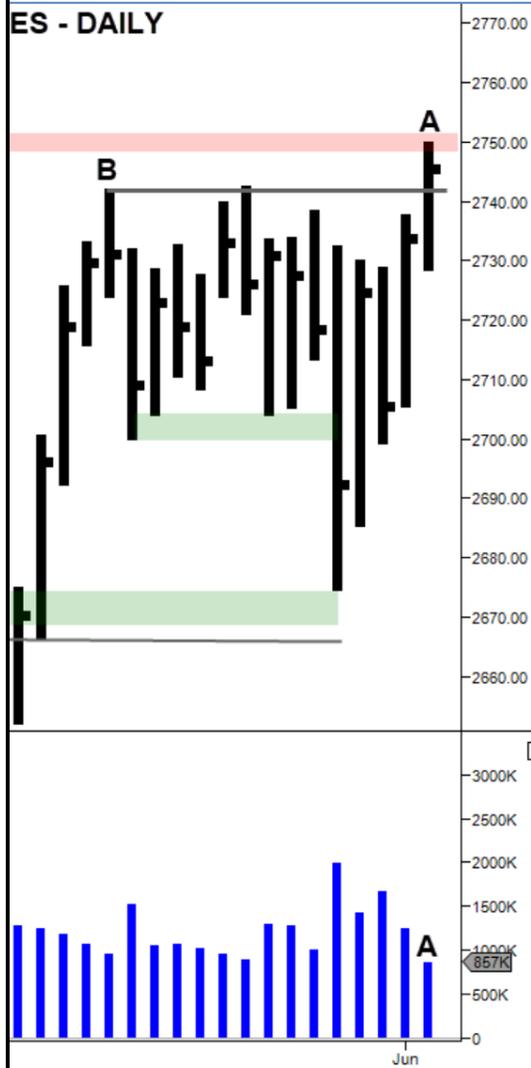


Date: 05/06/18 **Market:** ES mini **Timeframe(s):** Intraday - 5m,15m,60m,3500T

Yesterday: **HIGH:** 2749.25 **LOW:** 2729.00 **CLOSE:** 2745.50

Other levels: res:2788.00, res:2748-50.00, sup:2741.25, sup:2700.50-2704.50, sup:2668-70.00, sup:2594.50



Technically the market has printed a "no demand" bar, in an area of supply (being 2 levels of resistance) Red opaque line from 8th Jan and B. For all intents and purposes we would like the spread to be narrower, indicating a complete lack of demand, however the volume is very low (lowest volume up bar since the 8th March) ask yourself does this bar contain the energy/force of buying to break into new highs? No, the S&P's feels vulnerable as we shouldn't be breaking into new highs with low volume; therefore we would expect lower prices for tomorrow. Bear in mind that the S&P's has a characteristic of appearing to levitate by slowly grinding into new highs with very low volume (discussed in many previous editions of the Chronicles), contextually where we are (between 2 levels of resistance) it's highly unlikely this would be the case, as it would take effort (volume). Key areas to look for will be yesterday's high and support 2741.25; we need to examine the forces of demand & supply with a fine eye.

During the European session the S&P's breaks into new highs, before immediately hitting negativity via A, consequently we react back under resistance.

The US opens and we drive once again through resistance to B, immediately followed by weakness seen by C (sellers are capping upside

progress) why with all this volume, can we not break into new highs? The original anchor point A, has very low volume.....

Bar D - Entry1, an instant short, the spread has increased and closes weak right at the lows; importantly it disconfirms demand via B. If the market is ready for higher prices (as bar B suggests), the price action thereafter should not unfold the way it does. Bar D therefore negates ANY positivity made by B. If one misses the hidden upthrust there is chance to jump onboard via E - previous bar has a lack of demand with bar E displaying negativity (close off the highs with an increase in volume) Compare this attempt to rally to that of the previous selling, worlds apart



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

Bar G – Exit 1/3; hit major target area (daily support) with reversal action (+8.25 points)

Bar H – Full exit; demand has entered, resulting in a strong wide spread up bar (+6.75 points)

This is springing action, although very difficult to trade as demand has not proved itself, the downbars definitely dominate today's trading. Although we make higher prices, it's not a high odds trade. Price action has become very sloppy to J, and has rallied higher than originally anticipated; market is becoming a little unclear, best to stand clear.

Today's trading was setup by the no demand bar via the daily; we had an excellent first start to the session as higher prices were rejected, with the next target being support at 2741.25, if we managed to break this convincingly we would have had a good trade on our hands, the next target being yesterdays low at 2729.00. However, this wasn't to be, that's OK, there is always another trade; time to lock in profits and call it a day, much welcomed early finish

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