

THE TRADING ZONE

Emini Trading Zone Report For Wednesday, January 25, 2023



Prices stuck firmly to the “equilibrium”, price. That can be thought of as the closing price of the previous trading session. The calculated trading zone looks at price movement from day-to-day; the range of movements from highs to lows, lows to highs, highs to highs, and lows to lows. The measurements are averaged and these averages are themselves averaged.

Trading on Tuesday was about as calm as it gets. But hey, the gap closed!

Today, those averages forecast that price should trade within a range bounded by support at 3996 and resistance at 4062. That the market remained “stuck” to its equilibrium price and did not stray far from that mark is simply evidence that traders are unsure of any direction.

Another reason for this stasis is that the current price of the S&P is exactly at long-term resistance, as has been pointed out in the last several reports.

See the screenshot at right. This picture again shows what has been said before. While the S&P didn't move (the low was 15 points under the previous day), the Dow made up for it, as Microsoft announced earnings after-hours that beat projections.

The question, for those who like to guess the market, is "can Microsoft - and its NASDAQ brethren - carry the S&P over the line (the one at right)?"

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Resistance: 4066
Support: 4017
Range: 49 points
Last Close: 4030



“can Microsoft - and its NASDAQ brethren - carry the S&P over the line?”

- MARV EISEN

The S&P daily chart shows how close the market is to reversing long-term trend to the downside.

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