MARKET VELOCITY AND FORCES

NASDAQ Market Velocity and Forces® demonstrates the power behind high-quality pre- and post-transaction data. Experienced floor traders spend years honing their ability to forecast market activity based on the visible activity and audible noise on the market floor. NASDAQ OMX® has achieved the equivalent for the electronic market and improved upon it with increased accuracy and precise measurement, providing not just a better view but an unparalleled market experience.

FORECASTING MARKET ACTIVITY

NASDAQ Market Velocity® and NASDAQ Market Forces® (Velocity and Forces) measure levels of pre-trade order activity in the NASDAQ® trading system. They work together to indicate the intensity of trading interest and relative buy versus sell pressure for NASDAQ-, NYSE- and other regional-listed securities.

MARKET VELOCITY, a real-time data product, indicates changes in the market activity and liquidity of aggressively priced orders. By comparing the expected order activity in a security with the current activity, you can detect surges in trading interest before trades occur — and execute your trading strategy a step ahead of other traders. And, as Market Velocity includes routed orders, Immediate-or-Cancel and some non-displayed orders, you have access to unique data not found anywhere else.

MARKET FORCES provides a real-time, pre-trade indication of the direction of the market by indicating whether trading interest is surging in buy or sell orders. Used in conjunction with the trading activity indicators from Market Velocity, traders can determine which stocks are hot and when to place buy or sell orders to secure the best prices. NASDAQ OMX recently simplified and increased the speed of this data feed by combining the messages from both Market Velocity and Market Forces into one single message for dissemination. Velocity and Forces offers the perfect pairing of market intensity and trend awareness to arm you with the insight necessary to predict the most effective trading times.
John is looking for a profit opportunity in QQQ® (QQQ) using NASDAQ Velocity and Forces.

At 2:14:04 p.m., ET, John sees that Market Velocity in QQQ is rising well above the expected value. Market Forces also indicates that the activity is shifting from selling pressure to buying pressure. John quickly responds by buying 5,000 shares of QQQ at $36.63. NASDAQ Velocity and Forces provided John with these indicators several seconds before other market data would show such activity.

At 2:15:10 p.m., ET, Market Forces indicates that the direction of the pressure is changing from buying to selling. John sells his shares of QQQ at a price of $36.87 before the price drops. He makes a profit of $1,200 — a profit made possible only with NASDAQ Velocity and Forces.