SUPPORT & RESISTANCE: MEMORY, NOT MAGIC

Vajgrt Labs - Education - Lesson 24 of 72 - 6 min read - Updated Oct 21, 2026

TL;DR

- Support is a zone where buyers have repeatedly shown up before; resistance is a zone where sellers have. They exist because traders remember prior turning points and stack orders there - a convention that partly fulfils itself, not a law of physics.

- SPY's live map, October 2026: a resistance shelf at 779-782 (six approaches in eight sessions, exactly one close at or above 779 in the whole trailing year) and a support shelf at 766-767 - which held three times in September, then failed for four sessions.

- A level is a zone, judged on a basis you choose in advance (intraday prints or closes). Oct 15 pierced 766 intraday to 764.44 and recovered the same morning. Levels break - that is in the definition, and the trap box shows the bill.

THE TAKEAWAYS

- Why levels work at all - three honest reasons, none of them magic: memory (everyone sees the same prior highs and lows), orders (limit orders, stops and option strikes cluster at round numbers and prior extremes, which is literally how the SPY Sheet's walls form in Stage 5-6 territory), and regret (buyers who missed the last bounce at a level queue up for the next one). All three are human behaviour, which is why levels are probabilities with good attendance records - not guarantees.

- The resistance shelf, counted honestly: price reached 779-782 on Aug 13 (high 779.37), then in October on the 6th (781.62 - the highest high of the trailing twelve months), 7th (779.10), 9th (779.42) and 12th (779.40), with the 8th (777.09) and 13th (778.75) stopping just short. Six October approaches in eight sessions. Closes above 779: one, ever, in the year - 779.09 on Oct 6, also the year's highest close. Sellers have defended this shelf every single time so far.

- The support shelf, with its failure printed in the same ink: lows of 766.03 (Sep 21), 766.50 (Sep 23) and 766.29 (Sep 25) - three holds. Then Sep 28-Oct 1 it broke: lows of 763.72, 762.35, 762.18 and 758.79, closes between 762.63 and 765.61. Price reclaimed the shelf on Oct 2 (close 769.64) and hasn't closed below 769.60 since; Oct 14's washout stopped at 766.71, and Oct 15 pierced to 764.44 intraday before recovering the same morning.

- Zones, not lines, and a basis chosen in advance: the shelf is 766-767, not 766.29 exactly - order clusters are fuzzy, so levels are bands. And decide before the test whether your level is judged on intraday prints or on closes. By intraday prints, the shelf 'failed' twice more (Oct 14 held, Oct 15 pierced); by closes, it has held since Oct 2. Both statements are true; switching basis mid-trade to suit your position is how levels become astrology.

RULE: Draw levels as zones at places price actually turned, count the tests out loud, and write the failure plan before the test comes. A level with no plan for its breaking is not analysis - it's a hope with a line under it.

COMMON MISTAKES

- Drawing lines where price never turned - mid-air levels copied from someone else's chart, a video, or a hope. If it didn't turn there, it isn't a shelf.

- Drawing a line instead of a zone, then calling a 40-cent overshoot a ’break’ (or a ’save’). Order clusters are fuzzy; so are their edges.

- Switching basis mid-trade - intraday when it suits you, closes when it doesn’t. Choose the basis when you draw the level; the market will test both your shelf and your honesty.

- Counting only the holds. The 766 shelf’s record is three holds, one four-session failure, one reclaim, one pierce - quote the whole record or don’t quote it.

DO IT - DRAW THE MAP BEFORE TOMORROW

On SPY’s daily chart, draw the two shelves from this lesson as zones (779-782 and 766-767), then add the next level each way that price has actually turned at - find them yourself from the bars. In your journal, write each level’s test count and its full record (holds AND breaks), your judging basis, and one sentence: what a close beyond each shelf would make you conclude. Date it. Lesson 6 compares this hand-drawn map with the SPY Sheet’s machine-drawn one.

Education only - not financial advice. Chart figures: SPY daily and 5-minute bars via Yahoo Finance, checked Oct 15, 2026, cross-verified against the SPY Sheet (Oct 14, 2026 close 769.60). Level snapshot: the SPY Sheet’s own, Oct 15, 2026, 1:54pm CT. Vajgrt Labs - Education.