



BitcoinTAF.com

ELLIOTT WAVE CORRECTIVE WAVES



ELLIOTT WAVE ALGORITHMS

2026 EDITION

By BitcoinTAF.com



CORRECTIVE PATTERNS



ELLIOTT WAVE ALGORITHMS

Guideline for Corrective Patterns

2026 Edition
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Elliott Wave Algorithms

Corrective Patterns

Rules & Characteristics

The BitcoinTAF.com Elliott Wave Algorithms, together with the Long-Term Trade Reports by BitcoinTAF.com, are considered an effective forecast for technical analysis of world stock markets and Cryptocurrencies.

The BitcoinTAF 6x basic rules using Elliott Wave Algorithms

Rule 1: The corrective Wave Point 2 must not retrace more than 100% of Wave Point 1

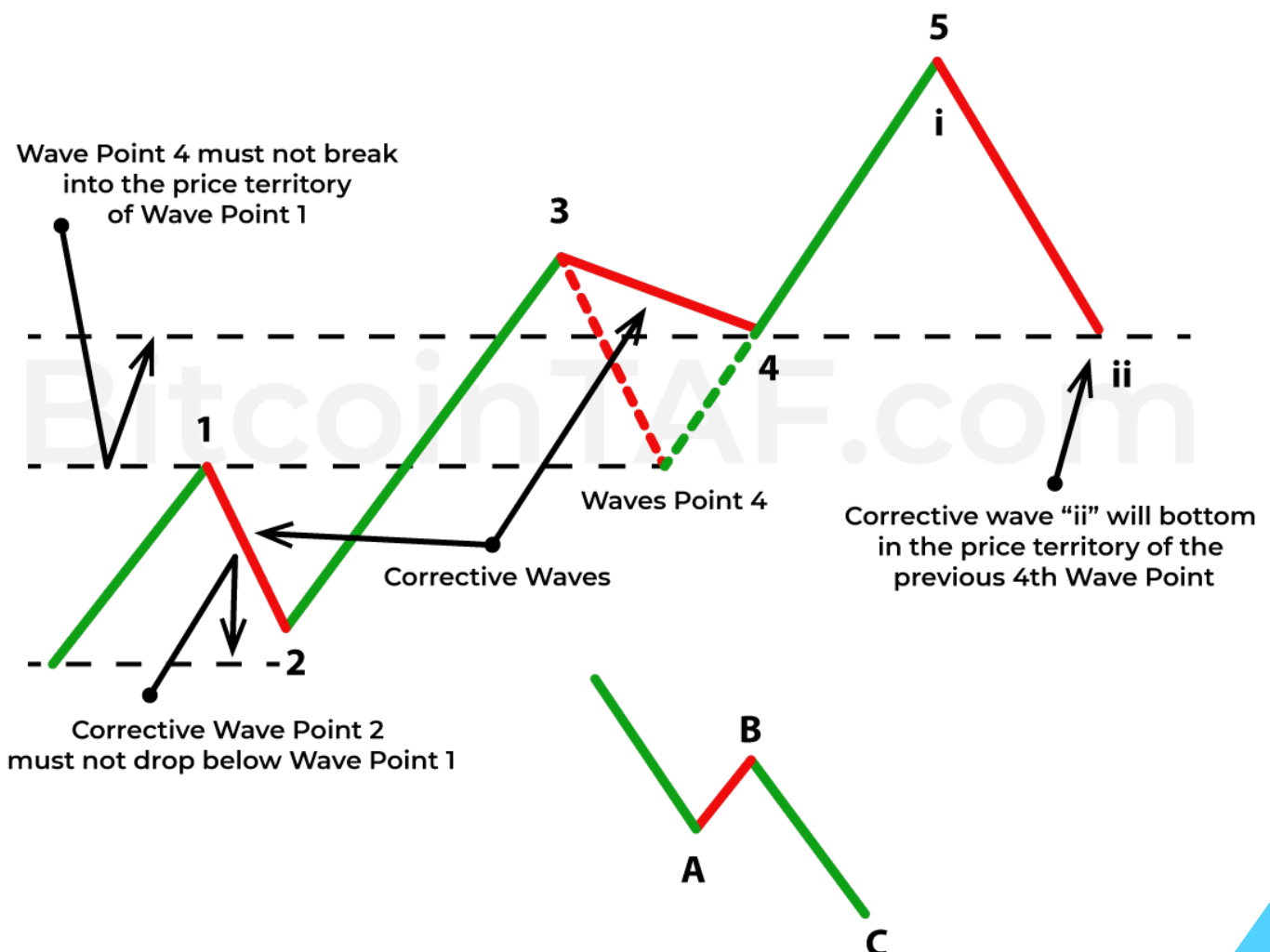
Rule 2: If Wave Point 2 is a deep correction, then Wave 4 is expected to be shallow

Rule 3: The corrective Wave Point 4 must not cross into the price territory of Wave Point 1 within an Impulse Wave but can come close to Wave Point 1, and should not overlap Wave point 1. Wave Point 4 can overlap wave 1 in a Leading or Ending Diagonal Wave

Rule 4: Wave Point 3 cannot be the shortest Impulse Wave in a Wave Point 1-2-3-4-5

Rule 5: Corrective wave ii will bottom in the price territory of the previous 4th Wave Point. However, in Cryptocurrencies, it will not be abnormal to have a divergence into the Wave Point 1 price territory

Rule 6: Corrections are fully retraced by the next resuming new Impulsive Wave 1-2-3-4-5



4. Combination of Corrective Waves

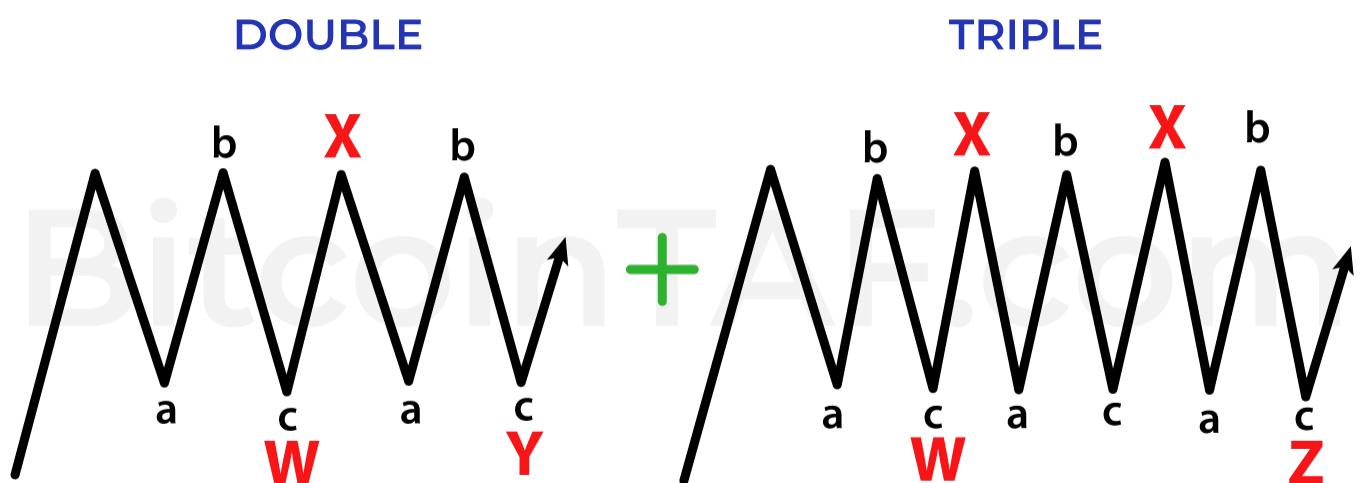
a. Double and Triple ZIGZAG

b. Double ZIGZAG

Markets do not always form the relatively simple or basic patterns seen above. Wave structures are often more complex. Elliott Wave categorizes these structures as Combination Waves.

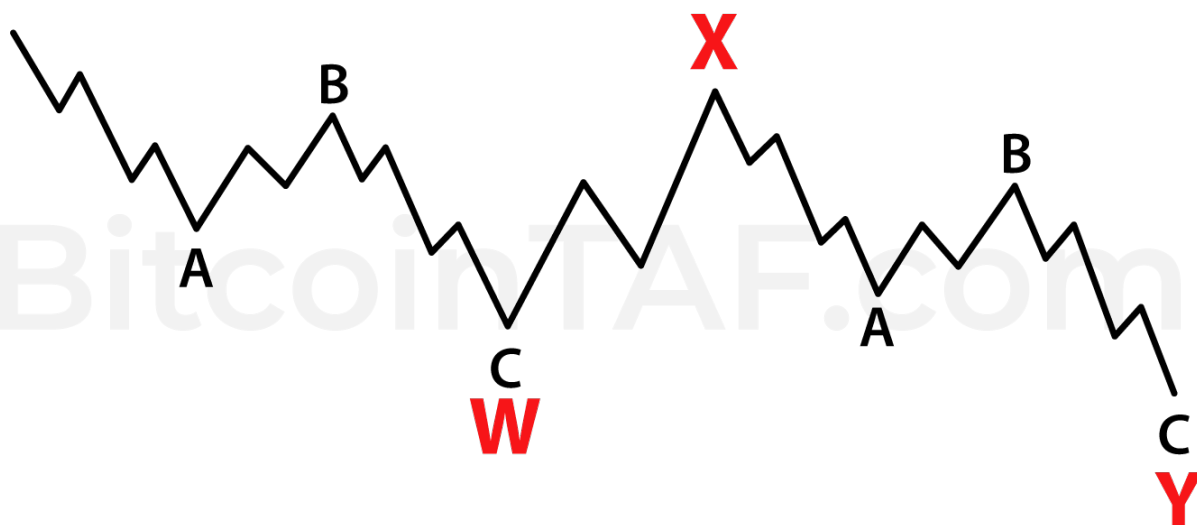
a. Double and Triple ZIGZAG Correction

A Combination Correction is composed of the corrective waves seen above and seems to be a corrective wave's way of extending sideways for the most part. Combinations are mostly sideways types of corrections but can be sharp in the case of the double or triple ZIGZAG. The structure is labeled as W-X-Y, for a double combination, or as W-X-Y-X-Z for a triple combination. The diagram below shows the theoretical breakdown of the Combination Wave structure.



b. Double ZIGZAG Correction

Wave W is any Flat or ZIGZAG. Wave X is usually a Flat or ZIGZAG (except in the case where a Triangle forms, which indicates that the next wave will be the last of the combination) and the rest of the waves may be any Corrective type wave.



ABOUT THIS BOOK

UNDERSTAND THE STRUCTURE. TRADE THE CORRECTION.

Elliott Wave Corrective Waves explores how markets retrace, pause, and rebalance within a larger trend. This guide helps traders recognise corrective structures, interpret wave relationships, and apply Elliott Wave logic with greater clarity and confidence. Designed for practical use, it combines visual pattern recognition with real market context to help traders improve timing, discipline, and decision-making.



Identify corrective wave structures.



Improve pattern recognition.



Trade with greater perspective.



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TRADING AND EDUCATION