

If the larger wave has a clean two-phase rhythm, subdivision = 2.

If the move has a three-phase structure (clear triple swing), subdivision = 3.

Summary of Process

To summarise, the process is as follows:

- Main larger cycle identified > divide by 2 > divide by 2 > check accuracy
- Main larger cycle identified > divide by 3 > divide by 2 > check accuracy
- Finally, only project forward the most aligned division ratio.

Step by Step - Drawing Time Cycles With Symmetry

This example uses the \$BTC chart as per Coinbase.

Step 1: Put chart in log mode

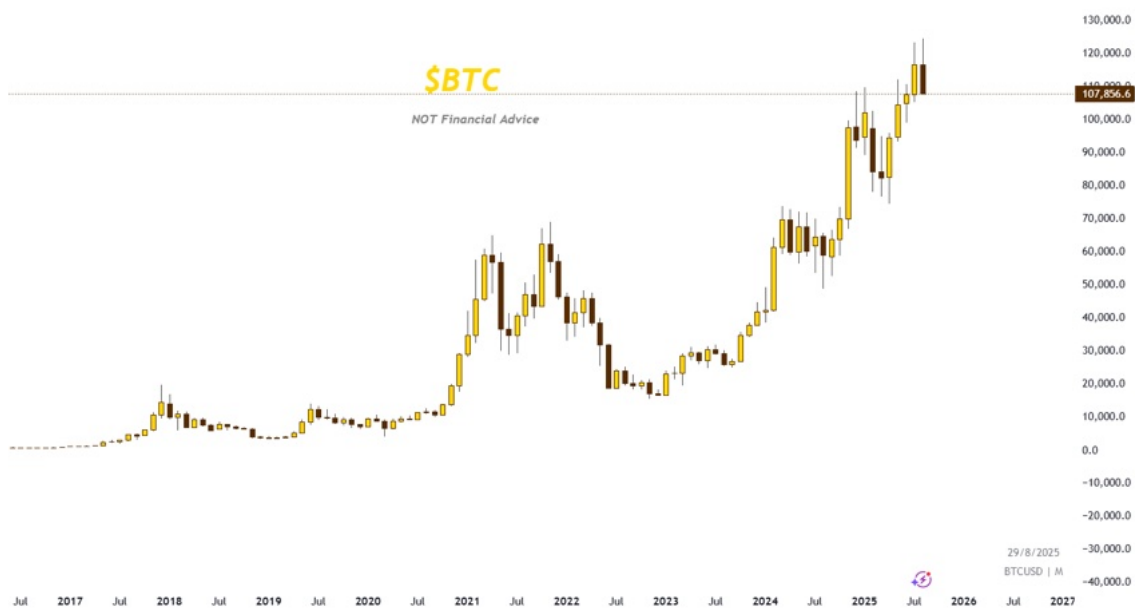
For most of the cryptocurrency examples, I'll be using Logarithmic mode (Log mode) for charting. So if your chart looks different, when you try to re-perform the examples. You may need to toggle between 'Regular' mode and 'Log' mode.

This is what the toggle looks like in TradingView:



(Select Logarithmic mode)

Regular mode chart:

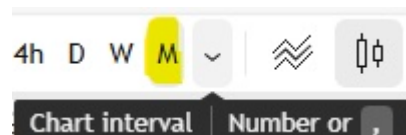


Log mode chart:

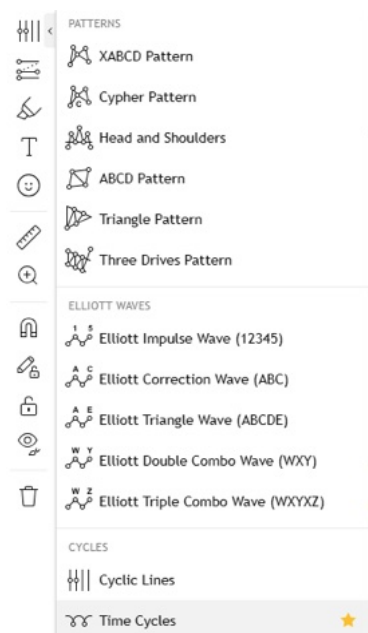


Step 2: Identify first two major lows on the chart, and connect them by time cycles.

Put your chart interval settings to monthly mode.



Next, select 'Time Cycles' within the “patterns” settings:

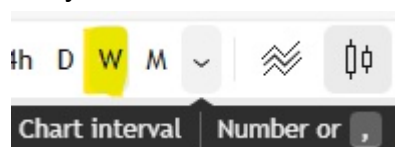


Now your chart looks as follows:



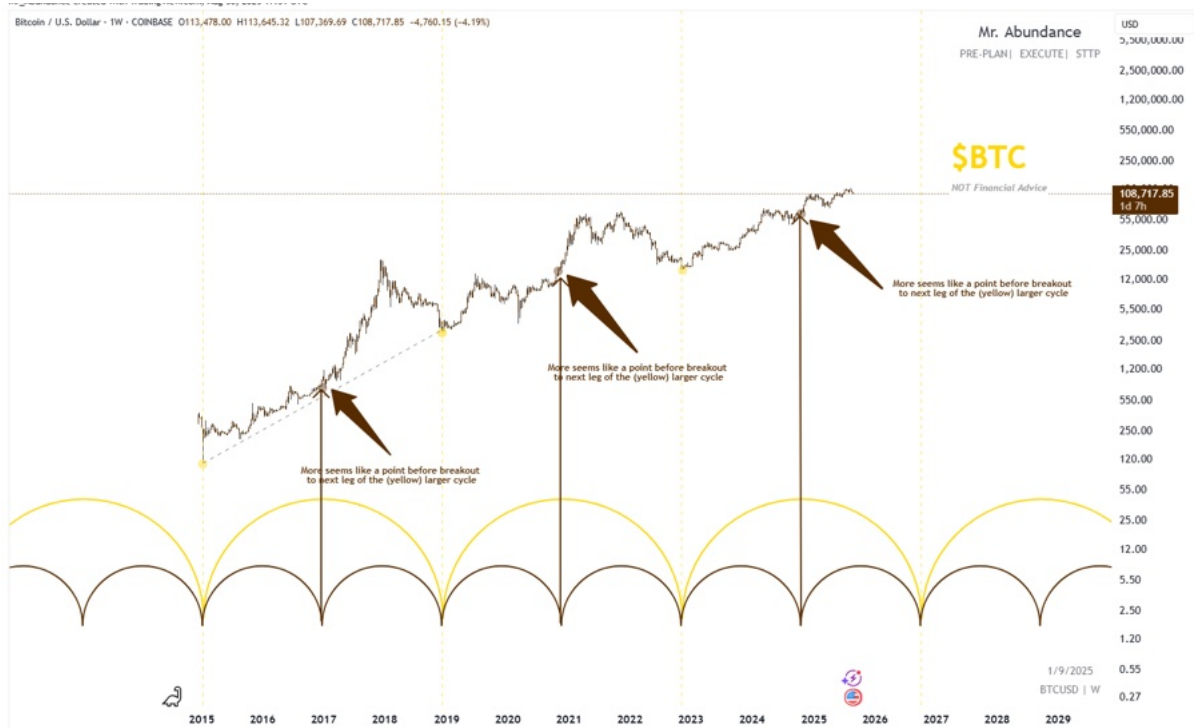
Step 3: Subdivide the larger (Yellow) time cycle into two

Put your chart interval settings to weekly mode.



Draw a smaller time cycle that fits exactly 2 semi-circles (Brown) within the larger yellow semi-circle.

Now your chart looks a follows:



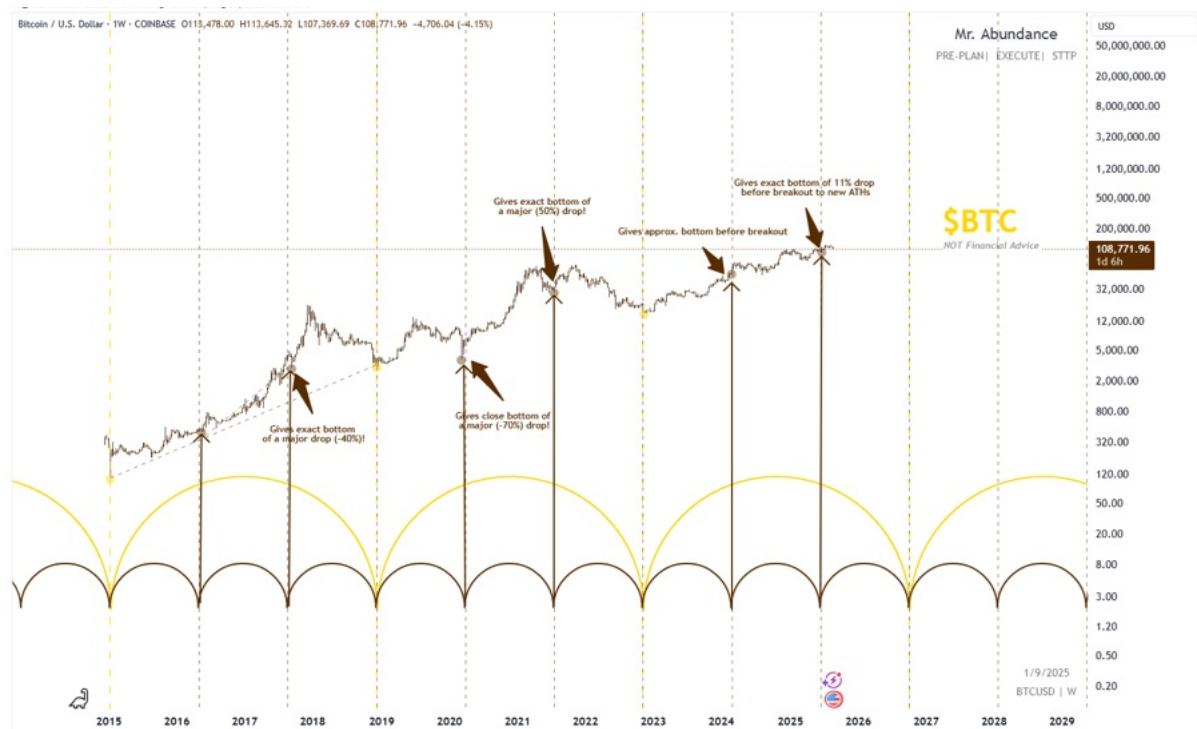
Notice that when we have divided by 2, the pivots given are not bottom pivots, they are more breakout pivots.

This tells us:

- to give division by 3 a try for finding bottom pivots as the better division choice on this chart, and
- that we may be able to use division by 2 (and 2 again to find breakouts and possibly topping points)

Step 4: Subdivide the larger (Yellow) time cycle into three

Now the chart looks as follows:



Key learning point

Q: Is it always best to map time cycles by just dividing by 2?

A: No, you need to apply pattern recognition to find the best fit.

Q: Will it always be 3 if for example the sub cycle has been a rhythm or $\frac{1}{3}$ ratio?

A: No, principle of variation means we focus on the **dominant** pattern/rhythm because sometimes the market will express temporary variations. We cannot predict, we need only focus on mapping price movements through time to have a system of identifying what is high probability. Then, in the longer term the odds will be in our favour.

Losses are inevitable, even low probability events **will** sometimes happen.

Caring about low probability outcomes or low dominant time cycles only needs to be reflected in your risk management (i.e. you don't risk it all on every trade).

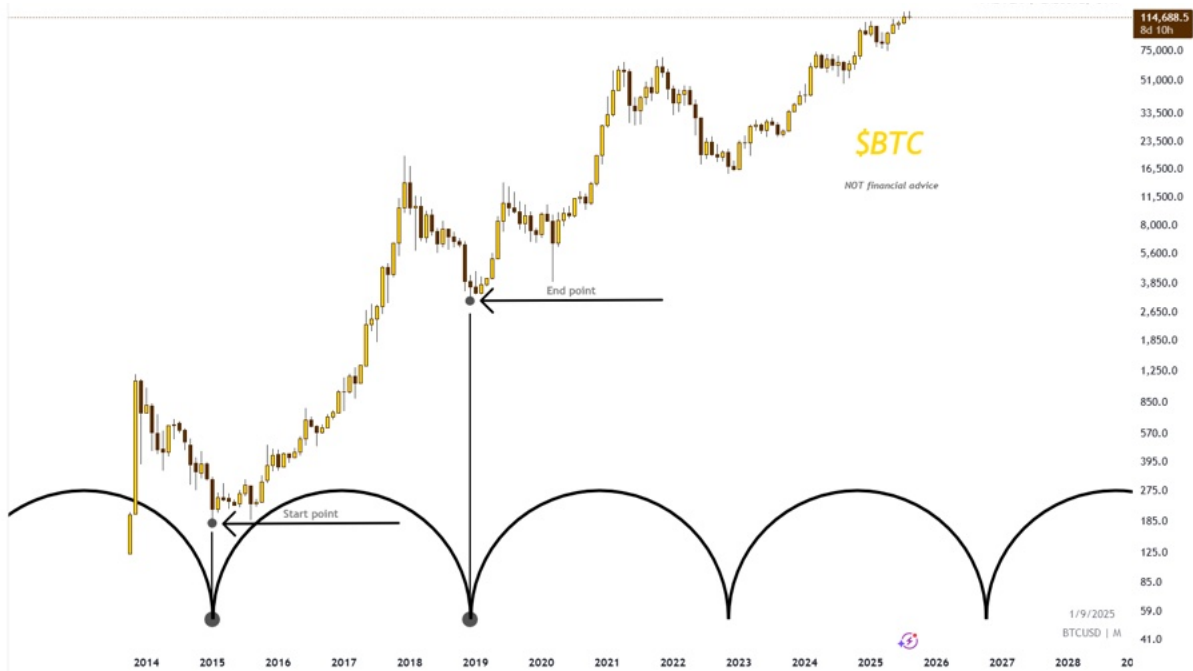
Same as any trading system.

Back to the step by step BTC walkthrough example...

Now, having experimented and identified the **dominant cycle ratio/ rhythm** let's start again from step one. However, this time will keep the 3-ratio because it fits better, and continue the analysis sub-dividing further to map the lower time frame, time cycles. This will help you take lower time frame trades. I recommend you do not try to apply time cycles on time frames shorter than 5 days. In practice, 20 day+ cycles tend to be more optimal.

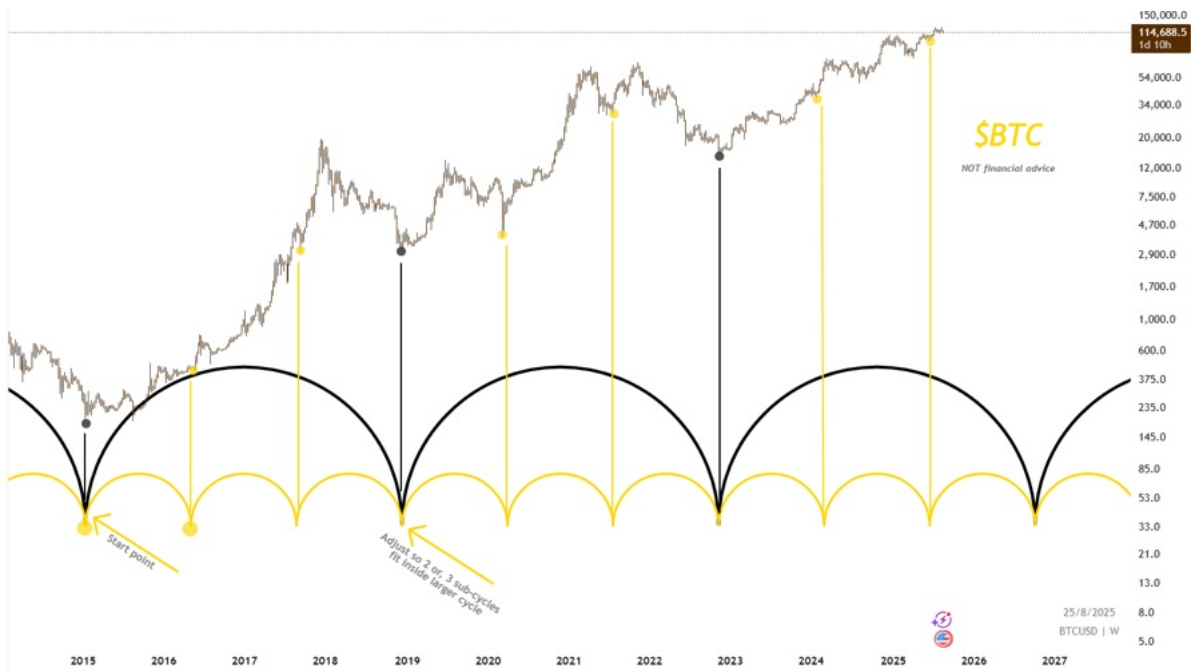
Step 1 - Mark out HTF (Yearly/ Monthly) level bottoms

Use those bottoms to create HTF Time Cycle

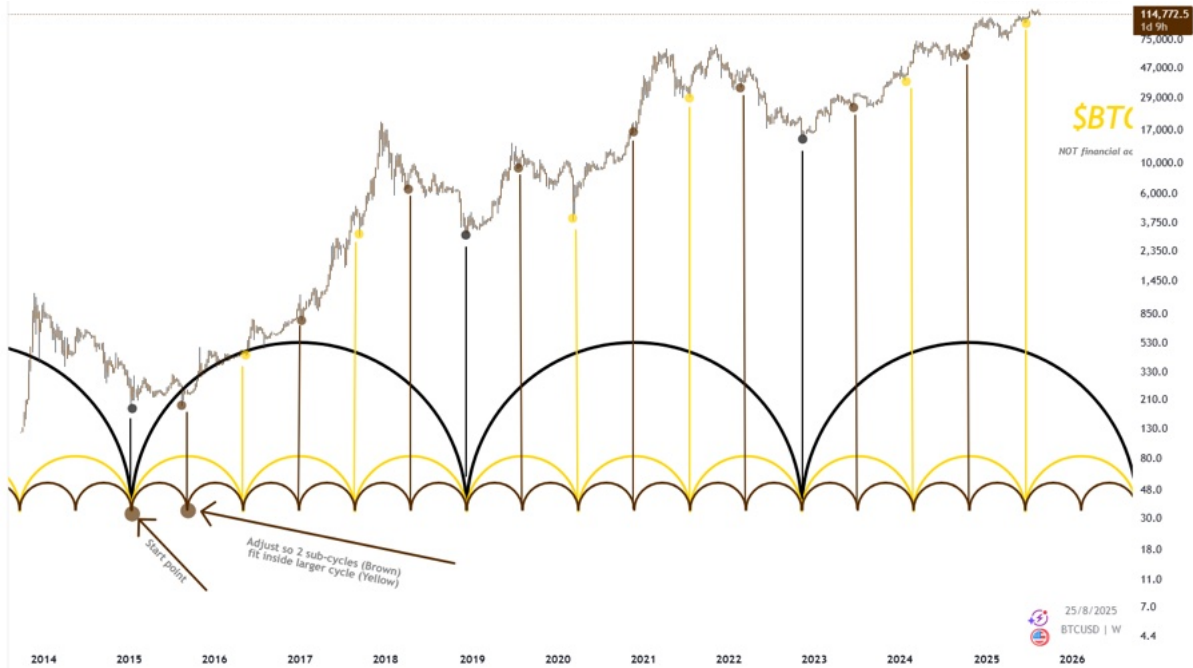


Step 2 - Subdivide the HTF (Black) cycle into smaller sub-cycles (Yellow)

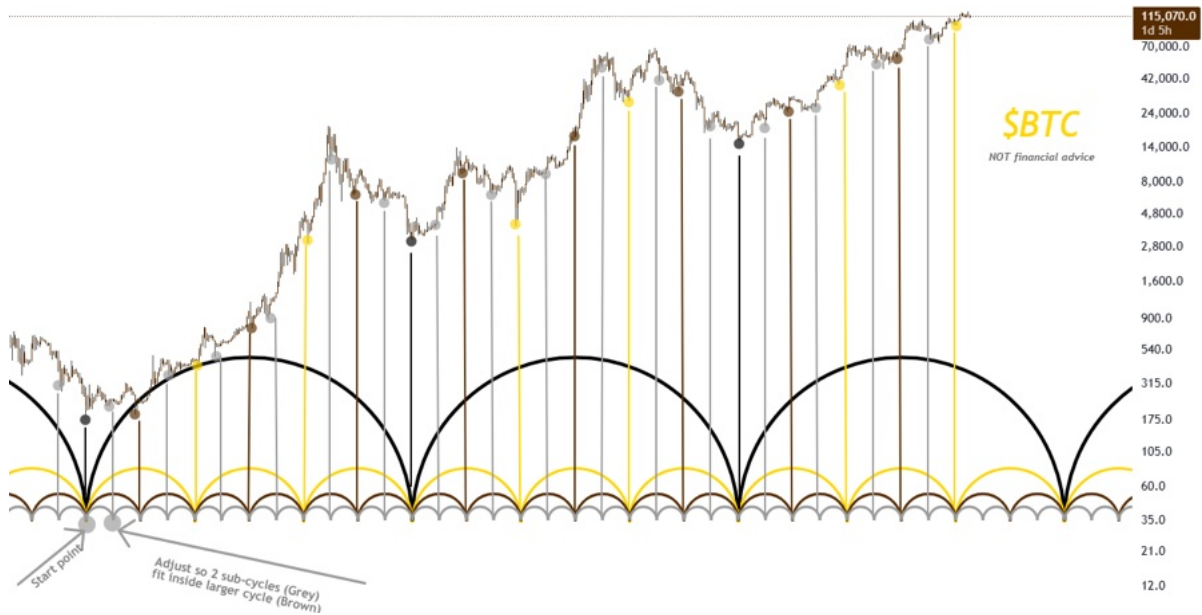
This is where we left off previously as step 4. Again, here we're subdividing by three, because as seen previously this pattern fits better.



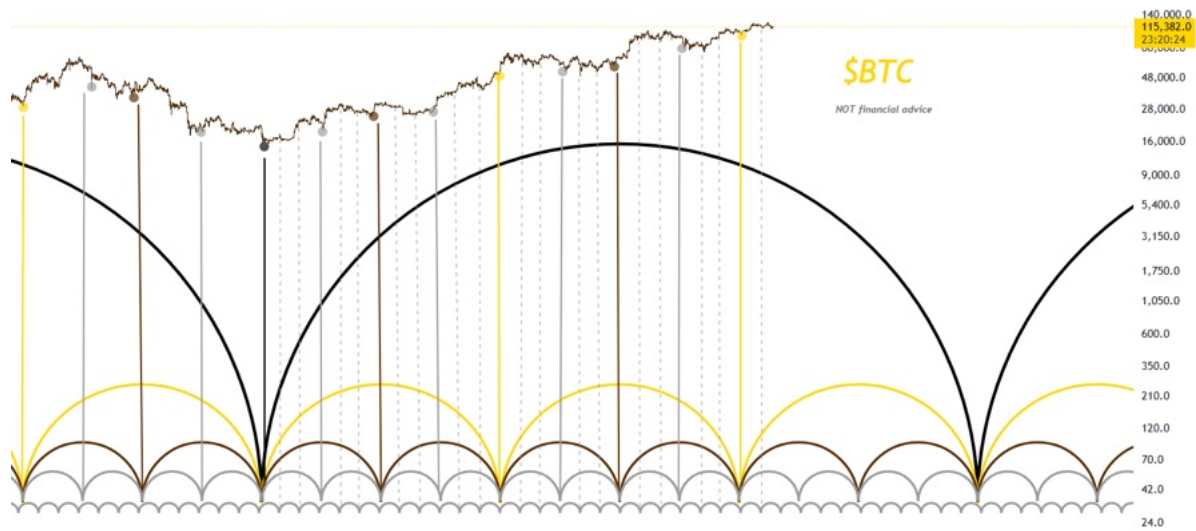
Step 3 - Subdivide again by 2



Step 4 - Subdivide again (using pattern recognition to see if 2 or 3 ratio fits best)



Step 5 - Subdivide again (using pattern recognition to see if 2 or 3 ratio fits best)



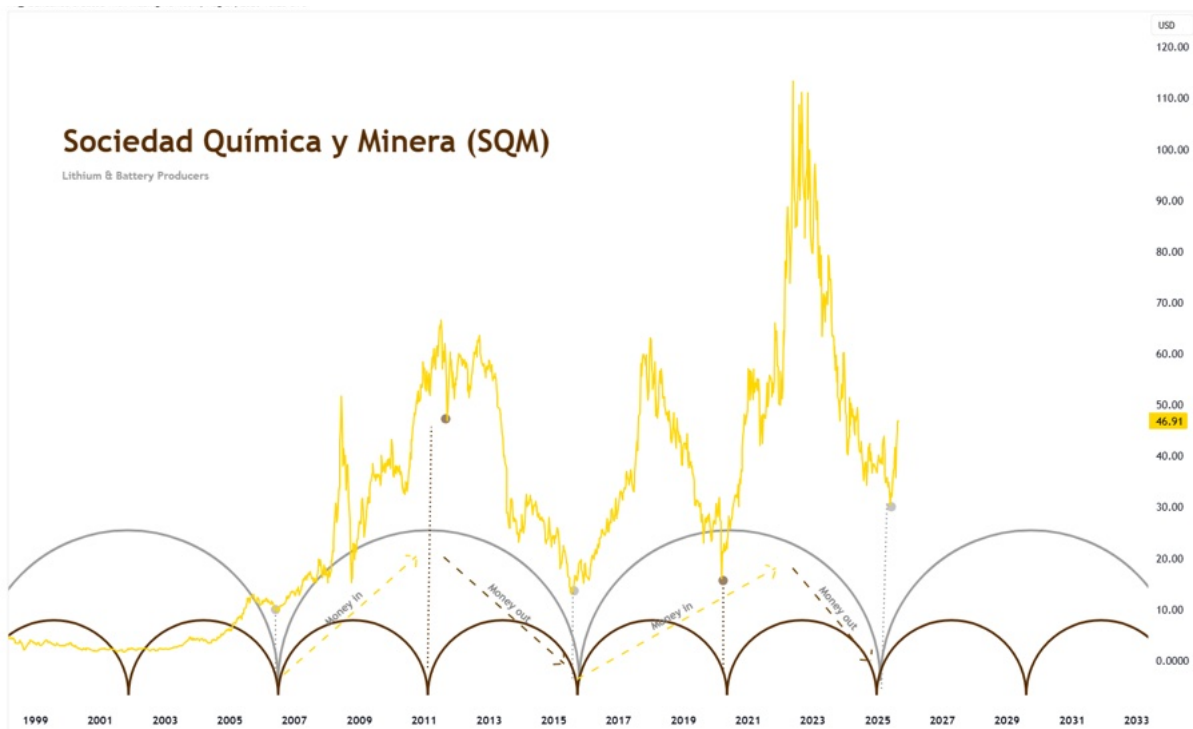
Zoomed in you can see how well the time pivots are mapping money flow:



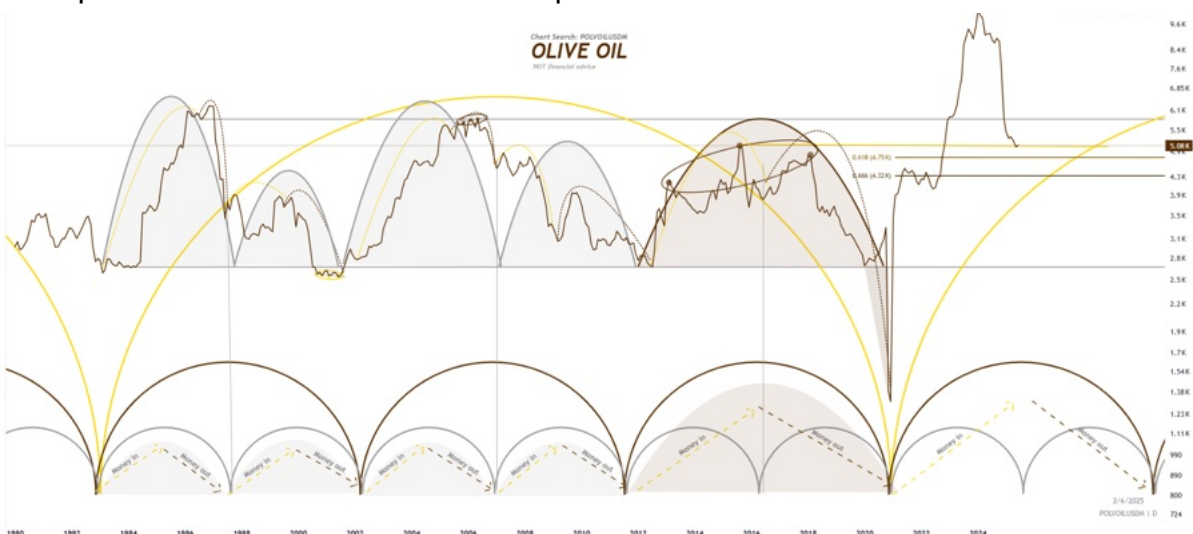
Examples of Mapping by Symmetry

The best teacher is experience and the second best teacher is examples. That's why we set out a range of different examples below, in order to help train your pattern recognition for how harmonics can show up in different forms. Do please zoom into the graphs, as you'll also find explanations and notes in these visuals. You'll notice that there are times to ignore outlier wicks to the upside to have a clear repeatable dominant time cycle rhythm to base your analysis on.

Example 1 - **\$SQM** (Sociedad Química y Minera) = Lithium Producers



Example 2 - **POLVOILUSD** = Global price of Olive Oil



For this example I've set out three visuals: Image 1, 2 and 3.

- **Step1** - Using High Timeframe Time Cycle reference points of Bottom 1 = 29 December 2014 & Bottom 2 = 9 March 2020.
- **Step 2** - Divide those Macro bottoms by 2 then 2 again.
- **Step 3** - Divide those by 2 then 2 again for Low Time Frame time cycles.



Here is the lower time frame chart perspective, where we've subdivided again by 2 and 2 to produce the grey time cycles which are c. 120 days. What we can see in the image below, is that the actual pivot date from our higher time frame (yellow time cycles) was put in 32 days earlier (see yellow circles). For the yellow time cycle (which is c. 1,890 days) a 10% deviation of 189 days would have been fine. However, if you want to make a lower timeframe trade entry we need to refer to smaller time cycles, where the deviation threshold is lower. Therefore, we want to reflect the 32 day potential shift, in our grey time cycle. This reflection has been plotted as a grey dotted time cycle, by moving our original grey cycle 32 days to the left. As can be seen, this new grey dotted cycle gives us the next lowest entry point. Our original grey cycle still gives us a good long entry, but as a continuation trade rather than an actual bottom trade.

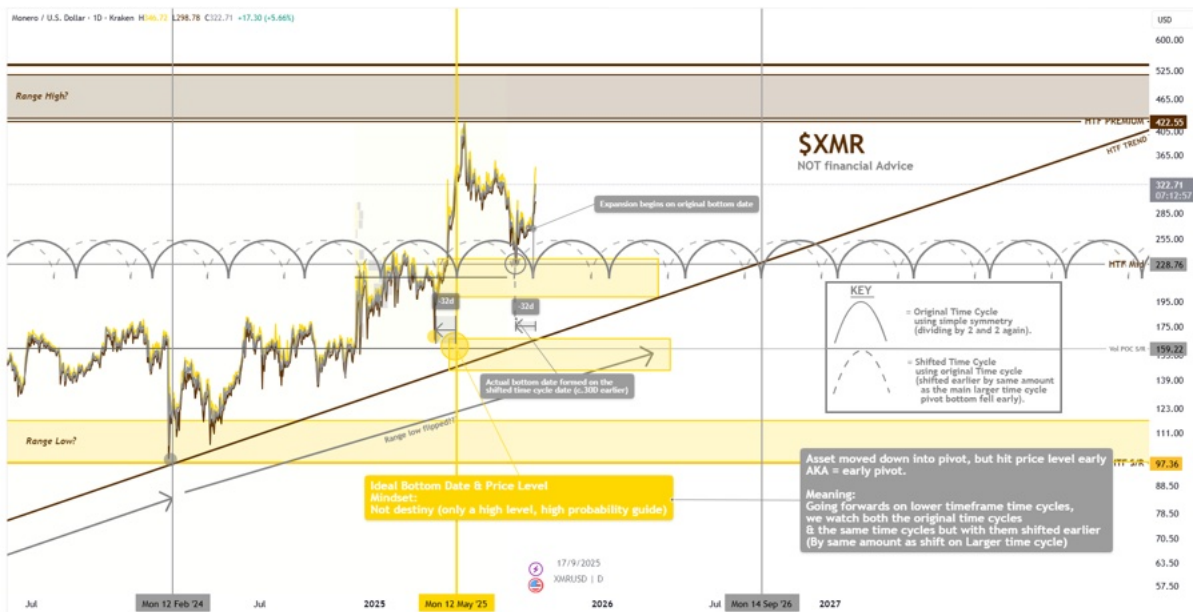


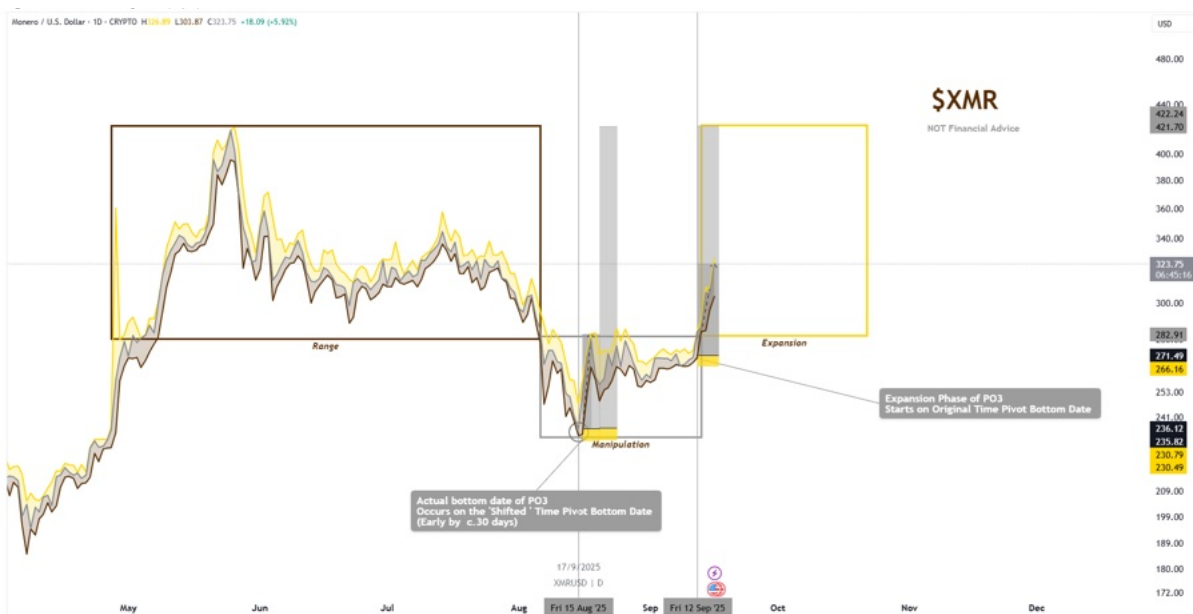
Image 3: Lower Time Frame Chart, Local PO3 Trade Setup

This example shows that when there is a fair amount of distance from the ideal pivot to the actual pivot date, we can use that data to shift the rhythm of our lower time frame cycles to expect an earlier pivot rhythm to echo through as well.

This does not mean we ignore the time cycle dates produced by the original HTF time cycles.

Q: Why keep the original time cycles if the pivot already shifted the rhythm?

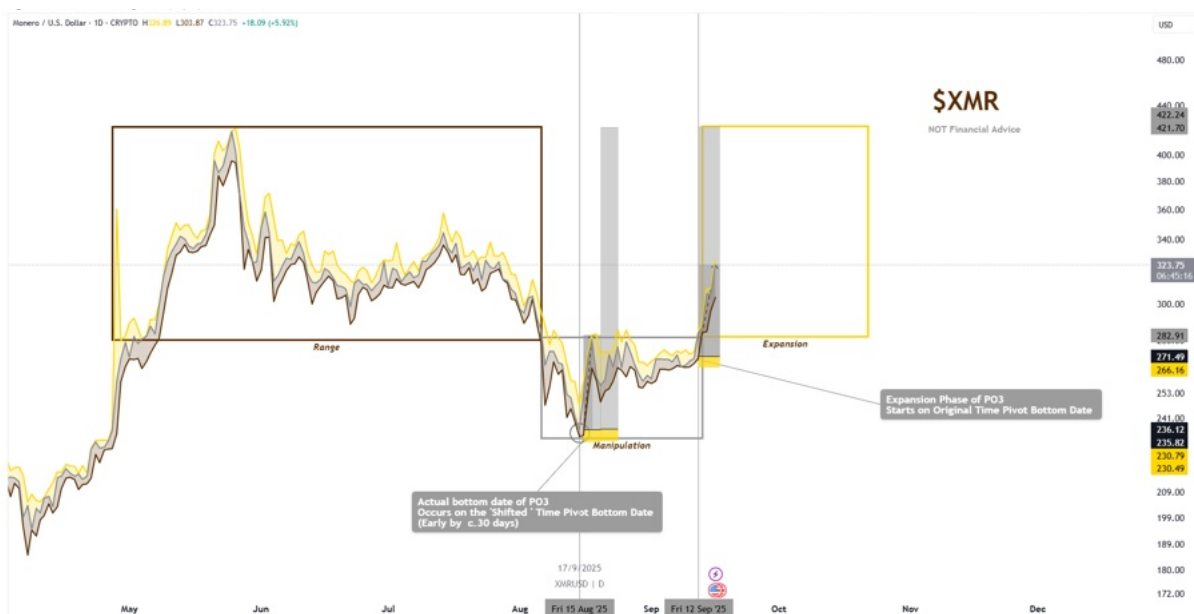
A: Because variation is temporary like a deviation from the mean - over longer periods of time the original 'mean' rhythm is more likely to show up again.



Train Analogy:

When taking a public transport bus or train, if the train is running early, it may be early to the next few train stops as well. **But**, after a while the train driver needs to stop at a train stop for longer, to allow the train schedule to return back to normal rhythm.

In this way, you can imagine that market makers can get excited and shift the pivots for a bit. However, after a while they need to get back on schedule so their friends can keep making profits too - if pivots keep shifting around, MM friends will be annoyed they keep missing the profit train. Even if you don't find this analogy funny, at least it should be helpful!



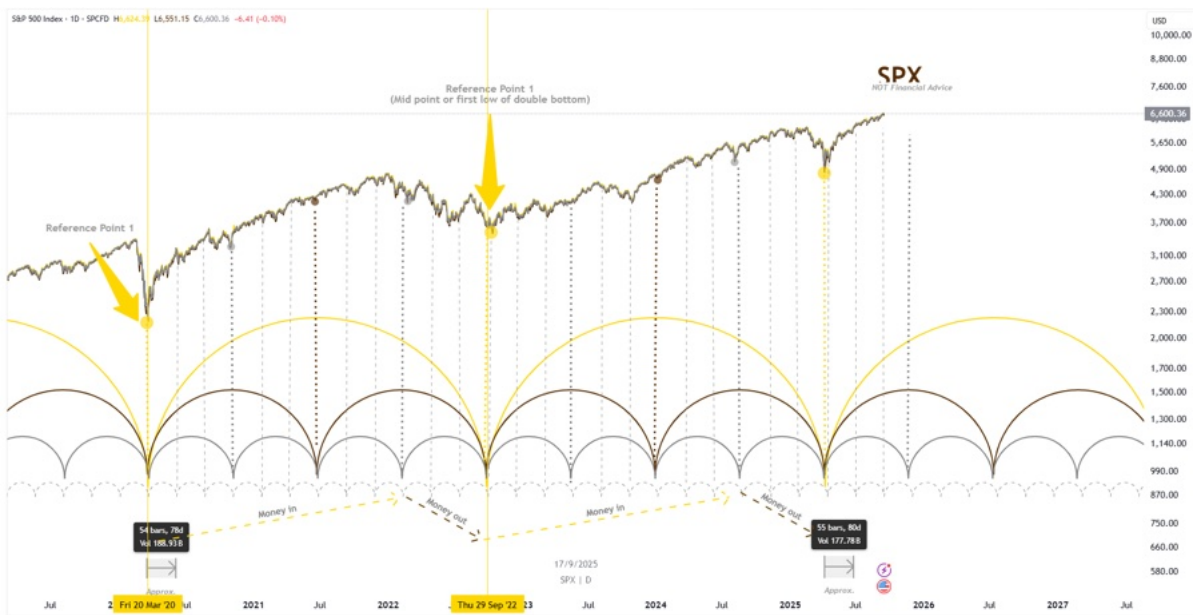
Example 4 - \$ZC

24 May, 2021, & 11 October, 2021 as Weekly Timeframe Pivot points.





Example 5 - SPX



Example 6 - \$ADA



Example 7 - SCCO (Southern Copper Corporation)

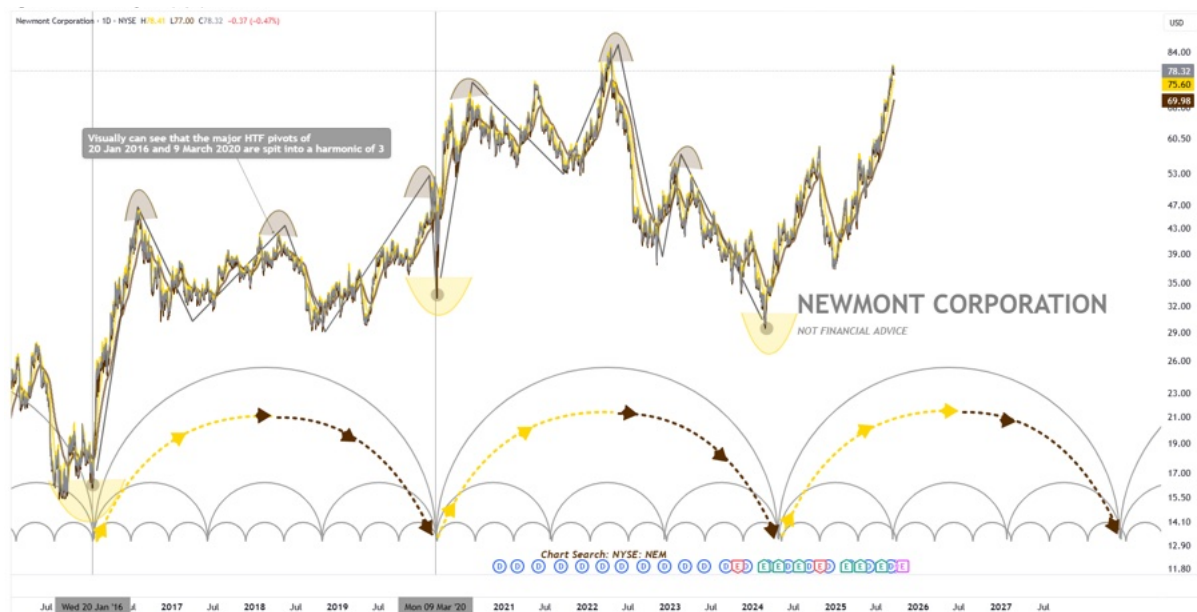
HTF Time Cycles can have a harmonic pattern where it is best to divide by 2, then divide by 3 (see below).



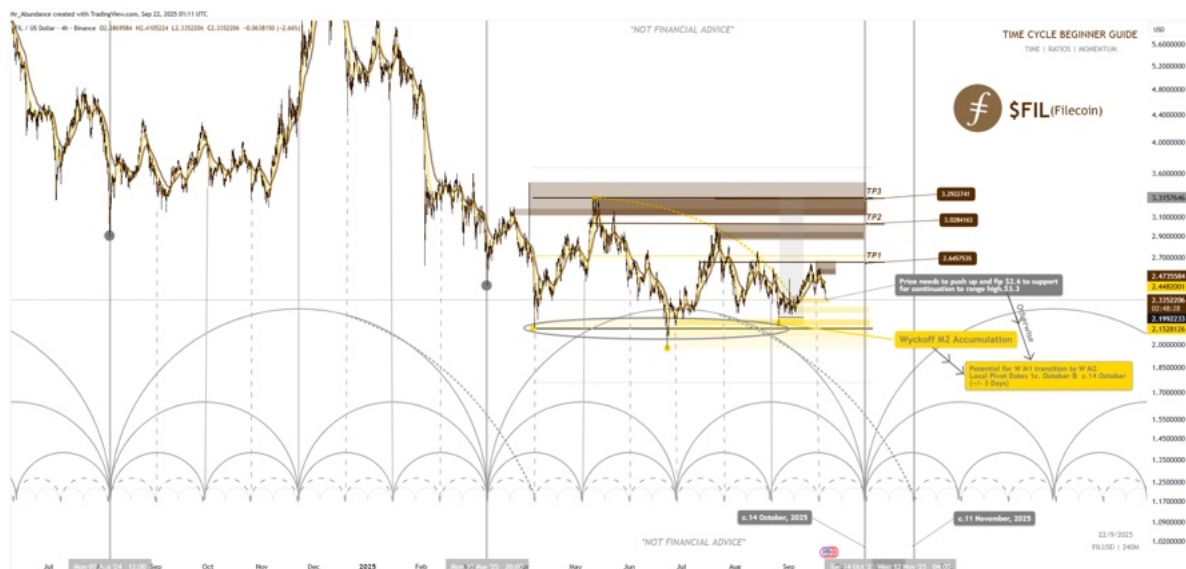
Example 8 - NEM

HTF time cycles are identified as the 2 major lows.

Then drawing the rough main price structure of movements between those two dates gives visual clarity that there is a harmonic pattern of 3.



Example 9 - \$FIL (Filecoin)



Example 10 - PLAT



Example 11 - USDT.D



Example 12 - \$SMG (Scott's Miracle Grow Company)



Example 13 - HIPO



Example 13 - LMND



Example 14 - ROOT



Example 15 - OSCR



Example 16 - UROY

Notice how the time cycle bottoms are mapping out the 3 taps for a 3-drive accumulation/ Wyckoff M1 Accumulation.

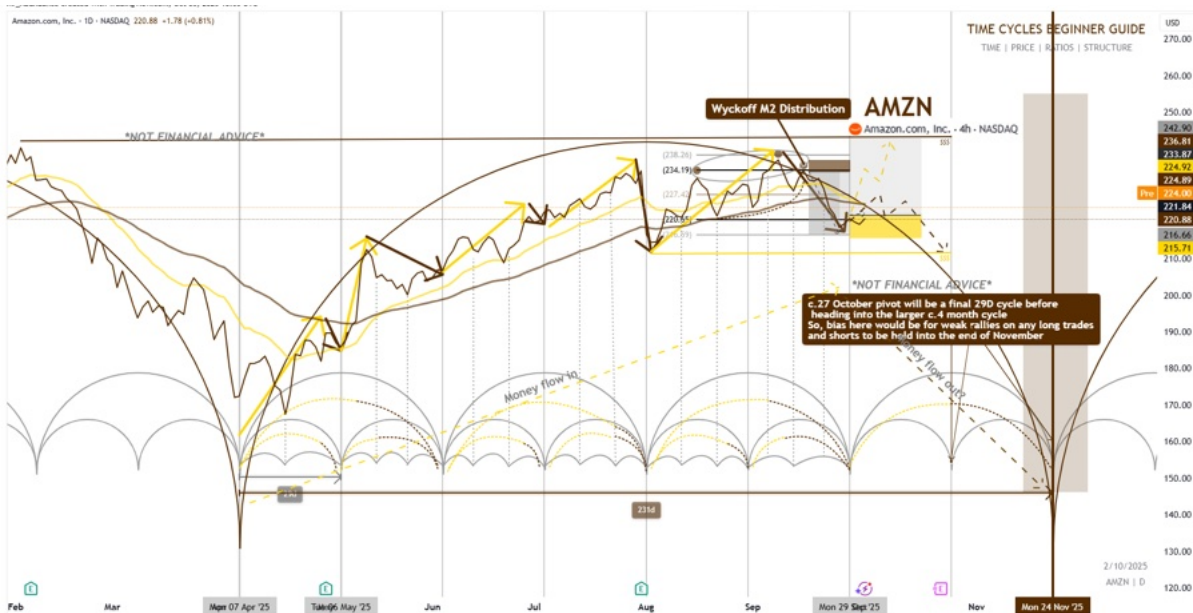
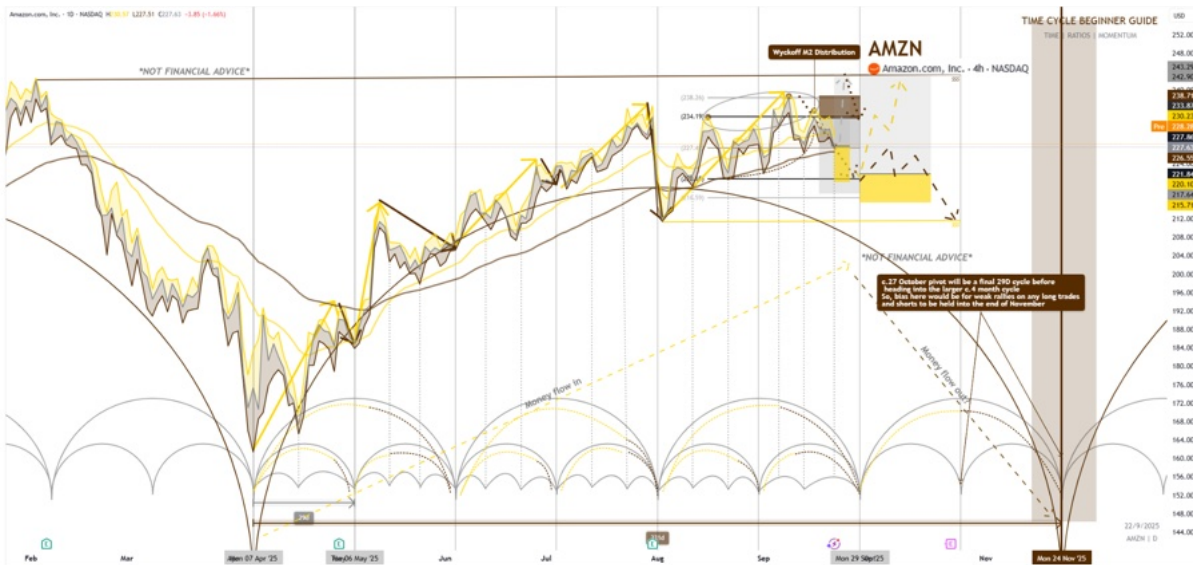


Example 17 - AMZN

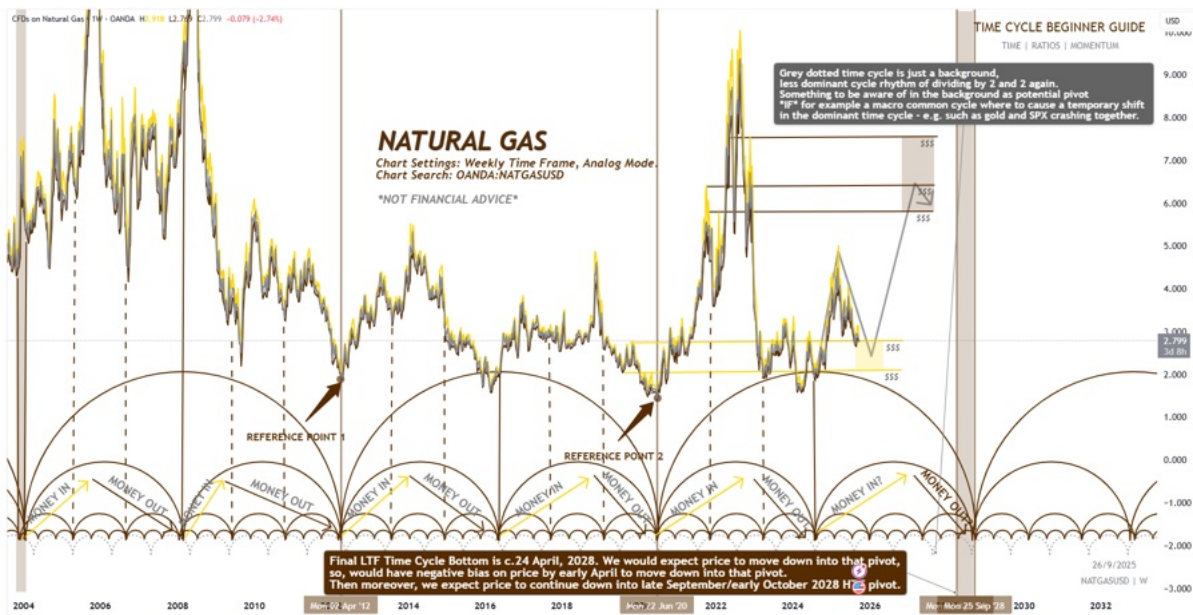
Here you can see how distribution patterns play out in synchronicity with time cycles, to hit the range low roughly in time for the bottom pivot.

Notice also that the harmonic ratio of 2 vs 3 sometimes fluctuates.

3 is more dominant, but 2 also exists and shows up more strongly now and again.



Example 18 - NATGAS



Example 19 - RIVN

High Time Frame Macro Pivot Reference Points from which we subdivide by 5 (5 is less common than 2 or 3 harmonic ratio pattern, but this fits best here).

How did we arrive at the 5 ratio? - use your eyes & experiment with 2 & 3 - it is not optimal.



We don't force harmonic patterns to fit, just like we don't force trades. It is rare but sometimes 5 will fit best.

Example 20 - ZAR / GBP (FX currency pair)



Example 21 - 1088 (Chinese Coal miner stock)

