

Dynamic Trader Daily Report

Comprehensive Analysis and Education For the Serious Trader and Investor

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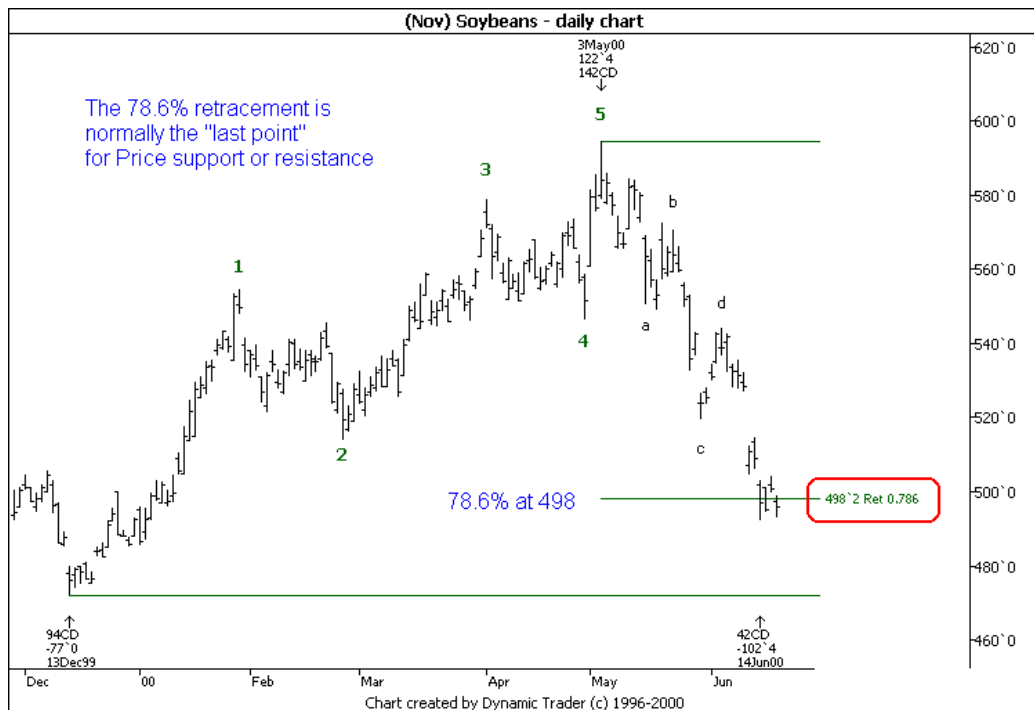
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The analysis and trading strategies described in this report are for educational purposes only. The commentary in this report may or may not relate to a specific trade recommendation made in the Dynamic Trader Report. The weekday issues of the Dynamic 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.

Simple and Practical Analysis Procedure

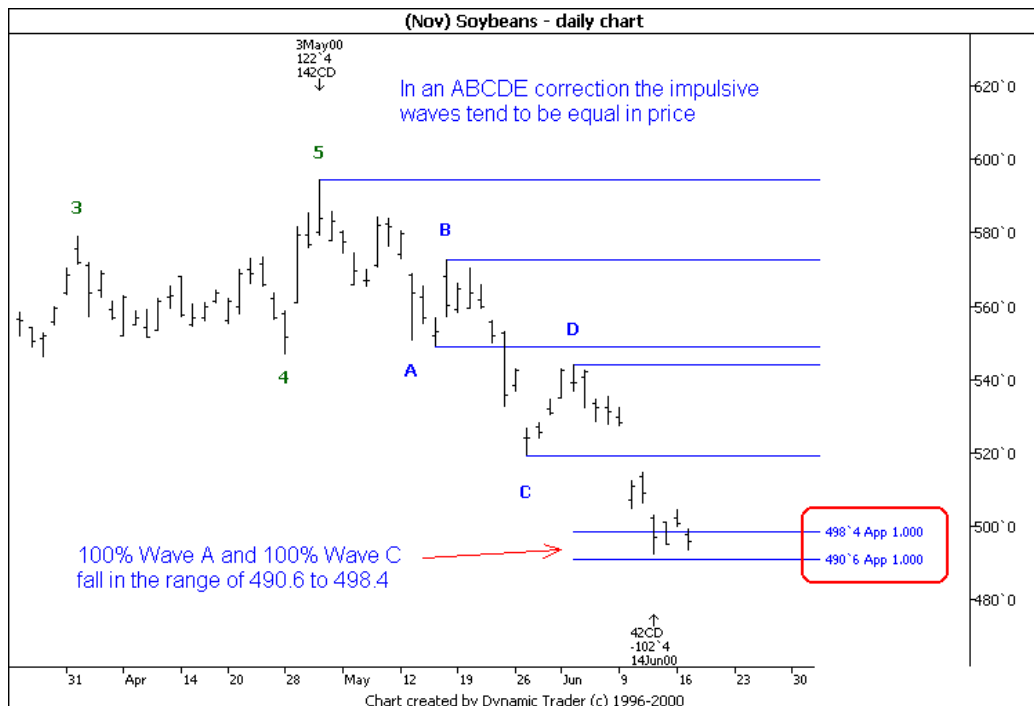
Continuing with the practical application of Price, Time and Pattern analysis, I would like to look at (Nov) soybeans.

Today I would like to look in more detail at the *price* position of soybeans, and in particular, some of the individual calculations that were outlined in the Saturday report. To start with I would like to look at the larger-degree picture:



In this first chart, we can see that the 78.6% price retracement of the Dec 13 to May 3 rally falls at 498.2.

Next I would like to concentrate on the decline off the May 3 high. In the Saturday Report this decline was considered to be an ABCDE correction:



In an ABCDE correction the three impulsive waves (Wave A, Wave C and Wave E) tend to be equal in price. Here:

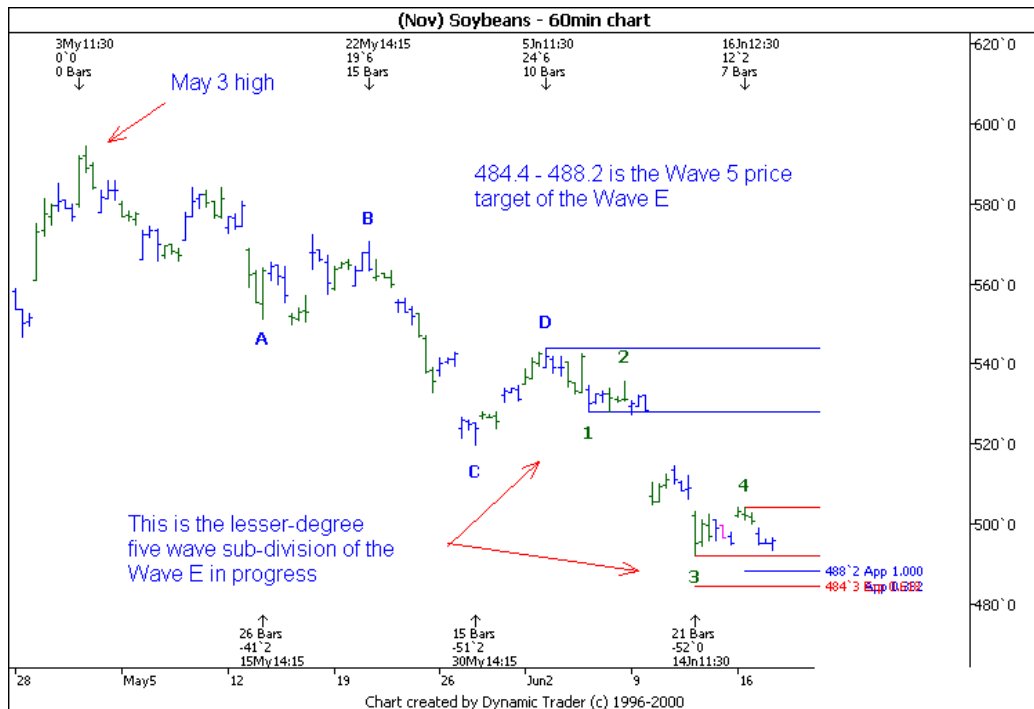
- 100% Wave A projected from the Wave D high falls at 498.4
- 100% Wave C projected from the Wave D high falls at 490.6

Therefore 490.6 – 498.4 is a price target to be very alert for the potential termination of the ABCDE decline off the May 3 high.

This price target of 490.6 – 498.4 is also in the same area as the 78.6% price retracement described above at 498.4. This is a clustering of price relationships from *different swings* and *different degrees of swing*, all clustering together in the same relatively tight price range.

Lastly, we can move down to the lesser-degree swings that make up the last wave down on the chart above, this would be considered the Wave E.

Ideally Wave E, as one of the impulsive waves in the ABCDE correction, should sub-divide into five waves of lesser degree. We can then use the Wave 5 price targets of these lesser-degree swings to narrow down and reinforce the original 490.6 – 498.4 price target.



In the above chart the ideal Wave 5 price target of the Wave E falls at 484.4 – 488.2, where:

- 38.2% Waves 1-3 projected from the Wave 4 high falls at 484.4
- 162% external retracement Wave 4 falls at 484.4
- 100% Wave 1 projected from the Wave 4 high falls at 488.2

This price target falls just below the original target of 490.6 – 498.4. Therefore we would anticipate that the Wave E low would ideally terminate just below this price target in the 484.4 – 488.2 range.

Each step is a logical progression, using the different time frames to see where *different price calculations* from *different swings* and *different degrees of swing* all *cluster together* in the same relatively tight price area.

Lessons Learned

Today I detailed some of the individual calculations that make up the price target for the potential termination of the decline off the May 3 high outlined in the Saturday Report.

Good Trading,
Steve
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Specific Trade Recommendations Summary For June 20

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

Market	New Trade Recommendations or Stop-Loss For Existing Positions
Bonds (Sep) <u>S-6/20, 97.10</u>	Today's rally terminated right in the 98.02-98.07-price target, and bonds made a reversal day, therefore electing a new short position on close at 97.10. <u>ST & IT Units:</u> Place the initial protective buy-stop at 98.05, one tick above the recent high.
Crude (Aug) <u>Same Rec. as yesterday.</u>	Today crude traded above the 50% retracement at 30.27 as outlined yesterday . <u>ST & IT Units:</u> As long as crude 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 19 low.
Beans (Nov) <u>Same Rec. as Sat.</u>	Today Beans traded into the price target for the termination of the lesser degree Wave 5 and hence the ABCDE decline off the May 3 high. <u>ST&IT Units:</u> 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. Continue this strategy as long as beans have not closed below 481.
Wheat (Sep)	Today wheat traded above the potential Wave 4 high labeled in the Saturday Report, and more importantly closed above the Wave 1 or A closing low of May 19 at 283.2. Wave 4 cannot close into the closing area of Wave 1, therefore a close above 283.2 invalidates the 1234 wave count in the Saturday report and confirms June 7 completed an ABC corrective low We will now look for a trend continuation trade to enter long. See chart and analysis below. There are no new recommendations

Summary of Open Trade Positions as of June 20

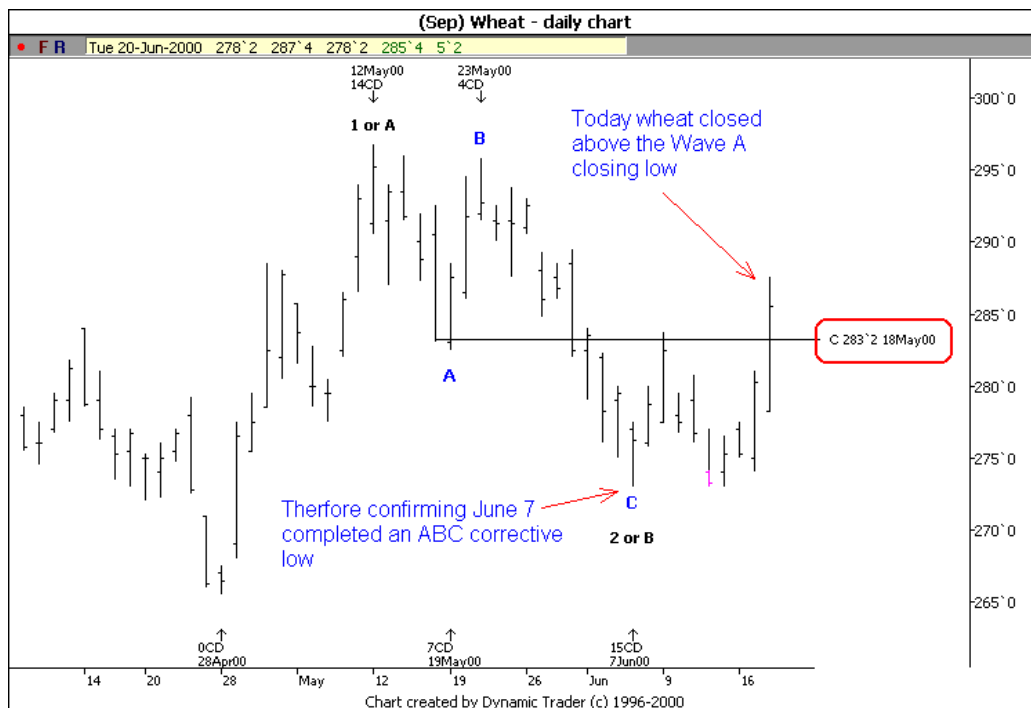
Market	Month	L / S	Unit	Opened	Price	Closed	Price	# Ctr	P/L	O/ C
Gold	Aug	L	IT	6/2	278.1	6/19	288.9	1	\$1080	C
AD	Sep	L	ST&IT	6/12	.5908	6/19	.6029	2	\$2420	C
Bonds	Sep	S	ST&IT	6/20	97.10	-	97.10	2	\$0	O

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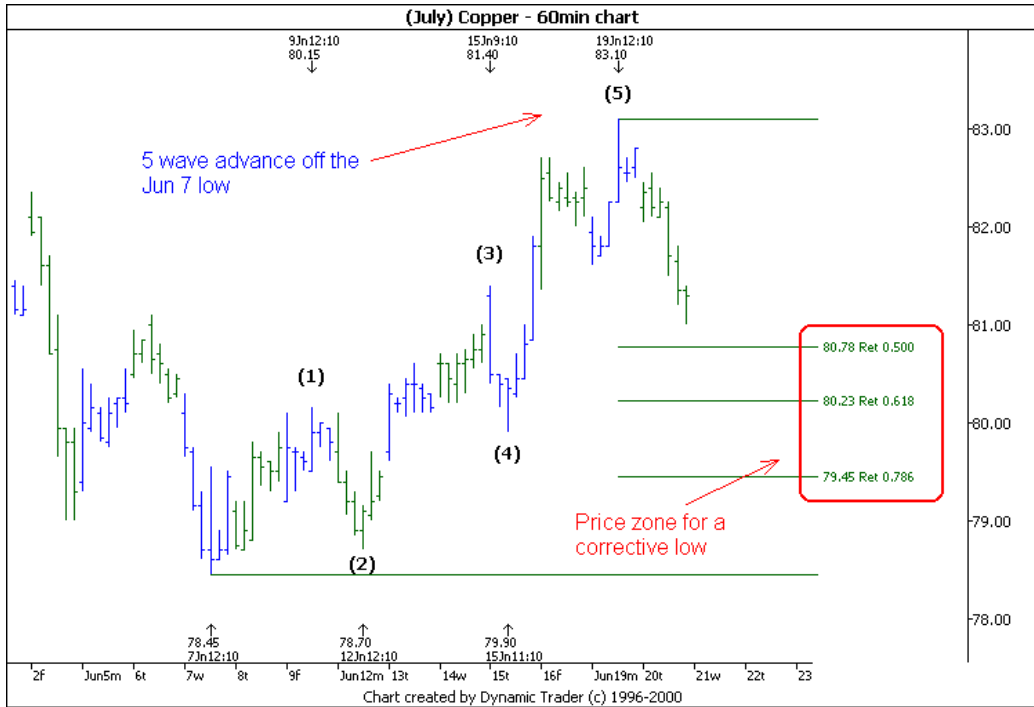
Other Markets of Interest Summary For June 20

Market	Other Markets of Interest
S&P	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. Today the S&P continued to move sideways, making an inside day.
DJIA	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.
Nasdaq 100	The Nasdaq is in a precarious position. While a marginal new high is possible, a sharp reversal lower could set-up panic selling.
Dollar Index	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.
Copper	Copper reversed as anticipated in the Saturday Report. The best strategy now is to look to position long on (ideally) an ABC correction into at least a 50% price retracement of the Jun 7 to Jun 19 rally. See chart below.

(Sep) wheat – daily chart



(July) copper – 60min chart



(Sep) bonds – 60min chart

