

Date: 20/06/2017

Market: ES mini

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

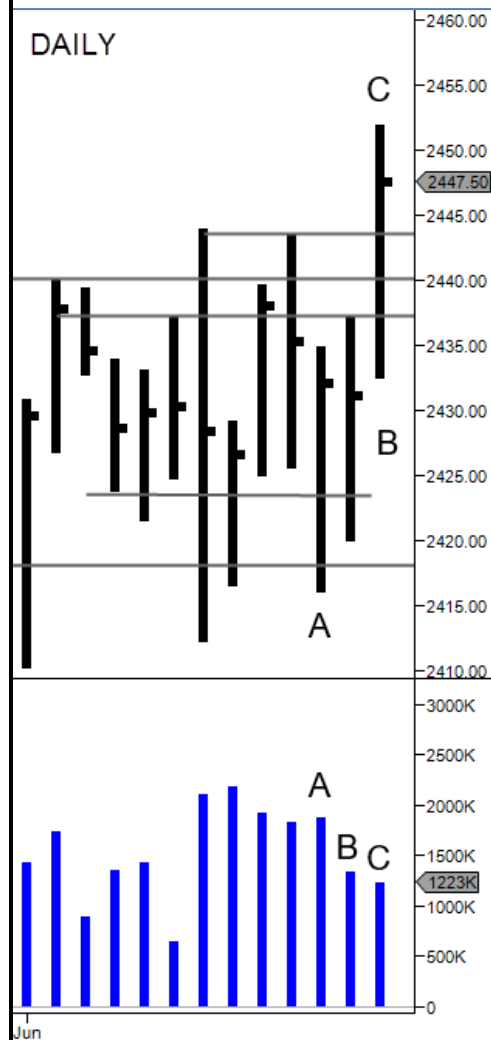
News:

Yesterday: HIGH: 2451.50

LOW: 2432.75

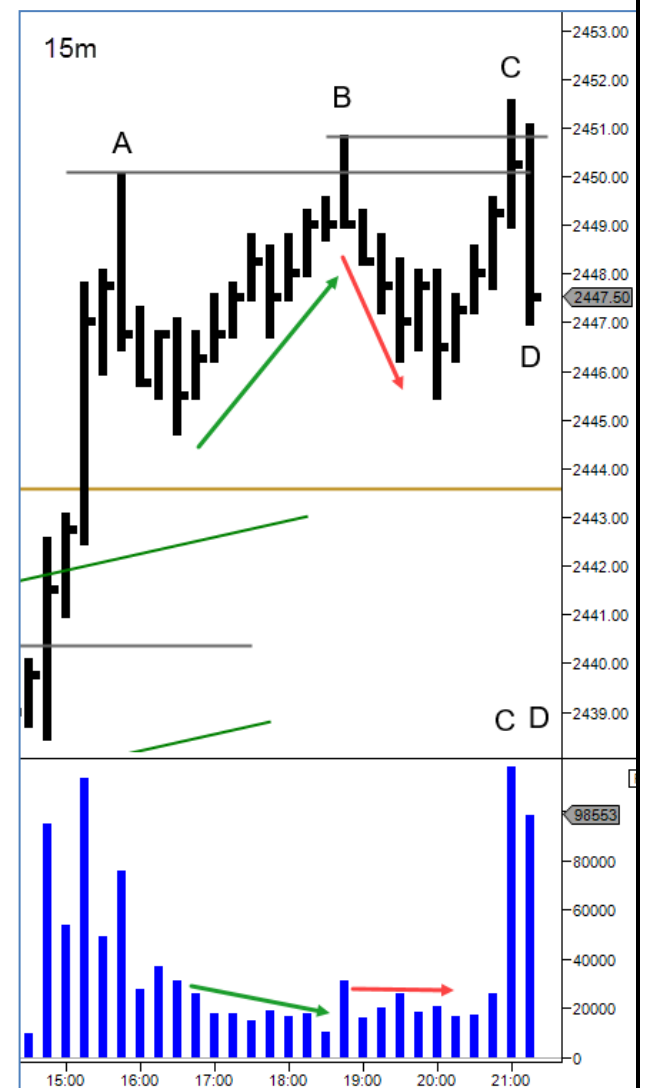
CLOSE: 2447.50

Other levels: res: 2471.75, sup: 2443.50 sup: 2403.75, sup: 2437.00, sup: 2424.75



Bar C gaps up (strength) we continue north making all time highs, volume is the lowest we have seen for 7 sessions. Is this the kind of action we associate when making new highs? This only conclusion we can draw is that sellers for whatever reason are not active.

The 15m gives additional insight into yesterday's trading. First off - shortening of the thrust from A to C, each successive up wave is making less progress. The rally to B is lacklustre, volume doesn't expand. The reaction from B, volume increases slightly to the downside. Price action to C is good, best we've seen since the large up bar breaking into new highs. Bar C - highest volume of the day unable to hold the break into new highs. There is an incredible amount of selling in this bar. Bar D we have follow through to the downside again with very high volume. This suggests supply, being the close these bars (as previously stated) are notoriously difficult to



read as we have various types of traders entering the market

Game plan: Scenario 1 - highs made first; unable to break the highs, look for weak demand and apply bearish setups. Alternatively we could upthrust the highs, short as we pass back through

Scenario 2 - lows made first; weak pullback to 2443.50, wait for demand to emerge, apply bullish set ups. Alternatively we could test 2437.00, if this occurs the market is testing deep, this scenario has less of a bullish tone. We may not break the highs if long from here, but certainly possible

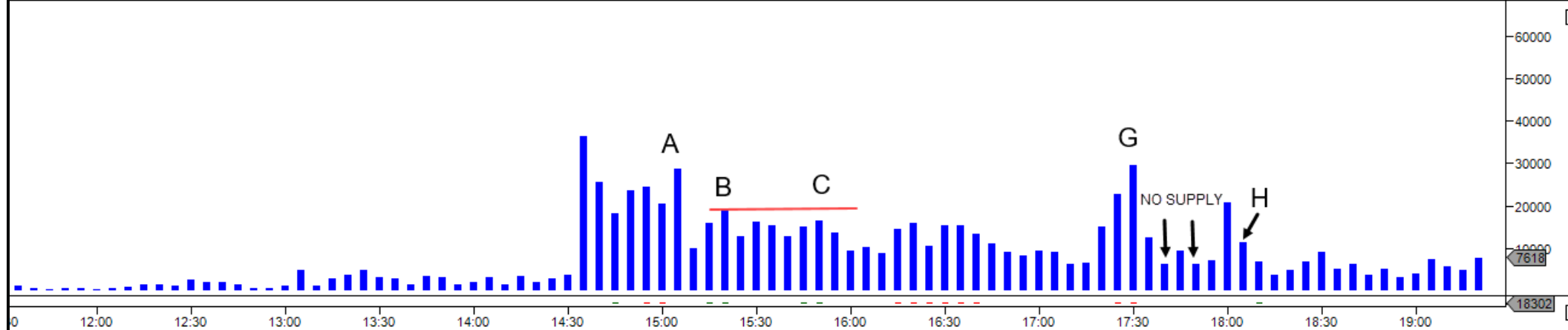
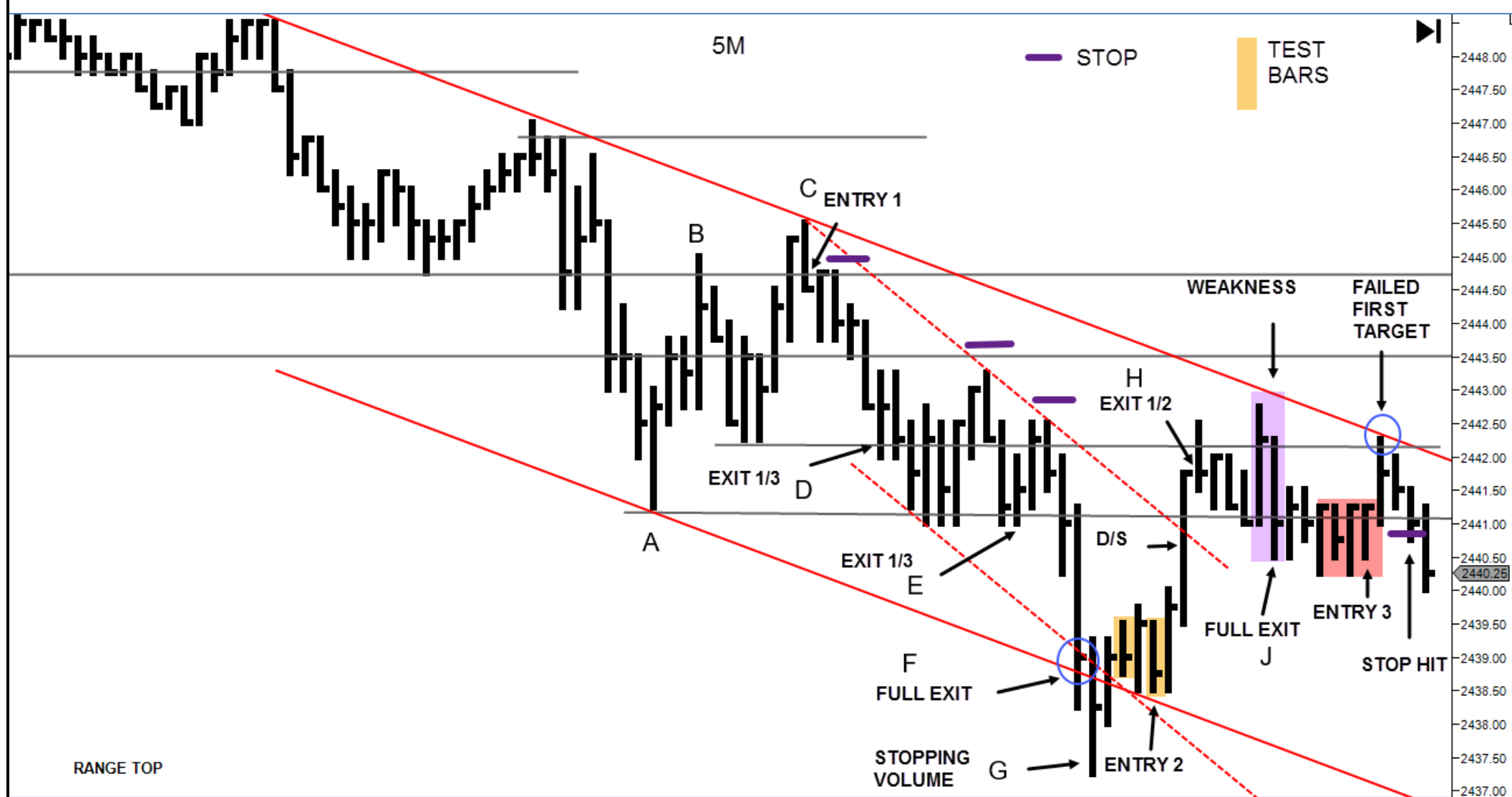
Scenario 3 - lows made first; if we knife through 2443.50 wait for a weak rally to short and apply bearish setups. The key level if short would be 2437.00 this would also be the average true range of our daily bars at his point, this makes the scenario less plausible. If this occurred and closed back under 2437.00, the market would have printed a daily upthrust, this would change market sentiment

Being a Wyckoff trader the best play here would be to test the Jump across the creek (JAC). Support at 2443.50 - this is the called the 'backup to the edge of the creek' (BUEC). These terms were coined by Bob Evans a student of Wyckoff.

During the overnight we test the highs yet unable to penetrate, from here we slowly drift down and continue to hold a level of support level for 6 hours. Mid European session we break to the downside, the US opens and we continue south to A - we have lost 10 points. We have supply behind us that is immediate, followed by signs from yesterday's analysis that supply emerged towards the close. Armed with this info we want to apply bearish setups, if and when they occur.

Bar C - Entry 1 an upthrust. The upwave to B showed some promise, yet after analysing the rally price action wasn't weak enough, although volume was lower (compared to the down wave) it did increase and the bar itself was strong. As we revisit via C, volume is lighter on the advance and we get a reversal (not the cleanest) more importantly a confluence - horizontal resistance and supply line. Exit 1/3 at D (+2.25 points) 1/3 at E (+3.25 points) and 1/3 at F at this point we are oversold in 2 channels with major support a point beneath us (+5.25 points). After liquidating positions stops are moved (purple line). Trade management is of course discretionary; the method of choice for liquidating positions is to scale out, gives an opportunity to let winners run

Entry 2 – We become oversold in two channels, stopping volume at G, with all that volume (comparing to previous bar) we have a narrower spread and the close is mid bar, only buying can do this. As we start trading back within the channels we get 2 test bars (this is a counter trend trade, adjust clip size accordingly). Exit ½ at H (+3 points) full exit at J (+2.5 points)



Entry 3 – favourite trade of the day. We get a strong move originating via the stopping volume, decent price action where demands overcome supply (D/S). This bar wipes out the selling to the left, breaks the supply line (micro channel) and accomplishes a great deal. We have the largest up wave since the downtrend has begun. Note the character of this pullback, compare the selling in this wave to other down waves, this is very choppy, overlapping bars, low volume. It appears we're holding gains (however there is an unusual occurrence the 2 bar reversal highlighted purple). The pink highlight shows the struggle for lower prices every time we dip under support we bob back up and close back above. The first target is the confluence area at 2442.00; if we break we may have a good trade on. However the level holds and stop gets hit (+0.25 points). The trade did not work out to plan but had enough cause to initiate, the only aberration I can place is the 2 bar reversal - this type of behaviour is unusual mid pullback.

Due to the limitations of my trading plan I can longer participate and call it a day. Although looking at the chart it feels as if the market could turn south, we are technically still in a downtrend, we have had 3 pushes up, unable to break resistance and the last few bars (from the failed first target) look healthy for the bears, good ease of movement and the volume has picked up, will be interesting to see how this plans out tomorrow

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