

Hello ladies and gentlemen, let's talk the Euro.

Check out the chart below. The first thing to note is that the current trend is **UP**.

Before looking forward, we need to look back. Take a look at the cause of the current **up trend**. Technically, the cause of the **up trend** is an accumulation phase. In this case, the start of the accumulation phase was the Climatic Action bar. But the really key bar is the Stopping volume bar. Notice the amount of volume on that bar. Now's a good time to go back to **VSA 101** and state, "When strength appears, it usually appears on down bars.". Here we don't just have a down bar, we have a down bar that closes well off its lows and on Ultra High Volume.

That Ultra High Volume is the key. The **up trend** is likely to continue until we see equivalent volume on an up bar. As we know, markets do not like up bars on high volume. And as **VSA 101** states, "When weakness appears, it usually appears on up bars.".

So what does the future hold?

I have no idea. I do know that we should see an up bar on Ultra high volume (the same, more, or even slightly less than the volume on the stopping volume interval), if the trend is going to change. The last interval from Friday, appears to be a down bar on volume less than the previous two. This is No Supply. If the next bar is up, that would confirm the No Supply and be bullish. We could, however, see a Test. A Test is a down bar that closes off its lows on volume less than the previous two bars. Some Tests do come on increasing volume. We could also see a Shake Out or a gap down Shake Out. Both of these would be bullish.

If the market does something else, then I will adjust my thinking. What I think the market *should* be doing, is always trumped by what the market *is* doing.

Let the discussion commence.

Attached Image (click to enlarge)



