SUPPLY AND DEMAND JACPOT

DIAMOND FOREX/FOREX FAMILY
INRODUCTION

what is supply and demand?
-this is the amount of commodity/service available and the desire of buyers for it,considered as factors regulating its price.
-supply and demand is one of the most fundamental concept.
-its also the backbone of economy.
-Demand refers to how much a product or service is desired by buyers.
-Supply on the other hand refers to how much the market can offer(the quantity supplied)

LAW OF DEMAND

The higher the price of a commodity or service the less people will demand for the good/services.
The relationship is,if the price is high the lesser the desire of people wanting to buy the good ,naturally they'll avoid it.

LAW OF SUPPLY

An increase in price results to an increase in quantity supplied
-Producers supply more at higher prices because at the end it'll increase revenue.

EQUILIBRIUM

-When supply and demand are equal we say its in an equilibrium .
-The amount of good supplied is equal to the amount of good being demanded.

SUPPLY AND DEMAND IN FOREX TRADING

-In this section we will discuss about the following:
1)SD identification
2)plotting of the SD zones
3)Multiple time frames analysis
4)How I trade SD using multiple time frames
5)Taking trades after plotting the SD zones

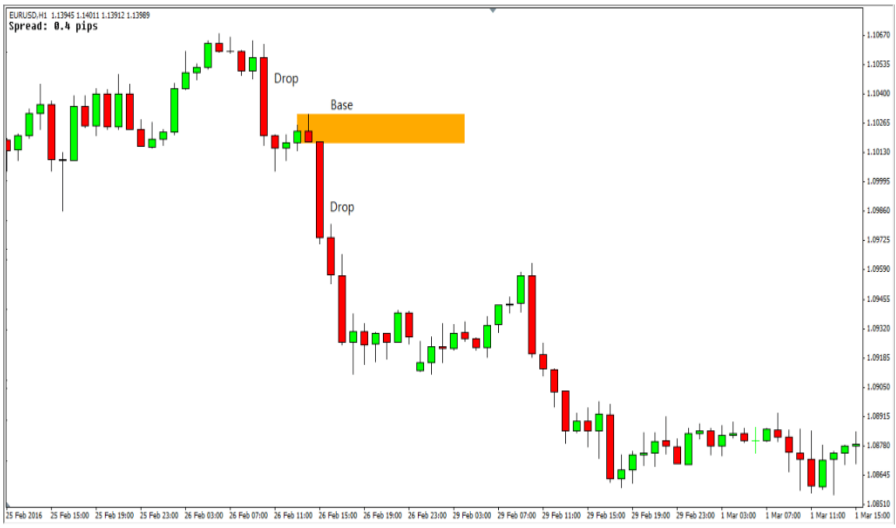
1)SD INDENTIFICATION

a)PRICE STRUCTURE

-There are 4 common structures of identifying SD zones in the forex chart.
1)drop-base-drop
2)drop-base-rally
3)rally-base-rally
4rally-base-drop

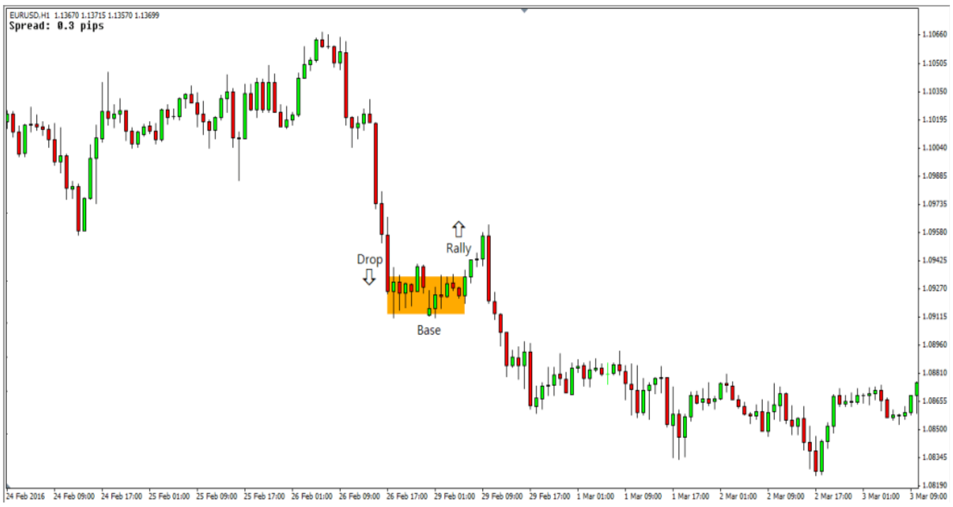
1)DBD

-This is a continuation pattern in the SD price drops consolidates and drop further .
-The base (consolidations)forms our base
-The base is also the supply zone in this case.



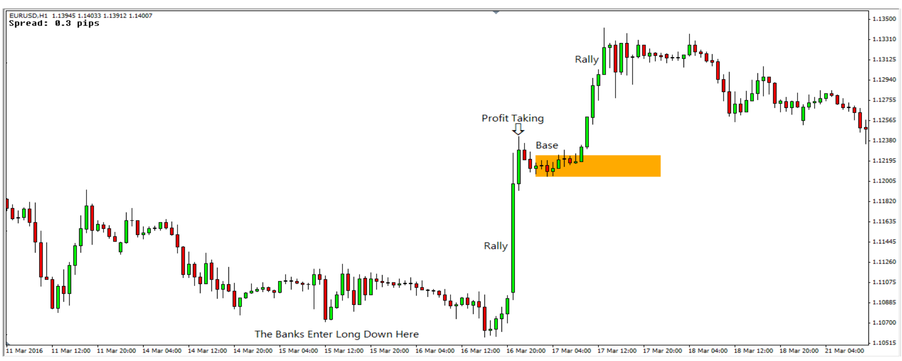
2)DBR

-This price structure forms a reversal pattern
-The price drops consolidates forming a base then it rallies up
-The consolidation or the base is our demand zone in this case.



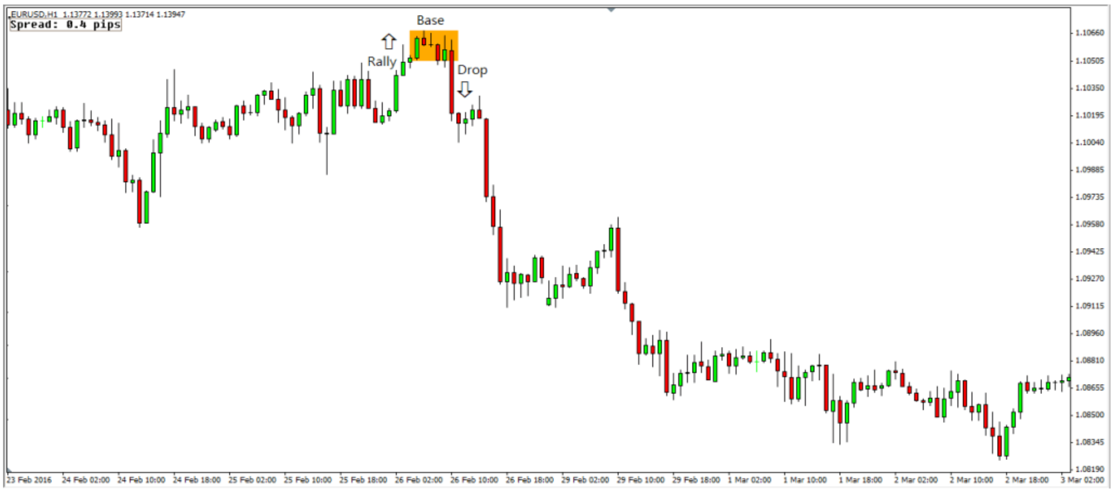
3)RBR

-This is a continuation pattern
-Price goes up(rallies) consolidates forming a base then it continues to go up
-The consolidation(base)in this price structure forms a demand zone.



4)RBD

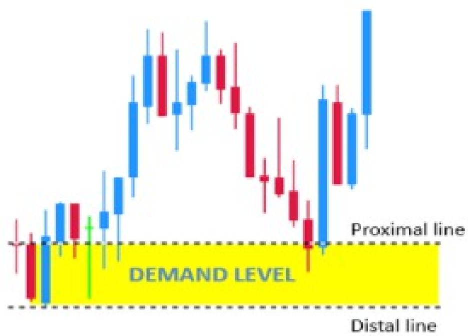
-This is a reversal pattern.
-Price goes up(rallies) consolidates then drops
-The consolidation(base) in this structure forms a supply zone.



NB:When price consolidates this means that the no of buyers and sellers in the market is at an equilibrium(equal).

2)PLOTTING OF THE SD ZONES

-In the first section we've learn how to identify the SD zones.
-So in the this section we´ll learn how to plot the zones after you've spotted them
-The base of any imbalance can be defined by the proximal and distal line.
-Proximal lines are always at the top on the demand and at the bottom on the supply zone,the opposite is the distal line
-When drawing demand zone cover the candle stick where the reversal or the continuation has happened.
-For the demand zone you cover the body opening of the bear candlestick to its bottom wick,the top of that zone will be the proximal line and the bottom will be the distal
-On the other side if its the supply zone cover the candlestick where the reversal or the continuation has happened and always rely the price structure for the guidance.
-You should cover the body opening of the bull candlestick to its top wick when plotting the supply zone.



NB:When you are analysing the market and you want to plot your zones always look left since in fx we rely on historical data to determine the direction of the market.

3)MULTIPLE TIME FRAMES ANALYSIS

-I know a lot of you all have been wondering how the f**k am I supposed to use the SD knowledge to make winning trades by using the above topics, sit back relax and watch ,ooopps we are reading not watching lol .
-Multiple time frame anylysis is the key.
-What do I mean by multiple time frame analysis ,this is using of more than one TF to plot zones and make entries on the lower TF.
-Personally as a scalper I use 3 TF`s that is 4hrs,1hr and 15mins.
-This is because they are correlating TF`s (this are the time frames that goes hand in hand or in synch)

The following are the other examples of correlating time frames ;

ANALYSIS/TREND	ENTRIES
1)monthly/week	D1
2)weekly/daily	4hrs
3)daily/4hrs	1hr
4)4hrs/1hr	15min
5)1hr/30min/15min	5min
61hr/15min/5min	1min

4)HOW I TRADE SD USING MULTILE TIME FRAMES

-First thing first I go to the higher time frame in my case it is the 4hrs .
-Then I identify the overall trend that will guide me to make my entries in the lower time frame In my case its 15min chart
-If the overall trend is up-trend ,in the lower time frame ie the 15min chart i`ll be hunting for buys only,even if I see a sell opportunity I don't take the trade because I`ll be counter trending that is going against the overall trend and they say make trend your friend.
-After identifying the overall trend I then plot supply and demand zones in my 4hr chart.
-Then I go to the 1hr chart and do the same thing ie plotting the supply and demand zone.
-Then I go to 15min chart and look if there are SD zones if I see em I plot them just like in the 4hrs and 1 hr chart ,if there are no zones I just hunt for snipper entries on the 15min chart period.
-Always wait for the trade to come to you ,in this SD strategy patience is the ultimate sophistication,always trade what you see not what you think.

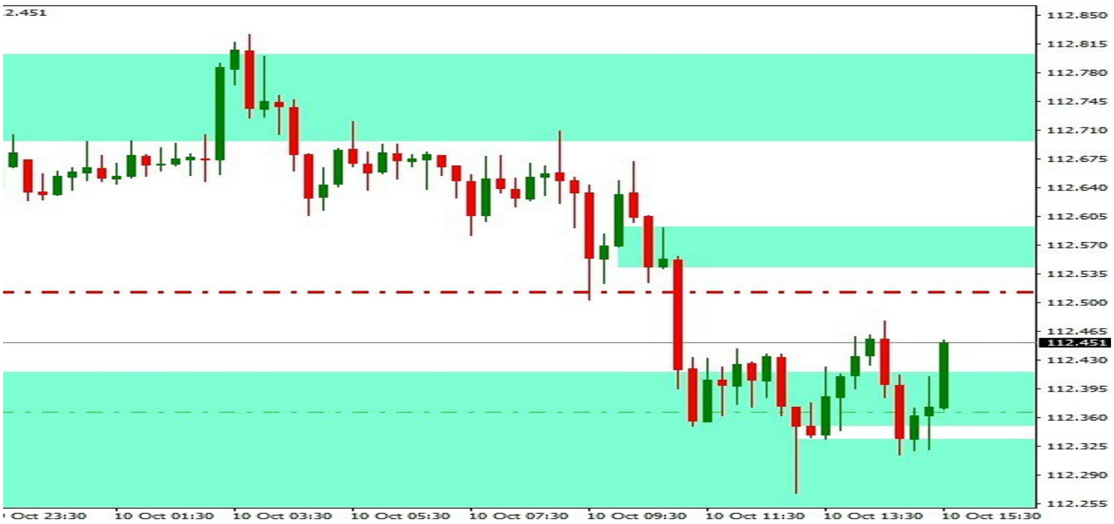
NB:When I trade the SD I incorporate EMA(crosses and magnets) and wick fills on the lower or higher TFs.
-After reading the above statement I know you are wondering why the f**k would he incorporate another strategy ?
Basically trading is all about probabilities by using the historical data to predict the near future of the price and to improve your probability you have to incorporate another strategy to add more odds in your favour.

Below are examples of my trades:

1)

-I took a buy on this trade because price closed above my supply zone.
-On the higher TF the overall trend was an up-trend
-the trade was a success.

2)



-I took a buy on this trade because price closed its body above my minor demand zone then I entered my trade on the opening of the second candlestick.
-On the higher TF the trend was an up-trend.
-Trade was a success.

3)

-I took a buy on this trade because price was rejected on my demand zone.
-I entered the trade just after the opening of the second candlestick.
-The overall trend on the higher TF was an up-trend
-Trade was a success .

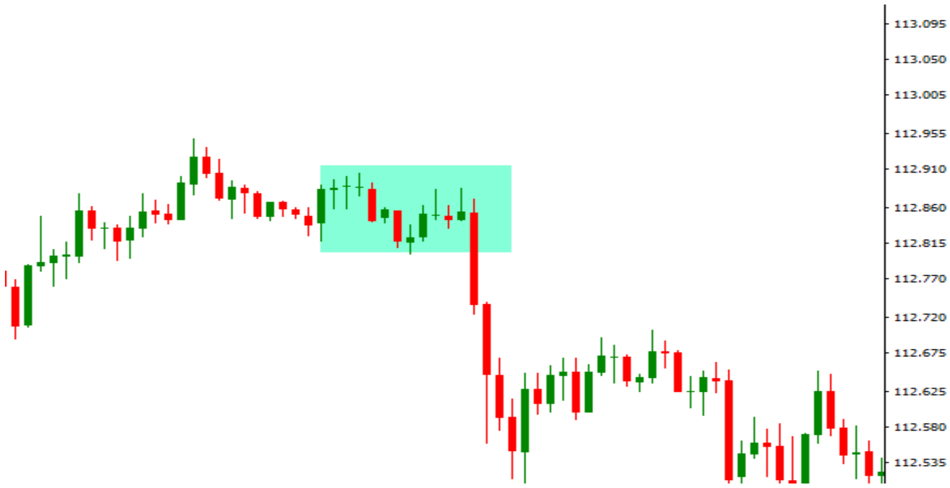
4)

-I took a sell on this trade because of the price rejection on my supply zone.
-On the higher time frame ,overall trend was a down trend.
-I entered the trade after the closing of the rejected candlestick.
-Trade was a success.

5)<u>TAKING TRADES AFTER PLOTTING THE ZONES</u>

-After cornering the market if the price is in your demand zone you wait for its BODY to close above your zone and take buys on the formation of the second candlestick and vice-versa for the supply zone.

-If price is at equilibrium(consolidation) you put a box and chill as forex6god says,you might be wondering what the f**k am I supposed to chill for,all you have to do is to chill for the body of the candlestick to close above or below your consolidation zone to take buy or sell relying on the overall trend on the higher time frame...simple uuuuhhhhh? Yeah it is hahahaha ….below is an example of box and chill strategy. Price closed below my consolidation box,if I was to take the trade I would I have taken sells.



1) https://www.youtube.com/channel/UCTv5qm1F3tCzJSp9_I_YaoQ
2) https://www.youtube.com/user/fxstreetcom

Click the link above to watch videos on the above YouTube channels to learn more about supply and demand strategy below.

(In the second link,after clicking it go to playlist then Sam Seiden)

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Trade with an edge,
manage your risk ,
be consistent,
and MAINLY keep it SIMPLE:

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