

**Woodson Wave Report (est.1997)  
December Monthly Report  
December 1, 2019  
woodsonwave.com**



**Market at historic highs  
Historical decline ahead!**

**Fibonacci Options Day Trader**

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**2018 Performance Report**

**Account #1 + 29.59%**

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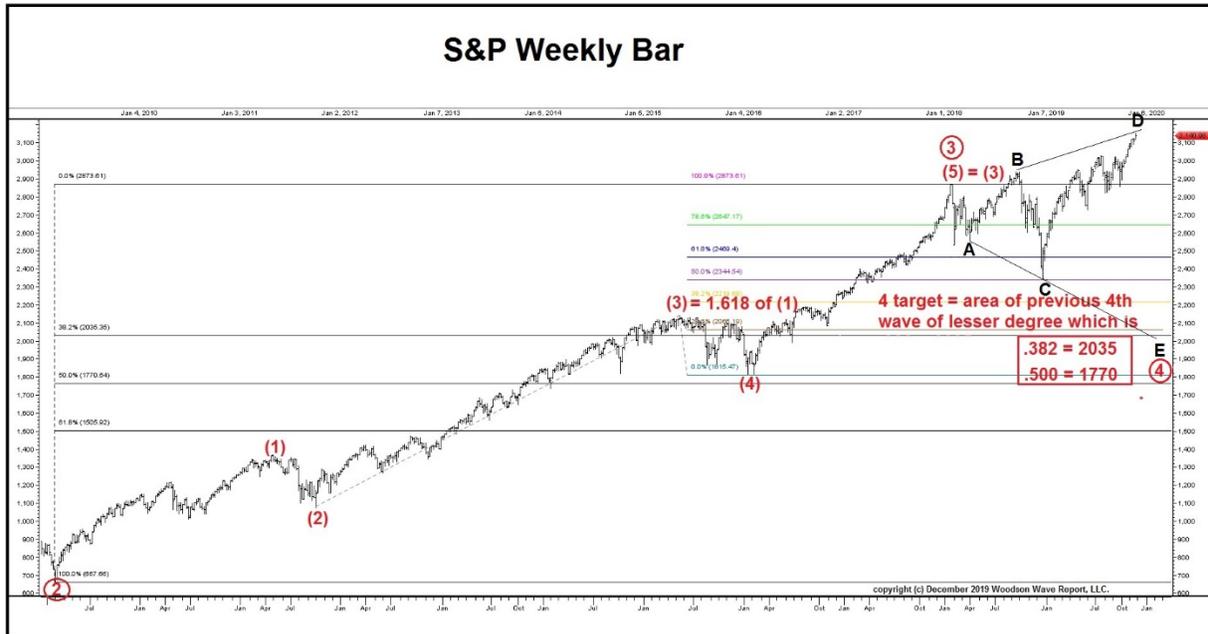
**Account #3 + 133.47%**

**S&P 500 – 6.24%**

Timer Digest Ratings:

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**#4 Woodson Wave Report for the 6 month period ending 102519.**



## Historic Significance

The market is as overbought now as it was oversold in December of 2018 and more importantly as overbought as it was in 1999. The weekly, daily and hourly stochastics are all screaming in unison – SELL! This situation reminds me of August 24, 1999 when WWR identified the orthodox top in the market. Even though the market was overbought, the “Fed manipulated bounce” as we called it back then, carried the market higher so they could trick every last person to put every last dollar in at the top before the major collapse that began in January of 2000. The decline that began from that high ended a Fibonacci 34 months later on October 4, 2002 with the NASDAQ crashing 76.81%, the S&P 43.19% and the Dow 27.38%. It took the NASDAQ 15 years to recoup those losses and attain the 5,048.62 high it reached in the year 2000. It proved then as it will prove now to be much wiser to be out of the market a tad early and risk missing out on the last maybe 1% move higher, than to get out at the bottom as most “investors” did and lose 76% (or more) of your portfolio.

Just as August 24, 1999 marked the orthodox top before the print high in January of 2000, so too does the January 2018 high mark the orthodox high of the move up from the 2009 low. The chart on page two illustrates Fibonacci perfection. Wave (3) is an almost exact 1.618 multiple of wave (1). Wave (5) gained an exact 1.00 multiple of wave (3). The expanding triangle fourth wave is in progress and 4/5ths complete. Just as in 1999, there may be a small gain from current levels, but rest assured, the next major move is to the downside.

Not coincidentally, the Fibonacci .382 and .500 retracement target levels are roughly the same as the area of the previous fourth wave of one lesser degree.

.382 = 2035, beginning of wave (4) = 2065.

.500 = 1770, end of wave (4) = 1815.

The market is going to correct to this area, regardless of how high they take the top of wave D. Suffice to say that obviously, the higher they take it, the farther it will fall. The target levels remain the same because the constant is the top of the third wave in January of 2018.

From the current high of 3154 in the S&P, a Fibonacci .382 retracement equals a decline of 35%, while a Fibonacci .500 retracement equals a 43% drop.

High	Decline	Target	Point Drop	Pct. Drop
3154	0.382	2035	1119	35.48%
	0.500	1770	1384	43.88%

**The market is overbought at every level:**

The monthly stochastic is overbought at 92 and 84 and has not reached an oversold condition since the 2009 low – 10 years!

The weekly stochastic is overbought and has crossed at 94 and 96.

The daily stochastic is at 88 and 71 with the %K turning down from 96 on 11/27 to 88 on 11/29 and has not been oversold since the December 2018 low.

## Bond Market



The third wave down in the Bond market appears to be extending. Currently the second wave has reach a Fibonacci .500 retracement at 160.50. A 6.18 retracement targets 161.62. Our make or break level for this third wave extension wave count is the second wave high of 165.25. We can tighten up our upside resistance levels a bit to the second wave high of 165.25 followed by the 08/28/19 high of 167.59. The ultimate make or break level for the larger wave count remains the July 2016 high of 177.83. Our downside target remains at 156.80. Remember, a move down in prices indicates a move up in yield.

Remain short.

## **Gold Market**

Our analysis in the gold market remains unchanged from the October report as we expect wave 3 to gain equality with wave 1 at 1599. We are long against 1374 first wave high with a make or break level of 1346. Gold is currently sitting comfortably above that make or break level at 1463. As long as this resistance level holds, our target price remains at 1599. Remain long.

### ***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:*** 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.

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