

Trader Education Tutorial

Today I would like to continue with this section of tutorials, on the Price, Time and Pattern characteristics of Wave 5's

Wave 5 Time Projections

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Today I would like to have a detailed look at the **Time** relationships to project the end-of-Wave 5.

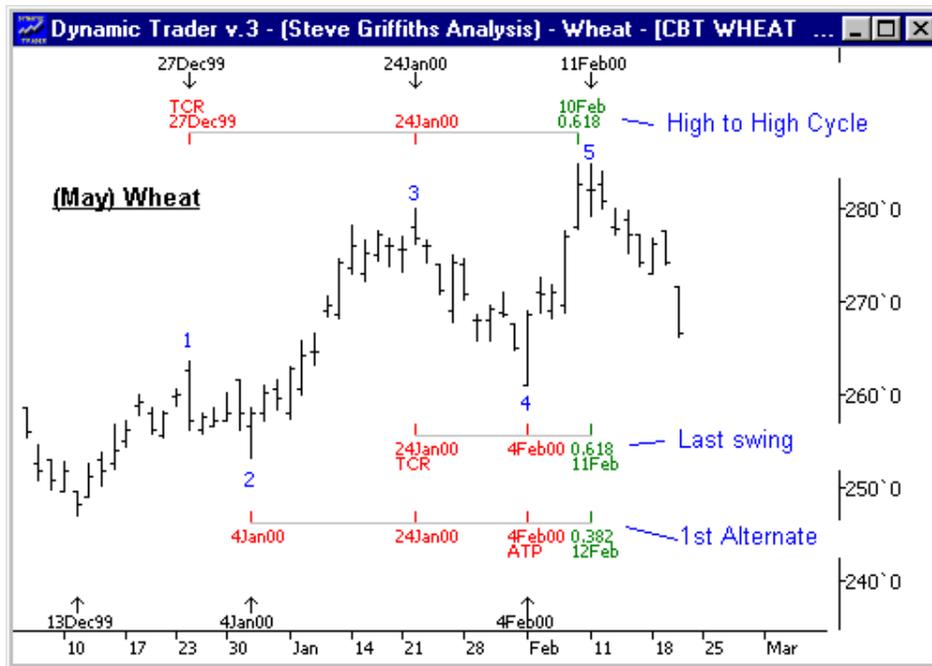
The Time targets for a Wave 5 are the **Time clusters** that are generated from all the individual Time-Cycle-Ratio and Alternate-Time-Projection calculations. The high probability **Time clusters** are generated where the **Time** projections from *different* swings and *different degrees* of swing *cluster* together in a *relatively tight range*.

The time projections made are:

- **Time Cycle Ratios of 50%, 61.8%, 100%, 162.8%**
- **Alternate Time Projections of 61.8%, 100%, 162.8%**

Time Cycle Ratios and Alternate Time Projections have been taught in prior tutorials and are taught in detail in the *Dynamic Trading* book along with the specific projections to make for the end-of-wave-5.

Let's have a look at a recent example of (May) Wheat and see how several projections may cluster together to give a high-probability time target for the end-of-Wave-5.



The Feb. 11-12 period includes:

1. 61.8% high to high (cycle) Time Cycle Ratio falling on Feb 10
2. 61.8% Time Cycle Ratio of the last swing falling on Feb 11
3. 38.2% Alternate Time Projection falling on Feb 12

Therefore we have a *cluster* of Time projections from different swings all falling together in a relatively tight range of Feb 10-12. We call this a Projected Turning Point Period (PTPP). Therefore Feb 10-12 is the first time target where you need to be very alert to both the Price and Pattern position of (May) Wheat for the potential termination of the five wave advance off the Dec 13 low.

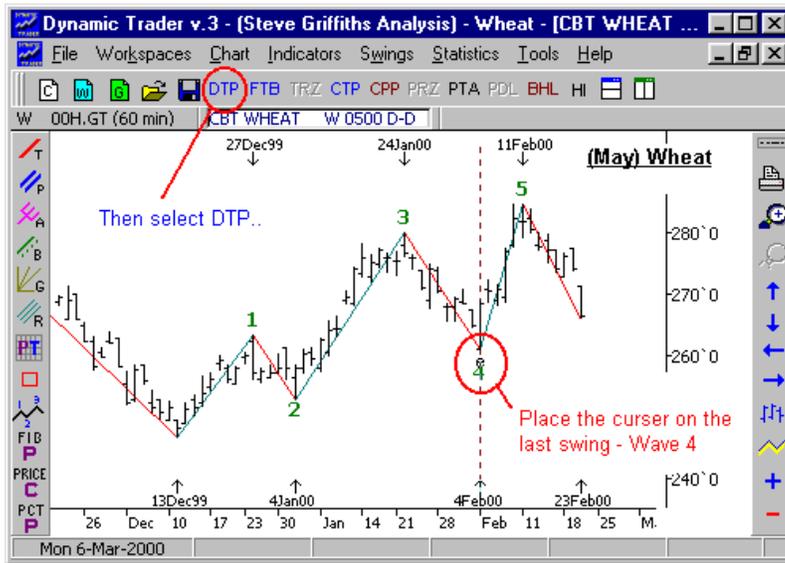
We then proceed in a similar way looking for more clusters of Time relationships to calculate PTPP's that fall after Feb 10-12. For the purposes of this tutorial I will use the Dynamic Trader software program to calculate the remaining PTPP's in the second section below.

Dynamic Trader Software

There are a lot of individual time calculations that may be made to make an end-of-wave time target. All of these projections can be accomplished a lot quicker and easier with the Dynamic Trader software program.

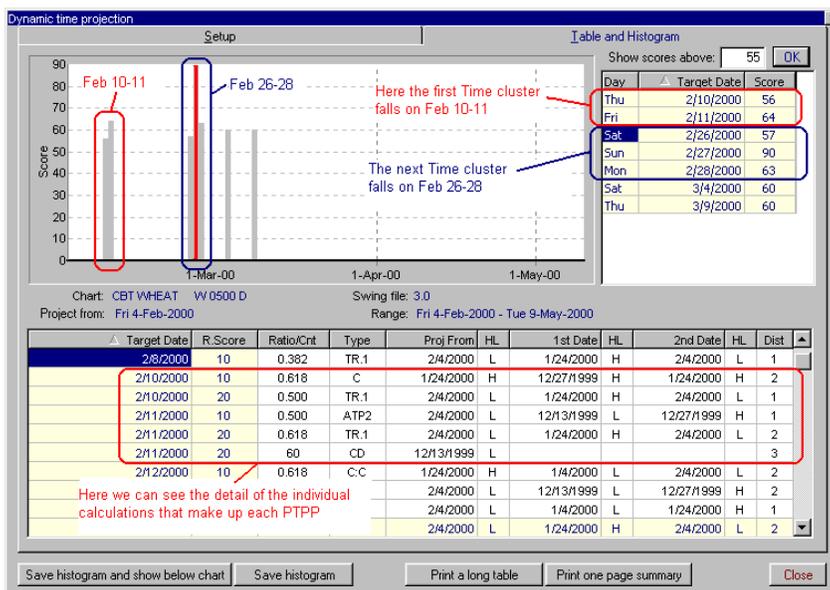
As with all the examples in the current series, we first place a swing file on the chart. We then use the Dynamic Time Projection routine to make all of the time projections for each of the individual swings and plot the results in a histogram below the current chart.

Let's step through the current example on a Daily (May) Wheat chart where we start with a bar chart and a swing file:



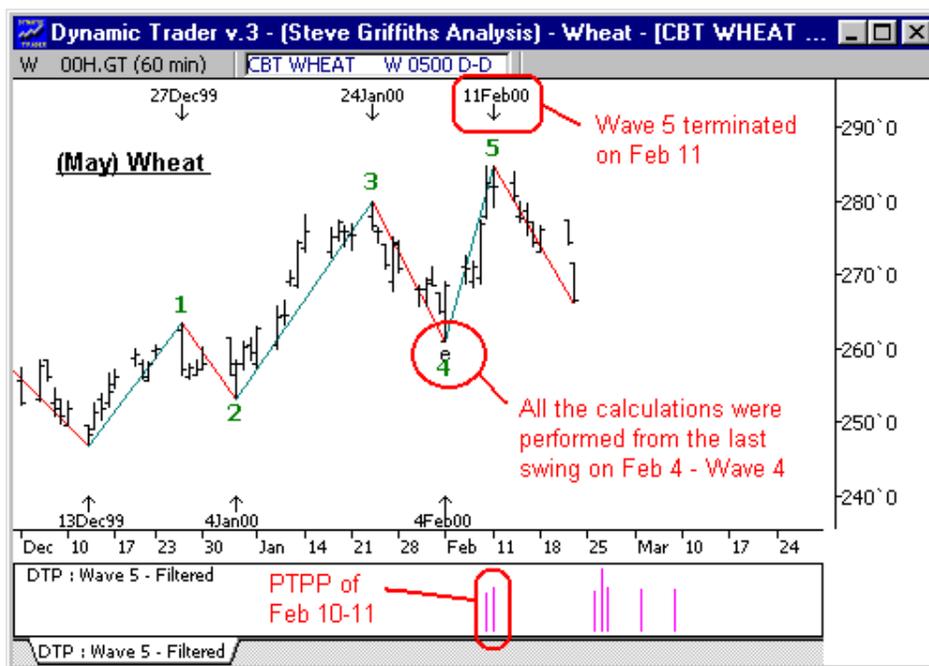
Here we place the vertical marker on the last swing pivot – the Wave 4 in this case (as we are looking to project the termination of a Wave 5 move). Then we select DTP (Dynamic Time Projection) from the menu. The Dynamic Time Projection menu opens (not shown) which allows us to plot a histogram showing the number of Time relationships that fall on any future bar. The higher the score, the more individual time calculations are falling on or near that bar and hence the most important times to be alert for a potential change in trend.

The high-probability time target results are shown in the Dynamic Time Projection report below.



Here we can see that we have two relatively high scoring clusters falling on the time periods of Feb 10-11 and Feb 26-28.

I have filtered the results to only display days that score 55 or above, to help focus on only the high scoring time clusters. We can then choose to display this histogram in a window below the current Chart:



Wave 5 terminated on Feb 11, right in the first PTPP for the end-of-Wave-5 of Feb 10-11 projected off the prior Wave 4 low of Feb 4.

Key Point

While it may seem that that this is an idealized “after the fact” example, it was taken from the Dynamic Trader Report. Profits were taken very near the exact Wave-5 high from the long position initially entered at the Wave 4 low. Wherever possible, all these training examples are taken from real life recommendations and analysis made in advance and published in the Dynamic Trader report.

Next week’s tutorial will be on the **Pattern** of Wave 5’s, where we will see that when projected Time, Price and Pattern all coincide most trends will terminate.

Be sure and bookmark this page and check out next week’s Trader Education Tutorial.