

ELLIOTT WAVE AND TECHNICAL ANALYSIS OF MSFT

MICROSOFT CORP.



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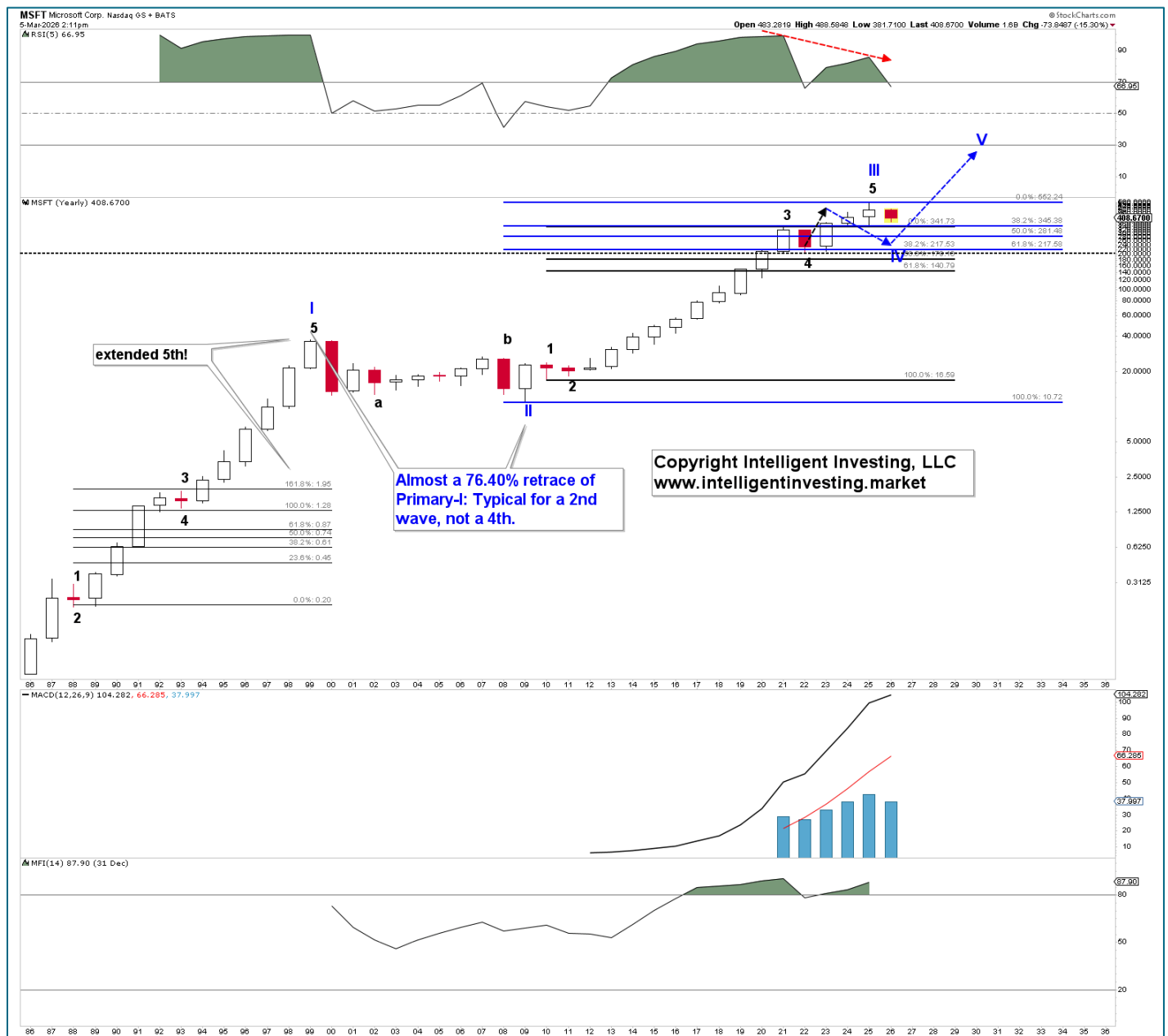
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LONG-TERM (YEARLY CHART)

The key to proper **Elliott Wave (EW)** counting is to start with the largest possible time frame (preferably yearly candles) and then zoom in. Why? Because the EW tracks mass sentiment, and yearly time frames capture that level entirely. Since MSFT began trading in 1986, there is ample data to start with the annual time frame. This provides us with a solid framework for a more detailed assessment as we narrow down the options. Note that for each time frame presented in this report, down (red) candles are part of corrective waves in uptrends, such as the 2nd and 4th waves, while up (open) candles represent corrective waves in a downtrend, such as B-waves. By applying this simple, objective, yet elegant method, we can determine that MSFT completed five Primary **I** in 1999, with a clean five-wave up over the prior 13 years. Primary **II** bottomed in 2009, and Primary **III** ended in 2025, subdividing into five major (black) waves. Therefore, we believe **W-IV** is underway and will subdivide into at least an **a-b-c** pattern, with **W-a** now completing.

Support is at \$205ish (black dotted horizontal line), and as long as MSFT remains above it, we can allow for much higher prices per the **P-V** going forward, with any pullback still to be viewed as a buying opportunity.

Note the negative divergence on the RSI15. Maximum strength is often at the 3rd of 3rd waves (**3** of **III**)!



INTERMEDIATE-TERM (MONTHLY CHART)

We can use the same approach on the monthly chart and count down years as part of corrective moves (2nd, 4th, and b-waves). Since 1999, this method has explained over 99% of all moves—an impressive track record. We observe that, consistent with the yearly chart, **W-III** topped, and **W-3** and **W-4** of **W-III** reached their peaks and troughs in 2021 and 2022, respectively. Additionally, the monthly RSI5 has now entered the low-risk buying zone. Every time the monthly RSI5 fell below 30 since 1999, significant rallies followed. Based on this, we believe **W-b** is about to begin, to about \$480-500, followed by the **W-c** lower.

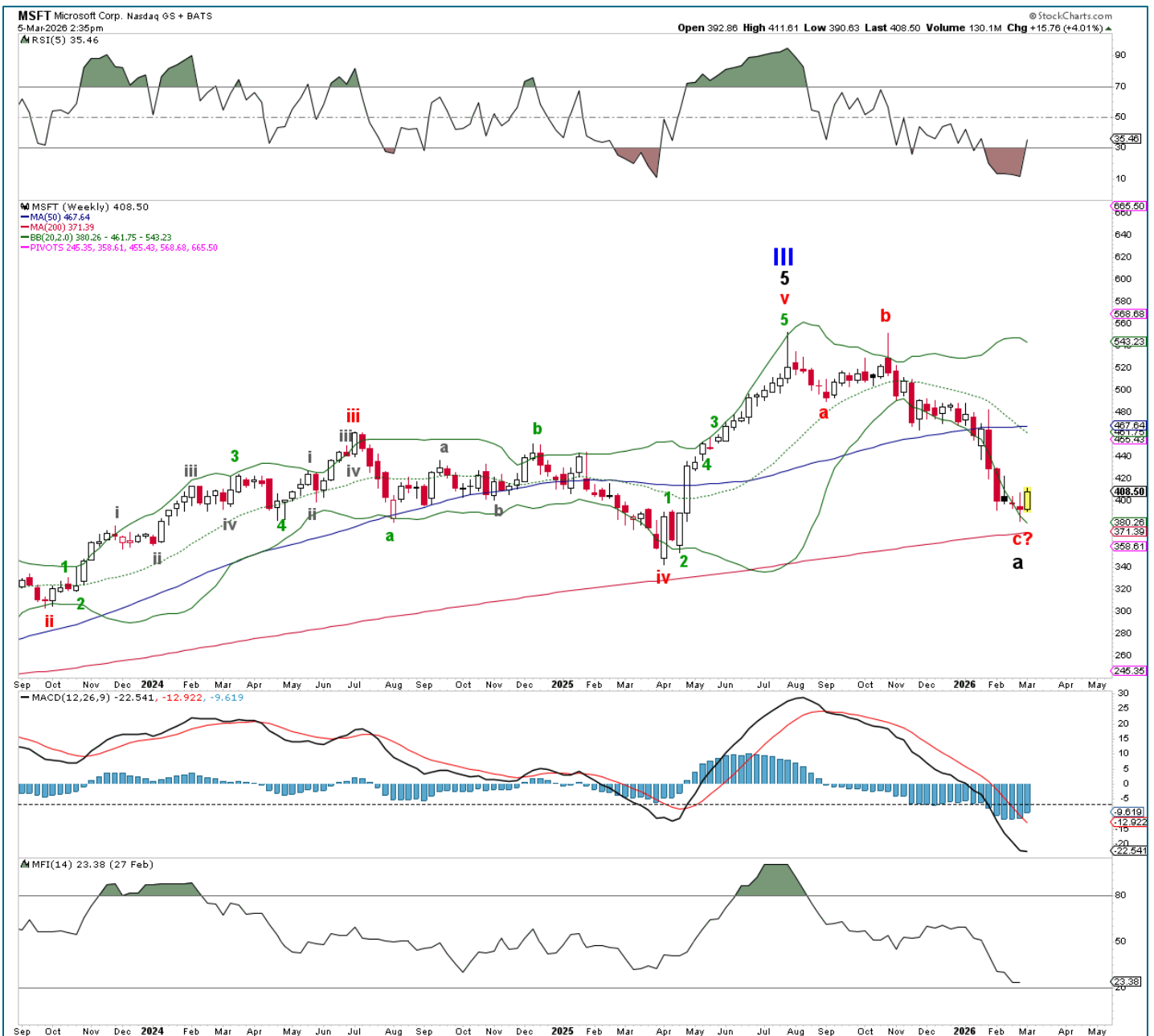
Contrary to the yearly chart, note the long-lasting negative divergence in RSI5 and Money Flow (MFI). Both indicate upcoming larger corrections. But clearly, it takes time. In the late 2010s, **W-3** was predicted, and in the early 2020s, **W-5**. Notice how liquidity completely vanished in 2024-2025. It drives markets, that is, buying power, and without it... prices go lower. However, the MFI is also near oversold, and once all the selling is finished, only buying remains. Lastly, fourth waves tend to bottom a bit above the level of the prior fourth wave at the one-degree lower. For example, compare **W-4** with **W-iv**. Therefore, the **W-IV** is expected to bottom out at around \$ 275 +/- \$25.



SHORT-TERM (WEEKLY CHART)

Now that we have established that UNH most likely topped for a **W-III** in 2024, the next step is to assess if the **W-IV** has completed yet. Note that 4th waves, like all corrections, always and at least subdivide into three waves: **a-b-c**. To that extent, we use the weekly chart. We find that UNH experienced five waves (**i, ii, iii, iv, v**) down from its 2024 ATH to its 2025 low: **W-a**. From that point, we can tentatively count five waves up for the red **W-a/i**, followed by, so far, three (green) waves down for the red **W-b/ii**, which stalled right at the 76.4% retracement of **W-a/i**. Classic. Note that the **W-a, b** scenario is preferred.

As such, we believe the **W-IV** is still unfolding and morphing into a zigzag. That is a 5-3-5 pattern. The first five waves have completed, and the three-waves-higher sequence is in progress. These three waves, the counter-trend move, tend to retrace ~62% of the prior decline in a zigzag. Thus, the **W-c/iii** can be projected to \$440-540, which aligns well with that ~62% level. From there, a zigzag-typical **c=a** decline targets approximately \$180, which in turn brings UNH's price close to the 3rd warning level of ~\$170 on the yearly chart.



CONCLUSION

By correctly applying the EW — i.e., starting big and zooming in — we have established across all time frames that MSFT completed a multi-decade-long 3rd wave. We find that upside to around \$480 (± 20) is preferred, followed by a severe correction to around \$275 (± 25) before the Bull (**P-V**) continues to new ATHs, likely \sim \$700 (± 50). MSFT's share price will have to make a new ATH without going below the 2025 low to tell us that the **W-V** is already in progress. However, we find this less likely. In fact, the **W-c** of **W-IV** will likely coincide with the 4th wave we're forecasting for the SP500 from April through September this year.

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