



The art of trading in a narrow range. Looking back to the December Period 2011 we can see similarities of range trading. Bid-Ask levels getting smaller and smaller means day-traders accept a daily range of 0.022 – 0.029. The volume shown here is only from XETRA (excl. Frankfurt) means the traded volume is higher than indicated here. What of course surprises is the high volume absorbed within small spreads indicating the seller(s) is (are) willing to chase the ask down therefore playing into the hands of buyers who stubbornly absorb this overhang at ever lower levels. From a pure technical point of view not bad – as high volume at the low range means capitulation of weak hands. Whatever – to break to boring range, the stock will have to break-out of this so as one can establish a new range between 0.04- and 0.10. Mostly it happens when everybody has left the party – because traders don't like dull markets. May I wish all a very enjoyable holiday season.