

THE TIME FACTOR

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The Time Factor Report

DEC . 2017

Very important information – please read this first

The objective

The Time Factor Trade Report (**The Report**) and its weekly updates (**Update**) have been prepared to further the teachings described in volumes 1 and 2 of Trading with the Time Factor. In particular, we will look to apply the methodologies described in the course using real time market situations. Whilst I will publish the trades I am taking, the objective of The Report is to further your understanding of technical analysis. It is not a report that you should rely on to make trading decisions.

Not personal or general advice

The Report and/or the Update is strictly an educational tool only. It should not be construed in any way as personal or general advice. I am not a licenced financial adviser, nor do I know your individual financial circumstances.

The contents of The Report or Update are for educational purposes to provide an analysis on how the techniques described in Trading with the Time Factor can be applied to analyse financial markets. It is not intended to encourage you to take a trade in a particular market or deal in a financial product. If you are looking for financial advice, please consult someone who is appropriately qualified to do so.

Contents are strictly confidential

The contents of The Report or Update are strictly confidential and for your own use and perusal. They must not be disseminated, shared or reproduced in any way without my prior written consent.

I have spent hours upon hours researching and refining the concepts taught and described in Trading with the Time Factor, and a number of hours have gone into applying those techniques into The Report or Update examples which you see now and which have been created especially for you.

You have paid good money to access this Report or Update, so why would you wish to share it freely for others to see?

No guarantee of financial returns

The Report or Update is not advising you on how to implement a particular investment strategy or how to invest in your chosen market. That is a decision strictly for you to make and for you to enjoy the full reward of any returns that you create.

The value of any investment and the income derived from it can go down as well as up. Please, never invest any more than you can afford to lose.

Not trading advice

We are not a licenced broker, securities dealer or brokerage house. This Report or Update does not and cannot execute any trades on behalf of investors, nor does it purport to provide advice on the execution of any trades. This is strictly an information service only and does not recommend the reader to take any specific action.

All statements and expressions are the opinions of the author and are subject to change without notice. The reader should verify all claims and do their own due diligence and/or consult with their own financial adviser before investing in any security of financial material mentioned in this Report.

Past performance is no guarantee of future performance

Just because a trading system or trading methodology has produced returns in the past, does not necessarily mean that it will replicate those returns in the future. Trading is a dynamic speculation and can produce losses as well as profits.

No liability

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Now that is all out of the way, let us begin..

24 Dec 2017



Portfolios

Short Term Trading Portfolio (in 2017)

Annual Return
102.6%

Strike Rate (Win to Loss)
77.8%

TRADING PORTFOLIO
CLOSED POSITIONS

| | Exchange | Code | Position | Entry | Size | Stop | Exit | Profit / (Loss) nominal | FX adj. | Profit / (Loss) pips | Winner | Loser | Breakeven |
|-------------------------------|----------|-------------|----------|---------|---------|---------|-----------|----------------------------|---------|-------------------------|--------|-------|-----------|
| Dunkin' Donuts | NASDAQ | DNKN | LONG | \$51.13 | 200 | \$50.08 | \$52.30 | 1.17 | 1.30 | 304.2 | Y | | |
| Dunkin' Donuts | NASDAQ | DNKN | LONG | \$51.13 | 100 | \$50.08 | \$55.58 | 4.45 | 1.30 | 578.5 | Y | | |
| Dunkin' Donuts | NASDAQ | DNKN | LONG | \$51.13 | 100 | \$50.08 | \$54.79 | 3.66 | 1.30 | 475.8 | Y | | |
| NearMap | ASX | NEA | LONG | \$0.60 | 5,000 | \$0.52 | \$0.52 | (0.08) | 1.00 | (400.0) | | Y | |
| Gold (Spot) | FX | Gold | SHORT | \$1,234 | 20 | \$1,254 | \$1,254 | (20.00) | 1.00 | (400.0) | | Y | |
| Gold Miners Index ETF | NYSE | GDX | SHORT | \$23.02 | 1,000 | \$23.51 | \$23.51 | (0.49) | 1.00 | (490.0) | | Y | |
| Gold (Spot) | FX | Gold | LONG | \$1,228 | 20 | \$1,215 | \$1,260 | 32.00 | 1.00 | 640.0 | Y | | |
| Gold (Spot) | FX | Gold | LONG | \$1,228 | 10 | \$1,215 | \$1,262 | 34.00 | 1.00 | 340.0 | Y | | |
| Gold (Spot) | FX | Gold | LONG | \$1,228 | 10 | \$1,215 | \$1,256 | 28.00 | 1.00 | 280.0 | Y | | |
| Gold (Spot) | FX | Gold | LONG | \$1,228 | 10 | \$1,215 | \$1,292 | 64.00 | 1.00 | 640.0 | Y | | |
| Bega Cheese | ASX | BGA | SHORT | \$6.24 | (1,000) | \$6.50 | \$5.86 | (0.38) | 1.00 | 380.0 | Y | | |
| Bega Cheese | ASX | BGA | SHORT | \$6.24 | (500) | \$6.50 | \$5.66 | (0.58) | 1.00 | 290.0 | Y | | |
| EUR.USD | FX | EUR | SHORT | 112.10 | 5 | 113.10 | 112.13 | (0.03) | 1.00 | (15.0) | | | Y |
| Bega Cheese | ASX | BGA | SHORT | \$6.24 | (500) | \$6.50 | \$5.71 | (0.53) | 1.00 | 265.0 | Y | | |
| AUD.USD | FX | AUD | LONG | 75.97 | 3 | 75.30 | 77.45 | 1.48 | 1.29 | 573.3 | Y | | |
| AUD.USD | FX | AUD | LONG | 75.97 | 3 | 75.30 | 79.05 | 3.08 | 1.27 | 1,168.9 | Y | | |
| Gold (Spot) | FX | Gold | SHORT | \$1,346 | 50 | n/a | \$1,333.5 | 12.50 | 1.00 | 625.0 | Y | | |
| Gold (Spot) | FX | Gold | SHORT | \$1,346 | 30 | n/a | \$1,281.0 | 65.00 | 1.00 | 1,950.0 | Y | | |
| Gold (Spot) | FX | Gold | SHORT | \$1,346 | 20 | n/a | \$1,265 | 81.00 | 1.00 | 1,620.0 | | | |
| ASX 200 | ASX | XJO | LONG | 5965.00 | 10 | 5900.00 | 6085.00 | 120.00 | 1.00 | 1,200.0 | | | |
| TOTAL | | | | | | | | | | 10,025.7 | 14 | 3 | 1 |
| TOTAL RUNNING PROFIT / (LOSS) | | \$10,025.65 | | | | | | | | | | | |

Longer Term Trading Portfolio (in 2017)

CLOSED POSITIONS

| | Exchange | Code | Direction | Size | Entry | Stop | Exit | Profit / (Loss) | | Gain / (Loss) | Winner | Loser | Breakeven |
|------------------------|----------|------|-----------|----------|---------|---------|---------|-----------------|-------|----------------|----------|----------|-----------|
| | | | | | | | | \$ / unit | % | | | | |
| Medibank Private | ASX | MPL | LONG | \$10,000 | \$2.70 | \$2.60 | \$2.72 | \$0.02 | 0.7% | \$74 | | | Y |
| Rio Tinto | ASX | RIO | LONG | \$10,000 | \$59.85 | \$56.00 | \$64.01 | \$4.16 | 7.0% | \$695 | Y | | |
| Telstra Corp | ASX | TLS | LONG | \$10,000 | \$4.21 | \$3.90 | \$4.12 | -\$0.09 | -2.1% | -\$214 | | Y | |
| S&P 500 Index | NYSE | SPY | SHORT | \$15,000 | 2,467 | 2,500 | 2,431 | 36 | 1.5% | \$222 | Y | | |
| S&P 500 Index | NYSE | NSE | SHORT | \$10,000 | 2,467 | 2,500 | 2,463 | 4 | 0.2% | \$16 | | | Y |
| India Nifty | NYSE | NSE | SHORT | \$10,000 | 9,940 | 10,160 | 9,781 | 159 | 1.6% | \$163 | Y | | |
| Blackstone Group | NYSE | BX | LONG | \$10,000 | \$30.35 | \$28.80 | \$32.93 | \$2.58 | 8.5% | \$850 | | | |
| ASX 200 Financials ETF | ASX | OZF | LONG | \$10,000 | \$20.99 | \$19.50 | \$20.76 | -\$0.23 | -1.1% | -\$110 | | Y | |
| Commonwealth Bank | ASX | CBA | LONG | \$10,000 | \$77.12 | \$77.00 | \$76.75 | -\$0.37 | -0.5% | -\$48 | | | Y |
| Oil Search | ASX | OSH | LONG | \$10,000 | \$6.49 | \$6.00 | \$7.06 | \$0.57 | 8.8% | \$878 | Y | | |
| India Nifty | NYSE | NSE | SHORT | \$10,000 | 9,940 | 10,160 | 10,160 | (220) | -2.2% | -\$217 | | Y | |
| TOTAL | | | | | | | | | | \$2,311 | 4 | 3 | 3 |

OPEN POSITIONS

(each open position represents a \$10,000 allocation)

| | Exchange | Code | Direction | Size | Entry | Stop | Current | Profit / (Loss) | | Winner | Loser | Breakeven |
|-----------------------------|----------|------|-----------|----------|---------|---------|---------|-----------------|------|--------------|----------|-----------|
| | | | | | | | | \$ / unit | % | | | |
| ASX 200 Index | ASX | XJO | LONG | \$25,000 | 5,965 | 5,600 | 6,088 | 123 | 2.1% | \$516 | Y | |
| Commonwealth Bank | ASX | CBA | LONG | \$10,000 | \$80.40 | \$77.00 | \$80.49 | \$0.09 | 0.1% | \$11 | Y | |
| ANZ Banking Group | ASX | ANZ | LONG | \$10,000 | \$28.63 | \$26.00 | \$28.82 | \$0.19 | 0.7% | \$66 | Y | |
| GDX Gold Miners Index | NYSE | GDX | LONG | \$10,000 | \$22.93 | \$22.00 | \$23.16 | \$0.23 | 1.0% | \$100 | Y | |
| TOTAL OPEN POSITIONS | | | | | | | | | | \$693 | 4 | |

CLOSED POSITIONS PROFIT/(LOSS)

\$2,311

OPEN POSITIONS PROFIT/(LOSS)

\$693

TOTAL POSITION PROFIT/(LOSS)

\$3,004

Entry prices have been adjusted for any dividends paid during the holding period

Note: Past performance is not a guarantee of future performance and should not be relied upon as such.

Total Profit

\$3,004

Strike Rate (Win to Loss)*

78.6%

*win:loss strike rate includes break-even trades in the win ratio, If excluded the ratio would be 58% winners, 21% break-even and 21% losses.

Trading Portfolio (as at May 2018)

Total Return

39.0%

Strike Rate (Win to Loss)

83.0%

CLOSED POSITIONS

| | Exchange | Code | Position | Entry | Size | Stop | Exit | Profit / (Loss) nominal | FX adj. | Profit / (Loss) pips | Winner | Loser | Breakeven |
|------------------|----------|------|----------|---------|-------|---------|---------|-------------------------------|---------|----------------------------|--------|-------|-----------|
| BHP Billiton | LSE | BT | LONG | \$15.19 | 350 | \$14.40 | \$16.02 | 0.83 | 1.75 | 508 | Y | | |
| BHP Billiton | LSE | BY | LONG | \$15.19 | 350 | \$14.40 | \$15.42 | 0.23 | 1.75 | 141 | Y | | |
| Oz Minerals | ASX | OZL | LONG | \$8.83 | 1,500 | \$8.50 | \$9.16 | 0.33 | 1.00 | 495 | Y | | |
| Oz Minerals | ASX | OZL | LONG | \$8.83 | 750 | \$8.50 | \$9.90 | 1.07 | 1.00 | 803 | Y | | |
| Oz Minerals | ASX | OZL | LONG | \$8.83 | 750 | \$8.50 | \$9.93 | 1.10 | 1.00 | 825 | Y | | |
| Freeport McMoran | NYSE | FCX | LONG | \$17.60 | 500 | \$16.50 | \$18.80 | 1.20 | 1.25 | 750 | Y | | |
| S&P 500 | Index | SPY | SHORT | 2,742 | 25 | 2,754 | 2,726 | 16.00 | 1.25 | 500 | Y | | |
| S&P 500 | Index | SPY | SHORT | 2,742 | 25 | 2,754 | 2,742 | - | 1.25 | - | | | Y |
| AUDNZD | FX | AN | LONG | 10,720 | 10 | 10,620 | 10,823 | 103.00 | 1.00 | 1,030 | Y | | |
| AUDNZD | FX | AN | LONG | 10,720 | 10 | 10,620 | 10,770 | 50.00 | 1.00 | 500 | Y | | |
| US Dollar Index | FX | DX | SHORT | 89.59 | 10 | 90.50 | 90.50 | (0.91) | 1.00 | (910) | | Y | |
| Spot Gold | FX | GOLD | LONG | \$1,332 | 8 | \$1,319 | \$1,319 | (13.00) | 1.00 | (1,040) | | Y | |

| | | | | | | | | | | | | | |
|-------|--|--|--|--|--|--|--|--|--|---------|---|---|---|
| TOTAL | | | | | | | | | | 3,601.8 | 9 | 2 | 1 |
|-------|--|--|--|--|--|--|--|--|--|---------|---|---|---|

| | |
|------------------------------------|------------|
| TOTAL RUNNING PROFIT / (LOSS) | \$3,601.75 |
| Return / (Loss) on trading account | 36.0% |

OPEN POSITIONS

| | Exchange | Code | Position | Entry | Size | Stop | Current | Profit / (Loss) nominal | FX adj. | Profit / (Loss) pips | | \$ per pip |
|------------------|----------|------|----------|---------|------|---------|---------|-------------------------------|---------|----------------------------|--|------------|
| Freeport McMoran | NYSE | FCX | LONG | \$17.55 | 500 | \$16.50 | \$18.03 | 0.48 | 1.25 | 300 | | 1 |

| | | | | | | | | | | | | |
|-------|--|--|--|--|--|--|--|--|--|-------|--|--|
| TOTAL | | | | | | | | | | 300.0 | | |
|-------|--|--|--|--|--|--|--|--|--|-------|--|--|

| | |
|------------------------------------|----------|
| TOTAL RUNNING OPEN PROFIT / (LOSS) | \$300.00 |
| Total Return / (Loss) | 39.0% |

IMPORTANT NOTE: Past performance is not a guarantee of future performance and should not be relied upon as such.

Date: 01-May-18

The background of the image is a collage of financial charts, including candlestick price charts and bar charts, all rendered in a light blue, semi-transparent style. The charts are overlaid on a grid. In the upper right, a bar chart is partially visible with the text "93% Updating Fe" and "May". In the center, a candlestick chart shows price fluctuations with specific values like "3041.05" and "2988.88" labeled. The overall aesthetic is professional and data-driven.

Fundamentals first

And so this is Christmas...

The John Lennon / Yoko Ono song is a classic, but instead of asking myself 'what have I done', I always like to use the Christmas period and ponder (to the tune of the song):

"And so this is Christmas...

And what have I learned..."

I was told from a very early age that when you have been doing something for a long period of time and you've stopped learning then it is time to try something new.

I know that I have certainly lived by that mantra.

The fortunate thing about trading the stock markets however, is that no matter how much you think you know, the market will always do something to teach you another lesson.

"Trading losses are like your tuition expenses", many traders would often say. Amen to that!

In any event, we arrive at the end of the year in this Christmas period and the **trading portfolio** is showing a handsome return. As I speak, I write to notify you all that I closed out the last of my open positions in the trading portfolio on the ASX 200 at 6085.

This leaves the trading portfolio with an overall gain of 100.3% for the year.

But more on that later

I'll come back to the trading portfolio in a minute, but in the meantime I wanted to finish off the last Time Factor Report for the calendar year 2017 in the same manner which I started.

In the very first edition of the Time Factor Report series, I outlined a chart on the Commonwealth Bank of Australia (ASX code: CBA).

I reproduced the chart again last month, which highlighted the power of compounding and what it can do to your investment returns. If Albert Einstein believed that compounding was one of the most powerful forces on earth, then there must be a lesson in that for all of us!

And hence, the reason why I decided to publish that chart again was a relatively straightforward one, but there is a message I really want to emphasis to all of you, that I hope will make you more profitable traders / investors. And that message is this:

Overtrading is unnecessary. And there is just no need to do it!

My trading portfolio executed only 18 trades over the course of the entire year, with ten core positional trades. And with my style of trading (ie implementing my "breakeven rule") I was able to achieve a winning strike rate of close to 80%.



The Time Factor Report – the year at a glance (2017)

Annual Return

102.6%

Strike Rate (Win to Loss)

77.8%

TRADING PORTFOLIO

CLOSED POSITIONS

| | Exchange | Code | Position | Entry | Size | Stop | Exit | Profit / (Loss) nominal | FX adj. | Profit / (Loss) pips | Winner | Loser | Breakeven |
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| Gold (Spot) | FX | Gold | SHORT | \$1,346 | 30 | n/a | \$1,281.0 | 65.00 | 1.00 | 1,950.0 | Y | | |
| Gold (Spot) | FX | Gold | SHORT | \$1,346 | 20 | n/a | \$1,265 | 81.00 | 1.00 | 1,620.0 | | | |
| ASX 200 | ASX | XJO | LONG | 5965.00 | 10 | 5900.00 | 6085.00 | 120.00 | 1.00 | 1,200.0 | | | |
| TOTAL | | | | | | | | | | 10,025.7 | 14 | 3 | 1 |
| TOTAL RUNNING PROFIT / (LOSS) | | \$10,025.65 | | | | | | | | | | | |

Get the batting average up

The trick to trading is therefore not about the number of trades you can do in any given month, week, day or year, but rather getting the number of winning trades higher and minimising the losers.

This is why I spend so much time on it in my courses where I talk about Risk Management and the Five Best Rules for Trading. It is worth going back and revisiting these sections in **Trading with the Time Factor – volume 1** (in chapters 9 & 10).

One of the most perplexing things however which I find about most of the educational material out there on trading, is that no-one offers to teach you the practical knowledge – ie how to make money out of trading. That's why we are all here, isn't it?

Particularly if you are beginning out in trading, then my suggestion would be to focus on four or five key markets (or stocks) and learn how those markets move intimately. When you see the major set-ups presenting themselves, that is when you pull the trigger to take the trade.

Wait for the set-ups to present and don't go out searching for them.

I can assure you, that this will significantly improve your strike rate, increase your confidence and boost your account balance!

Keep your emails coming

I get a number of emails from subscribers, and whilst I do my best to reply, sometimes it is difficult to respond promptly.

One thing which I will say, is that I read every single email which you send, and if you have a question, do not hesitate to ask it. I especially enjoy seeing your trade analysis and ideas.

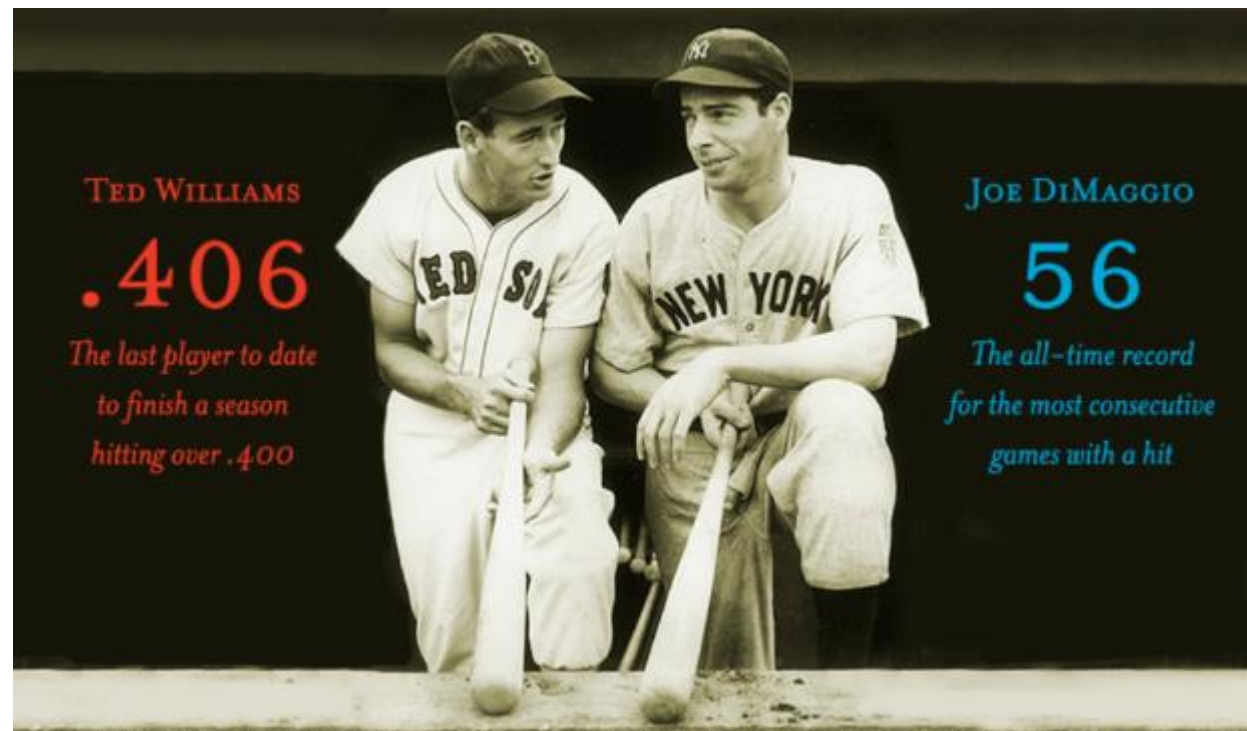
In receiving those emails however, it does allow me to make a great observation, and that is I begin to get a sense as to what type of trader each of you are.

Something which I have noticed in a number of my subscribers is the urge however to overtrade. Looking for multiple set-ups across multiple stocks or sectors.

Now, for those of you who are in that camp and you are absolutely killing it with your trading returns, then my suggestion is to keep what you're doing. Don't stop a good thing.

But for those of you who are having a tough time of it, try pegging back the number of markets you are analysing, and focus on the four or five. Really get to know how those markets move, and look to trade the big set-ups and the big moves.

Believe me. This is where the money is made in trading.



Which brings me back to CBA

And this is my segue back to the Commonwealth Bank of Australia.

In the very first edition of the Time Factor Report series, I outlined a chart of how 3 trades in 20 years could have turned a \$100,000 account into a cool \$1.7 million!

Now, I am not suggesting that you look to only execute 3 trades every 20 years, but a good rule of thumb for trading the markets is to look for three to five good trades on each market over the space of a calendar year.

That is, if you are trading the S&P500, then I would look for three to five trading opportunities in that market – with the majority of those trades in the direction of the trend.

When it comes to a particular stock, then the same rule applies. Look to trade 3 to 5 of the bigger moves throughout the course of the year.

It always helps to trade in stocks that have established earnings and which are profitable companies. Those stocks generally tend to go up. I then look to incorporate the TIME FACTOR into my trading to improve my entry and exit positions over the journey.

A good example is the CBA, which is the largest banking stock in Australia.

Profits help

The chart (right) highlights the net profit of the Commonwealth Bank of Australia for each half year over the last 20 years.

As you can see, the company has never posted a loss in that time. What is more compelling is that the bars on that chart (right) are going in the right direction – ie up and to the right.

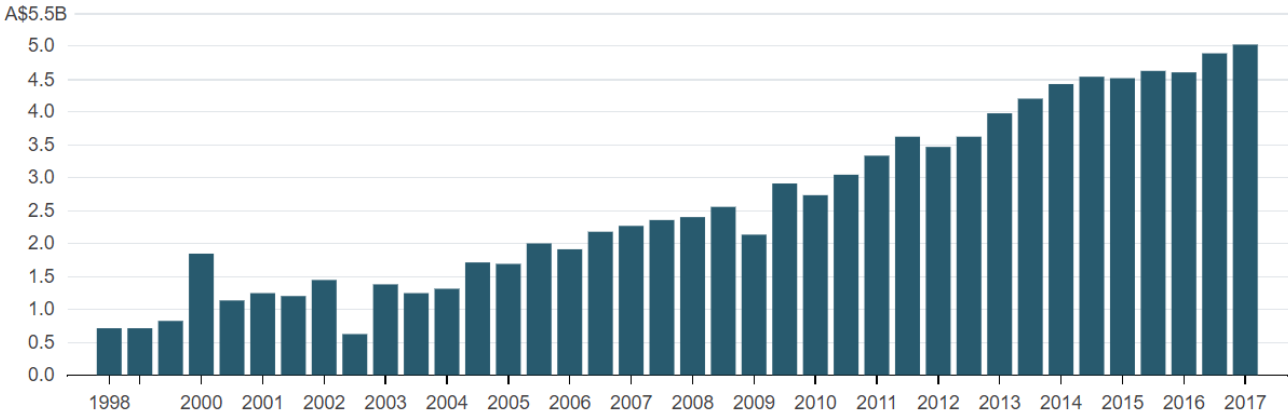
In my view, this setting underpins a good basis for investing in such a company, and by incorporating the TIME FACTOR and our PRICE MEASURING techniques into the analysis, we can often find better ways to enter the stock and to take profits.

There is no need to trade in and out of the stock 20 or 30 times over the course of the year as that only makes your broker richer. But rather, measured trades which incorporate TIME.

The same principle applies for trading stock indices. (as the next page will show)

Don't Let Me Down

CBA hasn't made a net loss in more than two decades



Source: Bloomberg

Batting average .710

I managed to find this chart off the internet in the spirit of Christmas.

It simply represents the performance of the US stock market over the last 200 years. The years 2014-2017 haven't been included yet into the equation, but as we know, you can count each of those in the positive column.

The point I am trying to make here is similar to the lesson on CBA.

Stock markets spend most of their time going up – over 70% of their time going up, in fact.

It is for this very simple reason, that you will make more money trying to be a bull than you will as a bear.

The basic take away from that is to look for the long trades more often than the shorts, and use the PRICE techniques to maximise your entries.

Your investment returns will then really get supercharged by incorporating the TIME FACTOR into your analysis, as the TIME FACTOR will tell you when the next bear market is approaching.

As I have been saying since 2011, and what I first published in my book at the beginning of 2014, US equities were destined for a major bull market over the next several years... and this is exactly what has played out.

Don't listen to them...

All of the perma bears out there that have kept you sitting out on the sidelines, have cost you some of the biggest (and easiest) returns we have seen in decades!

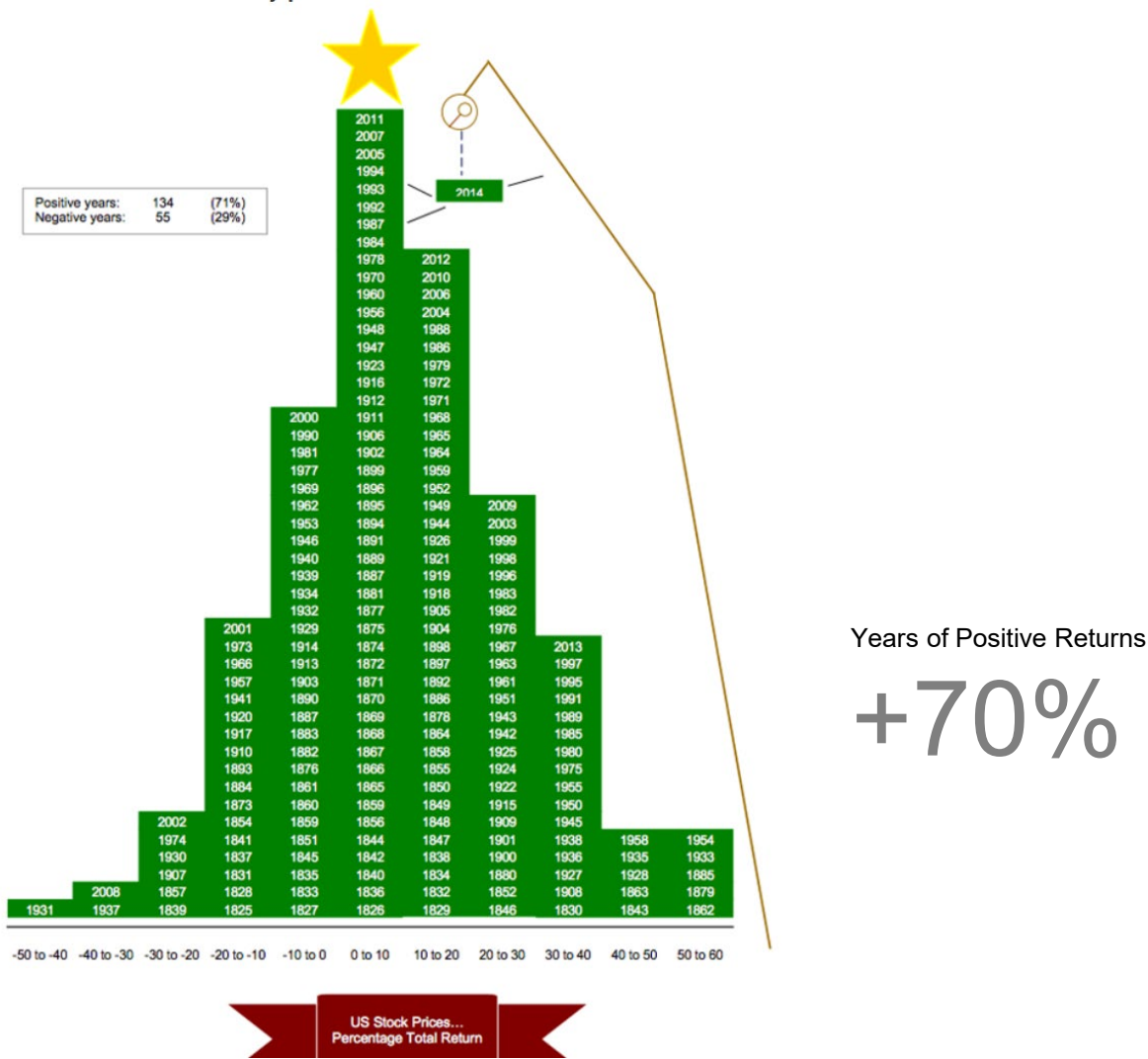
Those of you who have decided to continue with my service in 2018 will shortly receive a courtesy copy of my 2018 Road Map chart – free of charge. It is one that is not to be missed.


This is because 2018 is not going to be an easy year of trading like the last 7 years have been. Navigating through this period will be key, and I believe that 2018 will present more trading opportunities (ie possible five to six big moves) than what we have seen recently.

In saying that, the MASTER TIME FACTOR is still suggesting that the bull cycle remains in play, so I caution those of you who are still sitting on the sidelines waiting for the next big dip to arrive.

Only TIME will tell....

The stock market's merry performance over time



A bronze bull statue, a symbol of market optimism, is positioned in the center of the frame. It stands on a background of a financial newspaper. To the left, a line graph shows an upward trend with values 4,200, 4,400, 4,600, and 4,800. To the right, a table titled 'MOST ACTIVE, GAINERS AND' lists stock data. The text 'US Equities' is overlaid in a large white font on a dark rectangular background.

US Equities

www.thetimefactor.com

The big picture

I want to end off the final Report for 2017 with more of a bigger picture overview rather than the micro detail.

To do this, we must always go back and look at the weekly charts (if not a monthly chart). This will give you a better overview as to where we sit in the MAJOR TIME CYCLE that is currently dominating the US equity markets.

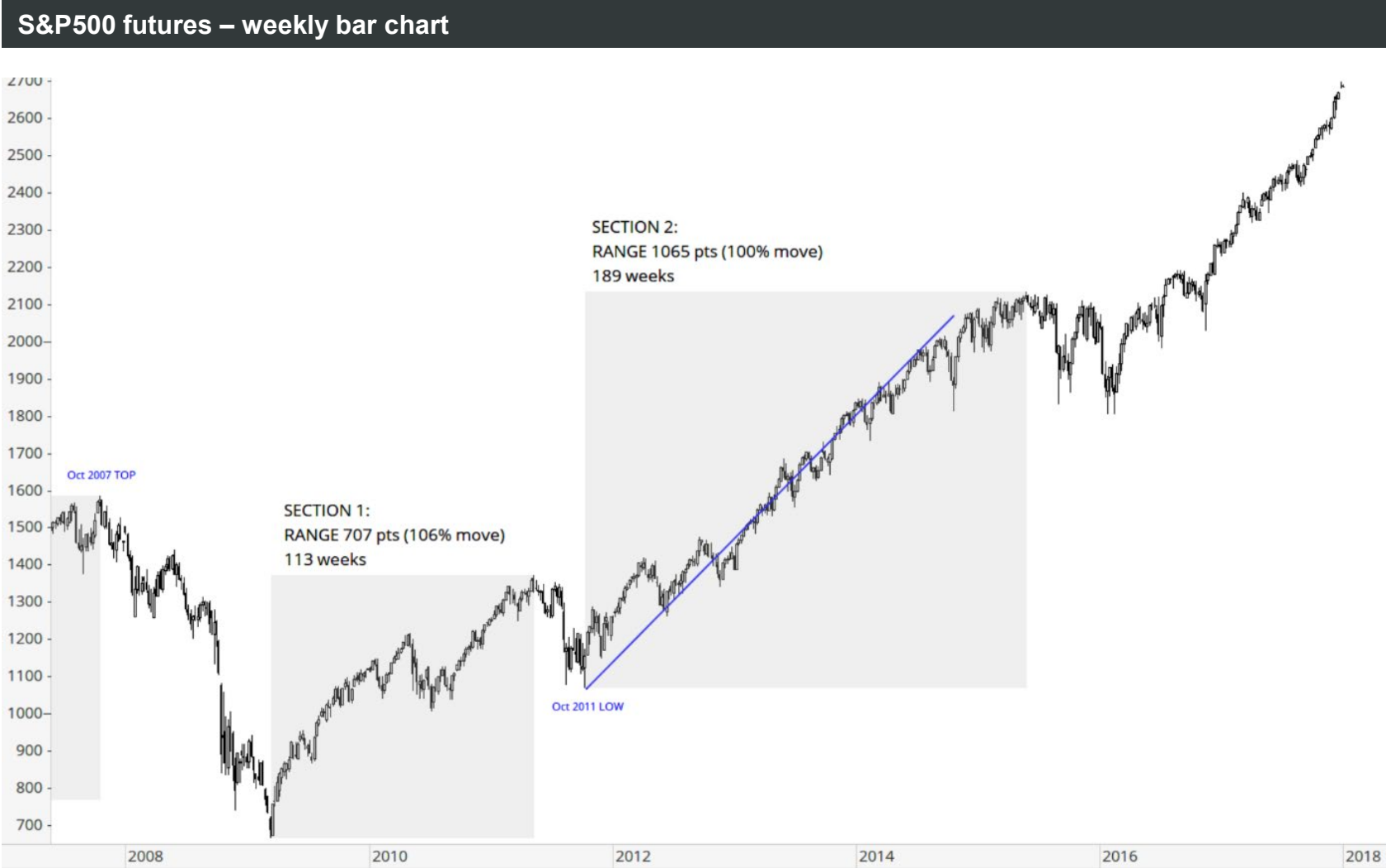
The chart (right), highlights where this bull market has been since the March 2009 low began.

As you can see, we have only completed two out of three sections so far in this bull market campaign.

Section 2 extended for a duration of 189 weeks covering 1065 points, which is longer in both TIME and PRICE than section 1. This was an indicator that a third leg was bound to begin, which is what we are experiencing now.

We are currently 98 weeks and 900 points into the third section, and it is not inconceivable that this cycle could extend for a further 189 weeks and take the S&P500 all the way to 3600.

This would simply be a doubling of the 2016 lows, which is what each of the sections preceding it have done (see the 106% and 100% moves illustrated, right).



Dynamic Gann

In last month’s report, I provided the Dynamic Gann chart (see right) and outlined that we need to watch the 29/30th of November for a potential sell off in US stocks.

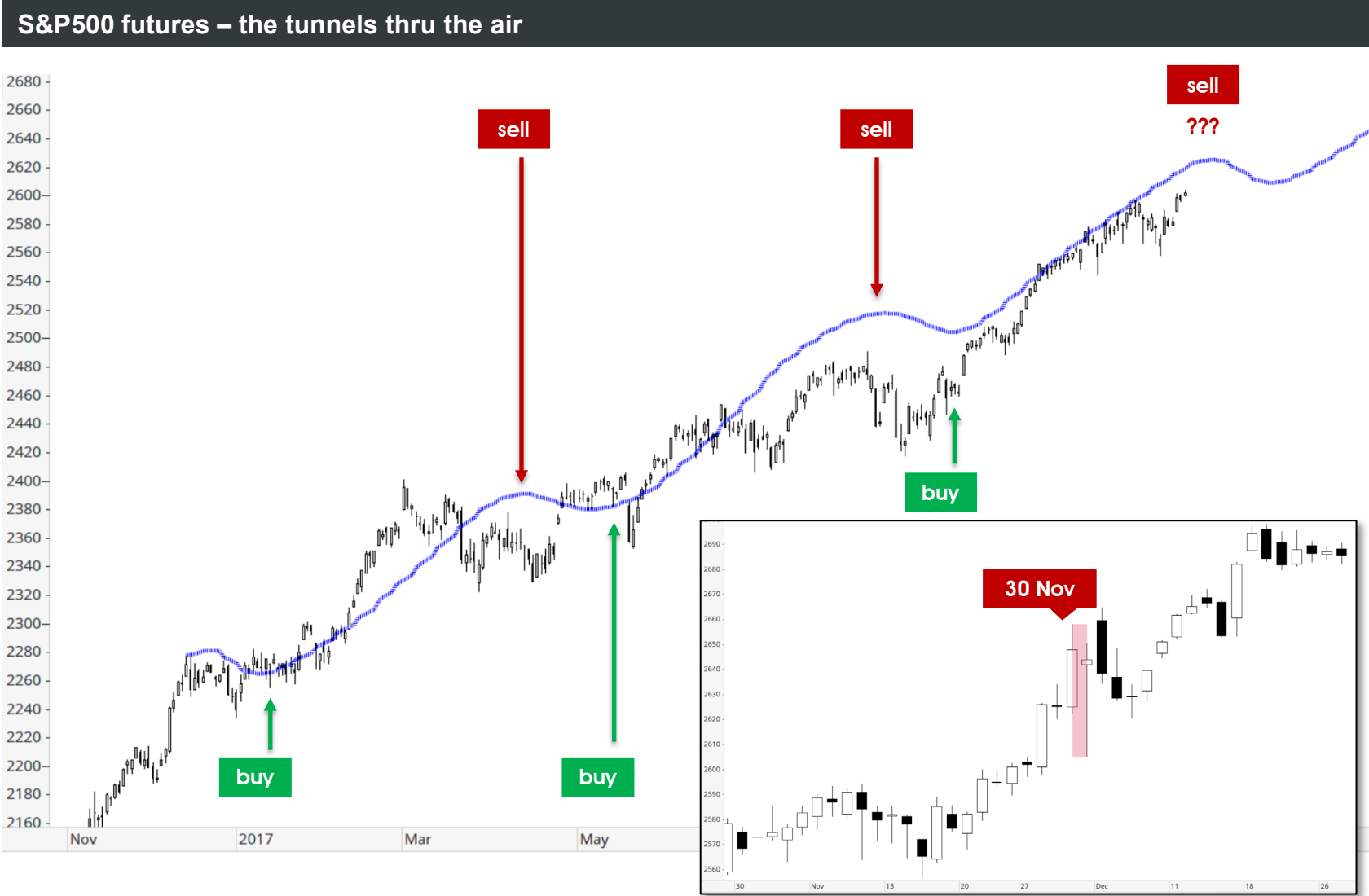
As if the market was right on cue, we experienced a sell off exactly on 30 November (see insert, right).

For a moment there, I was beginning to think of myself as somewhat of a hero. The market had corrected 2.0%, which was the biggest correction it had experienced since I nominated 8 August 2017 as a date for a TOP to the exact day, almost a year before the event.

But the beauty of the markets are that just as you have started to pat yourself on the back, the market gives you a reality check again, and we saw a sharp move higher, completely erasing the losses from that 30 November high.

To me, this is just a further indicator of strength in the market, where retracements are bought quickly and the market continues to melt up higher.

When you view this in light of the bigger picture (see previous page), why would you even attempt to fight the freight train by shorting the current market?



The major reference points

In the chart (right), I have highlighted for you the three main reference points to measure your **trading to Time** dates for the calendar year 2018 ahead. These are:


- 9 Nov 2016 (or 8 Aug 2017)
- 1 Mar 2017; and
- 18 Aug 2017

These are the three key dates from which to run your major time counts (90, 120, 180, 240 and 270) and look for significant turning points using the **trading to Time** technique described in Trading with the Time Factor – volume 2.

The US equity markets will make its most significant turns on the major time counts from each of these dates.

This is what you need to look out for in 2018.





ASX 200

Aussie. Aussie. Aussie.

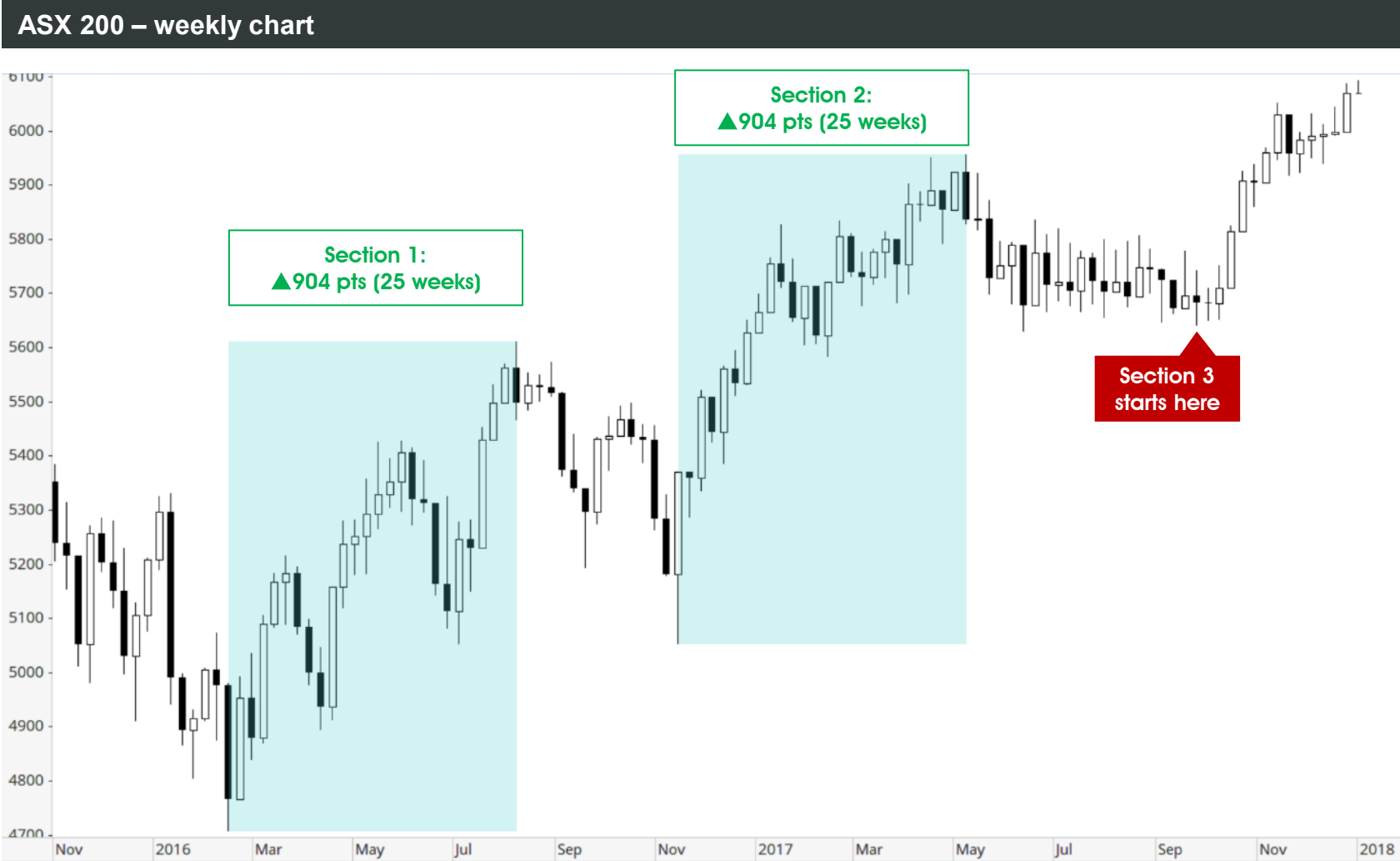
My view on the ASX 200 remains unchanged, and I continue to hold a long position on this index in my **long term portfolio**.

At the very beginning of the year when this market was trading at 5000, I boldly made the prediction that we would trade at 6000 before the year ended. As you can see on the chart (right), this is exactly what has transpired.

Looking at the weekly charts, we have completed two intermediate sections that were of exact magnitude in both TIME and PRICE, and something we had not only predicted, but written about in earlier editions of this Time Factor Report. Those of you who have followed me throughout the year, will have seen the May top coming well in advance of it happening.

I know believe we have entered section 3 of this intermediate cycle, and a move of at least another 900 points should be on the cards.

That would take the ASX 200 to around 6500 throughout the course of 2018.



Next stop 7000?

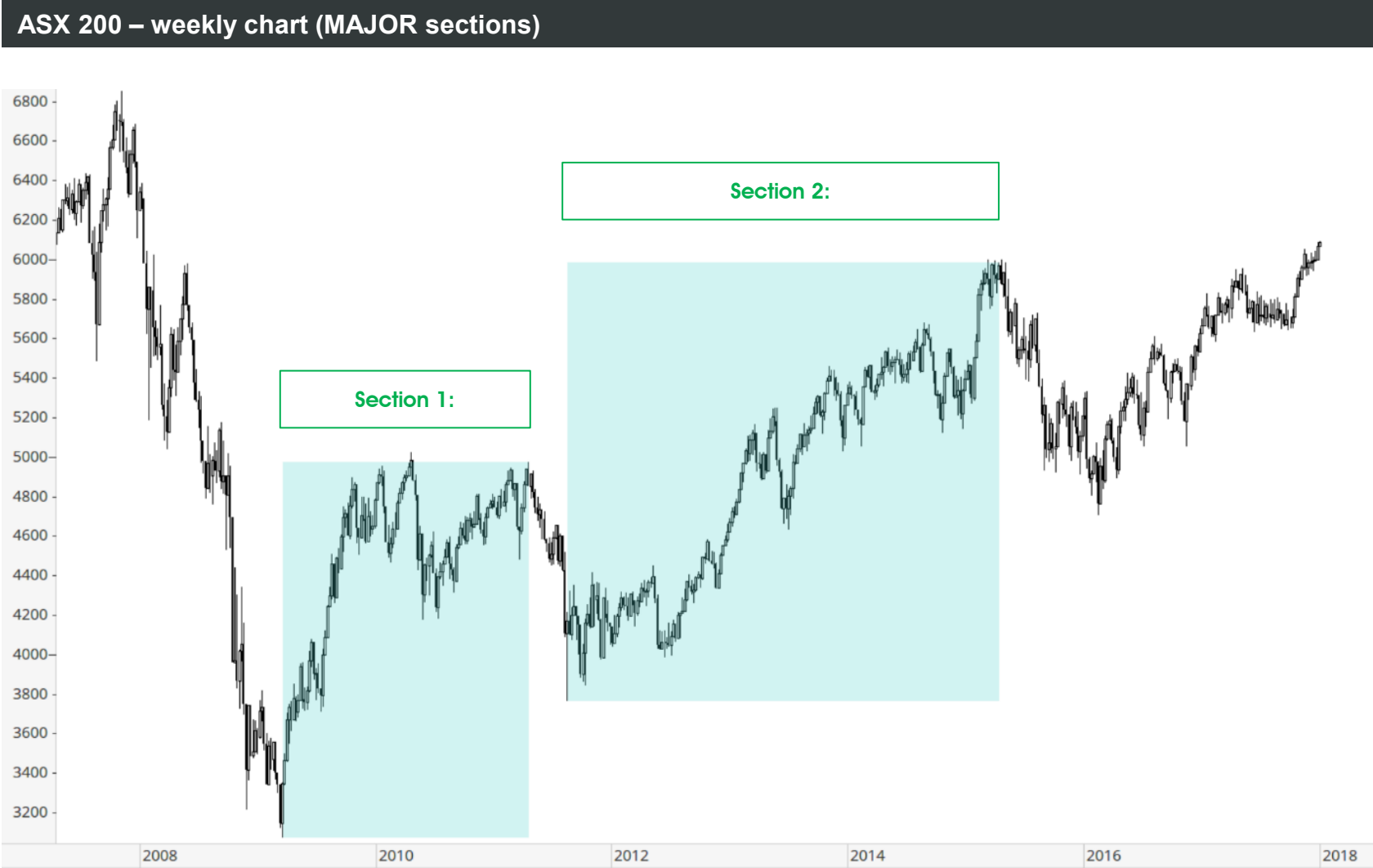
By stepping even further back at the ASX 200 and looking at the bigger picture on the structure of this market, I see that we are without a doubt in the third MAJOR section of a bull market in this index as well.

With the break of 6000, the Aussie stock market is moving into new highs, not seen since 2009, and I would be astounded if the all-time high of 6800 was not eventually broken before the third MAJOR section plays out.

Whether 6800 happens next year or not is up for debate, but I certainly believe that by 2018 the ASX 200 trades with a “7” handle at the front.

There a number of ETFs or index funds which can give long term exposure to this market.

My objective will be to accumulate positions on any significant retracements to ride this major cycle higher.



Long the financials

Last month I wrote that a bottom on the XFJ near the 7/8th of December and on or around the 6438 price level would be a dream buying opportunity on this index.

As you can see (right), we bottomed out on the 5th, but made trade reversal on December 6 right on our 6438 Fibonacci support zone at 6438.

This provided us with a long entry opportunity, and we now look for that old high at 6700 to be taken out on the high side.

If 6700 can be broken, then I would expect a repeat of the move from 6170 to 6705 to be on the cards. This would take us back toward the 7000 level on the XFJ and this would support an overall stronger market in the broader ASX 200 index.

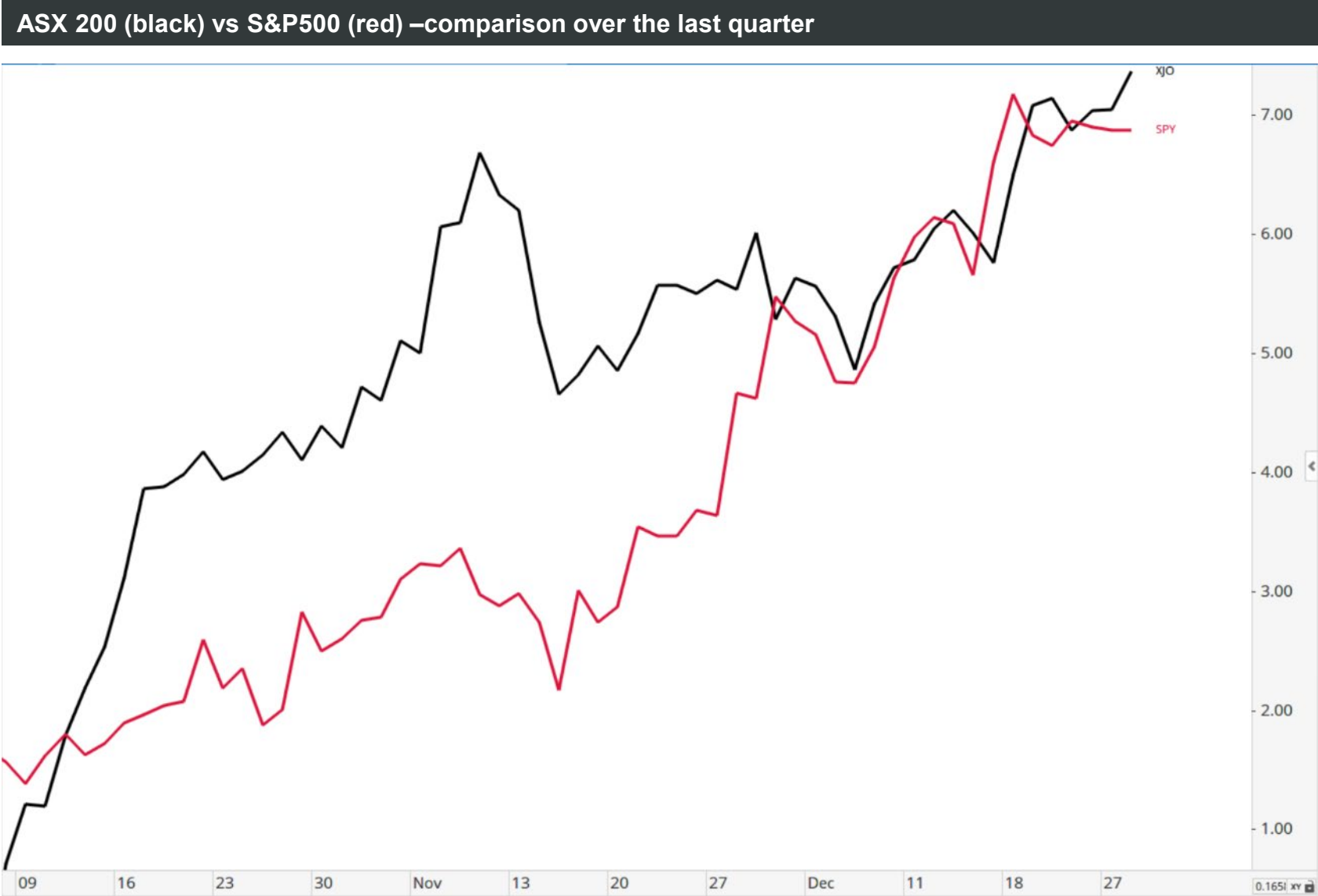


Australia is where I want to be

Australia continues to be the place where I want to be in 2018 as I think this index outperforms our friends over in the United States.

Make no mistake, whilst I believe that the recent Trump tax cuts will see forecasts to US corporate earnings continually revised upward throughout the course of 2018, I think it will be mining stocks and Australian financials that will lead to an outperformance in the ASX 200 over the SP500 in 2018.

Based on my Road Map forecast, there will be tremendous trading opportunities for both markets in the year ahead.



A close-up, macro photograph of gold coins and bars. The coins are in the foreground, showing intricate details of their design, including a large 'S' and a circular emblem. The bars are in the background, showing their rectangular shape and the texture of the gold. The lighting is warm, highlighting the metallic sheen of the gold.

Gold

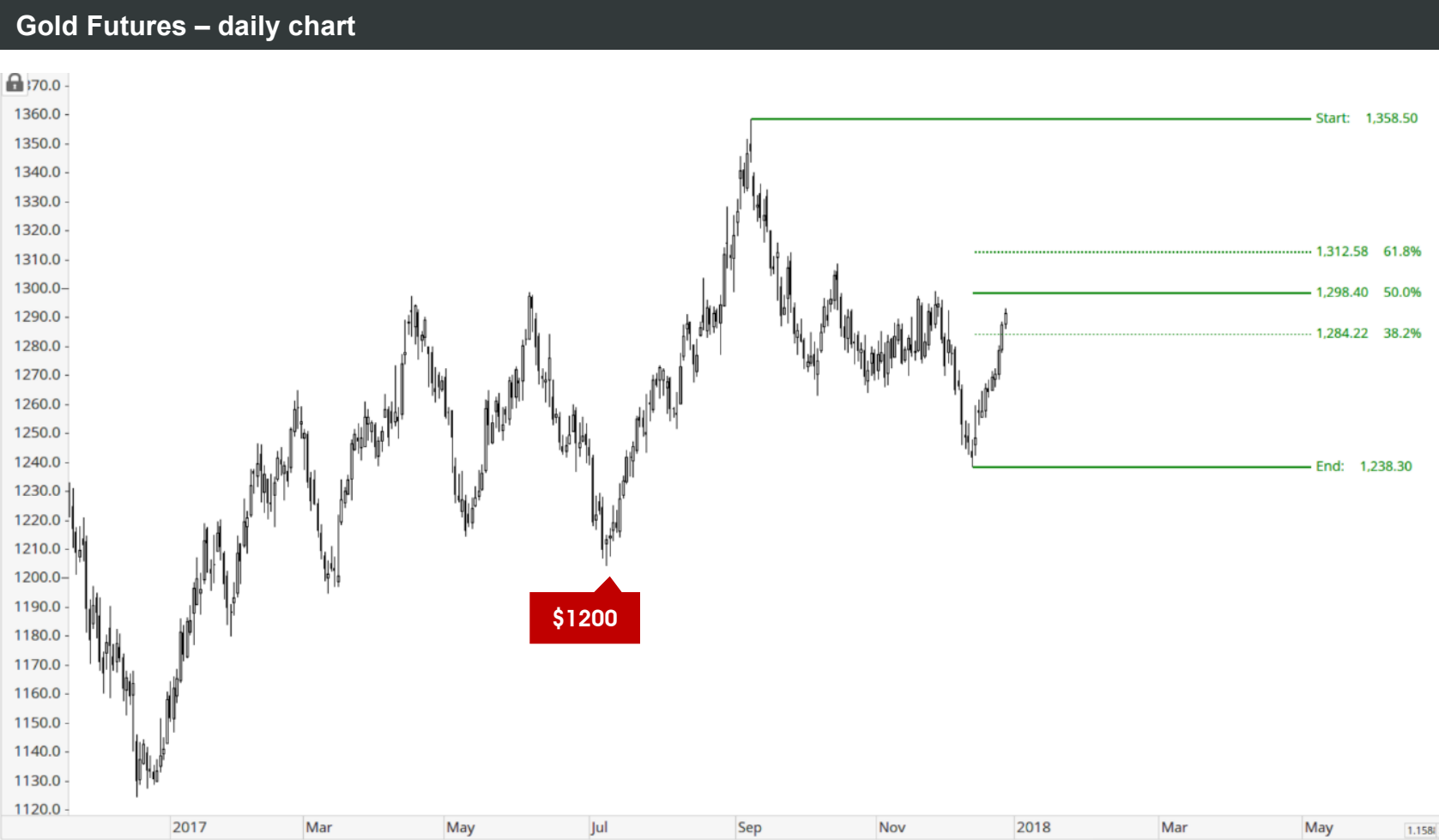
If it were that easy

The price action in gold last month is a perfect illustration of why trading the markets is one of the toughest things on the planet to master. I suppose if it were that easy, then all of us would be living on a tropical island somewhere basking in profits.

I will admit, that the price move below \$1263 in gold gave me cause for concern, but structurally, I maintained my long position in the GDX (Gold Miners index) because that low at \$1200 remained in tact.

For me, the recent low at \$1238 now becomes the critical reference point, and if we can take out resistance at \$1300, then I think we get the slow grind higher in gold prices throughout the course of next year.

For that reason, I maintain a long position to the GDX in my long term portfolio.



The Dynamic Gann angles

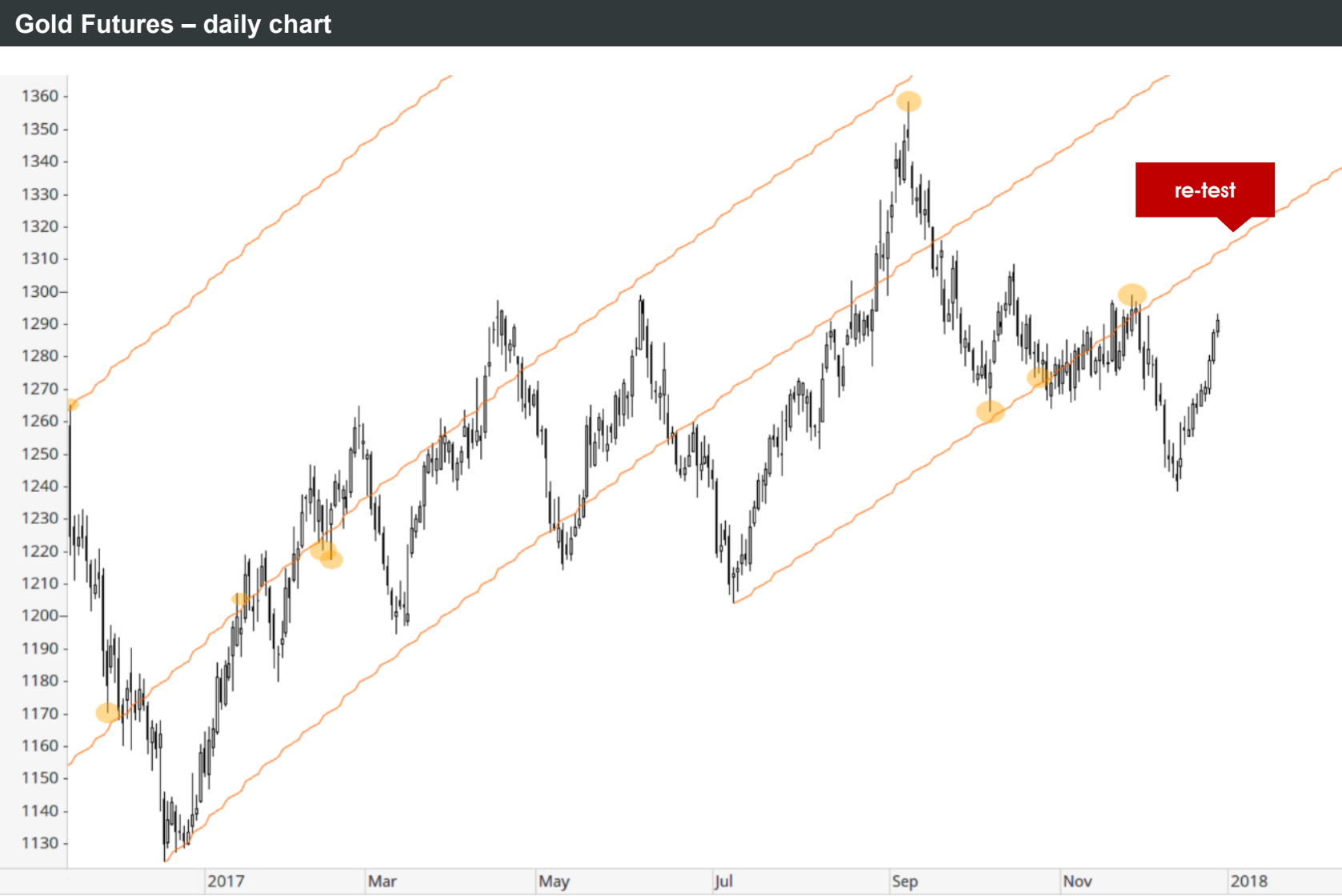
The Dynamic Gann angles, or Gann's "Tunnels Thru The Air" continue to control the market in gold.

As I mentioned last month, as part of your subscription to the Time Factor Report next year, I will not only outline how to calculate these dynamic Gann angles, but I will reveal the reasons why certain angles work on one particular market and why other angles work on other markets.

I will cover off these lessons via on-line video tutorials which you will be able to download and watch again as part of your subscription service.

For now, resistance at \$1300 will be met by these angles, and gold looks like it is being magnetised at the moment to re-test the previous angle which it broke away from.

This is what I am watching.



Still on track

My predictive price curve (orange line) continues to broadly forecast the overall direction of actual gold prices (black line), and hence I have no reason to stop following the price curve going into 2018.

As with US equities, I think trading in gold and gold mining stocks will be tough going in 2018 and the old 'set and forget' style of trading may not pay off dividends.

For that reason, gold is a market that needs to be closely followed next year in order to maintain ahead of the ledger.

Gold continues to be a market that I follow closely, and something I will cover in substantial detail as part of next year's service. Rest assured of that!

Gold Futures – predictive price model



FX markets

No real change

The Australian dollar last month found support, and exactly as we forecast in last month's report, it has found price support and has re-based itself inside that bull channel (marked green, see right).

Bias to me appears to remain on the upside as long as the AUD trades within this channel, therefore it is one where we should look to buy the dips and use our **trading to Time** technique to identify buying opportunities along the way.



Trading to Time

I am thrilled to be leaving my analysis on the AUD/USD on an absolutely positive note for the 2017 calendar year.

What better way to end my analysis on this currency pair than a re-cap of what I outlined in last month's report:

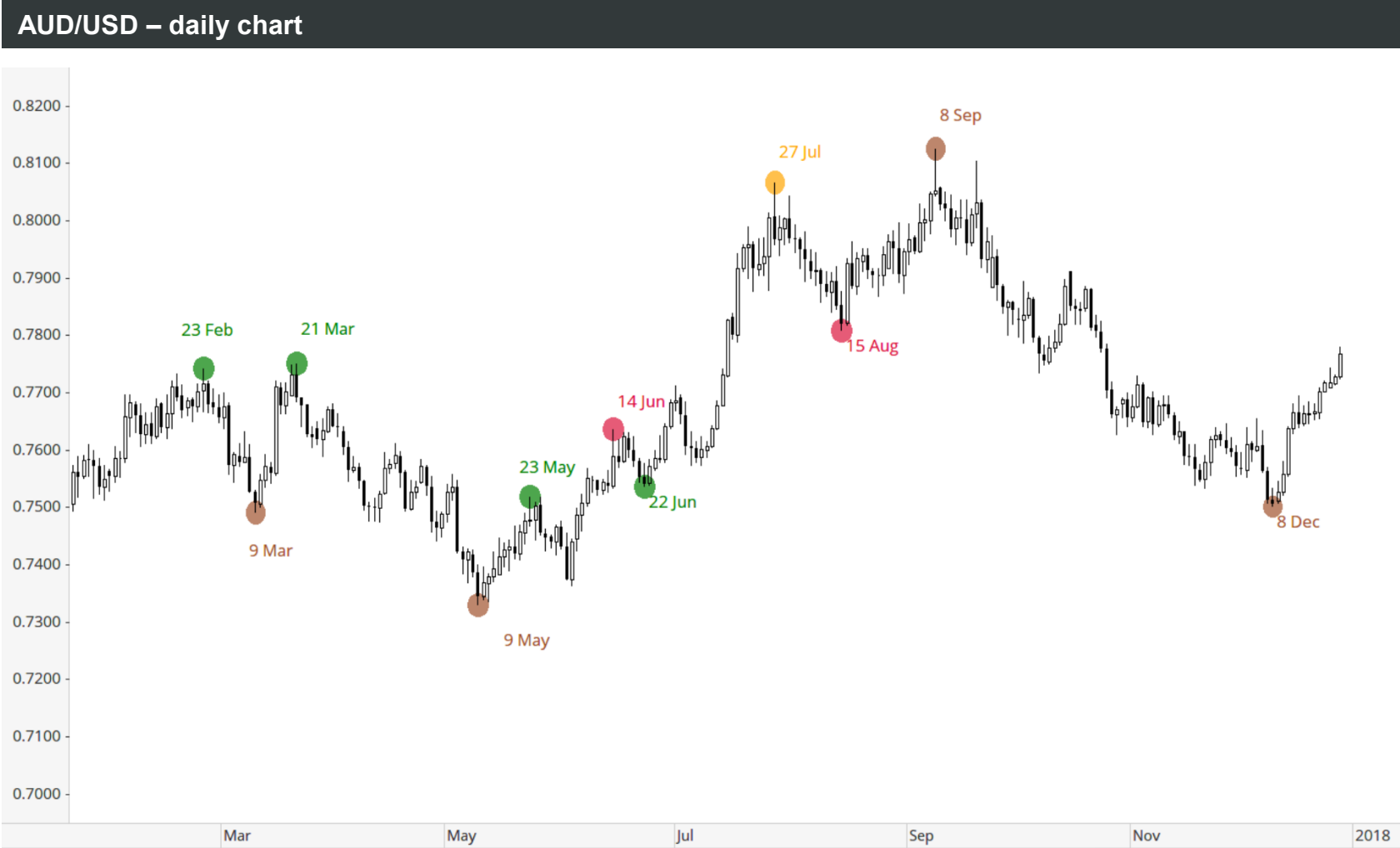
“It appears to be a date coming up for most financial markets, but 8 Dec is the next turn in the sequence that we need to watch for the AUD.

A low on or around this date would provide the most beautiful set-up for a long trade position”

As you can see (right), 8 December to the exact day proved to be the date of the low.

These are the types of set-ups that I was referring to at the very start of this month's report, and the bigger moves that you need to be patient for in order to profitably trade the markets.

Well done to those of you who took this long trade. I hope it brought you a Merry Christmas and some extra presents for the family.





Sneak peek

Natural TIME

I want to finish off this year’s Time Factor Report by giving you a sneak preview of what is to come in 2018.

In 2018, the focus will be all about education. Giving you the tools to improve your trading.

One such technique which I have developed over the years with great effect is the use of Natural Aspects of Time.

These aspects are quite difficult to calculate, and occur infrequently, but when they do, they are a powerful predictive tool for changes in trend.

The chart (right) highlights the use of this tool on the S&P 500 index, and how it has successfully predicted MAJOR turning points in that market over the past few years.

The next Natural Aspect of Time in the sequence is not due to occur until sometime in 2018.

(the actual date will be revealed next year as part of your subscription)



Master Angles

Another technique that I plan to teach next year to subscribers is how to calculate MASTER ANGLES on a particular stock index or commodity market.

The chart (right), illustrates the Master Angle at work on the ASX 200 index throughout the course of 1996 to 2003.

As you can see, each MASTER ANGLE is separated by approximately two years in duration, and successfully forecast the yearly high on each occasion in the ASX 200 index.

This MASTER ANGLE again influenced each of the year highs in the ASX 200 in 2013, 2015 and 2017 and is due to repeat again sometime in 2019.

(the actual date will be revealed next year as part of your subscription)

I can't wait to be in touch again in 2018!



And so, for the last time this year:

Until next time...

for further information, visit:

www.thetimefactor.com