

Woodson Wave Report (est.1997)
December 18, 2019
woodsonwave.com



Five Waves up Complete from December 3rd low

Fibonacci Options Day Trader

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2018 Performance Report

Account #1 + 29.59%

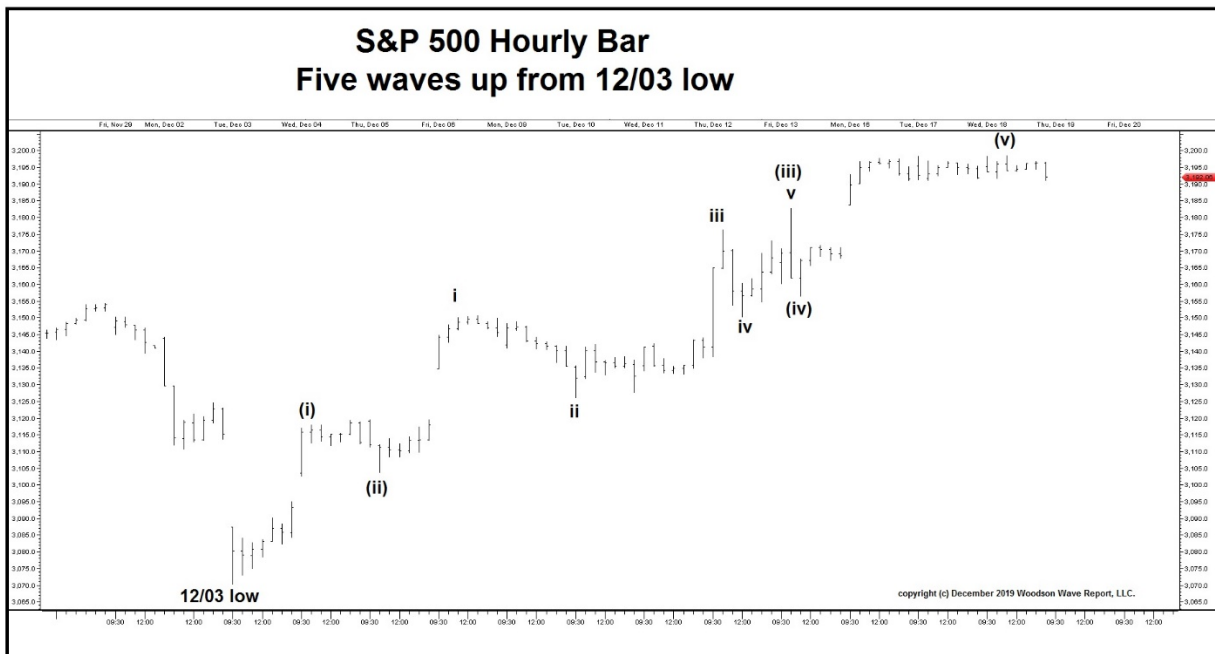
Account #2 + 69.04%

Account #3 + 133.47%

S&P 500 – 6.24%

Five waves up complete from December 3, 2019 low

Ideally the S&P tops at a Fibonacci multiple at 3204 but the wave structure shows five waves up complete from the December 3rd low.

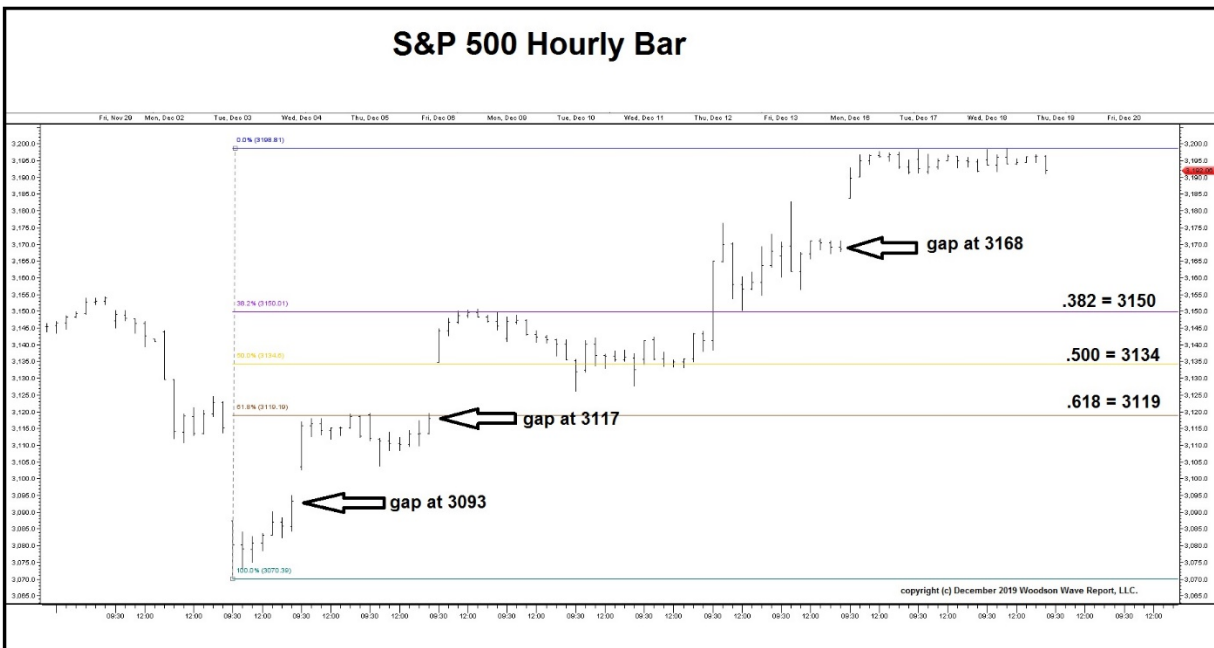


The market remains so overbought it does not make sense to buy calls, however we have done so recently and have made money doing so. But the upside potential is so limited and the downside risk so huge, that we've traded with caution by buying in the money options that expire the same day so as to trade the options more like a stock with intrinsic value in order that they do not expire worthless. Yesterday we did the same with in the money puts. Also we began layering in long term (October 2020 expiration) puts last month and will continue to do so.

Dale has been out of the country with little to no trading (trades were tweeted) or reports this month. Dale is back but he wants to keep the powder dry for the upcoming collapse, so there still may

be little trading until we see a definite five complete waves to the downside.

As the December monthly report pointed out, the ultimate downside target for the S&P remains near 2000 at a minimum, a 35% drop. Once the move to the downside begins (at any time now), the decline will be swift and severe, perhaps a once in a lifetime opportunity.



Downside Near Term Targets:

- 3168 = gap
- 3150 = .382 retracement
- 3134 = .500 retracement
- 3119 = .618 retracement
- 3117 = gap
- 3093 = gap

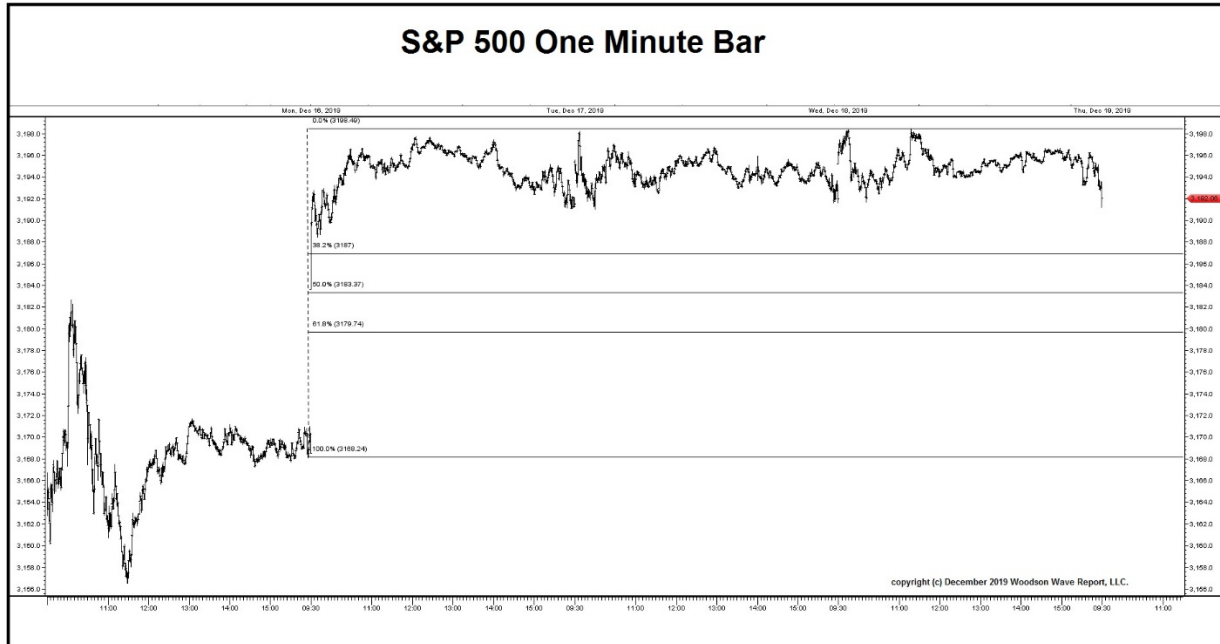
Upside Resistance:

3204 Fibonacci multiple

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Dale tweets his trades in real time.



Yesterday we bought two December 18th 3200 calls as we tried to capitalize on an expected move down to either close the most recent gap at 3168 and/or simply retrace the move up from that gap open at:

.382 = 3187

.500 = 3183

.618 = 3179

Yesterday we sold one of those two Dec. 18th 3200 puts at basically break-even (bought at 10.90 sold at 11) and decided to allow the other one to run to today's expiration. It settled in the money at 8.86 as the S&P closed at 3191.14

As the chart above illustrates, since that gap up open on Monday, the S&P has traded sideways.

We allow for one last move up to our ideal Fibonacci target of 3204, which is a mere 13 points above, while preparing a decline to an S&P at 2035, some 1,156 points below the current level.

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: Remain short.

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: Remain short.

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: Remain short.

Gold: Moved to a long position on 9/4/19 against the first wave high of 1374.91. Move to a short position with any move below 1374.91.

Bonds: Remain short as Bonds are near the Fibonacci .786 retracement level of 168.48. Move to a long position with any move above the July 2016 high of 177.83.

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.