

Dynamic Trader Daily Report

Comprehensive Analysis and Education For the Serious Trader and Investor

Published By
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Thursday, January 20, 2000

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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.

Wave 5 – Price, Time and Pattern

Time

Today I would like to have a detailed look at the **Time** relationships for a Wave 5.

Like the **Price** calculations I covered yesterday, we do not have reliable *minimum*, *typical* and *maximum* targets for each specific calculation. The time targets are the **Time clusters** that are generated from all the individual Time-Cycle-Ratio calculations. The high probability **Time clusters** are generated where the **Time** projections from *different* swings and *different degrees* of swing *cluster* together in a *relatively tight range*.

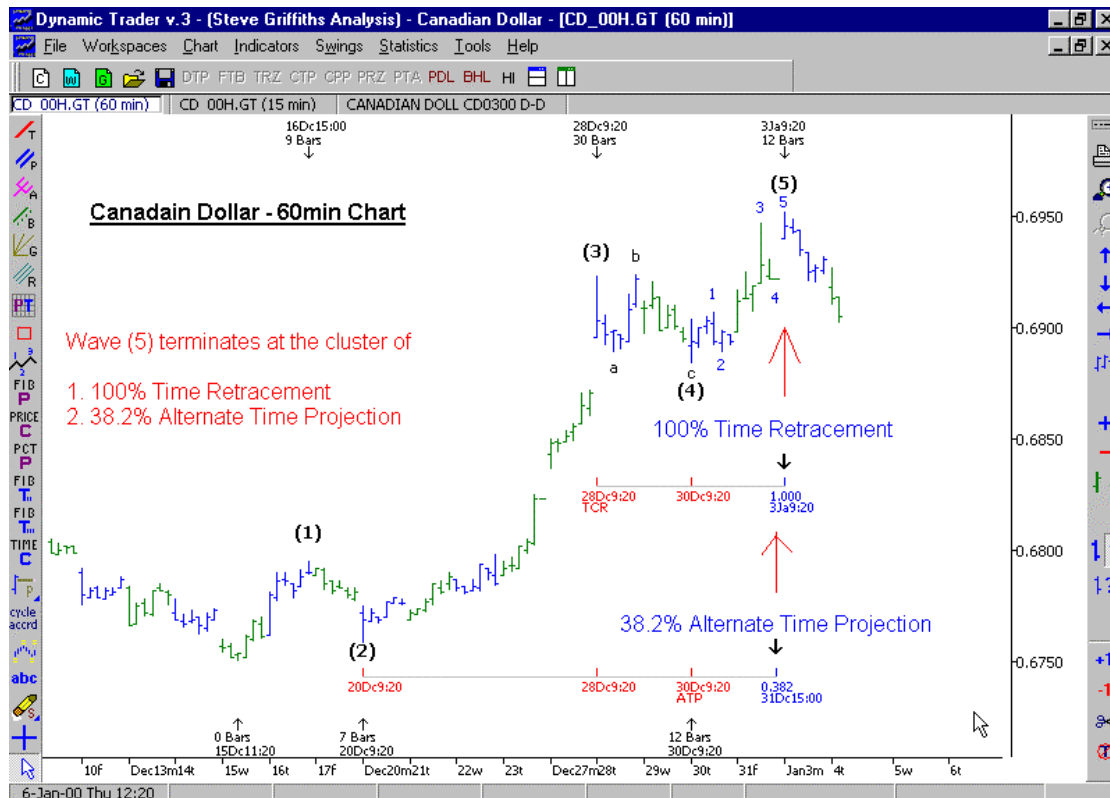
So we have:

- **Time Retracements of:** 38.2%, **50%**, **61.8%**, **100%**, **162.8%**, 200%, and 262.8%.
- **Alternate Time Projections of:** 38.2%, 50%, **61.8%**, **100%**, **162.8%**, 200%, 262.8% and 423.6%.

These are a lot of time projections. Typically, we only need to do a few projections, those in **bold** which are the most important.

Let's have a look at a few examples:

60min Canadian Dollar Chart.



Here we have the Wave (5) terminating in the *cluster* of:

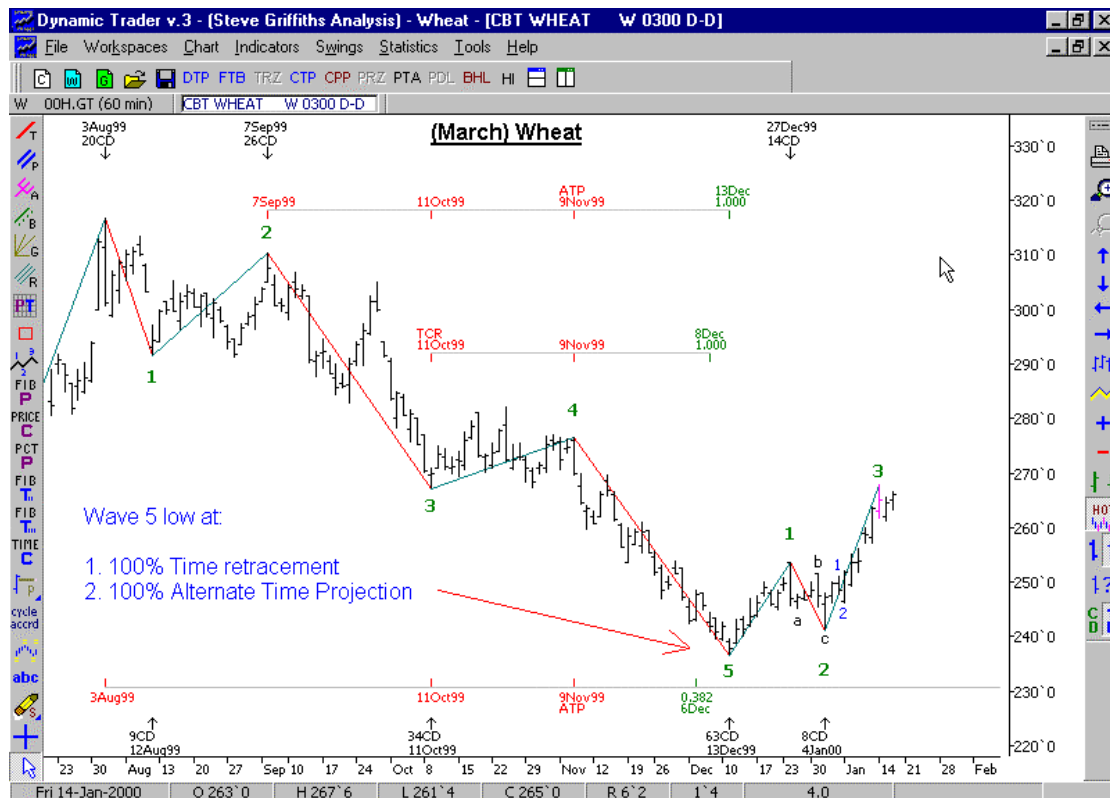
1. 100% **Time retracement** of the last swing – Wave (4)
2. 38.2% **Alternate Time Projection** – Wave (3) from the end of Wave (4)

This is only two of the possible calculations we could perform; if we started using all of the swings that make up the completed Wave (5) placing all these individual calculations on the one chart, things would start to get very cluttered very quickly.

This is where I use the *Dynamic Time projection* routine found in the Dynamic Trader software program, as it perform all of these individual calculations for you, then displays the results in an easy to read format on the chart.

Let's have a look at our current example on Sugar, to see how I got the Jan 20 – Jan 24 Time period for a possible terminate of the current Wave 5 decline.

March Wheat:



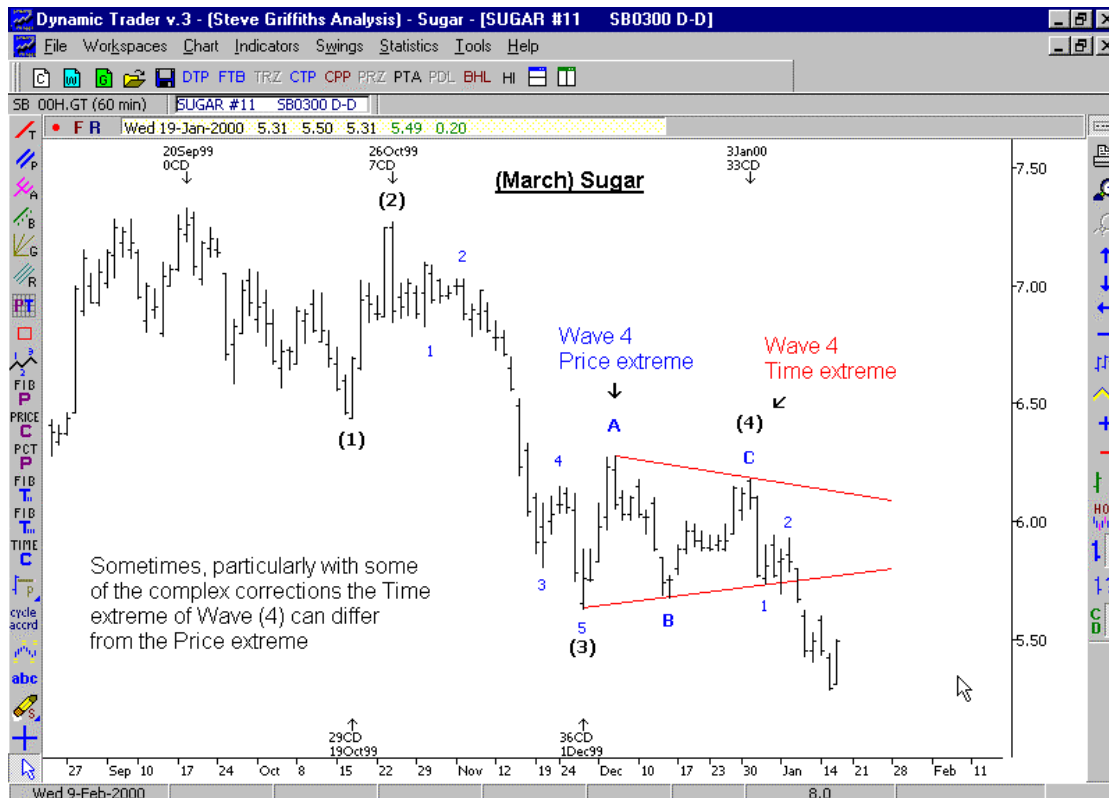
Here we have a *cluster* of:

1. 100% **Time retracement** of the last swing – Wave (4) on Dec 8
2. 100% **Alternate Time Projection** – Wave (3) from the end of Wave (4) on Dec 13
3. 38% **Alternate Time Projection** – Waves (1) -(3) from the end of Wave (4) on Dec 6

Where we have a fairly board **Time** period where we need to be very alert to for a *potential termination* of this current Wave (5) decline of Dec 6 to Dec 13. Although this is quite a broad Time period, we must remember that this is terminating a decline that started on Aug 3, over 4 months ago. The Wave 5 terminated right in this time period on Dec 13.

One thing you will all have noticed by now, particularly in this example, is that I have moved the Wave 4. This is not a fudge. As I have outlined already Wave 4's are very often complex patterns rather than simple ABC's. When Wave 4 unfolds as one of these complex patterns the *Time extreme* of the Wave 4 is very often a different bar than the *Price extreme*.

Let's have a look at an example:



Here the Wave 4 Time extreme was on Jan 3, but the Price extreme was actually at the Wave A high on Dec 7.

Today's Trading Lessons

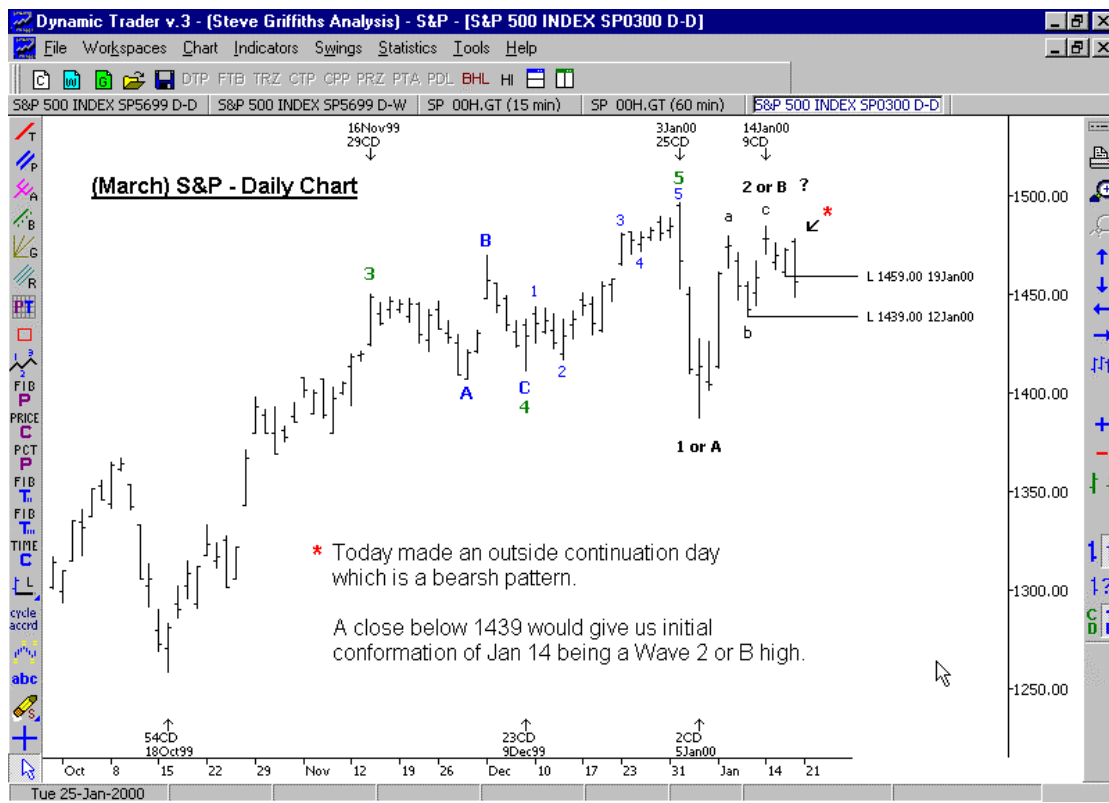
1. The best Wave 5 **Time** targets are where **Time** calculations from *different* swings and *different* degrees of swing are *clustering* together in a *relatively tight range*.
2. Look to perform **Time** Calculations from the *Time extreme* of Wave 4; sometimes this may not coincide with the *Price extreme*.

Continued on next page.

Potential Trade Set-ups and Trade Follow-ups

There are no trade recommendations today, but I thought I would post an S&P Chart, as today made an *outside continuation day* closing below yesterday's low. This is bearish.

A close below 1439 would give us *initial conformation* than Jan 14 is indeed a Wave 2 or B high, and a continued decline to below the Jan 5 low would then be anticipated.



Good Trading,

Steve
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