

Title: Wyckoff on the Meme's - Learn and Absorb!!!

Author: kwsparks

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I have been posting my analysis using the Wyckoff method and am making this post to explain what has happened, where we are currently at, and what we can likely look forward to within the next few days...

- What has already happened?

On Sept. 7th, GME completed a steep downtrend (all of the red on the [daily chart](<https://imgur.com/a/ZvxlFI>)) by finishing the day with a hammer candle. Hammer candles imply that buyers have started to gain control and are, ultimately, pushing the stock back up. This marked the transition into a markup phase (if everything that I am interpreting is correct, anyway...). This is important bc I believe that all of the selling that we were experiencing was the development of a spring. Now, what happens when you push on a spring? It explodes upward!!! Exciting, isn't it!?

The development of the spring pushed us out of the trading range (marked by the two horizontal white lines; bottom = \$28.70; top = \$47.75). This was immediately met with considerable volume (volume profile at the bottom of the screenshot) pushing us back into the trading range.

Immediately following our spring back into the range, we tested our spring development and, once again, went below the trading range. The thing that is important about this test is that we went below the range (meaning that the price decreased) on low volume (compare with volume that pushed us into the trading range). The reason this is important is bc trading volume is analogous to voting power; the more votes you have, the more likely you are to be elected (... I stole this analogy from Trey, actually. Thanks Trey!!!). Therefore, if the price is decreasing on lower volume, it is unlikely to hold. This is exactly what has happened today; we shot right back up and finished the day with a hammer candle on super low volume. What's better, is that we closed the day above the "point of control" (POC) on the [hourly chart](<https://imgur.com/a/IngZ2Fo>) (this is the red horizontal line that extends from the volume profile on the right side of the screenshot).

The POC is a price area for which a considerable number of trades have taken place. This indicates that buyers and sellers have agreed that this is an established trading area, and is therefore acting as strong support (or resistance). Now that we are above it, it will act to keep our price above this level. I have indicated that there is less price action to navigate as we continue to move upward (see the smaller volume shelves on the right side of the screen on both the hourly and daily charts). On both the hourly and daily chart, we can see that as price increases, our likelihood for continued price improvement also increases (this is true bc as the volume shelves become smaller, the price will continue to move away from it).

- What can we look forward to in the near future?

The short answer is, up, that is, assuming we move back into the trading range.

Following the spring and test event (known as [Phase C](<https://imgur.com/a/RkgWRTN>)), we move into a period of strong price improvement. However, I want to mention that while the price is improving, so long as it remains within the trading range (between \$28.70 - \$47.75 on the daily chart) it has not yet "broken out." Therefore, it is important to ONLY PLAY THE RANGE if you are playing options and to be careful in how much time you have before contract expiration!!!

If, and this is a BIG if, we leave the trading range within the next few days, be very careful. We will be in otherwise, uncharted territory. Everyone should know that "false breakouts" do and likely WILL happen. The only way to be certain that we have moved from a "Phase D - Jump Across the Creek" event and into a "Phase E - Breakout" event is with the test event known as the "Back up to the edge of the Creek." This test is similar in nature to the one that we just completed in that if it goes down and then immediately springs back up for continued movement up (specifically on lower relative volume). If this happens, then

you can be sure that we have successfully entered the "Phase E - Breakout" event.

If you are ever trying to discern what levels to play or how much we will move, look at the volume profiles and use fib levels. If you have any questions, please feel free to ask me. I am excited to be learning about all of this and to be able to help everyone else learn alongside me.

TI;Dr - We we're going down, now we will likely be going back up... A lot. Be careful and play the levels.