# Elliott Wave STOCK MARKET

Elliott Wave Technical Analysis

## ELLIOTT WAVE STRUCTURES GUIDE - PAGE 1

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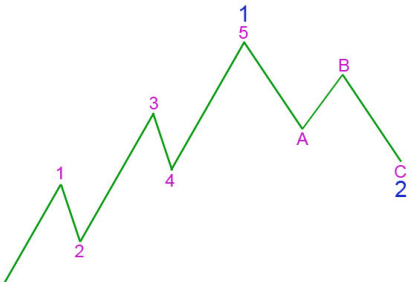
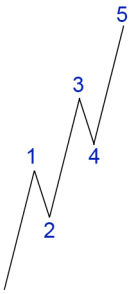
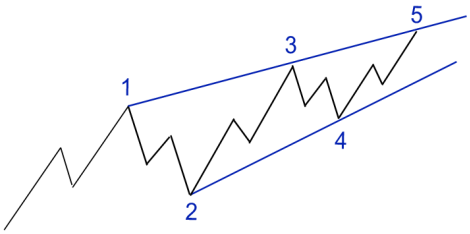
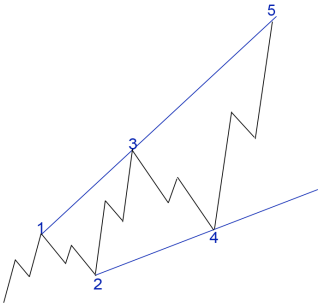
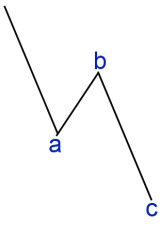
|---|---|
| **BASIC STRUCTURE**<br>  | - numbered waves carry trend in the main direction<br>- lettered waves move against the trend<br>- waves build upon themselves to form fractals<br>- waves 1, 3, 5 & C subdivide into "fives"<br>- waves 2, 4 & B subdivide into "threes"<br>- wave A may be either a "three" or "five"<br>- waves 1 & A may be leading diagonals<br>- waves 5 & C may be ending diagonals<br>- wave 3 may only subdivide as an impulse<br>- "fives" are impulses and diagonals<br>- all other structures are termed "threes" |
| **IMPULSE**<br>  | - wave 2 may not move beyond the start of wave 1<br>- wave 3 may never be the shortest<br>- wave 3 must subdive into an impulse<br>- wave 3 must move beyond the end of wave 1<br>- wave 4 may not enter wave 1 price territory<br>- wave 5 normally moves beyond the end of wave 3 (failure to do so is termed a truncation)<br>- usually two of 1, 3 & 5 exhibit a Fibonacci ratio<br>- sometimes all of 1, 3 & 5 exhibit Fibonacci ratios |
| **CONTRACTING DIAGONAL**<br>  | - wave 2 may not move beyond the start of wave 1<br>- wave 3 must move beyond the end of wave 1<br>- wave 4 should overlap wave 1 price territory<br>- wave 4 may not move beyond the end of wave 2<br>- when leading subwaves 2 and 4 must be zigzags, subwaves 1, 3 & 5 may be zigzags or impulses<br>- when leading wave 5 may not be truncated<br>- when ending all subwaves must be zigzags<br>- wave 3 should be shorter than wave 1<br>- wave 4 should be shorter than wave 2<br>- wave 5 should be shorter than wave 3 |
| **EXPANDING DIAGONAL**<br>  | - rules as for contracting diagonals EXCEPT:<br>- wave 3 should be longer than wave 1<br>- wave 4 should be longer than wave 2<br>- wave 5 should be longer than wave 3 |
| **ZIGZAG**<br>  | - wave B may not move beyond the start of wave A<br>- waves A & C must subdivide into fives<br>- wave B must subdivide into a three<br>- conforms well to a parallel channel<br>- wave C normally ends beyond the end of wave A (failure to do so is termed a truncation)<br>- the ratio between A and C is less reliable than ratios between 1, 3 and 5 within an impulse |

# ELLIOTT WAVE STRUCTURES GUIDE - PAGE 2

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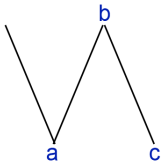
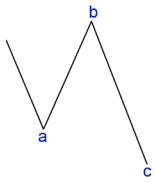
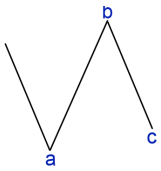
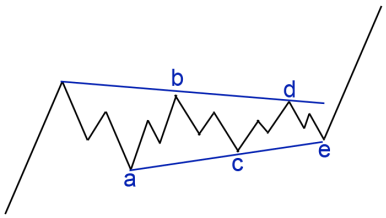
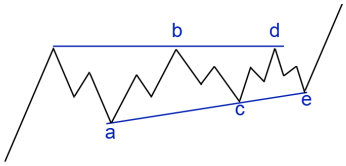
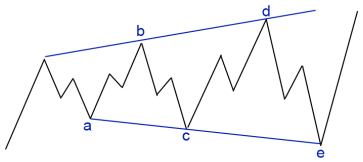
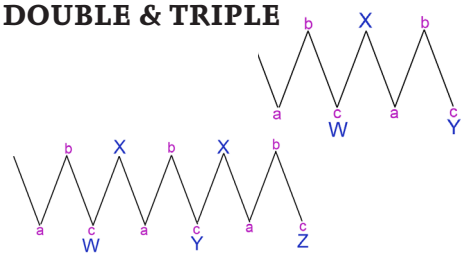
| **REGULAR FLAT**<br>  | - A &B must subdivide into threes<br>- C must subdivide into a five<br>- B ends about the start of A (can be a little beyond)<br>- wave B must be minimum 90% of wave A<br>- C ends about the end of A<br>- conforms well to a parallel channel |
| **EXPANDED FLAT**<br>  | - A &B must subdivide into threes<br>- C must subdivide into a five<br>- B must be minimum 105% of A<br>- C usually ends substantially beyond the end of A<br>- does not conform at all to a parallel channel<br>- the most common type of flat |
| **RUNNING FLAT**<br>  | - A & B must subdivide into threes<br>- C must subdivide into a five<br>- B ends beyond the start of A<br>- C fails to move beyond the end of A (is truncated)<br>- may conform to a parallel channel<br>- reasonably rare (check B subdivision to confirm) |
| **CONTRACTING TRIANGLE**<br>  | - B may move beyond the start of A (running triangle)<br>- C may not move beyond the end of A<br>- D may not move beyond the end of B<br>- E may not move beyond the end of C<br>- E either overshoots or undershoots the A-C trend line<br>- the point in time at which trend lines cross may see a trend change<br>- four of the five subwaves must be zigzags, double zigzags or a triangle (only one double or triangle)<br>- one subwave may be an impulse<br>- the most common type of triangle |
| **BARRIER TRIANGLE**<br>  | - same as for contracting triangles EXCEPT:<br>- D ends about the same level as B (may be very slightly beyond)<br>- the B-D trend line is essentially flat<br>- the movement out of the triangle is either a short sharp thrust or an extended fifth wave<br>- not as common as contracting triangles |
| **EXPANDING TRIANGLE**<br>  | - extremely rare<br>- B may move beyond the start of A (does not have to)<br>- C must move beyond the end of A<br>- D must move beyond the end of B<br>- E must move beyond the end of C<br>- B, C & D may not be longer than 150% of the preceding subwave (E may be longer) |
| **DOUBLE & TRIPLE**<br>  | - doubles are common, triples are rare<br>- two (or three) structures (threes) joined by a three in opposite direction labeled “X”<br>- double zigzags deepen a correction<br>- double flats or combinations move price sideways<br>- X is usually a zigzag and may make a new price extreme |