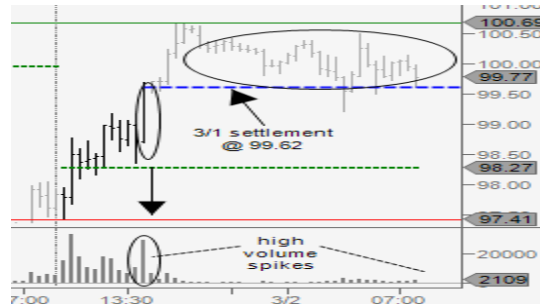


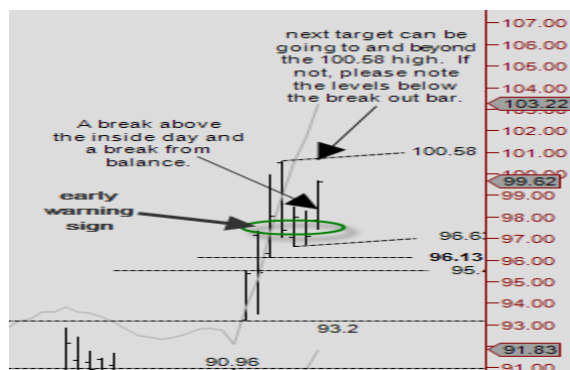
# CL – Trading Journal (03/02/2011)

## 03/02 Pre-Mkt analysis.

It is about 8:00AM. The 3/1 settlement occurred @ 99.62. O/n trading up to this point is long; notice o/n prices dipping one time below the settlement and then quickly rejected at around 3:30AM. The market for the most part stayed above the 3/1 settlement for the rest of the day opening up the strong possibility of a gap up @ the open. This would take price further out of balance for opening up the possibility to trend further up. Also, watch to see if price gets too long @ the open this morning, if that's the case a pullback in the form of rejection to previous value or some kind of retraced adjustment may be in order.



Also note that the 99.62 settlement was established in “K” period where there was a late day spike to the upside. This is a significant sign implying more upside - a price spike in “K” period that settled CL near the high of the session day. This suggests a high probability of continuation into the next day. We’ve been in this situation before on 2/24 but going down instead; although, the mkt did follow through to the down side in o/n trading before the 2/25 open, it never took out the its 2/25 o/n low (95.62) during its 2/25 day session, suggesting that it finished exploring the lows and now should start exploring the highs. We have the same situation here, but what is the difference? We’re in an uptrend on all 3 timeframes; the short term, intermediate term and the long term. Looking at it on the daily chart, I can see how the daily session was overlapping for 4 days (an early warning sign) before breaking out from an inside day to the upside. In other words, upward momentum ( the upward bias of the longer term traders) was the catalyst that drove CL to higher ground in the 2/24 break out, as much as it was the catalyst for impeding the downward attempts to surpass the o/n low during the 2/24 day session.

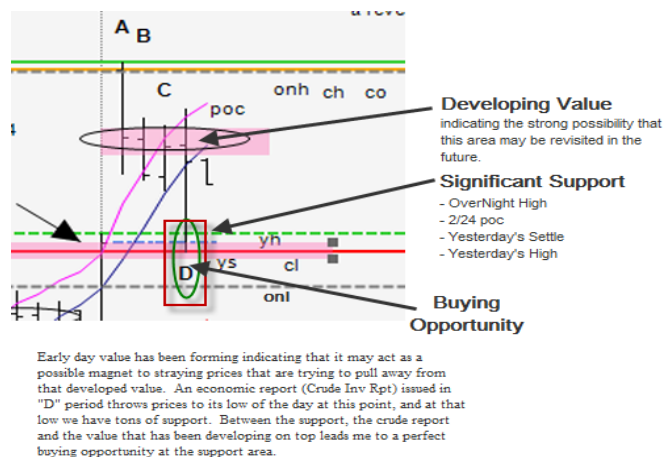


We’re in an area of change in the CL mkt and if price fails to retrace to previous balance on a gap up we can only go up.

## Trade Entry Commentary for 03/01/2011 CL 4-11

**T#1** – Long // “D” period // Reversal off significant support // Entry @ 99.72 // Stop: 99.52 // Target: 101.21 (CO & ONH) // P&L: +42 Ticks.

The mkt is out of its previous day's balance and today developing a new higher balance area. As it breaks and retraces down towards huge support ( the 99.60 area represented by the top of yesterday's previous balance) I'm keeping in mind that value has already been developed in the 100.50 area, the gap up by this time has been accepted and the rash move down to support was started by the 10:30AM Crude Inv. Report. 1250V signal was generated. See chart below:



**T#2** – Short // “G” Period // Scalp Weakness from CH // Entry @ 101.95 // Stop @ 101.19 // Target: (10+ ticks) // P&L: +32 Ticks.

I carved out what the buying zone is on the 30Min chart. Basically, I'm looking for reactions around the support and resistance levels and scalping the other way. Reactions include signs of weaknesses in the case of shorting and signs of strength in the case of longs. The support in this case involved the Current Open and the Over Night High as noted on the 30Min chart. In this trending environment, scalping for longs was a much easier task than shorting from resistance.

**T#3** – Long // “I” Period // Scalp Off Support // Entry @ 101.39 // Stop @ 101.23 // Target: (10+ ticks) // P&L: +25 Ticks.

Same reasoning as T#1 also applies here.

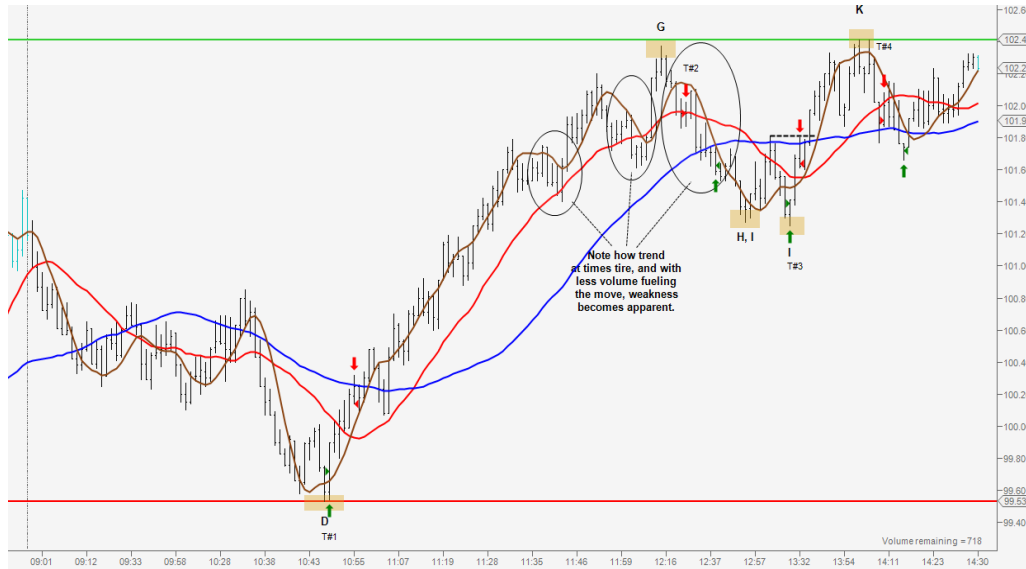
**T#4** – Short // “K” Period // Scalp Weakness from CH // Entry @ 101.95 // Stop @ 101.19 // Target: (10+ ticks) // P&L: +19 Ticks.

Same reasoning as T#1 also applies here.

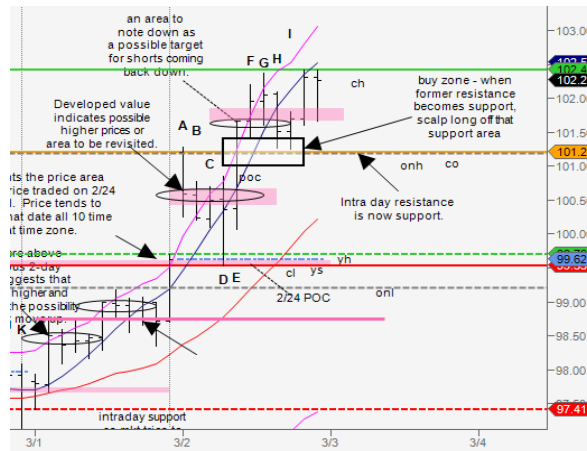
No more trades for today. Net Today (Ticks): +118 Tics.

Trade-#	Market pos.	Action	Quantity	Stop	Entry price	Exit price	Target	Profit (Ticks)	Cum. Profit (Ticks)	Entry time
1	Long	RV	1	99.52	99.72	100.14	99.50	0.42	0.42	3/2/2011 10:47 AM
2	Short	RV	1	101.19	101.95	101.63	101.32	0.32	0.74	3/2/2011 12:25 PM
3	Long	SC	1	101.23	101.39	101.64	101.32	0.25	0.99	3/2/2011 1:26 PM
4	Short	SC	1	102.31	101.91	101.72	101.75	0.19	1.18	3/2/2011 2:07 PM

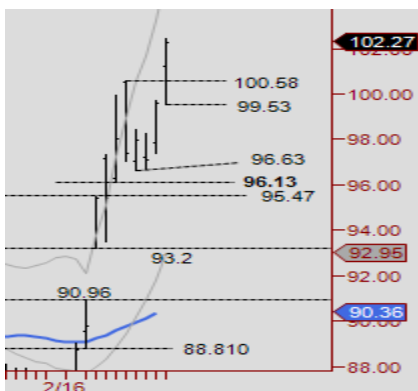
## 1250V Chart



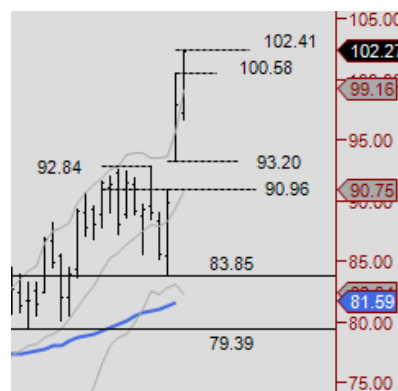
## 30Min



## Daily Chart



## Weekly Chart



**General Commentary**

My commentary on the day and the market in general can be found in my notes included on the charts.