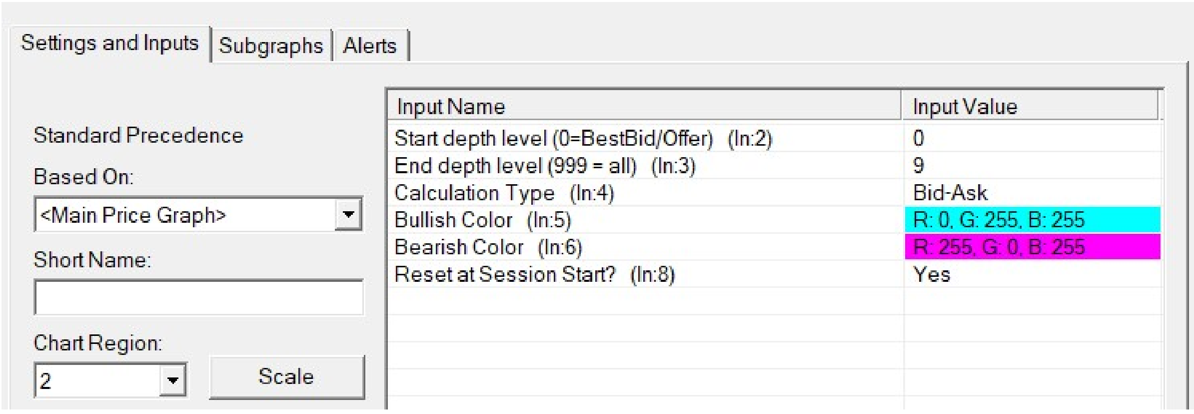
DOM – Liquidity Monitor

The DOM Liquidity Monitor plots cumulative movement in book liquidity over a selected range of price levels.

Parameters



- Start Depth Level – This parameter specifies the number of the price level at which the data is to start accumulating. Price levels are numbered starting from 0 (zero) which is the price level of the current inside bid/ask (see the price level numbering sequence below).

- End Depth Level – This parameter specifies the price level at which the market depth data finishes accumulating. Enter 999 if data is to be accumulated over all available market depth levels.
  Example: if the Start Depth Level is set to zero and the End Depth Level is set to 4, this will accumulate market depth data over five levels.
- Calculation Type – Use the dropdown menu to select one of the following calculation types: Bid – Ask, Ask – Bid, Total (sum of both Bid and Ask depth values).
- Bullish Color - select the color to be used when plotting net bullish values of liquidity.
- Bearish Color - select the color to be used when plotting net bearish values of liquidity.
- Reset at Session Start – select Yes to reset the Liquidity Monitor value to zero at the start of each session or set to No to maintain the Liquidity Monitor value over several sessions.

Example

On this 1-minute CL chart we can see that the Liquidity Monitor line became sharply more bearish just before price dropped in a fast move downwards. The fact that the Liquidity line remained low even as price moved back towards the top edge, was a signal that price would continue to encounter resistance, giving several opportunities to fade the top edge.