GANN MASTERS INTERNATIONAL

By Larry Jacobs

In three weeks Gann increased his capital over 1000% by short term trading the markets. He astounded the world by making 286 trades in various stocks, 264 of which made profits and 22 made losses. His accuracy in trading stocks and commodities throughout his lifetime was unbelievable.

Gann said their is nothing mysterious about my predictions. I use algebra and geometry and tell exactly by their theory of cycles where a certain thing is going to occur again.

Before Gann died in 1956 he said it had taken him 20 yeas of exhaustive study to learn the cause that produces effects.

In 1954 Gann made several courses available. His master course was $5,000, some $50,000 in today's money. Gann was acclaimed in many financial newspapers world wide including the Wall Street Journal, Financial World and the Financial Times of London. Before he died in 1956 Gann had made a fortune of over $50 million dollars.

A modern day organization has been formed to teach the trading methods of Gann. Halliker's, Inc., publishes of Trader's World Magazine, offers you the unique opportunity to reshape your trading, to add to it those necessary elements which makes for successful trading. The organization can help you find a successful method of trading, based on the rules of Gann, that will help each day of your trading become a satisfying experience.

You can now start sharing the advantages of being a member of Gann Masters International. Further, regardless of how many trading books you have read, what colleges or universities you may have attended - Gann Masters International offers you through their teachings a message of hope, fellowship

THE SYSTEM OF GUIDANCE

The lessons from Gann Masters International constitute a fascinating revelation of the mathematical mysteries of the markets. The lessons build into you the elements of confidence and success. Each lesson also takes into consideration the need for the acceleration of the awareness of the individual. It seeks to awaken his dormant ability and to develop his distinct powers rather than to cram his mind with useless trading techniques.

The student, in the privacy of his own home, is made to realize that he is comprehending and mastering the great trading methods of W.D. Gann himself, with other Gann traders, and a reliable, unique source of trading knowledge not available elsewhere.

Can you spare just a little time each week to study and learn the trading methods of W.D. Gann from our easy to understand lessons? If so, then you are well situated to obtain the many resulting benefits of being a member of Gann Masters International

HOW THE LESSONS ARE PREPARED

The management Gann Masters International decided that the Gann teachings for this remote, personal kind of training could not be put in book form like texts on accounting, which infrequently change. Any method for issuing the Gann teachings must be kept flexible. This is so that the new break throughs which our researches are consistently making - may be included that members may have the benefits which they make possible. Thus those teachings are issued in lesson form, four every month in the year. Their wording is in large, easy-to-read type. Suitable illustrations and charts are included with them whenever it is necessary to make a subject especially clear No outlay is spared by the staff of Halliker's to assure that the student is getting the maximum from his lesson.

NO COLLEGE EDUCATION NECESSARY

Anyone able to read and comprehend his daily newspaper would be able to understand the remarkable mathematical trading facts which these lessons contain. The lessons are not written in veiled language as many of the books and courses of W.D. Gann are. The mastery of any subject is shown by explaining it as clearly as possible, and in this, the lessons excel.

ARRANGED IN EASY STEPS

The member is presented to each topic in its order. Gradually and simply, an important factor, the clarification of a mystery, vital knowledge, or a bit of material merges into another. The student is not driven into a maze of terms and phrases which he cannot understand and which annoy and fatigue him. The lessons are organized by degrees and grades, each following in its proper order. The lessons are mailed to the student by fist-class mail.

MASTERS

POWER

VISION

KNOWLEDGE

SOME OF THE FASCINATING SUBJECTS TAUGHT

Below are indicated but a few of hundreds of engrossing subjects taught and thoroughly explained as part of the Gann Masters International system of guidance. The limits of room herein make it impossible to list more of these topics of truth which will be extended to you as easily manageable lessons. The subjects shown are all included in the Gann teachings, but they are presented to the member in a different order from that listed here.

How to construct proper charts, Different chart base numbers, Master overlays, Table charts, Mathematical trading squares, Major and minor trends, Reversal days, Swing charts, Resistance and support levels, Division points, Projection of time and price, Important time periods v Geometric angles, Pattern charts, Parallel angles, Percentage moves, Squaring tops and bottoms to Seasonal forecasting, Gaps, Space movement, How to protect profits, Hope and fear and Mental attunement.

LITTLE TIME REQUIRED

You will be required to devote only one to two hours once a week to obtain the essential value from the lessons. During the rest of the week, while walking, watching TV, or even working, you will find that, without hindrance with your affairs, you can mentally visualize some of the ideas you read. In fact, you can use them frequently in own trading.

YOUR STUDY ROOM AT HOME

We suggest that you create " Your Home Study Corner" in your home as your study area. This can be a separate room or a part of your sleeping room that is free from noise. You select one night a week - any night will suffice and that becomes your Study Night. At that time you review and contemplate the marvelous disclosures which are included in your lessons.

SIMPLE EXPERIMENTS

There is nothing that establishes confidence in trading as a fact or principle of nature like being able to test it personally and prove it to yourself that it works. True knowledge is experience, for your never truly know a thing until you experience it. You are given some simple little experiment which you can perform to prove to yourself the accuracy of the statements made. These experiments may require technical bar charts which will be supplied to you for the experiment. As these laws of mathematics and geometry perform at your command, you immediately begin to sense a new-found power, and you know you are on the path to the mastery of Gann.

SIGNS OF RECOGNITION

You will receive a student ID card confirming that you are a member of Gann Masters International. There are three different levels of recognition. The Certified Gann Trader, The Advanced Gann Trader and The Master Gann Trader. If you successfully complete your first year of study you will receive the fist level of recognition, and be a Certified Gann Trader, after your second year of study you will receive the Advanced Gann Trader recognition level and after four yeas of study you will receive the Master Gann Trader recognition level.

FASCINATING MONTHLY NEWSLETTER

Gann Today™, the official publication of Gann Masters International, is issued free to each member each month as one of your many privileges. It is a leading periodical for self-improvement of trading by the methods of W.D. Gann. It contains well-written, simply presented articles which contain useful facts, which you, regardless of your Gann trading level, can apply with much benefit to your trading.

PERSONAL ATTENTION

A process for determining your personal progress and understanding throughout the degrees or grades of Gann Masters International has been established. Regular, simple examinations will be given to you and, buy their results, ways and means of further aiding you in your use of the teachings of Gann are then prepared. By these tests Gann Masters

International will be acquainted with your needs and requirements and thus be able to extend you any special services within its province.

INTIMATE ASSOCIATION AND CLOSED SESSION SEMINARS

As a member of Gann Masters International, you will be associated with an organization devoted to your personal trading development through utilizing little-known natural laws of algebra and geometry used by W. D. Gann. You will become united in thought and purpose with individual students throughout the world. This school with those of like mind, with its exchange of ideas, is a valuable benefit, for it causes us to grow inwardly and in accomplishment as we become stronger mathematical traders of the markets.

You will also have the opportunity of personal association with other students when you have reached a certain stage in the teachings of Gann through correspondence with other members and through closed session seminars. These seminars will be unique and will allow for an open exchange and discussion of many of the important Gann trading techniques that may not fully be understood by individual members Also at the closed seminar, each member is required to present some new Gann trading technique to the group. The information presented by the attending members during the closed sessions is for the attendees personal use and it can’t be revealed to anyone outside of the group. To attend these seminars the member must have passed the necessary tests for qualification. This is to insure attendees are near the same level of knowledge.

A PERSONAL INVITATION WE INVITE YOU TO BECOME A MEMBER OF GANN MASTERS INTERNATIONAL

Unite with Gann Masters International in their fascinating research and investigation into the universal laws of the markets. As a member of Gann Masters International, you would receive four lessons monthly, the monthly newsletter Gann TodAy™, and such other student credentials, records, forms and privileges as accompany an organization of this scope. These benefits would continue for as long as you maintain current paid tuition status and express a desire to study and learn the mathematics of the markets.

Please read the confidential application carefully, If you would like to join Gann Masters International, fill in all the information requested, and return it to us, along with the registration fee of $30 and the first quarter’s, 3 months, dues of $60. All questions must be answered completely (quarterly tuition payments must reach us one week prior to the quarter for which the tuition is being paid.)

Once your application has reached us, it will be reviewed by us. If you are accepted as a member, Gann Masters International will send your fist packet of study materials, If you are not satisfied with the lessons you receive, you can cancel your membership at any time and receive the unused portion of your dues. We look forward to hearing from you.

Acknowledgement should reach you within three weeks or less. If your application is rejected for any reason whatsoever, your remittance will be returned to you with a frank explanation. The lesson materials sent to you from Gann Masters International will always remain the property of Halliker’s, Inc. and are: only loaned to students. If you are accepted as a member to Gann Masters International you must keep confidential all reading matter and lessons sent to you.

ADDITIONAL STUDY MATERIAL

The following courses and books written by W.D. Gann are recommended as a supplement to your lessons from Gann Masters International. They can be obtained from the Halliker's catalog section in this magazine, credit card orders call 1-800-288-GANN or from Nikki Jones at the Lambert Gann Publishing Company:

How to Make Profits in Commodities,
45 Years in Wall Street Written in 1945,
Tunnel thru the Air,
The Gann Commodity Course,
The WD. Gann Stock Market Course,
The Magic Word, Wall Street Stock Selector Companion To Truth Of The Stock Tape

Other Gann material is also available in the Halliker's catalog including Bill McLaren's Gann Made Easy and his recent book Advanced Trading Techniques for the Price/7ime Calculator, which also includes the Gann Time and Price calculator.

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The Future Course of the U.S. Stock Market An Elliott Wave Perspective

By Glenn Neely

THE GROUND WORK: What Does the Theory Furnish the Technician? The Elliott Wave Theory furnishes a framework within which to organize a market's price action into specific formations over any time period. All market action under the Wave Theory breaks down into two major categories:

1. Action with the larger trend.
2. Action against the larger trend.

1. The majority of price movement in the direction of the trend will be constructed of five smaller phases or segments (see Figure la). Broadly speaking, this type of price action is defined as Impulsive (in nature). If a pattern on the largest scale possible is Impulsive, it cannot be completely retraced until at least one more comparable Impulse wave (in the same direction as the first) is completed.

2. Price action that moves in the opposite direction of the next larger trend is usually constructed of three smaller segments (see Figure lb). This type of action is classified as Corrective (in nature). When price action is correctively constructed, future price action will usually retrace the Correction completely.

DYNAMIC CONCEPTS

History demonstrates that man's progress is dynamic and logarithmic, not static or linear. Look at the historical,

Logarithmic chart on the U.S. stock market dating back to 1789 (see Figure 2, courtesy Foundation for the Study of Cycles). Sometimes advances occur in spurts, followed by consolidation phases that last for long periods of time. Then again, occasionally the reverse happens. This reveals the market's dynamic behavior. The relatively consistent advance on a log scale for the last 200-plus years demonstrates the logarithmic nature of economic progress.

PRICE ACTION LIMITATIONS

Elliott Wave price patterns force the analyst into specific conclusions. The conclusions are not based on emotion or opinion, but are forced upon the analyst through objective and detailed study. Predictions are derived from the highest probability outcome founded on historical precedent. When applied correctly, the Theory can help the analyst produce short- and long-term forecasts which are, occasionally, pinpoint accurate.

THE ANALYSIS: Implications of the Long Term Data

A quick overview of the long-term price activity (Figure 2) immediately brings to bear one important fact. The start of the advance, which has been in progress for at least 200 years, cannot be coincident with the beginning of the cur-rently available long-term data series. Remember, the Wave Theory is a natural law of progression. Its reflections of societal development are present whether someone is around to register them or not. It is only logical to assume that the recording of data would not necessarily coincide with the advent of a multi-century advance.

DETERMINING AN HISTORICAL LOW FOR THE LONG-TERM DATA SERIES

The data we are working with starts in 1789. Obviously, this country was inhabited and growing before that time, so there was economic activity taking place, albeit unrecorded. A quick glance at the start of the data series reveals that the price action was initially drifting sideways for several decades. This is not the way a trend (Impulsive action) begins. The commencement

of a trend (under the Wave Theory) must begin with Figure 1

Impulsive action—action that is only minimally retraced by later activity. You can see that the market drifted back and forth many times before finally advancing in the early 1800s. This implies the 20-plus-year consolidation must have been a Corrective phase following an Impulse (trending) pattern.

Methodically administering a host of subtle Elliott Wave techniques, I deduced that the best point of inception for the last 200-plus year advance was 030 (iR., 30 cents). The market was most likely at that level around the year 1765 + 10 years. The following observations helped me to arrive at the above conclusions:

1. For the last 200-plus years, the U.S. economy (based on stock market averages) has been advancing at a great clip (approx. 100,000% since the of fiscal projected low around 2.51 in 1789). Based on this evidence, it is safe to assume that the U.S. stock market has been in a trending pattern (Impulsion) since that time or before. According to R.N. Elliott, an Impulse wave should contain an Extension (one advance that is significantly longer than the other advances). Since 1789, there has not been an Extended wave (see Figure 2); the second and third advance are about equal, and the first advance is much smaller. This is a pivotal observation. If the nature of the advance since the 1700s is to be considered Impulsive, there must eventually be one advancing wave that is substantially longer than the others. Resting solely on that fact, it is imperative to assume the multi-century economic expansion, probably beginning with the colonization of North America, has not ended.

2. The large middle section (second advance) of the last 200-year advance (1860 to 1929) is Corrective in nature. Impulse patterns are known for their acceleration phases. These usually occur toward the center of the longest wave. It is immediately evident that the advance from 1860 to the high in 1929 does not exhibit any such acceleration phase toward its center. Actually, the reverse is true; the second advance consolidates toward its center (see Figure 2). This is basically impossible in an Impulse pattern.

3. From 1940 to 1960, the U.S. experienced the largest, most persistent, least retraced stock market advance in recorded history (see Figure 2). If a market starts to increase its rate of acceleration after prolonged periods of slower action (relatively speaking), it is an excellent indication that an Extended wave is getting underway. The strongest argument for an extension

beginning in 1949 is the gradually increasing market volume over the last forty years as the market continues to make new highs. Volume, as a rule, increases toward the center of an Extended wave, especially if that extension is a third wave.

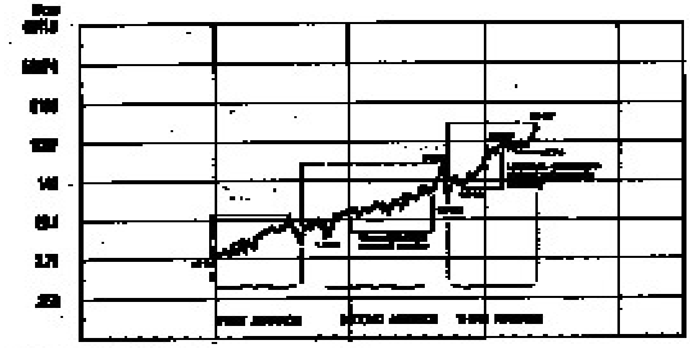
4. A base trend line can aid in the identification of Corrective patterns of the same degree (i.e., patterns within the same Elliott formation). When employing this technique on the available data (see Figure 4), the trend line runs across the low in 1860 and 1932. There is no doubt that a Flat pattern (with a C-wave failure), starting in 1835, concluded at the low in 1860. That Flat pattern contained the typical three segments common to most corrections. The complexity of the Flat correction is far too great to be directly relatable to the virtually vertical decline which started in 1929 and finished in 1932. If the two points identified by the trend line are to have any relation, the Corrective period after 1929 must have been more complex and time consuming than is immediately apparent. During Elliott's lifetime, he interpreted the price action from 1929 to about 1949 as a 21-year contraction phase (a Triangle, using Elliott's terminology; see Figure 4). Once a 21-year Triangle is included in the price structure, there is better time corroboration between the two corrective phases along the base trend line (i.e., a 25-year Flat Correction from 1835 to 1860, and a 21-year Triangle).

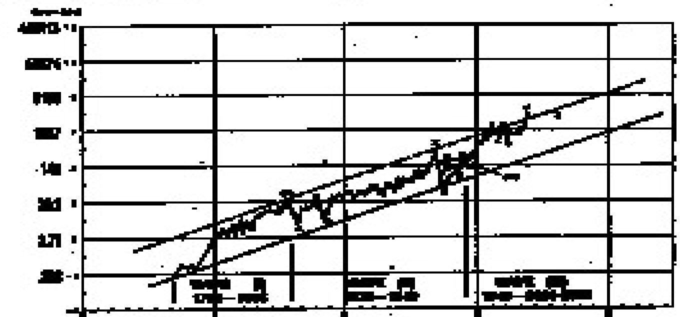
THE LONG-TERM WAVE COUNT

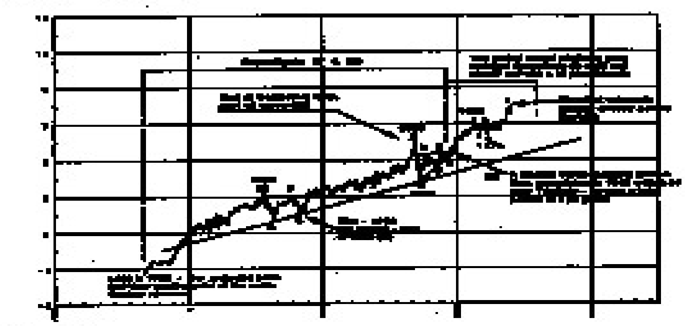
The previous analysis enabled me to determine that the historical starting point for the U.S. stock market was most likely 30 cents in 1765 (+ 10 years) ! From this it was possible to place a long-term wave count on the historical data series. The results displayed in Figure 3 (p. 219) are:

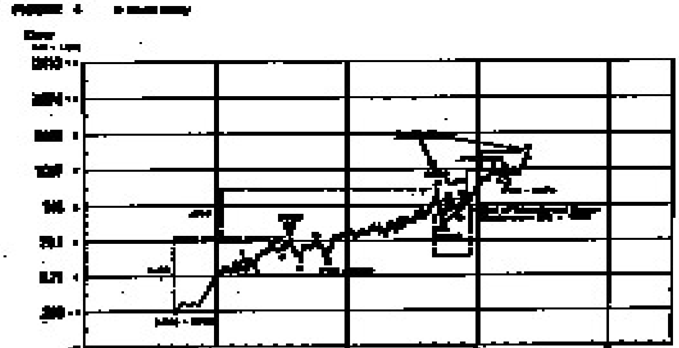
Wave (I) 1765 to 1835
Wave (II) 1835 to 1949
Wave (III) 1949 to 2020-2060

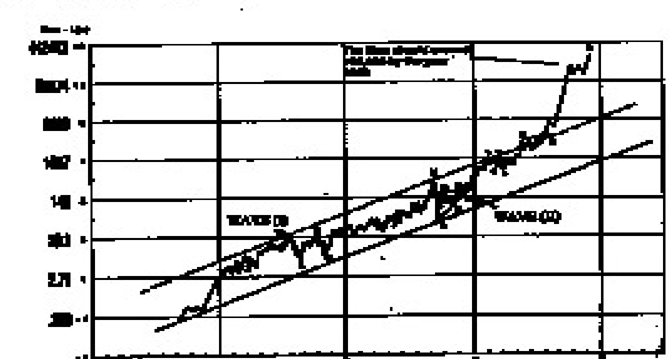
The following analysis details the place-











ment of the above wave count:

1. With a starting level of 030 (around 1765) established, the advance to 1835 now becomes a very clear Impulse pattern with a long (extended) first wave (see Figure 4). The 1835 high would be labeled wave (I) of SuperCycle degree.

2. It has already been decided that there was a Flat correction from 1835 to 1860, which was part of SuperCycle wave (II); and that the advance from 1860 to 1929, based on the highest probabilities, was corrective in nature. If that rally had been Impulsive, the low in 1860 would have been the end of wave (II) of SuperCycle degree. Since the advance is Corrective, the rally from 1860 to 1929 must also be part of SuperCycle wave (11) (see Figure 4).

When a second wave contains a Corrective advance of that magnitude (1860-1929), the second advance must be some variation of Running Correction. The most common form of Running Correction is the Double Three. A Double Three typically concludes with a Non-Limiting Triangle. This provides a perfect explanation for the 21-year Triangle between 1929 and 1949 that Elliott described. That Triangle terminated a 115 year corrective phase which finalized SuperCycle wave (11) (beginning in 1835; see Figure 4).

3. Wave-3 started in 1949 and is still unfolding. The powerful implications of a second-wave Running' Correction guarantee that the third wave will be the longest wave of this multi-century advance. When the third wave is the longest wave of a pattern, it will generally subdivide more than wave-l or wave-S. As this subdivision occurs, a smaller five-wave move (Impulse pattern) will become evident within the third wave. Inside this larger third wave, wave-l and 2 will usually mimic the price action of the larger first and second wave. (In this case, the larger first wave begins approximately 1765, and the second wave ends in 1949.) Applying this concept, we can anticipate that the advance from 1949 to some future date will look similar to the price action from 1765 to 1949 (see Figure 4).

From 1949, an Impulse wave is present that concludes at the high in 1966. That high is wave-l of Cycle degree. The sideward action from 1966 until 1974 would complete a three phase Flat correction. It was from the 1974 low that the latest “bull market” began in stocks. Once again, just like the period from 1860 to 1929, the 1980s “bull” market was Corrective in nature (see Figure 5). In addition, all of the action since the high in 1987 is unfolding into Corrective patterns.

The remarkable parallelism between Supercycle wave (I) and (II) and the latest Cycle wave-l and wave-2 (Cycle 2 is still unfolding) cannot be discarded. These additional conclusions can be derived from the growing evidence:

1. When measured from the low in 1932 (approximately 55.00), Cycle wave-l and SuperCycle wave (I) (ending 1035) relate to each other by 61.8% in price and time. This development is very interesting when it is considered that the historical prediction for the time and price beginning of the 200-plus year advance was concluded independently of this fact.
2. The corrections that follow the larger and the smaller first waves are both Flat corrections.
3. The two large corrective advances, one from 1860 to 1929 and the other from 1974 to 1987(?) are both Double Zigzag patterns (see Figure 5). Since the larger advance from 1860 was a Cycle degree X-wave, it is logical to assume that the pattern from 1974 to 1987 would be an Xwave of Primary degree (one degree lower than Cycle). As in 1929, the 1987 high is only part of a larger second wave.
4. Implementing the 61.8% ratio again, this time to the 21year Triangle, we can assume that a 13-year contraction started October 1987 (21 x .618).

5. The maximum extent of the correction, which began in October 1987, is limited to the 1932 percentage retracement of the previous Cycle X-wave (1860-1929). That retracement value was about 50%. Taking 50% of the advance from 1974 to 1987, a level of approximately 1640 is indicated on the Dow. Since the low the day after the 1987 crash was 1706 (very close to 1640), there is good reason to believe that the 1987 crash low is the corollary to the 1932 bottom. It cannot be ruled out that the crash low may be exceeded. If so, it should not be broken by more than about 100 Dow points.

6. Measuring the advance for SuperCycle wave (1), calculating 61.8 %, and adding that amount to the end of SuperCycle wave (I), you arrive at precisely the 1929 top (see Figure 5). This is a very typical stopping point for an Xwave in a Double-Three Running Correction. Checking the length of Cycle wave-l (1949 to 1966), multiplying by the fraction .618, and adding that amount to the top of Cycle 1 puts you exactly at the 1987 high.

The fact that multiple measurements, when applied to wave segments of one lower degree, produce the same results is beyond coincidence. There is no doubt that Cycle wave-I and wave-2 are, so far, mimicking the action of SuperCycle waves (I) and (II).

CONCLUSIONS

The inherent power of a IIS-year “Running Double-Three Correction” (SuperCycle wave (II), 1949) has astounding implications for the future. This allows us to arrive at a resolution on the most probable market and economic activity for the next 70 years:

1. The economic contraction which started in October 1987 will be of ONE LOWER magnitude in severity than the Depression of 1932. Why? The Cycle 2-wave currently in progress is of one lower degree than the correction in 1932. As the market moves sideward for the next 13 years, economic conditions should gradually improve as they did from 1932 to 1949.

2. SuperCycle wave (III) is going to be the Extended wave of the Impulse pattern (see Figure 6). In other words, SuperCycle wave (III) will be much longer than SuperCycle wave (I). This means the U.S. market, right after the turn of this century, should begin to advance again. This advance should last for decades, creating the biggest bull market of all time (see Figure 6). The minimum expectation for an Extended wave is 161.8% of the previous Impulse wave of the same degree. Measuring the length of SuperCycle wave (I), calculating the above ratio, and adding the product to the end of Super

Cycle wave (II) (1949) produces the incredible, minimum target of (you’d better sit down) over 100,000 basis the Dow. By applying time techniques to the Wave structure, that price level should not be achieved any earlier than the year 2020, and no later than 2060!

FUNDAMENTAL JUSTIFICATION AND COMMENTS

The seeds are currently being sown for an international boom of unprecedented proportions. Over the next few decades, the majority of third world countries should have become industrialized. This will bring dramatic improvements in the standard of living for all citizens of such countries. International competition should invoke jealousy and a “keep up with the Joneses” mentality, forcing such communist countries as Russia to move toward a more productive, capitalistic economy.

After the year 2000, the world should begin moving into the most optimistic period ever experienced. This psychology should be in full swing by the year 2050. Toward the middle of the next century, there should be a virtual lack of wars, famines, depression, etc.—a sustained period of prosperity and peace.

For those of you who find a 100,000 Dow incomprehensible, consider that the market, from my predicted low of 0.30 up to the 1987 high of approximately 2700, has increased in value almost one million percent in a little over 200 years. A move from 2700 to 100,000 is only 4900%. The analysis allows 70 years for this to take place. Thus, a move to 100,000 in 70 years is highly plausible in comparison to the historical record.

I realize the conclusions outlined in this article characterize a near utopian society; but remember, all conclusions are based on what the Wave Theory virtually “guarantees” will be the most incredible economic period.

This Article courtesy of the Foundation for the Cycles. Glenn Neely established the Elliott Wave Institute ilt 1983, and teaches the only real-time Elliott Wave course in the world. He is author of Mastering Elliott Wave

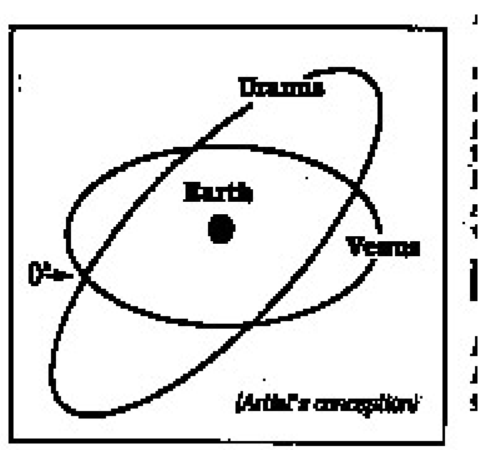


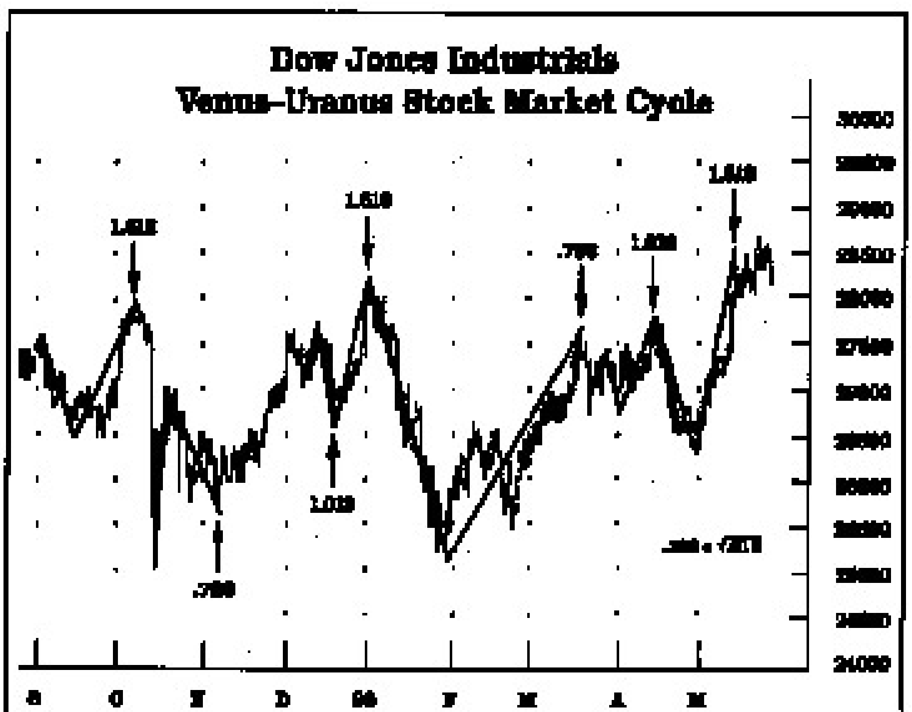
Figure 1

So You Want a Trading System that is 90 Percent Accurate? Here is a Good Starting Point!

By Larry Pesavento and Markus Niksch

CM ince the publication of our first book, Astro Cycles: The Trader's Viewpoint, several years ago, we have continued to review the results of the Venus-Uranus planetary cycle. Originally brought to our attention by Donald P. Bradley in Stock Market Prediction (1954), the phenomenon continues to operate aspect (cycle) to aspect (cycle) with over 90 percent accuracy in predicting short term stock market changes in trend.

Figure 1 shows the relationship of Venus and Uranus on a geocentric (earth-centered) perspective. As Venus and Uranus come next to each other at conjunction (0) they begin their 225 day cycle through all the major aspects. The interesting point is that if you divide the 225 day cycle by 365 days you arrive at (.618). Experience has taught us certain characteristics of this cycle that can be used in trading:



The arrows point to the major Venus-Uranus aspects which occurred during the last nine months. This is a very important cycle for the Stock Market and six of the seven trades produced excellent results. The swings drawn in clearly demonstrate the importance measuring price swings using Fibonacci ratios.

1. Some aspects were associated with bullish price action and others with bearish price action. Conjunctions (0), sextiles (60) and trines (120) are associated with upward moves in the stock market. Squares (90) and oppositions (180) are associated with weakness.

2. The aspects are short term phenomenon (3 to 12 days) and more than 50 percent of the time were the beginning of a huge move in stock prices.

3. The aspects set up two trading opportunities each time they occur. You can go long or short five calendar days before the aspect will be exact. Simply look at a price chart of the stock market and see what direction the stock market is moving, and expect the trend to reverse at that time. We prefer to use the Fibonacci price objectives to arrive at an expected price target. Wave Graders by Bryce Gilmore is an excellent software program we use in all of our market analyses.

Over 900 aspects (110 years) of stock market history has validated this naturally-occurring cycle. Why it works is unimportant to the astute trader. The statistics alone provide a strong case for the development of a trading methodology based on this cycle. The accompanying chart illustrates the accuracy of this cycle over the past year. It does include the June 6, 1990, high which was quite significant. The only necessary tool that is needed is an Ephemeris Manual that gives the exact times of the Venus-Uranus aspects. We recommend the ten year 1981 to 1990 Ephemeris from Astro Computing Services of San Diego, California (about $8).

We will leave it up to our readers' imaginations as to how to broaden the applicability of this naturally-occurring planetary harmonic. For instance, does the cycle work in Treasury Bonds? Does it work if a heliocentric (sun-centered) approach is used? Are Soybeans and Wheat effected? A lot of questions (hard ah) will answer these questions.

Larry Pesavento, Astro-Cycles, 1421 Price Street, Pismo Beach, California 93449 (805)773-0412.

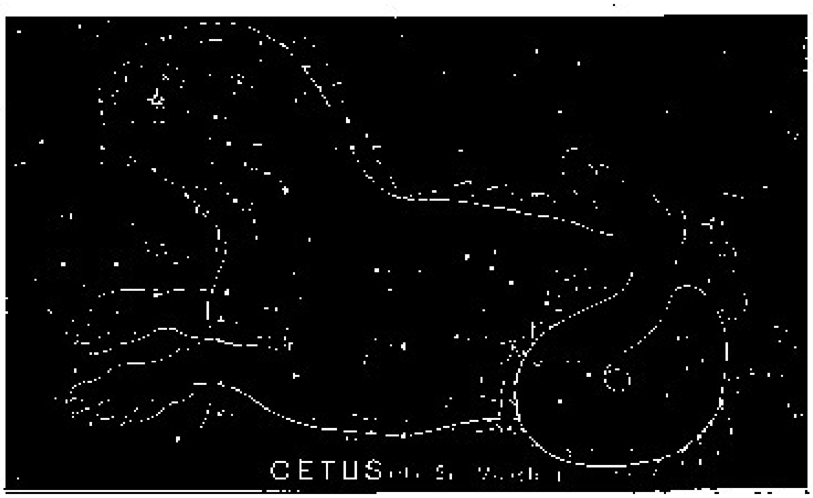
The Bible, Gann, and the Stock Market

By Gregory and Helen Meadors

In our series of articles we have discussed how W.D. Gann used a wholistic approach in order to forecast and trade the markets with precision accuracy. Gann would incorporate Scripture, natural laws, numerics, geometry, Pythagorean harmonics, astrocycles and the Law of Vibration.

As we revealed in our previous articles, Gann's primary source of knowledge forecasting future events was his knowledge of the historical correspondence between cosmic vibration (celestial harmonics) and its effect on man's psychobiological cycles. These cycles have historically correlated with mass investor psychology and are reflected in Stockmarket movements, as well.

One of Gann's presuppositions was that scientific laws related to market timing were alluded to or found in the Bible. As a student of ancient sources of knowledge, Gann may have also studied the Great Pyramid, the first of the seven Wonders of the World, which some believe is referred to in the Bible (Isaiah 19:19-20). The structure of the Great Pyramid contains an amazing array of mathematical (Fibonacci) ratios, biblical correspondences, and knowledge of the heavens.



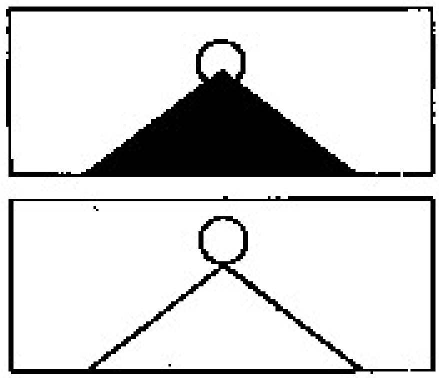
The figure of this constellation is a great serpent wound about (at least) one-half of the northern sky.

Gann was probably aware of the stored knowledge in the Great Pyramid, since the Great Pyramid and the heavenly cycles are also symbolically represented in the Great Seal of the United States, and in the U.S. Treasury Seal. 2

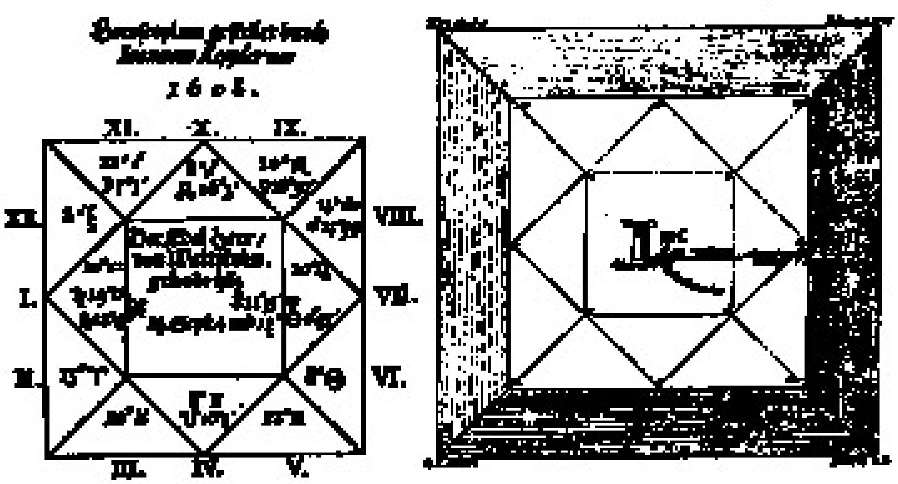
Gann also stated that one must use the right starting point in order to forecast the markets. In regards to the heavenly influences, the Great Pyramid does reveal a much older knowledge of the heavens than that presented by Ptolemaic, 1st century, astrology; or by the Pythaorean “music of the spheres”.

We also learn from earlier writings of the Persians and the Chinese, that there were four bright stars in the sky; in the east, the west, the north, and the south, which evidently corresponded to the Vernal Equinox, the Autumnal Equinox, the For the stars of heaven and the constellations thereof shall not give their light; the sun shall be darkened in his going forth, the moon shall not cause her light to shine.” Isaiah 13:10

The temperature on the Sunlit Full Moon exceeds the boiling point of water, at which time it also emits infra-red rays (light; electromagnetic vibration) which are several times more intense than the rays it reflects from the Sun. During the first five minutes of a lunar eclipse,



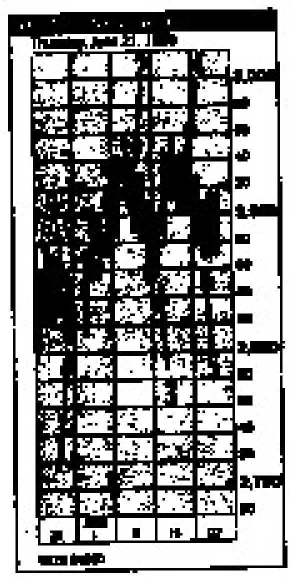
In early spring, when the sun rises just high enough above the apex of the Great Pyramid, the whole shadow on the north face vanishes at the stroke of



By placing the gallery of the Kings Chamber slightly to the east of the north-south axis of the Great Pyramid, the ancient astronomers could make their observations from the center of the truncated square, and a gnomon, or shadow pole, could be raised in dead center. That such a square was the prototype for astrological as well as astronomical computations, is strikingly illustrated by the format for horoscopes, which continued into the seventeenth century. The above horoscope was prepared by Johannes Kepler.

head of a woman and the body of a lion Since the word "Sphinx" means "to the surface temperature of the 4 moon falls tar below the freezing point, and the I emission of the infra-red light vibrations cease.

W.D. Gann, the legendary Wall Street trader, made references to the portents of eclipses and planetary positions. For example, the record breaking January/March 1987 rally ended on April 6, I 1987, exactly when the benefic planet Jupiter made I its Passover of the March 29, 1987 Solar Eclipse. I | degree. (This weekend Eclipse generated a sharp | sell off on Friday and Monday). TheApril 14,1987 j Lunar Eclipse provided the obvious portent (eclipse I conjoined Arcturus the bear watcher, Job I 38:32;33); while both She October 6, 1987 Lunar | Eclipse, and planetary postions provided the timing I for the dramatic 13 day October 1987 bear! The | next (weekend) solar eclipse occurs on July 21, 1 1990.



A Review Of Our Forecast

(1) Buy the dips going into June 6th.
(2) Expect a drop from 6th into the 11th.
(3) Counter-trend on the 11th
(4) Expect a lift going into the 14th/15th.
(5) Minor counter-trend on 19th.

In our previous article entitled Gann's Law Of Vibration Decoded (Trader's World/June 1990) we listed the upcoming dates of the Venus Uranus Trine Cycle (5/6/90; 9/11/90) and pointed out that this planetary cycle has been 100% accurate in forecasting a rising market during the last nine occurrences (4 years) and has maintained an amazing 80% accuracy rate during the last 100 years.

The graph is a review of our forecasts made in the May issue of the Market Systems Newsletter. Note how the market again rallied into the June 6th Venus Trine Uranus Cycle date, with our other turning point dates providing 100% accuracy. Our forecast for a short term top at Dow 3000 on July 12/13th was originally aired on Financial News Network during the Ira Epstein Show on June 28th. The accuracy of this forecast, in both price and time, was highlighted on FNN by Jeff Bowman during his Guru Review Show.

When you have finished your lessons and

Winter Solstice/the Summer Solstice (the four cardinal points)

However, due to the westward precession of the equinoxes, the four cardinal points today do not have the same location with reference to the stars as they had ages ago. Since the Zodiac has moved 30 degrees in about 2500 years, we can tell approximately when the observations of these ancient peoples were made. When we go back in time, we find the four bright stars, Alerbaran, Antares, Regulus, and Fomalhaut, referred to by the Persians, located correspondingly in the constellations of Taurus (the Bull), Scorpio (the Eagle), Leo (the Lion) and Aquarius (the Man).

Interestingly, the symbols representing these constellations also correspond with the four faces of the “cherubim”, in the Book of Ezekiel, which were used as the emblems of the four “brigades” (Judah, Ephraim, Reuben and Dan) of Israel in the four-square Wilderness Camp (Ezekiel 1: 10).

Revelation 4:6 may also reveal the same corresponding constellations of the Zodiac; “And round about the throne, four living creatures full of eyes before and behind. And the first creature was like a lion, and the second creature like a calf, and the third creature had the face of a man, and fourth creature was like a flying eagle.” Possessing all these eyes could be symbolic of seeing into the future and into the past; and the lion, ox, man, and flying eagle may be precursors for the symbolism of the constellations of Leo, Taurus, Aquarius, and Scorpio.

In the Book of Job, the names of several stars and constellations are mentioned as being both ancient and well known. Both, “The Dragon”, and the constellation Draco, are identified by a passage in Job 38:31, “By his spirit he hath garnished (made bright or beautiful) the heavens; his hand hath formed the crooked (or fleeing) serpent” (Figure 3).

Job also speaks of Arcturus and of Orion (Job 9:9); the Pleiades (Job 38;31), and Cetus, (leviathan, figure 2) the seamonster (Job 41:1). In all 42 chapters of the Book of Job there is not one reference to Israelite history, nor to the Law. This suggests that the writer lived in an earlier time, before Abraham!

From repeated astronomical allusions contained in the Book of Job, various mathematicians have calculated that Job lived and wrote somewhere about 2350 B.C. This date would carry us back more than 1500 years before Thales, the first of the Greek philosophers; and more than 1000 years before Homer (mythology). And yet, in the time of Job, the heavens were already charted astronomically. The constellations, stars, and figures had been drawn and recorded!

Job describes the power, majesty, and works of God. He informs us that God is responsible for the naming and placing of these constellations.

The Psalmist also states that God named the stars, “He telleth the number of the stars; he calleth them all by their names” (Psalm 147:4). A similar statement is made by the prophet Isaiah who declares: “Lift up your eyes on high, and behold who hath created these (stars), that bringeth out their host by number: he calleth them all by names by the greatness of his might, for that he is strong in power; not one faileth” (Isaiah 40:26). In Genesis 15:5 the stars are spoken of as having been numbered (named) before Abraham’s time.

One commonly held doctrine of antiquity was that the constellations were divine in origin and “sacred” in character.

The figure of this constellation is a great serpent wound about (at Icast) one-half of the northern sky His tail alone extending over the territory of “the third part of the stars (Rev. 12:1-6) The Greek name (Draco) represents the sly and creeping deceiver, the Devil, called the “Dragons, that old “Serpent”. The Dragon and the Serpent are one and the same, but are manifested in different ways. No man ever saw a dragon, living or dead, yet all men talk of the dragon. Isaiah refers to the time when the Lord shall come - “a . . . great and strong sword | shall punish leviathan the piercing serpent; and he shall slay the dragon ,,,N (Isaiah 27:1). From the | book Glory of the Stars by E. Raymond Capt. paws, possessing the body and tall of a whale. This great sea-monster may be the Leviathan of job and Isaiah. The Creator asks Job: Canst thou draw out leviathan with a hook? or his tongue with a cord which thou Wettest down? Canst thou put a hook into his nose? or bore his jaw through with a thorn? (lob 41 :1-2).

As the early nations lapsed into idolatry, worshiping the stars and ascribing to them all sorts of divine and prophetic virtues, they still remembered that the mysterious symbols were manifestations of one supreme and eternal deity (which had been forsaken).

Historically, astronomy claims mythology fathered these remarkable delineations of the heavenly bodies. But, the classic fables and myths, surrounding the constellations, are mere corruptions and imitations of the original composition. These heavenly bodies have been mistakenly worshipped as gods as the following ancient book reveals: “For all men were by nature foolish who were in ignorance of God, and who from the good things seen did not succeed in knowing Him who is, and from studying the works did not discern the artisan; but either fire, or wind, or the swift air, or the circuit of the stars, or the mighty water, or the luminaries of heaven, the governors of the world, they considered gods. Now if out of joy in their beauty they thought them gods, let them know how far more excellent is the Lord than these, for the original source of beauty fashioned them. (Wisdom 13:1-3)

Job is asked, “Can you bring forth Mazzaroth (Zodiac) in his season? Can you guide Arcturus with his sons. Do you know the ordinances of heaven? Can you establish their rule upon the earth? (Job 38:32:33)

If the Zodiac is a circle of constellations and a circle has no beginning nor ending, where should we open the circle and begin our understanding of the Zodiac? A clue to the solution is found in the ceiling of the Portico of the Temple of Esneh in Egypt. There, an ancient circular Zodiac shows a sphinx, having the

By placing the gallery of the Kings Chamber slightly to the east of the north-south axis of the Great Pyramid, the ancient astronomers could make their observations from the center of the truncated square, and a gnomon, or shadow pole, could be raised in dead center. That such a square was the prototype for astrological as well as astronomical computations, is strikingly illustrated by the format for horoscopes, which continued into the seventieth century. The above horoscope was prepared by Johannes Kepler, head of a woman and the body of a lion, placed between the constellations of Virgo and Leo. This figure unites the beginning and the ending of the Zodiac. (Traditional astrologers use Aries (Spring) as a beginning) .

Since the word “Sphinx” means “to bind closely together” it symbolizes where the great circle of the heavens begins and ends. When one begins with the Virgin (Virgo) and ends with the Lion

In early spring, when the sun rises just high enough above the apex of the Great Pyramid, the whole shadow on the north face vanishes at the stroke of

The Great Pyramid might have been built about 2170 B.C. in order for so its Descending Passage to be aligned with the polestar, and at a time when the Pleiades were at zentith at midnight coincidentally with the vernal equinox. From the book Scrrets of the Great Pyramid, by Peter Tompkins.

(Leo), the twelve Constellations portray a pictorial story paralleling the Bible.3

Interestingly, the end of the 1987 bull market occurred when several planets exited the

Lion constellation (end of Zodiac & 1987 bull market) and entered the Virgin constellation. On August 24th, these planets formed a major conjunction (at the new moon), while also completing a grand harmonic (trine) alignment with the other outer planets. A Newsweek magazine article (August 17th) referred to this event,as the "Harmonic Convergence". As Scripture states: "A great and wondrous sign appeared in heaven; a woman clothed with the sun, with the moon under her feet and a crown of twelve stars ". Revelation 12:1. This Stock market top was no surprise to those who researched market movements in relation to the Heavenly "signs and wonders".4

In Gann's Law of Vibration interview he states, "Science teaches that an original impulse of any kind finally resolves itself into periodic or rhythmical motion, also just as the pendulum returns again in its swing, just as the moon returns in its orbit, just as the advancing year ever brings the roses of spring, so do the properties of the elements periodically recur as the weight of the atoms rises."

"The power to determine the trend of the market is due to my knowledge of the characteristics of each individual stock and a certain grouping of different stocks under their proper rates of vibration. Stocks are like electrons, atoms and molecules, which hold persistently to their own individuality in response to the fundamental Law of Vibration."

"In making my calculations on the stock market, or any future event, I get the past history and find out what cycle we are in and then predict the curve for the future, which is a repetition of past market movements. The great Law of Vibration is based on like producing like [historical correspondences]. The limit of future predictions based on exact mathematical law is only restricted by lack of knowledge of correct data on past history to work from.

"After years of patient study I have proven to my entire satisfaction as well as demonstrated to others that vibration explains every possible phase and condition of the market. Thus, to speculate scientifically it is absolutely necessary to follow natural law." (Figure 7)

To end our series of seven articles on W.D. Gann, we will quote from our first article published in the August, 1988, issue of this magazine. "Many people laugh at some of these techniques, but they also lose their money in the market.

In our previous article entitled Cannes Law Of Vibration Decoded (Trader's World/June 1990) we listed the upcoming dates of the Venus Uranus Trine Cycle (6/6/90; 9/11/90) and pointed out that this planetary cycle has been 100% accurate in forecasting a rising market during the last nine occurrences (4 years) and has maintained an amazing 80% accuracy rate during the last 100 years.

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When you have finished your lessons and have discovered the keys, you will then have knowledge. You will then be able to accurately interpret the "signs of the times" (Matthew 16:2-3), and the market, with "uncanny" accuracy.

FOOTNOTES

l) In the 1970's a study of historical price movements in relation to cosmic cycles and planetary positions. The findings were published in the book, Man & Cosmos by Mattock ($40)

2) Our previous articles entitled Symbols. Numerics and the Law of Vibration; Gann's Law of Vibration Decoded; and A Review Of Our Forecast (1) Buy me dips going into June 6th. (2) Expect a drop from 6th into the 11th. (3) Counter-trend on the 11th (4) Expect a lift going into the 14th/lSth. (S) Minor counter-trend on l9th. Beyond Gann: Harmonics and the 1987 Stockmarket Crash, explain how some natural laws are symbolized in the Great Seal of the United States, and the U.S. Treasury Seal.

3) For a complete rendering of the constellations from one man's scriptural perspective, read The Glory of The Stars, by E. Raymond Capt.

4) For more information on Gann techniques, and how we forecast both the August, 1987, "Harmonic Convergence" top, and the October, 1987 Crash: send $25 for a complete set of our seven articles, (free with a subscription to the Market Systems Newsletter).

Gregory LeGrand Meadors is the author of the Genesis Market Timing Master Course and with Helen Meadors and Dr. Neal Chabot publishes the Market Systems Newsletter (see ad on this page, 1 year: $266). For information call or write: Genesis Capital Management, 2761 Mansfield Dr., Burbank, CA. 91504 (818) THE-GANN (843-4266).

Does the market harmonize like the notes in music making a major chord? A New Way to Trade

By Joe Rondinone

The chart shown in the December S&P500 Index plotted with the Presto System. The Presto Trading Method called the $15,000 break two days before it happened. From the low drawn upward as of 346.85 on Wednesday, September 27, the 45 degree line is outlined according to the Presto Seven Principles.

As each day's trading range is plotted, you stay long (as long as the 45 degree angle is below the price structure). You look for the 4th day for a correction. The 4th day makes a low below the 3rd day, but closes strong. The 5th day is next important for a high, closes very strong. The next day to watch is the 8th day for a high and sell off. This also closes strong. Now the 10th day is important. 1-3-5-8 days are all harmonic days. Pathagoras laid out the musical scales and those notes when played on the piano will harmonize making a major chord. The 10th day will be a #3 again and also will harmonize. The 364.50 price was hit on the 10th day after opening above the previous day's close and closed lower. Wednesday, the 45 degree major trend line was broken at 360.80 and closed at 359.80. This was a solid break at 360.80. The range for Thursday was all below the 45 degree line and Friday opened with a down gap; has a weak recovery, and fell to 328.85 limit. Monday, October 16th S&P opened at 323.85 - 500 points lower and rallied from there.

This S&P Presto plotted price structure is encased by the dotted lines with the 45 degree line as the main trend line. Each day's price action is plotted according seven Presto principals.

The Presto 5/4 Angle Trading Method is a plotting method of equalization of price action and price movement. The larger the daily price ranges, the more sideway space is consumed when angle plotted. The plotted area is now kept in proportion to the daily fluctuation of the price. Likewise, the small daily price ranges will consume a smaller sideway area. By this method, space is consumed until the price trades out of square (THE CROSSING OF THE ESTABLISHED 45 DEGREE LINE), thus give a reversal in trend.

Look again, this S&P chart shows:

You could stay long all the way up!

You would reverse your position to short breaking the 45 degree line!

There was no guessing as to where you took profits! As the price rallied, had you followed this chart, you needed no advice from anyone.

The squaring of price with time has been a subject of long discussion, can this be it??? Did this trader make a good profit??? Did he get out in time??? Could that trader be you??? This new discovery is for your consideration as a new way to trade.

Joe Rondinone is president of Commodity Projection Systems Inc. and author os Symmetries AngleTrading Method, Secret 38 Trading Rules. He can be reached at 2001 Lambert Court, Plano,TX 75075

Gann's Astrologers and the 60 Year Cycle

By Bill Meridian

It has been said recently about Gann's 60 year cycle... W.D. claimed that a rhythm exists in the market and economy that causes business conditions from 6 decades back to reproduce themselves in the present. So, 1929/1930 type conditions should have or are reproducing themselves now. My teacher Charles A. Payne Jr. knew Gann's two astrologers: Ken Brown and L. Edward Johndro. The latter two met in 1935 and began a 15-year partnership. Interestingly enough, Brown and Johndro never met face to face, just as Jayne and Johndro never met personally. They worked together primarily in the advising of important business men. With Johndro being the technician and Brown the contact man.

Johndro was one of the truly great American astrologers, thus the astrology world rewards innovative astrologers with the Johndro award on an annual basis. He was born on January 31, 1882. He began to study astrology in July of 1903, the same year and month Brown was born. He moved to the west coast of the United States where he lived for most of his life until his death on February 15, 1958 (conflicting dates are given as to his date of death). Johndro was eminently qualified as a technical astrologer. He was a mathematician, physicist, and radio engineer and in fact taught mathematics and physics professionally. In addition to being an innovator, he was also a rigorous tester of new ideas. If something did not work, he threw it out.

Mr. Jayne recalled Brown and Johndro working for W.D. Gann over a period of years. Because Johndro contemporaries did not appreciate his advanced style of astrology, he became embittered towards the end of his life. Upon his death, he requested Brown burn all of their correspondence and notes, a request that Brown honored. Johndro also advised Brown not to tell Jayne of the conflagration, fearing that Charles would have a heart attack. Be divided the zodiac in multiples of 15 degrees instead of 30. That means he was working in the 24th harmonic (360 divided by 15 equals 24). He is the only American astrologer to point out that aspects that are multiples of 15 degrees are significant in horoscope interpretation. For example, he found that 75 degrees, 105 degrees, etc. are valid aspects even though they are still not recognized as such by modern astrologers. The significance lies in market forecasting. I have found that these 75, 105, and 165 degree aspects are effective in determining turning points in market prices. It is interesting to know Johndro did market work for Gann and also knew of this phenomena, even though he never linked it to market forecasting in his sparse writings. (Upon his last trip to the U.S., I had the opportunity to ask John Addey, an English astrologer who did much to promote the modern use of harmonics, about the meaning of the 24th harmonic. His answer: 'change of trend'.) Johndro also did significant work on eclipses which he passed on to Charles Payne. Writing in 1958, Brown claimed that Johndro had developed a method for forecasting commodity prices based on cause he wrote so little, what can we glean from his style?

First, Johndro was a master occasional astrologist, determining how changing one's residence would effect their lives. Second, he developed very unique methods of direction and did a great deal of study on the fixed stars. He developed an eightfold division of the zodiac and a new system of sign rulership that was not appreciated by the astrologers of his day. Curiously, and more important to market astrology, he eclipse charts. He never committed this technique to writing, but apparently he found out that eclipse charts worked temporarily in forecasting prices. The next eclipse then began to “carry the ball” as far as the forecasting of a particular market. Thus the determination of prices were not determined by an individual horoscope but by horoscopes set by time, date, and place where the eclipse occurred. Let’s see how some of Johndro’s work, which was later developed by Jayne, was utilized by Gann.

Gann’s 60-year Cycle

Many of Gann’s number cycles and other methods were astro-based. He either did not want potential customers repelled by his esoteric techniques, or he wished to conceal their origin least others follow in his path.

In any event, Jayne spoke quite often about recurrence cycles-patterns formed by repetitions of synodic planetary cycles. A synodic cycle is formed by the conjunction of two bodies. At that point, they are zero degrees apart. The faster races ahead of the slower, making a complete transit of the zodiac before it catches up to the second body. This completed cycle, from conjunction to conjunction, is a synodic cycle. Every so many repetitions, the conjunction or zero-degree separation falls at the same place, or close to it in the zodiac. This constitutes a recurrence cycle. For example: Jupiter and Saturn meet approximately every 20 years. Every three completed cycles, the conjunction takes place at the same relative position in space and this completes one recurrent cycle. Here are some examples: The conjunctions of 1980-81 fell in early Libra while that of 1921 fell in late Virgo, just a few degrees earlier than the eighties’ occurrences. The oppositions (180-degree angles between the 2 planets) that began last year straddle the Cancer-Capricorn axis as did June 14, 1990 those of 1930-31 and 1872. Gann wrote that the halfway point between conjunctions (corresponding with the 180-degree angles) were times of general distress.

Here is a listing of the years of previous conjunctions: 1901, 1921, 194041, 1961, 1980-81.

Curiously, Gann began his 20-year cycle counts in these years. The coincidences and the Gann-Johndro connection convince me that the 20 and 60 year rhythms were based on Johndro’s planetary cycles. This then raises an interesting question: are Gann’s cycles based purely on number counts? Or are they rooted in the actual dates of astronomic events, which have become distorted due to Gann’s desire to concern their actual derivation? This is an important consideration now because there are five Jupiter-Saturn oppositions stretching from 1989 to 1991.

If we- utilize number cycles, then 1929 plus 60 equals 1989. While it is impressive that the DJIA topped the same day in September as in 1929 (if indeed that was a major top); conditions last year were tough, but not disastrous. If we rely on planetary cycles, then 1991 is the correct year to watch. I think that reliance upon the actual astro cycles is the proper view for several reasons. First, as explained above, the number cycles were likely an attempt to hide the planetary cycles. Second, there is a general astrological principle that the last hit from a series of charts as well as the stock market. The schedule for the oppositions (180-degree aspects) is: First-Sept. 10, 1989 Second-Nov. 14, 1989 Third-July 13, 1990 Fourth-March 15, 1991 Fifth-May 16, 1991

I project that we are not likely to see the full weight of this aspect (in terms of economic distress) until 1991. This fits the contrary opinion mold - while most 60-year cycle watchers are tracking a number cycle, the year will pass, proving the cycle “wrong” only to sneak up on us in 1991. It is interesting to note that the basic meanings of the two planets, expansion and contraction, supposedly balance or cancel each other out when at opposition; i.e., static or zero growth. Since the time of the first hit last fall, the market has made little progress and economic growth has been arrested (at the time of this writing). This stagnation is likely to last until

1991 if the cycle holds to past performance. Slow growth is not welcome in a credit-driven economy such as ours. A Morgan Guaranty econometric study demonstrates that GNP growth of less than 2% is enough to send corporate earnings into the red, so an actual fall in GNP is not necessary to wither profits. Growth simply has to be slow enough. Ah- the downside of using leverage!

Bill Meridian is a money manager residing in the Middle East He is the co-developer of the Astro-Analyst with noted astrologer Robert Hand and is also the publisher of Cycles Research newsletter. He has worked on Wall Street for over ten years as both a fundamental and technical analyst He is currently writing his first book-Planetary Behavior of Prices on Wall Street. For information concerning his newsletter and/or the Astro-Analyst software program, please contact Cycles Research at 78 Hubbard Avenue, Stamford, CT 06905 or call 800-URANUS-1. Or, contact Astrolabe at Box 28, Orleans, Ma. 02653, 1 -800-THE-NOVA.

Speculating or Investing?

By Terry R Davis

When a person first comes to the commodity markets, he/she is initially attracted by the high returns possible. They have been contacted by a broker or have seen something on FNN and have been told of the "easy" money available to them in the markets. They are told there is a lot of money to be made. There is ! Unfortunately, none of it has ever come easy to me. It's been said that over 90% of the people end up losing in the futures markets. That probably is accurate. Have you ever seen those disclaimers stating to risk only money that you can afford to lose? Does that tell you something? Speculating is a risky business! Is there a way for Mr./Mrs. Joe Average to turn speculating into investing and take an above average return out of the market? The answer is YES!...and it is above 90% accurate! The method is so simple that you will probably say, "It can't work!" Folks...it does!

Before we go any further let's define speculation versus investing. The word speculation conjures up mental images in my mind. I would not classify these images as conservative. How about the word investing? Different image, correct? What are you trying to do with the money you have to "play the market?" What do you want it to do in one year? Do you want it to double, triple or (dare you think) quadruple? The chances for doubling and above are very close to nil ! Your chances are so low you have to look up to see bottom. That's low!

Let's spend a minute looking at the safest investment vehicles around. The first that comes to mind is passbook savings. There are no minimums and it earns 5 1/2%. The next and probably as safe would be some type of money market account or a small T-bill or treasury bond. You can expect to earn 79%. These are all very conservative and very safe. Right? The next would be some type of mutual fund. You can expect (if history is a judge) to earn between 8-18%. In the past they have been moderately safe. Since mutual funds are predominant buyers (versus short), if the markets are moving up they do well. If the market goes down so does your investment.

The next investment we should look at is real estate. Historically, real estate has made more people rich than any other investment vehicle. It is moderately safe but requires (generally) a large capital outlay and substantial time for it to grow in value. If you are managing it yourself you will also have to deal with tenant problems. Not fun!

Let's move onto the un-conservative (maybe the wording is high-risk) investment vehicles. Your list may not be the same as mine! They are stocks and commodities. This list is not all inclusive but you get the idea of what I am speaking of. There is no doubt that when the market is right stocks and commodities can make a bundle. Especially commodities! Since we know the opportunity exists to make big money....WHY(?) don't we? Why is it that fully 90% of people lose in the open-outcry markets. The reasons for failure in the markets is beyond the scope of this article but suffice it to say we all have some losses.

Since the opportunity definitely exists for great gains maybe there is a way to cut the risk and earn a moderate profit. My definition of moderate is 25-50% per year. THIS IS POSSIBLE WITH ALMOST NO RISK! ! ! (If you think this return is low in the commodity markets I would suggest that you take a look at the yearly returns for any of the publicly traded commodity funds handled and traded by "professionals") The minimum amount of capital you will need is approximately $6,000. With this amount you will be trading on the Mid-Am exchange only! ALL of our trades will be low risk and all will be BUYS ! The basics of this “system” are from the book, “YOU CAN’T LOSE TRADING COMMODITIES”, by Robert Wiest and this article is being written with his kind permission. I have several methods with which I trade with. All, but this one, are my own discoveries. I have taken 30% of my trading capital and put it into this conservative method. IT WORKS... I AM USING IT NOW! Your question should be,-”If you are a successful trader, why use somebody else’s work”? This method is so dumb simple you can’t go wrong! Have I peaked your curiosity yet? This article, if you apply it, is worth the cost of your yearly subscription to this magazine many times over.

Okay, let’s get going. This method won’t work with stocks. By the way, Mr. Stock Trader, what is the lowest price a stock can get to? In 1929 a lot of them got to zero ($0). There are even a few today that reach this level! On the other hand, what is the lowest price that soybeans ever got to? This year November soybeans reached $5.96 per bushel before they started back up. Why didn’t the price go further down? Physical commodities have intrinsic value. The price cannot go to zero! At least it never has in my recollection. If nothing else, government programs set a support level that prices rarely achieve on the downside. The last time that corn got to $2 a bushel there were a slug of advertisements in the live-off-the-land magazines (Mother Earth News) for wood stoves that burned corn. When corn is under $2 ... corn is a better “wood” (dollar for dollar) than wood. Go figure! If you believe that commodities have intrinsic value then let’s just pick the bottom and ride it back up! That should be simple, right? Wrong, wrong, wrong soybean breath! Picking bottoms and tops is an exercise in futility. Well then, what do we do? I have already told you we will have between 20-50% return and trade above 90% ACCURATE! SOUNDS IMPOSSIBLE! You are probably asking yourself...”When is he going to tell us!” Drum roll, please! We are going to SCALE TRADE!

Let’s set some basic rules and then spell out how we will apply them:

1. Take a 5 year weekly chart of the commodity you want to look at and divide the high and low into 1/3 rds.
2. If price IS NOT in the lowest third (or getting ready to move into the lowest third) of the 5 year price range, DO NOT scale trade this commodity.
3. If the commodity that you are looking at is currently in or is entering into the lowest third estimate the lowest price that this commodity could reach on this move down.
4. Re-estimate the lowest price but set it lower than #3 (worst case scenario).
5. Establish how much money you have to invest (not speculate) in this commodity.
6. Start in the bottom 1/3 of the last 5 year range and buy on a scale down.
7. Sell on stops as prices rise.
8. Continue looking for other opportunities and follow steps 1-8 again.

Simple, huh? If you cannot or don’t want to do anything in the markets but make a CONSISTENT return on your capital this is the system for you! Let’s go on and define the rules one by one so that you have a better understanding.We are going to use line drawings for our examples. When you double check me (I hope you don’t take everything I say as gospel... but if you do I have some ocean front land for sale in Nebraska) you will find that real-time examples are just as good as the line drawings.

Rule 5 says, “how much money do you have to invest?” If you bought your first contract as prices entered the bottom third, how much would it take to hold the commodity to the worst case scenario? If that amount uses all of your available capital you are starting your scale too high. You want to use approximately 80% of your capital and buy the maximum amount of contracts on a scale down to your worst case scenario spot. It is highly unlikely prices will ever hit that level and your scale will normally only use 50% of your capital. You need to remember that it is possible, though! Your scale may be every 10 down or it may be every 13.5 down. Remember, you want to buy the maximum amount of contracts with your available capital but never run out of money. This is one of the keys! You have to allow for accumulated (paper) loss as well as margin required. You compute your scale and then place ALL of your BUY orders at once. When you actually start trading you will probably be using daily charts instead of weeklies. We will continue to use weeklies for this article. This is Figure 3 with the buys in place.

The KEY to this method is that commodities have intrinsic value and can only fall so far before SOMEONE wants it. If you hold the position and correctly distribute your available margin you CAN'T LOSE! Did you hear that?? You can't lose!

Let's hypothetically say we bought every 10 down. How do we get out? A rule of thumb I use is to sell every MidAm contract with a $100-120 profit. If you are trading full size contracts multiply this figure by 51 If we bought every 10 down we will sell every 11-13 up (capturing that much profit per contract). Let's use our example again. Let's assume that we were correct in our assumption and we filled all of our buys to the bottom. This can either happen over a period of months or sometimes days. Final bottoms are many times reached with a rush! Just like a coil spring must go the opposite way when it is released .... so must prices. This is our Figure 4:

Seven out of seven, not bad trading! This kind of trade may take months to fill and then to liquidate. There are many little nuances I have not touched on but I have given you the basics as I am trading them now. This method of trading is nearly as exciting as watching shellac dry! I never said this kind of trading was exciting... quite the opposite in fact. It only makes consistent money! Are you doing that now?

Mr. Davis is a small business owner and author. He has been involved with the commodity markets since 1980! His two books, MARKET STRUCTURE and THE POWER OF TWO, have been very well received by the investing community! You may reach him at USA watts 800-225-7642 or ILL wats 800-323-4616 or 217-347-5101

Predicting Short Term Changes of Trend in the Dow

By Chris Kakasuleff

One viable way to follow the current trend in the Dow is to keep a record of the short term tops and bottoms that have occurred over the last twelve months. Each short term top or bottom is actually a harmonic of another more important top or bottom from a previous cycle.

We will use two powerful cycles that are generic to all markets. These cycles are the 360 degree cycle and the 45 week cycle.

To utilize the 360 degree cycle in terms of calendar days requires you to divide the calendar year into time units that are harmonics of the 360 degree circle. By dividing the year by two gives us 182 days, and equals 180 degrees on the 360 degree circle. By dividing the year by four, gives us 4 time windows of 91 days, each which equals 90 degrees on the 360 degree circle. The division of time that I have found to be the most useful is to divide the calendar year into eight major time windows utilizing this system. They are 46 days, 91 days, 137 days, 182 days, 228 days, 273 days, 319 days and full circle back to 364 days. Through a process called interpolation, I was able to transpose calendar time onto the 360 degree circle.

As an example, to determine which day falls on the 315 degree angle in the calendar year of the 360 degree circle, I multiply 315 degrees by 365.24 days and divide the result by 360 which gives me 319 days.

Don’t expect these changes of trend to always fall on the exact day. I prepare for these changes of trend by predicting the week their going to occur.

I also like to take the time unit of 45 weeks and count it as one complete cycle of time.

You may also divide this time cycle into eight equal harmonics of sub cycles and expect wonderful results. But for this article we’ll just divide it into 4th's and 3rd’s.

Dividing the 45 week cycle by four gives us 11-1/4 weeks which equals 79 to 80 calendar days, 22-1/2 weeks which gives us 157 to 158 calendar days, 33.75 weeks which gives us 236 to 237 days, and 45 weeks which gives us 315 days.

Dividing this powerful cycle by 3 gives us 15 weeks which equals 105 days, 30 weeks gives us 210 days, and ends again at 45 weeks.

You may also divide the 360 degree circle by six giving you multiples of 60 day time units around the circle. I will not include division of the circle by six in this article, but advise that you the reader, include it in your technical analysis.

In broad idealistic general terms, one rule of thumb may be useful to follow.

From a market low expect all harmonics of 60 days to also produce a low except 180 days which should produce a top. Also from this same market low expect all harmonics of 45 days to produce a top, except 360 which should produce another low.

These same rules apply to tops. Multiples of 60 days around the circle should produce short term tops from a beginning top. Multiples of 45 days from a top should produce short term lows.

This rule has a tendency to break down because of psychological inversions. Where you expected a top in the market, instead the market inverts and bottom out. Then after a period of time the cycles reverse again back into harmony.

A knowledge of Gann geometry is required for you to recognize these inversions in advance.

For purposes of this article we will only be examining the importance of these cycles in determining short term changes of trend in the Dow and not whether the Dow is making a top or a bottom.

As our first example let's take the October 13, 1989 low on the Dow as our zero point and follow it around the calendar year by using the 360 degree cycle as our focus. On January 11, 1990, this low was 90 days old. The next day at 91 Gays the Dow lost 71 points. On February 23, 1990 the Dow made a low at 2564. This date was 133 days from the October low.

This was just 4 days off our ideal date of 137 days or 135 degrees of the circle.

The date April 13, 1990 is 182 days or 180 degrees from this October low. This date was Good Friday so the markets were closed. The very next trading day, Monday April 16th, the Dow made a high.

On May 28, 1990, this October 13, 1989 low was 227 days old. This is the 225 degree point of the circle. The market was closed due to Memorial Day. The next trading day at 228 days, the Dow gained 50 points.

On July 10, 1990, the Dow made another short term low. This was 270 days from the October 13, 1989 low.

Now let's swing our attention over to the 45 week cycle. First, the one quarter point of this cycle is 11.25 weeks. This turns out to be 79 days. This brings us to December 31, 1989. The market was closed. On January 2, 1990, the first trading day, the Dow made a top at 2810.

On January 26, 1990, this cycle was 15 weeks old or 1/3 of the 45 week cycle. Two trading days later the Dow made its low for the year at 2543.

On March 19, 1990, the Dow made a top. This date was exactly 22-1/2 weeks from the October 13, 1989 low. Since the October point was a low, we should expect that the half way point of this 45 week cycle would be a top, as it was 180 degrees from the low. This is exactly what happened to the day.

On May 11, 1990, the October 13th low was 210 days old. This is 30 weeks to the day from October 13th. Thirty weeks is 2/3 of 45 weeks. On this day the Dow gained 63 points.

At precisely the 3/4 point of this 45 week cycle which is 33 .75 weeks, the Dow made an all time high up to that point at 2935

As I'm writing this article in July and looking back at the results of the 45 week cycle from October 13, 1989, I would watch the 45 week point of this cycle closely. The dates August 24th through August 28th brings us 315 to 319 days from this October 13, 1989 low.

Remember cycles like to repeat. Since 45 weeks completes an important cycle in time and the beginning of this cycle was a low, we should expect another low in this time frame. But watch out for those inversions. It could make this time window a high.

Let's analyze another major cycle for trend information. Let's take the January 2, 1990 high at 2810. Here I'll give you one example of the power of dividing the 45 week cycle by eight.

In my own analysis, I always divide the 45 week cycle by eight. The 1/8 point of 45 weeks is 39.375 days. Biblical writers were aware of this powerful cycle that they rounded out to 40 days. On Friday February 9, 1990, this time window from the January 2nd high was 38 days old. The Dow made a short term high on this day.

During the week that followed at 44 days on February 15th, the Dow made another short term top. The 45 degree point of 46 days of this cycle fell on a three day weekend. In the following week the DOW made a sharp change of trend losing 85 points in just four trading days. This confirmed once again the validity of these powerful time wheels. The next change of trend utilizing the January.2nd top is 90 days which falls on April 2nd. The DOW made a low on this date at 2700. On July 3, 1990, this cycle was 182 days old. The next trading day on July 5th the market lost 32 points closing at 2879. One week later the DOW hit 3000 intraday confirming still another example of the viability of this system.

A few examples of the 45 week cycle also proves fruitful. On April 17, 1990, the January 2nd high was 105 days or 15 weeks old. This of course is 1/3 of 45 weeks. The Dow closed at a high of 2765. Did this powerful time window prove to be a change of trend? Absolutely, as 7 calendar days later the DOW water falled 111 points.

The first week of June this time cycle was 22-1/2 weeks old or at the halfway point of 45 weeks. On this date the DOW hit a new all time high.

There you have it. I've just given you a piece of the puzzle as to how markets move during the calendar year.

If Nostradamus were alive today how would he utilize this system?

He would probably go back one to two years and count all of the significant highs and lows that have occurred. This could produce up to two dozen dates over a two year period.

He would then create a computer program that would generate a clustering of these dates at specific points in the future, based on the harmonics of the circle of 365.24 days and 45 weeks.

The more cycles from highs and lows that accumulate together in the same week, the more powerful the change of trend will be.

Well, I've said enough. May you have 360 degrees of profitable trading in the future.

Chris Kakasuleff is completing a stock market course and can be reached for consultation at 1-317-872-7174 or 8213 Plaza Ln. Indianapolis, IN 46268

Indian Time Cycles and Market Forecasting: Cosmic Timing for Pinning Down Those Illusive Turns

By Barry William Rosen

It is a little known fact that W. D. Gann went to India and studied Indian Sidereal Astrology. In his notebooks we find sketches of astrological symbols on his charts; and in his memoirs, he discusses his journey to India. In fact, the famous Gain wheel was first used by tea merchants in seventeenth century India.

Gann also discussed the importance of using the starting date of when the first futures contract for a commodity began trading for predicting the future of that commodity. To my knowledge, there are very few individuals who use these starting dates to successfully time the markets; however, It is my experience, using Indian Sidereal astrology, that these charts are invaluable. If one can verify the starting time and date of the finst futures contract for a commodity, and run an Indian Sidereal natal chart from It then that chart can provide absolutely valid information for predicting, quantifying, and labeling the major and minor cycles that ultimately govern the major trends In the markets.

Below is:
a brief introduction to Indian Sidereal Astrology. How I became acquainted with it.
An overview of the Vimsottari Dasha system (which I will subsequently refer to as Indian time cycles). The practical application of using Indian time cycles for predicting the major movements and changes in those movement in the stock market and, a forecast for the future of the stock market based on Indian astrological time cycles.

Early Research Beginnings I first became interested in Indian astrology in 1985, when a jyotishi (Indian astrologer) told me that I was finishing up a twentyyear Venus cycle, and that my life would completely change in one year when I would enter a new six year Sun cycle. I was told that I would become famous, make great advances in my career, change professions and locations, and emotionally change from a depressing period, into one that was more jubilant and optimistic. And surprisingly, one year later, that is exactly what happened. I went from being an instructor in film studies In Bloomington, Indiana to studying Indian astrology, investments and commodities, and moving to southeastern Iowa.

My ability to forecast my own life and those of my friends very accurately, led me to apply Indian astrology to the markets. This connection became especially exciting when a friend of mine, who was a Gann expert, told me of Gann's interest in Indian astrology.

The Western Zodiac vs. the Indian Zodiac

Indian astrology is over 5000 years old and has its foundation in ancient science. Parashara, a great seer or ancient scientist, intuited the laws of space and time responsible for the evolution of human consciousness and recorded his findings in a book called the Brihat Hora Sastra.

As with all knowledge In book form, over time, the knowledge became fragmented and lost, as it migrated to various other cultures and became distorted. In its purest form, however, Indian astrology has always been acknowledged for its predictive abilities; whereas, Western astrology (with the notable exception of Medieval astrology) has excelled in its analytical and psychological insights.

The first major difference between Indian and Western astrology lies in the calculation of the longitude of the planets. Ancient Indian astrologer observed that the equinoxes and solstices moved backward by one degree every 72 years, an astronomical phenomenon now known as precession. Over time this has resulted in a difference of slightly over 23 degrees between the tropical Zodiac, used by western astrologers, and the sidereal Zodiac, used by Indian astrologers. In essence, the two systems differ in their choice of a zero point for Aries —the Western system uses the position of the spring equinox, while the Indian system uses a fixed star. Thus when the Sun is moving into Aries according to the Western system, it is still at 6 degrees Pisces in the Indian system. (For a further discussion of the differences, please see my article in the Winter 1989 NCGR Journal.)

A dasha is a period of time during which one's life is influenced or governed by a particular planet. For example, the shortest period, the Sun period, lasts for six years, while the longest period, Venus, lasts for twenty years. These cycles unfold in a fixed sequence and comprise 120 years before they repeat and begin again. The order of the cycles is:

Ketu (Moon's South Node): 7 years
Venus: 20 years
Sun: 6 years
Moon: 10 years
Mars: 7 years
Rahu: (North Node) 18 years
Jupiter: 16 years
Saturn: 19 years
Mercury: 17 years

Where the cycle begins is based on what lunar mansion or constellation the moon is in at the time of birth. For example, when soybeans started trading in 1936, the moon was in the constellation (nakshatra) of Orion, which is ruled by the planet Mars. Thus a sequential unfoldment of cycles began starting with a seven years Mars period followed by Rahu (North Node of Moon), 18 years, Jupiter 16 yeas, into its current Saturn period which lasts 20 years etc. If beans had begun trading a day later, then the cycle would have begun from the next constellation which is ruled Rahu or the North Node of the moon. The number of degrees the moon has transited through a nakshatra will determine how much time is left in the initial cycle. Thus if the moon were in the final degree of the constellation, the initial cycle will begin In the last section of the cycle. (Software is available for rapid computer calculation of these cycles—see references.)

Within major cycles are sub-periods or subcycles that also unfold In a set sequential pattern. The subcycle begins with planet ruling the major cycle and then continues in sequence. For example, the current Saturn period for soybeans started with a Saturn/Saturn period in Sept. 1979, and continued with a Saturn/Mercury period in Sept. 1979 followed by a Saturn/Ketu period etc. The major Saturn cycle will finish In 1996 and then soybeans will move into a major Mercury cycle starting with Mercury/Mercury, Mercury/Ketu, Mercury/Venus etc.

In order to properly use the Indian time cycles and their smaller periods, one must have the exact time of the start of the first future's contract of a commodity. Each minute that one is off can lead to changing the prediction low or high by 4 days. O'Non and Remnick illustrate the importance of the exact time using a brilliant analogy from physics:

To launch a rocket ship to the moon, knowledge of the precise angle, time, and location of the launching on earth are necessary. If it is launched at a slightly different time and angle, It will miss by 30,000 to 40,000 miles (24).

I have had to travel to the archives of the Chicago Board of Trade and other major exchanges to verify the first tick starting time and have collected an almost complete set of dates and times which I make available to participants in my advanced seminars.

Predicting the effects of the period is based on the natal chart placements at the time of birth. The positive or negative nature of these periods depends on the placement of the planet by house position, the houses he owns, the house he aspects, the planets that aspect him, and the sign that he is in. For example, in a person's natal chart which has lupiter In Cancer in the 9th with Scorpio ising, a speculator in a Jupiter period lasting 16 years would expect astounding results since Jupiter owns the 5th and the 2nd (speculation and accumulated wealth) and is exalted in the house of good luck and good fortune. Indian astrology is thus especially fruitful for looking into ones own chart and seeing what periods will bring the most good luck and good fortune. W. D. Gann was noted for emphasizing the importance of trading off of ones chart . My own experience has supported this notion. Even when my market timing is on, if my own chart suggest losses or obstacles in the cycles, I inevitably get bad fills, miss a major entry by a tick, or get stopped out before the market goes my direction.

In Indian astrology cycles are stronger than transits and aspects. This concept can explain why some Western astrologers are frustrated in their analyses. According to Indian astrology if the underlying period is positive, then bad transits or aspects will only have a minor negative effect; if the underlying period is negative, even good transits or aspects may not make a dent. In market terms the cycle or dasa often represents the underlying market sentiment. For example, in a bear market, when where is good news and the market falls to rally, the underlying sentiment remains bearish and no external event is going to alter it. More concretely one can remember well the Saturn/Uranus conjunction of Feb. 1988 that was forecasted to suggest a sequel to Black Monday, however, it failed to manifest, not only because of a spacial planetary combination (yoga) from Jupiter's trinal aspect on its own sign, but also because the underlying period, Jupiter/Mercury/Sun, was neutral to slightly positive.

Application Of The Indian CyclesTo Stocks

What is extraordinarily exciting about using dashas or Indian time cycles for market prediction is that it allows one to know the exact date that cycles change, to label them, and quantify whether they are strong ups, minor ups, strong downs, or sideways. If one studies the 198 year history of the stock market, and is familiar with the rules for predicting and interpreting the Indian dasha or time cycle system, the mysterious cycles which seem to govern stocks would no longer be a mystery. For example, by no accident the bull market which began in 1982 coincided with the beginning of a 16 year Jupiter period, which began in late August. In general then, according to this system the market will continue to expand until 1998, since Jupiter is a "bullish" planet and is well placed In the natal chart of the May 17, 1792 stock market chart. Rises and falls within the current Jupiter cycle are explained by sub-periods, or antardasas. These sub periods can either amplify or diminish the strength of the major period. Within this 16 year period, the transits of Jupiter, its retrogradation and aspects to it are especially influential since Jupiter assumes the second most important role in the NYSE chart next to the moon, the chart lord. In 1998 when the Jupiter period ends and the 19 year Saturn period begins, Saturn will assume the second most important role.

A recent study I did of the NYSE will explain how the dashas can be of used to spot short term and intermediate declines or rises. Certain combinations lead to very predictable outcomes. To get daily timing on the stock market, one needs examine four or five levels of dashas or cycles to break the larger 20 and 2-3 year periods down into 20 and 3-4 day periods. Amazingly, the cyclical combinations that are negative on the larger scale level will often prove negative on the smaller scale. A comparison of the Oct.-Feb. 198788 fourth level cycles (Jupiter/Mercury/Venus/Rahu etc.) with the third level periods In 1901-4 (Mercury/Venus/Rahu) reveals that the major lows coincide with a repetition of particular combinations. This principle can also be extended to sections of other cycles In other years. For example note the following:

Venus/Rahu/Saturn: (8-28-29 - 21730) Decline from high of 372.06 on 903-29 to a low of 230.07 on 10-29-29. Jupiter/Mercury/Venus/Rahu/Saturn (Dec 4, 1987) Signaled another major low and decline to 1747 on the Dow after being as high as 2051 following the crash.

Jupiter/Mercury/Venus/Venus/Rahu (October 19, 1987) The third level Venus period did contribute to the direction of the decline in combination with a number of bearish oppositions, the return to an eclipsed constellation, and the sidereal transit of Uranus into Sagittarius. This one example indicates how the Venus/Rahu combination can be used to signal a sharp decline if It occurs In a particular combination.

This particular Venus/Rahu combination is only one of many combinations that one can label, and historically study. Other combinations are bullish such as when the sequence unfolds from a Sun period into a Moon period and onto a Mars period. For example, the stock market's last major Moon Period went from August 1947-August 1957 During that time the Dow went virtually straight up from 179.74 to 492.32, a gain of over 200%. During smaller moon cycles within larger periods, such as the Mars/Moon period from Jan 21, 1964 to August 21st 1964 the market climbed from 776-838. And in the Rahu/Moon period from Jan 31, 1980 to July 31st, 1981, the Dow climbed from 875-935. Even on the third level we can usually count on a rally during a moon period, such as the recent Jupiter/MercurylMoon period from April 4, 1988 to from 2000 at the beginning of the period to almost 2200 by the end of the period.

From the above examples, one can see the value of being able to label and quantify the cycles in order to predict the magnitude of the move. As many cycle analysts know, one can often find major cycle lows and entry points: however, one may have no idea how large the move is going to be. The Indian time cycle analysis is a genuine solution to forecasting because it can predict the future, not just suggest it from the past.

Future Of The Stock Market Based on Indian Cycles

Applying the two examples from the past to the near future, we can forecast that the Jupiter/Venus period which began in July 1990, should lead to a major low which should manifest in January of 1992 followed by a grinding market and secondary low by the end of the Venus period i march of 1993.

The following parallel will make this clear:

• Venus/Rahu/Sat to Venus/Jupiter/Saturn, Sept 1929 - July 1932, Dow Fell from approximately 400 to 32.

• Jupiter/Venus/Venus/Rahuto
Jupiter/\/enus/Venus/Jupiter/Sat urn, July 13,1990 to Oct. 5,
1990, Dow fell from 3000 to my estimate of 2155.

• A very positive cycle from FebJuly 1991 should lead to a retracement which should to at least to DOW 2740 and possiblg DOW 3000.

• Jupiter/Venus/Rahu/Saturn to Jupiter/Venus/Jupiter/Saturn, August 1991 to January 1992, Dow to fall at least 1820 or 1730 from recovery high in the 2680 to 2740 region.

Based on our analysis of moon cycles, one would expect that the Jupiter/Moon period, scheduled to start in Dec. 1993, will begin an historic climb. The low (which I have not calculated yet) sometime in the Jupiter/Sun period in 1993 will provide an excellent reentry for major investments which can be held to the end of the Jupiter period in 1998. Starting in August 1998, a nineteen year lackluster Saturn period will begin, and will coincide with major global economic reorganization into 2017.

While time docs not permit me to discuss the use of dashas in other major markets, a brief application to the crude oil market will illustrate its application to other commodities. Whenever a Venus cycle occurs on any of the major period levels, one can anticipate a rally in From the above examples, one can see the value of being able to label and quantify the cycles In order to predict the magnitude of the move. As many cycle analysts know, one can often find Oct. 12, 1990. The sentiment quickly changed from being very bearish to roaring up $3.00 In one week. Venus cycles tend to be the most bullish for crude. One can see that when combining Indian cycles with other major tools, like Elliott Wave, one can get additional information for clarifying Elliott Waves.

Anyone attempting to uncover the mysterious laws of nature that underlie the commodity markets will be rewarded and intrigued by the depths of Indian astrology. The study of Indian astrology leads not only to knowledge of economic laws, but ultimately to knowledge of the self. Understanding one's Indian cycles and transits is as important for trading successfully as a good timing system. A combination of the two is astoundingly useful and leads to an awe-inspiring appreciation of the order of natural law. While no astrological system should be used 100% to time market entries and exits, a combination of astrological and technical signals and a knowledge of personal trading periods can certainly stack the odds in one's favor and lead to the answer of one of man's greatest metaphysical questions-the relationship between his own consciousness and the universe.

About the author: Barry Rosen is a CTA and has been studying Indian philosophy (Medic Science) for fifteen years and Indian astrology for the past five years. He began applying it to the financial markets in 1987. His newsletter, Investors Fortucast, began in August 1987 by focusing on the stocks and is currently in its fourth year. Mr. Rosen offers seminars on Indian Financial Astrology and can be reached at: Investors Fortucast, R O. Box 2066, Fairfield, Iowa 52556. For subscription information and a free copy of his newsletter, contact: 1-800-634-9650.

Elliott and Andy

By David Kruse

From my initial introduction into the disciplehood of the Elliott Wave Theory, I've been convinced of its validity and usefulness to the trader. In the world of trading, the Elliott Wave Theory is similar to a religion, in that its practice and interpretation has developed many denominations. As has recently been widely publicized, even two of its high priests, Robert Prechtor and A.J. Frost, can arrive at sharply contrasting forecast conclusions for the same market. We are left to conclude that it's not the deity that is at fault, but the creativity of man's interpretive ability that makes this possible. The purpose of technical analysis to the trader should be that of his servant, not his master As such, I practice a practical religion. When having difficulty interpreting a market's wave count, I don't trade it. With the large number of active markets, do not get caught up in the constant need for interpreting any or every specific one. Though each and every market has an on-going wave count, they are not all worth trading. When a specific market's wave count becomes muddled, there will in all likelihood, be muddled results from any attempt to trade it. An Elliott trader needs to exercise the patience to wait for the wave count result or have the flexibility to move on. The question Elliott traders should ask themselves is not what is the clearest wave count for this market, but what market has the clearest wave count? That way you'll be focusing in on markets in a manner which should result in an increased percentage of trades in the win category.

From a personal standpoint, like many others, I've found trending markets are easier and more reliably counted than consolidating ones. When examining a chart, if at first glance your impression was that it looked like a jumbled mess, remember, more money is lost during a sideways consolidating than when market trends are up or down.

Look for the kind of 5 wave count that jumps off the chart and grabs you. Soybeans were a recent example.

While old crop contracts, at best, lacked clarity, new crop November has a very crystal clear 5 wave rally from October to December with a following 3 wave corrective move. We profited handsomely from purchasing that retracement.

While most Elliottians use Fibonacci relationships for targeting, we have instead, incorporated the use of Andrew Median Line analysis

The Median Line is drawn off of pivots or turning points...the extreme price on a bar chart where prices reverse. The beginning of the median line is at pivot 1 and connects at the half-way point of pivots 2 and 3. When applied to major or long term pivots, the result is the long term trend of the market. The same process is applied for intermediate and short term trends. The median line is the most important, as it will stop or reverse prices 80 percent of the time.

The response of a given market upon testing median line support or resistance provides additional clues to its relative strength or weakness. Gaping through a median line indicates a powerful move in the direction of the gap. A reverse from or a failure to reach the median line means prices will continue in the original direction.

Another aspect of Andrew analysis that we use frequently is targeting objectives from sideways action. One simply channels the sideways pattern, counting the number of times prices touch the channel, and multiplying that times the width of the channel. In a downside break-out, that figure is subtracted from the top of the channel for the 1st objective, and from the bottom price of the channel for the 2nd objective. Reverse the procedure for an upside break-out. This targeting tool, used in conjunction with the Elliott Wave Theory proves to be quite reliable in determining price moves. Keep the faith.—

(See accompanying chart for examples of both Median Lines and sideways action.) David Kruse is President of Commstock Investments Inc., editor and producer of the Commstock Radio Report, and author of the Commstock Market Advisory which can be seen daily on the Data Transmission Network. Commstock Investments is a registered CTA, as well as an Introducing Brokerage Commstock Investments Inc., 20 West 6th Street, PO. Box 3041, Spencer, IA 51301, 712/26v9400

The Use and Abuse of Geometric Angle Lines - Part 2

By Robert Miner

The prior issue of TRADER'S WORLD briefly described how the geometric angles are derived. That article used the soybean market from the Nov. high to April 17, the date the article was submitted, to describe the use of the geometric angles to make trading decisions. I described at the end of that article that I had gone long the soybean market that day, and that I would describe in Pan 2 why I went long, including the trading strategies for entry, stop loss and profit protection. If you do not have the prior issue of TRADER'S WORLD with Pan 1 of this series of articles, feel free to give me a call, and I will send you a copy of the article.

Before we continue with the commentary of the proper use of the geometric angles and the trading strategies relevant to the recent activity in the soybean market, let's review a few key points. The objective of the trader must be to have a trading plan and a set of proven trading rules that allow the trader to make a trading decision in any market, at any time. If a trader is to be successful, he or she must look at all dimensions of the market activity.

As I describe in my course, THE W. D. GANN TRADING TECHNIQUES HOME STUDY COURSE, there are three dimensions to market activity that the trader must fully understand. These three dimensions are TIME, PRICE and PATTERN. Unfortunately, most traders focus on just one dimension, and often, just one aspect of that dimension. But, that is why most traders are unsuccessful, they do not look at the whole aspect of market activity.

The geometric angles are very helpful to define position of the market, strength or weakness of the market, and price zones where change is likely to occur SHOULD PRICE APPROACH AN ANGLE. One of Gann's "rules" that is often repeated by unknowledgeable traders and educators who have not taken the time to prove out market relationships and trading rules was called by Gann the "Law of Angles."

"Law of Angles" sounds very impressive, but it is really very misleading as described by Gann. The "Law of Angles" described by Gann is this: "Whenever price exceeds an angle line, price will continue to the next angle." This "Law of Angles" implies that price WILL continue to the next angle, once one angle is exceeded. As anyone has discovered who has done the work to prove out trading strategies, this is not always the case. Frequently, price will exceed an angle and not reach the next angle before reversing trend in either a counter trend swing or the continuation of the main trend.

My rule of angles states: "Once an angle is exceeded, if price continues to the next angle, support or resistance may be found depending on the other price relationships and the position of the market as price approaches the next angle." A trader must not expect price to continue to the next angle and must not expect to find support or resistance at the next angle if price should continue that far. The trader must look at the whole of the market activity including other price relationships as well as the TIME and PATTERN factors in order to make the proper trading decision.

The geometric angles prepare the trader in advance where price may find support or resistance depending on the other relationships of market activity. The geometric angles should never be used alone to make trading decisions.

With all this in mind, let's cut to the chase. The previous article was submitted on April 17, the day I went long the market. We will take up the discussion of the market activity from the Jan. 29 low, as I promised in pan one. Let's review the position of the market up to that time. A trader must always begin from a long term perspective and work into the short term activity to determine the strength, weakness and trend of the market. From a long term perspective, soybeans had been in a bear market from the June 1988 high. On Jan. 29, price made a double bottom on an outside reversal day with the Oct. 16 low. Relative to cash or spot prices, the Jan. 29 low was higher than the Oct. 16 low.

The time of the previous bull campaign from the 2/27/87 low to the 6/23/88 high was 482 calendar days. 482 calendar days from the 6/23/88 high fell on Oct. 18, 1989! In other words, price made a swing low at a 100% Time Cycle Ratio of the prior bull campaign. It is very unusual for bear markets to last as long in time as bull markets. A knowledgeable trader would be well aware as we approached Oct. 18 that time was running out for the bear market. The bear market would not likely continue beyond Oct.. In fact, the trader would be very alert to other TIME FACTORS that might coincide with the Oct. 18 100% long term Time Cycle Ratio.

The double bottom/outside reversal day of Jan. 29 indicated at least a minor rally was likely to ensue. Given the context of the longer term TIME, PRICE and PATTERN relationships, the trader would be alert to indications that an important longer term low had been made, and would look for opportunities to go long for a rally that would likely exceed in time and price all other rally swings since the 6/23/88 campaign high.

Not the price activity off the Jan. 29 low. Price made the first swing top on Feb. 21 at the coincidence of the active 2 x 1 resistance angle and the 1 x 1 angle from the Jan. 29 low. A minor decline ensued making a bottom at the coincidence of a 67% retracement and the 4 x 1 support angle. Recall that the angles will give us the surest indication of support, if other price relationships fall at or near the angle at the time price approaches the angle.

Price advances from the 2/26 low. The first indication of strength is when price exceeds the active 2 x 1 angle from the Nov. high. The rally swing is confirmed once the swing high of 2/21 is exceeded. Price continues to rally, closing sharply above the next resistance angle, the 4 x 1 angle, on 3/9. If we followed Gann's "Law of Angles", we would expect price to continue to the next angle or the 4 x 1 angle before finding resistance. Yet the next day, price declines back below the 4 x 1 angle, beginning a three day counter trend swing.

The high of 3/9 was made at the coincidence of two important price relationships. Wave three equaled 1.618 wave one at 6.14 and 6.135 was a 67% retracement of the 11/16 high to the 1/29 low. This important price coincidence fell several cents above the 4 x 1 angle at the time the minor high was made. The knowledgeable trader would have been prepared for resistance at this coincidence of price relationships. Since this coincidence of price relationships fell just above the 4 x 1 angle, we would anticipate that price may not find resistance at the 8 x 1 angle, but just a,~that angle.

The trader should always add angles from the prior minor swing extreme as the market unfolds. These angles will be the most relevant to the current market activity and help to indicate minor support and resistance of the immediate swings. The 1 x 1 angle is very important in all markets. Once a market trend is confirmed, price will usually remain above the 1 x 1 angle as long as the immediate trend is in force.

A 62% retracement of the prior swing is usually the maximum counter trend move to anticipate if the trend is to continue. Price declined from the 3/9 high making a bottom at the coincidence of a 62% retracement to the 2/26 low 3/9 high and the 1 x 1 angle from the 2/26 low. Once again, we find that the coincidence of a price relationships and an angle line resulted in trend reversal.

Price continues to advance. Price is now in the third section in the direction of the trend or an Elliott fifth wave. More than likely, once this minor advancing section is complete, a correction to the entire advance from the Jan. 29 low will ensue. If our longer term view of the market is correct, that the Jan. 29 low was the final bottom of the bear campaign, that correction should not exceed 50-62% of the advance from Jan. 29 before making a counter trend low and continuing to new highs beyond the Nov. 16 top.

Once the 3/9 high is exceeded, we would look to the price relationships near the next angle, the 8 x 1 angle, for indications of potential resistance. At 6.1825, wave five would equal .618 of wave 1-3 and at 6.189 wave 5 would equal wave one. This is a very strong coincidence of price swing relationships. The trader would want to be very alert to indications of change should price reach 6.18-6.19, particularly if this price level were near an angle line when price reached this level.

On March 21 (if you are not aware of the importance of this date to trader's, you need help), price made a reversal day with an intra day high at 6.19 and precisely at the 8 x 1 angle. This coincidence of price swing relationships and angle line stopped the market dead in its tracks and terminated the rally swing. The final high was made on 3/27. Note the position of the 1 x 1 angle from the Jan. 29 low on that date. If you don't know the importance of price testing the 1 x 1 angle from the beginning of the trend in this manner, refer to Pan one.

Price fell sharply, exceeding the 1 x 1 active angle from the 2/26 low. Once again, we must consider the other relationships of market activity as price approaches an angle. The 1 x 1 angle did not offer support in this case. Price continued to decline. On 4/2, price was near the 2 x 1 angle. Why would we determine that this angle might be relevant and result in support?

The wave four swing low fell at 5.96. A 62% retracement of wave 1-5 fell at 5.94. Right in the time period of 4/2, the 2 x 1 angle fell near these imponant price relationships. On 4/3, price make a reversal day with an intra day low at 595. This would be a clear and definitive indication to go long at the close on the confirmation of the reversal day or near the open the following day. I had been out of town just prior to this time and did not have all my information up-to-date on the founh. However, that week I caught up-to-date, recognized that 4/3 was likely the termination of the counter trend move and anticipated that, if the market had made a long term low on the Oct. / Jan. double bottom, the next advancing swing would be explosive once the Nov. 16 high was taken out. I was looking for a safe opportunity to position on the long side for the next rally swing.

My TIME analysis indicated that April 13-16 (Fri. - Sun. = non-trading days) was a PROJECTED TURNING POINT PERIOD. There was a large cluster of important TIME FACTORS that fell in this period including several important TIME CYCLE RATIOS, PRICE SQUARED IN TIME, and TIME COUNTS. I would be very alert to the PRICE and PATTERN relationships going into this important time period. On April 12, price declined to the 2 x 1 angle, closing on the low of the day. There was no indication of bottom or reversal.

Carefully note the price activity on April 16, precisely within the Projected Turning Point Period. Price made an intra day low at the coincidence of the prior two swing lows and precisely at the 3 x 1 angle from the 2/26 low on a reversal day. TIME, PRICE and PATTERN all coincided to indicate an imponant bottom. I did not have an order to buy near 5.96. In this case, I was waiting for indication of change before taking action. Near the close and the confirmation of reversal, price was almost 10 above the low of the day. If I were to go long near the close, my stop would have to be placed one cent under the low of the day or over 10 away from my entry position. This is more capital exposure than I was willing to take for the trade.

The next safest time and price to enter from the long side would be on a confirmation of trend continuation. The would result from a close above the 3/27 swing high at 6.19. Recall that I had anticipated that the next rally was likely to be explosive. Fast markets are very hard to enter safely. Besides, the 3/27 high was over 15 above the market at this time.

Because I anticipated a fast move above the Nov. 16 high was likely to develop, I bought July bean 625 calls near the open on April 17. Options are an ideal trading vehicle if the market relationships indicate a fast move is likely to develop. Price continued to advance above the 1 x 3 fast angle, testing that angle as support on 4/25 and closing strongly above the 3/27 high in a wide range move with a close near the high of the day. The game was afoot. My calls were already in the money and profits accumulating. Once an angle is tested as support or resistance, it becomes an active angle. An active angle is an important indication of trend continuation or termination. Once an active angle is exceeded, more than likely at least that section of the trend has terminated.

On April 26, price explodes above the Nov. 16 high in another wide range move with a close near the high of the day. The market is unfolding just as anticipated. We now look to see the price relationships to the angles from the most recent minor low of April 25. Price is rallying straight up above the 1 x 8 angle from the April 26 low. A decline below a fast angle is strong indication of the termination of the intermediate trend. Once price closed below the 1 x 8 angle, the advancing swing from the 4/16 low will have likely terminated, and I would take profit on my calls.

We must now be aware of price objectives where this rally swing may terminate. The 11/16 high (6.31) to 1/29 low (5.79) equals 52. A measured move above the 11/16 high equals 6.83 (6.31+ 52). Wave 1-5 equals 41. The 4/16 low (5.91) plus 82 (2 x 41) equals 6.73. It would be unlikely that price would exceed 6.83 without a significant counter trend move. The 4 x 1 angle from the 11/16 high fell in the 6.60 to 6.65 range in the next two weeks. It is very difficult to determine precise price objectives in explosive markets. Price can rally higher than any expectations and make a sharp reversal. I would be alert to the price activity at the 4 x 1 angle, anticipating that price was not likely to continue in a fast advance beyond 6.83.

On May 1 (precisely within the April 30-May 1 Projected Turning Point Period), price made an intra day high at 6.70 on a very wide range outside reversal day with a close near the low of the day and below the low of the prior day. The close was just on the 1 x 8 active angle. Options are only valuable in fast moving markets. While I may have anticipated that the market would eventually move to new highs, the TIME, PRICE and PATTERN activity indicated that this fast moving swing had terminated. I sold my calls near the open the following day, May 2.

Even though I missed taking profits near the swing high, I sold my calls the day after the top for almost a 200% profit in two weeks! Patience, discipline, market knowledge and trading strategies gave me the opportunity to make a significant profit in a short amount of time.

The geometric angles were very helpful to understand the position of the market, determing support and resistance, price objectives and protective stop strategies. However, their value is only in conjunction with an understanding of other TIME, PRICE and PATTERN relationships. The geometric angles were never used alone to make a trading decision.

Prove to yourself from the study of past market activity the proper use of the geometric angles. My course, Robert Miner's W. D. GANN TRADING TECHNIQUES HOME STUDY

COURSE, thoroughly describes and illustrates the proper use of the geometric angles and other important TIME, PRICE and PATTERN relationships of market activity. If you wish to make a success in the business of speculation, you must gain comprehensive knowledge of market activity and how to put that knowledge into practice. Gain that knowledge and act on proven trading rules and your success is inevitable.

ROBERT MINER is a private trader and the author of the authoritative and comprehensive U: D. GANN TRADING TECHNIQUES HOME STUDY COURSE which has been acclaimed as the finest and most comprehensive trading course available. For further information: GANN/ELLIOTT EDUCATORS, 6336 N. Oracle Rd., Suite 326-151, Tucson, Az. 85704. 602-7973668.