

Supply and Demand Levels User Guide

What are the Supply and Demand Levels?

The Supply and Demand Levels, often referred to as “The Grid” is an educational service available only to Online Trading Academy Mastermind Members. It provides Supply and Demand Levels for major markets around the world, offering proximal and distal price levels where a significant Supply and Demand imbalance likely exists. The Grid can be used to help identify trading opportunities or as educational examples for both active income and passive income and wealth accumulation and protection.

User Interface

The screenshot displays the 'Supply and Demand Levels' user interface. At the top, the title 'Supply and Demand Levels' is centered, with a 'Mastermind Community' logo and 'Update Date' (MAR 31, 2016) on the right. Below the title is a 'Calendar Look-Back' button. The main table is organized into 'Categories' (Columns) and 'Markets' (Rows). The 'Supply Levels' section is highlighted in red, and the 'Demand Levels' section is highlighted in green. A 'Horizontal Scroll Bar' is located at the bottom of the table. A legend at the bottom indicates 'Active/Passive Income' and 'New Level'.

Categories	Markets	NASDAQ (NQ)	S&P (ES)	Russell 2000 (TF)	Dow Mini (YM)	German Index (DAX)	Nikkei 225 (NK)	Ten yr note (TY)	Comex Gold (GC)	Silver (SI)	Copper (HG)	Crude Oil (CL)	Natural Gas (NG)
Supply Levels	Outer Row	4750	2112	1265	18340	12,395	19,222	134.31	1621	19.00	2.573	62.00	3.230
	Middle Row	4720	2101	1217	18240	12,250	18,765	134.11	1570	18.55	2.513	58.50	3.134
	Inner Row	4712	2097.00	1189	18025	10530	18,379	133.08	1312	18.25	2.480	42.90	2.368
	Current Price	4669	2085.50	1173	17985	10480	18,297	133.04	1305	18.00	2.460	42.70	2.328
	Inner Row	4557.00	2072	1142.00	17875	10093	17,500	130.23	1253.50	15.80	2.221	39.50	2.075
	Outer Row	4541.50*	2068	1138.50	17832*	10081	17,390	130.18	1250.30	15.65	2.212	39.33	2.060
Demand Levels	Current Price	4450.25	2038.50	1094.00	17400	9856	16,235	128.30	1189.30	15.02	2.158*	36.98	1.865
	Inner Row	4440.00	2035.00	1089.50	17380	9834	16,170	128.27	1187.00	14.95	2.145	36.78	1.845
	Middle Row	4283	1969.75	1028.50	17003	8325	14,410	127.18	1176.80	13.25	1.690	34.70	1.665
	Inner Row	4271	1966.00	1023.00	16920	8300	14,355	126.31	1171.00	13.05	1.580	33.40	1.653
	Middle Row	3393	1944.50	915	15680	7963	11,910	117.05	1008	11.19	1.520	21.75	1.630
	Outer Row	3305	1935.00	890	15540	7743	11,549	116.08	983	10.31	1.400	17.30	1.610

User Interface Component Definitions

Columns (Markets) – Each column represents a specific market with 3 key Levels of Supply above current price and 3 key Levels of Demand below current price for that Market.

Categories – The grouping of Markets (Columns) into like types.

Update Date – Displays the most recent date that Supply and Demand Levels were updated.

Calendar Look-back – Allows you to navigate backwards in time to a date in history to see the levels that were selected for that specific day.

Current Price – The dividing line that represents current price at the time when the Daily Supply and Demand Levels were identified.

Supply Levels – Price Levels above current price, separated into three rows, and bordered in red. These rows are used for Selling Opportunities.

Demand Levels – Price Levels below current price, separated into three rows and bordered in green. These rows are used for Buying Opportunities.

Rows – Rows identify a levels' proximity to current price and its location on the Supply / Demand Curve. The outer row Levels are farthest away from current price and are therefore the farthest out on the Curve. The Inner row Levels are closest to current price. The Middle row Levels are in between the Outer and Inner row Levels.

- **Inner** – Supply and Demand levels to be used for Daily Income Trades. *Timeframes: 2 min to 20 min (15 min to 60 min for ETFs).*
- **Middle** – Supply and Demand levels to be used for Weekly Income Trades. *Timeframes: 30 min to 2 hours (2 hours to Daily for ETFs).*
- **Outer** – Supply and Demand levels to be used for Wealth accumulation and protection. *Timeframes: 4 hours to Weekly (Daily to Monthly for ETFs).*

New Level – The bold triangle in the lower left corner indicates a Level of Supply or Demand newly listed in the most recent update. A Level without the black triangle was in the previous update and is still a viable Level in the latest update.

“*” Level – All levels with a “*” are either overnight or retested or no zones

Horizontal Scroll bar – The user interface allows you to view 12 columns (markets) at once. The Grid currently tracks 35 markets and more in the future. The horizontal scroll bar allows you to view additional columns beyond what is currently displayed.

How to use the Supply and Demand Levels

Define your purpose and markets to be used

The Supply and Demand Levels Grid groups Levels using 3 different Rows depending on their Location in the Supply/Demand Curve for that market. This impacts the purpose for the trade since Levels located extremely high or low on the Curve can be used for Long Term Positions or Monthly Income Trades. Levels located closer to equilibrium on the Curve can be used for Daily and Weekly Income Trades.

- If your need is Long Term Wealth or Monthly Income, focus on the Outer-row Levels.
- If your need is Weekly Income and you don't have time to look at markets each day, focus on the Middle-row Levels.
- If your need is Daily Income, focus in the Inner-row Levels.

The Supply and Demand Levels Grid can be used for active or passive income. Active income is accomplished with or without using Options while passive income requires the use of Options.

When using Options, the Supply and Demand Levels Grid works as a precise timing tool that allows the trader to know exactly when to enter an Options position and when to exit an Options position. These Options positions can be either IZ-Trades (Inside-Zone) or BZ-Trades (Between-Zones).

When the goal is to create active income with Options, focus on the Outer-row and Middle-row Levels.

When the goal is to create passive income with Options, focus on all rows' Levels choosing the middle or outer rows when the options expiration date selected is distant or choosing the middle or inner rows when the expiration date is close.

The Supply and Demand Levels Grid represents 35 key Global Markets which are diversified which is key to managing risk. They are organized by asset class:

Futures: Nasdaq (NQ), S&P (ES), Russell 2000 (TF), Dow Jones (YM), German DAX (FDAX), Nikkei 225 (NK), Ten Year note (TY), Gold (GC), Silver (SI), Copper (HG), Crude oil (CL), Natural Gas (NG), Corn (C), Soybeans (S), Euro Contract (EC), Japanese Yen (JY), Australian Dollar (AD), US Dollar Index (DXI).

Spot Forex: EURUSD, USDJPY, GBPUSD, AUDUSD, USDCAD, EURJPY.

ETF's: Nasdaq (QQQ), S&P (SPY), Russell 2000 (IWM), 20+ Year Bonds (TLT), Gold (GLD), Oil (USO), Natural Gas (UNG), Energy Sector (XLE), Financial Sector (XLF), Healthcare Sector (XLV), Japan (EWJ).

Access the Supply and Demand Levels Grid and make note of Markets you choose to follow based on your Objectives, Capital Allocation, Time Allocation, Risk Level, and your Trading Plan.

STEP 1: Watch the Posting Time

The final posting time will be shown in the Daily Market Overview. Use the posting time to see if a level has been hit between the time it was posted and the time you logged on.

The Supply and Demand Grid is posted Mon – Fri between 3:30 am to 5:30 am PCT.

STEP 2: Read the Daily Market Overview

Make sure you read the Daily Market Overview carefully since you may receive extra instructions on how to use the Supply and Demand Levels, key market correlations, important volatility forecasting, additional levels not on the Supply and Demand Grid, and much more. The Daily market Overview is typically updated shortly after the Supply and Demand Grid is updated.

STEP 3: Plot the lines in your chart and identify the Level

Open your charting platform and access the specific markets from the Supply and Demand Grid based on your trading plan. Plot the Proximal and Distal lines in your chart and determine if the trading Opportunity is compatible with your trading plan. When planning the trade, apply all the techniques you have learned with Online Trading Academy implementing the Odds Enhancers and risk management concepts. A level that has been plotted will continue to be a valid level until that level is violated or if the risk to reward scenario has changed, even if it is no longer present on the supply and demand grid.

STEP 4: Set Entries and Stops

If all the conditions of your plan are met, you may choose to use the Supply or Demand Level at your own discretion and enter the trade. When setting Stops, make sure you place them beyond the Distal line of the level since the values provided in the Grid simply represent Proximal and Distal lines and don't include the stop loss price.

STEP 5: Set Targets

When entering a trade using the grid, profit targets should be placed just before the opposing zone. For example: When selling short at a grid supply level, identify the nearest fresh demand zone present at the time of zone entry. If in this example, the grid level is offering 4:1, the profit target should be placed at 3:1. The key is to place your target prior to the most recent opposing zone as this will help increase your winning percentage. If the grid level and opposing zone are not offering the minimum risk/reward opportunity your trading plan requires, the trade should not be taken.

STEP 6: Attend Grid Production Session

The Grid is produced using the heart of our Core Supply and Demand Strategy. Often, Mastermind Community Members will ask how the Grid is created and where the levels come from? One way that we demonstrate applying our education is by holding special "Grid Production Sessions" in the Mastermind Community twice a month. In these sessions we build the Grid together with the Mastermind Members observing. During these sessions we demonstrate THE EDGE that we provide our Mastermind Members. Because of this, these Grid Production sessions are NOT recorded. It is important that our Mastermind Members attend these special sessions.

To help with selecting targets, attend the Mastermind Live Session Review's in the Mastermind Clubhouse.

Additional Notes on Usage of the Grid:

1. The grid levels closest to current price are High probability daily income levels. Typically, Mastermind Members use Futures to trade the S/D levels closest to current price. In the case of the ETF's, members typically use the Options market with the goal of Passive Income.
2. Using Options in conjunction with the grid is key for passive income and enhanced performance of the grid and the levels in the Mastermind Community tools and services. Below are some key considerations around the use of options and the grid.

- a. Always refer to the IV gauge methodology provided in the Options Program to help determine the optimal options strategy to be used. Every good options trade starts with good levels, and the grid, combined with the systematic Online Trading Academy IV gauge approach provided from the Options Program. This gives a trader a significant advantage.
- b. The ETF's offer the opportunity to sell options around Demand and Supply levels with the intention of selling the options above supply and below demand levels. Selling options beyond supply and demand levels will allow a trader to profit from the passage of time, and selling a call (or call spread) when price is in supply may be a good strategy to capture downside movement or to benefit simply from time decay. Similarly selling puts (or put spreads) below demand levels will allow traders opportunity to profit from upside movement. Most importantly, make sure you understand the risk involved in any trading and that the risk scenario meets the requirements in your trade plan.

Key Additional Considerations:

- Always make sure that there is a profit zone that meets your trade plan requirements prior to entering a position
- Fresh levels are preferred since they offer greater probability for profit.
- Refresh the Grid by clicking the Reload this page icon on your internet browser just before the Market opens as additional information and levels may have been added to the Daily Market Overview.
- After the Supply and Demand Grid is produced, the way price arrives into the Zone can change, therefore Mastermind Members using the Grid may want to observe the arrival before entering a position as this may change the profit zone and therefore, the risk / reward scenario.
- Always note the spread between inner demand and supply in the equity index markets. When the spread is above average, volatility is likely to increase with a large market move. When the spread is below average, volatility is likely to remain low as profit zones are small.
- When the NASDAQ and S&P levels meet entry around the same time, that is typically a higher probability event.
- Outer rows tend to offer larger profit zones than inner rows because they are further out on the Supply/Demand curve.
- The most important factor in achieving desired performance is to hold positions to profit targets slightly less than what is being offered on the chart. For example, we have a Mastermind Grid demand level that is 3 points from proximal to distal line. Add a point for the stop and the risk would be 4 points. The nearest fresh supply zone above that demand zone is 20 points higher. In this case, the chart is offering 5:1. When this is the case, an ideal profit target would be 4:1. To increase your winning percentage even more, consider 3:1.

SUPPLY AND DEMAND LEVELS' GRID DISCLOSURE

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