

# Dynamic Trader Daily Report

Comprehensive Analysis and Education For the Serious Trader and Investor

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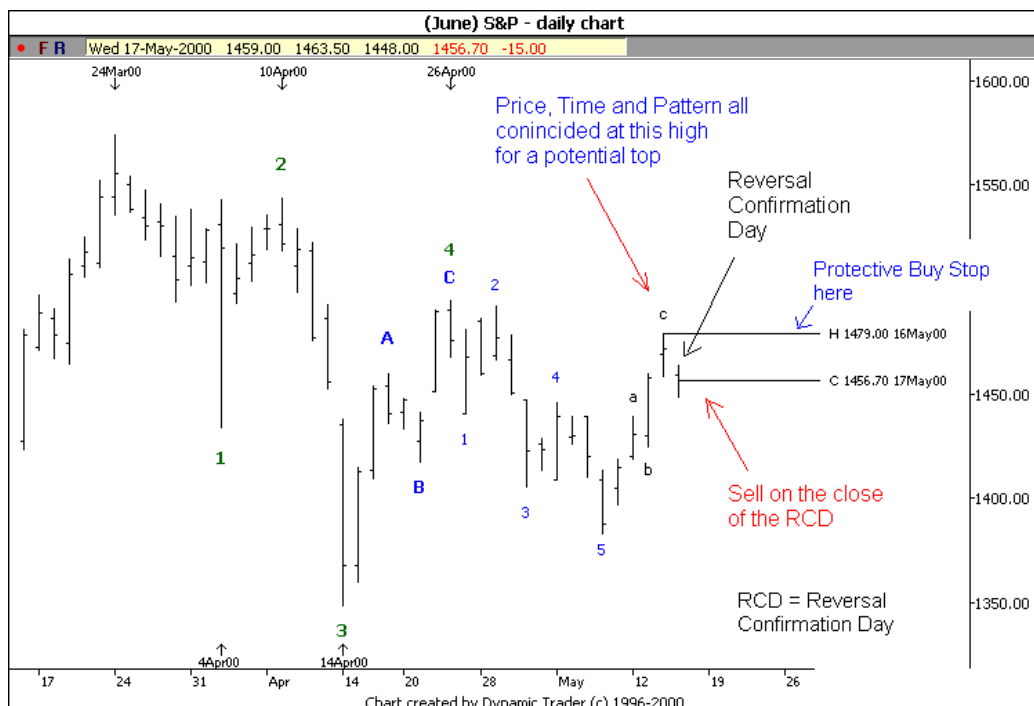
The analysis and trading strategies described in this report are for educational purposes only. The commentary in this report may or may not relate to a specific trade recommendation made in the Dynamic Trader Report. The weekday issues of the Dynamic Trader Report are prepared by Stephen Griffiths and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

Today I would like to continue with yesterday's example on the S&P, where we left the high of May 16 at **Price**, **Time** and **Pattern** coincidence to signal the termination of the corrective ABC rally off the May 10 low.

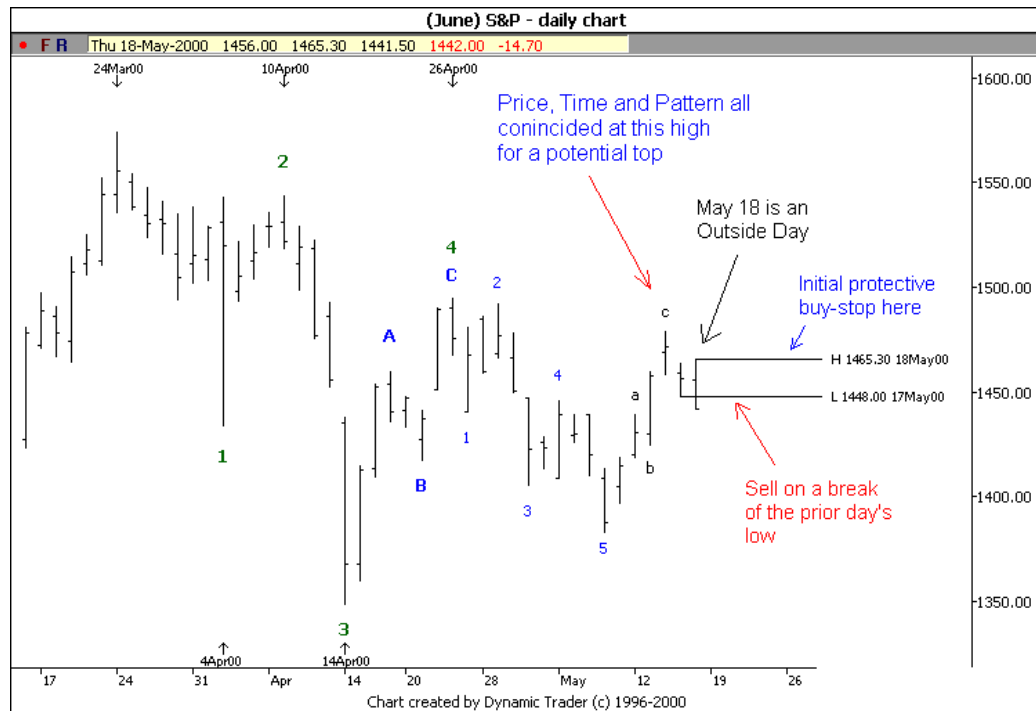
Once **Price**, **Time** and **Pattern** have coincided, a market is in a position to make a trend reversal. Trend reversal trade-entry strategies are then used to enter a trade.

The first of these is the Reversal Confirmation day, where a new trade is entered on market weakness (in the case of a top), as the current day's close is below both the current day's open and the prior day's close.



The trade entry is on the close of the Reversal Conformation Day, with the protective stop placed one tick beyond the last swing Pivot. Hence the current short position in the S&P from 1456 (the close of May 17).

There was also another possible trade entry the next day, May 18, as the S&P made an outside day. This would be considered a trend continuation trade off the potential Wave C high of May 16.



An outside continuation day is a day where the price range is outside and completely engulfs the prior day's price range. Once the prior day's high (in the case of a short trade) is exceeded, an order to sell the market one tick below the prior day's low can be entered. The initial protective buy-stop is placed one tick above the high of the outside day high.

Next, on the shorter-term chart, a break of the last minor swing pivot may be used to enter the market. Please see the first 60min chart on the next page.

Lastly, for the really short-term Traders, once a major turn has been identified, in this example a potential Wave C high on May 16, Traders should start to look for short-term corrective highs to trade off. In the second chart on the next page I have "zoomed in" using a 5min chart to see how the first correction to the first decline off the May 16 high unfolded as a *typical* Wave 2 or B high. This provides another opportunity for a short trade.

Chart 1 – 60min set-up

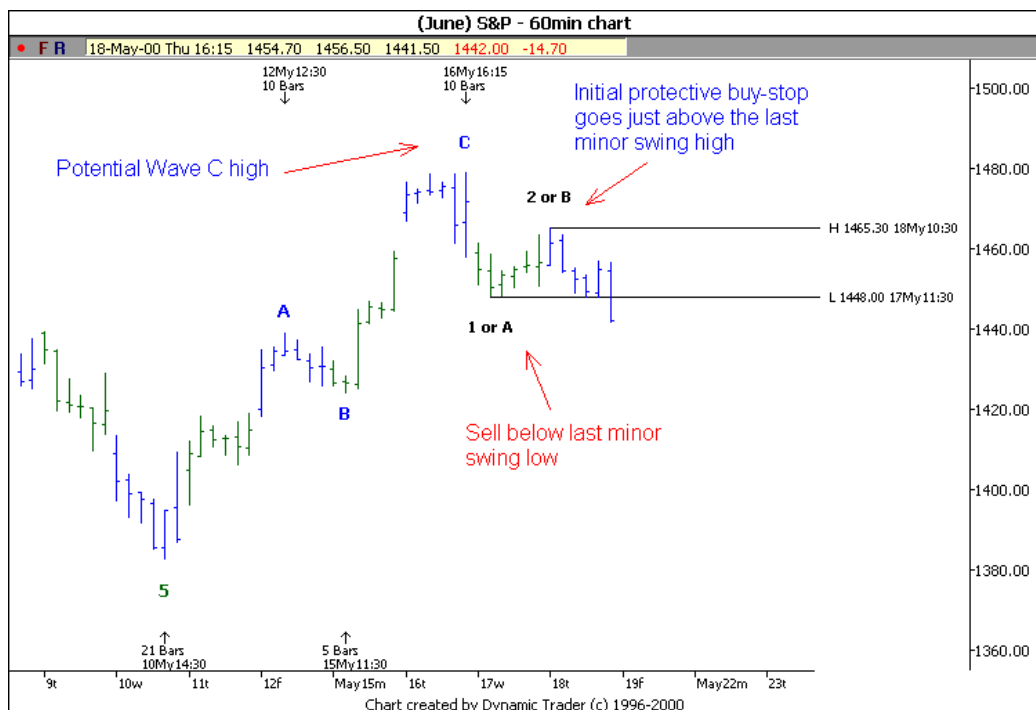
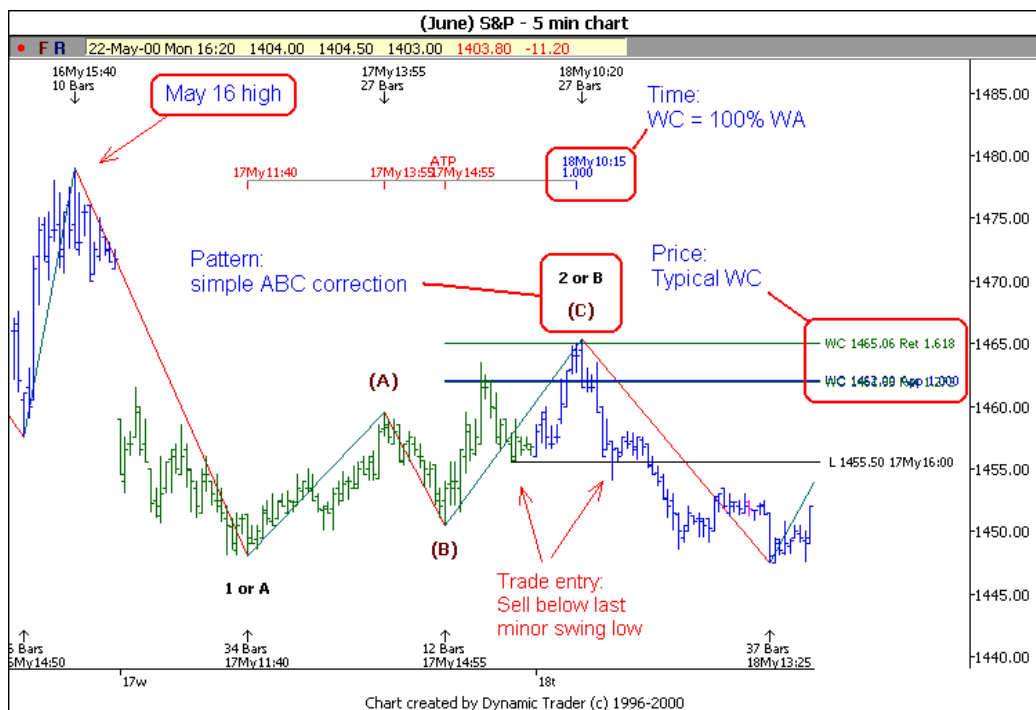


Chart 2 – 5min set-up



## Lessons Learned

Once **Price**, **Time** and **Pattern** have coincided, a market is in a position to make a trend reversal. Trend reversal trade-entry strategies are then used to enter a trade.

Trend continuation trade entry strategies may also be used once a market turn is confirmed, and a new trend is established.

As we saw in this S&P example, one piece of analysis identifying May 16 as a Wave C corrective high led to four different possible trade entries on three different time frames.

Good Trading,  
Steve  
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## Specific Trade Recommendations Summary For May 23

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

Market	New Trade Recommendations or Stop-Loss For Existing Positions
<b>E-Mini S&amp;P: June</b> <u>S - 5/17, 1456.0</u>	The next support area is at 1356.25-1366.50, as outlined yesterday. <u>ST Unit:</u> Trail the protective buy -stop one tick above the 1DH; this remains at 1417.25 for tomorrow. <u>IT Unit:</u> Maintain the protective buy-stop at 1444.75.
<b>Dollar Index: June</b> <u>S - 5/22, 111.16</u>	<u>ST and IT Units:</u> Maintain the protective buy-stop at 112.67.
<b>BP: June</b>  <b>Crude (July)</b> <u>S - 5/22, 29.49</u>	Today's decline stopped out the long trade on open at 1.4786. There are no new recommendations. <u>ST &amp; IT Units:</u> Lower the protective buy -stop to 29.81.
<b>Copper: July</b> <u>S - 5/22, 83.55</u>	Today Copper made an inside day. <u>ST &amp; IT Units:</u> Maintain the initial protective buy-stop at 85.55. If Copper closes below 82.80 low er the protective buy -stop to 84.65.
<b>Beans: July</b> <u>Same Rec as Sat</u>	Same position as yesterday. Looking to position long on break up from W.2 low. <u>ST &amp; IT Units:</u> As long as beans have not closed below 545.4, buy on a 560.6 stop and place the initial protective sell-stop at 545.2.
<b>Cotton: July</b> <u>Same Rec as yesterday</u>	Same position as yesterday. <u>ST &amp; IT Units:</u> If Cotton trades to 63.72, but does not close above 64.19, sell on the close if the close is below the current day's open and the prior day's close. Place the initial protective buy-stop one tick above the recent high.
<b>Sugar: July</b> <u>Same Rec as Sat</u>	Today Sugar closed below the open but <u>not</u> below the prior day's close. <u>ST &amp; IT Units:</u> As long as Sugar has not closed above 7.51, sell on the close if the close is below the current day's open and the prior day's close. Place the initial protective buy -stop one tick above the recent high.

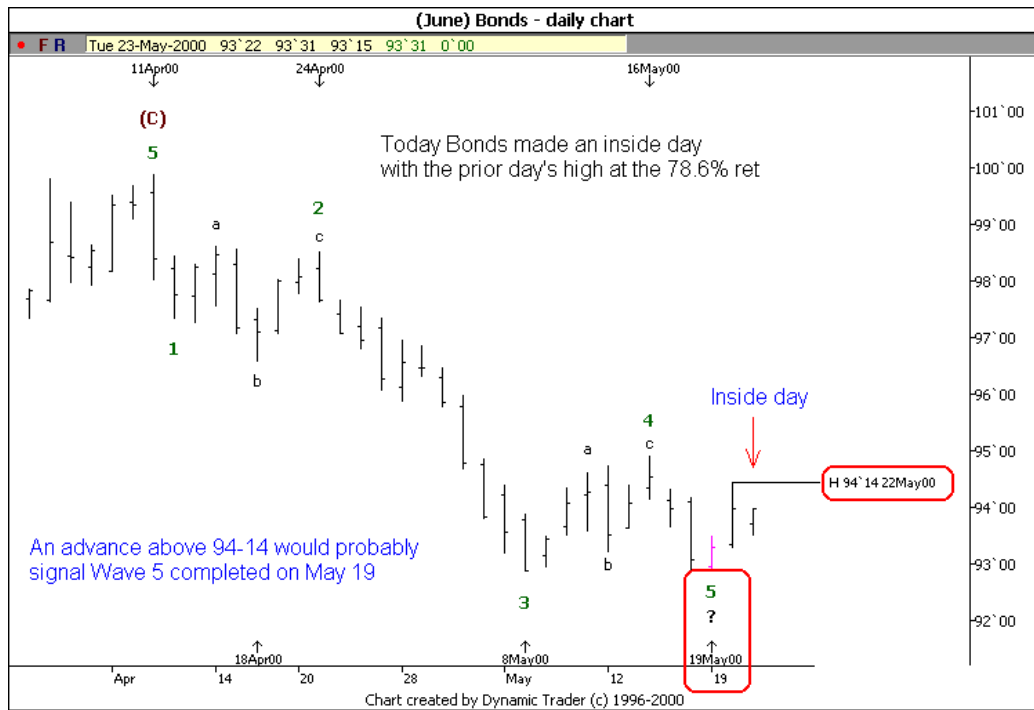
## Summary of Open Trade Positions as of May 23

Market	Month	L / S	Unit	Opened	Price	Closed	Price	# Ctr	P/L	O/C
<b>E-Mini S&amp;P</b>	June	S	ST&IT	5/17	1456.0	-	1382	2	\$7400	O
<b>Dollar index</b>	June	S	ST&IT	5/22	111.16	-	111.06	2	\$200	O
<b>BP</b>	June	L	ST&IT	5/22	1.4900	5/23	1.4928	2	(\$1425)	C
<b>Crude Oil</b>	July	S	ST&IT	5/22	29.49	-	28.78	2	\$1420	O
<b>Copper</b>	July	S	ST&IT	5/22	83.55	-	83.50	2	\$25	O

**Other Markets of Interest Summary For May 23**

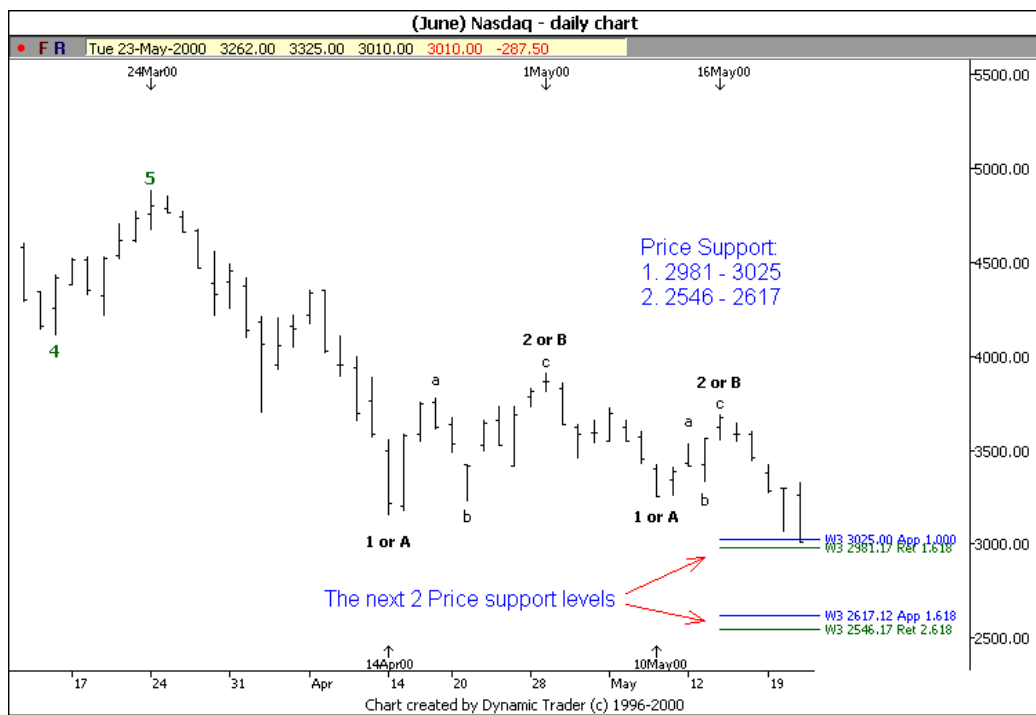
Market	Other Markets of Interest
<b>Nasdaq 100</b>	Next support is at 2896-3025. A close below 2896 would indicate a continued decline to new lows. See the two charts below.
<b>Bonds</b>	Today Bonds made an inside day. We are now past the ideal time for a Wave 5 low; a break above Monday's high of 94-14 would confirm Wave 5 is complete at the May 19 low.
<b>Gold</b>	Gold should complete a five-wave decline by early June. A trade above 284.0 (June) signals W.5:5 low is complete. No strong opinion of the long-term position.

(June) Bonds – daily chart



**Continued on next page.**

(June) Nasdaq – daily chart



(June) Nasdaq – 15min chart

