

Books & Trades #226

June 11, 2015

Long-term and short-term trading ... Pacific Traders' Camp ... New video

Dear Trader,

As I wrote to you in April, taking profits from trending markets is relatively straightforward. As long as you get the long-term trend right and use a reasonable trade size (do not overtrade), you should be able to hold your positions through minor swings until the long-term trend reasserts itself and lets you exit with profits.

Not so in volatile, transitional markets, the sort we've been having this year.

In talking to some of the top-performing members of SpikeTrade, I keep hearing how hard it has become in recent months for these market veterans to find good trades. When they do find them, they tend to trade much smaller sizes than usual. They are very cautious in this spastic market.

Last Sunday I shared my own results with SpikeTraders: closed 19 trades in March, 9 in April, and only 3 in May (I also shared dollar figures with members). I concluded: "I am putting the same amounts of work and time into trading, but with less return. Markets go through cycles, and the key goals for the times like these are capital preservation and maintaining the state of readiness."



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

Here's a chart of the S&P500, illustrating multiple false breakouts. The market breaks out above its latest top but then reverses and sinks below the breakout line. It sinks below the latest low, but quickly turns around and rallies above the recently broken line of support. These false breakouts, one after another, bedevil investors and long-term traders. Even short-term traders, who love trading false breakouts, find their quick re-emergence disconcerting.

The sensible things to do in times like these is to continue doing your market homework, trade less often and a smaller size. Use the freed-up time to educate yourself.

Traders' Education (Pacific Camp!)

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

ONLINE: June 17 & 24 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.**

ALABAMA: September 27-28 – SpikeTrade Live Trading workshop. An exclusive class, limited to 12 traders. Learn theory and watch Dr Elder and Kerry Lovvorn trade live. Must be a SpikeTrade Member to participate. **Sold out.**

MACAU: October 20-25 – Pacific Traders' Camp. Be sure to get your spot in our first Pacific Traders' Camp since 2012. Dr Elder has created a completely new program, designed to expedite your learning, help you practice new skills, and save you time and money. Instead of bringing in an assistant speaker, he will teach full-time. There will be lectures in the morning and homework with Dr. Elder in the afternoons.

Dr. Elder will show you how to organize all aspects of your trading, from stock selection to entries and exits, targets and stops, as well as risk control and the essential record-keeping. In addition to the core program, Dr. Elder will teach brief courses on international trading, futures trading, and day-trading (with the possibility of live trading if an opportunity presents itself).

We limit our Camp to 25 traders, to make sure you receive individual attention. Six spots are already taken. You will live and work with a small group of traders in a beautiful hotel in one of the most fascinating places in Asia. Master new skills in your morning classes, then practice what you learned in the evenings, with Dr Elder's help. Share delicious meals and enjoy the company of Dr. Elder and other campers, with every dinner turning into a big friendly party.

Save \$1,000 by registering in June. Two traders registering together save an additional \$1,000 between the two of them. Please click [HERE](#) for details. Please contact us with any questions.

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