



MTPredictor™

Software & training for Risk/Reward trading with Elliott wave

MTPredictor Daily report

Web: www.mtpredictor.com

Email: Sales@MTPredictor.com

from UK (freephone): 0800 107 5271

from US (toll free): (800) 856-1582

22 Dec 2005

Contents:

- ❑ Announcements
- ❑ Market Commentary
- ❑ Training & Education
- ❑ Paid advertising/sponsorship – BMW, p1; SAS® software, p.2

Announcements

MTPREDICTOR™ with BUSINESS PARTNERS

-  New 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, yesterday the S&P basically just moved sideways, with a rally early in the day which was followed by a decline in the afternoon. As such, little has changed from yesterday in that I still feel we will move lower, especially if Tuesday's low can be exceeded.

There have been some nice set-ups on other markets for example 30-yr T.Bonds, please see the first chart on the next page. Here we had a TS3 sell set-up a few days ago, so it will be interesting to see if Bonds can continue lower again from here.

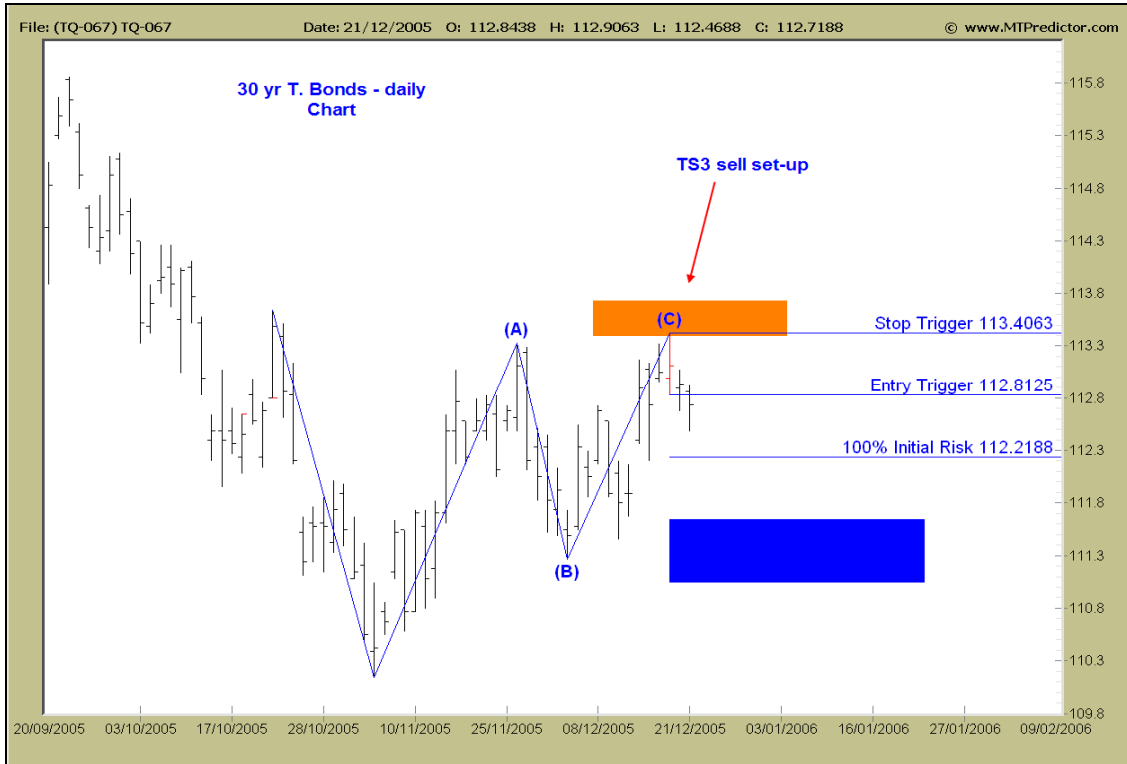
IBM continues to decline, please see the second chart on the next page. Here the current weekly TS3 short is doing very nicely indeed ☺

Lastly there will be no report next week, as I am having a week off for Christmas, so tomorrow (Friday) will be the last report before 2006. So may I wish you all have a very merry Christmas and a happy new year and spend time with friends and family over the Christmas break.

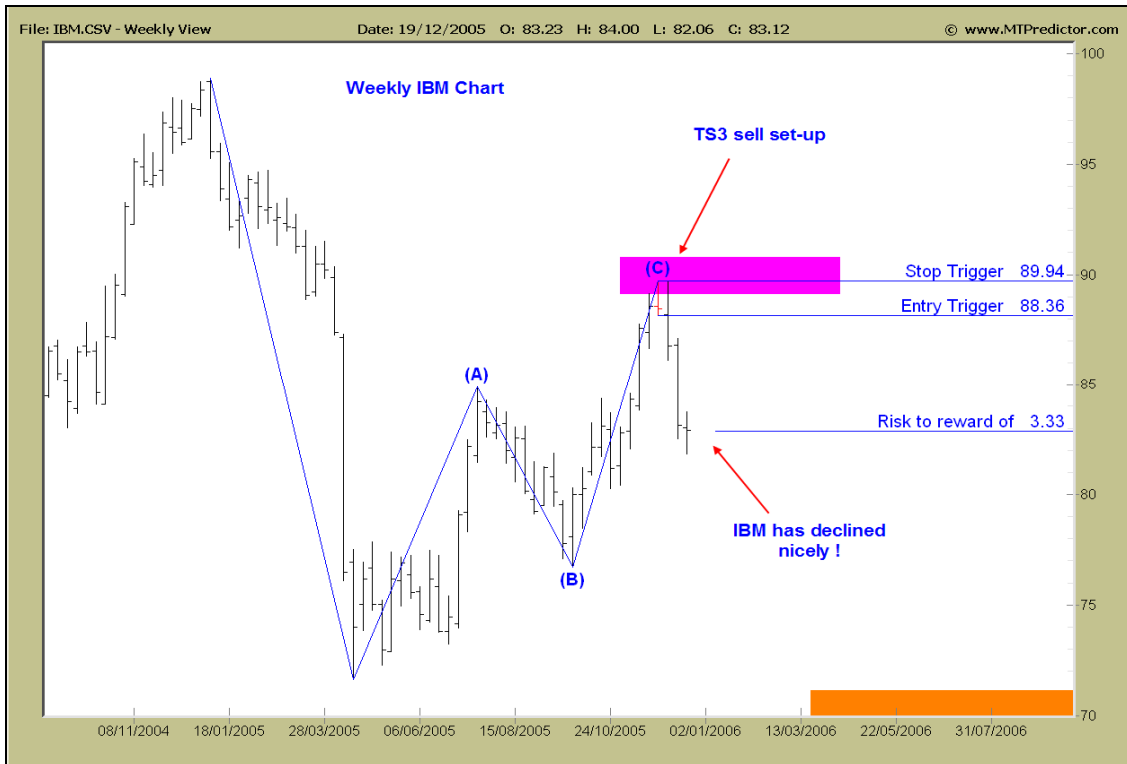
4.5 million people in 40,000 locations have THE POWER TO KNOW.

Find out what SAS® software can do for you.

Daily 30yr T. Bonds (TQ-067) Chart:



Weekly IBM (IBM) Chart:



After a slightly trickier day on Tuesday, it was nice to see another good day yesterday, but not on the normal 3 and 5min Charts.

The day started brilliantly with the market rallying strongly off the TS3 buy set-up on the 15min Russell Index chart, please see below:

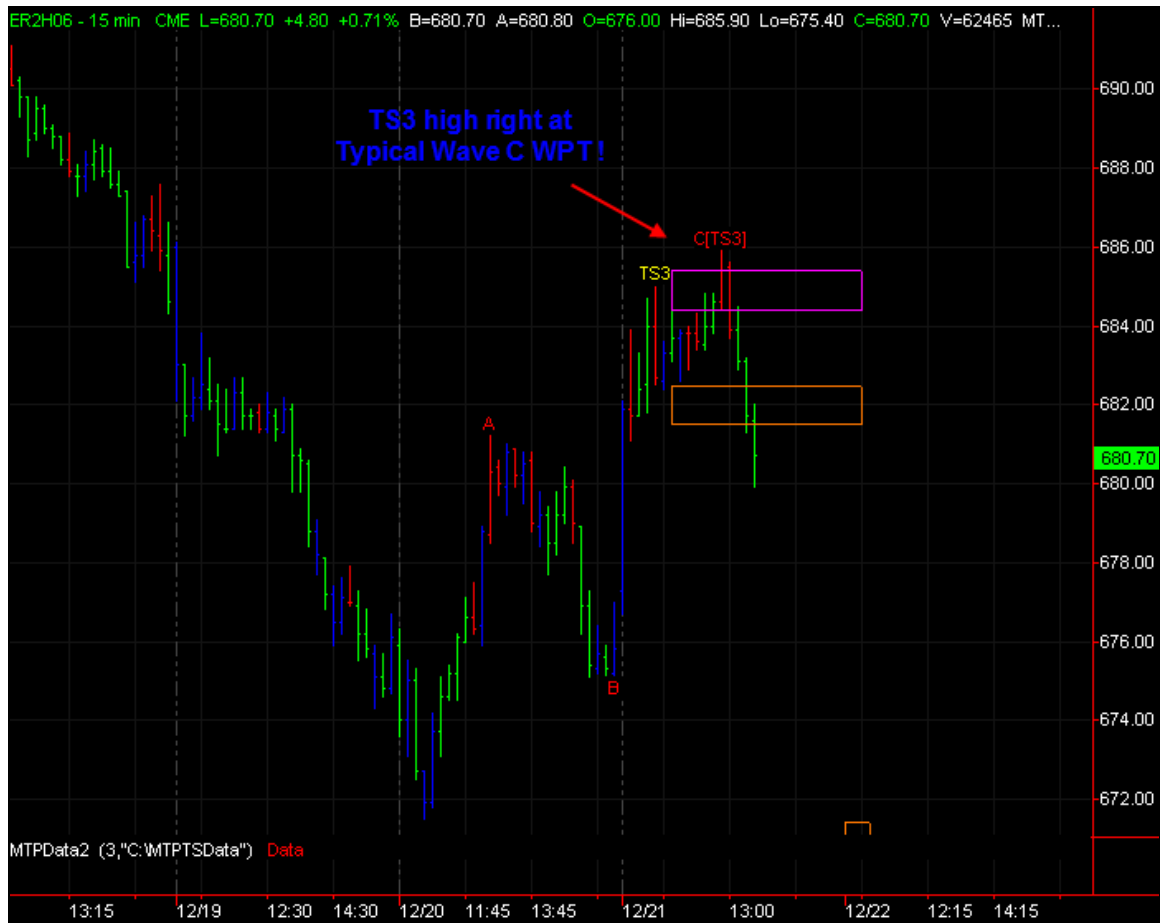


This is the chart I posted to the Forum yesterday. As you can see, we had a TS3 buy set-up on the close of the prior day, so you would have been long from the open yesterday. This put you in a long position to take advantage as the market rallied strongly early in the day. This would have been stopped out for a profit of just under 3x the initial risk (ignoring slippage and commission). A great start to the day.

But the 15min Russell Index did not stop there, please see the next page.

Continued on the next page . . .

Shortly after this long trade was stopped out, the 15min AB made a perfect TS3 sell set-up:

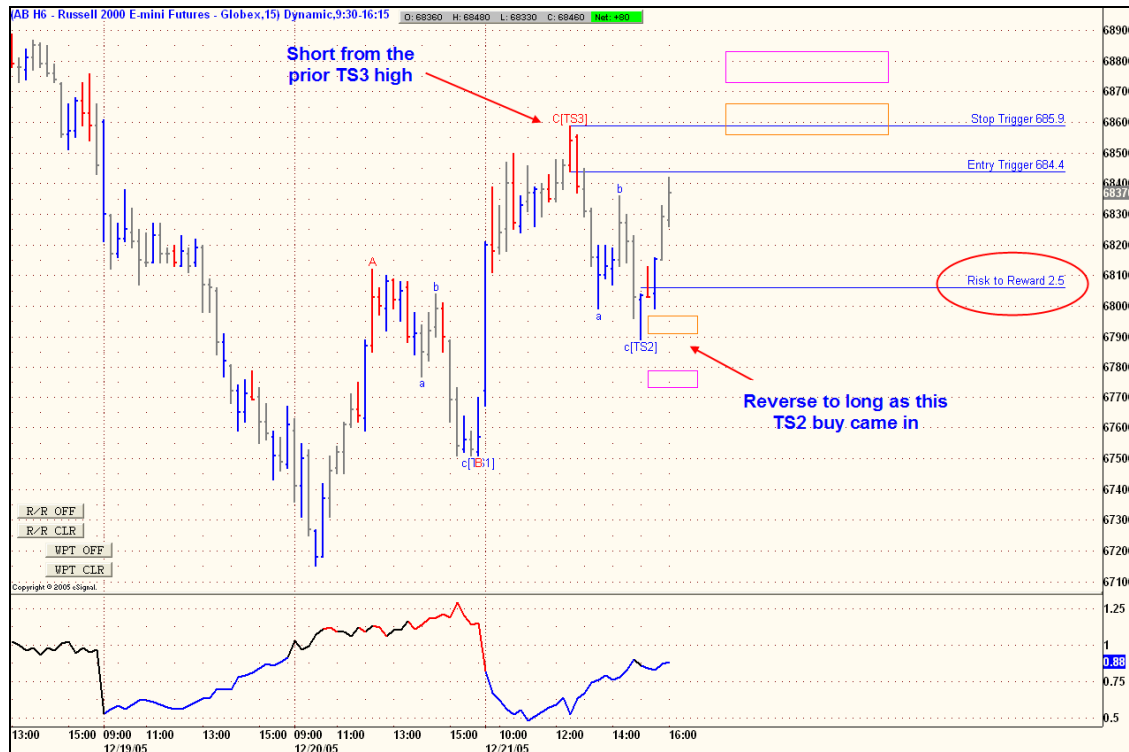


Again, this is the chart I posted to the Forum at the time. As you can see, this TS8 chart shows how we are progressing nicely with the new eld's that (as you can see) now add in the ABC labels as well as the coloured WPT levels for you. I will be testing a beta version that includes the Risk/Reward analysis later today so if that goes well I hope to release these in the next few days – so these will be a nice Christmas present to all the TS8 users among you. I will have more info for you tomorrow or via the Forum next week

Yes, there would have been one small loss as the 15min AB made its first attempt at this high, but as you can see, the reversal (second time) did unfold right at the Typical Wave C WPT. So you would have been long from the low of the day (on the open) for your first trade, now short from the high of the day..... not bad 😊

Let's see what unfolded next . . .

Chart:



As you can see, the TS3 short trade off the high of the day declined nicely, but then a TS2 buy set-up unfolded. So you should have reversed from short to long, banking a profit of approximately 2.5x the initial risk (ignoring slippage and commission) along the way. The AB then rallied making another profit of just over 2x the initial risk (ignoring slippage and commission), which I have not shown.

OK, so let's add up the result, on just this one 15min AB chart. Please note: I have taken both the longs and short trades here, so I have not used the \$TRIN in this example.

- Trade 1 - Profit +2.9x initial risk
- Trade 2 - Loss -1x initial risk
- Trade 3 - Profit +2.5x initial risk
- Trade 4 - Profit +2x initial risk

Total = approximately 6.5x the initial risk..... which is a very good's days trading. And I have not had time to even look at the trades that unfolded on the short term 3 and 5 min charts !

But seriously, it is trades like this that is the reason I developed MTPredictor. Its ability to automatically find and then highlight trades like these make trading so much easier than trying to "analyze and then figure out" the position of the market to then make detailed and long winded projections (that mostly do not work out as anticipated) and then guess where the market may go, which again usually turns out wrong, also the Risk / Reward tools that we have in the software (and efs's and eld's) are unique and again make evaluating a potential trade set-ups very easy indeed.

Trading then becomes a simple approach of taking the trades, and accepting that many of them will be losses, but the losses will be small in relation to the profits. This is the KISS (keep it simple stupid) approach, and one that after nearly 20 years I much prefer.

There are too many traders that try to make trading too complicated and try to read too much into the charts and their analysis. In my personal experience this is not necessary. Trading is all about what goes into and comes out of your Bank account – Profits and losses and no more. So my advice is yet again – keep it simple, just trade the ideal set-ups and don't worry about where the market “may” go or the larger degree implications of any pattern. Then manage the trade and you will either be stopped out for a small loss or make profits that are larger than the losses. Over time, this is what makes you money. Trading is really as simple as that !

2005 has been a very busy year for us here at MTPredictor and I think that we have achieved a lot. We have a new EOD program – v5.0 and have the new efs files for eSignal and have almost completed the new elds for TradeStation 8. The company has grown significantly during 2006, with us working with many new Partners, for example the CBOT, Genesis, TC2005, CSI, Paritech, eSignal (special thanks to Darell Miller for his help) TradeStation, Townsend Analytics (RealTick), as well as Terra Nova, TacticalTrader, Berkley Futures, IG Markets, Trade2Win, Trading Markets and Traders World - to name a few. We also have a growing network of local representatives in The Netherlands, Germany and South Africa as well as our US offices headed up by Matt Bowen. This process will continue next year as we expand still further. So thanks to all the people and companies here for their help as we look forward to continued growth next year.

I have also spent a lot of time creating help videos for you as well as the regular monthly Seminars. We also introduced the MTPredictor Forum which now has many 100's of members and has a very active following. These will help you to not only learn more about how to use the software but (more importantly) how to trade with it. These combined with this free daily report give what I consider is the best support and training in the industry. We are always available to answer emails and phone questions. So as you can see, MTPredictor is not just a software program, it is a complete trading solution, where you get far far more by the way of help and education.

But for me, the most important thing is the people (you), we have had a very good year on sales and have gained many many new customers. I regularly receive email from new and old customers telling me about recent trades and the profits you have made. This is very nice and I am glad that so many of you are doing so well with the software. For example here is a quote from a post on the Forum “*Here is what i have achieved with MTP , i started my forex trading with MTP three months back with 5000 USD and today my balance stands at 15000 USD.*” This is a 200% return in just 3 months, which is great trading. Here is another one “*Between March and June for example I had increased my daytrading capital by 120%*”, which is another massive return in a short space of time.

Feedback like this is great to hear, because making profits is why we are all here, so if you (the customers) are doing so well with the software and making great profits like these then I have done my job in developing the concepts behind the software and bringing MTPredictor to the market place. For me, the most important thing is that you (the customer) is making money with the software, if you continue to do that, then I am happy ☺

I have many many more quotes like this from customers who trade Forex, Stocks or from day-traders. It is nice to hear that so many people are doing so well with the software – so well done to all of you

Lastly I would like to thank my main staff members - Tony Beckwith and Matt Bowen who have done an absolutely brilliant job during the year. They have worked very hard giving you the best service in the industry and making this company what it is today - so thanks to them for their hard work. Also I would like to thank our main programmer – Simon, who has also worked very hard getting the new v5.0 program up and running.

So again, thanks you to all of you, customers as well as staff, because without you, MTPredictor would not be here, nor would it be the program it is today.... Thanks.

There will be no report next week, as I am having a week off for Christmas, so tomorrow (Friday) will be the last report before 2006. So may I wish you all have a very Merry Christmas and a happy new year and spend time with friends and family over the Christmas break. 2006 is going to be a great year where I hope that we all trade well and make some great profits. Here's to your success next year !

Thanks,

Steve

Real-Time charts provided by eSignal® and TradeStation8®

Paid advertising/sponsorship

To advertise in or sponsor the MTPredictor Reports™, please email tony.beckwith@mtpredictor.com
(Director of Sales & Marketing)

Thanks and good trading

Steve Griffiths
Managing Director and developer of MTPredictor
MTPredictor Ltd.
www.mtpredictor.com

U.S. Government Required Disclaimer - Commodity Futures Trading Commission Futures and Options trading has large potential rewards, but also large potential risk. You must be aware of the risks and be willing to accept them in order to invest in the futures and options markets. Don't trade with money you can't afford to lose. This is neither a solicitation nor an offer to Buy/Sell futures, stocks or options on the same. No representation is being made that any account will or is likely to achieve profits or losses similar to those discussed on this web site. The past performance of any trading system or methodology is not necessarily indicative of future results.

CFTC RULE 4.41 - HYPOTHETICAL OR SIMULATED PERFORMANCE RESULTS HAVE CERTAIN LIMITATIONS. UNLIKE AN ACTUAL PERFORMANCE RECORD, SIMULATED RESULTS DO NOT REPRESENT ACTUAL TRADING. ALSO, SINCE THE TRADES HAVE NOT BEEN EXECUTED, THE RESULTS MAY HAVE UNDER-OR-OVER COMPENSATED FOR THE IMPACT, IF ANY, OF CERTAIN MARKET FACTORS, SUCH AS LACK OF LIQUIDITY. SIMULATED TRADING PROGRAMS IN GENERAL ARE ALSO SUBJECT TO THE FACT THAT THEY ARE DESIGNED WITH THE BENEFIT OF HINDSIGHT. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL OR IS LIKELY TO ACHIEVE PROFIT OR LOSSES SIMILAR TO THOSE SHOWN.

NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL, OR IS LIKELY TO ACHIEVE PROFITS OR LOSSES SIMILAR TO THOSE DISCUSSED WITHIN THIS SITE, SUPPORT AND TEXTS. OUR COURSE(S), PRODUCTS AND SERVICES SHOULD BE USED AS LEARNING AIDS ONLY AND SHOULD NOT BE USED TO INVEST REAL MONEY. IF YOU DECIDE TO INVEST REAL MONEY, ALL TRADING DECISIONS SHOULD BE YOUR OWN.

MTPredictor, Isolation Approach & Techniques Curve are trademarks of MTPredictor Ltd. All other trademarks and brands may be the property of their respective owners. © MTPredictor Ltd. 2005. All rights reserved.

Trade at your own risk. There is risk of loss when trading speculative markets. This training and education newsletter is for information and educational purposes only and should not be considered trading recommendations. You should seek appropriate advice from your broker, or licensed investment advisor, before taking any action. All trading decisions are your own sole responsibility, and MTPredictor or S. E. Griffiths cannot be held responsible for any losses that are incurred as a result. Past performance is no guarantee of future results. © MTPredictor - www.MTPredictor.com 2005.