

# CHAPTER 23

## Elliott Wave Trigger

The Elliott Wave Trigger study was added to further enhance the use of the Elliott Oscillator at the end of Wave Four retracements. In many cases, the Oscillator pulls back to the zero level and continues to stay below zero for some time. In such cases, the Elliott Trigger provides the confirmation that Wave Four has completed.

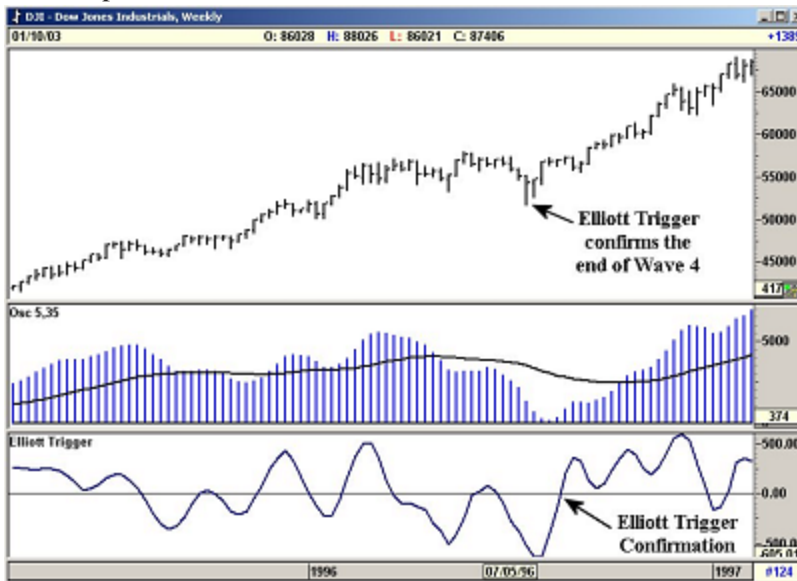


Figure 23-1: Weekly Chart. Dow Jones Elliott Wave Trigger

In Figure 23-1, the 5/35 Elliott Oscillator has pulled back to zero. Notice how the Elliott Trigger is also below the zero line.

Once the Oscillator has pulled back to zero, wait for the Elliott Trigger to cross above the zero line. This provides confirmation that the Wave Four is over.

Where this study becomes very helpful is when the Oscillator pulls below zero and stays there for a while. In such cases, you simply wait till the Elliott Trigger provides the confirmation by going above the zero line.

Figure 23-2, following, gives another example.

Figure 23-2 shows Northern Trust Group on a Weekly chart. The Elliott Oscillator 5/35 has pulled back to zero and is staying in that area. You now wait for the Elliott Trigger to go below the zero line to confirm the end of the Wave Four. In cases where the Oscillator hangs around the zero line, the Elliott Trigger is very useful and helps to avoid false entries.

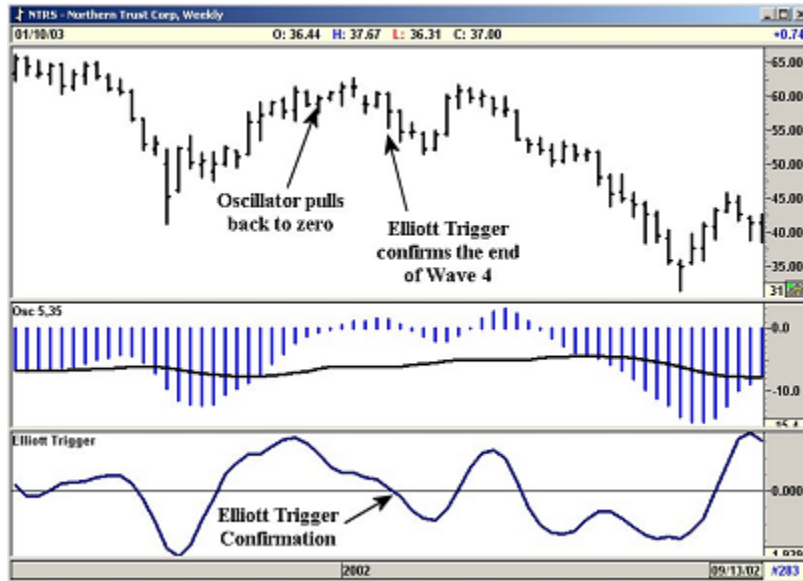


Figure 23-2: Elliot Wave Trigger

When the market is rallying in a Five-Wave sequence, you will look for the Elliott Trigger to go above the zero line to confirm the end of Wave Four. When the market is declining in a Five Wave sequence, you will look for the Elliott Trigger to go below the zero line to confirm the end of Wave Four.

In both cases, wait for the 5/35 Oscillator to pull back to zero before you monitor the Elliott Trigger. Prior to the 5/35 Oscillator pulling back to zero, the Elliott Trigger can cross its zero line all it wants. It does not matter.

### The sequence is as follows:

In a Wave Four, allow the 5/35 Oscillator to pull back to zero. This happens approximately 94% of the time. Once the 5/35 Oscillator has done this, then monitor the Elliott Trigger to confirm the end of a Wave Four as shown in Figure 18-2.