

Ral's Morning Report

Oct 20, 2006

Fundamental Rule

“On every trade: an entry, a target, a stop...*no exceptions*”

NOTE:

After 8 wonderful years at Undergroundtrader.com, I have decided that this Fibonacci point in time is a good time to take leave and use the freed up time to work more on my writing projects, including completion of *The Manual Project*, further development of *Ralo24*, and exploring other business opportunities. I will miss Undergroundtrader.com. It has been extraordinarily rewarding to me personally to have worked with Jay during these years. I wish Jay and all of you great success and well being in the future. Today is my last day. If you wish to stay in touch with my activities, please register for my mailing list at <http://www.ralockhart.com/dailyfigures/greetings.html>

GBP. Thursday candle pattern was a “Sunshine” pattern. This occurs when the open is above the low body point of the prior candle. And the high and close is above the high of the prior candle. As the name implies it is a bullish pattern. The contextual importance of the pattern is enhanced under “bear” conditions. Yesterday, for example, the prior session was a “new high bear close.” When this was not triggered short, it becomes a set up for a substantial move higher. This was supported yesterday by the daily re-entry long price > 1.8740—which was also above the 13-S. Today's market is currently awaiting the UK GBP which will be released 8:30 GMT (4:30 Eastern). A rise of 0.6-0.7% is expected and it is anticipated that this increase or higher would be supportive of GBP move higher. The daily 3-set has triggered long > 1.8782.. The GBP failed to complete a W2 msh and is now eyeing the nullification of the downside structure (requires > 1.8882). [*Note.* This is excerpted from ral's **GBP Alert!** published each morning by 5:30 EDT and available at <http://www.ralockhart.com/dailyfigures.>]

RUSSELL. 732.70 is the *Fall Equinox Critical Price* (FECF). Friday's close at 773.20 keeps FECF long with a maxgain of 45.10. LWVS is short from 764.52. Reversal today is at >781.51. Daily 3-per at 8th ordinal gain-taking high. Russell closed in bull state with 13-S at 751.44. Daily 3-per triggers today: Long > 777.80 Short < 763.30.

GOOG. 404.03 is the *Fall Equinox Critical Price* (FECF). Thursday's close at 425.80 keeps GOOG long FECF. Today's trading: Long > 454.91 short < 416.70. GOOG closed in bull state with 13-S at 418.48. The new MTR upper limit is at 437.85. Goog now llong 3-per daily, 1st ordinal high.

DAILY PATTERN TRADES

FOPS Candidates: CTXS, COST, DELL, GRMN, ROST, SPLS

TOPS Candidates: None

Bull State/Bear State Ratio for Naz100: 59 bull/ 38 Bear = 1.55 down from 7.08 (>2.62 = overbought; > 4.68 = hyper-overbought)

ECONOMIC REPORTS

None scheduled.

Ral's TRADING PIVOTS & FRACTAL DIMENSION

Russell 2000					
Open	768.90		Range Resistance	775.35	778.88
High	773.80		Range Support	766.75	761.68
Low	765.20		Fractal Growth 1	8.52	9.00
Close	773.20		Fractal Growth 2	13.79	14.50
Weight	770.28		Fractal Range 1	764.68	781.72
Fractal		5.27	Fractal Range 2	759.41	786.99
GOOG					
Open	420.23		Range Resistance	440.82	465.53
High	454.91		Range Support	405.48	394.85
Low	419.57		Fractal Growth 1	7.37	9.00
Close	426.06		Fractal Growth 2	11.92	14.50
Weight	430.19		Fractal Range 1	418.69	433.43
Fractal		4.55	Fractal Range 2	414.14	437.98
GBP					
Open	1.8681		Range Resistance	1.8799	1.8870
High	1.8803		Range Support	1.8661	1.8594
Low	1.8665		Fractal Growth 1	0.0019	
Close	1.8779		Fractal Growth 2	0.0031	
Weight	1.8732		Fractal Range 1	1.8760	1.8798
Fractal		1.17	Fractal Range 2	1.8748	1.8810
Nas100					
Open	1709.00		Range Resistance	1726.63	1737.06
High	1726.00		Range Support	1705.13	1694.06
Low	1704.50		Fractal Growth 1	10.41	9.00
Close	1722.75		Fractal Growth 2	16.85	14.50
Weight	1715.56		Fractal Range 1	1712.34	1733.16
Fractal		6.44	Fractal Range 2	1705.90	1739.60

Range resistance and support calculations are based on whole candle values (open, high, low, close) and are *geometric* in nature. *Fractal range* support and resistance calculations are based on growth as a *power function* and are typically larger ranges than simple geometric-based ranges. *Knowledge of fractal growth price points is minimal in the trading public.*

A CONSTANT REMINDER: The "3 T's and C's plus 1" of trading. Before any trade, always know the TREND, always know the TRIGGER for trade entry, and always know your TARGET (both for gaintaking and stop-setting). Before you trade, know the CONTEXT (in relation to both price and time), be aware of the CONVERGENCE points (in price and time) of signals, and constantly examine your COMMITMENT to following your methods, to learning something new each day, and to keep your CURIOSITY constantly in play.

NOTE ON VALUE OF FOCUS MARKET TRADING. Focus markets are followed in ralroom with signals both for daily time frame trading as well as within-session trading. The three focus markets are very money efficient, that is, providing high leveraged profit opportunities with minimum investment dollars. **GBP** requires a Forex trading account and may be traded on \$1,000 margin in a regular contract (opening balance starting with \$3-5,000) or mini-contract traded on \$50 margin (opening balance starting with \$300-500) size. **Russell** requires a futures account to trade the futures contract. For longer term signals, the Russell tracking stock (*IWM*) and its options may be substituted to advantage. **GOOG** is best traded with options either for daily time frame signals or within session trading. A 1000 share position in *GOOG* may be controlled with 10 option contracts for a cost of about \$14,000 at the start of a monthly option series and declining cost for at the money contracts throughout the cycle

TRADER RESOURCES

Glossary of ral's technical terms: <http://www.ralockhart.com/dailyfigures>

Ral's "daily figures" address: <http://www.ralockhart.com/dailyfigures>

Ral's Calculators: <http://www.ralockhart.com/dailyfigures>

Ralo24: <http://ralomatic.com>

Ralo24 Weblog: (coming soon)

Ral's GBP Alert!: <http://rals-forex-alert.blogspot.com>

The Manual Project: <http://www.ralockhart.com/orderinfo.htm>

Ral's GBP Alert!: <http://www.ralockhart.com/dailyfigures>

Good trading all!

Ral