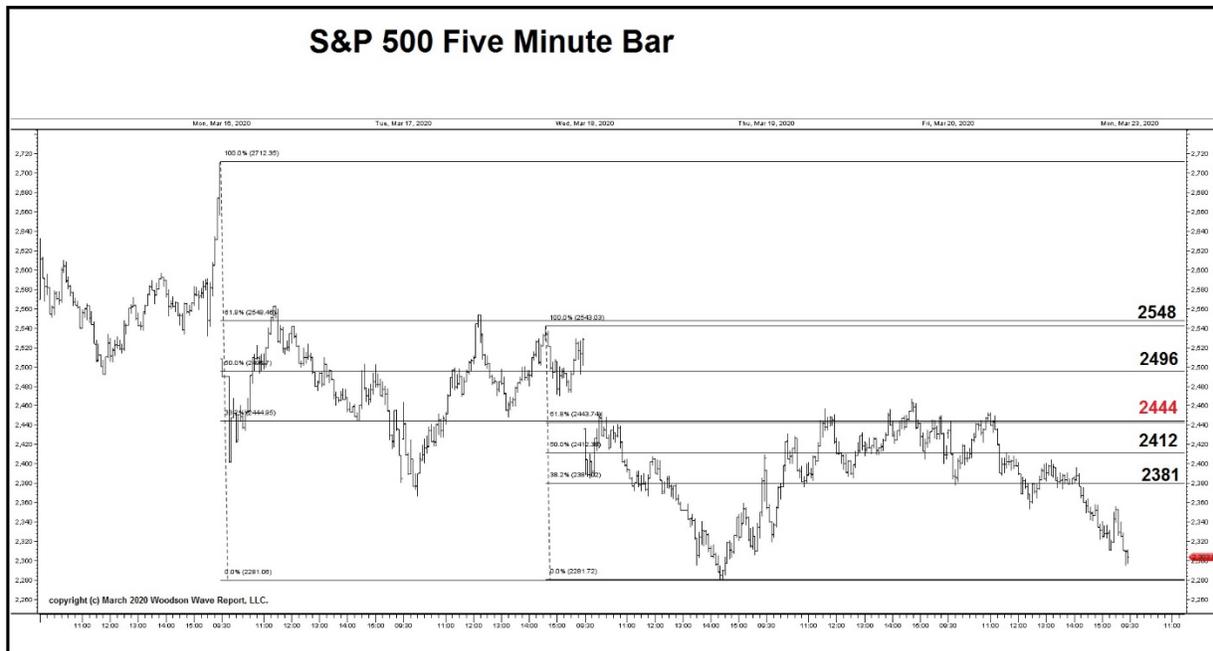


Woodson Wave Report (est.1997) Short Term Report March 20, 2020 woodsonwave.com



Sideways Fourth Wave



Announcement:

Annual subscribers have been receiving our short term report (formally called Fibonacci Options Day Trader Report) for free as a courtesy. Annual subscriptions include monthly reports and interim reports which are published as market conditions warrant. **We have a new short term report subscription service.** Short term reports are published most trading days for \$144/month. You can subscribe from our web site.

<http://www.woodsonwave.com/>

The S&P is in a sideways trending fourth wave, bouncing near .618 retracement level of 2444 this morning. The chart on page one shows the retracement levels of from two different levels, with the common .618 retracement target from one level and the .382 retracement level from another level in red – 2444. The S&P has chosen that common denominator as the high end of the fourth wave boundary, at least for now. Long and sideways fourth waves are most often difficult to trade but the upper and lower boundaries are so huge and far apart from high to low that it presents great trading opportunities. Wave four began on March 18th. We showed you the retracement targets for two different degrees of trend, based on the fifth wave of 3 hitting our ideal Fibonacci multiple for the bottom of a higher degree third wave low at 2254. It has yet to hit that ideal target. For that reason we will still label the bottom of wave three at the 2280 low on 03/18.

If that indeed is the true third wave low, then our fourth wave parameters are much larger than the illustration on the chart on page one.

From the wave 2 high on 03/0/20:

.382 = 2809

.500 = 2707

.618 = 2605

forward. Or, the market could simply keep selling off day after day and hit our longer term Fibonacci targets at 2030 and/or 1708 and reward those who've shorted or bought puts and even those who had to "chase" the market if there's a weak or short wave 4 that doesn't attain the Fibonacci retracement levels. Either way it should be an interest next couple of weeks.

I can't tell you how much money I've lost the last couple of years trading for an expected fifth wave which never arrived. Suffice to say we were expecting a bear market a Fibonacci eight years after the 2009 low in 2017. We really started day trading in earnest at the end of 2017 and had a full year of day trading in 2018 after basically swing trading off hourly charts since the late 1980s. 2018 was our best year ever trading. We followed that with our worst year ever trading in 2019. Obviously 2020 is off to a rip roaring start for the first quarter. We can credit much of our losses in 2019 to trading in anticipation of a fifth wave down (or the expanding triangle wave E down) which never happened. However, this time the wave structure and price action from the wave three low on 03/18/20 definitely have the structure of a sideways fourth wave. And the first three waves are huge – much bigger than any first three wave declines we've ever seen. Sharp and swift. Obviously we are watching every one minute tick every day. A break below the wave 3 low will be the first indication that wave 5 down has begun. However, we will allow for a pause at that stubborn 2254 level as it still represents the perfect 1.618 multiple target for wave 3 down.

If our Fibonacci Time Spiral serves us correctly, wave four will end on or near 03/24 and give way to wave five which will terminate in a potential panic/spike/crash low on 4/14/20, a Fibonacci 55 days after the high. It's a high risk high reward scenario because if you load up on puts in anticipation of wave

five down and it never arrives, you lose big. However, if the S&P crashes down to 2030, or 1708 or even lower on or near April 14, 2020, you're sitting pretty.

The First Victim

Bear markets are noted for failures of major companies. There were so many in the dot com bust of 2000 -2002 that we could not list them all. Enron, Yahoo and Pets.com just to name a few. The 2007-209 crash saw the end of Bear Stearns and Leeman Brothers along with the housing market, the automobile industry, and the bailout of banks that were "too big to fail."

It's official. The 2020 crash has its first casualty. The first casualty of this bear market is Ronin Capital a clearing house that was unable to meet capital requirements. The portfolios were auctioned off by the CME so nobody was hurt. But this is just the beginning. Major companies like perhaps Boeing and others will fail or be bought out. This bear market is bringing businesses of all sizes big and small to grinding halt. Virtually nobody is going to work, spending any money or producing any product. This time even the workers need a bailout. Not many if any business can survive long with no income. Especially those that are highly levered. They'll be the first to go.

Hang in there everyone as we all shelter in place and let's all get to the other side of this.

Fibonacci Options Day Trader Report:

[Follow WWR on Twitter](#)

Dale tweets his trades in real time.

We entered the day holding two March 20th 2350 puts that we bought at 52 and 36.5. We watched their value open down and as the market went up during the day, these options reached a low of around 2. Just before that, near the top when they were at 4 we bought 4 of them. As we tweeted:

“bought 4 March 20th 2350 puts at 4 to add to our position dollar cost avg in to bring our entry pos. down”

This brought our average buy price down from 44 to 17. Our plan was to sell all six puts at 17. But when the market started heading down, we changed the sell order from 6 contracts to 4, selling only the 4 we just bought at 4 and sold them at 18 for a nice \$5,591 net realized gain on 348% profit, in about an hour and a half. Our reasoning for not selling the two we bought at 36.5 and 52 was that we expected a bounce up after our first target was hit (reasoning for selling the 4) and after pocketing the gains, rather than risk any additional funds by buying puts on the bounce, we'd ride those puts that expired today and sell when they made it back to even. We did that and barely made the price of the put we bought at 52 as the market spiked down to our 2307 target that we tweeted with less than an hour and a half left till expiration.

“2307 would be a perfect Fibonacci target on 2 levels for the S&P on the downside.”

The market obliged, falling precipitously into the close. We began the day staring a realized loss of \$8,850 in the face and hoped to day trade to offset some of those losses. We not only

accomplished that goal but also added a **net realized profit of \$8,369 on 44.42% gain.**

REALIZED G&L SUMMARY

Total Gain Realized	Total Commissions & Fees
\$ 5,647.69	\$ 12.32

REALIZED G&L DETAILS

Symbol	Q	Opening Date	Opening Price	Opening Net Amount	Closing Date	Closing Price	Closing Net Amount	Realized Gain	Pct. Gain
SPXW Mar 20 '20 \$2350 Put	1	3/19/2020	52	\$ 5,201.03	3/20/2020	52.1	\$ 5,208.97	\$ 7.95	0.15%
SPXW Mar 20 '20 \$2350 Put	4	3/20/2020	4	\$ 1,604.11	3/20/2020	18	\$ 7,195.89	\$ 5,591.79	348.59%
SPXW Mar 20 '20 \$2350 Put	1	3/19/2020	36.5	\$ 3,651.03	3/20/2020	37	\$ 3,698.97	\$ 47.95	1.31%
Total				\$ 10,456.16			\$ 16,103.84	\$ 5,647.69	54.01%

REALIZED G&L SUMMARY

Total Gain Realized	Total Commissions & Fees
\$ 2,711.69	\$ 9.31

REALIZED G&L DETAILS

Symbol	Q	Opening Date	Opening Price	Opening Net Amount	Closing Date	Closing Price	Closing Net Amount	Realized Gain	Pct. Gain
CVLB	2000	4/5/2017	0.23	\$ 460.00	3/20/2020	0.34	\$ 675.79	\$ 215.79	46.91%
SPXW Apr 15 '20 \$2000 Put	1	3/20/2020	39	\$ 3,901.03	3/20/2020	49	\$ 4,898.97	\$ 997.95	25.58%
SPXW Apr 15 '20 \$2000 Put	1	3/20/2020	40	\$ 4,001.03	3/20/2020	55	\$ 5,498.97	\$ 1,497.95	37.44%
Total				\$ 8,362.05			\$ 11,073.74	\$ 2,711.69	32.43%
Total both accounts				\$ 18,818.21			\$ 27,177.58	\$ 8,359.38	44.42%

Account #1

Date	Order Type	Order type	Quantity	Symbol	Price type	Term	Price executed	Price	Status	Links
03/20/20	4025	Option Sell Close	1	SPXW Mar 20 '20 \$2350 Put	Limit Day		52.10	52.10	Executed	
03/20/20	4023	Option Sell Close	1	SPXW Mar 20 '20 \$2350 Put	Limit Day		37.00	37.00	Executed	
03/20/20	4021	Option Sell Close	4	SPXW Mar 20 '20 \$2350 Put	Limit Day		18.00	18.00	Executed	
03/20/20	4020	Option Buy Open	4	SPXW Mar 20 '20 \$2350 Put	Limit Day		4.00	4.00	Executed	

Account #2

Date	Order Type	Order type	Quantity	Symbol	Price type	Term	Price executed	Price	Status	Links
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03/20/20 2432 Option Sell Close 1 SPXW Apr 15 '20 \$2000 Put Limit Day 55.00 55.00 Executed

03/20/20 2431 Option Sell Close 1 SPXW Apr 15 '20 \$2000 Put Limit Day 49.00 49.00 Executed

03/20/20 2429 Option Buy Open 1 SPXW Apr 15 '20 \$2000 Put Limit Day 40.00 40.00 Executed

03/20/20 2428 Stock/ETF Sell 2,000/AON CVLB Limit Day 0.34 0.3405 Executed

03/20/20 2427 Option Buy Open 1 SPXW Apr 15 '20 \$2000 Put Limit Day 39.00 39.00 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:

Resumed short position against 02/19/20 high on 02/2320.

Intermediate term:

Resumed short position against 02/19/20 high on 02/2320.

Short Term:

Day traders resumed a short position premarket open on 030320.

NASDAQ:

Long term:

Resumed short position against 02/19/20 high on 02/2320.

Intermediate term:

Resumed short position against 02/19/20 high on 02/2320.

Short Term:

Day traders resumed a short position premarket open on 030320.

S&P 500:

Long term:

Resumed short position against 02/19/20 high on 02/2320.

Intermediate term:

Resumed short position against 02/19/20 high on 02/2320.

Short Term:

Day traders resumed a short position premarket open on 030320.

Gold: *Remain short.*

Bonds: *Moved to a long position against the wave 1 high of 159.58 as we expect a move up to 168.51. Resume a short position with any move below the 159.58 make or break price.*

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.

\$144 Short Term report includes all short-term reports issued on most trading days.