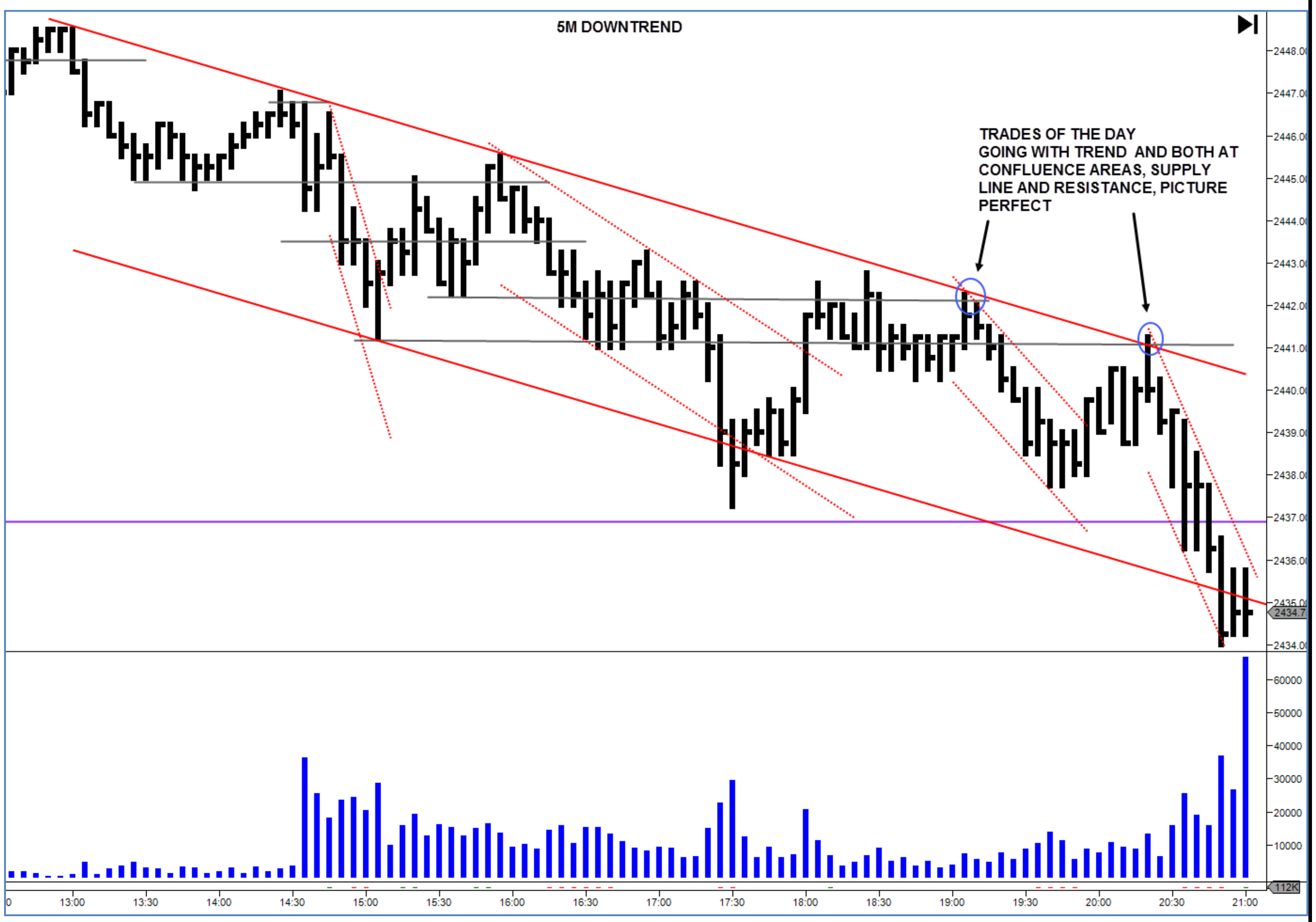
Date: 21/06/2017 **Market:** ES mini **Timeframe(s):** Intraday – 5m,15m,60m,3500T **News:**

Yesterday: **HIGH:** 2451.00 **LOW:** 2434.00.00 **CLOSE:** 2437.50

Other levels: res: 2471.75, res: 2443.50, res: 2451.50, sup: 2403.75, sup: 2437.00, sup: 2424.75, sup: 2417.00

The S&P has taken a turn; there was not enough buying force for any continuation from A. The whole day we slip slide down, more importantly we adhere to a trend channel. This says that the selling was in a sense real, not climatic in nature, this is a healthy sign for the bears (keep in mind the channel was via a 5m chart; don't expect the S&P to suddenly fall). Yesterday's game plan worked out well, we had noted that a close under 2437.00 would have produced an upthrust/2 bar top reversal; this would result in further downside progress. The close is just above by 0.5 point, a close at 2435.00 would have made all the difference - yet we cannot ignore the fact that B is weak, volume has expanded a little, average true range of 20 odd points (give or take) is still in play. Alarm bells must be ringing as a Wyckoff/VSA trader, bar B is the largest down bar we have seen for 22 trading days (17th May), we have a change of behaviour. The S&P is in a very precarious position we must pay close attention. Technically we are still in a trading range granted, however this type of action must be noted and continue to draw our conclusions with the information provided. We have various levels of support and a demand line, if we knife through the demand line and close under 2417.00 (give or take) there is a lot of white space to 2375.00. The first focal point will be the demand line, if holds, we look to resistance at 2440.00, if we break, support at 2424.75 and so on. There is one play that odds favour, and that is some kind of downside attempt, it's our job to analyse the quality of selling on the decline and the buying of quality at support levels, this will be key.



Game plan:

Scenario 1 – highs made first; tests resistance at 2440.00, unable to hold, look for weak a rally and supply to emerge, apply bearish setups

Scenario 2 – lows made first; tests demand line, look for weak selling and demand to emerge, apply bullish setups. Study resistance levels carefully, especially 2443.50 if we approach

Scenario 3 – lows made first; knife through demand line, wait for a weak rally to approx 2430.00 area and apply bearish setups. Due to the AVT via the daily it's possible we could test the 2417.00, we would expect this level to hold for today's session.

Welcome to volatility, the markets are definitely picking up which is excellent. During the overnight we tested the daily demand line and bounced off, from here we push up and flirt with top of our trading range (2437.00) fascinating how long this area has been active.

US opens and the market becomes very choppy for over an hour, in this time we form an apex. This apex in non-tradable, we're close to a major resistance level and the demand line, very difficult to read on this particular occasion. (Although for the advanced Wyckoff traders we get a lovely springboard position, picture perfect, for those in the dark I will discuss in the near future).

Bar A – huge volume, close off the highs (as it touched the supply line) this is to be expected, as we react and close under support and 2 bars to the left (orange highlight) It's an instant sell – Entry 1, why? Bar A is climatic in nature, after we see no follow through to the upside, we know it's a buying climax 100%, plus we gain the additional info that the apex must be hidden selling, it has to be.

Bar B as it closes, full liquidation, why? This is clear stopping volume, almost bag holding (if in the right context) Compare the volume from this bar to C, more or less the same, yet the spread is over a 1/3 less, only buying can do this, with this knowledge we have to exit as odds favour a rally of sorts, first resistance is 3 points away at 2434.00. Lock in profits (+5 points)

Bar D – this bar is also climatic, it doesn't make sense contextually - looking at price action we can see it roll over with very low volume, it's the lowest consecutive volume we have all day. Price adheres to a channel during the sell-off, than all of a sudden we get a huge pop in volume and a dramatic break, as if we suddenly fall out of bed, its suspect behaviour.

Bar E (entry 2) – we dip under the previous bar, reverse to close firm back above support with an increase in volume, if bar D was all selling where's the follow through? We break the overnight low (bar D) which triggers many short traders, we conclude it must be a bear trap/stop hunting. The overnight low as previously mentioned has also tested the daily demand line - this level trumps all intraday levels, we hold it in higher regard. The daily demand line has been tested on 3 occasions and held, something to note.

Full exit at F, previous bar we have a large spike in volume, is this genuine or not? It feels climatic, on the plus side it has broken the supply line and held above a support level, BUT and its major, look to the left we have a huge amount of supply (contained within the apex and bar C) we need a stronger rally in my opinion to break through. The question we ask ourselves, is it worth the hold? Not for my style of trading, lock in profits (+3.75 points). The market was tricky that didn’t provide many clear opportunities, taking a macro look on the day’s trading its evident to see a struggle between the bulls and bears trying to gain control. Call it a day

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