

Dark Pool Analysis Checklist

Signal Pilot Education Hub

Dark Pool Analysis Guide

From Lesson 17: They're Buying in the Dark (But You Can See the Footprints)

Use this guide to interpret dark pool activity and trade with institutional flow.

What Are Dark Pools?

Dark pools = Private exchanges where institutions trade large blocks WITHOUT showing their orders to the public market.

Why they exist:

- Prevent market impact (buying 500K shares publicly would spike price)
- Hide intentions from HFT front-runners
- Achieve better average prices

The tell: Dark pool prints eventually report to the tape. We can see WHAT happened, just not WHEN the order was placed.



Step 1: Identify Dark Pool Prints

What to Look For:

- [] **Large block trades** (10K+ shares for stocks, varies by asset)
- [] **Trades executed off-exchange** (marked as "D" or dark pool venues)
- [] **Unusual size relative to average volume**
- [] **Prints occurring away from current price** (institution got better fill)

Tools:

- Time & Sales window (TradingView, Think or Swim, etc.)
 - Dark pool scanners
 - Volume profile showing large prints
 - Flow trackers showing block trades
-



Step 2: Interpret Dark Pool Activity

Bullish Dark Pool Signals:

Accumulation Pattern:

- [] Large buy prints BELOW current price
- [] Multiple dark pool buys while price is falling
- [] Institutions buying retail's panic selling

Example:

Price Action: \$100 → \$98 (falling)

Dark Pools: 50K bought @ \$99

100K bought @ \$98.50

150K bought @ \$98

Translation: Institutions accumulating during dip. Likely potential reversal up.

Bearish Dark Pool Signals:

Distribution Pattern:

- [] Large sell prints ABOVE current price
- [] Multiple dark pool sells while price is rising
- [] Institutions distributing to retail FOMO buyers

Example:

Price Action: \$100 → \$102 (rising)

Dark Pools: 75K sold @ \$101

120K sold @ \$101.50

200K sold @ \$102

Translation: Institutions distributing into strength. Likely potential reversal down.

Neutral/Noise Signals:

- [] Dark pool prints at current market price (likely just splitting large orders)
- [] Balanced buy/sell prints (no directional bias)
- [] Small size relative to daily volume (<1% of total)

Action: Ignore, not tradeable signal

Step 3: Confluence with Price Action

High-Probability Setups (All Must Align):

Bullish Setup:

- [] Dark pool accumulation (buys below price)
- [] Price approaching support level
- [] Janus Atlas marks sweep of support
- [] Plutus Flow shows delta reversing positive
- [] Price reclaims above dark pool print levels

Confidence: ★★★★★ (Extremely high)

Bearish Setup:

- [] Dark pool distribution (sells above price)
- [] Price approaching resistance level
- [] Janus Atlas marks sweep of resistance
- [] Plutus Flow shows delta reversing negative
- [] Price fails below dark pool print levels

Confidence: ★★★★★ (Extremely high)

Step 4: Trading Dark Pool Signals

Entry Strategy:

Wait for Confluence (Don't Jump on Dark Pool Print Alone):

- 1. Identify dark pool activity** (accumulation or distribution)
 - 2. Wait for price to test the level** where prints occurred
 - 3. Watch for reversal indication:**
 - Janus sweep + reclaim
 - Delta reversal on Plutus
 - Volume spike showing absorption
 - 4. Enter on indication candle close**
-

Example Trade: Bullish Dark Pool Accumulation

Setup:

- Price: \$100, falling to \$98
- Dark pools: 300K shares bought \$98-\$98.50
- Price bounces to \$99, then retests \$98.50

Entry Trigger:

- Janus marks sweep of \$98 low
- Price reclaims back above \$98.50
- Plutus shows +6,000 delta (buying)
- Dark pool prints indicated institutional positioning

Entry: \$98.60 (on reclaim candle close)

Stop: \$97.80 (below the sweep and dark pool accumulation zone)

Target:

- Target 1: \$100 (1.75R)
- Target 2: \$101.50 (3.6R)
- Trail remainder

Reasoning: Institutions accumulated \$98-98.50. They're not buying to lose money. Retail sweep created perfect entry after their accumulation.



Dark Pool Interpretation Framework

Pattern 1: Accumulation at Support

What You See:

- Price falling
- Dark pool buys increasing
- Retail panic selling

What It Means:

- Institutions using retail fear to accumulate
- They see value here
- Potential bottom forming

Trade: Long after sweep + reclaim

Reliability: Highly reliable pattern

Pattern 2: Distribution at Resistance

What You See:

- Price rising
- Dark pool sells increasing
- Retail FOMO buying

What It Means:

- Institutions using retail greed to distribute
- They're exiting positions
- Potential top forming

Trade: Short after sweep + rejection

Reliability: Highly reliable pattern

Pattern 3: Divergence

What You See:

- Price making new highs
- But dark pool BUYING increasing (not selling)

What It Means:

- Institutions accumulating despite high prices
- They expect continuation
- Retail might be early shorting the top

Trade: Long continuation (with-trend)

Reliability: Reliable pattern

Pattern 4: Fake-Out Detection

What You See:

- Price breaks support with volume
- But NO dark pool selling

What It Means:

- Retail panic, but institutions NOT participating
- Likely false breakdown
- Potential sweep before reversal

Trade: Long on reclaim (fade the breakdown)

Reliability: Moderately reliable pattern

Common Dark Pool Mistakes

Mistake #1: Trading Dark Pool Prints Alone

Wrong Approach:

- "I see dark pool buys, going long immediately"

Correct Approach:

- "Dark pool buys noted. Waiting for price to test level + reversal indication"

Why: Dark pool prints can be hours old. Wait for price action indication.

Mistake #2: Ignoring Relative Size

Wrong Approach:

- "10K share dark pool print, that's institutional!"

Correct Approach:

- "Is 10K shares significant for THIS asset? (Compare to average volume)"

Context Matters:

- 10K shares on SPY = noise
 - 10K shares on low-float stock = HUGE
-

Mistake #3: Not Verifying with Delta

Wrong Approach:

- "Dark pool buys at \$100, price is \$101, going long"

Correct Approach:

- "Dark pool buys at \$100. Price at \$101. Waiting for retest + delta indication"

Why: Dark pools show WHAT happened. Plutus CVD shows if buying CONTINUES.

Mistake #4: Fighting the Dark Pool Flow

Wrong Approach:

- "Dark pools accumulated, but I think it's going down"

Correct Approach:

- "Dark pools accumulated. I'll wait for price to indicate their thesis is playing out, then trade with them"

Why: Institutions have more information than you. Don't fight their flow.



Dark Pool Pre-Trade Checklist

Before taking a dark pool-based trade:

Setup Identification:

- [] Significant dark pool activity identified (>1% daily volume)
- [] Activity shows clear bias (accumulation OR distribution)
- [] Price has reacted to the level where prints occurred

Confluence:

- [] Janus sweep signal at the level
- [] Plutus delta indicating direction
- [] Volume shows absorption/reversal
- [] Multi-timeframe alignment

Entry:

- [] Waiting for price action indication (not jumping on print alone)
- [] Entry on reclaim/rejection candle close
- [] Risk/reward minimum 2:1

Risk Management:

- [] Stop placed beyond dark pool accumulation/distribution zone
 - [] Position sized for 1% account risk
 - [] Clear invalidation point defined
-



Dark Pool Journal Template

Date: __ **Asset:** __

Dark Pool Activity Observed:

- Total prints: _ shares
- Price range: \$_ to \$__
- Bias: Accumulation / Distribution / Neutral

Current Price: \$__

Price Action:

- Testing DP level? Yes / No
- Sweep occurred? Yes / No
- Reclaim/Rejection? Yes / No

Confluence:

- Janus: ☐ Yes ☐ No
- Plutus Delta: +_ / -_
- Volume: ☐ Indicating ☐ Neutral
- HTF Alignment: ☐ Yes ☐ No

Trade Decision: Long / Short / Wait / Skip

If Traded:

- Entry: \$_
- Stop: \$_
- Target: \$_
- Result: Win / Loss / Breakeven
- R-multiple: _

Lesson Learned:

Pro Tips

1. Dark Pools Lag Price

- Prints report delayed (seconds to minutes)
- Don't assume print = RIGHT NOW
- Use as context, not trigger

2. Compare to Average Volume

- 50K shares meaningful on low-volume stock
- 50K shares noise on SPY
- Calculate: DP print ÷ avg daily volume

3. Most Powerful at Extremes

- Dark pool buys at support = very bullish
- Dark pool sells at resistance = very bearish
- Dark pool activity mid-range = less meaningful

4. Combine with Order Flow

- Dark pools show institution positioned
- Plutus CVD shows if they're STILL buying/selling
- Together = complete picture

5. Patience is Key

- Don't chase dark pool prints
- Wait for price to return to the level
- Let the setup come to you

Dark pools reveal institutional positioning. Price action indicates continuation. Trade when both align.

Follow the money. It knows more than you.

© 2025 Signal Pilot Labs, Inc. | education.signalpilot.io

This material is for educational purposes only. Not financial advice.