

Orderflows Delta Candles

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Before we get started, let me explain two things first:

1. After importing the indicator into NinjaTrader you will need to restart NinjaTrader for it to work properly.
2. This indicator is a real-time indicator that reads the volume traded on the bid and offer, what that means is it does not appear on historical charts. It works on the data as it comes in. It does not plot on historical data. To see the indicator on historical data you will need to run NinjaTrader in Market Replay Mode.

Delta Candles are bar delta transformed into Japanese Candlestick style bar. So instead of having to analyse a number, the delta number, a trader can visually see what is happening in the delta based on candlestick. It's a different way to view delta.

If you have any experience with Japanese Candlestick analysis you know there are certain candles and candle formations that you look for during the course of trading. Delta Candles are similar in that respect. You are looking for certain candles and candle formations to appear.

I am not going to get into a history of candlestick trading as most traders are already familiar with them. What I like about candlesticks is they blend perfectly with nearly all types of technical analysis methods and give a trader additional insights into the market. There is more than one way to skin the cat, so to speak.

A traditional candlestick records the open, the high, the low and the close. What a Delta Candle tells you is the max delta, the min delta and the final delta. A bar will start with a delta of zero.

Let's compare a traditional candle to a Delta Candle:

Traditional Candle Open = Starting Delta of 0 in a Delta Candle

Traditional Candle High = Max Delta in a Delta Candle

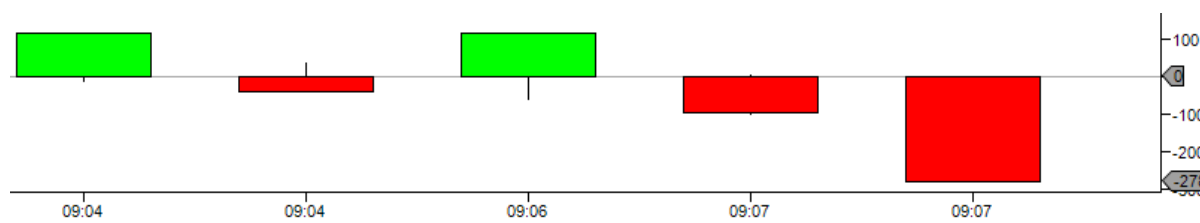
Traditional Candle Low = Min Delta in a Delta Candle

Traditional Candle Close = Net Delta in a Delta Candle

Basically what the Delta Candles do is they take this data:

Delta	114	-42	114	-96	-278
Max. Delta	114	33	114	2	0
Min. Delta	-12	-42	-60	-101	-278

And transform it into this:

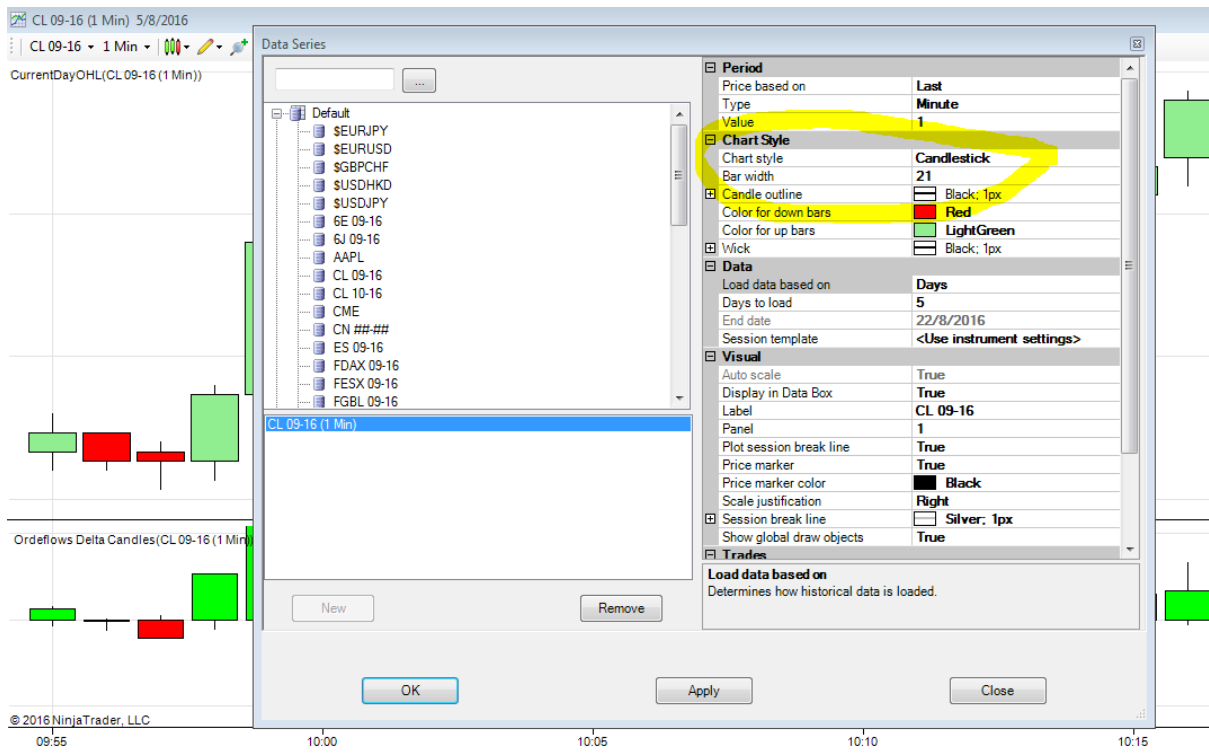


A beautiful visual interpretation of what the delta in a bar was.

One of the key elements of candlestick trading that make them useful in warning of potential reversals is the occurrence of long wicks. Long wicks suggest price rejection and a potential failure of the market to continue in the same direction. When used with order flow, these candlestick patterns can be extremely effective signals.

Settings

The settings are pretty straight forward. You don't need to adjust anything. However, if you want to run it on a bar chart, I prefer to have wide candlesticks for a better visual appearance. What I do is adjust the candlestick size under the Data Series as shown below:



Also I like to expand the chart by left clicking on the time of the bottom of the chart and dragging it to the left which will also expand.