



Morning notes

Tuesday, November 5, 2019

INFO and LTF -> **DAX** looking strong in premarket session, and very close to yesterday high. **SPX** and **NDX** made new All Time Highs, and **RUT** closed at 1597.40 -> very close to the 1600, top of a range in which this index is stuck for a year. As written in [Weekly Analyses](#), break above it could ignite a large catch-up move to previous ATH. Nikkei was closed on Monday for holidays, so it made a +2% catchup move. All other Asian markets are up, "following Wall Street highs".

Some of the best setups and winners we can have when there are multiple time frame alignment, like yesterday. Market was bullish / neutral-bullish on all timeframes. In days like that, we can have continuation type of trades (break-pullback-continuation). I made a special 8:35 min video about that kind of setups, [Entries On a Pullback](#). But we have to be aggressive, get in, place stop behind invalidation point and leave that. I can guarantee that lots of traders missed this move, and we could now get chasing the price on DAX before some bigger pullback. Note that above 13,200 and up to ~13,600 ATH area, we have 400 points with not a single strong / better resistance zone. Market will make new levels and zones there, IF upside continues. That depends now more on US markets, which are dragging other markets higher. And while US markets now, after three rate cuts, care ONLY about US-China trade deal, European markets could still be sensitive to Brexit, and to earnings.

VONOVIA Vonovia SE reporting today, and more DAX components are scheduled for Wednesday and Thursday. Only notable news today: **US ISM Non-Manufacturing PMI**, at 16:00 CET.

DAX Zones - For trading futures, adjust zones for CFD/futures difference.

Zone changes – Eight changes – everything between 12,985 and 13,205 is adjusted, new zones there also.
(Small ▲ symbol is on the zones that were updated/adjusted or new)

TRADING PLAN -> **Main zones for today are: Main Support /13,005-020/ with unfilled gap at 13,010 and Main Resistance is LTF R /13,190-205/. Bias is neutral-bullish above Main S, bullish above premarket S / premarket low.**

Strong market should not make a bigger dip than to Bull/bear zone /13,070-080/. That is a zone where buyers can react on the first test, and also a gauge of market strength. Market is neutral below this zone. Since large timeframe picture is bullish, expect buyers to react on lower zones IF market goes below 13,070. Although everything is looking bullish, **we still need to read real time market signs**, especially NOW, when we are in the territory where price haven't been for a long time. There is a high possibility of market shaking late buyers now, and making false breakdowns – and those springs can be a very good long setups. Sells only on major R, on exhaustion and false breakouts, no fades.

First thing to look after the open, would be market reaction to Yesterday high /13,155-170/ and premarket Support zone /13,120-130/. Expect a gap to prev. cash close /13,136/ to be filled early in the session. **Unfilled gaps are stacking behind** – that is something to "carry forward", when time comes for a bigger pullback. Area around 13,000 WAS NOT tested in RTH session, since Yesterday low on Cash Index was 13,019. Test there, on the **Main Support /13,005-020/** would be a automatic long setup. Sellers can react on the first test of Yesterday high zone, which they are doing right now at 08:05 CET, and can react also on **Main R zone /13,190-205/**, only decent R zone left all the way to ATHs.

Breakout above 13,200 could lead to higher zones, like /13,260-275/, reference level 13,300, last unfilled gap to the upside at 13,324 and /13,345-360/ which could cap upside move, looking at current daily ATR. Market could just consolidate today, after a big up day that we had yesterday, and start forming a range.

Again - "Headline risk " is possible on US-China trade deal related information.

Choose your entry points carefully, and plot premarket low/high reference lines after the open.