

Glossary - E [ChartSchool]

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Glossary - E

Elliott Wave Analysis

An approach to market analysis that is based on repetitive wave patterns and the [Fibonacci number](#) sequence. An ideal Elliott wave pattern shows a five wave advance followed by a three wave decline. See ChartSchool article on [Elliott Wave Theory](#).

Energy Commodities Index (\$GJX)

The [Energy Commodities Index \(\\$GJX\)](#)  charted by StockCharts.com is published by Goldman Sachs. The energy products listed include crude oil, heating oil, and natural gas.

Engulfing Pattern

A reversal pattern that can be bearish or bullish depending upon whether it is in an uptrend or downtrend. The first day is characterized by a small body, followed by a day whose body completely engulfs the previous day's body and closes in the opposite direction of the trend. This pattern is similar to the [outside reversal chart pattern](#), but does not require the entire range (high and low) to be engulfed, just the open and close.



Envelopes

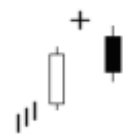
Lines that are placed at fixed percentages above and below a moving average line. Envelopes help determine when a market has traveled too far from its moving average and is overextended. See ChartSchool article on [Moving Average Envelopes](#).

ETF - Exchange Traded Fund

Collections of stocks that are bought and sold as a package on an exchange, principally the American Stock Exchange, but also the NYSE, CBOE, and Nasdaq.

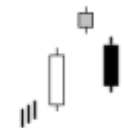
Evening Doji Star

A three-day bearish reversal pattern similar to the Evening Star. The uptrend continues with a large white body. The next day opens higher, trades in a small range, then closes at its open ([Doji](#)). The next day closes below the midpoint of the body of the first day.



Evening Star

A bearish reversal pattern that continues an uptrend with a long white body day followed by a gapped up small body day, then a down close with the close below the midpoint of the first day.



Ex-Dividend Date

The first day of the ex-dividend period. If an investor does not own the stock before the ex-dividend date, they will be ineligible for the dividend payout. The exchanges automatically reduced the price of the stock by the amount of the dividend for all pending transactions that have not been completed by the ex-dividend date.

Exhaustion Gap

A price gap that occurs at the end of an important trend, and signals that the trend is concluding.

Exponential Moving Average (EMA)

A moving average that gives greater weight to more recent data in an attempt to reduce the lag of (or "smooth") the moving average. See ChartSchool article on [Moving Averages](#).

Extended (in price)

A term describing a stock that has risen past its [pivot point](#). Such a stock is considered a risky investment because it has already begun its advance and is more likely to reverse.