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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 losses if this strategy doesn't suit you at any length.

Regards,
Nazmier Amzar Azman
2020.

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.

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.

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

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

The Trends

THE MAJOR TRENDS

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

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.

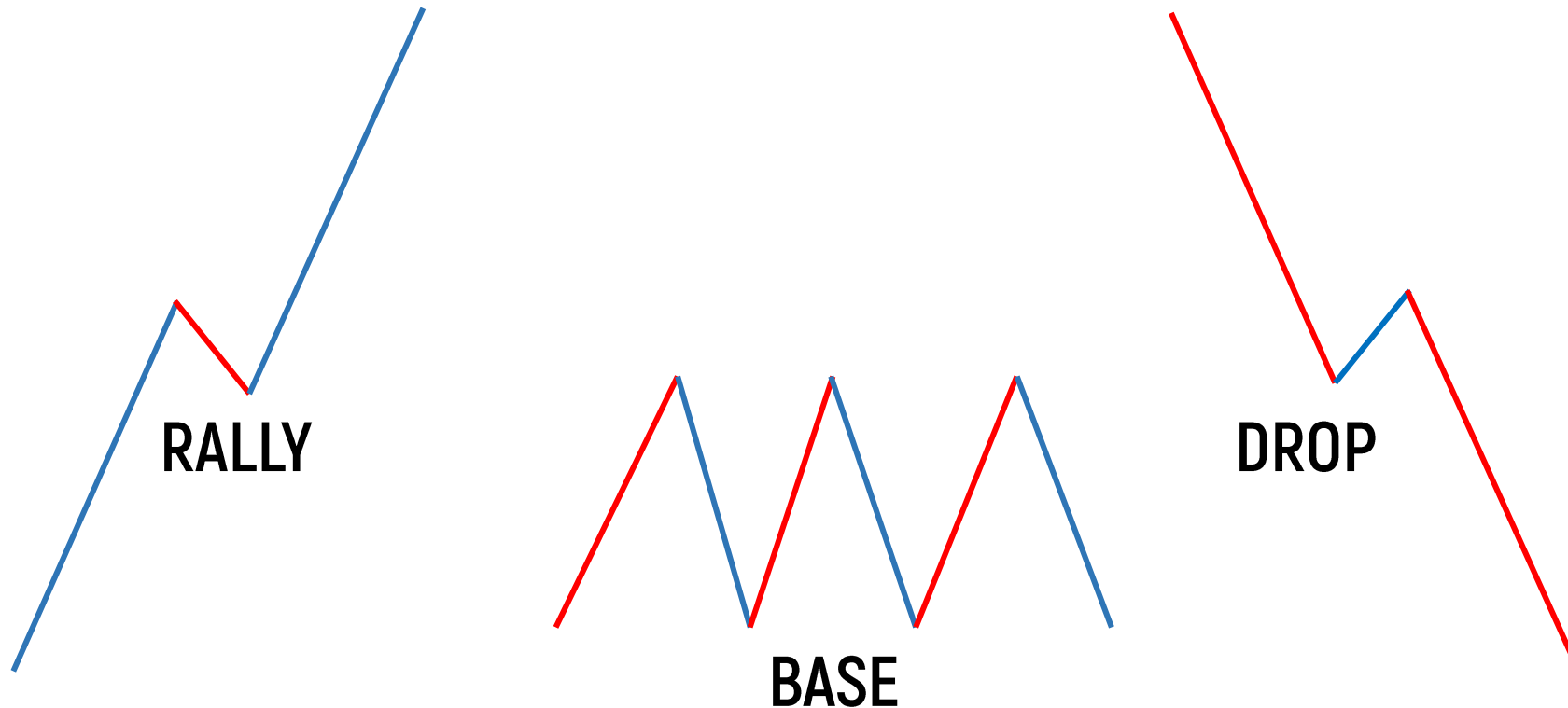


CHAPTER 2

The Price Movement

THE MARKET MOVEMENTS

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

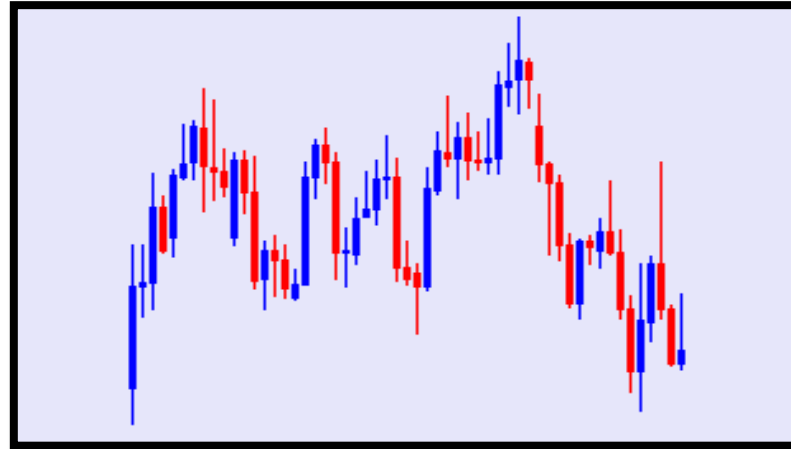


Sometimes it is called sideways. But in Supply and Demand, it is called **BASE**.



RALLY

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.



BASE



DROP

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

DROP BASE DROP
DBD

DEMAND ZONE

SUPPLY ZONE

DROP BASE RALLY
DBR

RALLY BASE DROP
RBD

DEMAND ZONE

SUPPLY ZONE

THE MARKET MOVEMENTS

PRICE RETRACE

PRICE RETRACE

RALLY BASE RALLY
RBR

DROP BASE DROP
DBD

DEMAND ZONE

SUPPLY ZONE

DROP BASE RALLY
DBR

RALLY BASE DROP
RBD

DEMAND ZONE

SUPPLY ZONE

THE MARKET MOVEMENTS

BUY

SELL

RALLY BASE RALLY
RBR

DROP BASE DROP
DBD

DEMAND ZONE

SUPPLY ZONE

DROP BASE RALLY
DBR

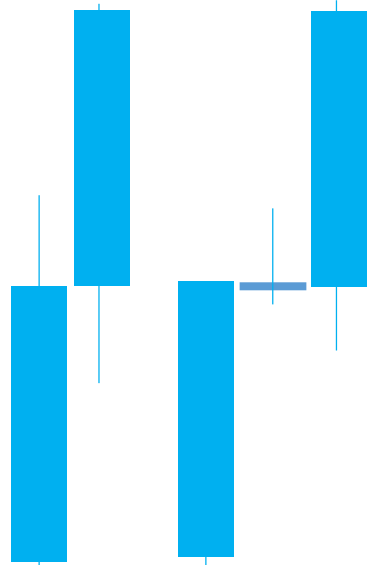
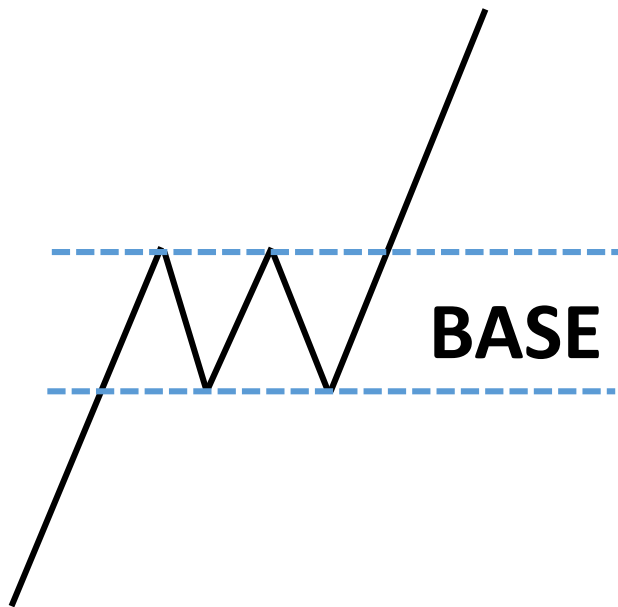
RALLY BASE DROP
RBD

DEMAND ZONE

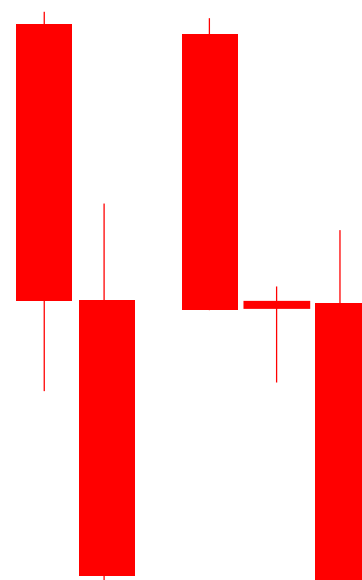
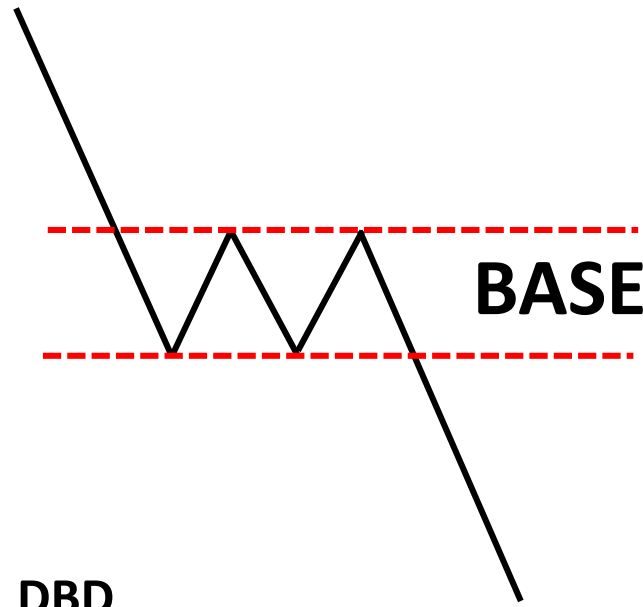
SUPPLY ZONE

How Does it Look in the Chart?

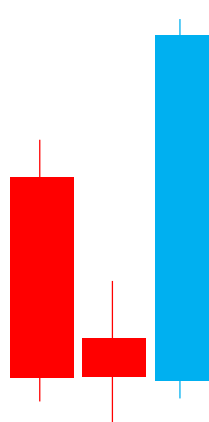
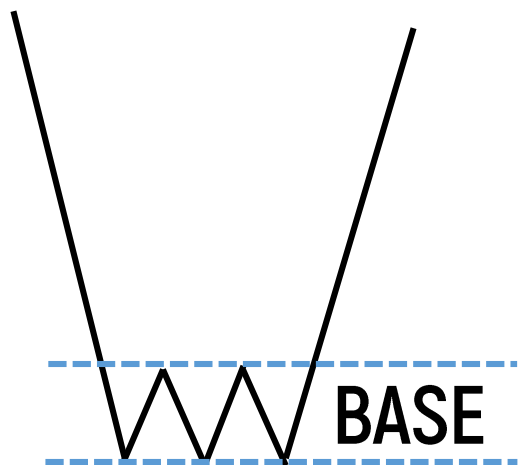
These moves are basically candles combination that we can find across the chart at any Time Frame



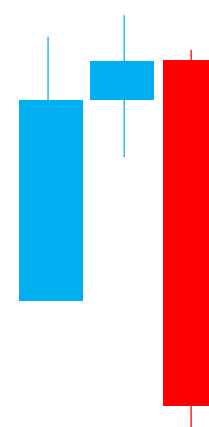
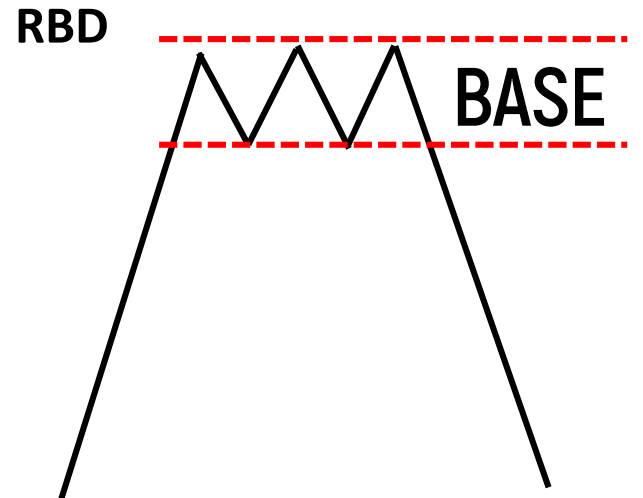
RBR



DBD



DBR



RBD



CHAPTER 3

Introduction to the Zones

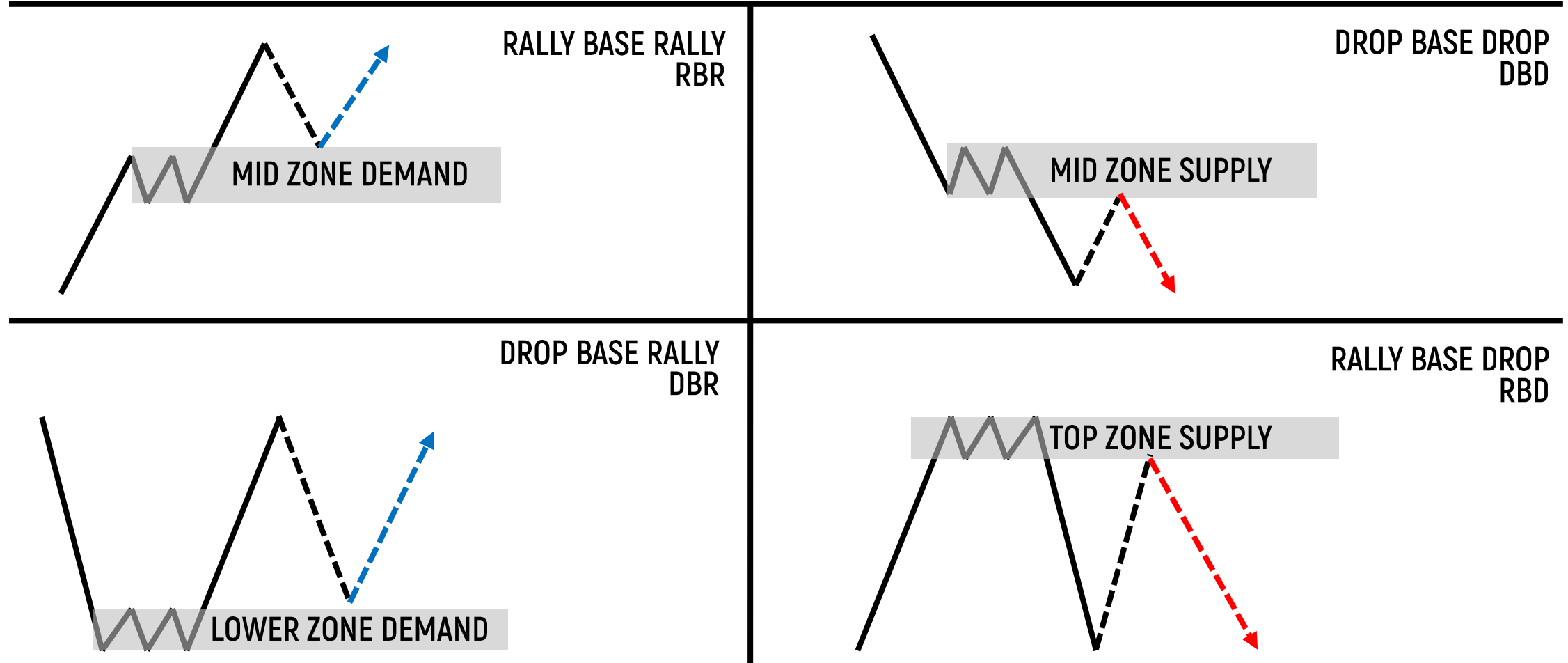
What are the Zones?

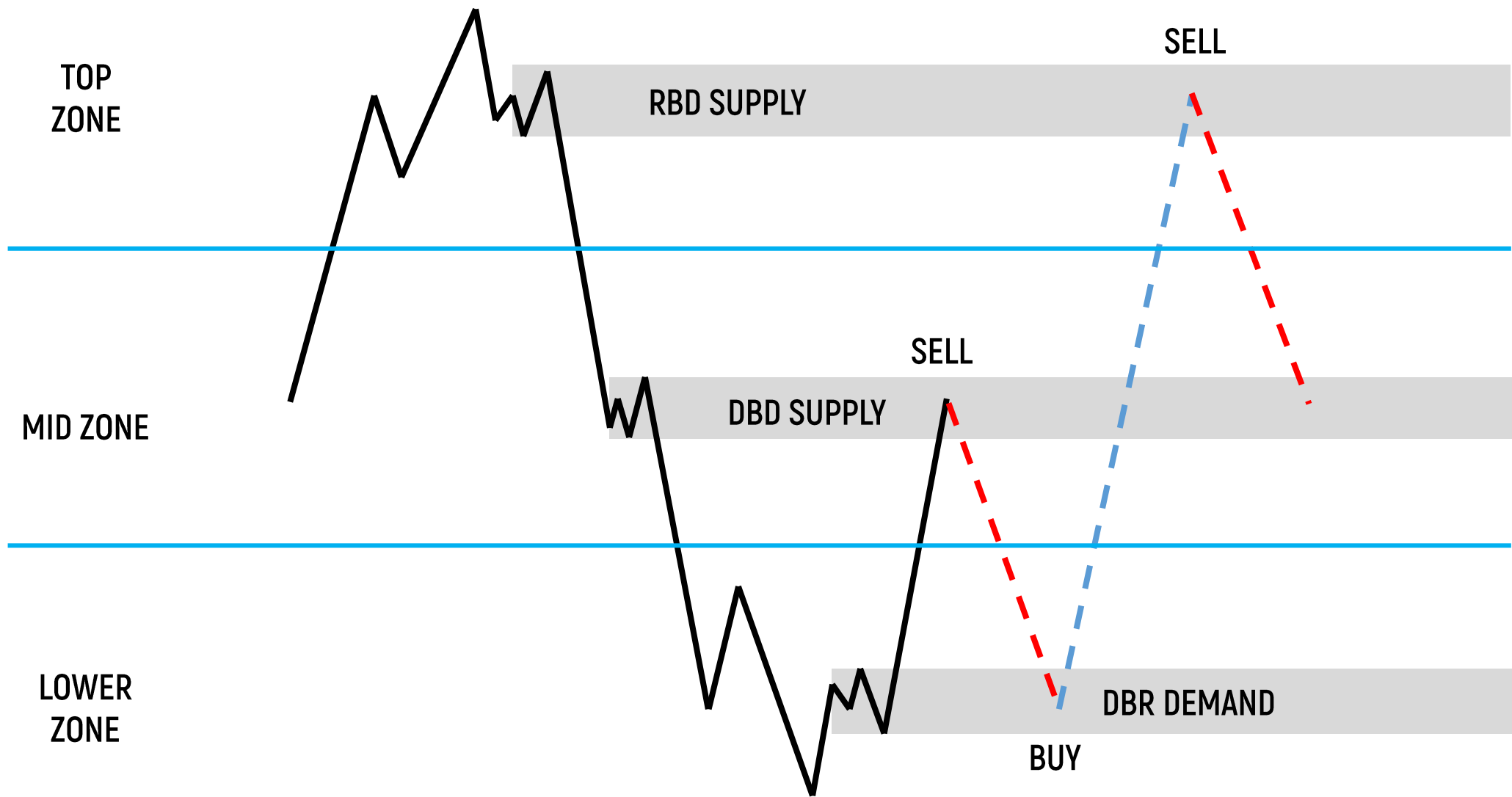
There are 3 Zones that we are going to look for our trade.
Let's see what the zones are.

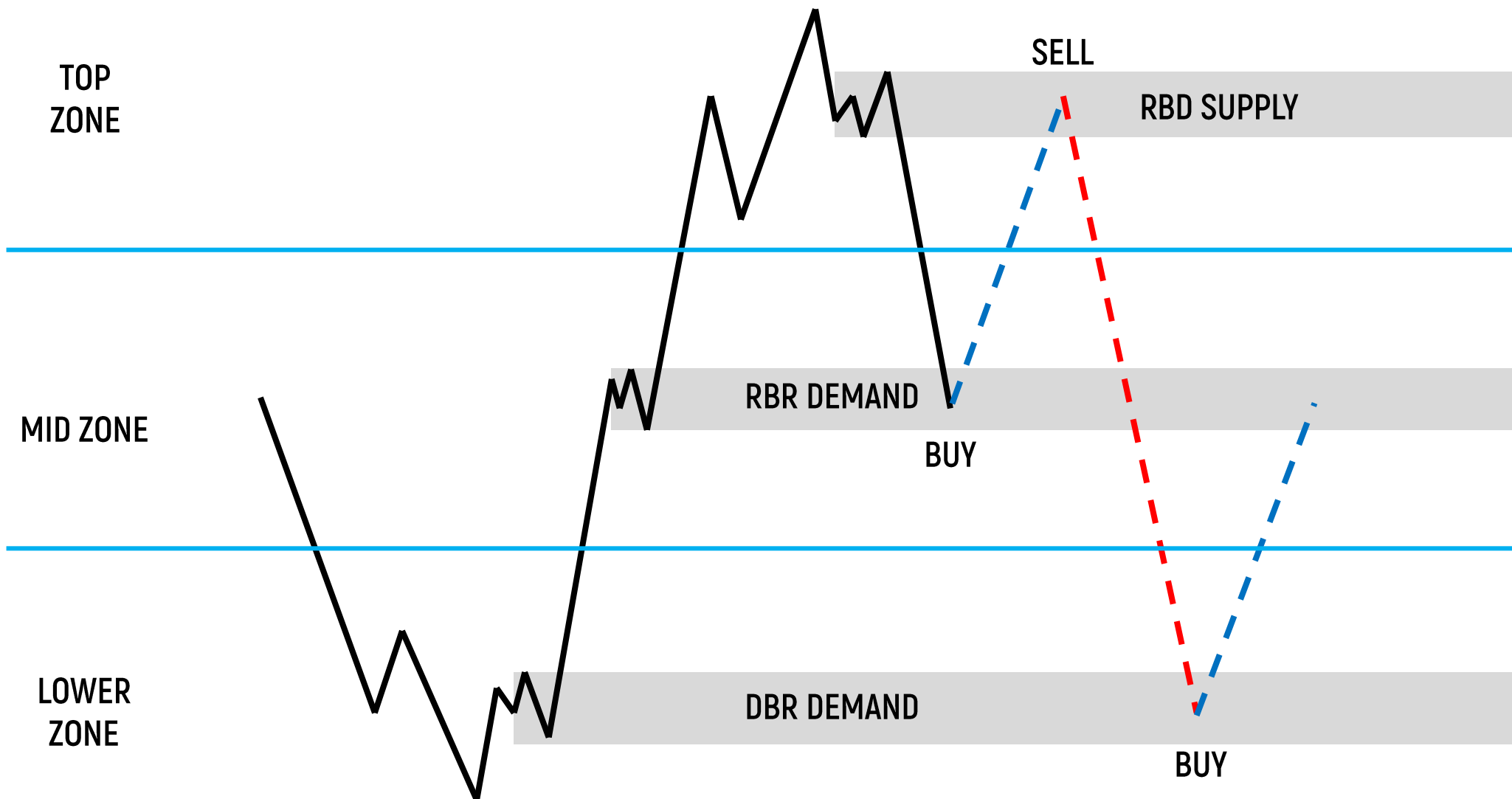
WHERE ARE THE ZONES?

DEMAND ZONE = BUY

SUPPLY ZONE = SELL





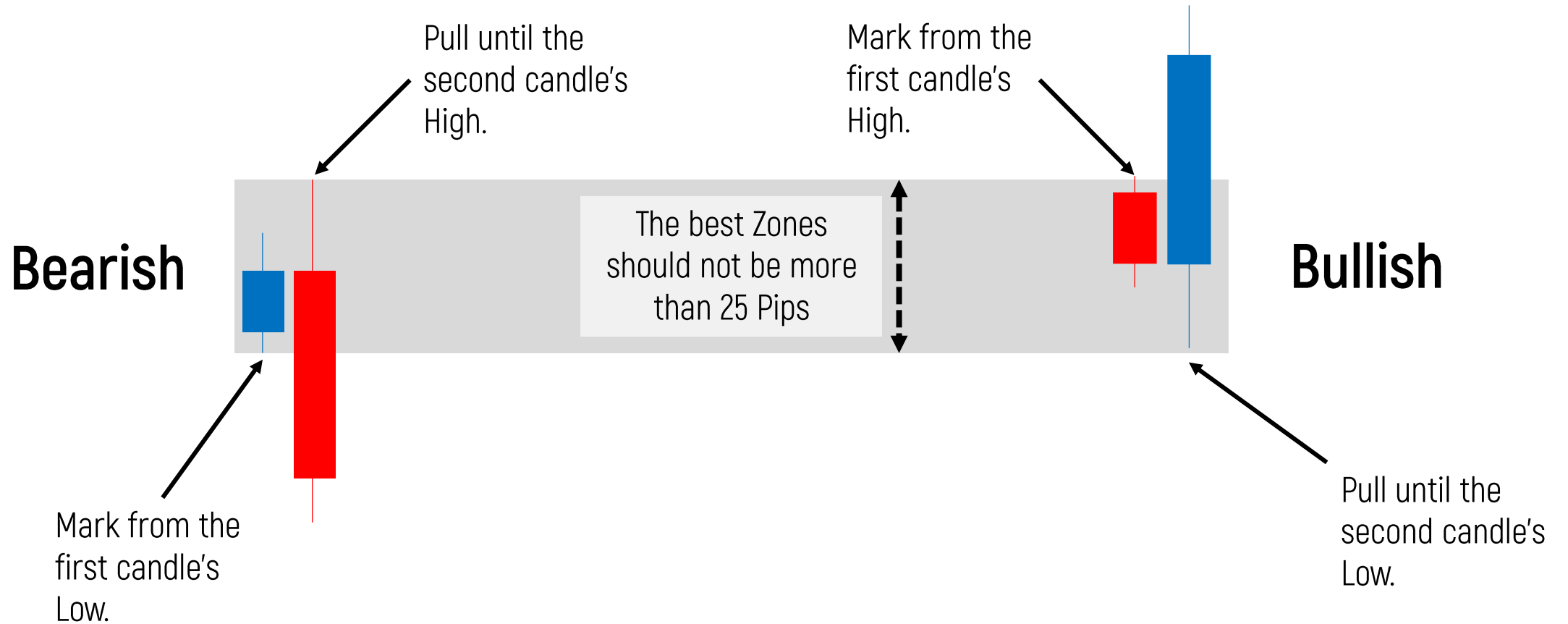


How to Mark the Zone?

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

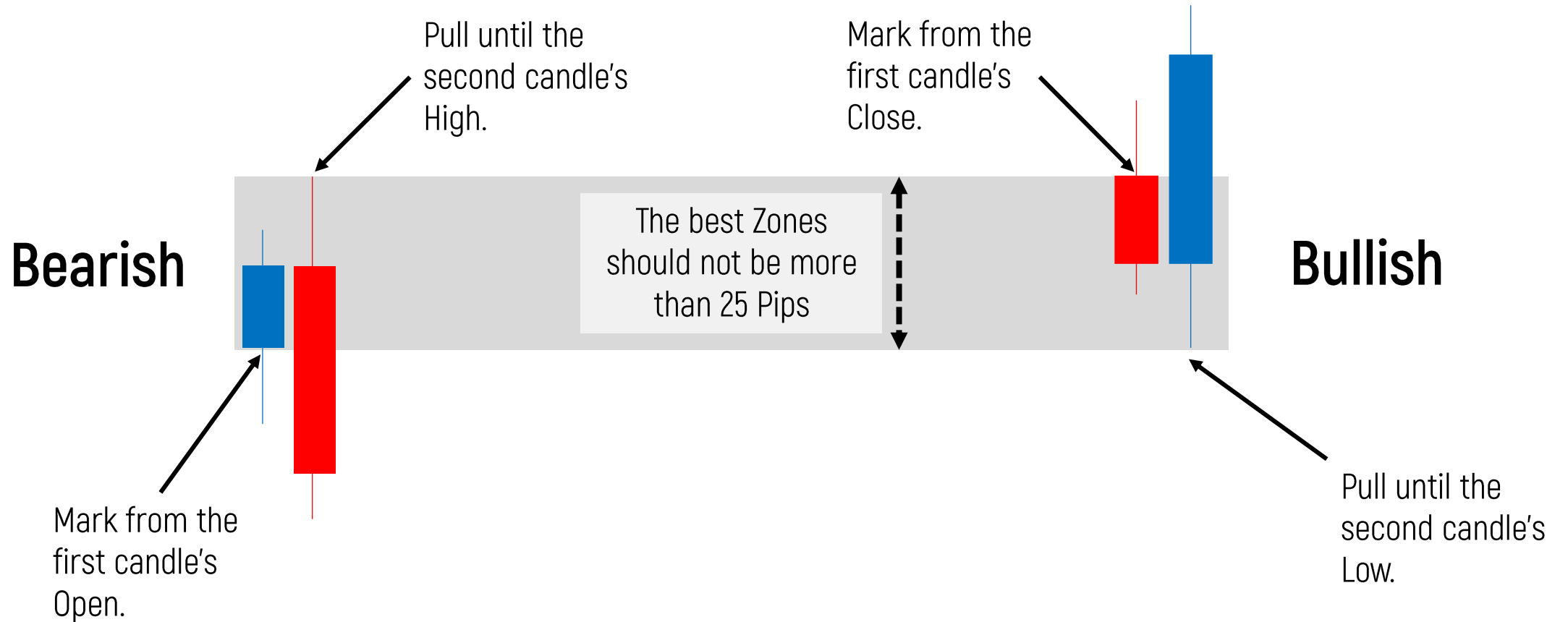
HOW TO MARK THE ZONES?

Standard Marking



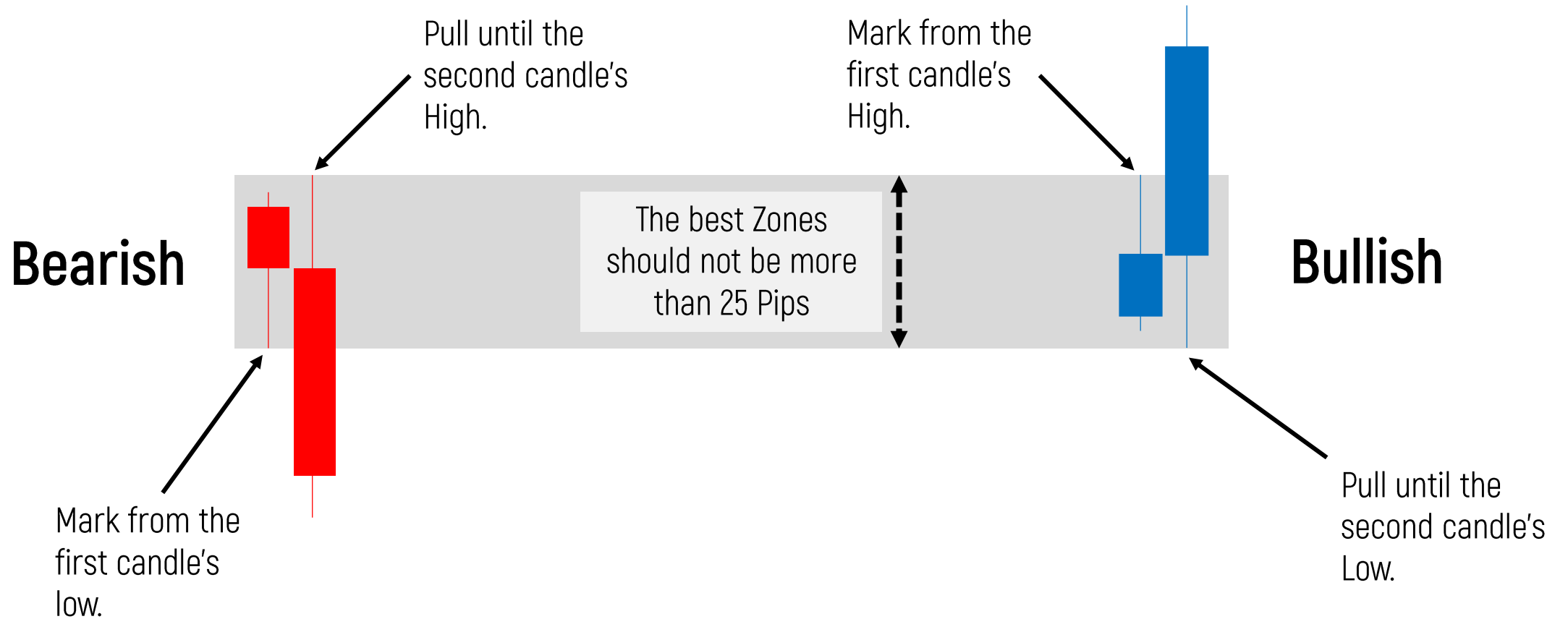
HOW TO MARK THE ZONES?

Long Wick Marking



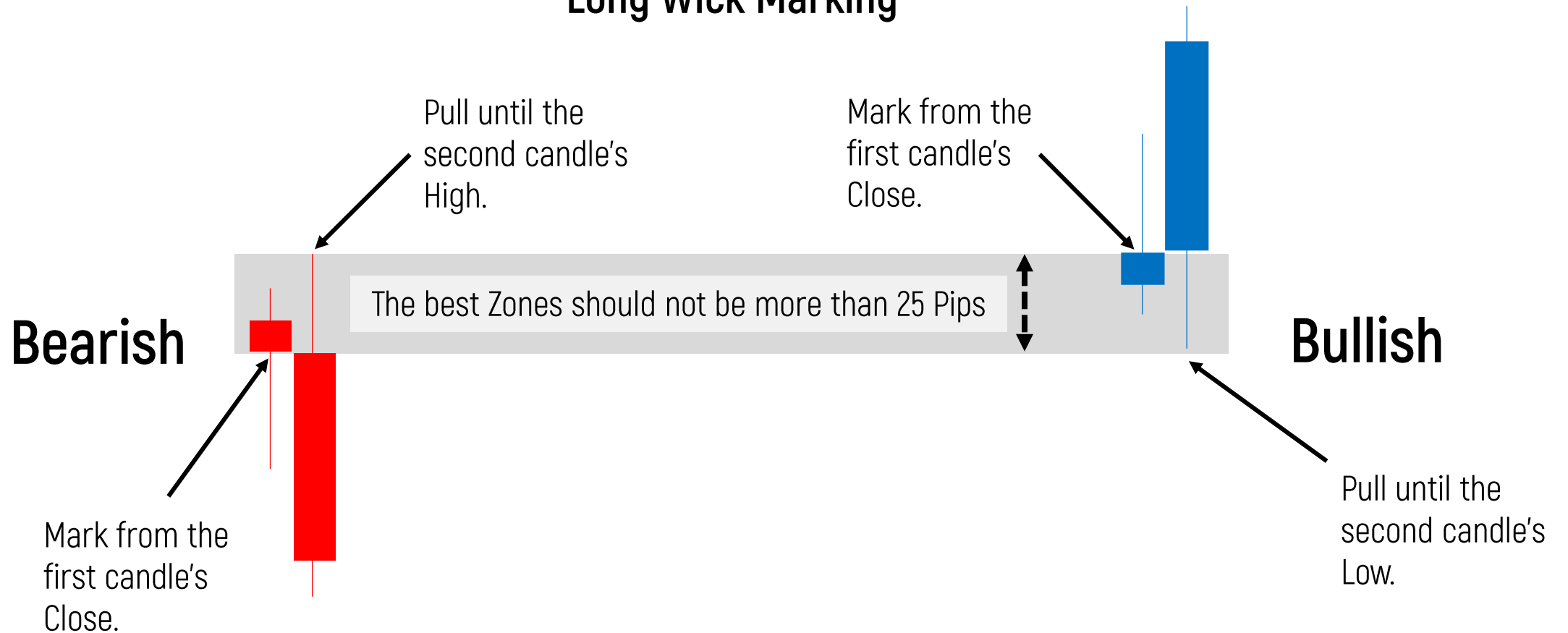
HOW TO MARK THE ZONES?

Standard Marking



HOW TO MARK THE ZONES?

Long Wick Marking





CHAPTER 4

The Setups

The Setups in This Chapter

In this Chapter, I will be discussing these things:

Quasimodo (QM)

Maximum Pain Level (MPL)

The Engulfings

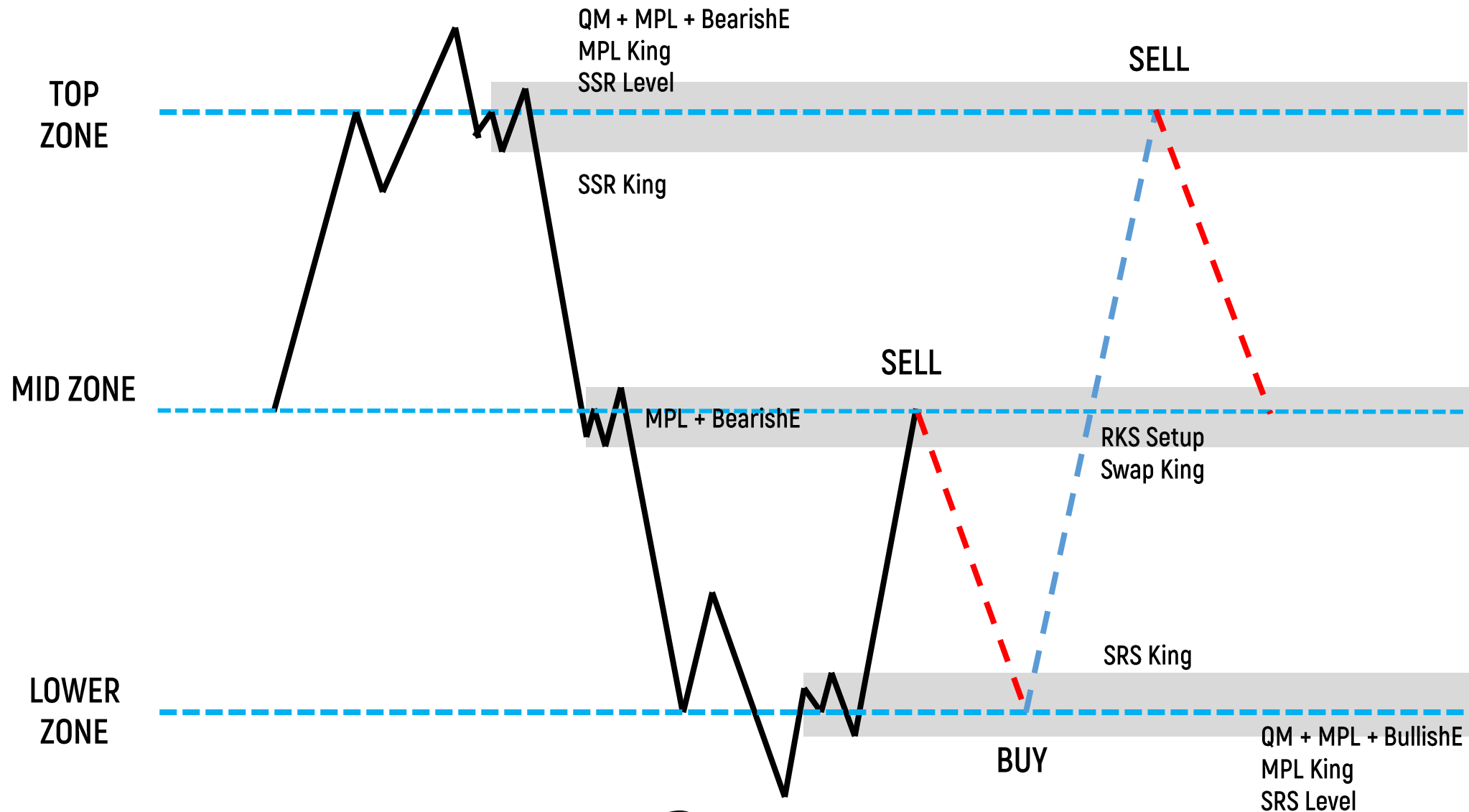
PLEASE REMEMBER THIS RULE!

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.

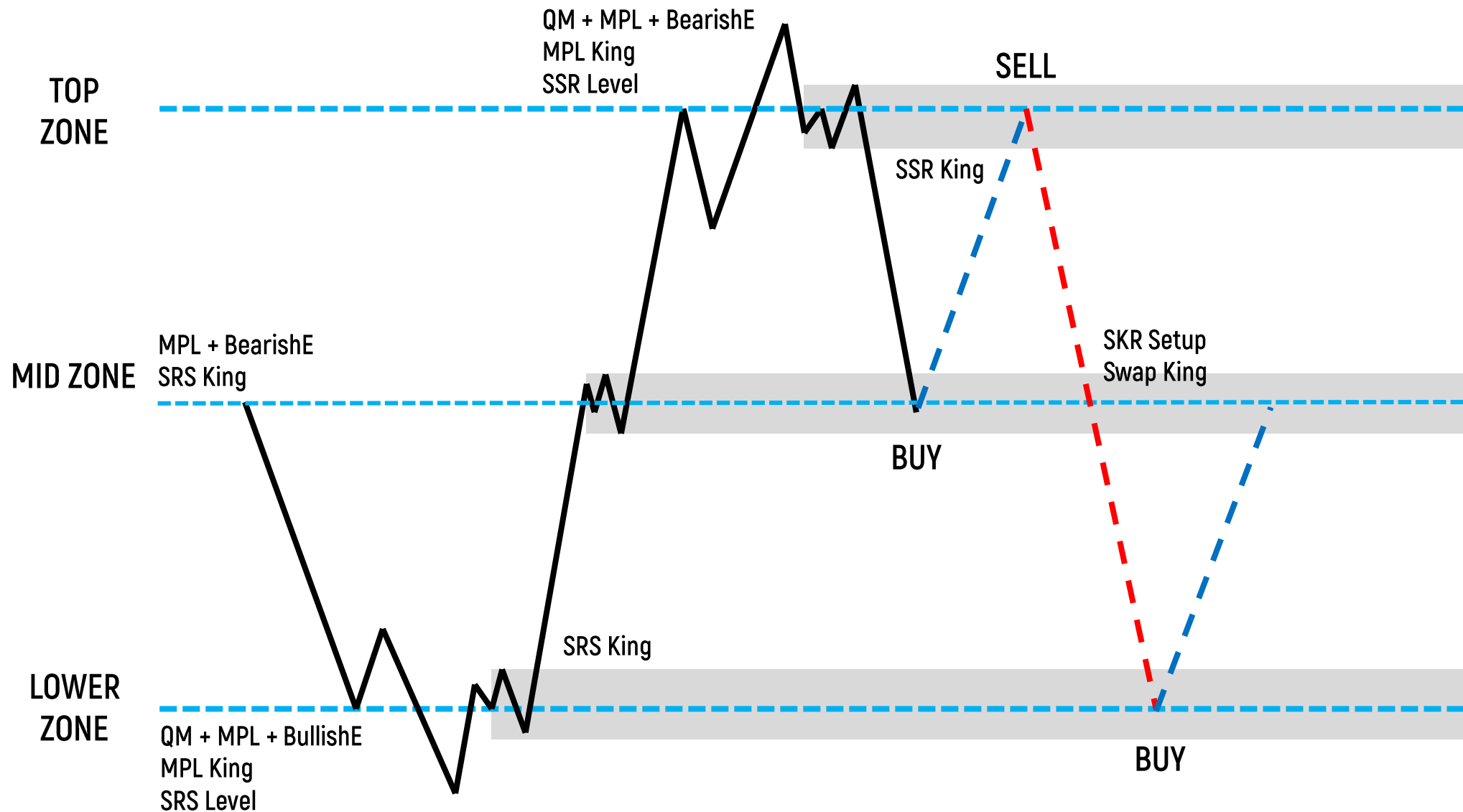
What Setups to Look for?

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

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

Understanding the Things Behind QM

Introduction to Quasimodo

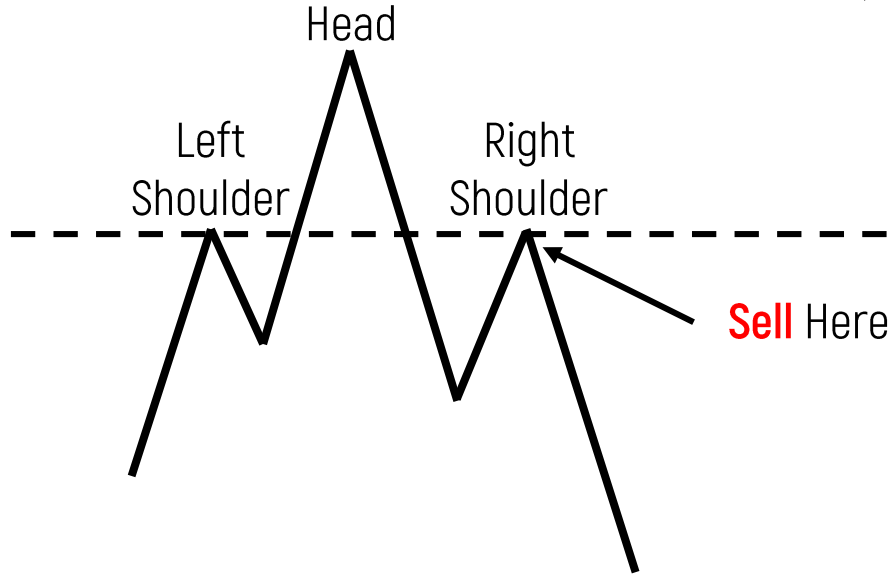
The Quasimodo or QM is the first and foremost setup to learn and a must-know for every SND trader. This setup would entail other related setup in Supply and Demand method.
Let's begin!

Is QM Head and Shoulder (HNS)?

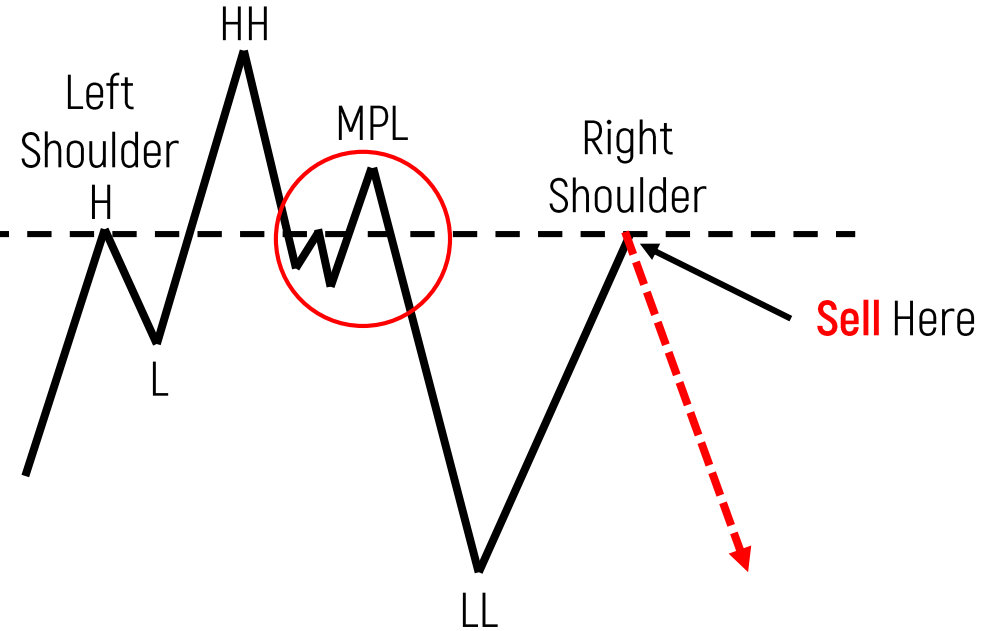
The QM has the shape of HNS alike, but it is not HNS to be exact. In fact, it is totally a different setup altogether. Let's see the difference closely.

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.

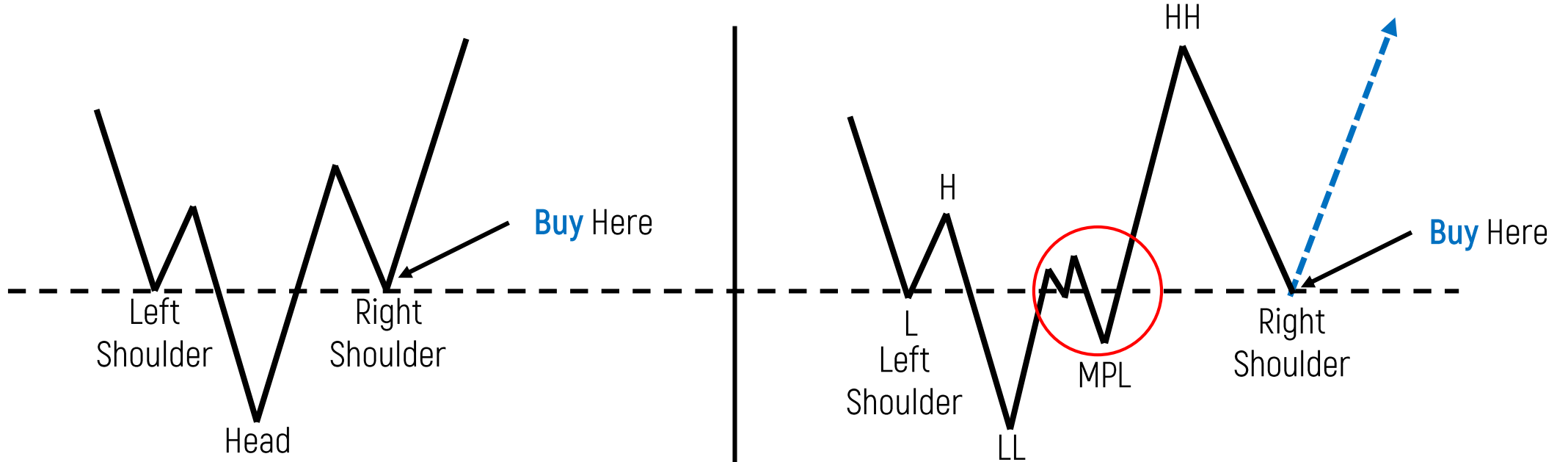


QM on the other hand, is a complex pattern that appear **only during trend reversal**. Notice the formation of High (H), Low (L), Higher High (HH) and Lower Low (LL).

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)

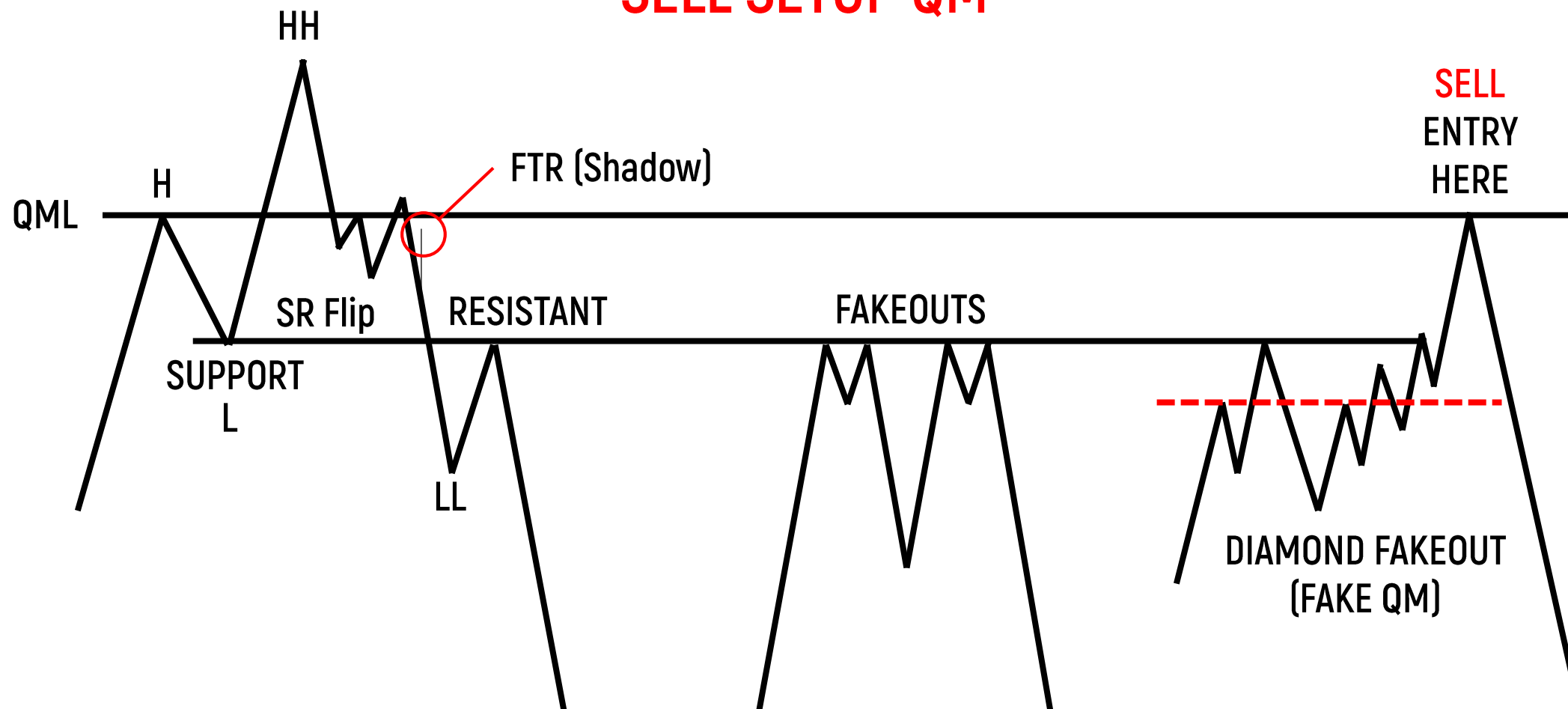
SR Flip

Fail to Return (FTR)

Fakeouts

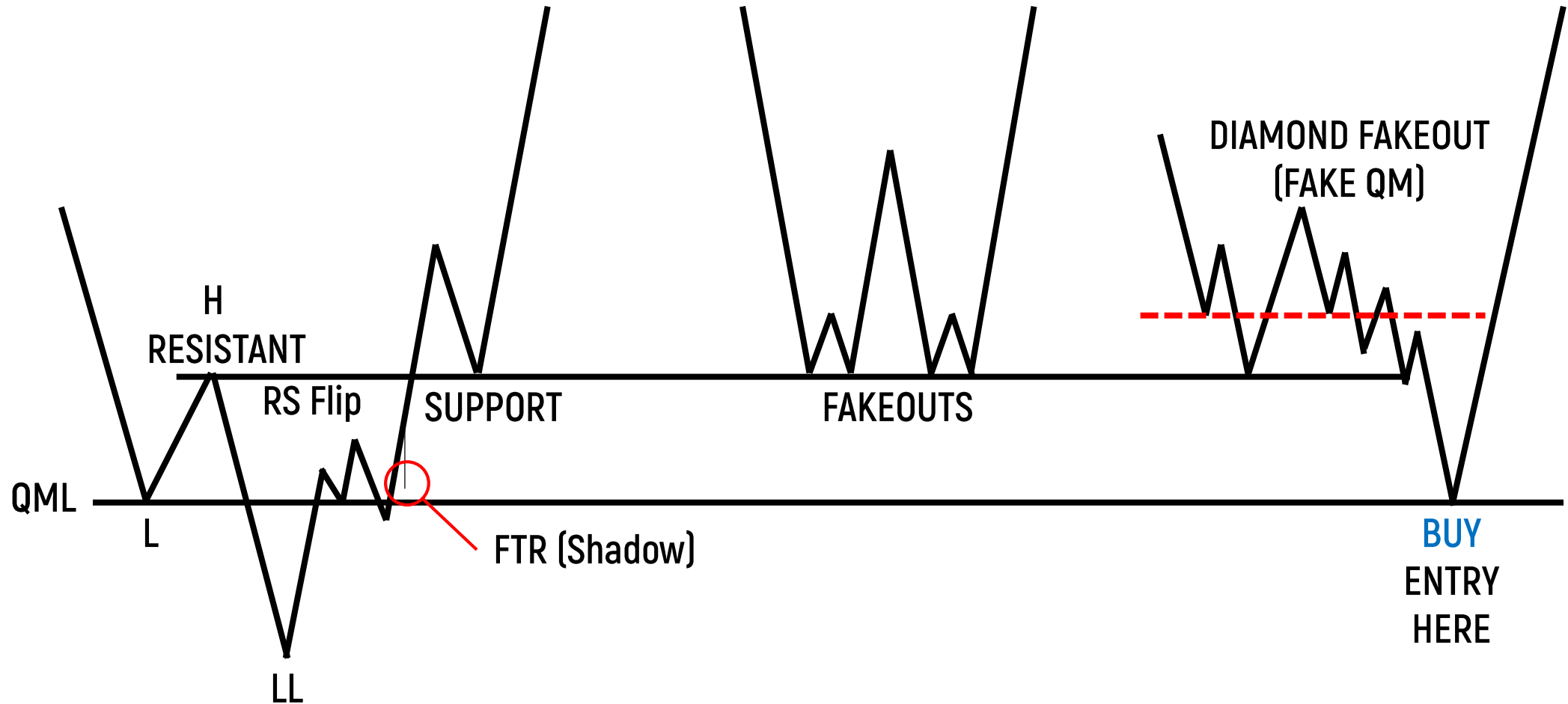
THE QM ANATOMY

SELL SETUP QM



THE QM ANATOMY

BUY SETUP QM





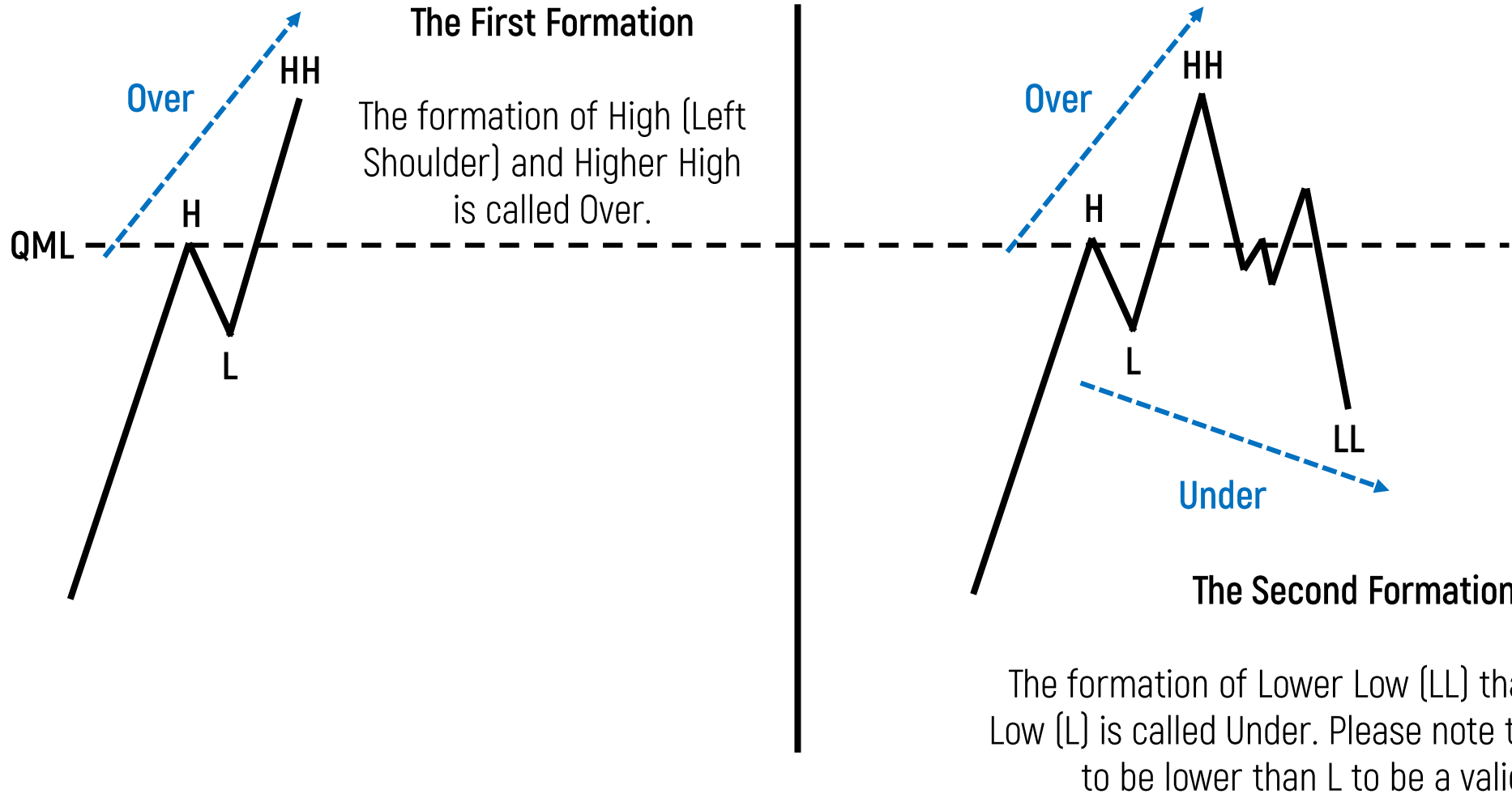
THE QM IN DEPTH

Understanding a Complete QM

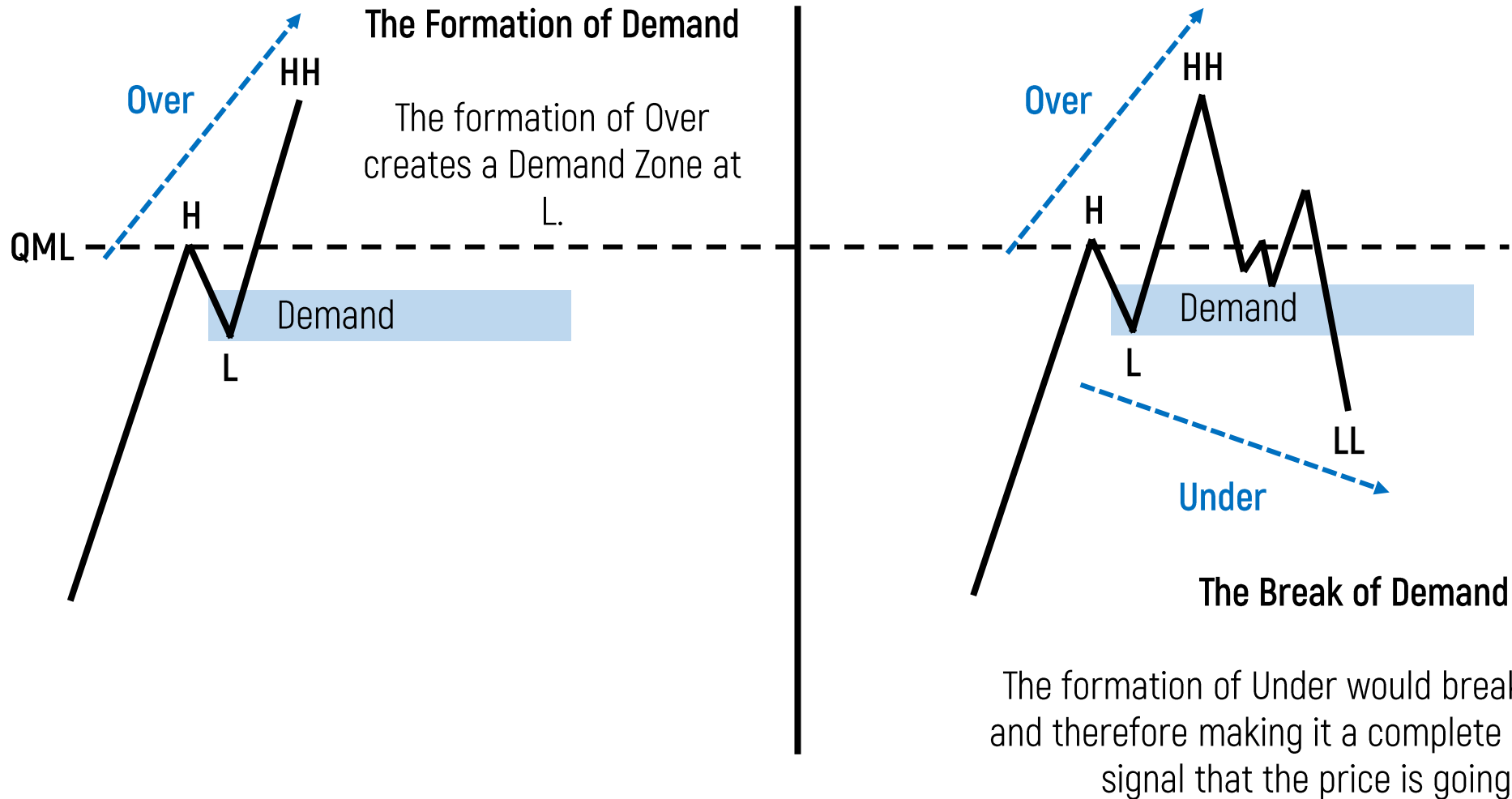
QM: Over and Under

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



DEMAND BREAK/ENGULFED

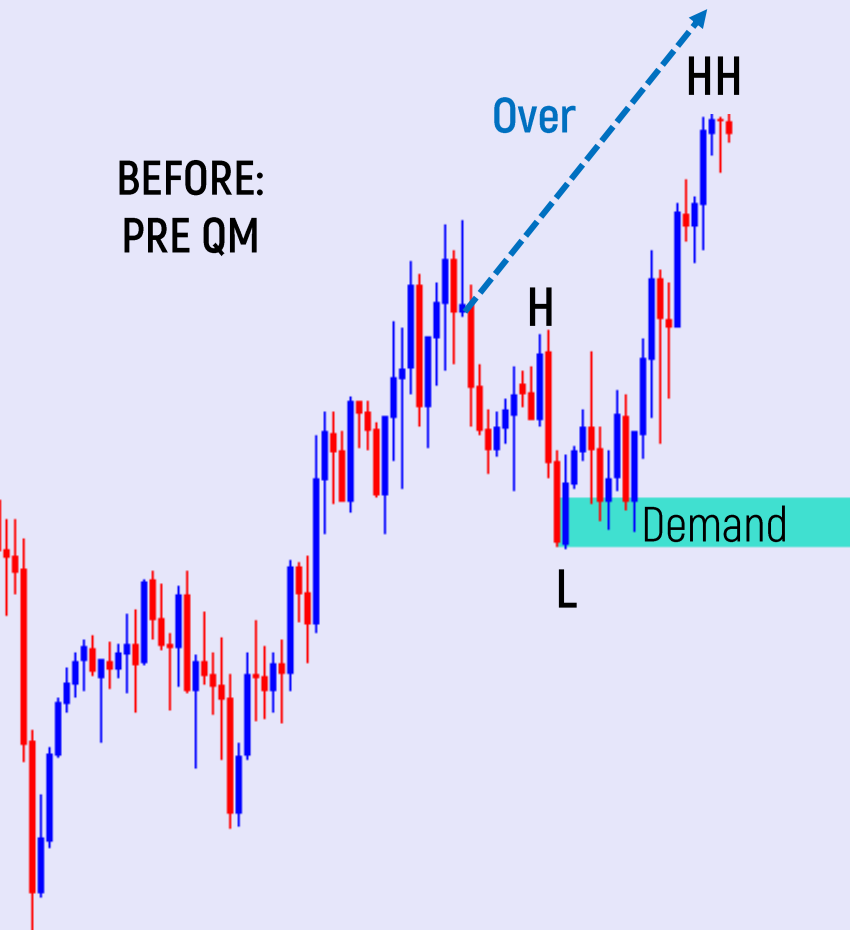




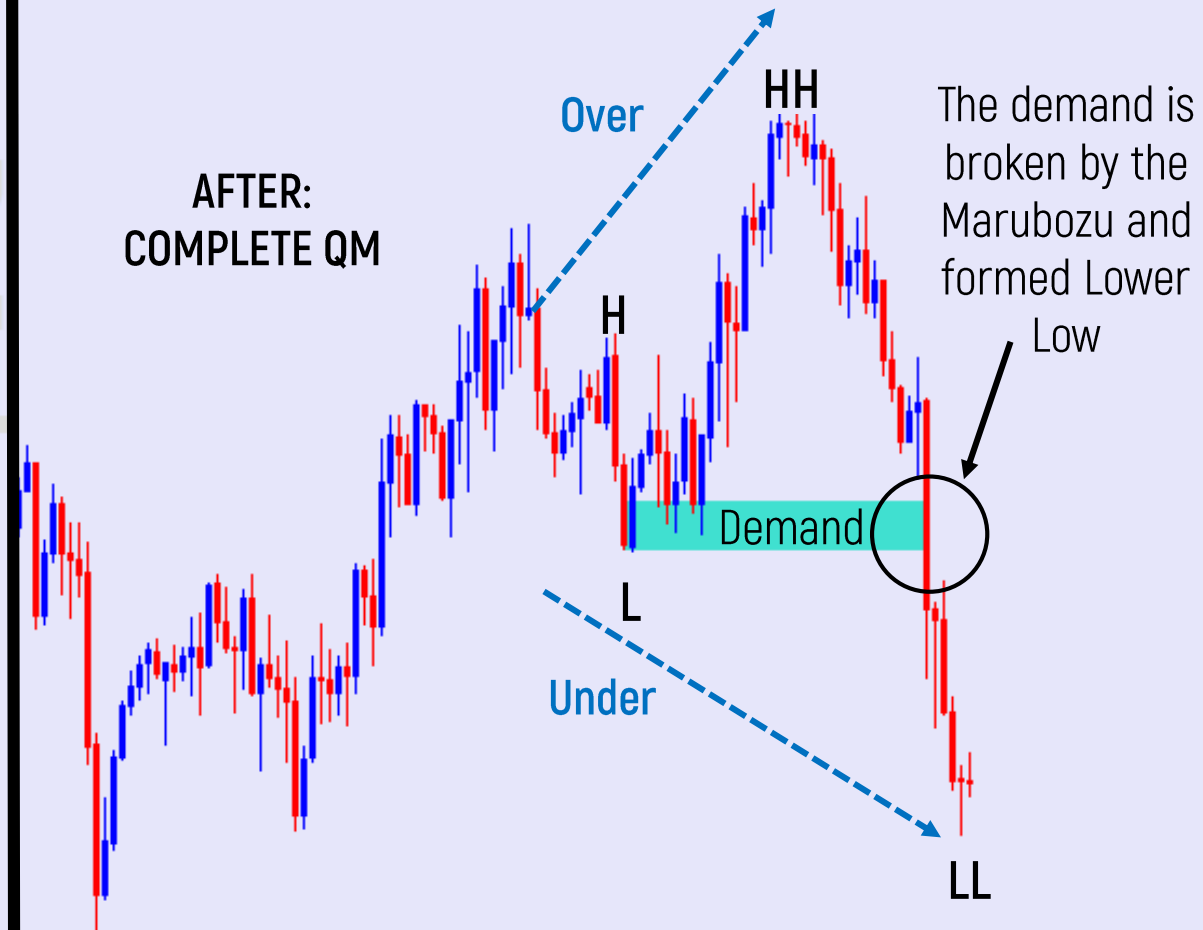
Over and Under in Real Chart

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

BEFORE:
PRE QM



AFTER:
COMPLETE QM





THE MPL 101

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.

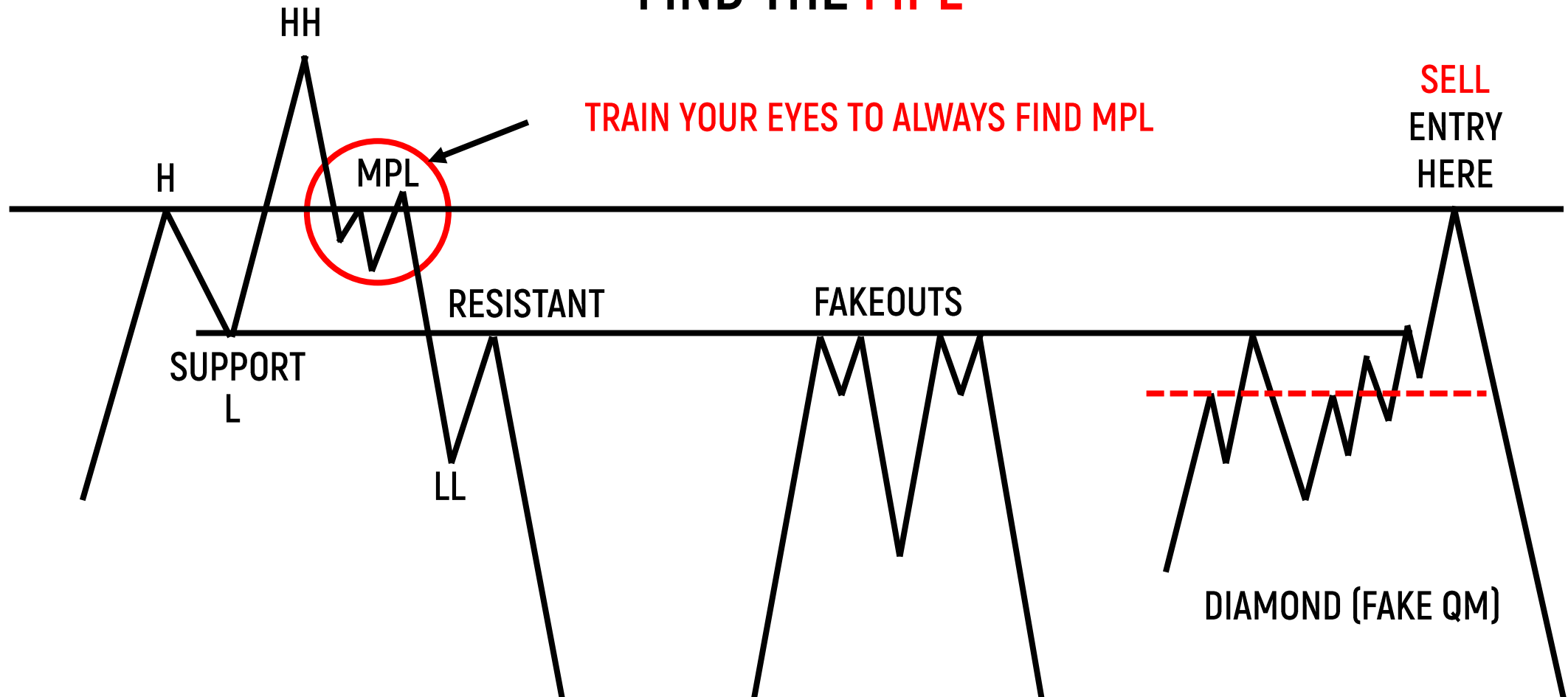
How to recognize MPL?

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.

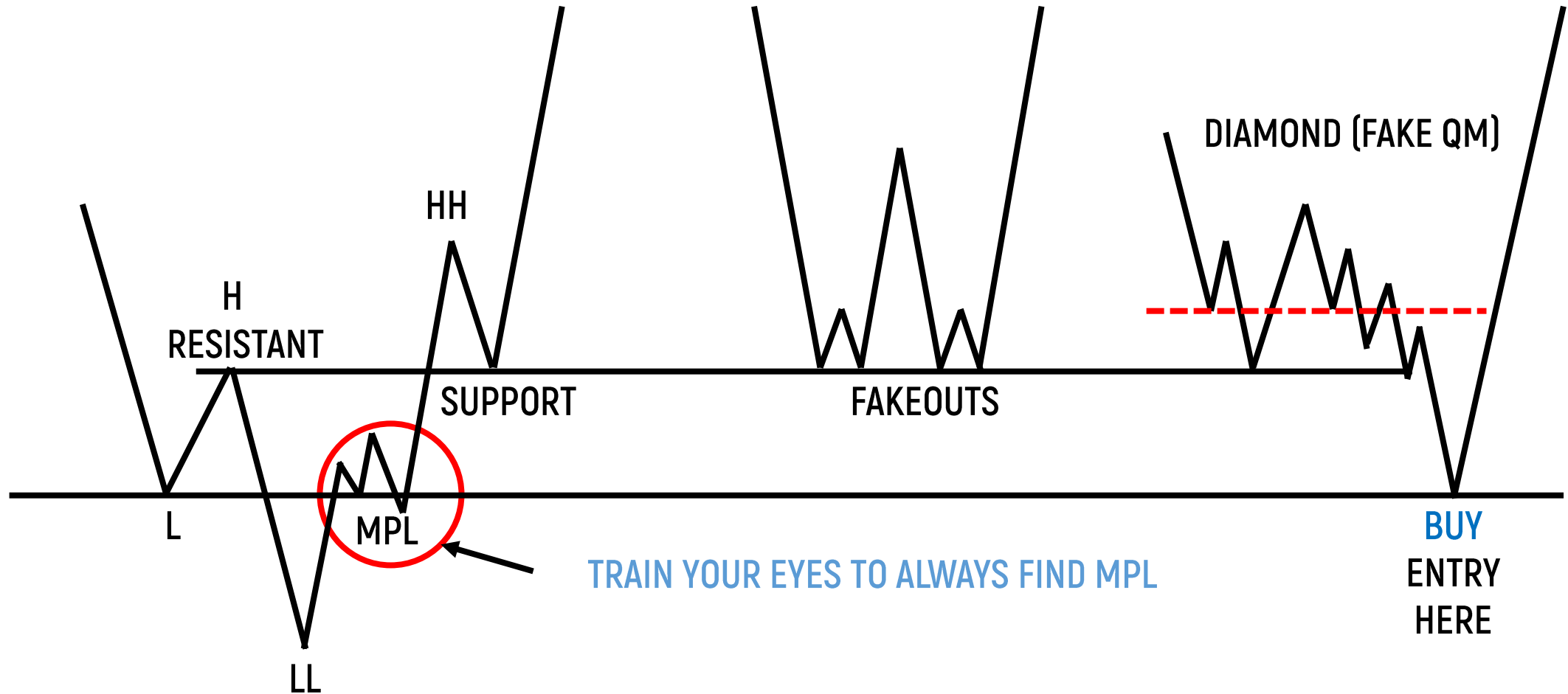
THE MPL 101

FIND THE MPL



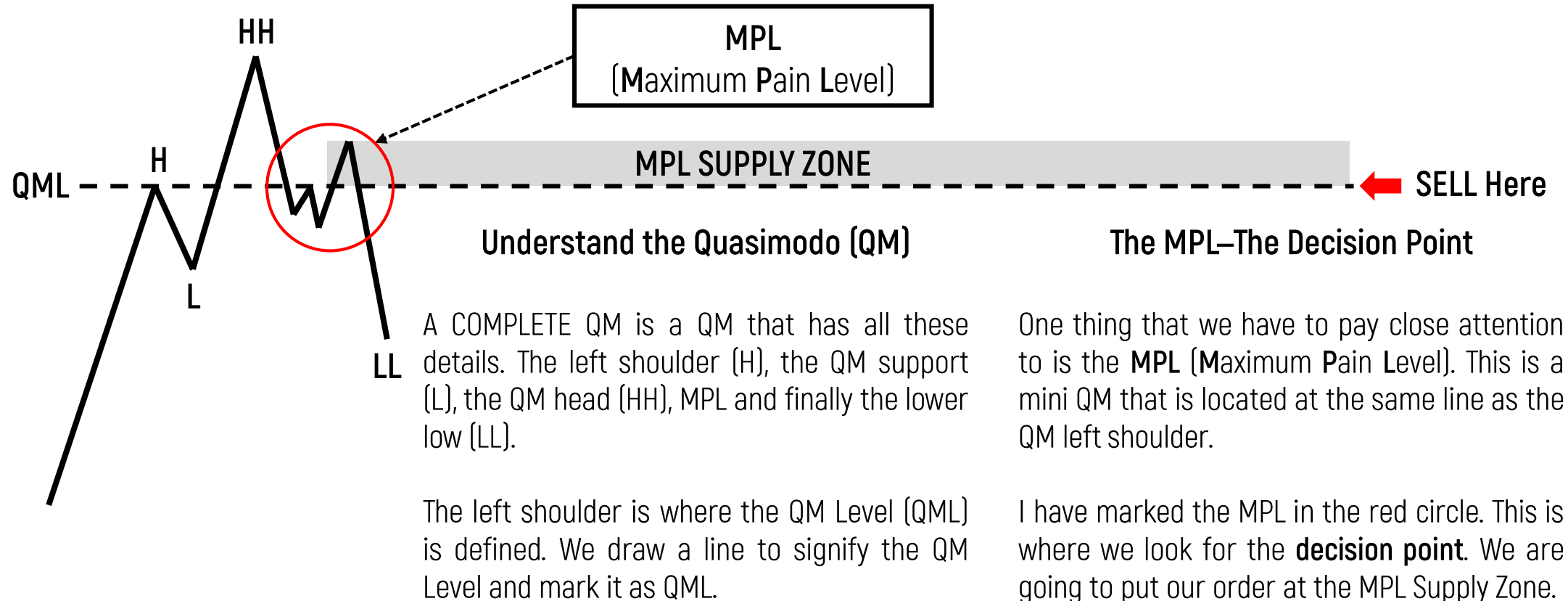
THE MPL 101

FIND THE MPL

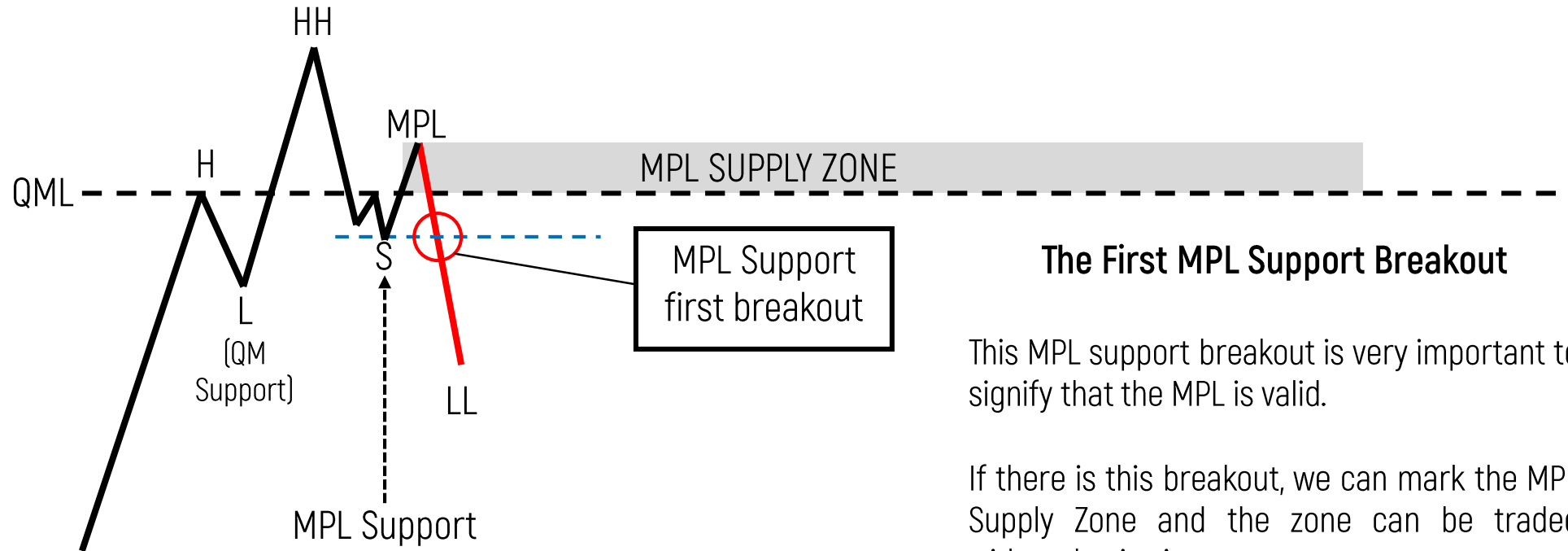


THE MPL 101

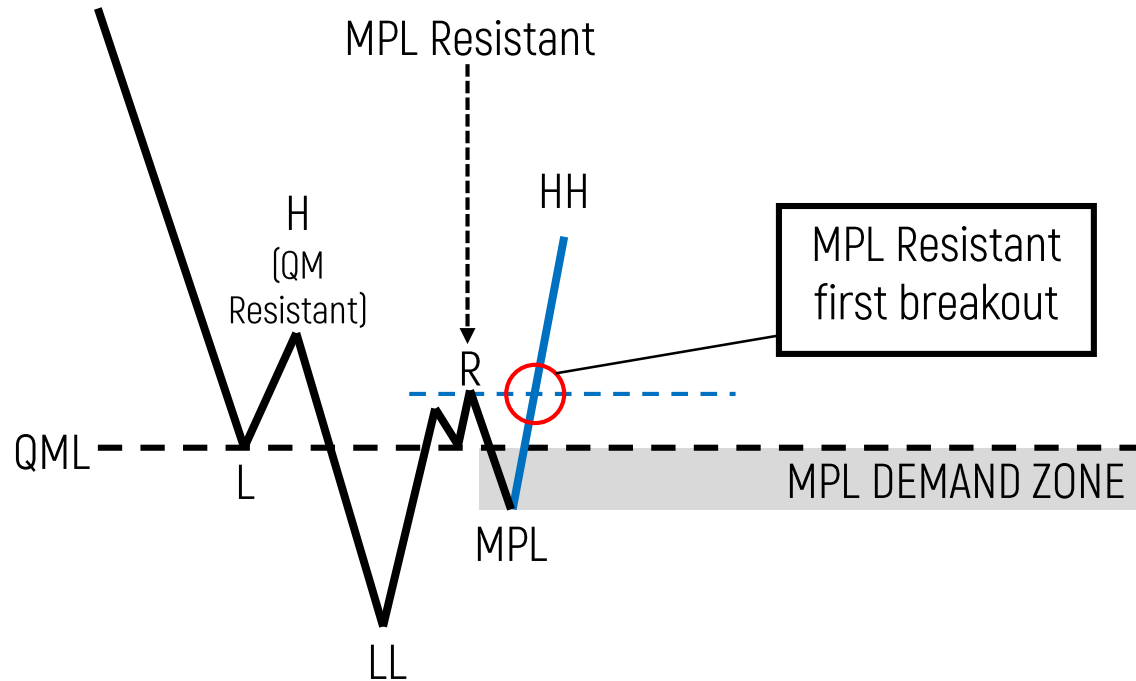
A CLOSER LOOK OF THE MPL



FIND THE FIRST BREAKOUT



FIND THE FIRST BREAKOUT



The First MPL Resistant Breakout

This MPL resistant breakout is very important to signify that the MPL is valid.

If there is this breakout, we can mark the MPL Supply Zone and the zone can be traded without hesitation.

THE FIRST BREAKOUT IS THE ENGULFING

Look for the Engulfing.

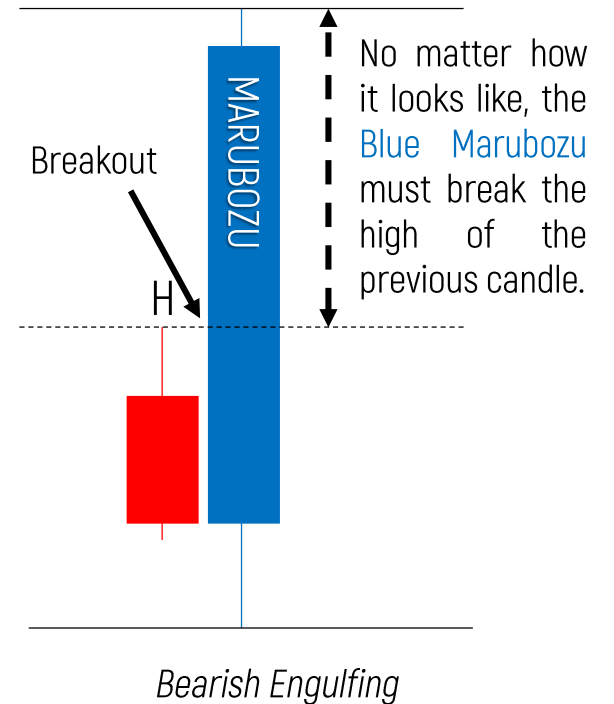
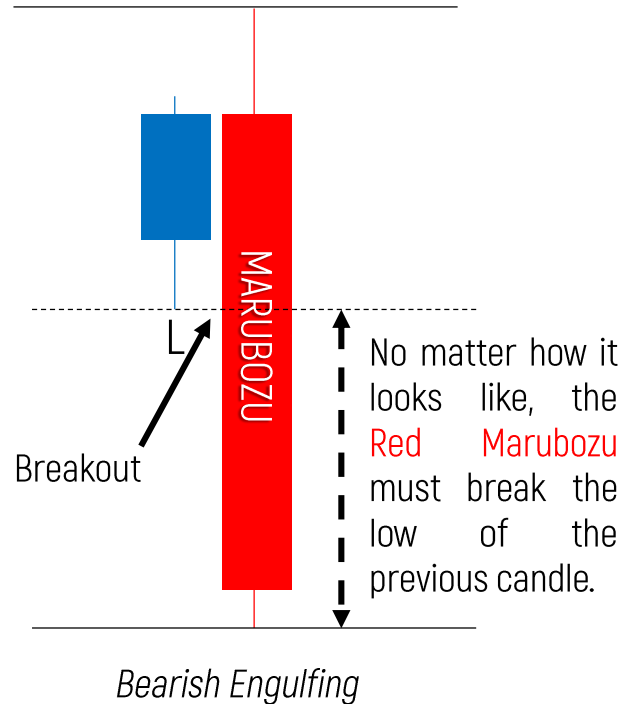
Engulfing is a set of side by side candle that is located exactly at this MPL.

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.



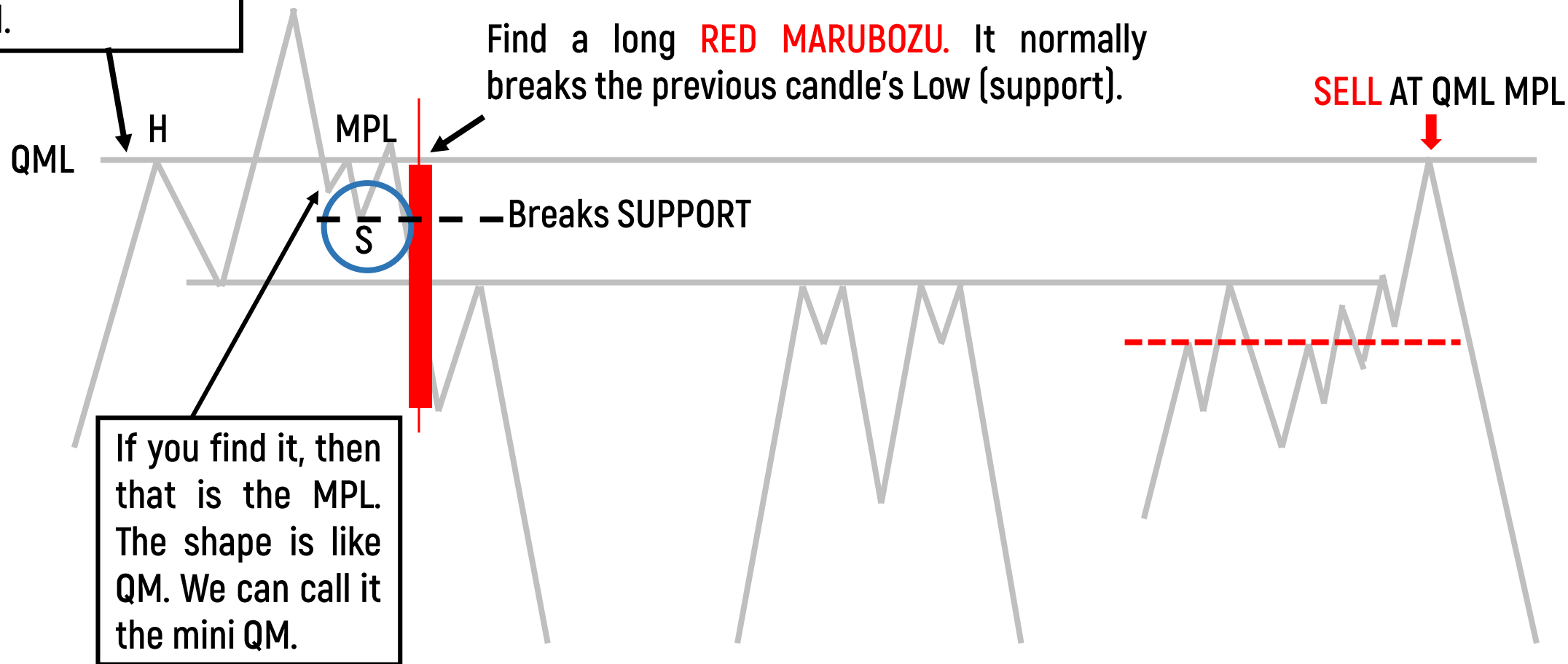
How do You Find the MPL to **SELL**?

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

HOW TO FIND THE MPL?

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

Find a long **RED MARUBOZU**. It normally breaks the previous candle's Low (support).



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.

QML

MPL

R

— Breaks RESISTANT

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

Knowing the Varieties of Engulfing

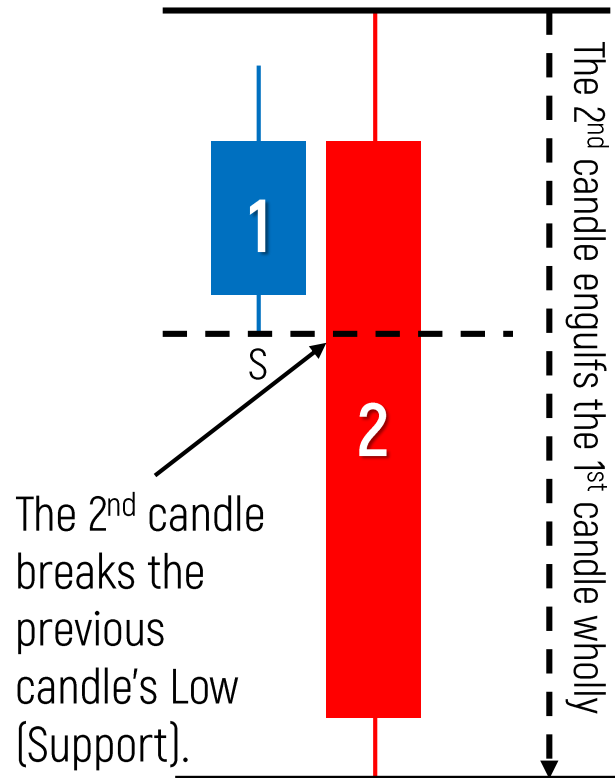
The Engulfing

What is Engulfing?

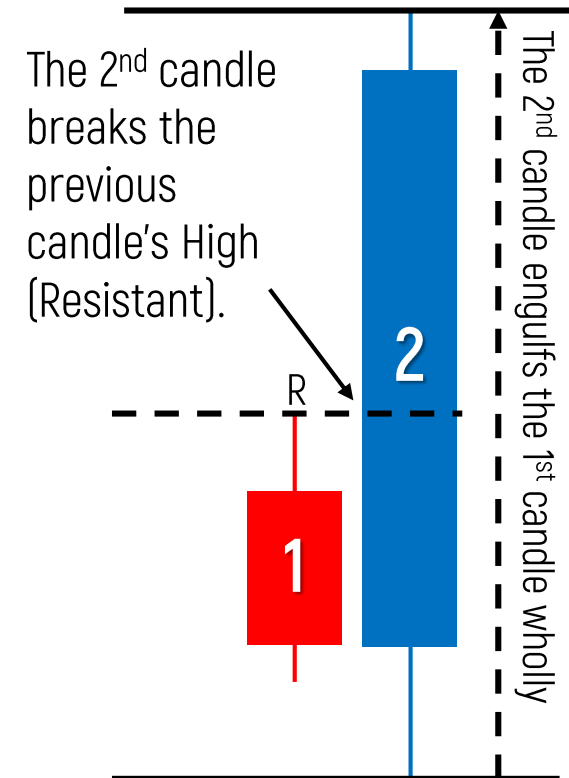
Engulfing is referred to a set of candle side by side. The first candle is the small candle and the second one is the big Marubozu candle that engulfs the first one.

THE ENGULFING SETUP

Bearish Engulfing



Bullish Engulfing



*The BIG candle is called Marubozu/Maru

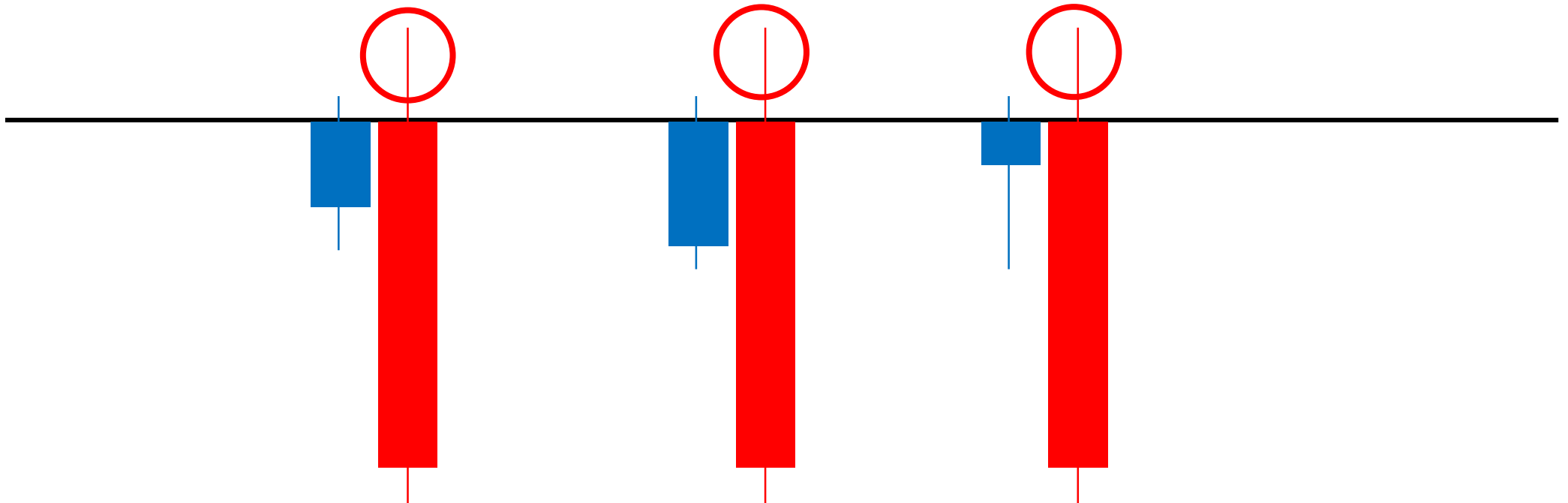
**LOOK FOR THESE ENGULFINGS
AT THE MPL**

SELL SETUP

BEARISH ENGULFING TYPE 1

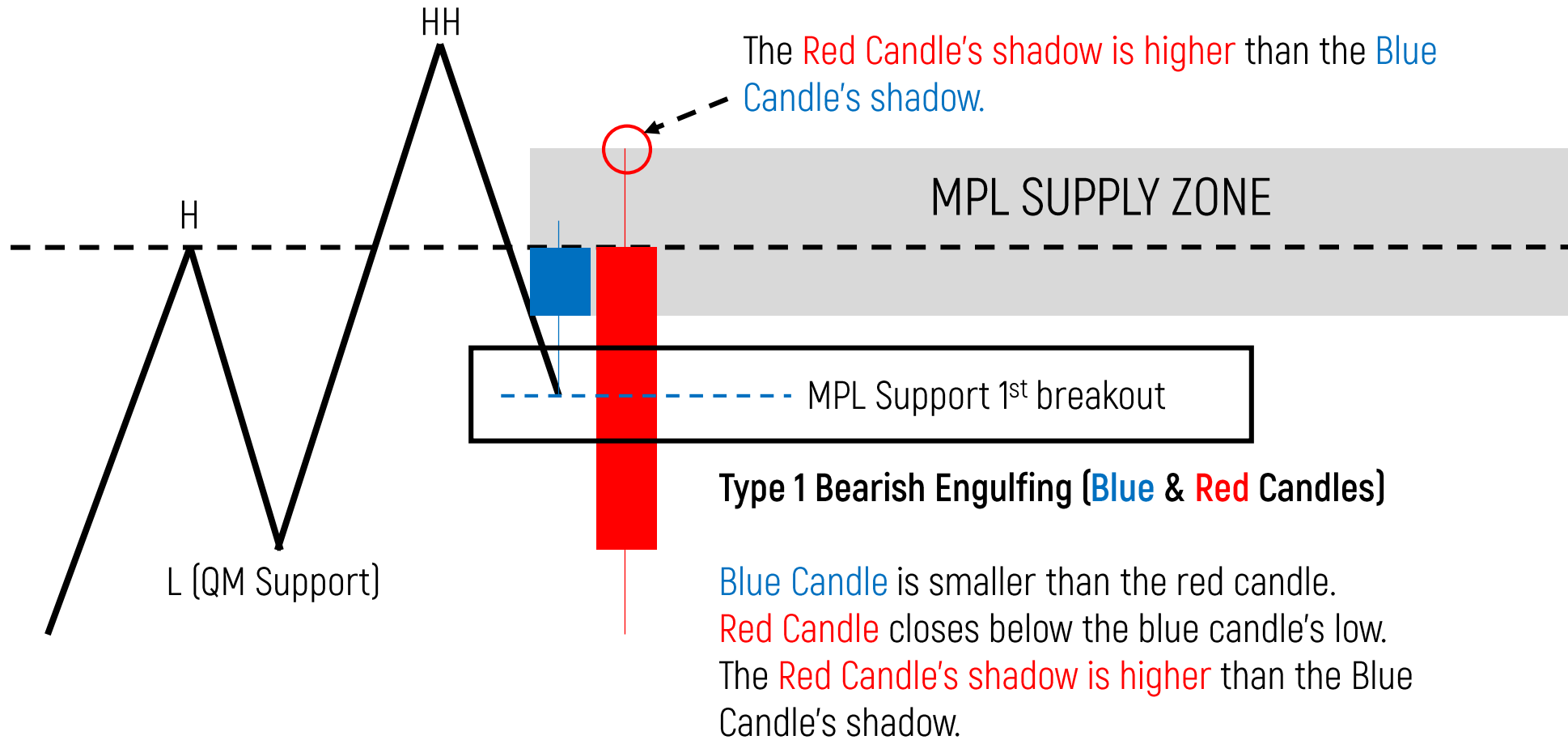
BEARISH ENGULFING TYPE 1

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



TYPE 1: **BLUE** & **RED**

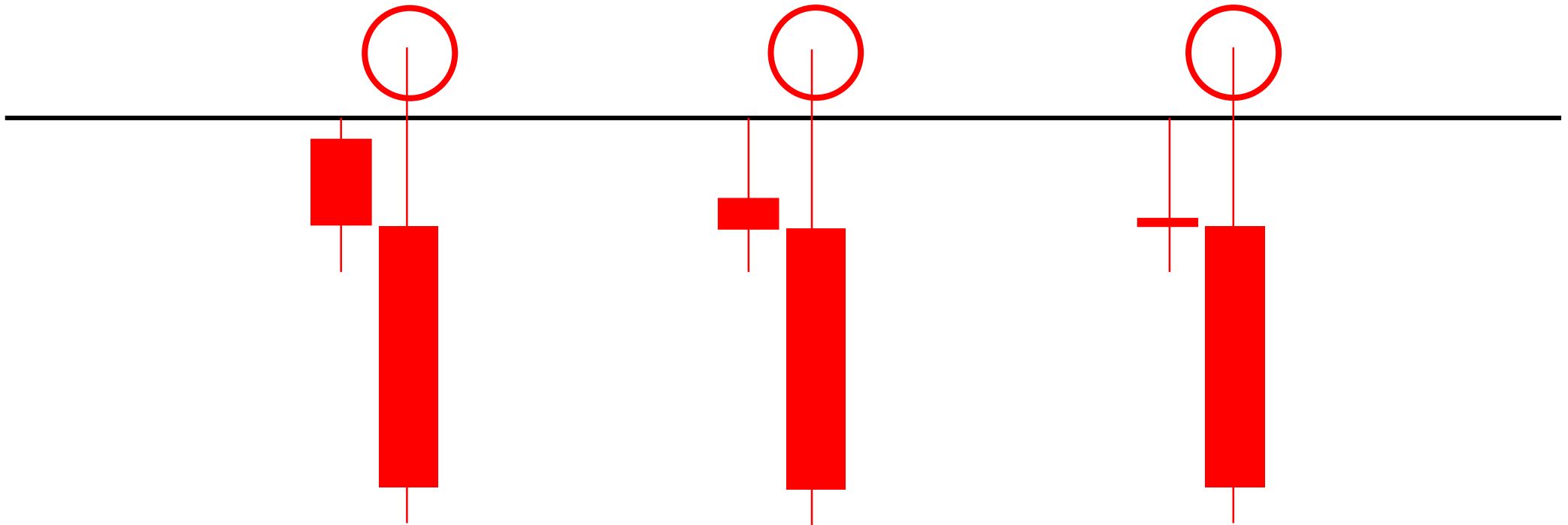
BEARISH ENGULFING TYPE 1



BEARISH ENGULFING TYPE 2

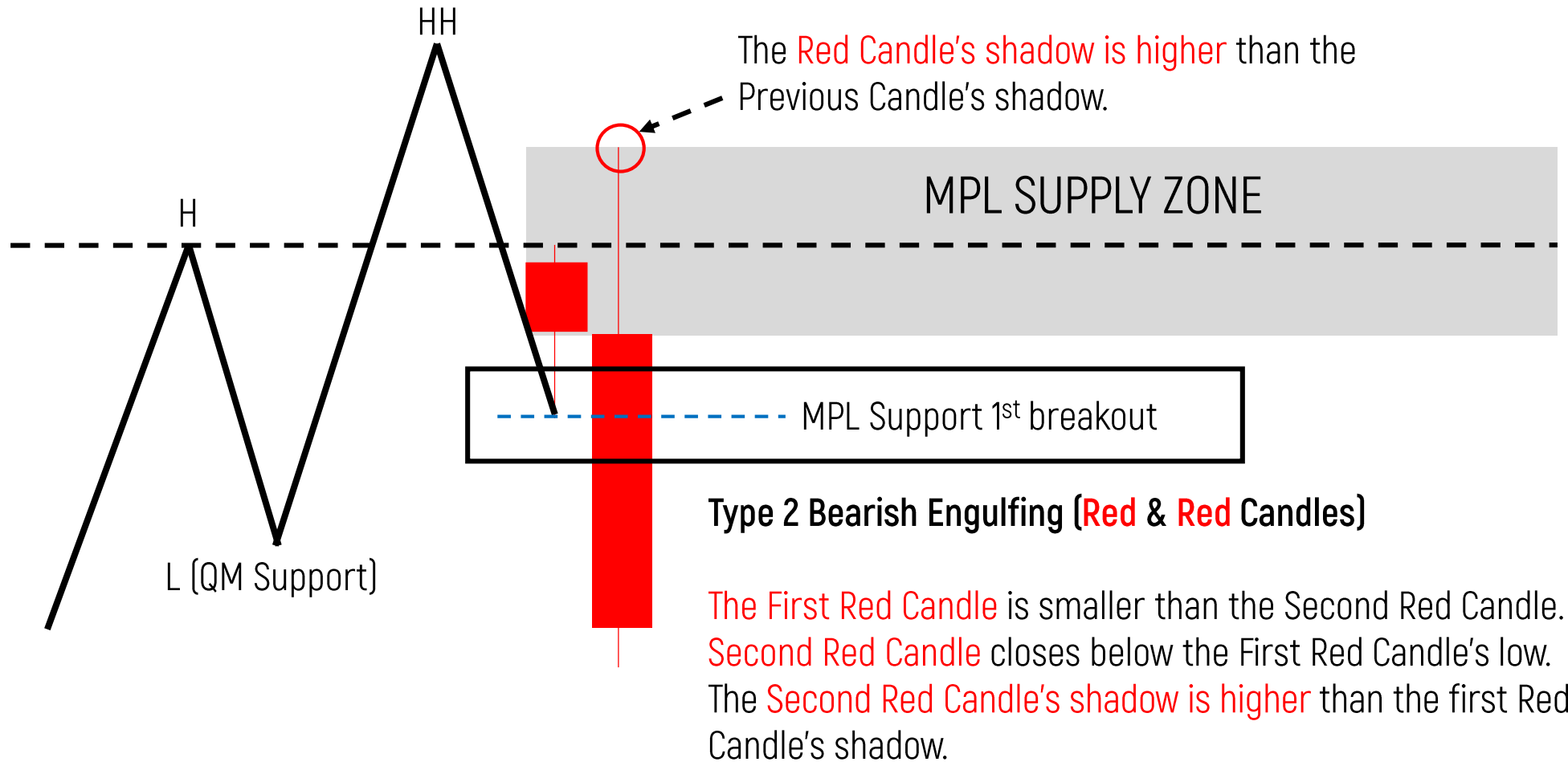
BEARISH ENGULFING TYPE 2

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



TYPE 2: **RED & RED**

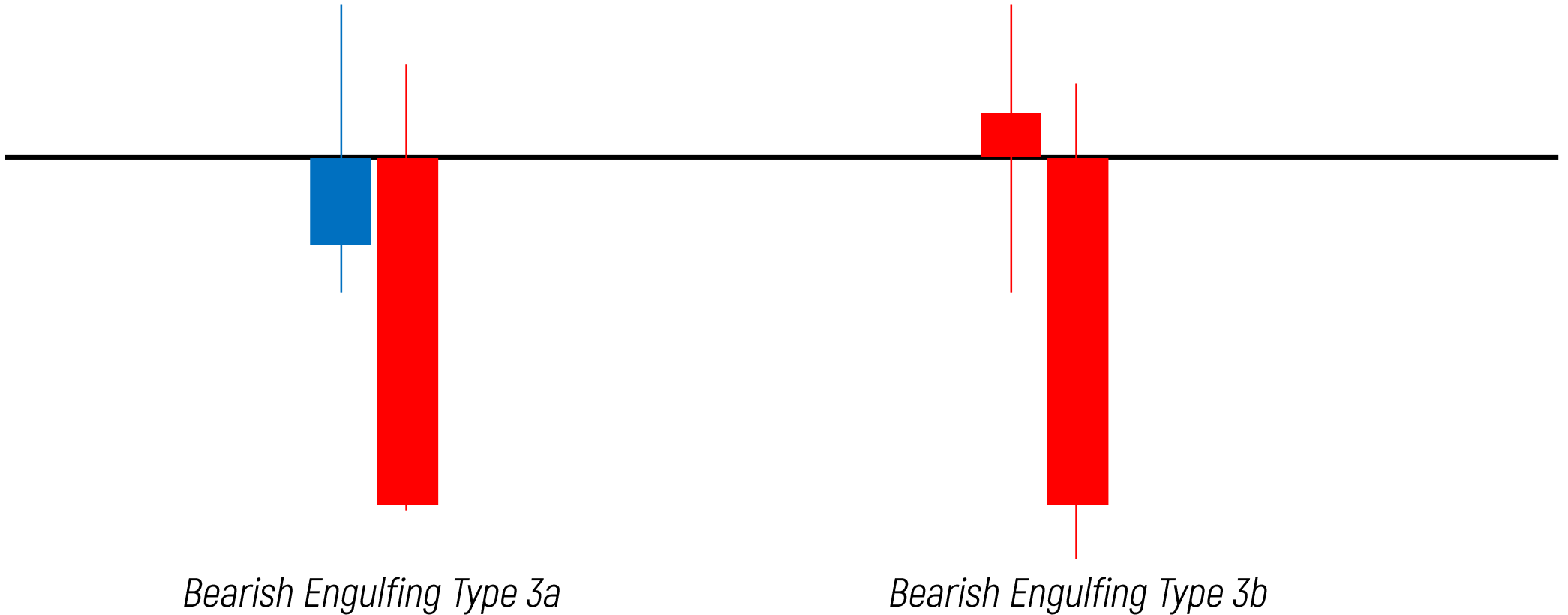
BEARISH ENGULFING TYPE 2



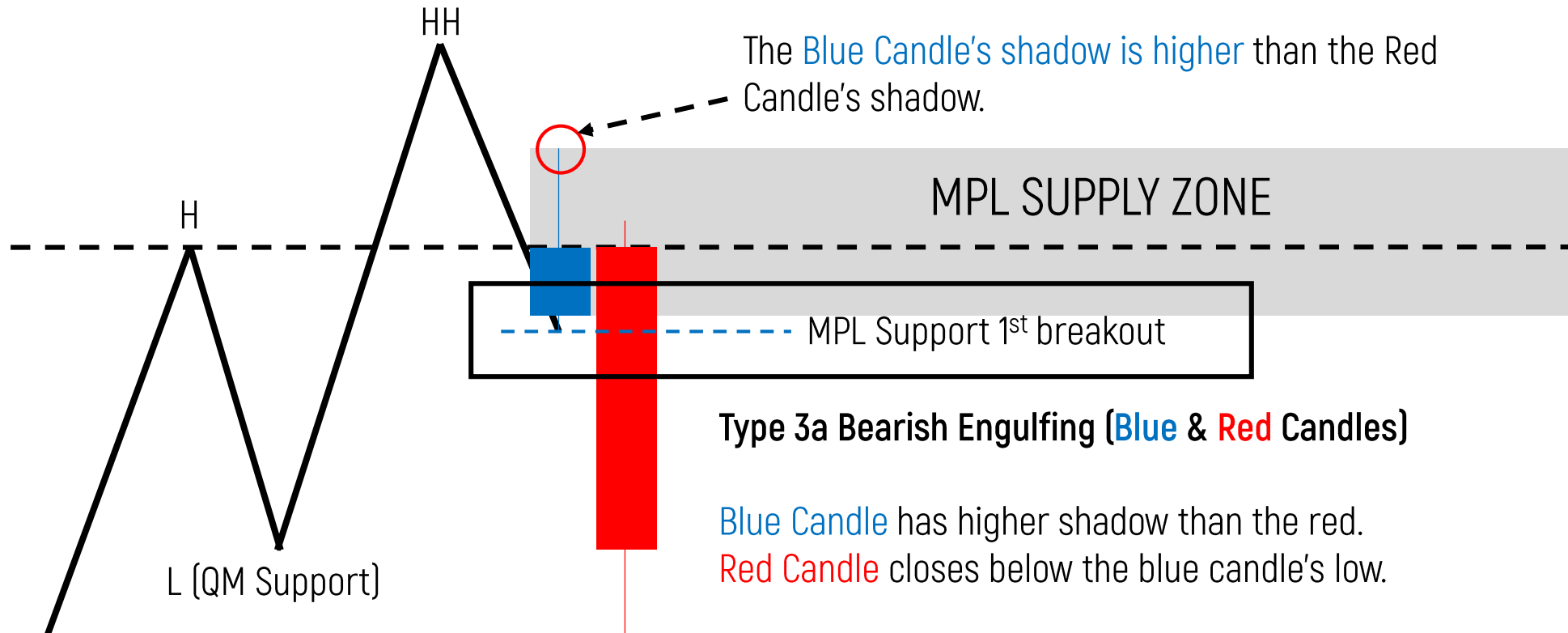
BEARISH ENGULFING TYPE 3

BEARISH ENGULFING TYPE 3

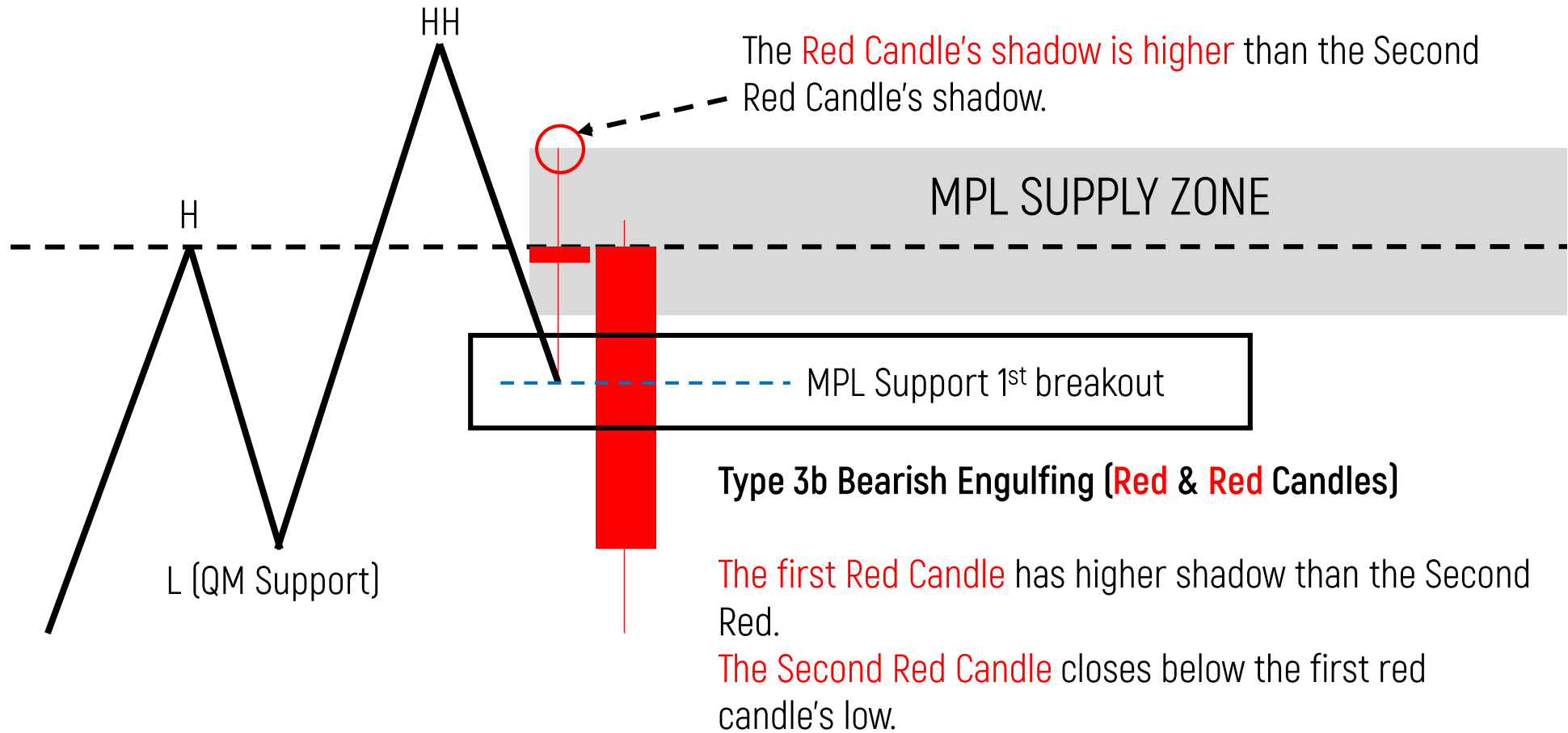
The shadow of the First Candle is HIGHER than the second red candle's



BEARISH ENGULFING TYPE 3a



BEARISH ENGULFING TYPE 3b





THE LOWER ZONE SETUP

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.

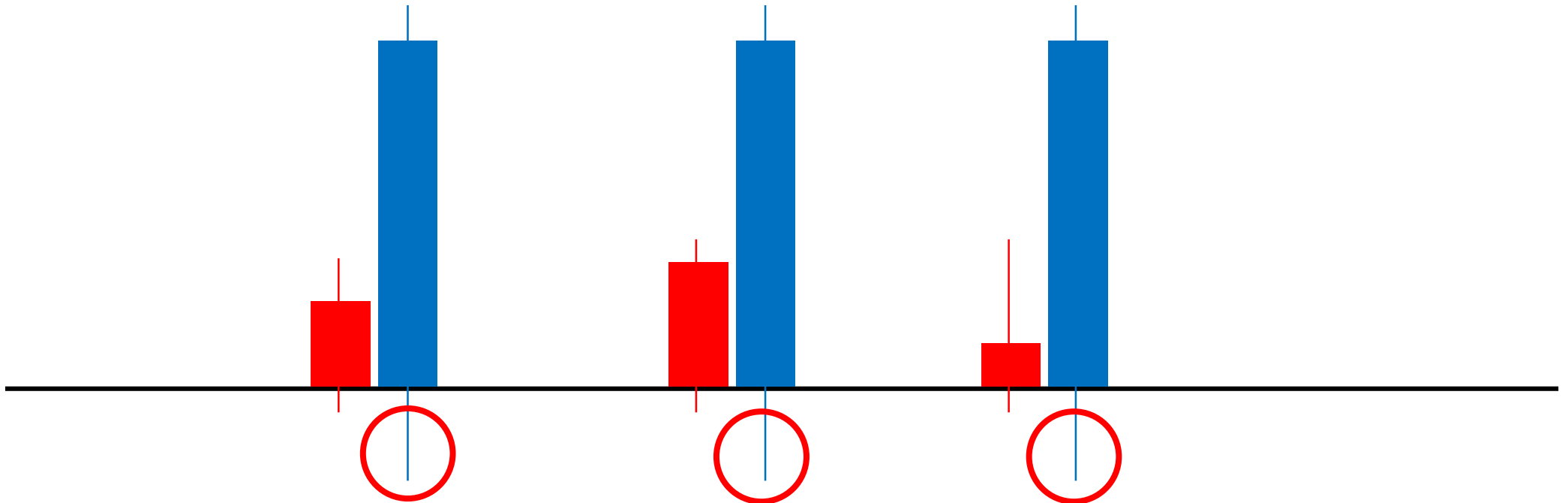
BUY SETUP

BULLISH ENGULFING TYPE 1

BULLISH ENGULFING TYPE 1

FOR BUY SETUP

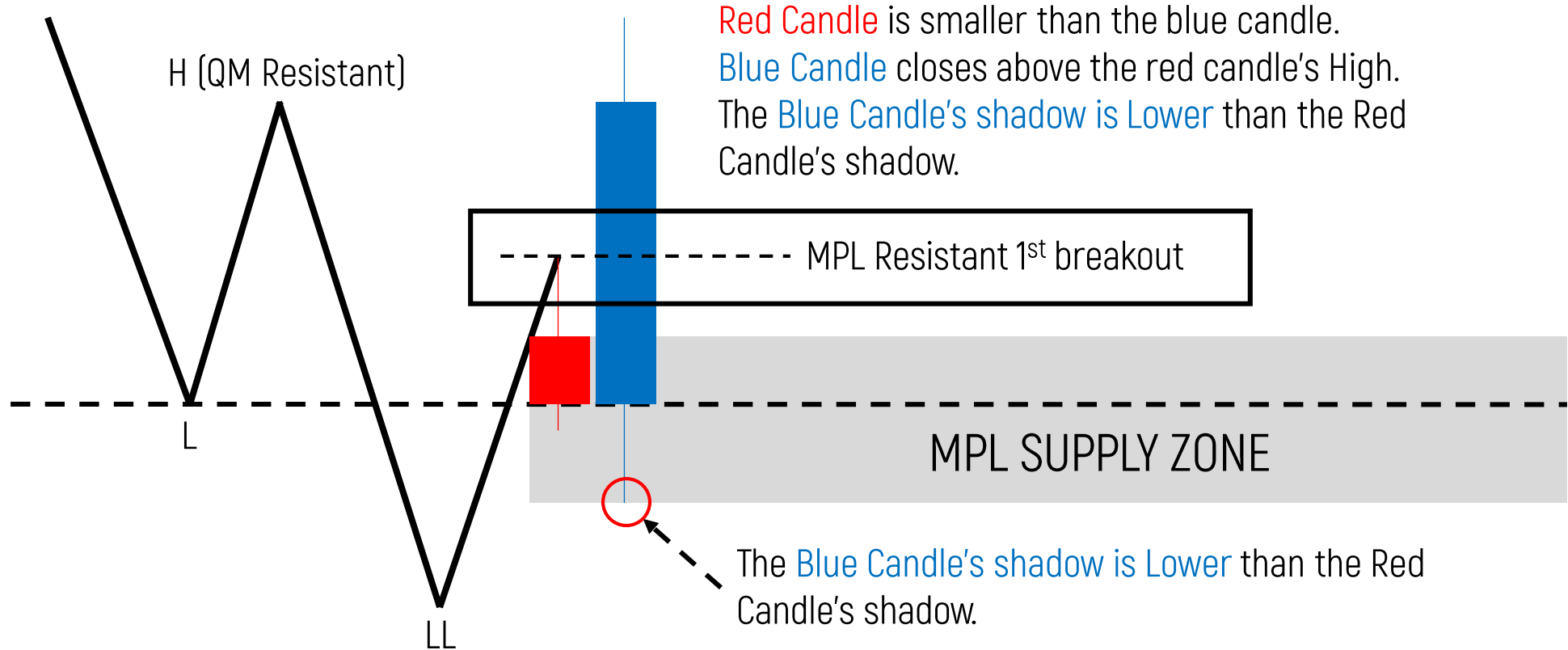
The shadow of Blue Marubozu has to be lower than the red candle's



TYPE 1: RED & BLUE

BULLISH ENGULFING TYPE 1

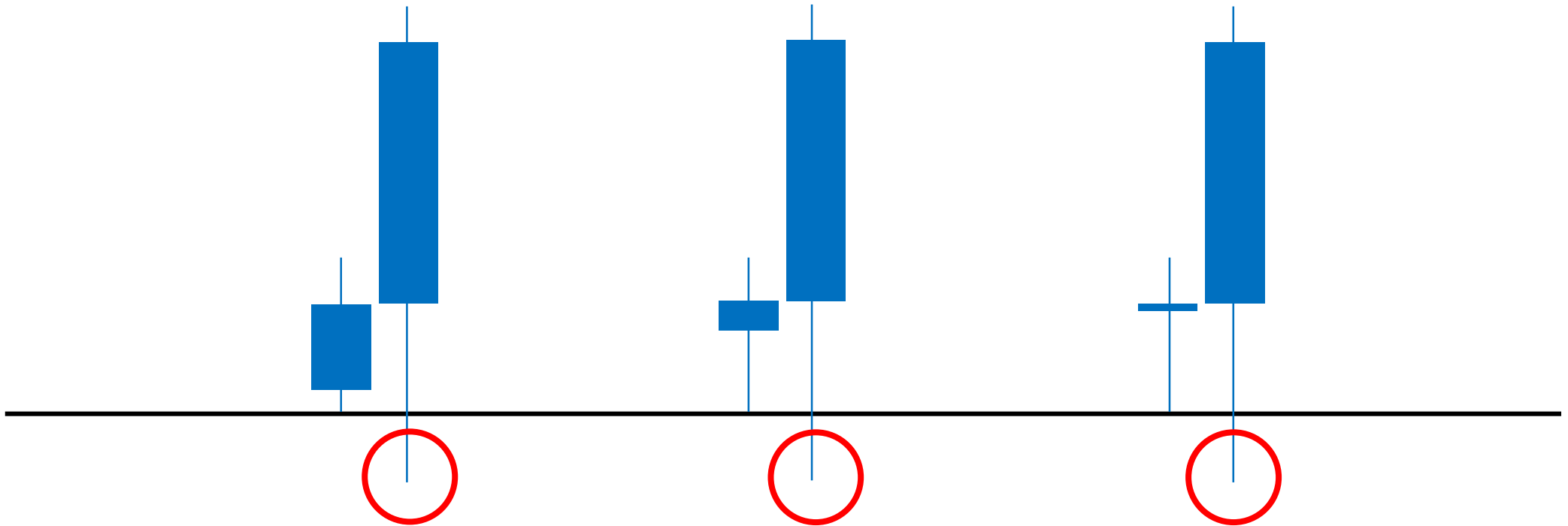
Type 1 Bullish Engulfing (Red & Blue Candles)



BULLISH ENGULFING TYPE 2

BULLISH ENGULFING TYPE 2

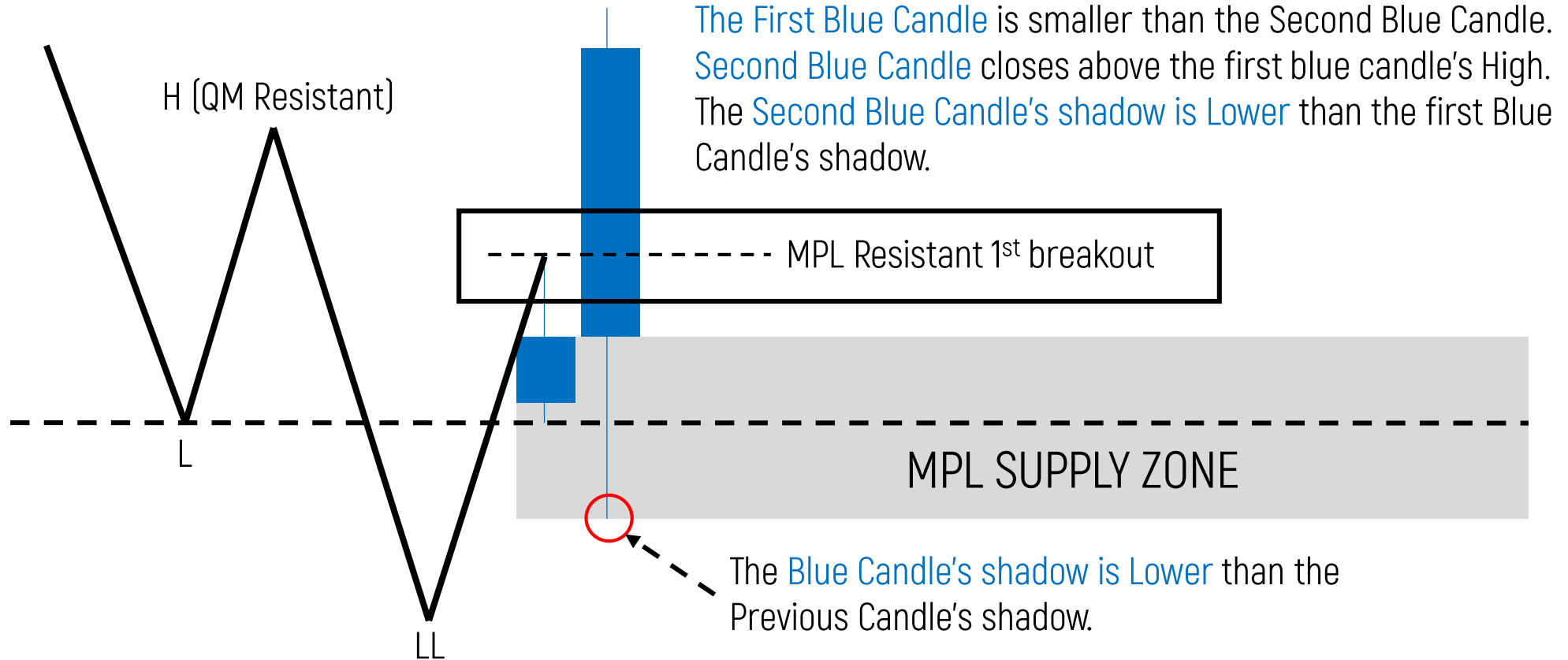
The shadow of the **Blue Marubozu** has to be LOWER than the previous candle



TYPE 2: **BLUE & BLUE**

BULLISH ENGULFING TYPE 2

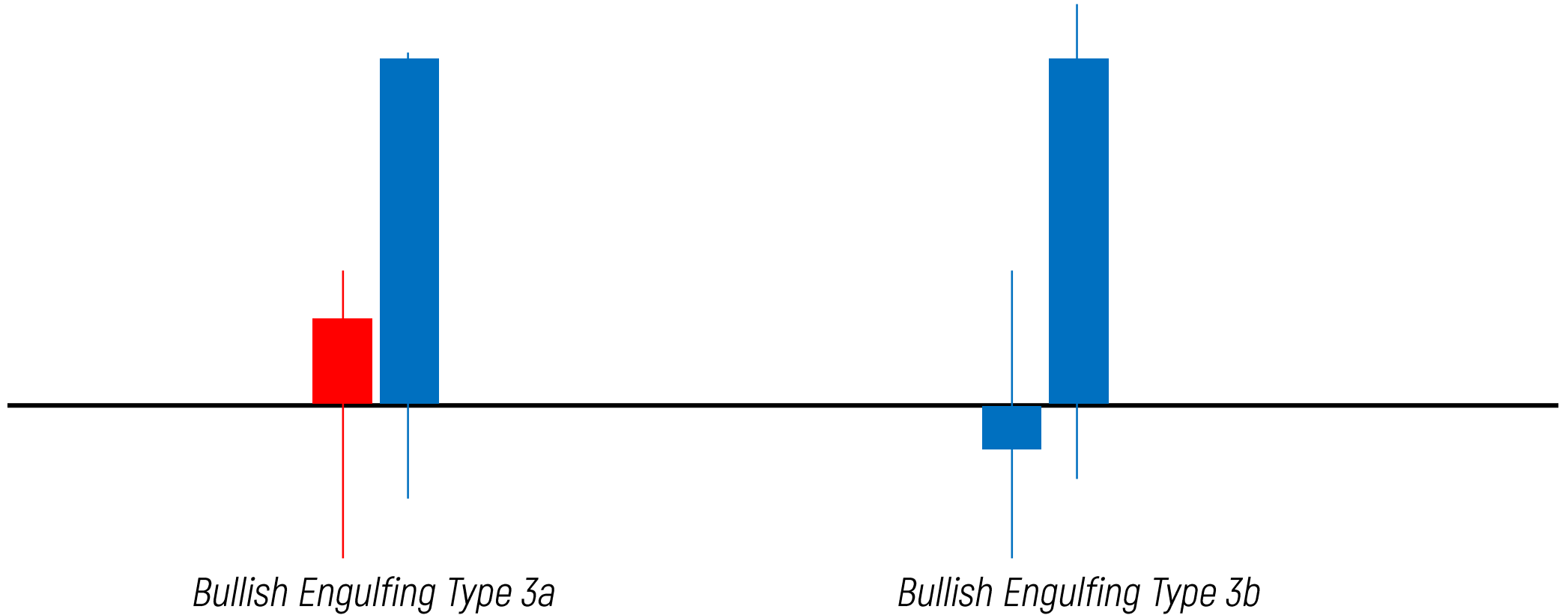
Type 2 Bullish Engulfing (Blue & Blue Candles)



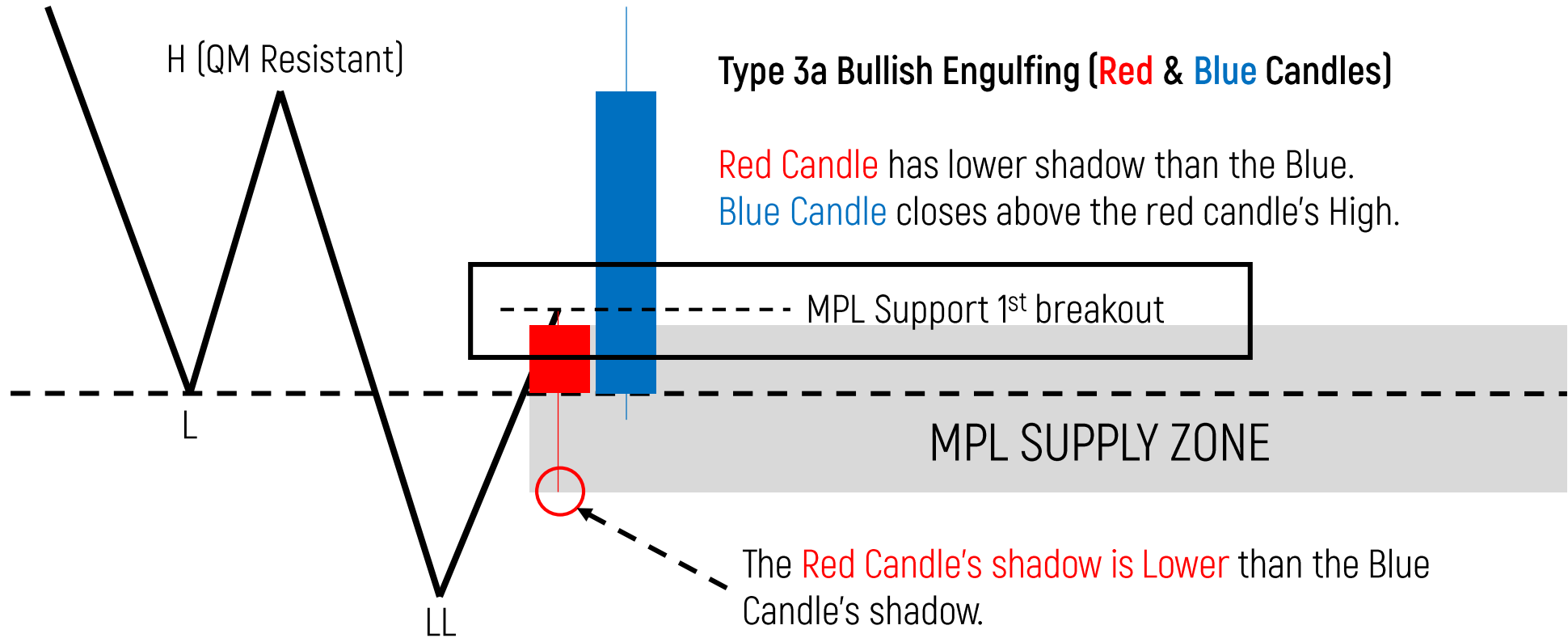
BULLISH ENGULFING TYPE 3

BULLISH ENGULFING TYPE 3

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

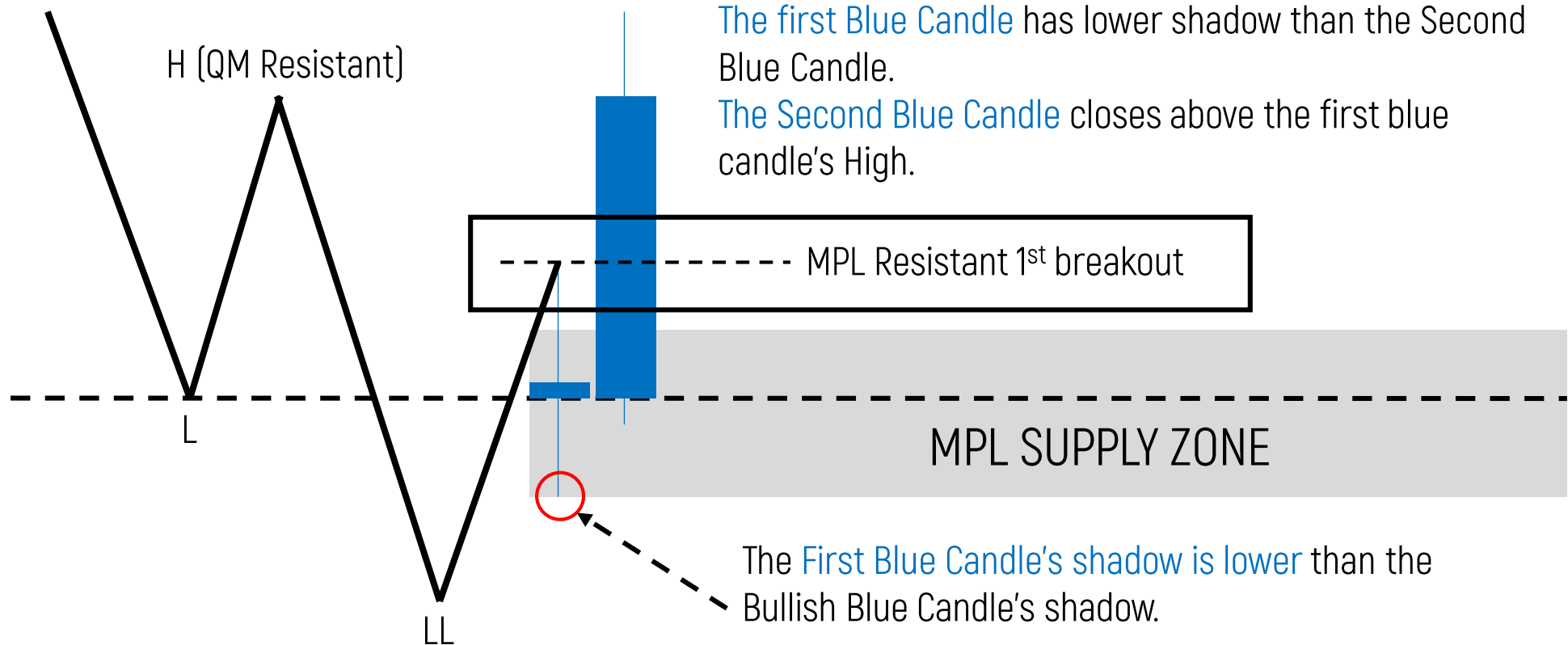


BULLISH ENGULFING TYPE 3a



BULLISH ENGULFING TYPE 3b

Type 3b Bullish Engulfing (Blue & Blue Candles)





THE MID ZONE SETUP

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.

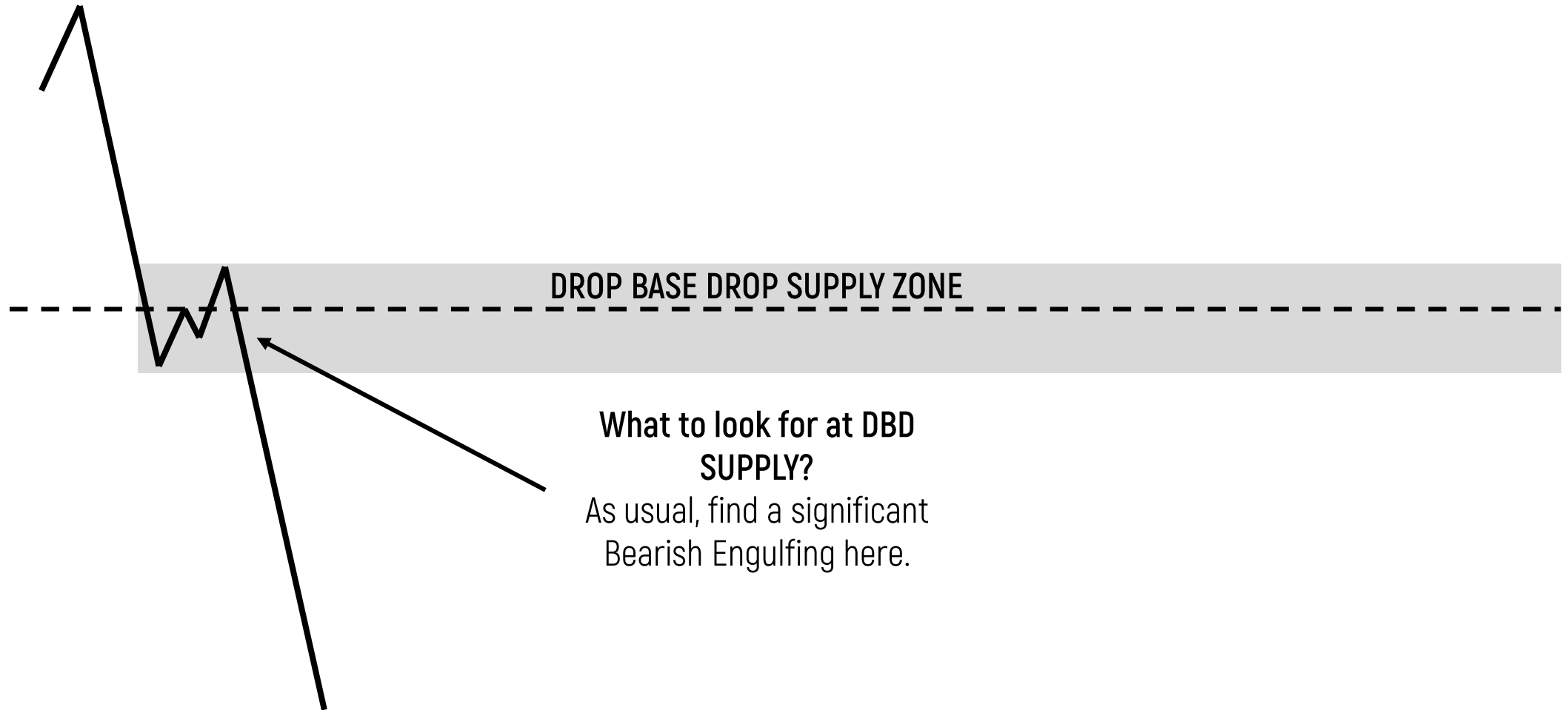
Why Trade at Mid Zone?

Well, Mid Zone is a Zone that is easy to reject 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.

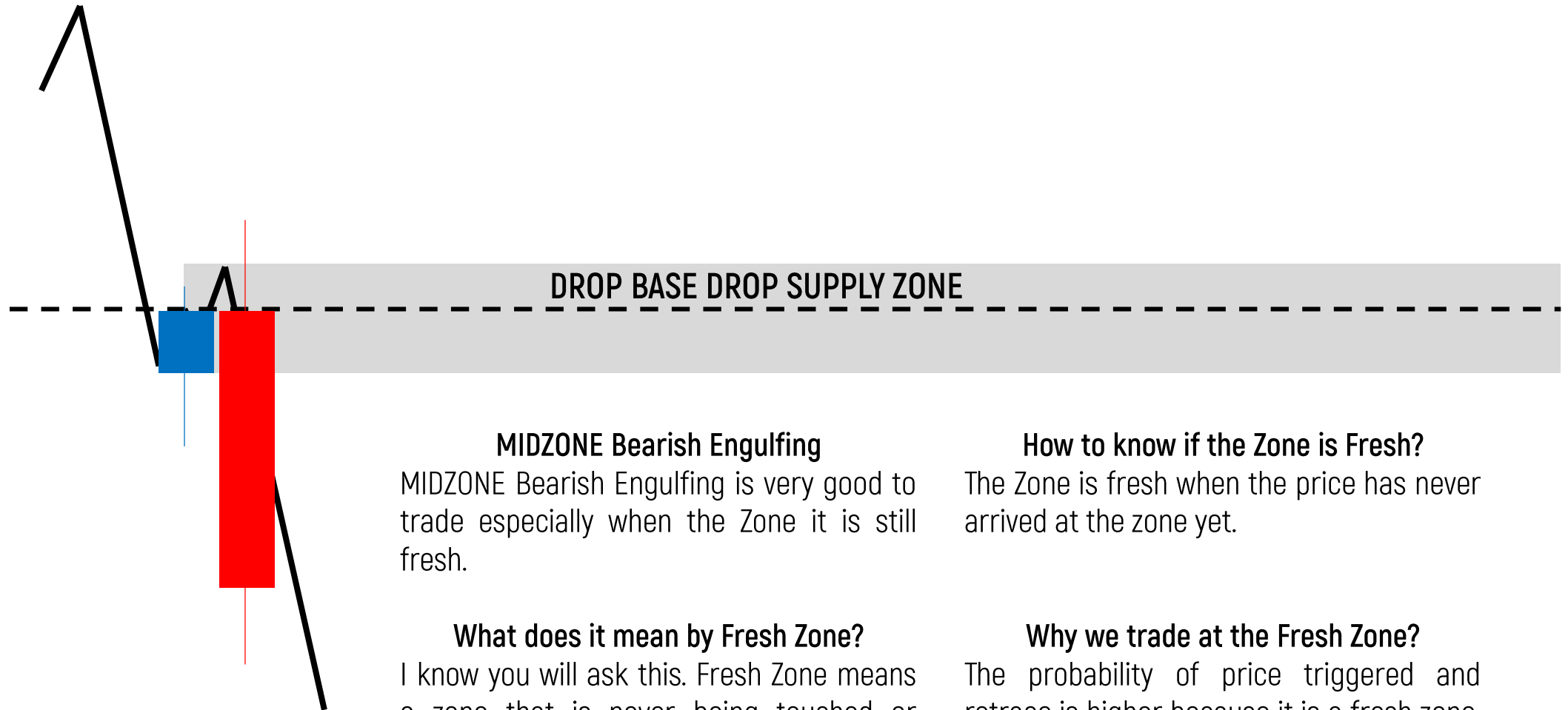
The best thing about trading at Mid Zone is that, we are following the trend and the winning rate of following trend will always be as high as 85%! So take the chance to look for a good setup here in the Mid Zone whenever possible.

SELL SETUP

THE MIDZONE **SELL** SETUP



THE MIDZONE **SELL** SETUP



MIDZONE Bearish Engulfing

MIDZONE Bearish Engulfing is very good to trade especially when the Zone it is still fresh.

What does it mean by Fresh Zone?

I know you will ask this. Fresh Zone means a zone that is never being touched or tested or engulfed before.

How to know if the Zone is Fresh?

The Zone is fresh when the price has never arrived at the zone yet.

Why we trade at the Fresh Zone?

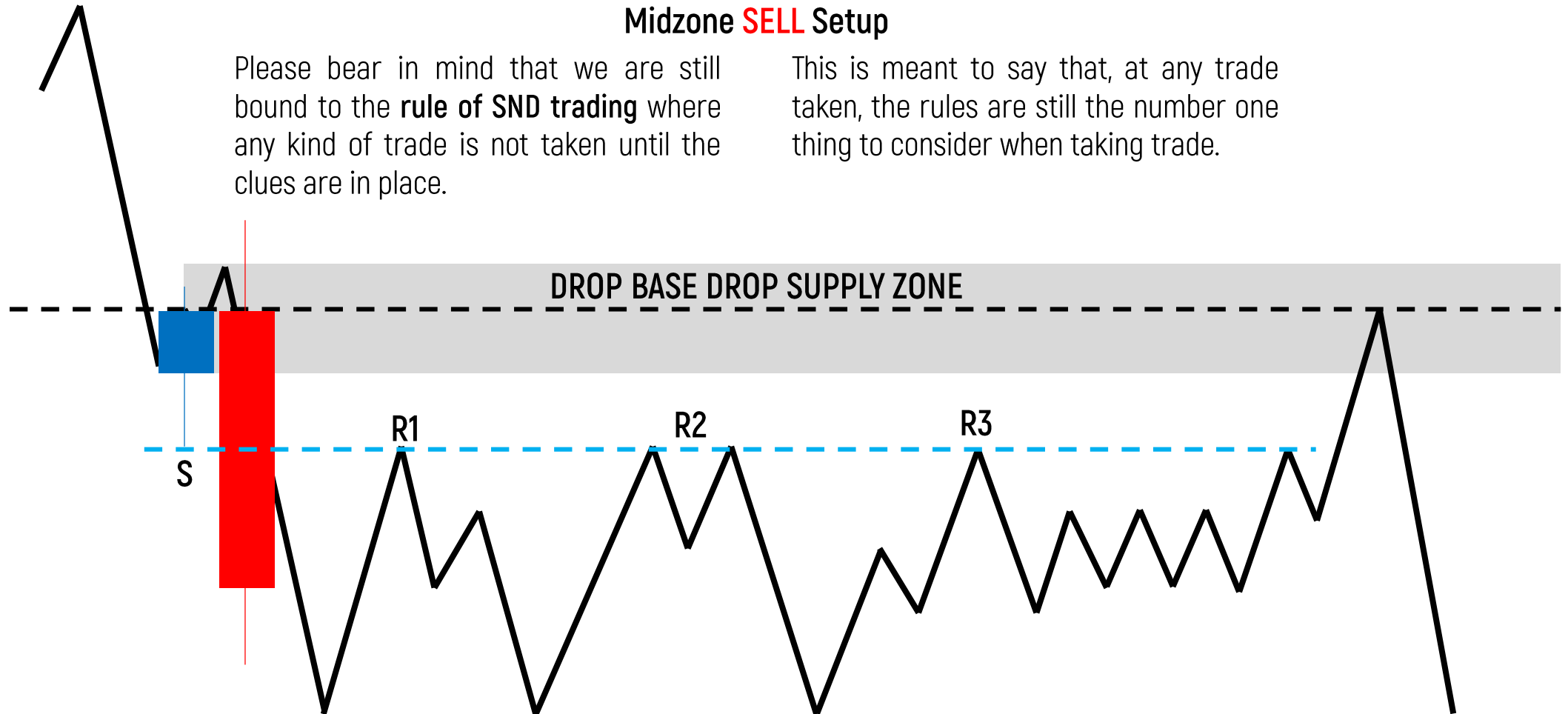
The probability of price triggered and retrace is higher because it is a fresh zone. Thus it is profitable.

THE MIDZONE **SELL** SETUP

Midzone **SELL** Setup

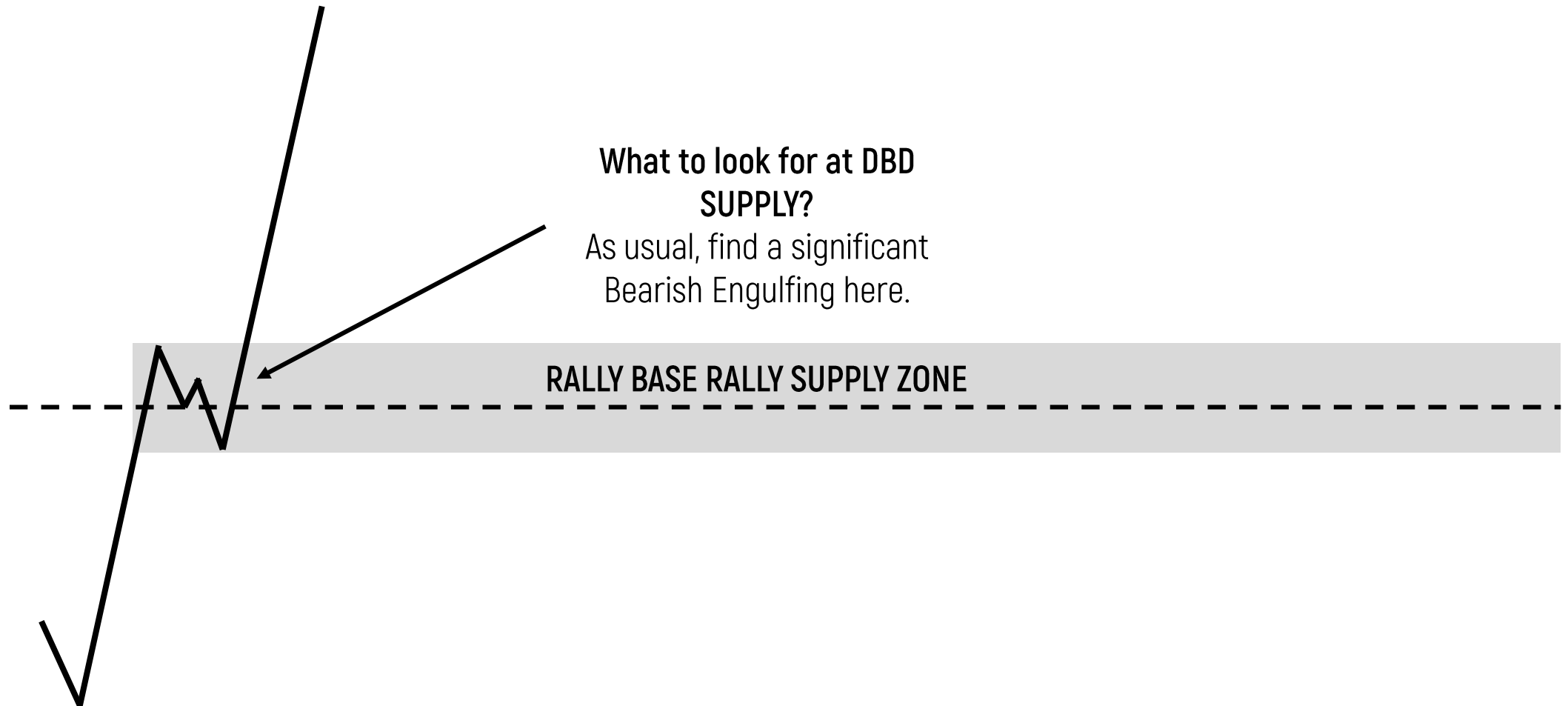
Please bear in mind that we are still bound to the **rule of SND trading** where any kind of trade is not taken until the clues are in place.

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



THE MIDZONE **BUY** SETUP

MIDZONE Bullish Engulfing

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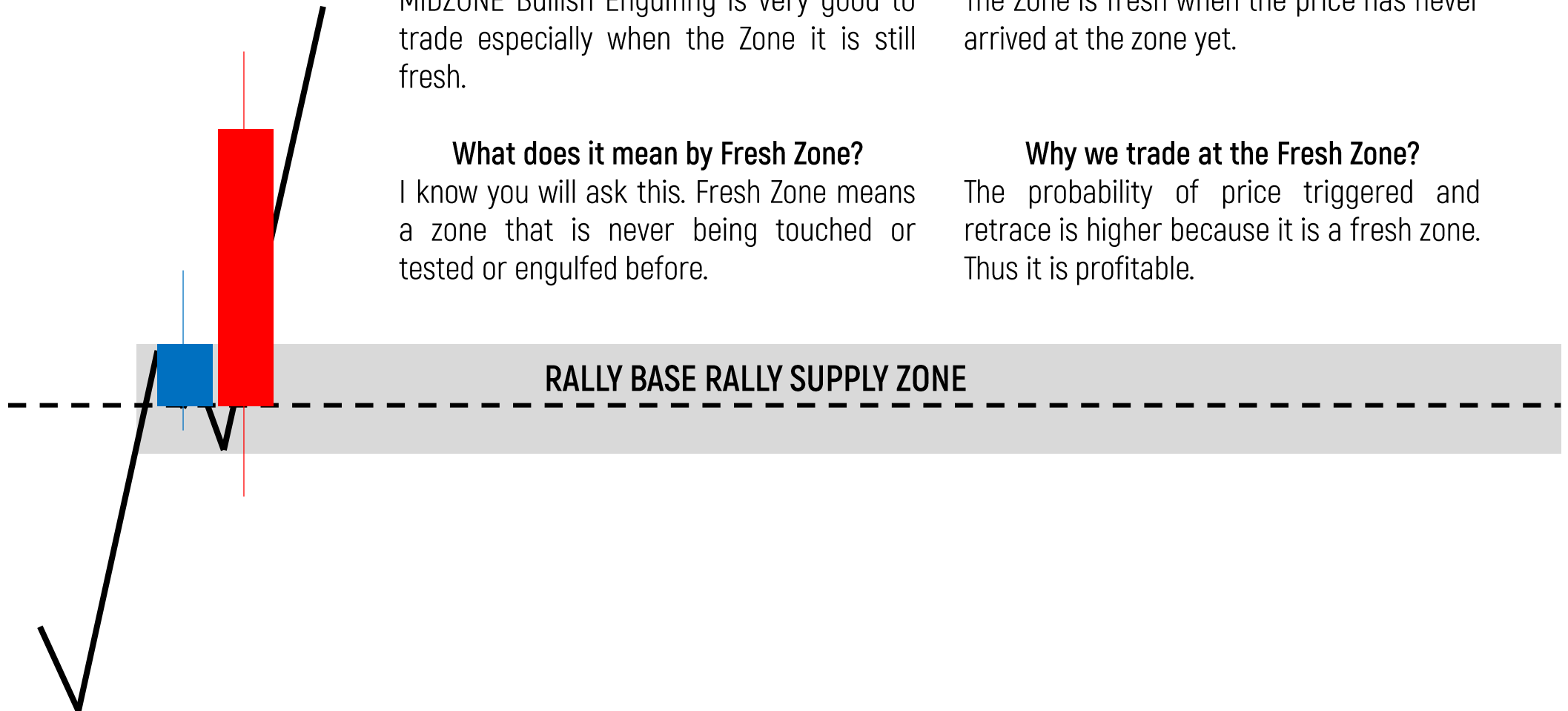
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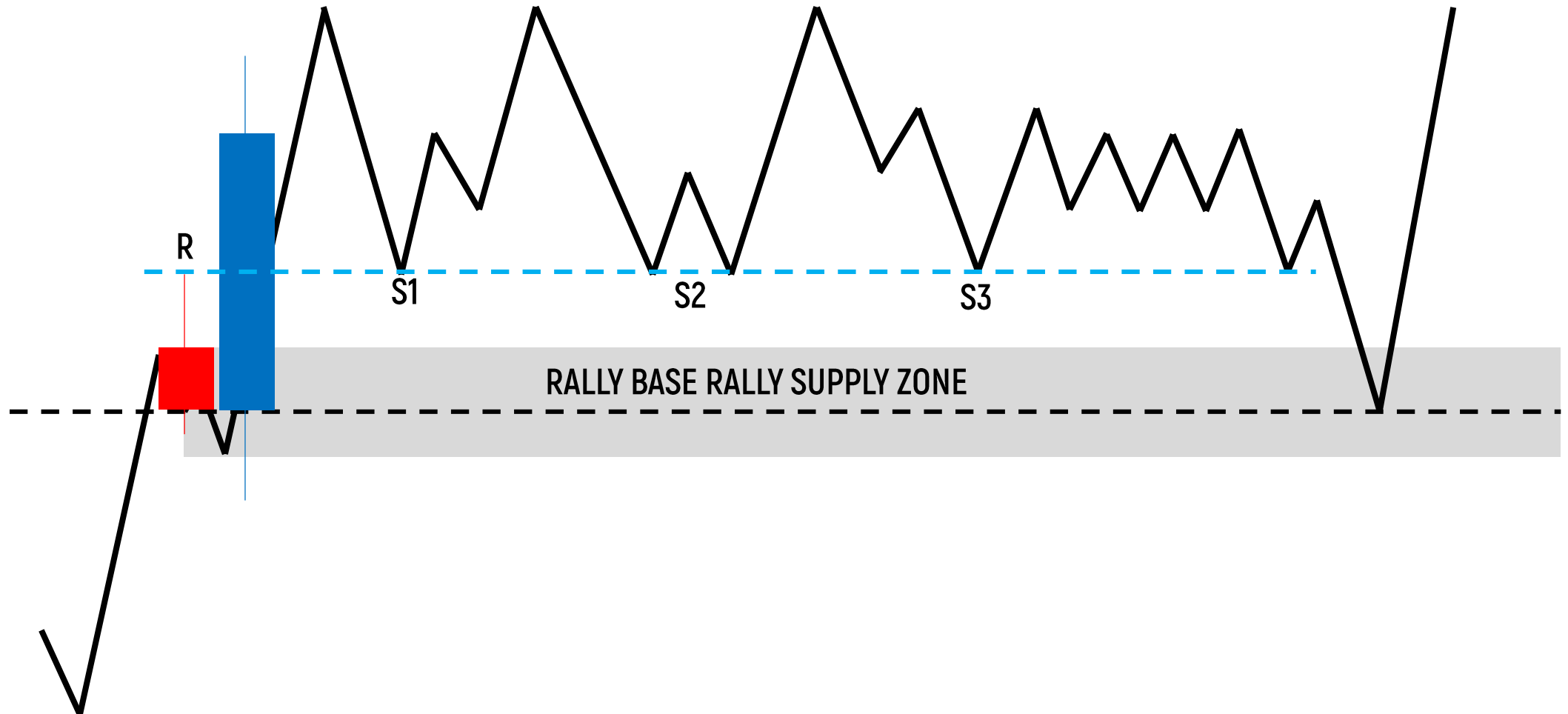
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The probability of price triggered and retrace is higher because it is a fresh zone. Thus it is profitable.



THE MIDZONE BUY SETUP

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?

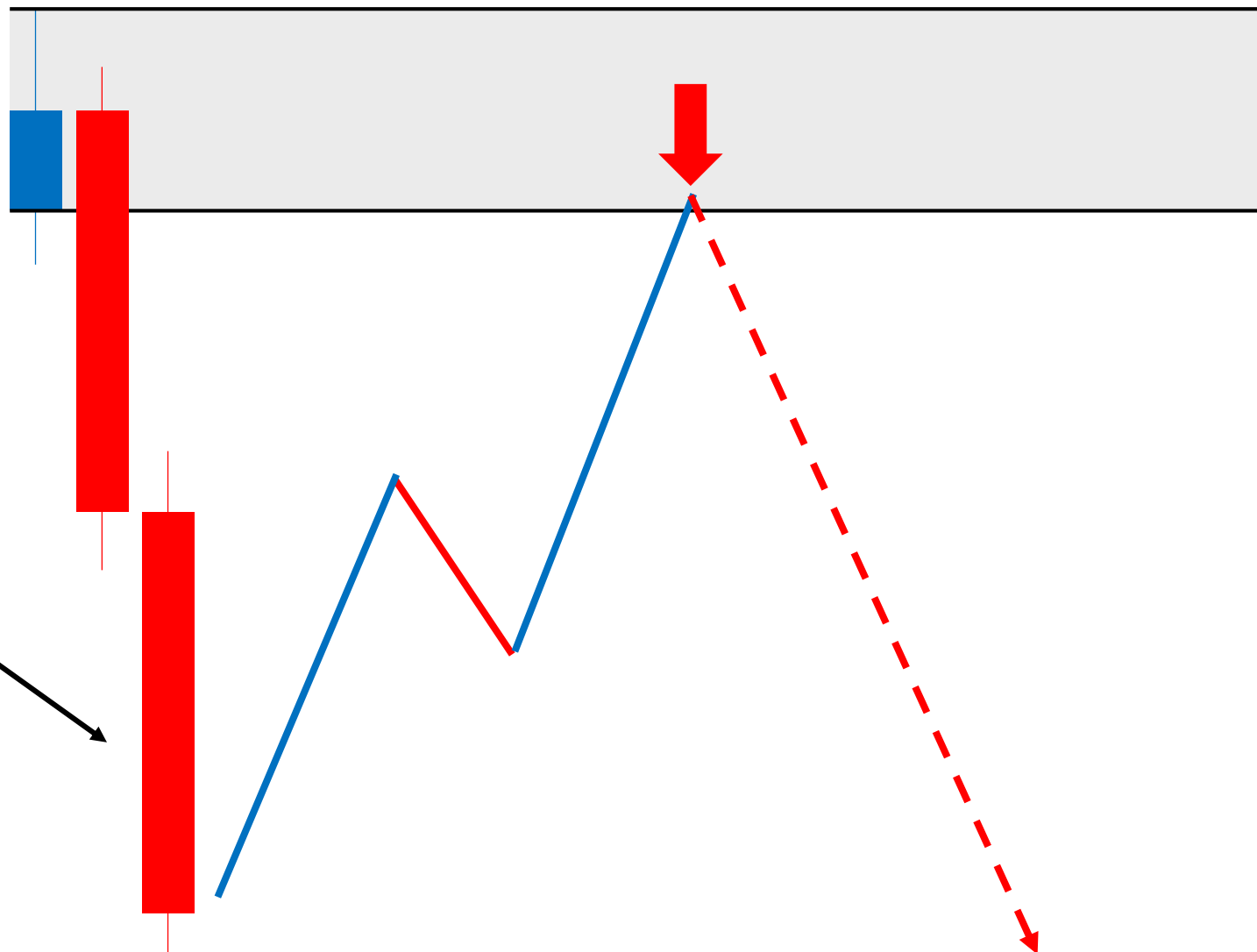
Look for an Engulfing that is followed by the next Marubozu. Be it in Bearish or Bullish setup, the stronger the momentum, the better price react when it comes back to the MPL Zone.

SELL SETUP

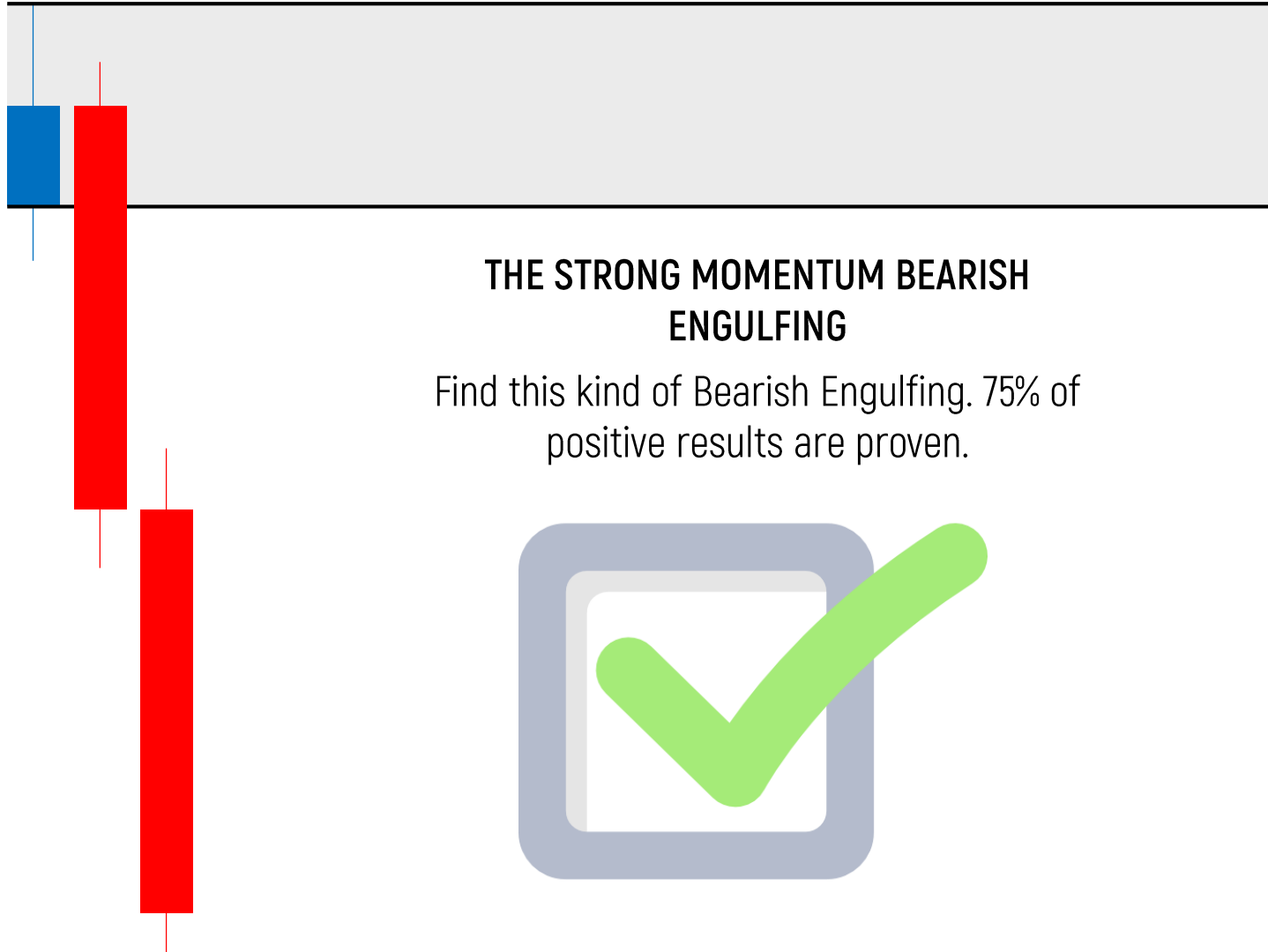
THE STRONG MOMENTUM **BEARISH** ENGULFING

THE STRONG MOMENTUM BEARISH ENGULFING

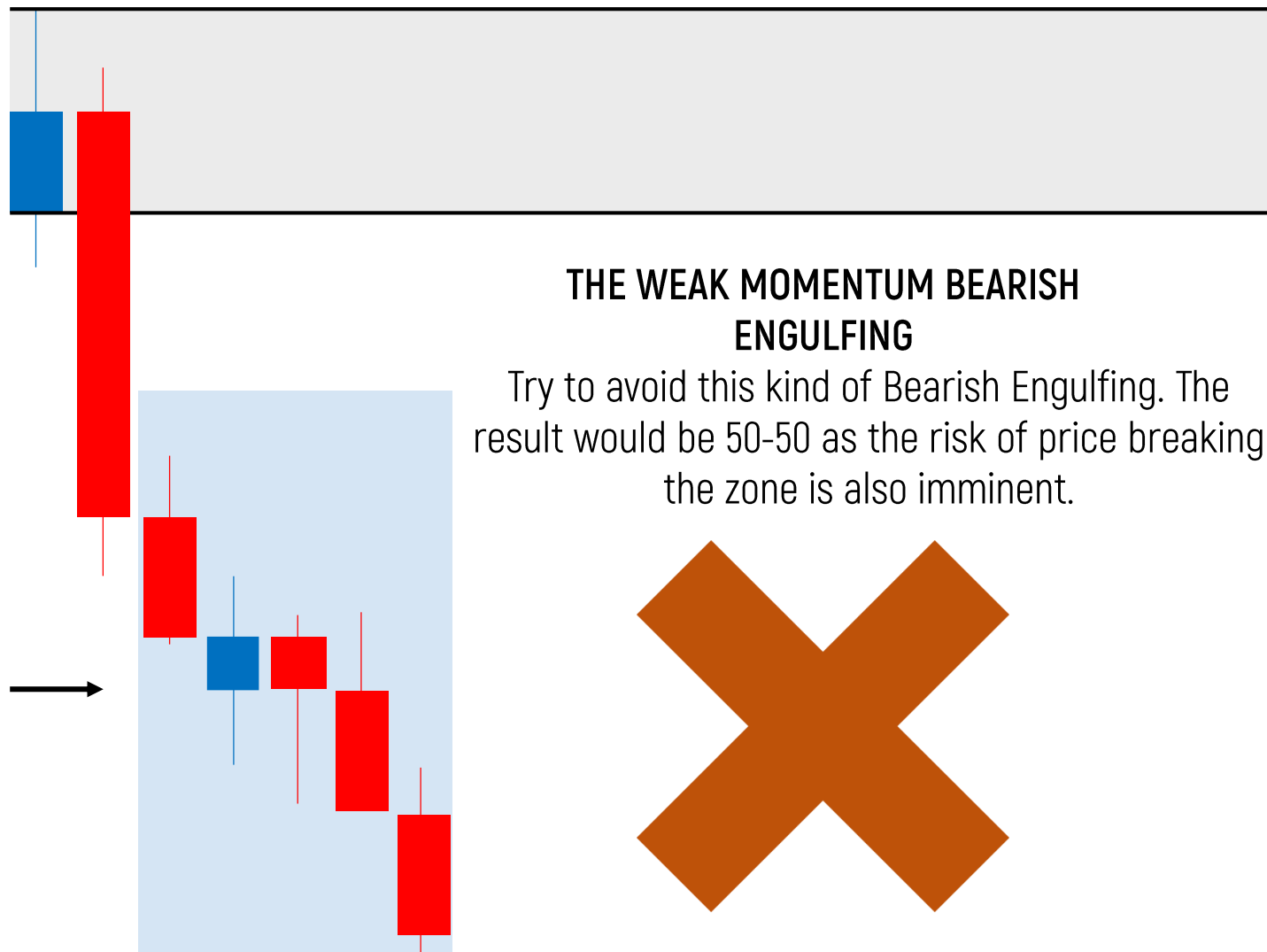
A Bearish Engulfing at the
MPL Sell Zone that is
followed by another
Bearish Marubozu.



THE STRONG MOMENTUM **BEARISH** ENGULFING



THE WEAK MOMENTUM **BEARISH** ENGULFING



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

THE WEAK MOMENTUM BEARISH ENGULFING

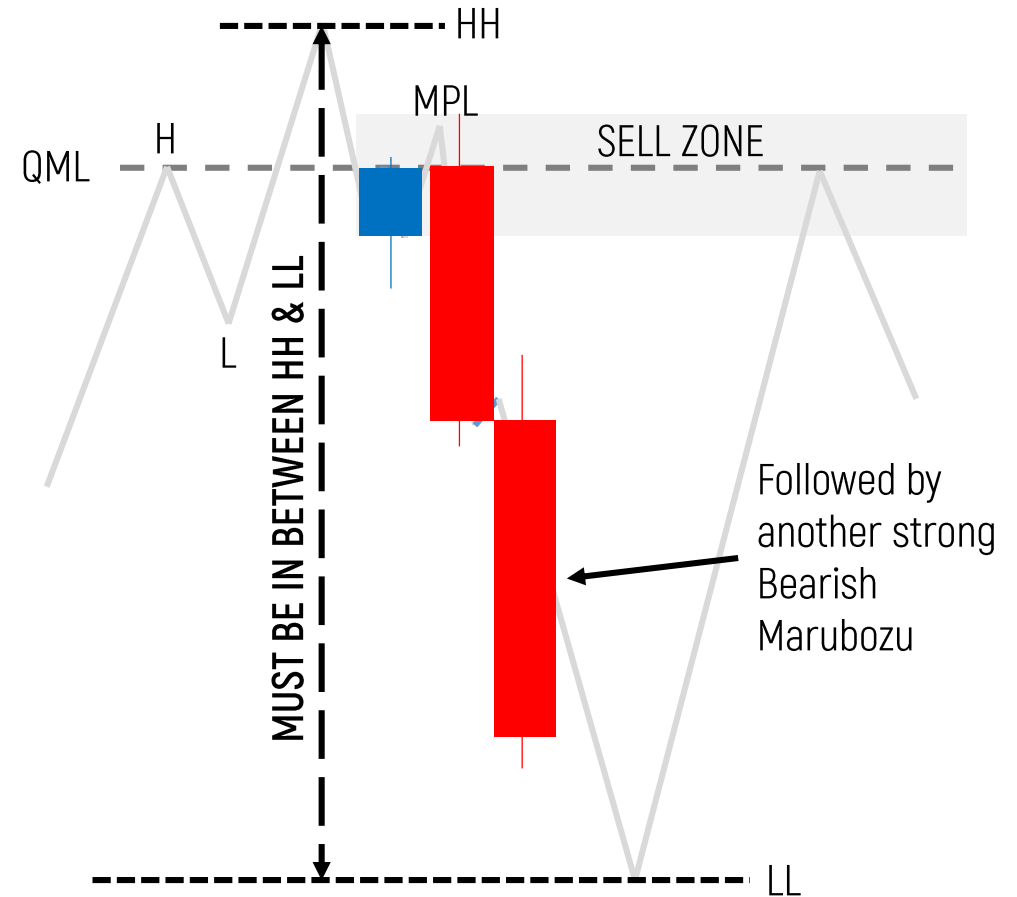
Try to avoid this kind of Bearish Engulfing. The result would be 50-50 as the risk of price breaking the zone is also imminent.



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**.

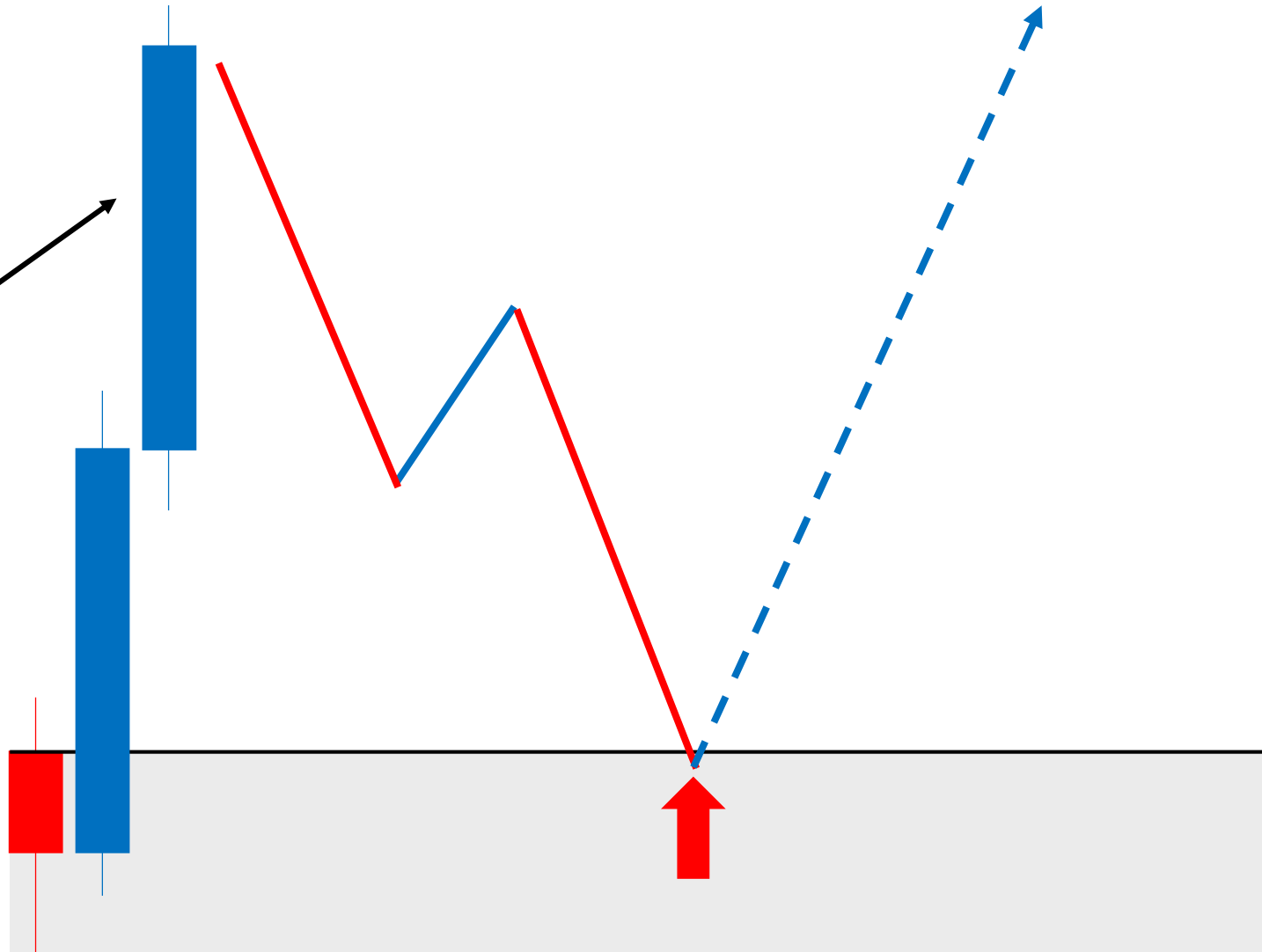


BUY SETUP

THE STRONG MOMENTUM **BULLISH** ENGULFING

THE STRONG MOMENTUM BULLISH ENGULFING

A Bullish Engulfing at the
MPL Sell Zone that is
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THE STRONG MOMENTUM **BULLISH** ENGULFING

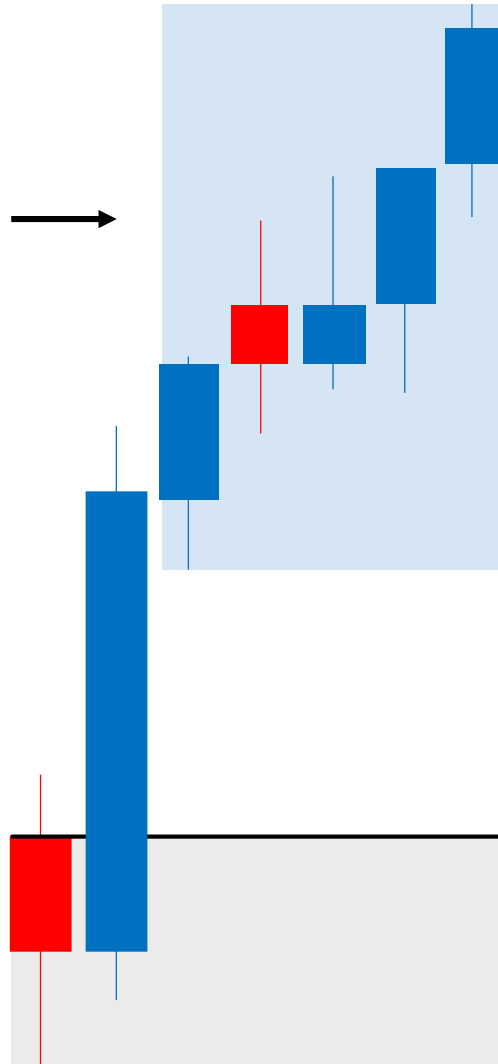
THE STRONG MOMENTUM BULLISH ENGULFING

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



THE STRONG MOMENTUM **BULLISH** ENGULFING

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**.

