

**Woodson Wave Report (est. 1997)**

**May 13, 2019**

**woodsonwave.com**



## **Wave 3 Dow Begins**

**Fibonacci Options Day Trader**

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**2018 Performance Report**

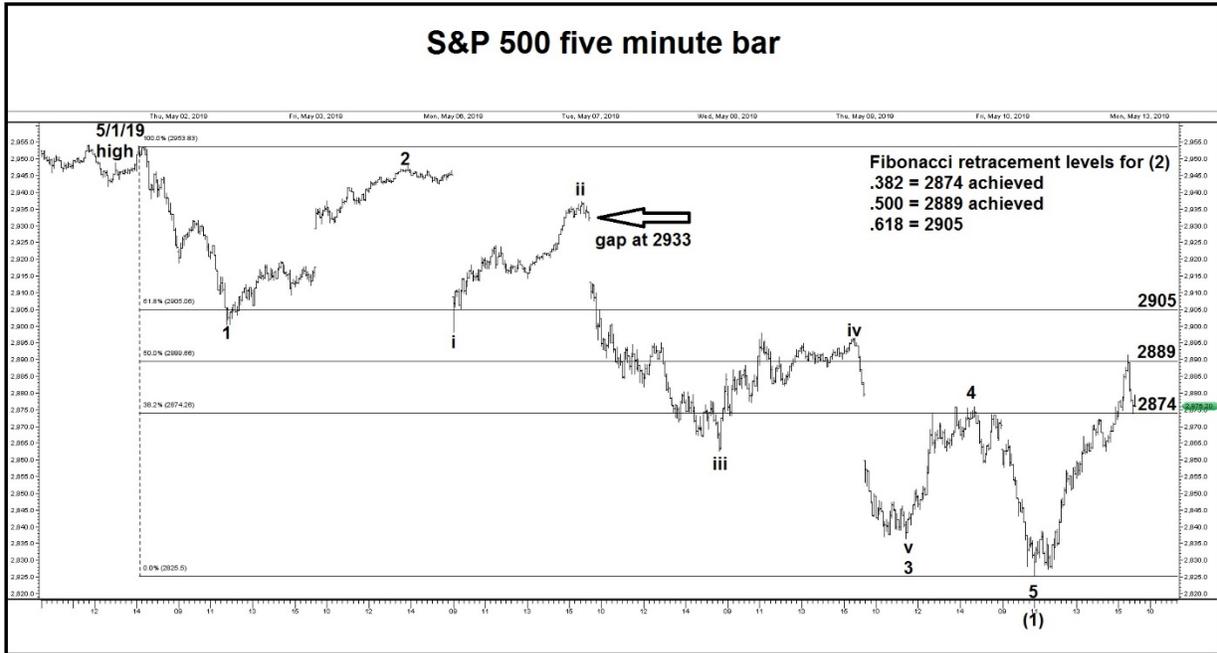
**Account #1 + 29.59%**

**Account #2 + 69.04%**

**Account #3 + 133.47%**

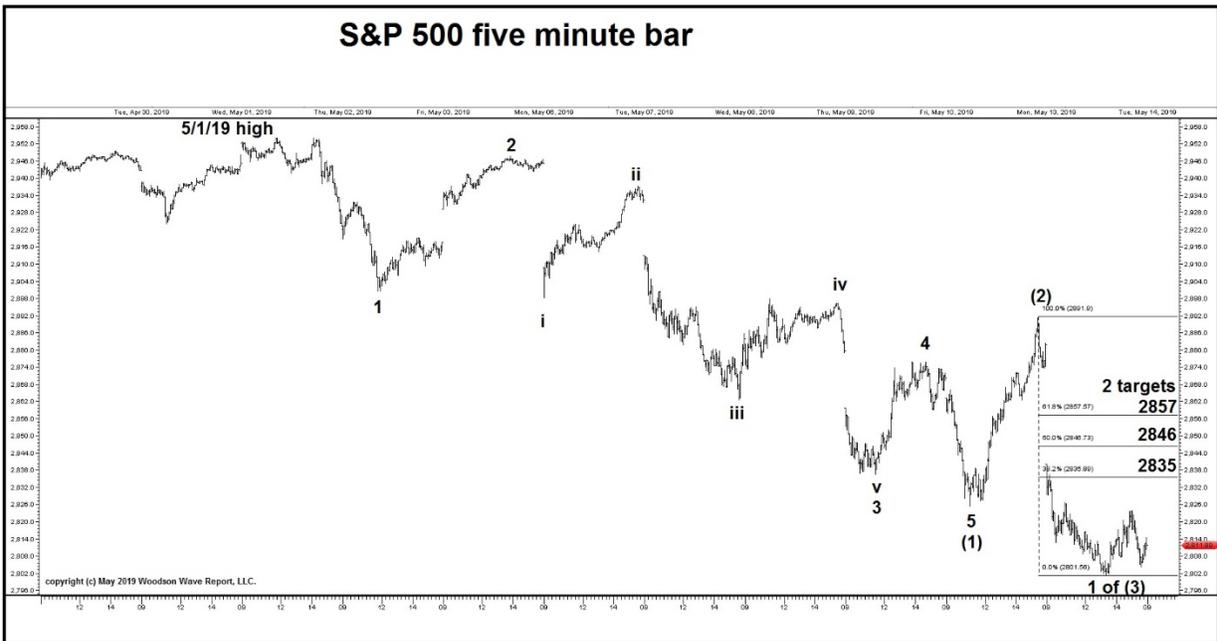
**S&P 500 – 6.24%**

# Wave 3 down begins



Above: Friday's chart end of (2)

Below: Today's chart beginning of 3



**From the 051019 report:**

*“Wave (2) up has already (in less than a day) achieved the Fibonacci .382 and .500 retracement levels and may have topped at near that 2889 high (see chart above)... This move up is complete or nearly so and the risk for the bigger move is to the downside.”*

Wave (2) topped Friday. Friday's move up in wave (2) was a classic case of the Fibonacci retracement target price predicting the news, not the news moving the markets as most people think. As Friday's chart illustrated, the S&P had already retraced a Fibonacci .500 of the entire five wave decline from the March 1<sup>st</sup> high. Upside risk at the most was a move to the .618 retracement level, but as we stated, the bigger risk was to the downside.

So one may have easily predicted that the “news” would be that no trade deal with China. Of course that's what all the talking heads are saying on all the business channels today, once again fitting the “news” as the reason for the massive sell off in the markets **after** it happens. Contrast this to what we at WWR did with the Fibonacci retracement level for wave (2) just before the close Friday, as the S&P touched the Fibonacci .500 retracement level, from Friday's report:

*“We then established a new short position in anticipation of the second wave decline by buying two more of the same puts at 18.80.”*

Trusting the Fibonacci retracement and Elliott wave count that wave (2) up was complete on Friday **before** the close, allowed us to sell one of the two puts at the open this morning at 51.00 for a gain of \$3,200 while owning that put all of about 5 trading minutes from the close Friday to the open Monday. Minutes later we sold the other May 15<sup>th</sup> 2875 put at 63, for a combined net realized profit of over **\$7,000** on those two puts.

Fibonacci and Elliott waves warned us of a sharp decline in wave three **BEFORE** the decline and the gap down Monday morning. Investors watching the “news” on Monday morning had no opportunity to get in front of that move. Their only hope was to chase the market after the gap down at the open after the biggest move down of the day was already behind them.

Today ends much like Friday ended with a move up in a second wave. However this move up is nowhere near the Fibonacci .500 retracement level and the ensuing decline will be much steeper than the decline today – because this next decline is wave 3 of (3). Much like Friday when they ran the market up some 450 points in the Dow before the close, the opportunity is there to do the same tomorrow in another second wave. We sold all our puts and are flat to end the day.

Allow for a move up in the S&P tomorrow to 2835 – 2857, however keep in mind in the previous declines in December of 2018 and the move down from the orthodox top in January of 2018, these counter trend bounces can be short and fall short of even the Fibonacci .382 targets. The easiest three words to describe our trading philosophy going in to tomorrow and most likely for the next few weeks = SRM Sell Rally Mode.

### **Fibonacci Options Day Trader Report:**

We made a realized gain of **\$8,022** today, most of that on those two puts we bought at the close Friday. We did get in and out of a couple of May 15<sup>th</sup> 2800 puts for additional profit.

REALIZED G&L  
SUMMARY

Total Gain Realized	Total Commissions & Fees
\$ <b>8,022.08</b>	\$ 37.92

REALIZED G&L DETAILS

Symbol	Q	Open Date	Open Price	Open Net Amount	Close Date	Close Price	Close Amount	Realized Gain
SPXW May 15 '19 \$2800				\$			\$	\$
Put	1	5/13/2019	17	1,703.50	5/13/2019	19.1	1,904.02	200.52
SPXW May 15 '19 \$2800				\$			\$	\$
Put	1	5/13/2019	17	1,703.50	5/13/2019	19.1	1,904.02	200.52
SPXW May 15 '19 \$2875				\$			\$	\$
Put	1	5/10/2019	18.8	1,883.50	5/13/2019	63	6,294.02	4,410.52
SPXW May 15 '19 \$2875				\$			\$	\$
Put	1	5/10/2019	18.8	1,883.50	5/13/2019	51	5,094.02	3,210.52
				\$			\$	\$
Total				7,174.01			15,196.09	<b>8,022.08</b>

## Today's Trades

Dale tweets his trades in real time.

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Date	Order	Type	Order type	Quantity	Symbol	Price type	Term	Price	Price executed	Status
05/13/19	2892	Option	Sell Close	1	SPXW May 15 '19 \$2800 Put	Limit	Day	19.10	19.10	Executed
05/13/19	2888	Option	Sell Close	1	SPXW May 15 '19 \$2800 Put	Limit	Day	19.10	19.10	Executed
05/13/19	2884	Option	Buy Open	2	SPXW May 15 '19 \$2800 Put	Limit	Day	17.00	17.00	Executed
05/13/19	2883	Option	Sell Close	1	SPXW May 15 '19 \$2875 Put	Limit	Day	63.00	63.00	Executed
05/13/19	2881	Option	Sell Close	1	SPXW May 15 '19 \$2875 Put	Limit	Day	51.00	51.00	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:** Remain short.

**Intermediate term:** Moved to a short position pre market open 5/2/19.

**Short Term:** Moved to a short position pre market open 5/2/19.

**NASDAQ:**

**Long term:** Remain short.

**Intermediate term:** Moved to a short position pre market open 5/2/19.

**Short Term:** Moved to a short position pre market open 5/2/19.

**S&P 500:**

**Long term:** Remain short.

**Intermediate term:** Moved to a short position pre market open 5/2/19.

**Short Term:** Moved to a short position pre market open 5/2/19.

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

**Bonds:** Moved to a short position April 8, 2019.

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

*market conditions warrant.*