

Proving the Point!

The Ord Oracle Newsletter For The Active Trader

Today:

Gold has been under pressure for a few days but not by high volume selling but a possibility of high volume selling as there is pressure to push the [IMF](#) to sell its gold. The possibility of selling is generally always wrong. If they were going to sell they would not do it on the news or let it leak out before they started.

“Unless you completely discard all news, reports, tips, corporate statements, crop situations and other types of news-you will be unable to get the best results from your market operation.” – Richard D. Wyckoff

Maybe they will and maybe they won't but it doesn't matter until it changes the path of least resistance by altering the supply and demand.

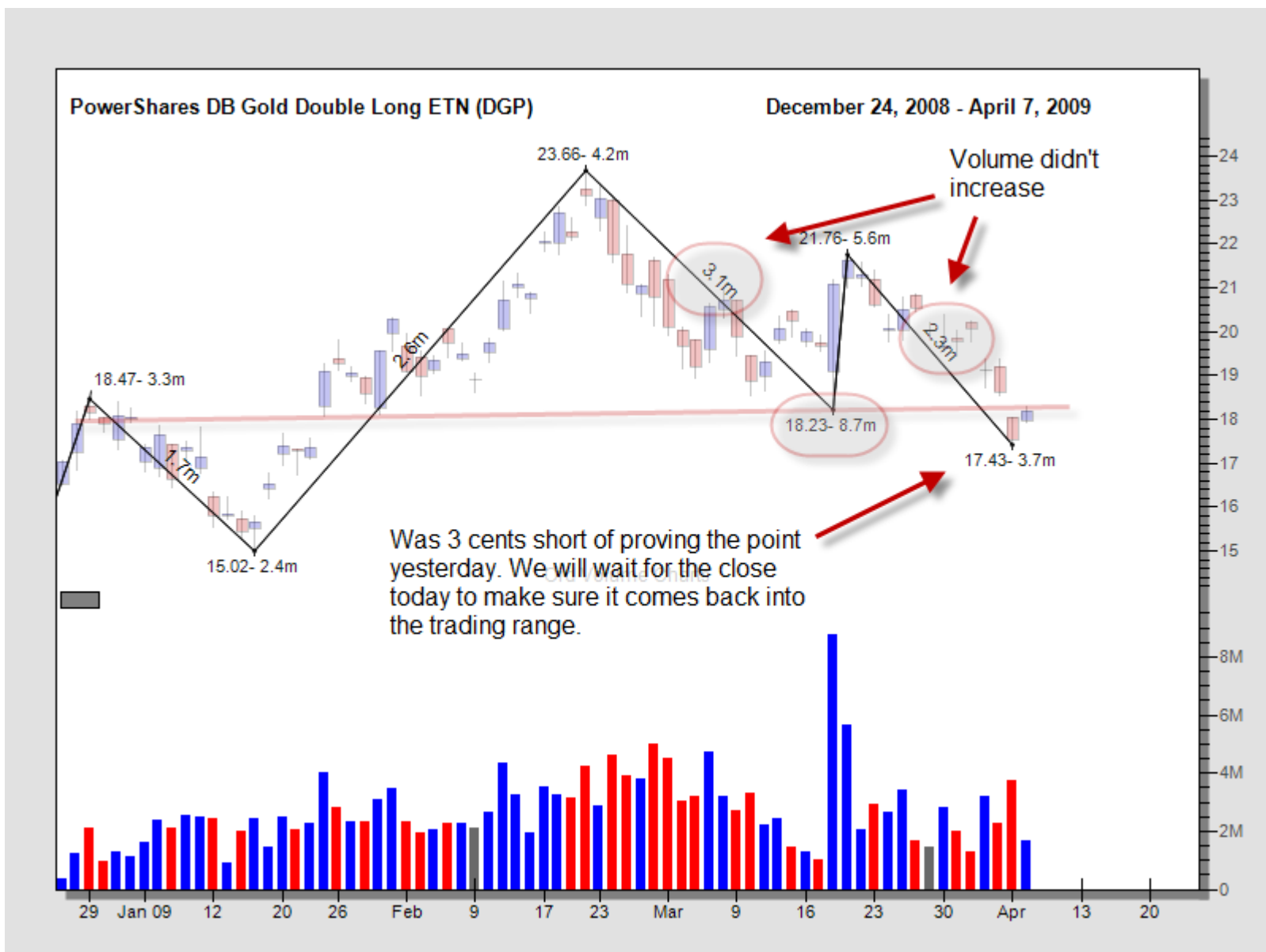
“The only fundamental factor that really counts in the stock market is The Law of Supply and Demand”. – Richard D. Wyckoff

On the broad markets the S&P closed at just where we thought support was at 815. This is the Wednesday were options market makers again go delta neutral for option expiration in 10 days. Expect a few games in the morning with a signal starting to develop with about 2 hours left in trading in the NYSE and Nasdaq.

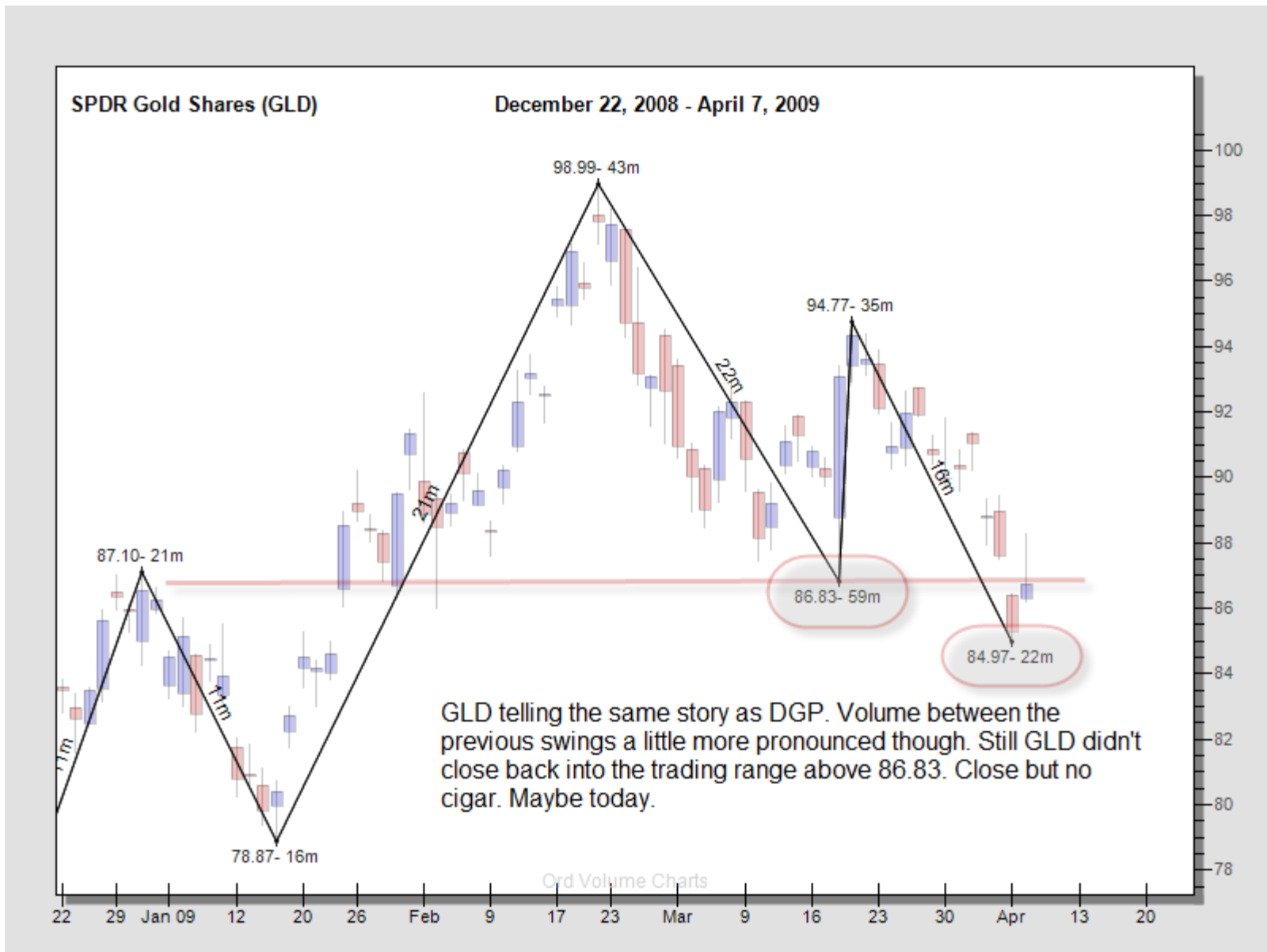
We still are not much on buying options as the premiums are way too high. This too shall pass but in the mean time just remember your odds of every winning on options is based on the premium cost which will melt like ice cream on a 100 degree day in any rally. [ivolatility.com](#) supplies IV numbers for all CBOE listed options on their site. It's good to check those numbers before ever looking at a options trade. Normally we consider buying options only when the implied volatility is very low.

Owning options are like fish, the longer you hold them the more they stink. The implied volatility gives a good clue as to how ripe they will get and how fast.

Examples:



March 15th, 2009





Recent Trades:

We went long PERY at 3.54 on March 31st, 2009. Our stop below 3.31 on the close if there is more volume than 160,000 shares. Our targets are 4.80 and then possibly 5.80 if the 4.80 mark is taken out with decent volume.

Understanding Examples:

Examples shown are starting points for looking for a trade. The market, sector and stock should all be telling the same story to enter a trade. An example of a stock is just 25% of the story, you still need to get the broad market (50%) and sector (25%) to line up. SOS stands for “sign of strength”, a big candle (big price change) where volume is significantly higher and instantly stands out on the chart.

Newsletter Information:

Proving the Point is published each trading day exclusive of the last two weeks of August and December. Questions can be addressed to help@ord-oracle.com. The name “Proving the Point” comes from a term coined by the original evangelist of price and volume trading, Richard Wyckoff. The term refers to when a stock goes through a previous swing with significantly less volume and pops back into the trading range defined by the previous swings. It has proved the point that there was no demand for higher prices or supply for lower prices, at that time.

Signals are provided as general information only and are not investment recommendations. You are responsible for your own investment decisions. Past performance does not guarantee future performance. Opinions are based on historical research and data believed reliable, there is no guarantee results will be profitable. Not responsible for errors or omissions.

March 15th, 2009

We may or may not invest in the vehicles mentioned above. Copyright 1996-2008. To unsubscribe send an email to tim@ord-oracle.com.