

Using the Elliott Wave Principle (EWP), The monthly-candlestick chart for URTY shows an essential low in March 2020. Because URTY is 3x the Russell2000 (IWM) but did not start trading until early-2010, we need to apply the big-picture wave count of the IWM, see next page, to know where URTY began. Please note the many leading- and ending diagonal price structures, which are always very difficult to track and trade in real-time. They often reveal themselves only after the fact. What is important now is that URTY is, IMHO, either in (blue) primary-**V** of (pink) Cycle-**3** of (red) SuperCycle **III**, or it is "only" in (black) major-**5** of **III** of **3** of **III**. I prefer the latter, based on the Fibonacci-extensions for the IWM shown on the next page. Besides, note how powerful the current rally is, *i.e.*, overbought on the monthly RSI5 (90.88), which is typical for a 3rd wave (**III**). Also, the Money Flow (MFI14) is strong and suggests more upside after a pullback. That pullback (IV) should then set up the monthly chart with negative divergence to help usher in the next, much more significant, correction. **SC-IV** should fall back to the \$20s before **SC-V** kicks in.

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Now that the big picture has been established, I can zoom in to the intermediate timeframe to see if a weekly-timeframe-based EWP count matches the monthly and help explain if we are dealing with wave-5 III already wave-V. If they do not match, then something is wrong with the initial EWP analysis. But, in this case, it does match. I can find enough granularity even to label minor waves (green). The "5 vs. V" question can now be narrowed down to, "what is the price action since early February?". Was the recent all-time high wave-5 of III, or was it only wave-b of 4? What we do know is that URTY is holding its 20-week simple moving average (SMA), and for as long as it does, the intermediate-term trend (weeks to months) is up. The blue arrows show the preferred path going forward. But, if URTY is unable to hold above this year's lows (around \$85-90), then the red track kicks in. Note how the negative divergences on the weekly-based technical indicators (RSI5, MACD Histogram, FSTO, MFI14) foretold the recent correction URTY experienced.

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Lastly, the daily chart, used for shorter-term trading. The weekly and monthly can be applied for much longer investing time frames. Also, now, the daily-timeframe-based EWP count matches that of the weekly. Thus, with the daily matching the weekly, which matches the monthly, I am confident of the EWP count short- to long-term. Now I can identify (blue) nano-waves. The question remains if the major-4 wave was simple or a (proper) flat correction: red **a, b, c**. I prefer the latter as wave-II was simple and short, whereas 4th waves are often flats (complex). Regardless, with today's breakout I am confident wave-iii is underway to \$135-140 ideally (138-162% Fib-extension zone), followed by a wave-iv to ideally \$120-125 (76-100% Fib-extension zone) and then a final wave-v to ideally \$145-150 (176-200% Fib-extension zone). That will then complete III or V, with III preferred: Bearish summer, followed by a typical rally from October into early next year. Please note the very rare expanding leading diagonal wave-I: these are very difficult to track in real-time and will keep most Elliotticians wrong-footed for a long-time, i.e., often until wave-III is well underway.

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In conclusion: URTY is now, preferably in wave-**iii** of **5** of **III** of **3** of **III** and should target \$135-140 if last week's low holds. Ultimately, wave **III** should target \$145-150, ideally (based on standard Fib-extensions for 5th waves, albeit wave-extensions can never be excluded but can neither be known beforehand). A wave-**IV** should hold the \$85-90 zone before a wave-**V** can rally URTY one last time to new ATHs. Once **V** completes, I expect a multi-year Bear market. **III** should finish in the coming weeks, **IV** this fall, and **V** next year. If \$85-90 does not hold on to the subsequent correction, then wave-**IV** down to the \$20s is most likely already underway.

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