

Dynamic Trader Daily Report

Comprehensive Analysis and Education For the Serious Trader and Investor

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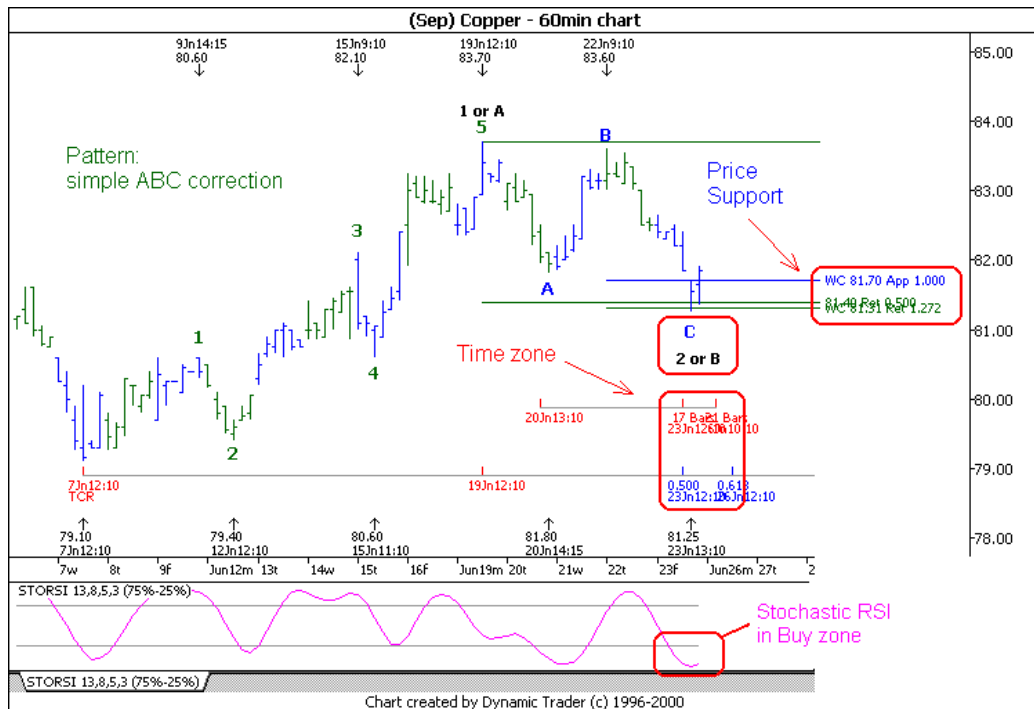
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The analysis and trading strategies described in this report are for educational purposes only. The commentary in this report may or may not relate to a specific trade recommendation made in the Dynamic Trader Report. The weekday issues of the Dynamic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

Today I would like to bring together the last three tutorials on (Sep) copper to show when Price, Time and Pattern coincide, trend termination entry strategies should be used to enter a new trade.

To review, lets take another look at a 60min chart of (Sep) copper.

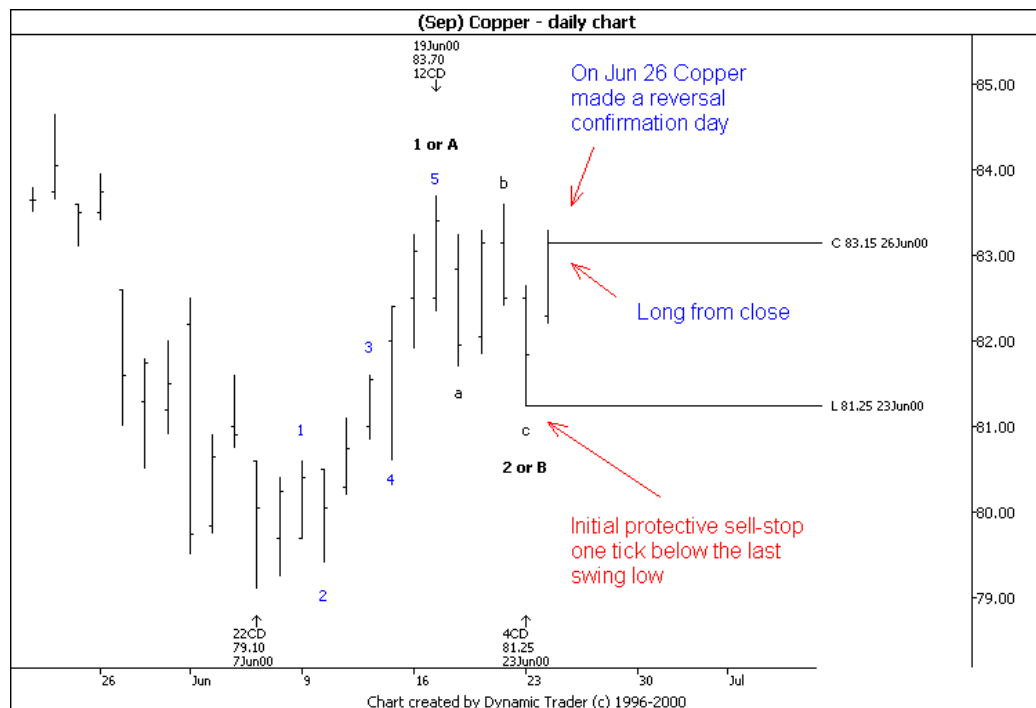


In the chart above we can see that **Price, Time, Pattern** and momentum (stochastic RSI) had all coincided at the Jun 23 low to indicate copper was in a position to complete an ABC correction.

At the June 23 low:

1. The ideal **price** target for the Wave C was 81.70 - 81.31.
2. The ideal **time** target for the Wave C was midday on Jun 23 to midday on Jun 26.
3. The ideal **pattern** was a simple ABC correction.
4. Ideally the Stochastic RSI should be in the buy zone.

On June 23 copper made a low of 81.25 at 13:10 as the stochastic RSI dipped below 25%. Price, Time, Pattern and momentum had all coincided to indicate the termination of a simple ABC correction off the June 19 high. Now trend reversal trade entry strategies should be used to look to enter a new long trade.

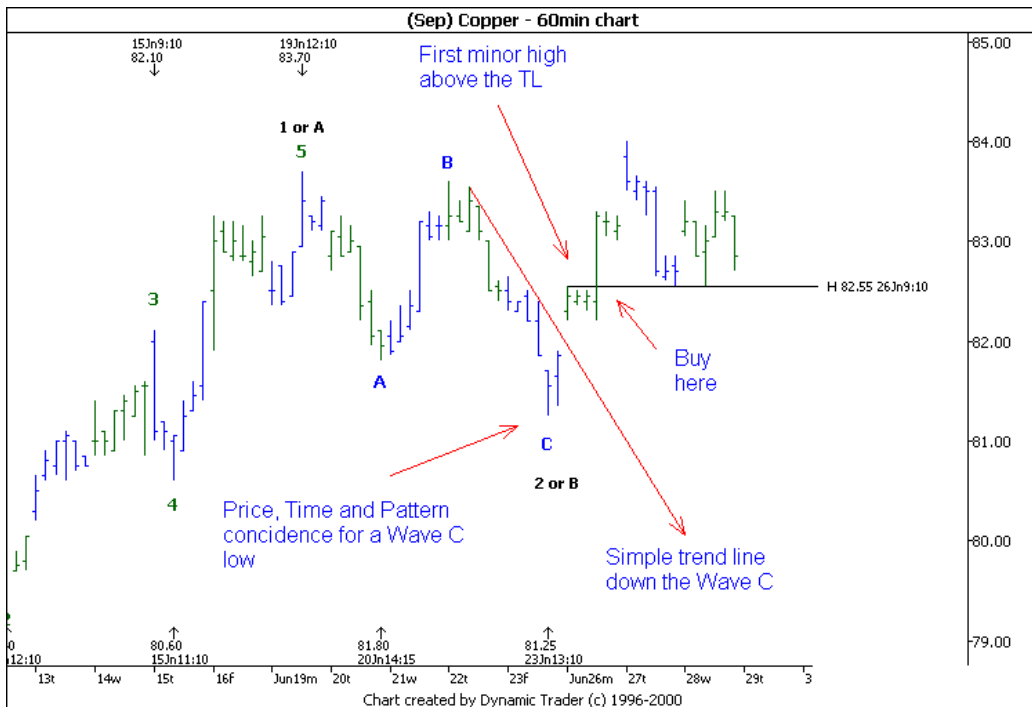


The very next day copper made a reversal confirmation day. In the case of a go-long strategy, a reversal confirmation day is a day where the current day closes above the current day's open and the prior day's close.

The trade entry is to buy on the close, at 83.15 in this example, placing the initial protective sell-stop at the point where the market would prove the current analysis incorrect. This would be a trade one tick below the last swing low, of 81.25 in this example.

The initial capital exposure would be \$475 per contract $((83.15-81.25) \times \$250)$ ignoring slippage and commission.

Today I would like to look at an alternate entry strategy using the 60min chart, as I know many subscribers have access to real time data, and are able to monitor the market during the day. Intraday data can often be used to enter a position earlier than a daily data reversal signal.



ONCE price, time and pattern had all coincided at the June 23 low for the potential termination of a Wave C low, you can then look to buy the break of the first minor swing high *following* the Wave C low. In the chart above I have drawn a simple trend line to help confirm the termination of the Wave C low. Once the market traded above the trendline, the short-term buy signal was a break above the first minor swing high above the trend line.

Please note I am not suggesting buying or selling using a trend line in isolation, as this technique is only applicable **ONCE** a market has made a price, time and pattern coincidence.

Lessons Learned

Once Price, Time and Pattern had coincided at the June 23 low in (Sep) copper to indicate the termination of a simple ABC correction, use trend reversal trade entry strategies. A daily reversal signal or intraday minor swing breakout signal may be used to initiate the position.

Good Trading,
Steve

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PS. Next week due to the July 4 holiday there will be no daily report on Monday or Tuesday. Monday the markets will be closing early.

Specific Trade Recommendations Summary For June 29

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

| Market | New Trade Recommendations or Stop-Loss For Existing Positions |
|---|--|
| S&P <u>S-6/29, 1463.25</u> | <p>All analysis on the full S&P. Trade execution on the e-mini.</p> <p>Today's decline elected a new short trade on open at 1463.25.</p> <p><u>ST&IT Units:</u> Adjust the protective buy -stop to 1479.75. If the S&P trades below today's low, adjust the protective buy-stop to one tick above today's high.</p> |
| Bonds (Sep) | <p>Today's rally stopped out the short trade at 97.02</p> <p>There are no new recommendations.</p> |
| Euro (Sep) <u>L-6/26, 0.9430.</u> | <p><u>ST&IT Units:</u> Raise the protective sell-stop to 0.9443, just under the 62% retracement and minor swing low.</p> |
| Yen (Sep) <u>S-6/26, 96.13.</u> | <p><u>ST&IT Units:</u> Maintain the protective buy-stop at 97.40, three ticks above the 78.6% price retracement.</p> |
| Gold (Aug) <u>L-6/26, 285.5</u> | <p>Next resistance is at <u>299 – 300.4</u>, this consists of the minimum Wave C price target plus the 50% retracement of the Feb to May decline.</p> <p><u>ST&IT Units:</u> Adjust the protective sell-stop to 287.4.</p> <p>If Gold trades above 299, trail the protective sell-stop on the ST unit one tick below the 1DL.</p> |
| Copper (Sep) | <p>Today's decline stopped out the long trade at 81.70</p> <p>There are no new recommendations.</p> |
| Beans (Nov) <u>L-6/27, 482</u> AD (Sep) <u>L-6/27, .6022</u> | <p><u>ST&IT Units:</u> Raise the protective sell-stop to 475, three ticks under the 78.6% price retracement.</p> <p><u>ST&IT Units:</u> Maintain the protective sell-stop at 0.5944, one tick under Monday's low.</p> |
| Wheat (Sep) <u>New Rec.</u> | <p>Today wheat made an inside day, therefore allowing us to use an alternate entry strategy for a new long position. See chart below.</p> <p><u>ST&IT Units:</u> As long as wheat does not trade below 282, buy wheat on a 287.2 stop and place the initial protective sell-stop at 283.2.</p> |

Summary of Open Trade Positions as of June 29

| Market | Month | L / S | Unit | Opened | Price | Closed | Price | # Ctr | P/L | O/C |
|--------|-------|-------|-------|--------|---------|--------|---------|-------|----------|-----|
| Bonds | Sep | S | ST&IT | 6/20 | 97.10 | 6/26 | 96.15 | 2 | \$1687 | C |
| Euro | Sep | L | ST&IT | 6/26 | 0.9430 | - | 0.9568 | 2 | \$3450 | O |
| Yen | Sep | S | ST&IT | 6/26 | 96.13 | - | 96.56 | 2 | (\$1075) | O |
| Gold | Aug | L | ST&IT | 6/26 | 285.5 | - | 290.7 | 2 | \$1040 | O |
| Copper | Sep | L | ST&IT | 6/26 | 83.15 | 6/29 | 81.70 | 2 | (\$725) | C |
| AD | Sep | L | ST&IT | 6/27 | .6022 | - | .6035 | 2 | \$260 | O |
| Beans | Nov | L | ST&IT | 6/27 | 482 | - | 492 | 2 | \$1000 | O |
| S&P | Sep | S | ST&IT | 6/27 | 1471 | 6/28 | 1484.50 | 2 | (\$1350) | C |
| Bonds | Sep | S | ST&IT | 6/27 | 96.15 | 6/29 | 97.02 | 2 | (\$1187) | C |
| S&P | Sep | S | ST&IT | 6/29 | 1463.25 | - | 1458.25 | 2 | \$500 | O |

Other Markets of Interest Summary For June 29

| Market | Other Markets of Interest |
|--------------|--|
| Nasdaq 100 | Similar position to the S&P, the short-term pattern appears unclear. Today's break below 3715 (Friday's low) indicates a Wave 2 or B high completed yesterday. |
| Dollar Index | Ideal Wave C target at 108.46 – 108.75. |

(Sep) wheat – 60min chart

