

Proving The Point!

The Newsletter For The Shorter Term Ord Volume Trader

Today: 68 free days left

Without an event we suspect that the cycle has turned in markets. In a bottom there is an automatic rally, then a pullback, and then a consolidation. I suspect we are starting the consolidation phase. It won't be as easy as it has been to make money until the consolidation is over. The good thing about consolidations is there tends to be a very predictable market.

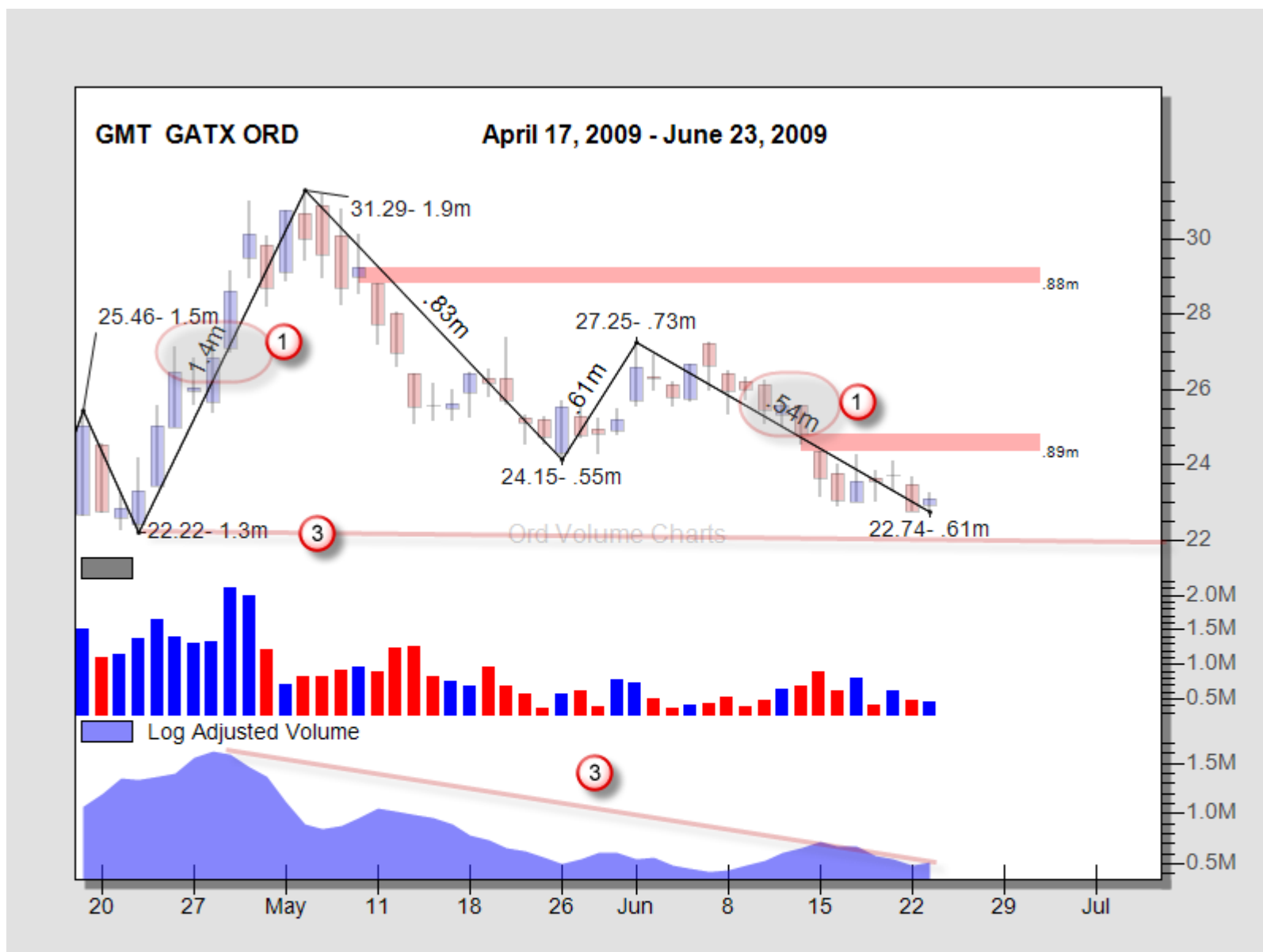
Last night scan showed a great deal of stocks testing their lows or coming close on very light volume. If we didn't out right cover our shorts here we would have a very small trailing stop. We will suspect that we have slightly lower, but the easy money is over in our humble opinion.

Most likely a trading range is setting up. We would neither be short nor long today. The HURN trade is good for almost 2\$ since Monday. We would cover it at the open this morning. A good set up but the market is trying to find support and like Mr. Miagee said "Best way to avoid fight Danielson, is not be there." The rest we would cover also. They made good money and might go lower but we want to know there is more and there is no way to know that with the markets trying for support.

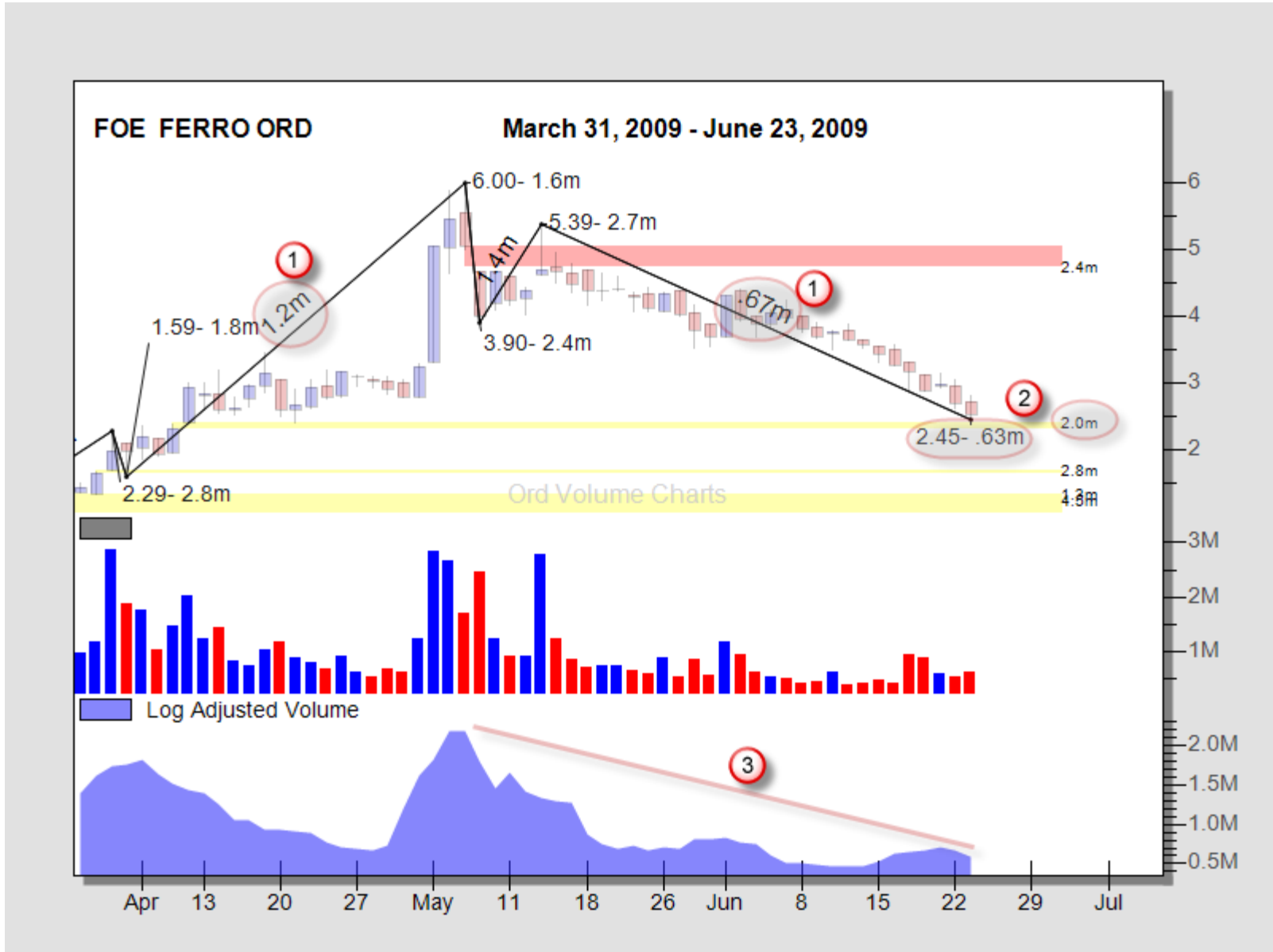
"It was the change in my own attitude that was of supreme importance to me. It taught me, little by little, the essential difference between betting on fluctuations and anticipating inevitable advances and declines, between gambling and speculating." Jesse Livermore

One of our beliefs is as volume traders we don't work for hourly wages and we don't have to trade every day. Some days it is a gamble. When we don't have an abiding believe we will be right for days to come, we relax and enjoy life. We wait for the next almost inevitable advances and declines to set up.

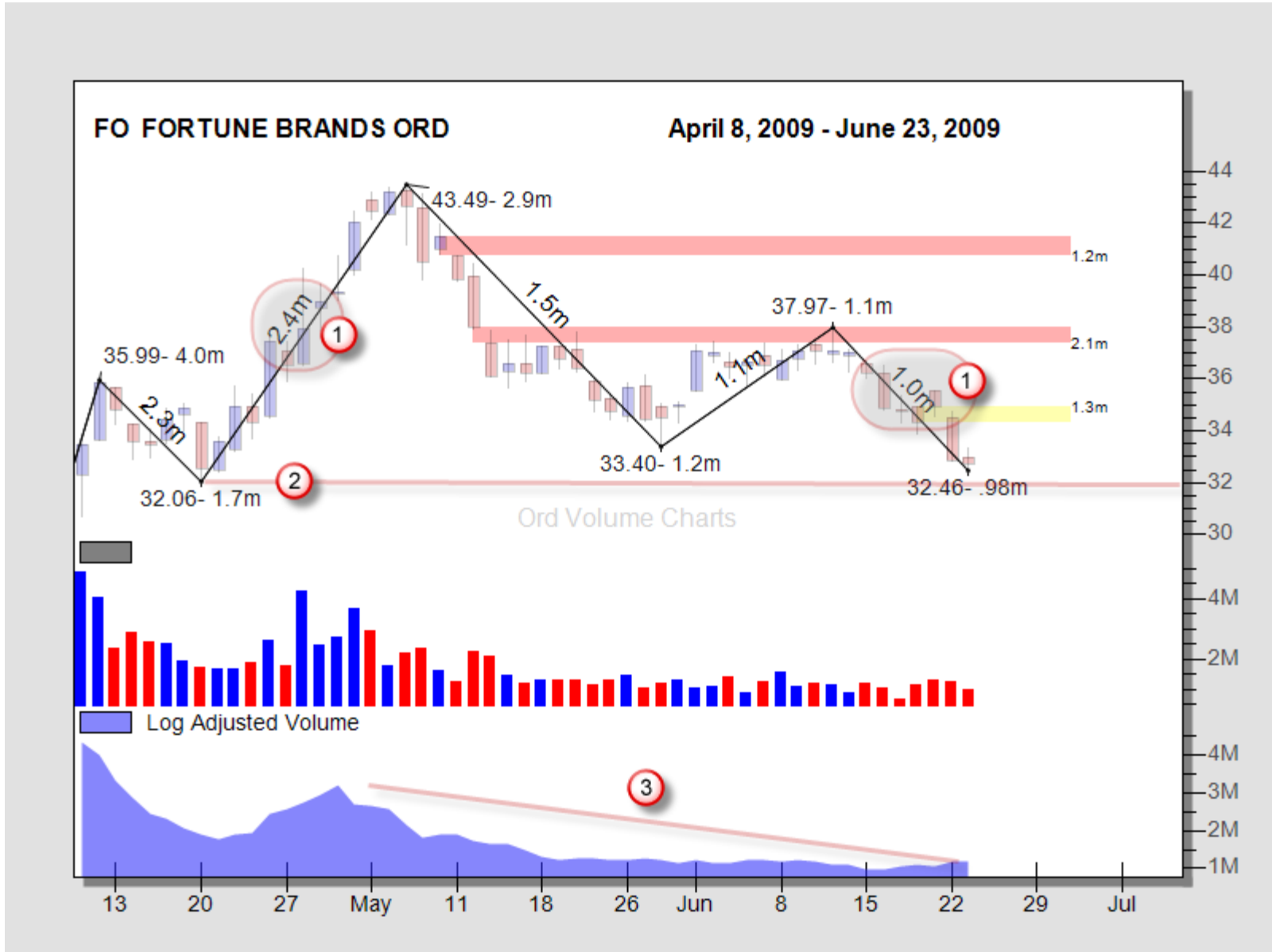
Examples:



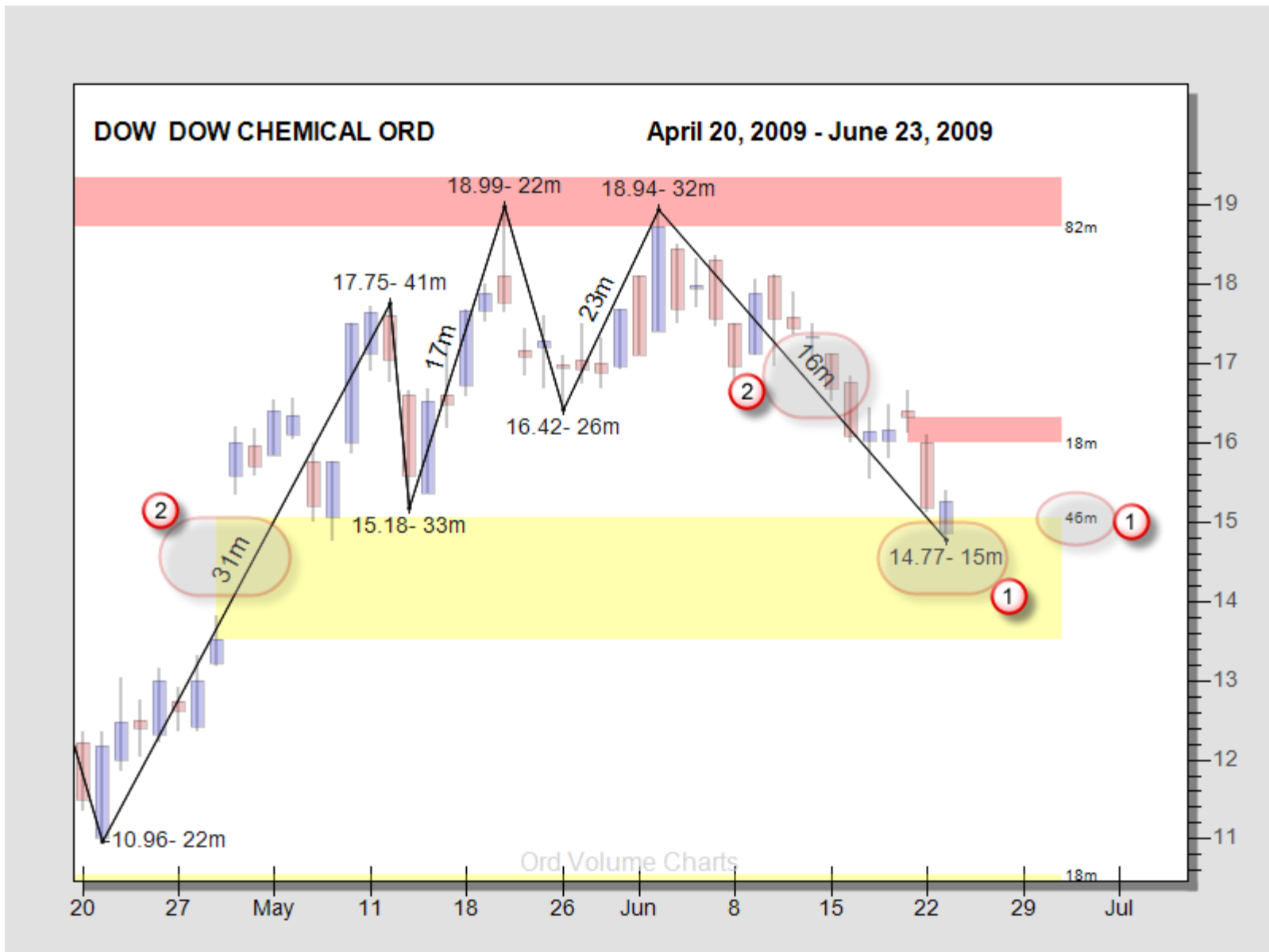
- ① Up down volume is almost a third.
- ② Needs to prove the point but pretty good so far
- ③ No interest in selling.



- ① Volume is almost 50% less.
- ② This gap up in being tested with very light volume
- ③ The ski slope down of volume says the downside risk is small.



- ① A very bullish set up for FO with the break out heavy volume and the retest here on less than half
- ② Still needs to prove the point but looks good so far.
- ③ Just not a lot of interest in selling now.



- ① Tested the gap up from April yesterday 46 million to 15 million.
- ② Up down volume shows there isn't a lot of selling pressure. While this one doesn't have a lot of risk reward, a big stock like this is saying there is pretty good support here.

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 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 point 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. Our mission to show and diagram the most likely changes in direction based on price and volume movements.

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