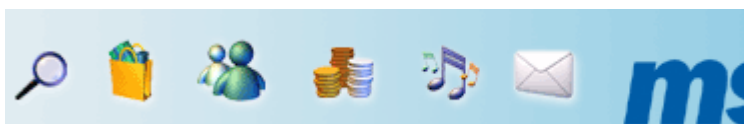


Translation powered by:
 Source Language: Italian
 Target Language: English
 Click on a quote to find out more about professional translations
 Have this text further clarified by a professional human translator for: **\$807.00 USD***



LESSON II

[1]

ELLIPTIC NATURE OF THE PREZZO-TEMPO

.there is an other kind of curved space, the "elliptic space", than eccelle in its semplicità, since all the points in it are equivalent.

Albert Einstein *The Theory of the Relativity*

INTRODUCTION

Albert Einstein was known in order to choose its words carefully, especially in written its. In the citation of over it did not say that all the points in the ellipse are **EQUAL**. It said that all the points in the ellipse are **EQUIVALENTS**. Equivalence has one special meant in the science world. The consultation of one of the many sources of modern physics is advised to the reader concerning the topic of equivalence.

The elliptic movement is constant in every part of the nature. The planets move the sun in elliptic orbits round. sun moves the galaxy in one round elliptic trajectory. The electron round moves the nucleus of the atom in a elliptic orbit. In fact, every body put to roteare round a center will assume a elliptic orbit. The circle is a special example of elliptic movement. That is, the circle is an ellipse with zero

[2]

eccentricity.

The Lesson has introduced the "beam carrier price - time", has shown as the length of these carriers is constant, and that their lengths are often multiple entire of smaller carriers. The carrier allows the analyst to expand its perspective of the diagrams of the financial market beyond the single dimensions of price or time. With the PTV, the direct measures they can be made from a point of force to other within a bidimensional plan. Lesson II will explain the nature of these carriers and will show that they define the axes of the ellipses. The PTV defines the bidimensional distance between two points of force. The ellipse it defines the shunting line upgrades them from this PTV as the action price - time is contained within its perimeter.

The ACTION Of the PREZZO-TEMPO CONTAINED E' WITHIN The PERIMETER OF the ELLIPSES, WHOSE ACES GREATER And SMALLER ARE The "BEAMS CARRIERS PREZZO-TEMPO".

CHARACTERISTICS OF THE ELLIPSE

Figure 2.1 extension the ellipse with the important characteristics marked for the future reference.

There are many good books of mathematics that describe in detail the characteristics of the ellipse. This information here will not be repeated. However, there are sure characteristics of the ellipse that must be examined, since are directly in relation to the job introduced here. The ellipse has an axis greater and one smaller. The greater axis defines the longer distance through the ellipse and the minor axis defines the shorter amplitude passing through the point centers them. The ellipse has two fires, F_1 and F_2 . In the case of the solar system, the sun occupies a fire and the other is vacant. The sum of the distances from these two fires to every point on the perimeter of the ellipse is a constant value. This is demonstrated in Figure 2.1, where the sum of the F distances, $a_1 + F_2$ to uguaglia the sum of the F distances, $b_1 + F_2$.

In adding to the property listed over, a body in motion round the fires in a elliptic orbit will catch up the greater speed when it is more close to the fire (to the perihelion with planets). slower speed happens to

the greater distance from a fire (aphelion with planets).

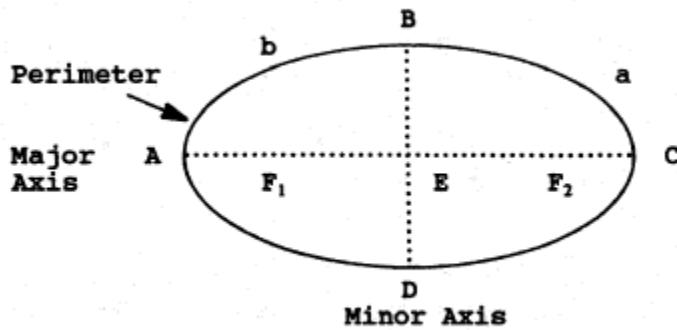


Figure 2.1

Characteristics of the ellipse.

GRAPHICAL CONSTRUCTION OF THE ELLIPSE

A way in order to construct an ellipse is with two circles, like shown in Figure 2.2.to. The used method is described under.

1. It designs two circles concentrates to us, whose beams define the greater and smaller axis of the ellipse.
2. It designs a line through the center of the circles it concentrates to us and it extends it to the perimeter of the larger circle, as it is AB in Figure 2.2.to.
3. To the two points where the line designed in point 2 intercrosses the perimeter of the inner circle, it designs to two lines parallels to the horizontal axes, like ih and jk.
4. To the two points where the line designed to point 2 intercrosses the perimeter of the external circle, it designs to two lines parallels to the vertical axes, like Bd and Ac.
5. Where the lines designed in points 3 and 4 intersect, like points l and m, one point on the perimeter of the ellipse is defined.
6. You repeat steps 2 - 5 for various points add them on the perimeter of the ellipse.

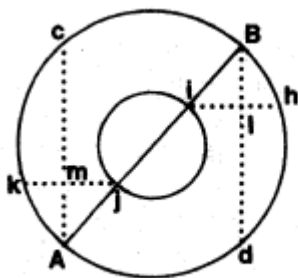
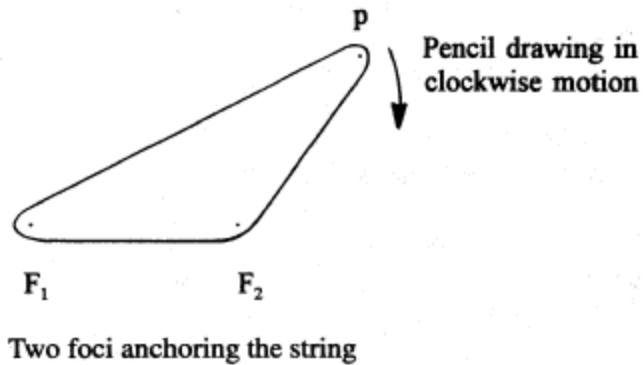


Figure 2.2.to

[3]

Graphical construction of the ellipse using two circles.

In Figure 2.2.b the two fires, F_1 and F_2 , anchorano a rope that is used in order to round design the perimeter of the ellipse. Since the chord length is constant, the $F_1p + F_2p$ the ellipse is constant in all the distance round. This is one definition of the ellipse.



The two fires ancorano the rope

Figure 2.2.b

Construction of the matita ellipse with and cordicella

EXAMPLES Of the ACTION Of the PREZZO-TEMPO WITHIN the ELLIPSE

They are you follow four possible distances from the action price - time as one moves within an ellipse. First, the action can follow the long ellipse the advanced perimeter, like shown in Figure 2.1 along the ABC distance.

According to, the action can follow the long ellipse the inferior perimeter, like shown in Figure 2.1 along distance ADC.

Third party, the action can follow the greater axis along distance AEC.

And quarter, the action can follow the minor axis along distance BED.

These four ways happen typically like reaction to the primary tendency. As an example, if the primary tendency is positive, that is the greater axis of the ellipse is to indicate a favorable increase of the prices like the time progresses, the action of the price - time can begin muovendo along the advanced perimeter of the ellipse, or can move along the greater axis, until is caught up the minor axis, that it is the B point on the perimeter or and the axis in Figure 2.1. Then a contrary reaction with the action of the price will happen - time that follows the minor axis of the ellipse until is caught up the inferior perimeter, along arc DC in Figure 2.1.

As an example, we refer to Diagram II.To, that it has the ellipses designed for a period of nine months. In ellipse KLMN the trend it began up to the K point. That is, the greater axis of ellipse KLMN is heading for increasing prices like the time progresses. When the action of the price - time has caught up the minor axis to the N point is returned down and has followed the minor axis, NL, until the inferior perimeter of the ellipse was caught up to the L point. When this point was caught up, the action of the price - time turned towards the high until was caught up the end of the greater axis to point M. To this point the ellipse was completed and the action of the price - time muoveva within the new ellipse, MLPQ.

Within this new ellipse, MLPQ, the action of the price - time has followed the greater axis, until was caught up the minor axis, LQ. To this point, a contrary rally succeeded, carrying the prices towards the high until the action of the price - time was directly over the final point of the greater axis to the P point. When that happened the action of the price - time turned towards the bottom dramatically for two days to touch the final point of the greater axis to the P point. To this point, ellipse MLPQ was complete and the action of the price - time muoveva within the successive ellipse.

When the action of the price - time follows the perimeter of the ellipse and is met the minor axis, the action not necessarily oscillates for all the way until the opposite perimeter of the ellipse. This is one function of the energy situated in the contrary movement at that moment. An example of that happens on Diagram II.To with ellipse FHIJ. Ellipse FHIJ contained the action of the price - time along the advanced perimeter until was caught up the minor axis to the J point, where the action low turned

towards the line of long support the greater axis. From this point the action oscillated between the greater axis and the advanced perimeter until was caught up the final point of the greater axis to point I. Other examples of this same type are shown on Diagram I.To. The beams carriers EH and KL defined the greater axis of two ellipses that contained the action of the price - time between the advanced perimeter of the ellipse and the greater axis. This is the type of elliptic formation that explains the structure known like the diagonal triangle in the Wave of Elliott and the traditional technical analysis. It explains also because this type of formation happens in the position of the fifth wave in the analysis of the wave of Elliott, like shown in Figure 2.3.

Since the ellipse is near the completion, the distance between the greater axis and the advanced perimeter is tightening like the time is left over, causing to the aspect to "spiral" of the action price - time. For the analyst of the waves of Elliott, that it is conscious of the ellipse to the point begins them of the beam carrier, the final point of this fifth wave can be localized, even if implies one "fifth described bankrupt wave" like in the language of the theory of the waves of Elliott. A good example of a defined diagonal triangle within an ellipse is on Diagram I.To, with KL the greater axis of the ellipse. The express decline that follows the diagonal triangle also is explained from this phenomenon, and of new will be explained more late in this lesson.

On Diagram II.To, the reflected image of ellipse KLMN is ellipse ABCD. It observes the members equal price and time of these two ellipses. The action of the price - time of ABCD headed for the bottom, that is, the greater axis directed towards decreasing of the prices as the member price progressed. The action of the price - time has followed the inferior perimeter of the ellipse until the minor axis was caught up to the B point. After that, a contrary rally happened supporting the action until the advanced perimeter of the ellipse to the point and. From the action it oscillated here between the greater axis and the advanced perimeter until was caught up the point finishes them to point C.

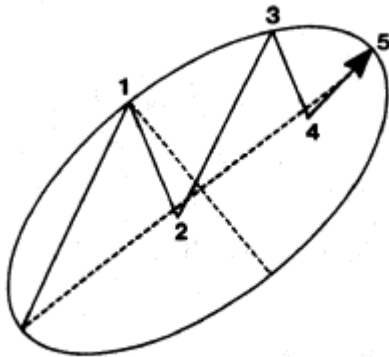


Figure 2.3

The diagonal triangle of the wave of Elliott formed within the ellipse.

The ELLIPSE DEFINES the ORIGIN And The END OF CYCLES PREZZO-TEMPO

Diagram II.To it renders obvious because the point finishes them of the beam carrier MO on Diagram I.B was chosen for being the point Or, rather than it puts into effect it them the top price, that it happened four days more behind. This was because ellipse FHIJ was not complete until when the point had been caught up. Similarly, on Diagram I.To ellipse KL it finished to the L point. However, it puts into effect it them the top price was caught up nine days before. The action of the price muoveva laterally within the ellipse until had the time to complete.

Like asserted in Lesson I, it is necessary to know the origin of the beam carrier if the goal must be determined in advance payment. As an example, the origin of ellipse FHIJ was to the F point, rather than to the R point. With the ellipses designed as they are on Diagram II.To, it is clearly because the F point was chosen. That the action of the price is the point where - time exited from previous ellipse CFR. Ellipse CFR was orienting in a nearly vertical direction, consequently when the action of the price - time

caught up the end of the greater axis was still a considerable space left within ellipse CFR, specifically, the distance from the R point to the F point. The action accumulated along the advanced perimeter of the ellipse until the time was not advanced in order to leave the ellipse enough. This was the origin of ellipse FHIJ.

THE GREATER ACES OF THE UNITED ELLIPSES FORM OF THE EQUILATERAL TRIANGLES

Will be explained hour one much powerful, nevertheless simple, technical one that allows the analyst to fix in advance payment a specific point in the price - time. This technique is an other of the many supplied in this course that were discovered from the author and that they are available from every other source. This simple technique not only allows to of the precise plans of price of being made, but also more important, identifies WHEN these levels of price will be caught up.

The section "Topics advances you" of the Lesson has explained that the beams carriers price - time formed sides of the equilateral triangles. Base geometry recognizes the inner angle of an equilateral triangle like 60°. Also, the Lesson has demonstrated that the length of the PTV is fixed. Therefore, given to the angle and the length of the carrier, time is established the future point in the price -. As an example, on Diagram I. To when the location of the beam carrier AB it had been fixed pure point C was fixed in the price - time. This because the angle from axis AB is 60° and the length of the beam carrier is constant, that is, 236.

This graphically is demonstrated in Figure 2.4, where three different are shown guidelines of an equilateral triangle. The triangles shown in these three figures are the same ones, but progressively they are ruotati in hour sense.

In Figure 2.4.to the PTV, AB, than forms the first side of the equilateral triangle is pressed little vertical provoking to the joined PTV, BC, of having a lot little depreciation of price, since its direction is more parallel to the axis of the time. This guideline of the united ellipses is characterized an adage to decline of the market that consumes a considerable time. A good example in the DJIA of this type of configuration is shown in Diagram II.B, where the points F, G, H correspond with the points To, B, C from Figure 2.4.to. Since FG was nearly vertical, close PTV, GH, muoveva laterally along the axis of the time resolving itself in a depreciation much small of the price.

In Figure 2.4.b the first side of the represented equilateral triangle from the PTV, DE, Angola more towards the axis of the time inducing the joined PTV, EF, to more come down in the price that that one in Figure 2.4.to. A good example of this type of guideline is shown on Diagram II.B, where the points To, B, C correspond with the D points, and, F in Figure 2.4.b. It observes that the PTV, AB, were more angled towards the axis of the time respect FG. This means that the PTV that he was the AB companion headed low in the price more than the PTV that was the FG companion, that is, BC comes down very more in the price and consumes little time making it regarding GH.

(a) (b) (c)

**Triangle with Triangle with Triangle with
cateto vertical left horizontal base cateto vertical right**

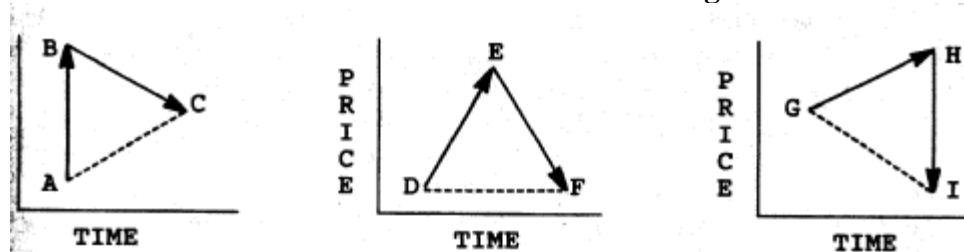


Figure 2.4

The equilateral triangles ruotano progressively in hour sense, showing the axis of the price progressively steeper movements towards the bottom.

(HI is steeper than EF; EF is steeper than BC)

In Figure 2.4.c, the PTV, GH, tip nearly parallel to the axis of the time inducing close PTV, HI, to head nearly straight low in the price. This type of market is much dangerous one for the speculators because

the discs of a valve lateral movements along GH put the speculators to sleep and forgiveness their immediate attention to what it is happening in the market. However, when GH has followed its course its joined PTV, HI, represents a dramatic decline in the prices in a period much short one. One example of this type of market configuration is shown on Diagram II.B, where DE folded more towards the axis of the time regarding what they made is FG that AB. It observes that along DE nearly all the appreciation of the price happened during the first nine days. After that, the market moved laterally along the advanced perimeter of the ellipse in order nearly a month, showing no change of price during this period.

While the market muoveva laterally many speculators divennero "bores to you" with what a "dead market" was called. Various analysts you appeared in television speaking care the "inactive market". These analysts lost their attention towards the luminosity mark them that the market was giving of the risk situated directly. However, when the DE end was caught up to the point and, the joined PTV, EF, nearly aimed straight low in the price, coming down 200 points in a period much short one. These speculators "bore to you" were picked impreparati for such a fast decline. One what is sure, they did not remain bores to you to along more.

An other example of configuration of the market shown in Figure 2.4.c is shown on Diagram II.B, with the two joined ellipses, HI and IJ. Nearly identical condition happened within this triangle as it happened within triangle DEF. PTV, DE and HI, are parallels. Dramatic long decline IJ observes the slow lateral movement hardly before. The speculators with cognition of the PTV must not have been picked to sleep when the point arrived since were clearly the point finish them of the been left over one

[4]

from the H point. The final ellipse to the J point originated rather to the perimeter of ellipse HI of the end of its greater axis. This change was caused from the minimum of 11/12/1991 of the greater cycle.

The configuration shown in Figure 2.4.c is also present in Diagram II.To, with triangle FIK.

If the scales of Diagram I.To they are "non-organic", like previously described, this can be tried from an example: (1) it puts down a paper piece over Diagram I.To, (2) it designs two lines AB and BC, (3) wheel the paper piece therefore that the B and points are overlapped to i points C and D on the diagram, (4) observes like the beam carrier on the paper piece, BC, tip directly to the point finishes them of the beam carrier DF. That is, the F point is found is in **TIME** that in the price. You repeat this exercise for carrier IJ and JK. If this technique is used on the diagram with different price scales - time the triangles must be fix to you, consequently.

When the beams carriers EH and GI are overlapped are seen an error that it is not present in the other triangles. This it has had to the overlapping nature of the beams carriers EH and GI.

On Diagram II.To the united ellipses they include also KLMN and LPQM, ABCD and CFR. Since the angle of ellipse ABCD was therefore flat, the joined ellipse, CFR, needed nearly of being vertical in order to maintain the constant angle between they. The inverse one of this that is happened with the ellipse ABCD image, KLMN. Since the KLMN angle was flat, joined ellipse LPQM had to decline very quickly in order to maintain the fixed angle between they.

THE ELLIPSES ARE CONTAINED WITHIN GREAT ELLIPSES PIU'

Table 1.4 have shown that the length of the PTV is often multiple entire of that one of the smaller PTV. Since the beams carriers define the greater aces of the ellipses, follow that the ellipses exist in dimensions that are multiple of every other. As an example, the ellipses on Diagram II.To they are all contained ones within a greater ellipse. This ellipse is in its turn contained within an ellipse still greater, and therefore via, to the infinite.

It observes like the smaller ellipses from Diagram II.B is arranged within the shown greater ellipse on Diagram II.C.

THE ELLIPSES IN WIDE SCALE

Diagram II.D demonstrates the phenomenon of the contained ellipses within ellipses on more large-

scale. This diagram contains a information wealth and will be cited in the successive lessons. The action of the price - time between the points To and C was contained within the indicated ellipse, with the majority of the action that happened between the advanced perimeter and the greater axis. The action went away from the advanced perimeter in two meaningful areas. Before it succeeded with the decrease in the minimum of June - August 1982. The second one happened when various greater cycles withdrew in January 1984. In the last one case the energy of the cycle to the decrease was sufficient to down carry the action until the inferior perimeter of the ellipse. However, it observes that the inferior perimeter contained the decline. After this decline the action quickly broke off to the rise, meeting the point finishes them of the greater axis of the ellipse in August 1984.

The action between C and and was also contained within an ellipse of the same dimension of the ABC ellipse. The action within ellipse CDE followed the inferior perimeter. When the action arrived September 1985 was single not directing on the inferior perimeter of the ellipse, but it had also quite a lot of distance in the price to cover in a short period of time, in order to catch up the point it finishes them of the greater axis to the point and. This explains the express advance between September 1985 and March 1986.

Diagram II.And extension one widened vision of ellipses EG and IK. The inferior perimeter of EF contained the action during the phase begins them of the ellipse, that is, between March 1986 and November 1986. When the action caught up the point in the moment that was directly under the center

[5]

of the ellipse in January 1987, a "quarter of cycle" was completed , and it followed an express advance carrying on the action until the greater axis in March 1987. This axis contained the action until the point finishes them of the ellipse was caught up in August 1987.

A lot important of ellipse EG must be studied an other aspect. Although the point finishes them happened in August 1987, the action did not break off outside from the ellipse until 5 October 1987, when the external perimeter was bucato. To this point, in October, new ellipse with the greater axis was formed one, GH, that it headed directly for the decrease. Therefore, the "landslide of 1987". This phenomenon is the same one previously described in every day Diagram II.To, with ellipse CFR. In that case the greater axis finished to the R point. However, the action was still contained within the ellipse until when the perimeter was crossed to the R point.

Ellipse GH is much simple one to describe. Saying simply, headed for the decrease! Within this ellipse succeeded gap when the action caught up the point centers them of the long ellipse the greater axis.

The same phenomenon happened between ellipses GH and IK that capitrono between ellipses EG and GH. That is the action of the price picked the minimum in the October of 1987, when the point finishes them of the greater axis had been caught up. However, the new ellipse, IK, did not begin until March 1988 to point I, where the action perforated the perimeter of the previous ellipse, GH.

Ellipse IK was similar in the shape to ellipse CD. It followed the inferior perimeter of the ellipse until the action moved directly under the point centers them of the ellipse. To this point in November 1988 the "quarter of cycle" was completed and the action moved dramatically to the rise to catch up the point finishes them of the greater axis to the K point. The action between March 1988 and November 1988 fixed the "base before the rise", like described over.

The contained ellipses in Diagram II.D and II.And they are multiple of the many smaller ellipses, shown in every day Diagrams II.To and II.B. The methods in order to determine these proportions will be introduce to you in the successive lessons.

TOPICS ARE LEFT OVER TO YOU

It has been previously observed that there was meant special in using two circles in order to form an ellipse. Also it was noticed in the Lesson that the traditional diagrams price - time was limits to you in the sense that were bidimensional rappresentazioni of a phenomenon fines determine the proportions

[6]

them. The inner circle of the ellipse is currently to one higher dimension of the external circle. In order to visualize this, a conical section with circles imagines stacks to you on the maximum of every other, everyone with a smaller diameter of the previous circle until is caught up the vortex. The ellipse is

formed from two similar circles with the action price - time that currently moves outside of the limits of the rappresentazione bi - determine the proportions them of the graphical price - time.

CONCLUSION

To this point of the course the reader would have to be able of:

- To construct an ellipse from two circles concentrates to us.
- To identify an ellipse on a graphical price - time.
- To use a PTV, like identified in Lesson I, the greater or smaller axis of the ellipse and to construct the ellipse.
- To recognize the equilateral triangles on the diagrams price - time and to use them in order to project the point finishes them of a PTV.
- To identify the halves and the quarters of cycle of the ellipse.

REVIEW OF QUESTIONS

Diagram II.F extension the Dow Jones Industrial every day Average (later on name DJIA) from the minimum of December 1991 to May 1992. Ellipse FI was completed enough to that date in order to identify the F point like origin. Moreover, it was clearly that the action price - time was following the advanced perimeter of the ellipse. The ellipse is placed over the action price - time in order to date with the origin of the ellipse to containing the F point and the advanced perimeter the every day maximums. With the ellipse to place the angle of the greater axis is defined. From the moment that length (236), the angle, and the origin of the greater axis is known, the final point also is known. Which is the projected date and the top price for the DJIA within this ellipse?

ANSWER TO THE REVIEW OF QUESTIONS

Since the F point had been identified like the origin of the greater axis of the ellipse, is the origin of the PTV, FI. value of the DJIA to the F point was 3273,03. Graphically measuring the temporal distance towards the final point of the greater axis of the ellipse, they are attended to pass 28 days of ag (182

[7]

hours) , projecting the date of the 8 June 1992.

[8]

With this date the value of the price is calculated like follows:

$$236^2 = \text{prezzo}^2 + 182^2$$

$$\text{Therefore, } \text{prezzo}^2 = 236^2 - 182^2$$

$$\text{Or, change of price} = 150,24 \text{ points}$$

The 28/04/1992 added the change of price projected to the origin of the ellipse in order to obtain the projected price top.

$$\text{Projected Top of DJIA} = 3273,03 + 150,24 = 3423,27$$

The 8/06/1992 DJIA arrived to 3422,8 during the day. For an error of:

$$\frac{3423,27 - 3422,8}{3422,8} = \frac{0,47}{3422,8} = 0,014\%$$

$$3423,27 - 3422,8 = 0,47$$

[1]

The ellipses were used from one speculator, George Bayer, in the region of Saint Francisco little after the change of century. Small amount of material care wrote one the ellipses. The important points of written its are contained within this course. In adding, the concept largely is progressed beyond every thing previously written from any author.

[2]

For that they are mathematically tilts, the ellipse is represented from equation $(X^2/A^2) + (Y^2/B^2) = 1$, where To it is the axis seeds - greater, and $To^2 = B^2 + C^2$. C represents the distance from the center towards the fire, and X, Y represent one point on the perimeter.

[3]

There is meant special in using two circles concentrates in order to construct the ellipse to us. As W Asserted. D. Gann, in its *Master Course For Stock*, "... there is an inner circle and an inner square, like pure an external square and an external

circle that tries **QUARTER DIMENSION** to job in the movements of market ". Gann never did not assert that these two circles define the greater and smaller axes of the ellipse. It remembers the affirmation of over of Gann. It will be discussed about new in this section under "Progressed Arguments".

[4]

This type of configuration of equilateral triangle explains the phenomenon known from the analysts of the theory of the waves of Elliott as the express decline after the completion of the fifth wave of the diagonal triangle. The diagonal triangle is created like shown in Figure 2.3, that is, had to the angle slowly of the greater axis of the ellipse and the distance tightening between the greater axis and the advanced perimeter. The express decline must follow this formation because the angles between the two ellipses are constant and therefore, the greater axis of the second ellipse is heading nearly straight in down.

[5]

The "quarter of cycle" describes the action reported from various technical analysts like "construction base before the rise".

[6]

This is what W. D. Gann meant when it asserted "is an inner circle and an inner square, like pure an external square and an external circle that dimension tries the quarter that works in the movements of market".

[7]

Ventotto days of ag x 6,5 hours for day = 182 hours.

[8]

For the inclined ones to the mathematics, the members price and time can be calculate to you using base trigonometry. Since they are known the angle and the hypotenuse, the price is given gives:

Breast (angle) = Priceor, Price of change = Breast (angle) x PTV

PTV

Cosine (angle) = Timeor, Tempio of change = Cosine (angle) x PTV

PTV

Note: This is a computer translation of the original webpage. It is provided for general information only and should not be regarded as complete nor accurate.