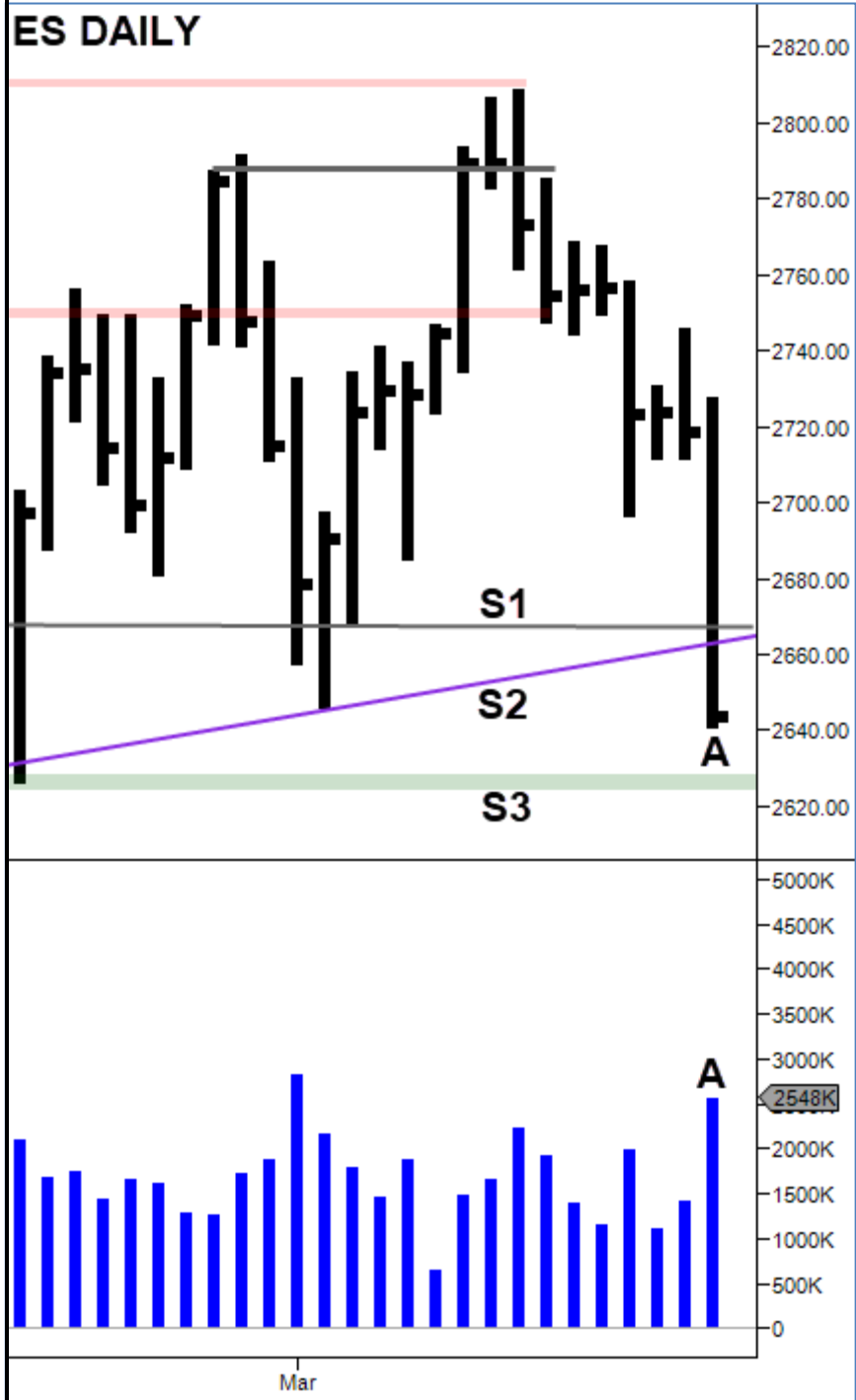


Date: 23/03/18 **Market:** ES mini **Timeframe(s):** Intraday – 5m,15m,60m,3500T

Yesterday: **HIGH:** 2696.00 **LOW:** 2647.00 **CLOSE:** 2690.25

Other levels: res:2723.00, res:2668.00, sup:2622-25.00, sup:2595.75

ES DAILY



The market has spoken; no genuine need for an indepth analysis. Bar A is very weak; an ultra wide spread with high volume, yet not too high that would alarm us to a potential climatic scenario, the close, slap bang right at the lows is enough to stop that train of thought.

Bar A manages to break two levels of significant support (S1 and S2) decisively, by a good 20, 30 points. We would expect further downside progress for tomorrows trading, this is selling of good quality, nothing to overert or out of the ordinary. The first level of interest would be S3 support 2622.00 -25.00, and would expect some form of buying at this level, why? We have had higher volume trading through this level from early to mid February, activity in this area is high, ergo odds favour some sort of buying (not that we would look for long plays), but to merely gauge the quality of the buying, if we manage to get down to this level.

Bar D – Entry 1, why? A classic setup; we see time and time again in the Chronicles. After waiting patiently for 90 mins the market finally tips its hand. Bar C - A classic VSA no demand bar at resistance (lowest volume up bar with the narrowest spread since the US session, that closes higher than the previous 2 bars) This bar was very

tempting to short right on the close, however due to the background conditions, I wanted to see additional weakness. Why? At support, we have buying pre-session at the B's, a spring at B1 and more buying at B2, is this a buying zone? Technically yes, however, what tilts my hand to become bearish and NOT look for longs (apart from yesterday's daily action) is that we can see the force of buying diminish, with sellers having ease of movement and signs of weakness.

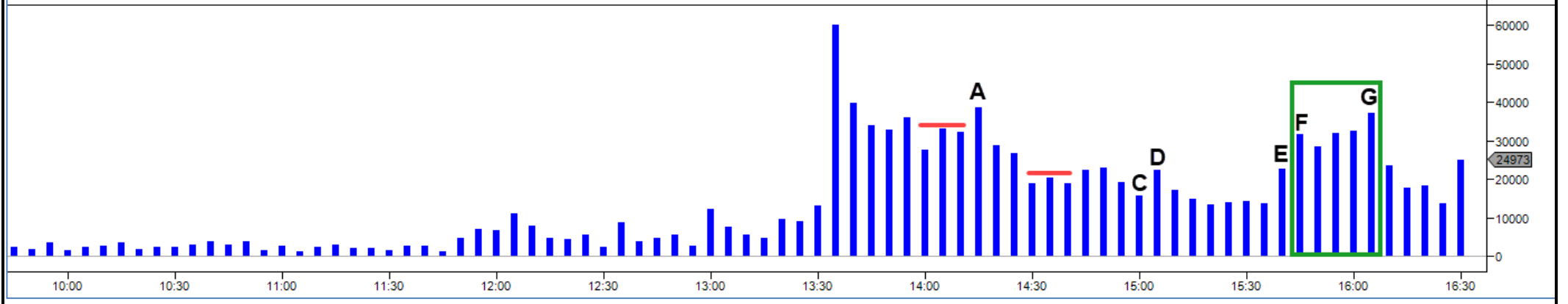
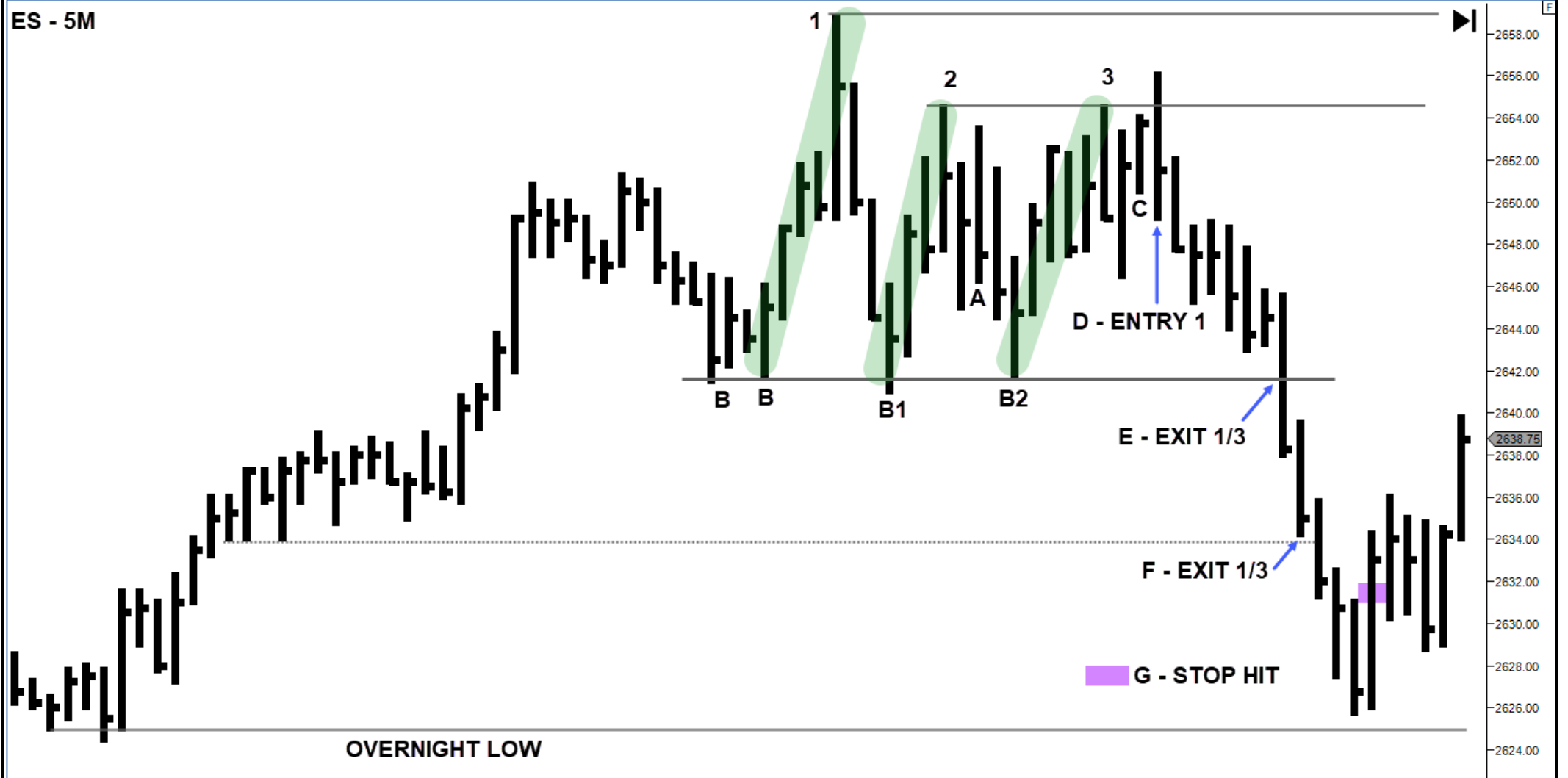
Using our comparative analysis, we simply gauge the quality of buying from support, to 1, 2 and 3 (green opaque highlight) volume declines on each attempt and we are unable to test the highs (make LH's) the buying becomes sloppy with overlapping bars etc. From this analysis we can deter that the force of buying has diminished. Let's do the same for the selling: from 1 to B1 we get ease of movement to the downside, good flow, 2 bars wipe out all the price action to the left. From 2 to B2, not as strong, however still evidence of decent selling quality via Bar A; good spread, weak close and high volume. This analysis signifies that supply is still present and importantly active.

Weighing up all of the data, after the no demand bar (C) we upthrust resistance via D, or a hidden upthrust, label unimportant, its the action of rejecting the highs, that's the key, along with the pop in volume - an instant sell on the close.

Bar E – Exit 1/3, first support (+9.75 points)

Bar F – Exit 1/3, an overnight level of support, with the Bar F being effort vs. Result (compare to previous bar spread and volume, expected some form of rally (+17.25 points)

Bar G – Stop hit. Target was overnight low, unfortunately not hit. Structure didn't help with trade management. Back to basics; the first bar to close above the previous high (+21.50 points)



Today's trading didn't provide a great deal of opportunities, although when it did, it was fairly obvious to the trained eye. A classic no demand bar at resistance, followed by an upthrust; 10 mins the market gives an opportunity to jump onboard for a fruitful day. It's lovely weather in the UK and would like to take advantage for a long weekend. The price action at F to G is very suspect; when we see a swell in volume, that doesn't make much progress (considering we are in a downtrend) odds favour a change in trend (at least momentarily) and I for one do not want to be a buyer in these conditions. Think logically about this behaviour, with all that volume from F to G and we only net 2 points give or take to the downside. In addition we have already established buying via F as it was Effort vs. Result, on that note, time to lock in profits and call it a day

Email: feibel@yahoo.com

Twitter: @feibel_trading