



Analysis for Thursday 15th November 07

By Sebastian Manby

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A; wide spread down, closing off the lows is a bullish sign, next bar the high is greater than the high of bar A which is bearish.

B; No Demand, a real clue as to the supply/demand situation today, and after the high volume on a down bar yesterday, this market sold off at the start of the European session, traders positioning themselves ahead of the news of which Wall Street would have known in advance, having powerful allies in government.

C; Another up bar, close on the high, I would say this bar is bullish, but you have to remember the background and the no demand behind you.

D; A low volume down bar is no supply and you could be justified in thinking that the market is strong at this point, but could you live through the following down side on the next bar?.

E; This bar is a stop catching buying climax, there is very high volume which as you know by now is bearish, look for 'No Demand'.

F; An up bar into the area of bar E, but look at the low volume, this old high cannot be broken as it would take effort to break through that old top, I would say that from here the situation is very clear, weak.

G; The market is so weak that prices just drift down to this point, where some buyers come in, but next bar is no demand, we would need to see a shakeout before an up move could take place.

H; Another effort to contain the weakness, but it is no good the market is simply too weak to climb as the next bar closes off the high on low volume, no significant buyers.

I; A bit more of an effort to rally, but if you look at the previous bar, it is weak too, so this is not going far, and look at the following bar, no demand again, so you would not want to be long here, unless you are a scalper.

J; Another no demand up bar, market is too weak to recover.

K, Another no demand up bar, there are clues everywhere you look.

L; Upthrust, with weakness in the background, you should have only one trade direction, down.

M; A bit more of an effort to rally but with No Demand at N, it won't last.

O; A hidden test, the previous 3 bars contained some buying, which allowed this hidden test(in Tom's book) but following bar is supply swamping demand, as it closes off the high.

P; this was an attempted bottom reversal, but the volume on P is too high.

Q; There is what looks like a test on the this bar, but the volume is too great also. No demand on the following bar.

Outlook: the daily chart looks weak, this chart looks weak, but the 30m min charts looks bullish, I think the premarket could be up as no news Friday, but I think that prices should end lower. Are we in a bear market I ask myself?