

## ORIGINAL PROPOSITIONS

Let's recall Eurusdd's original propositions and definitions:

1. If  $X_T(t)$  at any time  $t$  relative to Timeframe  $T$ , then almost surely, there exists positive integers  $h$  and  $k$  such that every price belonging to the set  $[X_T(t) - k, X_T(t) + k]$  is  $h(T)$  recurrent.
2. A price,  $X_T(t_0)$  is  $h(T)$  recurrent whenever  $X_T(t_0)$  is between the high and low of the bar in the timeframe  $T$ , then at least one of the previous or next  $h$  bars passes through  $X_T(t_0)$ .

## SIMPLIFIED DEFINITIONS

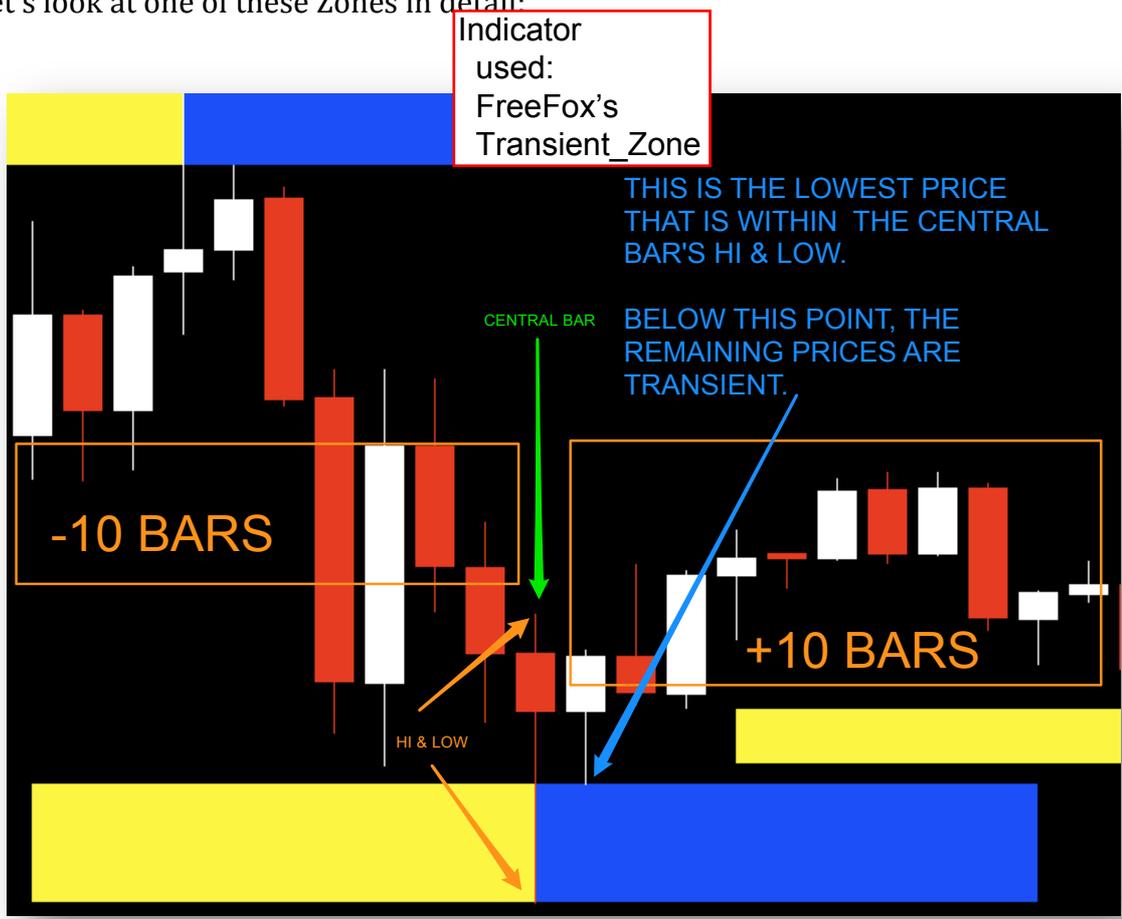
Let's translate the propositions above for this thread:

- The timeframe  $T$  is the timeframe of a Chart.
- The time  $t$  in a timeframe is represented by a price bar or candlestick
- The High and Low of a Bar creates the Zone.  
Let's call this the Central Bar.
- Recurrent Zone : Price Action will return to the price,  $X_T(t_0)$   
Transient Zone : Price Action will **not** return to the price,  $X_T(t_0)$
- Both Zones are formed within  $h$  bars, before and after the Central Bar.

Let's put these into a chart:

- $h$  is set to 10
- Timeframe is 1H
- The time and prices are chosen randomly
- Indicator used: FreeFox's *Transient\_Zone*

Let's look at one of these Zones in detail:



The Yellow/Blue Rectangle is a TRANSIENT ZONE. There was only one candle or time where the prices were not returned to at any other time within 10 bars, before or after, this is the CENTRAL BAR and is usually a top or bottom.