

# Books & Trades #222

December 2, 2014

## Market Update ... New e-book Special ... Meeting Discount Deadlines

Dear Friend,

In this issue:

- \* market review
- \* *The New Trading for a Living* is now available as an e-book
- \* Discount dates adjusted for NY and Holland

## Market Update

On October 18, Books & Trades identified the stock market bottom and called for a rally. On October 29 Books & Trades concluded: "The Spike Bounce signal, marked by vertical green arrows, continues to push the market higher, calling for higher prices in the days ahead." Both signals are marked by green arrows on the daily chart (on the right).

There were no Books & Trades in November, but in SpikeTrade, the headline of the November 16 message was "From Forward to Neutral" and on November 30 "Waiting to Exhale," which pointed to the downside. Both are marked by red arrows below. The much weakened market hit the skids on Monday, December 1. Let's see what the current charts tell us...



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

First, a quick comment on the fundamentals. The Fed has ended its quantitative easing program, which poured cash into financial markets. It withdrew a needle from an addict. Will the improving economy make up for the shortfall? That's a huge uncertainty. Count me as sceptic. Also, the drop in oil prices is good for consumers, but hugely disruptive for many energy companies.

Against this background, the market has been inching up in very narrow ranges. The weekly charts reached overextended levels, above their envelopes. While the market has been crawling up, the New High – New Low Index – a leading indicator – has maintained a downtrend, with severe bearish divergences. The Monday crack in the market has pushed NH-NL down to bearish levels on the daily charts; it remains neutral on the weekly chart.

One may ask: what's the target for a decline? I think it's essential to identify trends and reversals, but setting up price targets tends to be a self-defeating exercise. It narrows down your attention and makes you less alert to changes, as you try to defend your forecast. Still, the weekly chart shows that every few month the stock market falls into its value zone between the two EMAs. Sometimes it falls much deeper, as it last did in October, but the value zone is a well-established target. Its numbers change slightly each week, but today it stands between 2016 and 1981 for the S&P.

To receive charts and analyses in the format you see above, on a nightly basis, take a Trial membership in SpikeTrade.com

## Traders' Education

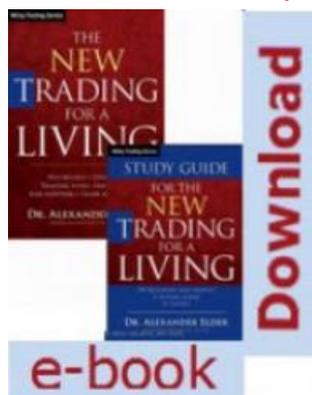
Please visit [our website](#) for more information on these events

**NEW YORK: December 7** – an intensive all-day trading [workshop](#). Includes a copy of *The New Trading for a Living*. 4 seats left. Special rate ends Dec 5.

**ONLINE: December 10 & 17 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. Send your picks to him and ask him to review them. **An ongoing bonus for all webinar participants – receive an email each weekend giving you the results of bullish and bearish scans of the S&P500.**

**HOLLAND: January 17** – an intensive all-day trading [workshop](#). Includes a copy of *The New Trading for a Living*. Seats limited. Special rate ends January 5.

## December Special: e-Books



We're happy to announce that the new best-seller – The New Trading for a Living – and its Study Guide are now available as e-books from elder.com.

You can read their descriptions and view intro clips [here](#)

Amazon sells these e-books for Kindle (not the best format for charts) for \$46 and \$26 and no discount for a set.

We offer them to you in a very user-friendly BookShout edition (a free app) for \$43 and \$23 or a combo for \$63.

Amazon offers the convenience of instant downloads; we offer lower prices and higher quality.

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