



MTPredictor™

Software & training for Risk/Reward trading with Elliott wave

Daily Training report



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Contents:

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

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](#)

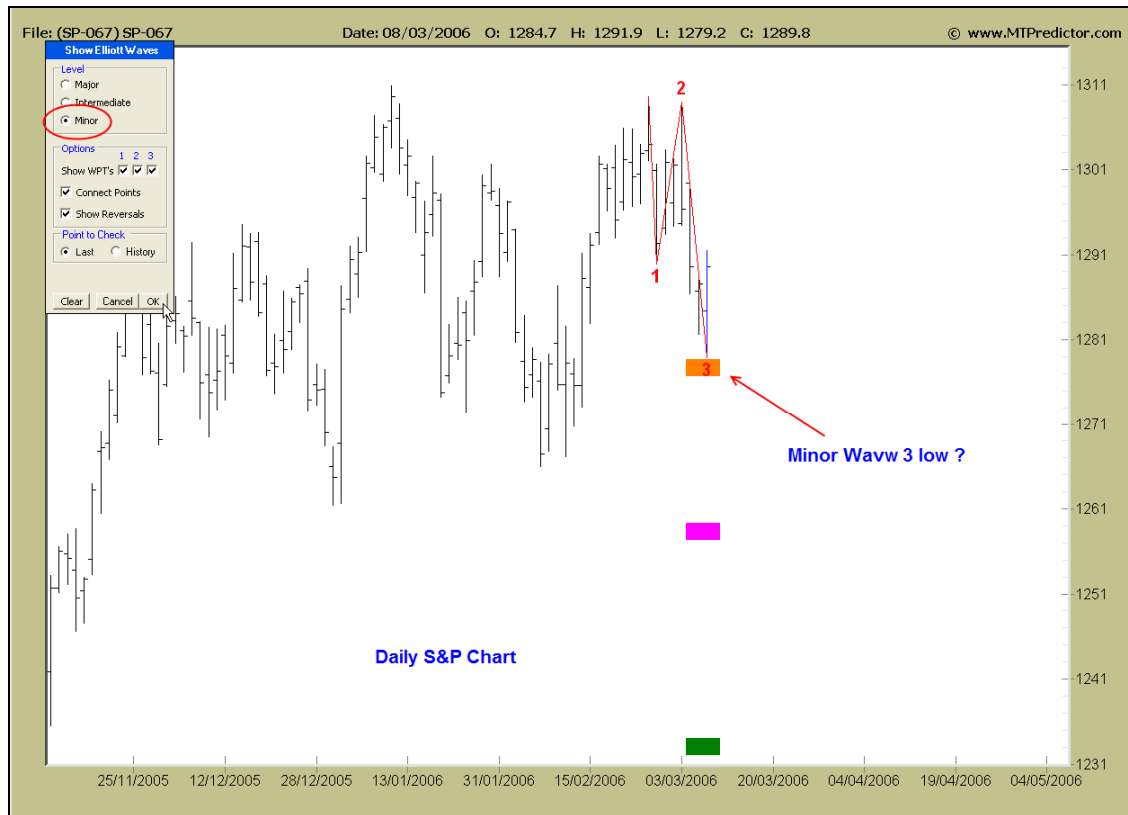
PAID ADVERTISING/SPONSORSHIP (BMW; SAS®)



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Market commentary

S&P (SP-067) Daily Chart:




As you can see from the Chart above, yesterday the S&P declined in early trading (this is what I was looking for in yesterday's report), but then the decline stopped and reversed as a rally unfolded later in the day. But just look where this low unfolded – right at the Typical Wave 3 WPT ! As such it was no surprise that a low was made at this level.

This can be seen slightly clearer on the 60-min Chart on the next page. Here you can see how the 60-min ES dipped down to make the low of the day right at the level of the Typical Wave 3 WPT. This was found automatically by the software using the Major Elliott Wave selection.... Isn't it great when a market unfolds exactly as anticipated ☺


Gold has continued to decline very nicely and has now reached the first projected profit target. With the profit at this level being approximately 6x the initial risk, this has been another example of a great MTPredictor trade that has returned a large profit, in relation to the small initial risk, – correct position sizing at work !

But (looking at the chart) I have a feeling that this decline in Gold will continue much lower in the coming weeks.....

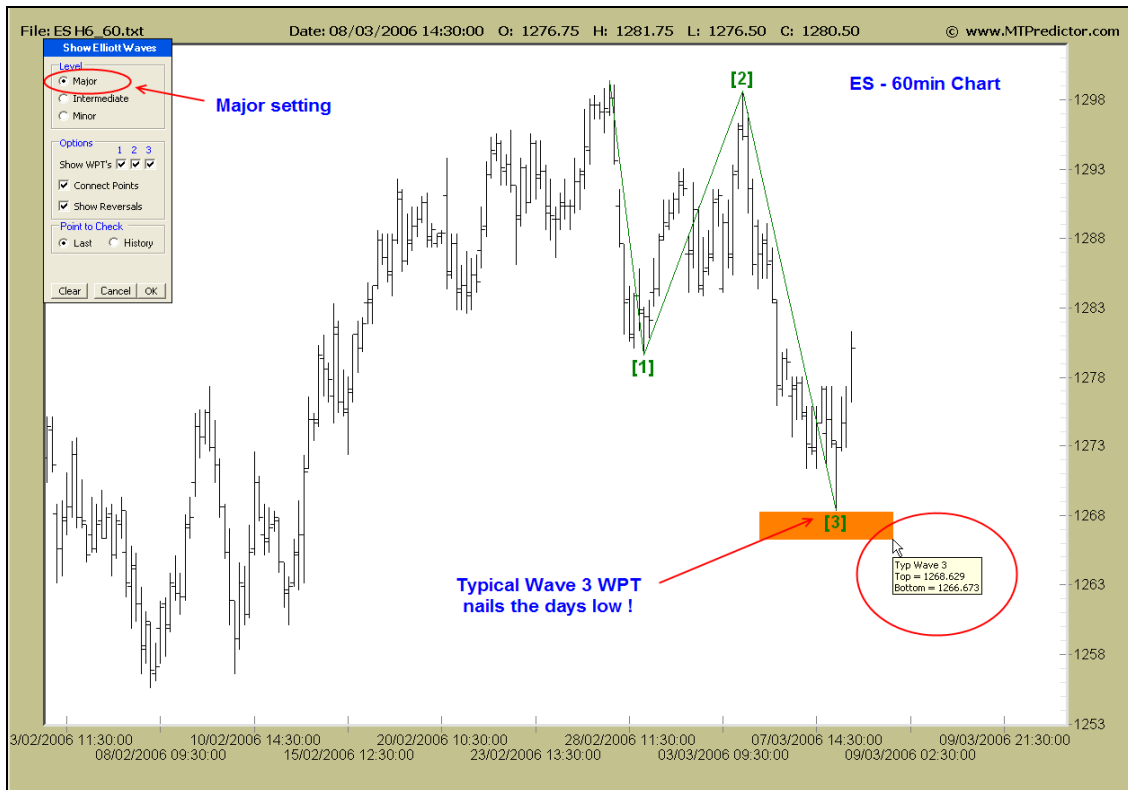


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ES 60min Chart:



June Gold (GC-0606) Daily Chart:



OK, over to some Real-Time charts now.

As you have already seen, we managed to nail the exact low of the day yesterday on the 60-min ES Chart, so let's see if there were any shorter-term trades going down into this low, then on the way back up later in the day...

For me, the best looking ABC, early in the day was on the 5min AB (Russell Index):



Here we had a very good looking (nice clear, clean and obvious swings) ABC pattern where the Wave C high reversed right at the minimum Wave C WPT with a red (sell) reversal bar – a great example of a perfect TS3 sell set-up. As you can see, the AB declined nicely from there and would have returned a good profit of approximately 2.5x the initial risk, even at the first profit target, turning an initial risk of \$280 (2% risk on a \$20,000 account) into a profit of approximately \$700 (ignoring slippage and commission. What a great start to the day...

However, the \$TRIN did get in the way of this trade, and would have prevented many of you from taking this trade, as such, this was one of those example where the \$TRIN did not help us. This is where experience comes in to know that this was such a good looking set-up that was in the direction of the main trend, so it was worth taking a “flyer” for a small initial risk on a trade that was against the \$TRIN. If (advanced traders only) you do this, then the trade must move with you immediately – as in this example. Here the trade moved into profit with a wide range bar as soon as it was triggered.

OK, let's now move to later in the day and look at a more obvious and easier trade to see, again on the 3min AB:

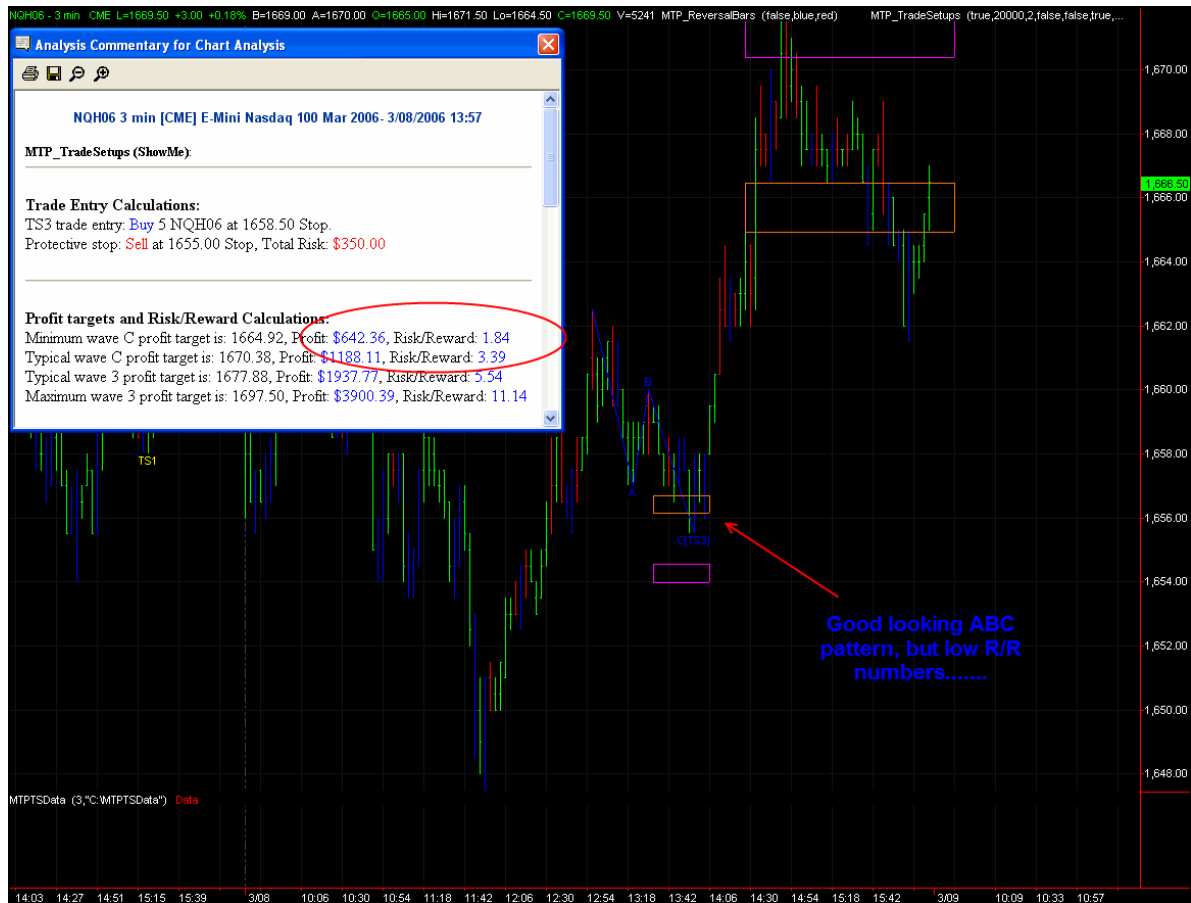


As you can see, this was an absolutely perfect set-up, with a very good looking (nice clear, clean and obvious swings) ABC pattern where the Wave C low reversed right at the typical Wave C WPT with a blue (buy) reversal bar – another example of a perfect TS3 set-up. This time the \$TRIN was declining sharply so you could have decided that any selling pressure in the NYSE was declining therefore allowing you to take a long trade. Especially now the markets had reversed off the 60-min Wave 3 low on the ES, therefore indicating that the larger degree trend had turned up.

The AB rallied strong, reaching the first profit target for a return of nearly 5x the initial risk – or turning an initial risk of \$400 (2% risk on a \$20,000 account) into a profit of approximately \$1,800 (ignoring slippage and commission. What a great trade ☺)

Continued on the next page . . .

There were some other good looking set-ups yesterday, for example on the 3min NQ:



Although the pattern of this set-up looked very good, the initial R/R numbers were not as good as those on the AB trade. As such, if I had to make a choice, I would have preferred the AB trade over this one.

As such, overall it should have been a good day for the RT traders among you yesterday, particularly on the second AB (ER2) long trade, in fact this type of trade was the reason I developed MTPredictor in the first place ☺ To be able to find these ABC set-ups for me, then quickly and easily evaluate the risk and potential profit on the trade.....

Lastly a note for all the short-term Stock Index traders - Rollover for all stock index futures is tomorrow. Effective with the business date of 3/9/06 June (M) will be the front month.

Thanks,

Steve

Real-Time charts provided by eSignal® and TradeStation8®

Paid advertising/sponsorship

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Thanks and good trading . . .

Steve Griffiths
Managing Director and developer of MTPredictor
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