

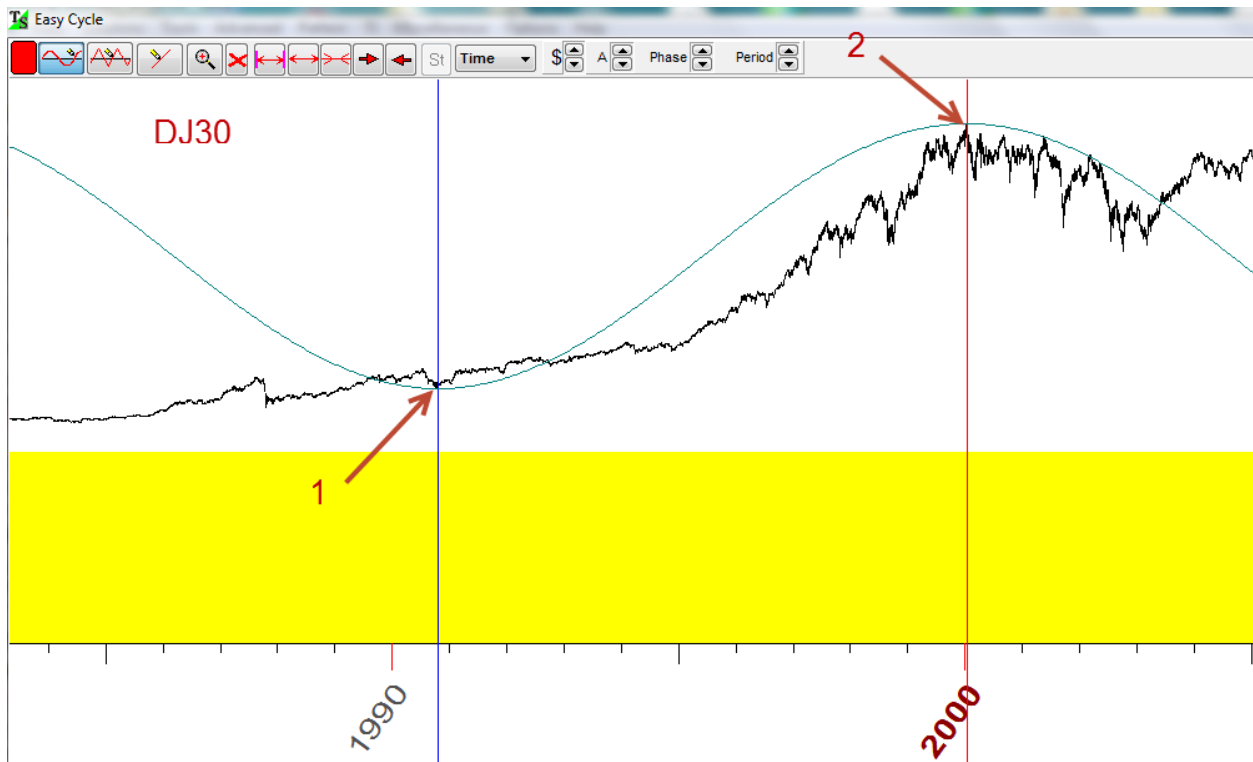
## Using Easy Cycles Module to Create Hurst Cycles

By Jim Ranum

The new and improved Easy Cycles module makes setting up and viewing relationships between cycles, especially Hurst style cycles, much quicker and easier to see. Hurst cycles are primarily related by divisions of  $\frac{1}{2}$  and sometimes  $\frac{1}{3}$ . Additionally, a “set” of Hurst cycles are usually all chosen to begin at a particular point in time, usually a market Low.

Hurst found a particular set of numbers for cycle periods to be most common:  
18 year, 9 year, 54 month, 18 month, 40 week, 20 week, 80 day, 40 day, 20 day, 10 day.

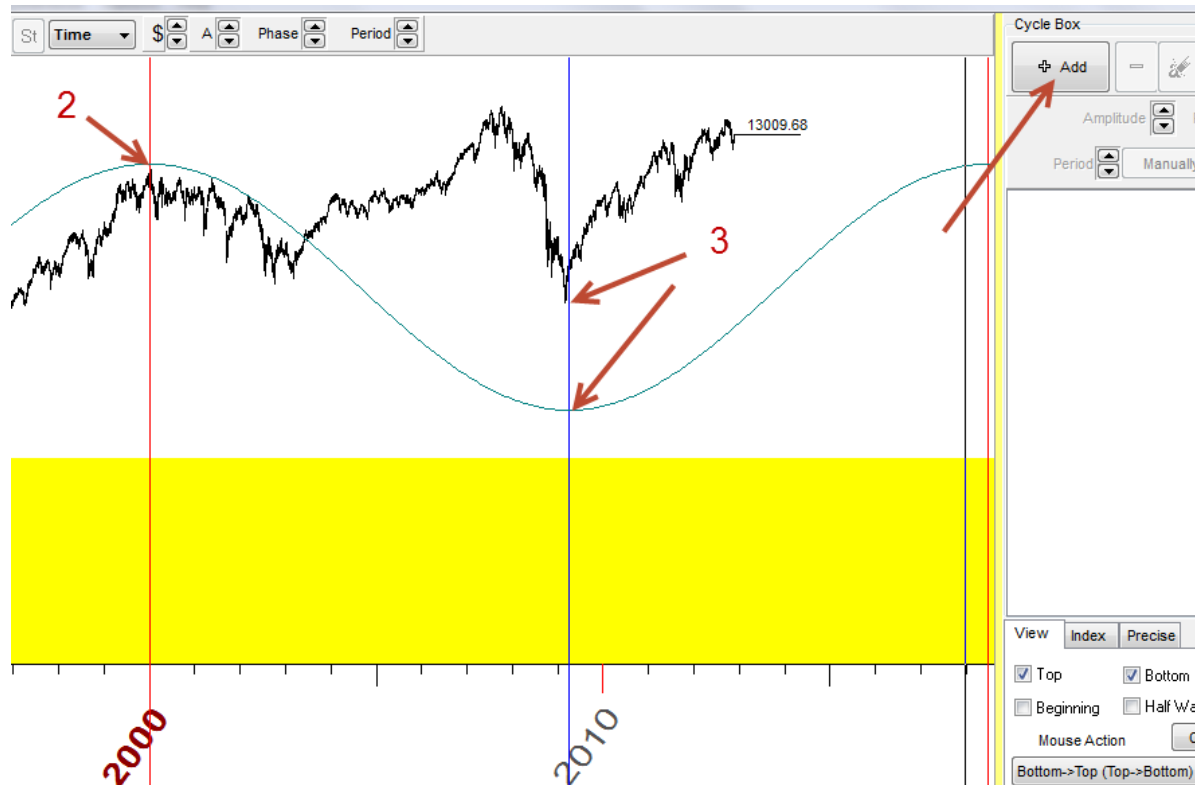
After opening the Easy Cycle module, the first step is to find a Low (or High), and select it and drag the mouse to a High (or Low). Since we are looking at Hurst cycles, I have picked a Low and High that closely approximate one of the common cycle lengths mentioned. If you select a cycle that ends up not looking very good, just start over and the previous one will disappear. It will only stay on the screen if/when you “Add” it, with the “+” sign button.



Another useful thing to look at when creating a cycle like this is, not just the peaks, but also how the price movement follows the curve of the cycle. In this case, price increases steadily upward to point 2 and then falls at a rate that is very close to the rate the cycle curve falls.

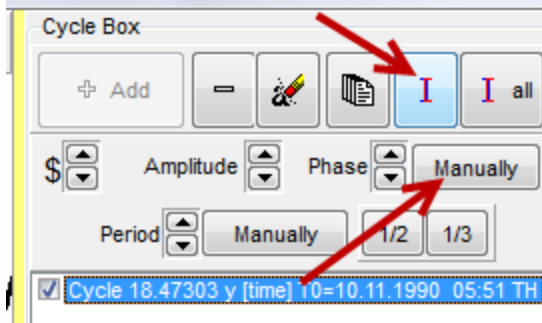
As we scan over in time to the right, we see just how accurate this cycle is. At point 3, precisely at the bottom of the Bear market move in 2009, the cycle bottoms out also. Pretty impressive. This appears to

be a very good cycle and so we will add it with the “+” button to begin drilling down to shorter cycle periods.

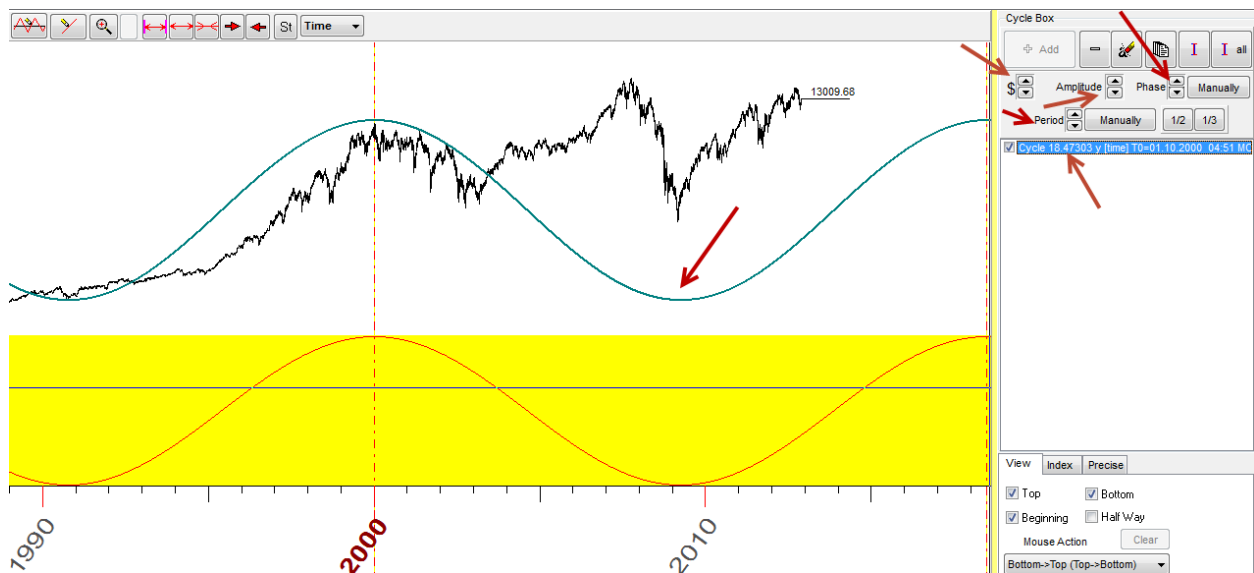


The cycle with its details is now shown in the list and when selected in the list, all the buttons become active, allowing you to adjust it. (Please refer to the class on Easy Cycle module for a complete description of all the buttons. [http://www.timingsolution.com/TS/Study/Easy\\_Cycle/](http://www.timingsolution.com/TS/Study/Easy_Cycle/) ) One of the buttons recently added is a Manual button for Phase and Period. These are particularly useful doing Hurst cycles, since you can precisely choose the beginning date for your “set” of cycles. In this case, our precise low is 10/11/1990:

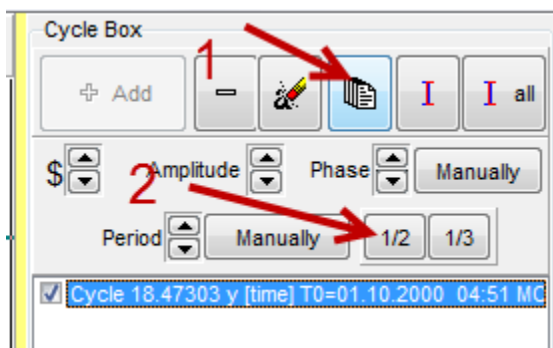
There is a trick to do this though, since the date that is being adjusted with the Manual Phase button is the end point you released the mouse at, Point 2 in the above screenshots. With a Hurst cycle, you want to anchor the beginning point at the Low, Point 1. You could drag the cycle over to begin with, from Point 2 to Point 1 and then adjust the date, but it is harder to form fit the cycle around price movement near Point 2 doing it that way. So to work around this, simply use the “Invert” button and then manually enter your Phase date. It shifts the cycle over, but all the proportions will remain accurate.



It's also useful to note that after a cycle is added, the vertical lines that helped you line it up, disappear. So if you want to do any screenshots for later reference, be sure to get them before you Add it.



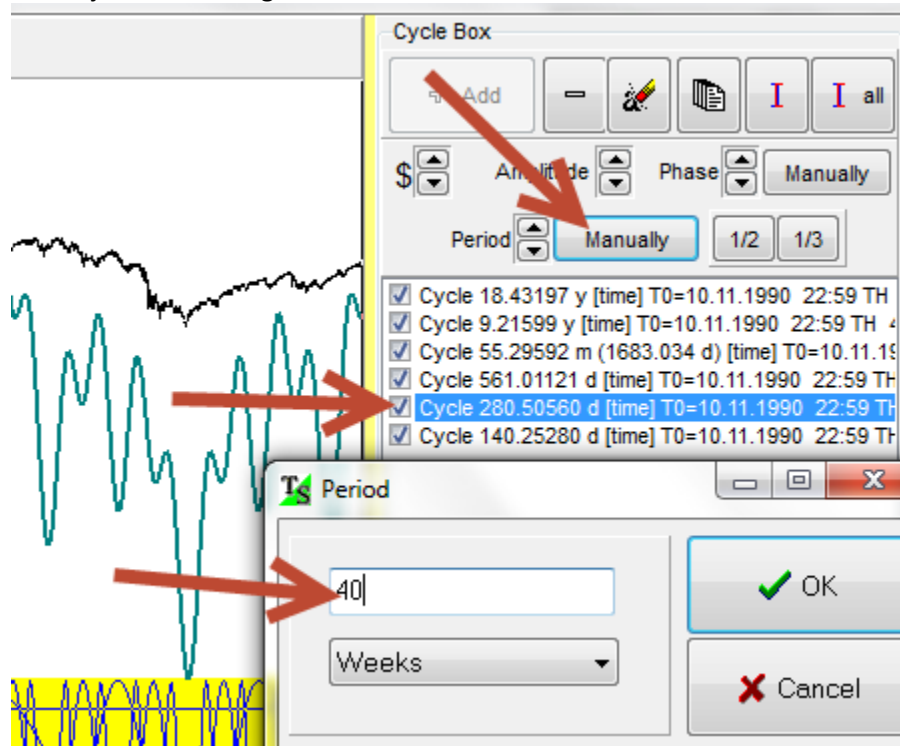
At this point, we can begin to rapidly add in the Hurst sub-cycles, simply using the buttons shown.



First, make a copy of the first cycle by using the Copy button. Then select the new cycle and use the "1/2" button. Instantly you now have your 18 year and your 9 year cycles. Repeat this process, making a copy of the 9 year cycle and using the "1/2" button again to get the 54 month cycle. Since Hurst then drops down to 18 months, the next step will be to copy the 54 month cycle and then use the "1/3" button.

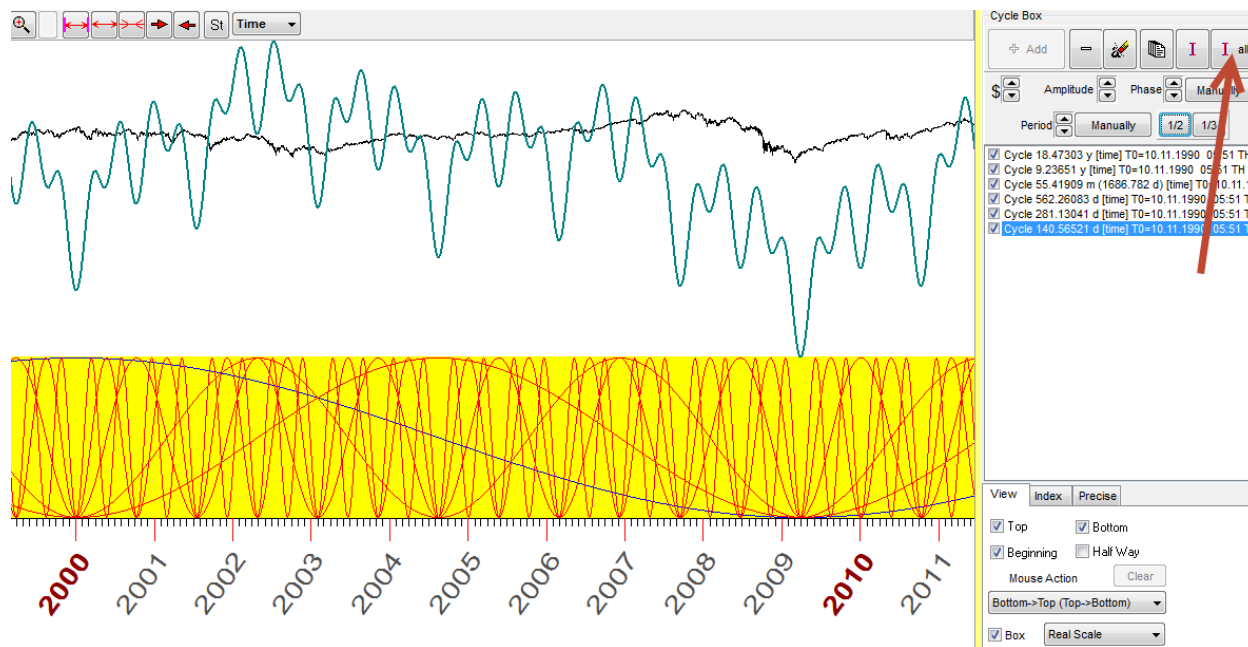
To create the last 2 cycles, the 40 week and 20 week, make a copy of the 18 month, use the “1/2” button and one more time, copy the 40 week and use the “1/2” button again.

You now have the majority of the Hurst cycles for a larger view of the market and the program automatically sums them up producing a composite plot on the upper screen. This composite plot is also displayed in the Main Price chart. The beauty of this methodology is all the cycles will be lined up on a specific date, which is a crucial component of Hurst Analysis. Although, Hurst does take liberties by rounding some values like the ½ of the 18 month cycle, which is 39 weeks, but Hurst calls it 40 weeks. Half of the 39 week cycle ends up 19.5 weeks vs. 20 weeks. It is possible to select these individual cycles and adjust them using the Manual Period button.



If you want to experiment with the difference between the 39 week cycle, (created by using the ½ button on the 18 month cycle) and the pure 40 week cycle, you have a couple options. Either select the 39 week cycle and use the Manual Period button, or make a copy of the 39 week cycle and adjust the copy to a 40 week period. Then you can toggle the check box for either cycle on and off and see the result on the composite plot. By using the “Copy” button in this way, the anchor date for all these cycles should still remain synched to the original cycle.

It is important to realize that these kinds of cycles are most useful for showing important points in time. Cycles will frequently “Invert” and therefore, it is very helpful to occasionally use the “Invert All” button to gain a different perspective. Peaks/reversals in the plot can be points where the market changes direction or accelerates in the same direction. Something should happen, not specifically what we want or expect.



Now that being said, let's take a short look at taking these Hurst cycles a little further, with the help of this Easy Cycles module. You can quickly and easily "deselect" one or more of the cycles above by unchecking the box(s). Look at how your composite plot changes.

Select specific cycles and Invert them to better match price movement for that cycle. By deselecting all but one or 2 cycles and looking at price movement in comparison to the normal and inverted views of that cycle, you can begin to see fascinating relationships between price and time for that market.

