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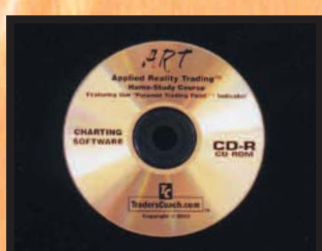

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The Approaching Grand Supercycle Top: An alternate model that's been a Holy Grail since 1998

The musings of an Elliott Wave enthusiast

By Jim Forte, CMT

In the following article, I am going to reveal to you an Elliott Wave (EW) Fibonacci model I identified in the spring of 1998. It has since determined in advance every major juncture in the Dow in time and/or price. I am also going to reveal what the model is forecasting for the final top, and what macro-economic forces are synchronistic in this big picture scenario. The bulk of this case was presented in September of 2005 to the members of the Technical Securities Analysts Association of San Francisco.

Both Bob Prechter and Harry Dent are icons of stock market forecasting. I owe both of these men a debt of gratitude for the insights and perspective they have given me in understanding the movements and trends in the stock market. Mr. Prechter, of course is the icon of Elliott Wave analysis. It's based in the belief that the patterns of all life are ruled by natural harmonic constructs that can be measured mathematically, including cycles of varying degree that regulate the psychology of buying and selling in the stock market. Mr. Dent incorporates some EW and other technical analysis, in his largely demographic approach to understanding and forecasting the major trends in the stock market. Mr. Dent's work is based primarily in the belief that cycles of technological innovation, birth rates and the changing consumption patterns of populations as they go through various stages of life, lend themselves to predictable outcomes in the economy and the stock market.

In 1987, during the weekend before the October crash, I calculated the crash low to the exact point by using a .382 Fibonacci (Fibo) retracement from the 1932 low to the August 2737 intraday high. I used .382 instead of the other Fibo ratios because it targeted the broad 1986 support. I had recalled an earlier EW projection for a possible Grand Supercycle (GS) top in August of 1987 in the 2800 area, but as the market heated up in 1987, targets were raised to the 3600 area. The market rose to 2737 in August just after a major Mayan Calendar event known as the Harmonic Convergence. I mused that perhaps the original August 1987 forecast would be right. Mr. Prechter had become the Pied Piper of his day and I questioned that such a large following could be whisked to the promised land. The sharp decline of 108 points on the previous Friday fueled my suspicions and led me to my fortuitous calculations. My success in determining the crash low convinced me of the magic of this arcane art and led me to dedicate myself to the study of technical analysis.

After the 1987 crash, the GS top was widely heralded as having been posted. Mr. Prechter published the "Crest in the Tidal Wave". While exceptionally detailed, brilliant and scholarly, the claim of the GS top turned out to be wrong. Such are the pitfalls of forecasting. Regardless, I'm going to try and make a forecast of my own.

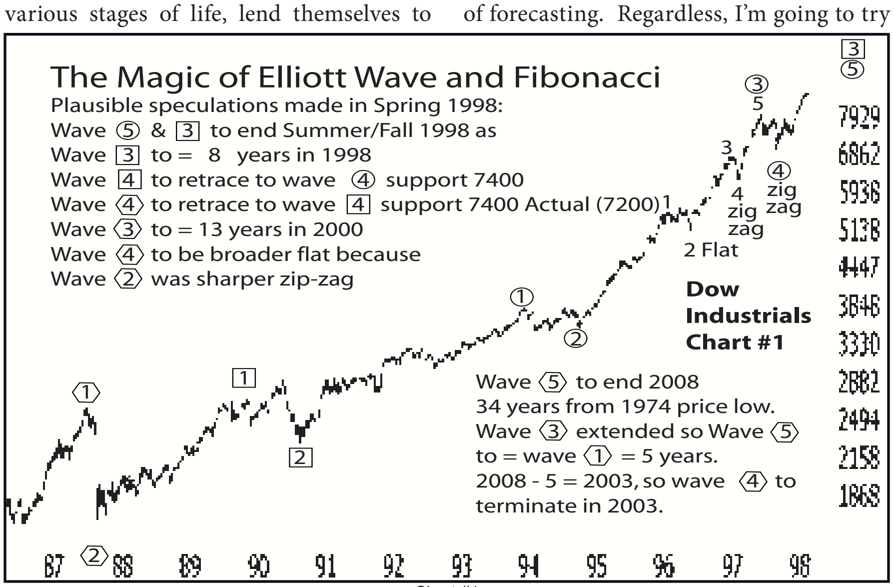

Chart #1

One of the most reliable big picture phenomenons in the US stock market has been Fibonacci year counts, i.e. the fact that virtually every major bull and bear trend has run for a Fibonacci number (1 2 3 5 8 13 21 34 55 89 144 etc.) of years is astonishing! Here are some examples:

1921-1929 = 8	1974-1982 = 8
1932-1937 = 5	1974-1987 = 13
1937-1942 = 5	1982-1987 = 5
1932-1966 = 34	1987-1990 = 3
1937-1942 = 5	1987-2000 = 13
1932-1987 = 55	1990-1998 = 8
1962-1966 = 3.5	1998-2000 = 2
1966-1974 = 8	1998-2003 = 5
1969-1982 = 13	2000-2003 = 3

The prevalent EW view for a time held 1982 as the beginning of the last leg of the bull market from 1932. As the market moved higher above the 1987 top in the 1990's, a new view gained prominence. There was a case to be made for a 21 year five wave count from the 1974 low terminating in 1995. This view counted the sideways pattern from 1976 to the 1982 low as a 2nd wave flat correction and the 1987 decline as a 4th wave zig-zag correction. It's really been since the 1987 crash that many EW enthusiasts have spent most of their time in a bearish posture looking for the start of the GS bear. There is of course good reason, because when the GS top does come, we are at risk of "Thunderdome" to follow. This preoccupation however does not lend itself to great portfolio returns in a continuing bull market.

I was entrenched in this defensive GS top camp until 1996. The case for the just referenced 1995 top was supported by a multitude of Fibo year counts culminating that year. But when the market continued substantially higher well into 1996, I knew another force was in play. I had difficulty counting the 1974 low rather than the 1982 low as the beginning of the bull market. The Dow rally from 1974 to 1976 appeared to be best counted in three, not five waves as is characteristic of an impulse wave. The look of the move from the 74 low to the 82 low simply appeared more to belong to a continuing correction than to the character of a new bull market. That character I think changed in the move off the 82 low. Also, market corrective phases often protract after the low point of the formation. The 1982 low was not the low of the long 16 year sideways Dow pattern; although on an inflation adjusted chart I viewed on Telescan, it was clearly lower than 1974.

I spent endless hours divining wave counts and Fibonacci year counts until the spring of 1998 when I uncovered the combination that has proven to be my Holy Grail! Chart #1 illustrates the set of suppositions that came together to identify the EW Fibonacci model that has been phenomenally accurate since the spring of 1998 to present day. The model is nearing the end of its useful life however, and I feel compelled to publish it. It is simply remarkable that a stock market forecasting model could be this accurate and reliable for nine years!

Here is an anecdote for media watchers: After the market completed its eight year, five wave run into July of 1998, it began a sizable correction. The previous 4th wave support was concentrated in the 7400 area. On September 1st, the market bottomed at 7401 and then strongly reversed intraday. That day, brokerage analysts Ralph Acampora and Abby Joseph Cohen both made appearances on CNBC. Both had held strongly bullish positions for some time, but showed signs of capitulation in their interviews. Perfect contrary media timing!

I did develop alternate scenarios as well, but at critical junctures the market itself leads you to dispose of scenarios that are no longer valid. For example in 1998, using 2003 as a possible topping date would have been a valid scenario, making it 21 years from the 1982 low. But as we hit the 13 year 3rd wave top in 2000, that would mean a 4th and 5th wave of primary degree would have to play out in just three years, making this scenario of low probability.

What Chart #1 illustrates is the identification of a wave count that meant the bull market into the GS top had a long way to go! By returning to the assumption that the 1987 crash was a 2nd wave, and also supposing that the 1990 decline was a 2nd wave of obviously of smaller degree, that opened the door to significant upside and an extended bull market! These subdivisions lent probability to a Fibo 8 years into late 1998 to complete a 3rd wave from the 1990 low, and a Fibo 13 years to 2000 to complete the larger 3rd wave from the 1987 crash low. When I realized it was a Fibo 34 years from the 1974 low to 2008, I incorporated two primary EW tenets to complete the picture. Tenet one: When the 3rd wave is extended (13 years), the 5th wave should resemble the 1st wave (5 years). Tenet two: When the 2nd wave is a sharper zig-zag, the 4th wave should be broader, flatter and probably more time consuming. So if 2008 is the target year for the top and the 5th wave bull leg is to equal 5 years, then that leaves 3 years for the correction from the 2000 top into 2003. Given the magnitude of the 1987 crash and the duration of its psychological impact, a three year 4th wave bear market of primary degree from a 2000 top was a plausible scenario.

The year 2000 did post a major top in the market, led of course by the digital revolution stocks. The tech bubble and its subsequent implosion made a declaration of the GS top hard to argue with. However, I had a problem with declaring the 2000 high as the GS top. There was no Fibo year count that contained a primary five waves ending in 2000. The Dow meanwhile was behaving in a way consistent with the forecast of my spring 1998 model. Chart #2 shows the model fulfilled to present day.

It was in late 2000 or 2001 that I discovered the work of Harry Dent which gave added impetus to my 2008 GS top forecast. Dent has been among the more confident and insightful long term bulls, and was forecasting a bull run into 2009. He's published four books starting in the early 1990's outlining and explaining the demographic dynamics of the bull market. He also incorporates some EW analysis in his work and had a wave count more in line with my own. He garnered headlines in the 1990's in forecasting a 40,000 Dow in 2009 or 2010.

In the fall of 2001, the TSAA of San Francisco held its annual conference. The theme was a big picture debate "Bull, Bear or Nowhere" featuring Harry Dent and Peter Eliades. Dent made his bull case targeting 40,000 in 2009, while Eliades made his well honored "Sign of the Bear" case supplemented with some of Prechter's bearish argument.

So from the two forecasters I admired most, there were dramatically opposing views. On the one side was the predominant EW view of Bob Prechter that maintained a GS top was in place, and on the other side, a forecast by Harry Dent for the Dow to extend to 40,000 into the year 2009 or 2010.

The application of Elliott Wave theory by its nature can be subjective, so alternate interpretations of the wave structure are sometimes called for. In addition, EW by definition discounts real world events as causative. This basis, as with technical analysis in general, can offer an advantage over being endlessly distracted and misled by news and current events. However when considering macro economic mega-trends, it seems a disadvantage to not factor them into your analysis. It seems to me that most EW theorists have done just that in having discounted the macro economic impact of the digital technology revolution, the bullish affect of the real estate boom, and now the China and emerging market growth phenomenon, as they have fixated on their perennially defensive U.S market posture.

In September of 2005 , I made the case I am making here to the members of the TSAA of San Francisco, i.e. for a continuing U.S. bull market ending in the second half of 2007 or 2008. As of that time, of the thirty-one sectors in the Worden Bros. data base, twenty were at new all time highs and two were equal to their old highs. Only nine were below their old highs, and of the nine, five were in the old tech mania groups. As of this writing (4-17-07), there are twenty-two sectors that are at dramatically higher highs! Is this the makings of a giant 'B' wave or a new leg of the bull market? A

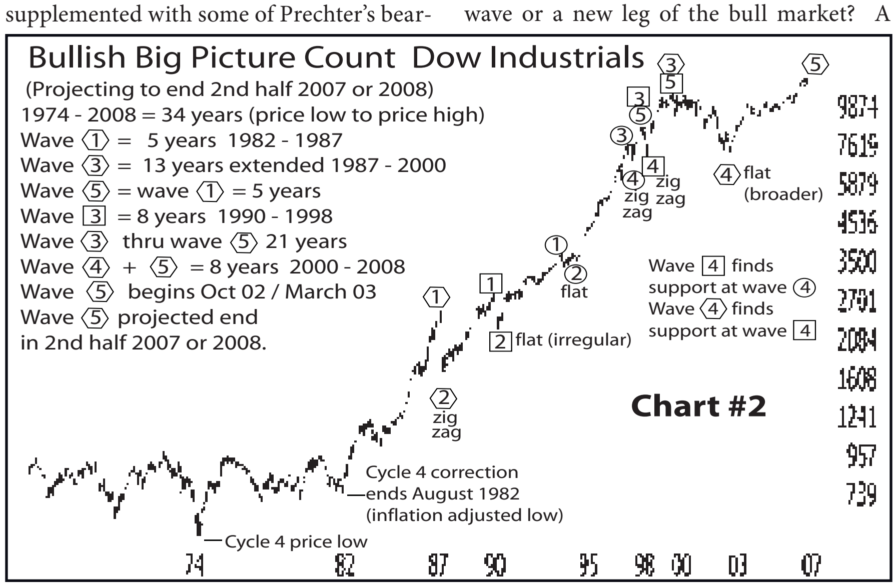

Chart #2

case can be made for a 'B' wave within the context of a constant dollar Dow. However, in practical investing terms, it's a perspective that's been an impediment to participating in the upside rewards of the stock market, since the Dow found support at its previous 4th wave low in March of 2003. If you are regularly looking for a top in a primary degree bull trend, be it a B wave or an impulse wave, your returns are likely to be handicapped. The predominantly bearish pre-disposition of some EW theorists since the 1987 crash has been unfortunate.

The alternate view offered here did not take genius to uncover. You just needed to pay attention to the macro-economic mega-trends and entertain alternate scenarios. Weather forecasters use sophisticated models, but they also should look out the window. The Dow has broken out to new all time highs, the S&P is approaching its old high and the global bull market continues. I believe this last leg as I have tried to frame it, should best be counted as a 5th wave of primary degree from the 2002/2003 bottom. The important challenge now is to determine when and where the real GS top will be made. A combination of Fibonacci year counts point to 2008. 1974-2008 = 34 1987-2008 = 21 2003-2008 = 5.

Let's consider some of the more important macro-economic issues that may influence or at least help explain the dynamics of how these next 2-3 years may play out.

With regard to Mr. Dent's highly bullish forecast of Dow 40,000, in his October 2006 newsletter, he lowered his ultimate target on the Dow to around 20,000 in 2009 due to geo-political forces and domestic economic developments. His prediction may well prove to be right, but I doubt it. He has drawn parallels to the roaring twenties bull market ending in late 1929. The kind of extended 5th wave move that he is projecting is not likely to occur from an EW standpoint, especially when taking into account the compelling historical evidence of the Fibo year counts. If the wave structure I have illustrated is correct, the primary 3rd wave was a 13 year extended wave from 1987-2000. If the 3rd wave was extended, then the 5th wave from the 2002/2003 low is more likely to be about five years, as was the 1st wave from 1982 to 1987, ending in the second half 2007 or 2008.

The 1929 extended wave parallel also has other problems in my view. In the twenties, the U.S. was a power on the rise. We were net exporters and a creditor nation. Our current status is the opposite on all three counts and not likely to run as far on the strength of fading glories. The jobs that were created here at home from the industrial revolution are in significant part being created instead overseas during this technological revolution. Foreign demand for U.S. manufactured goods is concentrated with a relatively small number of capital goods companies and commodities. The growth in jobs from the real estate boom has largely run its course and is beginning to contract, as is the wealth effect. Finally, consider the U.S. continuing to spend well beyond its means while the dollar is beginning to lose its status as the world's reserve currency. Euros are increasingly being used to trade in crude oil and our creditors are diversifying away from the dollar. An extended 5th wave in the U.S. seems hardly likely under these circumstances. There are positives for the market. World wide liquidity is at high levels, helping to fuel the private equity boom. Hot real estate money is coming back to the stock market and baby boomers are stepping up their retirement savings investments. However, these positive fundamental factors seem unlikely to overcome our deeper structural problems and support an extended 5th wave into late in the decade. The wild card is China and the emerging markets.

Let's address the China factor. In 1921, the U.S. and British stock markets registered important corrective lows. The U.S. market made an eight year hyperbolic run into the 1929 blow off while Britain only managed to reach its previous high (posted in 1900) as the industrial baton was being passed to the U.S. Similarly, as the U.S. passes the industrial baton to China, it is more likely that if any stock market extends hyperbolically into the 9th or 10th year of the decade, it will be China. The "new economy" index as represented by the Nasdaq, probably at best may double top. The S&P as of April, 2007 is approaching its old highs, but may struggle to move much beyond, if this British comparison holds up. The Dow industrials have been leading the market higher for good reason. Emerging market growth, especially China is pushing to build its infra-structure and has been demanding the capital goods of our industrial companies. This is pulling our markets higher. It's not about the U.S. anymore.

As China prepares to have its coming out party and showcases its country to the world during the 2008 Olympics, it's been full speed ahead. They have been buying our ten year treasuries to keep our mortgage rates low and the housing wealth affect high. It was no "conundrum". This has kept the cash flow from U.S. consumer purchases high and has been providing needed capital to grow their infrastructures. U.S. consumers, for the most part have been propped up and stretched as far as they're likely to go. Meanwhile, China's own consumer class is coming into its own. My expectation is that there will be a big let down coming after the Olympics conclude and our market will begin discounting this by the spring of 2008, perhaps sooner.

Our final and most important task is to try and determine when and where our model is projecting the final top. Chart #3 shows the latter portion of the forecasted 4th wave decline from the 2000 top into the October 02/March 03 low. It also shows the development of the 5th wave from this low. Within the context of our model, we will

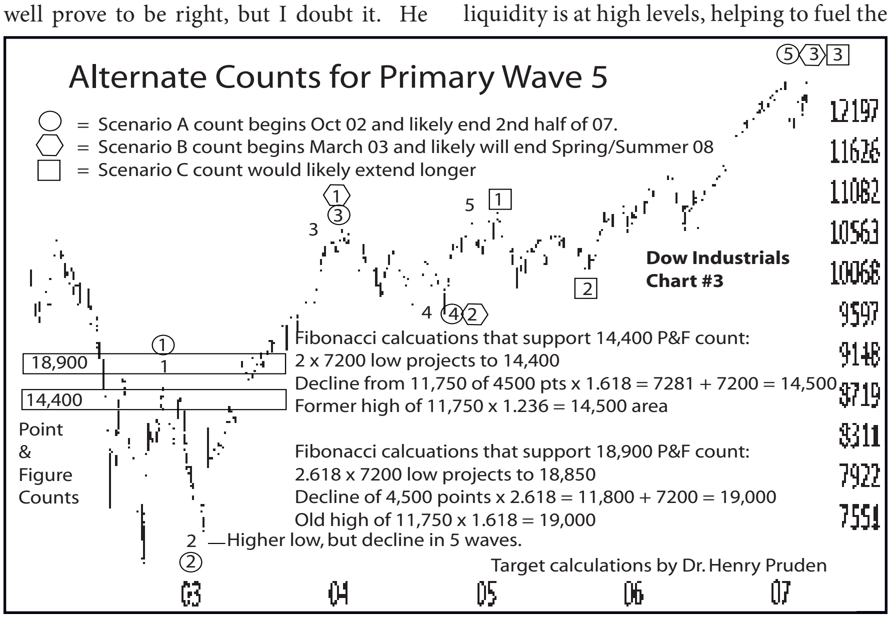

Chart #3

need to consider some alternatives. We have an EW dilemma. The rally off the Oct 02 low appears to be in three waves and the decline into the March 03 low, while a higher low, appears to have formed five waves. That begs the question as to where to begin the count. If we begin our upward count from the Oct 02 low, the decline into March 03 would then best be counted as a 2nd wave zig-zag. The sideways pattern in 2004 and perhaps 2005 would then be counted as a 4th wave flat. This count puts us now in the 5th wave from the October 02 low and in the later stages of a five year run, perhaps culminating as early as the 2nd half of 2007. If we begin the count with the March 2003 low, then we are likely somewhere within the 3rd wave, and with a 4th and 5th wave still to come, most likely culminating in the spring or summer of 2008. There are wave counts that could extend further, but are of lower probability. Chart #3 illustrates three alternate wave count progressions.

This is where price targets may lend a hand. In a separate study, my TSAA colleague Dr. Henry Pruden (HankPruden.com), has done a point and figure calculation from the reverse head and shoulders pattern forming the base from the July 2002 low through the spring of 2003. It projects a run in the Dow to 14,400. Pruden has also calculated a number of Fibo price relationships that corroborate this price objective. A 2x of the 7200 low also brings us to 14,400. The Dow lost approximately a Fibonacci 38% of its value or about 4500 points from its 11,750 high to the 7200 low. An upward rebound of 4500 x 1.618 = 7281. 7281 added to the 7200 low brings us again to the 14,400-14,500 area. The former high of 11,750 x 1.236 also targets the 14,500 area.

Dr. Pruden also calculated an alternate point and figure count taken from a higher, broader level of the fall 02/spring 03 base which projects to a less likely, but maximum possible target on the Dow to between 18,900 and 20,000. He offered these Fibo calculations that corroborated these higher targets: 11,750 x 1.618 = 19,000. 7200 x 2.618 = 18,850. 4500 x 2.618 = 11,800, add 11,800 + 7200 = 19,000. This technical scenario is in line with Mr. Dent's more bullish forecast. The Dow is just challenging 13,000 as I complete this writing. If the Dow can manage to push to 14,400 by the fall of this year, back off and then push beyond 15,000, then these higher levels should become the ultimate target. Based on the macro economic conditions in the U.S I outlined earlier, the EW principle of 5th wave equality, and the strong record of Fibo year counts throughout the last one hundred years, I would doubt the Dow could push

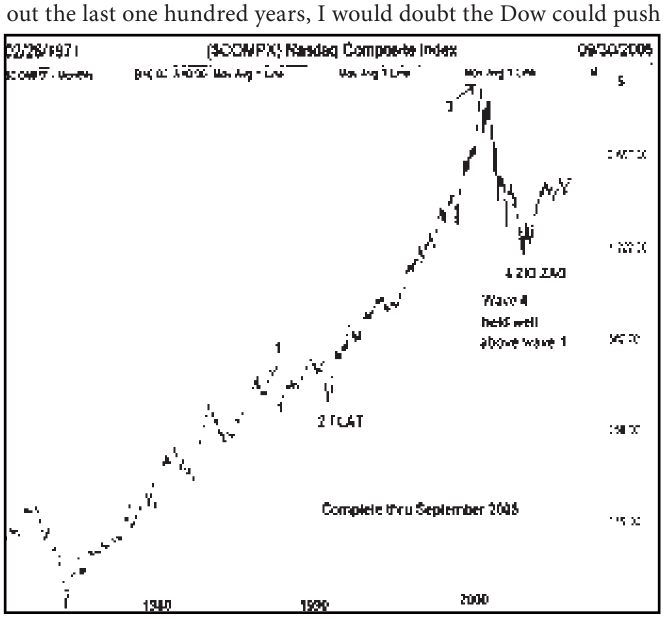

Chart #4

higher well into 2009.

Because of the muddled bottom, the time target has about a one year range between the summer of this year and the summer of 2008. The price projections of about 14,500 and 19,000 offer the added advantage of being able to synchronize both time and price. If the market hits the 14,400 over the course of the next year, start listening for the song of the fat lady. If the market then continues beyond 15,000, expect the opera to continue until we reach the 19,000 area. She'll be singing an ode to America….

I would be remiss if I closed without a view and some discussion of the Nasdaq market. The attention that the Nasdaq garnered in its virtually hyperbolic rise, and the magnitude of its decline challenged the psychology of even ardent bulls. It would be hard to imagine a circumstance under which the old bubble mania high could be much exceeded within my referenced time frame. However, I have included a chart #4 showing the Nasdaq from the 1974 low with a clearly evident four wave progression. Wave two appears as a flat and the 4th wave as a zig-zag. The would be 4th wave came no where near to overlapping the 1st wave, despite the magnitude of its decline. In my presentation to the TSAA in 2005, I argued that Dent's forecast of between 10,000-20,000 on the Nasdaq in 2009 was unimaginable within the context of my model, but perhaps a quasi double top 5th wave might be achievable. In his October 2006 newsletter, Dent's "most likely" scenario for the Nasdaq was revised down to the double topping range of 5000. The Nasdaq Composite would require a doubling from its current 1900 level and the Nasdaq 100 large caps would require a tripling to achieve even this double top scenario! Contemplating this scenario would only make sense in light of the most optimistic China and emerging market developments, and with extreme difficulty when considering the Fibonacci 2008 influence.

I think there is one thing upon which Bob Prechter, Harry Dent and I agree, that a great bear market, perhaps the biggest in generations may be looming in the not too distant future. Given the extent that markets have become global, there may be many cross currents. Looking for safe havens and predictable overall returns will be more challenging. It will be important to be prepared with wealth preservation strategies. Some may consider gold and other commodities, foreign bonds and diversifying out of the dollar. The more adept might consider the short side of the market. For the more conservative, Everbank offers CD's denominated in a variety of foreign currencies. There are many resources available for this kind of information. Do your homework. Stay poised…

Jim Forte is a twenty year veteran of the stock and commodity markets. He is a Chartered Market Technician and past president and current member of Technical Securities Analysts Association of San Francisco. He can be contacted at JimForte@pacbell.net.

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Time Bands
for Cycle Highs and Lows

By Robert Miner, Dynamic Traders Group, Inc.

Timing is often the missing element in many trader's trading plan. There are two basic types of timing routines that we teach at Dynamic Traders: Time Bands for cycle highs and lows and Dynamic Time Projections for very narrow range End-of-Wave Time Targets. Because a trader must have the Dynamic Trader software to make the proprietary Dynamic Time Projection Time Targets, this article will teach you how to make cycle Time Bands which does not need specific trading software.

Time Bands are a traditional and very effective way of identifying high probability and relatively narrow range time zones when cycle highs and lows may be made. They were popularized by Walter Bressert and described in his book, *Cycles and Oscillators*. Time Band projections are most effective when a market is making fairly regular cycle swings in price or momentum. They may be used for any actively traded market and any time frame.

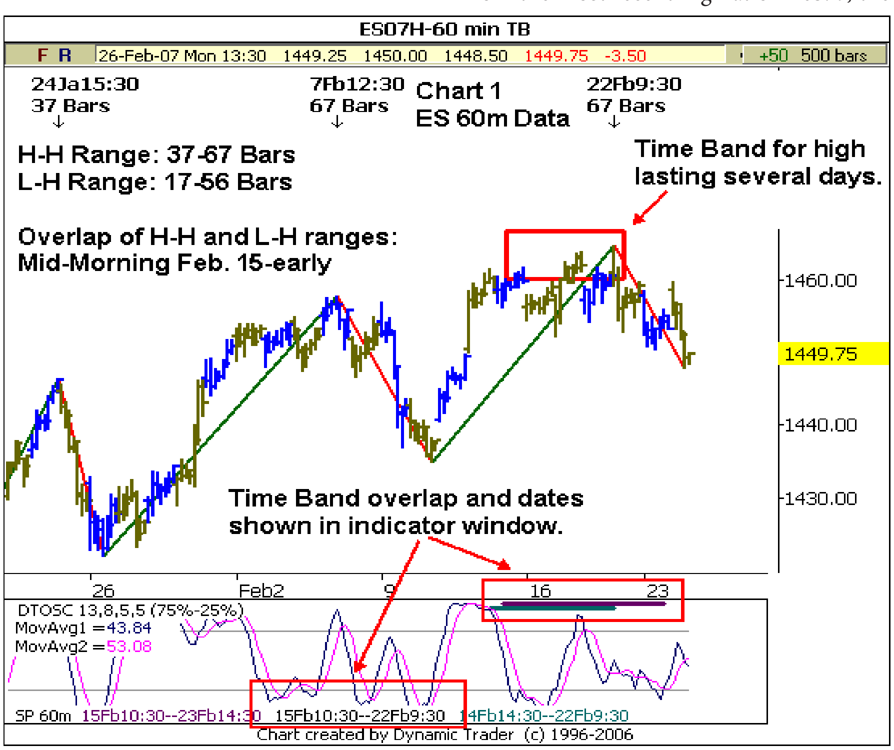
Time Band projections for projecting a cycle high, are made by measuring the range of past highs to highs (H-H) and lows to highs (L-H) and identifying the period when these two ranges overlap. For a cycle low, past lows to lows (L-L) and highs to lows (H-L) are measured.

Chart 1 is 60m ES data through Feb. 23, the date of this article. The ES has been making fairly regular swings for the past six months although only the past few weeks of data is shown on the chart so the data is not too compressed. The range of bar counts from high-to-high (H-H) was 37-69 bars. While this information itself is fairly useful, it is a broad range and would be much more useful if we were able to narrow the range.

The range of bar counts from low-to-high (L-H) has been 17-56 bars. This is another broad range that is not particularly useful by itself. When we combine the two projected ranges and identify the period when the H-H and L-H counts overlap in time, we should have a fairly narrow range of time to anticipate a high.

If the H-H, 37-69 60m bar counts are made from the most recent high at on Feb. 7, the next projected high would be made between mid-morning Feb. 15 and mid-afternoon, Feb. 23. If the L-H, 17-56 60m bar counts are made from the most recent low made on Feb. 12, the next projected high would be made between late afternoon Feb. 14 to early morning of Feb. 22. The "overlap" period of the H-H and L-H projections is mid-morning Feb. 15 to early morning Feb. 22 and is represented by the box drawn on the chart. The exact Time Band period is also shown in the Dynamic Trader indicator window. While the DT5 software makes it very quick and easy to project the cycle Time Band highs and lows, I made these projections for years using an Excel spreadsheet so there is no excuse for you not to be prepared for these highs and lows in advance.

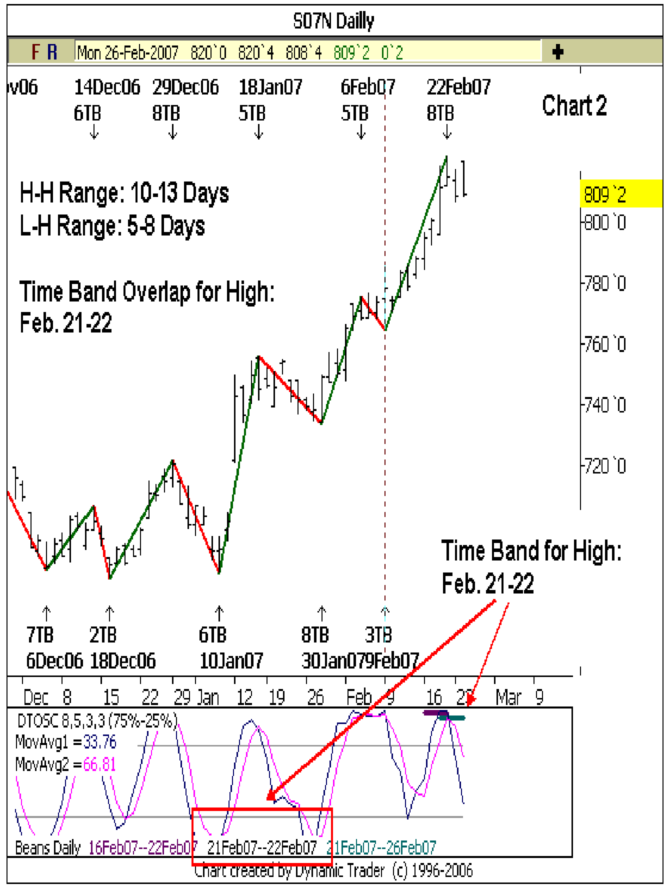
As of Feb. 22 when this article was submitted, the ES has made a high right in the projected 60m Time Band. Highs were followed by declines of 2-6 days with each over 20 points. This is a fairly substantial decline when we are just looking at intraday data. We'll see how it works out over the next few days.



How to use Time Bands? Firstly, you can anticipate a market has a high probability of continuing a trend until the beginning of the time band. While a cycle rhythm may shift at any time, we assume it will continue until proven otherwise. If a market advances into the Time Band window, the upside in time should be limited and a trader should prepare for a cycle high trend change. If a market continues to advance beyond the Time Band, you will know that the upside should be limited in time and the trend is mature and likely to top at any time.

Let's take a look at one more current example. Soybeans have been making a powerful bull trend in recent weeks. All trends end at some point in time. Let's see if a Time Band projection can help identify a potential top in beans.

Chart 2 is July 2007 daily beans. For the past several months, beans have been making a very consistent 10-13 day H-H cycle and 5-8 L-H cycle. If we project 10-13 days



from the last high made Feb. 6 and 5-8 days from the last low made Feb. 9, the Time Band for the next high which should be followed by a decline lasting at least several days should be Feb. 21-22. The high so far is Feb. 22.

Why may this high be much more than a daily cycle high lasting a few days? Beans have reached the projected price for a high (781-794 continuous contract) and a weekly cycle projection for a high. We'll see how the Feb. 21-22 Time Band projection for a high lasting at least several days and possibly several weeks works out in the days and weeks ahead.

Time Bands are a simple and logical approach to projecting price and momentum cycle highs and lows for all actively traded markets and time frames from weekly to intraday data. If traders add this time projection approach to their trading plan, it should give a consistent edge to trading decisions. Next issue, I'll teach you how Dynamic Time Projections are used to project very narrow range time targets to complete trends and corrections.

Learn Time Bands and More. In our current series of workshops which include a one day live workshop plus three online follow-up sessions with real-time trading for 30 days, you will learn about practical timing techniques plus how to develop a complete trading plan with multiple time frame momentum, price, pattern and timing strategies. For complete information on

Robert Miner is the president of Dynamic Traders Group, Inc. and author and presenter of the real-time trading workshop, 30 Days To A Complete Trading Plan. For complete information about upcoming practical trading workshops, go to www.DynamicTraders.com, Events tab.

How to Handle Your Emotions While Trading

By Bennett Mcdowell

To be successful you must learn how to master your emotions and be able to stay calm when trading. Emotions mishandled by the trader can negatively affect their trading. Let's take a look at how we can handle our emotions without denying them.

We cannot turn our feelings on and off like a light switch, it just is not that easy. As human beings we get into trouble with our feelings when we deny them or try and hide from them. This quick solution of denying our feelings usually cause the individual to have bigger emotional problems down the road. You can't sweep your feelings under the carpet forever; eventually you have to clean under that carpet! So how do we control our feelings without denying them? This is the real question!

Well the answer is multi-dimensional. First of all, if you get frustrated or angry at being stopped out at a loss or when you're experiencing draw down, then your expectations need to be adjusted. Being stopped out is a normal part of trading. If you get stopped out more than the norm, you need to know how to go about correcting the problem. Maybe you need to switch time frames, lower your position size, etc. That is the "art" of trading, it is not an exact science, and there is a lot of judgment and discipline that come into play here. If your expectations are realistic, then chances are your trading should not make you angry or frustrated.

Perhaps your frustration, anger, depression or whatever is causing your emotional problems has nothing to do with trading. Maybe it has to do with a relationship not going well, money problems, not feeling physically well, feeling tired, burned out, and a host of other issues outside the trading arena.

When you feel any negative emotions, try and notice the feelings and connect with them. Don't run from them or hide from them or deny them. That just creates bigger emotional problems in the future. Once you feel your negative emotions, try and sense where they are coming from. Is it a past or current trading event that caused them or a personal issue? It is also important to note that personal problems have a way of sabotaging our trading.

Once you feel you have isolated the cause of your frustration or anger, get close to it and really feel it, grasp it, and see where it is coming from. Doing this usually will calm you and take the power away from the emotion. Try and keep your trading to a minimum until your negative emotions no longer have any power left in them.

If after trying this, you cannot seem to find the cause, you may need to reach out for help. We at TradersCoach.com® can be of help to you in this area through our private consultations designed to uncover negative psychological issues sabotaging your trading. If you have some deep personal issues, you may want to go to a licensed psychologist to resolve them.

I like to tell this story to illustrate just how emotions can creep into your trading and sabotage it without you even knowing it. I had a client who came to me for help. He was smart, had a very good trading approach, had enough risk capital to trade, and could not seem to get profitable.

He was becoming angry, frustrated and depressed because he could not figure out why he was not trading well. He would get out of winning trades on emotion way too soon. He would always rationalize his reasons for getting out too soon or staying in losing trades too long past their stop loss exits.

After weeks of working with him, we discovered that his beliefs about trading were not positive but negative. Furthermore, we discovered that his beliefs were based on what his parents, specifically that of his father had programmed into him at an early age. His parents believed that to be successful in America, one had to work a structured 9 to 5 job at a major corporation being an executive, accountant, lawyer, or doctor.

When my client traded he was not fitting this pre programmed profile of what he "should" be to be successful. Therefore, when he traded, he would feel the negative emotions created by his belief system about being a failure if he was a trader. And **since** he felt Mom and Dad were always right and had to be respected, he could not question

Mom and Dad's incorrect beliefs. Therefore trading created anxiety and tension because it was in direct conflict with what his Mom and Dad taught him. He did not feel he was doing something worthwhile, so he felt he did not deserve to be successful and make profits. And don't ever think our links to our parents in some form or fashion don't stay with us for a lifetime, because they do!

The key to helping him was to slowly show him that his parent's beliefs really were not realistic, especially in our society today. I would use examples of all sorts of people in our society who did not work "regular" jobs but made tons of money and by all our societal means where successful. After he acknowledged this, then the next step for him was to actually believe it. We can acknowledge anything; change comes when we actually believe it. Meaning we had to replace his unrealistic beliefs about success with realistic beliefs. This took some additional time, but it did happen and when it did his trading turned around. This is a great example of illustrating how our beliefs about trading, money, and success can influence our trading. At times the trader may be unaware of their negative beliefs that are sabotaging their trading.

If you're feeling angry, uptight, frustrated, hopeless, depressed while trading, stop trading and try to get to the bottom of your problems. There are no short cuts in this area either. You will not develop "The Trader's Mindset" which is the Holy Grail to trading unless you master your mind and learn to notice and resolve your emotion issues.

Bennett McDowell, President of TradersCoach.com

Indian Time Cycles, Gann and the Future of the U.S. Stock Market

Most Gann aficionados know that Gann used astrology and that the most successful traders use it in their trading, as it is the hidden undercurrent that runs the markets. J.P. Morgan, the founder of the Morgan bank, was fond of saying that "anyone can be a millionaire, but to become a billionaire, you need an astrologer."

By Barry Rosen

He had a private astrologer, Evageline Adams, who helped him tremendously. I have been fortunate to purchase financial astrological books from her library.

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 Gann 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 even though my experience in using Indian Sidereal astrology has shown that these charts are invaluable.

Below is a brief introduction to Indian Sidereal Astrology, an overview of Indian time cycles and how they can be used, and a forecast through 2017 for the U.S. stock market based on this system.

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.

The first major difference between Indian and Western astrology lies in the calculation of the longitude of the planets. Ancient Indian astrologers 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.)

Planetary Periods: Beyond Transits

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 six years, while the longest period, Venus, lasts twenty years. These cycles unfold in a fixed sequence and comprise 120 years before they repeat. 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 the exact position of the moon 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 with a seven years Mars period followed by Rahu (North Node of Moon), 18 years, Jupiter 16 years, into its current Saturn period that 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 by 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 below.)

Within major cycles are sub-periods or sub-cycles that also unfold in a set sequential pattern. The sub-cycle begins with planet ruling the major cycle and then continues in sequence. For example, the current Saturn period for stocks started with a Saturn/Saturn period in 1998, and continued with a Saturn/Mercury period in August 2001 followed by a Saturn/Ketu period in 2004, etc. The major Saturn cycle will finish in 2017 and then the U.S. stock market will go into a Mercury major period. 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 about 4 days. O'Non and Remnick illustrate the importance of the exact time using an 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.

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 that I make available to participants in my advanced seminars or through my home study course on Vedic Financial Astrology (see references below). The challenge is that some of this data is very hard to get or was destroyed as was the case for wheat and corn data due to the Chicago fire and New York exchanges merging and not keeping good data. It takes time to rectify the charts and make them useful. The easiest way to understand the effects of a period is too look at past examples. Because we have 215 year of data on the U.S. stock market, and the complete unfoldment of a series of cycles is 120 years, we can go back to the period between 1878 and 1897 to study past analogues.

Application of the Indian Cycles to the US Stock Market

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 to quantify whether they are strong ups, minor ups, strong downs, or sideways. If one studies the 215 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 that began in 1982 coincided with the beginning of a 16-year Jupiter period, which began in late August. In general then, this system predicted the stock market would 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 major cycles 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. The Jupiter period ended in 1998, when a 19-year Saturn period assumed the second-most important role.

A recent study I did of the NYSE will explain how the dashas can be of use 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 October-February 1987-88 fourth level cycles (Jupiter/Mercury/Venus/Rahu etc.) with the third level periods in 1901-1904 (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 to 2-17-30) Declined from high of 372.06 on 9-03-29 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 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 21, 1964 the market climbed from 776 to 838. And in the Rahu/Moon period from Jan 31, 1980 to July 31, 1981, the Dow climbed from 875 to 935. Even on the third level we can usually count on a rally during a moon period, such as the Jupiter/Mercury/Moon period from April 4, 1988 to June 13, 1988. We saw a surprise rally that began in late May and took the Dow 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 point but still not have any 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 US Stock Market Based on Indian Cycles into 2017

A 19-year lackluster Saturn period in 1998-2017 does not have the bullish energy that we have seen in the Jupiter Period from 1982-1998. Consequently, the market will not go straight up nor will it go straight down--and it turns out that Venus periods have the biggest percentage losses. As we saw in the 18 year Rahu period from August 1964 to August 1982, the market can go net sideways in relatively narrow price bands over many years.

There is an approximate high into June 9, 2007 followed by a sharp decline into the week of Oct. 22, 2007 with a lower low due into about the third week of April 2008. We are still watching patterns to translate this into price movement.

There appears to be a recovery rally into late May 2010, then a sharp fall into Dec. 2010, a recovery toward the highs into Jan. 2013 and a major decline into 2013 that is one of the lowest points in the whole period, a recovery into August 2015 and then a sharp fall into the end of the period, which makes new lows into April 2017. Hence the periods to be long stocks appear to be Feb.-June 2007; April 2008 to May 2010 and Dec. 2010 to Jan. 2013. We adjust these directional indicators using Elliott Wave pattern analysis to predict price. There appears enough upward momentum in the current cycle to take stocks much higher into the June 2007 cycle high.

Gann reminded us that we have to take everything we know and apply it to our forecasts. Indian Time cycles are one tool. In our newsletter, we combine it with Elliott wave pattern analysis, minor astrological timing from planetary aspects, and five other proprietary cyclical techniques as well as technical analysis.

Back in 1990 and 1994, when everyone was bearish about stocks, we predicted DOW prices well over 7000 into 1998-2000 based on our dasha cycle models.

Conclusion

Anyone attempting to uncover the mysterious laws of nature that underlie the commodity and stock 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 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 a profound appreciation of the order of natural law. While no astrological system should be used 100% to time market entries and exits, using both astrological and technical signals can certainly stack the odds in one's favor.

About the author

Since 1987, Barry Rosen, has been a financial astrologer and a CTA, and publishes daily recommendations on over 24 futures markets in a daily market timing letter. He also has a mutual fund timing letter and offers an intraday S & P hotline. Additional articles are on his website www.fortucast.com. For additional information and a free trial of his service, email questions@fortucast.com or call 928-284-5737.

Boris Stein Interview

By Chuck Frank

Boris Stein entered the 23rd World Cup Championship of Futures Trading® on November 15, 2006, and captured second place with a 77% net return, becoming the first trader to enter the calendar-year competition in November and still win a trophy.

Stein was granted political asylum in the U.S. in 1995 as a political refugee from Belarus of the former Soviet Union. He holds a dual Masters degree in physics and computer science from Minsk University. After 11 years in computer consulting on the east coast, he realized his dream in '06 when he opened Stein Investment Management LLC. Strong trading and Internet buzz have helped the CTA place $10 million under management as of this writing. Stein, a U.S. citizen, recently spoke with WCA Managing Director Chuck Frank.

Chuck: Have things changed for traders in Eastern Europe since you left in '95?

Boris: Nobody knew about futures trading at the time I left. To have Internet service – or even a computer at home – was a real luxury. I managed to have Internet at home because the company I worked for needed me to work from home, and I was responsible for communications. I have heard from an educator who does trading seminars in Russia that trading has become very popular there now, and seminars in Moscow get completely sold out.

Chuck: Do you have a desire to help other political refugees who have an interest in the markets?

Boris: I would love to have opportunity to educate people in the trading area, because there are a lot of misconceptions about the markets and trading. Too many brokers and money managers try to take advantage of people's incompetence in that area, and I would be happy to help people stay away from them.

Chuck: Did brokers try to take advantage of you when you arrived in the U.S.?

Boris: In my first autumn in U.S., I got several cold calls from brokers trying to convince me to buy heating oil futures before winter. When I told them that I did not have sufficient capital to do that, they tried to get me to buy options on heating oil. I did not buy anything, but I got interested and started to study how futures markets work. Then there were some junk mails offering trading books and courses, and I bought some of them. Eventually I opened a futures trading account to try the ideas from the books in real trading.

Chuck: Did you view trading as intellectual challenge or a means to achieving financial independence?

Boris: Both. I like the challenge, and I am happy to have the opportunity to apply my educational background, scientific research experience and psychological traits toward achieving success in trading. The monetary value of successful trading is also appealing, but I would say it is secondary. The least favorable thing about life in the U.S., probably, is that there's too much emphasis everywhere – I mean in books, television, papers – on reaching financial wealth as the biggest goal in life. It should not be so much about money. There are other important aspects of life, too.

Chuck: What are the most favorable aspects of life in the U.S. for you?

Boris: One of my favorite things about life in this country is an abundance of opportunities. With a certain level of motivation and effort, a person can reach his goals. So in this sense, America stays with the title of the "Land of Opportunity." Another thing which always surprises me in a good sense is the peaceful co-existence of people with diverse religions, ethnicities and backgrounds. After coming from a country where it's always been a problem, I appreciate it the most. The problems I mention were not specific to Belarus, they were common in all 15 republics of the former Soviet Union. This was one of the reasons for the breakdown of Soviet Union into 15 separate states.

Chuck: If you had an opportunity to return to Belarus to educate people about opportunities in the markets, would you take it?

Boris: Probably not. The main reason for my leaving that country was that being a Jew, I often saw evidence of anti-Semitism, and I did not think that the authorities cared to do anything about it. I had many reasons to leave that country and seek political asylum, and I have as many reasons not to go back.

Chuck: Your success in trading is built around your computer modeling skills. What precipitates the birth and development of a new system?

Boris: Usually, everything starts with observation, or an idea suddenly born in the brain. After that I spend a lot of time coding the idea and back-testing it. If the results are satisfactory, I'm adding another system to my portfolio.

Chuck: How prolific is your system development?

Boris: In 12 years of developing computerized trading systems, I have accumulated literally hundreds of them. Some of them are good, some of them are not so good, but what I have realized over time is that no system with mechanical rules that can be programmed on a computer can produce good results forever. So I came up with a set of about two dozen of the best systems I ever developed, and started to use them with some discretion in taking their signals. If I see that the accuracy of the trading signals generated by a specific system starts to decline, I look to replace it with a better-performing system. I reevaluate all the systems I use very frequently. I see the trading Holy Grail in changing the systems, and adapting to new market conditions. It is a constant evolutionary process, which I believe can help me to adapt to ever-changing markets conditions.

Chuck: Tell us about the mechanics of your trading. Do you focus on technicals or fundamentals? What kind of indicators do you use?

Boris: I believe that fundamentals mostly affect traders who keep long-term positions in the market. I am a short-term trader, so I focus on technicals. I use Welles Wilder's Directional Movement Index, overbought/oversold indicators, various price patterns and many indicators of my original design. Trading is all about probabilities, so I hit for average. Roughly half of my efforts go toward risk and trade-size management strategies, which help me to make changes before it is too late. Even the most attractive trade can be a loser, so I apply the same money management principles to all my trades.

Chuck: You trade the S&P 500 futures market exclusively. Why?

Boris: When I started to trade futures, I attended seminars by Larry Williams, Steve Nison, Tom DeMark, Gerald Appel and others. I tried practically all different commodities and markets. Later, I figured out that each market has its own personality, and I simply do not have enough time to research all of them. Currently, I focus only on S&P futures, where I do my best.

Chuck: You're keeping pretty busy these days between the World Cup competition, the WCA account, and your CTA business. How heavy is your workload?

Boris: My work day is really long and hectic. Lately, I work 14 to 17 hours a day, without exaggeration. During the day, I'm placing the trades, speaking with prospective and current clients, solving technical and administrative issues. At night time, I'm doing trading research for the next day, answering emails, speaking with overseas clients.

Chuck: Describe your highest and lowest moments as a trader.

Boris: I think my highest moment was on December 29th, 2006, when after just 1.5 months of participation in the World Cup Trading Competition, I found out that I'd finished in second place. My lowest moment was many years ago, after trying to trade the mechanical systems of several famous traders and losing much money. I was rather naïve when I started, and believed in many clichés.

One of my first trades was in 1996, and I wanted to apply some lessons from a book about placing stop orders. I placed a stop order to buy the S&P above the current price, and after getting filled, I placed a protective stop-loss order below the current price. Both stop orders were placed at the levels recommended in the book, and I was not going to move my stops no matters what, because it was described as the biggest trader sin. Right after my buy order was filled, the S&P went straight down, and my stop-loss was hit. After stopping me out, the price went straight up. I lost $5,000 in 25 minutes. My buy price was the exact high of the day, and my sell price was the exact low of the day. To this day, I still cannot believe it.

I came to realize that no ready-to-use system or strategy will work for me, unless I create it myself. I realized that I am on my own in the struggle with the market. I guess if it were simple, everybody would trade profitably.

Transformation of Feelings

By Adrienne Toghraie, Trader's Coach

Are you one of the many traders who think that feelings have nothing to do with making money in the markets? If so, then you are also one of the many traders whose success in trading is held captive by his feelings.

The most successful traders in the industry are consistent traders. But, in order for a trader to be consistently successful in the markets, he needs to follow predetermined rules that he believes will give him a positive outcome. The problem for most traders, however, is that the ability to follow those rules depends upon a set of feelings that keep him disciplined. For a trader who wants to build a long and consistently successful career, these positive feelings are as valuable as having tomorrow's market results in your hands today.

If self-sabotage does not come between a trader and following his rules, he will create a comfortable feeling that will support his efforts. But if, in the process of becoming a trader, he loses money consistently, experiences a large loss, or is inconsistent in his results, he will develop a negative conditioning with associated negative feelings about the choices he makes.

Feelings that Create Reality

For all of us, feelings are the final element in the process of how we create our reality. First comes the experience; next, we tell ourselves the story about the experience; and then comes the feeling(s) associated with the story. As a result of the repetition of the story over time, with the associated feelings, we will create a reality that reflects those feelings. For example, pain that is associated with a loss in the markets will eventually create more and more loss by impairing judgment, preventing a trader from following his rules, preventing him from pulling the trigger, and holding him back from taking necessary risk.

However, when there is a conditioning for negative feelings, an immediate response can occur without the story that was originally attached to the bad feeling. For example, the story of the original and painful loss may be forgotten, but the feelings of pain and fear may rise to the surface each time a trader attempts to enter a trade. To let go of these negative and sabotaging feelings, you must change the original story, or change the feelings attached to the story.

By understanding the process of your "creating reality strategy," you will begin to understand where changes must take place in order to transform the conditioning.

The Typical Strategy for Creating Reality

Humans first take in information from their five senses based on the story they create about that information. When we experience an event, we store the experience based on what we heard, saw, smelled, touched and even tasted. The more of these sensory details we store and remember from that experience, the more significant these stories become for us and the more real they become in our minds. The most significant stories eventually will create a conditioned response. Thus, if we are in an accident while driving and we continue to relive the experience in our minds - hear the sounds of the crash, feel the pain, smell the smoke from the fire, see that truck careening towards us, and even taste the blood from our injury, we will have an experience that will continue to have a profound influence over our lives long after it occurred.

Filtering Stories

Life experiences condition you in the way you will filter the original experience of the story. Either a significant person in your life told you how to interpret this story, or you have developed an opinion about the story. These influences create a reality filter for you that only lets in the information that you already believe to be true. When you have a positive experience, your filter will make you anticipate the same positive experience you had in the past. The reverse is true for negative experiences.

Sensation/Feeling

If the experience of an original story had a positive outcome, you will have a pleasant sensation or feeling in your body. Our body interprets a good feeling as a healthy experience. If the feeling is uncomfortable, we constrict or restrict our bodily functions and create dis-ease in our body. We then learn that negative feelings should be avoided because they are associated with physical or emotional pain. In the case of someone who trades in the financial markets, negative feelings associated with a drawdown will very often lead to sabotaging future trades. Traders avoid negative feelings even if they believe that they will earn money from the overall system. Thus, the possibility of a loss becomes something to avoid.

"How do you feel?" asks the therapist as she assesses her client. Why is it important for the therapist to know this or more likely for her client to recognize it in himself?

The Therapist or Coach Wants To:

- Identify the issue that first connected her client to the problem he is trying to overcome.
- Know that her client is attached to the feelings of the original event, so she can dissipate those feelings with new associations.
- Insure that his stories are not so disassociated from the feeling that they are "just stories." This disconnect happens when it is too painful psychologically to feel the feeling that was first attached to the story.
- Discover when he has felt similar feelings before in his life. Since he is likely to have a chain of events attached to the current loss, she will be able to assist him in defusing all of those events.
- Redirect the negative feeling into a positive or neutral association with the original event, so he will be able take action from logic, not from negative feelings.

Andy had a chain of events in his life that kept him from following his rules. The psychological term used is "Gestalt." From childhood, Andy felt he was not worthy of achieving great success. His father repeatedly told him that this was true and little Andy believed his father. As a result, he learned to play the character of the unworthy individual and sabotaged his efforts to be a winner in anything he tried to accomplish, whether it was in his personal life or in his professional life. For example:

- In baseball, he always managed to be just an average player even though when he was in practice he was clearly the most talented player.
- He managed to lose his front-runner position for student council by getting sick.
- He lost the young woman who was attracted to him by saying something stupid and inappropriate.

With a minor in psychology, Andy realized the "Gestalt" was keeping him from his best efforts. But understanding the problem did not stop the curse. He began his

career in finance in the back office, providing support to professional traders. Soon, he dreamed of becoming a trader himself. Eventually, he had positioned himself to be considered by his firm to risk financing him as a trader.

Andy's first drawdown resurrected the old "Gestalt." Fortunately, he now had the psychological background to understand what was happening. He quickly hired a therapist who asked him to run through his series of negative stories. "How do you feel about it?" After years of retelling these stories, Andy no longer had feelings attached to them, except the drawdown experience. But, as a "good patient," he produced the appropriate feeling that he no longer felt. Fortunately, his therapist recognized the emotional disconnection. Through hypnosis, the feelings flowed from the most recent event all the way back to the root-cause: his father telling Andy that he was not worthy of achieving success.

When Andy confronted his father about the negative messages in his childhood, his father told Andy that he had feared that he would not be able to send his son to college. To protect Andy from being disappointed by not having a bright future, his father had told him that he was not worthy of achieving great success. Rather than wanting his son to fail, he very much wanted him to enjoy a successful life.

Blocking Feelings

I like to think of feelings as being the final frontier in mastering any goal. Feelings complete the circuitry in the natural current of energy, events and intentions that flow as a person processes his life. In that process, we learn to create the passion necessary to ignite our senses, to recognize opportunity, to create innovative ideas and to learn valued lessons. Unfortunately, well-intended people teach us to block our feelings. Blocked feelings can result from any number of experiences such as:

- Parents who say, "You're a big boy - big boys don't cry."
- Sports coaches who say, "Act like a man."
- Business professionals who let you know that it is "not professional" to show your negative emotions.
- And in the case of traders – those trading mentors who say "keep emotions out of trading."

Blocked negative emotions will inevitably find an outlet for their expression, just like

steam will find an outlet or explode from its confines when the pressure builds too high. Often those situations caused by blocked emotions will look and feel familiar; and they will be repeated again and again until the underlying wound that causes them is healed. When you ignore the warning signs and continue to repress those feelings, they will lead to negative physical manifestations such as physical illness.

Winning on a Losing Path

Amir was one of those traders who blocked his negative feelings. Eventually, he had a stroke that crippled his ability to earn money. He lost all of his assets, including his wife and children. Having neglected his family, he failed to accrue any emotional collateral with them. Although he had provided them with a comfortable life materially, he had lived his life like a bachelor, rarely participating in family activities. To those who knew him casually, Amir appeared to be a happy person. But, those closest to him would describe him as a very intense man.

Amir learned to repress negative feelings early. His father pushed him away as a child when he was crying and told Amir's mother that she was not allowed to comfort him. Later, Amir witnessed the brutal murder of his father by someone who did not agree with his religious beliefs. Remembering what his father taught him, Amir did not shed a tear. When his mother could not support all three of her children, she sent Amir to live with his uncle in the United States. After graduation from college, Amir worked in his uncle's factory. Then, a family friend who managed a hedge fund introduced him to trading.

In his professional life, Amir continued to be an expert at blocking negative feelings. This enabled him to follow the trading rules his friend taught him without experiencing negative feelings when the system went into a drawdown. And while he was successful, initially, as a money-making trader, his blocked feelings eventually toppled his world.

How Do You Deal With Negative Feelings?

Strategy #1

From the examples described above, ignoring and surpassing negative feelings does not produce good, long-term results. The following is the way many therapists or coaches train their clients to handle negative emotions:

1. Acknowledge that these feelings exist.
2. Notice where (specifically) you feel stresses and tensions in your body.
3. Transform (change) the sub-modalities (the details of the story that are driving the emotions.)

For example in Andy's case: "My father wants me to be successful." Then, follow with a detailed story that involves the truth about this new story.

4. Transform the sub-modalities of the emotions themselves.

For example: Notice what you feel and where you are feeling it and ask yourself to remember what it was like to have good feelings in those areas of your body.

5. Notice specifically how the sensations or the sub-modalities change or dissipate their intensity until the feeling is no longer a crippling issue.

Although this appears to be a simple process, most people find it difficult to accomplish without the assistance of a therapist or coach who is trained to facilitate this model.

Strategy #2

This second way of dealing with feelings is one that a trader can do on his own:

1. Acknowledge that the feeling exists.
2. Humanize that feeling and ask it this question: "What are you trying to tell me?"
3. If you get an answer, write it down. Study it. Now, make a commitment to do something to change your behavior so that your behavior does not have to give you uncomfortable sensations in order to get your attention.

For example, the answer you receive could be:

- You are over working and need a vacation. Solution: commit to taking a vacation.
- You are stressing yourself and need to choose to do activities that will distress you. Solution: commit to taking a walk after work, or going to the gym, or meditating each morning.
- You need help because you cannot change these feeling by yourself. Solution: commit to setting up an appointment with a counselor or a coach.

4. If you do not get an answer at first, then ask that humanized feeling to reveal the answer as soon as it feels you are ready to listen.
5. As soon as you get an answer, you must follow through on the message or you will continue to sabotage your efforts with negative feelings. If you do not get an answer and the negative feeling persists, then you need help from a trained professional.

Conclusion

In trading, feelings are an essential element in the decision-making process; however, negative sensations will produce sabotaged actions and create losses. Negative feelings create negative conditioning. Unless you change the negative conditioning that prevents you from following your rules, that conditioning will only grow stronger. Only positive feelings and the positive conditioning they create will allow you to follow your trading rules consistently. By following the two strategies outlined in this article, you can begin to transform this old conditioning into positive feelings that support your trading, rather than sabotaging it.

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Trading for Infinite Yield: Utility Theory and You

By Joel Rensink

I trade for infinite yield. This doesn't mean that I always achieve it, but it is my goal. I am not alone. Other private traders do the same. CTA's and normal money managers are different in that they typically trade to get incentive fees and interest on their customer's accounts. Private traders trade for alpha – direct return from directional moves and the volatility of the markets they follow. They don't shoot for 15% returns per year. Try 40% – 60% average per year. The cost is drawdowns in account size and the emotional costs of time spent not making money trying to get back to an equity high.

Not that I expect every trade to make a million dollars. But as a composite, my trades in many markets simultaneously are structured to maximize return versus the risk I take. I have experienced serious drawdowns that I did not enjoy one bit, but I traded through them to get to new equity highs hundreds of times. There is a direct correlation between risk and reward, so when you have a definable, provable edge, you can apply money management that rewards you appropriately for diligently taking your trades with the correct position size.

There is an interesting secret that makes extreme trading possible and hugely rewarding if you have the fortitude to do it, and thoroughly understand the risks involved. Later in the article.

I appreciate the incredible response I received following my article here in the previous issue of Trader's World– Dangerous Secrets that Guarantee Automatic Forex Profits. Apparently there are many readers who have the desire and will to learn how to manage their own money for above average returns in the forex markets. Fortunately, concepts that work in Forex also apply to all other tradable markets, especially futures.

I have been asked countless questions from new traders, "Which are the best markets to trade?" "What time frames or methods should I trade?" "What type of money management should I use to make a living at this?" "I am a struggling trader right now, with seemingly endless ups and downs. Do you have any advice or suggestions you would give to an aspiring trader?" And many more, some very specific to situations that they have come up against and need to solve before proceeding in their quest.

For traders, as in many skilled occupations, questions lead you to success. If you can pose an intelligent question, the likelihood of finding its solution is very close. You tend to find the answers to your problem buried in the question. The trader who just wants to make money without understanding what processes are involved needs to invest in a good fund or he can lose everything quickly trading for himself.

The ultimate question that traders are usually interested in is: How should I trade so that I can manage my financial resources best and take the least amount of time to achieve success to make the greatest return?

Integrated Solutions

This is the answer every trader is looking for, whether they realize it or not. By trading virtually error-free and as unemotionally as possible, you eliminate the greatest threats to your trading survival. This makes it possible for the trader to achieve the greatest amount of yield that is possible for his risk tolerance. Some have very strong risk tolerances, like myself, while others prefer moderate returns and drawdowns. This structure imposes needed order in trading; which is essentially extracting profits from ordered chaos.

Professional traders have integrated solutions for their trading to give them this ultimate edge. Fortunately this isn't as difficult or tedious to create as it sounds. Once you have your solution in place you can speed up your learning about the markets and improve your bottom line.

A trading integrated solution is one that combines a trading methodology, money management and market management to deliver a coherent system that creates the desired result of harvesting money with the exact amount of risk you are willing to take. You then have a well-oiled business set up.

Good trading systems exist or can be created. Money management algorithms exist, some much better than others as we will see later in the article. Market management can be simple or complex depending on your needs to be involved in numerous markets. What you must create is a trading solution for the combination of operation ingredients you choose.

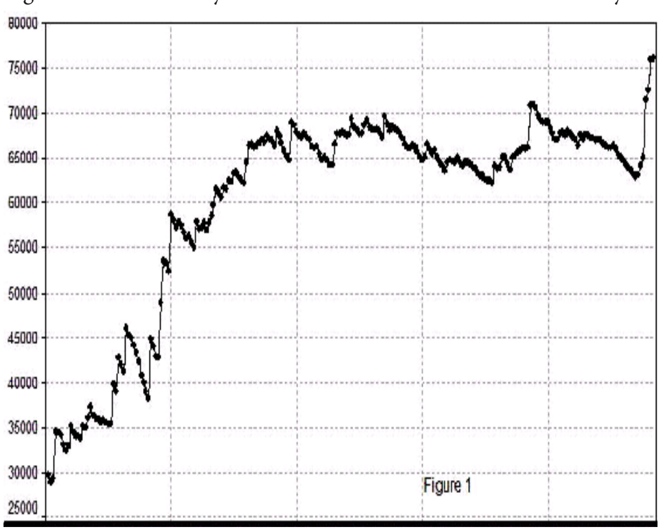
The integrated solution for a very simple trading plan (Donchian 40/10 breakout system) could be this:

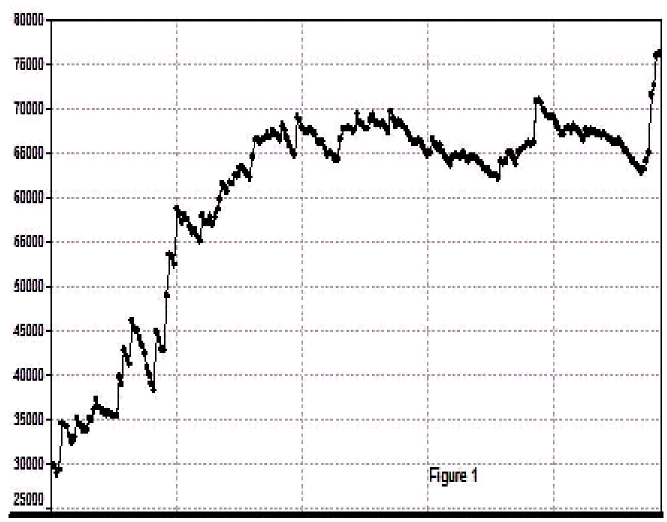
Money Management Trade Unit:

Trading account funded with $30,000. Buy/Sell one contract of Sugar for every $15,000 in account size at system signal. Starting account size is $30,000.

System signals:

Buy 1 trade unit @ 1 tick above highest high of the last 40 days. If a





trade is entered enter a position exit sell stop at the higher of a $800 stop/contract or the lowest low of the previous ten days.

Sell 1 trade unit @ 1 tick below lowest low of the last 40 days. If a trade is entered enter a position exit buy stop at the lowest of a $800 stop/contract or the highest high of the previous ten days.

Market Management:
When total closed equity is greater than $500K, allocate $250K to trading Coffee according to the same signals and money management. Close account when total account equity is greater than $1,000,000 for reassessment. If account equity should drop lower than $18K, cease trading for reassessment.

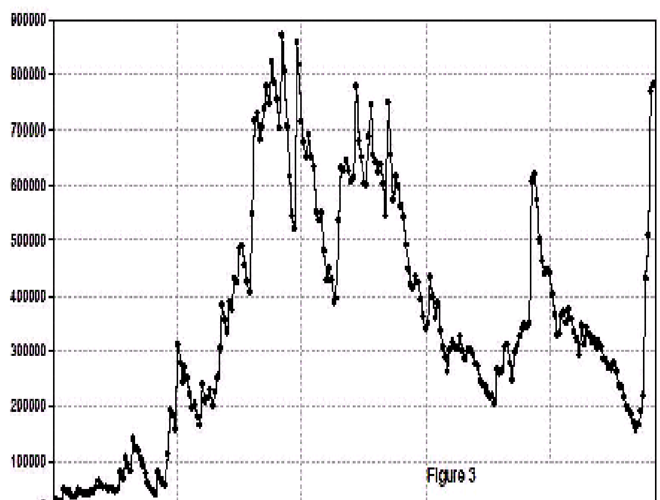
This is all some individual might need to take care of their trading needs. Concise and compartmentalized, the trader has simple decisions to accomplish his trading task. The profits received are a byproduct of the integrated solution. After your solution is in place, revisions can be made to expand trading operations into other markets and systems and money management.

Of course, professional money managers require a much more complex integrated solution than the one above. In fact, before even attempting to structure one for themselves, the trader needs to consider his personal utility, or satisfaction with the proposed risk/reward potential. Most often, a person's personal willingness to accept risk does not match what is necessary for optimum return. This is also why most traders can not exactly trade a system or methodology that originated with another trader. Their individual utilities are too different.

Expected Utility for Traders-- Your Beliefs Dictate your Financial Future
The expected utility hypothesis applied to trading is such that the utility of a trader facing uncertainty is calculated by considering utility in each possible state and constructing a weighted average. The weights are the trader's estimate of the probability of each state. The expected utility is thus an expectation in terms of probability theory.

The more risk-averse a trader is, the more he will be prepared to give up to eliminate risk, for example accepting $1000 sure profit instead of a 50% chance of $3000, even though the expected value of the latter is more. You may be risk-averse or risk-loving depending on the amounts involved and on whether the trade you face relates to becoming better off or worse off personally.

Similar to the concept of a guy I know who couldn't afford to pay for lunch for a decade, then hit the Powerball one evening and bought cars for all of his friends the next week. His utility allowed him to afford 20 lottery tickets a week, but not lunch. The truth is, for good or bad; if his utility didn't allow the ticket purchases he wouldn't be living in Palm Beach never having to work again.



A small trader with $20,000 in his account will not likely take a trade which would risk $3K with only a 30% chance of returning $20K, even though the expectation of the trade is worth $6000. The same trader might jump at the chance to take the very same trade if he had quickly built his account to $500,000 and the risk was $75K and possible return $500K. Same risk percentage of account and percentage expectation.

The government considers utility theory in that they regulate high net worth individuals differently than the general public. They figure a man with 5 million can better afford to lose a couple of million than a man with 50 thousand to invest can afford to lose 25 thousand. They figure that a rich man will still be rich after losing half of his wealth, whereas the modest investor is much more limited in his choices from there on.

Financial utility is an imperative study for all who wish to be successful traders. You can start by researching Prospect Theory and Behavioral Finance. There are many fine papers on the subject available on the Internet.

While much trading discussions are usually spent on specific systems and markets, much less readable information has been dealt with on money management, and the type of money management that you might require to achieve your goals. Let's see some representative examples.

Utility Decisions that Determine your Future Wealth
In Figures 1 through 3 we have the same Donchian 40/10 system mentioned earlier with three theoretical money management schemes starting with $30,000. The systems were in the market 55% of the time over a period of 31 years and each trade has at least one contract with $800 risk per contract traded.

In Figure 1 above, you can see a simulated equity curve of single contract trading in Sugar. It had a maximum of 17% drawdown and returned 153% on equity, ending up with $76,000. Not terribly attractive to most traders as it represents a 4.9% annual return on investment. But with interest averaging around 3% accruing on the rest of the account, maybe not so bad.

Figure 2 shows the equity curve of the money management of one contract for every $15,000 and $800 risk per contract traded. With $199,000 in profits it represents 21.4% annual return on investment. Maximum drawdown, though, was 41%.

Figure 3 An example of incredible leverage. Trading the $30,000 with a fixed fractional approach, risking 12% of account equity on each trade. Ending equity stands at $783,000, which represents a 124% annual return on investment, and a 2500% return on starting equity. Unfortunately, these kinds of returns are what many system sellers and market hucksters promise as possible and even likely.

92 trades into the series you were at $871,000. It then went into a multi year, 81% drawdown which stops at $159,000 at trade #235. Still better than where you started, but would you, or could you emotionally have kept trading that long to get to the upward spike that finally made back the profits? I'll let you be the judge.

Real living, breathing humans determine what actual trading takes place, whether a system is used or thrown out; not computers. Humans have definite internal limits that stop them from doing things that are uncomfortable.

These examples highlight the fact that there are an unlimited array of money management possibilities for you to consider. First, you need a system that actually has an edge to apply the money management to. If the system has a difficult time remaining profitable trading one unit at a time, it isn't going to get better with money management algorithms. And then, you have dozens of markets to choose from.

You need to seriously ask yourself, "What do I really want to accomplish, and what am I willing to do to get it?"

Trading correctly is serious work, and not to be engaged by those hopeful that everything will just work out without diligence. You are trading with and against some of the greatest minds on earth who may have information and technology superior to your own. It may come down to how much risk you are willing to take, and how, to get to your objective.

There is a side benefit available not mentioned earlier that bears on the likelihood that you can succeed as a trader. The opportunity to trade multiple markets simultaneously can drastically reduce your overall drawdowns as some markets can be profiting while others are not. Then, as happens regularly, a number of markets simultaneously all start trending and large profits are possible. The more markets, the better, but even 3 to 5 well chosen markets can smooth equity curves substantially. Trading more markets also increases the odds that you will be trading a winning market when it makes a historic move, the kind that can change a trader's life, like copper and crude oil in recent years.

How about short-term and daytrading systems? Does money management make it possible for you to multiply your wealth even faster because of all the trades you are exposed to? It could, if you have a unique method that has a very strong edge. The difficulty with daytrading is that you miss the directional moves overnight which greatly contribute to your bottom line. Often, a good short-term system is better than an excellent daytrading system for money management purposes.

The Donchian 40/10 system used in the examples previously is a very old but durable system. It is not being recommended as a system for a new trader. But, you could do worse. The sad fact is, even it has a greater achievable edge on daily charts in futures markets than any daytrading system currently offered to the public.

If you can define your trading edge and it's expectation, and it is large enough; you can use money management that is based on the Kelly Criterion. With it you are able to extract the greatest possible return from your trading system than is possible from any other money management scheme. This return doesn't come for free. The cost is potentially very deep drawdowns.

In 1987 Larry Williams, a renowned commodities trader, surprised the trading world in the Robbins World Cup Trading Championship by turning $10,000 into $1,100,000 over 12 months. Larry was once ahead more than $2,000,000 before a losing streak took nearly $1,000,000 off his winnings. He used a version of the Kelly Criterion money management with a volatility breakout system that had a average hold time of 2 days per trade. His daughter entered the same contest ten years later in 1997; she turned $10,000 into $100,000 using the same principles.

Now, for the secret that makes trading for infinite yield possible for Larry Williams and us.

The greater a trader's tolerance for drawdown, the greater the potential return.

A robust trend following system that averages 35% annual returns can expect to have a 45 % drawdown at some point. The actual average drawdown may be only 25%.

What is interesting, with the same system, if you are willing to tolerate an occasional 55% drawdown – with an average drawdown of 40%, your average annual return can go up to 60%.

If you are willing to put up with an occasional deadly 70% drawdown and an average drawdown of 50%, the same system can average 80 – 100 % annual returns. Or much more, as we've seen in the example of Larry Williams in his contest.

It doesn't take many 100% return years to multiply your account to any size you might desire. Note: In no way am I recommending this as a money management style for beginning traders. The concept is fraught with emotional and financial hazards. The potential for profits and losses are extreme.

It is the compounding of profits year after year with your own integrated solution that will bring you success. With an understanding of Utility Theory, and in particular your own utility curve; you will have a much greater edge over the competition.

Don't let the market know your utility better than you.

Joel Rensink has been a professional futures, floor and forex trader for more than 25 years. In addition to active trading, he is a consultant for determined traders, trading firms and hedge funds seeking robust trading models and money management models. In 2006 he created the Golden Pip Method for the forex markets. For any comments or questions on the article or the markets, e-mail him at leonardo@infiniteyield.com. Website: infiniteyield.com Telephone: (612)825-4776

History of the Gartley Pattern

By Larry Pesavento and Leslie Jouflas

(Excerpted from the book, "Trade What You See – How to Profit from Pattern Recognition", published by John Wiley & Sons in 2007)

The Gartley Pattern is certainly one of the classic retracement patterns. It can offer the trader early entry with minimum risk into a potential longer term trend reversal. For short term day traders the pattern can be used effectively to buy and sell tests of highs and lows on an intraday basis. Gartley said to buy or sell the first AB=CD in a new bear or bull market and that is what this pattern can achieve along with entries into an already established trend. A major reversal may not always follow with this pattern but even so the trader can still gain profits using good trade management skills assuming the pattern was not a failure pattern.

The Gartley "222" pattern is named for the page number it is found on in H.M. Gartley's book, *Profits in the Stock Market.* Since then, multiple books have been written describing the Gartley "222" pattern and charting software that applies it.

Of the almost 500 pages in H.M. Gartley's book, none is more important than pages 221 and 222. This is where the author described this particular pattern in greater detail than any of the other patterns in his book. Gartley referred to it as one of the best trading opportunities. The most revealing part of the Gartley pattern is somewhat hidden on page 222 under figure 27 in the book as Larry discovered. **Refer to Figure 1.**

The greatest challenge with these two pages was trying to interpret the description of this pattern as it was not as clear as one might expect. The biggest question that came to mind was the discrepancy between the two patterns listed under Figure 27 in Gartley's book. Refer to Figure 1. The figure labeled **A** shows a simple retracement in a downtrend but if you look closely at the figure labeled **B** this shows a more complex correction in an uptrend using the addition of the AB=CD that was shown in his Parallel Channel Pattern. Refer to Figure 2.

These distinct differences lead to the Gartley "222" Pattern that we know today. This provided a clearer picture of what the pattern was all about, realizing this element lead to a breakthrough after many attempts to understand the concept. Refer to Figure 3.

The next step in the development of this pattern was the addition of the mathematical relationships of Sacred Geometry (which includes the Fibonacci Summation Series). Adding the Fibonacci Ratios to this pattern gave the Pattern Recognition Swing Trader the tools to determine price entry, exit points and stop levels for risk control. The final step was empirically and statistically testing the validity of these patterns. Gartley had emphasized that the pattern was correct approximately 70% of the time. Testing weekly, daily and intraday patterns over the past 40 years has proven that Gartley's original premise was indeed accurate.

Larry had also uncovered the fact that while Gartley describes both buy and sell patterns identically, he had different diagrams for each. It was the AB=CD pattern within the sell Gartley Pattern that lead to the nickname of the pattern as the Gartley "222". Refer to Figure 3.

Gartley also used ratios of one third and two thirds with this pattern but did not use ratios from the Fibonacci summation series. The main Fibonacci retracement ratios that we apply to the Gartley pattern include: .382 (used with strong trends), .50, .618 and .786. As mentioned in the Pattern Structure section below of this chapter the 1.00 is used and is a double top or bottom. Refer to Figure 4.

Gartley stated in his 1935 masterpiece that over a 30 year period he found these patterns to be profitable in 7 out of 10 cases. The statistics validating this are still the same as Gartley suggested over 60 years ago.

It is important to know what invalidates the Gartley "222" pattern. Here are 3 items that invalidate the pattern:

1. The D completion point can not exceed X.
2. The C leg can not exceed A. C can be a 1.00 or double top or double bottom of X, this is a rare pattern but it is valid.
3. The B leg can not exceed X.

The Gartley pattern can be broken down into four segments which relate to the labeling of the swings. Point X is the high or

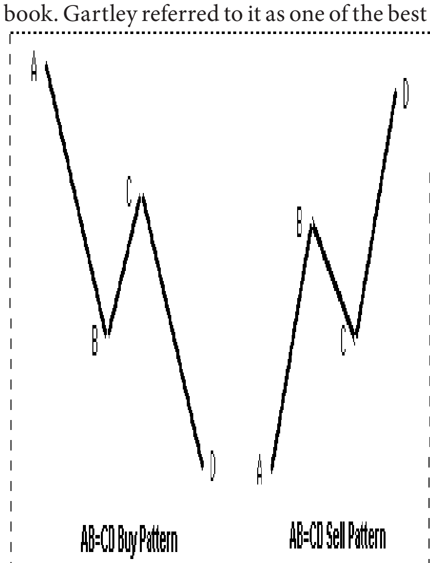


Figure 1

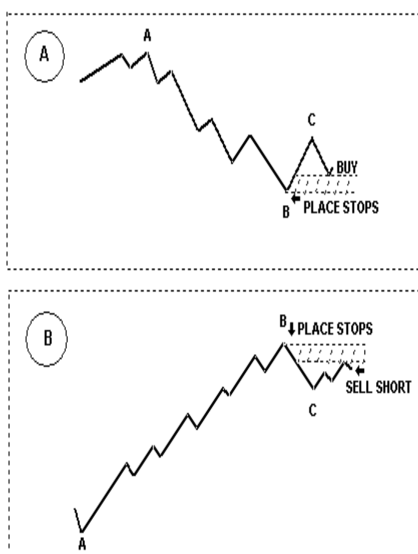


Figure 2

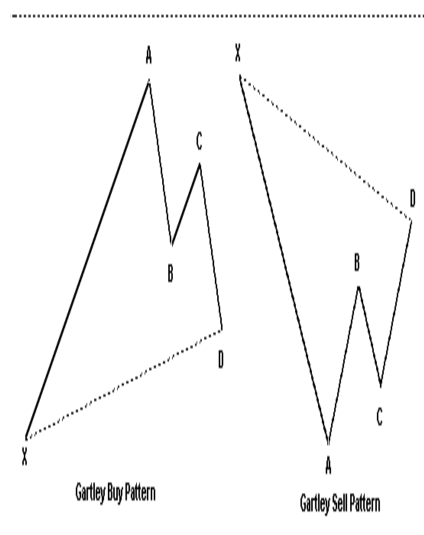


Figure 3

low point of the swing and is the starting point of the pattern. The X can be found on longer time frames at major highs or lows. However, the X can also sometimes be found as a top or bottom within a larger trend, in other words the pattern can form within a larger swing or leg without the X being a major top or bottom.

The X point becomes the fulcrum or anchor price that all technical traders watch daily. After point X is formed and the market begins to move in one direction the XA leg begins to form, at this stage it is impossible to determine where the completion of the XA leg may be. There are certain characteristics of how this first swing embarks that give clues to the length and thrust of the XA leg: If there are gaps, wide range bars and tail closes in the direction of the trend this leg may take some time before a correction takes place.

Once it has been determined that the XA leg is complete then the next step is to watch the formation of the AB leg. This leg is the first reaction up or down from the initial impulse wave from X. The key items to watch in this formation are:

- The Fibonacci retracement ratio the market corrects to.
- The number of bars that form the leg.
- The similarities in slope and thrust

For example, if the AB leg takes a considerable amount of time, more than 8 to 10 bars to form of the XA leg, then we would assume that the market is basing for a larger correction, potentially to the .618, .786 or further.

As price begins to turn down or up from B it is important to note that the pattern would be invalid if the BC leg exceeded X.

It is possible for the completion point of this leg at C to be an exact double bottom or top of the X point and that is still a valid pattern, but if price at C exceeded X the pattern would then be invalid and would negate this pattern. See Figure 4.

It is important to remember that the majority of traders will not be initiating trades at exact tops and bottoms the majority of the time but the Gartley pattern offers the trader a retracement entry into the trend at low risk trading points and with quantified risk levels.

More information can be found using Fibonacci Ratios with Pattern Recognition at www.tradingtutor.com.

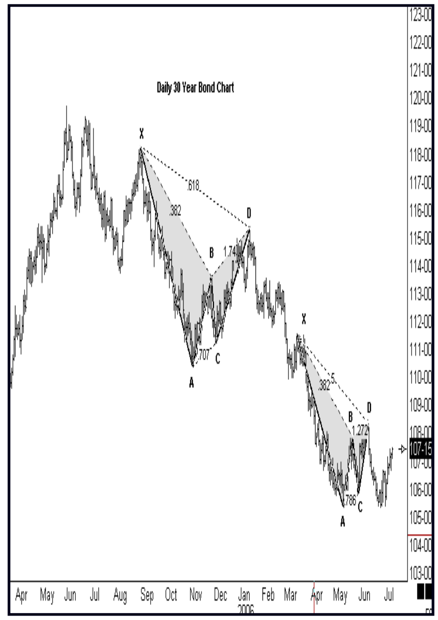


Figure 4

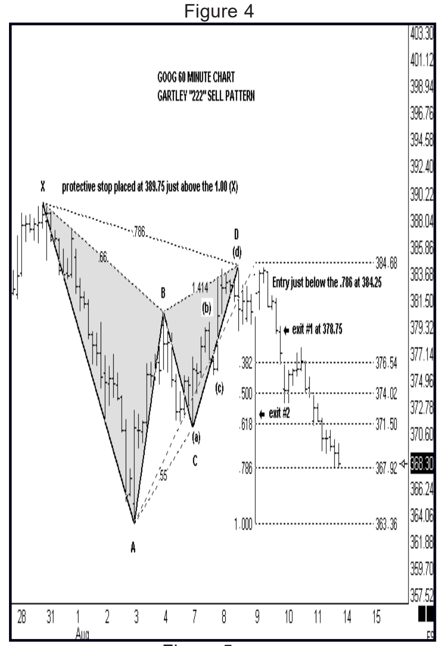


Figure 5

Figure 6

The New Era in Trader Mind Training

BioFeedback and Brainwave Training for Peak Performance Trading

By Patricia Chamberlin

"You sit down comfortably, don the electrical headgear, flip a switch, close your eyes and sink into a state of what seems like deep relaxation. A half hour later, as you turn off the machine, you feel extremely alert and lucid.

Your brain is now functioning more effectively than it was before. Your memory, both your ability to memorize new information and to recall information you have already learned, has increased dramatically. Your ability to focus and to solve problems has expanded. The speed with which your brain cells pass messages among themselves has increased. In fact, many of your brain cells have actually grown. A microscopic examination would show that the brain cells have developed more dendrites, the branching filaments that carry messages from one cell to another, and more synapses, the junctures between the brain cells across which impulses are transmitted. You are more intelligent than you were a half hour before. Such devices now exist and are being used by increasing numbers of people." So begins Michael Hutchison's high tech mind training book, Megabrain.

Startling New Brain Research

Scientists have learned more about the brain in the last two decades than in all previous history, and the implications of the latest research are clear: the human brain is far more powerful, with the potential for immensely greater intelligence and peak performance than was ever before imagined. Many scientists believe the brain that tiny 3 1/2 pounds of neural jelly composed of 100 billion or so neurons, each single neuron an information specialist of unimaginable efficiency, conceivably capable of carrying on several million conversations at the same time, is our last frontier -- the most mysterious and complex structure in the universe.

As brain scientists debunked the previously held assumptions that the brain's operations were much like the nervous system (beyond conscious control), and that every imaginable mental state was the result of electrical and chemical activity, we now know that we can definitely 'learn' to produce the various brainwaves completely at will and change them. In effect, we can alter and control our own minds. The implications were almost beyond belief as scientists discovered that through Biofeedback and Brainwave training we can learn to trigger such specific brain states as problem solving, memory recall, heightened physical and emotional abilities, as well as certain brainwave states that alter such "involuntary" mechanisms as blood pressure, heart rate, immune system etc. The applications of this line of brain research for Trader performance have been nothing short of profound.

Behavioral Psychology Meets Online Trading

The recent boom in online trading with the advent of the personal computer, has presented science with an unprecedented opportunity for Behavioral Scientists to research and analyze the influence and consequences of mental, emotional and physical behavior on financial decisions, investing and trading. Interestingly, this particular area of interest has generated so much attention it recently became known as Behavioral Finance.

Behavioral Finance is now beginning to see in Trader's performance the effects of the newest generation of high tech Mind Training, which Olympic athletes and other elite achievers have relied on to expand their performance for years. Today's traders are the newest breed of worldclass peak performer –Trading Athletes.

Even more appealing, newcomers to online trading are also discovering that this new Mind Training can help level the trading playing field dramatically, comparatively with seasoned Traders, since it is generally accepted that trading is 80% mental and 20% method. Brett Steenbarger, PhD Professor of Behavioral Science at SUNY and also a veteran Trader, makes an important distinction about mind training in his June 2006 paper titled, Trading as a Performance Sport , "Most trading psychology texts emphasize such techniques as positive thinking and visualizations. These can be helpful, to be sure. But to transform oneself as a trader, it is necessary to transform one's state of consciousness. Traders lose when their mind states interfere with their natural processing of market data".

High tech Mind Training can actually teach a Trader to "transform" his mind state and thereby dramatically improve his trading performance. Mind Training works by plugging people and showing them their brain's activity LIVE, using Biofeedback to accurately identify each "losing" trading behavior, habit, and even unhelpful subconsciously held conditioned beliefs. Following this, state of the art Brainwave Entrainment machines guide the Trader to create the various brainwave states (states of consciousness) specific to achieving whatever necessary "winning" trading behaviors are indicted. The overall goal of a full-day of plugged-in Mind Training is to enable mastery of powerful mental peak performance skills that a Trader can take home at the end of the day and use forever. These skills are neither difficult nor time consuming to learn or use, and the process is anything but boring!

High Tech Brainwave Training

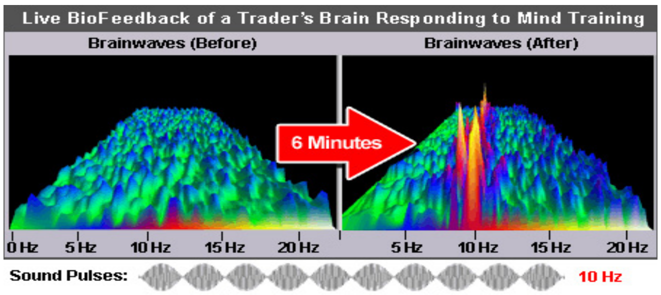
Biofeedback with Brainwave training works directly to correct the various specific "deadly trading behaviors" at the root of the poor trading performance. For example, when Behavioral Finance research ascertained the leading reasons why new traders fail at an alarmingly high rate, Biofeedback with Brainwave training was the "A" Game for overcoming these five self-saboteurs easily and quickly: Unrealistic Expectations, Lack of Patience, Lack of Self Discipline, High Risk Aversion and Poor Training (the other most important reason being Undercapitalization, which mind training can help indirectly). High tech Mind Training is helpful in mastering such specific mental skills as:

- Trading with far less stress, with authentic confidence and mental ease.
- Sticking to trading system with effortless discipline.
- Achieving freedom from the emotional win/lose roller coaster.
- Achieving states of prolonged mental sharpness together with heightened states of physical calm during a trading session.
- Revealing and deprogramming a trader's own individual subconscious self-saboteurs
- Overcoming ego-centric conditioning.
- Overcoming fear of risk, failure, doubt, hesitation, and the most overriding of all human fears – the fear of loss.

What is High Tech Mind Training Like?

Traders of all levels begin by simply experiencing firsthand how their thoughts, self limiting behaviors and habits powerfully affect their trading performance moment to moment.

Within minutes Traders learn the ease of achieving optimal trading brainwave states completely at will, as a Live Biofeedback display (at right) helps them realize precisely when they are in the elusive "Peak Performance Trading Zone", what it feels like, and why it is so critical to their trading in terms of increased profits and capital preservation but also, just as importantly, stress-free trading performance. To see this brainwave display in vibrant color please visit: www.mindpower-trading.com

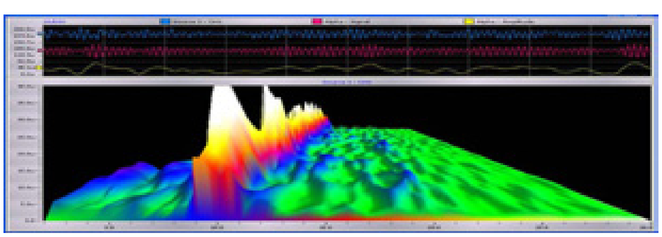


Creating Specific Brainwave States for Achieving Trading Goals

As the above brainwave biofeedback spectrograph shows, real-time Biofeedback (body) and Neurofeedback (brain) monitoring is as instructional as it is compelling. Here we see Alpha brainwaves generated in 6 minutes using a Brainwave Entrainment Mind Machine in a training session. Predominant brain electrical activity in the 10 Hertz range, tells a Trader when alpha brainwaves are being created, the optimal brainwave state for superlearning, "in the zone trading", among other things. Each brainwave state: Delta, Theta, Alpha, Beta and Gamma has its own corresponding mind-state with characteristics and abilities which are uniquely suited to various specific mind training goals such as accelerated learning, behavior modification, problem solving, memory enhancement, restorative sleep etc. For example, assessing risk/reward trading parameters is best achieved in Beta brainwave states whereas other elements of a trade's execution are best achieved in Alpha brainwave states. Professional Mind Training gives a Trader the learned ability to optimize his trading performance by simply optimizing his brain function suited to the task at hand.

This is Your Brain in "The Trading Zone"

(view these vibrant colorful displays at www.mindpower-trading.com) The display below shows brain signals translated into colorful real-time spectral analysis of alpha brainwaves; this kind of live feedback gives the Trader the ability to instantly gage, practice and expand mental skills. The brain's activity can also be translated into musical tones, to hear one's self 'think'. Brainwave display print outs are helpful to record progress and they even make great art nouveau as one Stocks Trader, who has his framed above his trade station, notes "It gives totally new life to the words 'mental landscape'! "



Mind Training Pays Lasting Dividends

Trader, Rick Smith of Forex Advisor, who has made mind training an integral part of his trading and Trader Training, humorously calls Biofeedback and Brainwave Entrainment, "training wheels for the mind." He adds, "Basically you only need it until you can balance your mind-states yourself. Then it's like riding a bike, you never forget how." Rick did his initial mind training eight years ago but periodically, whenever he wants to achieve some new goal to take him to his next level of excellence, he enjoys a day of 'plugged-in' training. One of those levels of excellence was trading Live in an online fishbowl every day for an entire year before a worldwide audience of Traders, generating a 197% return characterized by trading consistency, no big drawdowns, disciplined money management and freedom from stress – all the hallmarks of a mentally well-trained Trader.

Professional Mind Training is neither hard nor costly and for after training support there are also biofeedback monitors and personal mind machines designed for home use. Mastered mind skills never leave you, which is valuable for achieving any other self improvement goal in the future. With the initial experienced guidance of a Professional Mind Trainer and the aid of state of the art Mind Machines and the fascinating Biofeedback and Neurofeedback of one's own brain's activity, Traders can master the powerful brainwave states and mental skills that can take them directly to their current trading performance goals and keep them growing as accomplished Traders for life.

Live Feedback Confirms when Body/Brain Activity is Optimal during Mind Training for Peak Performance Trading

Here you see a screen-capture of a trader's Bio/Neurofeedback in the midst of peak trading performance training. His display shows eight simultaneous real-time signals, each helpful in guiding the Trader's mind training process effectively and expeditiously.

- 2 EEG Brainwave Activity line graphs
- 2 Brainwave Predominance lateral bar graphs
- ECG Heart Activity line graph
- Nummerical Heart Rate
- Numerical Galvanic Skin Response
- Brainwave Activity in Musical Tones

Patricia Chamberlin's track record as a Professional Mind Trainer for top Traders, gold medal Athletes, award winning Celebrities and countless others confirms her ability to enable ordinary people to excel in extraordinary ways. Patricia has had a wide range of mind training experience in her 25 year career – Human Potential Author, Keynote Speaker, TV and Radio Host, Internationally Syndicated Columnist, and she has had a PBS feature filmed about her brainwave training work. She founded MindPower Mind Training for Peak Performance in 1990. She has also been a successful online Trader in her own right for 6 years. Readers can contact her at patricia@mindpower-trading.com

Date of Infamy

April 19th: A Day of Revolts & Rebellions, Liberation & Emancipation

By Eric S. Hadik

December 7, 1941 - the day of the Japanese attack on Pearl Harbor - is remembered as a 'day of infamy' for America. On December 8, 1941, Franklin Roosevelt used this term to describe that event - the 'first shot' of America's involvement in World War II - in a speech to Congress requesting a declaration of war. While that may be America's day of infamy, a look at America's entire history reveals a different 'Date of Infamy'… **April 19th**. This is a perfect validation of Gann's emphasis on anniversary dates…

No single date in our history has pinpointed more nation-altering events - and more acts of war (either inception or culmination) - and more domestic attacks/unrest - than **April 19th**. Among many other events, the following all occurred on - or within a few days of - **April 19th**:

— Start of Revolutionary War
— Start of Civil War
— Start of Mexican-American War
— Start of Spanish-American War
—America abandoning the Gold Standard
— Failure of Bay of Pigs Invasion
— End of Viet Nam War
— Largest battle of warships since WW II

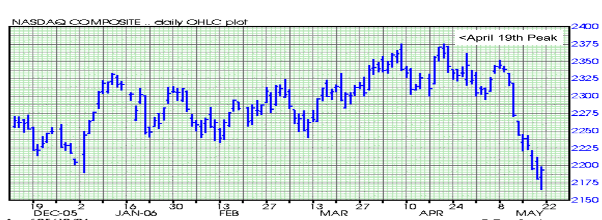
And, several more recent, tragic events...

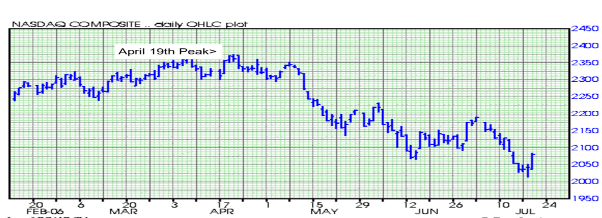
— Waco/Branch Davidian debacle
— Oklahoma City Bombing (and coinciding execution of someone allegedly connected to it)
— Columbine High School massacre

In many ways, these 3 events presaged the ***type*** of war - against individuals or groups, not necessarily against nations - that America was soon to encounter. All these combined, however, are just the tip of the iceberg.

Before elaborating on this topic, I want to reveal my purpose for discussing it:

Several markets are projecting important turning points during - or immediately surrounding - the weeks of April 16--20 & April 23--27, 2007. Stock Indices are one of these, completing a 40-week Cycle Progression during that period. The convergence of this historical anniversary and those impending market cycles prompt me to contemplate what might be 'in the cards' for April 2007 (although April 2008 & April 2009 are shaping up to be even more noteworthy). More on that later…





Happy Anniversary

Gann traders should recognize the multiple levels of significance to this date. First, there is the aspect of Anniversaries. America's history - as a cohesive and independent nation - began on **April 19, 1775** - the 'Shot Heard Round the World'. Since then, almost every one of America's primary wars have started or ended at the exact same time of year… often precisely on **April 19th**. (see Table 1: ***America's April Wars***).

In ancient times, kings went out to war on an annual basis. II Samuel 11:1 describes this practice 3,000 years ago when it states: "In the spring, at the time when kings go off to war, David sent Joab out with the king's men and the whole Israelite army." There were obviously reasons - other than just that it was the anniversary of the previous war's battles - why this was so. Weather would be one of them. Sometimes, however, the 'obvious reasons' are not so obvious. This is when cycles and anniversaries come into play.

Anniversaries are a powerful cyclic tool. Gann's emphasis on 'anniversaries' highlights or reinforces the significance of a cycle of 360 degrees (or days). It identifies when life has come 'full-circle', on one level or another. America's history of wars powerfully validates this principle. So, too, do other events through history…

[Table 1]

America's April Wars

April 19, 1775 - Start of the Revolutionary War when American militia returned fire from British government troops in Lexington, Massachusettes. *This date was the first shot of the Revolutionary War.*

April 20/21, 1836 - Battle of San Jacinto; End of Texas Revolution; Independence of Texas. *This date was the final shot of this War.*

April 24, 1846 - *Thornton Affair* when Mexican cavalry attacked and captured an American detachment near the Rio Grande. *This date was the first shot of the Mexican-American War.*

The results of the *Mexican-American War*, the ensuing *Wilmot Proviso* (to ban slavery in captured territories) - and the Republican Platform under which Abraham Lincoln campaigned (against slavery) led to the following...

April 19, 1861 - First bloodshed of Civil War in the Baltimore Riot of 1861. (April 12 - 17, 1861 was official beginning of Civil War.) *This date was the first shot of the Civil War.*

April 19/20, 1898 - Spanish/American War (resolution passed by Congress and then signed by President McKinley).

April 18, **1942** - *Doolittle Raid* on Japan. First air raid to strike the Japanese home islands.

Just as the Dec. 1941 strike on the US homeland triggered events leading up to 1945, *this raid was the first shot that hit the Japanese homeland* and turned the morale of the entire war (leading to Midway - another watershed event)... just as in WW I. Ironically (or not) the raid was originally schedule for **April 19th** but was hurried when a Japanese boat spotted the US warships.

April 18, **1946** - League of Nations dissolved. *This date was the final shot in the first coordinated attempt at a global government of the modern era.*

April 19, 1961 - *Bay of Pigs* invasion fails.

April 21 - 30, 1975 - End of Viet Nam War; Fall of Saigon. *This date marked the final shots fired in the Viet Nam War.*

(It is interesting that 4 years earlier - on **April 22, 1971** - John Kerry made his famous speech to the *Fulbright Hearing* on atrocities allegedly, routinely committed by US troops. Many veterans have very strong feelings about the influence this speech had on POWs and how this war was fought during its final 4 years. My point is not to enter a political debate but to again emphasize the undeniable impact that *'anniversary dates'* play on so many events.)

April 18, **1988** - *Operation Praying Mantis* in the Persian Gulf - between the US and Iran; The largest battle of surface warships since World War II. It ultimately led to the Iraq/Iran Cease Fire later that year (culminating an 8-year war in which the US backed Iraq).

For a couple years, I have discussed the connection between this event and expected events in **April 2008**, and possibly **April 2007**. So, it was very interesting that **April 2006** saw Iran test-firing the 'world's fastest torpedo'… a weapon that will inevitably come into play in the Persian Gulf and or Arabian Sea at some time in the not-too-distant future.

Will April 2007 provide another 'precursor event'?

www.insiidetrack.com

There is one particular anniversary - a textbook example of this principle - that has impacted over 3,000 years of another nation's history. And, it occurs about 90 degrees/days (geometry of time) from America's Date of Infamy. This particular anniversary could be called Israel's Date of Infamy. It has had a continuing & devastating impact on Jews & the nation of Israel and commemorates the event that originally led to their 40 years of wandering through the wilderness in Old Testament times (see Tisha b'Av link at www.insiidetrack.com for details). Again, it reinforces the impact that anniversary dates play in cyclic analysis.

But there is more than just anniversary significance to **April 19th**. And, it pinpoints more than just a transition from peace to war or from tyranny to freedom. On many levels, it represents the passing from life to death… and from death to life…

Happy New Year

Gann students should recognize the significance that **April 19th** holds with regard to the natural year. If one were to begin a calendar on the vernal equinox (start of Spring and the start of the 'natural year'), the first month of that year would end on **April 19/20th**. It is when the earth - in the N. Hemisphere - passes from seasonal 'death' to 'life'.

From a trading standpoint, the action in that first 30 days would represent a type of 'opening range' that would influence the trading of the rest of the year. This is similar to intraday trading techniques - like Market Profile - that gauge everything based on how it relates to the initial 30 minutes of trading.

Once that first 30 days - or that first 30 minutes - are complete, you have resistance and support for the entire period - both when the market is trading in that range AND once it has broken out of it. You also have an important gauge of trend for that period (if the market is trading above that range, it is in an uptrend on an intra-year or intraday basis, etc.).

Emphasis on the natural year was even more significant in Gann's time since the commodity futures markets were almost all agricultural. Mid-April was the time when 'carry-over stocks' were at their lowest and when planting conditions and expectations for the new 'year' - or growing season - were becoming apparent.

But, it is not just trading that is impacted…

The period between March 20/21 - **April 19/20th** marks a very important transition period in each year. It is linked to various means of measuring time and has physical (natural), celestial (astronomy), metaphysical (astrology) and supernatural (Jewish & Christian commemorations) implications.

So, at the very least, it is a time to watch each year for signs of 'change'. In many ways, **April 19th** acts like a deadline for determining what to expect in the coming *year* (again, this is similar to *Market Profile* for any given *day*).

While the first few days or weeks - of the natural year - might unfold with little fanfare, there is often something smoldering beneath the surface. Consequently, it bubbles to the surface as this deadline nears… and usually influences events for the rest of that natural year. It is almost as if something in nature says *"if there is going to be war or revolt this year, you need to show your hand by **April 19th**"*.

Perhaps a better way to *illustrate* this point is to discuss an event that takes place in America - every year - 4 days *before* **April 19th**… Tax Day… (I am only using this as an example - or 'word-picture' - not trying to correlate April 15th & April 19th… although the proximity is intriguing.)

The beginning of the period in which to file personal income taxes is January 1st. Tax filing activity in those early days… and weeks… and months… is often sporadic or smoothed out over the entire period. HOWEVER, as April 15th approaches, anxiety increases exponentially and that date - more than any other - witnesses a deluge of tax filings, prompting many post offices to remain open until midnight and to offer coffee, etc… unlike any other day in the calendar year.

[Table 2]

America's April Attacks

April 20, **1985 -** ATF raid on *CSA* (*The Covenant, The Sword and the Arm of the Lord*) in Arkansas.

Though not many people are aware of this event, it played a direct role in the events of 10 years later (see below) and occurred on almost the exact same date. This raid was precipitated by Richard W. Snell's killing of an African American Police officer (see 2nd **April 19, 1995** event below). It was resolved with a peaceful surrender but was a precursor to the **April 19, 1993** Waco standoff and is linked to the **April 19, 1995** Oklahoma City Bombing.

April 19, **1993 -** Waco debacle between Branch Davidians and the FBI/BATF.

April 19, **1995 -** Oklahoma City bombing, allegedly in retaliation/sympathy for Waco.

April 19, 1995 - Execution - by lethal injection - of Richard W. Snell - approximately 6 hours after the Oklahoma City Bombing (see **April 20, 1985**). Allegedly, Snell bragged for 4 days prior to his execution that a bombing would take place on that day. Coincidence?

In 1983, Richard Snell had sought to bomb the exact same Murrah building - that was bombed in Oklahoma City on the date of his execution - after a run-in with the IRS. (Apparently, very few individuals see an unusual correlation in these events.) Another coincidence??

April 29, 1992 = L.A. Riots (**April 22 -** trial ends, goes to jury for 7 days). Though this anniversary is off by a few days, it deserved mention and is corroborated by the following anniversary that culminated a 3-year period of civil unrest and upheaval in S. California...

April 19, **1994 -** Jury awards $3.8 million to Rodney King, culminating 3 years since arrest. *This was the final shot fired* in one of the most unsettling events in modern-day America.

April 20, **1999 -** Massacre at Columbine High School in Colorado.

[Table 3]

April 19th: Europe & the Middle East

April 21, 753 BC - Founding of Rome by Romulus.

The Roman Empire, the Roman Catholic Church and the modern day European Union (based on the Treaty of Rome from 1957) all emerged from this foundation.

April 20, 570 AD - Birth of Muhammad (some cite this date as April 27th and/or 571 AD).

April 19, 1839 - Independence of Belgium… now the hub of the European Union (Treaty of London). This treaty had a large impact on the start of World War I, in which Britain experienced its lowest point in **April 1917** ('Bloody April') and its biggest turning point on **April 21, 1918** (downing of the 'Red Baron').

April 20, 1889 - Birth of Adolph Hitler. (No need to elaborate on the impact this had on World War II.)

April 19, 1936 - 'Great Uprising' in Palestine (AKA *'Great Arab Revolt'*).

April 19, 1943 - *Warsaw Ghetto Uprising*.

April 18, 1954 - Gamal Abdal Nasser seizes control in Egypt.

His takeover and rule directly led to the 1956 *Suez Canal War*, the 1967 *Six Days War* and the 1968 - 1970 *War of Attrition*… each against Israel. Once again, just as 3,500 years ago, Israel was forced to 'free' herself from - or defend herself against - Egypt. Nasser's rule also included the founding of the first pan-Arab state with Syria - the *United Arab Republic* - which dissolved 3 1/2 years later (1958 - 1961). This UAR was likely a precursor to a future *'United Arab States'*.

April 19, 2005 - Pope Benedict XVI elected.

The Pope - a powerful political leader - has the potential to play a key role in events & accords in Europe and the Middle East.

Even though the tax filing period stretches from January 1st (or whenever you receive all the appropriate records) until April 15th, the date of April 15th is the one that is remembered EVERY year… and is when the most obvious signs of activity are witnessed. It is the *culmination* of that period.

Similarly, even though the natural year begins on March 20/21st, the most overt events - that will influence the rest of that natural year - often wait until **April 19th**… give or take 1-2 days. It is the *culmination* of this decisive period.

However, this does not mean that a trader should be looking for the proverbial 'sky to fall' every **April 19th**. It does, however, present a precise time to monitor ***IF and when*** the synergy of other cycles (yearly, multi-year or decade, quarterly, monthly & weekly market cycles, etc.) and technical indicators pinpoints a *'high-probability period'* for some major turning points and/or external events.

Such is the case in 2007, reinforced by an important turning point on **April 19, 2006** (see discussion on stock indices at end of article) as well as a projected high in the Nasdaq 100 for mid-January 2007 (90 degrees before the **April 19, 2007** date and when a unique intra-year cycle - the January Cycle - recurred). The Nasdaq has recently fulfilled this projection and the other indices should top by February 16/20th (60 days before the April 19, 2007 date and when multiple *Cycle Progressions* peak).

Happy New Year II

And here is another intriguing correlation that has to do with time. Although I do not follow the belief-system of astrology, this is intriguing from multiple perspectives...

1 - The zodiac begins with the sun moving into the *astrological* sign of Aries (Ram) on March 20/21st. This first sign extends until... **April 19/20th**.

2 - However, the sun does not actually enter the *astronomical* constellation of Aries until **April 19th**.

3 - So, **April 19th** is a critical time of transition on a celestial basis.

4 - The zodiac completes its first 'month' on **April 19th/20th** and then enters Taurus - *the Bull* - just as the Sun is entering Aries - *the Ram*.

A ram and a bull have an interesting correlation to the *sacrifices* required in the Old Testament. The ram was the *sacrifice* that substituted for Isaac (Genesis 22). In many ways, it was a precursor to future temple *sacrifices*. The ram was both a guilt offering and a fellowship or peace offering in the Jewish Temple. The bull is another *sacrifice* that was very prominent in the Old Testament. In each case, this *sacrifice* was to bring freedom to others… just as so many battles & wars have done.

One of the most intriguing stories regarding those who wish to 'curse' Israel involves Balaam & Balak and the sacrificing of 7 *bulls* and 7 *rams* on 7 altars… three times (Numbers 22-24). Each time, the anticipated curse turned into a blessing. The significance of this topic could fill an entire book, so - for the moment - I will just leave it at that. emphasizing the unique correlation of this time of year and the zodiac signs that represent it. In other words, this time of year is represented by two ancient sacrificial animals. Coincidence?

In Greek mythology, the bull is the form that Zeus took in order to win *Europa*. You do not have to go far in today's Europe to find sculptures, pictures, postage stamps, paintings, etc. showing *Europa* riding a bull (a strange *'coincidence'* when you consider the Biblical prophecies in Revelation that repeatedly identify *'a woman riding a beast'*). In many ways, the *bull* is the symbol of Europe - both in ancient times and in the prophetic future. **April 19/20th** is when 'time' enters the bull.

A ram also has ancient & prophetic significance. In the book of Daniel, the ram represents the Medo-Persian empire… the site of modern-day Iran. So, the Sun moves from the ram to the bull… just as world empires moved from Medo-Persia (ram) to Greece to Rome (bull) in ancient times. Another coincidence?

You can take what you want from these observations (although I would warn against over-emphasizing any one fact). My point is mainly to reiterate that March 20/21 - **April 19/20th** is the first month of the natural & celestial year… a time represented by a *ram* and a *bull*… and a period that has historically seen many forms of 'sacrifice'.

Happy New Year III

This period also coincides with - or overlaps - the start of the YHWH-ordained Jewish Year following the Jewish Exodus from Egypt (what Jews call their 'sacred year' as opposed to the 'civil year' that begins in the Julian/Gregorian month of September). Exodus 12:1-3 & 1-12 states:

"The Lord said to Moses, "This month is to be for you the first month, the first month of your year.

Tell the whole community of Israel that on the tenth day of this month, each man is to take a lamb for his family, one for each household...

Eat it in haste; it is the Lord's Passover. On that same night I will pass through Egypt and strike down every firstborn - both men and animals - and I will bring judgement on all the gods of Egypt."

Although most of the attention is directed to the Jewish civil year - beginning with Rosh Hashana - the important year begins just days before Passover… 10 days, to be exact. So, for the past 3,500 years, this time frame has been linked to a historical and supernatural liberation from slavery & tyranny… passing from social & spiritual death to life. Perhaps these are the kind of reasons that Gann placed so much emphasis on Biblical knowledge and study.

Is it just coincidence that America - the nation founded on and proclaiming *"liberty and justice for all"* - has experienced so many watershed events on this momentous anniversary (many of which are directly related to freedom)? As is often the case, this time frame is bittersweet as 'freedom' often comes at great cost of life. One life is 'sacrificed' so that other lives can be freed… just as in the example of 3,500 years ago… and the example of 2,000 years ago.

So, why does this anniversary appear to primarily impact America? Could America & Israel be as closely linked as modern events often demonstrate? The answer to that question is likely to have a profound impact on the markets as the Middle East enters a time of phenomenal cycle convergence - in 2007--2011. April 2007 could provide the 'first shot' of what to expect in this overall period. (Sept. 2007 is the next critical period.)

April 2007 & April 2008 could have an archetype - or precursor - in September 2000 & September 2001. September 2000 & September 2001 marked the beginning and end of a critical civil year (5761 - the start of a new 360-year cycle) on the Jewish calendar, that was described in multiple reports - years in advance (for traders to prepare… see www.insiidetrack.com for reprints). September 2000 ushered in a new intifada against Israel - with repeated attacks since then - while September 2001 ushered in a new reality (a kind of intifada) against America.

September 2000 was when the bear market in stocks truly began. Though the ultimate top took place in January or March 2000, the '2' wave peak took hold in early September 2000 and ushered in the dynamic '3' wave lower. This is when most investors began to recognize what was actually taking hold. September 2001 - the culmination of the '3' wave decline - witnessed the real panic take hold.

Now, we have a similar - yet equally diverse - period beginning. **April 2007** & **April 2008** - the beginning and end of a 'sacred year' of similar significance AND the convergence of many market cycles - are poised to provide a parallel to that previous time frame. (More specific market analysis, trigger points & trading strategies are provided separately.) **April 2006** gave the 'precursor peak' in the Nasdaq 100 (see charts 1-4). 90 degrees later, the indices bottomed during cycle lows in mid-July… and then rallied for 180 degrees - into mid-January 2007.

April 2007 could be when investors begin to recognize (after the fact) an important *'turn of the tide'*. February 16/20th and March 16/19th should help corroborate this, with important turning points.

Shaking Things Up…

More than anything, the month of **April** represents various examples of instability - from a physical (earthquakes, etc.), financial and emotional (war, revolution, emancipation) perspective. It is not surprising that one of the most notorious earthquakes in US history occurred at this time. **April 18, 1906** is the date of the San Francisco earthquake.

One of the biggest economic earthquakes also took place on this date. On **April 19**, **1933,** America abandoned the Gold Standard. *This date was the second shot of the war against the US Dollar*. (The first came in 1913 with the establishment of the Federal Reserve.) The ultimate demise of the Dollar could coincide with this anniversary, although the year 2013 has the greatest number of long-term cycles related to the Dollar & the US Banking System (separate discussion). I expect a 2nd multi-year Dollar decline from 2007/2008 into 2011--2013.

Not only has the period around **April 19th** played into unsettling events *in* and *on* the earth, it has also pinpointed unsettling events *above* the earth… in 'the heavens'.

April 14 - 17, **1970** is the date of the *Apollo 13* near-disaster. Until the two space shuttle explosions (which, coincidentally, occurred within days of each other - several years apart), this was the most 'shaky' event in space (for the space program). However, the following year held an event of even greater significance (a greater *'shake-up'*) that ushered in a new era…

April 19, 1971 was the launching of *Salyut I* - the first space station. *This was the first shot in the race to build a modern-day Tower of Babel*. 40 years of testing - after this first installment - comes into play during the 2011/2012 time frame (see ***Focus 5768*** *Reports*). 2011/2012 could be the crescendo of the space race.

Interestingly, China has just fired a different kind of *shot* at the space race, obliterating an old weather satellite with a missile on January 11th (publicized on January **19th**). This test was interpreted as a not-so-veiled warning to the U.S. of what might occur if America ever went to the aid of an attacked Taiwan. With this new twist, the *soaring eagle* could become a *sitting duck* in times of war.

The cyclic implications of this ongoing struggle - both for **April 19th, 2007** and for the years of 2009--2011 - are a topic for a different discussion.

The bottom line is that **April 19, 1971** began a contest that will probably come to at least one chaotic climax in the next few years. With America's entire military and financial structure dependent on satellite technology, the ramifications of new trouble in space (**April 2010--April 2011**??) can not even begin to be calculated. Space-based information transmission is one of America's greatest strengths or advantages… and our *Achilles' Heel*.

And, it is not just human-initiated attacks that could cripple satellites. The sunspot cycle is bottoming now and should accelerate higher into at least 2011/2012. Many astronomists anticipate one of the strongest surges in sunspots in recent centuries. The resulting coronal masses hurled toward earth could damage satellites when least expected. (I am NOT implying that all these things will occur on an **April 19th**… just that there are strong links between past April 19ths and these potential disruptions.)

April 19th has also timed many of the most disturbing events in America's more recent domestic attacks, riots and/or terrorism. (See Table 2 - ***America's April Attacks***)

When you add in its impact on Israel (Exodus from Egypt), Europe (founding of Rome), Christianity (crucifixion and resurrection of Jesus Christ), Islam (birth of Muhammad) and on 20th Century global events (from the birth of Hitler to the dissolution of the League of Nations, etc.), it is hard to ignore its significance.

Memorials…

As cited before, this time frame coincides with the Jewish celebration of Passover (Pesach) - an event that commemorated Israel's *freedom* & looked ahead to their *Liberator*. **April 12 - 20th** was this period in **2006**. **April 3 - 10th** is this period in **2007**. In **2008**, Passover (Pesach) begins on **April 20th**.

Coincidentally, **April 15, 2007** will mark the Holocaust Remembrance day this year while **April 22, 2007** will mark Israel Memorial Day and **April 23, 2007** will mark Israel Independence Day (due to their anniversary within the actual Jewish calendar). Given the escalating tension between Israel & her neighbors, this time frame (**April 15--23, 2007**) has the potential to trigger more unrest. However, nothing is likely to be more controversial than when Israel prepares to celebrate her 60th anniversary of independence… in 2008. **April 19, 2008** should usher in a very tumultuous time.

In addition, the Christian celebration of Easter (the resurrection of the *'Lamb of God'* who had been sacrificed on the day before Passover, just as in Egypt) occurs on **April 19th** more than it does on any other day. Coincidence?? [Isaiah 52-53 & Psalm 22 provide a detailed description of the prophesied events that were fulfilled at *this exact time/dates* in '**April**', 30 AD.]

To a Jew, no other day/date represents a greater 'liberation' from slavery than does Passover (the Exodus), often occurring on **April 19th**.

To a Christian, no other day/date represents a greater 'liberation' than does Easter Sunday, most commonly occurring on **April 19th**.

To an American, no other day/date represents a greater liberation than does the Revolutionary War (and our resulting Declaration of Independence), which began on **April 19th**.

Similarly, no other day/date represents a greater liberation to American slaves than does the Civil War, which began on April 12th and saw its *'first shot fired'* on **April 19th**.

Global Warning…

So, one might ask if **April 19th** has had any impact on the rest of the world.

One stifled attempt at freedom began on **April 15--21, 1989**… in Tiananmen Square (evoking memories of a similar protest in **April** 1976… something about **April** & *freedom*). The ramifications of that are still playing out. Again, they look ahead to an intriguing time in 2009 with respect to China & Taiwan.

More intriguing, however, are the events that are pulling Europe and the Middle East together… and that have been unfolding for almost 3,000 years (See Table 3 - ***April 18--21st Chronology***). **April 19th** - and/or the dates immediately surrounding it - represent the birth of Rome and the 'birth' of Islam. While many of these events might appear unrelated, look at them from Israel's perspective and see if that is still the case…

Rome? (Roman Empire, Crusades, etc.)… Muhammad??… Hitler???… League of Nations/United Nations???? (count how many UN Resolutions are targeted solely at Israel). Each one has represented a major threat to Israel, in the past and/or present.

Why should this impact America? For starters, America's entire economy is built upon a Middle East resource - oil. Add to this the fact that Israel's enemies believe there is one thing standing in the way of their stated desire and plan to annihilate Israel or to 'push them into the Sea' or 'wipe them off the map'… *the United States of America*. So, you do the math.

Taking Stock…

This discussion makes for interesting debate or discussion. But, how can a trader apply it in a practical sense?

First of all, I do not believe nor advocate using cycles alone. Cycles are a backdrop that provide some expectations, some corroboration and some signs of warning. However, a trader needs to employ more objective & more risk-managing techniques in order to trade successfully.

In 2006, there were indicators signaling traders to look for a downturn in stock indices, led by the Nasdaq (this index has been watched as a 'leading indicator' since 2000 and was also the leader of the 1990's bull market). Multiple cycles aligned around mid-April and it was just a matter of seeing if price action would corroborate. Sure enough, the Nasdaq spiked to a new multi-year high on **April 19th** and reversed lower on **April 20th**. (This completed an advance of 360 degrees in time that had begun at the same time of year in **April 2005**.) [See Charts #1--4.]

A succession of sell signals reinforced this and prompted analysis for a drop into June 19--23rd and ultimately into last year's primary cycle low - **July 17--21, 2006**. (This cycle was published in previous *Trader's World* ads and articles and was projected to lead to a surge into November 2006.)

Not so surprisingly, the Nasdaq - AND the DJIA & S+P 500 - have important cycles & <u>*Cycle Progressions*</u> converging during the weeks of **April 16--20th** and **April 23--27, 2007**. These dovetail with cycles in other markets - like the Dollar, Bonds & Notes and Gold & Silver - demonstrating that this period of time should provide some critical signals in many markets.

I will be elaborating on the technicals leading into this time frame and also discussing what to expect before, during and after it. For now, traders' sights should be set on February 20--23rd, 2007 to potentially provide some 'precursor' action to what could be in store 60 days - or 60 degrees - in the future. There are geometric cycles that demonstrate why the DJIA & S+P 500 could set important highs in that time frame… and then drop into late-April. February 18th is when multiple <u>*Cycle Progressions*</u> peak, with Feb. 16th or 20th being the surrounding trading days. However, price action MUST validate this cyclic expectation and quickly trigger the appropriate sell signals.

It has been 1 'week' (a 7-year period) since a major top occurred in the stock indices in 2000. This was *"the first 'shot' fired"* against the most salient gauge of American prosperity and wealth. Many indices are still trading below the highs set in January - March 2000 (Nasdaq 100, S+P 500, OEX)… leaving open the possibility that we are transitioning away from the 'Bull'.

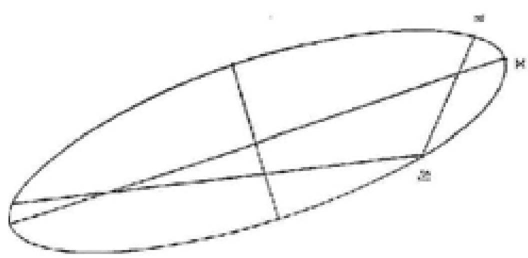
These markets are about to enter a 2nd 'week' of time that extends through the most cyclically significant period in our era… 2007--2011… and into 2014. *Is a second 'shot' about to ring out?... perhaps in April 2007?*

Eric S. Hadik is President of INSIIDE Track Trading and can be e-mailed at INSIIDE@aol.com. Their website is at www.insiide-track.com.

Market Geometry and Chart Scaling

By Dan Ferrera

W.D. Gann and George Bayer were both fascinated with the concept of squaring the circle. Gann discussed this many times in his natural resistance levels for time and price, his angle courses, seasonal dates for trend changes, his 1/8th rules, Mylar overlay charts, etc. George Bayer had his hidden in his "Polish ellipse" and his: Hand Book of Trend Determination. Basically the word joke hidden in the term "Polish ellipse" has nothing to do with the country of Poland. Bayer was referring to the orbits of planets, which rotate on a North and South Pole axis (i.e. polish) and revolve around the sun in elliptical orbits.



NATURAL RESISTANCE LEVELS AND TIME CYCLE POINTS

Gann wrote: "The resistance levels given below are based upon natural law and can be applied to the measurement of both time and space. Around these points stocks meet resistance going up or down or traveling the same number of points from a top to a bottom. Tops and bottoms of major and minor movements come out on these resistance levels.

When man first began to learn to count, he probably used his fingers, counting 5 on one hand and 5 on the other. Then counting 5 toes on one foot and 5 on the other, which made 10, he added 10 and 10 together, which made 20, adding and multiplying by 5 and 10 all the way through. This basis for figuring led to the decimal system, which works out our 5, 10, 20, 30 and other yearly cycles, as well as other resistance points. Man's basis for figuring is 100, or par, on stocks and $1.00 as a basis of money value. Therefore, the 1/4, 1/8, 1/16 points are all important for tops and bottoms and for buying and selling levels.

Taking the basis of 100, the most important points are 25, 50 and 75, which are 1/4, 1/2 and 3/4. The next most important points are 33 1/3 and 66 2/3, which are 1/3 and 2/3 points. The next points in importance are the 1/8 points, which are 12 1/2, 37 1/2, 62 1/2 and 87 1/2. The next in importance are the 1/16th points, which are 6 1/4, 18 3/4, 31 1/4, 43 3/4, 56 1/4, 68 3/4, 81 1/4 and 93 3/4.

There is no top and bottom price, which cannot be determined by mathematics. Every market movement is the result of a cause and when once you determine the cause, it is easy enough to know why the effect is as it is. "Man first learned to record and measure time by the use of the Sun dial, and by dividing the day into 24 hours of 15-degrees in longitude. The "reflection" of the geometrical angle on the Sundial indicated the time of day. Since all time is measured by the Sun, we must use the 360 degrees of the circle to measure time periods for the market."

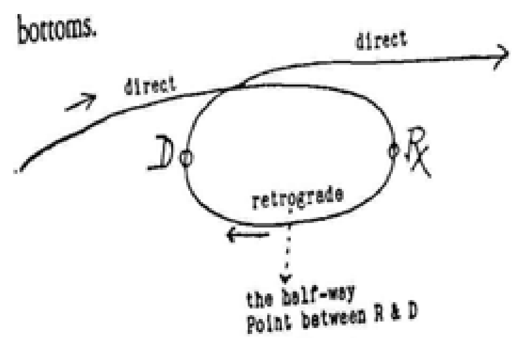
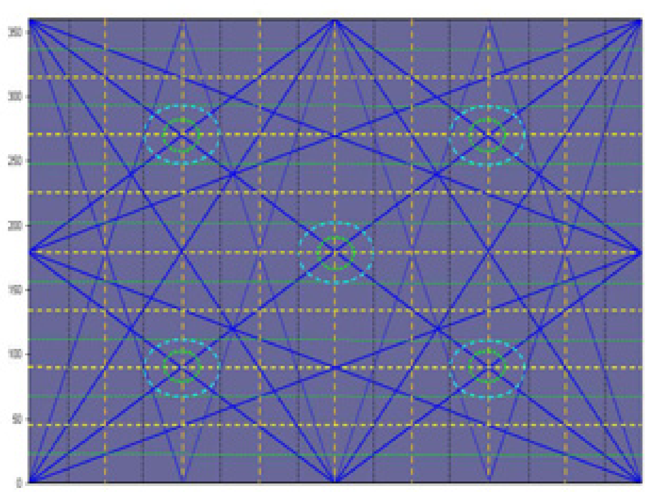
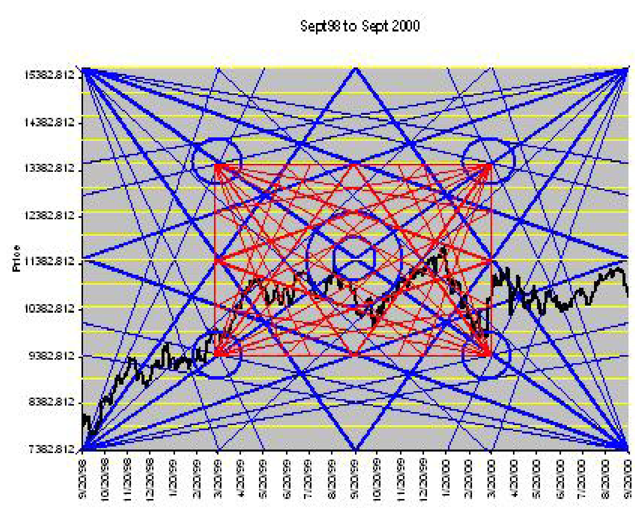


Illustration No. 2

Everything moves to a gravity center or to a point halfway between some bottom and top or some other important resistance point. For example: We divide the circle of 360° by 2 and get 180. We divide by 4 and get 90; then divide 90 by 2 and get 45; divide 45 by 2 and get 22 1/2; divide 22 1/2 by 2 and get 11 1/4; divide 11 1/4 by 2 and get 5 5/8; divide 5 5/8 by 2 and get 2 13/16, which is the lowest division of the circle that we can use for time periods. Each of these points is 1/2 of one of the other important divisions of the circle. Gann's plastic overlays of the Square of 52, 144, etc. all illustrate this method for scaling a price chart so that price and time balance geometrically.

George Bayer also hid this same overlay in his "Stock and





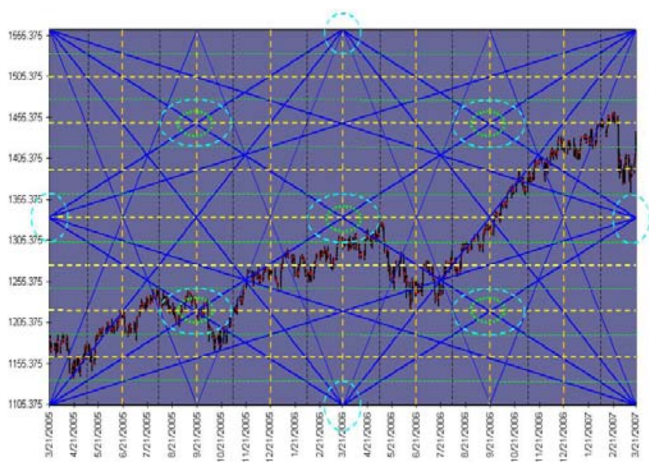
gives a lot of weird values in exact degrees minutes and seconds, but the entire book can basically be summed up by a simple formula:

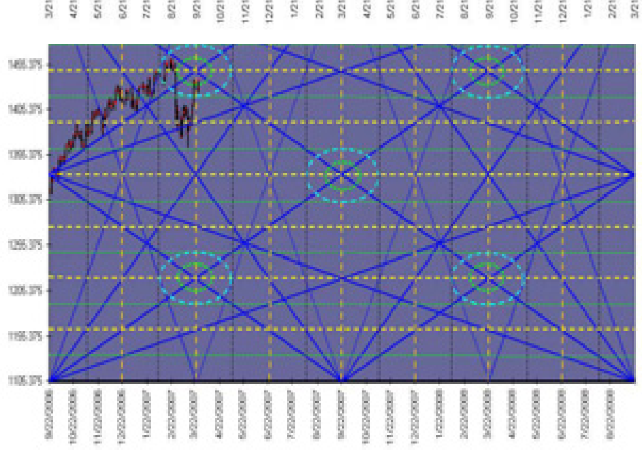
The Weird Number = [(360-deg)/(A x 52)] x B. Where "A" is typically a value of "1","2","4", or "6". In the majority of calculations "B" is usually "1" but there are a few where "B" is "6", "10" or "15". The "52" in the above formula represents the number of weeks in a year. If you don't have an accurate daily ephemeris, you could use a formula like this to approximate where a given planet may be. If you plot this as a chart, you get an overlay that is nearly identical to Gann's Square of 52 overlay.

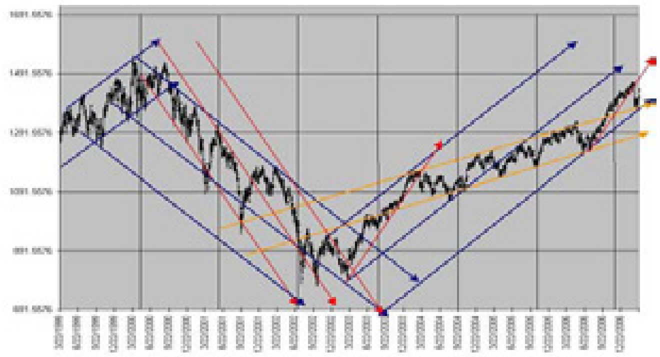
Seven years ago, I illustrated these techniques of balancing price and time with Gann's Square of 52 overlay in the article titled "Mathematical Formula For Market Predictions." This article charted the Dow on a 2-year chart from 1998 to 2000.

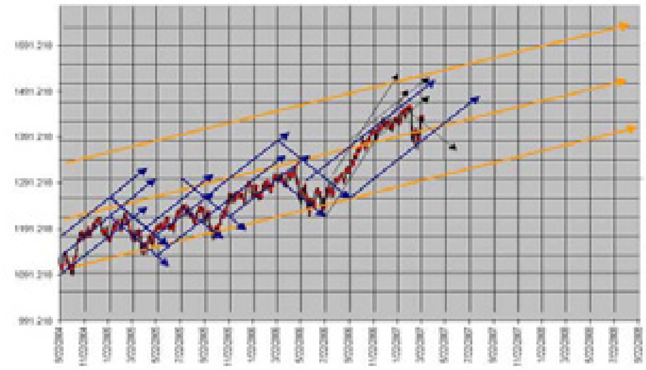
If you want any of Gann's geometric techniques to work, you must scale your charts based on this overlay pattern, which is itself based on "Squaring the Circle." Typically, if I am looking at something new, I scale my chart using a 2-year or 4-year overlay so that I have enough data to make sure that all calculations are accurate before setting up my square for the current year. Once the chart scaling has been fit with the data, everything that W.D. Gann said about market geometry begins to works like magic. I have been using the same charting scales for the Dow and S&P for over 10-years now without any change.

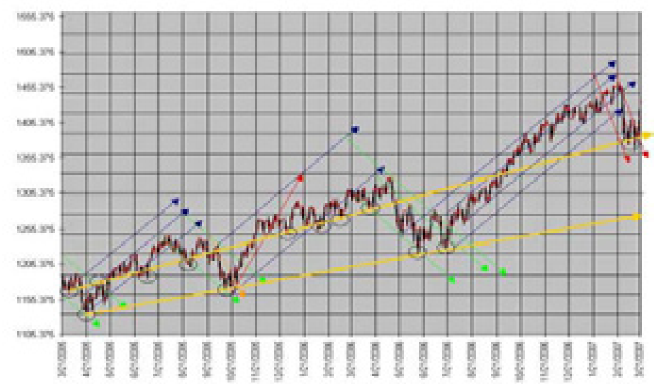
The following charts illustrate the geometry of Gann's 1x1, 2x1, and 3x1 angles on graph paper style charting based on the above scaling method. Also, I have included the recently completed 2-year square of the S&P as well as the current 2-year square, which began September 22nd, 2006. The charts speak their own language; so I will just end this article here and let the pictures do the rest of the talking.

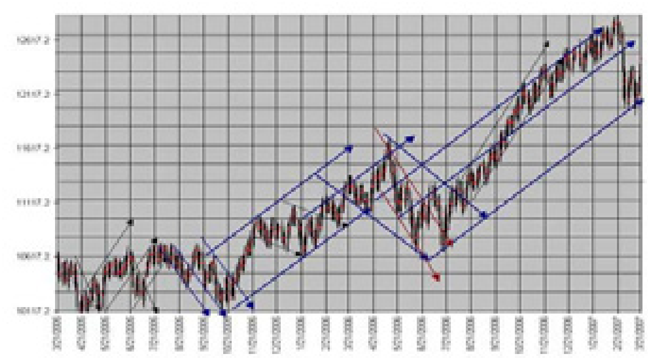


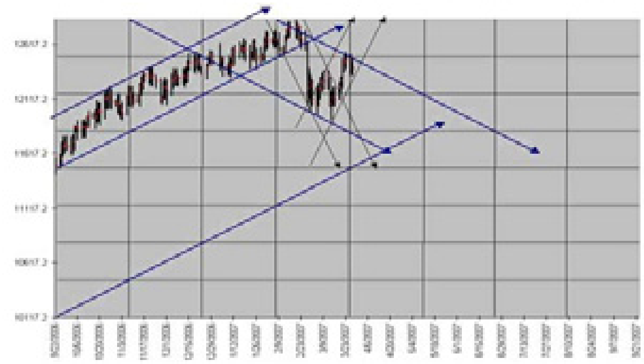












Is the High in Soybean Prices for 2007 Still in the Future?

By Earnie Quigley

The data on Chart 1 is updated from the *Harmonic Timing 2007 Forecast* published in December 2006 and the February issue of *Harmonic Timing of Soybeans*. The data shows on February 22 cash beans reached to within \$0.07 ½ of where the rally from September 8, 2006 equals the rally from October 15, 2004 to June 24, 2005. This 1x1 relationship of \$7.58-\$7.69 is a significant relationship and was my typical price target for cash beans for 2007.

The data on Chart 2 is updated from the February issue of *Harmonic Timing of Soybeans*. The data shows the rally from September 12 to November 27, 2006 equals the rally from May 13 to June 24, 2005 (CD=AB). The data further shows that on February 22 May beans were within \$0.05 ½ of where the rally from January 10, 2007 equaled the rallies of Swings CD and AB.

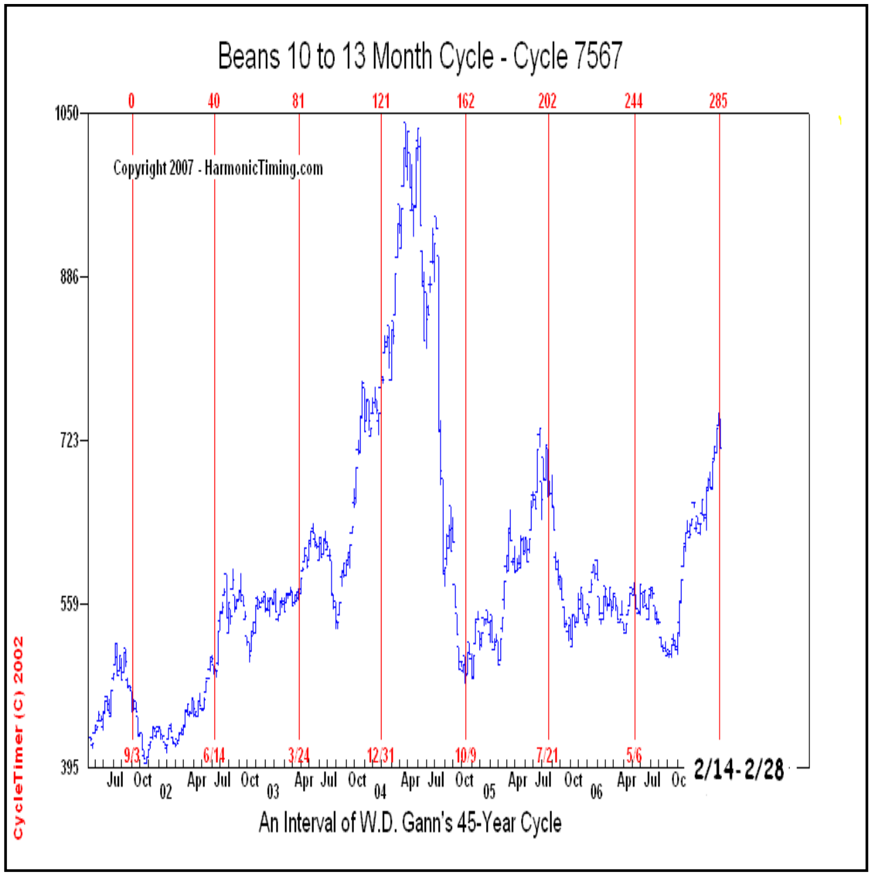


Chart 3

This price analysis was a strong indication soybeans were set up to make an important high during late February as soybeans reached target levels. These price targets were made weeks and months in advance.

Besides soybeans being at price targets during late February, Harmonic Timing's proprietary cycle analysis of W.D. Gann's 45-Year Cycle projected a Cycle Turn Window for February 14th through the 28th. (The 45-Year cycle was so important to Gann that he wrote a book about it, Forty-Five Years in Wall Street.) This cycle is shown on Chart 3. It was also part of *Harmonic Timing's 2007 Forecast* and appeared in the January and February issues of *Harmonic Timing of Soybeans*.

Soybeans fulfilled expectations of making an important turning point during the Cycle Turn Window of late February. This is a text-book example of Gann's price and time coming together to produce

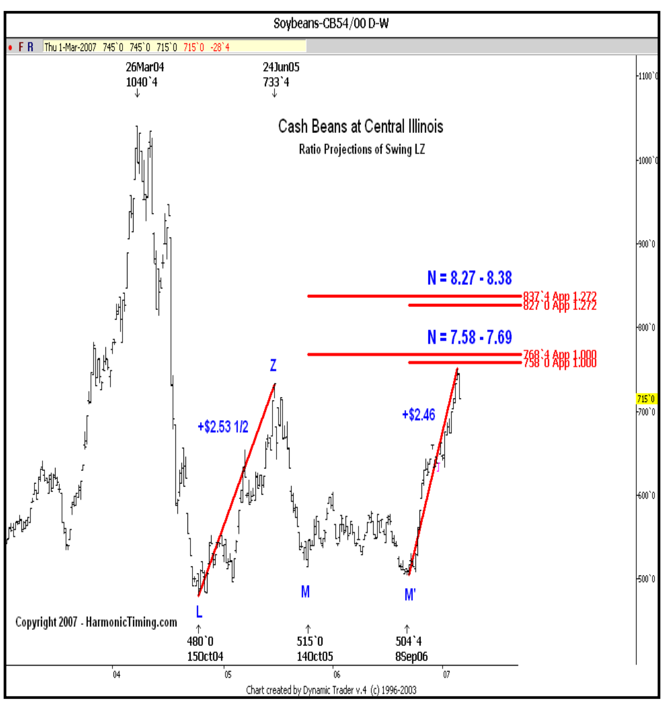


Chart 1

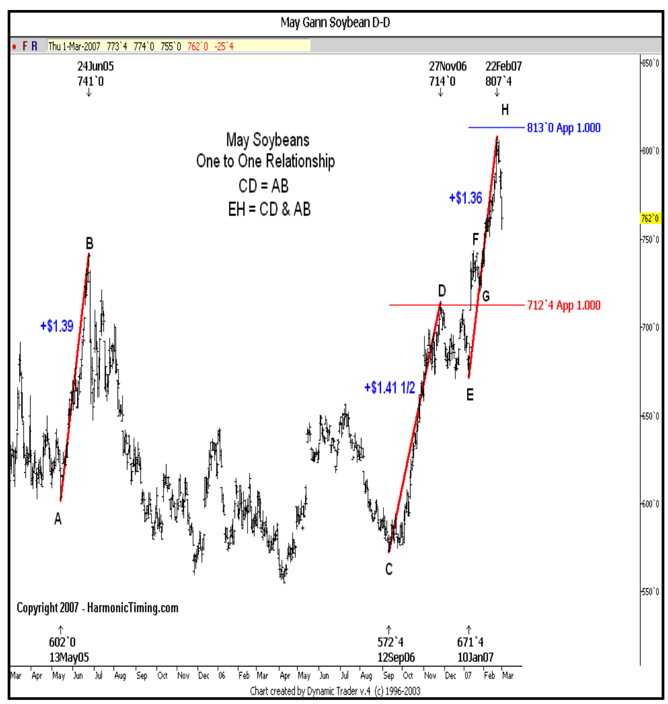


Chart 2

a change of trend. But, as the initial question of the article asks, was the high of late February THE high for soybeans for 2007?

There are reasons to believe the answer is NO.

The data on Chart 4 shows the months of seasonal highs during the past 35 years. The data shows that during the last 35 years there has never been a high during February, and only 1 high during March (2004). Seasonal highs were made during May, June, and July 59% of the time. **The seasonal pattern strongly favors a seasonal high later in the year.**

In his courses W.D. Gann stressed the need to go back over and study the history of past rallies and declines. His instructions were to take measurements from low to high, high to high, high to low, and low to low. By studying these measurements and patterns an analyst learns the typical patterns and times of various market moves.

Chart 5 shows data of seven "best fit" seasonal rallies in soybeans of the past 37 years.

The shortest Time Period for a seasonal rally was the 31 week rally from October 1977 to May 1978. If the rally from September 6, 2006 lasts 31 weeks it will not complete until April 2007. The **average** Time Period of these seven rallies was 38.28 weeks or 9 months +/-. This average Time Period projects a potential seasonal high for May 2007. **Both the shortest and average Time Periods indicate the seasonal high was not made during late February and is still to unfold.** This short analysis indicates that traders should be alert for signs that soybeans are making a seasonal high during April and May.

Harmonic Timing's proprietary divisions of W.D. Gann's major and minor cycles can be used to project the anticipated time of the seasonal high of 2007. Pythagorean geometry and ratio relationships of past price swings can be used to project probable price targets for this year's high.

Ernie Quigley is an active trader and author of Harmonic Timing newsletters. He has been publishing Harmonic Timing of Soybeans since October 1992. He can be reached at office@HarmonicTiming.com More information is available at www.HarmonicTiming.com.

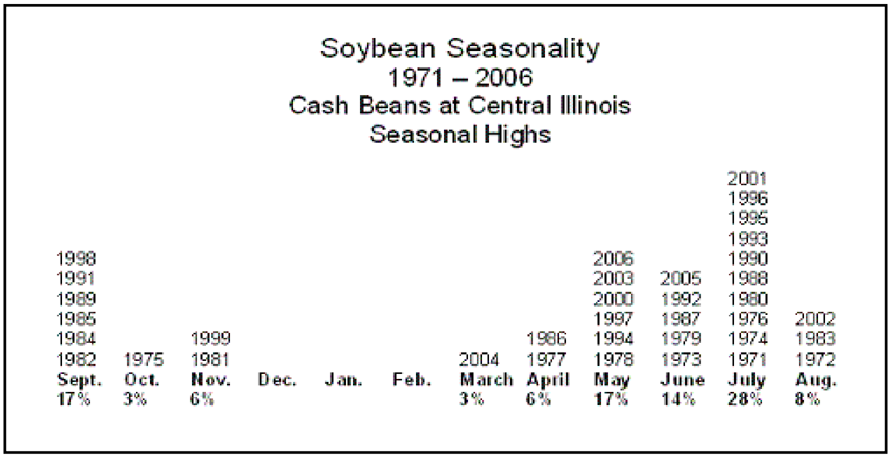
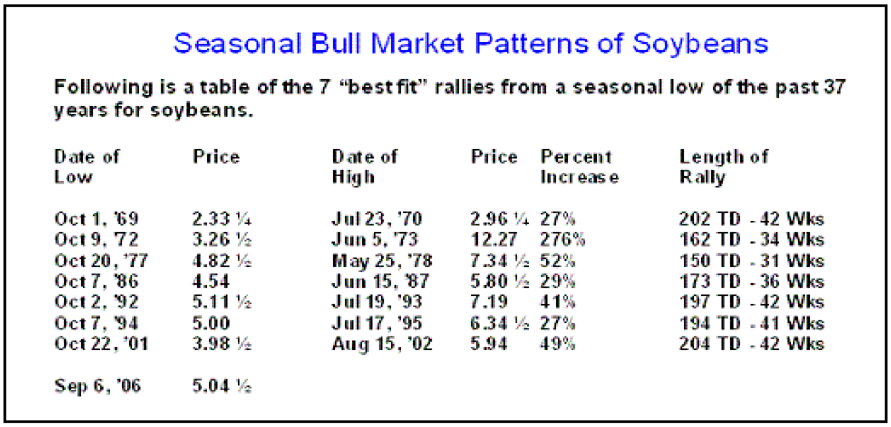


Chart 4



Seasonal Bull Market Patterns of Soybeans

Following is a table of the 7 "best fit" rallies from a seasonal low of the past 37 years for soybeans.

Date of Low	Price	Date of High	Price	Percent Increase	Length of Rally
Oct 1, '69	2.33 ¼	Jul 23, '70	2.96 ¼	27%	202 TD - 42 Wks
Oct 9, '72	3.26 ½	Jun 5, '73	12.27	276%	162 TD - 34 Wks
Oct 20, '77	4.82 ½	May 25, '78	7.34 ½	52%	150 TD - 31 Wks
Oct 7, '86	4.54	Jun 15, '87	5.80 ½	29%	173 TD - 36 Wks
Oct 2, '92	5.11 ½	Jul 19, '93	7.19	41%	197 TD - 42 Wks
Oct 7, '94	5.00	Jul 17, '95	6.34 ½	27%	194 TD - 41 Wks
Oct 22, '01	3.98 ½	Aug 15, '02	5.94	49%	204 TD - 42 Wks
Sep 6, '06	5.04 ½				

Chart 5

Repeating Characteristics

By Jack Winkleman

As one observes the markets over a long period of time such as many years, repeating characteristics begin to emerge. Especially, this is true of commodities with annual production cycles. Patterns continually repeat giving rise to the quote "there is nothing new under the sun" as stated by King Solomon from the Bible. W.D. Gann in "How to Make Profits in Commodities" states that time is the most important factor in determining the direction of markets. And this is found to be true. For instance, one should first examine the orbit of planet Earth. We know that Earth spins on its axis one complete turn relative to the Sun forming one day. It takes Earth three hundred sixty-five days to circle the Sun. This circle, cycle or orbit can then be divided into four seasons because of the tilt of Earth on its axis. So far one must examine the periods and numbers relative to the Earth.

1. Planet = 1
2. Orbit = 365 days
3. Spins on axis = 1 day/360 degrees
4. 365 days = divided into 4 seasons
5. 365 days = divided into 12 months
6. 360 degrees = divided by 4 = 90 degrees
7. 360 degrees = divided by 3 = 120 degrees
8. 360 degrees = divided by 12 = 30 degrees or one sign of Zodiac
9. Tilt of axis = 23 degrees creating an ecliptic or when at 0 degrees. This happens on March 20, beginning of spring, and also the beginning of the signs of the Zodiac. September 20/21, beginning of fall and half waypoint of the Zodiac.

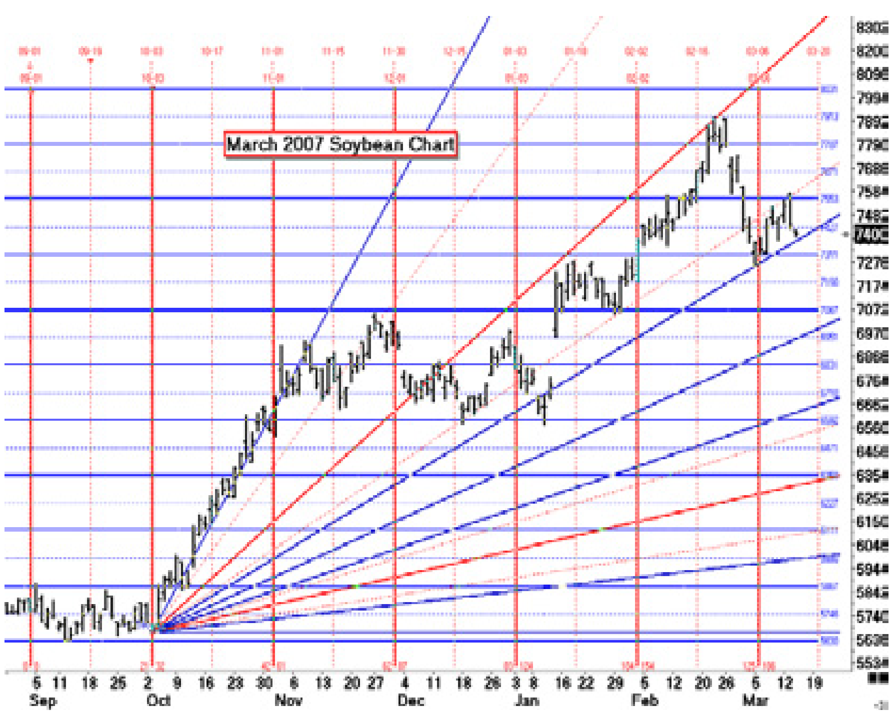
Mr. Gann stressed the creating 1 x 1 charts for the daily, weekly, monthly and yearly charts. This done on graph paper usually with eight squares to the inch. Thus a 1 x 1 chart would have one price increment on the vertical axis and one time increment on the time axis. In this example we will be using the daily chart created with a computer. (Ah, the age we live in!) In all of Mr. Gann's charts that have survived over time have various angles drawn from significant times or stand out high and low price. The angles that were taught in his courses were 1 x 1, 2 x 1, 3 x 1, 4 x 1, and 8 x 1. The study of these angles is an art form that is profitable to learn.

Using the above information, the daily chart is set up using the key number of 12. Starting with low price of $5.63 in the March 2007 Contract and adding 12 cent price increments up, one can the see the effect of 12 cents ranges in the market.

On the yearly orbit of 365 days minus 104 days for weekends yields 261 days. 261 days divided by 12 equals 21.75 days. Drop the .75 day for holidays and use this cycle of 21 trading days. Start the cycle January 1 and let it work out every 21 trading days. Usually, it is a good idea to then divide that by 2 which is marked by the vertical dashed lines.

Add the angles and you will have a very workable method in trading soybeans. The picture indicates just how powerful simple methods can be.

For those who have purchased the book "Simple Secrets of the Trading Master", this should be added to the book. The book is available in the book catalog section of this magazine.



What you have to do to Win in Trading

By Tony Beckwith

Professional traders want to make money, amateur traders want to be right…

Let's be clear about this - traders can fail for many reasons (and, unfortunately, the vast majority will fail)…professional, psychological, physical or some combination of all three. Traders who win have mastered the vital skills necessary to function well in all categories. They will take the money in markets away from the failures, as they always have.

Professional traders follow a process…

Without a disciplined and logical process, a trader has very little hope of staying in the game let alone making any money – which is, in case we forget, the whole point of the activity!

MTPredictor™ has designed trading software primarily to give traders, both new and experienced, a disciplined and controlled process to follow. It takes them from stage one of finding a trade set-up, to the second stage of assessing its potential reward versus the money risk involved in taking the trade, through stage three of working out how much money to risk (to prevent overtrading or undertrading) and on to the final stage of managing the trade with patience and confidence - right from having the order filled to exiting the position.

Find a trade…

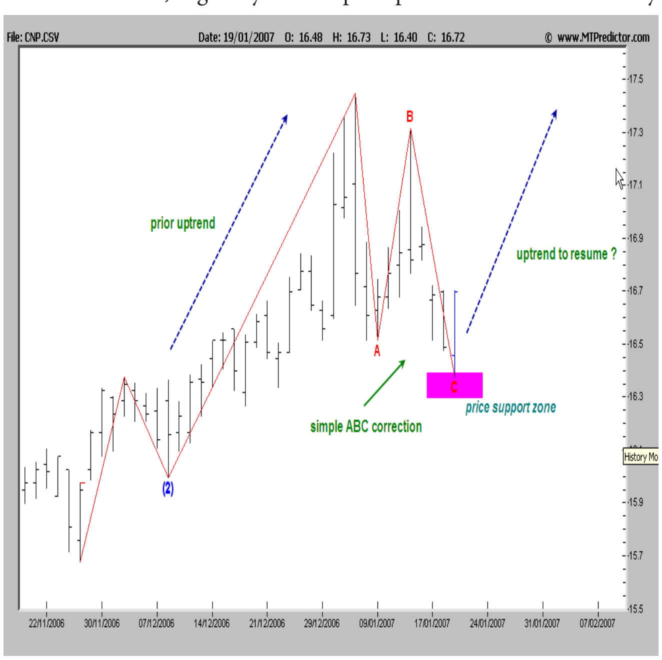
The process has to be simple, understandable and committed to a trading plan which you review regularly. Ideally, you need a way to identify a trade set-up the same way every time and without confusion. One example is to focus on finding the simple ABC correction-to-trend, arguably the simplest part of Elliott wave theory because it has the beauty of being unambiguous – that means there are none of the typical Elliott wave arguments over what pattern it is, how it fits into bigger patterns, whether smaller patterns fit into it). Not only does it allow you to enter a trade with a small, controlled money risk, it also provides definite and unshifting profit targets. These are clearly important in enabling you to calculate the risk/reward on a trade before risking any of your precious capital.

It goes without saying that one of the best places to enter a trade is after a correction to a trend as you are then positioned for any resumption of that prior trend. And, fortunately for us, simple ABC corrections happen on all liquid, freely-trading markets, from lightening-fast tick charts all the way up to monthly charts. MTPredictor's Real-time and End-of-Day scanners automatically identify these corrections and tell us if they are completing in decent price support (long set-up) or resistance (short set-up). This allows us to concentrate time and energy on the real elements of trading – risk control.

Assess the potential reward against the definite risk…

If you have definite profit targets, you can calculate your risk/reward. Your potential reward is the distance from your entry to the 1st profit target and your definite risk is the distance from your entry to your initial protective stop. You can decide if it is above a certain minimum, for example +2.0x. This is critical because your win/loss ratio is almost certain to fall below 50/50 over time, such that you have more losing trades than winning trades (just ask the successful traders at the big banks and institutions about win/loss!).

You then need to be taking steps to ensure that your winners are making you at least 2x your money risked on those trades compared with your losers - which are losing you 1x your money risked (-1R in risk multiple terms). This also means the size of your winners is directly related to the size of your losers. Again, this is vital otherwise you have no way of knowing how many consecutive losses you can fund from a previous winner – yes, a string of losses *is* inevitable. As leading trader educator Van Tharp of the Van Tharp Institute (http://www.iitm.com) says succinctly "losses as large as 20% don't require that much larger of a corresponding gain to get back to even. But a 40% drawdown requires a 66.7% gain to breakeven".



Money management – do it or fail…

Money management, more accurately termed position-sizing or bet-sizing, is absolutely essential. Again, as Van Tharp says "Poor position sizing is the reason behind almost every instance of account blowouts". This is precisely the reason why position sizing as explained by Tharp is central to risk control at MTPredictor and is made easier by having defined entry and stop triggers for trades based on the extremes of signal/reversal bars. For example, consider a long trade set-up with a +2.0x minimum potential risk/reward. Using the standard fixed fraction (important phrase) position sizing, you have a ready method to decide how many shares, contracts or lots to actually trade. Divide a fixed % risk of your account - say 2% if trading leverged instruments such as futures or forex (and contracts for difference or spreadbets if in the UK or Australia) or 0.5% for unleveraged products such as equities – by the money risk per share, contract or lot.

For instance, say you are risking 2% of a US$20,000 account on each trade. That means $400 per trade. If your trade set-up is on, for example, a US E-mini S&P 500® futures contract, with an entry price of 1400 and initial protective stop of 1398... your initial risk of loss is 2 full points x $50 per point = $100. $400 / $100 = 4 contracts can be traded. Simple, yet vital.

Run the winners, cut the losers!

This is exactly what almost all amateur traders have real problems doing. So the answer is to have a method of forcing you to stay with your winning trades as long as logically possible, whilst cutting your losing trades at a pre-defined price.

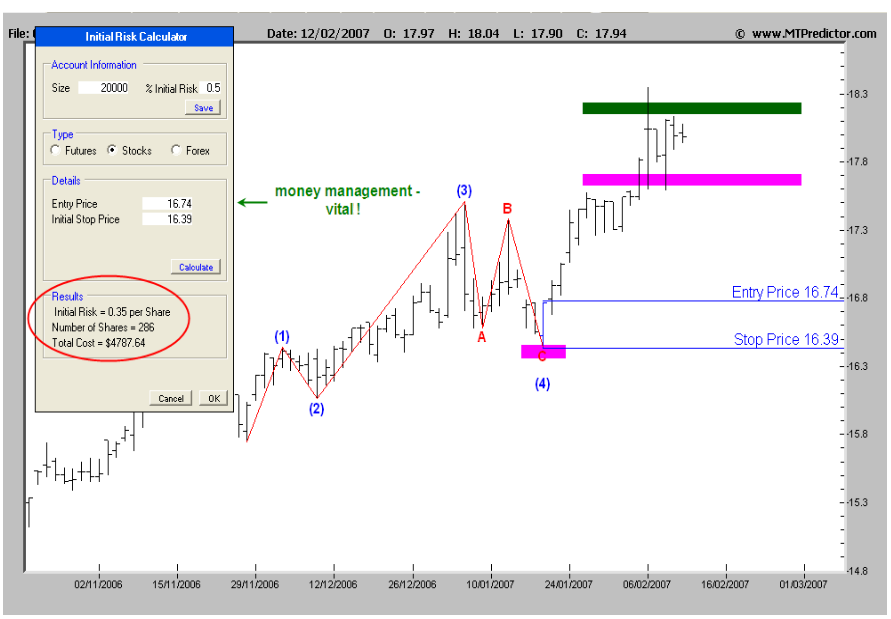
If you are trading off a simple ABC correction on your chart, profit targets can be determined based on the length of the correction and the length of the prior trend that it may be correcting. Targets for the trend, if it resumes, to aim for.

If you are only taking trades with a minimum potential risk/reward of +2.0x to start with, then you can use the profit targets to take profits on your trades – because you know they are at least +2.0x risk/reward themselves. Mission accomplished.

Alternatively, you may rightly use the 1st profit target to determine whether your minimum risk/reward outlook is +2.0x, however choose to trail, say, a volatility stop as your exit strategy. Welles Wilder's Average True Range has been developed into just such a trailing stop at MTPredictor, adjusting continuously for price volatility and often keeping profitable trades open for longer. As long as such a plan is inscribed in your trading plan and not used on an emotional whim, that is fine.

Again, to quote Van Tharp, "Trading and investing are very simple processes and we human beings try to make it into something much more complex." Keep it simple!

Tony Beckwith is Sales & Marketing Director at MTPredictor Ltd., the trading software firm which strips Elliott wave down for professional, risk-controlled trading. The MT Predictor is now available from Traders World. Call 800-288-4266 or go to www.tradersworld.com



Murrey's Binary Algorithm:
Murrey's Musical Fractal:
Murrey's Perfect Pitch: 437.50
MBA: .00152587890625
Produces Murrey's (17) Octaves
Vedic Chant: OOOMMMM: Music

By T.H. Murrey

96.875% of all university graduates can not create an algorithm; try it. Did it work?

Rhythm at Music Row
3/8th and 7/8th Crossroads: Nashville
Nashville lies on: 37.5 degrees latitude and 87.50% longitude at Harmony # 01.

1800 AD Nashville: 1st Masonic Group of forty men called their group Harmony # 01. President Jackson was part of its start. They were asked to change the name, when people were confused about music.

1787.50 AD Nashville granted to warriors who defeated the British in North Carolina during the American Revolutionary War. 1987 Crash 200 Year cycle

Sony Music Building and Warner Music Group Building built at the hub of Music Row looking at the statue: Musica: on Music Row from 16th Ave to 17th Ave.

The Kenneth Schermerhorn Symphony Center Nashville is built so harmonic cycles 440.625 (per second) will resonate perfect pitch (now) throughout its 120 million dollar (new) concert Hall: perfect pitch.

Martha Ingram, Mike Curb and Mrs. Turner supported the building of this "perfect pitch" building for harmony.

Blair School of Music at Vanderbilt University suggested changing the hertz pitch from 437.50 cycles per second to 440.625 after 1939 and again in 1954.

115.625 people create music in band.
Would you invest 120 million dollars and (not) know the pitch of harmony: music: math? What is music: Math?

Rich "winners" and "losers" like Music.

"Losers" Bar is just over the hill from the new symphony hall. Ask anyone in "Losers" if perfect makes money straight away, year after year? "KC" at "Losers" will tell you the sound is just as sweet no matter which hall you drink (up) in (at).

Just around the corner from "losers" Bar is the Corner Pub and Blue Bar.

The Corner Pub has 32 flat-screen TV's set with 1,024 pixels per inch: harmony.
Christie will dial in a sport or music set to perfect pitch: music: math: Murrey Math. Ask her.

South Street Bar is set to Cajun Food: music to (more) traders: appetite.

The best way to your trading heart is through your stomach: hot food and great beer: forget about the quality of the music.

South Street Bar and Chrissie will set your mouth on fire with hot sauce set to perfect pitch. If you can't carry a tune hold your beers and keep trading food for beers, step aside and let the winners to the bar.

Feb. 18 2007 Daytona 500 Race

Darrel Walthrop declares NASCAR may come out with an IPO for race teams.

Darrel won Daytona 500 in 1987 after (17) Tries in car (17). And Richard Petty won (200) races and the Daytona 500 (7) times in car (43).

NASCAR always starts with (43) cars: harmonic circle (cycle).

World Record: Murrey wins Algorithm Award: Paris 1995
World Record: Most copied, reproduced, stolen trading strategy in the world now.

World Record: predict new IPO breakouts higher or lower with (only) birth weight (price) on opening day set to music: math.

Fastest growing Trading strategy in the world predicting future market reverses off the same (exact) MM numbers set in 1993.

Trading, Investing, teaching trading and buy and selling of markets will find (every) trader smarter than T. Henning Murrey, if you are male. Women (just) want rules.

Stop your thinking right here and decide: "Has your expert investing equaled your gambling trading?" Investing and Buy and Hold Long term Trading involves your mind to fool you (into) thinking your perception of the worth of any market is real based on the "good information" presented (to you).

This article you are about to enjoy, will be based on 100% technical strategy placing the "trigger for trades" off percentages (exact) off preset levels (done for you) back in 1993, so when any market enters one of (17) automatic levels, you are expected to pull the trigger and take the profits or accept the required (1/2) of 1/8th loss per trade.

Combining Math Logic Technical Trading strategy with "perception:" Is done everyday, until you experience more success from the least parameters, not the more (added) Indicators to confirm the trade. The price of a stock is proportional to the number of people wanting it; just as your house is rising and falling upon demand against "current" price.

The US has experienced (since 1994) the largest boom in home prices increases with a falling Interest Rate since Rates were 8.203125% in 1994 with Dow 30 at 7,500.

House prices will fall – (6.25%) with every + (1.5625%) rise in Interest Rates above 5.0%. They are falling now to fall more.
If your house is valued less than $250,000 "relax up." It ain't worth the drop.

Impending World Wide Financial Crisis:
Close at hand again, as in Oct. 1987. This time the Federal Reserve will not step in for two straight days and prop it up: you lose.

They want it crash hard and fast this time.

Economic Cycle Change coming soon

1935 US went Bankrupt: President Roosevelt went to Vienna, Austria to borrow money to pay back Federal Reserve from (rich) European Billionaires from 15th Century slave trades and required (all) US citizens to turn in all their Gold coins so we (the normal) citizens, could pay off the debts of the rich who were buying stocks at 100% leverage in 1929 at the top of the 1929 Crash. You accepted it then, do it again.

The poor always pay for the sins (money fun) of the rich: enjoy the next one coming soon, again. Good times, then bad times?

Please join our E Mail list and we will keep you informed (about the next one).

The South will Rise Again: Changed

1861 AD USA: 62.50% of all profits from US came from the South-Slavery. Southern slaves worth more than top ten businesses in the North, just before the War: Compromise of 1850 tried to settle expansion issue.

The Cotton Gin came out late during the Civil War. Cotton "pickers" turned to Country music turning seeds to "pics."

The money is coming back to Nashville, Tennessee, again: gear up to invest (it).

Lucky at love or good at math?

When you are born means what?

Murrey born Oct. 09 1942:
Born 09.765625
Murrey's Universal # 19.53125
Murrey's Musical Pitch Fractal Major 1/8th = 12.50 so Murrey's Minor 1/64th sound pitch = 1.5625, so Murrey's Harmonic 1/512th = .1953125 cents.

New IPO: GDL: Gabelli Global Growth
Gabelli's Baby is borne: $20.00
Jan. 26 2007: 10:30 am
Crib size: 19.921875 to 20.1171875
MM 0/8th at 19.53125
MM 4/8th at 20.3125
MM 3/8th at 20.1172 "Pipe" Support
MM 8/8th at 21.09375
Spread 8/8th = 1.5625
MM 1/8th = .1953125
MM 7/8th 20.898375
MM + 2/8th Breakout Higher: 21.4875
MM Breakout Lower: 19.140625
Holy Grail Award Winner

Goes to the guru who can predict all IPO's off the same (one) universal # (every time).

T. Henning Murrey accepted the challenge and the award using MU Number: 19.53125

How many Harvard, Stanford, Berkley, Wharton, MIT MBA's are trying to read what it will do and ignoring Murrey's Math?

Dedication of IPO GDL to:
Mike Norman at www.bizradio1328.com

He interviewed Murrey last year on his radio show and told the audience "no one" could predict any (future) markets off (only) (17) of Murrey's harmonic Octaves. Please E Mail him and thank him for his "Truth."

Trader's World Magazine Fall 1999-2000 Issue # 28 Gann and Murrey Agree: All markets reverse off Harmony Octaves: now, request this issue from Larry Jacobs.

Oct. 09 1999
Start New MM Trading Year
Dow 30 Index at 10,625 MM 4/8th
MM 0/8th at 10,000
MM 8/8th at 11,250
Murrey Predicted: Oct. 09 1999: Major Harmonic 1/8th = 1,250 points added to 10,625 = 11,875, so market should stall up at 11,875 or 156.25 on either side, so you do the math: the high was 11,750 or 11,718.75 and Murrey missed by 31.25 points; go figure. You know it. Your "job" is to learn to trade (not) predict (future) highs: sorry.

Your "job" Education

Tennessee Lottery Provides Scholarships
Gambling in Tennessee is good?

75% of the young people: 87.5% boys and 12.50% girls lose their scholarships before one year in school? Why?

Education is defined as the ability to make more than $37,500 per year from the 1st year you graduate with no more than $5,000 investment and no more than 3.125 hours of work per day.

You are not required to know there are (have been) (43) Presidents or the Capital of the US.

You don't have to speak correct English to be a rock star, sports pro athlete, or elected to Congress from your district.

How much you make from your university is all (that) matters to adults after college.

If education were real, and universities were efficient, everyone would have "cashed in" in January 2000, when their mutual funds were up as much as + 350% from 1998 to 2000.

They are still below the 2000 highs and its seven years later, soon to tank again.

Education requires you learn from the past and not repeat (it), again and again.

Nashville Public City Schools report 70% of their inner city students "poor." Poor people want the simplest trading system, since they don't have time to "invest" and learn to lose as a part of winning. The average "poor" student loses interest in school in the 8th grade, when they can't read, write or count past 100.

T. Henning Murrey started school in the city projects in North Nashville, (then) made up all the way to the "slums of Belle Meade."

T. Henning Murrey "invented" his trading system for "poor" kids in public school: 8th grade math.

Why wouldn't the 500 S&P corporations donate $5,000 to "poor" US inner city students, who want to just (start) out making $37,500 per year without finishing high school or going to "party" at university?

The "average" US worker works (only) 6.25 years daily with a college degree.

Why not let those who hate school and working hard and gossiping at work just stay at home (1/2) a day and make money looking at a computer screen without games of chance or simulated murder for points?

They can come to school at 3:00 pm and play sports or try out for cheerleader.

If the object of education is make money to pay bills, why force rote memory phrases, words, theories or philosophy, which no one ever uses after university to prove you can start out making $37,500 per year by looking at a chart, which tells you the (87.5%) best odds anything will reverse?

Bar tenders make more money than most university graduates.

Why force non-intellectuals to want to grow up to be looked down upon, just because they didn't go to Richer than U University?

96.875% of all (rich) university graduates never exit from their retirement funds after any: + (6.25%) or + (12.50%) run up of free profits from waking up and going to work and looking at their profit returns.

Education requires you know something.

If you say you are educated, you are required to know to take an educated profit.

Trading versus Investing

Trading is defined as a way to profit from a move in either direction, where you make money for no more reason you take the profits in a short period of time. You take small losses since you don't invest.

Investing is meant for homes (only), not in stocks or your child's education.

If your child attended university and told them to be a long term Buy and Hold (do nothing) Investor your child was cheated.

The US MBA Programs will not present "technical trading" and MBA Graduates run 2,000 US Hedge Funds into bankruptcy almost every two years, since these inteligent people never knew 8th grade math trading for small profits and exiting with smaller loses (per trade).

Most US investors lose – (25%) of their free profits every 15 years, but this time it will be cut in 1/2.: be ready to exit fast.

If the goal is to (simply) make money, why go to university to read Shakespeare?

All sports are repletion of formations inside the "lines.
"

All successful "traders" are looking for the (same) repeatable formation inside the "lines."

Nashville Public City School uses quantum physics to teach kids at Buena Vista School in North Nashville.

Former, Nashville Public School Teacher (Murrey) went to Buena Vista Elementary School at (5) years old and at (50) set all markets to 8th grade math (hidden) inside quantum physics, which the smartest university genius can't find (yet).

Socrates said: "Don't present the rich or the poor with math higher than 8th grade."

Pythagoras said: "All the math you need is set to the navel of the: a) baby, b) 12.50 year old girl, c) 17 year old girl and the d) (30) year old grandmother: 312.50 BC."

Einstein said: "US university graduates can't understand compound interest, but spend hours talking about Black Holes and the speed of light (to nowhere)."

Day dreaming is for the Intellectual (only)

Poor City School children need simple rules, repeatable with profits which build confidence shown by money in hand.

You don't have to live in a public bathroom to join a large US brokerage house to be able to trade stocks. You need a MM chart.

87.50% of all US (male) citizens no matter the educational level can read point spread sheets for gambling. Convert this mentality to trading stocks and currencies.

87.50% of all university graduates, stock brokers, mutual fund sales persons or financial advisers cannot read a MM chart.

Why try and educate young people who just want to make money gambling on sports and stocks?

Reverse Profit Motivation

Make poor people rich then educate them to know university "trivia."

Teach "poor" public city school children to make money, then read Intellectual books and remember worthless words and phrases.

Intellectuals need to Buy and Hold and "lose" over time for us. They enjoy the pain.

We want to take the money and run and spend it or go buy another stock and take its "free" profits. Don't fall in love with profits.

Dolly Pardon wants to give $20,000,000 for helping "poor" children learn to read (early).

Murrey will give $20,000,000 of his end of day software to Tennessee Public Schools, so children who tire at reading and higher math can be 'coached" to start out making

$37,500 per year with a $5,000 investment, if they will wait for the best formation.

T. Henning Murrey publishes the (exact) best odds MM future numbers all markets will reverse off for the next (90) days.

Please send us $50.00 and we shall E Mail them to you. When you subscribe to our end of day software for 60 days for $100.00 we will send them to you as part of your education. Why invent the wheel (over)?

Why will (not) your local" University or "tech" school send out the (13) expected reverses for any market the (next) (64) trading days?

Murrey will send out his (13) numbers (free)* to all Tennessee Public Schools every (64) days. Kids can get (it).

This country is afraid to be wrong.

It cost nothing to be wrong, if you take a small lose and not "crawl under the bed."

It costs nothing to be wrong, when all higher education expects you to lose – (50%) of your free profits on average every 15 years.

They know and you experience "Losing" as part of the curriculum toward winning (investing). If this is true (yes) what is their motivation to change to trading? Who cares?

Murrey sends out his numbers every (64) trading days from Oct. 09 2006 this past fall season.

Oct. 09 2002 all time largest 2000 Y2K E Commerce Scams Bear Market sell off (ended) down – 4,556.25 points at 7,187.50 from Jan. 2000 right on his birthday: hurrah.

This was the 60 Yr. Cycle of Man with Money. 3,125 BC 60 Yr. Cycle set up.

Murrey predicted the reverse up at "private party" for students, on Oct. 05, 2002 Sunday night at Princeton's Grille: Nashville: (17) students attended. Pictures and names are available for $100.00.

T. Henning Murrey was "lucky" to be born (exactly) on the 30-60 year cycle of the Dow 30 Index. "Were you born lucky?"

Confirmation: July 08 1932 all time low at 40.625 on Dow 30 Index. Sept. 2002 low on S&P 100 was 406.25. Jan. 1993 low the on S&P 100 406.25. You remember all these lows? Gann predicted lows to be July 04 1932 in '27. Did your grand father say?

President Jimmy Carter's high in Crude Oil was 40.625. Interest Rates were 18.75% right? M2 Money supply went up fast.

Hunt Brothers all time high in silver was 40.625. Are you still holding on to it?

All time high in crude oil (cash) 81.25.

Find one US MBA Graduate Program which forces "genius" students to know the last 30 years of: Gold, Silver, Oil, Soybeans, S&P 100, S&P 500, Dow 30 Index, Natural Gas, unleaded gas, NY Light Heating Oil, Corn, Wheat or Pork Bellies, since everyone eats (it) and shares it at every "tail gate" party before the big university game on Saturdays beside their 250,000 RV which gets 6.25 miles per gallon, just to see a football game: waste? Every woman knows Levi Jeans were $12.50 in 1960 and now you pay $250.00 if you are a "bar maid," for the same jeans with stitching on the flank.

It (only) takes 1.5625 minutes to look at a 30 Year Chart of any market. There are 100 brokerage houses, who will mail it to you free, if you are not afraid to ask: step up.

US traders are smart, so any market is anything you are told or imagine them to be: choose and see how you do with your stuff.

MMM MMMMM MM MMM MMMMM

All markets are random in nature.

There are no random markets.

You choose (which) and you are correct?

MMM MMMMM MM MMM MMMMM

Your task: take every MM 0/8th and MM 8/8th and divide it by MBA: .00152587890625 and you will see every answer (result) will end in (00) or (05) and will be an exact ratio of this harmonic number (Murrey's). Try it: its easy math.

Murrey's Purpose: See traders enjoy profits made from trading off Murrey's Lines.

Why continue to guess reverses?

Do you want to (finally) get in sync?

All humans trading (at one time) resonate into the (group) Harmonic (Harmonica) Pitch: 437.50. This is why (random) major US Indexes will reverse off (exact) MM Lines. Price coverts random to (exact) MM.

MM 0/8th zero to MM 8/8th = 50.00

437.50 = 7/8th Key of "B"

All time high in S&P 100 Cash Market was 843.75. Now divide it by two = 437.50 1993 low. How simple is this for the low IQ?

We have provided a chart for those who have no memory of the past.

Earth (puts off) 43.75 hertz in 24 hours.

Harmonic sets off 437.50 cycles per sec.

Piano Middle "C" 1939 was 437.50 cps.

Did your school provide you with Cherokee Indian Flute set to 437.50 cps in

5th grade?

Expectation Law (of) Graduate School

Students who play music at 5 years old graduate in top 10% and those 5 year olds who talk the most in 1st grade barely make it out of high school. Shut up and listen will spare the rod. Einstein talked at (7.18).

Law of Repetition (for children)

If you tell your child the same thing (more than) (17) times, it you, who has the memory problem: red this article (15) times (over). We hid all the clues at random.

You think all markets are random in nature, so we hid our trading strategy out of order, in a random pattern, so the high IQ, patient, dedicated, with continuation of purpose will find them and place them in their correct order. Why help the lazy?

Gann did the same thing in 1942 and 1927.

Go kick Gann's grave in Brooklyn, NY.

Your responsibility is to search for markets reversing off MM 1/8th or MM 7/8th and make the trade (in the opposite direction).

We provide all the MM Trading Lines, circles, and exact prices for you, with one click of the symbol tab. Our software eliminates all the "mental" work you hate: dividing, adding, subtracting, and multiplying one number (17) times. Why not let your car park itself? Cost is only $12,500. Every $10,000 you waste from 40 to 62.50 years old, you want Social Security to repay you till you die: American Way.

Please film your garage, attic and spare bed rooms for all you bought (no one) sees. Sell it and start a currency account next week.

We teach free Forex Classes for those who qualify.* Ask us (by E Mail). It "ain't" free.

Nashville: The World Mission gives you a free lunch, if you wash your hands.

Converting to Murrey Math requires you wash your brain and your skin (17) days for women and (40) days for men: why?

Learning Curve

The faster the system to master, will be the sooner you loss more of your capital per trade. Can you set your VCR?

Murrey Price: Exact Octaves (17)

Murrey Time: Start Oct. 09 2006

MM Price and Time Equal Musical Harmony: Exact Time Divided by Price

You need Murrey's Musical Scale (17) Octaves to watch every market reverse off Murrey Math Trading Lines: 1992-93 and (still) reversing off the same numbers today. You need Murrey's (yearly) starting Time for each New Year's start. Got it now?

T. Henning Murrey moved to 1906.25 (15th) Ave. South across from Ward Belmont Private School (for rich young women) out of the city projects at 9th and Cheat hum Ave in the year 1953(.125) AD Murrey's father and grand father, Masons handed Murrey The Book of Murrey which contained The Murrey's Binary Algorithm: .00152587890625 which was derived from (64) 2 x 2 = 4 x 2 = 8 x 2 = 16 x 2 = 32 x 2 = 64 (13) Weeks which is ¼ of the Sun's Year. Murrey never was a Mason.

1964: Nashville Murrey stumbled onto his Sacred Square Root: .625 and Murrey's Lunar (tick) Square Root: 1.25 New Moon.

1954: Waverly Belmont Junior High School: on 12th Ave South Murrey was taught by Miss Samson Triangulation of the Planets, Moon and Sun: 5: 12: 13. Mr. Strickland who won the Tennessee State Tourney in basketball with "all the way for Doc" was Murrey's Principal. "Bill" Smith was Murrey's junior high coach. Mr. Martin was Murrey's math teacher. Check it out.

In 1954 Murrey learned to take: 18.618 x 19.618 and arrive at the year = 365.24 days.

Murrey found (that) most people "round off," so he searched for the "perfect" Fibonacci Ratio (other than) .618 and .382 rounded off.

Murrey "discovered" in 1960, when he was voted Master of The fives at Centennial Park at The Parthenon under the Goddess Athena (that) Musical Octaves (100) divided (17) times would produce the smallest "tradable" price .00152587890625, but if it is divided down ½ twice (more) it would produce Murrey's Rational "fib" # .0003814697265625.

What a stroke of luck? Did you miss it too?

Murrey knows planet movement (away from others) creates the "dobbler affect" wobble, so we must use .618 and .382.

But math on Base Ten (Muslim) must be set to a perfect fractal where all ends (last digits) are only (00) or (05).

If all traded markets (on Base Ten) have to end with either (00) or (05) why are the gurus all over the trading world asking you to trade off random (extreme) highs and lows, which will never result in any numbers set to Murrey's Perfectly Harmonic Binary Algorithm: 0015……?

If (all) this is true, where are the most reliable reversal MM Price points?

MM 1/8th and MM 7/8th (Yellow).

Simplest Example: Dow Futures: exact 39.0625 point reversal with no info
Dec. 11 2006 thru Jan 05 2007
MM 0/8th 12,343.(75)
MM 8/8th 12,656.(25)
MM 1/8th = (.39.0625)
Murrey's Sacred Square Root: .625 x .625 = .390625, so move decimal over two places from Murrey's Master Square: 100 (.390625), MM Sq: 1,000 (3.90625) to MM Sq: 10,000 (39.0625) v8th grade math logic.

Please notice we had (17) reverses up to 12,656.25 at MM 8/8th. Was this luck?
Are you in denial, envy or disgust for all the time you wasted "back testing" stocks?

Liar, Liar Pants on Fire: Luck

87.5% of all "floor traders" know there is a spread between the Dow 30 cash and the Dow futures, but they don't realize it is precise: set against Murrey's Sacred Square Root: .625.

Proof is in "seeing" the chart:
Example: S&P 100 Cash Market
Start New Trading Year: Oct. 09 2006
Price: 625 (exact) low MM 0/8th

This article is extremely long and has numurous charts. The entire article with all the charts is available online at www.tradersworld.com/murrey4

Gann Grids Ultra

By Robert Giordano

After spending a number of years testing various technical forecasting applications such as those based on the works of George Bayer, W.D. Gann, and R.N. Elliot's works, it appears as if a very important technique may have been overlooked by most researchers, including myself, UNTIL NOW!

It was only after a prototype of the Gann Grids Printing Program had been developed that the changing of the price scale vibration application became apparent. I discovered that by laying the overlays of 144, 90 and 52 (included in the W.D. Gann courses) upon many different price scaled charts, many of the high and low time price points would line up almost flawlessly within the overlay's pattern when the proper price vibration was found.

What are Gann's price and time square overlays used for?

Implemented by Gann as overlays on his grid type charts, the thin plastic sheets with the geometrical drawings on them were used as pattern overlays. The pattern overlays would show at a glance, the support and resistance levels hidden within the stock commodity or indexes historical price and time fluctuations being researched, especially when the proper price scale was found. However, the proper price scale vibration would need to be found first in order to potentially project the future course of its unique fluctuations!

This concept took years to uncover due to the fact that in the early phase of my research all the different stocks, commodities, and indexes being explored, had to be drawn by hand on special grids per square inch sheets. As you might imagine, drafting all that technical work by hand was extremely difficult, to say the least. Drawing a single chart in just one price scale setting literally took days to complete and was nearly impossible to do on multiple price and time scale settings as it took way too much time to finish.

The Gann Grids Printing Program however, did put and end to the tedious grid drafting, which in turn left me with much more time for further cycle research. The printing version of the Gann Grids program really is an ideal program for the beginner who just wants the blank charts to learn the very basics from Gann's overlays. However for a more thorough cycle research project a more advanced version was needed.

Unfortunately a more advanced program was nowhere to be found at that time which would give me what I was looking for. None gave the features of allowing me to view on screen, the changing of the price scale vibration, the changing of the grid size format wile at the same time giving me the numerical square overlays (as stated above), along with other Gann, Bayer, and Elliot type cycle research I was doing

This Concept is now a Reality with the New Gann Grids Ultra advanced Program!

The Gann Grids Ultra program is a BRAND NEW computer research program that has taken me well over two years to develop. It will not only plot the stock commodity or index of your choice on a large number of harmonically perfect grid chart sizes, much like the Gann Grids printing program, but will also draw most of the Gann, Bayer and Elliot price and time research tools, personally tested and used, on screen with just the click of a button!

Days, weeks or even months of research can now be done in just a few seconds with this new, improved, and impressive version of Gann Grids. Just imagine researching the stocks, commodities or indexes of your choice, placing it on any one of the several grids per square inch settings, and then changing around the price scale vibration until the proper price scale vibration is found. Once found, this unique setting will then work in harmony with the programs other included tools such as:

The Gann square tool with user defined settings (make any number square you want) Time bar count Price bar count AB range division Square of nine square root angle User defined angle Cycle research Fibonacci number overlay

Numerical squares, half squares, and quarter squares overlay User defined price scale function

Also included are user-defined grid size functions, as well as a few others.

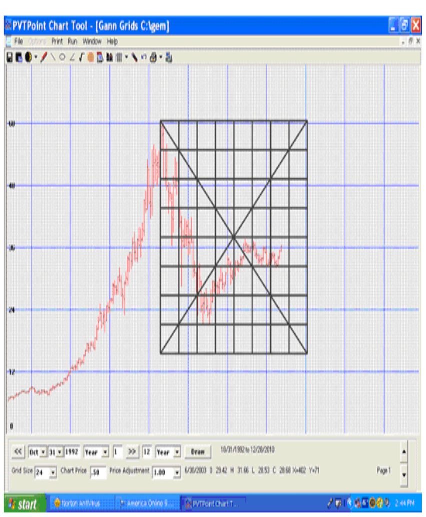
There are also seven extremely user friendly astrological research tools used by Gann and Bayer such as:

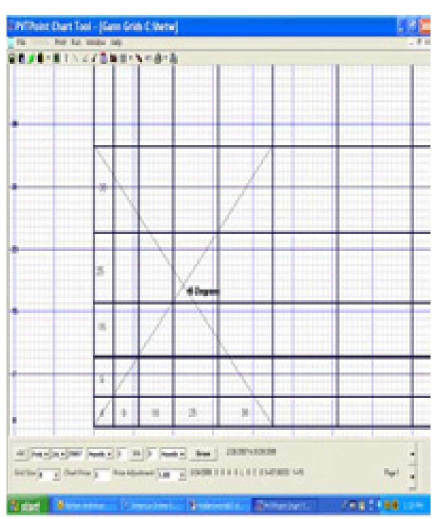
The Astro fingerprint tool Ephemeris Aspect date locator Specific zodiac degree aspect finder Zodiac hot spot locator planetary price channel overlay

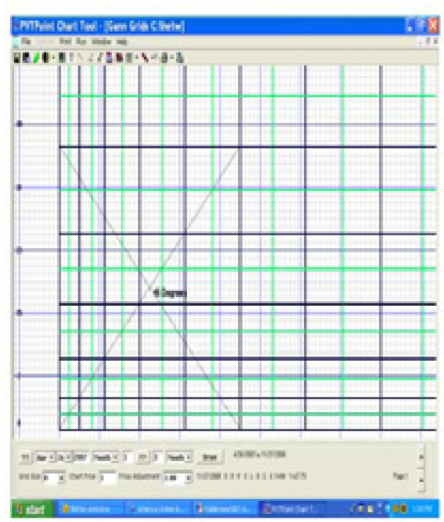
Planetary Progression tool

These specialized astronomy tools are primarily used for isolating user defined key dates from past trend changes, analyzing them, dissecting and then projecting forward up to five years ahead (user defined).

This section of the program was specifically developed to find hot aspects and degrees of the zodiac present around most







major, medium and minor trend change periods. Once found, the dates could then be highlighted on screen with the click of a button thus isolating potential turning dates into its future!

The ephemeris tool is also used to find many natural and mundane energy date clusters found to be useful by many leading astro- technical researchers.

EXAMPLE#1-PRICE SCALE VIBRATION ON 90 OVERLAY

General Electric monthly chart set at $0.50 cents on a grid per square inch setting of 24:

As you can see, many of the stock price fluctuations held remarkably well on the black horizontal lines of the square of 90. If you also look closely, you will see that many of the vertical lines show several time changes as well.

EXAMPLE # 2 - NUMERICAL SQUARES, HALF SQUARES AND PRICE SCALE VIBRATION

Gann also felt that his numerical square overlays are to be used to find time and price balancing points that coincide with natural squares.

But what exactly are natural squares?

Natural squares are the points in price and time that count up in price and over in time with the exact number of grid boxes equal to squares of a number starting from 2x2=4, 3x3=9, 4x4=16,5x5=25, etc., all the way through a progressive series of numbers. Gann however, felt that the square of 144 was a very important one. As he stated in his courses: "Within the 144 overlay all the natural squares can be seen up to 144."

FULL SQUARES - The same could be said for half squares. The half squares are set up the same way as the full squares but instead of using only a whole number, we use a half number as well.

Example: 2.5x2.5=6.25, 3.5x3.5=12.25, 4.5x4.5=20.5, 5.5x5.5=30.25, etc.

HALF SQUARES

What do Natural Squares and Half Squares have to do with forecasting the stock market?

Gann found through his unique research, that the squares were important places to watch for changes in trend, both in the price support and resistance levels, as well as in time increments. However, what was discovered through my research was the price scale vibration needed to be found first through trial and error research in order to find the best fit.

EXAMPLE # 3 - STOCK HET SQUARE, HALF SQUARE SET ON A GRID SIZE OF 24 AND A PRICE SCALE OF $.65 CENTS, ALONG WITH A FIXED CYCLE OF 29 WITH +/- 2 VARIANCE STARTING FROM THE NOVEMBER 9, 1998 LOW

Within this example we see that the proper price scale vibration for this stock is $0 .65 cents, as most of its past price support and resistance levels are being held within the numerical squares and half square parameters. You can also see that the places where the black and black, or black and green lines cross are the places where both the price and time points are in balance. Many trend change periods can be calculated using this tool, as can be seen, along with projecting into its future

The Gann Grids Ultra method of forecasting, using the proper price scale vibration, the numerical squares and half squares, can further be enhanced when all the other tools such as the time cycle research tool, are incorporated.

The time cycle research tool, as also seen in Example #3, starts a 29- week cycle with a +/- variance at a major low on November 9, 1998. This cycle follows within its color setting of blue (user defined) along with many of the stocks, major and medium weekly trend change periods.

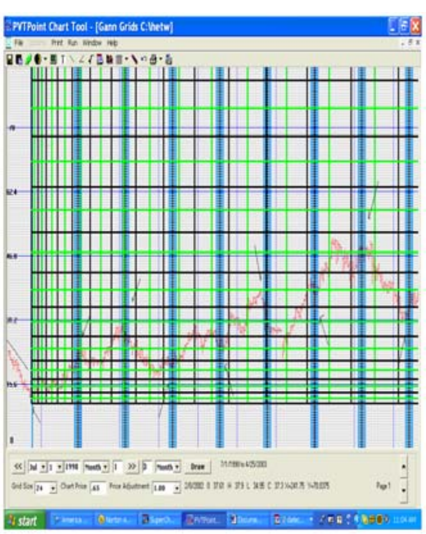
I found this cycle to work after only 20 minutes of research and the rest in about an hour, where in the past, this mini research project would have taken me well over a week to complete by hand if not longer!

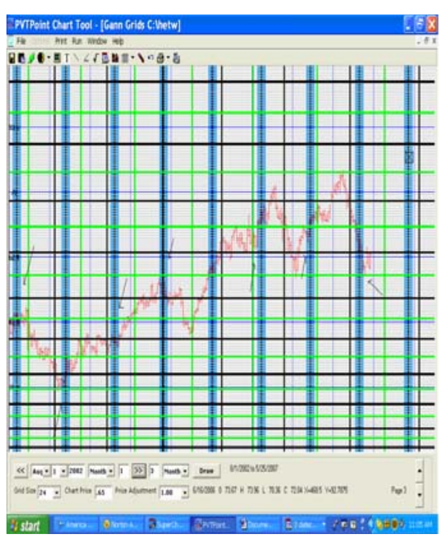
The following is an updated HET chart.

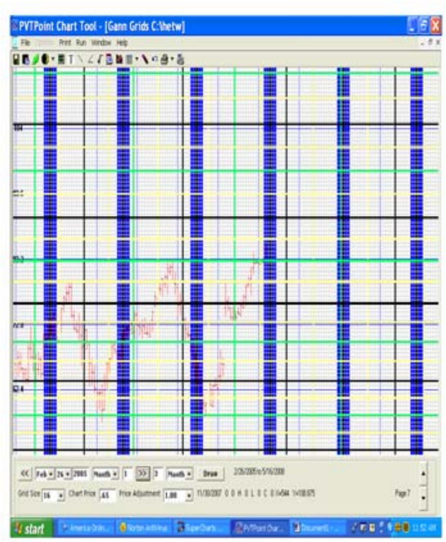
As we can see the 29-week cycle, the numerical squares, half squares, and quarter square are pointing to the weeks of January 9, 2007 through February 16, 2007. These dates can further be isolated and narrowed down by using the astro tools incorporated within the advanced version of the Gann Grids Ultra Program. (Not mentioned within this article.)

For a complete explanation of the New Gann Grids Ultra advanced programs features, download the power point presentation given at the Traders World online expo which can be found at www.pvtpointmktres.com The program can be purchased at www.tradersworld.com

Robert Giordano is the developer of Gann Grids and can be contacted at www.pvtpointmktres.com







ABCDE Complex Corrections

By Jaime Johnson Dynamic Traders Group, Inc.

Back in Issue #34 of Traders World, I demonstrated how to trade the most predictable corrective pattern: the ABC correction. While ABC corrections are very common, traders would miss many profitable opportunities if they did not consider trading complex corrections. Complex corrections are corrections with more than three waves. The most common and predictable is the five-wave ABCDE complex correction.

The objective for trading any corrective pattern is the same. To enter at or near the end of a corrective pattern in order put you in a position in the direction of the main trend.

While the Dynamic Trading approach to trading strategies will often identify the conditions when the exact top or bottom should be made, traders should heed the advice of W.D. Gann: "*The safest time to enter is on the first reaction against the new trend.*" In other words, look to identify the end of the first correction against the new trend to go short or long in the direction of the main trend.

Before we dive into the specifics about ABCDE complex corrections, let's review the basic characteristics of simple ABC corrections.

ABC Corrections: Review

Corrections in general usually complete in the 50% - 61.8% retracement zone of the previous trend; frequently, right at one of these two retracements. Wave C, or the third wave of an ABC correction, often completes at or near the 100% alternate price projection (APP) of the Wave A. In other words, Wave C is very often equal in price to Wave A. Using the combination of the either the 50% or 61.8% retracements and the 100% APP, high probability price targets for the end of ABC corrections can be identified in advance. It is extraordinary how often these corrections complete at or near these predetermined price targets.

Chart 1 (IGN – iShares Networking ETF – Weekly) shows the Aug. 2004 low was slightly above the Typical Wave C price target which includes the 50% retracement of the Oct. 2002 – Jan. 2004 rally and the 100% APP of the Jan. – May 2004, Wave A decline. With the oscillator of three degrees either in the oversold zone or bullish, the Aug. 2004 low is in the position to be the completion of the ABC corrective decline off the Jan. 2004 high. A great trade set-up is entering a long position on a rally above the high of the week ending Aug. 20, 2004 with a protective sell-stop placed below the Aug. 2004, potential W.C corrective low.

ABCDE Complex Corrections

The main difference between ABC corrections and ABCDE complex corrections are the number of waves. ABCDE complex corrections have five, instead of three waves, but the waves must overlap (the range of a wave within the correction, trades into the range of the previous wave).

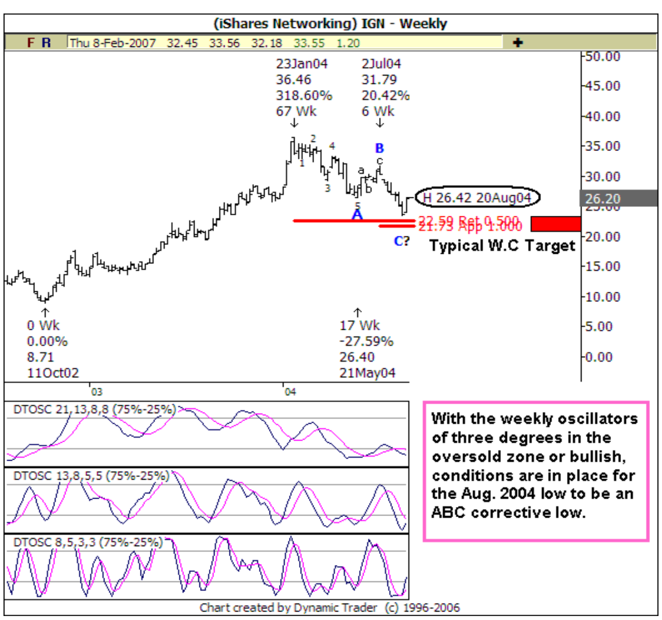
Like ABC corrections, ABCDE complex corrections very often end at or near the 50% - 61.8% retracement zone of the previous trend. Predicting Wave E of an ABCDE correction is very similar to predicting wave C of an ABC correction. Wave C is usually around 100% the price of Wave A and Wave E is usually around 100% in price of Wave A and/or Wave C. So a typical Wave E target usually includes either the 50% retracement or the 61.8% retracement of the previous trend and both the 100% APPs of Wave A and Wave C projected from the Wave D high or low.

Chart 2 (EUR/USD – 60 Min.) shows the Jan. 23 high in a typical Wave E price target which includes the 100% APPs of the Waves A and C rallies projected from the Wave D low and the 50% retracement of the Jan. 2-12 decline. Also, the waves of the rally off the Jan. 12 low overlap, the range of Wave C trades into the range of Wave A, characteristic of a correction. With the Jan. 23 high in the typical Wave E target, entering a short position following the oscillator bearish reversal with a protective buy-stop no further than a few pips above the Jan. 23 high, was an ideal short trade set-up and one we alerted subscribers to in our DT Daily Forex Report.

If not an ABC, then is it very likely an ABCDE.

If a previously anticipated ABC corrective pattern turns out not to be an ABC correction, it may turn out to be an ABCDE correction and is another opportunity to enter a position in the direction of the main trend.

Chart 3 (IGN – iShares Networking ETF – Weekly) is a continuation of the example in Chart 1. The Aug. low ended up being a Wave C low, but a Wave C of an ABCDE complex correction, not an ABC correction. While IGN made a substantial rally of about ten



points off the Wave-C low, IGN eventually made another decline to a new low. The pattern wave "overlapping" waves so continued to appear to be a correction. We next identified the probable price target for a Wave-E low.

In April 2005, IGN reached the typical Wave E target which includes the 100% APPs of Waves A and C projected from the Wave D high and the 50% retracement of the Oct. 2002 – Jan. 2004 bull trend. Momentum of three degrees was either Bullish or Oversold when IGN price reached the probable Wave-E target. A rally above the high of the week ending April 22 was a great long trade set-up, with the protective sell-stop below the April Wave E low, for a probable rally to above the Jan. 2004.

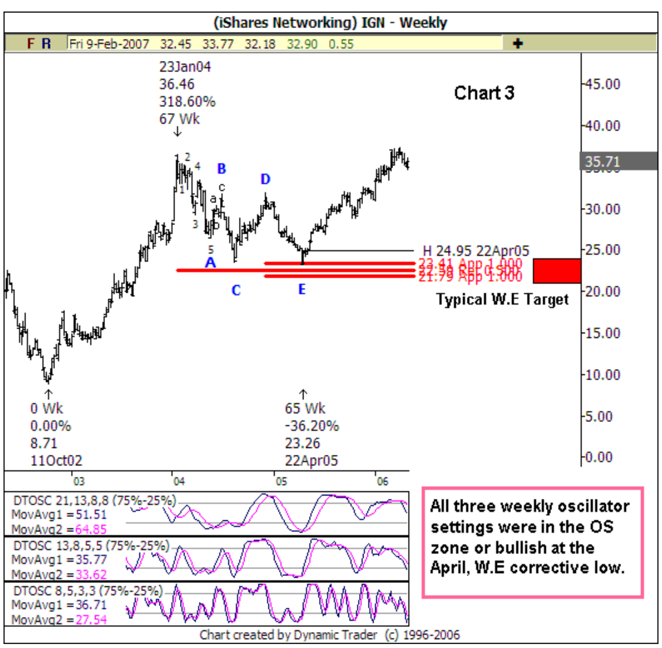
Although a substantial advance was made from the Aug., Wave-C low, it ended up not completing a simple ABC correction. Even with the new low in April, the pattern was clearly corrective and allowed us to project the probable target for a Wave-E low to complete a five-wave, overlapping, ABCDE correction which gave the trader an edge and another chance to enter another profitable long position in the direction of the main trend.

An Ideal Trade Strategy

An ideal trade strategy consists of an objective trade entry plan for a trade with high probability, good profit potential and acceptable capital exposure. Trading the end of potential simple ABC and ABCDE complex corrections that are at or near typical corrective price targets with an objective trade strategy and disciplined money management plan can have very profitable results.

For more information and specific entry and exit strategies for trading all types of corrections, check out the *The Art of Trading a Correction* three CD workshop at http://www.dynamictraders.com/education/the-art-of-trading-a-correction.html

Jaime Johnson is the co-author and chief technical analyst and trade strategist for the daily Dynamic Trader Stock and ETF Report, the Dynamic Trader Futures Report and the Dynamic Trader Forex Report. He is also the author of the Art of Trading The Correction workshop CD series. For more info, go to www.DynamicTraders.com



Sonata Trading Computer

By Larry Jacobs

Consider getting a Sonata Trading Computer, if you are serious about trading. The Sonata is optimized for trading for the various platforms, such as TradeStation, eSignal, CyberTrader, RealTick, MetaStock, etc. Other available hardware computers such as Dell and HP are not designed for the trader.

The Sonata also has the best performance for your dollar of any available system available in today's market. The Sonata generally usually has a faster speed, front side bus, and more memory than most other standard computers. It is sometimes up to 20% faster than competitive computers. Quad processors are now available for the Sonata, which makes multi-tasking in the trading environment much faster and easier.

The Sonata has multiple monitors at a very cost effective price. It can support up to 4-12 monitors without a problem. Trading deskstands are also available in many configurations such as dual, triple, quad, six, and dual quad.

The Sonata has only the best components available in the industry. Each component is carefully selected and purchased from leading distributors and it assembled in a controlled environment and fully tested with a 48-hour burn-in.

Reliability is extremely important to the trader. The Sonata has the best cooling available using the P180 case. The case has 3 - 120mm quiet fans and individual chambers to localize and disburse heat. The power supplies used in the Sonata are extremely reliable featuring stable voltages and are designed to be long lasting. The hard disk drives use a new perpendicular technology, which makes them more reliable than most other drives on the market. The Sonata has a unique recovery system called PCAngel that allows a complete restoration usually within 10-minutes, used in case of a serious virus infection or computer glitch.

Since Sonata Trading Computers are made of such high quality components, they are easily upgradable. The Sonata has an upgrade program whereby a trader can return the unit for an upgrade to the latest technology for only for 1/3 to 1/2 of the cost of a new computer.

Soon the new Sonata Intel Santa Rosa notebook will be out. It features faster CPU speeds, front side bus and wireless connectivity with the new 801.11n standard.

Also available in conjunction with the new notebook is the Magma express box, which allows a trader to expand the notebook to view up to 4 external monitors with no latency.

Call Traders World at 800-288-4266 or go to www.sonatatradingcomputers.com

TRADING BOOKS

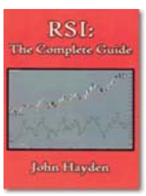
Order these books now...

call: 800-288-4266 or go to: www.tradersworld.com

The Handbook of Market Esoterica by Earik Beann Price: $495.00

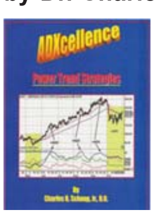
This trading course deals with the true nature of price and time, magic numbers in the market, volume cycles, market geometry, astro trading, numbered squares, and unveils a secret Astronumerology system which unifies astrolgogy and numerology into a razor sharp forecasting methodology. Not intended for casual readers or the closed minded. After studying this manual, you will be able to forecast turning points in the distant future with a high degree of accuracy. 216 pp.

RSI - The Complete Guide by John Hayden Price: $24.95



John Hayden, author of "21 Irrefutable Truths of Trading", has studied and researched RSI for years. He has collaborated closely with Andrew Cardwell in his work and at one point a book on RSI co-authored by both was scheduled to be published by McGraw Hill, but publication was delayed and eventually cancelled. The content of this book, in part, emanated from that earlier collaboration. Become an expert in the use of RSI, a mainstream technical indicator which is in virtually every technical analysis software package. Properly understood and utilized, it can be a powerful tool to help you time and select trades. This new book, available exclusively through Traders Press, is the definitive guide to the use and interpretation of RSI.

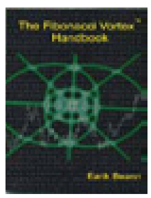
ADXellence: Power Trend Strategies by Dr. Charles B. Schaap $149.00



Learn How To Trade With ADXellence!

A full length book, available only through Traders Press, dealing solely and exclusively with ADX, the powerful trend measuring indicator developed by Welles Wilder. This valuable trading manual gives SPECIFIC trading strategies and methods using ADX and is the only book anywhere on this subject. Serious traders, check this out and get your copy while available! Using ADX, a trader can make the largest amount of money in the least amount of time. ADX is the best indicator for trading power trends…it quantifies trend strength, gives direction, and shows trend momentum. When ADX is applied in the context of power trading principles, the result is an amazing opportunity to capitalize on the strongest trends with the greatest potential for gain.

The Fiboancci Fortex Handbook by Earik Beann Price: $89.00

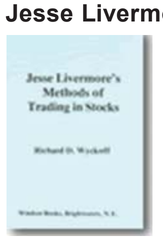


The Fibonacci Vortex™ is one of the most complicated, yet powerful tools in Wave59. This book covers the theory behind the pattern, how to construct it, how to forecast with it, and most importantly, how to trade with it. In-depth chapters on chart scaling, sizing the vortex, time targets, price targets, and time/price squares, plus countless example charts. Includes vortex techniques previously unavailable anywhere. 120 pp.

Trading with Wave59™ Volume 1: Technicals by Earik Beann $39.95

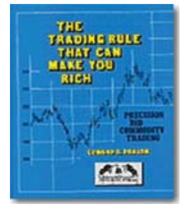
This book illustrates how to use the most popular tools found under the "Technicals" menu. In depth coverage of Exhuastion Bars, UltraSmooth momentum, 9-5 Count, Lomb Periodogram, SmartMoney Index, Fractal Trend Index, Action Zones, Predict, and Neural Networks. Check out the 9-5 Count working on daily temperature fluctuations! Many charts and trading setups presented.

Jesse Livermore's Methods of Trading in Stocks Price: $6.00



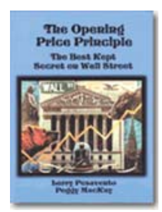
The material presented here first appeared as a continuing series of articles in the Magazine of Wall Street. They were obtained through exclusive interviews with Jesse Livermore by R.D. Wyckoff at a time when Livermore was the single most formidable factor in the market. After being "lost" for many years, these interviews are now brought together for the first time under the covers of a book.

The Trading Rule That Can Make You Rich by Edward Dobson Price: $29.95



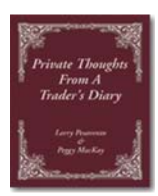
Discusses a simple but effective method for timing market entry, based on a technique used by the legendary W.D. Gann, who said of this method, You can make a fortune by following this one rule alone! Incorporates a technical trading rule which utilizes a consistently repetitive pattern of market behavior. Applies to all markets and all time periods, whether short term (intraday), immediate, or long term. Many traders have called or written months after reading this book and advised that it has been the most helpful single book they have ever read to help improve their trading.

Opening Price Principle: Best Kept Secret on Wall Street by Larry Pesavento Price: $29.95



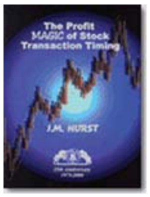
There is an amazingly reliable relationship between the opening price and the high/low range for the entire day. This relationship is generally known only to seasoned veterans. This new book from 2 traders with over 50 years combined experience reveals this consistent pattern, illustrates it with many tabular and charted examples, and tells you how to trade profitably using it. If you are a short term trader in EITHER stocks or futures, the knowledge you will gain from this book will give you a tremendous advantage every day for the rest of your trading life!

Private Thoughts from a Trader's Diary by Larry Pesavento Price: $40.00



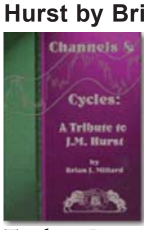
Imagine sitting in the trading room of two professional traders, and and have them share with you the complete details of each trade they make for weeks! They share with you the exact reasons they decide to make each trade, how they select an entry point and initial stop, how they adjust their trade as it moves in their favor, how they decide on when and where to take profits (and why), and every other aspect of their decision making process. The methodology presented is straightforward, simple, and easily understood. It is based on the pattern recogntion methodology of the authors, which is the result of many years of market observation, trading experience, and study.

The Profit Magic of Stock Transaction Timing by J. M. Hurst Price: $25.00



Author J M Hurst is a legend to knowledgeable individuals interested and involved in the study of cyclical price movement in the financial markets. An aerospace engineer by training and background, he was the first pioneer in the computerized research into the nature of stock price action, devoting many years and over 20,000 computer hours to this study. His conclusions were first documented in this groundbreaking classic. This book has become a classic and it is held in exceptionally high esteem by serious technical analysts and market students.

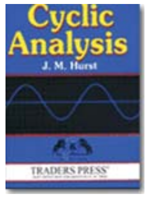
Channels & Cycles: A Tribute to J.M. Hurst by Brian Millard Price: $45.00



For many years I have heard how valuable the work of J.M. Hurst has proven to those interested in the use of cycles in the pursuit of market profits. Many Traders Press customers have advised me how valuable any material would prove to them that would shed any additional light on the work of Hurst. It is with great pride that we present the work of Brian Millard, Channels and Cycles, which clarifies the original work of Hurst as well as updating it and bringing it forward to the present time. Millard, like other market technicians such as Jim Tillman and Peter Eliades, found the work of Hurst of such seminal importance in influencing his approach to market analysis that it became the cornerstone of his methodology.

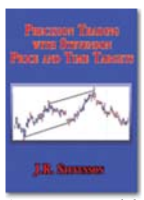
Cyclic Analysis by J. M. Hurst Price: $19.95

For many years I had heard that the work of J.M. Hurst was of great value to tech-



nical analysts, especially those interested in the cyclical analysis of stock price movements. Upon looking into what composed the body of his work, I learned that most of it was unavailable to traders and investors. Hurst's primary work, The Profit Magic of Stock Transaction Timing had gone out of print. I had hear rumors that Hurst had also authored a lengthy trading course on cycles, but it, too, was long out of print. Having been involved in technical analysis and trading for many years myself, I felt that it would be a valuable contribution to the field of technical analysis to assure that the work of Hurst was kept alive for present and future generations of traders and analysts. I decided to make a special project of resuscitating his research in its various forms.

Precision Trading With Stevenson Price and Time Targets by J. R. Stevenson Price: $49.00



On May 27, 2003, General Electric shares closed at $27.42. The simple method revealed in this extraordinary book projected on that day that a high of $31.66 would be achieved on June 17th. 3 weeks later, on June 17th, as projected, GE reached an intraday high of $31.66. This high marked an important intermediate turning point which was not exceeded for months. This method may be applied to ANY active market, whether stocks, futures, or indices, in ANY time frame. Imagine the value of having the knowledge of how to make similar projections of price and time targets in the markets you trade! JR was "legendary" among the brokers at ContiCommodity and at Prudential for his consistently accurate price and time projections. He has decided, at the urging of his family, to reveal his knowledge of this technique, which is amazingly simple and easy to use in any time frame and in any liquid market. JR currently day trades the S&P E-mini contracts actively using this technique. Other than to a few members of a chat room where JR has heretofore been known as "Baldy", it has never before been revealed to anyone, over all the years he used it.

Planetary Harmonics by Larry Pesavento Price: $49.00

Provides absolutely phenomenal trend change dates. Applies George Bayer's Secrets of Forecasting Prices to financial markets > Proves the validity of planetary harmonics >Illustrates hidden Fibonacci ratios. Taken from the Foreword: We wrote this book for five primary reasons, not including the profit motive. First, the financial community has become more receptive to the possibility of a connection between planetary events and price activity (fear and greed). Second, George Bayer was virtually unknown for more than 40 years and now is the time that this man's research into astro-harmonics should become part of the public domain. Third, to illustrate the power and accuracy of planetary harmonics and stimulate your thoughts on the subject. Fourth, it allows us to shar some of our continuing research and build a network of very intuitive traders with some incredible approaches to the market. Fifth, to give you the exact dates of certain events to 1995.

Patterns of Gann by Granville Gooley Price $159.00

This set of books [included within this bound volume] is not about pulling the trigger. It is not a system on how to make a million dollars in the market in the morning. It is about certain mathematical and astronomical relationships between numbers and their possible application to the number of W. D. Gann.

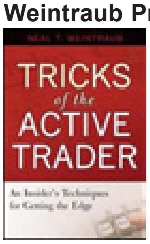
The Definitive Guide to Forecasting Using W.D. Gann's Square of Nine by Patrick Mikula Price $150.00

It has been almost ten years since I wrote a book about W.D. Gann's forecasting tools. I wanted to return to this subject with a book that would stand the test of time. This book was written with the intention of creating the official book of record for all the Square of Nine forecasting methods. I believe I have achieved that goal. This book contains virtually very Square of Nine forecasting method.

Complete Stock Market Trading and Forecasting Course by Michael Jenkins Price: $529.00

Michael Jenkins is a serious, highly successful, professional trader. In his two books, Geometry of the Stock Market and Chart Reading For Professional Traders, he shares some of his ideas on how he trades. Hungry for more of his ideas and direction, many of his readers literally begged for more. Jenkins has written this complete course in response to these requests. In his books, Jenkins explains, among other concepts, how he uses some of Gann's methods and techniques, but he never mentions Gann. In this course, by contrast, he specifically states that many of the ideas are those originally developed by Gann, and he goes into great detail on how he personally uses these ideas and techniques. One might almost view this course as a course on trading Gann's ideas, as expanded and refined by an active, successful trader. If you want a detailed, in depth course on how to use Gann in your own trading, this may prove to be what you have been seeking all this time.

Tricks of the Active Trader by Neil Weintraub Price $49.95

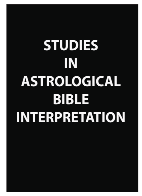


This isn't yet another day trading book. Tricks of the Active Trader reveals the new rules of online trading. Veteran active trader Neal Weintraub puts his experience, smarts, and savvy to work for you, demystifying the complex world of computer-driven markets and providing you with more than 150 ways to improve your trading success. You'll find expert insights on trading techniques, software, and hardware you won't find in any other single source. In straightforward, easy-to-understand language, Weintraub presents proven trading tips and tricks used by active traders that you can put to use immediately, as well as highlights the traps that can trip you up.

The Gann Pyramid: Square of Nine Essentials by Daniel T. Ferrera Price $395.00

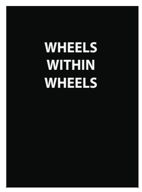
A new ground breaking course on the Square Of Nine, W. D. Gann's most mysterious calculator. This course is full of never before seen principles and techniques of analysis using Gann's Square of 9, with detailed explanations of their applications to the markets. ***$395.00***

Studies In Astrological Bible Interpretation by Daniel Ferrera Price: $55.00



An interesting exploration of the process used in coding astrological and astronomical cycles into literature. Engages in a thorough analysis of the book of Genesis, exploring coding systems by which astrological symbolism is veiled.

Wheels Within Wheels by Daniel Fererra. Price: $450.00



Breaks down the 16 primary component cycles of the DOW Jones Averages, producing an accurate map of the last 100 years of history, and projecting the cycles ahead to 2108. Includes all Excel Spreadsheets with all cycle calculations and charts, and the 100 year projection DFT Barometer.

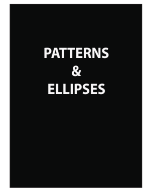
How To Make A Cycle Analysis by Edward R. Dewey Price: $350.00

Approx. 630 pages, with charts. This how-to manual on cycle analysis was written by E.R. Dewey in 1955 as a correspondence course. It provides step-by-step instructions on the elements of cycle analysis, including how to identify, measure, isolate and evaluate cycles. The most elaborate cycle course ever written, by the star of cycle analysis, founder of the Foundation For The Study of Cycles. This course had a limited release in the 50's at a price of $350.00. It has been unavailable since then.

W.D. Gann in Real-Time Trading Price: $69.00

If you feel that you would like to do short term scalping or swing trading in the markets, then this book might be for you. It illustrates many short-term Gann mathematical trading techniques which have a high tendency to work intraday. Various intraday time frames are shown and how they can be used together to keep you in the direction of the market. 200 pages

Patterns & Ellipses Price: $49.95

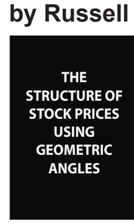


Stocks and futures move in elliptical paths. When a market makes a gap, its price action usually passes into a new sphere. All its activity will remain in the current sphere until it moves into another new sphere. This new book tells you how to use ellipses along with detailed chart patterns to determine if a stock or futures contract is bullish or bearish. 100 pages

Pyrapoint by Don E. Hall Price: $150.00

Mr. Hall discovered a secret from one of Gann's associates "Reno" who shared a desk with him on the floor of the Chicago Board of Trade. Apparently Gann carried a piece of paper with him to the floor every time he made a successful recorded trade. Mr. Hall found out what that paper was and developed the Pyrapoint trading method around this. An easy to understand trading software program was fully developed. It creates a natural trend channel and areas of both support and resistance. It's clearly tells you when the trend changes. 300 pages.

The Structure of Stock Prices Using Geometrical Angles by Russell M Sedlar Price: $49.95

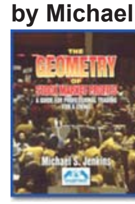


"This chart based book shows how the Geometrical Angles described by W.D. Gann, when used is this newly discovered way, literally become the controlling force of stock price fluctuation, causing tops and bottoms to form and trendlines to be determined."

Gann Master Charts Unveiled Price: $49.95

Complete 100 page book explaining how to use Gann's Master Square of Nine Chart, The Gann Hexagon Chart and the Gann Circle Chart.

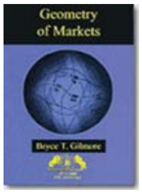
The Geometry of Stock Market Profits by Michael Jenkins Price: $45.00



This book is about Jenkins' proprietary techniques, with major emphasis on cycle analysis, how he views and uses the methods of W. D.

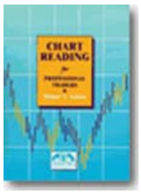
Gann, and the geometry of time and price.

Geometry of the Markets
by Bryce Gilmore Price: $40.00



Book explains the theory behind time in the markets, Ancient Geometry and Numerology, Squaring Price Levels, Time Support and Resistance. Heliocentric Planetary Cycles.

Chart Reading for Professional Traders
by Michael Jenkins Price: $67.50

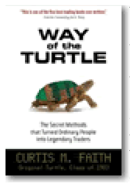


This book is a complete, comprehensive study on reading charts, forecasting the market, time cycles, and trading strategies. Explains reversal of trends, when to expect them, and how to know the trend has change. Shows you how to forecast with great reliability how long the new trend will last and its price target.

The Secret Science of the Stock Market by Michael Jenkins
Price: $149.00

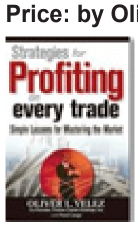
In this book Mr. Jenkins gives a start to finish 'scientific' examination of time and price forecasting techniques starting with basic line vectors and advances the concepts to circles, squares, triangles, logarithms, music structure and ratio analysis. These concepts are developed into a comprehensive method that allows you to forecast any market with great accuracy. Mr. Jenkins demonstrates how a few simple calculations would have predicted many of the greatest stock market swings of the past seven years with accuracy down to the day and price targets within one point on the market averages. This new book advances the work started in his other books and course but goes much further revealing little known secret methods only a very small handful of professionals know and in many cases he reveals proprietary techniques never before revealed to the public at any price. The chapter on the Gann Square of Nine is much more complete than 90% of courses available selling for hundreds to thousands of dollars more. This chapter alone is worth several times the cost of the book but the secret ratio analysis at the end of the book will truly change your trading habits forever. When you finish this book there is little left to learn about advanced trading and forecasting techniques with the rare exception of astrological methods, which are not covered in this work. This book goes from beginning concepts to the most advanced so anyone can greatly benefit from reading it. All concepts are demonstrated with actual chart histories. It is not, however, for the casual investor who does not want to take the time to calculate a simple square root on a hand held calculator. If you liked Mr. Jenkins' previous books and/or his trading course, then this one will easily surpass your expectations.

Way of the Turtle, The Secret Methds that Turned Ordinary People into Legendary Traders Price by Curtis Faith Price: $27.95



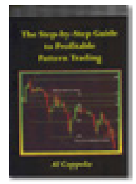
Way of the Turtle reveals, for the first time, the reasons for the success of the secretive trading system used by the group known as the "Turtles." Top-earning Turtle Curtis Faith lays bare the entire experiment, explaining how it was possible for Dennis and Eckhardt to recruit 23 ordinary people from all walks of life and train them to be extraordinary traders in just two weeks. "We're going to raise traders just like they raise turtles in Singapore." So trading guru Richard Dennis reportedly said to his long-time friend William Eckhardt nearly 25 years ago. What started as a bet about whether great traders were born or made became a legendary trading experiment that, until now, has never been told in its entirety. Way of the Turtle reveals, for the first time, the reasons for the success of the secretive trading system used by the group known as the "Turtles." Top-earning Turtle Curtis Faith lays bare the entire experiment, explaining how it was possible for Dennis and Eckhardt to recruit 23 ordinary people from all walks of life and train them to be extraordinary traders in just two weeks.

Strategies for Profiting on Every Trade Price: by Oliver Velez $49.95



An accessible, reliable course for the trader looking for profits in the competitive, dynamic world of trading. Each section of the book offers clear examples, concise and useful definitions of important terms, over 90 charts used to illustrate the challenges and opportunities of the market; and how you can take advantage of patterns. Written in the parlance of the day trader's world, you'll enjoy the experience of being taught trading skills by the best of the best. This focused and effective trading resource features seven key lessons to further a trader's education including market basics, managing trades, psychology in trading and planning, technicals, utilizing charts, income versus wealth building producing trades, and classic patterns. It truly is as Paul Lange says, "Many of these lessons have been taught to students worldwide over a span of 4 years. These lessons contain powerful information that goes far beyond the basics you may find in many introductory trading books."

The Step-by-Step Guide to Profitable Pattern Trading by Al Coppola Price: $75.00

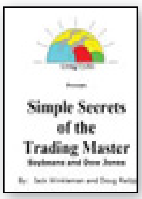


IT'S EASIER TO TEACH A FISH TO RIDE A BICYCLE THAN IT IS TO LEARN TO TRADE FOR A LIVING. Seriously, only 2% of all who attempt to trade securities for a living ever achieve the goal of financial freedom. We are constantly looking for the "Holy Grail"--that elusive magic system that will give us the sure way to produce consistent winning trades. We study books, reports, newsletters, go to seminars, buy "black boxes," subscribe to "sure pick services," try tips from well meaning friends, attend chat rooms and are quick to adopt the indicator de jure, yet we continue to lose until we are forced to surrender and our equity is dissipated. Studying Al's book will put you on the right path to financial independence.

Gann for the Active Trader New Methods for Today's Markets by Dan Ferrera Price: $75.00

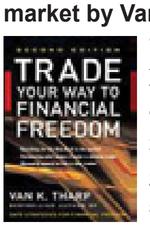
In this ground breaking new book, Gann expert Dan Ferrera presents a number of new techniques for trading in today's markets which build on and expand the trading methods of the legendary trader of yesteryear, W.D. Gann. It is exceptionally difficult to learn how to use Gann's methods effectively…and this outstanding new book is a treasure chest for those interested in Gann's work. Includes a bonus 80 page Gann mini-course! In writing this book, I wanted to pass on the fact that trading is a profession, just like any other traditional profession and as such should be run with a strict set of business operation rules. This is without a doubt the most neglected aspect of trading and is the reason 80-90% of traders fail when it comes to successfully trading or speculating in the markets. Therefore, my first intent is to show that there is a science to running this type of business, the same as in any other traditional business. Second, I attempt to logically show that there is also a science to the task of selectively trading in the various markets, the knowledge of which reduces the level of risk in trading to a level comparable with all other lines of business. There are very few books on these subjects even though they are the most critical factors in prevailing in the markets. Without this knowledge, a trader is like a chicken running around without his head. He may keep his feet moving for a while, but his outlook is easily predictable. What I have to share is not a "system" by today's computerized definition of the word. I present the essential elements needed to succeed no matter what approach is used.

Simple Secrets of the Trading Master by Jack Winkleman and Doug Raitz Price: $90.00



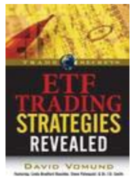
In the ebb and flow of the markets over a longer time such as one year or more, it is important to know what the market has done in the past. Certain years seem to follow the patterns of previous years with uncanny likeness. This is a book put together by Mr. Winkleman and is a very valuable tool. This book tells a trader how to used past harmonic cycles for forecasting future trends. This book is a picture of the markets since 1920 in Soybeans. As an added bonus, it has a track record of the Dow Jones Cash Index from 1900 - 2006. Cycles are nothing more than repeating patterns. Trends follow cycles. This book gives you the key cycles in the market. All you need to know is what those repeating patterns are. That is why the historical charts become so valuable and this is why this book is so important. With the content of the book along with charts, it is nearly 200 pages in length.

Trade Your Way to Financial Freedom. Searching for the holy grain in the market by Van K. Tharp Price: $49.95



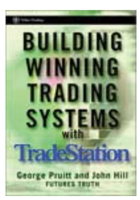
"Sound trading advice and lots of ideas you can use to develop your own trading methodology."-Jack Schwager, author of Market Wizards and The New Market Wizards This trading masterpiece has been fully updated to address all the concerns of today's market environment. With substantial new material, this second edition features Tharp's new 17-step trading model. Trade Your Way to Financial Freedom also addresses reward to risk multiples, as well as insightful new interviews with top traders, and features updated examples and charts.

ETF Trading Strategies Revealed by David Vomund Price: $19.95



Want to know how to trade the hottest new investment vehicle? This book reveals the secrets of profiting from a new and growing investment vehicle—the Exchange-Traded Fund. Pulling from experts in the field like Linda Bradford Raschke and Steve Palmquist, this book has all the information you need to begin trading ETFs for profit: • Learn the basics of ETFs; how they work, why they're growing in popularity, and how you can get your share of the profits. • Discover the way to apply classic techniques to leverage your ETF investments for both the short-term and long-term. • Study simple but highly effective mechanical ETF rotation techniques

Building Winning Trading Systems with TradeStationTM by R. Pruitt Price: $59.00



Information on using TradeStation software to design, build and implement a trading system or strategy has been scarce. Now, trading system expert John Hill shows step-by-step fashion how to: * Write TradeStation code to make their individual trading systems a reality * Put TradeStation in a real-world context, not manual-style examples * Learn the importance of having a system for consistent success Written in an understandable manner - professionals and individuals alike will learn to master the industry-standard software.

The Markets Never Sleep by Thomas L. Busby Price: $39.00

The Markets Never Sleep explains how to exploit the interconnections between the world's financial markets to make money. Tom Busby, who trades across all time zones, shows how the Asian, European, and U.S. markets affect one another. Traders who focus simply on the U.S. market are missing vital market information which they could use to make better trades. He explains the characteristics of each time zone, including the best time of day to trade and how key support/resistance numbers are created. He then shows how the market activity in the previous time zones can be used to develop a trading strategy for the next time zone. Busby reviews his methodology for interpreting market activity and deciding when to enter and exit the market. Busby interweaves personal experiences and his homespun market philosophy with technical explanations of the strategies he uses to beat the markets. Using his own experiences as an example, he explains how a trader can take advantage of the global nature of today's financial markets without being glued to a computer screen all day long.

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