**Hurst's Eight Principals of Cycle Analysis**

**The Principle of Cyclicality**
Price movements consist of a combination of specific waves and therefore exhibit cyclic characteristics

**The Principle of Commonality**
All equity (or forex or commodity) price movements have many elements in common. In other words similar classes of tradable instruments have price movements with much in common; Lows tend to be more in synch than highs. Using group analysis helps with ID of cycles.

**The Principle of Summation**
Price waves which combine to produce the price movement do so by a process of simple addition

**The Principle of Harmonicity**
The wavelengths of neighboring waves in the collection of cycles contributing to price movement are related by a small integer value. Longer cycles are multiples of shorter cycles. They are related to each other by harmonic vibrations – similar to music

**The Principle of Synchronicity**
Waves in price movement are phased so as to cause simultaneous troughs. This is also an aspect of the principal of Harmonicity; with troughs of longer cycle normally coincide with trough of the shorter cycles that are related.

**The Principle of Proportionality**
Waves in price movement have amplitude that is proportional to their wavelength. A 20-week cycle tends to move 2X as far as a 10-week related cycle.

**The Principle of Nominality**
A specific, nominal collection of harmonically related waves is common to all price movements. Hurst used the following nominal values which are average of cycle length.

**The Principle of Variation**
The previous principles represent strong tendencies, from which variation is to be expected. There is a deviation from the norm. They do not always move per ideal forecasts. Deviation from the norm should be expected.