



# MTPredictor™

Software & training for Risk/Reward trading with Elliott wave

## Daily Training report



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13 Mar 2006

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## Announcements

### MTPREDICTOR™ working with PARTNERS

-  Latest MTP reseller [+ MTP article [here](#)]
-  Thank you for showcasing MTP recently
-  New 2006 MTP reseller – finalizing ...
-  New 2006 MTP reseller – shortly ...
-  Press Release [here](#) + the Exchange article confirmed
-  MTP article confirmed - spring issue...
-  New MTP site feature [here](#)
-  Recent MTP articles [here](#)
-   Last MTP webinar [here](#)
- **ADD-ONS with PARTNERS**   - Videos [here](#)

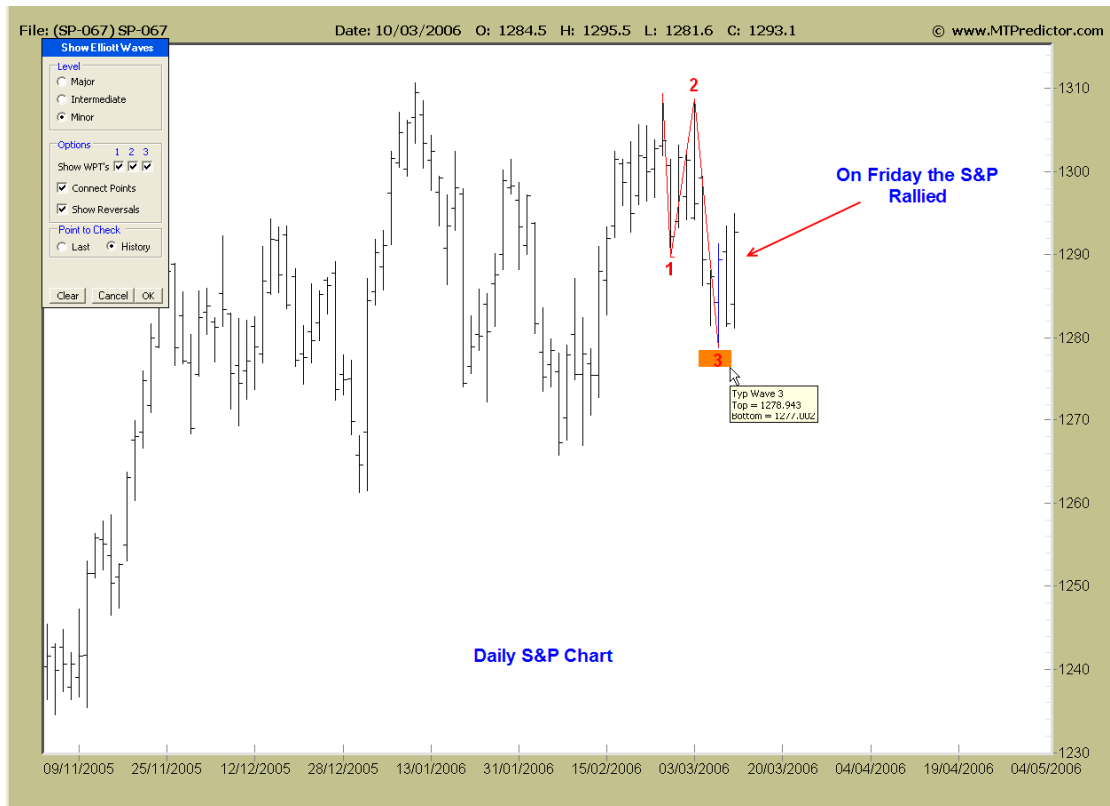
### PAID ADVERTISING/SPONSORSHIP (BMW; SAS®)



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## Market commentary

S&P (SP-067) Daily Chart:



As you can see from the Chart above, on Friday the S&P rallied, exactly as anticipated in Friday's report. This can be seen clearer when you look at the two 15min Charts on the next page. The first is the chart I looked at on Friday, where I suggested that we should get a Wave C rally that would take the market to a new high, where a Wave C high could complete to make a top.

Well, now look at the second chart, and you will see that this is exactly what unfolded. Now that is what I call "being prepared in advance" 😊

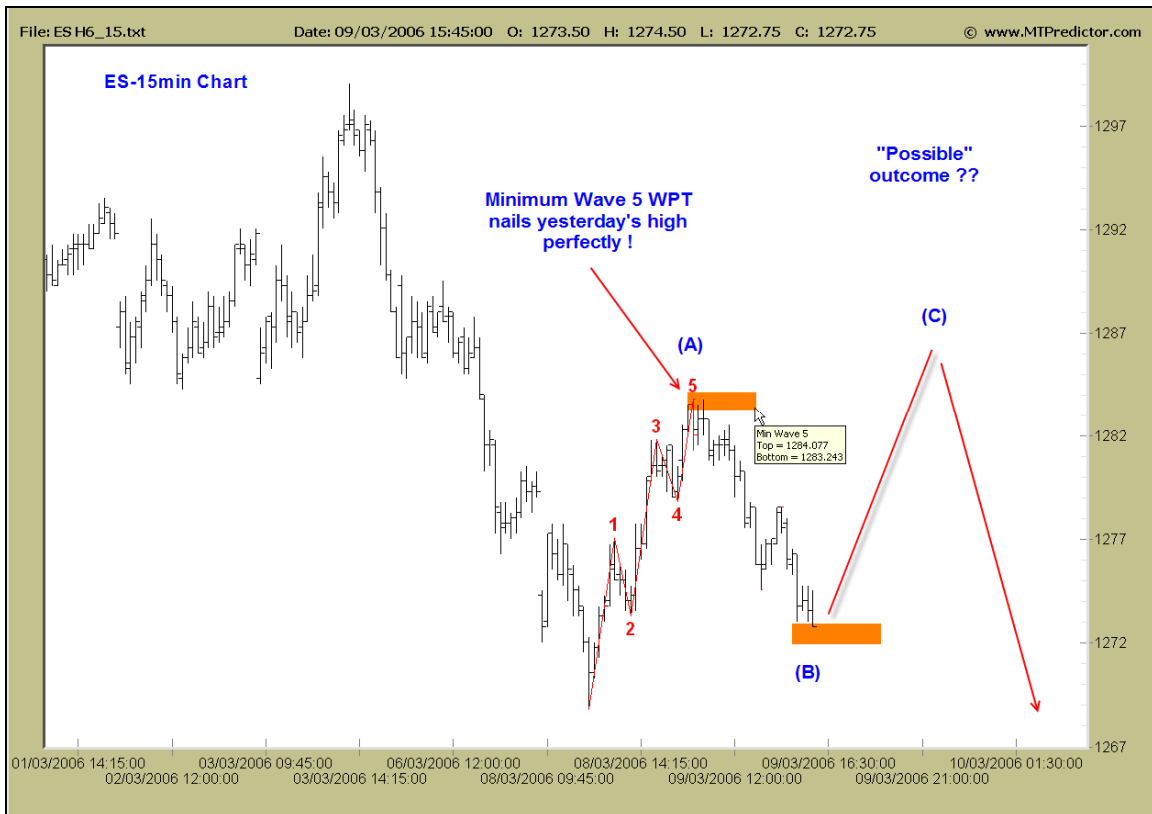
But seriously, the question now is whether this Wave C high can hold and the market decline from here? If it can, then we should continue much lower, however, "if" this Wave C high fails, then it would be a very bullish sign and we should then be preparing for a continued rally. As such, Friday's high is a very important "pivot point", so I will be watching the market very very closely today to see what unfolds.

Continued on the next page . . .

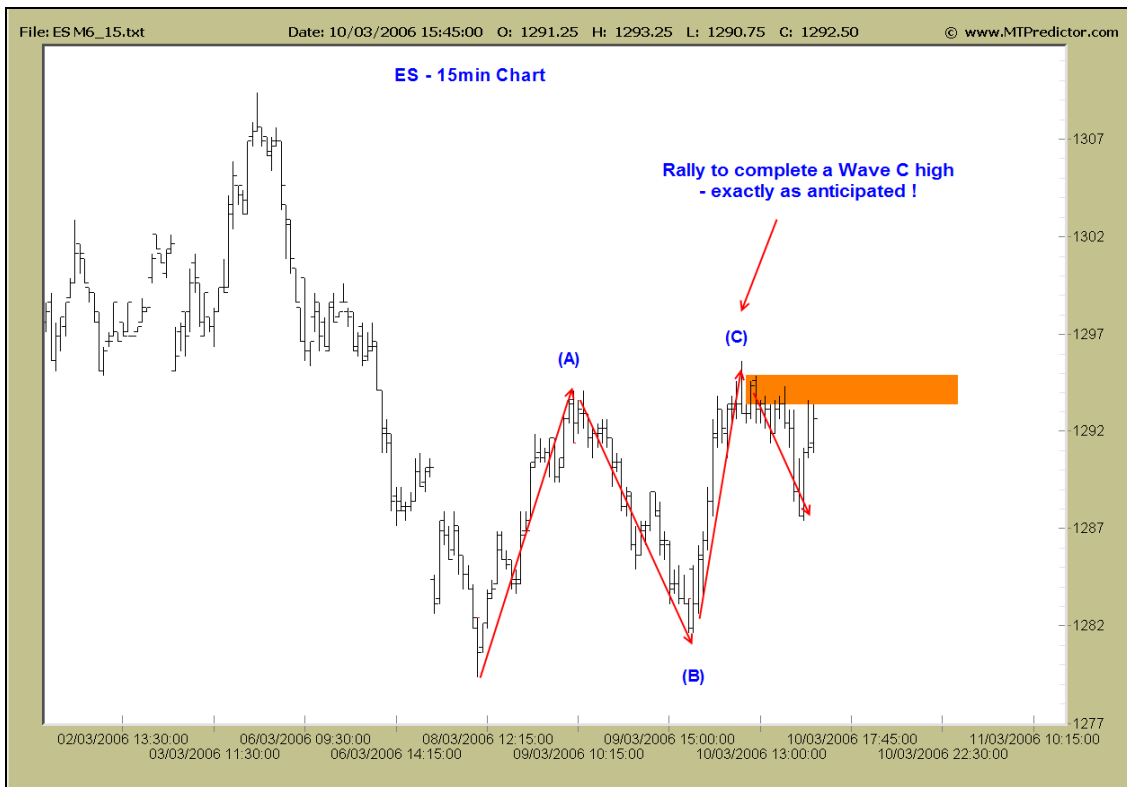
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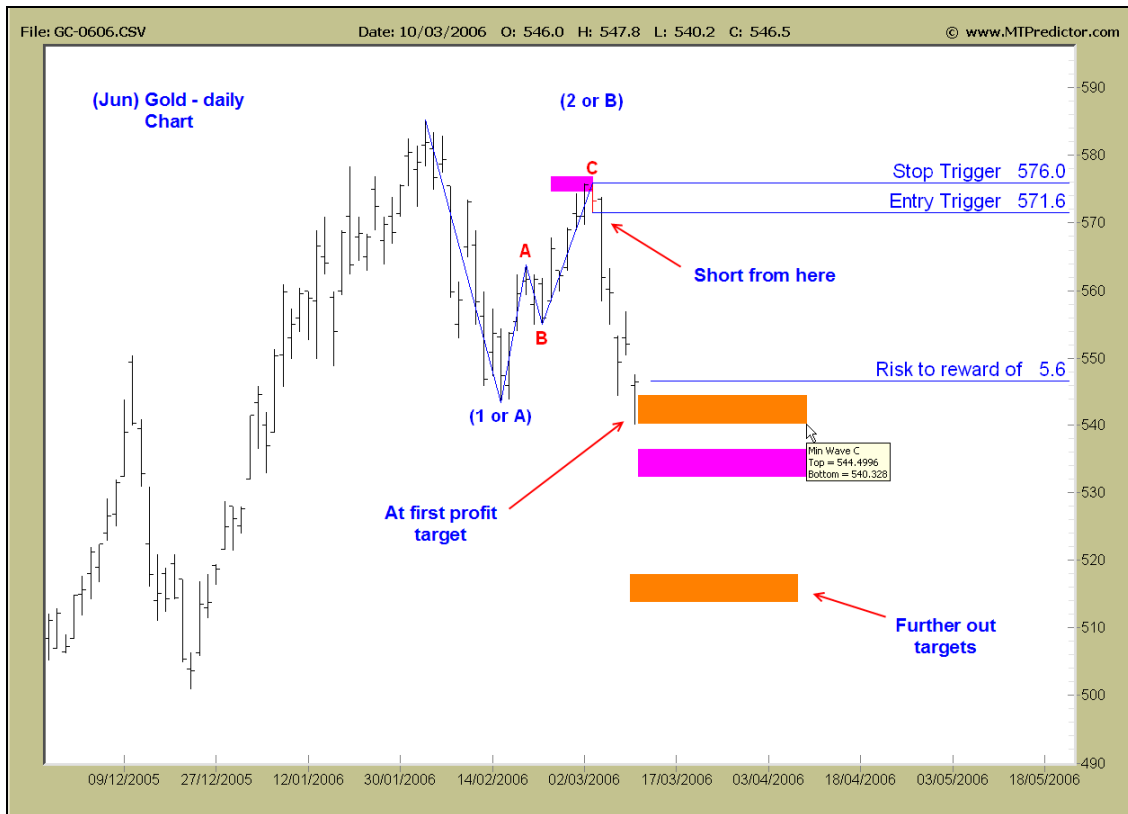
ES 15min Chart (repeated from Friday):



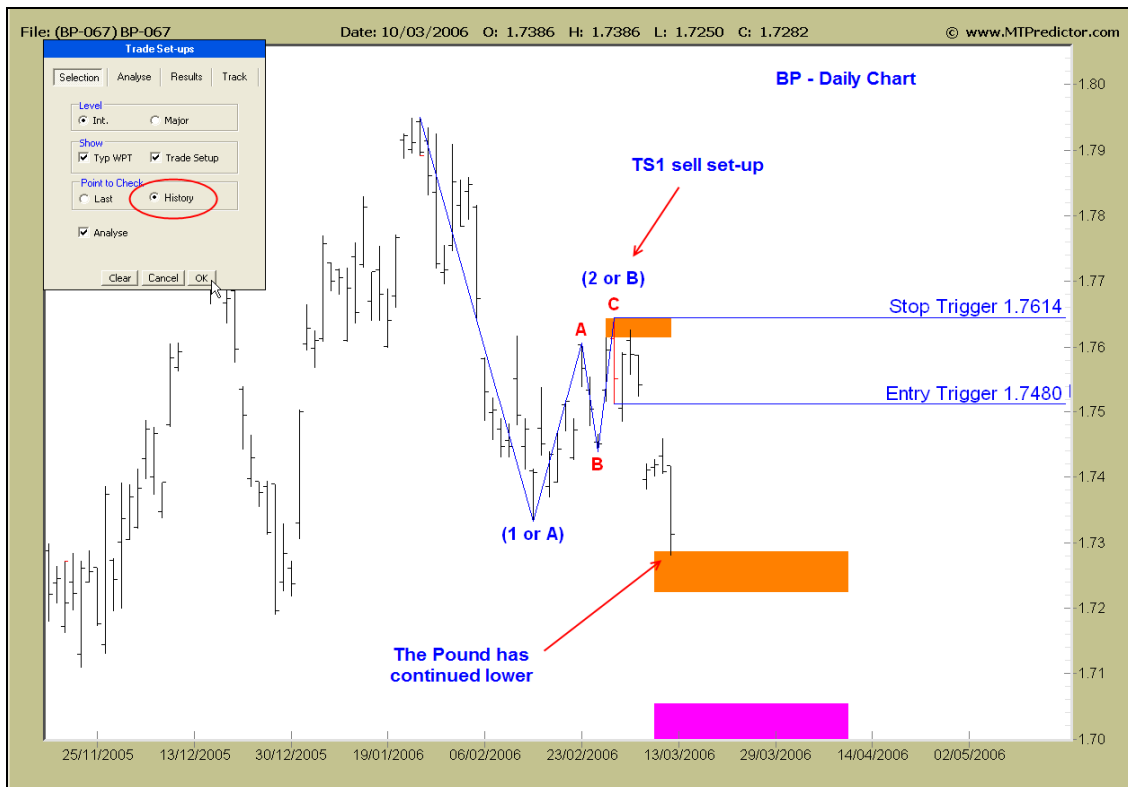
ES 15min Chart showing the actual outcome:



June Gold (GC-0606) daily Chart



British Pound (BP-067) daily Chart



On the prior page I have update you on two recent trades, the first on Gold, which as I suggested a few days ago, appears to be continuing the recent decline off the TS1 high of Mar 3. Although we are now at the first projected profit target, I suspect that this market has still further to fall.

Then there is the British Pound. As you can see on the second chart on the prior page, the Pound has continued to decline from the recent TS1 sell on Mar 1. Although this was not a “perfect” trade set-up, because of the low initial R/R numbers, the decline has indeed unfolded. As with Gold, I will be interested to see how far the Pound has to fall.....

OK, over to some Real-Time charts now.

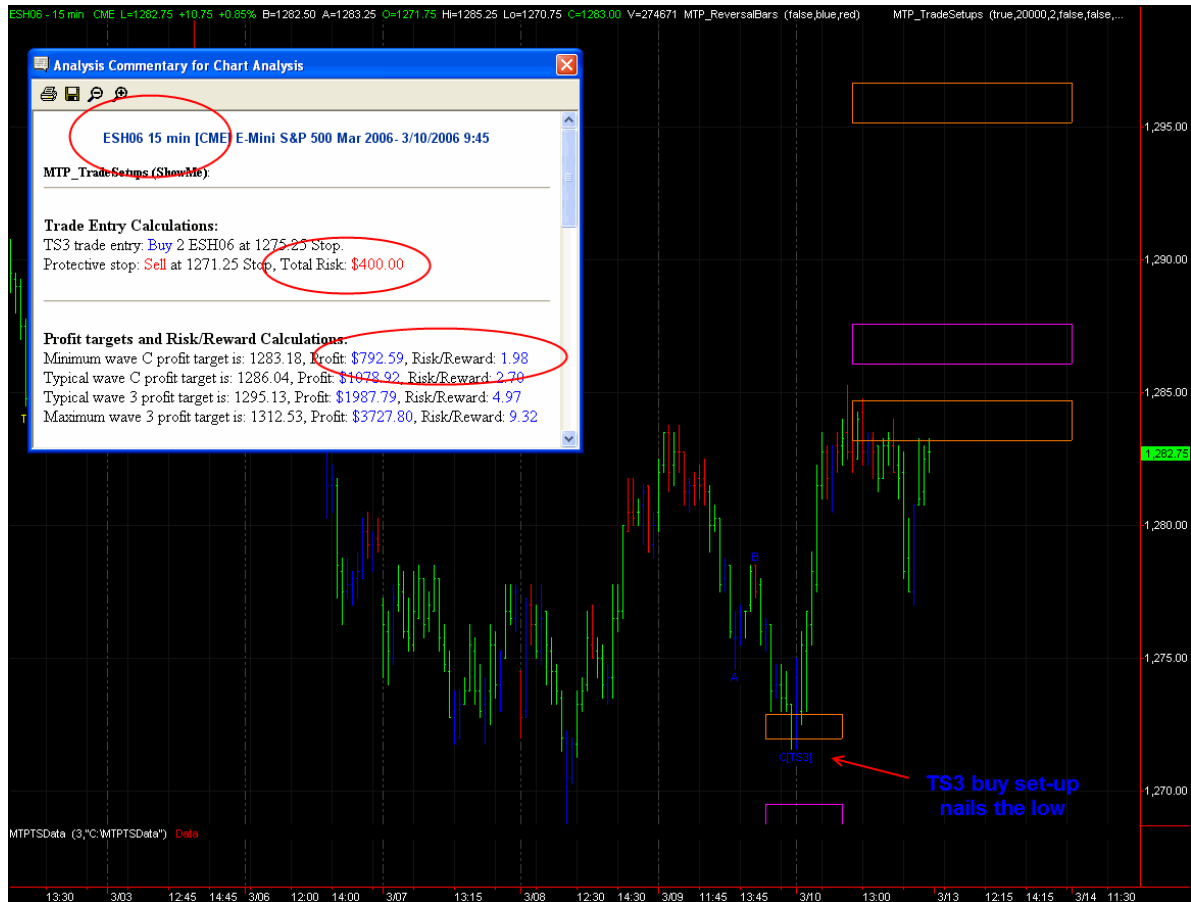
As we have already seen, the ES rallied in early trading to make a Wave C high around midday. This was caught nicely by the automatic routines in eSignal and TradeStation, where a TS3 sell set-up unfolded:



As I have already mentioned, I will be watching very closely today to see if the ES can continue lower from this TS3 set-up....

Continue on the next page . .

For those of you who follow shorter term charts, there was a nice TS3 buy set-up on the 15min ES just after the open that would have allowed you capture the early rally on Friday:



For me the main issue here was that this was found automatically on the H (Mar) contract, but not on the new M (June) contract that you would have rolled forward to as the day unfolded. So was this still valid on the new (Jun) contract ?

A difficult question and if you are new to trading and new to MTPredictor and following strict rules, then I would have to say no. However, this is where a bit of knowledge and experience comes in. If you place this trade in the context of a possible “larger degree” Wave B low on the 60-min Chart and you were anticipating a Wave C rally then yes, as long as you could still get in with a small controlled risk, the experienced trader could have decided to still take the trade on the (Jun) contract even though the automatic analysis found it on the (Mar) contract.

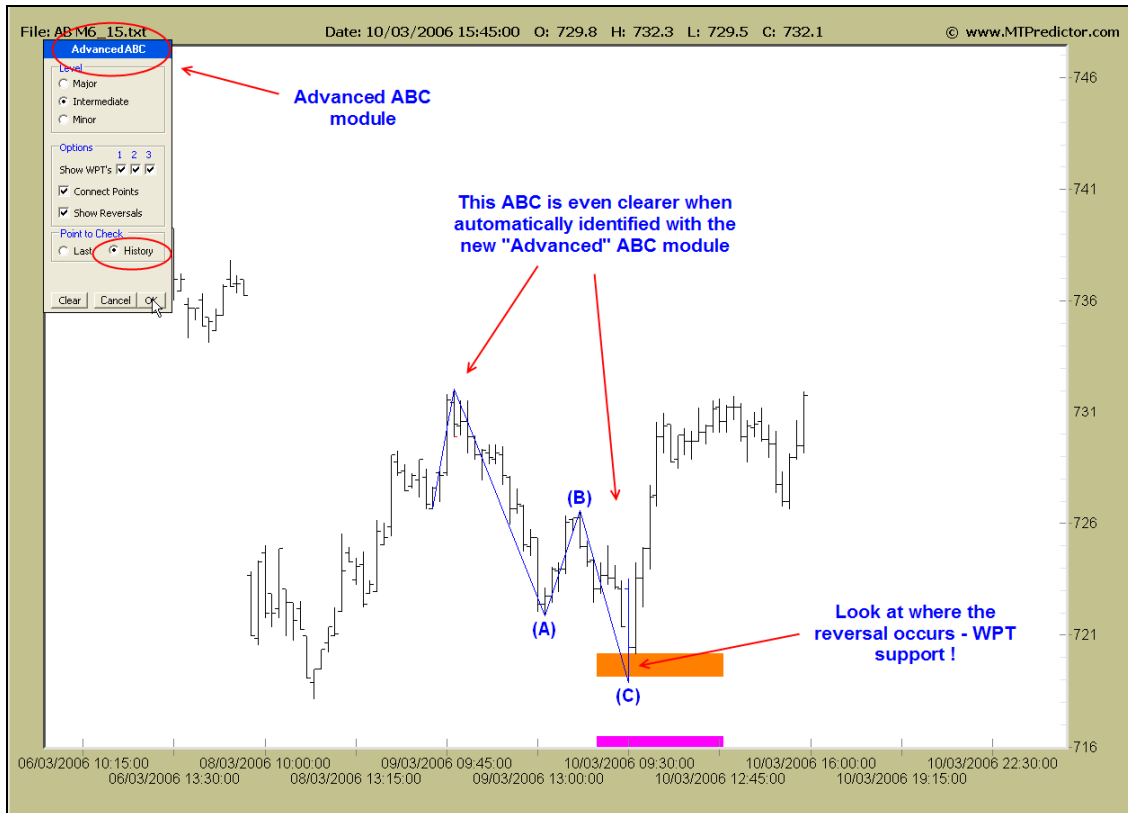
For those of you who wish, please read the next section carefully, then take a look at the 15min ES M6 in the EOD version in your own time – here you will see the same set-up as I covered in detail on the AB in the next section where I have used the Advanced ABC module on the 15min Chart..... Consider this a little Homework for you !



AB 15min Chart using the “connected pivots”



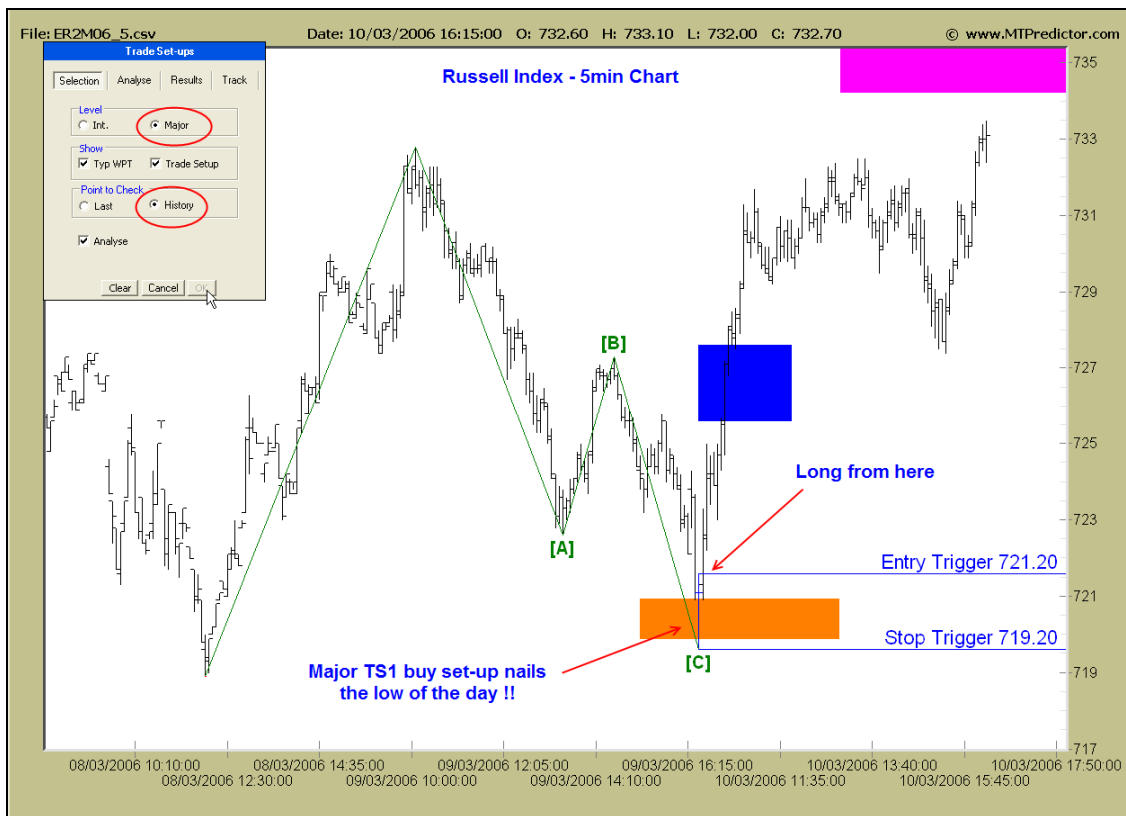
AB 15min Chart using the “Advanced ABC module”



I hope you can all see this ABC correction a lot clearer now?

OK, so what I hear you all ask? Well, knowing that the AB (Russell Index) had made a corrective decline that was unfolding as a 3-swing (ABC) pattern and that the AB was now at WPT support, in this instance the minimum Wave C WPT, you should have deduced that this decline was nearing and end and a rally could start soon. But better than that, “if” the reversal occurred here you could nail the very low, and as such enter a new long trade very near the low for a very small initial risk.....

So now let’s turn to the 5min Chart and see if we can isolate this WPT support area and perhaps get a coloured reversal bar that we could use for a low risk trade entry:



And there it is, a blue (buy) reversal bar unfolding right at WPT support – in fact this was the very bar of the low of the day ! But better than that, the automatic routines in MTPredictor EPOD found this as a Major TS1 buy set-up for you as well. As you can see, this allowed you to be long from the very low of the day on Friday ☺

Ok, so why have I gone into so much detail in this Advanced Tutorial? Well, it is because I would like you all learn to be able to recognise and then look for this ABC pattern in your own trading. So, if the few occasions arise where this pattern unfolds, but because of the minor pattern at the time, it was not classified as an automatic TS1, TS2 or TS3 trade set-up, you have the skill to be able to turn to the advanced modules in the software to be able to evaluate the potential trade opportunity.

I still find it amazing how many people say to me that they cannot be bothered to waist time learning how to trade, all they want is to blindly follow a piece of software and let it do all the work. I may be old fashioned but I find this attitude completely barmy, when with a little effort and understanding you can uncover such great trades such as this.

I am very passionate about trying to teach you all to become better traders and as such be able to get the most of the software. While the main TS1, TS2 and TS3 trade set-up do a great job for you in uncovering completely automatic trade set-up for you for the majority of the time, I just think it is such a waste just sitting back and wanting a computer to do everything for you, when with a little effort you could be uncovering more (additional) great trades like this one.

As I have said, many traders dream about being able to buy at the very low of the day, to then be in a long trade as the market rallies strongly – well, here it is – a technique that (when the conditions arise) will allow you to do just that. I have done most of the hard work for you already in developing a piece of software that has routines and modules to help you find and evaluate such great trades. All I ask from you is to make a small effort to learn to grow beyond the standard trade set-ups. I will do my part by continuing to teach you what to do to make this transition; I guess the rest is up to you, and whether you want to learn to become a better trader and as such uncover more profitable trade set-ups?

So overall another very good day on the short-term indices, where the markets unfolded exactly as anticipated, and for those of you who were prepared, there we some very nice trades to be had along the way !

Lastly I must congratulate one of our user's who has just let me know that his trading account now stands at \$53,000, but the amazing thing is that he started trading with MTPredictor only 7 months ago with a \$5,000 account. So he has made a return of 960% in just 7 months using the software. This is great, and I do like to hear of users who are doing well with the software, so well done Durgesh !

Thanks,

Steve

Real-Time charts provided by eSignal® and TradeStation8®

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Thanks and good trading . . .

Steve Griffiths  
Managing Director and developer of MTPredictor  
**MTPredictor Ltd.**  
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