

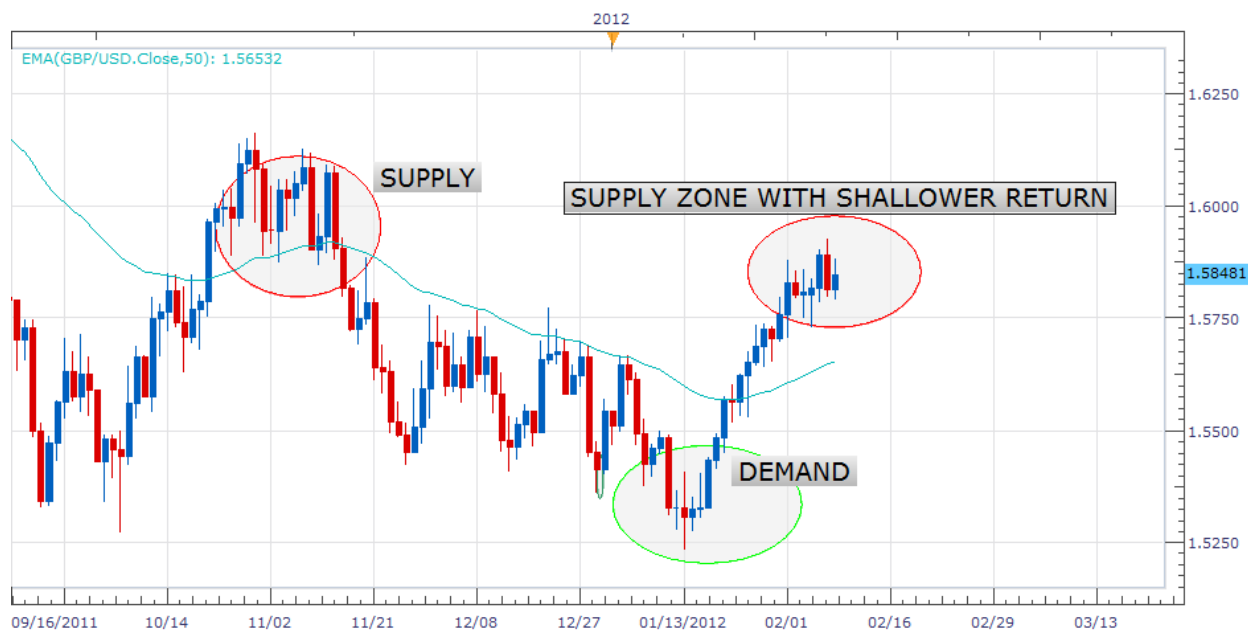
Supply and Demand.....that's all it is...for any market.....

Below is a link to Sam Seiden's off the hook explanation of Supply and Demand in financial market "price based" trading. He says, "price and price" alone.

<http://www.fxstreet.com/webinars/sessions/session.aspx?id=5a83a4f1-9801-4d34-b147-ae69f02170f7>

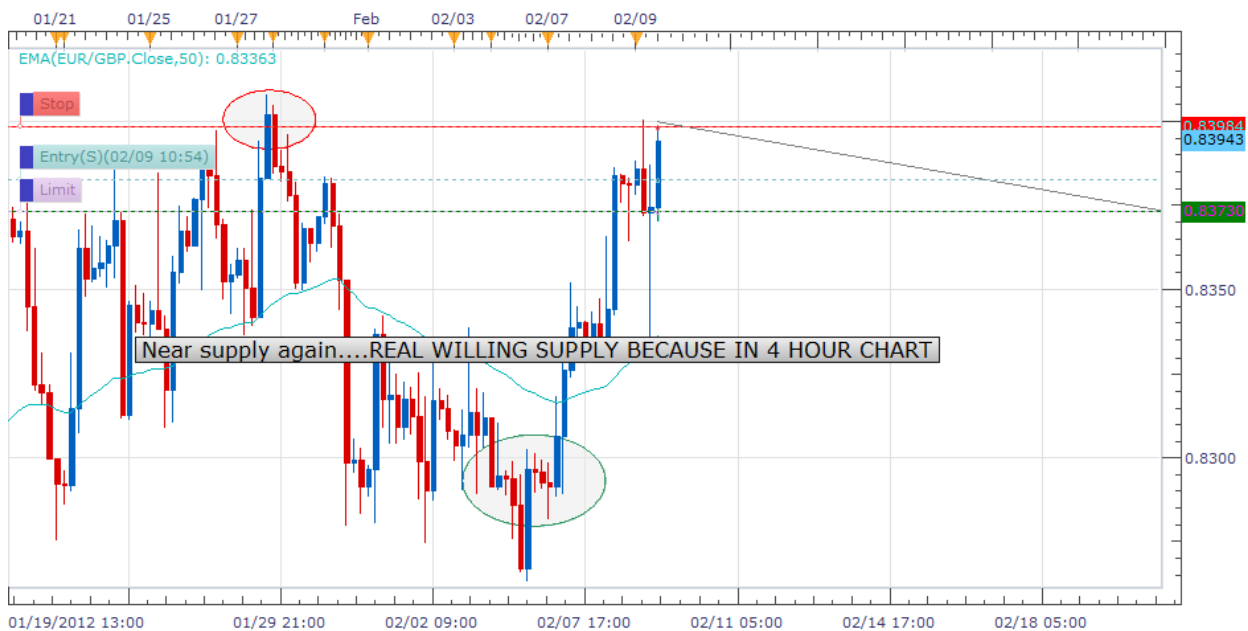
So here are a few concepts from his lecture to explain a few things.

Step #1: Study the "Significant" Chart (Daily and 4 hour) to see if we are in a SUPPLY or DEMAND zone (Sam calls this REAL WILLING SUPPLY, or REAL WILLING DEMAND)



When the return of price to a zone is “shallower” than before, it means that the pressure of the zone is strong.

Here is the next picture of our “drilling down”...this is the 4 hour chart

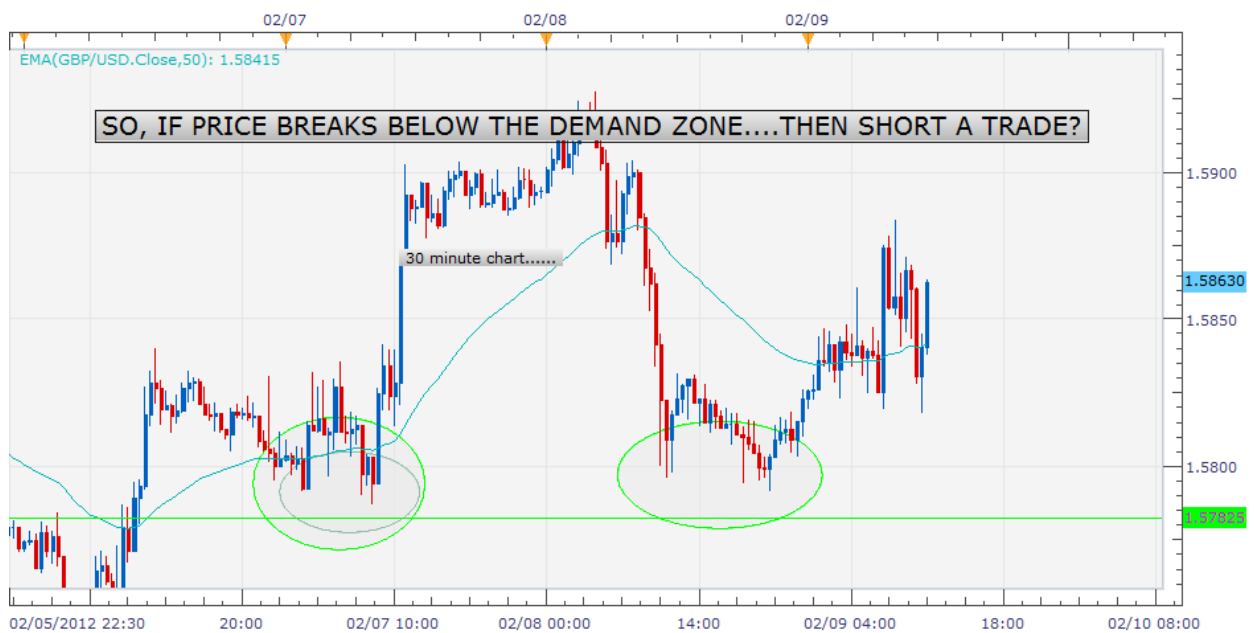


The red circles indicate “supply” which are the sellers in RED, and the green circles indicate the DEMAND zone that are green. ALSO KNOWN AS BEARS (red) and BULLS (green).

Think of Bulls/green/going up/with their pointed ears...

Here is the next part of the “drilling down”...(the forest to the trees...a real perspective of what is going on)

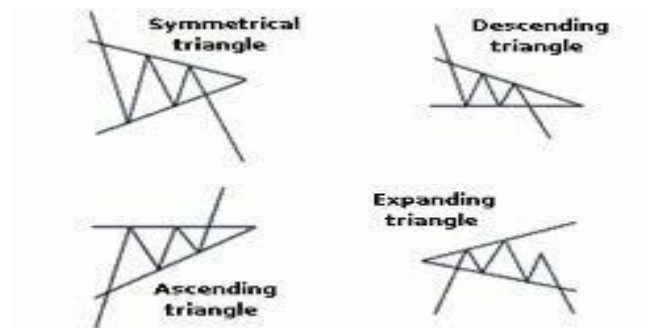
The 30 minute chart to show us more about “market position”



O.k., so here is the next view, and do we have a “top or bottom” structure?



An expert says, that if you measure the distance of the top to bottom of this, we can more safely speculate that price will move this distance past the MBO. An MBO is “Momentum Breakout” this is how we know price has strength to move...here we notice lower highs...up top, and price breaks below the lowest....This is the behavior we look for.



So here are some more examples...

Bullish Rectangle



Notice that this pattern could have easily been a triple top pattern, which is a reversal pattern. Instead, prices closed above the upper boundary, signaling the completion of the rectangle and continuing the prior trend.

Conventional Breakout



We are understanding what a “breakout” is...

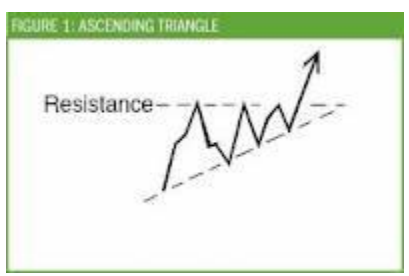
That’s where we enter the trade...



Here is an MBO out of a channel.....see the 2 parallel lines?



Here is a breakout from the bottom zone where price kept returning to.....



Anyway, that's a few thoughts.....