



Analysis for Friday 9th November 07

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A; Down bar on very high volume at the open is really whipsawing to catch stops, a real test of nerves for the small lot trader, anyway closing off the low is bullish, with the next bar up.

B; Another wide spread down and look at the volume, the volume has decreased and the close is way off the low indicating an up move is a possibility and next bar up confirms this, but note the volume increasing.

C; this is a continuation of the previous bar and the volume is not as high, this is a potentially bullish bar but the next bar is down, don't forget that the smart money always sell into up bars as it easier

to distribute in this way.

D; No Demand confirming that the distribution phase is complete, note how low the volume is on this bar.

E; This looks like a test, but the volume is a bit high telling us that supply is still present. and I would not go long on this bar because the background is weak at the moment.

F; A wide spread down with the next bar up is bullish, and the volume is high, so you should be cautious, look for a test, or low volume down bar before entering.

G; An up bar close on the middle, this could be bearish, but volume is not excessive.

H; A down bar, the spread between the open and close is very narrow, but the high is greater than the high on the previous bar, which could be bearish, but we now have potential strength in the background. The result is that the next bar is up on average volume.

I; A No Demand up bar, volume clearly low, and it is at the same level as bars C, D, indicating that prices will not push through this old high, and this is bearish. Next bar down.

J; this is a down bar closing very close to the open and look at the volume, very very low, you do not want to be short with this bar at its close. The next bar is up also on low volume, but this could be that there are very few sellers and this is known as a vacuum.

K; A wide spread up closing off the high, on an increase in volume, with the next bar's high higher than point K, an old top has enough sellers to stall the up move.

L; A down bar on a narrow spread closing off the lows is a test, and we now have weakness in the background, this should tell us that because the next bar is down, it may not go down too far, had the next bar been up, then this would have canceled the weakness at point K.

M; Bottom reversal, A down bar with the next bar up, the volume is quite low, so no selling pressure to the down side indicates a bullish move ahead is on the cards if the market is strong enough. look for a test.

N; No demand, but we now have strength in the background, if we had weakness immediately in the background then this bar would have more influence even though the next bar is down.

O; Previous bar is 'No Demand' but this bar is down with very low volume indicates that the down move may not last, next bar is a wide spread up, this is bullish and will catch a lot of stops.

P; As the market climbs, the volume increases, with the bars starting to close off the highs, this indicates that the market is turning bearish, can you see that the high volume is on up bars before a reversal? this shows you how the smart money works their manipulation into the herd.

Q; Same as bar P, but higher up, next bar is down on low volume, the distribution is not yet complete.

R; Upthrust. This is the bar you have been waiting for, supply swamping demand, and opposite to point J, is the market was still bullish, why would the close be very close to the open on an increase in volume? this bar is a good short, with weakness in the background. The point of an upthrust is to catch stops and mislead the herd into going long, the opposite strategy to the smart money's true intentions.

S; Market tumbles to this point, point R would have given you a splendid return for your risk, but this bar S has a lot of volume, as we know the smart money always buy on down bars and sell on up bars. So I ask myself if Monday morning could be up by the open