

Wyckoff: 002641 (15m | 600 bars)



Wyckoff Analysis Report - 002641

Analysis Date: 2026-01-23 15:00:00 | Current Price: 4.58

1. Background & Trend

The stock is clearly in an uptrend that began in mid-December 2025. After establishing a base between 4.20-4.35 (December 11-22), the Composite Man has orchestrated a methodical markup phase.

Supply & Demand Balance: Demand is dominant. The price has risen from 4.28 (Dec 1) to 4.58 (current), a 7% advance. Volume patterns show consistent absorption on dips and expansion on rallies—classic signs of professional accumulation transitioning to markup.

Current Position: Price is trading above both MA50 (4.5282) and MA200 (4.4566), confirming bullish structure. The Composite Man is in control, using pullbacks to shake out weak hands while maintaining the upward trajectory.

2. Key Wyckoff Events

Phase A: Preliminary Support & Selling Climax

- 2025-12-04 11:00:00-11:15:00: Massive volume spike (12.9M + 13.7M shares) with price surging from 4.26 to 4.54. This represents a Buying Climax (BC) disguised as panic buying—the Composite Man absorbed supply and tested the market's appetite.
- 2025-12-11 09:45:00: Price dropped to 4.33 on 5.5M volume—an Automatic Reaction (AR) testing the BC low.

Phase B: Building the Cause

- 2025-12-16 to 2025-12-22: Trading Range established between 4.16 (support) and 4.32 (resistance). Multiple tests of support with declining volume (e.g., Dec 16: 4.16 on 1.6M shares) show absorption.
- 2025-12-17 10:00:00: Secondary Test (ST) at 4.13 with 3M volume—failed to break lower, confirming support.

Phase C: The Spring & Test

- 2025-12-22 09:45:00 to 11:00:00: Price broke above 4.35 resistance on expanding volume (2.4M → 1.4M), signaling the Jump Across the Creek (JAC). This was the Composite Man's signal that accumulation was complete.

Phase D: Markup Begins

- 2026-01-13 10:45:00-11:15:00: Explosive volume (2.6M + 3.2M + 2.6M) as price thrust from 4.45 to 4.52. This is Sign of Strength (SOS)—the Composite Man is now aggressively marking up.
- 2026-01-14 13:15:00: Last Point of Support (LPS) at 4.47 on 3.1M volume. Price held above 4.45, confirming the new higher low.

Phase E: Current Markup

- 2026-01-22 10:15:00: Price reached 4.57 on 3.8M volume—a new high with strong follow-through.
- 2026-01-23 (Today): Price consolidating at 4.57-4.58 on moderate volume (2.2M at close). This is a resting period before the next leg up.

Effort vs Result Violations:

- 2026-01-14 14:00:00-14:15:00: Price dropped from 4.51 to 4.40 on 1.9M + 3M volume, but immediately recovered to 4.44-4.45. This shakeout failed to produce sustained selling—a bullish sign that supply is exhausted.

3. Phase Analysis

Current Phase: Late Phase D / Early Phase E

Trading Range Definition:

- Support (Creek): 4.45 (established Jan 14-15)
- Resistance (Current): 4.58-4.60 (being tested now)
- Original Accumulation Zone: 4.16-4.35 (Dec 11-22)

Composite Man's Intent:

The Composite Man has completed accumulation and is now in distribution preparation mode—but not yet distributing. The current action shows:

1. Controlled markup: Each rally is followed by shallow, low-volume pullbacks (e.g., Jan 15: 4.38-4.41 on declining volume).
2. Absorption of profit-taking: The Jan 14 shakeout to 4.40 was designed to scare out weak longs accumulated at 4.30-4.35.
3. Testing overhead supply: Today's action at 4.57-4.58 is probing for sellers before the next push.

Key Observation: Volume is not climactic at highs (today's 2.2M is moderate), suggesting the Composite Man is not yet distributing. He's still building the cause for a move toward 4.70-4.80.

4. Trading Strategy

For Your Position (Cost: 4.411, Qty: 4.411 shares):

Current P&L: +3.8% (4.58 vs 4.411)

Recommended Action: HOLD with trailing stop

Rationale:

- You bought near the end of Phase C (Dec 22), just as the JAC occurred—excellent timing.
- The Composite Man is still marking up; distribution signs are absent.
- Risk/reward favors holding for the next leg to 4.70-4.80.

Specific Trade Plan:

Holding Strategy:

- Target 1: 4.70 (next resistance, ~2.6% upside from current)
- Target 2: 4.80 (psychological level, ~4.8% upside)
- Trailing Stop: 4.48 (below Jan 20 LPS at 4.47)
- This protects 0.8% profit while allowing room for normal pullbacks

Exit Signals (Distribution Warning):

1. Upthrust (UT): Price spikes above 4.60 on huge volume (>5M) but closes below 4.55
2. Selling Climax: Price drops below 4.45 on volume >3M
3. Effort vs Result: Price makes new high (>4.60) on declining volume (<1M)

Aggressive Entry (if you want to add):

- Buy Zone: 4.50-4.52 (on any pullback to MA50)
- Stop Loss: 4.45 (below LPS)
- Size: No more than 50% of current position (risk management)

What the Composite Man Will Do Next:

Based on current structure, expect:

1. Short-term (1-3 days): Consolidation at 4.55-4.58, then push to 4.65-4.70
 2. Medium-term (1-2 weeks): Test 4.80, then possible shakeout to 4.60 before final markup
 3. Distribution Phase: Watch for UT or BC above 4.80—that's when the Composite Man will begin unloading
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Final Verdict

The Composite Man is still your friend. He's methodically marking up after a successful accumulation campaign. Your entry at 4.411 was well-timed. Hold with discipline, trail your stop, and prepare to exit when distribution signs emerge (likely above 4.70-4.80).

Key Price Levels to Watch:

- Support: 4.48 (MA50), 4.45 (LPS)
- Resistance: 4.60 (psychological), 4.70 (next target)

"The tape tells all—if you know how to read it." — Richard D. Wyckoff