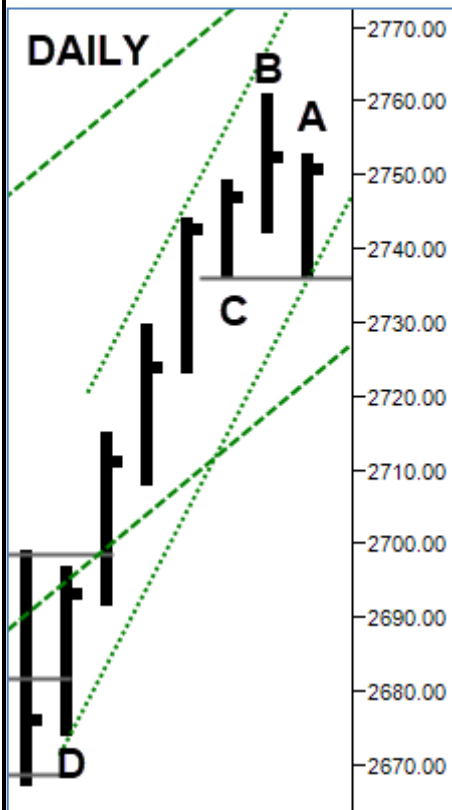


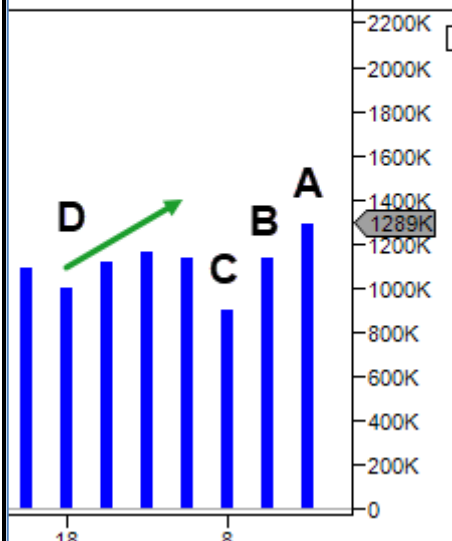
Yesterday: **HIGH:** 2752.00 **LOW:** 2736.50 **CLOSE:** 2750.50

Other levels: sup:2736.50, sup:2698.00, sup:2668.00, sup:2625-26.00, sup:2593.50, sup:2560.00-61.00



The S&P's is continuing to show ferocity regarding this bull trend; it's appears unstoppable. As we drive up from D price action is clean, buying with increasing/sustained volume with firm closes. A little shortening of the thrust via C, as upside progress is a little capped. Bar B we drive higher with a mid close and a slight spike in volume, this tells us that sellers for whatever reason are active (weakest close in the uptrend) Combining this with bar C we would expect a pullback of sorts; the market is hinting towards a little negativity.

Yet bar A shrugs off any chance of a corrective pullback. For the first time (in this uptrend) the sellers manage to break the previous low of a bar, however support is found via the low of C and the bulls aggressively buy again, resulting in a firm close back above the high of C and deep into bar B, this is achieved with high volume. The sellers had ample opportunity to drive this bar lower especially as bars C & D hinted towards a pullback, but the buyers are clearly the dominant force and refusing lower prices. The stage is set for higher prices, although we must be aware that sellers were active at the highs of B, we will need to watch this area carefully and expect some form of resistance



The 60m chart offers a sense of clarity due to the volatility. By comparing the price action between the 8th, 9th and 10th; we can gain vital info. The spreads and volume have increased with much price bar overlap (signifies a battle between the buyers and sellers) yet with all that activity the buyers emerged triumphant. The sellers drive it down at A (premarket) yet the for next 3 hours there is no downside follow through, ok perhaps a weak rally. The US opens via C and we slam down again, this time under the lows of A, but buyers step in and close it well off the lows (mid bar) this action occurs at a 2 day support level.

Again there is no downside follow through from A, bear in mind price was under the lows and sellers were not able to take advantage, we must interpret bar A as a shakeout. Excellent response via D as it wipes out all the negativity via A & C. Bar E tests D successfully and the market reverses to close firm at F.

Although the price action wasn't clean we obtain huge amounts of info: negativity was apparent via the daily chart, sellers had an opportunity for lower prices and didn't follow through on 2 occasions; in addition a resolved shakeout bar is very bullish behaviour as it disconfirms the presence of supply, ergo; the market is primed for higher prices.



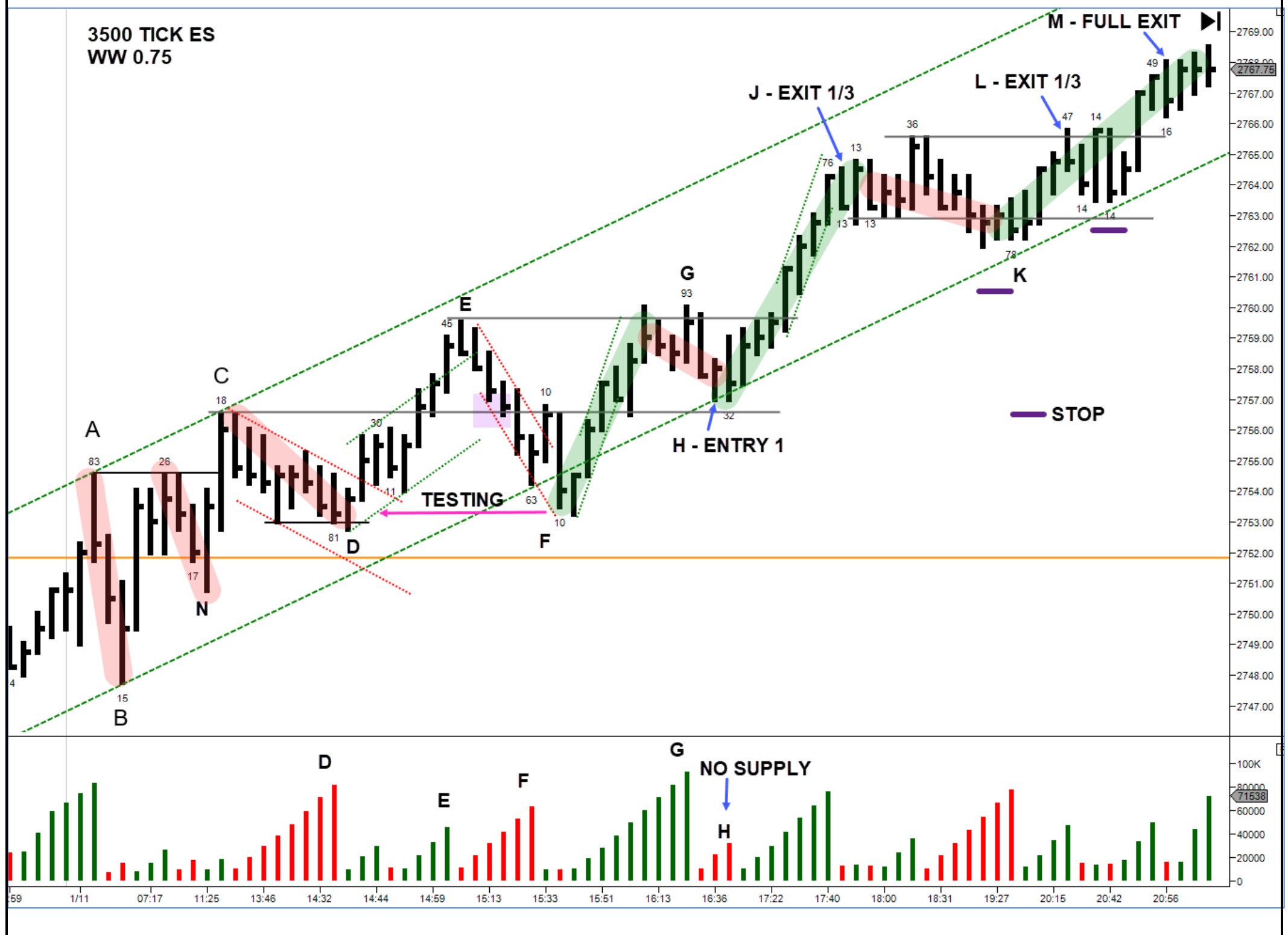
During the overnight we hold gains and give nothing back; Drive to new highs via A with decent demand (83k contracts) followed by a sharp selloff yet only 15k contracts... The market breaks into new highs via C with little volume 18k, (not overtly strong) although we do hold yesterdays high via N (strength). The pullback to D is very bullish as we have an excellent case of Effort vs. Result (one of the governing 3 laws of Wyckoff) approx 5 times the amount of volume than the 2 previous pullbacks (15 and 17k contracts), yet progress made to the downside is the least (illustrated by the 3 red opaque highlights) all that extra volume is buying. There are two other subtleties at work:

1 - The angle of ascent, not as steep (compare to previous pullbacks) Buying is stunting downside progress

2 - We hold a higher low via D, how comes with all that extra volume we can even test support? Only buying can achieve this. NOW we must wait patiently for long setup to materialize

Push up to E, not the best volume, however much supply would have eradicated via the Effort vs. Result wave, so of no real concern. Less supply equals less upside friction, this enables buyers to drive prices higher with very little effort (volume). The purple highlighted area was a potential trade location for a weak pullback (didn't occur) The market does the opposite and drives to F with fairly decent volume 63K contracts, a little concerning, however the market quickly resolved itself by producing the largest wave/up wave on the chart to G. The move to F was simply testing for supply via the Effort vs. Result wave.

This leads to bar H entry 1, why? Strength via the higher time frames. Effort vs. Result in favour of the buyers whilst holding a higher level of support (bullish) up waves are increasing in force 30k, 45k and 93k (bullish) and sellers are decreasing in force 81k, 63k and 32k (bullish) demand is growing and supply is drying up. Most importantly; the down wave to F is no supply (3 times lower volume than the previous upwave and half of the previous down wave) at a demand confluence - support from the high of C and the demand line from our channel (reverse use via the highs of A and C)



This setup is almost picture perfect; if wave G would have broken resistance a little further before reacting we would have had a nice wave up, there is a change of behaviour via the volume, however a strong wave up in distance (progress made) would have been the cherry on the cake

Bar J – Exit 1/3, first bar that closes under the micro channel (+5.25 points)

For the next 3 hours the market trades sideways producing another Effort vs. Result via K. An aggressive trader could take a long position here, especially towards the end as we approach the demand line.

Bar L – Exit 1/3, resistance (+7.75 points)

Bar M – Full exit, stop was moved into a profitable position, still no signs of supply. The market prints a key reversal at the highs, literally 5mins before the US close (+8.75 points)

Today's trading didn't provide a great deal of entry opportunities, apart from the clean setup via H - the other entries were VERY aggressive in nature (D & K). The Wyckoffian law of Effort vs. Result came into its own by providing a licence to look for longs and also enabled us to hold our positions for longer. Momentum played a part today by carrying price higher (note the opaque highlights via wave structure, green and red) From J it was a very long hold for our positions; although not particularly painful as the correct stop placement would be under the demand line - as traders we get paid to be patient. The use of tick charts I prefer for higher volatile days as they can often provide an additional edge via structure and the subtleties of no demand and supply are more evident. Time to lock in profits and call it a day

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