

# Trader Education Tutorial

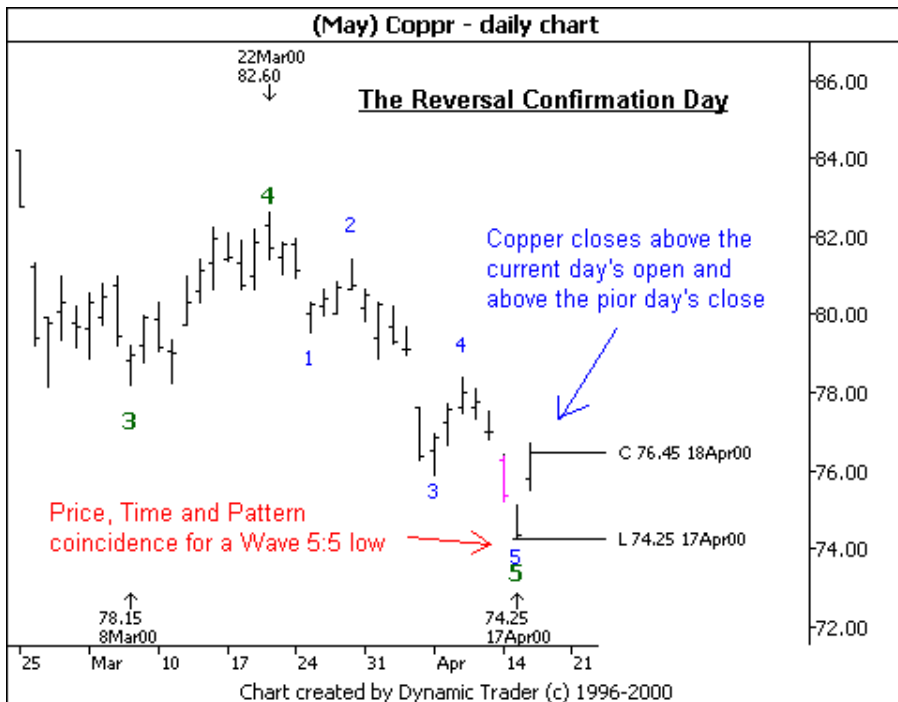
## Reversal Confirmation Day Trend-Reversal Entry Strategy

Once a market has reached the time and price targets for a trend-reversal and the pattern structure appear complete, a daily trend-reversal entry strategy may be used to enter the market. One of these daily reversal entry strategies is the Reversal Confirmation Day.

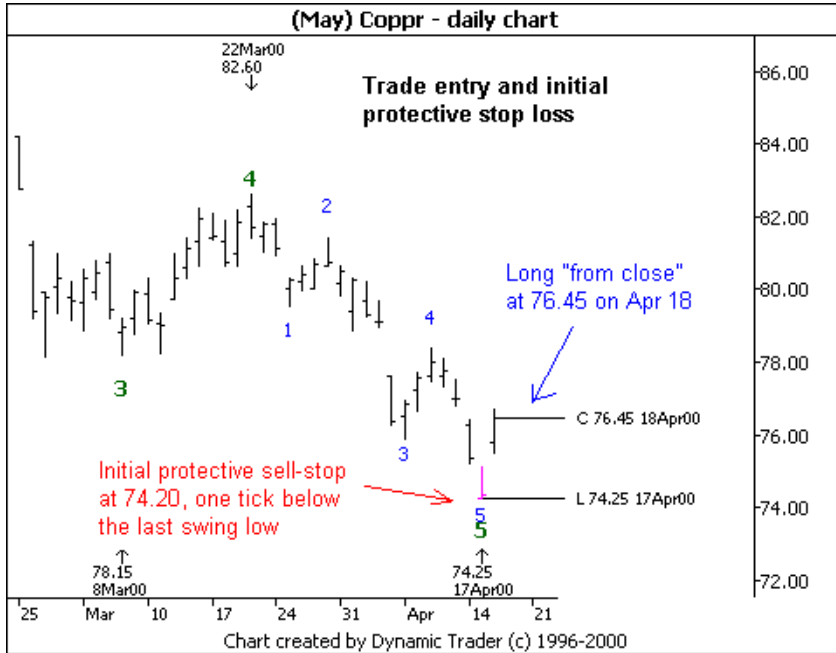
Let's take another look at Copper which was also used as an example in last week's tutorial where we saw how the **Pattern** suggested that the low of Apr 17 was a Wave 5 of 5. Once again, this is not an after-the-fact example but was a trading strategy projected in advance in the Dynamic Trader Report on Apr 15. The **Price** support for a Wave-5 low was projected as 75.70 to 74.20 and the **Time** projection for a Wave 5 low was Apr 11 to Apr 19.

Projected Price, Time and Pattern had all coincided at the Apr 17 low for a potential termination of the trend off the Jan 20 high. As the market reached the projections for the termination of the trend, a trend-reversal, trade-entry strategy was used to consider a long position. On Apr 18, Copper made a Reversal Confirmation Day which signaled a long position trade-entry.

A Reversal Confirmation Day low (reverse for a top) is a day where a market closes above **both** the current day's open and the prior day's close. The signal to go long is on the close when the reversal signal is complete.



The protective sell-stop is placed one tick beyond the most recent low.

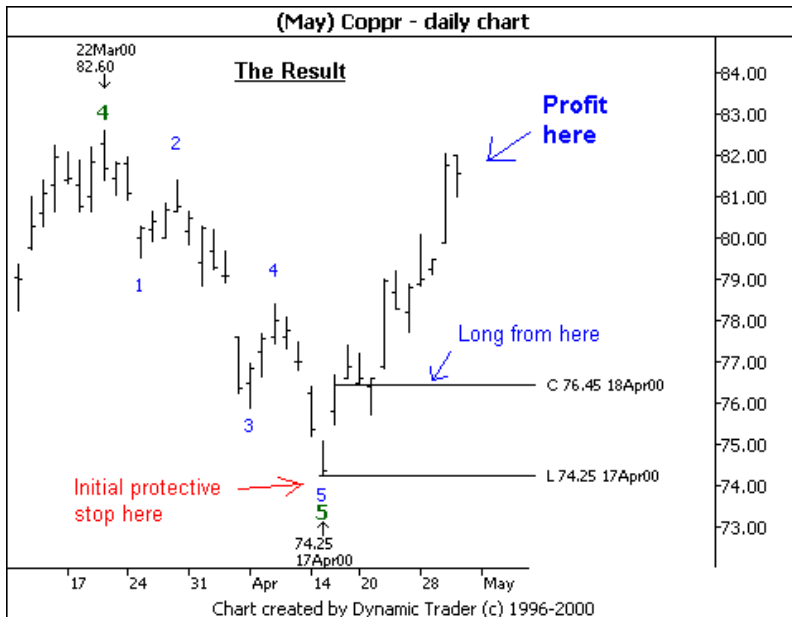


A long trade was entered at 76.45 on Apr 18 with a protective sell-stop at 74.20, one tick under the low of Apr 17.

### Key Point

Both the entry signal/price and initial protective stop-loss are completely objective. Once the market has reached the targets for the termination of the trend, the entry and stop are completely objective.

The next chart shows how copper rallied sharply from the trend reversal at the projected Wave-5 targets.

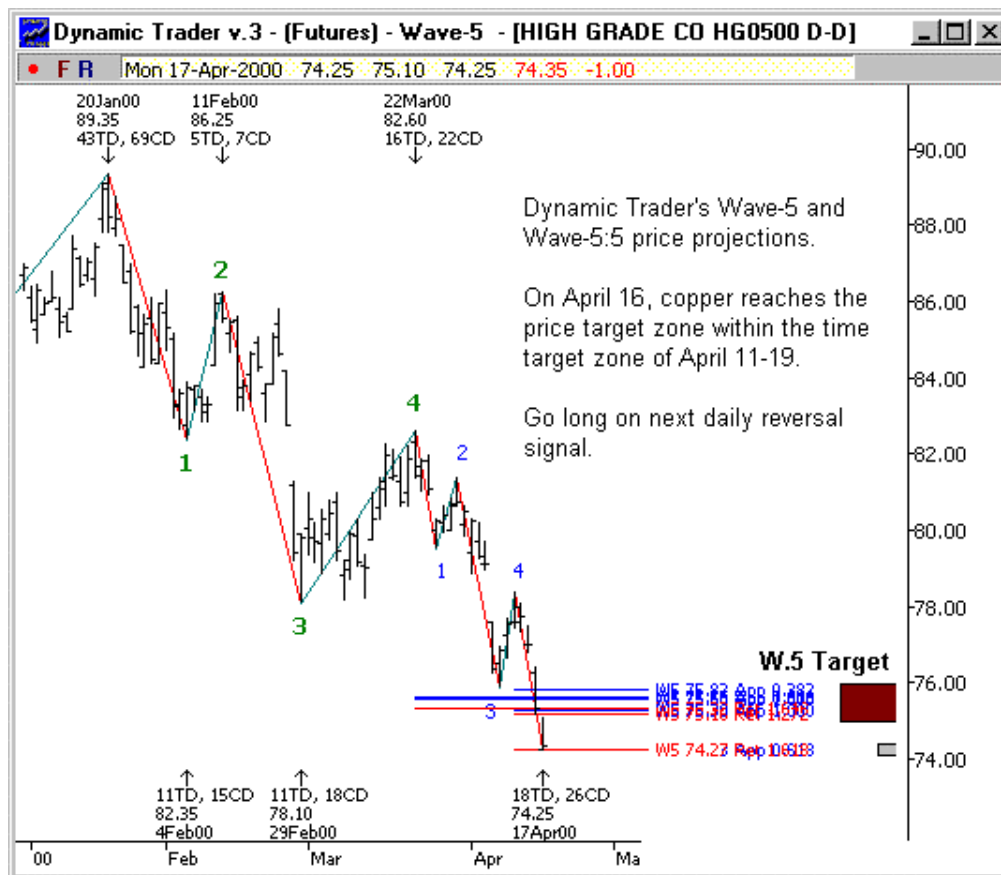


A Reversal Confirmation day is one of four daily trend-reversal trade-entry strategies taught in Dynamic Trading.

**Dynamic Trader Analysis and Trading Strategies**

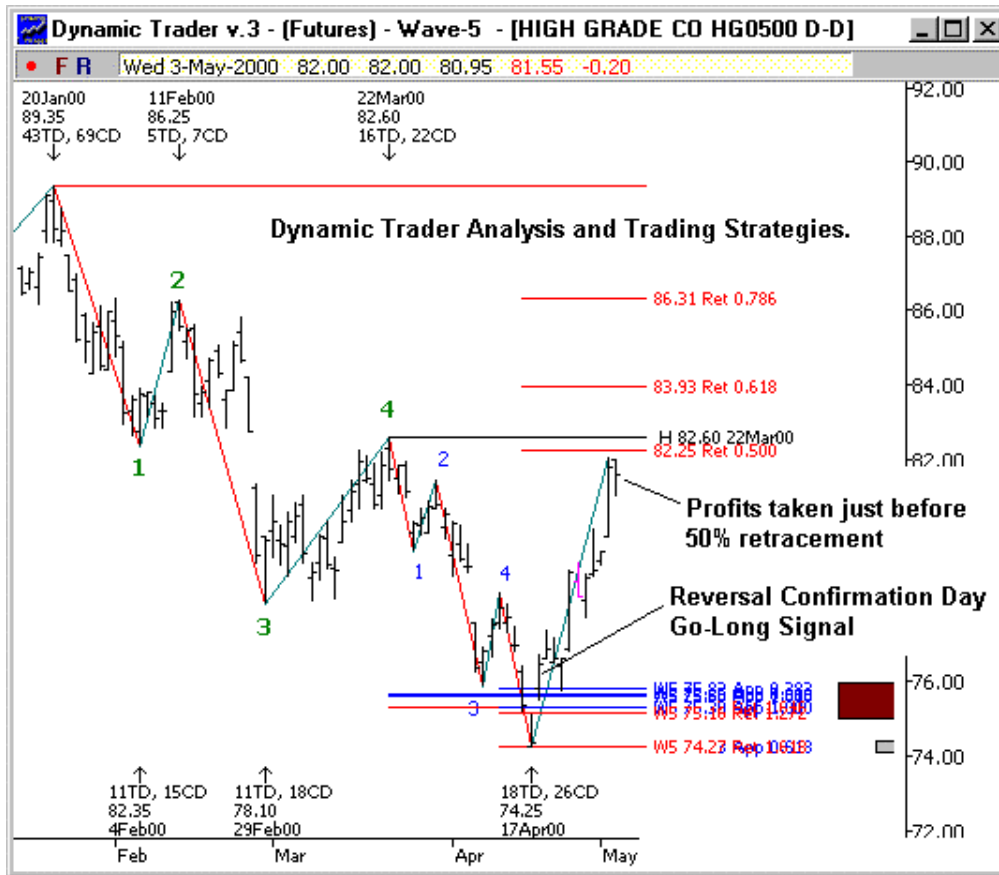
The Dynamic Trader software includes several unique routines that project the high probability targets for trend reversals for almost all market conditions. The DT Trading Course that is included with the software program teaches high-probability trend reversal and trend continuation trading strategies.

The chart below shows the DT End-of-Wave-5 price targets that were projected *in advance* and prepared traders for the termination of the bear trend in copper that began at the Jan. 20 high. This price target not only included the Wave-5 projections but the Wave-5 of 5 projections. Many of these projections overlapped to where it is difficult to reach the individual prices on the chart. The wide-bar on the right represents the target range of all of the projections.



As taught in the DT Trading course, if a market reaches the projected price and time targets, use a trend-reversal trade-entry strategy. The Reversal Confirmation Day is one of these entry patterns where the entry signal and initial protective stop is completely objective.

On April 18, copper made a Reversal Confirmation Day signal and a long trade was elected.



The long trade was exited on May 3 for a \$1125 profit per contract. Why was the trade exited on May 3? Copper was near the 50% retracement and prior Wave-4 high plus other short-term price and time targets that suggested at least a temporary top. The strategy was once copper reached this area projected in advance, to exit at either the one-day-low or on a lower close. The exit strategy was elected on May 3 on the lower close.

The Dynamic Trading approach to analysis and trading strategies is both comprehensive and logical. The Dynamic Trader package includes a comprehensive trading course plus a subscription to the Dynamic Trader Report. It is the most complete and unique technical analysis software and trading course available to the public.

Next week's tutorial will continue to look at daily trend-reversal trade-entry strategies. Be sure and bookmark this page and check out next week's Trader Education Tutorial.