

Books & Trades #238

December 27, 2016

Current market ... Classes & Traders' Camp ... Special

Dear Trader,

Last Friday I sent a holiday message to SpikeTrade guests as well as Members. If it hasn't reached you, you can see it [HERE](#)

<https://www.dropbox.com/s/ase93p9yfyoiigz/C0014.MP4?dl=0>

If you've been reading these letters for any length of time, you know that I like to begin each one by summarizing the message of the previous letter. We have to keep records of our trades and market calls because that's the only way to know whether we are on target or out of touch.

The previous letter concluded: "The upper line of this channel is at 2,247 this week. It has been rising by approximately six points a week, and so will be near 2,253 next week, etc. The market may over- or under-shoot this target, but at least we have some reasonably logical level to keep in mind."

With the S&P closing between 2,258 and 2,264 for the past three weeks, it's a good time for an update. Let's see what the current charts tell us...



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

The weekly charts of the S&P and other key indexes are hovering in the wild blue yonder. The S&P is sitting on its upper channel line, while the Dow (see inset) is flying above it and the Nasdaq (another inset) is just below its line. When the Nasdaq is weaker than the Dow that's a sign of weakness for the entire market.

The market is a manic-depressive beast, forever swinging between overvalued and undervalued extremes. The channel lines you see here (TradeStation Autoenvelope, 2.7 standard deviations) help identify those extremes. The big challenge is to decide for how long those unsustainable extremes are going to last. Looking at the weekly chart of the S&P (you can enlarge it to full size by clicking on it) we see that the duration of levitation can be as short as one week (area 1) or longer than a month (area 2). The current condition has lasted for three weeks.

I consider the New High – New Low Index the best leading indicator of the stock market. It is sinking on the weekly chart and has traced bearish weakening patterns in all three look-back windows on the dailies. Seasonality has been very positive and will remain so this week, but once this prop disappears, watch out below.

We are in a bull market, but this third major rally of 2016 is struggling at an overbought level. It is only normal to expect an intermediate decline in the near future. It can work off steam and prepare the ground for a new rally.

This text comes from Monday's SpikeTrade, where it includes more charts and is accompanied by links to two stocks I am trading to implement my market view. If you find these monthly posts useful and are interested in daily precision timing, education, and meeting serious traders please scroll down to see a once-a-year special offer (which will end this weekend) from www.SpikeTrade.com

A. Elder



Holland class: reduced rate ends January 10

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.

Bonus - receive free access to Dr Elder's monthly webinars and weekend scans as soon as you register – until the workshop day.

A special invitation – if after attending this workshop you decide to join a Traders' Camp, half of your workshop fee will be credited towards the Camp.



New York Traders Expo: February 26 - 28

The biggest traders' show in the city will be held at the Marriott Marquis Time Square. Browse a wealth of exhibits and listen to talks by many prominent figures. Dr. Elder will teach a class **How to Trade Better in 2017** on February 27. This is his only workshop scheduled in New York City in 2017. To register for the show and for the class please contact Traders' Expo (they handle those registrations, we don't.)



European Traders' Camp: May 26 - 31 in Budapest

We're happy to announce our first Camp in Europe – after a 10-year interval (we used to run them annually in Cyprus). Budapest, in the heart of Europe, will be our next venue. Please read all about it on our website, and register early. Only 25 traders will be accepted, and this Camp is sure to sell out. The earlier you register, the less you'll pay (the lowest rate is in January and an additional \$500 discount for two traders registering together).

Traders' Education

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

Online: January 4 & 11 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.

Online: January 12 at 6pm ET – SpikeTrade Password Course – ATR Channels, presented by Kerry Lovovrn. The Password course consists of intensive monthly sessions, focusing on key trading topics. 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.

New York: February 27, 2017 How to Trade Better in 2017 – a half-day class with Dr Elder. Psychology, technical analysis, two trading systems, risk control, stops and profit targets. Register with the Traders Expo.

Budapest: May 26 - 31, 2017 Traders' Camp – four intensive days with Dr Elder. Lowest intro rate until the end of January.

December SPECIAL - last reminder

A discounted membership in SpikeTrade, with the Password Course bonus

SpikeTrade.com is a unique gathering place for serious traders. As a Member, you'll receive daily analyses and comments from Dr. Elder and Kerry Lovvorn. You will be able to follow weekly picks of SpikeTrade Members, focusing on those by the elite-level Spikers and Gold Star Members. You'll be welcome to submit your own picks in our friendly weekly competition and earn Participation and Performance bonuses (this is the only site in the world that pays you for doing your homework).

The newest feature of SpikeTrade is the Password Course: monthly classes in which Dr Elder and Kerry Lovvorn teach their analytic and trading techniques. In 2016 they taught the following classes:

- Classical charting techniques // AE
- V1 and V2 entry techniques // KL
- Risk and money management // AE

- Volatility-based Stops // KL
- A Trend-Following Method // AE
- Trading futures // AE
- Spike Bounce Signal // KL
- The Impulse system // AE

Today we offer you a great package at a deeply discounted rate: annual membership with a complete set of all 2016 Password Course recordings (which normally sell for \$50 each).

Annual membership costs \$890 (\$90 more if you add our trade-planning and record-keeping program, the Trade Journal). The set of eight recordings, complete with PowerPoints costs \$400. The total value of this offer is \$1,290 if purchased separately. And now - only \$699, just about half, until the end of December.

It gets even better. As a Member you'll get complimentary access to all future Password classes. And better yet, at SpikeTrade we never raise rates for existing Members. This means that when your membership comes up for renewal, you will get the same low rate.

To accept this unique and generous offer please go to www.spiketrade.com/shop/ , select the yearly membership you want and use this coupon - **699Special**.

If you are already a SpikeTrade Member and wish to add a year at this rate and with this bonus, please email your request to info@spiketrade.com

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