



I clearly had the wrong bias today and I need to understand why. Mainly it is because of my recent myopic study of the ES without regard to what other markets are doing.

Looking at this chart of the NASDAQ e-minis, it presents more clearly, and with better ratios, as a probable 5 waves down. I still believe that the move up from 5 is corrective so I do not expect this move up to result in a new high. The .500 Fibonacci retracement level (131250) or the .618 Fibonacci retracement level (133073) are the most common retracement levels following a 5 wave set down that is a probable A or 1 and are the most likely targets.



However, watch all retracement levels starting with the .382 Fibonacci retracement level (129426) which is directly over head. Note that it is also a confluence with a 1:1 ratio up from x. A confluence between a retracement level and an extension level are usually strong resistance. Combine this with the move up from 5 completing a probable double zigzag (w-x-y) and we will probably at least pause. Note also the close proximity of the 1.618 extension, the .500 retracement level, and the 200 period moving average.

Together they present a triple confluence. Note the level of the stochastic in what has been sideways price action up from 5.

TMD/DW

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