

# Order Book Analysis

## Checklist

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Signal Pilot Education Hub

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## Trading Checklist

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### From Lesson 14: Order Book Analysis

Use this checklist to read order book depth, detect fake walls, and trade absorption vs. exhaustion patterns.

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### Pre-Trade: Order Book Assessment

- [ ] **Check bid/ask imbalance**
- Total bid size within 5 levels: \_\_ shares
- Total ask size within 5 levels: \_\_ shares
- Ratio: \_\_ (bid ÷ ask)
- Imbalance direction: Heavy Bid / Heavy Ask / Balanced
- [ ] **Identify large walls**

- Largest bid: \$\_ → \_ shares
  - Largest ask: \$\_ → \_ shares
  - Wall size vs. typical: 5-10× larger? Yes / No
  - [ ] **Check for spoofing patterns**
  - Wall appeared then disappeared without trades? Yes / No
  - Wall "chasing" price (moves with it, never hit)? Yes / No
  - Walls on BOTH sides (keeping price in range)? Yes / No
  - If Yes to any: Likely fake wall (don't trust it)
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## Order Book Confirmation Criteria

### Before trusting imbalance:

- [ ] Imbalance > 1.5:1 (or < 0.67:1 for shorts)
- [ ] Plutus Flow CVD confirms direction (positive delta if heavy bid)
- [ ] Janus Atlas suggests setup at this level
- [ ] Volume Oracle regime supports direction
- [ ] Wall has been TESTED (price approached and held)

If all ✓ → High-probability setup

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## Trading Strategy Selection

### Strategy A: Absorption Reversal

#### Setup criteria:

- [ ] Large wall identified at key level (\$\_)
- [ ] Price approaches wall from above/below
- [ ] Volume absorbed (price holds, wall doesn't break)

- [ ] Footprint shows positive/negative delta (absorption)
- [ ] Janus sweep or structure test confirmed

#### **Execution:**

- **Entry:** \$\_ (above/below wall after absorption confirmed)
- **Stop:** \$\_ (beyond wall + buffer)
- **Target:** \$\_ (HTF level) = \_R
- **Position size:** \_\_\_\_ shares

## **Strategy B: Wall Breakout (Exhaustion)**

#### **Setup criteria:**

- [ ] Large wall identified at \$\_
- [ ] Aggressive flow hits wall
- [ ] Wall BROKEN (price moves through, order filled/pulled)
- [ ] Plutus Flow shows volume spike
- [ ] HTF trend supports continuation

#### **Execution:**

- **Entry:** \$\_ (continuation after break)
  - **Stop:** \$\_ (above/below broken wall)
  - **Target:** \$\_ (next HVN/LVN) = \_R
  - **Position size:** \_\_\_\_ shares
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## **Iceberg Order Detection**

#### **Signs of hidden liquidity:**

- [ ] Price "stuck" at level for 10+ minutes
- [ ] Volume traded > visible order size (e.g., 5,000 traded, only 500 visible)
- [ ] Order refreshing repeatedly at same price
- [ ] Small visible size but massive volume absorbed

#### **If iceberg detected:**

- Level: \$\_

- Estimated hidden size: \_ shares (based on volume)
  - Interpretation: Strong support/resistance (institutional accumulation/distribution)
  - Action: Trade breakout away from iceberg level (momentum likely to follow)
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## **Invalidation Criteria (Exit Immediately)**

- [ ] Wall disappeared before being tested (spoofing confirmed)
  - [ ] Absorption failed (price broke through after initial hold)
  - [ ] HTF structure breaks against you
  - [ ] CVD diverges from order book imbalance
  - [ ] Price action doesn't confirm within 5 candles
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## **Post-Trade Review**

### **Order book analysis:**

- Did wall hold/break as expected? Yes / No
- Was imbalance reliable (confirmed by volume)? Yes / No
- Did I identify spoofing correctly? Yes / No

### **What went right:**

- \_\_\_\_\_

### **What could be improved:**

- \_\_\_\_\_

### **Lesson learned:**

- \_\_\_\_\_

### **Win/Loss: \_ R-multiple: \_**

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**Remember:**

- Imbalance needs confirmation (CVD, Janus, Volume Oracle)
- Only trust TESTED walls (not pre-test)
- Spoofing is real (walls disappear before hit)
- Iceberg orders = hidden institutional flow

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