## Part 8

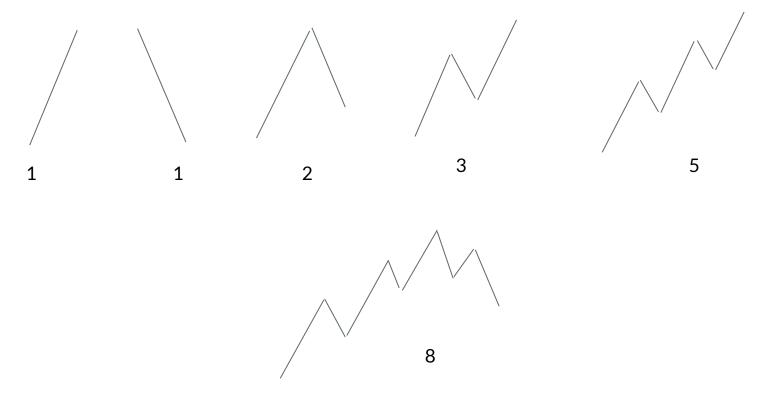


# **Fibs and Ratios**

- What we call "fibs" come from 13th century mathematician Leonardo Fibonacci (Pisa) 1170discovered the Fibonacci sequence (Liber Abaci, Practica Geometrie, Liber Quadratorum)- this provides the mathematical basis for the Wave Principle
- 1,1,2,3,5,8,13,21,34,55,89,144,233,377,610,987,1597 ....infinity
- The ratio between any numbers that are next to each other is .618 or 1.618, between alternate numbers is .382 and 2.618 ( .786 is the square root of .618 / 1.27 is the square root of 1.618)
- The Fibonacci Ratio is a fundamental law of geometric progression in which two preceding units are summed to create the next
- Golden Ratio .618 and 1.618 (it's the most pleasing proportion, we find it all over nature in DNA, music, art, architecture, cosmos)
- The markets are not random and formless, they reflect the progress of man.
- The technical approaches to understanding the markets depend on the principle of order and form.
- Ratio analysis explains the proportions in time and amplitude between the waves
- The Wave Principle runs on the premise that the same law that governs the creatures and galaxies, it's also in the mind and activities of masses of men. (Einstein "God does not play dice with the universe")

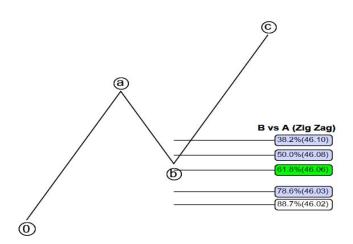
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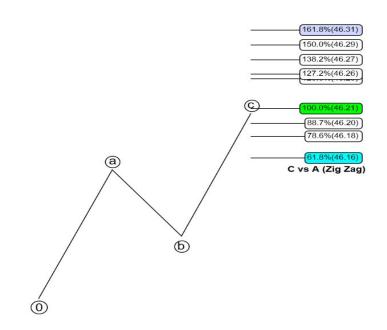
## Completing a Fibonacci Sequence



The waves produce the FS- this reveals that man's collectively expressed emotions are keyed to this mathematical law of nature

## **Fib Ratios**

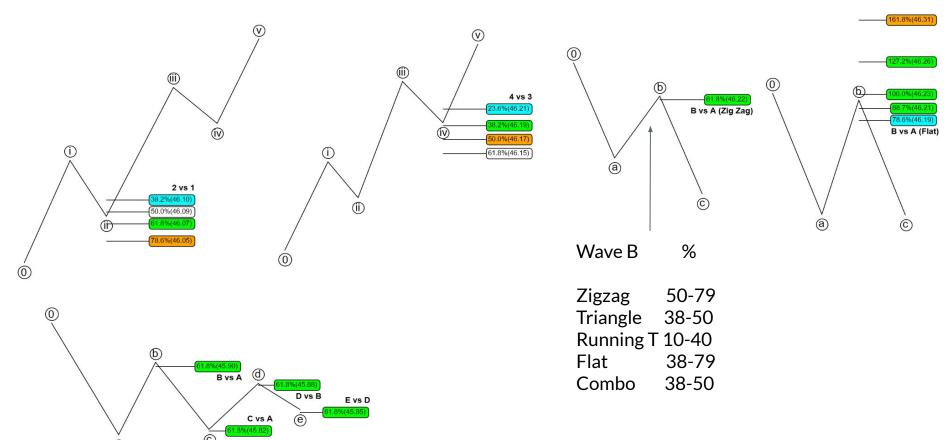




Retracements

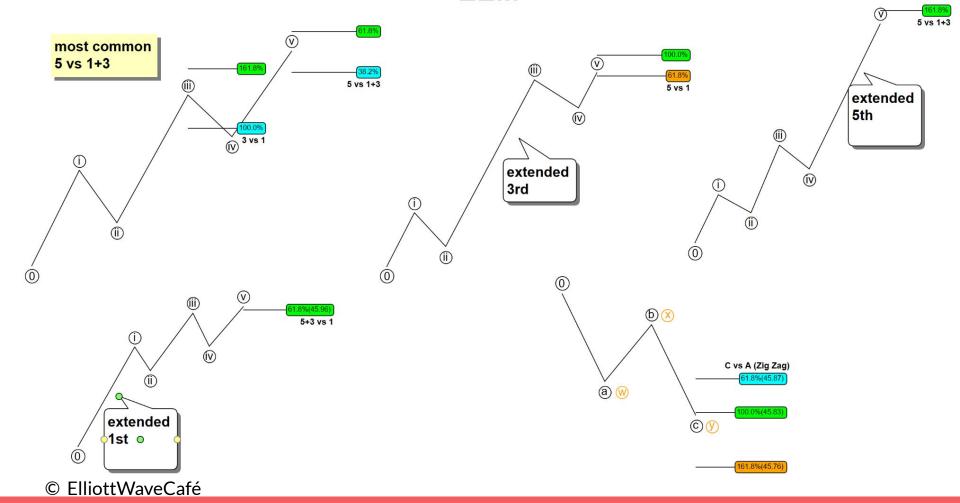
Multiples

#### Retracement fibs

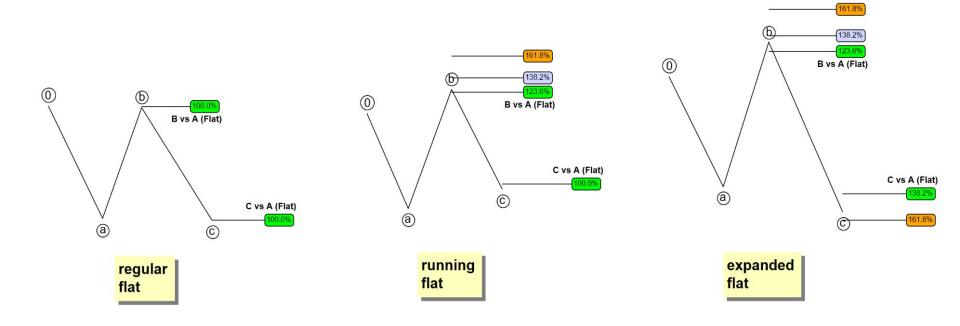


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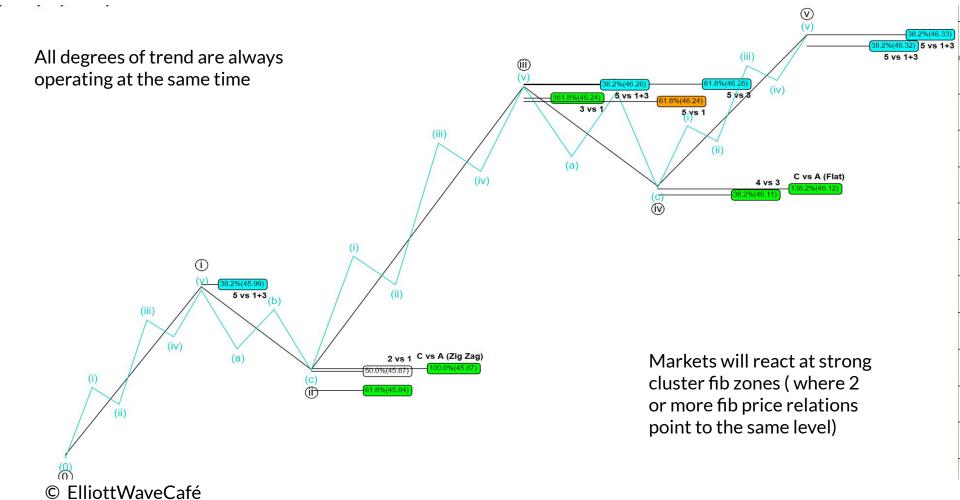
## Multiples fibs - impulse and zigzag



## **Multiples fibs - flats**



#### Fib clusters / Wave relations



Fibs and Time

