TECHNICAL GUIDE for META_quant

1) Introduction :

Since the advent of computers in the world of finance in the late 80's and early 90's, it is clear that the technologies in terms of trading software and access to data have not greatly evolved!

Whether it is at the level of the order book, as well as the tape, or even the price action; we finally find the same concepts, and the same tools almost everywhere!

We find the Japanese candlesticks for price visualization; to which everyone can add a whole bunch of technical indicators such as the RSI, the MACD, the Stochastic, etc.; which will all finally use the price and time data to extrapolate price visualizations. In short, with the Japanese candlesticks and the technical indicators of conventional technical analysis, only volatility is studied here, and only with price data. As if past price actions were going to be repeated in the present, and in the future... or worse; as if price trends were going to continue indefinitely...!

In any case, all market players face a difficulty that has become obvious for most of them over time:

---> we can not anticipate the price with the historical price data

It is a little more subtle than that we will say!

Then we hear (when we dig into the subject); that indeed, we must follow the volume! And somewhere, basically, yes it's not stupid ! It makes sense !

Except that when you look at the volume in a TAPE (time and sales windows); you can see that :

---> there are purchases of such quantities, made at such prices

---> there are sales of such quantities, made at such prices.

And finally, it's like looking at your receipt from Auchan or Wall Mart after shopping.... We have the list of everything that has been traded, we have the total, the quantities, the prices. Yes

So we can actually follow the buying volume when there is more buying volume than selling volume, yes! And conversely, we can just as easily follow the selling volume, as soon as there is more selling volume than buying volume... !

Except that proceeding in this way, it is to finally rely on the chaos of the FLOW of market orders!

Chaos in the sense that : we cannot anticipate if Mr X or Mrs Y will buy or sell such or such quantity at such or such time of the day !

And even if Mister X buys a very big quantity at the market at such time and at such price.... who tells us that Mister X will be followed? Who says that the price will go up? Well, actually we don't know!

We don't know because a third dimension is missing! The LIQUIDITY dimension!

Indeed, to study the action of prices (in a geometrical way by drawing lines, etc) is good! Bringing it all back to the TIME factor; this allows us to understand and study the volatility of prices! The action of the prices! it is cool! but it is finally; exclusively: A RESULT.

The price action is a result!

And as I often say, if price action is a result, then what is the cause?

The cause here is probably VOLUME! (Buying and selling volume coming in and out)

And we can say that:

----> If the price action is the RESULT

----> and volume is the CAUSE

----> then liquidity will represent the ENVIRONMENT!

In short, to summ up, we have :

inequation :

PRICE ACTION = VOLUME > LIQUIDITY

traduction :

As soon as the quantity of volume in one direction exceeds the quantity of liquidity available on the book in the other direction, the price will move, by at least one notch, in order to find the missing liquidity, and thus serve the requested volume in full.

The concept can be further detailed as follows:

inequation :

BUY VOLUME > LIQUIDITY ON THE BEST OFFER = PRICE UP

SELL VOLUME > LIQUIDITY ON THE BEST BID = PRICE DOWN

traduction :

as soon as the quantity of volume to buy, is going to be bigger, than the quantity of limit orders available at the best OFFER of the book; the price is going to rise!

as soon as the quantity of volume to sell, is going to be bigger, than the quantity of limit orders available at the best BID of the book; the price is going to fall!

From there, you understand that it will be essential to consider these three dimensions of DATA; as a single system! An eco system! To which we will associate a 4th dimension:

the TIME factor!

So we will have these 4 dimensions of DATA that will work TOGETHER within a single ecosystem:

PRICE

VOLUME

LIQUIDITY

TIME

Given this state of affairs... what better way than to visualize this type of data; if only through a 3D raster plane?

It is from this point that I started to create the META_quant!

This 3D matrix of the order book and the TAPE which will be integrated on the PRICE caneva; and which will be animated in REAL TIME compared to the TIME which passes!

You will see ... ! Nothing better !

Today in June 2022, thanks to the new technologies of the WEB3, to the decentralization of the finance, in particular that of the crypto; but also thanks to the world of the DEFI and the protocols blockchaine; it is possible to have a vision and a graphic visualization extremely, and devilishly detailed of what it occurs in real time on a market!

Not only is it in real time! Not only is it in 3D! but it is AR/VR friendly! This means that with the tools and technology of virtual reality and augmented reality, I was able to bring a big dose of "magic" on the ultra immersive and hyper interactive side of the tool!

Indeed, as you will see with your RED pill, and your META_quant; it is possible to interact with the tool, as if you were there! It is possible to go inside, from underneath, from above, to look at it from the outside, from above, from below! You can zoom in, zoom out, pause, resume, etc.

Not to mention the available settings that add to the interactive and immersive side of the tool! I'm thinking of the scale gauge for example which is just essential to adjust the size of the vertical 3D bars of the map! So that they are scaled as well as possible. Depending on your eyes, and what you are looking for as a setup in the META_quant.

With the META_quant, I often say it, you will be able to look at an order book and a TAPE that if you had been shrunk by 1000 and you were able to navigate inside of it! AMAZING!

You will be able to highlight, and detect market making manipulations in the order book; but also the way the market order flow is executed, and thus be able to identify with great precision the impact that these market orders have on prices, but also on the structure of the book!

It's like an orchestral symphony being played live before our eyes! And I can tell you that only one or two good SETUPs will be needed to anticipate price movements, on the very short term as well as on the medium term, which will have a very high efficiency rate!

With META_quant, most of the algorithms present in the order book, but also those present in the

PARE, will be completely exposed! Revealed! Revealed!

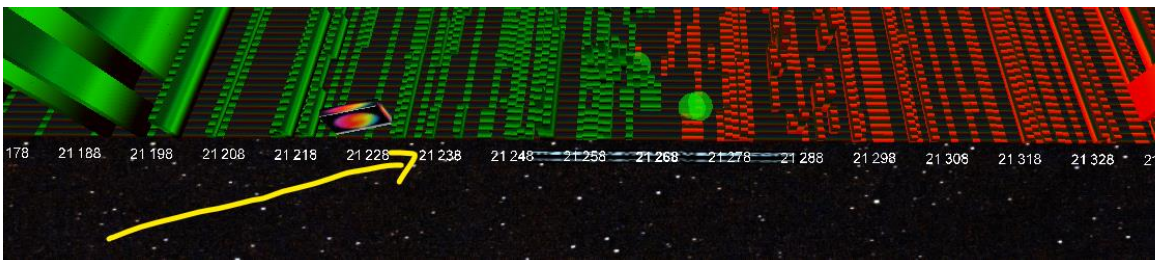
The term "meaningfull trades" will finally be able to take its full meaning here with META_quant !

2) Functioning :

So we are talking about 4 main DATA dimensions that will generate our eco system, and that will be the very source of the PRICE formation mechanisms!

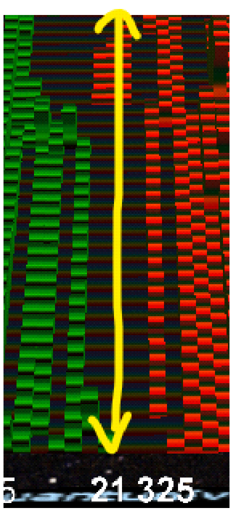
From there, the first question will be to know how to make the link with the META_quant, and how to find these 4 datas in the META_quant!

- PRICE :



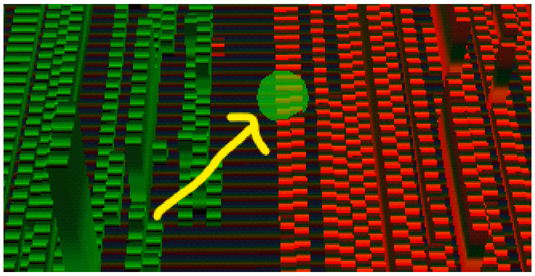
the prices will be displayed on the horizontal price bar which is placed on the X axis of the 3D scene. They are displayed in white, and are displayed by intervals of 10 ticks in order not to overload the scene.

- TIME :



the passing time is on the Z axis! It is this depth of field on the Z axis of the 3D scene, which will allow us to visualize "the passing time"! It should also be noted that the refresh rate is adjustable with the gauge of the SPEED button on the left!

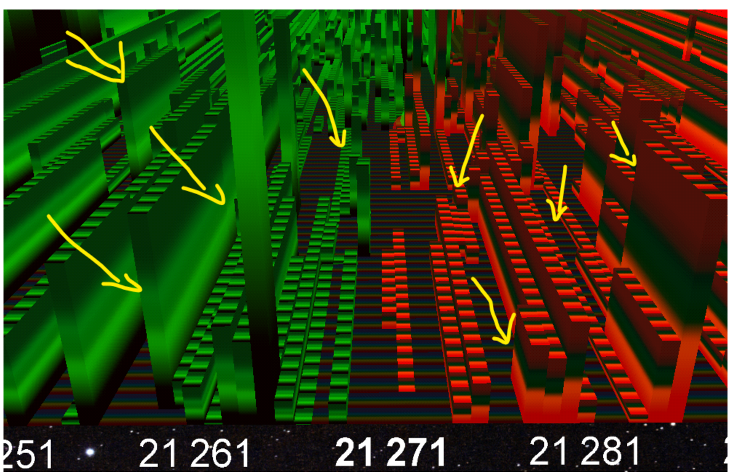
- VOLUMES :



the volumes are visualized by round transparent spheres which will be either red and green ; or purple and blue ! The coloring method is done according to the nature of the trade (the SIDE of the trade); that is to say that a long trade will naturally be colored in blue or green, and a short trade will naturally be colored in red or purple).

Note that you have a "Spheres Fixed" checkbox in the menu on the top left! This button, if checked, will set all spheres to the same size! If it is not checked, each sphere will have its own size, depending on the size of the volume corresponding to the sphere. These spheres will be printed in X, Y, Z axis since they will have a PRICE data, a QUANTITY data, and a TIME data.

- LIQUIDITY :



liquidity will be represented by vertical rectangular bars, red or green in color! These vertical bars correspond to the quantities of limit orders that are issued / withdrawn from the order book.

Thus :

the higher the vertical bar, the greater the quantity of limit orders associated with it!

the lower the vertical bar; and the smaller the quantity of the limit order associated with it.

Moreover :

when the vertical bar turns into a vertical "wall"; this means that the quantity of the corresponding limit order is "lasting in time".

As soon as the limit order is removed (cancelled); the vertical bar fades or shrinks in proportion to the amount of limit orders that have been removed.

So the liquidity is displayed on the X, Y, Z axis at the same time! (price data, quantity data, and time data).

At the operating level, you will find a set of menus and buttons that will allow you to change exchange, change assets, change the camera mode, put the display of the scene in "cumulated", or in "non cumulated" that is to say in "exploded" view; but also to be able to change the setting of the automatic size of the spheres!

It will also be possible to adjust the refresh rate in milli seconds, but also the scale of the vertical liquidity bars! (see notice)

In short, for everything that is interactive, and immersive, or even trading settings, selection of assets, or modification of chart templates; we are really on something ultra simplified, and ultra accessible!

It is in the recognition of the main key setups where it will get tougher! And this is precisely the purpose of the next part of this document.

3) Reading and Setup :

The next step is to understand what you see in the META_quant!

It is clear that to start, it is important to have some knowledge of order book reading, tape reading, and/or footprint chart reading.

It's important to understand that a market bid order will find a counterpart with a limit sell order at the OFFER of the book, and conversely, a market sell order will find a counterpart with a limit bid order at the BID of the book.

It is very important to understand that a market order (an active trade) is someone who TAKES liquidity! Whereas a limit order (a passive trade); is someone who CONTRIBUTES liquidity.

In the first case (the market order); it will be a priority of TIME!

The market order (the trade) will be sure to be executed right away, and in the entirety of the quantity requested.

In the second case (the limit order); it will be a PRICE priority!

The limit order (passive) does not know if it will be executed, and it does not know when it will be executed either! Moreover, it does not know if it will be executed in all the quantity requested! However, one thing is sure, if it is executed, it will be at the requested PRICE on which it was positioned beforehand, in the order book.

In short, I'm not going to give you yet another lecture on auction market theory and order book reading! That said, if you need more documentation on this subject, don't hesitate to ask me privately! I'll be happy to share with you the latest editions of documents I've done on order book reading.

The next questions related to META_quant will be the following:

---> what will I use it for?

---> what should I look for first?

---> what should I look for in the META_quant?

A) The purpose of the META_quant will be twofold!

it will allow at the same time :

---> to be able to anticipate shifts and changes in prices in the very short term in a very precise way.

but also :

---> to measure and anticipate the impact of market orders on prices.

All this thanks to the graphic visualization and the automation of the display of the different elements and market data in 3D!

It will also help you to better understand the underlying mechanisms behind an order book; to be able to make informed trading decisions! Whether it's very short term scalping, ultra speculative, medium term, investment, DCA, or other; the goal here is for you to understand what's going on in an order book, by understanding what you see in the META_quant!

B) First of all, I will look at the TRADES ! That is to say the green and red spheres which represent the executed trades ! I'm going to look at these spheres, and I'm going to look at where they have been executed (where they are placed) ; I'm also going to look, in terms of sequence, if the sequence of trades is logical !

By logical, I mean: I will look if a sequence of rising prices, is done correctly with a sequence of green buying spheres; and conversely, if a sequence of falling prices is done well with a sequence of red selling spheres.

I will therefore be able to detect, from there, if I have buying TRADES that make prices downticker and/or if I have selling TRADES that make prices upticker! That is to say, TRADES that I call "abnormal"; and that have been "manipulated" during the execution.

As soon as I find ..... I look at the liquidity structure at the time the abnormal TRADE was printed! I look at what they want to show me... and I deduce in fact at the end a simple thing :

a BEHAVIOUR.

A market making behaviour !

That is to say that once I have detected sequences of abnormal trades, and once I have understood what was happening in terms of order book structure (the vertical bars) at the time when these abnormal trades were traded, then I will be able to deduce in which direction the main market maker is working.

If for example, during a period of 10, 15 minutes, I see several consecutive sequences, within which, I have "abnormal trades" which are carried out, and which, afterwards, impact the price action as "expected" .... then I will be able to end up detecting a market making behavior! i.e. the DIRECTION in which the market maker works, and that I will probably privilege in my scalping.

In short, this is a first technique/tactic, which we will come back to in the next chapter; but to summarize, what I will look for in priority in the META_quant; is :

---> how the TRADES are executed!

so :

----> how are the red and green SPHERES arranged!

----> what impact do these spheres have on prices?

----> what impact do these spheres have on liquidity?

---> Who dominates whom?

In fact, I think that's what I'm going to look for when I read the META_quant! I'll be looking for: WHO dominates WHO!

And I will detect it by measuring the impact of the spheres on the prices mainly (the famous absorption);

C) When I add to that the "lying poker" of the order book; it allows me to have a second confirmation on my basic idea of "WHO dominates WHO".

- Is it the LIMIT ORDERS who dominate?

or

- Are the MARKET ORDERS dominant?

When it is the LIMIT ORDERS who dominate, I will follow them, and follow their behavior! If I see that they do everything to make it go up, then I will try to buy!

When MARKET ORDERS dominate, I will follow them, and follow their impact on prices! Simply follow their lead. If I see that a flow of market orders is going to pass, well either I buy with them, or I do nothing ! but I will avoid to put myself in front of them !

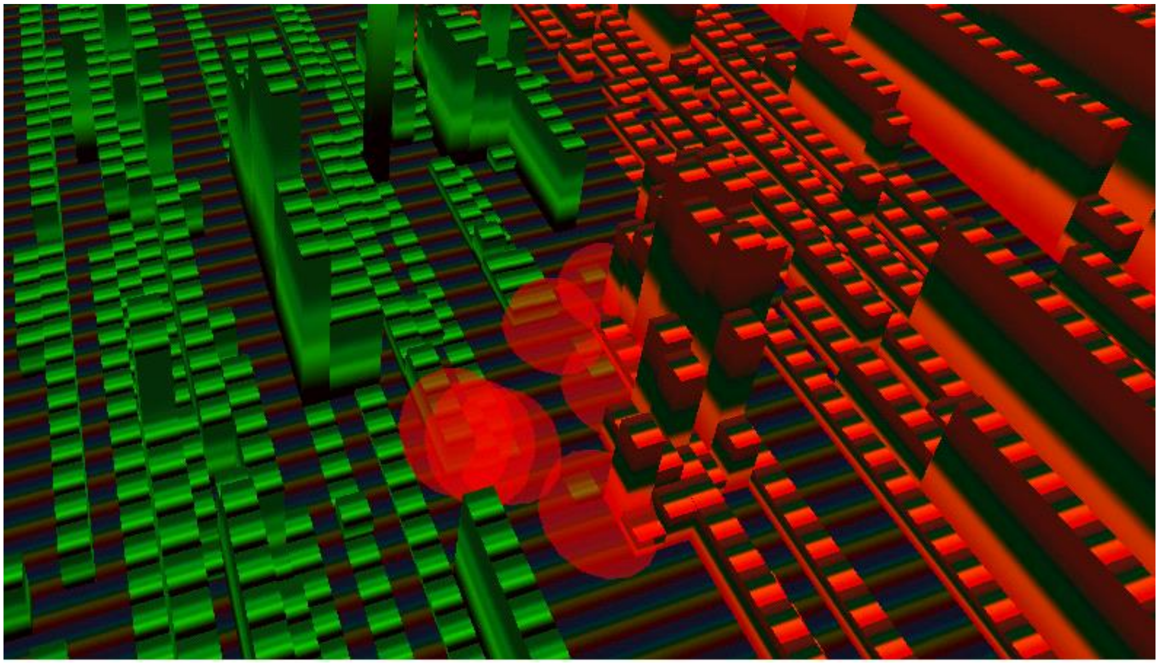
That's why in fact..... volume buyer, or volume seller.... we don't care in fact!

What will count above all is to see if the buying or selling volume is welcome or not!

And we will know it by looking at the impact it has on the prices (in a first time) ; and by looking at the impact it has on the structure of the order book itself (in a second time).

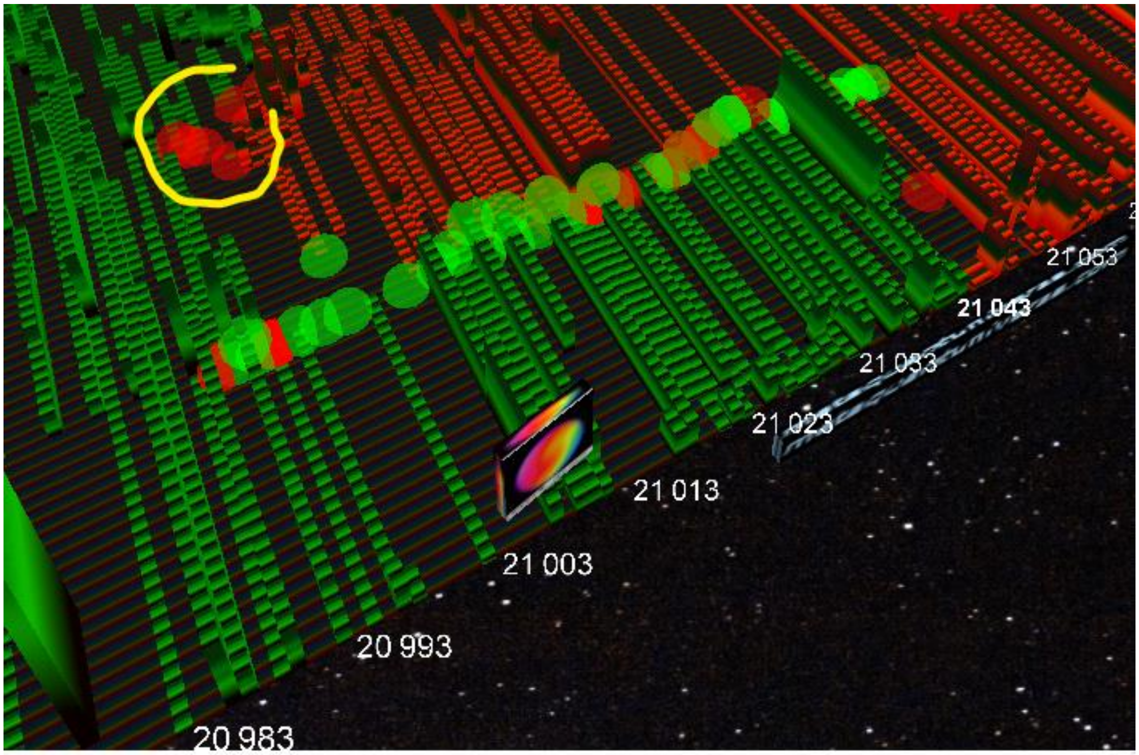
If it is welcome; then the market maker will execute it correctly! that is to say without too much slippage; that is to say with an impact on the prices which will be weak! see negative in certain cases... (the famous "abnormal" trades) ; so if it is welcome... it is because it is absorbed ! It is that the market maker takes "comfortably" the counterparty! it means that there is a good chance that the TRADE executed without slippage, is in the wrong direction! If there is little impact of the TRADES on the prices; then I will often follow the market making! so I will sell in this case there :) because the impact of the market bid order on the prices is weak.

Example of a WELCOME trade:



In this example taken on the BTCUSDT of FTX, we can see quite clearly several things: first the fact that the sell orders (the red spheres) pile up between them, and that on a rather restricted price zone! This shows us first of all the phenomenon of absorption (weak impact on the price); we can also see towards the end of the ammat, that one of the last red spheres "makes the price go up"; by being executed above the last selling trade. This is the famous market sales that makes the price go up (abnormal volume) that illustrates us the market making manipulation that starts; after the absorption here. First he absorbs, then he manipulates. Here the sell orders are therefore "welcome"; because we are creating a low point in the price; we therefore make them sell a low point.

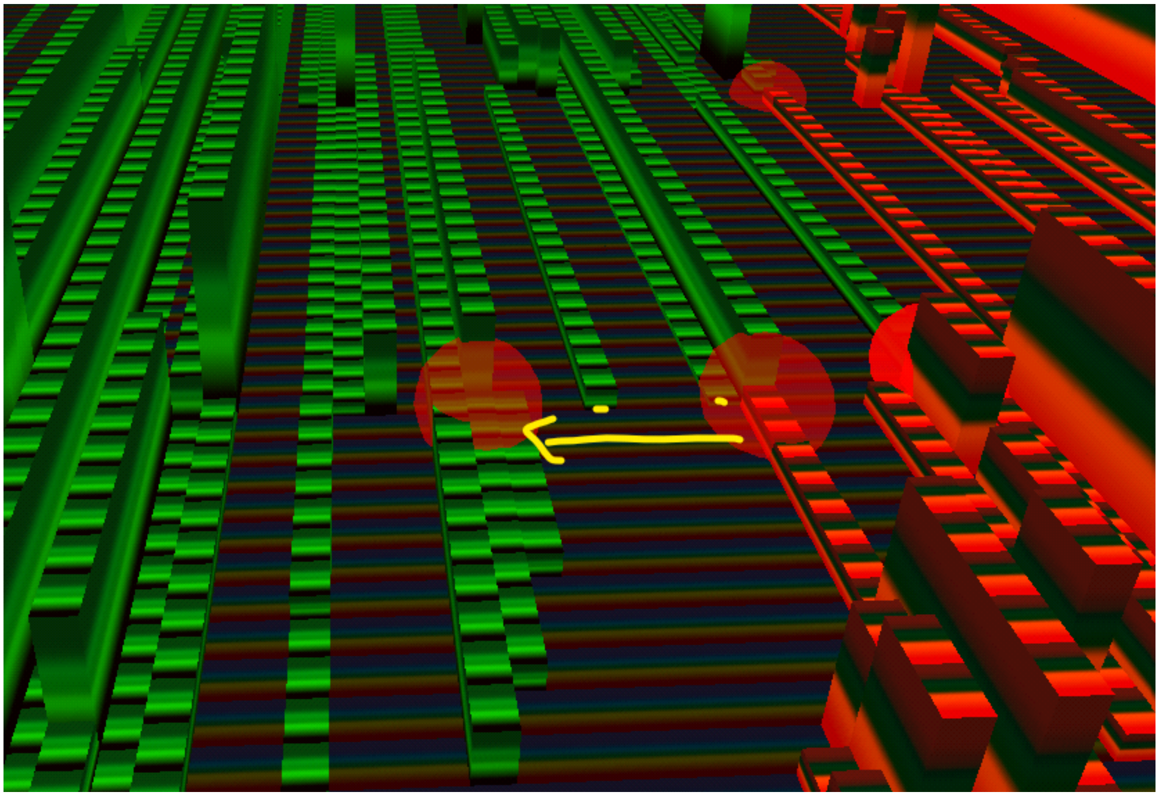
What follows next, in terms of price action, is often something like this....:



That is to say, it farted in the other direction! Simply put! To chase away that ammat of "welcome" selling trades that sold off the low! Thus probably forcing them to exit, thus buying back the market; feeding de facto the pullback / shortsqueez movement that follows! (here from 20,983 to 21,053 on screen).

If it is not welcome; then the market maker will execute it "dirty"! that is to say with a big slippage! that is to say with an impact on the prices which will be important! so if it is not welcome.... it is that the market maker runs away! and it is therefore that this TRADE is probably in the right direction! Indeed, if the impact of a TRADE on the prices is very high; it probably means that this TRADE is in the right direction! So we will try to follow it! At least, as long as the market maker "lets it go".

Example of a NOT WELCOME trade:



In this example, we can see here 4 red spheres, that said, they are not arranged in the same way as in the previous example! Indeed here, we can see that the spheres do not pile up; on the contrary; they take everything away on their way! And this for a simple reason: because the liquidity in front of the BID is cancelled!

We can see it very clearly, just between the 3rd sphere, and the 4th sphere (the two last ones); we can see that we slide of 8 price levels! We can also see that two levels of BID that were provided, are withdrawn (cancelled)! Here we can clearly see that this sale is not welcome! That's why the market maker puts a slippage at the execution, in the teeth!

It is thus that this market sale, is annoying... either it is too big; or it is in the right direction, and at a very good price! That's why the market maker puts a slippage on it!

This type of slippage at the execution, we call it "the risk premium of the market maker"! lol

It is indeed the market maker who defines it, as long as he represents a large part of the DOM.

It is therefore important to understand that it is not (ONLY) a story of volume! and a story of buyer against seller! no!

It's more a story of provider versus consumer!

In the sense that :

---> the price can very well go up with more buying volume, as well as more selling volume.

---> The price can very well go down with more selling volume, as well as more buying volume.

In fact the nature of the volume is not what makes the price move! It is rather the balance of power between those who tap (volume) and those who bring (liquidity). The result of this "fight" is illustrated by the price action.

From this point on, it is a balance of power that we must seek! It's almost a behavior!

And even if it is an algorithmic behavior, we can very well see the manipulations which are operated and which are carried out in the order book with the META_quant! I have recorded several videos of REPLAY for this purpose in which we see quite a lot of manipulations that take place, and which allow to anticipate the prices that follow on the very short term.

4) Tactics and strategy

Here we will start by presenting the simplest and probably the most effective tactic to anticipate short term prices with the META_quant!

You may remember, if you have used tools to read the micro structure of prices, some concepts of the auction market theory like :

---> buyers raise prices to motivate sellers.

---> sellers lower prices to motivate buyers.

In theory it is very right and very true; but in practice, we have seen, and we will see and see again, that it is a little more subtle than that!

A) Basic STRATEGY :

Processus :

- we are going to make a reading of flow of orders; either via the tape; or via the spheres!

- we will follow scrupulously, each spheres, and look if its positioning is coherent with its nature!

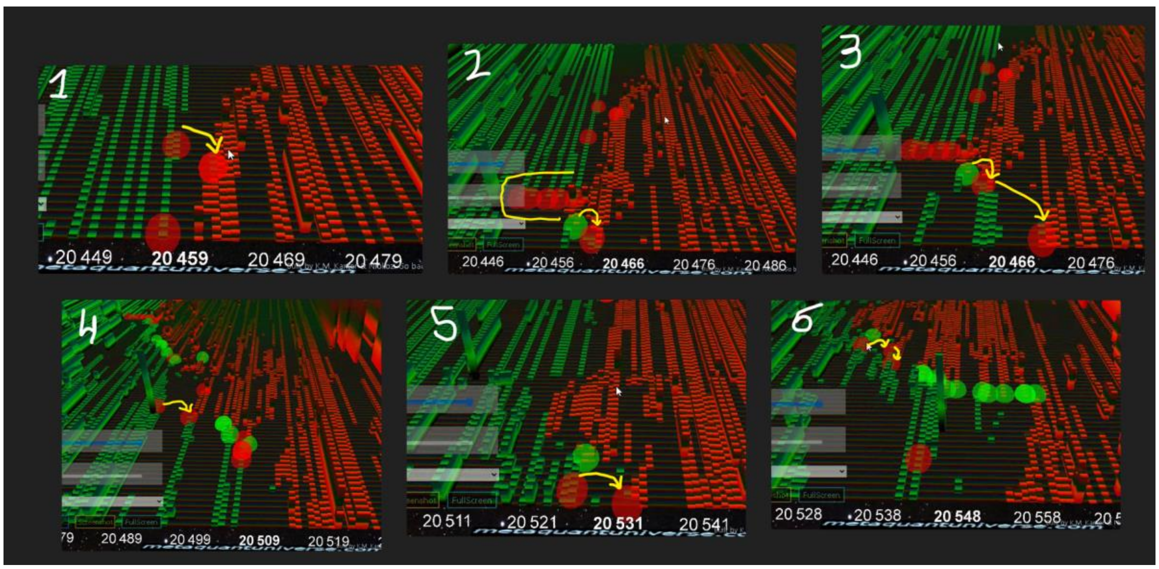
That is to say, we will check that each red sphere is making the prices go down (or that it is not making them move); and that each green sphere is making the prices go up (or that it is not making them move).

- as soon as you identify a red sphere that is executed higher than the previous red sphere; then we can consider that it is a "price manipulation" at execution; and that it is a first BULLISH signal!

- as soon as you identify a green sphere that is executed lower than the previous green sphere; then it can be considered as a "price manipulation" at execution too; and that it is a first BEARISH signal!

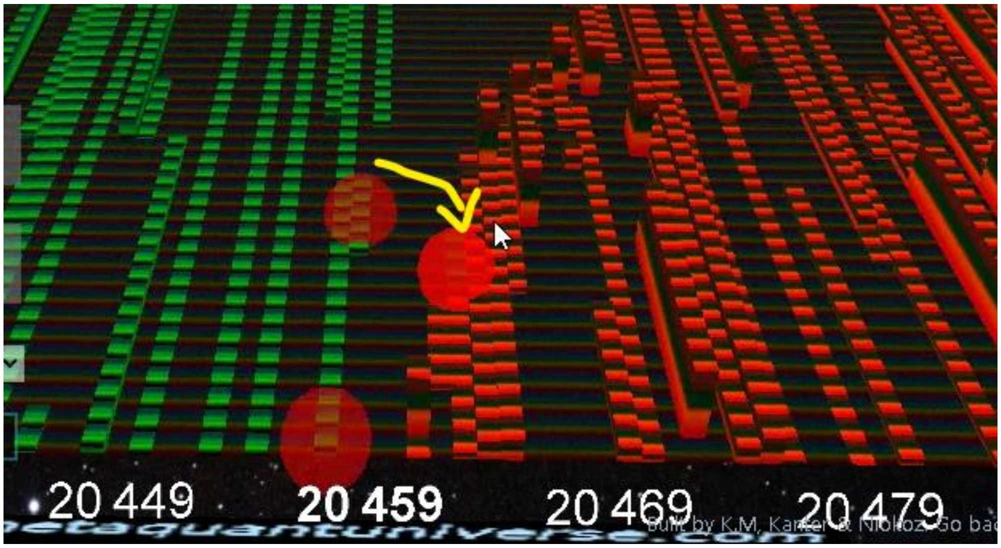
Sometimes you will see it sporadically .... and sometimes you will see it "hyper" present and hyper frequent!

<u>To illustrate this strategy</u>, I propose you a set of slidde in 6 steps which illustrate marvelously a price manipulation which is done in the rise!



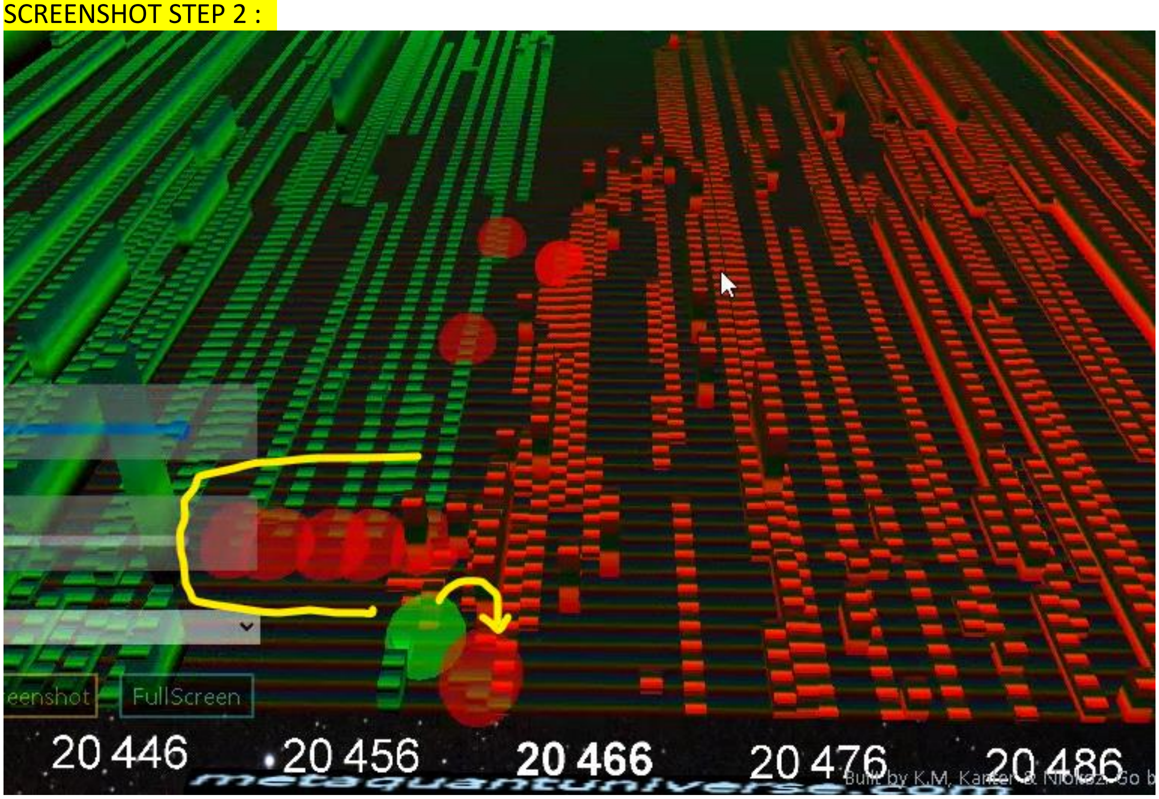
STEP 1 : we start to see a first bullish signal with this red sphere which makes the price go up compared to the previous one; around 20 458/ 20 462. We go up here of 5 ticks approximately... and that on a sell trade! (a red sphere). (see screenshot below) :

SCREENSHOT STEP 1 :



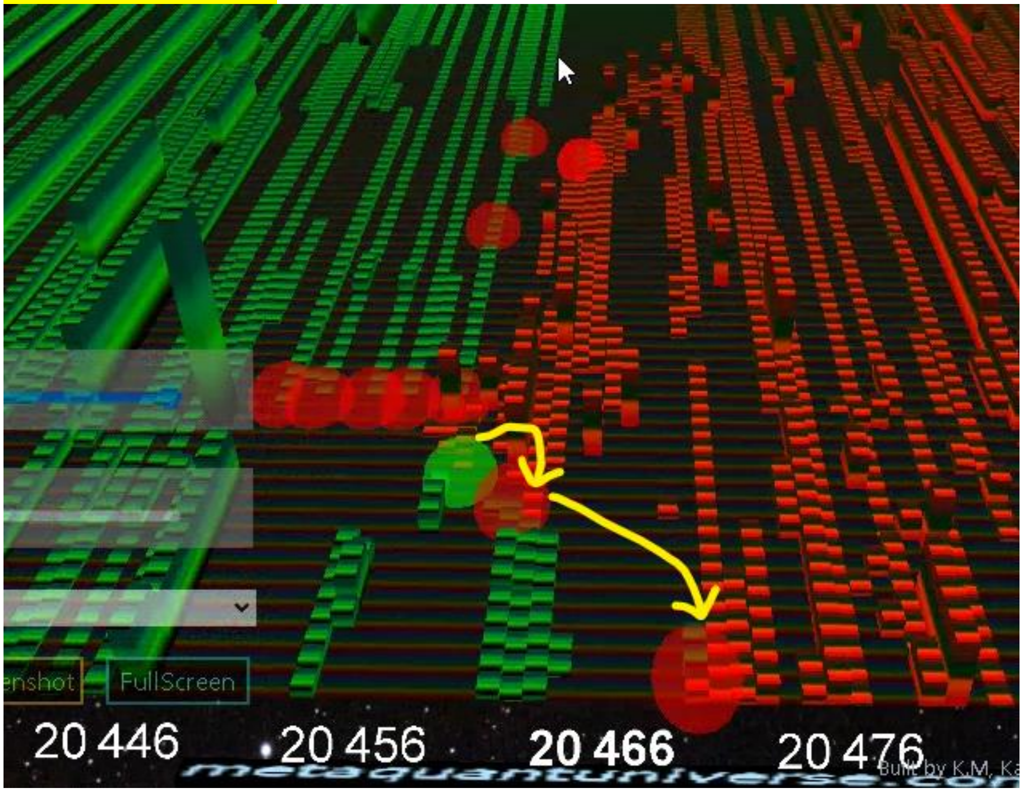
STEP 2 : we absorb a flock of sell orders (sell trades) that come to skim the price from 20,456 to 20,446! it looks like LOCKED trader. That is to say, trapped sellers, potentially locked in and trapped on a low price point. We see a big bid that is added for the occasion just below! We then go up these 10 points of absorption with a single long trade (a green sphere); and we then continue to go up a few ticks above (on 20,463); this time with a red sphere! That is to say that we go up the price with a sell trade! This is a 2nd bullish signal which confirms us the manipulation of market making to the upside! The trap is set, now we will have to logically (from a market maker point of view) hunt in the other direction! That is to say to try to make the price go up (see screenshot below)

SCREENSHOT STEP 2 :



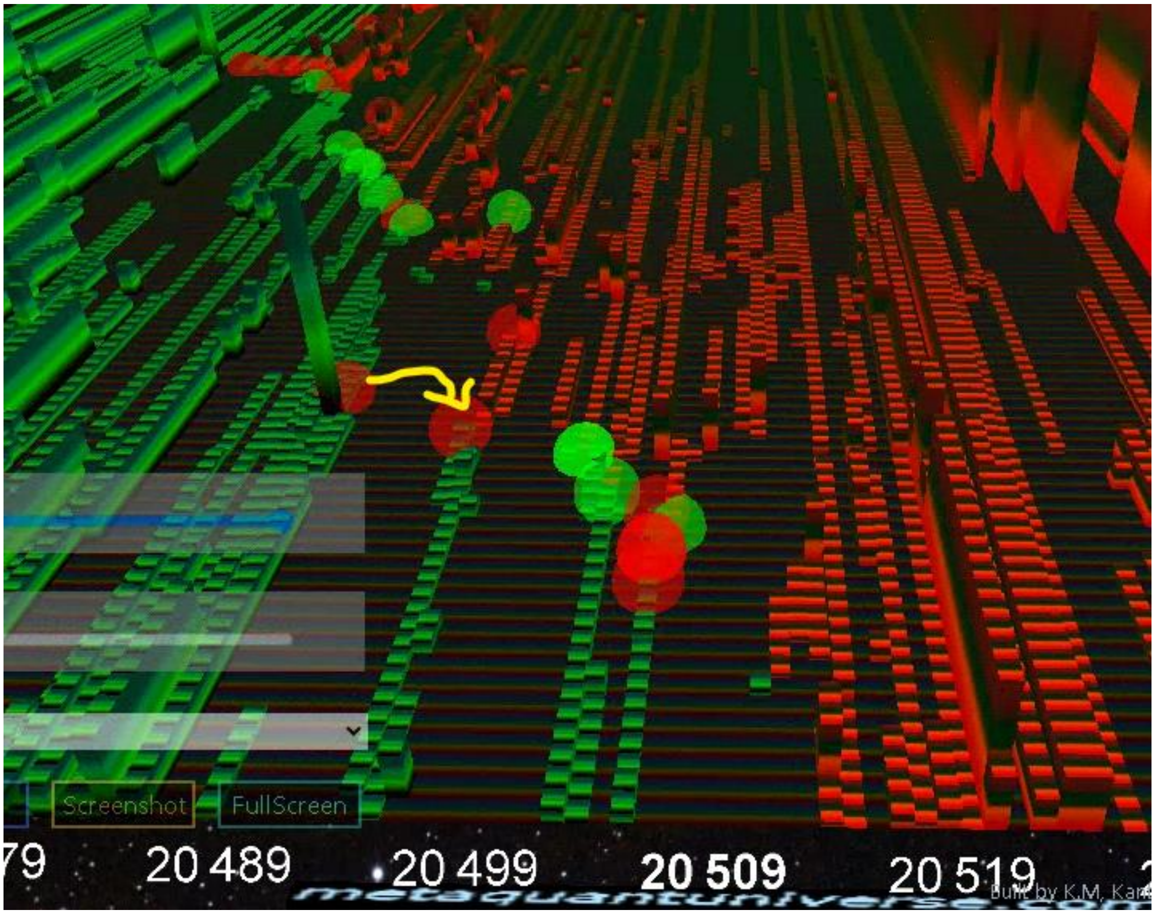
STEP 3 : We continue to go up the price "in the creek"; but this time in a more violent way, therefore more visible! Here we can see that the price rises by about 8 ticks, on a single trade! And moreover... it's a sell trade ! (a red sphere); we have here, again, a 3rd bullish signal with this short trade which makes the price go up... and not only a little! Directly on the 20 470 ! it starts to become more and more "coarse" and visible ! The manipulation here is really starting to show... (PS : you have all this in video here : link)

SCREENSHOT STEP 3 :



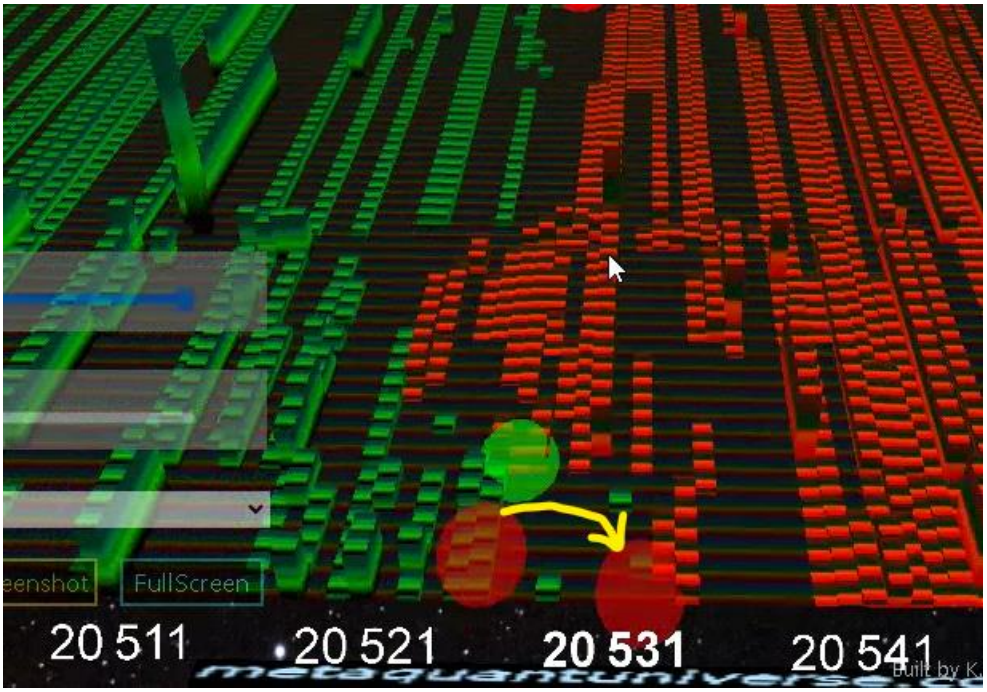
STEP 4 : We have a "natural" flow of market orders that finally arrives! This will allow to support the thing a little, and especially to legitimize this movement of rise, which for the moment is done almost only by the manipulation of market making. So here we have two green spheres that make the price go up, and that allow the upward movement to continue. It is either interested buyers who start to enter the market; or volume sellers initially trapped at the bottom who start to exit at a loss, by selling their buy positions to exit. The new short trades that come in (red sphere) are executed higher and higher... just above the last two green spheres! In short, the bullish manipulation seems to continue! We even see an order at the BID which is quoted for a few moments on the 20 510 ! The short squeez continues! We have here a confirmation of the previous buy signals.

SCREENSHOT STEP 4 :



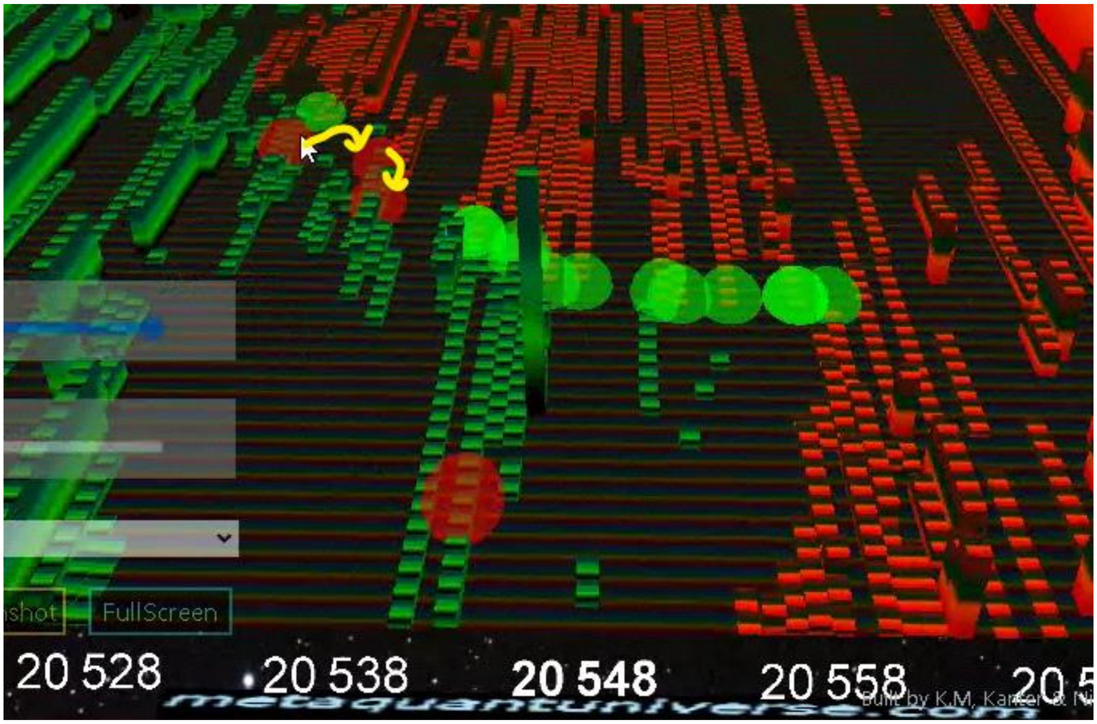
STEP 5 : Let's do it again ! A green sphere, followed by a red sphere, executed, a tick below... So far everything is in accordance with the theories! lol. Then we can see that the market maker starts his manipulation game again by executing the next red sphere almost 7 tick above the previous one! A 7 tick volume uptick, on a short trade! This is wonderful. The 20,531 is acquired! It looks like the market maker wants to put in the second dose! The bullish market making manipulation continues!

SCREENSHOT STEP 5 :



STEP 6 : we will then do it one last time.... with a new trade, which will also be executed on the bottom, with an uptick ! All this because the old best OFFER has been cancelled, and the new best BID has been raised again! From there, naturally, the trade that comes in may be of a selling nature.... it will uptick the prices! And this is what happens here! Then follows a cascade of buy market orders that are triggered! Probably stops I think! with these green spheres that are executed very quickly, and that skims a large part of the range from above! Most probably the stops of the people who had sold at the very bottom on the 20 446 / 20 460 ! This is usually the final stop where we will think about taking out the buy position if we played this setup to the buy. This happens at about 20,558! That is to say; about 100, 120 points above the first bullish signals of the steps, 1, 2, 3! It lasted less than 5 minutes. In short, in scalping on cash or future contracts, or even in options; it can do the job.

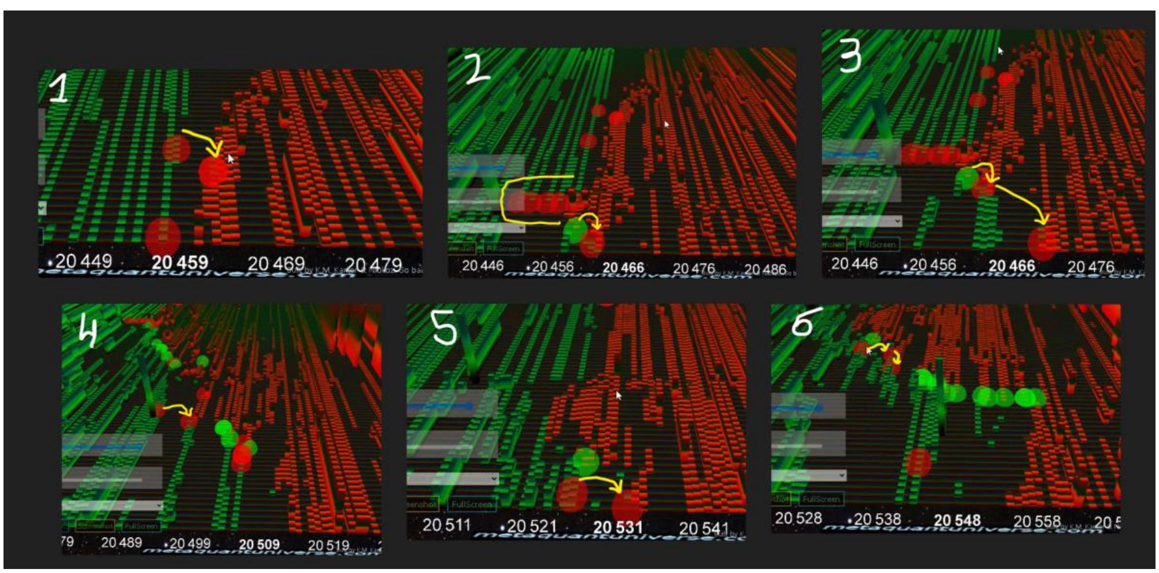
SCREENSHOT STEP 6 :



To watch the video again, it is here :

https://metaquantuniverse.com/videos/deroulement%20dune%20manipulation%20de%20market%20making%20a%20la%20hausse%20en%206%20etapes.webm

or directly into the VIDEO repository : https://metaquantuniverse.com/videos/



This is a strategy here of "tracking market making manipulation" that I have broken down into 6 steps; but when you see it in real time with the META_quant, it must frankly jump out at you as it is so flagrant and abusive.

I wonder how this is legally allowed / accepted! Maybe just because "technically" it is feasible? That's another debate.

Anyway; with this type of basic strategy; you will be able to anticipate price movements on the very short term based on the strongest player(s)! i.e. the main market makers who hold the order books by bringing liquidity at all price levels and on both sides of the order book. This is their job, and they are paid for it.

B) Tactics and tips :

In this chapter, I'm going to present you my favorite tactic that allows me to take trades in the right direction, always by putting myself on the side of the market maker! but this time, by working another type of technical configuration!

Remember what I said above, and what I have been telling you for years!

---> we are still hunting the big volume!

when I say "we"; it is the market maker!

when I say "chase"; it means that once the big volume is executed, the market maker will do everything to chase it in the other direction; it means everything to push the price in the opposite direction of the trade of this big volume. The goal here is to put this big trade under pressure! and to force it to exit! in order to stop it (clean up the market); but also to make commissions! (entries/exits).

With the system of spheres that adjust to the size of the volume; when you uncheck the "sphere fixed" button in the left menu; you will see that each of the spheres will print a size that will be a function of the size of the corresponding trade!

From there, you will be able to see very easily which are the small volumes, and which are the big volumes ; see which are the very very big volumes !

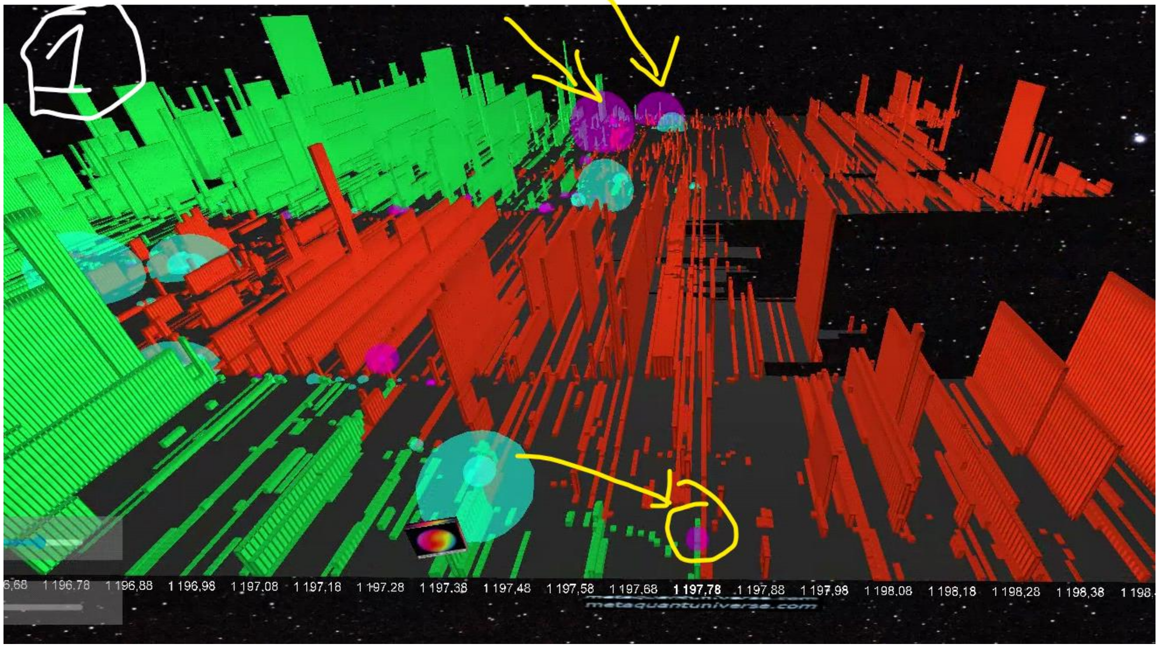
Let's look at all this in pictures with a key example ! on the ETH/USDT !

it's a short squeez phase which is done, after a flash crash !

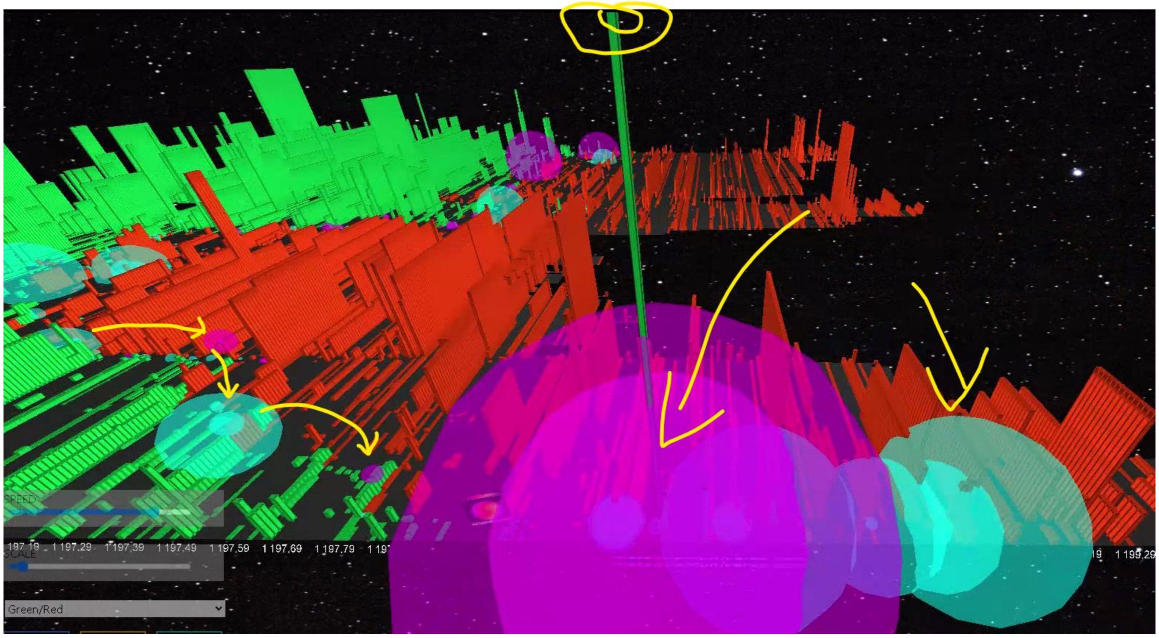
In 8 steps !

STEP 1 : First of all we notice that two important market sales (big purple spheres) were served around 1197.30 on the ETH ! And this; after a flash crash!

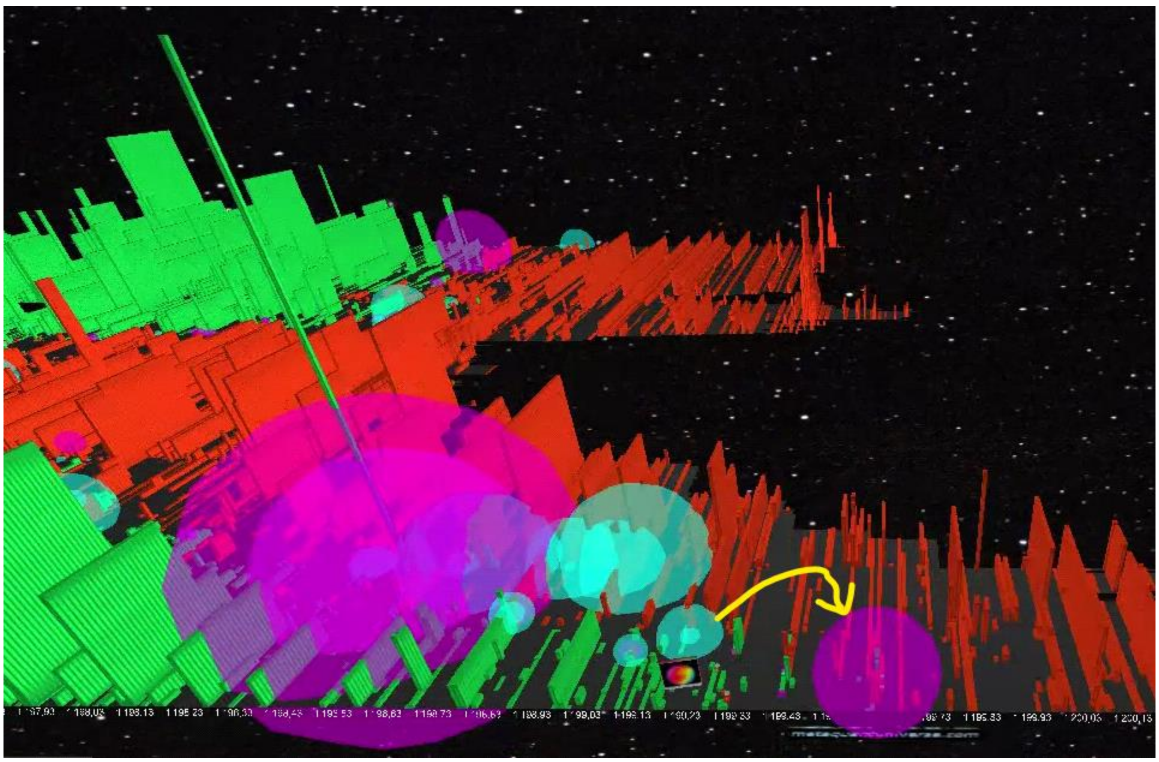
We can then see that the price continues to fall towards 1196 with some market buys which are surely people who take out the sales initiated just before. Then we start with a little flow of buy orders, and finally, a first small "buy" manipulation with this purple sphere which is executed well above the last best offer! We go from 1197.36 to 1197.78 in one trade!



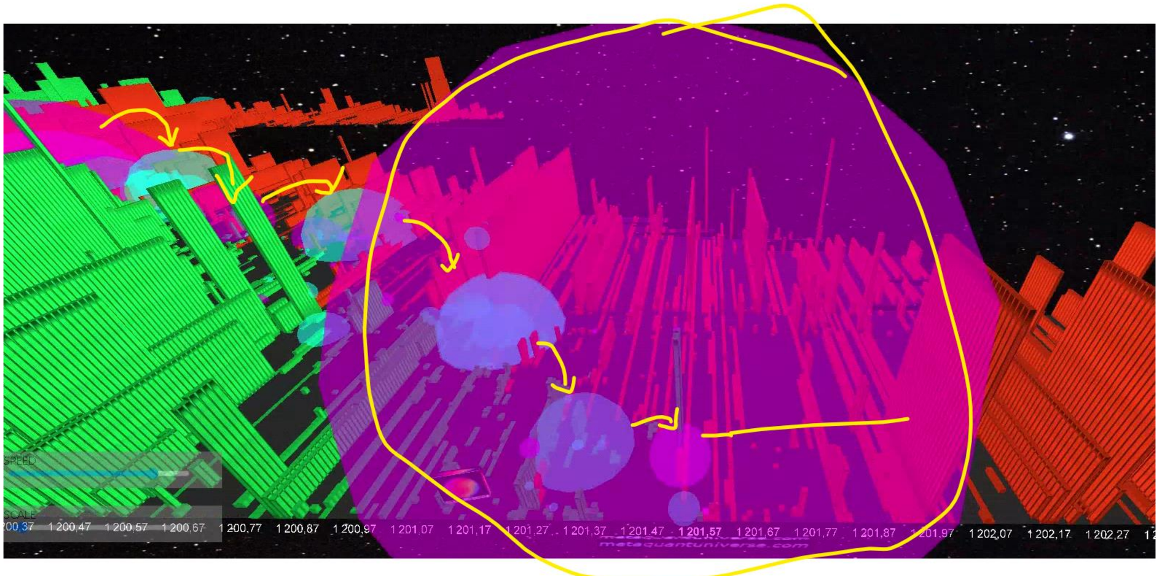
STEP 2 : A huge purple sphere appears around 1198 ! It prints as a "response" after a buying push towards 1199! This huge sell market is blocked by a big limit order at the BID which is very visible! (circled in yellow at the top of the screenshot). We can see here that this is a huge sell move! A huge short trade! And it is from there that we are going to notice, how, the market maker is going to do everything to "chase" this big order! By pushing the price in the other direction; and thus by putting under pressure the person who initiated this big trade! The goal here is simple: to make him crack! As soon as he cracks (as soon as his stop jumps); then the price will be able to go up violently with a cascade of stop losses which will be triggered.



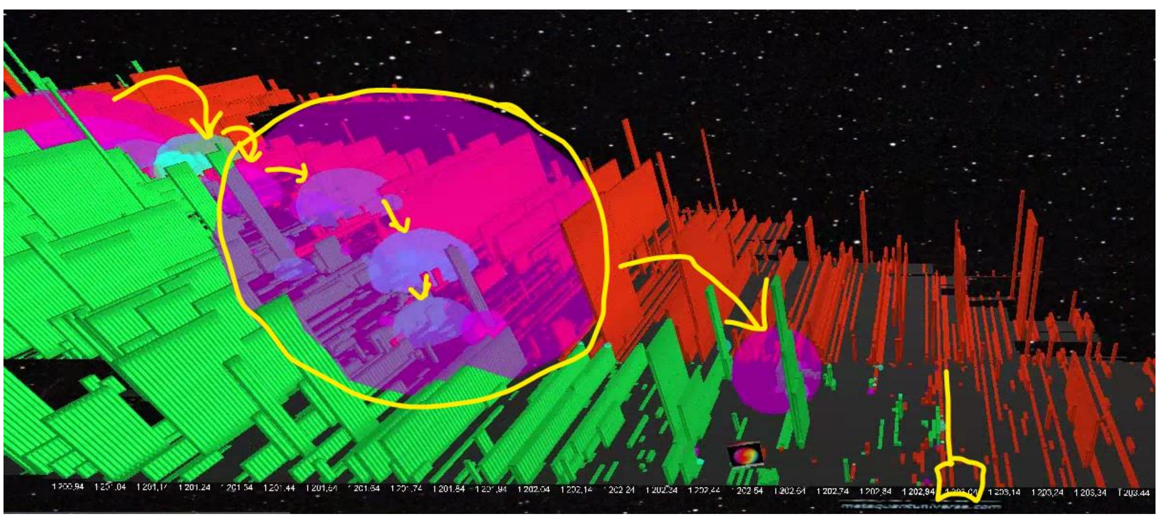
STEP 3 : We continue the bullish manipulation with an execution of a rather important short order in size which makes upticker the prices! The market maker seems to want to push even higher!



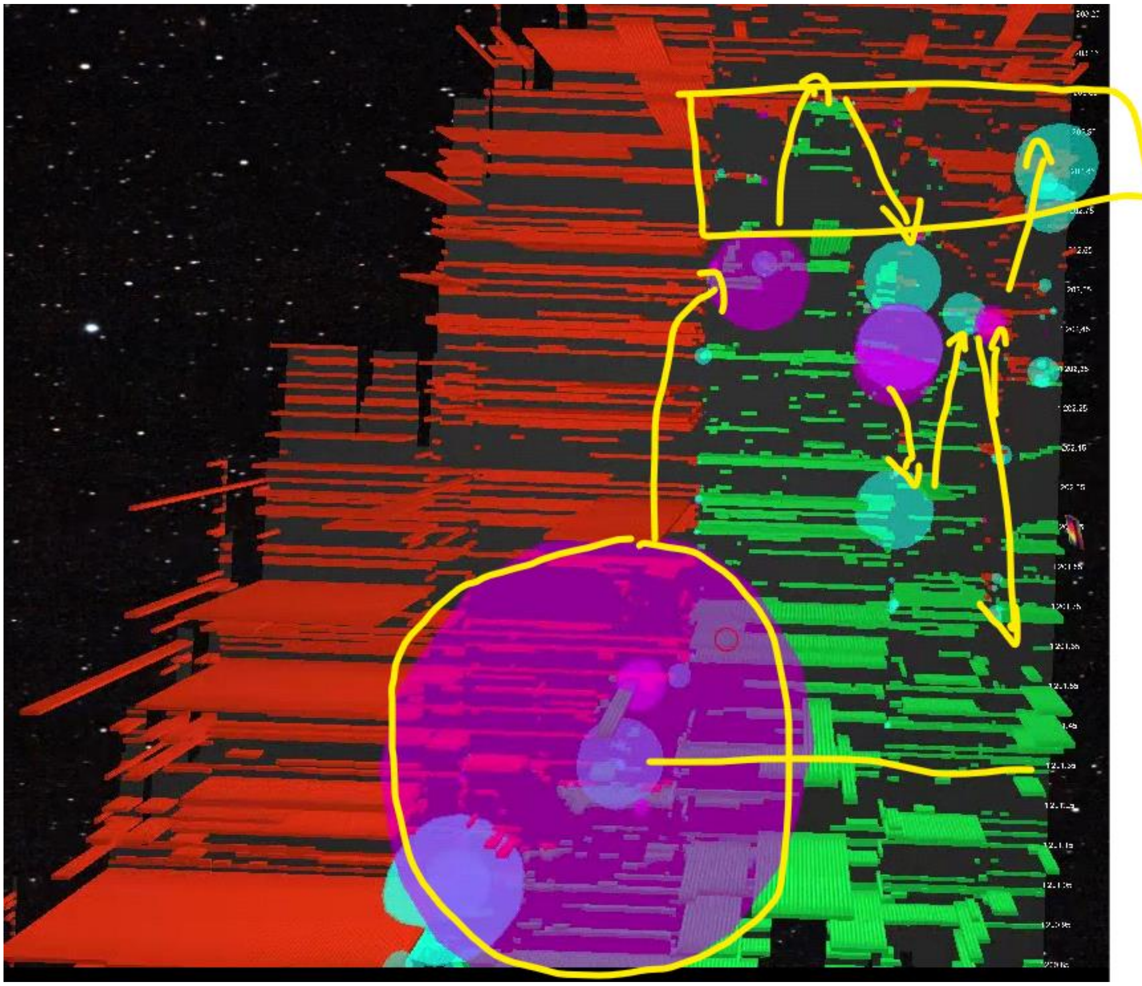
STEP 4 : Here we have another huge hit that is being made on the sell side with this huge short trade and this corresponding huge purple sphere! Just imagine for a moment, if it was a market maker who served this trade? He's going to want to chase it as fast as possible, to protect his risk and inventory, and get it out of the market as fast as possible!



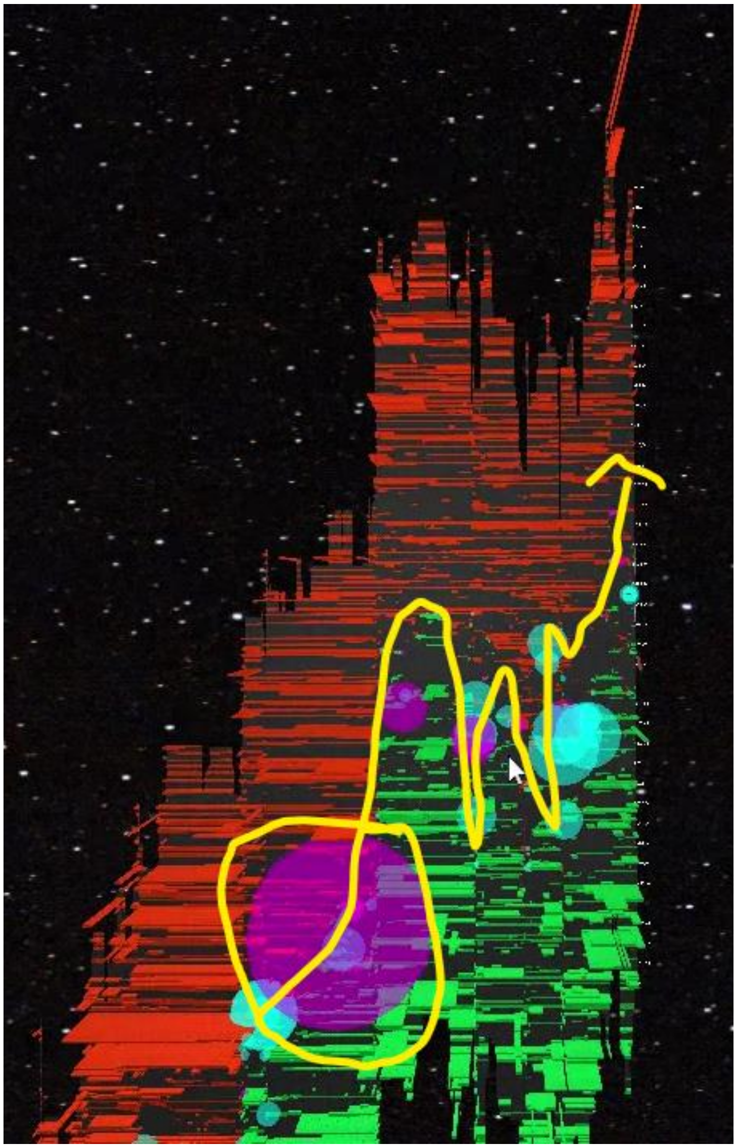
STEP 5 : We continue to rise the price "against the flow" with this new selling strike, admittedly less important in size, but which continues to make the price rise! Here on the 1202 points on the ETH!



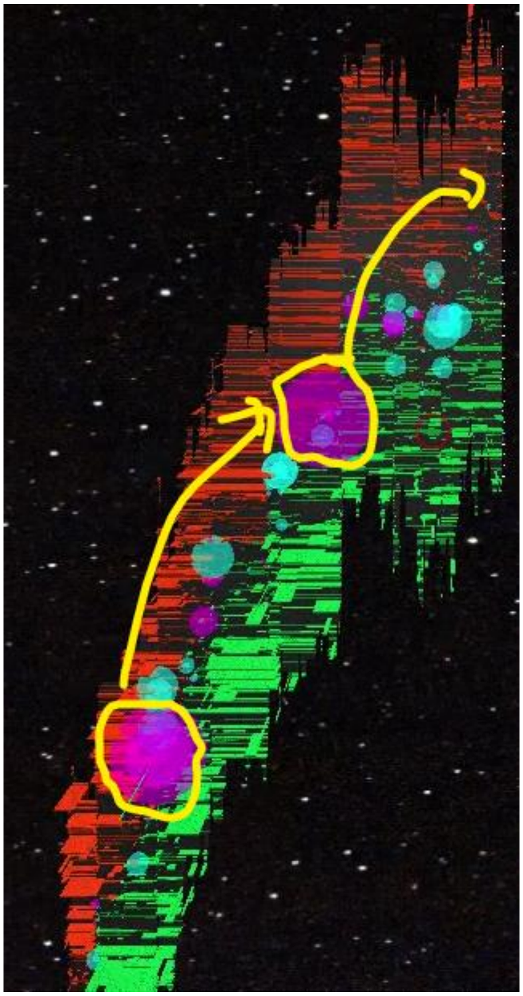
STEP 6 : We continue to push up on 1204, 1205! The two huge selling strikes that were served just below now find themselves with a latent loss that is growing! That is to say that they are caught in the throat, and will have to make a decision! generally to buy themselves in loss to limit the breakage; which will increase the rise of the prices!



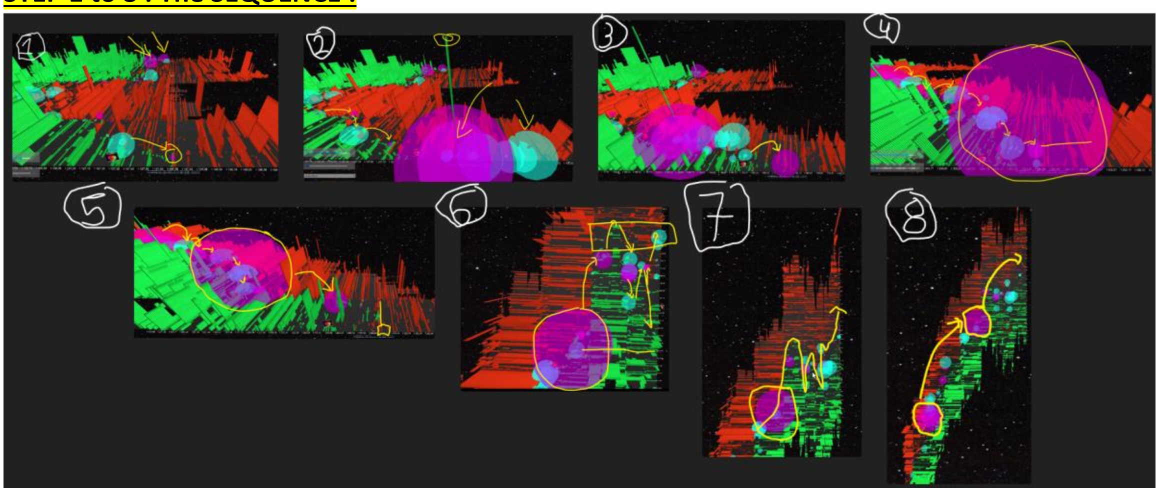
STEP 7 : unzoomed view in 2D oldschool style : a masterpiece ! We can see here very clearly how big volumes are chased by the market makers ! And this for a very simple reason .... It is the official market makers who are generally in front ! From there .... it is a power struggle that is exercised! You know the song.



STEP 8 : We finish the process by pushing even higher... the short squeez is now seen by everyone! And the uninformed traders are starting to want to get in on the buying! This is usually the time to get out for a scalper! (about 10 points up on ETH; or 100 ticks at FTX or 1000 ticks at Binance).



STEP 1 to 8 : The SEQUENCE :



If you want to find the complete VIDEO of this example recorded in high definition, you can view and download it here :
https://metaquantuniverse.com/videos/exemple%20on%20ETH%20USDT%20with%20strong%20manip

ulation%20on%20the%20upside.webm

or the parent file here : https://metaquantuniverse.com/videos

5) Dictionary :

Add Liquidity

Be the passive order in a trade.

Aggressive

An order whose limit price is beyond the best price of the opposite side of the book. Market orders are by definition aggressive.

Amend (an order)

Change something (quantity, price, etc) for an existing active order.

Ask Side

The side of the book where passive sell orders sit.

Auction

A special procedure at the start of a trading session where orders can be placed but not matched. At the end of the procedure, the system will match bids and asks together at the open price to uncross the book.

Average Fill Price

The average price per share an order achieved when all of the trades it did are taken into account.

Basis Points

A measure of percentages. 1 basis point (bps) is 0.01%.

Best Ask

The lowest price available from all of the passive sell orders.

Best Bid

The highest price available from all of the passive buy orders.

Bid Side

The side of the book where passive buy orders sit.

Bid/Ask Spread

The difference between the best ask and the best bid.

Cancel and Replace

A technique for changing your active order. The original order is canceled, and a new (changed) order takes its place.

Close Price

The price of the last trade in the trading day

Continuous Trading

The regular trading session where normal trading takes place.

Crossed Book

The situation where the best bid is greater or equal to the best ask. Only occurs during auctions, or if there is a fault with the exchange.

Crossing the Spread

To place an aggressive order and trade against the opposite side.

Depth

The distance in price levels from the top of the book.

Depth Chart

A way to visualise the cumulative liquidity at different book depths.

Display Quantity

The maximum quantity that an iceberg order will allow to be visible in the book at any one time.

Earning the Spread

When you have two passive orders both at the best bid and the best ask. If someone hits you bid and lifts your ask you have earned the spread from their trades, since the amount earned was the spread at the time.

Far Touch

The top of the book which is the opposite side as the order being submitted. Eg. the best ask if you are a buy order.

Filled

An order is filled when all of its quantity is traded out.

Fungible

Two assets that are the same and can be exchanged for each other.

Hidden Order

An order which is active in the book, but invisible to other participants.

Hit the Bid

Submit an aggressive sell order that trades against the best bid.

Iceberg Order

A special order type which only shows a small part of its total quantity. As it gets traded against, it will refill the visible quantity until it is fully traded out.

Indicative Equilibrium Price (IEP)

The estimated price at which the market will open during an auction.

Indicative Equilibrium Volume (IEV)

The estimated quantity that will be traded at the open during an auction.

Impact Ask Price

The price that will be the best ask if a certain quantity of shares is bought.

Impact Bid Price

The price that will be the best bid if a certain quantity of shares is sold.

Information Asymmetry

Where certain participants in a market have more market information than others.

Level 1 Data (L1)

Market data for only the top of the book. Also called quote.

Level 2 Data (L2)

Market data showing the total quantity at each price level in the order book.

Level 3 Data (L3)

Market data showing all of the price levels, and all of the individual orders at those price levels for an order book.

Lift the Ask/Offer

To submit an aggressive buy order that trades against the best ask.

Limit Order

An order with a Limit Price.

Limit Price

The worst price that a limit order will trade at against the other side.

Liquidity

A measure of how many shares can be sold or purchased without a significant effect on the price of that share. In the context of trading can also generally refer to amount of shares in an order book.

Lot Size

The multiple of which order quantity must be to go into the book.

Make

See Add Liquidity

Maker Fee

The fee paid by the participant that added liquidity.

Maker Rebate

A reward paid to the participant that added liquidity.

Market Maker

A participant (usually a firm) that tries to provide liquidity to traders and earn the spread / commission in the process.

Market Order

An order that has no limit price, and will keep matching against the opposite side until it is fully filled.

Match

To trade against another order.

Mid Price

A theoretical price half way between the best bid and the best ask.

Near Touch

The top of the book which is the same side as the order being submitted. Eg. the best bid if you are a buy order.

Offer

See Ask Price

Open Outcry

An older form of exchange trading where traders gather in a “pit” and yell out orders and make trades by voice and hand signals.

Open Price

The price at which a stock starts trading at for the day.

Order

An instruction to the exchange that you wish to buy or sell a certain security in a certain quantity and price. Submitted by market participants.

Order ID

A unique identifier that is used to identify a specific order.

Partially Filled

An order that has had some if its quantity traded out, but still has some quantity left.

Passive

A buy order below the best ask, or a sell order above the best bid.

Post

To post is to place a passive order.

Post Only

An instruction that can be set on an order that will immediately cancel the order if it is aggressive.

Price Discovery

The method by which market participants discover the best price for a security.

Price Impact

The change in price that can occur in a book if an aggressive order is sent.

Price Level

A price which is a multiple of the Tick Size in an order book.

Price/Time Priority

The system by which orders are ordered in a side of an order book.

Quantity

The number of shares an order wants to trade.

Queue Priority

The position an order has relative to other orders in the order book. See also Price/Time Priority.

Remove Liquidity

Being the aggressive order in a trade.

Resting Order

A passive order in the book.

Side

Buy or Sell.

Slippage

The difference in price between the expected price, and the actual achieved price for an order. Can be positive or negative. Especially relevant for Market Orders

Stop Order

A special type of order that is only activated once a specific price condition is reached.

Submission Time

The time when the order is submitted.

Take

To submit an aggressive order

Taker Fee

The fee that is paid by the person that was aggressive, and removed liquidity.

Tick Size

The minimum price change that is possible in the book.

Time In Force (TIF)

A special instruction that can be put on an order to adjust its behaviour and how long it will be active in the market.

Tighten the Spread

To reduce the distance between the best bid and best ask.

Top of the Book

The best bid and best ask.

Trade

To make an exchange of certain quantity securities/cash at a specific price.

Trading Session

A set period of time where auctions, continuous trading, etc can occur. Seen more often in traditional markets such as equities.

Visibility

If an order is visible of hidden.

Volume

The amount of shares traded in a given time period.

Volume Weighted Average Price (VWAP)

A method for calculating the average price of several trades based on their quantity.

Widen the Spread

To increase the gap between the best bid and best ask.

WEBSITE : https://metaquantuniverse.com/

MAIL : support@metaquantuniverse.com
TELEGRAM : https://t.me/QuantMapChannel
FACEBOOK : https://www.facebook.com/profile.php?id=100010372865291
YOUTUBE : https://www.youtube.com/channel/UCkwbm2Jw6q1qbb28azfO3hA
TWITTER : https://twitter.com/NicoooooooFX