

# How does the price move higher: Bookmap's perspective on aggressive **buyers**



**TRADING TERMINAL.COM**  
FROM BEAR BULL TRADERS

Presented by: RTrades (Roko)



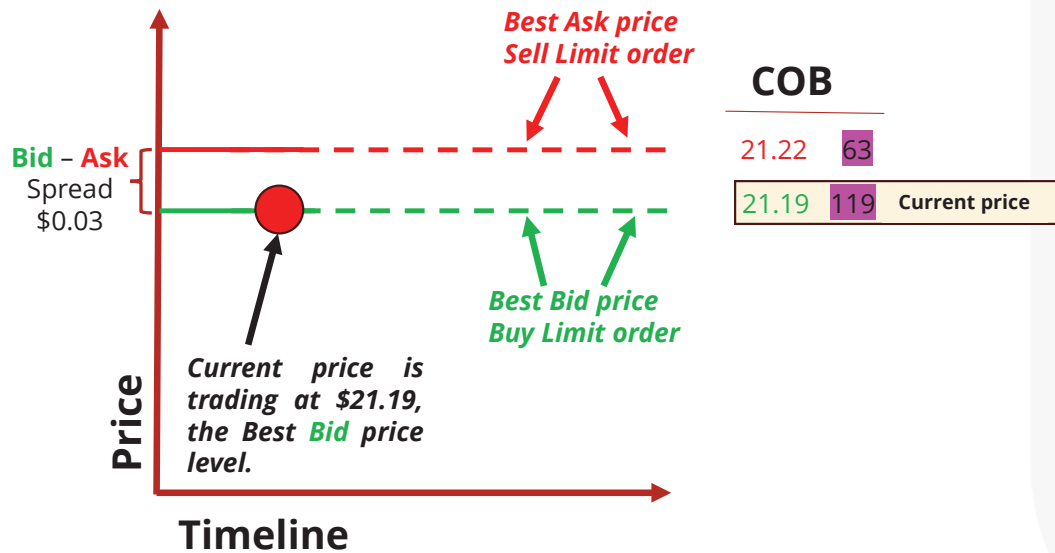
## Outline: **How does the price of shares of a stock move higher in the market?**

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- Bookmap's perspective on Market **Buy** orders: microview focus on Best **Ask**.
- Bookmap's perspective on **Buyers (Demand)** strength moving price higher.
- Imbalanced **bullish** Order book: ladder of large **Underlying Asks**.

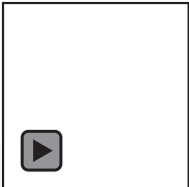


Price will NOT move if we have only limit orders and patient **buyers** and **sellers** in the market.

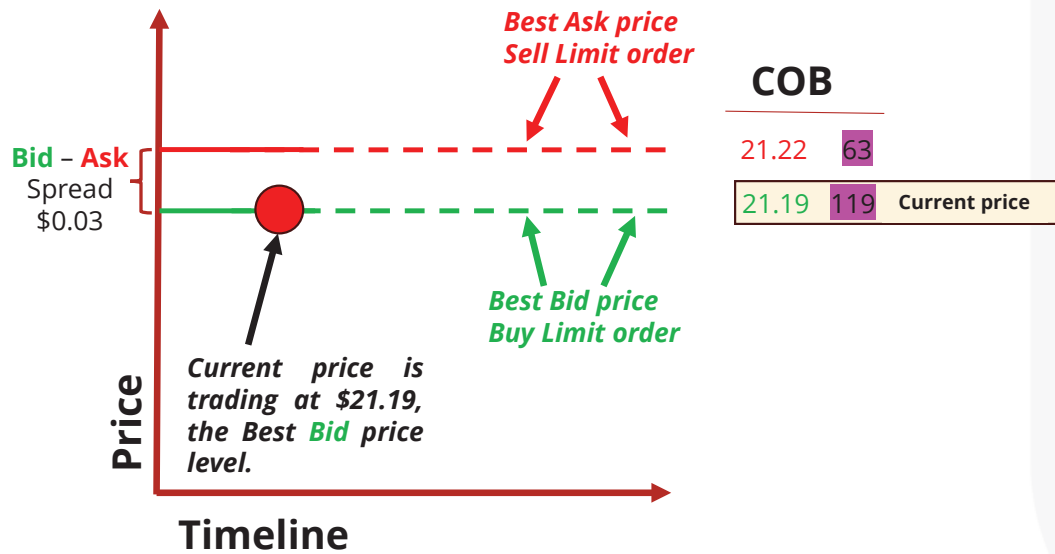


**Limit orders** are placed by **patient buyers** and **sellers** that are patiently waiting for price to come to them. These orders include Best **Bid** and Best **Ask**, orders that are closest to the current price.

**Neither of these patient buyers** and **sellers** is willing to cross the Bid-Ask spread (3 cents in this example).



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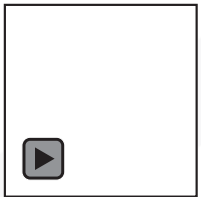
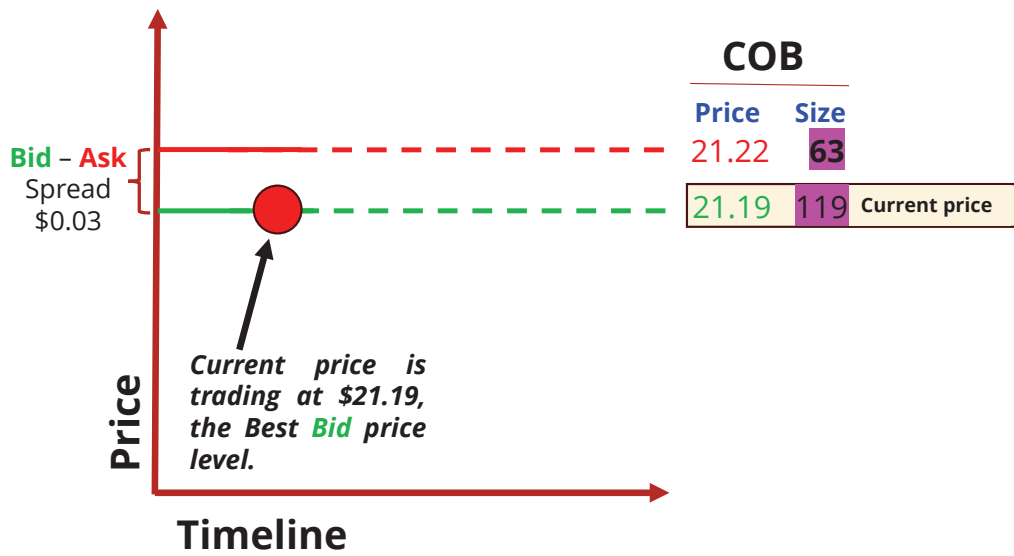


If it was up to the **patient buyers** and **sellers**, price would **NOT** move at all!

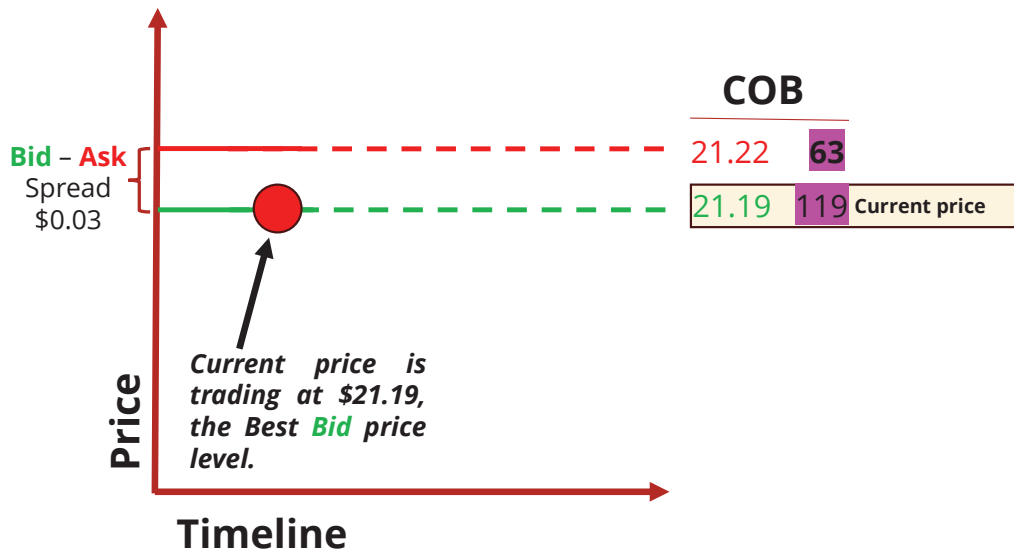
So, who do we need to cross the spread and move the price?  
An **aggressor** market participant using a Market order.



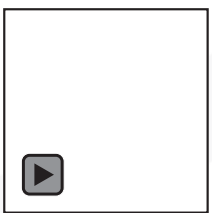
Market Buy orders move price up. 



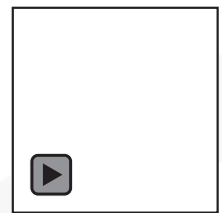
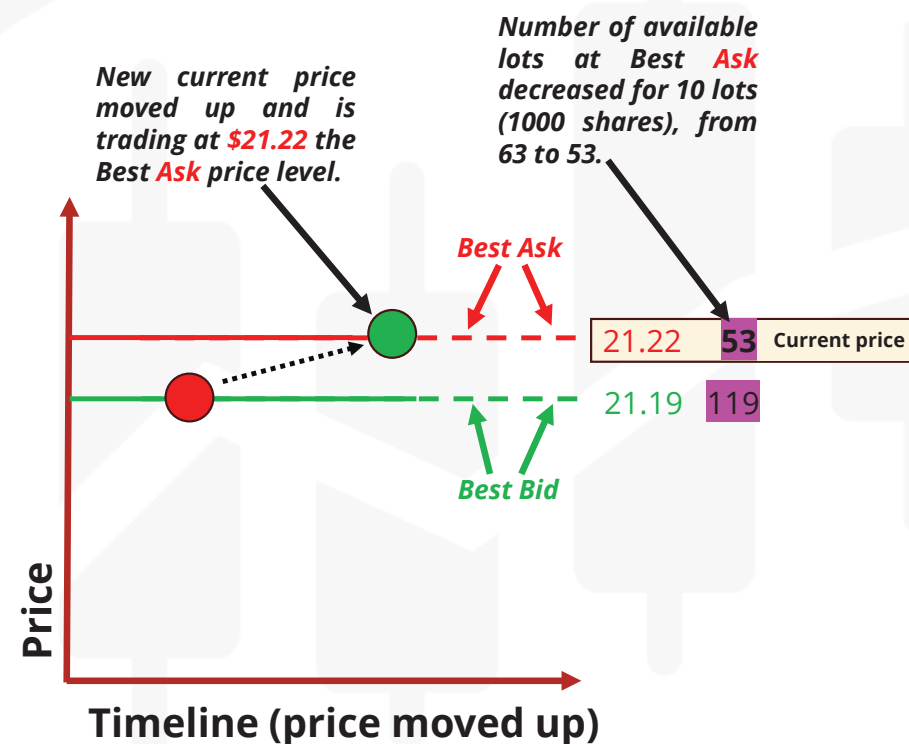
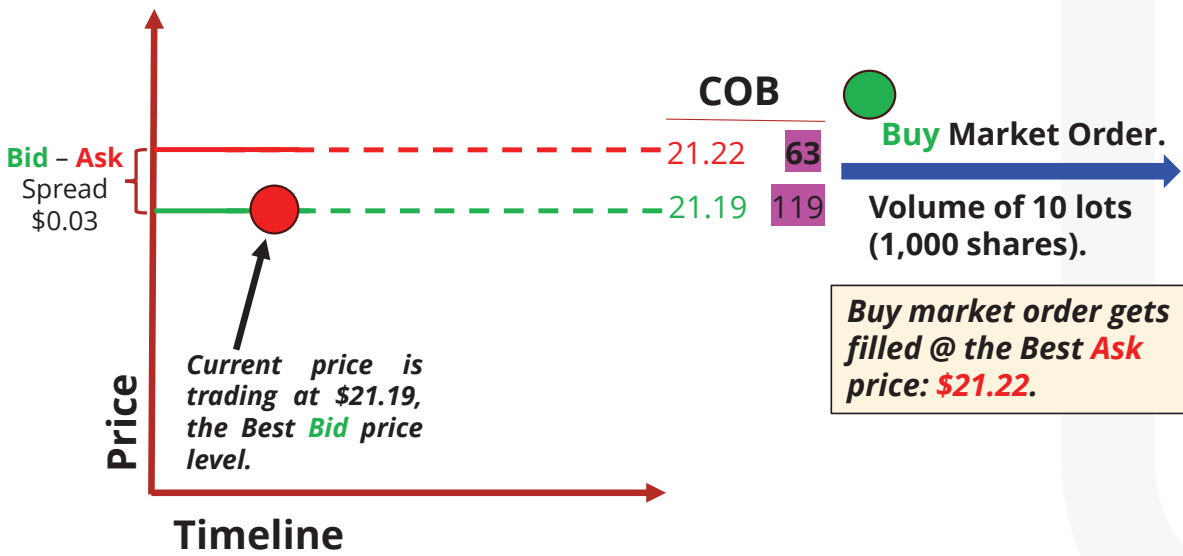
# Market Buy orders move price up.



 Buy Market Order.  
Volume of 10 lots (1,000 shares).  
Buy market order gets filled @ the Best Ask price: \$21.22.

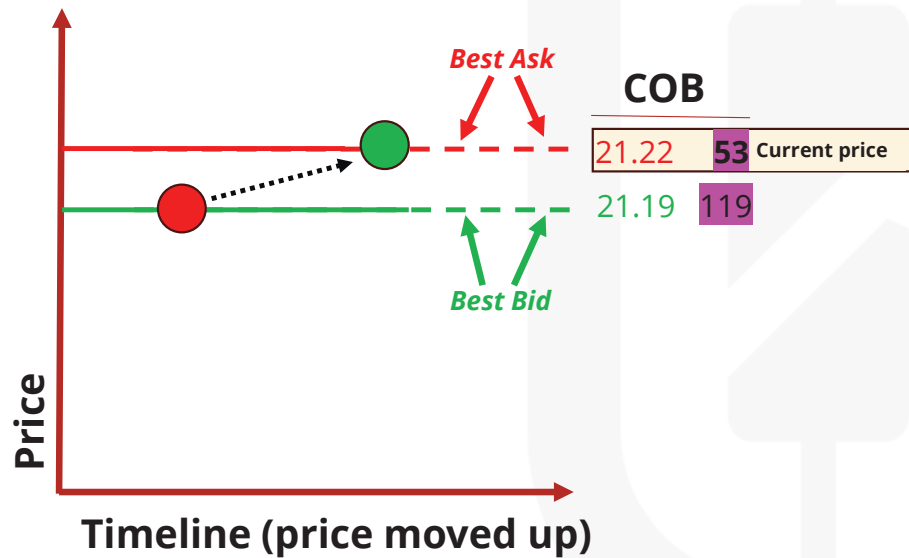


# Market Buy orders move price up.



Market Buy orders get filled at the best Ask and move price UP. ↗

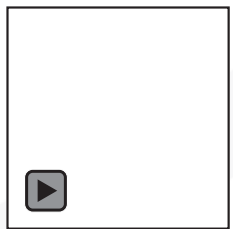
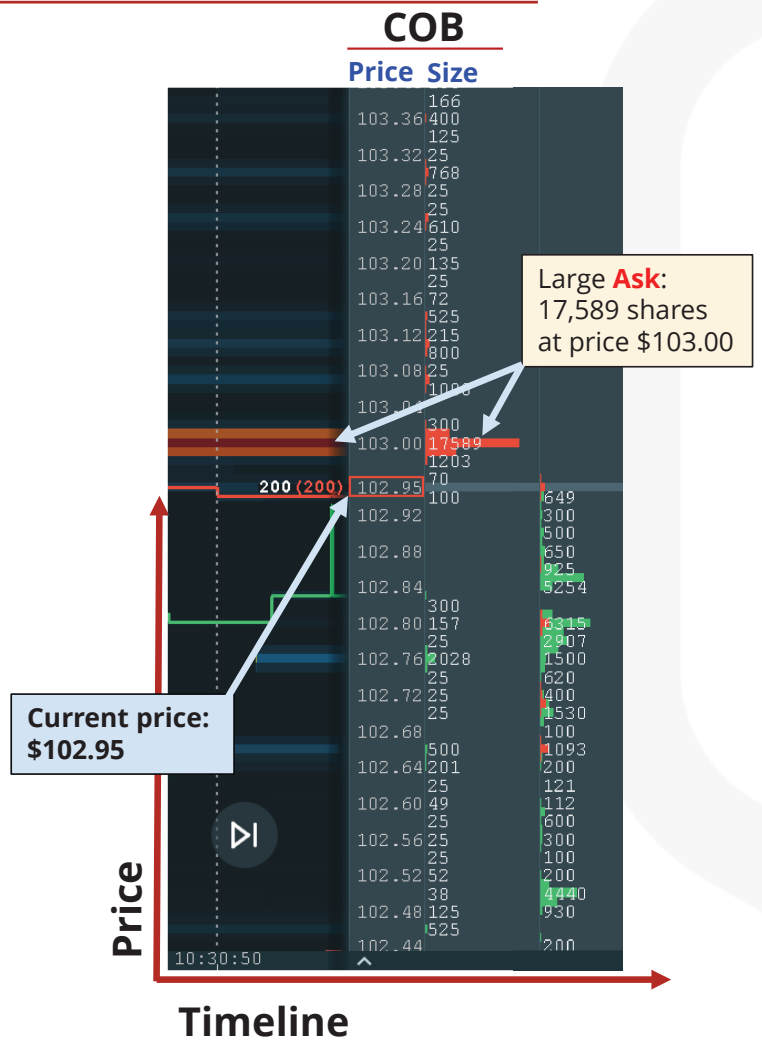
Market Buy Orders (aggressive Buyers; Demand) will be filled at the best Ask price that is higher than the current price and will move price up.



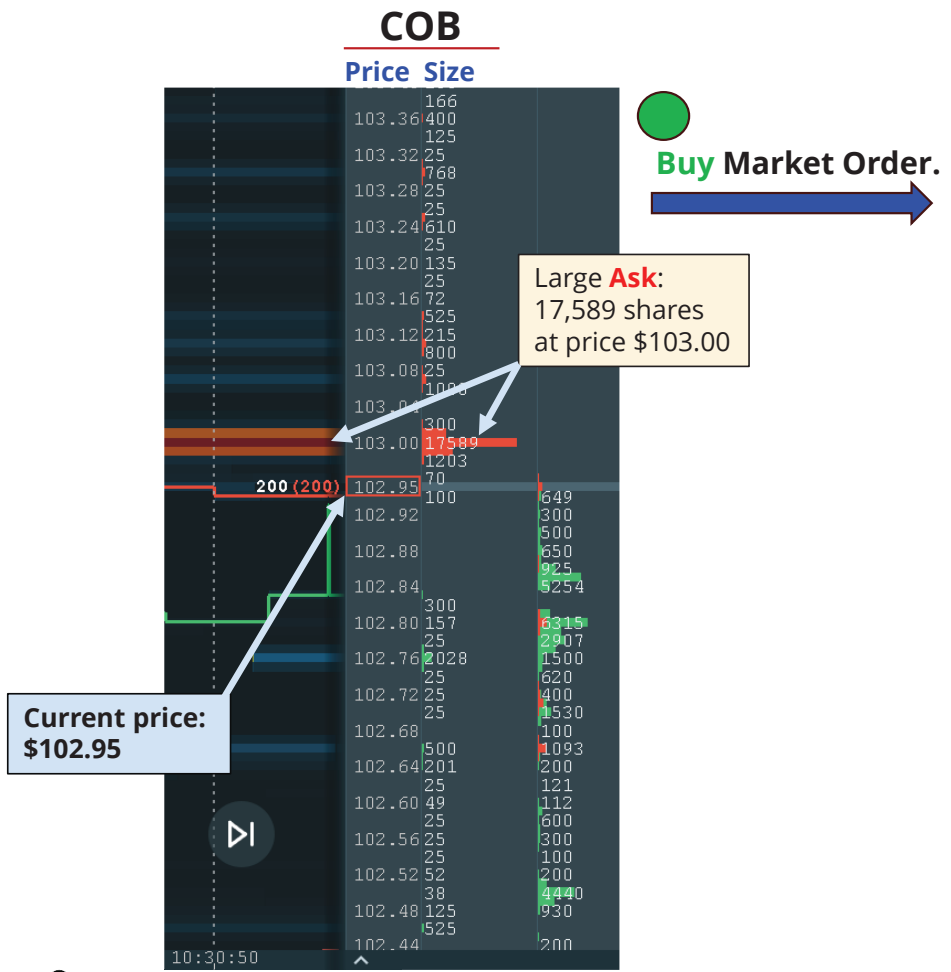
Current price moved up due to the Buy market order, and is currently trading at new current price \$21.22 - the Best Ask price level.



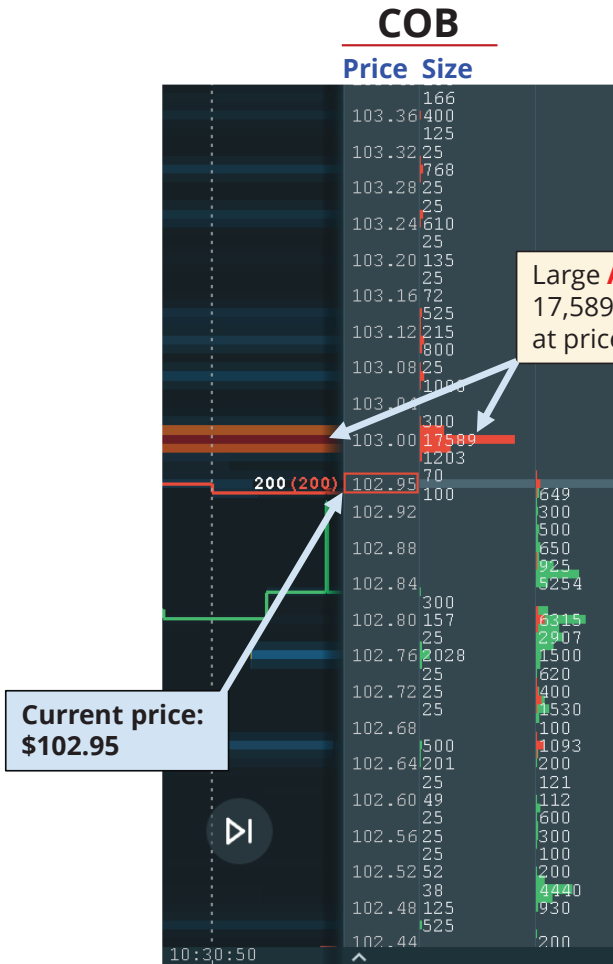
Bookmap example: **Market Buy orders** lift the best **Ask** and move price **UP**. 



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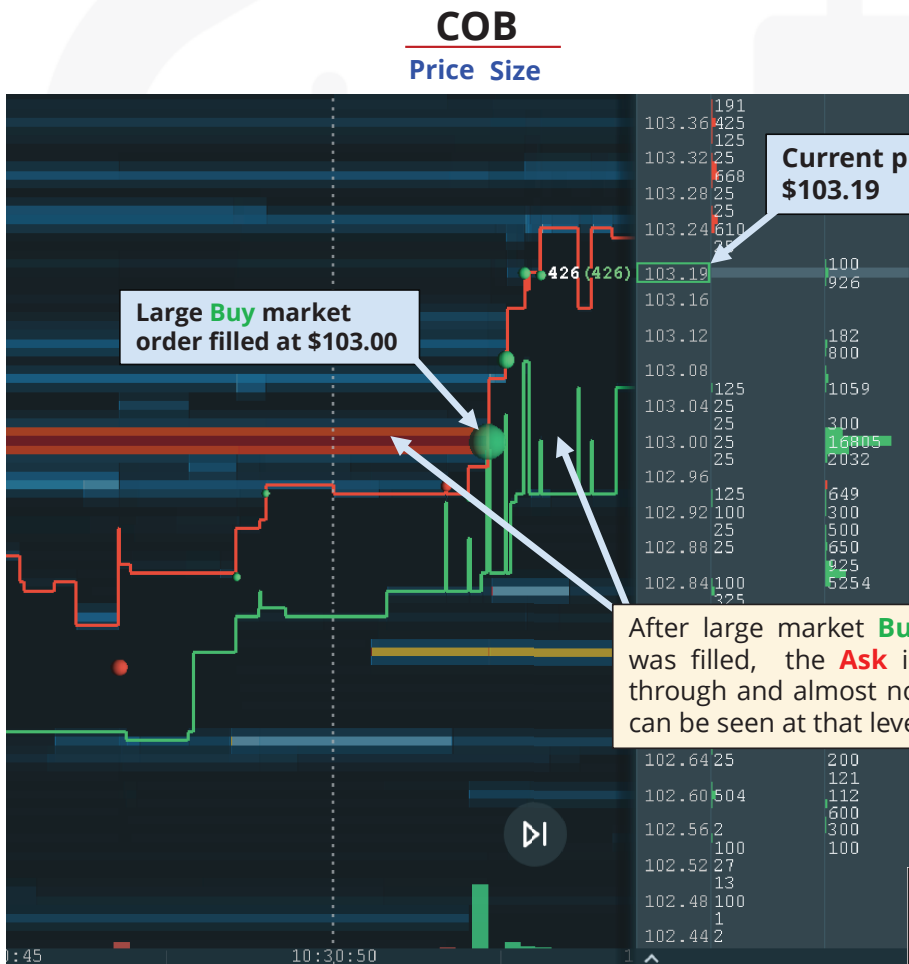
Bookmap example: **Market Buy orders** lift the best **Ask** and move price **UP**.



● Buy Market Order.  
→

Large Ask:  
17,589 shares  
at price \$103.00

Current price:  
\$102.95



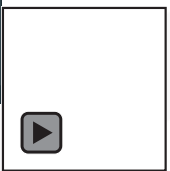
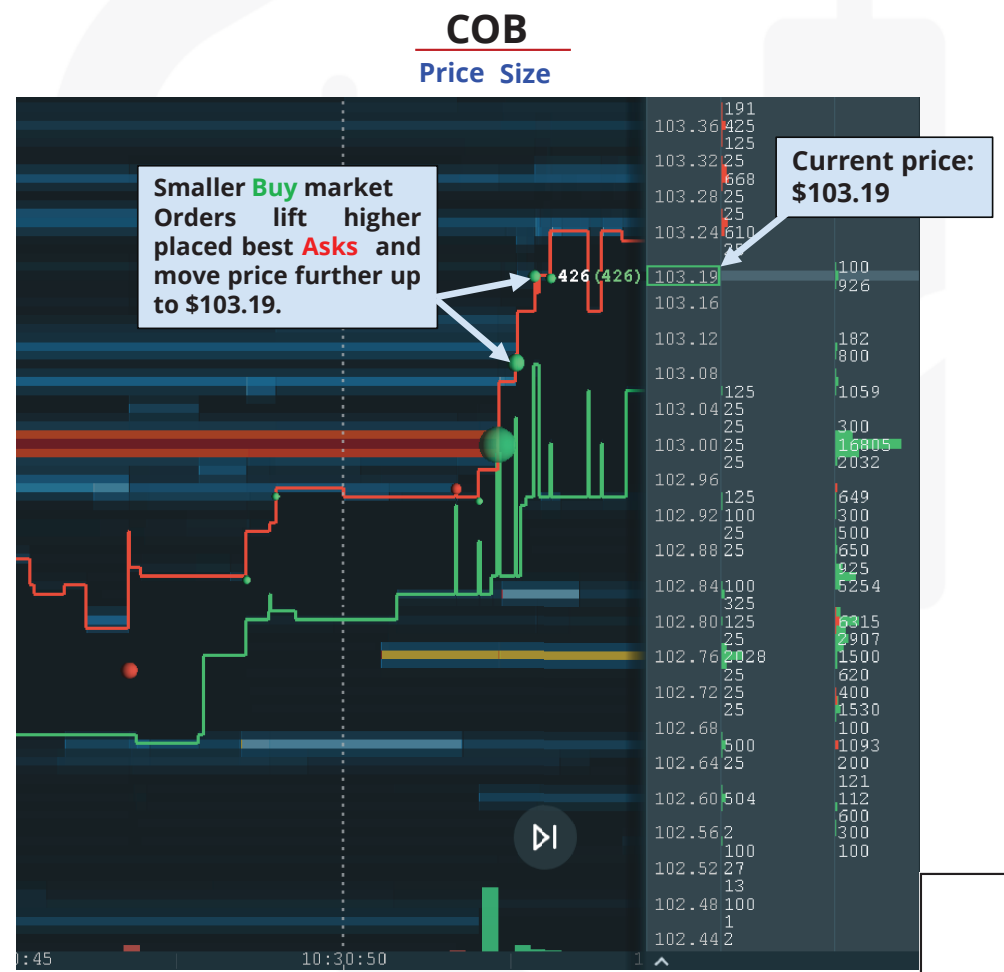
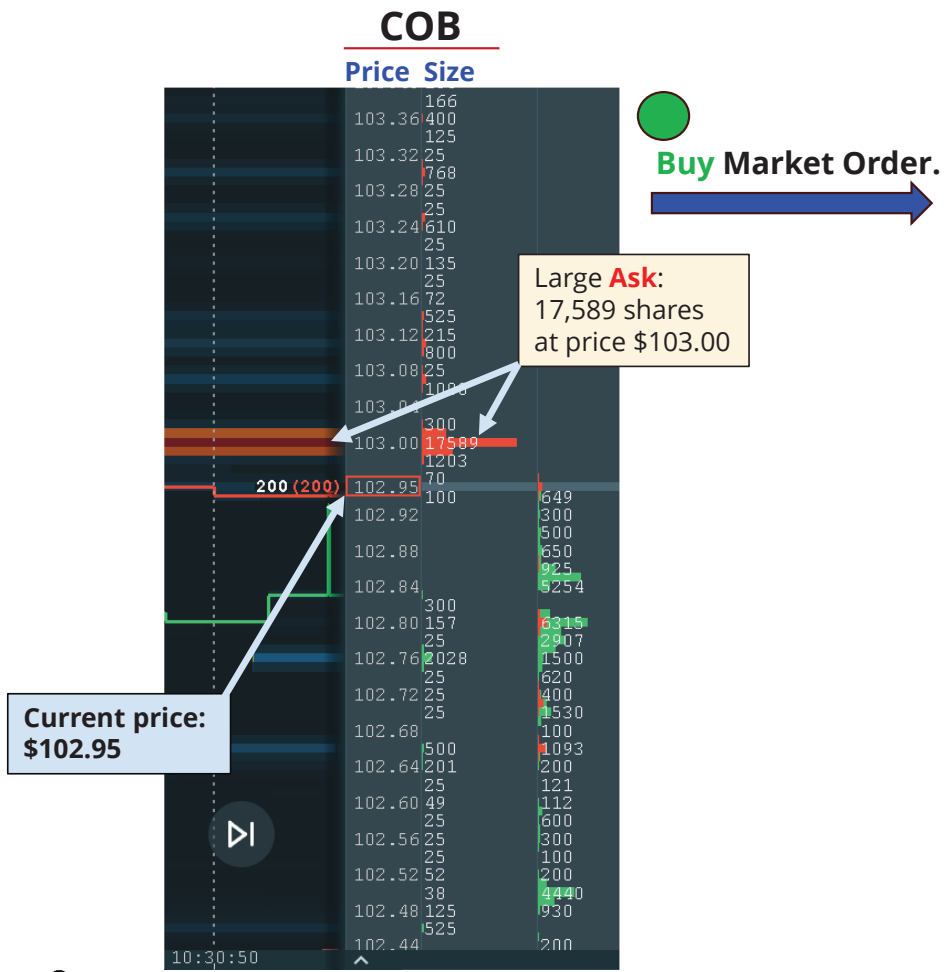
Large Buy market  
order filled at \$103.00

Current price:  
\$103.19

After large market Buy order was filled, the Ask is swept through and almost no orders can be seen at that level.



Bookmap example: **Market Buy orders at best Ask** move price Up. 



**Bookmap example:**  
**Aggressive Buyers (increased Demand) moves price higher from 10:15 AM till 11:00 AM.**

**Buyers (Demand)** are (is) relatively increased when compared to **sellers (Supply)** from 10:15 AM till 11:00 AM, and price is moving **higher**.



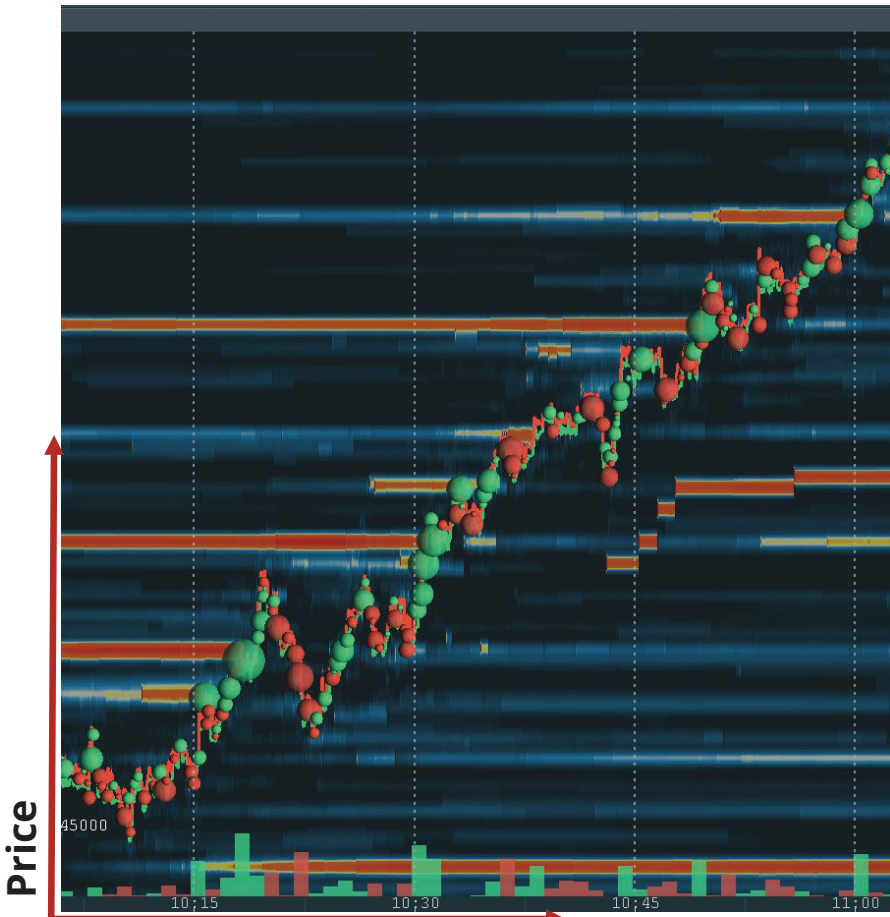
LOGIC NOTE:

In reality, **sellers** are in charge as they are getting sells filled at higher and higher prices, which means that sellers are making larger and larger profits.

Therefore, this is known as the "**seller's market**", when there are "**too many buyers**" and price will be dictated by the **sellers**. Thus, price is going **UP**.



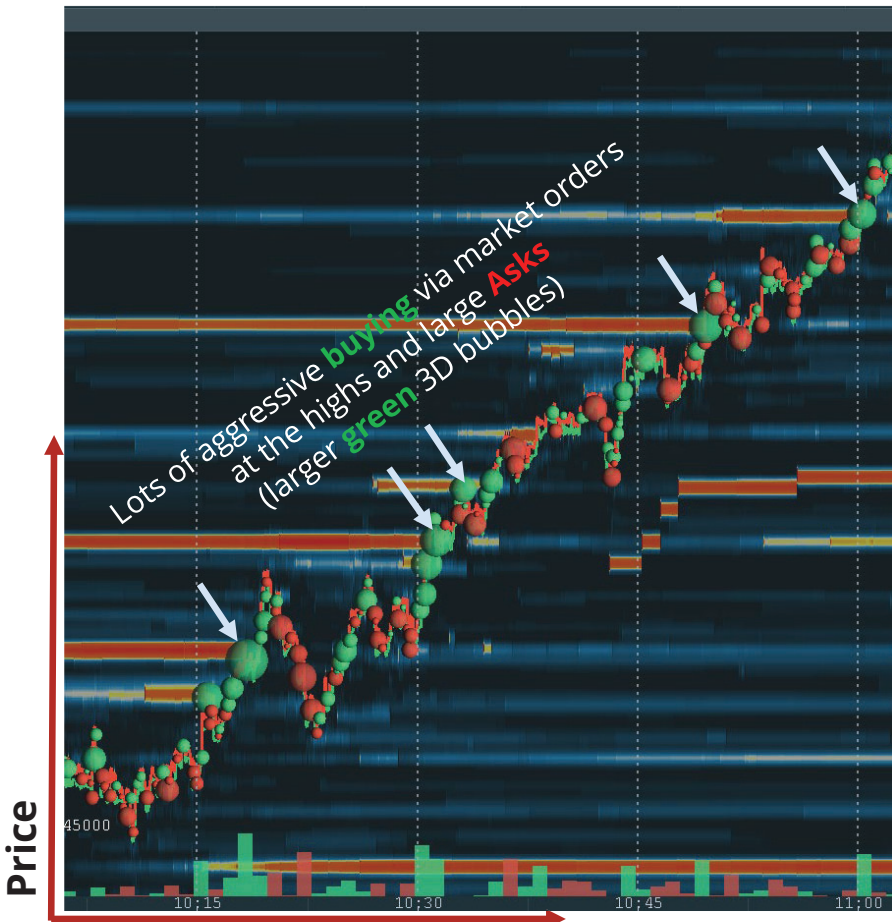
# Bookmap example: **Buyers (Demand)** is increased till 11:00 AM.



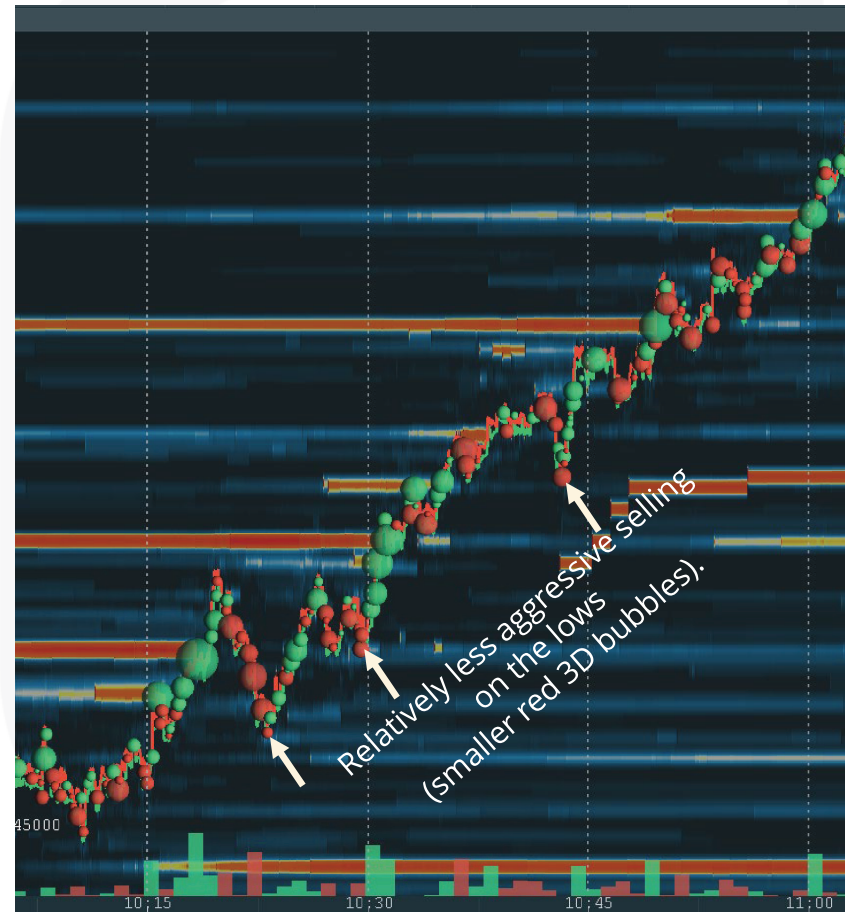
Timeline (price moved UP)



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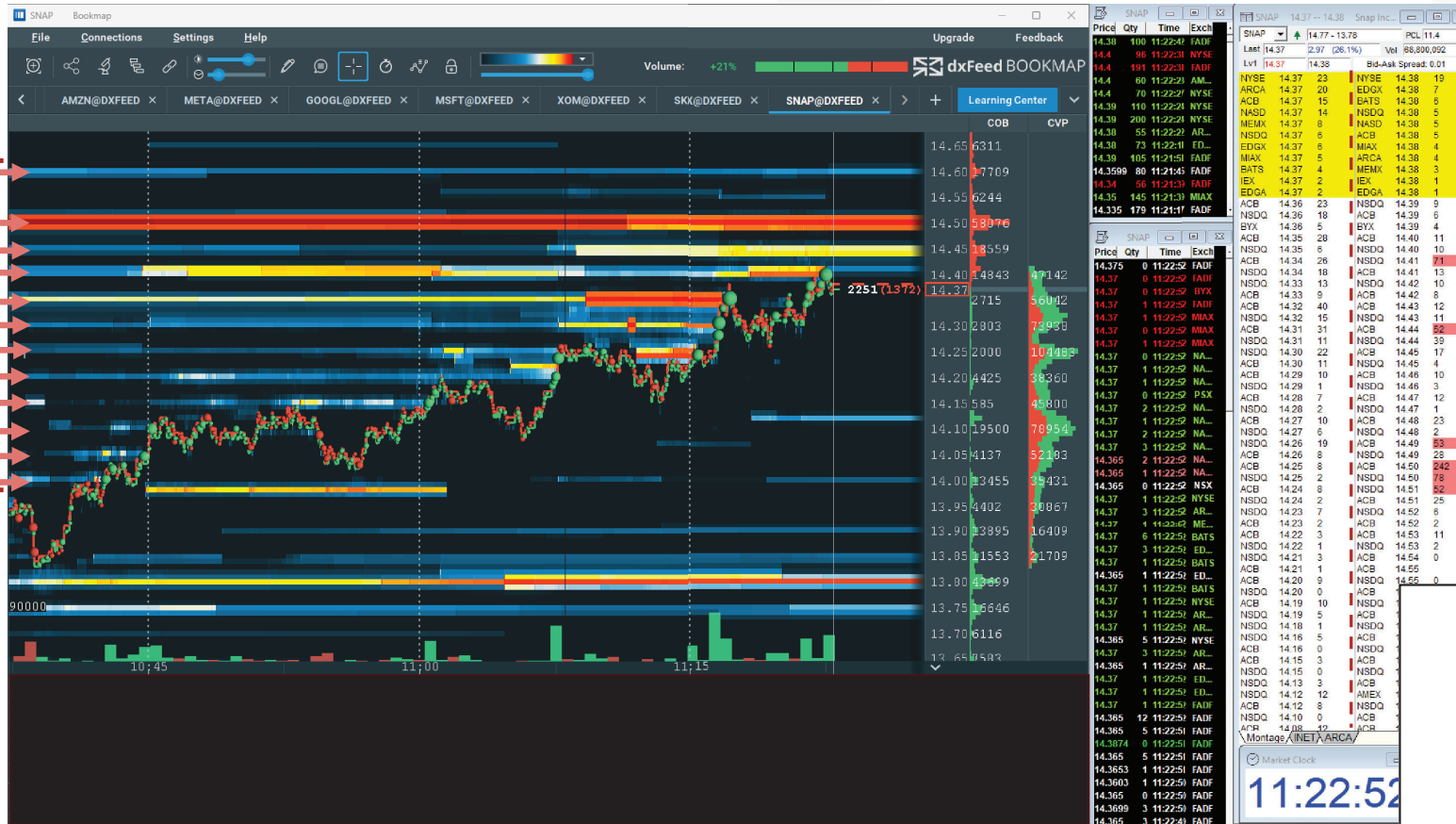


Timeline (price moved UP)





# Bullish Imbalanced book order: Large ladder of Underlying Asks.

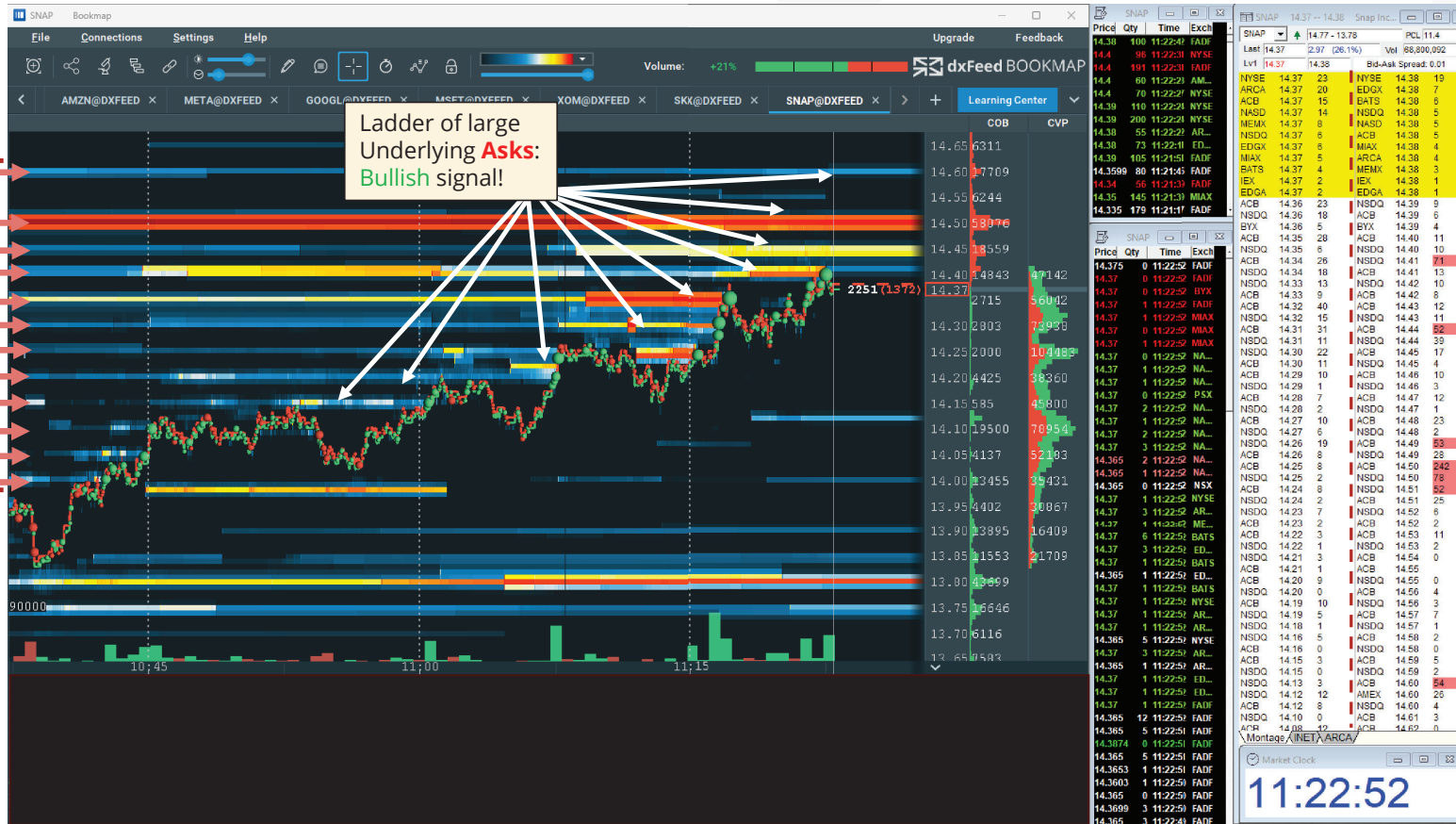


Ladder of large Underlying Asks on Bookmap: Bullish signal!

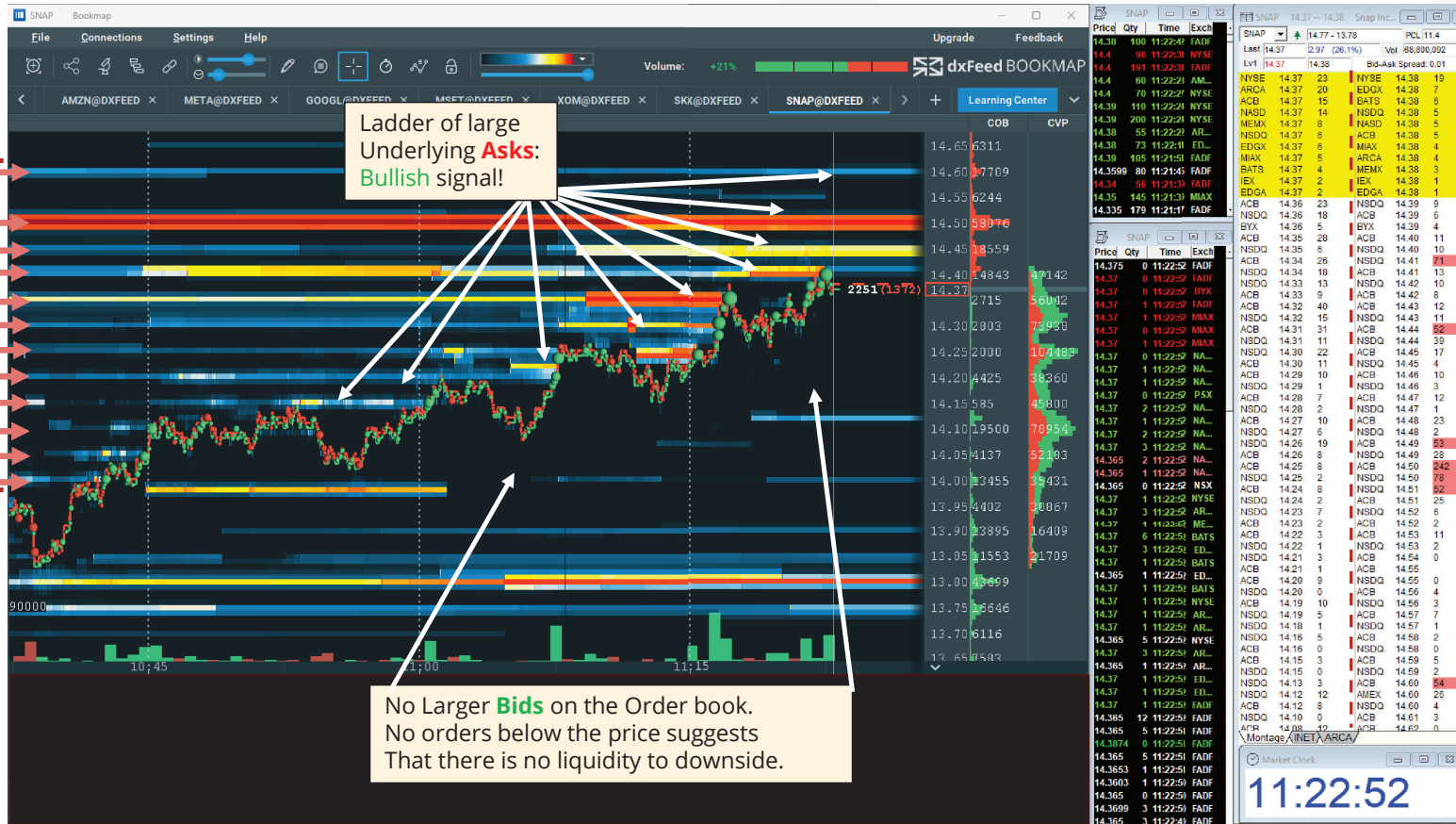
Ladder of large Underlying Asks on Level 2: Bullish signal!



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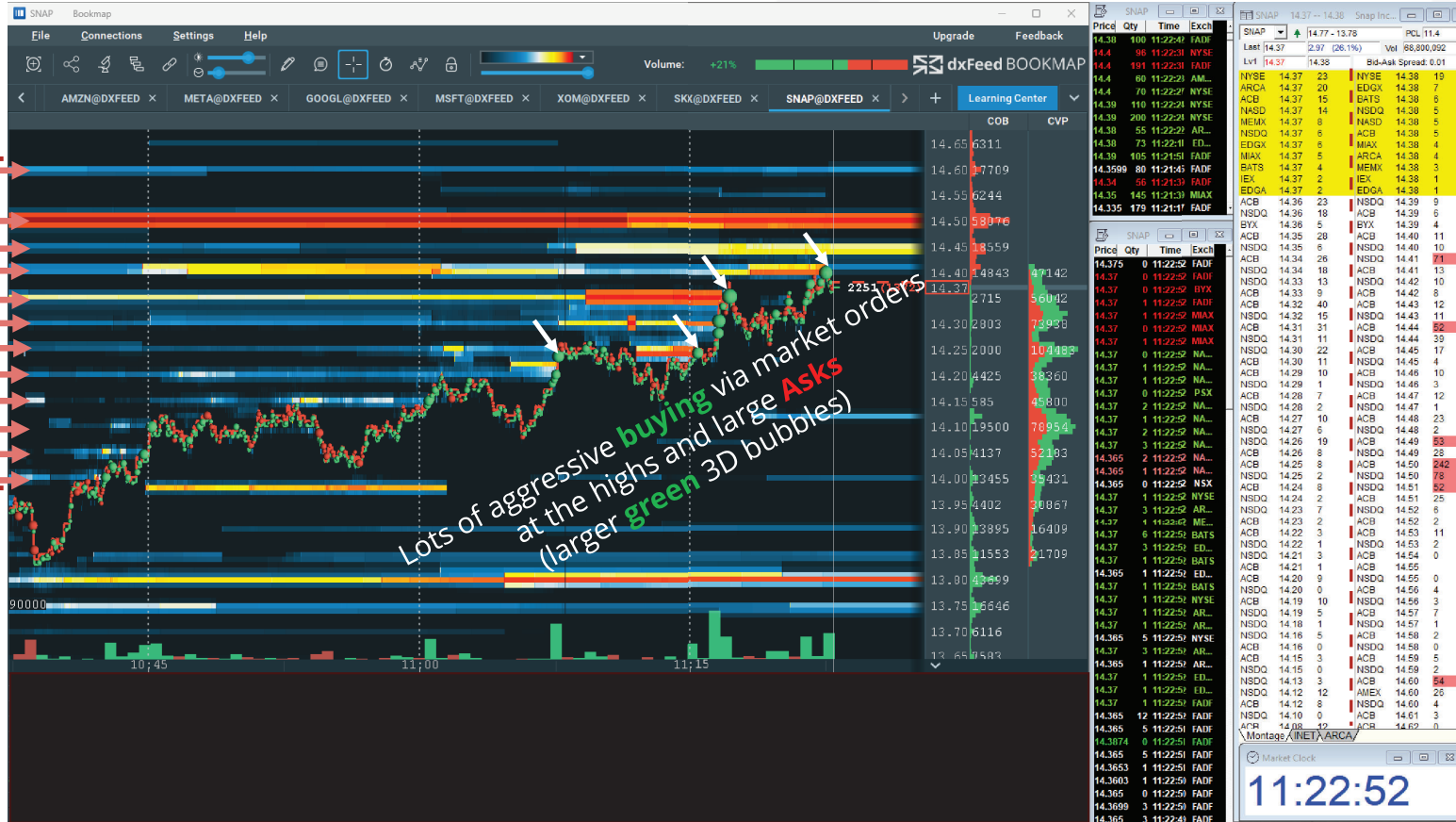


# Bullish Imbalanced book order: Large ladder of Underlying Asks.



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For price to move up, both need to be present: ladder of **underlying asks** and predominating aggressive **buyers**.



# Summary

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- Aggressive **Market Buy Orders** will move price higher.
- When **Buyers (Demand)** are relatively stronger compared to **Sellers (Supply)**, price will move higher.
- Ladder of large **Underlying Ask** limit orders with higher and higher prices is a **bullish** sign.
- For price to move higher and higher, the ladder of large **Underlying Asks** needs to be accompanied with **aggressive buyers (Demand)**.

