

## **Triple Zigzag Correction of Elliott Wave Theory Explained by Deepak Kumar**

Triple Zigzag correction also known as Complex Correction or Combination Correction is a combination of three set of "abc" cycles connected by a link wave 'x' and it always forms a wedge pattern. Wedge may be triangle or parallel.

You must have heard of Triple Zigzag or Complex correction in many books or videos but today I am going to explain something about triple zigzag that you may not find anywhere else. This deep explanation of Triple Zigzag correction is a result of my own research and observations of last 3 year. But let me familiarize you with some basics of corrections (Corrective Waves) before Complex Correction.

As I explained in "Elliott's Wave Cycle" that there are total 8 waves in Elliott waves cycle which are 1,2,3,4,5 and a,b,c. Waves 1,3,5,a and c are Impulsive waves whereas 2,4 and b are corrective waves. Corrective waves 2, 4 and b are also called correction and also consist of three internal waves (a,b,c).

Now, these corrective waves have 4 different patterns:

1. Simple Zigzag Correction
2. 3-3-5 Flat Correction
3. Irregular Correction
4. Complex Correction/Combination Correction

This combination correction can be "Double Zigzag" or "Triple Zigzag". We see Triple Zigzag correction most of the time as Complex Correction and now I am going to explain the internal structure, personality and importance "Triple Zigzag Correction" here in this article. Let me start.

### **Triple Zigzag Correction**

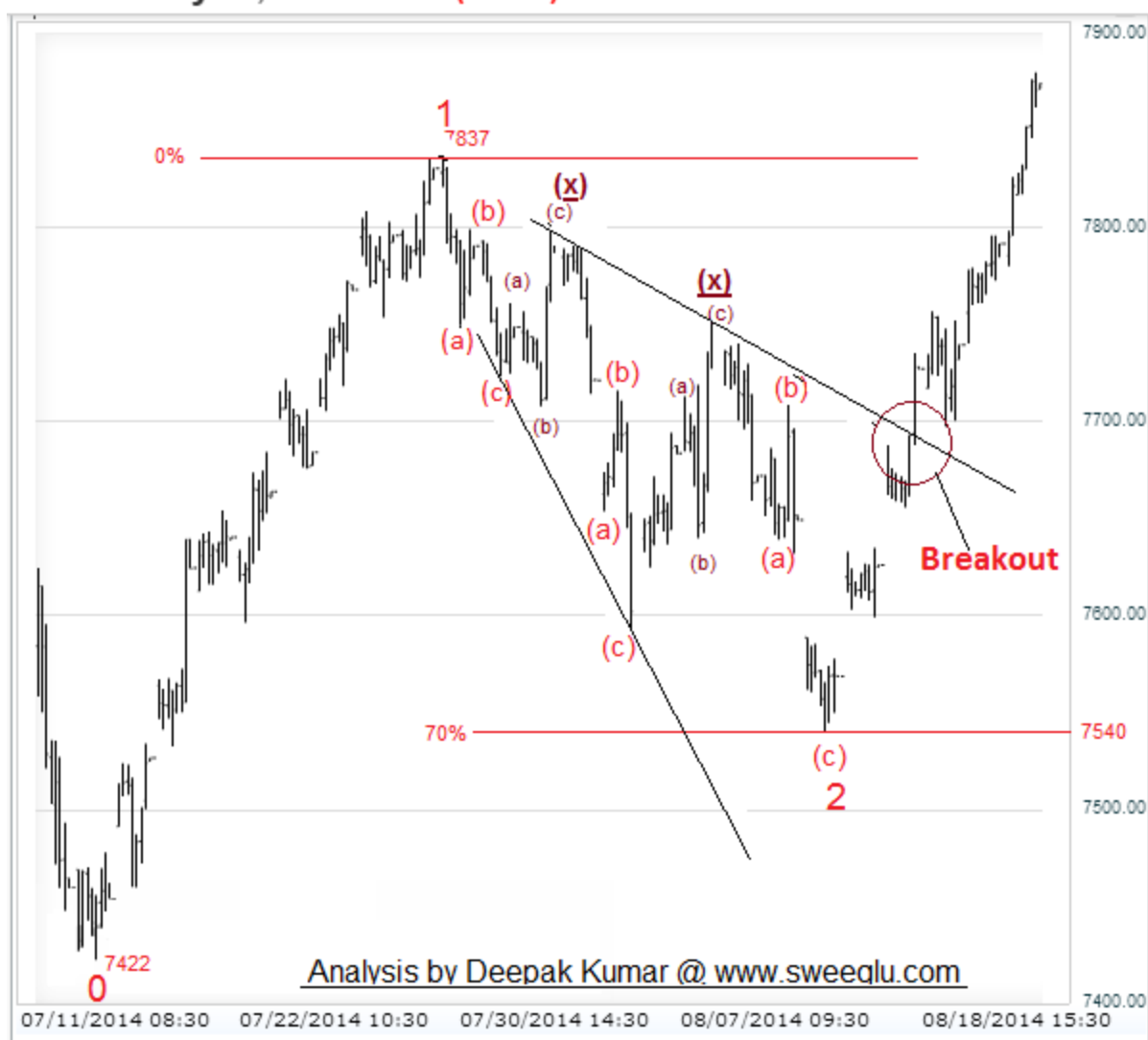
Triple Zigzag correction is combination or series of three zigzag corrections (three "abc" cycles) connected by a link wave "x" between every "abc" cycle and its internal structure is (abc-x-abc-x-abc). Triple Zigzag correction always forms a wedge pattern and that wedge may be triangle or parallel.

- The individual internal "abc" cycle of Triple Zigzag may be Simple Zigzag Correction, 3-3-5 Flat Correction or Irregular Correction.
- Link wave "x" generally has three inner waves (abc) and can be any type of correction.

Triple Zigzag correction is most important pattern of Elliott Wave Theory and it can give huge profit with minimum risk if you manage to identify before it before breakout. Triple Zigzag takes long time in completion and results in long consolidation with range bound volatility.

But breakout after completion of Triple Zigzag is always aggressive and we see a great aggressive move after breakout from the pattern. This correction is a tug of war between buyers and sellers that make price to move up and down within in a range for long time. But breakout from this range bound pattern makes mass traders/investors confident about the trend and they start taking action in the direction of breakout aggressively after a long wait. Let me show you some practical examples:

**CNX Nifty** 7,945.55 -19.25 (-0.24%)



**Triple Zigzag Correction as Expanding Triangle (Chart 1)**

This is Triple Zigzag Correction of Nifty as expanding triangle pattern. This correction started on 25 July 2014 and completed on 08 Aug 2014. This correction has: -

Three “abc” cycles market with red letters

Two connecting waves “x” marked with brown letters where 1<sup>st</sup> “x” is Irregular Correction

And Nifty didn't enter into pattern again after breakout.

CNX Nifty 7,879.40 +99.70 (+1.28%)

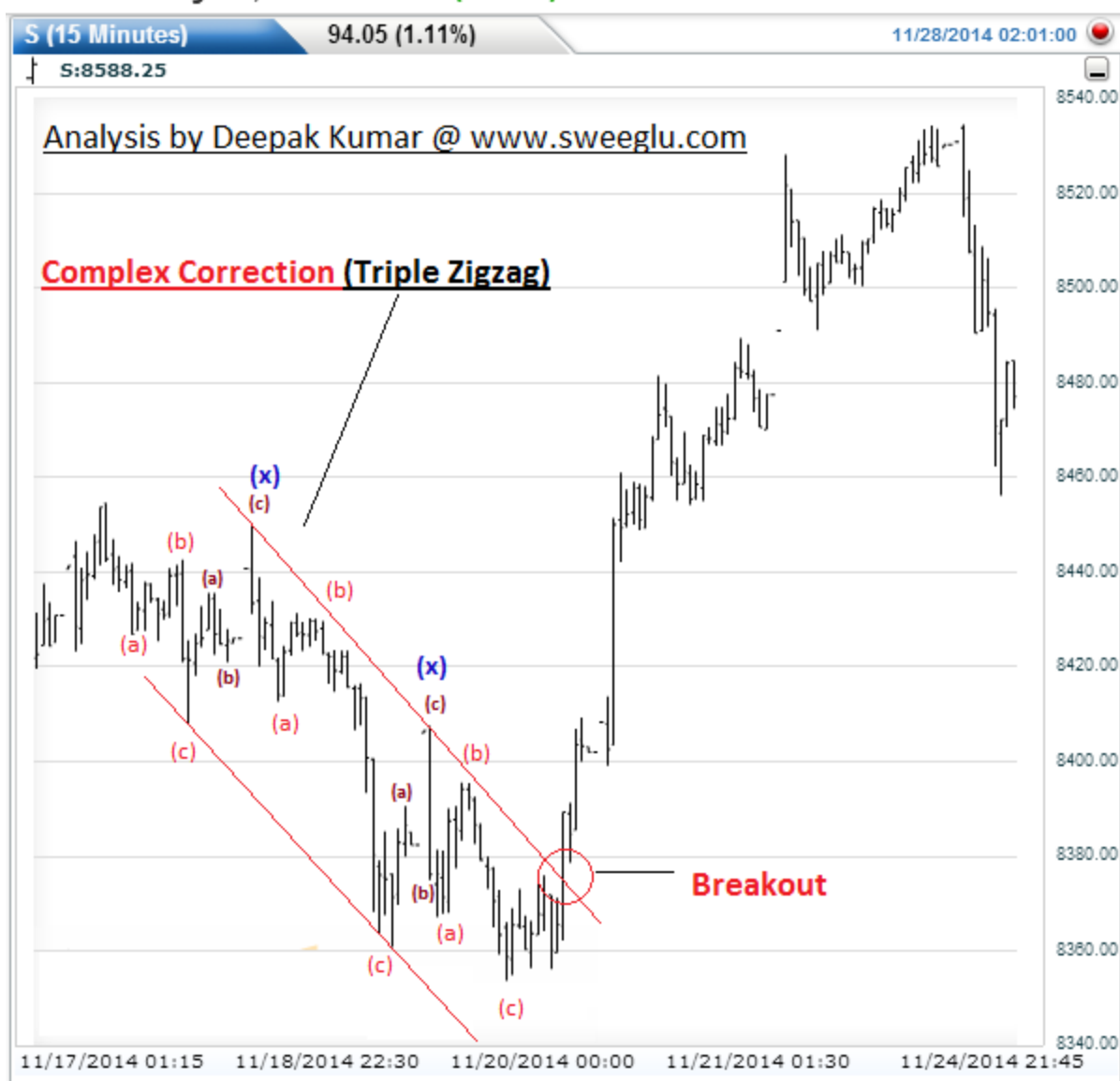
**Triple Zigzag Correction as Contracting Triangle (Chart 2)**

This is another Triple Zigzag correction as Contracting Triangle Wedge Pattern. This pattern started on 08 Sept 2014 and completed on 17 Oct 2014. This triple Zigzag Correction also has three "abc" cycles connected with two "x" waves in between. 2<sup>nd</sup> "x" wave is Irregular Correction.

Nifty bounced about 800 points after breakout from this correction without entering again in the pattern after breakout. And it is not just an example but I identified it before time. Read this report: [Nifty can Show 8380 before breaking below 7723.](#)

I will show you the nature of move after breakout later in this article.

**CNX Nifty** 8,588.25 **+94.05 (+1.11%)**



**Triple Zigzag Correction as Parallel Wedge Pattern (Chart 3)**

This is another practical example for Triple Zigzag as Parallel Wedge Pattern started on 17 Nov 2014 and completed on 20 Nov 2014. This correction also has three inner "abc" cycles connected by link waves "x". Just observe the nature of next move after breakout. Nifty didn't enter again in wedge after breakout.

Again, this is not just example and I identified this correction well in advance but I missed this opportunity because of small confusion and it was a learning lesson. Read this report: [Elliott Wave Analysis Report of Nifty for 21 Nov 2014](#).

Let me show you after effect of these Triple Zigzag corrections on Bigger Time Frame Chart:



This is daily time bar chart of Nifty showing move after 14 July 2014. The corrections I explained on previous charts are marked here in this bigger time frame chart. Just observe: -

- The move after breakout from pattern is bigger and aggressive
- Price didn't enter within pattern again after breakout

Let me show one more practical example I identified recently on 5 minutes time bar chart and also traded it.



This is again a triple zigzag correction on 5 minutes time bar chart I identified on 09 Dec 2014. See the inner waves of correction and also the nature of move after breakout. Again I identified it in advance and also traded it. Read this Report: [Elliott Wave Analysis Report of Nifty for 11 Dec 2014](#)

These are some practical examples of Triple Zigzag Corrections and now let me explain deeply about its internal structure, calculations and identification.

**Calculation and Personality of Inner waves of Complex Correction:**

As I explained, Triple Correction has (abc-x-abc-x-abc) as internal wave's structure where three "abc" cycles are linked by wave "x" between every cycle. If we assume (abc-x-abc-x-abc) and waves (1-2-3-4-5) then it follows the same calculation I explained in "Personalities and Calculation of Waves" chapter in my book. The only difference is: -

1. Wave 2 ( $x_1$ ) can correct more than 100% of 1 (1<sup>st</sup> "abc" cycle) in Triple Zigzag Correction. Means wave "x" can be irregular. Whereas wave 2 is not allowed to correct more than 100% of wave 1 in case of Impulse or Ending Diagonal Triangle.
2. There is no condition for wave 4 ( $x_2$ ). Wave 4 ( $x_2$ ) can or cannot overlap wave 2 ( $x_1$ ).

Otherwise all other calculations are same. For example: -

- Wave 3 (2<sup>nd</sup> "abc") can never be shortest.
- Wave 3 (2<sup>nd</sup> "abc") will be taken as extended above 161% and calculation of wave 5 (3<sup>rd</sup> "abc") depends on extension of wave 3. i.e. if wave is extended then wave 5 can be normal (below 61%) and opposite in other case.
- All internal waves (all smaller 'a', 'b', and 'c' waves) carries the same calculations and personalities as I explained in "Personalities of Calculations of waves" chapter of my book.

You can predict the end of correction even before breakout following these calculation and information.

**Drawing the line of Wedge/Pattern**

Most of the starters don't know where to draw lines of Wedge for Triple Zigzag and that is the reason they failed to identify its formation and breakout. We need to draw lines: -

- 1<sup>st</sup> line must be drawn joining the end points of 1<sup>st</sup> "abc" cycle and 2<sup>nd</sup> "abc" cycle.
- 2<sup>nd</sup> line must be drawn joining the end points of both "x" waves.
- You need not to use start of correction to draw the lines for wedge.
- 3<sup>rd</sup> "abc" cycle (last) need not to touch the line of wedge.
- And breakout is always through the line joining (x) waves.

Just see the charts above to observe the same as I mentioned here about drawing lines and direction of breakout. All these observations will help you to identify this Triple Zigzag correction, direction of immediate trend and direction of breakout well in advance to make you mentally prepared to catch next big move.

**Importance of Triple Zigzag:**

I am always excited after identifying the formation of Triple Zigzag as I feel it as jackpot opportunity after completion. The most important factors of this correction are: -

1. Move after the completion of this correction is aggressive most of the time which is good for quick profits and better for options trading.
2. Price rarely enters the pattern again after breakout which gives very low stop loss for very high profit probability.

**Practical Application of Elliott's Wave Principles by Deepak Kumar**

(The perfect tool to predict the future of Stock Market)

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