How does the price of the stock move UP (higher) in the stock market



TRADING TERMINAL.COM
FROM BEAR BULL TRADERS

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Price move depends on participants placing both limit and market order: Limit orders reminder

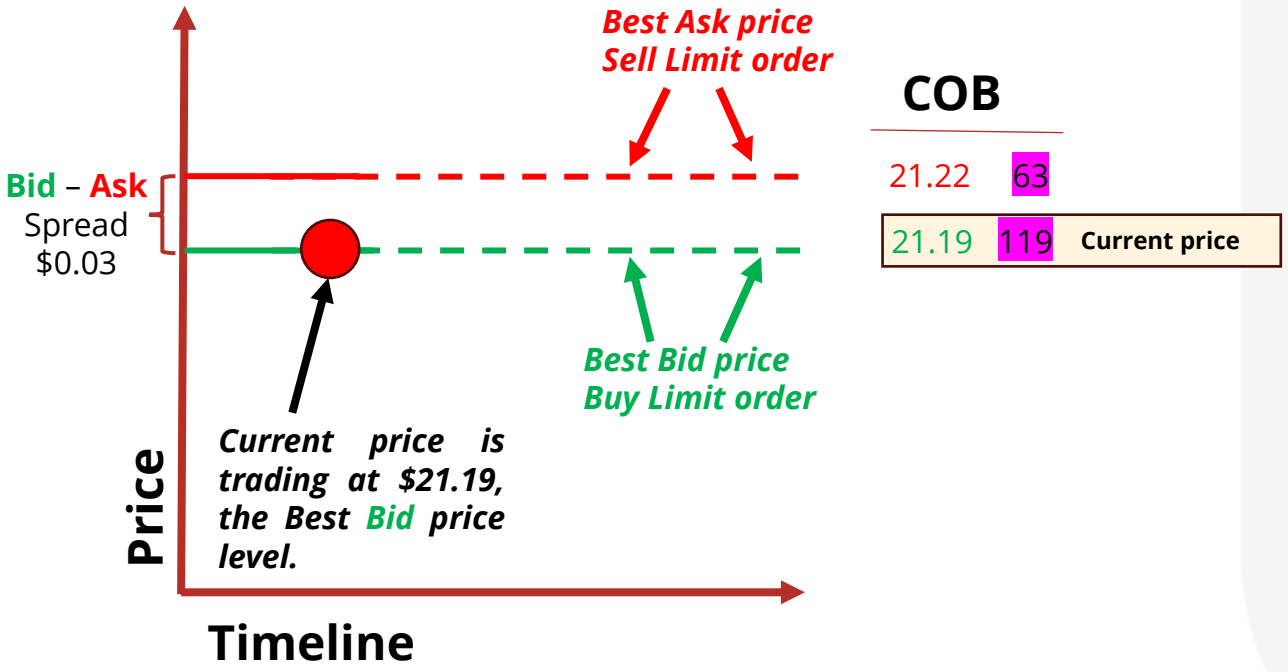




(Level 1 limit orders)

(Level 2 limit orders)

Price will NOT move if we have only limit orders and patient buyers and sellers in the market.



COB		
21.22	63	
21.19	119	Current price

Limit orders are placed by **patient buyers** and **sellers** that are patiently waiting for price to come to them. These orders include Best **Bid** and Best **Ask**, orders that are closest to the current price.

Neither of these patient buyers and **sellers** is willing to cross the Bid-Ask spread (3 cents in this example).

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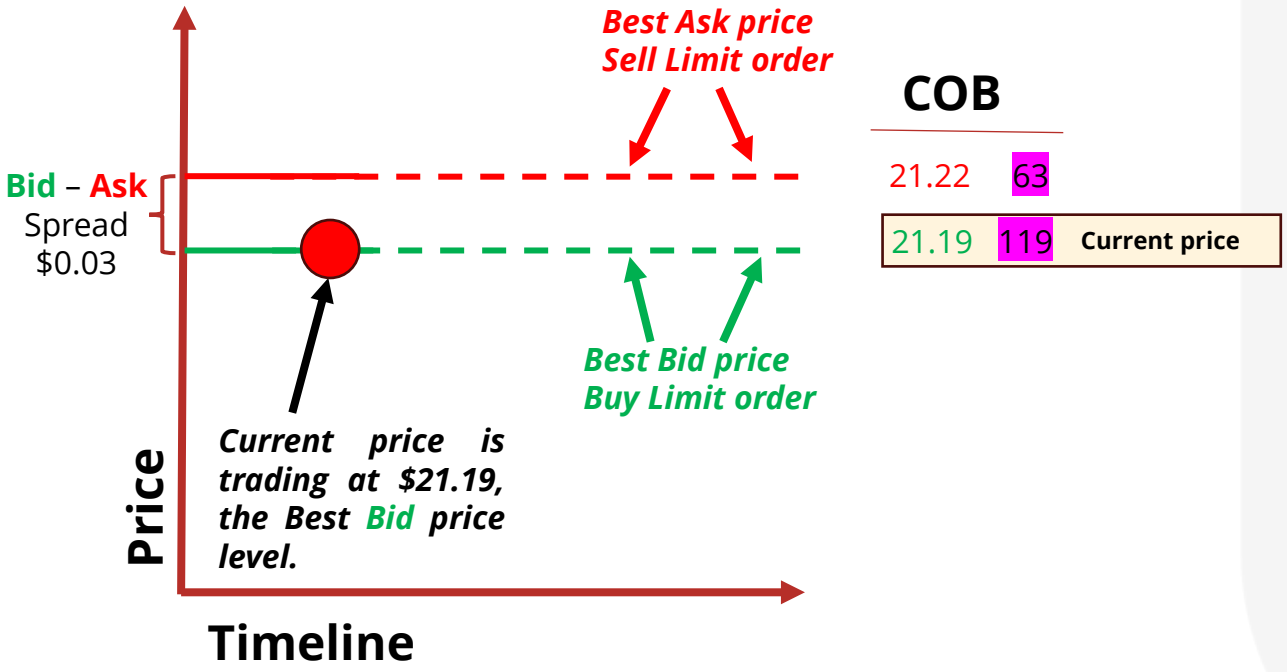

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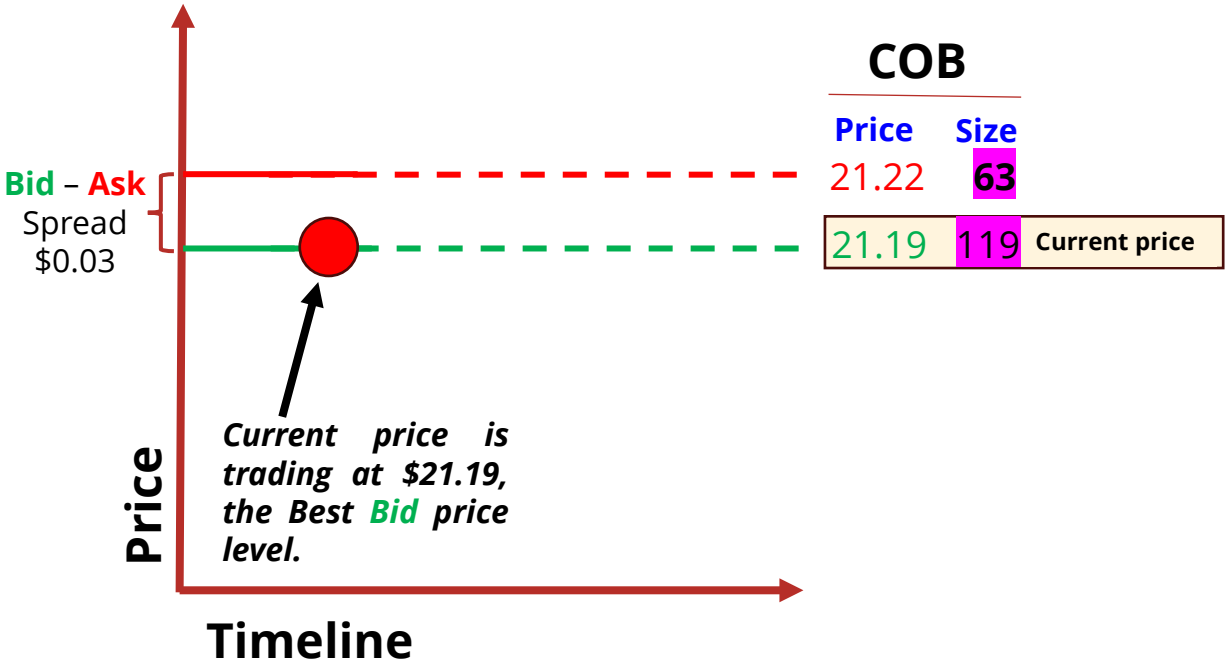
If it was up to the **patient buyers** and **sellers**, price would **NOT** move at all!

So, who do we need to cross the spread and move the price?

An **aggressor** market participant using a Market order.

Market Buy orders move price up.



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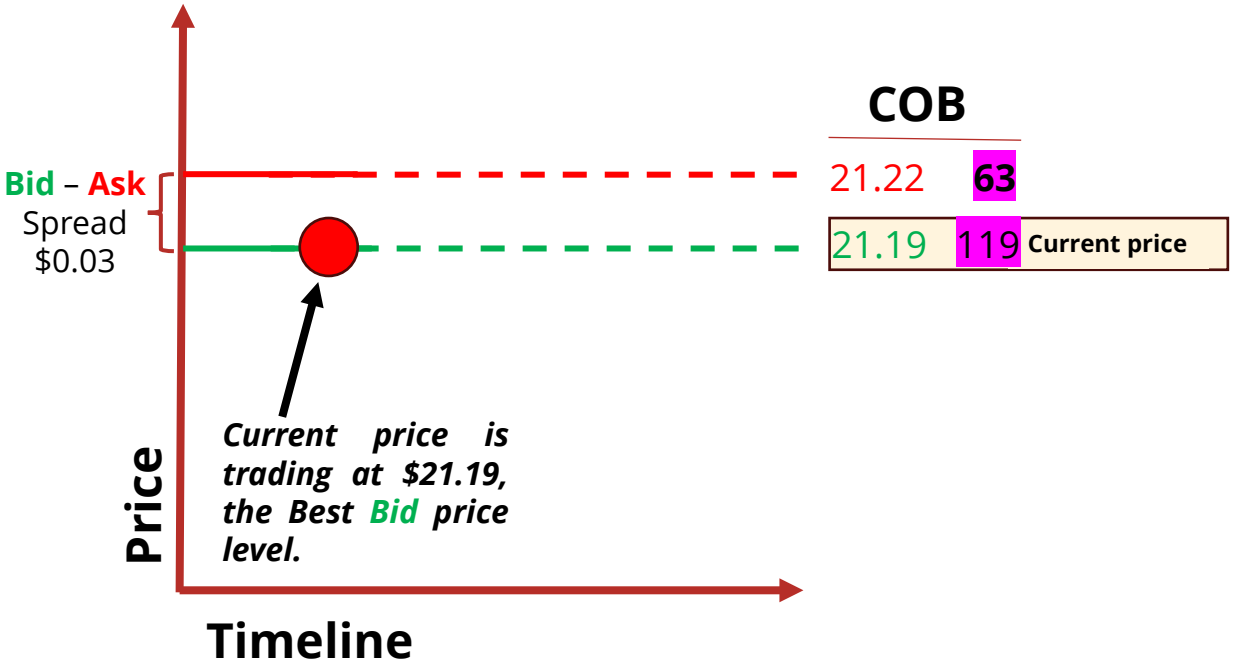

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Buy Market Order.

Volume of 10 lots (1,000 shares).

Buy market order gets filled @ the Best Ask price: $21.22.

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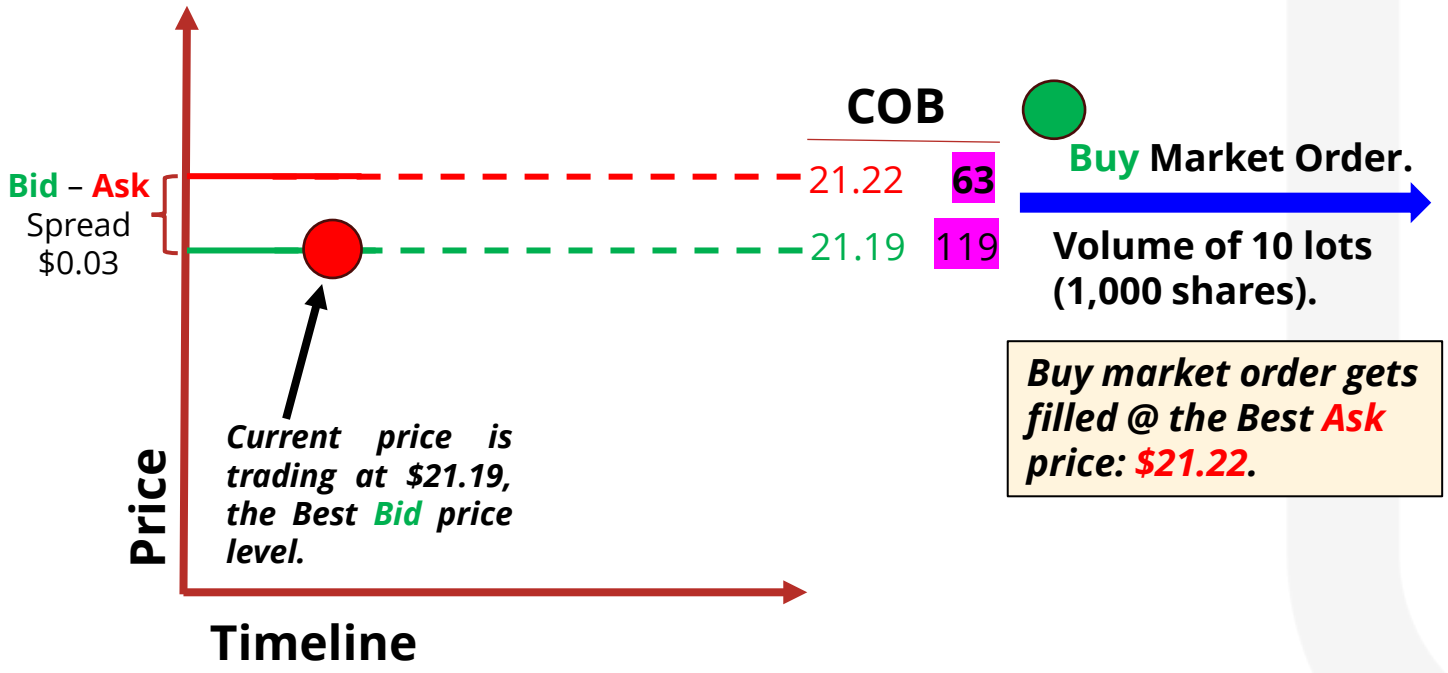
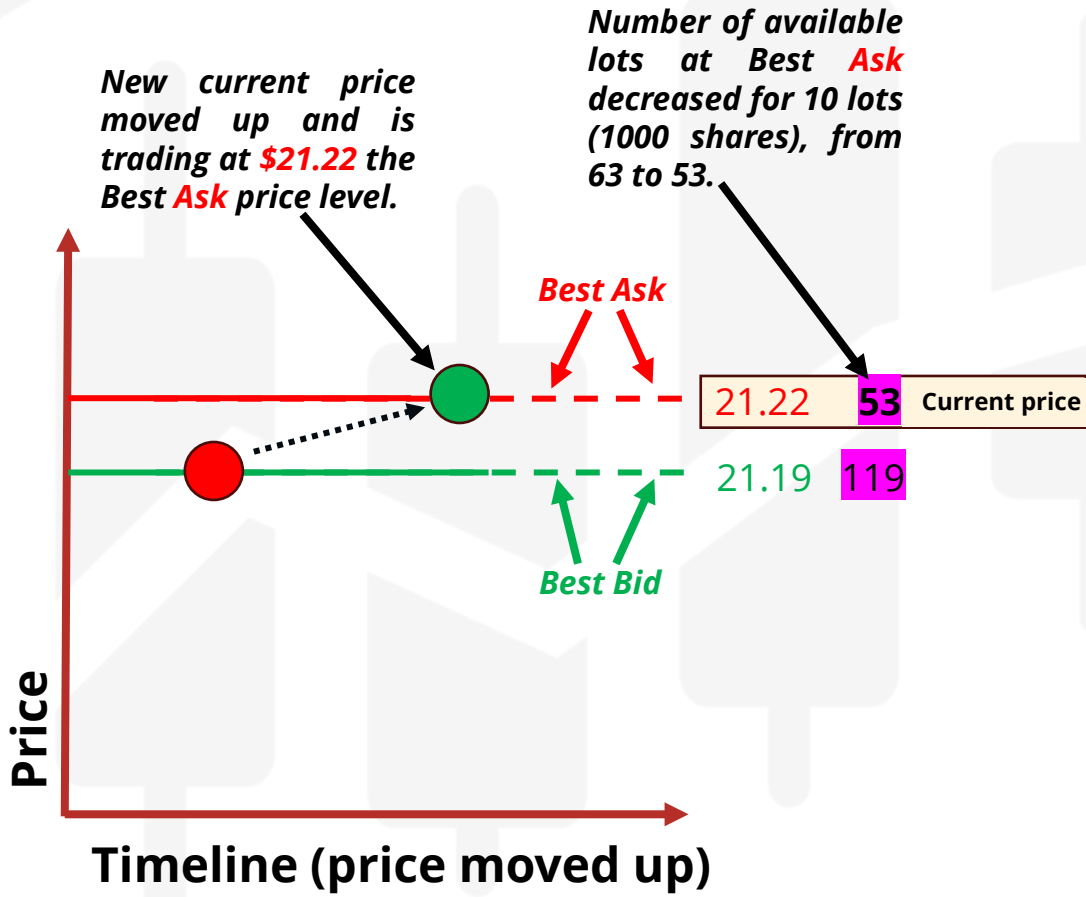
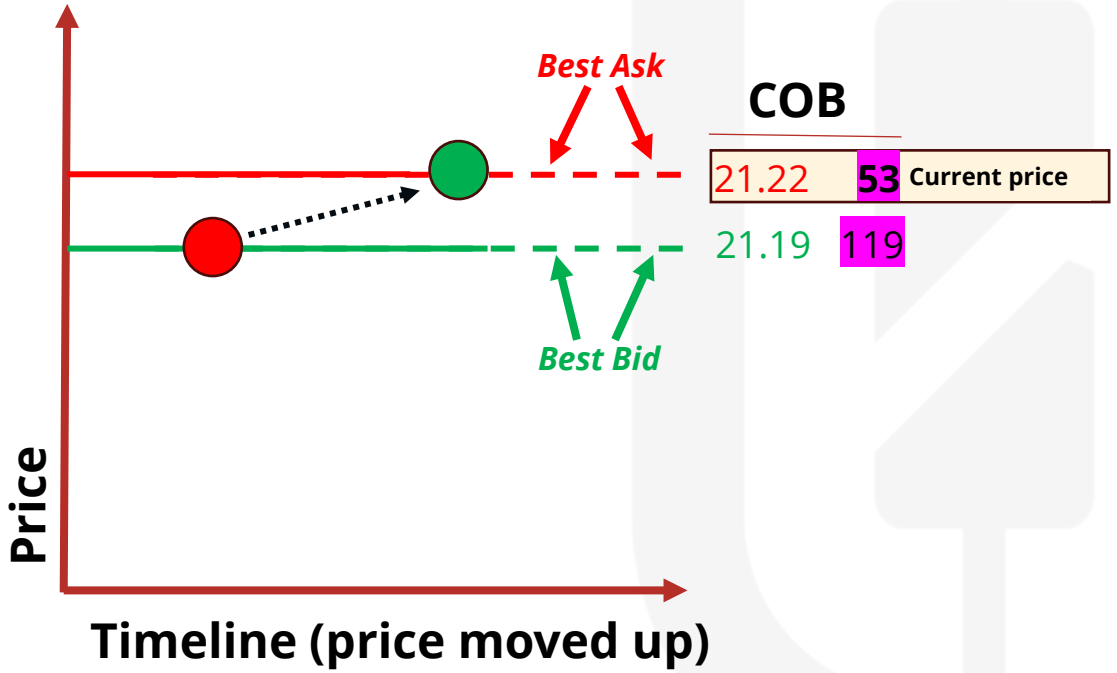




Market Buy orders get filled at the best Ask and move price UP.

Market Buy Orders (aggressive Buyers; Demand) will be filled at the best Ask price that is higher than the current price and will move price up.



Current price moved up due to the Buy market order, and is currently trading at new current price $21.22 - the Best Ask price level.

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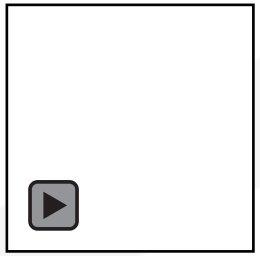
- Aggressive **Market Buy Orders** will be filled on the next available best **Ask**., which is priced above the current market price.
- Aggressive **Market Buy Orders** will move price higher.
- When **Buyers** (**Demand**) are relatively stronger compared to **Sellers** (**Supply**), price will move higher.



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