

Trader Education Tutorial

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Wave-3 Time, Price and Pattern

When Price, Time and Pattern coincide – change is inevitable

Today I would like to bring together the last three tutorials which projected the recent Wave 3 high on Jan 24 in (Mar) Wheat *in advance*.

- The Jan. 24 high terminated right in the *typical Price* target for a Wave 3 projected from the Wave 2 low weeks earlier as described in the Feb. 12 tutorial, *How To Make Wave-3 Price Targets*.
- The Jan. 24 high terminated one day prior to the high-probability **Time** cluster for the potential termination of a Wave 3, projected off the Wave 2 low weeks earlier as described in the Feb. 26 tutorial, *How To Make Wave-3 Time Targets*.
- The Jan. 24 high terminated when the Wave-3 **Pattern** subdivided into a five waves of lesser which is typical for a Wave 3 as taught in the Feb. 5 tutorial *Wave 3 Pattern Structure*.

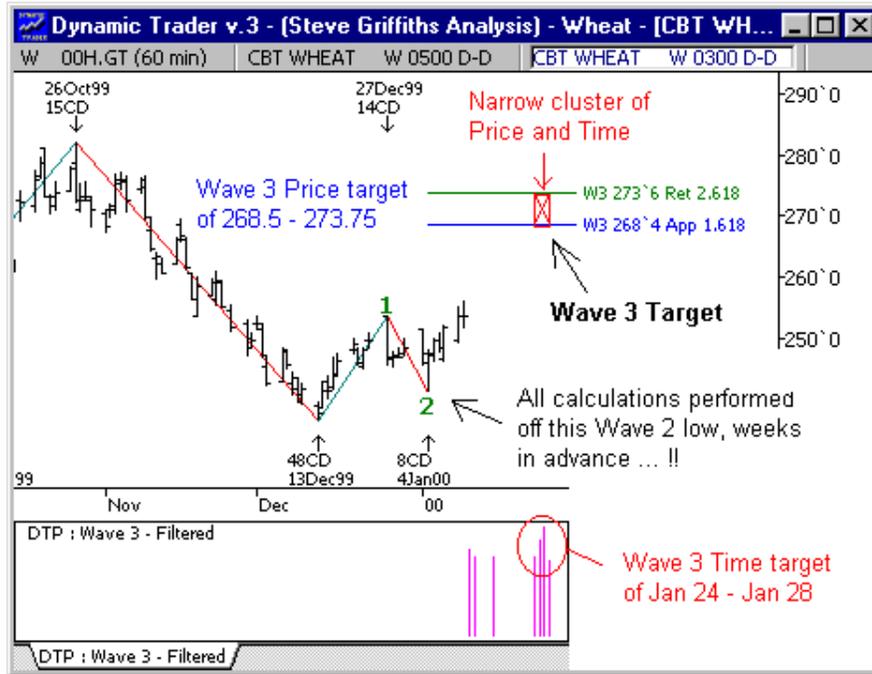
Most “establishment” technical analysis only concentrates on one aspect of analysis, typically Price, and very often only one calculation of Price such as typical Fib retracements.

The Dynamic Trading approach to technical analysis and trading strategies projects a **cluster** of different **Price** and **Time** relationships which fall together in a relatively tight range that produces the best support and resistance areas. Most importantly, these support and resistance areas can be identified in advance.

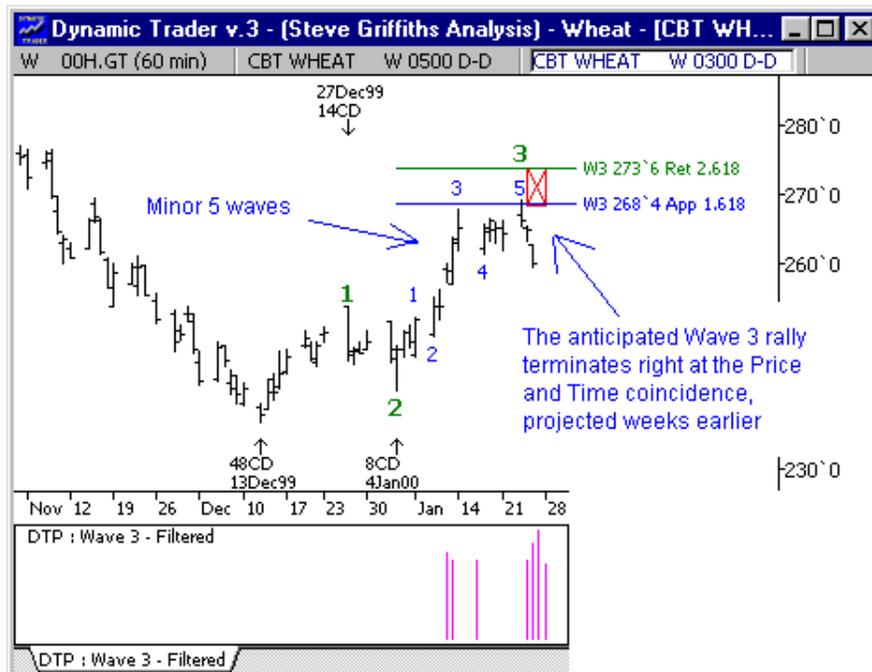
When a market trades into the **coincidence** of projected Price, Time and Pattern, trends have a high-probability to terminate.

Let's look again at the recent example for (Mar) Wheat and consider the position you would have been in on Jan 11, just as the Wave 2 low was confirmed. The initial confirmation of a Wave 2 low is a trade above the Wave 1 high.

With the Dynamic Trading approach, we are able to project *in advance* the **Price** and **Time** targets where a Wave 3 rally is most likely to terminate. I have drawn a small red box to highlight the time and price target ranges projected by Dynamic Trader on the chart below.



The next step is to monitor the **Pattern** of the minor Wave 3 as it rallied into this ideal **Price** and **Time** coincidence:



Wave 3 sub-divided into 5 waves of lesser degree, which is typical for a Wave 3, as it rallied right into the **Price** and **Time** targets calculated weeks earlier.

It is only then that we could consider that the current Wave 3 was in an ideal position to terminate, when **Price**, **Time** and **Pattern** all came together to signal the potential termination of this trend.

This will be demonstrated again in the next series of the training tutorial, as I move into the **Price**, **Time** and **Pattern** characteristics of Wave 4's.

Summary

1. High-probability Price and Time end-of-wave target zones include individual projections from different swings and different degrees of swing which ***cluster together in a relatively tight range***.
2. All of the Price and Time projections are made *in advance*. The Dynamic Trader Software includes both time and price end-of-wave projections so the time and price projections are easily and quickly made in advance and saved on the chart or in a report.
3. Trends normally terminate at the ***coincidence*** of projected Price and Time and Pattern.