Date : 25th August 2018
Volume 1, Issue 1

FINANCIAL FREEDOM & WAVES 618 WEEKLY NEWSLETTER

ITS FINALLY HERE!!!

Welcome to the FIRST edition off the FINANCIAL FREEDOM & WAVES 618 WEEKLY NEWSLETTER from yours truly! We really are excited to finally get this newsletter of the mark and we hope and know you'll love the content! Each week we hope to educate, provide TA, fundamentals from a wide variety of markets and share keen market insights to help you become a more rounded trader and investor. Thank you for the continued support and appreciation into our work! Let's get right into it...

DOW JONES to 40K and CRASH?!

I enjoy making bold calls. From Bitcoin to Altcoins to the Dollar to the Nasdaq. Thinking of the contrarian view is so important in these markets and overtime, I have learnt and mastered the value and forward projection ability of Elliot wave and Fibonacci. Today, I will give the compelling case for why the Dow Jones will hit 40k within a few years.

At time of writing the markets appear to be slowly making their way towards newer highs. I feel a turning point is coming soon in the major US markets and this could happen as early as September. Go in May and come back St Ledgers Day as the old saying goes—the big boys will back at the Casino table very soon and they have pocket rockets...

Looking at the Elliot Wave (EW) Count (see overleaf), one can see this bull market (LONGEST in Stock Market history) started with a Primary level 1 wave to 2010 followed by a 38.2% retracement Primary wave 2 ending soon after. Following this we experienced a near 8 year Primary wave 3 which I believe is now due to end. This will mean a minimum 20% correction is due over at least the next 6 months which could take the Dow to circa 20-22.5k. I feel we are then ready for one final "blow" off top scenario towards 40k.

After this comes the "End of the World" 80-90% crash scenario as we complete multiple Elliot Wave degrees simultaneously—notably Primary Wave 5 of Cycle wave 5 of a Supercycle Wave 5 (since 1930 Great Depression Lows) and potentially of a Complete Grand Supercycle since Dow Jones/ NYSE inception in 1789.

This stock market sell off will be akin to a 1929 moment. Timing is hard to predict but it can be anywhere between 20201-2021 based on current estimates. (cont)....

HIGHLIGHTS

- DOW JONES to 40K and Crash?!
- CRYPTO NEWS-DESK—Nas vs Waves 618
- EDUCATIONAL TA SERIES
- TECH-POCALYPSE!
- GOLD— Reversal or Oversold bounce?
- 10 LAWS OF ENGAGEMENT SERIES—LAW 1…..
- QUOTE OF THE WEEK

Chart of the Week—DOW JONES to 40K and CRASH?!

The alternate count is that we are already in a primary wave 5 (Primary wave 3 therefore ended 2015/2016) and this projects a Dow target of around 30-33k followed by large correction.

Either way, the next 6 months of price action will tell us exactly which count is correct—I favor my first interpretation but as always with Elliot Wave we must be vigilant for alternate counts.

Federal Reserve Policy and movements in the Dollar Index will certainly shape the coming few quarters and investors need to be vigilant for any further Emerging Markets issues causing contagion in USA.

Whether you take my primary or alternate count, it is clear 2019 will be a rocky year and volatility will be here to stay for the foreseeable future.

Nas

Crypto Newsdesk– Nas vs Waves 618

As stated in December in my infamous 20k and crash BTC video which went viral, I feel the bitcoin market is inevitably heading lower to a target of $2496. We are now approaching the latter part of this Bear market as this sideways consolidation is about to show its hand—likely down.

I do however, feel in the short term there maybe some sideways to higher price movement, possibly to $7100 as the BTC dominance marches higher towards possibly 60% but this is a risky trade.

The Altcoins can and will not rally until this BTC dominance starts to produce lower highs and lower lows - indicating an Altcoin rally is amongst us—but for right now we need to stay safe and vigilant as many will end up at 0. My Fib Time work suggests the next key swing low will be September 21-30th.

I expect medium term, a move below $5700 will cause a lot - of panic selling and likely this will present a medium risk reward play to accumulate some BTC with the potential to invest in cheap altcoins as BTC remains sideways / up (around 4.5k average) before another push down towards $3000.

Clearly the overall trend is down and one must always be vary of a large marco Stock market sell off and the rally in the Dollar which will clearly apply pressure across the board to equities, foreign exchange rates and cryptocurrency in a “risk off” scenario.

Nas

A general awareness of the bear market in Bitcoin is now becoming apparent to even the newest of traders. The psychology of a novice trader naturally looks for another buying opportunity in a desperate attempt to experience a sample of the euphoria experienced during the late 2017 parabolic move up. The harsh reality is that any parabolic move will be met with a retracement of similar magnitude. As a general guide to determine whether a trend is continuing or changing, it is important to apply indicators that guage the market trend. Of such indicators, moving averages and Pitchforks are second to none. By looking at these indicators it is clear to see that the bear market has unfinished business. A clear rejection at the 200 day MA at 8500 on 25th July, with the confluence of the upper warning of the retracing WXY formation on the hourly timeframe being hit demonstrated that the bears still have control of this market.

From an Elliott wave perspective the entire retracement so far can be seen to be forming a WXY pattern, having completed the W and X waves and we are now to see the completion of the Y wave. The X wave appears to have formed a lengthy descending triangle with a projected target to 3200. The .786 Fibonacci retracement of the entire move to 20,000 lies at 4200, which will also offer a level of support. I feel it would be reasonable to be short until 4200 and then sit on the sidelines waiting for a potential bottom to form which may go as low as 3200. (see overleaf for charts)

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10 LAWS OF ENGAGEME-NET SERIES

Law 1— CURIOSITY

A wise man once told me to question everything and never to take anything at face value. The world is very simple once you understand the players and their agendas. Media are used to push forward narratives to catch people offside precisely at the wrong time and there are numerous examples of this — seen very recently with Bitcoin. Very simply, as traders/ investors, we are in essence “liquidity providers” to the market and through media headlines emotional states change and lead us to buy/sell thus providing the liquidity to the big players to move in or out. The market is designed for one thing only—to move money from your pocket into theirs. Objectively its amazing how they continue to do this without anyone noticing. The trick is to not be influenced, to question everything and in fact be rather “cynical” on the world and a “little bit angry”. Only in this mindset can you begin to understand the game at hand—and once understood, it can easily be conquered. This also applies to news headlines and so forth—so question everything that you see or hear and likely you’ll then begin to understand the world around you for the better—to “ reach a moment of clarity”. As I always say, only two types of people in the world—players and those who get played— your choice.

Nas

“Go in May and come back St Ledgers’ day”

TECH-POCALYPSE What’s Next—Watch Apple..

The TECH-POCALYPSE is amongst us. Four weeks ago I did a video for YouTube whereby I looked at the EW count and predicted the soon demise of the Nasdaq. 48 hours later Facebook plunged over 25% after hours in the single biggest single stock daily flash crash move of all time. End of Week FB PUT options went up over 10,000%. Facebook, Netflix and Twitter have already moved violently from all their recent highs and I don’t see those prices coming back for a while, suffice to say, I still expect more downside especially in Netflix, which could easily go as low as the Gap Fill at $238.

Money is moving out of High Beta, Growth stocks like Tech into more defensive names such as the Dollar and various S&P500 sectors like consumer discretionary and Staples — very typical behavior as we approach the terminal end of a Bull Market—more on this in next week’s edition so stay tuned. I feel the Nasdaq is only now being propped up only by Apple which itself appears very extended having surpassed by most bullish expectations of $214—once it begins to reverse I expect a very swift move down below 7000 in the Nasdaq Composite which is very easily reachable.

A move down in Tech certainly follows with my overall macro view that at least a 20% correction in the major markets is not only likely but necessary. Over extended moves need that time to consolidate. Inevitably, Tech will drag down the major US markets of the Dow and S&P500.

Apple will invariably be the key to the “Nasdaq Short” trade so keep a close eye on the darling of Wall Street as good shorting opportunities will invariably arise.

Nas

Educational Technical Analysis Series—Lesson One—Pitchforks

Pitchforks are an advanced application of Elliott wave, in that they require a good knowledge of Elliott wave to be drawn. A pitchfork forecasts a trend based on the first 2 waves in an Elliott wave sequence (These 2 waves form the 3 pivots required to plot the pitchfork). A standard pitchfork will consist of 5 parallel lines. The most significant of these lines is the Median line in the centre.

2 parallel lines will be drawn on either side of the median line. The closest of these lines is 1 standard deviation away from the median line and is referred to as the 'upper or lower median line'. The furthest of the parallel lines is referred to as the 'warning line' and is 2 standard deviations away form the median line. These lines provide a general guide for trend traders as they act as support and resistance.

The importance of accurate plotting of the 3 pivots cannot be stressed enough and should always be applied using magnet mode, as any deviation away from the correct points will significantly affect the position of the parallel lines.

It is for this reason that a good knowledge of Elliott wave is required as the pivots are drawn at the beginning and end of the first 2 waves which are not always clear to see when complex waves are formed.

As price action breaks the warning line, this generally signifies a change in trend.

Of note there are a few different applications of Pitchforks, of which 'Andrew's Original Pitchfork and 'Schiff's pitchfork' are generally the most useful. Schiff's pitchfork has a more gentle gradient and a degree of trial and error is required to find the most fitting pitchfork, i.e the one whereby price action respects the parallel lines best.

Also keep in mind that certain charts will respect these lines better on either the regular chart or the logarithmic chart. I find that any chart that has a tendency to form exponential parabolic price movements will respect the logarithmic scale better.

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QUOTE OF THE WEEK: “When America sneezes, the whole world catches a cold”

GOLD—Reversal of trend or oversold bounce??

Following the most influential period of 2018, around June 13th, Gold has been trending downwards on the back of huge catalysts: US rates decision, EURO rates decision, G7 summit, Tump-Kim summit and OPEC. Price plunged from 1300 down to 1160 following sideways price action in the 1 month prior. This week the Jackson Hole Symposium for the Central Banks poses the first potential disruption to this trend. Trade war uncertainty still dominates the headlines but the weekly closing price for markets following the Jackson Hole Symposium will likely give investors a greater sense of market direction for the next several weeks

Gold bulls will be looking at the large WXY pattern playing out on the weekly chart and taking particular interest to the monthly hammer candle forming. The end of August is generally a volatile period for gold which often kickstarts future trends so bulls will be looking for reversal indicators such as our monthly hammer candle, a close above the 1180 support of the monthly inverse head and shoulders pattern and a daily close above 1174 (the 78.6% Fib retracement of the prior high low on the daily chart). In addition the daily RSI is also showing divergence as it flattens in contrast to the downtrending price action since June 27th. A weekly close above the 20 day MA at 1202 is also a strong bullish indicator. Reasons to be bullish: Rising inflation (Gold often considered a hedge against inflation) Market uncertainty driving money from stock to safe haven assets.

Gold Bears will be looking at The Jackson Hole Symposium as a pause in the downtrend with Elliott Wave Traders paying a close eye on retracements of the impulsive move down from 1300 to around the 38.2% Fibonacci retracement at 1217 at a confluence with the 4 hourly pitchfork's median lines. Reasons to be bearish: Potential widespread market crash affecting all asset classes

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SNEAK PREVIEW TO NEXT WEEK's EDITION!!

- What's an Inverted Yield Curve—It's significance...
- Rules of Engagement Series— Law 2—FEVA Analysis and How to Use Effectively in Trading and Investing
- Educational Technical Analysis Series— Use of "On Balance Volume" - Wyckoff's Secret Indicator…..
- NEW Waves 618 Weekly Column...

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