

Books & Trades # 194

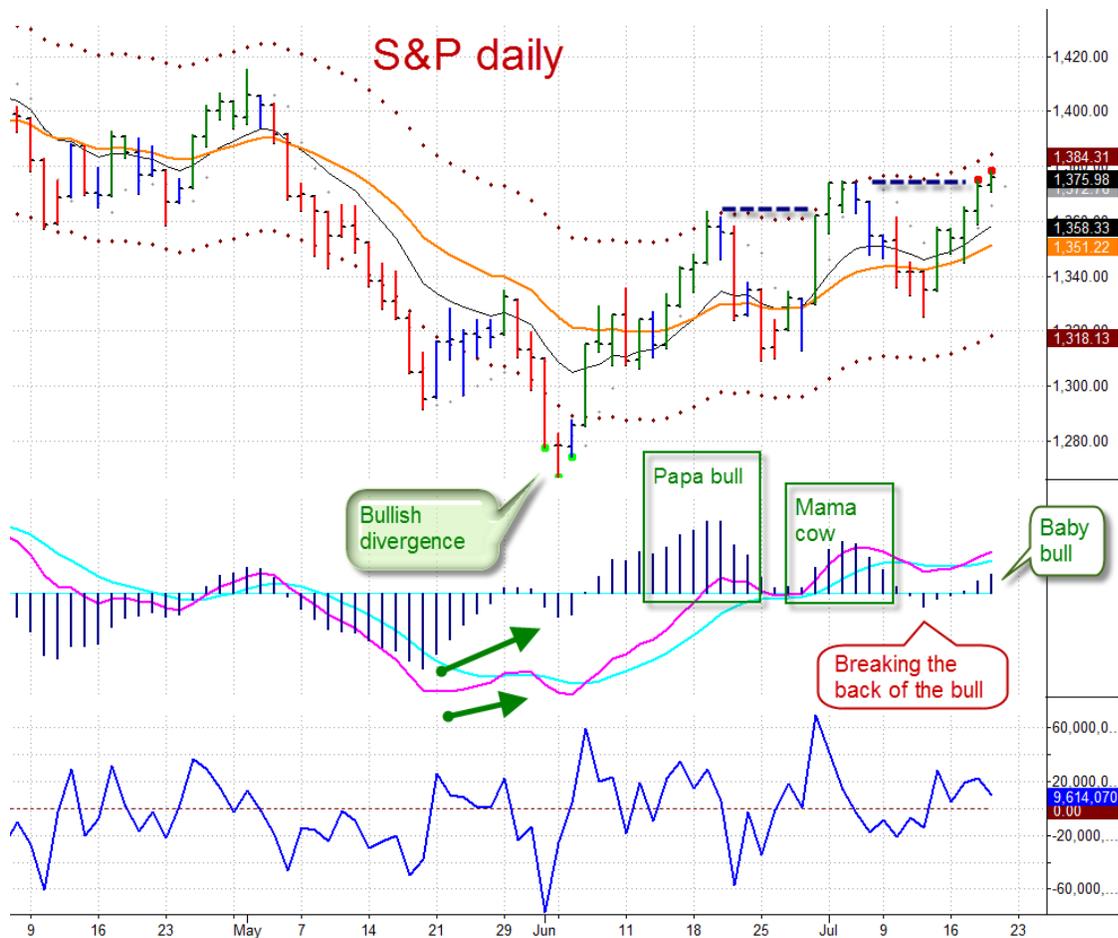
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Market review ... New idea, new e-book ... New Camp video

Dear Trader,

In recent newsletters we examined the charts of New High – New Low Index, which I consider the best leading indicator of the stock market. As its long-term message remains unchanged, let's turn to the daily chart of the S&P and examine my favorite set of indicators. It includes a pair of exponential moving averages, an Autoenvelope, MACD Lines and a Histogram, and Force Index – all included on our elder-disks.

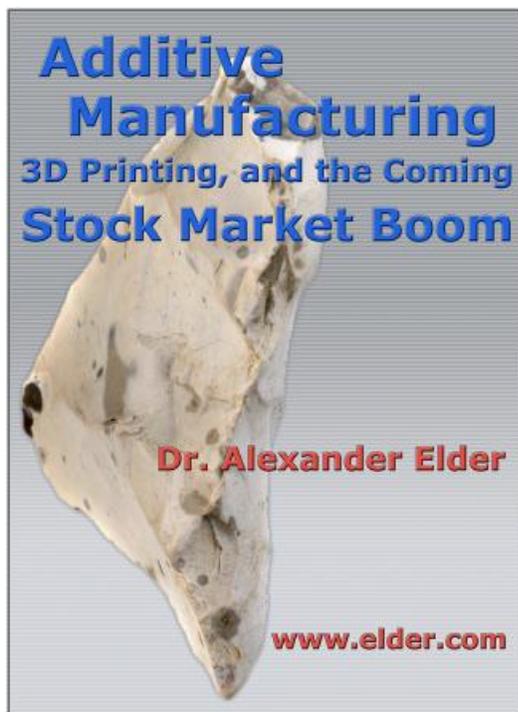


Experience has taught me that the strongest signal in technical analysis is a combination of a false breakout with a divergence. You can see how in June this combo launched the summer rally. Notice how MACD-H broke above its zero line between the two bottoms to set the stage for a divergence.

We're now seeing a mirror image of that pattern developing in the stock market. MACD-H broke below zero last week, and it is now rising in a feeble manner, to a much lower top. At the same time the S&P broke out to a new high, above its early July top. This looks like a false breakout, a part of the combo. As soon as the daily MACD-H ticks lower (below its previous bar), it'll complete a bearish divergence and give a sell signal.

Forewarned is forearmed. Historical studies show that the years in which a sitting president runs a re-election campaign tend to have a major low in August, followed by a strong rally, regardless of the election outcome. This is in gear with the patterns emerging on our chart.

The monthly format of these letters is not suited for precision timing. You are invited to our sister website www.spiketrade.com, where we analyze markets daily. Take out a Trial membership to get an inside look.



A new e-book by Dr. Elder

60 pages, over 30 illustrations

We're at the dawn of a new era: **additive manufacturing** allows us to create objects of great complexity by printing them, layer by layer.

The way we make things hasn't changed much since the days of a stone axe, shown above, made by bashing two rocks against one another. We take something big and make it useful by cutting, chiseling, drilling, and otherwise reducing it. We accept a huge amount of waste and severe technical limitations: for example, it may be impossible to drill an S-shaped passage through a solid piece of material.

Now, think of printing a page on a dot-matrix printer, which delivers a multitude of color dots to a blank page. Imagine that this printer works in 3-D, printing one level on top of another, building a three-dimensional object, layer by layer.

Such technology already exists; you can buy and use a 3-D printer.

This technology is overturning the key manufacturing principle of the past million years. Our ability to create new objects will soon be limited only by our ability to program them. We can create objects that are as complex on the inside as on the outside.

For example, rather than driving to the hardware store to buy a wrench, we'll have a 3D printer and download a file to print the tool we need. Not only will we save energy, we'll need to buy less: you won't have to get a complete socket set when all you need is a single size. Manufacturing will return to the US since it will cost roughly the same to print something in Detroit as in China but the shipping cost will be lower and time will be saved.

The coming technological revolution will change our lives. Along the way it'll fuel a stock market boom. This e-book will help prepare you for the great ride ahead and introduce you to the stocks of this looming bull market.

TO READ the world's first popular book on AM, click here to [order](#) – only \$9, and you'll have it in a minute.



New video: Guatemala Traders' Camp

5 DVD set, 6 hours 48 minutes

This is our latest, best, and most complete Camp video.

Professionally filmed on location in Antigua, Guatemala in January 2012 and edited for clarity and brevity, it brings you face to face with Dr. Alexander Elder. You spend a week in and out of class with a group of serious traders, reviewing key aspects of successful trading.

Topics include individual & mass psychology, key technical tools, Triple Screen and Impulse systems, finding stocks to trade, rules for risk control, decision-making at the right edge, and much more. The video is richly illustrated with charts and trading examples. You'll feel as if you're there, in that room, dropping in on intense and focused discussions between Dr. Elder and his students.

You can view this video online, but we recommend ordering it in DVD format for top-of-the-line quality and ease of navigation. List price \$299, low introductory price only \$249 through August. To order, please click [HERE](#)

Best wishes for successful trading from all of us at elder.com

Dr. Alexander Elder & staff