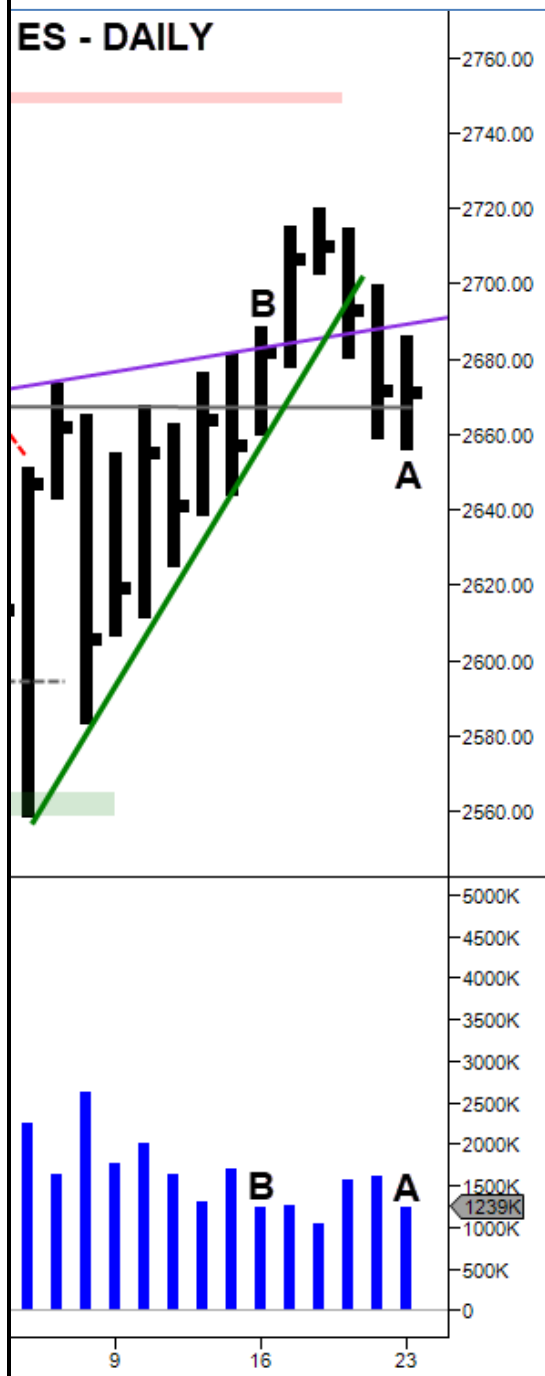


Date: 24/04/18 **Market:** ES mini **Timeframe(s):** Intraday – 5m,15m,60m,3500T

Yesterday: **HIGH:** 2684.75 **LOW:** 2657.25 **CLOSE:** 2671.25

Other levels: res:2788.00, res:2748-50.00, res:2690.00 (axis) sup:2668.00, sup:2594.50



The S&P's via the daily time frame provides no edge for tomorrow's direction. Bar A is an average bar, with an average spread and average volume (compare to B) Bar A closes mid bar, level with the previous bar, so is neither an up or down bar. Bar A does manage to hold support, yet sellers are able to push the bar down to make a slight lower low and we make a lower high, very tough to decipher. Let's look to smaller timeframes

The 60m chart favours lower prices, why? We have been in a downtrend for four days, adhering to a channel, with evidence of good selling as seen via waves 1 and 2. At the lows price has been restricted to a trading range, illustrated by bars A, B, C, D, a decent 20 point trading range is good for intraday traders as we can make plays around the edges (structure)

Individual bar analysis doesn't reveal any genuine insights, as the opposing force checks any form of follow through (C halts the strength from A) We upthrust at D, market responds well, falls south testing support at B, which appears very negative, from here we would expect lower prices (although volume is lower via B) yet the very next bar, we hold and rally back up to the middle of the trading range. Again, there are more negative tones to this chart than of strength, however is not clear cut; luckily we have definitive structure to work with

Premarket the S&P's tests yesterday's resistance from our 60m trading range via A, as we break we are unable to rally, therefore we disconfirm demand, and actually print an upthrust (bearish). As we react supply enters in a big way, as shown by wave B with continuation via wave C. Wave D is a big tell that sellers are firmly in control, why? Because of wave 1; both have the same amount of volume, yet the progress to the downside has doubled, this we interpret as good flow, there is no buying friction, therefore sellers can move the market with little effort. When the market provides a read this clear our ears perk up and we wait patiently for a weak rally.

An astute trader maybe thinking that wave 1 could be effort vs. result (full of hidden selling) there is a little, but nothing too overt and we know this due to wave C, again similar in volume and similar wave size. Waves 1 and C combined, tell us that demand is not in this market, and supply is in full control – this concept is very, very important to understand

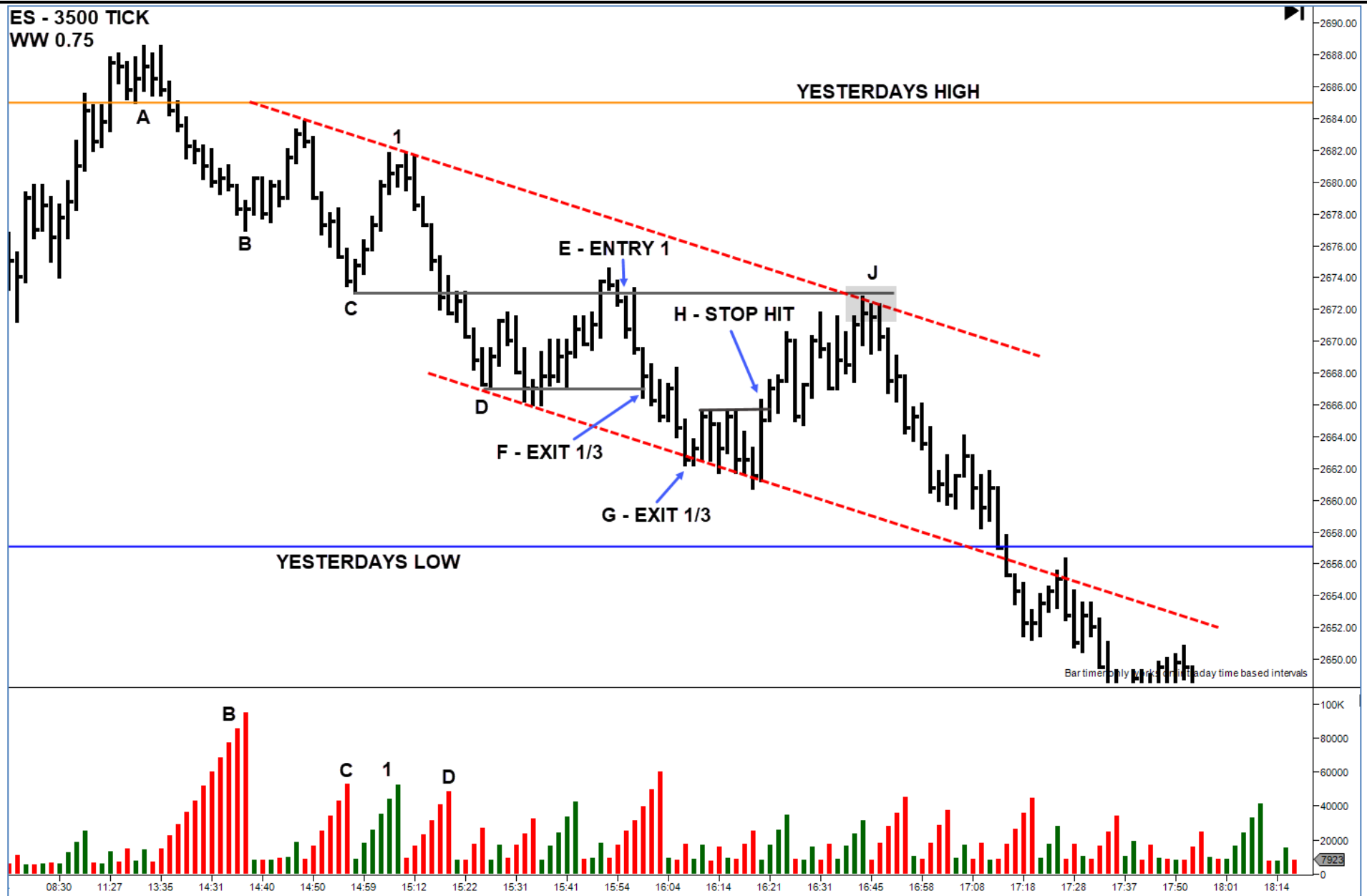
Bar E – Entry 1, why? We upthrust resistance; taking into consideration the background conditions, and the analysis above, one must pull the trigger. Note the price action - very choppy in comparison to the downwaves, no flow to the upside, worlds apart.

Bar F – Exit 1/3, first support (+5.25 points)

Bar G – Exit 1/3, oversold at demand line (+9.50 points)

Bar H – Stop hit, as we break local resistance, odds favour a test of the supply line (+6.25 points)

Bar J – A short play, unfortunately I was trading crude oil, and missed the trade; not only was the rally weak, we have a supply confluence (via horizontal resistance and the supply line from our channel) excellent structure to lean against for our position



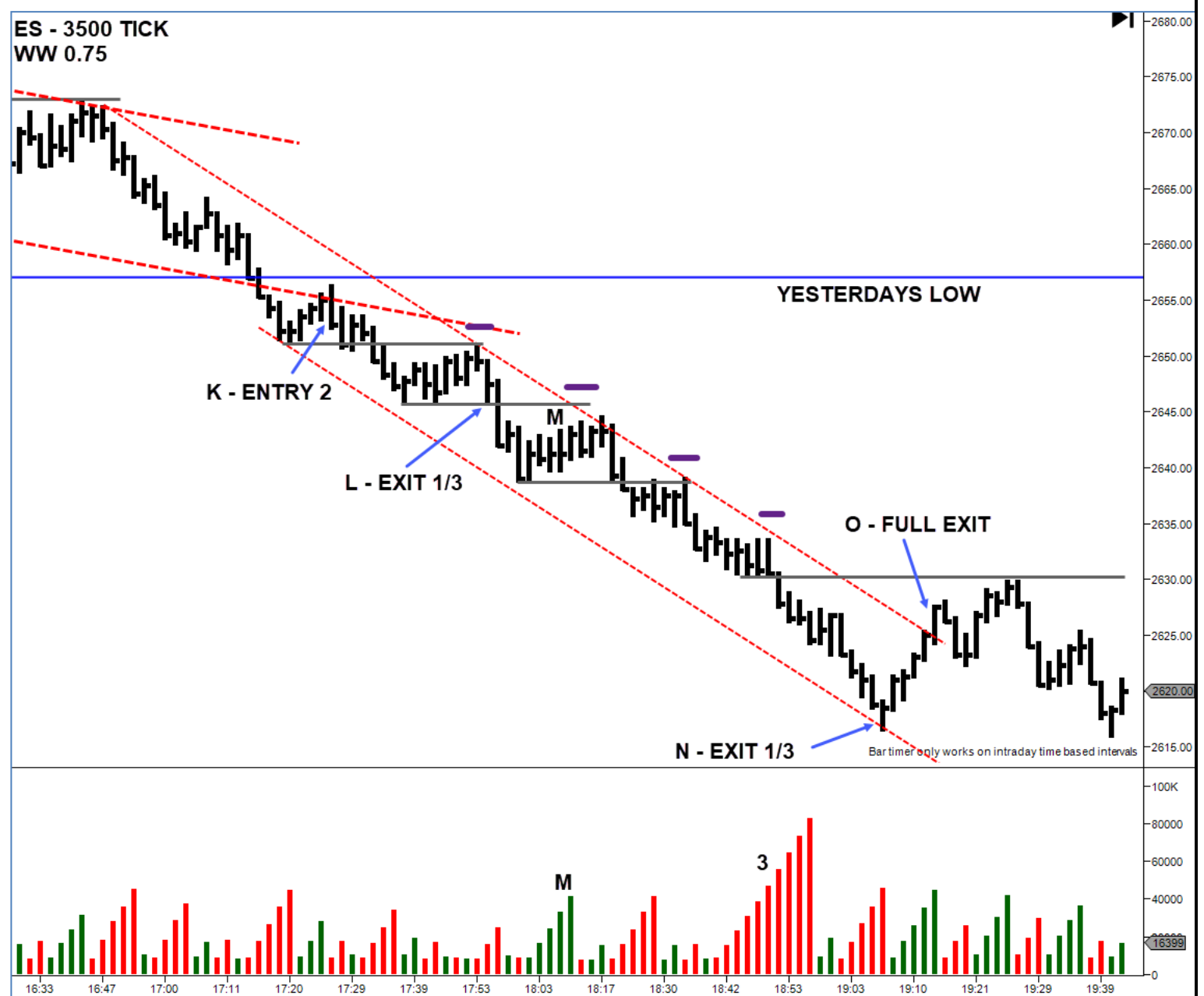
Bar K – Entry 2, why? The Classic Wyckoffian 'Rally Back to Ice setup', as we break support (of our 60m trading range) we look for a weak rally. Bar K being ideal – in price action terms we have printed a 2 bar top reversal (upthrust) at a supply confluence, the flipside use of our channel and newly formed resistance.

Easiest trade of the day; think logically about today's behaviour - we tested the upper boundaries of the trading range and broke, unable to rally, sellers took advantage and we fell hard, back within the trading range with huge supply. From here the natural place to find demand would be support; we come down (with dominant selling) and break support with ease, not even a sniff of buying. As we rally, the market prints a lovely 2 bar top reversal

at a supply confluence, ergo an instant sell, in addition this is a classic setup. Nothing complicated, very basic trading

Bar L – Exit 1/3, first support (+6.50 points)

Bar N – Exit 1/3, the market kept on giving and giving, we traded within our channel the whole way until we finally became oversold. This channel was a god send and helped to keep the trade in play.



Around M we were under a little pressure, however it was a bearish case of Effort vs. Result (clear as day) although stops were moved all the along the channel (previous swing highs, purple line). When placing stops at horizontal resistance, it's always best to leave a little wiggle for an upthrust, especially in down trending conditions like today (+37.25 points)

Bar O – Full exit, first bar to close above the trend channel (+26.50 points)

Today's trading was fast and furious, although the market did provide many opportunities (too many to list) giving ample time to jump onboard. This is when tick charts have a huge advantage; trading 5 min bars with this volatility can lead to very uncomfortable stops, as an average bar was 4.5 points (give or take) as opposed to tick bars being an average of 2 points, something to think about....

Time to lock in profits and call it day

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