

**Woodson Wave Report
January 4, 2019
Market Close Report
woodsonwave.com**



**Wave 4 Target Area
Fibonacci Options Day Trader
2018 Performance Report**

See monthly, quarterly, yearly
2018 results here

Account #1 + 29.59%

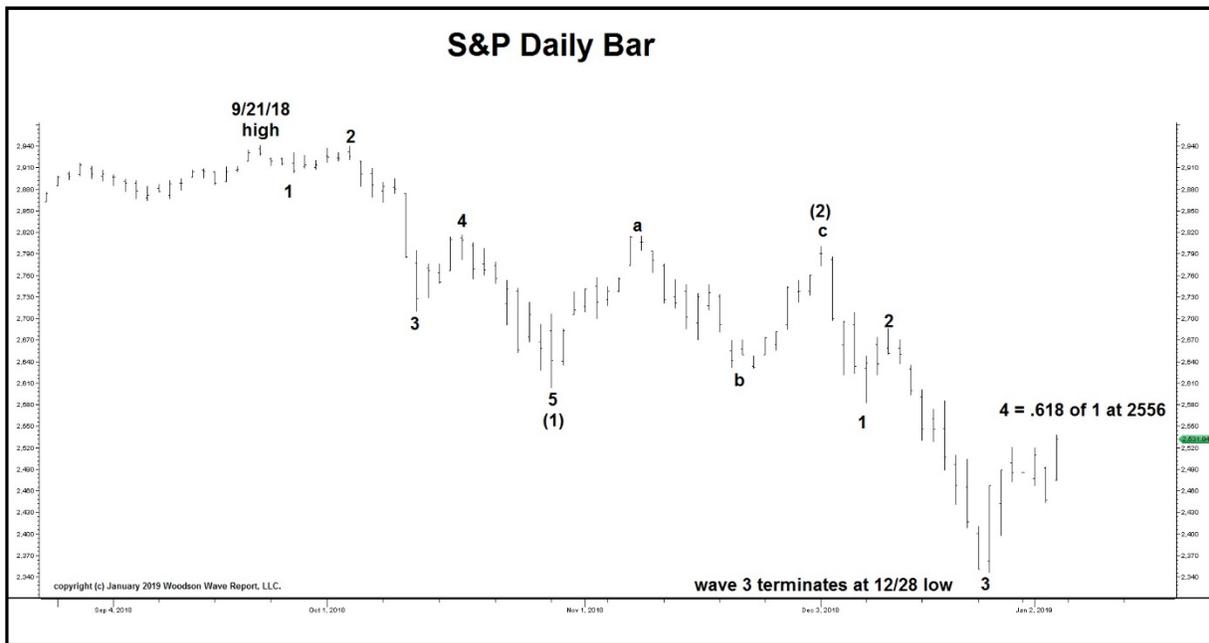
Account #2 + 69.04%

Account #3 + 133.47%

S&P 500 – 6.24%

[See all 511 actual trades here](#)

The S&P opened gap up, then added to its gains surpassing the make or break point of 2530 which negated the wave 3 of (3) extension wave count. Which means that wave 3 of (3) was complete at the 12/28/18 low. We've updated that wave count from our 12/26 report below. The make or break level for this wave count is the wave 1 low of 2583.23 as wave 4 up cannot penetrate the price level of wave 1 down.



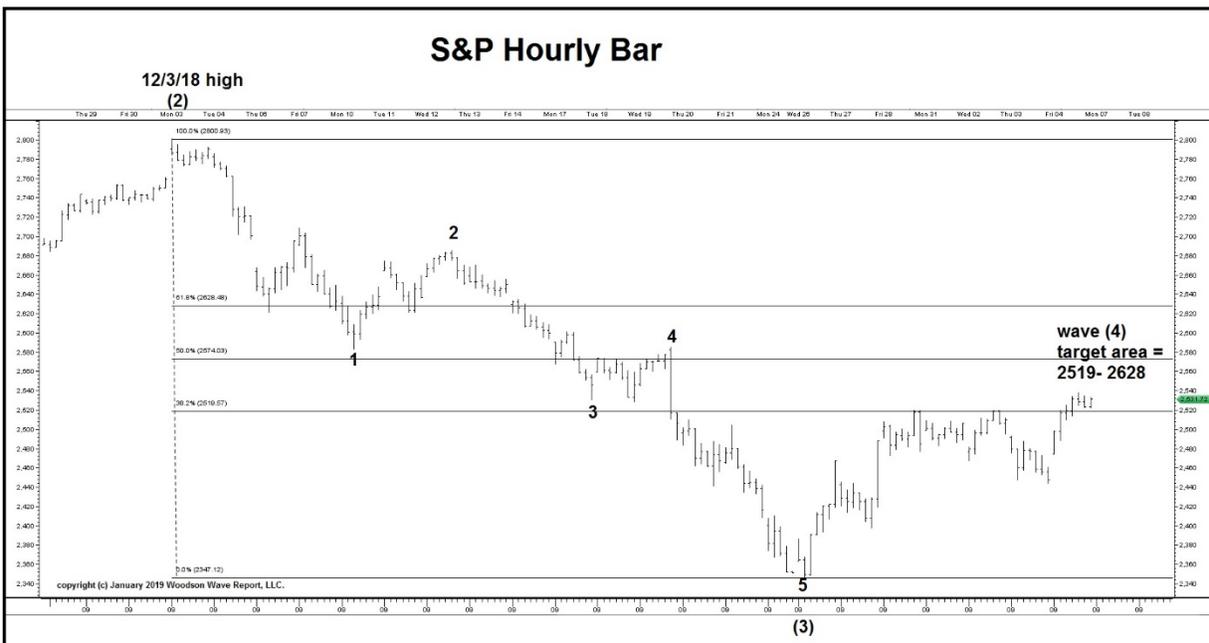
Another possibility we have to consider is that even though wave (3) did not establish a perfect 1.618 multiple with wave (1), it did move past the 1.0 multiple and we have to consider that it possibly ended at the 12/18/18 low. That wave count would suggest that not wave 4 up is ending, but that wave (4) up is in play. An ideal .382 retracement of wave (3) gave us the target price of 2519, which the index hit and backed off of twice. Today, the

S&P broke through that area of resistance. The next Fibonacci targets for wave (4) are:

.500 = 2574

.618 = 2628

An update of the chart from 12/22/18 report depicting wave (3) ending on 12/18/18 is below. The make or break for this wave count is the wave (1) low (not pictured) of 2603.54.



Fibonacci Options Day Trader Report:

Note: Dale will be on vacation Jan. 7 – Jan 14 and not likely trading during this time.

Yesterday we noted that we reduced our money “at risk” from \$10,500 to \$4,500 by selling those options that came in to a profit position during the day and left the two remaining. We bought them at 22 and they closed yesterday at 20. What we didn’t say was that right before the close we put in an order to sell at 23 to eke out a small profit. We did not get filled on that order. So when the market opened gap up those two puts that closed at 20 opened between 1 and 2 this morning. Rather than sell yesterday at 20 and accept a small loss (about \$400), we held on for one more day and absorbed an even bigger loss (more than \$4,000). There’s a lesson to be learned there. Of course, if the market would have opened gap up, then we would have been in a profit position. It’s a high risk, high reward proposition. We take our losses with our gains.

When the S&P reached 2519 today once again, we bought two more Jan. 4th 2500 puts at 6.20, so we will lose \$4,500 on the two puts we had and additional \$1,240 on the two puts we added when they settle tomorrow.

Right after the close (options that don’t expire that day trade up to 4:15 pm Eastern) today we bought two Jan 11th 2500 puts at 15.90. We bought those because the daily and hourly stochastics are extremely overbought and wave 4 and/or wave (4) are complete or nearly so.

Positions for rating services:

Long-term counts are found on weekly and/or monthly charts and generally cover a time period of years to decades.

Intermediate-term counts are found on daily and/or weekly charts and generally cover a time period of weeks to years.

Short-term counts are found on daily and/or hourly charts and generally cover a time period of days to hours.

Dow:

Long term: Remain short.

Intermediate term: Remain short.

Short Term: Remain short.

NASDAQ:

Long term: Remain short.

Intermediate term: Remain short.

Short Term: Remain short.

S&P 500:

Long term: Remain short.

Intermediate term: Remain short.

Short Term: Remain short.

Gold: Remain short against the wave 4 high of \$1365.68.

Bonds: Remain long.

Subscription to Woodson Wave Report:

\$233 Annual subscription includes: one newsletter per month plus all special interim reports issued between monthly newsletters as market conditions warrant.

Disclaimer: Woodson Wave Report, LLC combines Elliott Wave analysis and Fibonacci ratios to identify turning point targets in the Dow, NASDAQ, S&P 500 cash, and bond and gold markets with respect to both price and time. The monthly newsletter is generally released on the first Friday of the month and special interim reports are issued as market conditions warrant and as targets are achieved. The information contained in the report is prepared solely for informational purposes and should not be taken as an offer to buy or sell any investment vehicle. Past performance is no guarantee of future results. Woodson Wave Report is waived of any liabilities.