

Gann Exercise for Advanced Class.

Dow, Gann and Elliott – is there a common theme within their proposed techniques?
Which one would you try to encourage a new technician to use, and why?

Gann Exercise for Advanced Class: Suggested Solution

Candidates should mention that Dow and Elliott have a basis in waves or pulses of market action. Gann, whilst not using waves directly uses a circle rather than a cycle to get important measures. It can be argued that later Gann work on harmony does apply waves, but I would doubt our candidates would know about this little-researched area.

Gann retracements and Dow retracements need two extreme points of reference, whereas Elliott only needs a starting point.

Candidates should also mention that the key ratios within Gann, Dow and Elliott are very closely related.

The second part of the question is more subjective, but should encompass some or all of the following:

Choice: Dow

Should be easy to explain to a new TA, retracements are easy to remember. Explaining the phases of Dow is easy.

Choice: Elliott

Should mention that Fibonacci numbers are key here. Should mention the wave format (1-5 and A-C) and mention that this is a more elegant and artistic method of market price prediction rather than scientific.

Choice: Gann

Should mention that some techniques are not easily approached. Should mention Retracements, Fans, and Swings.