REAL-TIME APPLICATION OF THE ELLIOTT WAVE MODEL

2010 Legends of Trading Forum

Chicago, IL

April 24, 2010

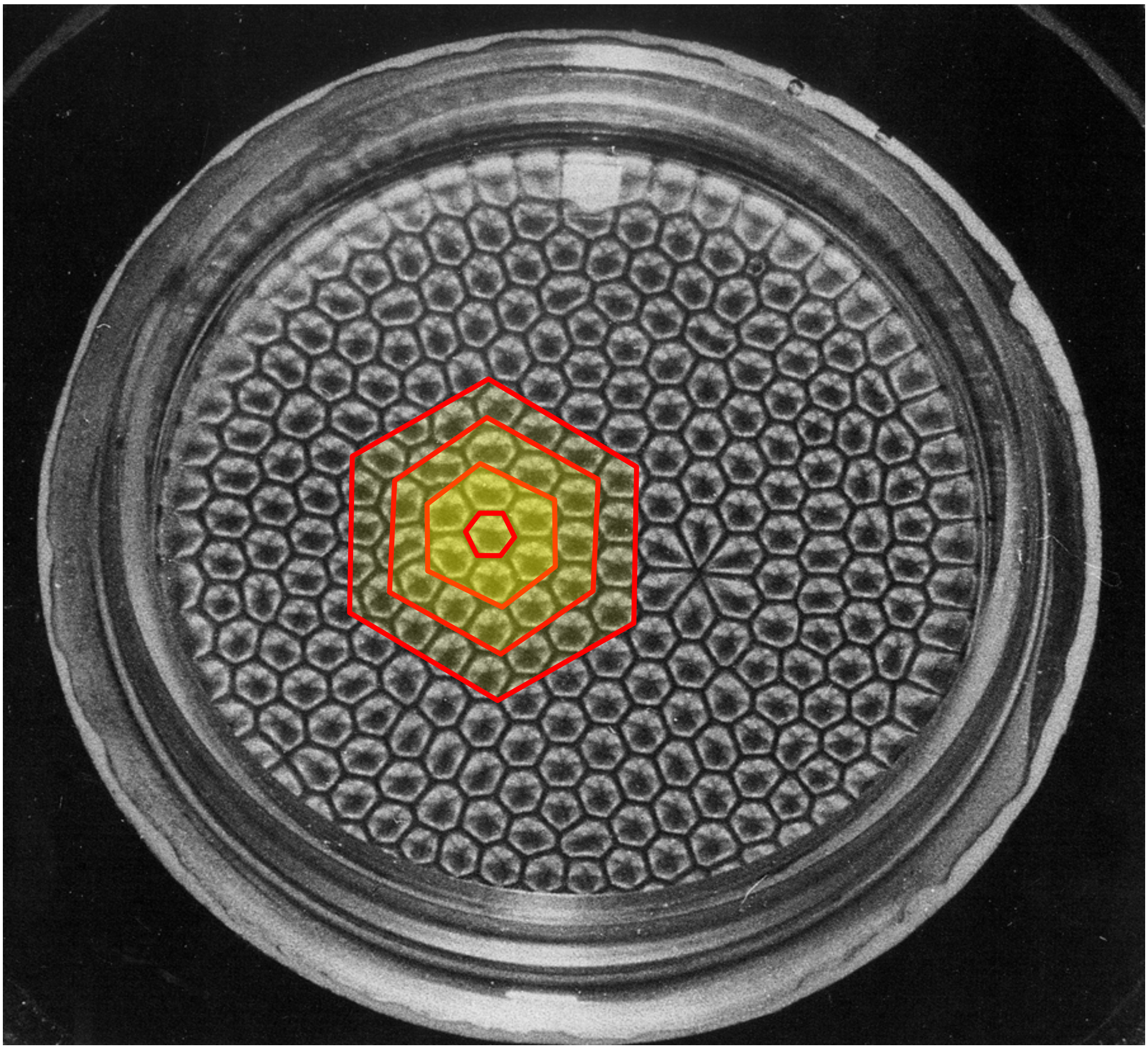
Robert R. Prechter, Jr., CMT

www.elliottwave.com

Review of the Elliott Wave Model

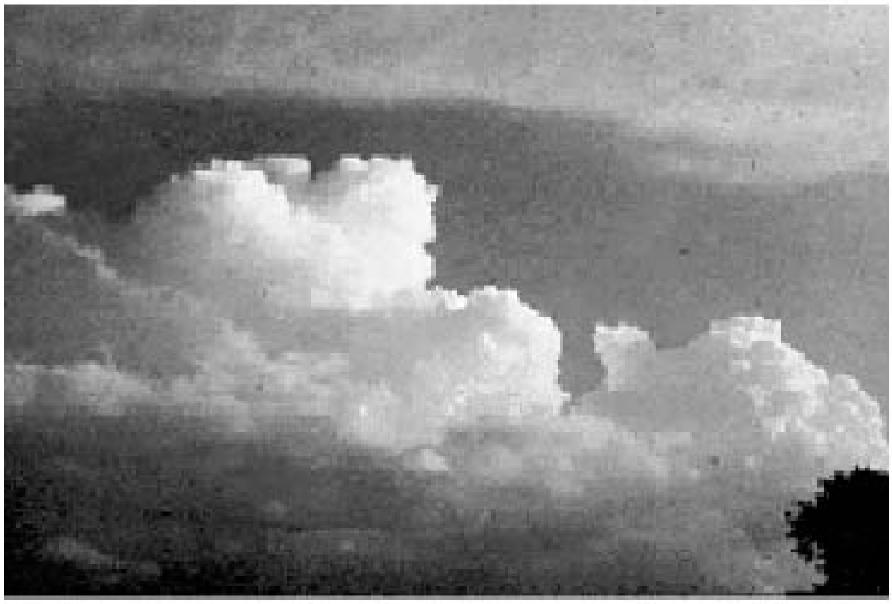
Types of Fractals

Self-Identical Fractal

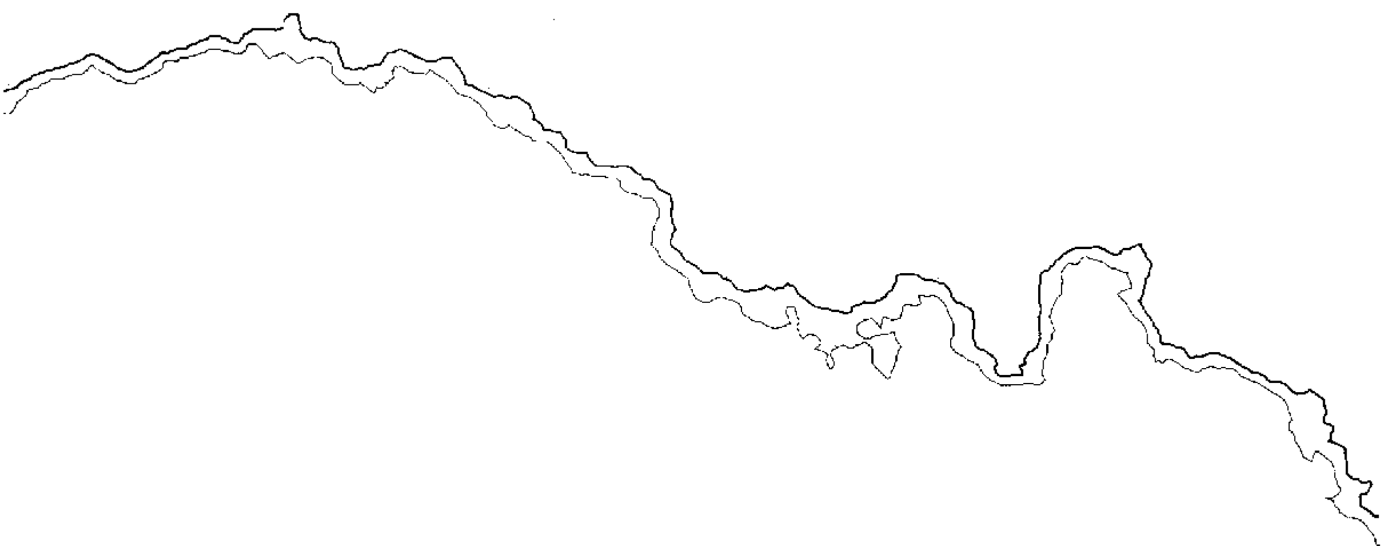


Heated silicone oil

Indefinite Fractal

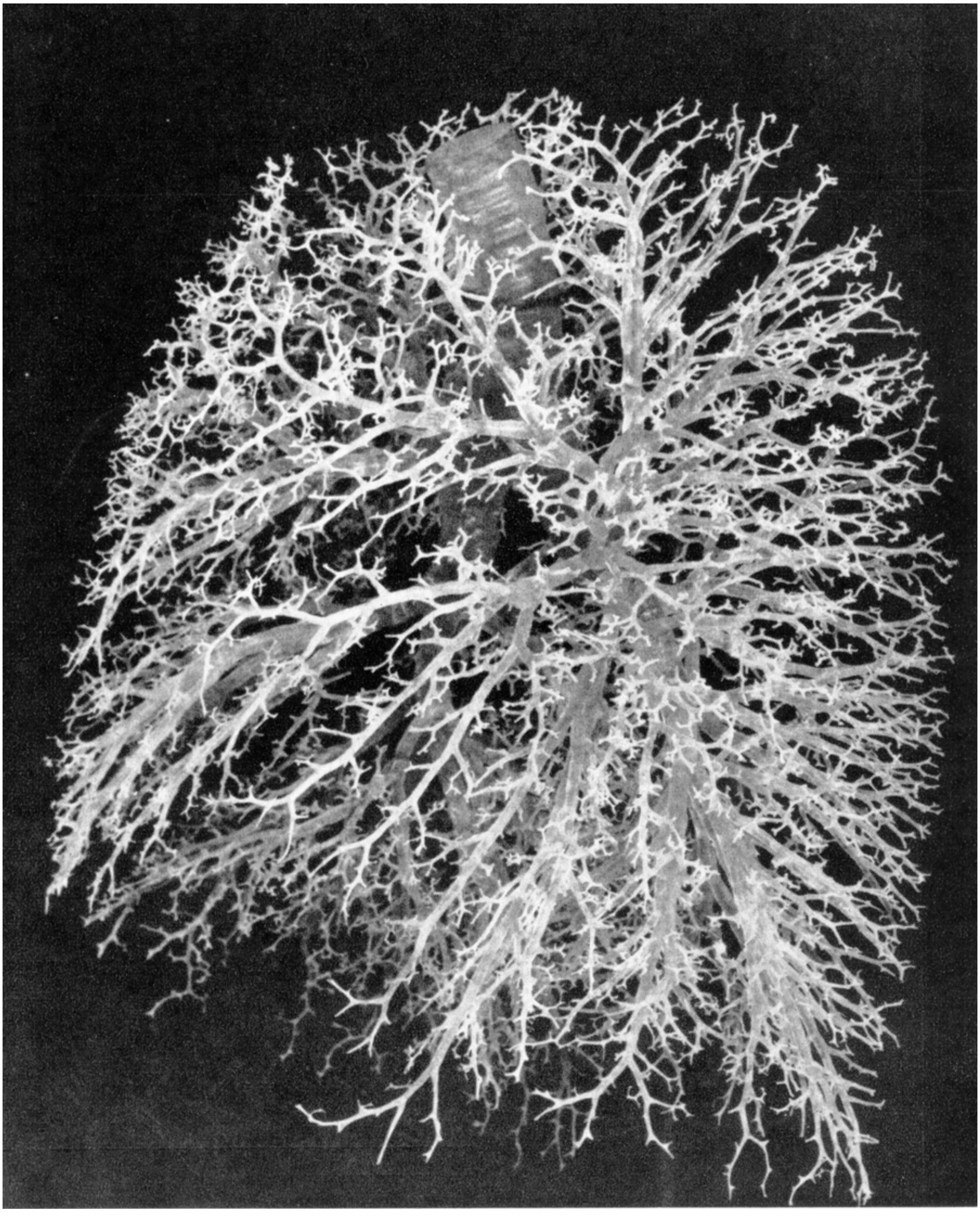


Indefinite Fractal

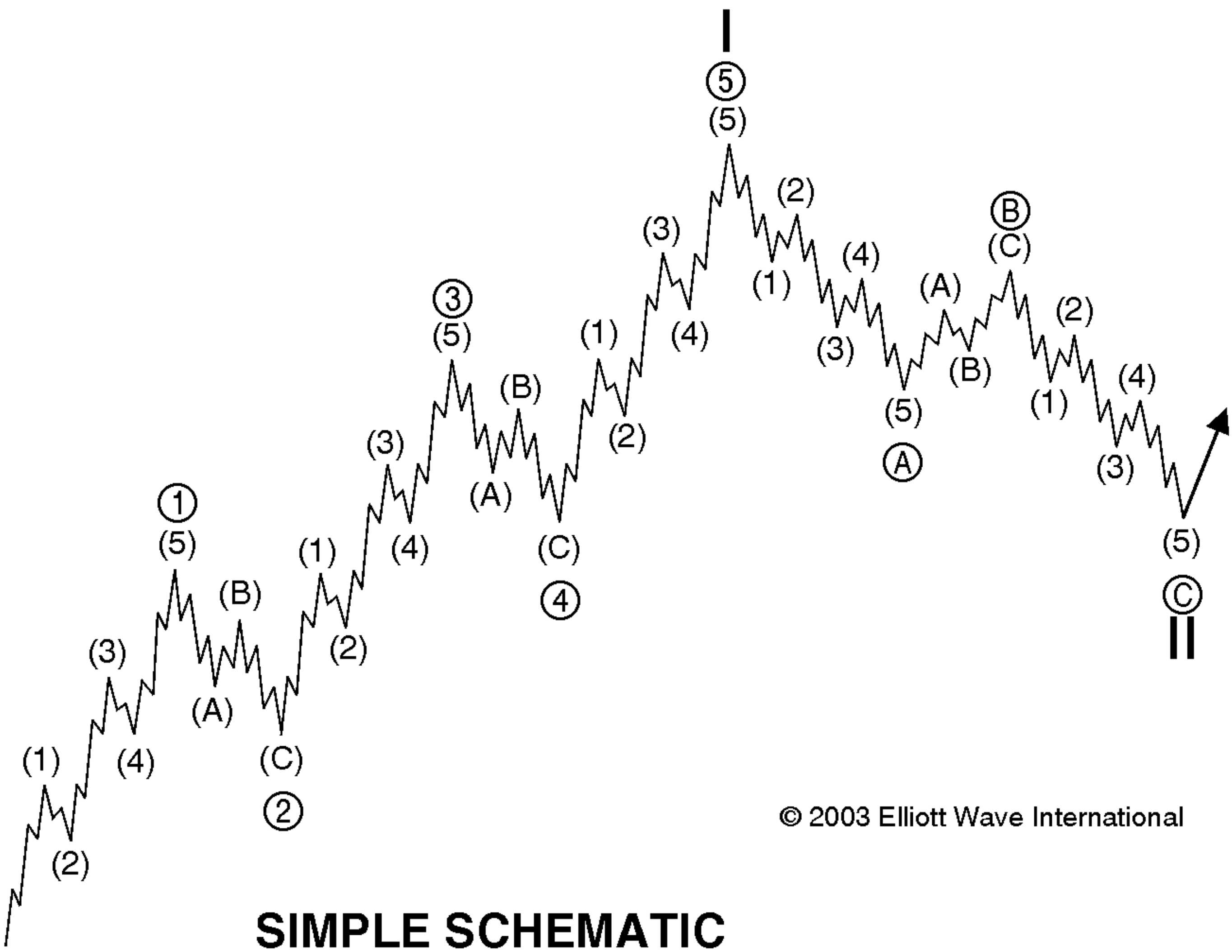


Robust Fractal

Robust Fractal

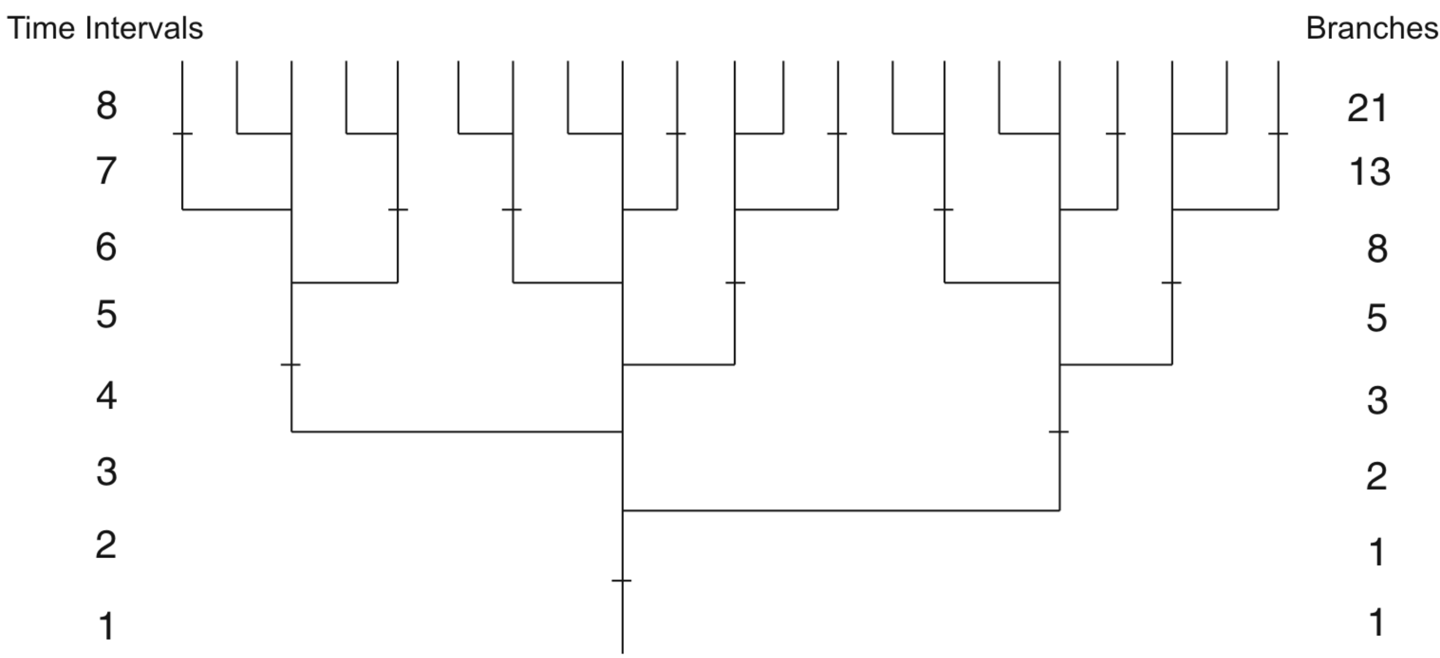


Air passages in a lung

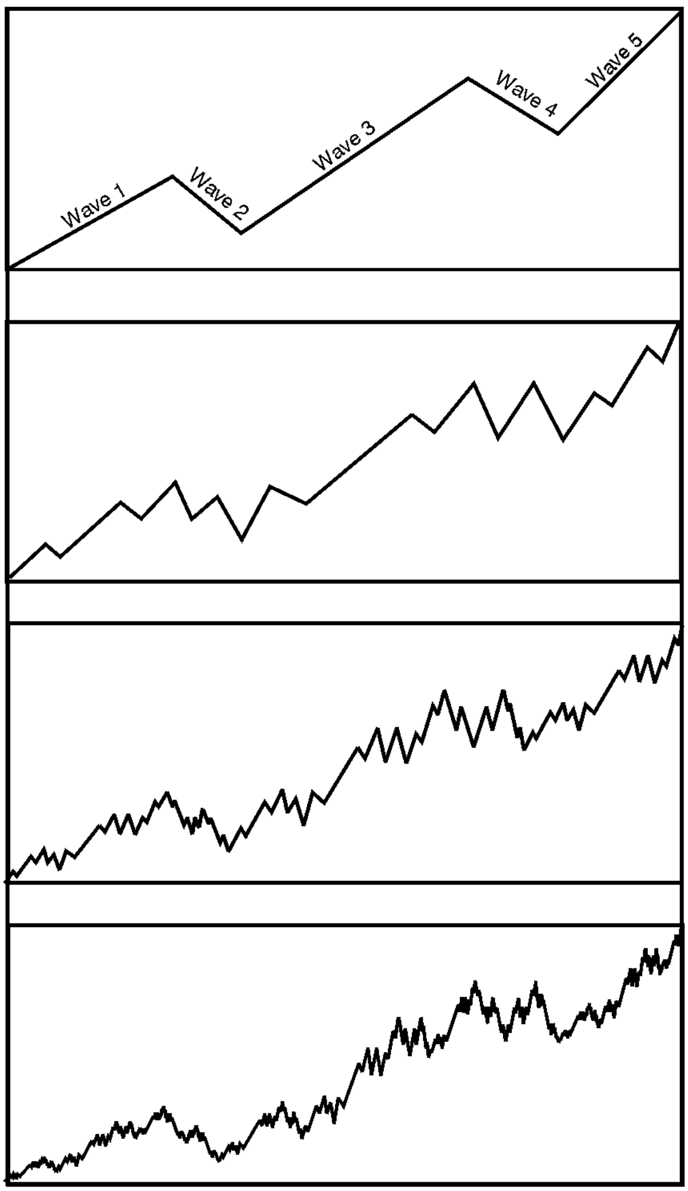


SIMPLE SCHEMATIC

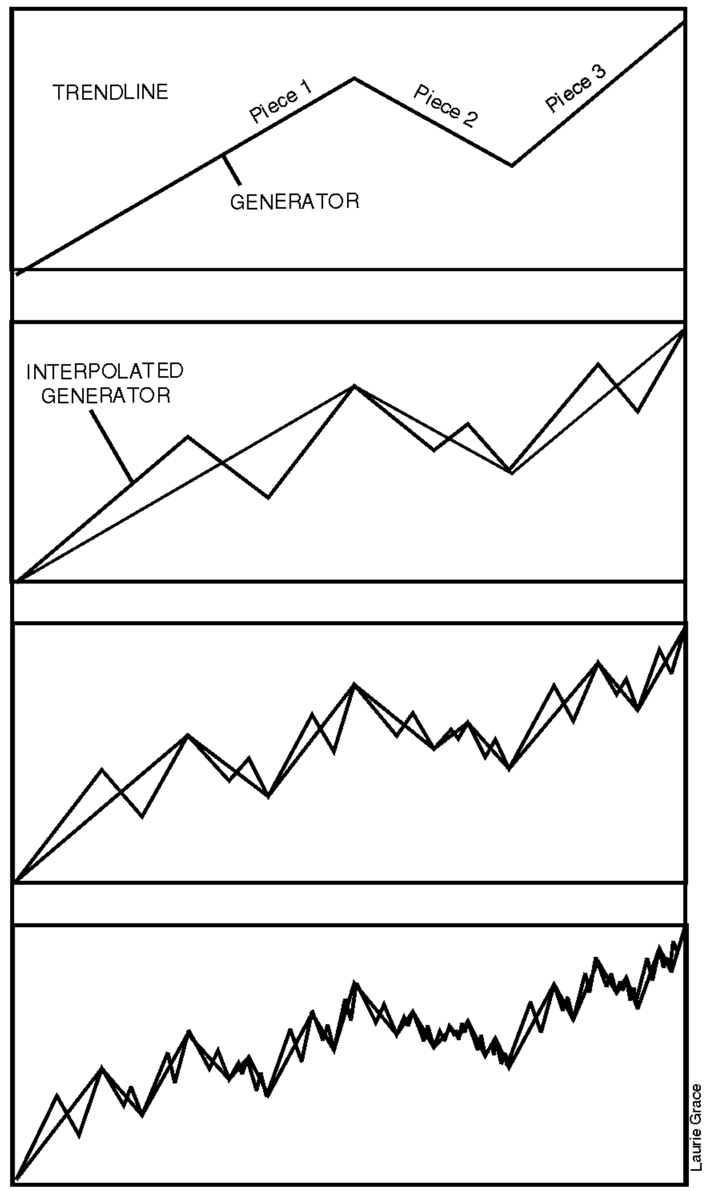
Number of Waves in the WP Model at Declining Degrees



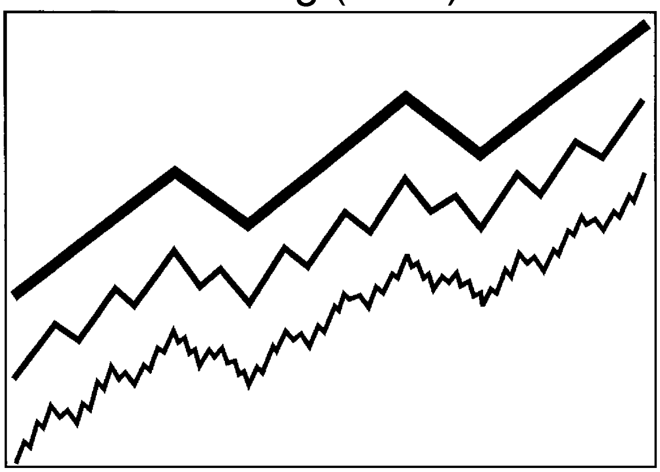
ELLIOTT'S FRACTAL GENERATOR MODEL (1938)



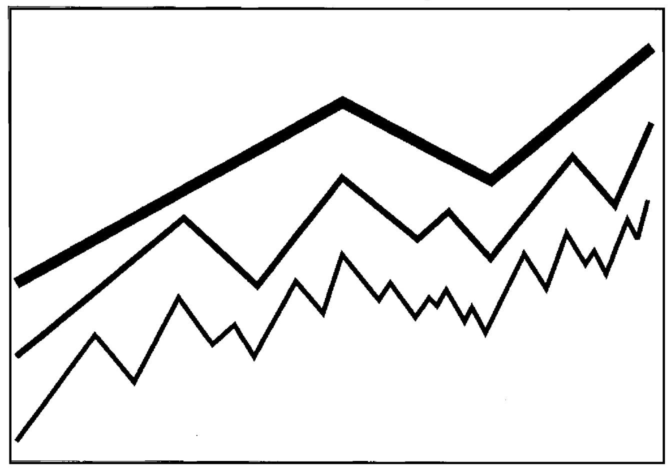
MANDELBROT'S FRACTAL GENERATOR DEPICTION (1999)



Elliott's Drawing (1940)



Mandelbrot's Drawing (1999)



"The stock market operates on the same mathematical basis as many natural phenomena. In its broadest sense, the Wave Principle suggests the idea that the same law that shapes living creatures and galaxies is inherent in the spirit and activities of men en masse."

—Frost and Prechter,
Elliott Wave Principle, 1978

"The geometry that describes the shape of coastlines and the patterns of galaxies also elucidates how stock prices soar and plummet."

—Benoit Mandelbrot,
"A Multifractal Walk Down Wall Street,"
Scientific American, 1999

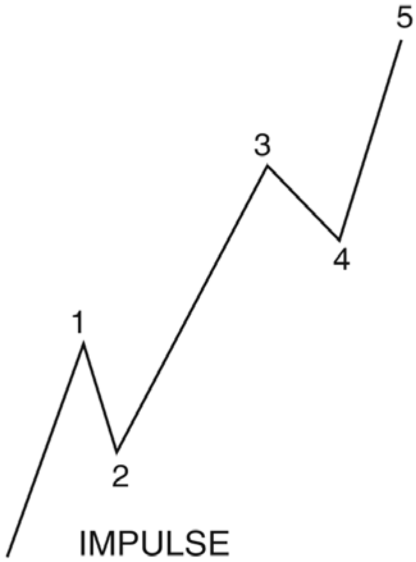
“Coastlines are good examples of random fractals. Stock prices are comparable to coastlines.”

—*Chaos and Order in the Capital Markets*, Edgar E. Peters (1991, p.51)

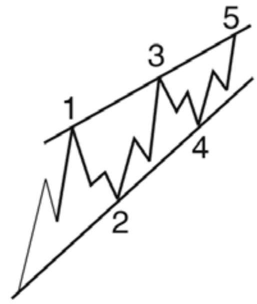
“I agree with the orthodox economists that stock prices are probably not predictable in any useful sense of the term.”

—*The Misbehavior of Markets: A Fractal View of Financial Turbulance*, Benoit Mandelbrot and Richard Hudson (2004, p.6)

SUMMARY OF MOTIVE PATTERNS



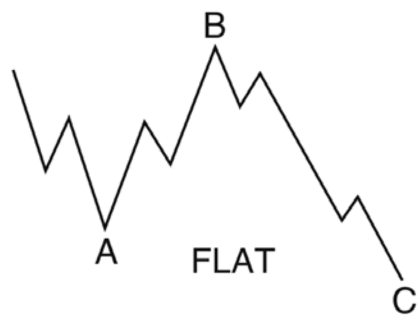
IMPULSE
(Showing alternation
of corrective types in
waves 2 and 4)



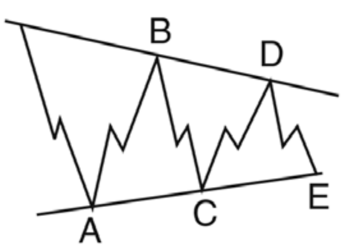
DIAGONAL

SUMMARY OF CORRECTIVE PATTERNS

ZIGZAG

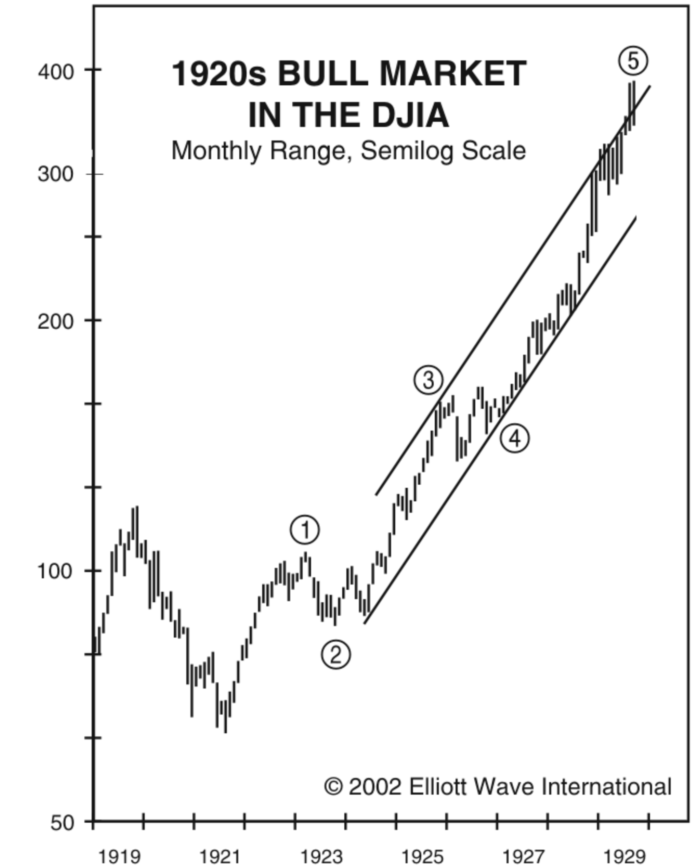


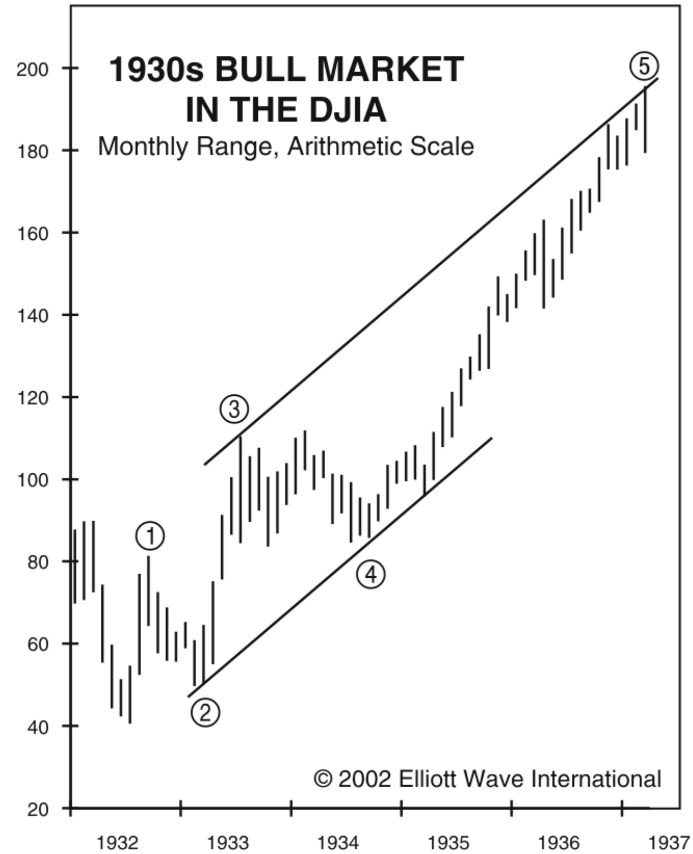
FLAT

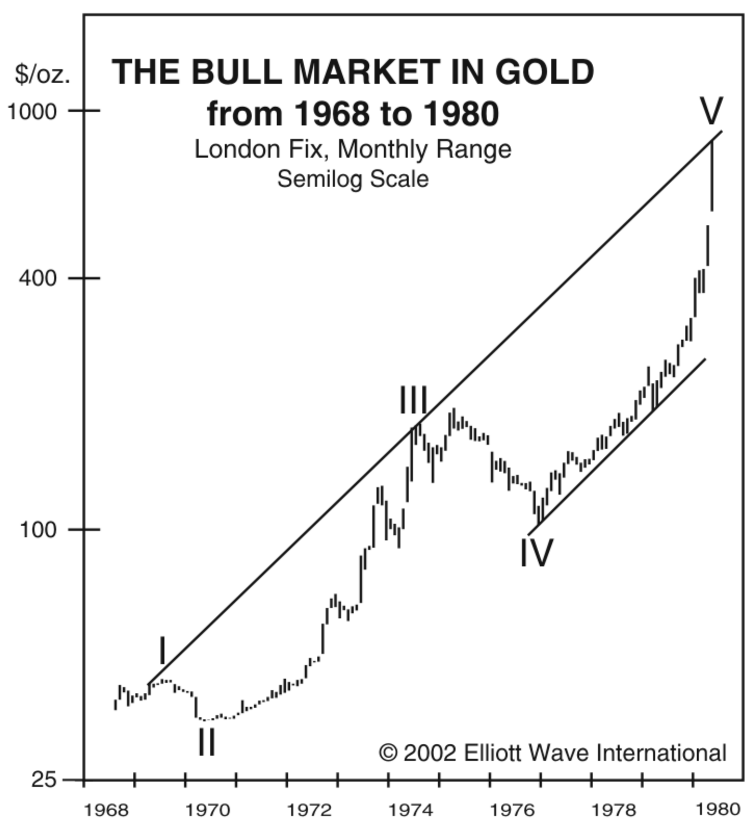


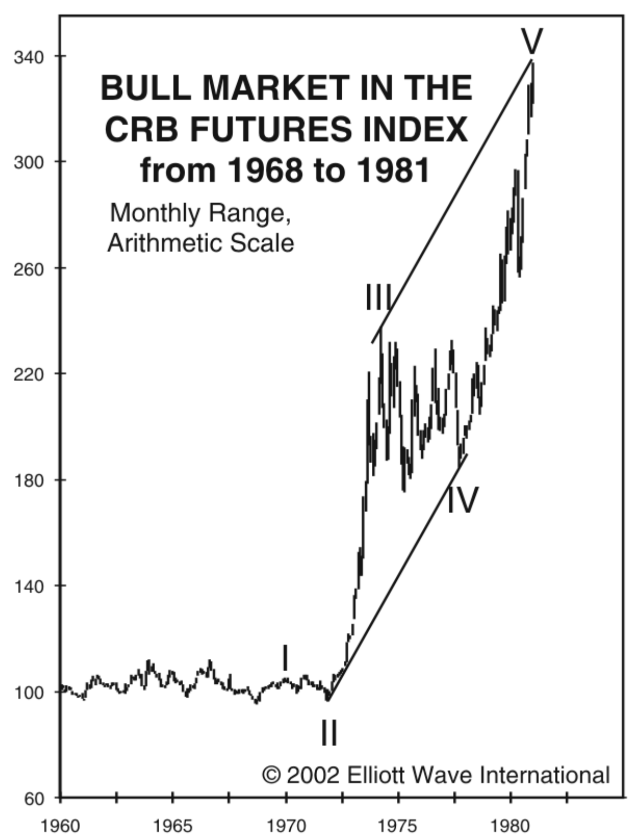
TRIANGLE

SAMPLE ELLIOTT WAVE CHANNELS



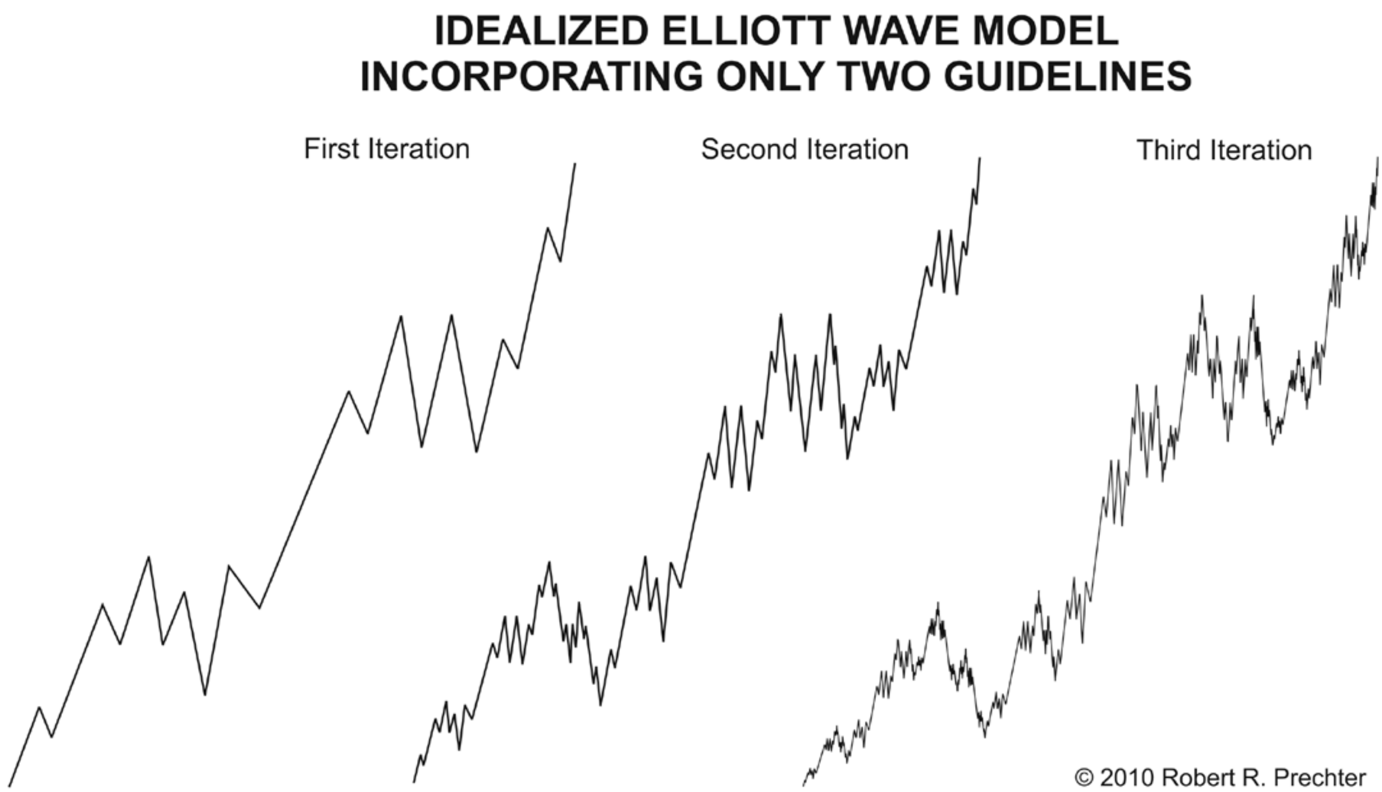




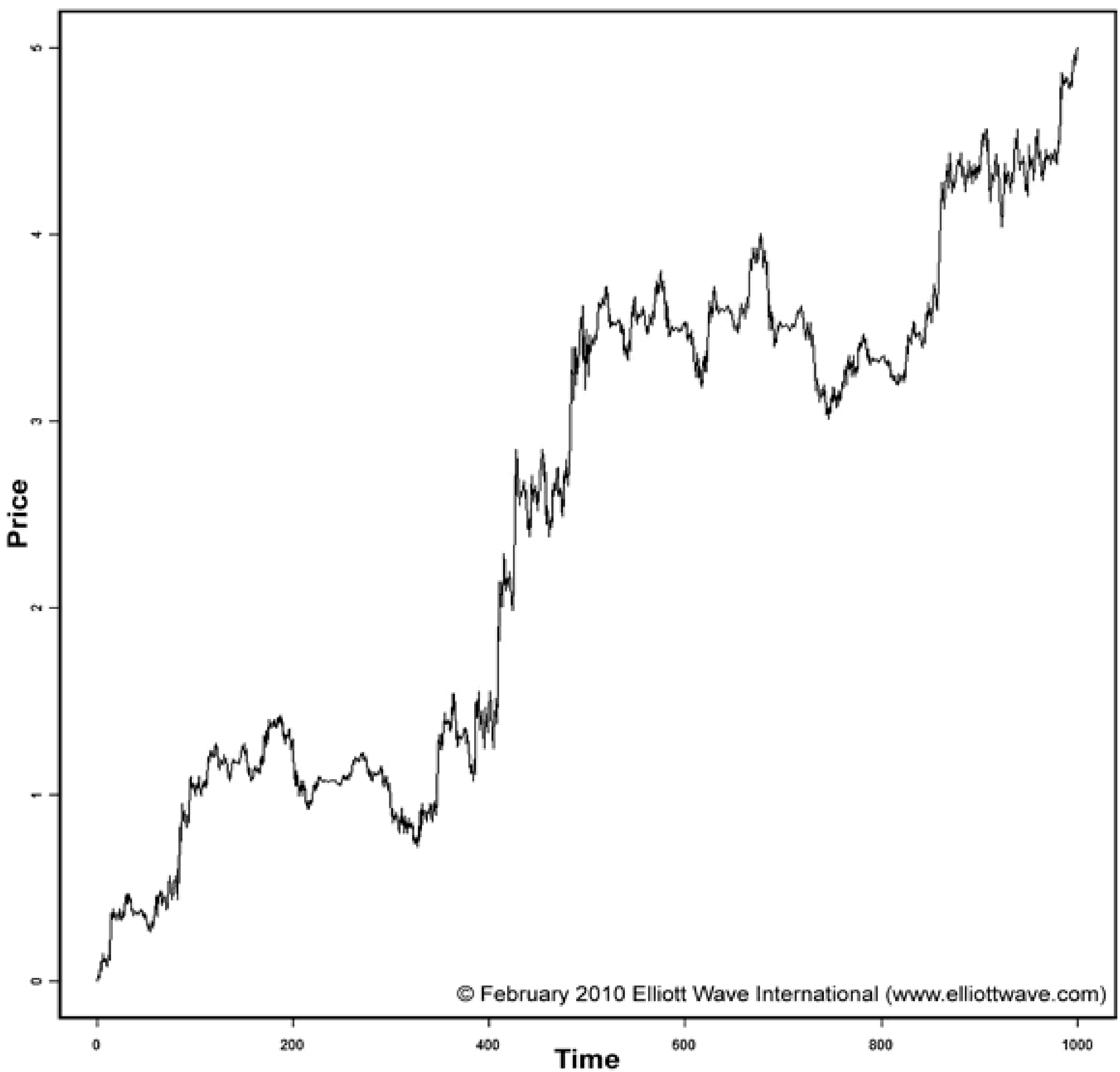


TRAITS OF AN IMPULSE

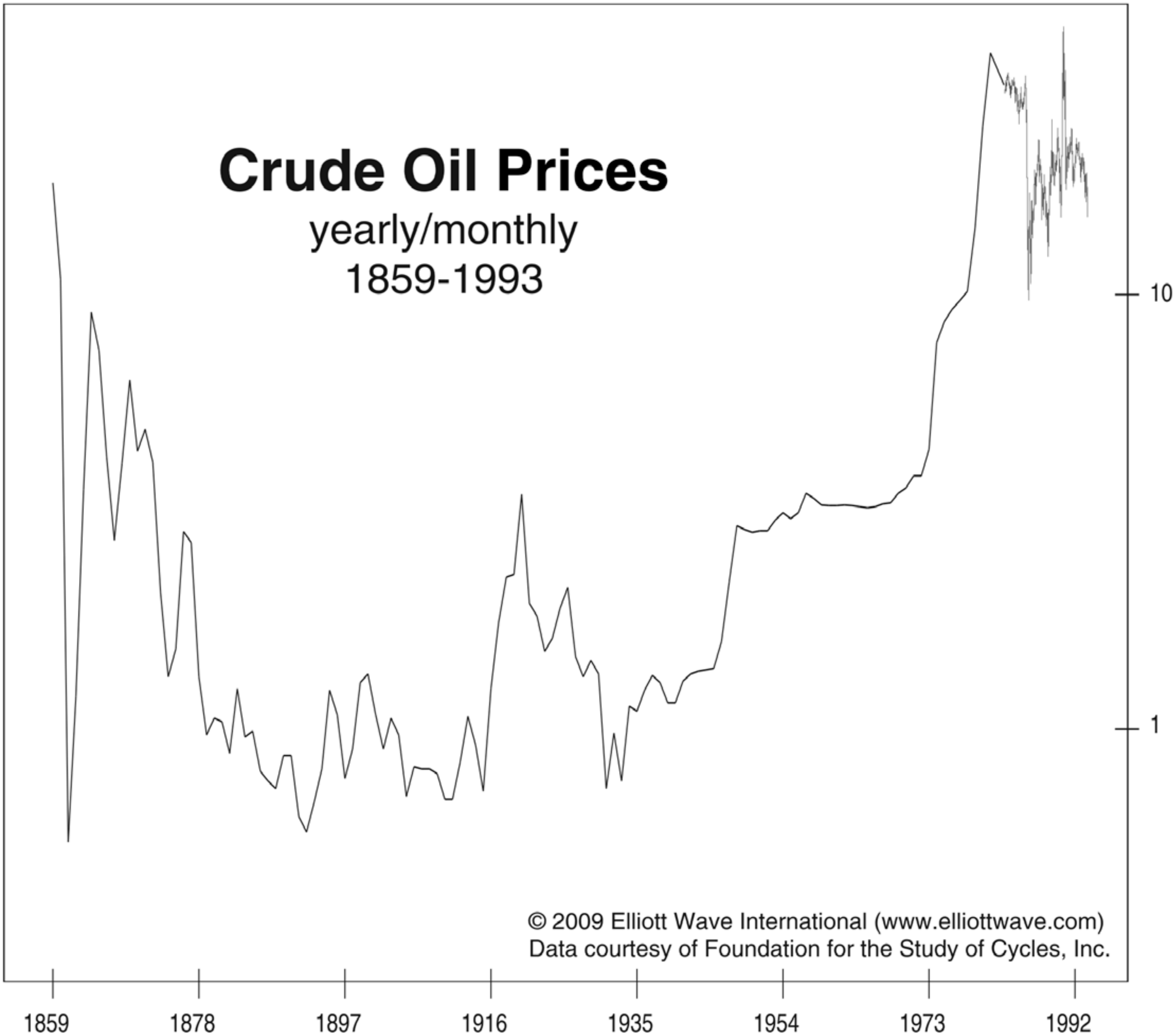
- The impulse subdivides into five waves.
- Wave 2 never moves beyond the start of wave 1.
- Wave 3 is never the shortest wave.
- Wave 4 never moves beyond the end of wave 1.
- Waves 1, 3 and 5 each subdivide into five waves.
- Waves 2 and 4 each subdivide into a corrective pattern.
- Wave 3 always takes the form of an impulse.
- Wave 1 almost always takes the form of an impulse.
- Wave 5 may be an impulse or a diagonal triangle.
- Typically, wave 1 or 3 or 5 is an extension, which means that it is substantially longer than each of the others and contains larger subdivisions than each of the others does.
- Wave 3 is most commonly the extended wave.
- Wave 1 is least commonly the extended wave.
- When wave 3 is extended, waves 1 and 5 tend toward equality of amplitude.
- The center of wave 3 has the steepest slope of any equal period within the larger impulse.
- Among the three basic types of corrective waves, wave 4 will almost always be a different type than wave 2.
- Wave 4 typically ends when it is between the starting and ending levels of subwave four of 3.
- Wave 4 often divides the entire impulse into .618/.382 proportion.
- Sometimes wave 5 does not exceed the level of the end of wave 3.
- Wave 5 often ends when meeting or slightly exceeding a line drawn from the end of wave 3 that is parallel to the line connecting the ends of waves 2 and 4, on either arithmetic or semilog scale.
- When wave 5 is extended, it is often 1.618 times as long as the net travel of waves 1 through 3.
- When wave 1 is extended, it is often 1.618 times as long as the net travel of waves 3 through 5.


IDEALIZED ELLIOTT WAVE MODEL
INCORPORATING ONLY TWO GUIDELINES
First Iteration
Second Iteration
Third Iteration
© 2010 Robert R. Prechter

IDEALIZED ELLIOTT WAVE AT 6 DEGREES



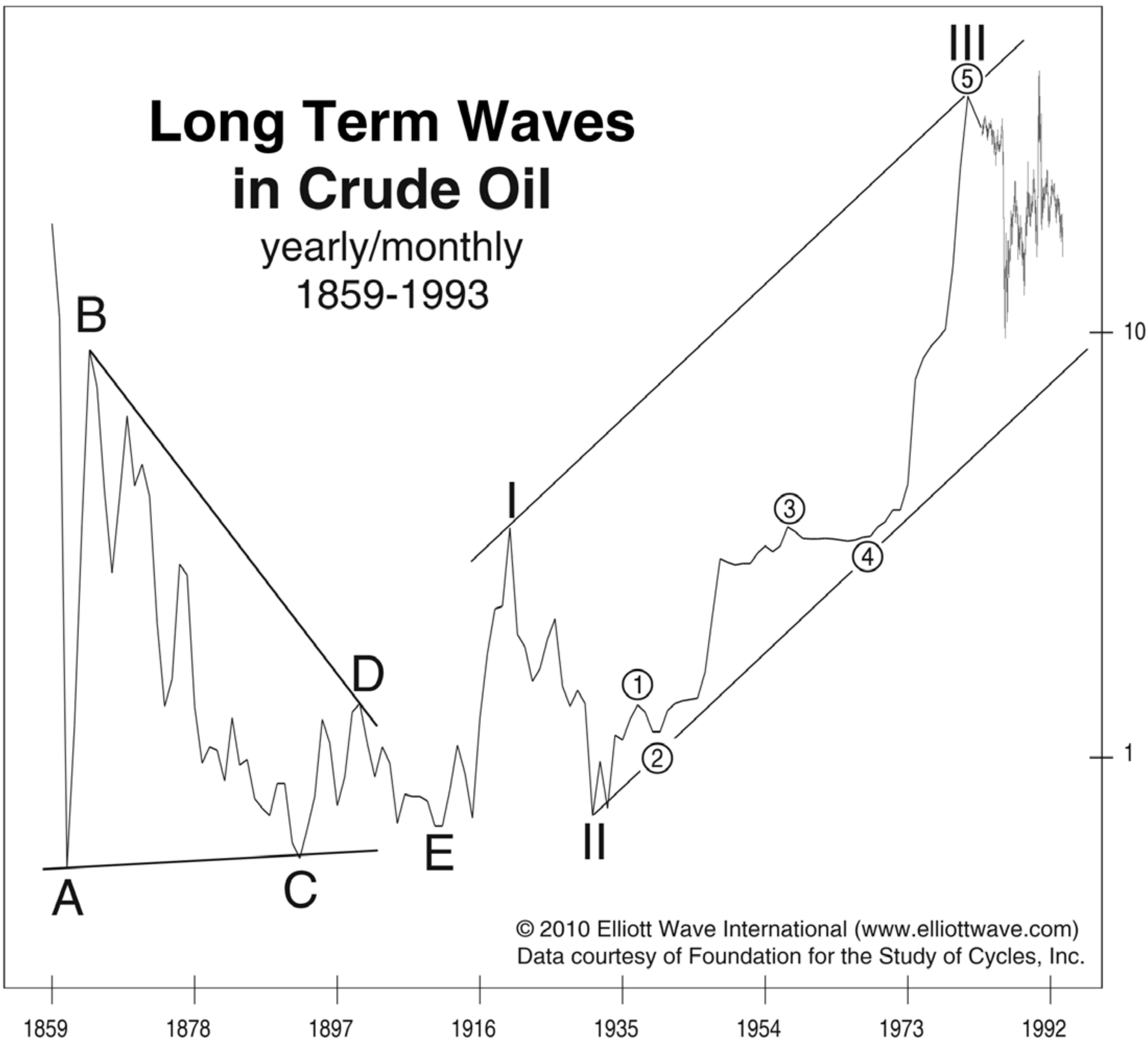
Calling the Oil Market in Real Time



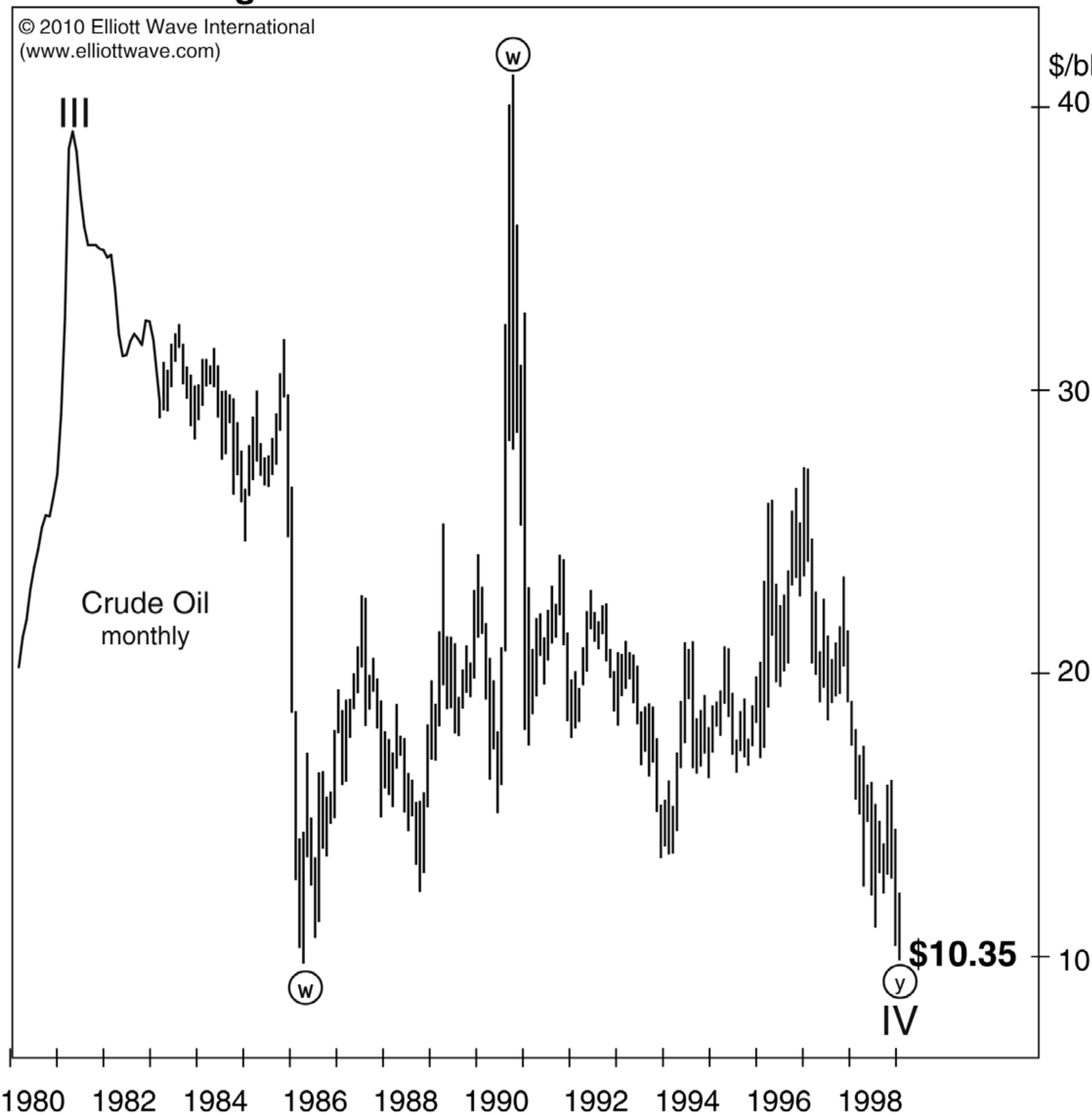
Forecast December 1993:

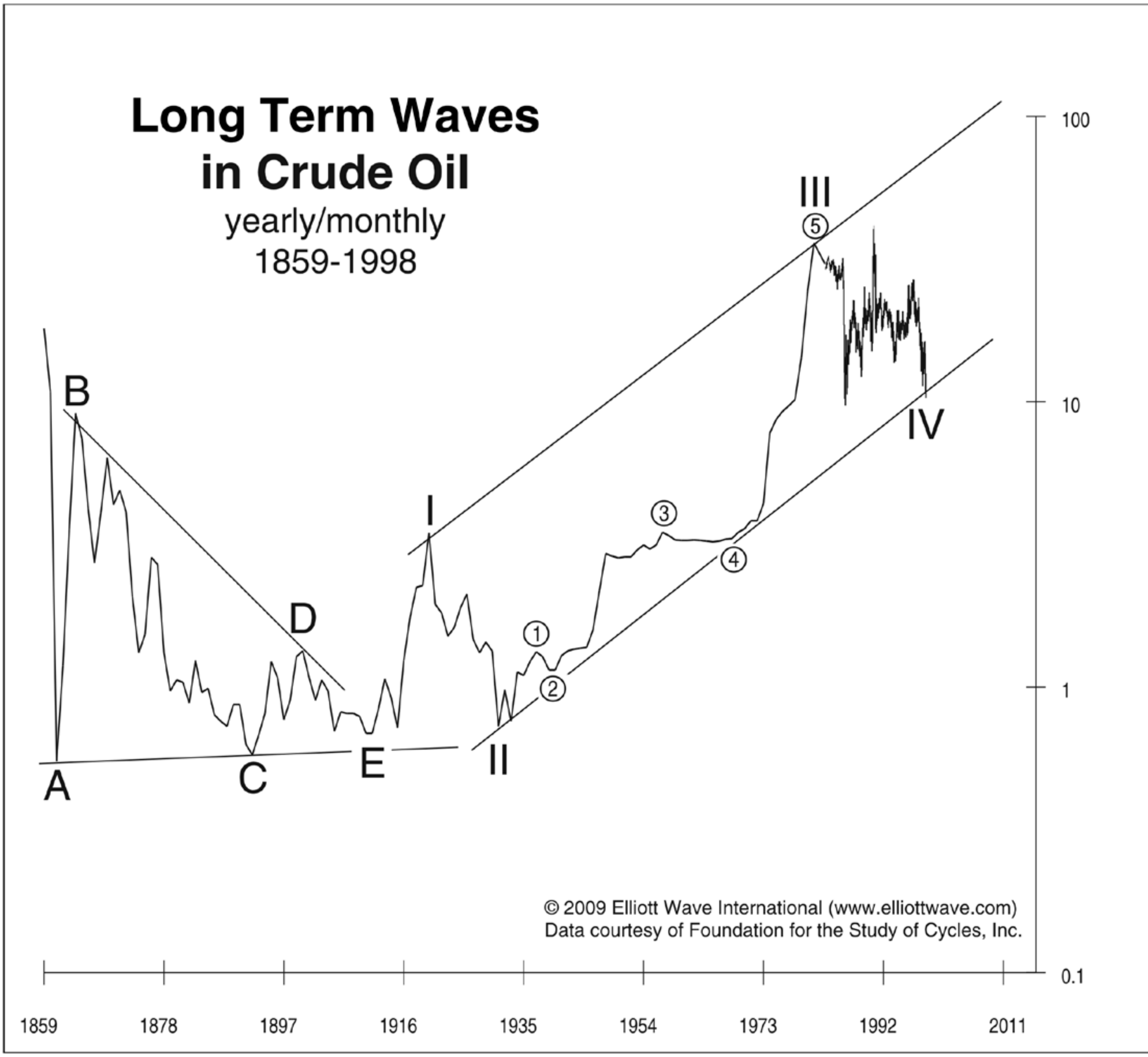
"Price should fall into the general area of **$10.00** (to end a fourth wave move from 1980) before the final leg up takes prices into **new historical highs**."

—*Global Market Perspective*, December 1993 issue


Long Term Waves
in Crude Oil
yearly/monthly
1859-1993
A
B
C
D
E
I
II
III
1
2
3
4
5
10
1
© 2010 Elliott Wave International (www.elliottwave.com)
Data courtesy of Foundation for the Study of Cycles, Inc.
1859
1878
1897
1916
1935
1954
1973
1992

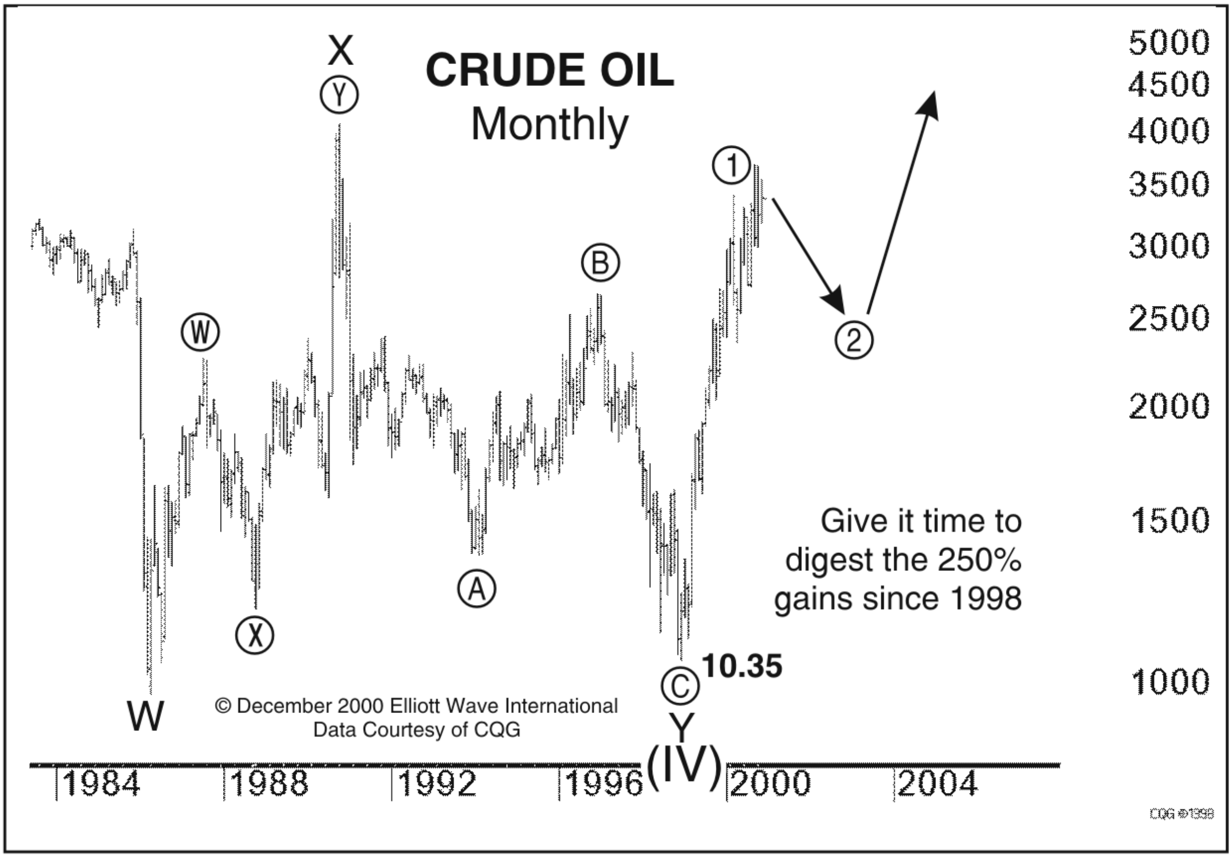
Downside target reached in December 1998:





Long Term Waves
in Crude Oil
yearly/monthly
1859-1998
A
B
C
D
E
I
II
III
IV
1
2
3
4
5
100
10
1
0.1
1859
1878
1897
1916
1935
1954
1973
1992
2011
© 2009 Elliott Wave International (www.elliottwave.com)
Data courtesy of Foundation for the Study of Cycles, Inc.

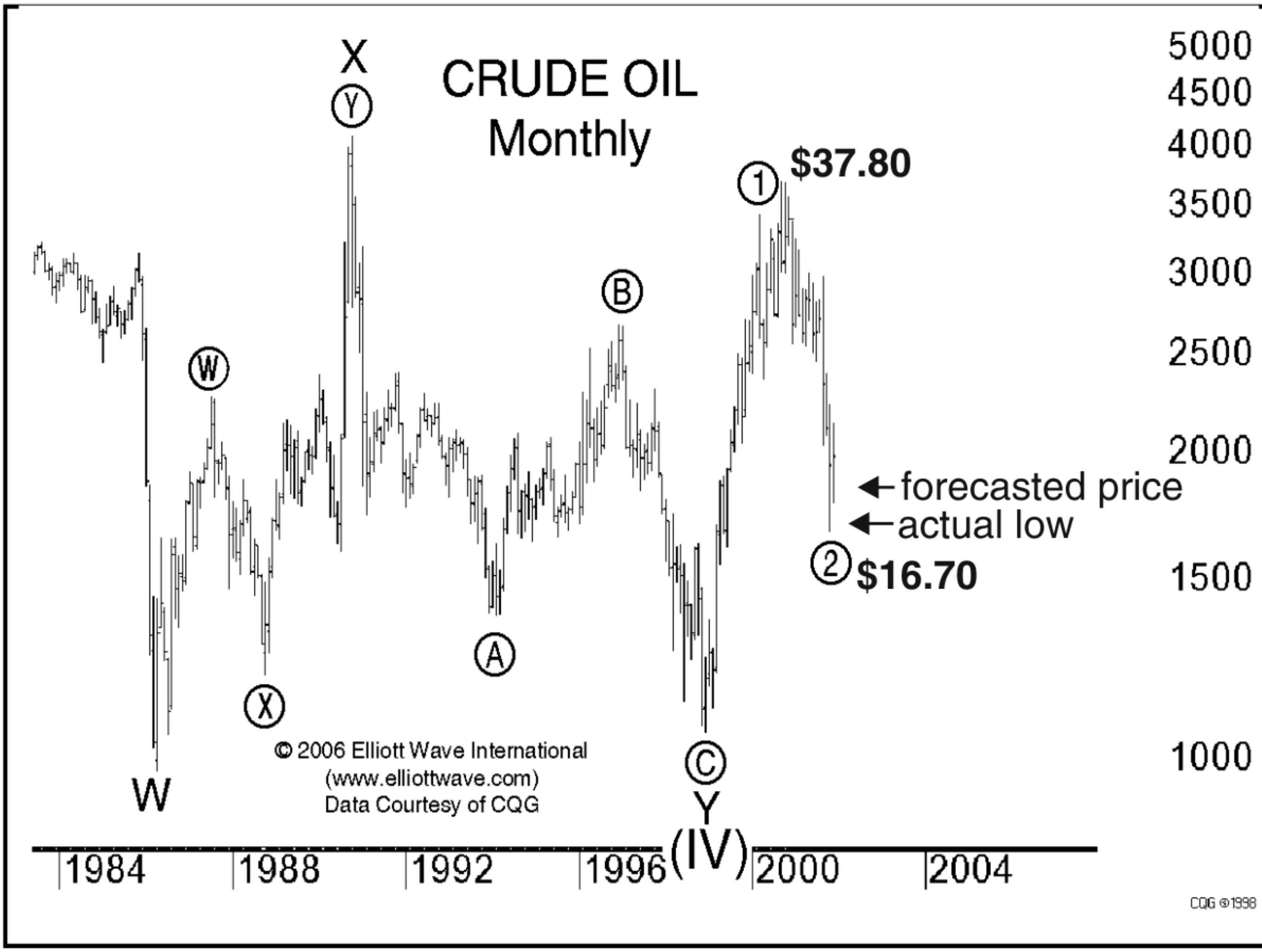
Forecast published in *Global Market Perspective*, December 2000:

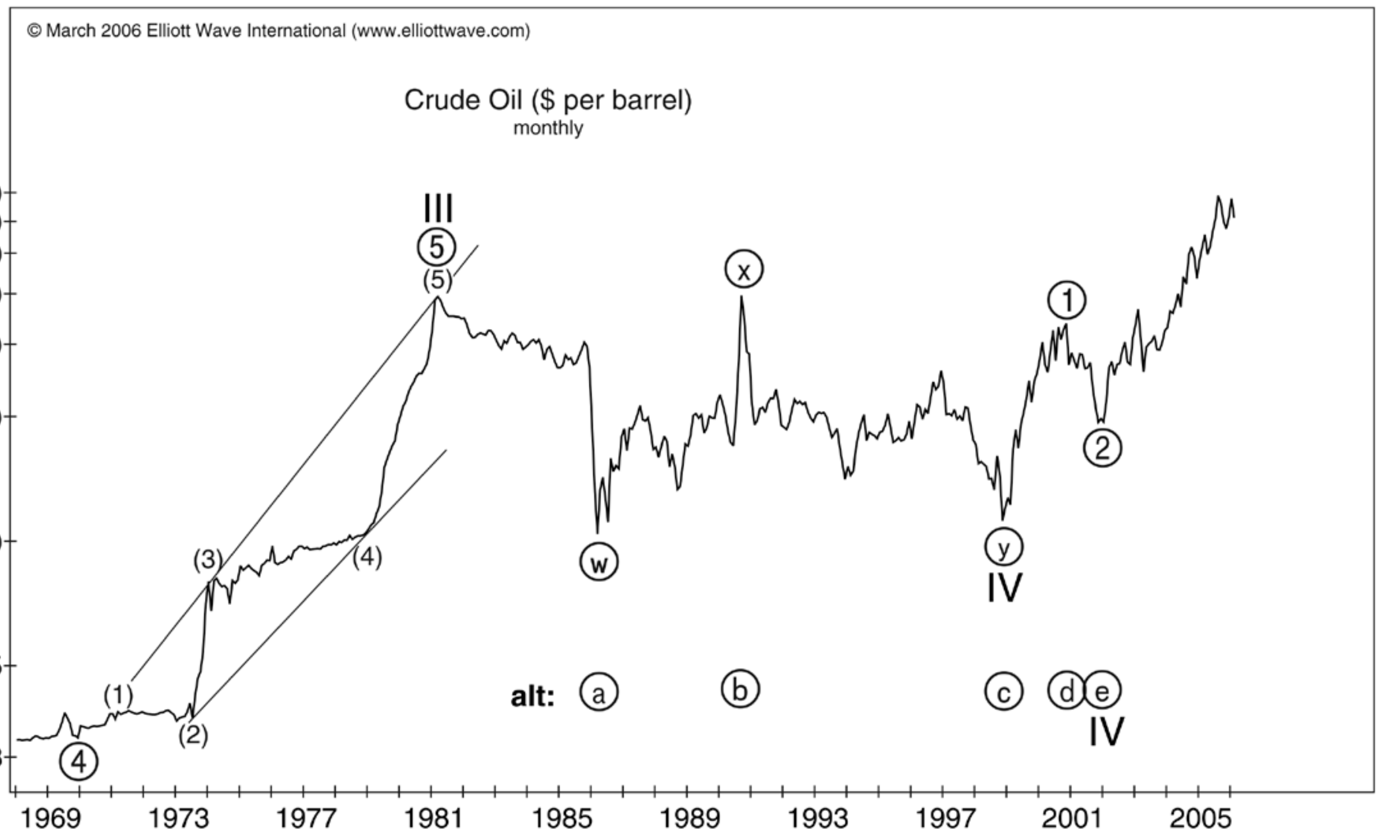


"We are soon likely to see a wave (C) decline where oil tests the 50% retracement to the **19.13** level. Once the…correction of the 1988/89 rally was over, crude exploded upward, and I expect the same outcome. One relatively conservative projection...would take crude oil up to $61 per barrel in the coming years."

—*Global Market Perspective*, December 2000

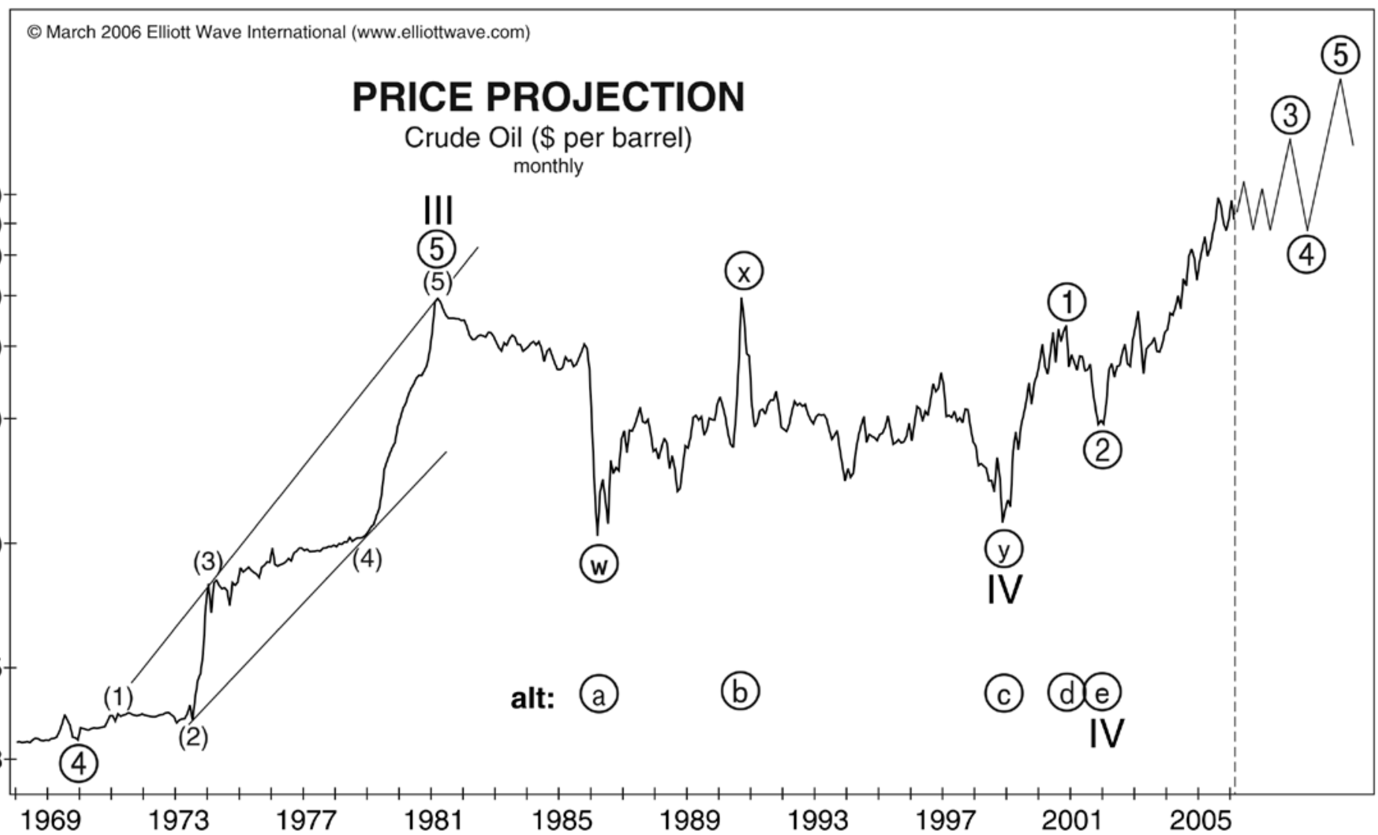
Oil fell to $16.70 on November 19, 2001:





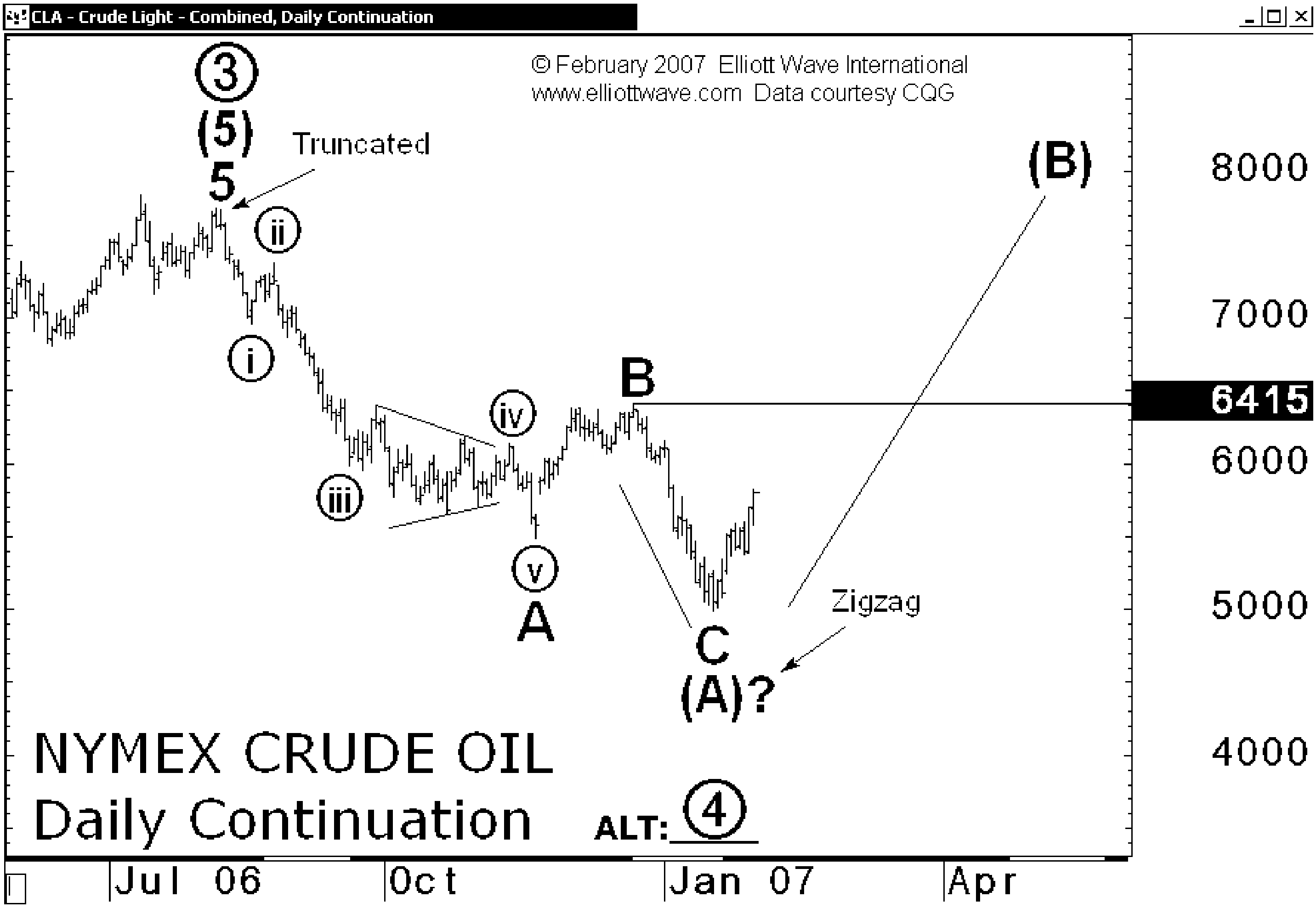
© March 2006 Elliott Wave International (www.elliottwave.com)
Crude Oil ($ per barrel)
monthly
III
5
(5)
(3)
(4)
(1)
(2)
4
x
w
1
2
y
IV
alt:
a
b
c
d
e
IV
70
60
50
40
30
20
10
5
3
1969
1973
1977
1981
1985
1989
1993
1997
2001
2005

Robert Prechter, Kenos Conference, Vienna, March 2006:



As published in *The Elliott Wave Theorist,* July 2006:

As published in Global Market Perspective, January 31, 2007:



"Crude extended its sell-off from last summer's record high to a 19-month low and reversed…. The **three-wave structure** from the top fits my outlook for a **corrective decline**. I've adjusted the count to show the decline as zigzag wave (A) of the **Primary wave ((4)) retracement**. A strong wave (B) advance would be the norm. **Given the depth of the decline (i.e., >38.2% retracement of the wave ((3)) advance), a strong alternate is that wave ((4)) is complete**."

The Elliott Wave Theorist, June 9, 2008

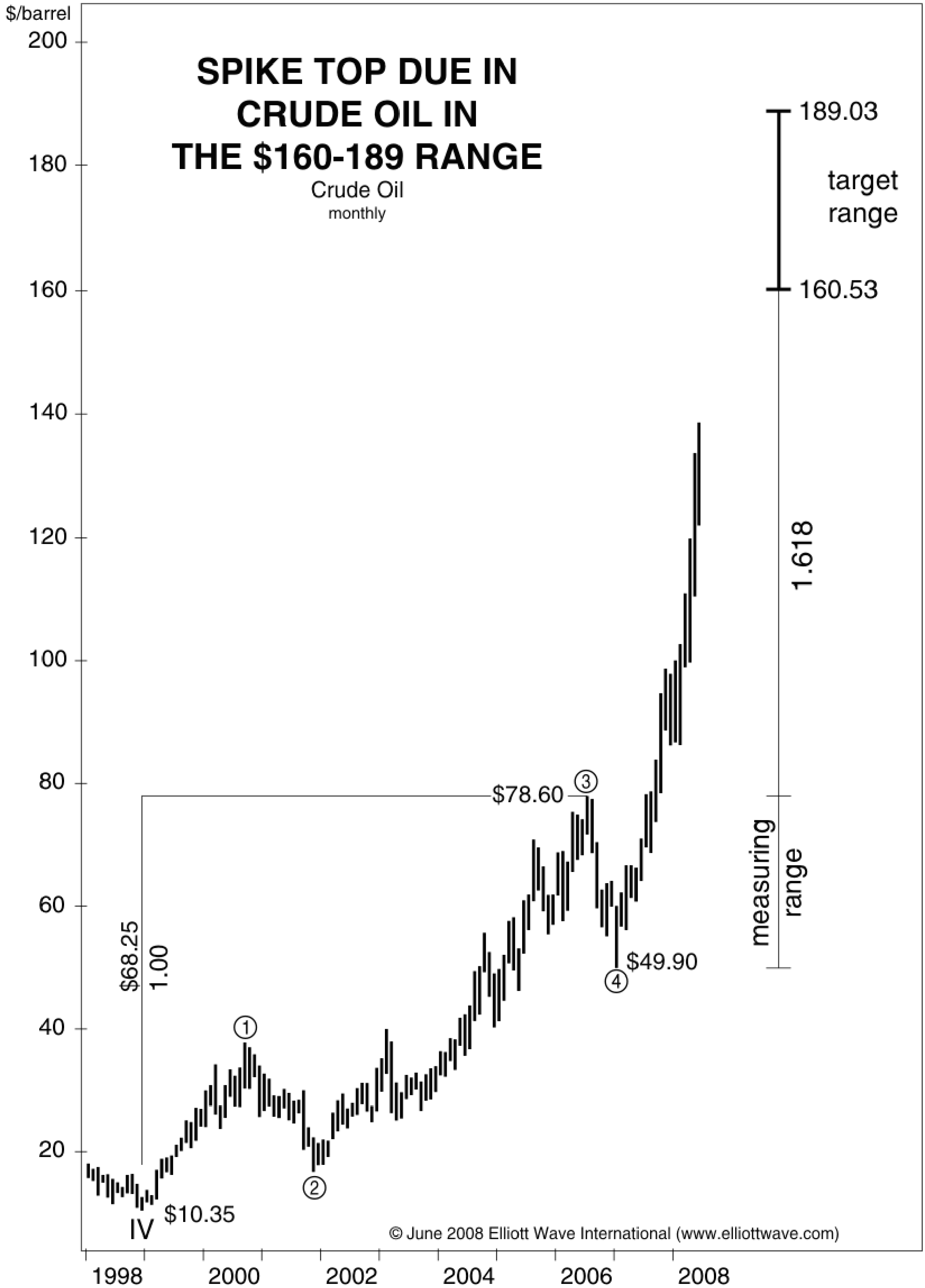
The Top of Wave 5 in Crude Oil Is Fast Approaching

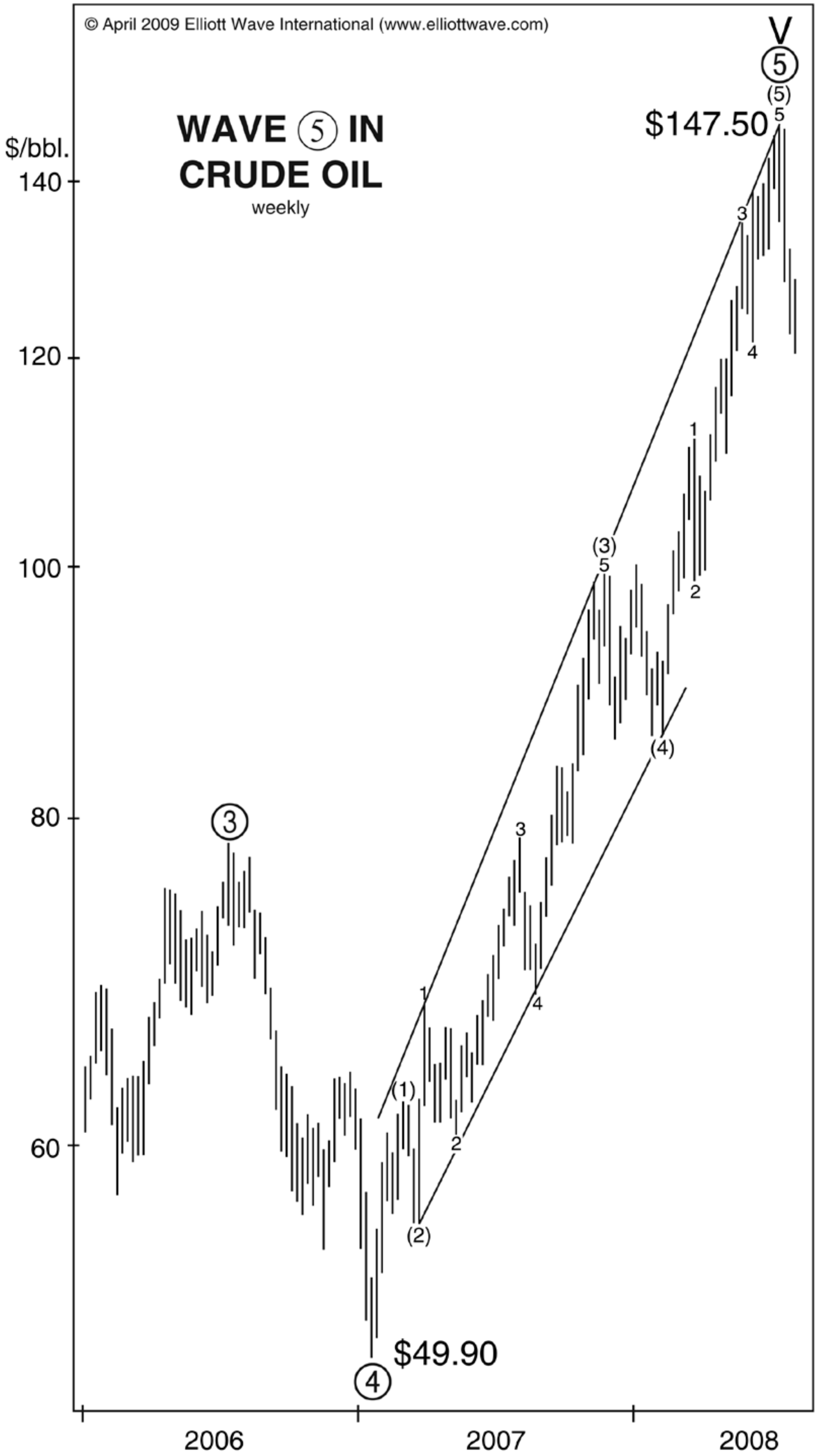
I am publishing this issue a bit early in order to alert you to an opportunity developing in the oil market.

Bull markets in commodities virtually always end with an extended fifth wave, as explained in Chapter 6 of *Elliott Wave Principle* (p.173).

So, **one of the greatest commodity tops of all time is due very soon**. Ideally, crude oil **should end on a violent spike high** in the $160-$189 range.

As published in *The Elliott Wave Theorist,* June 9, 2008

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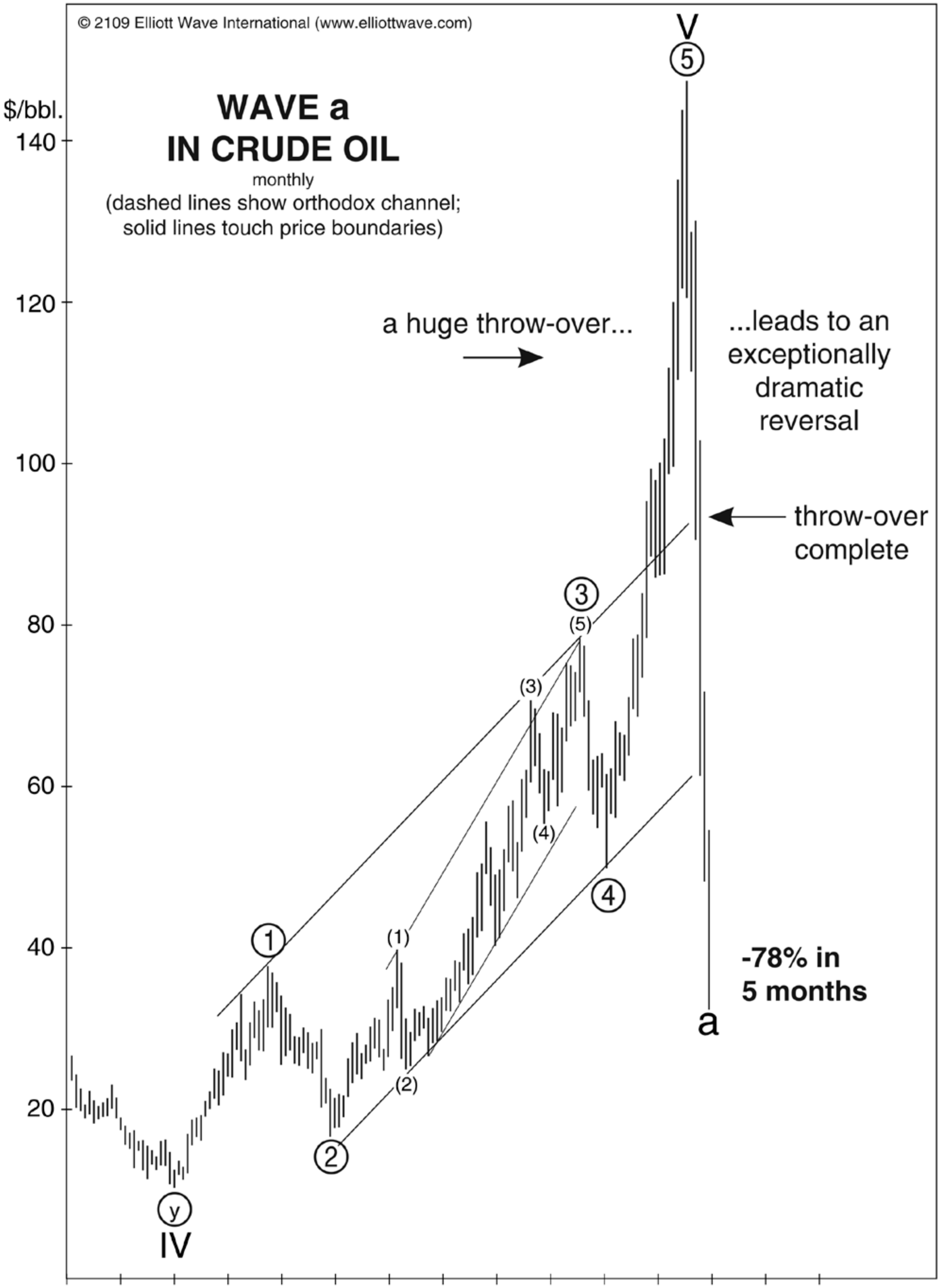
WAVE 5 IN CRUDE OIL
weekly
$/bbl.
140
120
100
80
60
V
5
(5)
5
$147.50
3
4
1
2
(3)
5
(4)
3
4
1
2
(1)
(2)
3
$49.90
4
2006
2007
2008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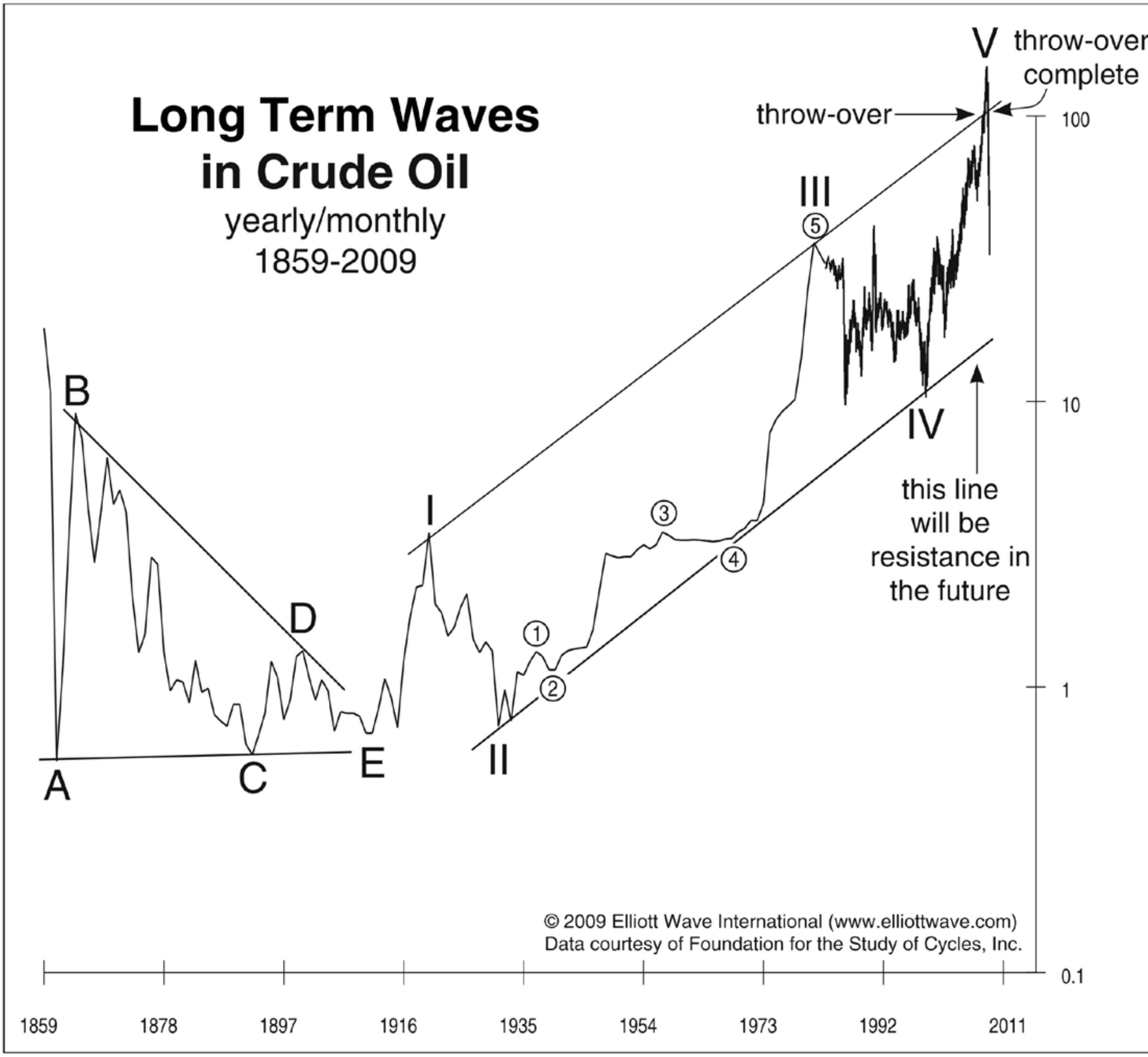
WAVE a
IN CRUDE OIL
monthly
(dashed lines show orthodox channel;
solid lines touch price boundaries)
$/bbl.
140
120
100
80
60
40
20
a huge throw-over...
...leads to an
exceptionally
dramatic
reversal
throw-over
complete
-78% in
5 months
V
5
3
(5)
(3)
(4)
4
1
(1)
(2)
2
y
IV
a
1998
2000
2002
2004
2006
2008
2010


Long Term Waves
in Crude Oil
yearly/monthly
1859-2009
V
throw-over
complete
throw-over
III
5
I
3
4
1
2
II
IV
this line
will be
resistance in
the future
A
B
C
D
E
100
10
1
0.1
© 2009 Elliott Wave International (www.elliottwave.com)
Data courtesy of Foundation for the Study of Cycles, Inc.
1859
1878
1897
1916
1935
1954
1973
1992
2011

***The Elliott Wave Theorist*, July 25, 2006**

The Economic Factor

The “Peak Oil” bulls never tire of listing economic forces that will cause oil to go up for decades and centuries. Never mind that we did not hear about this when oil was $10 a barrel; now it’s fashionable. But there is a far more fundamental aspect of economics that the bulls are ignoring.

High prices provide incentives. **Free markets always offer alternatives**. **Natural resource limits have never limited progress; they have only directed it.**

So there are both short-term and long-term forces, working slowly perhaps but relentlessly, against an ever-rising oil price. It is not impossible for the world to go dark or for people to revert to the Stone Age, but it wouldn’t occur because of economic forces on oil prices; it would occur because of politics and war, the main immediate forces of setback in human history.

The Globe and Mail, Toronto

Mar. 17, 2010 12:00AM EDT

Researchers at the University of Texas at Arlington (UTA) announced last month that they **have developed a clean way to turn the cheapest kind of coal - lignite, common in Texas - into synthetic crude, which can be refined into gasoline, with zero release of pollutants**.

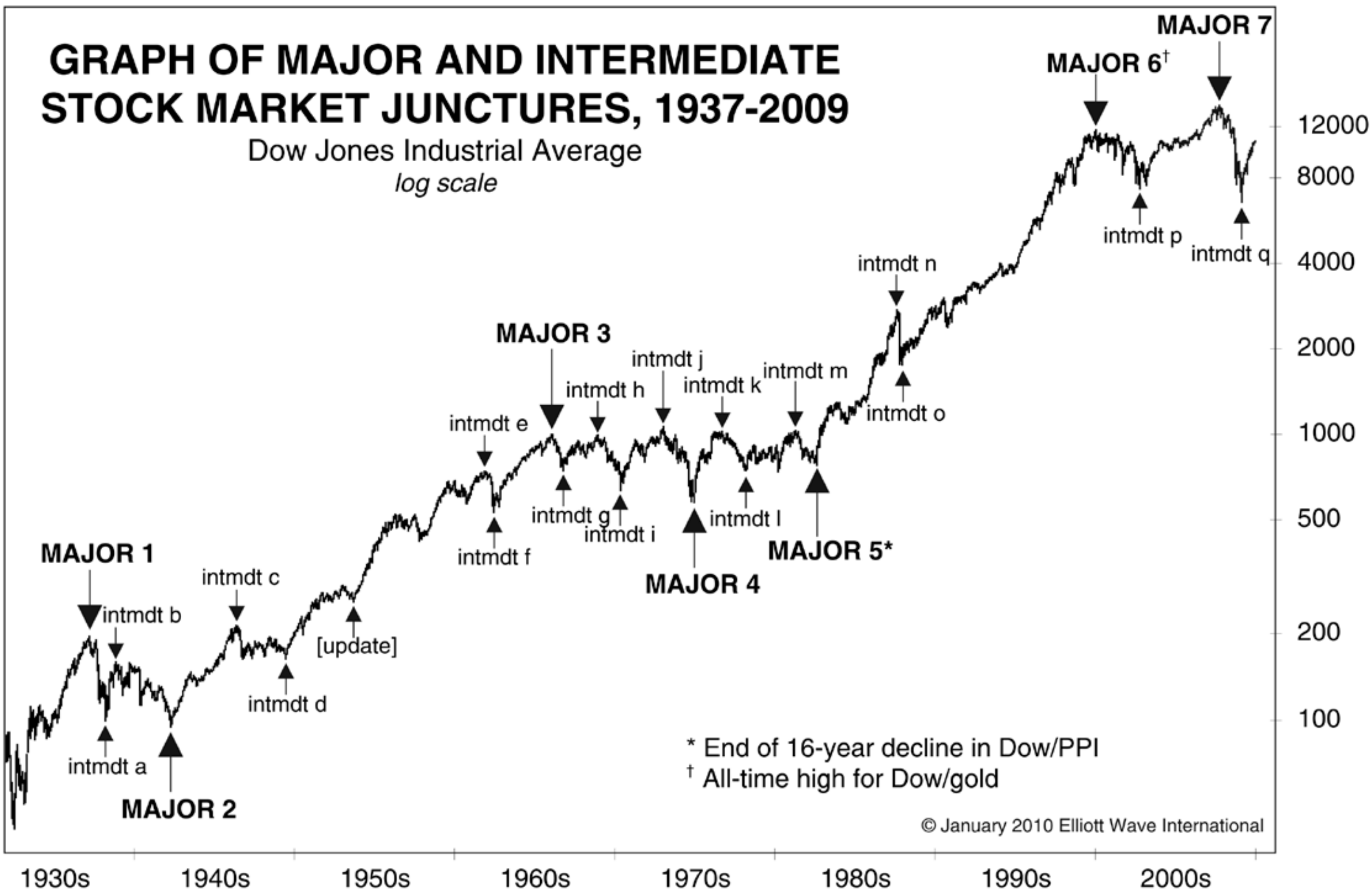
$18 worth of coal yields 63 gallons of gasoline: 0.28 cents a gallon.

Canada has more energy in its "proven, recoverable" reserves of coal than it has in all of its oil, natural gas and oil sands combined: 10 billion tonnes. **The world has** 100 times more: **one trillion tonnes. These reserves hold the energy equivalent of more than four trillion barrels of oil.** They are scattered in 70 countries, **mostly in relatively easy-to-mine locations and mostly in democratic countries**. The United States alone has 30 per cent of the world's reserves.

The U.S. government has approved construction of a small-scale micro-refinery to test the UTA lab-based breakthrough. This prototype micro-refinery should be in operation by year-end.

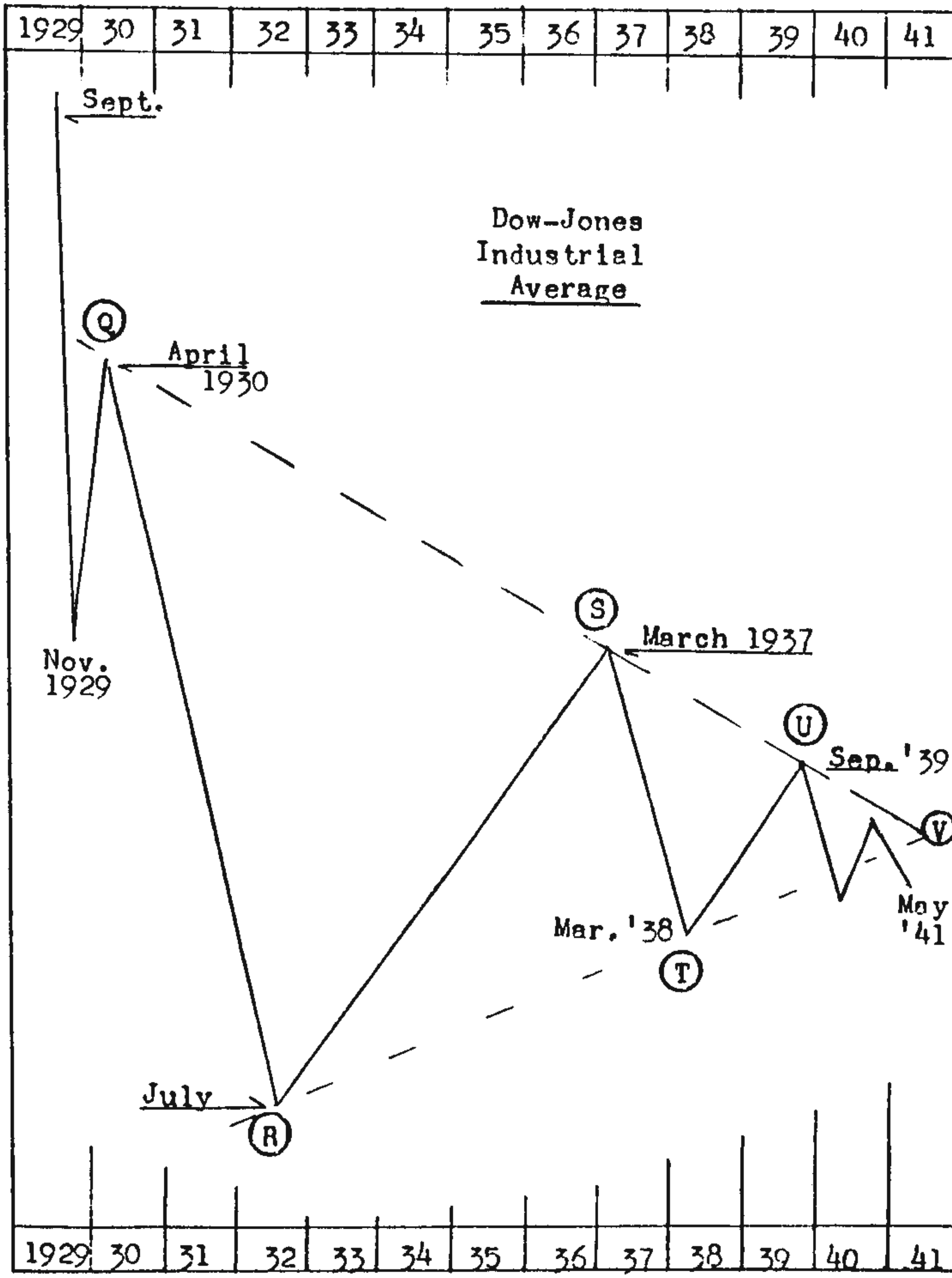
Assuming that these Texas folk are correct, this advance in technology could represent a historic moment in energy production.

Calling the Stock Market in Real Time

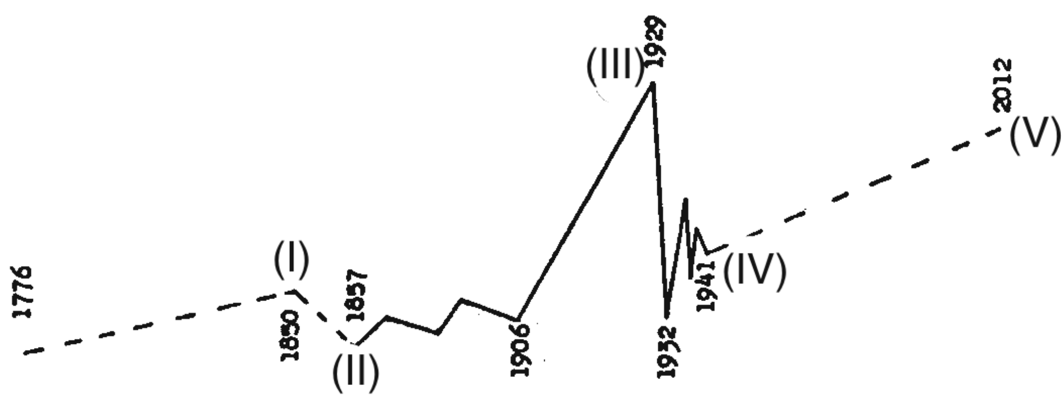


GRAPH OF MAJOR AND INTERMEDIATE STOCK MARKET JUNCTURES, 1937-2009
Dow Jones Industrial Average
log scale
MAJOR 1
MAJOR 2
MAJOR 3
MAJOR 4
MAJOR 5*
MAJOR 6†
MAJOR 7
intmdt a
intmdt b
intmdt c
intmdt d
[update]
intmdt e
intmdt f
intmdt g
intmdt h
intmdt i
intmdt j
intmdt k
intmdt l
intmdt m
intmdt n
intmdt o
intmdt p
intmdt q
12000
8000
4000
2000
1000
500
200
100
* End of 16-year decline in Dow/PPI
† All-time high for Dow/gold
© January 2010 Elliott Wave International
1930s
1940s
1950s
1960s
1970s
1980s
1990s
2000s

April 1942 Bottom, R.N. Elliott

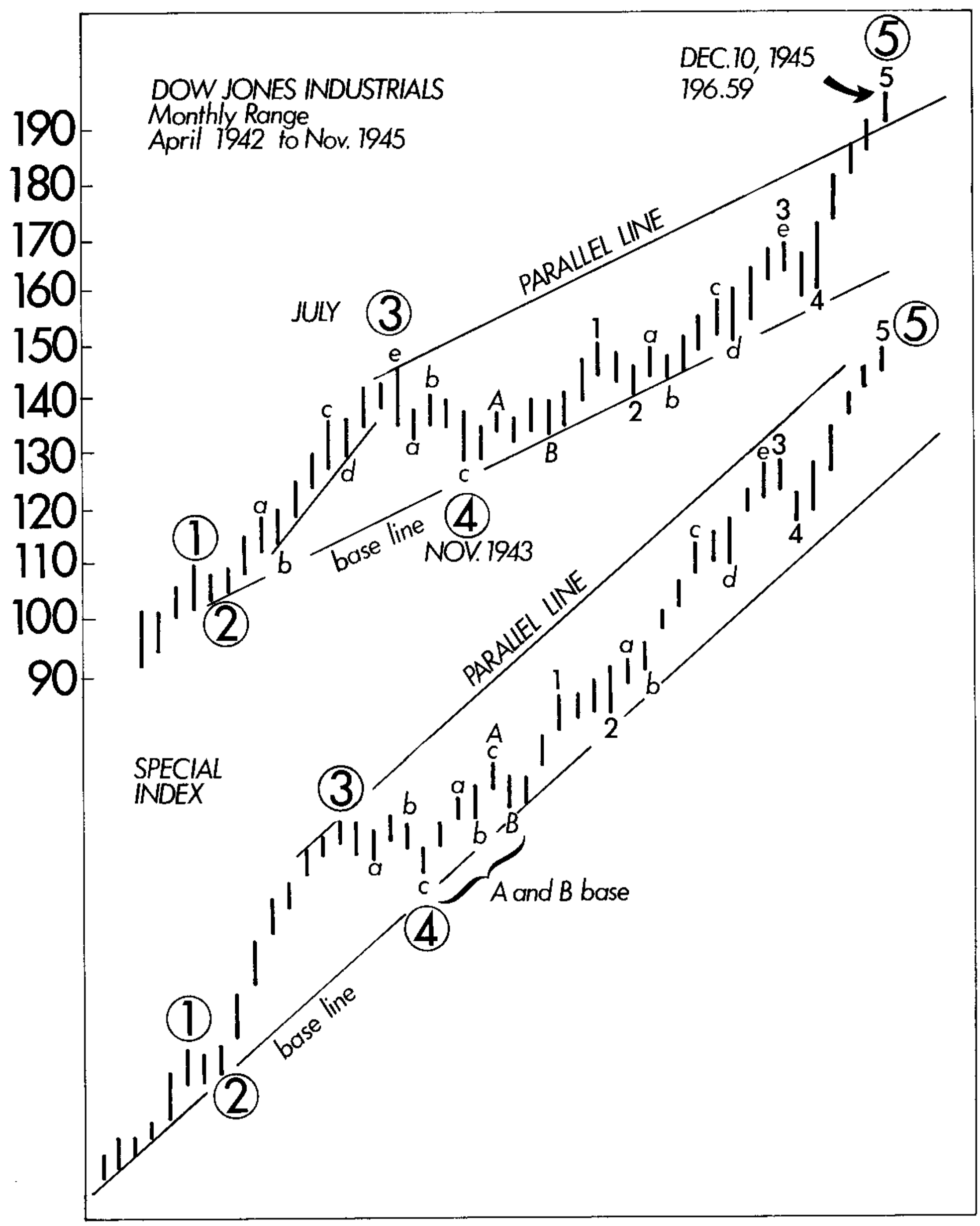


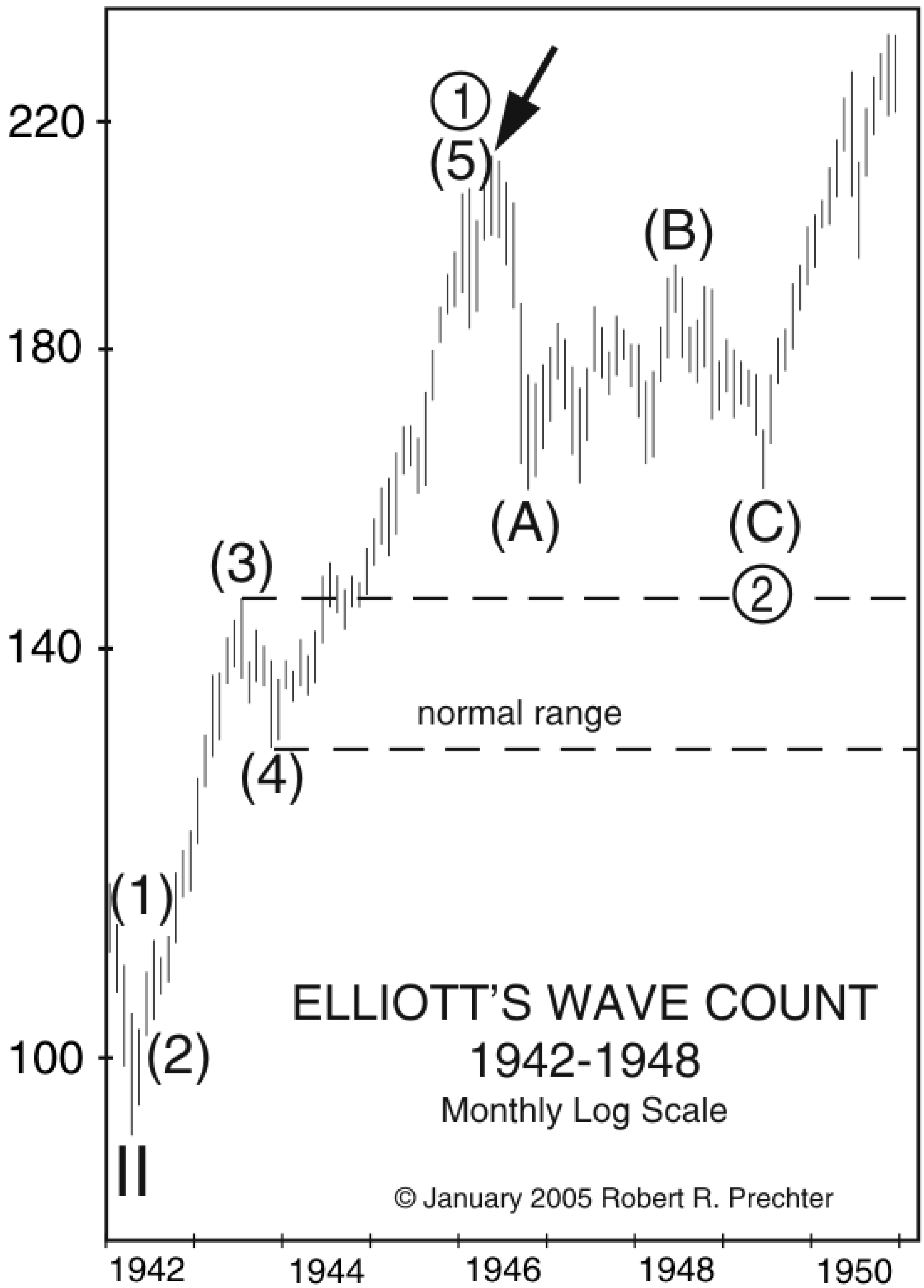
“[This] **should mark the final correction of the 13-year pattern of defeatism.** This termination will also mark the beginning of **a new Supercycle wave (V)** (composed of a series of cycles of lesser degree), **comparable in many respects with the long [advance] from 1857 to 1929.** <u>Supercycle (V) is not expected to culminate until about 2012</u>. (See dashed line in the graph.)”



May 1946 Top, R.N. Elliott

"On going to press, an irregular top, wave B, is in process of formation. This should be followed by wave C. I expect a sub-normal bear market."

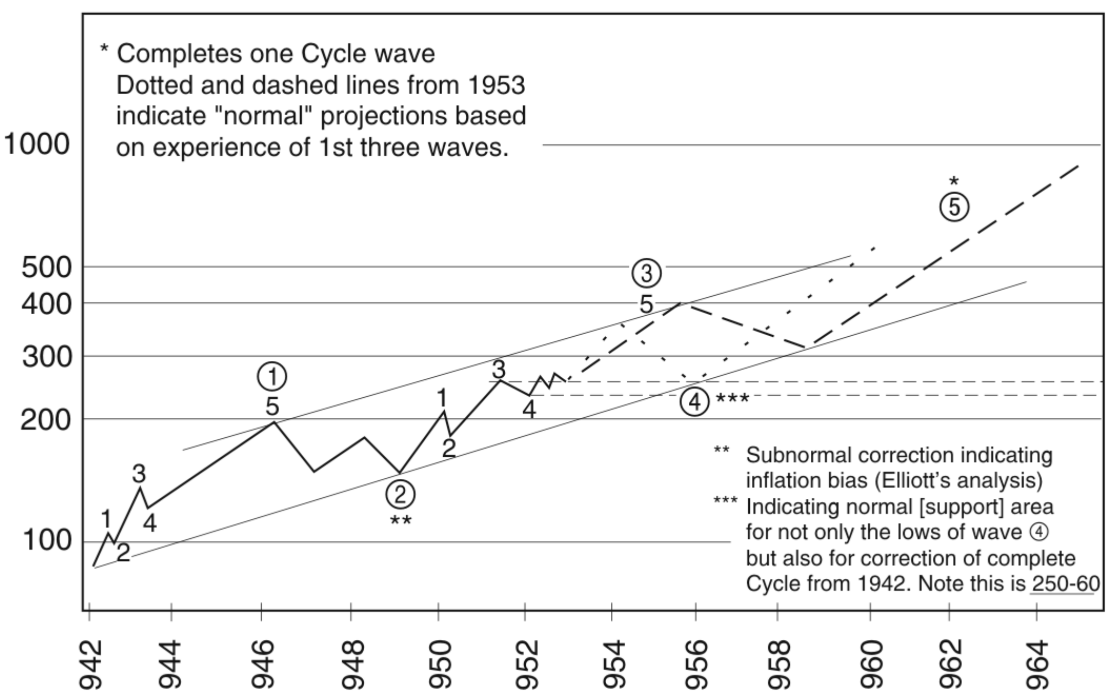




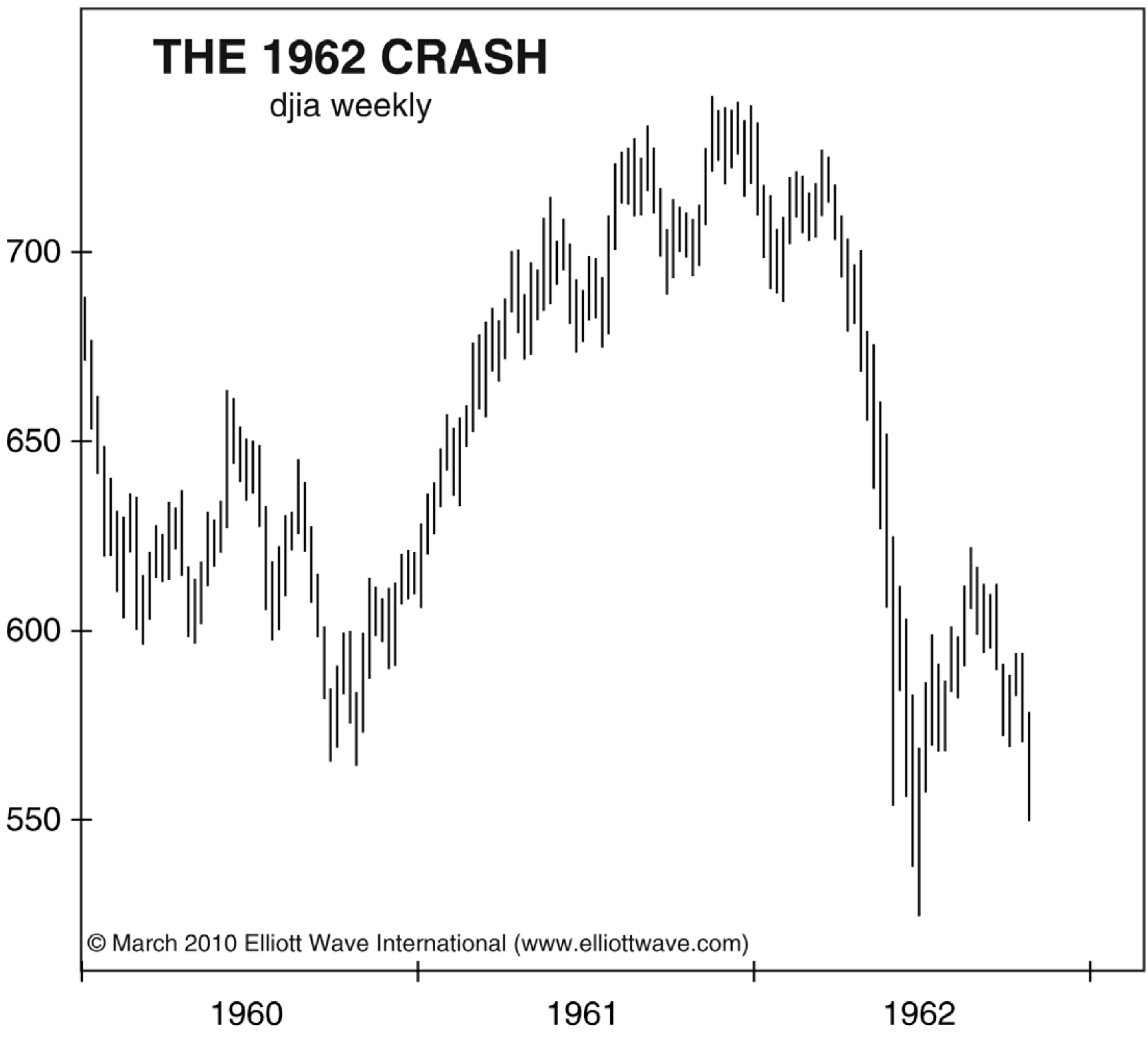
220
180
140
100
①
(5)
(B)
(A)
(C)
(3)
②
normal range
(4)
(1)
(2)
II
ELLIOTT'S WAVE COUNT
1942-1948
Monthly Log Scale
© January 2005 Robert R. Prechter
1942
1944
1946
1948
1950

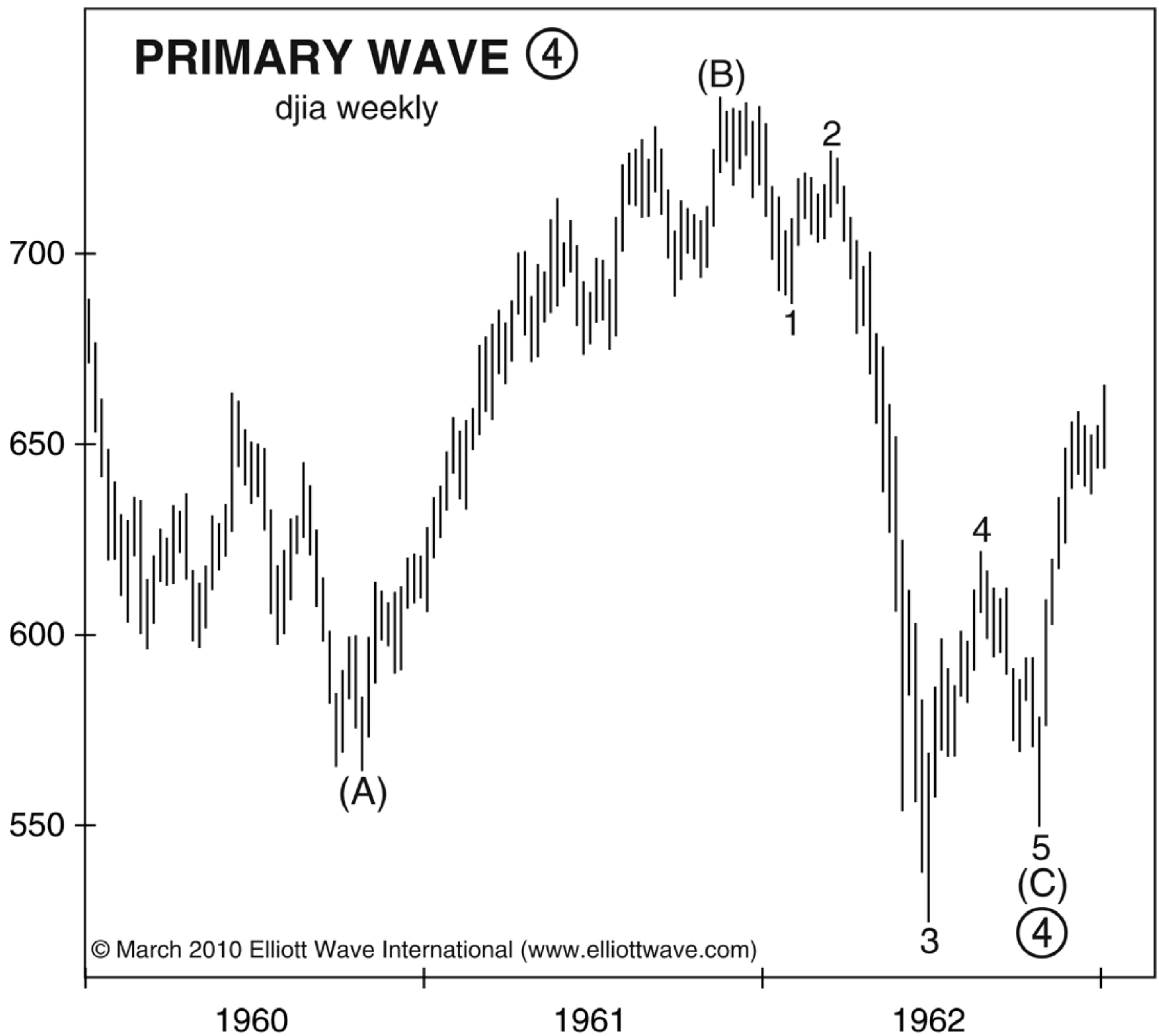
First Quarter 1953, A. Hamilton Bolton

"The late R.N. Elliott in 1941 projected a pattern of future stock market behavior which has not varied in fundamentals from his original outline years ago. This last prediction, or hypothesis, is vitally important, because if Elliott is right, we will not see again probably in this century stock prices as low "in dollar price" as they were in 1942. Of course, inflation will take care of a great deal of that hypothesis anyway, but it does mean that **no major depression of the 1929-32 variety is in the cards in our lifetime** (although there may well be 1921s, 1896s, 1873s again within this span). Further, it is as well to keep the background in perspective; Elliott's projection was made at a time when deflation and not inflation was the current fear."



.. e **whole rise from 1942** and anything approaching a major depression in stock prices."

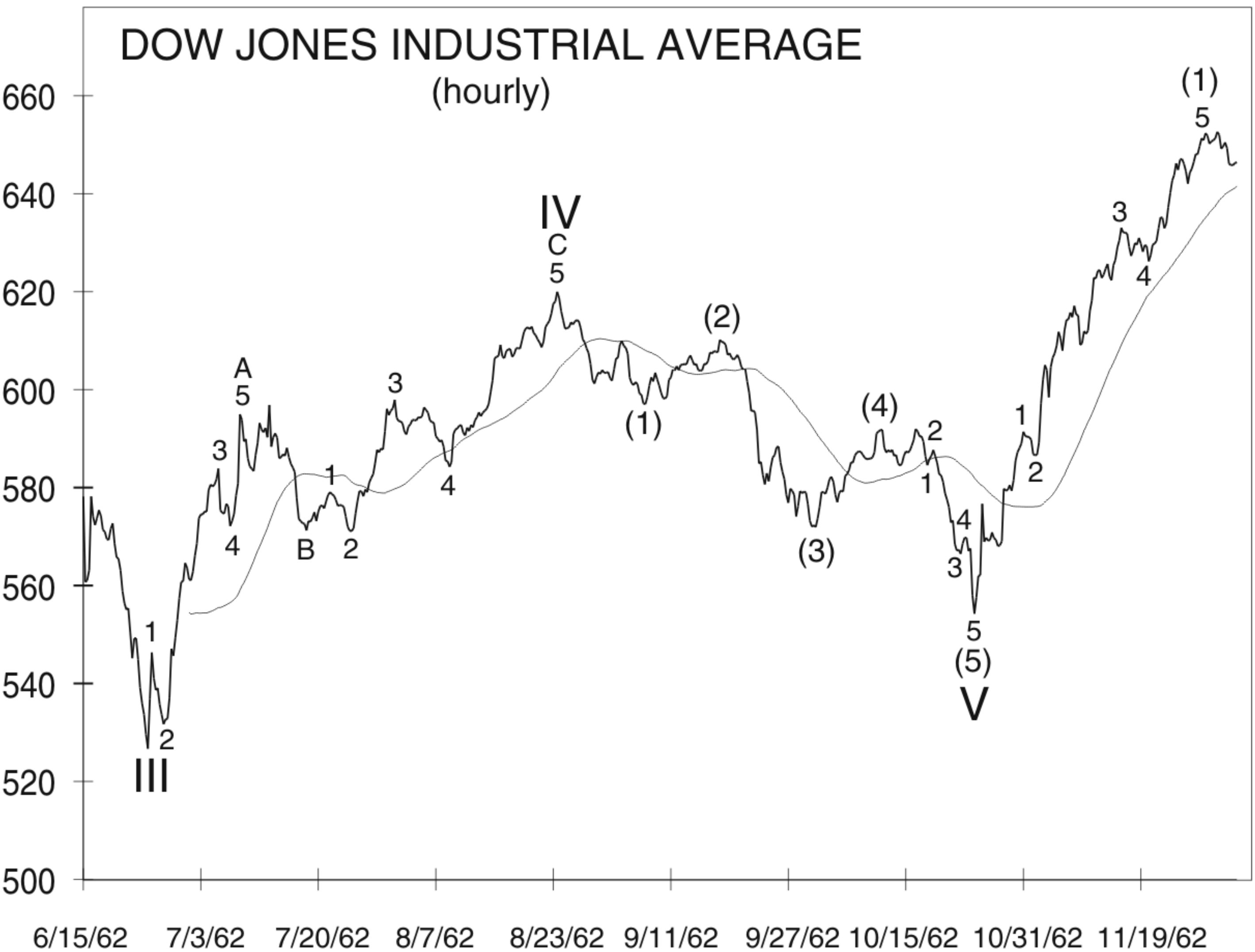

THE 1962 CRASH
djia weekly
700
650
600
550
© March 2010 Elliott Wave International (www.elliottwave.com)
1960
1961
1962



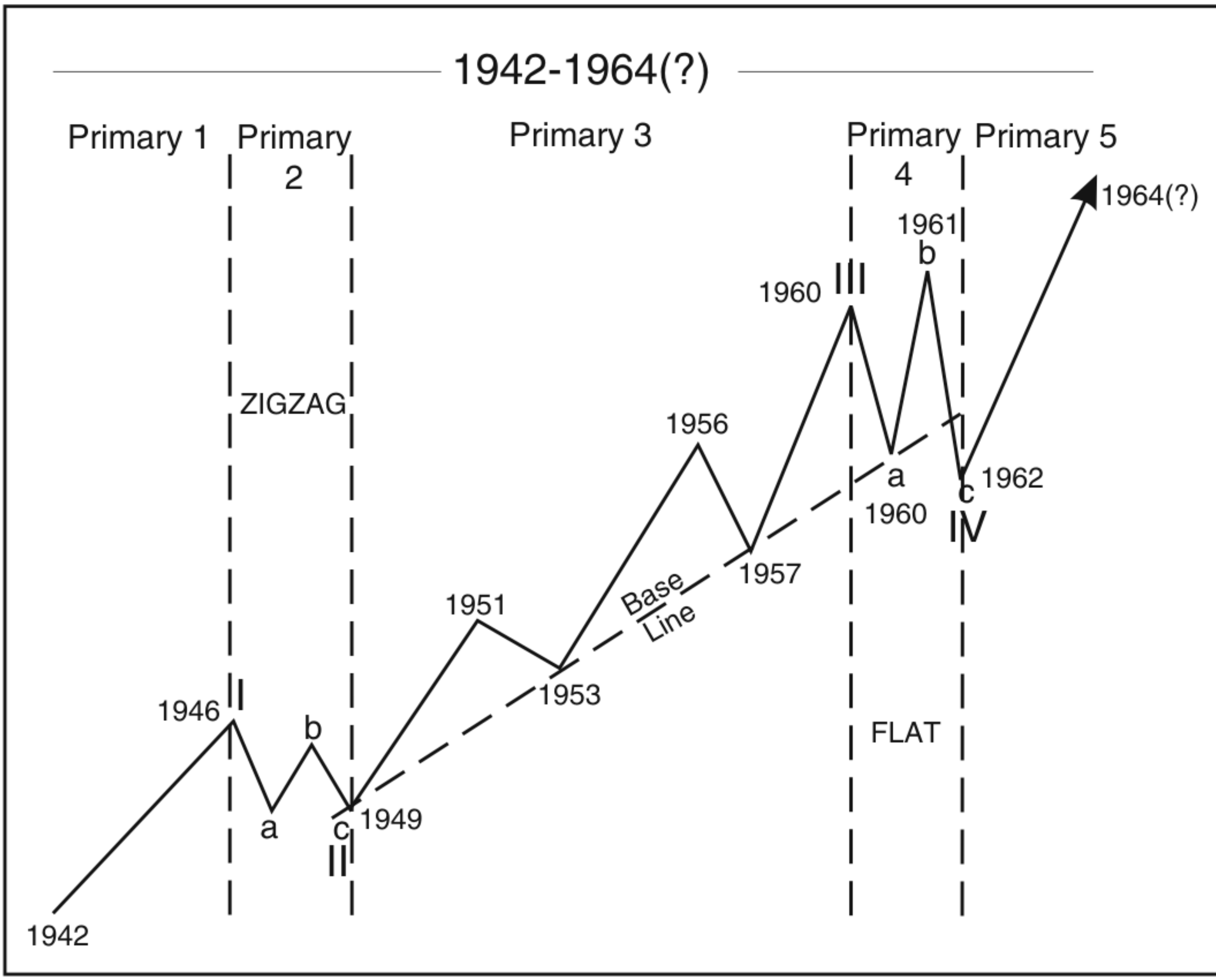
PRIMARY WAVE 4
djia weekly
(B)
2
1
700
650
600
550
(A)
4
3
5
(C)
4
© March 2010 Elliott Wave International (www.elliottwave.com)
1960
1961
1962

October 1962 Bottom, A.J. Frost

Published December 1962

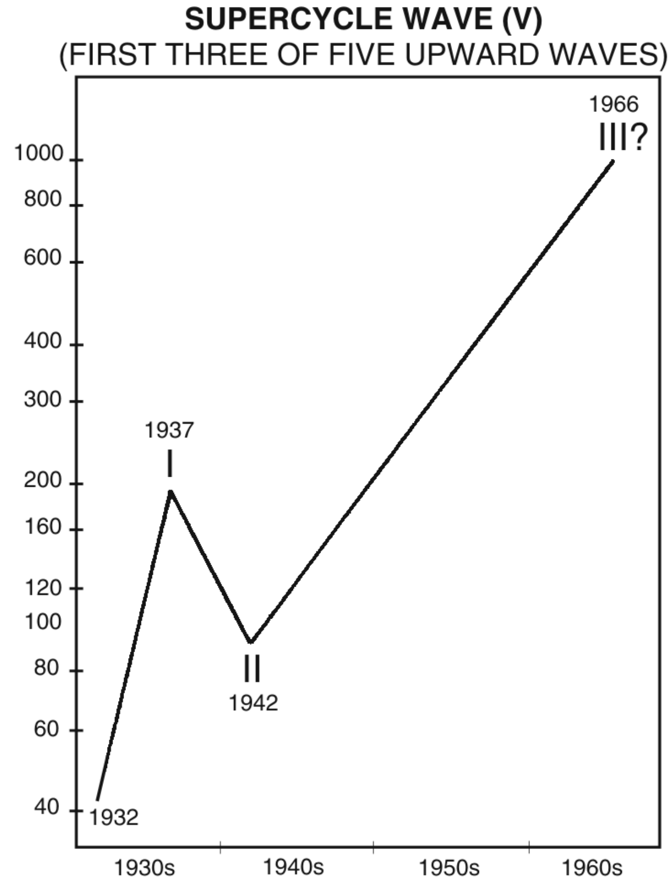


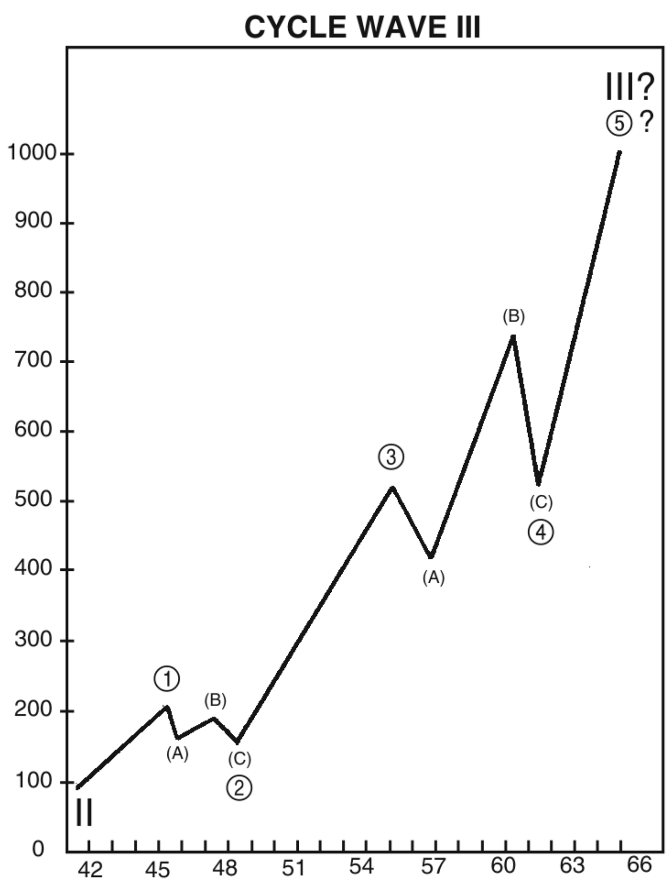
Published December 1962, A.J. Frost

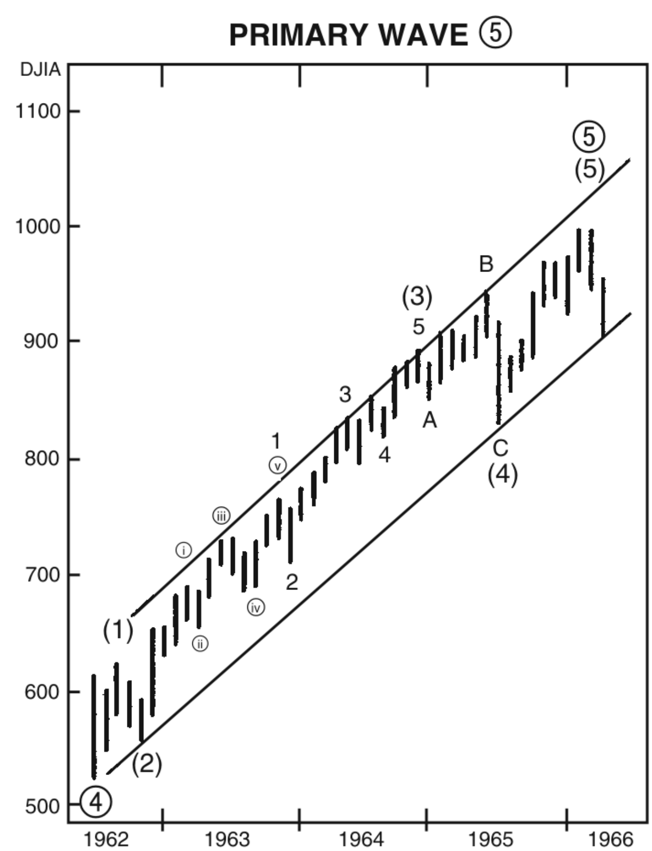


February 1966 Top, Charles Collins

Published April 1966







April 1966, Charles Collins

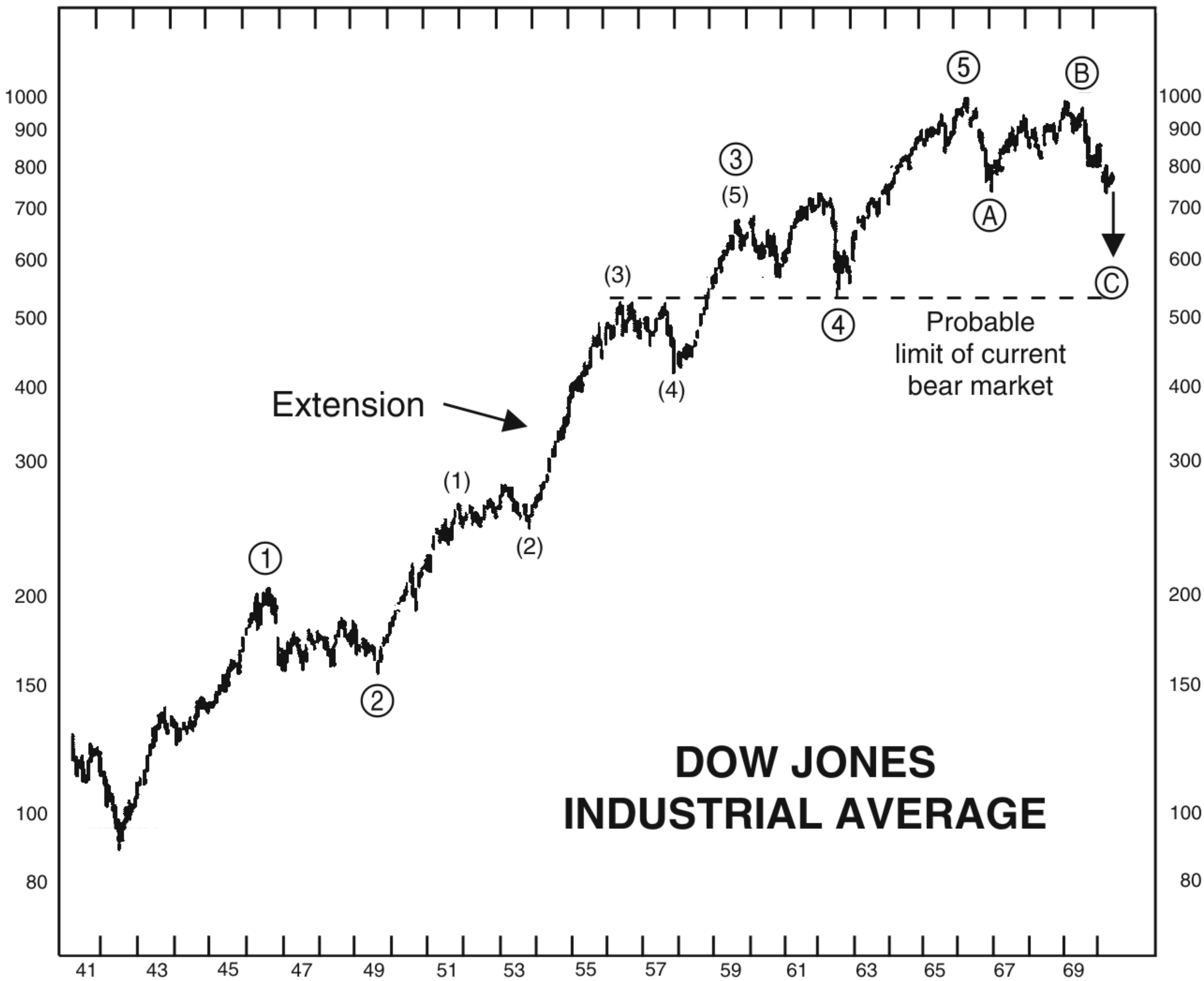
> “The terminal point of the fourth Primary wave of Cycle wave III (see [wave 4 in Figure 5-7]) was established in 1962 at 524 on the Dow. **Purely as a speculation, might not the ‘A’ wave of Cycle wave IV carry to the 770-710 area, the ‘C’ wave to around the lower 524 point, with a sizable intervening ‘B’ wave?**”

[Note: The 1966 daily closing low was **744.31**, and the ultimate low eight years later in 1974 was **577.60**.]

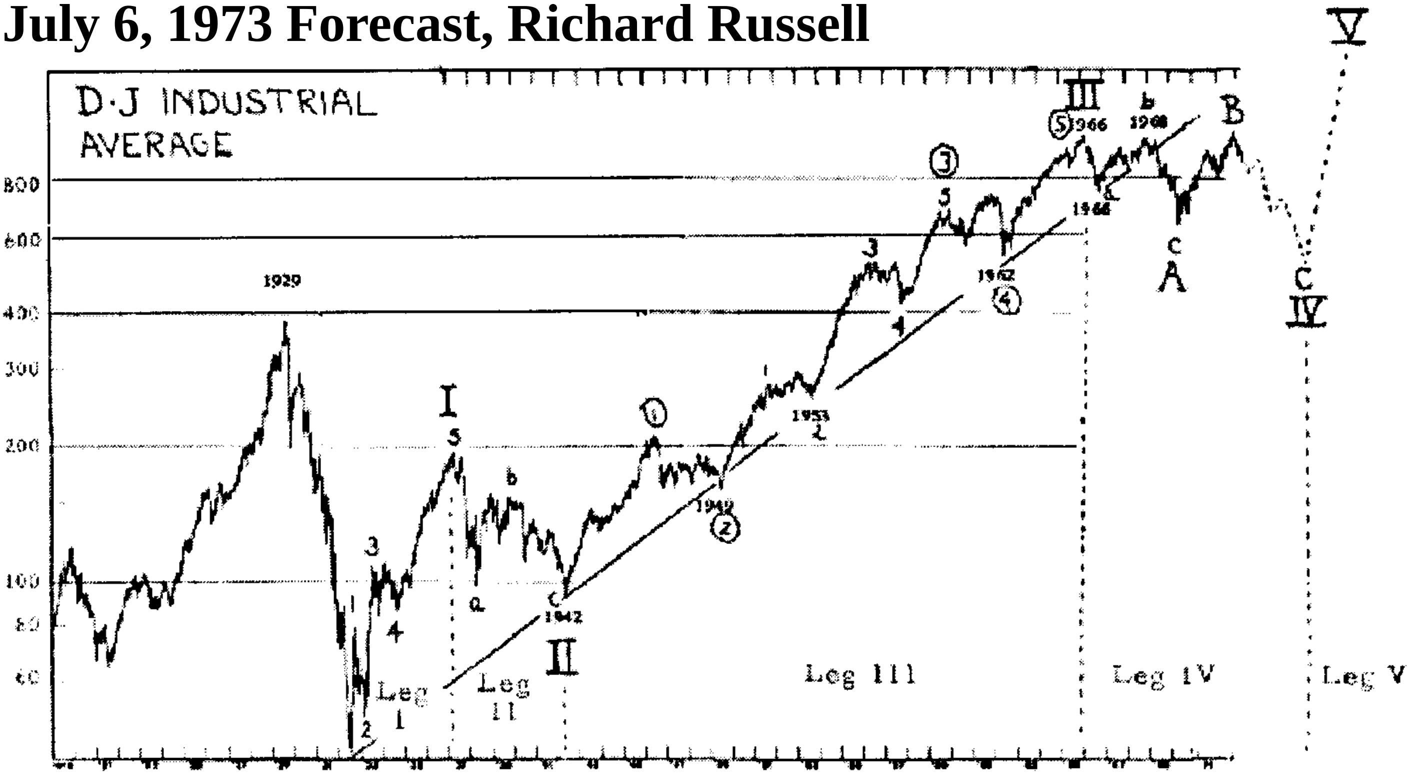
May 1970
Alfred John Frost, forecasting the low of wave IV:

> "Should the current C-wave from December 2, 1968 (DJIA 986) drop 414 points (161.8% of the 1966 A-wave decline of 256 points), **the market would bottom out at 572."**

[Note: The low of the bear market occurred on December 9, 1974 with a daily close of 577.60 and a low hourly figure of **572.20.]**

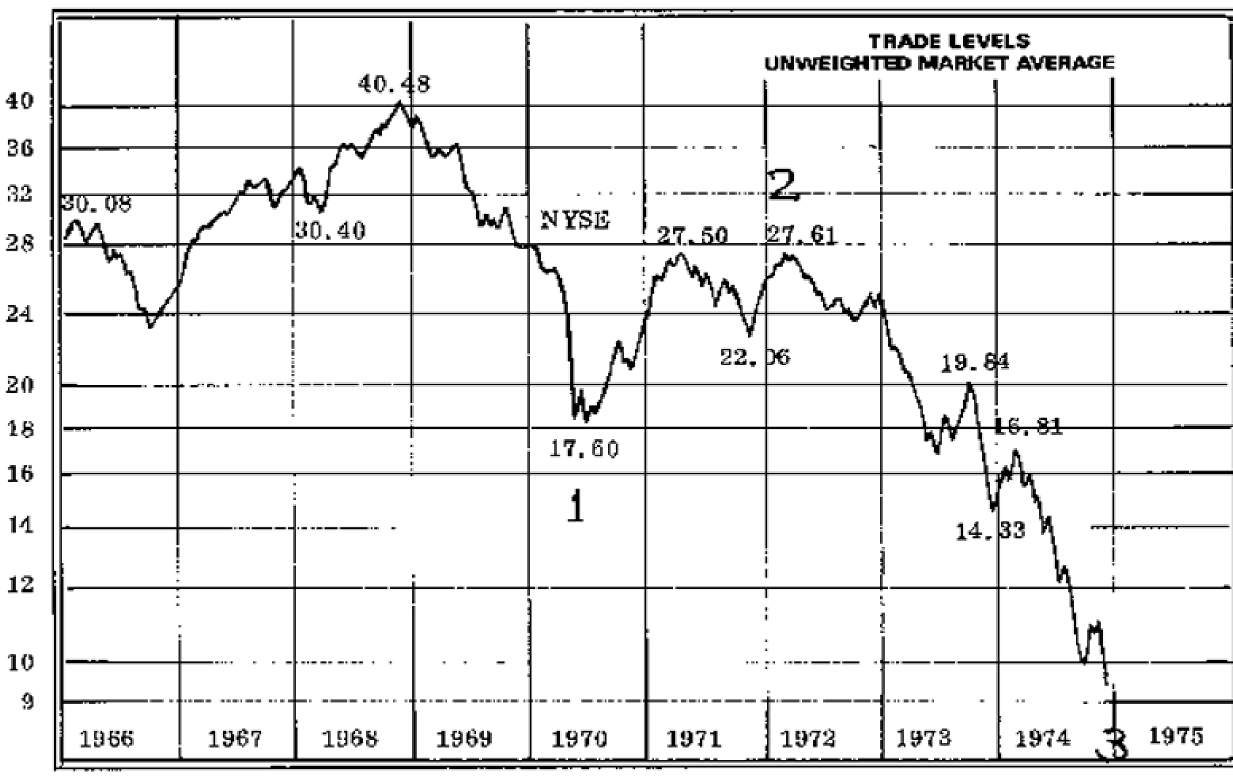


July 6, 1973 Forecast, Richard Russell



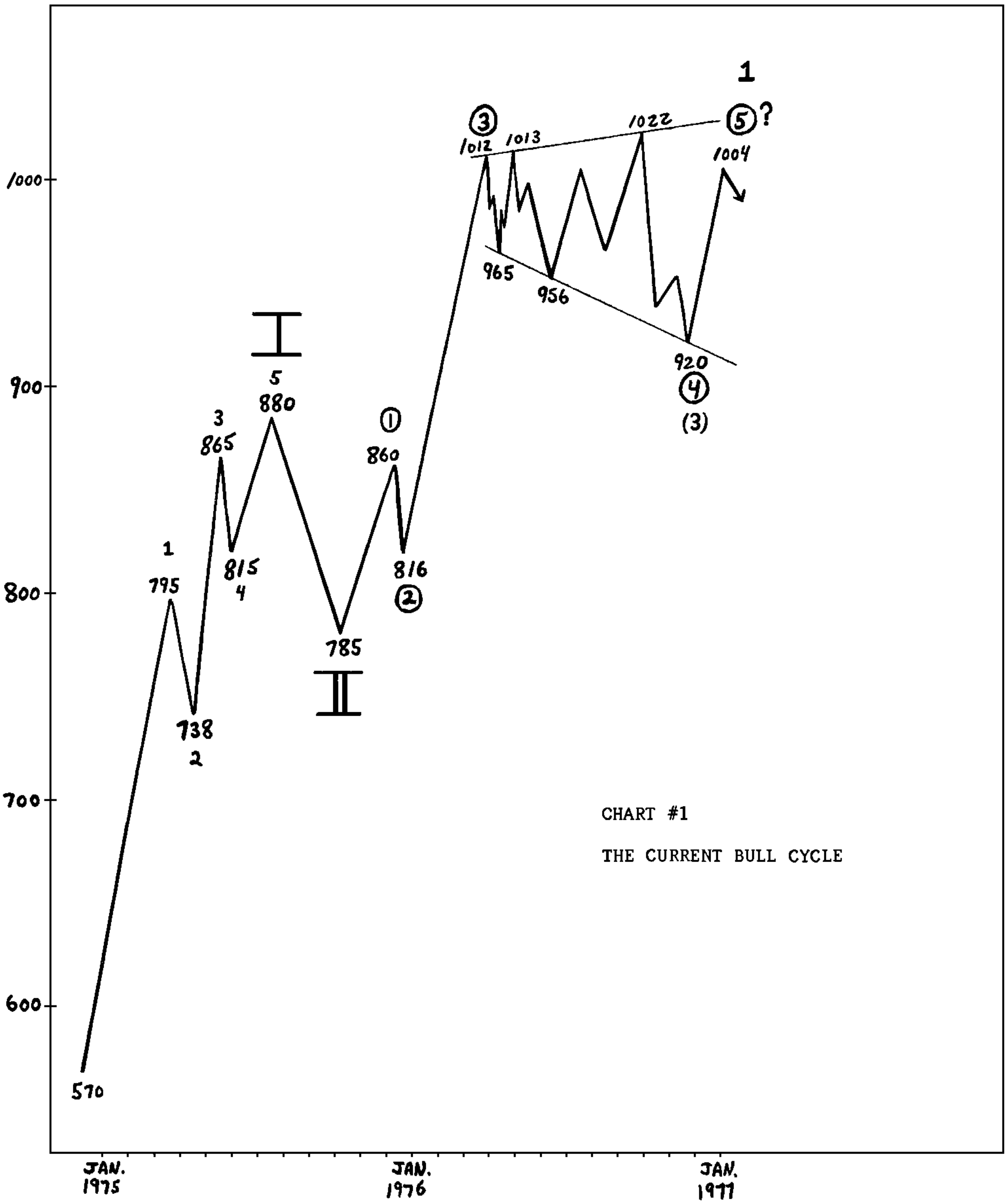
December 1974 Bottom, Richard Russell

Published December 20, 1974

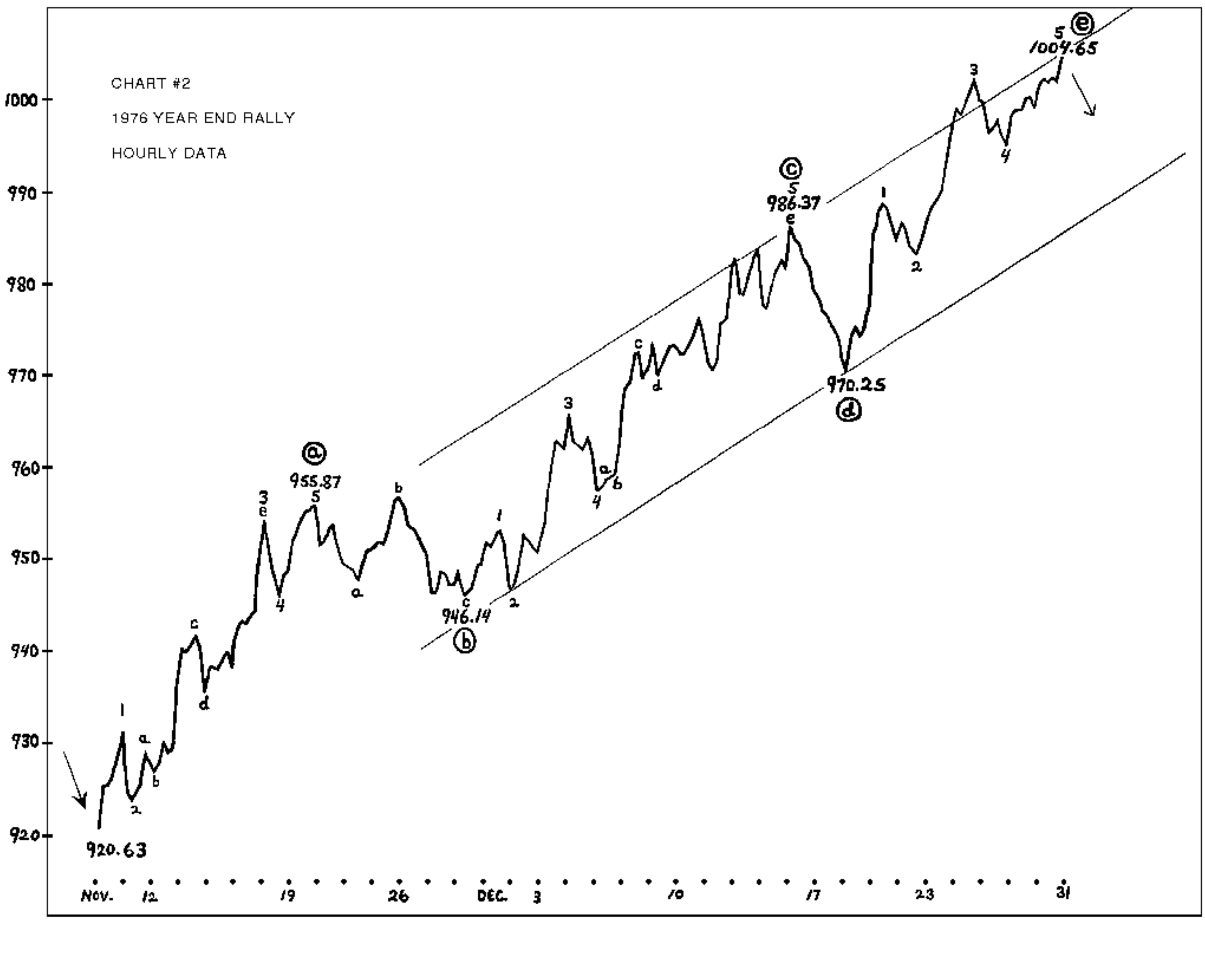


December 1976 Top, Robert Prechter

Elliott Wave Report, February 1977

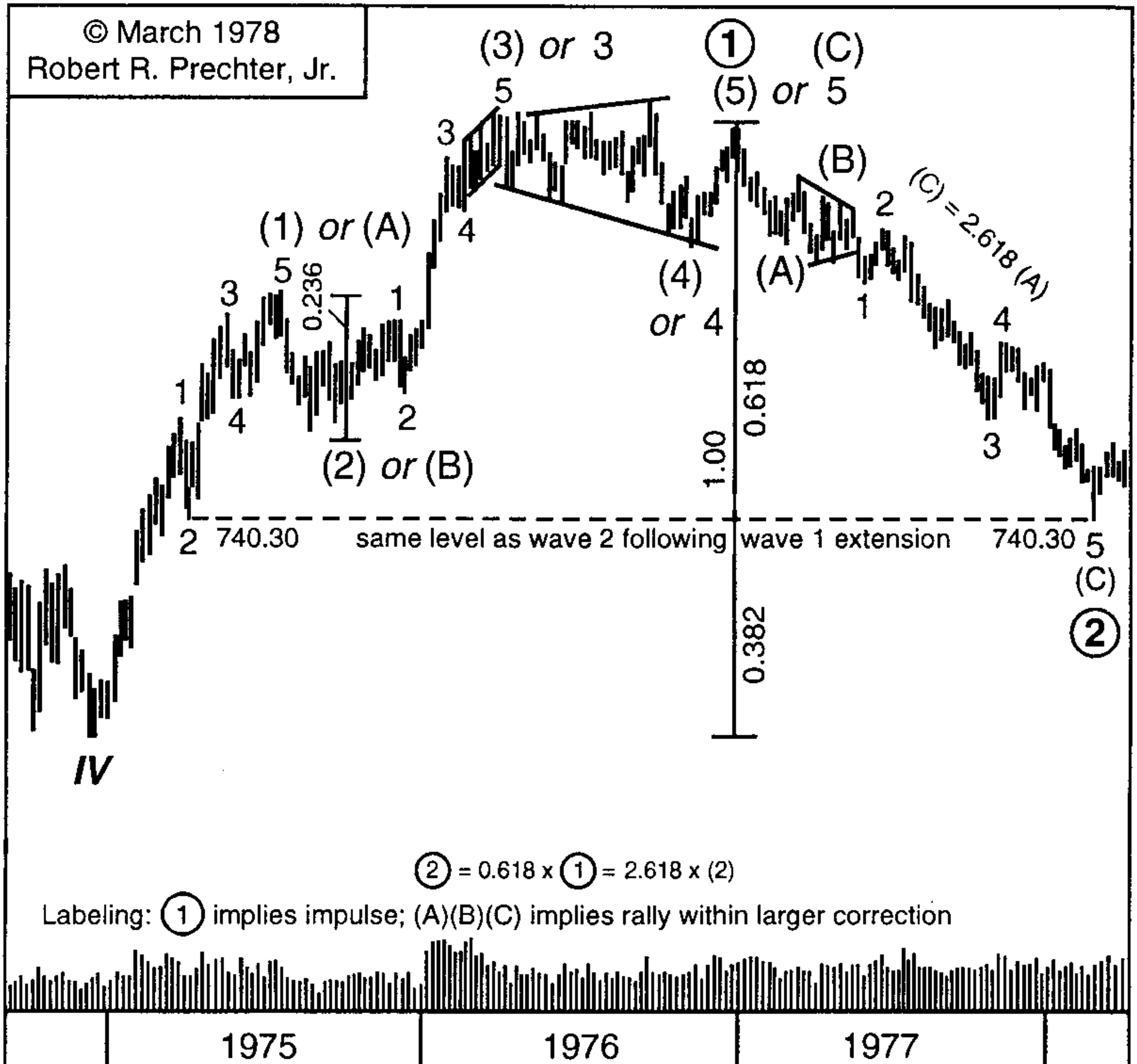


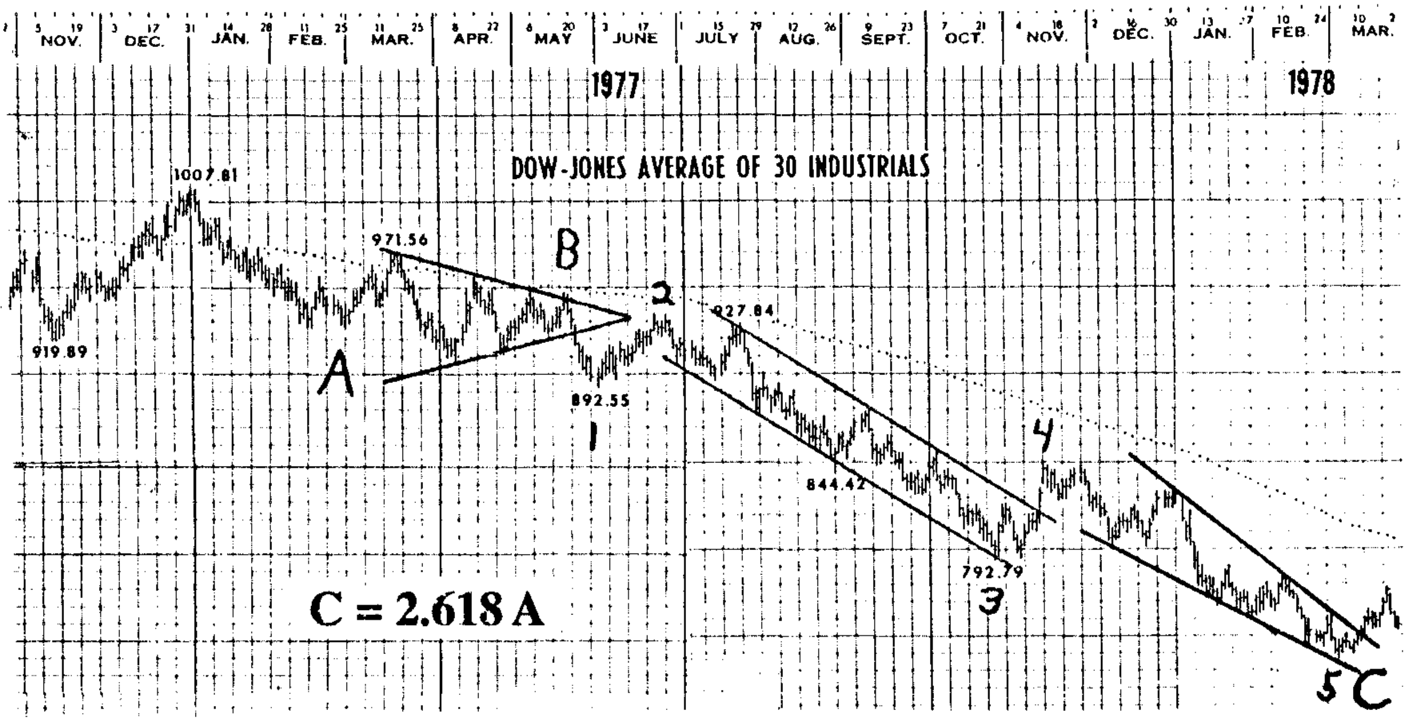
(Labeled in real time)

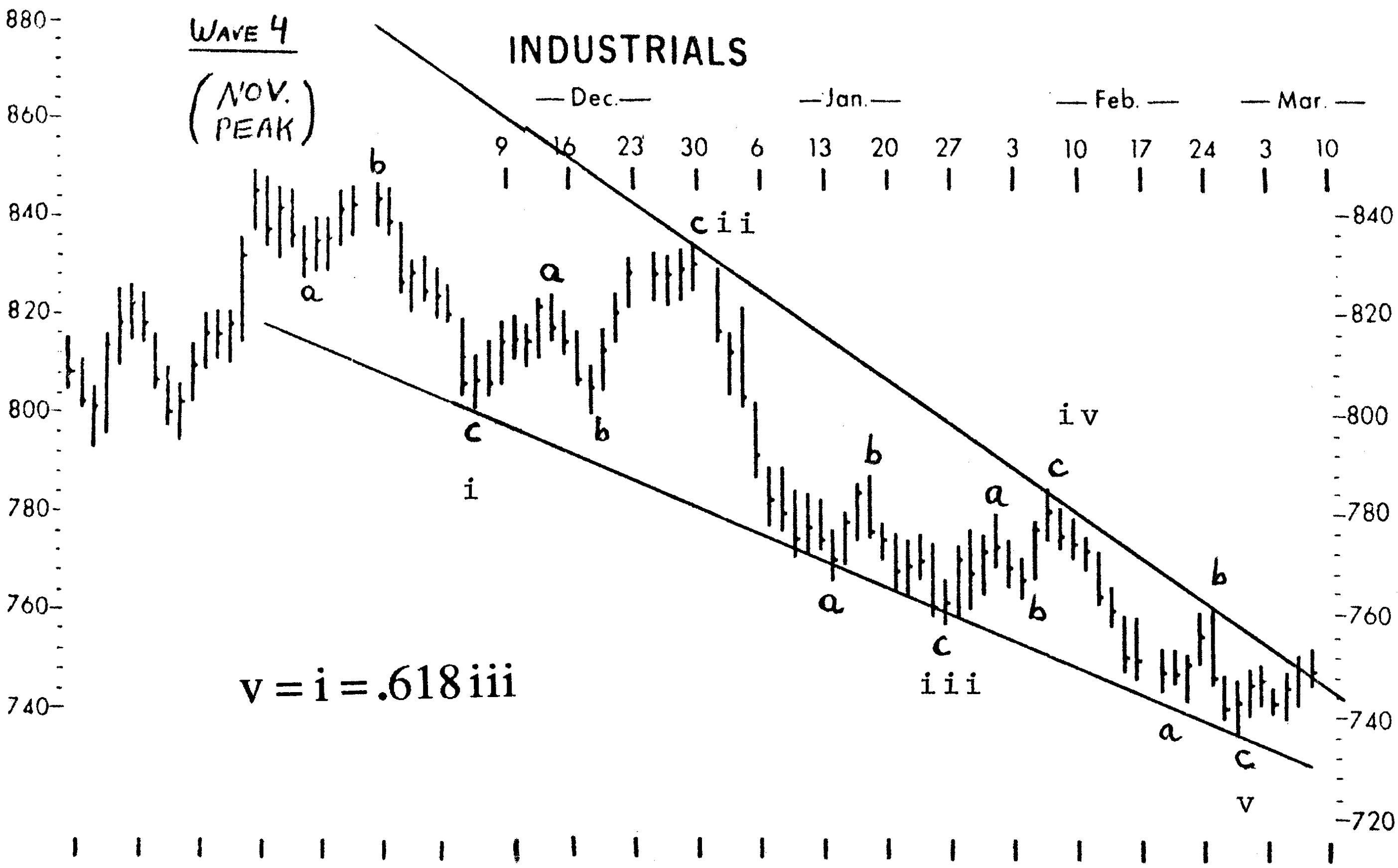


March 1978 Low, Robert Prechter

Elliott Wave Report, March 1978

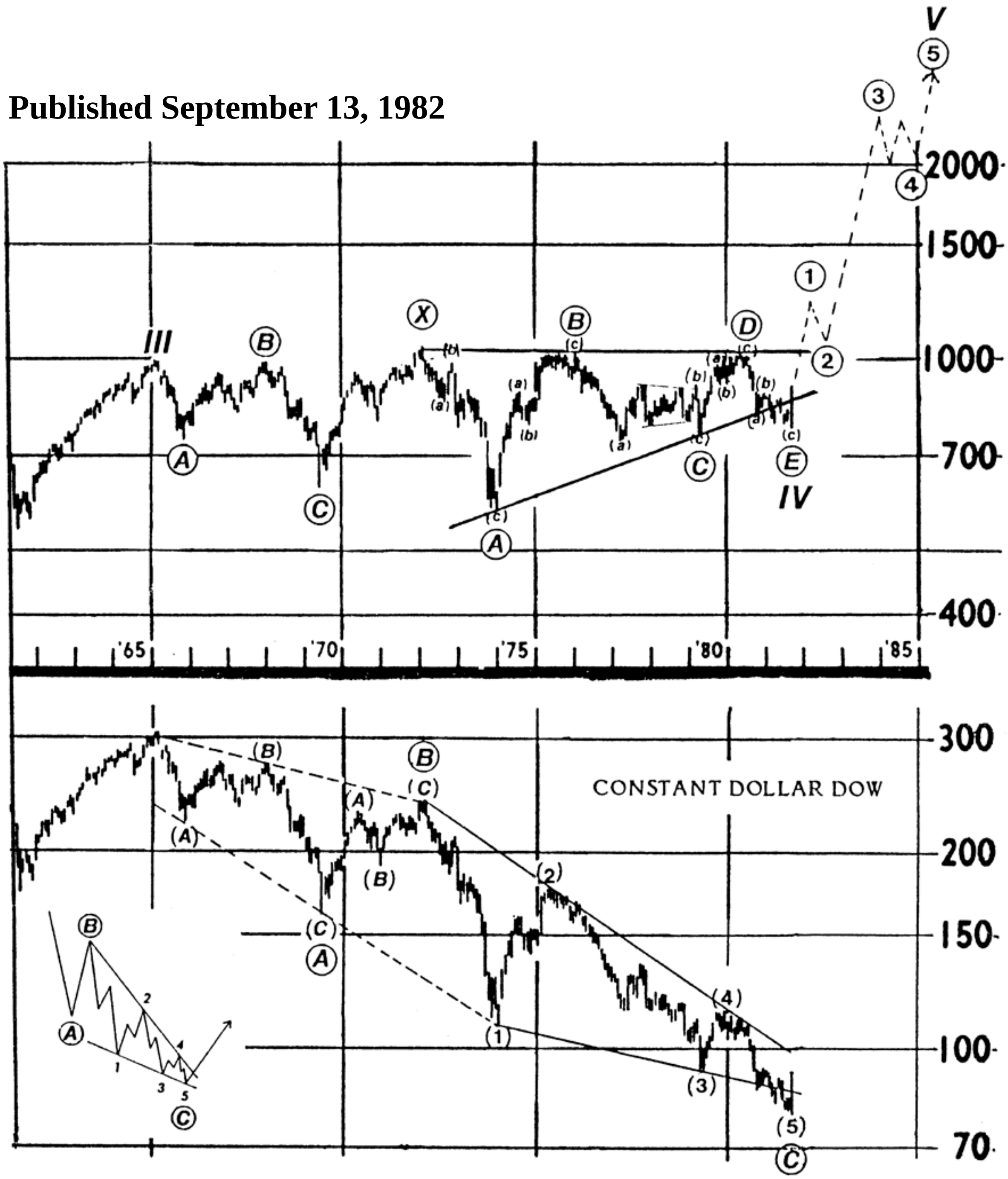



DOW-JONES AVERAGE OF 30 INDUSTRIALS
1977
1978
NOV.
DEC.
JAN.
FEB.
MAR.
APR.
MAY
JUNE
JULY
AUG.
SEPT.
OCT.
1007.81
971.56
919.89
892.55
927.84
844.42
792.79
A
B
1
2
3
4
5 C
C = 2.618 A


WAVE 4
(NOV. PEAK)
INDUSTRIALS
— Dec. —
— Jan. —
— Feb. —
— Mar. —
9
16
23
30
6
13
20
27
3
10
17
24
3
10
880
860
840
820
800
780
760
740
720
a
b
c
i
a
b
c ii
a
b
c
iii
a
b
c
iv
a
b
c
v
v = i = .618 iii

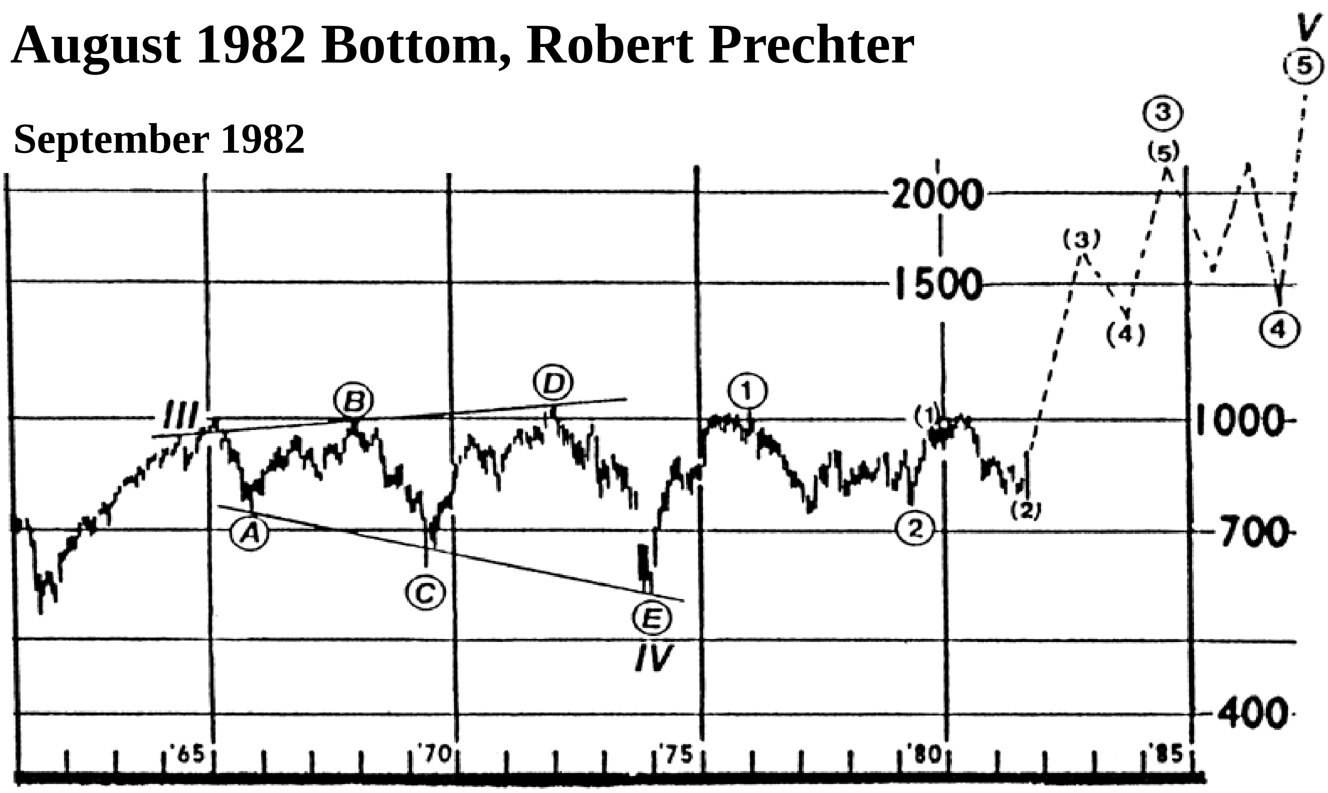
August 1982 Bottom, Robert Prechter

Published September 13, 1982



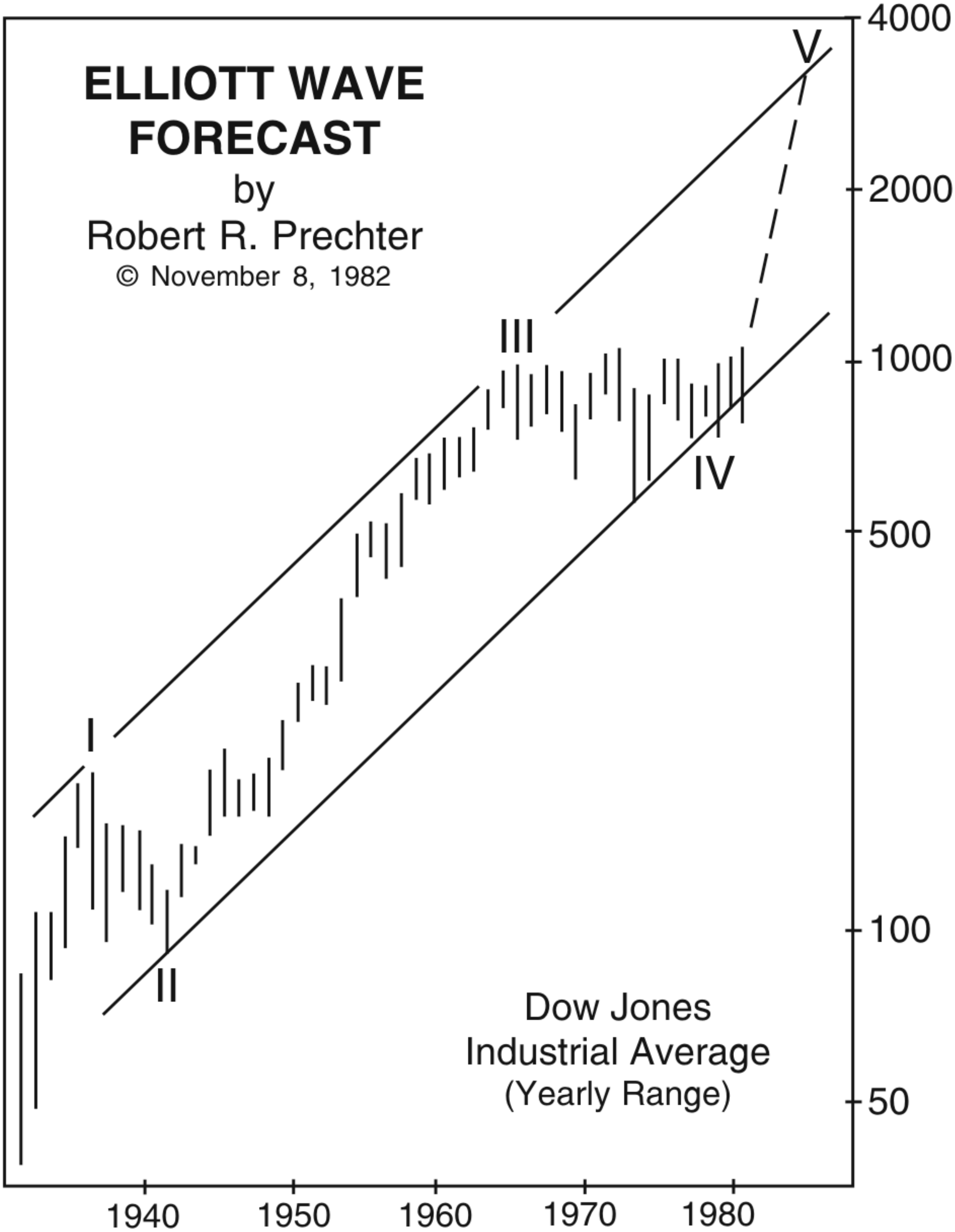
August 1982 Bottom, Robert Prechter

September 1982



November 8, 1982
Robert Prechter, continued:

“Surveying all the market’s action over the past 200 years, it is comforting to know exactly where you are in the wave count.”



Predicting a Bubble

***The Elliott Wave Theorist*, April 6, 1983:**

“Cycle wave V is the fifth wave of a fifth Supercycle wave. Thus, as the last hurrah, it should be characterized, at its end, by an almost unbelievable <u>institutional mania</u> for stocks and a <u>public mania</u> for stock index futures, stock options, and options on futures. In my opinion, the long term sentiment gauges will give off major trend sell signals two or three years before the final top, and the market will just keep on going. In order for the Dow to reach the heights expected by the year 1987 or 1990, and in order to set up the U.S. stock market to experience the greatest crash in its history, which, according to the Wave Principle, is due to follow wave V, <u>investor mass psychology should reach manic proportions, with elements of 1929, 1968 and 1973 all operating together and, at the end, to an even greater extreme.</u>”

August 1987 Top, Robert Prechter

ROBERT PRECHTER

THE ELLIOTT WAVE THEORIST

STOCK MARKET — INTEREST RATES — PRECIOUS METALS

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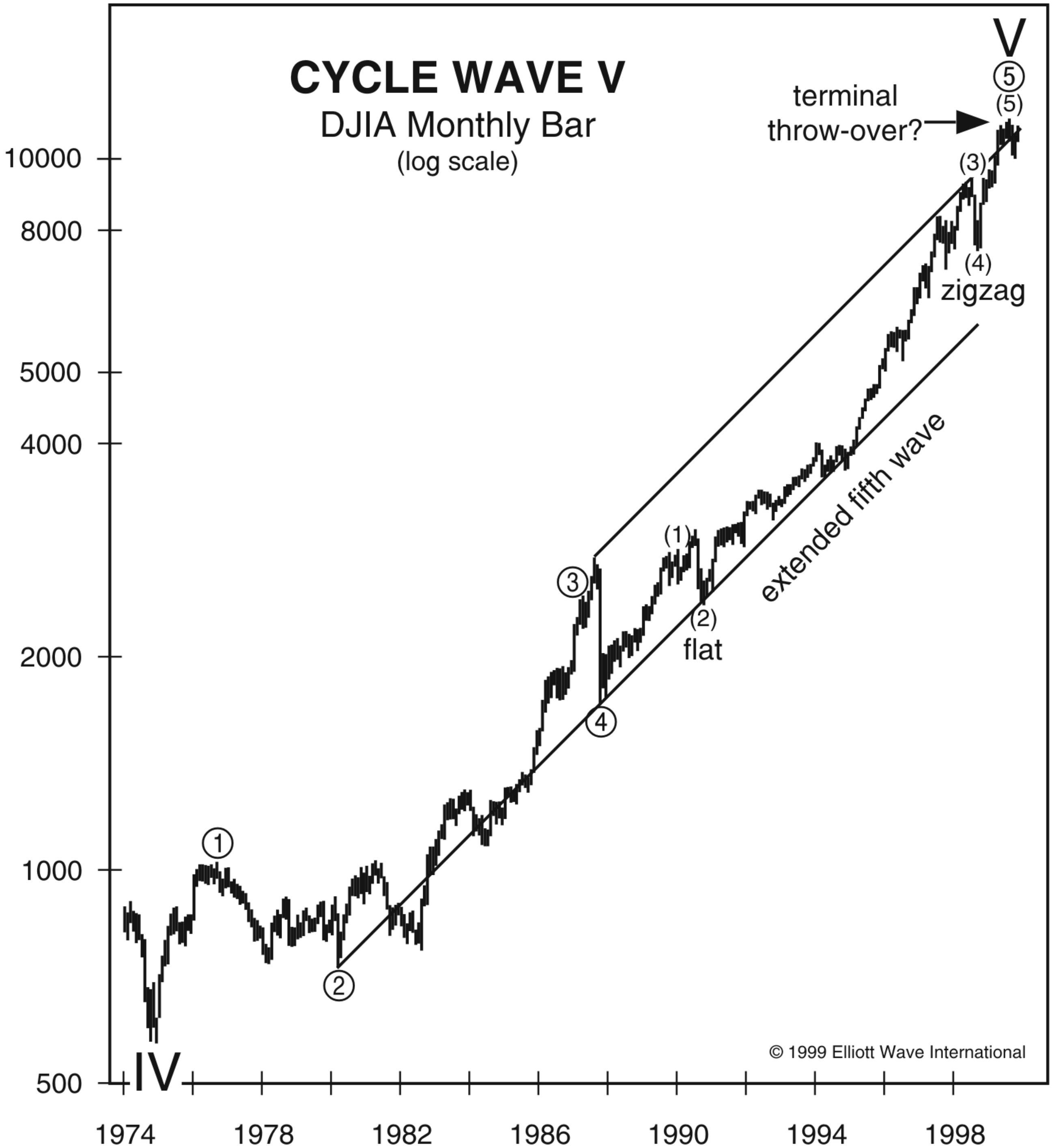
DJIA WAVE STATUS: SUMMARY and OUTLOOK

WAVE DEGREE	DATE BEGAN	WAVE NUMBER	CURRENT DIRECTION	SIGNIFICANCE TO	OPTIMUM STRATEGY	TARGET	ALTERNATE COUNT
GRAND SUPERCYCLE	1789	---	UP, PEAKING	U.S. SURVIVAL	NO ACTION WARRANTED	3686	---
SUPERCYCLE	JULY 8, 1932	(V)	UP	ECONOMIC CONDITIONS	EXPANSION UNDERWAY	3686	---
CYCLE	AUG. 12, 1982	V	UP	INSTITUTIONAL INVESTOR	HOLD LONG	3686	---
PRIMARY	AUG. 25, 3:00	4	DOWN	INSTITUTIONAL TRADER	SELL WITH CLOSE STOP FOR REPURCHASE; SEE INSIDE FOR DETAILS.	2300's	5 or 3 (new high)
INTERMEDIATE	SEPT. 22, 10:00	(x)	UP, PEAKING	INDIVIDUAL INVESTOR		2640–2660	(3) or (5) (new high)
MINOR	SEPT. 30, 11:00	c	UP, PEAKING	INDIVIDUAL TRADER		2640–2660	3 or 5 (new high)
MINUTE	----	---	----	OPTION/FUTURE TRADER	SELL WITH CLOSE STOP FOR REPURCHASE; SEE INSIDE FOR DETAILS.	----	---
MINUETTE	----	---	----	SCALPER		----	---
SUBMINUETTE	----	---	----	SKIMMER		----	---

January 2000 Top, Robert Prechter

Published December 1999



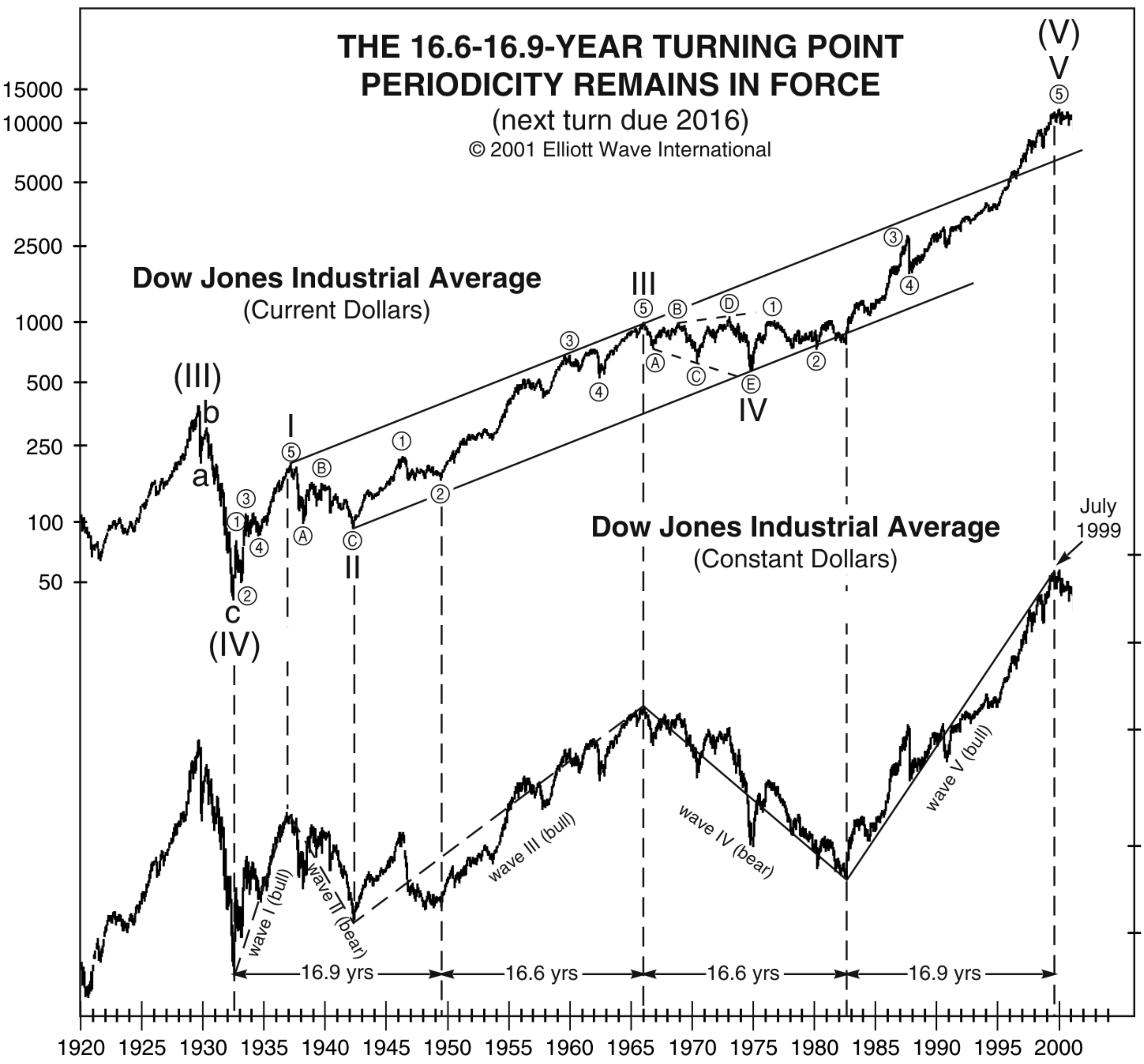
July 1999 peak in Dow/Gold, Robert Prechter

The Elliott Wave Theorist, February 1999

"Take a look at the bottom of the graph and note that the four major turns (**inflation-adjusted**) of Supercycle wave (V) from 1932 were all separated by a time span of 16.6 to 16.9 years. The next major turning point was due in "1999." To be exact, 16.6 to 16.9 years from August 9/12, 1982 (the days of the intraday and closing lows) **targets February 6, 1999-July 18, 1999**.

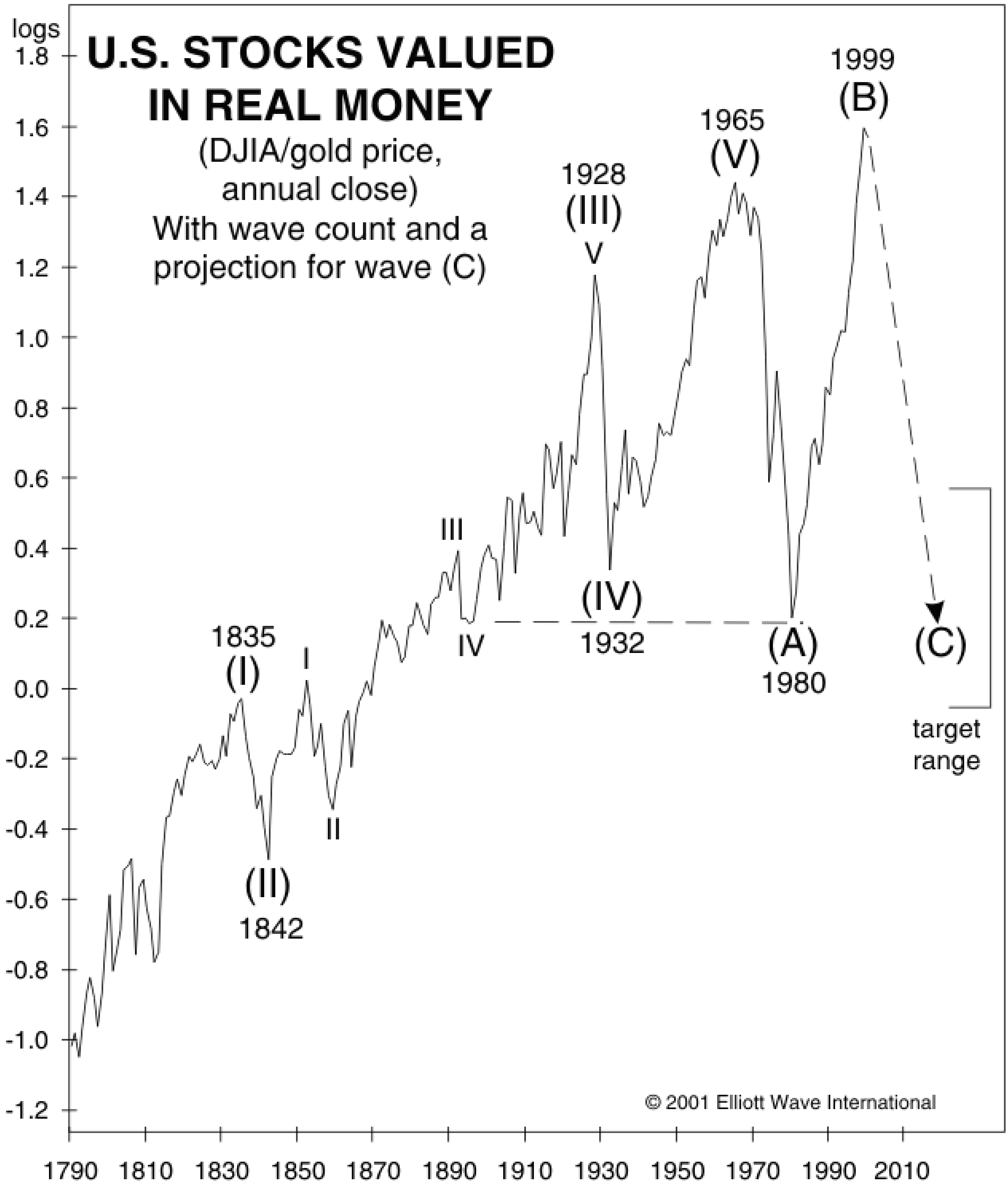
"If wave V ends in [this portion] of 1999, then every major psychological turning point of Supercycle wave (V), i.e., 1932, 1949, 1966, 1982 and 1999, will have been separated by this duration of 16.6 to 16.9 years. (For a full discussion of this analysis, see Chapter 18 of *Market Analysis for the New Millennium*.)"

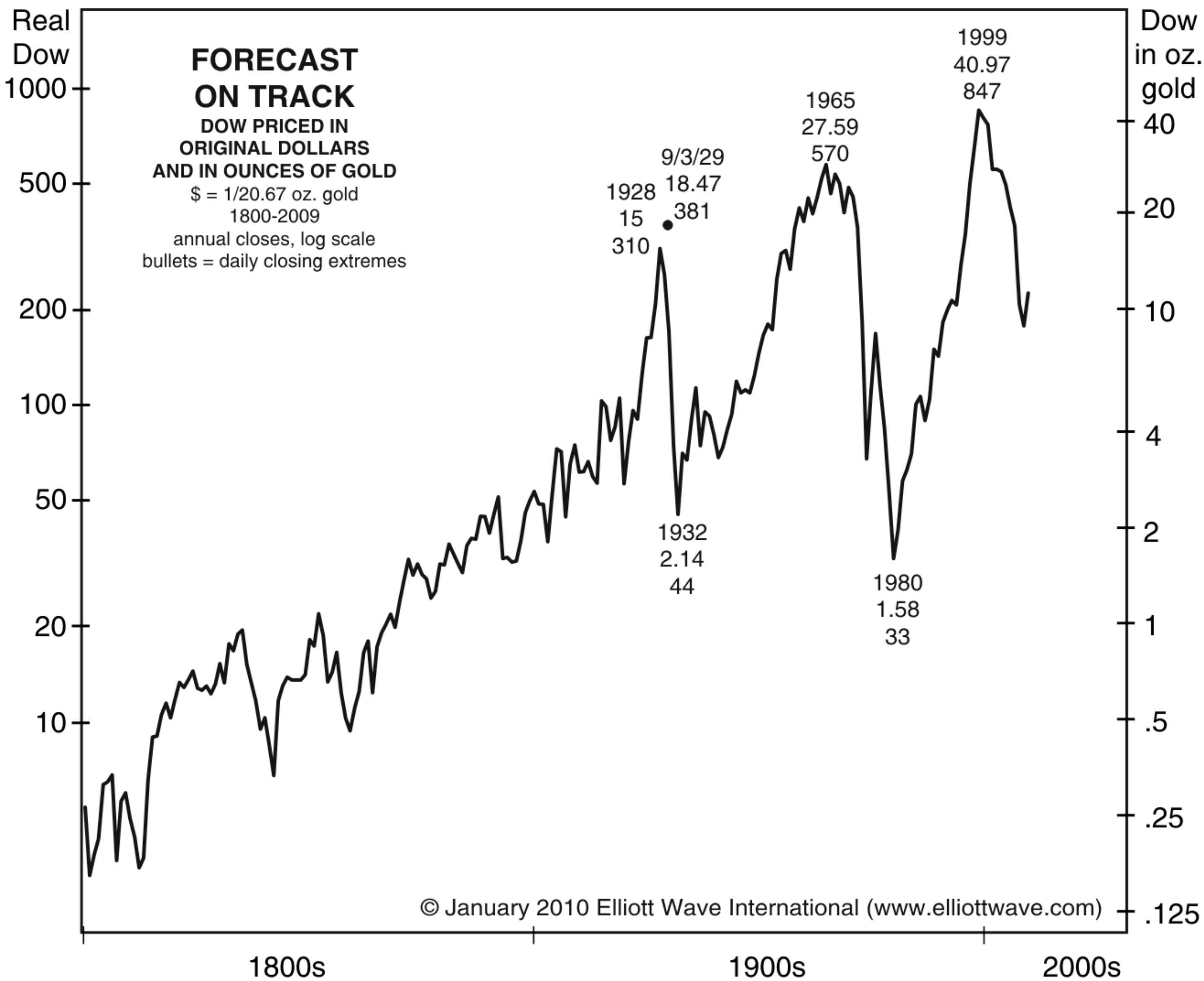
Note: The Dow/gold ratio peaked on **July 15, 1999** and has since fallen 84%.



THE 16.6-16.9-YEAR TURNING POINT
PERIODICITY REMAINS IN FORCE
(next turn due 2016)
© 2001 Elliott Wave International
Dow Jones Industrial Average
(Current Dollars)
Dow Jones Industrial Average
(Constant Dollars)
July
1999
wave I (bull)
wave II (bear)
wave III (bull)
wave IV (bear)
wave V (bull)
16.9 yrs
16.6 yrs
16.6 yrs
16.9 yrs
(III)
(IV)
(V)
15000
10000
5000
2500
1000
500
250
100
50
100
50
25
10
5
1920
1925
1930
1935
1940
1945
1950
1955
1960
1965
1970
1975
1980
1985
1990
1995
2000

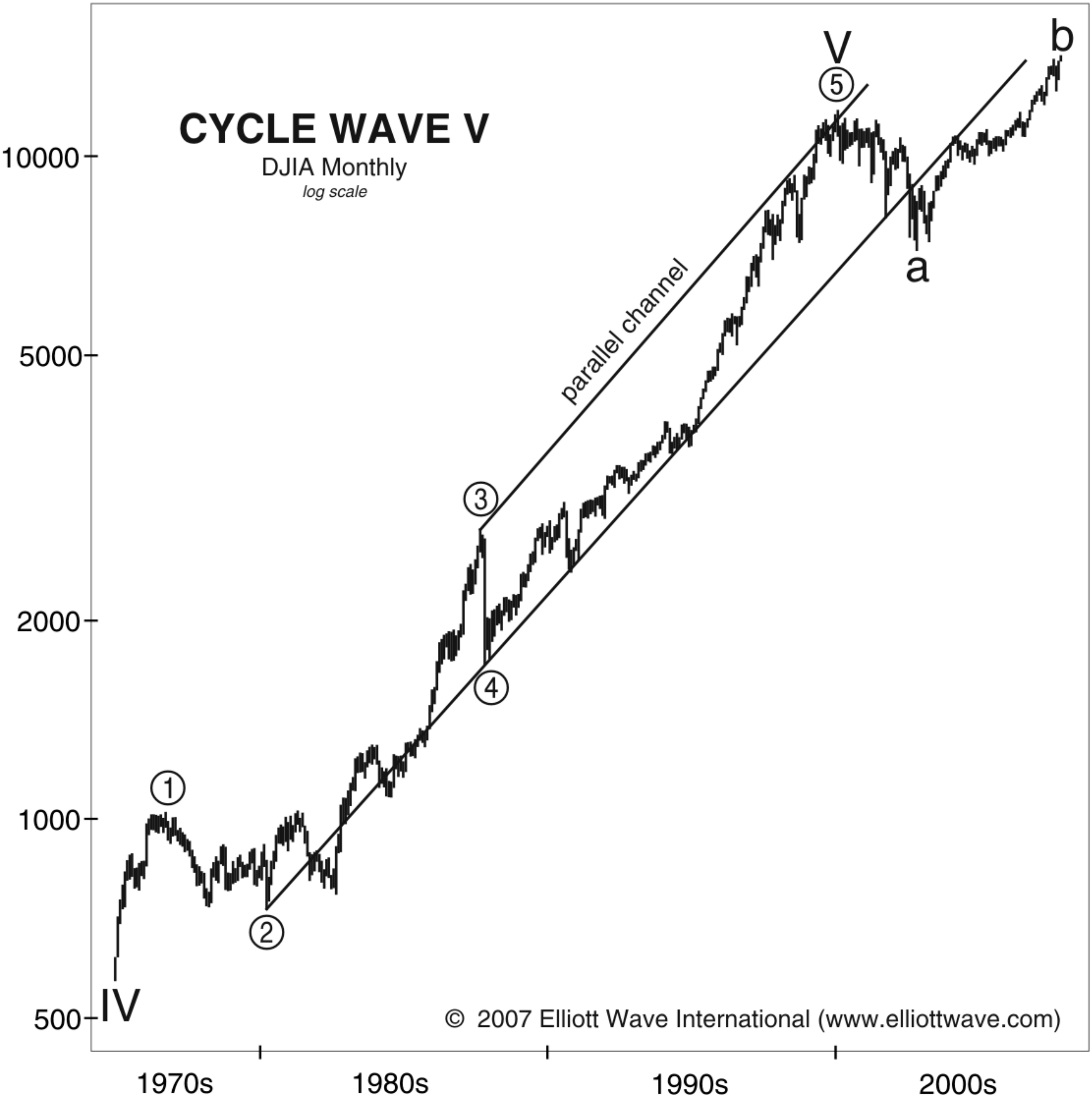
Forecast published in *At the Crest,* 2001

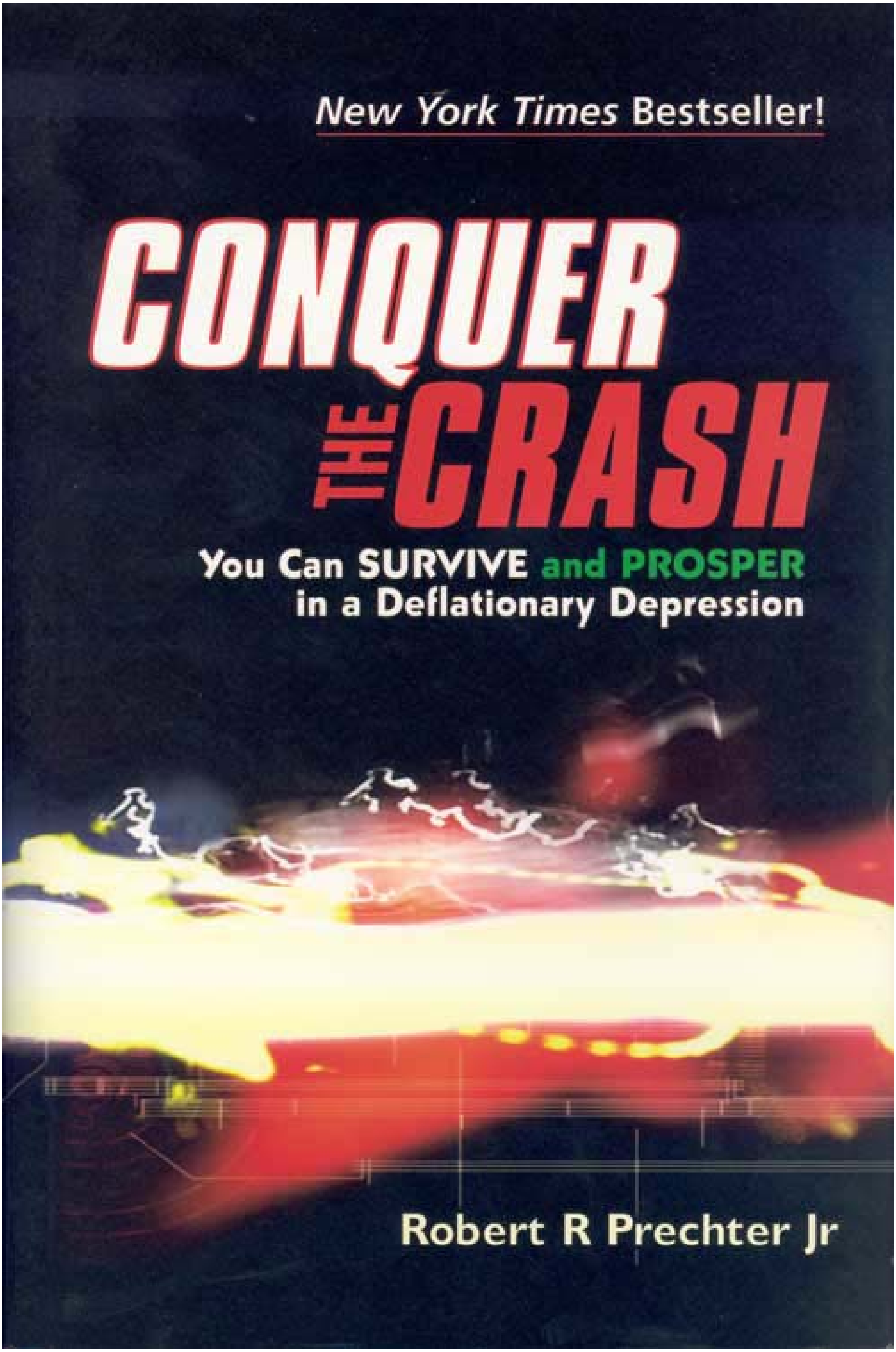


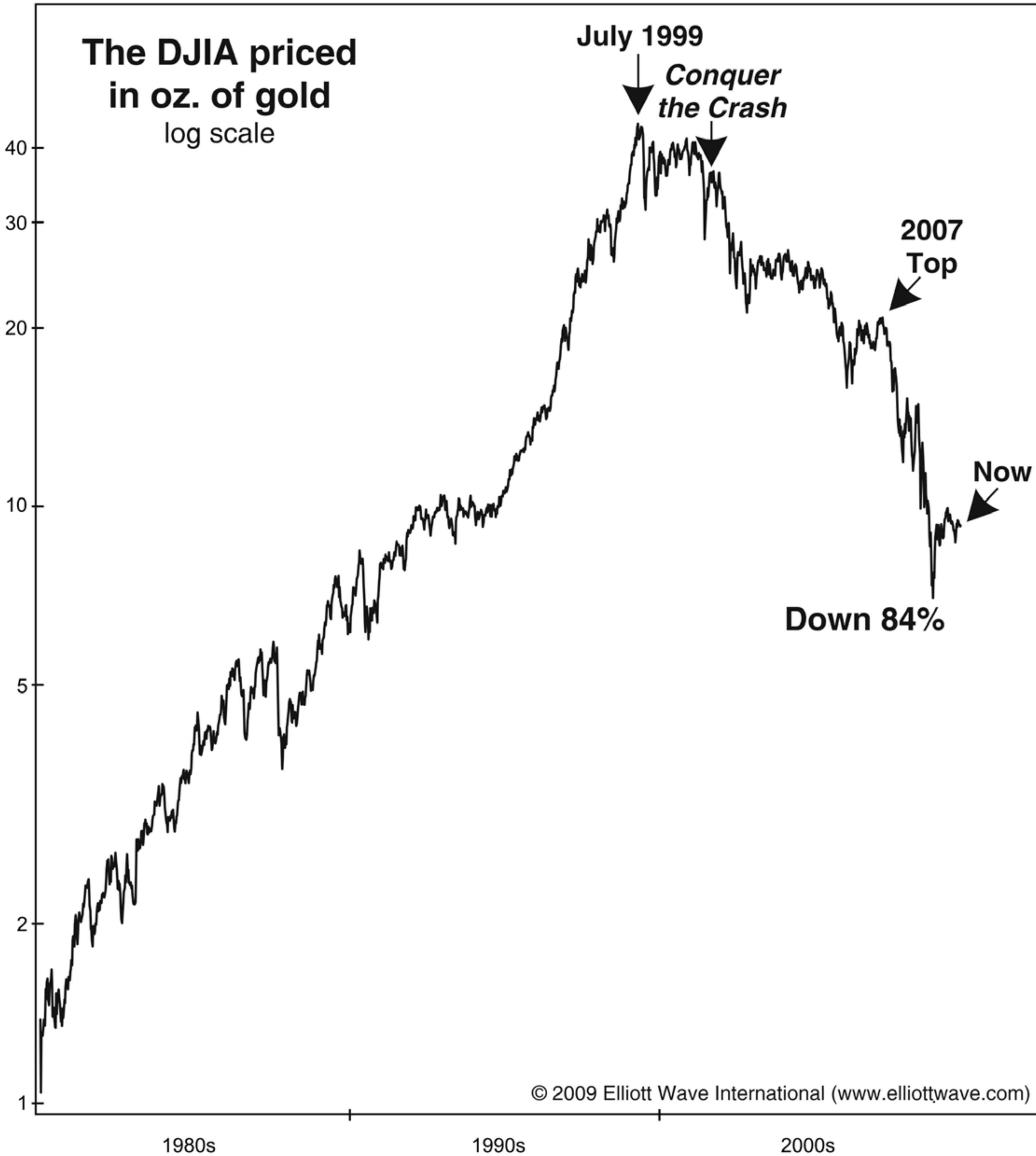

Real Dow
1000
500
200
100
50
20
10
Dow in oz. gold
40
20
10
4
2
1
.5
.25
.125
FORECAST ON TRACK
DOW PRICED IN ORIGINAL DOLLARS AND IN OUNCES OF GOLD
$ = 1/20.67 oz. gold
1800-2009
annual closes, log scale
bullets = daily closing extremes
1928 15 310
9/3/29 18.47 381
1932 2.14 44
1965 27.59 570
1980 1.58 33
1999 40.97 847
© January 2010 Elliott Wave International (www.elliottwave.com)
1800s
1900s
2000s

October 2007 Top, Robert Prechter

October 23, 2007




New York Times Bestseller!
CONQUER THE CRASH
You Can SURVIVE and PROSPER
in a Deflationary Depression
Robert R Prechter Jr



The DJIA priced in oz. of gold
log scale
July 1999
Conquer the Crash
2007 Top
Now
Down 84%
40
30
20
10
5
2
1
1980s
1990s
2000s
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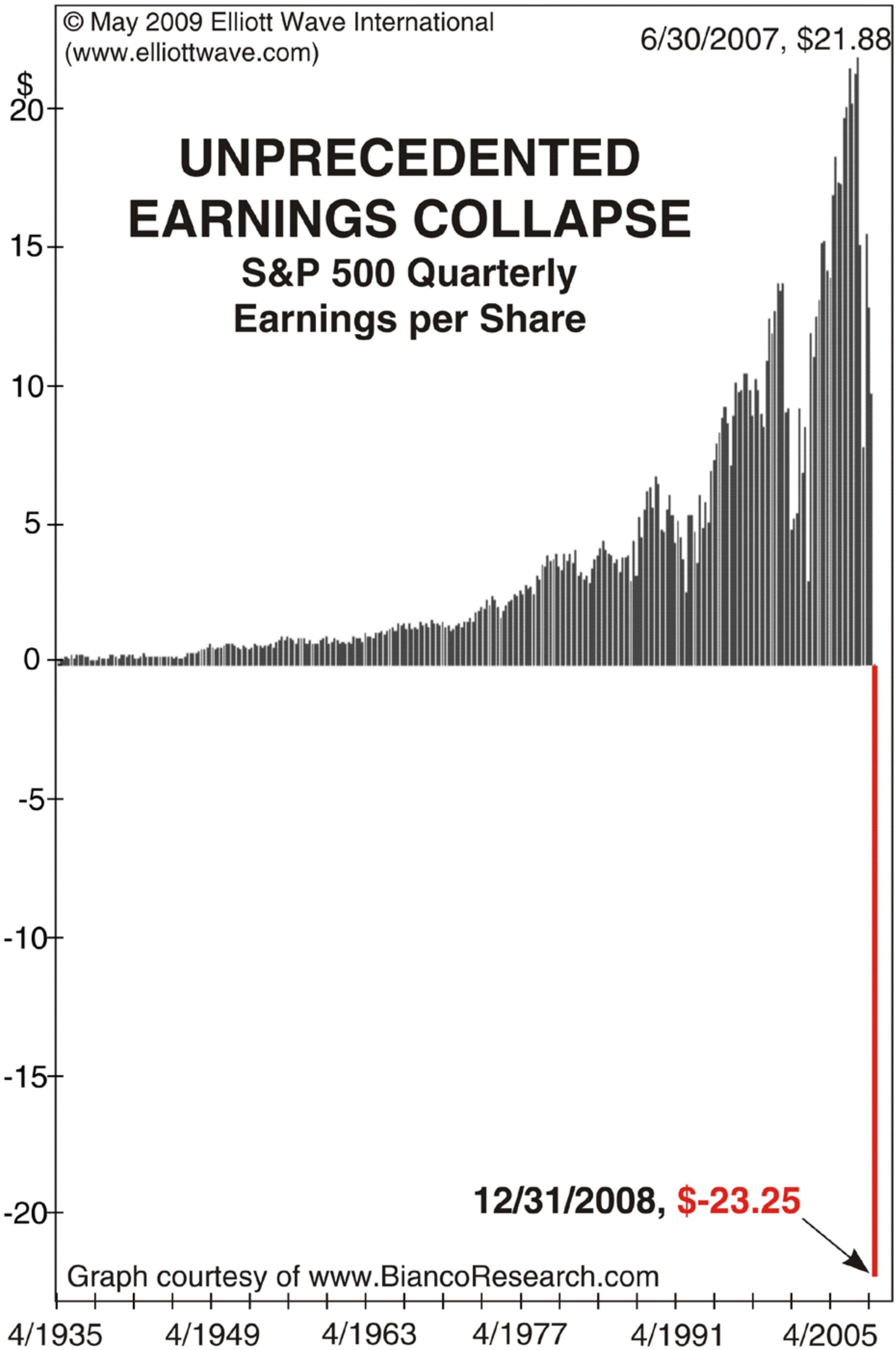
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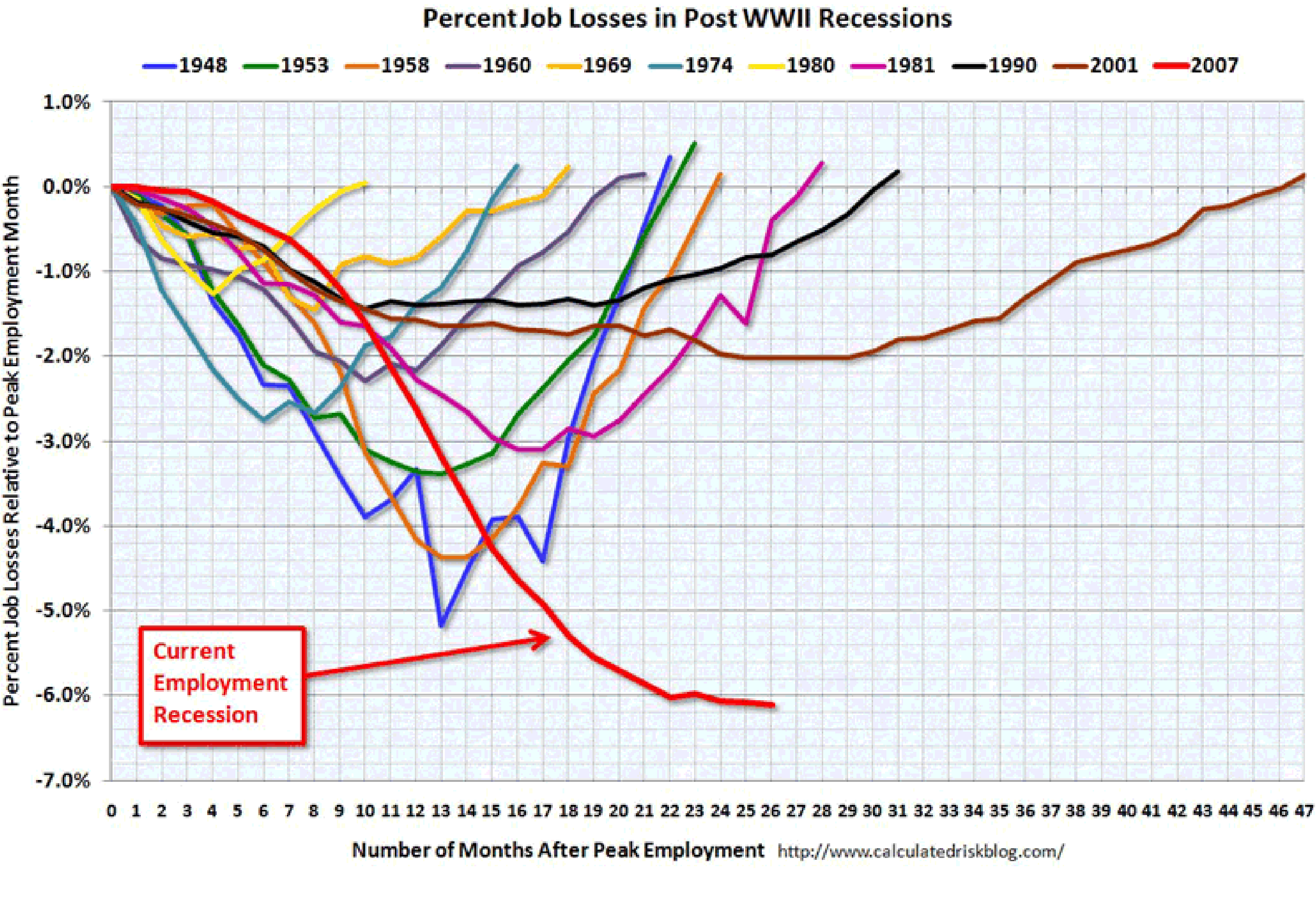
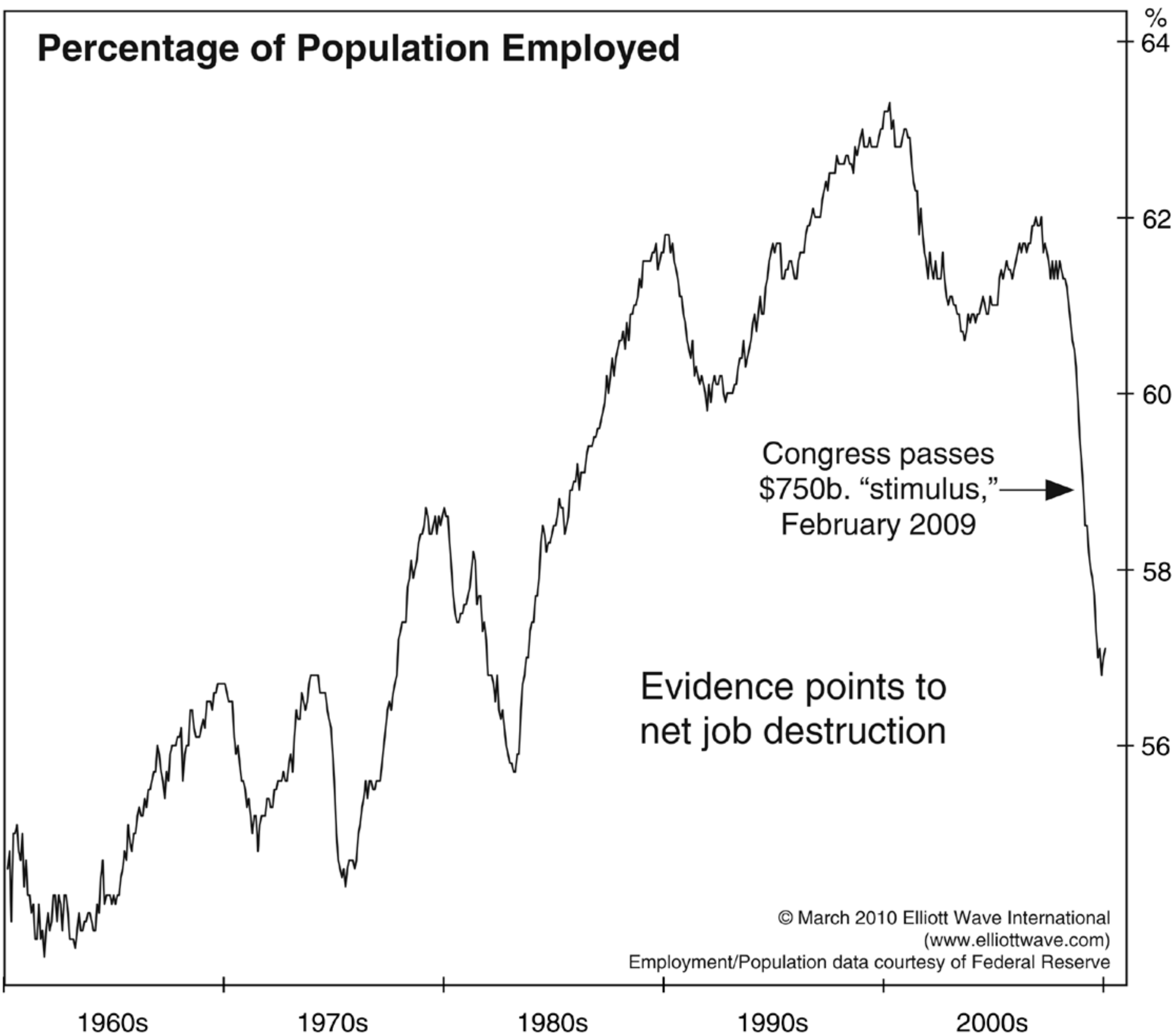
6/30/2007, $21.88
UNPRECEDENTED
EARNINGS COLLAPSE
S&P 500 Quarterly
Earnings per Share
$
20
15
10
5
0
-5
-10
-15
-20
12/31/2008, $-23.25
Graph courtesy of www.BiancoResearch.com
4/1935
4/1949
4/1963
4/1977
4/1991
4/2005

2007-2010 JOB LOSSES DEEPEST AND MOST PROLONGED SINCE THE 1930S

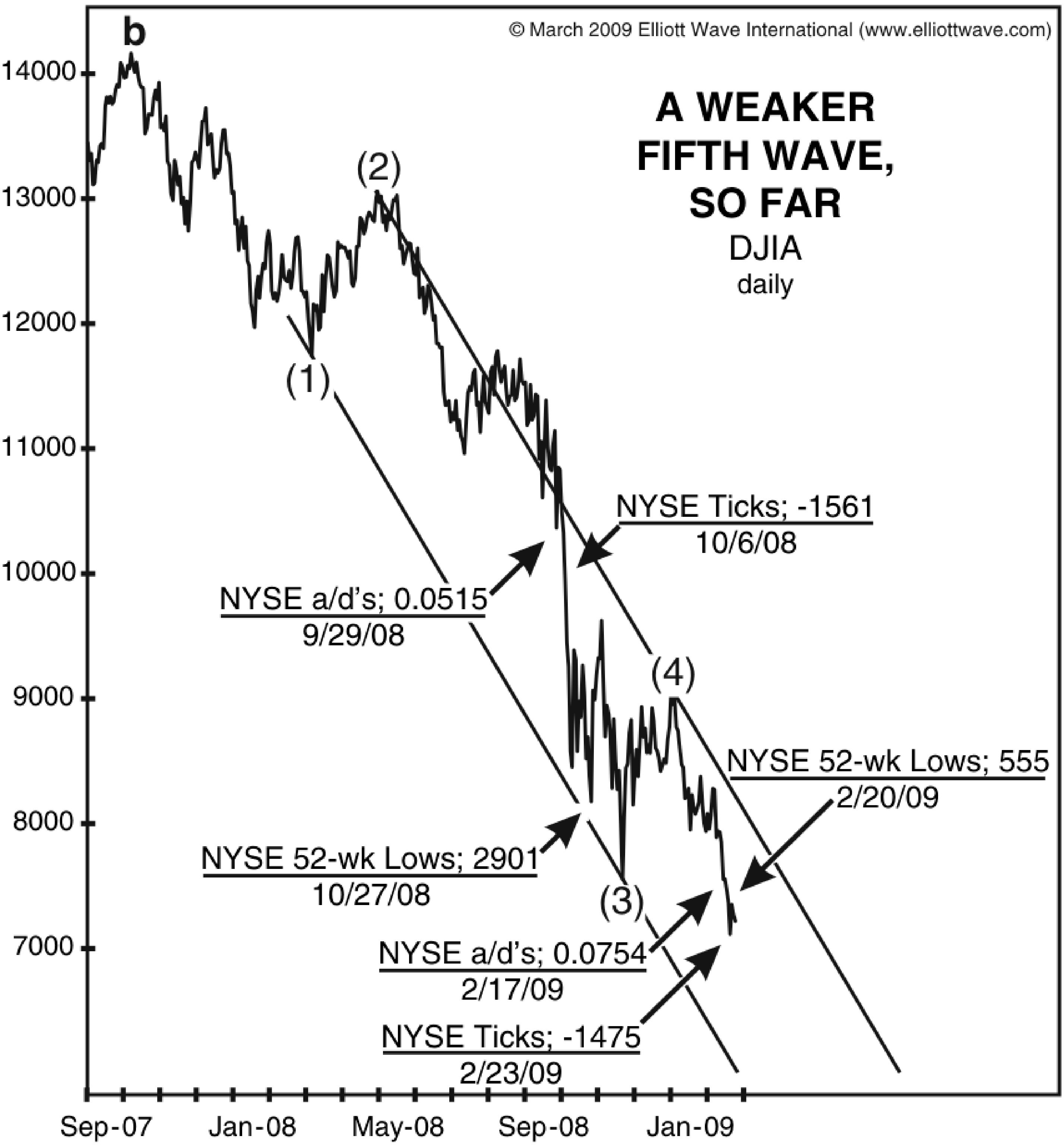



Percentage of Population Employed
%
64
62
60
58
56
Congress passes
$750b. "stimulus,"
February 2009
Evidence points to
net job destruction
© March 2010 Elliott Wave International
(www.elliottwave.com)
Employment/Population data courtesy of Federal Reserve
1960s
1970s
1980s
1990s
2000s

As published in *The Elliott Wave Theorist*, February 23, 2009:

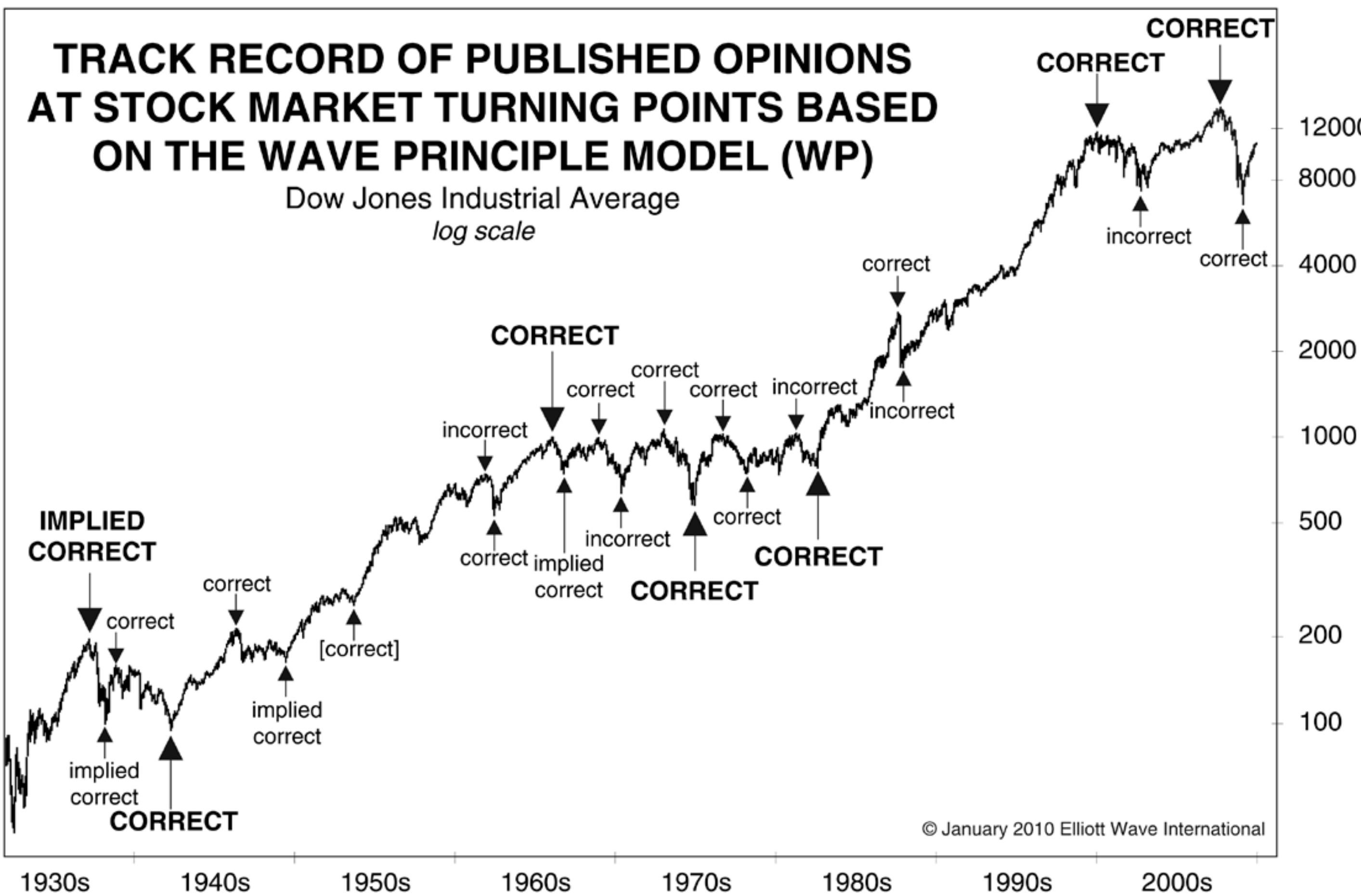
> **"Wave (5) of 1, if that's what it is, is approaching a minimum downside target. The wave count is not quite finished, and ideally the S&P should continue down into the 600s. But the market is compressed, and when it finds a bottom and rallies, it will be sharp and scary for anyone who is short. I would rather be early than late. I recommend covering our short position at today's close."**

Published in *The Elliott Wave Financial Forecast*, February 27, 2009

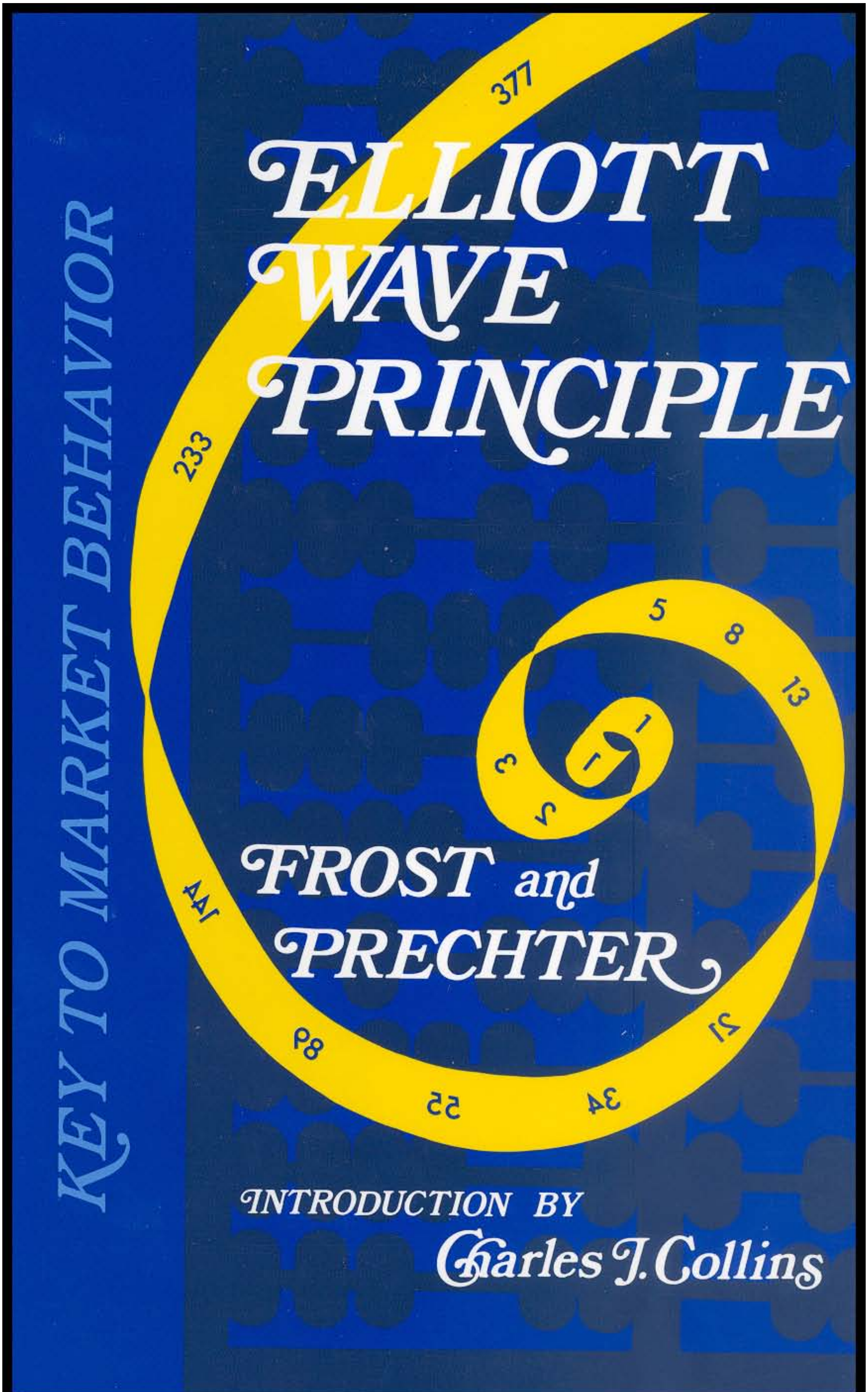


The Elliott Wave Theorist
April 2009

“Wave 2, regardless of its extent, should regenerate substantial feelings of optimism. At its peak, the President’s popularity will be higher, the government will be taking credit for successfully bailing out the economy, the Fed will appear to have saved the banking system, and investors will be convinced that the bear market is behind us. Be prepared for this environment; it will be hard for most investors to resist. But beware: Wave 3—the steepest portion of the steepest wave—will be the most intense collapse in stock prices in nearly 300 years. The perverse result of wave 2 will be to get people even more heavily invested than they already are, just before wave 3 starts.”


TRACK RECORD OF PUBLISHED OPINIONS AT STOCK MARKET TURNING POINTS BASED ON THE WAVE PRINCIPLE MODEL (WP)
Dow Jones Industrial Average
log scale
IMPLIED CORRECT
correct
implied correct
CORRECT
correct
implied correct
[correct]
incorrect
correct
CORRECT
implied correct
correct
incorrect
correct
CORRECT
correct
correct
incorrect
CORRECT
correct
incorrect
incorrect
CORRECT
incorrect
CORRECT
correct
12000
8000
4000
2000
1000
500
200
100
© January 2010 Elliott Wave International
1930s
1940s
1950s
1960s
1970s
1980s
1990s
2000s

www.elliottwave.com/wave/TrackRecord


KEY TO MARKET BEHAVIOR
ELLIOTT WAVE PRINCIPLE
377
233
5
8
13
3
FROST and PRECHTER
INTRODUCTION BY
Charles J. Collins

DOW JONES INDUSTRIALS

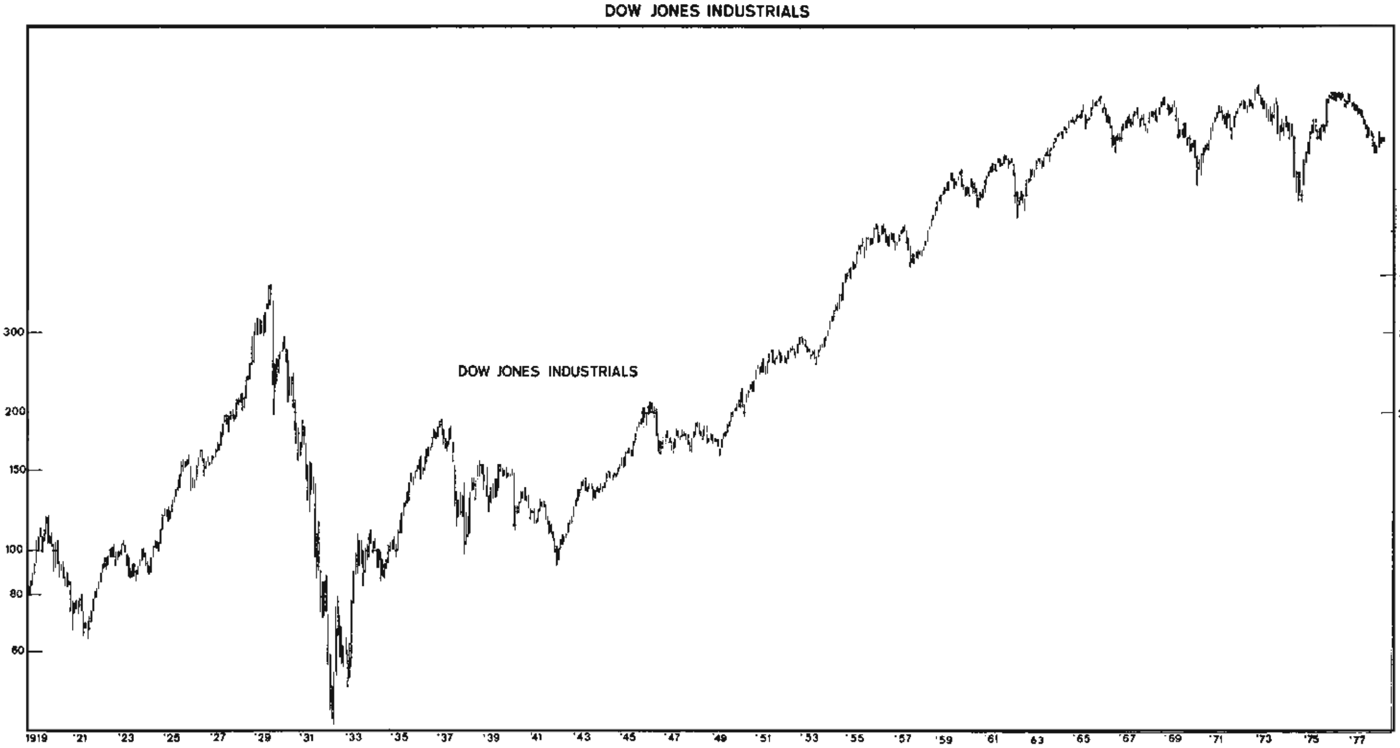


Chart courtesy of The Bank Credit Analyst

Forecast from *Elliott Wave Principle* (1978)


HOW IT HAS COME OUT,
SO FAR
DJIA Monthly
log scale
10000
1000
100
I
II
III
IV
V
①
②
③
④
⑤
a
b
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1920s
1930s
1940s
1950s
1960s
1970s
1980s
1990s
2000s

HOW TO FORECAST

GOLD & SILVER

USING THE WAVE PRINCIPLE

ALL OF ROBERT PRECHTER'S REAL-TIME METALS COMMENTARY
DURING THE BEAR-MARKET YEARS OF 1980 – 2001

BY ROBERT R. PRECHTER JR.