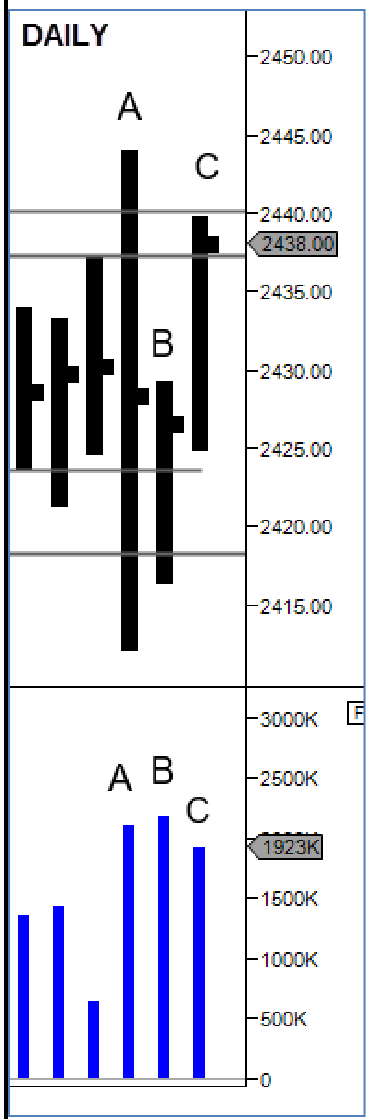
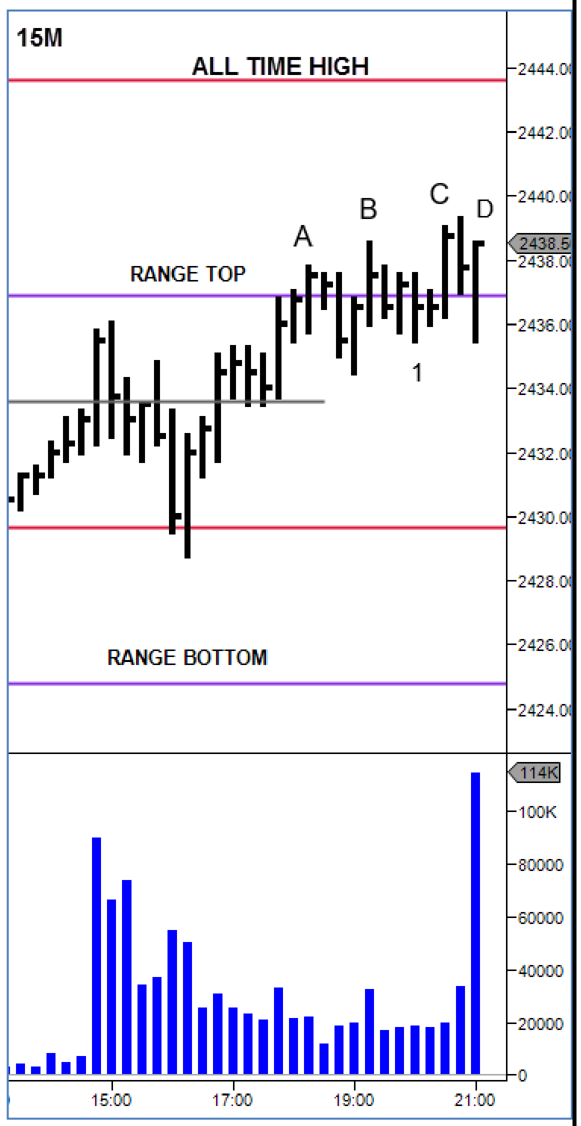
Date: 14/06/2017 **Market:** ES mini **Timeframe(s):** Intraday – 5m,15m,60m,3500T **News:** CPI, FOMC

Yesterday: **HIGH:** 2439.25 **LOW:** 2425.25 **CLOSE:** 2438.00

Other levels: res: 2471.75 (weekly supply line), res: 2436.75 (range high) res: 2443.50, sup: 2417.75 sup: 2403.75



The S&P looks strong: we don't need a great deal of data to show this. Bar C although has higher volume than B, the progress made speaks for itself. We drive north and close back above support. The bar/volume relationship with C is fine, it has a taken a little less effort to push the market higher (this signifies the lack of selling pressure) Using yesterdays analysis, we know this to be true. From this chart alone we would expect higher prices



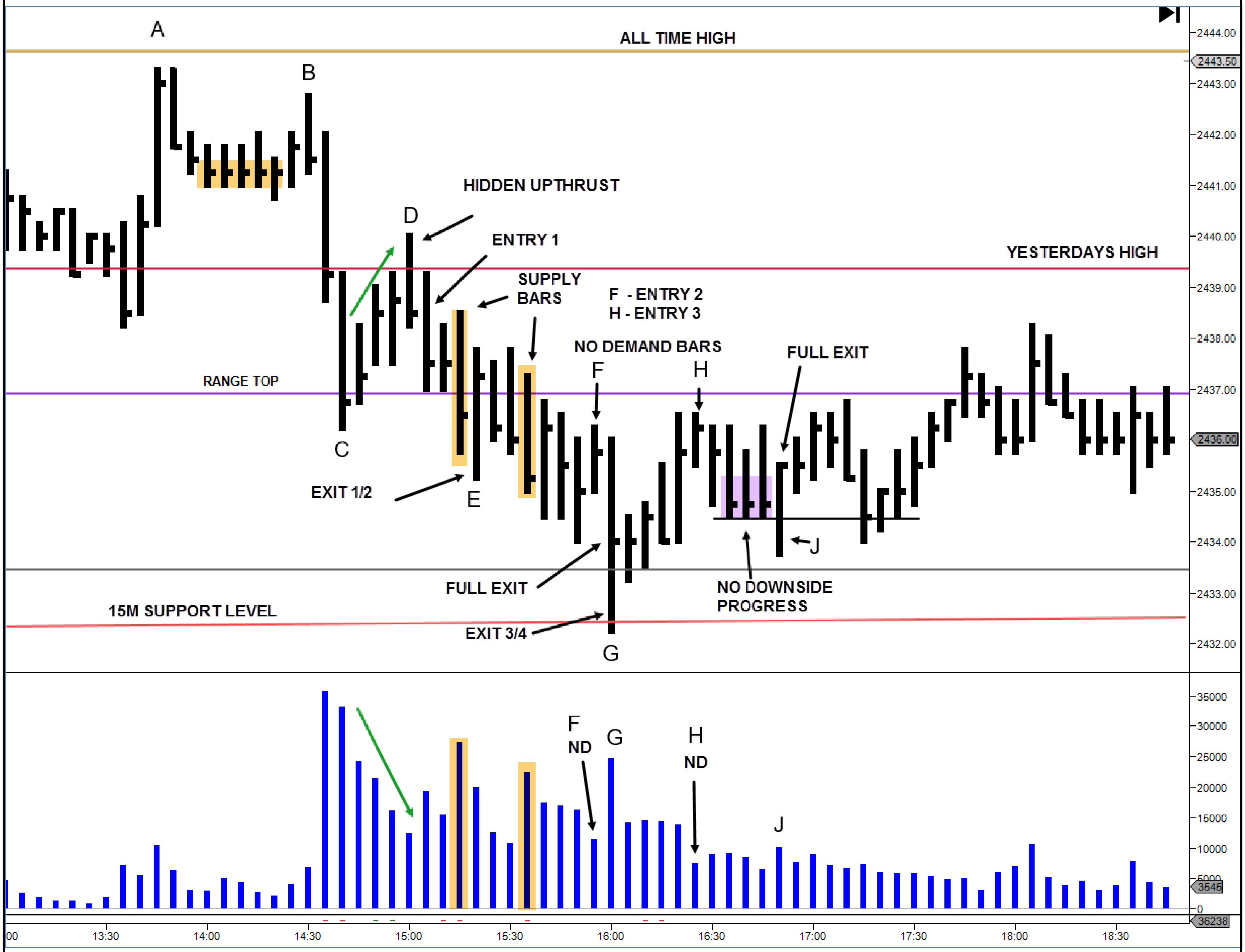
The 15m doesn't give a clear indication. We're trying to break the top of the trading range (which has been in play for many days now). We get a decent push to A, B and C. The pullback from B shows a little strength as the price action is choppy. We get 2 decent up bars to B the pullback to 1 is choppy - trying to hold the level. Bar D we end up closing firm above resistance. Odds favour some sort of rally at to at least test the all time high. The last time we visited this area, was bar A via the daily, we saw supply emerge and drove the market down 30 points. The question we need to ask ourselves, are the sellers still active at the highs? We know 2 things: Our advance to the current position has been strong; we know demand is in this market. Looking intraday demand has proved itself and we have seen the lack of supply. If we approach the highs (where selling exists), what's stronger the buyers or the sellers? The buyers have momentum on their side, but have they run out of steam? Either way, we have structural places for trade locations, the all time high 2443.50 and the highs of the range 2437.00. This will be vital for today's trading, analysing in real time the strength of buyers and sellers at these key areas. It's possible that both sellers and buyers will restrain and we'll have a range bound day, time to digest and find equilibrium

Game plan: Scenario 1 – highs made first; look for weak demand and supply to show its hand at 2443.50. Apply bearish setups

Scenario 2 – Highs made first; break the high decisively, wait for weak pullback to apply bullish setups

Scenario 3 – lows made first, fall through support with heavy selling 2437.00 wait for a weak rally to short at resistance (range highs)

During the European session we test the highs and price is rejected at A. We pull back and hold, note the cluster of closes, we refuse to go down. The market wants to have another attempt to break at (B) and it was abysmal. US opens, we drive down hard to C. Weak bars with decent spreads and volume, closing on their lows. Due to the nature of support being the top of the range, we would expect some buying. As we rally to D we have our first trade, a hidden upthrust, it's a good trade. Why? Highs have been rejected (weakness) supply is behind us (weakness), we have resistance being yesterdays high (weakness) and finally the upthrust itself is a sign of weakness, more importantly as we rally note the volume decline (weakness). This is my process of taking a position, all were doing as traders is trying to build a picture of either strength or weakness and stack the odds in our favour by creating a story. This applies to the Wyckoff/VSA method and of course is discretionary. Holding this trade was very difficult, it was a tight sloppy move that had no alacrity, ease of movement. Exit ½ at E as we closed above support, this had the potential to be a reversal, stop moved to break even for the remainder. The down bars helped to hold the trade as volume is large and signifies supply.



Bar F (entry 2, add additional contracts) feel confident with the short as we have a no demand bar at resistance plus all the additional weakness mentioned. Picture perfect it's immediately met with a swift sell off, it still amazes me how the market operates so effectively. Exit ¾ position at G (+5.75 points, & +3 points. Structurally it's the first real support level; additionally look how we get here, the pullback is not impressive. This is selling of poor quality, lock in profits. As bar G closes exit at market, why? Demand has emerged, look at the high volume and the close (mini climax/stopping volume) only buying can do this. Out of all the bars since the downtrend began this one this shouts strength. We must also take into consideration that we have demand at a support (where it should be) odds now favour a test of resistance. I tend to lock in profits (+1.5 points)

Entry 3 – no demand at resistance, rally was fairly weak. This is very aggressive (1/3 clip size). Exit at J - this bar dips under to reverse firm with a pop in volume this shows demand. Exit trade with a market order (+1 point). This trade never took off - we had 3 opportunities for further downside progress (purple highlight). There is nothing wrong with taking small profits, what's important is when have a set up like Entry 3 (or any setup) and we can visually see the market not unfolding the way we like and print a bar like J we have to exit. We must be willing to let go of our trade and our biases. By reading the market as it unfolds we must be in sync with the rhythm and the information it provides. In this case it's telling us higher prices, or at least to test resistance. Holding a trade to be thinking and hoping what if....... it's an unpleasant feeling and have been there many a time. Why put yourself under unnecessary pressure? There is always another trade.

No further trades for today, more often or than not the market will remain flat until the FOMC meeting (7.00pm GMT). This can often whipsaw the market, volatility increases (we must adjust our stop and clip sizes as per trading plan) Points have been made and locked in. Call it a day

Email: feibel@yahoo.com