

Dynamic Trader Daily Report

Comprehensive Analysis and Education For the Serious Trader and Investor

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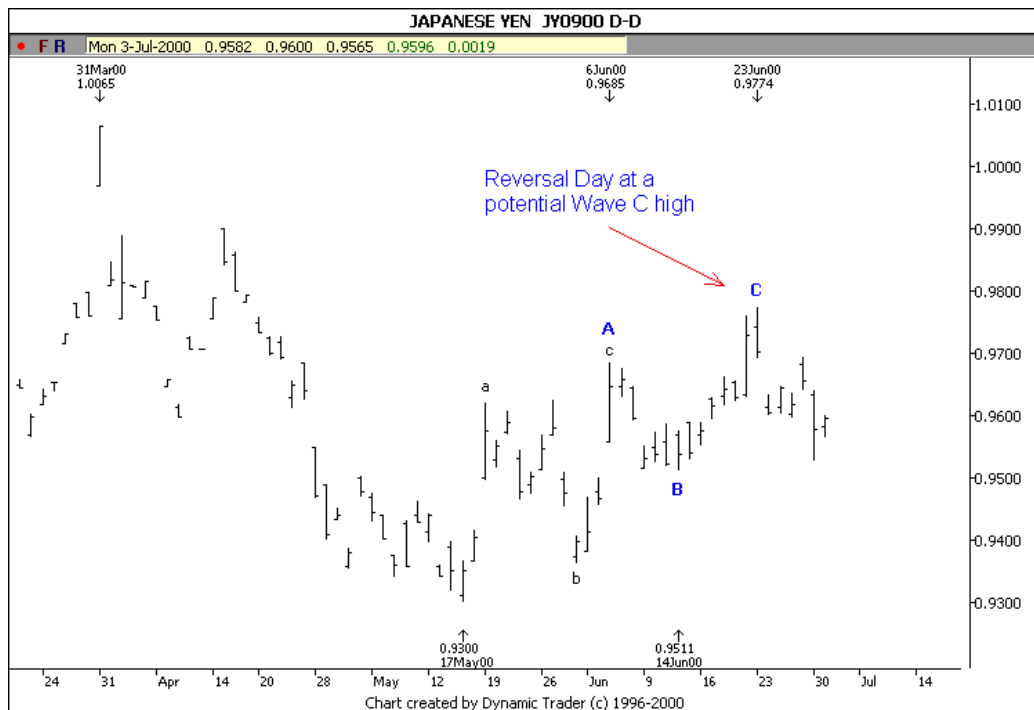
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The analysis and trading strategies described in this report are for educational purposes only. The commentary in this report may or may not relate to a specific trade recommendation made in the Dynamic Trader Report. The weekday issues of the Dynamic 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 have a detailed look at another current trade on the Japanese Yen, and in particular demonstrating a second entry point for traders who missed the initial sell signal on Jun 26 due to the large gap down the open.

To review, lets take a look at a daily chart of the (Sep) Yen.



In the chart above we can see that the Yen made a Reversal Day on Jun 23 for a potential Wave C high.

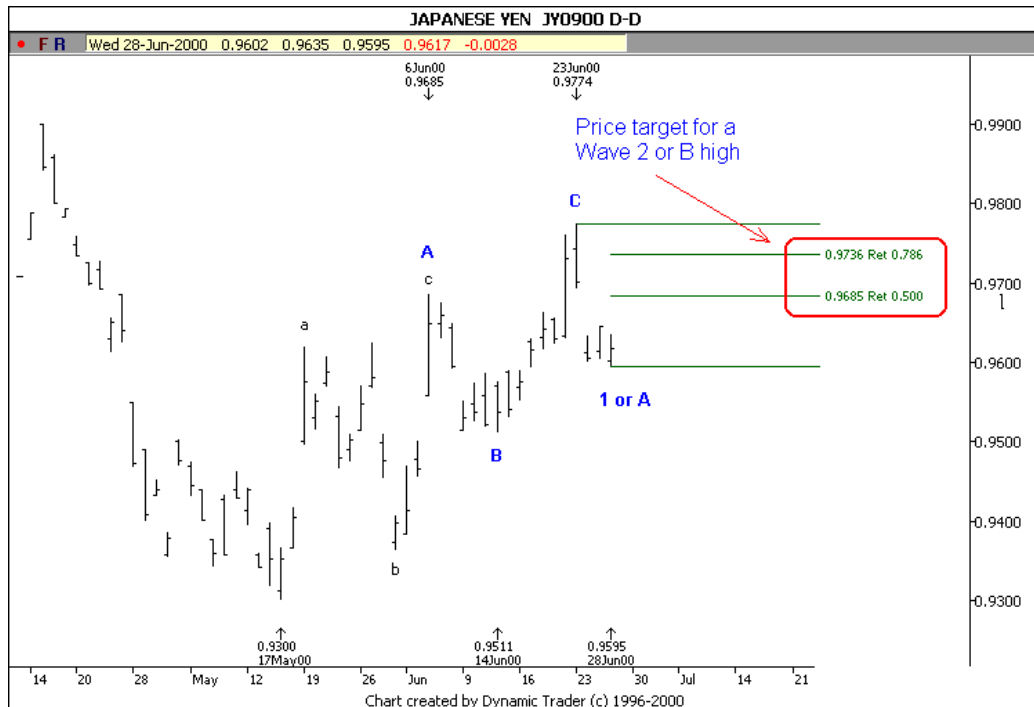
Ideally the trade entry would be to sell on the close of the reversal day on Jun 23, placing the protective buy-stop one tick above the high of the reversal day itself.

A second entry technique is to sell one tick below the low of the reversal day. This is particularly useful if you are unable to monitor the market throughout the day, and have to place your orders the next day. In this example the market gapped down sharply on the open the next day, which would have resulted in a very bad fill on your trade. So is there a way to avoid such nasty surprise?

Yes, you can either check with your Broker before the market opens to see where the overnight session is currently trading. This will then give you an approximate idea of where the market will open. An alternative is to place a "limit" order, which will only be filled within a price range you can define in advance. Both of these techniques will help avoid a nasty surprise when markets gap open due to a large overnight movement.

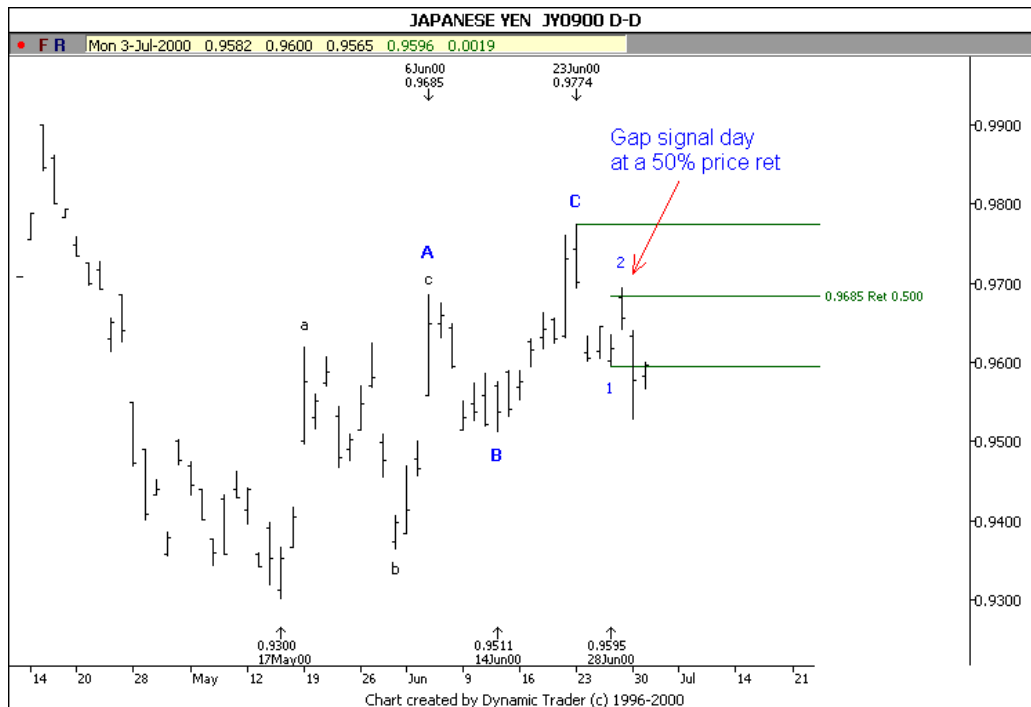
Let's assume, in this example on the Yen, you placed a limit order, which was not filled, therefore leaving you without a position. Is there a way to enter this trade at a later date?

Let's have another look at a daily chart, but a few days later:



As we can see from the chart on the prior page, the Yen declined to make a minor low on Jun 28, this would be considered a lesser-degree Wave 1 or A low. Therefore traders could have been alert for a reversal signal if the Yen rallied into the *typical price target* for a Wave 2 or B high. This would be between a 50% to 78.6% price retracement of the Jun 23 to Jun 28 decline.

As can be seen from the chart below this is exactly what happened, with the Yen making a *gap signal day* on Jun 29 right on the 50% price retracement. This would be considered the lesser degree wave 2 or B high.



The point of today's tutorial is that this gap signal day gave traders a second opportunity to enter a short trade using the original analysis that June 23 completed a Wave C high.

Lessons Learned

It is not always necessary to be in a position from the initial trade recommendation. If this initial recommendation carries too much initial capital exposure for your trading account due to such factors as a gap open, then there will normally be another opportunity to enter a trade in the coming days

Good Trading,
Steve

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Specific Trade Recommendations Summary For July 5

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 (Sept.)	Monday's rally stopped out both positions at 1474. There are no new recommendations.
Bonds (Sept.)	Monday both elected a new short position on open at 97.07, and then stooped out this position at 97.26. There are no new recommendations.
Euro <u>L - 6/26, .9430</u>	The short-term position was stopped out on open on Monday at .9536. <u>IT Unit</u> : Maintain the stop on the IT unit at .9430.
Yen <u>S - 6/26, 96.13</u>	The Yen continued to decline as anticipated and is now approaching the typical Wave 3 price target. See chart below. <u>ST&IT Units</u> : Trail the stop on the ST unit one tick above the 1DH or exit the ST unit on a close above the prior day's close. Adjust the stop on the IT unit to .9596.
AD <u>New Rec.</u>	The AD has entered the ideal Wave C price target as outlined Saturday. See chart below. <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.
CD <u>New Rec.</u>	The Canadian Dollar has reached the minimum Wave C price target and the ideal Price and Time for a potential Wave 2 or B low. See chart below. <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.
Gold: Aug.	Today's decline stopped out both position at 287.9. There are no new recommendations.

Summary of Open Trade Positions as of July 5

Market	Month	L / S	Unit	Opened	Price	Closed	Price	# Ctr	P/L	O/C
Euro	Sep	L	ST	6/26	0.9430	7/3	0.9536	1	\$1325	C
Euro	Sep	L	IT	6/26	0.9430	-	0.9578	1	\$1850	O
Yen	Sep	S	ST&IT	6/26	96.13	-	94.69	2	\$3600	O
Gold	Aug	L	ST&IT	6/26	285.5	7/5	287.9	2	\$480	C
S&P	Sep	S	ST&IT	6/29	1463.25	7/3	1474	2	(\$1075)	C
Bonds	Sep	S	ST&IT	7/3	97.07	7/3	97.26	2	(\$1075)	C

Other Markets of Interest Summary For July 5

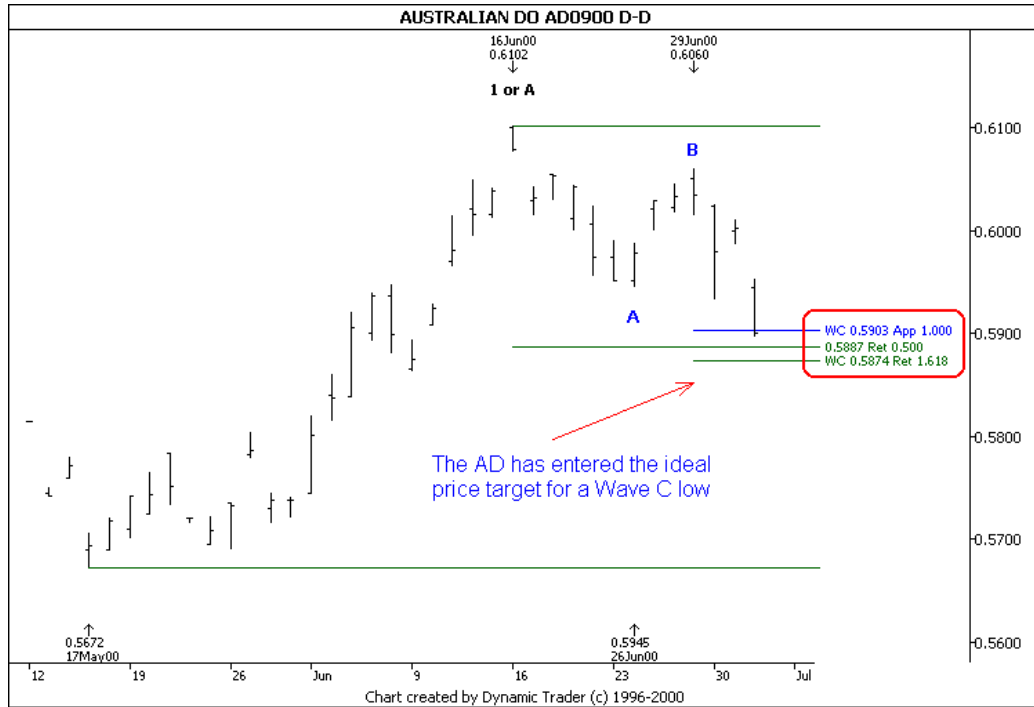
Market	Other Markets of Interest
S&P	Probable Wave-5 of B top on June 19, which projects a continued bear trend to below the May 24 low. The short-term pattern remains unclear. A close below the Jun 26 low of 1452 would confirm a continued bear trend. If this unfolds we will look to position short on trend continuation sell set-ups
Nasdaq 100	Basically the same position as the S&P.
DJIA	No change from last Saturday's report.
Dollar Index	A close below 106.08 (Sept.) signals the continuation of the bear trend.
Beans	Probable low by July 12 and ideally by July 5.
Wheat	Probable seasonal low by mid-July. Ideally, July 2-7 or July 14-18.

(Sep) Yen – 60min chart



Continued on next page.

(Sep) AD – daily chart



(Sep) Canadian Dollar – daily chart

