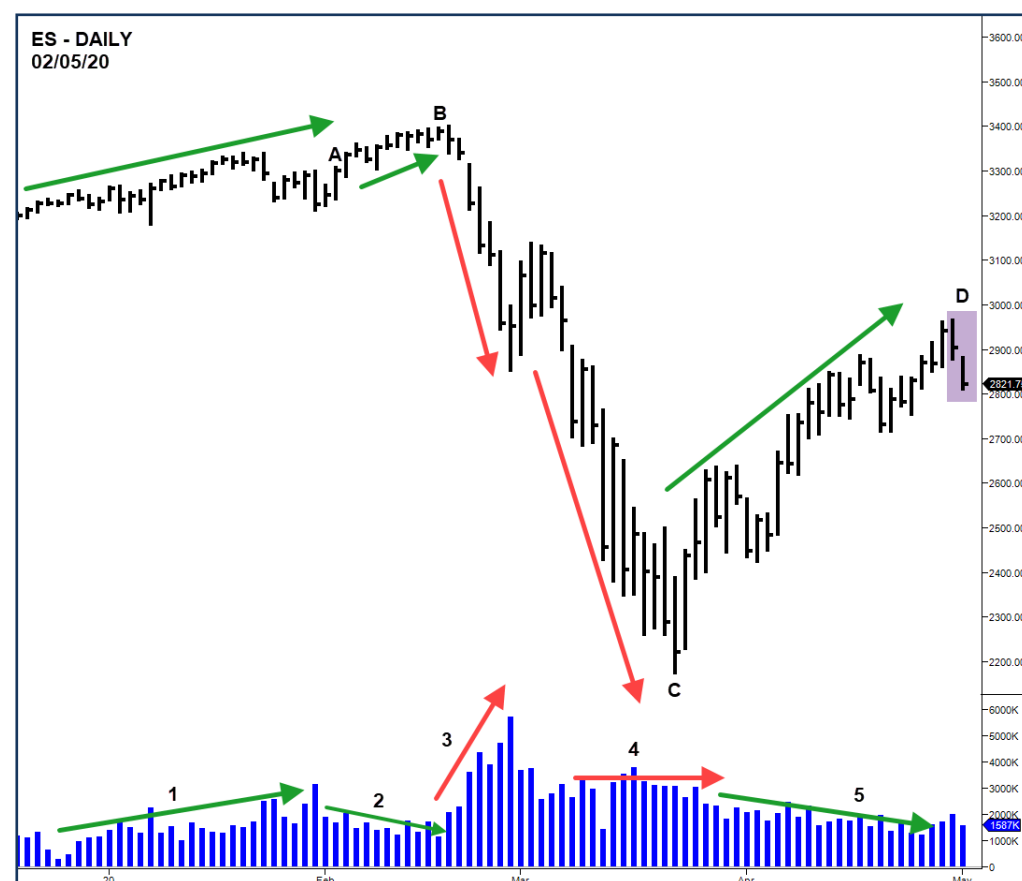
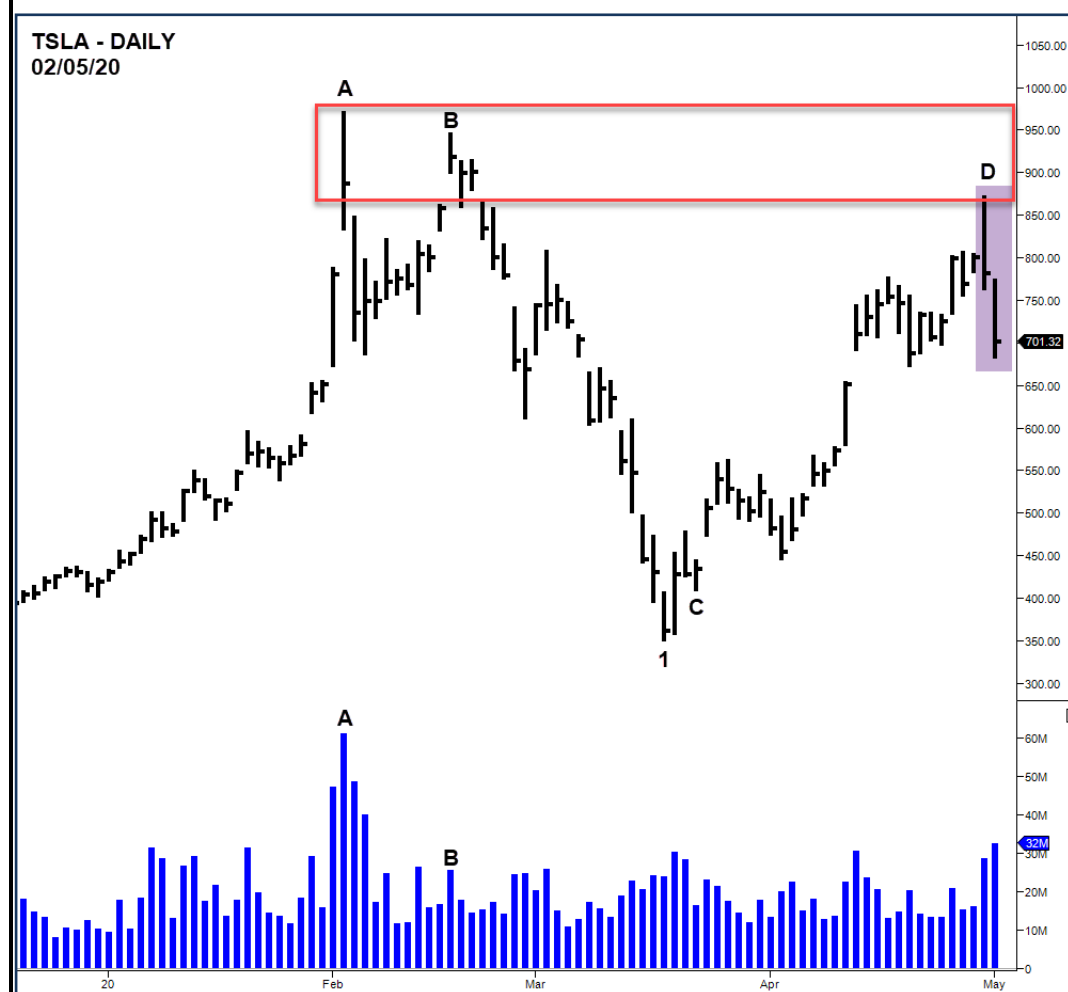


Date: 02/05/20 **Market:** ES mini/TSLA **Timeframe(s):** Daily
Yesterday: **HIGH:** n/a **LOW:** n/a **CLOSE:** n/a **Other levels:** n/a



Within the Wyckoffian realm sure most of you are familiar with the classic price cycle; that of accumulation, mark up, distribution, mark down etc. One can apply an emotional template directly over the cycle; these emotional components reflect the market as a whole. Market tops often ending in a buying frenzy, hysteria caused from the mass participation of 'Joe public' buying, driven from the fear of missing out - the exact moment professionals sell.

Wyckoff and his wisdom came to the conclusion there will be certain stocks within the index that will gain mass public attention. By recognising and following a small handful of popular blue chip companies, one can identify such stock giving the astute trader a proxy for overall market sentiment.

Tesla is such company.

Bar A: Euphoric high. Huge volume, closes off the highs, a classic Wyckoffian selling climax. On the same day via ES (bar A) no new highs... Continuing with ES, from A price continues north to B with declining volume, yet on the approach to A volume expands - buyers are withdrawing from the market. B via Tesla (same day) is testing the selling climax (one last squeeze) and many Wyckoffian traders I know and have spoken to recognized the behaviour and initiated a short play (documented on twitter) then boom, we have entered a bear market. As price reacts from B, volume expands for the initial drive (3) market halts, can't find any buyers (note volume) proceeds to sell off with sustained volume (4)

What's of major interest once again; who takes the reins? who finds the lows first? Tesla via 1. ES makes it lows a few days later at C, where as Tesla at the same time (C) is suggesting strength and a rally (successfully tests bar 2) Bar 2 has high volume and is the best buying we have seen since the downtrend began. Bar C dips into 2, finds no supply, to reverse and close firm above the previous 2 closes and achieves this on low volume (odds favour a rally)

This knowledge is incredibly powerful, look through the analysis and understand with clarity the depth that is being shared.

The market as it stands is vulnerable with Tesla providing illumination. Tesla has shown strength and pretty much recovered most of the sell off until D (distribution area) NOTE the sharp reaction at D (purple highlight) price prints the best selling on the chart bar none, in-fact the worst 2 days in the stocks history, where as the ES has made a poor recovery in comparison, the volume to D declines and importantly has yet to fully respond to Tesla's overt weakness. Now ask yourself; if Tesla is the lead proxy for the market, where do you think the market is heading?

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