

TYPICAL WAVE PROPERTIES The psychological evolution of the market.

ACTION
IMPULSE

REACTION
CORRECTION

EUPHORIA

No sellers in the market.

It is now clear that fundamentally it has to go up.

Yes, this is crazy, but there is nothing we can do. I guess it has to go higher.

We have a good correction. Good chance to buy some more.

Would like to buy, but already too long.

OK. Now the rise has stopped, the trend is down.

HESITANT AND DIFFICULT TO ANALYSE.

Correction more severe than expected, but nothing has changed, keep on buying and you will make a fortune.

DISBELIEF

This is a new trend it has to go up (POINT OF RECOGNITION)

This is it. We are going down now!

FALSE HOPE THAT IT CAN STILL GO UP.

Sellers come in at each small "top".

Something is wrong, we should see a reversal very soon.

This is too high, its not justified.

OPTIMISM

GOOD BUYING

Too low to sell, but no buyers to push up.

DISORDERLY

NO POSITIONS LEFT

RESIGNATION

JUST A HAPPENING

Good supply

This is a good level to sell. Don't miss it, everybody else made money selling here

RELIEF

Forget it!

The market is crazy. Why did I get involved?

< LEGEND >

Typical wave pattern.

MARKET CHARACTERISTICS

Typical comments heard in the market.

Demand and supply situation.

DOMINANT PSYCHOLOGY

Elliot wave count.

PHYSICAL PROPERTY

REGULAR RANGE TRADING INCREASED MARKET ACTIVITY

Vacuum of buyers

Vacuum of sellers

STOP-LOSS ORDERS

STRONG ACCELERATION WITH REGULAR CORRECTIONS

EXPLOSIVE WITH CLEAR DIRECTION

GOOD SELLING

THIN MARKET

GOOD BUYING

STOP-LOSS ORDERS

Not much interest seen in the market.

CALM AND REGULAR

Good buying demand

STABILITY EXPECTED