



# MTPredictor™

Software & training for Risk/Reward trading with Elliott wave

## Daily Training report



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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, yesterday the S&P rallied strongly. At last, some action, and this is defiantly the type of action I was looking for to help confirm higher prices.

As you can see from the 60-min ES chart on the next page, as soon as the Wave C high was exceeded, it gave us confirmation of higher prices. This is where the “failure” of a pattern helps give confirmation of a move in the opposite direction. So why was this different from the failure at the minimum Wave C WPT that we had yesterday ? Well, because it failed at the “typical” Wave C WPT. As you will know from the Trading Course, “if” the typical Wave C WPT fails, then the current swing is “more likely” to be a strong Wave 3 type move. This is what we have here.

Lastly I would like to thank Krzysztof for sending in yet another good example of a recent trade on the Japanese Yen. Please see the second chart on the next page. I always like hearing from customers with good trades..... so well done Krzysztof , a good profitable trade here ☺

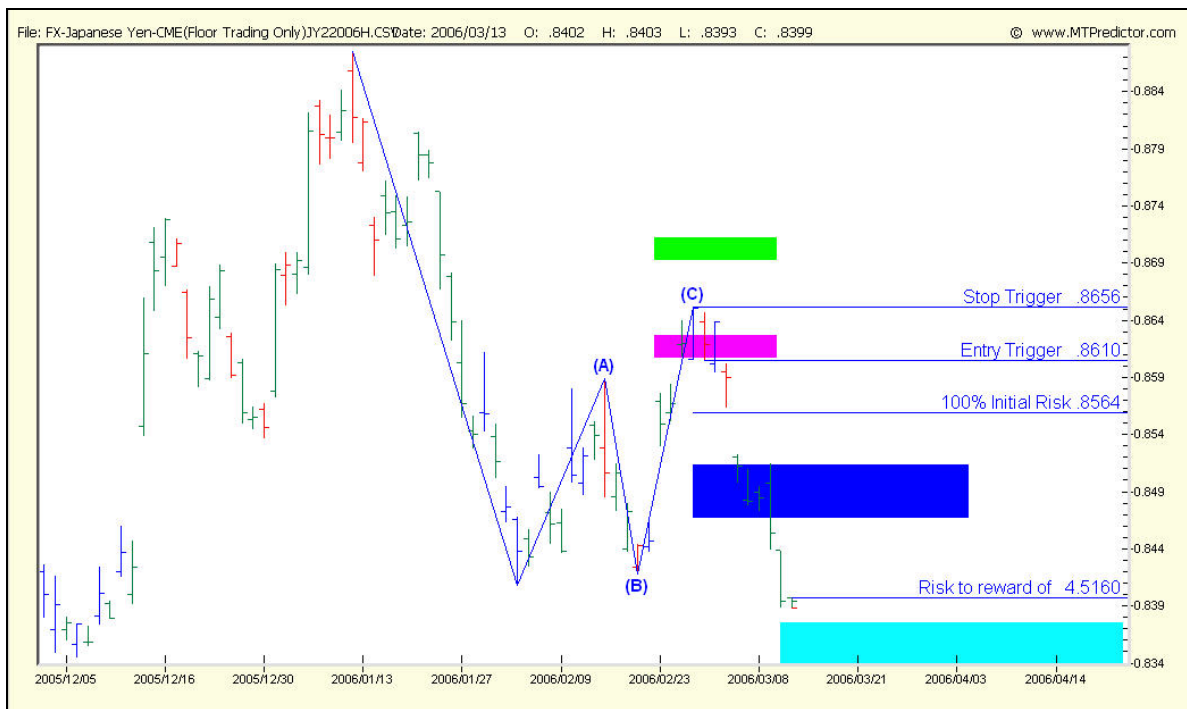
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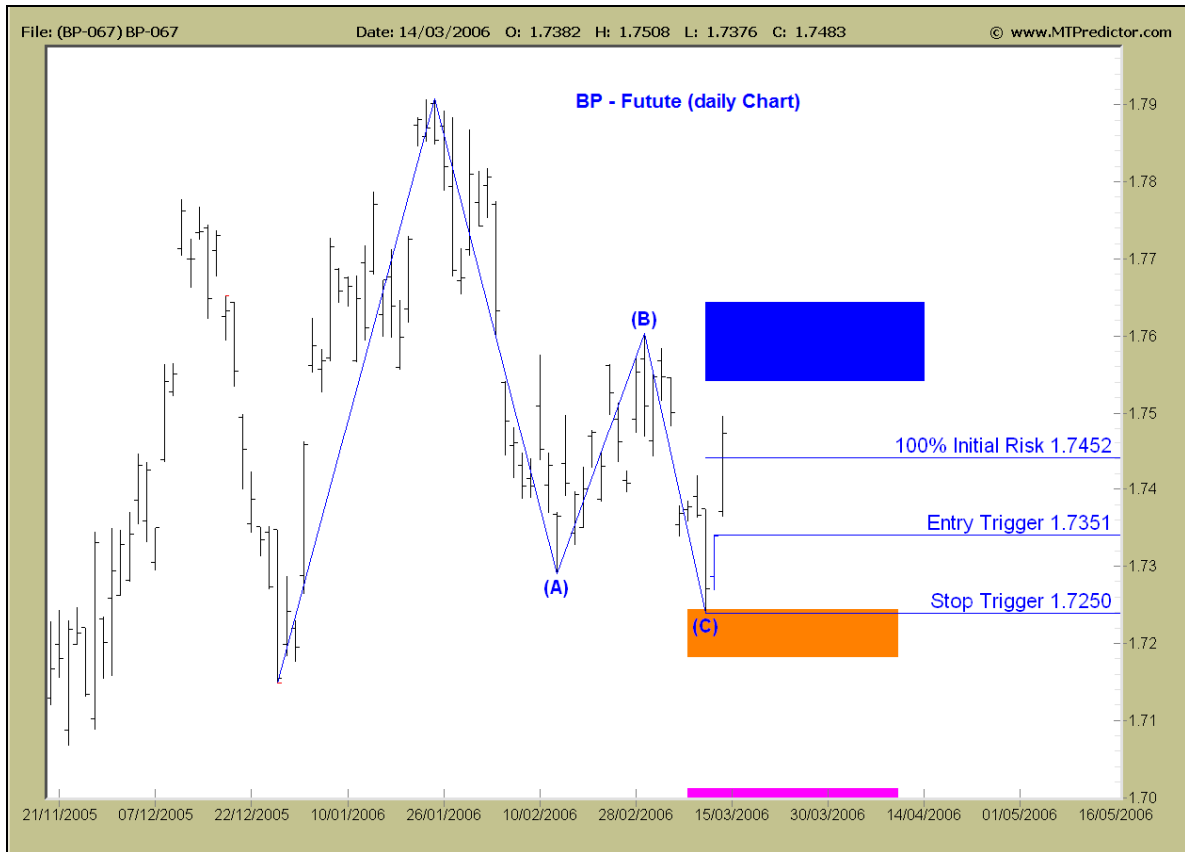
ES 60min Chart:



ES 60min Chart:



And while we are on the topic of customers catching great trades, I have to mention Durgesh again, who posted this set-up on Forum on the British Pound “before” it was triggered. I also mentioned this chart a few days ago, showing how it was at the first profit target from the prior short trade. So well done to Durgesh as well:



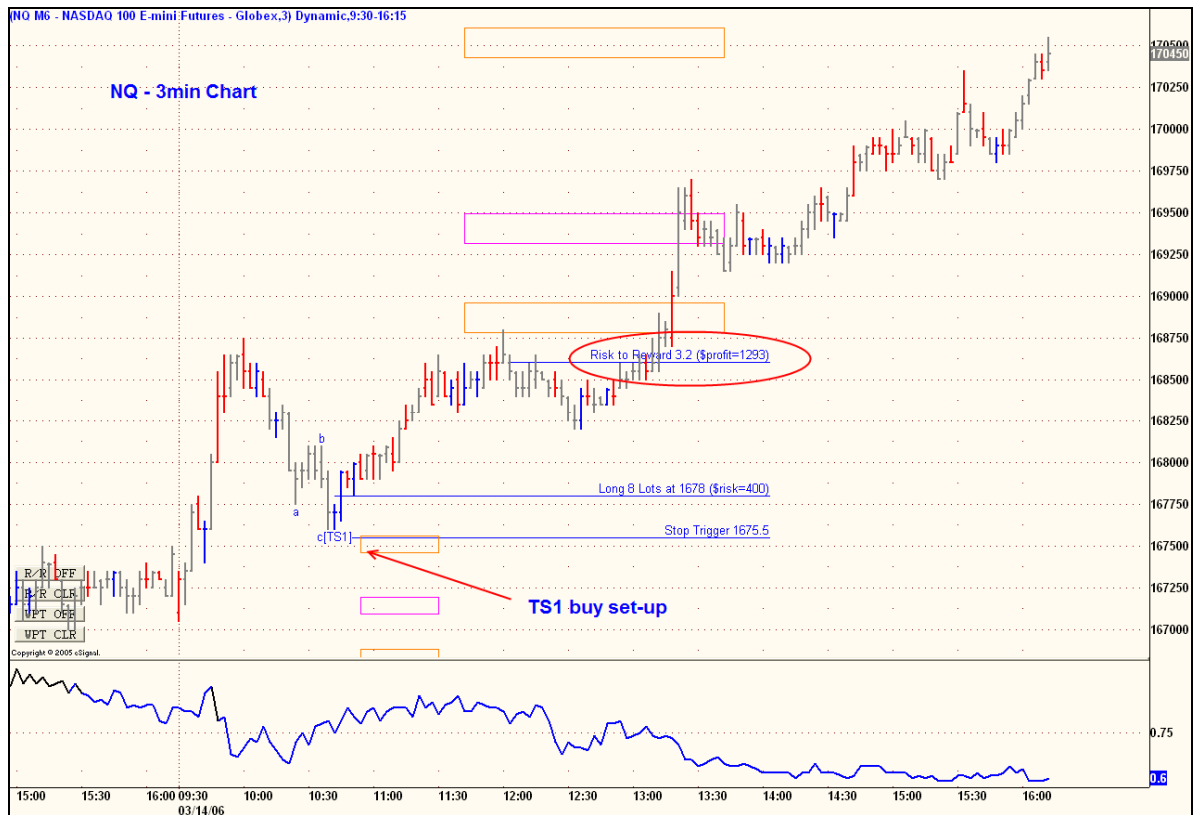
This chart is showing the Futures contract, but the same set-up is on the 24hr Forex Charts as well. As you can see, this nailed the low off which the Pound has been rallying strongly.

Again, it is nice to hear from so many of you with your trades. It is also nice to see all the posts on the Forum with so many good trade set-ups as well. So well done to all of you, and I am glad that you are all doing so well with MTPredictor ☺

OK, over to some Real-Time charts now.

As I outlined yesterday, the markets are cyclical where the profitable times rotate round with the more difficult times, and Monday was a tricky day, which I talked about in detail in yesterday's report. BUT what a difference a day makes, as yesterday we returned to some good and profitable trades. This is why I stress this cycle so much, because it is the natural way the markets unfold, so when you have a bad day, you should know that this is not you, it is just the natural way the markets unfold. Your job is to keep the losses small on the bad days to then have your capital in tact and ready for when the profits come through again, like yesterday....

OK, let's look at some of the many set-ups that unfolded yesterday, starting with the 3min NQ:



As you can see, the NQ made a TS1 buy set-up early in the day, where we had a good abc pattern that reversed at the minimum Wave C WPT with a blue (Buy) bar. The \$TRIN was also blue at the time. So all-in-all a good set-up to consider.

The NQ rallied nicely from there to return a very healthy profit of 3x the initial risk (Ignoring slippage and commission) at the first profit target. A good start to the day turning an initial risk of \$400 (2% initial risk on \$20,000 account) into a profit of approximately \$1,300 😊

But the important thing is that this profit was 3x the initial risk or 3x the losses on other trades. So even though we had two losing short trades on the 60min ES over the last few days, with correct Position Sizing, this one profitable trade has now put us back into profit. This is what successful trading is all about – keeping the losses small and the profits large, so in this example 2 losses and 1 profit (or only a 33% success rate) has still made money overall !

There are so few traders, let alone software vendors that truly understand position sizing. I guess that is why so few people make consistent money in this business?

But this is what MTPredictor is all about and why correct Position Sizing is build into the software as part of the core routines.....

Yes, this was a good profit, but this was only at the “first” profit target. As the 60-min ES Wave C high failed, the likelihood of a strong Wave 3 type rally was increasing, so yesterday was a good day to look to run profits on a trade such as this:



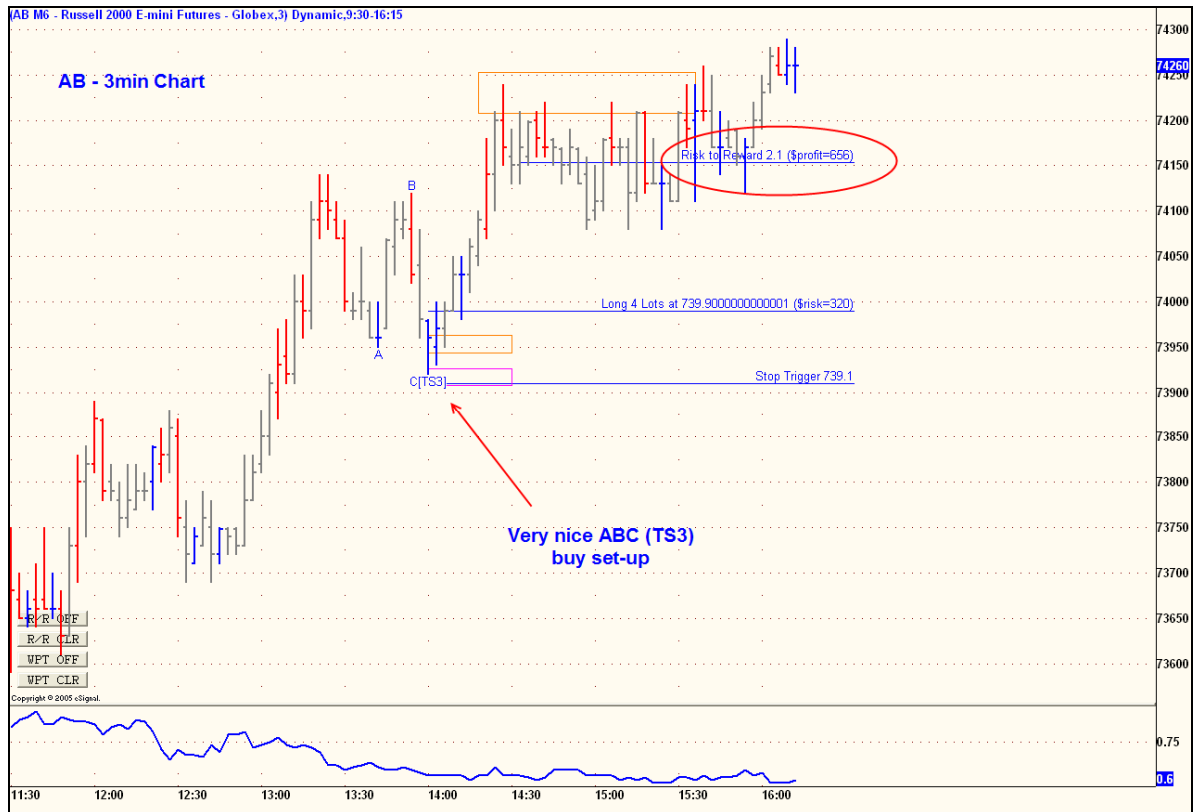
If you look at this chart, you can see how the NQ kept on moving up to reach the 3<sup>rd</sup> profit target, which was the Typical Wave 3 profit target. At this level (which was also the close of the day) the return would have been nearer 10.7x the initial risk, or in other words, would have returned your \$400 initial risk into a profit of approximately \$4,200 (ignoring slippage and commission). Now that is what I call a good trade !!

However, running trades like this requires a firm knowledge of the larger degree trend and as such is only advised when you are happy that a large move like this is likely to unfold. Moves and trades like this don't unfold everyday, but when they do, the profits can be huge!

Not to worry as there were a few more good trades yesterday as well, for example on the 3min YM, and the 3min AB (Russell Index)

Continued on the next page . .

I must include this one on the 3min AB, mainly because the ABC “pattern” was so good:



I hope you can all see how nice this ABC pattern was with 3 clear clean and obvious swings – a great example of what I like to see in an ABC correction 😊

So overall it was a good day on the short-term Indices yesterday with a number of great (and profitable) trades. But more importantly I hope this demonstrates (yet again) the cyclical nature of the markets and why it is impotent to keep the losses small when they unfold. Avoiding losses in unavoidable and a fool’s game, as I have shown you, to make money trading what you need to do is apply correct Position Sizing – this keeps the losses small and the profits large. Only then can you hope to make money consistently over time.

It is the amateur who worries about being right and usually ends up losing over time, whereas the professional focuses on controlling risk and as such makes money over time. So what do you what to do, feed your ego and worry about being right or make money ??

Thanks,

Steve

Real-Time charts provided by eSignal® and TradeStation8®

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Thanks and good trading . . .

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