VINCY Balboa – Elliott wave Rules

- An Impulse is a five Wave pattern labeled 1-2-3-4-5 moving in the direction of the larger trend. It is the most common Elliott Wave pattern.
- Wave 1 must be an Impulse or a Leading Diagonal.
- Wave 2 may be any corrective pattern except a Triangle.
- No part of Wave 2 can more than retrace Wave 1.
- Wave 2 must retrace Wave 1 by a minimum of 20%.
- The maximum time for Wave 2 is nine times Wave 1.
- Wave 3 must be an Impulse.
- Wave 3 must be longer than Wave 2 in gross distance by price.
- The gross price movement of Wave 2 must be greater than either Wave 2 of Wave 1 or Wave 4 of Wave 1.
- The gross price movement of Wave 2 must also be greater than either Wave 2 of Wave 3 or Wave 4 of Wave 3.
- Wave 2 must also be greater than 61.8% of the gross movement of each of the above 4 sub-Waves.
- Wave 3 and Wave 1 cannot both have 5th Wave failures. (A Failure is an impulsive Wave where Wave 5 is shorter than Wave 4 by price.)
- Wave 3 cannot be less than 1/3 of Wave 1 by price.
- Wave 3 cannot be more than 7 times Wave 1 by price.
- Although there is no minimum time constraint for Wave 3, its absolute maximum time limit is 7 times Wave 1.
- Wave 4 can be any corrective pattern.

- Waves 1, 2 and 4 cannot overlap except by 15% of Wave 2 with leveraged securities, and then only for a maximum of less than two days.

- The gross price movement of Wave 4 must be greater than either the gross movement of Wave 2 of 3 or Wave 4 of 3.

- The gross price movement of Wave 4 must also be greater than either the gross movement of Wave 2 of 5 or Wave 4 of 5.

- The gross movement by price of Wave 4 must also be greater than 61.8% of the gross movement of each of these four sub-waves.

- The gross movement by price of Wave 4 must be greater than 1/3 of the gross movement of Wave 2 by both price and percentage movement.

- The gross movement by price for Wave 4 must be less than three times the gross movement of Wave 2 by both price and percentage movement.

- Wave 3 and Wave 4 cannot both be failures. (A Failure is an impulsive Wave where Wave 5 is shorter than Wave 4 by price.)

- Although Wave 4 has no minimum time constraint, the maximum time for Wave 4 is twice the time taken by Wave 3.

- Wave 5 must be an Impulse or an Ending Diagonal. However, if Wave 5 is longer than Wave 3 by price, then Wave 5 must be an Impulse.

- Wave 5 must move by price more than 70% of Wave 4. (This is not gross movement. Only consider the end points of both Waves.)

- Wave 3 must never be shorter than both Wave 1 and 5, by either price distance or percentage price movement.

- If Wave 5 is truncated, or contains an Impulse that is truncated, then neither Wave 3 nor Wave 4 can contain a subwave that is truncated. (A truncated pattern is where Wave 5 is shorter than Wave 4. This is also known as a failure.)

- The maximum movement of Wave 5 is six times Wave 3 in both price and time.

Wave 2

- Wave 2 must retrace Wave 1 by a minimum of 20%
- Wave 2 is usually >50% and <162% in time of Wave 1

Wave 3

- There is no minimum time constraint for Wave 3, its absolute maximum time limit is 7 times Wave 1

Wave 4

- Expect the time taken by Wave 4 to be between 100% - 270% of the time taken by Wave 2.

Wave 5

- The minimum time for Wave 5 is 10% of Wave 4
- Wave 5 must move by price more than 70% of Wave 4
- The maximum movement of Wave 5 is six times Wave 3 in both price and time.
- Wave 5 has no minimum time constraint
- The maximum time for Wave 5 is 5 times Wave 3

ZigZag

- Wave C must be less than 5 times Wave B by price
- Wave C must be no more than 10 times either Wave A or B in price or time
- The time taken by Wave B is usually between 61.8% and 161.8% of the time taken by Wave A.

Flat Rules

- Wave C must be no more than 10 times either Waves A or B in price and time.
- Wave C must be no more than 10 times either Waves A or B in price and time. There is no minimum time constrains for Wave A.
- The time taken by Wave C is generally between 61.8% of Wave 1 to 161.8% of the shortest of Waves A and B

Diagonal rules

- The time taken by Wave C is generally between 61.8% of Wave 1 to 161.8% of the shortest of Waves A and B
- The minimum time for Wave 5 is 10% of Wave 4. The maximum time for Wave 5 is 5 times Wave 3.
- Expect the time taken by Wave 4 to be between 20% and 5 times Wave 2.

Triangle rules

- In a CT, the maximum time for Wave E is 4 times Wave C
- The maximum time for Wave D is 4 times Wave C.

Double and Triple ZigZag

- Wave Y must be no more than a factor of 5 times either Wave X or W in price or time
- Wave Z must be no more than a 5 times either Waves XX, Y, X or W in both price and time.
- The time taken by Wave X is usually between 61.8% and 161.8% of Wave 1.
- Wave Y is next most likely to be equal to 61.8% or 161.8% of W by price.
- Expect the time taken by Wave Y to be between 61.8% of Wave W and 161.8% of shortest of Wave W and X.

Double and Triple Sideways

- Although there is no minimum time for Wave X, the maximum time is 10 times the time taken by Wave W
- Wave Y must be no more than 5 times either Wave X or W in price and time
- Wave Z must be no more than 5 times either Waves XX, Y, X or W in price and time