

Weis Wave

Dr. Gary Dayton
February 7, 2024

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2 What We'll Cover

- ▀ History & Development
- ▀ The Weis Wave's Fundamental Characteristic: A COB
- ▀ Waves
 - ▀ The essence of tape reading
 - ▀ Volume is "lost in time"
 - ▀ Changing from up to down trends
 - ▀ SOT
- ▀ Other Ending Actions
 - ▀ Climactic Action & Stopping Volume
- ▀ Trading Trends
 - ▀ After the COB
 - ▀ Low volume pullbacks
- ▀ Other Ways to Use the Weis Wave
 - ▀ HFT Intraday: swing & day trading
 - ▀ Verses the news
 - ▀ Comparative strength & weakness
- ▀ Effort vs Result
- ▀ Springs
- ▀ Upthrusts
- ▀ Summary of Principles
 - ▀ Basic trading plan
- ▀ David's Currency Plays
- ▀ Be a Tape Reader
- ▀ Retracement Settings

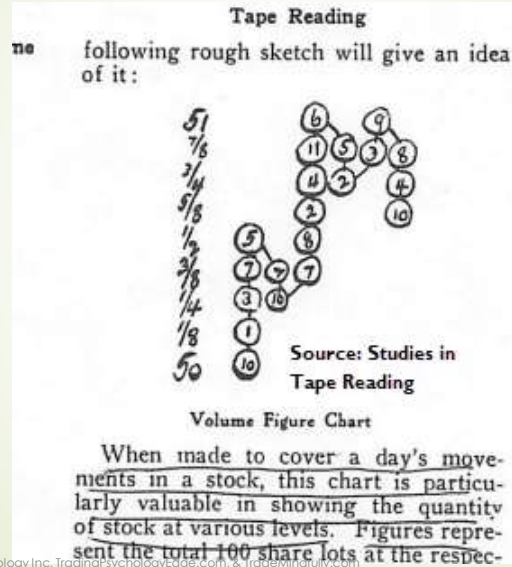
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Wyckoff's Volume-Figure Chart

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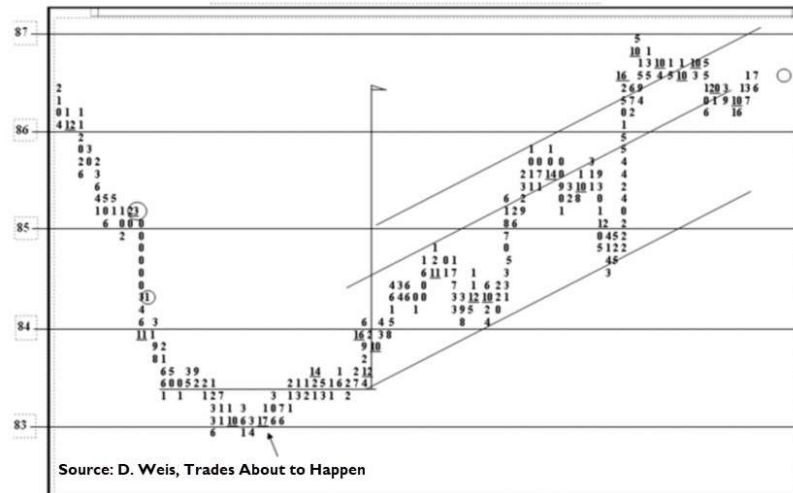
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Wyckoff's Volume-Figure Chart

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Figure 9.1 AT&T Tape Reading Chart, June 2, 1932



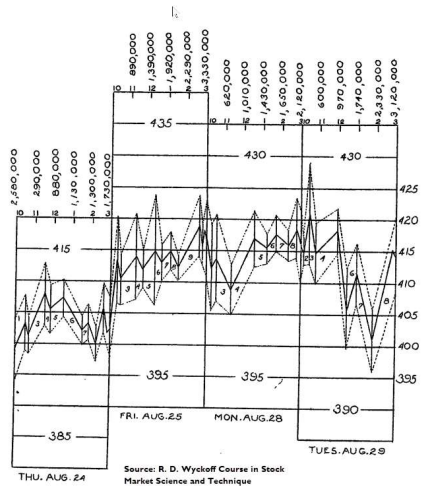
Re-made from Tape Reading & Active Trading Course, Richard D. Wyckoff, 1932

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Wyckoff's Wave Chart



Source: R. D. Wyckoff Course in Stock Market Science and Technique

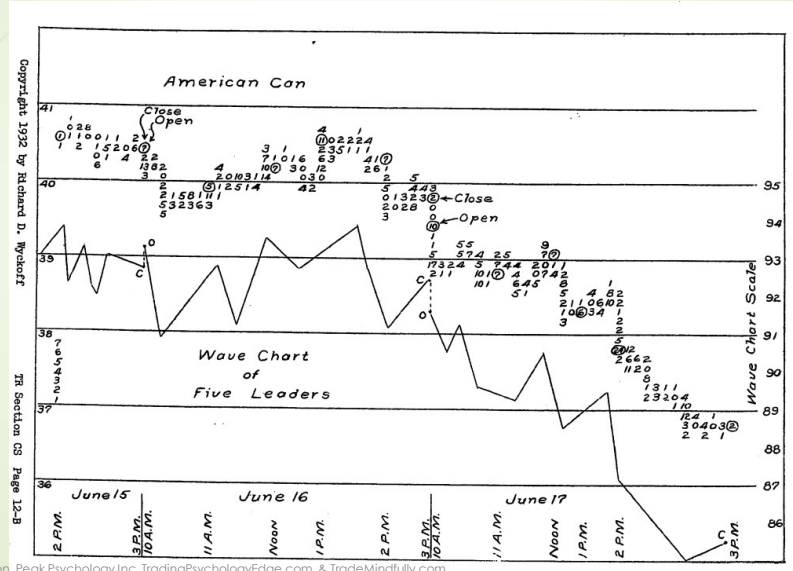
Illustrating zone of distribution: inability to absorb supply and development of weakness. (Compare with one point figure chart at A, page 6).

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Volume-Figure & Wyckoff Wave Charts



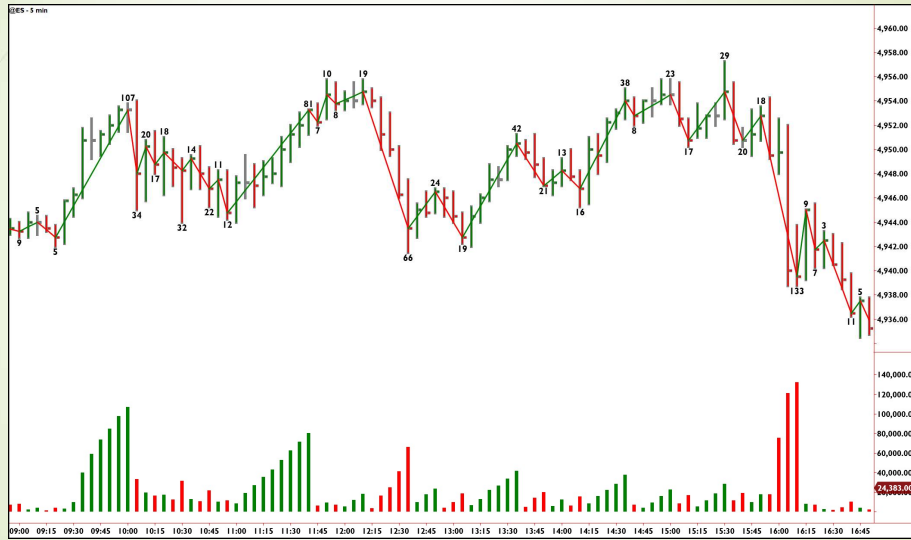
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Weis Wave

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Early Version of Weis Wave

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Change of Behavior

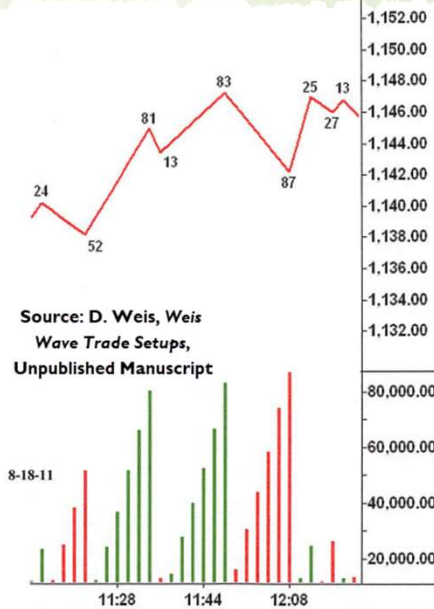
The fundamental characteristic of the Weis Wave

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Change of Behavior

10



Source: D. Weis, Weis Wave Trade Setups, Unpublished Manuscript

following samples are of the ESU11 with a .75 point wave calculation 4000 Tickbar closes. The volumes are in thousands of contracts. The first change in behavior is the 87k on the sell-off from the high. Now the reaction. First we see 25k and then one last volume spike on 13k

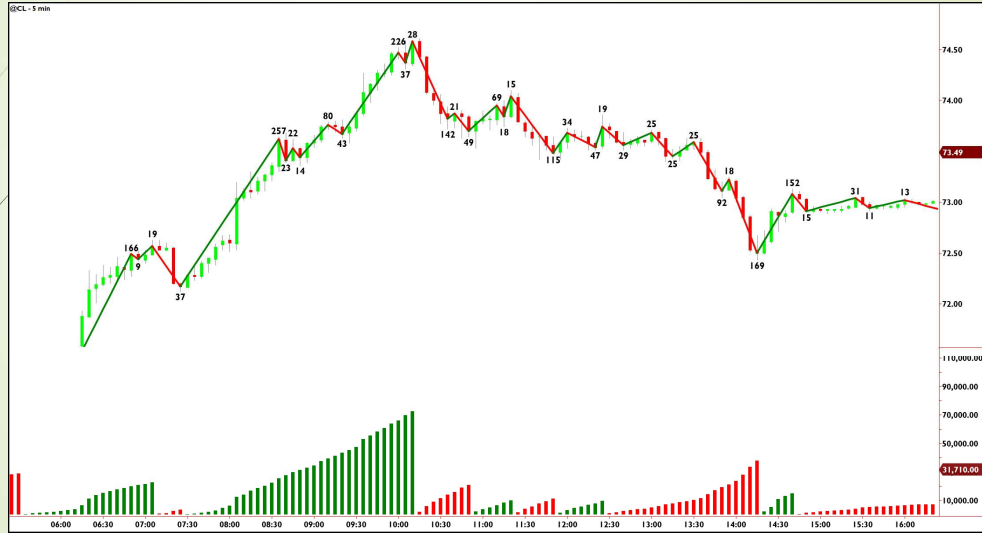
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Bearish Change of Behavior

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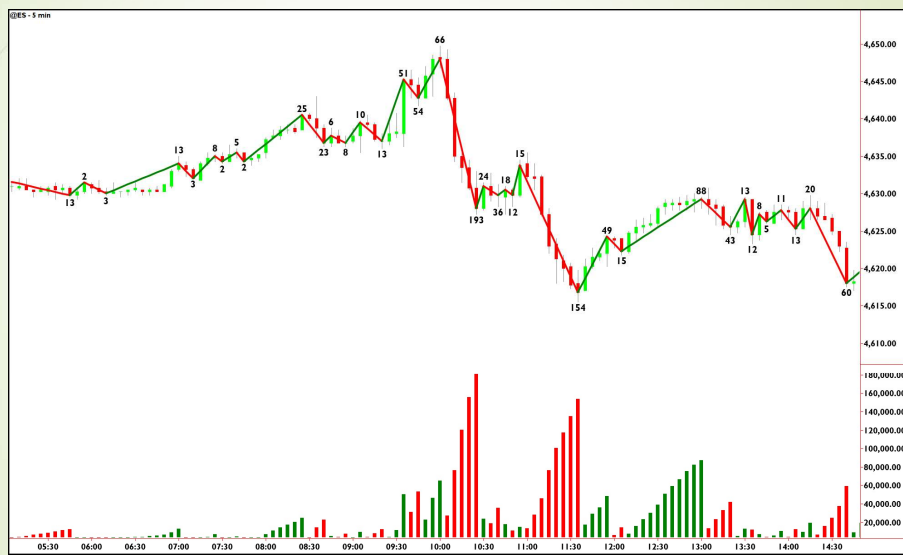


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Bearish Change of Behavior

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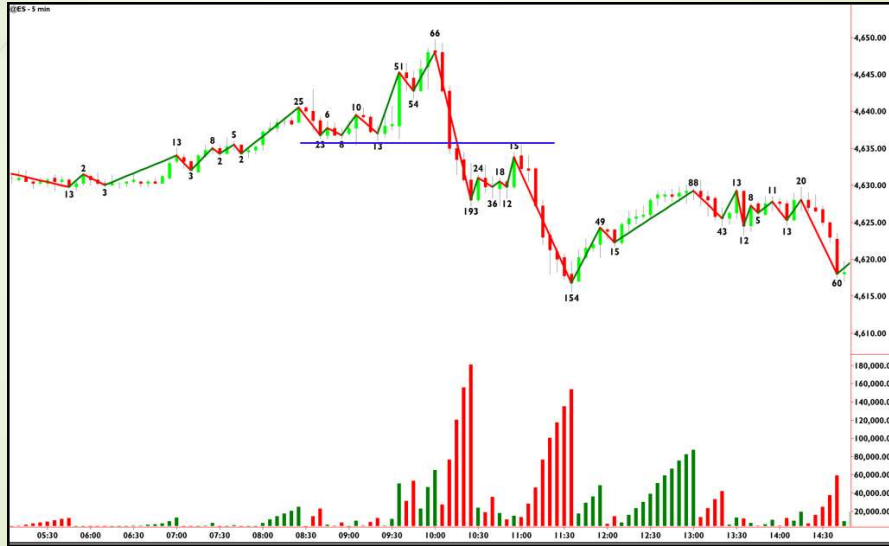


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Bearish Change of Behavior

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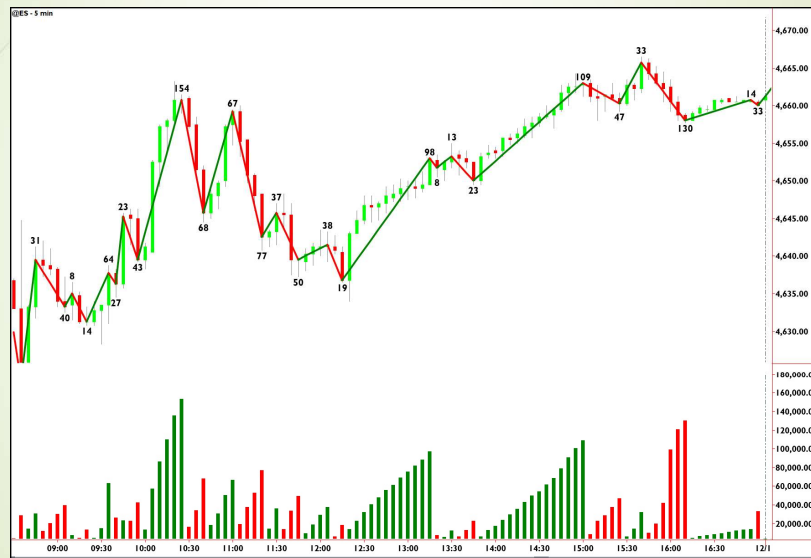


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Bullish Change of Behavior

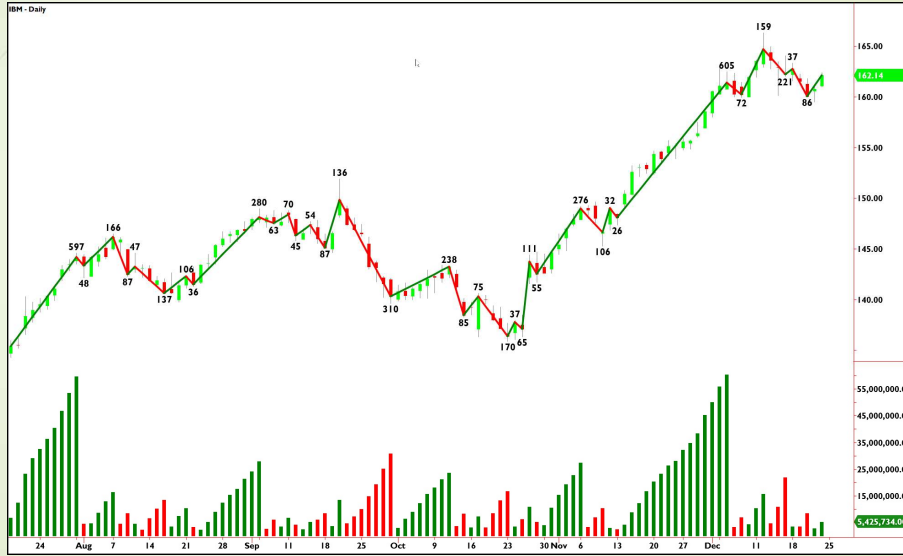
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Bullish Change of Behavior



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Waves The essence of tape reading



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Why Waves?

- Waves are the **essence of tape reading**
- Volume much more readable
- Richard Wyckoff:
 - Expect a change in trend from up to down when:
 - Up waves begin to shorten in distance & time and/or
 - Down waves begin to lengthen in distance & duration,
 - Reverse these relationships for change from down to up
 - Time = Volume

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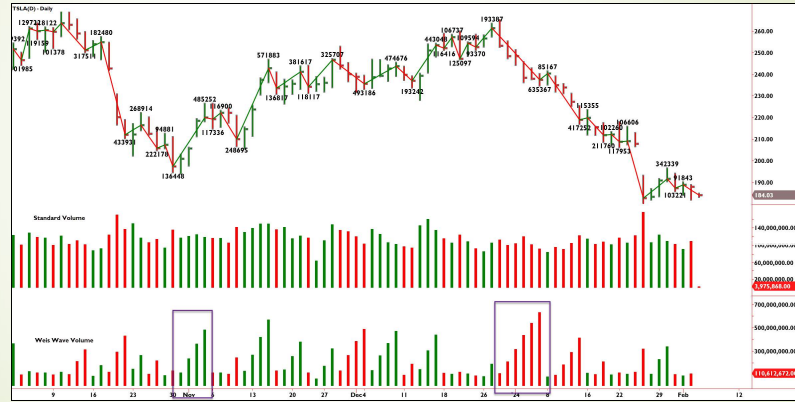
Volume in Waves

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Volume in Waves

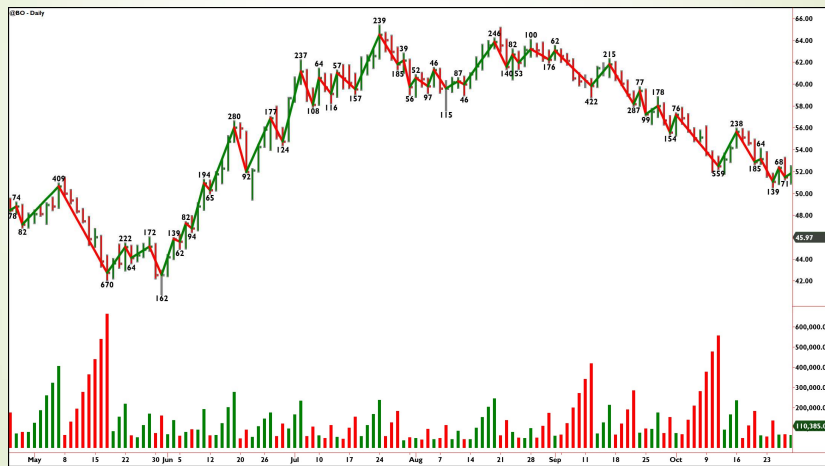


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Seeing Change of Behavior in the Waves



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Why Waves are the *Essence of Tape Reading*

- ▀ Expect a change in trend from up to down when:
 - ▀ **Up waves begin to shorten in distance & time**

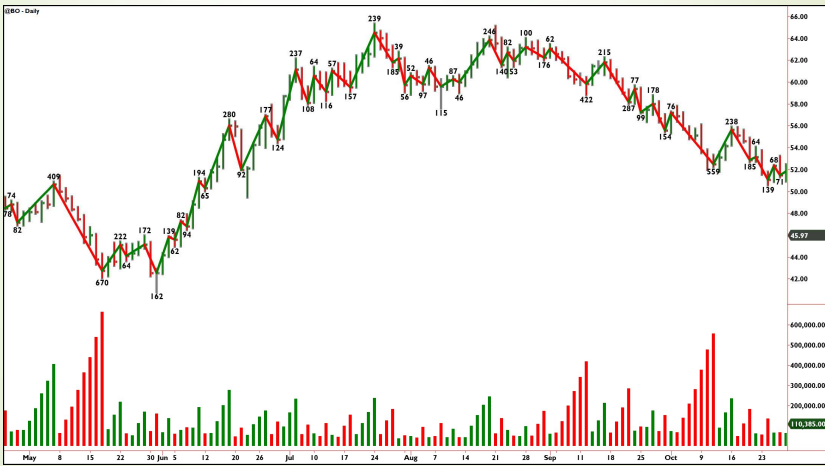
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Seeing Change of Behavior in the Waves

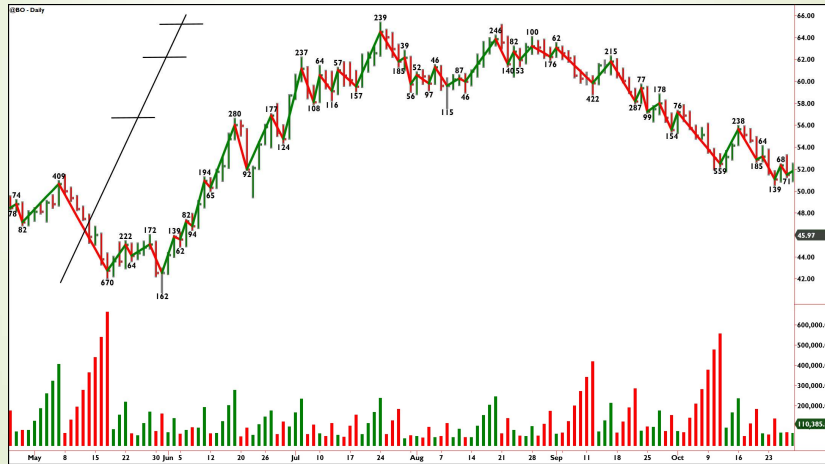


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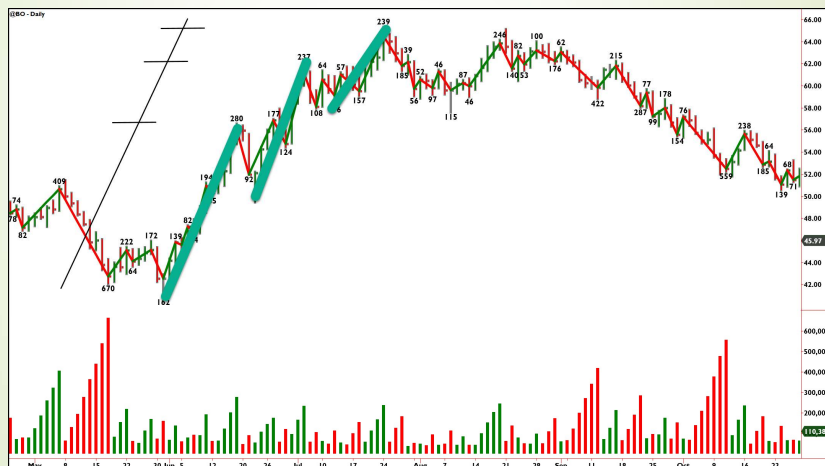
Seeing Change of Behavior in the Waves



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Seeing Change of Behavior in the Waves



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Why Waves are the *Essence of Tape Reading*

- Expect a change in trend from up to down when:
 - Up waves begin to shorten in distance & time and/or
 - Down waves begin to lengthen in distance & duration

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Seeing Change of Behavior in the Waves

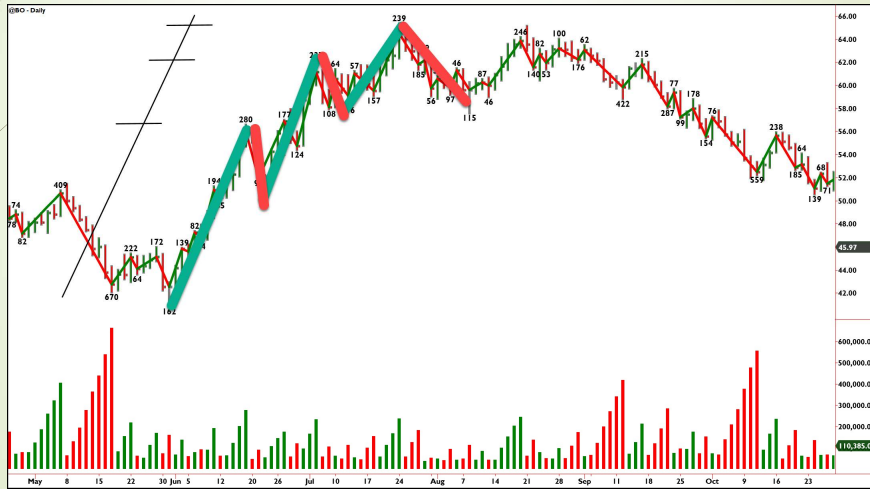
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Seeing Change of Behavior in the Waves

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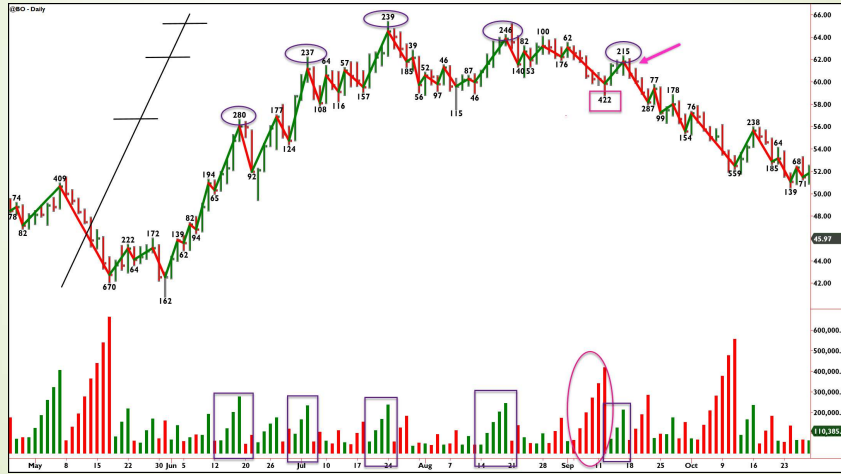


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Seeing Change of Behavior in the Waves

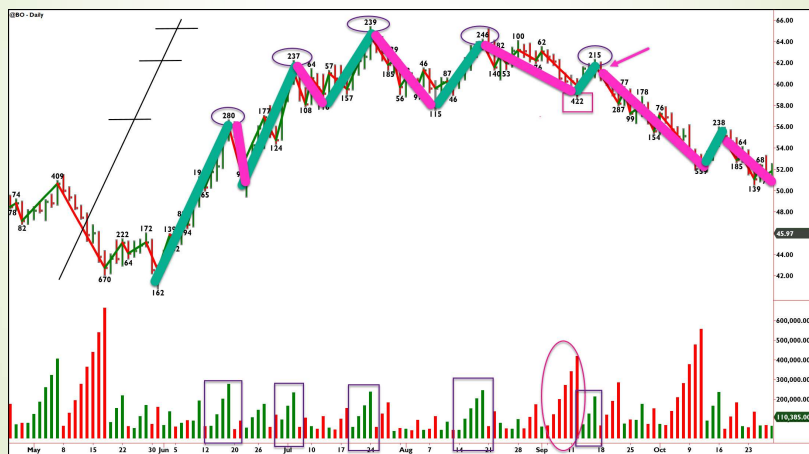


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Seeing Change of Behavior in the Waves

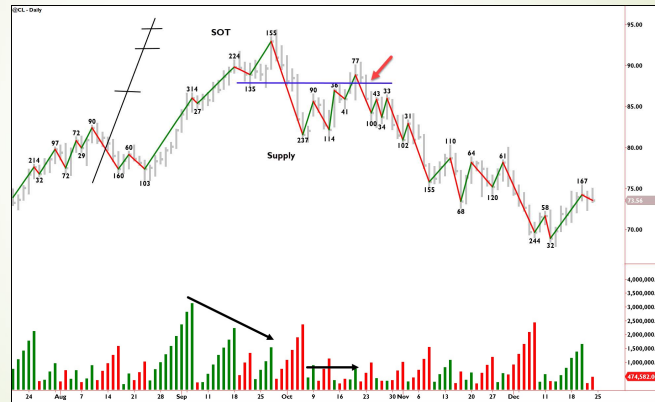


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Bearish Change of Trend

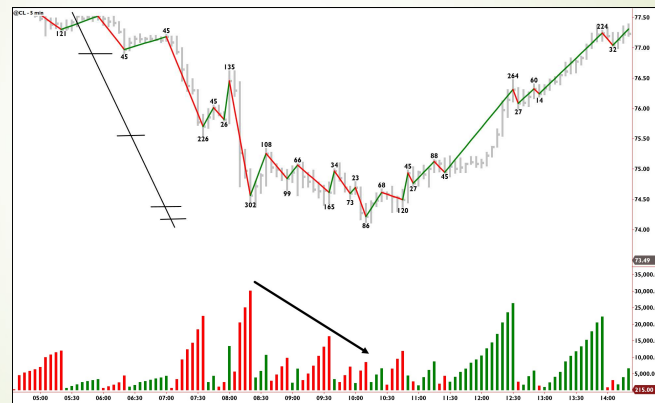


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Bullish Change of Trend



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"The Best Trade I Know"

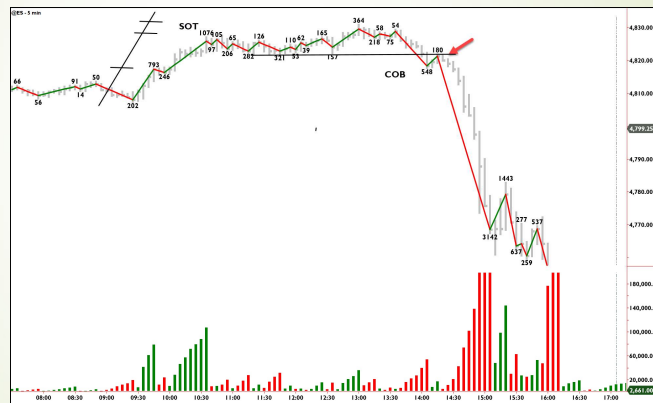
Change of Behavior Leaving a Trading Range

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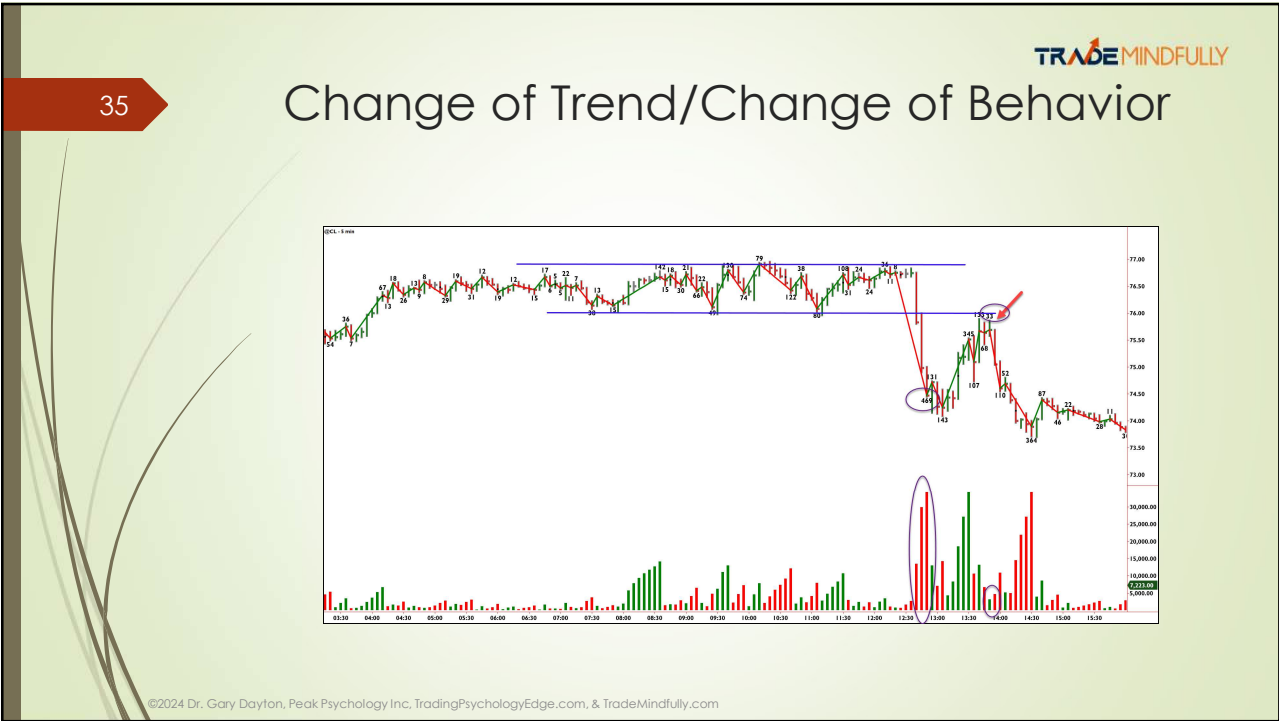
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Change of Trend/Change of Behavior

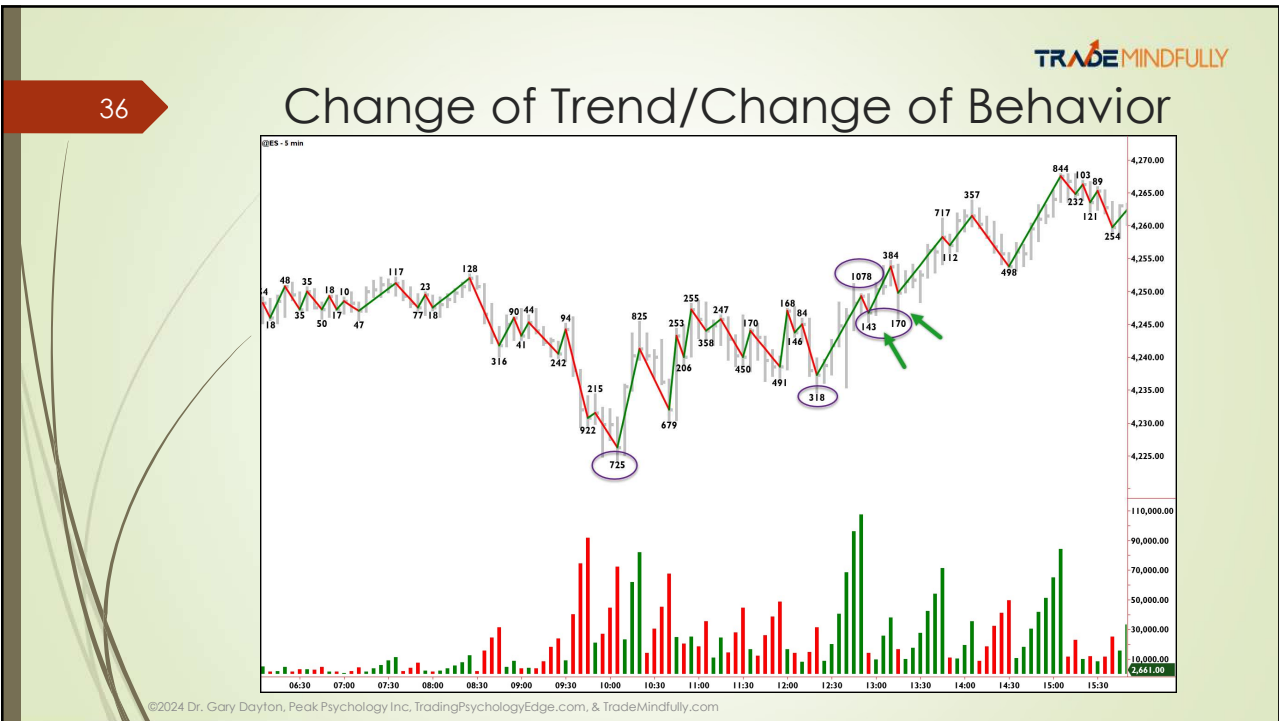


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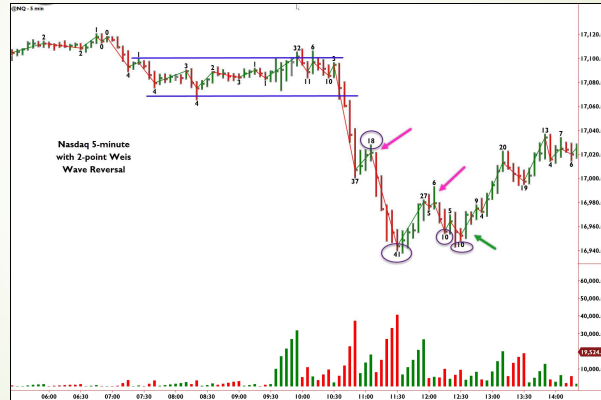
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Sideways Line, Pullback, Demand, NS

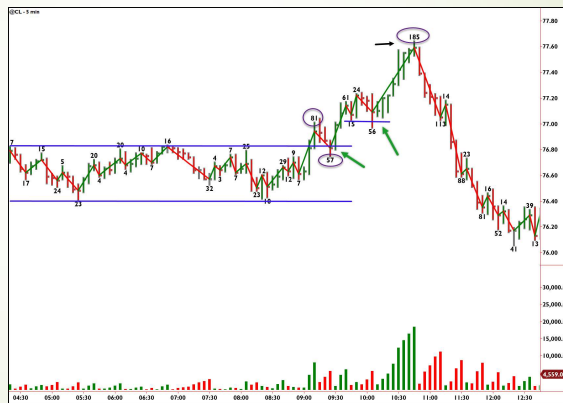


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Sideways Line, COB, Pullbacks, Climactic Action



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Combine with Other Wyckoff Principles: EvR, UT, ND

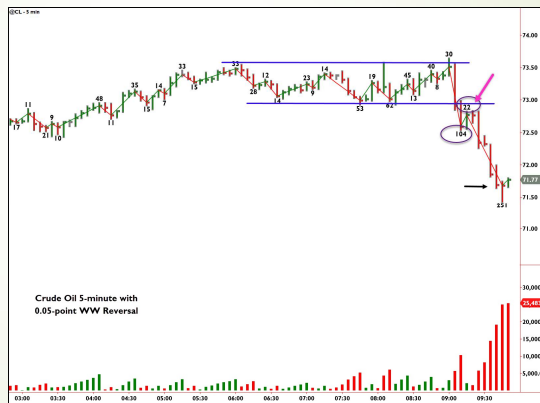


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First Trade of New Year!



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Trading Trends

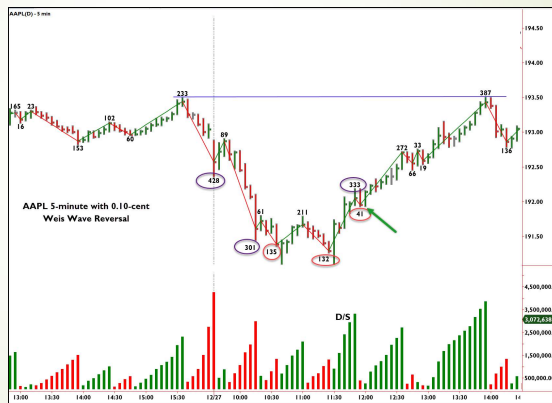
Low volume pullbacks

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Selling Dries Up, then Demand Comes in

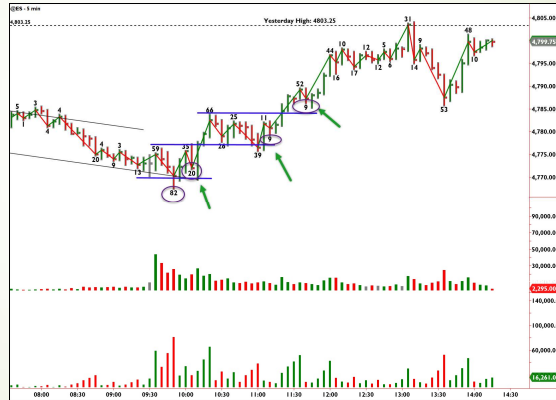


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Trading a Morning Session Trend Run Up

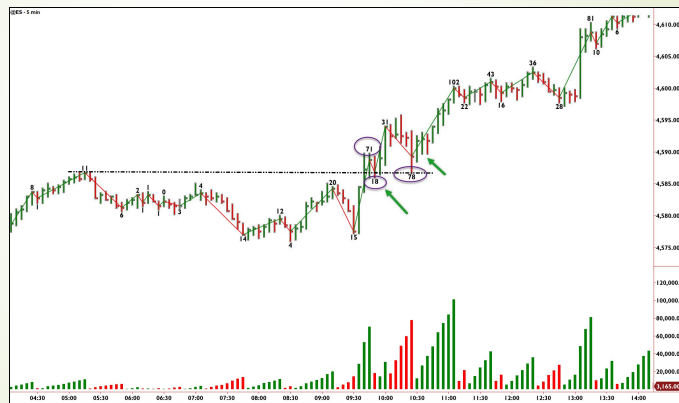


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Pullbacks

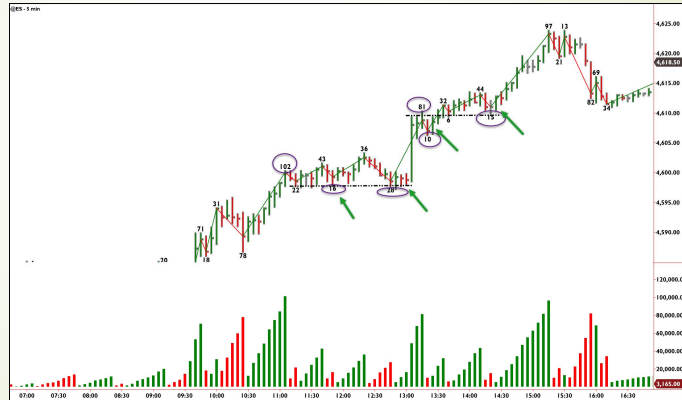


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Pullbacks

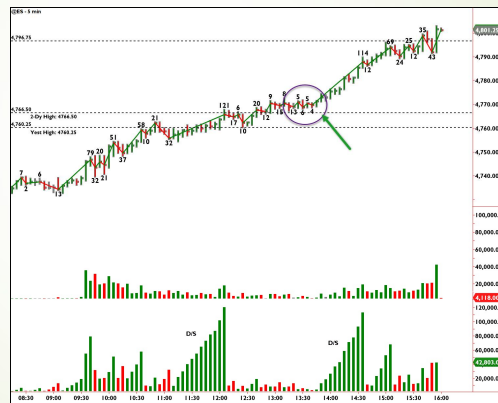


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Absorption in a Trend Run Up

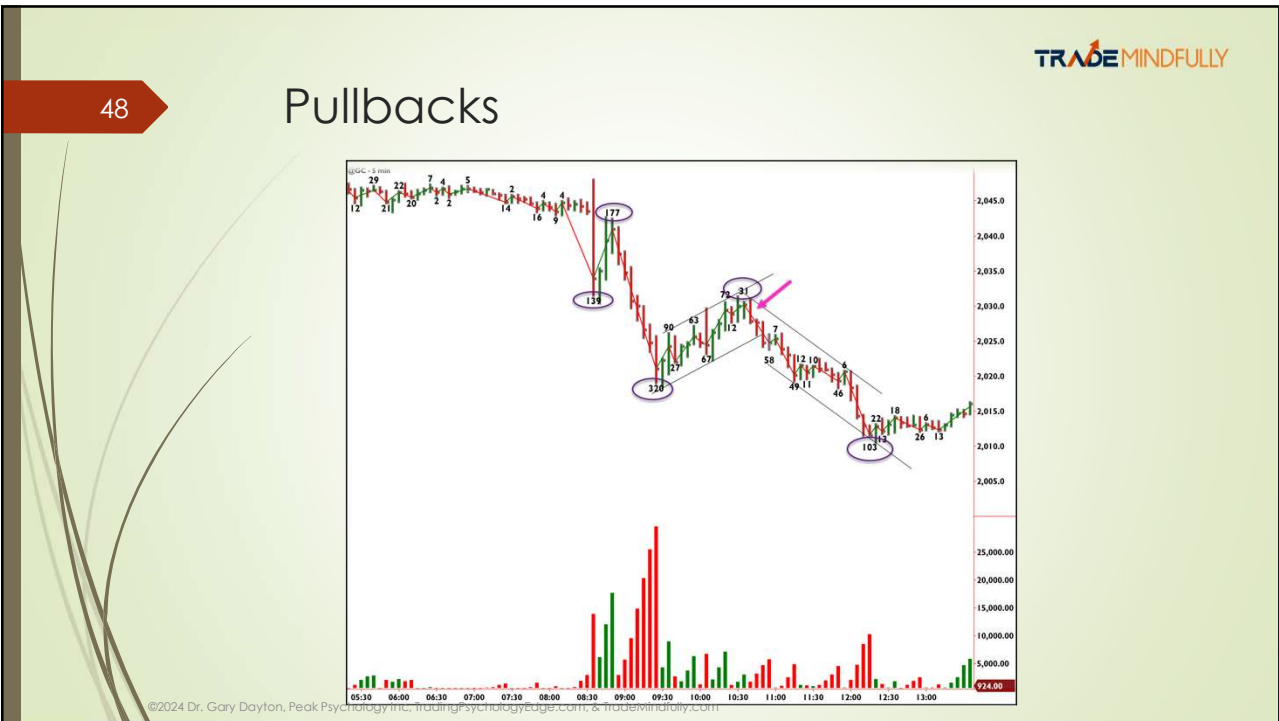


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Sideways Line, SOW, Entries on Pullbacks

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Summary so far ...

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- Shortening Of Thrust (SOT)
- Change of Behavior (COB)
- Climactic Action
- Effort verses Result (EvR)
- Tests of breakouts and breakdowns
- Demand/Supply and Supply/Demand (D/S; S/D)
- Low volume pullbacks
 - COB
 - Trend

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Other Ways to Use the Weis Wave

HFT Intraday (2, 3 or 4-Hour) Charts for Swing & Day Trading
Comparative Strength & Weakness/Confirmation Non-Confirmation

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Using the 240-Minute Chart: S&Ps



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53 News in October 2023

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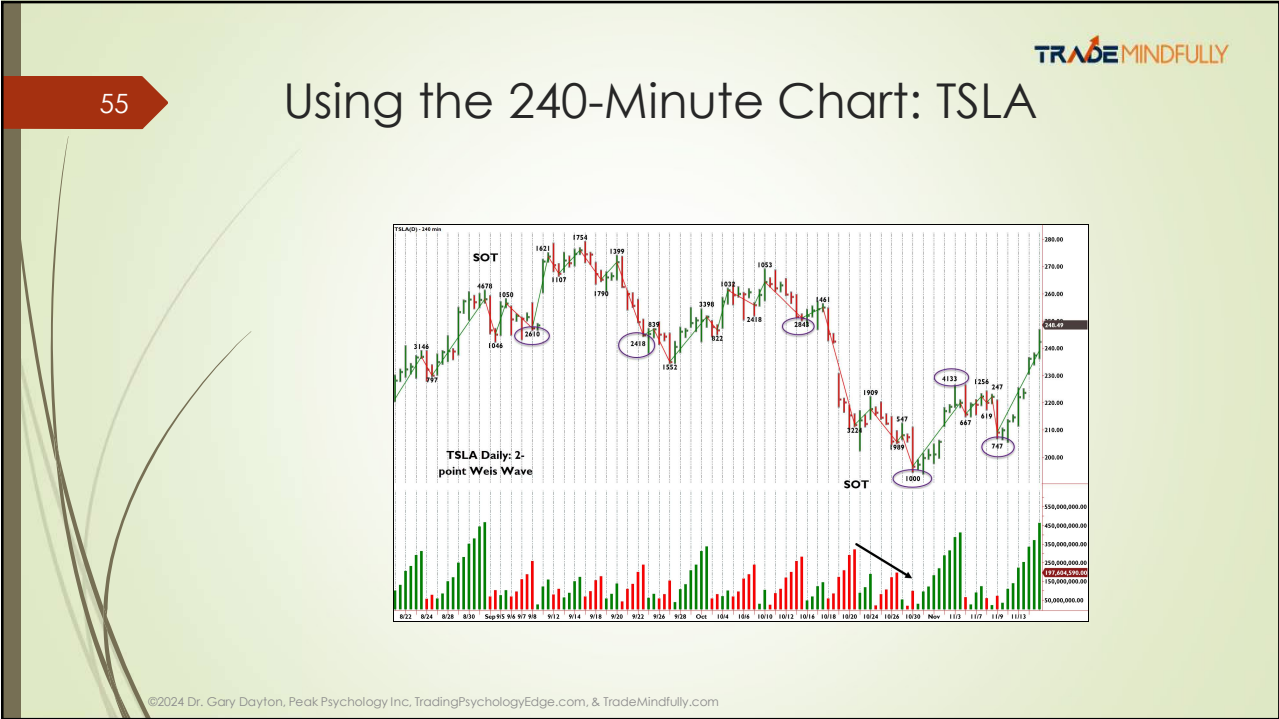
54 Using the 240-Minute Chart: S&Ps

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240 S&Ps: 4-point Wave

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Just two months later ...

Tech stocks just wrapped up one of their best years in past two decades after 2022 slump

PUBLISHED FRI, DEC 29 2023 4:26 PM EST | UPDATED 7 MIN AGO

Stocks went gangbusters in 2023. Here are the biggest winners and losers

By Nicole Goodkind and Elisabeth Buchwald, CNN
5 minute read · Updated 4:20 PM EST, Fri December 29, 2023

Nasdaq 100 Hits First Record in Two Years With Rate Cuts in Play

- Tech-heavy gauge closed at a record first time since Nov. 2021
- Nasdaq 100 is up 52% in 2023, on track for best year since '09

By [Elena Popina](#) and [Jess Menton](#)
December 15, 2023 at 4:03 PM EST

What Did Wall Street Get Right About Markets This Year? Not Much

U.S. stocks end a topsy-turvy year near records, defying bearish predictions

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Using the 180-Minute Chart: Soybeans

180-Minute Soybeans:
2-point Weis Wave

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Relative Strength/Weakness & Confirmation/Non-Confirmation

5 min
15 min
30 min

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Springs

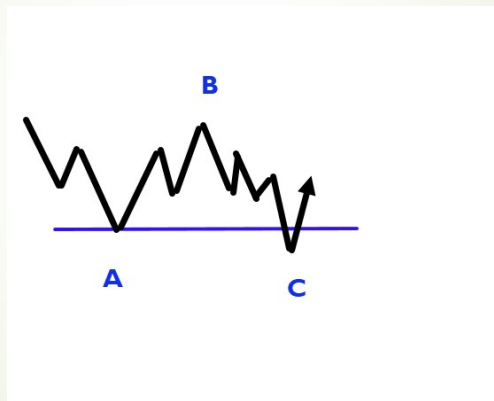
"If you traded only springs and upthrusts, you would do well." David Weis

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Spring



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Sign of Strength, Pullback, Entry

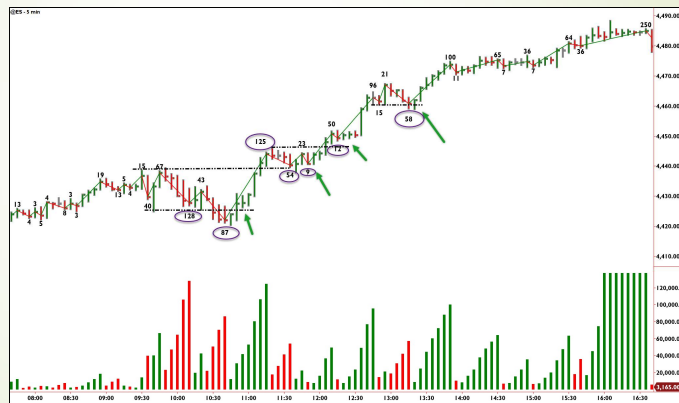


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Springs



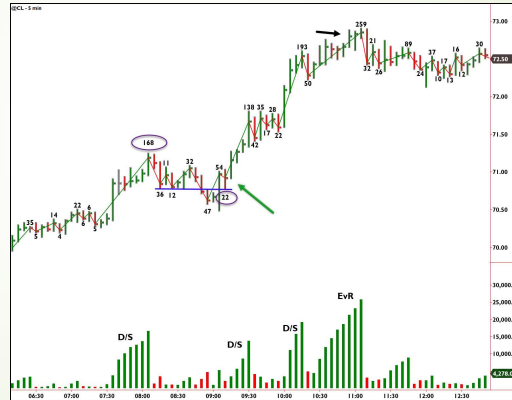
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SOS, Spring, Test, Mark-up

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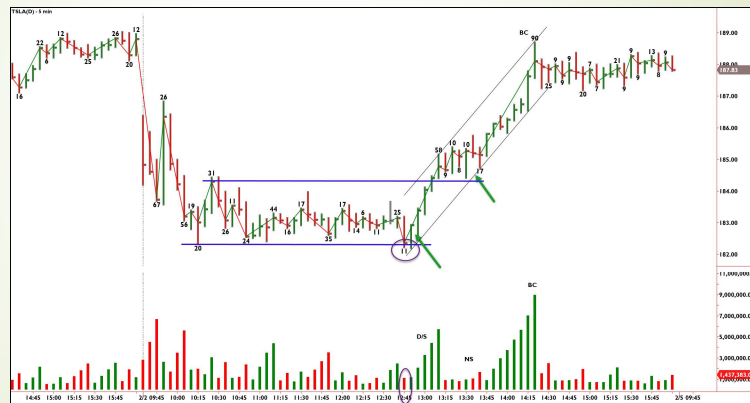
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Down Waves Shorten, Long Sideways Line, Spring and Bullish COB, Test

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Upthrusts

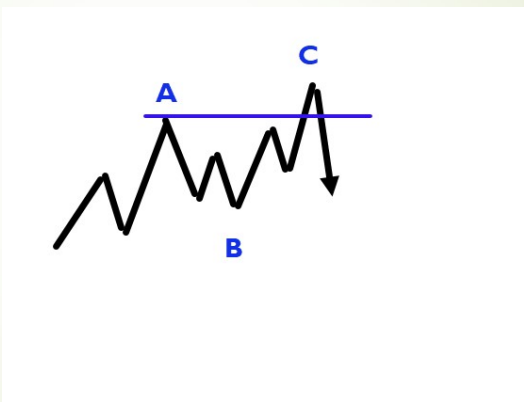
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Upthrust



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EvR, SOT, UT, COB, Tests of Breakdowns

The chart displays price movement from approximately 07:30 to 14:30. The price starts around 17,500, rises to a peak near 17,700, and then declines. Key annotations include:

- EvR** (Entry Rule) at the start of the decline.
- SOT** (Stop of Trend) at the first major peak.
- UT** (Upward Trend) and **COB** (Close of Bar) at subsequent peaks.
- Red arrows indicate price retracements and tests of breakdowns.
- Volume bars at the bottom show trading activity, with a significant volume spike labeled 'SID' around 12:30.

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UT, COB, First Pullback was False, Second Pullback, Test, Another test of Breakdown

The chart displays price movement from 11:30-05 to 13:54:21. The price shows a general downward trend with several pullbacks. Key annotations include:

- UT** (Upward Trend) and **COB** (Close of Bar) at various points.
- Red arrows indicate pullbacks and tests of breakdowns.
- Volume bars at the bottom show trading activity, with a significant volume spike labeled 'SID' around 09:44:38.

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Reversing the Principles for Down & Up Trades

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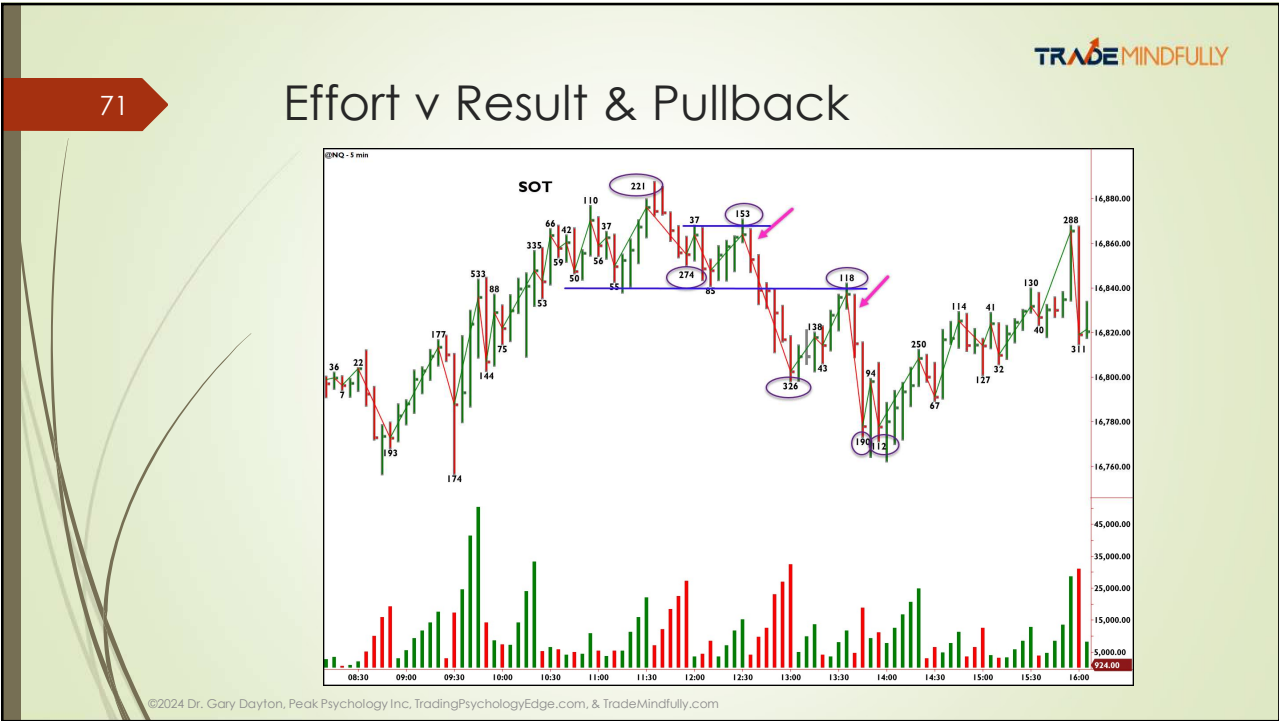
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Effort v Result, Stopping Volume & Climactic Action

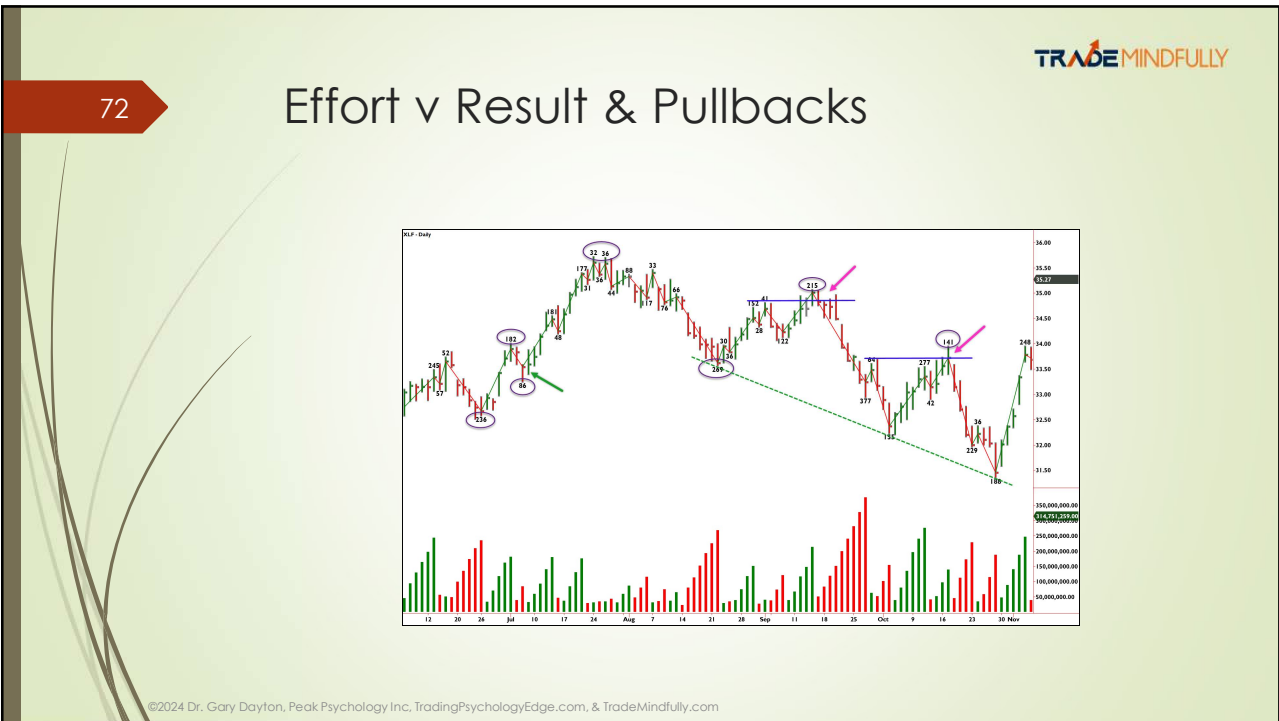
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D/S, Effort Verses Result, Test, COB, Test, SOT

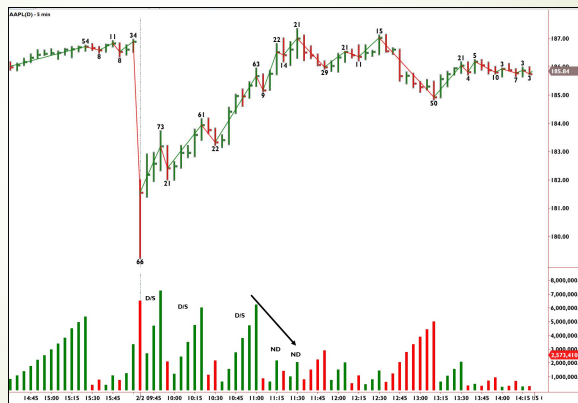


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Stopping Volume



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Stopping Volume

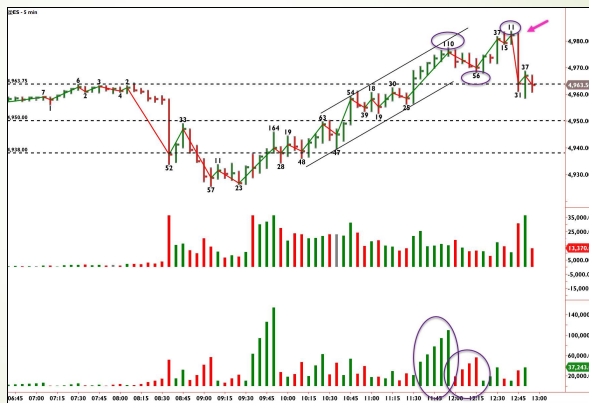


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Buying Climax



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Buying Climax

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The chart displays price movement over time with a volume indicator at the bottom. A blue horizontal line is drawn across the middle of the chart. Several points are circled in blue and labeled with numbers: 4, 12, 18, 20, 22, 24, 26, 28, 30, 32, 34, 36, 38, 40, 42, 44, 46, 48, 50, 52, 54, 56, 58, 60, 62, 64, 66, 68, 70, 72, 74, 76, 78, 80, 82, 84, 86, 88, 90, 92, 94, 96, 98, 100. Green arrows point to specific price levels, and red arrows point to others. The volume bars show a significant increase in volume during the buying climax phase.

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Selling Climax

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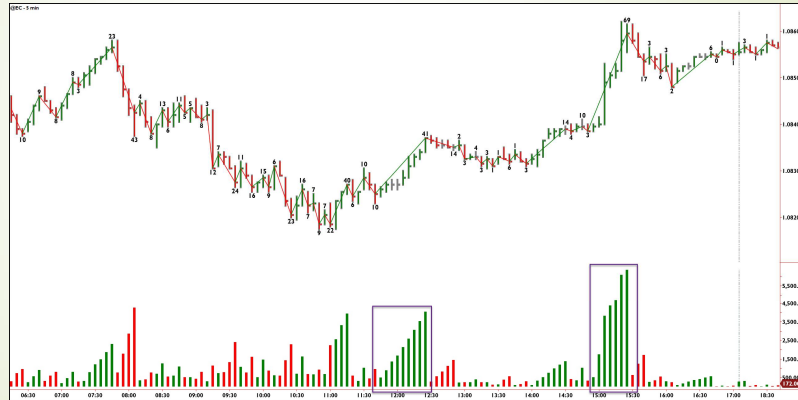
The chart displays price movement over time with a volume indicator at the bottom. A red horizontal line is drawn across the middle of the chart. Several points are circled in red and labeled with numbers: 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100. Green arrows point to specific price levels, and red arrows point to others. The volume bars show a significant increase in volume during the selling climax phase.

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Heavy Volume Starts & Ends a Rally



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David's Currency Plays



- One chart window
- One 500 tick bar chart
- 0.0003 Weis Wave Reversal
- 6 Markets: EC, BP, AD, SF, JY, CD

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Japanese Yen (@JY)

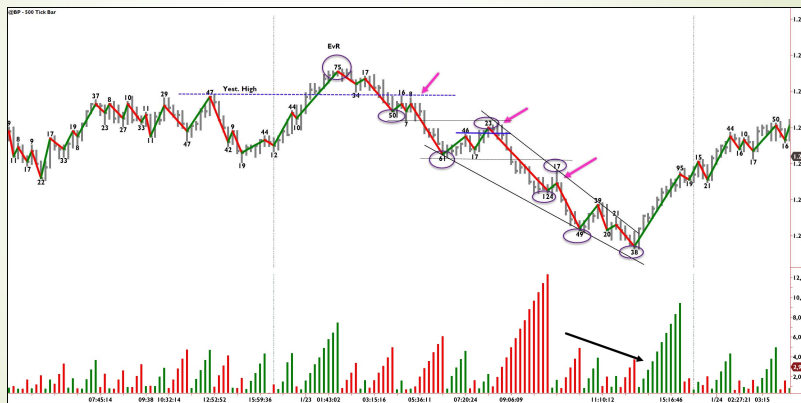


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British Pound (@BP) – 500 Ticks



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Euro Currency (@EC) – 500 Tick

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Be a Tape Reader

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- Have an open, flexible mind
- Be well-grounded in the Wyckoff Method
- Be willing to go with what you see
- Read the Waves:
 - SOT
 - Effort v Result
 - Changes of Behavior
 - Tests of breakdowns and breakouts
 - Tests after S/D or D/S
 - Springs & Upthrusts
- The best setups often occur with more than one principle operating

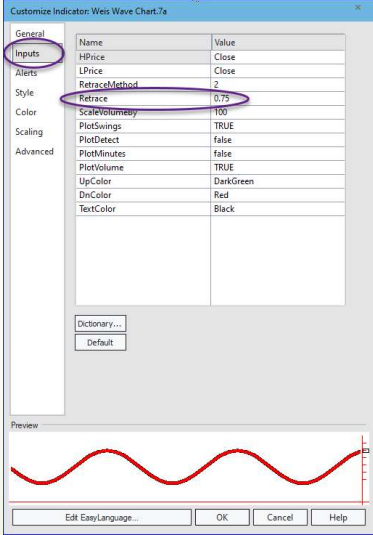
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Weis Wave Retracement Settings



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Weis Wave Retracement Settings: Suggested Starting Points

■ S&Ps	0.75	■ Sugar	0.10
■ Nasdaq	2.0	■ Cocoa	2.0
■ Dow	5.0	■ Coffee	0.25
■ Russell	0.40	■ Currency & FX	0.0003 for all
■ US Bonds	0.09375 (3/32nds)	■ Cotton	0.10
■ 10-Year Notes	0.15625 (5/32nds)	■ Gold	0.5
■ Soybeans	1 cent	■ Silver	5 cents
■ Corn	1 cent	■ Copper	0.0025
■ Wheat	1 cent	■ US Stocks	0.10
		■ Crude Oil	0.30

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➡ Thank You!



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