

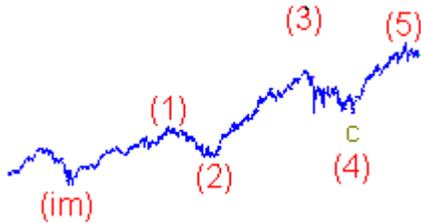
The Eleven Elliott Wave Patterns:

Motive Waves (moving with the larger trend):

Impulsive or Motive waves always move with the larger trend, consist of five waves, and are labelled 1-2-3-4-5.

Impulse: (IM)

An Impulse is a five-wave pattern labelled 1-2-3-4-5 moving in the direction of the larger trend.



- 1) Wave 1 must itself be an Impulse or a Leading Diagonal pattern.
- 2) Wave 2 can be any corrective pattern except a Triangle.
- 3) No part of wave 2 can retrace more than 100% of wave 1.
- 4) Wave 3 must be an Impulse.
- 5) Wave 3 must be longer than wave 2 by price.
- 6) Wave 4 can be any corrective pattern.
- 7) Waves 2 and 4 cannot overlap.
- 8) Wave 5 must be an Impulse or an Ending Diagonal.
- 9) Wave 5 must be $\geq 70\%$ of wave 4 by price.
- 10) Wave 3 must never be the shortest by price when compared to waves 1 and 5.

Diagonal – also known as a Diagonal Triangle (Leading LD and Ending ED):

A Diagonal is a common 5-wave motive pattern labelled 1-2-3-4-5 that moves with the larger trend. Diagonals move within two contracting channel lines drawn from waves 1 to 3, and from waves 2 to 4. There exist two types of Diagonals: Leading Diagonals (LD) and Ending Diagonals (ED). They have a different internal structure and are seen in different positions within the larger degree pattern. Ending Diagonals are much more common than Leading Diagonals.



- 1) Diagonals must move within two contracting channel lines
- 2) Channel lines must converge, slope in the same direction and not be horizontal.
- 3) Wave 1 of a LD is either an IM or a LD
- 4) Wave 1 of an ED is a Zigzag, Double or Triple Zigzag.
- 5) Wave 2 may be any corrective pattern except a Triangle.
- 6) Wave 2 is never longer than Wave 1 by price.
- 7) Wave 3 of a LD must be an IM.
- 8) Wave 3 of an ED is a Zigzag, Double or Triple Zigzag.
- 9) Wave 3 is always greater than Wave 2 by price.
- 10) Wave 4 may be any corrective pattern.
- 11) Waves 2 and 4 must overlap.
- 12) Wave 5 of an ED is a Zigzag, Double or Triple Zigzag.
- 13) Wave 5 of a LD is either an IM or ED.
- 14) Wave 3 must not be shorter by price than both Waves 1 and 5
- 15) Wave 5 must be more than 50% of Wave 4 by price.
- 16) Wave 5 is never the longest by price when compared with Wave 1 and Wave 3.
- 17) Wave 5 is never longer than Wave 3 by price.

Corrective Waves (moving against the larger trend):

Corrective patterns are either 3 or 5 wave patterns, labelled with letters, and move against the larger trend.

ZigZag:

A Zigzag is a 3-wave structure labelled A-B-C, generally moving counter to the larger trend. It is one of the most common corrective Elliott patterns.

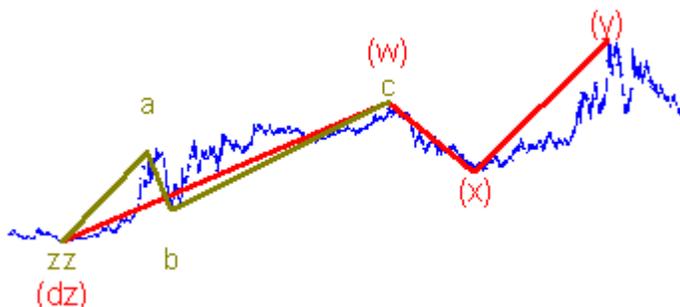


- 1) Wave A must be an IM or a LD.
- 2) Wave B can only be a corrective pattern.
- 3) Wave B must be shorter than wave A by price distance.
- 4) Wave C must be an IM or an ED.
- 5) Wave C must be at least 70% of Wave B by price.

Double and Triple Zigzag (DZ and TZ):

Double and Triple Zigzags are similar to Zigzags, and are typically two or three Zigzag patterns strung together with a joining wave called an x wave. They are corrective in nature.

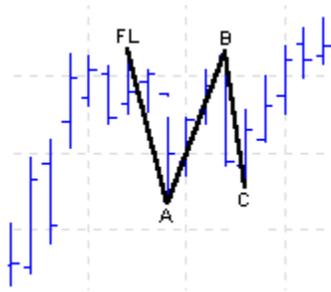
Triples are uncommon. Zigzags, Double Zigzags and Triple Zigzags are also known as Zigzag family patterns, or Sharp' patterns. Double Zigzags are labelled w-x-y, while Triple Zigzags are labelled w-x-y-xx-z. Both these patterns are included in the list of rules and guidelines below. Only a Double Zigzag is illustrated below.



- 1) Wave W must be a Zigzag.
- 2) Wave X can be any correction except an ET.
- 3) Wave X must be smaller than wave W by price.
- 4) Wave Y must be a Zigzag.
- 5) Wave Y must be greater or equal to Wave X by price.
- 6) Wave XX can be any correction except an ET.
- 7) Wave XX must be smaller than wave Y by price.
- 8) Wave Z must be a Zigzag.
- 9) Wave Z must be greater than or equal to Wave XX by price.

Flat:

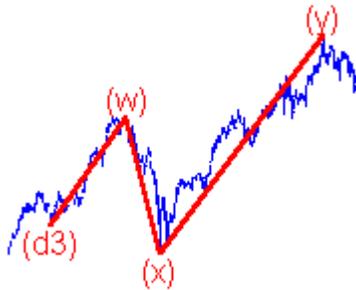
A Flat is a three-wave pattern labelled A-B-C that generally moves sideways. It is corrective, counter-trend and is a very common Elliott pattern.



- 1) Wave A can be any corrective pattern.
- 2) Wave B can be any corrective pattern except a Triangle.
- 3) Wave B must retrace at least 50% of A by price.
- 4) Wave B must be less than 200% of Wave A by price.
- 5) Wave C must be either an IM or ED.
- 6) Wave C must share some common price territory with Wave A.

Double and Triple Sideways:

Double and Triple Sideways patterns (also known as Double 3's and Triple 3's) are similar to Flats, and are typically two or three corrective patterns strung together with a joining wave, called an x wave. They are all corrective in nature. Triples are rare. Doubles are labelled w-x-y, while Triples are labelled w-x-y-xx-z. Both these patterns are included in the list of rules and guidelines below. Only a Double 3 is illustrated below.



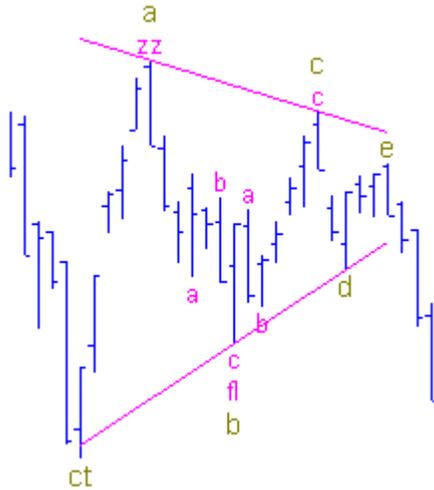
- 1) Wave W may be any corrective pattern except a Triangle, Double (or Triple) Zigzag or Sideways pattern.
- 2) Wave X may be any corrective pattern except a Triangle, Double (or Triple) Zigzag or Sideways pattern.
- 3) Wave X must retrace Wave W by at least 50%.
- 4) Wave Y may be any corrective pattern except a Double (or Triple) Zigzag or Sideways pattern.
- 5) Wave Y cannot be a Zigzag if W is a Zigzag.
- 7) Wave Y must be less than 200% of Wave W by price.
- 6) Wave Y must be at least as long as Wave X by price except if it is a Triangle.
- 7) Wave XX may be any corrective pattern except a Triangle, Double (or Triple) Zigzag or Sideways pattern.
- 8) The minimum XX wave retracement is 50% of Y.
- 9) Wave Z may be any corrective pattern except a Double (or Triple) Zigzag or Sideways

pattern.

- 10) Wave Z cannot be a Zigzag if Wave Y is a Zigzag.
- 11) Wave Z must be longer than Wave XX by price.

Triangle (CT and ET):

A Triangle is a common 5-wave corrective pattern labelled A-B-C-D-E that moves counter-trend. Triangles move within two channel lines drawn from waves A to C, and from waves B to D. A Triangle is either Contracting (CT) or Expanding (ET) depending on whether the channel lines are converging or expanding. Expanding Triangles are rare. Only a Contracting Triangle is illustrated below:



- 1) All waves in an ET must be ZZ, DZ, or TZ.
- 2) In a CT:
 - Wave A is restricted to a ZZ, DZ, TZ or FL.
 - Wave B is restricted to a ZZ, DZ, or TZ.
 - Wave C is any corrective pattern except a Triangle
 - Wave D is any corrective pattern except a Triangle
 - Wave E is restricted to a CT, ZZ, DZ, or TZ.
- 3) The intersection of the channel lines must occur beyond the end of a CT, and before the beginning of an ET
- 4) The channel lines must either converge or diverge. They cannot be parallel.
- 5) Only one channel line in a CT may be horizontal.
- 6) Neither channel line of an ET can be horizontal.
- 7) Wave E must end in the price territory of A.