

We want to start by checking the long-term count of the U.S. equity index.

First, we have the Dow (DJI).

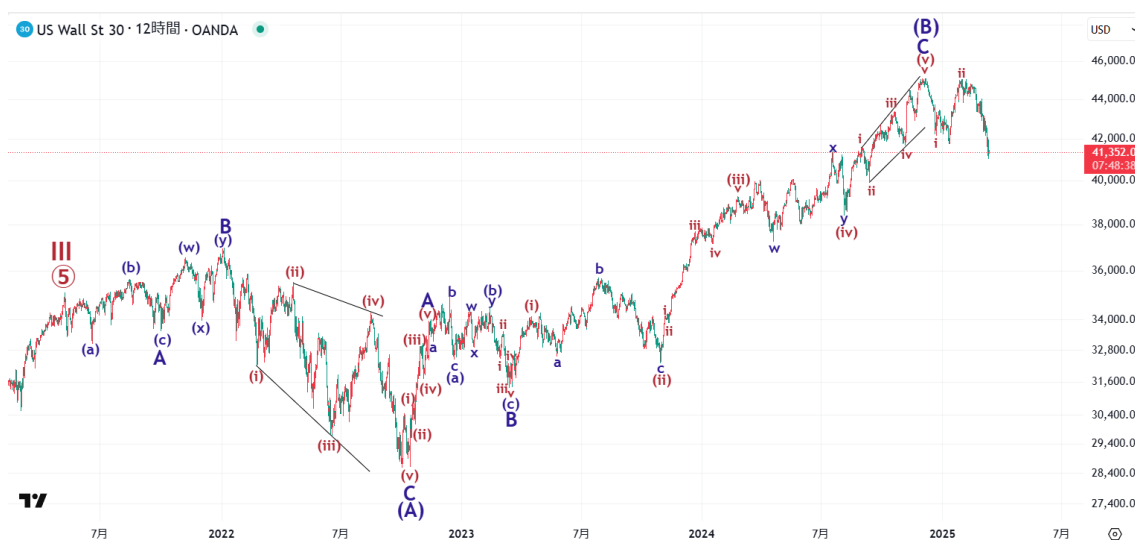
The wave starting at the low after the global financial crisis can be counted as follows.

Figure1 (1W)



The detailed waves in waves (A) and (B) can be counted as follows.

Figure2 (12H)



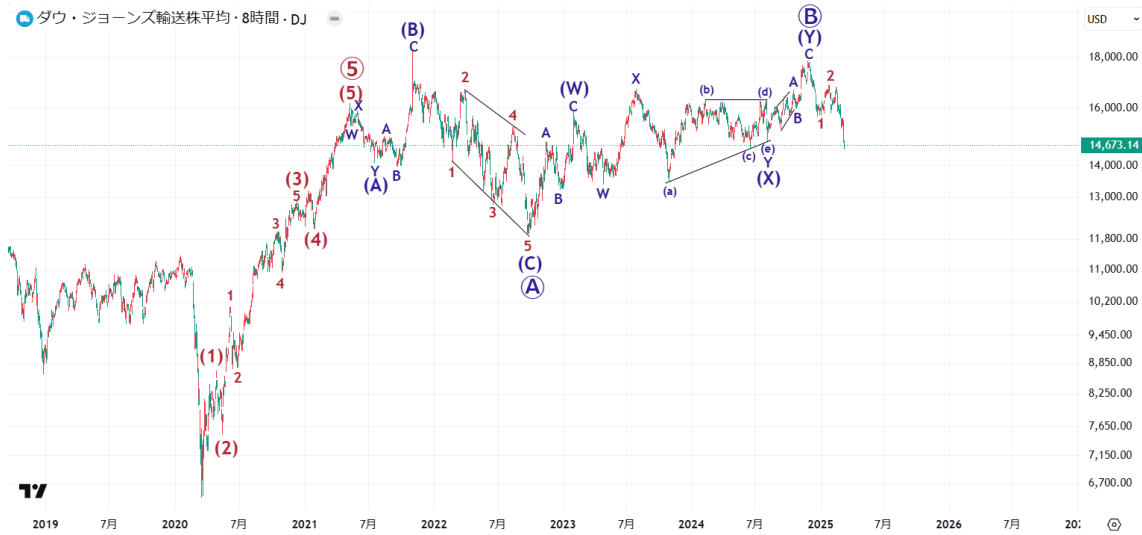
Next, the Dow Jones Transportation Index (DJT), the wave starting at the low after the global financial crisis can be counted as follows.

Figure3 (1W)



The detailed waves in waves (A) and (B) can be counted as follows.

Figure4 (8H)



Next, let's check the NASDAQ 100 wave.

The wave starting at the 2002 low can be counted as follows.

Figure5 (1W)



On the other hand, if we assume that wave IV was completed at the low after the global financial crisis, the count would be as follows.

Figure6 (1W)



In this count, wave IV is a zigzag with © wave “failure”, which is not a beautiful count. However, considering the correlation between indices, it is not unreasonable count, since the Dow and SPX show that wave IV was completed at the low of 2009.

Figure7 (12H)



Figure8 (12H)



Next, let's look at the PHLX Semiconductor Sector Index.

The wave starting at the low after the global financial crisis can be counted as follows.

Figure9 (1W)



Wave ① and ② in Figure 9 can be counted as follows.

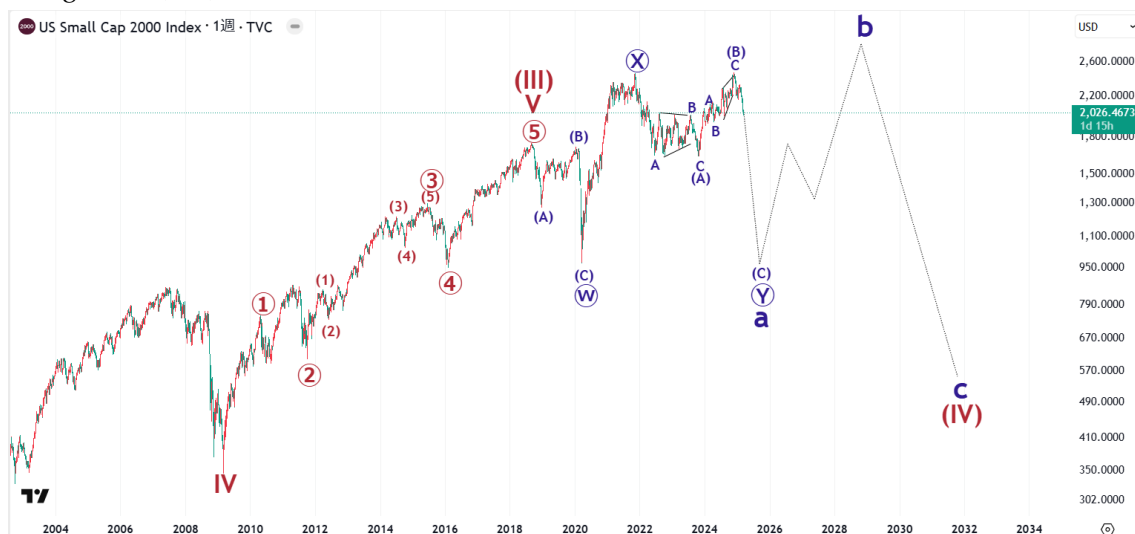
Figure10 (6H)



Next is the Russell 2000.

The wave starting at the low after the global financial crisis can be counted as follows.

Figure11 (1W)



The count is that wave **a** under wave (IV) of a flat is a double-three.

Waves (A) and (B) of the wave (Y) in Figure 11 can be counted as follows.

Figure12 (4H)



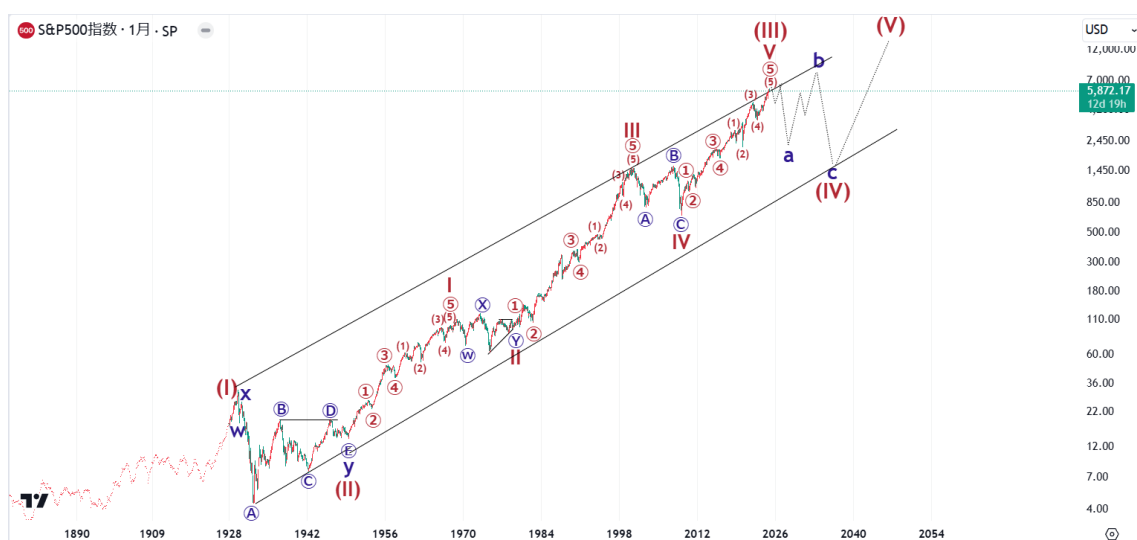
As observed above, we can see that the Dow, the Dow Transportation Index, the NASDAQ 100, the PHLX Semiconductor Sector Index, and the Russell 2000 can all be counted as having formed flat A and B waves since their highs in May or September of 2021.

Now, based on the considerations to this point, we would like to attempt to determine the ultra-long-term wave count for the SPX. So far, we have proposed the following two main ideas for the SPX's ultra-long-term wave count.

Figure13 (1M)



Figure14 (1M)



The difference between Figure 13 and Figure 14 is in the count of the subwave of wave V of (III): in Figure 13, wave V is counted as completed at the September 2021 high, while in Figure 14, subwave ⑤ is counted as extended in wave V.

Focusing on the wave starting at the low after the global financial crisis, Figure 13 shows the following count.

Figure15 (1W)



Figure 14 shows the following count.

Figure16 (1W)



However, since the Dow, Dow Transportation Index, Nasdaq 100, PHLX Semiconductor Sector Index, and Russell 2000 can all be counted as having formed flat A and B waves since their May or September highs in 2021, we may conclude that the SPX has an advantage in Figure 15 correlating to such counts. This means that the main count of the ultra- long-term wave on the SPX is Figure 13.

It should be noted, however, that for the NASDAQ 100, as presented in Figure 8, there is also a count that correlates to Figure 16.

Here, however, wave ① is labeled as (A) and the wave ② as (B) for convenience.

Figure18 (12H)



It does not matter whether the count is a double-zigzag or a triple-zigzag, as both satisfy the requirements for flat (B) wave, and it does not matter which one is correct.

An important piece of evidence that gives the Figure 15 counts an edge is, as we have discussed, that wave V of an impulse is golden sectioned exactly at the endpoint of wave ④. The endpoint of wave V is September 6, 2021.

Figure19 (1W)



Almost all of the less strict analysts do count January 3, 2022, the date of the nominal high, as the end of the impulse that started at the Covid-19 crisis low. However, all of those counts roughly count the subwaves on a daily basis, and further examination of the chart with a zoomed-in view reveals that the subwave is a false count that does not conform to the rules of the Wave Principle.

If we zoom into wave ⑤ in Figure 19, the count of the subwaves is as follows.

Figure20 (12H)



The shaded area in Figure 20 is further zoomed into the next two counts.

Figure21 (4H)



Figure22 (4H)



An important concept in the Elliott Wave Principle is that waves are fractal in every detail. Fractal in every detail means that the waves that appear on a weekly chart, even when expanded to an hourly or even a minute chart, are all waveforms in accordance with the rules defined by the Wave Principle.

Then, based on that count, how would one larger wave progression be expected?

As shown in Figure 15, the main assumption at this point is that wave (IV) is currently flat and in progress. The retrace target of wave (IV) is the range where wave IV of (III) has moved.

Figure23 (1W)



Figure24 (1W)



Figure25 (1W)



Japan 225 インデックス・1月・TVC

1878 1920 (I) 1931 (II) 1949 東証再開 1945 東証閉鎖 1955~1973 高度経済成長期 1989 (III) 1990 (IV) 2000 (V) 2008 (VI) 2015 (VII) 2020 (VIII) 2025 (IX)

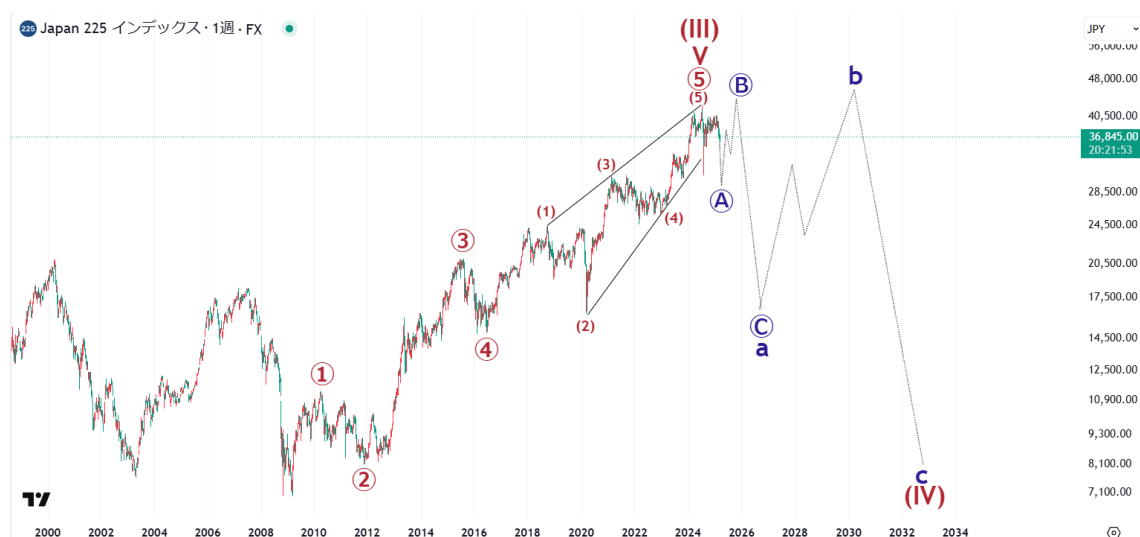
5の(4)終点 6,899.24

JPY 90,000.00 38,255.39 20,172.51 10,500.00 6,899.24 3,500.00 2,700.00 1,300.00 600.00 320.00 160.00 80.00 40.00 20.00 10.00 5.00

1878 1950 1959 1968 1977 1986 1995 2004 2013 2022 2031 2040 2049 2058

Using Figure 26 as a count reference, the following count can be made for the wave starting at the post-global financial crisis low.

Figure27 (1W)



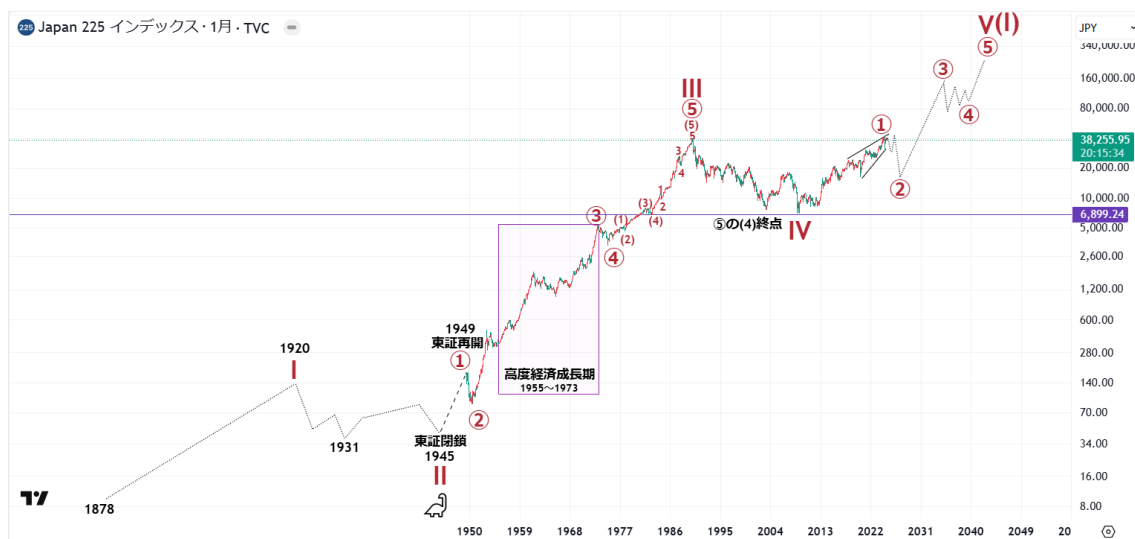
The most recent wave is shown in the following daily chart.

Figure28 (1D)



As shown in Figure 26, wave ⑤ of V is extended in wave (III), and according to Elliott's theory, we must assume that an irregular correction will follow. An irregular correction is the so-called expanded flat. In the case of the Nikkei 225 CFD, the endpoint of the second subwave of the extended wave corresponds to the Covid-19 crisis low.

It would also be possible to count the ultra-long-term wave of the Nikkei 225 as follows.
Figure29 (1M)



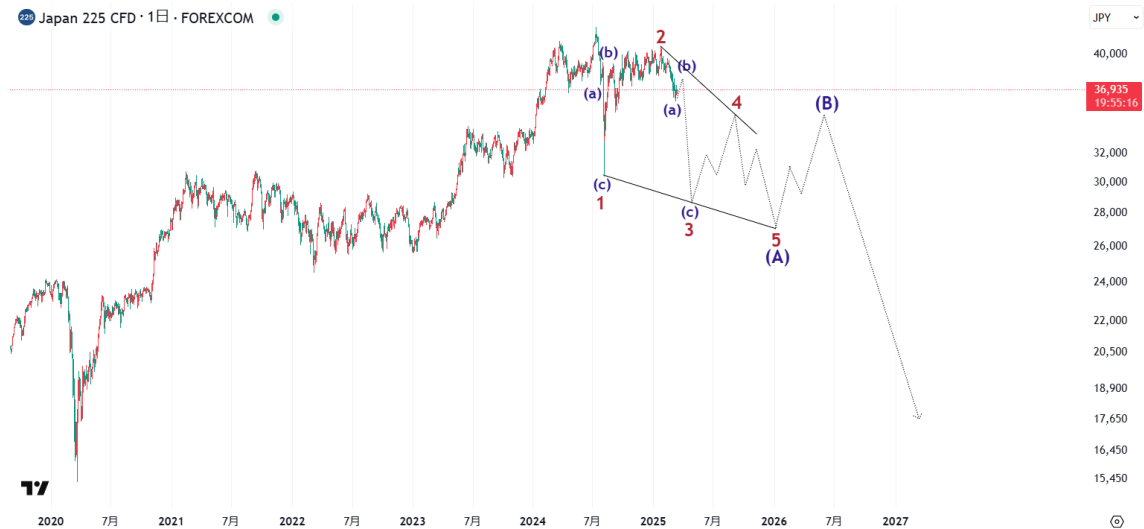
Based on the counts in Figure 29, the following count for the wave starting at the post-global financial crisis low is possible.

Figure30 (1W)



The daily chart of the most recent wave of the Figure 30 count is shown below.

Figure31 (1D)



Wave (A) is a leading diagonal.

In other words, our current view is that the Nikkei 225 CFD is currently forming either a double-zigzag like the wave ① in Figure 28 or a leading diagonal in Figure 31.

The recent wave from the high of JPY40620 on January 25 is extremely difficult to identify the waveform, and we would like to present three proposed counts as of 11:00 a.m. JST on March 14, as follows.

Pattern 1: Zigzag wave (B) in progress after completion of impulse wave (A).

Figure32 (1H)



Pattern 2: In impulse wave (A), diagonal's fifth wave in progress.

Figure33 (1H)



Wave (A) in Figure 32 and Figure 33 corresponds to wave A of (Y) in Figure 28 or wave (a) of 3 in Figure 31.

Pattern 3: Leading diagonal's second wave is forming a flat.

Figure34 (1H)



This leading diagonal corresponds to wave A of (Y) in Figure 28 or wave (a) of 3 in Figure 31.

Let's also check the detailed wave of SPX here.

Tentatively, we would like to base our discussion here on the following count presented in Figure 24.

Figure24 (1W)



Based on the count in Figure 24, a flat wave © is currently being formed as shown below. Wave © can be impulse or diagonal, and Figure 35 shows a hypothetical case where wave © proceeds as an impulse.

Figure35 (1D)



According to Figure 35, we are currently in wave (1) of the impulse.

How can we count the wave (1) of that impulse as progressing?

Below we would like to present four example counts that conform to the rule, as of 11:30 a.m. JST on March 14.

Pattern A: Wave (1) of the leading diagonal has completed as a double-zigzag and wave (2) is in progress at a flat.

Figure36 (1H)

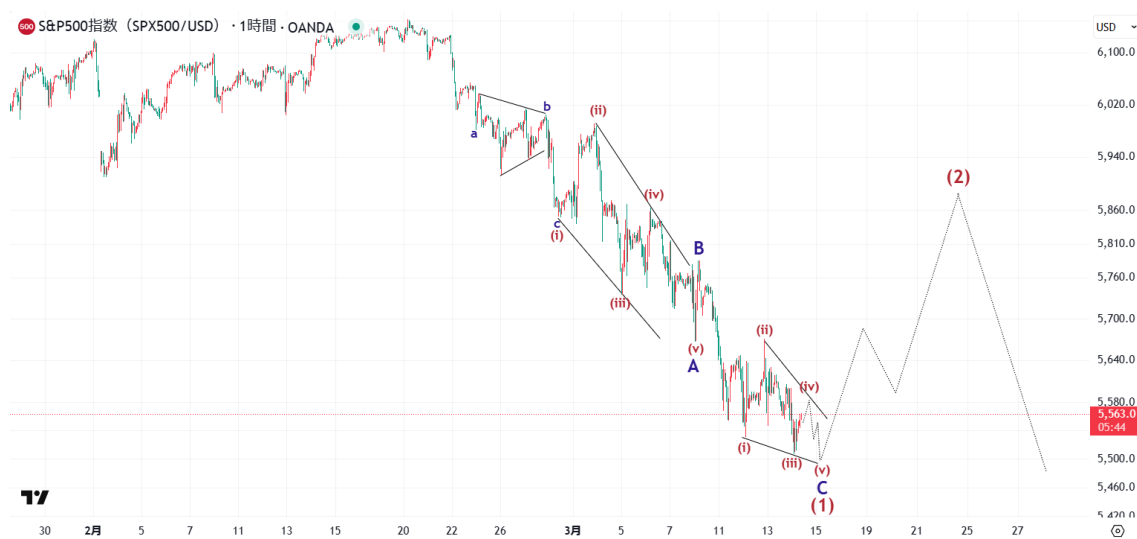


Pattern B: Alternative count for Pattern A

Figure37 (1H)



Pattern C: Leading diagonal's wave (1) is progressing as a zigzag
Figure38 (1H)



Pattern D: wave (1) completed as a leading diagonal, then wave (3) in progress
Figure39 (1H)



This is the so-called “one-two count” and is seen as unlikely to be feasible.

For your information, “one-two count” refers to a count in which only the first and second waves continue to be counted without the third wave being counted over three or more steps, such as (1)-(2)-1-2-(i)-(ii).

Based on the above, at the present, wave (1) of the impulse itself is seen to be in the process of forming a leading diagonal, as follows.

Wave (1) of the leading diagonal in Figures 36, 37, and 38 refers to the wave labeled as 1 of (1) in Figure 40.

Figure40 (1D)

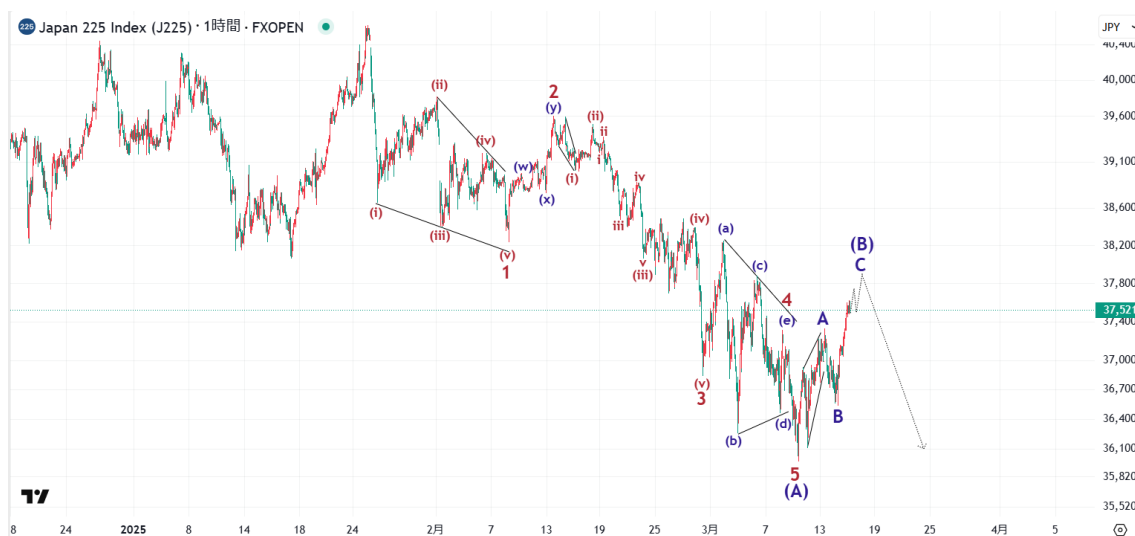


Following the guideline of rapidly retracing to the endpoint of its second subwave after completion of the ending diagonal, the wave (1) target is drawn near the endpoint of wave (ii) of C of (Y) in Figure 40.

Let's see how the Nikkei 225 CFD and SPX are moving in recent waves as of the close of New York market.

First, the Nikkei 225 CFD, Pattern 1 presented in Figure 32 is moving as expected, as follows.

Figure41 (1H)



Pattern 3, shown in Figure 34, also moves as expected, as follows.

Figure42 (1H)



Therefore, at this time, we would like to consider the above two patterns as candidates for the Nikkei 225 CFD count.

Next is the SPX. Pattern A in Figure 36 has, to date, followed the assumed dashed line as shown below.

Figure43 (1H)



In addition, Pattern B in Figure 37, which was presented as this alternative count, also moves as expected, as shown below, so we would like to use one of these patterns as the tentative main count at this point.

Figure44 (1H)



Lastly, we would like to conclude this week's Weekly Report by reviewing the wave of USD/JPY.

For the wave count after the July 2024 high, we currently see the following two scenarios as the most likely.

Pattern ①

Figure45 (4H)



Pattern ②

Figure46 (4H)



In either pattern, it is reasonable to assume that a leading diagonal is in formation after the July 2024 high.

In other words, the following two ideas would be the most likely candidates for one larger wave count.

Pattern I: Wave ⑧ as a zigzag

Figure47 (1W)



Pattern II: Wave ⑧ as a flat and its wave (A) as a zigzag

Figure48 (1W)



According to the observations in Weekly Report vol. 358, Pattern II is judged to be more superior.

That's all for this week.

Representative Director of Japan Elliott Wave Research Institute

Kazuyuki Arikawa

All charts are provided by tradingview