



MTPredictor™

Software & education for Risk/Reward trading with Elliott wave

MTPredictor Daily report™

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Announcements

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-  Site feature [here](#)
-  New article [here](#)
-  New reseller – shortly...
-  Latest articles [here](#)
-   Announcements shortly...

SOFTWARE ADD-ONS



- Videos [here](#)

PAID ADVERTISING/SPONSORSHIP

- This report contains an advertisement for SAS® software, p.2 and for BMW



Market commentary


S&P (SP-067) Daily Chart:



As you can see from the chart above, on Friday the S&P reversed and then declined sharply. This is not bullish behaviour, especially if attempting to break up from an inside day. As such, this does not point to a continued decline, especially "if" the S&P continues lower again today. So that is what I will be looking for today – a continued decline to help confirm that a high is indeed in.


As you all know, I have stuck with my Bearish view, despite the attempt of the S&P to move to new highs mainly because of the position of the Dow Jones on the weekly Chart. As we saw last week (first chart on the next page) the Dow does look to have completed a good looking TS3 sell set-up recently. So the question for me now is whether this trade will work out as anticipated which would mean a significant decline from here ?

On the daily Dow Chart (please see the second chart on the next page), it looks like we could be making a Wave 2orB high. Another decline today would help confirm this picture.

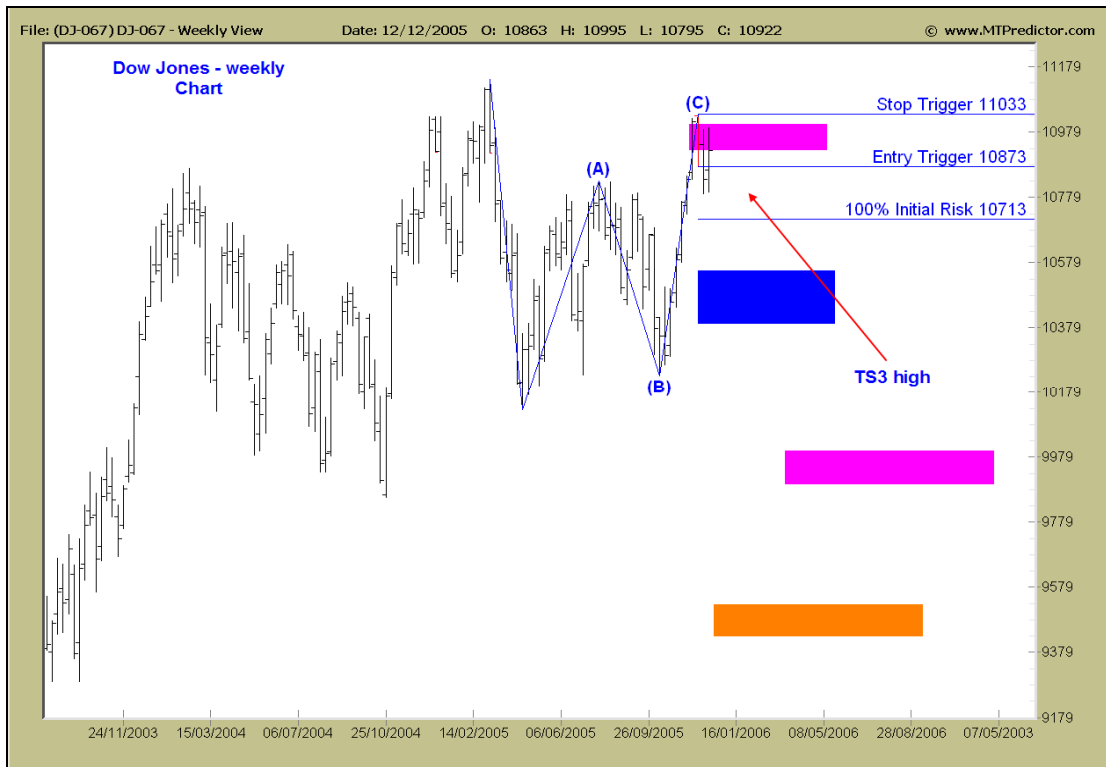


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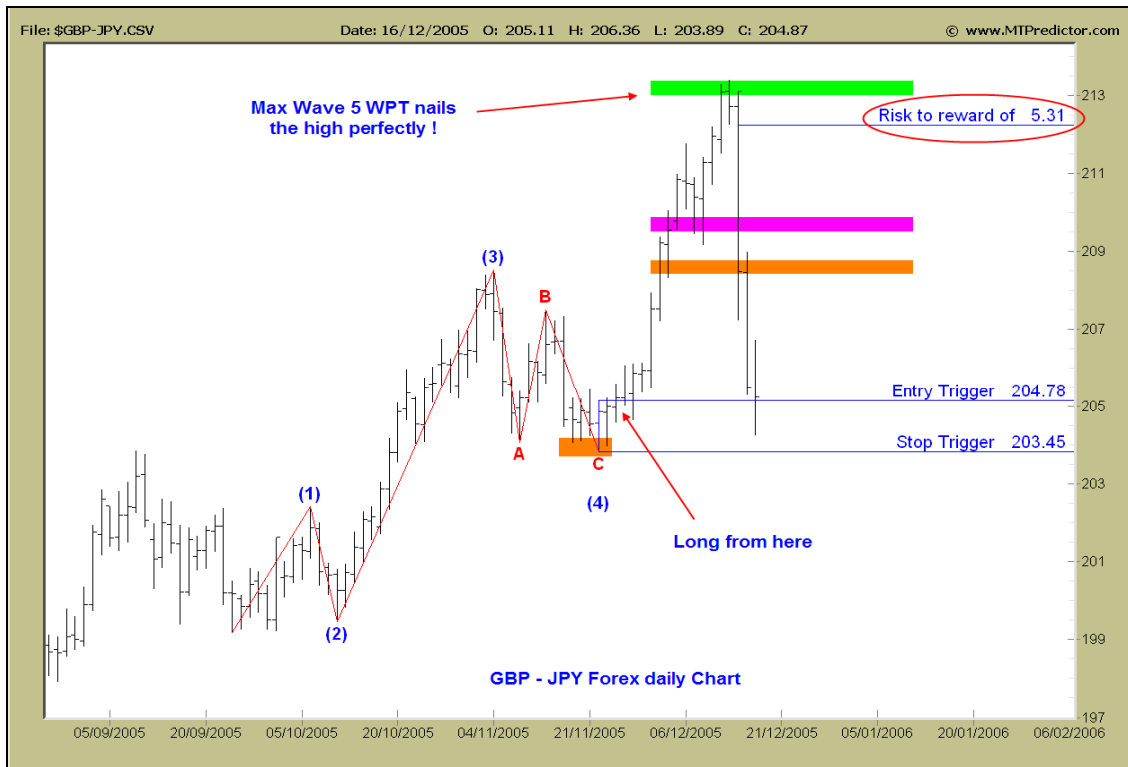
Weekly Dow Jones (DJ-067) Chart:



Daily Dow Jones (DJ-067) Chart:



Daily GBP – JPY (Forex) Chart:



Weekly USD – JPY (Forex) Chart:



Before I start on the Real-Time section, I would like to take a look at the Japanese Yen on Forex. The First chart on the prior page follows up on the TS2 long trade on a daily GBP/JYP chart that I mentioned a few weeks ago. As you can see, the JPY rallied strongly off the TS2 low reaching the maximum Wave 5 WPT, where it reversed sharply, leaving the WPT nailing the high perfectly.

The GBP was not the only Forex chart where the sharp reversal on the Yen was seen. If you look at the second chart on the prior page, you can see how the Yen also reversed sharply against the US\$ in the last week, But just look where this reversal occurred – right off the maximum Wave 5 WPT for a very nice Wave 5 high. Again, this shows how important these WPT's can be, especially when you get a nice, clear and clean Elliott Wave pattern going into them.

Last week we saw how advanced traders could have spotted a significant move in the \$TRIN to help guide a real-time trades on the US indices. Friday was another example of how the \$TRIN would have helped, but this time because it was flat:



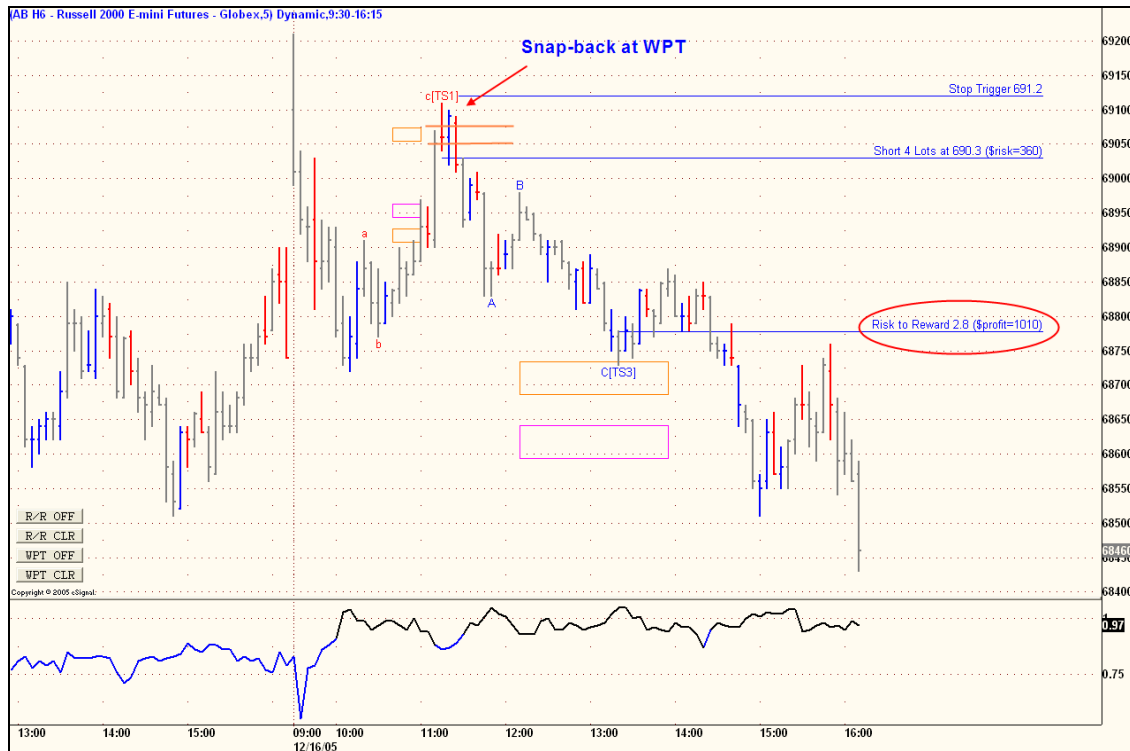
As you can see from the Chart above the \$TRIN was basically flat and oscillating around the 1.0 level all day. As such you should have considered both Buy and Sell set-ups throughout most of the day.

But today I would like to focus on WPT's and see how a reversal should ideally occur at WPT support or resistance. This applies equally well to daily (and weekly) charts as well as short-term, intra-day charts.

Chart:



Chart:



I have shown two examples from a 5min AB H6 chart from Friday on the prior page. If you look at the first chart you can see how we had a nice clear clean ABC decline going into the TS3 buy set-up at 13:20 EST. However the TS3 low did not unfold at WPT support, as such this was not an ideal set-up and one you should not have taken.....

Now compare this to the TS1 sell set-up earlier in the day. Here the TS1 high did exceed the WPT level slightly, but it did "snap-back" into the WPT level quickly. When a WPT is exceeded slightly, I like to see the market get back to the WPT on the same bar, or the very next bar to show that support/resistance is indeed unfolding. In other words, the breach is only small and corrected very quickly. As such, this was a valid TS1 sell, and one you should have considered.

Thanks,

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Thanks and good trading

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