



CC Market Map

The CC Market Map uses a sideways histogram, overlaid onto the price data, to graphically represent volume accumulating at price. It updates dynamically at the end of each bar and is color coded to identify the following areas:

- Red : A developed area on the market map will have red lines designating that it is an area where there are many market participants willing to transact. This area of red lines grouped together is known as the “value area” and it contains 70% of the volume transacted in that particular developed section (Price Map) within the overall Market Map.
- Yellow: Each Price Map will also contain one yellow line inside the value area. This line is the “Point of Control” (POC) – the price where the most executions have occurred.
- Purple: A group of purple lines represents an area where there are less people willing to transact and is referred to as being “outside of value.”
- Blue: Areas on the Market Map represented only by blue lines designate where there is no interest on the part of commercial or institutional money (the “professionals”) to transact. These areas are commonly referred to as “runaway gaps” or “rejection tails.”

The CC Market Map can be used with any time frame displayed on a chart and can be customized according to how many bars of data you want displayed in the Market Map. In order to do this, simply select which bar you would like the Market Map to start with (0 would be the developing bar, 1 the bar preceding that, 2 the bar preceding that, etc.) and end with, then enter these numbers next to “Bar1” and “Bar2” in the indicator setup menu. You can either have the map display right to left (enter the value for your starting bar next to “Bar1” and ending bar next to “Bar2”) or left to right (starting bar next to “Bar2” and ending bar next to “Bar1”). The indicator setup menu also provides you the option to change the actual number of horizontal lines plotted to makeup the Market Map. If the Market Map encompasses a large trading range, you might want to increase the value next to “NumBins” to better fill

out the Market Map. Alternatively, if the trading range is narrower, it might be hard to see each line making up the Market Map so you will want to decrease the “NumBins” value.

One of the great advantages provided by the CC Market Map is the ability to plot multiple Market Maps on one chart. Multiple maps provide traders with key insights into the developing market by displaying the confluence of areas of institutional interest. Therefore, the use of multiple maps allows a trader to anticipate where commercial interest is likely to cause the market to slow down and move sideways and where the market is likely to move rapidly through price in a trending manner due to lack of institutional support/resistance.

As an example for creating multiple CC Market Maps, let’s say you wanted to have one Market Map for the last 50 days of trading including the current day and a second Market Map for the 50 trading days directly preceding the first Market Map – both maps plotted left to right. You would plot two CC Market Maps on a daily chart with the following settings:

Market Map 1: Bar1 = 49; Bar2 = 0; NumBins = 100 (this can be whatever you prefer)

Market Map 2: Bar1 = 99; Bar2 = 50; NumBins = 100

When trading, the CC Market Map provides valuable information as to areas of commercial interest and we can adapt our trading strategies to take advantage of this information. The following general trading guidelines should help you to effectively use the Market Map as part of your overall trading method:

- When price is in balance (i.e. inside the red value area), we look to trade the range of the value area – place entry orders just inside the top or bottom edge of the value area and look for an exit around the Point of Control or the opposite edge of the value area. We do not look for breakout trade entries.
 - One exception where we might look for a breakout trade from the value area occurs when the price map has not fully developed for the current area – we have a red value area, but have yet to develop a purple or blue area on one side. We anticipate price at least exploring this area (to complete the price map) and potentially trading straight through to another area of value.
 - We might also consider trading the range when price has runaway gapped into a new area on the Market Map and volume accumulates enough to begin forming purple bars. In this case, we might begin to look for trades within the purple range in anticipation of the price map fully developing this section into a red value area.
- When price does breakout of a value area, that value area then becomes support or resistance.
 - On positions held through the breakout, we would move our stops just inside the breakout edge of the value area to guarantee a profitable trade.
 - An entry with a resting order just in front of the value area would be looked for on a price retest of the support or resistance provided by the value area.

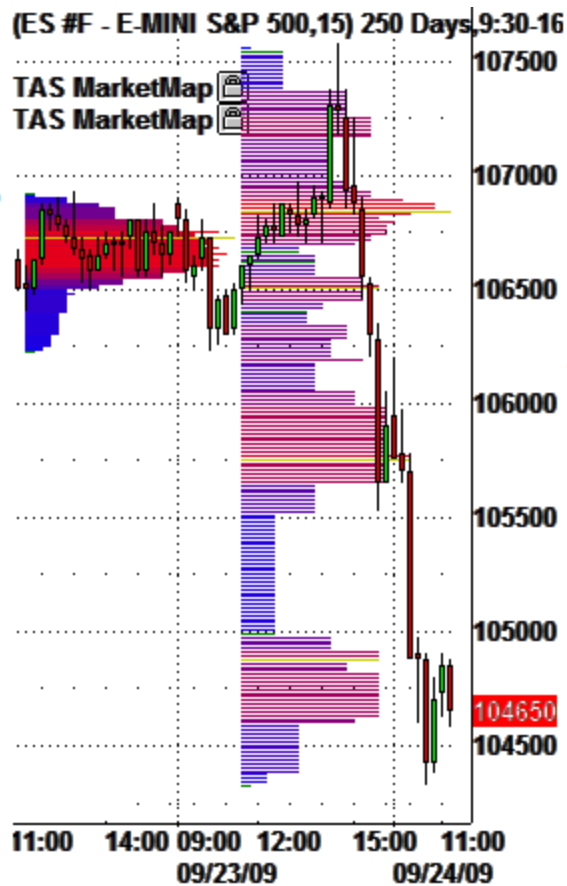
Single Distribution
Market Map with value
area from 1065.50 to
1068 and POC at
1067.25.



Note at the session open (highlighted area), how price tested the POC trading as high as the top of the value area, before being rejected. After price was unable to close above the POC, it quickly moved lower through the bottom of the value area.

- In the case of a Market Map that develops “multiple distribution” areas (i.e. multiple developed price maps within Market Map), we anticipate a trending move with price continuing in the direction the price maps are forming in relation to one another.

Previous Single Distribution Market Map provides a value area with a tight range. These conditions often precede a strong trending move.



Originally, price broke above the well-established value area, but could not find the commercial interest to develop a new value area to the upside.

Afterwards, price traded strongly down below the previous value area and established a Multiple Distribution Market Map to the downside further indicating market weakness.

Commercials continued to sell developing lower value areas.

Risk Disclosure: There is a risk of loss in trading futures contracts and commodity options. This risk can be substantial and therefore investors should carefully consider their financial suitability prior to trading. Investors must fully understand the risks involved and must assume the responsibility for the results. Past performance is not necessarily indicative of future performance. In no event should the content of this website be construed as an express or implied promise, guarantee or implication by or from, Candid Commodities or its affiliates, that you will profit or that losses can or will be limited in any manner whatsoever. Information provided in this document and on the website is intended solely for informative purposes and is obtained from sources believed to be reliable. Information is in no way guaranteed and is provided as a courtesy only. There are no refunds on paid subscriptions and Members are solely responsible for cancelling recurring subscriptions a minimum of 3 days prior to the renewal billing date as outlined in the full Terms of Use on the website.

Copyright © 2011 Candid Commodities LLC, All Rights Reserved | [Privacy Policy](#) | [Terms of Use](#)

Do you have questions? Contact Member Services at 1.312.985.7920 or via email at support@candidcommodities.com