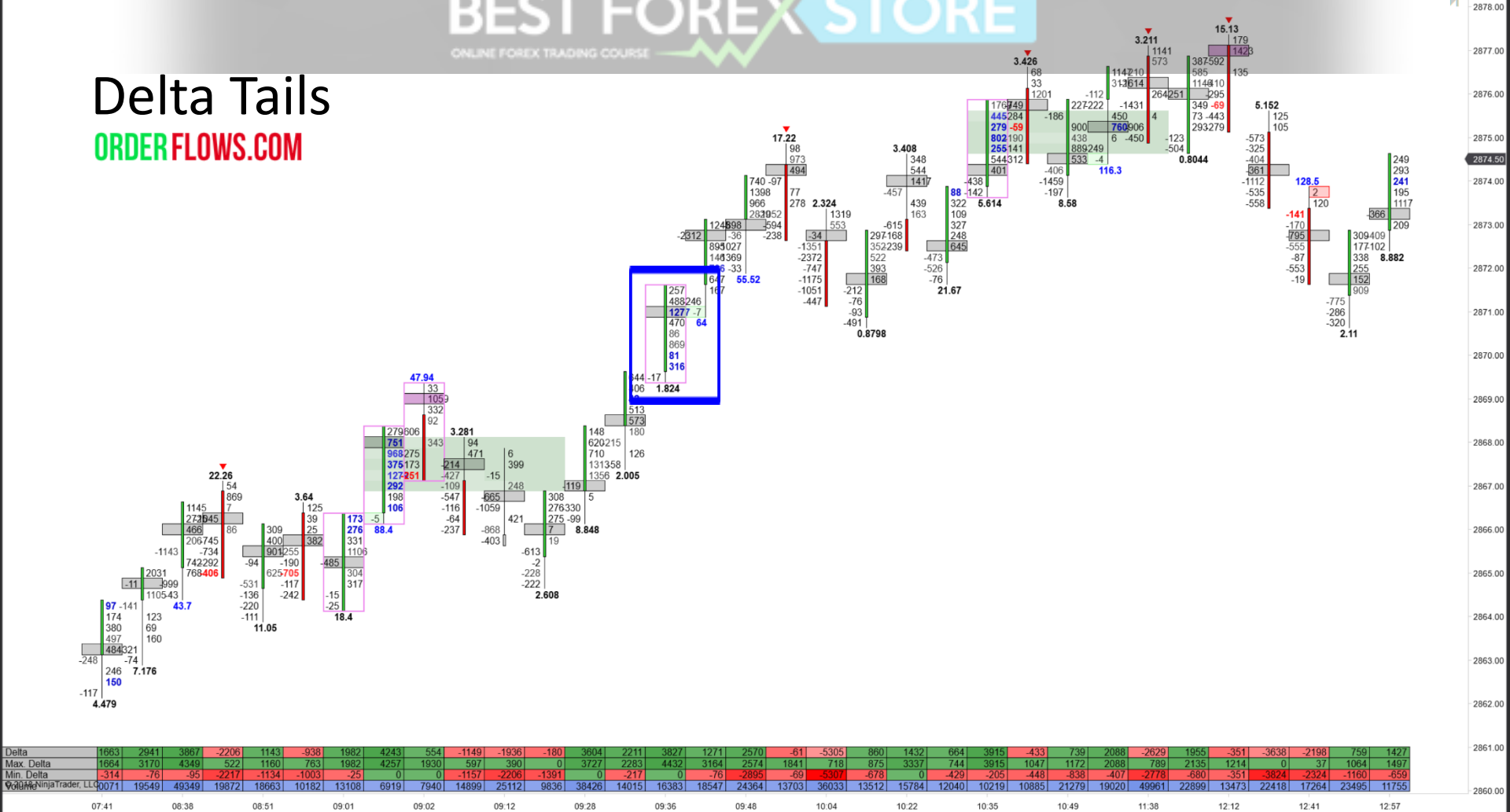
Delta Tails

Delta Tails – Appear when looking at Delta Footprint charts. For a sell, it is a positive delta at the top of a down bar with the rest of the bar exhibiting negative delta. For a buy it is negative delta at the bottom of a bar with the rest of the bar exhibiting positive delta.

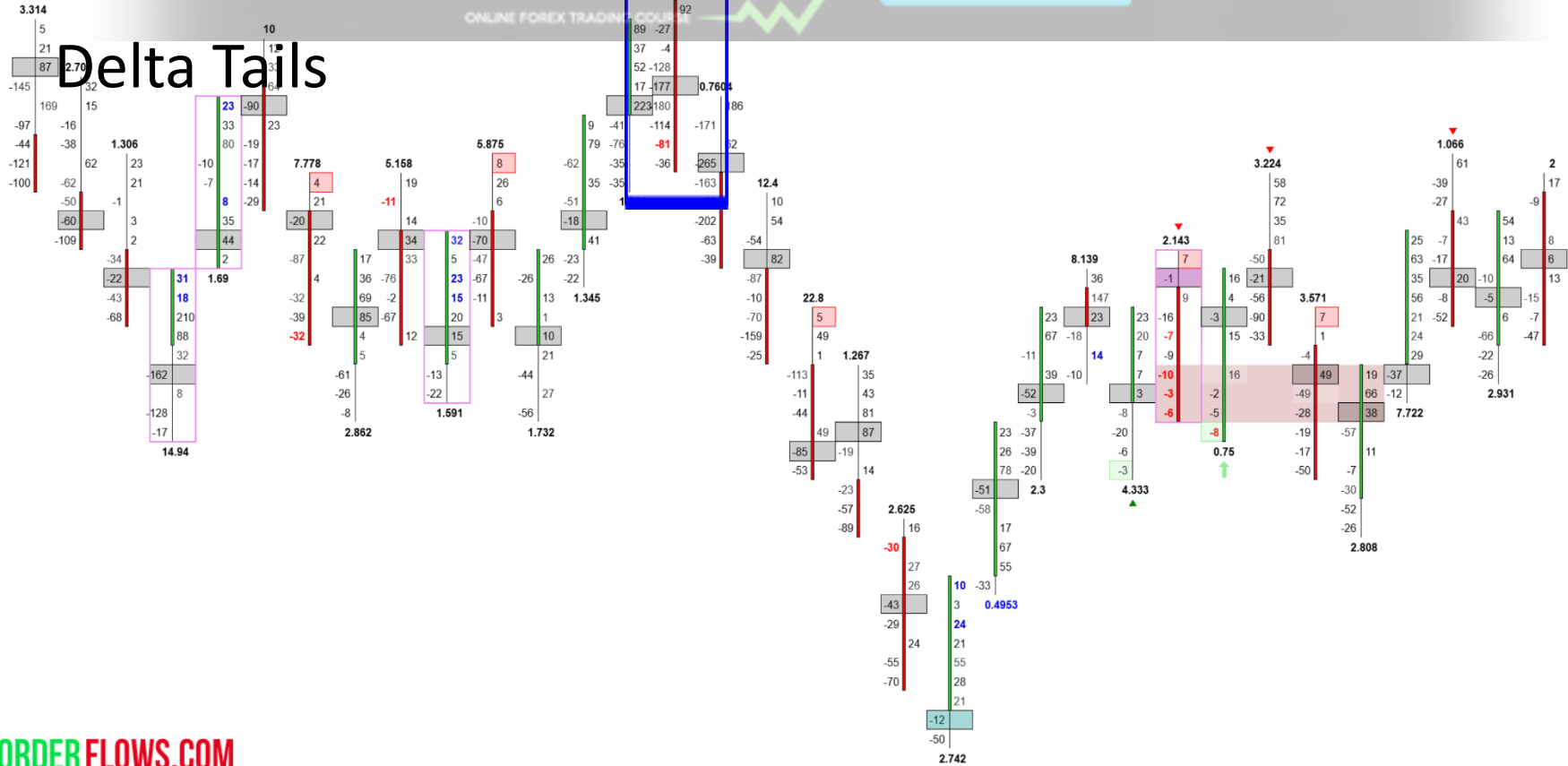
Delta Tails – A buying tail is caused when there is all positive delta on the way up of an up bar except for the bottom of the bar where there was negative delta. A selling tail is caused when there is all negative delta on the way down of a down bar except for the top of the bar where there was a positive delta.

Delta Tails

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Delta Tails



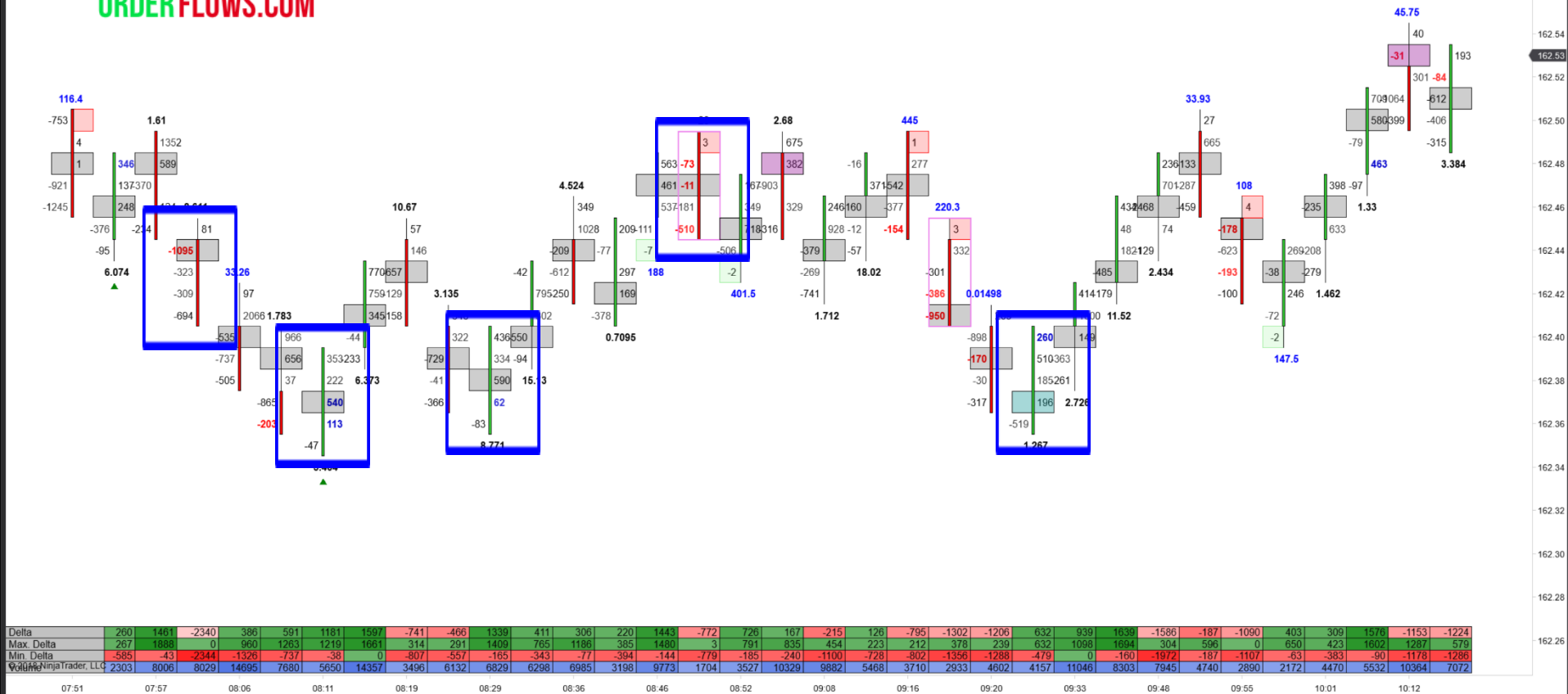
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Alta	-66	55	182	167	204	17	-24	167	-133	127	5	-69	37	-172	-141	-73	41	-36	171	110	91	37	14	-57	-54	99	-37	-138	-10	-222	-161	-81	-268
Alta	0	60	183	167	206	94	17	78	7	130	27	3	17	10	3	0	56	104	202	110	91	37	30	9	0	102	115	10	1	14	27	72	36
Alta	-97	-142	6	0	0	-4	-56	-40	-133	-42	-119	-80	-52	-186	-213	-254	-38	-36	-13	-19	-22	-27	-273	-145	-172	-59	-37	-138	-66	-223	-165	-112	-286
NinjaTrader, LLC	412	1135	378	239	540	379	280	291	385	595	1109	125	259	332	1192	767	279	580	901	482	619	513	1166	1744	534	555	431	166	266	748	931	1169	1100

Delta Tails

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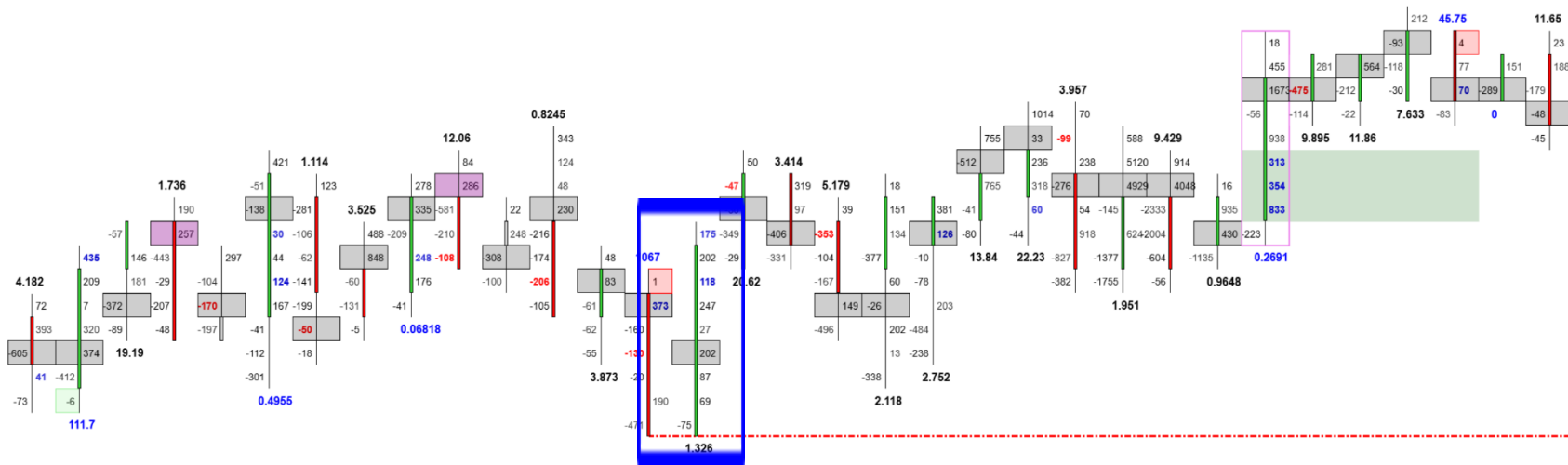


Delta Tails

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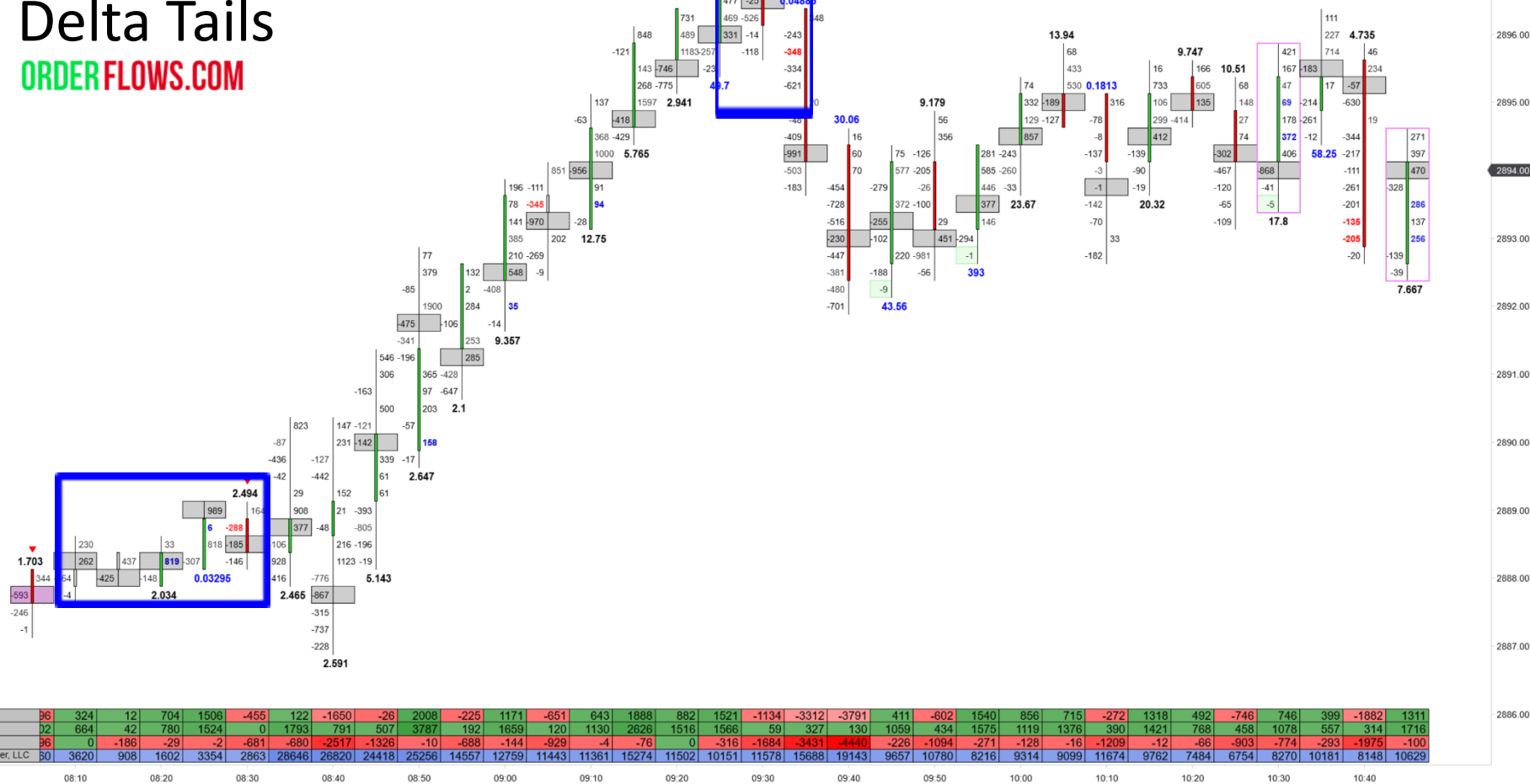
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Delta	72	927	-191	-280	-174	143	-734	1140	787	-529	-138	44	-47	-217	1052	-405	-321	-932	-163	-100	887	1617	-304	7984	-35	246	4305	-308	330	-29	68	-138	-61
Max. Delta	0	929	183	506	616	709	0	1172	1014	150	203	896	173	322	1130	412	392	31	277	341	1480	1764	529	3852	1508	953	4424	136	484	118	114	4	110
Min. Delta	13	-500	-569	-516	-181	-728	-855	-87	-75	-529	-385	-141	-239	-247	-116	-505	-429	-1176	-624	-925	-10	-327	-1171	-55	-615	-773	-7	-516	-3	-55	-195	-140	-225
Volterra Trader, LLC	26	4935	5503	4448	6448	7121	4350	5562	4993	3509	2604	4944	3025	5403	4826	4157	5631	4714	8361	7184	10405	11521	3374	58014	38027	5726	12369	2533	1228	1105	1350	440	1195

Delta Tails

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Delta Bulges

Delta Bulges – Occur in a bar when analyzing the delta footprint, when there is a big delta volume at a price level, or bunched in a few prices, in a bar. Similar to what I refer to as oversized imbalances. Often times it will show up in an imbalance, but it doesn't have to.

What is indicates is support or resistance.
So have to take it in context.

Delta Bulges – You need to use a delta footprint chart.

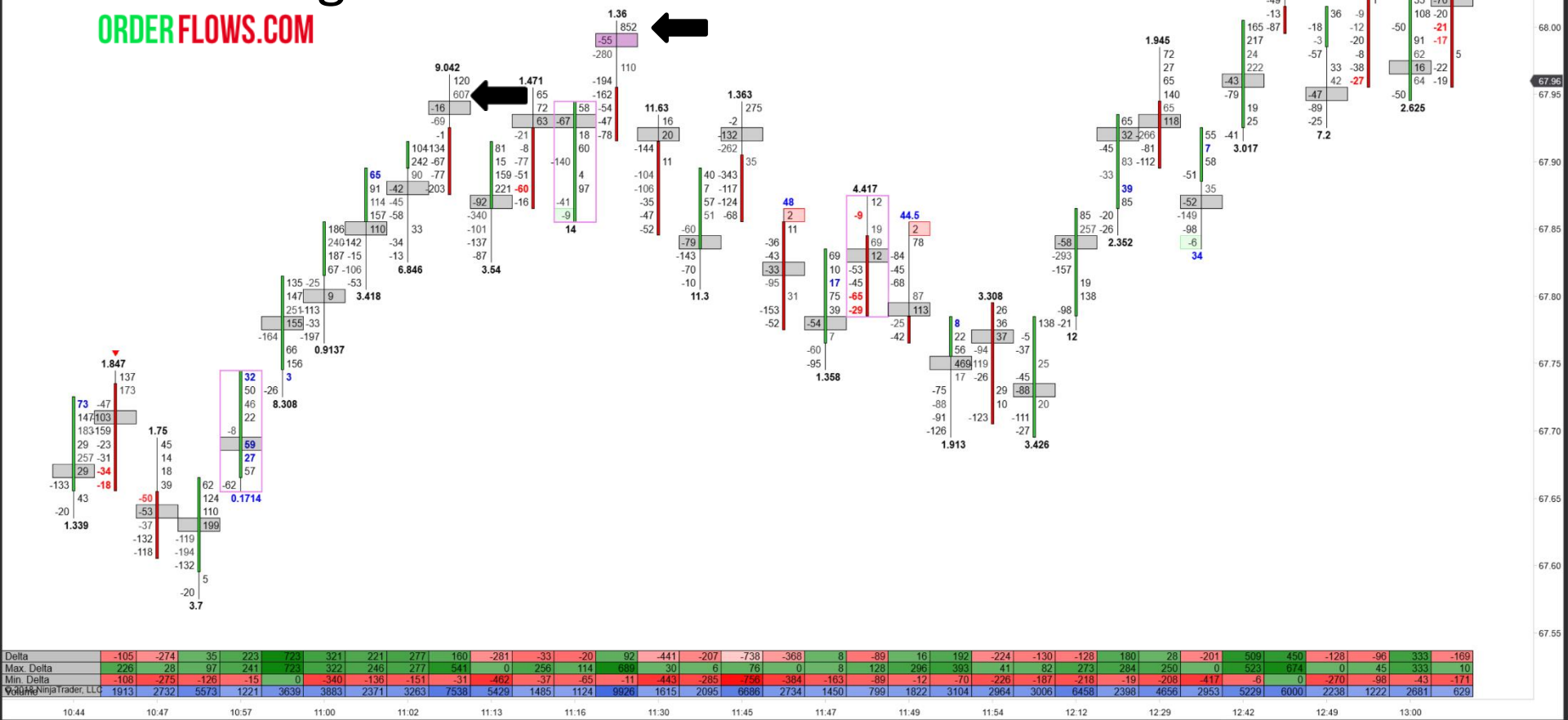
A buying bulge appears when there is a greater than average (like 2x-3x greater) negative delta near the bottom of an up bar.

A selling bulge appears when there is a greater than average (live 2x-3x greater) positive delta near the top of a down bar.

Some days there might not be any delta bulges. So don't try to read into the market something that isn't there.

Delta Bulges

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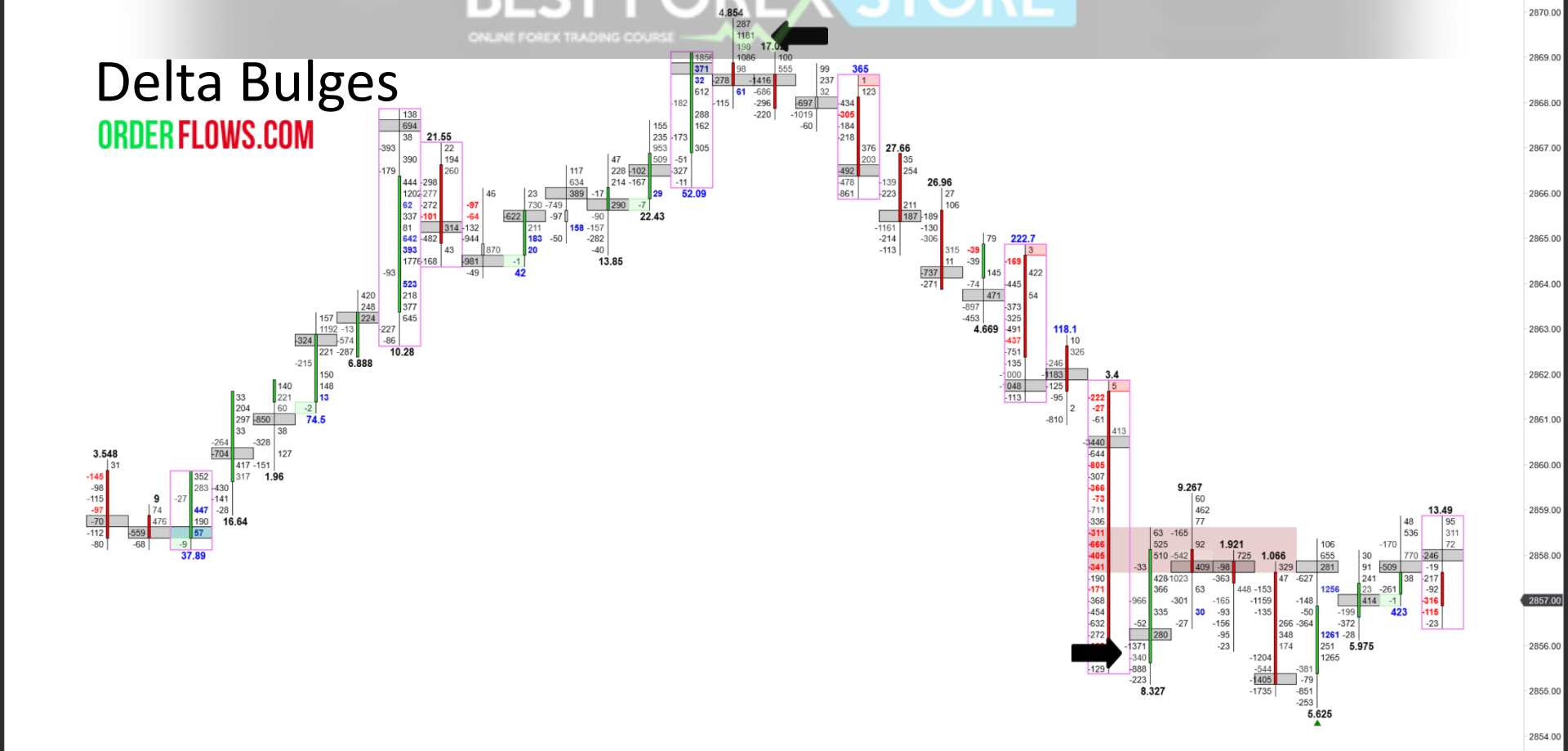


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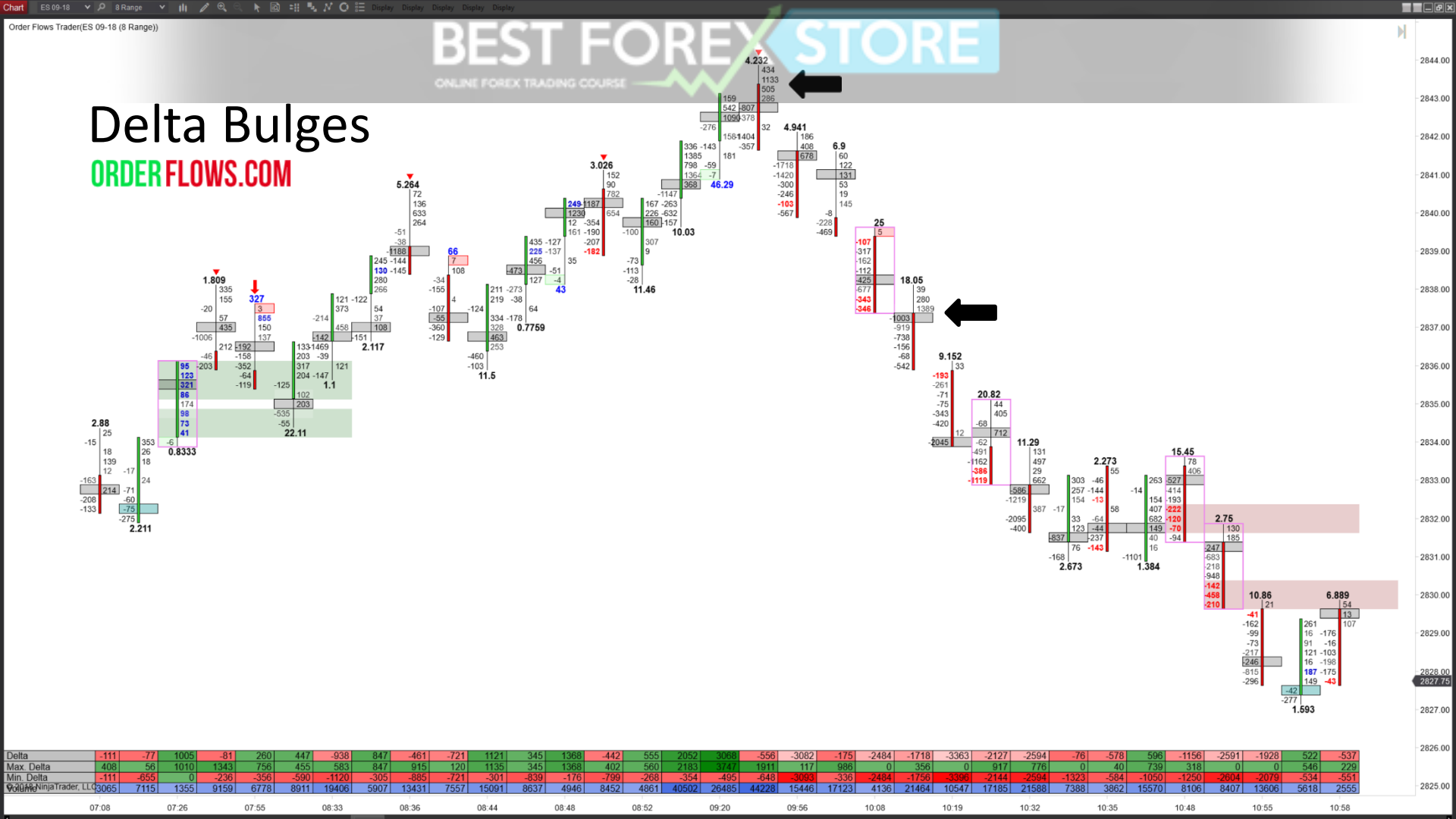
Delta Bulges

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Delta	-686	-77	1293	-266	-743	1340	18	8584	-765	-1351	544	402	193	1605	2882	2518	-1963	-1408	-2269	-1163	-1174	-807	-4808	-2121	-10802	-1366	-865	180	-5171	2322	200	451	-550
Max Delta	0	372	1294	565	7	2174	745	8584	529	291	1436	847	765	1884	3242	2763	281	62	178	232	267	52	350	405	1	457	258	448	235	2411	641	1336	384
Min Delta	-921	-130	-84	-748	-1663	-82	-498	-278	-1048	-1466	0	-211	-243	-94	-485	-20	-2240	-1413	-2586	-2229	-1697	-1613	-5306	-2696	-11042	-2593	-1109	-922	-5273	-1571	-466	-258	-685
Volume	2860	2727	3151	24066	11433	15162	15504	30412	13325	14221	12450	11702	8551	12661	17438	14182	10101	7236	15469	13197	13836	14035	20648	11579	35158	39608	20765	13666	26977	25654	12688	14445	10446

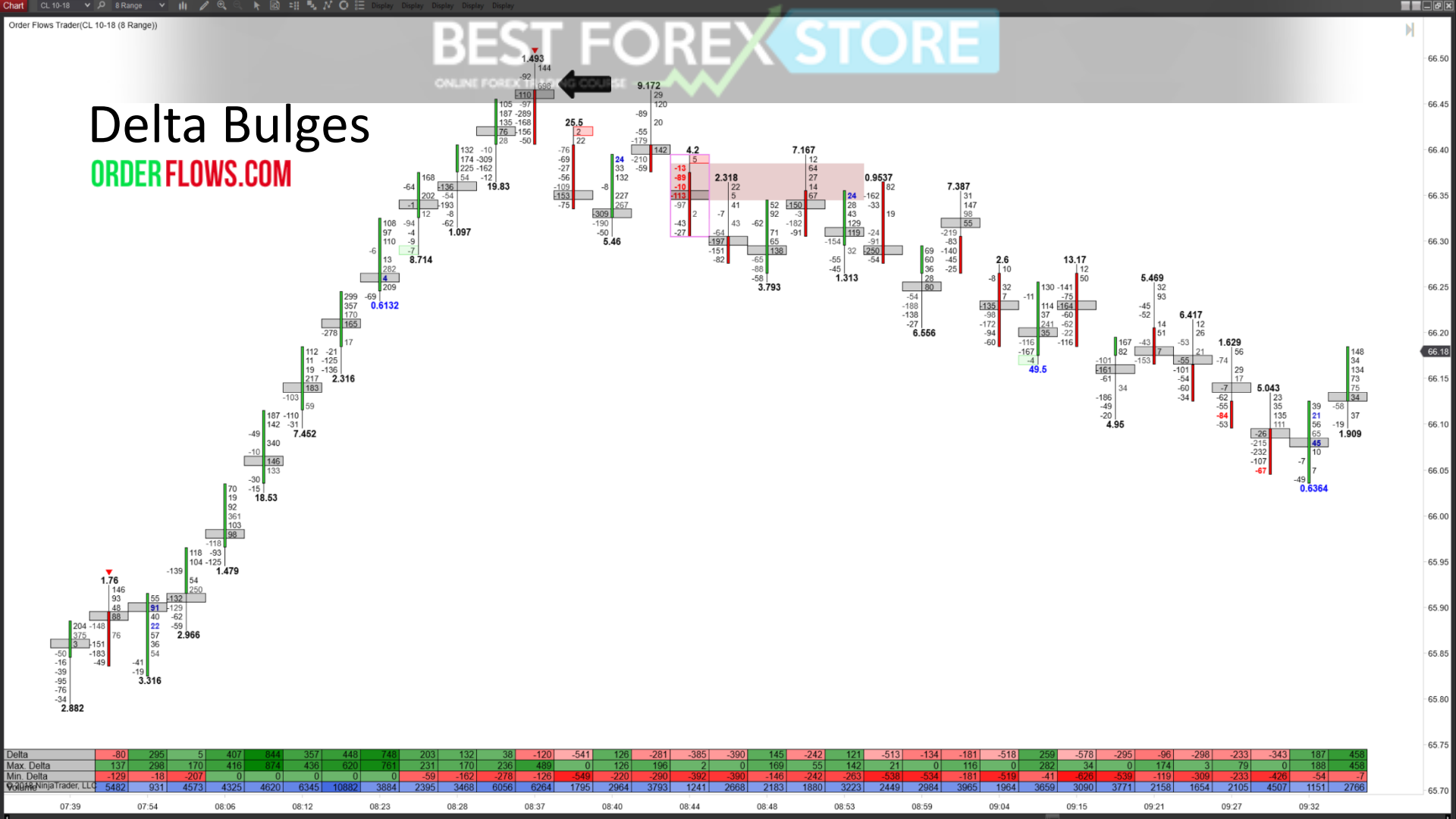
Can appear in a move as the market tries to pull back or retrace a move.



Delta Bulges

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Delta Reversal

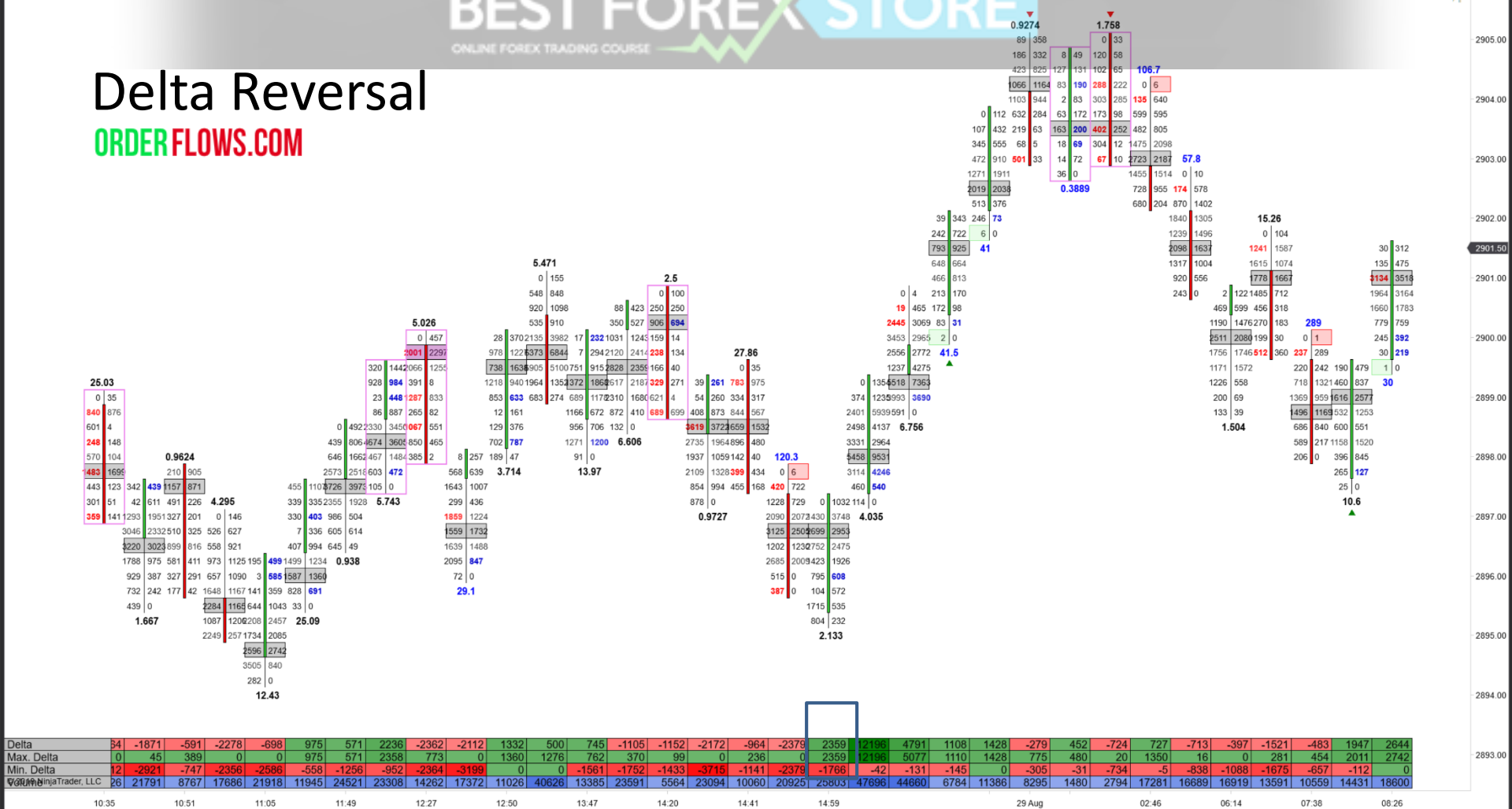
Delta Reversal – A single bar set up. Identify a swing high or swing low. Internal delta changes from strong in one direction to closing strong in the opposite direction.

A Delta Reversal Buy bar exhibits strong negative delta early in the bar formation, but finishes with a strong positive delta.

A Delta Reversal Sell bar exhibits strong positive delta early, but finishes with strong negative delta.

Delta Reversal

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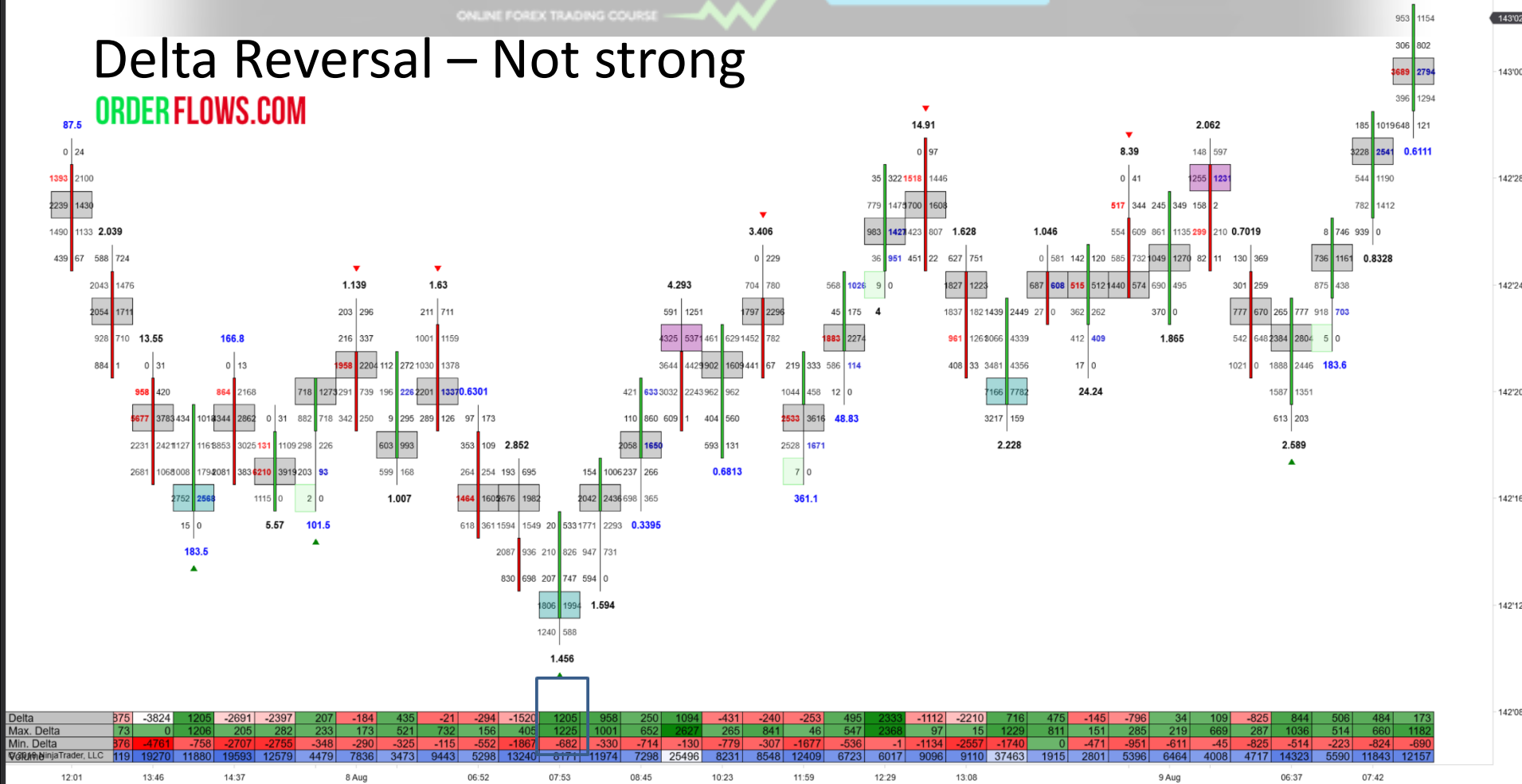
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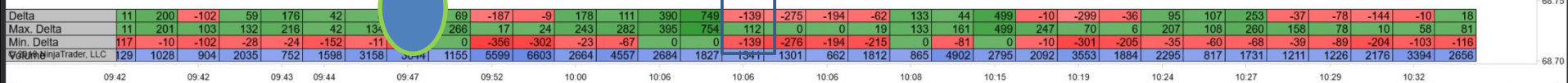
The key to a Delta Reversal is both the max delta and min delta have to be strong. It is easy to take one strong delta and one not so strong and think it is a reversal. Its both.

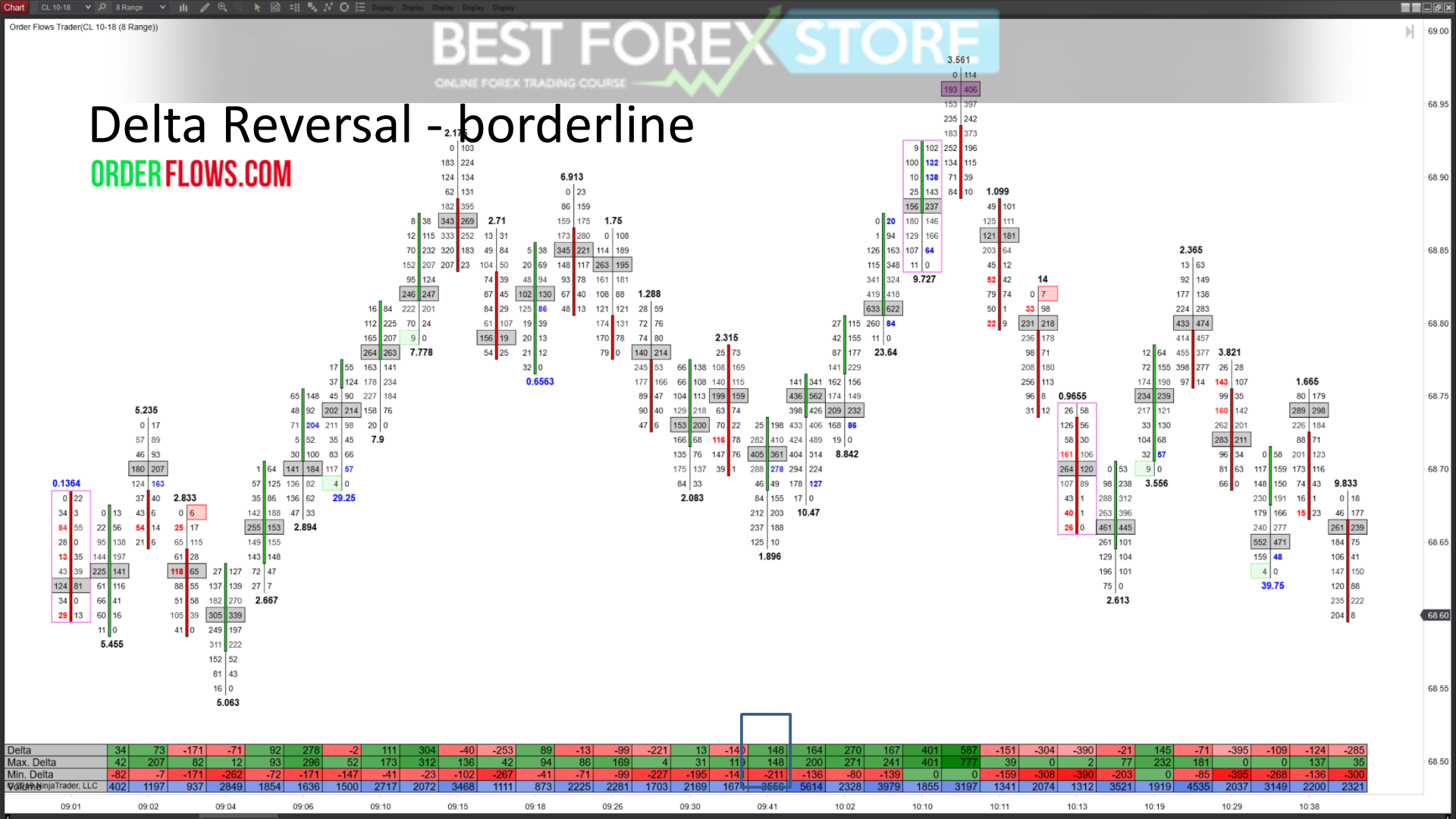
Delta Reversal – Not strong

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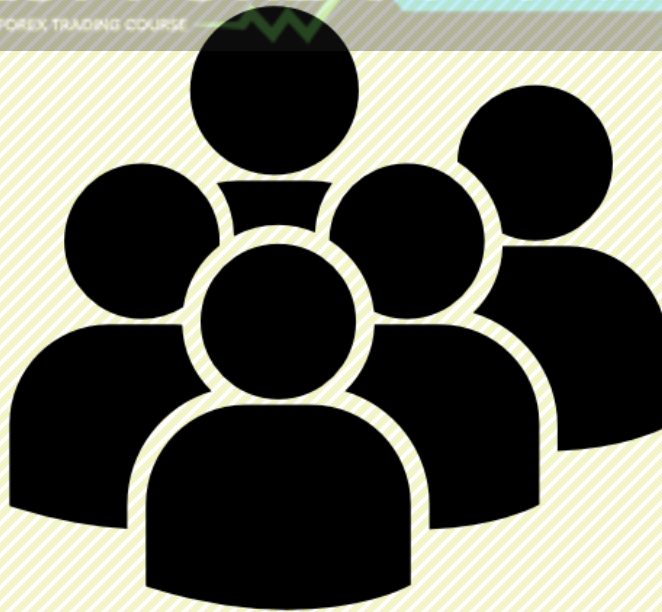


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The goal of trading is developing a method of trading that is consistent with how you trade. I presented 7 different order flow delta trade setups. My goal is to get you thinking and find your own ways of using delta either by using these setups or modifying them for your own trading.



**Separate yourself from the rest of
the crowd.**

This ends lesson 4. In lesson 5, I will recap the different pieces of delta and how you can start using it in your trading.