

## Before The Close - Daytrading Secrets

### Importance of Market Tests and Failures

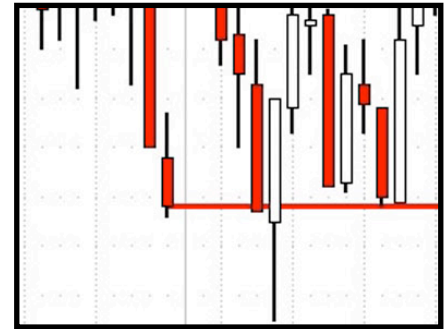


The S&P 500 market knows the key points of the day. These are levels such as yesterday's high, low, open and close. Also important are the highest high and lowest low of the last three days. When several of the levels coincide, they can provide exciting clues as to what the market may do. April 29 was just such a case.

The big chart above is a 15 minute chart showing 4 days this past spring. SPs had been drifting down. The day in question, Friday, April 29 opened high and promptly starting down. The fifth and sixth bar of the day penetrated yesterday's close and low (line A) as well as the lowest low of the last 4 days. But these levels did not hold. Bar 6 closes higher on its highs and is followed by a strong up bar (bar 7). This shows buyers found value at these levels and bought aggressively. So, you should be looking for confirmation of strength of opportunities to buy.

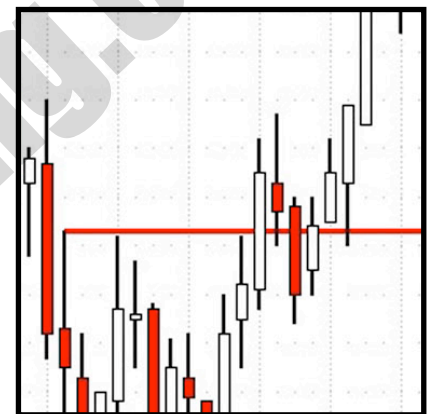
The confirmation came within an hour and a half. The next 5 bars go down exactly to yesterday's close and HOLD. BUY THIS MARKET.

Trading commodity futures is risky.



#### In Depth Analysis

- Bars 6 and 7 are wide range up bars - buy at the intersection of these two bars
- Stop loss is below low of bar 6.
- Buy on wide range break above



previous pivot highs represented here by line "B".

- Or, try to buy the intersection of the two wide range bars # 13 and #15.

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