Collective Thinking

If you give it some thought, you will realize that every price bar on a daily price chart is a summary of the collective thinking of every buyer and seller who traded that market on that day.

That summary is then displayed in a single price bar that has an Open, High, Low, and Closing price for that particular trading day. When a series of these daily price bars are put together to form a chart, it makes it possible for us to see price action over a period of time and recognize where the collective thinking has developed into specific patterns.

It is these patterns that produce a message that helps us anticipate what the next price move is likely to be.

I recently wrote about how chart patterns are nothing more than support and resistance levels connected by trend lines. That article was entitled Charting Tidbit: The Relationship Between Formations and Support/Resistance.

To take that message a step further, it's important to know that commodity markets move from support back to resistance, and vice versa. You must also know that these moves usually don't happen overnight. The moves may take days, weeks, or even months!

The entire Greatest Business on Earth™ methodology is based on the formation of support and resistance, which in turn produces patterns – all which represent the collective thinking of buyers and sellers.

I regularly point out developing price patterns in my Chart Book, Weekly Emails, Training Videos and Premium Alert Service™ videos. I encourage you to follow along and learn to recognize support and resistance levels and the patterns they develop. After all, they don't happen by accident; the various US markets have displayed these patterns – and traders have been profiting from them – for over 100 years!