

Date: 22/08/2017

Market: ES mini

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

News:

Yesterday:

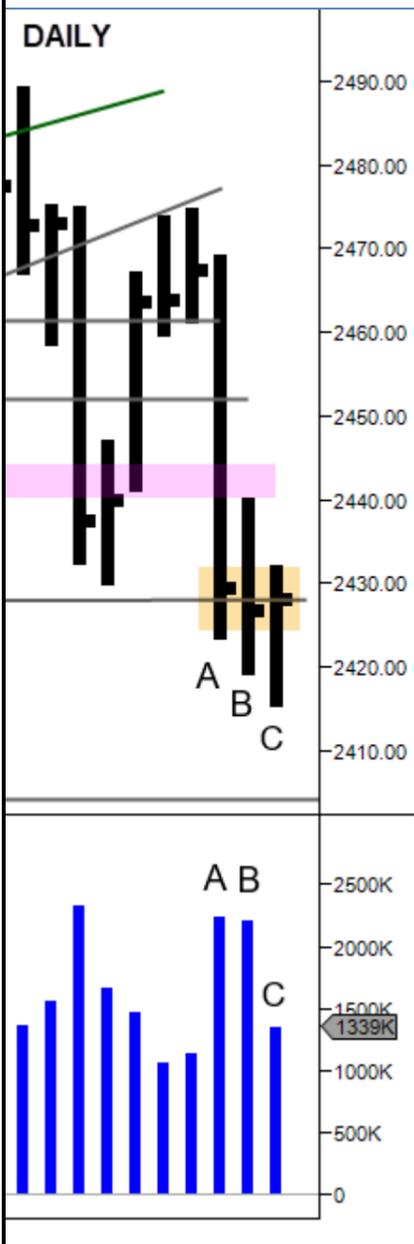
HIGH: 2424.25

LOW: 2415.75

CLOSE: 2528.00

Other levels:

res:2480.50, res: 2474.50, sup:2461.50, res:2451.50, res:2440.00, res:2444.00 sup:2417.75, sup:2403.50



Yesterday has provided a tell tale signal for higher prices. Bar C dips under the lows of B, finds no further selling to reverse and close firm back above support (2417.75) Buyers hold a close the previous bars and we also close slap bang right at another resistance level. The market managed to accomplish all this on lower volume - this action is not indicative of "no demand" the lack of demands, this bar shows a lack of supply. NOTE - the cluster of closes (orange highlight) market is refusing to down, bar C has had every opportunity, through the disconfirmation of supply we expect demand. The Wyckoff method is extremely powerful, not only in terms of positive price action do we gain an edge, but also when the market disconfirms main principles/market behaviour that we can also stack the odds in our favour. Example price at support should rally, if price begins to cluster, start to round over showing an inability to rally, narrow spreads with decreasing volume; odds favour a break. Through disconfirming supply we naturally expect demand, even though it may have not showed it hands, we would expect its presence, the next phase in thinking is to analyse the buying quality and then proceed to apply bullish setups if strong.

Going deeper via the 60m we get a sense of clarity that maybe obscured to those unfamiliar with Wyckoff/VSA from the daily. Day 1 we make a new low that's immediately reversed, consequently we rally to B, and naturally find supply at major resistance level, as the market starts to pullback volume declines. The market is providing vital Intel - We have buying of good quality behind us from A to B and the selling in comparison is weaker from B to C. During the overnight we react to D, here the selling quality is extremely poor, the market is struggling for lower prices. Volume will be lighter due to

overnight trading, but one cannot argue with the price action. The market opens and we spring a major support level and continue north to E, as we pullback from resistance volume declines (orange highlight) followed by bar F that closes firm.

In a nutshell lows have been rejected on 3 occasions (green boxes, the last resulting in a spring) and that supply is having a tough time, its drying up making no progress (compare the red opaque downwaves). A major important observation is that every time we touch support demand emerges with volume increasing (even from D to G) and supply when present volume declines, this action is Wyckoff/VSA gold. Both timeframes are suggesting higher prices, yet we cannot forget that weakness is immediate (background conditions), we must pay close attention and read the market as it unfolds bar at a time



During the overnight we rally netting 10 points to the upside. In the Europeans session we react back to yesterdays high and spring with conviction. Then the US opens and rally hard producing 2 very strong demand bars, netting a further 9 points in ten minutes – today’s market is very strong, we need to be buyers; our premarket analysis, the overnight action and the open all scream strength.

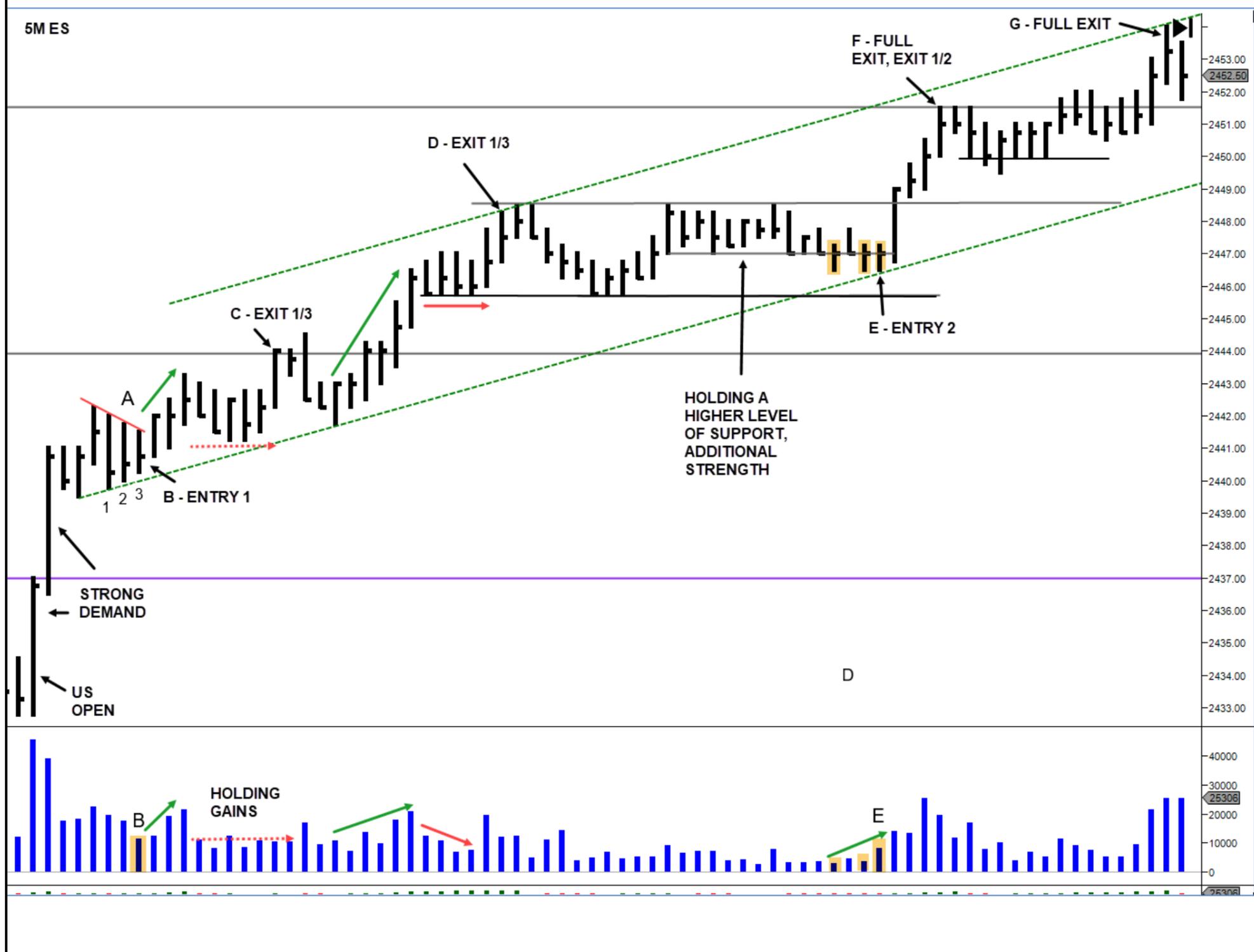
Bar B – Entry 1, why? Firstly there is major strength in the background, combined with the 3 bar configuration at A (which has been previously discussed in depth via a Chronicles edition) Breaking down A, we have a 3 bar inside configuration.

Bar 1, a down bar closing weak

Bar 2, an inside up bar with a higher low, a higher close, volume has declined. Inside bar 1

Bar 3 an inside up bar (both bars) with a higher low, a higher close, volume has declined even more so, it’s the lowest volume since the US open that indicates no supply. The price action looks weak, but in-fact is incredibly strong, we have rising lows, higher closes and the last bar volume drops off – no ability to push the market down. Disconfirming supply with a background of strength with demand in complete control, it’s an instant buy – market order

C – Exit 1/3, first resistance (+3.25 points), D – Exit 1/3, oversold in our channel (+7.75 points) At this point we must note that price action is working in complete harmony with volume (volume expands with upside progress, declines on pullbacks) These are the days that all the work we put in as traders behind the scenes comes into fruition, we can confidently read the market and hold positions with little to no stress



Bar E – Entry 2, why? Comparing the 3 orange highlighted bars, bar E has a surge in volume that indicates buying, we cannot close under the local support level (additional strength in its own right) every time we dip under we bob right back up, closing firm. Structure is key; we have a triple confluence of strength directly beneath us, two support levels and the demand line from our trend channel. This is a picture perfect trade. Triple confluences are super signs of strength and a personal favourite, especially when confirmed with excellent price action. In addition we have strength behind us, no signs of supply, demand in control, pullbacks are minimal and weak – odds favour a trend day

Bar F - Full exit, and exit ½, major support level (+10.75 points) and (4.50 points)

Bar G – Full exit, oversold in our channel. Near US close (+6.75 points)

Yet again the trend channel provides excellent trade locations and exits, market principles appear to work much better with volatility, market manipulation takes a back seat providing cleaner price action and charts

Entry 2 is by far the better setup, (over entry 1) much safer, better risk management, plus we have the addition of extra data to work with. Entry 1 is an advanced price action setup, not a Wyckoff play and is highly unsuitable for beginners. I receive 100's of private emails and more than happy to help, yet it has become apparent that price action trades are causing many problems for traders. I have come to the conclusion that perhaps only core Wyckoff plays over a few instruments should be used (ES, CL, GC, 6E). Personally I would like to evolve/enhance the Chronicles; feel free to email any suggestions as I would like a general consensus for future direction, time to lock in profits and call it a day.

Email: feibel@yahoo.com