

Woodson Wave Report est. 1997
February 5, 2019
woodsonwave.com



When the Bears disappear, a top is near

Fibonacci Options Day Trader

2018 Performance Report

Account #1 + 29.59%

Account #2 + 69.04%

Account #3 + 133.47%

S&P 500 – 6.24%

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We entered trading this week flat, with no open positions. At the open this morning we tweeted out the near term resistance levels for this move up in the S&P.

“Upside resistance levels in the S&P.

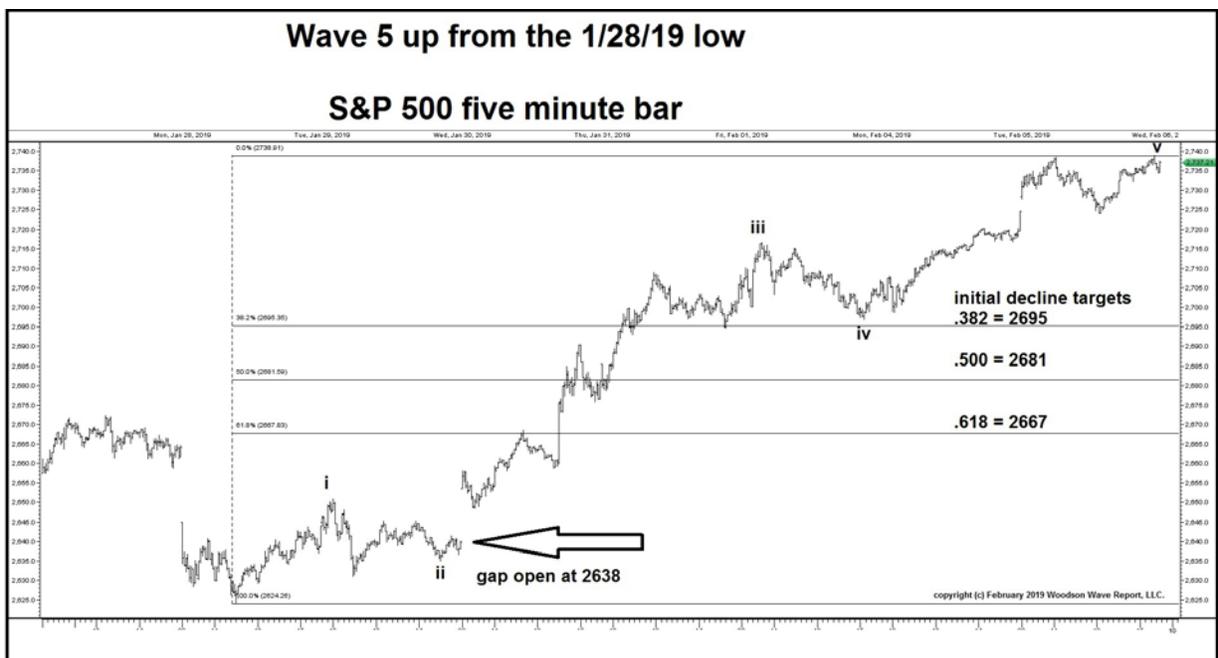
*5 = 1.618 of 1 (from 1/31 low) 1 minute chart at **2735**.*

*200 MA lies above at **2741**.”*

And before mid-day today we tweeted:

“We bought a couple of Feb 6th 2725 puts at 5.90 after the S&P reached our target price and held under the 200 MA. Sold at 7.10 and 7.80.”

In our last report on 1/30, we detailed the wave count of the fourth wave from the wave 3 top on 1/18 to the wave 4 bottom on 1/28. From that 1/28 low, we can now count wave five as complete at today's high. The downside targets to complete the initial decline from this high are 2695 – 2667. The gap that started this move at 2638 remains open.



When the Bears disappear, a top is near

Where did all the bears go? They're gone! They went into hibernation after Powell provided the market confidence by reversing course last week. We could write for hours on this topic but we'll save that for a later day. That being said, the stock market now is overbought at every level.

The stochastics (not pictured) are overbought at the weekly, daily and hourly levels. They are all screaming "Sell!"



The 200 day moving average at 2741 rejected the S&P at 11 am this morning and again near the close, coming to within a couple of points of 2741 at 2738.98 today. While the 200 day MA of 2741 is no line in the sand, it should offer a significant level of resistance in this bear market. Whether or not wave 2 of (3) has topped in our alternate count as five completed waves to the upside, or the preferred wave count of (a,b,c, x, a,b,c), the near term position is that, at a minimum, the market must correct at least this advance from the 12/26/18 low before any further

moves to the upside. And if wave 2 of (3) is in place here, then much further declines lie just ahead.

Fibonacci Options Day Trader Report:

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The reason we sold was two-fold. First, we figured the S&P would at least try to close the gap up at the open before possibly moving higher, which is exactly what it did, and secondly, the five minute stochastic was moving downward toward overbought. So we were out of the market and flat again until, with about 15 minutes left till the close - we tweeted:

“As the S&P approaches the 200 day moving average of 2741 again today, we just bought the Feb 6th 2725 put at 3.90”

So with a very modest gain of about \$300 today, we put \$390 back on the table basically playing mostly with house money. Being out of the market the past few days, we decided to enter back in a little lightly today.

Trades made today, 020519:

Date	Order	Type	Order type	Quantity	Symbol	Price type	Term	Price	Price Executed	Status
02/05/19	2558	Option	Buy Open	1	SPXW Feb 06 '19 \$2725 Put	Limit	Day	3.90	3.90	Executed
02/05/19	2557	Option	Sell Close	1	SPXW Feb 06 '19 \$2725 Put	Limit	Day	7.80	7.80	Executed
02/05/19	2556	Option	Sell Close	1	SPXW Feb 06 '19 \$2725 Put	Limit	Day	7.10	7.10	Executed
02/05/19	2555	Option	Buy Open	2	SPXW Feb 06 '19 \$2725 Put	Limit	Day	5.90	5.90	Executed

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: Resume a short position as the 200 day moving average in the S&P at 2741 should offer resistance.

NASDAQ:

Long term: Remain short.

Intermediate term: Remain short.

Short Term: *Resume a short position as the 200 day moving average in the S&P at 2741 should offer resistance.*

S&P 500:

Long term: *Remain short.*

Intermediate term: *Remain short.*

Short Term: *Resume a short position as the 200 day moving average in the S&P at 2741 should offer resistance.*

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.*