

Date: 28/06/18 **Market:** ES mini **Timeframe(s):** Intraday - 5m,15m,60m,3500T

Yesterday: **HIGH:** 2748.00 **LOW:** 2701.00 **CLOSE:** 2705.00

Other levels: res:2807.25, res:2794.25, res:2741.25, sup:2700.50-2704.50, sup:2668-70.00, sup:2594.50



The S&P's has printed an interesting bar, although we expected a test of the trading range extremes (support and resistance) we couldn't envisage this would occur over one bar, perhaps 2 or 3; anyhow the market will do, what the markets wants to do. Bar A tested resistance in the morning session that held, consequently reacted during the bulk of the session to test support - natural market behaviour. Volume has certainly picked up and the bar looks weak, BUT there is one important fact; support HELD, with all that volume we still manage to contain price within the trading range, we could not break into new lows. The close of A is only 5 points above support, not as strong as C, we held none the less. That's not to say we buy here, as from a daily perspective we would expect some form of downside continuation, the key is to analyse the forces of supply and demand if we do break into new lows. The support level is fairly

significant; consider all the trading to left that has held this level, the reversal type action from D and clear buying via C.

The 60m chart is overt weakness, we upthrust resistance and fall sharply. The only positive action one could gleam would be the possibility of Effort vs. Result via bar A; with over double the volume from that of B & C, downside progress is limited (spread) all that extra volume must be buying, it has to be. However it is the US close, as we know this is extremely hard to interpret due to the varied amount of market participants. Both timeframes are hinting towards lower prices, bear in mind that support is directly underneath and we manage to hold

First thing coming into the market we must be aware of the demand zone, created by yesterdays low and our daily support level - this is illustrated by the purple highlight. In the European session (A) we break into new lows for a few points before reversing back above. The US opens; after 20 mins or so we fall sharply breaking back underneath via B, price is immediately reversed

back above with excellent buying (note the spread) we pullback again to C which is a spring, yet on the decline volume diminishes, this is not the volume associated with a break, although price does drift down with lower highs and lower lows, we end in a spring position with a surge in volume. This is not a high odds spring and very difficult to trade. Two bars later we test via T, again very difficult to pull the trigger this close to the all the action, its volatile down here. As we rally from C (spring) there is evidence of good buying via D & E and also the confirmation of lack of supply via T. The market drifts down right to the demand zone, which leads to bar F, entry 1, why? We know demand has proved itself from the spring, which has propelled us into new highs, this action down here at support is merely testing supply to the left. The price action at support is superb, every dip down



ES - 5M



results in a firm close, note that the volume declines - this indicates the lack of supply NOT DEMAND, by bar F, we can take a long play, the market however gives us another 10mins to jump onboard (G) very kind of the S&P's. This action is much welcomed as it disconfirms supply in a big way. Think logically about what price has achieved since the open, we have refused to break support (don't forget this is DAILY support; ergo this break under is nothing to be concerned about, its only 5 points or so) Price hold's support with the low being a spring, we break into new highs, come back and revisit the area with no selling of good quality, and then test directly at support, with no supply - if we have held support, we want to hold our trade for as long as possible for the next area to test is resistance - we have a good trade on our hands

H - Exit 1/3, negative price action at resistance (+10.00 points)

J - Exit 1/3, overbought in our micro channel and more or less in our main channel, a supply confluence, plus it's getting late in the day (+22.25 points)

K - Full exit, first break of our demand line that has held for a few hours (+16.75 points)

Today's trading was difficult for the first couple of hours, as the battle between the buyers and sellers took place at a daily support level, this volatility can be difficult to trade; it's best to sit back and watch the market unfold, it will eventually shows its hand and give an opportunity. MOST of the time some form of testing will take place due to the amount of volume associated with holding an important level. The professionals like to make sure there is no supply (upside friction) before mark up, this occurs at F and G. When one can read the market with clarity and understand the market action before hand, the setup is a 'gimme' in every sense of the word, a lovely trade. Another way to think about this action: Is there enough selling force (volume) to break this area? Where is the selling we saw at B? Time to lock in profits and call it a day

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