



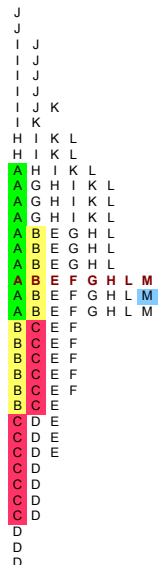
NONTREND

A Nontrend day starts out looking as if it might be a trend day, for the initial range is narrow. However, the other timeframe never surfaces and there is no range extension. The market is waiting for new information before making its next directional move.



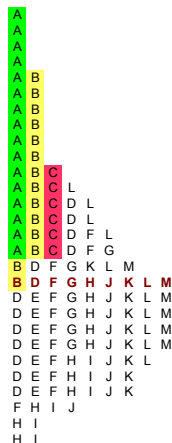
NORMAL

The primary characteristic of a Normal day is the wide initial balance, or "base," that is not upset throughout the day. Other timeframe sellers enter on the upper extreme because price auctions too high, creating a strong single-print selling tail, while other timeframe buyers enter on the lower extreme as price auctions too low, creating a single print buying tail. Price spends the rest of the day within the extremes.



NEUTRAL CENTER

On a Neutral day, the base width is somewhere between a trend and normal day. It is not so small as to be easily upset and not wide enough to hold the day's extremes. The salient feature on a Neutral day is the fact that both the other timeframe buyer and the other timeframe seller are active, as is evidenced by range extension on both sides of the initial balance. This indicates a market in balance, for all timeframes are involved.



NORMAL VARIATION

Normal Variations typically do not have quite as wide of an initial balance as Normal days. The initial balance, or base, is upset on one side by other timeframe range extension, usually early in the day. For the duration of the day, the market's auction process involves the other timeframe buyer, other timeframe seller, and the local (referred to as two-timeframe trade). On this day, selling range extension causes value to be established lower.



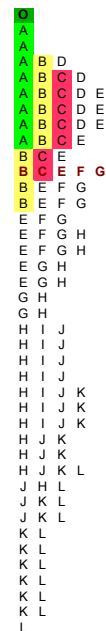
NEUTRAL EXTREME

There are two types of Neutral days: Neutral-center and Neutral-extreme. On a Neutral-center day, the day closes with price in the middle of the range, indicating a lack of confidence and a balance between the other timeframe buyer and seller. On a Neutral-extreme day, price closes on either the high or low extreme for the day, indicating a hypothetical "victory" in the day timeframe battle for control between the other timeframe buyer and seller.



DOUBLE DISTRIBUTION

A very small initial balance is the first indication of a potential Double-Distribution day. The more narrow the base, the easier it is to overwhelm this area and auction quickly to a new level. Value forms outside of the original value area in a new distribution, separated by single TPO price prints. This new trading range generally holds throughout the day, providing useful reference points and good trading opportunities. The single prints separating the two distributions become an important reference point near the end of the day. If price auctions back into the single prints during the latter time periods something has changed, and the second distribution is no longer accepted as value.



TREND

On a Trend day, the open forms the upper or lower extreme in the large majority of cases, because the other timeframe is usually in control from the opening bell. Such unidirectional activity is referred to as a "one-timeframe" market. Onetimeframe conditions are a good indication of other timeframe control and a potential Trend day. A Trend day differs from a Normal Variation day in that the Trend day's Profile is generally thinner and more elongated, usually no more than four or five TPOs wide at any point. Failure to recognize and accept that one is in a Trend day is one of the most costly mistakes a trader can make. Identify early that either the other timeframe buyer or seller is in clear control and position yourself with them.