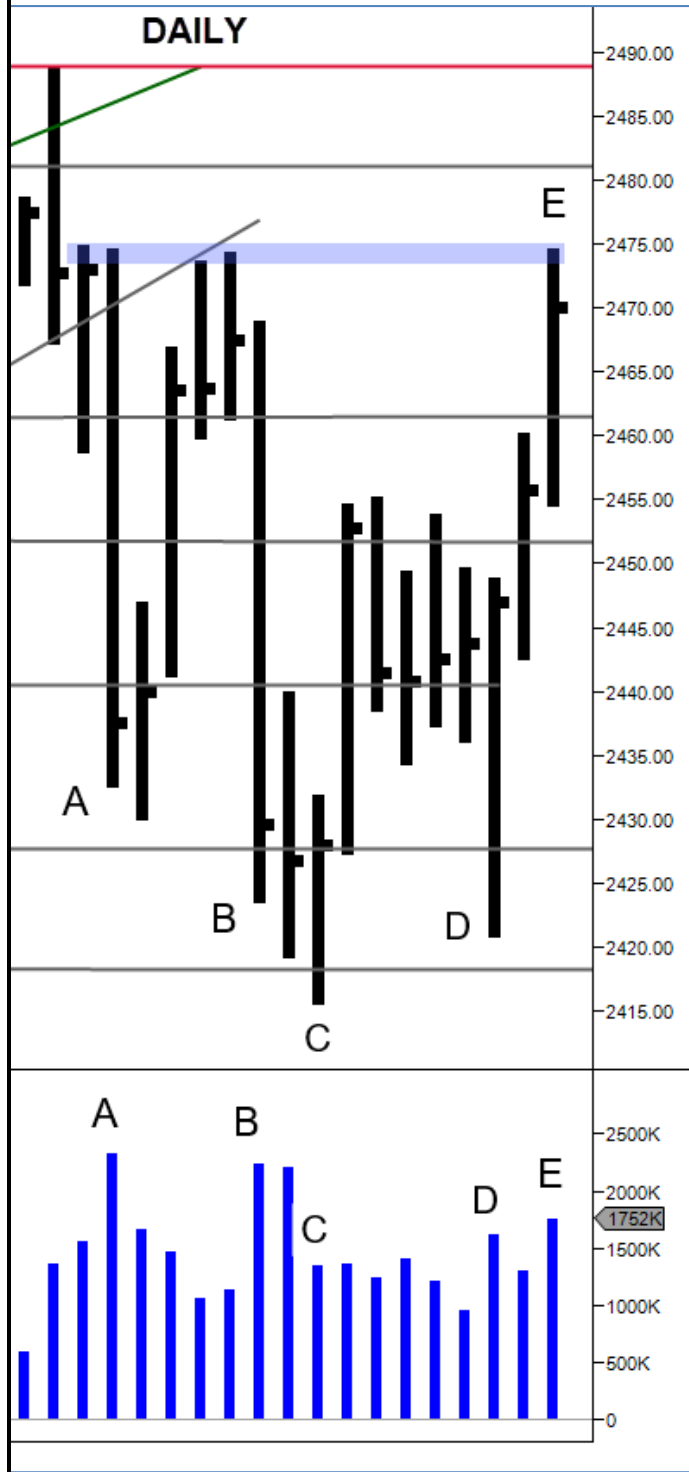


Date: 01/09/2017 Market: ES mini Timeframe(s): Intraday - 5m,15m,60m,3500T News:

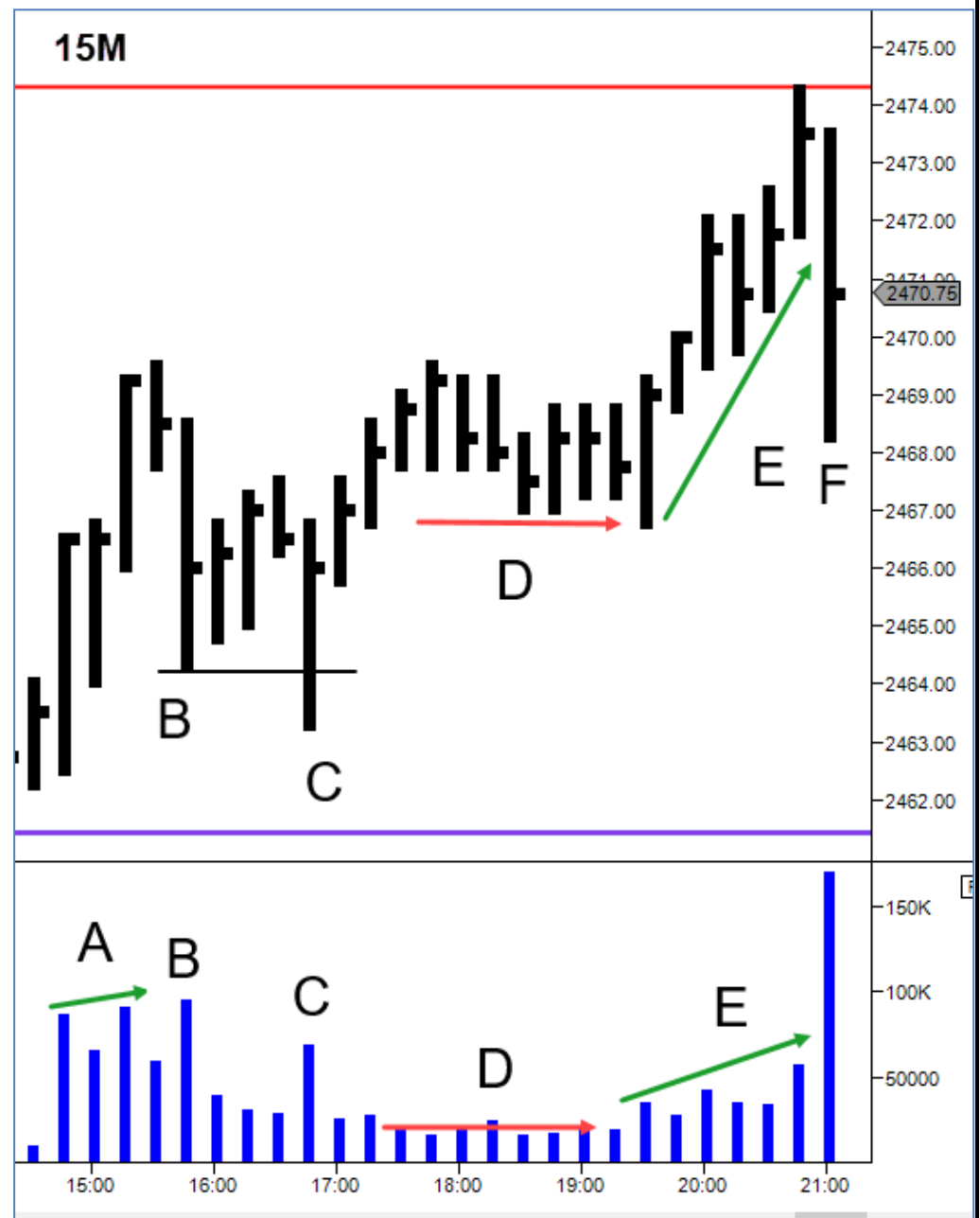
Yesterday: HIGH: 2474.25 LOW: 2454.75 CLOSE: 2470.00

Other levels: res; 2488.50, res:2480.50, res: 2474.50 to 2474.50, sup:2461.50, sup :2451.50, sup:2440.00



The S&P's has proved to be stronger than previously expected, the major support level to be tested after the break down bars from A and B (the heavy selling, supply bars) was 2400.00 to 2403.50, yet the lowest price we could muster was the low of C (2415.75) holding the 2417.00 multiday support. Holding the higher level of multiday support by 12 points (give or take) is significant; the buyers are unwilling to give up ground. Bar D the sellers had ample opportunity for lower prices, but buyers came in closed it firm and we haven't look back, as we rally volume increases. There is a little supply in bar E, if we compare the spreads and closes between bars D and E, E with higher volume has a weaker close and the spread has narrowed, ease of movement to the upside is not as clean, saying that we would expect supply at the high of E, why? we have a multiday level of resistance as highlighted in blue (4 touches) this will be a key area for tomorrows trading. Via the daily we would expect some form of follow through, we have great price action behind us and momentum on our side, if we break the supply zone can buyers sustain a close? Why do I say this? The S&P's has had one close above this level, ever!! this was the no demand bar back on 7th August that triggered the last reaction down to lows of 2415.00

The 15m is very strong with no signs of supply. Market opens at A - we drive up with decent spreads, closing firm with good volume. B - a little negativity, but buyers step in and close it well off the lows. Market tries to rally, doesn't produce much then bar C, we spring the lows of B; this bar proves that sellers are no longer active they had ample opportunity to capitalise for lower prices. We continue to push up and gain the biggest clue of strength via the price action at D, we hold gains; the sellers do not have enough force to push the market down, volume is very low - NO SUPPLY. In Wyckoffian terms "By disconfirming supply we have the confirmation of demand". As we rally to new highs volume increases (E). Bar F is the US close, high volume to be expected, in addition we hit the supply area, we close mid bar with all that volume, therefore we know that an awful lot of buying is present. Both timeframes are confirming higher prices for tomorrows trading, bearing in mind where we are contextually via the daily is of the utmost importance.

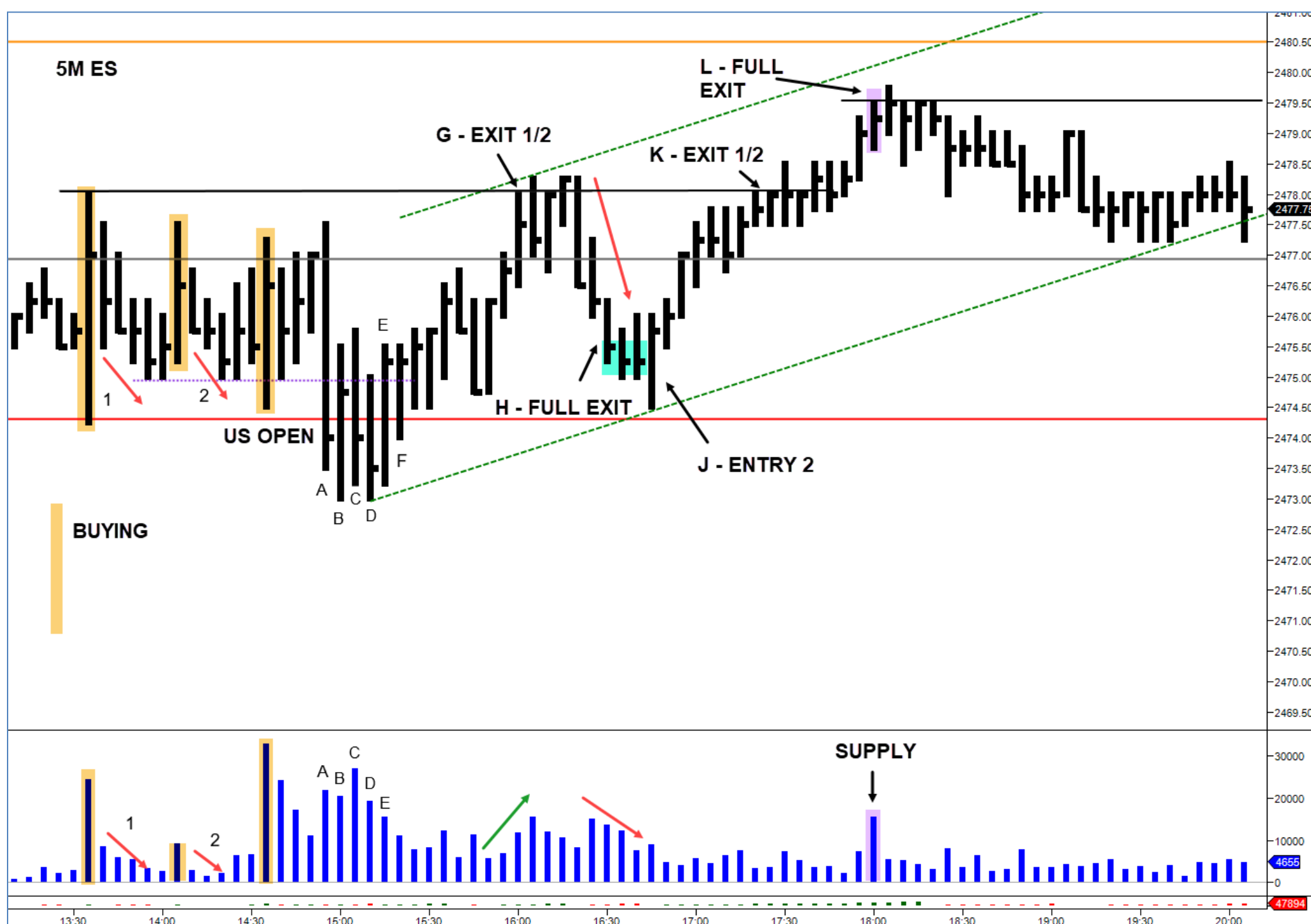


During the Asian session we hold gains drifting in 2.50 point for the duration. European opens and we begin to push up and hold above the selling zone of 2474.50. Via the 5m chart we have strong buying at newly turned support (orange highlight), and the reactions are very weak (1 & 2) all the volume/activity is with the buyers.

We get decent buying via the US open, followed by a weak rally into resistance, the market then plummets at A with very weak price action closing under yesterday's high.

B - dips under A finds no further selling, reverses to close firm back over support, volume is the same. NOT a 2 bar bottom reversal, but some strength. Nothing to do here, although we note a potential spring

C - A down bar with higher volume than bars A & B, yet with all this volume we can't make a lower low over B.... only buying can do this. Comparing the spreads of A & C; we have bar C with higher volume yet a 1/3 less spread, this also indicates buying. We have 2 subtleties of strength (hidden buying) Does this action make sense, yes. Look to the left we have already established decent buying bars plus we're on top of major multiday support. By adding the pieces together we get a picture of strength



Bar D - A down bar, unable to make a lower low, close is off the lows, now if sellers are going to take control we need to see follow through on the next bar

Bar E - Immediate reversal, closing back above multiday support with decent price action. One could argue that volume isn't strong, yes this is true, BUT contextually this makes sense; when we have battles between sellers and buyers, major churning with high volume bars that make no progress in terms of price, is actually the transference of contracts, so when one side wins (either by dominating or depleting contracts) price can appear to levitate, why? The lack of opposing force, there are no more sellers (for the time being) ergo price can move with very little volume as there is no selling friction. This is an advanced concept that usually associates itself towards the end of Accumulation and Distribution

Bar F – Entry 1, why? All the above, we have a story of strength, this bar as it unfolded produced no volume to the downside, all the volume came in towards the last 30 seconds or so and resulted in an up bar. I was looking for test and in real time there was no supply, as we broke back above support, the market pulled me in. Due to the nature of the trading and where we are via the daily clip size was reduced

Bar G – Exit ½, first resistance (+3.50 points), volume increased to G, a healthy sign

Bar H – Full exit, as we pullback volume has a slight surge, although spreads tighten a little (indicates buying) we could easily come down to test support. This would put our longs under water (by a tick or two) plus the addition of added psychological pressure, for all those reasons an exit was the right play (+1.00 point)

Bar J – Entry 2, why? We have established buying at A to E, as we pullback into this area, volume declines, we get a clustering of closes showing an inability for lower prices. This action is merely testing for supply, Bar J itself is extremely strong in price action terms, bounces off support, dips under the previous selling bars to reverse and close firm back above all three closes, an instant buy.

Bar K – Exit ½ - first resistance (2.25 points)

Bar L – Full exit, near overbought in our channel, in addition a supply bar (hidden selling) we have a huge surge in volume (relatively) and a mid close, only selling can do this, plus were one point under major daily resistance, selling is of no surprise (+3.75 points)

Today's trading was difficult, very choppy for the first couple of hours proceeded by narrow spreads and a lack of volume thereafter, very uninspiring price action - unfavourable trading conditions for my style (hence the early finish) The whole move up from J we could class as no demand from a Wyckoffian perspective, there is no buying of decent quality; taking into consideration where we are via the daily we would have to class this as suspect behaviour, lower prices to test support at 2474.50 (at least) are on the cards, time to lock in profits and call it a day

Email: feibel@yahoo.com