

Books & Trades #212

February 11, 2014

Accountability ... Gold and Stocks ... New York and Holland ... New Software ... Specials

Dear Trader,

When I was a teenager in the USSR, the government kept newspapers older than 2 years under lock and key. You could read the latest news they fed you, but to see what they were saying more than two years ago you needed a hard-to-get permission. This is one of the reasons why, having risked my life to escape from the Soviet system I came to value openness and transparency.

Do you ever re-read old newsletters?

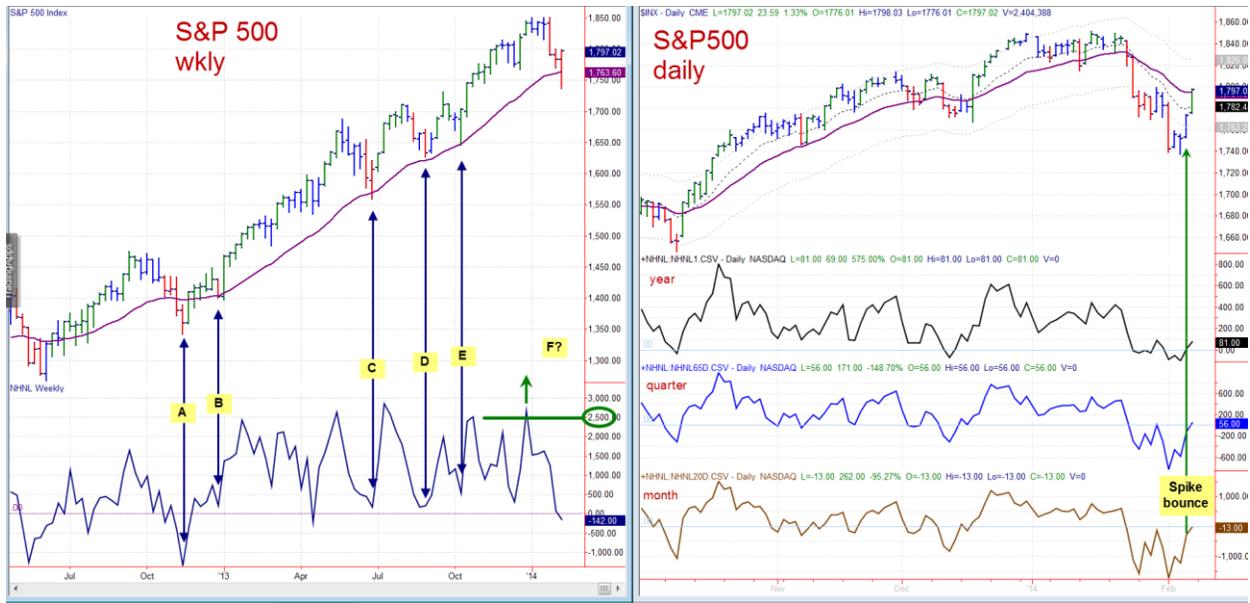
Kerry Lovvorn posted a message in SpikeTrade [blog](#): “Alex began posting In April 2012 the Additive Manufacturing series in the Spike blog. He also published an ebook in 2012 on the topic. I started a portfolio on three stocks putting \$10,000 in each and added the new IPO of XONE in Feb 2013. The \$40,000 investment has resulted in a gain of 235%. The initial \$40,000 is worth nearly \$135,000 as of the end this week, January 17th. DDD has gained the most, with all four at least nearly doubling in price or better. The idea was to stay invested in these stocks for a year or two. Appears it’s time to take some profits!” Great timing, Kerry!

Do you read every newsletter?

We send out them out once a month, which works for sharing general ideas. For precision timing and stock ideas I’d suggest a Trial of SpikeTrade.com.

In January Books & Trades I showed you double bottoms in Gold as well as ABX, NEM and AU, with multiple bullish divergences in several indicators. I concluded: “This pattern is capable of launching gold into a lasting rally.” Gold is up nicely since January, and gold stocks provided a bright and profitable spot against the background of a dismal stock market.

Well, maybe not so dismal going forward!



Click [here](#) to enlarge this chart (only when you're online)

The New High – New Low Index (updated here through Sunday, Feb 9) is my favorite leading stock market indicator. Here it flashes several important messages.

Back on 12/27/2013 the weekly NHNL rallied above +2,500 (marked with a circle and short green arrow on the left). Its strength suggested that the bull had at least three more months of life, even if interrupted by a correction. Notice a clear uptrend of the slow 26-week EMA – bullish. Prices dipped briefly below that line, but rejected the lows and closed above their EMA.

Notice the S&P pullbacks to value, accompanied by the S&P pulling back near its zero line. Previous instances are marked by letters A, B, C, D, and E. Doesn't it look like the pattern at the right edge of the chart could well be an F in this sequence? We'll know for sure in a few weeks, but as traders we don't have the luxury of waiting – we need to make our decisions at the right edge of the current chart.

The daily chart shows a Spike Bounce signal, which has an excellent history of identifying short-term lows. Not a perfect history, mind you – no indicator does that – but a very decent history. The odds favor a continuation of the rally signaled by the Spike Bounce.

Traders' Education

Please visit [our website](#) for more information on these events

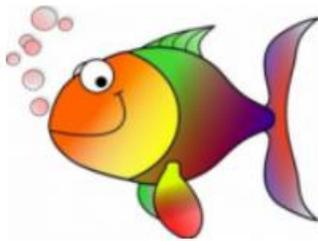
ONLINE: February 12 at 6pm ET - Webinar –“Current markets with Dr Elder.” [Enter](#) Dr. Elder's trading room from your own computer and watch him review stocks and futures. Ask him to review your picks if you wish. Next webinar – March 5 & 19. **A massive continuing bonus for all webinar participants – receive an email each weekend giving you the results of bullish and bearish scans of the S&P500.**

NEW YORK CITY: FEBRUARY 17, 2014, 1 - 5 pm. “5 Key Tools of a Pro Trader” – an intensive class at the Traders’ Expo. **Exclusive** for Elder.com clients – a **private dinner** with Dr Elder in the evening after the class (register for the class with The Traders’ Expo, then email us for a dinner invitation, deadline 2/14.)

HOLLAND: MARCH 9, 2014, 10 - 17 –“The Essential Skills of a Pro Trader” – a day-long intensive class in Breukelen (near Amsterdam’s Schiphol Airport) – psychology, tactics, risk management, focus on the US and European markets.

NEW YORK: MAY 9 - 10, 2014 “SpikeTrade Reunion”– no Traders’ Camp is planned for 2014, but you’re welcome to join this annual event.

New Software – Elder-disk for Think or Swim



We’re happy to announce that our ever-popular collection of Elder-disks has been expanded – we now offer an Elder-disk to users of Think or Swim. Now you can add the flawlessly programmed Impulse system, Autoenvelope for a perfect fit of any trading vehicle, Force Index for the best use of volume, SafeZone stops, and our unique forward-looking MACDXOver that shows you at what level the Impulse system will change its color. For a complete description, please click [here](#).

*Best wishes for successful trading from all of us at elder.com
Dr. Alexander Elder & staff*