

# 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

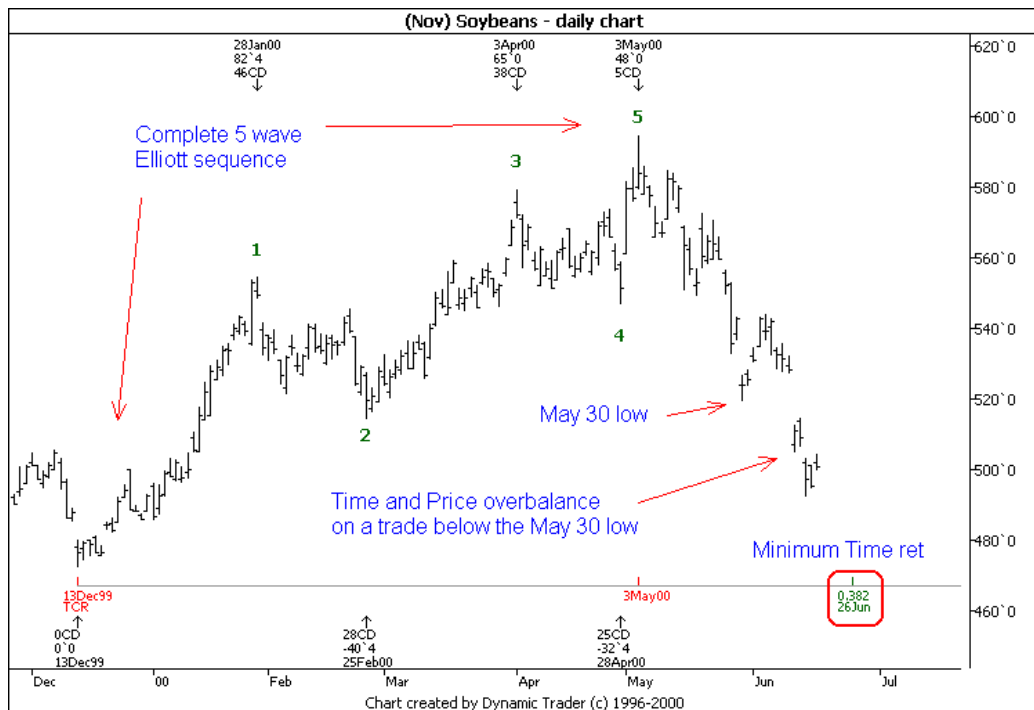
Steve@dynamictraders.com

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.

## Simple and Practical Analysis Procedure

Continuing with the practical application of Price, Time and Pattern analysis, I would like to look at (Nov) soybeans.

Today I would like to look in more detail at the *time* position of soybeans, and in particular, some of the individual calculations that constitute the late June to early July time period outlined in the Saturday Report.



In this first chart, we can see that beans made a five wave rally into the May 3 high from the Dec 13 1999 low.

Confirmation that a five wave Elliott sequence is complete is by a price and time overbalance. This price and time overbalance was covered in some detail a few weeks ago, but I will re-cap here. A price and time overbalance is a move greater in both price and time than any of the corrective swings in the prior five-wave sequence (40.4 points and 28 calendar days in this example). A decline below the May 30 low on June 12 provided this price and time overbalance.

Once a five-wave sequence is complete, the *minimum* time retracement anticipated is 38.2%. As can be seen on the chart on the first page, a 38.2% time retracement falls on June 26.

Now let's zoom out to look at the larger-degree swings:



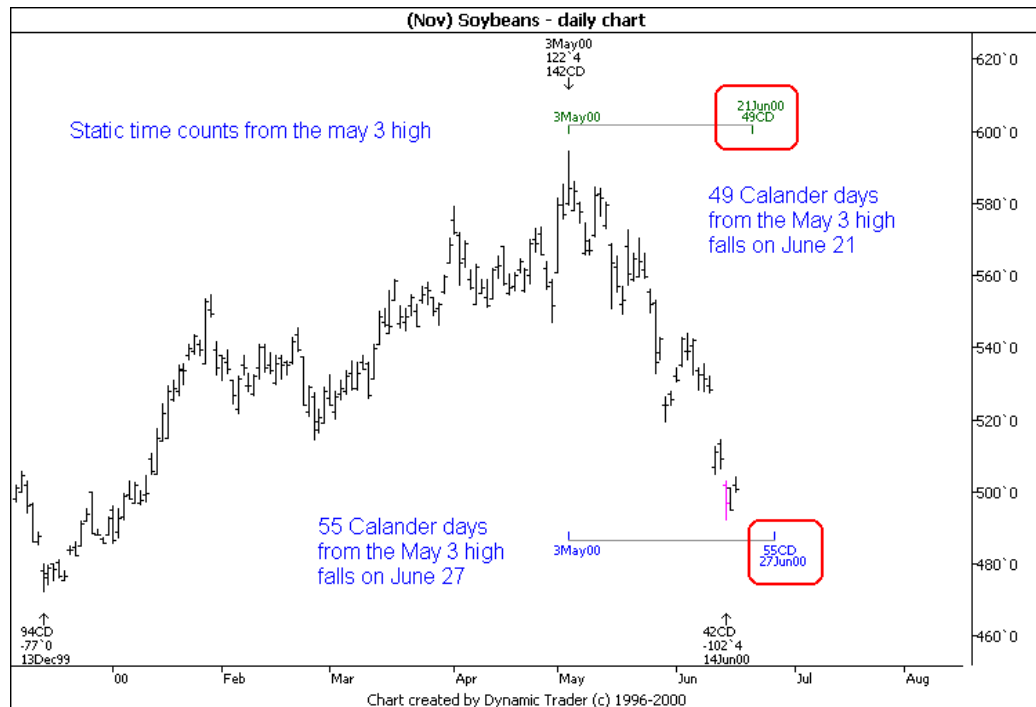
Here we can see that the 38.2% time retracement of the last swing (this is the same as in the prior calculation), is clustering together with the 61.8% alternate time projection of the Sep 10 to Dec 13 swing on June 30.

These two time relationships are therefore clustering together in a relatively tight range. I have not used any Elliott wave counts, just an observation of where *swings of similar degree* relate in time to each other by the fibonacci ratios.

June 21 is the summer solstice - many markets make major turns around the solstices.

Two important static time counts from the May 3 high fall on June 21 and June 27. Forty-nine calendar days is the count made famous by W.D. Gann - 49 is 7x7. This is a time period that he found terminated most intermediate term trends. A static time count that is unique to the soybean market is 55 calendar days. Beans will often terminate an intermediate term trend after 55 calendar days.

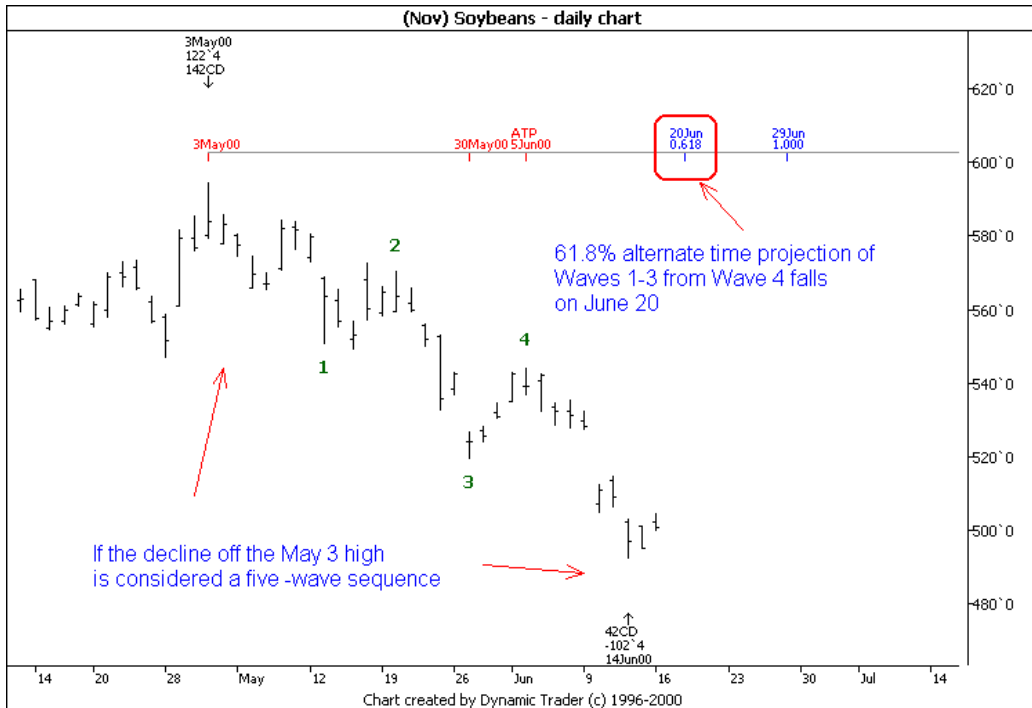
Hence the period from June 21 to June 27 is an important time to be alert for a potential termination of the trend off the May 3 high.



Normally, calendar day counts are not to be acted upon *in isolation*, but as in this example, if they fall in the same area as the more important time cycle ratios, they are considered to reinforce the time cycle ratio calculations.

Lastly, on the chart on the next page, the 61.8% alternate time projection of the minor waves 1-3 from the minor wave 4 falls on June 20.

As outlined in the Saturday report, it is irrelevant whether the decline off the May 3 high is considered a five-wave sequence or an ABCDE correction. Either way, beans are approaching an important time period off which a rally should unfold.



In the above chart, 61.8% waves 1-3 off the May 3 high projected from the Wave 4 high falls on June 20.

We now have several different time methodologies, all calculated from different swings and different degrees of swing, all clustering together in the late June to early July time period, and in particular around June 21.

### Lessons Learned

A detailed look at some of the individual calculations that make up the broad period of late June to early July, and in particular June 21-23, for the potential time period to terminate the decline off the May 3 high.

Good Trading,  
Steve

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

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## Specific Trade Recommendations Summary For June 19

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

Market	New Trade Recommendations or Stop-Loss For Existing Positions
<b>Bonds (Sep)</b> <u>Same Rec. as Sat</u>	Correction to Saturday's report. If bonds trade above 98.03 and not 97.03. <u>ST &amp; IT Units</u> : If bonds have traded above 98.03 (potential W.3:C high), sell on the close if the close is below the current day's open and prior day's close. Place the initial protective buy-stop one tick above the recent high.
<b>AD (Sep)</b>	Today's decline stopped out the ST and IT units on open at 0.6029. There are no new recommendations.
<b>Crude (Aug)</b> <u>New Rec</u>	Today crude traded below 29.10 (Friday's low), therefore we need to recalculate the 50% and 78.6% retracements, as outlined in the Saturday Report. <u>ST &amp; IT Units</u> : As long as crude does not trade below 29.05, and has traded above 30.27 but has not closed above 30.97, sell on the close if the close is below the current day's open and the prior day's close. Place the initial protective buy-stop one tick above the high traded since the June 16 low.
<b>Gold (Aug)</b>	Today's decline stopped out the IT unit at 288.9. There are no new recommendations.
<b>Beans (Nov)</b> <u>Same Rec. as Sat</u>	<u>ST&amp;IT Units</u> : If (Nov) beans trade below 489, buy on the close if the close is above the current day's open and prior day's close. Place the initial protective sell-stop one tick below the recent low. Continue this strategy as long as beans have not closed below 481.
<b>Wheat (Sep)</b> <u>Same Rec. as Sat</u>	Correction to Saturday's report. This is on the Sep contract and not July. A trade above 283.6, the Wave 4 high labeled in the Saturday Report, confirms June 7 as a low. <u>ST&amp;IT Units</u> : If wheat has traded below 273, the Wave-3 of 5 or E low as shown on the chart below, and has not closed below 266, buy on the close if the close is above the current day's open and the prior day's close. Place the initial protective sell-stop one tick below the recent low.

## Summary of Open Trade Positions as of June 19

Market	Month	L / S	Unit	Opened	Price	Closed	Price	# Ctr	P/L	O/C
Gold	Aug	L	IT	6/2	278.1	6/19	288.9	1	\$1080	C
AD	Sep	L	ST&IT	6/12	.5908	6/19	.6029	2	\$2420	C

Continued on next page.

### Other Markets of Interest Summary For June 19

Market	Other Markets of Interest
<b>S&amp;P</b>	The pattern position is not clearly defined but the odds are at least a marginal new high will be made to complete W.5. A trade below 1466 signals the top is complete and the S&P should continue to decline to below the May 24 low.
<b>DJIA</b>	The assumption is the DJIA has completed a corrective high and the bear trend will now resume. A trade below 10,258 signals the main trend is bearish and watch out below.
<b>Nasdaq 100</b>	The Nasdaq is in a precarious position. While a marginal new high is possible, a sharp reversal lower could set-up panic selling.
<b>Dollar Index</b>	A trade above 106.65, the potential W.b:2 high, without having traded below 105.12, the June 8 low, is a bullish signal. A trade below 105.12 voids the immediate bullish outlook.
<b>Copper</b>	Traders who are long should trail stops close to the market as copper is at the ideal target for a W.5 high.

I apologise, but a technical problem with the data feed I use for my Dynamic Trader program prevents me from including any charts with the analysis section of today's report. I hope this will be resolved by tomorrow.

Steve