Hurst Nominal Cycle Model

> Hurst's cycle theory states that the movement of financial market prices is the result of the combination of harmonically related cycles. Hurst recommended a collection of 11 cycles for daily analysis. These cycles are referred to as the **Nominal Model**.

He did extensive research and discovered 11 cycles ranging from 5 days to 18 years found in a large number of stocks. He published the average wavelength of each of these cycles in his Cycle Course.

Nominal cyclical model is actually the full name, but is simplified to Nominal Model for simplicity. Thus, for example, what we are often referring to is the nominal 20-week cycle, which means that we are discussing the cycle to which the name 20 weeks has been given. The cycle is not really 20 weeks long due to the dynamic nature of cycles. Cycles are not perfectly even. Cycles vary around their length, phase and amplitude over time. Therefore the use of additional techniques to deal with the principle of cycle variation, like Digital Signal Processing, are required.

The Hurst Nominal Cycle Model

Name (Nominal Cycle)	**Average length**	**Average length (days)**
5 day	4.3 days	4.3 days
10 day	8.5 days	8.5 days
20 day	17 days	17 days
40 day	34.1 days	34.1 days
80 day	68.2 days	68.2 days
20 week	19.48 weeks	136.4 days
40 week	38.97 weeks	272.8 days
18 month	17.93 months	545.6 days
54 month	53.77 months	1636.8 days
9 year	8.96 years	3272.6 days
18 year	17.93 years	6547.2 days

Source: Hurst Cycles Course

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