



Morning notes

Friday, September 6, 2019



INFO and LTF -> DAX and US indices closed with solid gains yesterday. All Asian markets are up. Possible chop until the NFP report, and pretty flat premarket session so far for DAX. *Note the unfilled gaps that stacks and fib retracements from additional chart.* As said in the [Recap video](#), this market behavior of making huge premarket moves can last 3-4 days, or just two, and now everybody will probably wait for NFP report. Trump wrote yesterday in his tweet that "numbers are good". How the market is going to react on those numbers is more important than are they good or bad. There is still

possibility of news driven short-term spikes on US-China trade relations. End of the week, and unless we see and get clear setups, it would be wise to be picky about our entries. German news at 08:00 CET could make some impact only if the number is very surprising.

Economic calendar for today: *German Industrial Production m/m at 08:00; **US Non-Farm Employment Change with Unemployment Rate and Average Hourly Earnings m/m at 14:30**; Fed Chair Powell Speaks at an event hosted by the Swiss Institute of International Studies, in Zurich at 18:30. All times are CET.*

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

Zone changes – Only one zone is adjusted, some labels changed.

(Small ▲ symbol is on the zones that were updated/adjusted or new)

TRADING PLAN -> Same like Yesterday - Main zones are **LTF S /11,990-12,020/** with the unfilled gap at 12,025 as **Main Support** and **LTF R /12,200- 225/** as **Main Resistance**. Reaction is expected on both Main zones. **Small time-frame Bias is neutral**, and will change upon a successful break of range between Main zones.

NFP: Usually market will be near good inflection point before such a release, which has the potential to be market mover. So, market could be near either Main S or Main R before NFP and wait there for further inputs. As with all days of this type – like ECB press conference, FED / FOMC days... you can choose to trade them or not. Or to wait to see what is going to happen after the release, and then try to enter on a pullback, IF market makes a directional move. Note that Powell is speaking in the evening – so if NFP would be a snooze, then US markets could wait for Powell, and DAX would be flat.

Prev. cash close is at 12,127 – between two zones. Until 14:30 CET and NFP report, market could just chop around, OR make false breaks. False break above YH, or false break below 12,080. Yesterday high zone /12,150-165/ is our first resistance zone of interest, but caution is required this time, since zone was tested yesterday in RTH session and today in premarket. Moving above it, opens road to test **Main R /12,200-225/**, where sellers reaction is expected. IF this test would come before NFP report, that is a short setup for us. First Support is **/12,080-100/**, which is RTH low from yesterday, and daily high from Wednesday. Buyers can again react here on the first test. AGAIN – caution is required even here, since market on NFP days is prone to SHAKE traders by making false breaks. Moving below 12,080 – we have minor S zone /12,045-055/ - to be skipped for fading and used target / entry on a pullback, and below this, **Main S /11,990 – 12,020/** where buyers are expected to defend – long setup for us.

Breaks from 12k-12,200 range would require strong and sustained momentum. IF we get that – stay away from fading zones, until we get an exhaustion move, like full daily ATR, and go with the move. **Good breakout** above 12,200 could lead to next **LTF R zone /12,285-305/**, and maybe to next zone above **/12,325-340/**. Good breakdown below 12k – and market could go again to **LTF S /11,840-860/**.

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