



Clear defined downtrend, with a micro channel, within the major channel

A - Sellers in control (highest wave volume, at the time)

C - Effort vs. Result; higher volume than the previous downwave (B), yet progress made is less. Only one force can stop the buying - selling

1 - Entry 1, why? Sellers in control via A, we have good flow to the downside with selling of good quality (Red opaque). Market attempts to rally via C, with buying of poor quality; spreads are narrow and of course a bearish case of Effort vs. Result

This is preceded by two no demand rallies at a confluence area (horizontal resistance and the supply line via our micro channel) The GBP is very kind and prints a hidden upthrust (reversal action)

Compare the buying from C, to that of the selling from the previous downwave (red opaque) worlds apart.

2 - First target hit via support (+25 ticks)

3 - Entry 2, why? we have already established that sellers are in control. Wave E, continues the weakness, producing the largest downwave for the day, importantly, breaks support decisively.

Wave F, weak rally that tests a confluence area; newly formed resistance and the supply line from our micro trend channel. Exactly the same setup as 1, yet we have the adage of wave E. Simple trend trading strategies

4 - Target hit, demand line from major channel (partial liquidation) (+59 and +30 ticks)

5 - Full exit via the close (+35 ticks) The demand line from our major channel is holding, importantly, look how price has distanced itself from the micro demand line, the major demand line is acting a reverse use of trend line, perfectly at that

6 - Spring setup; demand has proved itself via H. This is a valid setup yet was not traded as upside potential was limited by a triple supply confluence area. Plus the quality of buying via H, does not suggest a break