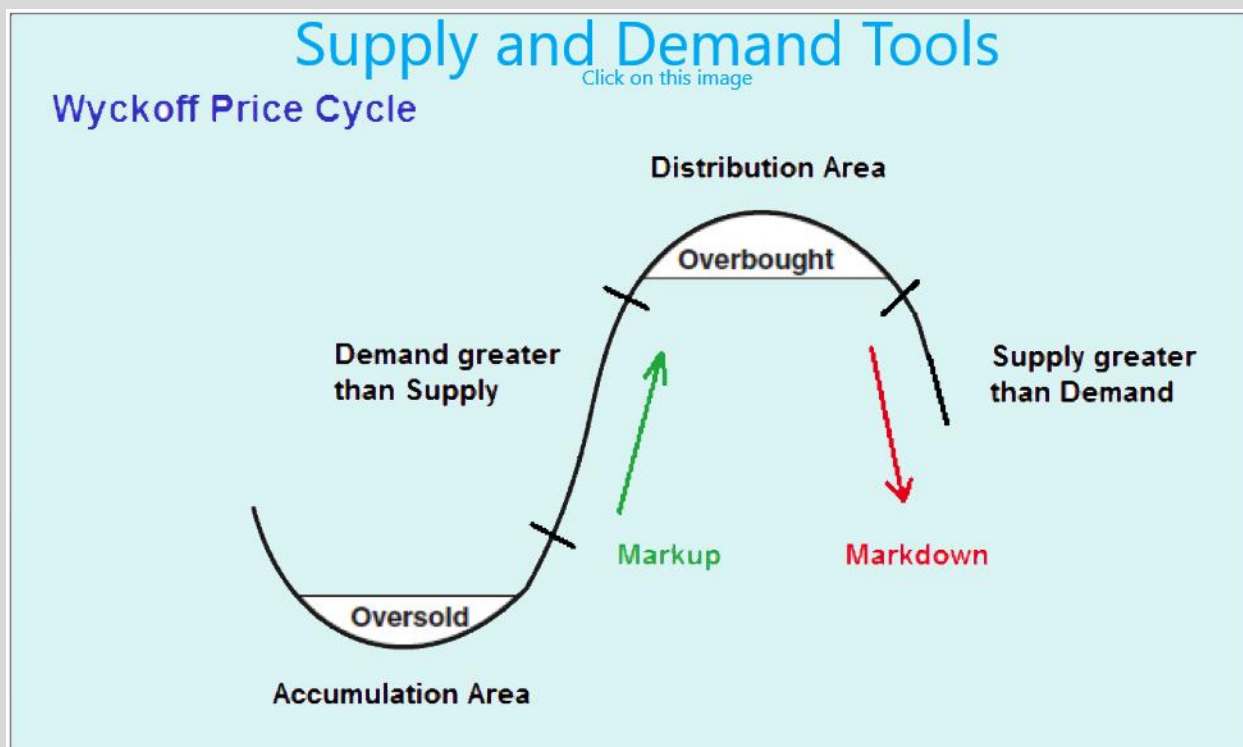


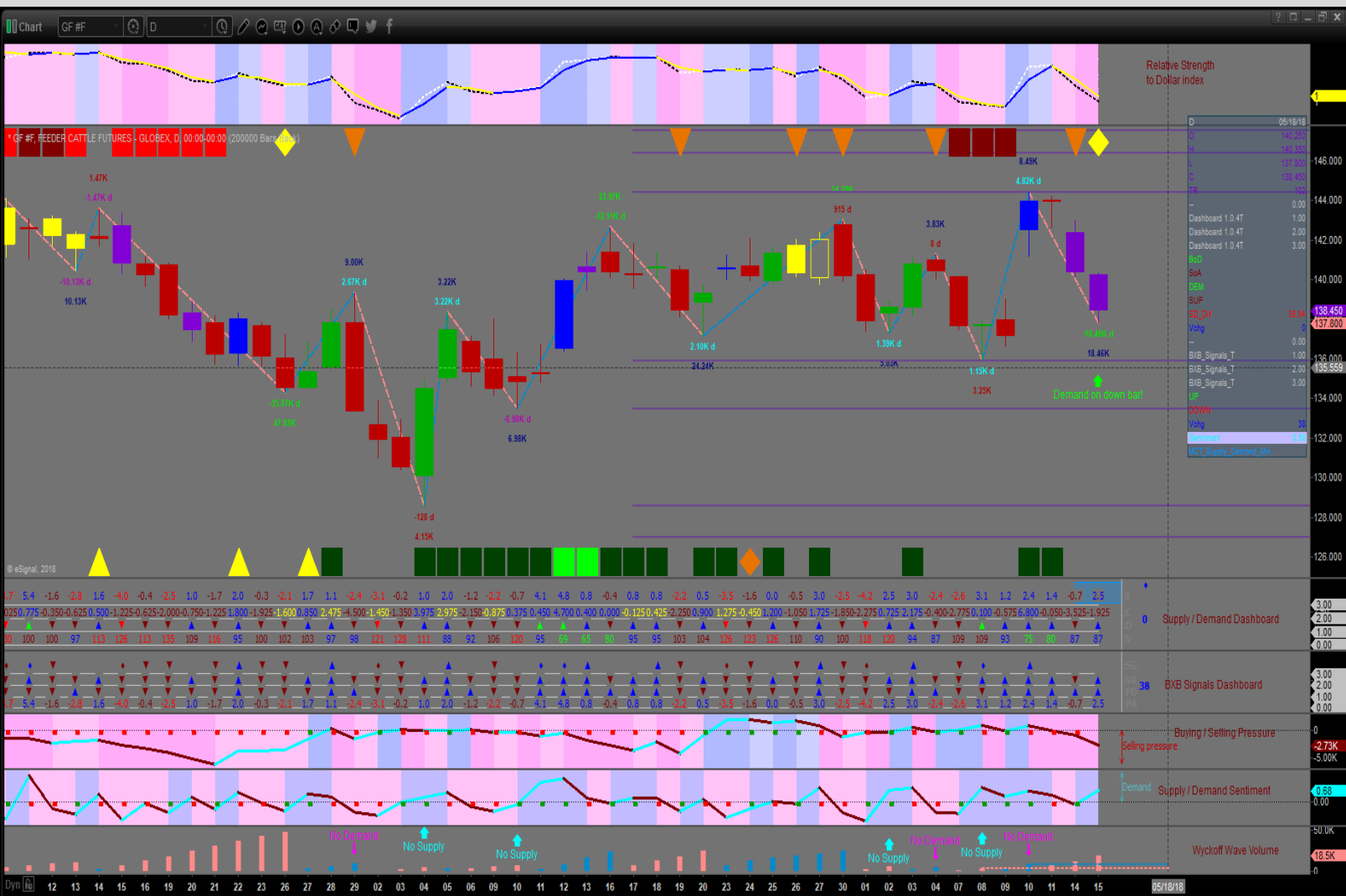
Using SUPPLY and DEMAND Trading System Tools - Example

The basic law of supply and demand governs all price changes and it is the best indicator of the future direction of any financial instrument or asset class. The concept of rising prices when demand exceeds supply and the lowering of prices when supply exceeds demand is universal. It is found not only in the financial markets but in commodities, real estate, all other assets and everything else that contains a monetary value.



There are many ways to use the Supply/Demand Trading Tools. Below is one example how we utilized the tools in a Feeder Cattle Futures contract trade:

May 15th: After the market close, the Dashboard on the daily chart showed a lot of Demand, although the bar closed to the down side:

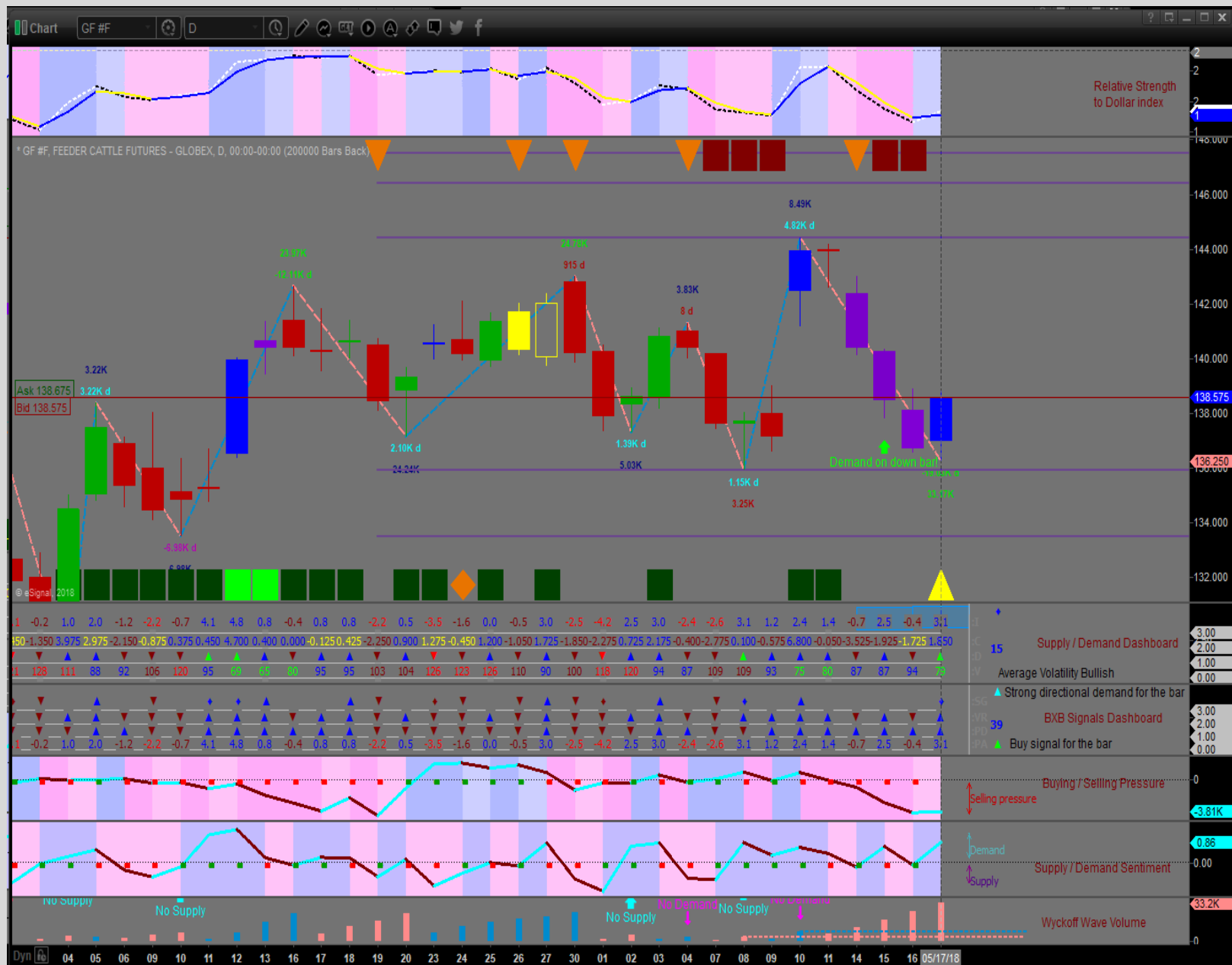


Demand reading was 2.5, Sup/Dem Direction was Up and Volatility was below 100%, all bullish signs.

On the 3-Day chart we also had Demand, Sup/Dem Direction was Up and Volatility < 100%.



May 17th: Demand came in and price reversed to the up side.



From May the 15th after market close when we saw a possible pullback/reversal coming we watched the Intraday 20-minute chart and the opportunity came on the 17th, 1 hour and 10 minutes after the market opened for a really nice run to the upside as shown on the 20-minute chart below.

Our entry was taken after we had a buy signal on the BXB Dashboard.

Supply and Demand often leads price, revealing the intentions of bigger market players. It was a reasonable probability that price would make a pullback and we waited for the signals on the intraday chart to align to the upside. For these trades we want confirmation from the 3-Day, Daily and then the Intraday chart before we take on any position. We timed our entry on the 20-minute chart below:

