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Learn | Practice | Profit

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# **THE SUPPLY AND DEMAND IN DEPTH**

*The Holistic Approach in Reading the Market*

By Nazmier Amzar

*This program is dedicated to those who are looking forward  
to learning the Supply and Demand and its components  
thoroughly.*

*I hope this effort would be a good help to those who are  
still looking to learn and understand the concept. All the  
best to you.*

Regards,  
Nazmier Amzar.

# DISCLAIMER

This note is made for educational purpose only. If you lose money while demonstrating the things I've outlined here; therefore, it is under your own risk.

I am not responsible and shall not be liable for such loses if this strategy doesn't suit you at any length.

Regards,  
Nazmier Amzar Azman  
2020.

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# **PLEASE REMEMBER THIS RULE!**

Any trade Setup taken in SND has to be a **complete setup**. We only trade a complete setup where **all clues are in place**. If this rule is void, then misjudgment is definitely apparent.

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# TRADING IS ABOUT RISK vs REWARD

One thing we have to know for sure, there is no technique or setup that is Holy Grail. That is as ambiguous as it may sound. If you want a NO LOSS trade, the only way is to not trade at all and enjoy PUBG.

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# **THE ONLY WAY TO KEEP ON WINNING**

If you want to keep on winning and lose less, practicing and doing back testing is the best thing to do. While we train ourselves by looking at the past price action, we are building the ability to read the market like reading the books.

# JARGONS IN SUPPLY AND DEMAND

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**H** – High

**L** – Low

**HH** – Higher High

**LL** – Lower Low

**QM** – Quasimodo

**QML** – QM Level/QM Line

**Upper** – The Upper Part of QM that consists of H & HH

**Lower** – The Lower Part of QM that consists of L & LL

**MPL** – Maximum Pain Level

**DP** – Decision Point

**SL** – Stop Loss

**TP** – Target Profit

**RBR** – Rally Base Rally

**RBD** – Rally Base Drop

**DBR** – Drop Base Rally

**DBD** – Drop Base Drop

**FTR** – Fail to Return

**FTB** – First Time Back

**Fakeout** – Fake Breakout

**SR Flip** – Support & Resistant Flip

**RS Flip** – Resistant & Support Flip

**SSR** – Significant Support & Resistant

**SRS** – Significant Resistant & Support

**KINK** – Refers to King Setup

**Supply** – Refers to the Supply Zone or Sell Zone

**Demand** – Refers to the Demand Zone or Buy Zone

**TF** – Time Frame

**HTF** – Higher Time Frame (D1, W1, MN)

**LTF** – Lower Time Frame (H4, H1, M30, M15)

**STF** – Small Time Frame (M5, M1)

**CP** – Compression

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# CHAPTER 1

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## The Trends

## THE MAJOR TRENDS

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There are basically **TWO** trends that you can see in the market. The first one is the **UPTREND**. The second one is the **DOWNTREND**.



This is **UPTREND**. Some people call it **BULLISH**.  
In Supply and Demand Trading, we call it  
**RALLY**.

This is **DOWNTREND**. Some people call it **BEARISH**. In Supply and Demand Trading, we call it **DROP**.



RALLY

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## The RALLY MOVE

Whenever the market is making its move UP, it is called **RALLY**. At this point, buyers are empowering the market.



DROP

## The DROP MOVE

Whenever the market is making its move DOWN, it is called **DROP**. At this point, sellers are empowering the market.



# CHAPTER 2

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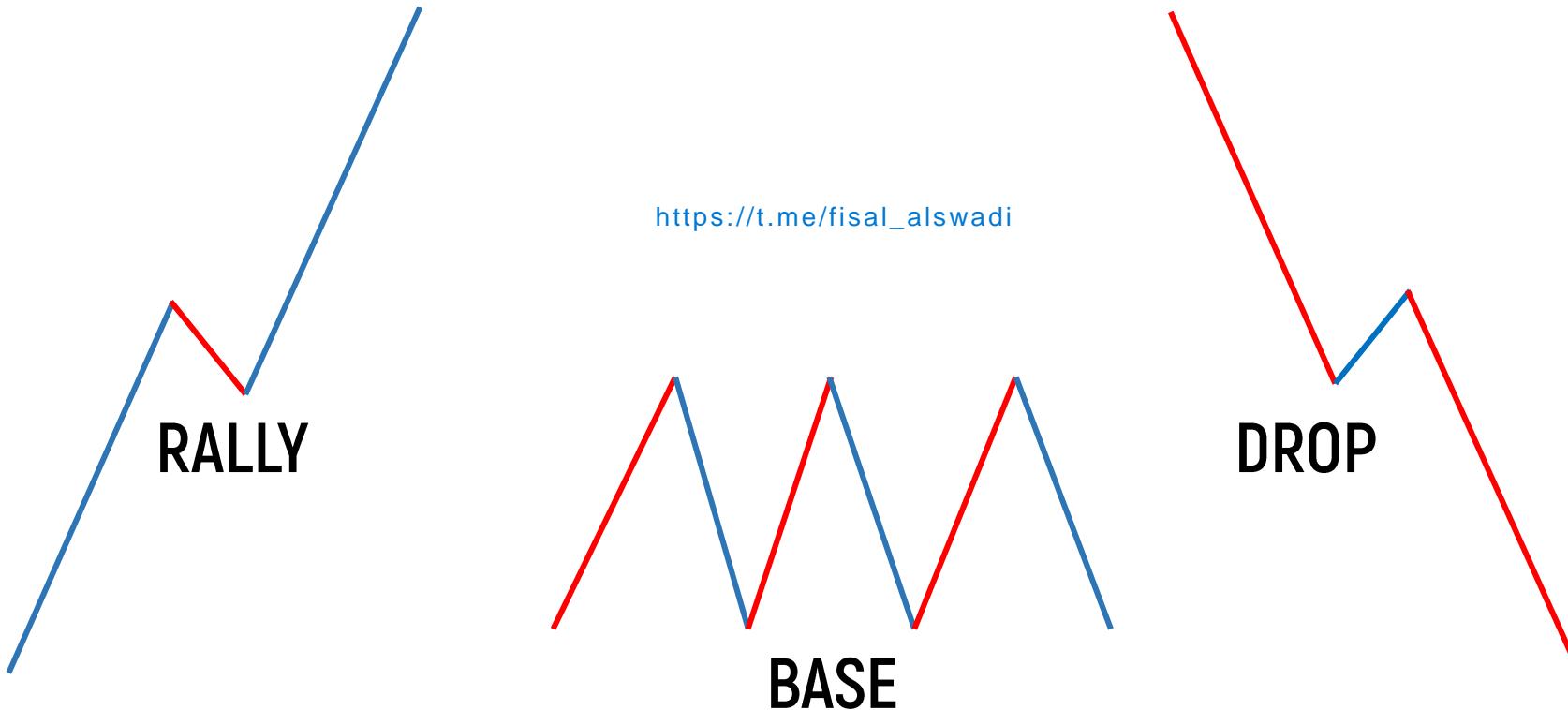
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## The Price Movement

# THE MARKET MOVEMENTS

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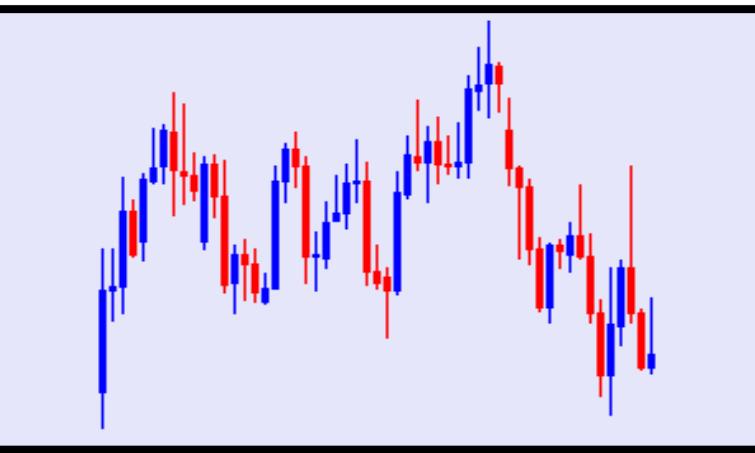
There are basically THREE market moves that create the ups and downs of the market. They are as follows:



Sometimes it is called sideways. But in Supply and Demand, it is called **BASE**.



**RALLY**



**BASE**



**DROP**

So, these are what we got on the chart. The 3 basic moves that you can always find that makes the ups and downs in the market.

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# The 4 Market Moves

The 3 market movements create 4 market moves that shaped the chart and create patterns of ups and downs we see in the market.

# THE MARKET MOVEMENTS

**DEMAND**

**SUPPLY**

RALLY BASE RALLY  
RBR

DEMAND ZONE

DROP BASE DROP  
DBD

SUPPLY ZONE

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DROP BASE RALLY  
DBR

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DEMAND ZONE

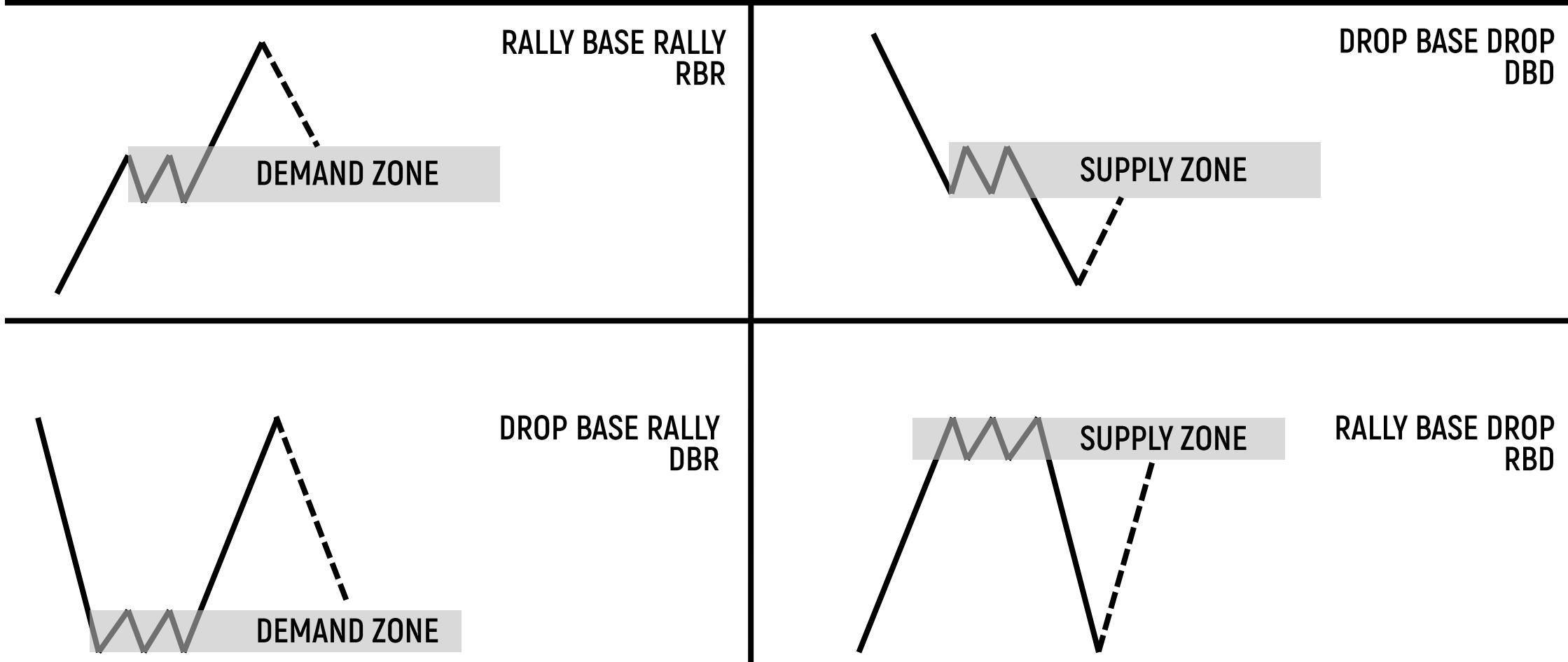
RALLY BASE DROP  
RBD

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# THE MARKET MOVEMENTS

## PRICE RETRACE

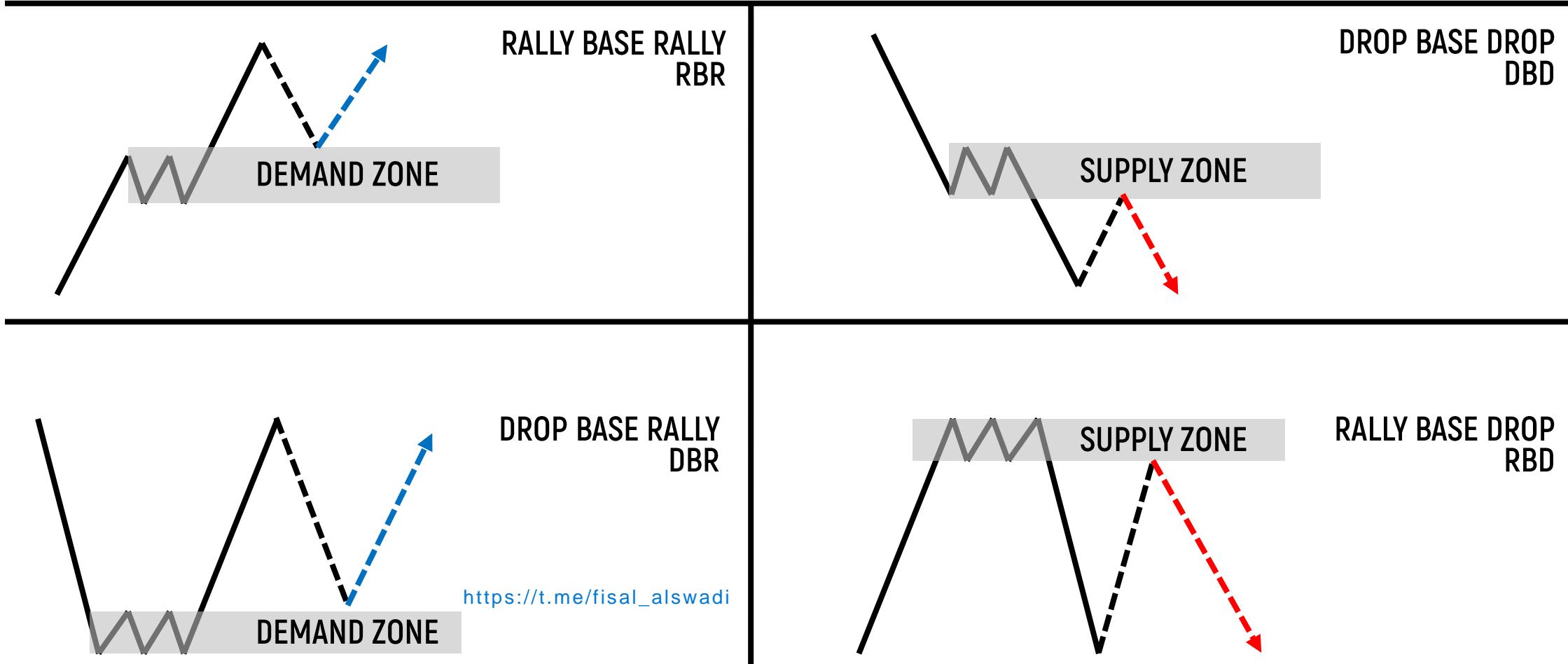
## PRICE RETRACE



# THE MARKET MOVEMENTS

BUY

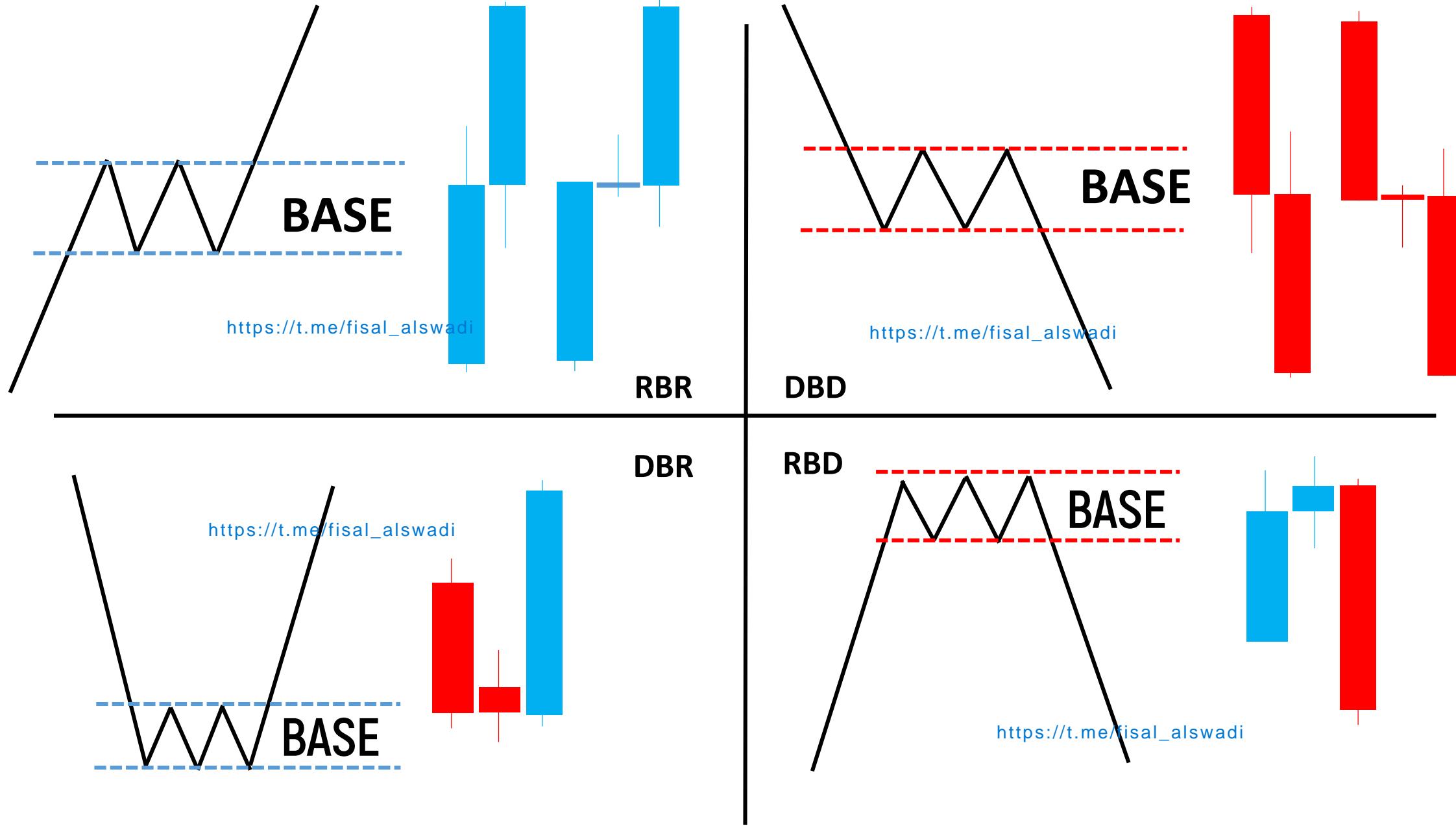
SELL



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# How Does it Look in the Chart?

These moves are basically candles combination that we can find across the chart at any Time Frame





# CHAPTER 3

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## Introduction to the Zones

# **What are the Zones?**

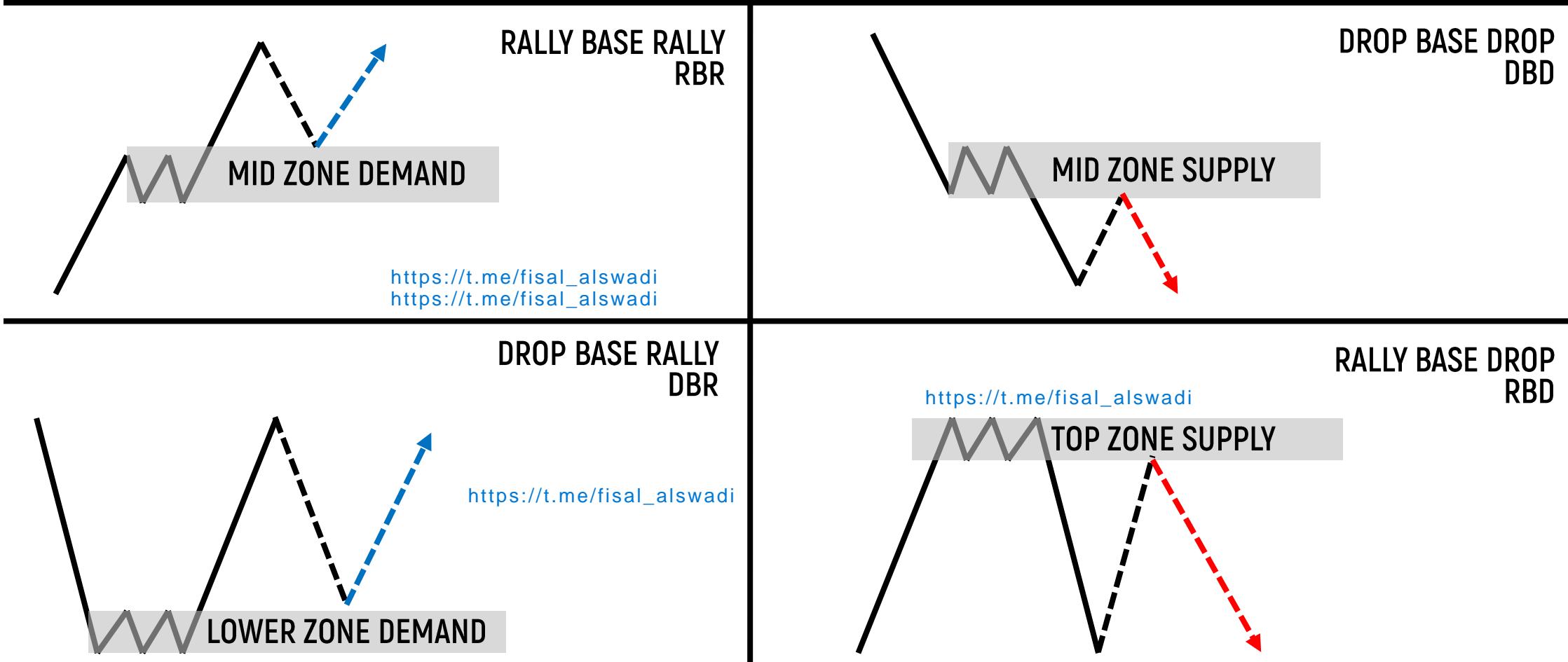
There are 3 Zones that we are going to look for our trade.

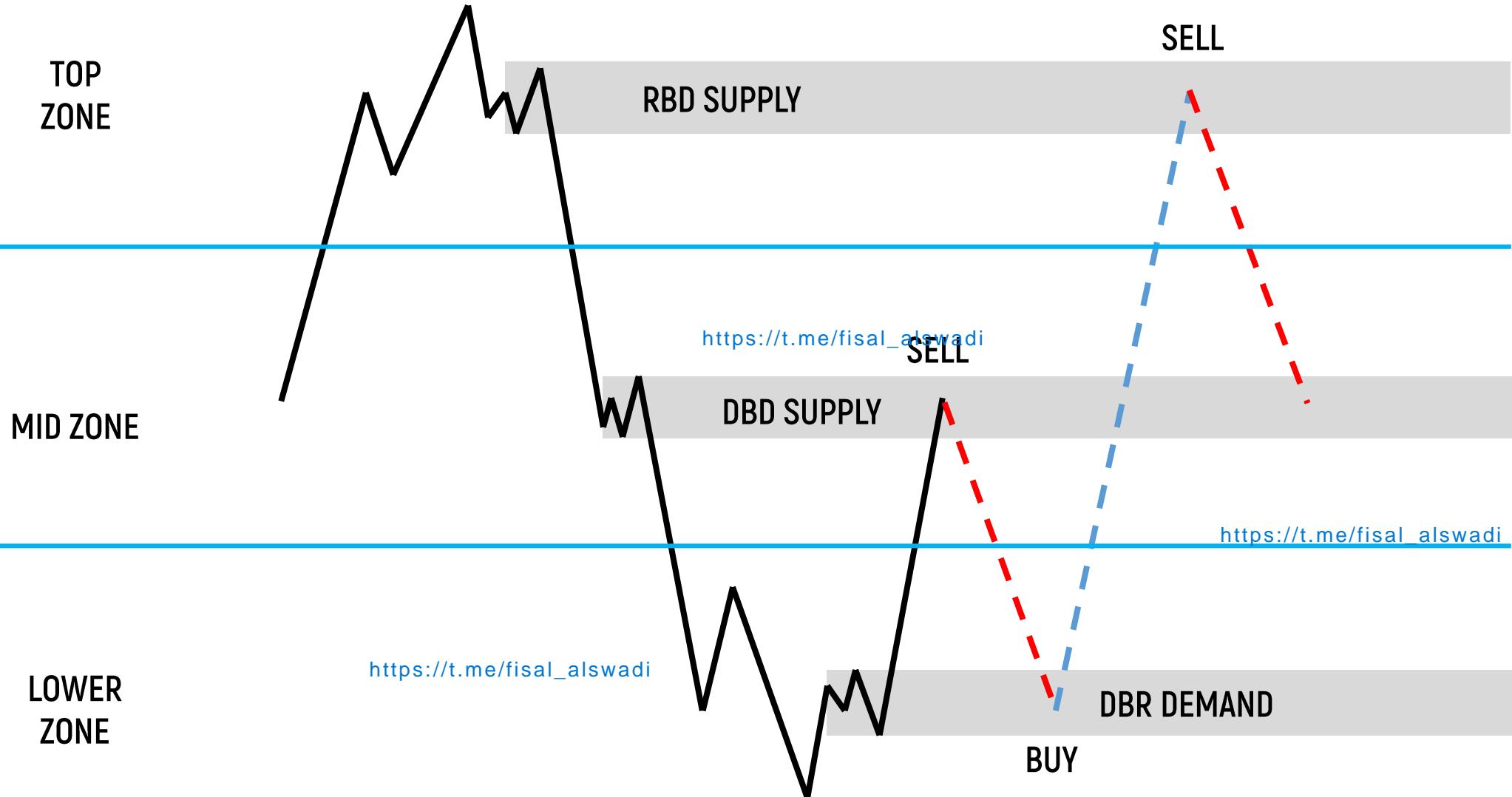
Let's see what the zones are.

# WHERE ARE THE ZONES?

**DEMAND ZONE = BUY**

**SUPPLY ZONE = SELL**





TOP  
ZONE

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SELL

RBD SUPPLY

MID ZONE

RBR DEMAND

BUY

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LOWER  
ZONE

DBR DEMAND

BUY

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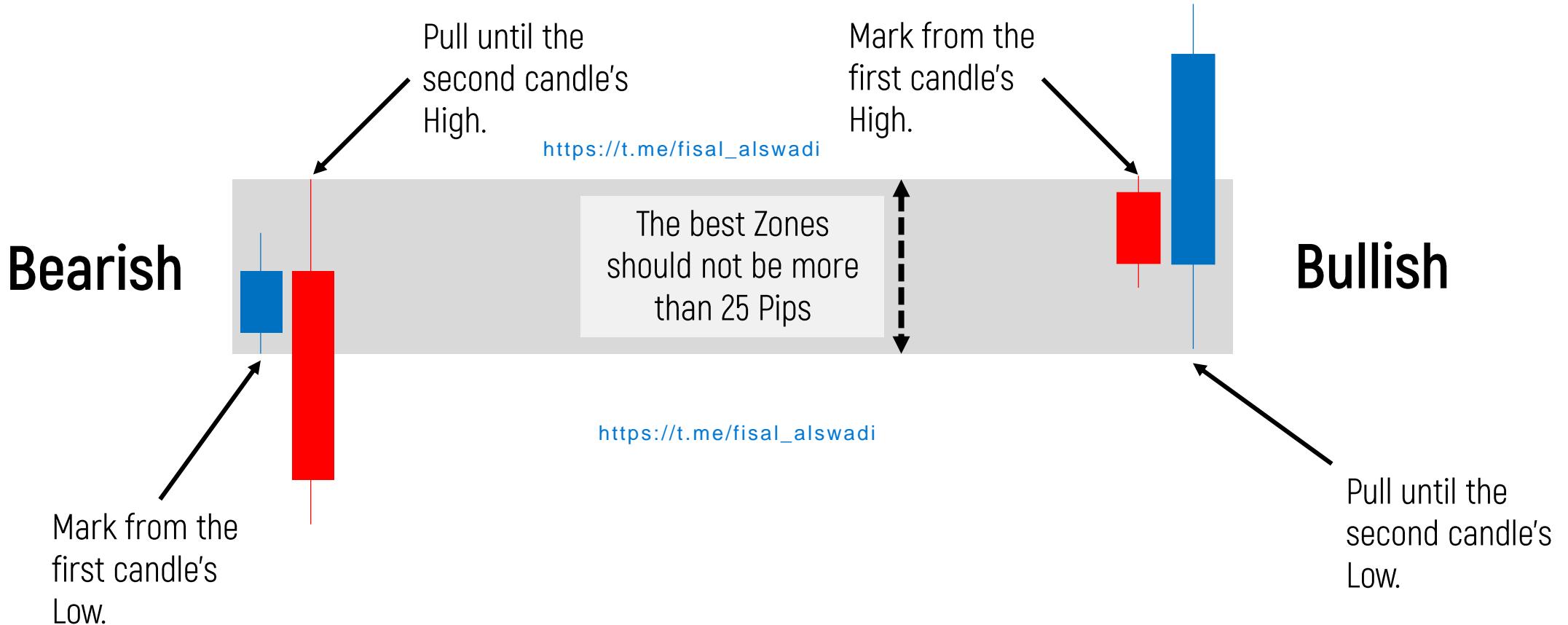
# **How to Mark the Zone?**

This is how we do the marking of the Zone whenever we find one that has a good setup to trade.

# HOW TO MARK THE ZONES?

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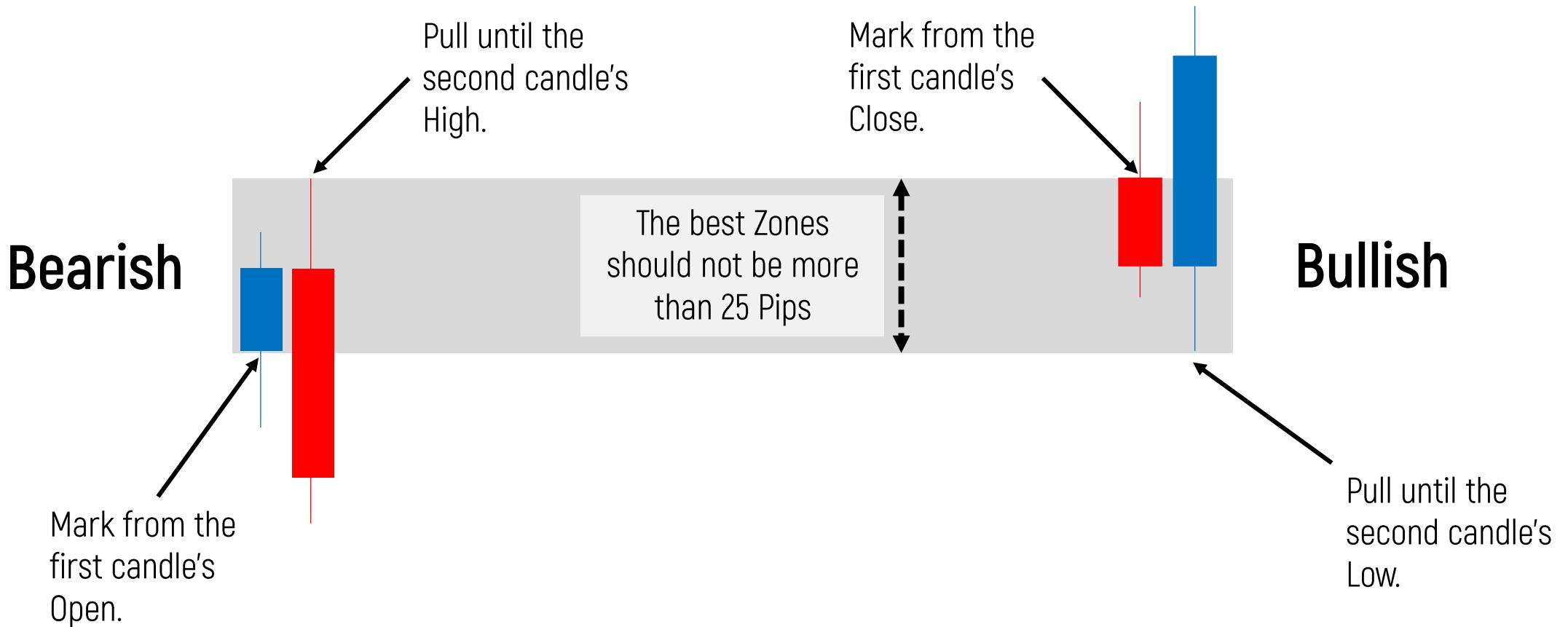
## Standard Marking



# HOW TO MARK THE ZONES?

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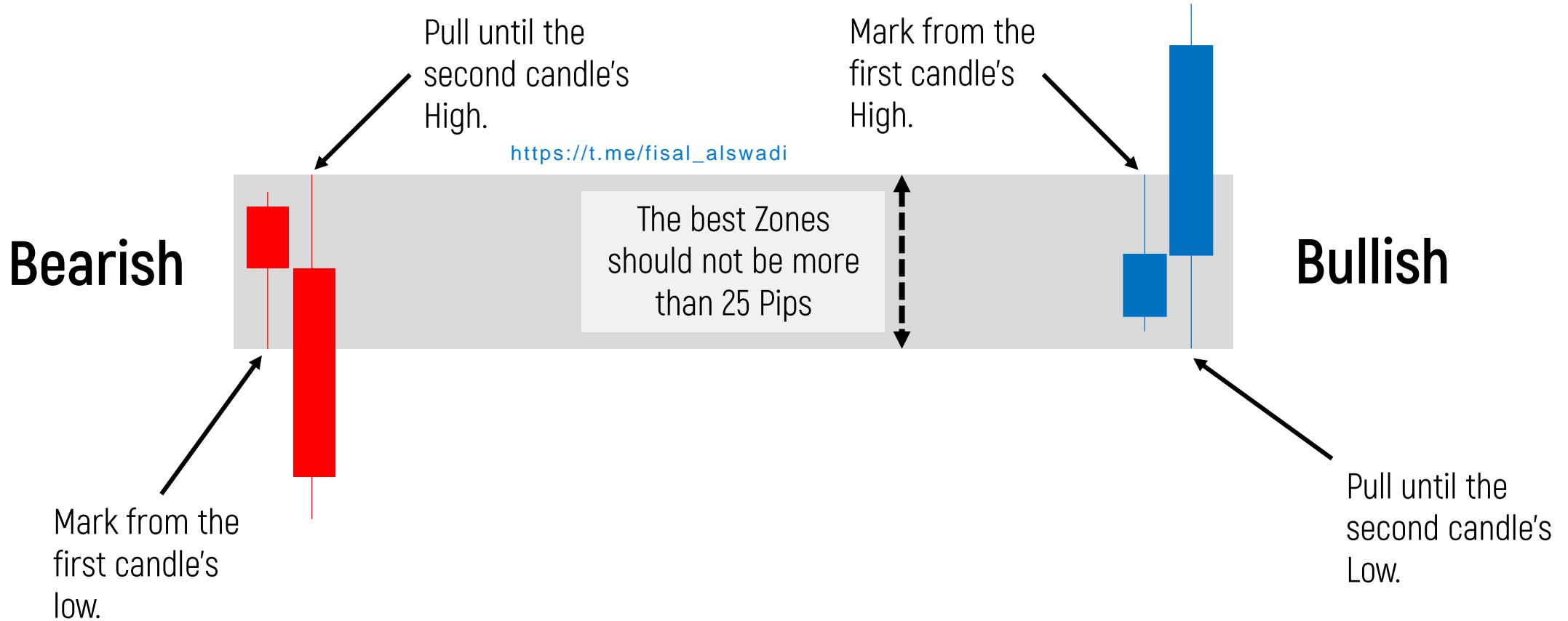
## Long Wick Marking



# HOW TO MARK THE ZONES?

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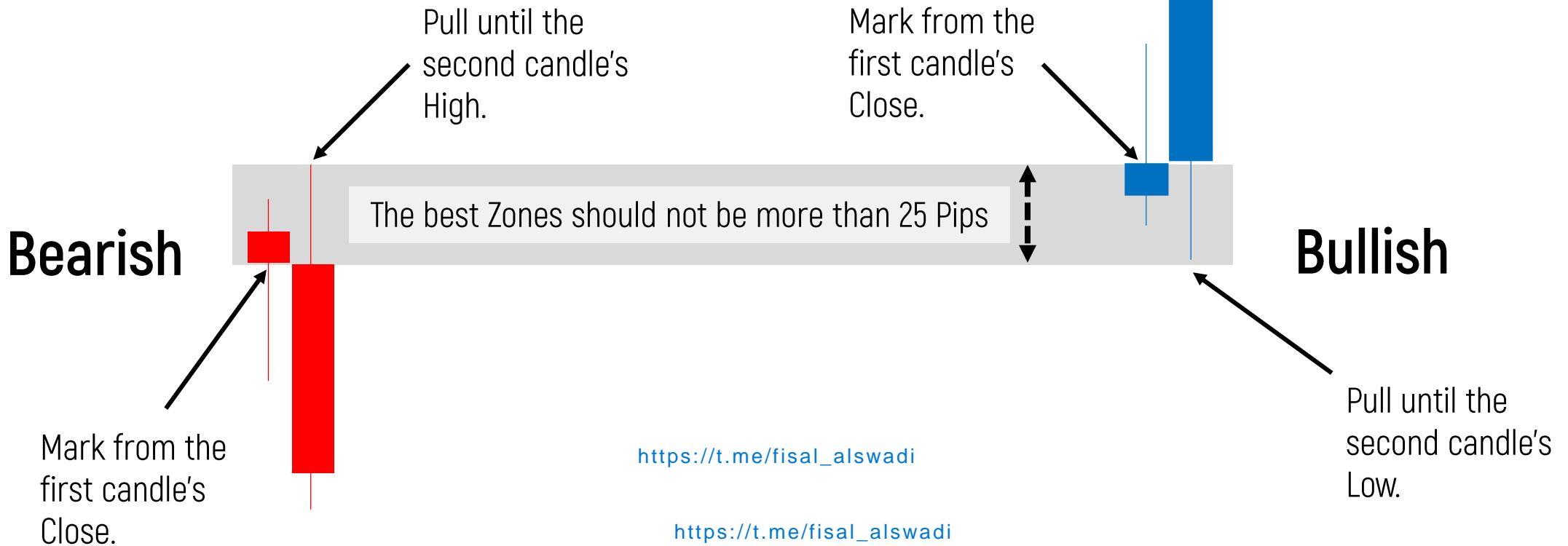
## Standard Marking



# HOW TO MARK THE ZONES?

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## Long Wick Marking



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# CHAPTER 4

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## The Setups

# The Setups in This Chapter

In this Chapter, I will be discussing these things:

Quasimodo (QM)

Maximum Pain Level (MPL)

The Engulfings

# **PLEASE REMEMBER THIS RULE!**

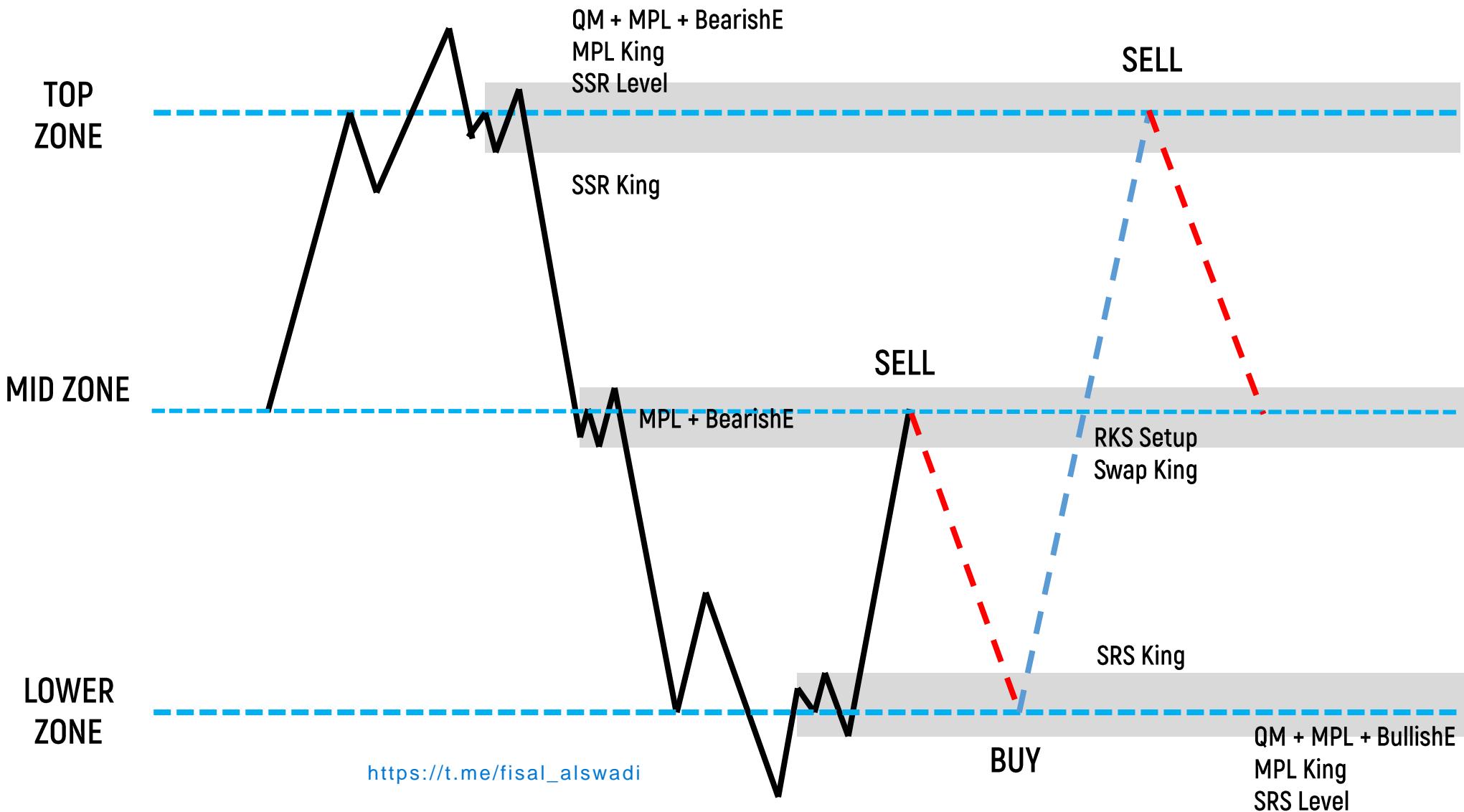
Any trade Setup taken in SND has to be a **complete setup**. We only trade a complete setup where **all clues are in place**. If this rule is void, then misjudgment is definitely apparent.

# **What Setups to Look for?**

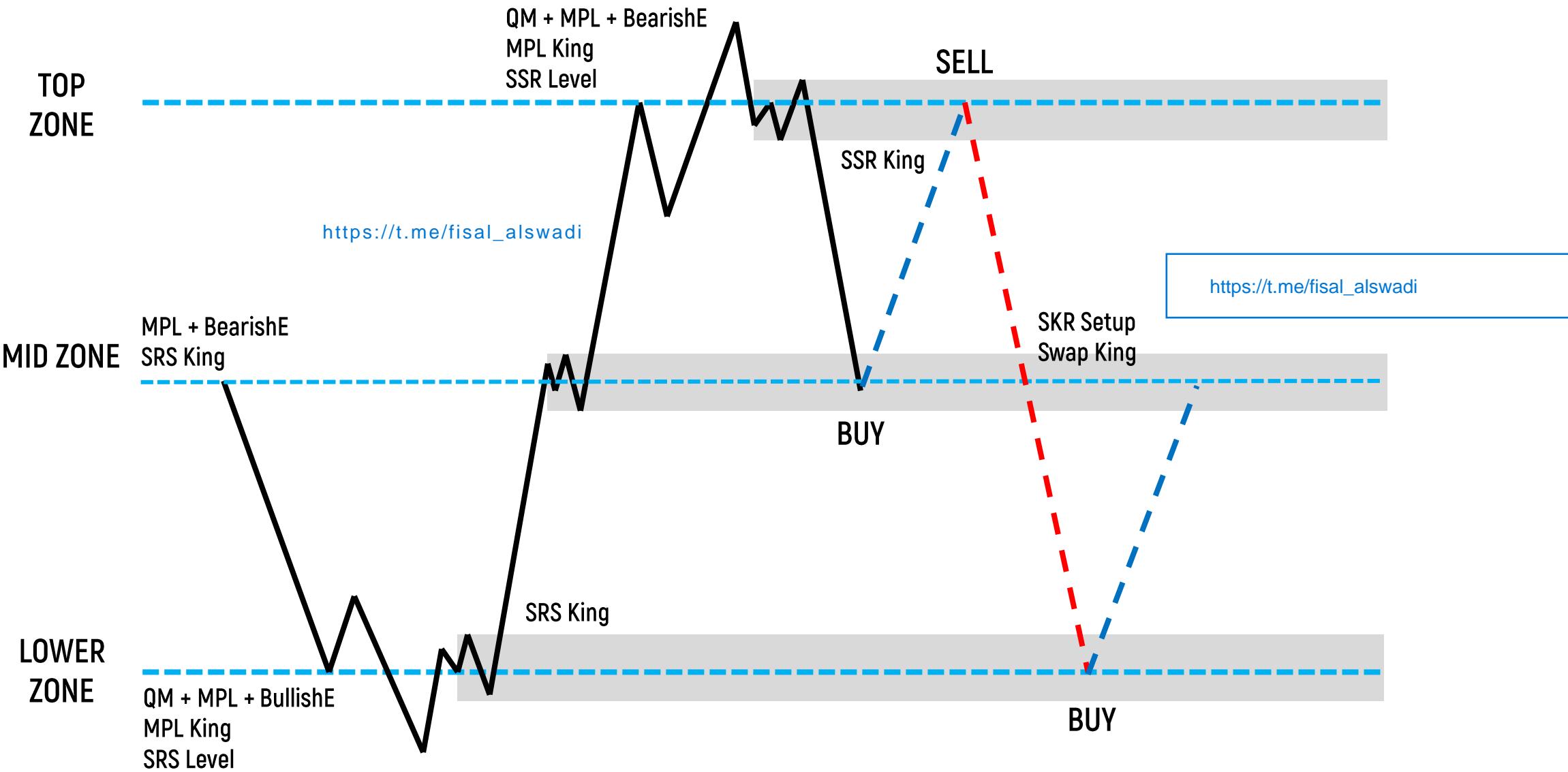
These are the setups that are prominent in every zone.

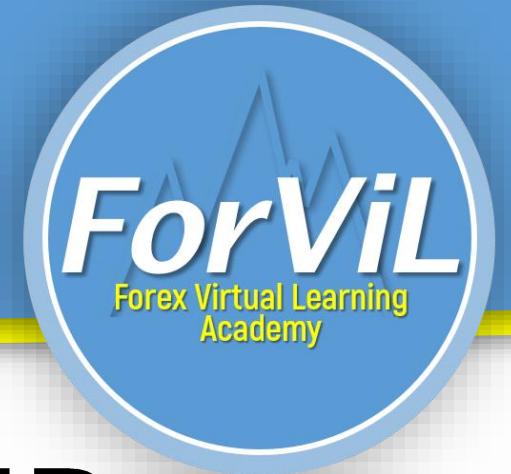
Each and every zone is unique to its setup.

# THE SETUPS AT EVERY ZONE



# THE SETUPS AT EVERY ZONE





# THE TOP ZONE SETUP

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Discussing Further on the Top Zone Setup

# What is Top Zone Setup?

Top Zone Setup refers to the setups that happen only on Top Zones. The most prominent Setup would be QM + MPL + Bearish Engulfing. In this chapter, I would specialize on discussing the QM + MPL + Bearish Engulfing Setup.



# THE QM 101

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Understanding the Things Behind QM

# Introduction to Quasimodo

The Quasimodo or QM is the first and foremost setup to learn and a must-know for every SND trader. This setup would entail other related setup in Supply and Demand method.

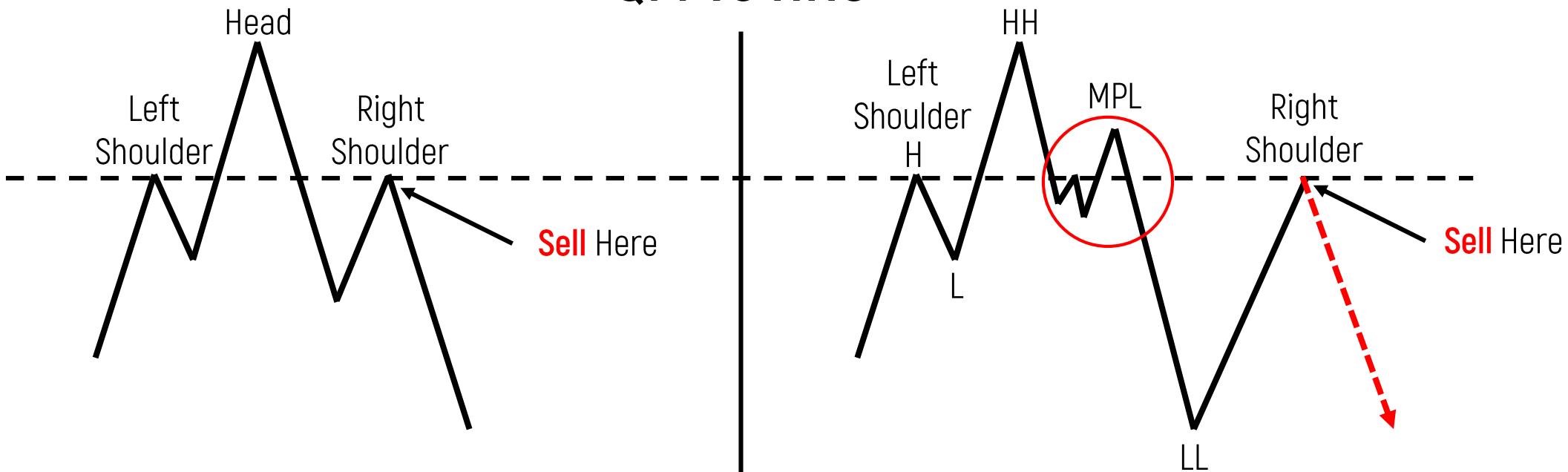
Let's begin!

# Is QM Head and Shoulder (HNS)?

The QM has the shape of HNS alike, but it is not HNS to be exact. In fact, it is totally a different setup altogether. Let's see the difference closely.

# INTRODUCTION TO QUASIMODO

## QM vs HNS



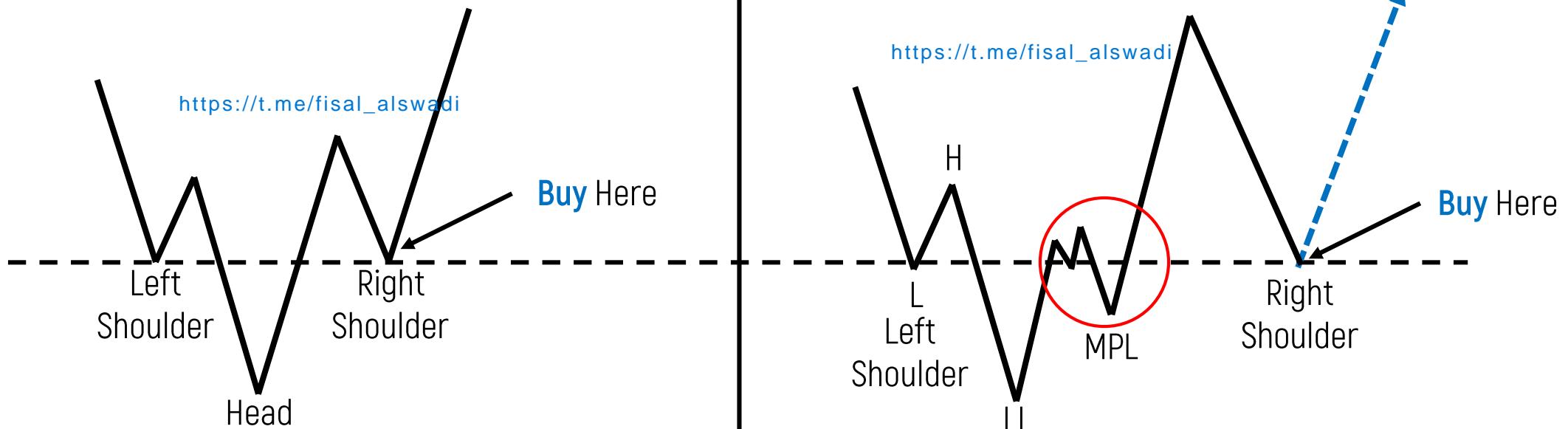
Head and Shoulder in general. It has left shoulder, head and right shoulder. This is more to chart pattern and can appear everywhere in across the chart.

QM on the other hand, is a complex pattern that appear **only during trend reversal**. Notice the formation of High (H), Low (L), Higher High (HH) and Lower Low (LL).

One unique thing that differs QM from HNS is the MPL (in circle). It appears in between the HH and LL. We SELL at the QM line when the price come back.

# INTRODUCTION TO QUASIMODO

## QM vs HNS



Same goes to the BUY Head and Shoulder. This is how it looks like in general.

QM on the other hand, is a complex pattern that appear **only during trend reversal**. Notice the formation of Low (L), High (H), Lower Low (LL) and Higher High (HH).

This one is the QM for BUY setup. We BUY at the QM line when the price come back.

# The QM Anatomy

A complete QM may contain these things:

QM (H, L, HH, MPL, LL)

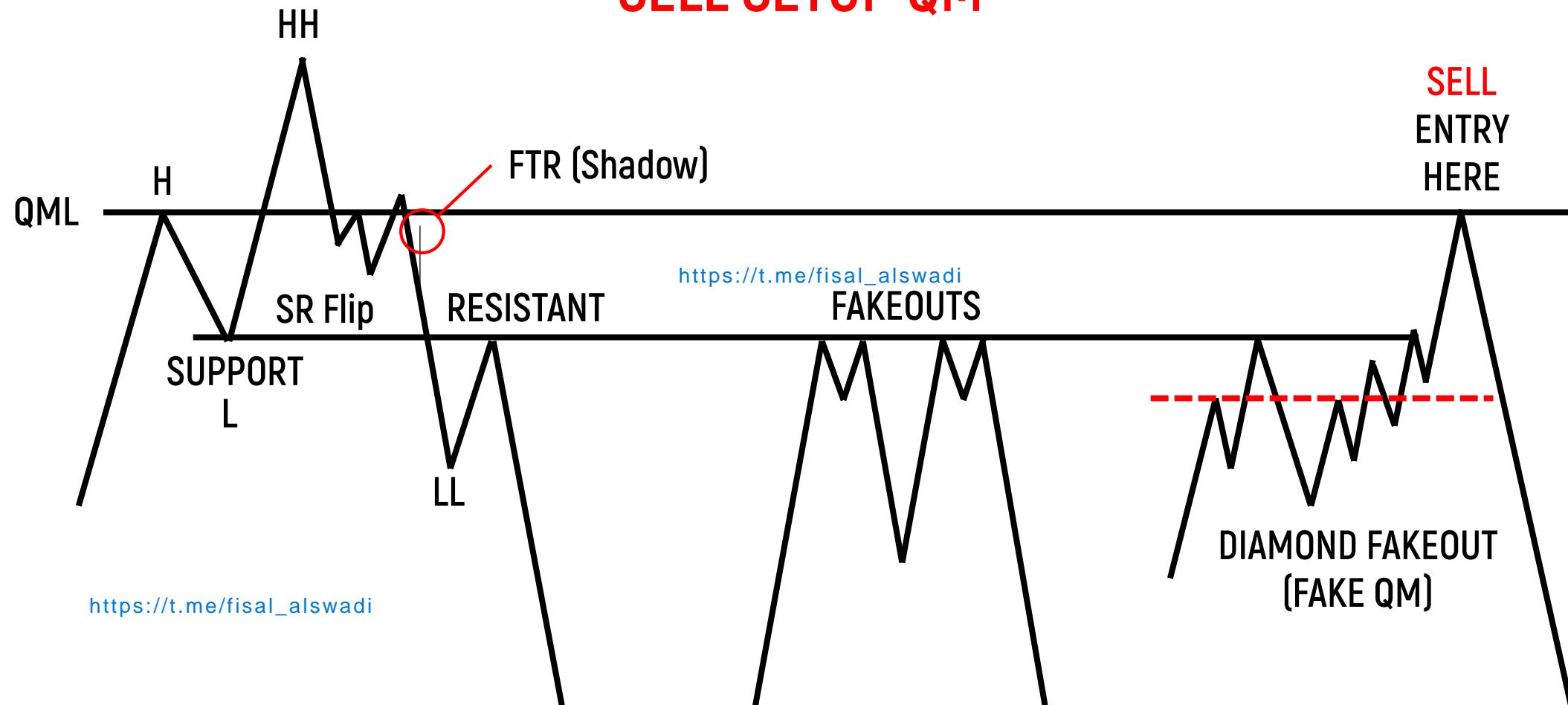
SR Flip

Fail to Return (FTR)

Fakeouts

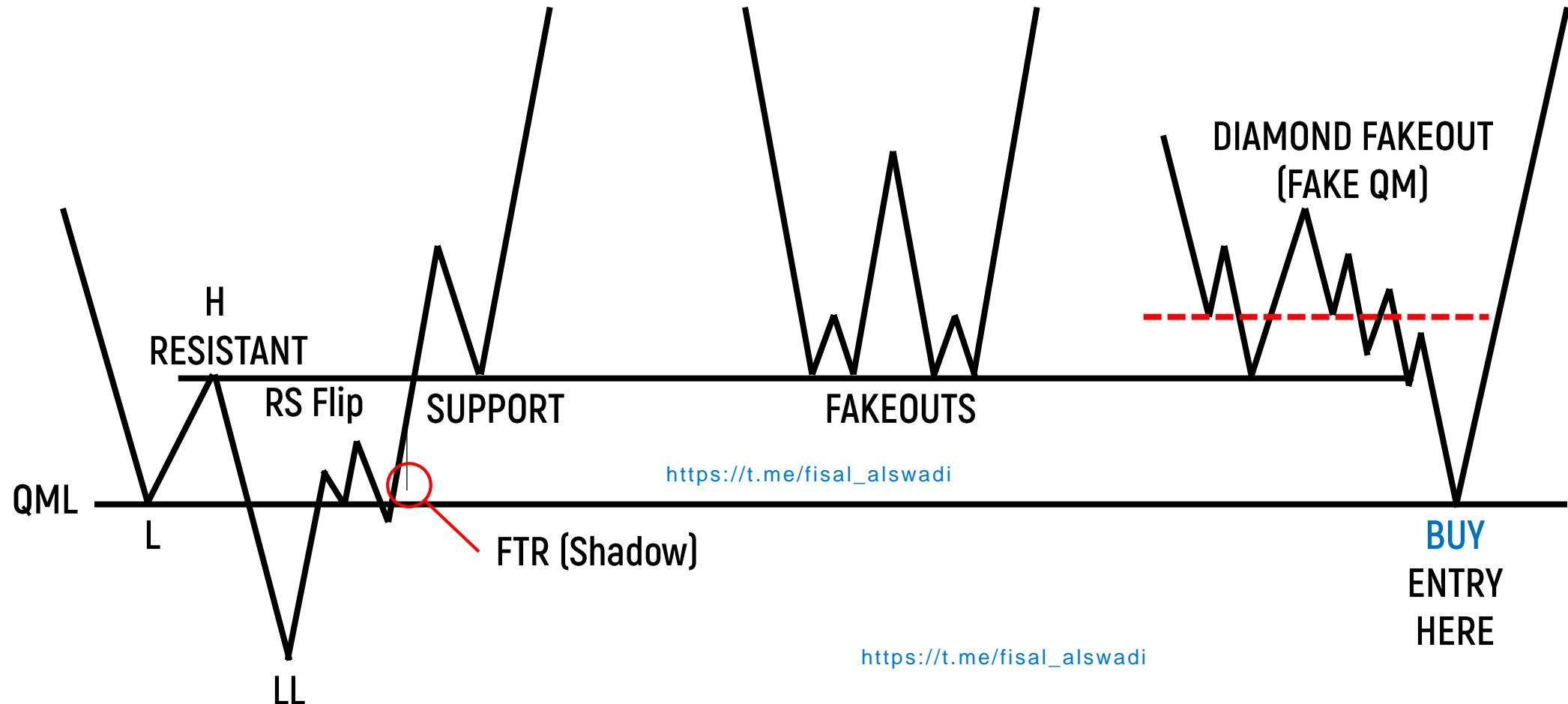
# THE QM ANATOMY

## SELL SETUP QM



# THE QM ANATOMY

## BUY SETUP QM





# THE QM IN DEPTH

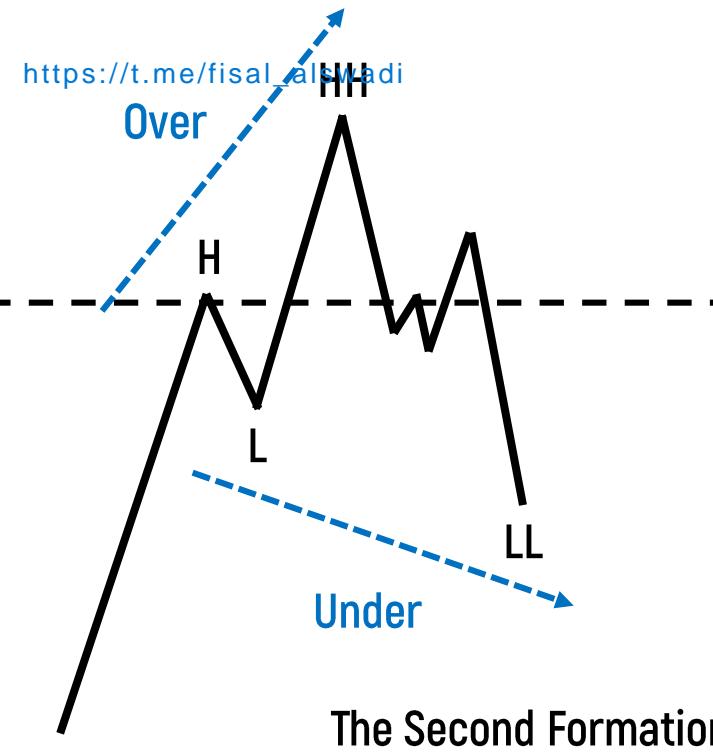
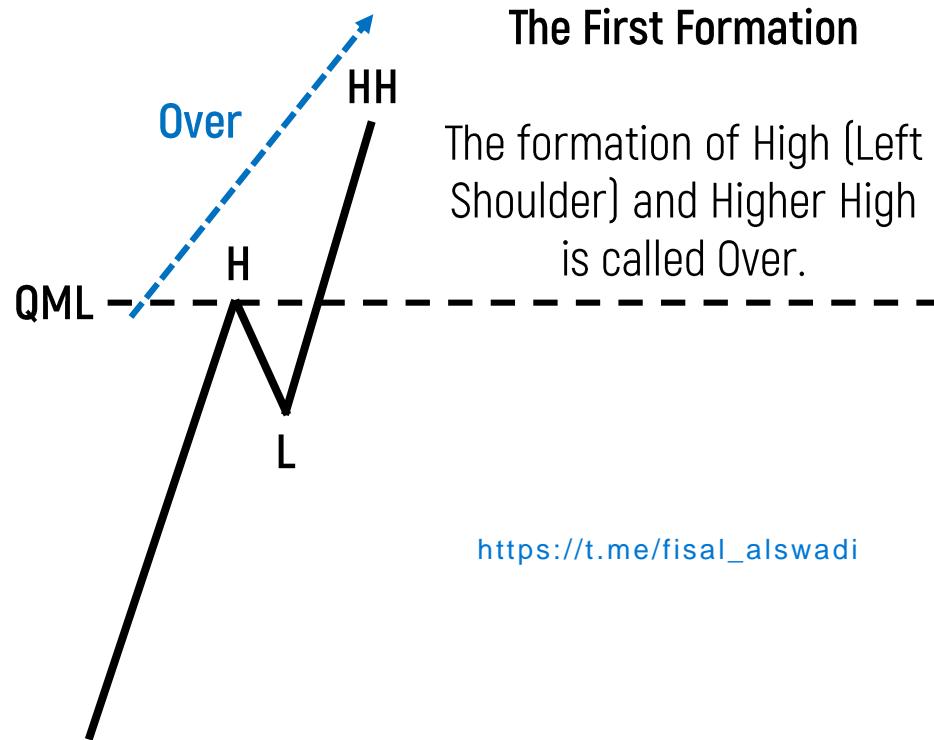
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Understanding a Complete QM

# QM: Over and Under

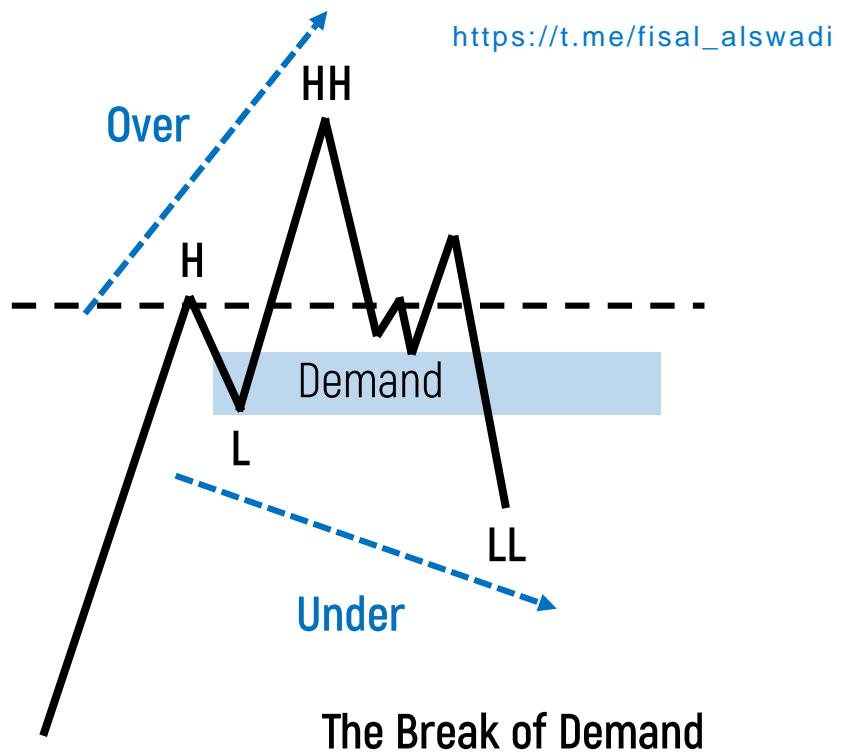
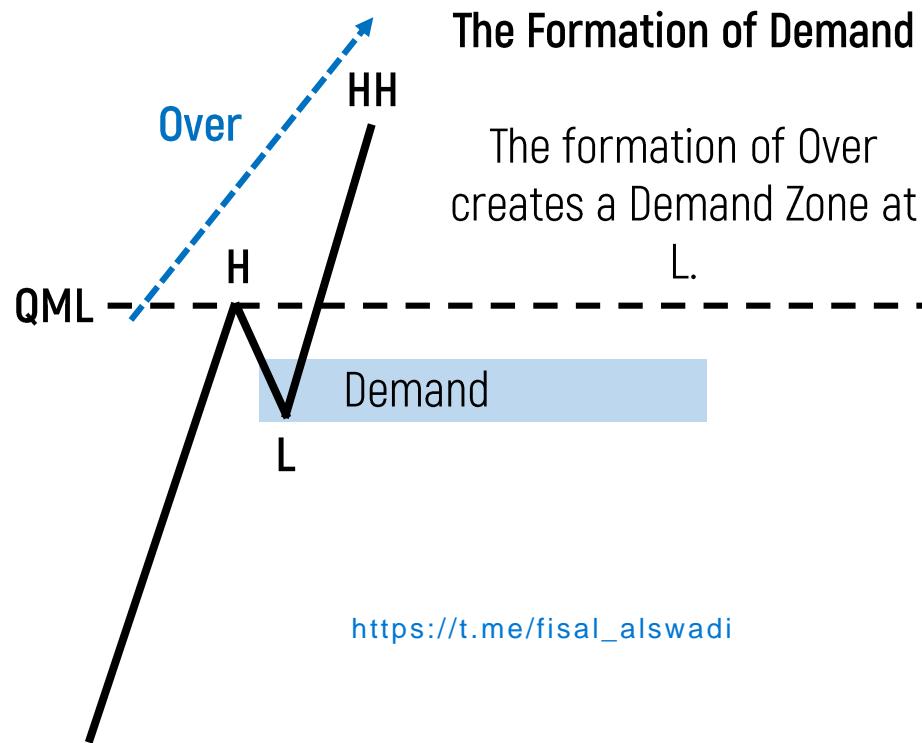
Understand the concept of Over and Under in the QM formation. When there is Over and Under, that means the QM is a complete QM.

## THE FORMATION OF QM



The formation of Lower Low (LL) that breaks the Low (L) is called Under. Please note that the LL has to be lower than L to be a valid Under.

## DEMAND BREAK/ENGULFED



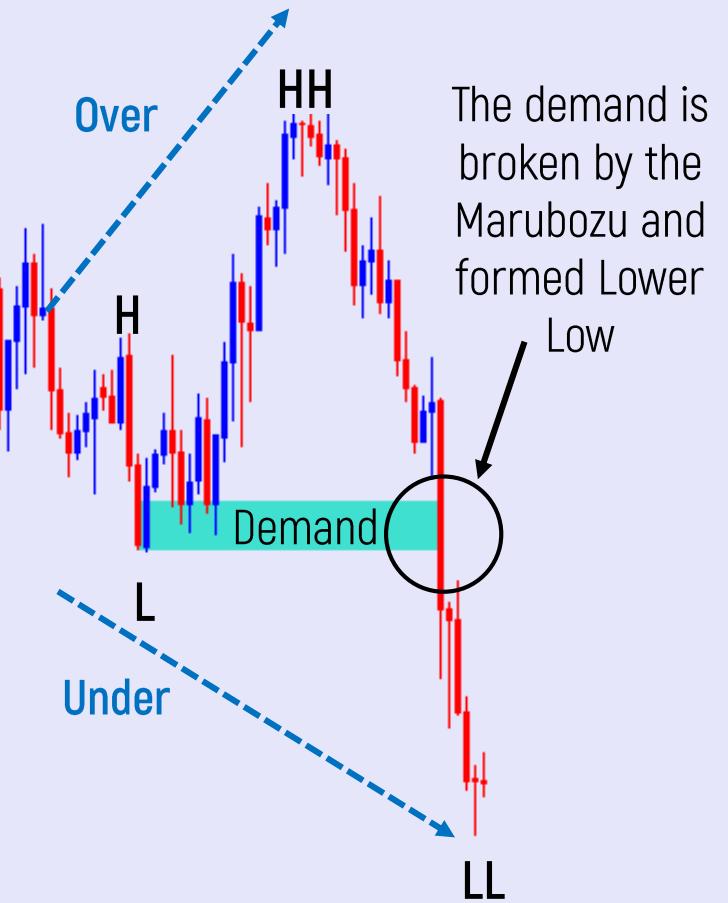
# **Over and Under in Real Chart**

Let's see how the Over and Under is formed in the real chart.

BEFORE:  
PRE QM



AFTER:  
COMPLETE QM



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# THE MPL 101

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Getting Yourself Clear About Maximum Pain Level  
(MPL)

# WHAT TO LOOK FOR IN A QM?

## **Look for the MPL**

What's important is to look for MPL because this is where the decision point will always be.

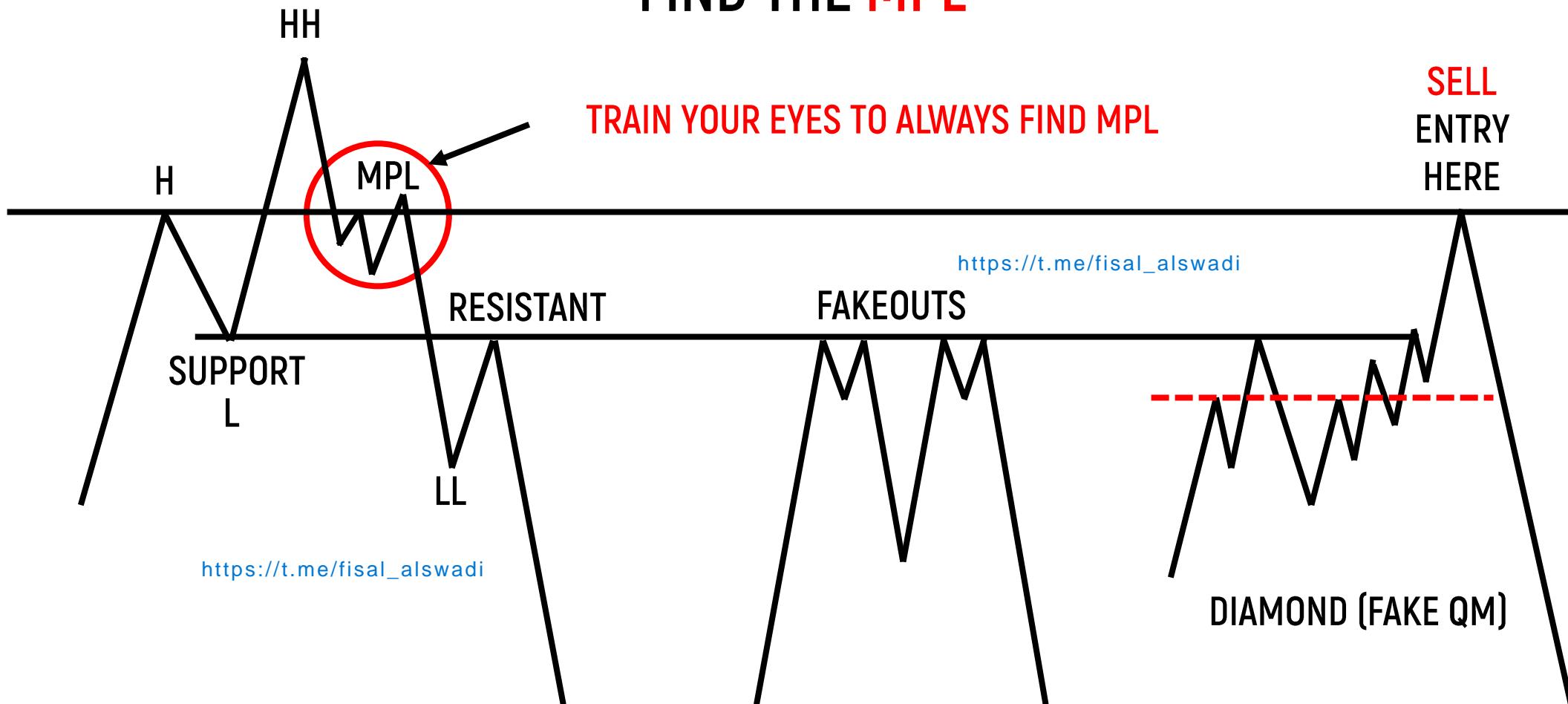
## **How to recognize MPL?**

First, it is at the same line or; if it is not at the same line, it is just nearby around the QML (it could be up or down a little bit).

Secondly, there is a first breakout at the MPL support/resistant. When you find this first breakout, that is the MPL.

# THE MPL 101

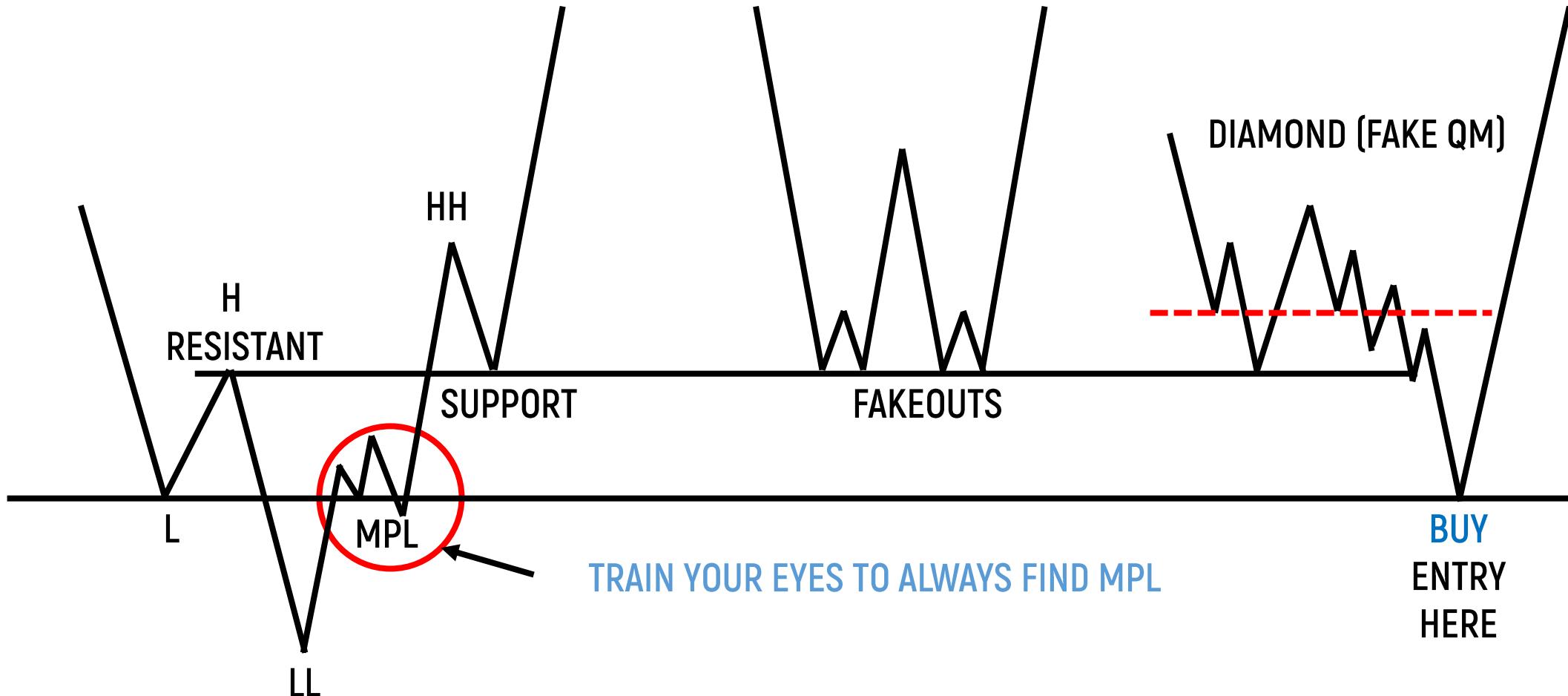
## FIND THE MPL



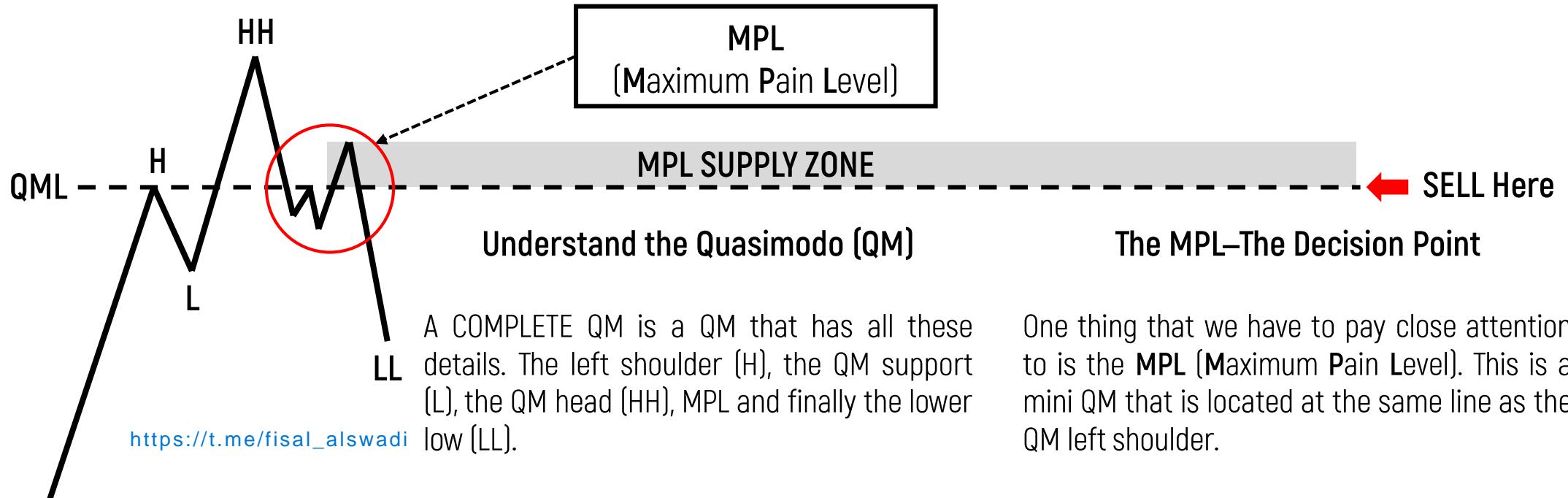
# THE MPL 101

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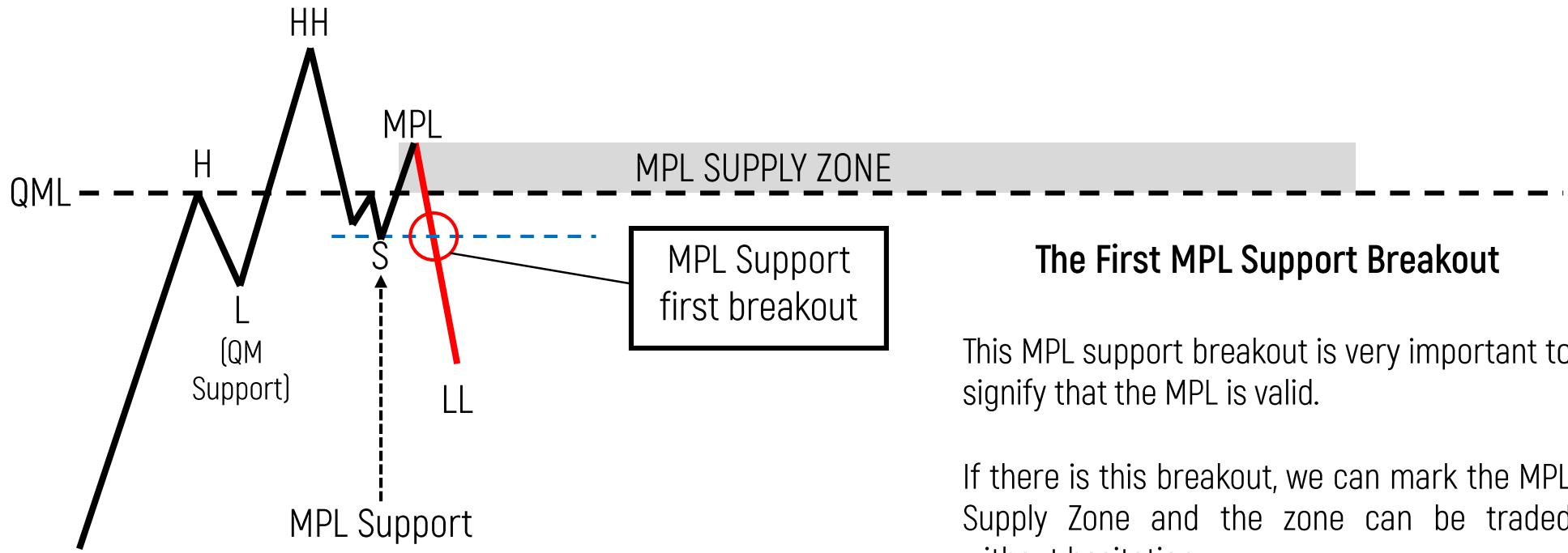
## FIND THE **MPL**



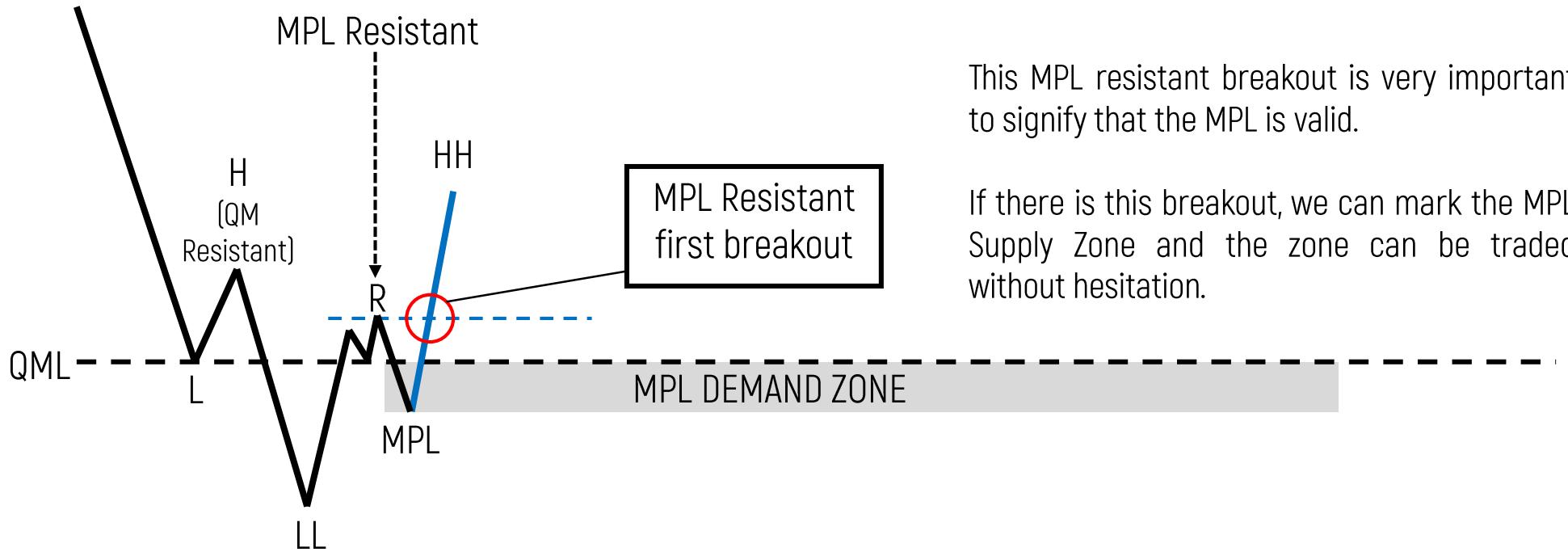
## A CLOSER LOOK OF THE MPL



## FIND THE FIRST BREAKOUT



## FIND THE FIRST BREAKOUT



# THE FIRST BREAKOUT IS THE ENGULFING

## Look for the Engulfing.

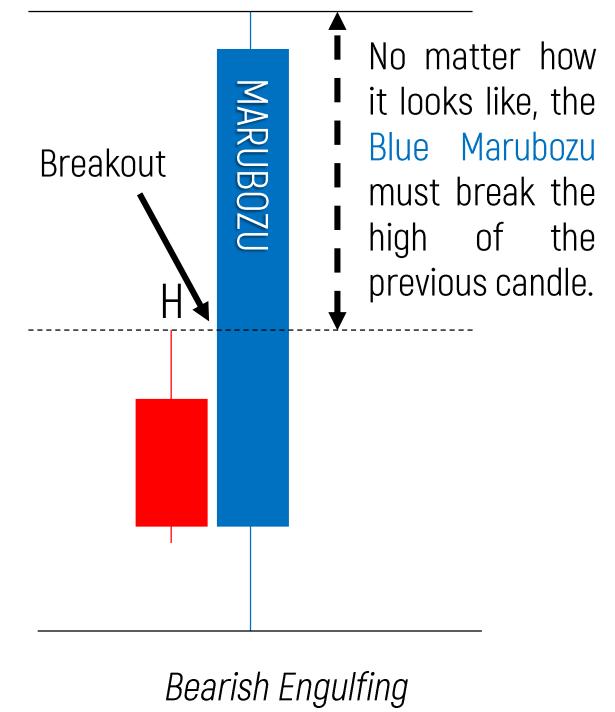
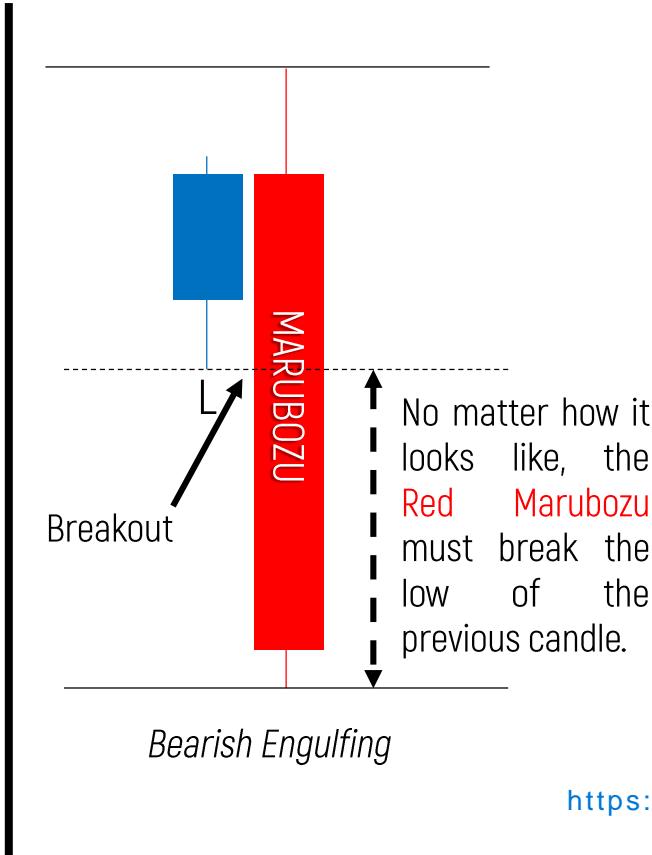
Engulfing is a set of side by side candle that is located exactly at this MPL.

## How to recognize Engulfing?

Very easy. The first candle is a small candle and it can be either blue or red. The second candle is the Marubozu Candle. This second candle closes below or above the first candle.

## What is Marubozu?

Marubozu is a big long candle. No matter blue or red, if it is a big, long candle then we call it Marubozu.



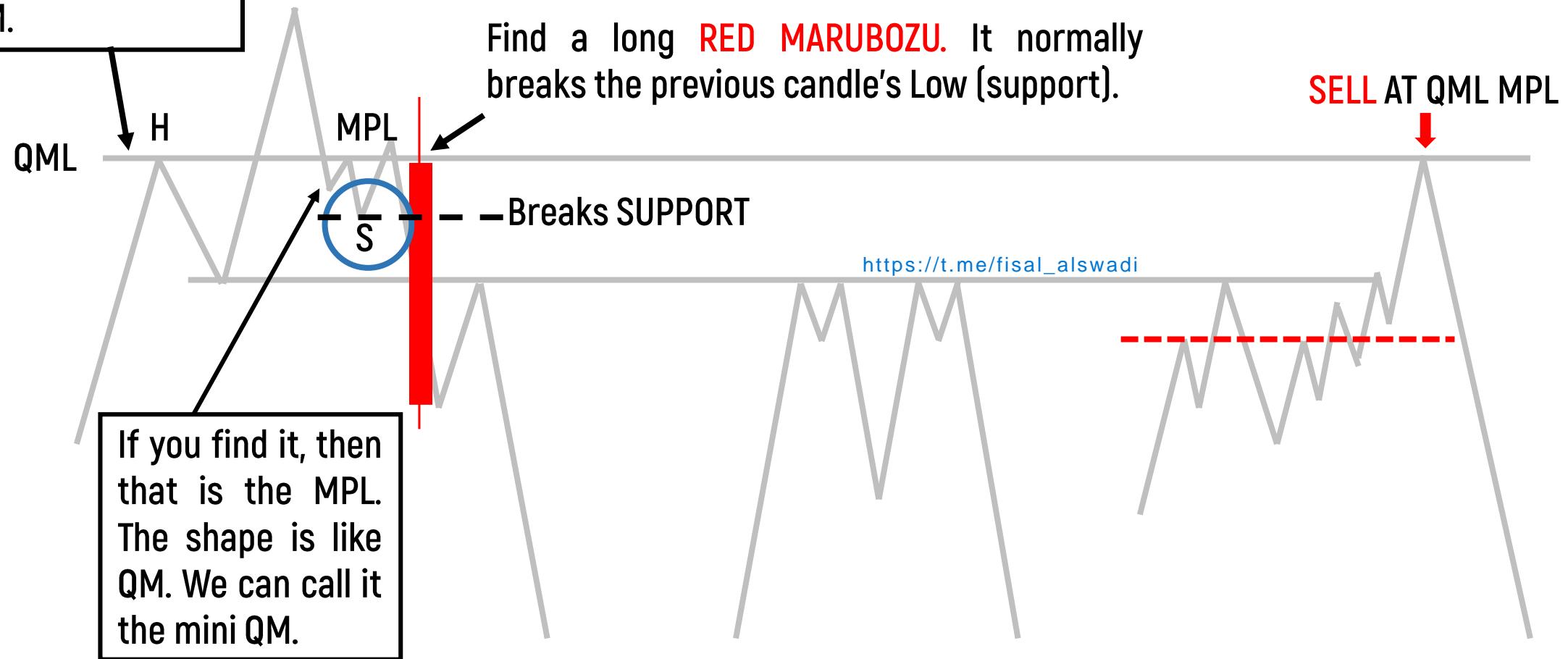
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# How do You Find the MPL to **SELL?**

Try to trace back on a sudden drop that causes a big move down.  
Then look for the Marubozu that breaks the previous candle's Low

Remember, the MPL is also on the same line as the QM.

# HOW TO FIND THE MPL?

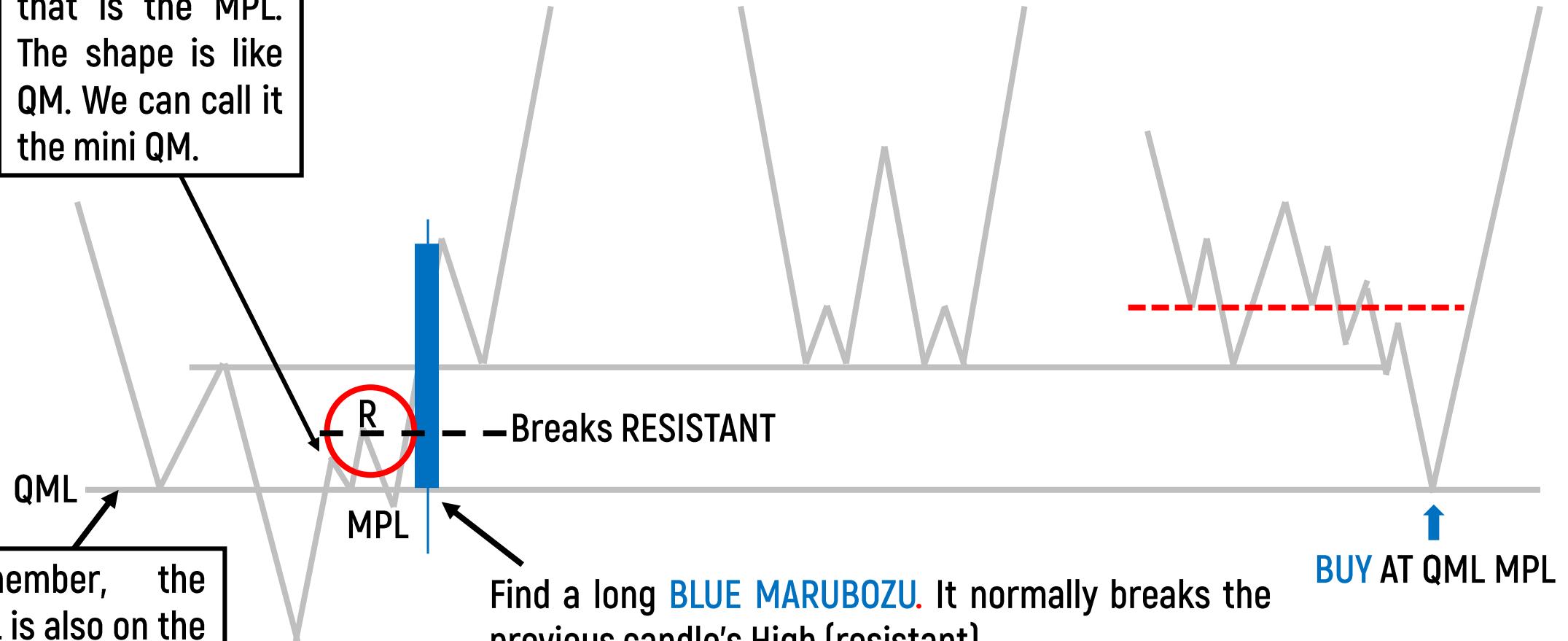


# How do You Find the MPL to **BUY**?

Try to trace back on a sudden rally that causes a big move up.  
Then look for the Marubozu that breaks the previous candle's High.

# HOW TO FIND THE MPL?

If you find it, then that is the MPL. The shape is like QM. We can call it the mini QM.



Remember, the MPL is also on the same line as the QM.

Find a long **BLUE MARUBOZU**. It normally breaks the previous candle's High (resistant).

**BUY AT QML MPL**

# Why bother about MPL?

90% of traders failed in their trade because they do not know about MPL. MPL is the origin of the liquidity where Big Banks and the Market Movers put their hidden order.

Ever wonder why there are sudden move after this MPL? It is because the liquidity is located at this MPL. When the price come back, they are taking the remaining order at this area and make another big move again.



# THE ENGULFING 101

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Knowing the Varieties of Engulfing



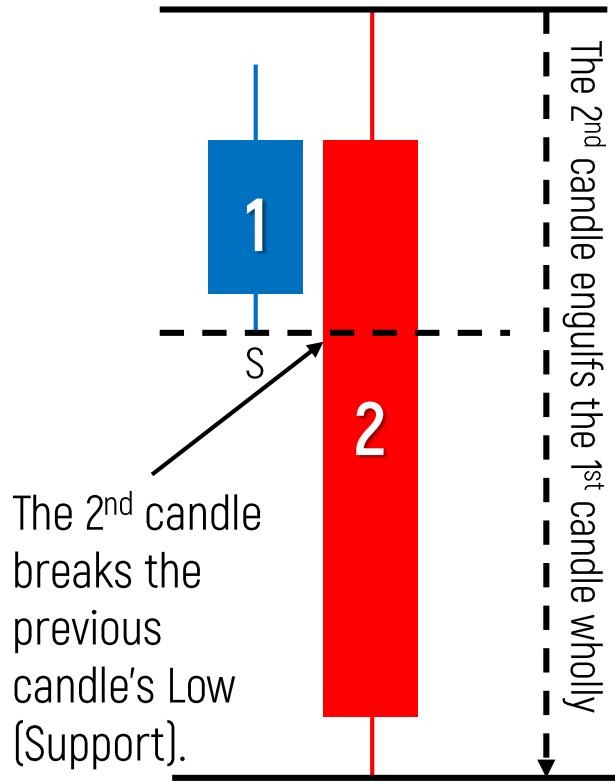
# The Engulfing

# What is Engulfing?

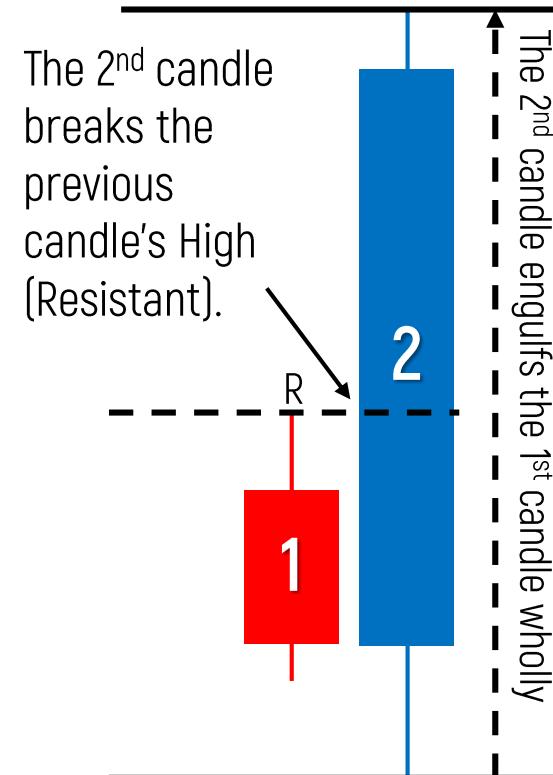
Engulfing is referred to a set of candle side by side. The first candle is the small candle and the second one is the big Marubozu candle that engulfs the first one.

# THE ENGULFING SETUP

## Bearish Engulfing



## Bullish Engulfing



\*The BIG candle is called Marubozu/Maru

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**LOOK FOR THESE ENGULFINGS  
AT THE MPL**

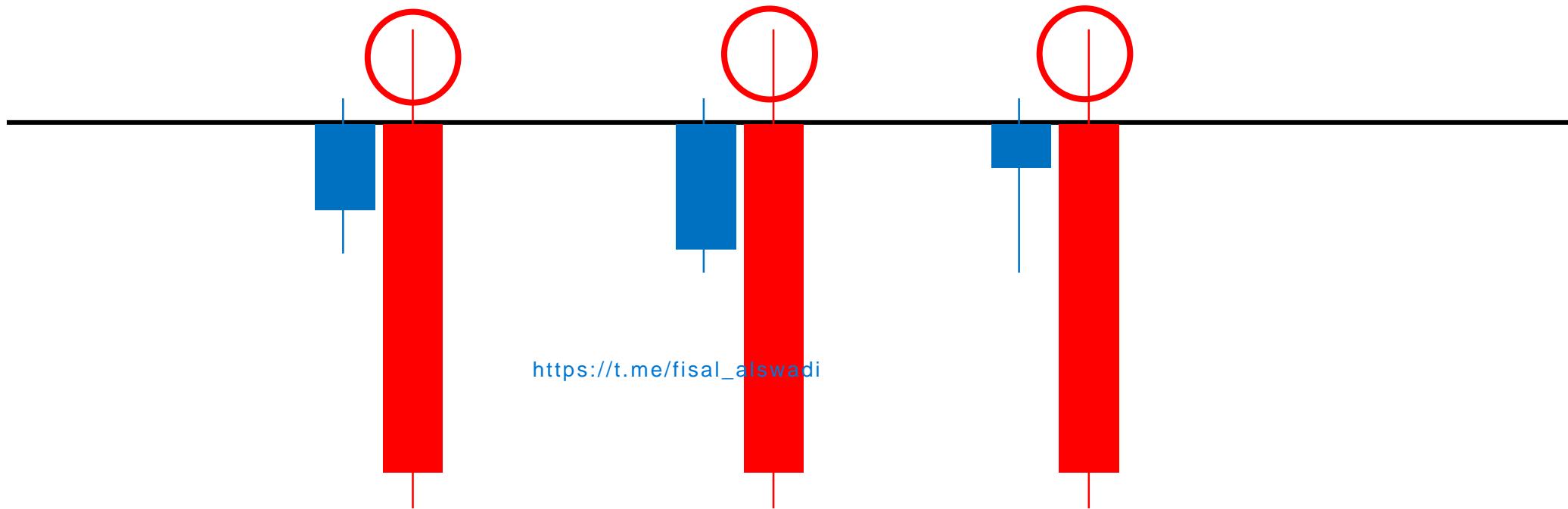
**SELL SETUP**

# **BEARISH ENGULFING TYPE 1**

# BEARISH ENGULFING TYPE 1

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The shadow of the **Red Marubozu** has to be HIGHER than the previous candle

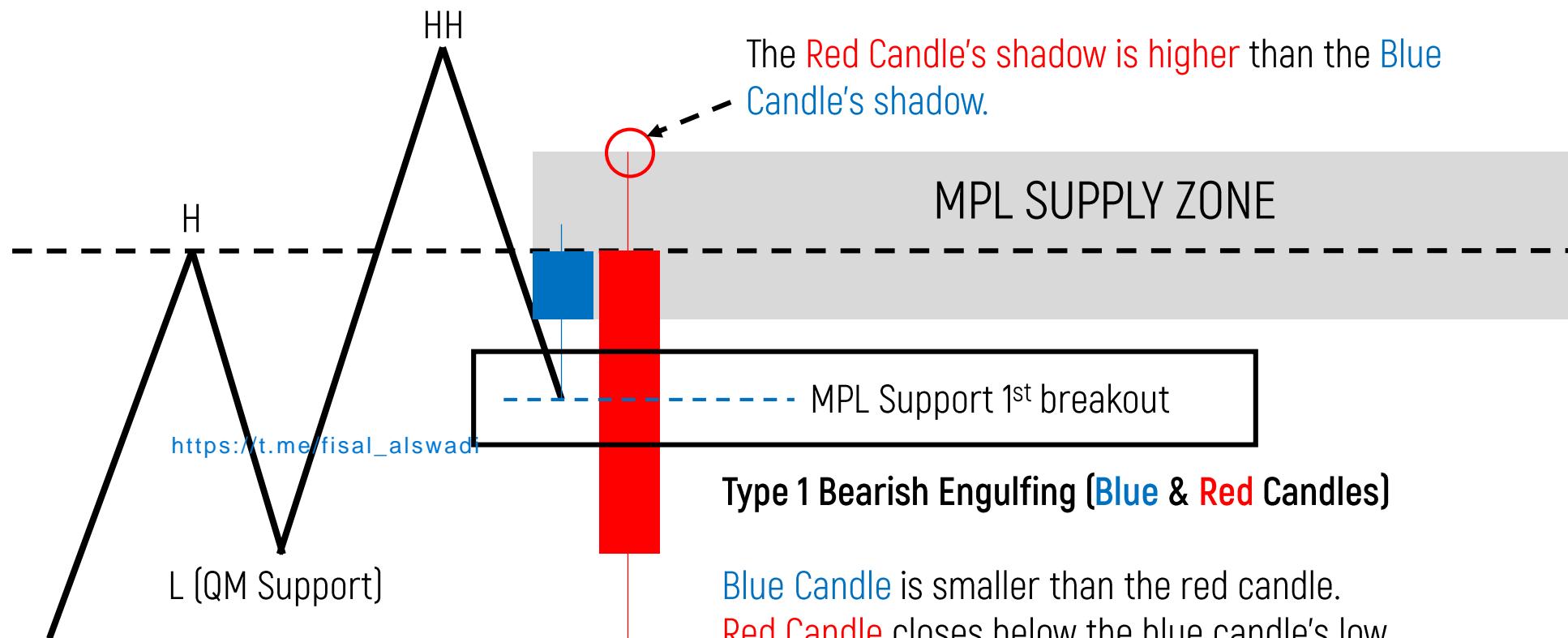


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**TYPE 1: BLUE & RED**

# BEARISH ENGULFING TYPE 1

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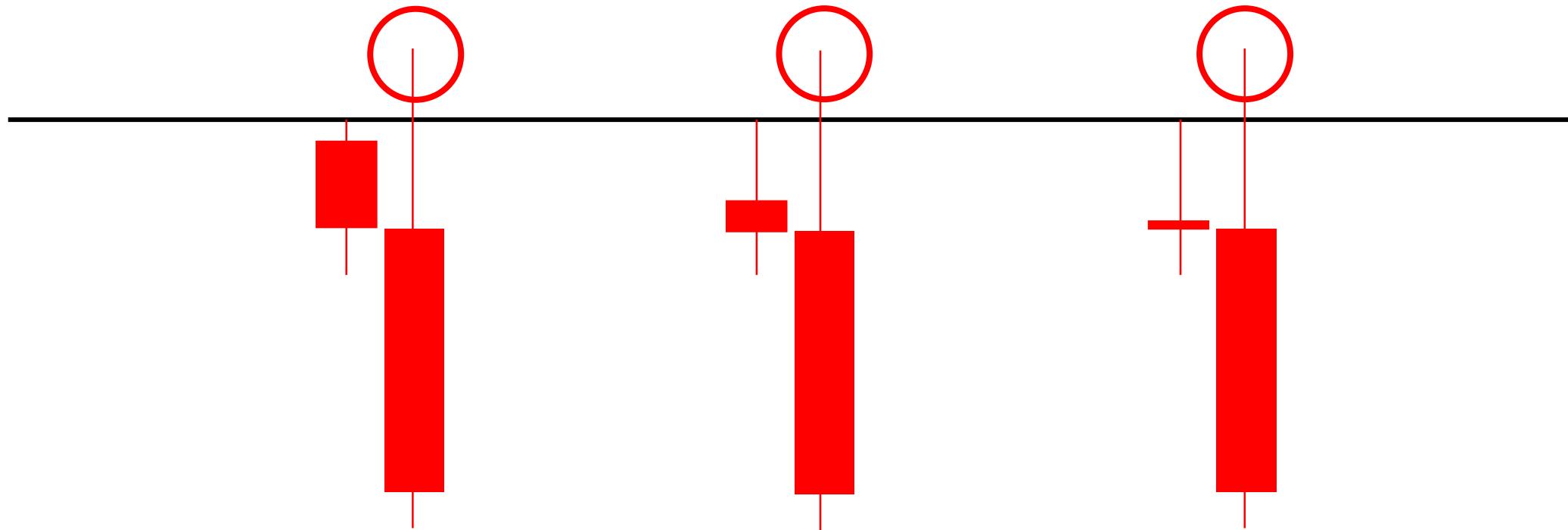


# **BEARISH ENGULFING TYPE 2**

## BEARISH ENGULFING TYPE 2

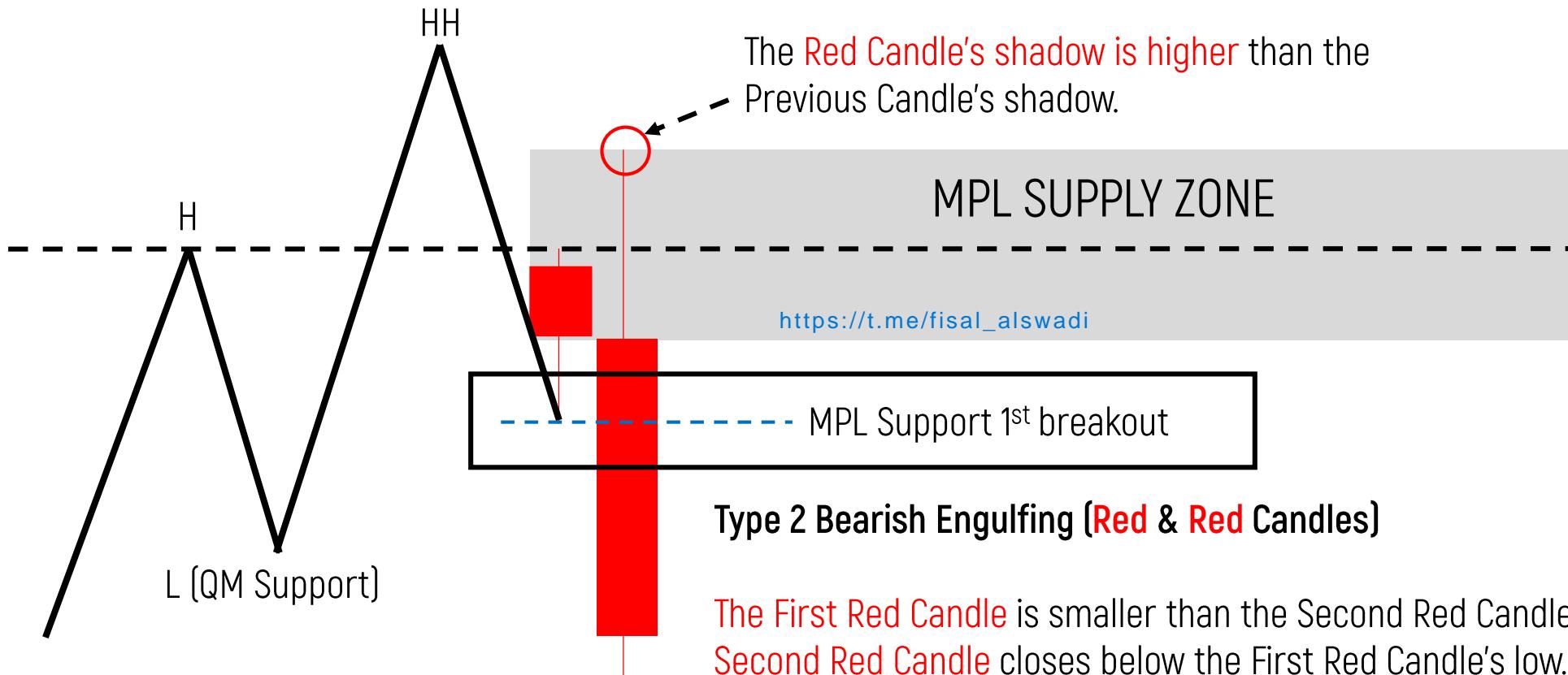
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The shadow of the **Red Marubozu** has to be HIGHER than the previous candle



**TYPE 2: RED & RED**

# BEARISH ENGULFING TYPE 2

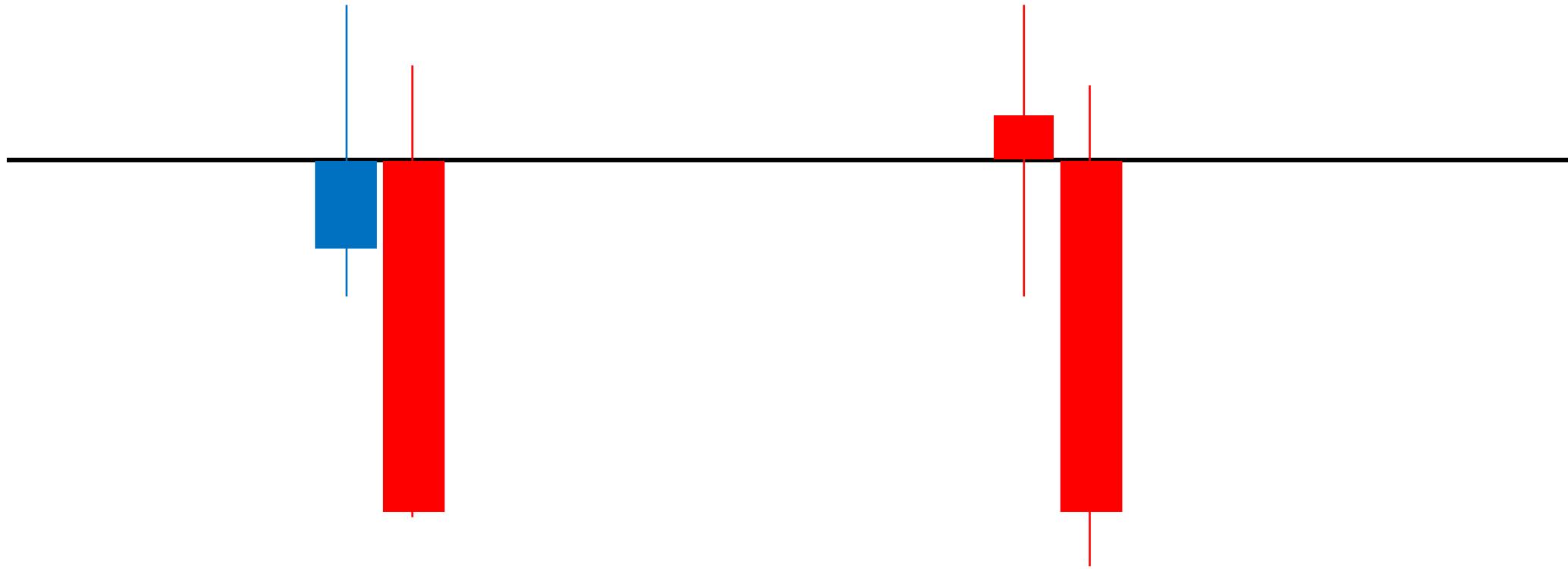


# **BEARISH ENGULFING TYPE 3**

# BEARISH ENGULFING TYPE 3

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The shadow of the First Candle is HIGHER than the second red candle's

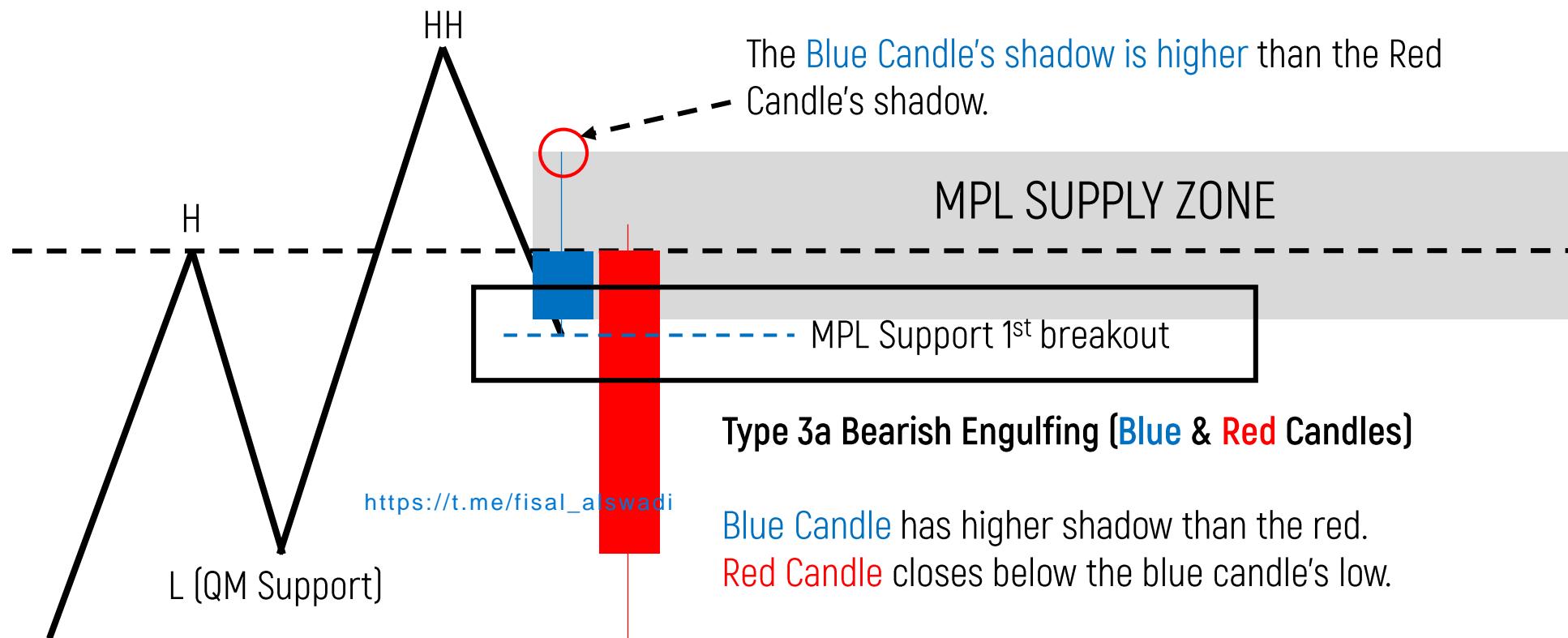


*Bearish Engulfing Type 3a*

*Bearish Engulfing Type 3b*

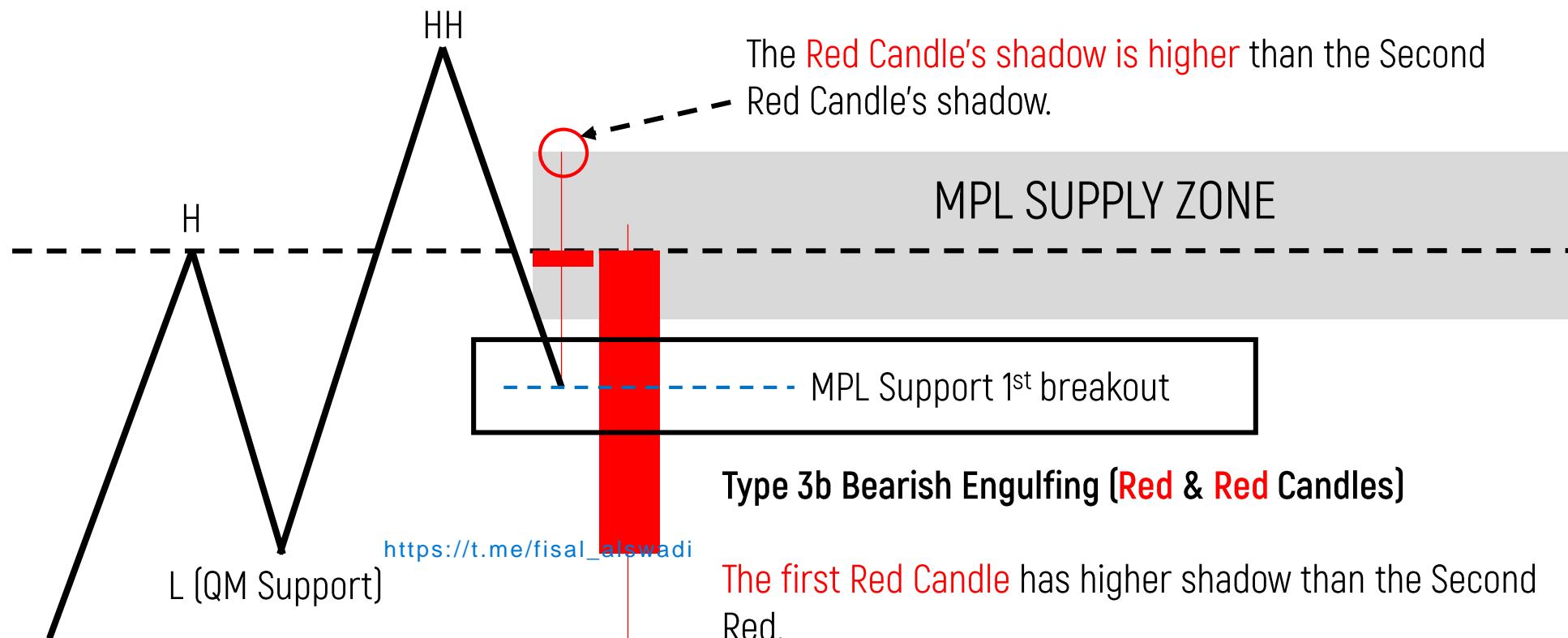
# BEARISH ENGULFING TYPE 3a

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# BEARISH ENGULFING TYPE 3b

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# THE LOWER ZONE SETUP

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Discussing Further on the Lower Zone Setup

# What is Lower Zone Setup?

Lower Zone Setup refers to the setups that happen only at Lower Zones. The most prominent Setup would be QM + MPL + Bullish Engulfing. In this section, I would specialize on discussing the QM + MPL + Bullish Engulfing Setup.

**BUY SETUP**

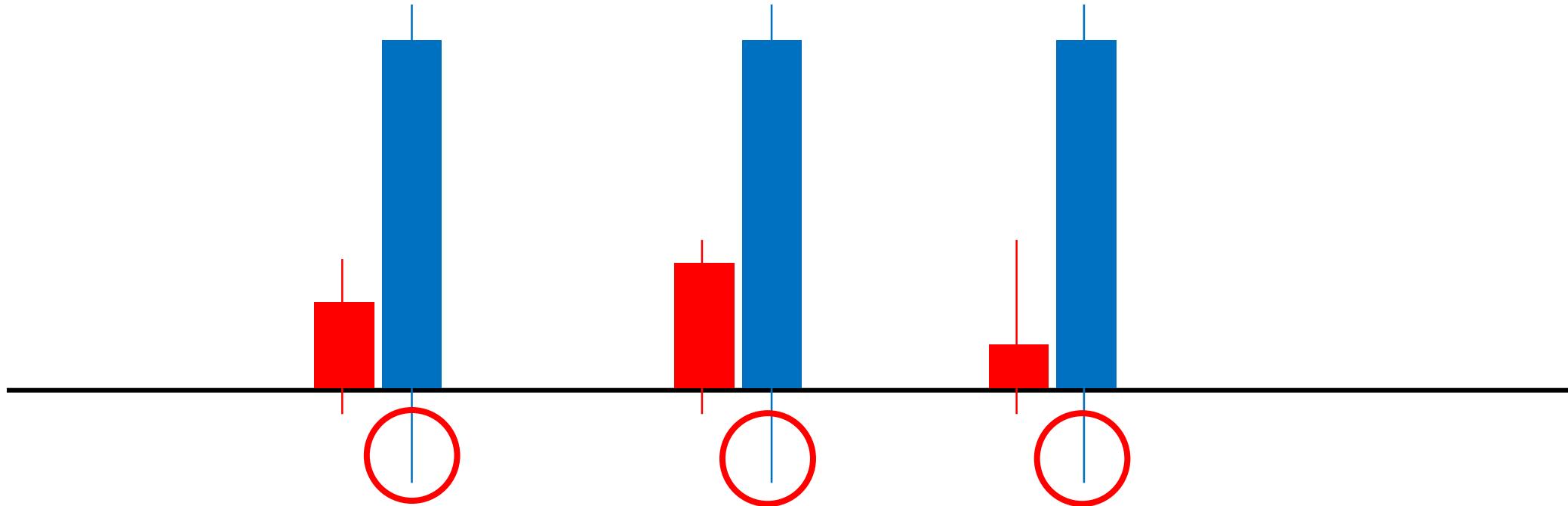
# **BULLISH ENGULFING TYPE 1**

# BULLISH ENGULFING TYPE 1

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## FOR BUY SETUP

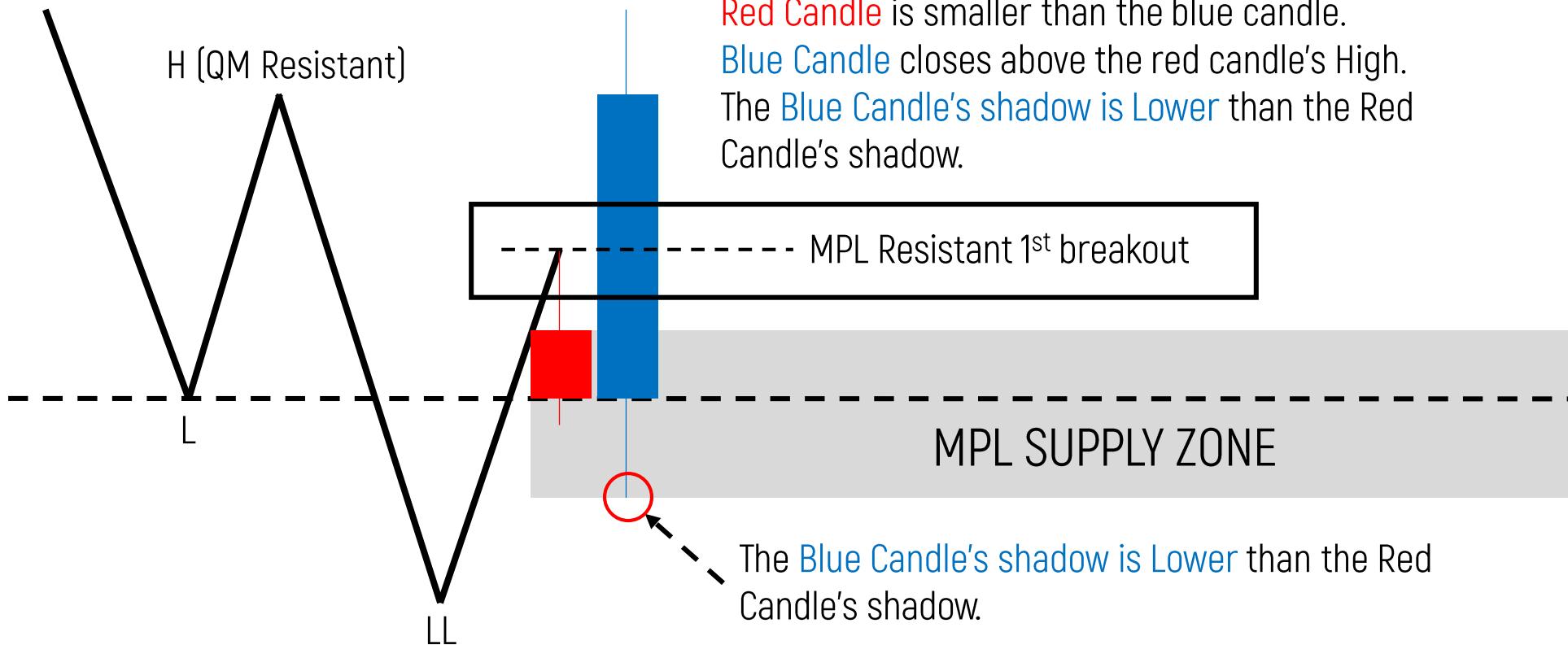
The shadow of Blue Marubozu has to be lower than the red candle's



TYPE 1: RED & BLUE

# BULLISH ENGULFING TYPE 1

## Type 1 Bullish Engulfing (Red & Blue Candles)

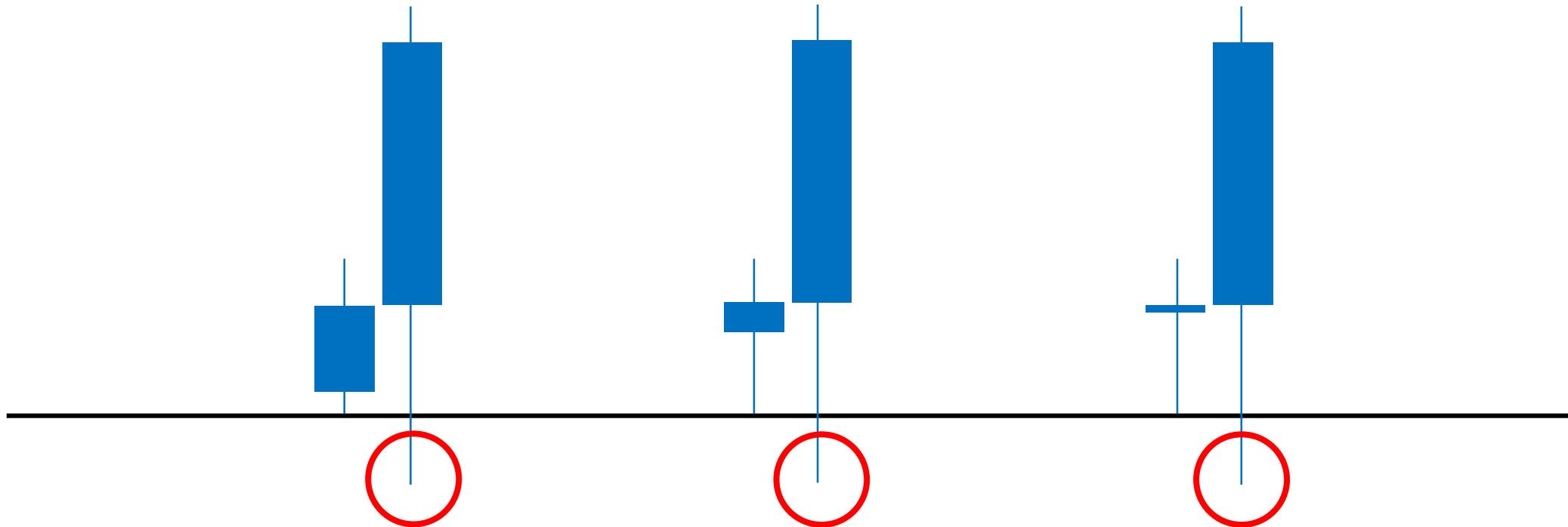


# **BULLISH ENGULFING TYPE 2**

## BULLISH ENGULFING TYPE 2

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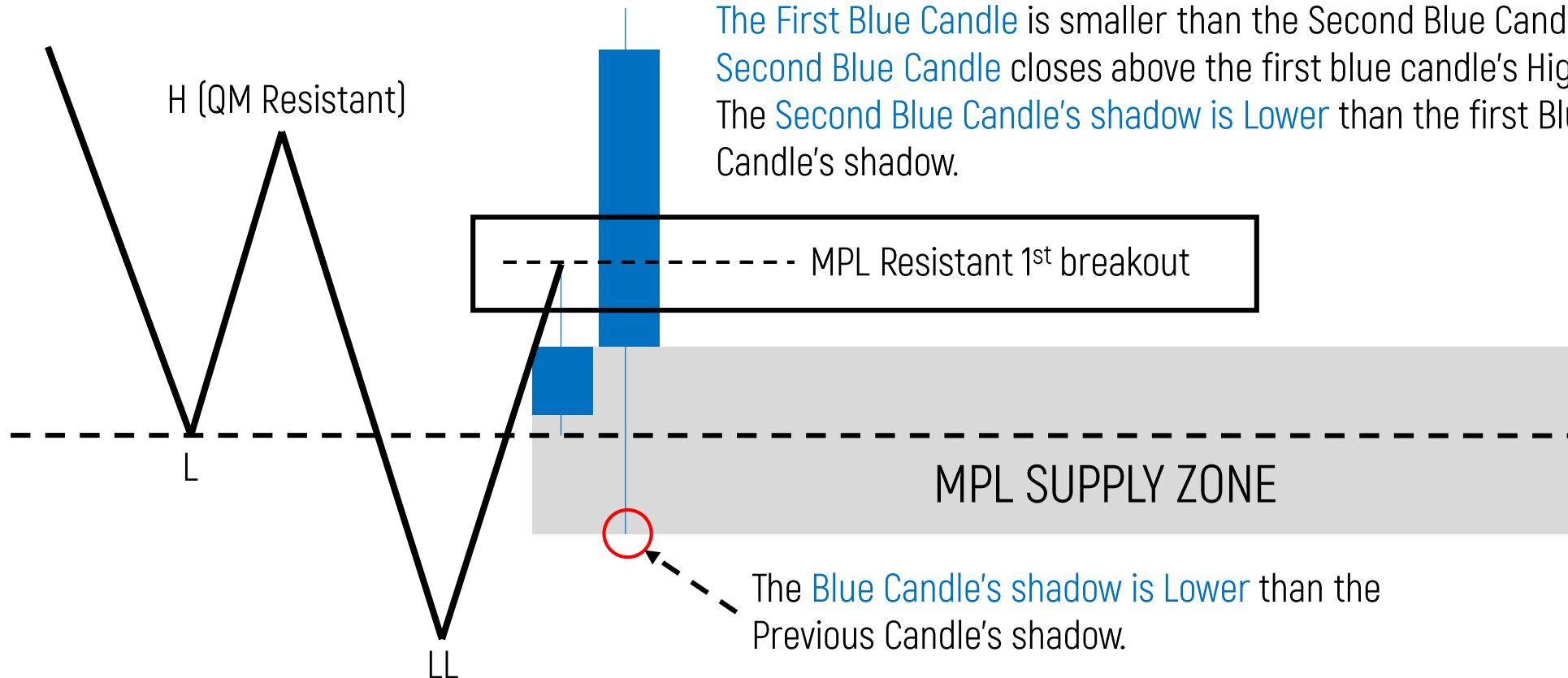
The shadow of the **Blue Marubozu** has to be LOWER than the previous candle



TYPE 2: **BLUE & BLUE**

# BULLISH ENGULFING TYPE 2

## Type 2 Bullish Engulfing (Blue & Blue Candles)

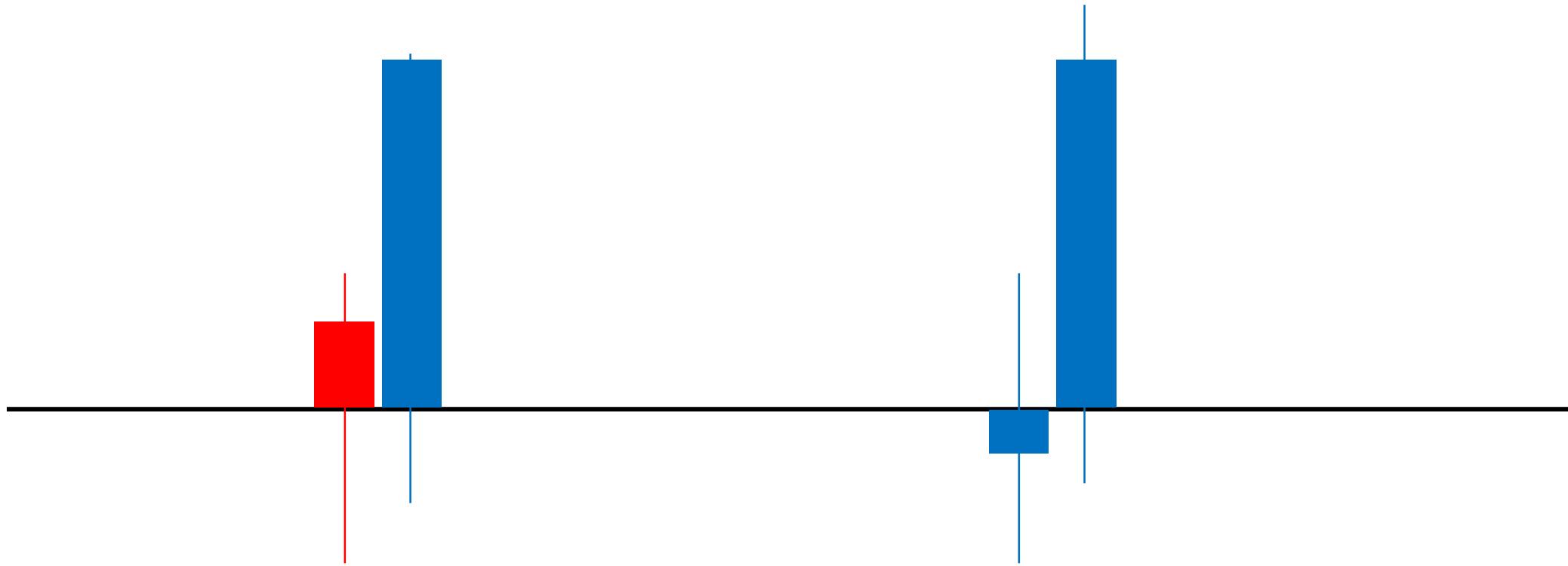


# **BULLISH ENGULFING TYPE 3**

# BULLISH ENGULFING TYPE 3

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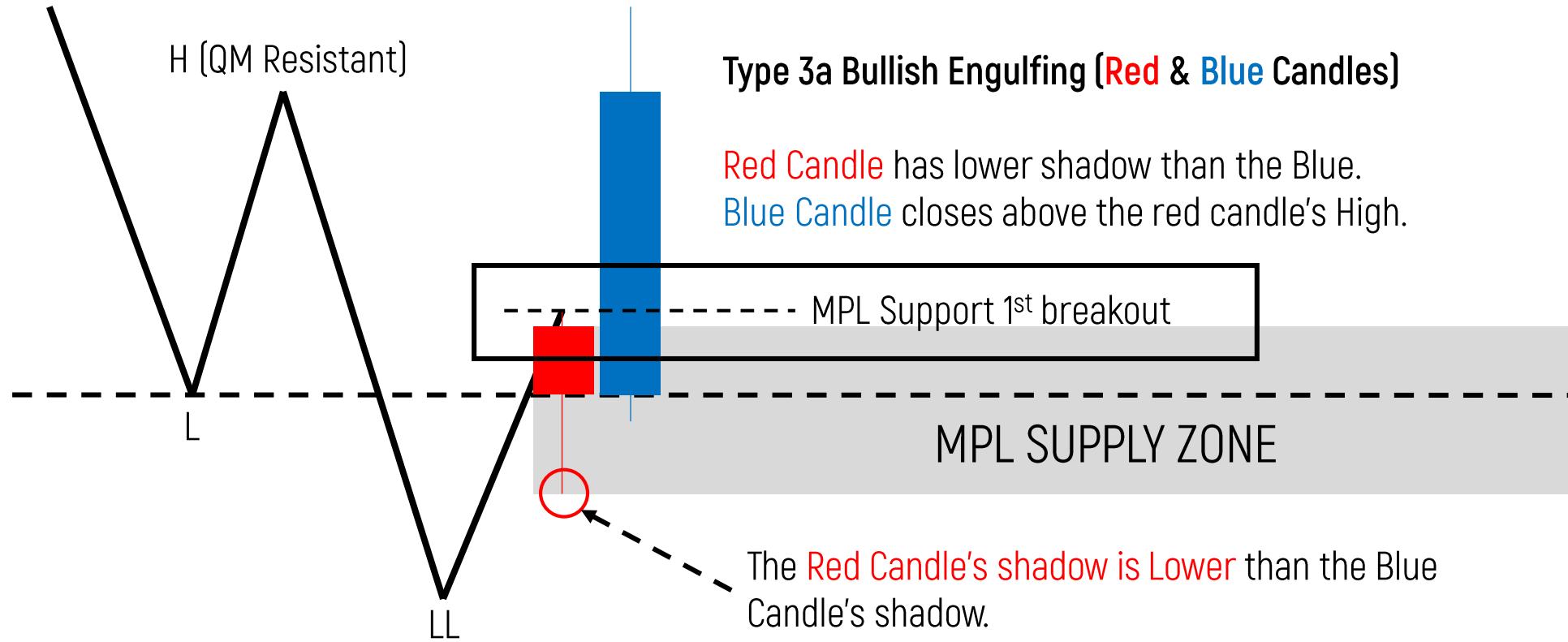
The shadow of the First Candle is LOWER than the Second candle's shadow



*Bullish Engulfing Type 3a*

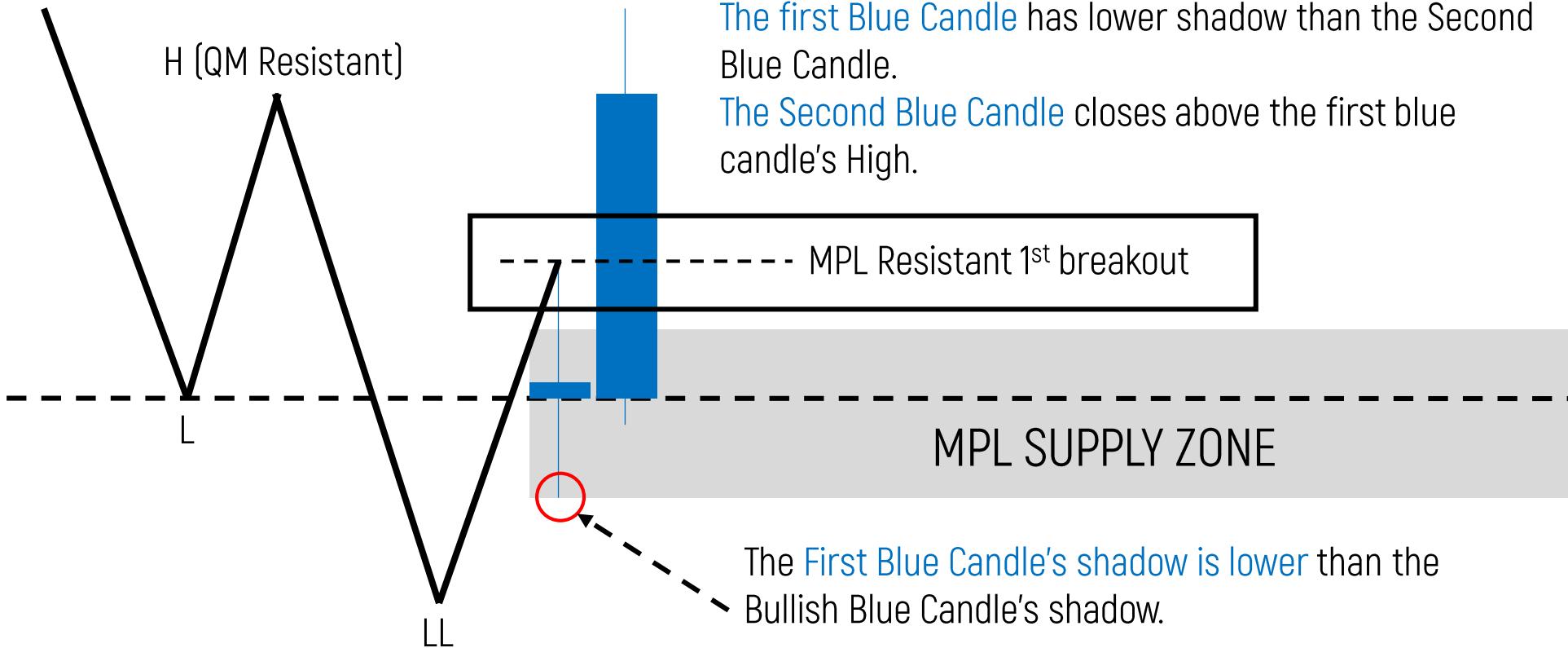
*Bullish Engulfing Type 3b*

# BULLISH ENGULFING TYPE 3a



# BULLISH ENGULFING TYPE 3b

## Type 3b Bullish Engulfing (Blue & Blue Candles)





# THE MID ZONE SETUP

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Discussing Further the Mid Zone Setup

# What is Mid Zone Setup?

Midzone Setup is simply a setup that occurs at the Drop Base Drop (DBD) or Rally Base Rally (RBR). We are looking for a good trade at this area when a setup appears at this Zone. There will normally be MPL + Engulfing setup here.

# Why Trade at Mid Zone?

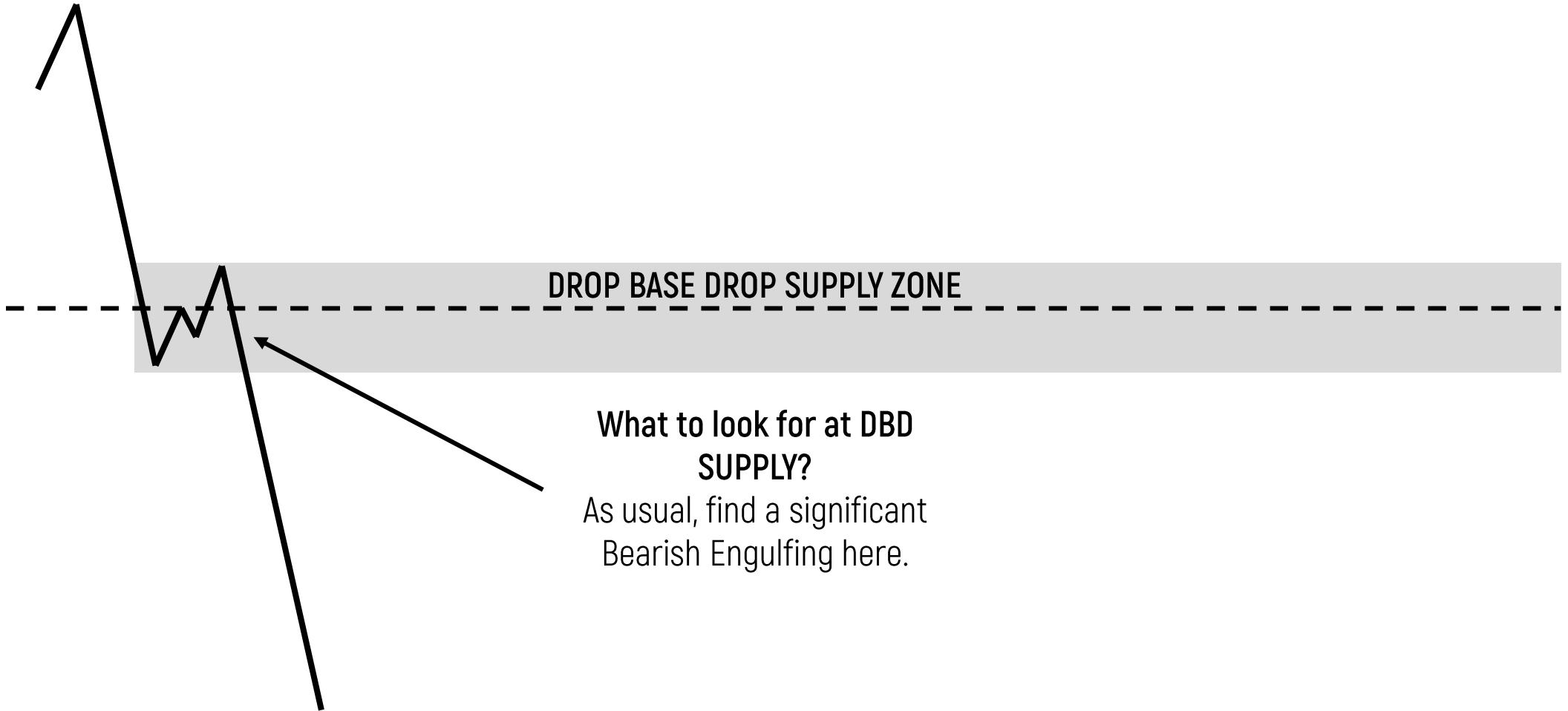
Well, Mid Zone is a Zone that is easy to rejects whenever it is a fresh one. It is a zone of liquidity where the price would stop and take a few more orders before continuing its journey completing the trend.

The best thing about trading at Mid Zone is that, we are following the trend and the winning rate of following trend will always be as high as 85%! So take the chance to look for a good setup here in the Mid Zone whenever possible.

**SELL SETUP**

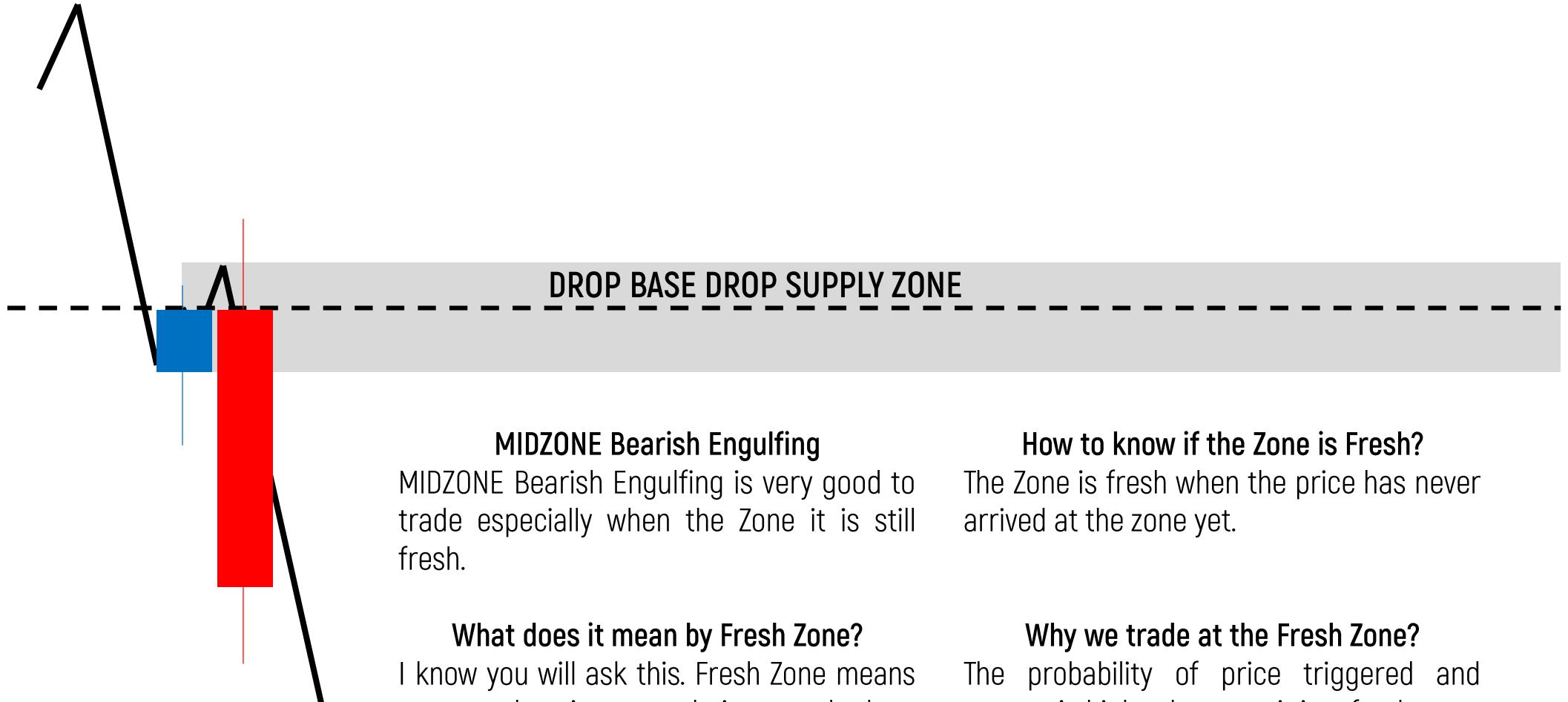
# THE MIDZONE SELL SETUP

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# THE MIDZONE SELL SETUP

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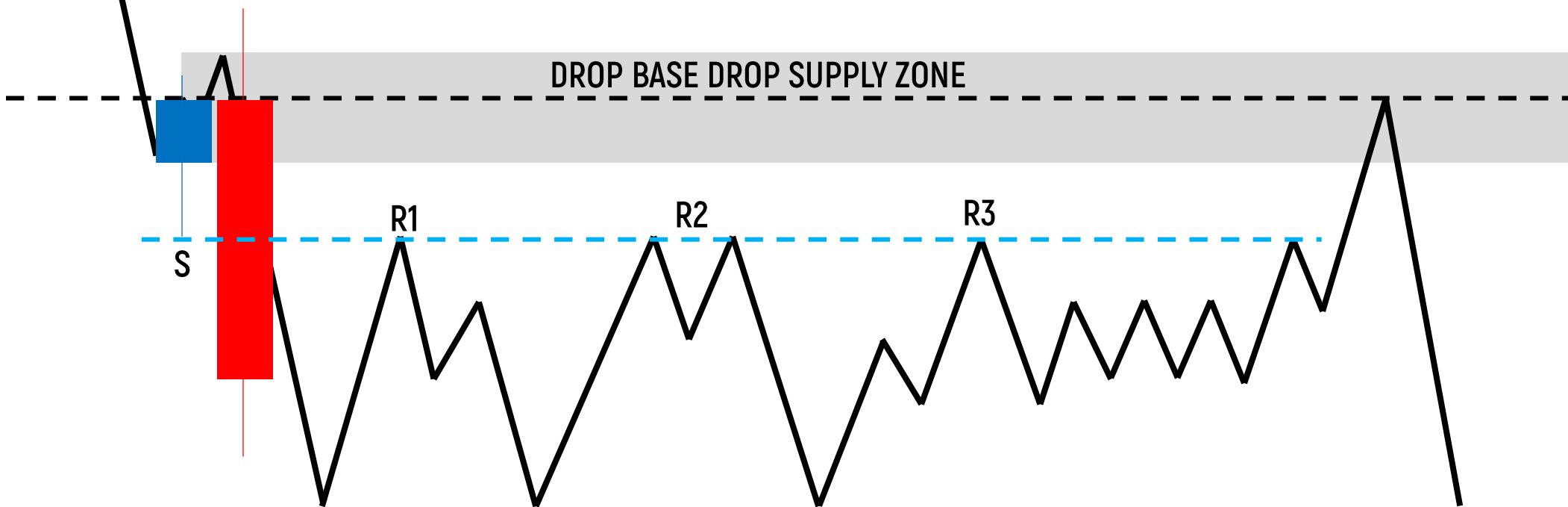


# THE MIDZONE SELL SETUP

## Midzone **SELL** Setup

Please bear in mind that we are still bound to the **rule of SND trading** where any kind of trade is not taken until the clues are in place.

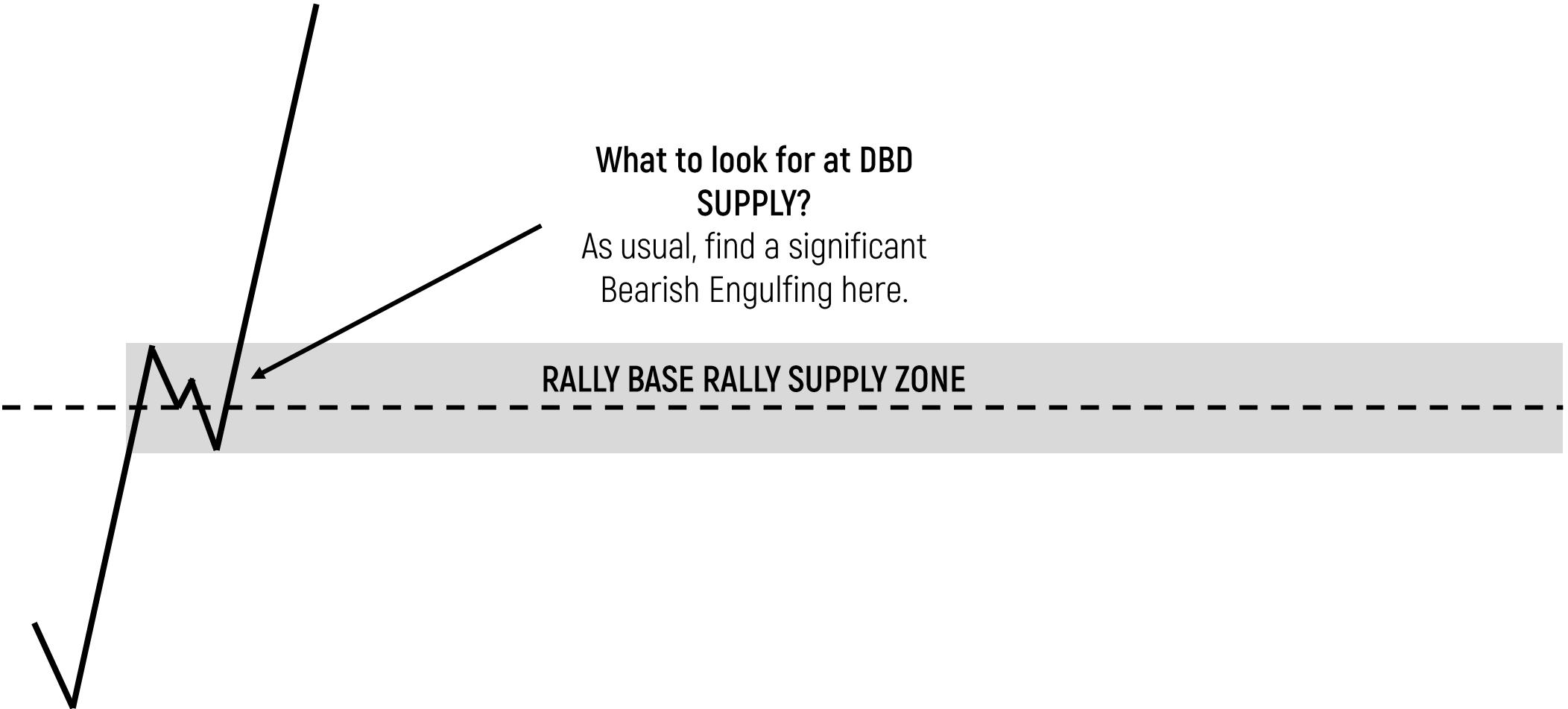
This is meant to say that, at any trade taken, the rules are still the number one thing to consider when taking trade.



**BUY SETUP**

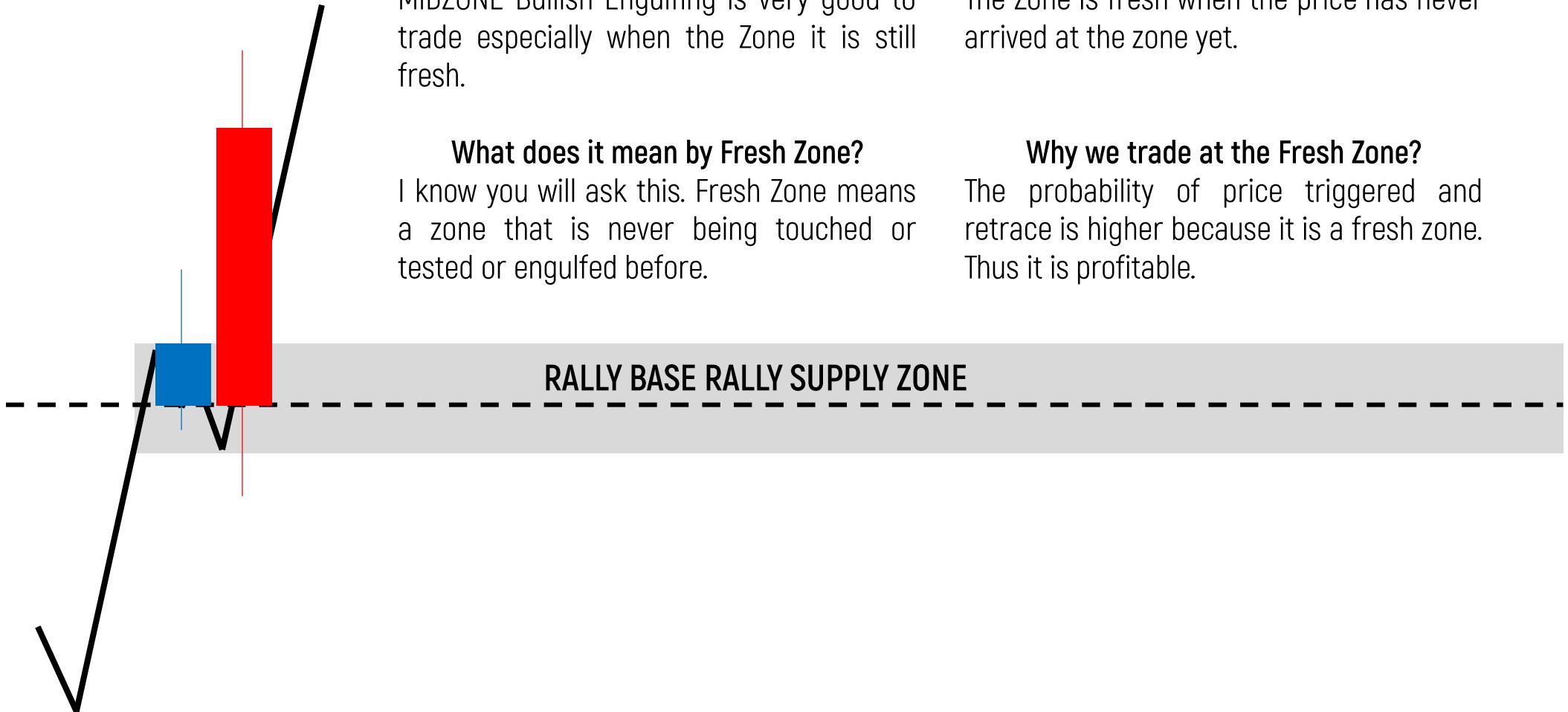
# THE MIDZONE BUY SETUP

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# THE MIDZONE BUY SETUP

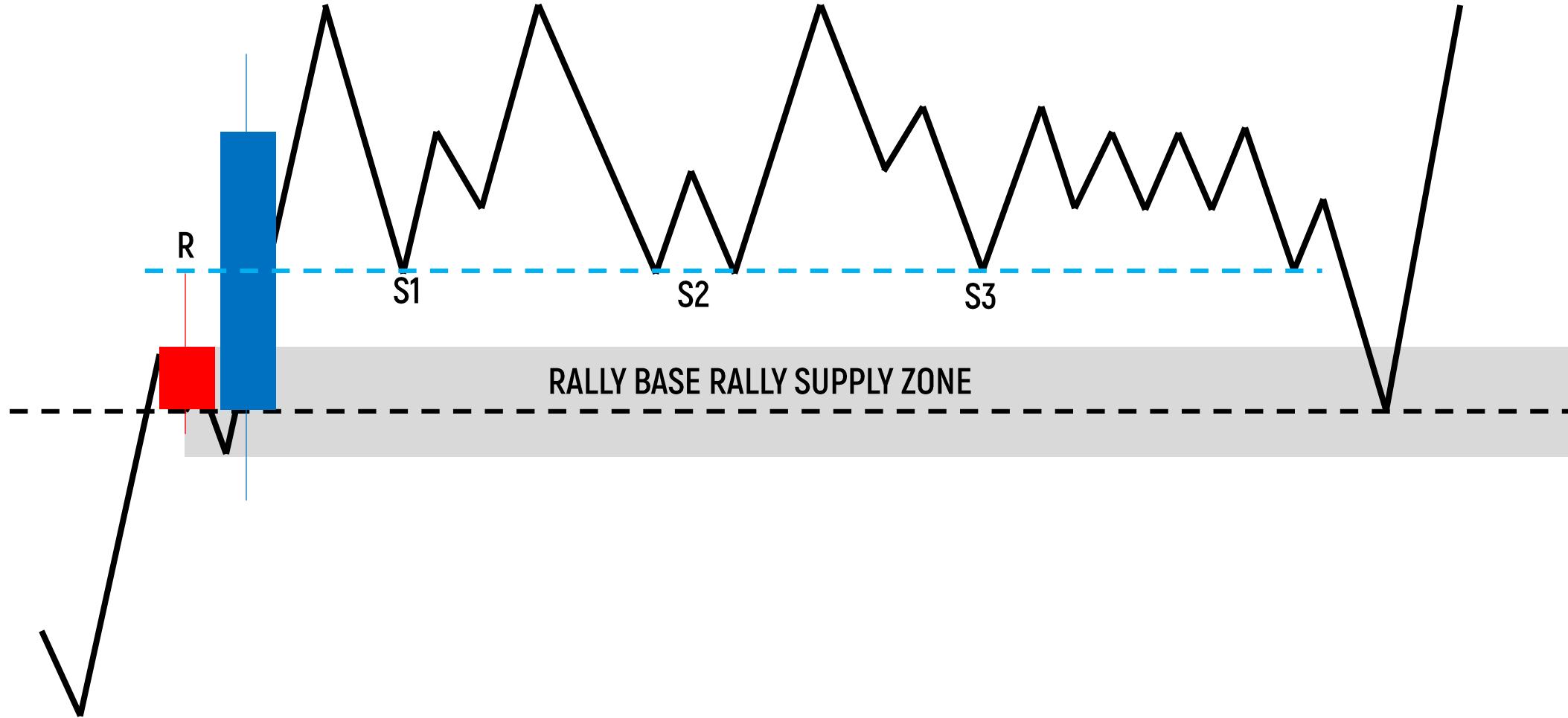
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# THE MIDZONE BUY SETUP

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## Midzone BUY Setup



# Tips about MPL Engulfing

I just want to tell you that not all Engulfing are tradable. There are times when Engulfings just proved to be not worth it to trade. Therefore, this a tip to finding good Engulfing to trade.

# **What Kind of Engulfing to Look For?**

Look for an Engulfing that is followed by the next Marubozu. Be it in Bearish or Bullish setup, the stronger the momentum, the better price react when it comes back to the MPL Zone.

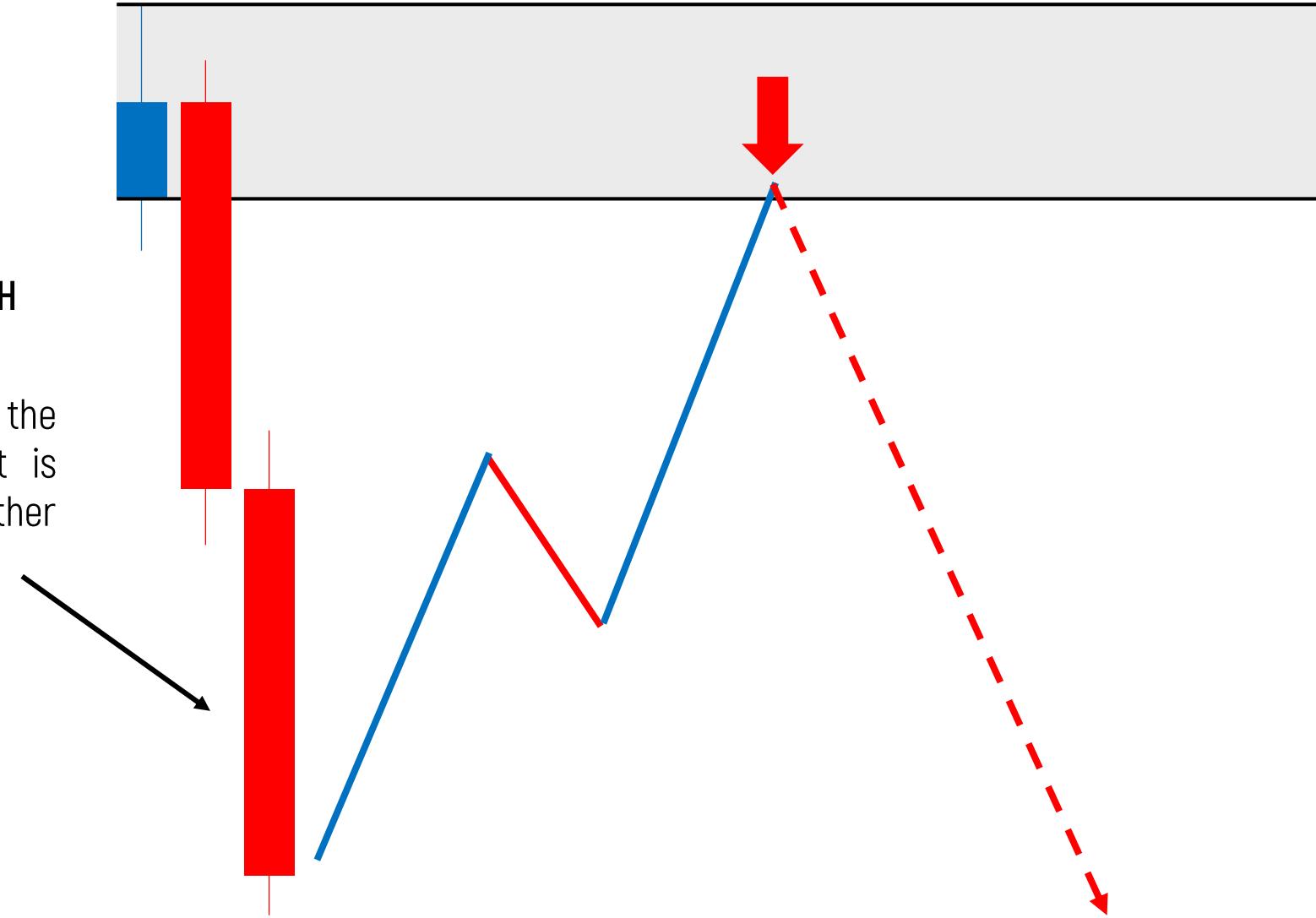
**SELL SETUP**

# THE STRONG MOMENTUM BEARISH ENGULFING

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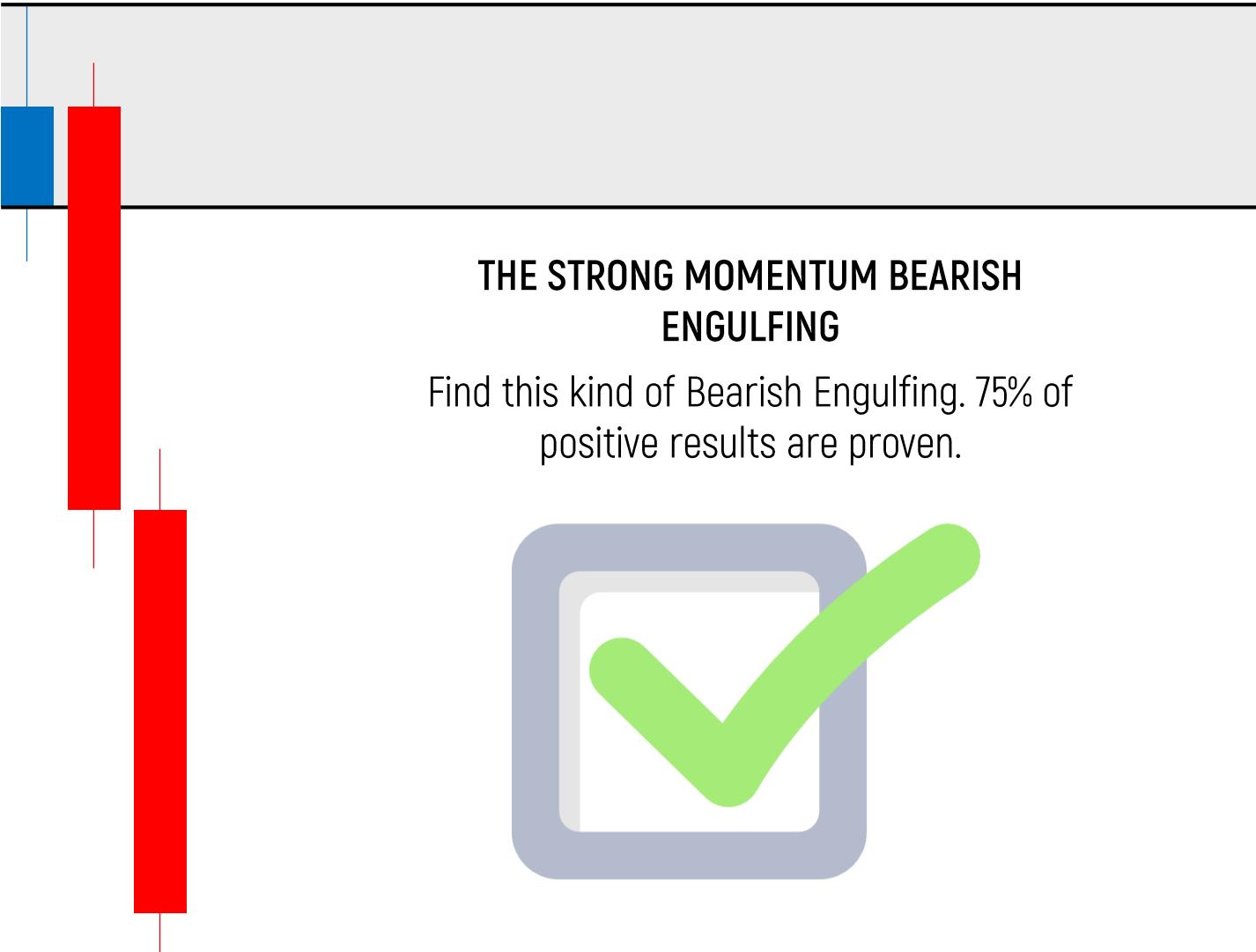
## THE STRONG MOMENTUM BEARISH ENGULFING

A Bearish Engulfing at the MPL Sell Zone that is followed by another Bearish Marubozu.



# THE STRONG MOMENTUM BEARISH ENGULFING

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## THE STRONG MOMENTUM BEARISH ENGULFING

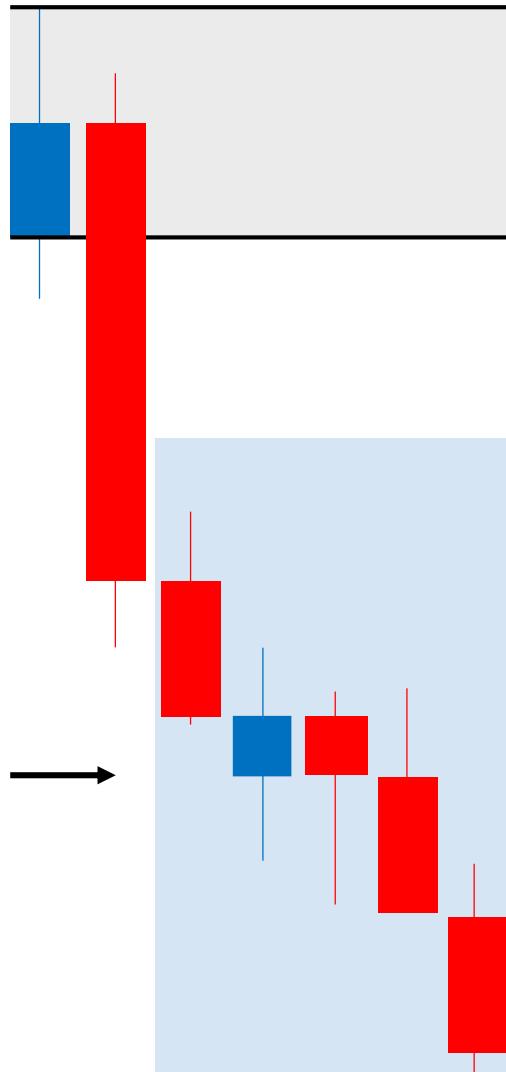
Find this kind of Bearish Engulfing. 75% of positive results are proven.



# THE WEAK MOMENTUM BEARISH ENGULFING

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This Bearish Engulfing  
is followed by small  
weak candles with  
lots of wicks.



## THE WEAK MOMENTUM BEARISH ENGULFING

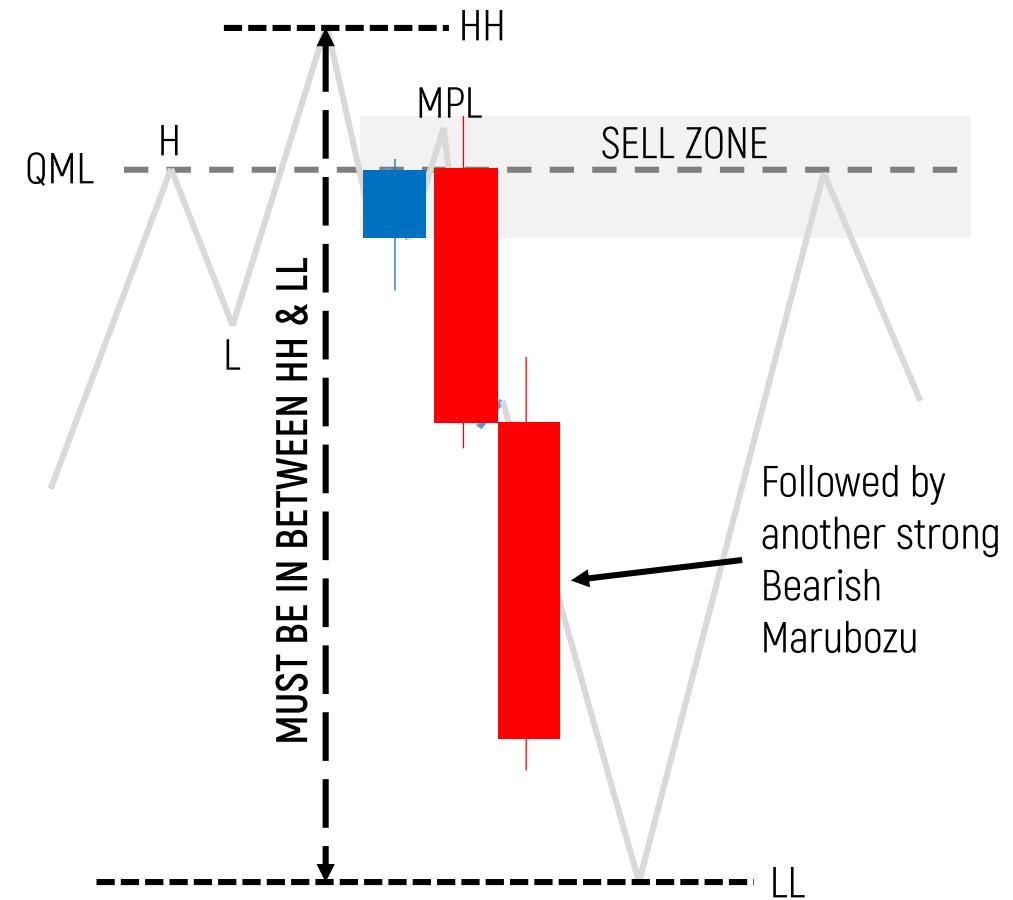
Try to avoid this kind of Bearish Engulfing. The result would be 50-50 as the risk of price breaking the zone is also imminent.



# THE STRONG MOMENTUM BEARISH ENGULFING

## THE RULES FOR THE STRONG MOMENTUM BEARISH ENFULFING

1. It has to be **IN BETWEEN** the Higher High (HH) and Lower Low (LL)
2. The Bearish Engulfing has to be **followed by another strong Bearish Marubozu.**



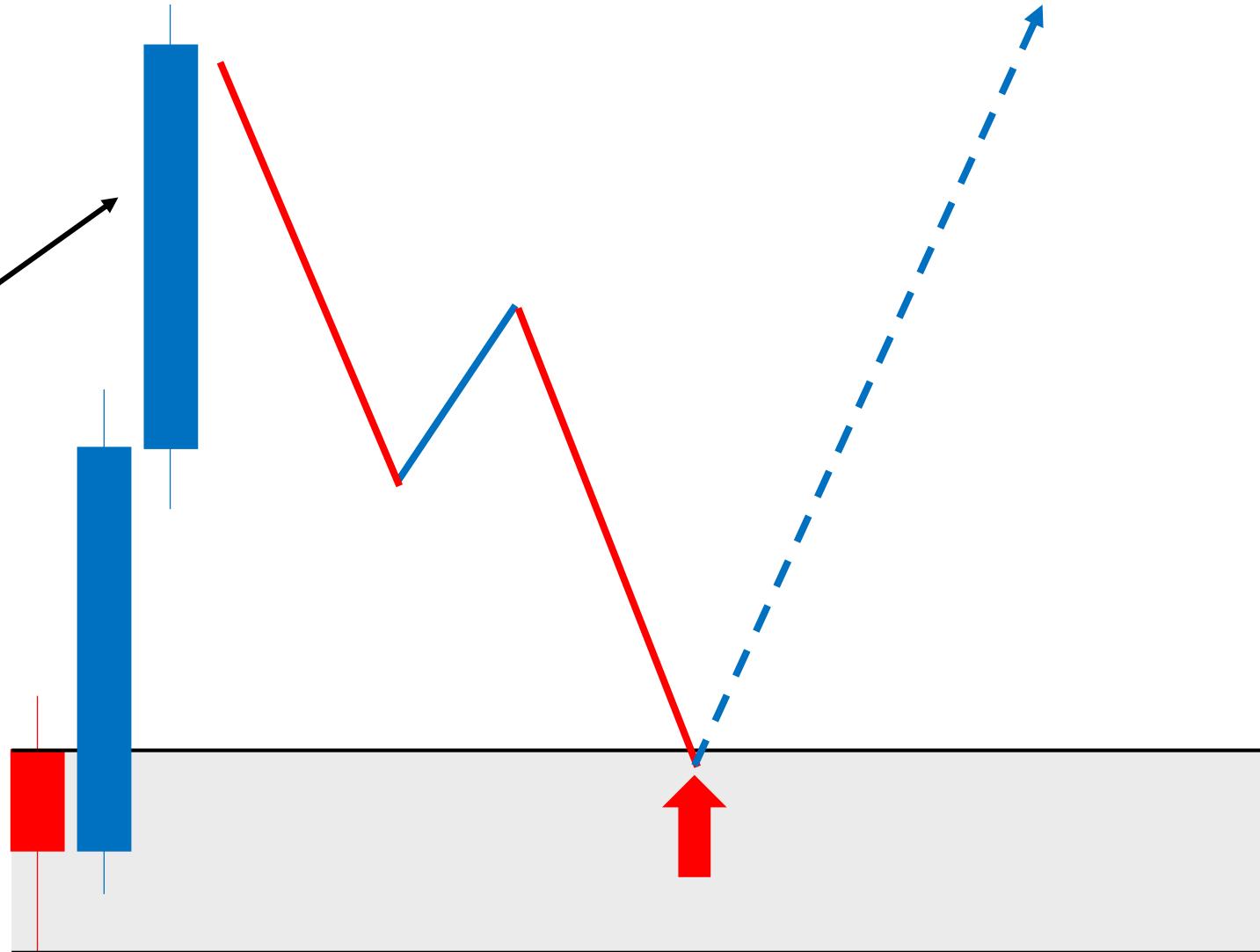
**BUY SETUP**

# THE STRONG MOMENTUM BULLISH ENGULFING

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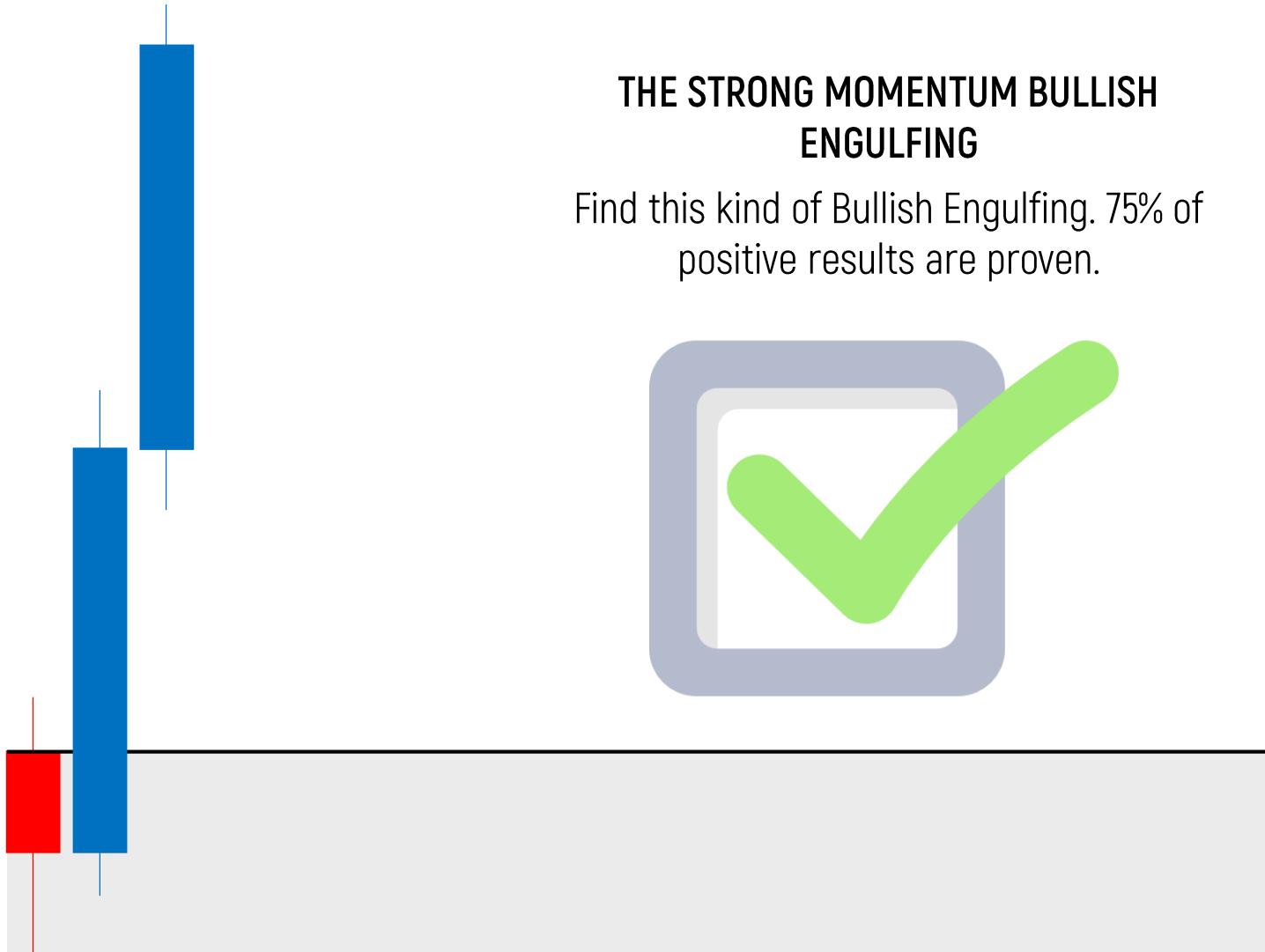
## THE STRONG MOMENTUM BULLISH ENGULFING

A Bullish Engulfing at the MPL Sell Zone that is followed by another Bullish Marubozu.



# THE STRONG MOMENTUM BULLISH ENGULFING

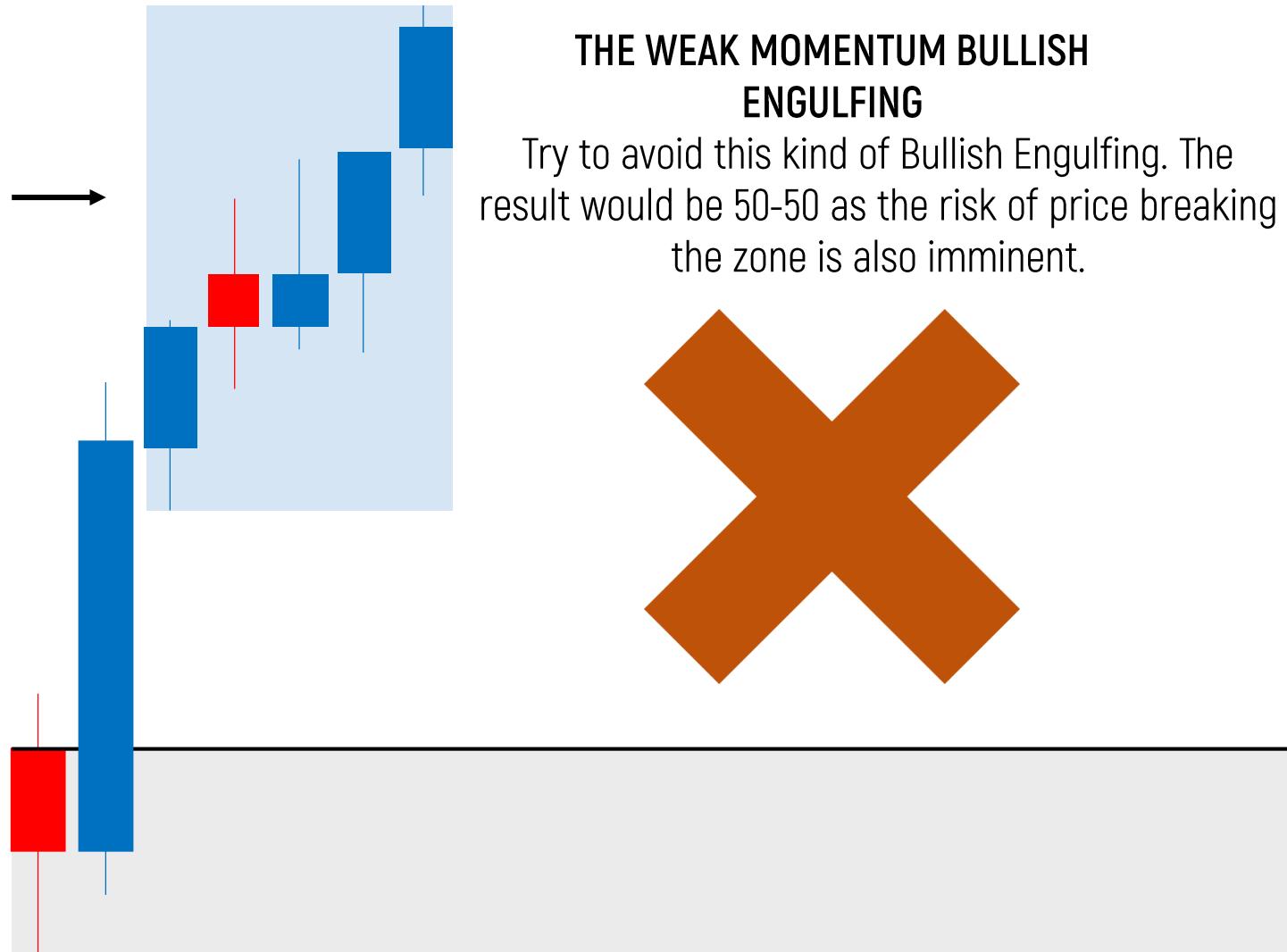
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# THE STRONG MOMENTUM BULLISH ENGULFING

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This Bullish Engulfing is followed by small weak candles with lots of wicks.



## THE WEAK MOMENTUM BULLISH ENGULFING

Try to avoid this kind of Bullish Engulfing. The result would be 50-50 as the risk of price breaking the zone is also imminent.

# THE STRONG MOMENTUM BULLISH ENGULFING

## THE RULES FOR THE STRONG MOMENTUM BULLISH ENFULFING

1. It has to be **IN BETWEEN** the **Lower Low (LL)** and **Higher High (HH)**
2. The Bullish Engulfing has to be **followed by another strong Bullish Marubozu.**

