

Woodson Wave Report (est.1997)
August 19, 2019
woodsonwave.com



Shake out the shorts!
Fibonacci Options Day Trader

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2018 Performance Report

Account #1 + 29.59%

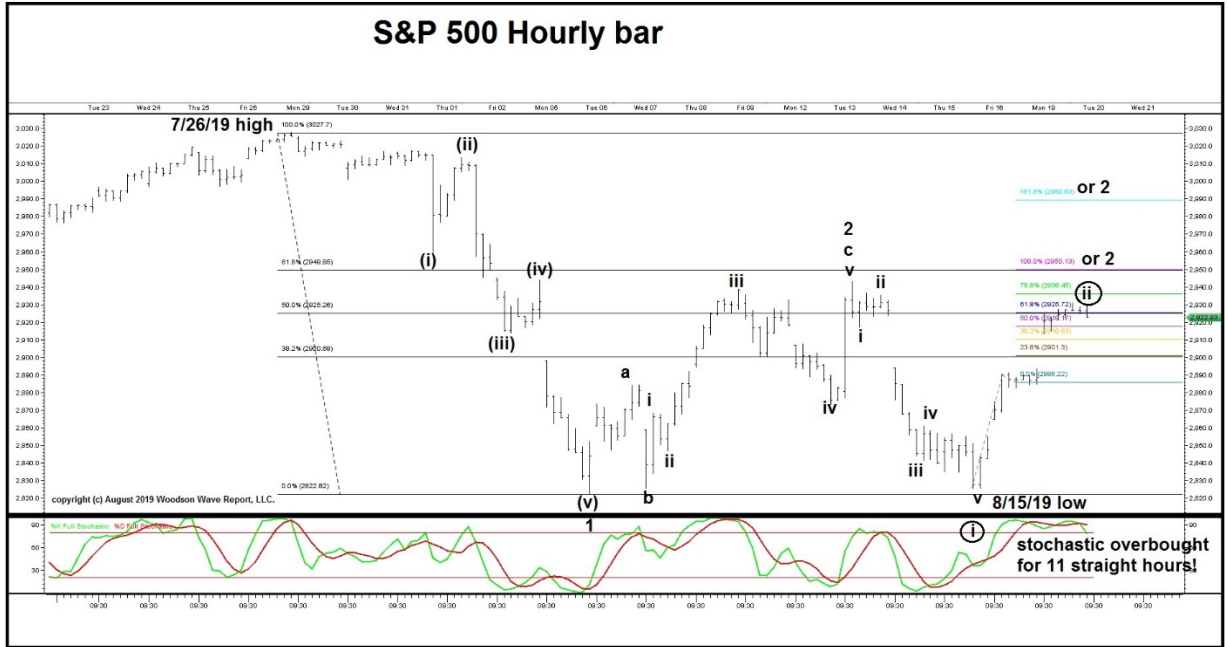
Account #2 + 69.04%

Account #3 + 133.47%

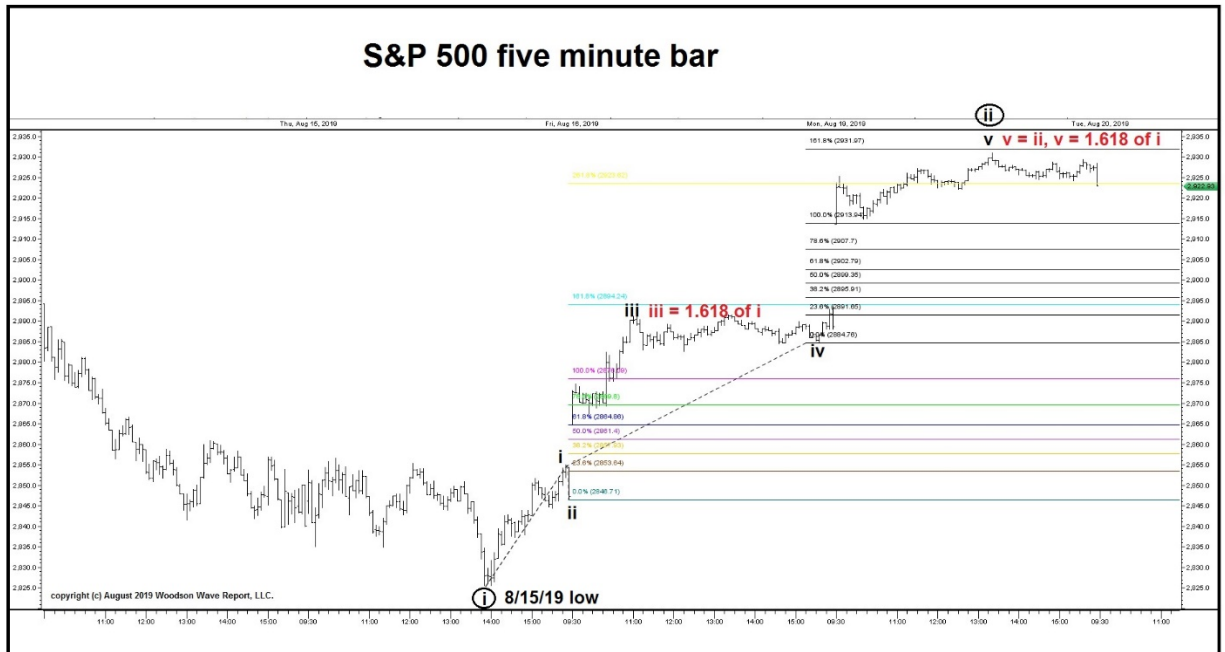
S&P 500 – 6.24%

Woodson Wave Report is still Timer Digest's #1 ranked market timing service **now for the 3 month period ending 080219**.
 Timer Digest (P.O. BOX 1688, Greenwich, CT. 06836/ 203-629-3503)

Shake out the shorts – wave count below



Above hourly chart, below five minute chart from the 8/15 low



Downside targets:

2891 = .382 retracement of rise from 0815 low.

2878 = .500 retracement of rise from 0815 low.

2865 = .618 retracement of rise from 0815 low.

2822 = wave 1 low.

2814 = third wave = first wave from 0813 high

2744 = open gap from June 3, 2019.

2742 = third wave = 1.618 of first wave from 0813 high

2733 = wave 3 = wave 1 from 0716 high

2713 = third wave equals 1.618 of first wave from 0813.

2605 = wave 3 = 1.618 of wave 1 and a Fibonacci .618 retracement of rise from Dec. low. A nice temporary stopping point for the end of a wave down but not the end of the entire wave E decline.

Upside resistance:

2900 = .382 retracement. **Achieved.**

2925 = .500 retracement. **Achieved.**

2938 = Wave 2 high. **Achieved 0813.**

2950 = Fibonacci retracement of decline and multiple of rise.

3027 = All-time high.

Until a break of the wave 1 low at 2822 occurs, we must allow for a higher high for wave 2 up. The ideal Fibonacci price target remains at 2950. Currently the August 13th high of 2943 remains as the wave 2 high. The second wave within that wave pictured on the lower chart above reached 2931, a lower high but as we tweeted this morning, yet another Fibonacci target at 2930. This is where the fifth wave gains equality with the third wave and they both gain a

Fibonacci 1.618 multiple of the first wave. Fibonacci perfection once again! (See lower chart, page 2).

The 2943 high remains a valid wave 2 high until it is violated. If violated, the 2950 is the next Fibonacci target, as it represents both the Fibonacci retracement level of the decline and the Fibonacci multiple of the counter trend rise up. Near term, allow for a bounce up to the 2950 level although it is not required.

As we noted in Friday's report, the stochastics at every level are screaming sell! The hourly stochastic has pulled off quite a feat remaining in overbought territory now for 11 consecutive hours (see upper chart page 2). We all know the stock market still has to obey nature's law and cannot violate the law of gravity by staying overbought forever. It is our opinion that the overbought condition will exhaust itself tomorrow.

Manipulation of the market does not matter

Let's assume for argument's sake that there are outside forces that manipulate the market higher to shake out the shorts when the third wave of a third wave is about to begin. While wave 2 may still achieve a higher price than what we thought was previously achieved, it's OK. Because while they may have manipulated the market higher, we already know that they will manipulate it to a Fibonacci multiple because they are human and they have no choice. And the downside Fibonacci targets remain the same as long as no new highs are made. So in essence, all they've done is delay the inevitable and cause the ensuing decline to be

more severe from higher levels than they would have been if the outside forces simply would have allowed the market to decline from current levels. We experienced this in the 2000-2002 crash and the 2007-2009 crash. In fact in August of 2007 I remember I (and I'm sure many others) were loaded up with puts going in to the third Friday of the month – options expiration day. And Bernanke poured unprecedented liquidity in to the markets just hours before the open. That night futures were down huge. Of course, pre-market prices reversed course and shot up like a rocket before the open and the shorts were just SOL. That just made the crash that occurred in October of 2008 that much worse because the market still had to achieve those target lows, although now from a price much higher and much farther away. We made up for those lost puts in August and rang the cash register like never before that week in October of 2008. And, you know we'll do the same again this year and in 2020 if the decline lasts that long.

Fibonacci Options Day Trader Report:

The puts that expired worthless today will post to our account tomorrow and be shown in tomorrows realized net gain or loss.

Today we traded in and out of the August 23rd 2925 puts for a **net realized gain of \$1,032 on 8.5% gain.** We bought six different times and sold five times. We currently own four Aug 23rd 2925 puts in account # 1 at an average price of 21.74 and three Aug 23rd 2925 puts in account #2 at an average price of 23.64

REALIZED G&L SUMMARY

Total Gain Realized	Total Commissions & Fees
\$ 651.04	\$ 18.96

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 Aug 23 '19 \$2925 Put	1	8/19/2019	22.2	\$ 2,223.50	8/19/2019	24.8	\$ 2,474.02	\$ 250.52	11.27%
SPXW Aug 23 '19 \$2925 Put	1	8/19/2019	22.2	\$ 2,223.50	8/19/2019	26.3	\$ 2,624.02	\$ 400.52	18.01%
Total				\$ 4,447.00			\$ 5,098.05	\$ 651.04	14.64%

REALIZED G&L SUMMARY

Total Gain Realized	Total Commissions & Fees
\$ 381.07	\$ 38.94

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 Aug 23 '19 \$2925 Put	1	8/19/2019	21.7	\$ 2,173.50	8/19/2019	19.6	\$ 1,954.75	\$ (218.75)	-10.06%
SPXW Aug 23 '19 \$2925 Put	1	8/19/2019	18.3	\$ 1,833.50	8/19/2019	19.6	\$ 1,954.75	\$ 121.25	6.61%
SPXW Aug 23 '19 \$2925 Put	1	8/19/2019	18.3	\$ 1,833.50	8/19/2019	20.2	\$ 2,014.02	\$ 180.52	9.85%
SPXW Aug 23 '19 \$2925 Put	1	8/19/2019	18.5	\$ 1,855.98	8/19/2019	21.6	\$ 2,154.02	\$ 298.05	16.06%
Total				\$ 7,696.48			\$ 8,077.54	\$ 381.07	4.95%
Total both accounts				\$ 12,143.48			\$ 13,175.59	\$ 1,032.11	8.50%

The one put we sold at a loss was a mistake as we thought we sold one at 19.60 that bought at 18.30 but we had none of those left in the bucket. We bought it at 21.70.

Today's Trades

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Dale tweets his trades in real time.

Account # 1

Date	Order	Type	Order type	Quantity	Symbol	Price type	Term	Price	Price executed	Status
08/19/19	3277	Option	Buy Open	2	SPXW Aug 23 '19 \$2925 Put	Limit	Day	20.30	20.30	Executed
08/19/19	3275	Option	Buy Open	2	SPXW Aug 23 '19 \$2925 Put	Limit	Day	23.10	23.10	Executed
08/19/19	3274	Option	Sell Close	1	SPXW Aug 23 '19 \$2925 Put	Limit	Day	24.80	24.80	Executed

08/19/19	3273	Option	Sell Close	1	SPXW Aug 23 '19 \$2925 Put	Limit	Day	26.30	26.30	Executed
08/19/19	3272	Option	Buy Open	2	SPXW Aug 23 '19 \$2925 Put	Limit	Day	22.20	22.20	Executed

Account # 2

Date	Order	Type	Order type	Quantity	Symbol	Price type	Term	Price	Price executed	Status
08/19/19	1654	Option	Sell Close	1	SPXW Aug 23 '19 \$2925 Put	Limit	Day	21.60	21.60	Executed
08/19/19	1653	Option	Buy Open	1	SPXW Aug 23 '19 \$2925 Put	Limit	Day	18.50	18.50	Executed
08/19/19	1651	Option	Sell Close	2	SPXW Aug 23 '19 \$2925 Put	Limit	Day	19.60	19.60	Executed
08/19/19	1648	Option	Sell Close	1	SPXW Aug 23 '19 \$2925 Put	Limit	Day	20.20	20.20	Executed
08/19/19	1643	Option	Buy Open	2	SPXW Aug 23 '19 \$2925 Put	Limit	Day	18.30	18.30	Executed
08/19/19	1642	Option	Buy Open	2	SPXW Aug 23 '19 \$2925 Put	Limit	Day	21.70	21.70	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: Moved to a short position after the close on 0717/19.

Intermediate term: Moved to a short position after the close on 0717/19.

Short Term: Moved to a short position after the close on 0717/19.

NASDAQ:

Long term: Moved to a short position after the close on 0717/19.

Intermediate term: Moved to a short position after the close on 0717/19.

Short Term: Moved to a short position after the close on 0717/19.

S&P 500:

Long term: Moved to a short position after the close on 0717/19.

Intermediate term: Moved to a short position after the close on 0717/19.

Short Term: Moved to a short position after the close on 0717/19.

Gold: Remain short in anticipation of wave 5 down to 1000.

Bonds: Moved to a short position after the close on 6/7/19.

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.