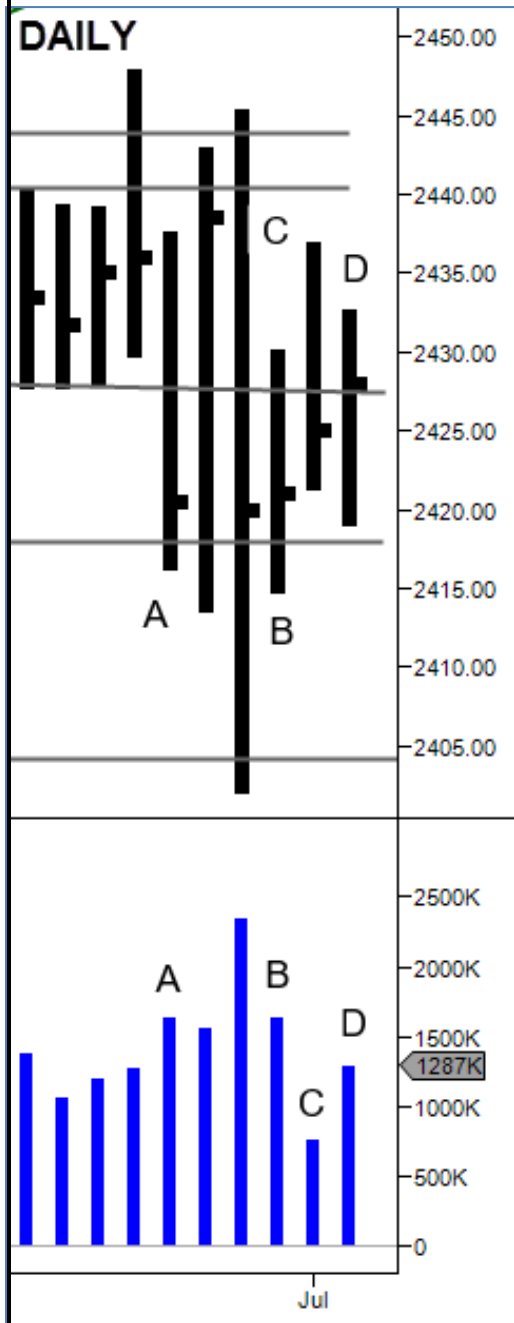


**Date:** 06/07/2017    **Market:** ES mini    **Timeframe(s):** Intraday – 5m,15m,60m,3500T    **News:** Jobs

**Yesterday:**    **HIGH:** 2432.25    **LOW:** 2419.25    **CLOSE:** 2428.00

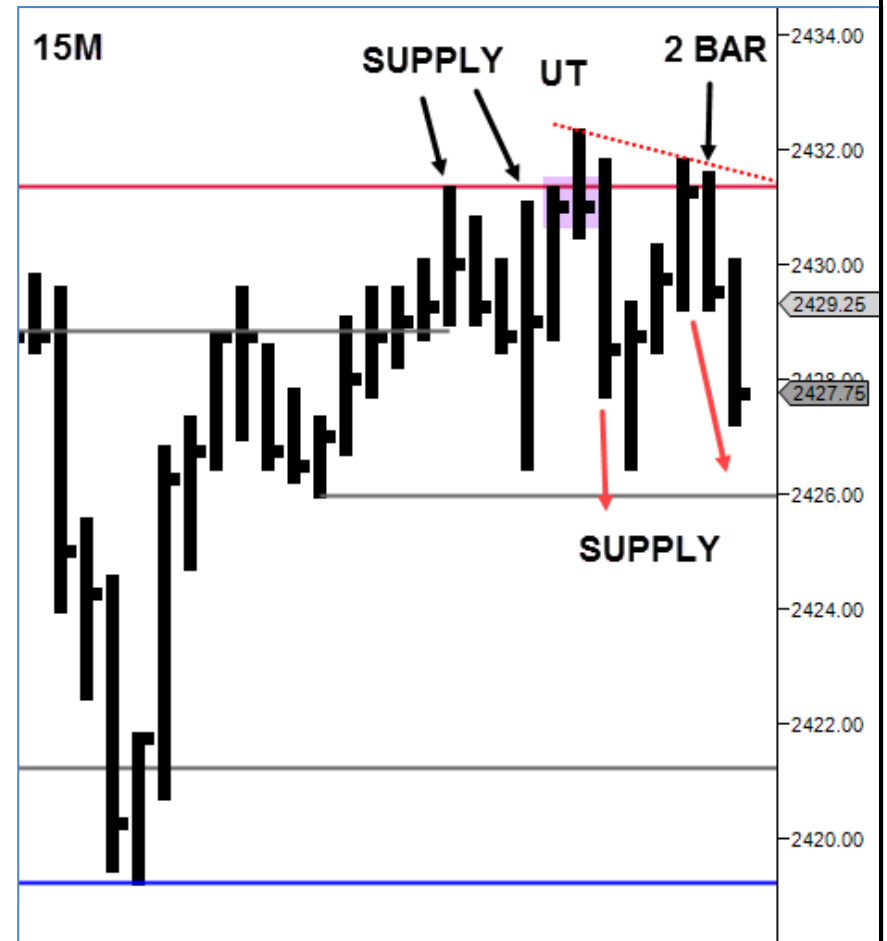
**Other levels:** res:2480.00 res:2451.50, res:2443.50, res:2440.00, res:2439.00, sup:2403.75, sup:2417.00



From yesterday's action (bar D) we would have to conclude that buying was present. We dip under bar C reverse to close fairly firm on average volume. The close tells us that buying of good quality hasn't occurred as we have managed to only close a couple of points higher

The 15m chart gives interesting insights. Resistance being yesterdays high is holding and has done for 3 hours. Every time we touch, supply enters. We get a clustering of closes and an upthrust (very weak) which is immediately met by further supply.

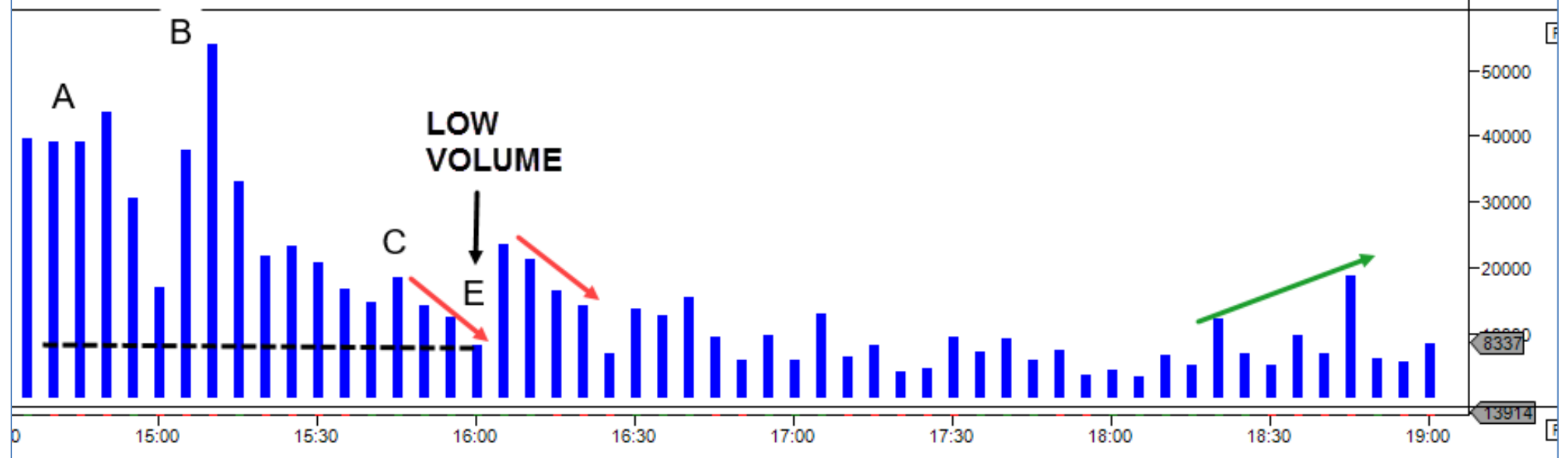
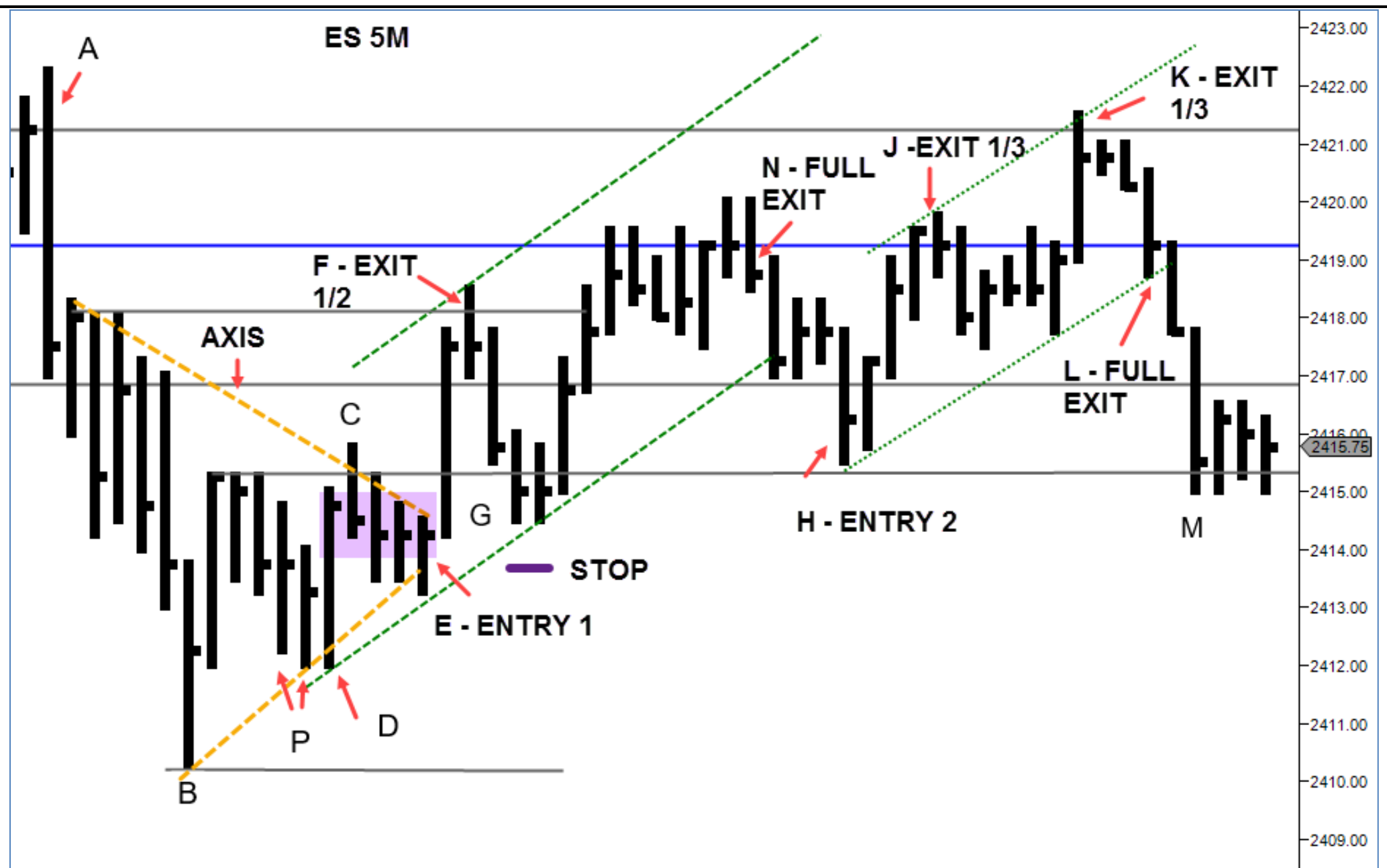
Followed by another touch resulting in a 2 bar reversal at resistance, where more selling occurs. This action suggests lower prices. More importantly why has the market decided that yesterday's high is a place for selling to emerge? logical place would be the axis line at 2437.00 which is only 5 points away. From this we can extract one vital piece of info. Sellers are stepping in early, being aggressive



During the overnight we fall sharply in both the Asian and European sessions (14.50 points), we flirt with yesterday's lows, hold and trade back through. The US opens at A; we slam right back down through support with the open bar spread being 5.25 points via the 5m min chart (large) - supply is entering the market and continue south until bar B. This could be labelled as stopping volume/mini selling climax, what's important is the action - this halts any downside progress, we have higher volume than the previous bar yet the close is well off the lows, only buying can do this. Nothing to do here, merely noted we must wait for the market to give a clear opportunity. Bar's P are testing, but with all that selling and negativity behind us we need clearer signs. C is an upthrust and one couldn't be blamed for trading this as we are in a down trend (positive), personally I would like to see a rally weak with narrow spreads, low volume, over lapping bars etc. The market prints the exact opposite bar D, is does have low volume but price action is king, would you want short against bar like this?

Bar E, entry 1, why? From the upthrust we have no downside follow through, volume declines and the closes cluster (purple hl) we are unable to make lower prices and all this action occurs in an apex. Bar E is the spring board bar its positioned slap bang right in the middle of the apex with the lowest volume - right on the spring board, picture perfect (as discussed in a previous Chronicle - isn't it fascinating how the market produces the same action time and time again? all be it slightly differently. When we have a thorough deep understanding of our favourite cycles/patterns/setups we can begin to take advantage, more importantly we gain confidence and belief in our strategies) in addition we also dip under the previous bar, signifying that supply for the time being has dried up

Reasons for the trade other than above: We have stopping volume and a failed upthrust (through disconfirming supply we get the confirmation of demand) behind us. More importantly why would the market produce an apex other than for upside progress? Supply is in control, it doesn't need a reason for lower prices, armed with this knowledge we can extract vital info that this apex was



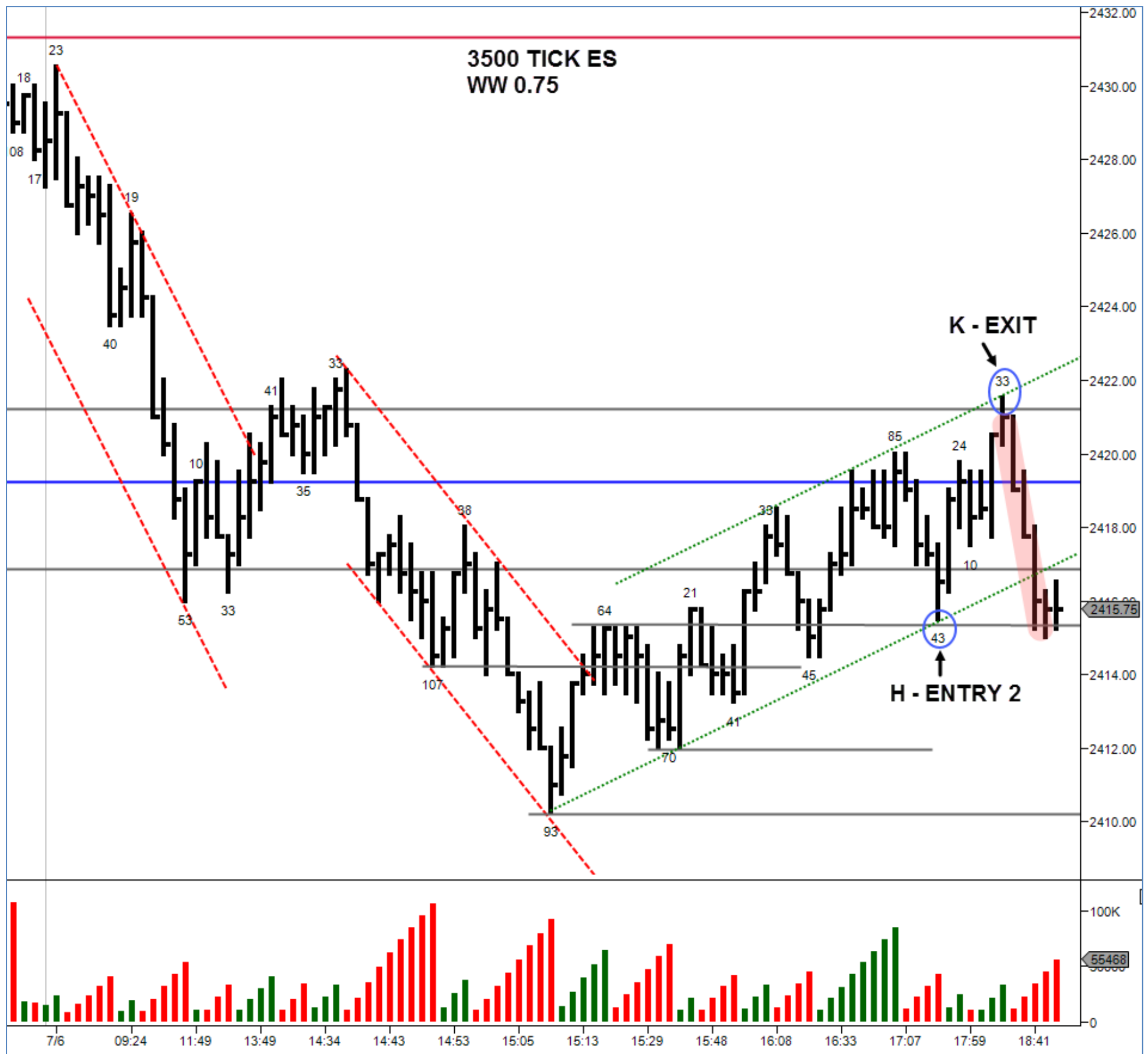
produced to give the bulls an opportunity (build cause/energy). This read from the logical price action (apex) are my personal nuances that have developed over the years - when combined with Wyckoff and VSA can provide a powerful edge

Exit 1/3 at F first target (+3.50 points), as we react to G, (a gut check) volume declines (good for our position) we expect a reaction from resistance, although stop is moved under the cluster of closes and the demand line. The market is volatile at present, in these conditions we have to give more room for our trades to breathe, if the average true range of daily bars were 7, 8 points, the majority of the trade would have been liquidated at the first target - adapting to market conditions is key. Full exit at N (+4.25 points)

Bar H, entry 2. Demand appears to be in control, we have the largest up wave behind us 85k contracts, we're making higher highs and higher lows, (uptrend) we want to be buyers. Resistance at yesterday's high is to be expected and we get a picture perfect reaction down to firm support and the demand line (a bullish confluence) with half the volume 43K contracts an instant buy (refer to tick chart)

Exit 1/3 at J (+3.75 points), exit 1/3 at K (+5.50 points) over bought in the trend channel at resistance, full exit at L, stop hit (+3.50 points)

The market moves sharply to M with increasing volume and the last 3 bars show no ability to rally from support (weakness) - if we take a macro perspective of today's trading the market opened with heavy selling to B with fairly good ease of movement to the downside (7 bars) We then rally back to the initial level (US open) at K which has taken 40 odd bars, the rallies are very choppy, with price bar overlap, volume not overt - not buying of good quality, there are a couple of bars, percentage wise very low in comparison. It feels as if the market wants to go lower, the logical place would be bar B to test for supply



The tick chart illustrates entry 2 and the exit with clarity, along with the uptrend making higher highs and higher lows, as mentioned previously I like to integrate both charts. NOTE - the red opaque down wave, a clear change of behaviour, price action shows excellent ease of movement to the downside

The trading has been unusual to say the least, this was due to other instruments as the NASDAQ at one stage was down -1.2% and oil up +2.5% - we have the NASDAQ weighing on the S&P and oil trying to stabilize the S&P and pull it to the upside. Lock in profits, have an early finish with a long weekend ahead as its Wimbledon and I'm fortunate to have tickets for tomorrow. Next Chronicle Monday 10<sup>th</sup> July

Email: feibel@yahoo.com