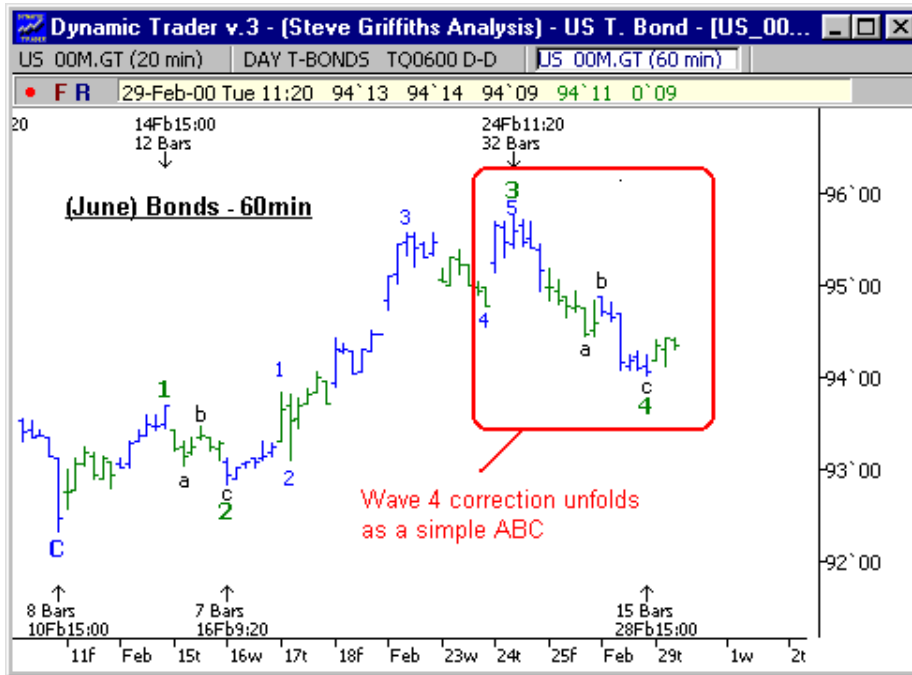# *Trader Education Tutorial*

4/1/00

Today I would like to continue with the current section of tutorials, on the Price, Time and Pattern characteristics of Wave 4's

Wave 4 Time Projections – Minor Degree

We always start with the assumption that the correction will be a *minimum* of a simple ABC where the Wave C exceeds the Wave A extreme. In other words, an ABC-zigzag in Elliott wave terms.

In the example we have been using to project the time, price and pattern of a Wave-4 on a 60min Bond chart, the Wave 4 correction appears to unfold as a simple ABC. In last week's tutorial, we made the time projections for the end-of-wave-4. Now we may add the Time projections for the smaller degree Wave C of Wave 4 to help narrow down the relatively broad Wave 4 Time cluster from last week's tutorial.
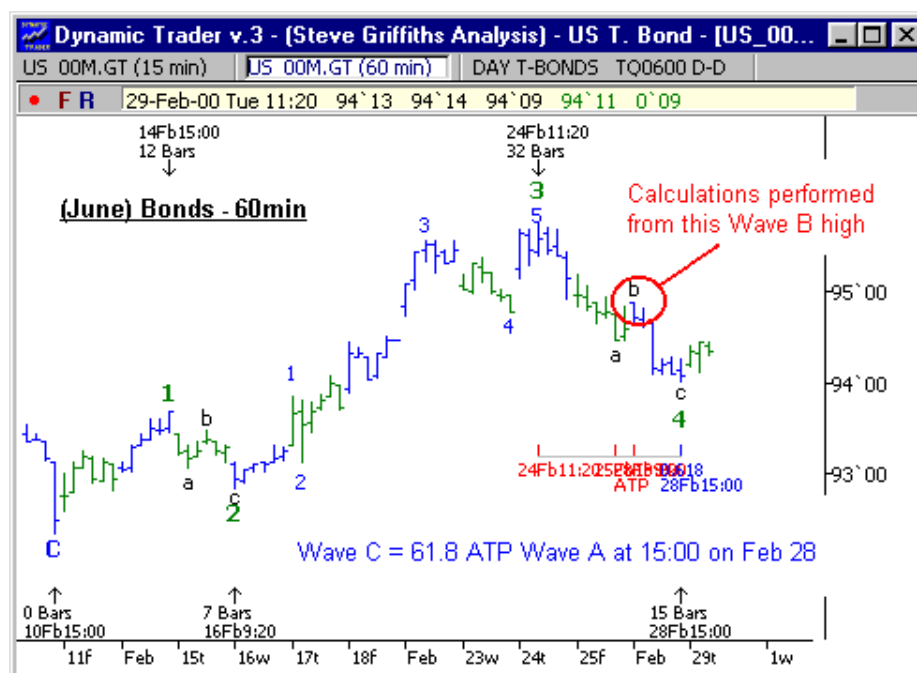
We have two completed waves to work with to make the end-of-wave-C time projections – Waves A and B.

Time Projections for Wave-C include :

- Wave C = 61.8%, 100% or 162% ATP (Alternate Time Projection) Wave A

- Wave C = 61.8%, 100% or 162% Time Retracement (TCR – Time Cycle Ratio) Wave B

The ideal time target will include a time zone which includes a projection from the Wave-A and Wave-B.

Let's have a look at these on the chart:

The 61.8% ATP (Alternate Time Projection) of Wave A is at 15:00 on Feb 28. Because the Wave-B is so short, time retracements of Wave-B are not relevant. However, we are continuing with this example to show how the time, price and pattern projections are made in real-world situations because all of these projections were made in advance in the Dynamic Trader Report.

The Wave-4 time target is 9:20 on Feb 29 to 11:20 on Feb 29 shown in last week's tutorial. The 61.8% ATP where W.C:4 = 61.8% W.A:4 is at 15:00 on Feb. 25 just a couple bars before the W.4 time target. If we include the Wave-C:4 projection with the W.4 projections, we have a time target zone for the end-of-wave-4 at 15:00 on Feb 28 to 11:20 on Feb 29. This time target zone includes both end-of-wave-4 and wave-C:4 projections.

The Wave-4 low was made at the 15:00 bar on Feb. 28, right within the time target to complete a Wave-4 correction.

As mentioned above, this is not an "after-the-fact" example as this time target was made in advance and given in the Dynamic Trader Report.

The next section of this tutorial will show how it turned out and how the Dynamic Trader software was used to make the time target for the end-of-wave-c:4.

Summary

1. The **Time** targets for the End-of-Wave-C can be clearly defined *in advance*.

2. The most reliable Time support and resistance areas are where individual calculations from different swings and different degrees of swing *cluster together in a relatively tight range*.

3. In the case of a Wave 4 this is *typically* where the Time clusters for a Wave C overlap with the Time clusters for a Wave 4.
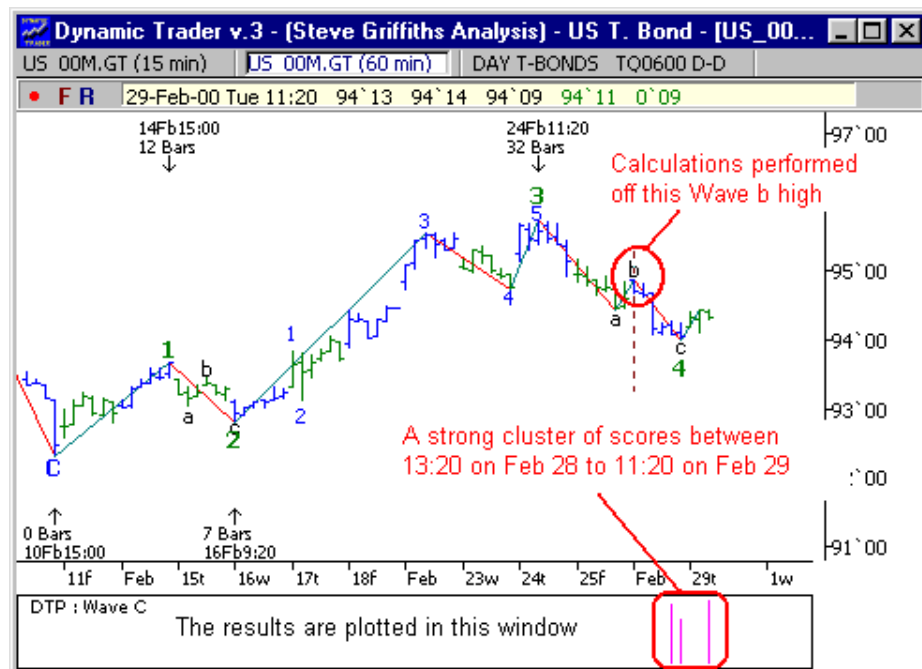
Dynamic Trader Software

The Wave C Time tutorial above taught you how to make the high probability Time targets for the end of a Wave C. This can be accomplished very quickly with the Dynamic Trader software program.

As with the Time example on the Wave 4 last week, we first place a swing file on the chart. We then use the Dynamic Time Projection routine to perform all of the time calculations for each of the individual swings and plot the results in a histogram below the chart.

Let's step though the current example on a 60min Bond chart used in the tutorial above, where we start with a bar chart and a swing file.
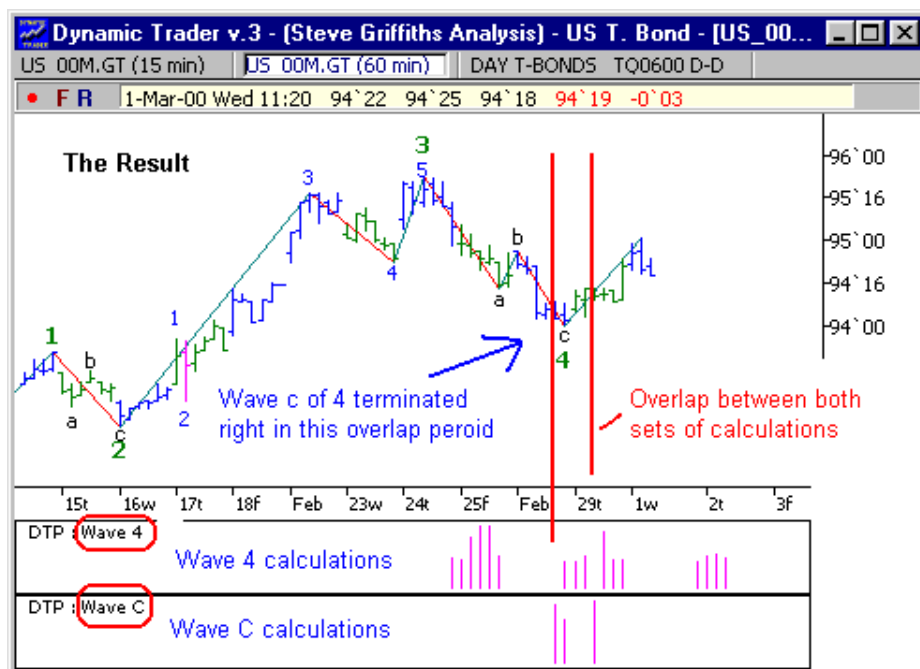
Place the vertical marker on the last swing pivot – the Wave B high in this case (as we are looking to project the termination of a Wave C move). Then select DTP (Dynamic Time Projection) from the menu. This opens the Dynamic Time Projection menu (not shown), which allows us to plot a histogram showing the number of Time projections that fall on a bar. The higher the score the more individual time calculations are falling on that bar and hence the most important times to be alert for a potential change in trend.

We can then choose to display this histogram in a window below the current Chart:

The highest cluster fell between the time period of <u>13:20 on Feb 28 to 11:20 on Feb 29</u>

This PTPP (Projected Turning Point Period) falls within the relatively broad period calculated for a Wave 4 from last week's tutorial, thus confirming and narrowing down the original forecast. Let's take a look at both the Wave-4 and Wave-C time targets together on a chart.

Wave C of 4 terminated at 15:00 on Feb 28, right in the narrow Time period projected *in advance*.

If you have been following this series of tutorials on Wave 4's over the last month, you will see how similar the approach to both **Price** and **Time** calculations have been.

Is this the kind of information that you believe will enhance your trading? If you would like to learn more about the unique features of the Dynamic Trader software program, you may go to the download page and download the DT software brochure.

Key Point

Although this example is now "after the fact", this set-up was reported "at the time" in the Dynamic Trader Report. This demonstrates again that all the techniques we apply to the markets are *leading indicators,* in other words you are always prepared *in advance* for the **Price** and **Time** areas to anticipate support and resistance and End-of-Wave Price targets.

Special Note On The Dynamic Time Projection Report (DTP)

The DTP report is a very unique time projection report not found in any other software program. The user may choose to project the high probability time targets for the end of any Elliott wave or trading range swing or any swing that doesn't have a clearly defined Elliott wave pattern.

What has not been shown in these tutorials is exactly how the projections are made by the DTP report because that is proprietary to the Dynamic Trader Software program. However, exactly how the projections are made are described and illustrated to the owner of the software so they know exactly how they are made and can even make adjustments to the ratios and swing projections if they want.

The DTP report includes a weighted set of projections that do two things.

1. Different projections are given different score weights depending on the ratio and swing used to make the projection.

2. The score is distributed around the target bar depending on the importance of the individual projection.

Calendar day and trading day counts may also be include in the projections.

Other software programs have unsuccessfully attempted to include time projections like those included in Dynamic Trader's Dynamic Time Projection report. None has been able to equal the results or the flexibility of this sophisticated but easy to use routine. If you would like to take time analysis to a new level and learn exactly how to incorporate time into your trading, check out the Dynamic Trader Software and Trading Course package.