

Dynamic Trader Daily Report

Comprehensive Analysis and Education For the Serious Trader and Investor

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Dynamic Traders Group, Inc.

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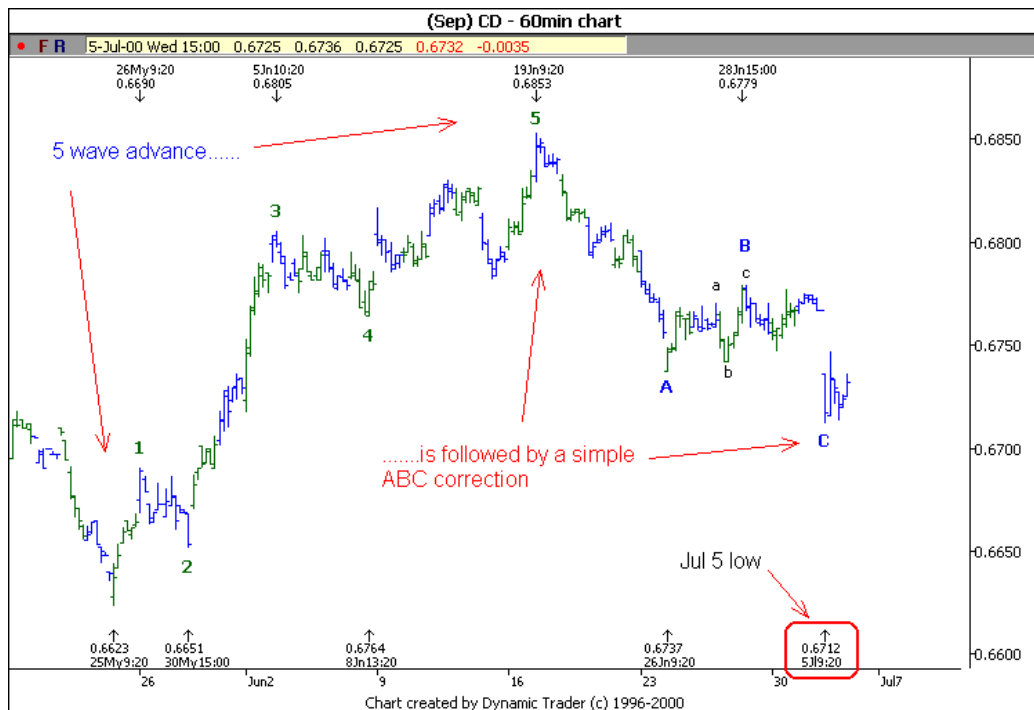
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The analysis and trading strategies described in this report are for educational purposes only. The commentary in this report may or may not relate to a specific trade recommendation made in the Dynamic Trader Report. The weekday issues of the Dynamic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

Practical application of Price, Time and Pattern

Today I would like to continue to look at the practical application of price, time and pattern analysis with a look at the lesser-degree ABC within the Wave 2 or B correction from yesterday's report, on the Canadian Dollar.

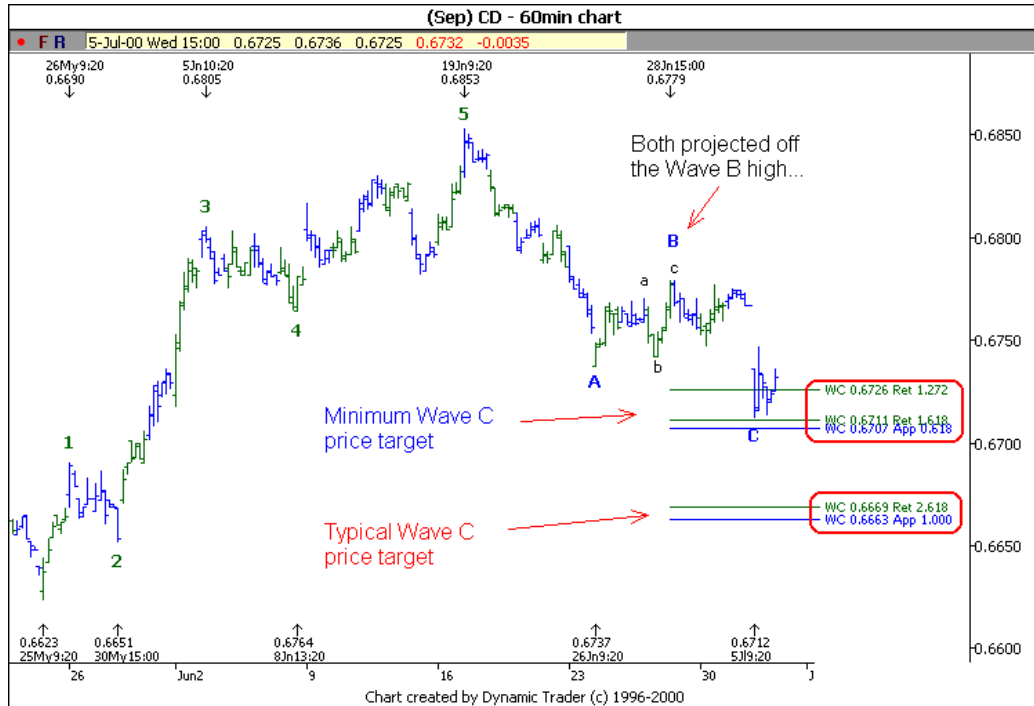
First lets have a look at the lesser-degree **Pattern** position of the Canadian Dollar on Jul 5 using a 60min chart:



Here a five-wave advance is followed by a simple ABC correction.

I know this is a repeat of the pattern from yesterday's report, but this is the basis of the best Elliott wave counts – simple 5's and 3's, 5's and 3's (abc corrections) – it is therefore worth repeating.

Now we can look at the *minimum*, *typical* and *maximum* **Price** targets for this Wave C off the Jun 28 Wave B high:



Where the *minimum* price target of 0.6726 – 0.6707, consists of the cluster of:

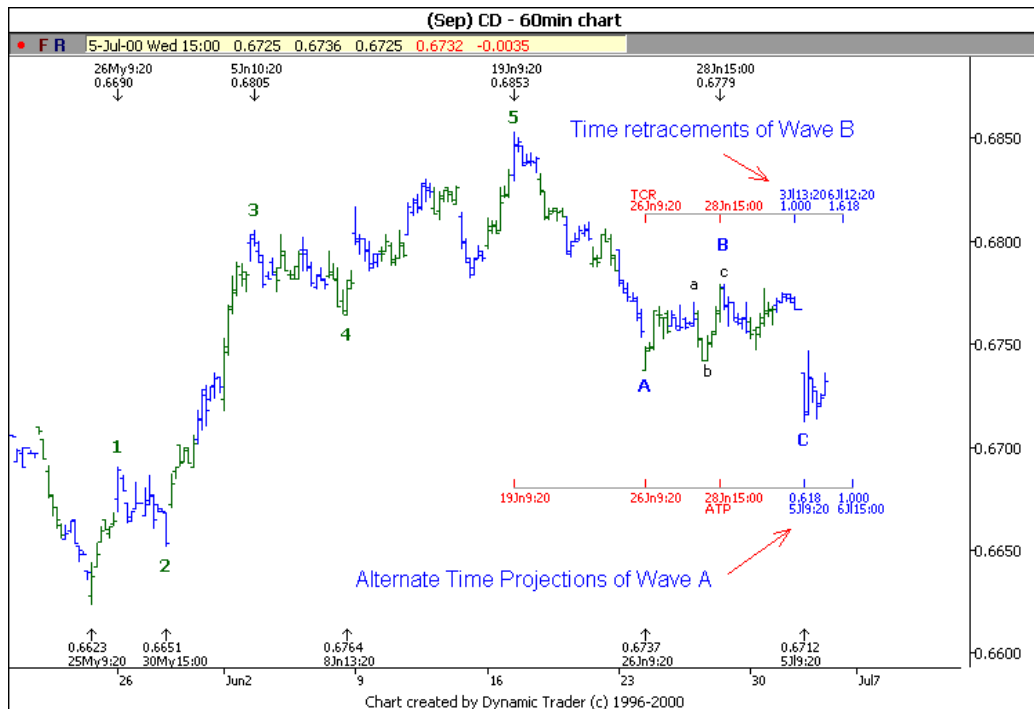
- Wave C = 0.618% alternate price projection of Wave A
- Wave C = 1.618% and 1.272% external retracement of Wave B

And the *typical* price target of 0.6669 – 0.6663, consists of the cluster of:

- Wave C = 100% alternate price projection of Wave A
- Wave C = 2.618% external retracement of Wave B

As can be seen from the chart above, the low of Jul 5 at 0.6712 falls right in the *minimum* Wave C price target of 0.6726 – 0.6707

We can now turn our attention to **Time**, please see the chart on the next page, where we have two time targets for the termination of the Wave C of 13:20 on Jul 3 – 9:20 on Jul 5 and 12:10 on Jul 6 – 15:00 on Jul 6.



Where the two time clusters consist of

1. 100% time retracement of Wave B plus 0.618% alternate time projection Wave A, and
2. 162% time retracement of Wave B plus 100% alternate time projection Wave A

As can be seen from the chart above, the low on Jul 5 at 9:20 fell precisely in the first of these **Time** targets for the termination of the Wave C of 13:20 on Jul 3 – 9:20 on Jul 5

Price, Time and Pattern had coincided at the July 5 9:20 low at 0.6712 for the potential termination of the Wave C *at the same time* as the **Price, Time and Pattern** coincidence for the larger-degree Wave 2 or B correction as demonstrated yesterday. **Now was a very important time to be alert for a change in trend!!**

Lessons Learned

The simple and logical steps in identifying the Price, Time and Pattern coincidence for the potential termination of the lesser-degree Wave C, within the larger-degree Wave 2 or B low correction covered yesterday.

Good Trading,
Steve

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Specific Trade Recommendations Summary For July 12

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 (Sept.) <u>S - 7/10, 97.16</u>	<u>ST & IT Units</u> : Maintain the protective buy -stop at 98.03. If bonds close below 97.06 lower the protective buy -stop to 97-27.
Dollar Index	Today's rally stopped out the short position at 107.41. There are no new recommendations.
Euro (Sept.) <u>L - 6/26, .9430</u>	<u>IT Unit</u> : Maintain the protective sell-stop on the intermediate term unit at .9419, three ticks below the maximum Wave-c target. If the Euro closes above .9616 (Wb high), raise the stop on the IT unit to .9498. <u>ST Unit</u> : Today's decline stopped out the ST unit at .9498.
CD (Sept.) <u>L-7/6, .6748</u>	<u>ST & IT Units</u> Maintain the protective sell-stop at .6725, three ticks below the 78.6% retracement.
Copper (Sept.) <u>L-7/10, 81.50</u>	<u>ST & IT Units</u> : Raise the protective sell-stop to 81.35, just under the 78.6% retracement.
Cotton (Dec.) <u>L-7/12, 58.20</u>	Today's rally elected the 57.85 buy stop on open at 58.20. <u>ST & IT Units</u> Maintain the initial protective sell-stop at 56.95.
Gold (Aug.) <u>Same Rec. as yesterday</u>	Today Gold decline into the Wave 5:C price target outlined yesterday. See chart below. <u>ST & IT Units</u> : As long as Gold does not close below 281.0, 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.

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Summary of Open Trade Positions as of July 12

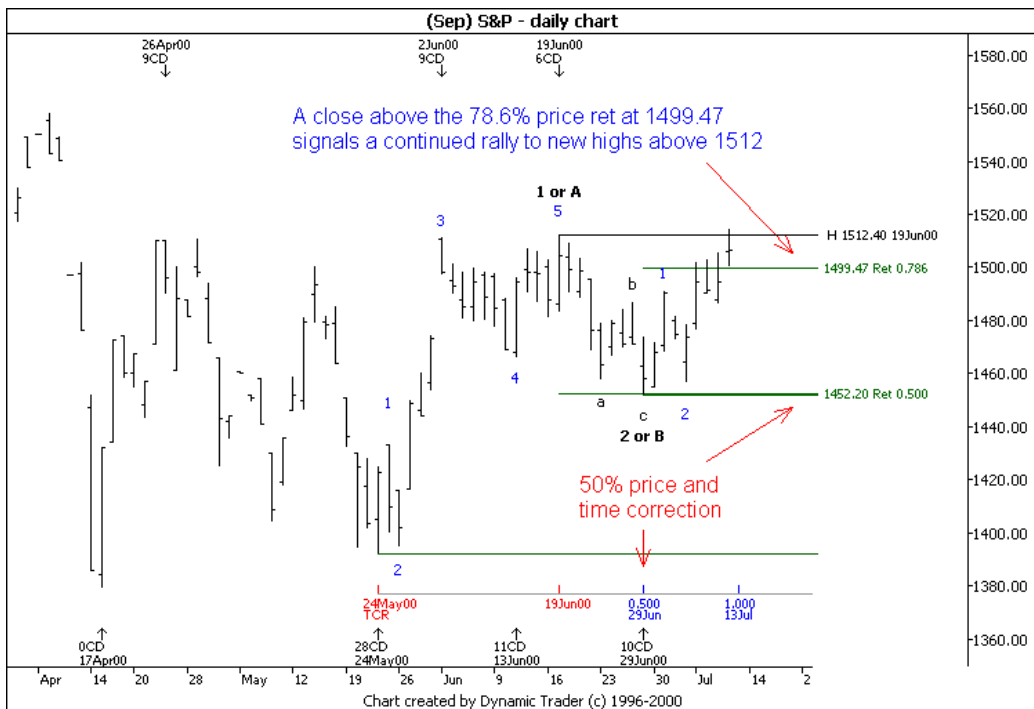
Market	Month	L / S	Unit	Opened	Price	Closed	Price	# Ctr	P/L	O/C
Euro	Sept.	L	IT	6/26	0.9430	-	0.9458	1	\$280	O
Yen	Sept.	S	IT	6/26	96.13	7/10	94.71	1	\$1775	C
CD	Sept.	L	ST&IT	7/6	.6748	-	.6764	2	\$320	O
AD	Sept.	L	ST&IT	7/7	.5917	7/11	.5889	2	(\$560)	C
Euro	Sept.	L	ST	7/10	0.9583	7/12	0.9498	1	(\$850)	C
Copper	Sept.	L	ST&IT	7/10	81.50	-	83.20	2	\$850	O
DX	Sept.	S	ST&IT	7/10	106.70	7/12	107.41	2	(\$1420)	C
Bonds	Sept.	S	ST&IT	7/10	97.16	-	97.17	2	(\$64)	O
S&P	Sept.	S	ST&IT	7/11	1488	7/11	1503	2	(\$1500)	C
Cotton	Dec.	L	ST&IT	7/12	58.20	-	58.2	2	\$0	O

Other Markets of Interest Summary For July 12

Market	Other Markets of Interest
S&P	<p>Today the S&P closed above 1499.70 therefore invalidating the current bearish outlook. The alternate count shown on the chart below now appears to be the best representation of the current Elliott position of the S&P.</p> <p>We will now look for trend continuation trades to position long.</p>
Beans	<p>The assumption is a low should be complete next week. At this time, there is no assumption that a low next week will be followed by anything more than a correction to the 50% retracement or so. However, even that will be a very tradable rally.</p> <p>Depending on the bean position following the July 12 report, we may consider trend reversal long strategies. Otherwise we should wait for either the prior minor high to be taken out or for a 50%-78.6% retracement to the initial minor advance before considering long strategies.</p>

Continued on next page.

(Sep) S&P – daily chart



(Aug) Gold – 60min chart

