

Wave Five Price Projections

By Robert Miner, Dynamic Traders Group, Inc.

Every wave structure has its own high-probability price and time projections where the completed structure will usually terminate. While every market does not terminate its trend on a five wave structure, many do. There are a few very high probability price projections that signal the price zone where a wave five will terminate most of the time. If a market appears to be making a wave five, calculate the wave five price projections to determine if the individual projections cluster within a fairly tight trading range.

The Most Typical Wave-Five Price Targets

W.5 = 100% or 162% W.1

W.5 = 38.2%, 61.8% or 100% W.1-3

(The price range of W.5 equals xxx% of the price range of Waves 1-3)

W.5 = 127%, 162% or 262% W.4

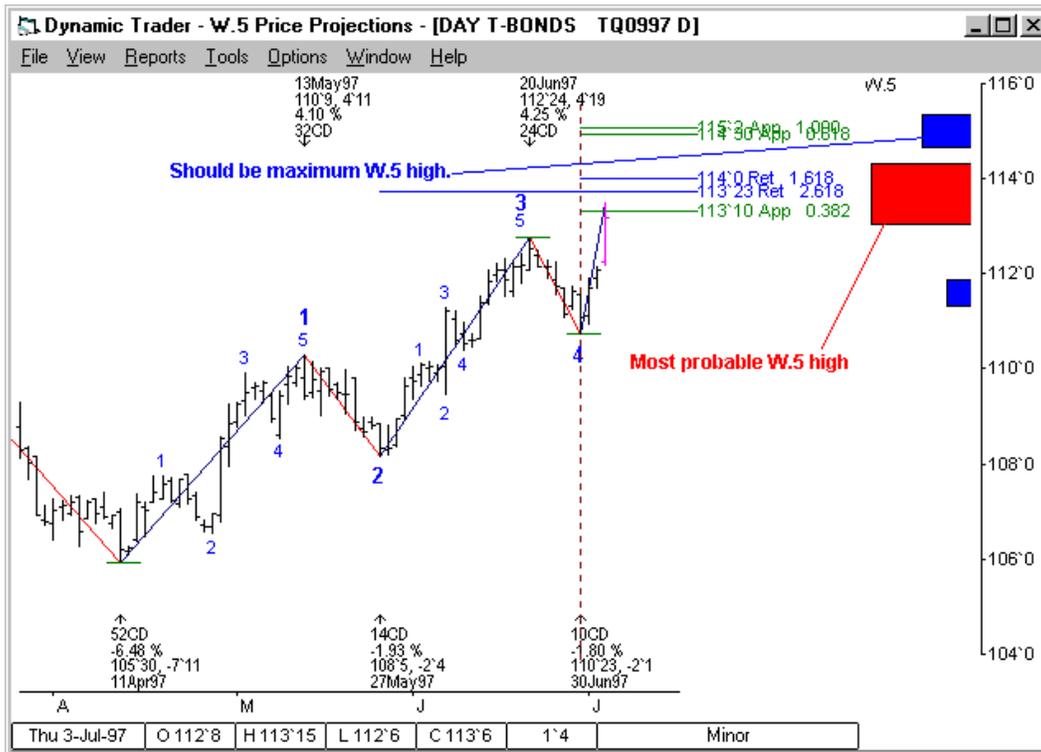
(These are *external* retracements of W.4)

W.3-5 = 162%, 262% or 424% W.2

(The price range of Waves 3 through 5 is equal to xxx% *external* retracement of Wave 2).

The ratios shown in **red** are the most frequent. An *external* retracement is any retracement over 100%

Since bonds currently (July 3) appear to be advancing in a wave five, let's take a look at the price projections for the potential price targets where wave five has a high probability of terminating. *Dynamic Trader* includes a *Custom Price Projection* routine where price projections for any wave structure may be made and saved. The daily chart of bonds on the following page includes all of the typical Wave-five price projections described above. The wide horizontal blue and red price bars represent where the Wave-five price projections cluster.



The wide **red** bar represents where the highest probability price projections cluster. Three of the projections included in the bar are also shown. They include where -

- W.5 = 38.2% W.1-3 (113.10)
- W.3-5 = 262% W.2 (113.23)
- W.5 = 162% W.4 (114.0)

Other projections fall in the zone represented by this red bar.

Ideally, the sub-divisions (waves of lesser degree) obvious on the intraday chart will narrow this relatively wide price range to a projected range of just a few ticks.

The upper **blue** bar represents what should be the *maximum* price target for a Wave-five high. Why? If Wave-three is greater in price range than Wave-one, Wave-five is usually near equality in price with Wave-one. The upper blue bar includes where $W.5 = 100\%$ of W.1 as well as other projections.

It is imperative that the trader does not *expect* markets to unfold in a particular pattern. It is just as imperative that traders recognize when a

market probably is unfolding in a predictable and symmetrical pattern and what the high-probability time and price projections are for that pattern.

In the current case with bonds, if they continue to rally to above the upper blue bar, the odds are the rally is *not* a five wave impulse as shown and new projections will be made.

The *Dynamic Traders Trading Course* that is included with the *Dynamic Trader Software* includes a comprehensive section on Practical Elliott Wave Pattern Analysis that includes the guidelines for projecting the high probability time and price targets for each wave structure. It is easier than you may think.

For more information on the [*Dynamic Trader Software and Trading Course*](#), click here.

Dynamic Traders Group, Inc.

6336 N. Oracle Suite 326-346

Tucson, Az. 85704

(V) 520-797-3668

(Fax) 520-797-2045

(E-mail) dt@dynamictraders.com

(Web) www.dynamictraders.com