



WYCKOFF ANALYTICS

Trading Education & Mastery

Wyckoff Trading Course Part I

Summer 2024 semester

4.22.2024



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HYPOTHETICAL OR SIMULATED PERFORMANCE RESULTS HAVE CERTAIN INHERENT LIMITATIONS. UNLIKE AN ACTUAL PERFORMANCE RECORD, SIMULATED RESULTS DO NOT REPRESENT ACTUAL TRADING AND DO NOT INCLUDE BROKERAGE AND OTHER FEES, OR SLIPPAGE. ALSO, IN SIMULATED PERFORMANCE RESULTS NO TRADES HAVE ACTUALLY BEEN EXECUTED, AND THEREFORE THE RESULTS MAY HAVE UNDER- OR OVER-COMPENSATED FOR THE IMPACTS OF A VARIETY OF MARKET FACTORS, SUCH AS LACK OF LIQUIDITY. SIMULATED TRADING PROGRAMS, IN GENERAL, CAN ALSO BE DESIGNED WITH THE BENEFIT OF HINDSIGHT. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL OR IS LIKELY TO ACHIEVE PROFITS OR LOSSES SIMILAR TO THOSE SHOWN.



Sign up for WTC-1 course!

To sign up for the entire WTC-1, register at: wyckoffanalytics.com/wyckoff-trading-course-wtc-part-1 or contact Nancy at: wyckoffassociates@gmail.com if you have any questions.

Cost: \$850 for the Summer course (12 webinars),
WTC alumni rate - **\$700**

Payment Plan: Three recurring payments of
\$332.67


Class details

 **April** Monday **22** **29**

 **May** Monday **6** **13** **20** **27**

 **June** Monday **3** **10** **17** **24**

 **July** Monday **1** **8** **15** **22** **29**

 **Time**
3:00pm - 5:30pm (**Pacific Time**)

Homework submission

1 file per homework

Formats accepted

ppt **pdf** **doc**

Include first name and first letter of your last name

Example: **ThomasB WTC-1 Homework #1**

All assignments submitted to
alessio@wyckoffanalytics.com

Attention: This session is being recorded and it will be posted on “Wyckoff Trading Method” YouTube channel tonight! The remainder of the WTC classes will be more interactive; students who would like to participate in discussions should have working headset with a built-in microphone. All recordings and slides will be made available to paid students only. Instructions on how to access the recordings and slides will be emailed tomorrow to all students.



WTC - Part 1 (Analysis) CURRICULUM

Sessions 1-5

Market Structural Analysis

Identify the all-important **Change of Character** in the price and volume of the market or of an individual security, allowing you to anticipate when it will move from a trending to a non-trending environment, and vice versa.

- Understand the current **price structural environment** and its implications for trading at any given time
- Recognize key **Wyckoff Events**, such as buying and selling climaxes, springs, upthrusts, signs of strength or weakness, last points of support or supply, and more.
- Distinguish **Wyckoff Phases**, which signify predictable developments in all trading ranges (and in all time frames), and allow you to spot when a new trend is about to emerge, so that you can place trades accordingly

Sessions 6-11

Supply and Demand

Volume and price analysis, a visual application of Wyckoff's principle of contrasting **effort (volume) vs result (price movement)** to understand what the larger market participants are doing and what they probably intend. This segment will comprise:

- **Bar-by-bar** as well as **swing-by-swing analysis** of price and volume.
- Analysis of volume patterns in different Wyckoff Phases
- Using **historical analogues** to compare recent price bar spread and volume with previous events, which can provide additional clues about the direction and character of future price movement

Sessions 12-13

Relative and Comparative Analysis

Another foundation of the Wyckoff Method involves comparing the performance of a stock, ETF or another security with that of the overall market or another instrument, helping you identify trade candidates that are likely to outperform both their peers and the overall market. Elements of this segment include:

- **Relative and Comparative Analysis** as an institutional signature of accumulation or distribution
- Identifying **"Sweet spots" of outperformance** as a predictor of future price behavior
- **Filtering and scanning** for relative outperformance characteristics

Sessions 14

Trade Management

Clear recognition and best practices regarding entry and exit points, stop-loss placement and movement, and proper scaling in and out of positions.

Sessions 15

Q&A Session



WTC - Part 2 (Execution) CURRICULUM

Summer WTC-2 semester starts on April 23rd at 3 pm PST (open-door session)
<https://www.wyckoffanalytics.com/wyckoff-trading-course-part-2/>



Roman Bogomazov

Main topics and exercises to cover in the WTC-2

Significant Bar Analysis As a part of the Volume and Spread (VSA) studies the focus is on the Significant Bar (SBar) and SBar Test analysis

Swing Analysis Multiple ways of tracking the cumulative Effort and Result for any swing

Sequential Bias Analysis Sequential Bias Analysis, Flashcard Analysis and Quantifiable Sequential Bias Analysis

Anatomy of a Trade This exercise will identify student's weakness and strength through the post-trade analysis of past trades

Bias Game The weekly Bias Games are dissected and post analyzed

FRANTZ

I have taken the course 13 times. Why do I keep returning? I love actively participating in the markets on my own and I have the necessary confidence in myself.

The Practicum was the lifeline I needed to keep building my skills. There was lots of work left to be done so I enrolled again (and again). This became a recurring theme in my education for two reasons. First, learning the nuances of Wyckoff methodology is not something that I found occurred quickly, easily and thoroughly, at least for me. Second, Roman is constantly adding to the curriculum and there was fresh material in nearly each course.

I continue to gain a deeper understanding with each semester. In the current session, Sbars, EoM and swings are becoming more meaningful than ever before, simply because I know the material but I am finding I am now truly internalizing it. It is becoming ingrained and the clear lens through which I view the markets.

The financial outlay, especially with the alumni rate, is peanuts compared to the results it has allowed me to achieve. I have gone from consistent losing trades to winners. The flip to profitable trading has paid for a lifetime of WTC 2's. The fall semester costs \$700 for 15 sessions. That's less than \$50 per week! Roman pours his heart into each session for the better part of 2 1/2 hours. You get out of life what you put in, but as a trader who is serious about learning to trade with Wyckoff principles, I have found my results from taking WTC 2 (along with the Process Group) to be literally life changing.

The more I studied, the better my trading RESULTS became. The analytical base of the WTC 2 (along with the Process Group) is the reason. Each semester my grasp of the method became stronger and better, and my knowledge and confidence kept growing.

Register for the WTC-2 course now - <https://www.wyckoffanalytics.com/wyckoff-trading-course-part-2/>



Session 1

INTRODUCTION

1. Introduction
2. Homework #1: Jim Forte's "Anatomy of a TR"
3. [Market Update](#)
4. Richard D. Wyckoff
5. Composite Operator (CO)
6. Price Cycle Model
7. Behavioral Market Analysis
 - Strong Hands vs. Weak Hands
 - Institutional Investors vs. Retail Traders
 - Market Participants
 - Wyckoff Method edge – Case Study: AAPL

Session 2

PRICE STRUCTURAL ANALYSIS

1. [Market Update](#)
2. Price Cycle
 - Change of Character (CHoCH)
 - Accumulation
 - Distribution
 - Re-Accumulation
 - Re-Distribution
3. Price Structural Analysis
 - Phase Analysis
4. Homework #2: Accumulation labeling (HD)

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HOMEWORK
ASSIGNMENT
Session 1

Mandatory assignment: Read Jim Forte's "Anatomy of a Trading Range" article, 12 pages -

<https://static1.squarespace.com/static/54fed56be4b0b8a1d3d33918/t/55808ff8e4b0bcfabac9ae03/1434488824889/Anatomy+of+a+Trading+Range.pdf>

The "Anatomy of a Trading Range" article will be posted on the class page together with the class video and slides

WTC students will receive access to the class page instructions tonight

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Anatomy of a Trading Range

by Jim Forte

In the following article I will discuss the analysis of a Trading Range, employing terms and principles developed by Richard Wyckoff in the 1920s and 30s and more recently by the "Stock Market Institute". In technical analysis, there are a variety of methods used to analyze trading range formations and forecast the expected direction and extent of the move out of a trading range. Most practitioners of technical analysis, whether familiar with the Wyckoff method or not, will be able to relate many of the points and principles being discussed to those they are already familiar with.

Much of Wyckoff's analysis and working principles were based on what he identified as three fundamental laws:

1. *The Law of Supply and Demand*—which simply states that when demand is greater than supply, prices will rise and when supply is greater than demand, prices will fall.

2. *The Law of Cause and Effect*—postulates that in order to have an effect you must first have a cause, and that effect will be in proportion to the cause. This law's operation can be seen working, as the force of accumulation or distribution within a trading range works itself out in the subsequent move out of that trading range. Point and figure chart counts can be used to measure this cause and project the extent of its effect.

3. *The Law of Effort vs. Result*—helps us evaluate the relative dominance of supply vs demand, through the divergence or disharmony between volume and price, when considering relative strength, comparative price progress and trading volume.

An objective of Wyckoff analysis is to aid in establishing a speculative position in correct anticipation of a coming move where a favorable reward/risk ratio exists (at least 3 to 1) to justify taking that position. Trading Ranges (TR's) are places where the previous move has been halted and there is relative equilibrium between supply and demand. It is here within the TR that dominant and better informed interests conduct campaigns of accumulation or distribution in preparation for the coming move. It is this force of accumulation or

distribution that can be said to build a *cause* which unfolds in the subsequent move.

Because of this building of force or *cause*, and because the price action is well defined, trading ranges represent special situations that offer trading opportunities with potentially very favorable reward/risk parameters. To be successful however, we must be able to correctly anticipate the direction and magnitude of the coming move out of the trading range. Fortunately, Wyckoff offers us some guidelines and models by which we can examine a trading range.

A preview of the guidelines and model schematics presented here, along with the accompanying explanation of the terms and principles represented in the schematics, will go a long way to further the reader's understanding of the text.

It is through the identification and analysis of the price and volume action and certain principles in action within the various phases of the *trading range* (TR) that the trader can become aware and conclude that supply or demand is becoming dominant and correctly anticipate the coming move. It is through the analysis of the *phases* of the TR that we can distinguish accumulation/reaccumulation from distribution/redistribution.

The Wyckoff method employs bar charts along with certain terms and principles in action to determine the expected direction and timing of a coming move. It also employs point and figure chart counts to aid in projecting the extent of the move.

For those interested in exploring the use of point and figure charts, references are available from the Wyckoff "Stock Market Institute" (SMI) and from other sources on technical analysis. Our emphasis here will be primarily on the analysis of bar chart formations.

The following illustrations represent an idealized Wyckoff model of market cycles involving supply and demand, accumulation and distribution, and a conception of the primary market phases.

Accumulation

Schematic 1 is a basic Wyckoff model for accumulation. While this basic model does not offer us a



INTRADAY FLOW AND TRADING SPECIAL PART 2 CURRICULUM

PRE-MARKET ANALYSIS

- Previous close
- Asian + European structure
- Pre-market Bias
- VWAP structure

OPENING SEQUENCE

- Analysis of the first bar of the day
- Analysis of the first three bars of the day
- Analysis of the first 15 mins
- Analysis of the first 30 mins
- Analysis of the 60 mins

INTRADAY STRUCTURE AFTER THE OPENING SEQUENCE

- Sustainability of intraday trends
- Global vs Local structures and their character
- Trading Range identification

VWAP

- Definition and construction
- VWAP as an institutional tool
- Standard Deviation as targets and boundaries
- Anchored VWAP

VSA AND SWING ANALYSIS CASE STUDIES

- Bar Compression on increased Volume
- Decrease of dominant force with minimal presence of the opposing force
- Exhaustion of the dominant force BEFORE reaction
- Exhaustion of the opposing force in TR
- Assessment of incoming Force and its Effect on price movement

RANKING

- Bar-by-bar ranking
- Negative Ranking
- Impulse swing vs Test Ranking

TACTICS

- Reversal Ranking
- Add-on Ranking
 - NSB/NDB Ranking
 - Breakout/breakdown Bar Ranking
- Trim Ranking
- Trading Range Trading Tactics

PLAYBOOK

- What is it and how is it different from the Trading Plan?
- Playbook examples

ANALOGS CLASSIFICATIONS AND SUB-CLASSIFICATIONS

- Trending days
- COB days
- Consolidation days

MINDSET

- Mental Capital
- Knowledge is NOT a Skill
- Trade against your Fate
- Extreme self-awareness
- Mental algos to change your behavior in the moment
- Mental Endurance
- Training = Positive Attitude and Sustained Effort

Register at

<https://www.wyckoffanalytics.com/event/mastering-intraday-flow-analysis-and-trading-strategies-part-2/>



Roman Bogomazov

Roman Bogomazov is a trader and educator specializing in the Wyckoff Method of trading and investing, which he has taught for more than ten years as an Adjunct Professor at Golden Gate University and as the principal instructor at WyckoffAnalytics.com. He is the founder and President of Wyckoff Associates, LLC, an enterprise providing online Wyckoff Method education to traders throughout the world (www.wyckoffanalytics.com). Using WyckoffAnalytics.com as a thriving trading community platform, Roman has developed a comprehensive educational curriculum covering basic to advanced Wyckoff concepts and techniques, as well as visual pattern recognition and real-time drills to enhance traders' skills and confidence. A dedicated and passionate Wyckoffian, he has used the Wyckoff Method exclusively for his own trading for more than 25 years. Roman has also served as a Board Member of the International Federation of Technical Analysts and as past president of the Technical Securities Analysts Association of San Francisco.



USING OPTIONS STRATEGIES WITHIN THE WYCKOFF FRAMEWORK

6/6

2024

6/13

2024

6/20

2024

EVENT DURATION

3 Live two-hour sessions

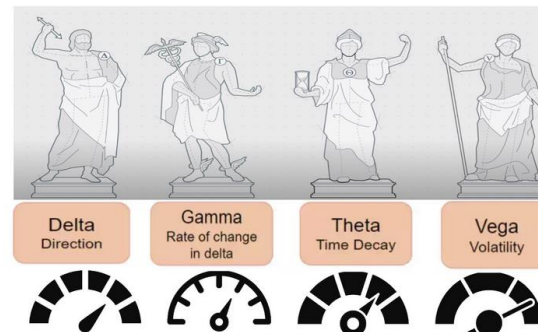
This Wyckoff Analytics Stock Options Special is a beginner/intermediate friendly course designed to empower Wyckoffians with the knowledge and skills to navigate the world of stock options trading.

Tailored for those new to options, this course aims to demystify the complexities of options, providing a solid foundation for participants to use option trades with their Wyckoff charting and trading.

This 3-session class is taught by veteran options trader and Wyckoffian Eric Cosway, who will explore option strategies that can be used at various points in the Wyckoff Framework. Helping Eric C, Eric HB, a full-time options trader, will also contribute during the three sessions.

Wyckoff Analytics Stock Options Special Using Options Strategies within the Wyckoff Framework

THE GREEKS



Eric Cosway

Eric Cosway is a seasoned trader who is deeply rooted in the Wyckoff Analytics Method. Having completed the Wyckoff Trading Course **Part 1** and **Part 2**, as well as **Trust the Process**, Eric has refined his expertise in market analysis and trading strategies. His active involvement in the **Wyckoff Market Discussion**, **Tape Reading Lab**, **The Process Group**, and his participation at the **2023 Best of Wyckoff conference** highlight his commitment to continuous learning and staying updated with the latest in the Wyckoff Analytics Method. In January 2024, Eric taught the popular **Charting Essentials** course and will teach the June 2024 special topic course, **Using Options Strategies With The Wyckoff Framework**.

With over seven years of successful trading experience, Eric has concentrated on long-term trading campaigns, investing, swing trades, and short-term options. His trading approach is shaped by his academic credentials, an MBA, and a BCom, which equip him with a robust understanding of business and financial principles.

Eric's trading philosophy is anchored in the conviction that a comprehensive understanding of market structure, the business cycle, and business fundamentals is the cornerstone of successful trading.

Register at
<https://www.wyckoffanalytics.com/event/using-options-strategies-within-the-wyckoff-framework/>

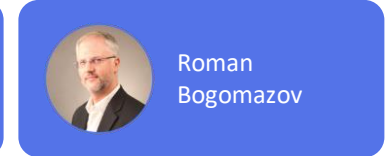


Wyckoff Market Discussion (Application) CURRICULUM

Each Wednesday at 3 pm Pacific Time



Bruce
Fraser



Roman
Bogomazov

Current Market Structural Analysis

Comprehensive weekly review of the four major US indices' current price structure

Wyckoff labeling of market structures, describing plausible price scenarios that may unfold

News catalyst analysis of events that might significantly affect the market

Historical analogues for comparative analysis, and how to derive insight from them

Stock Selection

Performance comparisons of a stock, ETF, or other security with that of the overall market or another instrument

Trade candidates geared to outperform both their peers and the market in general

Relative and comparative analysis as an institutional signature of accumulation or distribution

Application of multiple filters — such as market structure, relative strength, and supply and demand — to pinpoint optimal trade candidates at any given time.

Analysis of Students Charts

Rigorous assessment of your labeled charts, and Wyckoffian review of those charts with respect to price and volume over time

Concise opinions and commentary on your trade selection and analysis

Engaged discussion of possible tactical scenarios for your positions or trade candidates



Wyckoff Crypto Discord

Weekly webinars + Discord Lab + Crypto scanner

Wyckoff Crypto
Discussion



Alessio
Rutigliano



Roman
Bogomazov

Wyckoff Crypto Discussion

Our weekly review of the major cryptocurrencies (Bitcoin, DeFi assets, big and small-cap altcoins), including the current positions of these markets and scenarios to anticipate in the near future. The context of the market (S&P/Nasdaq/Russell/Dow/US Dollar) is key.

Trading Candidates. We analyze the best performing crypto assets and we discuss our tactics.

Historical case studies and Point and Figure analysis

Crypto Lab

We discuss tactics, we show potential points of entry, but our primary goal is to show the Wyckoff Method in action.

We strongly encourage the members of our community to do their homework and share their views.

We will review the best ideas in our Wyckoff Crypto Discussion. .

NEW! Wyckoff Crypto Scanner

Access our new scanning tool, the Wyckoff Crypto Scanner. It will help you identify both short-term and long-term opportunities. The tool also includes market breadth data and our own Point and Figure calculator.



Wyckoff Market Report

Weekly on Fridays

The Wyckoff Market Report (“WMR”) is **designed to aid Wyckoffians in their analysis and discovery of stock themes and candidates.**

The focus of WMR is on thoughtful market commentary and insightful observations about potential Wyckoffian patterns emerging in select strong and weak stocks. WMR features index analyses including the S&P 500, a look at the mega-cap stocks, and analyses of a dozen interesting long and short candidates.

Each chart comes with commentary offering concise explanations of Wyckoff logic and tape reading intended to enhance subscribers’ ability to identify swing trading opportunities and potential strategies.

THE WYCKOFF MARKET REPORT



October 6th, 2023



Alessio Rutigliano

Megacaps / GOOGL / TSLA / AAPL

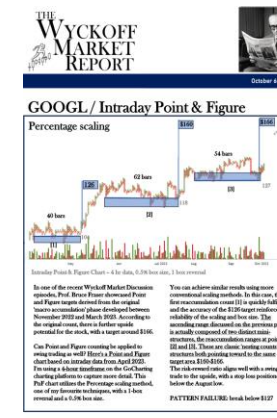
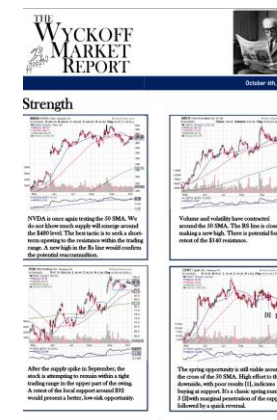


While market breadth has significantly deteriorated, technology stocks, especially mega-caps, have been outperforming and providing support to the indexes. Google has only slightly breached the 50 SMA, whereas Tesla is exhibiting a classic apex pattern with decreasing volatility. Both are potential candidates for a short-term swing to the upside. AAPL is the weakest of the three. A retest of the 50-day SMA is very likely; however, its formation leaves less room for executing a swing trade. In the event of pattern failure, we could see more downward pressure on the indexes.

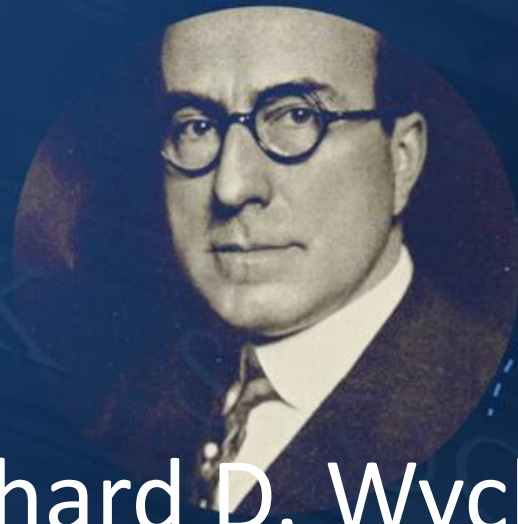
Megacaps / GOOGL



One of the strongest stocks this week is Google (GOOGL). The impact of the September correction in the stock market isn't apparent here. Following the supply spike in late July [1], the supply signature has been decreasing, suggesting absorption within this upward structure. We've witnessed a swift recovery [2] after a slight breach of the 50-day simple moving average (SMA). The Point and Figure counts indicate a potential return to all-time highs. Let's delve into the intraday PnF analysis.



SOW



Richard D. Wyckoff

Markup

SC

133,00
133,25
133,50

Markdown

PS

AR

SOS

BU/LPS

ST

LPS

SC

ST in Phase B

Spring

EXCHANGE
creek

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1945.50

BC



Best of Wyckoff 2019: Mastering the Markets with the Wyckoff Method



Stella Osoba

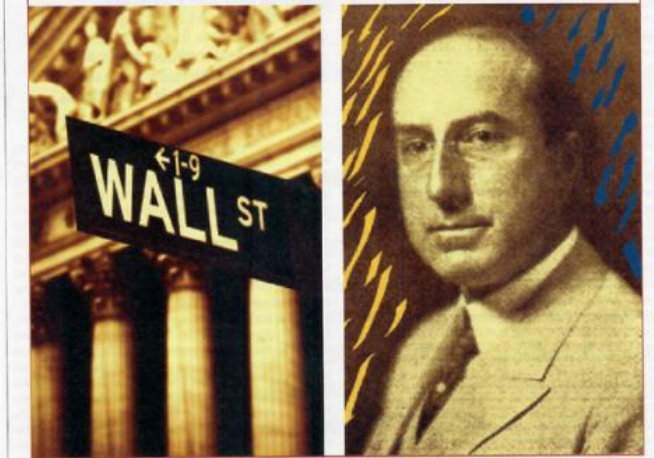
CMT in Stock and
Commodities Magazine

Wyckoff & Livermore: The Conversations

Richard D. Wyckoff, The Man Behind The Method

Richard D. Wyckoff was one of the most influential early exponents of the discipline of technical analysis, and his influence continues unabated today, almost a century after his death in 1934. While many of his practices regarding technical analysis are widely known and employed by technical analysis practitioners (if often unattributed to him), remarkably little is known about the man himself.

This presentation seeks to address this gap by shining a light on the many successes, failures and tragedies that shaped the life of Richard Wyckoff. His brilliant achievements and contributions were offset by stunning failures, including his business interests with Hugo Emerson's phonograph record company (of which Wyckoff would later say, "I have made a good many mistakes in my life but this was one of the worst"), and his disastrous marriage to his second wife, Cecelia Gertrude Shere who, through cunning and deception, wrested control of the Magazine of Wall Street from him. Still, he was and remains a remarkable figure for his contributions to technical analysis and so much more.



The Early Days

Richard Demille Wyckoff Part I

This article is the first of a five-part series about Richard D. Wyckoff and his contributions to the discipline that is technical analysis.

by Stella Osoba, CMT

Richard Wyckoff was perhaps one of the most influential exponents of the discipline of technical analysis in the 20th century, and his influence continues unabated many years after his death in 1934. He was born on November 2, 1873. After graduating from public school in Brooklyn at 14 and spending one day in high school, he took a job as an office boy at a law firm with the idea that he would learn the law. By 15, he had left that job to accept a better-paying one as a stock runner at the Wall Street firm of Hazard & Packer.

And so began an almost uninterrupted career on Wall Street, which would span the rest of his life.

THE REALITY OF IT

While at Hazard & Packer, Wyckoff was able to observe both his employers—Packer, who was a bond trader, and Hazard, who traded on the floor of the NYSE. He also observed the firm's clients, many of whom were characters he describes rather colorfully; there was the man who stilled into the office with one shoulder ahead of the other, his movements resembling that of a crab; there was the old man in his bedraggled clothes who traded the highest-quality bonds; there was the lace manufacturer from Brooklyn with the fatherly attitude; and many others. Most of the firm's clients, whom he grouped into either investors or speculators, had one trait in common:



Richard D. Wyckoff

Richard Demille Wyckoff (November 2, 1873 – March 19, 1934) was a stock market authority, founder and onetime editor of the Magazine of Wall Street (founding it in 1907), and editor of Stock Market Technique.

Wyckoff implemented his methods in the financial markets, and grew his account such that he eventually owned nine and a half acres and a mansion next door to the General Motors' Industrialist, Alfred Sloan Estate, in Great Neck, New York (Hamptons).

01

Wyckoff augmented and documented the methodology he traded and taught. Wyckoff worked with and studied them all, himself, Jesse Livermore, E. H. Harriman, James R. Keene, Otto Kahn, J.P. Morgan, and many other large operators of the day.

02

He analyzed these market operators and their operations, and determined where risk and reward were optimal for trading. He emphasized the placement of stop-losses at all times, the importance of controlling the risk.

03

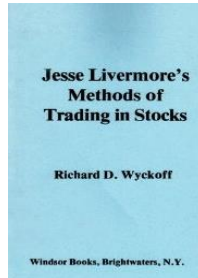
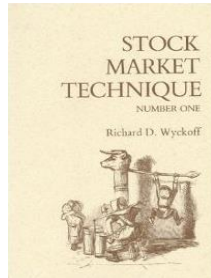
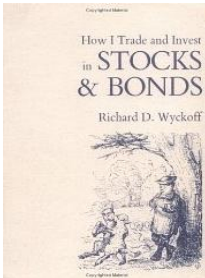
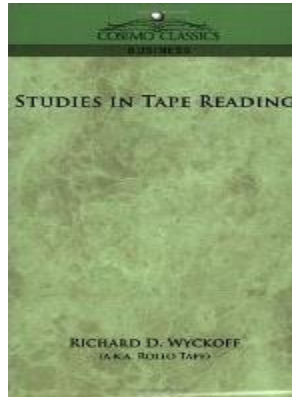
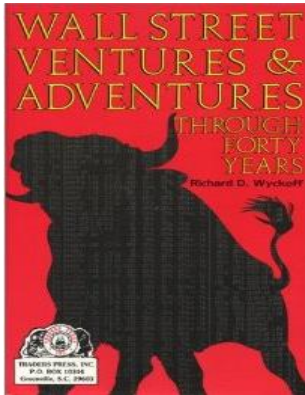
The Wyckoff technique may provide some insight as to how and why professional interests buy and sell securities, while evolving and scaling their market campaigns with concepts such as the "Composite Operator".

04

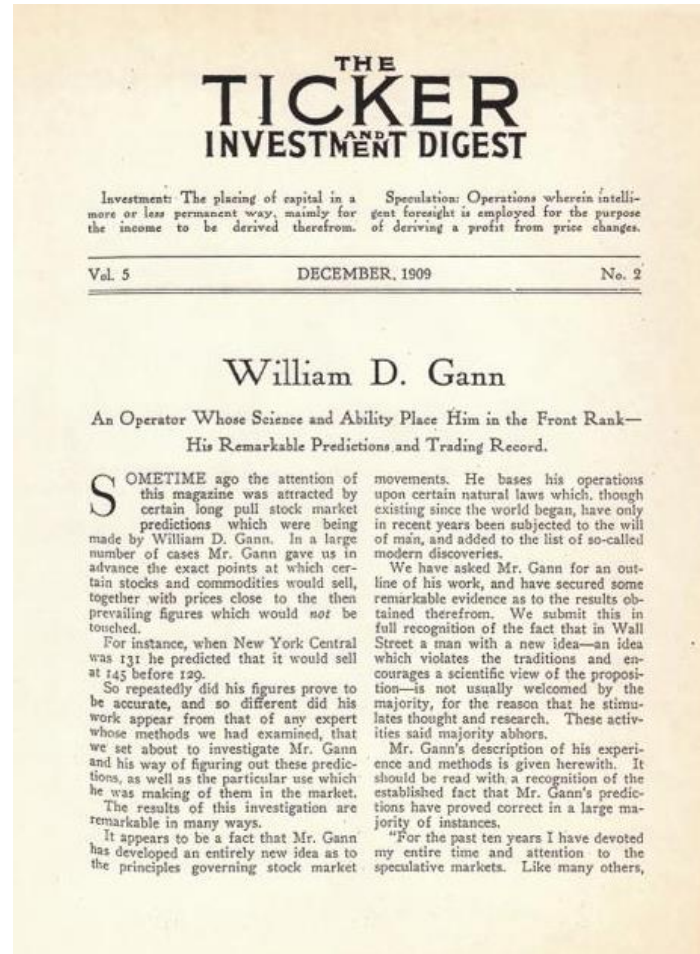
He provides the concept of the Composite Operator. Simply, Wyckoff felt that an experienced judge of the market should regard the whole story that appears on the tape. By striving to follow his footsteps, Wyckoff felt we are better prepared to grow our portfolios and net-worth.



Books by R. D. Wyckoff



The Ticker by R. D. Wyckoff



Investment: The placing of capital in a more or less permanent way, mainly for the income to be derived therefrom. Speculation: Operations wherein intelligent foresight is employed for the purpose of deriving a profit from price changes.

Vol. 5 DECEMBER, 1909 No. 2

William D. Gann

An Operator Whose Science and Ability Place Him in the Front Rank—
His Remarkable Predictions and Trading Record.

SOMETIME ago the attention of this magazine was attracted by certain long pull stock market predictions which were being made by William D. Gann. In a large number of cases Mr. Gann gave us in advance the exact points at which certain stocks and commodities would sell, together with prices close to the then prevailing figures which would not be touched.

For instance, when New York Central was 131 he predicted that it would sell at 145 before 120. So repeatedly did his figures prove to be accurate, and so different did his work appear from that of any expert whose methods we had examined, that we set about to investigate Mr. Gann and his way of figuring out these predictions, as well as the particular use which he was making of them in the market. The results of this investigation are remarkable in many ways.

It appears to be a fact that Mr. Gann has developed an entirely new idea as to the principles governing stock market

movements. He bases his operations upon certain natural laws which, though existing since the world began, have only in recent years been subjected to the will of man, and added to the list of so-called modern discoveries.

We have asked Mr. Gann for an outline of his work, and have secured some remarkable evidence as to the results obtained therefrom. We submit this in full recognition of the fact that in Wall Street a man with a new idea—an idea which violates the traditions and encourages a scientific view of the proposition—is not usually welcomed by the majority, for the reason that he stimulates thought and research. These activities said majority abhors.

Mr. Gann's description of his experience and methods is given herewith. It should be read with a recognition of the established fact that Mr. Gann's predictions have proved correct in a large majority of instances.

"For the past ten years I have devoted my entire time and attention to the speculative markets. Like many others,

The Magazine of Wall Street

'Twixt Tape and Coupons

Psychology of Stock Prices—Avoiding Investment Pitfalls—The Pere Marquette Lesson

By RICHARD D. WYCKOFF

AN OFFICIAL of a leading western railroad called to see me the other day and in the course of our conversation I learned that he was quite a student of the technical position of the market. Said he, "All I have learned about this subject has come from your MAGAZINE, books and other publications, so I have you to thank for my education."

He then explained what he called his "warning signal," which almost invariably indicated a change in market conditions. It consisted of a certain kind of a reaction or rally at a certain stage of an important swing in prices. He did not seem to understand why such a thing should occur with such seeming regularity.

I replied that the important thing to know was not that particular kind of a kink in the market, but the psychology back of it. In other words: What makes the market act that way? I have seen so many people hang their faith on a technical rabbit's foot of this kind, but after finding that it worked in many kinds of markets they gradually woke up to the fact that the character of the market had changed.

Fag Ends

A good merchant is constantly planning to clean up his old stock. An educated investor should do the same. In a commercial line, your profit is not always the difference between cost and selling prices, less expenses and overhead. It is also less the fag end of your stock which you have to sell at a sacrifice in order to clean it up and release your working capital.

At the end of every rise in security prices, there comes the inevitable reaction caused by violated conditions. Bear markets usually run a year and we are apt to find, in our safe-deposit boxes, at the end of these periods, a lot of securities which were bought at higher prices and represent a substantial paper loss. These must be considered before an accurate estimate of the results of the past year or two can be determined.

We don't like to sacrifice these relics of imperfect judgment or enthusiasm, so we pin to them a "Hope" tag and let them lie.

The investor whose work is 100% efficient will find a way to avoid these mediums which not only tie up money but shut off its employment where it might prove profitable. You say it can't be done? Then I will reply that some years ago people didn't think they could run a railroad without killing and maiming a few hundred people every year. Yet here is the New York Subway which

point where investments will be made along scientific lines as a result of a careful study of the pitfalls that have surrounded this field in the past.

Keep One Eye Open

Nothing shows more clearly the necessity for constant vigilance on the part of the investor than the recent change in the status of Pere Marquette. If anything could convince a stockholder of the hazard of locking up a stock and forgetting about it, the declining earnings of this company in the last six months would accomplish the result.

Had Pere Marquette been operated for company rather than Federal account in 1919, it would have earned, with other income, about \$8 a share on the common stock, after allowance for both preferred dividends, one of which is unpaid. This hypothetical income was nearly double the actual income derived from Federal rental.

These fine results were obtained by reason of the heavy shipment of automobiles and accessories—a branch of industry that centers in Pere Marquette's territory. Through October, monthly operating income continued to increase over the corresponding months of 1918. Then came the steel strike, and November was the first month to show a decline. The effects of the strike were carried over into December, when the trend became more marked. January and February were bad operating months due to weather conditions, while the car shortage became acute in March. Added to all these conditions was the increasing difficulty met by motor manufacturers in getting materials.

Meantime, the excellent showing in 1919 was used as the basis of a movement in the common stock toward the end of the year and in the early part of 1920. A powerful pool was formed and the stock was moved up from 23 to 33. The issue seemed to be in line for dividends at no distant date and the public bought eagerly at the top prices.

As is not always the case, the management was deceived as well as the public. Although the turning point came in November and the outlook had become critical by February, it seemed as though an accident or ephemeral cause had operated every month to produce the unfavorable showing. Expecting a prompt return to normal conditions, the company notified the Commerce Commission of their intention to operate the property for company account from March 1 and

cline in response to the poor operating statements, and finally reached about the level from which it started.

PERE MARQUETTE'S OPERATING INCOME.		
	1918-19	1919-20
Oct.....	\$708,218	\$881,354
Nov.....	885,543	485,519
Dec.....	662,112	83,323
Jan.....	215,104	6,694
Feb.....	255,515 def.	334,500
Mar.....	200,772 def.	63,960
Apr.....	283,121 def.	455,875

Securities, like the corporations they represent, seldom reflect a value that remains stationary. An enlightened purchaser assumes, in his own interest, an obligation to watch his property closely and continuously, in order to observe its tendency toward a higher or lower value.

Uneasy Payments

A subscriber writes that he is no longer interested in the common market. He was robbed by a broker in New York who converted to his own use stock which was mailed to him for transfer. The broker kept cash, stock and all. That was the subscriber's experience with the Partial Payment Plan. He says, "This method is merely a game to catch the poor guy who honestly tries to save a few nickels."

The dishonesty of one brokerage house is no indication that there is anything wrong with the Partial Payment Plan. The trouble was with the character of the brokers patronized. The Partial Payment Plan can be operated throughout your own bank, in your own city, if you desire. So there is no use abandoning the field for want of a safe place to put your money and have your securities carried.

We have said enough in these columns to indicate the desirability of thoroughly investigating your brokers before you place your money in their hands. The subscriber will doubtless admit that there are safe places for the repose of his property while it is being paid for. Why not hunt out one of these and thus abandon the "Uneasy" Payment Plan for something safe and sound?

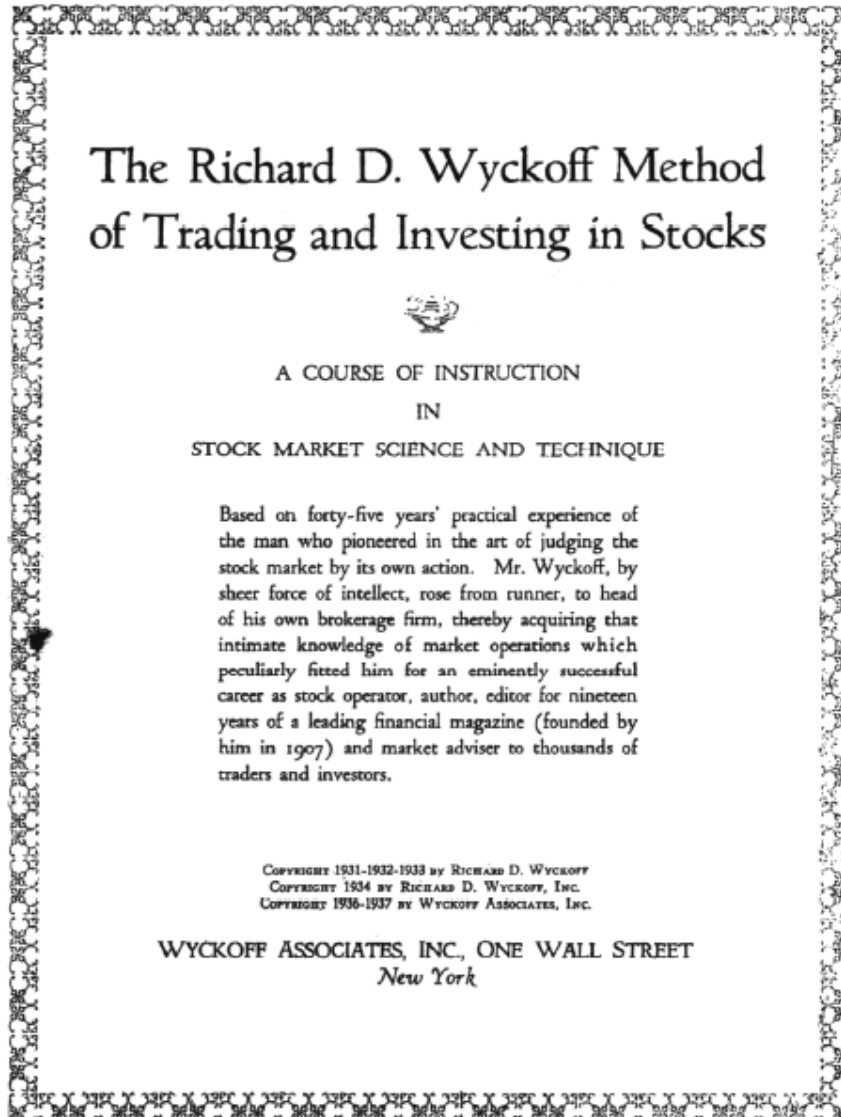
RAILROADS OF CZECHOSLOVAKIA

The important railroads of the Czechoslovak Republic, according to the Department of Commerce, are the Czechoslovak State railroads, the lines of which extend over all parts of Czechoslovakia. A large number of local railroads are also under the management of the State.

The two principal private railroads are



R. D. Wyckoff's original course by Wyckoff Associates, Inc.



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Composite Operator (CO)

Attention:

This session is being recorded and it will be posted on “Wyckoff Trading Method” YouTube channel tonight!



R. D. Wyckoff on Composite Man (The Magazine of Wall Street)

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THE MAGAZINE OF WALL STREET.



The Composite Man It Is He Who Makes the Market

By RICHARD D. WYCKOFF

THERE is an old song which begins, "I care not what others may say."

So, I am unconcerned if you claim that "Morgan and the First National have more Reading than exists and the shorts will be badly twisted" or "This Steel common is sold to a standstill." I don't care what Morgan or the First National or the Steel crowd are doing, for the Composite Man is bigger than the whole bunch put together.

He makes every fluctuation, every swing, every bull or bear market. He defines the top eighth of every boom and the bottom eighth of every panic.

He is omnipotent.

In marking out the course of the market for the day, week, month or year, he knows and weighs every event the world over: The rise and fall of empires, the war in Europe and the complications arising therefrom; the hoarding of gold by the French and its effect on the world's capital; India's startling absorption of the yellow metal; the crops on every continent; the condition of labor and the rising Socialism in many countries; the plight of our railroads; the prosecution of the trusts; the coming tariff revision; the business and political outlook; current earnings; prospective dividends; the iron statistics; the copper and lead markets; the demand for, and the supply of all other commodities.

THE COMPOSITE MAN.

363

ALL these, with their infinite ramifications, The Composite Man takes into account and decides their relative bearing upon the price of stocks.

Likewise, he considers what lies in the vaults of Morgan, Rockefeller, and the great banking institutions; also what the public holds and whether it is paid for or carried on margin. He knows whether the floor traders have sold into a bag or whether they are putting a greater load into unwilling hands.

He knows all this and what its effects will be, for he is the man, long sought and much maligned, who sits behind the curtain and pulls the wires.

He is the well known "They" of whose operations we hear so much. He is blamed or applauded for everything that happens between William street and Broadway.

WHO is the Composite Man and where can he be found?

He consists of some two million personalities scattered over the face of the earth. Some of his component parts are richer, more powerful, than others. Some are noted for their foresight, intuition, shrewdness, conservatism; some for the dashing, daring, reckless quality of their moves. These millions of personalities form one, omniscient, who sways the market, crushing those who do not know and will not learn how to benefit by him, and crowning with profits and income those who do.

This Composite Man makes his commitments in one, ten, a hundred, a hundred thousand and a million share lots. At times his small lots outweigh the large ones on the other side of the market. His greatest influence is felt on the side of his greatest commitments.

He is supply and demand.

AND where can we learn what this Composite Man is doing and in what direction his operations tend?

Shall we find it in the columns of our newspaper, in the items on war, business, politics, or prosecution? Or in the list of buyers and sellers during the day's stock exchange session? Or in the tip that flashes about the Street? Or in the decisions of the Supreme Court?

No, in any of these you can get only the merest fraction of the Composite Man's intent.

There is only one place where he records his minute-to-minute thoughts, purposes and designs; where he maps out his campaigns; where he who understands may benefit:

The tape of the stock ticker is the one and only place where the mental operations of the Composite Man may be read.

There, on the narrow paper ribbon, his every thought is reflected. Those who understand find it an open book, with the author's mind in touch with that of the reader to a degree dependent upon the latter's knowledge of the subject. The book is open and it is a question of interpretation.

At times, its author, The Composite Man, expresses himself more clearly than at others; but the correct reading of these endless pages, with their innumerable pictures that change, yet never repeat, can be mastered by those who devote themselves to it.



J. P. Morgan



James Keene



Jesse Livermore

Wyckoff's "Composite Man"

Wyckoff proposed a heuristic device to help understand price movements in individual stocks and the market as a whole, which he dubbed the "Composite Man."

"...all the fluctuations in the market and in all the various stocks should be studied as if they were the result of one man's operations. Let us call him *the Composite Man, who, in theory, sits behind the scenes and manipulates the stocks to your disadvantage if you do not understand the game as he plays it; and to your great profit if you do understand it.*"

He advised retail traders to try to play the market game as the Composite Man played it. In fact, he even claimed that it doesn't matter if market moves "are real or artificial; that is, the result of actual buying and selling by the public and bona fide investors or artificial buying and selling by larger operators." (The Richard D. Wyckoff Method of Trading and Investing in Stocks, section 9M, p. 2)

Based on his years of observations of the market activities of large operators, Wyckoff taught that:

- The Composite Man carefully plans, executes and concludes his campaigns.
- The Composite Man attracts the public to buy a stock in which he has already accumulated a sizeable line of shares by making many transactions involving a large number of shares, in effect advertising his stock by creating the appearance of a "broad market."
- One must study individual stock charts with the purpose of judging the behavior of the stock and the motives of those large operators who dominate it.
- With study and practice, one can acquire the ability to interpret the motives behind the action that a chart portrays. Wyckoff and his associates believed that if one could understand the market behavior of the Composite Man, one could identify many trading and investment opportunities early enough to profit from them.



Bias Game

WYCKOFF TRADING COURSE ANALYSIS

PLAY BIAS GAME ON TWITTER @WyckoffAnalysis

#1 PLAY THE BIAS GAME

Wyckoff Analytics @WyckoffAnalysis · Aug 28
Fellow #traders, here we are with another next Bias Game quiz 😊
Vote on @WyckoffAnalysis

#trading #investing #stock #Wyckoff #wyckoffmethod #learntrade #tradelikeapro

BIAS GAME: ACCUMULATION OR DISTRIBUTION?
Vote on @WyckoffAnalysis

116 votes · Final results

#2 VOTE: ACCUMULATION OR DISTRIBUTION?

Wyckoff Analytics @WyckoffAnalysis · Aug 28
What is the bias of the chart in our previous tweet? 🤔

Accumulation 46%

Distribution 54%

116 votes · Final results

#3 STUDY SOLUTION



PLAY BIAS GAME ON www.WyckoffAnalytics.com

11/18 2020 PRINT

Quiz: Accumulation or distribution?

Click image to enlarge

Community Votes

Wyckoff Analytics @WyckoffAnalysis · Nov 18
Bias Game #71
What is the bias of the chart in this thread? 🤔
Feel free to share! 😊

Accumulation 73.3%

Distribution 26.7%

90 votes · Final results

See Wyckoff Analytics's other Tweets

Answer: DISTRIBUTION

Click image to enlarge



MAIN OBJECTIVES FOR PRICE STRUCTURAL ANALYSIS

1. OBSERVE MARKET PARTICIPANTS BEHAVIORS ON A CHART
2. MAKE CORRECT DEDUCTIONS ABOUT MARKET PARTICIPANTS INTENTIONS
3. TRADE ALONGSIDE “THE SMART” MONEY

WHERE DO WE START OUR ANALYSIS?

1. PRICE CYCLE MODEL
2. BEHAVIORAL MARKET ANALYSIS (BMA)
3. TREND ANALYSIS
4. CHANGE OF BEHAVIOR (CHoBEV) VS CHANGE OF CHARACTER (CHoCH)
5. WYCKOFF (RE-)ACCUMULATION AND (RE-)DISTRIBUTION SCHEMATICS



Nikkei

Nasdaq

Russel

S&P500

Dow Jones

Dax

Markup

Distribution Area

Markdown

Price Cycle

133,00
133,25
133,50

Markdown

Accumulation Area

126,75

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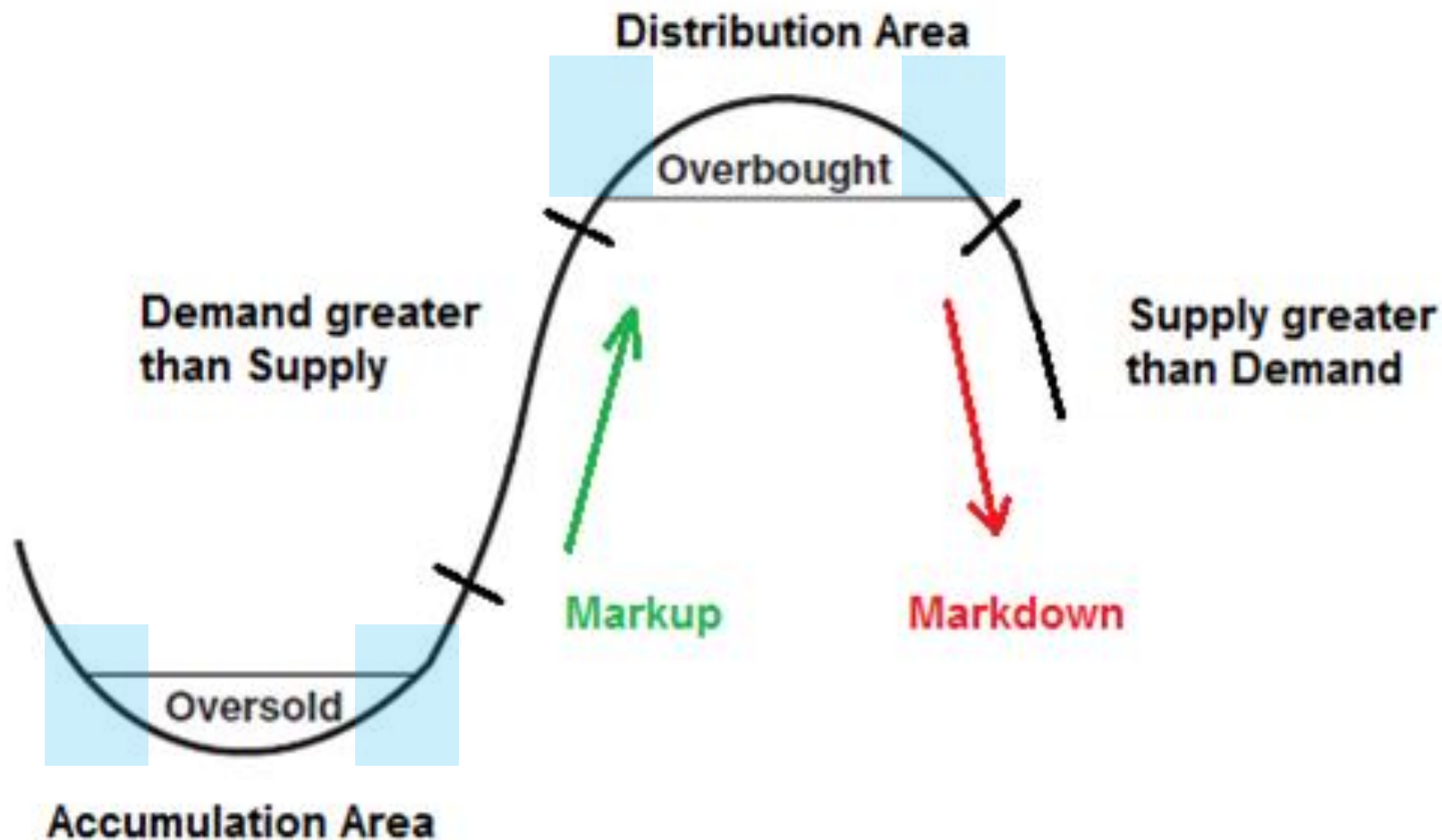
The Price Cycle

ACCUMULATION – Absorption of Supply of shares by large institutional investors

MARKUP – Uptrend with Demand in control

DISTRIBUTION – Distribution of shares by large institutional investors

MARKDOWN – Downtrend with Supply in control





Wyckoff Method: The Price Cycle

STOP OF A TREND – Phase |A|

Acceleration or loss of momentum, sharp reversal, inability to resume a trend

Wyckoff Structural Context:

Phase |A| *Accumulation*: Preliminary Support, Selling Climax, Automatic Rally and local Secondary Test

Phase |A| *Distribution*: Preliminary Supply, Buying Climax, Automatic Rally and Secondary Test

CONSOLIDATION – Phase |B + C|

Oscillated movements between Support and Resistance, short-term extremes

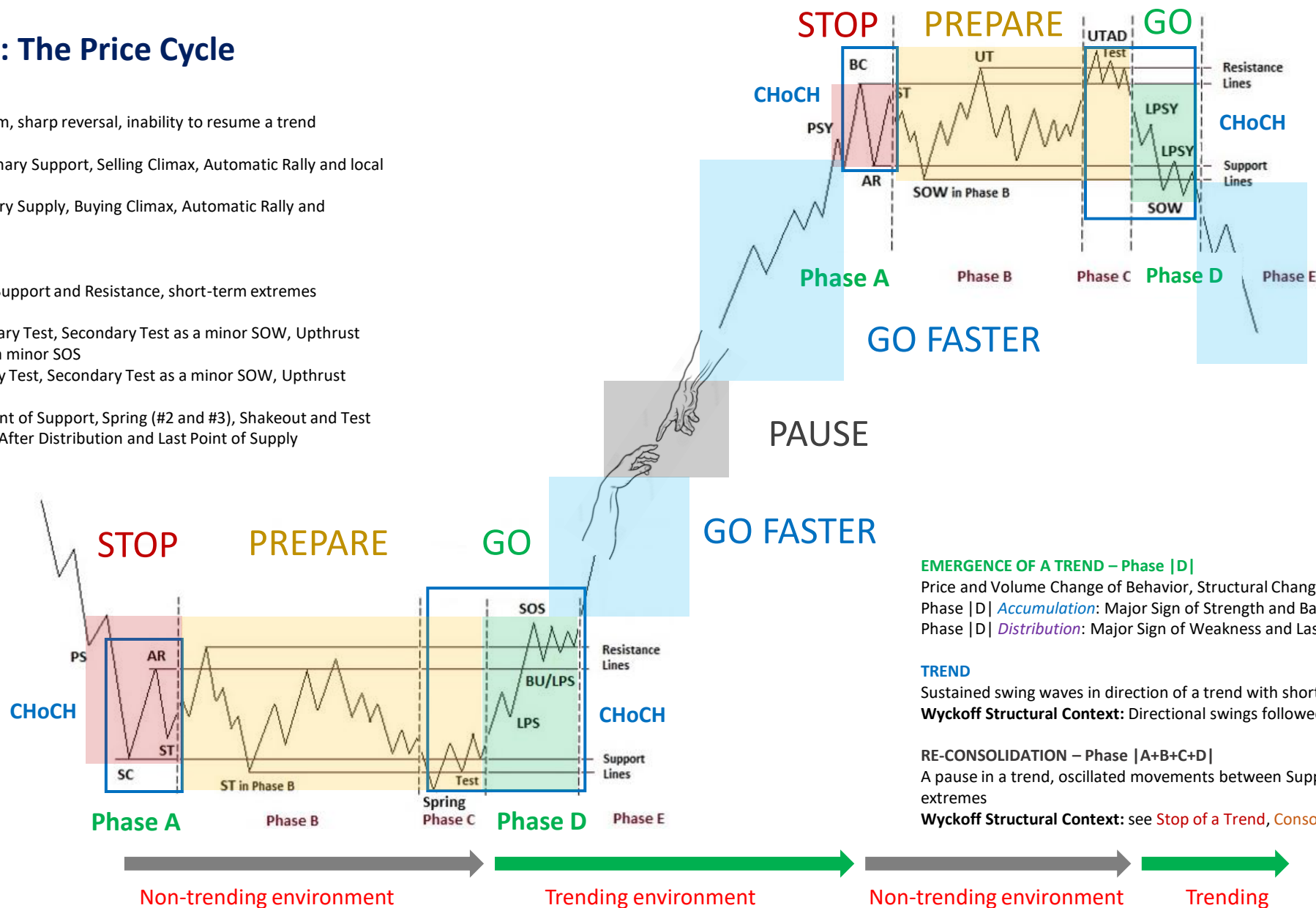
Wyckoff Structural Context:

Phase |B| *Accumulation*: Secondary Test, Secondary Test as a minor SOW, Upthrust Attempt and Upthrust Action as a minor SOS

Phase |B| *Distribution*: Secondary Test, Secondary Test as a minor SOW, Upthrust Attempt and Upthrust

Phase |C| *Accumulation*: Last Point of Support, Spring (#2 and #3), Shakeout and Test

Phase |C| *Distribution*: Upthrust After Distribution and Last Point of Supply



EMERGENCE OF A TREND – Phase |D|

Price and Volume Change of Behavior, Structural Change of Character

Phase |D| *Accumulation*: Major Sign of Strength and Back Up

Phase |D| *Distribution*: Major Sign of Weakness and Last Point of Supply

TREND

Sustained swing waves in direction of a trend with short-term counter to trend reactions

Wyckoff Structural Context: Directional swings followed by pausing consolidations

RE-CONSOLIDATION – Phase |A+B+C+D|

A pause in a trend, oscillated movements between Support and Resistance, short-term extremes

Wyckoff Structural Context: see Stop of a Trend, Consolidation and Emergence of a Trend



Wyckoff Method: The Price Cycle

STOP OF A TREND – Phase |A|

Acceleration or loss of momentum, sharp reversal, inability to resume a trend

Wyckoff Structural Context:

Phase |A| **Accumulation**: Preliminary Support, Selling Climax, Automatic Rally and local Secondary Test

Phase |A| **Distribution**: Preliminary Supply, Buying Climax, Automatic Rally and Secondary Test

CONSOLIDATION – Phase |B + C|

Oscillated movements between Support and Resistance, short-term extremes

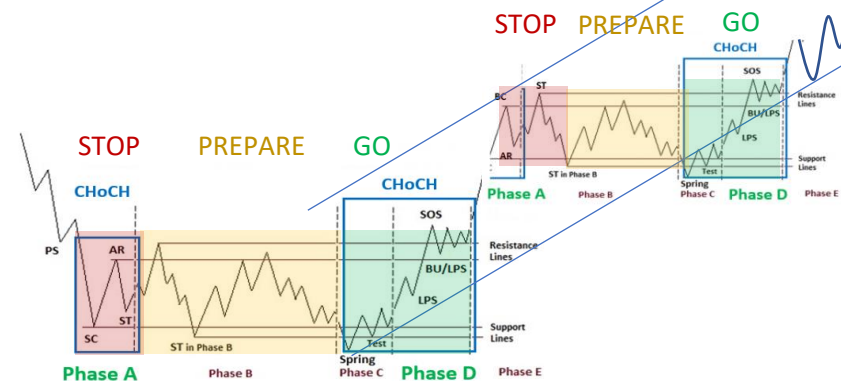
Wyckoff Structural Context:

Phase |B| **Accumulation**: Secondary Test, Secondary Test as a minor SOW, Upthrust Attempt and Upthrust Action as a minor SOS

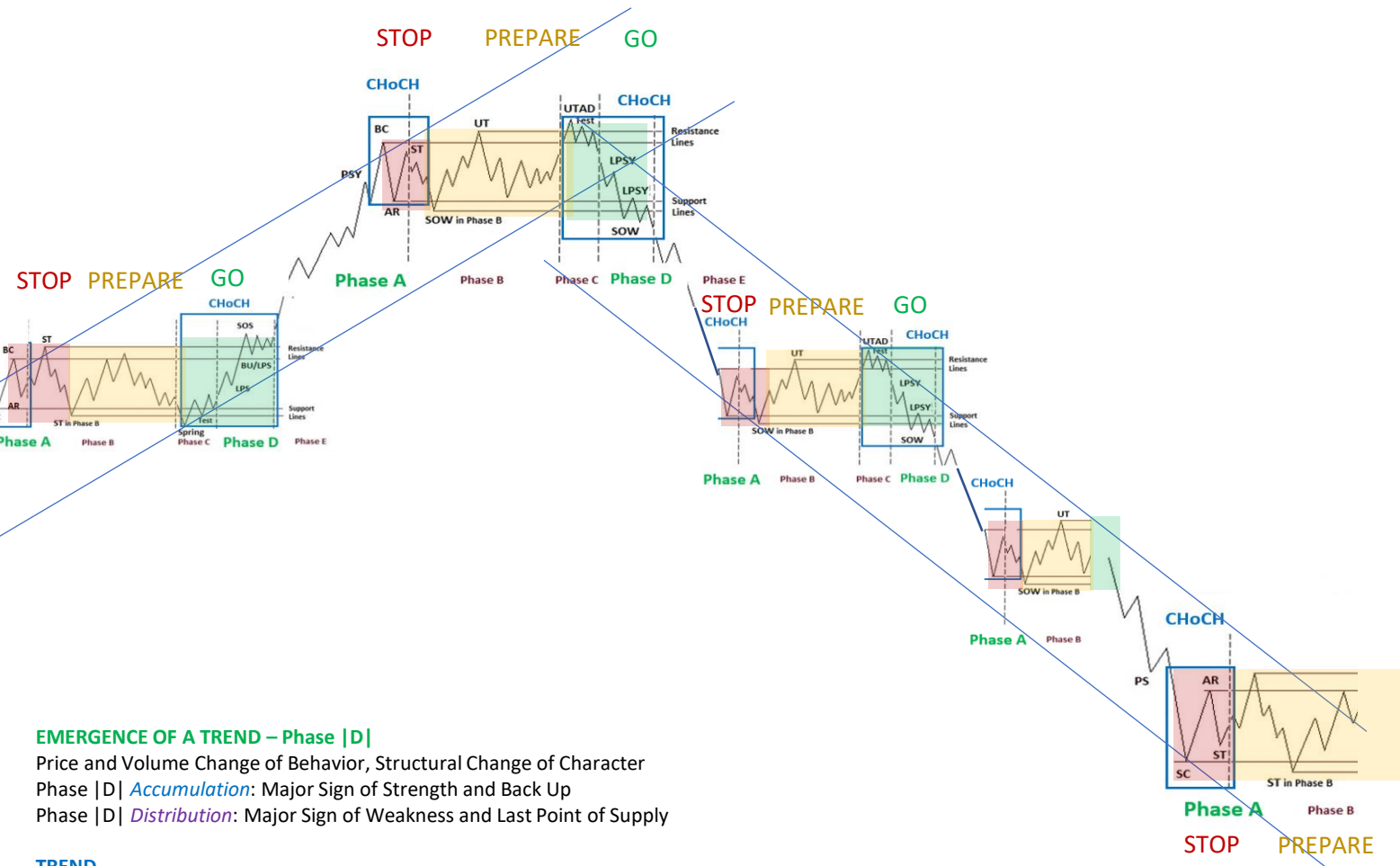
Phase |B| **Distribution**: Secondary Test, Secondary Test as a minor SOW, Upthrust Attempt and Upthrust

Phase |C| **Accumulation**: Last Point of Support, Spring (#2 and #3), Shakeout and Test

Phase |C| **Distribution**: Upthrust After Distribution and Last Point of Supply



Wyckoff Traffic Light Conditions and Context



EMERGENCE OF A TREND – Phase |D|

Price and Volume Change of Behavior, Structural Change of Character

Phase |D| **Accumulation**: Major Sign of Strength and Back Up

Phase |D| **Distribution**: Major Sign of Weakness and Last Point of Supply

TREND

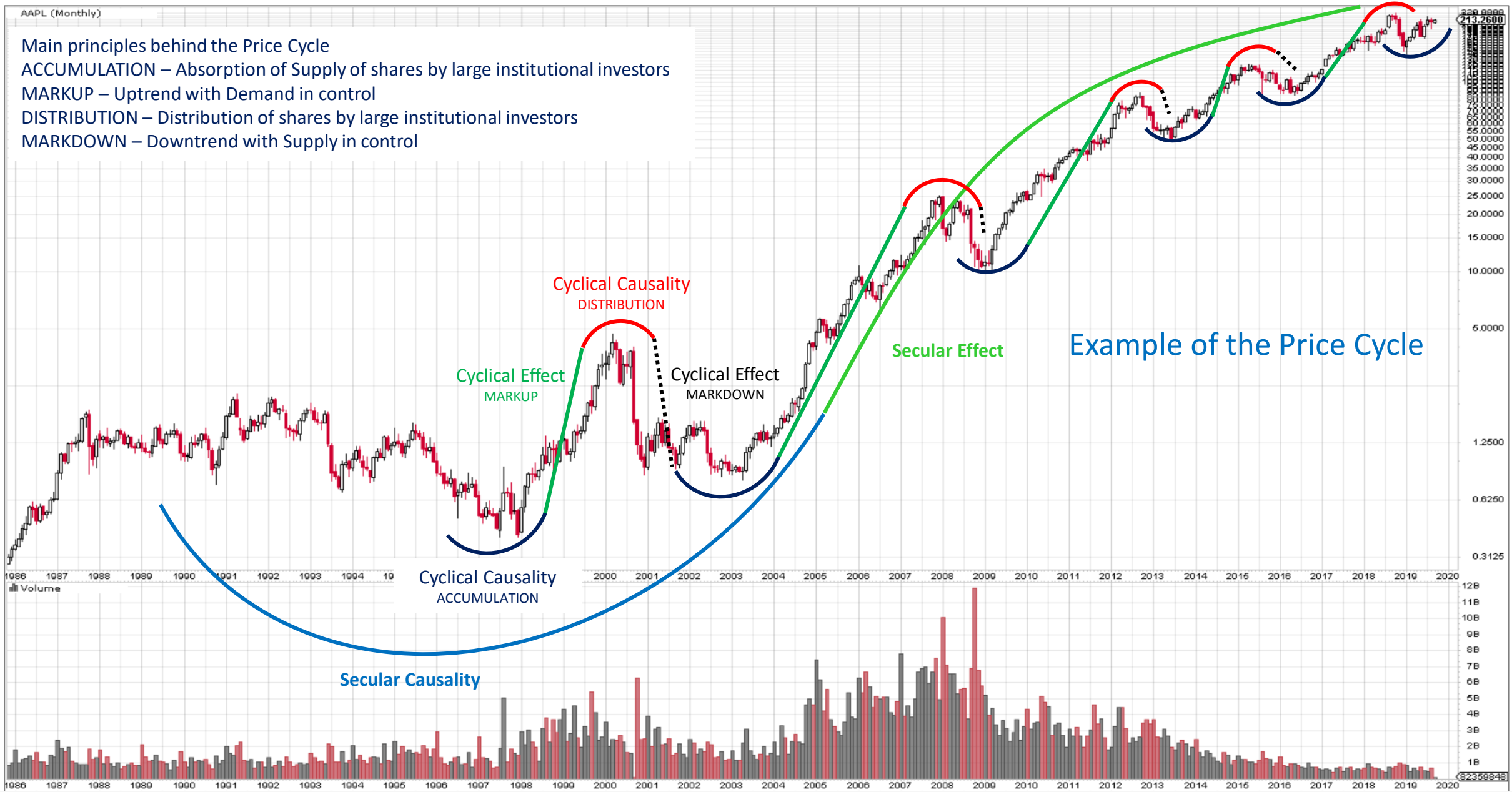
Sustained swing waves in direction of a trend with short-term counter to trend reactions

Wyckoff Structural Context: Directional swings followed by pausing consolidations

RE-CONSOLIDATION – Phase |A+B+C+D|

A pause in a trend, oscillated movements between Support and Resistance, short-term extremes

Wyckoff Structural Context: see **Stop of a Trend**, **Consolidation** and **Emergence of a Trend**



Main principles behind the Price Cycle
 ACCUMULATION – Absorption of Supply of shares by large institutional investors
 MARKUP – Uptrend with Demand in control
 DISTRIBUTION – Distribution of shares by large institutional investors
 MARKDOWN – Downtrend with Supply in control

Example of the Price Cycle



WYCKOFF ANALYTICS WEEKLY NEWSLETTER

WYCKOFF ANALYTICS
Trading Education & Mastery

"Livermore has succeeded because he has made a deep study of the stock market and of himself. That is the way to make a success of anything."
- Richard D. Wyckoff

One Day Until Wyckoff Trading Course Part I

Market Update
What Goes Down Must Go Up (And Then Consolidate)! \$ES \$NQ
Tweeted 4/18/2020 by @WyckoffAnalysis

Unwinding of Volatility Into Trading Range Structure
Tweeted 4/15/2020 by @WyckoffAnalysis

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Anatomy of a Trade
#30 MAXR & TZA Post-Trade Analysis

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by Alessio Rutigliano

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by Bruce Fraser

Wyckoff Structural Scanning Blog
by John Colucci, Jr.

Lessons from Trading (Mistakes) Blog
by Frantz Herr

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FREE Session - Wyckoff Trading Course I on January 2nd, 2023
Register here: <https://buff.ly/3FAndDV>

Extract from the Best of Wyckoff 2022 workshop on 12.15.2022
Supply is coming into the market. The attempt to break to trending has failed, now we want to assess the character of the reaction. Here William and Roman discuss the daily chart of th...
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Wyckoff Analytics educates investors about Richard D. Wyckoff's timeless market analysis and trading principles, and provides modern tools to implement them.

Financial Services ⓘ wyckoffanalytics.com Joined March 2015

174 Following 21.3K Followers

Tweets Tweets & replies Media Likes

Pinned Tweet

Wyckoff Analytics @WyckoffAnalysis · Dec 31, 2022
Happy New Year, fellow Wyckoff traders! Thank you for your passion & dedication to the #Wyckoff method. Your hard work & commitment inspire us every day. Here's to continued education & greater community engagement. Cheers to a successful new year! - The Wyckoff Analytics Team

Promote

3,389 1 43

Wyckoff Analytics @WyckoffAnalysis · 1h
Anatomy of a Trade, Ep.150

The intent of this video series is post-trade analysis from a Wyckoff perspective with the goal of future trade optimization. This week, #XAUUSD

Attention:

This session is being recorded and it will be posted on "Wyckoff Trading Method" YouTube channel tonight!



BEHAVIORAL MARKET ANALYSIS (BMA)

Definition: Studies of market participants behaviors in the context of a price structure

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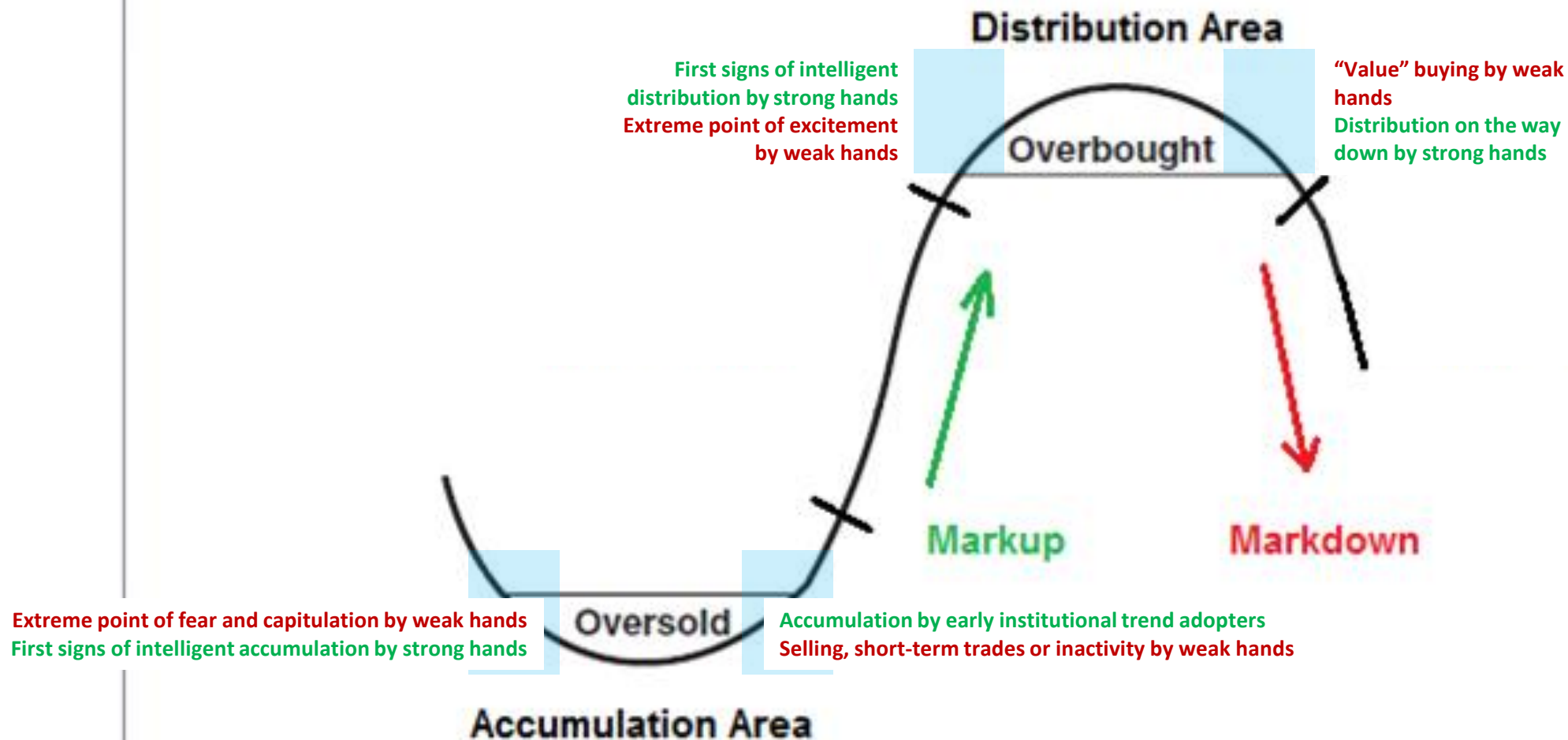
Who are the Price Cycle market participants?

BEHAVIORAL MARKET ANALYSIS (BMA)

STRONG HANDS vs. WEAK HANDS

Strong Hands (SHs): Any investor and/or trader who is trading in harmony with the Price Cycle movements

Weak Hands (WHs): Any investor and/or trader who is trading in disharmony with the Price Cycle movements



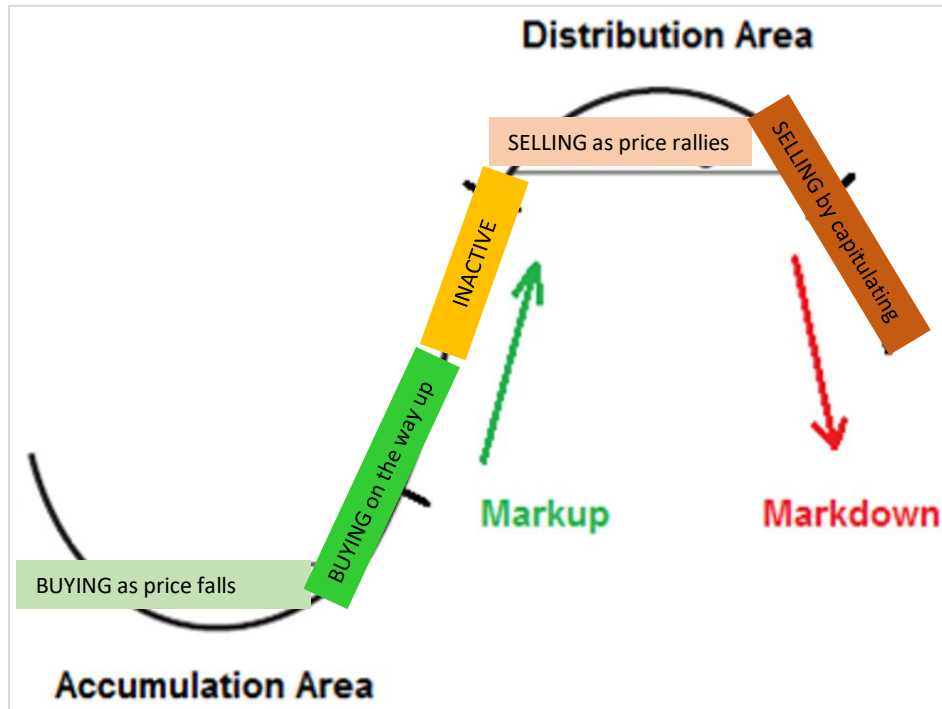


BEHAVIORAL MARKET ANALYSIS (BMA)

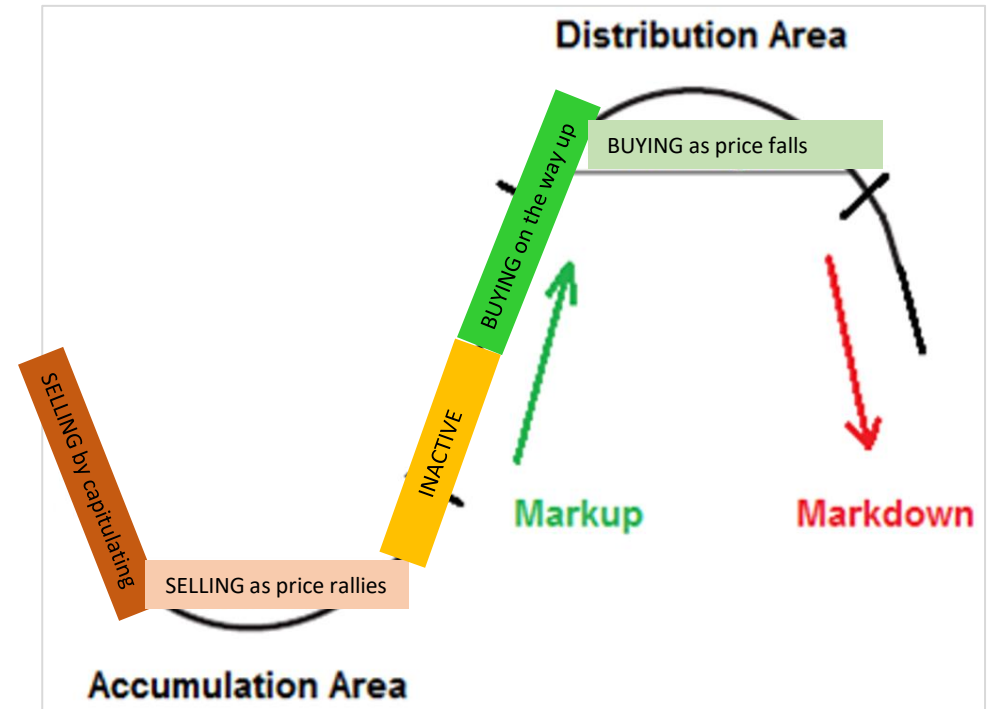
Who are the Price Cycle market participants?

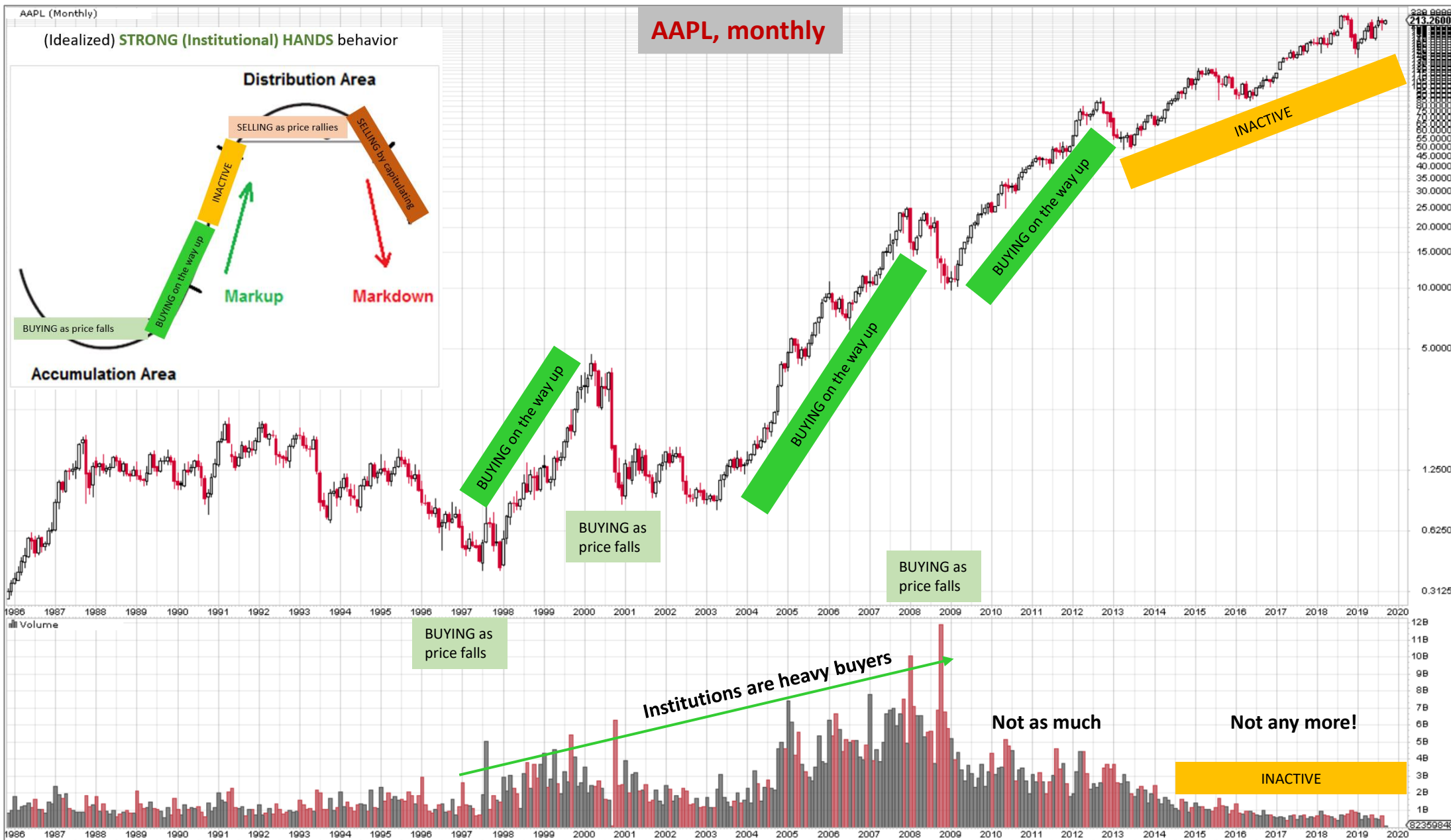
STRONG (Institutional) HANDS vs. WEAK (Institutional) HANDS

(Idealized) **STRONG (Institutional) HANDS** behavior

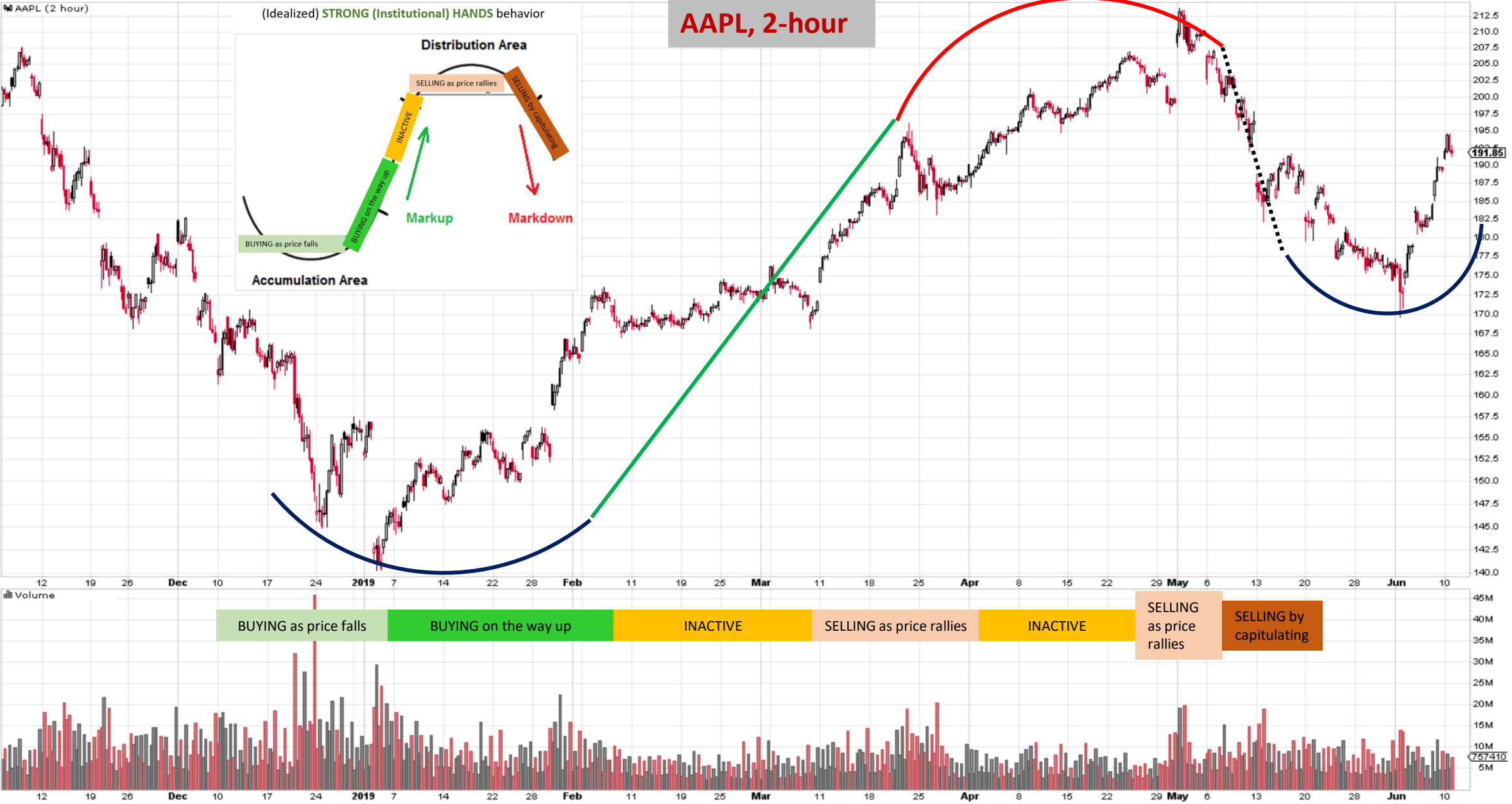


(Idealized) **WEAK (Institutional) HANDS** behavior











Who are the Price Cycle market participants?
BASED ON INVESTMENT AND TRADING APPROACHES

Market Participant	Methodology	Size	Time Horizon	Looking for	Limitations	Edge	Visible on charts	Examples
Institutional Contrarian Investor	VALUE	huge	Secular-Cyclical	Long-term Value	Too big	Time Horizon	Extreme Volume	Composite Operator (CO)
				Short-Term Liquidity	Low turnover	Long-Term Trends	Points of Liquidity	Warren Buffett
				Contrarian Sentiment	Tax implications	Deep knowledge	Absolute and Relative Trends	PIMCO
							Long-term Volume	Blackrock
Institutional Trend Follower	GROWTH	big	Cyclical	Emergence of Trend	Performance Metrics	Time Horizon	Absolute and Relative Trends	Pension Funds
				Break of Trend	AUM	Long-term Trends	Long-term Volume	Insurance Companies
				Long-term Value	Low turnover	Deep knowledge	Momentum Buying/Selling	Investment Banks
				Short-Term Liquidity	Tax implications			Mutual Funds
								Hedge Funds
					RIAs			
Professional Trader	MOMENTUM	medium	Daily Swing	Short-term Overbought	Too many trades	Quickness	Momentum Buying/Selling	Proprietary Traders
	MEAN REVERSION	small	Intraday	Short-term Oversold	High commissions		Short-term Volume	Retail Traders
				Short-term Momentum	Short-term taxation		Short-term Liquidity	RIAs
					Lower size		Short-term swings	
Retail Trader	MOMENTUM	small	Daily Swing	Breakouts	Sentiment driven	Quickness	Not visible much	us
				Points of Excitement	Lower knowledge	Different rules		
					Lower skill			

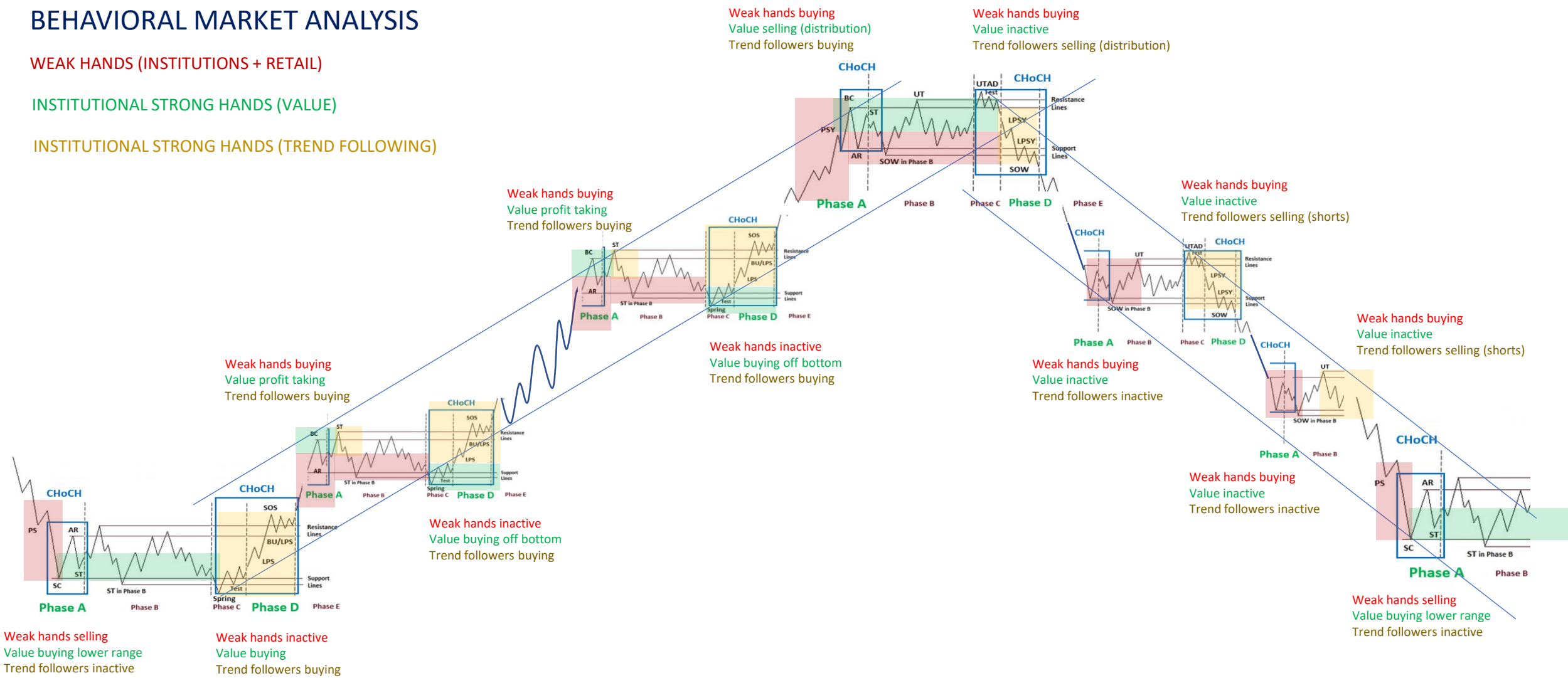


BEHAVIORAL MARKET ANALYSIS

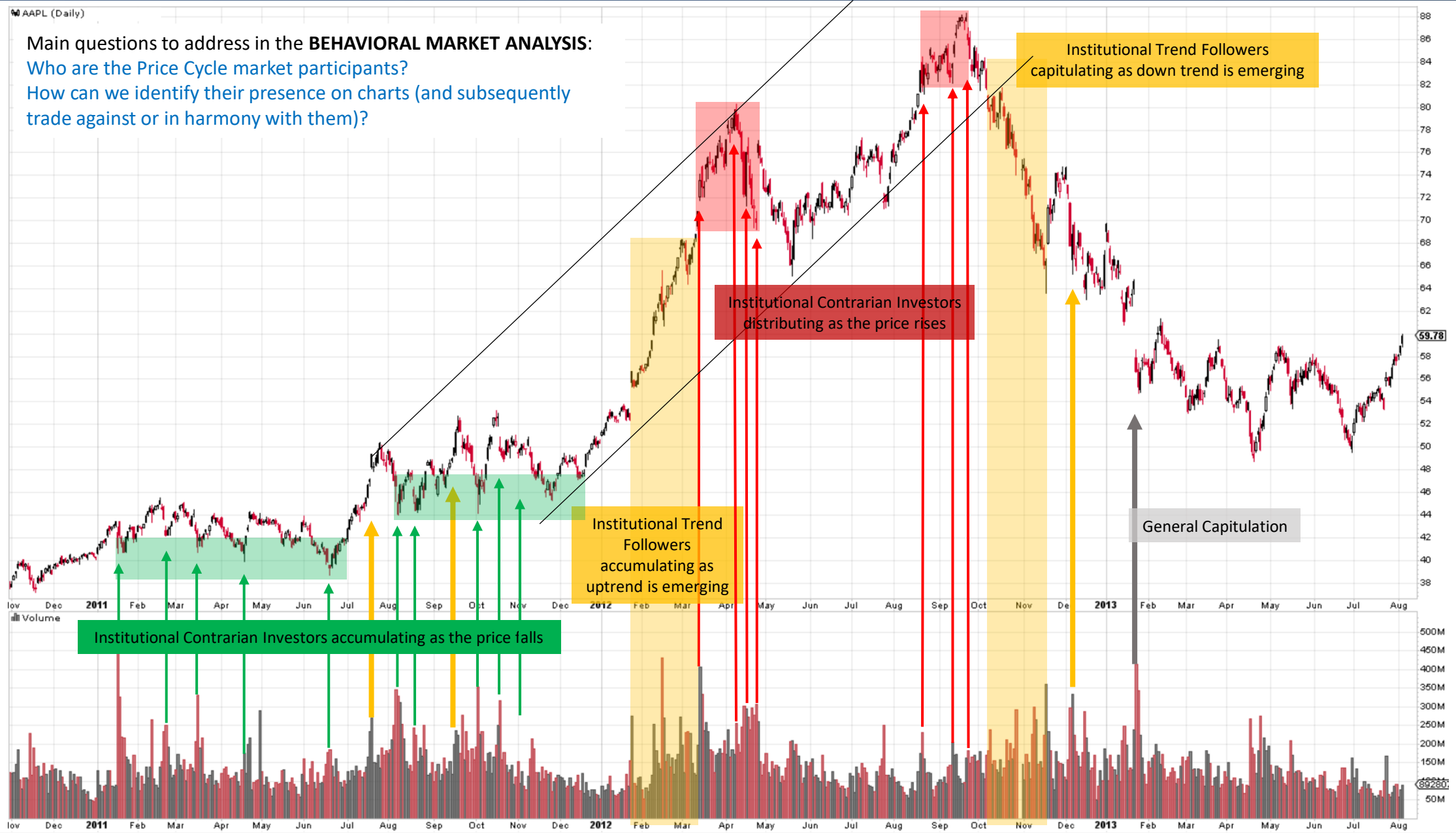
WEAK HANDS (INSTITUTIONS + RETAIL)

INSTITUTIONAL STRONG HANDS (VALUE)

INSTITUTIONAL STRONG HANDS (TREND FOLLOWING)



How can we see it on a chart?



Main questions to address in the **BEHAVIORAL MARKET ANALYSIS**:
 Who are the Price Cycle market participants?
 How can we identify their presence on charts (and subsequently trade against or in harmony with them)?



HOMEWORK ASSIGNMENT

Session 1

Mandatory assignment: Read Jim Forte's "Anatomy of a Trading Range" article, 12 pages -

<https://static1.squarespace.com/static/54fed56be4b0b8a1d3d33918/t/55808ff8e4b0bcfabac9ae03/1434488824889/Anatomy+of+a+Trading+Range.pdf>

The "Anatomy of a Trading Range" article will be posted on the class page together with the class video and slides

WTC students will receive access to the class page instructions tonight

alessio@wyckoffanalytics.com

Attention:

This session is being recorded and it will be posted on "Wyckoff Trading Method" YouTube channel tonight!

Anatomy of a Trading Range

by Jim Forte

In the following article I will discuss the analysis of a Trading Range, employing terms and principles developed by Richard Wyckoff in the 1920s and 30s and more recently by the "Stock Market Institute". In technical analysis, there are a variety of methods used to analyze trading range formations and forecast the expected direction and extent of the move out of a trading range. Most practitioners of technical analysis, whether familiar with the Wyckoff method or not, will be able to relate many of the points and principles being discussed to those they are already familiar with.

Much of Wyckoff's analysis and working principles were based on what he identified as three fundamental laws:

1. *The Law of Supply and Demand*—which simply states that when demand is greater than supply, prices will rise and when supply is greater than demand, prices will fall.

2. *The Law of Cause and Effect*—postulates that in order to have an effect you must first have a cause, and that effect will be in proportion to the cause. This law's operation can be seen working, as the force of accumulation or distribution within a trading range works itself out in the subsequent move out of that trading range. Point and figure chart counts can be used to measure this cause and project the extent of its effect.

3. *The Law of Effort vs. Result*—helps us evaluate the relative dominance of supply vs demand, through the divergence or disharmony between volume and price, when considering relative strength, comparative price progress and trading volume.

An objective of Wyckoff analysis is to aid in establishing a speculative position in correct anticipation of a coming move where a favorable reward/risk ratio exists (at least 3 to 1) to justify taking that position. Trading Ranges (TR's) are places where the previous move has been halted and there is relative equilibrium between supply and demand. It is here within the TR that dominant and better informed interests conduct campaigns of accumulation or distribution in preparation for the coming move. It is this force of accumulation or

distribution that can be said to build a *cause* which unfolds in the subsequent move.

Because of this building of force or *cause*, and because the price action is well defined, trading ranges represent special situations that offer trading opportunities with potentially very favorable reward/risk parameters. To be successful however, we must be able to correctly anticipate the direction and magnitude of the coming move out of the trading range. Fortunately, Wyckoff offers us some guidelines and models by which we can examine a trading range.

A preview of the guidelines and model schematics presented here, along with the accompanying explanation of the terms and principles represented in the schematics, will go a long way to further the reader's understanding of the text.

It is through the identification and analysis of the price and volume action and certain principles in action within the various phases of the trading range (TR) that the trader can become aware and conclude that supply or demand is becoming dominant and correctly anticipate the coming move. It is through the analysis of the phases of the TR that we can distinguish accumulation/reaccumulation from distribution/redistribution.

The Wyckoff method employs bar charts along with certain terms and principles in action to determine the expected direction and timing of a coming move. It also employs point and figure chart counts to aid in projecting the extent of the move.

For those interested in exploring the use of point and figure charts, references are available from the Wyckoff "Stock Market Institute" (SMI) and from other sources on technical analysis. Our emphasis here will be primarily on the analysis of bar chart formations.

The following illustrations represent an idealized Wyckoff model of market cycles involving supply and demand, accumulation and distribution, and a conception of the primary market phases.

Accumulation

Schematic 1 is a basic Wyckoff model for accumulation. While this basic model does not offer us a