

GUE CONCEPTS Part 3



BECOME A PRO
MONEY WILL FLOW

ASTA-TR-RD-54 REV : 00 Date : 01-07-2024

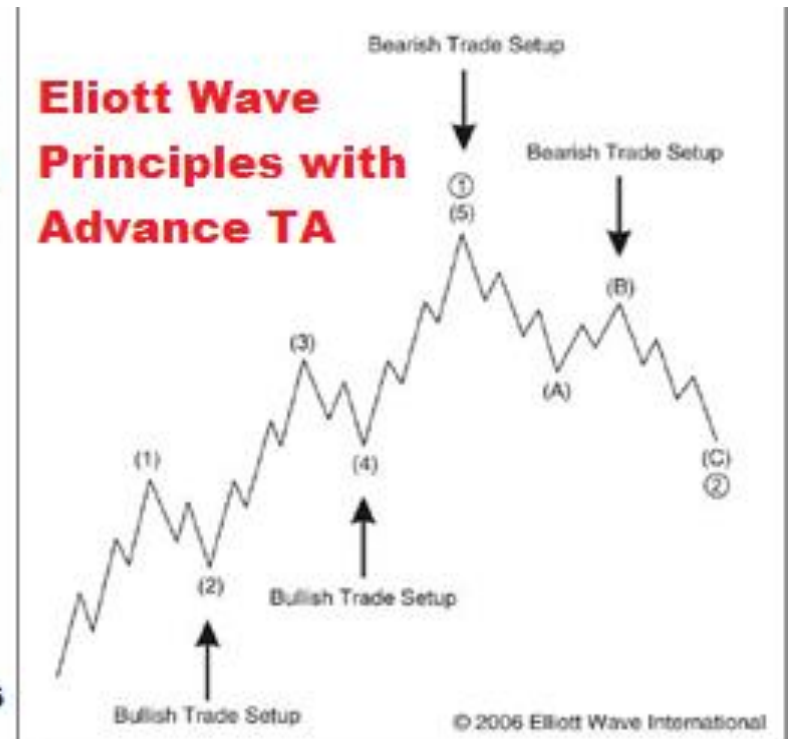
**FOCUS =
SUCCESS!**

GUE : Get the Ultimate Edge

Workshop on Advance Technical Analysis
using Elliot Wave Principle



Get the ULTIMATE EDGE over Others



INDEX

Wave Guidelines:

i. Equality.....	4
ii. Alternation.....	5
iii. Depth of Correction.....	8
iv. Channeling.....	10
v. Throw-over.....	12
vi. Volume.....	15
vii. Post-Triangle Thrust Measurement.....	16
Fibonacci Relationships.....	18

Equality

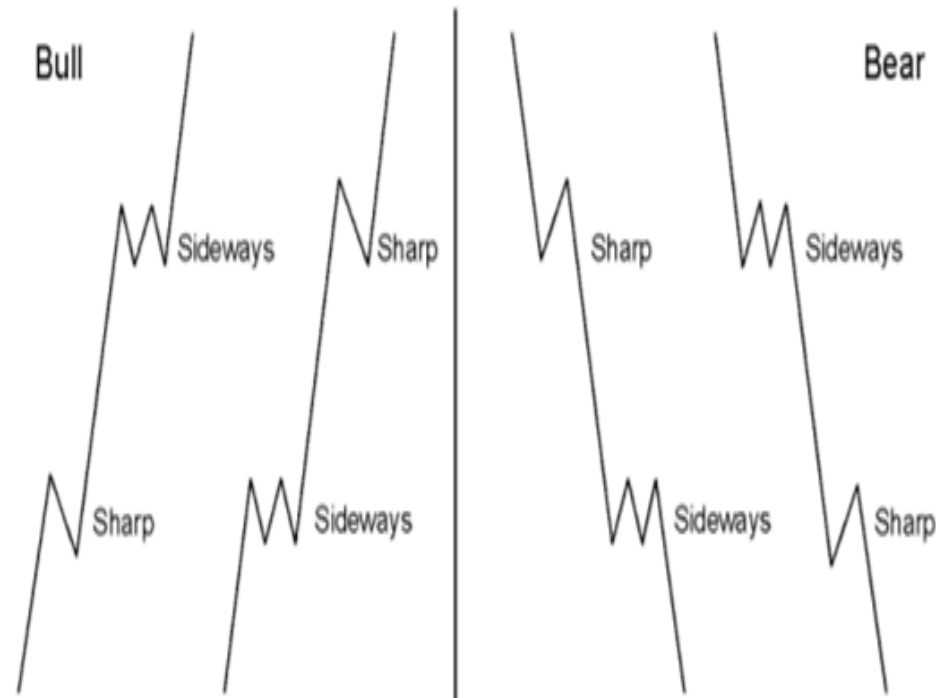
- Two of the motive waves in a 5 wave structure will tend toward equality in time and magnitude.
- This is generally true of the two non-extended waves.
- E.g. If wave 3 is extended wave 1 and 5 will tend toward equality.
- Find example in intra-day charts.

Alternation – Impulse Wave

Within Impulse Waves

- If wave 2 is sharp correction (zigzag) then expect Wave 4 to be a sideways correction (triangle, flat or combination) and vice versa
- Sharp corrections never include a new price extreme. e.g. zigzag
- Sideways corrections usually include a new price extreme e.g. flats, triangles

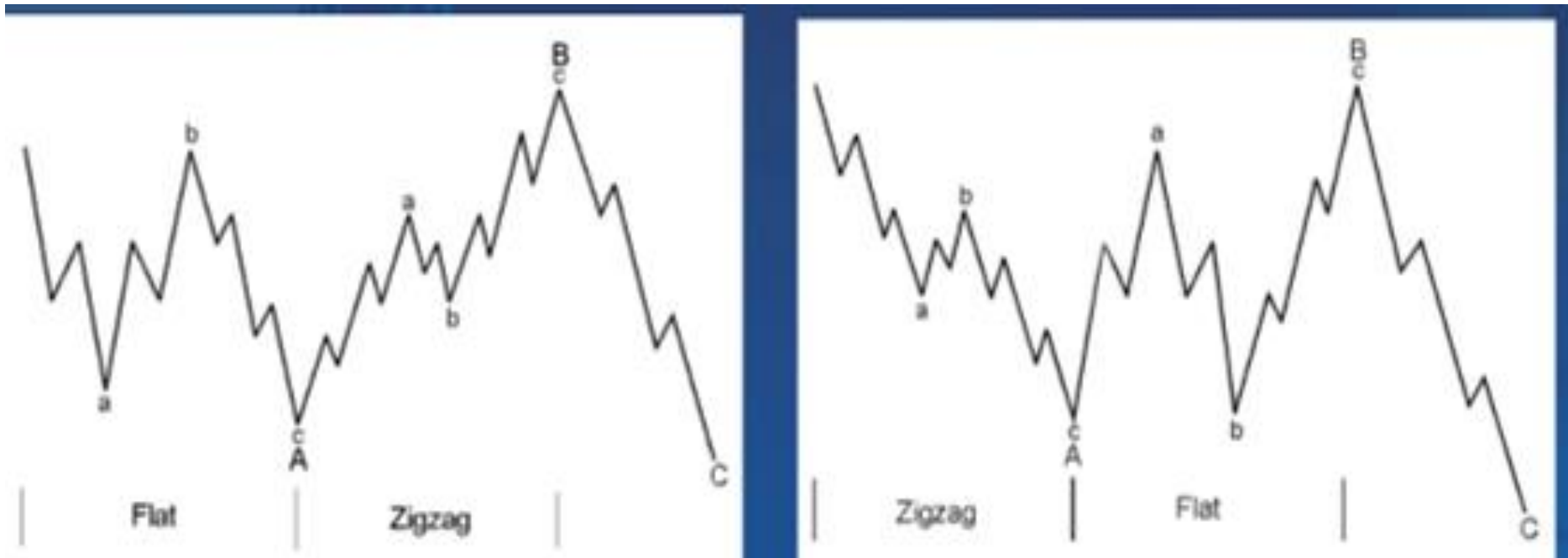
Note: **Diagonal triangles do not display alternation in sub-wave 2 & 4**



Alternation – Corrective Wave

Within Corrective Waves

- If Wave A begins with flat a-b-c then expect wave B to be zigzag a-b-c, and vice versa.
- If a large correction begins with a simple a-b-c zigzag then wave B will stretch-out into a more complex a-b-c zigzag.



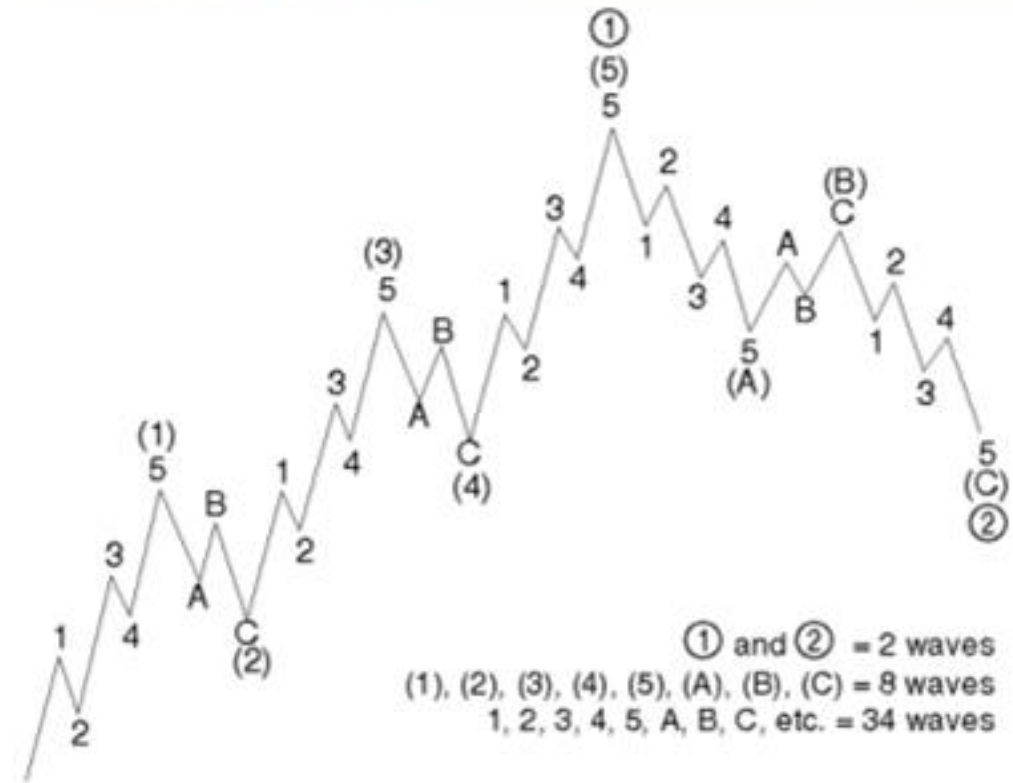
Alternation - example

Hero Moto Corp – Monthly



Depth of Correction for Wave 4

- Typically 4th wave corrections tend to register their retracement within the span of travel of the previous 4th wave of one lesser degree.
- Most commonly wave 4 ends near the area of termination point of previous 4th wave of one less degree.



Depth of Correction

Maruti – Weekly

- Wave 4 ended near the 4th wave (wave iv) of one lower degree.
- Most commonly observed in intra-day charts too
- This also forms neckline area, but H&S fails when top of wave B of 4th wave is taken out.

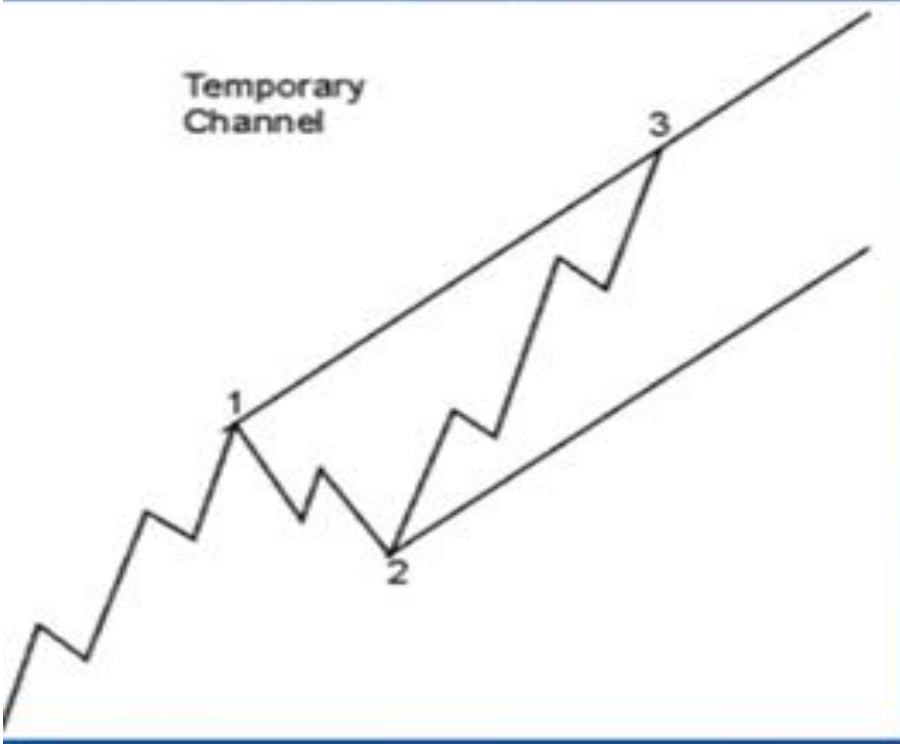


Channeling

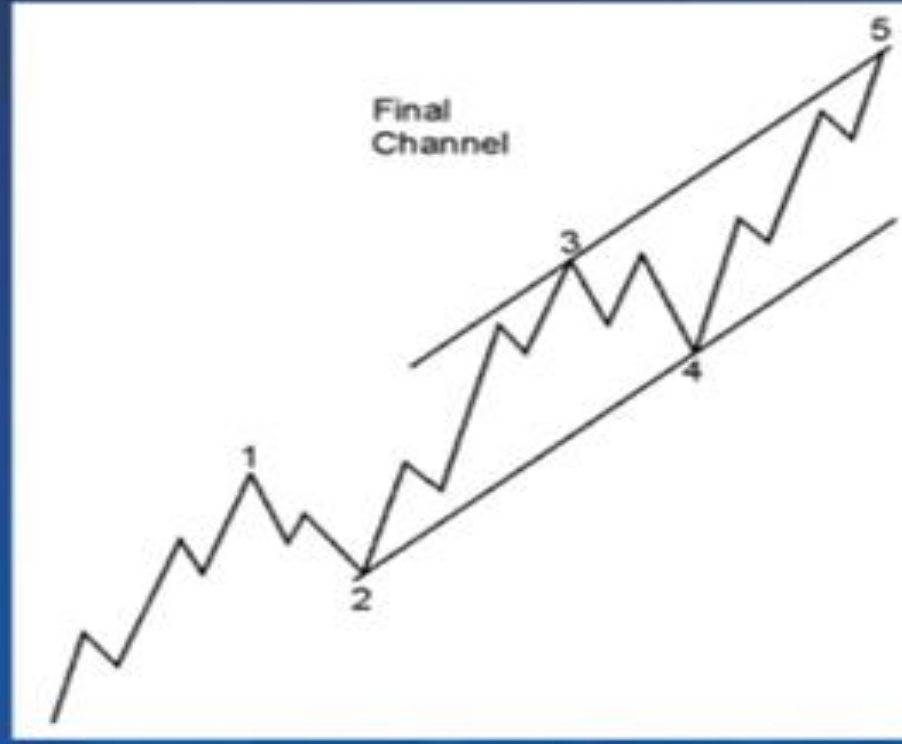
- A “parallel” trend channel typically marks the upper and lower boundaries of impulse waves and zigzag corrective waves.

Channeling in Impulse Waves

Temporary Channel



Final Channel

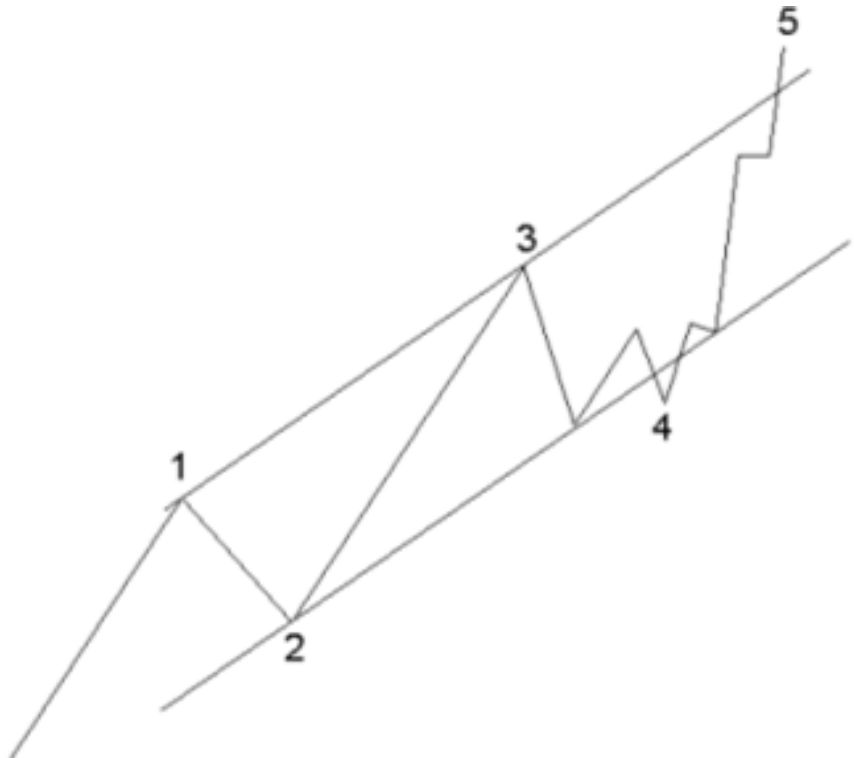


Channeling to find Targets



Throw-over in Channeling

- If Wave 4 does a throw over (above or below) the trend channel then wave 5 does the throw-over too.
- Example: self study



Channeling in Zigzag Correction

- Again, we need 3 points:
 - Origin of Wave A
 - Termination point of Wave B
 - Termination point of Wave A
- Join the origin of Wave A and termination point of wave B.
- Then join a parallel line starting from the termination point of Wave A to estimate the termination point of Wave C.

Channeling To Find Targets

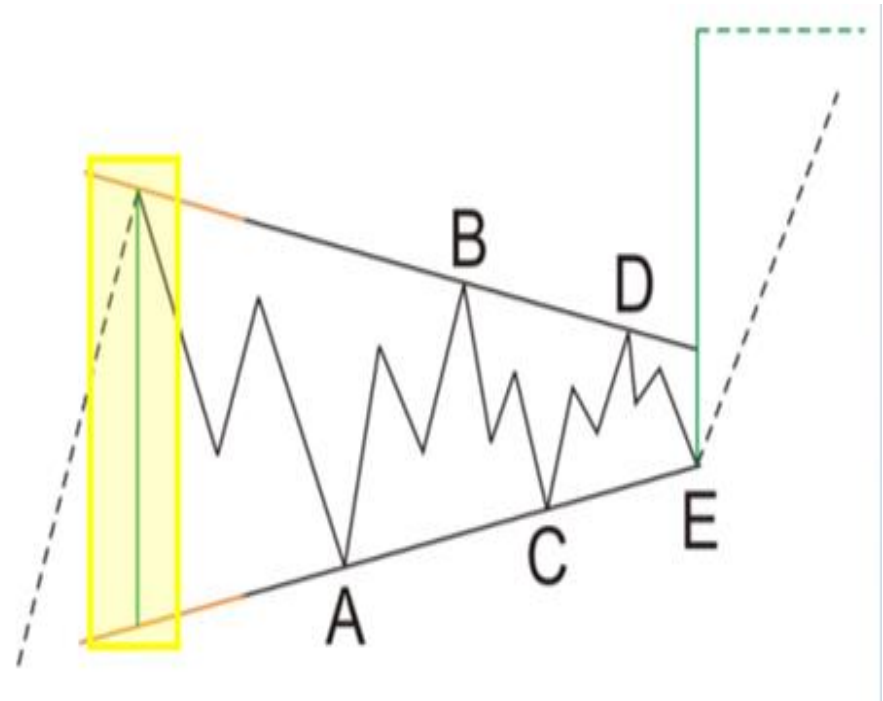


Volume

- For Waves < Primary Degree
 - Normally 3rd wave volume > 5th wave volume.
 - ✓ For e.g. Nifty post-election results vs Diwali 2009
 - If 5th wave volume \geq 3rd wave volume then you would normally have a 5th wave extension
- For Waves \geq Primary Degree
 - Typically Higher volumes in 5th waves
 - All-time high volumes at terminal points of Bull Market.
 - For e.g. Sensex in Jan 2008
- Volume often spikes briefly at the throw-over point of a parallel trend channel line or a diagonal triangle resistance line.
- Volume contracts in corrective waves

Post-Triangle Thrust Measurement

- Used to find target on breakout of the triangle.
- Extend the A-C & B-D trend line until they connect to beginning of A wave.
- Add the distance to the termination point of Wave .E



Triangle Target - Example

Example : HCC weekly.

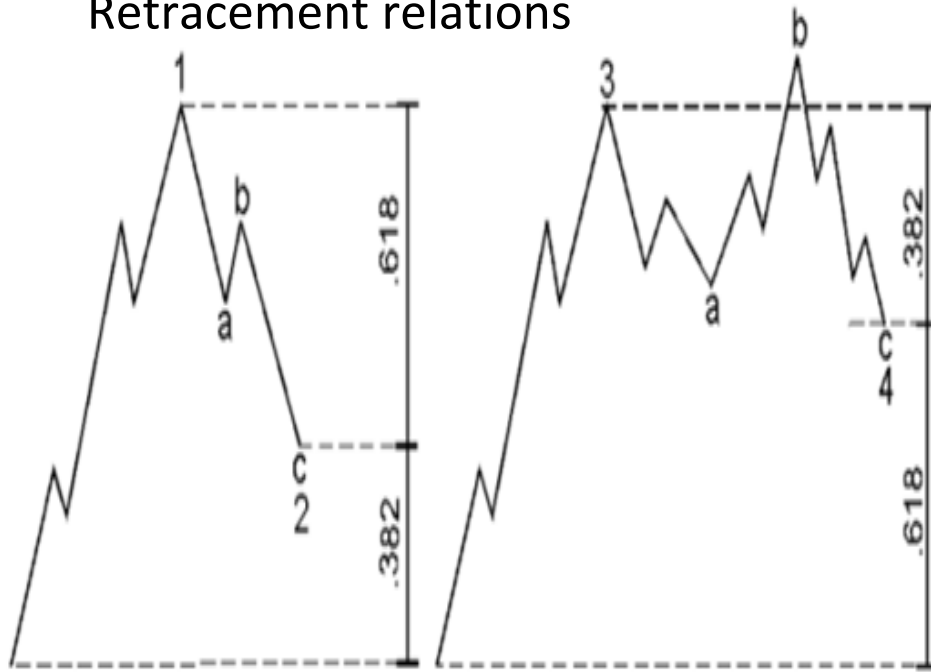
The new target comes to 79



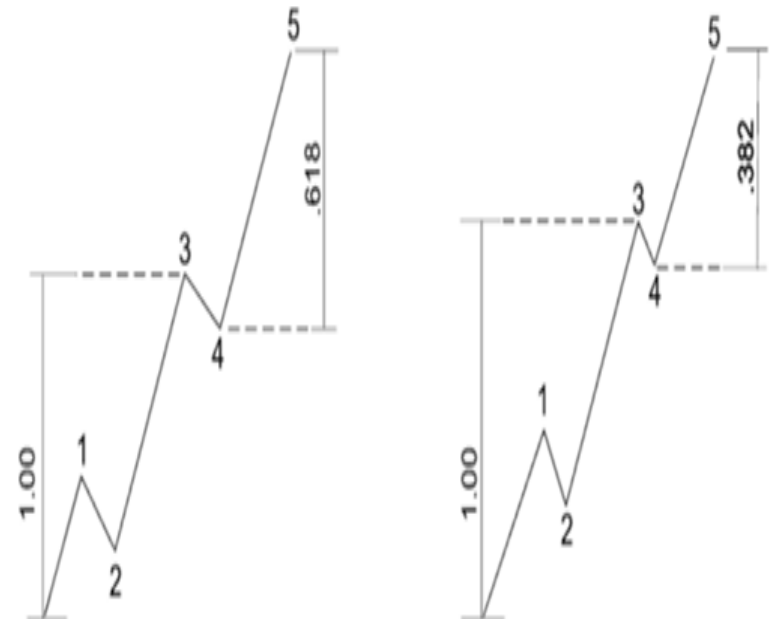
Fibonacci Relationships

- Elliott waves, both impulses and corrections, adhere to specific Fibonacci proportions.
Such as 0.382, 0.5, 0.618
- Golden Ratio : 0.618
- Seen in both Amplitude and Time

Retracement relations



Multitude relations



Fibonacci Relations – Waves 1-2-3-4



Fibonacci Relationships

- Measurement of Wave 1 is used to estimate length of other waves.
 - Length \Leftrightarrow height of the wave
- These measurements are not Rules but only Guidelines
- Wave 2
 - 50% or 61.8% of Wave 1
- Wave 3
 - 1.62 x Wave 1 OR 2.62 x Wave 1 OR 4.25 x Wave 1
- Wave 4
 - 23.6% OR 38.2% of Wave 3 (75% probability)
 - Sometimes 50% to 62% of Wave 3 (25% probability)
- Wave 5
 - If Wave 3 is greater than 1.62 times Wave 1
 - ✓ Equal to Wave 1 OR 1.62 x Wave 1 OR 2.62 x Wave 1
 - If Wave 3 is smaller than 1.62 times Wave 1, then -
 - ✓ Based on the entire length of beginning of wave 1 to top of wave 3.
 - ✓ Wave 5 will be most likely extended.
 - ✓ 0.62 times OR 1 times OR 1.62 times this length.

Fibonacci Relationships – Corrective Wave

➤ Zigzag or Simple Correction:

- Wave B \Leftrightarrow usually 50% of Wave A
- Wave B may not exceed 78% of Wave A
- Wave C \Leftrightarrow either Equals Wave A or 1.62 or 2.62 times Wave A

➤ Flat Correction:

- Wave B \Leftrightarrow Wave A \Leftrightarrow Wave C

➤ Expanded Flat Correction:

- Wave B \Leftrightarrow 1.15 or 1.25 times Wave A
- Wave C \Leftrightarrow 1.62 or 2.62 times Wave A

Example : Wave A-B-C



How To Get The Correct Counting?

➤ Impulse vs Corrective:

- Impulse always have 5 wave structures.
- Have energetic personality.
- Covers a lot of ground in short time.
- Angle of impulse wave is steep.

➤ Corrective waves:

- Have sluggish personality.
- Slow-moving affairs that takes days and weeks to end.

Our Motto

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