

**Woodson Wave Report est. 1997**  
**February 7, 2019**  
**woodsonwave.com**



**The Next Wave Down Has Begun**

**Fibonacci Options Day Trader**

**2018 Performance Report**

**Account #1 + 29.59%**

**Account #2 + 69.04%**

**Account #3 + 133.47%**

**S&P 500 – 6.24%**

# Fifth Wave from 1/28 Low Complete!

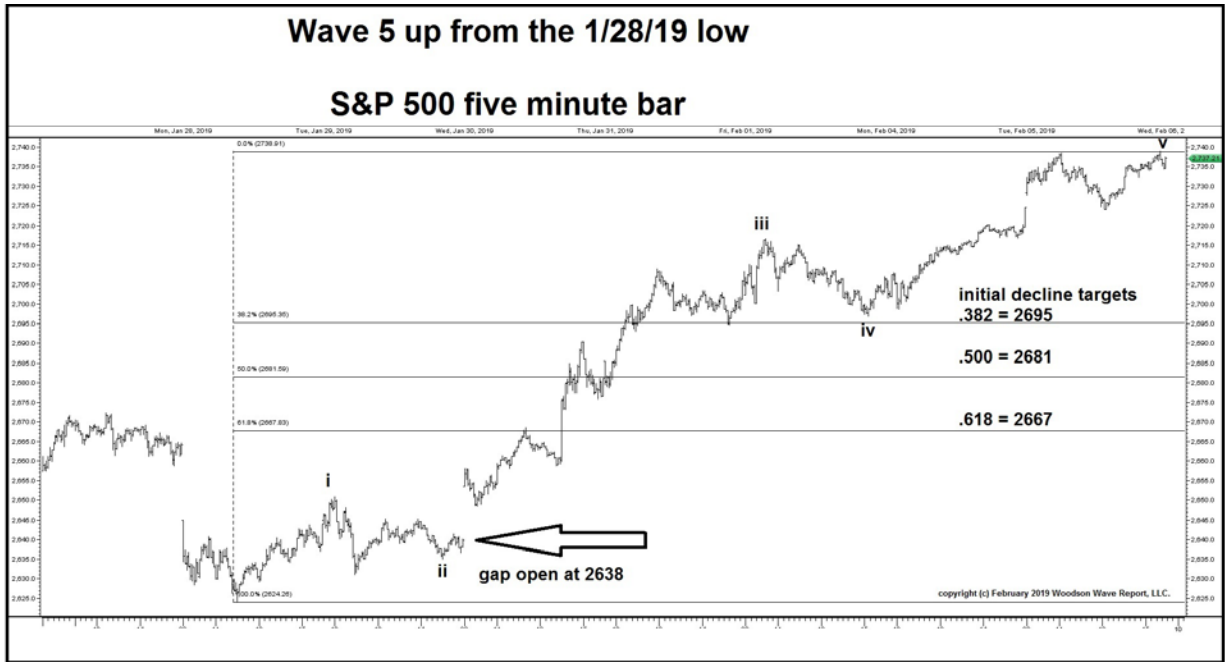
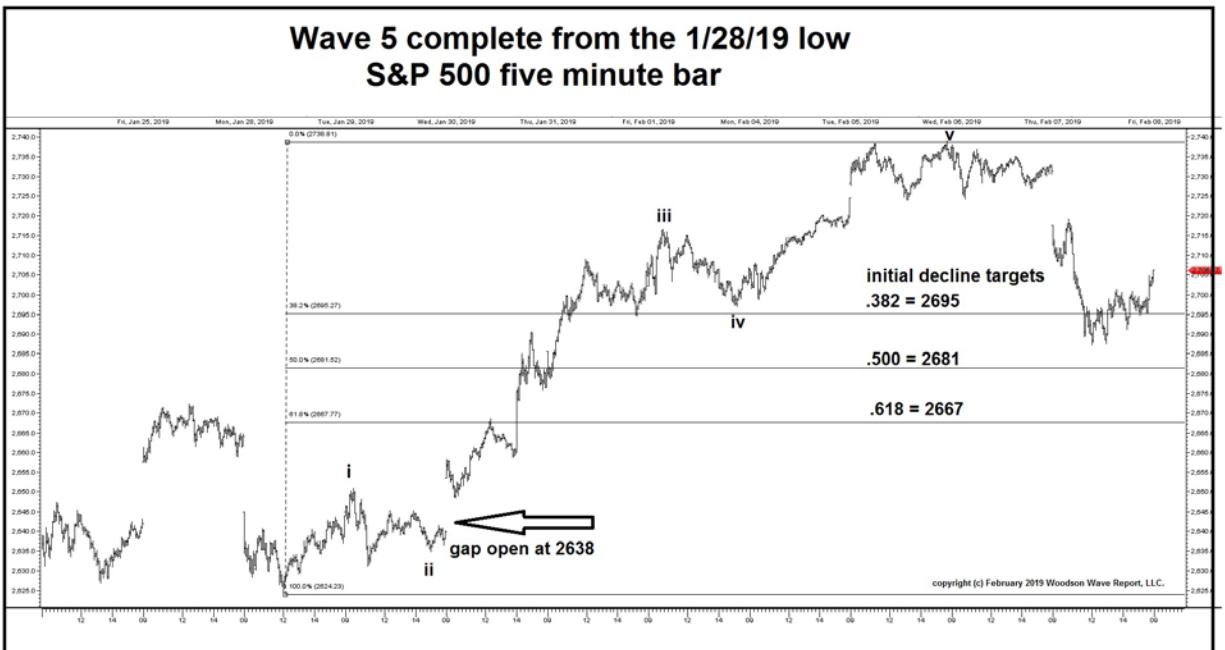


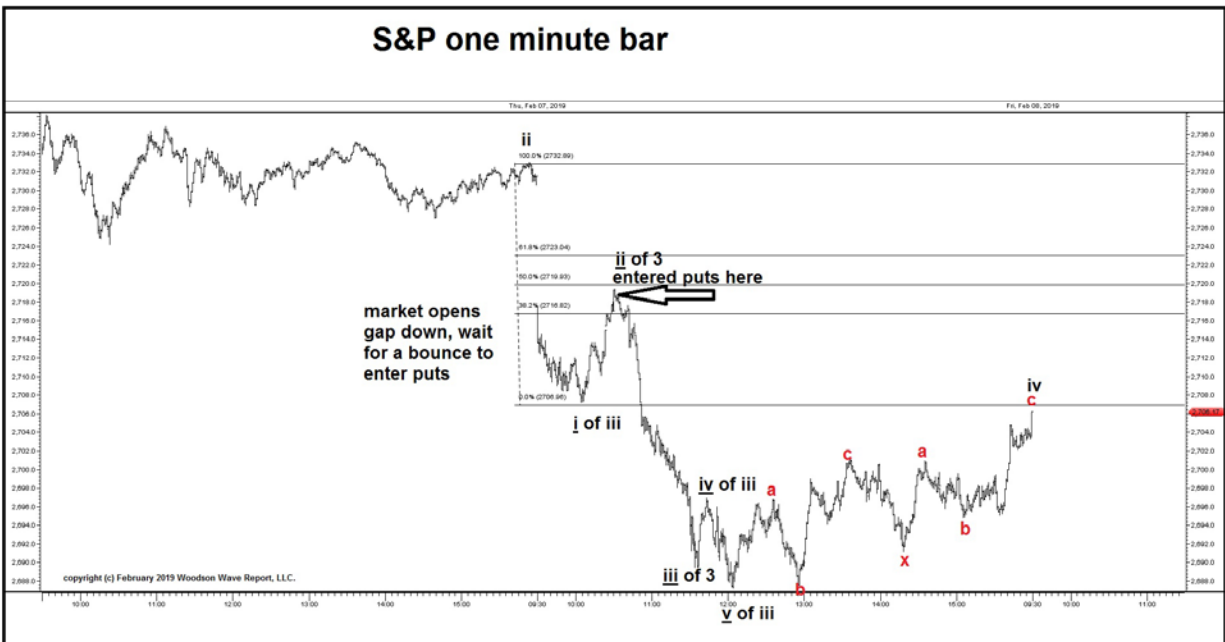
Chart above through 02/05. Chart below updated through 02/07.



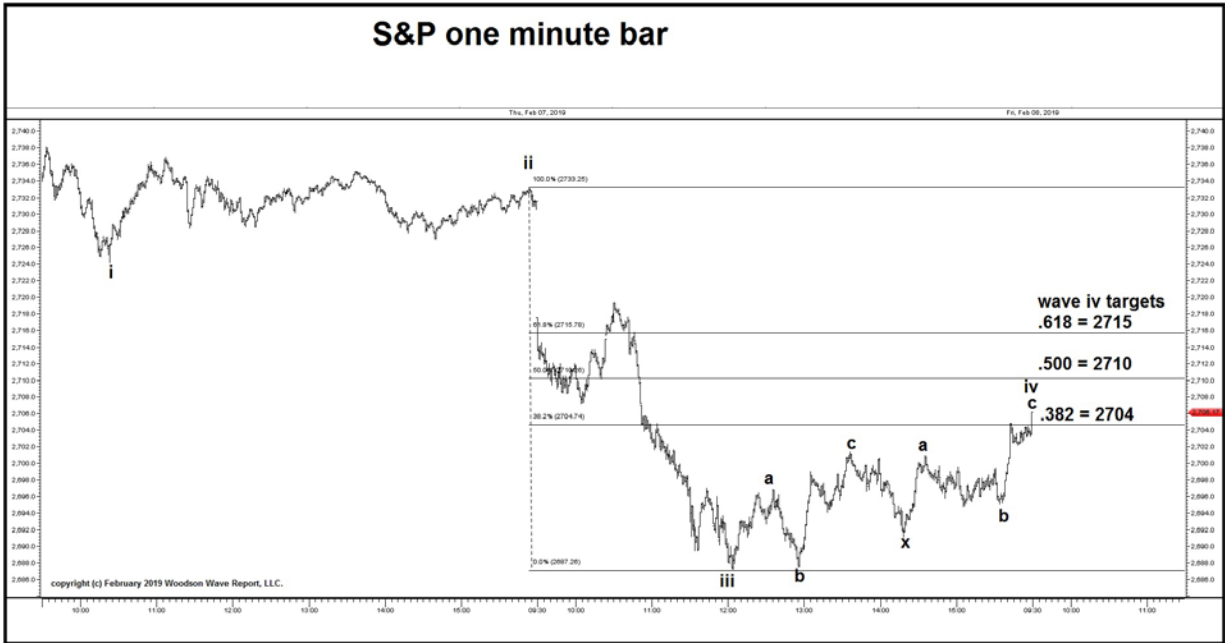
From yesterday's report:

*“Either way resume SRM (Sell Rally Mode) from here. Short any moves up, either to highs at or above the 200 day moving average or short any counter trend bounce up after any declines from current levels.”*

The market did not give us one more push higher toward the 200 day moving average. It proved to be stiff resistance. After the market gapped down at the open, we watched the 5 minute stochastic and the 1 minute chart to catch a good entry position to “short any counter trend bounce up” as stated above as we entered the day flat (except for our TVIX).



The market gapped down then rose up right into our ideal Fibonacci retracement target of 2719 where we bought our puts. 2719 not only marked the Fibonacci .500 retracement level off the opening low, but also a perfect Fibonacci 1.618 multiple for wave c up to wave a (not pictured) to complete wave ii from the low.



From Tuesday's high (just below resistance level of 200 day moving average) the S&P appears to have traced out waves one through three down to today's low. The price action from that low appears to be a sideways fourth wave. The Fibonacci retracement level targets for the fourth wave high are:

- .382 = 2704 (achieved just before the close)
- .500 = 2710
- .618 = 2715

The ideal Fibonacci targets for this fourth wave are 2704 and 2715. Not only is 2704 the Fibonacci .382 retracement level, but it also represents a 1.0 relationship of wave c up to wave a. 2715 represents a Fibonacci .618 retracement of the third wave and the area where wave c up will gain a Fibonacci 1.618 multiple of wave a of iv.

Keep in mind that this move down is most likely the very early beginning of the larger wave (3) and if it's anything like wave (1), the counter trend bounces higher will be brief and fall short of our ideal targets. Again, we are in SRM (Sell Rally Mode).

While others are busy trying to explain why the market moved down **AFTER** the move down started, blaming it on trade fears, inability to execute Brexit, slowing global growth or whatever they can grasp, WWR subscribers were warned that since this is a bear market, the 200 day moving average should provide resistance to any moves higher.

WWR moved back to a short position in our short term outlook for rating services on February 5, 2018, the same day the S&P topped at 2738.98, just two points below the 200 day moving average of 2741. Our technical analysis provides targets for turning points **BEFORE** they happen. Fundamental analysis provides reasons (excuses) to explain moves in the market **AFTER** they happen. And they use the same excuses as reasons that explained the moved up to explain why the market moved down, which is impossible.

At WWR, our interpretation of Elliott waves and Fibonacci won't always be correct because we are human. However, the Fibonacci multiples, retracements and Elliott waves are math and absolute and are always correct. It's our human interpretation of them that can be flawed. When we get it right, it's a beautiful thing.

**Treat any moves up in the market as an opportunity to add to your shorts or establish short positions. Downside targets remain at 2681, 2667 and the open gap at 2638.**

## Stochastics

**Weekly:** The weekly stochastic is oversold and is in the topping process or turning over at 93 and 74. It was 96 and 60 last week.

**Daily:** After being overbought for more than a month, the daily stochastic finally turned over today. Yesterday the daily stochastic was 97 and 91, today it turned over at 82 and 92.

**Hourly:** The hourly stochastic went from overbought on Tuesday, 2/5 to oversold three days later, today.

The fact that the daily stochastic just turned over and the weekly stochastic is turning suggests that this move down that just began on February 5, 2019 is a move of a larger trend, or wave (3) down.

## Fibonacci Options Day Trader Report:

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WWR tweeted our trades six times today. We made **\$2,503.75** profit in realized gains today. Pre market open WWR tweeted:

S&P downside targets are Fib retracements from the 1/28 low  $.382 = 2695$   $.500 = 2681$   $.382 = 2667$  gap remains open at 2638 SRM Sell Rally Mode

At 10:30 Eastern we tweeted:

S&P went down to 2707 before moving back in an attempt to close the gap. We just bought two Feb 8th 2715 puts at 7.80

This as the move up, as expected reached a Fibonacci  $.500$  retracement level on a 1 minute chart and wave c up = 1.618 of wave a up on a 1 minute chart at 2719 at 10:30 Eastern.

We sold half (150 shares) of TVIX at 10:15 Eastern. We changed our thinking on just holding them and dollar cost averaging in over

time. Why not trade them like we do the options? Sell half and take profit, allow the other half to run and then buy more as the market corrects to the upside. So we did.

Trades made today:

Date	Order	Type	Order type	Quantity	Symbol	Price type	Term	Price	Price Executed	Status
02/07/19	2570	Option	Sell Close	1	SPXW Feb 08 '19 \$2715 Put	Limit	Day	17.90	17.90	Executed
02/07/19	2569	Option	Sell Close	1	SPXW Feb 08 '19 \$2715 Put	Limit	Day	15.80	15.80	Executed
02/07/19	2568	Option	Buy Open	2	SPXW Feb 08 '19 \$2715 Put	Limit	Day	7.80	7.80	Executed

Date	Order	Type	Order type	Quantity	Symbol	Price type	Term	Price	Price Executed	Status
02/07/19	1297	Option	Sell Close	1	SPXW Feb 08 '19 \$2700 Put	Limit	Day	13.90	13.90	Executed
02/07/19	1290	Option	Sell Close	1	SPXW Feb 08 '19 \$2700 Put	Limit	Day	16.30	16.30	Executed
02/07/19	1289	Option	Buy Open	2	SPXW Feb 08 '19 \$2700 Put	Limit	Day	13.70	13.70	Executed
02/07/19	1288	Stock/ETF	Sell	150	TVIX	Mkt	Day	Mkt	38.778	Executed

**REALIZED G&L SUMMARY**

Total Gain Realized	Total Commissions & Fees
\$ <b>712.91</b>	\$ 26.48

REALIZED G&L DETAILS

Symbol	Q	Open Date	Open Price	Open Net Amount	Close Date	Close Price	Close Net Amount	Realized Gain
SPXW Feb 08 '19 \$2700 Put	1	2/7/2019	13.7	1,373.50	2/7/2019	16.3	1,624.02	250.52
SPXW Feb 08 '19 \$2700 Put	1	2/7/2019	13.7	1,373.50	2/7/2019	13.9	1,384.02	10.52
TVIX	150	2/6/2019	35.72	5,359.78	2/7/2019	38.78	5,811.65	451.87
<b>Total</b>				8,106.79			8,819.70	<b>712.91</b>
Total Gain Realized	Total Commissions & Fees							
\$ <b>1,791.04</b>	\$ 18.96							

REALIZED G&L DETAILS

Symbol	Q	Open Date	Open Price	Open Net Amount	Close Date	Close Price	Close Net Amount	Realized Gain
SPXW Feb 08 '19 \$2715 Put	1	2/7/2019	7.8	783.50	2/7/2019	17.9	1,784.02	1,000.52

Date	Order	Type	Order type	Quantity	Symbol	Price type	Term	Price	Price Executed	Status
SPXW Feb 08 '19		\$2715								
Put	1		2/7/2019	7.8	\$ 783.50		2/7/2019	15.8	\$ 1,574.02	\$ 790.52
<b>Total</b>					\$ 1,567.00				\$ 3,358.05	\$ 1,791.04
<b>Total both accounts</b>										\$ 2,503.95

**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.*