

BOOKMAP

Enhanced Trader

Scott Pulcini



How He
Uses Bookmap's
MBO Tools

Get MBO Bundle




What is MBO?

As described on the CME Group website, Market By Order (MBO) is an order-based data feed that provides the ability to view queue position, full depth of book and the size of individual orders at each price level. With the MBO data format, the Chicago Mercantile Exchange (CME) assigns a unique Order ID to each new order. This keeps the identity of the trader anonymous (and is known only to the exchange), but allows the tracking of each individual order throughout its lifetime, until it is either cancelled or fully executed. The Order ID allows the data handler to refer to the same order when it gets modified or deleted, but it doesn't tell you whether the order is a Stop order or an Iceberg order—it's just a number. The real work is done by examining the data flow: measuring the sequence of events when regular orders are being processed by the matching engine, as compared to when "special" orders are being processed. Please bear in mind that different exchanges have different names for their market datafeed formats. For example, the Nasdaq has TotalView and Eurex calls it Order by Order. In this case study, we are referring specifically to the data feed provided by the CME.



How Bookmap Leverages MBO's Advantages


The Bookmap team has developed multiple proprietary indicators which provide unique insight into CME Order Flow (which includes working orders as well as executed orders). The resulting MBO Bundle (available on the marketplace) includes indicators such as the Stop & Iceberg Sub-Chart and On-Chart indicators, as well as a JavaScript development framework API. All these addons provide much deeper market transparency than most other trading tools. With the Stop & Iceberg Sub-Chart, for example, traders are able to see precisely how many contracts of market orders were triggered as Sell or Buy stops. Thanks to the tracking of individual orders within the CME's MBO data, Bookmap's Stop & Iceberg Sub-Chart indicator can identify which of the aggressive market orders were actually triggered stop orders and is able to calculate the exact quantity triggered. This kind of insight into market action is invaluable, since with such information a trader can by extension determine other vital points related to trading activity. It allows the savvy trader to get a better handle on the potential positioning of other market participants; if they are overextended and about to exit, as well as locating other price areas where new participants could enter and exit the market. It's not magic. And it's neither an approximation nor a probabilistic model.



Moreover, the detection algorithm doesn't need or use the timestamp of events. For example, Iceberg orders are initially indistinguishable from regular limit orders, and the Stop orders are entirely hidden. It requires at least partial execution in order to identify them as "special" orders. From that moment on, the algo can keep tracking the Iceberg order.

Enhanced Trader Scott Pulcini

The 2006 book by Dr. Brett Steenbarger entitled *Enhancing Trader Performance* is a highly proclaimed work on trading psychology. The book features Scott Pulcini, an E-mini S&P trader at a proprietary trading firm in Chicago that was responsible for trading several percent of the contract's total volume and had made \$10 million the year prior to working with Dr. Steenbarger. The sections of the book with Scott are about him pushing his limits and becoming the very best trader he can be, despite already being highly successful. These days Scott trades for himself and runs a mentorship service and trading room, and he does it all with Bookmap as his main instrument of choice. He also trades the market in real-time while explaining his approach during a webinar exclusively for Bookmap members every Thursday. Monitoring up to 20 different futures markets, Scott uses the heatmap to establish the big picture view, then quickly narrows it down with alerts of significant Native Iceberg and Stop transactions and enters positions based on his proprietary trading setups.



Zones where the Stop & Iceberg Sub-Chart indicator identifies clusters of icebergs that fail to hold prices and become support or resistance levels, buy stop runs that turn into buy icebergs, as well as stop runs being absorbed by icebergs are just some examples of the kind of setups Scott trades with the aid of Bookmap's MBO addons. You can read more about his trading approach based on his personal tweets [here](#).

Why Choose Bookmap

Legendary traders like Scott Pulcini have confidence in Bookmap because our developers are proven to be highly trained and possess deep knowledge of financial market microstructure. We believe our tools to be accurate and reliable since Bookmap invests significant financial capital into the creation of innovative trading tools for top traders, and the company also spends a lot of time testing them and gaining feedback from professional traders before offering them on the marketplace. Coming from a background of many years in proprietary trading and HFT algorithms, the team at Bookmap (a name which derives from "Order BOOK" and "Heat MAP") know how fine an edge in the market can really be. That's why when choosing a new tool to add to your trading arsenal, you should always make sure that it was designed and developed by enhanced traders, for enhanced traders.

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