

Elliott Wave — Corrections: Triangles

The third type of correction. Five-wave sideways pattern labelled A-B-C-D-E. Triangles only appear in one specific position — and that fact alone makes them one of the most useful predictive tools in Elliott Wave.

What Are Triangles?

Triangles are corrective five-wave patterns bound by converging or diverging trend lines, labelled **A-B-C-D-E** (letters, not numbers — because they're corrective). Each sub-wave is itself a corrective structure (typically zigzags), producing a sideways consolidation that gets progressively tighter.

Triangles are a **sideways correction** — they capitulate through time and boredom, not through sharp price drops.

Where Triangles Can Appear — The Golden Rule

Triangles **always occur in the position prior to the final actionary wave**. They can ONLY appear in:

- **Wave 4** of an impulse (before the final wave 5)
- **Wave B** of a zigzag (before the final wave C)

Triangles CANNOT appear in wave 2. This is incredibly useful for predictive analysis:

- If you see a first move followed by a triangle → you're NOT in an impulse. You're in a correction (ABC), and all you're getting is a partner leg (wave C) before the correction ends
- If you see a triangle after three impulse waves → it's wave 4, and wave 5 (the final push) is coming

- After the triangle breakout, you know it's the LAST move in that direction before a major correction of the entire impulse

"Whenever you see triangles, make sure you're taking profits at the end of them."

Three Types of Triangles

1. Contracting Triangle (Symmetrical)

Both trend lines converge — widest at the start, narrowest at the end. Each wave is progressively smaller and more contained. The most common type.

2. Barrier Triangle (Ascending / Descending)

One side is flat (horizontal support or resistance), the other side converges toward it. This is the ascending triangle (flat top, rising lows) or descending triangle (flat bottom, lower highs) you already know from classical TA — they're actually Elliott Wave barrier triangles.

The flat boundary represents supply or demand that gets repeatedly tested. Each test eats away at that supply/demand until it finally breaks through.

3. Expanding Triangle

Trend lines diverge — narrowest at the start, widest at the end. Less common.

Running triangle: A variation of the contracting triangle where wave B exceeds the start of wave A (takes out the high/low). Similar concept to a running flat — extremely bullish/bearish signal.

The Inner Waves (A through E)

Each wave subdivides into a corrective three-wave pattern. ~90% of the time they're zigzags.

Wave A — "Just a Normal Correction"

- Sharp move against the trend (zigzag) — sets the initial boundary
- Nobody knows it's a triangle yet. Everyone thinks it's a standard ABC correction
- Comes down to the golden pocket (382-618) of the preceding trend
- People expect an ABC and continuation

Wave B — "We're Back On"

- Counter-move retracing a significant portion of wave A (typically 38.2-61.8% of wave A)
- People think the trend is resuming — change of market structure
- Does NOT surpass the flat boundary significantly in barrier triangles
- Now you have: impulse → correction → continuation. Looks like a normal trend

Wave C — "Wait, What?"

- Moves back down, surprising those who thought the trend resumed
- Smaller than wave A (in contracting triangles)
- Cannot exceed the end of wave A (otherwise it's not contracting)
- Often retraces 61.8-100% of wave B
- People start thinking: double top? Running flat? The count gets confusing

Wave D — "Maybe We're in a Triangle"

- Counter-move back up — shorter and weaker than wave B
- Does NOT reach beyond wave B's starting point (in contracting triangles)
- **This is the first moment you can start to identify the triangle** — you now have two points on each side to draw converging trend lines
- Running flat theory dies here because there aren't five waves down
- People start drawing triangle formations

Wave E — "Final Consolidation"

- Final wave, moves opposite to wave D — typically short and shallow
- Usually does NOT reach wave C's level
- Can end anywhere between the converging trend lines
- Marks the completion of the pattern — breakout imminent
- **Wave E is the ONLY sub-wave that can itself be a triangle** — creating a 9-wave triangle (4 zigzags + 1 triangle within wave E). This extends and drags out the consolidation even further

Triangle Characteristics

- Volume:** Diminishes progressively as the triangle forms — reflecting indecision. Upon breakout from wave E, volume surges, confirming resumption of the primary trend.
- Alternation:** Waves alternate between sharp and choppy. If wave A is a sharp zigzag, wave B might be more corrective and drifting. Wave C sharp again, wave D more relaxed.
- The Thrust:** After a wave 4 triangle completes, wave 5 often moves quickly and covers a distance similar to the triangle's widest part. Elliott called this the "thrust." It's usually an impulse but can be an ending diagonal. In strong markets, wave 5 after a triangle can be an extended fifth — the blow-off top.
- Buyers/sellers converging:** In an ascending triangle, buyers are stepping in at progressively higher levels (higher lows). In a descending triangle, sellers are stepping in at progressively lower levels (lower highs). The flat boundary is supply/demand being eaten away until it breaks.
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Triangle Within a Triangle

- Wave E can itself be a triangle, extending the pattern to 9 waves total (A, B, C, D, then a-b-c-d-e within wave E). This is how triangles get really drawn out.
- Bitcoin bear market example (April-November 2018):** Waves A, B, C, D were standard zigzags. Then wave E itself became a triangle (a-b-c-d-e), dragging the entire consolidation out to 6 months. The pattern was: zigzag, zigzag, zigzag, zigzag, triangle. Nine waves total before the final breakdown.
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How People Get Fooled at Each Stage

Wave	What People Think	Reality
A	"Normal pullback, buy the dip"	First leg of the triangle
B	"Trend is back! Change of market structure!"	Just a corrective bounce

Wave	What People Think	Reality
C	"Double top? Running flat? Five waves down coming?"	Nope — only three waves, then reversal
D	"OK this is weird... maybe a triangle?"	First time you can identify the pattern
E	"Is it going to break out or break down?"	Final consolidation before the thrust

Practical Trading Tips

- **After a triangle breakout, it's the LAST move.** Trade it for profit but have your exit planned — wave 5 after a triangle leads to a correction of the entire impulse. The educator traded the SHORT after the triangle breakout on BNB — once wave 5 completed and broke back through, the entire move got corrected
- **Count five waves inside the triangle.** A lot of people who don't know Elliott Wave miscount triangles. You need A-B-C-D-E (five corrective waves, each in threes) for it to be a valid triangle
- **Triangles tell you what's coming next.** If it's wave 4 → wave 5 thrust coming, then major correction. If it's wave B → wave C coming (often sharp and fast). Either way, you know the next move is the final one
- **Use Fibonacci on the preceding impulse** after the triangle completes. Once wave 5 finishes, you're retracing the whole impulse — measure from wave 1 start to wave 5 end and look for the zag zone (382-618)
- **Wave 5 after a triangle can be short or extended.** Sometimes it's just a quick thrust, sometimes it's a blow-off. You don't know which until it happens — but you know it's the last one