

Date: 23/06/2017

Market: ES mini

Timeframe(s): Intraday - 5m,15m,60m,3500T

News:

Yesterday: HIGH: 2451.00

LOW: 2434.00.00

CLOSE: 2437.50

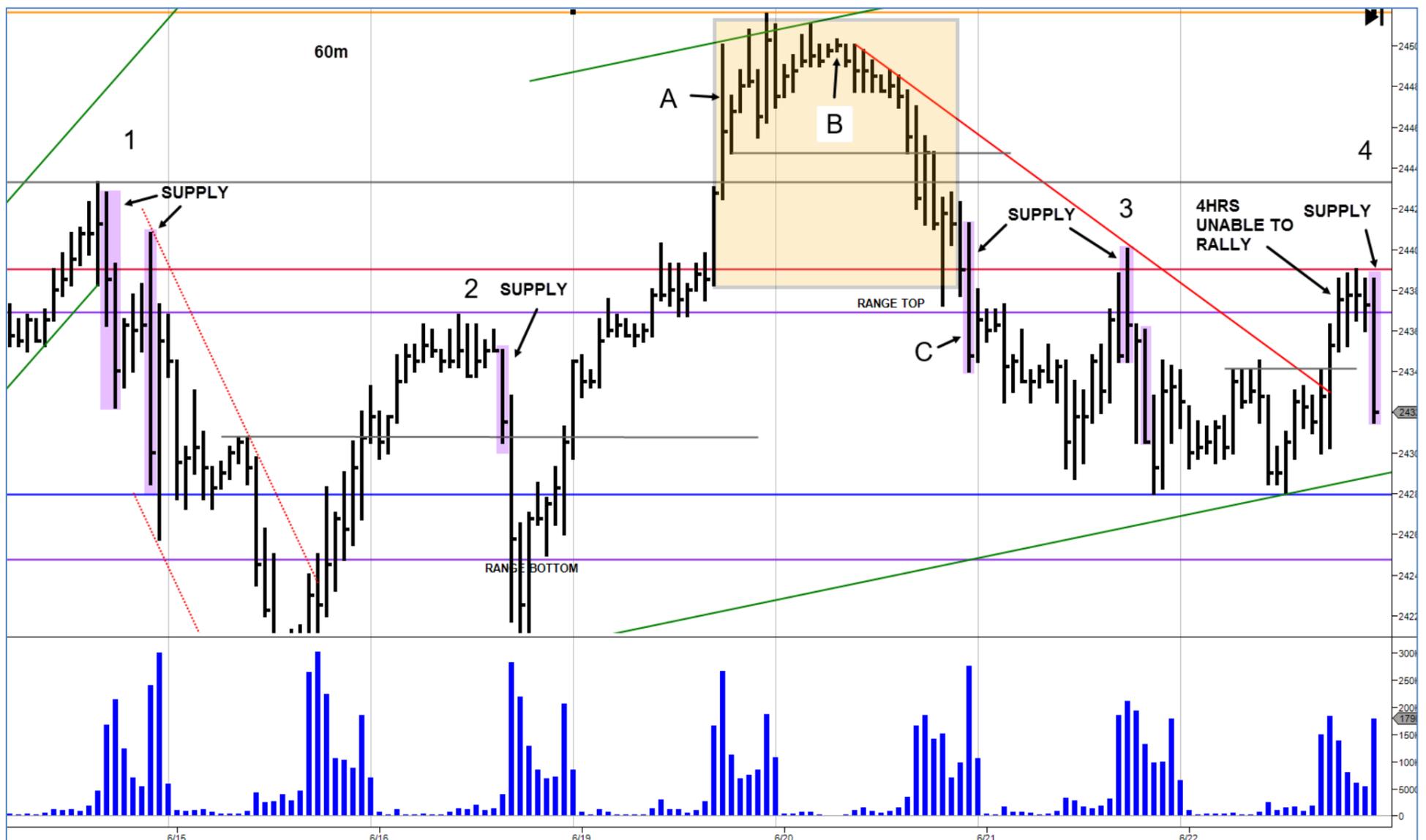
Other levels: res: 2471.75, res: 2443.50, res: 2451.50, sup: 2403.75, sup: 2437.00, sup: 2424.75, sup: 2417.00



The S&P has contracted, the average true range has tightened and we have the lowest volume for 12 days. Technically a down bar, possibly an inside bar (not the cleanest) and although a lower close we have made no downside net progress. NOTE - unable to test yesterday's high, the daily resistance held well. For 2 days we have held mid trading range, during this action the daily demand line has broken. From the daily it's hard to call tomorrow's action. Consulting the 60m chart we would must conclude that the market is struggling a little for higher prices. We have huge supply bars all along our axis line (range top) and resistance at 2440.00 on four occasions at these levels we have seen the force of selling.

The orange opaque square I'm viewing as an upthrust - we break out and initially met by supply (A) the close is well off the highs (negative) from here we struggle higher, drift up to B sluggishly - there is no force behind the buying. We then start to slowly round over, price action gets heavy then we gain momentum to the downside breaking back under support (C). NOTE - Bar B, this is a no demand in a previous area of supply, picture perfect, it doesn't get any better. It would be of use to print this example to keep as a reminder (a new addition to my own folder) this sequence can apply to any timeframe, an extremely powerful setup.

Back to yesterday's action we have 4 hours trying to hold above the axis line, knocking our head at resistance 2440.00, before the market collapses with a large sell off, this behaviour along with the rest of the chart doesn't feel bullish. It's a possibility that the 4 bars were absorbing supply (to the left). It is unclear - we are mid trading range, no real progress was made one way or another. If swing trading and entered via B, position would be held, however there is no reason to enter the market anytime soon



US opens and within 20 minutes the market offers a spring. There are three reasons why this spring was an instant buy. (Entry 1 - bar B)

- 1- Clear shortening of the thrust - SOT (indicates buying) no net downside progress for the effort
- 2- The spring bar itself, we dip under support, reverse and close back above the previous close with sustained volume (when we close above the 2 previous closes, this becomes a very powerful spring, a subtle important tell)
- 3- We spring an overnight level of support, why don't we spring yesterday's low? (Blue line) this level of support is much stronger and valid. Through interpretation this screams buyers are being aggressive - plus we have the added bonus of yesterday's low being an additional layer for stop protection. Full clip size

Exit 1/3 at C - via my trade sheet I had stated that a close back under support would result in liquidating a 1/3 of the position (+2.75 points)

Exit 1/3 at D - we become oversold at resistance (+5.50 points)

Full exit at E - we have negativity, more importantly yesterday's action in this area was weak. The market traded 4 hours in this region that resulted in a large sell off; in addition via 60m analysis we know that supply is definitely active at this level. The rally was fairly strong, however bar D feels a little climatic with no genuine follow through for 90 mins and bar F is effort vs. result (negative) for all those reasons, bank profits (+6.25 points).



NOTE - Bars 1 and 2 indicate weakness - bar 1 is a mini climax (saying that you could argue a case for bar 2) it's bar 2 that shouts weakness it rallies on lower volume to the same area, originating from a gap up, yet the very next bar its immediately reversed and closes under bar 2 on lower volume, (super weak behaviour, the volume is lower because the previous bar has eradicated the buyers, this has text book 2 bar reversal characteristics), if bar 2 would of penetrated resistance or bar 1's high, it would of been an immediate sell. Looking forward to Monday to see how this plays out. The trading today for the most part has been uneventful with sloppy price action, a tough day if one didn't catch the spring. A welcomed early finish for a long weekend, time to call it a day

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