



Analysis for Monday 12th November 07

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A; This bar is up with a tail, prices were marked down, but too much buying forced prices back up

B; The previous bar was only average, but look at the volume, it is very high, and on an upbar, this is bearish, so this bar B is down, but with reduced volume the market may not fall far, then the selling pressure may not have been so great as to knock the market right down.

C; Attempted bottom reversal, the volume on the wide spread down did not contain as much volume as you would expect, the result is that the next bar is up, therefore giving the impression that the market is stronger than first expected.

D; No Demand, this bar we would assume to be weakness, we have all the characteristics of weakness, a top in the background(B) or is there too much buying power at point C? had you shorted, you would have had to cover quickly, but would you have noticed the strength at C before going in? these are subtle points to take into consideration, what is the overall picture?

E; This looks like another 'No Demand' The previous bar is a weak bar, supply swamping demand and even the high(E) cannot break the previous high. This market is looking very fragile at this point.

F; An average spread up closing off the high on greater volume, the smart money just keeps supporting the market, the distribution is not complete on the previous bars. the next bar is down, the first tale tell sign that all is not well at the top.

G; This is classic 'No demand' after weakness, low volume on a narrow spread, we can now see the true position of the market.

H; A down bar, the spread between the open and close is quite narrow, it seems that the smart money have pulled back, bring up stops.

I; A down bar closing in the middle, on an increase in volume, the market has found some energy to attempt a rally.

J; No Demand, the true picture is still weak to those who can see it, a low volume up bar will not go very far.

K; Previous bar is weak, does not have the strength to really push up, and so this bar K, as it approaches F & G, the selling increases as S&R traders line up to short, thereby swamping demand. Next bar down.

L; Prices drift down to point L, this bar is an up bar and is another 'No Demand'. The market is weak and has further to drop.

M; This is an up bar, do not confuse it with a down bar, and has increased volume, telling us that supply is still around.

N; No demand, but the previous bar has some strength, so you should be paying attention. Next bar is down on average volume close off the lows, indicates that buyers are coming in at this level. Next 2 bars are up.

O; Upthrust, the market rallies to point L, but not enough buyers to push through an old top at L, next bar down.

P; The previous bar is down with increased volume, as this bar is up(P) there must have been significant buyers in the market on the previous bar, but it cannot go far as the market is still weak at this point.

Q; Heavy heavy volume on a down bar with a narrow spread, this is a selling climax, and bullish.

Outlook: Well on Friday I claimed that the market would open higher today, and I'm glad that the market gave me the correct signal, today the market has also told me that their intentions are bullish for a higher open tomorrow.

Good trading