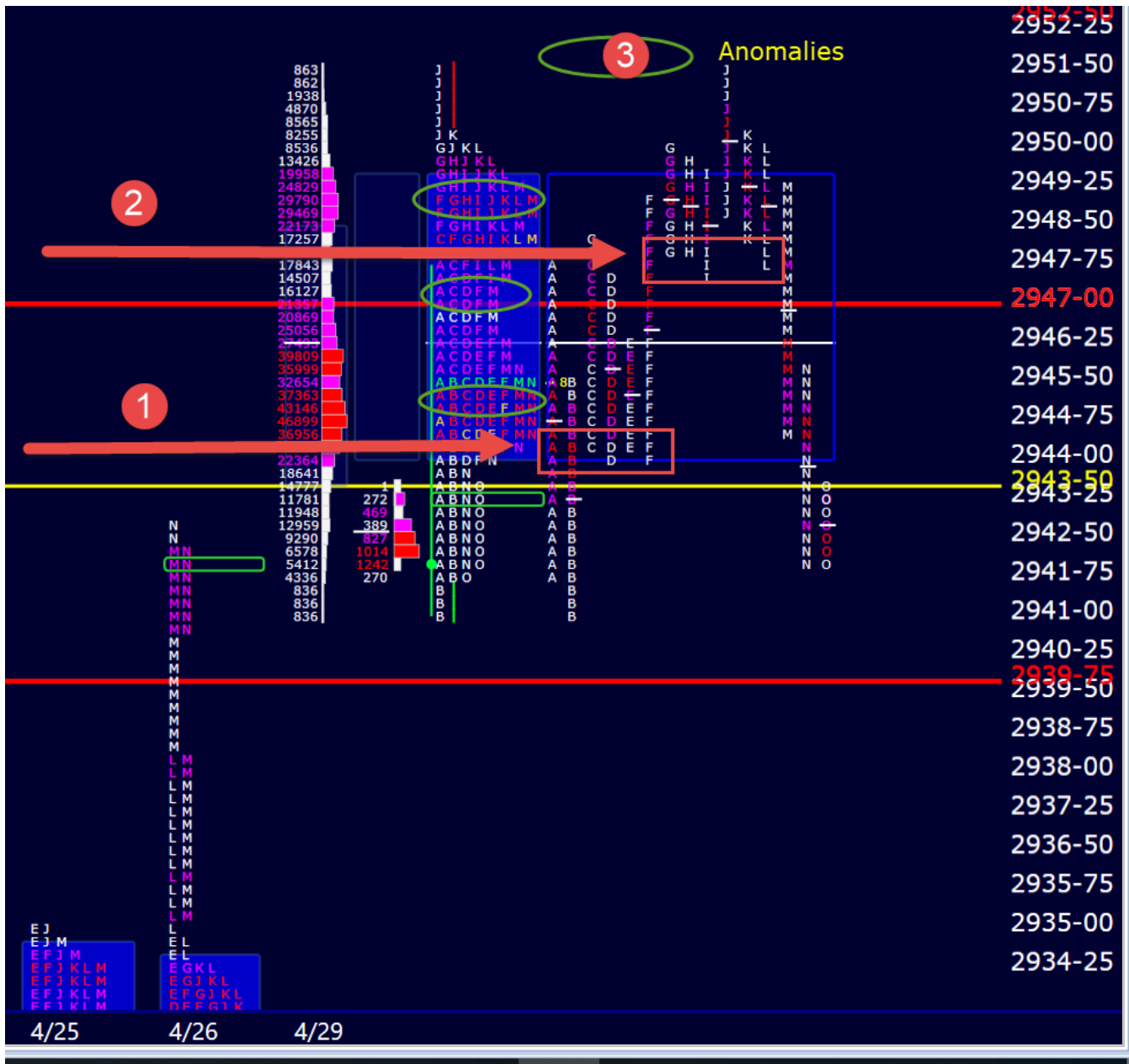


DEPTH OF UNDERSTANDING

Monday demonstrated a depth of understanding for knowledgeable traders. Throughout the Intensive we have constantly stressed the importance of understanding who you are competing against. Most competitors, just like in poker, broadcast certain 'tells'.





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1. The C, D, E and F lows are 'tells' attributed to very short term, weak hands traders. They are looking for exactness in the company of others. They represent a mini herd.
2. Within the daily range, there was a second cluster of lows incorporating the G, H, I, K, and L period lows. The herd, which was trading price, didn't appreciate the risk they were taking.

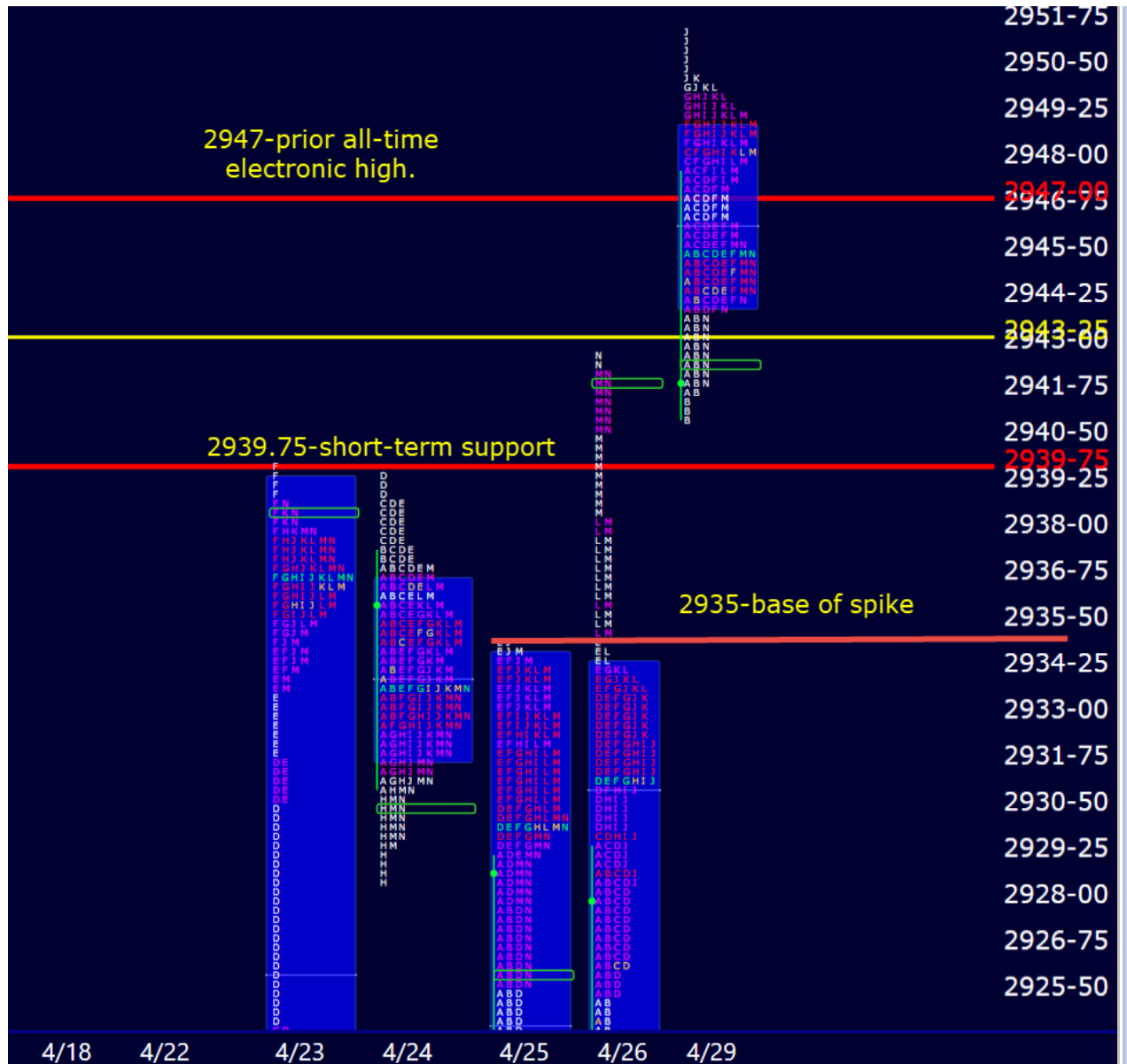
While prices traded higher for the next five hours, relative to the first cluster of lows, by the close, the entire range had been retraced.

There were two opportunities here. Very knowledgeable traders, clearly understanding what is occurring, can join the herd. If you get mesmerized by price and don't recognize the occurring behavior you are taking extraordinary risk.

A different type of trader might elect to let the herd tire itself out before becoming involved.

3. As prices traded higher, the anomalies left by the herd signaled that their resolve was weakening. Long risk was increasing. At the same time, the opportunity to fade the advance was strengthening. I used the 2940 puts to place my bet. As we got closer to the close, liquidation was underway.
4. Value was clearly higher. Another complexity was the short-term day timeframe auction that did not draw the interest or attention of the longer-term traders or investors. The development of higher value was likely confusing to many traders.

While we saw liquidation late in the session, we did not see a more potent combination of long liquidation and new money selling.



TRENDS

All trends remain up. That doesn't mean that the trend isn't in a transition of change, however, there is no clear indication that that is the case.

EXCESS

For the first time since December 2018, the all-time high occurred during pit session hours. That may only be a nuance, however we want to monitor the next couple of days very closely.



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GOING FORWARD

Excess is one of the two most important concepts we address. While we have daytime excess on Monday, there is no confirmation that we saw anything other than short-term liquidation on Monday afternoon.

The Wednesday – Thursday highs at 2939.75 represent short-term support.

Friday's spike remains in play with the base of the spike at 2935 being my most important short-term reference for Tuesday morning.

Acceptance back down below the base of the spike turns the short-term auction to the downside.

LIVE COMMENTARY SAMPLE 4/29/19

April 29, 2019 at 11:26 am

The morning range is exceptionally narrow. This is particularly interesting as the market has made new all-time highs. It is an indication to me that we are seeing more, weaker and late momentum buying rather than commitment of new investment funds.

April 29, 2019 at 2:06 pm EST

The market has been accumulating anomalies. Caution on the long side

April 29, 2019 at 12:02 pm EST

No change. The ES remains very constrained with a very questionable CDEF low. Value remains higher. Should anything turn negative, I still think we need to see a double distribution day to the downside with the first objective the base of the spike.

April 29, 2019 at 3:22 pm EST

Less than an hour to go. Neither the volume nor the shape provides comfort to the advance. The positive is clearly higher value with all trends intact.

Anomalies left during the advance suggests emotional and mechanical buying. The anomalies along with the similar lows around the 1944 level suggest increased risk for short-term longs.



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SESSION 2 INTENSIVE

The second intensive begins on Monday, May 13th. The more types of days that you see, along with narration, the greater the odds that you will begin to master market-understanding.

Brett Steenbarger, a noted market psychologist and hedge fund advisor stresses the importance of market-understanding. The deeper your market-understanding the less psychological issues you will need to deal with.

Please call or email us if you are interested in joining the Live Intensive course and have any questions or need any clarification on our courses or products.