

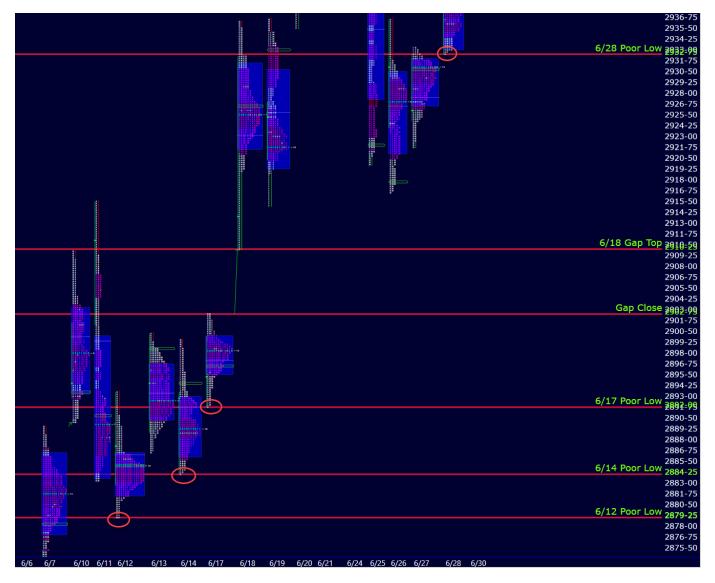
# TEMPO

Dictionary.com defines tempo with regard to chess "as the gaining or losing of time relative to one's mobility or developing position." That definition is applicable to trading; for example, if the market is attempting to auction lower, you can ask, "How effective is the auction?" Once you begin to think in terms of tempo you will be on your way to internalizing this important concept. Tempo is a market term rather than a Market Profile<sup>®</sup> concept; although it is certainly applicable to the auction process. Many successful day traders, who consider little else, are successful because they understand the market's tempo. Tempo precedes market structure; in this way it is a leading indicator of what structure will eventually look like.

Tempo was the single most important clue today.



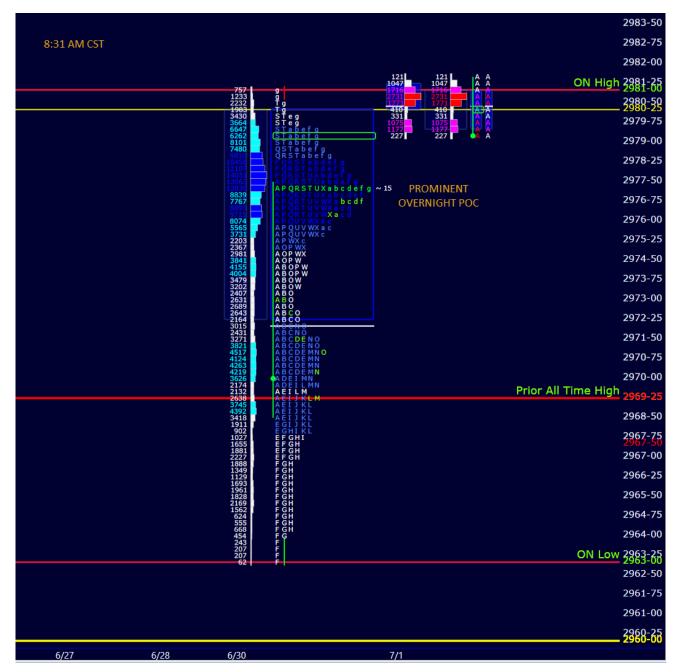
#### UNDERLYING STRUCTURE



The underlying structure was weak with 4 poor lows. The combination of weak structures and continual momentum buying are very hard to balance.



The market opened with a gap up of almost 14 handles. Overnight inventory was 100% long. Additionally, the overnight POC was wide. A new all-time high was made in the overnight session. Shortly after the open, the market looked a couple of ticks above the overnight high and came back inside the overnight range.





Early in A period, the market made one more attempt to rally, however there was no follow through, and it came back inside the overnight range once again. The prominent POC from overnight was not visited yet, which combined with the long overnight inventory and poor structure below, increased the odds of a pullback.

						2983-50
8:42 AM CST						2982-75
0.42 AW C31			747	747	.Δ Δ	2982-00
	757		747 1711 7412	747 1711 7412		ON High 2981-25
	757 1233 2232 1983		7495 13231	7495 13231	ÂÂ	2988-59
	1983 3430 3664 6647 6262	Yg STeg STeg STeg	13443 7516 6018	13443 7516 6018	A A	2979-75
	6262 8101 7480	(Stabefg Stabefg QSTabefg QRSTabefg	6517 2287	6018 6517 2287 880 2027 2262		2979-00
	9810	QRSTabefg PQRSTabdefg PQRSTabdefg	7516 6018 6517 2287 880 2027 2262 129	2027 2262 129	<mark></mark>	2978-25
	10458 12107 14051 13063	PQRSTUabdefg APQRSTUabdefg APQRSTUAbdefg	, 15	129	<b>•</b> •	2977-50
	8839 7767	AP OR STUX a b c d e f AP OR TUV WX a b c d f	15			2976-75
	9715 8074	APORTUVWXacd APOUVWXac				2976-00
	8074 5565 573131 22037 2287 2287 2287 2287 2287 2287 2287 2283 2267 2283 2267 2283 2263 227 2263 2263 2263 2263 2264 227 2263 227 2263 227 2263 227 2263 227 2263 227 2263 227 227 227 227 227 227 2263 227 227 227 227 227 2263 227 227 227 227 2288 2227 1389 1129 1655 1888 129 129 169 1692 169	A P OU V VX a c A P OU V VX c A O P W X A O P W X A O P W X A O P W X A B O P W A B O P W A B O P W A B O V A B O O A B O A A A B O A A A A A A A A A A A A A A A A A A A				2975-25
	2981 3841	A OP WX A OP W				2974-50
	4004 3479 3202	ABOP W ABOW				2973-75
	2407 2631	A B O				2973-00
l	2643 2164 2015					2972-25
	2431	A B C N O A B C D E N O				2971-50
	4517 4124	A B C D E MN O A B C D E MN				2970-75
	4203 4219 3626					2970-00
	2174 2132 2638					Prior All Time High 2969-25
	4392 3418	AAAAAAAAAAAAAAAAAAAAAAAAAAAAAAAAAAAAAA				2968-50
	902 1027	EGHIKL				2967-75
	1881 2227					2967-00
	1349 1129	FGH				2966-25
	1961 1828	F G H F G H F G H				2965-50
	1562 624	F G H F G H F G H				2964-75
	454	FGH				2964-00
	243 207 207 62	F				ON Low 2963-25
	02					2962-50
						2961-75
						2961-00
						<b>2960-0</b> 5
6/28	6/30		7/1			

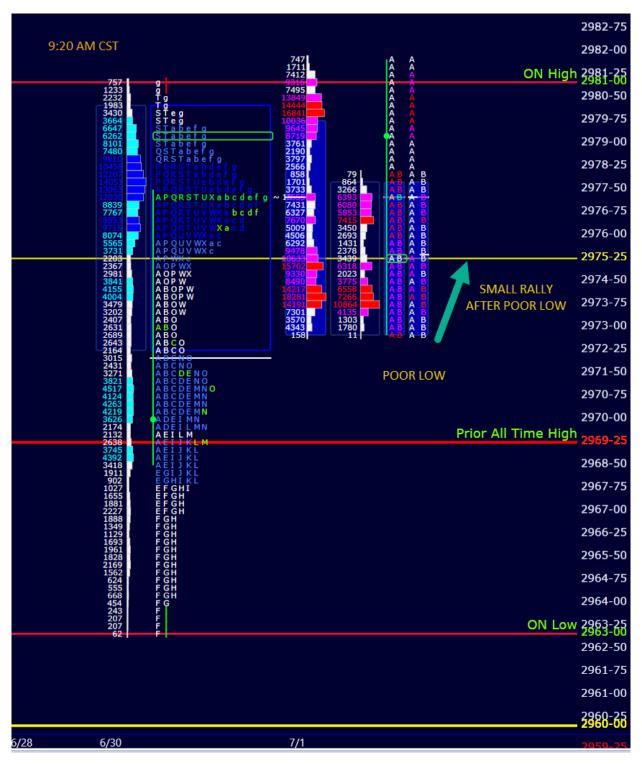


The volume at the end of the first 30-minute period was over 42% greater than Friday. Higher NYSE volume supported the early move down.

DATE	HOUR(EST)	VOLUME	YDAY VOLUME	DIFFERENCE
07-01-2019	10:00 AM	284,590	199,700	84,890 (42.51%
9:01 A	MCST			2984-25 2983-50
9.01 A	IVI CST			2982-75
		_		2982-00
	757	/ 17 74	47 A A 11 A A 12 A A	ON High 2981-25
	757 g 1233 g 2232 T g 1983 S 3430 S T 3664 S T	74 138 144		2980-50
		138 144 169 2 5 6 f g 2 5 6 f g 2 5 6 f g 2 6 6 f g	95   A   A     44   A   A     44   A   A     44   A   A     45   A   A     19   A   A     90   97   A     97   A   A     90   A   A     91   A   A     4   A   A     4   A   A     4   A   A     4   A   A     44   A   A     45   A   A     90   A   A     90   A   A     90   A   A     90   A   A     91   A   A     40   A   B     19   1560   A     19   1560   A     44   A   A     45   A     46   A     47   A     48   A     48   A     40   A </td <td>2979-75</td>	2979-75
	6647 51 6262 51 8101 51 7480 95			2979-00
	9810 QR 10458 P Q 12107 P Q	aberg 37 Taberg 37 Taberg 21 STaberg 37 RSTabderg 37 RSTabderg 7 RSTabderg 7 RSTuabderg 8	97 79 37 67 4 4 4 4 4 4 4 4	2978-25
	13063 12030 12030 8839	QRSTUXabcdefg~151		2977-50
	8839 7767 8893 9715 9715	QRTUVWXabcdf QRTUVWXacd 10 QRTUVWXacd 30 QUVWXac 30 QUVWXac 30 QUVWXac 31 30 32 32 32 32 32 32 32 32 32 32 32 32 32	21 347 A B A B 76 821 A B A B 19 1560 A B A D	2976-75
	8074 A P 5565 A P 3731 A P			2976-00 2975-25
	2203 2367 A 0 2981 A 0	WX c       P0         P WX       P3         P WX       P3         P WX       P3         OP W       P3         OP W       P3         OP W       P3         OW       P3         OW<	45 546 A B A B 07 693 A B 08 124 A B A B 74 67 A B A B 49 34 67 A B A B	2974-50
	4155 A B 4004 A B 3479 A B	ОР W 76 ОР W 110 ОР W 33	59 A A	2973-75
	3202 A B 2407 A B 2631 A B	0W 31 0W 22 0 25	59       A       A         27       A       A         66       A       A         67       A       A         63       A       A	2973-00
	2689 2643 2164 A B		.47 <sup>I</sup> A A	2972-25
	3015 A B 2431 A B 3271 A B			2971-50
	3621 АВ 4517 АВ 4124 АВ 4263 АВ			2970-75
	2367 2367 3841 4054 3479 2407 2631 2643 22631 22639 2643 3015 22643 3015 22643 3015 22643 3015 22643 3015 22643 3015 22643 3015 22643 3015 22643 3015 22643 3015 2277 4 B 2277 4 B 2277 4 C 2639 23745 4 C 2174 2172 2639 27745 4 C 2027 2775 4 C 2027 2775 4 C 2027 2775 4 C 2027 2775 4 C 2027 2775 4 C 2027 2775 2775 2775 2775 2775 2775 2775	CNO CDENO CDENO CDEMO CDEMNO CDEMN CDEMN EI MN EI MN I I M	_	2970-00
	2132 A E 2638 A E 3745 A E	I L M I J K L M I J K L	P	rior All Time High 2969-25
	4392 A E 3418 A E 1911 E G	I J KL I J KL		2968-50
	902 E G 1027 E F 1655 E F 1891 E F	GHI GHI GH		2967-75
	2227 E F 1888 F G 1349 F G	GH H H		2967-00
	1129 F G 1693 F G 1961 F G	L M L M L M L M K L L M K L K L K L K L K L K L K L K L		2966-25
	1828 F G 2169 F G 1562 F G	H		2965-50 2964-75
	624 F G 555 F G 668 F G 454 F G	H H		2964-75
	2169 F G 1562 F G 624 F G 668 F G 243 F G 207 F 207 F 62 F			ON Low 2363-25
	62 F			2963-00
				2961-75
				2961-00
				2968-25
6/2	8 6/30	7	/1	

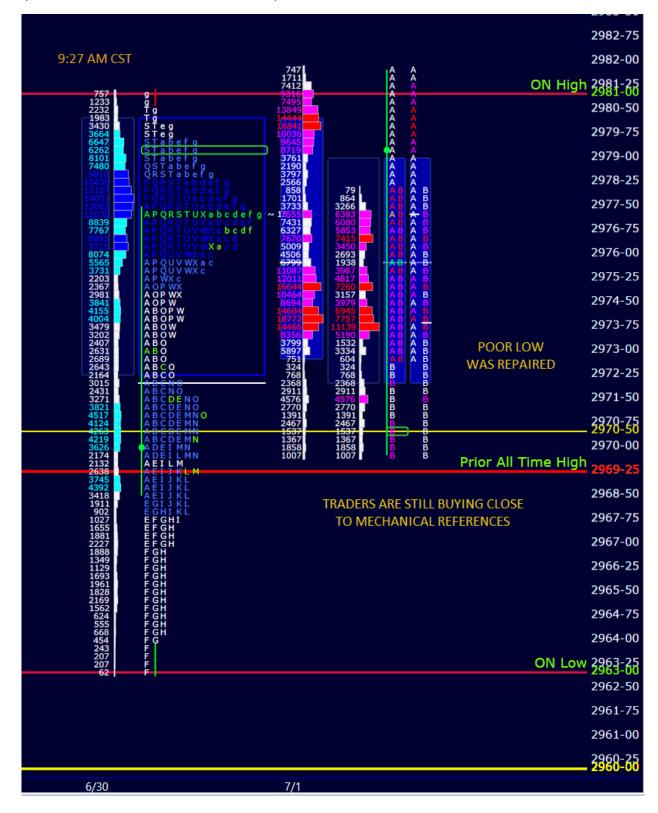


In late B period, the market formed a poor low just a few ticks above overnight halfback. The back to back poor lows (we had a poor low on Friday as well) exponentially increased the odds of a move lower. The rally from this poor low was an opportunity to get short.



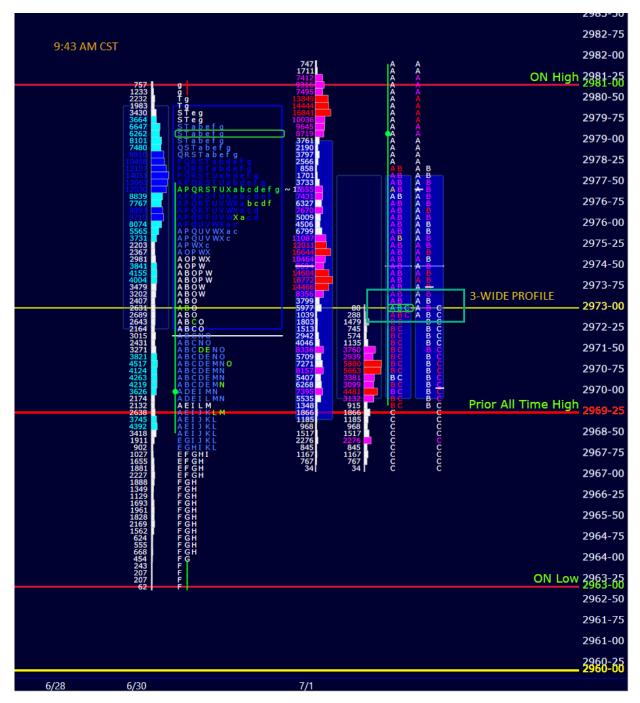


The poor low was corrected late in B period.



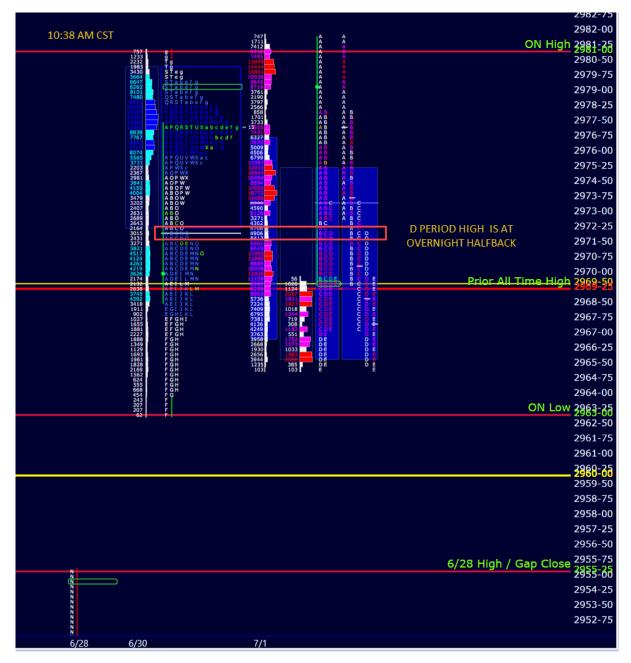


The NYSE volume at end of B period was still running high (up 40% compared to Friday). The profile became 3-wide in C period. Carry this information forward.



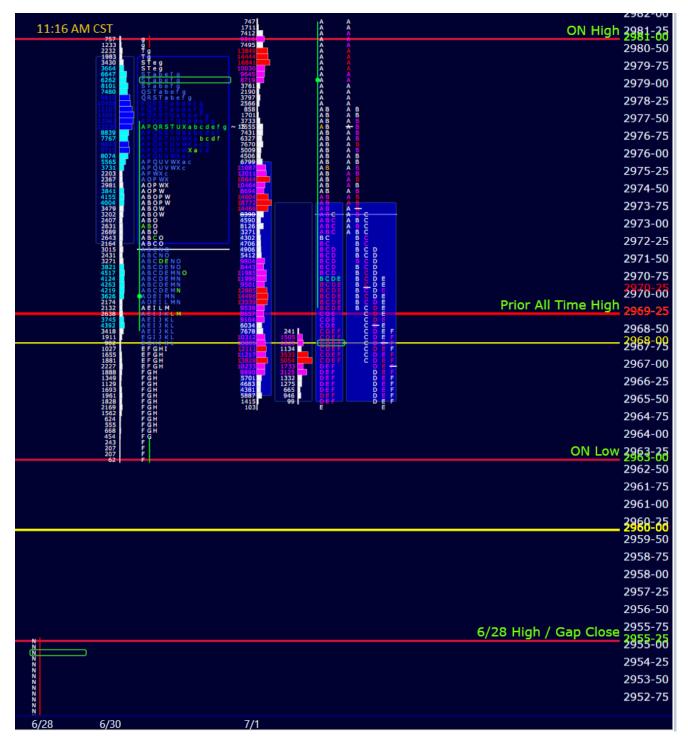


In D period, the market formed another poor low. Once again, the rally from this poor low was an opportunity to get short. Notice that the high in D period is exactly at the halfback from overnight session. What does this tell you - are these strong sellers or day timeframe sellers who are looking for an opportunity to try and fill the gap? Observing nuances like these help you stay with the trade without getting too attached to the outcome or looking for homeruns. Take into account what market generated information is telling you.

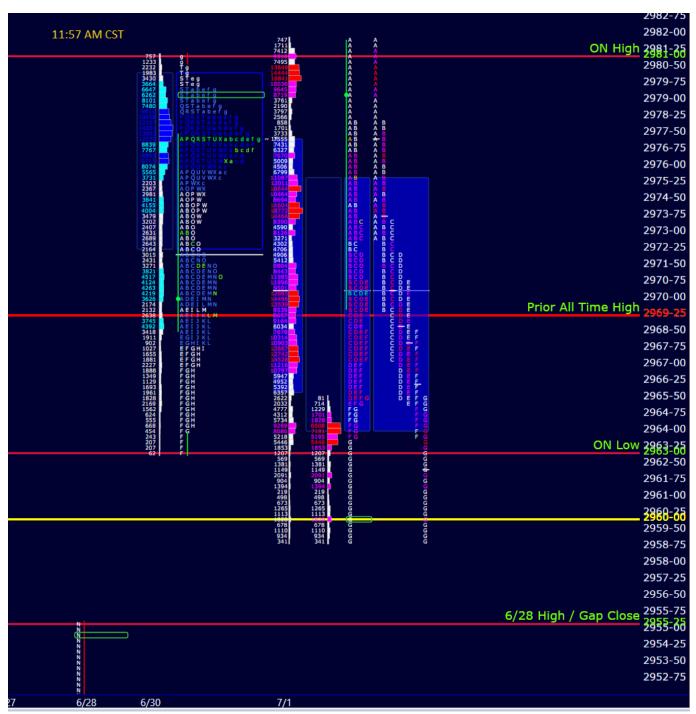




We have observed signs of day timeframe sellers; however, the buyers are also weak. The lows of the D, E, F periods were within a tick of each other, forming yet another poor low.







The D, E, F poor low was taken out and more liquidation followed.



Note that the NYSE volume at the end of G period dropped. This is yet another indication that we saw liquidation rather than a more important and lasting combination of liquidation and new money selling. It is quite easy to get mesmerized by price.

Hour(EST)	2019-07-01 Volume	2019-06-28 Volume	Difference
10:00 AM	284,590	199,700	84,890 (42.51%)
10:30 AM	614,430	436,050	178,380 (40.91%)
11:00 AM	868,200	633,590	234,610 (37.03%)
11:30 AM	1,090,000	826,750	263,250 (31.84%)
12:00 PM	1,320,000	1,000,000	320,000 (32.00%)
12:30 PM	1,490,000	1,160,000	330,000 (28.45%)
01:00 PM	1,630,000	1,310,000	320,000 (24.43%)



The market had traded multiple times back and forth as it attempted to fill the gap. Tempo is very hard to define, but to get a better understanding of what slow tempo looks like, we suggest you replay the 2 hours as the market attempted to fill the gap following the sharp liquidation in G period. The risk of remaining short appeared to be high.

	8893 9715 A P OR T U V WX a c A P OR T U V WX a c	7670	ÂB Â	8		2976-25
1:08 PM CST	8074 A P O U V WX a c	4506 6799		8 8 8 8		2975-50
	AP       QUV       XA a c         5565       AP       QUV       WX a c         3731       AP       QUV       WX a c         2203       AP       WX c       2367         3367       AOP       WX       208			B		2974-75
	3841 4155 A O P W A B O P W	8694 14504		8 8 8		2974-00
	2203       A P W x c         2367       A OP W x         2981       A OP W x         3841       A OP W x         4155       A B OP W         4004       A B OP W         3479       A B OW x         2637       A B OW x         2407       A B OW x         2631       A B O         2638       A B O         2643       A B C O         2164       A B C O	14466		c c		2973-25
	2631 A B O 2689 A B O 2689 A B O	4590 8126 3271	ABC A ABC A	BCC		2972-50
	2043 2164 3015 	8126 3271 4302 4706 4906 5412	BCBCB	B C D		2972-30
	3271 ABCDENO 3821 ABCDENO 4BCDENO	9804 9804 8443	BCD BCD			2971-00
	4124 ABCDEMN 4263 ABCDEMN 4261 ABCDEMN	11985	BCDE	B B B B B B B B B B B B B B B B B B B		2970-25
	3015 ABCN0 3271 ABCDENO 3821 ABCDENO 4517 ABCDENO 4124 ABCDEMN 4263 ABCDEMN 4263 ABCDEMN 3626 ADEIMN 3626 ADEIMN 2174 ADEILMN 2132 AEILMN 2638 AEILM		BCDE	BCDE BCDE BCDE BCDE BCDE	Prior All Time	= High 2969-50
	2638 AEIJKLM 3745 AEIJKL 4300 AEIJKL	8657 9164 6034	CDE	C D E		2968-75
	3418 AEIJKL 1911 EGIJKL	7678 10314	CDEF			2968-00
	15565       A P OU V WX a c         22031       A P OU V WX a c         22037       A P OU V WX a c         22037       A P OU V WX a c         22037       A P WX c         23671       A OP WX         3841       A OP WX         4155       A BOP W         4004       A BOP W         4004       A BOO W         24371       A BOO W         24371       A BOO         24371       A BOO         2480       A BOO         2489       A BOO         2481       A BOO         24817       A BOO         24817       A BCOEMNO         3271       A BCOEMNO         3271       A BCDEMNO         4517       A BCDEMNO         42132       A BCDEMNN         42263       A BCDEMNN         4214       A BCDEMNN         32431       A BCDEMNN         32432       A BELLINKL         33452       A BELINKL         3418       A EFIJKL         3418       A EFIJKL         3418       A EFIJKL	12667		н н н н н н н н н н н н н н н н н н н		2967-25
	2227 EFGH 1888 FGH 1349 FGH	11216 10797 5947	DEF DEF DEF			2966-50
	1129 F G H 1693 F G H 1961 F G H	5947 4952 5392 6357	DEF DEF DFF			2965-75
	1828 F G H 2169 F G H 1562 F G H	2622		G G G G G D D D D		2965-00
	624 F G H 555 F G H 668 F G H	2032 4777 4312 5734 9269				2964-25
	454 F G 243 F 207 F	8086 5218 5446	F G F G G	F G G		2963-50
	207 F 62 F	1853 1207 569	GGG	G G G	0	N Low 2963-90 2963-99
		1207 569 1394 2319 5535 3582 4050 9 4632 9574 9574 9574	- 	00000000000000000000000000000000000000		2962-00
		3582 4050 9 4632 318	GH GHIJ GHIJ GHIJ GHIJ	G H G H I J G H I J		2961-25
		3562 9 4050 9 4632 318 8674 95 9403 335 12417 291 16069 1753	GHIJ GHIJ GHIJ			2960-50
			GHI I			
		8225 357 9120 185 7930 194 5441 443 8336 504 6250 816 7031 1912 8462 1494	GHI J GHI J		CAN YOU FEEL THE	2959-00
		6250 816 7031 1812			LACK OF TEMPO?	2958-25
		5771 1494 5771 2161 2251 410 462 36		H J H J		2957-55
		4021 361				2956-75
						2956-00
N					6/28 High / Gap	Close 2955-25
						2954-50
						2953-75
						2953-00
						2952-25
6/28	6/30	7/1				



8839 7757 7757	7431	ÂB	Ā B	
8893 A P O R T U V WX a c d 9715 A P O R T U V WX a c d	7431 6327 7670 5009 4506 6799	A B A B A B	A B A B A B	2976-50
8074 5555 3731 4 P QUV WX a c 3731 4 P QUV WX a c	4506 6799 11087	A B A B A B	A B A B A B	2975-75
2203 A P WX c 2367 A O P WX 2981 A O P WX	12011 16644 10464 8694	A B A B A B		2975-00
3841 A OP W 4155 A B OP W 4004 A B OP W	8694 14604 18772	A B A B A B	A B A B A B	2974-25
3479 A B O W 3202 A B O W 2407 A B O	14466 8390 4590	A B A B C A B C		2973-50
8074     A PO UV WX a c       3555     3731       2203     A PO UV WX c       2203     A OP WX       341     A OP WX       4004     A BO W       3479     M BO W       3479     A BO W       3207     A BO W       2407     A BO O       2533     A BO O       2543     A BO O       2543     A BO O       2543     A BO O       2543     A BO O       3271     A BO O       3271     A BC OE M O       4263     A BC OE M N O       4253     A BC OE M N O       4254     A BC OE M N O       4253     A BC OE M N O       4254     A BC OE M N O       4253     A E L J K L       2174     A E L J K L       2174     A E L J K L       3207     E F GH	8390 4590 8126 3271 4302 4706			2972-75
2164 A B C O 3015 - A B C N G 2431 A B C N O	4706 4906 5412	BC BCD BCD	BCD BCD	2972-00
3271 A B C D E N O 3821 A B C D E N O 4517 A B C D E N O	9804 8443 11985	BCD BCD BCD		2971-25
3015       ABCHO         2431       ABCNO         3271       ABCDENO         3271       ABCDENO         3271       ABCDENO         4513       ABCDENO         4514       ABCDENO         4263       ABCDENNO         4263       ABCDENNN         3626       ADEINNN         2132       ABCDENNN         2132       AEIJKLMN         2338       AEIJKLM         3745       AEIJKL	11996 9501 12885	B C D E B C D E B C D E		2970-50
3626 A DEIMN 2174 A DEILMN 2132 A ETIM	14495 13539 9539	B C D E B C D E B C D E		2969-75 Prior All Time High 2969-25
2638 AEIJKLM 3745 AEIJKL 4392 AEIJKL	9002 345 10151 987 8400 2366	CDEM CDEM CDEM		2969-00
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	12186 4508 16533 6219	CDEFM CDEFM CDEFM		2969-00 2968-25 2967-50 2966-75 2966-00 2965-25 2964-50 2964-50
1027 EFGHI 1655 EFGH 1881 EFGH	14113 14994 14994 18602 1074	CDEFM CDEFM CDEFM	C D E F C D E F	2967-50
2227 EFGH 1888 FGH	15040 4243	DEFM DEFM		2966-75
1129 F GH 1693 F GH 1661 F GH	9676 3729 7204 2252 11482 6090 9781 3424			2966-00
1901 F GH 1828 F GH 2169 F GH	11482       6090         9781       3424         8099       5477         5643       3611         8800       3772         9418       2499         10653       2158         12107       459         12679       62			2965-25
624 F GH 555 F GH	9418 2499 10653 2158	FGLM		2964-50
454 FG 243 F	12679 62 9150 0151	FGLM	F G L	2963-75
207 F 207 F 62 F	5351 6926	GL GL GL	G L	ON Low 2963-00
	3388 3773 2778 6839 5216 6598 7245	GHL GHL		2962-25
	5216 6598	GHL GHL GHIJL	G H L G H I J L	2961-50
	7243 9603 9975			2960-75
	13435	GHIJL		2960-00
	10192	GHIJL GHIJL	6 H I J L 6 H I J L	2959-25
	10331 12504 9619	GHIJKL	G I KL	2958-50
	15668			2957-75
	9677 7491	J KL HJ KL		2957-00
	3328 4332	J KL		2956-25
	4332 5039 1784 239	ĸ	J K L J K L J K L	6/28 High / Gap Close 2955-59
				2953-25
N N				2954-00
N N				2953-25
N N				2952-50
6/28 6/30	7/1			

The market left behind yet another poor low and rallied to halfback. This was a great example of a poor low forming due to day timeframe inventory getting too short.

Monday saw an upside breakout above the 2-week high; and the price closed back just slightly below the 2-week high.



Monday's low was both poor (no excess) and weak (at an exact level). This is a weak base to mount any sustainable upside assault on the all-time high level. Monday's weak low and settle near halfback appears to provide the best opportunity to see the market come into short-term balance.

If there is to be downside follow-through, the market will easily stay below 2955; failure to remain below that level maintains a positive tone to the market.

At Jim Dalton Trading, we don't teach you mechanical setups or tell you where to enter. We don't tell you where to exit, and place your stop. We teach you how to observe the nuances of market generated information, understand contextual clues, recognize who your competitors are, and how to see the market without getting mesmerized by price. A thorough understanding of these concepts combined with self-understanding puts you on the path to becoming a successful trader.

If you would like to continue your summer studies or ensure that your foundation is solid, or get a deeper understanding of nuances pointed out in this report, we recommend checking out our foundational e-Course <u>Introduction to Trading with the Market Profile e-Course</u>. The observations, nuances and concepts laid out in this report are covered in our e-Course.

Use code **SUMMERSCHOOL** during checkout to get **\$50 off ANY** product or course at Jim Dalton Trading. This promotion ends July 4, 2019 at 11:59 pm EDT. Coupon cannot be combined with any other offers.

Sincerely,

Jen & RJ – Jim Dalton Trading Team