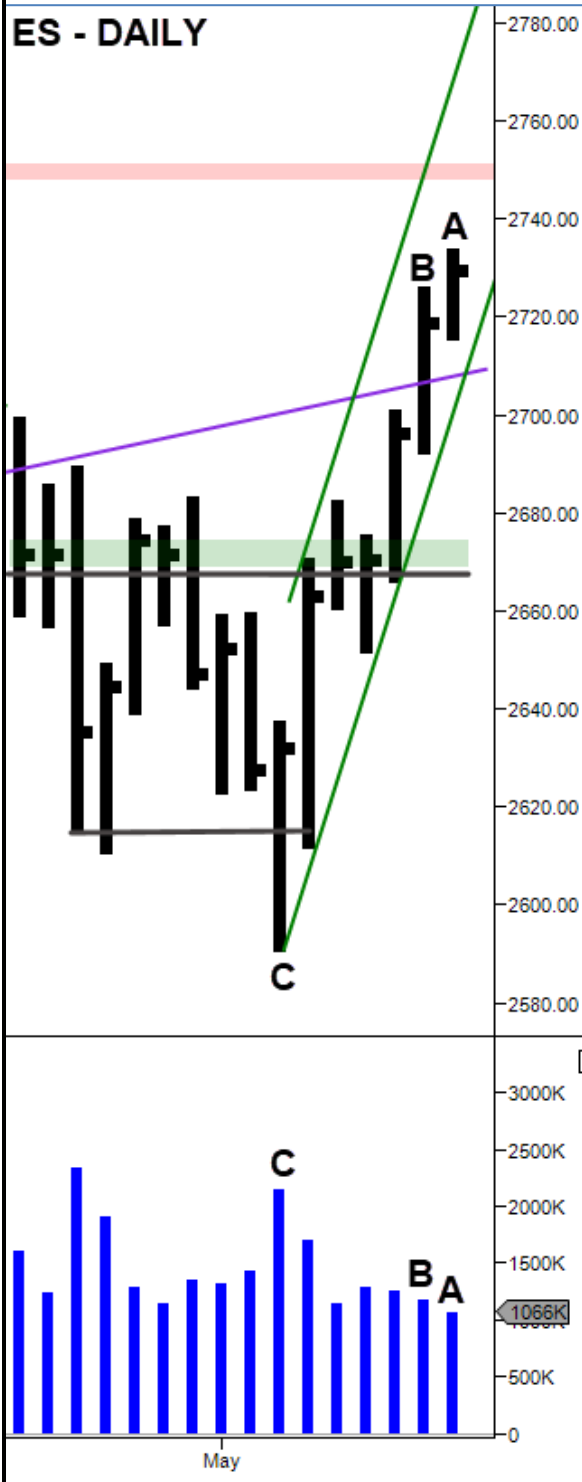


**Date:** 14/05/18 **Market:** ES mini **Timeframe(s):** Intraday – 5m,15m,60m,3500T  
**Yesterday:** **HIGH:** 2732.50 **LOW:** 2716.25 **CLOSE:** 2729.50  
**Other levels:** res:2788.00, res:2748-50.00, sup:2727.00 (demand line) sup:2668-70.00, sup:2594.50



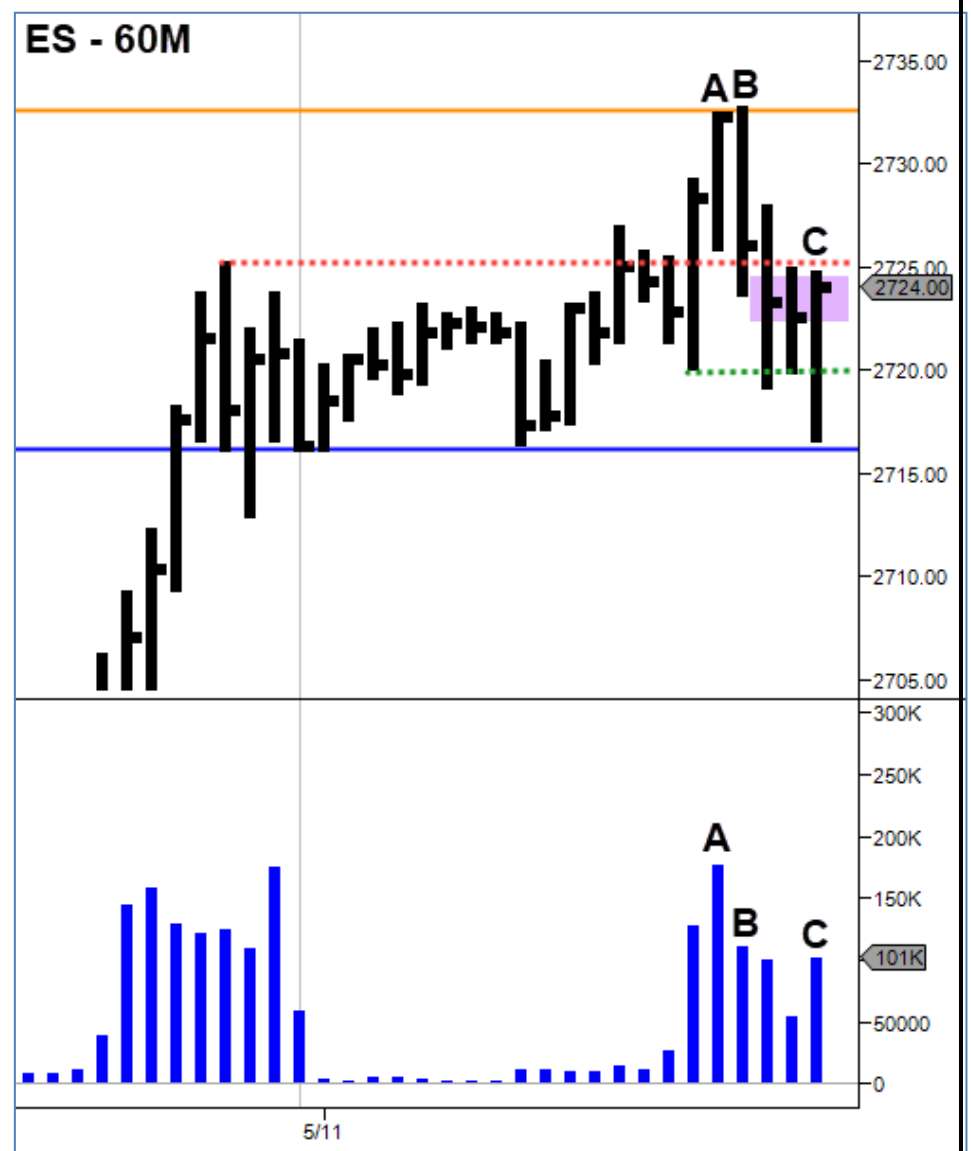
The S&P's has left us with an interesting bar, as A can be interpreted many ways (although the majority indicate weakness). Technically bar A is a "no demand bar" a small, narrow spread up bar, with less volume than the previous two bars, however; although the volume is lower it's not clear cut enough, feels as if we are trying to stretch our principle, never a good idea, it's always best to go with the clear cut – the obvious.

What's evident or pops out, is a case of Effort vs. Result. The volume of bars A & B are similar, yet the spread via A has halved, this can only mean one thing and one thing only "selling". Structurally selling occurs in the correct place as we have resistance above us (opaque redline, that has been in play since the 8<sup>th</sup> Jan). In addition the market has responded well from the lows of C, with 7 up days in a row driving 144 points or so higher (suffice to say a significant move). For all intents and purposes the market is due a pullback of sorts, there is resistance above us and a case of Effort vs. Result. NOW would be the time, if any to pullback, albeit we have restrictions in the form of a demand line from our channel, this may provide temporary support (2727.00 area).

From a bullish perspective the Effort vs. Result may be demand related; are the buyers absorbing any selling that occurs? After all we have had a tremendous drive up from C, clearly in an uptrend, with Bar A making a higher high, a higher close and a higher low. This throws a spanner in the works; we need to look to lower timeframes for any additional insights

The 60m has both a bearish and bullish view point. Bar A - high volume, closes firm right at the highs, yet is reversed the very next bar at B - this action is an upthrust/2 bar top reversal of the previous day's high (red line). Yet as we pullback, price halts from B, closes cluster (purple highlight) - we are unable to continue south. This behaviour is suspicious; giving that the nature of an upthrust is to break the previous swing low.

NOTE - Bar C; dips under the US session lows (green support) to reverse and close firm, above the previous 2 closes at resistance (previous day's high). We would expect continuation to the upside from C for tomorrow, why? The market needs to test the high volume area via A, this will be key for tomorrow's trading, which will also be the daily highs. We need to analyse intently around this level via the smaller timeframes from a demand/supply mindset and act accordingly. The daily hints towards lower prices, yet in the immediate via the 60m, its hinting towards higher prices (to test the high volume via bar A)



During the overnight we drift up through yesterdays high making a new high at 2740.75. US session opens at A with good buying; this propels the drive to test the overnight high. Here we upthrust via B with a surge in volume (incredibly hard to trade) however we do gain vital data; with higher volume via the US session we are unable to break overnight resistance - always a major tell (been discussed in depth in previous editions of the Chronicles)

Bar C – Entry 1, why? A hidden upthrust with a surge in volume, price action is weak, wide spread, closing on the lows. This bar tests upthrust A, yet again supply emerges, an instant short.

Bar D – Exit 1/3, first support (yesterdays high) (+4.25 points)

Bar E – Stop hit, (purple line) expected support to break (+0.25 points)

Bar F – Entry 2, why? More negativity; reversal action closing very weak with very high volume, for this time of day this is a volume aberration. Upthrust via A, hidden upthrust via B, proceeded by bar F, in addition we have structure to work with and lean against (our dash trend channel). Taking this trade we must be aware of support a couple of points underneath that has held previously, nonetheless the market is hinting towards lower prices, an instant short via the close.

Bar G – First target, demand line (+5.00 points)

Bar H – Next target support, (+9.00 points)



Bar J – Full exit (+6.25) breaks supply line, ordinarily we would hold our position, however, the buying at support near H, showing no downside follow through, is not the behaviour one would associate for negativity, if anything we should reverse

Today' trading was somewhat tricky, the market clearly hinted at lower prices via B, C and F, yet as we broke support (being yesterdays high) the market never got going. There was evidence of good buying (1) this combined with no downside follow through via H it was time to exit and let the market unfold, odds favour a test of resistance, that's OK, as there is always another trade and another contract. Time to lock in profits and call it a day

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