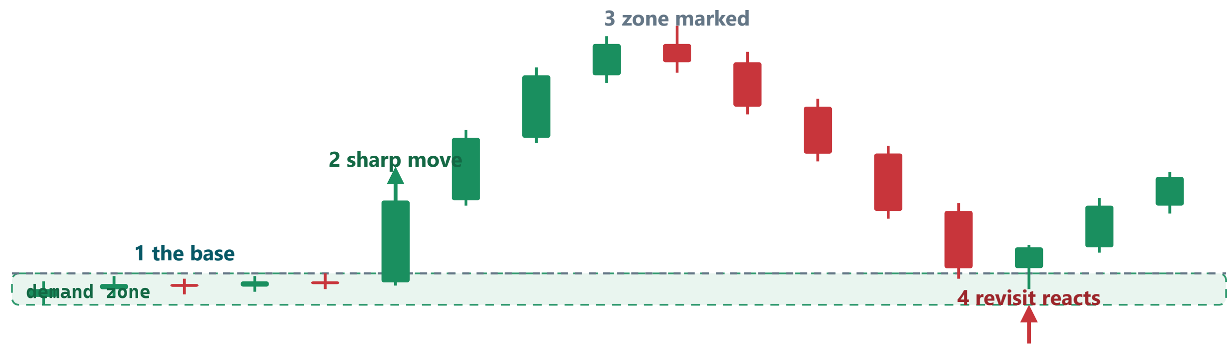
SMART-MONEY STRUCTURE

Supply and demand **zones**

A supply or demand zone is an area price left in a hurry. When a market pauses in a tight range and then bursts away, orders were likely filled all at once, leaving more waiting behind.

QUANTREEF
market microstructure



1
The base forms
Price moves sideways in a tight range for several candles. Buyers and sellers are roughly balanced, and resting orders quietly pile up in this narrow area.

2
The sharp move away
Price suddenly bursts out of the base with one or more large candles. The speed suggests waiting orders were filled quickly, and some interest was left behind unfilled.

3
The zone is marked
The base that launched the move becomes a demand zone below price. It is drawn as a band from the top to the bottom of that original tight range.

4
Revisit and reaction
Later, price drifts back down into the zone. Because leftover buy interest may still rest there, price often shows a visible reaction on this first touch.

Key terms

Demand zone — An area below price where a sharp rally began, suggesting resting buy interest may remain.

Supply zone — An area above price where a sharp drop began, suggesting resting sell interest may remain.

Base — The tight sideways range that forms just before a sharp move away from an area.

First revisit — The first time price returns to a zone after leaving it, when leftover interest is most likely intact.

How to read & use it

Look for the launch
A zone is only interesting if price left it sharply. A slow, gradual drift away is weaker evidence that orders were stacked there.

Draw the band, not a line
Mark the zone from the top to the bottom of the base range. Price can react anywhere inside the band, not only at one exact price.

Fresh zones fade
Each time price revisits a zone, leftover orders get used up. A zone that has been touched several times carries less descriptive weight.

HOW QUANTREEF USES THIS

Quantreef highlights supply and demand zones as descriptive context to help you read structure. These highlights are educational information about where price previously moved sharply, not a signal, recommendation, or prediction about what price will do next.