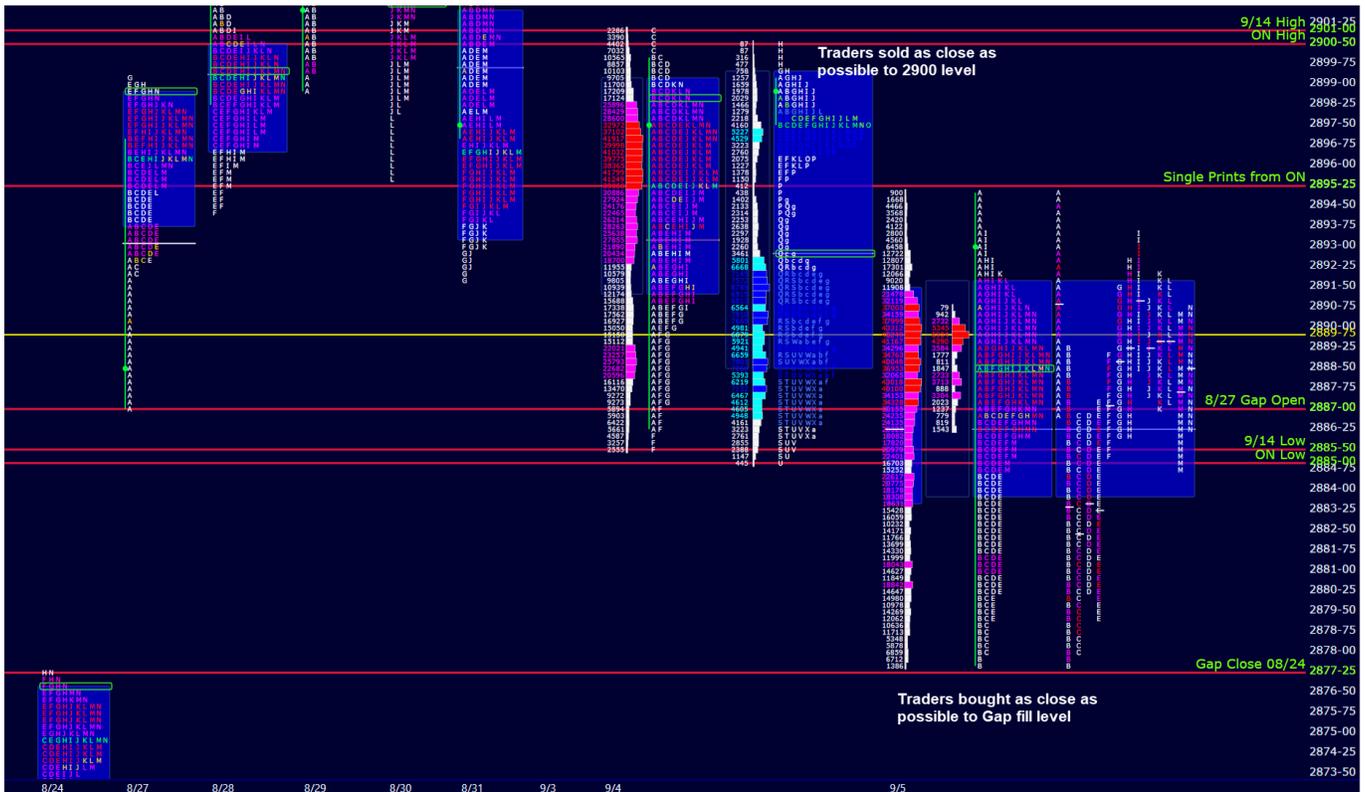


The daily bar shows the market breaking to the downside from the six-day balance. The market traded through the gap zone easily but failed to fill the gap by one tick. The fact that buyers waited that close to a reference before stepping in makes it a weak low. Note that the market is one time framing lower for the past 4 days (not counting Monday's truncated holiday session).



Overnight inventory was short and the market opened in the middle of yesterday's range. After some initial chop, the market sold off from 1 tick below the single prints from the overnight session. In the morning report we discussed the process that the market goes through to fill the gap and how support from the Gap Zone was getting weaker with each attempt to fill the gap. Once the market re-entered the gap zone, it sliced through it easily but it failed to fill the gap by 1 tick. The B period low was a good low since it has 2 ticks of excess, but it is also a weak low since it was 1 tick away from the gap fill. After the first 2 hours of trading, value was lower. The market had re-entered Tuesday's range multiple times which put pressure on the shorts. The short covering in the afternoon was not accompanied by new money or momentum traders and the market stayed rotational for the rest of the day.

**SCENARIOS FOR TOMORROW**

The market closed at the edge of 6-day balance. Tomorrow's trading should give us some more clues if the market is accepting or rejecting the break from 6-day balance.



**PREPARATION REPORT FOR 9-06-2018**

Acceptance back inside the balance area targets the 2900 level. Trading above 2895 stops one time framing down on the daily bar chart.

Acceptance below the 6-day balance increases the odds of another attempt at filling the remaining 1-tick gap. The next reference below is the POC from 8/24 followed by halfback from 8/24 (matching D&I period lows at halfback on 8/24).

