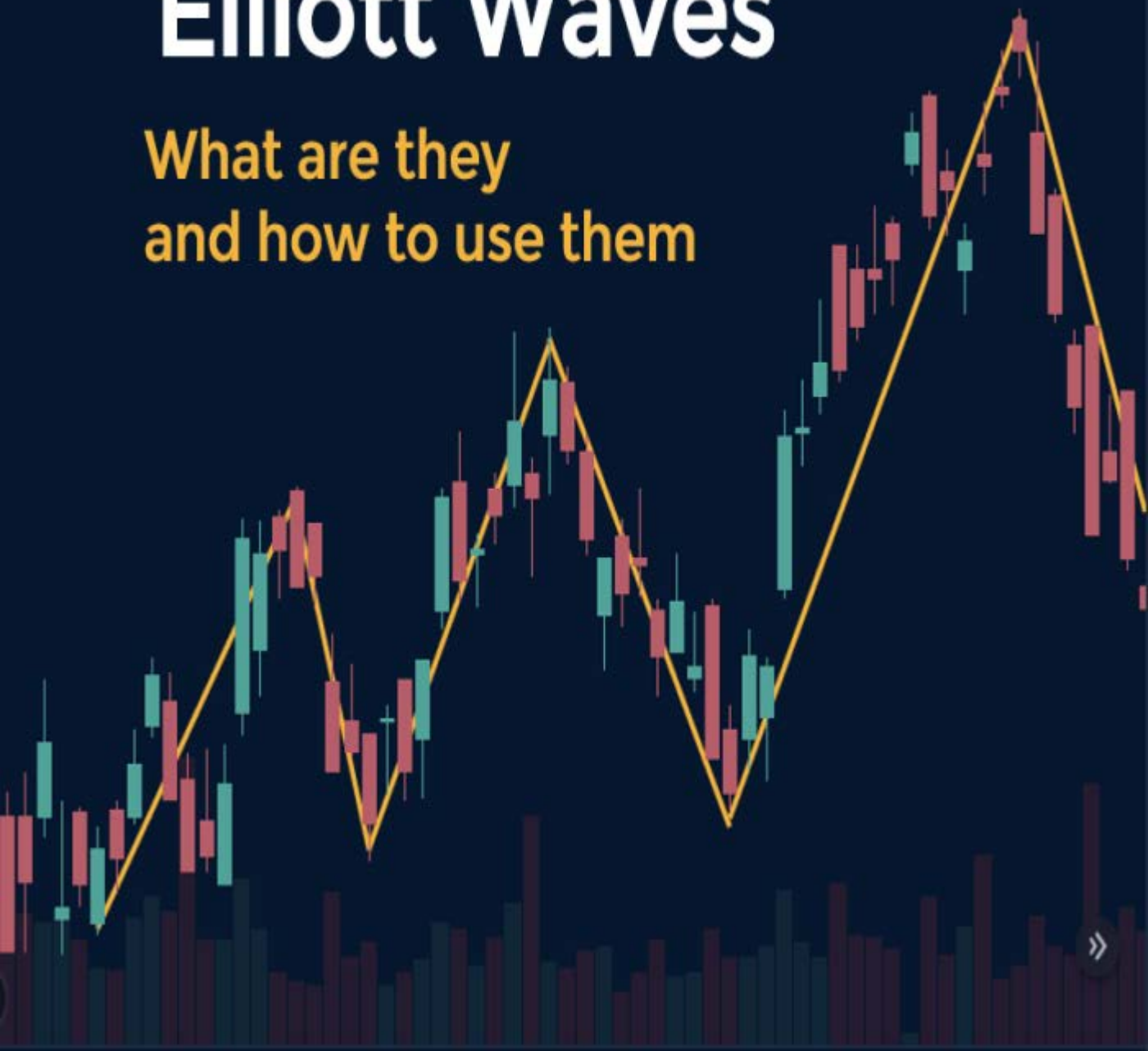


Elliott Waves

What are they
and how to use them



What Is Elliott Wave Theory?

Elliott Wave theory is the analysis of **long-term trends** in price patterns and how they correspond with investor psychology. These price patterns, referred to as 'waves'.

Specifically, they were designed to identify and predict wave patterns within stock markets.

Trade for
Good.



How Elliott Waves Work

The theory identifies two different types of waves: motive waves (also known as **impulse waves**) and **corrective waves**.



Impulse Waves

Impulse waves consist of **five sub-waves** that make net movement in the same direction as the trend of the next-largest degree. This pattern is the most common motive wave and the easiest to spot in a market.



Trade for
Good.



Corrective Waves

As known as diagonal waves, consist of three that make net movement in the direction opposite to the trend. The difference is that the diagonal looks like either an **expanding or contracting wedge**.

