

Date: 12/09/2017

Market: ES mini

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

News:

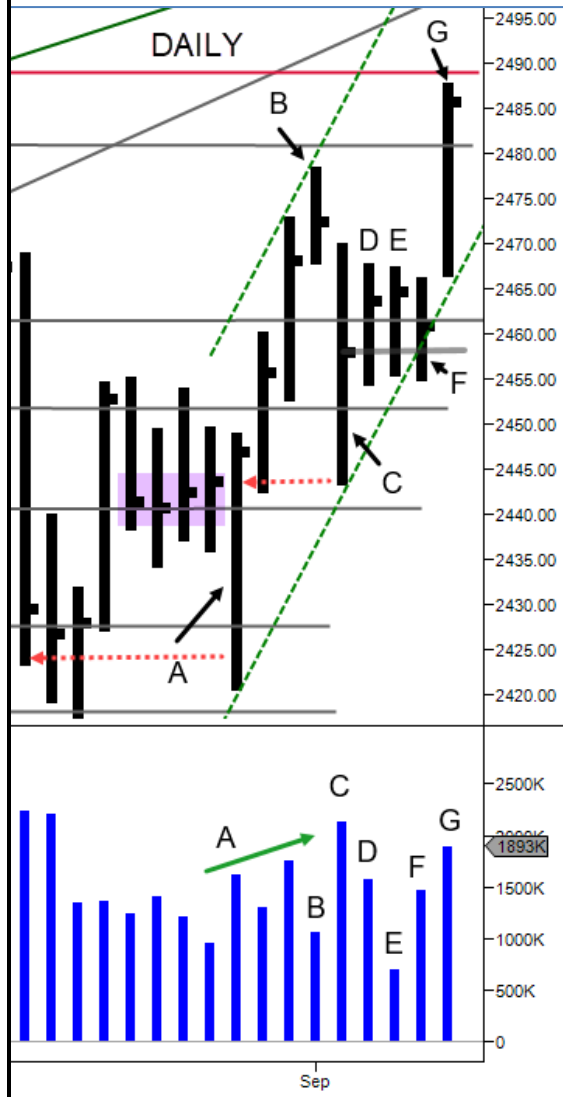
Yesterday:

HIGH: 2487.25

LOW: 2466.75

CLOSE: 2485.75

Other levels: res:2499.50, res:2488.50, sup:2480.50, sup:2461.50, sup:2451.50, sup:2440.00



The S&P is primed for higher prices, no other way to interpret this chart. Bar A is strength, we had ample opportunity for lower prices yet reversed to close firm back above the previous 4 clustering of closes (purple highlight) on decent volume, as we rally to B volume increases with decent price action (strength). Bar C - we gap down with a huge surge in volume; however the close is mid-bar indicating that buyers have made a play, there is demand in this market. This bar also tests the middle of the congestion area (purple HL) where we find buying. Bars D & E are unable to make lower prices, where's the selling we saw at C? Bar F - an interesting bar, it has same spread as bar E yet with double the volume we only net a couple of points to the downside - only buying can do this, a classic Wyckoffian universal law of "Effort vs. Result". This is followed by a great response via bar G that gaps open and rallies the whole session closing firm, making the highest close of all time in the S&P's (something to note). We have a story of strength behind us (in the near term) and no see no reason not to expect higher prices for tomorrow's trading. Other timeframes do not give any additional insights, they all show strength with no signs of supply

The US opens strongly rallying 5 points in 10 mins making a new all time high. We find resistance and react, noting that volume decreases on the decline, we wait patiently for a long entry, however the market makes it very difficult with whacky price action.

Bar A - a strong bar, that tests the US open and closes back above local resistance with a pop in volume

Bar B - an instant reversal, this bar in an ideal world would be a standard VSA no supply test bar, we get the opposite

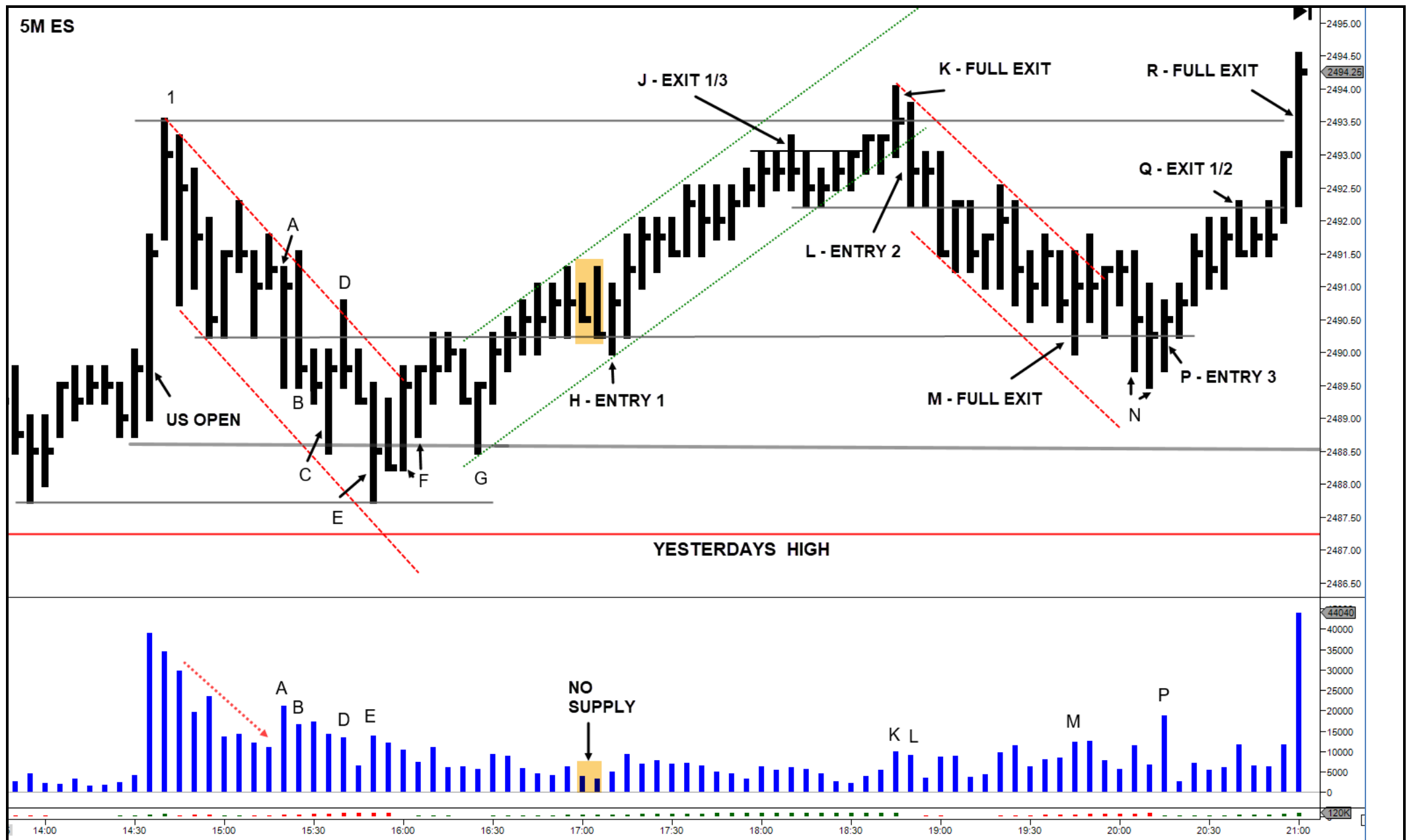
Bar C - a strong bar, it tests the old all time high at 2488.50 and finds buying

Bar D - instantly met by selling again, this kind of price action is to be expected near important levels, as the bulls and bears battle for ground (contracts)

Bar H - Entry 1, why? We have a story of strength, we should have momentum that carries us higher via the daily. The US opens very strong with decent volume and as we react volume declines. We have buying bars C, E, F and G at an important level (2488.50) the market is holding newly turned support (which via the 3500 tick chart is a spring, after being oversold in our channel, a great sign of strength in itself). Bar G tests bar E successfully, although being this close to resistance, an entry is against my trading plan. We wait for a weak pullback; this occurs nicely via the orange highlight, we produce two no supply bars (lowest volume of the day) in a previous of supply (bars B & D) after the lows have been rejected. As bar H dips under the lows to reverse and close firm back above support, it's an instant buy

Bar J - Exit 1/3, negativity, potential hidden upthrust (+2.00 points), Bar K - Full exit, a surge in volume with a close back under resistance, an upthrust (+2.75 points). The last 30 mins of price was very weak, up bars almost levitating with no real volume.

Bar L - Entry 2, why? We upthrust the all time high and try to break on very low volume (compare to 1) as bar L breaks the demand line I let the market pull me in with a sell stop. This trade is



countertrend and merely a scalp right from the get go, we have been trading within a 5 point range all day (5 hrs), it's unlikely we'll get large move as a rotational day is on the cards, knowing this in advance we have a target of first support being 2490.25, adjust clip size accordingly

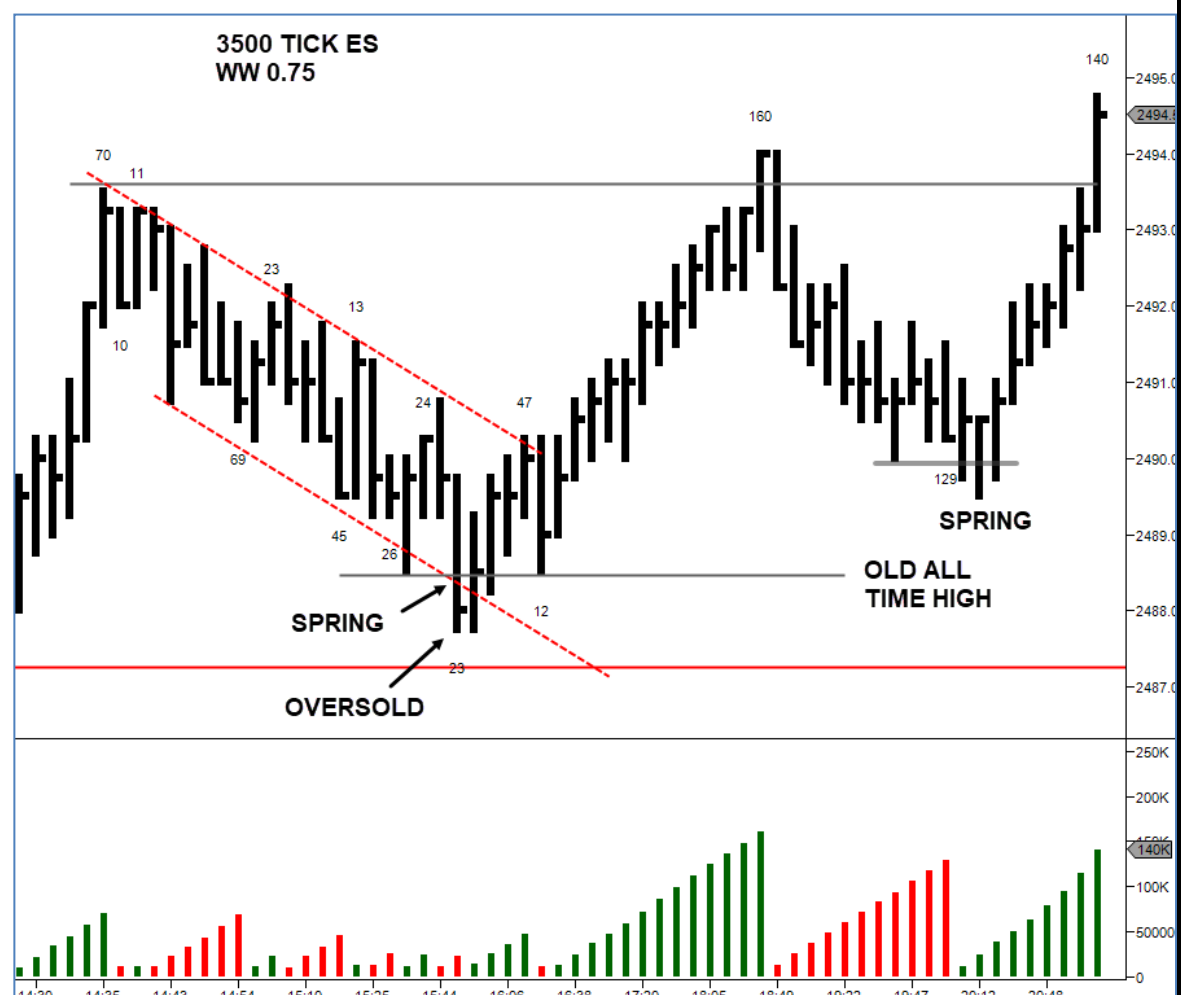
Bar M – Full exit, nice surge in volume at support (indicates demand, target hit) +2.75 points

Bar P – Entry 3, easiest trade of the day, we have established support that has held at M and N followed by bar P, with all that volume we can't make lower prices, there's an awful lot of buying in this bar, higher prices are the cards. By comparing to the previous downwave we don't see the selling ability in this attempt for lower prices. A bullish case of Effort vs. Result

Bar Q – Exit ½, resistance (+1.75 points)

Bar R – Full exit, resistance and US close (+3.25 points)

Today's trading was very difficult a lot of churning with price bar overlap and no clear direction. Although our premarket plan was to look for long opportunities, if it's within our abilities to make a play for a counter trend trade this is acceptable, BUT we must remember to be nimble and look for the larger plays that work with the trend, and importantly always adjust clip size in these situations. By understanding the nature of today's trading, odds favoured being a range bound day, combined with sound chart reading skills we can move swiftly in and out of the market. These kind of plays would not be incorporated if swing trading, only choice setups for larger timeframes. Time to lock in profits and call it a day



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