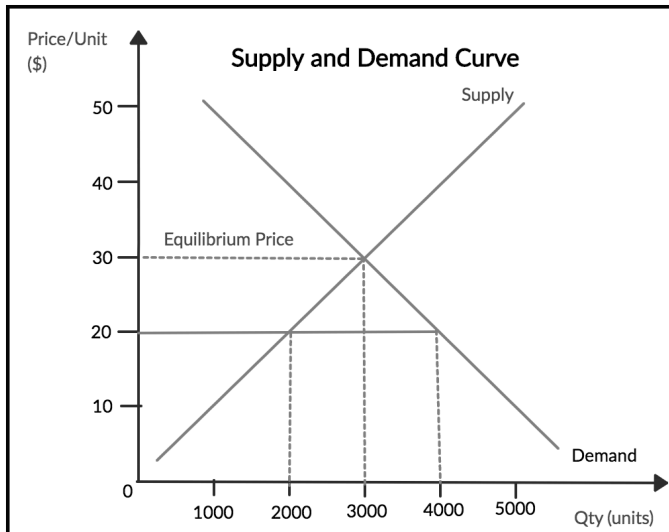


# Supply & demand - cheat sheet

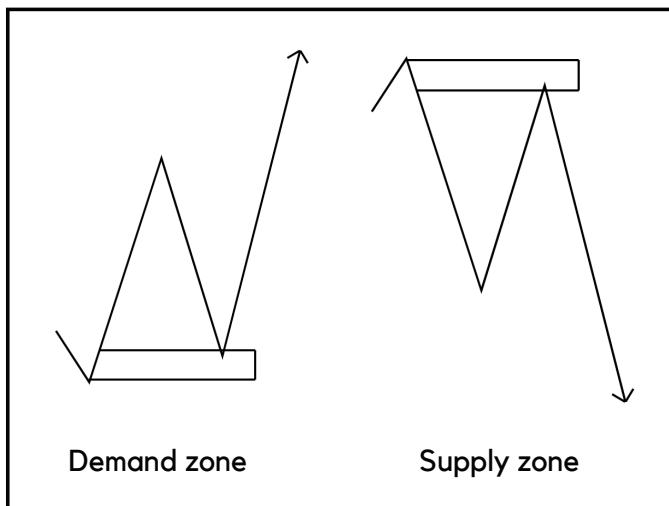
The core of our trading revolves around supply & demand. There are a few ways that we use supply & demand - for entries and for targets. Let's take a look at the concepts of supply and demand and the different uses it has within our work.



The market moves based on the battle between buyers & sellers. When buyers are in control the market moves up because there is 'demand' to buy a currency.

When sellers are in control the market moves down because excess units (supply) of an asset or currency enter the market.

Supply & demand in currency trading is the same as supply & demand in any other market/business. It's good to understand how the concept works as it gives you a real understanding of the WHY behind the market.



The concept of supply & demand can be seen on currency price charts. Demand zones are visible around consolidation areas below large upside moves.

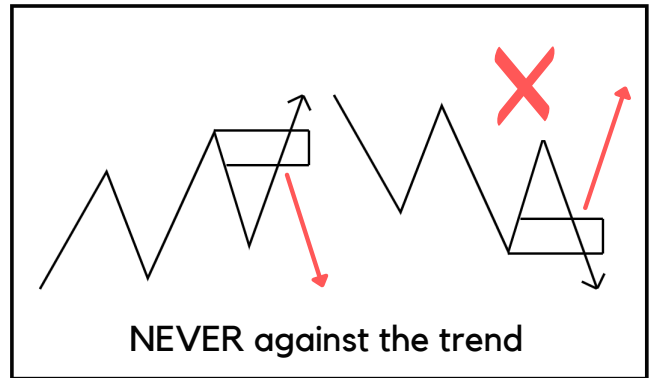
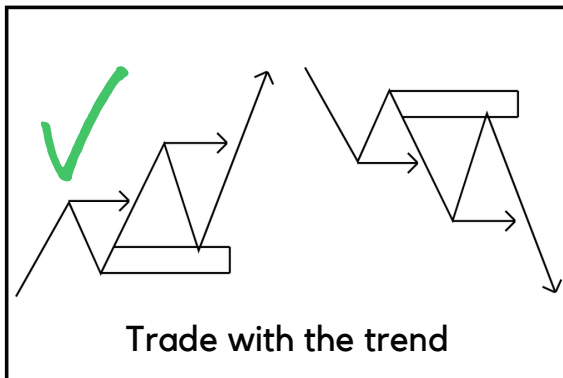
Supply zones are the opposite, seen as consolidation areas at the top of large downside moves.

Within our trading we look to identify supply & demand consolidation areas around highs & lows and we use these for our entries. We also use them for targets. Supply & demand zones are only relevant for their first tap. Once a supply/demand zone has been retested once they are now classed as 'efficient' and we will no longer look to use that zone for entries/targets.

# Supply & demand - cheat sheet

## Supply & Demand areas as entry zones

We always want to use supply & demand in line with the concepts of market structure and market efficiency. We want to buy from imbalanced demand zones only when structure is up and we want to sell from imbalanced supply zones only when the structure is down. It's important to make sure we are only trading with structure and never against as this leads to many losses.



## Which zone do we buy/sell from?

We generally want to buy/sell from the zone that brings the strength to the market. So this means we are looking to trade out of the zone that broke structure. In an uptrend when price makes a HH we want to buy the zone that caused that break.

Sometimes an imbalance can be left open, other times it needs to close. This is determined by which zone broke recent structure. See below:

