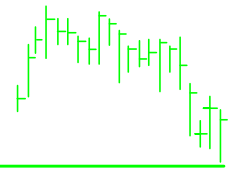
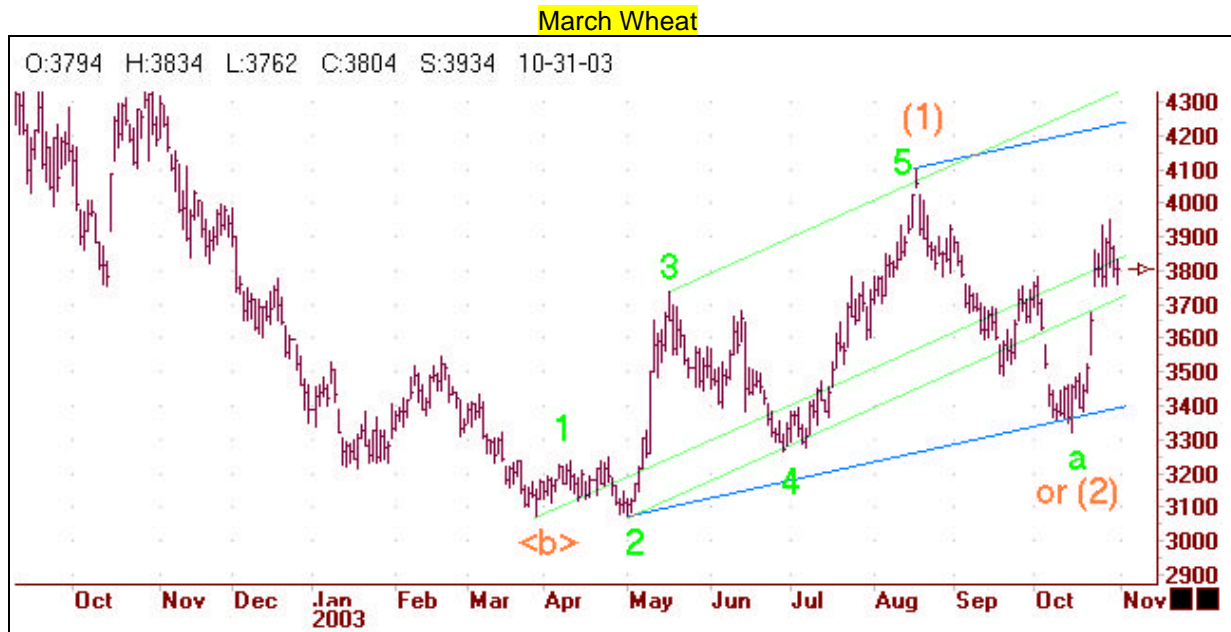


# CMA

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## A five-wave rally (or decline) corrected by a three-wave corrective wave



An Elliott Wave tenet says a five-wave impulsive rally (or decline) will be retraced by a three-wave decline. This March Wheat chart illustrates this principle.

The large five-wave sequence peaked around mid-August. This five-wave rally was corrected (partially retraced) by the three-wave decline ending October 15.

Wave 3 is a five-wave sequence. As "required" under Elliott Wave theory, the decline from May 16 – June 27 subdivided into a three-wave pattern.

Although the subdivisions are not obvious on this daily chart, wave 1 is also a five-wave sequence and was corrected by a three-wave pattern.