

WYCKOFF ANALYTICS



Wyckoff Trading Course (WTC)

January 14, 2019

Next webinar sessions for **WYCKOFF PRICE STRUCTURE** series:

January 21 and 28th 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.

Register at www.wyckoffanalytics.com

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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 ANALYTICS

WYCKOFF TRADING COURSE

Session 2

PRICE STRUCTURAL ANALYSIS

1. Change of Character (CHoCH)
2. Accumulation
 - Wyckoff events
 - Wyckoff phases
3. Re-Accumulation
 - Conventional vs Alternative labeling
4. Price Structural Analysis
 - Phase Boundaries
 - Phase |C| Identification
 - Springs and Shakeout
 - Sign of Strength (SOS)
 - Up sloping/Down slopping trading ranges
5. Homework #2: Accumulation labeling

Session 3

PRICE STRUCTURAL ANALYSIS

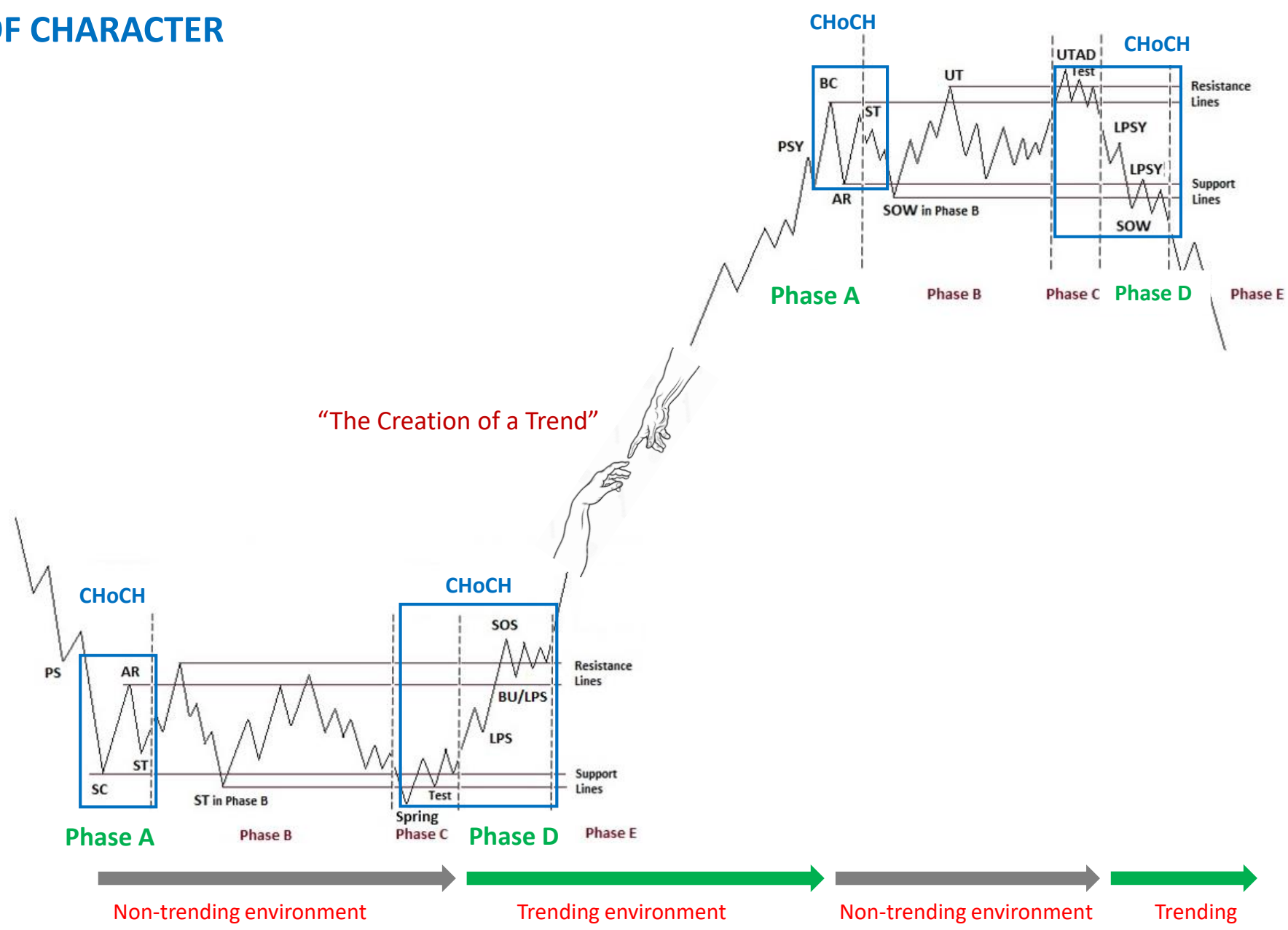
1. Homework Review (Accumulation)
2. Price Structural Analysis
 - Phase Boundaries
 - Phase |C| Identification
 - Springs and Shakeout
 - Sign of Strength (SOS)
 - Up sloping/Down slopping trading ranges
3. Distribution
 - Wyckoff events
 - Wyckoff phases
4. Homework #4: Distribution labeling

WYCKOFF ANALYTICS

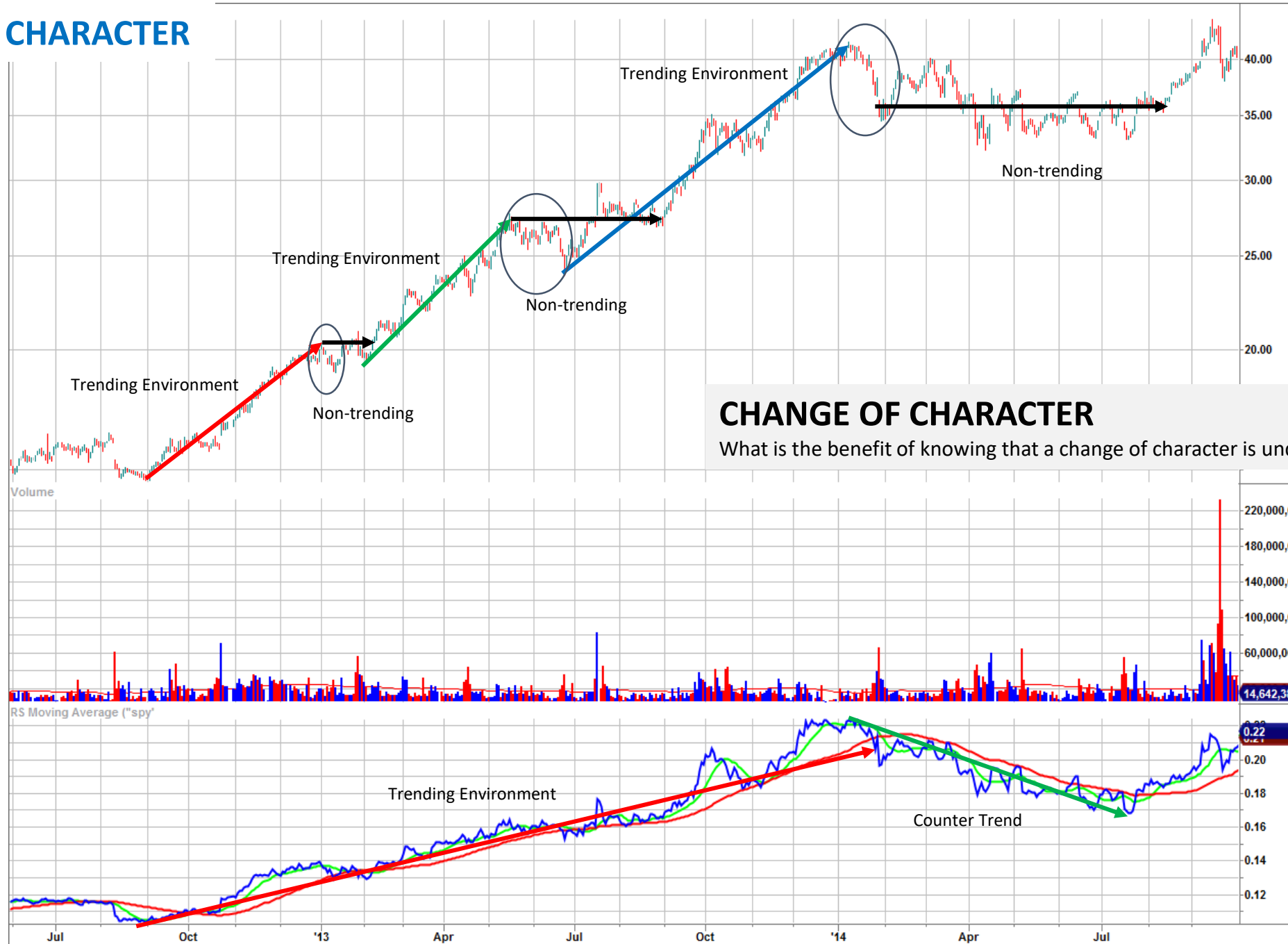


Change of Character Accumulation Distribution

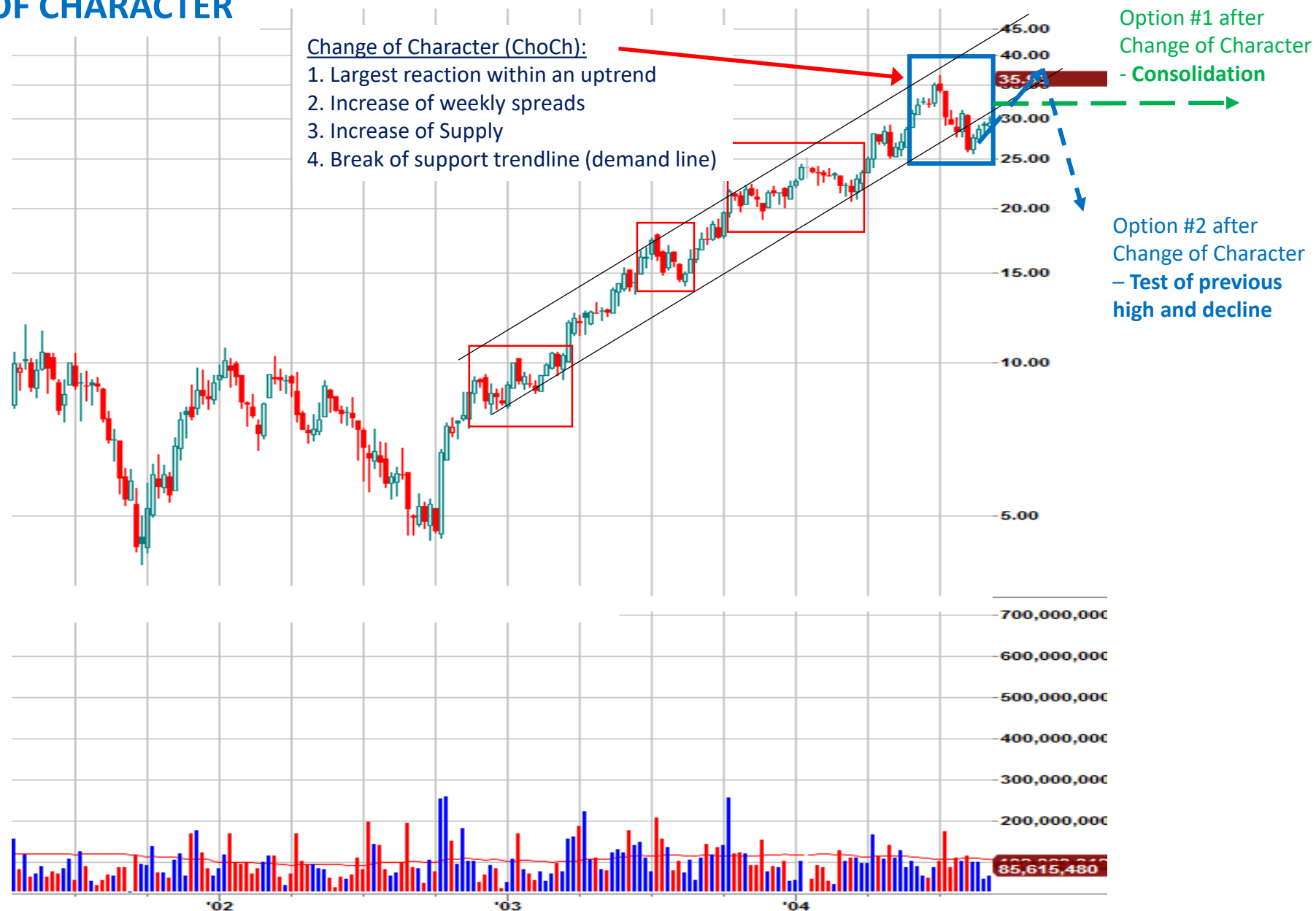
CHANGE OF CHARACTER



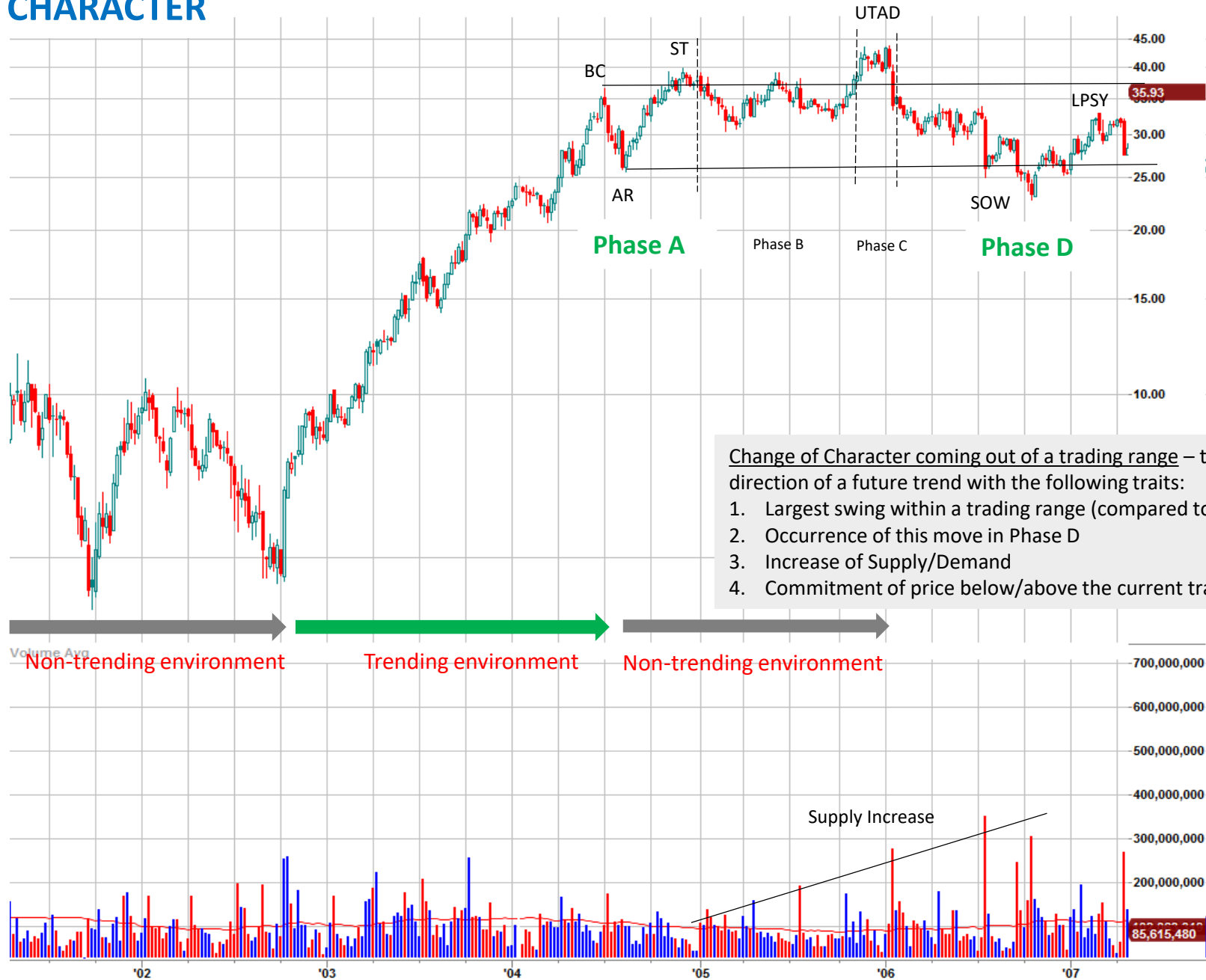
CHANGE OF CHARACTER



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CHANGE OF CHARACTER



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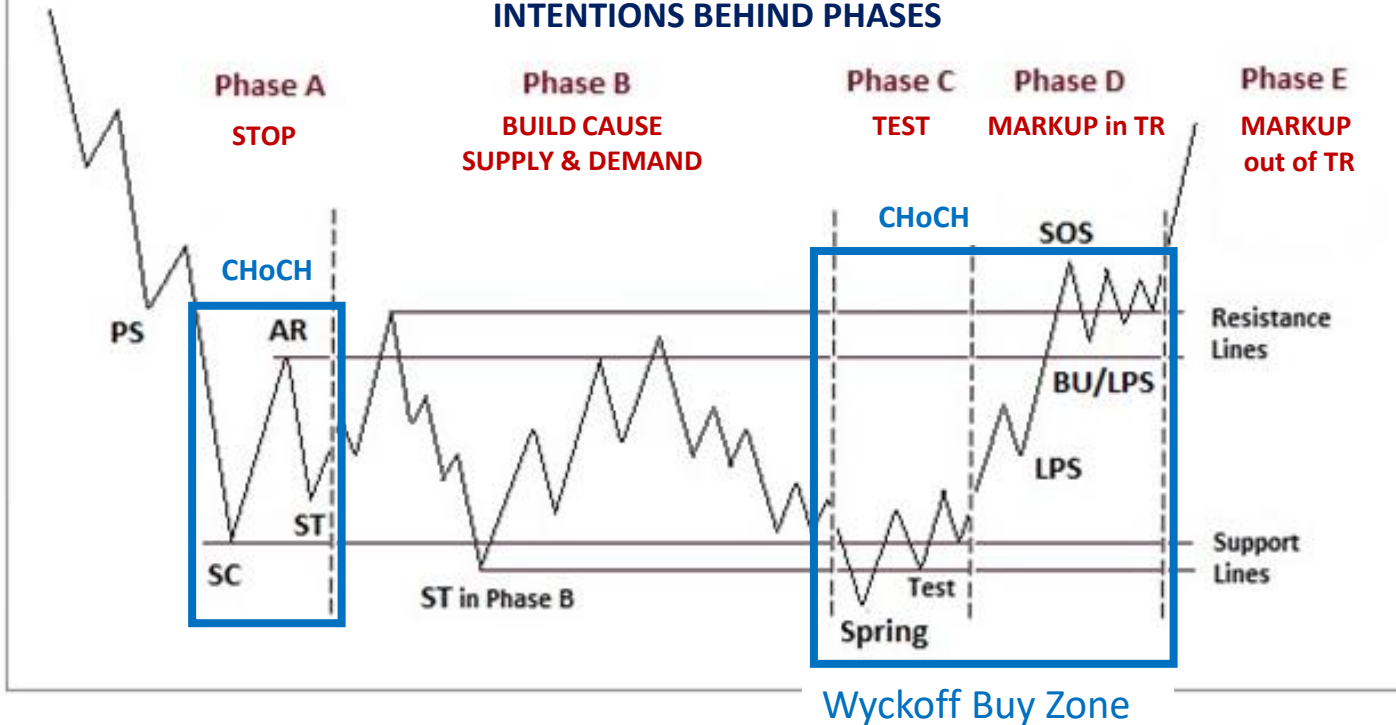


Accumulation

STRUCTURAL ANALYSIS: What are Wyckoff Accumulation Events?

Accumulation Schematic #1: Wyckoff Events and Phases

INTENTIONS BEHIND PHASES



NINE WYCKOFF EVENTS IN AN ACCUMULATION TRADING RANGE

1. PS – preliminary support. Substantial buying begins to provide pronounced support after a prolonged down-move. Volume and the price spread widen and signal that the down-move may be ending in the near future.

2. SC – selling climax. Here price spread widens and selling pressure typically climaxes. Heavy, panicky selling by the public is being absorbed by large professional interests at prices near the bottom. The climax low helps demarcate the lower level of the accumulation trading range (TR).

3. AR – automatic rally. When the immediate selling pressure has been exhausted, a wave of buying (including short covering) can now easily push prices up. The high of the automatic rally helps define the resistance level at the top of the accumulation TR.

4. ST – secondary test(s). Price revisits the area of the selling climax to test the supply/demand balance at these levels. If a bottom is to be confirmed, significant supply should not resurface, and volume and spread should both decrease as price approaches the SC support level(s). Secondary tests of supply occur multiple times as the TR unfolds.

5. “Springs” or “shakeouts” occur when price drops below support but then (often immediately) returns to the TR. These events usually occur late within the

TR and allow the dominant players to make a definitive test of available supply before a markup campaign begins. If the amount of supply that surfaces on a break of support is light (low volume), the way is clear for a sustained advance. Heavy supply here often precedes a renewed decline. Moderate volume usually means that there will be more testing for supply and that this may be a time to proceed with caution. A spring or shakeout also provides dominant players with additional supply from weak holders at low prices.

6. Test – Professional interests test for supply repeatedly during an advance. A successful test of a spring, shakeout or LPS makes a higher low on lower volume.

7. SOS – sign of strength. After a spring, shakeout or LPS, a SOS is a rally over resistance on increasing spread, volume, and velocity.

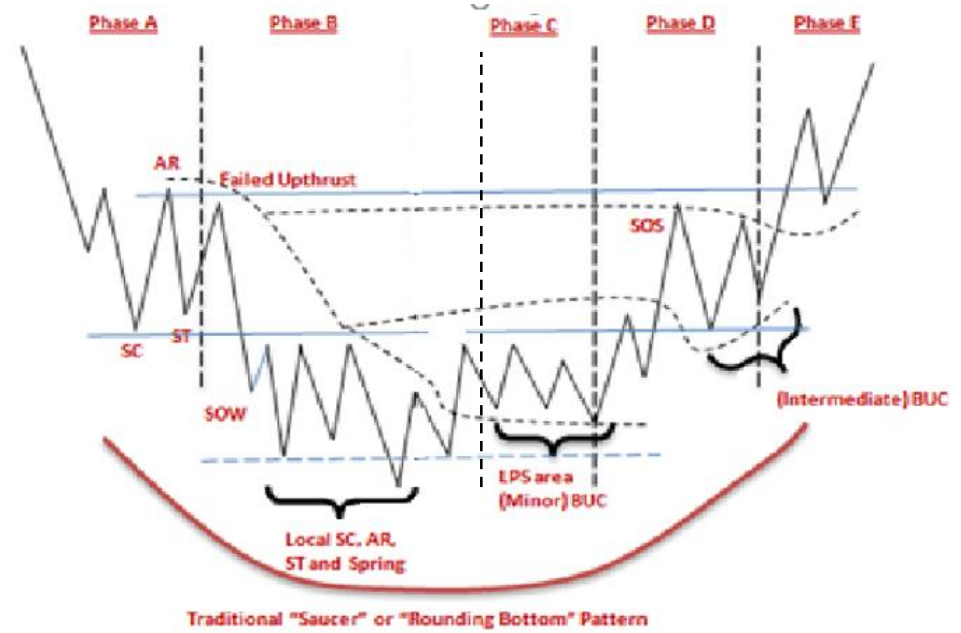
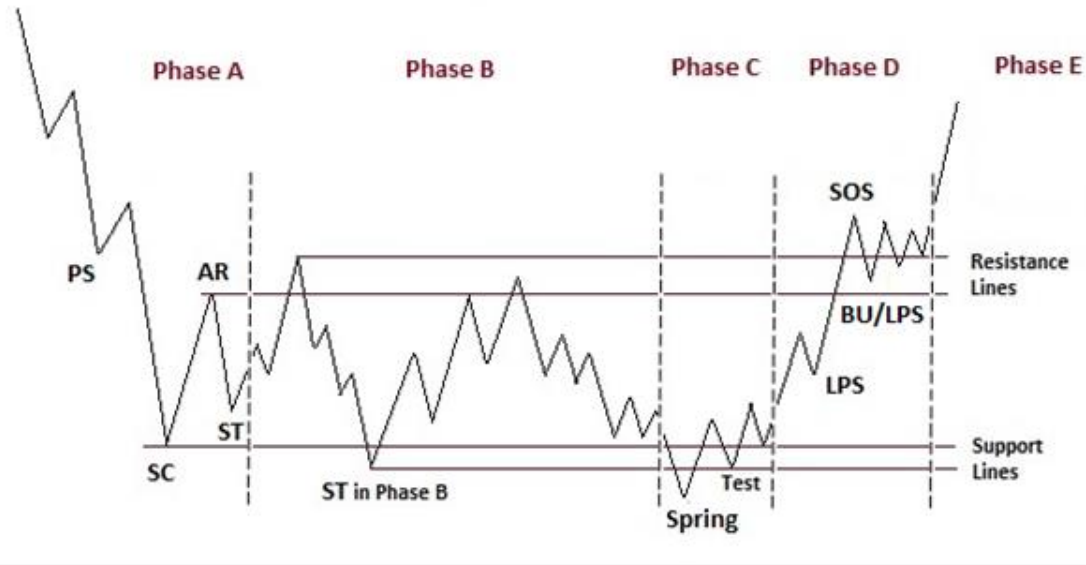
8. LPS –last point of support. As we approach the right edge of the TR, an LPS represents the low of an important reaction or pullback; price does not fall below this level again during the TR. (Despite the adjective “last,” there can be multiple LPSs.)

9. BU - backup. Backing up to an LPS refers to a pullback to support that was formerly resistance, generally on diminished spread and volume after a SOS. This is a good place to initiate long positions or to add to profitable ones.

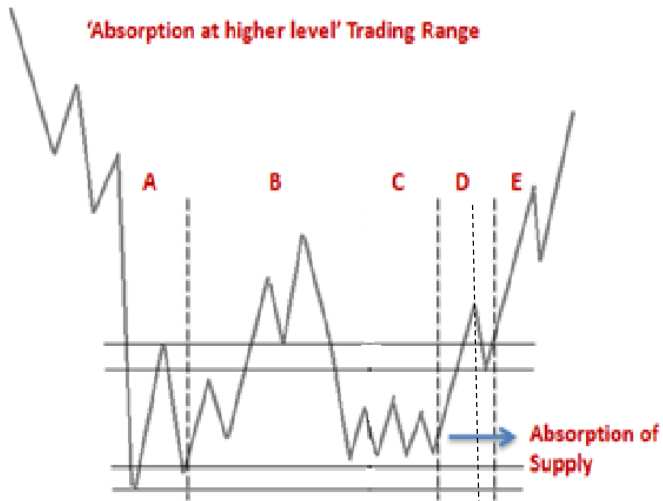
SCHEMATICS OF ACCUMULATION WYCKOFF TRADING RANGE PHASES

Conventional Accumulation Trading Range

Accumulation Schematic #1: Wyckoff Events and Phases

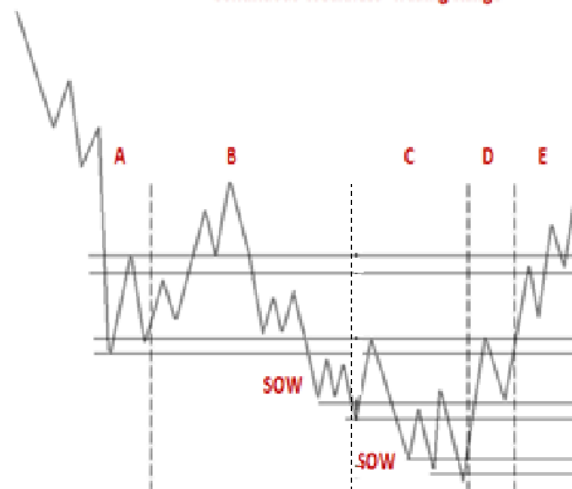


'Absorption at higher level' Trading Range



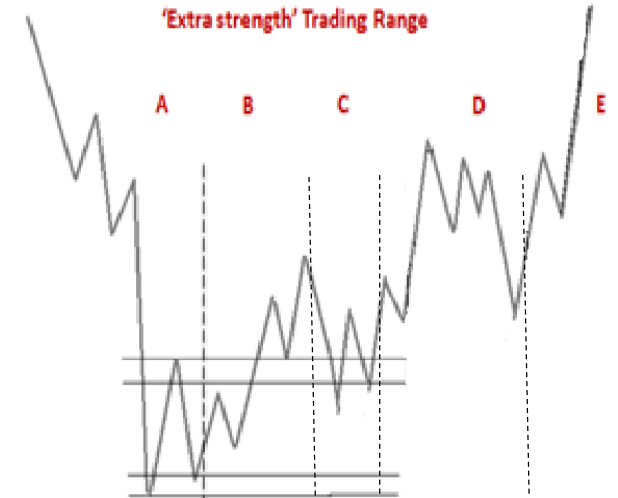
Source: Roman Bogomazov

'Continuous Weakness' Trading Range



Source: Roman Bogomazov

'Extra strength' Trading Range



Source: Roman Bogomazov

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Re-Accumulation

Example of short and long-term stepping stone trading ranges (AAPL)

Distinction: Identify your trading opportunity within the price cycle

Who are you as a trader? Investor, swing trader or day trader?

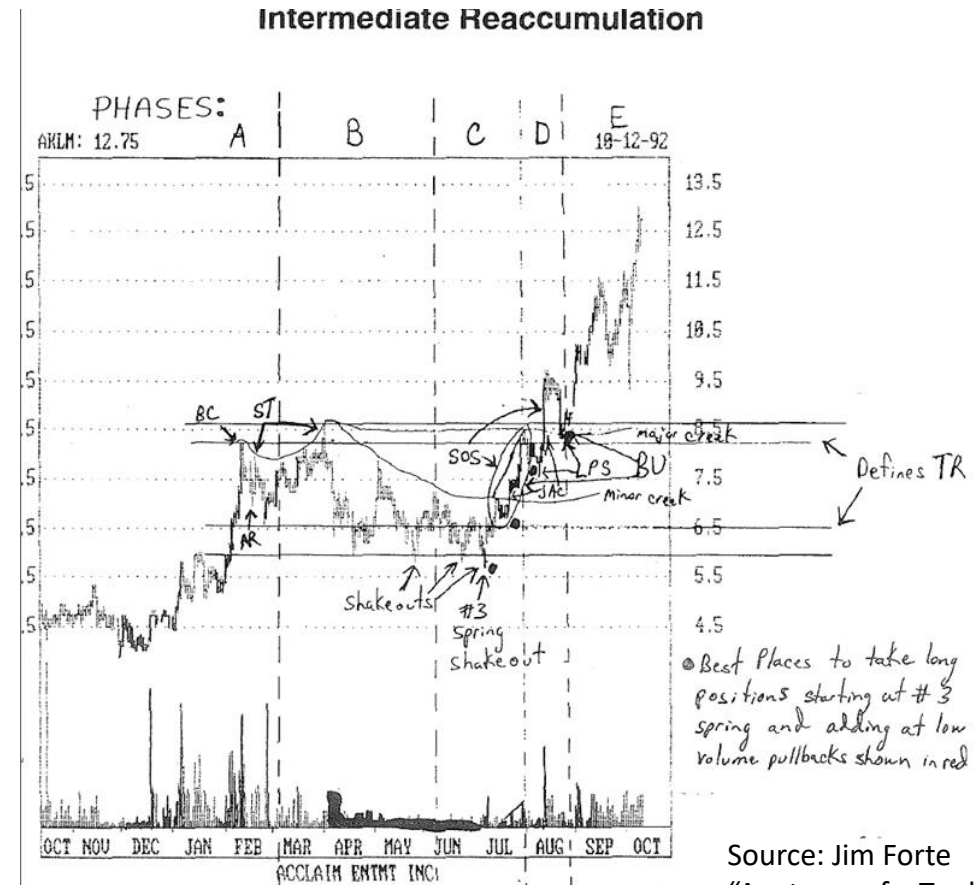
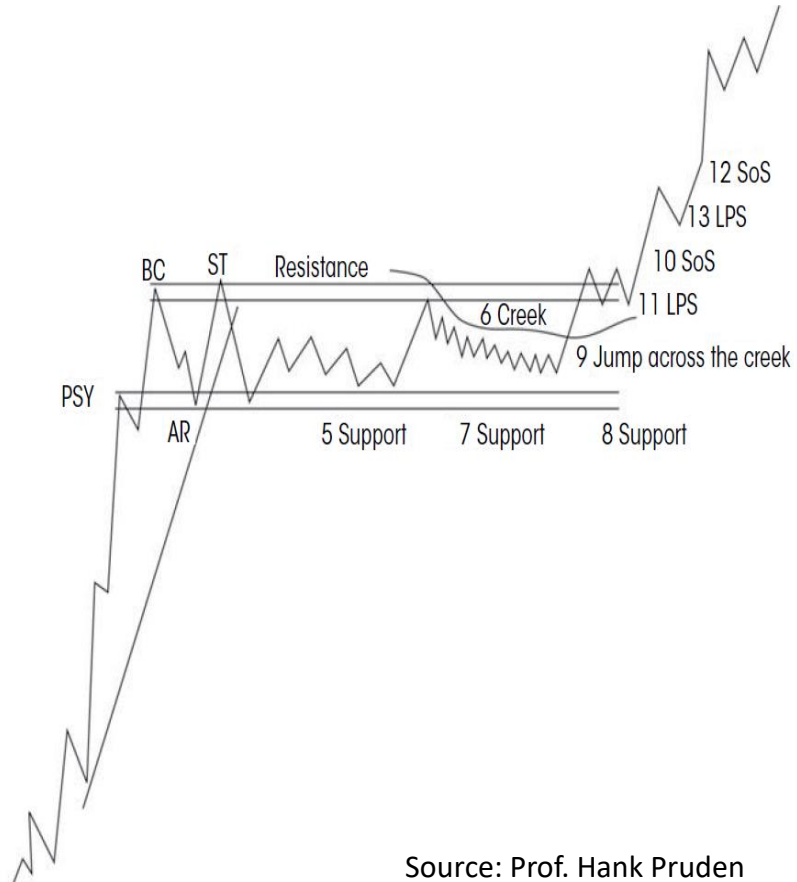
Based on your time frame, you need to identify your trading opportunities within the current wave structure.

One of the best trading opportunities is to open a position in the original accumulation trading range or in a stepping stone reaccumulation trading range.



Long-term stepping stone **REACCUMULATION** TR after a cyclical decline. AAPL was one of the rare stocks to make a long-term higher low – a sign of strength!

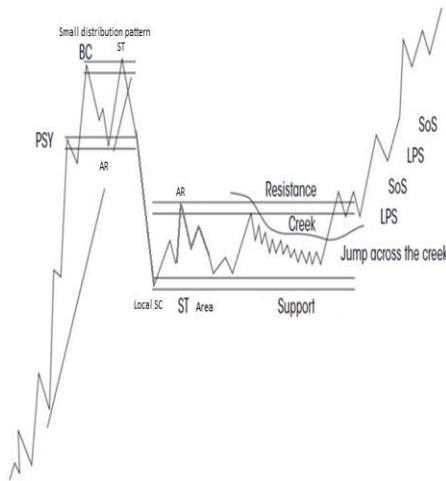
Conventional labeling of Wyckoff Re-Accumulation TR



Distinction: Reaccumulation Trading Range and its characteristics

- Reaccumulation is a trading range within a continuing uptrend
- Four+ types of Reaccumulation TRs: Reaccumulation after a decline, Reaccumulation with Spring action, Reaccumulation after a shakeout, and Reaccumulation with an uprising structure
- Reaccumulation with an uprise is the strongest and has higher highs / higher lows
- Usually, any shakeout and/or decline action before Reaccumulation will have a local smaller distribution pattern (cause and effect)
- Initial Shakeout/Decline is less pronounced during Reaccumulation than before Accumulation
- Volume: Reaccumulation usually has less supply than Accumulation
- The maximum swing of TR (highest to lowest point): Reaccumulation TR is usually tighter compared with an Accumulation TR

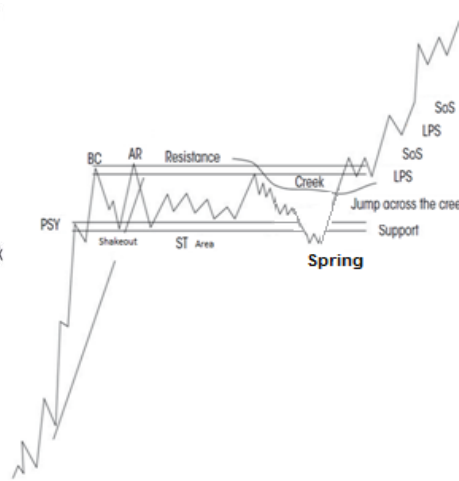
Alternative labeling* of Wyckoff Reaccumulation TRs and examples:



Source: Roman Bogomazov

Distinction: Reaccumulation after decline

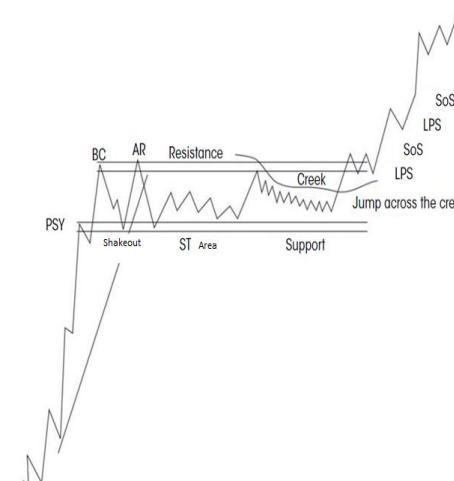
- Weakest among reaccumulation types
- Decline usually starts from a small local distribution pattern
- It can have different variations of the TR (see the structure of the next 3 formations)



Source: Roman Bogomazov

Distinction: Reaccumulation with Spring action

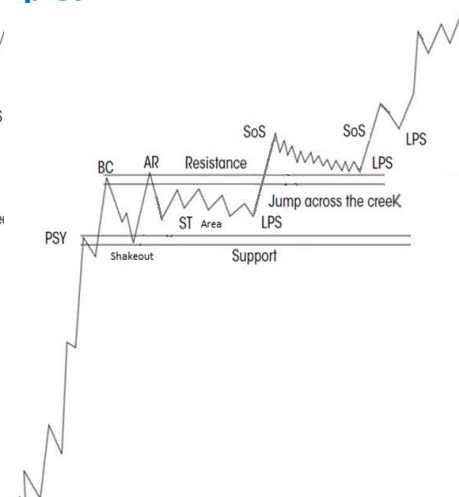
- Flat or sloping down formation
- It can potentially have a few lower lows with a spring being the lowest point of the TR
- Leading stocks can exhibit short-term weakness after strength in this formation



Source: Roman Bogomazov

Distinction: Reaccumulation after shakeout

- Absorption of supply happens in the TR without violation of support
- Usually and depending on a position of the market, this pattern exhibits strength



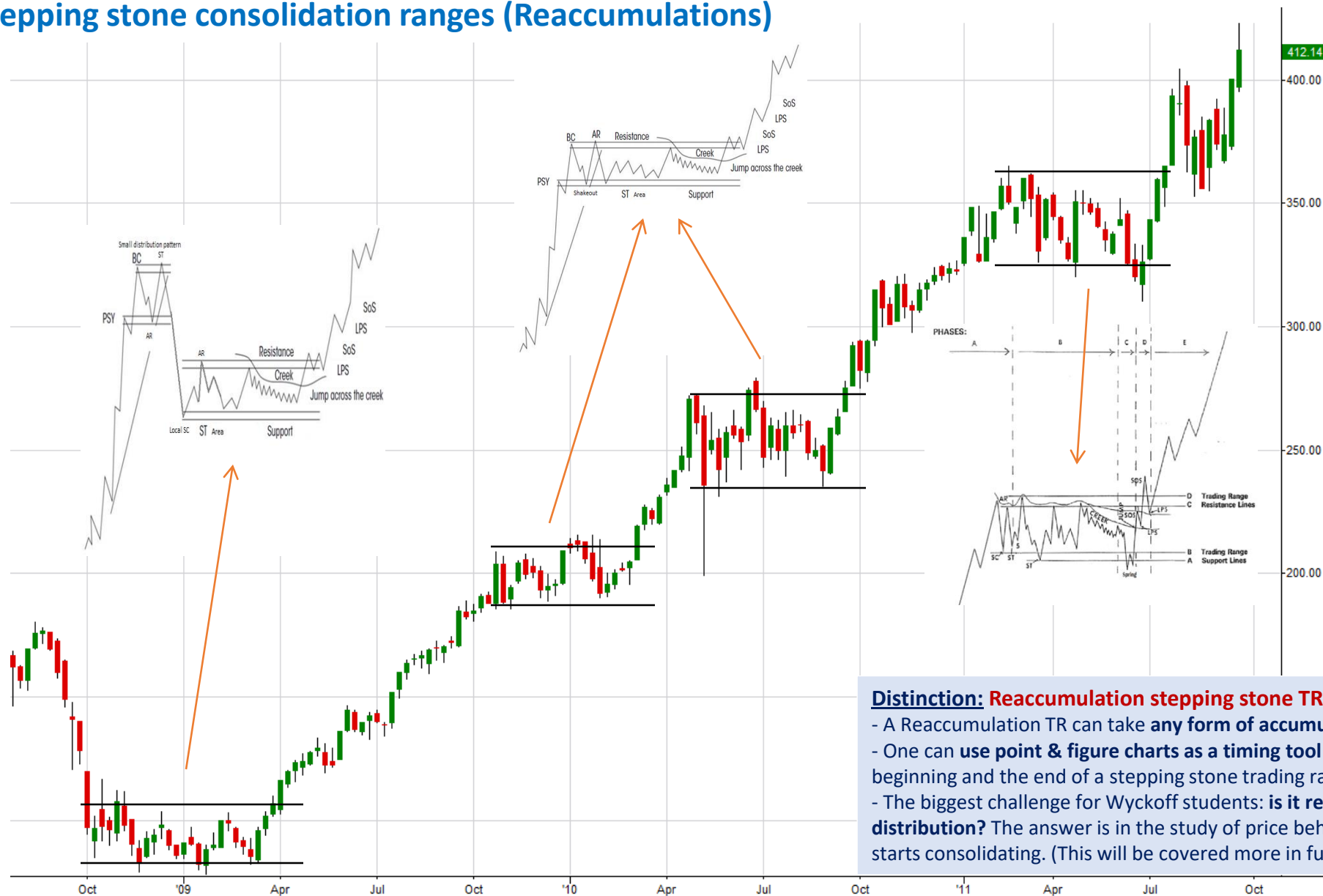
Source: Roman Bogomazov

Distinction: Reaccumulation with uprise

- Strongest among reaccumulation types
- This structure will exhibit higher highs / higher lows
- Sometimes can be confused with a topping TR

*Romanism

Examples of stepping stone consolidation ranges (Reaccumulations)



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Homework #2:

due on January 21st , 2019

1. **Exercise #1:** Stock: Home Depot (HD)

Assignment: Label trading ranges with Wyckoff Phases and Events, and **CHoCH**

2. Watch recording of January 14th session again (optional assignment)

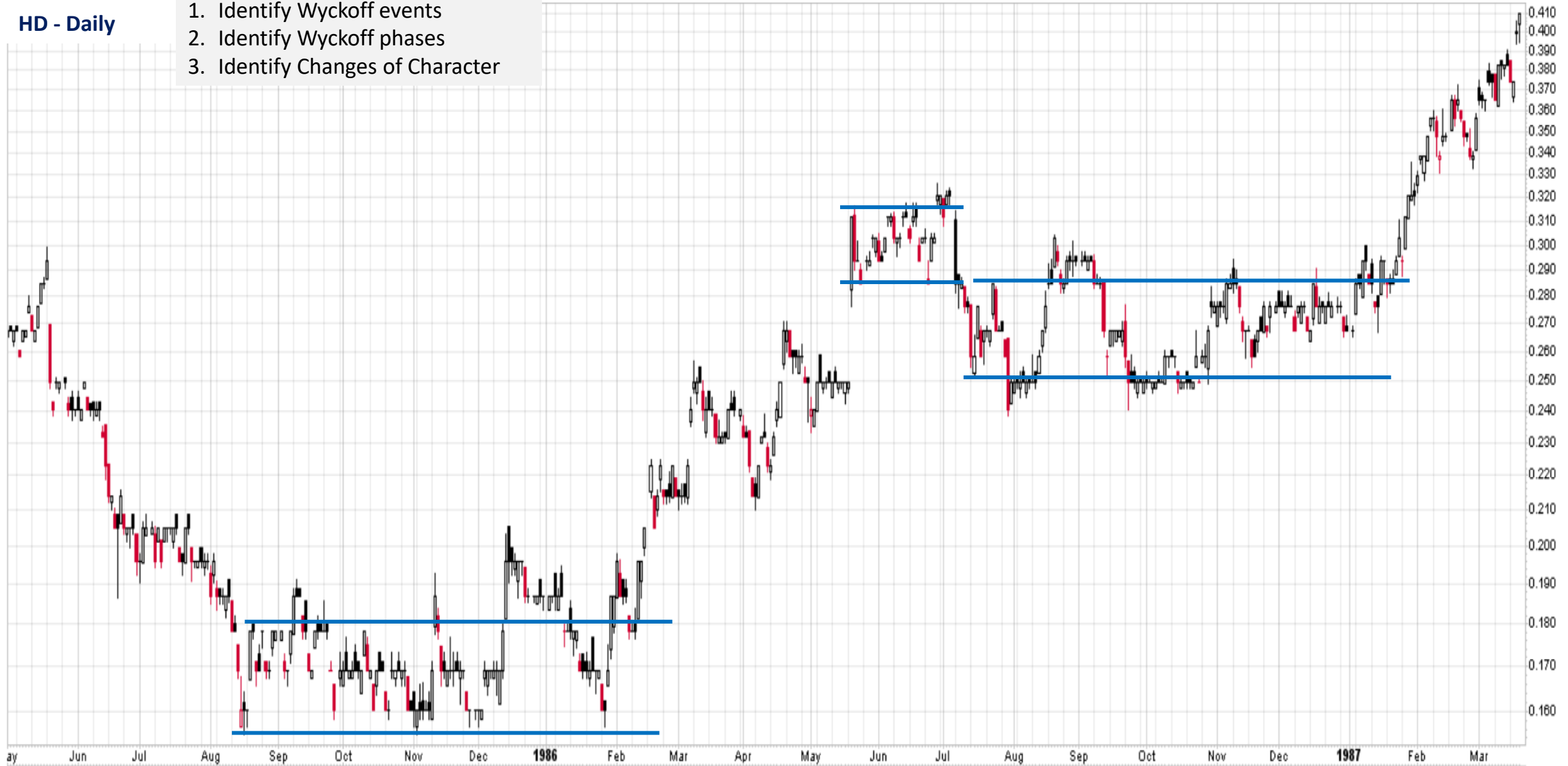
Email your home work to Roman to simplekot@hotmail.com.

Access instructions will be sent out tonight or tomorrow morning.

HD - Daily

Homework Assignment:

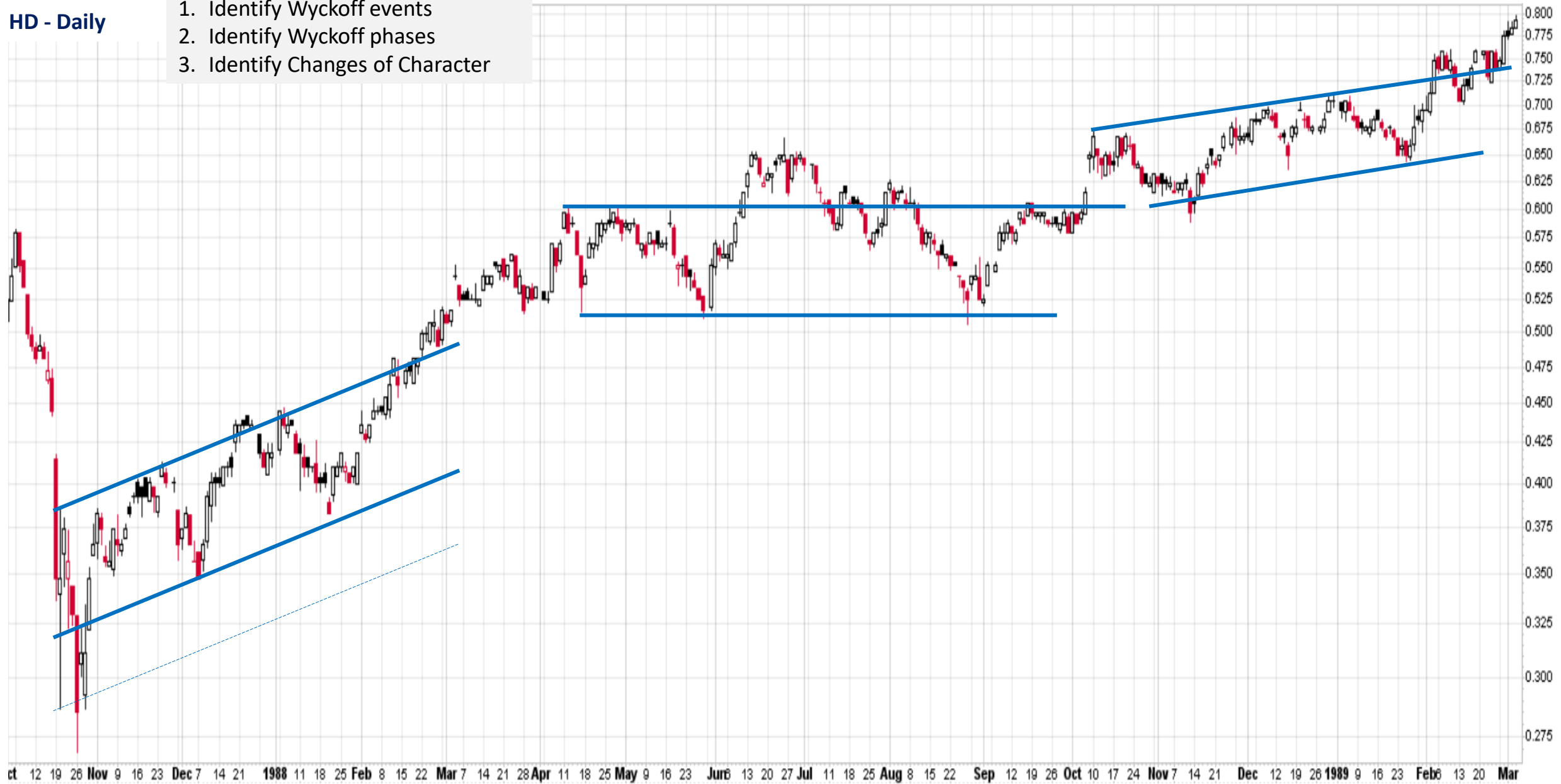
1. Identify Wyckoff events
2. Identify Wyckoff phases
3. Identify Changes of Character



HD - Daily

Homework Assignment:

1. Identify Wyckoff events
2. Identify Wyckoff phases
3. Identify Changes of Character



HD - Daily

Homework Assignment:

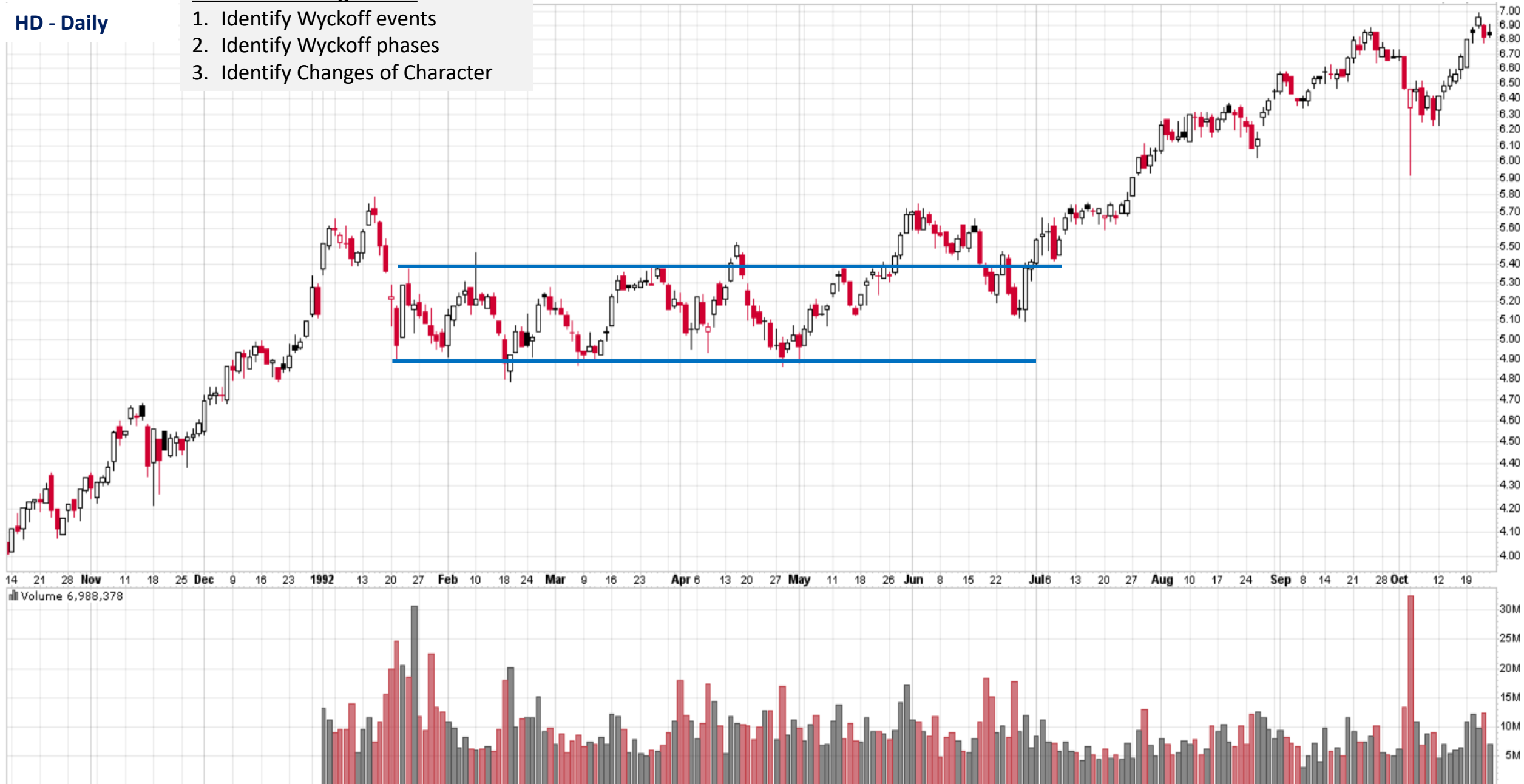
1. Identify Wyckoff events
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HD - Daily

Homework Assignment:

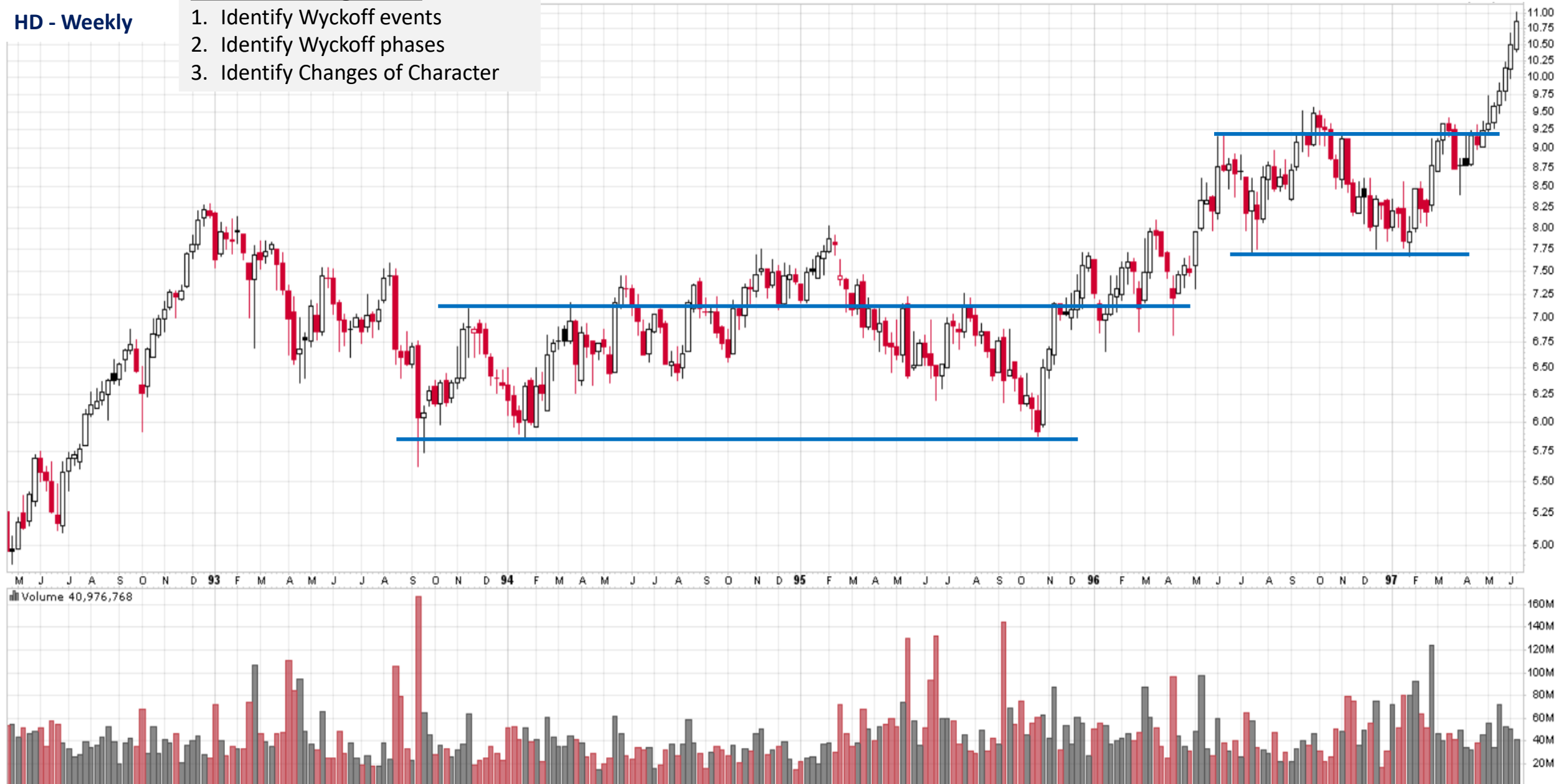
1. Identify Wyckoff events
2. Identify Wyckoff phases
3. Identify Changes of Character



HD - Weekly

Homework Assignment:

1. Identify Wyckoff events
2. Identify Wyckoff phases
3. Identify Changes of Character



HD - Daily

Homework Assignment:

1. Identify Wyckoff events
2. Identify Wyckoff phases
3. Identify Changes of Character

