Reading a trading session

The ideas behind the board — what each line means, and how to read distance from it.

This is a primer on market structure, not a strategy. It explains what the board shows you and why those things carry information. It does not tell you what to do about any of it, and it does not explain how the figures are produced — that part stays ours.

1 **Value, not price**
The previous day's average — where the stock actually spent its time.

2 **Levels are memory**
Support and resistance — where the market itself stopped, last time.

3 **A reference to measure from**
The fair-price projection — a moving line, not a verdict.

4 **The last leg**
Yesterday did not end at a random price. It ended with a move.

5 **The auction, and the first tick**
The opening price is agreed, not traded. What follows is different.

6 **What the average buyer paid**
The session average — a running account of the day so far.

HOW TO USE THIS

Take one concept a day. Open a past session, find that one thing on the board and watch only it — then stop the tape before the answer and say what you think happens next. Being wrong on a replay costs nothing, and teaches more than being right.

01

Value, not price

The previous day's average — where the stock actually spent its time.

WHAT IT IS

A session has a high and a low, and both are outliers: prices that one buyer and one seller touched briefly. Between them sits the price the stock kept coming back to. That is where the day's business was actually done, and it carries more information than either extreme.

HOW TO READ IT

Distance from it is the reading. A stock trading well above where it spent yesterday is somewhere it has not recently agreed to be. That is not a reason to act — it is a reason to pay attention, because one of two things has to give.

> **WHAT IT IS NOT**
> It is not a forecast, and it is not a magnet with a timetable. Price can spend an entire session away from it.

02

Levels are memory

Support and resistance — where the market itself stopped, last time.

WHAT IT IS

The board draws two prices from the previous session: one where selling stopped, one where buying stopped. They are calculated from what the market did, not drawn by eye and not chosen to fit a story. Every trader looking at that session saw the same two moments.

HOW TO READ IT

Watch what happens when price arrives. Arriving is not the event — the event is whether it stops there again, or goes through as if the level were not there. Both outcomes tell you something, and you only learn which by watching it happen.

> **WHAT IT IS NOT**
> They are not walls, and they do not hold. A level is a place where a decision was made once. It is a question, not an answer.

03

A reference to measure from

The fair-price projection — a moving line, not a verdict.

WHAT IT IS

Some reference is needed to say whether a move is large or small, because 'large' means nothing on its own. The board carries a projected reference price that moves as the session moves, so distance can be measured against something that is itself current.

HOW TO READ IT

You are not looking for the line to be right. You are learning what stretched looks like on this particular stock — because two percent away from the line means something different on a large cap than on a small one, and the only way to know is to have watched that stock do it.

> **WHAT IT IS NOT**
> It is not a target and not a valuation. It does not say what the stock is worth; it gives you a ruler.

04

The last leg

Yesterday did not end at a random price. It ended with a move.

WHAT IT IS

Most charts hand you a closing price and stop there. But the close is the end of a sentence, and the sentence is the last sustained move of the session — where it began, how far it ran, and where it gave out. That leg is the most recent decision the market made.

HOW TO READ IT

Everything above it on the chart is older information. When the next session opens, it opens into that sentence: continuing it, or contradicting it. Reading which is happening is most of what the first hour is for.

> **WHAT IT IS NOT**
> It is not a trend, and its direction is not a prediction. A leg that ran hard into the close is as often exhaustion as intent.

05

The auction, and the first tick

The opening price is agreed, not traded. What follows is different.

WHAT IT IS

Before the bell, orders collect and the exchange settles on one price that clears the most volume. Nobody has traded yet — that price is a negotiated result. Then the market opens and the first real transactions happen at whatever price someone will actually pay.

HOW TO READ IT

The distance between the auction price and where the tape goes in its first minute is the day's first piece of genuine information: the difference between what everyone agreed to overnight and what someone was willing to do about it in daylight.

> **WHAT IT IS NOT**
> A gap between them is not a direction. It is a disagreement, and disagreements resolve in both directions.

06

What the average buyer paid

The session average — a running account of the day so far.

WHAT IT IS

As a session unfolds, every trade adds to a running average price weighted by how much changed hands. It answers one plain question: what has the typical participant in this stock actually paid today?

HOW TO READ IT

Price above it means the average holder from today is in profit; below it, they are not. That changes how people behave — which is why the line matters even to someone who does not use it.

> **WHAT IT IS NOT**
> It is not support, and it is not a signal. It is an accounting fact about the session that happens to influence the session.