

Indicators in Bokmap:

- 1) Order book Imbalance
- 2) Volume Imbalance



Outline

Indicators in Bookmap:

- **Orderbook Imbalance Indicator** is used for **passive** market participants (**Limit orders**)
- **Volume Imbalance Indicator** is used for **aggressive** market participants (**Market Orders**)



Order Book Imbalance Indicator

Select

Studies configuration (TSLA@DXFEED)

- Candlesticks
- Cumulative Volume Delta
- Heatmap
- Large Lot Tracker
- Large trades alert
- Orderbook Imbalance**
- Strength level
- VWAP
- Volume Bars
- Volume Dots
- Volume Imbalance

Price range of imbalance computation

- Number of price levels from Best Bid/Ask:
- Price percentage from Best Bid/Ask [%]:
- All available price levels

Lower weight for farther levels

- "Half life" distance in number of price levels:
- The weight gradually drops by half every selected number of levels

Sound alert

- Enable sound notifications
- Notify when one SIDE is greater than another by [%]:
- When Bid side outweighs Ask
- When Ask side outweighs Bid
- Both

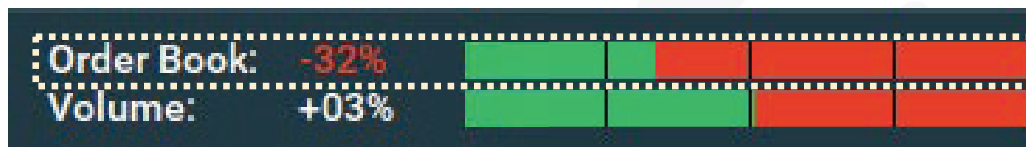
Example: Bid imbalance 15% at TSLA@DXFEED

Displays the ratio between the average bid order book size and the average ask order book size. For more information [click here](#).

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Order Book Imbalance



Order Book imbalance is a calculation: the ratio between the average **Bid** Limit order book size versus the average **Ask** Limit order book size.

$$\text{Order book imbalance} = \frac{\text{Number of Buy Limit orders (Bids)} - \text{Number of Sell Limit Orders (Asks)}}{\text{Total number of Limit Orders}}$$

(Number of Buy Limit orders (Bids) + Number of Sell Limit Orders (Asks))



Order Book Imbalance

More **Sell** Limit orders are on the Order Book (per the defined parameters).



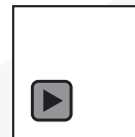
Vs.

More **Buy** Limit orders are on the Order Book (per the defined parameters).



The **Order Book imbalance indicator** will signal that the activity of **passive buyers** or **sellers** is heavily skewed to a single direction based on the order book activity.

This indicator can be incorporated with other Tradebook/Strategy data **to support** directional momentum moves or exhaustion points.



Order Book Imbalance Indicator settings: Distance from best Bid and Best Ask

Studies configuration (TSLA@DXFEED)

- Candlesticks
- Cumulative Volume Delta
- Heatmap
- Large Lot Tracker
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- Orderbook Imbalance
- Strength level
- VWAP
- Volume Bars
- Volume Dots
- Volume Imbalance

Price range of imbalance computation

- Number of price levels from Best Bid/Ask: 10
- Price percentage from Best Bid/Ask [%]: 0.1
- All available price levels

Lower weight for farther levels

- "Half life" distance in number of price levels: 10
- The weight gradually drops by half every selected number of levels

Sound alert

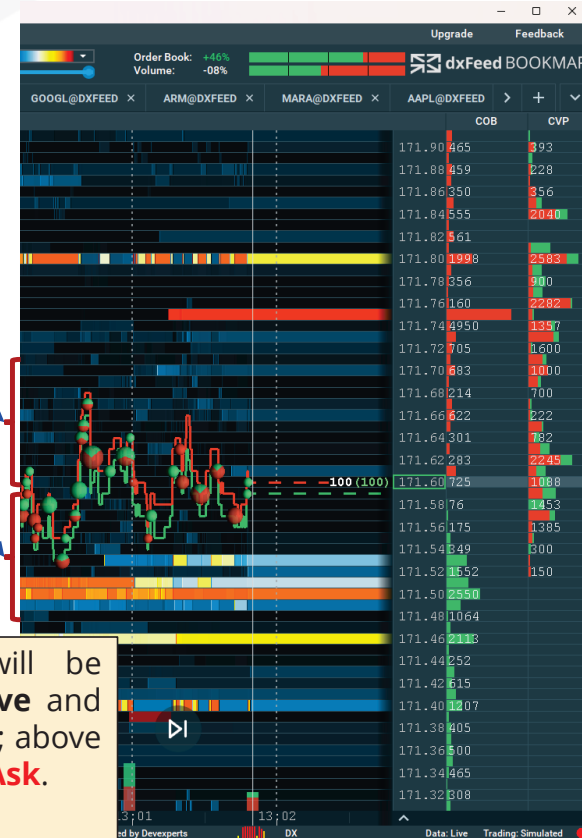
- Enable sound notifications
- Notify when one SIDE is greater than another by [%]: 50
- When Bid side outweighs Ask
- When Ask side outweighs Bid
- Both

\$\$SIDE imbalance \$VALUE% at \$INSTRUMENT ? RESET

Example: Bid imbalance 15% at TSLA@DXFEED

Displays the ratio between the average bid order book size and the ask order book size. For more information [click here](#).

CLOSE



Order book Imbalance will be calculated for 10 levels above and 10 levels below current price; above and below best Bid and best Ask.

This can be adjusted.



Order Book Imbalance Indicator settings: All available prices

Studies configuration (TSLA@DXFEED)

- Candlesticks
- Cumulative Volume Delta
- Heatmap
- Large Lot Tracker
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- Orderbook Imbalance
- Strength level
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Price range of imbalance computation

- Number of price levels from Best Bid/Ask: 10
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- All available price levels

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- "Half life" distance in number of price levels: 10
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Sound alert

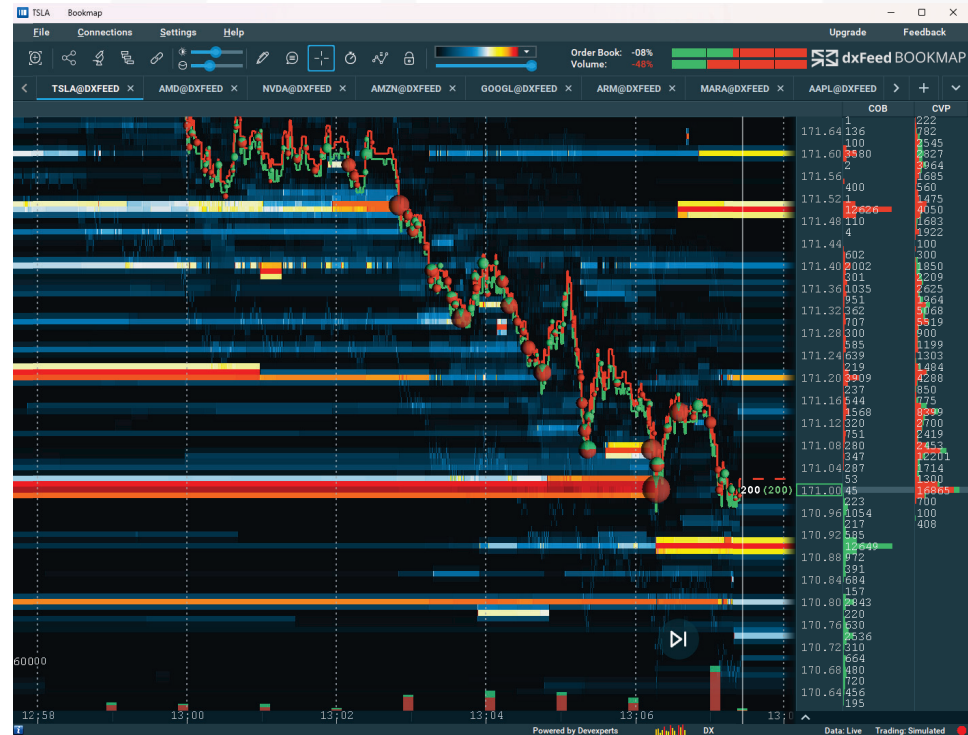
- Enable sound notifications
- Notify when one SIDE is greater than another by [%]: 50
- When Bid side outweighs Ask
- When Ask side outweighs Bid
- Both

\$\$SIDE imbalance \$VALUE% at \$INSTRUMENT ? RESET

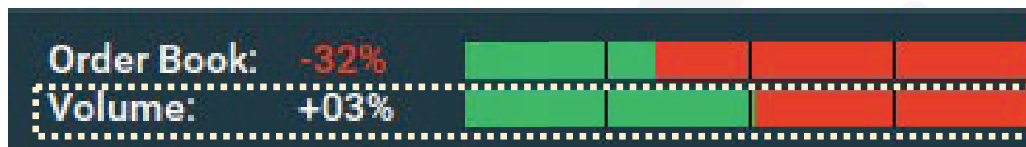
Example: Bid imbalance 15% at TSLA@DXFEED Test alert

Displays the ratio between the average bid order book size and the average ask order book size. For more information [click here](#).

CLOSE



Volume Imbalance: Aggressive market participants.



Volume imbalance is again a calculation: the ratio between the volume generated by market Buy orders at the Ask (Offer) (aggressive buyers) and volume generated by market Sell orders at the Bid (aggressive sellers)

$$\text{Volume imbalance} = \frac{\text{Number of Buy volume (market orders at Ask)} - \text{Number of Sell Volume (market orders at Bid)}}{\text{Total Volume}}$$

(Buy market orders volume + Sell market orders volume)



Order Book Imbalance

More **Sell** Market orders are on the Volume indicator.



More **Buy** Market orders are on the Volume indicator.

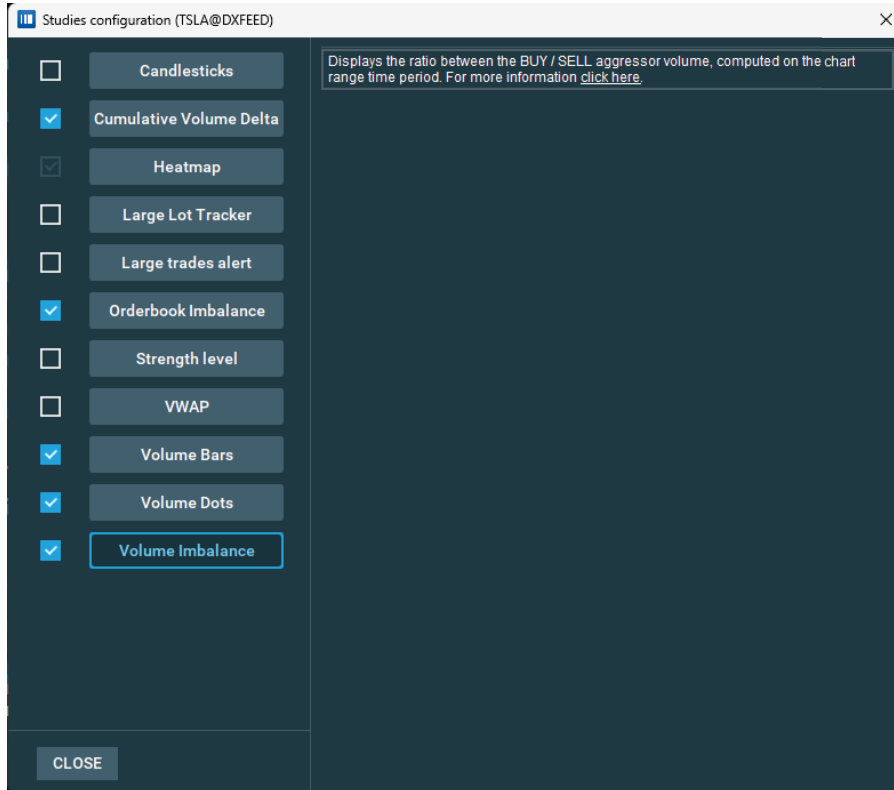


The **Volume imbalance indicator** will signal that the activity of **aggressive buyers** or **sellers** is heavily skewed to a single direction based on the volume activity.

This indicator can be incorporated with other Tradebook/Strategy data to support directional momentum moves or exhaustion points.



Volume Imbalance: no additional settings!



Displays the ratio between the **BUY** / **SELL** aggressor volume, computed on the chart range time period.



Practice with Order Book and Volume Imbalance Indicators

Is this possibly Exhaustion, absorption, nothing important?



Order Book: In this example, we can see significantly higher presence of **Sell Limit orders** (-80% **red** on the **Order Book Imbalance indicator**).

Volume: At the same time, we also see significantly higher presence of aggressive **buyers** (+78% of aggressive **Market Buy** order volume).



Practice with Order Book and Volume Imbalance Indicators

Is this possibly Exhaustion, absorption, nothing important?



Order Book: In this example, we can see significantly higher presence of **Buy Limit orders** (+58% **green** on the **Order Book Imbalance indicator**).

Volume: At the same time, we also see significantly higher presence of aggressive **sellers** (-61% of aggressive **Market Sell** order volume).

