

Date: 26/06/18 **Market:** ES mini **Timeframe(s):** Intraday – 5m,15m,60m,3500T

Yesterday: **HIGH:** 2758.00 **LOW:** 2700.50 **CLOSE:** 2722.25

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 fallen out of the channel and it does so aggressively, however demand emerges at the lows. The level of support is significant as the market has only closed once under this level since May 10th (even then it was immediately reversed). The market has traded for 3 solid weeks in this area churning up and down in a fairly tight trading range, as we revisit we should expect much of the same. Especially as bar A has closed well of the lows (+20 points). Sellers had enough force to drive the market down, yet buyers made themselves present (hence the close) it may take a couple of days to digest the move. If bar A closes at the extreme (on the lows) we would expect some sort of downside follow through. As is stands; the sellers drove it down hard in the morning session, with buyers taking the reins in the late afternoon; hard to tell who has the greatest pulling power, ergo one would expect some choppy trading. There is a trading range in play that being resistance at 2740.00 and support at 2700.00, if this is the case, volatility may contract, spreads become narrow etc

From the US open price coils in a form of apex or a "rising wedge" labelling unimportant, what we take from this is the action; we know a move is imminent as we are building cause, price is tightening.

Bar B – The market upthrusts in a blatant manner; a huge surge in volume that breaks the morning highs, only to reverse and close back under resistance, a gimme setup in every sense of the word. Instant short via the close

Bar C – Exit 1/3, the market could halt here, due to the bullish nature of Bar 1 (Effort vs. Result) (+6.25 points)

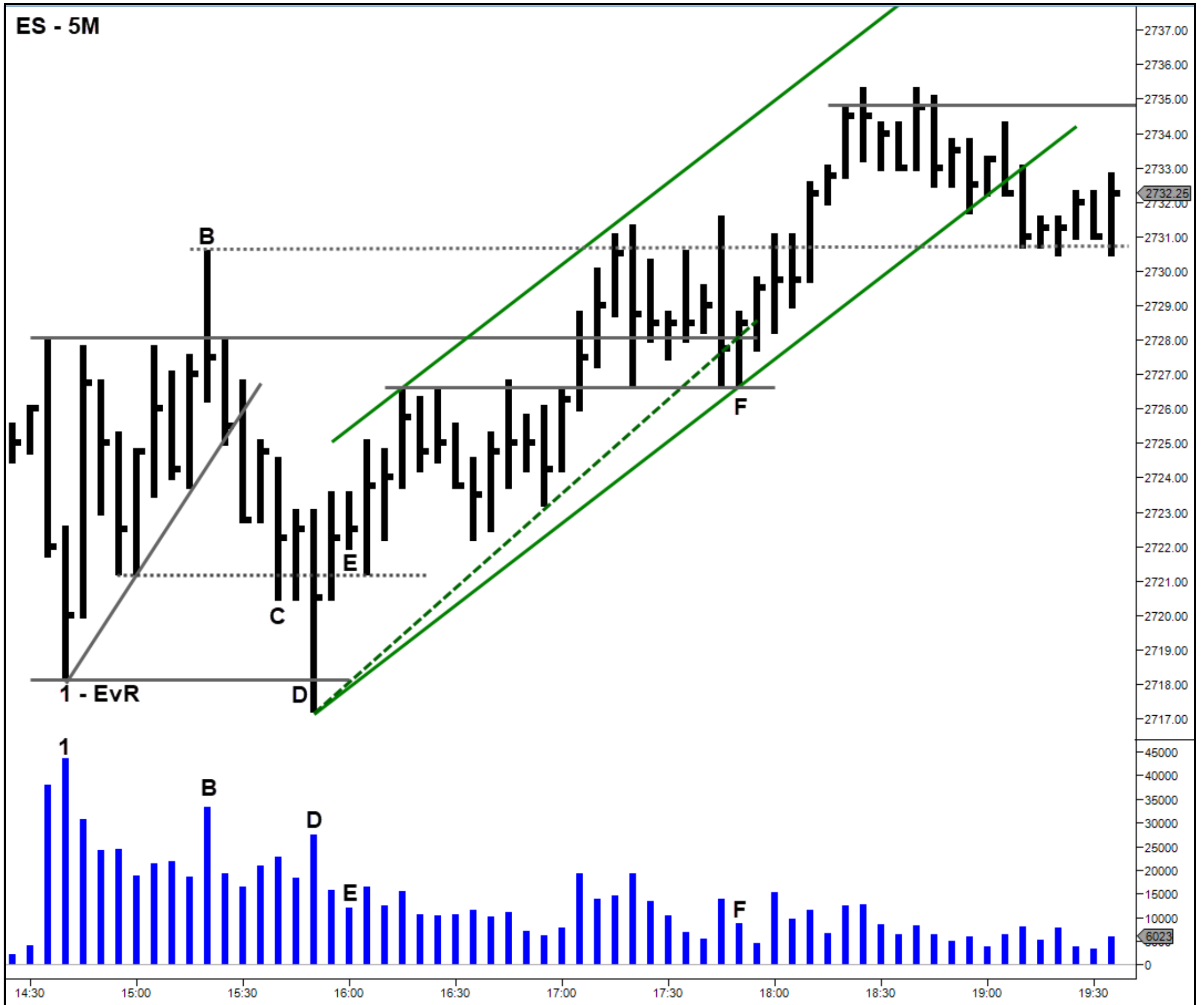
Bar D – Exit 1/3, morning low support (+9.25 points). The close on this bar is not encouraging

Bar E – Full exit, a no supply bar after the buying seen via D. If anything we should reverse and go long. This was not established due to market behaviour; when the market spikes in volume and halts progress as seen via B & D, this often signifies poor trading conditions (for my style at least, this has been covered in depth via previous editions)

Bar F – A viable long play, as we hold the demand line (dotted) and support we could buy via the close. Personally the price action before hand is very whacky, difficult to interpret and read, if in doubt conserve capital, there is always another trade.

Today trading was somewhat expected, although a little tighter than one envisaged. Our only trade was a no brainer; the clear rejection of higher prices could not be more obvious. Although the market provided such a gift, it was a tentative hold for a few mins as we needed to break the demand line to feel at ease, thankfully this happened. In hindsight E is an excellent entry, along with F being a viable play. To be honest my attention has been elsewhere of late, as my main focus has been on Crude (contract CL), as many of you know via twitter this is my preferred instrument for the past few months. Crudes character is much more appealing that suits my style and psyche, for an index I may switch to the NQ for a few weeks, as the personality leans towards that of oil (less back and fill) and being the index leader provides it advantages over the S&P's, on that note time to lock in profits and call it a day

ES - 5M



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