

# 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.

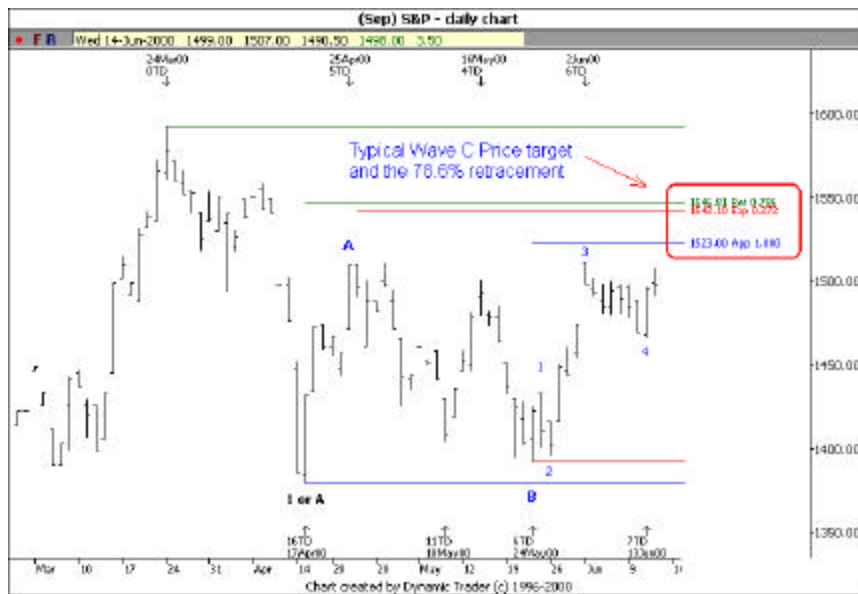
## More Simple Analysis Procedure

Continuing with the practical application of Price, Time and Pattern analysis, today I would like to look at how to incorporate two different degrees of swing to see how price targets cluster together in the same area.

## Today's Lesson

How to project high-probability price targets for two degrees of change. How to decide which of the many Wave 5 price projections to include in an End-of-Wave 5 price target. How to use the subdivisions or lesser-degree Wave 5 price target to narrow the price range of the larger-degree Wave C price target.

### S&P Daily (Sept.): Wave-C Price Target



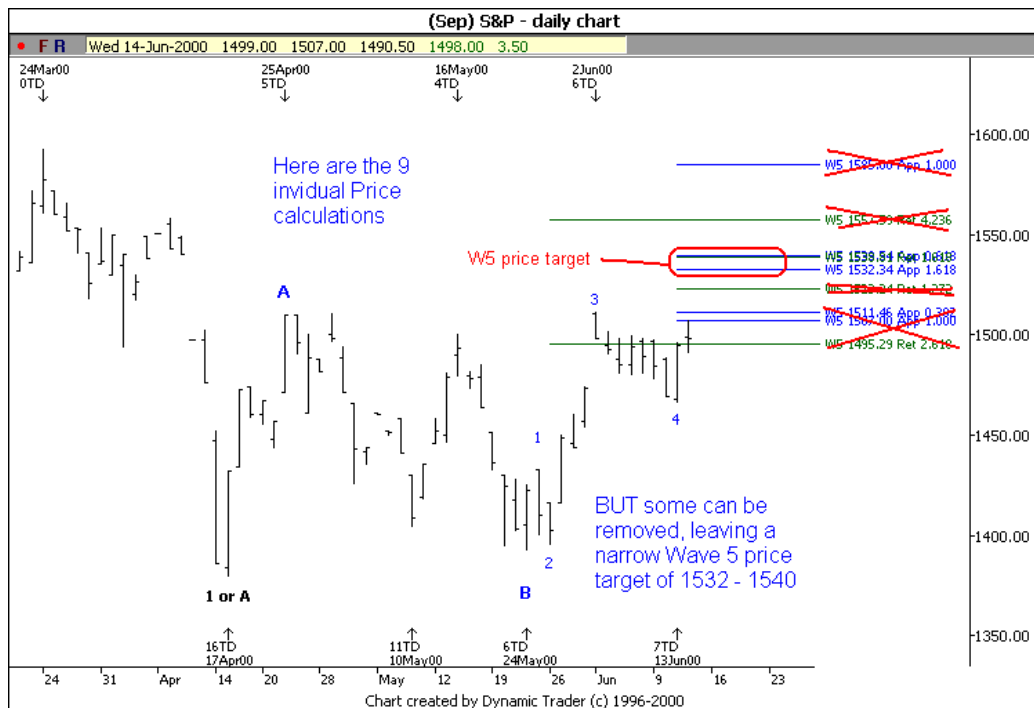
The *typical* price target for a Wave C falls in the same area as the 78.6% price retracement of the Mar 24 to Apr 17 decline at 1523 – 1547.

The typical price target for a Wave C consists of:

- Wave C = 100% alternate price projection Wave A, and
- Wave C = 127% external price retracement Wave B

A Wave C typically sub-divides into a lesser-degree five-wave sequence. The Wave-5 of C price target may be used to reinforce and narrow down the larger degree Wave C price target of 1523 – 1547.

### End-of-Wave-5 Price Projections



In the chart above, I have included all nine individual Wave 5 price projections. At first sight this may seem confusing, but we can now remove some of the irrelevant ones.

Firstly, the lower three calculations may be removed as they fall below the Wave 3 high. Secondly, the 127% external price retracement of Wave 4 may be removed at 1523.24, as the second Wave 4 external price retracement of 162% at 1538.81 falls closer to two other price relationships. In fact, it overlaps with the other projections making it hard to read on the chart. Lastly, the two higher relationships may also be removed, as they are not part of a cluster. They are “outliers.”

When deciding which price calculations to remove and which are important, we are looking for individual price calculations from different swings that *cluster together in a relatively tight range*.

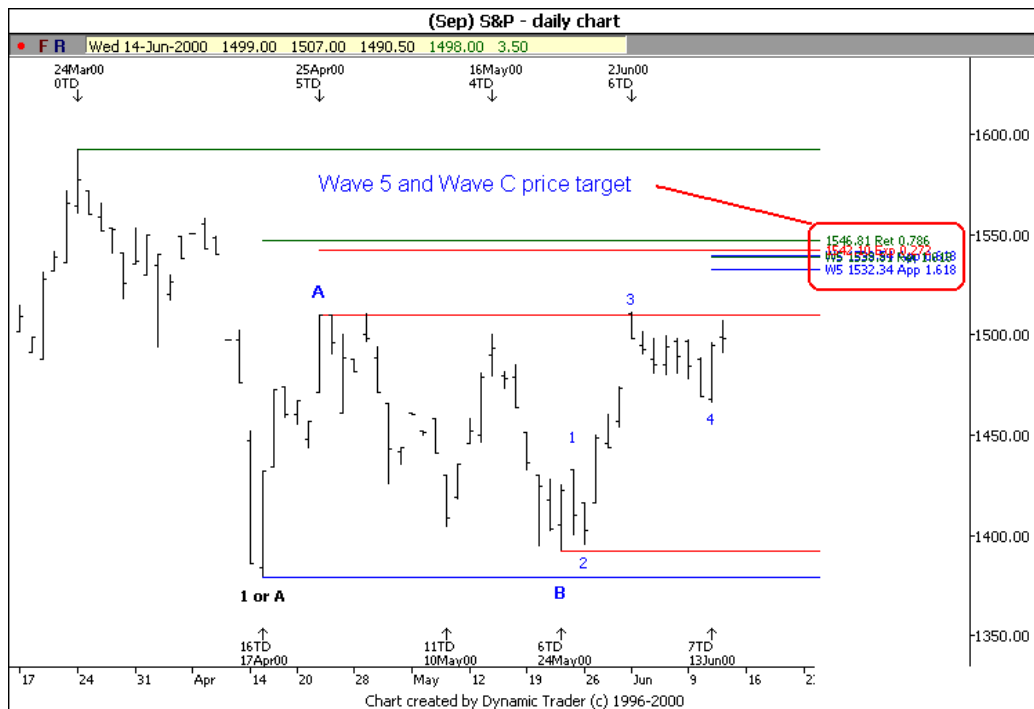
This then leaves a narrow Wave 5 or C price target of 1532 – 1540, which consists of:

- Wave 5 = 62% alternate price projection Waves 1-3
- Wave 5 = 162% external price retracement Wave 4
- Wave 5 = 162% alternate price projection Wave 1

These three individual price calculations from three different swings cluster together in a relatively tight price range of 1532 – 1540.

This target falls in the same area as the original 1523 – 1547 price target for the completion of the Wave C off the May 24 low.

The Wave-C price target of 1523–1547 is now reinforced and narrowed down to 1532–1547 by the inclusion of the lesser degree Wave 5 of C projections.



This relatively narrow price cluster has the highest probability of terminating the entire rally from the May 24 low, and the entire Wave 2 or B correction since the Apr 17 low.

This a very important price target because if the anticipated high turns out to be a Wave 2 or B high we should then anticipate at least a 200 point fall from this area (minimum Wave C price target), or a close above 1547 would signal a continued rally to new highs. Either way, a major decision is likely to be made if the S&P reaches the 1532–1547 price target.

Good Trading,  
Steve

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**Continued on next page.**

## Specific Trade Recommendations Summary For June 15

This table only includes those markets with outstanding trades and new specific trade recommendations.

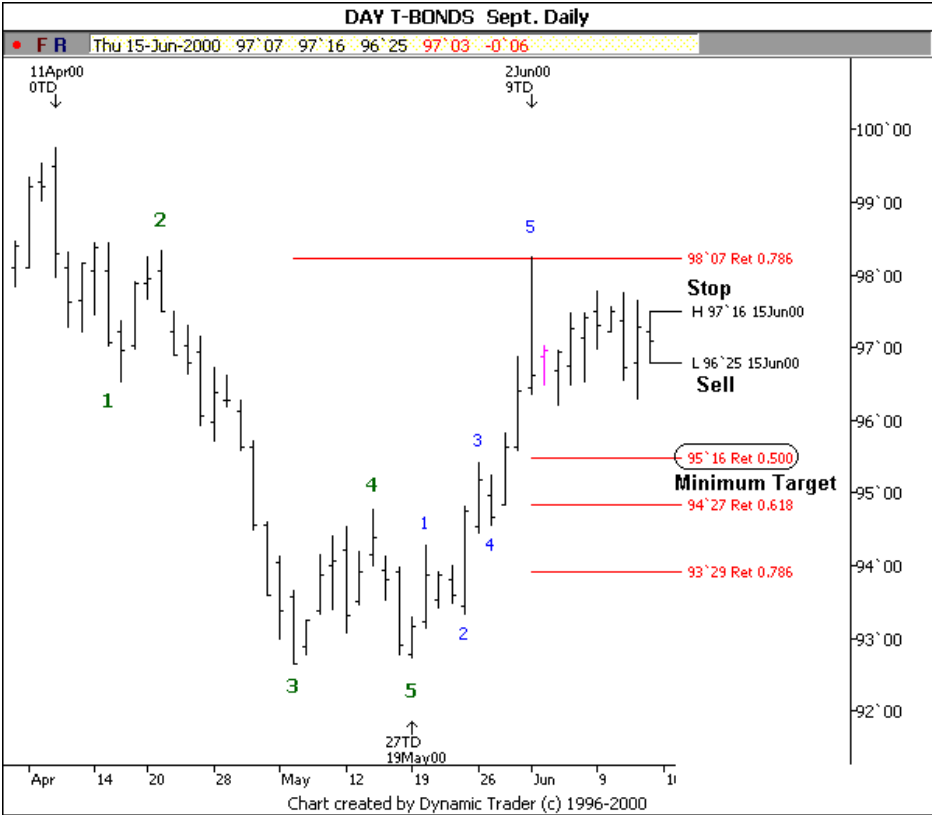
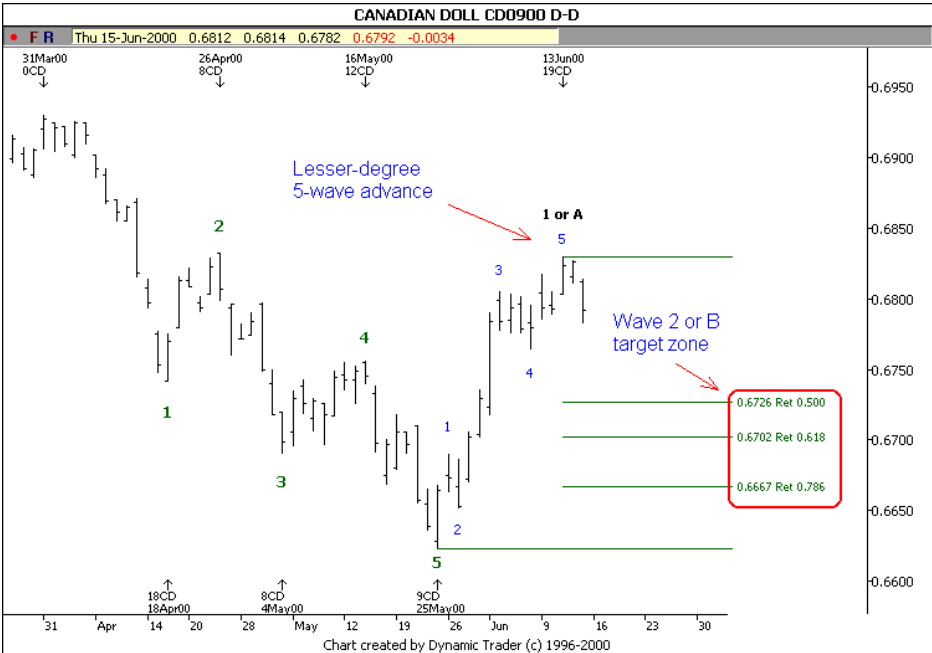
<b>Market</b>	<b>New Trade Recommendations or Stop-Loss For Existing Positions</b>
<p><b>S&amp;P (Sep)</b> <u>L-6/13, 1494.25</u></p>	<p><b>Analysis on the full S&amp;P – trade execution on the E-mini.</b> Today the S&amp;P moved sideways. The lesser-degree Wave 5 price target falls in line with the larger degree Wave C broad price target at <u>1523-1547</u>. <u>ST&amp;IT Units</u>: Adjust the protective sell-stop to 1486.0. If the Sept. S&amp;P (Emini) trades above 1507.0, trail the protective sell-stop on the ST position one tick below the 1DL and adjust the protective sell-stop on the IT unit to 1494.00.</p>
<p><b>Dollar Index (Sep)</b> <u>L-6/12, 106.68</u></p>	<p>Wave-5 low complete on Thursday at 78.6% retracement. <u>ST and IT Units</u>: Adjust the protective sell-stop to 106.11 for both units.</p>
<p><b>AD (Sep)</b> <u>L-6/12, 0.5908</u></p>	<p>Today the AD made an inside day. <u>ST Unit</u>: Trail the protective sell-stop one tick below the 1 DL, 0.5994 for tomorrow. <u>IT Units</u>: Maintain the protective sell-stop at 0.5908.</p>
<p><b>Gold (Aug)</b> <u>L-6/2, 278.1</u></p>	<p>Today gold completed a double inside-day. A sharp breakaway is probable tomorrow. <u>IT Unit</u>: Adjust the protective sell-stop at 286.7, one tick below the June 13 low.</p>
<p><b>Cotton (July)</b> <u>L-6/15, 58.05</u></p>	<p>The go-long buy-stop at 58.05 was elected on today's wide-range outside-continuation day. <u>ST&amp;IT Units</u>: Raise the protective sell stop to 56.70, just below the low of today's outside continuation day.</p>
<p><b>Bonds (Sept.)</b> <u>New Rec</u></p>	<p>The assumption remains that June 2 completed a W.5 high and bonds should make a correction to the 50% retracement at 95.16 or lower. Today made an inside-day which provides a potential set-up to go short. The recommendation below is not the typical inside-day trade-entry strategy but is a high probability set-up with acceptable capital exposure. See chart below. <u>ST&amp;IT Units</u> Sell on a 96.24 stop and place the initial protective buy-stop at 97.17.</p>

### Summary of Open Trade Positions as of June 15

Market	Month	L / S	Unit	Opened	Price	Closed	Price	# Ctr	P/L	O/ C
Gold	Aug	L	IT	6/2	278.1	-	292.1	1	\$1400	O
Dollar Index	June	L	ST&IT	6/6	106.73	6/12	107.03	2	\$600	C
Dollar Index	Sep	L	ST&IT	6/12	106.68	-	106.54	2	(\$280)	O
Wheat	July	L	ST&IT	6/6	266.4	6/14	262	2	(\$440)	C
AD	Sep	L	ST&IT	6/12	.5908	-	.6041	2	\$2660	O
S&P	Sep	L	ST&IT	6/13	1494.25	-	1498.0	2	\$350	O
Bonds	Sep	S	ST&IT	6/13	96.30	6/14	97.19	2	(\$1312)	C
Cotton	Jul	L	ST&IT	6/15	58.05	-	57.90	2	(\$150)	O

### Other Markets of Interest Summary For June 15

Market	Other Markets of Interest
DJIA	June 3-8 is a strong time cluster with potential to complete an ABCDE correction. The breakout direction from the recent narrow trading range should define the direction of the main trend.
Nasdaq 100	Minor abc W.4 low appears complete at the Jun 13 low. Ideal target for W.5 is 3954-4003.
ECU	Trades inversely to the dollar index. Made a W.5 high on June 8. Should retrace 50% to .9284.
Copper	The assumption is a corrective low was complete on June 7 and copper should advance to at least the 50% retracement at 81.95 and probably continue to above the May 18 high.
Beans (July)	The critical time target for a low at this time is the broad period of June 20 – July 5 and the critical price target is 491-486.
Canadian Dollar	The Canadian Dollar appears to have completed a 5-wave advance into the Jun 13 high. Traders should now prepare for a Wave 2 or B correction, ideally a simple ABC into at least the 50% price retracement at 0.6726. See chart below.



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