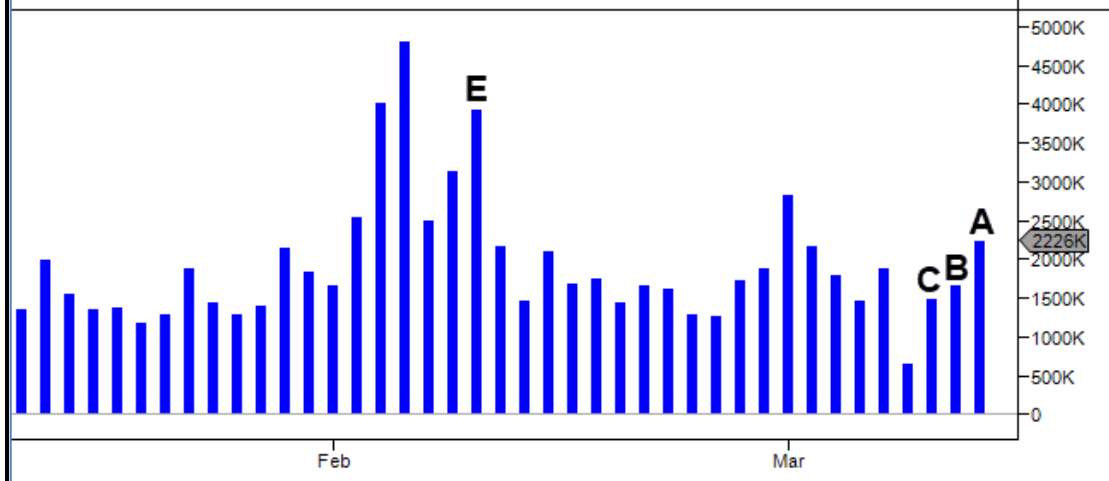


Date: 14/03/18 Market: ES mini Timeframe(s): Intraday - 5m,15m,60m,3500T

Yesterday: HIGH: 2696.00 LOW: 2647.00 CLOSE: 2690.25

Other levels: res:2855-57.00, res:2840.00, res:2810.00, sup:2749-51.00, sup:2622-25.00, sup:2595.75 sup:2529.00



Nice to see the S&P's respecting structure once again, our resistance and support levels have been working nicely, making our job that little bit easier.

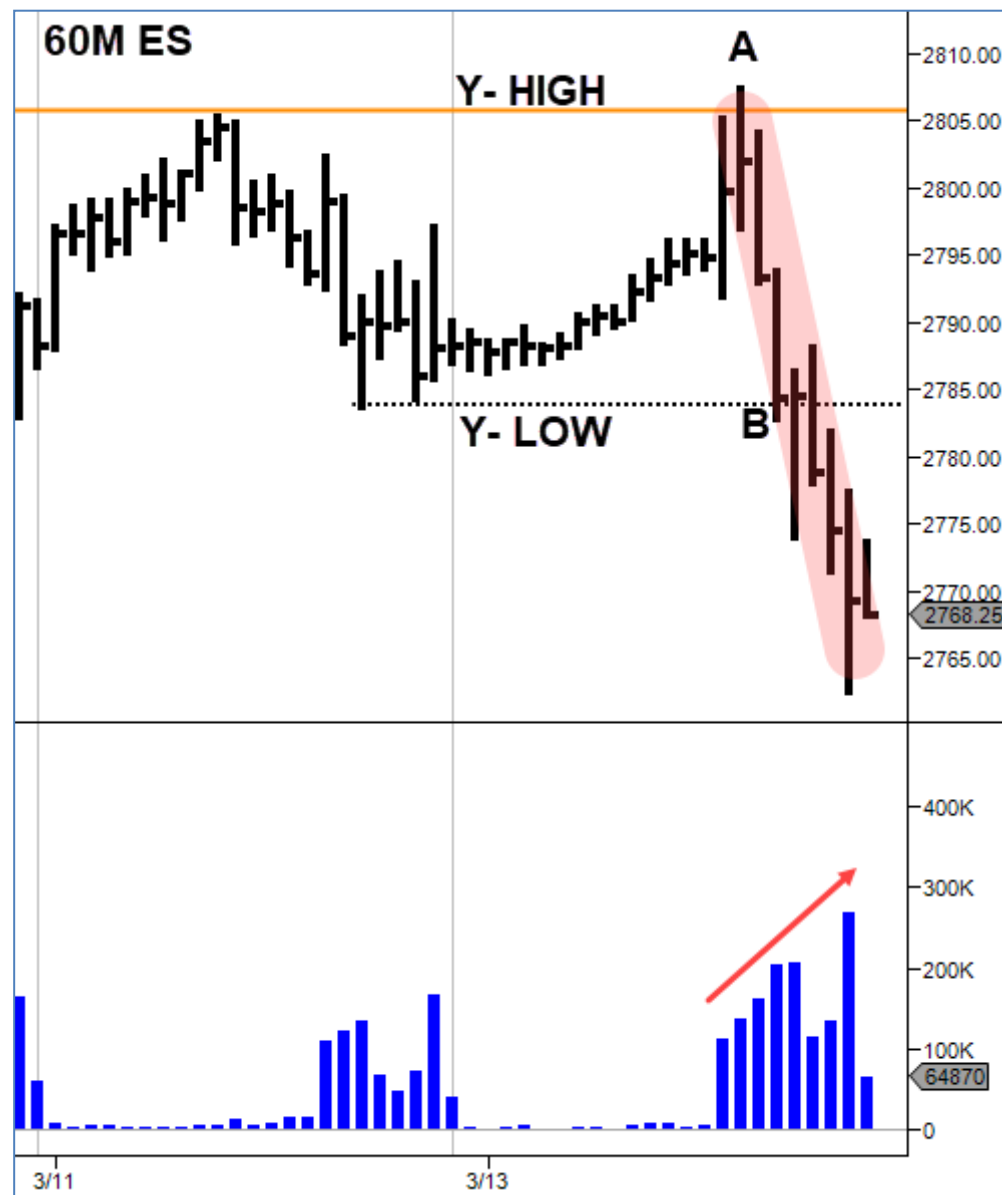
As fun as it is to trade in whacky volatile conditions, it's always a pleasure to return back to normality (although the trading has certainly picked up) the last months trading has been superb. The average true range of any given bar has been much larger than we have seen for a few years, to be expected, as it's the natural rhythm of the market; contraction, expansion etc

Bar A - Very weak, odds favour lower prices for tomorrow, why? Price pops over the highs of B to reverse and close weak on its lows with a spike in volume. This down bar has higher volume than any up bar since E; this is a subtlety of **weakness** that we cannot ignore. Bar A wipes out the whole of bar B, the highs and close of Bar C (accomplishes a great deal) in addition structure holds, sellers emerge at resistance, where they are supposed to.

Bars B and C help with the negative tone; bar B has higher volume than C, yet the spread is only 40% in size, all that extra volume and

lack of movement (narrow spread) means one thing, and one thing only, selling must be present; a case of Effort vs. Result. With that in mind bar A actually confirms the weakness via B (hidden selling).

60m chart is very weak. We upthrust yesterdays high and can visually see the selling pressure. Both bars at resistance close well off the highs, mid-bar. From here we fall pretty hard all day. Price tries to hold at yesterdays low, yet is swamped with more supply. NOTE - the volume histogram, as we fall, volume increases healthily, no signs of any climatic action/stopping volume, this is selling of good quality. Both timeframes suggest lower prices for tomorrow.



First thing coming into today's session, we notice a trading range that has lasted for over 5 hours, suffice to say for a 5m timeframe, significant. US opens at A and we break support, fall a little further before testing ice at B. This is a classic Wyckoff setup "Rally back to Ice" however, the reaction was not deep enough, not enough space from the break to initiate a short play; it could easily be a fake break. Not long until we are rewarded with a clear setup:

Bar C – Entry 1, why? Our premarket analysis was bearish, we traded sideways in a trading range for 5 hours, finally break via A with decent volume, proceeded by a test via B. More supply at Z as we make lower prices, decent spread and volume, very healthy selling, supply is clearly in control.

NOTE - that price cannot close above resistance, every time we bob up, sellers slam it down, there is no buying force trying to drive this market higher, volume is very low (purple arrow) Importantly we have 2 areas of structure to lean against for our short, a supply confluence; resistance and the supply line from our channel. This is a simple trend trading technique; there is evidence of selling all around us, with weak attempts to drive higher (compare the buying to the selling, worlds apart)



Bar D – Exit 1/3, first support (+4.00 points)

Bar E – Exit 1/3, way oversold in channel, yet more importantly this bar is climatic and not healthy selling, volume is too high, plus we are in a fairly established trend for this time frame, not ideal (bar E's volume had to be capped via the histogram for illustration purposes) (+15.75 points)

Bar F – Full exit, trading back within the channel, spread and volume increase, odds favour higher prices, unwilling to give back further profits (+13.25 points)

Bar H – Entry 2, why? The rally to G is weak, low volume, spreads narrow. Bar G itself, looks strong and we would think higher prices (although it does feel a little climatic, rising too fast, too soon) the following two bars show no upside follow through. Then bar H prints, the lowest volume up bar we have printed since the session started. Logically by using context, we construct our story; H is near resistance, weak rally behind us (poor buying), in a downtrend, and supply has proven itself time and time again. Bar H is no demand (not to be confused with VSA no demand) an instant short via the close, stop above G. We are fully aware of the climatic bar (E) and we all know that climatic bars like to be tested, so our main target is at the lows (support) The expectation of our trade is support, not another leg down, this is the kind of thinking we do in advance, it helps to alleviate any "what if" which would cause unnecessary stress

Bar J – Exit ½, support, (+13.75 points)

Bar K – Stop hit, some buying would be expected at support (natural) however the two down bars have very low volume (as illustrated, red arrows) is supply spent? Or is it a lack of demand? The following bar bounces of support with good volume (indicates demand) stop was moved very tight and was consequently hit (+7.75 points)

Today's trading provided some decent opportunities, with excellent stair stepping to the downside, exactly the action we want to see from a downtrend. Unfortunately this was short lived due to the climatic bar, this shifted momentum sideways. Nonetheless we were able to capitalise with a decent trade (no demand bar setup) by reading the subtleties and understanding context it gave way to a lovely little setup. Wyckoff often spoke about finding the force with the greatest pulling power, and at certain turning points it seems as though a feathers weight can tip the scales, today's setup fits perfectly into that line of thinking, and is why these are a personal favourite of mine, there is a sense of satisfaction and beauty to trading these in particular that resonates deeply within. On that note, time to lock in profits and call it a day

Email: [feibel@yahoo.com](mailto:feibel@yahoo.com)

Twitter: @feibel\_trading