

Books & Trades #236

October 27, 2016

Current market ... Classes in Las Vegas and Holland ... Special

Dear Trader,

As you probably know, I aim to send out these letters monthly, but have been remiss in 2016. The main reason – trading. The serious money is in the screen, and that's where my focus is.

I am sure you know that monthly letters aren't designed for precision timing. Still, while writing this letter, I looked up letters I sent you in 2016. These are word-for-word summaries, not edits:

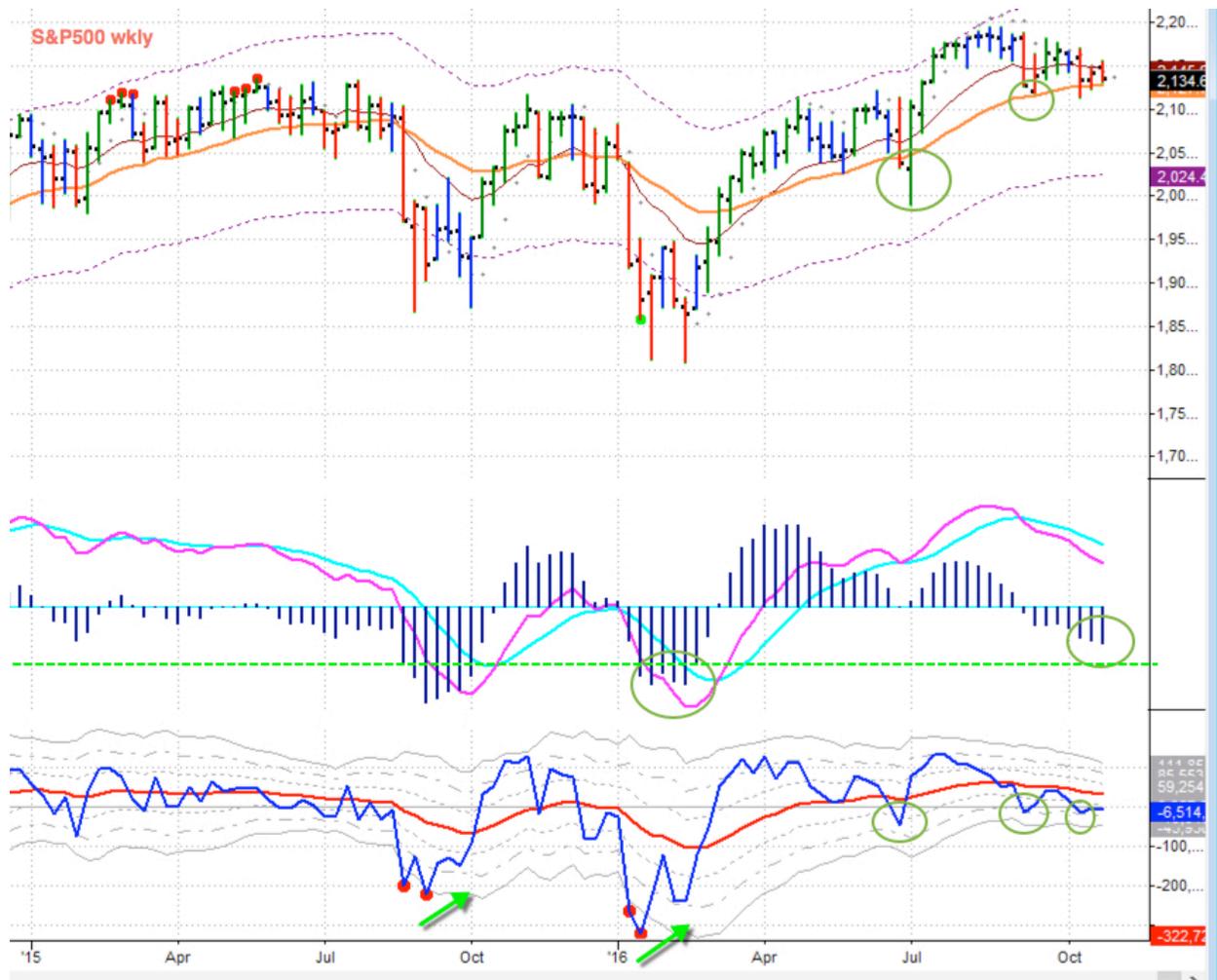
January 2016 – “Make no mistake – we're on the verge of getting a very important buy signal.”

April – identified rally top, although the projection for a pullback was never reached June (post Brexit) – “such panics create foundations for strong upmoves.” And second post that month – “This new bull market is creating fresh opportunities.”

July 2016 – “A major confirmation of this bull market.”

I was glad to see that all my posts this year helped orient you correctly. And what about now?

The mood of the market crowd these days alternates between apathy and fear. Those emotions are much more characteristic of market bottoms than of market tops. Energy, optimism, and greed are typical of market tops. Fear and lack of interest are commonly seen while the market is down in the pits where it is building a foundation for a new advance.



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

Look at this weekly chart of the S&P500. The Impulse system at the right edge of the chart today is red, meaning that buying the S&P is not permitted. At the same time we can see that bears do not have enough strength to push the S&P below its value zone.

MACD-Histogram has declined to the level associated with market bottoms. It is still declining, keeping the Impulse system red, but it is much closer to the bottom than to the top.

Force Index appears to have found support at its -2ATR line. It indicates that bears are becoming exhausted.

I had a chat earlier this week with my old friend Martin Pring who pointed that the market is entering three time windows associated with bullishness – the end of the

month, the end of the year, and the start of the historically most bullish segment of the year – from November to April.

All of this does not mean that one should close his or her eyes and buy – trading with your eyes closed is never advisable. It suggests that a bearish reaction that began in mid-August is approaching its end. One should be looking to take profits on the remaining short positions and start drawing a shopping list.

I trust that you find these monthly posts useful. If you're interested in daily precision timing, please take a trial membership in www.SpikeTrade.com

A. Elder

Holland class: How to Trade Better in 2017

On January 21, European traders have a unique opportunity to learn from one of the world's top experts on trading. Dr Elder will show you how to recognize trends and turns, where to enter trades, how set stops and profit targets. You will see how to control risks and structure your homework. Everything will be illustrated using current market examples.

Dr Elder will teach you to develop trade plans for the days and weeks ahead. You'll learn to avoid typical mistakes and have a rare opportunity to receive answers to your important trading questions.

Please click [HERE](#) for a complete description.

Low "Early Bird" rate is in effect until November 30. Bonus - receive free access to Dr Elder's monthly webinars and weekend scans as soon as you register. The sooner you register, the more you'll receive and can start asking your questions during webinars.

Traders' Education

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

Online: November 7 & 21 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.**

Caribbean Traders' Camp: November 11-16 SOLD OUT.

Online: November 30 at 6pm ET – SpikeTrade Password Course – The Impulse system, presented by Dr Elder. The Password course consists of intensive monthly sessions, focusing on key trading techniques. Each session lasts an hour, including a carefully prepared presentation and the Q&A. Please go to SpikeTrade.com and click on Shop.



Holland: January 21, 2017 How to Trade Better in 2017 – a day-long intensive class with DR. Elder. Psychology, technical analysis, two trading systems, risk control, stops and profit targets. Low intro rate will end November 30.



Las Vegas – Live Trading workshop: February 12-13, 2017 (limited to 12 traders) – theory, rules, and preparation on Sunday, live trading on Monday. Only six spots remain open. Must be a SpikeTrade member to attend.

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