

Level 2 for Beginners

What you will Learn

1. What is Level 2? And What it represents?
2. Big Orders On Level 2 and How to Trade Them
 - Big Buyers on BID
 - Big Sellers on ASK
3. Psychology Behind Level 2
4. Live Examples of Traders Using Level 2

What is Level 2?

Bid

Orders to be filled on Buying Side
(Either for Long or Covering Shorts)

MMID: Market Maker ID

Zero:
Represents less than
100 Shares

ASK

Orders to be filled on Selling Side
(Either for Selling or Short Selling)

SIZE:
Each Size represents a "Lot"
1 Lot equals 100 Shares

HUGE ORDERS
Represents 100,600 Shares!

MMID	BID	SIZE	MMID	ASK	SIZE
NSDQ	199.93	0	EDGX	199.90	2
NSDQ	199.92	0	BATS	199.91	1
NSDQ	199.91	0	ACB	199.92	0
NSDQ	199.90	0	ACB	199.93	0
NSDQ	199.89	0	ARCA	199.94	1
ARCA	199.82	2	ACB	199.94	0
NYSE	199.82	2	MEMX	199.95	2
IEX	199.82	2	ACB	199.95	0
ACB	199.82	2	ACB	199.96	2
MEMX	199.82	1	NYSE	199.96	2
BATS	199.81	1	NSDQ	199.98	0
ACB	199.80	0	NSDQ	199.99	36
ACB	199.78	0	NQBX	199.99	1
ACB	199.76	2	BYX	199.99	1
EDGX	199.75	1	PSX	199.99	1
ACB	199.74	0	NSDQ	200.00	1006
BYX	199.57	1	MIAX	200.00	3
CHX	199.56	1	NSDQ	200.01	2

Trading Only Based on Level 2 is Difficult!

- **Why?**

- **Level 2 depth can be different Broker by Broker.**

Some brokers do not offer Full Level 2.

- **Wall Street Traders may see more Market Depth.**
- **Some Orders might be hidden.**
- **There are Dark Pool that have Orders hidden there.**
- **Level 2 is does not always work. Not a magic ball!**
- **You should have a strategy in place (ex. Opening Range, ABCD Pattern, HOD/LOD Breakout)**
- **You should consider other indicators as well. (ex. Price Action, VWAP, Moving Averages)**

Level 2 Signal for Short Term Day Trading

Big Bids (Big Buyers): **BEARISH**

Big Ask (Big Sellers): **BULLISH**

03/22/23 09:30:41

TSLA 199.82 -- 199.9 Tesla, Inc. - Co...

TSLA ↑ 200 - 199.06 PCL 197.58 Q
Last 199.76 2.18 (1.1%) Vol 4,593,139
Lv1 199.86 199.87 VWAP: 199.17 S

MMID	BID	SIZE	MMID	ASK	SIZE
NSDQ	199.93	0	EDGX	199.90	2
NSDQ	199.92	0	BATS	199.91	1
NSDQ	199.91	0	ACB	199.92	0
NSDQ	199.90	0	ACB	199.93	0
NSDQ	199.89	0	ARCA	199.94	1
ARCA	199.82	2	ACB	199.94	0
NYSE	199.82	2	MEMX	199.95	2
IEX	199.82	2	ACB	199.95	0
ACB	199.82	2	ACB	199.96	2
MEMX	199.82	1	NYSE	199.96	2
BATS	199.81	1	NSDQ	199.98	0
ACB	199.80	0	NSDQ	199.99	36
ACB	199.78	0	NQBX	199.99	1
ACB	199.76	2	BYX	199.99	1
EDGX	199.75	1	PSX	199.99	1
ACB	199.74	0	NSDQ	200.00	1006
BYX	199.57	1	MIAX	200.00	3
CHX	199.56	1	NSDQ	200.01	2

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03/22/23 09:31:21

TSLA 200.4 -- 200.44 Tesla, Inc. - Co...

TSLA ↑ 200.66 - 199.06 PCL 197.58 Q
Last 200.41 2.83 (1.4%) Vol 5,613,326
Lv1 200.4 200.44 VWAP: 199.35 S

MMID	BID	SIZE	MMID	ASK	SIZE
MEMX	200.40	1	MEMX	200.44	1
NSDQ	200.40	0	NSDQ	200.44	1
ACB	200.39	1	NSDQ	200.45	1
ARCA	200.39	1	ACB	200.46	0
ACB	200.38	1	NSDQ	200.46	0
NSDQ	200.38	0	NSDQ	200.47	0
ACB	200.37	0	ACB	200.47	0
NSDQ	200.37	0	EDGX	200.48	2
NSDQ	200.36	4	NSDQ	200.48	1
EDGX	200.36	1	ARCA	200.49	1
ACB	200.36	0	ACB	200.49	0
NSDQ	200.35	2	BATS	200.50	1
ACB	200.35	2	ACB	200.50	0
BATS	200.35	2	ACB	200.51	0
NYSE	200.35	2	MIAX	200.59	1
CHX	200.19	1	CHX	200.61	1
PSX	200.19	1	PSX	200.65	1
RYX	200.19	1	NQBX	200.66	1

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Psychology Behind Level 2 BID & ASK

- Traders Psychology

Price	Qty	Exch
163.085	1	FADF
163.09	11	ARCA
163.09	2	ARCA
163.085	1	FADF
163.09	30	ARCA
163.09	10	ARCA
163.09	1	ARCA
163.09	20	ARCA
163.09	1	FADF
163.08	50	FADF
163.085	1	FADF
163.09	1	FADF
163.0899	1	FADF
163.09	296	ARCA
163.085	1	FADF
163.09	202	ARCA
163.09	11	ARCA
163.085	1	FADF
163.09	1	ARCA
163.09	30	FADF
163.08	1	ARCA
163.08	43	ARCA
163.08	1	ARCA
163.08	7	ARCA
163.08	1	FADF
163.08	1	FADF

Above Ask	Above Ask
At Ask	At Ask
Inside	Inside
At Bid	At Bid
Below Bid	Below Bid

Aggressive Buying:
Buyers Pay more on the ASK



Aggressive Selling:
Sellers accepts less on the BID



Example #1: TSLA

03/22/23 09:31:21

TSLA 200.4 -- 200.44 Tesla, Inc. - Co...

TSLA ↑ 200.66 - 199.06 PCL 197.58 Q
 Last 200.41 2.83 (1.4%) Vol 5,613,326
 Lv1 200.4 200.44 VWAP: 199.35 S

MMID	BID	SIZE	MMID	ASK	SIZE
MEMX	200.40	1	MEMX	200.44	1
NSDQ	200.40	0	NSDQ	200.44	1
ACB	200.39	1	NSDQ	200.45	1
ARCA	200.39	1	ACB	200.46	0
ACB	200.38	1	NSDQ	200.46	0
NSDQ	200.38	0	NSDQ	200.47	0
ACB	200.37	0	ACB	200.47	0
NSDQ	200.37	0	EDGX	200.48	2
NSDQ	200.36	4	NSDQ	200.48	1
EDGX	200.36	1	ARCA	200.49	1
ACB	200.36	0	ACB	200.49	0
NSDQ	200.35	2	BATS	200.50	1
ACB	200.35	2	ACB	200.50	0
BATS	200.35	2	ACB	200.51	0
NYSE	200.35	2	MIAX	200.59	1
CHX	200.19	1	CHX	200.61	1
PSX	200.19	1	PSX	200.65	1
BYX	200.19	1	NOBX	200.66	1

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03/22/23 09:33:49

TSLA 198.02 -- 198.08 Tesla, Inc. - Co...

TSLA ↑ 200.66 - 198.01 PCL 197.58 Q
 Last 198.05 0.47 (0.24%) Vol 8,108,048
 Lv1 198.02 198.08 VWAP: 199.21 S

MMID	BID	SIZE	MMID	ASK	SIZE
NSDQ	198.02	1	NSDQ	198.08	1
NSDQ	198.01	14	IEX	198.08	1
EDGX	198.00	173	ARCA	198.08	1
NSDQ	198.00	157	EDGX	198.08	1
ACB	198.00	30	MEMX	198.08	1
ARCA	198.00	30	BATS	198.08	1
BATS	198.00	20	ACB	198.08	1
MEMX	198.00	19	ACB	198.09	1
EDGA	198.00	2	NSDQ	198.09	0
NSDQ	197.99	0	ACB	198.10	0
ACB	197.99	0	NSDQ	198.10	0
ACB	197.98	0	NSDQ	198.11	0
NSDQ	197.98	0	NSDQ	198.12	2
ACB	197.97	0	NYSE	198.12	1
ACB	197.96	2	ACB	198.12	0
NYSE	197.96	2	ACB	198.13	2
PSX	197.84	1	MIAX	198.30	1
BYX	197.84	1	BYX	198.34	1

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Example #1: TSLA



Example #2: TSLA

03/31/23 09:40:26

TSLA 198.95 -- 198.98 Tesla, Inc. - Co...

TSLA ↑ 198.99 - 197.2 PCL 195.28 Q

Last 198.965 3.685 (1.9%) Vol 10,775,586

Lv1 198.94 198.98 VWAP: 197.86 S

MMID	BID	SIZE	MMID	ASK	SIZE
MEMX	198.95	1	NSDQ	198.98	4
NSDQ	198.95	0	NYSE	198.98	1
ACB	198.95	0	ARCA	198.98	1
ACB	198.94	6	EDGX	198.98	1
ARCA	198.94	6	ACB	198.98	1
NSDQ	198.94	3	BATS	198.99	1
NSDQ	198.93	2	ACB	199.00	119
ACB	198.93	2	MEMX	199.00	15
NSDQ	198.92	5	NQBX	199.00	11
EDGX	198.92	4	IEX	199.00	4
ACB	198.92	2	MIAX	199.00	4
NSDQ	198.91	2	PSX	199.00	3
ACB	198.91	0	EDGA	199.00	2
PSX	198.90	3	AMEX	199.00	1
AMEX	198.90	3	BYX	199.00	1
BATS	198.90	2	NSDQ	199.01	24
NYSE	198.90	2	ACB	199.01	2
MIAX	198.79	1	NSDQ	199.02	5

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03/31/23 09:46:43

TSLA 198.97 -- 198.99 Tesla, Inc. - Co...

TSLA ↓ 199.1 - 197.2 PCL 195.28 Q

Last 199 3.72 (1.9%) Vol 14,091,859

Lv1 198.97 198.99 VWAP: 198.08 S

MMID	BID	SIZE	MMID	ASK	SIZE
ACB	198.98	0	NSDQ	198.99	26
NSDQ	198.98	0	NSDQ	199.00	604
EDGX	198.97	5	EDGX	199.00	256
NSDQ	198.97	1	BATS	199.00	13
ARCA	198.96	3	MEMX	199.00	8
MEMX	198.96	3	ACB	199.00	7
NSDQ	198.96	2	ARCA	199.00	7
ACB	198.96	2	ACB	199.01	1
NYSE	198.96	1	NSDQ	199.01	0
BATS	198.96	1	NSDQ	199.02	1
NSDQ	198.95	2	ACB	199.02	0
ACB	198.94	4	NSDQ	199.03	2
NSDQ	198.94	2	ACB	199.03	2
ACB	198.93	2	ACB	199.04	2
AMEX	198.92	4	NYSE	199.06	2
ACB	198.92	0	AMEX	199.07	3
PSX	198.91	3	PSX	199.07	3
RYX	198.82	1	EDGA	199.07	1

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03/31/23 09:47:03

TSLA 199.14 -- 199.15 Tesla, Inc. - Co...

TSLA ↑ 199.15 - 197.2 PCL 195.28 Q

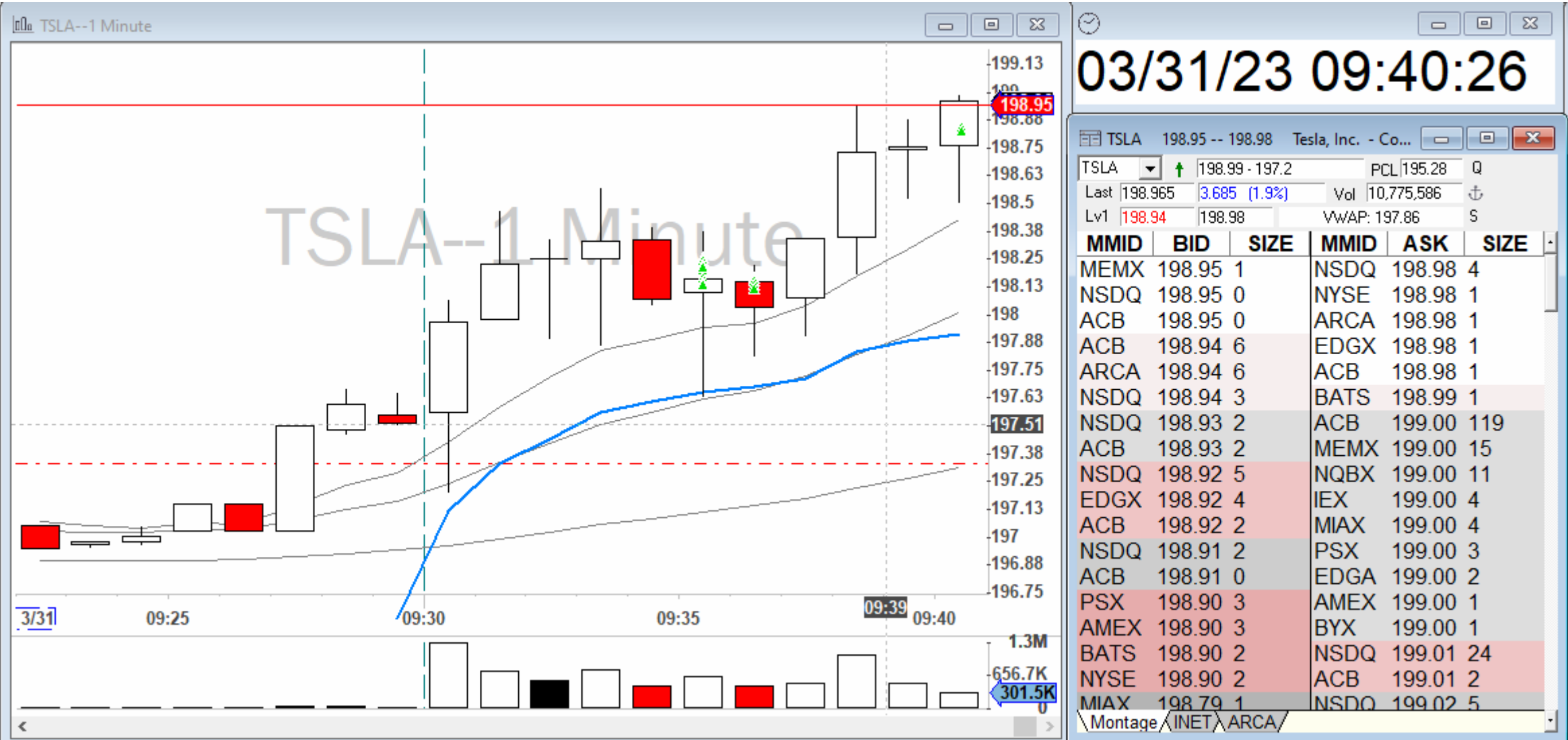
Last 199.14 3.86 (2%) Vol 14,435,087

Lv1 199.14 199.15 VWAP: 198.1 S

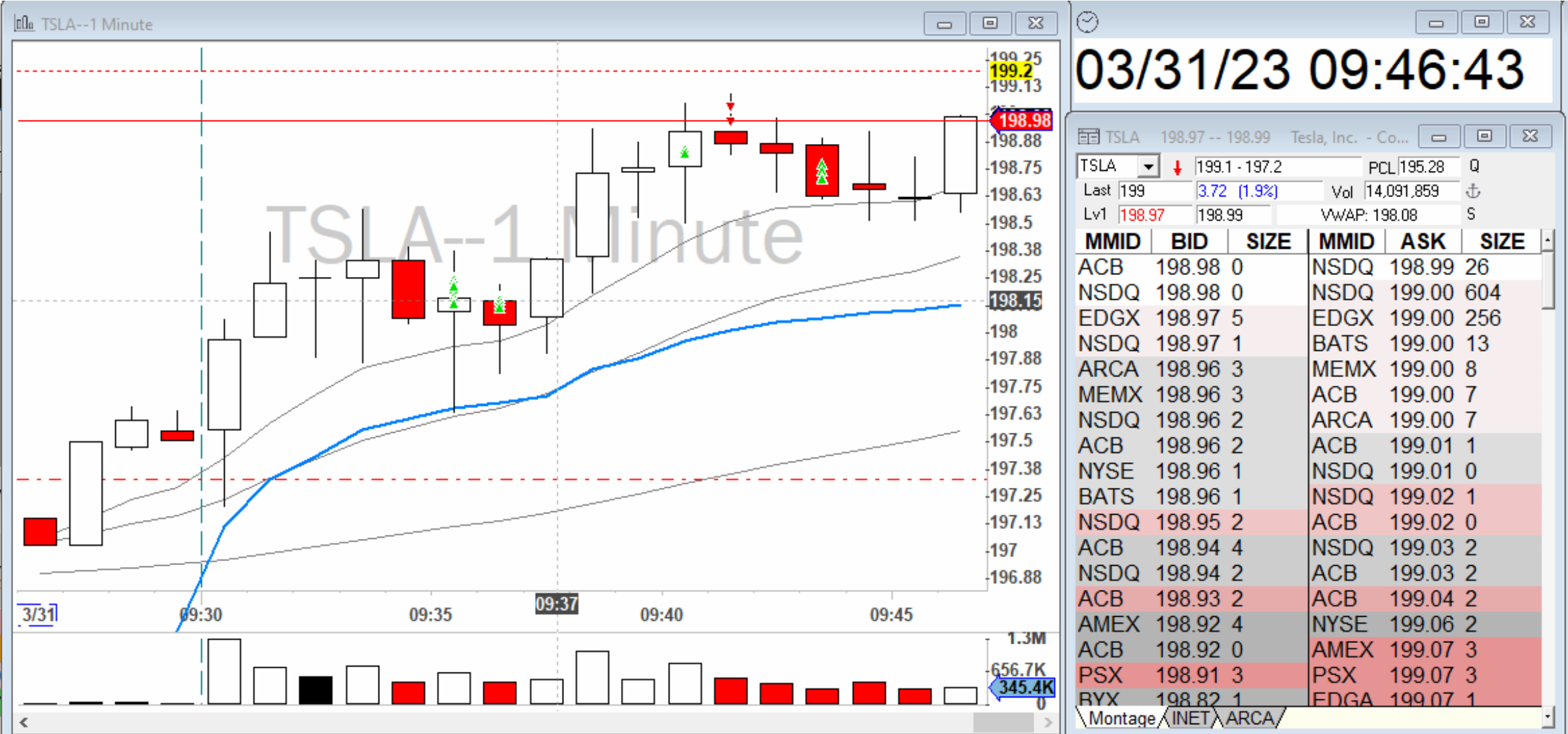
MMID	BID	SIZE	MMID	ASK	SIZE
NSDQ	199.13	4	EDGX	199.15	26
NSDQ	199.12	2	ACB	199.15	0
ACB	199.12	0	ARCA	199.16	3
NSDQ	199.11	4	ACB	199.16	1
EDGX	199.11	3	NSDQ	199.16	1
MEMX	199.11	3	ACB	199.17	0
ACB	199.11	2	ACB	199.18	2
NYSE	199.11	2	NYSE	199.18	2
BATS	199.11	1	NSDQ	199.19	4
NSDQ	199.10	2	AMEX	199.19	3
ACB	199.10	2	ACB	199.19	2
ARCA	199.09	4	PSX	199.20	2
PSX	199.09	3	IEX	199.20	2
NSDQ	199.09	2	NQBX	199.20	1
ACB	199.09	1	EDGA	199.20	1
ACB	199.08	3	NSDQ	199.21	4
AMEX	199.05	3	NSDQ	199.22	7
RYX	198.96	1	NSDQ	199.23	0

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Example #2: TSLA



Example #2: TSLA



Example #2: TSLA



Example #2: TSLA



Example #3: AAPL

06/02/23 09:47:03

AAPL 180.02 -- 180.03 Apple Inc. - Co...

AAPL 181.78 - 180.03 PCL 180.09 Q
 Last 180.04 -0.05 (-0.03%) Vol 8,580,021
 Lv1 180.02 180.03 VWAP: 181 S

MMID	BID	SIZE	MMID	ASK	SIZE
MEMX	180.02	2	NSDQ	180.02	2
ACB	180.01	31	ACB	180.02	1
ARCA	180.01	31	NSDQ	180.03	6
NSDQ	180.01	2	EDGX	180.03	6
EDGX	180.01	1	MEMX	180.03	5
BATS	180.01	1	ARCA	180.03	4
ACB	180.00	54	ACB	180.03	3
UBSS	180.00	20	BATS	180.03	3
NSDQ	180.00	574	EDGA	180.03	1
MIAX	180.00	1	NYSE	180.03	1
NYSE	180.00	1	NSDQ	180.04	9
ACB	179.99	4	ACB	180.04	3
UBSS	179.99	0	PSX	180.04	2
NSDQ	179.99	3	MIAX	180.04	1
ACB	179.98	1	BYX	180.04	1
ACB	179.97	0	AMEX	180.04	1
PSX	179.96	2	NSDQ	180.05	7
NORX	179.93	2	ACB	180.05	4

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06/02/23 09:47:36

AAPL 179.95 -- 179.97 Apple Inc. - Co...

AAPL 181.78 - 179.88 PCL 180.09 Q
 Last 179.9501 -0.14 (-0.08%) Vol 8,977,559
 Lv1 179.95 179.97 VWAP: 180.95 S

MMID	BID	SIZE	MMID	ASK	SIZE
NSDQ	179.96	0	EDGX	179.97	2
NSDQ	179.95	4	NSDQ	179.97	1
NYSE	179.95	3	NYSE	179.97	1
ACB	179.95	1	MEMX	179.97	1
ARCA	179.95	1	BATS	179.97	1
AMEX	179.95	1	NSDQ	179.98	3
IEX	179.95	1	MIAX	179.98	1
EDGX	179.94	8	ACB	179.98	0
ACB	179.94	3	NSDQ	179.99	21
NSDQ	179.94	3	ACB	179.99	3
BATS	179.94	1	ARCA	179.99	2
MEMX	179.94	1	NSDQ	180.00	9
NSDQ	179.93	7	ACB	180.00	3
ACB	179.93	2	NQBX	180.00	1
MIAX	179.93	1	NSDQ	180.01	5
NSDQ	179.92	108	ACB	180.01	1
ACB	179.92	5	ACB	180.02	4
PSX	179.92	2	AMEX	180.02	1

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Example #3: AAPL



Example #3: AAPL



Resources For You To Check

- Andrew Recaps on Level 2 Education.
 - <https://www.youtube.com/watch?v=l0gay8b7PXo> – 4 Months Ago
 - <https://youtu.be/hqxumVygr10> – 6 Months Ago
- Thor Level 2 Explained
 - <https://youtu.be/ip5h9nGY1iE> – 1 Year Ago
 - How to customize your Level 2 colors On Das Trader
 - <https://youtu.be/K4tC4vzYLyQ>
- Carlos
 - <https://youtu.be/EasUXtRAqk8> - 3 Years ago!