

ReadySetCrypto Elliott Wave Masterclass



Module Three: Impulse and Motive Diagonal Waves

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Impulse and Diagonal Motive Waves

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What To Expect

So it begins! I hope you read the Introduction PDF so you can see how Elliott Wave can truly be applied to all trading styles to enhance your success rate.

In this module we get to dive into the actual wave structures, starting with the emphasis on Impulse and Diagonals. I've split it up into two sections within the same video. The Fibonacci relationships to each type of wave is SO important moving forward with this module and the corrections hereafter. They are a must to memorize.

They are summarized in this PDF below as well for your convenience. Outside from learning the overall wave structure and Fibonacci relationships, you will also be tasked with memorizing the rules and guidelines around Impulse and Diagonal Waves.

By memorizing all of this you will be able to easily apply it to the charts and your counts will not be limited by your knowledge. If you fail to master this then your counts will be limited to basic understanding and concepts and your probability of success will drastically decrease. Think of it like a crossword puzzle or a spelling B competition, the more words you know the higher chance you have at being the top winner. Put the work in and it will pay you tenfold!

The Impulse Wave and Degrees

An impulse wave is a 5 wave structure where subwaves 1,3 and 5 have 5 internal subwaves, and waves 2 and 4 have 3 subwaves that are counter trend. This structure is a fractal within itself on smaller time frames. As such, R.N Elliott labeled degrees for each wave structure to help identify what part of the entire sequence we are in. In Prechter's book he dives into Cycles that date back to the dark ages. It's quite incredible. As such, the degrees are technically infinite as they infinitely repeat themselves. Below is a table of the degrees and times for each cycle.

Figure 1: Degree Cycles and Time Frames (Smallest to Largest)

(↑ continue progression: upper case Roman/Arabic numerals;
upper/lower case letters)

Wave Degree	5's With the Trend					3's Against the Trend		
1 Supermillennium	①	②	③	④	⑤	Ⓐ	Ⓑ	Ⓒ
2 Millennium	(1)	(2)	(3)	(4)	(5)	(A)	(B)	(C)
3 Submillennium	1	2	3	4	5	A	B	C
4 Grand Supercycle	Ⓘ	Ⓜ	Ⓢ	Ⓣ	Ⓥ	ⓐ	ⓑ	ⓒ
5 Supercycle	(I)	(II)	(III)	(IV)	(V)	(a)	(b)	(c)
6 Cycle	I	II	III	IV	V	a	b	c
7 Primary	①	②	③	④	⑤	Ⓐ	Ⓑ	Ⓒ
8 Intermediate	(1)	(2)	(3)	(4)	(5)	(A)	(B)	(C)
9 Minor	1	2	3	4	5	A	B	C
10 Minute	⓪	Ⓛ	Ⓜ	Ⓨ	Ⓥ	ⓐ	ⓑ	ⓒ
11 Minuette	(i)	(ii)	(iii)	(iv)	(v)	(a)	(b)	(c)
12 Subminuette	i	ii	iii	iv	v	a	b	c
13 Micro	①	②	③	④	⑤	Ⓐ	Ⓑ	Ⓒ
14 Submicro	(1)	(2)	(3)	(4)	(5)	(A)	(B)	(C)
15 Miniscule	1	2	3	4	5	A	B	C

(↓ continue progression: lower case Roman/Arabic numerals;
upper/lower case letters)

Impulse Rules and Guidelines

Since the majority of this module is about memorization I have conveniently provided the rules and guidelines below in a bullet format that you should memorize.

Rules:

1. An impulse always subdivides into five waves
2. Wave 1 always subdivides into an impulse or (rarely) a diagonal
3. Wave 3 always subdivides into an impulse
4. Wave 5 always subdivides into an impulse or a diagonal
5. Wave 2 always subdivides into a zigzag, flat or combination
6. Wave 4 always subdivides into a zigzag, flat, triangle or combination.
7. Wave 2 never moves beyond the start of wave 1
8. Wave 3 always moves beyond the end of wave 1
9. Wave 3 is never the shortest wave
10. Wave 4 never moves beyond the end of wave 1
11. Never are waves 1,3, and 5 all extended.

Impulse Guidelines:

1. Wave 4 will almost always be a different corrective pattern than wave 2
2. Wave 2 is usually a zigzag, or zigzag combination
3. Wave 4 is usually a flat, triangle or flat combination,
4. Sometimes wave 5 does not move beyond the end of wave 3 (in which case it is called a truncation).
5. 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 semi log scale.
6. The center of wave 3 almost always has the steepest slope of any equal period within the parent impulse except that sometimes an early portion of wave 1 will be steeper.
7. Wave 1,3 or 5 is usually extended.
8. Often, the extended subwave is the same number (1,3 or 5) as the parent wave.
9. Rarely do two subwaves extend, although it is typical for waves 3 and 5 both to extend when they are of Cycle or Supercycle degree and within a fifth wave of one degree higher.

10. Wave 1 is the least commonly extended wave.
11. When wave 3 is extended, wave 1 and 5 tend to have gains related by equality or the Fibonacci Ratio.
12. When wave 5 is extended, it is often in Fibonacci proportion to the net travel of waves 1 through 3.
13. When wave 1 is extended, it is often in Fibonacci proportion to the net travel of waves 3 through 5.
14. Wave 4 typically ends when it is within the price range of subwave four of 3.
15. Wave 4 often subdivides the entire impulse into Fibonacci proportion in time and/or price.

Wave Figures

Figure 2

Regular Impulse Wave

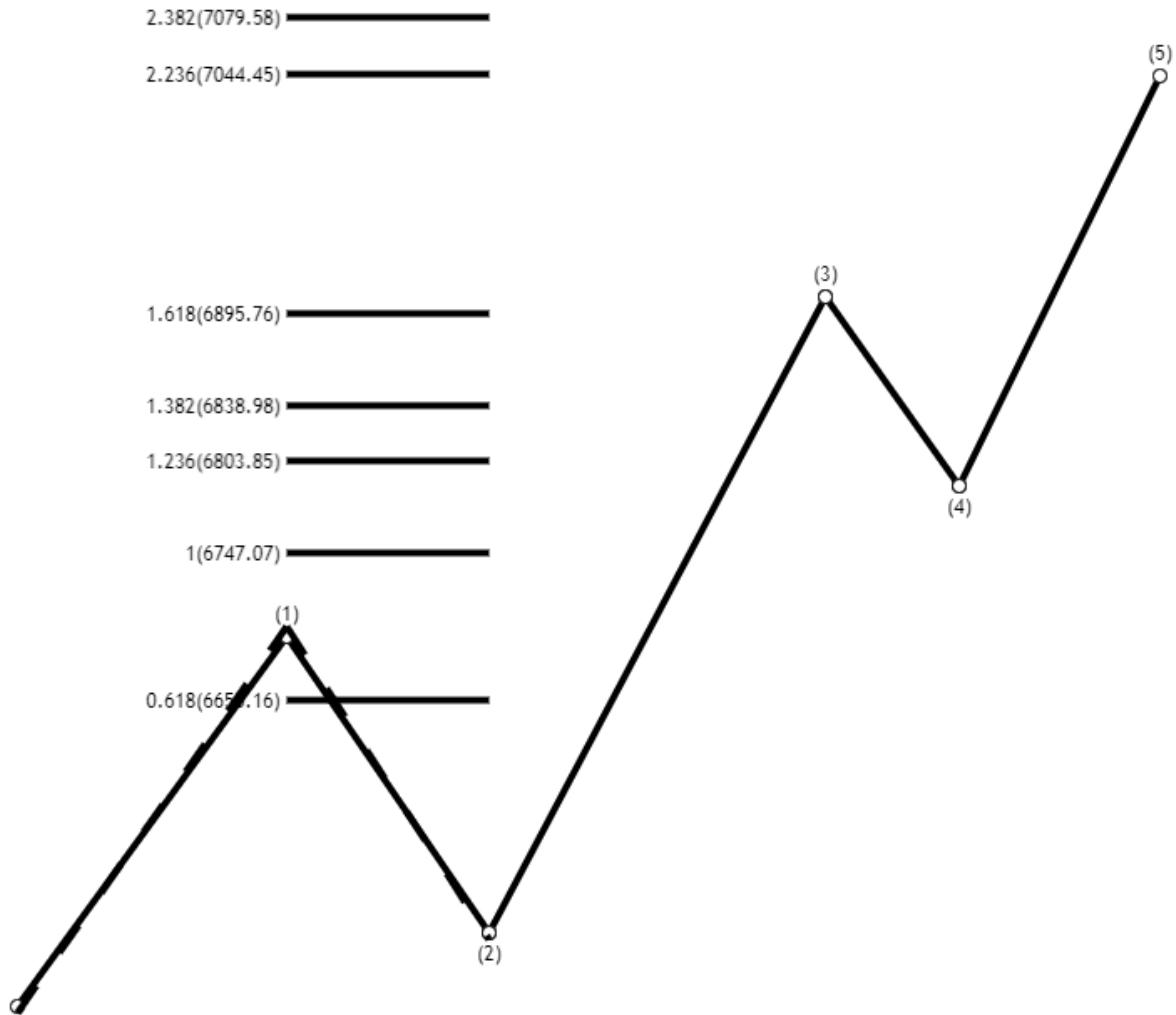


Figure 3
Extended Third Wave Impulse

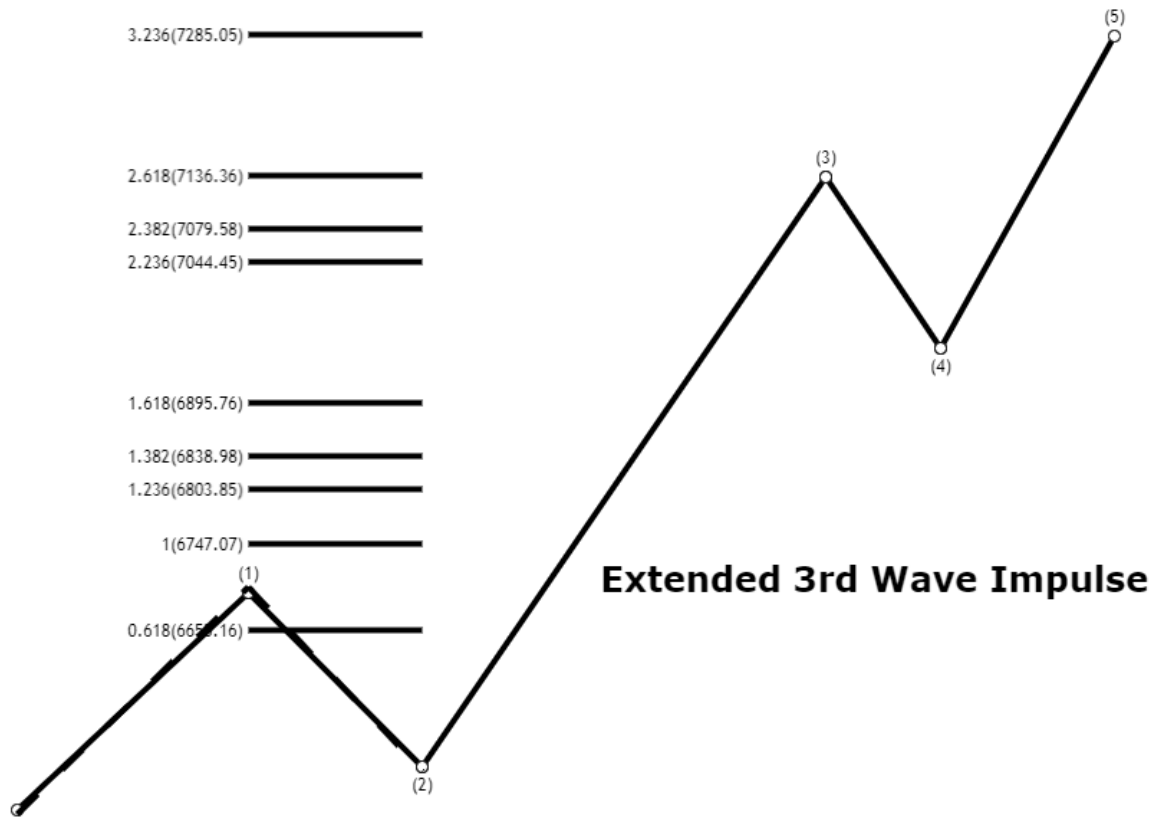


Figure 4
Extended Fifth Wave Impulse

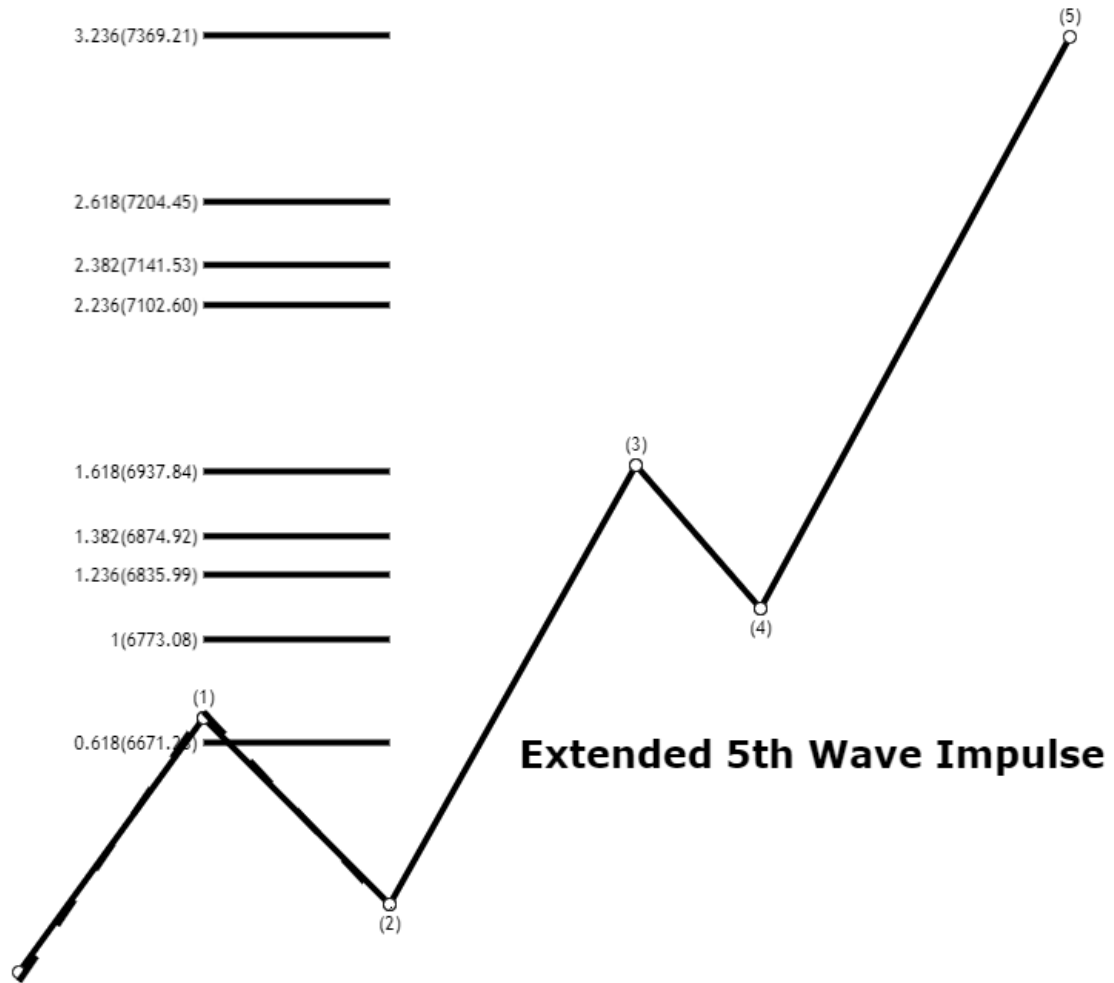


Figure 5
Extended First Wave Impulse

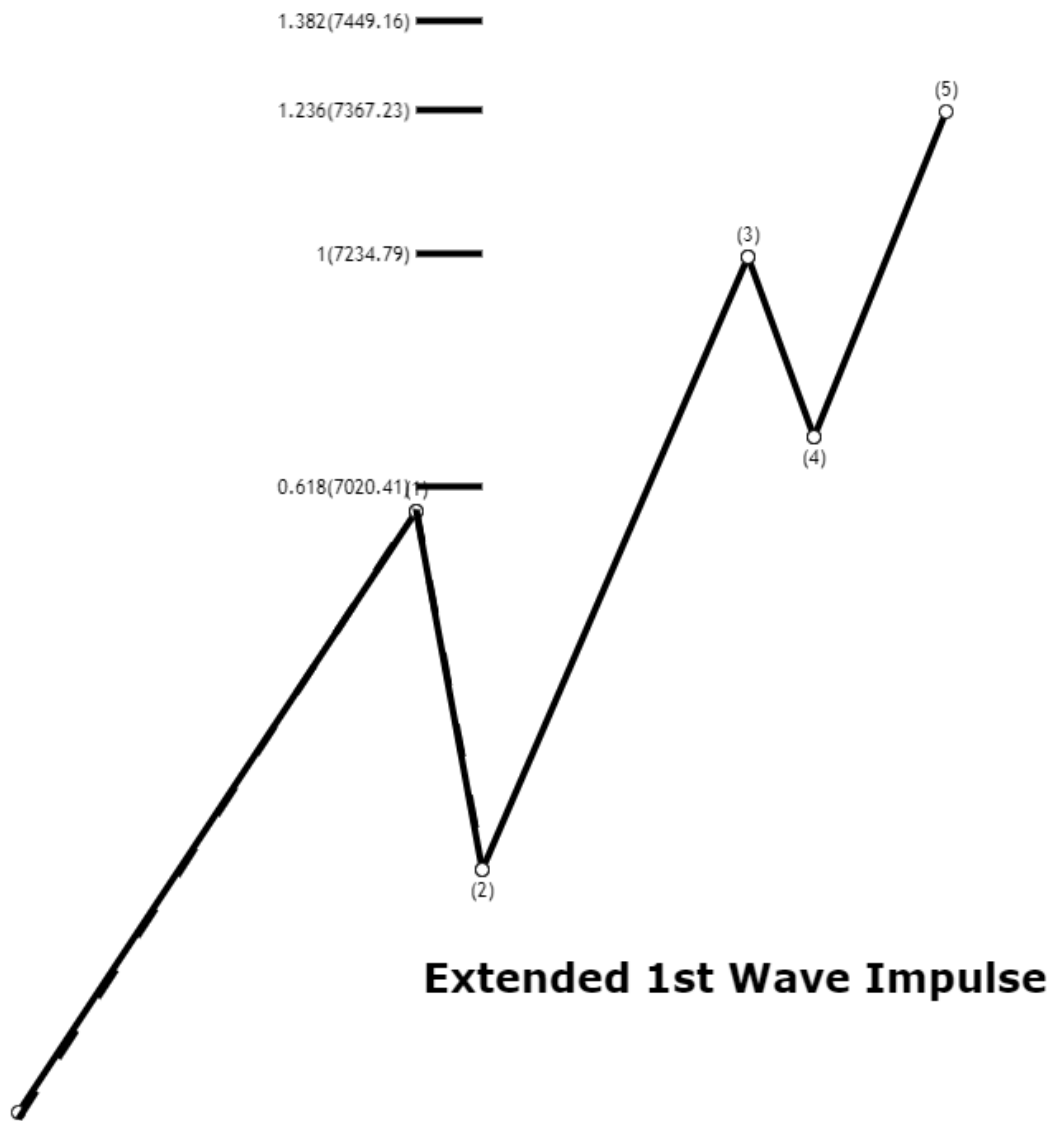
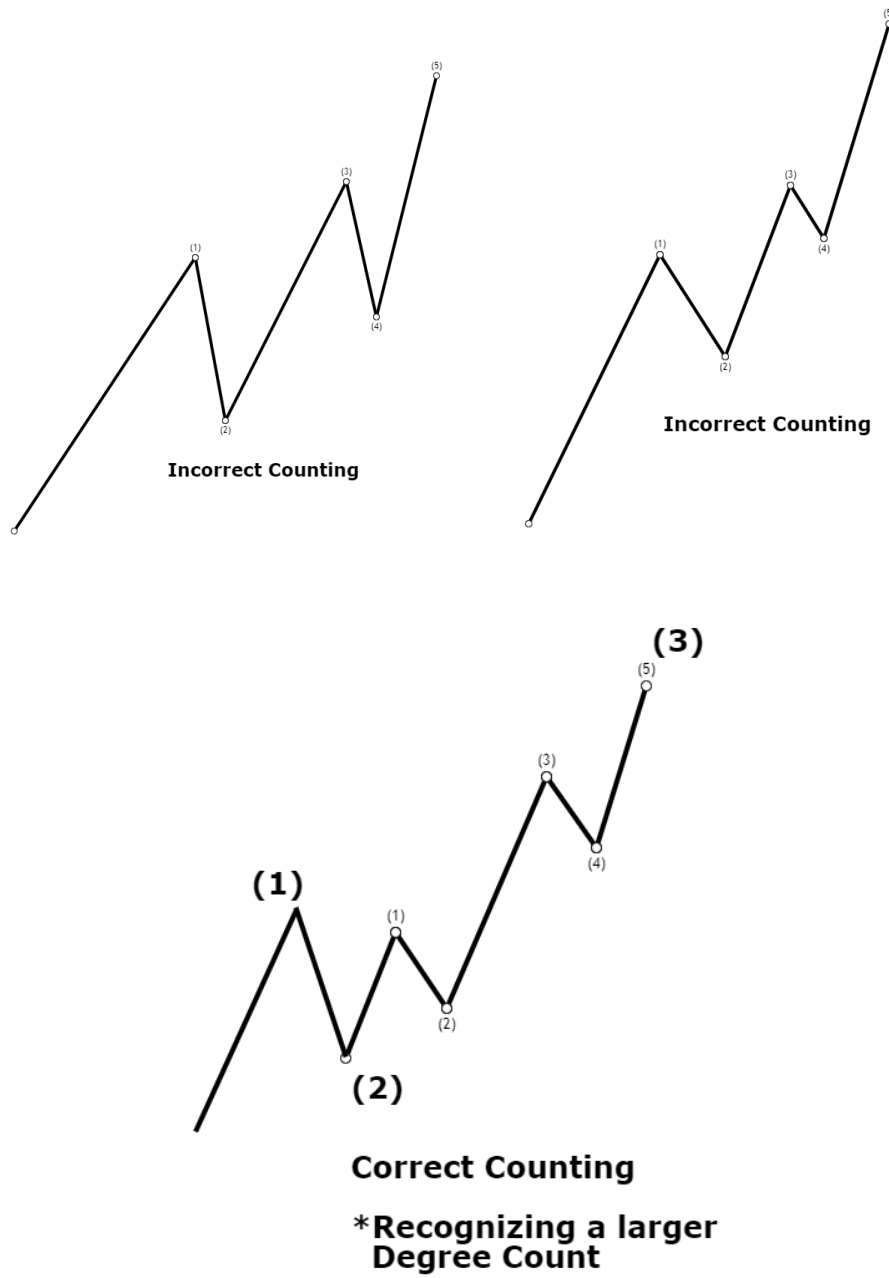


Figure 6
Examples of Incorrect vs. Correct Counting



What Is a Leading and Ending Diagonal?

They can be tricky! In the pattern trading world these types of Impulse waves are seen as Ascending and Descending Wedges, however, there are a few counts in Elliott Wave that can impersonate this pattern and not be a Leading or Ending Diagonal, therefore, the proper name that we will refer to these as in our program is Leading and Ending Diagonal. They are five wave structures that are subdivided into 3-3-3-3-3 for an Ending Diagonal and 5-3-5-3-5 for a Leading Diagonal. They are called a Motive wave, because they fall into the category of Impulse Waves, but have a few exceptions in regards to rules, structures, and characteristics that are listed below. Although listed below, take note that ending diagonals are only seen in the 5th wave of an impulse, or the C wave of an ABC. It is less common to see them in the C wave. They can be converging or expanding. The leading diagonal is only seen in the wave one of an impulse or in the A wave of a ZigZag correction.

Rules:

1. A diagonal always subdivides into five waves
2. An ending diagonal always appears as wave 5 of an impulse or wave C of a zigzag or flat
3. A leading diagonal always appears as wave 1 of an impulse or wave A of a zigzag
4. Waves 1,2,3,4, and 5 of an ending diagonal and waves 2 and 4 of a leading diagonal, always subdivide into zigzags.
5. Wave 2 never goes beyond the start of wave 1
6. Wave 3 always goes beyond the end of wave 1
7. Wave 4 never moves beyond the end of wave 2
8. Wave 4 always ends within the price territory of wave 1
9. Going forward in time, a line connecting the ends of waves 2 and 4 converge towards (in the contracting variety) or diverges from (In the expanding variety) a line connecting the ends of wave 1 and 3.
10. In a leading diagonal, wave 5 always ends beyond the end of wave 3
11. In the contracting variety, wave 3 is always shorter than wave 1, wave 4 is always shorter than wave 2 and wave 5 is always shorter than wave 3.
12. In the expanding variety, wave 3 is always longer than wave 1, wave 4 is always longer than wave 2, and wave 5 is always longer than wave 3

13. In the expanding variety, wave 5 always ends beyond the end of wave 3.

Guidelines:

1. Waves 2 and 4 each usually retrace .66 to .81 of the preceding wave
2. Waves 1, 3 and 5 of a leading diagonal usually subdivide into zigzags but sometimes appear to be impulses.
3. Within an impulse, if wave 1 is a diagonal, wave 3 is likely to be extended
4. Within an impulse, wave 5 is unlikely to be a diagonal if wave 3 is not extended.
5. In the contracting variety, wave 5 usually ends beyond the end of wave 3 (Failure to do so is called a truncation)
6. In the contracting variety, wave 5 usually ends at or slightly beyond a line that connects the ends of wave 1 and 3 (Ending beyond that line is called a throw-over)
7. In the expanding variety, wave 5 usually ends slightly before reaching a line that connects the ends of waves 1 and 3.

Figure 7
Leading Diagonal

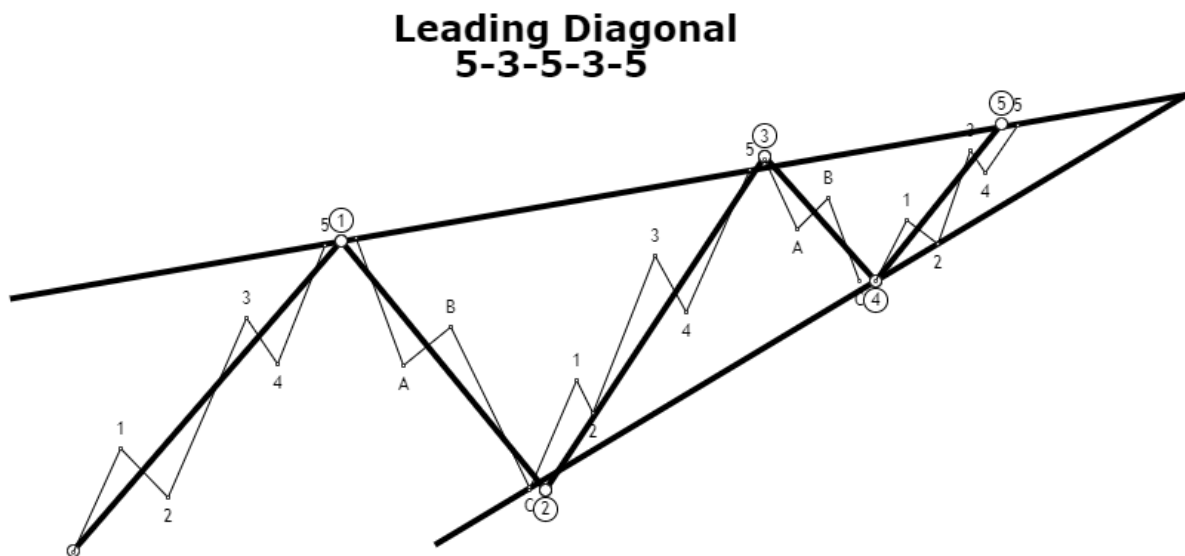


Figure 8
Ending Diagonal

Ending Diagonal
3-3-3-3-3

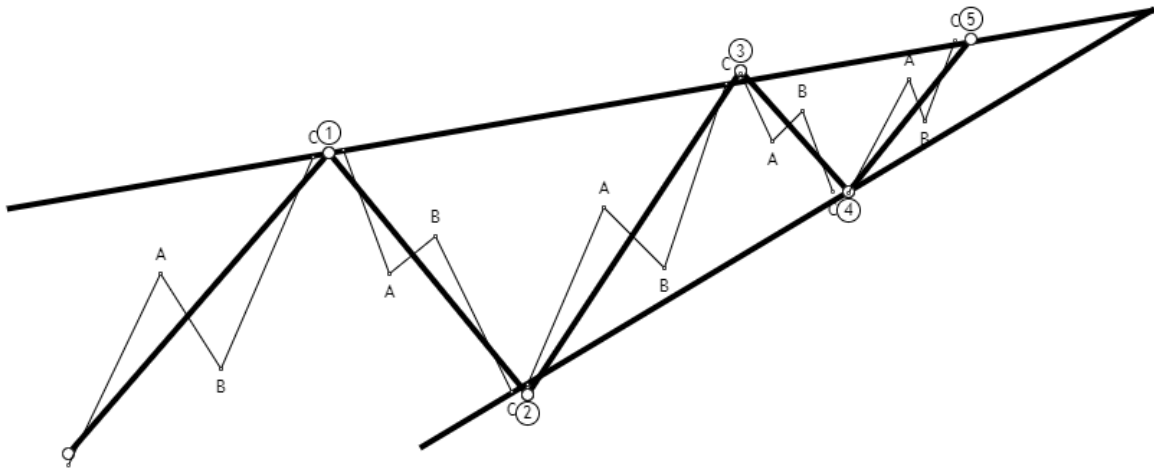
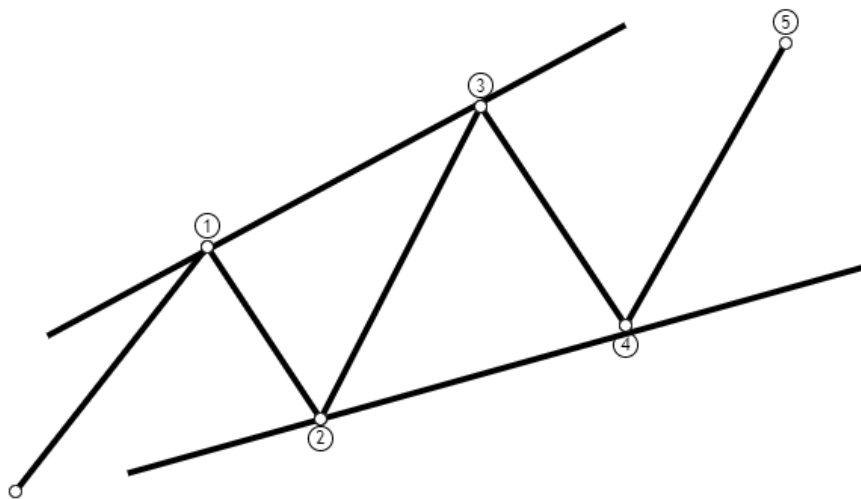


Figure 9
Expanding Diagonal

Expanding Diagonal



Summary

Wow! A lot of information and that's just the impulse wave and diagonals. Next we'll be getting into the corrections. First, let's do a quick summary of what you should be walking away with from this Module. You should have all Rules and Guidelines memorized moving forward for Impulse waves and Diagonals. If you need to take extra time to do this using flash cards, etc then now is the time to do this right before moving forward. The quiz should definitely help retain some of the knowledge taught in the Module so make sure you complete it. It's critical that you practice finding Impulse waves and Diagonals inside the live chart in order to see the actual application. Before moving forward you should be comfortable being able to identify Impulses and Diagonals in the actual chart. Use the rules and guidelines above as a cheat sheet reference to help your process of elimination.

Homework and Next Steps

Please complete the following tasks before moving to the next module:

- ☐ Watch the associated video for this module.
- ☐ Complete the module quiz
- ☐ Finish this module PDF
- ☐ Practice finding Impulse and Diagonal waves in the chart. Find at least 6 impulse waves and 2 leading diagonals and ending diagonals.