

# Institutional Order Flow Checklist

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Signal Pilot Education Hub

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## Institutional Order Flow Trading Checklist

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### Lesson 28: Institutional Order Flow

This checklist helps you identify and trade with institutional smart money by reading order flow, volume analysis, and footprint charts.

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## Pre-Trade Setup Checklist

### Order Flow Analysis

- [ ] **Check footprint chart** - Identify aggressive buying (market buys) vs. selling (market sells)
- [ ] **Look for absorption zones** - Large limit orders absorbing market orders (rejection zones)
- [ ] **Identify imbalances** - Price cells with 70%+ buying or selling (directional conviction)

- [ ] **Spot iceberg orders** - Large hidden orders (volume spikes at price level)
- [ ] **Confirm with Delta** - Cumulative delta rising (buyers winning) or falling (sellers winning)

## Volume Profile

- [ ] **Identify POC (Point of Control)** - Price with most volume (institutional reference point)
- [ ] **Mark HVN (High Volume Nodes)** - Support/resistance at high-volume areas
- [ ] **Mark LVN (Low Volume Nodes)** - Fast-move zones (gaps in acceptance)
- [ ] **Check value area (70% volume)** - Current price above/below value? (trend context)

## Smart Money Indicators

- [ ] **Look for smart money divergence** - Price makes new high but volume/delta declining
- [ ] **Identify stop hunts** - Spike below support with immediate reversal (liquidity grab)
- [ ] **Check institutional order blocks** - Large volume candles that preceded moves (origin points)
- [ ] **Monitor time & sales** - Large prints (block trades) showing institutional activity

## Market Context

- [ ] **Check macro trend** - Are institutions buying or distributing? (accumulation vs. distribution)
- [ ] **Confirm with higher timeframe** - Does HTF order flow support direction?

- [ ] **Check session type** - London open, NY open, or Asia session? (institutional timing)
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## **During Trade Execution**

### **Entry Confirmation**

- [ ] **Wait for confirmation candle** - Order flow imbalance closes in your direction
- [ ] **Enter at support/resistance retest** - Price returns to POC/HVN for confluence
- [ ] **Check real-time delta** - Delta must support your directional bias

### **Position Management**

- [ ] **Place stop below absorption zone** - Stop below where institutions absorbed selling
- [ ] **Size based on risk (1-2% max)** - Calculate shares:  $(\text{Acct} \times 2\%) / \text{Stop distance}$
- [ ] **Set initial target at next LVN** - Low volume node = fast-move target zone

### **Monitoring**

- [ ] **Watch footprint for shift** - If absorption flips (buyers become sellers), exit
  - [ ] **Monitor cumulative delta** - If delta diverges from price, reduce position
  - [ ] **Check for new imbalances** - New opposite-direction imbalance = potential reversal
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# Post-Trade Review

## Trade Analysis

- [ ] **Was order flow signal confirmed?** - Did footprint show clear institutional bias?
- [ ] **Did absorption hold?** - If you traded off absorption, did it act as support/resistance?
- [ ] **How accurate was POC/value area?** - Did price react at volume profile levels?
- [ ] **Did smart money divergence play out?** - If present, did reversal occur?

## Performance Tracking

- [ ] **Record order flow setup type** (absorption, imbalance, iceberg, divergence)
- [ ] **Log cumulative delta direction** - Was delta aligned with your trade?
- [ ] **Note session timing** - Which session had best order flow clarity?
- [ ] **Screenshot footprint chart** - Visual record for pattern recognition

## Lessons Learned

- [ ] **What worked?** - Which order flow signals were most reliable?
- [ ] **What didn't work?** - Did false signals occur? Why?
- [ ] **Regime fit?** - Does order flow analysis work better in trending or ranging?
- [ ] **Next improvement** - Practice reading footprint faster, identify icebergs earlier



## Pro Tips

### Order Flow Mastery

- **Practice reading footprint in replay mode** - Sim trading builds pattern recognition without risk
- **Combine with auction theory** - Order flow + value area = high-probability setups
- **Focus on liquid markets** - SPY, ES, NQ have clearest institutional footprints
- **Watch opening range** - First 30 min shows institutional positioning for the day

### Common Mistakes to Avoid

- **✗** Trading every imbalance (wait for confluence with POC/HVN)
- **✗** Ignoring higher timeframe order flow (5min imbalance  $\neq$  edge if 1H shows opposite)
- **✗** Overtrading low-liquidity assets (order flow unclear in thin markets)
- **✗** Chasing after strong delta move (wait for retest/absorption)

### Regime Considerations

- **Trending markets:** Order flow shows strong directional delta (trade with trend)
  - **Ranging markets:** Look for absorption at range edges (fade extremes)
  - **High volatility:** Order flow more chaotic (reduce size or avoid)
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## Related Resources

- **Lesson 30:** Auction Theory Advanced (combine with order flow)
  - **Lesson 36:** High Frequency Concepts (institutional execution strategies)
  - **Recommended Tools:** Sierra Chart (footprint), NinjaTrader (order flow), ATAS Platform
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**Version:** 1.0

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**Difficulty:** Advanced

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Remember: Institutions move markets. Your job is to read their footprints and follow their direction. Don't fight the order flow.

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