

Dynamic Trader Daily Report

Comprehensive Analysis and Education For the Serious Trader and Investor

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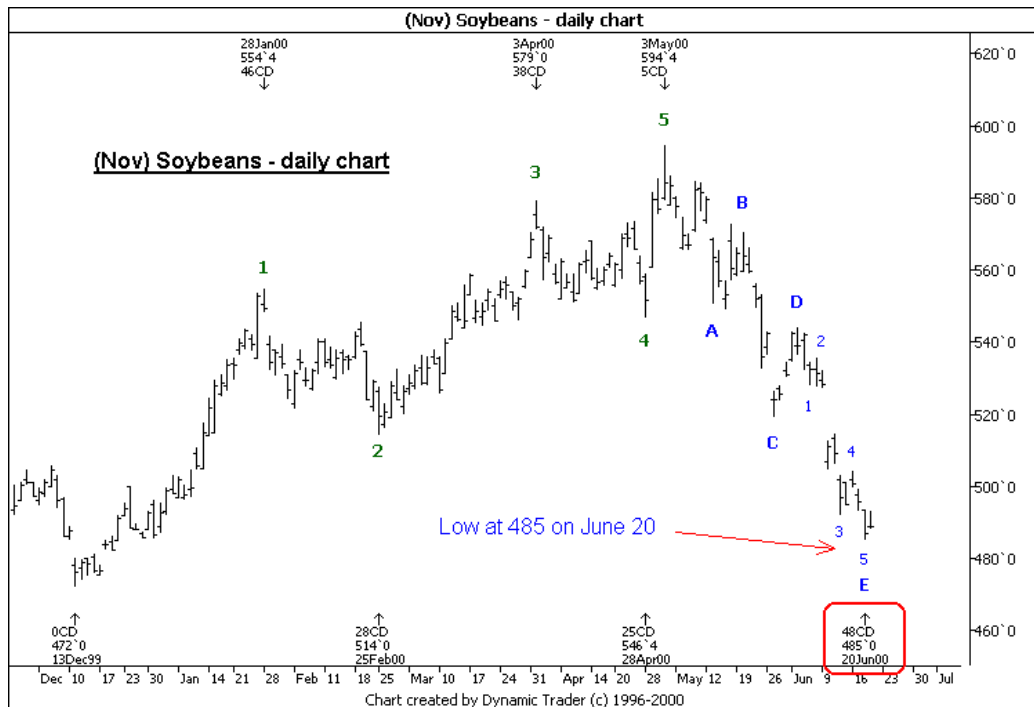
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The analysis and trading strategies described in this report are for educational purposes only. The commentary in this report may or may not relate to a specific trade recommendation made in the Dynamic Trader Report. The weekday issues of the Dynamic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

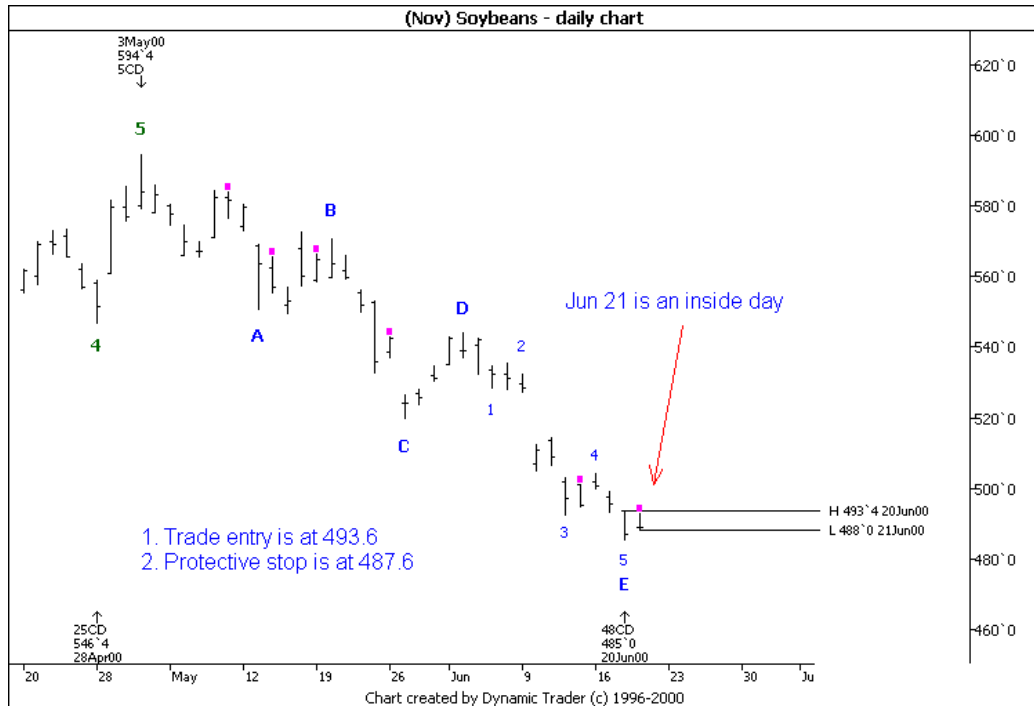
Today I would like to bring to a conclusion the last three tutorials. I will be looking at the trade entry strategies to employ to enter a new long position in (Nov) soybeans once Price, Time and Pattern have all coincided to signal the potential termination of the trend off the May 3 high. First, let's review the current position of (Nov) soybeans:



- From Monday's report, the ideal **Time** for the trend off the May 3 high to terminate was the end of June to early July and in particular June 21-23.
- From Tuesday's report, the ideal **Price** for the trend off the May 3 high to terminate was 490.6 – 498.4 or just below this initial support area at 484.4 – 488.2.
- From Wednesday's report the ideal **Pattern** for the trend off the May 3 high to terminate was either a 12345 or an ABCDE correction, with Wave 5 of Wave E sub-dividing into five waves of lesser degree.

In the chart on page one, we can see that on June 20 (Nov) soybeans made a low at 485, with the last minor Wave E swing sub-dividing into five waves of lesser degree. **Price**, **Time** and **Pattern** had all coincided at the June 20 low to indicate the potential termination of the decline off the May 3 high.

Now we need to employ trade entry strategies to enter a new long trade.



Yesterday, June 21 made an inside day.

The trade entry would be on a break of the high of the day prior to the inside day, so this would be on a trade *one tick above* 493.4 at 493.6. The protective sell-stop would then be placed *one tick below* the inside day low of 488.0 at 487.6.

Or, soybeans could make a reversal confirmation day today. A reversal confirmation day is a day that closes above (in the case of a buy set-up) both the current day's open and the prior day's close. The trade entry would be to buy on the close (for a long trade), placing the initial protective sell-stop one tick below the recent low.

Hence the trade recommendations in yesterday's report, designed to enter the market with a new long trade if soybeans either elected the inside day strategy or made a reversal confirmation day.

Today will be a short report as the trend-reversal trade entry strategies are the easy part - both the trade entry and associated protective stop loss position are completely automatic and objective.

I hope that this week's set of tutorials has again demonstrated the simple and straightforward process that is followed when making price, time and pattern analysis. When all three coincide, let the market take you into a trade by triggering one of the trend reversal trade entry strategies.

For more complete information on trend-reversal and trend-confirmation entry strategies, see Robert's Dynamic Trading book.

Lessons Learned

Once a market enters the Price, Time and Pattern targets for a potential trend termination, trend reversal trade entry strategies are used to enter a new trade. This is the easy part, as both the trade entry and associated protective stop position are completely automatic.

Good Trading,

Steve

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PS. As can be seen from today's price action, the inside day set-up was not elected, with beans continuing to decline to new lows. Does this mean our analysis was incorrect? No, because there was no trade, therefore no loss. This is why even when a market trades into what appears a perfect Price, Time and Pattern set-up we require that the market, by its own actions, take us into a trade. In this way we have minor confirmation that the market is reacting as anticipated.

Remember we are not trying to predict the future, but only looking to enter trades that have the highest probability of success. Sometimes this will mean that a trade set-up is not triggered.

Specific Trade Recommendations Summary For June 22

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>	<u>ST & IT Units</u> : Lower the protective buy -stop to 97.26, three ticks above the 78.6% price retracement.
Beans (Nov) <u>New Rec.</u>	Today beans declined without electing the inside day strategy outlined yesterday. Beans are still in a Price, Time and Pattern position to consider a long trade. <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.

Summary of Open Trade Positions as of June 22

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	-	96.18	2	\$1500	O

Other Markets of Interest Summary For June 22

Market	Other Markets of Interest
S&P	The short-term pattern position is not clearly defined, but as outlined on Saturday, a close below 1466 (Sep) would confirm a top on Jun 19, and then trading strategies should be orientated to the short side. A close below 1466 signals the S&P has probably completed a larger degree ABC and the decline should continue to below the May 24 low. See chart below. Resistance remains at 1432-1440.
DJIA	The assumption is the DJIA has completed a corrective high and the bear trend will now resume. A close below 10,258 signals the main trend is bearish and watch out below.
Nasdaq 100	The Nasdaq is in a similar position to the S&P. A close below 3645 (Sep) would confirm a top completed on Jun 20.
Dollar Index	The Dollar Index continued to rally as anticipated yesterday and is now in the typical price target for a Wave C. See chart and analysis in yesterday's report.
Wheat (Sep)	Wheat made a high today at the 78.6% price retracement of the May 12 to Jun 7 decline. At least a minor correction should be anticipated from here.
Copper	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.

(Sep) S&P – daily chart



(Sep) wheat – daily chart

