

# Proving The Point!

*The Ord Oracle Newsletter For The Active Trader*

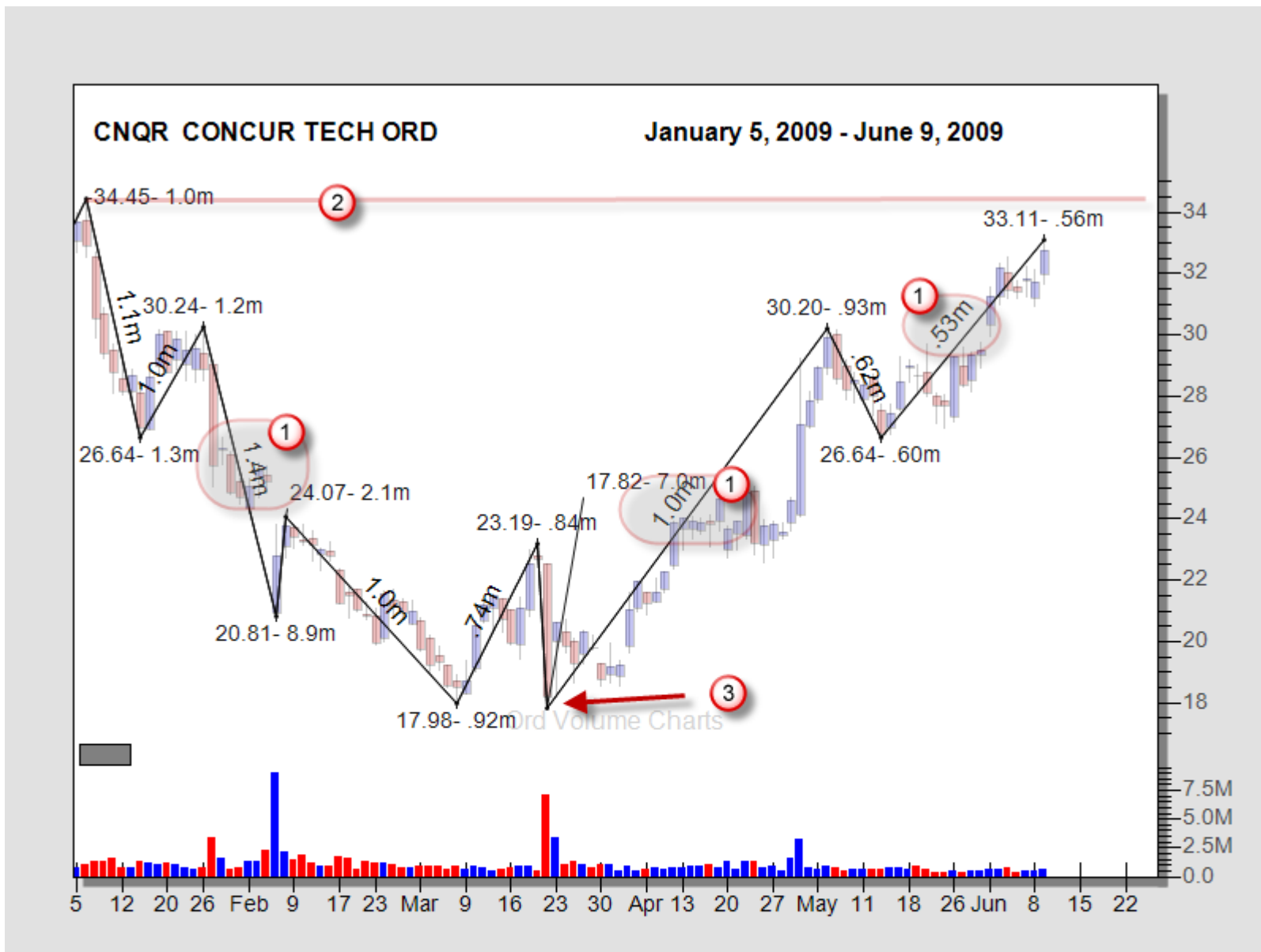
Today: 82 free days left

We have been waiting for a spike to shake out weak short hands and give us an opportunity to short some over extended stocks. With what we think is a 75% chance we are going slightly higher and a 25% we go much lower we have to go with the side that has the greatest percentage profit. Almost always the surprises will be on the weak side of the market. This is the side where the volume is the weakest. Markets have a habit of turning at the tops where shorts finally give up. We suspect that is today. About 2 PM Eastern time on Wednesdays the market has a turned so many times we suspect we want to wait till then before we start a position today, either way. Option market makers go [delta neutral](#) today and we suspect the high of expiration will be today.

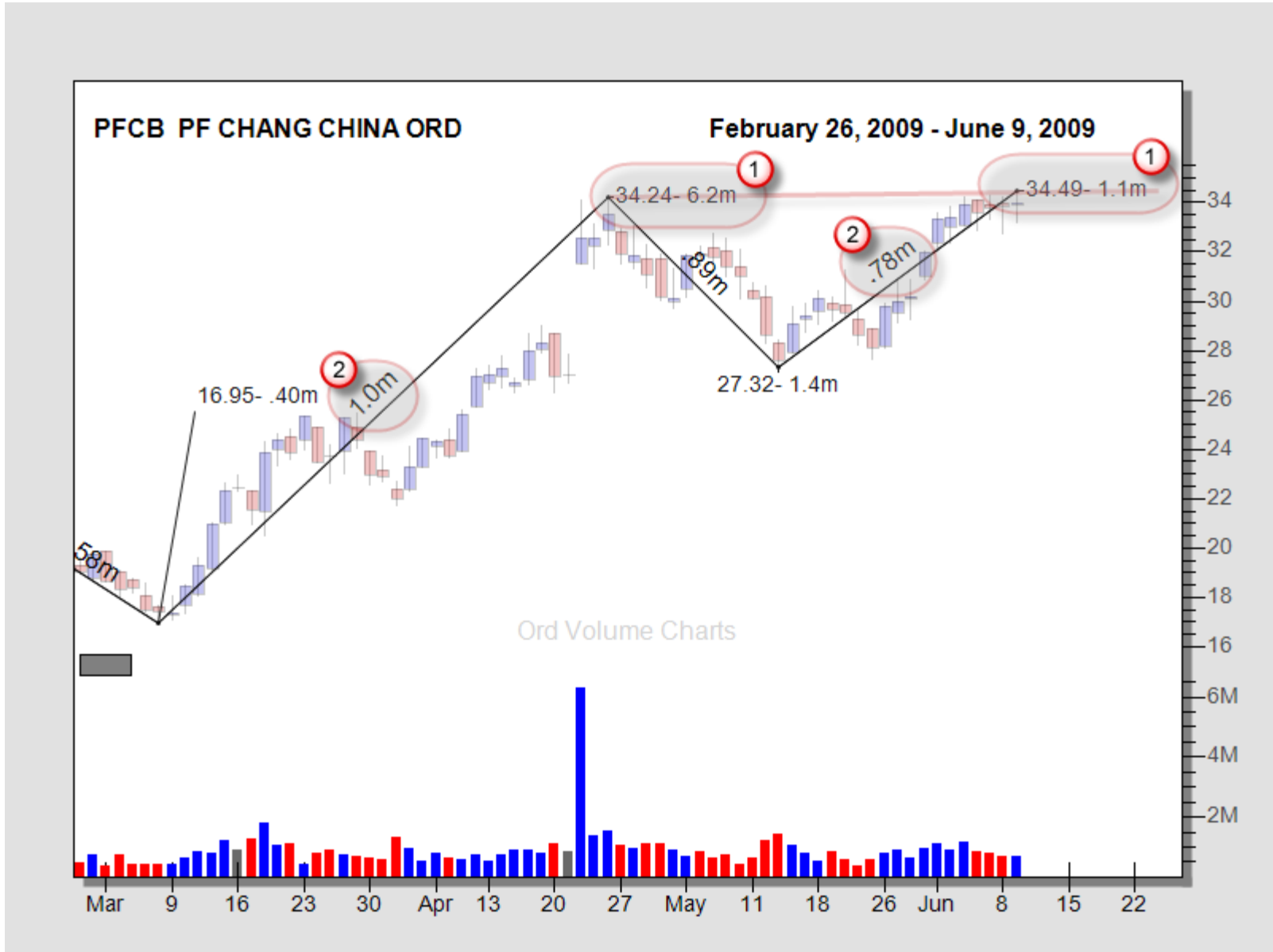
In the examples today we have a tale of three weak stocks. While we expect all three to pullback which one is the best candidate? You need to weight all the information. We suspect the answer is easy when you remember what Tim says about high volume lows getting retested.

If anyone needs help with Ord Volume Charting or mentoring with this system please contact [help@ord-oracle.com](mailto:help@ord-oracle.com).

**Examples:**



- ① The volume pattern here is what we are looking for. Heavy on the way down and lighter on the way up. The last leg at .53 is saying there is little demand for this stock at these prices now.
- ② We need to test this high on lighter volume and we think that will be today. A close below on light volume and it proves the point.
- ③ And the icing on the cake is a high volume untested low. So we have a possibility of this getting retested for a 50% profit. Of the three we are showing today we would short this one first with a test of the high.



- ① In looking at the chart we see the a monster change in volume at the high. It's proven the point. Now turn to the leg volume up.
- ② The leg volume has dropped 20% which is a good indication the rally is over. We like the leg volume to drop 50% to say the the the last leg up was hollow and would crack and go to the previous low at 16.95. The only target you would have here is the 27.32 low at this time for a 25% profit target.



- ① Volume falls more than 50% at the high
- ② Leg Volume falls 28%. So Our target is not the 59.82 low but the 73.10. At 50% leg and swing volume we look for a total reversal to the lowest low. So we would look for a 16% move down. PF Chang's looks like a better bet for a short here with a 25% target.
- ③ We might get a spike in the market today and with a close back below 86.68 would confirm the top.

### 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](mailto:help@ord-oracle.com). The term "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. We may or may not invest in the vehicles mentioned above. Copyright 2009 Ord Oracle. To unsubscribe send an email to [help@ord-oracle.com](mailto:help@ord-oracle.com)