Dynamic Trader Trading Course

Dynamic Price Analysis Section

Table of Contents

## End-Of-Wave (EOW) Price Projections

The EOW (End-Of-Wave) price projection routine in Dynamic Trader allows the trader to quickly make all of the typical price projections for a given Elliott wave position. By using the EOW routine, the user does not have to make each individual projection, one at a time with the Fib-P routine.

The EOW routine requires a swing file on the chart. It is quick and easy to build and edit a swing file. When a projection is made, the EOW routine makes assumptions as to the wave position of the prior pivots. If the EOW-3 projection is made from a swing low, the EOW routine assumes the most recent swing down is a W.2 and the swing before a W.1. It will use these two swings to make the projections. If necessary, edit the swings so they have the form you assume is the most probable wave structure.

The EOW price projection routine assumes you have an opinion of the probable Elliott wave position of the market. This may not always be the case. When it is, the EOW routine often allows you to make all of the price projections you want more quickly than marking them off one at a time on the chart from the Fib-P projections. Another advantage of using the EOW projections is each projection on the chart is labeled according to the wave it is projecting.

The chart below assumes we believe Oct. 7 is a W.2 low. I usually choose the short-list projections from the EOW menu. Right clicking on the EOW label on the Fib-P menu chooses what projections will be used for each swing comparison. The projections for EOW-3 were made from the Oct. 7 low. The projections included where W.3 would equal 100% W.1, 162% W.1 and 262% W.2.
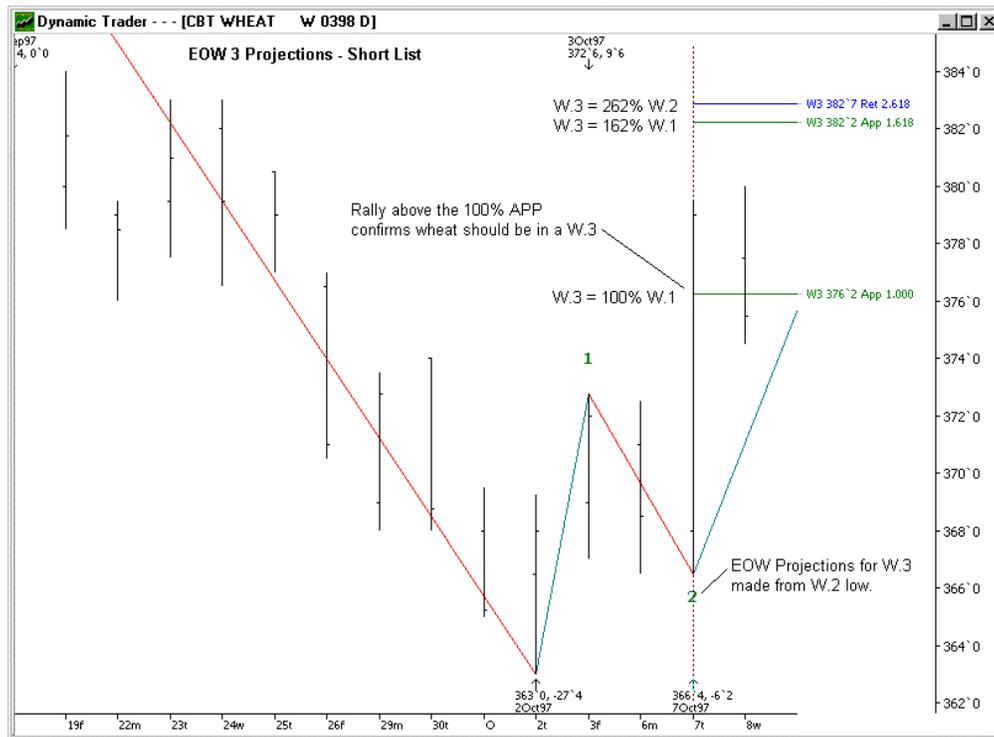
The first signal that wheat may be in a W.3 is if wheat rallies above where W.3 = 100% APP W.1. Wheat did this in one wide range up-day signaling a W.3 was probably being made. Two price projections fell within less than one cent of each other – W.3 = 162% APP W.1 and 262% APP W.4. This zone would be a typical price target for W.3. If wheat reached this zone, the trader should be alert for signals wheat is making a minor W.3 high.

Wave-3 made a top just above this price zone as shown in the chart below. The next price analysis objective is to project the high probability target for W.4. The short-list EOW-4 price projections include where W.4 = 38.2% and 50% Ret. W.3, 38.2%, 50% and 61.8% Ret. W.1-3 and 100% APP of W.1. Those projections are shown on the chart below.
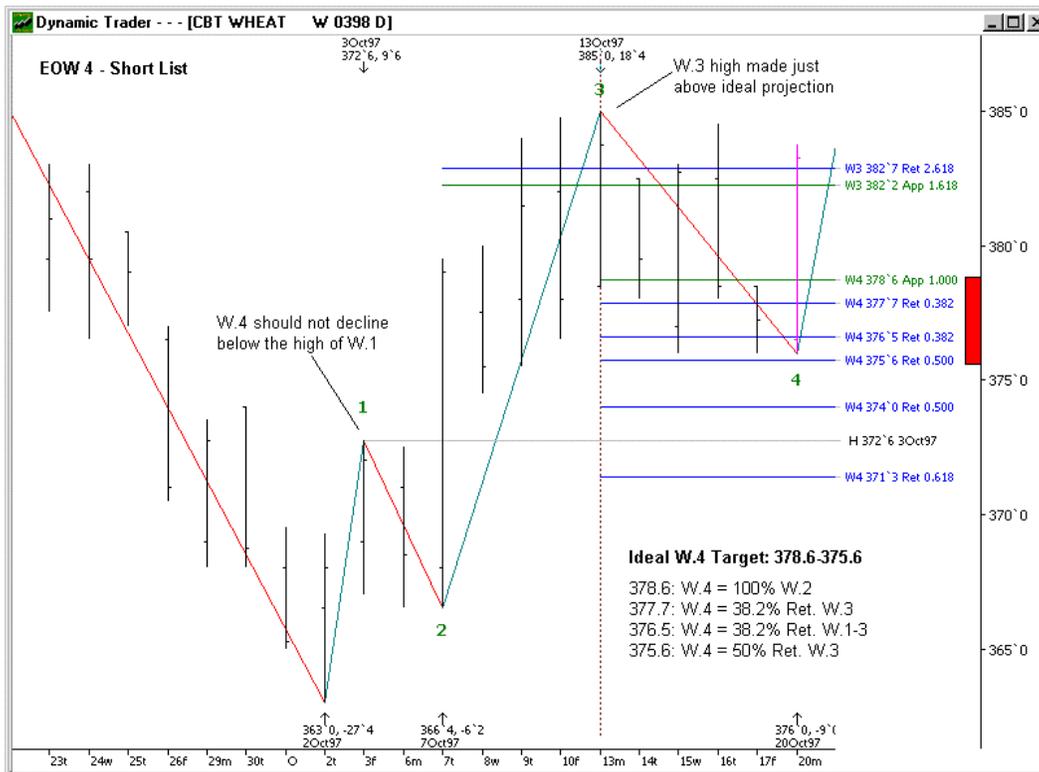
Wave-4 should not decline below the high of W.3 so we should eliminate the 61.8% retracement of W.1-3 (374.0) from consideration. Four projections are grouped fairly close together. See the chart above. The ideal price zone to complete a W.4 low would be 378.6-375.6. On Oct. 20, wheat made the W.4 low at 376.0, right within the ideal price zone.

Our next objective is to project the high probability price target for W.5.

The short-list for the EOW-5 price projections include the three typical targets for a W.5 – W.5 = 100% APP W.1, 61.8% APP W.1-3 and 162% Ret. W.4. The projection is made from the W.4 pivot low and the EOW-5 projections are shown on the chart below.

W.1 was relatively short and the W.5 = 100% APP W.1 projection falls just above the W.3 high. The other two projections are grouped very close together at 389.5-390.4. Wheat trades in quarters and could not trade at 389.5, but Dynamic Trader will make the projections in eighths because the data vendor supplies the data in 1/8ths. Years ago grains traded in eighths.

The ideal price target for W.5 would be at 389.4-390.4. Wheat made a wide-range reversal day with a high at 391.4, just one cent above the ideal W.5 price projection zone.

4
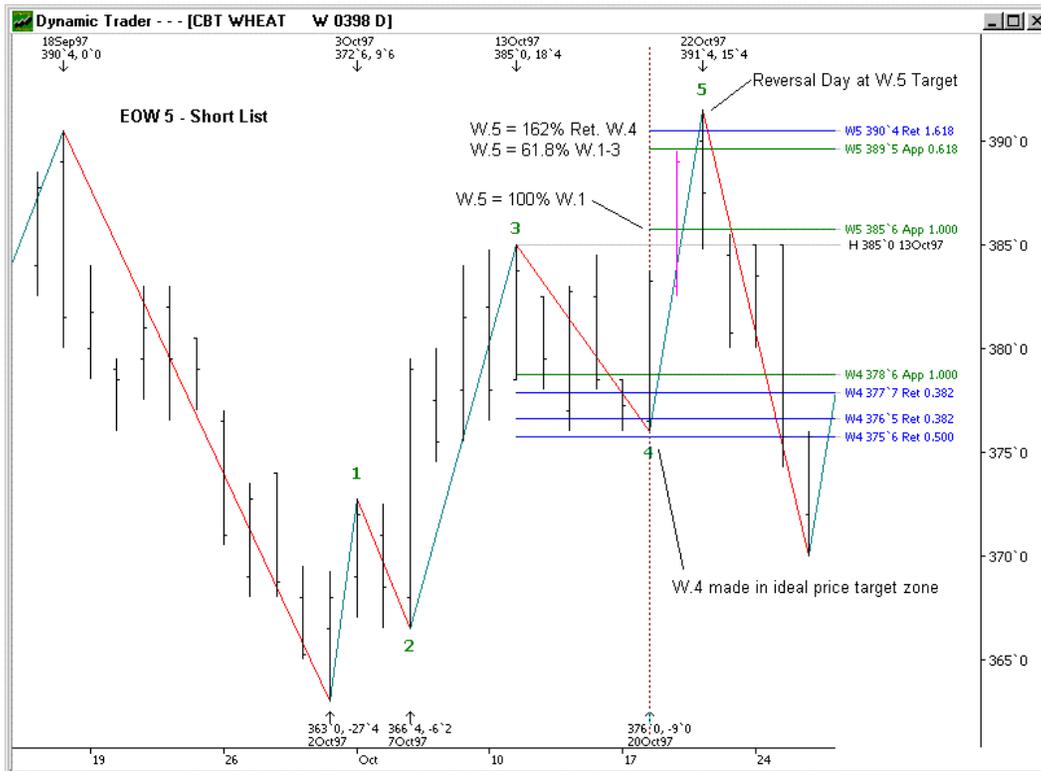
The Steps To Make An EOW Price Projection

1. Bring up a swing file on the chart or build a file just for the current purpose. If necessary, edit the file so the swing pivot highs and lows will be where you want them.

2. Right click on the EOW label in the Fib P menu. Choose which ratios you want to use for each wave comparison. In most cases, begin with the short-list ratios.

3. Click on the pivot low or high on the chart where you want the projections made from. Click again on the chart and the projections will be made and labeled on the chart.

4. The high probability support or resistance zones will be where several projections are grouped relatively close together. Every market, every time will not complete the wave at the exact price zone, but these price zones provide you with high probability targets and a frame work from where to develop trading strategies and make trading decisions.
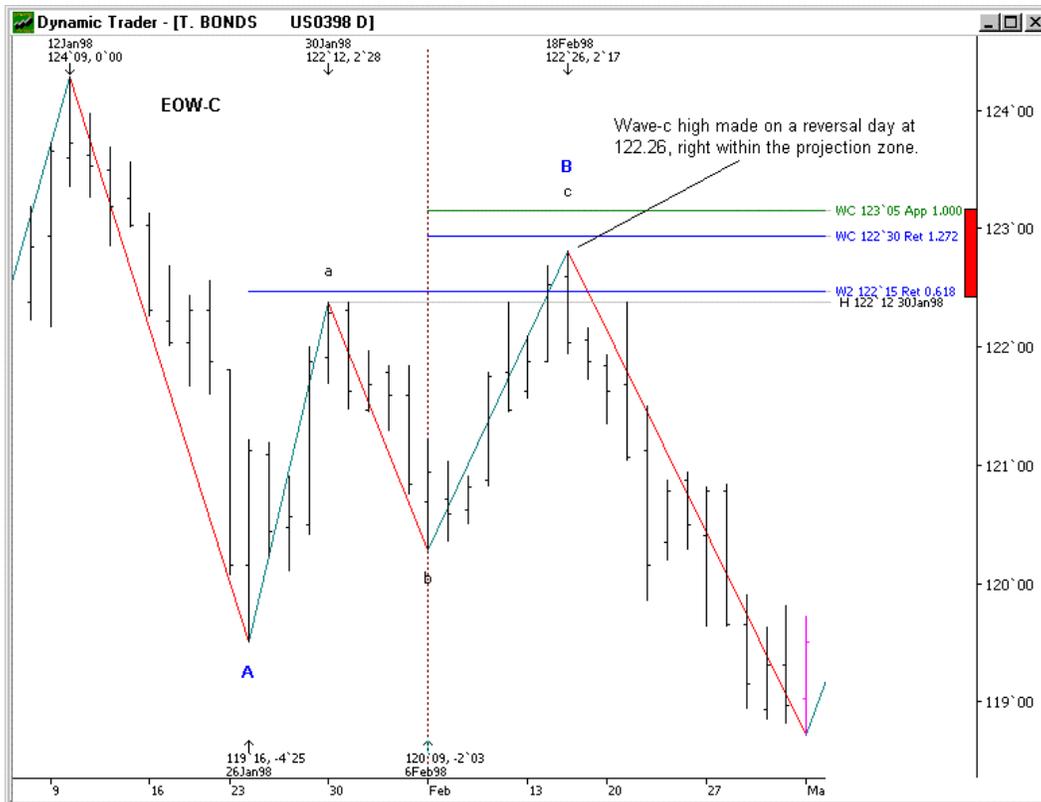
EOW-C Price Projections

The chart of bonds below shows the typical W.c price projections. Once bonds rallied above the W.a high, the W.c price projections may be made. Two sets of projections are made.

1. The retracements of the Jan. 12-Jan. 26 decline that is labeled Wave-A on the chart below. The EOW-2 label was chosen in the EOW routine. The EOW-2 only uses price retracements. It may be used in any circumstance when only retracements are to be made. While I have labeled the Jan. 6 low as a wave-A, it may be a wave-1. It makes no difference what wave it is for our purposes. We simply want to make the price retracement projections from the Jan. 26 low so we choose the EOW-2 projections.

2. EOW-C projections are made from the Feb. 6 low. The short-list projections are where W.C = 100% and 162% APP W.A and 127% and 162% Ret. W.B.
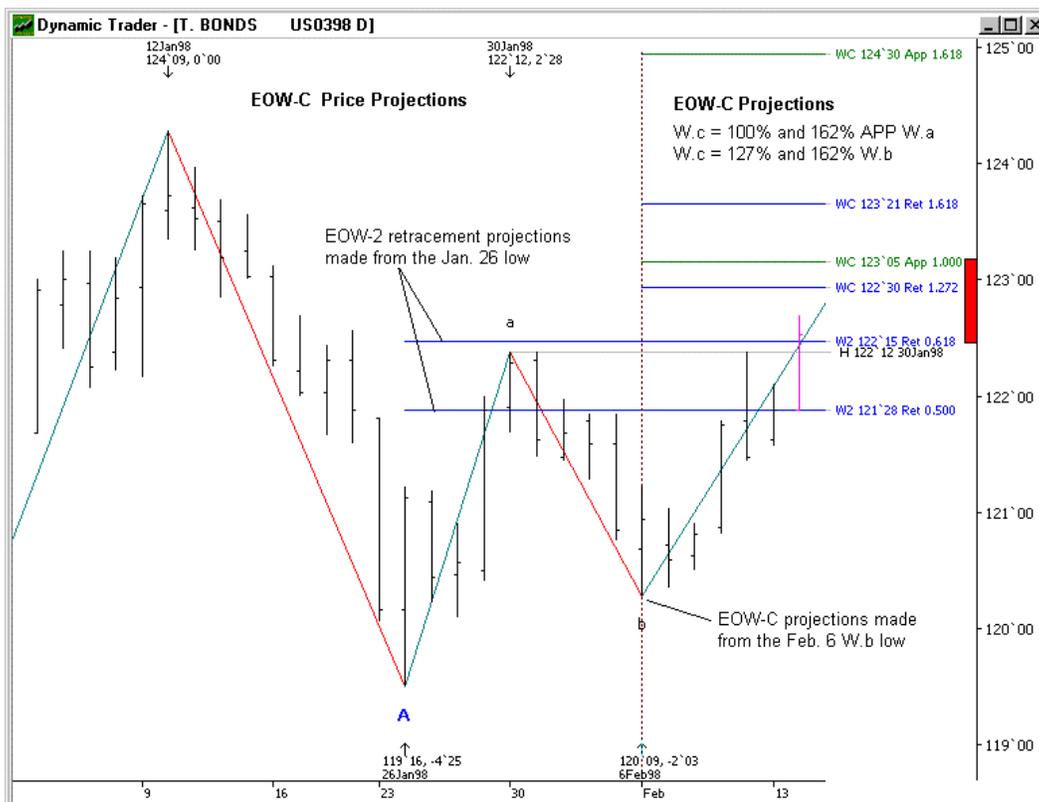
The 50% retracement falls below the high of W.A, so it is ignored. The 162% APP (W.C = 162% APP W.A) is far above the other projections, so it is also ignored for now. The 100% APP (W.C = 100% W.A) and 127% Ret. (W.C = 127% W.B) are only a few ticks apart and not far above the 61.8% retracement. The most typical price relationship between waves A and C is 100%. That is always the first place I look to see if other price projections fall nearby, especially one of the Fib retracements.

The most probable price zone for the W.c high should fall at 122.15-123.05 which includes the 61.8% retracement and where W.c = 100% APP W.1 and 127% Ret. W.b. How did it turn out?

Wave-c made a reversal day high right within the ideal price zone for the W.c high. It would be nice if all of the EOW price projections clustered within just a few ticks of each other. While this sometimes happens, more than likely the zone will be relative broad. In the bond case above, the ideal price zone for the W.c high was a 21-tick range (122.15-123.05). If the market rallies into a projected target zone, look for reversal signals and be alert to the smaller degree pattern and time position.

Combining Multiple Degrees of Price Projections

The highest probability price targets are where the smaller degree price projections fall within the price target zone of the larger degree price projections. If the smaller degree price pattern is evident, we can make the price projections from the smaller degree to see if we can narrow the price range target of the larger degree projection.

The bond chart below is a close-up of the same period as the charts above where we were projecting the price target for W.c. The swing file has been edited to show the smaller degree swings that make up W.c. A W.c should usually make a five-wave pattern. This appeared to be the case with bonds from the Feb. 6 low (W.b).
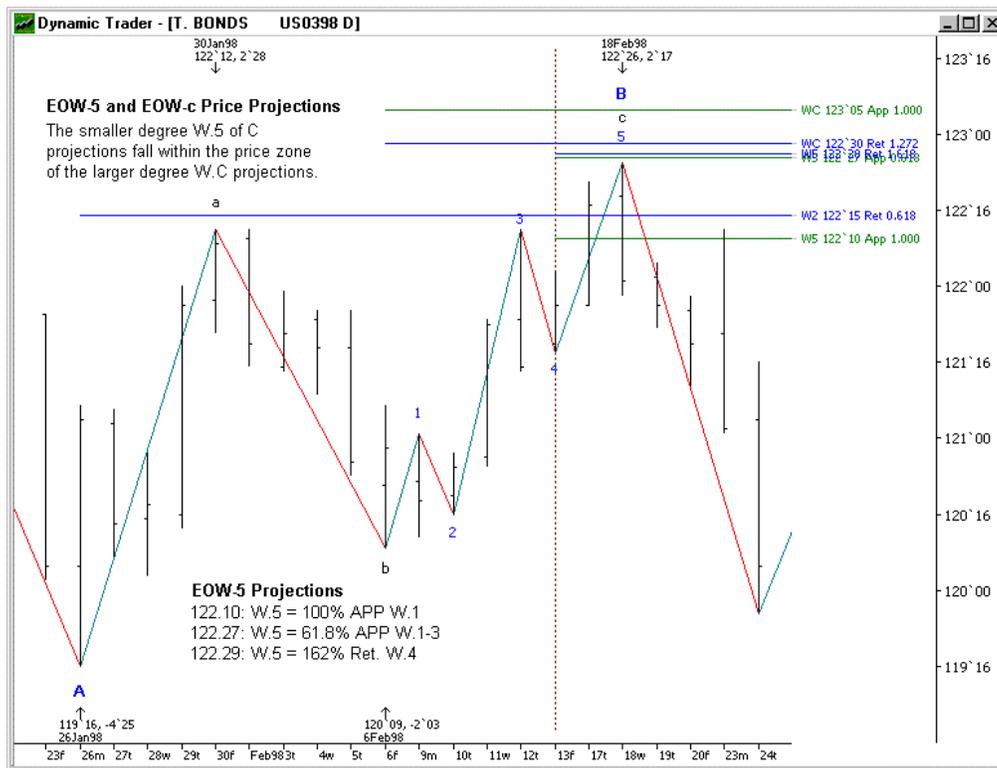
When a swing chart is built or edited in Dynamic Trader, each swing must be a minimum of one bar. You cannot edit a swing file to make one bar both a high and low. In some cases with very minor degree swings, one bar may be both a wave high and low when using daily data. Viewing only daily data, this was probably the case for the minor swings in bonds. The W.1 high bar was probably also the W.2 low bar. The same for W.3 and W.4. Why do we suspect this? The W.1 bar

opened up, continued higher and closed below the open. The intraday data may show the highs and lows in a slightly different position, but if we are only using daily data and want to use the EOW routine to make projections, we have to edit the swing file as best as possible with the bars we have.

We have already made the W.c projections from the Feb. 6 low (W.b) as described in the commentary and charts in the previous section. The 61.8% retracement and W.c projections are shown on the chart above.

Also shown are the W.5:c projections made from the W.4:c low. These projections include where W.5 = 100% APP W.1, 61.8% APP W.1-3 and 162% W.4. Wave-1:c was very short and the 100% APP (W.5=100% W.1) falls below the 61.8% retracement and the W.3 high. This projection is ignored. The other two minor projections cluster very close together just below where W.c = 127% Ret. W.b. These two minor projections for W.5:c fall right within the larger degree projected zone for W.c. The W.5:c high was made at 122.26, just <u>one tick</u> below the minor degree projections at 122.27-122.29! Do you see how the smaller degree projections help to focus in on the highest probability price zone to complete the larger degree pattern?

If we have intraday data available, we can better focus in on the wave structure. The chart below is 30-minute data for bonds for the period of W.c. With the daily data, we considered Feb. 6 as the W.b low. The 30-minute data shows just one wide range bar that was the first bar of the day of Feb. 6 which spiked down to make the new low. An examination of the 5-minute data, the shortest period I had for intraday data for bonds, showed that it was only the 5-minute bar that also traded this low. More than likely there was just one or two trades that were made at the lower price level before the market spiked back up and completed the decline on Feb. 9 just above the low of Feb. 6. I have begun the intraday wave count from the Feb. 9 low instead of the Feb. 6 low as Feb. 9 obviously appears to be the real beginning of the W.c advance.

Since the Feb. 9 low is only a few ticks above the Feb. 6 low, there will not be a great deal of difference in the price projections. This example illustrates how the intraday data may provide more accurate minor degree projections than if we only have daily data available.
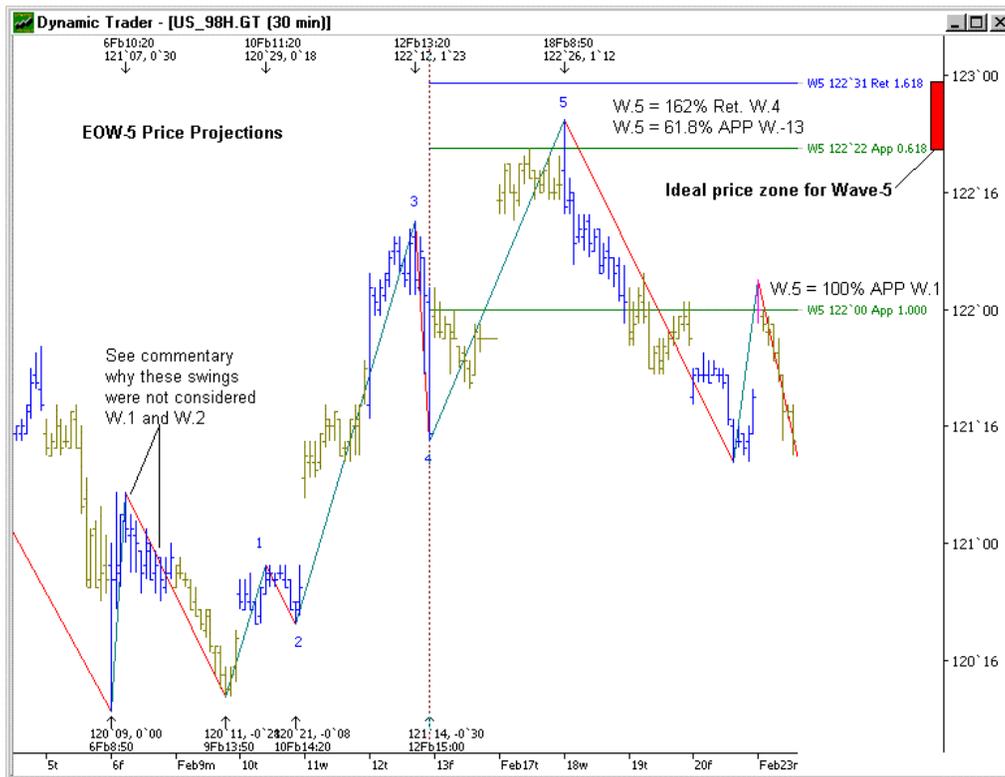
The EOW-5 projections are made from the W.4 low made on the afternoon of Feb. 12 on the 15:00 bar (3 PM, EST). Wave-1 was very short in price and the 100% APP (W.5 = 100% W.1) projection falls below the W.3 high. This projection is ignored. The projections where W.5 = 61.8% APP W.1-3 (122.22) and 162% Ret. W.4 (122.31) provide the high probability target zone for W.5. The W.5 high was made at 122.26, right within this zone?

The daily data and swing chart shown previously showed this same projection at 122.27-122.29, which was slightly above the beginning of the 122.22-122.31 projections made with the intraday data. Why? The minor swing highs and lows are slightly different on the daily data chart than on the 30-minute data chart.

Are you ready to take the price projections even one degree smaller? The chart below is 5-minute data for just the five trading day period (Feb. 12-18) of W.5:5:c. Wave-5 price projections were made from the W.4 low made on Feb. 17 on the 14:05 bar. Two of the price projections at 123.04 and 123.08 fall above the price zone projected for the larger degree W.5:c shown on the 30-minute data on the chart above. They should probably be ignored. Our purpose of projecting from the smaller degree waves is to see if the smaller degree projections fall within the price zone of the larger degree.

One projection, where W.5 = 162% Ret. W.4 at 122.26, falls within the price zone of the next larger degree at 122.22-122.31. The W.5:5 high was made at 122.26, the exact 162% Ret. projection! Bonds confirmed the final top was probably complete on the decline below the minor degree W.4 low on the 5-minute data.
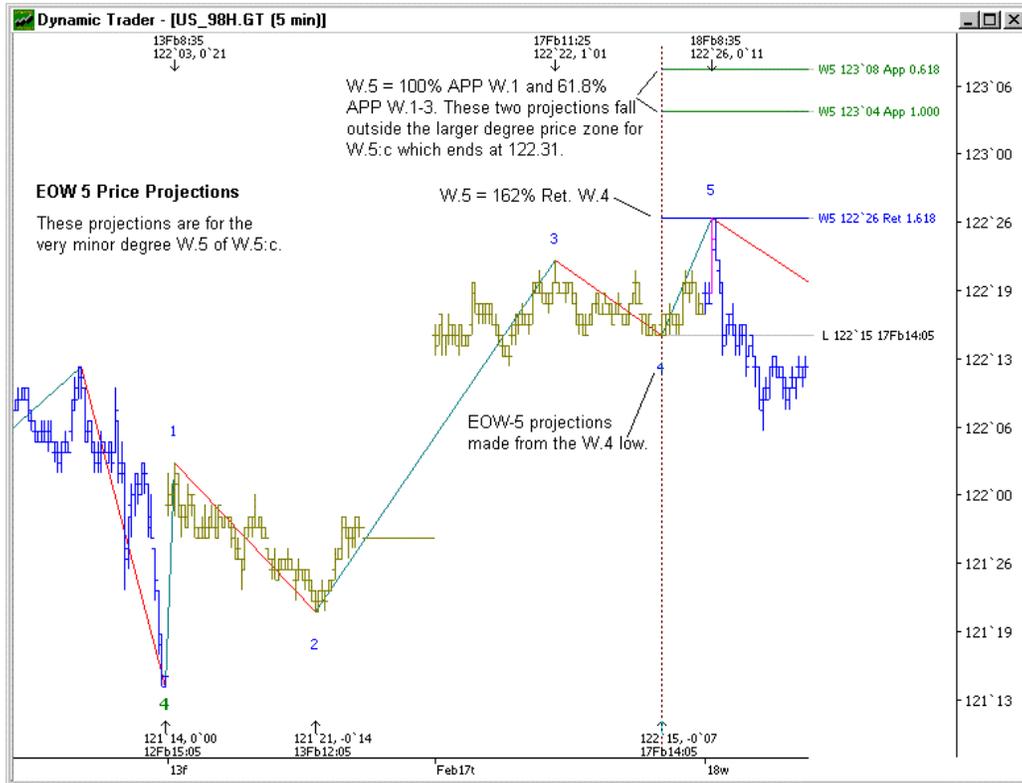
Waves Within Waves Within Waves

The EOW routine was used to make three degrees of price projections. The first price target was projected for W.c:B. Retracements of W.A and projections for EOW-C were used for a target zone of 122.15-123.05. Then the smaller degree projections using the daily data were made to project the target for W.5:c:B. These smaller degree projections added the 122.27-122.29 target that fell within the larger degree projection of 122.15-123.05.

If we had intraday data available, we made a 30-minute chart and again made the W.5:c projections. The intraday data allowed us to more accurately identify the wave highs and lows than we were able to do on the daily data chart. The new target for W.5:c on the 30-minute data fell at 122.22-122.31, again right within the

122.15-123.05, W.c target zone. We then went one degree smaller to project the target for W.5:5:c. Only one projection fell within the larger degree target at 122.26. The three degrees of price projections gave us an ideal price target for W.c at 122.22-122.31. This was the price zone that included all three degrees of projections. The high tick was made at 122.26, right within the price zone!

Intraday data is not necessary to make two or more degrees of price projections, but it can be helpful. If you have intraday data, use it when appropriate to fine-tune the projections. There is often a lot of "noise" with intraday data and you run the risk of loosing track of the larger degree perspective which is evident on the daily charts. If a useful and obvious pattern is not developing on the intraday data, do not try to force a pattern just for the sake of making smaller degree price projections.

I collect tick data at the end of the day from my data service and do all of my analysis outside of trading hours. I suggest you do the same. You would be surprised (maybe not!) how your idea of the market position can change as you watch the market real-time. If you have real-time or delayed data on your monitor during the day, be careful and don't loose track of the larger degree position.

EOW Summary

1. In many cases, the EOW price projection routine makes it quicker and easier to make multiple price projections than marking them off one at a time from the Fib-P menu.

2. The EOW routine assumes you have an opinion of the Elliott wave position of the market. If you don't have an opinion of the Elliott wave position and only want to make a few price projections, it may be quicker and easier to just mark them off one at a time from the Fib-P menu.

3. The EOW routines require a swing chart. If you already have swing charts saved for that data file, bring up the swing chart that is the closes degree to the one you are going to make projections for. Edit the swing chart if necessary so the pivot highs and lows are marked off that you want to project from. When you close the scenario or unload the swing file, you will be asked if you want to save the changes to the swing file. If you made temporary changes just to make these price projections, choose no, and the swing file will remain the same.

4. When the projections have been made, look for those projections that seem to fit within the structure of the market. In most cases, ignore the "outliers." The highest probability price targets will be where projections are clustered together.

5. Never <u>expect</u> the market to reach or make a reversal precisely at the ideal cluster of projections. Consider the projected range as a high <u>probability</u> price target for end of the wave projected. Always consider the price target zone within the context of the other market factors such as time and pattern.

6. If a market substantially exceeds a projected price zone, reconsider the wave structure and make projections for the next higher or lower zone by considering a different wave structure or using more than the short-list of ratios.

Custom Price Projections

The Custom Price Projection (CPP) report is another way to make price projections and display them on the chart. How is the Custom Price Projection report different from the Fib-P routine and the EOW routine?

The Custom Price Projection report uses the same menu as the Fib-P routine that includes the EOW projections. The way the price projections are made with the CPP is exactly the same as with the other two routines. The CPP has several added features that make it advantageous to use at times.

Unique Features of the Custom Price Projection Report

1. The CPP places a horizontal bar against the price scale for each projection. If individual projections fall near each other, the height and the width of the bar increases. The larger bars represent the greatest cluster of price projections. The CPP provides a visual representation of the price clusters on the chart.

2. The CPP may be saved. If the CPP is saved, the user may choose at any time whether he or she wants to display it on the chart.

3. A detail table of each individual projection represented by any CPP bar may be brought up by clicking on the CPP bar.

4. Price projections may be added to any saved CPP report at any time. This is particularly useful as a market progresses and the user wants to add the most recent minor degree projections to a saved CPP of larger degree projections.

Let's take a look at the bond example we just examined in the EOW section above and see how the CPP report may be used.

The bond chart below shows the same period when the projections for Wave-C were made in the EOW section above. This time the projections were made from the Custom Price Projection report. As you can see, the menu where the projections are chosen is the same as the Fib-P menu.

EOW-2 projections were made from the Jan. 26 low (labeled W.A) and EOW-C projections were made from the Feb. 6 low (labeled W.b). The horizontal lines represent each projection. The bars against the price scale represent where the projections are made. The bar at 123.00 is larger than the other bars because two projections fell close together.
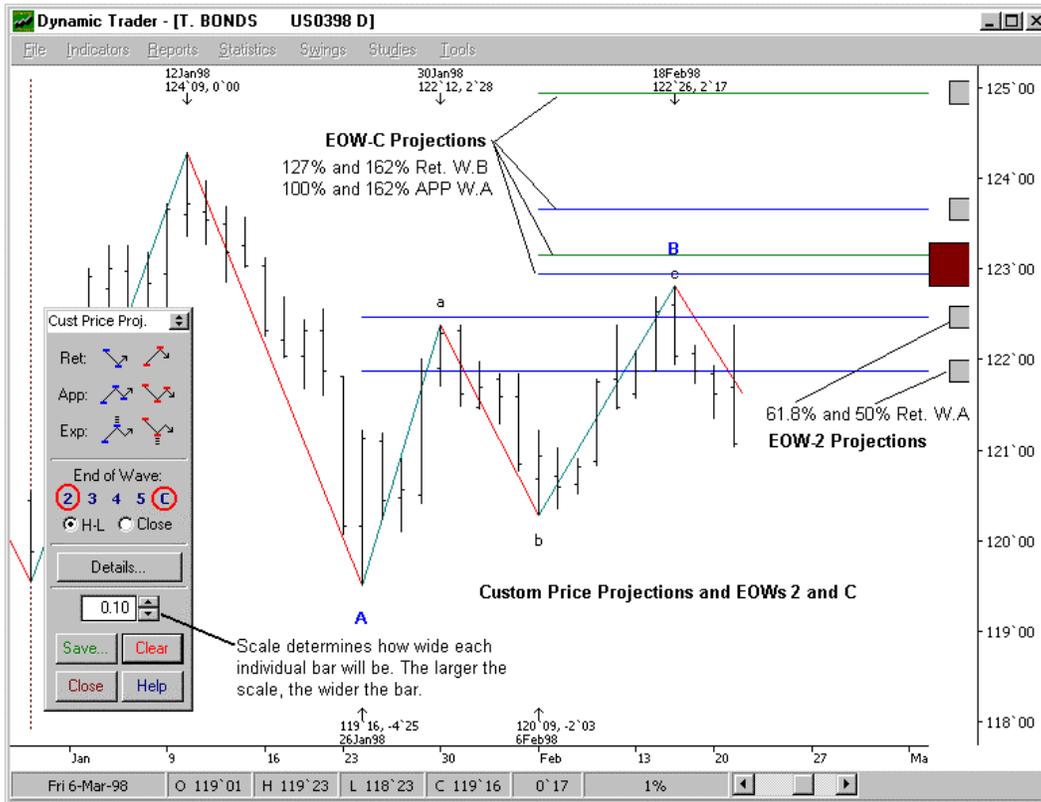
The CPP bar-height scale may be adjusted to make the width of each individual bar taller or shorter. In the chart above, the scale is set at .10. The height of each individual projected bar will be the projected price plus and minus 1/10 of 1%. If the projected price is 122.00, the CPP bar will be 122.00 plus and minus 1/10 of 1% or 121.28-122.04. 122.00 x .001 = .122. We must translate to 32nds. 32 x .122 = 4 (3.9). Add and subtract 4/32nds from 122.00 for a range of 121.28-122.04. You may want to adjust the bar-height scale while the CPP is being made to make the projections overlap with one another and create a larger bar. We can save this CPP report and bring it up on the chart at any time. Use a logical system for naming each report. I usually include in the name the date projected from and the wave label I am projecting. In this case, we may name the report "W.C Fr. 1/6/98."

We can add new projections to a saved report at any time. Let's add the minor degree projections for Wave-5:c to the saved report. The chart below has added the minor degree EOW-5 projections. These projections fell very near the larger degree projections that had already created the largest bar when the report was first made. The bar is now even relatively larger compared to the other bars that only represent one projection each. We now have a very visual representation of

the high probability price target that includes four price projections of various degrees.
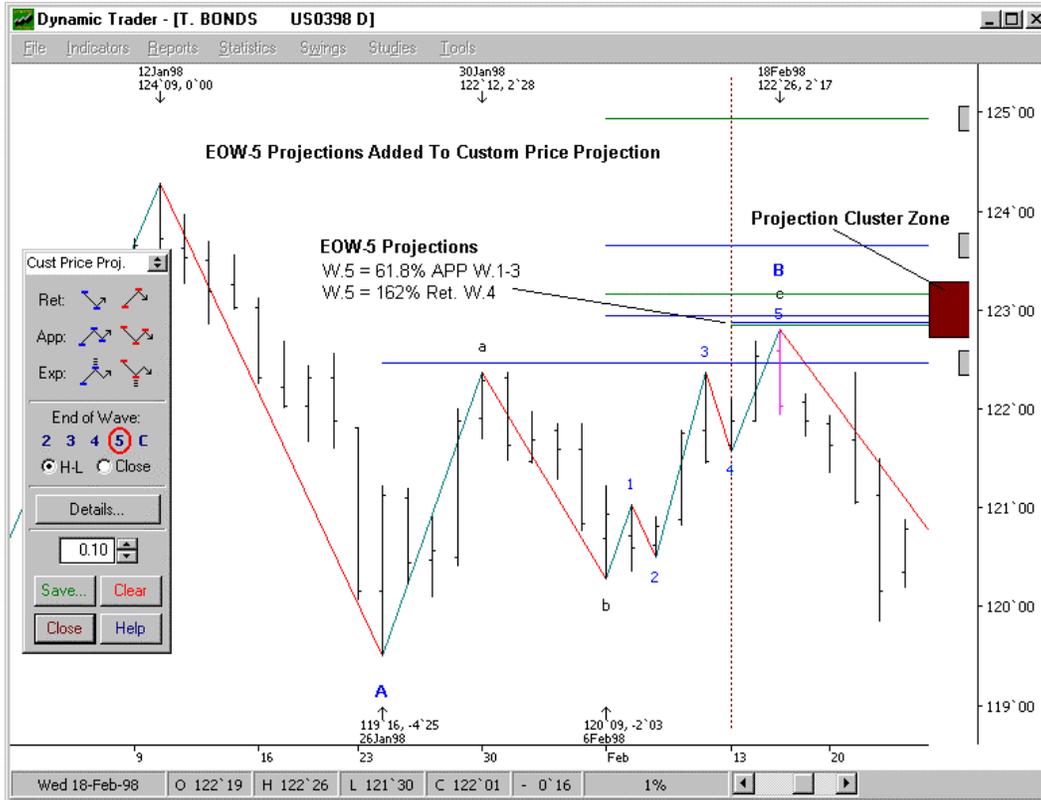

Note that neither the 50% retracement of W.A or the 100% APP projection (W.5 = 100% W.1) is included on the CPP above. After first making each price projection in the CPP report, you are asked if you want to add the projection to the report. If a projection is not relevant, you can choose "no" and then re-choose which ratios you want to use. When the EOW-2 projections were made, bonds had already advanced above the 50% retracement. Rather than save the retracements to the report with the 50% retracement, I checked off the 50% retracement and made the EOW-2 projections with just the 61.8% retracement. I did the same with the W.5 = 100% APP W.1 projection when making the EOW-5 projection.

The CPP report was initially created and saved with the projections shown on the first chart. Later, the minor W.5:c projections were added. Projections of more than one degree may be made at the same time when the report is initially created. The swing chart may be edited while the report is being created. You are not limited to the swings that are initially brought up on the chart. Just remember when you close the chart, you will be asked if you want to save the edits made to the

swing file. Be sure and click "no" if you do not want to save the edits. If you click "yes", the current swing file will be over written with the changes. If you want to keep the old swing file and a swing file with the new changes, choose "save swing file as" from the Swings Menu.

The chart below shows the CPP after it has been saved. Right click anywhere on a chart and one of the menu choices is to "show custom price projection."
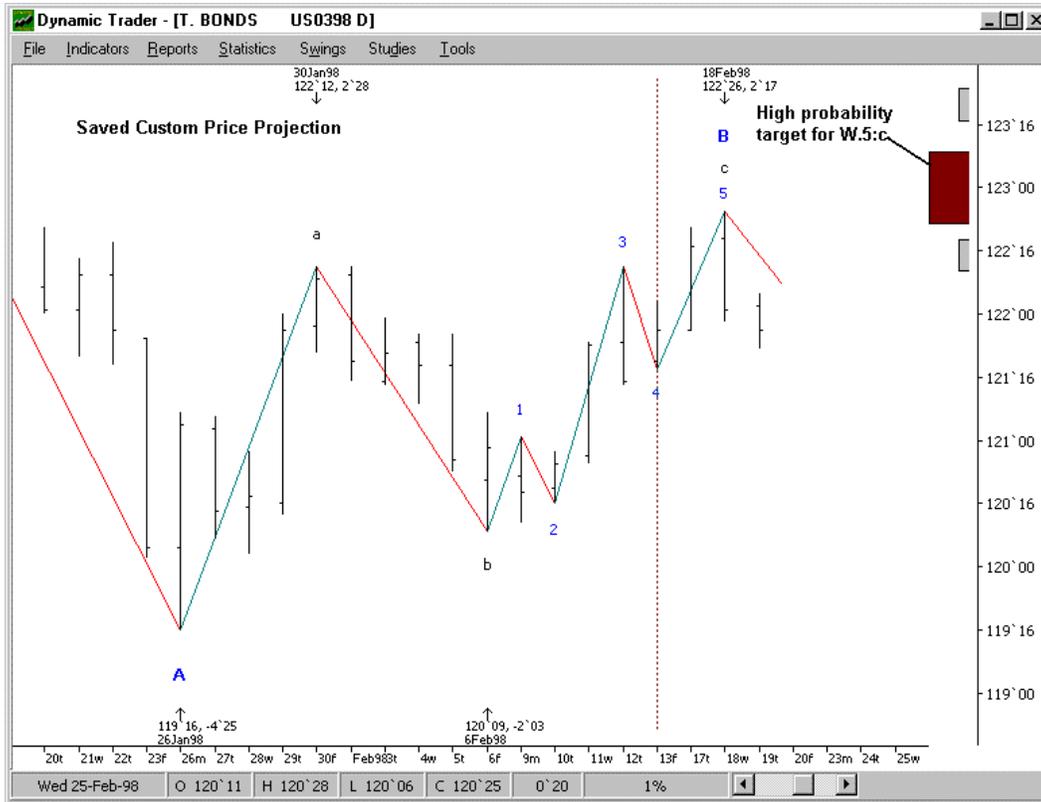
If the CPP bars are shown on a chart, you can view the details of all of the projections by clicking on a bar that will bring up the CPP detail table. The projections that make up the bar that was clicked on will be highlighted in yellow.

Projection	Ratio	Type	Project	from	H/L	1st	from	H/L	2nd	from	H/L
122`15	0.618	Ret	Mon 26-Jan-98	119`16	L	Mon 12-Jan-98	124`09	H	Mon 26-Jan-98	119`16	L
122`27	0.618	App	Fri 13-Feb-98	121`18	L	Fri 6-Feb-98	120`09	L	Thu 12-Feb-98	122`12	H
122`28	1.618	Ret	Fri 13-Feb-98	121`18	L	Thu 12-Feb-98	122`12	H	Fri 13-Feb-98	121`18	L
122`30	1.272	Ret	Fri 6-Feb-98	120`09	L	Fri 30-Jan-98	122`12	H	Fri 6-Feb-98	120`09	L
123`05	1.000	App	Fri 6-Feb-98	120`09	L	Mon 26-Jan-98	119`16	L	Fri 30-Jan-98	122`12	H
123`21	1.618	Ret	Fri 6-Feb-98	120`09	L	Fri 30-Jan-98	122`12	H	Fri 6-Feb-98	120`09	L
124`30	1.618	App	Fri 6-Feb-98	120`09	L	Mon 26-Jan-98	119`16	L	Fri 30-Jan-98	122`12	H

Custom Price Projection - T. BONDS   US0398 D - Wave-5:c ——— Data file and name of CPP report.

Click on the CPP and this Detail Table is brought up showing all of the projections in the saved CPP report. The projections that make up the bar that was clicked on are highlighted in yellow. In this example, the widest bar represents the range from 122.27-123.05. The bottom of the bar itself is actually at 122.23, four ticks below the 122.27 projection because the bar height scale was set at .10 (1/10 of 1%).

Print with col/row borders ☐   Print Table...   Help   Close

The Custom Price Projection report is a convenient way to save multiple price projections and have a visual representation of the price target zones without having a lot of overlapping horizontal lines on the chart. A CPP report may be made with any time period data file – intraday, daily, weekly or monthly. The CPP report is another unique feature of Dynamic Trader.

This page intentionally blank.

Price Rhythm Zones

Price Rhythm Zones (PRZ) are a statistically derived measure of the price rhythm of a market. Price Rhythm Zones measure where a trend or counter-trend has the greatest probability of terminating based on the historical swings of similar degree. The Price Rhythm Zone projection is made in essentially the same manner as the Time Rhythm Zone projection.

The PRZ projection is made from two price projections of the chosen historical swings - the Alternate Price Projections and the Retracements. The PRZ projection report in Dynamic Trader requires a primary and reference swing file.

The <u>primary</u> file swings are used to make the historical calculations and projections. The larger degree <u>reference</u> file swings represent the bull or bear trends and are used to determine which of the primary swings are in bull markets and which are in bear markets.
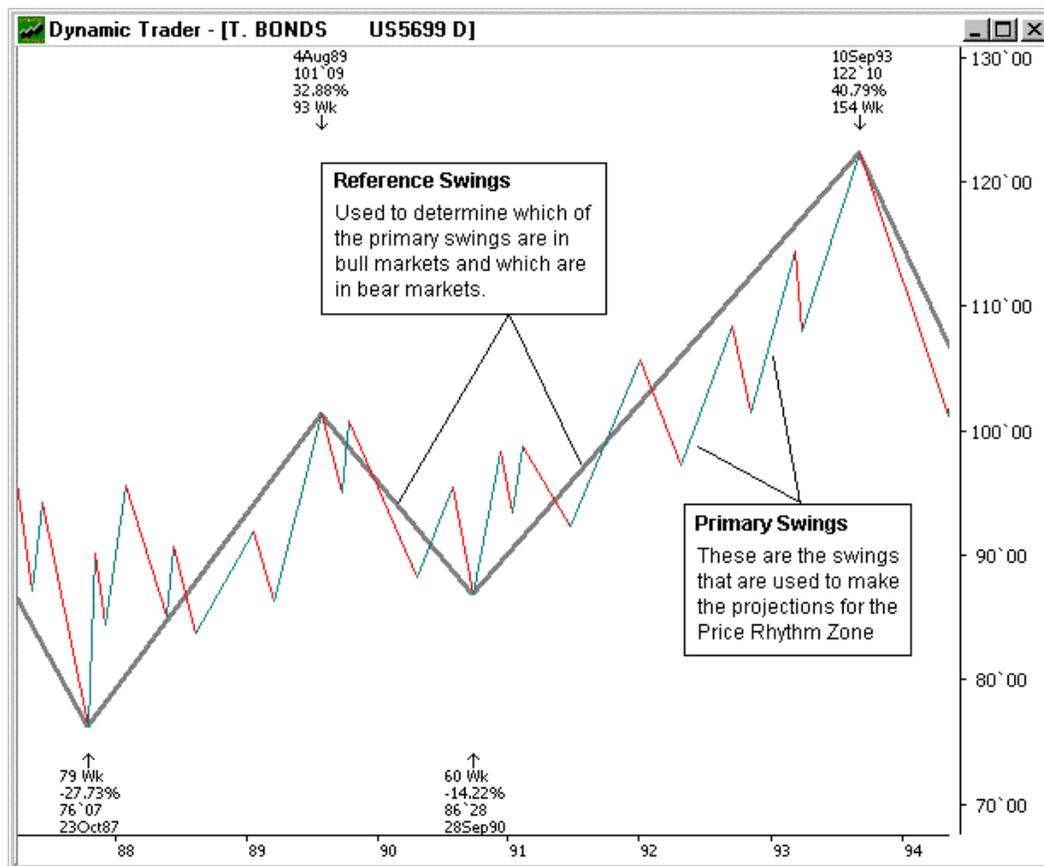
In the weekly chart of bonds below, each of the primary swings are 5% price change or greater. They represent the intermediate degree swings that are obvious on the weekly chart. The reference swings (thick lines) represent the obvious major bull and bear trends. Once a change in trend is confirmed by making the minimum price percentage change (in this case 5%), a Price Rhythm Zone may be projected.

First, let's look at the end result of a PRZ and then see how it was derived. The bond chart below shows the PRZ projection from the April 1993 low.

The PRZ projection on the chart below only uses swings from the current bull trend to keep the illustration simple. In most cases, you will want to use primary degree swings from more than one bull or bear trend.
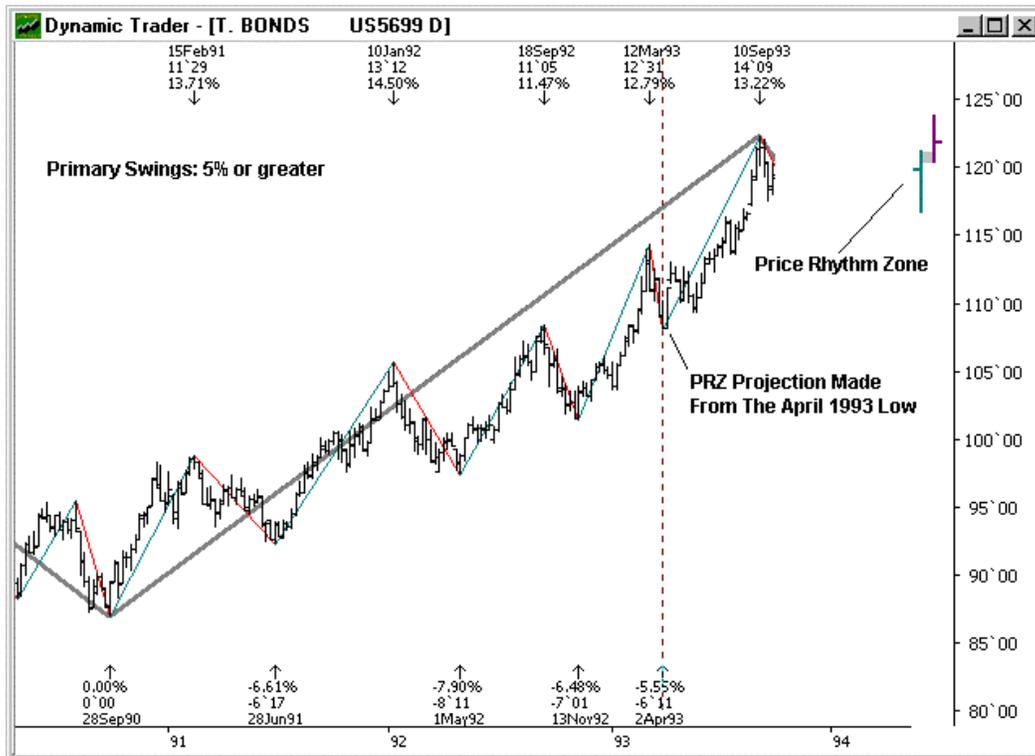
Each of the swings in the primary file made at least a 5% percentage change in price. The objective is to calculate the high probability price zone where the bull swing from the April 1993 low should terminate based on swings of similar degree from current and prior bull markets. The PRZ is made from two types of price projections – Alternate Price Projections and Retracements.

Alternate Price Projections (APP)

Alternate Price Projections may be made by price range or by percentage change in price. When making intermediate degree projections within major bull and bear markets, it is best to use percentage change.

Between the Sept. 1990 low and the April 1993 low, there were four rally swings as shown in the chart above. The rallies were between 11.47% (Sept. 1992 high) and 14.50% (Jan. 1992 high). All four Alternate Price Projections (APP) will be made for the PRZ. The APP zone that will be part of the PRZ projections will be bounded by the shortest and longest APP which in this case is 11.47% and 14.50%. The price target range based on the Alternate Price Projections is 119.06-121.13 or an 11.47% to 14.50% rally from the April 1993 low. The APP projected price range is represented by the thick vertical bar show on the right of the PRZ in the chart above.

Retracements

Retracements of past swings of similar degree are also calculated and the equivalent price objectives are projected from the current pivot. In this case for bonds, we are projecting the potential price target of a rally swing in a bull market. Since the up-swings in a bull market should always be greater than the corrective, down-swings that preceded the up swings, the up swings will always be an External Retracement (greater than 100%) of the prior down swing. The Jan. 1992 high completed a rally of 14.50% (see the chart above). The prior decline into the June 1991 low was 6.61%. The up swing from the June 1991 low to the Jan. 1992 high was a 219% retracement of the prior decline (14.5%/6.61%=219%). Each External Retracement is made in this way. The range of the external retracements is represented by the thick vertical bar on the left of the PRZ.
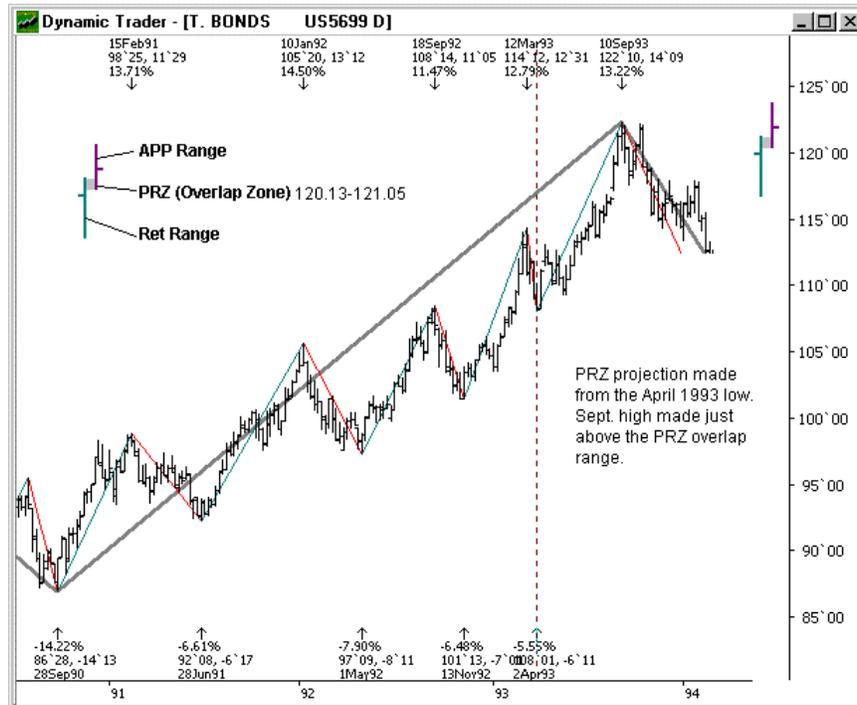
PRZ Overlap Range

The PRZ overlap range is where the APP projections overlap with the Ret. projections. The PRZ is shown as the grayed area between the two thick vertical bars. By right clicking on the PRZ projection, the detail table will be shown on the chart. Below is the detail table for the PRZ projected from the April 2, 1993 low.

The Price Overlap zone is 120.13-121.05. Based on the most recent advances in a bull market, the ideal target for a high from the April 2 low is this range. Notice that under the "Type" column, both the Ret (retracements) and Alt (alternate price projections) are followed by the "%" sign. This shows that the price ranges were measured by percentage change rather than price range.

The Sept. 1993 high was made just above the ideal PRZ overlap zone. The PRZ prepared the trader for the broad price with the greatest probability of making the next intermediate or greater degree top.

Another PRZ Projection

The chart below shows the PRZ projection from the April 11, 1997 low in bonds. In this example, we are using the primary swings from the three most recent bull markets to make the PRZ projection. The PRZ overlap range is 120.08-128.22. Based on all intermediate-term swings in the three bull markets since the Sept. 1990 low, the rally from the April 1997 low should not make a 5% or greater decline prior to reaching at least 120.08 and should not exceed 128.22

   While this is a relatively broad price target, it provides the high probability minimum and maximum price targets for the trend from the April 1997 low which began at 106.12. As of when this section was prepared, bonds have continued to rally from the April 1997 low right into the center of the PRZ.

   This PRZ could have been made as early as June 20, 1997 when bonds had made a rally greater than 5% from the April low. Bonds were at 112.24 at this time and the PRZ called for a rally to 120.08 or higher. How valuable do you think this information would be to you?
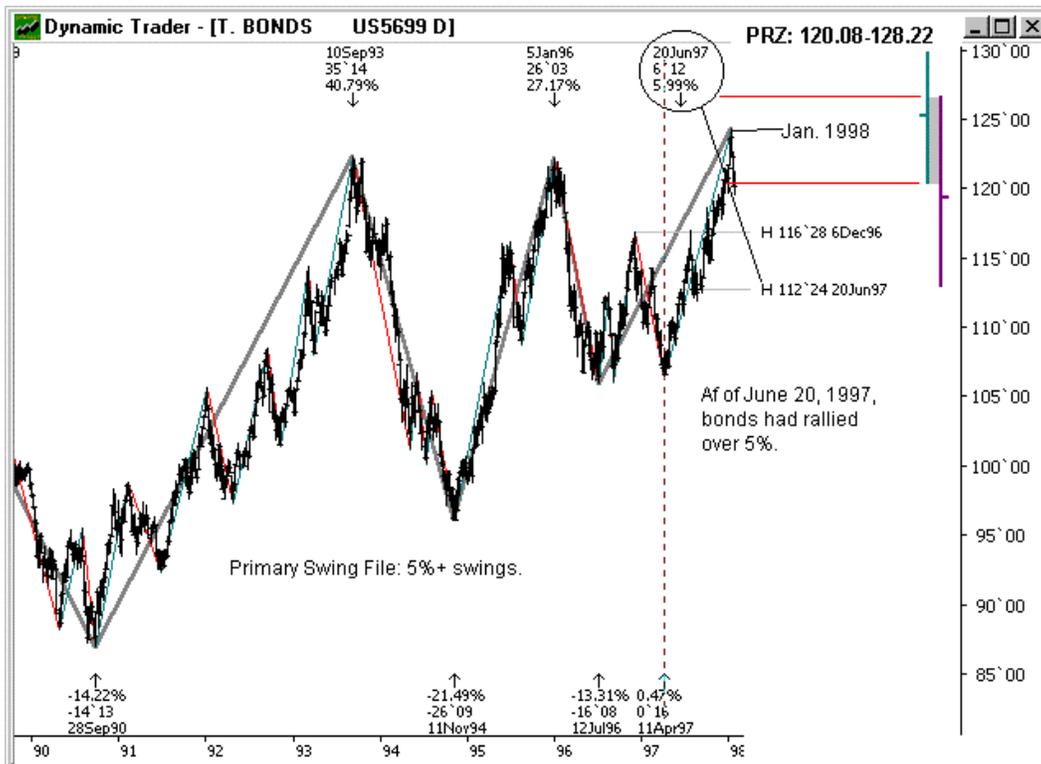
The Price Rhythm Zone Detail table below shows the minimum and maximum projections made from both the Retracements (RetR) and Alternate Price Projections (AltR) as well as the Price Overlap Zone of 120.08-128.22.

Price Rhythm Zone Detail

Swing file: 5%.Weekly   Swings used: Bull

Project from: Fri 11-Apr-97 L   Price overlap: 120'08 - 128'22

	Type	# Swings	Min	0%	Median	100%	Max
More Detail...	Ret%	6	120'08	120'08	124'24	129'05	129'05
More Detail...	Alt%	9	113'01	113'01	119'31	128'22	128'22

Close

Let's review just what this PRZ projection is telling us for the projection above.

1. As of June 20, 1997 bonds had rallied over 5% from the April 11 low. A new swing low is recorded and we can project the PRZ which should be reached based on historical swings of similar degree.

2. Based on the 5% or greater swing chart, the PRZ is the target for which the bull trend should reach <u>without having made a 5% decline or greater against the bull trend</u>.

3. The PRZ is 120.13-126.17 which is the overlap zone of the APP and External Retracements based on past rally swings of similar degree in bull markets. The minimum price target is 120.13 and the maximum price target is 126.17. While this is a broad range, consider that this target range was projected from a low at 106.12.

4. If bonds approach this intermediate degree PRZ, we can then project the smaller degree PRZ which will focus in on a narrower price zone for the termination of the larger degree trend.

Price Rhythm Zones are simple statistical projections made from historical measured swings. If the swings of similar degree in the primary swing file used to make the PRZ have been fairly symmetrical, the projected PRZ will be relatively narrow like in the first bond example above which used only a limited number of swings that all very similar in price range. If the swings had not been so regular, the PRZ will be relatively broad as we saw in the second bond example above.

Even though the PRZ was very broad, it still provided useful, statistical information that prepared the trader for the price zone the trend would reach.

Price Rhythm Zone projections may be made on any time period bar chart and any degree of change.