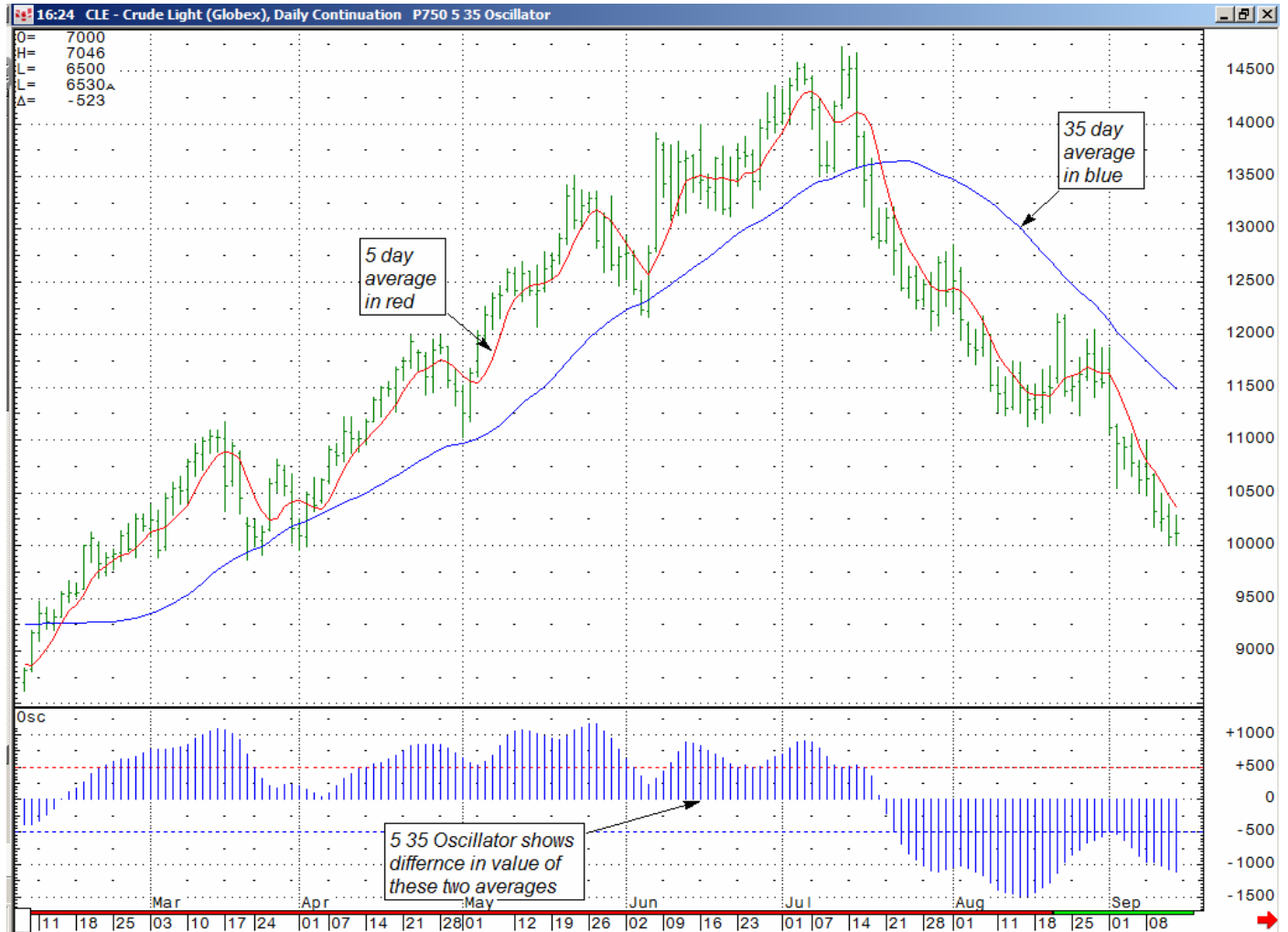


5 35 Oscillator

An Oscillator study plots the difference between two moving averages of different lengths or types. The Oscillator that we use most often, that we have found to be of most use when using in conjunction with the Elliott Wave Principle, is the 5 35 Oscillator. So our Oscillator is calculated by taking the value of the 5 period average (we use the mid point of each bar to calculate the average, not the closing price) and subtracting the value of the 35 period average (again with the mid point, not the close).

The difference of two moving averages with different sensitivities to market action should provide an indication of the development of changes in the market environment. Here is a sample below



Alternate Oscillators also used

5 17 Oscillator
10 70 Oscillator