

Wyckoff: 603920 (5m | 500 bars)



My dear student of the tape, let us look at the footprints of the "Composite Man" on this 5-minute chart for 603920 (Olympic Circuit Technology).

To trade as I have taught, one must ignore the noise of the news and focus entirely on the relationship between Price and Volume. Your entry at 53.148 puts you in a delicate position, as the current tape suggests we are navigating a complex structural shift.

1. Executive Summary

The market is currently exhibiting a Change of Character (CHoCH) from a minor markup to a potential Distribution or Redistribution phase. The immediate bias is Neutral-Bearish until the "Creek" (Resistance) at the 53.50 level is cleared with expanding volume and narrowing spreads.

2. Detailed Phase Analysis

Deconstructing the 5m structure relative to your 53.148 cost basis:

- **Phase A (Stopping the Previous Move):** We observed a Buying Climax (BC) just above your entry, likely around the 53.80-54.00 handle. This was followed by an Automatic Reaction (AR) that defined the "Ice" (Support) lower down. The initial stopping action was violent, indicating large interests were providing supply to meet the demand.
- **Phase B (Building the Cause):** The price has been churning. We see several Upthrust Actions (UA) that failed to sustain momentum. This is the "Composite Man" unloading inventory into the hands of the uninformed public.

- Phase C (The Test): We are currently looking for a UTAD (Upthrust After Distribution) or a Spring. If the price rallies toward 53.50 and fails on low volume, it is a "Test of Supply" that confirms the bears are in control.
 - Phase D (The Break): If the price breaks the recent local lows (the "Ice"), we will see a SOW (Sign of Weakness). Your cost basis of 53.148 is currently acting as a "Pivot Point" where the market is deciding whether to absorb the remaining supply or slide to find lower demand.
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3. Volume Spread Analysis (VSA)

The "Law of Effort vs. Result" is speaking loudly here:

- Supply Manifestation: I note bars with high volume but very narrow upward spreads near the 53.30 level. This is Hidden Distribution. The "Effort" (Volume) is high, but the "Result" (Price Progress) is negligible. The Composite Man is "capping" the market.
 - Lack of Demand: On the minor rallies back toward your cost price (53.148), the volume is "drying up." This indicates a lack of institutional following. A rally on low volume is a "house built on sand."
 - The Ice: Watch the volume as we approach the local support. If volume expands on down-bars with wide spreads, the "Ice" is cracking, and a markdown is imminent.
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4. Strategic Assessment

- Current State: Late Phase B / Early Phase C (Testing Supply).
- Bias: Wait / Defensive. The price is hovering near your cost, but the "Cause" being built looks more like distribution than accumulation.
Key Levels:
 - Invalidation Point (Bullish): A firm close above 54.20 on high volume (SOS) would negate the bearish thesis.
 - Target (Downside): If the Ice breaks, the "Cause" width suggests a slide toward the 51.50 - 50.80 zone.

Trade Setup (Management of Existing Position)

- Entry Zone: N/A (Already positioned at 53.148).
 - Stop Loss (Hard Invalidation): 52.40. If the price breaks this level, the "Ice" has shattered, and you must protect your capital.
 - Take Profit (Exit on Strength): If the price reaches 53.80 - 54.00 on a "Low Volume Test," I recommend reducing the position by 50%. This is likely a LPSY (Last Point of Supply).
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5. Risk Warning

The primary risk is "Absorption Failure." If you see the price hovering at your cost basis (53.148) with high volume but no upward movement, do not be deceived. This is not support; it is the "Composite Man" absorbing the last of the retail buy orders before withdrawing his bids. If the volume does not "dry up" on the dips, the supply is still too heavy to allow for a markup.

Remember: The market does not care where you bought. It only cares about the balance of Supply and Demand. Be prepared to act if the "Ice" breaks.