

# Dynamic Trader Daily Report

Comprehensive Analysis and Education For the Serious Trader and Investor

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The analysis and trading strategies described in this report are for educational purposes only. The commentary in this report may or may not relate to a specific trade recommendation made in the Dynamic Trader Report. The weekday issues of the Dynamic Trader Report are prepared by Stephen Griffiths and are primarily for trading education purposes with alerts for potential trade set-ups for markets described in the Saturday issue prepared by Robert Miner.

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## Today's Lesson

Putting it all together, when **Price**, **Time** and **Pattern** coincide – *change is inevitable*.

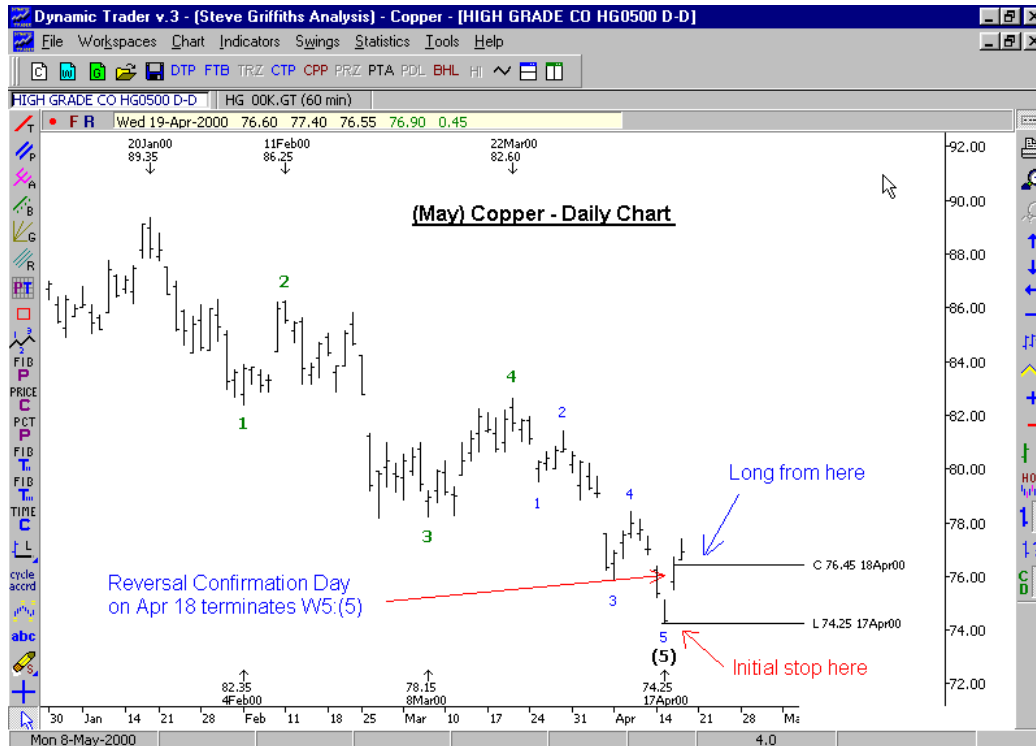
For my first example, I would like to have another look at (May) Copper. We saw earlier in the week that the **Pattern** was unfolding in a five Wave sequence into the low of Apr 17 *on two different degrees* of swing: a lesser degree five wave decline off the Mar 22 high and a larger degree five wave decline off the Jan 20 high. Therefore from both these degrees of swing the pattern was suggesting that the current trend was nearing a termination.

From the Saturday Apr 15 report, Copper was also approaching the 75.70-74.20 ideal **Price** target for the termination of both the lesser degree wave 5 and the larger degree wave 5. Therefore, again *on both these degrees* of swing, the current trend was nearing a termination.

In yesterday's report, we saw how the initial broad **Time** target of Apr 11-19 for the larger degree wave 5 to terminate had been narrowed down to two relatively narrow time targets for the termination of the lesser degree wave 5 off the Mar 22 high.

Therefore on Apr 14 and Apr 17 (Friday and Monday), Copper was in a position where **Price**, **Time** and **Pattern** were all suggesting that the current trend *on two different degrees* was in a position to terminate.

All that is required now is for the *market itself* to provide an entry trigger for us to enter a new long position. This is the easy part, as trade entry triggers and the corresponding protective stop loss are completely automatic *once* a market has entered the Price, Time and Pattern for a potential trend termination. In this example, Copper made a Reversal Confirmation Day on Apr 18 (a reversal confirmation day is a day where the current day's close is above the open and above the prior day's close – for a buy set-up). See the Dynamic Trading book for more detail on entry triggers and stop loss positioning.



In this example, using the termination of *two different degrees* of swing enabled us to narrow down the Price, Time and Pattern targets for the termination of a trend that has lasted almost three months to only one or two days, and a decline of 15 points to only a 1.5 point range.

Now I would like to move onto the current example on Soybeans, where again over this week's tutorials we have seen how the *initial* broad Price and Time targets for the termination of the Wave 2 or B correction were narrowed down by using the *lesser degree* Wave C swing.

All that is required now is for the market itself to provide an entry trigger once Price, Time and Pattern have coincided for the potential termination of the lesser degree Wave C and hence also the entire *larger degree* Wave 2 or B correction.

On the chart on the next page, we can see that this Wave C and hence the entire Wave 2 or B correction terminated with an outside Reversal day. Again, for more information on trend reversal entry triggers and their corresponding stop loss position, see the Dynamic Trading book, chapter 6.



Lastly, a reminder that all the American markets are closed tomorrow. So may I wish you all a happy Easter.

### Lessons Learned

Using the *lesser degree* Price, Time and Pattern analysis enables us to confirm and narrow down *initial* larger degree Price and Time targets. When the *lesser degree* pattern terminates it also signals the termination of the *larger degree* trend.

Good Trading,

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There will be no market updates in this tutorial, as this Saturday's report will cover the analysis and potential trade set-ups for Monday.