

Dynamic Trader Daily Report

Comprehensive Analysis and Education For the Serious Trader and Investor

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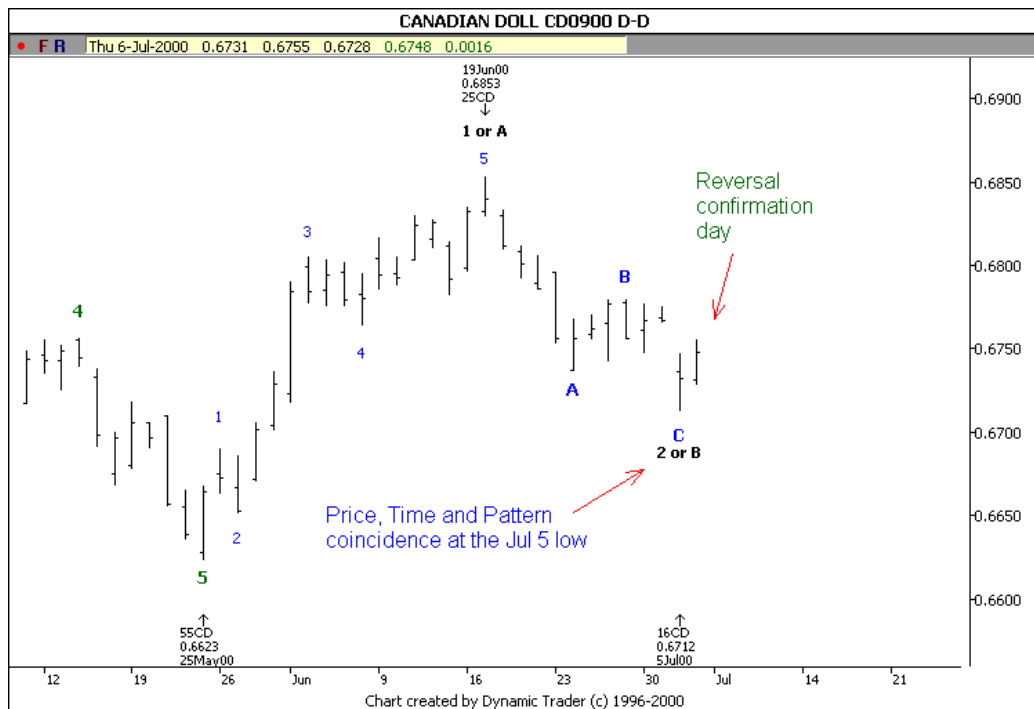
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The analysis and trading strategies described in this report are for educational purposes only. The commentary in this report may or may not relate to a specific trade recommendation made in the Dynamic Trader Report. The weekday issues of the Dynamic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

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 two possible entry techniques once **Price**, **Time** and **Pattern** had coincided at the Jul 5 low on the Canadian Dollar.

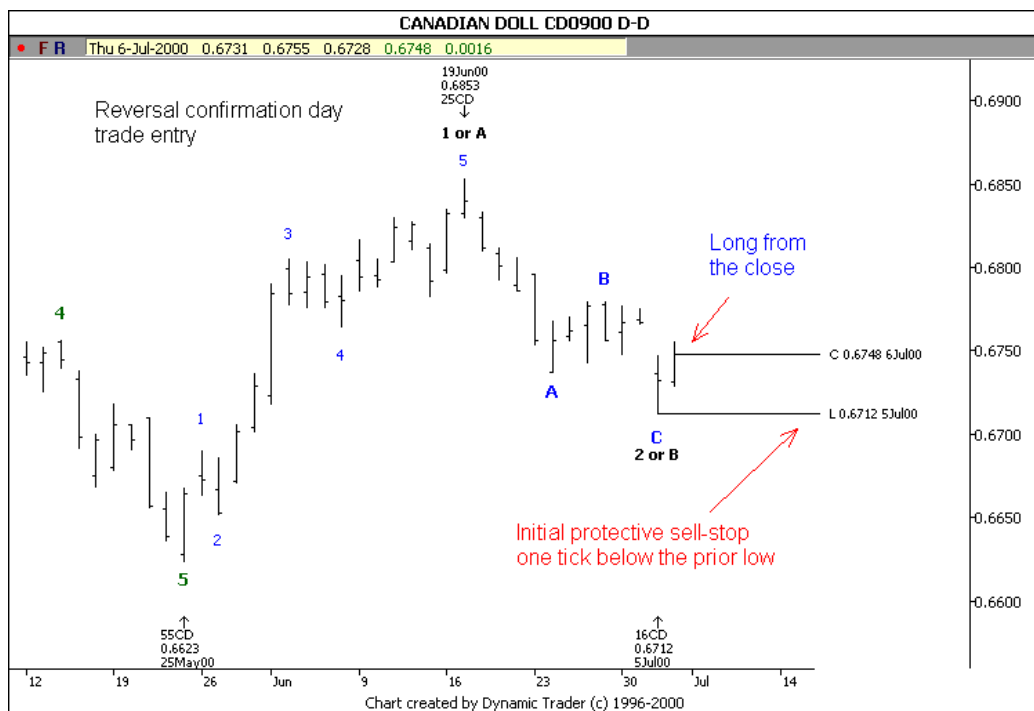
First let's have a look at a daily chart of the (Sep) Canadian Dollar:



First let me remind you that the low of Jul 5 was at a **Price, Time and Pattern** coincidence for both a potential Wave 2 or B low and a lesser-degree Wave C low (within the Wave 2 or B correction). **Price, Time and Pattern** coincidence is the first criteria that must be satisfied, as a market must be in the position where a trend reversal is probable before a trade may be considered

Now that a **Price, Time and Pattern** coincidence is present at the Jul 5 low, trend reversal trade entry strategies should be used to enter a new long trade.

The chart on page one shows that the very next day, Jul 6, the Canadian Dollar made a *reversal confirmation day*. A reversal confirmation day is a day where the close is above (in the case of a long entry) the current day's open and the prior day's close.

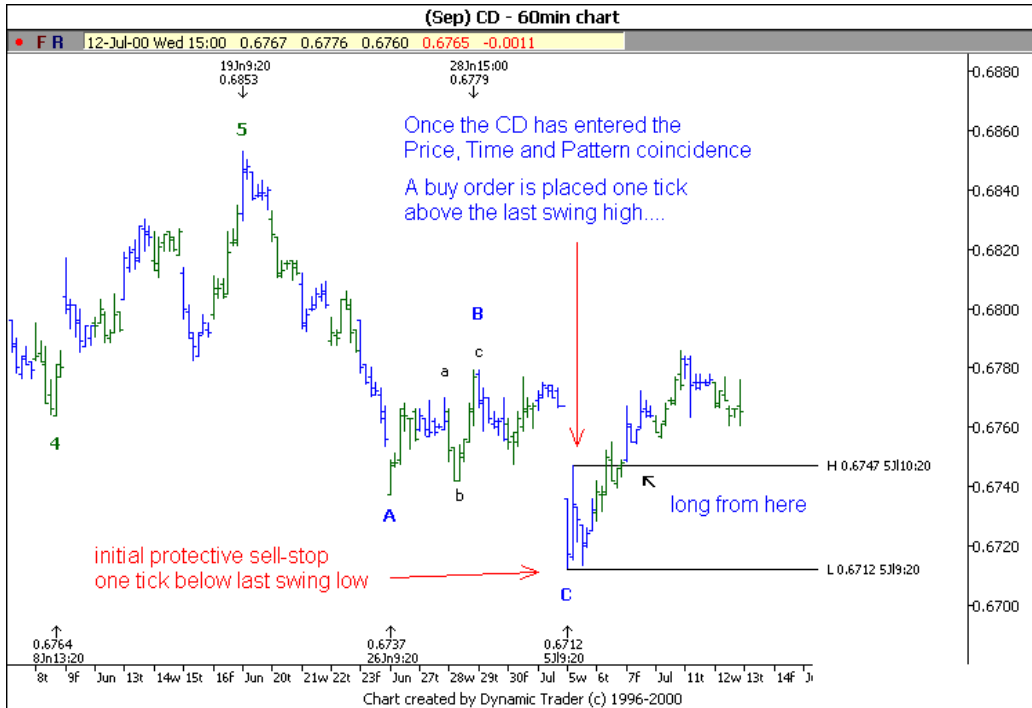


The trade entry would be to buy (in the case of a long trade) on the close of the reversal confirmation day at 0.6748, placing the initial protective sell-stop one tick below the last swing low. In this example this would be one tick below the Jul 5 low of 0.6712.

All for an initial capital exposure of $(0.6748 - 0.6711) \times \$1000 = \underline{\$370}$ per contract (ignoring commission and slippage)

On the next page I would like to outline an alternate trade entry strategy using intraday data.

The principle is exactly the same when using intraday data, once the Canadian Dollar has entered the **Price**, **Time** and **Pattern** coincidence for a potential low, the trend reversal trigger and associated stop loss position is completely automatic. At this point the trader can go brain-dead, because it is the market itself, by it's own actions, which elects the new trade.



The chart above shows that once the Canadian Dollar has entered the **Price**, **Time** and **Pattern** coincidence for a potential low a buy stop is entered one tick above the last swing high. If filled then the initial protective sell-stop is placed one tick below the last swing low. It is as simple and straightforward as that!

Lessons Learned

The trade entry and initial stop loss position for two possible trend reversal trade entry strategies using daily and 60min charts.

Good Trading,
Steve
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Specific Trade Recommendations Summary For July 13

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.)	Today's rally stopped out both position at 98.03. There are no new recommendations.
Euro (Sept.)	Today's decline stopped out the ST unit on open at .9385. There are no new recommendations.
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> : Maintain the protective sell-stop at 81.35, just under the 78.6% retracement.
Cotton (Dec.) <u>L-7/12, 58.20</u>	<u>ST & IT Units</u> Maintain the initial protective sell-stop at 56.95.
Gold (Aug.)	Today Gold closed below 281, therefore invalidating the current buy set-up. There are no new recommendations.

Summary of Open Trade Positions as of July 13

Market	Month	L / S	Unit	Opened	Price	Closed	Price	# Ctr	P/L	O/C
Euro	Sept.	L	IT	6/26	0.9430	7/13	0.9385	1	(\$450)	C
Yen	Sept.	S	IT	6/26	96.13	7/10	94.71	1	\$1775	C
CD	Sept.	L	ST&IT	7/6	.6748	-	.6761	2	\$260	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	-	82.95	2	\$725	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	7/13	98.03	2	(\$1187)	C
S&P	Sept.	S	ST&IT	7/11	1488	7/11	1503	2	(\$1500)	C
Cotton	Dec.	L	ST&IT	7/12	58.20	-	59.30	2	\$1100	O

Continued on the next page

Other Markets of Interest Summary For July 13

Market	Other Markets of Interest
S&P	Today the S&P continued to advance. A close above 1529 would signal an advance to 1558 or above. See the chart below. We will now look for trend continuation trades to position long.
Beans	Beans have continued to decline following the July 12 report It is best to stand aside this market until the short-term pattern becomes clearer.

(Sep) S&P – daily chart

