

The Basic Law Of Supply And Demand

The Basic Law of Supply and Demand governs all price changes. The best indicator of the future course of the stock market is the relation of supply to demand. Stated simply, a stock's value begins to decline when the number of shares offered exceeds the number of bids for purchase. This type of market...

Judging The Market By Its Own Action

No one can deny that in markets throughout the world, the big fish eat the little ones. Large operators could not operate successfully without the large number of people making up the public. The public is used so large operators can more easily do the trading they choose to do. Tape reading and chart reading enable on...

Charts

Many of the principal moves in the stock market are made by large operators (i.e., developers, well-informed insiders) whose work we must detect and follow. When important interests are accumulating a stock, a study of the transactions will frequently disclose the fact. Not in every case, but in the...

Buying and Selling Waves

Every upward or downward swing in the stock market, whether it amounts to many points, only a few points, or fractions of a point, consists of numerous buying and selling waves. These waves run just long enough to attract a following. When this following is exhausted for the time being, that wave comes to an...

How A Campaign Is Conducted

After we have determined the position and probable trend of the general stock market and have examined the action of the various stocks to see which are most likely to follow or lead the market as a whole, we must single out those individual stocks that are in the best position for our...

Market Technique and Volume Studies

Before moving on to further studies, we will summarize what we have learned in the previous sections. Supply and Demand. Always keep this in mind: prices move up and down in accordance with the Law of Supply and Demand. This is true of the stock market as a whole, and of every individual stock on the...

Significance Of Trend Lines

To draw an analogy from physics, we could say that when a stock is being accumulated, it is storing up a force of demand which, when later released, provides the momentum for the ensuing upward movement. When the force of this accumulative demand is released, it gives the price movement momentum that it tends...

Chart Studies - Vertical Charts

As we have seen from preceding lessons, the four principal phases of a market campaign are: 1) Accumulation 2) Marking Up 3) Distribution 4) Marking Down When a Stock is in phase 1 or 2 it is said to be in a bullish position. When in phase 3 or 4 it is in a bearish position, or its behavior may be indicating...

Chart Studies - Figure Charts

The main subject of this lesson is figure charts, figure chart counts and the count guide. The lesson will have several objectives. They are to outline the use of figure charts and the count guide, and to discuss the coordination of vertical charts with figure charts. In working with the charts for this lesson we may...

Buying and Selling Tests

Coordinating Your Studies In reading over the preceding sections, it may seem to you that the analysis of the market's action and the behavior of individual stocks is quite complex, requiring a large expenditure of time and effort. This is a perfectly natural reaction and one that is common to all students...

Refinements

In this section we discuss certain market phenomena which you are likely to encounter at various times. The first of these phenomena is the shake-out. There are two types of this phenomenon: (1) a terminal shake-out, and (2) an ordinary shake-out. We will also show an example of a "Springboard" which you will encounter...

Stop Orders

The first rule in successful trading and investing is: Cut losses short. E. H. Harriman, who was once a broker on the floor of the New York Stock Exchange, said, "If you want to be a successful trader, kill your

losses.” As a floor trader he used to close out a trade if it went 1/2 to 1 point against him. You, who pays...

Accumulation

To begin, let us define accumulation. Accumulation refers to the process of establishing an investment or speculative position based on professional interests in anticipation of an advance in market price.

This may be done in order to secure a large block of the stock before the market rises. The motive is...

Jump Across The Creek

The purpose of this lesson will be to discuss with you the analogy of the jump across the creek story, where it fits into accumulation, how you can analyze it and use it to take a speculative position for potential profit with a minimum of risk. The jump across the creek story is an analogy used to illustrate what can...

Distribution and the Upthrust After Distribution

The main subject of this lecture will be distribution, it will also cover the principle of the upthrust after distribution. The purpose of this lecture will be to discuss with you the process of distribution, where it fits into the cyclical process, how to analyze areas of distribution, and how you can take a position...

The Wyckoff Wave Crypto Index and the Optimism-Pessimism Index

The main subject of Lesson 19 is the Wyckoff Wave Crypto Index and the Optimism-Pessimism Index. The purpose of this lesson is to discuss with you the origin, construction and the use of the Wyckoff Wave Crypto Index. To introduce the Optimism-Pessimism Index to you, and to discuss the coordination of the Wyckoff Wave...

The Force

Because market action is measured in both price spread and volume, no single index average or indicator is enough for a trader to be able to interpret what is actually happening in the stock market. Each Wyckoff trading tool has a specific function. When used together, they provide important clues that help the Wyckoff...

The Technometer

The Wyckoff tools of Optimism-Pessimism, Force, and Technometer when combined with price and volume provide a variety of indications that are helpful in determining direction and timing. Some of these are easier to use than others. The Technometer is the Wyckoff tool that tells us when a particular

index, or individual...

General Instructions

CAUTIONARY SUGGESTIONS Your undertaking to learn this Method is evidence that you intend to reverse the rule of the public which is to monkey with the stock market buzz-saw before it knows what makes the wheels go round. As in any other business or profession, art or science, it is essential that you lay a sound...

Philosophy

Cautionary Suggestions Continued The two elements vital to success in the markets are: (1) Knowledge of the principles taught in this Course and (2) Ability to apply these principles correctly. A famous operator, Dixon G. Watts, expressed the idea many years ago by saying that the qualities essential to the equipment...

Conclusion

In this course, Mr. Wyckoff and the Institution he founded have taken you into their confidence by giving you the best of all the ideas, plans, methods and technique that you need for common sense trading and investing. Work out from these your own procedure, depending upon the amount of time and capital you wish to...

FINAL EXAM

This Final Exam is a review of the subject matter you covered in the lessons/quizzes. A grade of 80% is needed to pass the Stock and Wyckoff Course.

Glossary

These terms are defined in relationship to the manner in which they are used in the text and at Wyckoff SMI. Absorption: The reduction of the floating supply caused by persistent longer term buying within a trading range. Accumulation: The establishment of an investment or speculative position by professional interests