

Date: 06/11/2017

Market: ES mini

Timeframe(s): Intraday - 5m,15m,60m,3500T

News:

Yesterday:

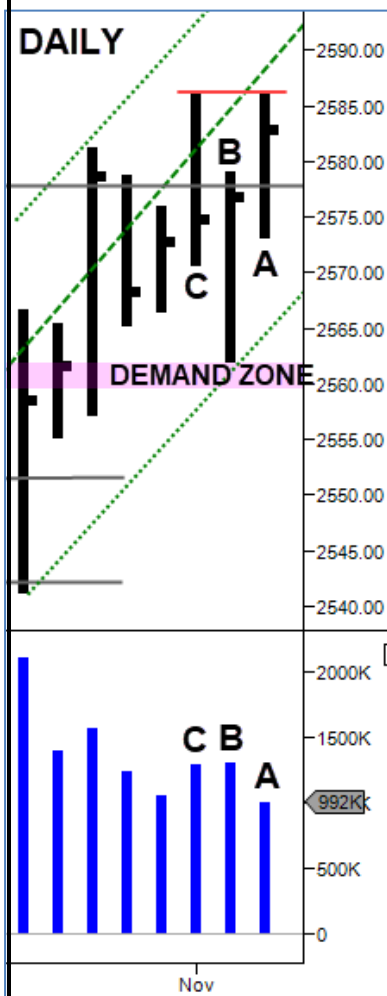
HIGH: 2585.50

LOW: 2573.50

CLOSE: 2582.75

Other levels:

res:2592.00, sup:2560.00-61.00, sup:2550.75, sup: 2542.50, sup:2538.00, sup:2528.00-29.00, sup:2507.25



The S&P's is poised for higher prices, why? Bar C is a daily upthrust; lower prices to be expected (if C closed under the low of the previous bar, the story of weakness would be much more overt) Bar B does produce some downside follow through, however the price action via market structure is strong, we bounce of the demand area and close back above the low and close of bar C with decent volume, there is no other way to interpret this behaviour, it's bullish. Demand has entered the market where it should (demand zone). Bar A we get follow through to the upside and one could argue that it's a "no demand bar" and it does have some characteristics (spread and volume should be smaller) BUT more importantly we come from immediate strength, there was an upthrust via C that was immediately reversed at B, the strength via B negates the weakness from C. From a daily perspective we expect higher prices

The 60m chart highlights strength in a more positive manner. First thing we note is that the wide spread down bars (D & E) close well off the lows and continue north,



this tells us that demand is in the market - the buyers have shown their hands. During the overnight we hold gains, flush out weak longs and induce a bear trap via A, before reversing and continue to rally all session to B.

Resistance is to be expected as it was the last swing high where we reacted to D. Bar C is the US close and as you all know by now it's notoriously difficult to interpret as many types of traders are active, taking on face value bar C is weak and has unusual volume for the time of day (very low) this tells us that the market isn't being supported, odds now favour a test of support (blue circle) and the market has every

right to do so (this action would not be considered weak). If the market tests support and indeed holds, we gain the added knowledge of a potential higher low and therefore would expect another leg up; the beginnings of a new small trend to the upside

During the overnight (Asian session) the market does test support (unsurprising as mentioned above) the market responds well during the European session netting 8.00 points to the upside. Everything is falling into place for bullish setups, as we now have a confirmed uptrend for the timeframes we trade.

The US opens strong breaking the overnight highs, then comes back to test via bar A, which is our first entry, why? Firstly: there is strength behind us via the higher timeframes, our background conditions are bullish. Bar A tests the US open, dips under the previous 3 bars to reverse and close firm and we achieve this by holding local support (like a spring bar) bear in mind that our pre-market analysis has given us the licence to be aggressive in nature.

Bar B - Exit 1/3, a negative bar, closes well off the highs, selling is present (+2.00 points), Bar C - Full exit, we break the demand line after a failed attempt to break the highs made at B, as we react the volume increases (+1.75 points)

Bar F – Entry 2, why? Bar C acts like a shakeout bar, however we rally back to the highs made via B (this action is not indicative of weak behaviour) The market revisits the lows at D with a two bar reversal; what’s important here is that the second bar (D) reverses all the negativity of the prior bar and closes higher with lower volume, whilst breaking the supply line - very strong behaviour (lower volume indicates ease of movement). We come back down for a third time via E with a huge surge in volume that again closes off the lows in a known area of demand (a mini buying zone) Bar E is a case of Effort vs. Result (contains a great deal of buying) we also become a little oversold in our micro channel. Price resumes back within the channel and bar F is picture perfect; dips under the previous bar to reverse and close firm and of course back within our channel, it’s an instant long at the close. Some of the astute readers might be thinking why buy near the supply line? Which is a valid question; ask yourself; which area has more significance - the supply line via the micro channel or support that has held with all the volume from Bars C, D & E? no brainer, support has much more validity. There is nothing wrong with waiting for confirmation, however with experience and the understanding that the structural integrity of support trumps that of the supply line, the setup up becomes viable



Bar G – Exit 1/3, First resistance (+1.75 points), Bar H – Exit 1/3, next resistance (+3.00 points)
 Bar J – Full exit, for over an hour the market has traded sideways, during the this time the stop was moved to under the confluence area (purple line). Towards the end, the market pushed up nicely with increasing volume, however the last couple of bars make no upside progress with all that volume (something is off, not healthy for long positions) as bar J breaks the demand line and closes with that volume, an instant sell (+3.50 points)

Today’s trading was rather flat, yet did provide a couple of opportunities. You never know how the market will unfold and what an individual setup will yield, and in this case although in terms of points could be considered low, we are always grateful. One could argue that the majority of today’s trading has been confined to a 5.00 point trading range, pulling 3.00 points is 60% of the move, try to always use perspective, time to lock in profits and call it a day

Email: feibel@yahoo.com

Twitter: @feibel_trading