

# Dynamic Trader Report

Comprehensive Analysis and Education For the Serious Trader and Investor

Published Since 1986

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**Saturday, June 24, 2000**

Prepared by Robert Miner

## Specific Trade Recommendations Summary For June 24

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 (Sept.)</b> (P.10) <u>S – 6/20, 97.10</u>	Approaching the 50% retracement and potential Wave 5 of 1 or A low. <u>ST &amp; IT Units</u> Trail the stop one tick above the 1DH, or exit on a close if the close is above prior day's close.
<b>Euro</b> (P.12) <u>New Rec</u>	Approaching a Wave-C low at the ideal price target of .9355-.9339. <u>ST &amp; IT Units</u> : As long as the Euro has not closed below .9339, 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.
<b>Yen</b> (P.14) <u>New Rec</u>	June 23 should be a Wave-C high. The bear trend should resume. <u>ST &amp; IT Units</u> – As long as the yen has not traded above 97.74, sell on a 96.92 stop and place the initial protective buy-stop at 97.75.
<b>Gold: Aug.</b> (P.16) <u>New Rec</u>	ABCDE correction should be complete in the 284.4-281.5 price zone. <u>ST &amp; IT Units</u> : As long as gold has not closed below 281.5, 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.
<b>Copper (Dec.)</b> (P.17) <u>New Rec</u>	Has reached the ideal price zone to complete an ABC corrective low. <u>ST &amp; IT Units</u> : As long as copper has not closed below 80.50, 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.
<b>Beans (Nov.)</b> (P.18) <u>New Rec</u>	<u>ST&amp;IT Units</u> : As long as <u>July</u> beans have not closed below 486, buy <u>Nov.</u> beans 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.
<b>Cotton (Dec.)</b> (P.22) <u>New Rec</u>	At the extreme time and price targets to complete an ABC low. <u>ST &amp; IT Units</u> : As long as Dec. cotton has not traded below 60.05, buy on a 61.15 stop and place the initial protective sell-stop at 60.00.

## Other Markets of Interest Summary For June 24

Market	Other Markets of Interest
<b>S&amp;P</b> (P.3)	Probable Wave-5 of B top on June 19 which projects a continued bear trend to below the May 24 low.
<b>Nasdaq 100</b> (P.7)	Wave-5 top on June 20. A minimum decline to 3444 (cash index) should follow.
<b>Dollar Index</b> (P.11)	Ideal Wave-C target at 108.46-108.75.
<b>AD</b> (P.11)	Wave – 3 high on June 16. Be alert for a go-long trade at the potential Wave-4 low in the .5945-.5847 retracement zone.
<b>Wheat</b> (P.21)	The ideal set-up is if an ABC correction is made into the 283-277 price zone next week. We will monitor wheat and look to identify a trend reversal go-long set-up if one develops.

## Summary of Open Trade Positions As of June 24

Market	Month	L / S	Unit	Opened	Price	Closed	Price	# Ctr	P/L	O/C
<b>Bonds</b>	Sept	S	ST&IT	6/20	97.10	-	95.29	2	\$2813	O

## DT Report Objective

If a market is not mentioned in this report that has been mentioned in a recent report, it is because there is either nothing new to add to the recent analysis and commentary or the market is not in a position for a trade opportunity.

The purpose of the Dynamic Trader Report is to identify the best potential trading opportunities, not comment on every market in each issue.

## Trading Opportunities Not Trading Activity

Last week again proved the point that successful trading is only to consider high-probability trades with acceptable capital exposure. Each trade closed during the week or open at the end of the week is a significant profit.

The conditions for several trade recommendations were never met and the trades were not executed. If the conditions are not met, it is not a trade opportunity with acceptable capital exposure within the context of the Dynamic Trading approach to technical analysis and trading strategies.

There are many potential opportunities next week, if the conditions to enter the trade are met. Keep your eye on the ball. The ball is trading profits not trading activity.

***Trade the market, not the forecast.***

### S&P (Sept.): 5-Bars/Day

The June 19 high in the S&P was made one day prior to the projected time target for a top – June 20-22. The 1512.4 high was made short of the ideal Wave-5 target at 1532-1540 but precisely at the ideal Wave-C target at 1512-1525 as outlined in last Saturday's report.

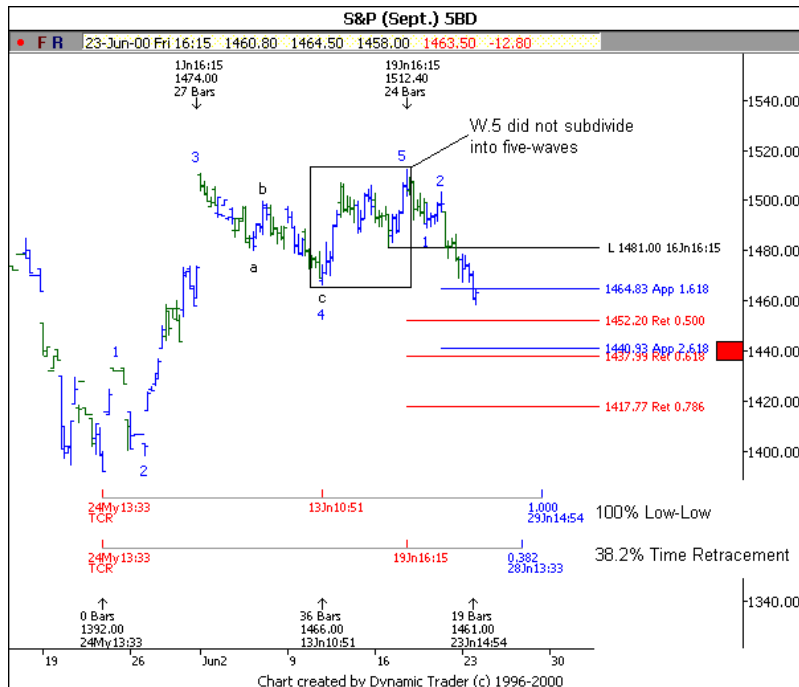
Why no trade recommendation for a trend-reversal short trade with this close of a hit of projected time and price? The pattern was not in a position that typically completes a five-wave trend. We had identified Waves 1-4 through the June 13 low in last Saturday's report. Typically, a Wave-5 subdivides into five waves of lesser degree. There were clearly only three completed waves from the June 13, Wave-4 low through June 19.

Short-term traders who follow the market during the day would consider a break below the prior short-term swing low on June 16 at 1481.0 as a signal a top should be complete and short positions should be considered.

It appears Waves 1-2 (of Wave 1 or A) are complete. The S&P has already exceeded the typical target for Wave-3 which is the 162% Alternate Price Projection of Wave-1. The maximum target for Wave-3 is 1441-1437 which includes the 262% APP and the 61.8% retracement.

If the decline is only a correction to the May 24-June 19, five-wave trend, the correction should not be complete prior to June 28, the 38.2% retracement.

A close below 1417.7, the 78.6% retracement, confirms the June 19 high should be the completion of a larger degree correction and the bearish trend will continue.



## S&P Position Summary as of June 24

<b>Pattern</b> Wave-C high: June 19	The long-term pattern position is not well defined. The working assumption is June 19 completed an ABC correction and the main trend is bearish. See the daily chart below. From the June 19 high, we should anticipate at least a three-wave, ABC decline if the decline is only a correction. Waves 1-2 of A or 1 appear complete and the S&P has exceeded the typical price target for a Wave-3.
<b>Key Minor Support (Sept.)</b> <u>1452.2</u> <u>1441-1437</u>	<b>1452.2</b> is the 50% retracement and the minimum target for a correction following a five-wave advance.  <b>1441-1437</b> includes the 61.8% retracement and 262% Alternate Price Projection and is the maximum target for the minor Wave-3.  <b>1417.7</b> is the 78.6% retracement. A close below 1417.7 signals June 19 completed a larger degree Wave-B high and the bear trend should continue.
<b>Key Time</b> <u>June 28</u>	<b>June 28</b> is the 38.2% time retracement of the five-wave advance and the <i>minimum</i> time target for a corrective low.

## S&P Trading Strategies

<b>High Probability Outlook</b>	While the larger degree pattern position is not clearly defined, the working assumption is June 19 completed an ABC correction (Wave (B) of larger degree) and the bear trend will continue to below the May 24 low. In the short-term, a minor five-wave decline should be complete next week to complete a Wave A or 1 low ideally near the 1441-1437 price zone. Once a minor five-wave decline completes a Wave A or 1, we will look for a shorting opportunity at a Wave B or 2 high.
<b>Specific Trade Recommendation</b>	<b>All analysis and trade strategies for the full S&amp;P contract. Trade execution on the E-Mini contract.</b>  There are no new specific trade recommendations at this time. Short-term traders should be aware that a Wave 1 or A low should be complete by the 1441-1437 price zone.
<b>Investors and Mutual Fund Switchers</b>	<u>Flat</u> : No recommendation at this time. Until the larger degree pattern position clears up, there is no reason to be exposed.

## E-Mini S&P – Current and Recent Trade Recommendations

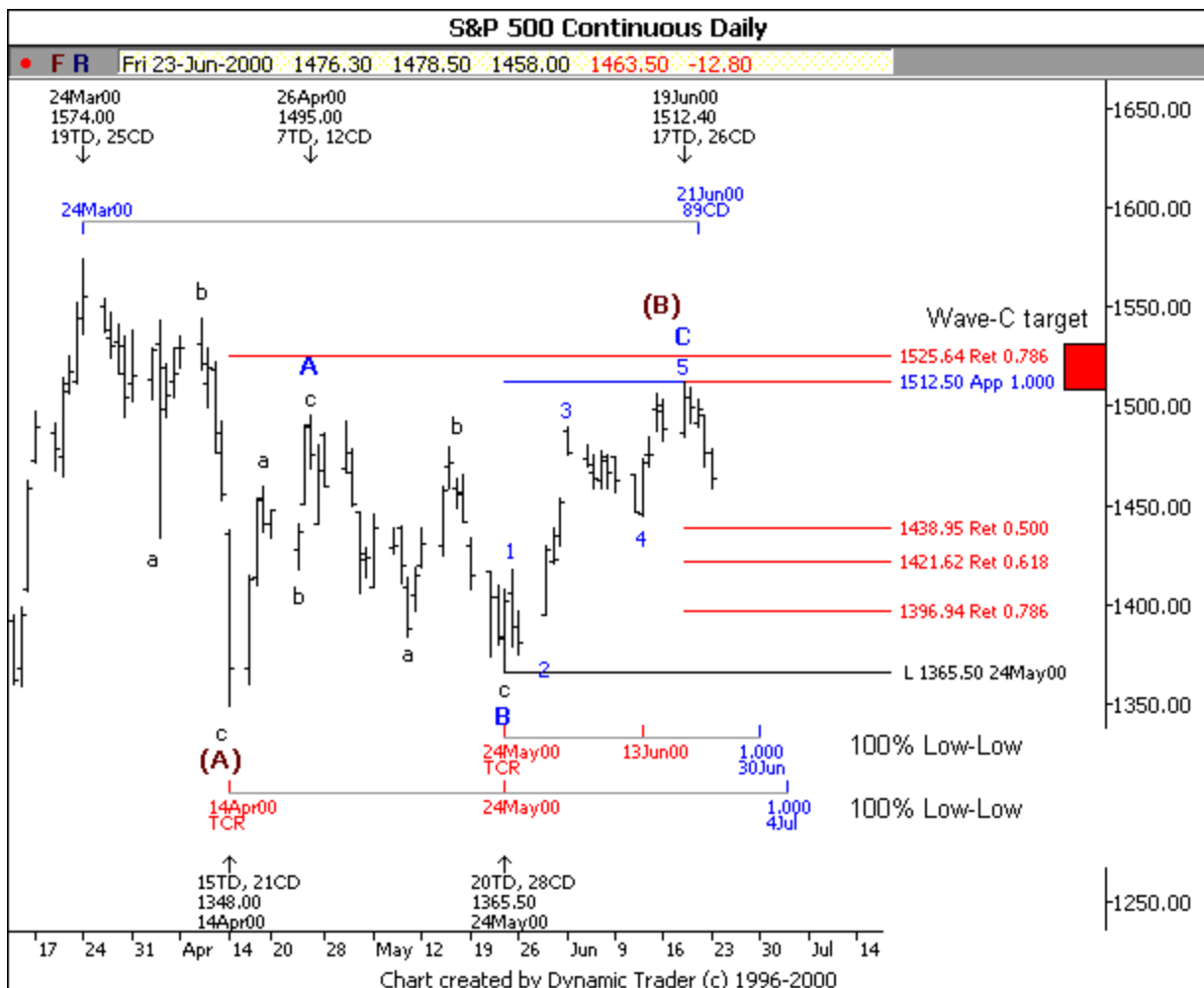
E-Mini S&P	Unit	Opened	Price	Closed	Price	# Ctr	P/L	O/C
Short June	ST	5/9	1419.25	5/11	1410.25	1	\$450	C
Short June	IT	5/9	1419.25	5/15	1440.0	1	(\$1038)	C
Short June	ST&IT	5/17	1456.0	5/25	1408.25	2	\$4775	C
Long Sept.	ST&It	6/13	1494.25	6/16	1486.0	2	(\$825)	C

## S&P Daily Nearest Futures Continuous

The past few weeks have been one of the longest periods of relatively trendless activity for many months. We have been very hesitant about making specific trade recommendations until the larger degree pattern is more clearly defined. Shorter-term traders who watch the market during the day have had many short-term trade opportunities keying off our time and price projections and short-term patterns.

The ideal trade set-up in the days ahead will be if the S&P completes a minor five-wave decline for a Wave A or 1 low. We will then look for a shorting opportunity at the Wave 2 or B corrective high.

June 30-July 4 in the coincidence of two recent low-low counts and a high-probability target for another low. We will be alert to the price and pattern position if the S&P is declining into this time period.



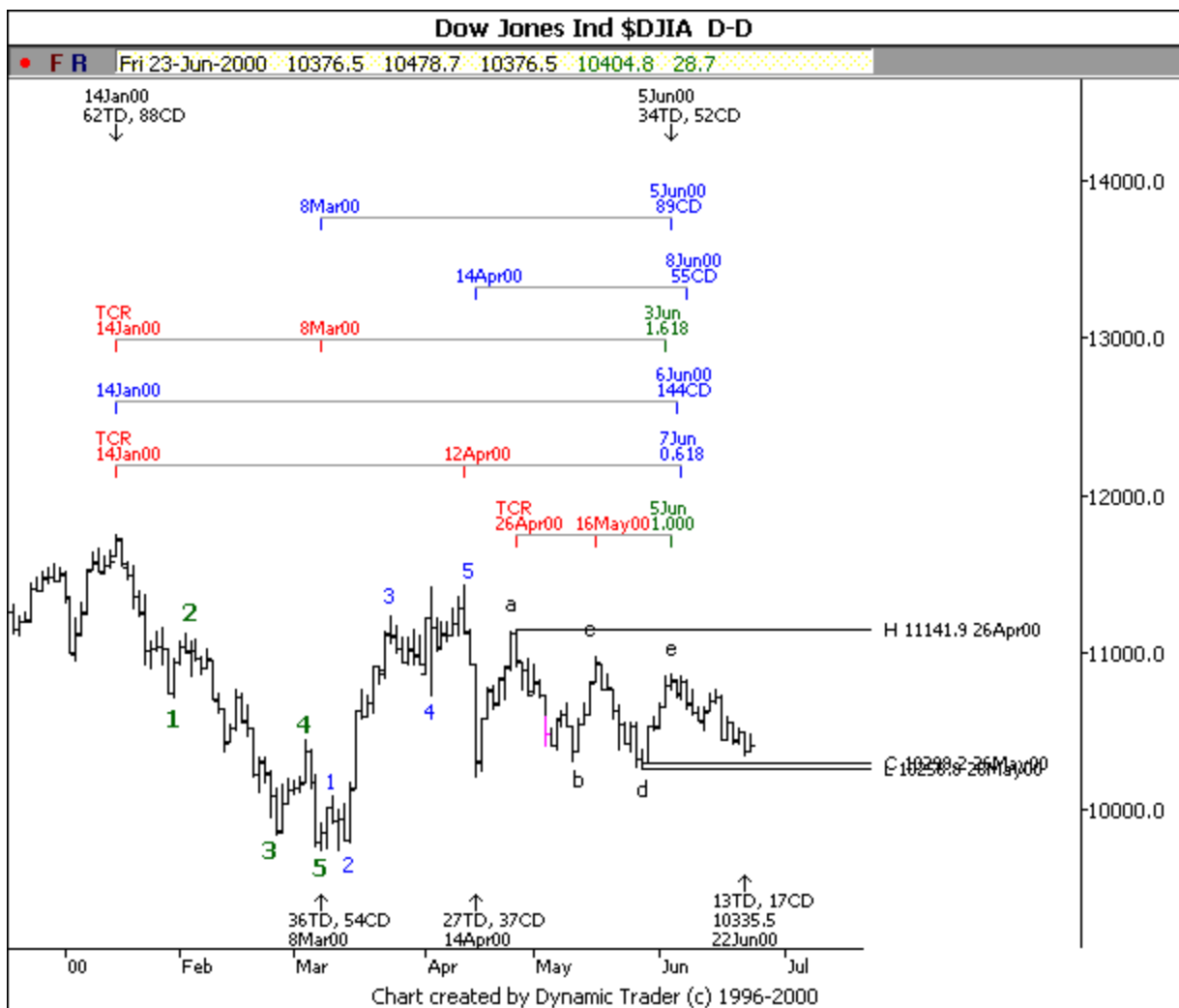
## DJIA

While the DJIA index represents a small segment of the market, it is the most widely watched and reacted to stock index. It is in a very bearish position. Past issues have illustrated the wide array of time factors in the June 3-8 period for a potential high.

Each of the last three highs (a, c and e on the chart below) were made at the 78.6% retracement.

A trade below 10258 **and** a close below 10,299 is the bearish continuation signal.

The weight of the evidence strongly suggests the bear trend will continue and eventually exceed the March 8 low.





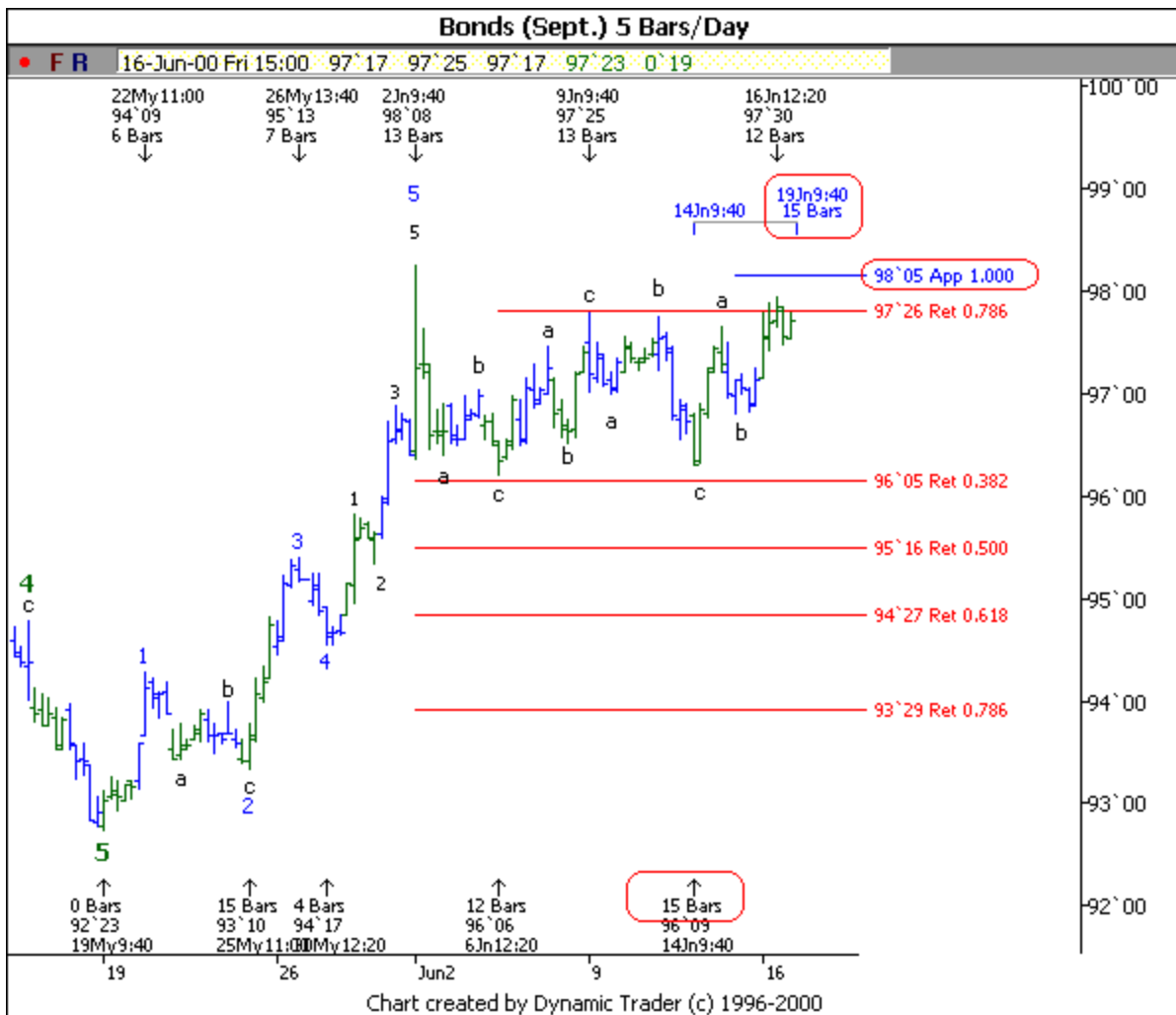
### Bonds (Sept.-5 Bars/Day)

Pattern – If this series of ABCs continues, bonds are near the completion of a Wave-C high.

Price – 98.05 is where W.C = 100% W.A, the ideal target for a W.C high.

Time – Each minor ABC in the trading range has lasted 12-15 bars. If this time rhythm continues, the next W.C high should be complete by Monday morning, 15 bars from the June 14 low.

Trading Strategy – As long as bonds have not closed above 98.05, trading strategies should be oriented to the short side.

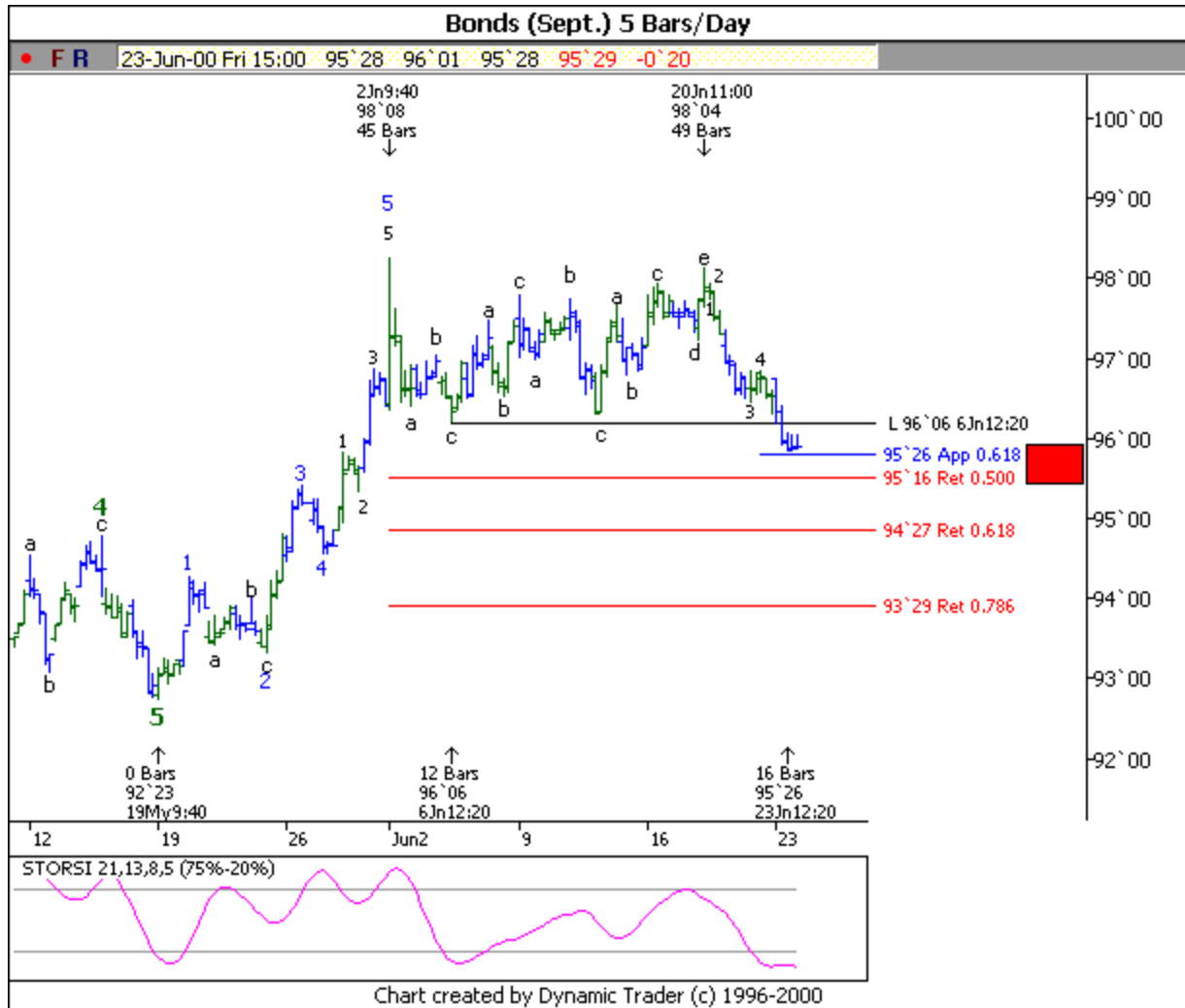


### Bonds (Sept., 5-bars day)

Pattern – Waves 1-1 (of A or 1) appear complete.

Price – 95.26-95.16 includes the 50% retracement and minor 61.8% Alternate Price projection where  $W.5 = 61.8\% W.1-3$ . This is the ideal target zone to complete W.5 of 1 or A.

Trading Strategies – Stops on shorts positions should be trailed close to the market.



## Bond (June) Position Summary as of June 24

<b>Pattern</b>	June 20 high (?) – no firm opinion. The assumption is minor waves 1-4 are complete on June 22 as shown on the chart above. If this is the case, a Wave-5 low should be either a Wave A or 1 low of larger degree.
<b>Key Support</b> <u>95.26-95.16</u>	<b>95.26-95.16</b> includes the 50% retracement and 62% minor Alternate Price Projection. This is the idea zone to complete a W.5 of 1 or A low.

## Bond Trading Strategies

<b>High Probability Outlook</b>	A Wave A or 1 low is probable at or very near the 95.26-95.16 price zone. Stops on short positions should be trailed close to the market. If a Wave A or 1 low is made as anticipated, we will then look to position short again at a 50% or greater retracement for a Wave B or 2 high.
<b>Specific Trade Recommendation</b>	Usually we maintain a wide stop on the intermediate term unit. Bonds are approaching the 50% retracement from where a sharp reaction is often made. A minor five-wave trend (Wave 1 or A) should be near complete. To hold the intermediate term unit, we would have to be willing to hold to about a 78.6% retracement which is far from the current market position. My suggested strategy is to look to exit both units at this time.  <u>ST &amp; IT Units (S-6/20, 97.10)</u>  Trail the stop one tick above the 1DH, or exit on a close if the close is above prior day's close.

## Bonds - Current and Recent Trade Recommendations

Bonds	Unit	Opened	Price	Closed	Price	# Ctr	P/L	O/C
Short June	ST&IT	4/7	98.21	4/7	99.05	2	(\$1000)	C
Short June	ST&IT	4/17	97.03	5/9	93.13	2	\$7375	C
Short Sept.	ST&IT	6/13	96.30	6/14	97.19	2	(\$1312)	C
Short Sept.	ST&IT	6/20	97.10	-	95.29	2	\$2813	O

## Dollar Index

The assumption is the five-wave decline from the May 19 high to the June 8 low completed either a Wave 1 or A. If this is the case, the bear trend should continue once a Wave-2 or B high is complete.

107.43-107.77 includes the 38.2% retracement and where W.C equals 100% W.A and 127% W.B which is the typical target for a W.C.

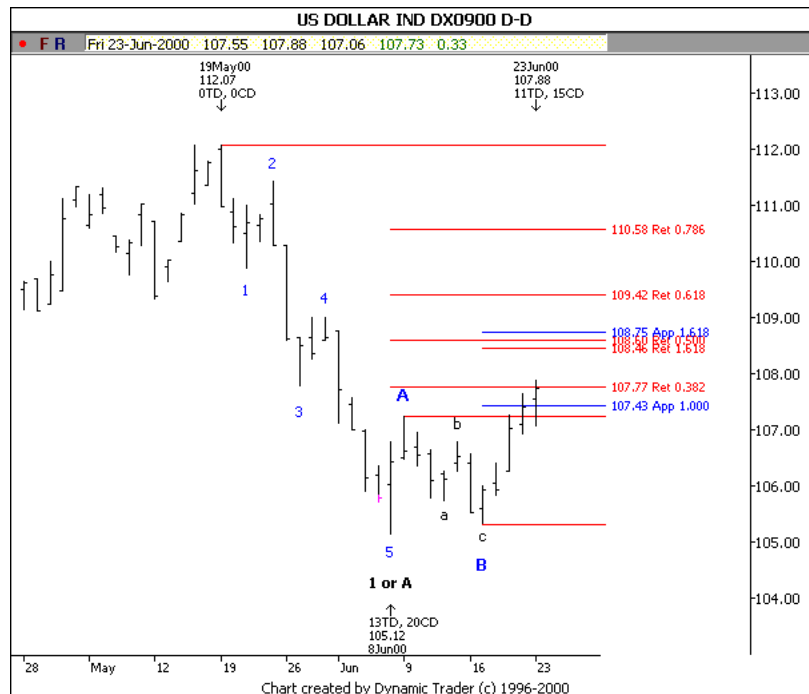
108.46-108.75 includes the 50% retracement and where W.C = 162% W.A and 162% W.B which is considered the maximum target for a W.C.

Since the minimum assumption is a correction to a five-wave trend will usually make at least a 50% retracement, the ideal target for the corrective high is the 108.46-108.75 zone.

While there are no specific trade recommendations at this time, traders should be alert to a daily reversal signal for a short position if the dollar index reaches the 108.46-108.75 target zone.

## Dollar Index - Current and Recent Trade Recommendations

Dollar Index	Unit	Opened	Price	Closed	Price	# Ctr	P/L	O/C
Short June	ST	5/22	111.16	5/30	108.33	1	\$2830	C
Short June	IT	5/22	111.16	6/8	106.66	1	\$4500	C
Long June	ST&IT	6/8	106.73	6/16	106.11	2	(\$1220)	C



## Euro (Sept.)

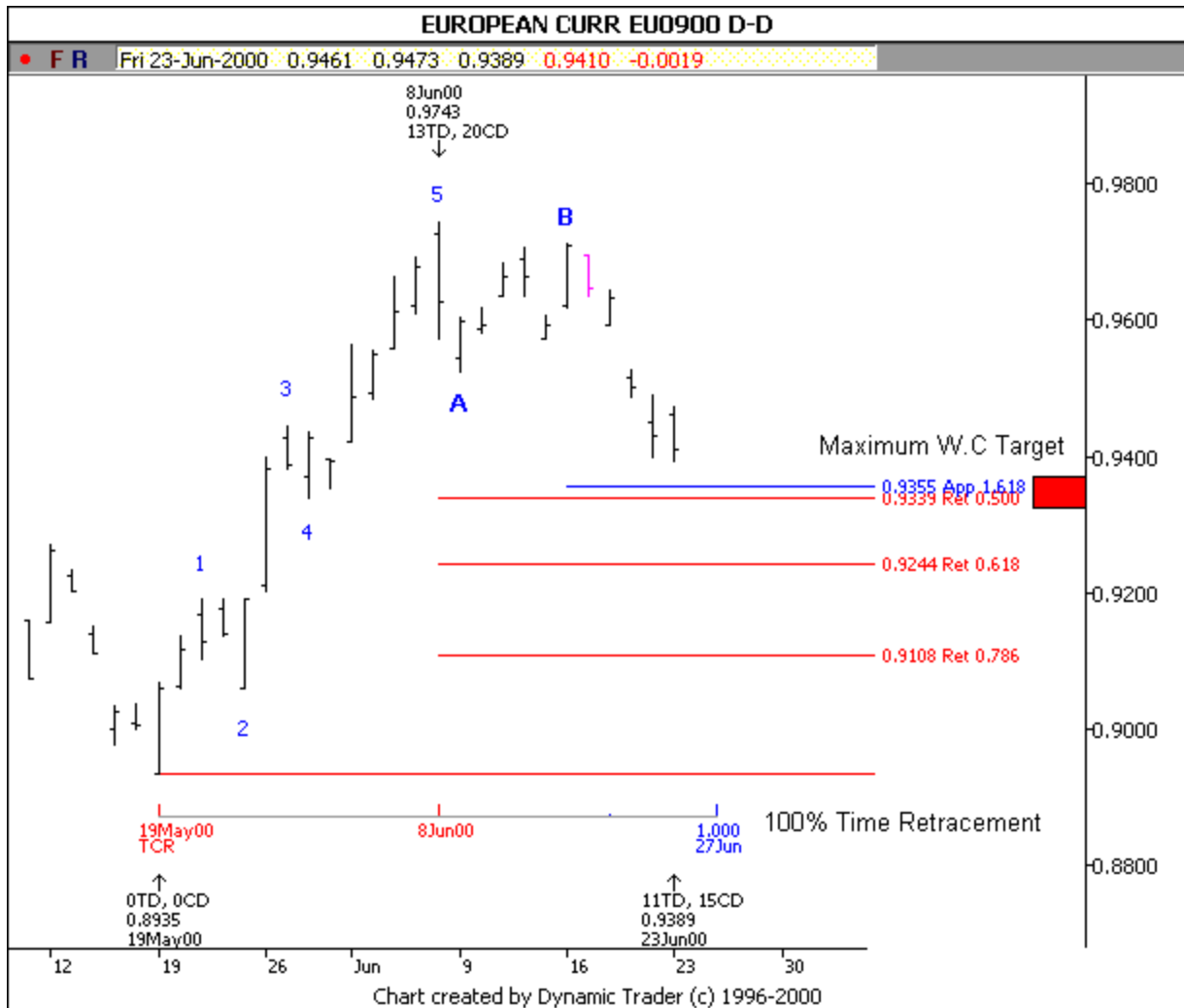
The Euro trades inversely to the dollar index but has a much greater volume.

June 8 complete a five-wave advance which should be either a Wave A or 1.

.9355-.9339 includes the 50% retracement and 162% Alternate Price Projection and should be considered the maximum target for a Wave-C. Friday's low is just above this target zone.

June 27 is the 100% time retracement. Corrections usually do not exceed the 100% time retracement.

ST & IT Units: As long as the Euro has not closed below .9339, 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.



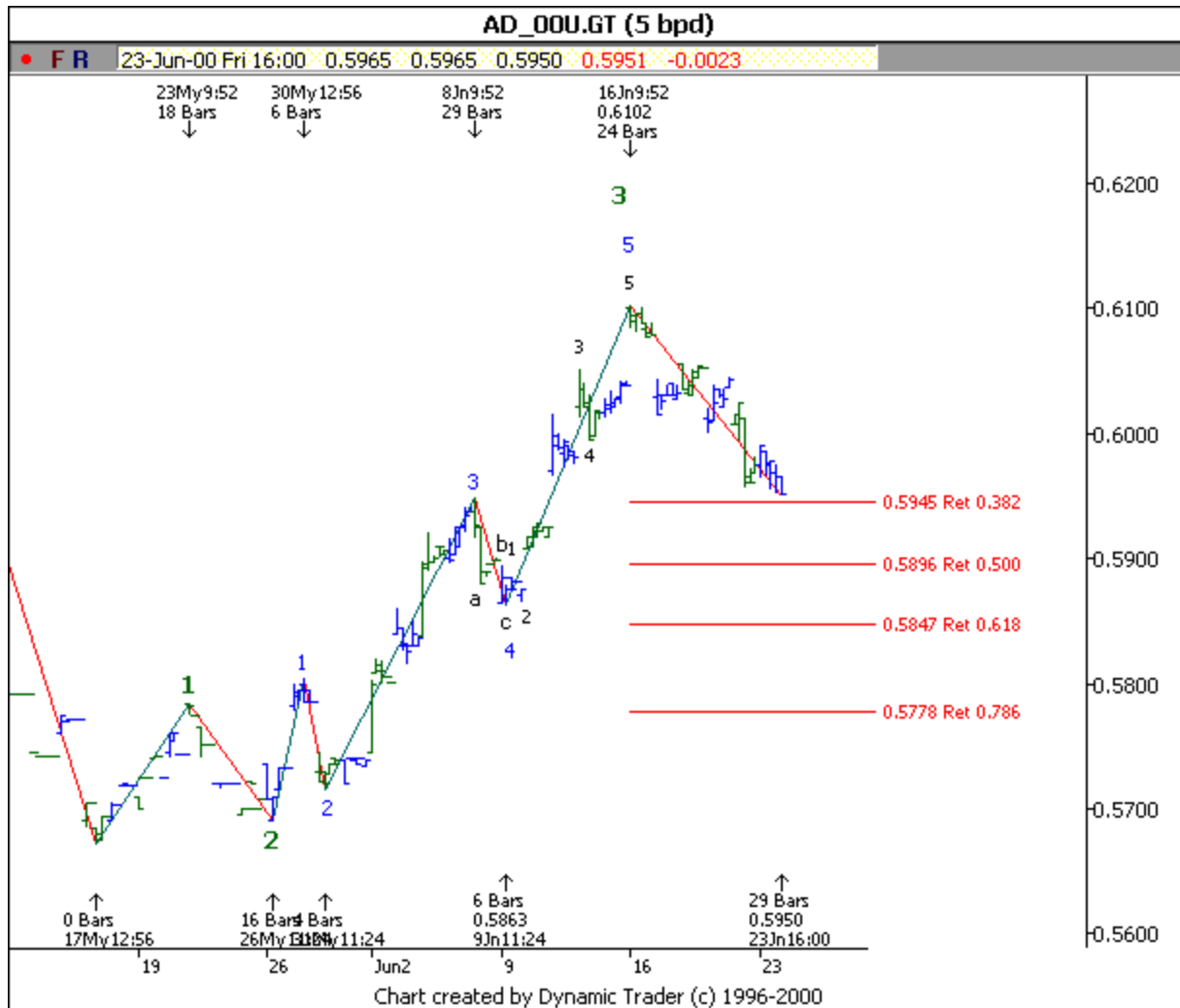
**AD (Sept.)**

Wave-5:3 peaked right in the maximum time and price projections for the top as described in last Saturday's report. The ideal target for a correction is .5945-.5847 zone (38.2%-61.8% retracement) which includes the prior Wave-4. If the AD makes an ABC correction into this zone, it will be a set-up for another long position.

There are no specific trade recommendations at this time.

**AD - Current and Recent Trade Recommendations**

AD	Unit	Opened	Price	Closed	Price	# Ctr	P/L	O/C
Long Sept.	ST&IT	6/12	.5908	6/19	.6029	2	\$2420	C

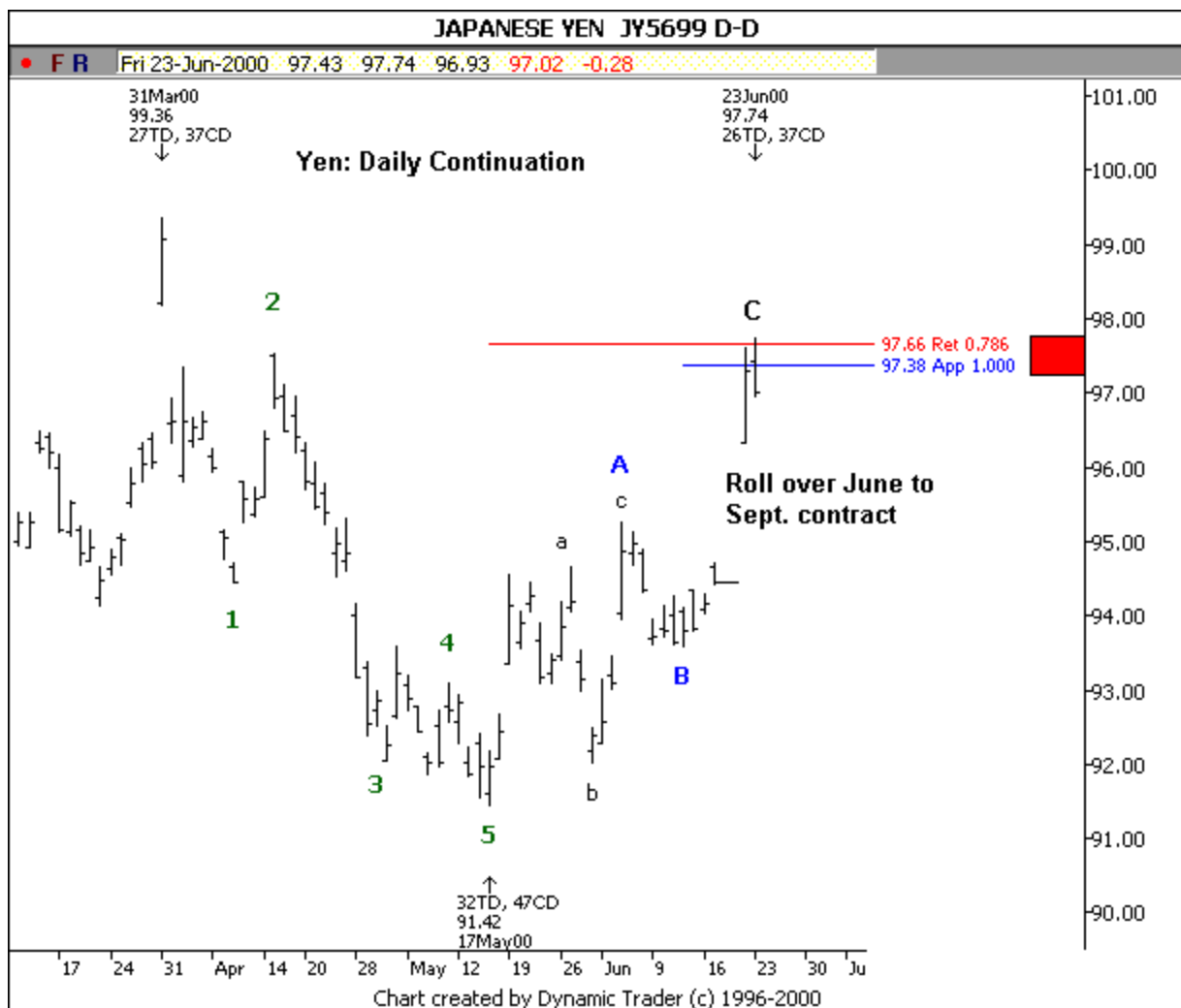


## Yen Daily Continuous

**Pattern** – March – May is a five wave decline which implies the major trend is bearish. For sometime we have waited for a low risk set-up for a short position. The yen appears to have completed an ABC correction on Friday's reversal day.

**Price** – 97.38-97.66 includes the 78.6% retracement and 100% APP where Wave-C = 100% Wave-A. Also see the Sept. contract on the following page.

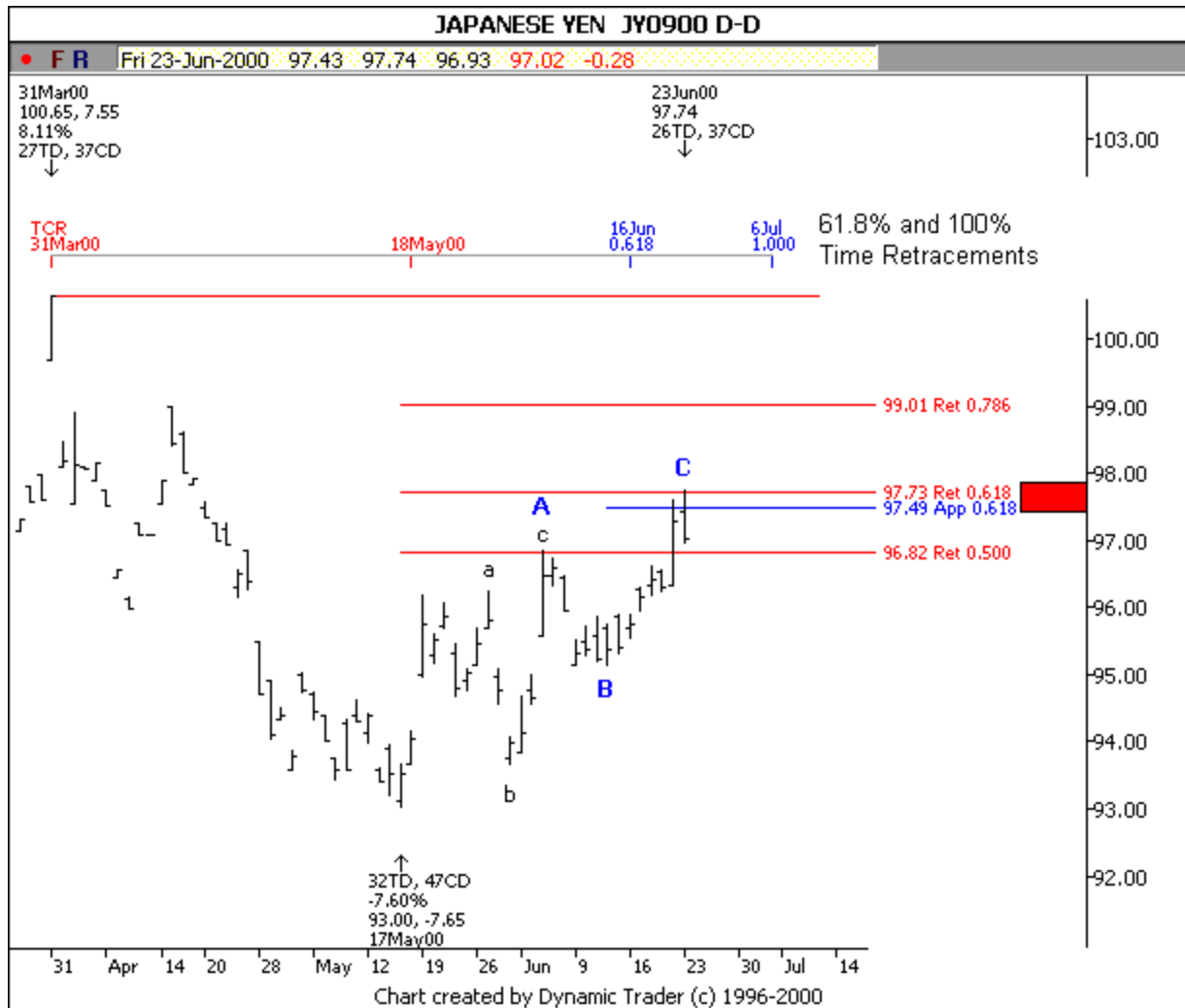
The large gap last week is from the contract roll-over on the continuous data from the June to the Sept. contract.



### Yen (Sept.) Daily

Price – 97.49-97.73 is the 61.8% retracement and where W.C = 61.8% W.A, the minimum price target for a Wave-C. Isn't it interesting that both the continuous data with its big gap from the roll-over and the Sept. data are both at high probability price targets for a Wave-C high?

ST & IT Units – As long as the yen has not traded above 97.74, sell on a 96.92 stop and place the initial protective buy-stop at 97.75.



### Gold (Aug.) Daily

**Pattern** – June 13 = W.5 of 1 or A high. Probable ABCDE correction forming.

**Price** – 284.4-292.9 includes the 50% retracement and 100% Alternate Price Projections of Wave a and e. This is the ideal target for a W.e.

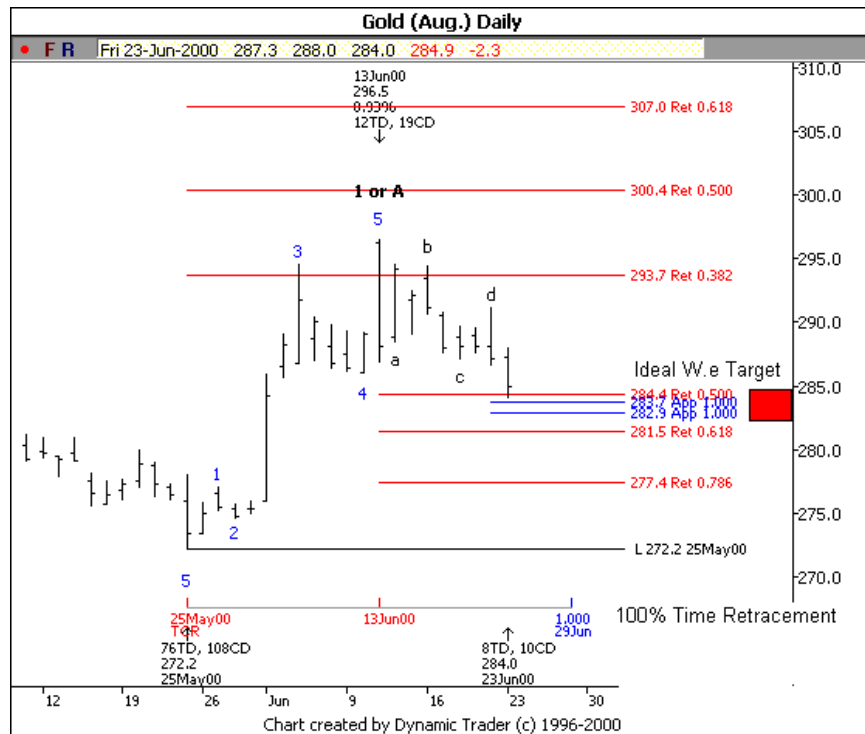
**Time** – June 29 is the 100% time retracement and typically the maximum time target for a correction.

**Trading Strategies** – The assumption is gold will make a corrective Wave B or 2 low and continue to advance to above the June 13 high. Gold is at the ideal price target for a corrective low. Trading strategies should be oriented to a trend-reversal long trade as long as gold has not closed below 281.5, the 61.8% retracement which falls just below the ideal target for a Wave-e low.

**ST & IT Units:** As long as gold has not closed below 281.5, 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.

### Gold- Current and Recent Trade Recommendations

Gold	Unit	Opened	Price	Closed	Price	# Ctr	P/L	O/C
Long Aug.	ST	6/2	278.1	6/8	286.7	1	\$860	C
Long Aug.	IT	6/2	278.1	6/19	288.9	1	\$1080	C



**Copper (Sept.)**

**Pattern** – June 19 should be a Wave 1 or A high. Copper should be near the completion of an ABC correction.

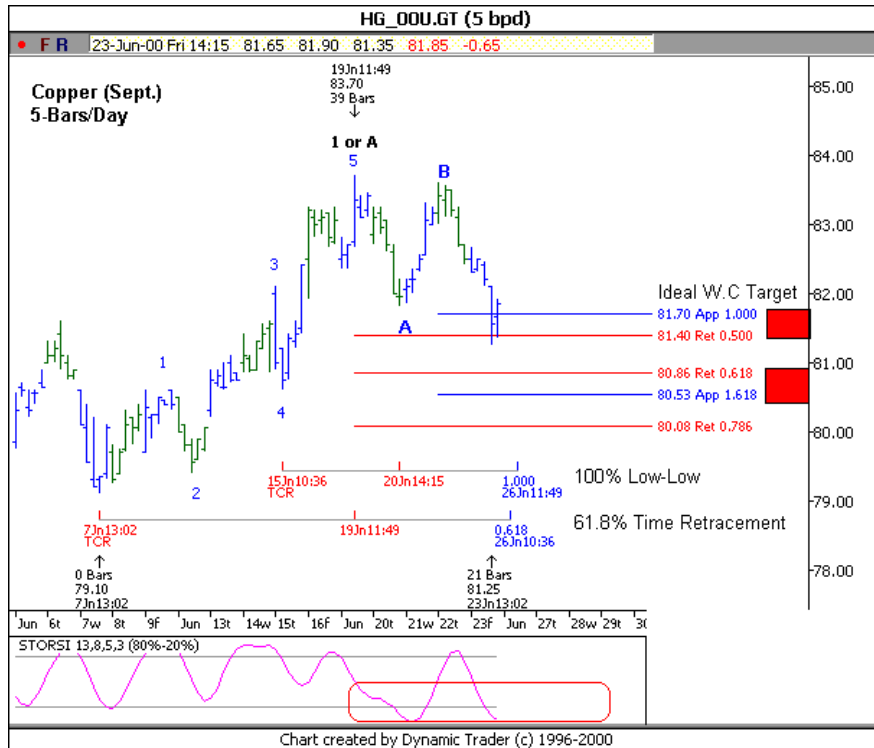
**Price** – 81.70-81.40 is the ideal Wave-C target which includes where W.C = 100% W.A and the 50% retracement. 80.85-80.50 is the maximum W.C target which includes the 61.8% retracement and where W.C = 162% W.A.

**Time** – June 26 is the ideal target for a Wave-C low which includes the minor 100% low-low projections and 61.8% time retracement of the prior five-wave advance.

**ST & IT Units:** As long as copper has not closed below 80.50, 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.

**Copper - Current and Recent Trade Recommendations**

Copper	Unit	Opened	Price	Closed	Price	# Ctr	P/L	O/C
Long May	ST&IT	4/18	76.40	4/27	78.20	2	\$900	C
Long July	ST&IT	4/27	79.10	5/3	81.80	2	\$1350	C
Short July	ST&iT	5/15	84.05	5/16	84.95	2	(\$450)	C
Short July	ST	5/22	83.55	6/1	81.55	1	\$500	C
Short July	IT	5/22	83.55	6/5	80.20	1	\$838	C

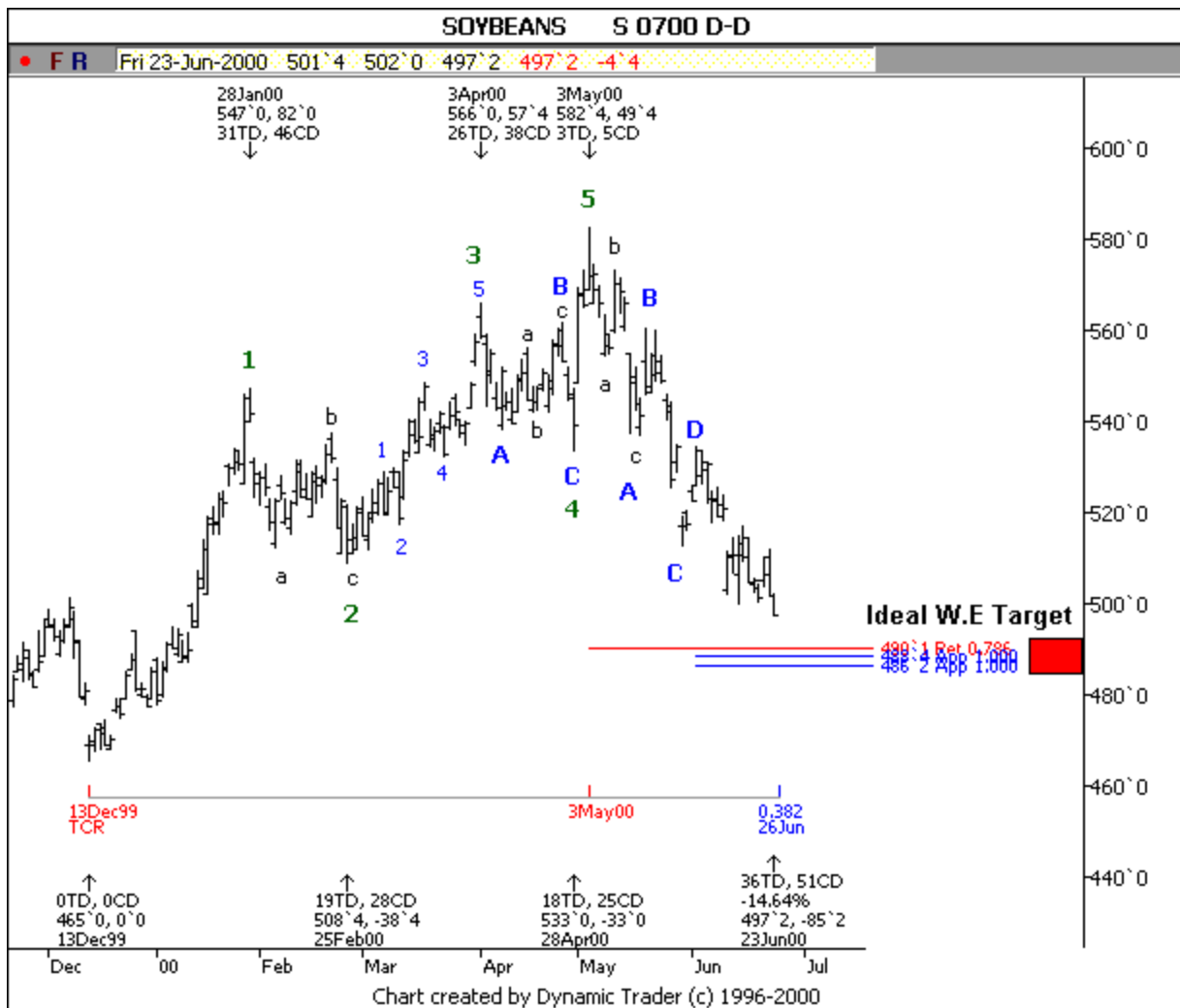


## Beans (July) Daily

While the Nov. contract is where a position should be taken since the July contract is near FND, it is instructive to take a look at the position of the July contract.

Price – 490-486 includes the 78.6% retracement and where W.E equals 100% W.A and W.C. This is the ideal target zone for a W.E low. Friday's low is just seven cents above this critical price zone. Unlike Nov. beans, July remains well above the Dec. 13 low.

Time – The next ten days – through July 5 – is the high probability period to complete at least an intermediate term low in beans. See the Nov. chart and comments.

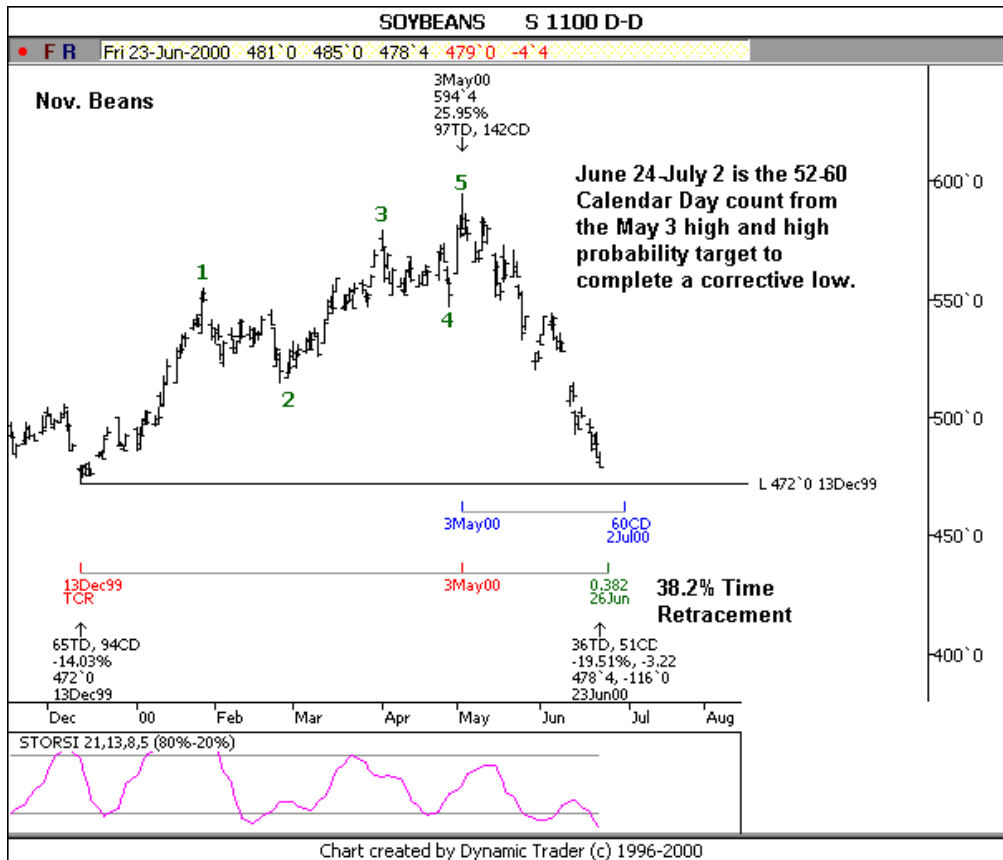


## Beans (Nov.) Daily

June 24-July 2 is the 52-60 Calendar Day count from the May 3 high. 52, 55 and 60 are all counts that occur frequently for bean swings. Both the summer solstice around June 20 and the July 4 weekend are both frequently important trend reversal periods for beans. A low followed by a significant rally at least to the 50% retracement is probable in this time period.

Pattern – The Nov. contract pattern is much different than the July contract as beans are just above the Dec. low. This is similar to the 1983 contract shown in last week's report where beans spiked below the prior low and made a sharp reversal followed by a strong bull trend. The 1983 example only goes to show the possibilities, it is not a forecast.

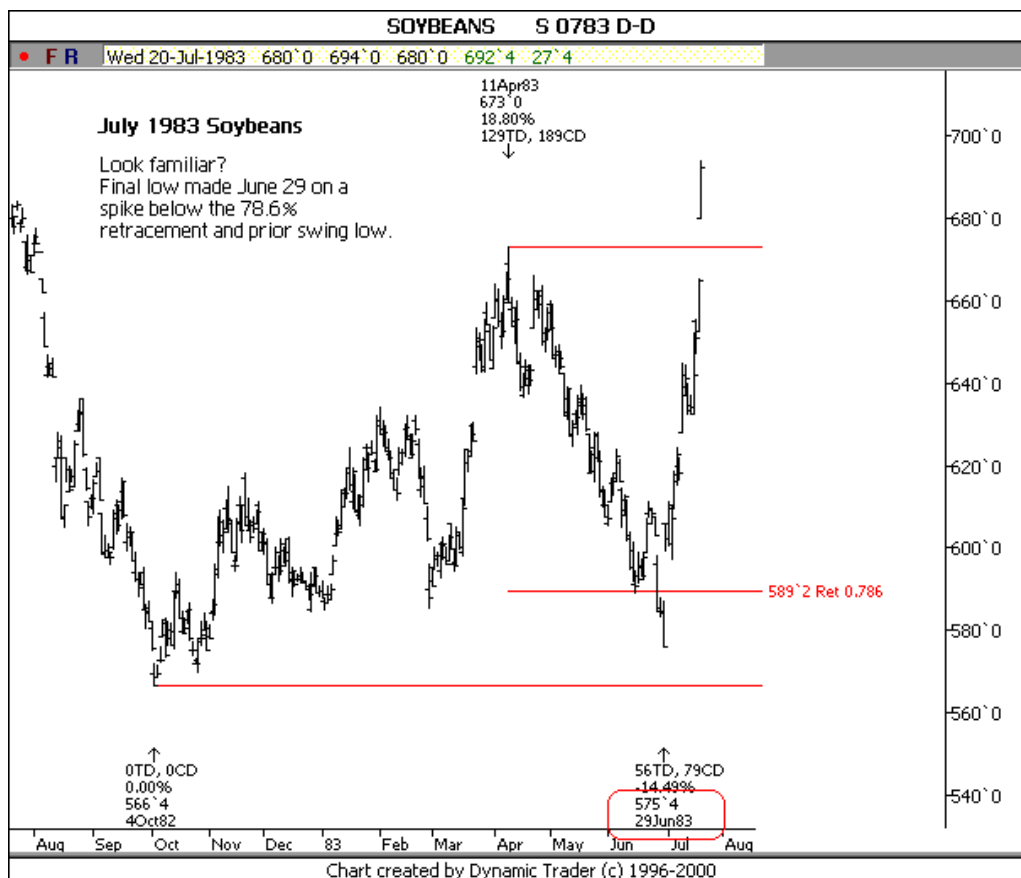
Trading Strategies – The time, price and pattern position of the July contract suggests beans are at or near a corrective low. It is unclear how important that low may or may not be. From a trading perspective, it is not relevant. All we need to know is beans are near a high-probability position to make a low followed by an advance of 50-cents or more. Trading strategies should be oriented to trend reversal long trades.



### Soybean (Nov.) Position Summary as of June 24

<b>Pattern</b>	<b>June 5 = Wave-D or 4 high.</b> If this is the case, the next low should be a Wave-4 or 5 and be followed by at least a 50% retracement of the decline from the May 3 high.
<b>Key Price Support</b> <u>489-486 (July)</u>	See comments on the July daily chart.
<b>Key Time Support</b> <u>June 21-July 5</u>	The broad period to complete a low.
<b>High-Probability Outlook</b>	Just when the last bean bull is throwing in the towel, beans are in a high probability position to complete a low. Unfortunately, there is no clear factor that signals the importance of that low but a 50-cent or greater rally should be made once the low is complete. From a traders perspective, our only job is to identify high-probability opportunities and take what ever the market gives.
<b>Specific Trade Recommendation</b>	<u>ST&amp;IT Units</u> : As long as <u>July</u> beans have not closed below 486, buy <u>Nov.</u> beans 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.

### Nov. Beans – 1983



## Wheat (Sept.)

June-July is the ideal time range for a seasonal low.

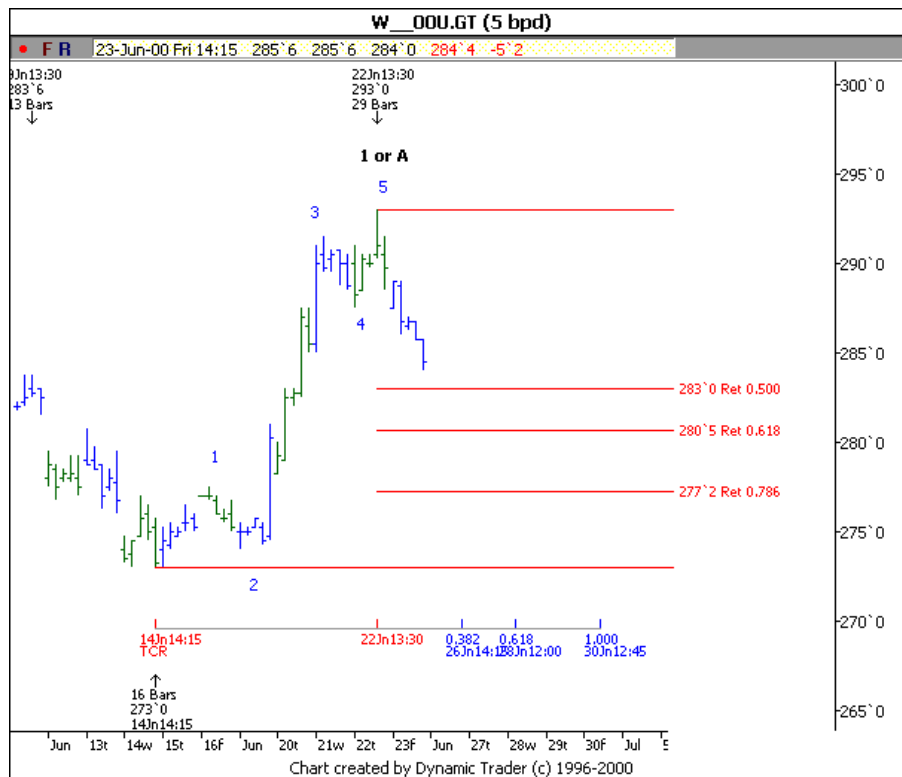
Wheat did not continue lower as anticipated in last week's report.

**Pattern** – Wheat appears to have made a minor five-wave advance from the June 14 low which implies the larger degree trend is bullish. June 22 should be a Wave-A or 1 high. If this is the case, a Wave B or 2 low will be the ideal set-up for a long position. Ideally, the correction will take the form of an ABC.

**Price** – 283-277 (505-78.6% retracements) is the broad zone for a Wave- B or 2 correction. If a Wave-A and B are complete, we will be able to project the target for the Wave-C low.

**Time** – June 26 is the 38.2% time retracement and the minimum target for a correction to a five-wave advance. June 28 is the 61.8% time retracement and a typical target for a corrective low. June 30 is the 100% time retracement and typically the maximum correction to a five wave advance. If June 22 is a Wave 1 or A high, Wave 2 or B should be complete by June 30.

**Trading Strategies** – The ideal set-up is if an ABC correction is made into the 283-277 price zone next week. We will monitor wheat and look to identify a trend reversal go-long set-up if one develops.



### Cotton (Dec.)

Friday's outside day was made just above the 78.6% retracement and one day short of the 100% time retracement. The pattern is a sloppy ABC.

ST & IT Units: As long as Dec. cotton has not traded below 60.05, buy on a 61.15 stop and place the initial protective sell-stop at 60.00.

### Cotton - Current and Recent Trade Recommendations

Cotton	Unit	Opened	Price	Closed	Price	# Ctr	P/L	O/C
Long July	ST&IT	4/20	57.92	4/24	57.25	2	(\$670)	C
Long July	ST	5/1	57.19	5/11	60.15	1	\$1480	C
Long July	IT	5/1	57.19	5/17	62.20	1	\$2505	C
Short July	ST&IT	5/30	61.69	6/6	58.25	2	\$3440	C
Long July	ST&IT	6/15	58.05	6/16	56.70	2	(\$1350)	C

