

Institutional Order Flow

Checklist

Signal Pilot Education Hub



Institutional Order Flow Trading Checklist

Lesson 28: Institutional Order Flow

This checklist helps you identify and trade with institutional smart money by reading order flow, volume analysis, and footprint charts.



Pre-Trade Setup Checklist

Order Flow Analysis

- [] **Check footprint chart** - Identify aggressive buying (market buys) vs. selling (market sells)
- [] **Look for absorption zones** - Large limit orders absorbing market orders (rejection zones)
- [] **Identify imbalances** - Price cells with 70%+ buying or selling (directional conviction)

- [] **Spot iceberg orders** - Large hidden orders (volume spikes at price level)
- [] **Confirm with Delta** - Cumulative delta rising (buyers winning) or falling (sellers winning)

Volume Profile

- [] **Identify POC (Point of Control)** - Price with most volume (institutional reference point)
- [] **Mark HVN (High Volume Nodes)** - Support/resistance at high-volume areas
- [] **Mark LVN (Low Volume Nodes)** - Fast-move zones (gaps in acceptance)
- [] **Check value area (70% volume)** - Current price above/below value? (trend context)

Smart Money Indicators

- [] **Look for smart money divergence** - Price makes new high but volume/delta declining
- [] **Identify stop hunts** - Spike below support with immediate reversal (liquidity grab)
- [] **Check institutional order blocks** - Large volume candles that preceded moves (origin points)
- [] **Monitor time & sales** - Large prints (block trades) showing institutional activity

Market Context

- [] **Check macro trend** - Are institutions buying or distributing? (accumulation vs. distribution)
- [] **Confirm with higher timeframe** - Does HTF order flow support direction?

- [] **Check session type** - London open, NY open, or Asia session?
(institutional timing)
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🎯 During Trade Execution

Entry Confirmation

- [] **Wait for confirmation candle** - Order flow imbalance closes in your direction
- [] **Enter at support/resistance retest** - Price returns to POC/HVN for confluence
- [] **Check real-time delta** - Delta must support your directional bias

Position Management

- [] **Place stop below absorption zone** - Stop below where institutions absorbed selling
- [] **Size based on risk (1-2% max)** - Calculate shares: $(\text{Acct} \times 2\%) / \text{Stop distance}$
- [] **Set initial target at next LVN** - Low volume node = fast-move target zone

Monitoring

- [] **Watch footprint for shift** - If absorption flips (buyers become sellers), exit
 - [] **Monitor cumulative delta** - If delta diverges from price, reduce position
 - [] **Check for new imbalances** - New opposite-direction imbalance = potential reversal
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Post-Trade Review

Trade Analysis

- [] **Was order flow signal confirmed?** - Did footprint show clear institutional bias?
- [] **Did absorption hold?** - If you traded off absorption, did it act as support/resistance?
- [] **How accurate was POC/value area?** - Did price react at volume profile levels?
- [] **Did smart money divergence play out?** - If present, did reversal occur?

Performance Tracking

- [] **Record order flow setup type** (absorption, imbalance, iceberg, divergence)
- [] **Log cumulative delta direction** - Was delta aligned with your trade?
- [] **Note session timing** - Which session had best order flow clarity?
- [] **Screenshot footprint chart** - Visual record for pattern recognition

Lessons Learned

- [] **What worked?** - Which order flow signals were most reliable?
- [] **What didn't work?** - Did false signals occur? Why?
- [] **Regime fit?** - Does order flow analysis work better in trending or ranging?
- [] **Next improvement** - Practice reading footprint faster, identify icebergs earlier



Pro Tips

Order Flow Mastery

- **Practice reading footprint in replay mode** - Sim trading builds pattern recognition without risk
- **Combine with auction theory** - Order flow + value area = high-probability setups
- **Focus on liquid markets** - SPY, ES, NQ have clearest institutional footprints
- **Watch opening range** - First 30 min shows institutional positioning for the day

Common Mistakes to Avoid

- **✗ Trading every imbalance** (wait for confluence with POC/HVN)
- **✗ Ignoring higher timeframe order flow** (5min imbalance ≠ edge if 1H shows opposite)
- **✗ Overtrading low-liquidity assets** (order flow unclear in thin markets)
- **✗ Chasing after strong delta move** (wait for retest/absorption)

Regime Considerations

- **Trending markets:** Order flow shows strong directional delta (trade with trend)
- **Ranging markets:** Look for absorption at range edges (fade extremes)
- **High volatility:** Order flow more chaotic (reduce size or avoid)



Related Resources

- **Lesson 30:** Auction Theory Advanced (combine with order flow)
 - **Lesson 36:** High Frequency Concepts (institutional execution strategies)
 - **Recommended Tools:** Sierra Chart (footprint), NinjaTrader (order flow), ATAS Platform
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Version: 1.0

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Difficulty: Advanced

Remember: Institutions move markets. Your job is to read their footprints and follow their direction. Don't fight the order flow.

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