

Wyckoff: 601611 (5m | 500 bars)



Greetings. I have examined the tape for 601611 (China Nuclear Engineering) on the 5-minute timeframe. To trade like the "Composite Man," one must ignore the noise and focus on the footprints of institutional supply and demand.

Your entry at 17.754 puts you right in the thick of the current battleground. Here is my assessment of the market structure and the motives of the large interests.

1. Executive Summary

The market is currently in a Phase B Consolidation within a larger Re-accumulation structure. While the immediate bias is Neutral-to-Bullish, the price is currently testing the "Creek" (upper resistance); a failure to clear this on expanding volume would signal a move back to the "Ice" (lower support).

2. Detailed Phase Analysis (The Structure)

On the 5m chart, we are observing a localized Trading Range (TR) defined by the following Wyckoffian events:

- **Phase A (Stopping the Previous Move):** We saw a Preliminary Support (PS) followed by a Selling Climax (SC) near the 17.40 level. The Automatic Rally (AR) subsequently drove the price to approximately 17.95, defining the boundaries of our range.
- **Phase B (Building the Cause):** The price has been oscillating between 17.50 and 17.90. This is where the Composite Man is absorbing the "floating supply" from frustrated retail holders. We see multiple Secondary Tests (ST), where the price dips but fails

to make new lows, indicating that supply is being withdrawn.

- Phase C (The Test - Current State): We are looking for a Spring (a false breakdown below 17.40) or a LPS (Last Point of Support). Currently, the price is hugging the upper half of the range. If we do not see a sharp "shakeout" soon, we are likely looking at a "High-Level Re-accumulation."
 - Phase D (The Break): We are awaiting a Sign of Strength (SOS)—a decisive move above 18.00 on heavy volume—to confirm the markup phase.
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3. Volume Spread Analysis (VSA)

The "Law of Effort vs. Result" is telling a compelling story here:

- Absorption Evidence: On recent dips toward 17.60, we see narrowing spreads on high volume. This is a classic anomaly; the "Effort" (selling volume) is high, but the "Result" (downward price movement) is negligible. This tells me the professional interest is "bagging" the sell orders.
 - Supply Check: The rallies toward your entry price (17.75) are occurring on diminishing volume. This suggests that while selling is drying up, the "Aggressive Demand" required to jump the Creek is not yet fully committed.
 - The "No Demand" Bar: Watch for narrow spreads on low volume at the top of the range (17.90+). If this occurs, the price will likely rotate back to the bottom of the TR before a real breakout can happen.
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4. Strategic Assessment

- Current State: Late Phase B / Early Phase C (Testing Supply).
- Bias: Long (Hold), but with caution. The "Cause" built in Phase B is sufficient for a move toward 18.50+, but the "Test" is not yet conclusive.

Key Levels:

- Invalidation Point (Stop Loss): 17.38. A high-volume close below the SC low indicates that the "Ice" has broken and the distribution thesis takes over.
 - Target (Objective): 18.60 - 18.80. This is calculated based on the horizontal width of the current 5m accumulation base.
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5. Trade Setup (Position Management)

- Entry Zone: You are already positioned at 17.754. This is a "mid-range" entry, which is inherently riskier than a Phase C Spring entry.

Action Plan:

- If price hits 17.95 on low volume, consider trimming 25% of the position, as a rotation back to 17.50 is likely.
 - If price breaks 18.05 on surging volume, hold for the full markup.
 - Stop Loss: Place a hard stop at 17.35 (just below the Phase A low).
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6. Risk Warning

The "Upthrust" Trap: Be wary of a quick move above 18.00 that immediately reverses back into the range on high volume. This would be an UTAD (Upthrust After Distribution). If the price cannot hold above 18.00 for more than three 5-minute bars, the "Composite Man" is likely unloading, and you should exit the position immediately.

Study the tape, watch the volume, and wait for the market to reveal its hand.

Richard D. Wyckoff