WYCKOFF ANALYTICS

Wyckoff Trading Course (WTC)

February 18, 2019

Comments from students:

Without a doubt Volume and Price Analysis topic is most fascinating as well as difficult to comprehend especially considering many variables like Local vs broader context, Close with respect to spread, Spread range Up or Down compared to earlier bars etc which can potentially lead two people concluding opposite interpretation in some scenarios.

I just finished watching last session video again and it was a lot more enlightening after completing the homework. Some of my questions were already answered by you in last session but the concepts did not sync in completely when I watched them before attempting the homework. I am going to follow this approach of re-watching the session video after completing the homework as it helped me answer some of my own questions which I encountered while doing the homework. Every time I re-watch earlier videos I learn something new that I missed earlier. Thank you again for this amazing course.

Your method made perfect sense and proved its real value to me beyond any doubt when I finally finished my homework at 1:00 AM in the morning today and reviewed the new knowledge I have gained and the skill I have acquired of applying this knowledge to real markets! Of course, it will take me months of deep practice to get very good at applying this knowledge and skill. This is one of the rules I learned by studying the science of expertise.
Plutarch, the Greek historian once said: the mind is not a vessel to be filled but a fire to be kindled. Your teaching has certainly kindled in me the fire of deep learning, curiosity, motivation and the commitment to be the best one can be in the art of reading the markets. As a new student of your method, I cannot expect from you, the teacher, anything more than this in learning this method. Thank you.

Next webinar sessions for **WYCKOFF PRICE STRUCTURE** series:
February 25th at 3:00-5:30pm PST

Homework submission: All homework assignments should be submitted in ONE file per person in .pptx, .pdf or .doc formats. Please include your first name and the first letter of your last name in the homework file name, e.g., "Thomas B_WTC Homework 1". All assignments should be submitted to Roman's personal email.

The remainder of the WTC classes will be more interactive; students who would like to participate in discussions should have a working headset with a built-in microphone.

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HYPOTHETICAL OR SIMULATED PERFORMANCE RESULTS HAVE CERTAIN INHERENT LIMITATIONS. UNLIKE AN ACTUAL PERFORMANCE RECORD, SIMULATED RESULTS DO NOT REPRESENT ACTUAL TRADING AND DO NOT INCLUDE BROKERAGE AND OTHER FEES, OR SLIPPAGE. ALSO, IN SIMULATED PERFORMANCE RESULTS NO TRADES HAVE ACTUALLY BEEN EXECUTED, AND THEREFORE THE RESULTS MAY HAVE UNDER- OR OVER-COMPENSATED FOR THE IMPACTS OF A VARIETY OF MARKET FACTORS, SUCH AS LACK OF LIQUIDITY. SIMULATED TRADING PROGRAMS, IN GENERAL, CAN ALSO BE DESIGNED WITH THE BENEFIT OF HINDSIGHT. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL OR IS LIKELY TO ACHIEVE PROFITS OR LOSSES SIMILAR TO THOSE SHOWN.

WYCKOFF TRADING COURSE

Session 7

VOLUME AND PRICE
ANALYSIS

1. VSA Revisited
2. Group Exercise #1
3. Homework #7: Group Exercise Notes

2.18.2019

Session 8

VOLUME AND PRICE
ANALYSIS

1. Group Exercise #1
2. Volume Phase Analysis
3. Homework #7: Group Exercise Notes

2.25.2019

VOLUME AND SPREAD ANALYSIS
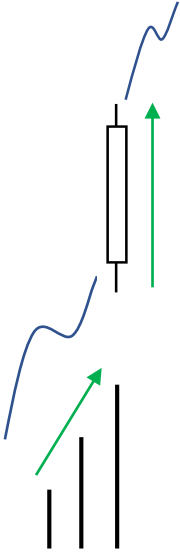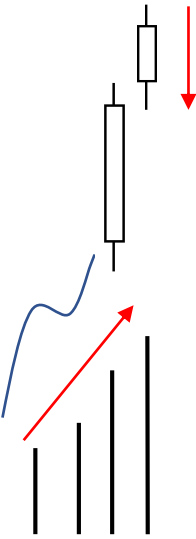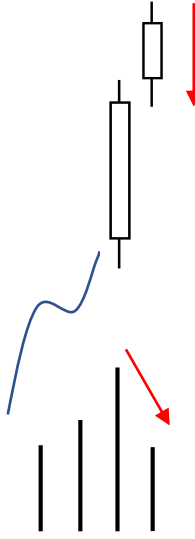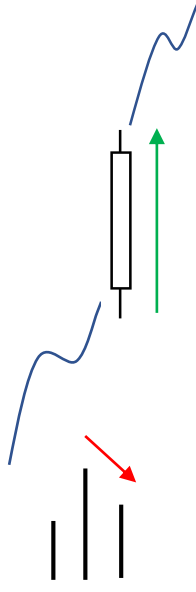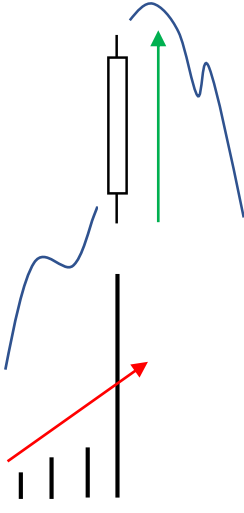
VSA

Main idea behind the VSA analysis: Interpret the VSA signal using price structural context

Comment:
I found part 2 very confusing and challenging:
-long term vs short term (how long is long and how short is short is it current swing vs previous swing?!)
-candles interpretation specially in the chart you gave us as I was seeing that CO is distributing on the
uptrend movement and that look make very very confused to interpret the price volume action specially in
the Re accumulation phase in the middle of the chart

ADVANCING MARKET

Context: Uptrend	Context: Uptrend	Context: Uptrend	Context: Uptrend	Context: Uptrend
Spread = Increasing	Spread = Decreasing	Spread = Decreasing	Spread = Increasing	Spread = Increasing
Volume = **Increasing**	Volume = **Increasing**	Volume = **Decreasing**	Volume = **Decreasing**	Volume = **Increasing**
Interpretation: Normal uptrend action	Interpretation: Supply attempts to stop the uptrend	Interpretation: Vulnerable to a reaction	Interpretation: Ease of Movement (EoM)	Interpretation: Massive Supply stops the uptrend

1 **2** **3** **4** **5**

Increasing Spread = Increasing Result

Increasing Volume = Increasing Effort

Vol > = D >> + S <
Effort > , Result > = Bullish

Decreasing Spread = Decreasing Result

Increasing Volume = Increasing Effort

Vol >> = D >> + S >
Effort >> , Result < = Bearish

Decreasing Spread = Decreasing Result

Decreasing Volume = Decreasing Effort

Vol < = D < + S < = >
Effort < , Result < = Bearish

Increasing Spread = Increasing Result

Decreasing Volume = Decreasing Effort

Vol < = D < + S <
Effort < , Result > = Bullish

Increasing Spread = Increasing Result, but on Stopping Action

Massive Volume = Massive Effort

Vol >>> = D >>> + S >>
Effort >>> , Result >> = Bearish

DECLINING MARKET

Context: Downtrend
Spread = Increasing
Volume = **Increasing**
Interpretation: Normal downtrend action

6
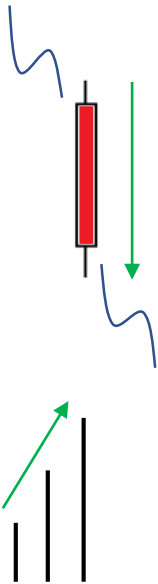
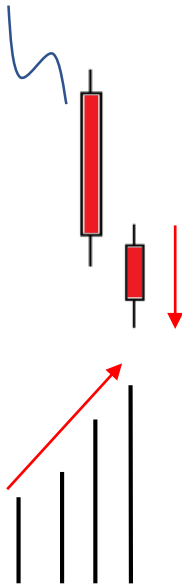**Context:** Downtrend
Spread = Decreasing
Volume = **Increasing**
Interpretation: Demand attempts to stop the downtrend

7

Context: Downtrend
Spread = Decreasing
Volume = **Decreasing**
Interpretation: Vulnerable to a rally

8

Context: Downtrend
Spread = Increasing
Volume = **Decreasing**
Interpretation: Ease of Movement (EoM)

9

Context: Downtrend
Spread = Increasing
Volume = **Increasing**
Interpretation: Massive Demand stops the downtrend

10

Increasing Spread = Increasing Result

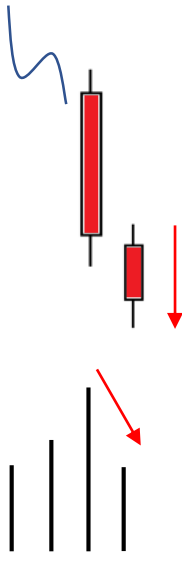Increasing Volume = Increasing Effort

Vol > = S >> + D <
Effort > , Result > = Bearish

Decreasing Spread = Decreasing Result

Increasing Volume = Increasing Effort

Vol >> = S >> + D >
Effort >> , Result < = Bullish
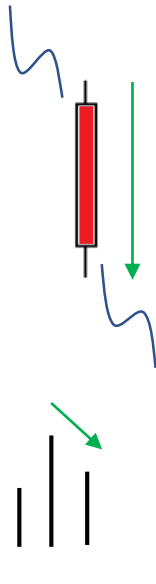
Decreasing Spread = Decreasing Result

Decreasing Volume = Decreasing Effort

Vol < = S < + D < = >
Effort < , Result < = Bullish

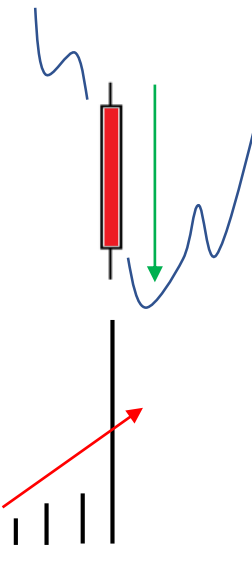Increasing Spread = Increasing Result

Decreasing Volume = Decreasing Effort

Vol < = S < + D <
Effort < , Result > = Bearish

Increasing Spread = Increasing Result, but on Stopping Action

Massive Volume = Massive Effort

Vol >>> = S >>> + D >>
Effort >>> , Result >> = Bullish

Increasing Price Spread ▢▢▢   # Decreasing Price Spread ▢ ▢ ▢

Uptrend

Volume Pattern	Context	Interpretation	Context	Interpretation
Increasing	•Accelerating price movement •Narrowing spread •Massive spread	• Demand increases • Supply attempts stopping action • Climatic action	• Quality Supply entering;	• Trend may reverse
Average	• If volume spread < price spread	• Demand decreasing despite price weakness	• Upside progress slows	• Suppy and Demand balancing
Decreasing	• Less upside bias. Demand still dominates Supply.	• On alert for reaction rally	•Rally moves with ease but demand decreases	• On alert for reaction rally

Trending Environment

Downtrend

Volume Pattern	Context	Interpretation	Context	Interpretation
Increasing	•Accelerating price movement •Narrowing spread •Massive spread	• Supply increases • Demand attempts stopping action • Climatic action	• Quality Demand entering;	• Trend may reverse
Average	• If volume spread > price spread	• Supply deccreasing despite price weakness	• Downside progress slows	• Suppy and Demand balancing
Decreasing	• Supply distributed evenly • Less downside bias. Supply lessening but dominates Demand.	• On alert for reaction rally • Either Supply will evaporate or Demand will enter to stop decline.	•Supply nears exhaustion	• On alert for reaction rally

Group Exercise
and
Homework #7:

Exercise: Volume and Price Analysis
                    Price Structural Analysis

Assignment:

1. Identify the dominance of Supply or Demand on a single bar or a swing
2. Combine Price Structural Analysis with Volume Analysis
3. Make your determination about the next most probable price action
4. Label trading ranges with Wyckoff Phases and events
5. Watch the video of this exercise again and make notes. Email the notes to Roman.

BAR # ANALYSIS		1	2	3	4	5	6	7	8	9	10
Effort	Volume	↑	↑↑↑	↓↓↓	↑	↑↑↑	↓	↓↓	↑	↓↓	↑↑↑
	Demand	↑↑	↑↑↑	↓	↓	↑↑	↓	=↑	=↑	↓	↑↑↑
	Supply	=↑	↑↑	↓	↓	↑↑	↓	=↑	↑↑	↓	↑
	Dominating Effort	D>S	D>S	S>D	S>D	S>D	S>D	D>S	S>D	S>D	D>S
Result	Spread	↑	↑↑↑	=↑	=↑	↓=	↑	↓=	↓	↓=	↑↑
	Close-to-spread:	Bullish	Bullish	=	Bearish	Bullish	Bullish	Bullish	=	=	Bullish
	Close-to-close:	=	Bullish	Bearish	Bearish	Bearish	Bearish	Bullish	=	↓=	Bullish
	Intention (up/down):	Up→Yes	Up→No	Down→No	Down→No	Up→No	Up→No	Up→No	Up→No	Up→No	Up→Yes

11	12	13	14	15	16	17
↑↑↑	↓	↑↑↑	↑↑	↓↓↓	↑	↓↓↓
↑↑	↑↑	↑↑↑	↓	=↑	↑	↑
↑	↑↑	↑↑	↑	↑	↓	↓
D>S	D>S	D>S	S>D	D>S	D>S	D>S
=↑	=↑	↑↑↑	↑↑	↓↓↓	↓↓	↓
=	Bullish	Bullish	Bearish	Bullish	Bullish	Bullish
Bullish	Bullish	Bullish	Bearish	=↑	Bearish	Bullish
Up→No	Up→Yes	Up→Yes	Down→No	Up→No	Up→No	Up→No

18	19	20	21	22	23	24
↑↑↑	↑↑↑	↓↓↓	↓	↓↓	↑↑	↓↓
↑↑↑	↑	↓↓	↓	↓↓	↑	↓
↑↑	↑	↓	↓	↑	↑	↓=
D>S	S>D	S>D	S>D	D>S	D>S	D>S
↑↑↑	=	↓↓	=	↓	↑	↓=
Bullish	Bullish	Bearish	Bearish	Bullish	Bullish	Bullish
Bullish	Bullish	Bearish	Bearish	=	Bullish	=↑
Up→No	Up→No	Down→No	Down→No	Down→No	Up→No	Up→No

25	26	27	28	29	30	31
↑↑↑	↓↓	↓=	↑↑	↓↓	↑	↑↑↑
↑↑↑	↓	↑↑	↑↑	↓	=↑	↑↑↑
↑↑	↑	↓	↑	=	↑	↑↑
D>S	S>D	D>S	D>S	S>D	S>D	D>S
↑↑↑	↓↓	↑	↓	↓=	↓=	↑↑↑
Bullish	Bearish	Bullish	Bullish	Bearish	Bearish	Bullish
Bullish	Bearish	Bullish	Bullish	Bearish	Bullish	Bullish
Up→No	Up→No	Up→Yes	Up→Yes	Down→No	Up→No	Up→Yes

32	33	34	35	36	37
↓↓	=↑	↓	↓	↑↑↑	↓↓
↓	↑	=↑	↑	↑↑↑	↓
↓=	↑↑	↑↑	↓=	↑↑	↓=
D>S	S>D	S>D	D>S	D>S	D>S
↓↓	↓	↑	↑	↑↑↑	↓↓
Bullish	Bearish	Bearish	Bullish	Bullish	Bullish
Bullish	Bearish	Bearish	Bullish	Bullish	Bullish
Up→Yes	Down→No	Down→Yes	Up→Yes	Up→No	Up→Yes

Lee

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
1	**BAR# ANALYSIS**		1	2	3	4	5	6	7	8	9	10	11	12	13	14
2	**Effort**	Volume	>	>>>	<<	>	>>>	>	<<	>	<	>	>		>>>	>
3		Demand	>	>>>	<<	<	>	>	>>	>	<	>	>		>>	>>>
4		Supply	>	>>	<	>	>>	<	<		<	<	<		>>>	>>
5		Dominating Effort	D>S	D>S	S>D	S>D	S>D	S>D	D>S	D=S	D=S	D>S	D>S		D>S	S>D
6																
7	**Result**	Spread		>>>			<	>	>>	>	>	<	>>			
8		Close-to-spread:	bullish	bullish	bearish	bearish	bullish	bullish	bullish	neutral	neutral	bullish	bullish		bullish	bearish
9		Close-to-close:	neutral	bullish	bearish	bearish	bearish	bearish	bullish	bearish	bearish	neutral	bullish		bullish	bearish
10		Intention (up/down)	success	failed	failed	failed	failed	failed	failed	failed	failed	success	success		failed	failed
11		Analog bar(s)														
12																
13	**Market Behavior Analysis**															
14	CO types:		Neutral	Neutral												Selling
15	ITF types:			Neutral												
16	Professionals:			Reversion												
17	Public:		Buying	Buying		Selling	Selling	Selling							Buying	Buying
18																
19	**FINAL DEDUCTIONS**															
20	**BIAS**	Short-term	bearish	bearish	bearish	bearish	bearish	neutral	bearish	neutral	bullish	bullish				
21		Long-term														
22	**TIMING**															
23	CHARACTER															
24	Distance															
25	Target Zones															
26	Momentum															
27	Duration															
28																
29																
30	**SWING# ANALYSIS**		1	2	3	4	5	6	7	8	9	10	11	12		
31	Previous Swing of same bias					smaller										
32	Previous Swing of counter bias					smaller										
33																
34	**Market Behavior Analysis**															
35	CO types:							Buying	Selling							
36	ITF types:							Buying								
37	Professionals:							Buying								
38	Public:		Buying					Buying								
39																
40	**FINAL DEDUCTIONS**															
41	BIAS	Short-term	bearish		bearish	bearish										
42		Long-term														
43	TIMING															
44	CHARACTER															
45	Distance					smaller										
46	Target Zones															
47	Momentum					steep										
48	Duration					shorter										

SPY SPDR S&P 500 ETF NYSE
15-Feb-2019
Open 276.36 High 277.41 Low 276.13 Close 277.37 Volume 97.1M Chg +2.99 (+1.09%) ▲
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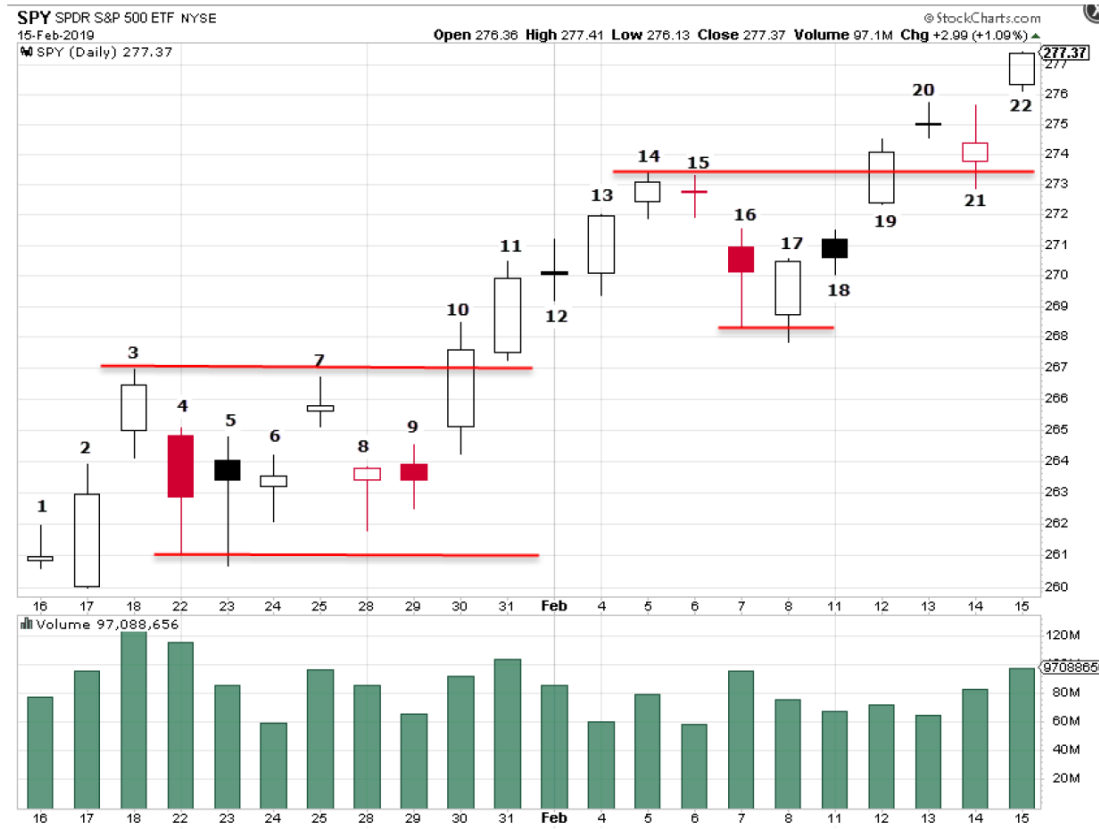
Bar 1: This bar has a narrow spread with a very short lower wick of the candlestick and relatively longer upper wick. It has slightly above average volume - indicating that demand exceeds supply by a modest amount. Bullish bar..

Bar 2: Volume and the spread of this bar increase significantly - indicative of increasing effort causing increased result. But, this bar's lower third is below the low of previous bar indicating that the supply may be present. The close of this bar is higher than the previous close and it is located near the high of this bar. Another notable feature of this bar is the near absence of lower wick while the upper wick is very conspicuous by its relatively longer length. Overall, demand appears to be higher than the supply. Bullish bar.

Bar 3: This bar gaps up higher on decreasing spread and a local climactic volume. It shows a relatively long upper wick. The volume signature and the spread are clearly indicative of increasing supply. Bearish bar.

Bar 4: Increasing spread on a sustained increase in volume along with its close lower than the previous close is indicative of clear dominance of supply over demand. Bearish bar.

Bar 5: Despite the low of this bar going lower than the previous bar, it bounces off the support, closes higher than the previous close and commits above the local support level. Volume declined while the spread increased slightly. Demand may be starting to increase while the selling pressure may be easing. But, the supply still appears to be in control. Bearish bar.

Bar 6: Narrow spread, decreasing volume along with higher low is indicative of decreasing supply. Bullish bar.

Bar 7: Gaps up. Surge in volume (increasing effort) accompanied by a narrow spread (decreasing result) and a failure to penetrate a previous high (resistance) is indicative of institutional selling (increased supply) into public (weak hand) buying. Bearish bar.

Bar 8: Gaps down. Lower high and lower low. Slight decrease in volume. Slight increase in spread. Yet, the price fails to fall further and stays well above the local support level. Supply may be diminishing while the demand may be increasing. Bullish bar.

Bar 9: Higher high and higher low. Decreasing volume pointing to a diminished supply and a slight increase in demand. Bullish bar.

Bar 10: Increasing volume (effort) and increased spread (result) and price committing above the local resistance level. Bullish Bar.

Bar 11: Higher high and higher low. Further increase in volume along with current bar's spread being very similar to that of the previous bar is suggestive of the presence of increased supply. Price continues to remain above the local support. This suggests that demand still higher than the supply. Bullish bar.

Group Exercise - 1

Nilesh

I have **few questions** around the volume and spread analysis and will really appreciate if you can cover these in our next session.

1) Is it fair to assume that in UP swing - intention is UP and in DOWN swing? or is it Strong/Weak hand intention that we are tracking here? In selling climax, is the intention is to stop the decline or move prices down further?

Also, for bullish or bearish close Bars around support/resistance, is the intention to break support or resistance or just a direction of swing Up/Down? for example, Bar#19 & Bar#20 intentions

2) Advancing / Declining Market schematics for Volume and Price analysis talk about increase and decrease in Spreads.

Instead of going by candle schematics, should I concentrate more on Effort & Result equation for interpretation?

For example, In Advancing Market schematic (1), in scenario where spread and volume both are increasing, but the close is bearish, then interpretation will be short term bearish similar to schematic 2.
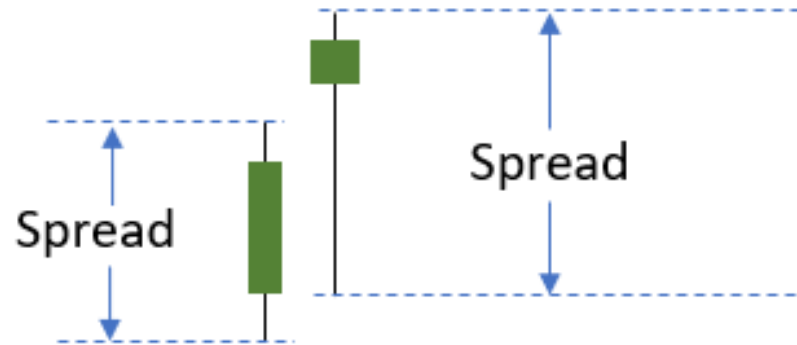Is my understanding correct?

3) I found it very hard to decide whether or not supply or demand is coming from Strong Hands vs Weak Hands.
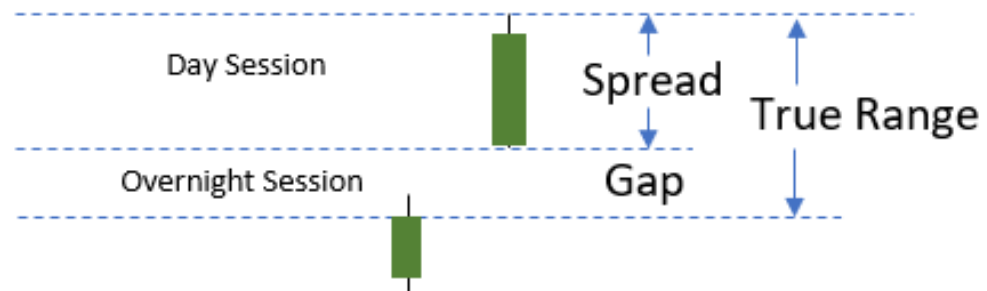
Also, considering that some of the institutions can also be weak hands, it made the matter even more complicated. How should we think about this?

Bullish Spread and True Range

Bearish Spread and True Range
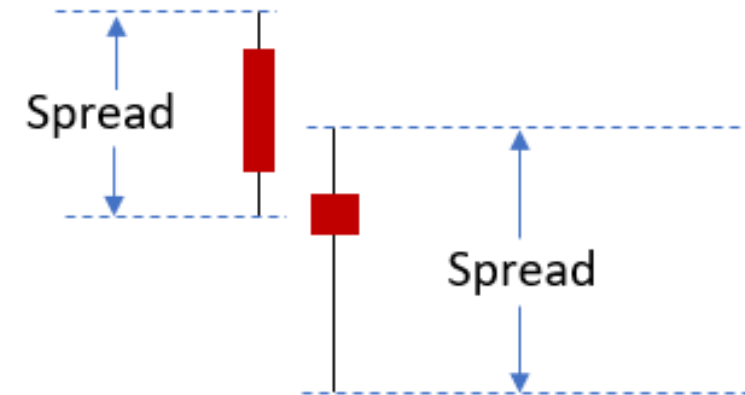
Price Spread Analysis

Spread: Low to High

Spread: High to Low

Spread

Spread

Spread

Spread

True Range = Close to High (Up Bar)

True Range = Close to Low (Down Bar)

Day Session

Spread

True Range

Overnight Session

Gap

Overnight Session

Gap

True Range

Day Session
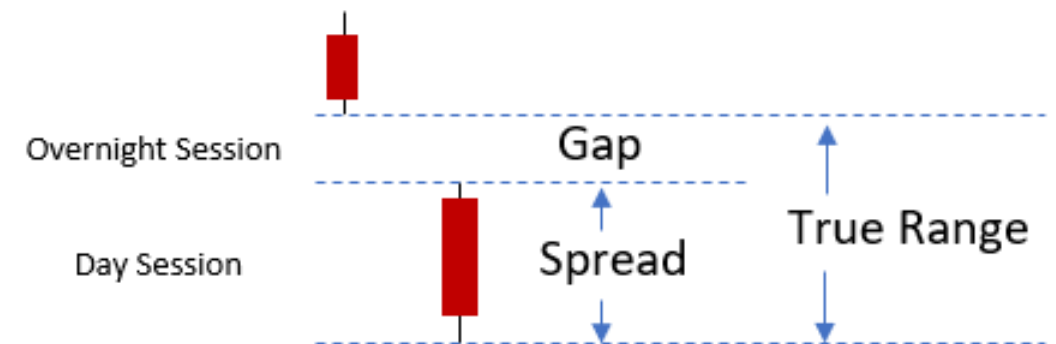
Spread

Group Exercise - 1

BAR # ANALYSIS

Effort	Volume
	Demand
	Supply
	Dominating Effort
Result	Spread
	Close-to-spread:
	Close-to-close:
	Intention (up/down):
	Analogue bar(s)

SWING # ANALYSIS

Previous swing of the same bias
Previous swing of the counter bias

Market Behavioral Analysis (Strong/Weak Hands)
CO types:
ITF types:
Professionals:
Public:

FINAL DEDUCTIONS

BIAS
Short-term:
Long-term:
TIMING
CHARACTER
Distance
Target zones
Momentum
Duration

Additional notes: