

# Dynamic Trader Daily Report

Comprehensive Analysis and Education For the Serious Trader and Investor

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**Dynamic Traders Group, Inc.**  
DynamicTraders.com  
dt@dynamictraders.com  
520-797-3668

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Prepared by: Stephen Griffiths  
Steve@dynamictraders.com

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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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## Trend Continuation Trade Entry Strategies – Part 4

Today I would like to wrap up this week's theme of trend continuation trade entry strategies that allow you to enter a low risk trade *once a new trend is already underway* by looking *inside* some of these Daily trade set-ups.

### The Minor Pattern within trend continuation set-ups

All this week I have been looking at Daily trend continuation set-ups that allow us to enter the market on the continuation of the main trend after a minor pullback or pause in the market. If we now think back to the tutorials on corrections, we know that most corrections take the form of a simple ABC. So one way to gain more confidence in the Daily continuation set-up is to look inside the Daily set-up with an intraday chart.

I am not saying that this is a necessary step for taking the trade, but with these training tutorials I want to both teach all our techniques in their basic form and then show more in-depth ways to apply them.

Let's come back to the second inside and outside day entry on Jan 26-27 in the S&P to demonstrate what I mean. We have already seen that an outside day following directly after an inside day is a very strong sign of a minor correction terminating, and thus a very good trend continuation entry. Now let's look inside this combination with a 15min Chart:

Inside and Outside day on Jan 26-27



15min Chart of the same period



Here we can see the minor ABC correction forming on the 15min Chart as the outside day on Jan 27 followed the inside day on Jan 26.

Again I stress that you do not need intraday data to be able to take these trend continuation set-ups, but for those of us with access to shorter-term charts I am demonstrating a way to gain more confidence when taking a Daily trade set-up like this.

I also hope you are starting to see how to combine different analysis techniques to come up with a single trade entry strategy. I believe this is the holistic approach that W.D. Gann refers to in his famous phrase "Use all the tools, all of the time". Here we have a trade entry using an outside day continuation set-up on a Daily Chart, which is also the termination of a minor ABC correction on the shorter time frame:



Here we can see the Wave C terminated at perfect **Price, Time and Pattern** coincidence:

- **Pattern:** simple ABC
- **Price:** 61.8% Alternate Price Projection Wave A plus 127% External Retracement Wave B
- **Time:** 100% Time Retracement of the last swing (Wave 3) plus 100% Alternate Time Projection (ATP) of Wave 2.

This high terminated within a 5-point price range and 1¼ hour time range both of which were projected the day before!

Again I wish to stress that the inside-day, outside-day and Gann Pullback trend continuation set-ups only need Daily Charts to recognise the set-ups and trigger the trades. But today, I wanted to demonstrate that sometimes these daily continuation set-ups may also subdivide on a smaller time frame into trend termination set-ups in their own right.

When two different approaches to analysis using different techniques and on different time frames both coincide to give you the same result, it enables you to have more confidence in taking the trade.

## Today's Trading Lessons

1. Daily trend continuation set-ups are set-up and triggered on Daily Charts.
2. But sometimes intraday analysis can be combined with the Daily Charts to gain more confidence in the Daily set-up

**Continued on next page.**

## Potential Trade Set-ups and Trade Follow-ups

### **(March) Pound**

#### Short Term Unit (S-1/25, 164.42)

No Change from Saturday's report:

1. Protective buy-stop on the short-term unit is 1 tick above the prior day's high at 160.46 for tomorrow.
2. If No.1 is not elected, exit the short-term unit on a close *if* the close is above the current day's open and the prior day's close.

#### Intermediate Term Unit (S-1/25, 164.42)

Lower the protective buy-stop on the Intermediate-term unit to 163.36, 1 tick above the 61.8% retracement.

### **(June) Live Cattle**

#### Short and Intermediate Term Unit (L-1/31, 69.60)

1. Raise the protective sell-stop on the short-term unit to 69.35, 1 tick below the last minor low.
2. The protective Sell stop on the intermediate-term unit remains at 69.15 for tomorrow, 1 tick below the 78.6% retracement.

**(March) Feeder Cattle** Although not a specific trading recommendation, Feeder Cattle made an *inside day*, and the Dynamic Trend filter is up, hence Traders may consider a Long position on the break of Wednesday's high as a *trend continuation* set-up. See chart on the next page.

**(March) S&P** Although not a specific trading recommendation, the S&P has made a *Gann Pullback* today. The current **Pattern** would suggest that *if* the market were now in a Wave (3) down off the Jan 14 high then the low of Jan 31 would be considered a minor Wave 1 of (3). Hence *if* this rally were corrective it would be considered a minor 2 of (3).

This correction has met the typical **Price** retracement for a Wave 2 of 61.8%, hence Traders may consider a Short trade on the break of yesterday's low for a *Gann Pullback* trade.

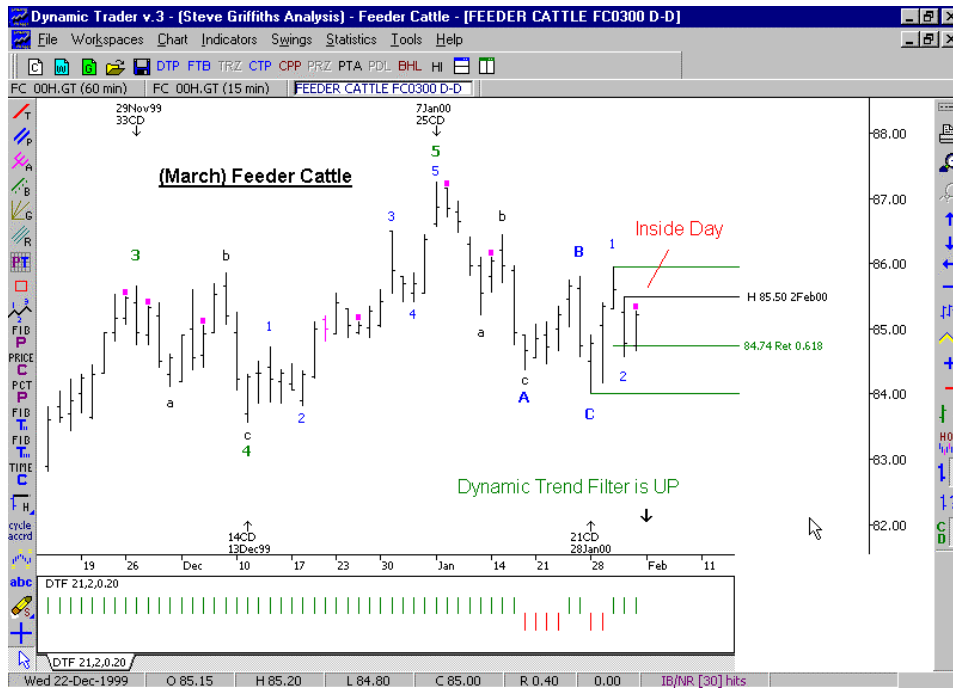
See Chart on next page.

Good Trading,

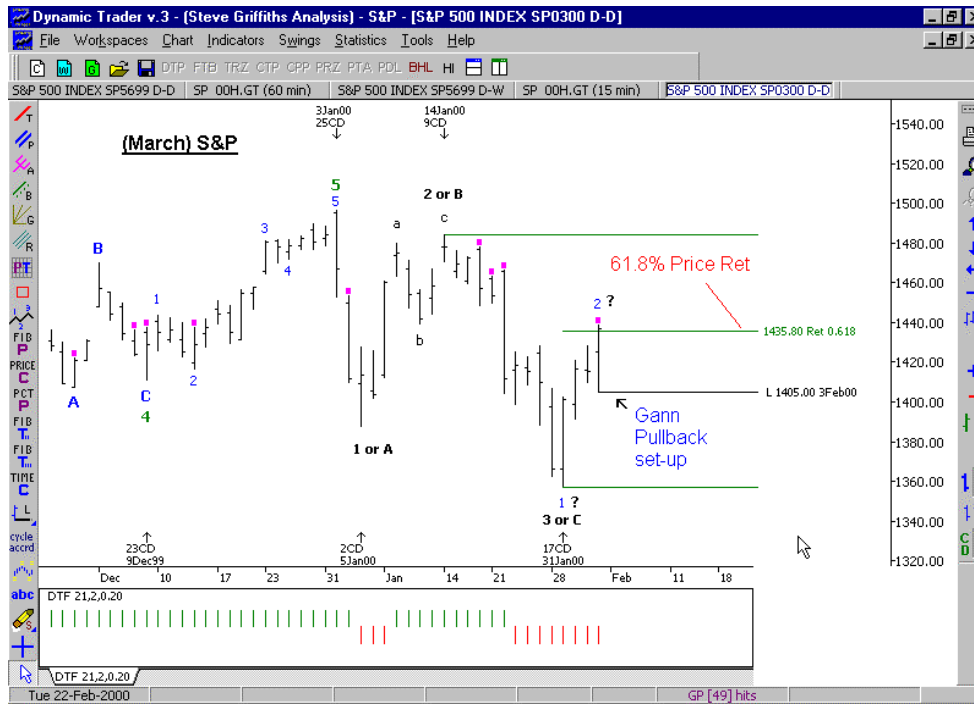
Steve

[Steve@dynamictraders.com](mailto:Steve@dynamictraders.com)

### Feeder Cattle Chart



### S&P Chart



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