Trading Opportunities

Successful traders all have the patience and discipline to wait for the set-up before initiating a trade.

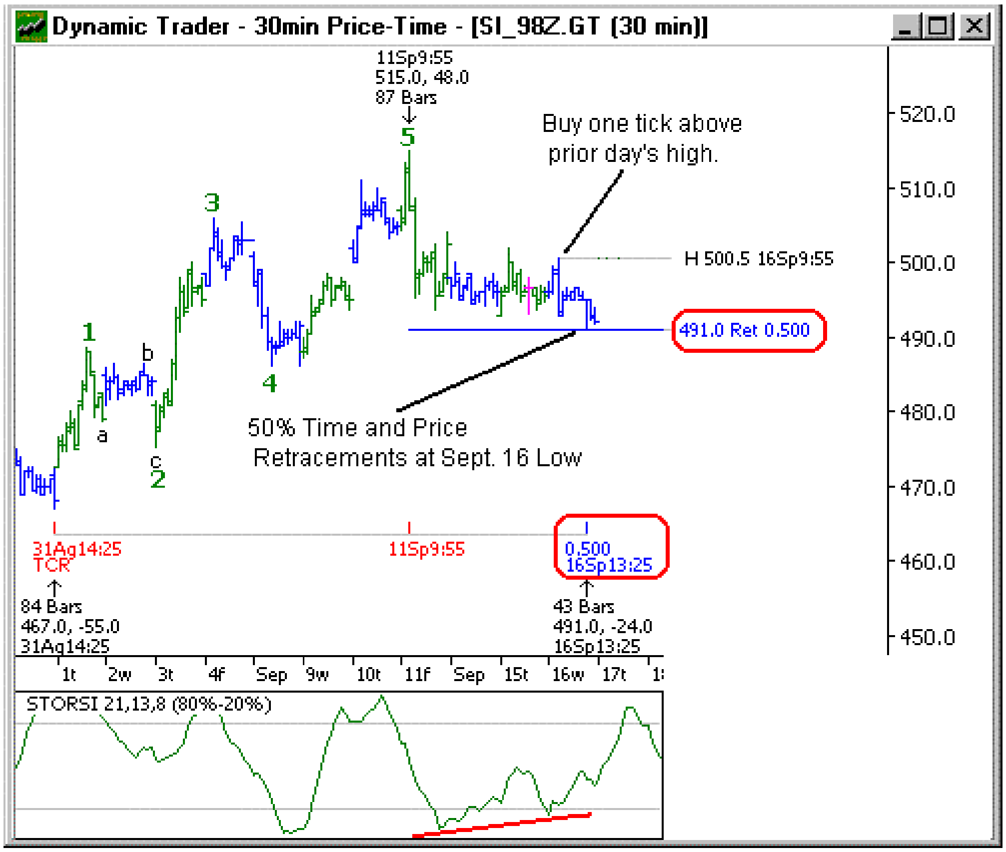
A trader that recently attended my two-day workshop in Sydney, Australia sent an e-mail that included the following comments: *"I'm now beginning to see the importance of patiently waiting for the proper set-up before committing to any trade. That awareness alone is probably worth the entire price of the workshop as it has made me THINK as a trader and not a gambler."*

Do you think as a trader and not a gambler? If you think as a gambler, you place trades based on hope, fear, greed or some other irrational emotion. If you are a successful trader, you place a trade based on an objective analysis of the market position and its high probability outcome based on your proven approach to technical analysis.

Below are a few examples of potential trades based on an objective analysis of the market position and low-risk trading strategies as taught in the *Dynamic Trading* book and *Dynamic Trader Trading Course* that is included with the *Dynamic Trader Software*.

Silver

Silver made a low on Sept. 16 at 491.0. This low was a direct hit of a 50% time retracement and a 50% price retracement of the prior five-wave advance. See the 30-minute chart below.



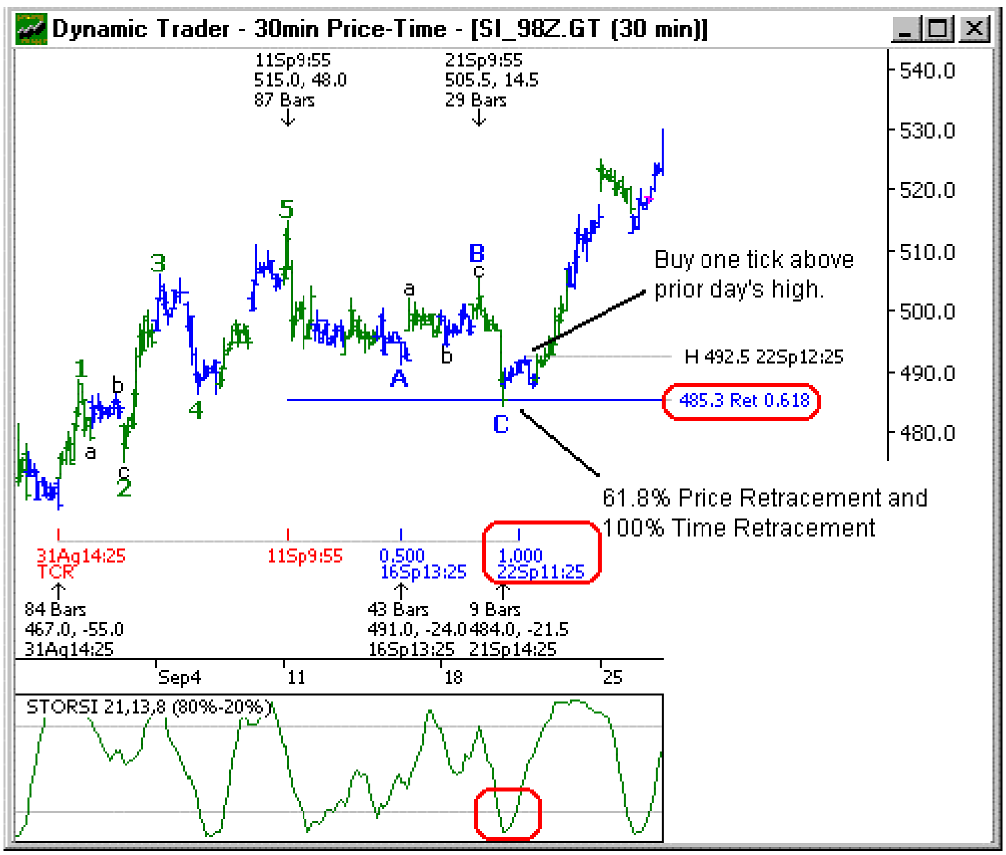
Since the prior minor advance was clearly a five-wave, impulse, the high-probability outcome would be a continuation of the bull trend once a correction was complete. The objective of any trading strategy is to identify the market position and implement a trade-entry strategy with minimal capital exposure. In this case, the objective is to identify the high-probability conditions when a corrective low would be complete.

<u>The Trading Strategy</u>: Once silver had reached the coincidence of the 50% time and price retracements, a buy-stop one tick above the prior day's high (501.0) may be entered to initiate a long position with a stop one tick below the time/price retracement low (490.5) for a capital exposure of $525 per contract.

The following day, the buy-stop to go long would have been elected as silver traded to 502.0. On Monday, Sept. 21, the long position would have been stopped out as silver declined to a new low.

Amateur traders become paralyzed when stopped out of the market and don't stick to a trading plan. Successful traders will continue to be on the alert for the next set-up to enter a long position as long as the market position has not changed.

The low of Sept. 21 was made at the 61.8% price retracement and just a few bars before the 100% time retracement at what appeared to be the completion of an ABC correction. All of the factors were in place for a corrective low and another set-up for a long position.



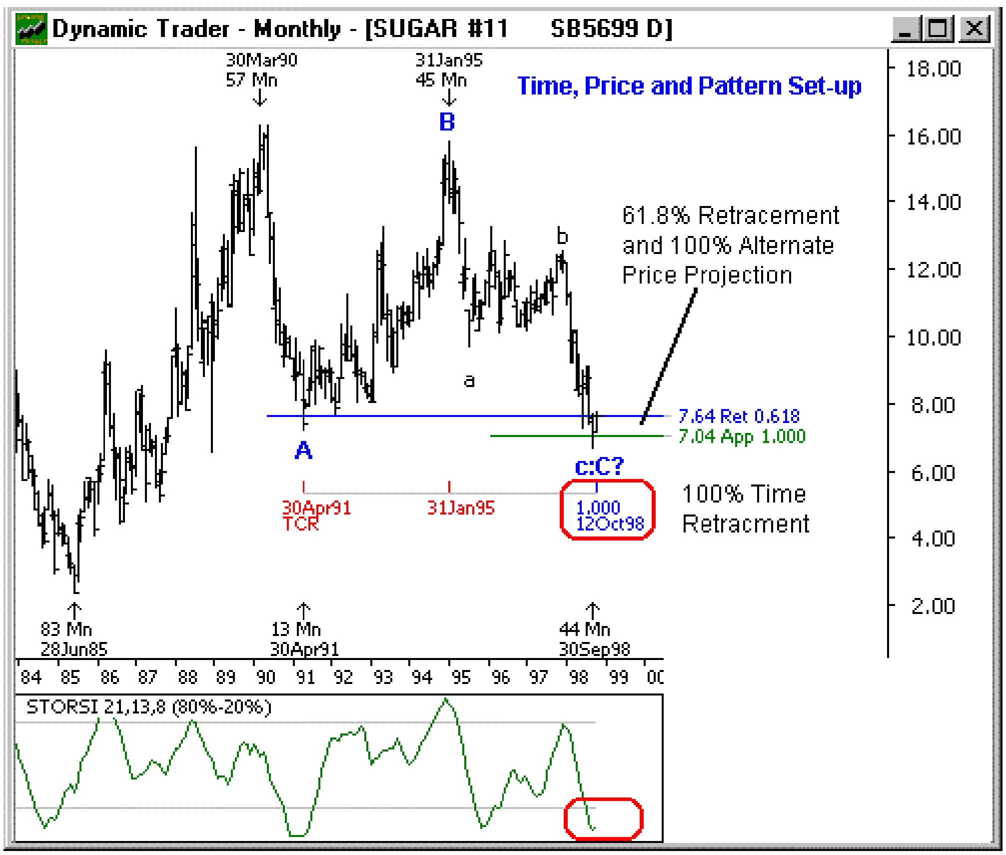
<u>The Trading Strategy</u>: As long as silver has not declined below 484.0 (Sept. 21 low), place a buy-stop to go long at one tick above the prior day's high. If filled place the protective sell-stop at 483.5, one tick below the Sept. 21 low. On Sept. 23, a long trade would be entered at 493.0, one tick above the prior day's high with a protective sell-stop at 483.5 for a capital exposure of $475.0 per contract. Within two days silver exceeded the prior high and continued to rally to above 540.0

Have the patience to wait for the trade set-up. Implement trading strategies including low-risk trade-entry and objective protective stop-loss strategies. If the trade fails, continue to identify low-risk entry opportunities as long as the larger degree position of the market has not changed. Every trade will not be a winner. But, the potential losses will be controlled and well-defined in advance.

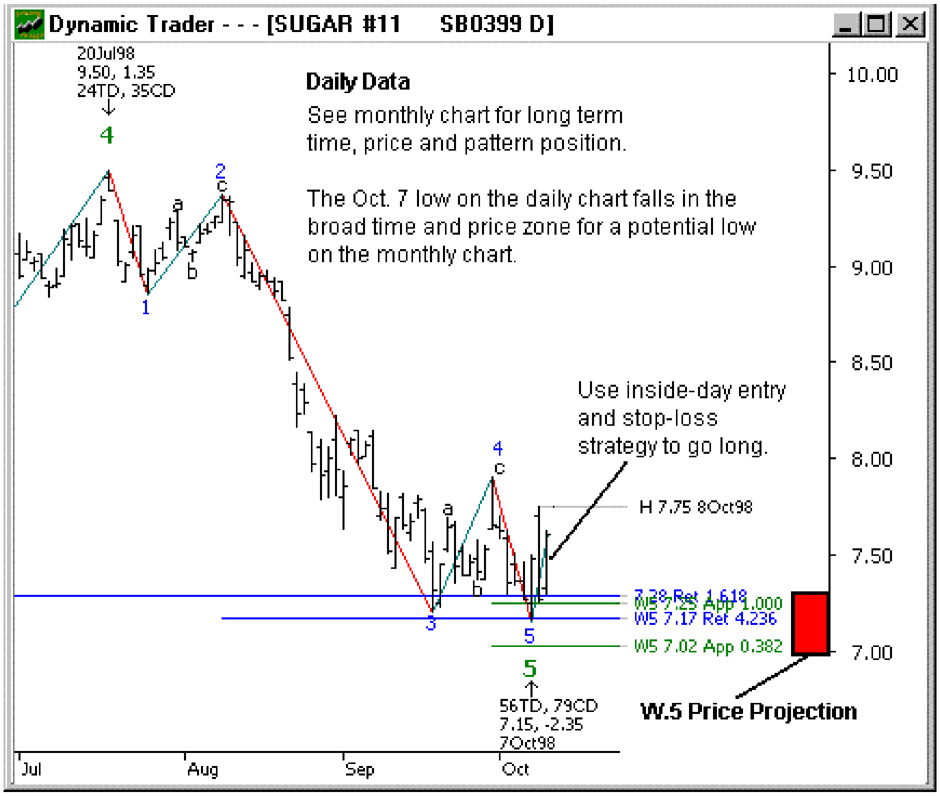
Sugar

The next example is for sugar and is current though the day this tutorial is being prepared.

The monthly chart below shows for the first time in months that sugar is now in the high-probability time, price and pattern position to complete a major corrective low. The daily chart will identify the short-term position and trade set-up opportunity.



On Oct. 7, sugar made a low precisely within the price projection for a Wave-5 low as identified with the *Dynamic Trader* End-of-Wave price projection routine. Two days later, sugar made an inside-day providing the trade set-up parameters for the inside-day breakout and stop-loss strategy as taught in *Dynamic Trading*.



<u>The Trading Strategy</u>: Place a buy-stop to go long at 7.76, one tick above the day preceding the inside-day. If filled, place the initial protective sell-stop at 7.28, one tick below the low of the inside-day. The capital exposure per contract is $538.0. On Monday, Oct. 12, the buy-stop to enter a long position was elected. Since this tutorial is being submitted on Tuesday, Oct. 13, we don't know how this trade will work out. We do know that it was made from an objective basis once we identified the high probability market position and trade opportunity. If the long position is stopped out, we will continue to implement trade-entry strategies for a long position as long as the set-up remains valid. That is, as long as sugar remains in the time/price zones for a corrective low.

If sugar declines below the ideal time/price zone for a corrective low, the "go-long" trading strategy will be abandoned until the next set-up is made.

Have The Patience To Only Trade The High-Probability Set-Ups

Are you committed to being a trader and not a gambler? If you have the patience to wait to initiate a trade when the odds are overwhelmingly in your favor, your trading results will dramatically improve. Dynamic Trading teaches you how to identify the high-probability set-ups and the low-risk trading strategies.