

Date: 23/01/18 **Market:** 6B

Timeframe(s): 5M

Due to yesterday's analysis of the GBP currency future, I am currently watching this contract carefully for a swing trading position. However via the intraday, two setups were traded, that need to be shown for the pure simplicity, clarity and the lack of ambiguity.

The market is confined to a trading range for near 150mins before breaking down to A, where we find support. We retest at B with lower volume (excellent) and again at C, where the bounce of support is strong with huge volume, demand is clearly overcoming supply. If A was weak with all that volume via C we would make lower prices, this is clear demand entering the market. NOTE – the closes all along this local level of support are well off the lows – a "buying zone" (orange highlight) An instant buy via the close, we get excellent confirmation of demand throughout the whole trade, strong buying (decent spreads, firm closes and higher volume) with weak pullbacks (narrow spreads, lower volume) The green and red opaque waves illustrate this.

Any of the three bars from E onwards are short opportunities, I entered via F. Bar D is climatic as we become way overbought in our channel, price from here starts to round over, closes begin to cluster, then bar E prints with a huge surge in volume (hidden upthrust) price is unable to make higher prices – we now have a selling zone, a supply area (purple highlight) we cannot close above local resistance made by the climatic bar (very common behaviour for currency and should be noted)

What gave this trade a high odds of success, (and interesting) is the fact we are in our area of potential negativity via the daily as mentioned yesterday, and now price is clearly rejecting the highs, a must short as it coincides with daily structure (our previous analysis).

Look how beautiful the price action is as supply enters to G; compare the selling on this down wave to that of any prior down wave, worlds apart. I really hope this is beginning to hit home that trading is not rocket science, just an imbalance between the supply and demand equation and the ability to read the market as it unfolds.

These two trades combined are well over 150 ticks/pips with very little chart reading skills needed to execute, of course it's not always this clear cut, but yesterdays alert to potential negativity should hopefully given a few the opportunity to jump onboard.

From a swing trading perspective we notice the selling (which is to be expected) however nothing to do here, but sit on our hands, the market will unfold as it will inevitably do, and hopefully tip its hand

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