Gann's Scientific Methods Unveiled: Volume 2

Gann's Scientific Methods Unveiled: Volume 2 is the original source for the astrological secrets which are hidden in the following books and courses by William Gann:

Truth of The Stock Tape
Wall Street Stock Selector
Mechanical Method and Trend Indicator For Trading in Wheat, Corn, Rye or Oats
Master Egg Course
Speculation: A Profitable Profession
W.D. Gann's 1954 Soybean Letter

By Patrick Mikula

ACKNOWLEDGMENTS

A special thanks is extended to Kathleen and Mitchell without whom Volumes 1 and 2 could not have been published.

PREFACE

WHY THIS BOOK IS IMPORTANT

Most of the advanced astrological material which is attributed to W.D. Gann comes from a personal letter which Gann wrote in 1954 and several of Gann's original charts. These documents were released to the general public from the late 1970s to the mid 1980s. In recent years there have been books, seminars, home study courses and other products all of which say they are based on Gann's 1954 soybean letter. The publicly available material dealing with Gann's Circle Chart and Active Angles has all been based on this letter and has IN FACT, BEEN WRONG.

In this book I will reveal for the first time anywhere that Gann's 1954 soybean letter contains a secret, deeper level of astrological knowledge that can not be learned by merely reading Gann's letter. The reason I was able to discover the hidden knowledge in Gann's soybean letter is simply because I may be the only trader who actually uses a soybean horoscope, as Gann did. In addition, I have brought into a single book six of Gann's original charts to provide absolute proof that the astrological methods in this book are correct and were used by Gann.

Most copies of Gann's charts have been reduced in size because the originals are so large. Some have been reduced from a 24 inch diameter to 4 inches. In this book I have done something unprecedented, I have made artistic replicas of Gann's original charts so you can see clearly the astrological information they contain. Of course, I indicate where to acquire the actual chart if you want to study the original. In this book there are 14 artistic replicas of 6 original Gann charts. This book also contains more of my exclusive literary analysis of Gann's writings. Not only will I use the literary key explained in Volume 1, but I will introduce a second literary key. Using both literary keys I will unveil astrological knowledge Gann concealed in the following: Truth of The Stock Tape, Wall Street Stock Selector, Mechanical Method and Trend Indicator For Trading in Wheat, Corn, Rye or Oats, Master Egg Course and Speculation: A Profitable Profession. Volume 2 also progresses beyond the literary keys and unveils material from Wall Street Stock Selector which Gann concealed without the use of a literary key. This includes the astrological material concealed in Gann's discussions: "How Cycles Repeat", "When A Man's Trend Changes" and "How To Balance U.S. Steel".

When dealing with Gann's astrological methods I have a saying: The truth without proof is just your opinion. Gann's Scientific Methods Unveiled: Volume 2 moves beyond opinion by providing proof that Gann used the astrological methods being taught. That is WHY THIS BOOK IS IMPORTANT.

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Introduction

Volume 2 was written with the assumption that the reader is familiar with the basic astrological material presented in Chapter 2 of Volume 1. For this reason there will not be another long explanation of the astrological basics. This introduction will provide the essential information needed to understand the ideas developed in Volume 2.

Nomenclature of Gann's Price and Time Angles

It will help if you know the nomenclature of Gann's Price and Time Angles. In this book there are references to Gann's traditional non-astrology Price and Time Angles simply as 1x1 or 1x2 angles. Gann described his non-astrology trend line method in terms of the price to time relationship. Gann wrote the name of the angles as, 1x4, 1x2, 1x1, 2x1, 4x1 and so on. Let's examine what is meant by 1x4. The first number in 1x4 is the increment moved up or down in price and the second number is the increment moved to the right in time. So an upward sloping 1x4 angle is created by moving up 1 price unit and over four time units. The 1x1 angle moves up or down 1 price unit and over 1 time unit. That is all there is to it.

Numbering of Figures and Charts

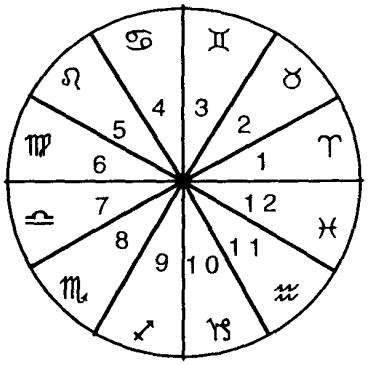
In Volume 2, the figures and Charts are numbered the same way as in Volume 1. Each figure and chart is assigned two numbers, for example Figure 5-7. The first number is always the chapter number and the second number is the item number within that chapter. This means Figure 5-7 is the 7th item in chapter 5.

Basic Astrological Information

The zodiac is a circle divided into 12 divisions which are called signs. Each sign of the zodiac represents 30° of motion. See figure I-1. The signs, in counterclockwise order are:

1 Aries (♈) 360°/0° to 29.9°
2 Taurus (♉) 30° to 59.9°
3 Gemini (♊) 60° to 89.9°
4 Cancer (♋) 90° to 119.9°
5 Leo (♌) 120° to 149.9°
6 Virgo (♍) 150° to 179.9°
7 Libra (♎) 180° to 209.9°
8 Scorpio (♏) 210° to 239.9°
9 Sagittarius (♐) 240° to 269.9°
10 Capricorn (♑) 270° to 299.9°
11 Aquarius (♒) 300° to 229.9°
12 Pieces (♓) 330° to 359.9°

Figure I-1



In astrology the planets also have symbols called glyphs. The planetary glyphs are as follows, Sun ☉, Mercury ☿, Venus ♀, Moon ☽, Earth ⊕, Mars ♂, Jupiter ♃, Saturn ♄, Uranus ♅, Neptune ♆ and Pluto ♇. A planet's longitude is usually listed in zodiac degrees. For example if Venus ♀ was 156° around the zodiac it would be listed as 6°♍0′ which reads six degrees Virgo zero minutes. Geocentric longitudes and latitudes are the coordinates of the planets viewed from earth. Heliocentric longitudes and latitudes are the coordinates of the planets viewed from the sun.

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Declination is the number of degrees a planet is above or below the celestial equator. The letter "s" identifies degrees south or below the equator and the letter "n" identifies degrees north or above the equator. This would be written as 24°s47′ or 24°n47′. Latitude is the same concept as declination except it uses a different equator. There are two kinds of latitude, terrestrial latitude and celestial latitude. Terrestrial latitude is the standard earth bound latitude which uses the earth's equator. Celestial latitude projects the earth's equator into space to determine a planet's distance above or below the earth's equator. A study of declination and celestial latitude will show that the planets move through celestial latitude very slowly compared to their movement through declination.

In an attempt to keep the terminology simple, in Volume 1, I called two planets being a predetermined number of degrees apart such as 90°, a "planetary relationship". The actual name for a planetary relationship is an "aspect". So when two planets, for example Mars and Jupiter, are 90° apart it is said that Mars and Jupiter are forming a square aspect. In publications written for astrologers you often will see this written simply as, Mars square Jupiter. The information for the most common aspects is listed below.

Name	Degrees Apart	Glyph	Total Movement	Traditional Classification
Conjunction	0°	☌	0°	Major aspect
Semisextile	30°	⚺	30°	Minor aspect
Semisquare	45°	∠	45°	Minor aspect
Sextile	60°	⚹	60°	Major aspect
Square	90°	□	120°	Major aspect
Trine	120°	△	135°	Major aspect
Sesquare	135°	⚼	150°	Minor aspect
Quincunx	150°	⚻		Minor aspect
Opposition	180°	☍	180°	Major aspect
Quincunx	150°	⚻	210°	Minor aspect
Sesquare	135°	⚼	225°	Minor aspect
Trine	120°	△	240°	Major aspect
Square	90°	□	270°	Major aspect
Sextile	60°	⚹	300°	Major aspect
Semisquare	45°	∠	315°	Minor aspect
Semisextile	30°	⚺	330°	Minor aspect
Conjunction	0°	☌	360°	Major aspect

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Chapter 1: The Law

There were three contexts in which Gann used the word law. The first usage was to express the generally accepted definition for the word. Examples of this are occasions when Gann wrote about the government passing new laws or the law of supply and demand. The second way Gann used the word law was to refer to what he believed was a scientific law which explained why astrology has some scientific basis. This is the usage of the word law with which we are concerned in this book. The third way in which Gann used the word law had a spiritual meaning as when he referred to the law of God.

As long as astrology has existed, astrologers have tried to justify why and how it works on some scientific basis. One possible scientific basis for astrology combines astrological ideas with a law of physics which states that for every action there is an equal and opposite reaction. Astrologers interpret this law to mean that for every celestial action there is an equal and opposite terrestrial reaction.

The idea behind this theory is that as the planets move through their orbits, they are kept from flying off into space by magnetic lines of force which are anchored to the sun and are constantly interacting with the magnetic lines of force of the other planets. This means that every planet acts upon the magnetic lines of force of every other planet and the combined planetary interaction affects the sun. Together, the interaction of the planetary magnetic lines of force and their effect on the sun, cause the magnetic properties in the earth's atmosphere to increase or decrease. This in turn affects every naturally occurring event on the globe such as weather, plant growth, human psychology and so on. This quasi-scientific law was referred to by Gann as "the law", "mathematical law", "geometrical law" or "natural law". Look at the following quotations in which Gann referred to this law.

> It is a natural law. Action equals reaction in the opposite direction. We see it in the ebb and flow of the tide and we know that from the full bloom of summer follows the dead leaves of winter.
> W.D. Gann, 1929 Stock Forecast, p.17

This quotation is about as direct as Gann ever gets when dealing with this subject. Notice that Gann directly connects "natural law" and "Action equals reaction." These are the two main components of the law. In Volume 1 of this series, page 15, I defined the phrase "natural law" as "astrology from a scientific perspective" and I translated "natural law" in a quotation from Gann as "scientific laws of the planets". In Volume 1, it was only necessary to show that "natural law" meant a scientific perspective of astrology. Now in Volume 2, we take our understanding to a more detailed level and define the specific scientific law of the planets which Gann used. This, again, is: for every celestial action there is an equal and opposite terrestrial reaction.

Looking once more at the quotation above, we see that Gann directly identified two examples of celestial action equaling terrestrial reaction. First Gann mentioned the "ebb and flow of the tide" which is caused by the moon taking action and the oceans having a reaction. Second, Gann identified "from the full bloom of summer follows the dead leaves of winter" which is a transition caused by the earth taking the action of moving around the sun and the earth's climate having a reaction. In this quotation Gann clearly lays out the law that celestial action equals terrestrial reaction. Now read the second quotation on the next page.

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> Advances and bull markets will come in the future and panics will come in the future, just as they have in the past. This is the working out of a natural law and the balancing of time with price. It is action in one direction and reaction in the opposite direction.
> W.D. Gann, New Stock Trend Detector, 1936, p.14

In the second quotation Gann again made the connection between natural law and action producing reaction.

> Everything moves in cycles as a result of the natural law of action and reaction. By a study of the past, I have discovered what cycles repeat in the future.
> W.D. Gann, Stock Market Course,

In the third and final quotation for this discussion, Gann again connected natural law with action and reaction. When we understand how Gann used the phrase natural law and that he used astrology, this quotation takes on new meaning.

We will next examine some references which Gann made to the law. Below are four quotations in which Gann wrote about the law.

> The Master Chart shows the same resistance levels and by using the time period with it you will learn the basic mathematical and geometrical law for market movement.
> W.D. Gann, Master Egg Course, 1949, p.121

The chart referred to in the quotation above was the Master Even Square. Gann indicated we could learn the basic law of celestial action and market reaction by studying this chart.

> Study the outlines and study all past market movements based on price and time as indicated by these charts and the rules, and you will soon learn the working of the mathematical law that determines market movements.
> W.D. Gann, Master Egg Course, 1949, p.127

The chart referred to in the quotation above is the Circle Chart. Gann instructed his readers to study a market's history along with the Circle Chart to learn that celestial action producing market reaction determines market movements.

> Work out all future time periods and resistance levels in this same way, and study the past records and you will see how well prices obey the natural law.
> W.D. Gann, Master Egg Course, 1953, p.141

In the quotation above Gann is again referring to the Circle Chart. Gann indicated that by applying the Circle Chart to future time periods it is possible to see that prices obey the law of celestial action producing market reaction.

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In one form or another Gann said several times that he was not going to reveal the cause of cycles. The best example of this comes from Gann's 1927 book Tunnel Thru The Air in which he wrote the following.

> IT IS NOT MY AIM TO EXPLAIN THE CAUSE OF CYCLES. The general public is not yet ready for it and probably would not understand or believe it if I explained it.
> W.D. Gann, The Tunnel Thru The Air, 1927, p.78

When Gann said that he would not tell the public the cause of cycles he was talking about financial market cycles and other earthly cycles. In Volume 1 of this series, on page 8 the word "cause" was defined as "any astrological event which manifests a change in the magnetic lines of force which reach the earth from the sun". Now remember the explanation of "the law" which is, for every celestial action there is an equal and opposite reaction. Within the law, the word "action" has the same definition as the word "cause". Let's substitute the definition of the word "cause" for the word "action" within "the law". Now the law becomes, for every *astrological event which manifests a change in the magnetic lines of force which reach the earth from the sun* there is an equal and opposite reaction. The cause of market cycles is therefore the law working itself out over a period of time. As a celestial action or cause manifests a change in the magnetic lines of force between the earth and sun, a terrestrial or market reaction occurs. This is the cause of market cycles for which Gann believed the general public was not ready. To say this in as few words as possible we could say, the cause of market cycles is the law.

Below is the definition of the law for easy reference.

> The Law, Natural Law, Geometric Law and Mathematical Law, are all references to the quasi-scientific law which states for every celestial action there is an equal and opposite terrestrial reaction.

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Chapter 2 : Price & Longitude Conversion Part 2

Chapter 8, in Volume 1, is called *Price & Longitude Conversion.* The chapter you are reading in Volume 2, is entitled *Price & Longitude Conversion Part 2* because it is an extension of Chapter 8 in Volume 1. To apply the method in this chapter you must convert planetary longitudes into prices and plot them on your price chart. That is why this method is called the *Price & Longitude Conversion* method. When you convert a longitude to a price above 360 you simply add increments of 360 to find the equivalent price. For example if a planetary longitude is 8°♉0′ or 38° you would add increments of 360 to see that 38° equals the prices 38, 398, 758, 1118 and so on. This can be done easily by hand or with the *Price and Longitude Conversion Tables* on pages 64 to 69 in Volume 1. Once the planetary angles are on your price chart they are used to help identify support, resistance and turning points. When writing the Gann's Scientific Methods Unveiled series it is my intention to avoid presenting the same information in different volumes. The application of this method using geocentric longitudes was presented in Volume 1, pages 56 to 63. For this reason I will not present more application examples of the *Price & Longitude Conversion* method here in Volume 2

On the following page there is an artistic replica of an actual Gann Chart. Chart 2-1 on the next page is an artistic replica of Gann's May contract soybean chart. Chart 2-1 shows only a section of this chart at its actual size. The original chart shows daily bars from Sept. 30, 1948 to Feb. 22, 1949. Chart 2-1 shows daily bars from Sept. 30, 1948 to Dec. 18, 1948. This is an artistic replica because it is not intended to be an exact copy of the original chart. Notice that the 1st few bars on Chart 2-1 show some x's and o's. On the original chart, Gann used "x" to mark the closing price and "o" to mark the opening price. The x's and o's along with several number counts from tops and bottoms and many non-astrology price and time angles have been eliminated so you can see the astrological information on the chart.

There are four important items on Chart 2-1 which I have labeled A to D. Arrow "A" points to a line which is the longitudinal path of Jupiter. Jupiter's longitude starts on August 4th at 262.75. The glyph for Jupiter (♃) is clearly seen to the left of this angle. On the actual chart, this Jupiter glyph is written freehand in Gann's unique style making it look like a capital H with the tops curved outward. Arrow "B" points to a horizontal line labeled (♃30♐). The longitude 30♐ is the crossing point between Sagittarius and Capricorn. Where the longitudinal path of Jupiter crosses this line, Jupiter is crossing from Sagittarius into Capricorn. Arrow "C" points to a line which is the longitudinal path of Mars. The glyph for Mars (♂) is right next to the point of arrow "C" and clearly identifies this angle. Next, Arrow "D" is pointing to a horizontal line labeled (♂23♐). This shows that Gann observed when Mars crossed 23° Sagittarius(♐). Finally notice that the Mars' angle ends when it touches the Jupiter angle. At the point where the Mars and Jupiter lines cross, Mars and Jupiter are forming a conjunction meaning they are on the same longitude. Gann's soybean chart from 1948 confirms that Gann plotted planetary longitudes on price charts. The best copy of Gann's 1948 soybean chart used in this example is included with the W.D. Gann Commodity Course.

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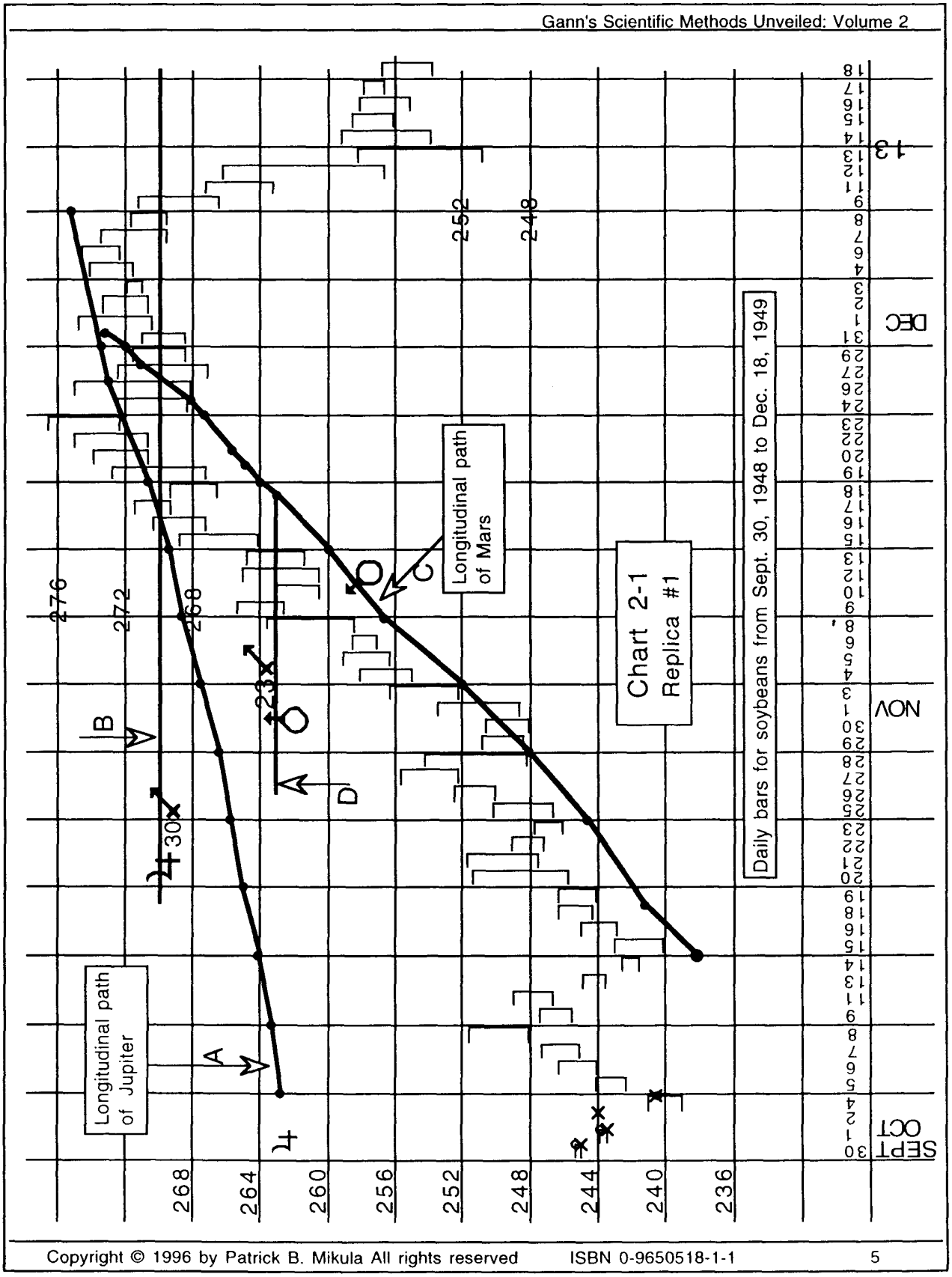

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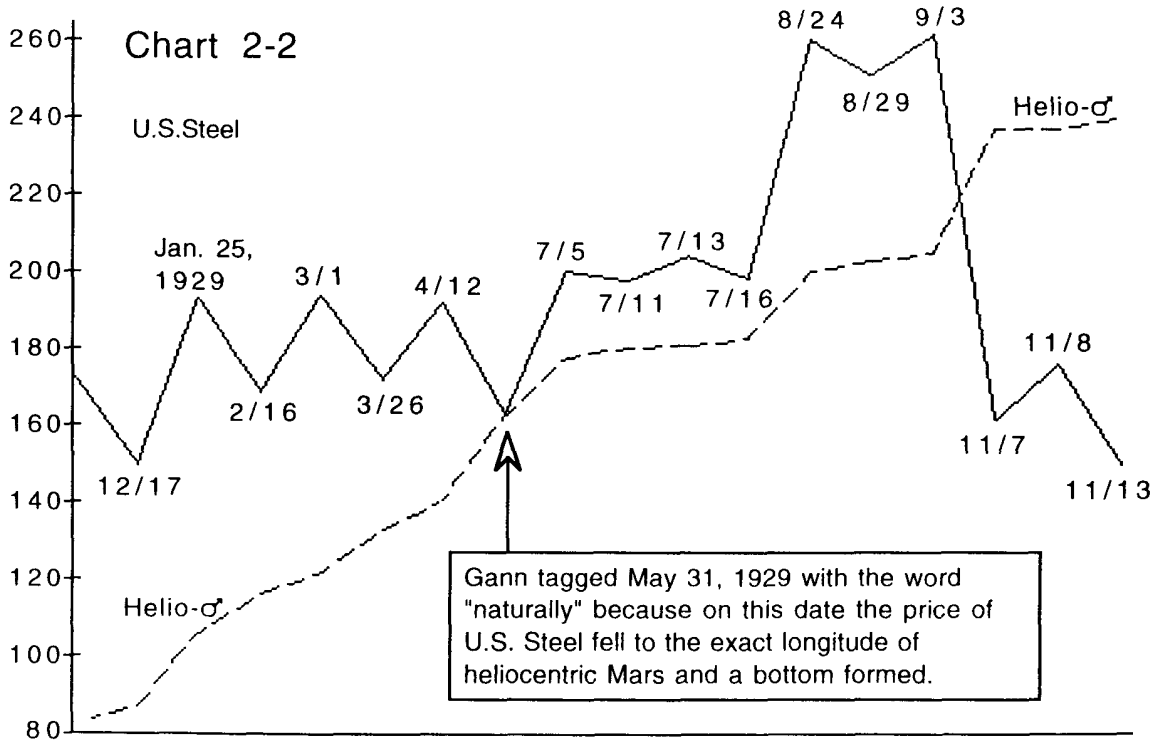
Volume 1 showed that the word "natural" was used by Gann to tag his hidden astrology material. In Gann's 1930 Wall Street Stock Selector, he used a variation of natural in the form of "naturally" to tag his hidden astrology material. The word natural in one of its forms, was used about 25 times in Wall Street Stock Selector. Most of these occurrences identified no date or identified only the month and year. Only twice did a usage of the word natural identify a specific date. The first of these two "natural" dates can be seen in the quotation below.

> On May 31, (1929) Steel declined to 162½. Notice that it broke the lows of February 16 and March 26,1929, and naturally traders would get scared and sell out.
> W.D. Gann, Wall Street Stock Selector, p.89

In the above quotation, Gann identified the date May 31, 1929 and the price 162½ for U.S. Steel as an astrology date by tagging it with the word "naturally". If you will look up May 31, 1929 in a heliocentric ephemeris and check the longitude of the planet Mars you will see why Gann identified this as an astrology date. On May 31, 1929 Mars crossed over exactly 12°♊30′ which converts into a longitude of 162½. Chart 2-2 shows a price swing chart made from the U.S. Steel prices presented by Gann on pages 88 to 90 of Wall Street Stock Selector. The dashed line sloping upward is the heliocentric longitude of Mars(♂). Chart 2-2 shows that the price of U.S. Steel moved down and touched the longitude of Mars and a reversal upward occurred. Chart 2-2 clearly shows what Gann wanted us to see when he tagged this date with the word "naturally".



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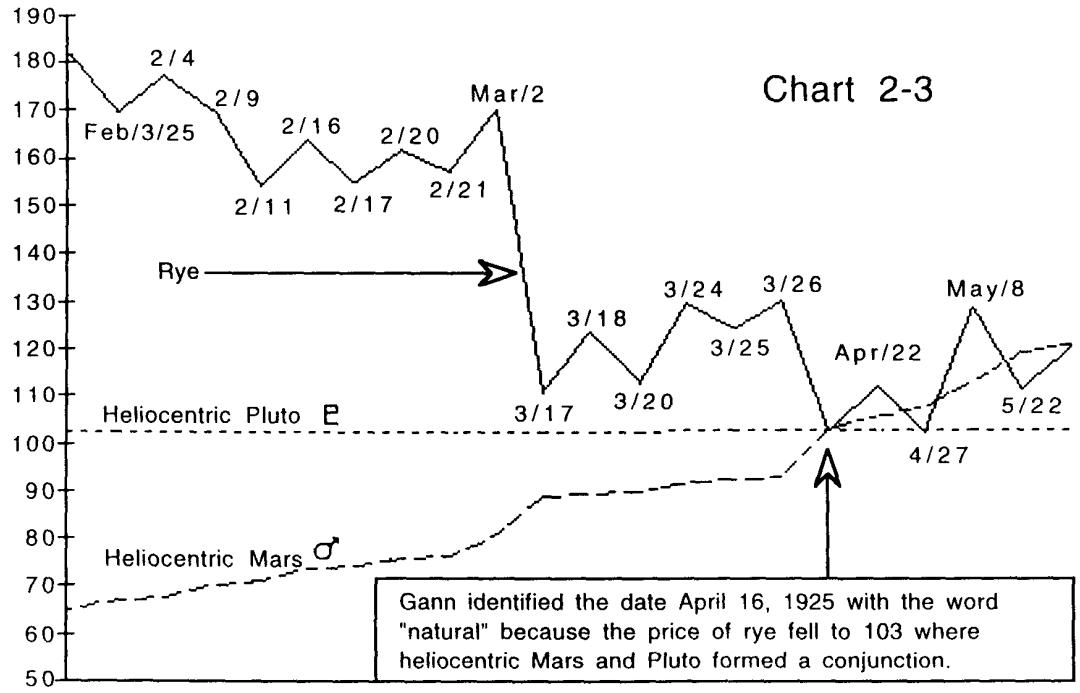
The Mechanical Method and Trend Indicator For Trading in Wheat, Corn, Rye or Oats was written by Gann in 1946. This course was an updated version of Gann's Mechanical Method which he had been selling for several years. In the 1940s Gann sold this course by itself with the intent that it would provide comprehensive instructions for his Mechanical Method and Trend Indicator. Today this Mechanical Method and Trend Indicator course is part of the W.D. Gann Commodity Course. After presenting 22 pages of instruction and examples in this Mechanical Method and Trend Indicator course, Gann includes one "natural" date on page 23, the last page, where he wrote:

> Apr 16 (1925) low 103, down 791/2 cents from 182-1/2 and nearing $1.00 per bushel, a natural support level -- Time to watch for change in trend.
> W.D. Gann, Mechanical Method and Trend Indicator, 1946, p.23

The above quotation identifies the May contract, Rye market low which occurred at the price of 103 on April 16, 1925. When we look up April 16, 1925 in a heliocentric ephemeris we find that a conjunction between Mars and Pluto occurred on April 15, 1925 at the longitude of 13°♋ which converts into the exact price of the rye low, 103. This can be seen on Chart 2-3. Notice that the year of the low was 1925 and Pluto was not discovered until 1930. This shows that after Pluto was discovered Gann went back over his charts and did historical research to determine if Pluto had any value in the financial markets. This example was written in 1946 at which time Gann would have had about 15 years to work with Pluto. For many years now Gann's mechanical methods have been copied and sold to beginners. This example shows for the first time that Gann most likely checked his mechanical method signals against one of his astrology methods.



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Some of Gann's most specific discussions of financial astrology appear in private letters he wrote to his clients. The reason for this seems to be the negative view of speculation which occurred in the early 1930s. After the stock market crash of 1929 and the election of President Franklin D. Roosevelt in 1932, the government started to pass regulations and tax laws to reduce gambling and speculation in the stock market. It is my opinion that the regulations and tax laws of the 1930s are what caused Gann to rewrite his advanced courses in 1936 and sell them as correspondence courses. This allowed Gann to increase the sales of his courses and other financial services while reducing his income from short term speculation which was being penalized by the new tax laws. When Gann converted his advanced courses into correspondence courses in 1936, he apparently removed all of the openly discussed astrology ideas. To my knowledge none of the course material Gann used at his seminars in the 1920s still exists. Gann's advanced course material from the early 1930s is much more open about his astrology methods than the course material sold after 1936. The people who bought Gann's advanced courses after 1936 could write Gann letters asking questions, which is why they were called correspondence courses. Gann left his advanced courses seeded with enough references to astrology that the student of the course could go as far as his ability to ask the right questions could take him. If you stayed with the non-astrology material which was openly presented, then so be it. If you wrote and asked Gann about the references to astrology in the course, then Gann would explain and take you to the next level of understanding. This is important for us because some of those letters still exist. In 1954 Gann wrote a letter to one of his clients regarding the soybean market in which he provided some new information about his use of the planetary longitudes. The following quotation is from that letter.

> "The averages of the six major planets Heliocentric and Geocentric are the most powerful points for Time and Price resistance. Also the Geocentric and Heliocentric average of the five major planets with Mars left out, is of great importance and should be watched."
> W.D. Gann, Personal Soybean Letter 1954

In this quotation Gann identified four planetary averages. They are: the six outer planets of Mars, Jupiter, Saturn, Uranus, Neptune and Pluto averaged for both heliocentric and geocentric longitudes and the same outer planets with Mars left out. When making the calculations for these averages the average longitude changes greatly when one of the planets crosses from 360° to 0°. Below is a list of the 6 outer planets for the dates April 14 and 15, 1994. Notice that the average longitude of these six planets on April 14th was 291.22° and the next day it fell 60 points to 231.34° because Mars crossed from 360° to 0°. On Chart 2-4, I have placed the geocentric and heliocentric average longitude of the six outer planets on a weekly soybean chart.

Geocentric April 14, 1994		Geocentric April 15, 1994	
Mars♂	359.8°	Mars♂	000.56°
Jupiter♃	221.75°	Jupiter♃	221.63°
Saturn♄	338.7°	Saturn♄	338.8°
Uranus♅	296.21°	Uranus♅	296.23°
Neptune♆	293.31°	Neptune♆	293.31°
Pluto♇	237.55°	Pluto♇	237.51°
	- - - - -		- - - - -
Ave.	291.22°	Ave.	231.34°

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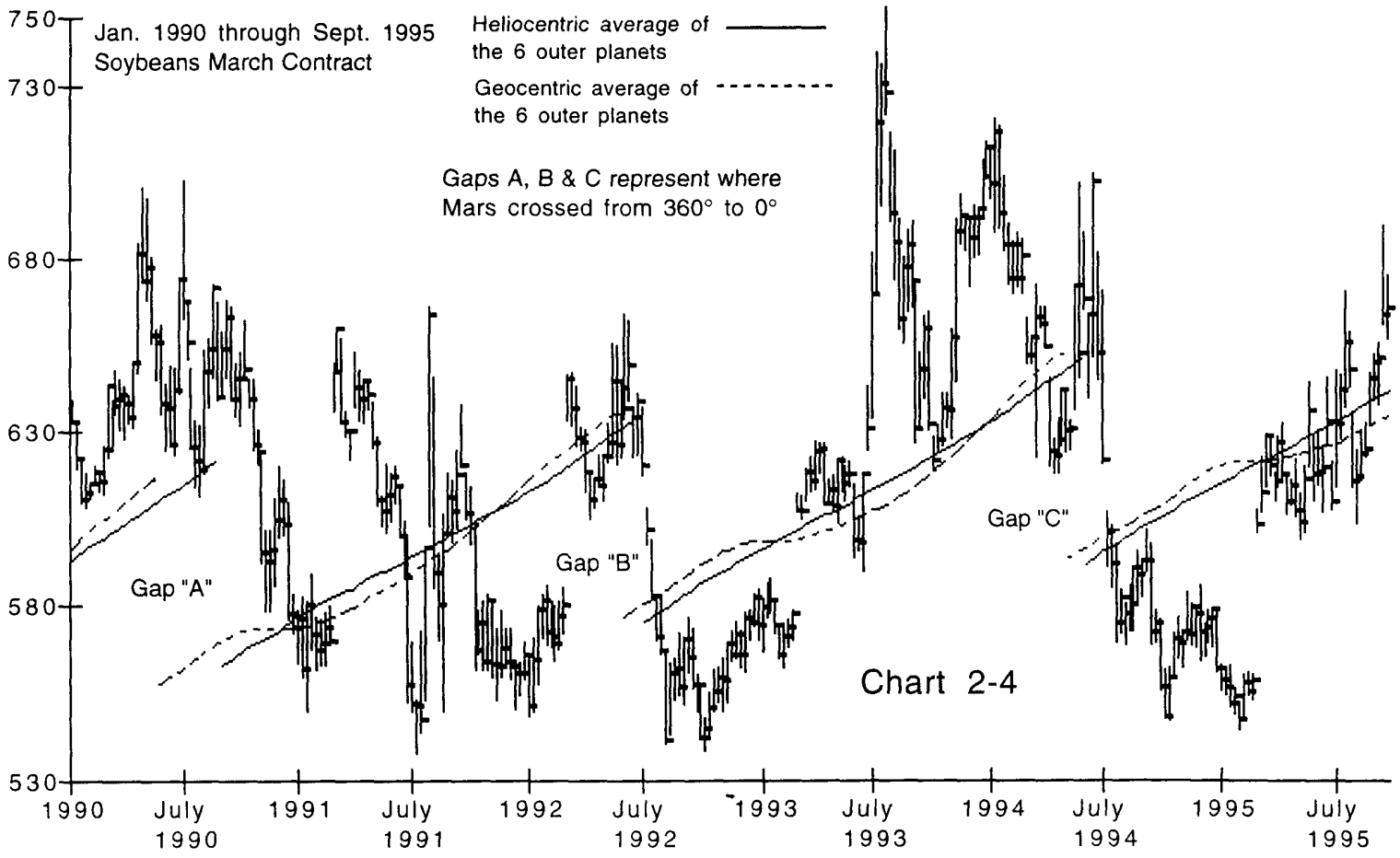
Chart 2-4, is a weekly March contract soybean chart from January 1990 to September 1995. The dotted line on Chart 2-4 is the geocentric average of the outer planets and the solid line is the heliocentric average of the outer planets. I have placed the label "Gap A", "Gap B" and "Gap C" on Chart 2-4 to identify the three times when Mars crossed from 360° to 0°. At these three points, the averages drop significantly. In his 1954 soybean letter, Gann did not indicate whether he averaged the planetary longitudes as they are naturally, which produces gaps in the average as seen on Chart 2-4, or if he adjusted the longitudes to make the averages smooth.



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To smooth the average of the six outer planets it is necessary to add 360 to a planet's longitude when it crosses from 360° to 0°. It is my opinion that Gann probably smoothed the angle and avoided the large gaps seen in Chart 2-4. In a moment I will show the same soybean chart with the average of the 6 outer planets with no gaps.

When using the four planetary averages, Gann identified in the quotation on the previous page, it helps to understand how geocentric and heliocentric longitudes relate. Below are the four averages Gann identified calculated for January 8, 1996.

Geocentric		Heliocentric		Geocentric		Heliocentric	
Mars	300°	Mars	308.55°	Mars	-----	Mars	-----
Jupiter	271.16°	Jupiter	268.12°	Jupiter	271.16°	Jupiter	268.12°
Saturn	349.93°	Saturn	355.15°	Saturn	349.93°	Saturn	355.15°
Uranus	299.76°	Uranus	300.38°	Uranus	299.76°	Uranus	300.38°
Neptune	294.95°	Neptune	295.2°	Neptune	294.95°	Neptune	295.2°
Pluto	242.18°	Pluto	240.8°	Pluto	242.18°	Pluto	240.8°
	-----		-----		-----		-----
Ave.	292.99°	Ave.	294.7°	Ave.	291.59°	Ave.	291.93°

Notice that both 6 planet averages are fairly close together at 292.99° and 294.7°. Both of the 5 planet averages are also close together at 291.59° and 291.93°. There are two basic principles which will help you understand how the geocentric and heliocentric averages interact. First, the farther a planet is from the sun, the closer its geocentric and heliocentric longitudes become. Second, when you plot the geocentric and heliocentric longitudes for one of the outer planets, the heliocentric longitude will be a straight line with the geocentric longitude traveling above and below it. Chart 2-5 on the next page applies these four planetary averages to the same soybean chart seen in Chart 2-4. The price of soybeans generally trades in the second zodiac above zero which runs from 360 to 720 so I add 360 to each average to make them comparable with the price data. Notice on Chart 2-5, that the two averages made from 6 planets stay close together as do the two averages made from 5 planets. When calculating the averages on Chart 2-5, I have add 360 every time a planet crossed from 360° to 0° which produces the smoothed averages which I believe Gann used in the soybean market. Given the fact that these averages stay so close together I believe it is acceptable to use either the geocentric or heliocentric averages. On Chart 2-5 if you follow the path of these average longitude angles, you will see that many tops and bottoms were made against them.

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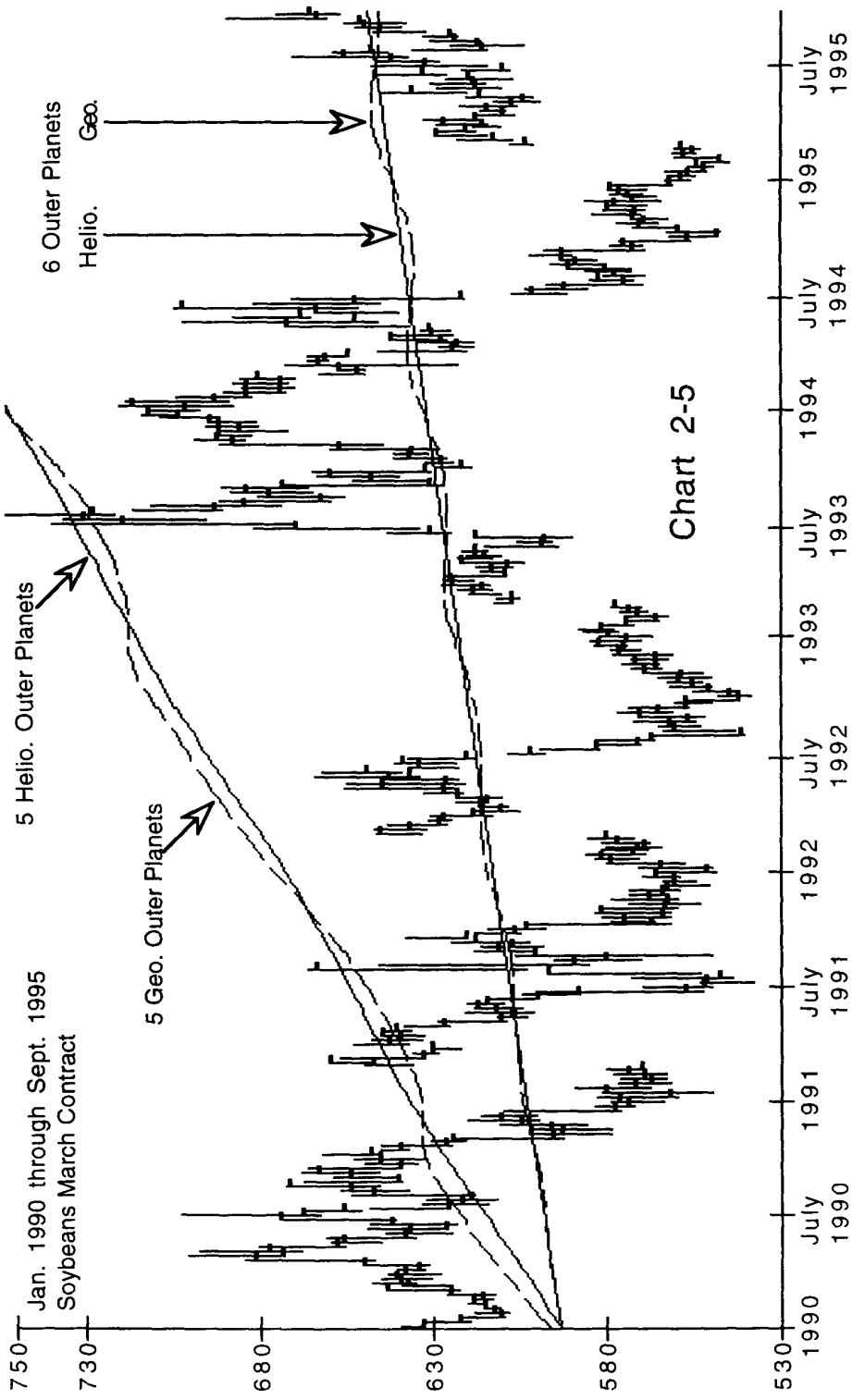

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In Gann's 1954 soybean letter he identified one more planetary average as seen in the quotation below.

> "You should also calculate the averages of eight planets which move around the Sun ...."
> W.D. Gann, Personal Soybean Letter 1954

This is an average of the geocentric longitudes of Mercury, Venus, Mars, Jupiter, Saturn, Uranus, Neptune and Pluto. This average moves faster than the previous four averages shown in Chart 2-5. To use this average you must set a top price at which you will start the average back to the bottom of the chart. On Chart 2-6 this average will be allowed to run between 360 and 720. On January 1, 1990 where Chart 2-6 starts, the average of these eight planets was 252.19° so we must add 360 to get the average longitude up between 360 and 720. After January 1, 1990 when the average moves above 720, we must subtract 360 to move the average back down to the bottom of the chart. On Chart 2-6, I have placed the average of the eight geocentric planets on the same soybean chart shown in Chart 2-4 and 2-5.

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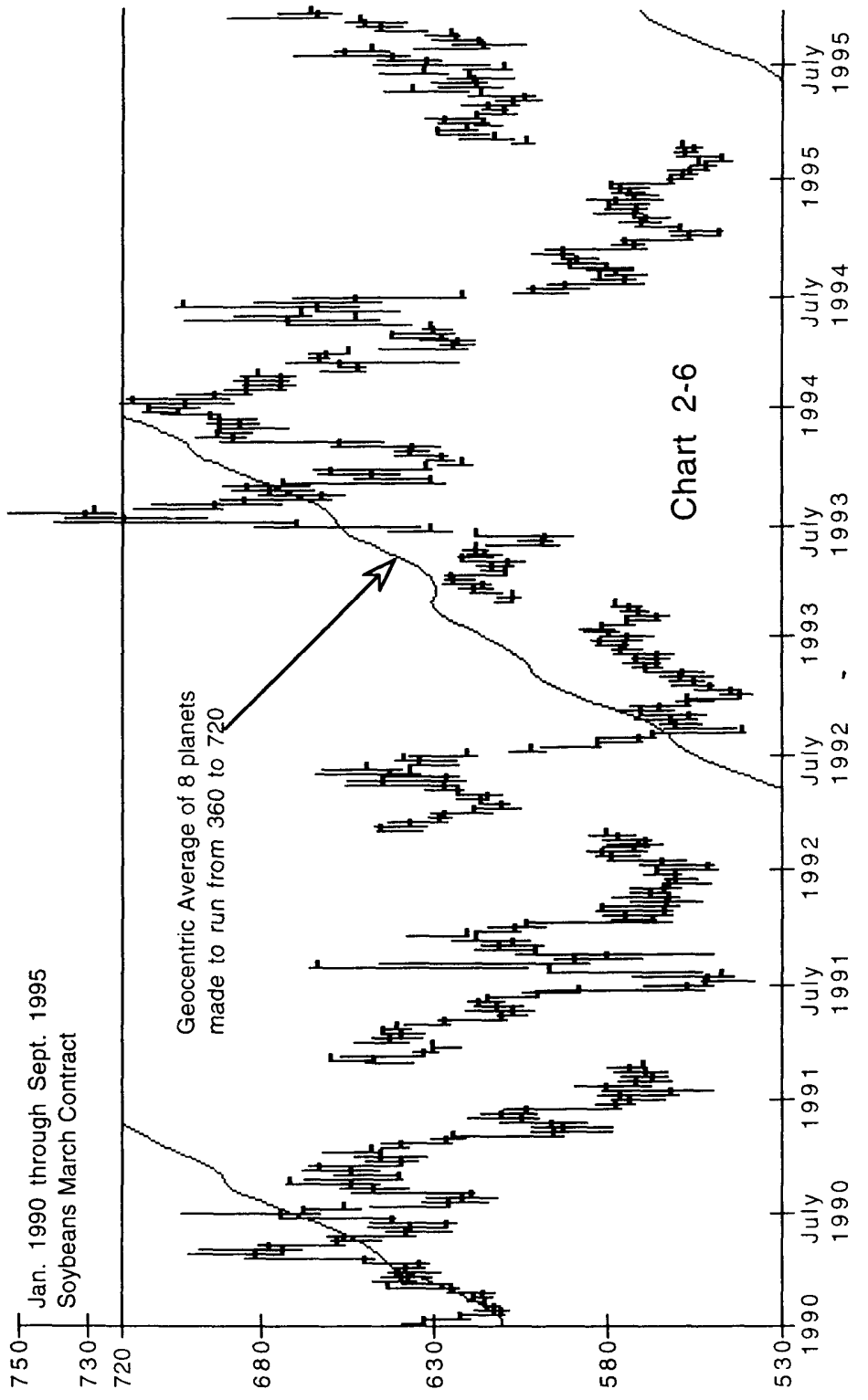

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Chapter 3: Square Longitudes and The 2nd Literary Key

The version of Speculation: A Profitable Profession which is sold today as part of the W.D. Gann Commodity Course is a thirty page course providing the rules and application examples for a simple mechanical method. In the conclusion of Speculation: A Profitable Profession Gann wrote "...I believe in passing on my secret discoveries to help others ..." and several times in this text Gann encouraged the reader to apply all the rules in How To Make Profits Trading In Commodities. Because I already knew Gann had concealed astrological material in How To Make Profits Trading In Commodities it was my assumption that the phrase "secret discoveries" was a reference to Gann's astrology methods. From this I concluded that Gann must have concealed some of his astrology methods in Speculation: A Profitable Profession.

On page 6 of Speculation: A Profitable Profession under the heading "One Grain Goes Up While Another Goes Down At The Same Time," Gann gave a review of the soybean market. The main focus of this review was to describe the way in which the public loses and the traders with knowledge win. In this discussion Gann wrote:

> (Quotation 1) 1953 August 20th May Beans low - 239½. They had sold at 309 in April 1953. After May Beans started up traders decided prices were TOO HIGH and at 270 they SOLD SHORT. The WISE MAN who KNEW the TREND was up, BOUGHT.
>
> W.D. Gann, Speculation: A Profitable Profession, 1954, p.6

Gann often advised his readers to study the bible which he claimed was a book of science. In quotation 1, Gann used the phrase "wise man" and it is traditionally assumed that the wise men in the New Testament who traveled to see the infant Jesus were astrologers and that there were three. Gann used the phrase "wise man" to describe a trader who "knew the trend". In quotation 1, Gann really said, that the traders who understood astrology knew the trend. In the next paragraph Gann wrote the following.

> (Quotation 2) Dec. 17, 1953 May Beans declined to 295¾ and made bottom, then advanced to 310 around the high of December 1953. The public decided prices were TOO HIGH and SOLD SHORT while WISE TRADERS BOUGHT AT NEW HIGHS following MY RULES and continued to BUY AT NEW HIGHS because the TREND WAS UP.
>
> W.D. Gann, Speculation: A Profitable Profession, 1954, p.7

Now Gann used the phrase "wise traders" as a variation of "wise man" but the veiled meaning is the same. In quotation 2, Gann claimed that "the public" made a mistake while the trader who understood astrology made the correct market decision.

> (Quotation 3) .... May Beans sold at 422 on April 27th but closed at 411, lower than they closed on April 26th when there were no beans offered. July Beans sold at 415 on April 27th and closed at 405, lower by 4¢ per bushel than the night before when none was offered for sale. THE PICTURE HAD CHANGED OVERNIGHT. THE WISE BUYERS who had BOUGHT all the way up from 240 became sellers; ....
>
> W.D. Gann, Speculation: A Profitable Profession, 1954, p.7

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In quotation 3, Gann used a third variation of "wise man" in the form of "wise buyers". This shows us that the word "wise" is the key word being used to veil Gann's astrological methods so I call these "wise" dates. Gann took the biblical reference to the three wise men and used three different variations of this phrase to identify three dates which marked three turning points. In effect, Gann concealed one date for each biblical wise man. These are the three veiled astrological dates in the 1954 edition of Speculation: A Profitable Profession.

In the paragraph below quotation 3, in Speculation: A Profitable Profession, Gann used the word wise one more time saying, "On May 3rd the real selling started.... Why did prices go down like this? Because the wise traders, when prices broke the low of April 20, SOLD AT NEW LOWS ..." Gann told us that prices declined on May 3 because of what "wise" traders had previously done when the price broke the April 20 low, but Gann did not tell us on which day the April 20 low was broken. So this use of the word "wise" does not identify any date. Also, the word "wise" in the first three quotes were all in either italic or capital letters depending on the edition you have. This fourth use of the word "wise" is shown in plain text. This shows that when "wise" was used as a literary veil for some astrological event Gann set it off from the rest of the text with a change of font or style, and intentionally left the forth reference as plain text because it did not identify any date and was not used as a literary veil.

In Speculation: A Profitable Profession Gann concealed his astrology methods within examples from the soybean market. Speculation: A Profitable Profession was written in 1954, the same year Gann wrote the soybean letter which was discussed in the previous chapter. It is my opinion that Gann wrote his 1954 soybean letter and Speculation: A Profitable Profession so close together that he wrote about the same astrological observations in both documents. Below I will compare some of the material openly written about in the 1954 soybean letter and the material concealed in Speculation: A Profitable Profession.

The first "wise" date in Speculation: A Profitable Profession, seen in quotation 1, identifies the soybean low of August 20, 1953. One day before on August 19, 1953, Jupiter formed a trine with Neptune (♃△♆). The longitude of Jupiter during this aspect was 21°♊ which is 81° and 81 is 9 squared, (9x9). Gann's 1954 soybean letter reads, "The planet Jupiter is at 21° Gemini which is 81° in longitude ...". This shows that Gann watched the same movement of Jupiter when he tagged the August 20 soybean low with the word "wise" and when he wrote the soybean letter.

The second "wise" date in Speculation: A Profitable Profession, seen in quotation 2, identifies the soybean low of December 17, 1953. Two days earlier, on December 15, 1953 Jupiter formed a sesquisquare with Saturn (♃⚼♄).

Now look at the following quotations from one paragraph in Gann's 1954 soybean letter. First, "The planet Jupiter at 21° Gemini...." During the December 15th aspect Jupiter was at 21°♊. Next quotation, "Subtract 135° from Jupiter gives 306 or 6° Aquarius." The December 15th aspect was a sesquisquare which means two planets 135° apart. Final quotation, "... the power of Saturn and Jupiter aspects, working out time to these Price Resistance Levels, is what halts the advance in Soybeans." The aspect of December 15th was between Jupiter and Saturn. I have no doubt that the basic references of, (Jupiter 21°♊ / 135° / Saturn), were written into the 1954 soybean letter at the same time Gann tagged the December 17th bottom with the word "wise" in Speculation: A Profitable Profession.

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The third and final "wise" date in Speculation: A Profitable Profession, seen in quotation 3, identifies the soybean top of April 27, 1954. One day before this "wise" date, Jupiter formed another trine with Neptune (♃△♆). During this relationship, Jupiter was at 24♊ or 84° and Neptune was at 24♎ or 204°. The basic idea Gann concealed in the "wise" dates is that planets forming aspects on square longitudes have added importance. To find the important square in this aspect we must average the two longitudes. When this aspect formed between Jupiter and Neptune, the mid point between the two planets was 24° Leo or 144° (84 + 204 = 288 ÷ 2 =144) which is 12 squared, (12x12). This is the important square relationship which Gann wanted us to see when he tagged this date with the word "wise". Chart 3-1 is a simple soybean swing chart made from the turning points identified by Gann in Speculation: A Profitable Profession. Chart 3-1 shows the aspects identified by the "wise" dates.

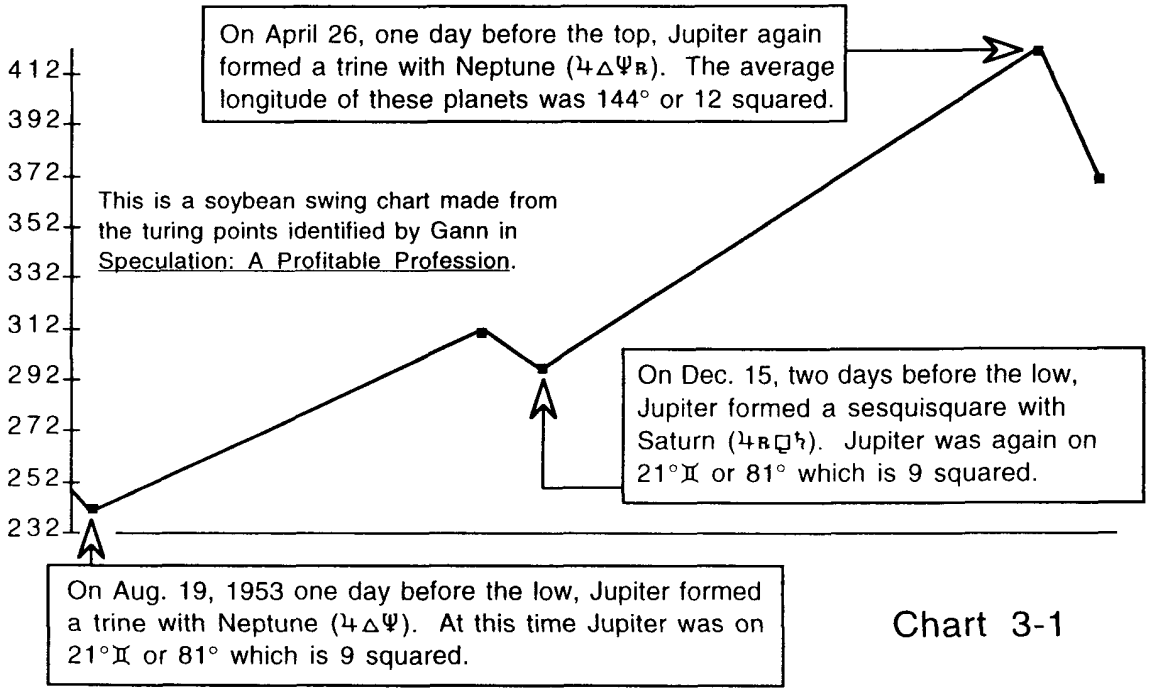

Chart 3-1

In both the 1954 soybean letter and Speculation: A Profitable Profession, Gann identified the aspects between Jupiter and Saturn as being important in the soybean market. In the previous chapter I discussed an actual Gann soybean chart from 1948. Chart 2-1 was the replica of Gann's 1948 soybean chart in the previous chapter. On the opposing page, Chart 3-2 is another artistic replica of the same 1948 soybean chart. At the bottom of Chart 3-2, arrow "A" is pointing to a large "13" written directly under the date December 13th. On December 13, 1948 Jupiter formed a trine with Saturn (♃△♄) and this large "13" was Gann's reminder which identified when this aspect occurred. This means the evidence that Gann used the Jupiter and Saturn aspects in the soybean market can be found in at least three different sources, Gann's 1948 soybean chart, concealed in Speculation: a Profitable Profession and in Gann's 1954 soybean letter.

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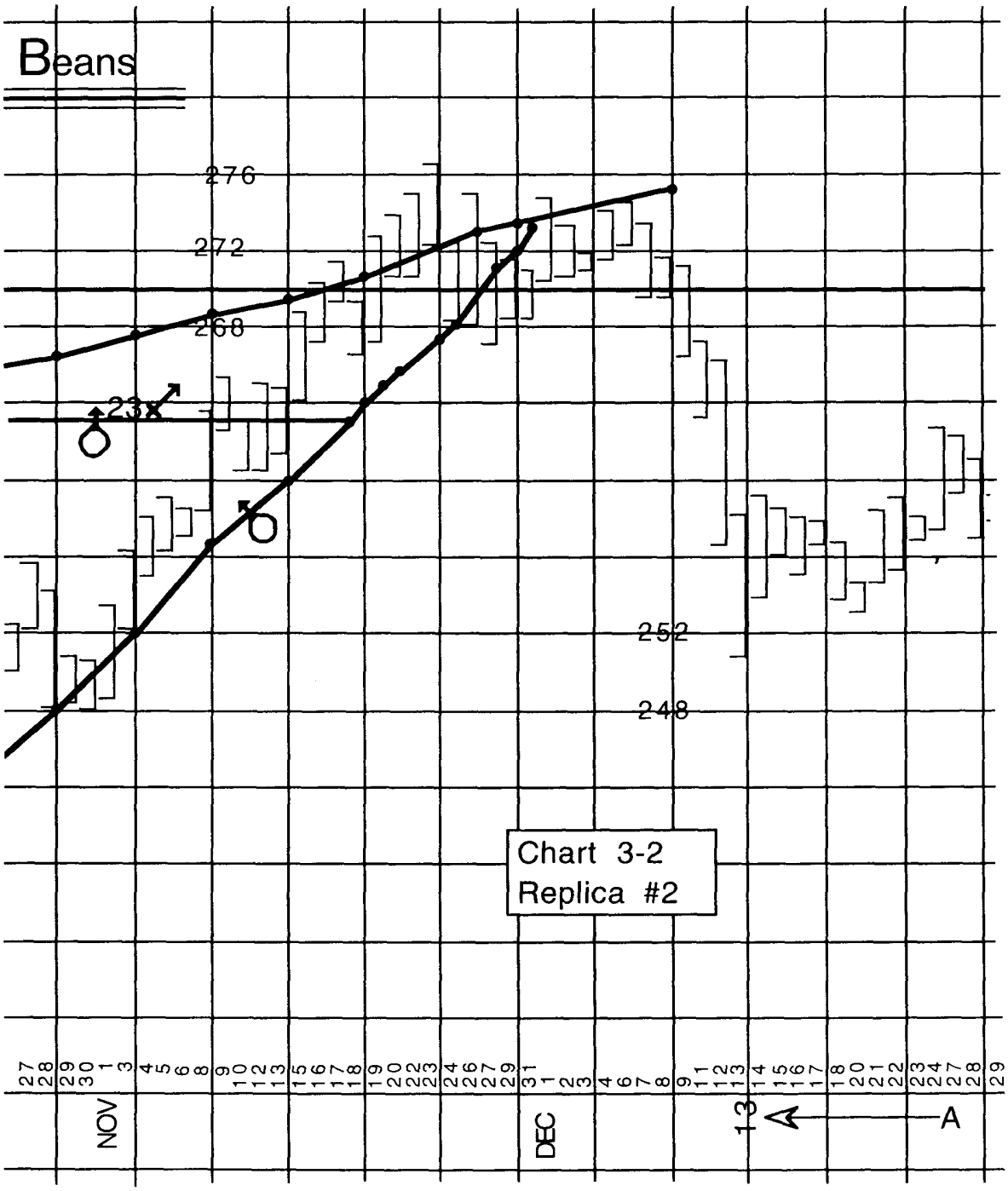

Chart 3-2
Replica #2

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Chapter 4 : W.D. Gann's Use of The Circle Chart

In 1923 when Gann wrote Truth of the Stock Tape there were two basic ways to acquire stock or commodity prices. First, prices were published in the daily newspaper. Second, a trader could go to a broker's office and watch the ticker tape machine. A ticker tape was basically a telegraph machine which stamped prices on a long strip of paper called the stock tape. The title of Gann's book is a statement proclaiming that the book contains the "truth" of the stock tape. To explain this "truth" we will use a basic literary analysis of Gann's writing. In Volume 1, I showed that Gann used the word "science" as a veil for the word astrology. So scientist becomes astrologer, scientific becomes astrological and so on. To show the "truth" Gann concealed about the stock tape I have listed and translated a quotation from page 1, of Truth of The Stock Tape which uses the word "science".

> Speculators and investors who simply guess, follow tips, rumors, newspaper talk and so-called "inside information" have no chance of ever making a success. Unless they follow some well-defined plan based on Science and Supply and Demand, they are sure to lose.
>
> W.D. Gann, Truth of The Stock Tape, p.1

> Speculators and investors who simply guess, follow tips, rumors, newspaper talk and so-called "inside information" have no chance of ever making a success. Unless they follow some well-defined plan based on **Astrology** and Supply and Demand, they are sure to lose.
>
> *Translated* - W.D. Gann, Truth of The Stock Tape, p.1

There are several other instances in Truth of The Stock Tape when Gann used the word "science" and they can be translated to provide the same basic message. The "Truth" mentioned in the title of Gann's book is that the movements of stock and commodity prices are caused by the planets. When Gann wrote Truth of The Stock Tape in 1923 he was only 45 years old and his financial services business was still growing. At that time Gann was unwilling to conceal his astrology methods in the material he sold to the general public but he alluded to his use of astrology. When Gann concealed his astrology methods they were actually in the text for anyone to find. When Gann alluded to astrology the methods were not actually in the text. This means you must learn Gann's astrology methods somewhere else before you can understand the allusions in his writings. As Gann's career progressed, he gradually included more astrology methods in his writings and at the end of his life he was openly writing about them. This makes discovering Gann's astrology methods from his early works much more difficult. In Wall Street Stock Selector from 1930, as in Truth of The Stock Tape Gann alluded to his use of astrology more than he concealed examples of his astrology methods. A very good example of how Gann alluded to his use of astrology in Wall Street Stock Selector can be found on pages 34 and 35 where Gann wrote about a man's seasonal trend. The two quotations below provide the important information from these two pages:

> A man's life runs in cycles just the same as stocks. He reaches his apex and does not know it. His time for money making ends, and he should keep what he has already made, rather than try to make more. There is a seasonal trend and a mathematical, scientific cycle which determines the time and limits to which a man can go and when he bucks the law and the tide turns against him, he is carried down by the undertow. The most important thing for every man to know is when to quit. After a man has made money, he must know when he has enough, stop and keep what he has.
>
> W.D. Gann, Wall Street Stock Selector, p.34

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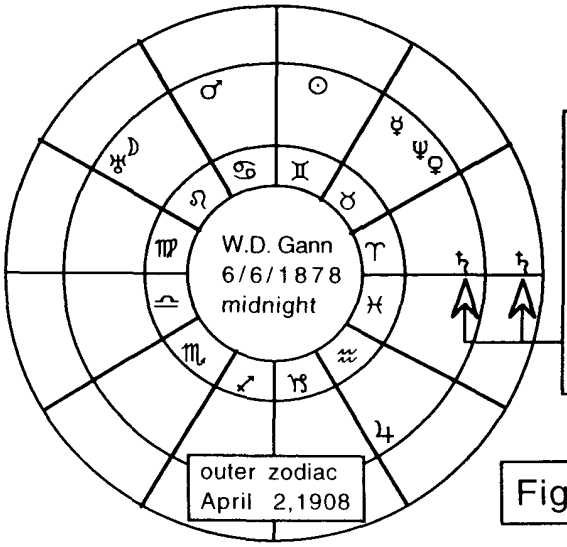
My period of good luck had run out, and I was trading in a period which should have been for rest, recreation, and gaining knowledge instead of trying to make more money which I did not need.

I started trading again in the Spring of 1908, and should have had some rule to tell me when my trend had turned in my favor. I began to trade in Wheat and the first three trades I made showed profits. This was a sign that luck was with me and I should press it.

W.D. Gann, Wall Street Stock Selector, p.35

Notice in the quotation from page 34 Gann used the word "scientific" which I explained is a veil for the word astrological. If we switch these two words, the quotation reads, "There is a seasonal trend and a mathematical, **astrological** cycle which determines the time and limits to which a man can go....". This completely changes our perspective on what Gann wrote. In the above two quotations Gann expressed the belief that by interpreting a personal horoscope it is possible to identify the positive and negative cycles within someone's life. When these time periods end a trader should rest, when they start again a trader should press his advantage.

What possible proof in the above quotation is there that what I have just told you is correct? We know that Gann was born on June 6, 1878. In the quotation above, taken from page 35, Gann wrote that his trend turned in his favor in the spring of 1908. If we look up the planetary longitudes on the day Gann was born, Saturn (♄) was at the longitude 1°♈42′. Spring starts around March 21 at the Vernal Equinox. If we look up Spring 1908, we can see that Saturn returned to 1°♈42′ on April 2, 1908 which is early in "the Spring of 1908". Gann believed his personal seasonal trend turned positive when Saturn returned to the longitude it occupied in his birth chart. See Figure 4-1. This shows that when Gann wrote about a man's seasonal trend he was alluding to the interpretation of the trader's horoscope. To discover the astrology Gann alluded to in this example you would have to known about Gann's astrology methods before reading Gann's book. This is why it is almost impossible for most traders to discover the secrets in Gann's early books. In Gann's quotation from page 34, on the previous page, Gann wrote "A man's life runs in cycles just the same as stocks." This reveals that Gann was interpreting a stock's seasonal trend or cycles with the same methods he used to interpret a trader's seasonal trend which is why understanding this example is important.



Gann believed that when Saturn returned to the same longitude it occupied in his birth chart, a positive period in his life started and it was a good time to trade the financial markets.

Figure 4-1

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In Volume 1, I showed that the word natural was the literary key to unlocking the hidden astrology in Gann's 1941 classic How To Make Profits Trading In Commodities. The same is true for Truth of The Stock Tape but on a much smaller scale. In Truth of The Stock Tape the word natural in one form or another, such as nature or naturally is used about 25 times. Only one time is the word natural used to clearly identify a specific day and price. The passage which contains this "natural" date can be seen below.

> "They remained around this same level with fluctuations narrow, until January, 1907 when they broke out of the distributing zone, and after such a long period of advancing markets, with distribution which had lasted for over a year, it was but natural that a drastic decline should follow. A silent panic occurred on March 14, 1907, carrying prices down to 98. This was one of the most rapid declines that has ever occurred on the Stock Exchange."
>
> W.D. Gann, Truth of The Stock Tape, p.132

This quotation comes from a discussion of the Dow-Jones 20 Stock Railroad Average on page 132 of Truth of The Stock Tape. This "natural" date identified the January 1907 top and then the exact day the average crashed, March 14, 1907. Chart 4-2 was made using the prices shown on the graph in Truth of The Stock Tape page 129. On Chart 4-2, the dates which are identified by this "natural" date are labeled.

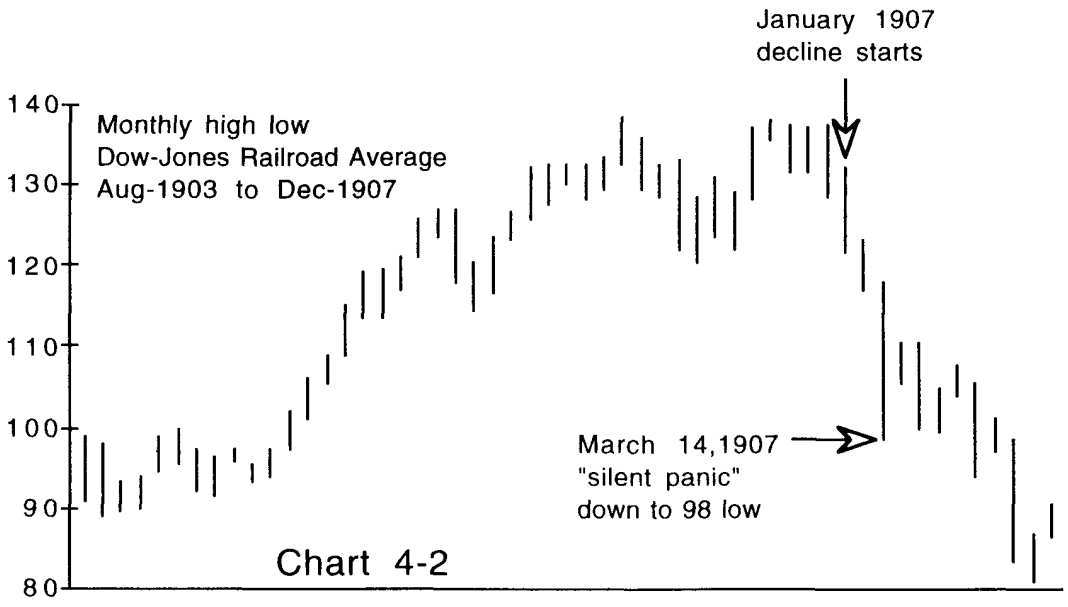

Chart 4-2

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During the first date identified by the word "natural", January 1907, there were two eclipses: a total solar eclipse on January 14, 1907 and a partial lunar eclipse on January 29, 1907. Figure 4-3, shows the position of the sun and moon during this January 14 lunar eclipse. During this eclipse the sun was at the longitude 8°♒30′. I placed the glyph for Venus (♀) on Figure 4-3 to show Venus' longitude during the eclipse was 22°♐12′. If we follow the path of Venus after this eclipse, we can easily determine that Venus crossed over the sun's eclipse longitude of 8°♒30 on exactly March 14, 1907, which is the day identified by the "natural" date.

With this "natural" date, Gann concealed a timing method. First Gann looked for an eclipse which occurred during a topping formation. Second, Gann identified the actual day of the crash or at least a large decline by determining when a planet would be crossing over the sun's eclipse longitude. In this example the eclipse occurred during a topping pattern in January 1907 and the panic occurred when Venus crossed the sun's eclipse longitude on March 14, 1907.

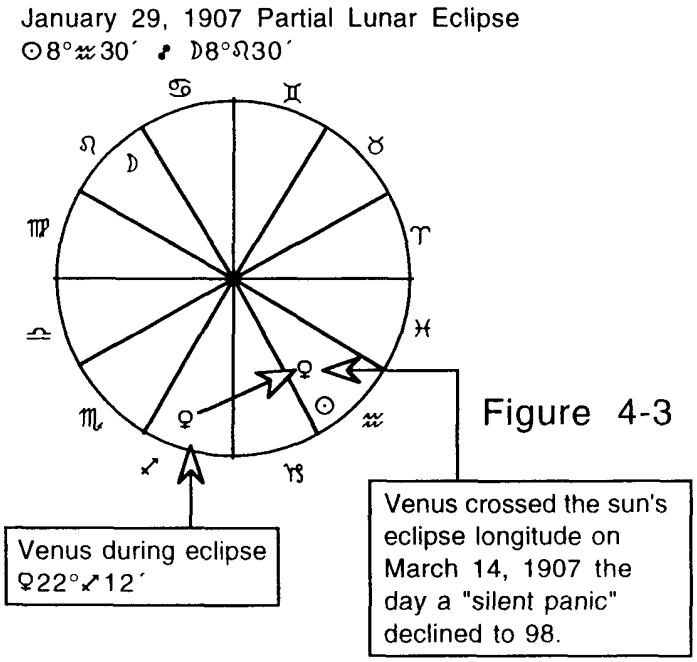

Figure 4-3

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Seven years after he concealed the previous eclipse method in Truth of The Stock Tape, Gann concealed a variation of this method in Wall Street Stock Selector. In the quotation below the word "naturally" is used as a variation of natural. This is one of only two natural dates in Wall Street Stock Selector which identifies a specific date.

> The swing chart on page 56 shows the major and minor movements on Steel from the date of listing on the New York Stock Exchange, March 28, 1901, to April 7,1930. It started at 42¾ in March, 1901, and advanced to 55 in April. Being a new stock with volume of five million shares, naturally it took a long time to distribute it. The first big decline occurred in the panic of May 9, 1901, when the stock declined to 24.
>
> W.D. Gann, Wall Street Stock Selector, p.119

This natural date is more complex than most others because the word "naturally" is between two dates. The date before the word "naturally" is the first trading date and price for U.S. Steel on the New York Stock Exchange. The date after the word "naturally" is the date of the first big decline in U.S. Steel and the low price of that decline. To understand what Gann concealed with this natural date we must use both of these dates.

The first date listed in this quotation is March 28, 1901. This date is very important because it shows us that Gann used what is called a 1st trade horoscope. A 1st trade horoscope is a horoscope cast for the opening time of the stock market for the first day a stock starts trading. Gann not only provided us with the first trade date but also the first trade price for U.S. Steel. The starting price of U.S. Steel on the first trading day was 42¾ which converts into 12°♉45′. This can be considered the natal longitude of the stock price. On the first trade horoscope for U.S. Steel, labeled Figure 4-4, I have placed a "$" to represent the longitude of the opening price of U.S. Steel stock.

The first eclipse to occur after U.S. Steel started trading on March 28, 1901 was a penumbral lunar eclipse on May 3, 1901. This eclipse formed with the sun on the longitude 12°♉36′ and remember that the starting price had a longitude of 12°♉45′. The second date Gann identified in this quotation was May 9, 1901 which was the date of a market crash when the price of U.S. Steel declined to 24. On May 9, 1901 the planet Mercury (☿) crossed both the sun's eclipse longitude and the stock prices' 1st trade longitude of 12°♉36′-45′ and triggered the "first big decline" in U.S. Steel stock. This is shown on Figure 4-5 & 4-6. The following idea can be derived from this example in Wall Street Stock Selector. When an eclipse occurs on a longitude in a 1st trade horoscope, it is important to watch for the next time a planet crosses that first trade longitude.

This procedure is very similar to the method Gann concealed in Truth of The Stock Tape but in Wall Street Stock Selector Gann added the first trade horoscope. In the foreword of Wall Street stock Selector Gann wrote, "The main object of this book is to bring Truth of The Stock Tape up to date...." and with this example it appears that he was referring to the concealed astrology methods as well as the openly discussed non-astrology methods.

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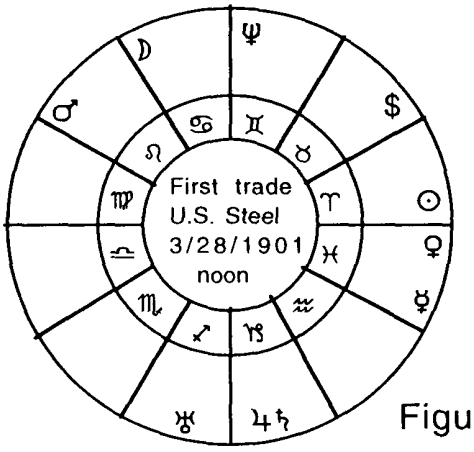

$12°♉45′
☉7°♈7′
☽23°♋1′
☿10°♓32′
♀28°♓26′
♂℞23°♌21′
♃11°♑21′
♄15°♑43′
♅℞16°♐53′
♆26°♊33′

Figure 4-4

Figure 4-4 shows the positions of the planets and the stock price when U.S. Steel started trading on March 28, 1901.

Figure 4-5

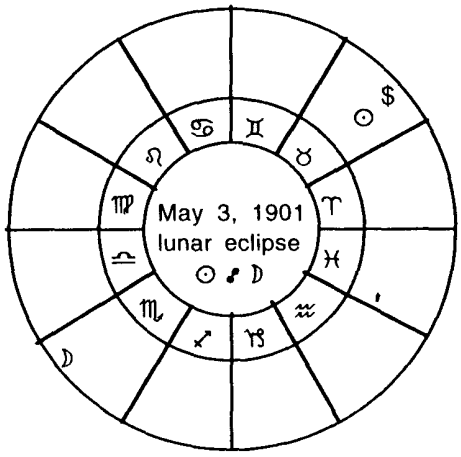

Figure 4-5 shows the position of the 1st trading longitude for U.S. Steel's stock price ($), along with the position of the sun and moon during the 1st eclipse to occur after U.S. Steel started trading. This eclipse occurred with the sun on 12°♉36′ which is also the 1st trade longitude of U.S. Steel's stock price.

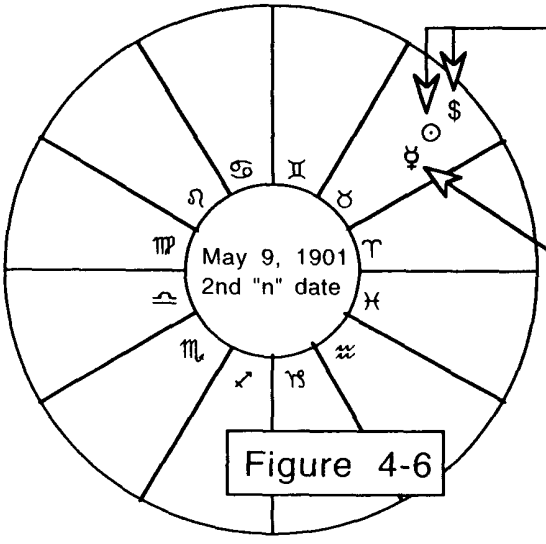

Figure 4-6

The "$" represents the 1st trade longitude of U.S. Steel stock. The "☉" represents the sun's longitude during the May 3, 1901 eclipse.

The second date which Gann identified for this example was May 9, 1901. On this date Mercury (☿) crossed over 12°♉ which is both the 1st trade longitude of U.S. Steel's stock price and the sun's eclipse longitude.

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Figure 4-7 is an artistic replica of a horoscope Gann made for the egg market. On this horoscope there are many overlapping planetary glyphs and numbers. Below the horoscope there are four dates of high and low prices for eggs and above to the left of the horoscope is "1931 ♄□♆ ". The glyphs and numbers on this chart are the planetary positions during each of the four dates of a high or low listed below the chart and during the "1931 ♄□♆ " aspect. On the original chart there are more glyphs and numbers than you see below but some are too faint to make out.

The fact that Gann placed the planetary positions during several tops, bottoms and aspects on one horoscope shows that he was comparing the planetary positions during the different turning points and aspects. This examination might include a search for planets forming aspects between different turning points or different planets on the same degree when tops and bottoms occur. The important point is that this chart proves Gann did some kind of horoscope analysis on tops and bottoms in the financial markets. Figures 4-8 to 4-12 each show one layer of information contained on Figure 4-7.

1931 ♄ □ ♆

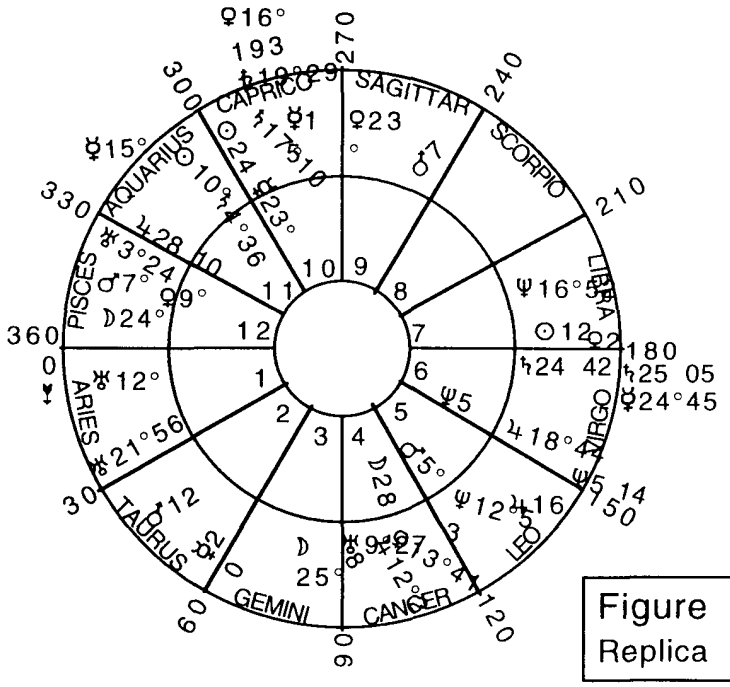

Figure 4-7
Replica #3

1921 Jan 14 - January Eggs high 66¢
1931 Jan 30 " " low 10³/₈
1932 May 28 Oct Eggs Low 15¢
1950 Oct 5 Low " " 3225

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The planetary longitudes are placed on the zodiac as they appear on Gann's original egg horoscope. I have added the list of planets and degrees outside the horoscopes so you can see what Gann wrote. Figure 4-8 shows the planets listed by Gann for the January 14, 1921 high. Figure 4-9 shows the planets Gann listed for the January 30, 1931 low.

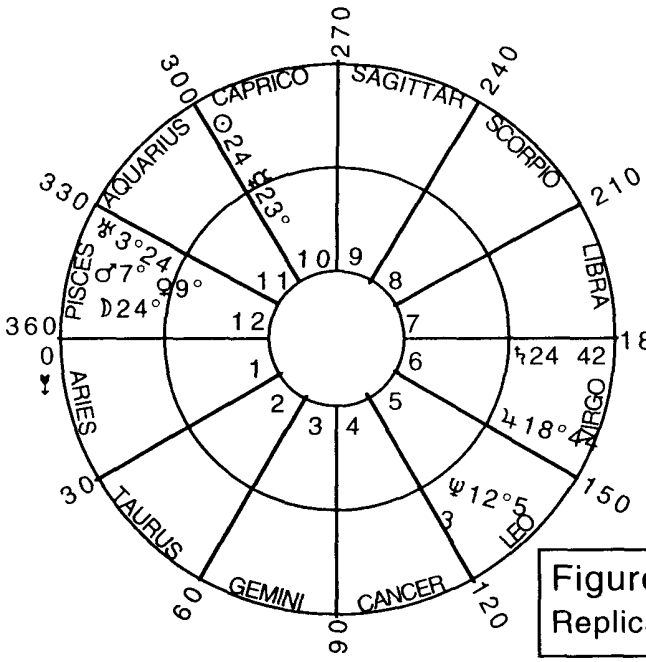

Figure 4-8
Replica #4

1921 Jan 14 - January Eggs high 66¢

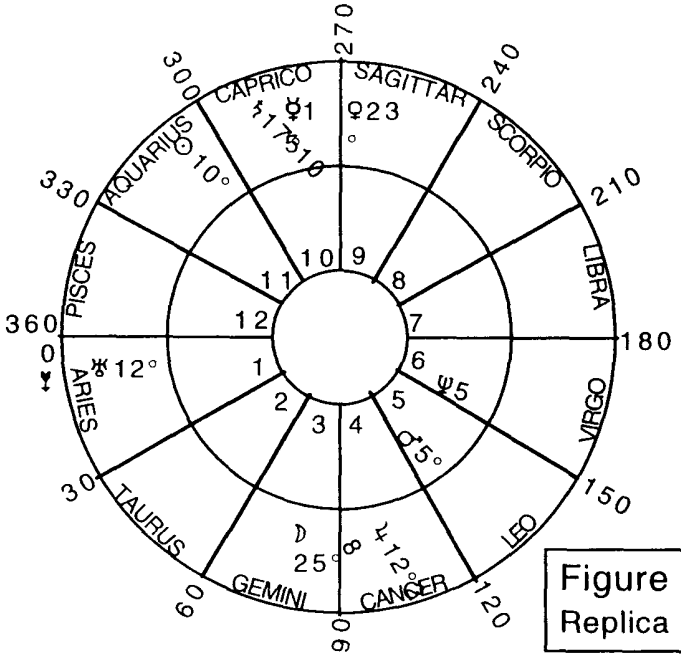

Figure 4-9
Replica #5

1931 Jan 30 " " low 10³/₈

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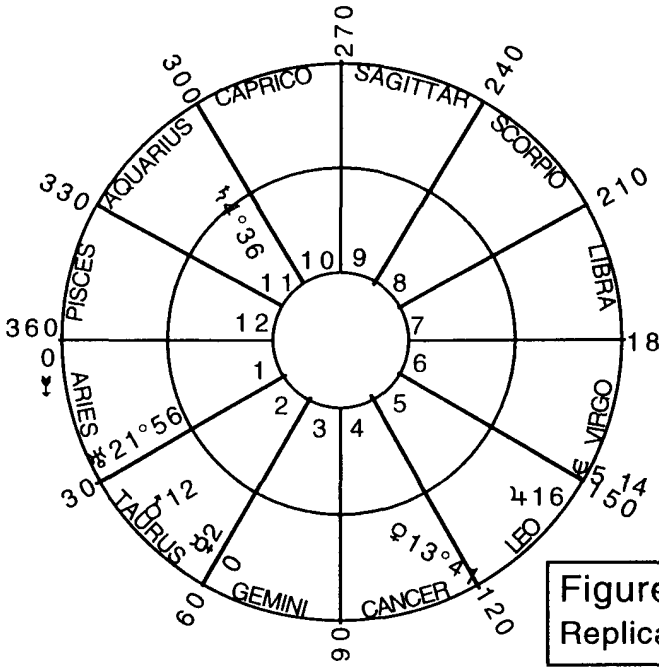
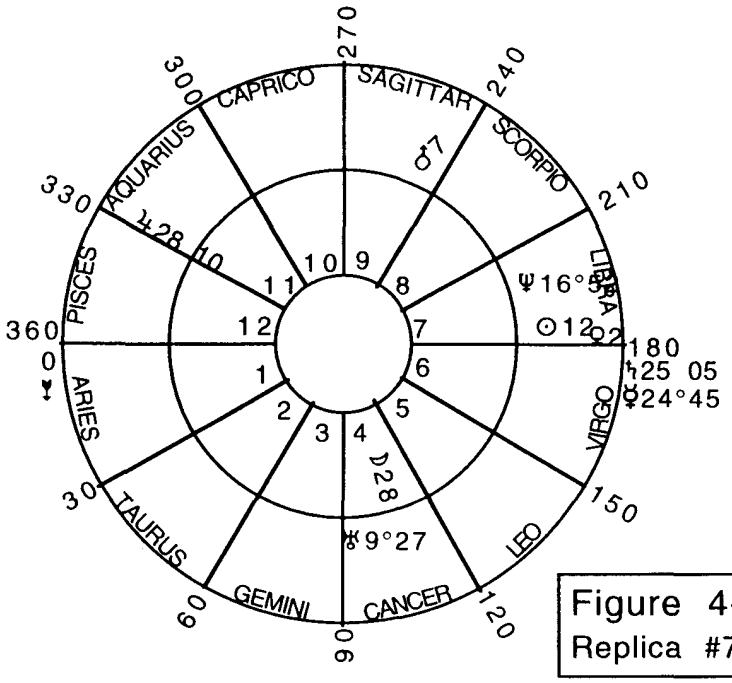


☉-?
☽-?
☿20
♀13°41
♂12
♃16
♄4°36
☿21°56
♆5 14

Figure 4-10
Replica #6

1932 May 28 Oct Eggs Low 15¢



☉12
☽28
☿24°45
♀2
♂7
♃28 10
♄25 05
☿9°27
♆16°52

Figure 4-11
Replica #7

1950 Oct 5 Low " " 3225

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On Figure 4-12 Gann wrote "1931 ♄□♆ " in the upper left corner. During 1931 the 135° sesquisquare (□) aspect occurred 3 times between Saturn (♄) and Neptune (♆). On Figure 4-12 Gann wrote the planetary positions from the ♄□♆ which occurred on February 21, 1931. Apparently Gann was comparing the planetary longitudes during this aspect with the planetary longitudes during tops and bottoms. Photocopies of the original egg horoscope were made available by Lambert-Gann Publishing in the early to mid eighties but to my knowledge this chart is no longer available for sale to the general public. This is the only original Gann chart discussed in this book which is currently not available.

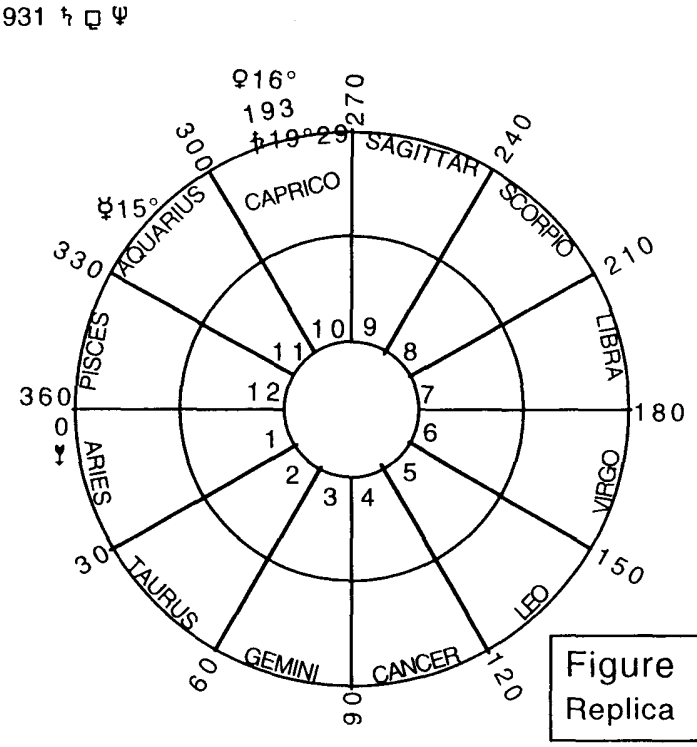

Figure 4-12
Replica #8

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Next I will present several replicas of an actual Gann Circle Chart which was first published in the February 1983 W.D. Gann Technical Review. The W.D. Gann Technical Review is no longer published but all the back issues are currently available from Lambert-Gann Publishing. The Circle Chart published in the W.D. Gann Technical Review is monochrome and reduced to about three square inches from the much larger color original so not all the writing which Gann put on this chart is legible. These replicas will prove that Gann used his Circle Chart to perform the same analysis that we saw on the previous egg horoscope. Figure 4-13 on the opposing page is the first replica of the Circle Chart Gann used to analyze the rye market. My research has shown that the Circle Chart was Gann's first Price and Time Chart. I believe that as Gann developed his financial astrology ideas he placed prices on the horoscope and called it the Circle Chart.

Let's examine the construction of the Circle Chart. The numbers on the inside of the Circle Chart start with 1 on the right side of the inner ring. The numbers move counterclockwise around to 24 then move out to the second ring to 25. There are twenty-four numbers in each ring. The original rye Circle Chart goes up to 576, which is the square of twenty-four so there are twenty-four rings of twenty-four numbers. The Circle Chart in Figure 4-13 goes up to 360, then has a break in the wheel and finally completes the last two rings ending at 576. The complete chart is too large to fit on one page so I added this break in the wheel. Around the outside of the Circle Chart, Gann placed several astrological cycles which he correlated to the prices. First, starting on the right side of the Circle Chart, are the degrees in 15° increments which represent the degrees of the zodiac. These are used to correlate the orbital cycle of any planet to the numbers on the Circle Chart. Second are the dates of the year, starting with March 20. These dates represent the sun's motion through the sky. Third, Gann listed the time of day in hourly increments starting with 6 AM. This represents the earth turning on its axis and would be used with intra day price movements. That concludes the basic construction of Gann's Circle Chart.

Now let's examine what Gann wrote on the Circle Chart in Figure 4-13. First, notice that Gann wrote the date and price of a rye market high shown as "1951, Dec 12 high 220½" below the Circle Chart. Second, Gann circled the high price of 220 and wrote the same identifying information for this price on the outside of the chart above the price. He then drew an arrow from this information down toward the price 220. This can be seen on the outside of the Circle Chart next to the "10 AM". Next, Gann wrote the planetary glyphs and their longitudes on the Circle Chart for the date December 12, 1951. Off to the lower right of the Circle Chart I have listed what Gann wrote on the chart. For some of the planetary glyphs, Gann included the zodiac sign in which the planet was located. For example Gann wrote "☉20°♐." This is important because it identifies that Gann did in fact use the Circle Chart as a zodiac. The first two 15° sections are Aries, the second two are Taurus and so on around the chart. For the planets which Gann did not write a zodiac sign I added the sign in parentheses to the right of the glyph, on the list which I added. Figure 4-13 clearly shows that Gann used the Circle Chart to perform financial astrology analysis.

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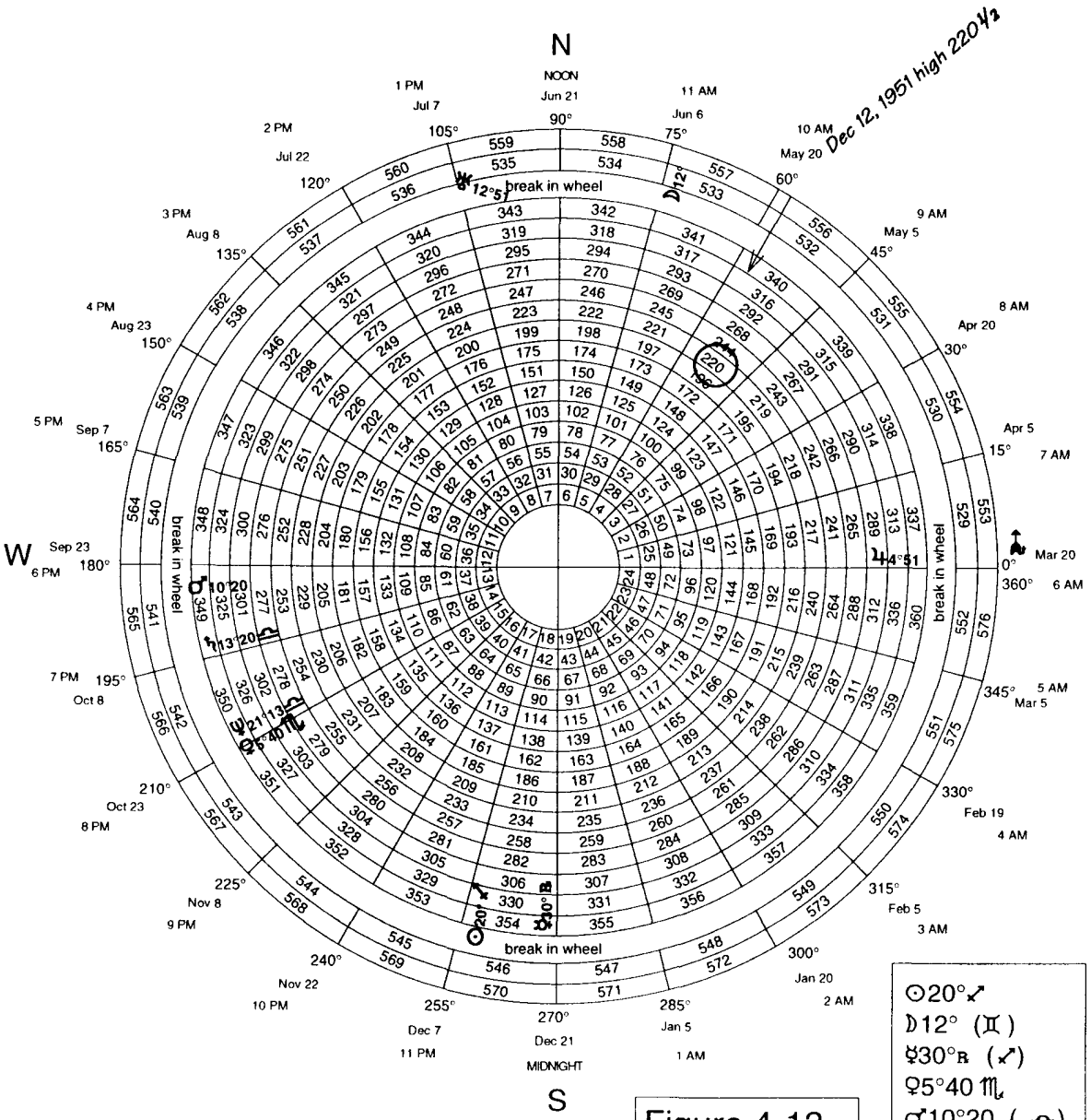

1951, Dec, 12 high 220½

Figure 4-13
Replica #9

☉20°♐
☽12° (♊)
☿30°R (♐)
♀5°40 ♏
♂10°20 (♎)
♃4°51 (♈)
♄13°20♎
♅12°51 (♋)
♆21°13 ♎

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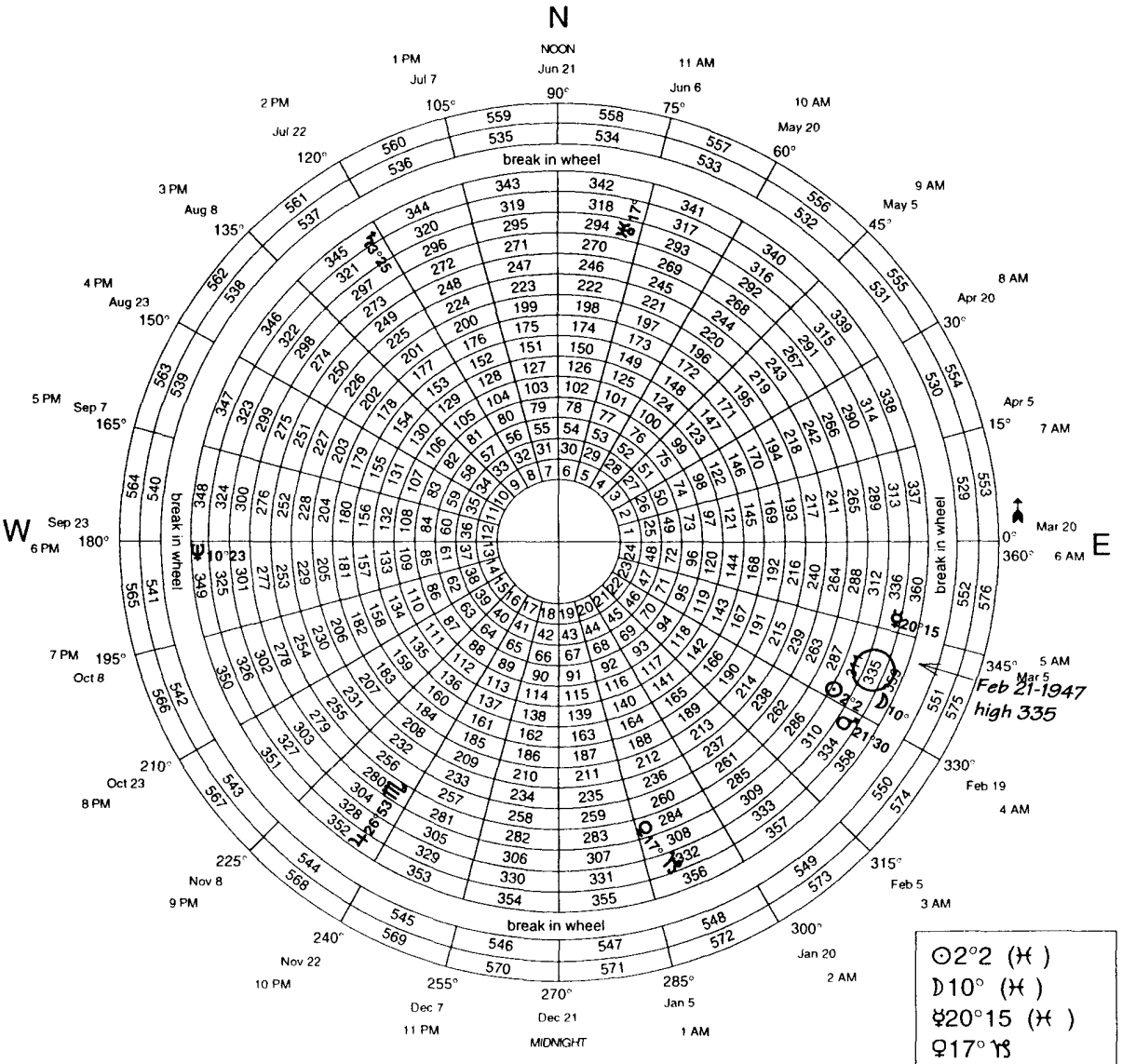
Figure 4-14 below is the second replica of the same Circle Chart Gann used with the rye market. Notice that Gann wrote the date and price of the high "1947, Feb, 21 Cash Rye high 335" below the Circle Chart. Gann then circled the high price of 335 and wrote the identifying information on the outside of the Circle Chart next to the price and drew an arrow to the price. This can be seen on the right side of the chart next to "5 AM". Finally Gann wrote the planetary glyphs and longitudes for the date February 21, 1947 on the Circle Chart. A list of the glyphs and longitudes on this Circle Chart has been added at the lower right side of Figure 4-14.



1947, Feb, 21 Cash Rye high 335

Figure 4-14
Replica #10

☉2°2 (♓)
☽10° (♓)
☿20°15 (♓)
♀17° ♈
♂21°30 (♒)
♃26°53♏
♄3°25 (♌)
♅17° (♊)
♆10°23 (♏)

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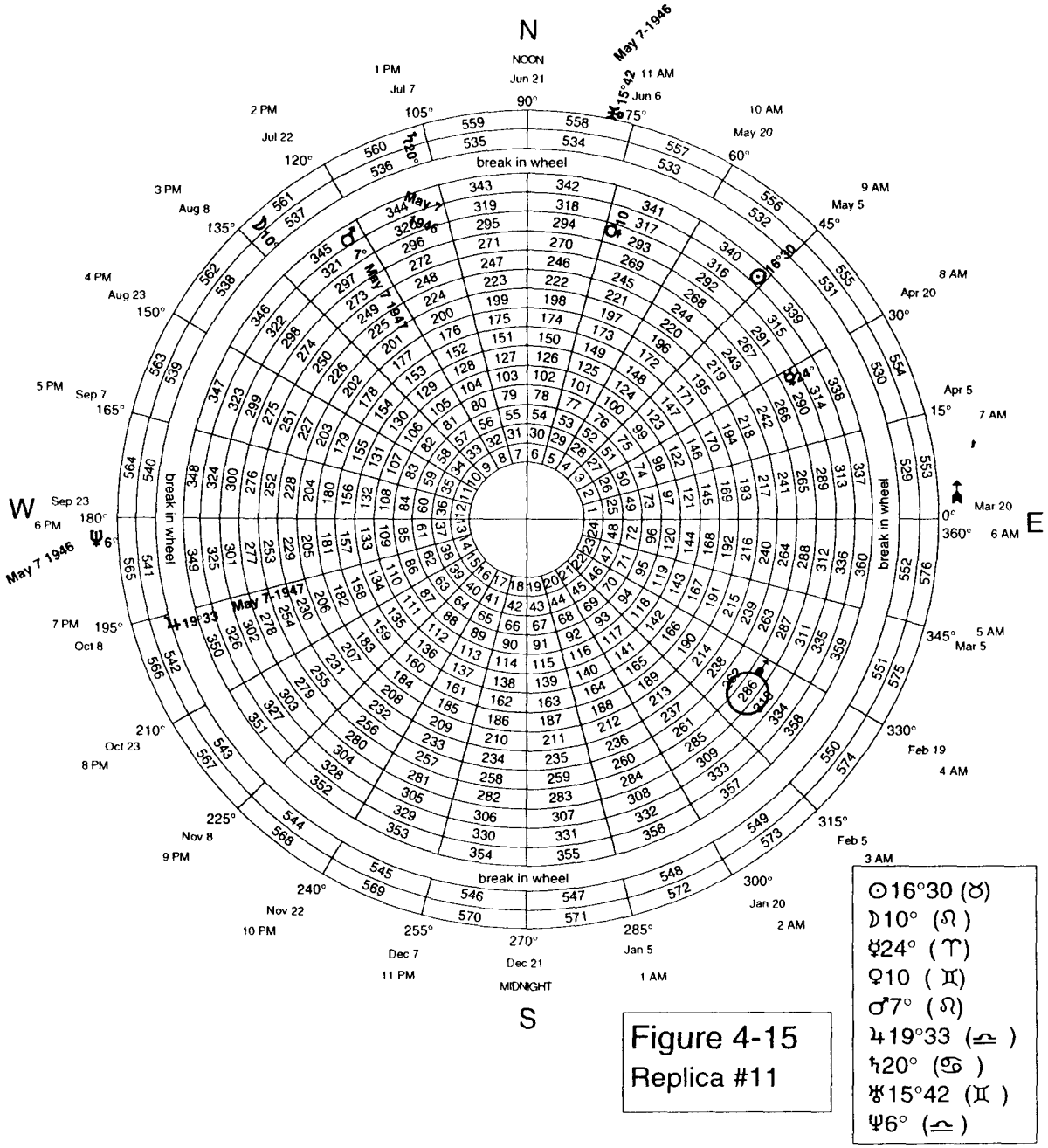
Figure 4-15 is the last replica of Gann's rye market Circle Chart. Notice that Gann did not write the date and price of the market turning point below the Circle Chart but instead wrote the date next to most of the corresponding planetary glyphs. The date is May 7, 1946. Next to Jupiter and Mars Gann accidentally wrote 1947. This was a mistake. Gann did not list a price for this date but by cross referencing May 7, 1946 with the rye price chart which comes with the W.D. Gann Commodity Course you can determine May 7, 1946 was a market high of 286. On the Circle Chart Gann had circled the price 286 confirming this is the correct top.



⊙16°30 (♉)
☽10° (♌)
☿24° (♈)
♀10 (♊)
♂7° (♌)
♃19°33 (♎)
♄20° (♋)
♅15°42 (♊)
♆6° (♎)

Figure 4-15
Replica #11

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The specific method Gann applied to the egg horoscope and rye Circle Chart is revealed in the following quotation from Gann's Master Egg Course.

> Most all the important highs and lows on Eggs are shown on this chart. The low prices have a red circle around them. The high prices have a green circle around them. This will enable you to see when the price is at the same longitude of the previous high and low price, or when the price is 90, 120, 180 and so forth, from the previous high and low price.
> W.D. Gann, Master Egg Course, 1949, p.141

The chart Gann referred to in this quotation is the Circle Chart. This quotation specifically states that Gann was looking for tops and bottoms to occur on longitudes related to the longitudes of previous tops and bottoms. When we put this quotation in the context of the astrology on Gann's egg horoscope and rye Circle Chart it becomes clear that Gann was correlating the astrological longitudes of previous turning points with the astrological longitudes of current turning points.

To discover more about the astrology methods Gann used with the Circle Chart we again will use the word natural as a literary key to unlock Gann's writings. Below are the first three lines from a paragraph on page 141 of Gann's Master Egg Course.

> Example: 1500 was the lowest price October Eggs ever sold. This was May 28, 1932, and the longitude of the price was 60° and the date was May 21. This means that the price occurred 7 days from the natural angle. ....
> W.D. Gann, Master Egg Course, 1953, p.141

Figure 4-16 is a ninety degree section of an actual Gann Circle Chart which comes with the W.D. Gann Commodity Course and is the chart Gann mentioned in the above quotation. Notice that Figure 4-16 is not divided into 15° increments like the previous rye Circle Chart. It is divided into 72, 5° increments. This variation shows that Gann did not have one standard division for the Circle Chart but adjusted the number of divisions on the Circle Chart as he saw fit.

In the quotation just above Gann identified the price and date of the October egg contract's all time low as, 1500 on May 28, 1932. On Figure 4-16 the low price 1500 is circled. Next in the quotation Gann provided the price's coordinates on the Circle Chart when he wrote "the longitude of the price was 60° and the date was May 21". When Gann made a Circle Chart he offset a number from the degree line which it actually represented. On Figure 4-16, the price 1500 is right next to the 60° line. Another way to show that 1500 is on the 60° line is to look on Figure 4-16 to the date Gann assigned to the 60° line. That date is May 21. This should make it clear what Gann meant when he wrote "the longitude of the price (1500) was 60° and the date was May 21".

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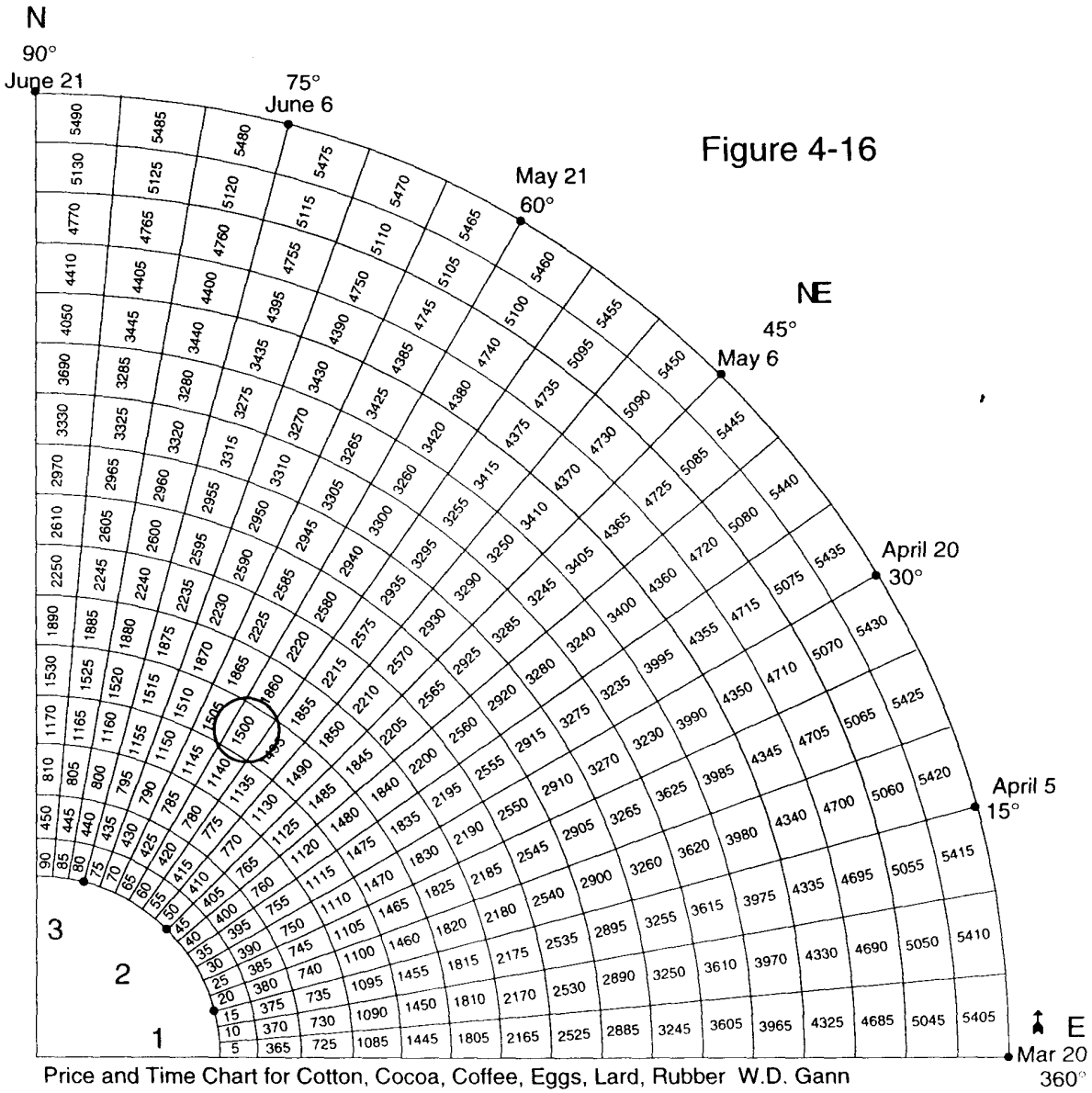

Figure 4-16

Price and Time Chart for Cotton, Cocoa, Coffee, Eggs, Lard, Rubber W.D. Gann

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The last sentence in the quotation we are discussing from Gann's Master Egg Course reveals the astrological analysis Gann performed on the egg Circle Chart. Gann wrote, "This means that the price occurred 7 days from the natural angle." If we look up the longitude of the sun on the date of the low price, May 28, 1932, we can see that it is 7° Gemini or 67°. This shows that the low price of 1500 which had a longitude of 60° was 7° away from the longitude of the sun when the low occurred. The sun moves approximately one degree per day and was on the longitude of the price (60°) seven days earlier. This explains what Gann meant when he said the price occurred 7 days from the natural angle. The "natural angle" is the sun's longitude and the low price 1500 occurred 7° or 7 days away from the longitude of the sun. This can be seen on Figure 4-17 where I have added the sun's glyph on the outer ring of the Circle Chart. The line drawn from the sun's glyph to the center of the Circle Chart represents the sun's longitude on May 28, 1932, the date of the low. Figure 4-17 shows that the longitude of the sun is 7° away from the longitude of the price, exactly as Gann wrote.

This Circle Chart method uses the same basic concept as the Pythagorean method which was discussed in Volume 1. The idea is that the planets move around the outside of the Price and Time Chart and the planet's longitude represents a natural angle which is important for causing tops, bottoms and resistance levels. To review the Pythagorean method see Chapter 10 of Volume 1.

The quotation below is from Gann's Master Egg Course where he discussed the Circle Chart used in this example. Notice that Gann openly wrote that the natural angles are based on the earth and sun's natural position, which is what I revealed in this example and is shown on Figure 4-17.

> It requires 365¼ days for the earth to make 1 complete revolution around the sun and move 360°. These natural angles and time periods are based on the earth and sun's natural position.
>
> W.D. Gann, Master Egg Course, 1953, p.140

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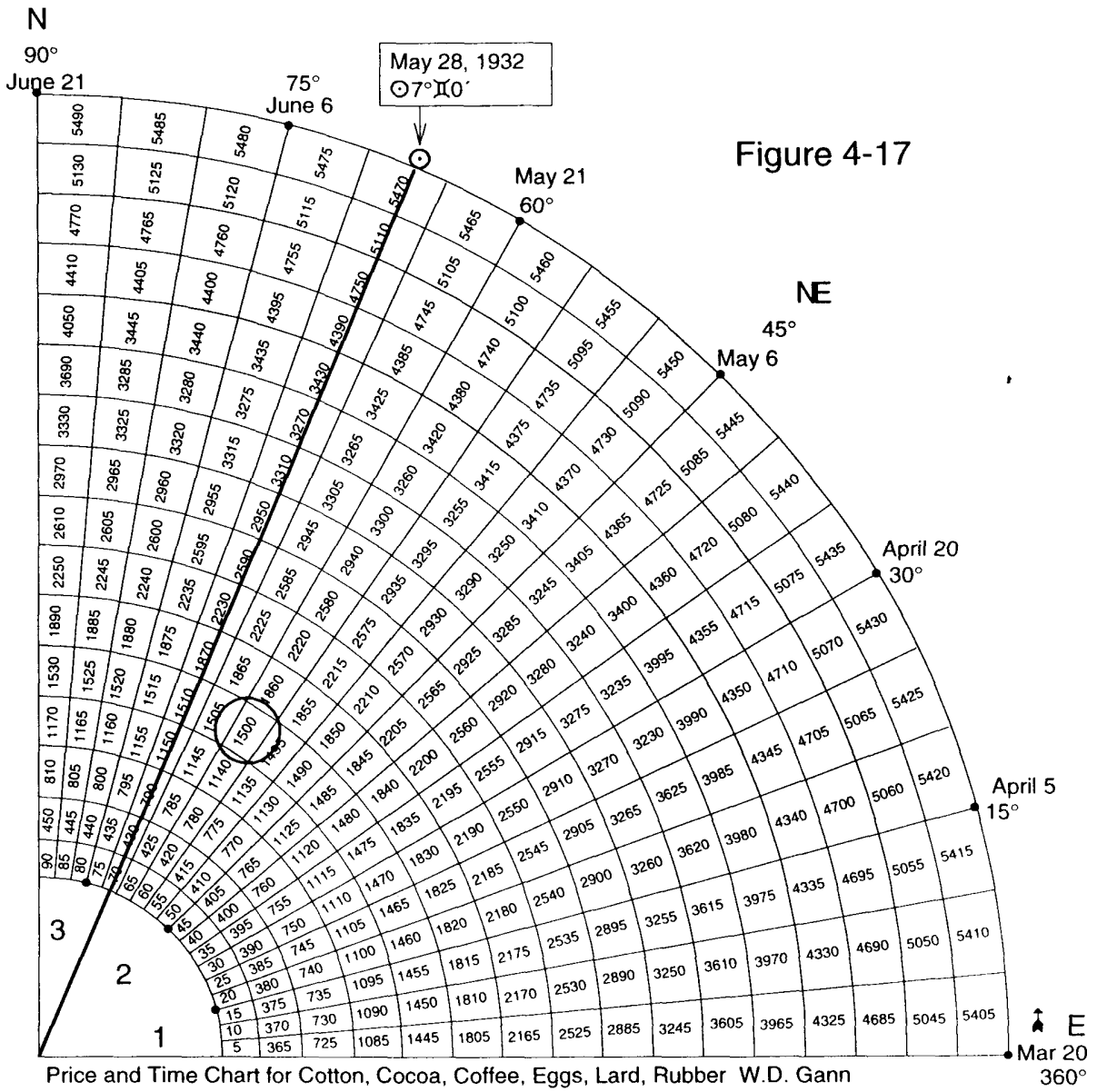

Figure 4-17

Price and Time Chart for Cotton, Cocoa, Coffee, Eggs, Lard, Rubber W.D. Gann

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Gann died in June of 1955 so his 1954 Soybean letter was one of the last documents he wrote. In this letter Gann provided two pieces of information which are important for our understanding of the Circle Chart. First Gann described the correct price to longitude correlations when he wrote "300 Price equals 30° Virgo. 302 Equals 30° Libra. 304 equals 30° Scorpio." This is very important because it proves that Gann offset the prices between the 15° longitude lines rather than placing them on top of the 15° lines which they actually represent. Figure 4-18 is a 90° section of a Circle Chart the way Gann set the chart up and Figure 4-19 is the same 90° section of a Circle Chart with the prices on the longitude line which they actually represent. When I show an example of a Circle Chart, the prices will be adjusted to the correct longitude because this provides a better understanding of the price to longitude relationships the Circle Chart represents.

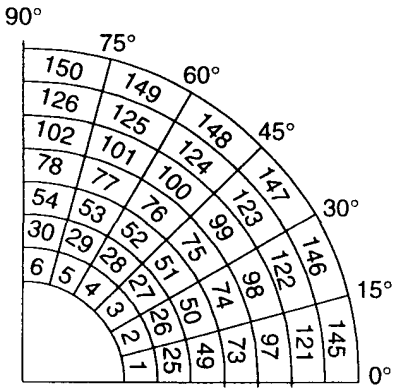

Figure 4-18

Ajusted prices

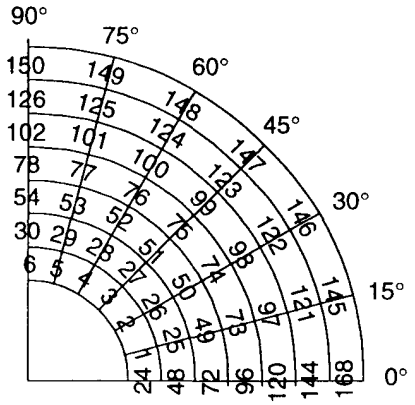

Figure 4-19

In his 1954 Soybean letter Gann also described the proper way to subdivide the Circle Chart when dealing with fractions when he wrote "...May Soybeans high 311¼. This equaled 18° 45′ in Pisces...". The actual increments which Gann used on the Circle Chart were most likely the minimum price fluctuation of the stock or commodity. This means that you do not round the price up or down to a whole number but convert the actual price into degrees based on its position between two whole numbers. For example, on the Circle Chart, 290 is at 0°♉0′ and 291 is at 15°♉0′ so half-way between these two numbers would be half-way between these two longitudes making 290½ equal to 7°♉30′. The same is true for any division of a whole number. Figure 4-20 is a 90° section of a Circle Chart which I have set up to show how the price to longitude correlations on the Circle Chart work out for anything which moves in one-fourth increments such as soybeans. One-fourth of each 15° section produces a 3° 45′ zone. It appears Gann used this zone something like an orb meaning that anything within 3° 45′ of the price would be considered an accurate correlation.

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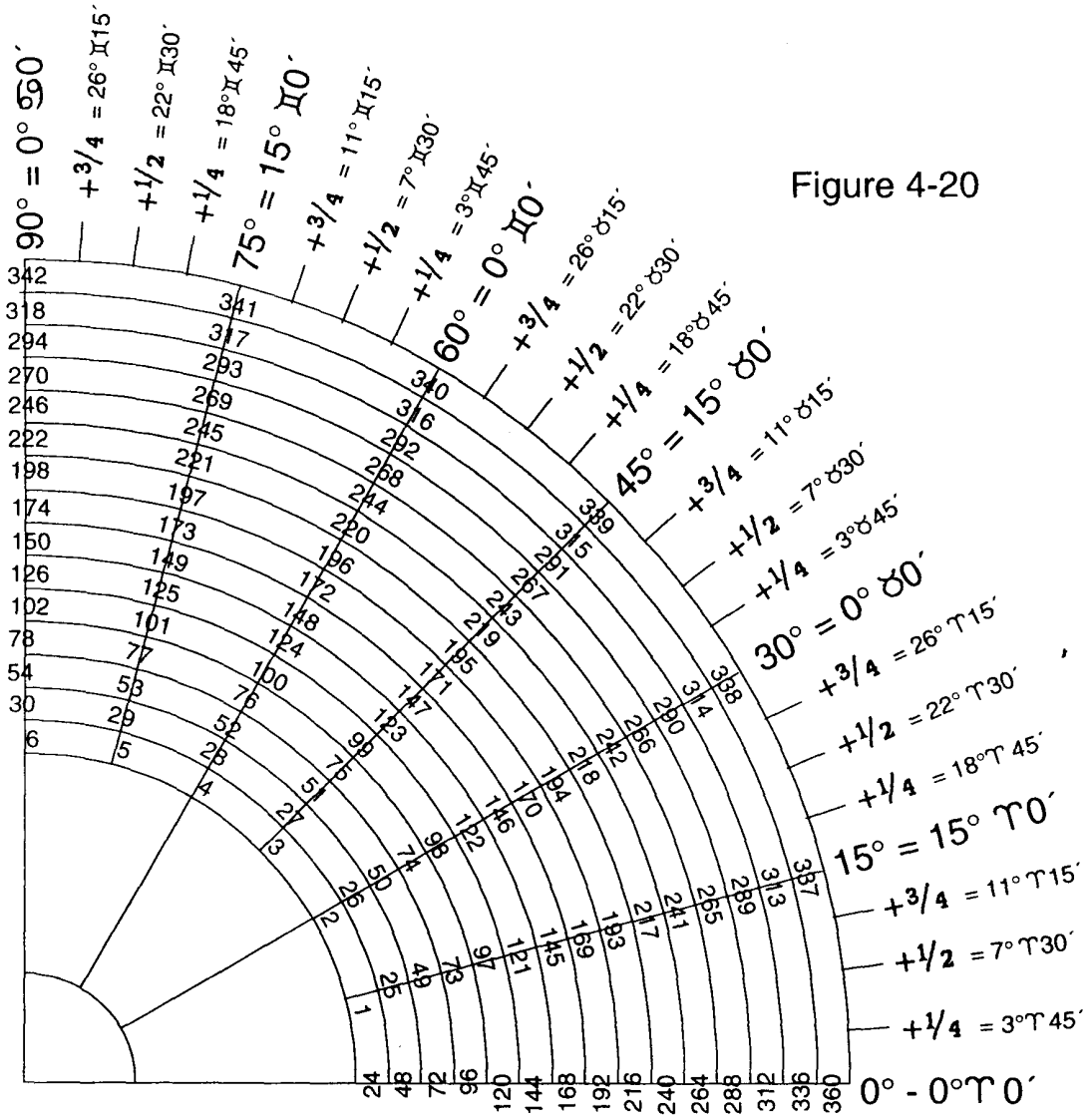
Figure 4-20



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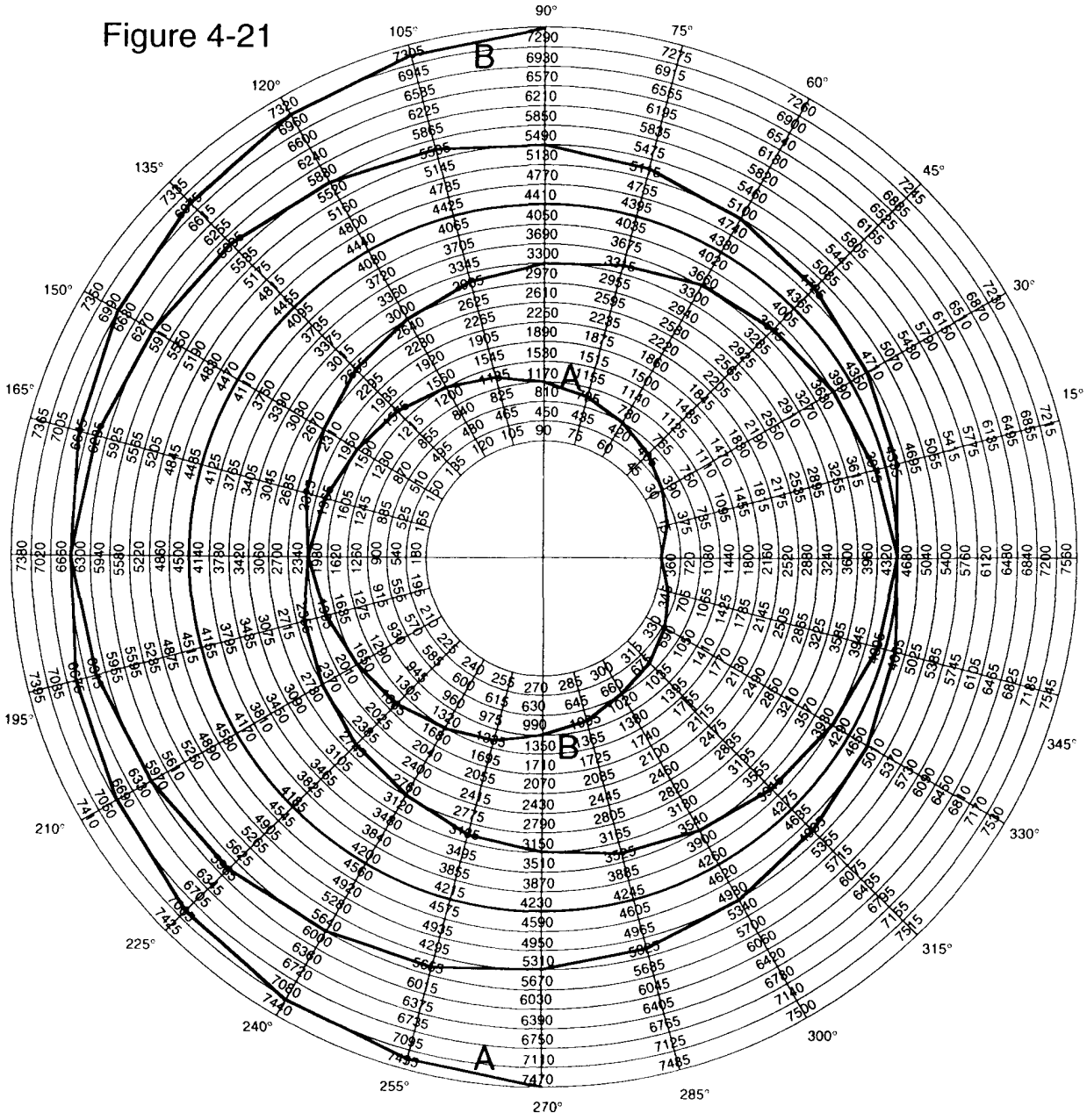
Gann used what he called a square chart which is the Circle Chart made in the shape of a square. The square chart on the opposing page labeled Figure 4-22 has the numbers on the same degree line as the Circle Chart below labeled Figure 4-21. On the square chart the 45° angles labeled "A" and "B" are the same as the dark spiraling lines labeled "A" and "B" on the Circle Chart below. Compare the position of the numbers on Figure 4-21 and Figure 4-22.

Figure 4-21



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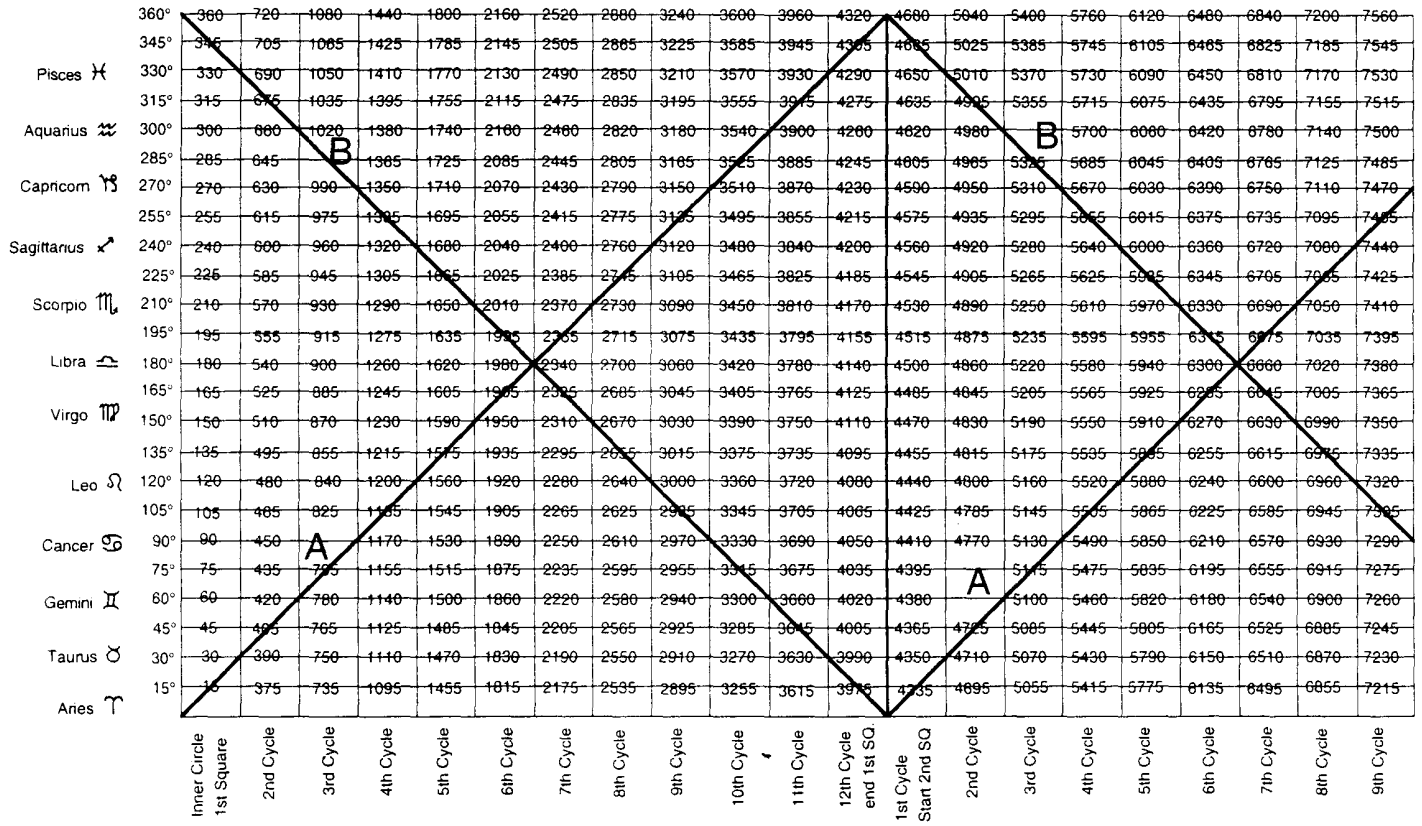
Let's examine how the square chart is constructed. Gann called each column of numbers on the square chart a "cycle". The square chart starts at the bottom left corner with 15 and moves up to 360. This first column of numbers on the square chart in Figure 4-22 is the inner ring on the Circle Chart shown in Figure 4-21. Next, the numbers on the square chart move from the top of the first column to the bottom of the second column which starts the second cycle. Gann called the chart in Figure 4-22 the "Master 360° Square of 12" because each square has twelve cycles. The first square of twelve cycles ends with the number 4320 and the second square starts with 4335.

Figure 4-22



Gann also used square charts which moved in increments of 1 or had each cycle contain twelve numbers rather than twenty-four numbers and Gann used a few other variations. The way Gann made a square chart was to place the numbers between the fifteen degree lines the same way he made the Circle Chart. On Figure 4-22, I shifted the numbers upward to their correct position to the degree line with which they are actually correlated.

In my opinion, Gann used the square charts for two main reasons. First, the square chart allowed Gann to easily experiment with different divisions of the zodiac. Figure 4-21 and Figure 4-22 divide the zodiac into 24 sections. If Gann wanted to experiment with the zodiac divided into an unusual number such as 17 or a very large number such as 90, it would be very difficult to make such a Circle Chart. By using a square chart Gann could quickly lay out a zodiac divided into any unusual number or any large number. The second reason Gann used the square chart has to do with lines "A" and "B" on Figure 4-21 and Figure 4-22. Lines "A" and "B" are very simple on the square chart but are very complex on the Circle Chart. Besides lines "A" and "B" Gann also used 45° lines starting from the left edge of the square chart at the 90° line, 180° line and the 270° line. This created a web of 45° lines which is simple to use on the square chart but almost impossible to transfer to the Circle Chart.

Below is a quotation from a discussion of the "Master 360° Square of 12" in Gann's Master Egg Course in which Gann used the word "natural" to identify the Dec. 28, 1920 high of 60.00¢.

> Example: 1920 December 28 Eggs high 60 cents per dozen. Note that this was in the fifth cycle of a second square of 12 x 360 and on the 270° or 3/4 of the circle, and where a 45° angle moving up from the 9 cycle crossed at a 45° angle moving down from the end of the first square or from 4320 crossed at 60 cents, making this a strong natural resistance level. To get the cycles of 360° back from this price, you move back on the same line, or on the 270° line. This gives the resistance levels at 5640, 5280, 4920, 4560, 4200, 3840, 3480, 3120, 2760, 2400, 2040, 1680, 1320, 960, 600 and 240 which represents the degree of the highest price.
> W.D. Gann. Master Egg Course, 1949, p.122

In this quotation Gann made a typographical error when he wrote that 60 cents or 6000 is "on the 270° or 3/4 of the circle" and then a second time when he wrote "To get the cycles of 360° back from this price, you move back on the same line, or on the 270° line." This is important because 6000 is not on the 270° line; it is on the 240° line. Figure 4-23 is the square chart which Gann discussed in the quotation above. On Figure 4-23, I have circled the high price 6000. If you follow the line that 6000 is on, back to its starting point on the left of Figure 4-23 you can see that it is on the 240° line. This can also be seen in the last sentence of Gann's quotation where he actually lists the numbers on the same degree line as 6000 and you can see he lists the last number as 240 identifying that 6000 is on the 240° line.

On page 35, Figure 4-17 showed that Gann correlated the longitude of the sun on the outside of the Circle Chart with the longitude of a price on the inside of the Circle Chart. Gann concealed the same astrology method in the above quotation dealing with the square chart but used Mercury instead of the Sun. Gann wrote that 60¢ is "a strong natural resistance level" because on December 28, 1920 when the high occurred, heliocentric Mercury crossed over 240° which is the longitude of the high price 60¢. On Figure 4-23, I have circled 6000 and placed "H☿" representing heliocentric Mercury at each end of the 240° line showing that this top was made against this planetary longitude on this square chart.

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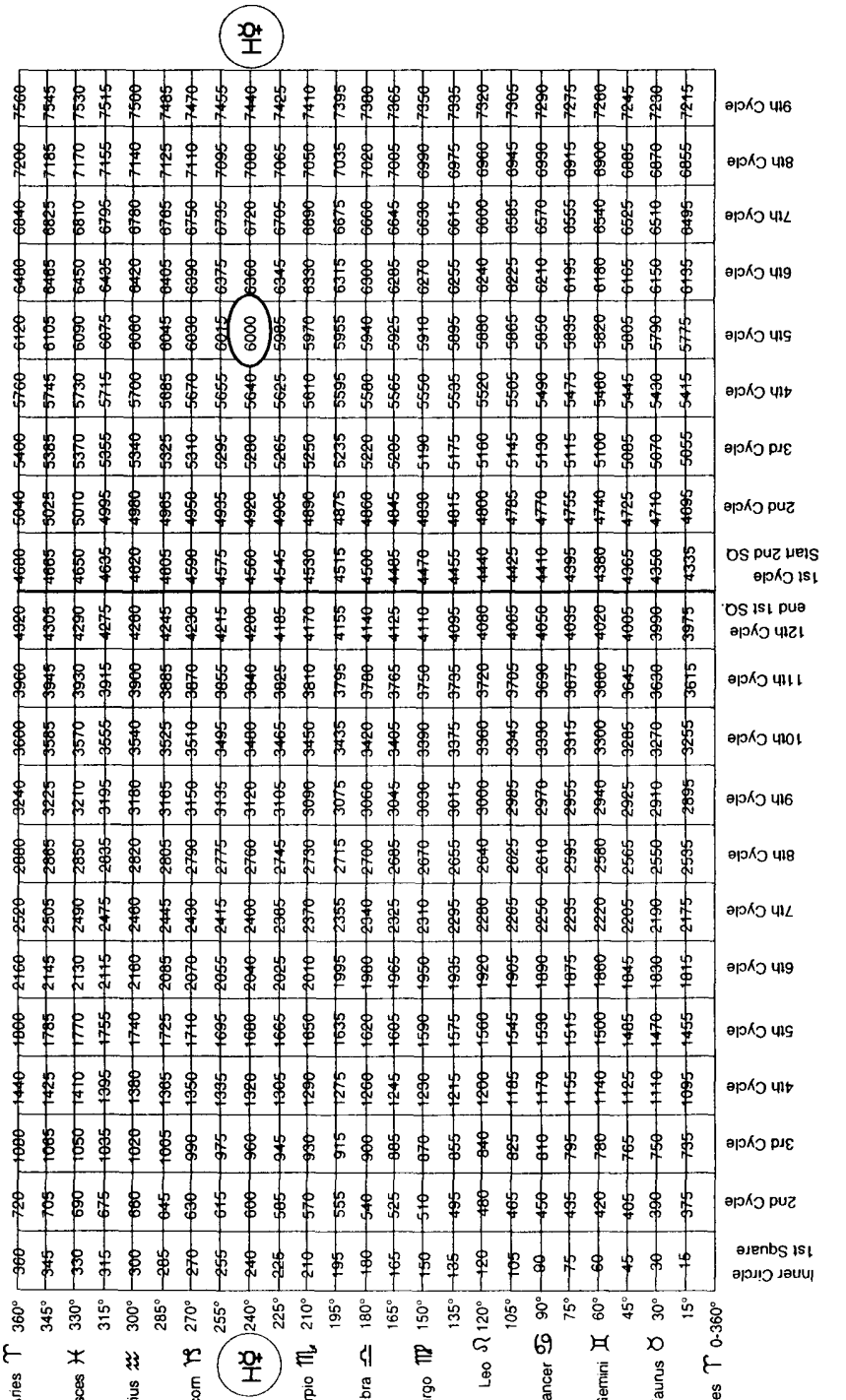
Figure 4-23



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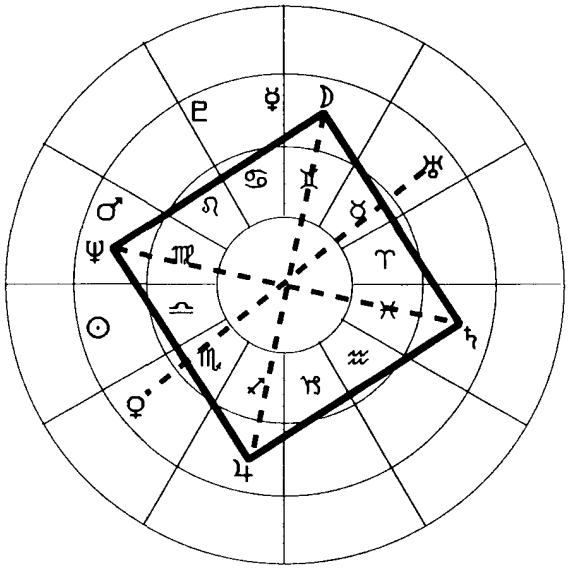
Next we are going to revisit Gann's 1954 soybean letter and Speculation: A Profitable Profession. Earlier I pointed out that these two documents were written at the same time and contained material which was complementary. The methods Gann concealed in both of these documents deal with soybeans so we will start by taking a look at the soybean horoscope. The date Gann provided in his 1954 Soybean letter for the first trading day of soybean futures was October 5, 1936. Figure 4-24 is the soybean futures first trade horoscope. The horoscope below does not use the ascent or a house system because Gann did not provide the exact location or time soybean futures started trading which indicates that he did not intend for us to use them. The amount of variance or orb which I have allowed each aspect is a maximum of two degrees. Notice on Figure 4-24 there are three oppositions and four squares which involve the moon, Venus, Jupiter, Saturn, Uranus and Neptune. The planets which are forming square aspects in Figure 4-24 are connected by a solid line and the planets forming oppositions are connected by dotted lines.

Soybean 1st Trade Horoscope



☽ ☌ ♃ - off by .5°
♀ ☌ ♅ - off by .133°
♄ ☌ ♆ - off by .066°
☽ □ ♄ - off by 1.033°
☽ □ ♆ - off by .966°
♃ □ ♄ - off by 1.533°
♃ □ ♆ - off by 1.466°

Soybeans 1st Trade
October 5, 1936

Figure 4-24

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The fact that Gann talked openly about astrology in his 1954 soybean letter has fooled everyone who has seen it into believing that the letter contains only what you see on the surface. Whenever Gann wrote about the markets, he almost always concealed a deeper level of knowledge and his 1954 soybean letter is no exception. In this letter Gann defined "active angles" by writing "Prices and Time Periods where the longitude of the major planets are or where the squares, triangles, oppositions are to these planets." This is the astrological method of converting planetary longitudes into prices which was presented in Chapter 2 of this book. To discover what the active angles really are, look at the quotation below from the 1954 soybean letter where Gann gives a specific example of an active angle.

> Examples of live, active angles: At the present writing, Jan. 18, 1954, Saturn Geocentric is 8 to 9° Scorpio. Add the square or 90° gives 8 to 9° Aquarius and equals the price 309 for May Beans.
>
> W.D. Gann, Personal Soybean Letter, January 18, 1954

In this quotation Gann reveals two specific examples as active angles, the longitude of Saturn at 8 to 9° Scorpio(♏) and one of the square longitudes to Saturn at 8 to 9° Aquarius(♒). Now look back at the list of degrees next to the soybean 1st trade horoscope in Figure 4-24. The soybean 1st trade longitude of Venus is 8°♏27′. It is no coincidence that the longitude of Saturn which Gann lists as an active angle, 8 to 9° Scorpio(♏), is crossing over the 1st trade longitude of Venus, 8°♏27′. This can be seen in Figure 4-25 below. Gann also listed the square longitude, 8 to 9° Aquarius, as an active angle. This reveals the secret truth that Gann's active angles are 1st trade longitudes which are currently being crossed over or aspected by a planet. In his 1954 soybean letter Gann provided two more examples which will prove this definition of active angles is correct.

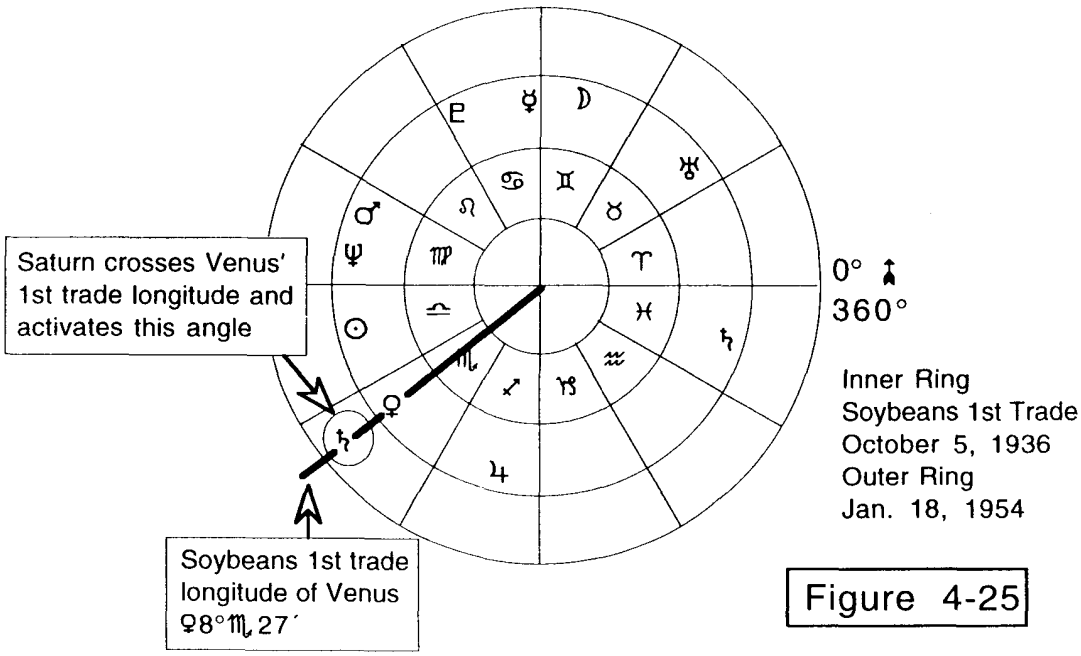

Figure 4-25

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In the quotation below Gann wrote about the Circle Chart and provided more evidence that our definition of active angles is correct.

> Example: Dec. 2, 1953, May Soybeans high 311¼. This equaled 18° 45′ in Pisces, close square or 90° of Jupiter, 135° to Saturn and 180° of the averages, and 120° of Uranus. 300 Price equals 30° Virgo. 302 Equals 30° Libra. 304 equals 30° Scorpio.
> W.D. Gann, Personal Soybean Letter, January 18, 1954

Figure 4-26 is a Circle Chart horoscope for the 1st trading day of soybean futures. In the above quotation, Gann converts 311¼ into 18°♓45′ which is very close to the 1st trade longitude of Saturn 17°♓24′. In this quotation, Gann indicated that Jupiter, Saturn, Uranus and "the averages" are forming aspects with the longitude of the price. In Chapter 2 we discussed the fact that in Gann's 1954 soybean letter, he said that averaging the longitudes of several planets can identify points of support and resistance. The planetary average to which Gann referred to in this quotation might be the average longitude of Mars, Jupiter, Saturn, Uranus and Neptune which is 162.9°, but there is no way to be sure. The four aspects Gann identified in this quotation are from 1° to 4° away from being exact. Remember the definition of an active angle is a 1st trade longitude which is being aspected. These aspects are what Gann believed activated the 1st trade longitude of Saturn, causing the 311¼ high. This is shown in Figure 4-26.

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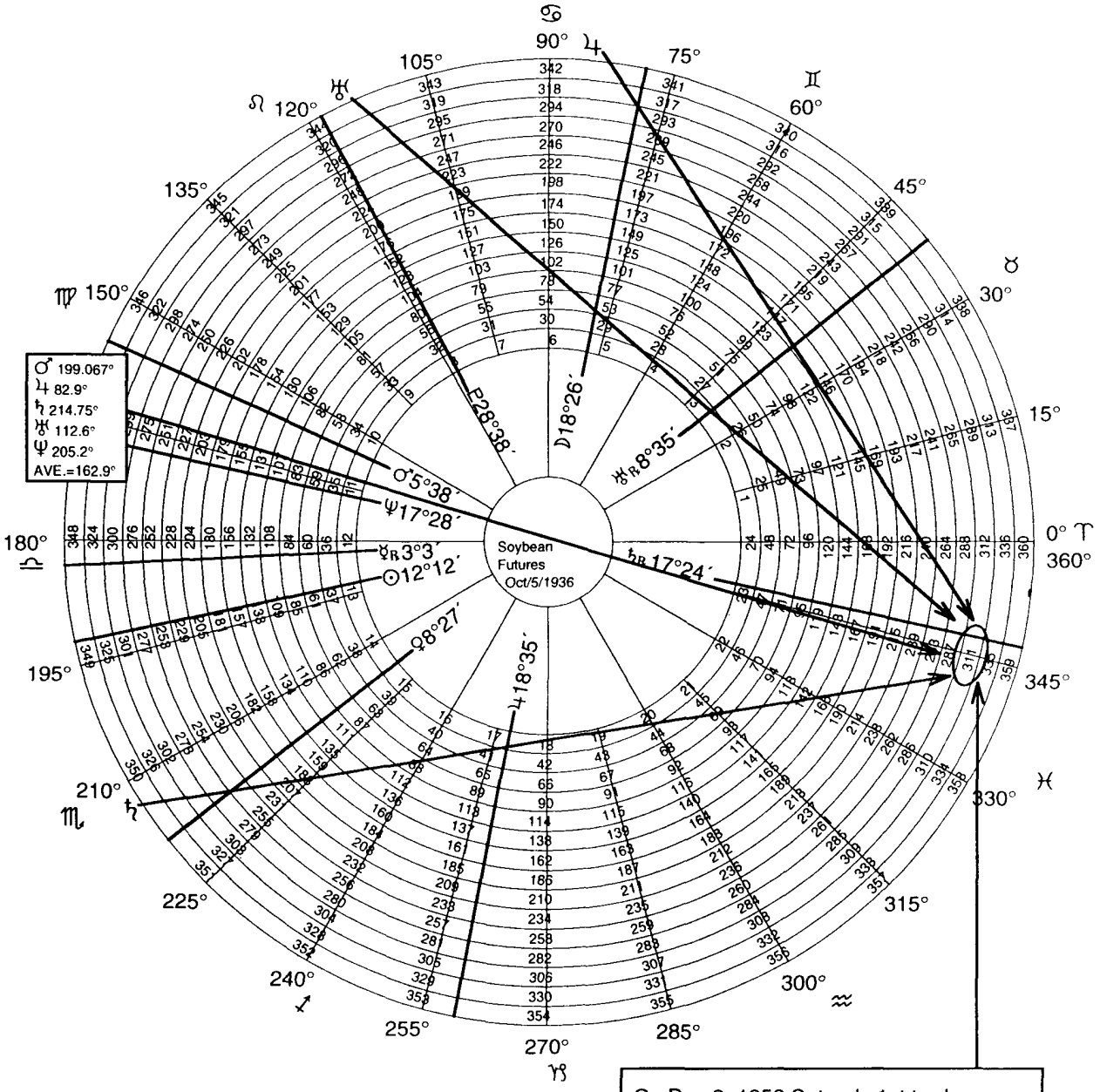

Figure 4-26

On Dec 2, 1953 Saturn's 1st trade longitude was activated by forming aspects with Jupiter, Saturn, Uranus and "the averages" and this caused the 311 ¼ high.

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The quotation below provides information on the trade which followed the 311¼ top shown in Figure 4-26.

> Having before you all the information outlined above, you would certainly have gone short of May Soybeans on Dec. 2, 1953 and cover your short on Dec. 17 at 296 because the price was down to the 45 degree angle from 44 on the monthly high and low chart.
> W.D. Gann, Personal Soybean Letter, January 18, 1954

In the quotation just above, Dec. 2, 1953 identifies the 311¼ top which I just explained. In this next example, I will focus on the second date, Dec. 17, 1953, when the price was 296. After the 311¼ high on Dec. 2 the price of May soybeans fell and moved around the Circle Chart passing over the soybean 1st trade longitudes of Jupiter, Venus, Sun, Mercury, Neptune and Mars to stop on the price 296. On Figure 4-27 you can see that the 1st trade longitude of Pluto, 28°♋38′ crosses over the price 296. Why did Gann want us to cover the short position at the 1st trade longitude of Pluto and not one of the other 1st trade longitudes? The answer is that on the date Gann identified in the above quotation, Dec. 17, 1953, Mars moved onto 28°♎, which formed a square with and activated Pluto's 1st trade longitude of 28°♋. This shows that the price of May soybeans moved up to the activated 1st trade longitude of Saturn at 311¼ and then fell to the activated 1st trade longitude of Pluto at 296. This can be seen on Figure 4-27. The secret of the active angles is what Gann wanted the recipient of his soybean letter to find as they studied the dates, prices and longitudes in his letter.

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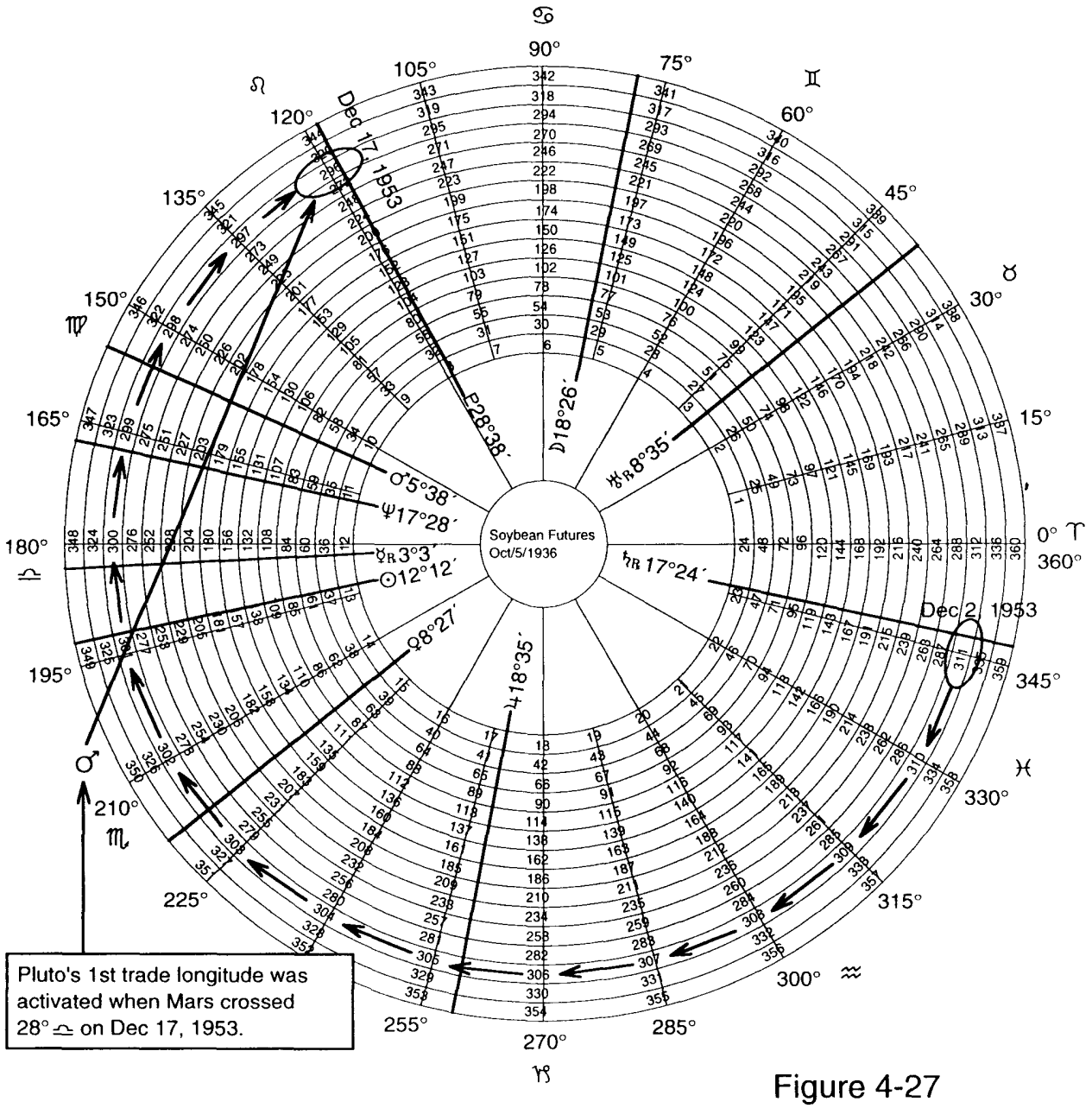

Pluto's 1st trade longitude was activated when Mars crossed 28° ♎ on Dec 17, 1953.

Figure 4-27

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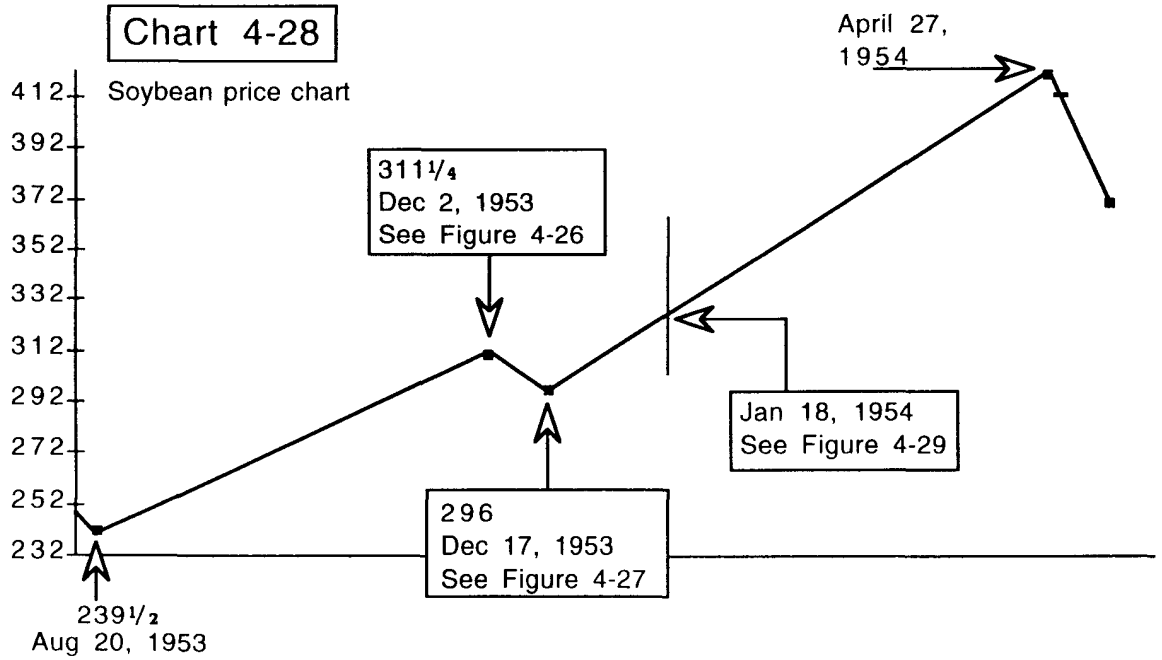
In the quotation below Gann described a scenario which would indicate lower prices if it were to occur.

> On Jan. 18, 1954, the planet Saturn Geocentric is 8° 30′ Scorpio, and 15° Scorpio gives a price of 303, therefore when May Beans declines to 302, they will be below the body or longitude of Saturn and will indicate lower.
>
> W.D. Gann, Personal Soybean Letter, January 18, 1954

Notice that the quotation above uses January 18, 1954 which Gann indicated was the date of an active angle in the quotation shown on page 43. Gann also indicated that this was the date the letter was being written. In the quotation above, Gann said that if the price declined below the longitude of Saturn to 302 it would indicate lower prices. Saturn is a slow moving planet which crosses a little more than 1° per month. The 1st trade longitude of Venus is 8°♏, and Saturn crossed 8°♏, activating Venus' 1st trade longitude from January 8 to 27, 1954. This means Venus' 1st trade longitude would still be activated 9 days after Gann wrote his soybean letter. In this quotation Gann concealed a scenario for the 9 days Venus' 1st trade longitude was active after he wrote the letter. Gann instructed that if the price of soybeans fell below the activated 1st trade longitude of Venus while it was still being activated then we should expect lower prices. This example is shown in Figure 4-29. A general lesson from this quotation is that if the price moves through an active angle it indicates the price will continue moving in the same direction. Chart 4-28 is a soybean price chart made from the turning points Gann identified in Speculation: A Profitable Profession and his 1954 soybean letter.



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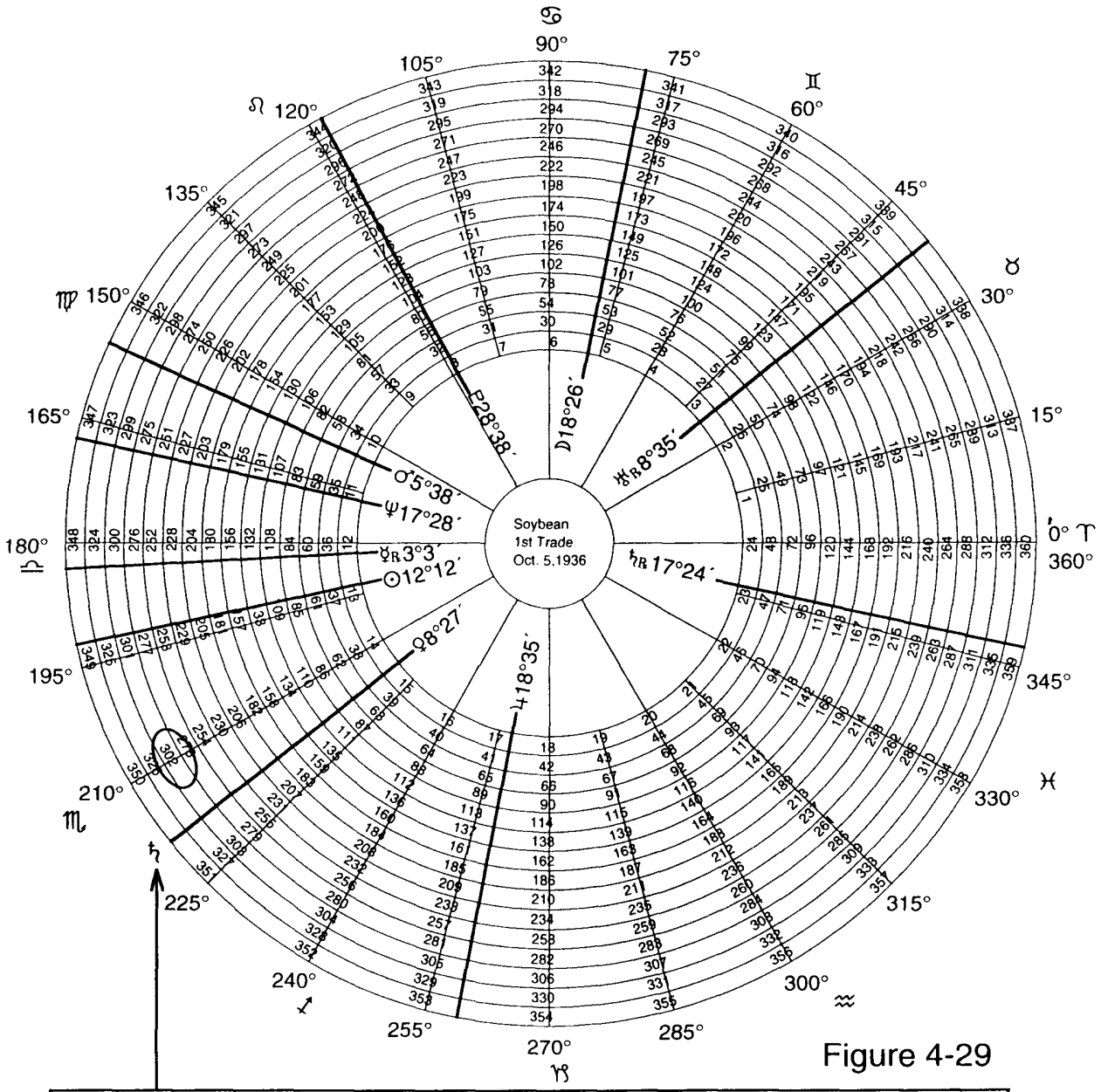

Figure 4-29

As Gann wrote his soybean letter on Jan. 18, 1954, Saturn was crossing over and activating the 1st trade longitude of Venus. The hidden lesson Gann concealed was that if the price fell through Venus' active angle to 302 it would indicate lower prices.

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The next two examples shown in Figure 4-31 and 4-33 will reveal the solution to one of Gann's soybean trades which is identified on page 26 of Speculation: A Profitable Profession. To show the solution to this soybean trade I will use a method Gann concealed in his Master Egg Course and the information he wrote in his 1954 soybean letter.

Gann identified the entry point for his soybean trade when he wrote "The writer sold July Beans short at 412 on April 30, ..." The year for this trade was 1954. On the Circle Chart, the price 412 is on the longitude 0° Gemini 0′ or 60°. On April 30, 1954 geocentric Venus (♀) was at 1° Gemini 55′ or 61.92°. In 1954, ⅛¢ was still the minimum movement for soybeans. The Circle Chart we are using is divided into 15° sections so to find the degree value of ⅛¢ we divide 15° by 8 which yields 1.875°. On the Circle Chart the closest ⅛¢ division to Venus' longitude, 61.92°, is 412⅛ which is just ⅛¢ above 412 where Gann said he sold short. This can be seen on Chart 4-30 and Figure 4-31. Compare Figure 4-31 on the opposing page with Figure 4-17 on page 35 which shows the Circle Chart astrology method Gann concealed in his Master Egg Course. Notice that the method used to show how Gann timed his entry into this 1954 soybean trade in Figure 4-31 is the same method Gann concealed in his 1953 Master Egg Course.

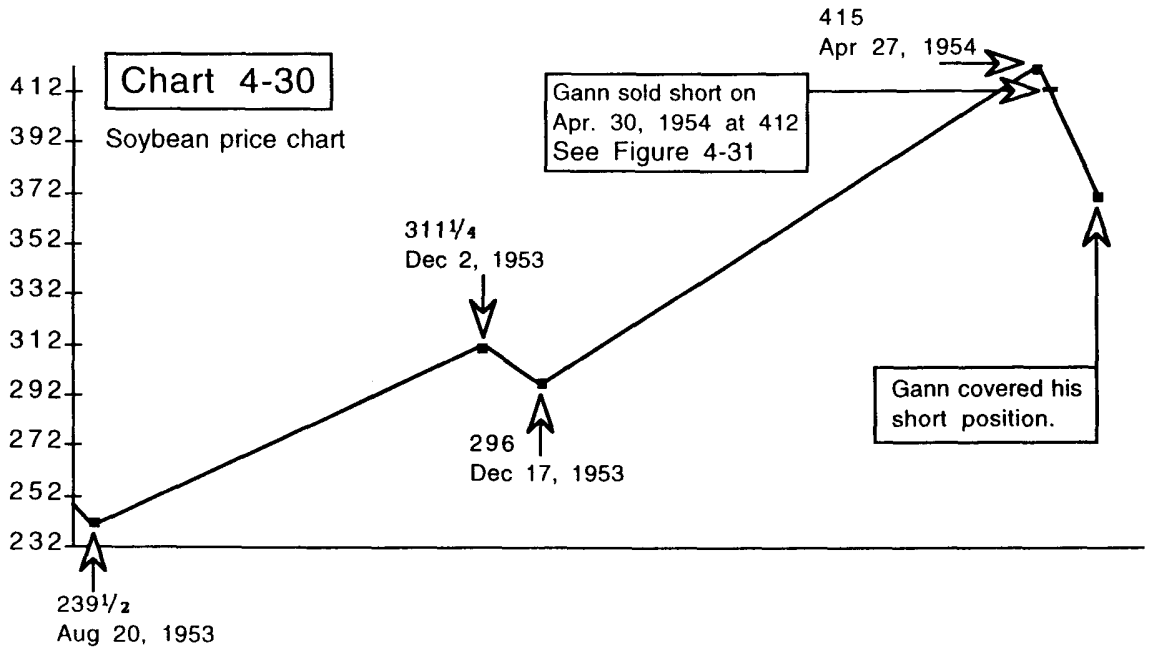

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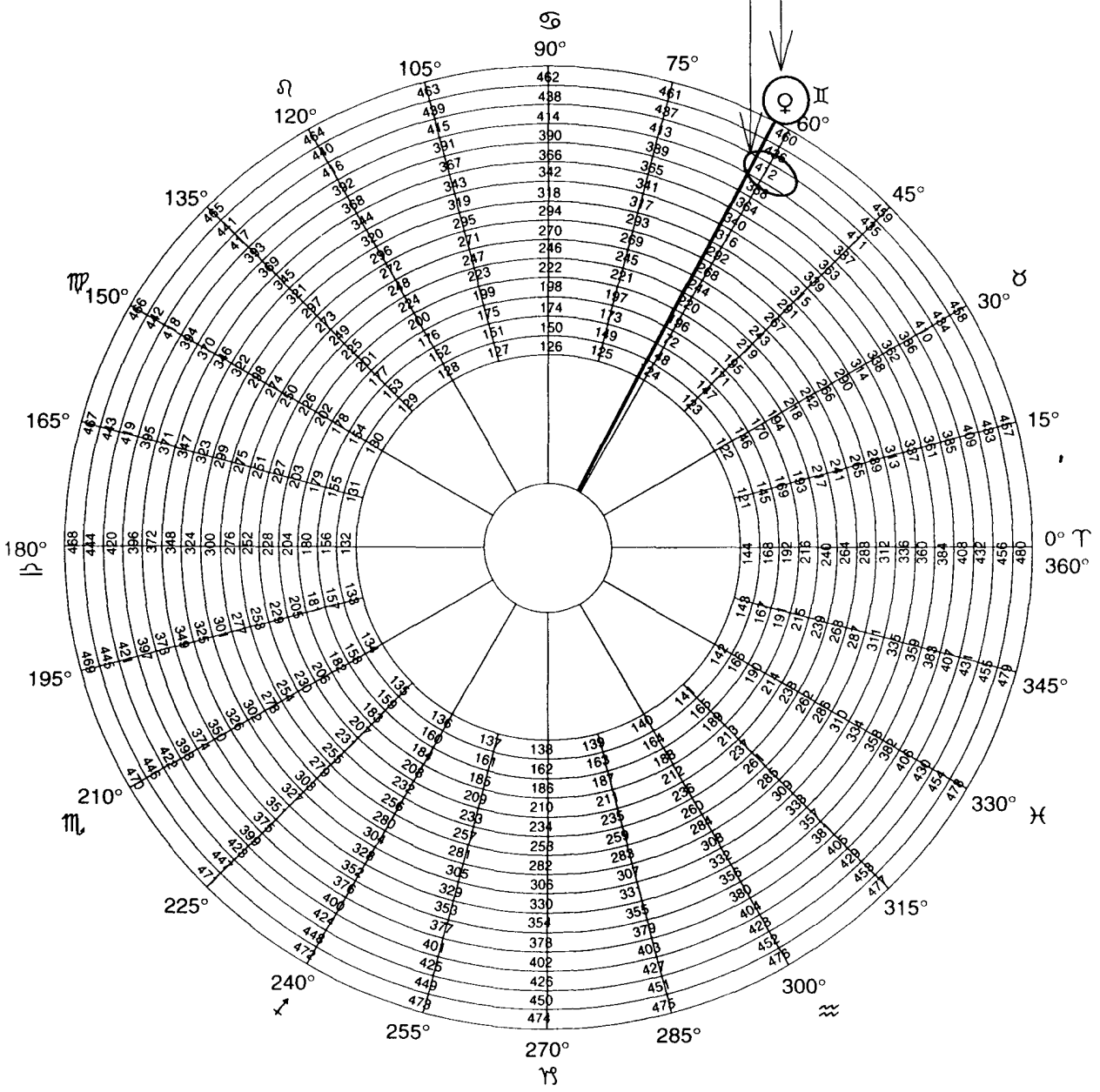
Figure 4-31

Gann sold short July soybeans at 412 on April 30, 1954. On this date Venus was at 61.92° which converts into 412 1/8 on the Circle Chart.



Compare this Circle Chart to Figure 4-17 on page 35

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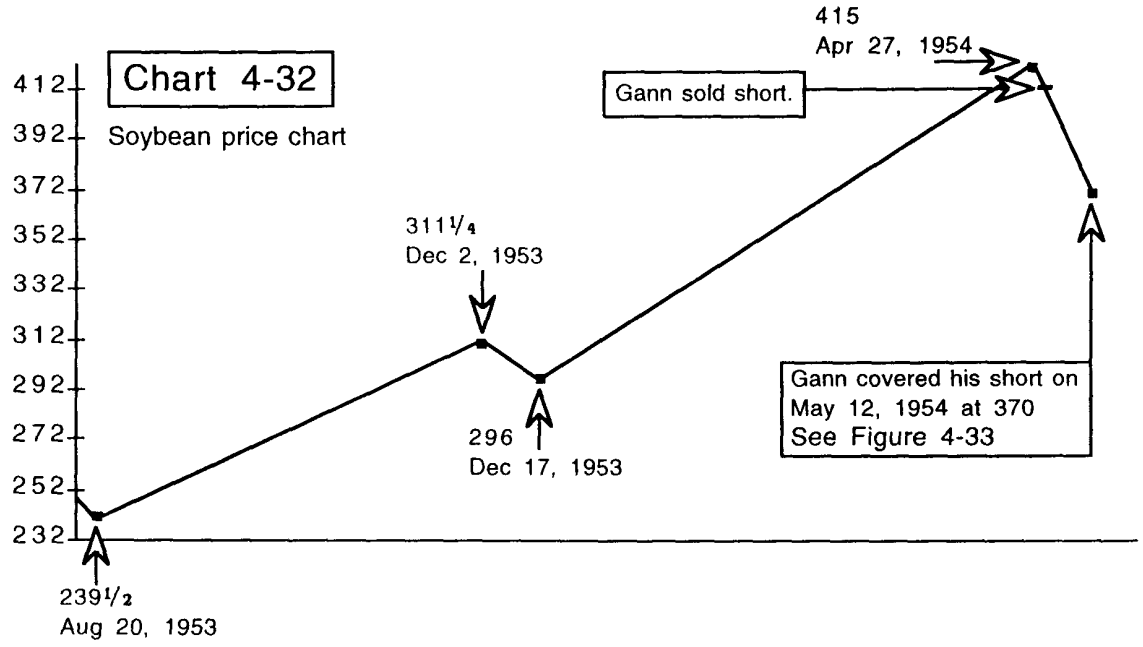
Gann identified the exit point for his soybean trade when he wrote "We covered shorts at 370 on May 12 ..." In Chapter 2 of this book I mentioned that Gann described several planetary averages in his 1954 soybean letter. Specifically Gann wrote, "Also the Geocentric and Heliocentric average of the five major planets with Mars left out, is of great importance and should be watched." This is the five outer planet average which was presented on Chart 2-5. If we calculate the geocentric average of this exact planetary combination for the day Gann covered his short position, May 12, it works out to 151.76°. This is (♃87.53° + ♄214.87° + ♅109.9° + ♆203.98° + ♇142.53°) ÷ 5 = 151.76°. When we place 151.76° on the outer ring of the Circle Chart, the closest price it correlates with is 370⅛ which is only ⅛ from Gann's exit price 370. This is shown on Chart 4-32 and on the Circle Chart in Figure 4-33. This is important because it shows that Gann watched the planetary averages on his Price and Time Charts as well as directly on his price charts.



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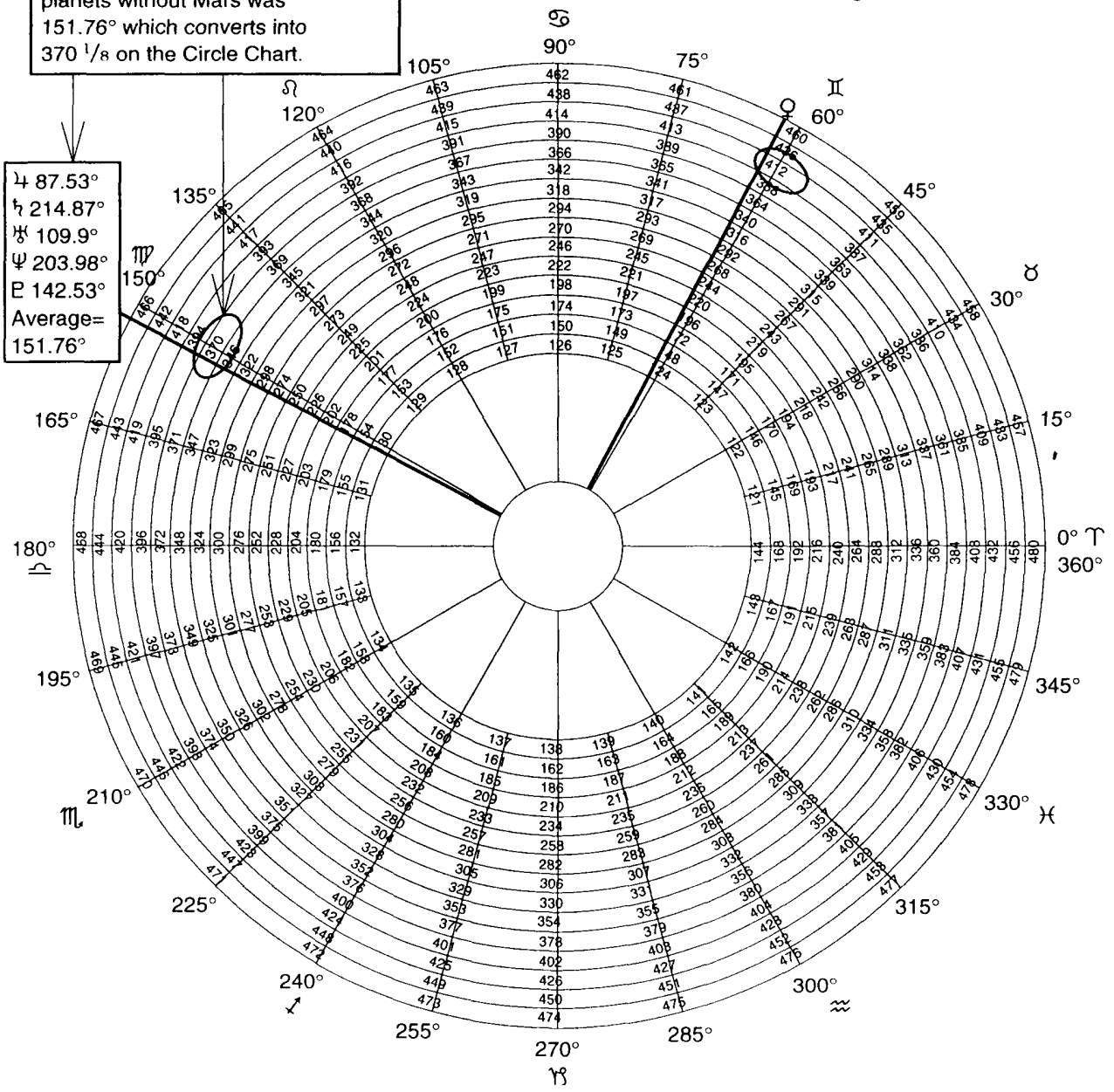
On May 12, 1954 Gann covered his short at 370. On this date the average longitude of the outer planets without Mars was 151.76° which converts into 370 1/8 on the Circle Chart.

♃ 87.53°
♄ 214.87°
♅ 109.9°
♆ 203.98°
♇ 142.53°
Average= 151.76°

Figure 4-33



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The following six examples will apply the Circle Chart to the soybean market using two of the methods derived out of Gann's writings and discussed in this chapter. First, we will be observing how top and bottom prices inside the Circle Chart relate to a planet's position around the outside of the Circle Chart. Second, we will be looking for prices to correlate with active angles. On the opposing page is a 1st trade Circle-Chart-horoscope for soybeans labeled Figure 4-35. Below is a daily price chart for soybeans. Point "A" on the chart below is the 757½ top which occurred on Monday, July 19, 1993. When this top occurred the November 93 contract had the highest open interest so we are using that contract. Over the weekend before this top, Venus crossed 12°♊12′ and formed a trine (120°) aspect with the sun's 1st trade longitude. This activated the sun's 1st trade longitude. On Monday the price opened up the daily limit of 30¢ to 757½, and made the final top just ½¢ above this active angle. See Chart 4-34 and Figure 4-35.

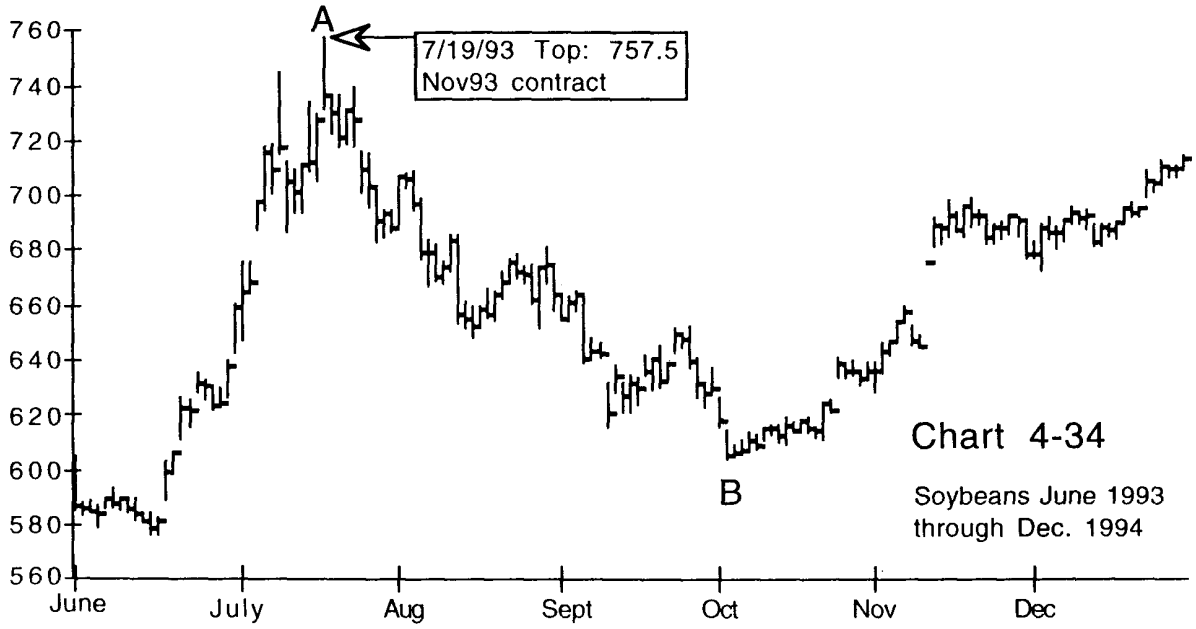

Chart 4-34

Soybeans June 1993 through Dec. 1994

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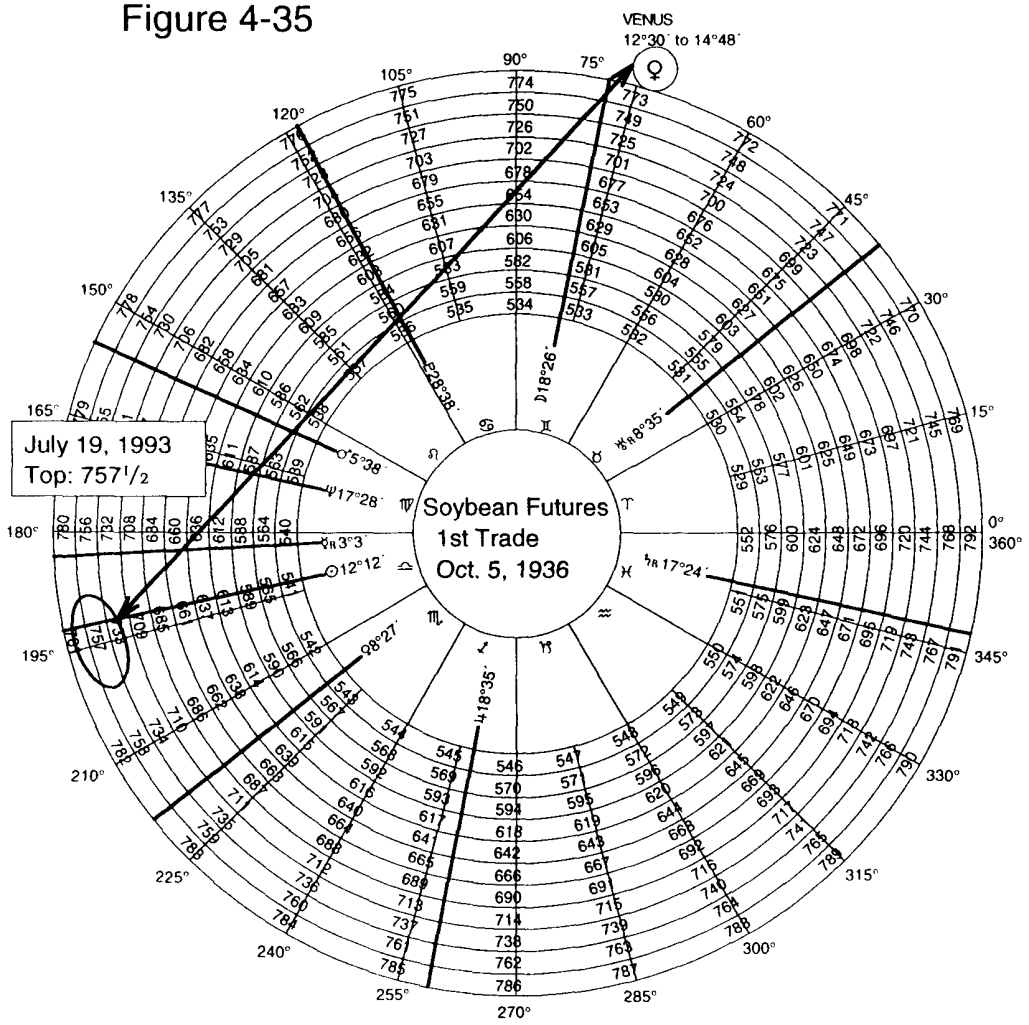
Venus aspected, and therefore activated, the sun's 1st trade longitude and the top formed just $^1/_2$¢ beyond the sun's active angle at 757 $^1/_2$.

Figure 4-35



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On Chart 4-36, point "B" is the Monday, October 4, 1993 bottom of 604. When the soybean market made this bottom the November 93 contract had the highest open interest so we will use this contract. On October 4, 1993 the moon moved from 15°♉45′ to 27°♉40′. On Figure 4-37 the moon's movement has been shaded. Notice that soybeans made its bottom on the edge of the moon's area of influence at 604, which is circled on Figure 4-37. The moon's longitude 27°♉40′ equals 57.66° which is 2.33° away from 60° where the low price 604 is located on the Circle Chart. Today the soybean minimum tic is ¼¢ which equals 3.75° on the Circle Chart. This means the moon's longitude was less than 1 tic away from the 604 low.

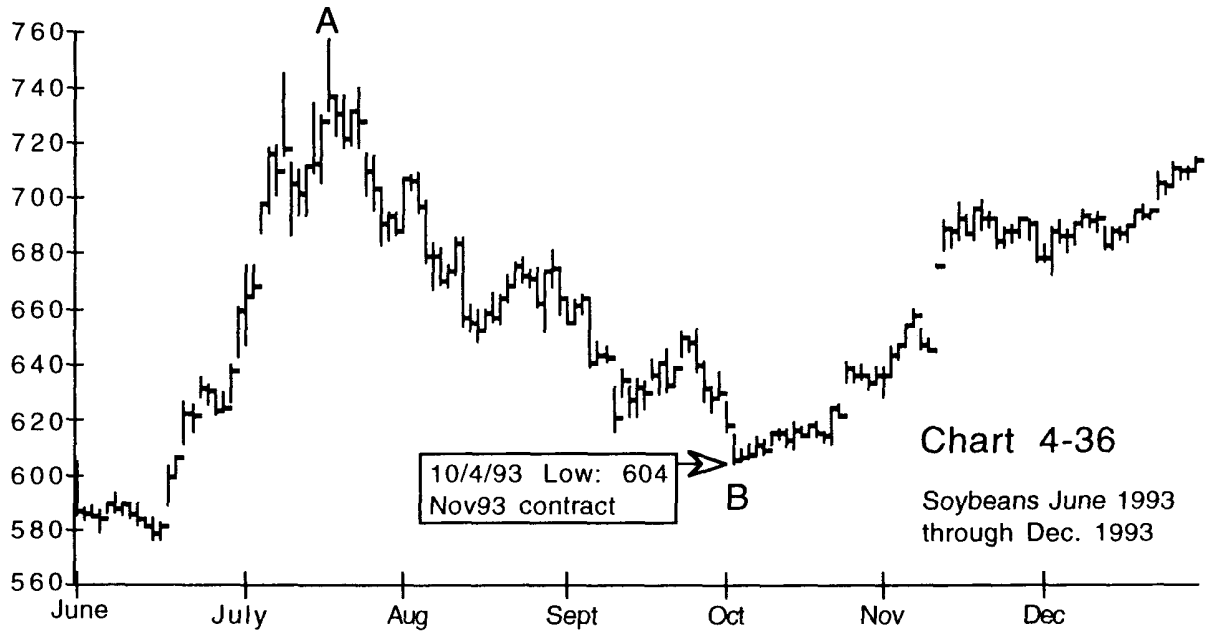

Chart 4-36

Soybeans June 1993 through Dec. 1993

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The longitude of the moon was less than 1 tic away from the low price of 604 on the day of the low, Oct. 4, 1993.

Figure 4-37

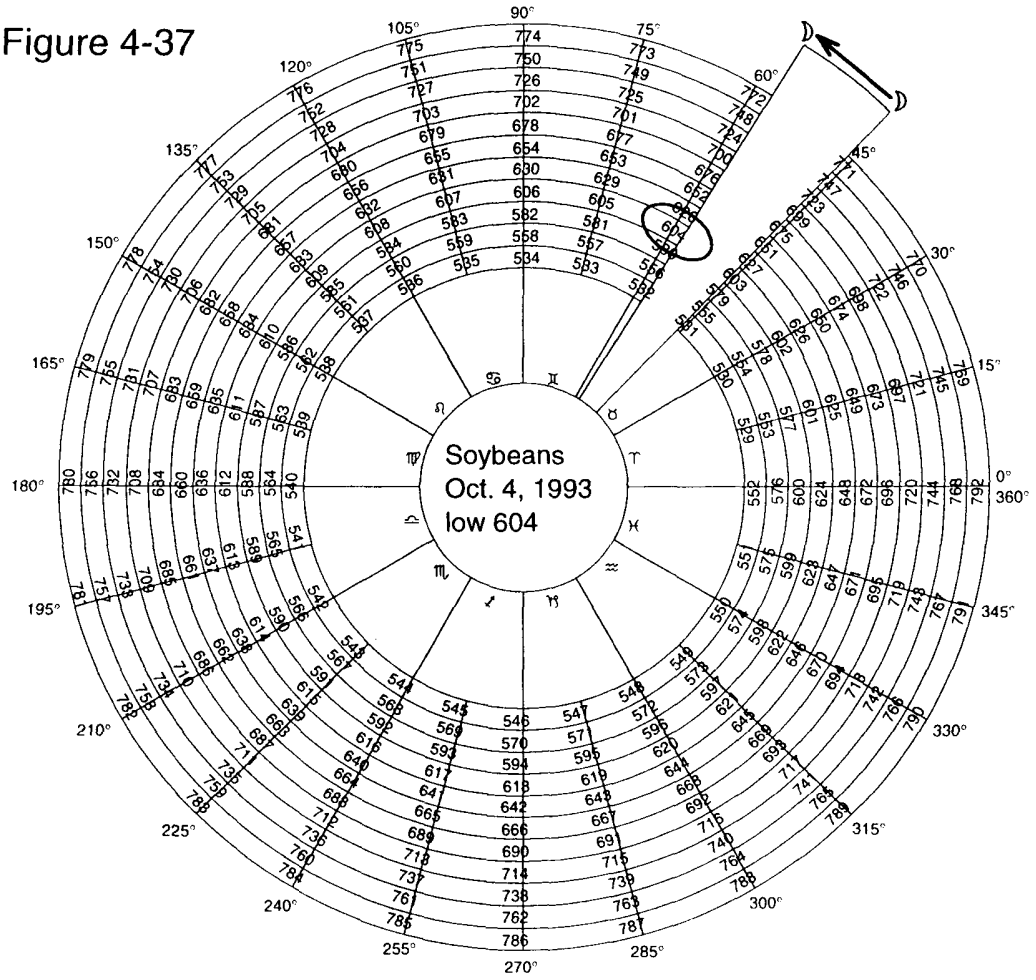

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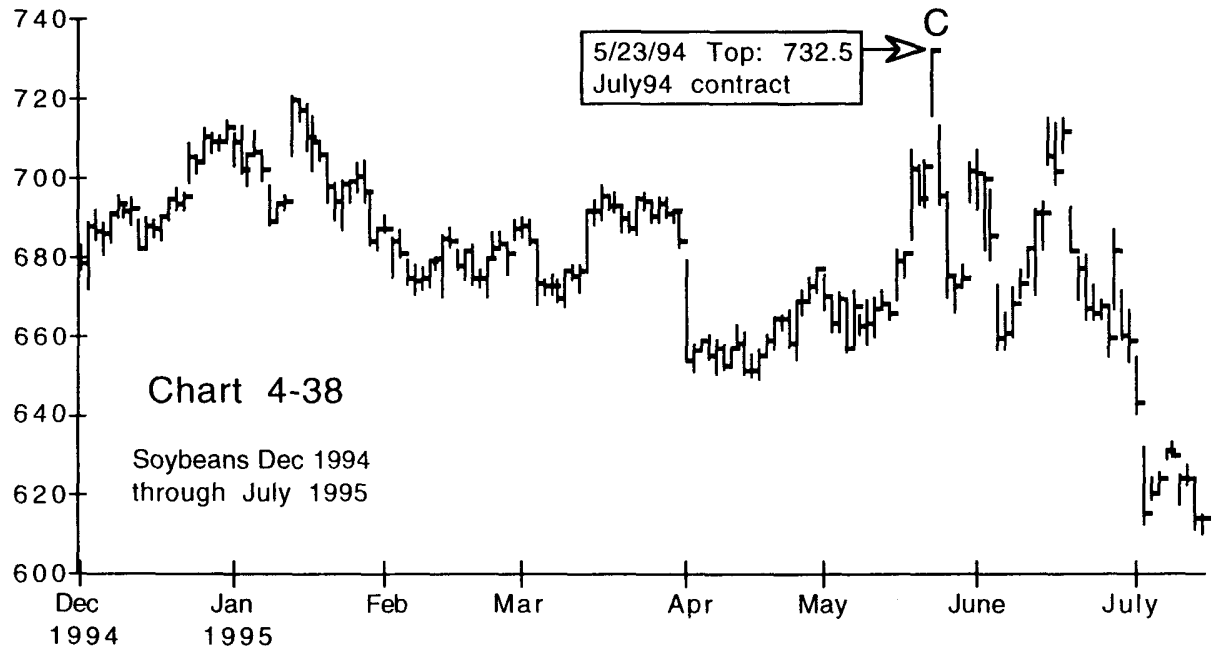
Chart 4-38 is a daily soybean chart. Point "C" is the Monday, May 23, 1994 top of 732½. When this top occurred, the July 94 contract had the highest open interest so we will use that contract. Figure 4-39 on the opposing page shows a 1st trade Circle-Chart-horoscope for soybeans with the price 732 circled. On the day of the 732½ high, Venus crossed over the longitude 3°♋3′ which formed a square (90°) aspect with, and therefore activated, the 1st trade longitude of Mercury. Figure 4-39 shows that the high price occurred almost on top of Mercury's active angle. The 1st trade longitude of Mercury is 3°♎3′ which is approximately 732¼, only 1 tic from the high price.



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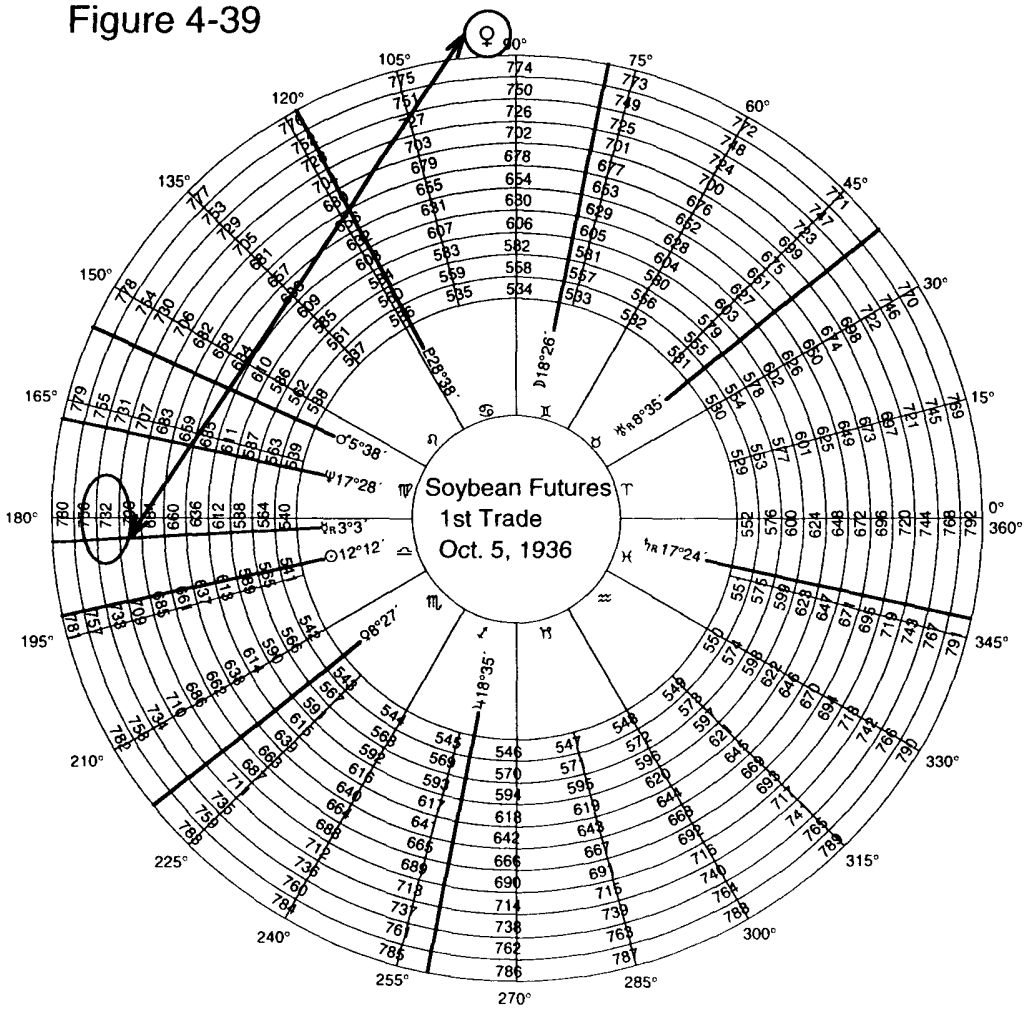
The day of the 732½ top Venus activated Mercury's 1st trade longitude.
The high price was made 1 tic away from Mercury's active angle.

Figure 4-39



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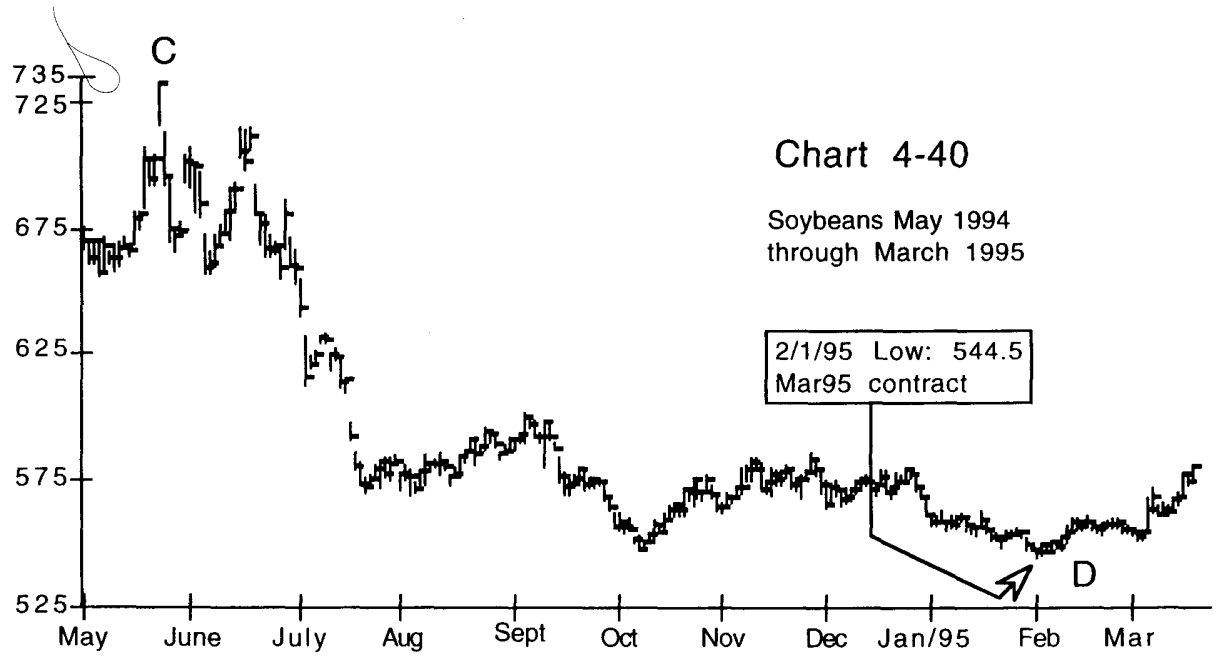
On Chart 4-40 point "D" is the Wednesday, February 1, 1995 low. When the soybean market made this low the March 95 contract had the highest open interest so I will use that contract. The March 95 contract made it's low at 554½. On the Circle Chart, the low price 554½ equals 7°♐30′ or 247.5°. On the day of the low, Jupiter was on the longitude 10°♐24′ which equals 250.4° which is less that 1 tic away from the low price. This can be seen on Figure 4-41 on the opposing page.



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The Feb. 1, 1995 low price 544 1/2 equals 7°♐30′ or 247.5° on the Circle Chart. On this date Jupiter was on 10°♐ 24′ or 250.4° which is less than 1 tic away from the low price on the Circle Chart.

Figure 4-41

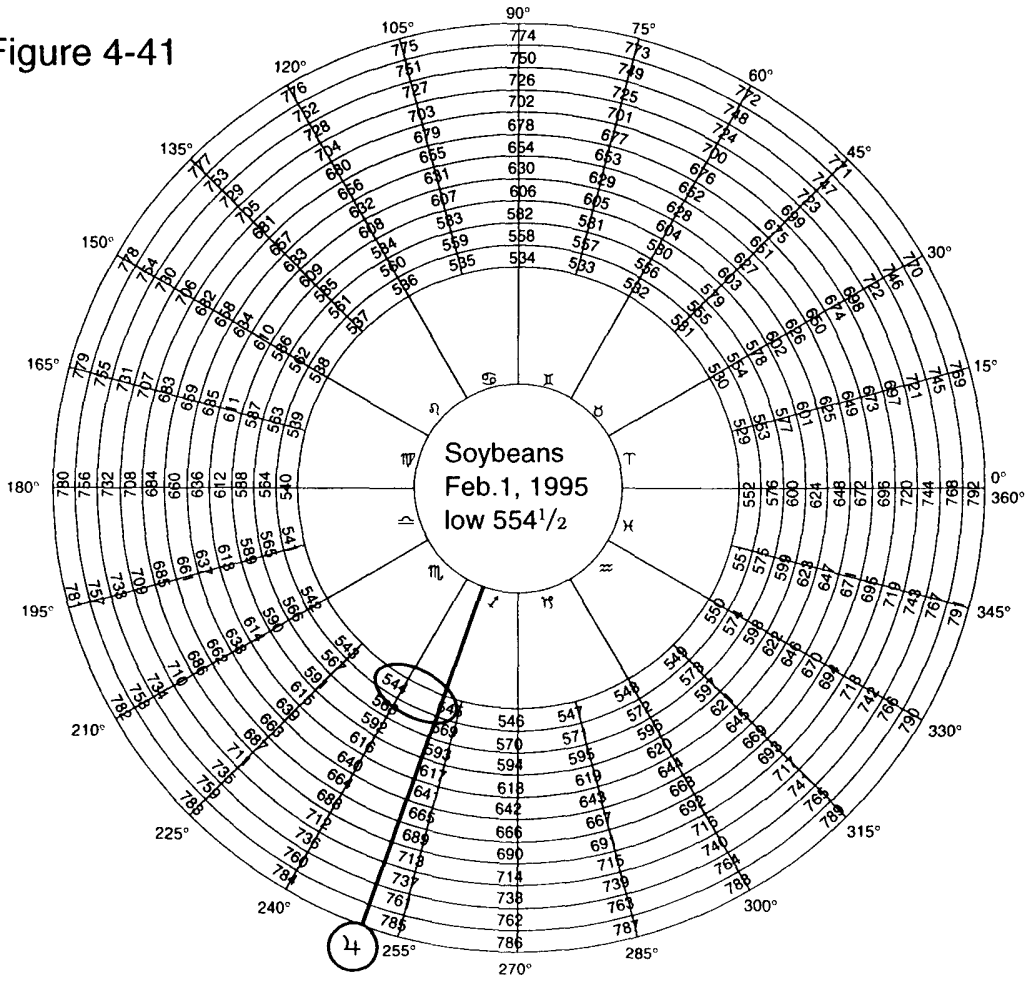

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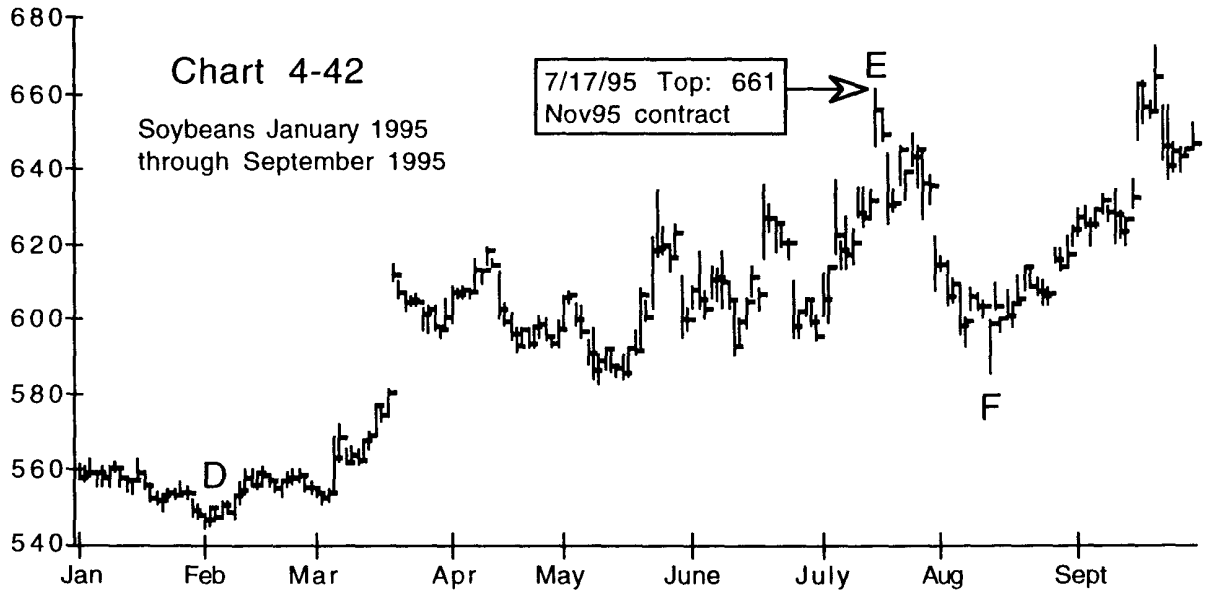
Chart 4-42 is a daily soybean chart. Point "E" is the summer rally top which occurred on Monday, July 17, 1995. At this time, the November 95 contract had the highest open interest and made it's top at 661. On the date of this top, Mercury crossed 12°♋12′ which formed a square (90°) aspect with the sun's 1st trade longitude. This aspect made the sun's 1st trade longitude an active angle. On the opposing page, Figure 4-43 shows the relationship between Mercury, the sun's 1st trade longitude and the high price of 661. On the Circle Chart the price 661 equals 195° and one soybean tic equals 3.75° which means this top is less than 1 tic from the sun's active angle.



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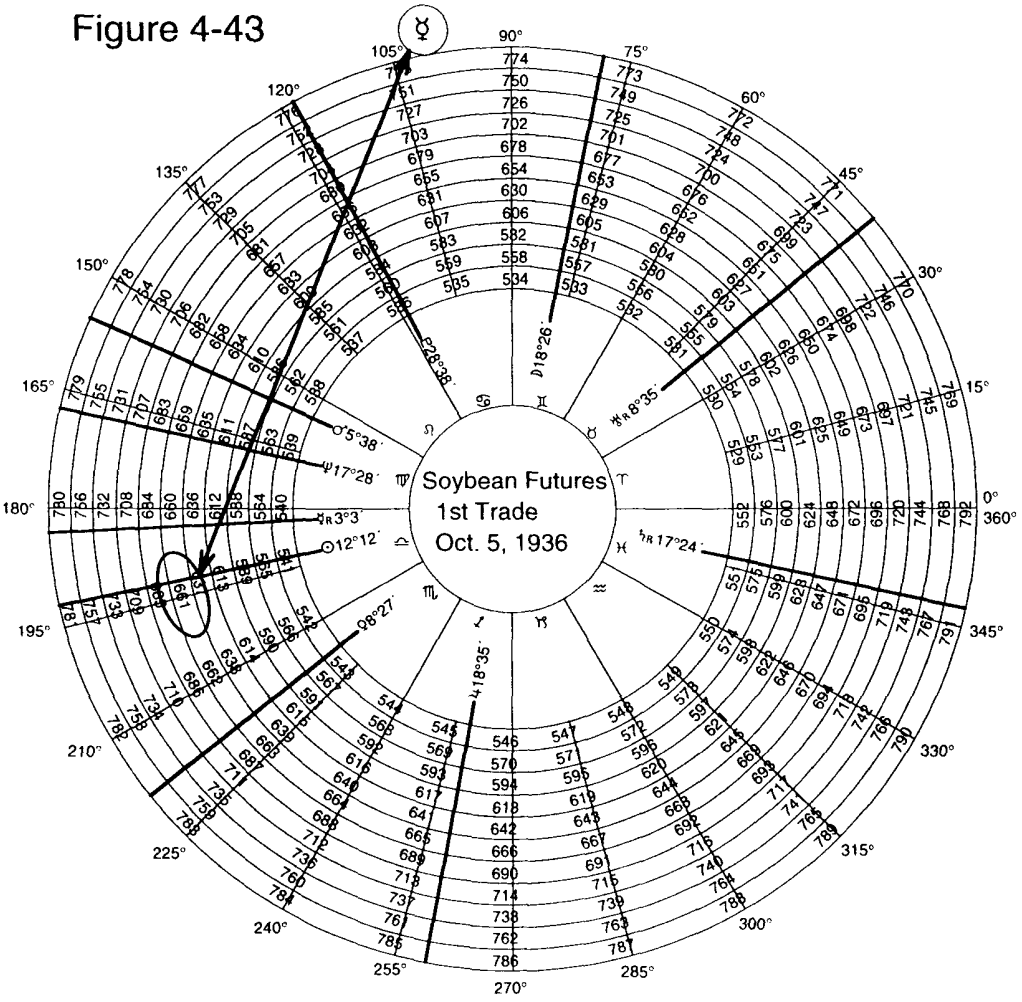
Mercury activated the sun's 1st trade longitude and the 661 top was made on the sun's active angle.

Figure 4-43



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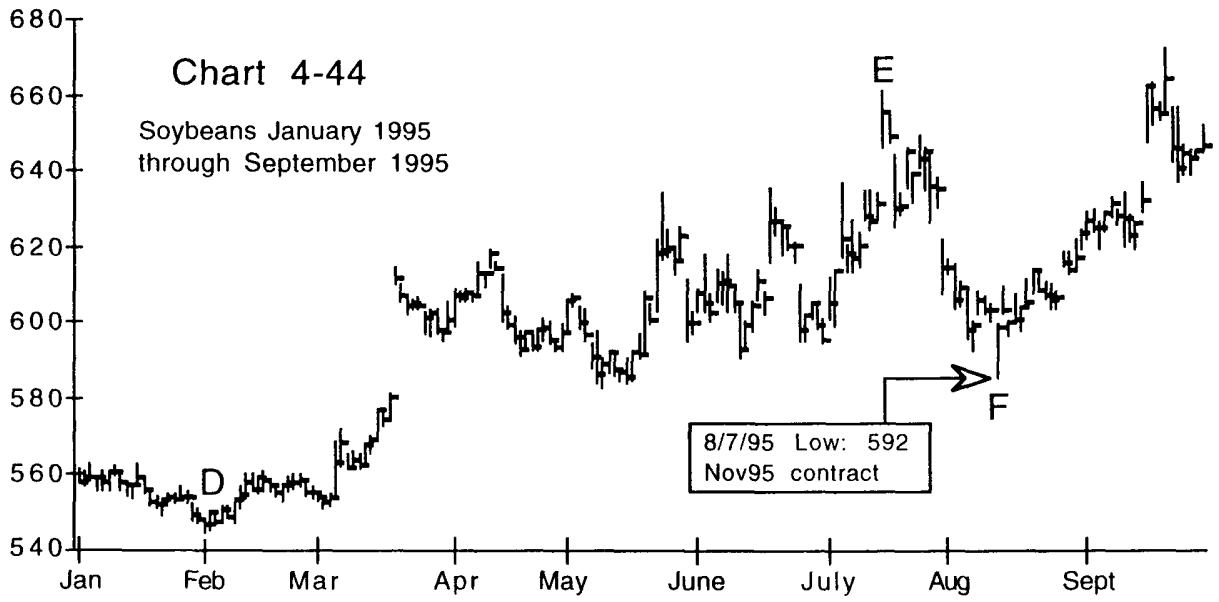
Below is the price chart for our final example. Point "F" on Chart 4-44 is the seasonal turning point for the second half of 1995. This low occurred on Monday, August 7, 1995 when the November 95 contract had the highest open interest. The November 95 low price was 592. On the Circle Chart 592 equals 0°♐0′ or 240° and on the day of the low Pluto was on 27°♏49′ or 237.81° which is less than 1 tic away from 592 on the Circle Chart. Figure 4-45 on the opposing page shows this relationship between the position of Pluto and the 592 low.



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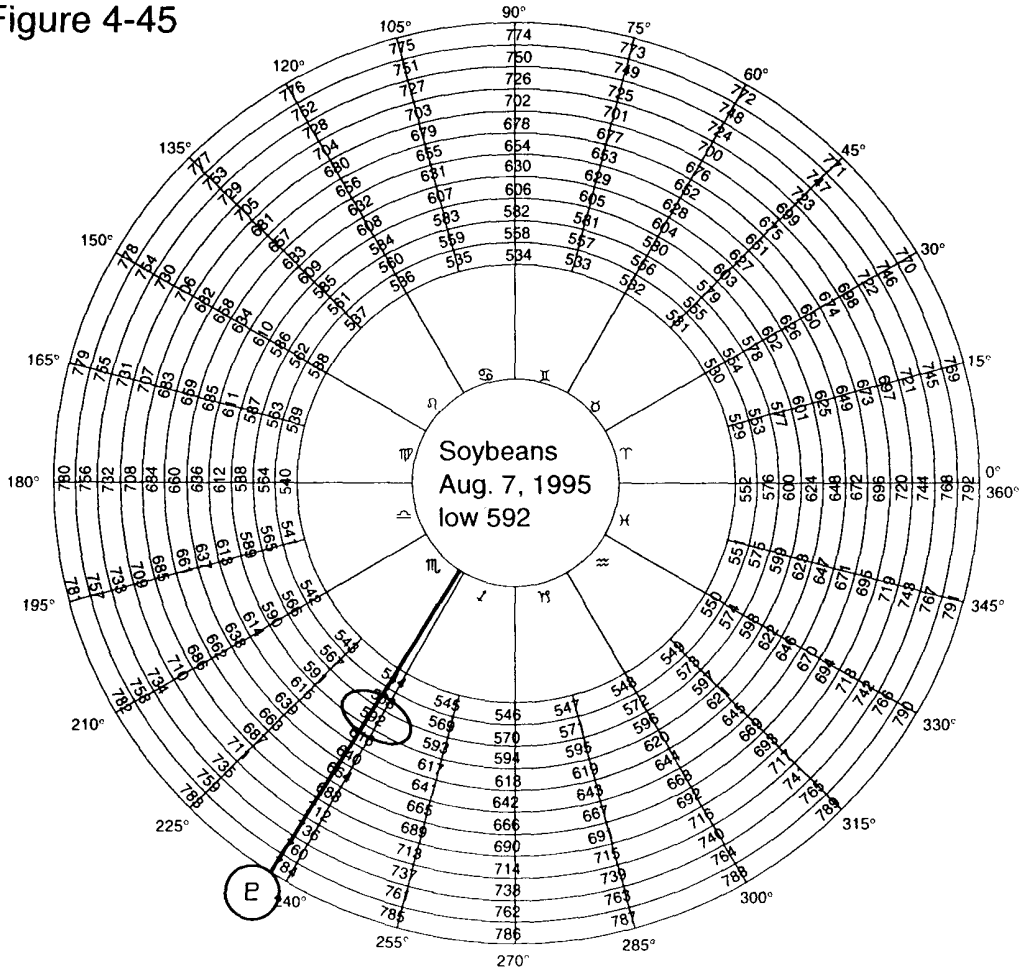
The Aug. 7, 1995 low of 592 occurred on Pluto's longitude.

Figure 4-45



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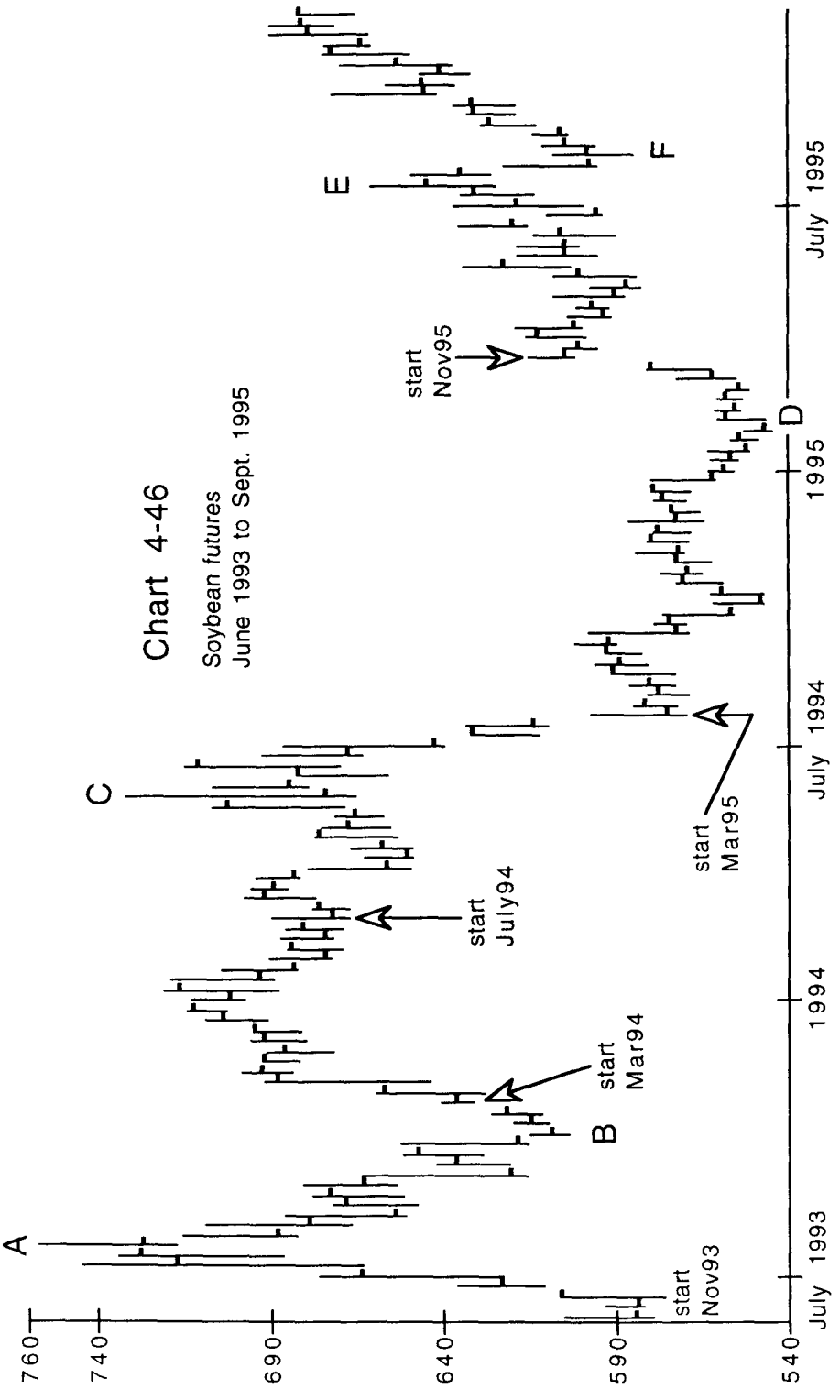

Chart 4-46, is a weekly soybean chart showing the six turning points used in the previous examples. The price bars which start a new contract are labeled Chart 4-46 shows that these were major turning points during this time period.

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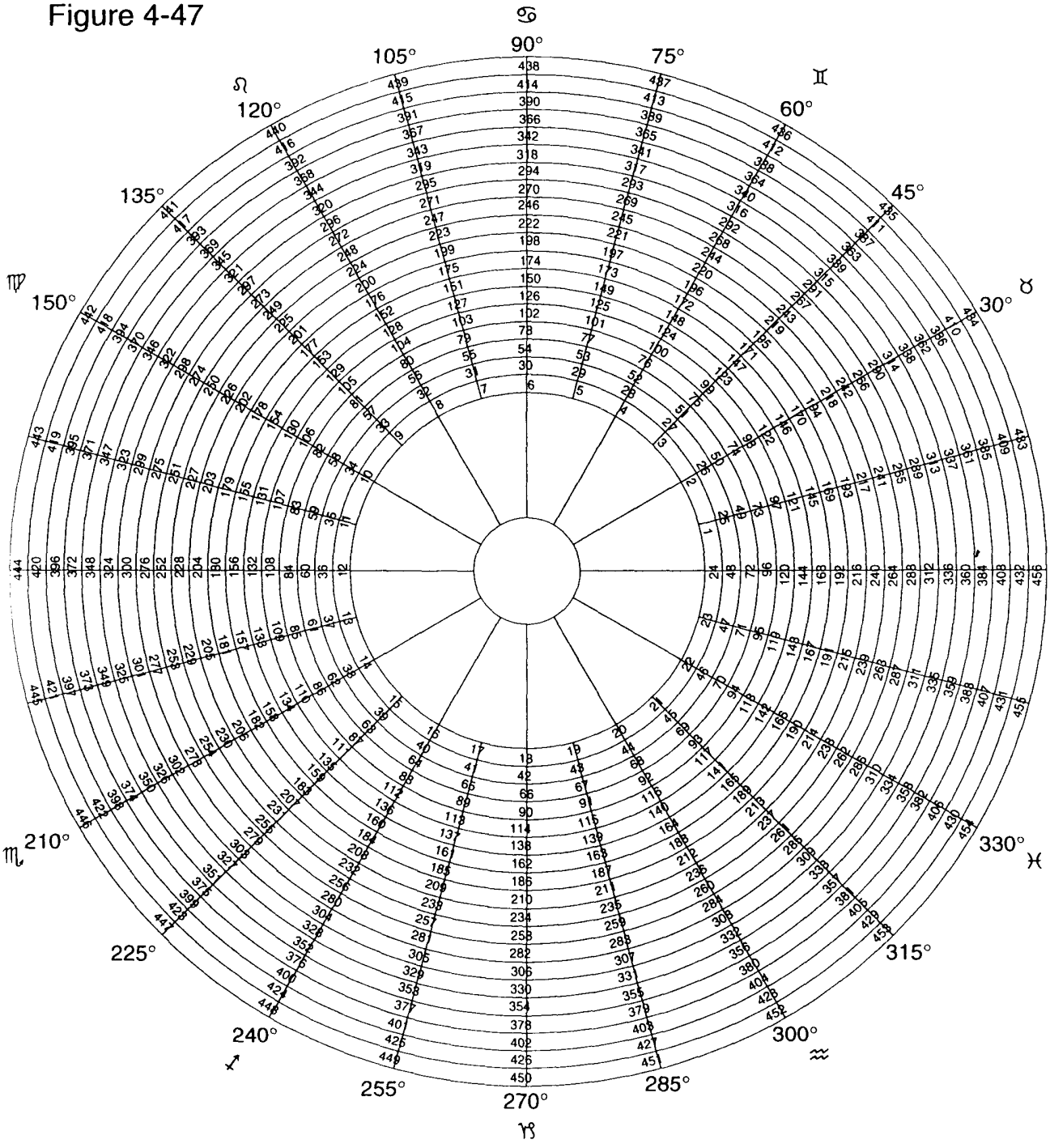
Blank Circle-Chart-Horoscope from 1 to 456

Figure 4-47



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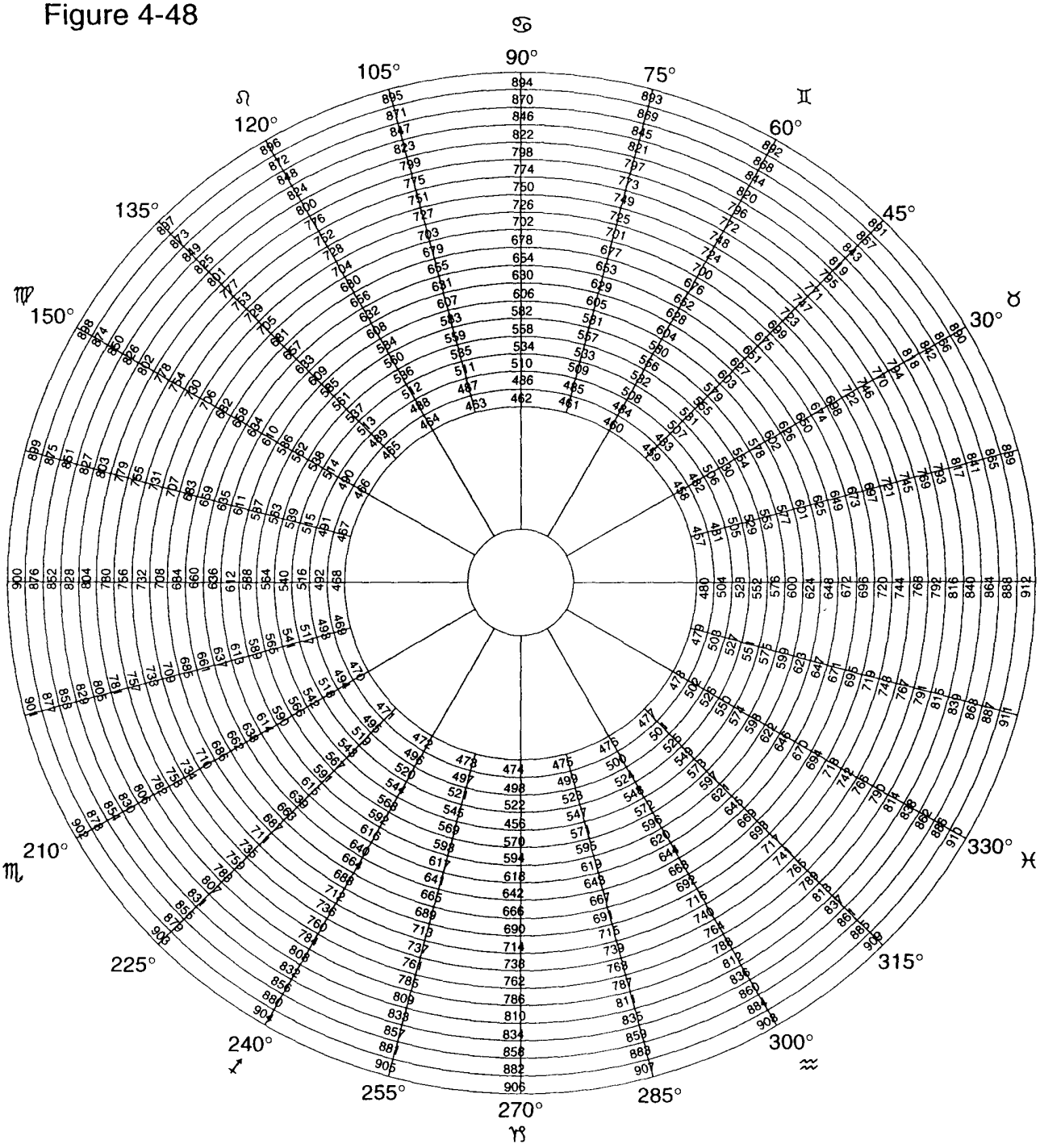
Blank Circle-Chart-Horoscope from 457 to 912

Figure 4-48



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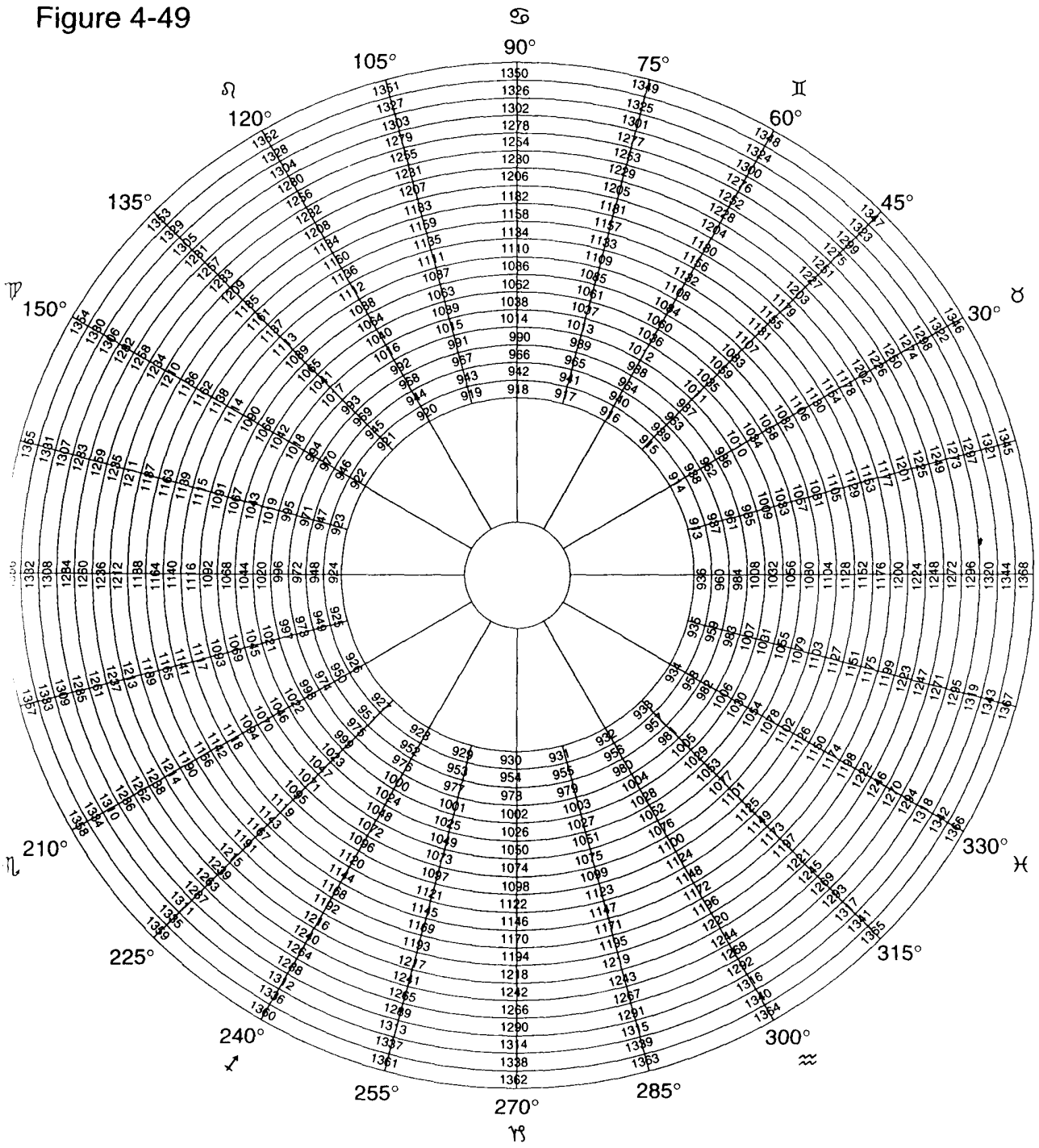
Blank Circle-Chart-Horoscope from 913 to 1368

Figure 4-49



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Chapter 5: W.D. Gann's Fourth Dimension of Market Movements

One of Gann's financial astrology ideas was to correlate the coordinate system of a price chart with the celestial coordinate system. This is an idea which I believe Gann worked on intermittently throughout his career. In 1923 Gann identified time as a market "factor". In 1930 Gann referred to time as an "element". In 1931 Gann identified more factors than just time by writing, "There are three important factors to consider, price, time and space movements." In the same 1931 document, Gann wrote, "After considering the three important factors, Resistance Levels, time and geometrical angles, the fourth and next very important factor is the volume of sales at tops or bottoms." In 1941 Gann wrote, "After considering the three important factors ... FORMATIONS, TIME, and RESISTANCE LEVELS ... the fourth and next very important factor is VOLUME OF SALES AT TOPS AND BOTTOMS." Then in 1946, Gann wrote, "Time is the most important factor in forecasting market movements. While SPACE and VOLUME are important and momentum is also a factor to be considered, TIME will overbalance both SPACE and VOLUME and arrest momentum." In a document I have been unable to find a publication date for Gann used a new name for the factors of the market calling them "dimensions" when he wrote, "... there is a fourth dimension or element in market movements.", "The pitch or trend is the fourth dimension ..." The following is a list of all the above mentioned market factors.

1. Time
2. Price
3. Space movements
4. Resistance Levels
5. Geometrical angles
6. Volume
7. Volume of sales at tops or bottoms
8. Formations
9. Momentum
10. Pitch or trend

What I have attempted to do by compiling this list of ten market factors is show that over Gann's career he developed the idea of market factors. Notice that even the name Gann gave to these items changed as he called them factors, elements and dimensions. The name, "elements of market movements", provides the clearest explanation of what Gann meant.

Next we will discuss the 10 market elements starting with time. In 1951 Gann wrote The Basis of My Forecasting Method For Grains. This course taught the use of Gann's non-astrology Price and Time Angles but also contained a discussion titled "Latitude and Longitude". In the discussion, "Latitude and Longitude," Gann wrote, "Longitude measures the time running across the chart, as it moves over each day, week or month." This reveals that Gann correlated the chart coordinate of time with the planetary coordinate of longitude. Gann wrote several passages indicating that he measured time using the sun. Reading the quotation below you get the impression that the angle of the sun was the only way Gann measured time but Gann made several other statements which reveal there is more to measuring time than just the sun.

> "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° in longitude. The reflection of the geometrical angle on the sun dial indicated the time of day. Since all time is measured by the sun, we must use the 360° circle to measure time periods for the market,....."
>
> W.D. Gann, Master Egg Course, 1949, p.125-126

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The quotation below provides a much better explanation of how Gann measured time so I will explain this second quotation in detail.

> "We use 9 angles to measure time. The 45° angle is the balance, or gravity center. There are 3 important angles to the left of the 45° angle and 3 to the right. The 1 x 3 angle to the left and the 3 x 1 to the right."
>
> W.D. Gann, Master Egg Course, 1949, p.125

When we plot a planet's path on a price chart it creates an angle. The "9 angles to measure time," are the nine longitudinal paths of the planets. These are (1)Sun, (2)Mercury, (3)Venus, (4)Mars, (5)Jupiter, (6)Saturn, (7)Uranus, (8)Neptune and (9)Pluto.

The 2nd, 3rd and 4th sentences in the above quotation are references to biblical astrology, and Gann's attempt to update the biblical astrology principles. In the 2nd sentence, Gann indicated that the 45° angle is called the gravity center. The sun is our solar system's gravity center therefore the "45° angle" mentioned in the 2nd sentence is referring to the sun's longitudinal path. If the 45° angle is the path of the sun, how can there be 3 angles to the left and right of the sun as described in the 3rd sentence? Figure 5-1 is a Jewish Menorah with the sun in the center and 3 angles to the left and 3 angles to the right. I did not make up the idea that the arms of the Menorah represent these planets in this configuration. This is just one piece of information from a very large body of knowledge which can be considered Biblical Astrology. A basic principle of Biblical Astrology is that the people of ancient times had advanced but secret astrological knowledge and knew that the sun was in the center of the solar system as shown in Figure 5-1. This is why Gann wrote that there are 3 angles to the left and 3 angles to the right of the "gravity center".

In the final sentence Gann updated the Menorah to reflect modern astrological knowledge. Gann identified one additional angle on each side of the Menorah when he wrote, "The 1 x 3 angle to the left and the 3 x 1 to the right." By eliminating the moon(☽) from Figure 5-1 which Gann did not identify as an angle he used to measure time, and adding one additional angle on each side we arrive at Figure 5-2. Figure 5-2 shows three angles plus one to the left of the gravity center and three angles plus one to the right of the gravity center. Figure 5-2 is a perfect representation of updated Biblical Astrology and the 9 angles Gann used to measure time. This means Gann did not correlate time with the longitude of any one planet but instead used the 360° longitudinal orbits of different planets to measure time periods in the markets.

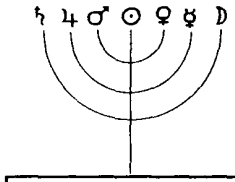

Figure 5-1

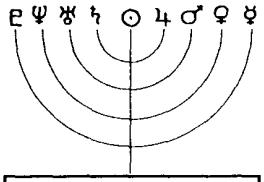

Figure 5-2

Next we will discuss the 2nd, 3rd and 4th market elements which relate to price. In the same 1951 course, The Basis of My Forecasting Method For Grains, Gann wrote, "Therefore, the price movement is the same as latitude." This seems straight forward but it is not. By a close study of Gann's astrology it can be determined that Gann correlated price with declination not latitude. So why did Gann mention latitude? There is a terrestrial latitude and longitude and a celestial latitude and

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longitude. Gann mentioned latitude and longitude because it allowed him to make a general reference to both terrestrial and celestial systems of measurement without specifically naming any astrological measurements such as declination. To correctly cast a horoscope you must have the terrestrial latitude and longitude of the birth location and the celestial longitudes of the planets. Gann did use terrestrial latitude to cast horoscopes but he correlated prices with declination not celestial latitude. Later in this chapter I will show a replica of an actual Gann chart which proves Gann correlated price with declination. In the list of 10 market elements, the 2nd element was "price". The 3rd element, "space movement" referred to the price range. The 4th element, "resistance levels" referred to specific price levels. This means the 2nd, 3rd, and 4th elements of the market were all different ways of correlating the price with declination.

Notice that market elements 6 and 7, "Volume" and "Volume of sales at tops and bottoms," were basically the same thing. Gann instructed, "Always watch your volume, because it shows whether the energy or power, which moves the market, is increasing or decreasing." Notice that Gann did not say volume was the energy which moves the market. Instead, Gann said, volume showed the energy which moves the market. This is a big difference. Gann correlated volume with the amount of celestial energy affecting a market. Gann referred to celestial energy in the quotation as "the energy or power, which moves the market,." This correlation is not easily boiled down to a number like longitude and declination therefore Gann placed special emphasis on the volume of sales at tops and bottoms which revealed the high and low levels of celestial energy affecting a market.

The 8th and 9th elements of the market were "formations" and "momentum." Both of these elements were discussed so briefly by Gann that it leads me to believe that he never successfully correlated them with any astrological element.

This leaves the 5th and 10th elements of the market, "geometric angles" and "pitch or trend." Gann wrote that there was a fourth dimension or element of market movements which he said was the "pitch or trend" of the market. The pitch or trend of a market can be very steep when the market runs up or down quickly or the pitch or trend can be gradual as the market moves up or down very slowly. The astrological element which Gann correlated with the pitch or trend of the market was revealed in the heading of a discussion which reads "Time, Price, Volume, Velocity, Pitch or Trend." The last two items shown in this list, "Velocity, Pitch or Trend," represented the astrology element and the non-astrology element which Gann correlated. Specifically, Gann's fourth dimension of market movements was the velocity of a trend which he correlated with the velocity of the planets. The velocity of a planet is measured on a price chart in degrees per day. When we plot a planet's path on a price chart, it creates an angle. So the slope, pitch or trend of a planet's angle would represent the planet's velocity. The 5th and 10th elements, "geometric angles" and "pitch or trend" were references to the same thing, measuring the velocity of a planet on a price chart by the slope of its longitudinal angle. The original list of ten market elements has been modified and listed again below.

1. Time = Longitude
2. Price, Space movements, Resistance Levels = Declination
3. Geometrical angles, Pitch or trend = Planetary Velocity
4. Volume, Volume of sales at tops or bottoms = Amount of Celestial Energy Affecting a Market
5. Formations = not enough information
6. Momentum = not enough information

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To determine how Gann used planetary velocity, which he called the fourth dimension, we must again look to Gann's writings. Below are four quotations from Gann's course entitled Master Calculator For Weekly Time Periods to Determine The Trend of Stocks and Commodities which mentions the fourth market dimension.

Quotation #1 - We prove the fourth dimension with the Master Calculator or Square of 52 in time periods of 7 days each for 7 weeks or more and the same price relation.
Quotation #2 - We get the fourth dimension, as shown on the Master Calculator, by drawing 45° angles from the 1/2 point or gravity center, which is the most important for price resistance.
Quotation #3 - The pitch or trend is the fourth dimension and shows whether the market is slow or fast by the angles, whether very acute or above the 45° angle or flat and slow, below the 45° angle, which causes a slow creeping market that may later regain important angles and increase the pitch of the angle and start moving up faster.
Quotation #4 - Get the fourth dimension by balancing price and time in weekly time periods as shown on the Master Square of 52.

In the quotation #1, Gann called the 52 x 52 overlay by two names "Master Calculator or Square of 52". There are 52 weeks in a year so a 52 x 52 overlay is an overlay with a weekly scale made to cover 1 year. Three of the four quotations (1,3,4) indicate that the fourth dimension of the market has something to do with the 52 x 52 overlay. Three of the four quotations (2,3,4) indicate that the fourth dimension has something to do with a balance between price and time using the 45° angle. To summarize these four quotations, Gann said he used a weekly (52 x 52) overlay called a "calculator" to balance price with time and this proved the value of the fourth dimension.

Balancing Price with Time was a method Gann kept carefully hidden. Even when Gann concealed his astrology methods in his writings, he wrote very little about Balancing Price with Time. The best example of Gann's Balancing Price with Time was published in Wall Street Stock Selector back in 1930. This means that the method Gann said was "one of the most important and valuable discoveries I have ever made" has been hidden in a publicly available book for over 65 years. Now for the first time, I will reveal the method Balancing of Price with Time and therefore Gann's use of the fourth dimension through the example he concealed in Wall Street Stock Selector.

In the book Wall Street Stock Selector on pages 67 to 74, Gann described a trading method which used a ledger system to "balance a stock just the same as you can balance your books." Gann wrote on page 68 that he sold this method for as much as $1,000. When you read the description of this method you will wonder why anyone would pay so much money for this simple method. I believe the people who bought this method for $1,000 did not buy what Gann openly described on pages 67 to 74 of Wall Street Stock Selector but instead bought the astrology method which Gann concealed in the discussion titled, "How To Balance U.S. Steel" which starts on page 72 of Wall Street Stock Selector. This astrology method which showed how to "balance a stock," later came to be called Balancing Price with Time.

On pages 68 to 71 of Wall Street Stock Selector Gann provided a table showing the Date, Open, High, Low, Close and the Loss or Gain on the day for U.S. Steel stock. This table starts with the 162½ low of May 31, 1929 which started the final run up to the 1929 top and ends with Dec. 31, 1929. On the next page in Table 5-3 is a replica of the first six dates on the table shown in Wall street Stock Selector.

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TABLE 5-3

U.S. Steel

Daily High and Low Prices, May 31 to December 31, 1929

Date	Open	High	Low	Close	Loss	Gain
May 31	164 1/8	166 1/2	162 1/2	166	----	2
June 01	166 1/4	166 1/4	165	165	1	
3	165 1/2	168 3/4	165 1/4	167 1/2	----	2 1/2
4	168	170 3/8	167 1/2	169 3/4	----	2 1/4
5	170	170 3/4	168 1/4	168 3/4	1	
6	168 1/2	169 1/4	168 1/2	168 1/2	1/4	

Table 5-3, correlates with the discussion, "How To Balance U.S. Steel" on pages 72 to 74 of Wall Street Stock Selector. In this discussion, Gann mentioned many dates but drew attention to only five days as being important. The first date was the August 29 low of 251 5/8. Gann drew attention to this date by writing, "This was your first warning that the stock was getting ready to turn the main trend down." The second date was the November 13 low of 150. Gann identified this date as being important by writing, "When the stock declined to 150 again, it was a purchase ...." The third date was the November 21 top of 171 3/4. Gann identified this important date by writing, "This was 3 days' consecutive higher closings, which was another indication that the trend had turned up again." The fourth date was the December 9 top of 189. Gann drew attention to this date by writing, "... was an indication of a top for a decline, ..." The fifth and final date was the December 23 low of 156 3/4. Gann identified this important date by writing, "From the low of 156 3/4 on December 23, the trend of U.S. Steel turned up again." Chart 5-4 is a daily price chart of U.S. Steel stock made from the prices Gann provided on pages 68 to 71 of his book. On Chart 5-4, I have labeled the five dates Gann identified in his discussion of this price data.

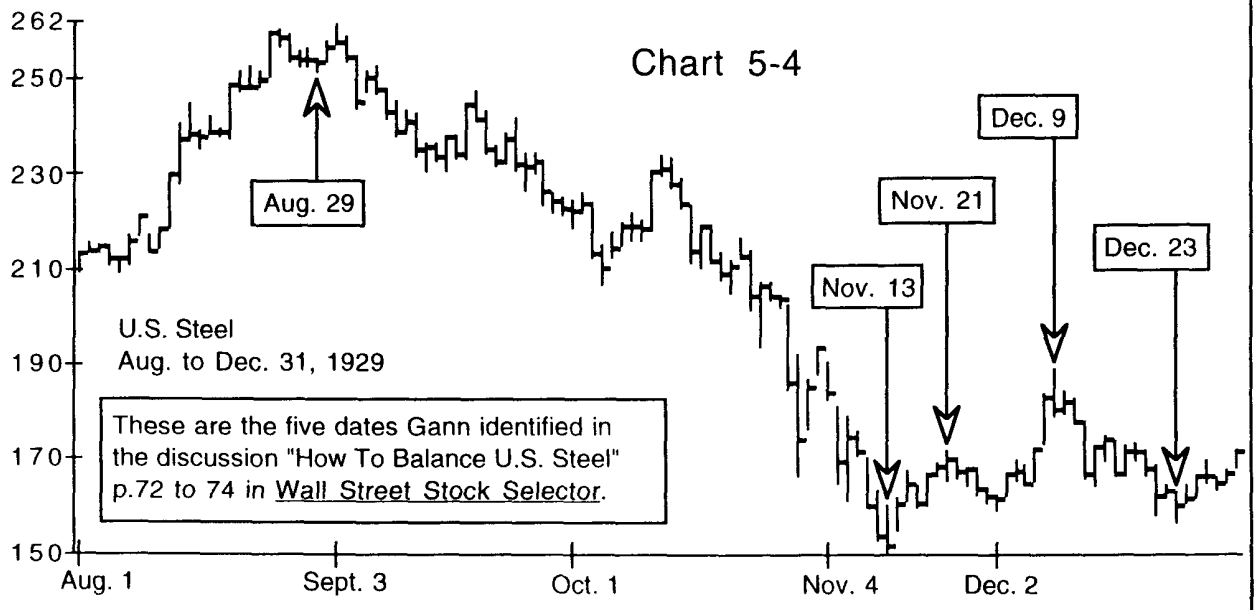

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Table 5-5 has eight columns from A to H. Columns A, B and C are the date and the U.S. Steel daily high and low respectively. Columns D and E show how far the high and low prices of U.S. Steel had moved upward from the May 31 bottom of 162½. Column F shows how far geocentric Venus had moved starting from the May 31 bottom at which time Venus was at 27.89°. Column G shows a ratio between the amount the high price had moved in column D and amount Venus had moved in column F. On June 4, the high price had moved 7⅞ up from the low and Venus had moved 2.5°. We will always divide the price movement by the longitudinal movement and round to two decimal places. This will create a price to longitude ratio. When we calculate 7.875 ÷ 2.5, it yields 3.15 which means the high price had moved 3.15 times as far as Venus, creating the 3.15 : 1 ratio which is in column G. Column H computes the same ratio between the movement of the low price and the movement of Venus. The function of Table 5-5 is to calculate a ratio between the distance traveled by the price and the distance traveled by some astrological body, in this case Venus.

A	B	C	D	E	F	G	H
1929, Date	US Steel High	US Steel Low	162½ low to current HIGH	162½ low to current LOW	° VENUS moved from 162½ low	Column D ÷ F	Column E ÷ F
May 31	166½	162½			♀ 27.89°		
June 0	166¼	165	3¾	2½	0.60	6.25 : 1	4.17 : 1
13	168¾	165¼	6¼	2¾	1.85	3.37 : 1	1.49 : 1
4	170⅜	167½	7⅞	5	2.5	3.15 : 1	2 : 1

TABLE 5-5 Break in Table

Aug. 27	256	252⅝	93½	90⅛	86.89	1.08 : 1	1.04 : 1
28	256½	252¾	94	90¼	88.05	1.07 : 1	1.02 : 1
29	254½	251⅝	92	89⅛	89.22	1.03 : 1	1 : 1
30	258	254	95½	91½	90.39	1.06 : 1	1.01 : 1
Sept. 3	261¾	257¼	99¼	94¾	95.07	1.04 : 1	1 : 1

As I described on the previous two pages, the first date Gann identified in his discussion on pages 72 to 74 of Wall Street Stock Selector was the August 29 low of 251⅝. Look at the lower half of Table 5-5 to August 29. On this date the low price had moved up 89⅛ points and Venus had moved 89.22°. When we calculate 89.125 ÷ 89.22, it yields .9989 rounded to two decimals is 1.00 creating a 1 : 1 ratio. This is what Gann meant by "How To Balance a Stock." The movement of the price is balanced or equal to, the movement of Venus. Let's look at this relationship from the viewpoint of Gann's fourth dimension which is velocity. From May 31 to August 29 there were 77 trading days and the price moved 89.125 points making the velocity of the price, 1.1575 points per trading day. Over this 77 day period Venus moved 89.22° making the velocity of Venus, 1.1587° per trading day. Dividing the velocity of the price by the velocity of Venus yields 1.00, again displaying the 1 : 1 ratio. This is how Gann correlated the velocity of prices with the velocity of the planets and reveals how Gann used the fourth dimension of market movements.

On May 31, 1929 when the 162½ low was made, Venus was at 27.89°. If we plot the price and Venus on a chart, Venus will be too far below the price for any comparisons. To see the 1 : 1 relationship which is revealed in Table 5-5, we must start the longitude of Venus at the low. We can do this by finding the difference between the low price and the longitude of Venus, which is 134.61, (162.5-27.89). Next we take the longitude of Venus for the date of the low and every day after, and add 134.61. This can be seen on Chart 5-6 and Chart 5-7.

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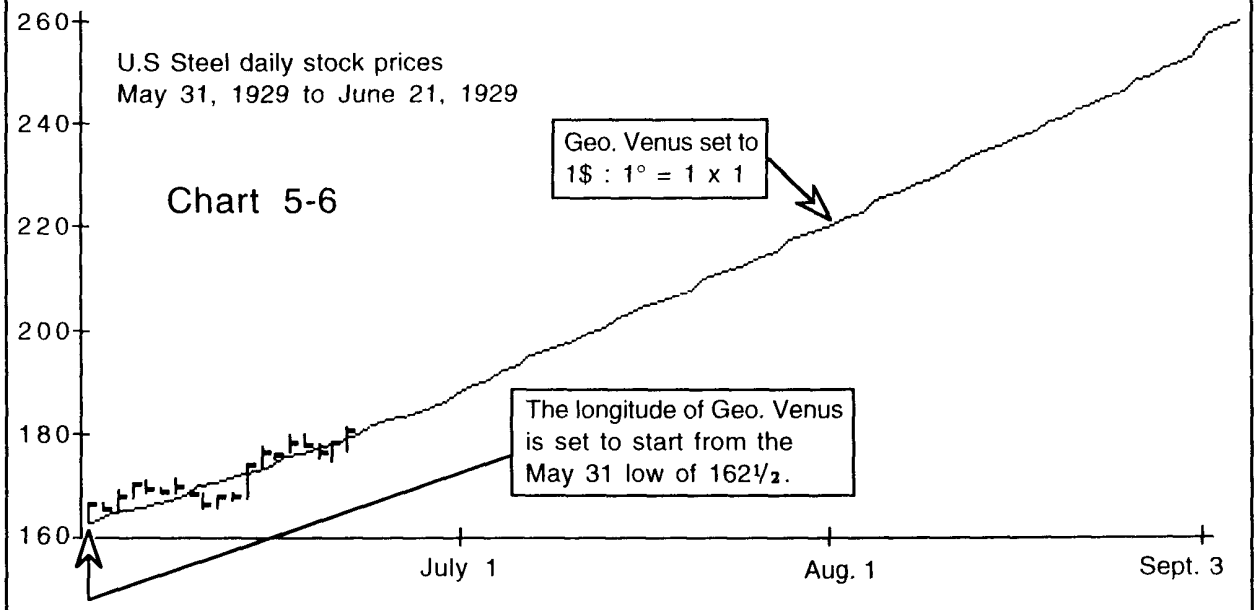

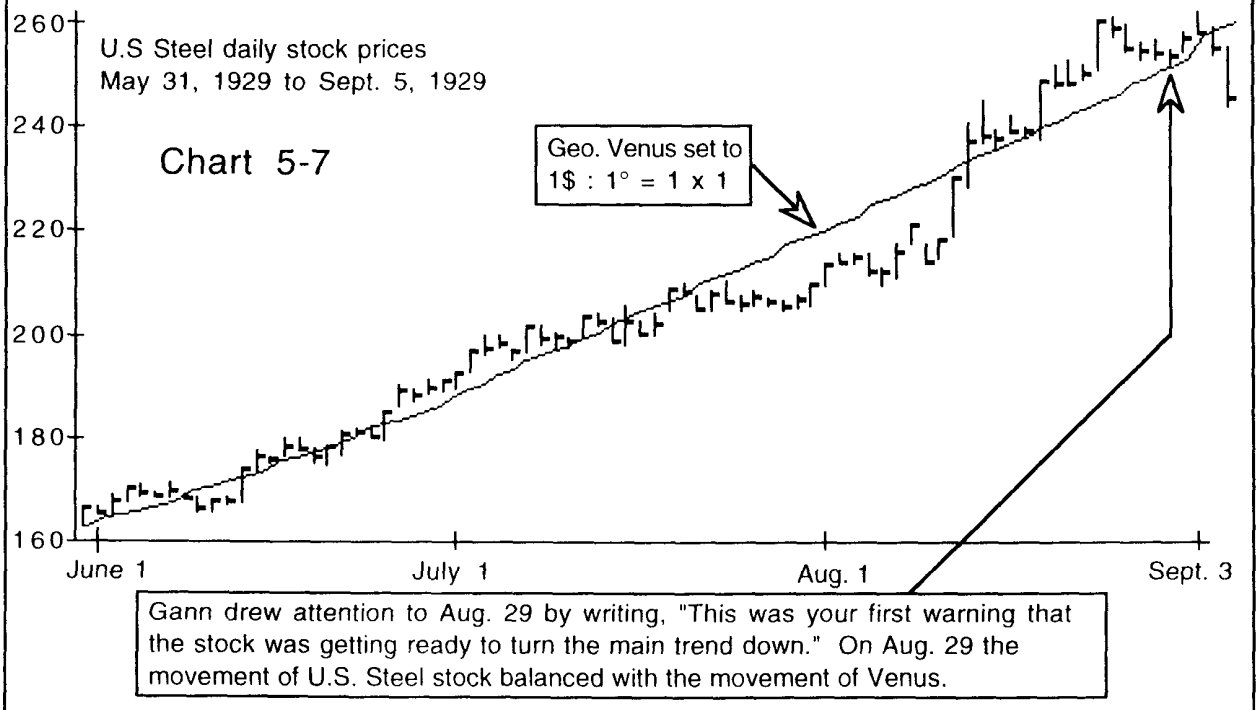

Gann drew attention to Aug. 29 by writing, "This was your first warning that the stock was getting ready to turn the main trend down." On Aug. 29 the movement of U.S. Steel stock balanced with the movement of Venus.

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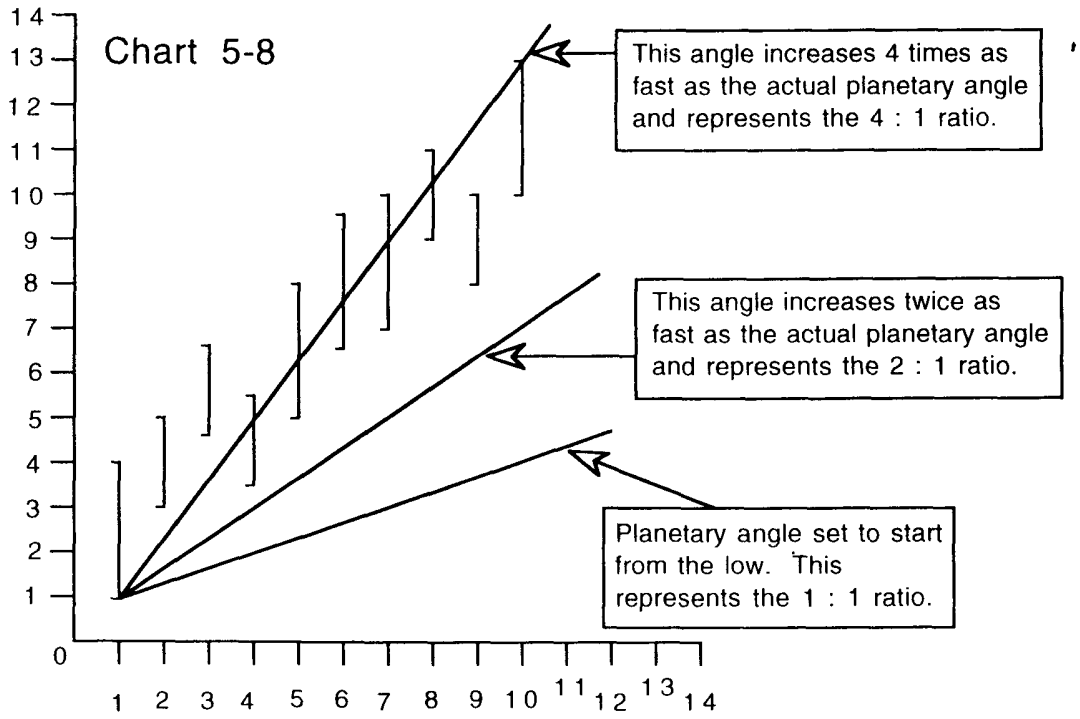
I have stated before that Gann derived his non-astrology methods from his astrology methods and this holds true when dealing with Gann's Price and Time angles. It is my opinion that the original way Gann applied the astrology method being discussed was by using a very simple table, something like Table 5-5. Further, I believe by using a table to study the ratio between price and celestial movement, Gann began to see ratios repeating at points of support and resistance. These reoccurring ratios which Gann observed were the 1 : 1, 1 : 2, 1 : 4 and so on, from which Gann eventually derived his non-astrology Price and Time Angles.

The previous example from Wall Street Stock Selector using U.S. Steel showed that a planetary angle represents the 1 : 1 ratio. If we divide the daily movement of a planet in half and plot it on a chart, we would have a 1 : 2 angle. If we doubled the daily movement of a planet and plotted it, we would have a 2 : 1 angle. We could go through this same process for every ratio Gann considered important. Chart 5-8 shows the ratios 1 : 1, 2 : 1 and 4 : 1. The bottom angle on Chart 5-8 is the actual planetary angle set to start from the low, which represents the 1 : 1 angle. The middle angle is made to increase twice as fast as the actual planetary angle so it represents the 2 : 1 angle. The top angle is made to increase 4 times as fast as the actual planetary angle so it represents the 4 : 1 angle. In Chart 5-8 when the price touches the 4 : 1 angle, the price has moved up 4 price units for every 1 degree of planetary motion. Gann applied this method with declination as well as longitude but for lack of a better name I call these angles Price and Longitude Angles.



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Gann had two ways to apply the Price and Longitude Angles. The first method Gann used to apply the Price and Longitude Angles was to make a table and divide the price movement by the celestial movement. The second method used price chart overlays. An overlay is a square drawn on a piece of clear material with the non-astrology Price and Time Angles drawn from the corners of the square. Just as the non-astrology Price and Time Angles are based on Gann's astrology methods so too are the overlays. The names of Gann's trading tools were selected very carefully. The overlays are the only trading tool Gann ever called a "calculator". A calculation is the process of taking two or more numbers and performing a mathematical procedure which yields some answer. To understand what Gann did with the calculators we must figure out what Gann was actually calculating.

One of Gann's original charts which comes with the W.D. Gann Stock or Commodity Course is entitled, "Path of Planets". The original Path of Planets chart was about 46 inches wide and 26 inches high, and showed the years 1935 through 1941. An artistic replica of the Path of Planets first year, 1935, is shown on Chart 5-9. This is an artistic replica because I have left enough space between the angles so they can be seen clearly. Also, the planetary names and glyphs identifying each angle have been added. On the actual Path of Planets chart there are planetary glyphs identifying each angle but they are not all on the first year of the chart which is shown in Chart 5-9. Notice on the left of Chart 5-9 there is an overlapping scale which starts with 0 in the center then moves to the top of the chart at 90, then turns down and moves to the bottom of the chart at 270 and finally turns back up and moves to the center of the chart at 360. This is the 360° of longitude. Gann laid out Chart 5-9 with 0 in the center so he could plot declination and longitude on the same chart. Also, if the chart did not have an overlapping scale, it would be 52 inches high. Declination is a planet's distance above or below the celestial equator which is represented by the 0 center line on Chart 5-9. On the right side of Chart 5-9 the declination scale starts with 0 in the center and moves both up and down 4, 8, 12 etc.

Notice on Chart 5-9, Gann charted both geocentric and heliocentric longitudes. This includes geocentric sun, Mars, Jupiter, Saturn, Uranus and Neptune and heliocentric Mars, Jupiter, Saturn. The declinations which Gann plotted are for the sun, Mars, Jupiter, Saturn, Uranus, and Neptune. There is some information which was shown for the years 1936 to 1941 which is not presented on Chart 5-9. First, the declinations of Uranus and Neptune were discontinued at the end of 1939. For the three year period, 1938 to 1941, Gann plotted geocentric Venus and Mercury. Geocentric Pluto was plotted for 1941.

The Path of Planets chart proves that Gann used declination and not celestial latitude. I have verified every line plotted on the Path of Planets chart and there are no celestial latitudes. Compared with declination, planetary movement through celestial latitude is very slow thus reducing its utility. This is probably the reason Gann choose to work with declination. In Gann's 1954 soybean letter which was discussed in previous chapters, Gann stated that he used averages of both geocentric and heliocentric planets. Knowing for a fact that Gann used planetary averages, and that they are not on the Path of Planets chart is important because it gives us a very good indication that Gann made more than one chart of the planetary paths. Most likely Gann made several charts like the Path of Planets on which he plotted planetary averages.

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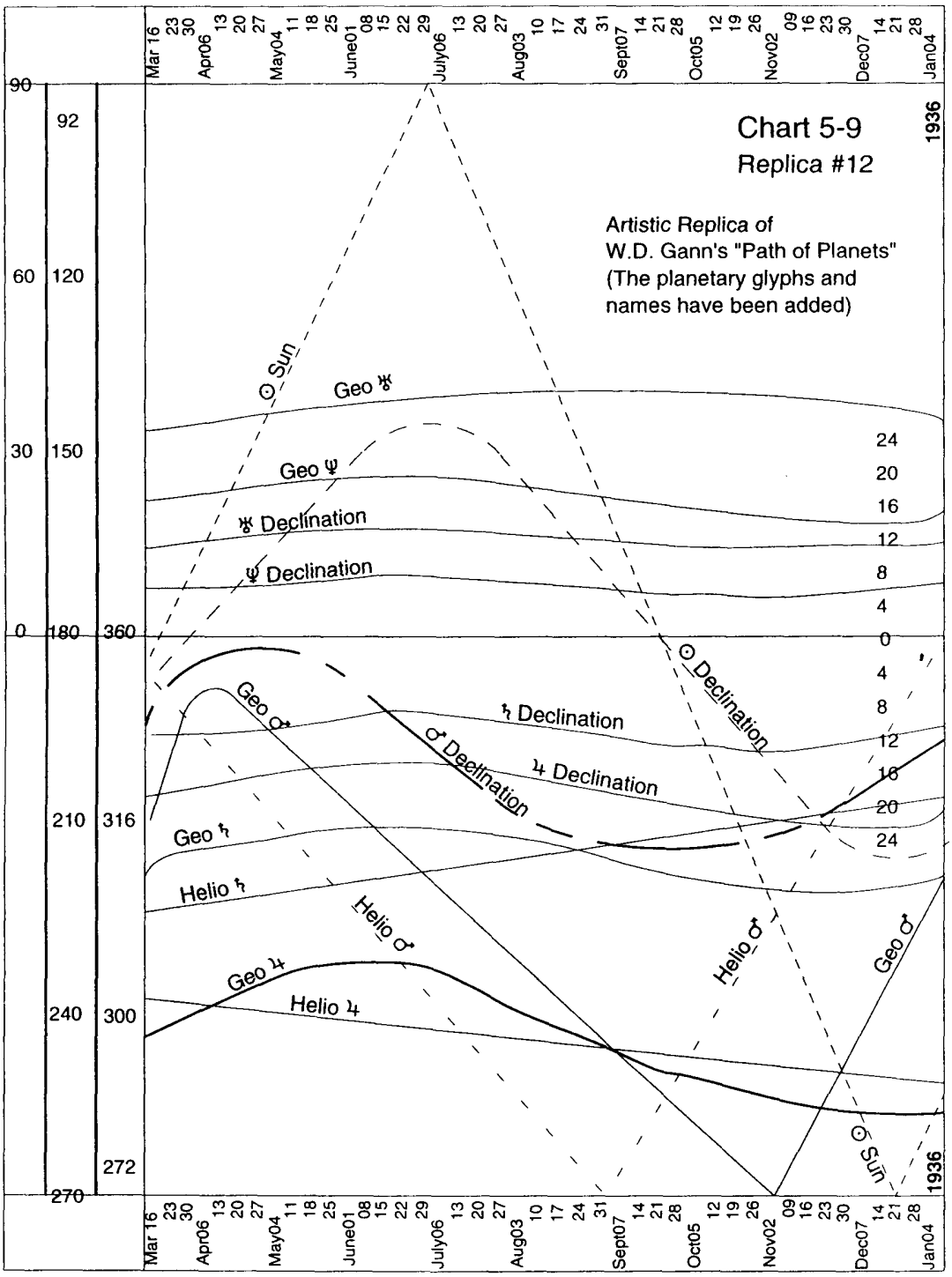

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The main point of our current discussion was the second way in which Gann applied the Price and Longitude Angles to a price chart. It is my opinion that Gann made charts similar to the Path of Planets chart seen in Chart 5-9, on some type of transparent onion skin graph paper. This allowed Gann to place the transparent chart on top of his price bar charts and align the correct dates then move the chart up or down until the desired planetary angle was on top of the market low or high. This allowed Gann to quickly start any planetary angle from past turning points and determine if the current price movement was balancing with a planets movement.

For Gann to utilize this method, the price and time scales on his price charts would have to be set the same as the scale on the planetary overlay or at least be in proportion. This is why Gann seemed to have an obsession with setting the correct price to time scale on all of his charts. This method also shows why we rarely see planetary angles plotted on Gann's price bar charts. The overlays allowed Gann to actively apply the Price and Longitude Angles to his price charts and still keep his astrology methods secret.

Charts 5-10 to Chart 5-12 show the process which I believe allowed Gann to quickly start planetary angles from market tops and bottoms. First, Chart 5-10 shows the planetary overlay and a price bar chart separated.

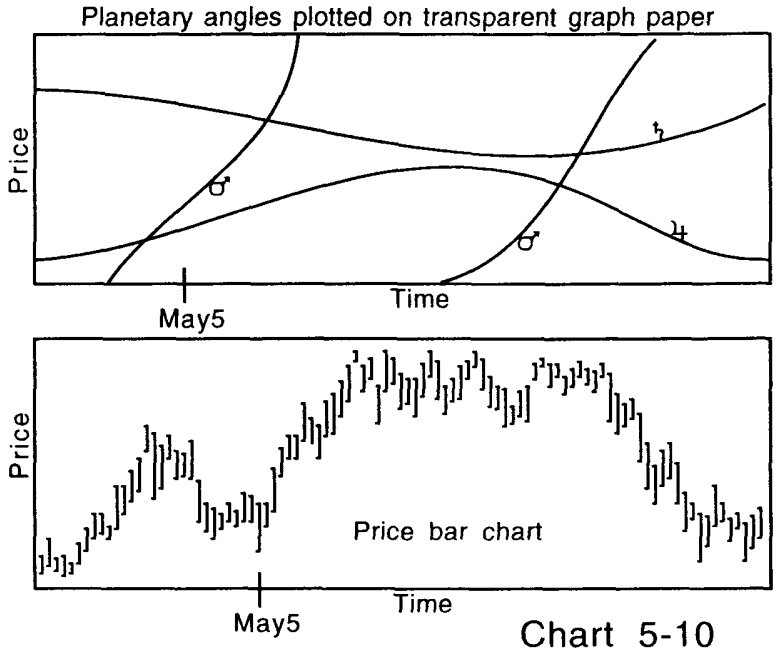

Chart 5-10

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Gann placed the planetary overlay on top the price chart. Next he moved the overlay left or right to align the dates on the planetary overlay with the dates on the price chart. In Chart 5-11 the planetary overlay is placed on top of the price chart and moved to the right to align the date, May 5th.

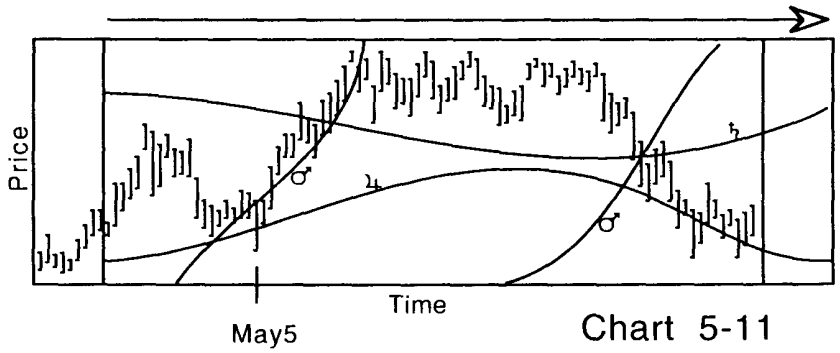

Chart 5-11

Finally Gann moved the planetary overlay up or down to align the desired planetary path with the desired high or low. Below on Chart 5-12, the overlay has been shifted down to align the path of Mars(♂) with the low price of May 5th. At this point we have adjusted the longitude of Mars to start from the May 5th low and can now observe where the price movement balances with the movement of Mars. This is the second way in which Gann applied the Price and Longitude Angles. If we started the planetary longitude from the low price without an overlay we would have to use the low price and the planetary longitude to make a calculation. The planetary angle overlays were used by Gann instead of making the alignment calculation between the turning point and the planetary angles and this is why Gann named the overlays "calculators".

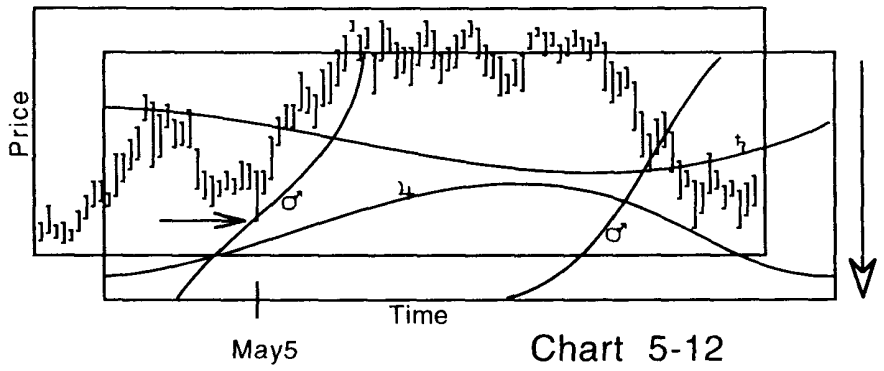

Chart 5-12

In the four quotations dealing with the fourth dimension on page 73, Gann stated he used a weekly (52 x 52) overlay called a "calculator" to balance price with time and this proved the value of the fourth dimension. Notice that the Path of Planets chart seen in Chart 5-9 is set to a weekly scale. Gann most likely was using an overlay similar to the Path of Planets chart when he wrote the four quotations on page 73. The message Gann intended with those four quotations was that by using a Price and Longitude Overlay to balance price and longitudinal movement, he could prove the valuable correlation between the rate of planetary movement and the rate of price movement.

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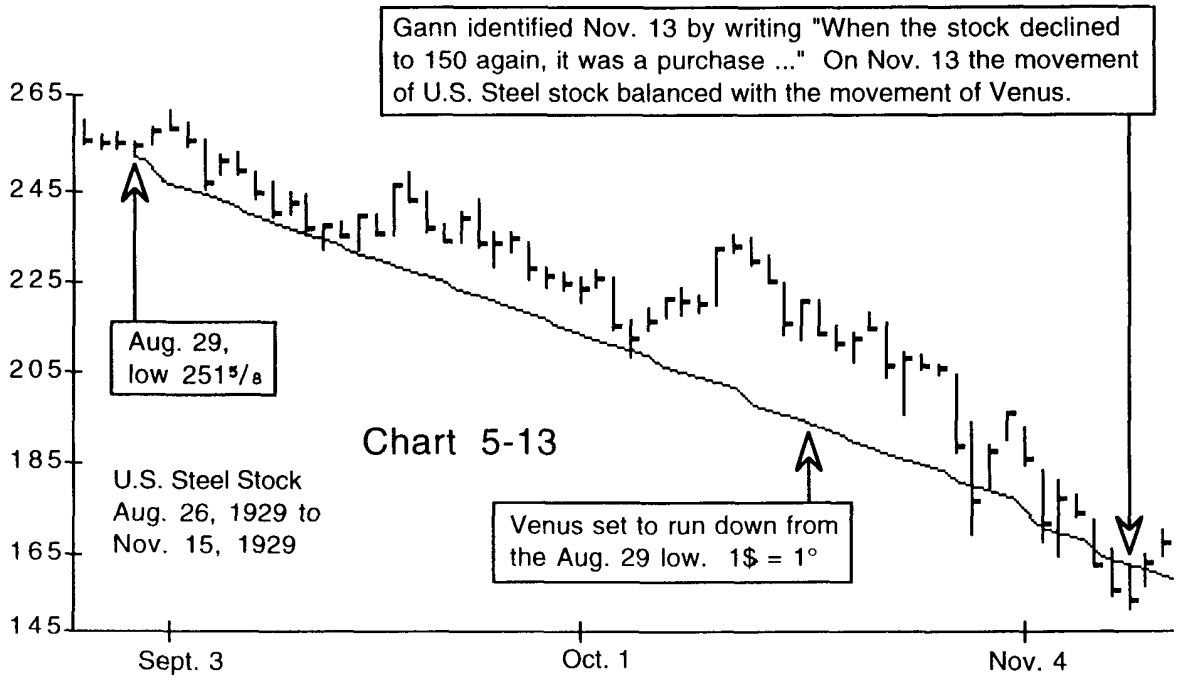
Now that we know the two ways in which Gann applied Price and Longitude Angles, we will return to the U.S. Steel example from Wall Street Stock Selector. Look back to Chart 5-7 on page 76 to see where we left off. Chart 5-7 showed how Gann balanced the movement of U.S. Steel stock and the movement of geocentric Venus between the dates May 31, 1929 and August 29, 1929. Soon after the Aug. 29 balancing point, U.S. Steel made a top and turned down. The second date which Gann identified in his discussion on page 73 of Wall Street Stock Selector was Nov. 13, 1929. Gann made balancing the second date fairly simple. If we again use geocentric Venus and start this angle on the 1st balancing point, Aug. 29, at 251⅝, and run the angle downward we find that it balances with the high price on the second date Gann identified, Nov. 13. Chart 5-13 shows geocentric Venus starting from the Aug. 29 low of 251⅝ and set to run downward 1$: 1° which is a Venus 1 x 1 angle.

On Aug. 29, 1929 at midnight, Venus was at the longitude 117.109° and at midnight on Nov. 13, 1929, Venus was at 209.554°, which means Venus traveled 92.45°. On Aug. 29 the low price of U.S. Steel was 251.625 and on Nov. 13 the high price was 160, which means the price traveled 91.625. When we divide the price movement of 91.625 by the movement of Venus, 92.45, it yields .99 or rounded 1.00. This reveals a 1 : 1 price movement to longitude movement ratio. We can also look at this from the perspective of Gann's fourth dimension. Between Aug. 29 and Nov. 13 there were 58 trading days. When we divide the price movement by 58 days it reveals that U.S. Steel's velocity between these two points was 1.58 (91.625 ÷ 58) points per trading day. When we do the same for Venus, it reveals Venus' velocity was 1.593 (92.45 ÷ 58) degrees per trading day. When we divide the velocity of the price by the velocity of Venus, it yields 1.00, creating a 1 : 1 ratio. Chart 5-13 clearly shows that the movement of geocentric Venus balanced with the price movement between Aug. 29 and Nov. 13.



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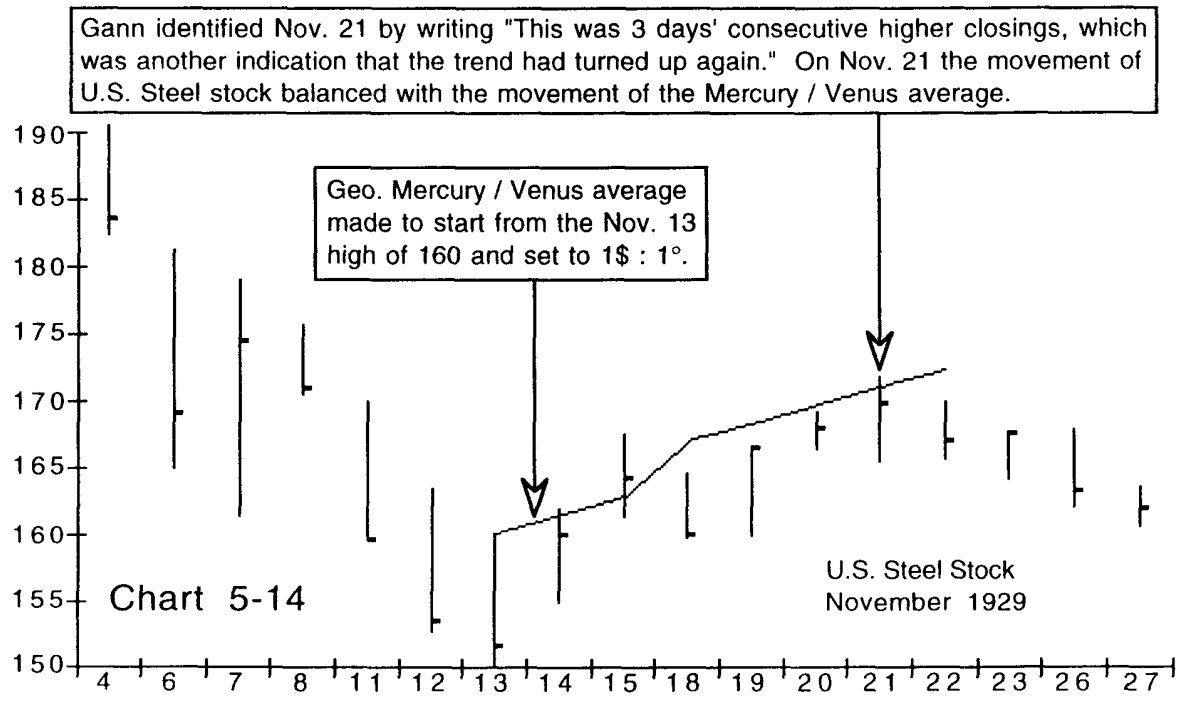
Every now and then Gann used a name for one of his methods which did not seem to make any sense. In one case Gann referred to his geometric angles as "moving-trend -line averages." When we put this in the context of Gann's astrology methods, it makes a lot more sense. We know from Gann's 1954 soybean letter that he used the average of several planetary longitudes. It is my opinion that when Gann called his geometric angles "moving-trend -line averages," he was making a veiled reference to planetary angles created by averaging different combinations of planetary longitudes.

The last date we used in the previous example was Nov. 13 and we balanced U.S. Steel to the price of 160. The next date identified by Gann was the Nov. 21 high of 171.75. On Chart 5-14, I have calculated the average longitude of geocentric Mercury and Venus at midnight and adjusted this average longitude so it is moving up from the second balancing point, the Nov. 13 high of 160. Between the Nov. 13 high of 160 and the Nov. 21 high of 171.75 the price of U.S. Steel moved 11.75 points. The Mercury / Venus average started at 160 on Nov. 13 and at midnight on Nov. 21 was at 171.418 showing that it moved 11.418 points. When we divide the price movement by the movement of the planetary average, it yields 1.029, (11.75 ÷ 11.418), creating a 1 : 1.029 ratio. We can also look at this relationship from the perspective of the fourth dimension. Between Nov. 13 and Nov. 21 there are 6 trading days. Over this time period the price moved 1.9583 points per trading day and the Mercury / Venus average moved 1.903° per trading day. When we divide these two it yields 1.029, again revealing the ratio of 1 : 1.029. This is not as close as I would like to see the ratio work out but consider that the average of Mercury and Venus is a fast moving angle and these calculations were made at midnight, the start of the day. If we follow this average longitude through the day of Nov. 21 we can see that it moves a total of 11.75° reaching an exact 1 : 1 ratio between the price and the planetary average at approximately 5:30 AM.



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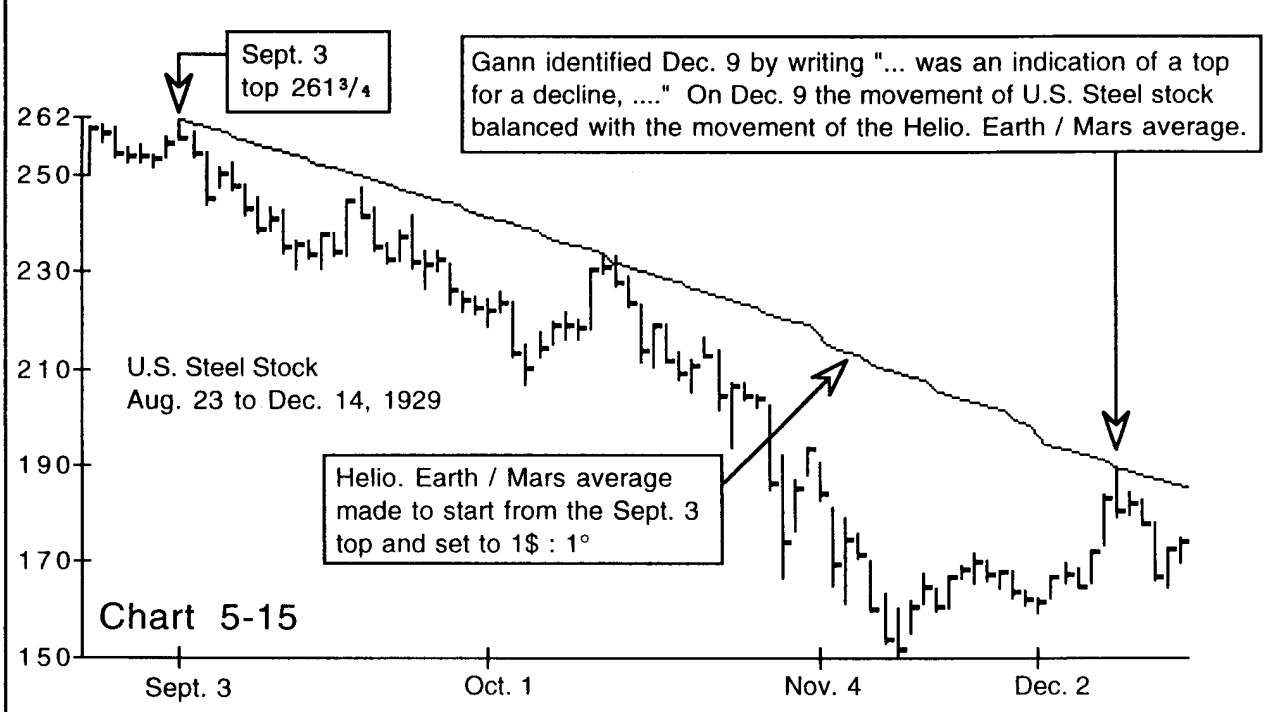
The fourth date from Gann's discussion in Wall Street Stock Selector is the Dec. 9 high of 189. Chart 5-15, shows the average longitude of heliocentric earth and Mars (⊕/♂) made to run down from the extreme high of 261 3/4 on Sept. 3, 1929. From Sept. 3 to Dec. 9 the price of U.S. Steel moved 72.75 points and the earth / Mars average moved 72.704°. When we divide these two numbers it yields 1.00 creating a 1 : 1 ratio between the price movement and longitudinal movement. This is shown on Chart 5-15 below. We can also look at this from the perspective of velocity. Between Sept. 3 and Dec. 9 there were 73 trading days. Over this time period the price had a velocity of .996 points per trading day and the earth / Mars average had a velocity of .9959° per trading day. This reveals the same 1 : 1 ratio. This again illustrates how Gann used the fourth dimension of market movements, velocity, to balance price and time.



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The last date Gann identified in his discussion in Wall Street Stock Selector is the Dec. 23, 1929 low of 156¾. Chart 5-16, shows the average longitude of geocentric Mercury, Venus and Mars (☿/♀/♂) made to run down from the extreme high of 261¾ on Sept. 3, 1929. From the high on Sept. 3 to the low on Dec. 23, the price of U.S. Steel moved 105 points and the Mercury, Venus and Mars average moved 104.633°. When we divide these two numbers it yields 1.00 creating a 1 : 1 ratio between the price movement and longitudinal movement. Again let's look at this from the perspective of Gann's fourth dimension which is velocity. Between Sept. 3 and Dec. 23 there were 86 trading days. Over this time period, the price had a velocity of 1.22 points per trading day and the Mercury, Venus and Mars average had a velocity of 1.216° per trading day. When we divide these two numbers it reveals the same 1 : 1 ratio. This again illustrates how Gann used the fourth dimension of market movements to balance price and time.

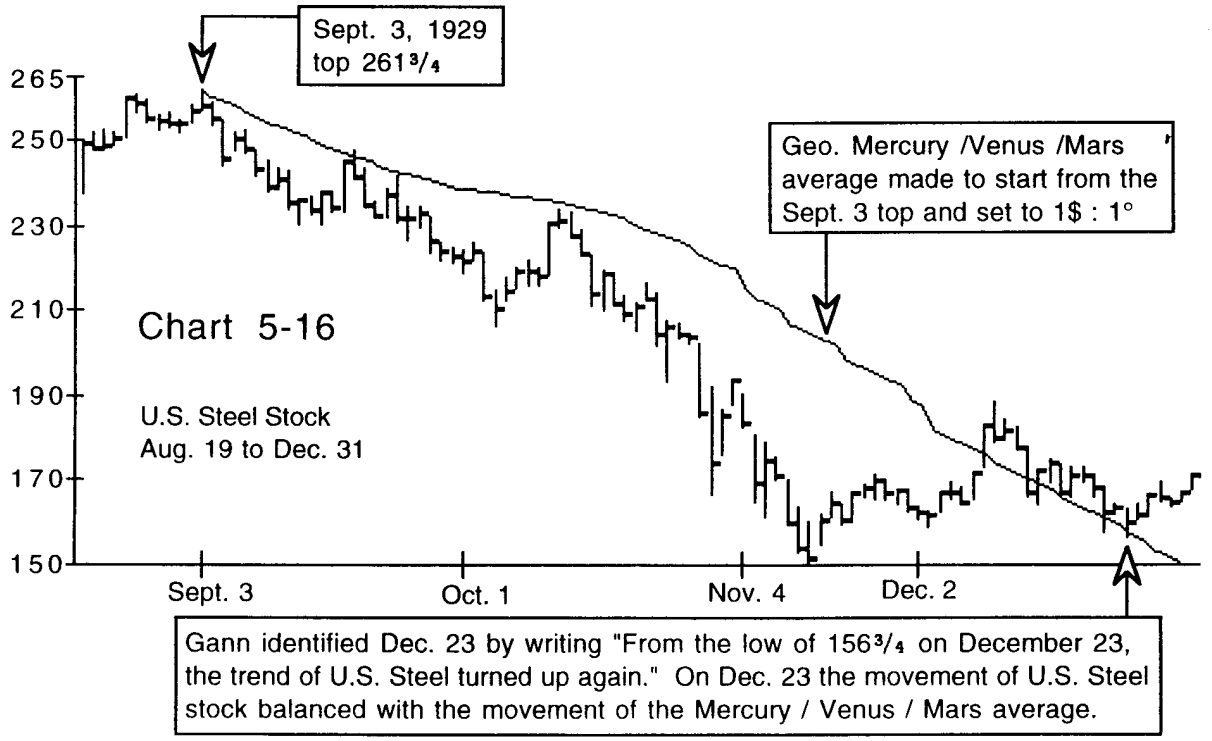

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Chart 5-17 on the opposing page is an artistic replica of Gann's "May Coffee Moon Signs" chart. The original of this chart is very cluttered so only the information which is important to the explanation of this astrology method is shown on Chart 5-17. There are only two price bars on Chart 5-17 for the June 19 low and the Oct. 9 low. On Chart 5-17, look at the four angles which start from the June 19 low. I have tried to place the glyphs and angle labels on Chart 5-17 in their relative position to the original chart so you can easily find them on the actual chart if you have a copy. Three of the four angles starting from June 19 are clearly labeled. These are the sun(☉) for which Gann wrote the sun's glyph twice, geocentric Mars for which Gann wrote "Geo ♂ ", "♂ G" and "♂ " and finally heliocentric Mars for which Gann wrote "♂ Helio". The fourth angle which starts from June 19 will be discusses last. Next look at the price bar for the day Oct. 9. There is one angle starting from the Oct. 9 low which is clearly labeled with the sun's glyph (☉).

Finally for Chart 5-17, look at the lowest angle starting from the June 19 low. This is the angle which we have not discussed yet . Notice that this angle was labeled with a sideways "9" and then a Mars glyph(♂) pointing straight up. Gann had labeled the trading days from a previous top and as the numbers progress 88, 90, 92, the number 90 was almost resting on top of this angle. Gann labeled this angle by combining the number "90" and the Mars glyph "♂" into "9♂" making the circle of the Mars glyph also the zero in 90. This was drawn sideways so it would line up with the other numbers in front and behind it. This angle labeled "9♂ " is made to increase at ½ the slope or velocity of heliocentric Mars and is in fact a heliocentric Mars 1 : 2 angle. This proves that our understanding of the Price and Longitude Angles which we derived out of Gann's 1930 Wall Street Stock Selector is in fact correct.

The Price and Longitude Angles on the "May Coffee Moon Signs" chart are not plotted for every line on the chart. Gann drew these Price and Longitude Angles across nine or ten months using only one or two points for each angle. This means that if you plotted these angles for every line on the chart they would be slightly off from the angles on the "May Coffee Moon Signs". This seems to indicate that on this particular chart, Gann was only interested in the general position of the Price and Longitude Angle for judging which planet was correlating with the price movement rather than trying to identify exact mathematical balancing points.

One question which is frequently debated by astrologers is, should geocentric or heliocentric longitudes be used. It is very frustrating for advanced astrologers to learn that Gann used both geocentric and heliocentric longitudes because they can not explain why. Gann's Price and Longitude Angle method which I have explained in this chapter provides the answer to this question. Gann used both the geocentric and heliocentric coordinate systems because he was looking for different rates of astrological motion to correlate with the rate of price motion.

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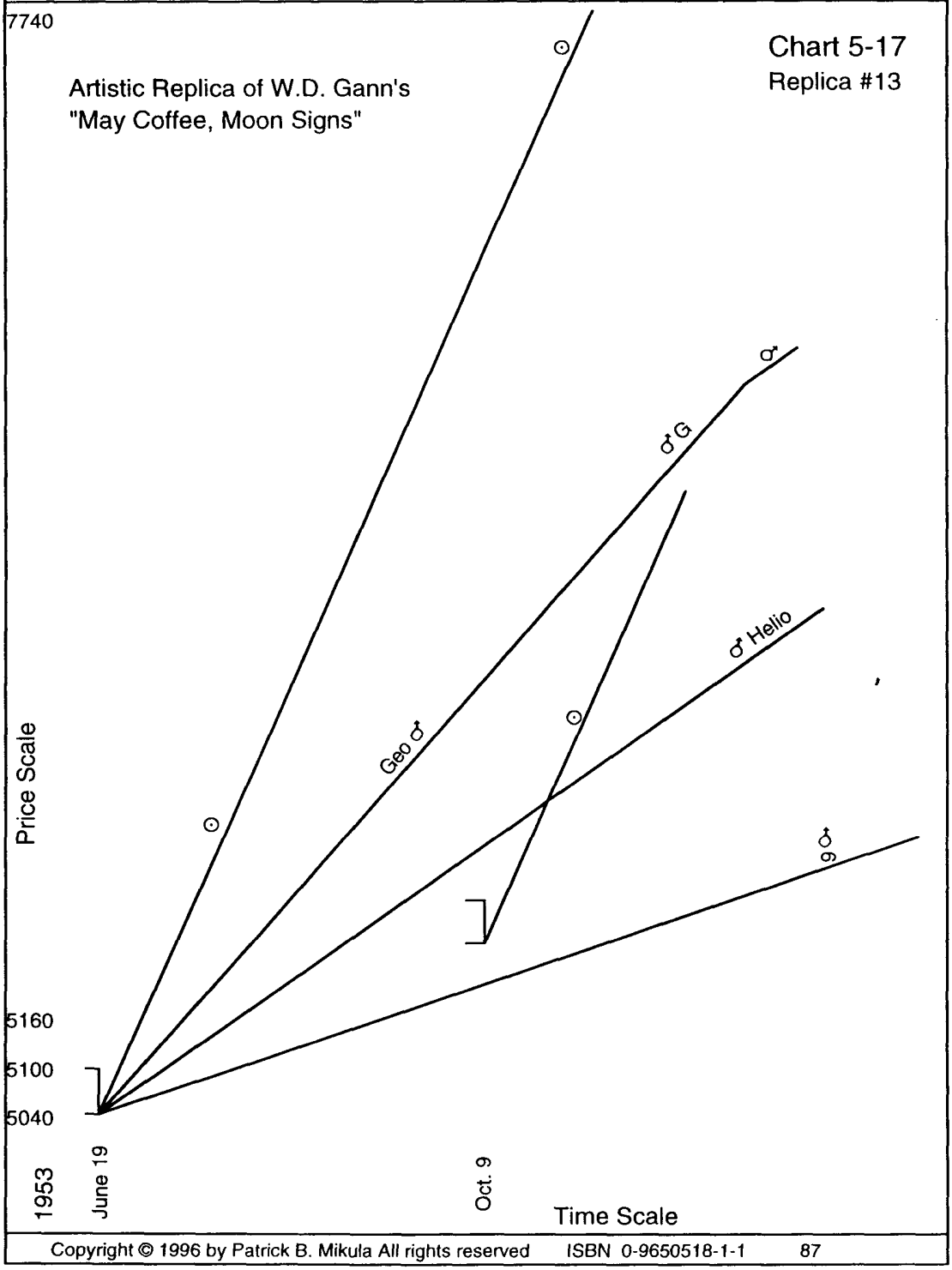

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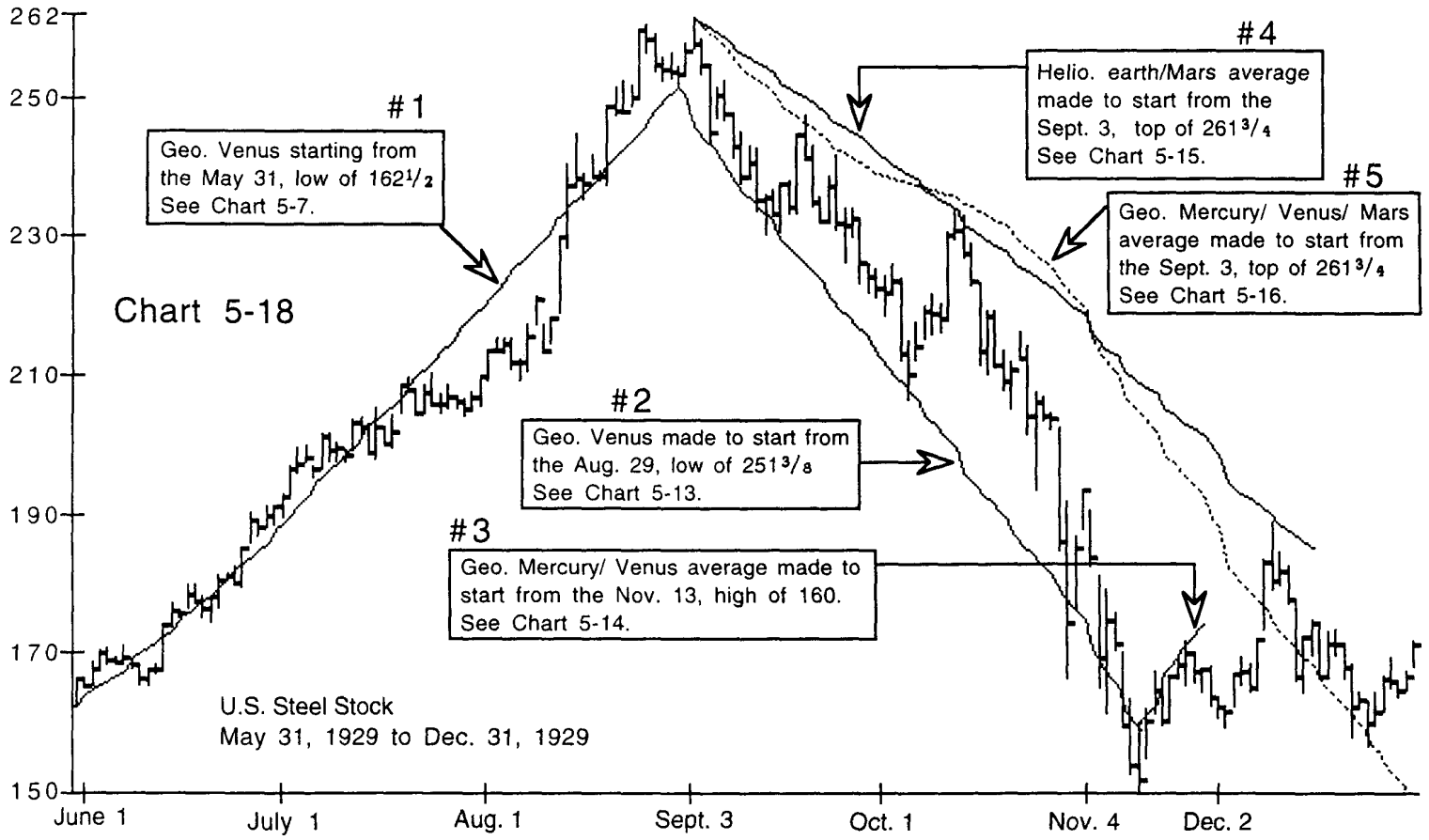
Chart 5-18 shows a U.S. Steel chart with all five of the Price and Longitude Angles which Gann concealed in Wall Street Stock Selector. The first three planetary angles we discussed from Gann's book are labeled as #1, #2 and #3. Notice that angle #1's balancing point is the start of angle #2, and angle #2's balancing point is the start of angle #3. Finally, notice that the last two planetary angles both started from the extreme high of Sept. 3, 1929.



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When applying the Price and Longitude Angles you must start by setting the 1 : 1 price to longitude relationship. There are two practical price to longitude relationships. The first is to set the 1 : 1 angle as, 1 minimum tic to 1° of movement. For the grain markets this would be 1/4¢ : 1°. For T-Bonds this is 1/32 : 1°. For the S&P 500 futures this is .05 : 1°. The minimum bid / ask increment for small stocks is sometimes too small to use for the 1 : 1 angle. As an example on the first trading day for Microsoft, March 13, 1986, the high bid was 11 1/64 revealing a minimum tic of just 1/64. For individual stocks I would recommend trying a standard 1/8 for the 1 : 1 angle creating a 1/8 : 1° relationship. Below are four lists of price to longitude relationships using 1 tic to 1°. To the right of each price to longitude ratio is the equivalent traditional Gann price to time ratio.

GRAINS	T-BONDS	S&P-500	STOCKS
2¢ : 1° = 8 x 1	1/2 : 1° = 8 x 1	.4 : 1° = 8 x 1	1$: 1° = 8 x 1
1¢ : 1° = 4 x 1	1/8 : 1° = 4 x 1	.2 : 1° = 4 x 1	1/2 : 1° = 4 x 1
3/4¢ : 1° = 3 x 1	3/32 : 1° = 3 x 1	.15 : 1° = 3 x 1	3/8 : 1° = 3 x 1
1/2¢ : 1° = 2 x 1	1/16 : 1° = 2 x 1	.1 : 1° = 2 x 1	1/4 : 1° = 2 x 1
1/4¢ : 1° = 1 x 1	1/32 : 1° = 1 x 1	.05 : 1° = 1 x 1	1/8 : 1° = 1 x 1
1/4¢ : 2° = 1 x 2	1/32 : 2° = 1 x 2	.05 : 2° = 1 x 2	1/8 : 2° = 1 x 2
1/4¢ : 3° = 1 x 3	1/32 : 3° = 1 x 3	.05 : 3° = 1 x 3	1/8 : 3° = 1 x 3
1/4¢ : 4° = 1 x 4	1/32 : 4° = 1 x 4	.05 : 4° = 1 x 4	1/8 : 4° = 1 x 4
1/4¢ : 8° = 1 x 8	1/32 : 8° = 1 x 8	.05 : 8° = 1 x 8	1/8 : 8° = 1 x 8

The second set of price to longitude relationships sets the 1 : 1 angle as 1 point, cent or dollar to 1° of movement. Below are four lists of ratios using 1 point, cent or dollar to 1°. To the right of each price to longitude ratio is the equivalent traditional Gann price to time ratio.

GRAINS	T-BONDS	S&P-500	STOCKS
8¢ : 1° = 8 x 1	8pt : 1° = 8 x 1	8pt : 1° = 8 x 1	8$: 1° = 8 x 1
4¢ : 1° = 4 x 1	4pt : 1° = 4 x 1	4pt : 1° = 4 x 1	4$: 1° = 4 x 1
3¢ : 1° = 3 x 1	3pt : 1° = 3 x 1	3pt : 1° = 3 x 1	3$: 1° = 3 x 1
2¢ : 1° = 2 x 1	2pt : 1° = 2 x 1	2pt : 1° = 2 x 1	2$: 1° = 2 x 1
1¢ : 1° = 1 x 1	1pt : 1° = 1 x 1	1pt : 1° = 1 x 1	1$: 1° = 1 x 1
1¢ : 2° = 1 x 2	1pt : 2° = 1 x 2	1pt : 2° = 1 x 2	1$: 2° = 1 x 2
1¢ : 3° = 1 x 3	1pt : 3° = 1 x 3	1pt : 3° = 1 x 3	1$: 3° = 1 x 3
1¢ : 4° = 1 x 4	1pt : 4° = 1 x 4	1pt : 4° = 1 x 4	1$: 4° = 1 x 4
1¢ : 8° = 1 x 8	1pt : 8° = 1 x 8	1pt : 8° = 1 x 8	1$: 8° = 1 x 8

Charts 5-19 to 5-24, show some of the similarities and differences between geocentric and heliocentric longitudes. Understanding how geocentric and heliocentric longitudes interact is helpful when applying the Price and Longitude Angles.

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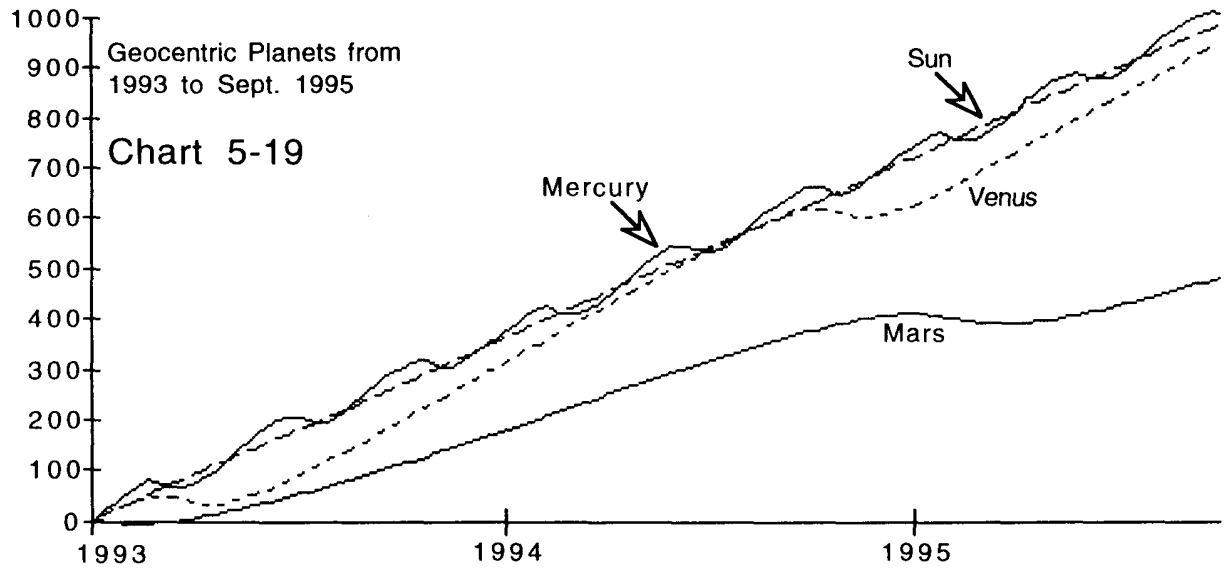
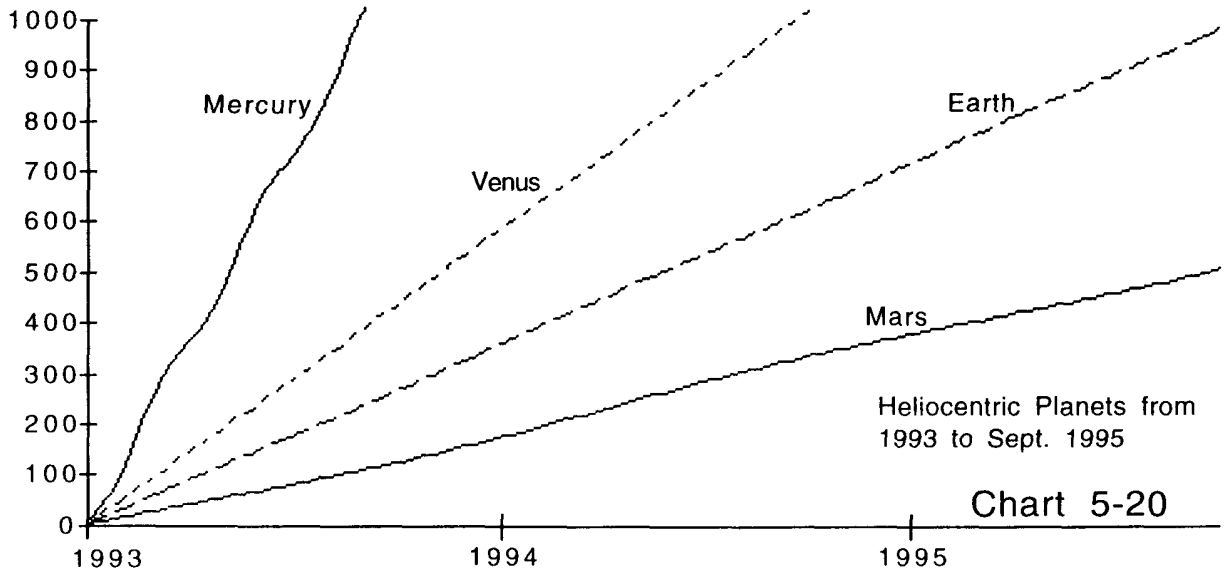


On Chart 5-19, I have adjusted the longitudes of four geocentric planets to start at 5 on January 1, 1993. The planets then run from Jan. 1993 through 1995. Notice that Mercury, sun and Venus have similar geocentric velocities. Chart 5-20 shows the heliocentric longitudes for the same four planets seen in Chart 5-19. Notice that the heliocentric velocities for Mercury, sun, Venus and Mars are distinctly different.



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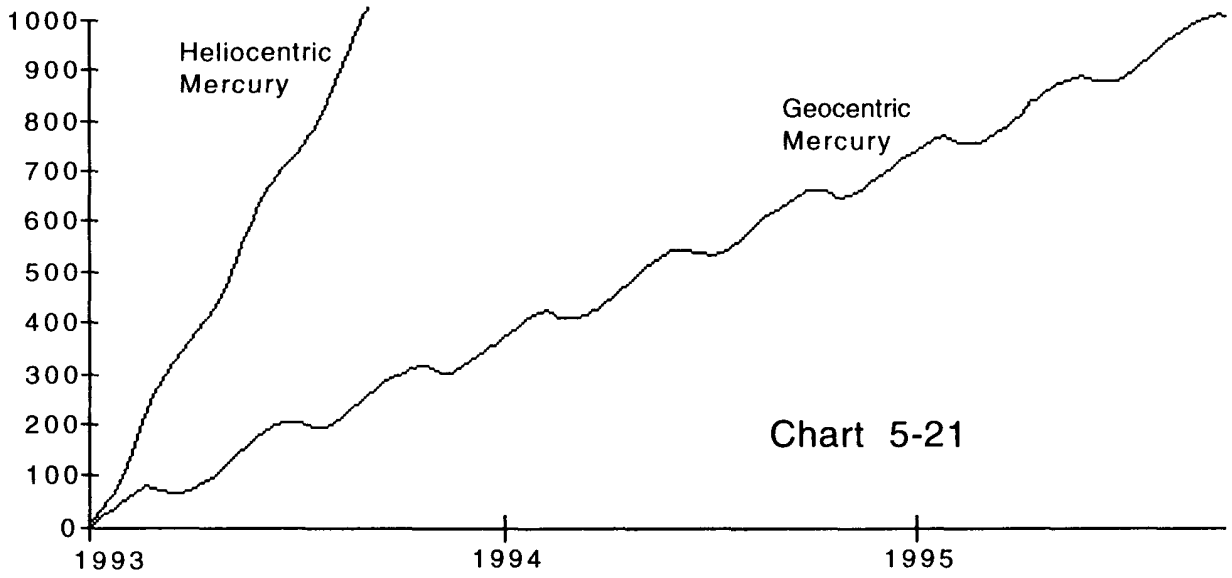

Chart 5-21

The farther a planet is from the sun, the closer its geocentric and heliocentric longitudes become and therefore their velocities also become increasingly similar. Charts 5-21 and 5-22 show that the geocentric and heliocentric velocities of Venus are closer together than the geocentric and heliocentric velocities of Mercury.

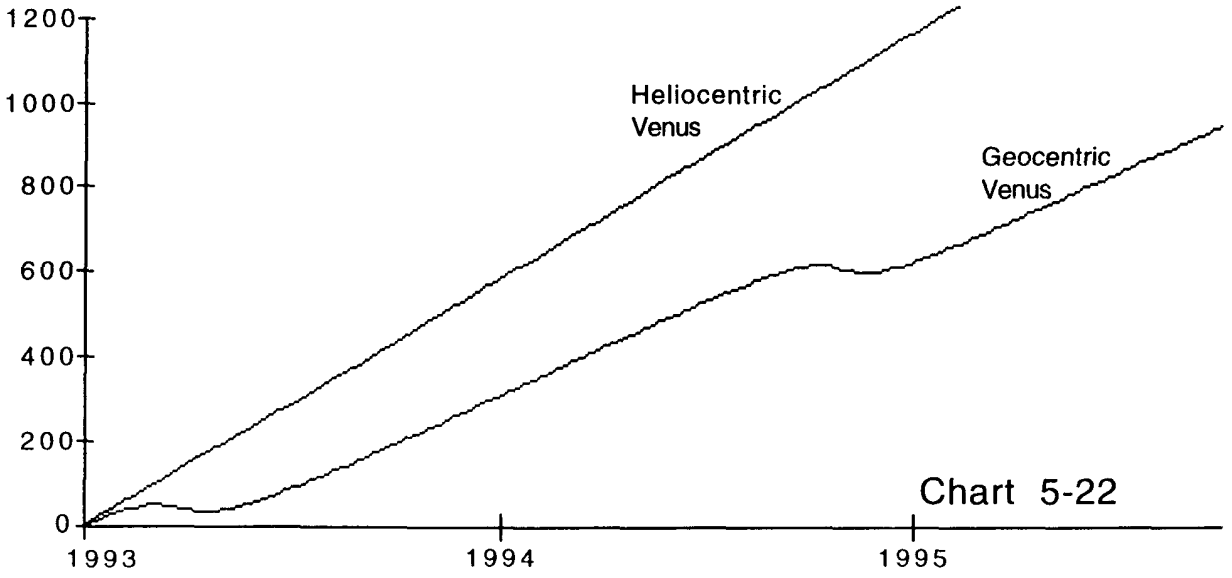

Chart 5-22

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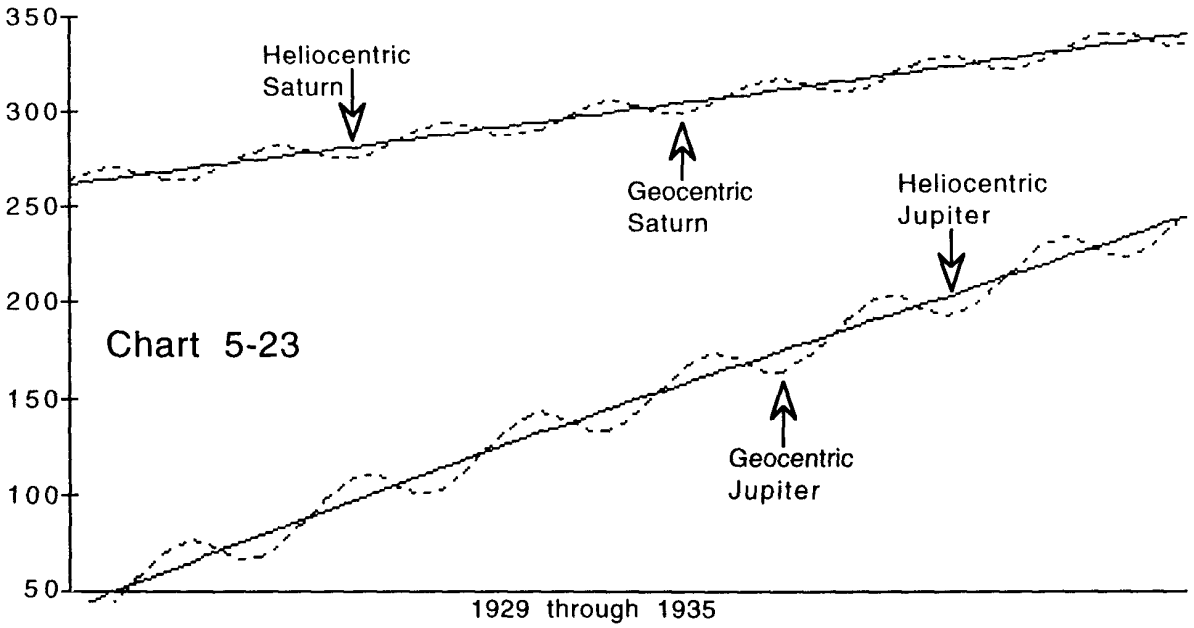

On Charts 5-23, notice that the geocentric longitude of Jupiter and Saturn revolves around its respective heliocentric longitude. This basic structure of the geocentric longitude revolving above and below the heliocentric longitude is true for all of the outer planets.

On the following pages are a variety of examples using stocks and futures showing how the Price and Longitude Angles should be applied. There are some examples which show the same angles on daily and weekly charts so you can see how the daily chart relationships fit into a larger picture. Chart 5-24 to 5-37 were compiled based upon data supplied by Commodity Systems, Inc. (CSI), of Boca Raton, FL. See page 201 for the CSI address and phone number. Chart 5-38 to 5-54 were compiled with data from a variety of private sources.

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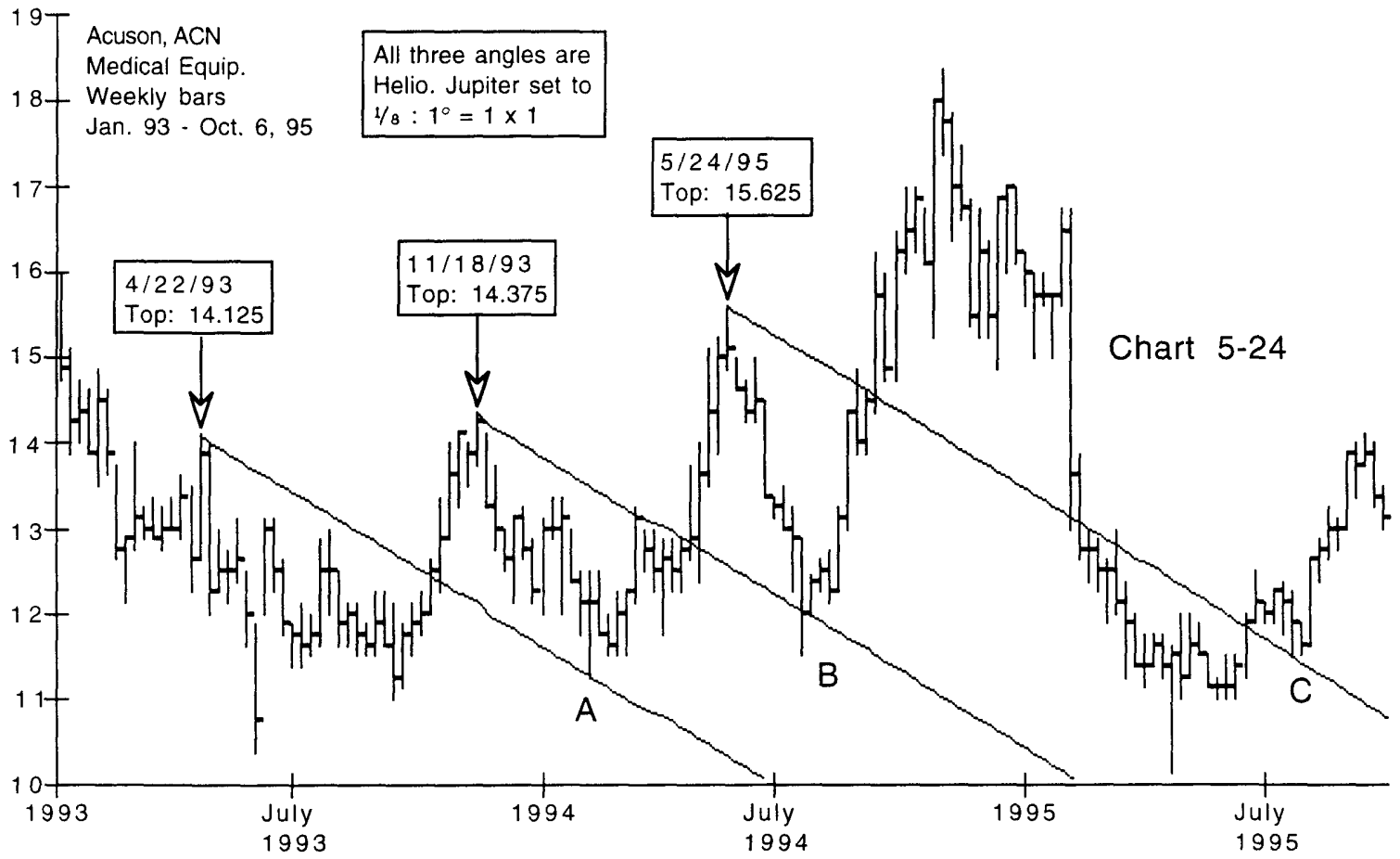
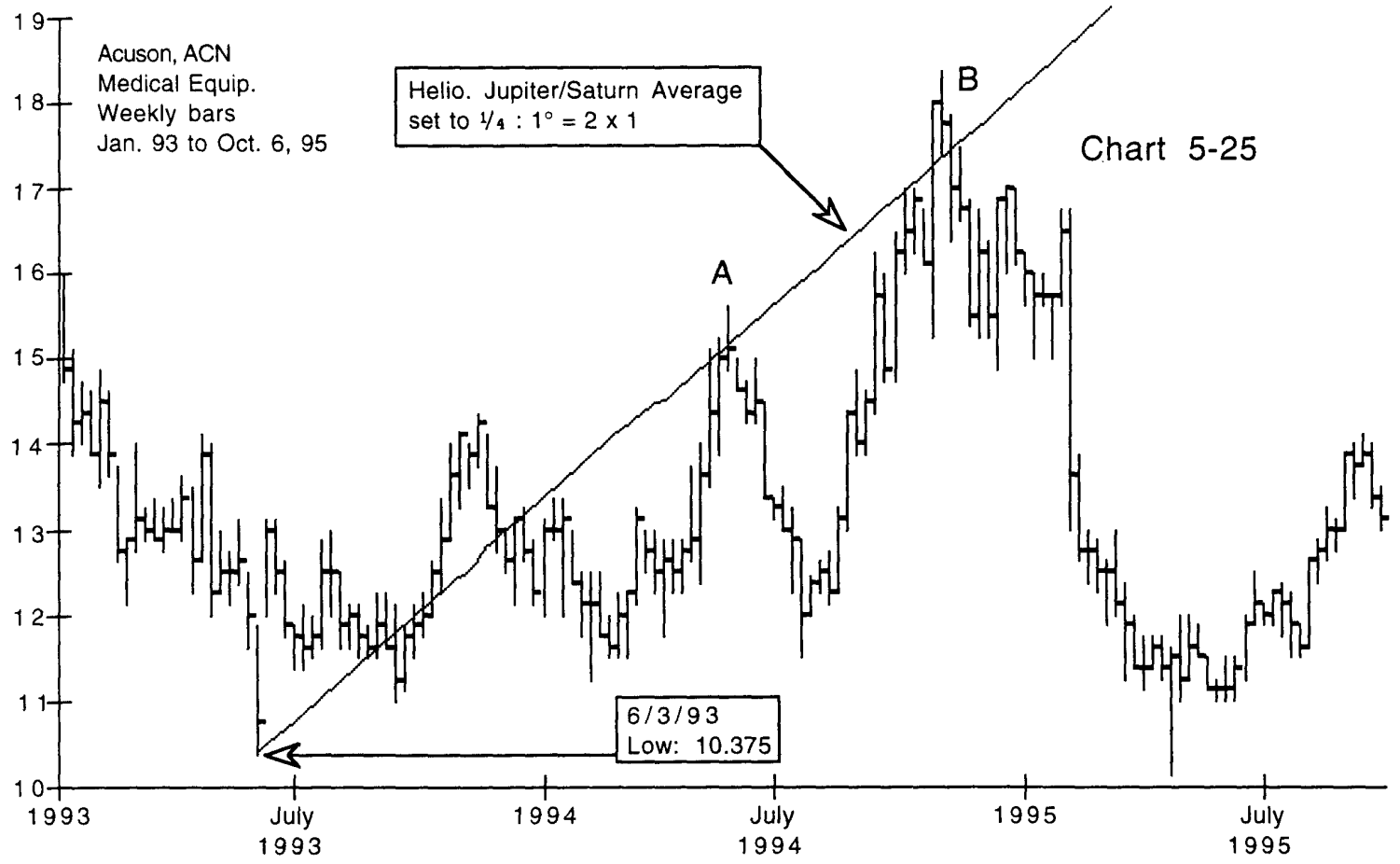


Chart 5-24 for Acuson stock shows the longitudinal angle of heliocentric Jupiter drawn downward from three different tops. All three angles are set to 1/8 : 1° which represents the 1 x 1 angle. Gann's idea behind the use of the Price and Longitude Angles was that tops and bottoms unfold in the financial markets at points were price movement is in proportion to astrological movement starting from a previous turning point. Notice the bottom at point "A" balanced with the movement of Helio. Jupiter starting from the April 22 top. The bottom at point "B" balanced with the movement of Helio. Jupiter starting from the Nov. 18 top. Finally the bottom at point "C" balanced with the movement of Helio. Jupiter starting from the May 24 top.

On Chart 5-25, I have taken the average longitude of Helio. Jupiter and Saturn and started it from the June 3 low. This angle is set to ¼ : 1° which represents the 2 x 1 angle. Gann often said that tops and bottoms occurred in proportion to previous tops and bottoms. Balancing means the point where price and longitude have moved the same amount and this can only occur on a 1 x 1 angle. This example uses a 2 x 1 angle which is in proportion to the 1 x 1. This means that when the price of Acuson touched the 2 x 1 angle and formed tops at points "A" and "B" its movement was in proportion to the movement of the Jupiter / Saturn average.



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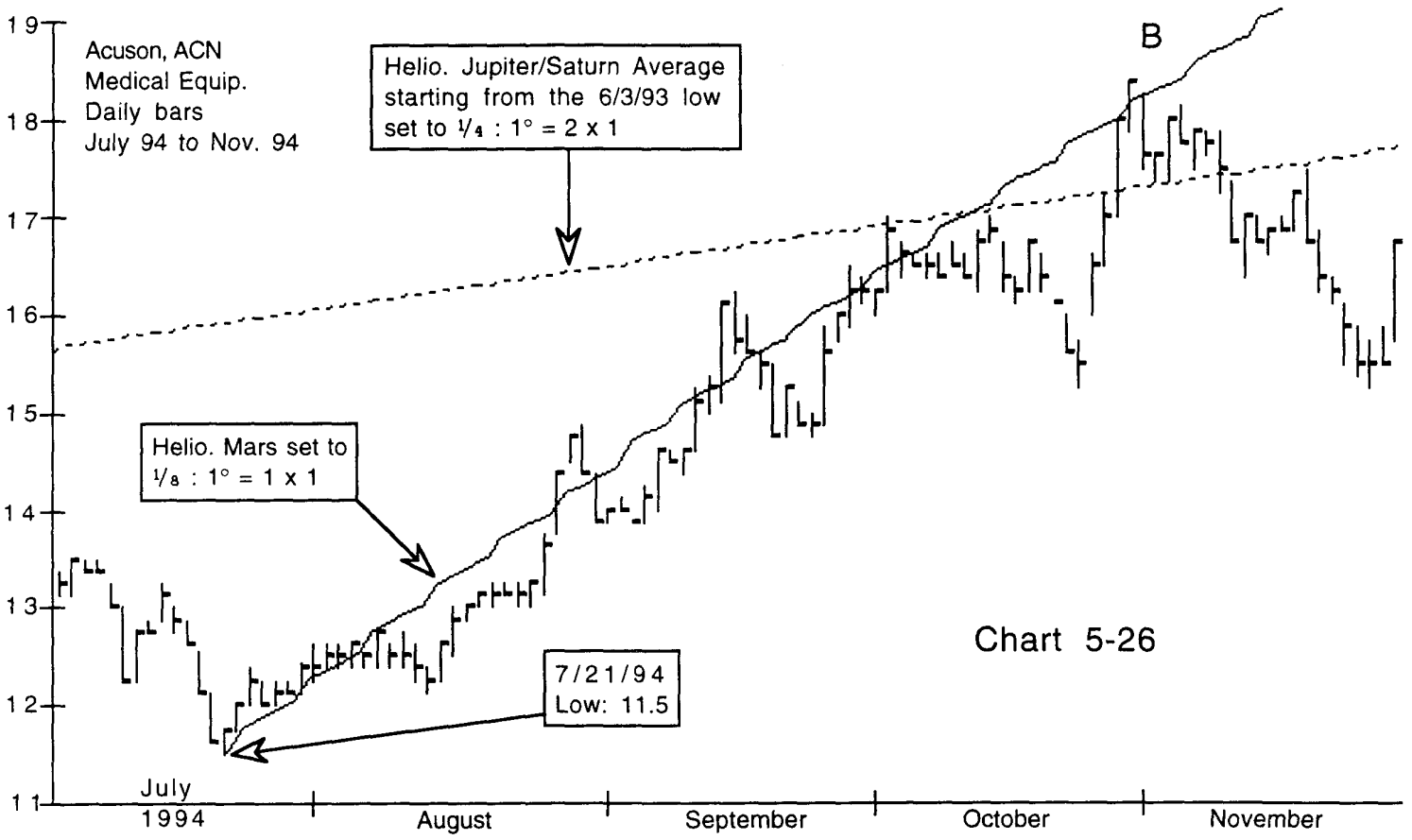

Chart 5-26

When looking for turning points the most important situation is a balancing point between a top and a bottom as opposed to balancing points which form between two tops or two bottoms. Chart 5-26 provides a daily view of the final top for Acuson stock which was shown on Chart 5-25. There is no point "A" on Chart 5-26. The top is labeled point "B" because it is the same point "B" shown on Chart 5-25. The solid line on Chart 5-26 is the Heliocentric longitude of Mars starting from the July 21 low, and is set to 1/8 : 1° which represents the 1 x 1 angle. The dashed line is the same 2 x 1 Jupiter / Saturn average angle shown on Chart 5-25. Notice at the final top, the movement of the price and Mars balanced out very well and the price was also on the 2 x 1 Jupiter / Saturn angle.

Chart 5-27 is a daily chart for Apple Computer. The average longitude of the sun and geo. Jupiter is started from the June 27 low. This angle provided support for the lows at points "F" and "H". Finally, Apple stock balanced with the Sun / Jupiter angle at point "J" where it formed a sideways topping pattern. Chart 5-28 on the next page is a weekly chart for Apple which shows how this sun / Jupiter angle fits into the longer term picture.

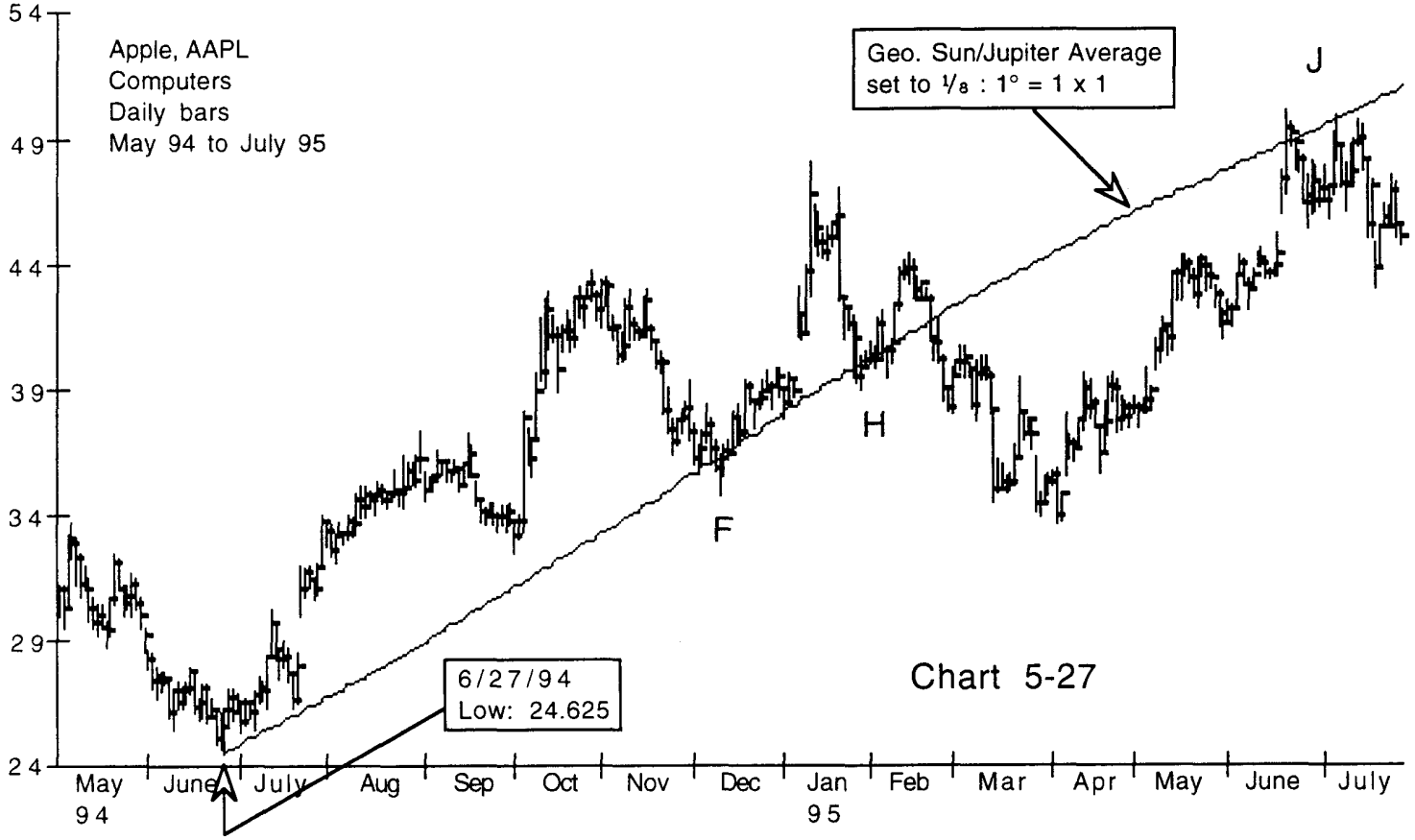

Chart 5-27

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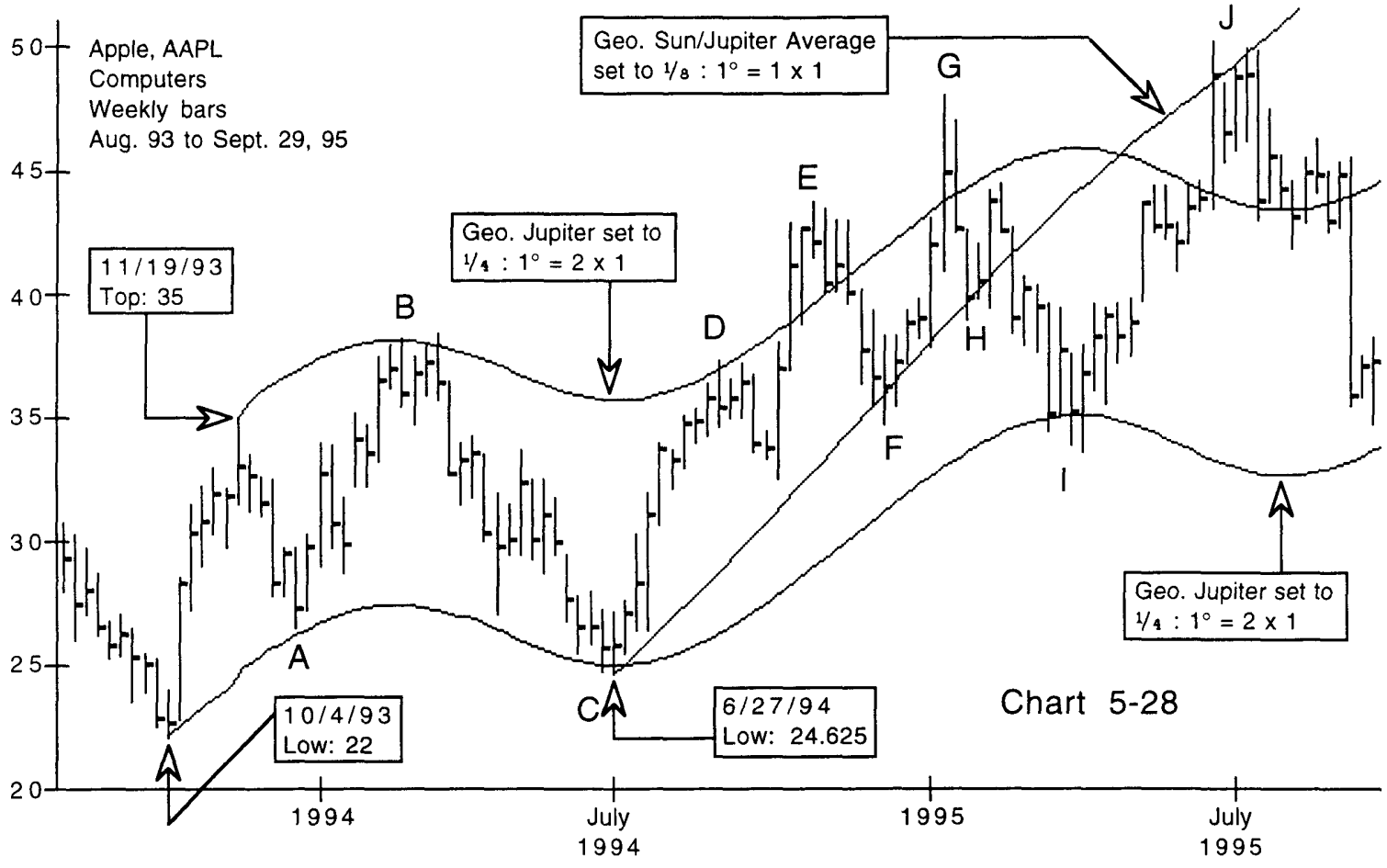

Chart 5-28 is a weekly chart for Apple Computer. A 2 x 1 Geo. Jupiter angle starts from the Oct. 4, 1993 low and the Nov. 19, 1993 top. The turning points "A", "B", "C", "D", "E", "G" and "I" formed when the price of Apple stock reached a 2 x 1 angle. The 2 x 1 angle is not a balancing angle; it is a proportional angle meaning it represents a position which is in proportion to the actual movement of Jupiter which would be represented by a 1 x 1 angle. The angle which provided support at points "F", "H" and balanced with Apple stock at point "J" is the sun / Jupiter average angle shown on Chart 5-27.

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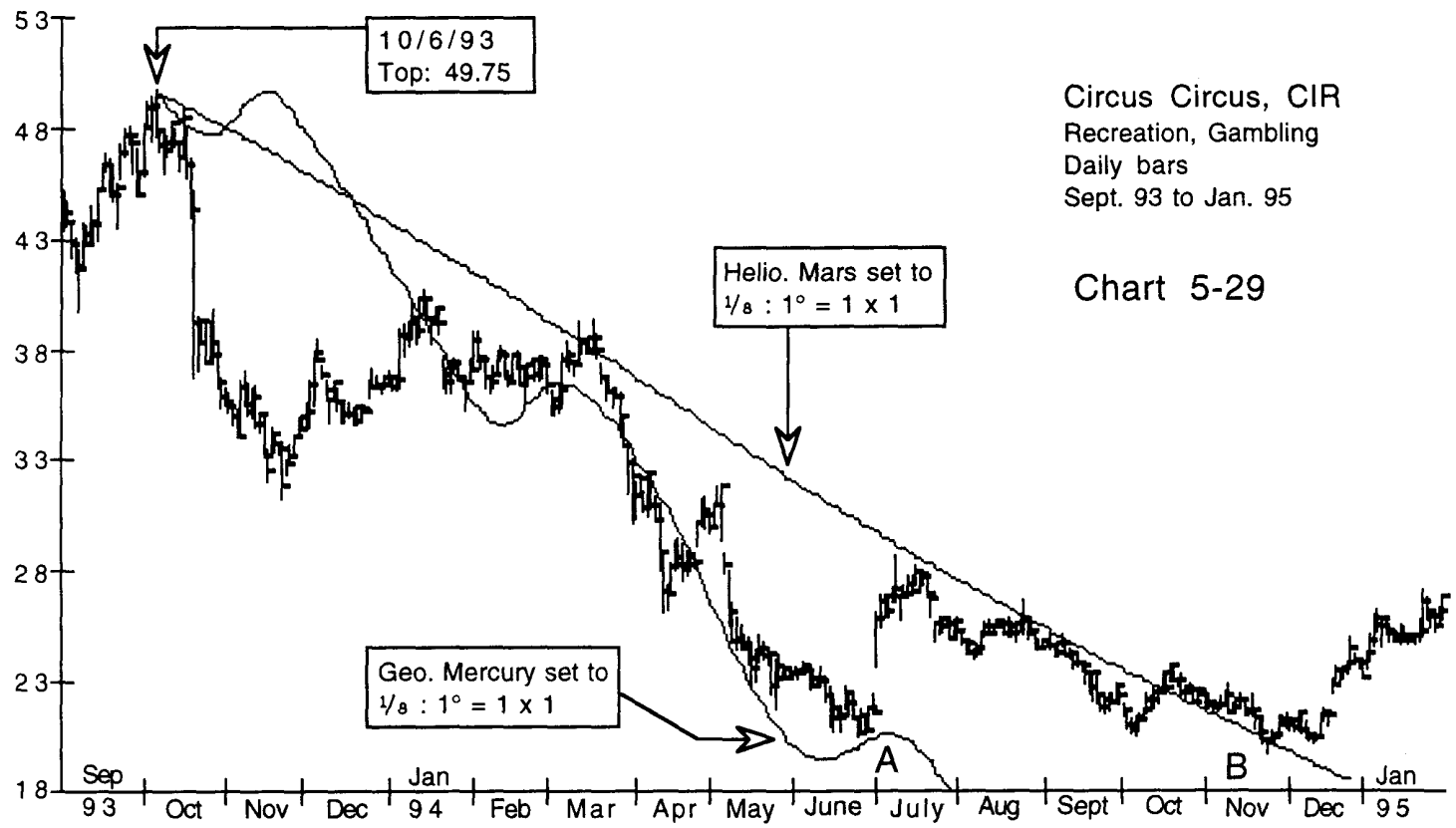
Chart 5-29 is a daily chart for Circus Circus. The longitudes of Helio. Mars and Geo. Mercury are made to start at the Oct. 6 top. At point "A" Mercury was only a fraction away from the low price as it balanced with the price movement. The movement of Mars balanced with the movement of the price at point "B". It is important to remember Gann said that balancing points are a place to watch for change in trend not a guarantee of a change in trend.



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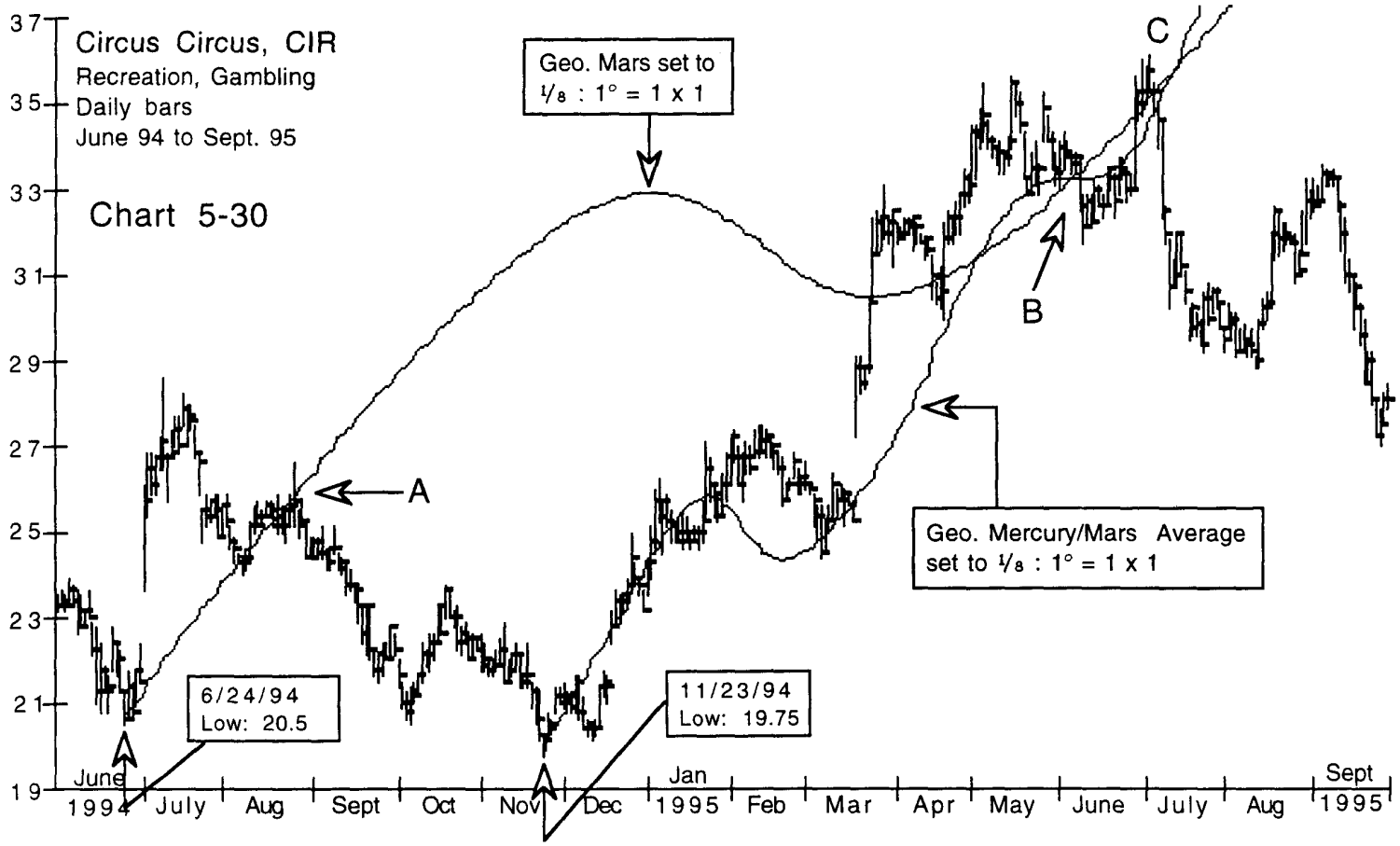
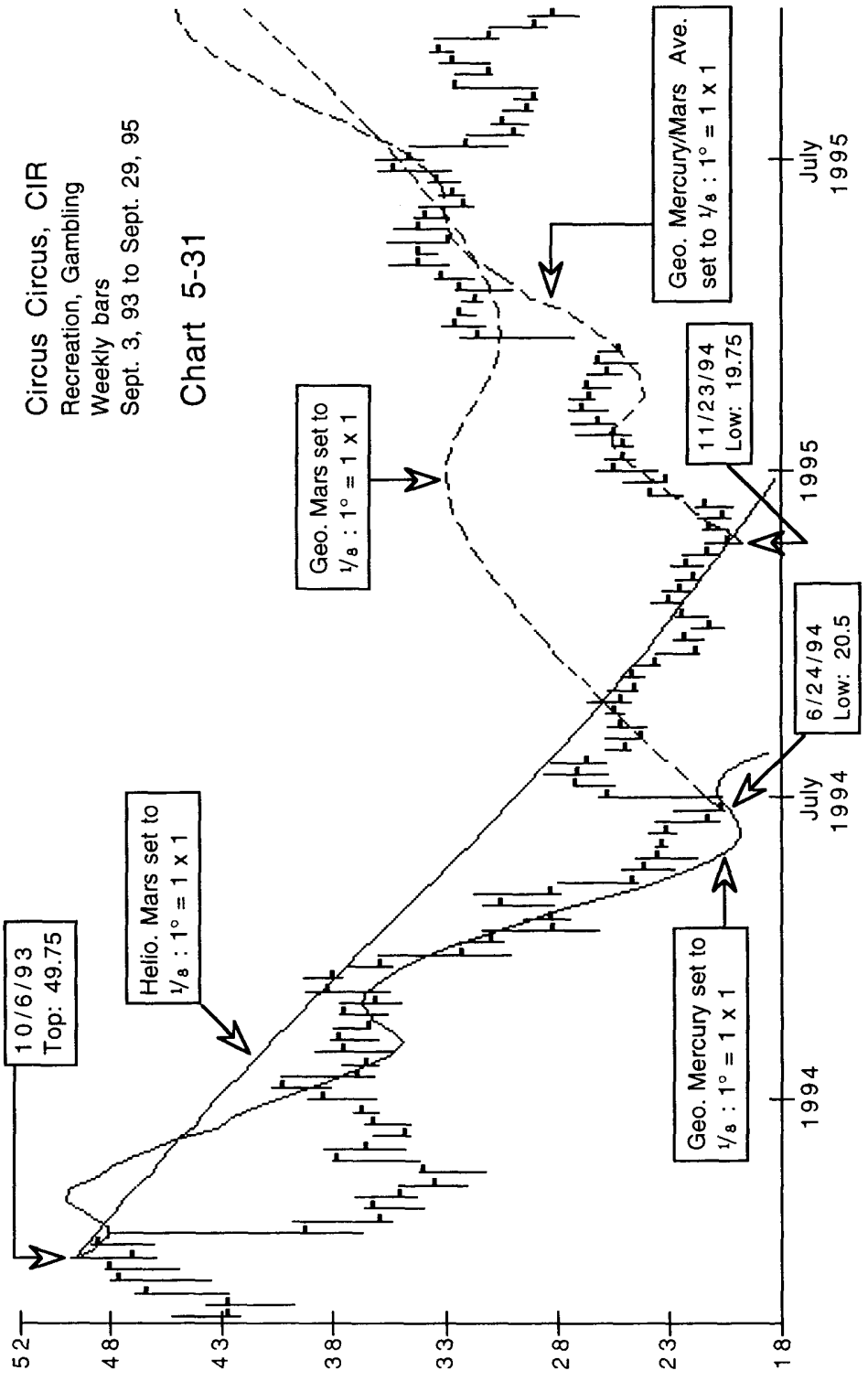


Chart 5-30 is a Circus Circus daily chart which is an extension of Chart 5-29. Earlier I stated that the most important situation is when planetary movement balances with price movement between a high and low. For this to happen the price must cross the planetary angle on the way up or down. At point "A" the price fell below the Geo. Mars angle. At point "B" the price fell below the Geo. Mars angle and the Geo. Mercury / Mars average angle. The daily price then moved up to point "C" where the price movement balanced with the movement of Mars and the Mercury / Mars average, and a top formed.

Chart 5-31 is a weekly chart for Circus Circus which shows the same time period and angles as Charts 5-30 & 5-29. Notice that over this two year period all the angles involved Mercury and Mars.



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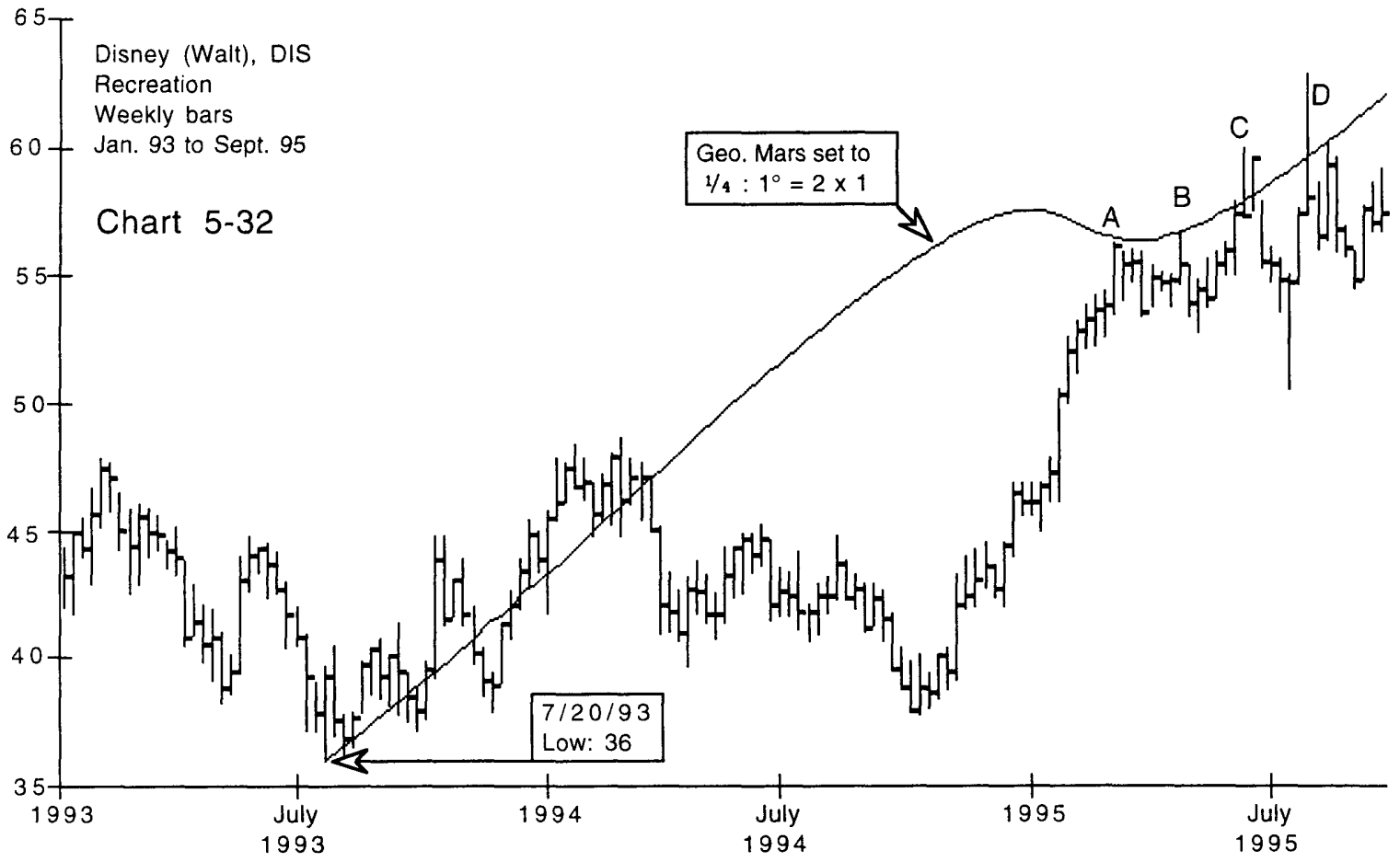
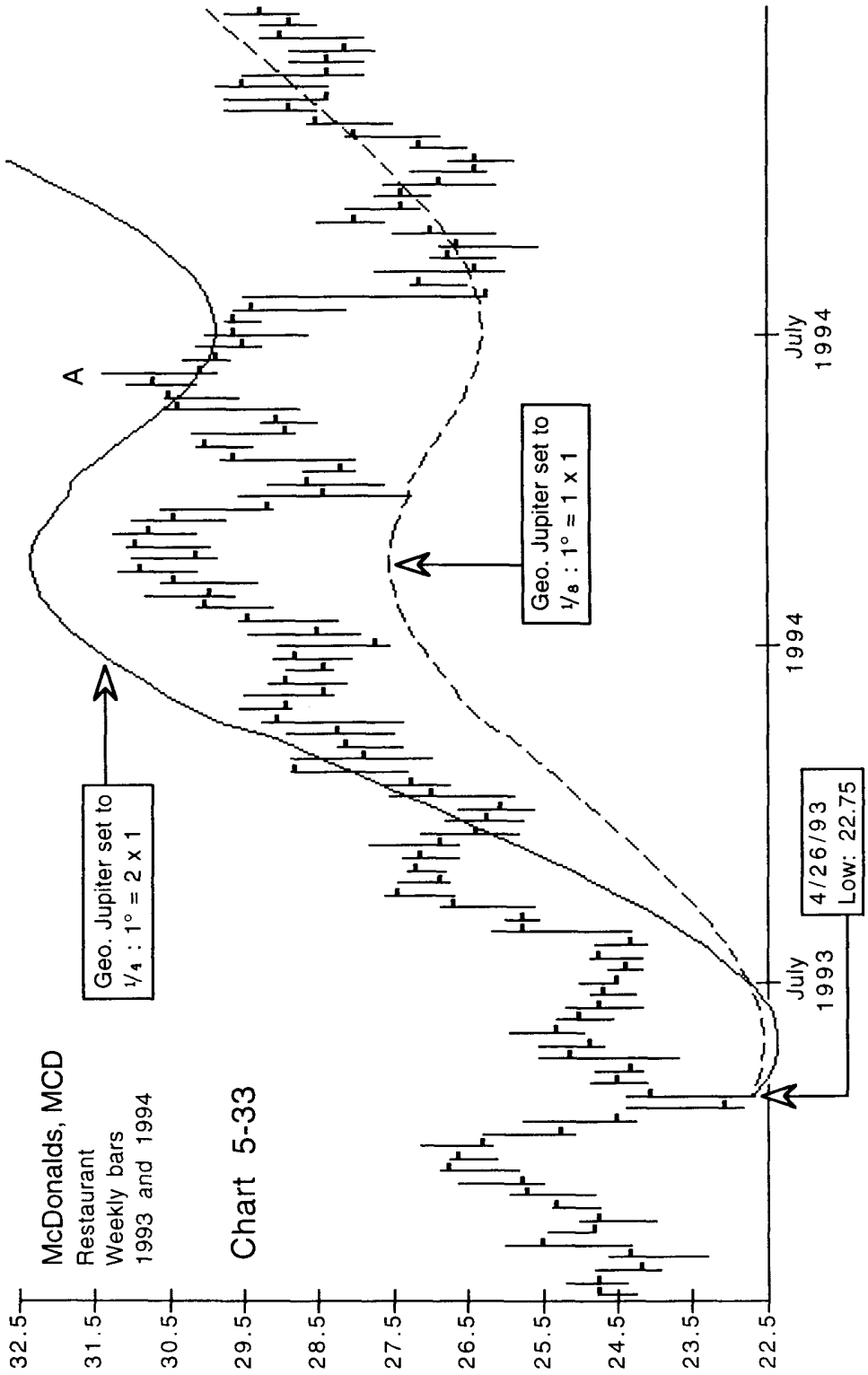


Chart 5-32 is a weekly chart for Disney which has a 2 x 1 geo. Mars angle starting from the July 20, 1993 low. Notice that the price of Disney made a series of small weekly tops labeled "A", "B", "C" and "D" when it reached the 2 x 1 angle. The 2 x 1 angle represents a point at which the movement of Disney is in proportion to the movement of geo. Mars.

Chart 5-33 shows that the price of McDonalds made a top at point "A" as it came in contract with the 2 x 1 Jupiter angle.



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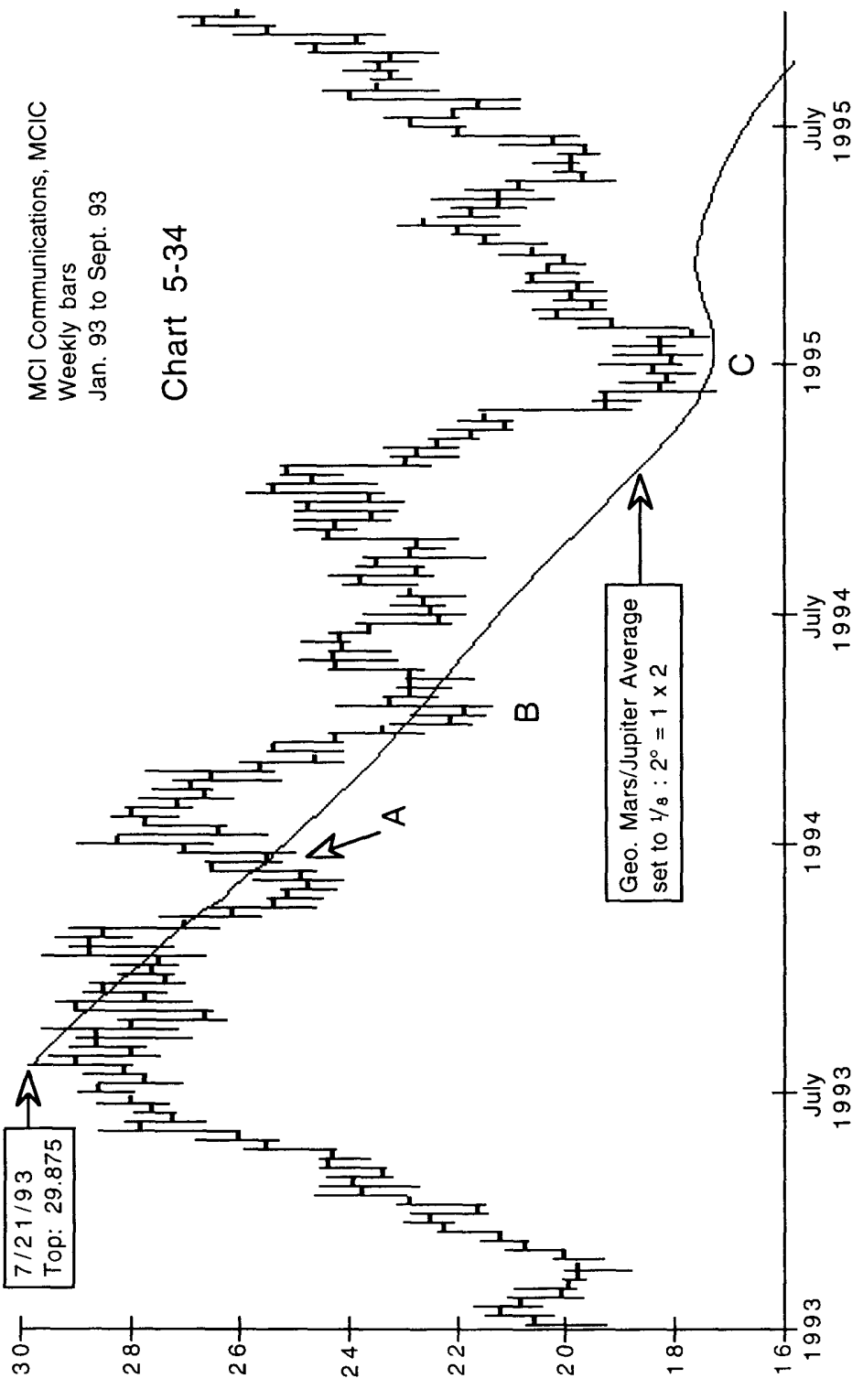

Chart 5-34 is a Weekly chart for MCI and shows a 1 x 2 geo. Mars / Jupiter average angle starting from the July 21, 1993 top. The price of MCI did not move above this angle until point "A" and then made a bottom at points "B" and "C". This shows that the rate of movement or velocity of the Mars / Jupiter average correlated with the velocity of MCI stock.

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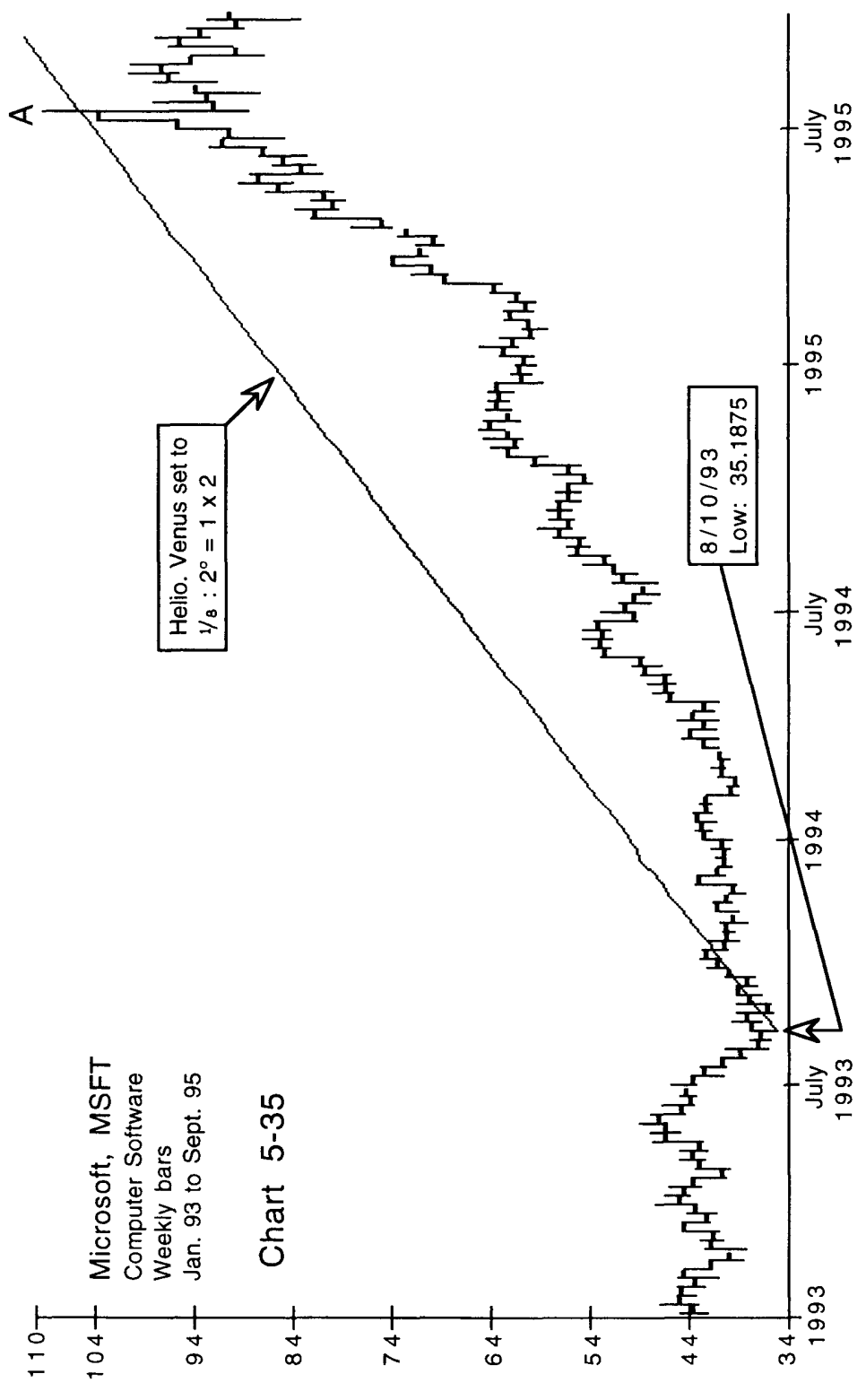
Chart 5-35 is a weekly chart for Microsoft stock with a 1 x 2 helio. Venus angle starting from the Aug. 10, 1993 low. This 1 x 2 angle represents points which are in proportion to the actual velocity of helio. Venus. The price of Microsoft made a spike top at point "A" against the 1 x 2 Venus angle.



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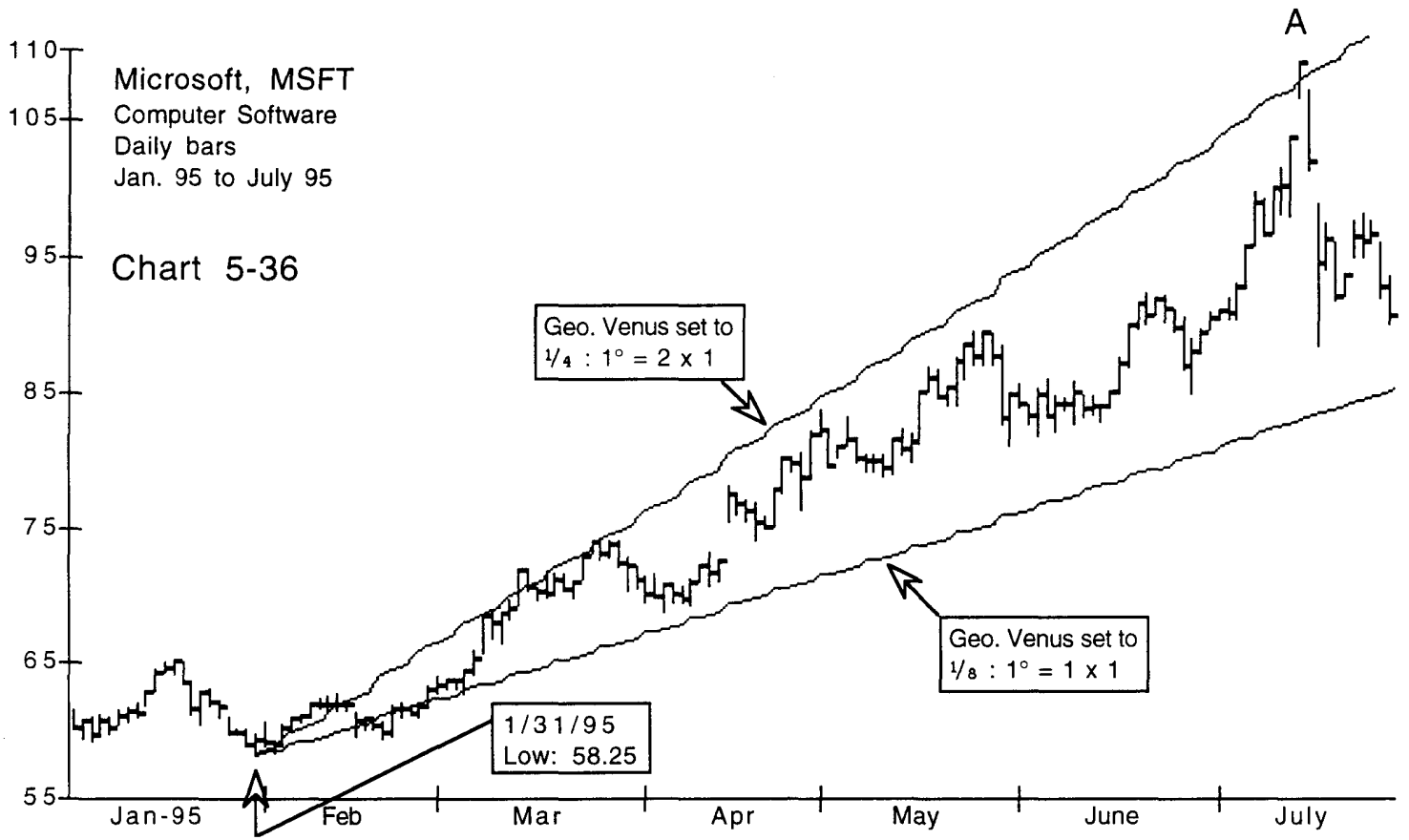
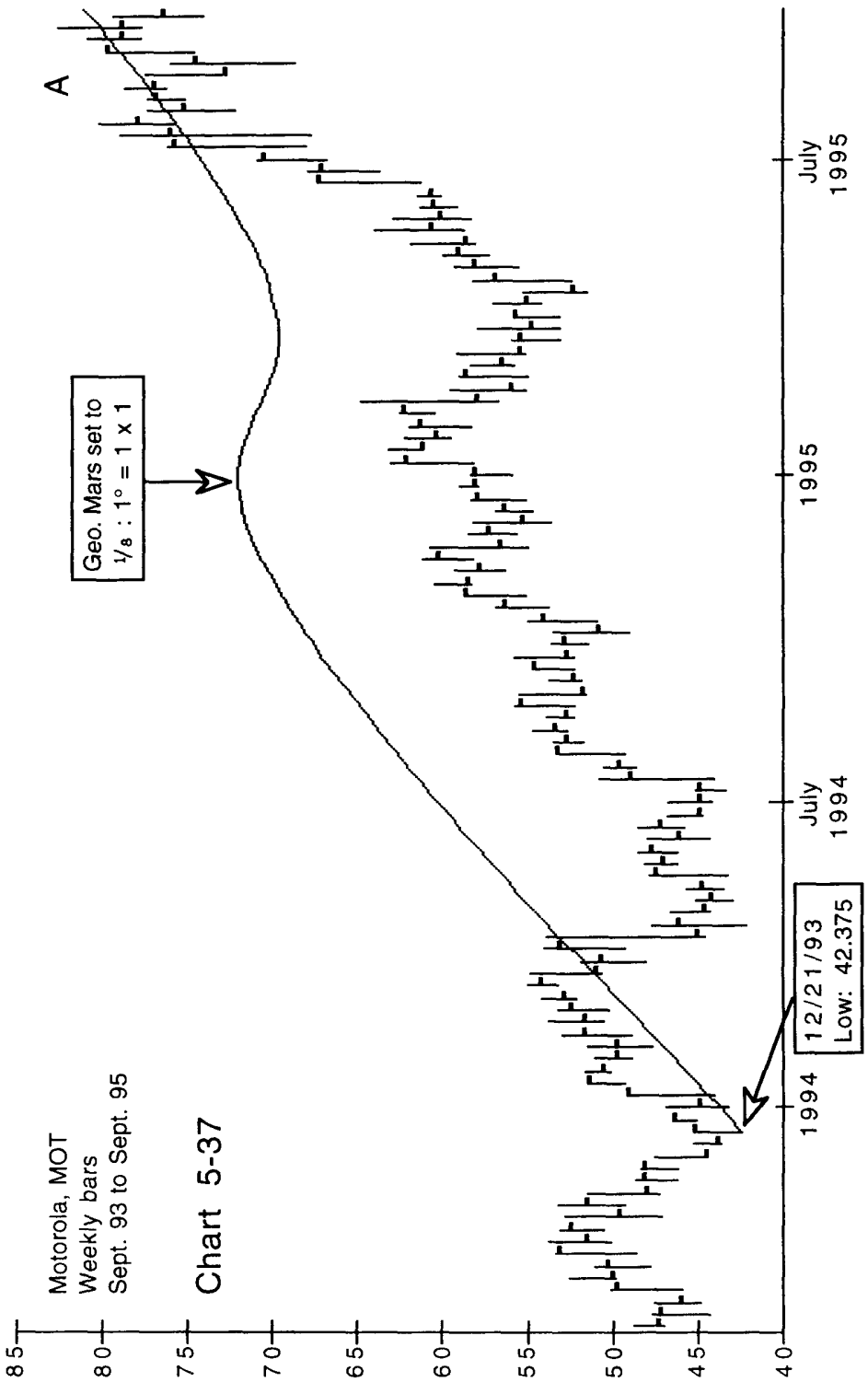


Chart 5-36 is a daily chart for Microsoft which shows the last move up into the final top. There is a geo. Venus 2 x 1 and 1 x 1 angle started from the Jan. 31, 1995 low which was a lower bottom than the bottom which formed in early January 95. This was also just about the only lower bottom to form after the Aug. 10, 1993 low shown on Chart 5-35. Microsoft made a top at point "A" when the price touched the 2 x 1 Venus angle which meant the price movement or velocity was in proportion to the movement or velocity of Venus.

Chart 5-37 is a weekly chart for Motorola which has a 1 x 1 geo. Mars angle starting from the Dec. 21, 1993 low. The price of Motorola formed a topping congestion area as it balanced with the movement of Mars at point "A".



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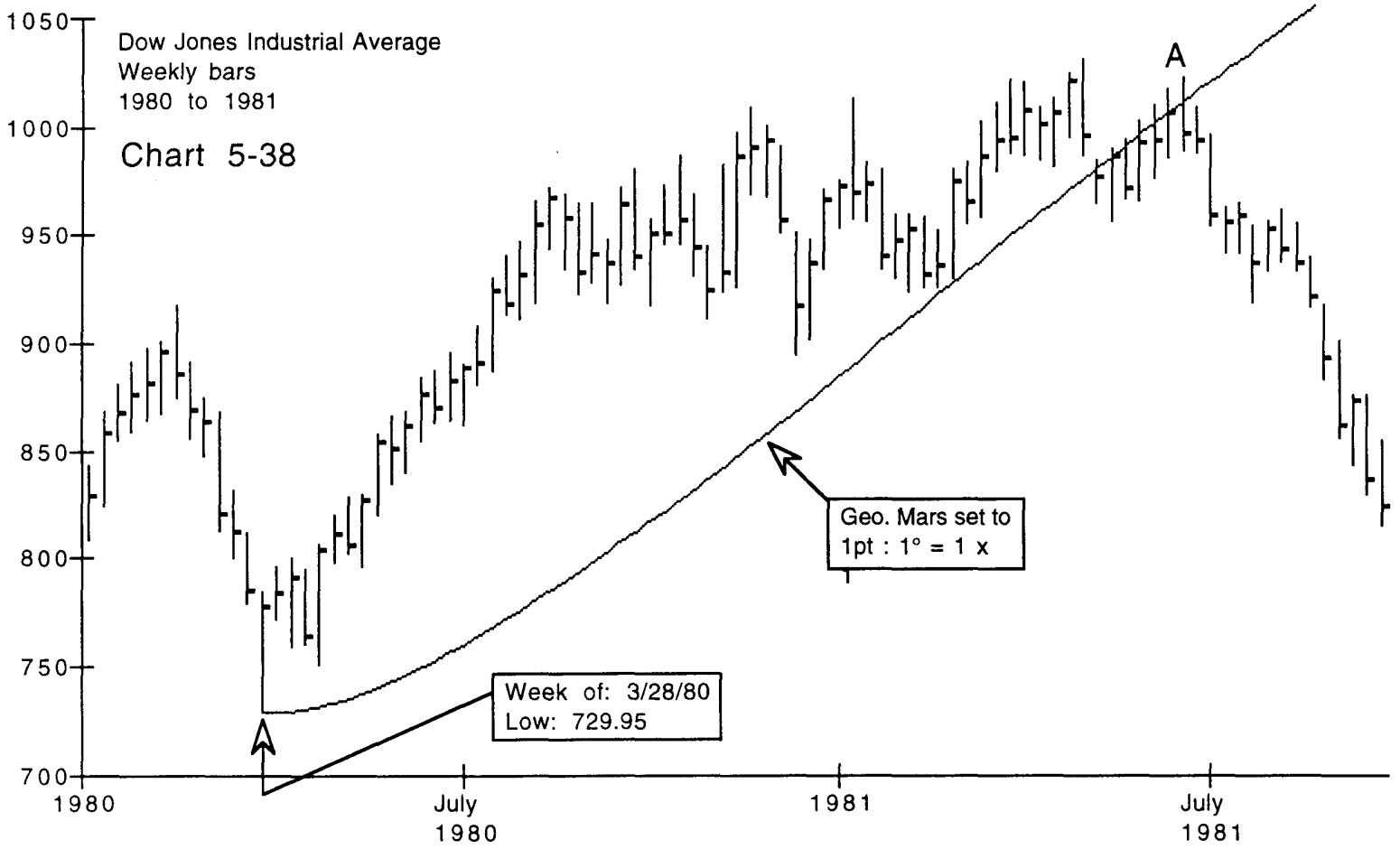
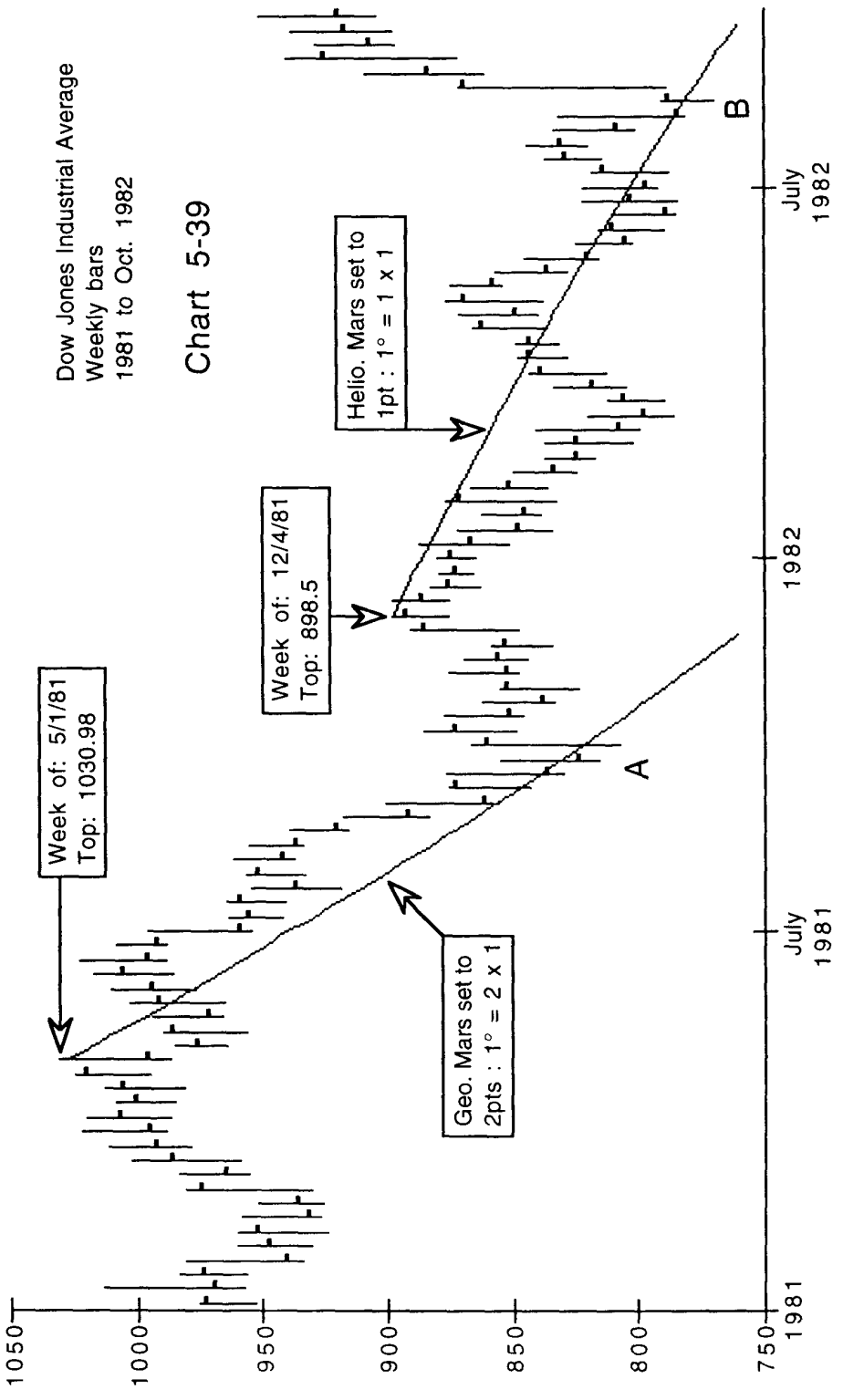


The ideal technical structure to apply the Price and Longitude Angles to is a swinging market where we can balance out tops and bottoms against previous tops and bottoms. The DJIA often moves up at a slow angle not providing good opportunities to apply this method. However, from 1980 to 1985 the DJIA did provide an adequate swinging structure to apply this method so I will examine these years. Chart 5-38 shows the weekly DJIA from 1980 through 1981 with a 1 x 1 geo. Mars angle starting from the March 28, 1980 low. The DJIA balanced with the movement of Mars at point "A" where the top was made.

Chart 5-39 is the weekly DJIA from 1981 through 1982. We will again use the planet Mars. A 2 x 1 geo. Mars angle starts down from the May 1, 1981 top and a bottom forms on this angle at point "A". Next, a 1 x 1 helio. Mars angle starts down from the Dec. 4, 1981 top and the DJIA forms a bottom on this angle at point "B".



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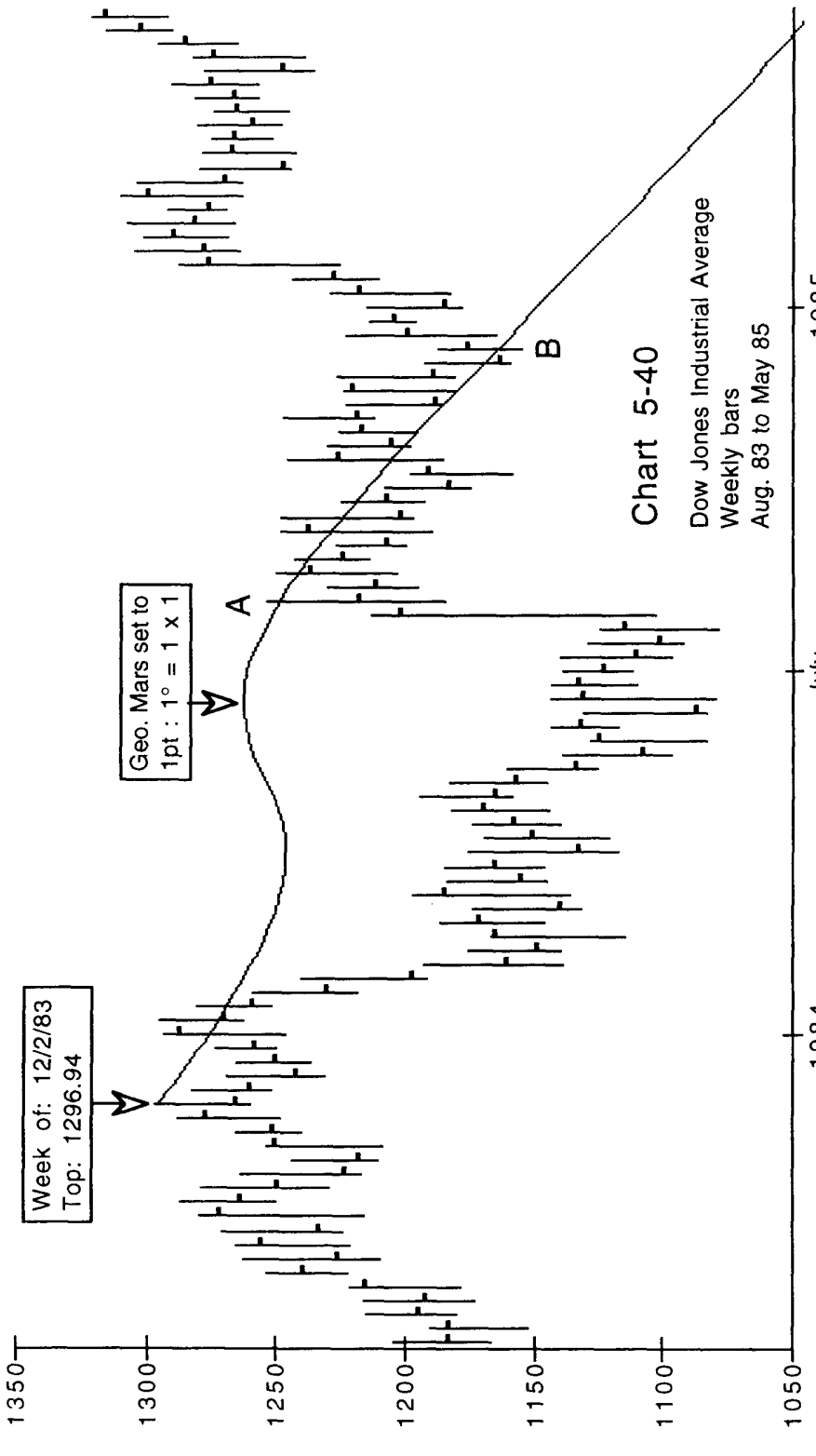

Chart 5-40 is a DJIA weekly chart from Aug. 1983 to May 1985. A 1 x 1 geo. Mars angle starts down from the Dec. 2, 1983 top. The DJIA met resistance against this angle at point "A" and balanced out with the movement of Mars at point "B" where a bottom formed.

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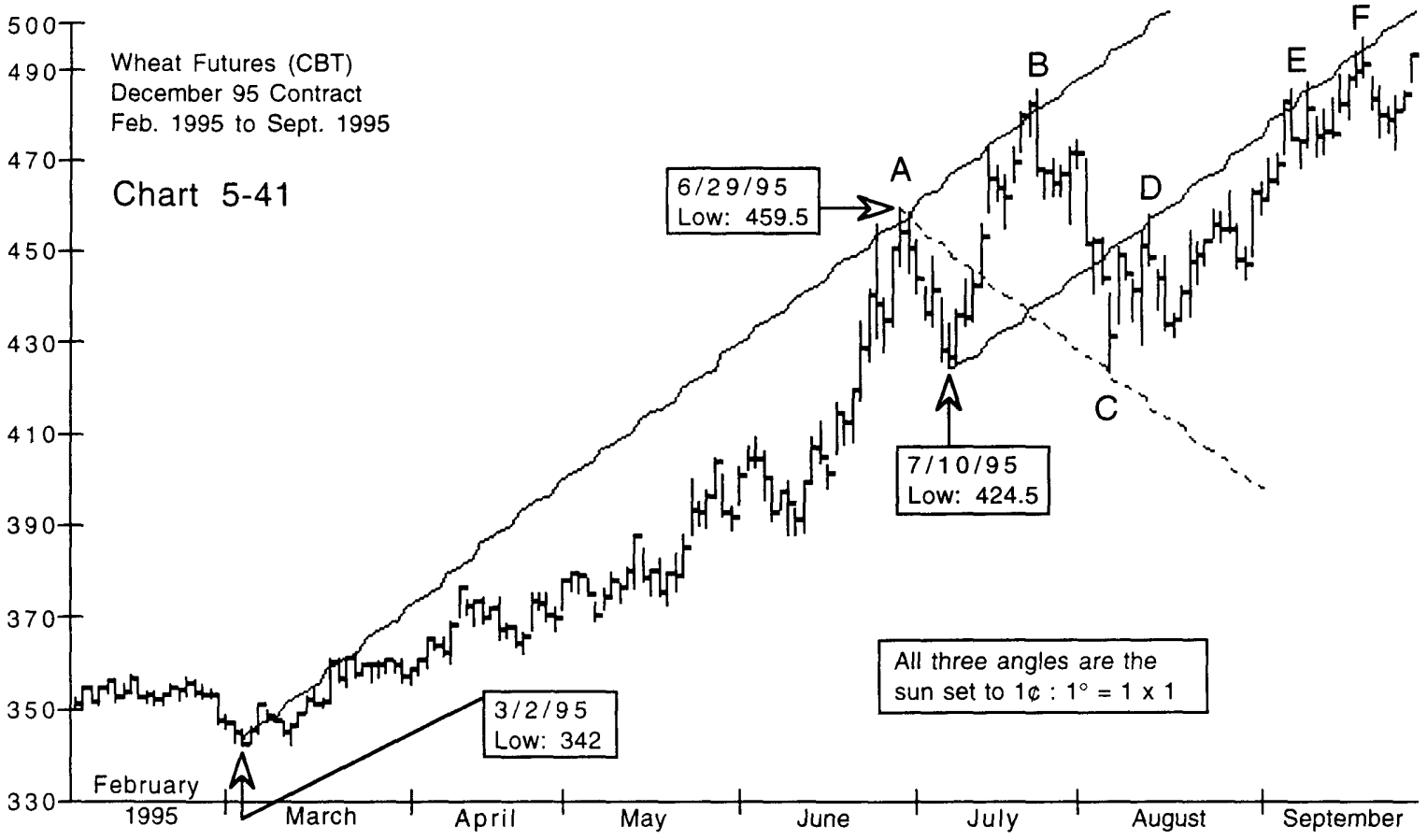
Chart 5-41 is a daily chart for wheat futures. All the angles on this chart 1 x 1 sun angles. The first 1 x 1 sun angle starts up from the Mar. 2, 1995 low and balances with the movement of the wheat at points "A" and "B". Next a 1 x 1 sun angle is drawn down from the June 29, 1995 top. Wheat balanced with the movement of the sun when it touched this second angle at point "C". Finally a 1 x 1 sun angle is drawn up from the July 10, 1995 low. The price of wheat balanced with the movement of the sun by touching this angle at points "D", "E" and "F".



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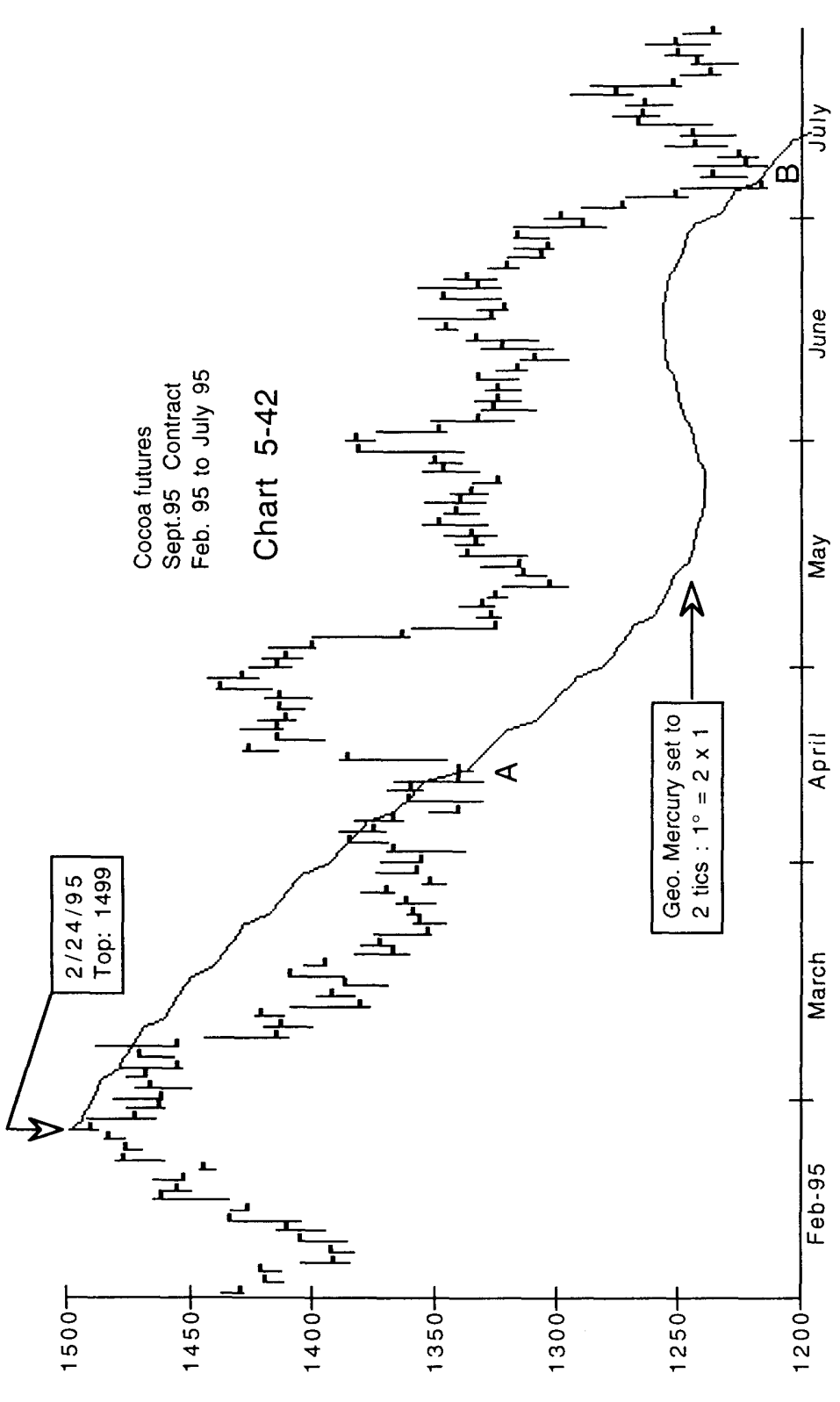

Chart 5-42 is a chart for Cocoa futures with a 2 x 1 geo. Mercury angle starting from the Feb. 24, 1995 top. The price of Cocoa moved above this line at point "A" then fell and formed a bottom on this angle at point "B". This means that the Cocoa market formed a bottom at a point which was in proportion to the movement of Mercury over this time period.

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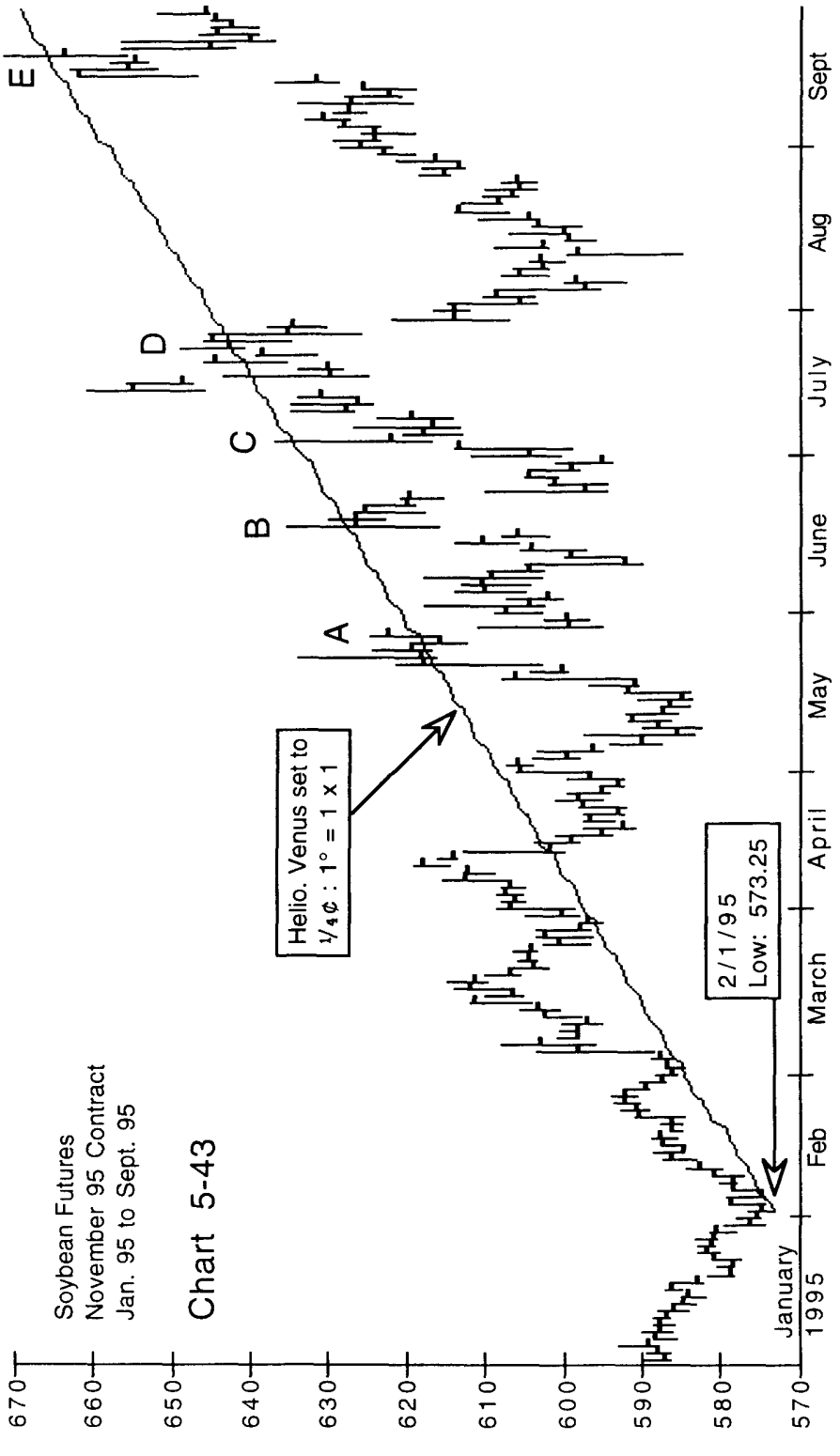
Chart 5-43 is a daily chart for soybeans. A 1 x 1 Venus angle starts from the Feb. 1, 1995 low. The price movement of soybeans balanced out with the movement of Venus at points "A", "B", "C", "D" and "E".



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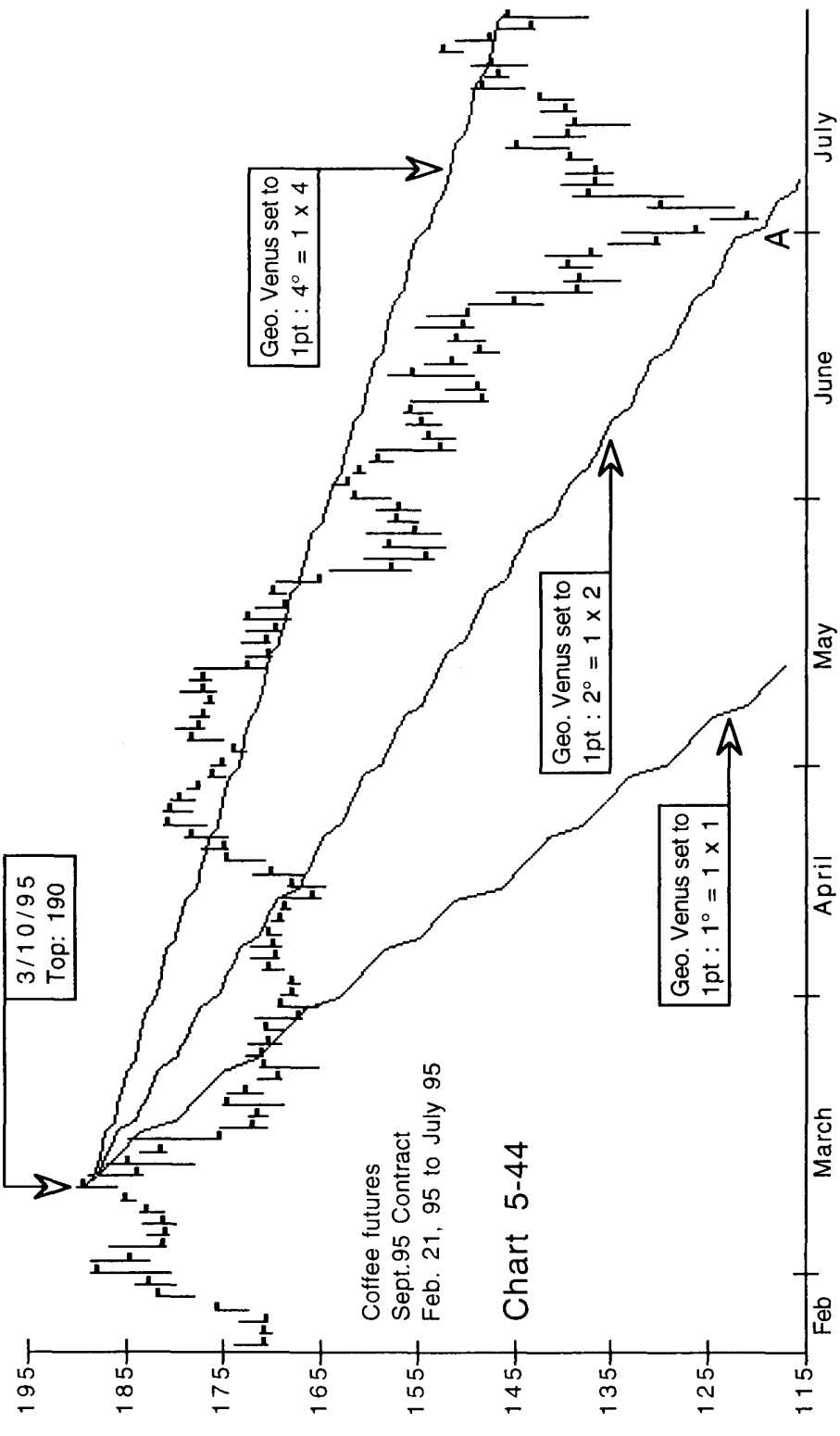

Chart 5-44 is a daily chart for Coffee futures with the 1 x 1, 1 x 2 and 1 x 4 geo. Venus angles all starting from the Mar. 10, 1995 top. The price of Coffee fell and made a bottom at point "A" just above the 1 x 2 Venus angle. This means that from top to bottom the price of coffee fell at a velocity which was in proportion to the actual velocity of geo. Venus.

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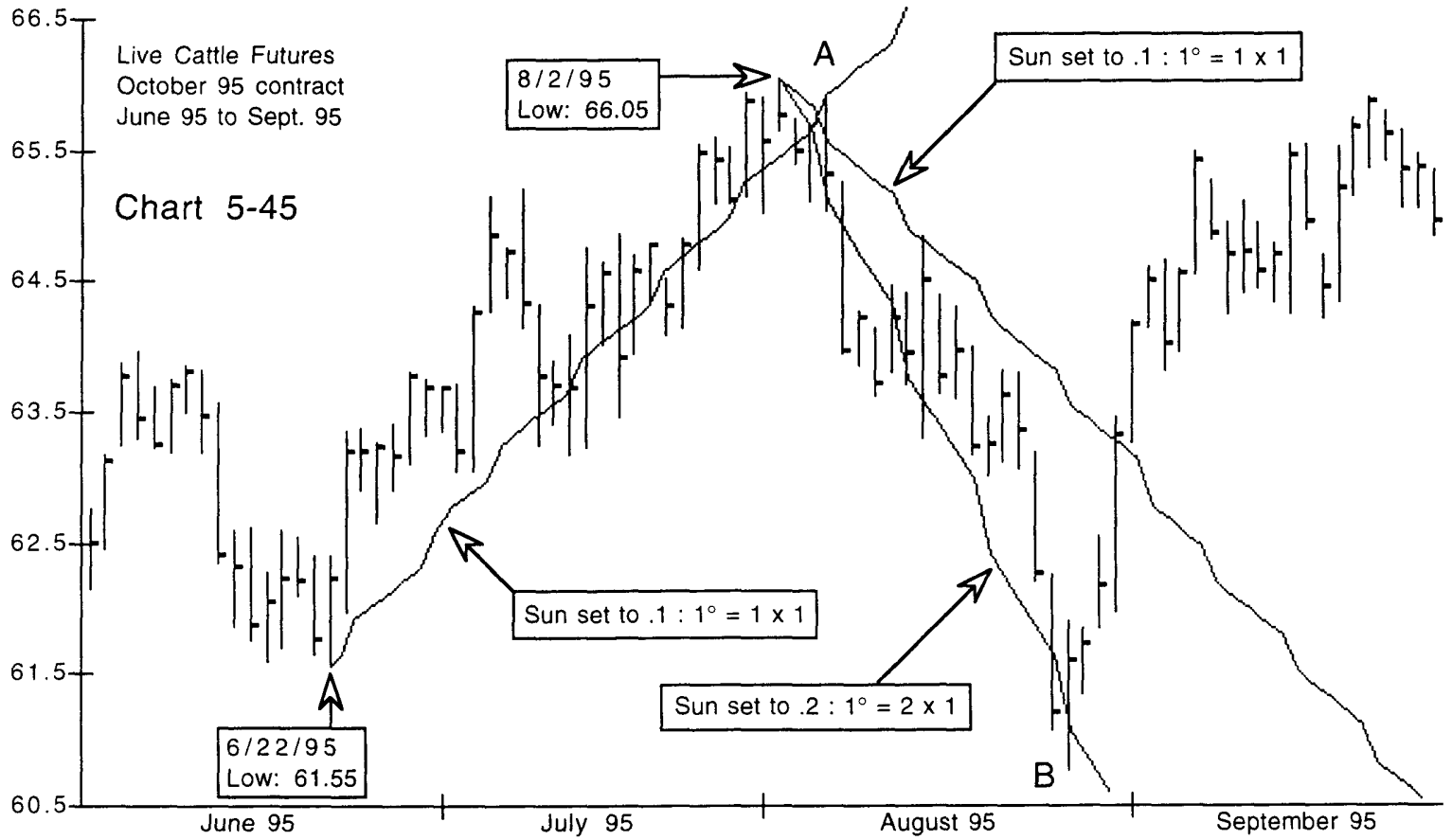
Chart 5-45 is a short term daily chart for Live Cattle showing only four months. The sun's angle set to, .1 : 1° starts up from the June 22, 1995 low and balances out with the movement of Live Cattle just before the decline started at point "A". A 1 x 1 and a 2 x 1 sun angle run downward from the Aug. 2, 1995 top. The market moved down too fast for the 1 x 1 sun angle but formed a bottom on the 2 x 1 sun angle at point "B".



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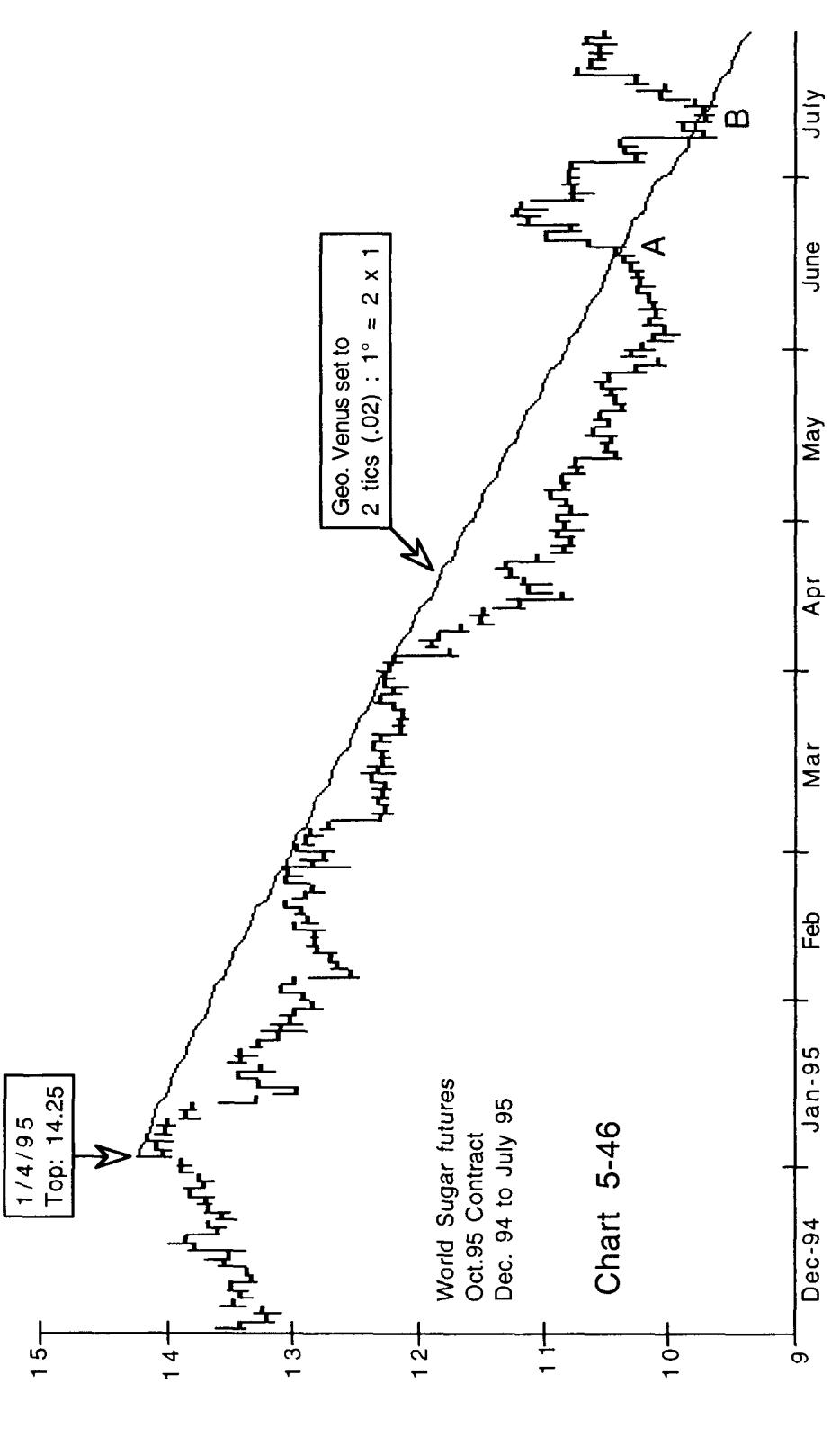

Chart 5-46 shows World Sugar with a 2 x 1 geo. Venus angle starting down from the Jan. 4, 1995 top. The price of World Sugar did not move above this angle until point "A" and then declined to a bottom on this 2 x 1 angle at point "B".

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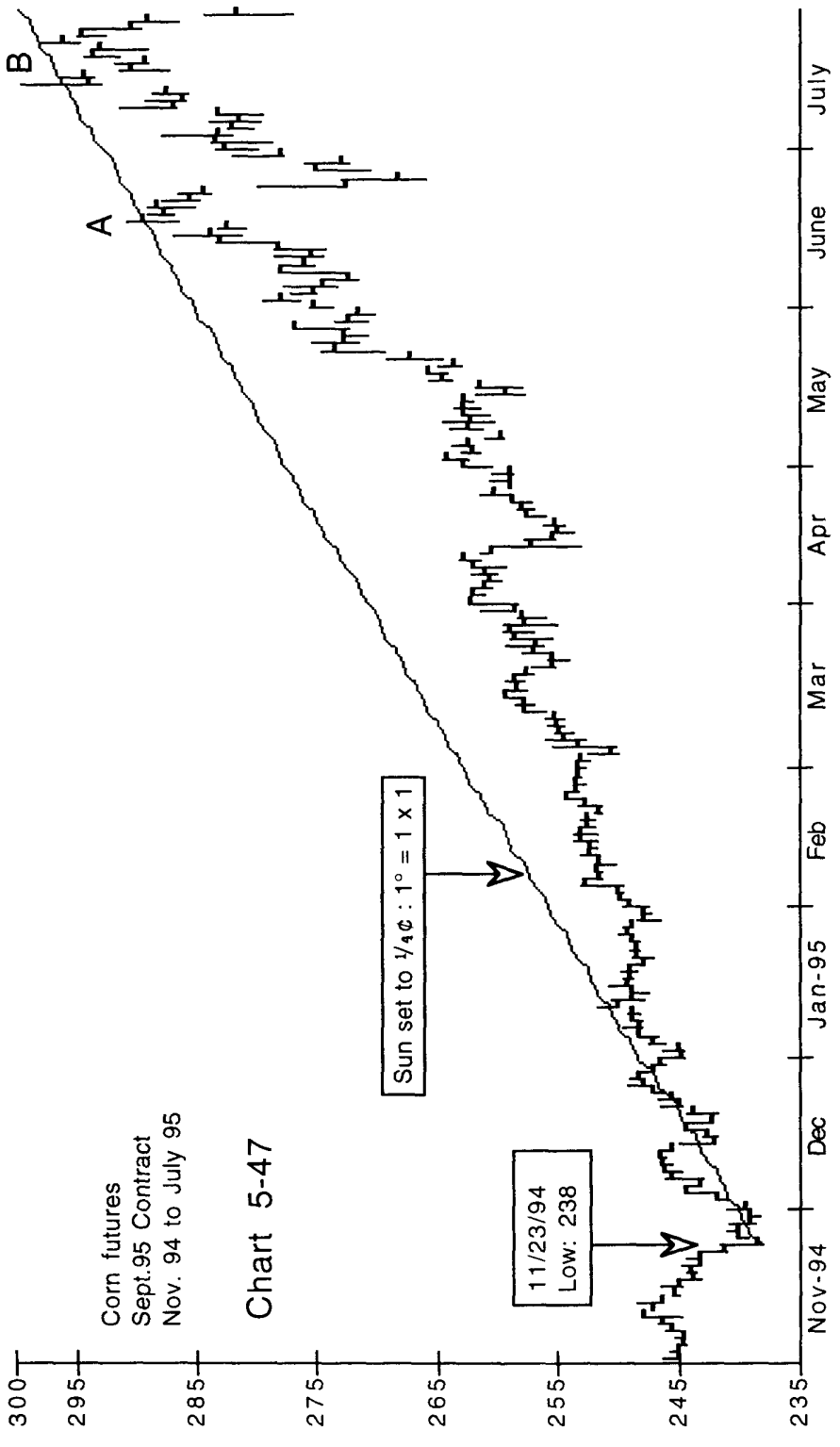
Chart 5-47 is a daily chart for Corn. A 1 x 1 sun angle is drawn from the Nov. 23, 1994 low. The velocity of corn balanced with the velocity of the sun at points "A" and "B" where tops formed.



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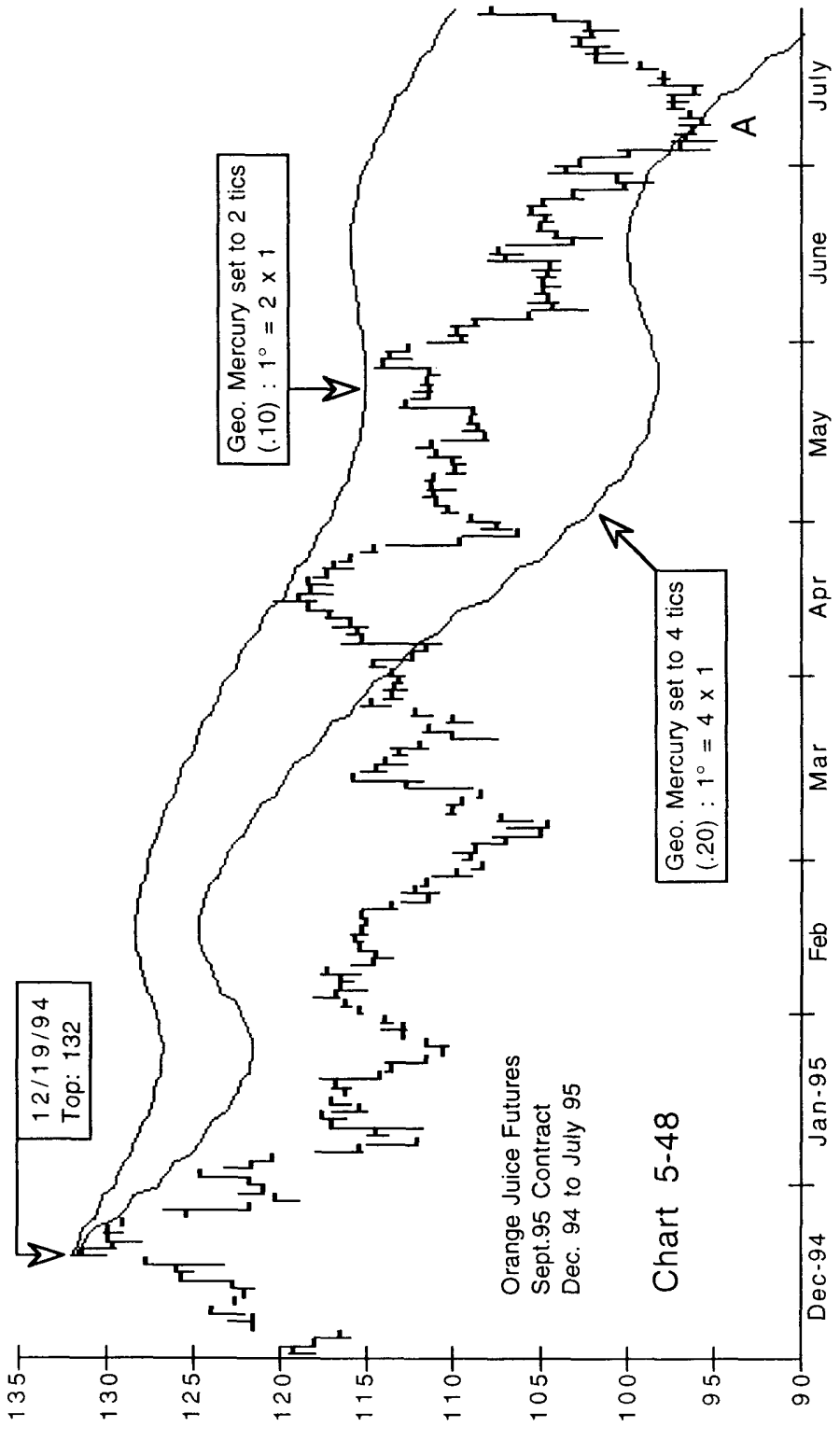

Chart 5-48 is a daily chart for Orange Juice futures with 2 x 1 and 4 x 1 geo. Mercury angles drawn from the Dec. 19, 1994 top. The price of Orange Juice fell to point "A" and formed a bottom on the 4 x 1 Mercury angle. At point "A" the velocity of Orange Juice was in proportion to the velocity of Mercury, starting from the Dec. 19, 1994 top.

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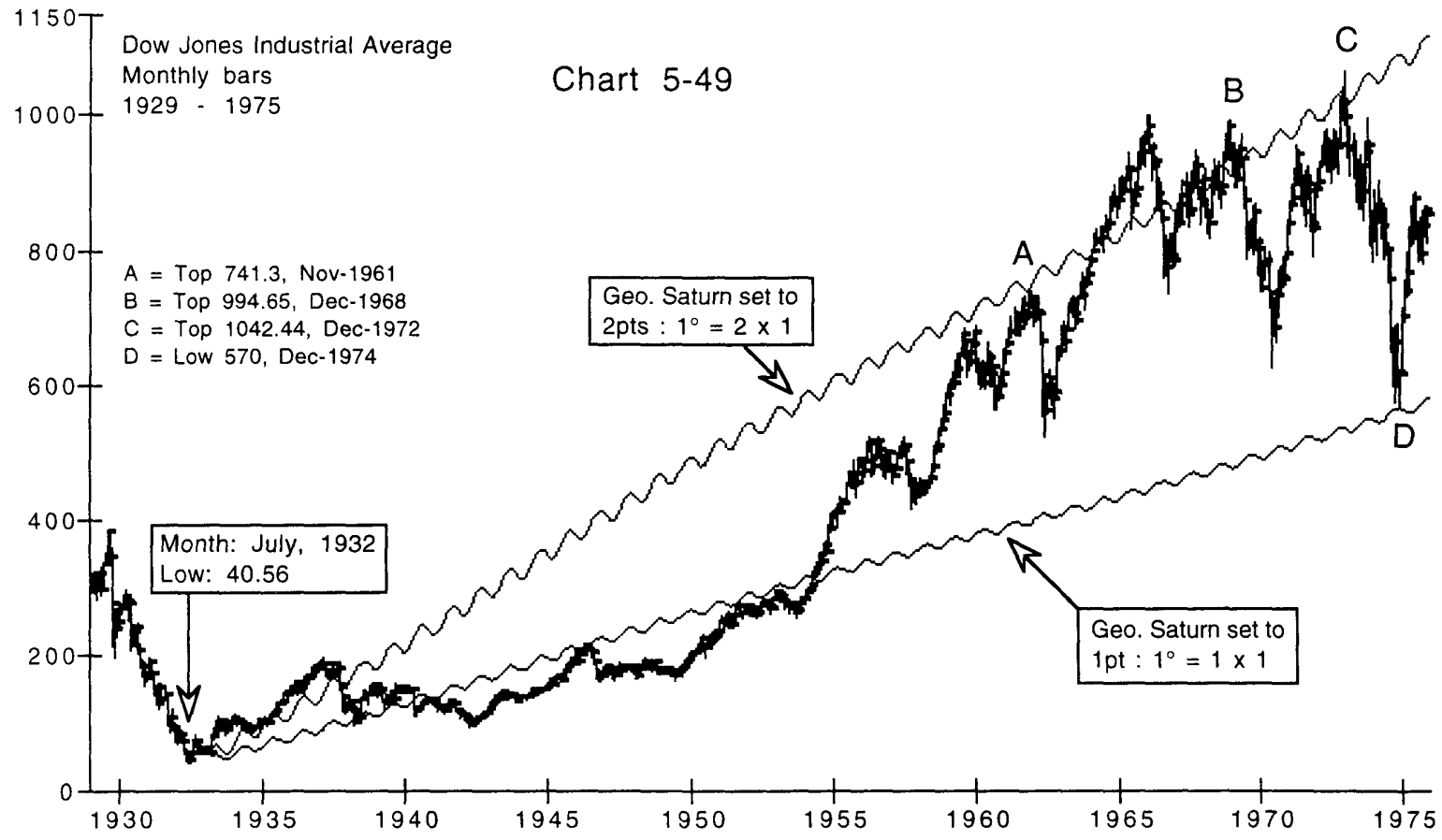
Chart 5-49 is a long term monthly chart of the DJIA with a 1 x 1 and 2 x 1 Saturn angle starting from the 1932 low. The DJIA made major tops during the 1970's and a major low in 1974 on these angles. Chart 5-49 shows that between the 1932 low and the 1972 top the DJIA moved in proportion to the movement of Saturn and between the 1932 low and the 1974 low the price movement balanced with the movement of Saturn. Chart 5-50 on the next page shows a close-up of points "A" to "D".



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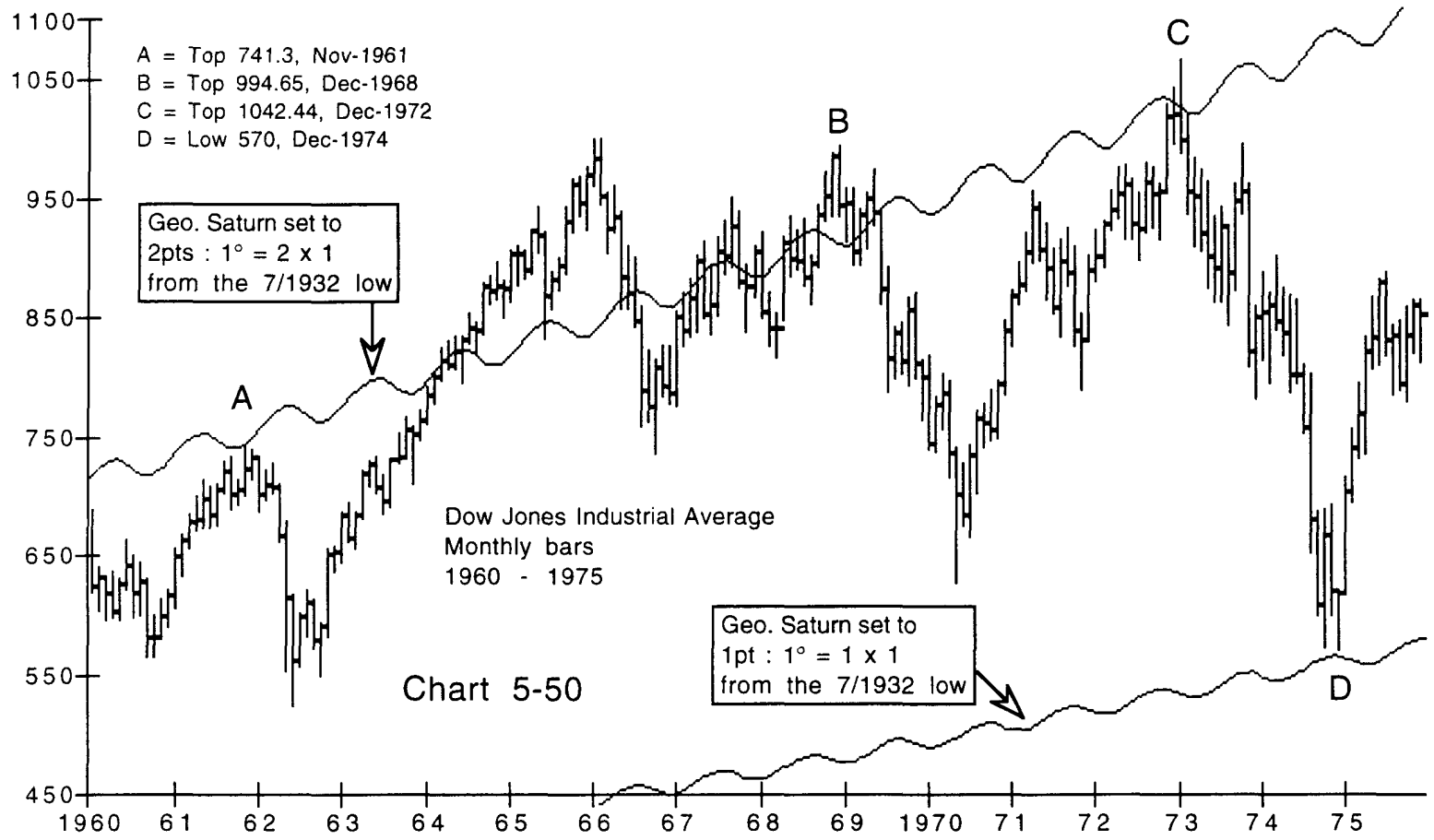
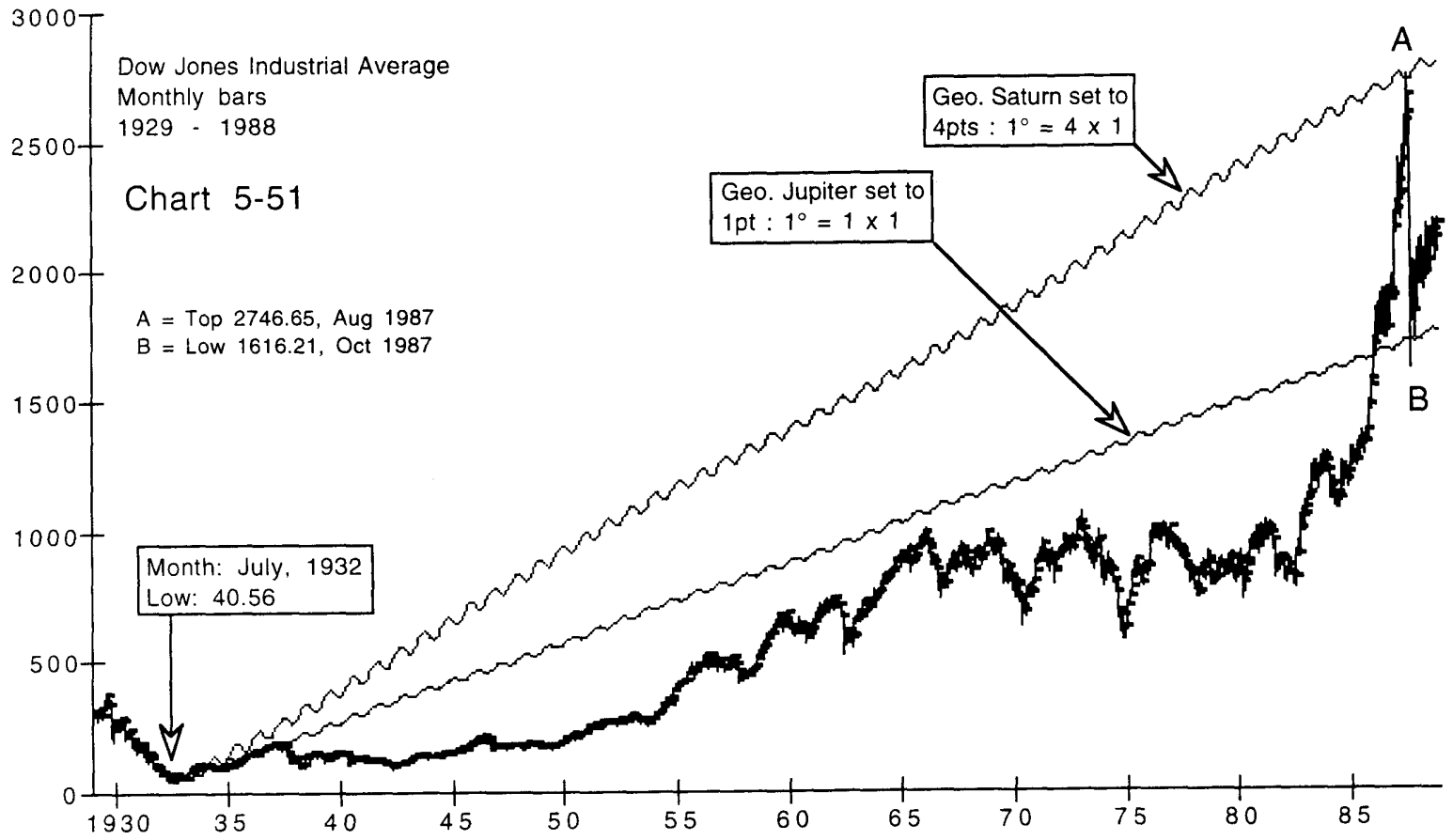


Chart 5-50 is a close-up look at the Saturn angles and turning points on the DJIA shown in Chart 5-49. The two most important long term turning points shown above are points "C" and "D". The Dec. 1972 top at point "C" was the highest price the DJIA had reached up to that time and this top formed on the 2 x 1 Saturn angle. The DJIA then had an extended bear market which declined to point "D" which was made just above the 1 x 1 Saturn angle.

Chart 5-51 is a long term monthly chart of the DJIA with a 4 x 1 Saturn angle and a 1 x 1 Jupiter angle drawn from the 1932 low. Notice that the 1987 top at point "A" was made on the 4 x 1 Saturn angle and the 1987 crash bottom at point "B" was made on the 1 x 1 Jupiter angle. This means that from the 1932 low to the 1987 top the movement of the DJIA was in proportion to the movement of Saturn and from the 1932 low to the 1987 crash bottom the movement of the DJIA balanced with the movement of Jupiter. Chart 5-52 on the next page shows a close-up of points "A" and "B".



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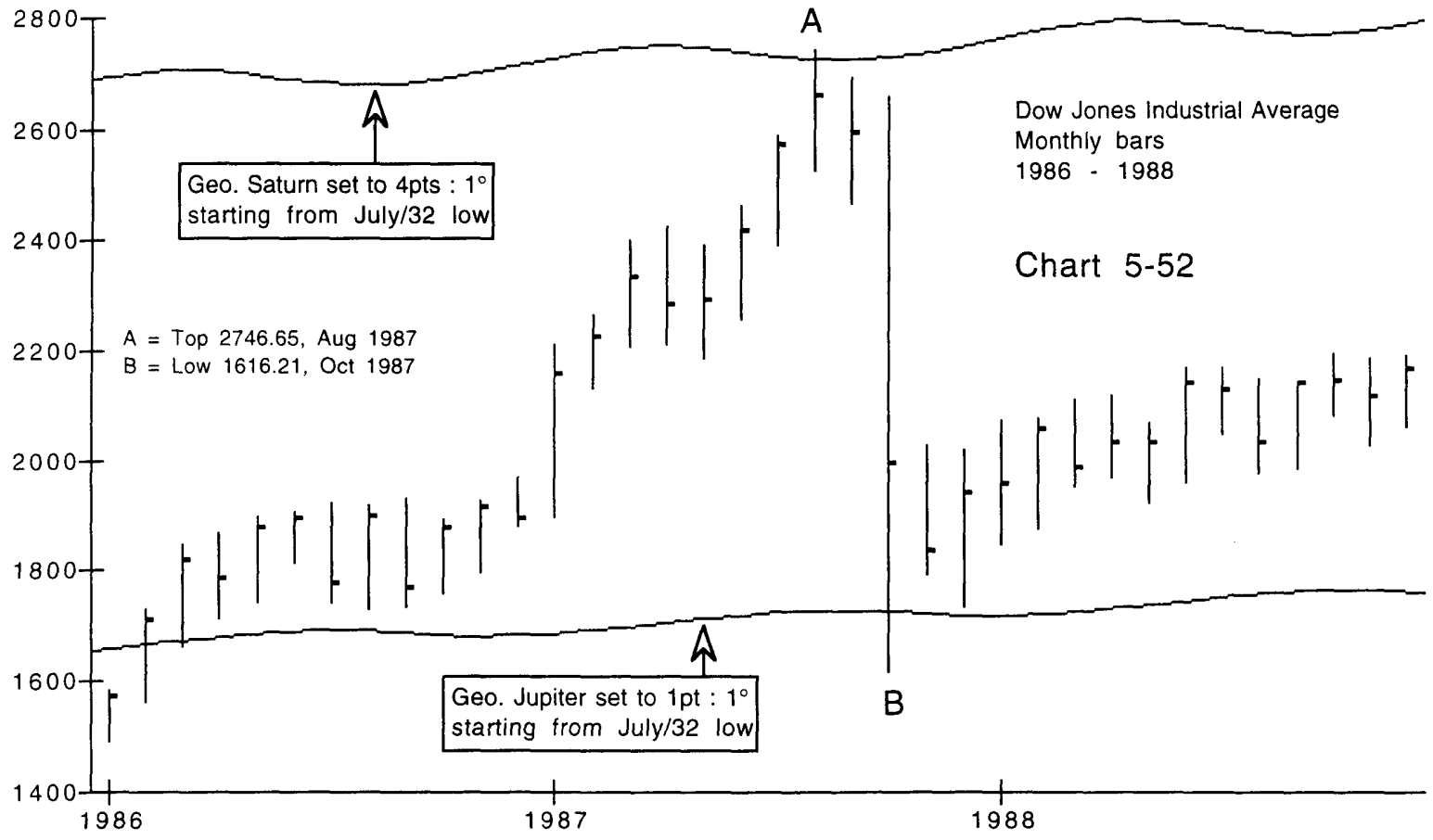

Chart 5-52 is a monthly chart of the DJIA showing a close-up view of points "A" and "B" from Chart 5-51. You can see clearly that the 1987 top was made against the 4 x 1 Saturn angle and the 1987 crash bottom was made against the 1 x 1 Jupiter angle. The underlying principle for these relationships is that the velocity of the planets influences the velocity of the market. Gann's fourth dimension of market movements was velocity because Gann believe this principle existed in every market.

Chapter 6: Intra Day Applications of The Fourth Dimension

The start of Gann's fame was his 1909 interview and trading demonstration which he gave for a representative of the Ticker and Investment Digest. Considering Gann's entire career, the way Gann performed his 1909 trading demonstration is without a doubt his longest running mystery. The 1909 article provides little detail about Gann's trading demonstration so there is no way to determine positively how it was done. To my knowledge this book is the first time a possible solution to Gann's 1909 trading demonstration has been provided for the general public to examine.

The Ticker and Investment Digest article says that Gann was unaware the results of the trading demonstration were going to be mentioned in the article. The specific facts about this demonstration are that during 25 trading days in October 1909, Gann made 286 trades which yielded 264 profitable trades and 22 losses. U.S. Steel is the only stock Gann traded which was identified. The piece of information in the 1909 article which I consider to be the most important is that the representative of the Ticker and Investment Digest watched Gann perform the trades. This fact is important because there is no mention of Gann using any horoscopes, price charts of any kind, Price and Time charts such as the Square of Nine or anything else. Apparently Gann simply watched the ticker tape and carried out the market analysis in his head. In Gann's 1930 book, Wall Street Stock Selector he provided us with some insight into how he performed his 1909 trading demonstration when he wrote the following.

> In 1909, after the Ticker Magazine announced the fact that I had made a world's record in the stock market following scientific speculation, men and women from all parts of the country wrote or came to see me to get my money or tell me what to do with it.
> Wall Street Stock Selector, What Fits a Man To Write as an Authority, p.9

Remember that in Gann terminology the word scientific is a veil for the word astrological. Below is the translation of this quotation which takes our understanding of Gann's 1909 trading demonstration in a totally different and complex direction.

> In 1909, after the Ticker Magazine announced the fact that I had made a world's record in the stock market following **astrological** speculation, men and women from all parts of the country wrote or came to see me to get my money or tell me what to do with it.
> *Translation* -Wall Street Stock Selector, What Fits a Man To Write as an Authority, p.9

The question now becomes, "What astrologically based method could Gann have performed entirely in his head while the Ticker and Investment Digest representative watched." I am going to show you the methods I believe Gann used during his 1909 trading demonstration but I can not provide Gann's intricate knowledge of intra day stock activity or his intuitive decision making ability. The methods which I believe Gann applied during this historic trading demonstration were two intra day applications of the fourth dimension of market movements.

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Below is an intra day swing chart showing the basic application of this method. The moon's longitude has been made to start at the July 6th low and is set to rise 1 tic for 1° of lunar movement. This angle is a 1 x 1 moon angle. Notice that the 1 x 1 moon angle is stair stepped. The small steps are caused by the moon's movement overnight and the large steps are caused by the moon's movement over the weekend. Notice that the moon's longitude during the course of one day is relatively flat representing only a gradual change in price during the trading day. When the price made the top against the 1 x 1 moon angle at point "A", the number of tics moved by the price and the number of degrees moved by the moon have balanced between the July 6th low and point "A".

Remember that during Gann's 1909 trading demonstration, he performed the market analysis in his head. By remembering the moon's longitudinal price level for the current day Gann would have been able to identify when the price movement was balancing with the moon's movement by simply watching the ticker tape and noting when the stock price touched the price level of the 1 x 1 moon angle. It is stated in the 1909 article that Gann had "an extraordinary memory for figures." If this was true, Gann could have watched 1 x 1 moon angles from several previous turning points, on several stocks, all at one time. On the following pages are 15 minute and 1 hour bar charts on which I have applied this method. In this chapter all the charts except Charts 6-27 to 6-28 were compiled with data from Tick Data Inc. See page 201 for the Tick Data Inc. address and phone number.

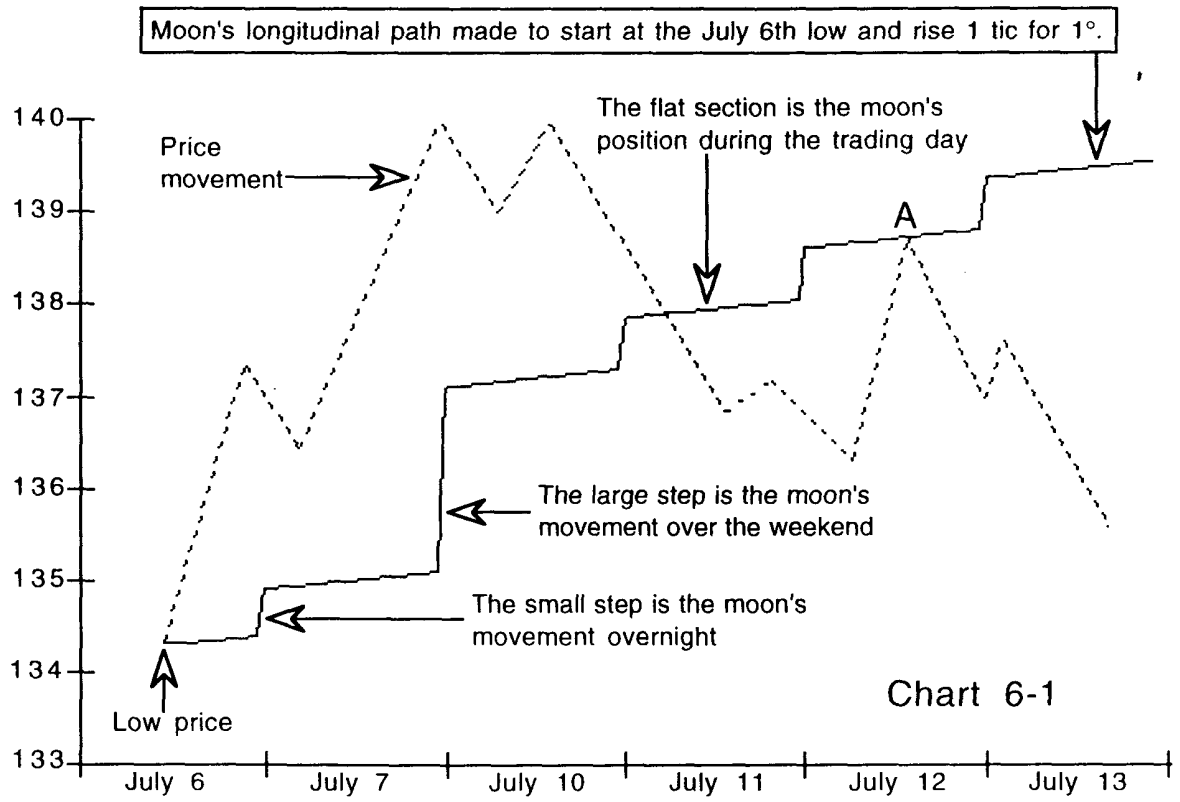

Chart 6-1

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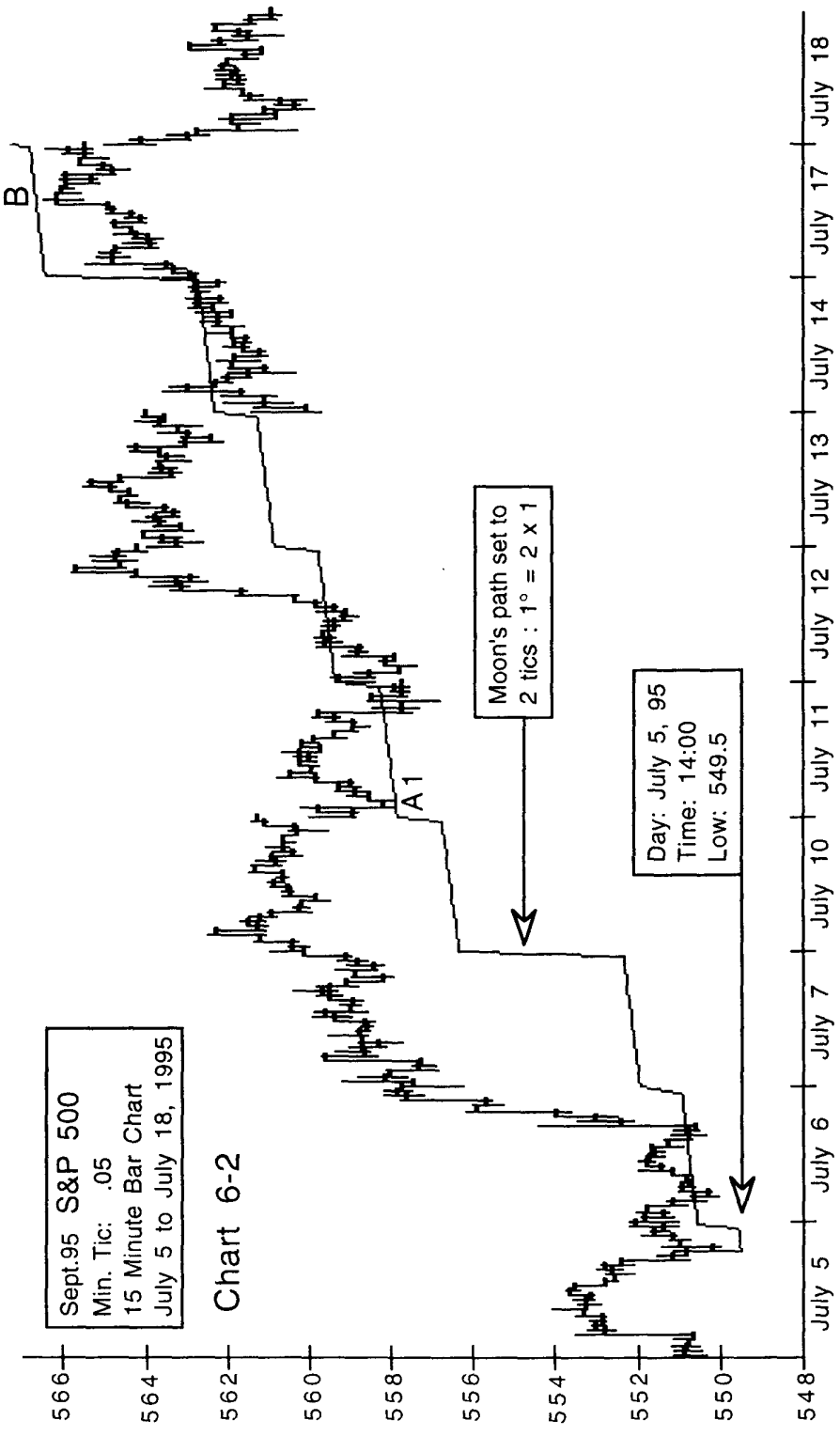
Chart 6-2 is a 15 minute bar chart of the S&P 500 futures. A 2 x 1 moon angle has been drawn from the July 5 low. At point "B" the price moved up to a top just under this angle, coming very close to an exact proportional relationship with the movement of the moon. At point "A1" the price made a bottom on this 2 x 1 angle and this point will be used on Chart 6-3.



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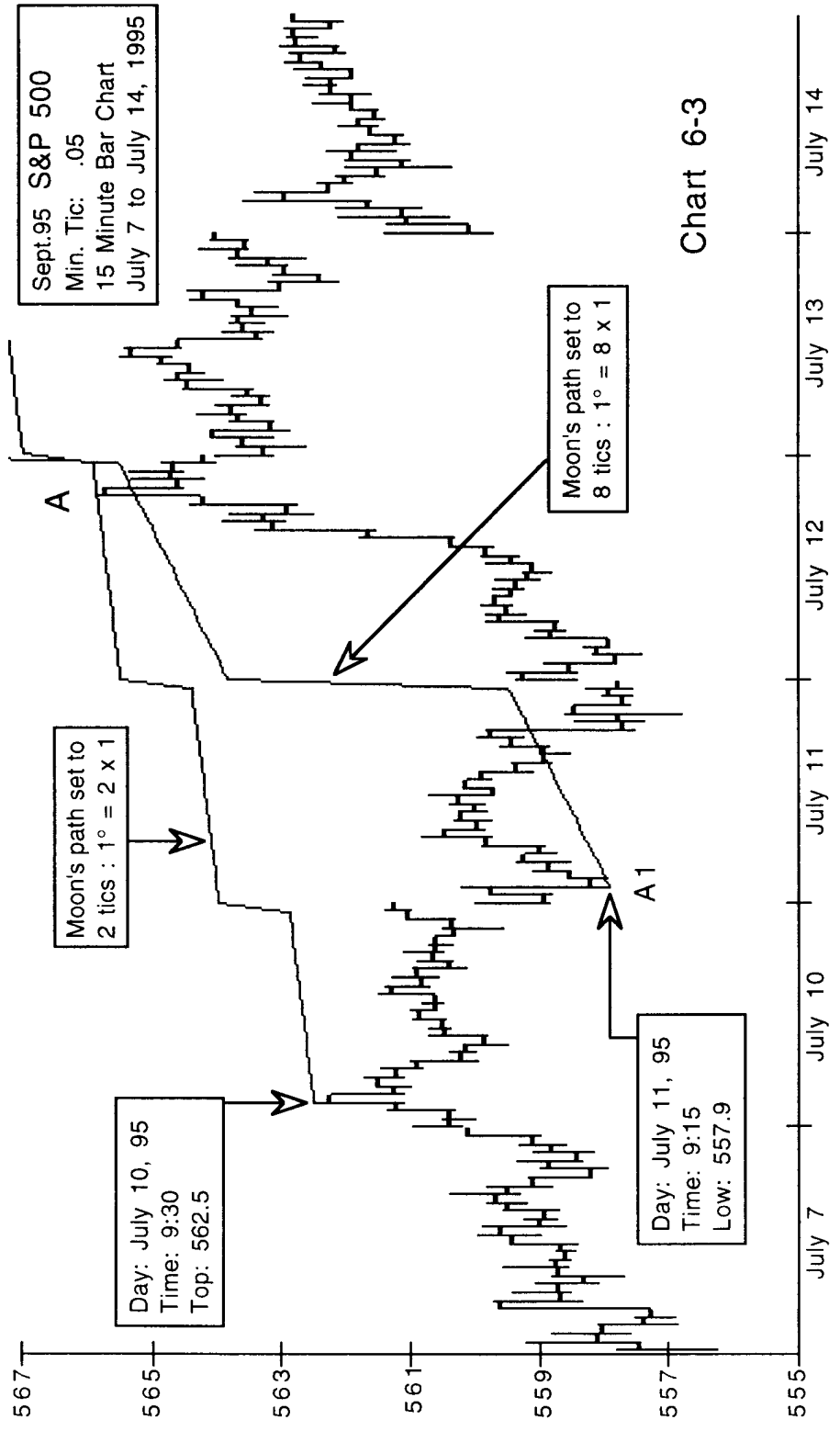

On Chart 6-3, a 2 x 1 moon angle is drawn from the top on July 10. An 8 x 1 moon angle is drawn from a low on July 11 which is point "A1" from Chart 6-2. At point "A" the price touched these two lines which meant the price had moved a distance which was proportional to the longitudinal movement of the moon starting from these two previous turning points.

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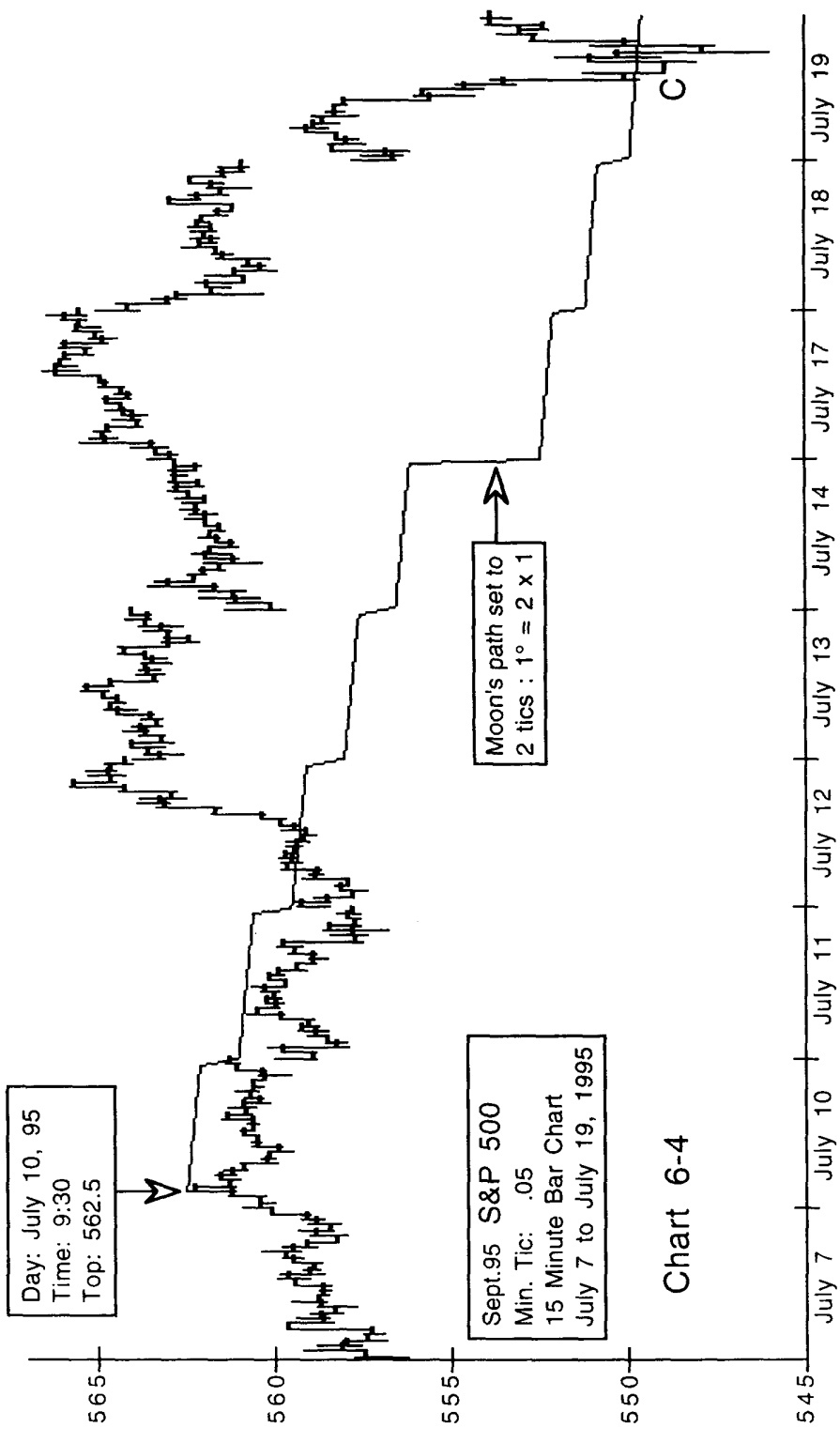
On Chart 6-4, a 2 x 1 moon angle has been drawn from the July 10 top. The price movement made a bottom against this angle at point "C". When the price crossed this 2 x 1 moon angle at point "C" it meant the velocity of the S&P 500 was in proportion to the velocity of the moon.



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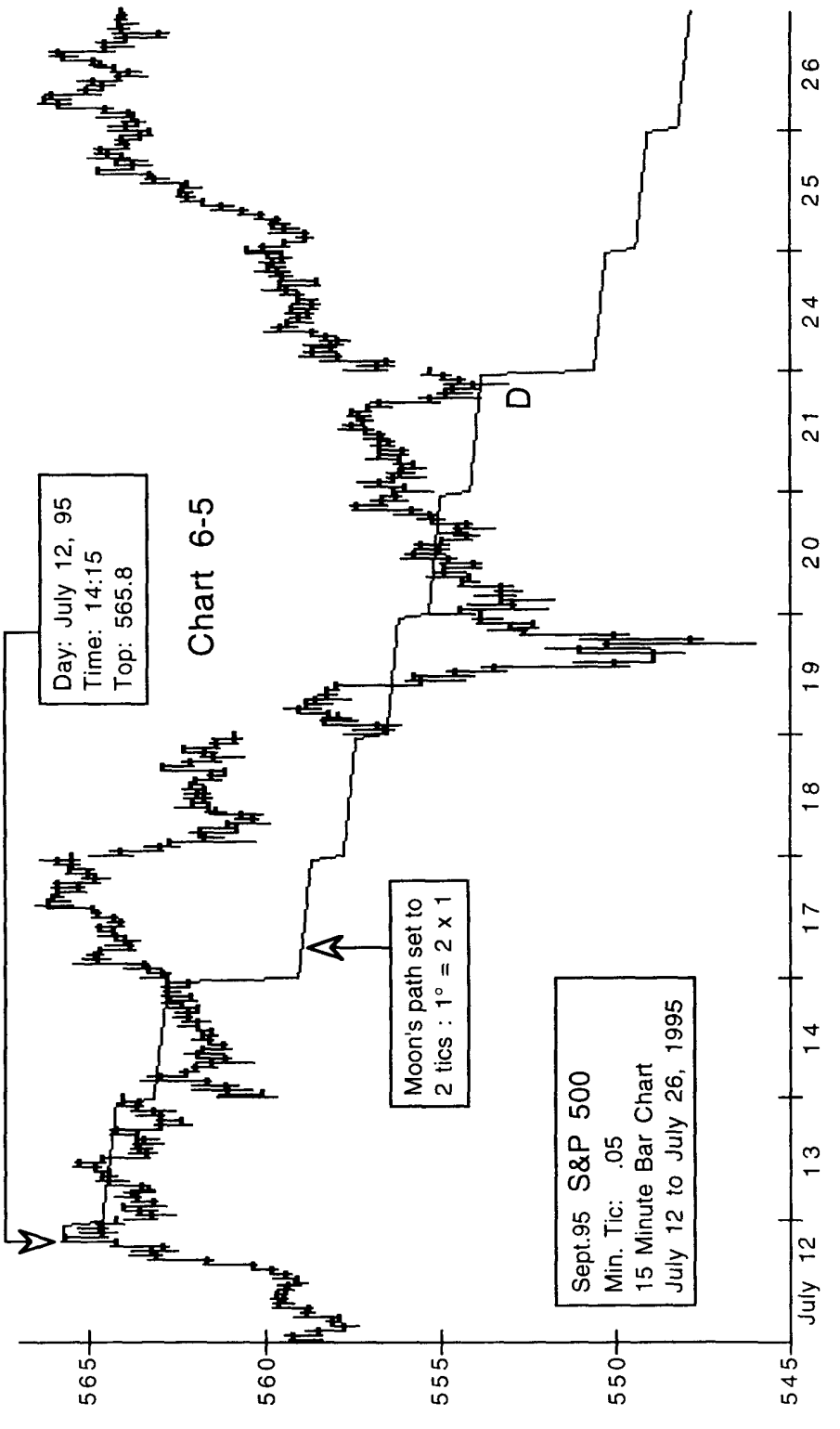

On Chart 6-5, at point "D", the price movement of the S&P 500 was in proportion to the longitudinal movement of the moon starting from the July 12 top, and a bottom formed.

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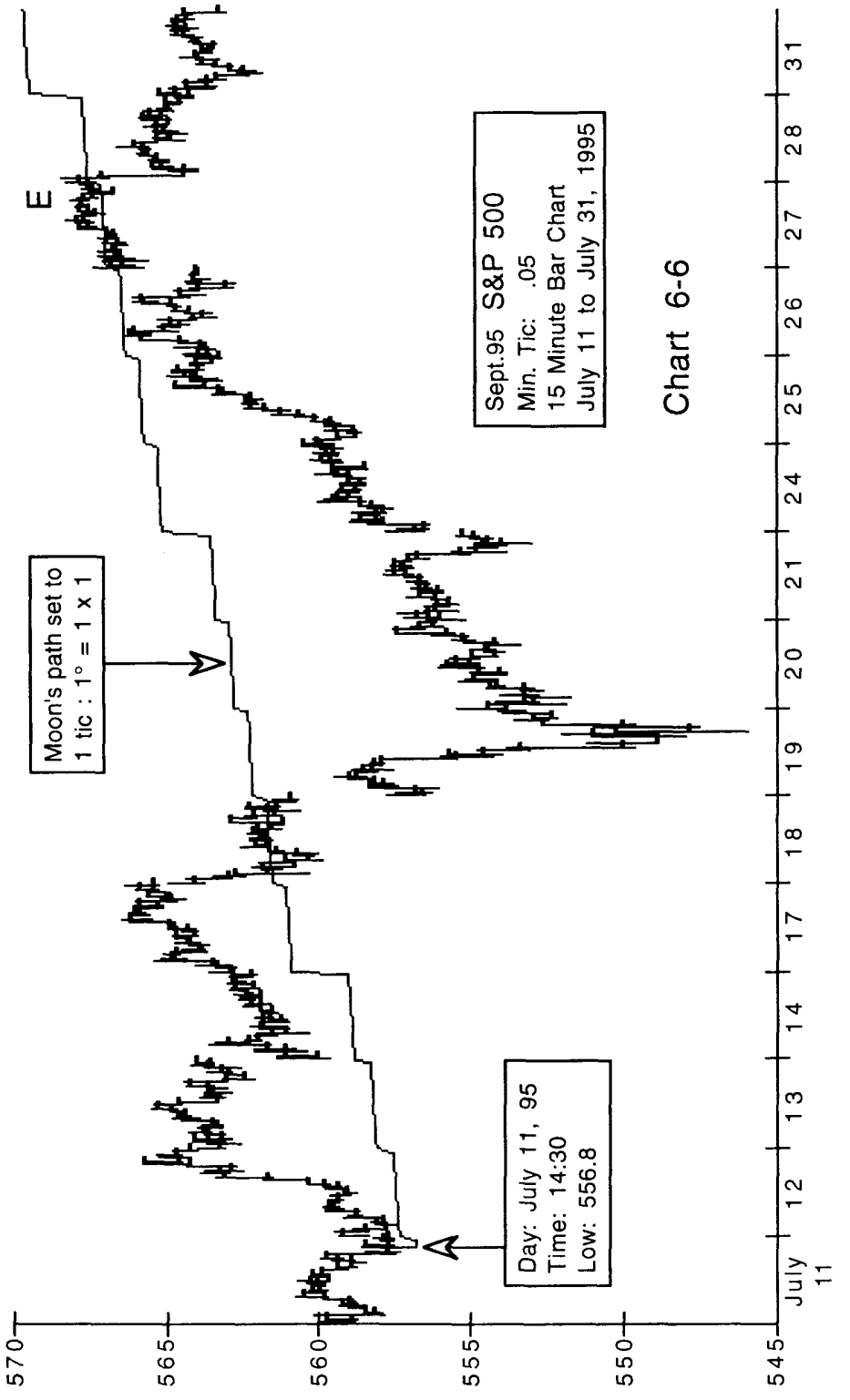
On Chart 6-6 at point "E", a 15 minute bar chart top was made when the movement of the price balanced with the movement of the moon starting from the July 11 low.



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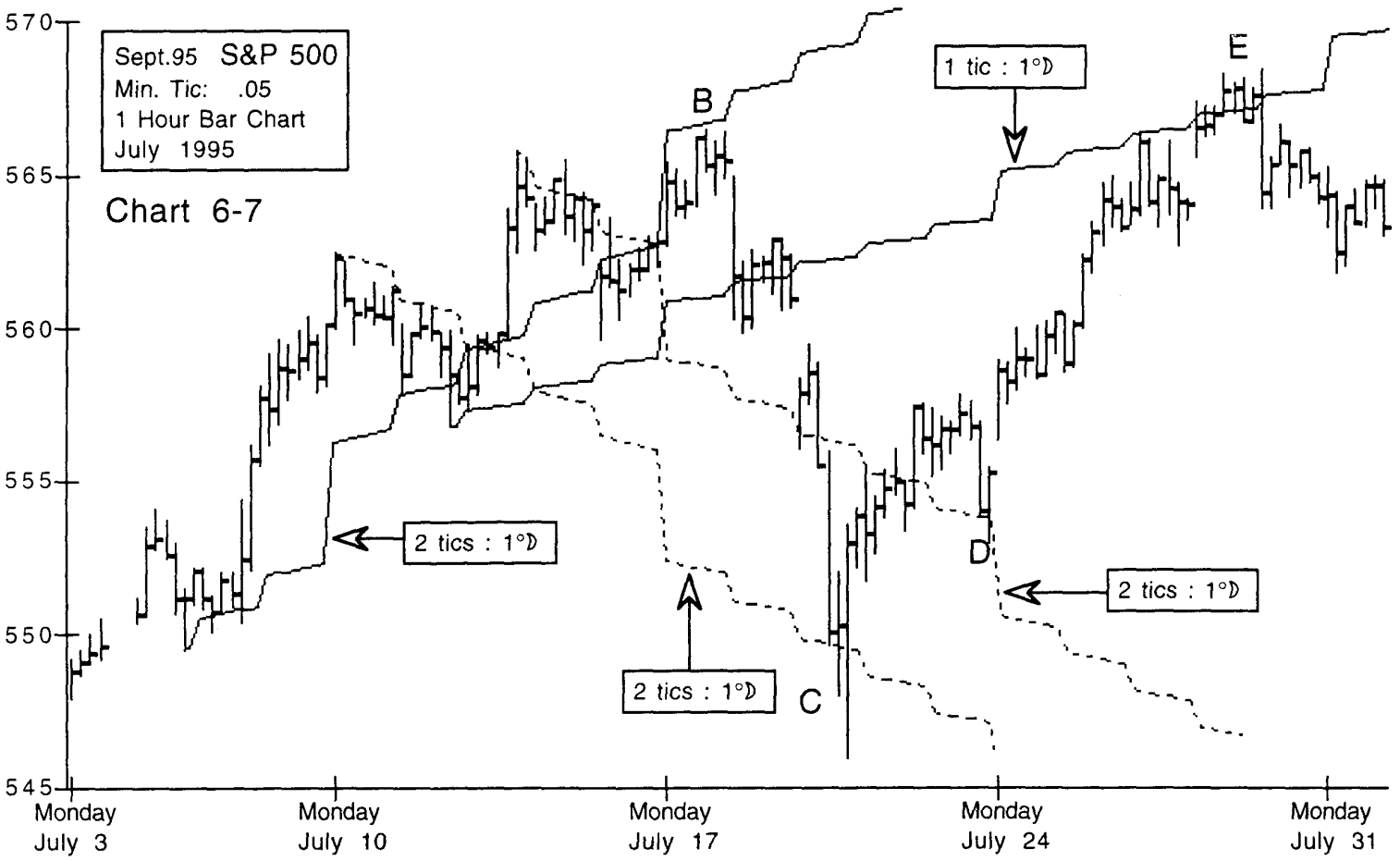
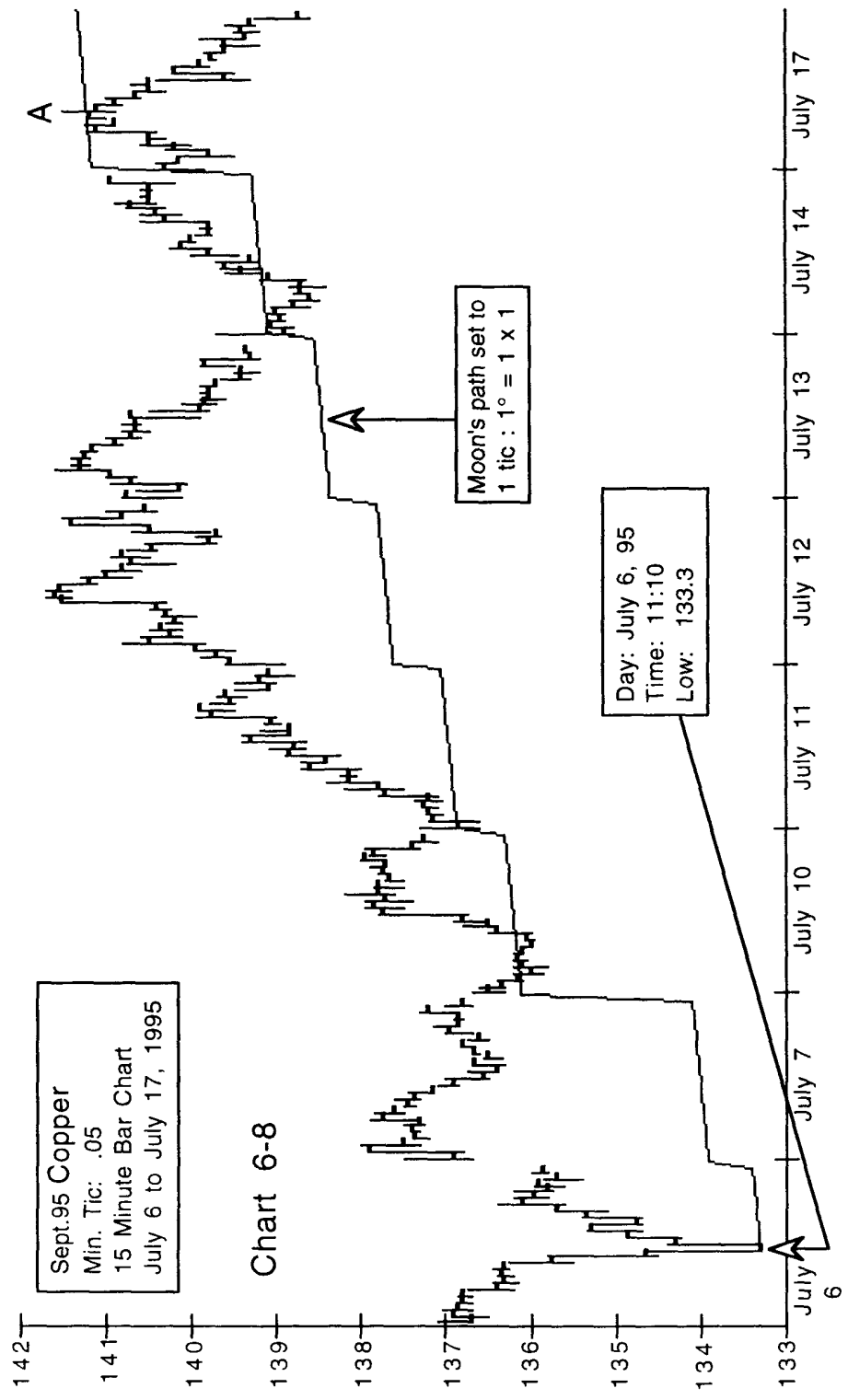


Chart 6-7 is an hourly bar chart showing the same Price and Longitude Angles seen on Charts 6-2 to 6-6. The angles on Chart 6-3 have been left off Chart 6-7 because they cover only 3 days making their relationships difficult to see on an hourly chart. By comparing this hourly chart with the previous 15 minute charts, you can see how these angles fit into a longer term picture. By now you probably understand what the Price and Longitude Angles represent so I will not describe the relationships on the remaining 15 minute and hourly charts.



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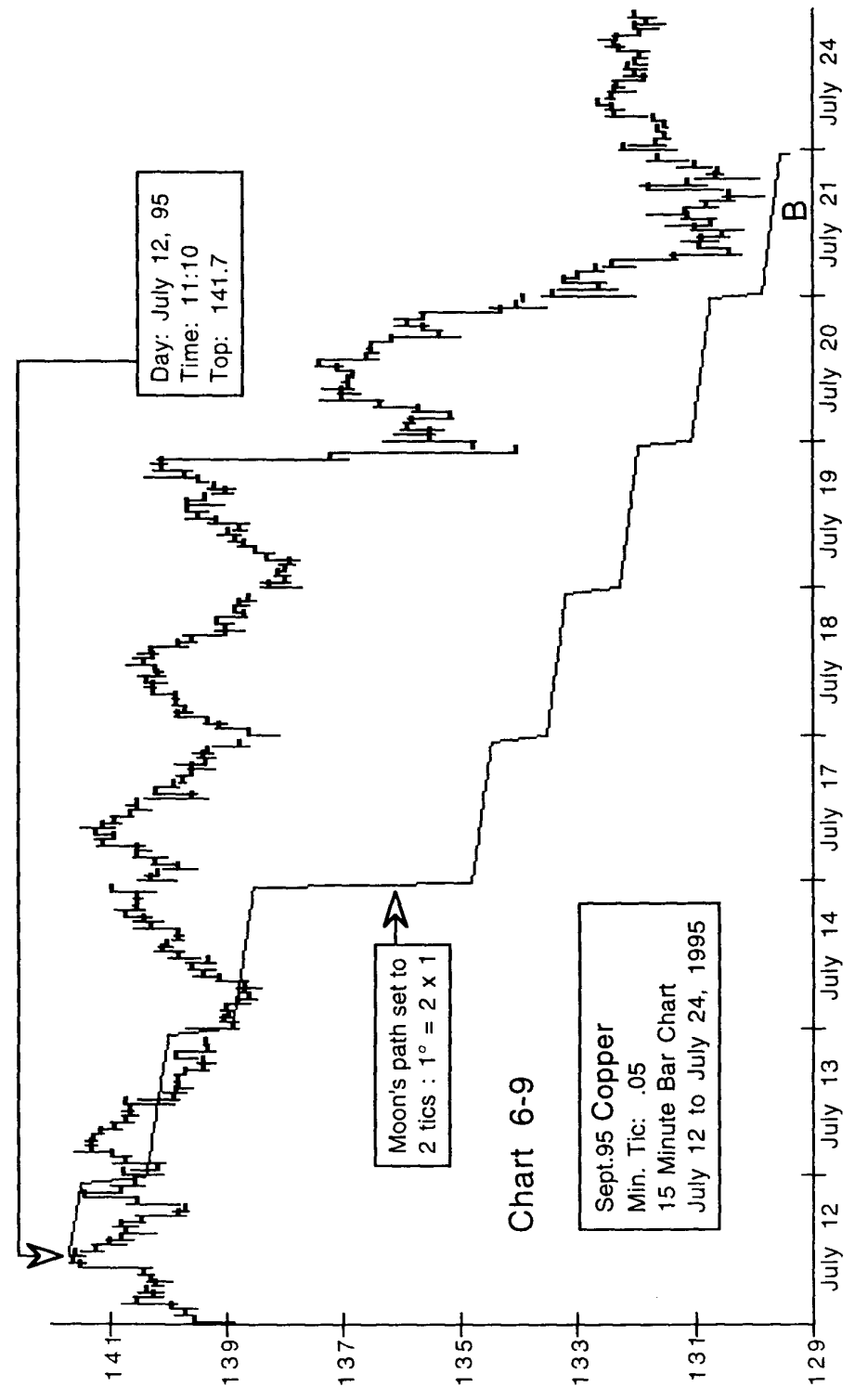

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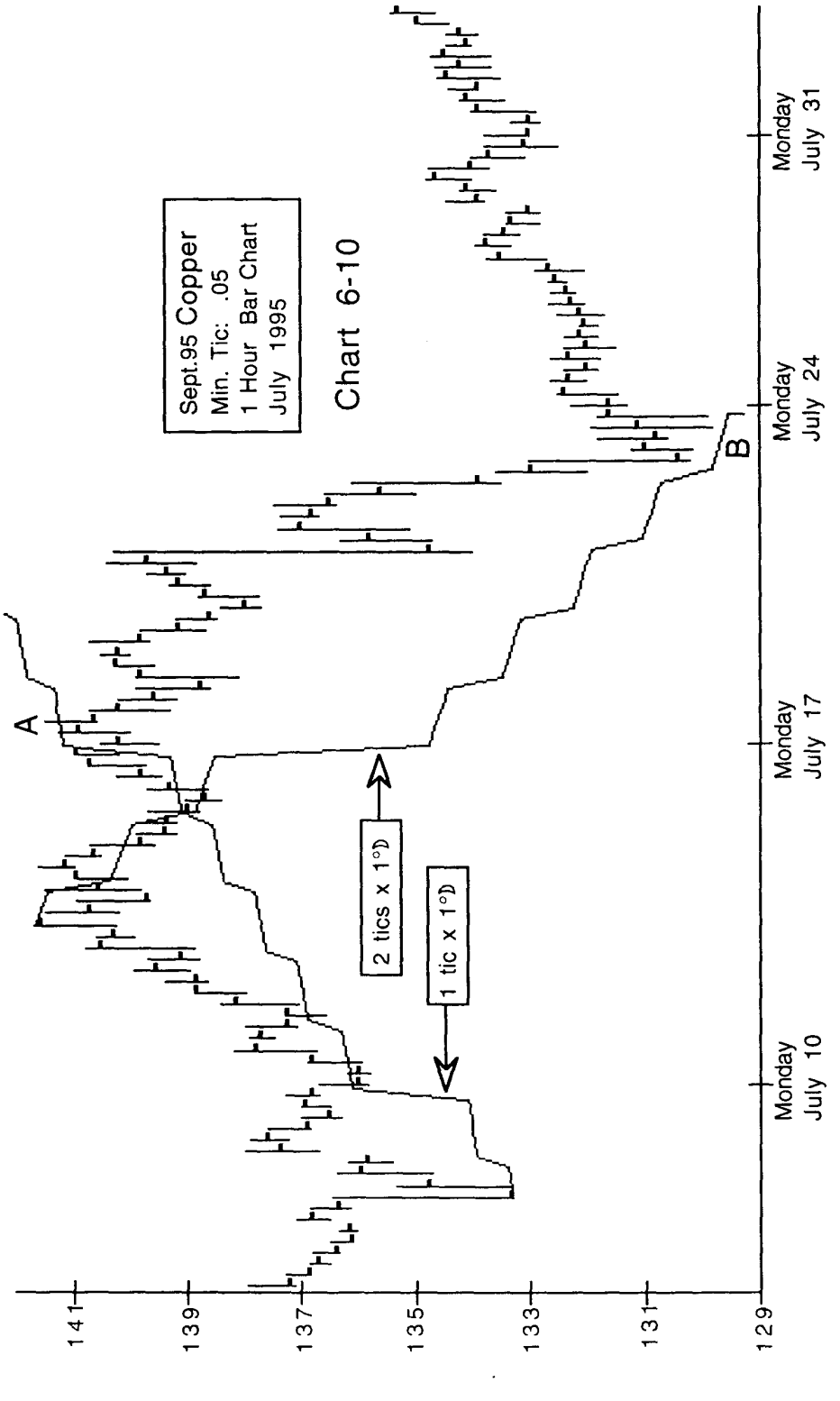
Chart 6-10 is an hourly bar chart for copper which shows the same Price and Longitude Angles as the 15 minute bar charts shown in Charts 6-8 and 6-9.



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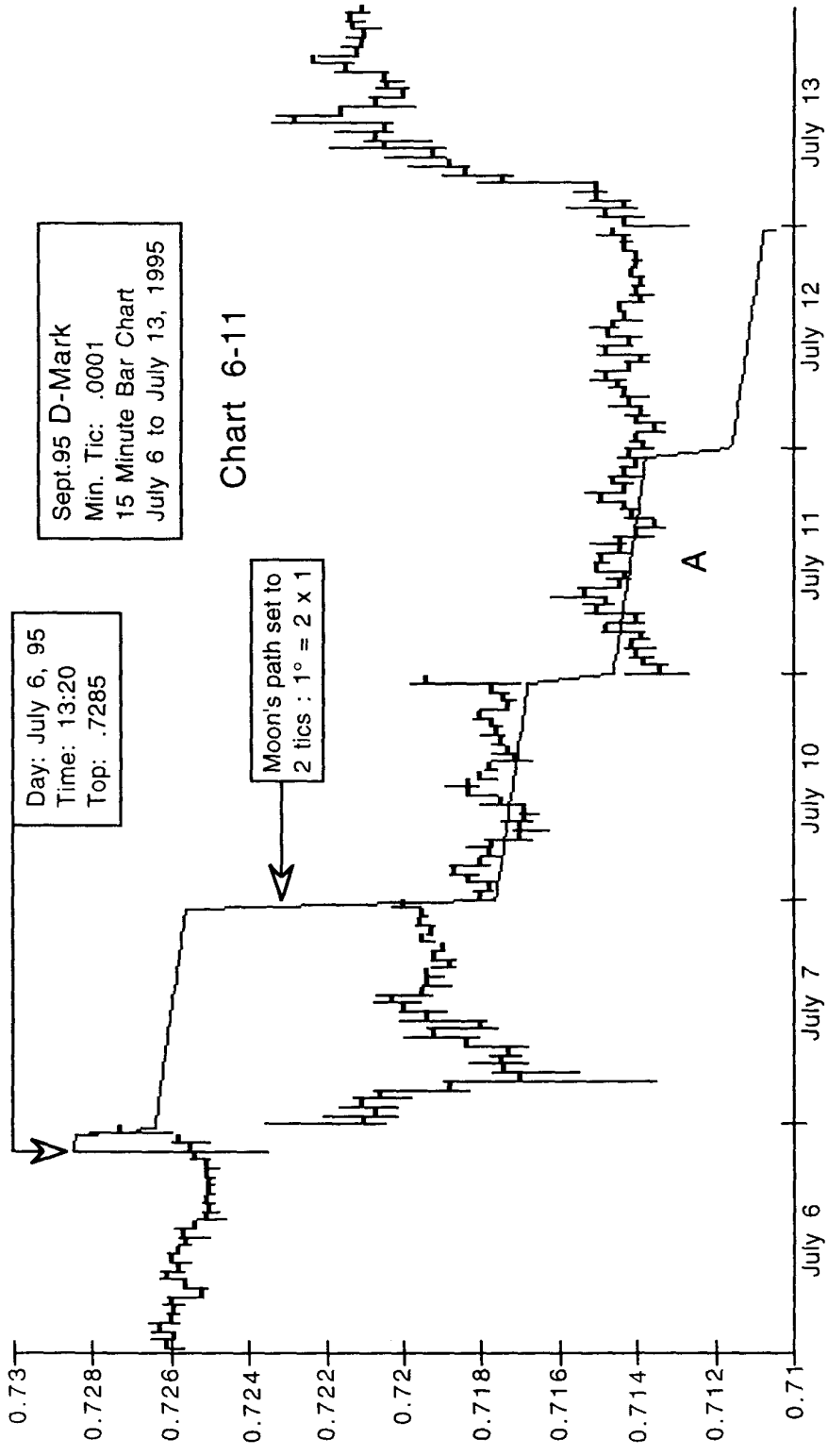

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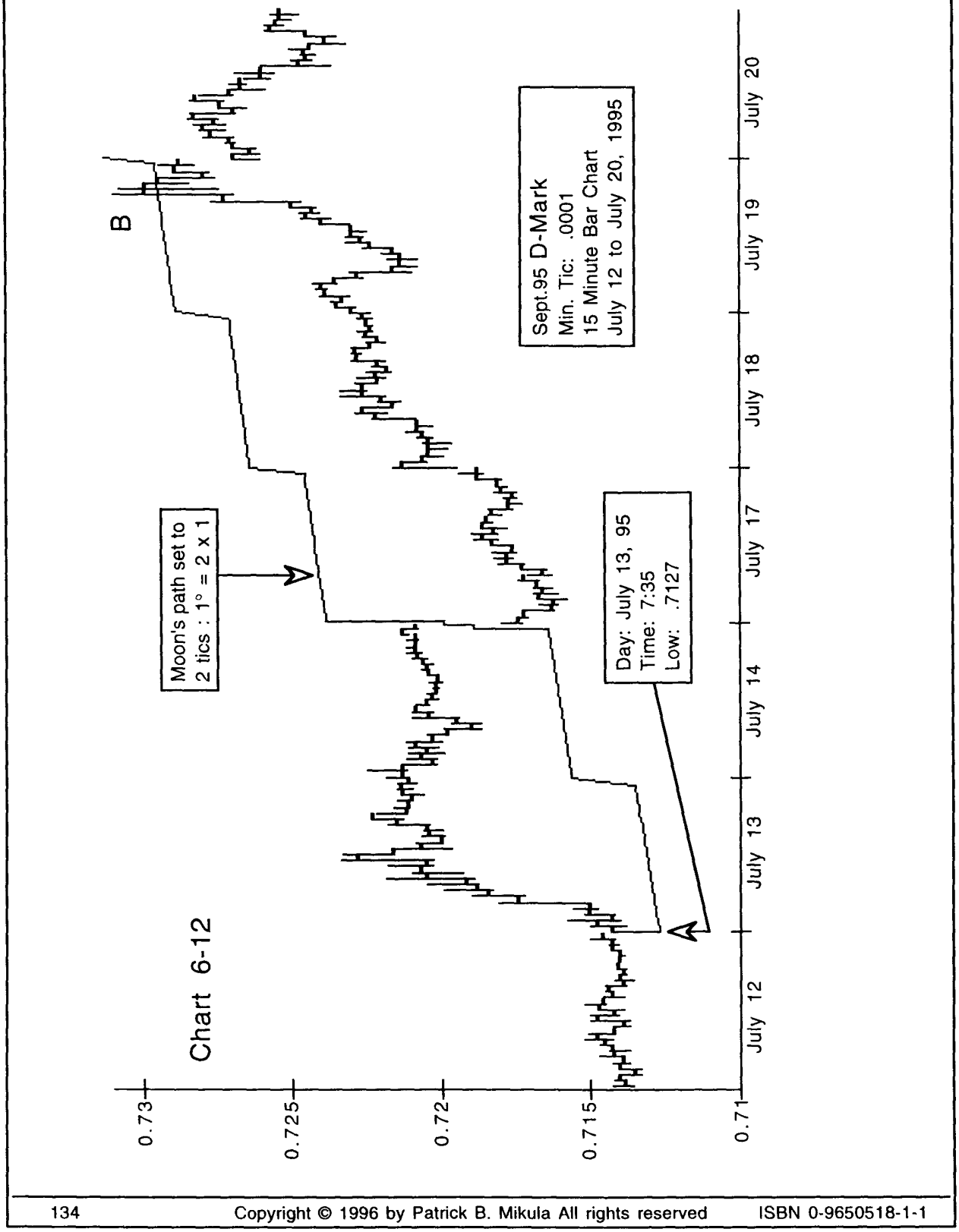

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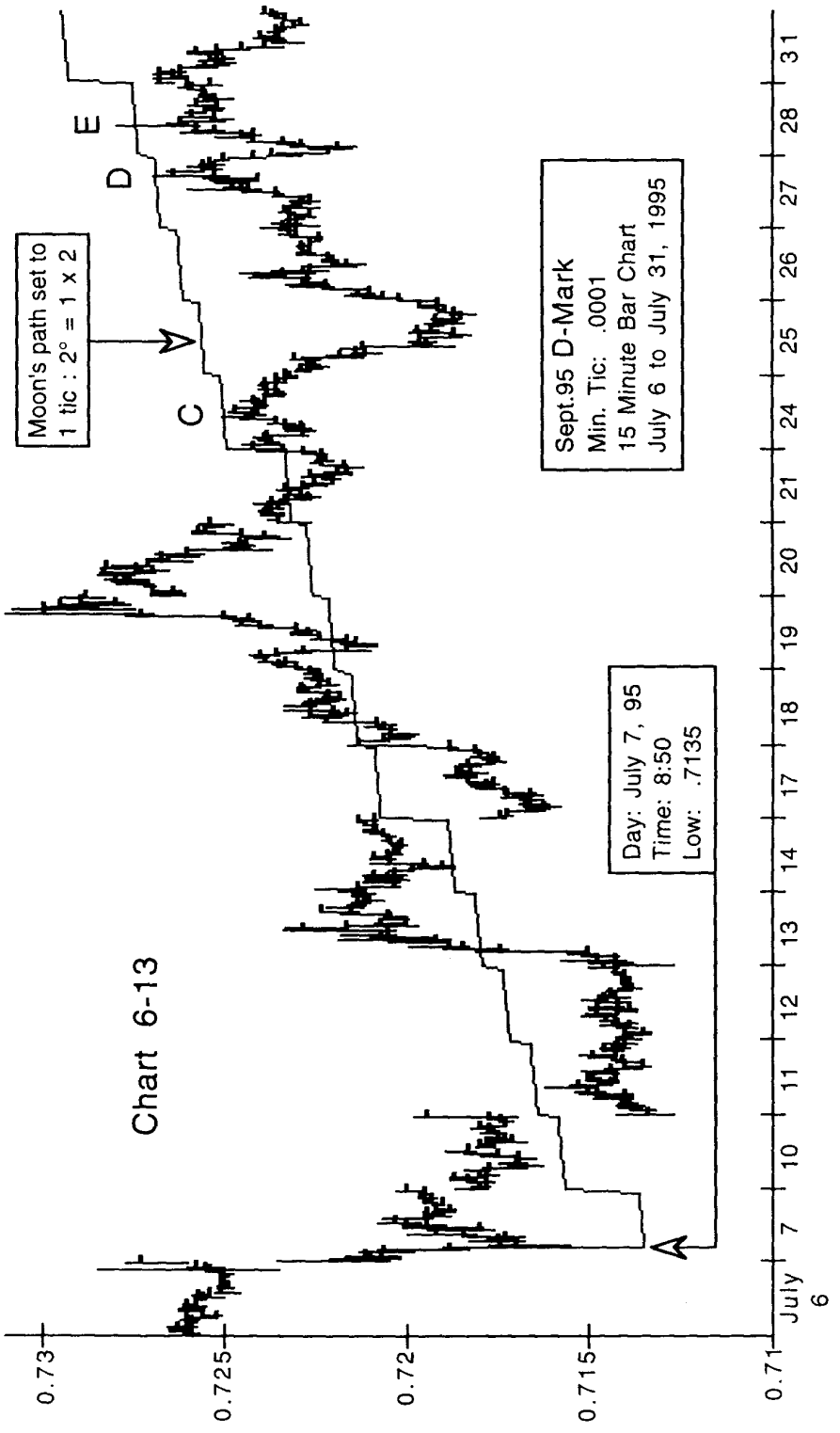

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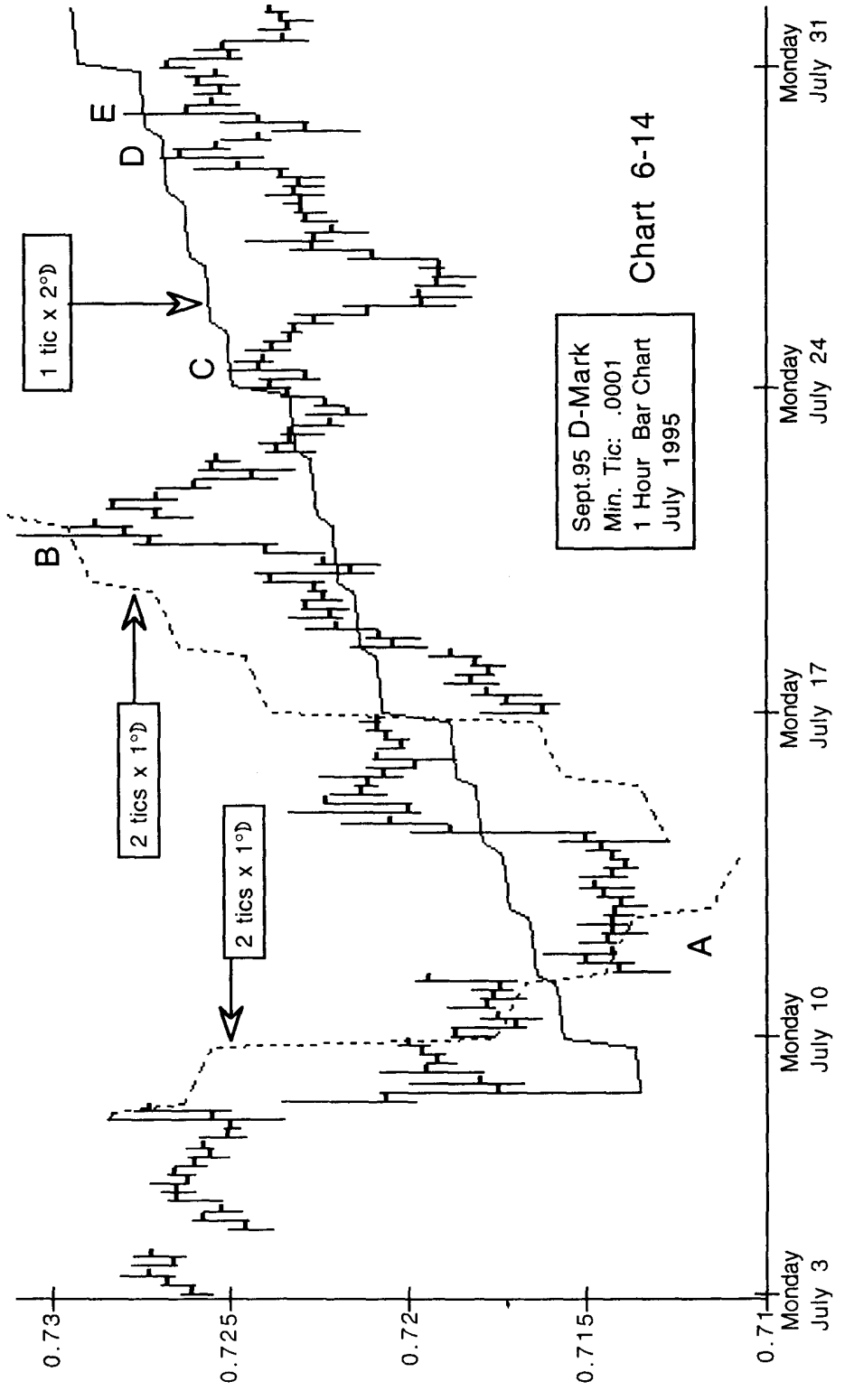
Chart 6-14 is an hourly bar chart of the D-Mark which shows the same Price and Longitude Angles as the 15 minute bar charts shown in Charts 6-11, 6-12 and 6-13.



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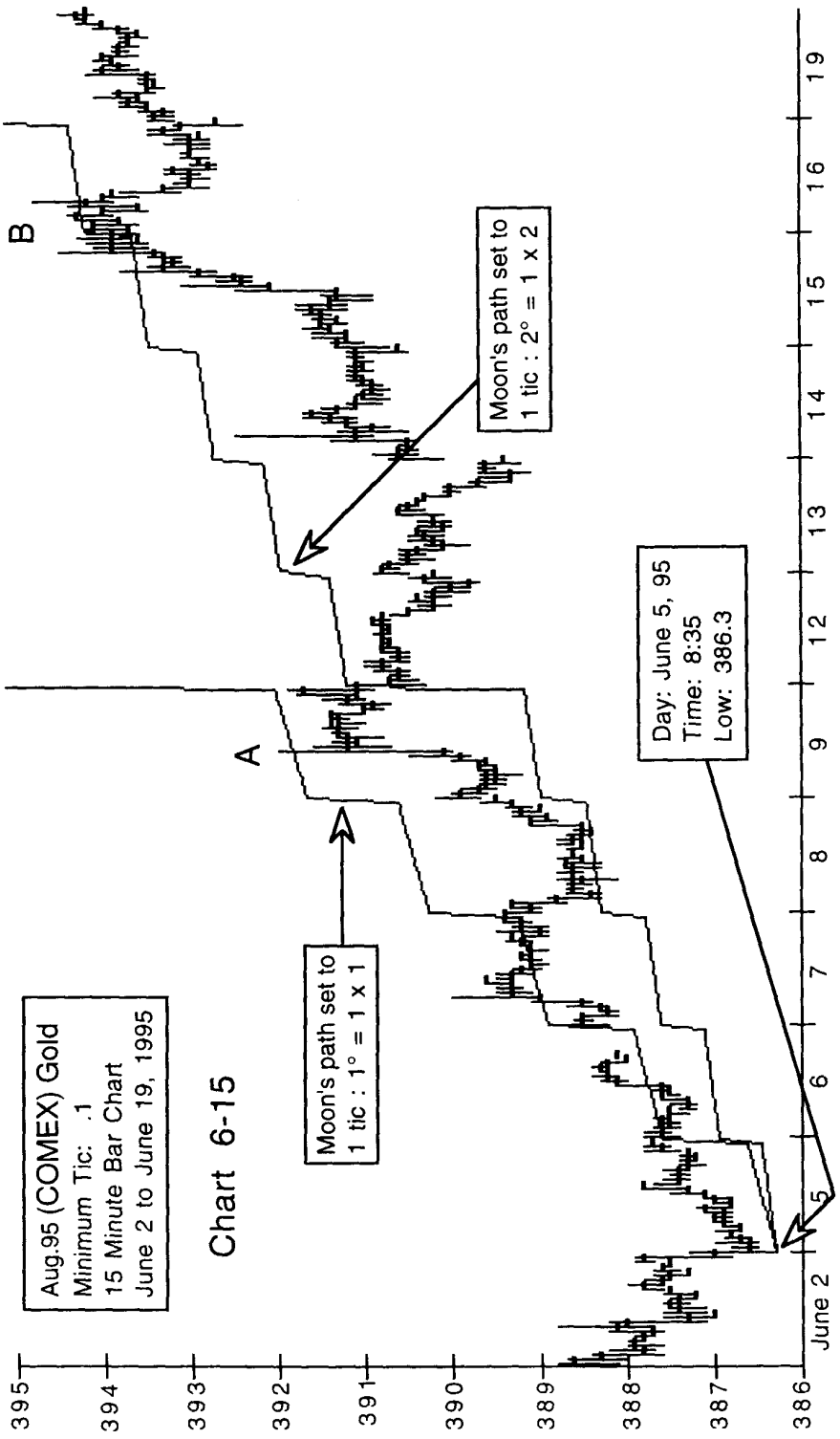

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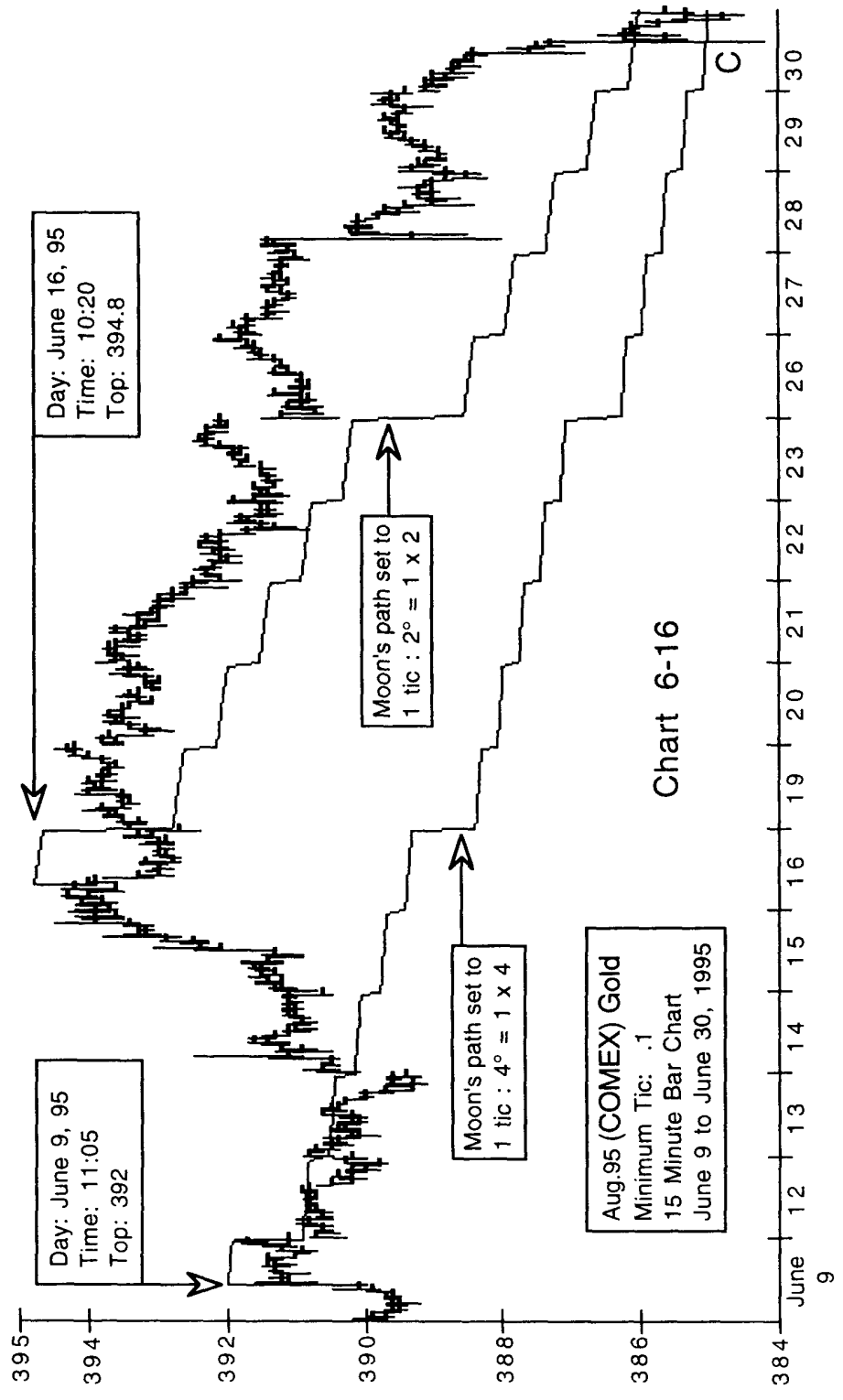

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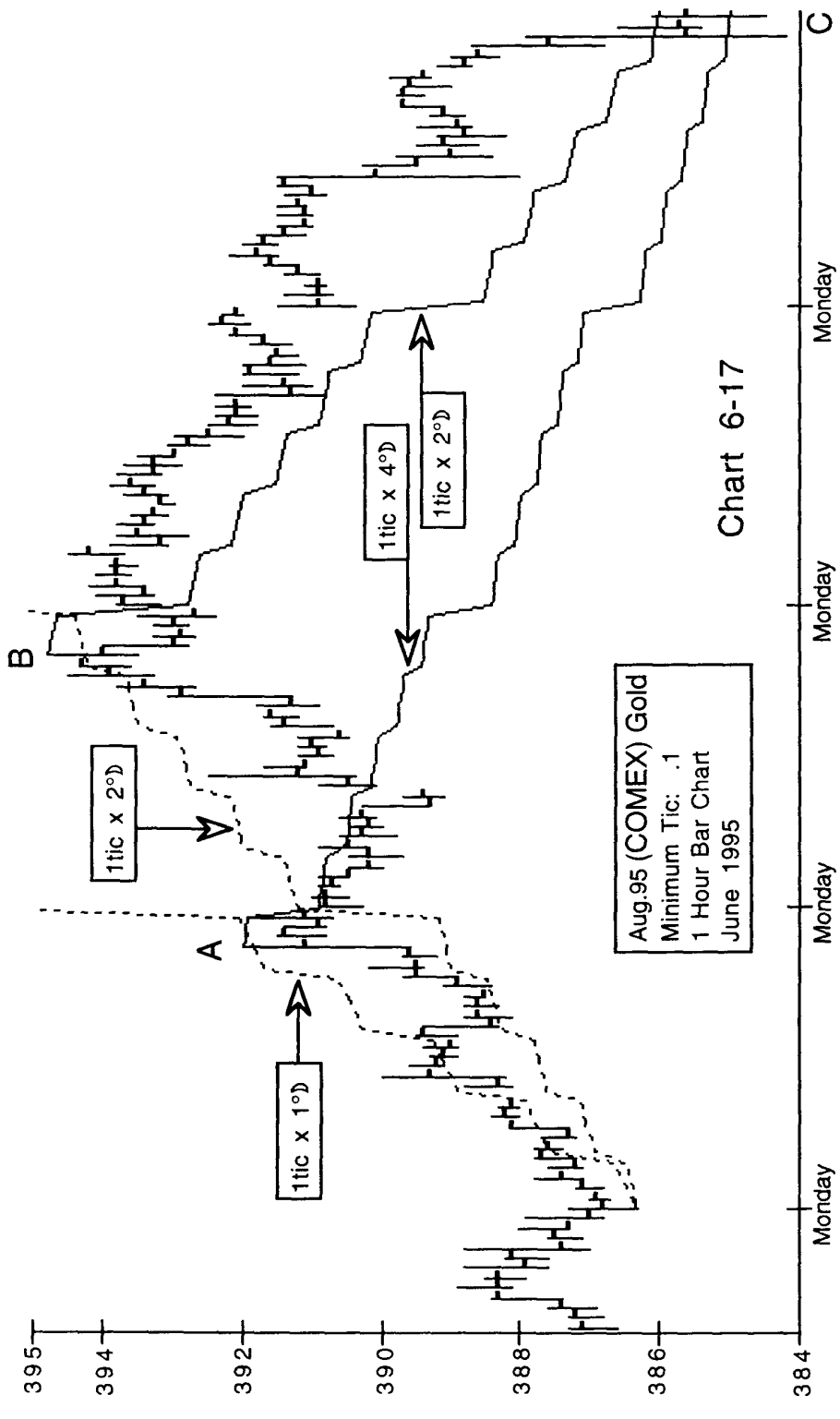

Chart 6-17

Chart 6-17 is an hourly bar chart for gold which shows the same Price and Longitude Angles as the 15 minute bar charts shown in Charts 6-15 and 6-16.

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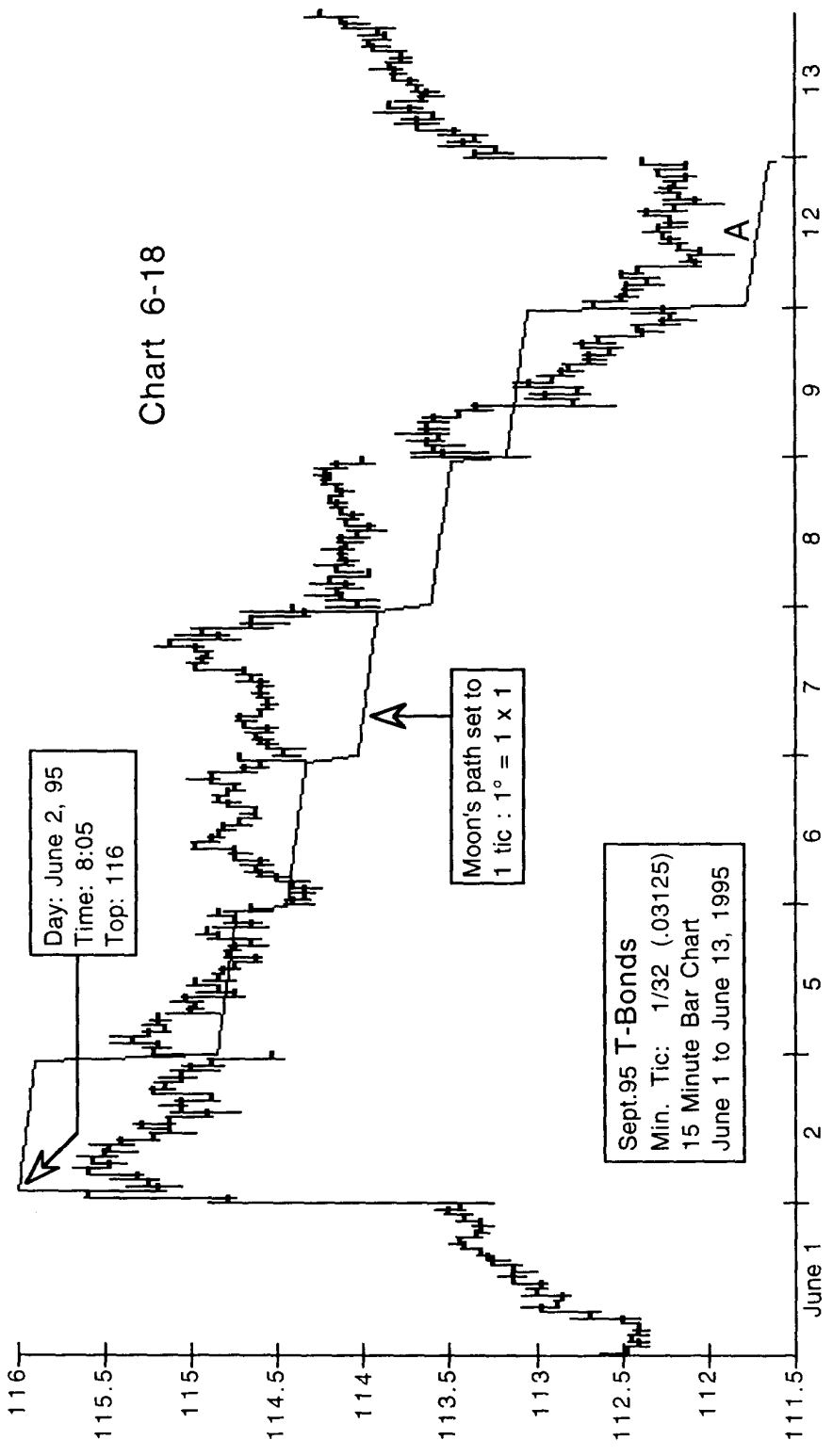

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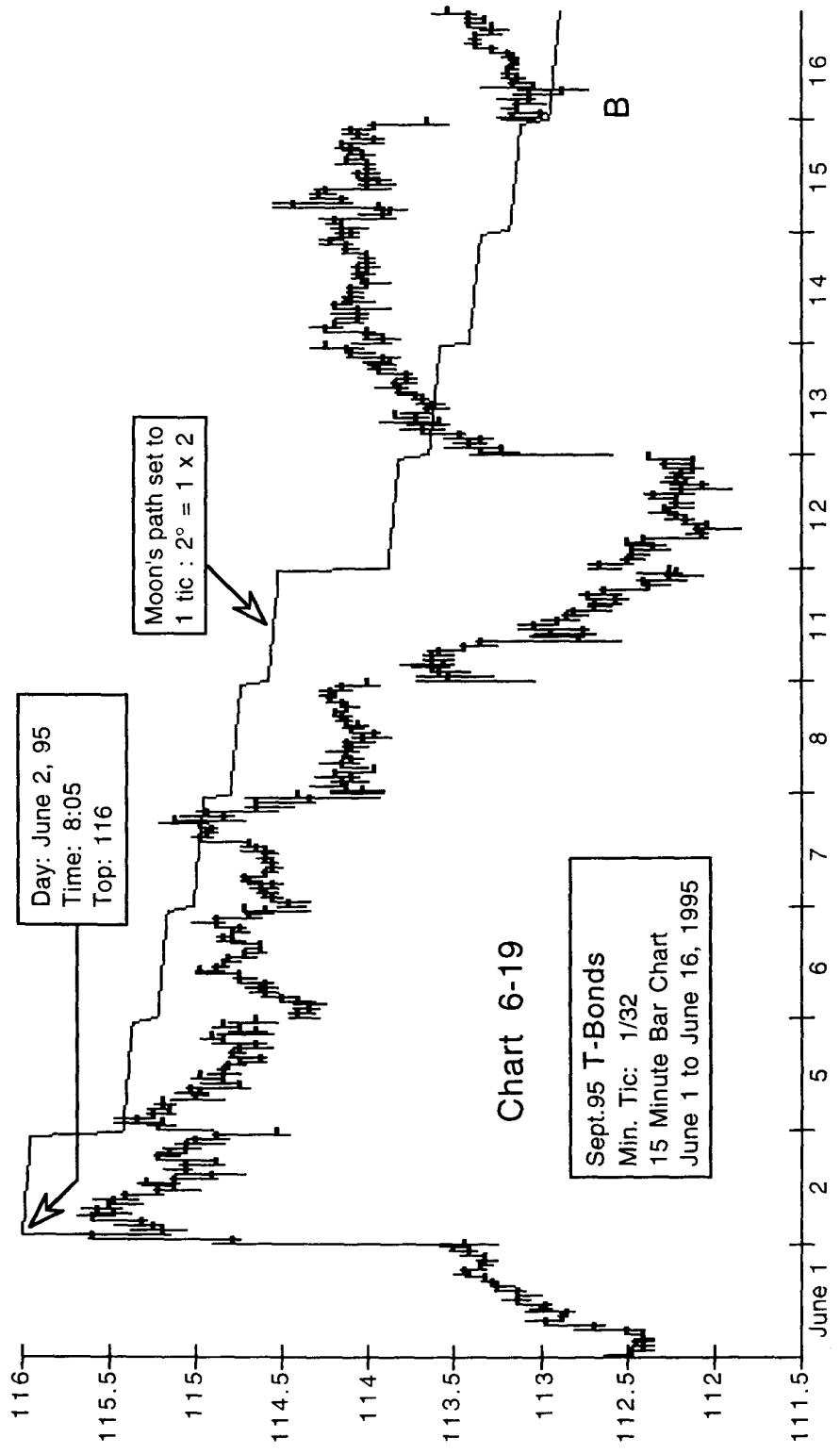

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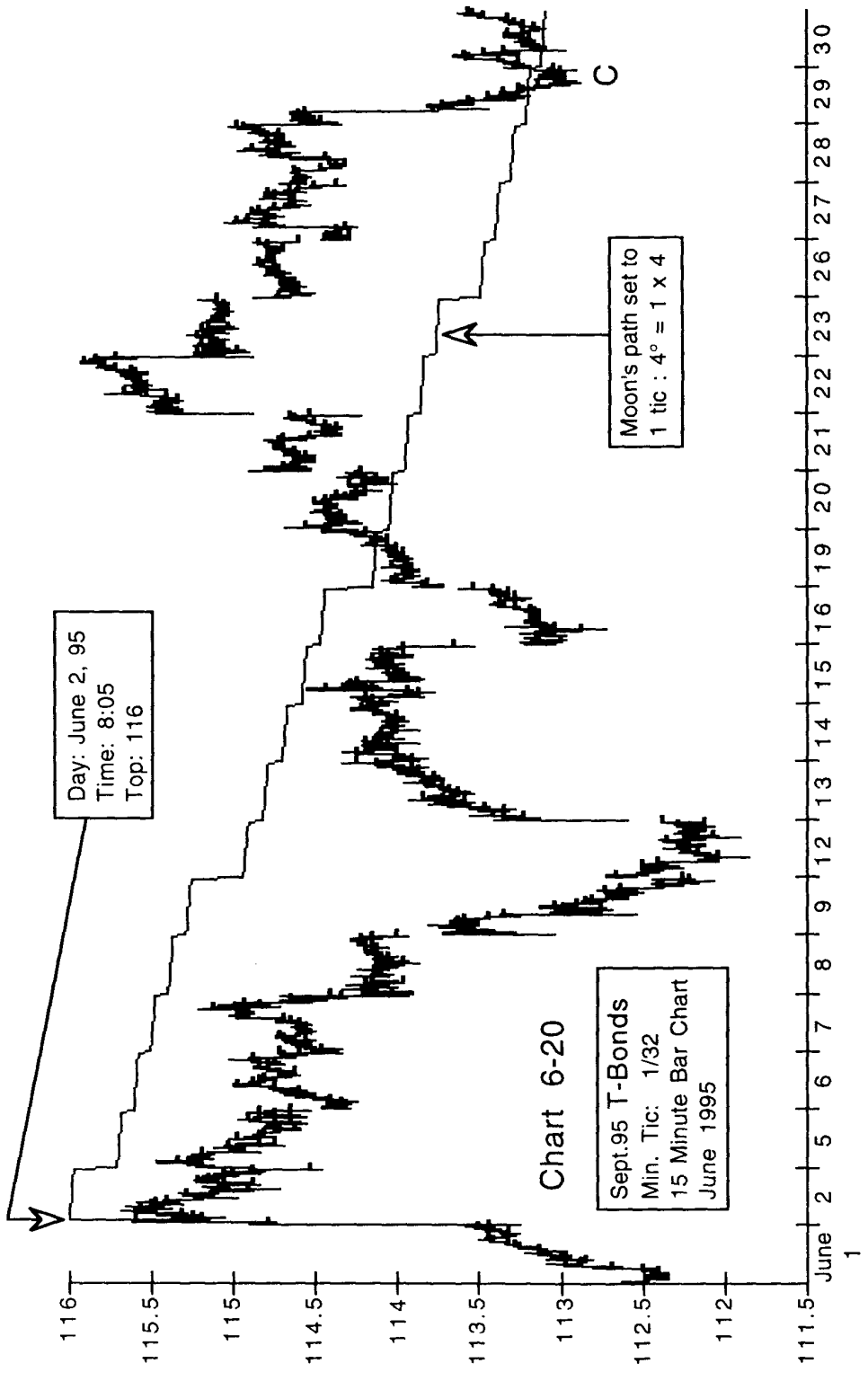

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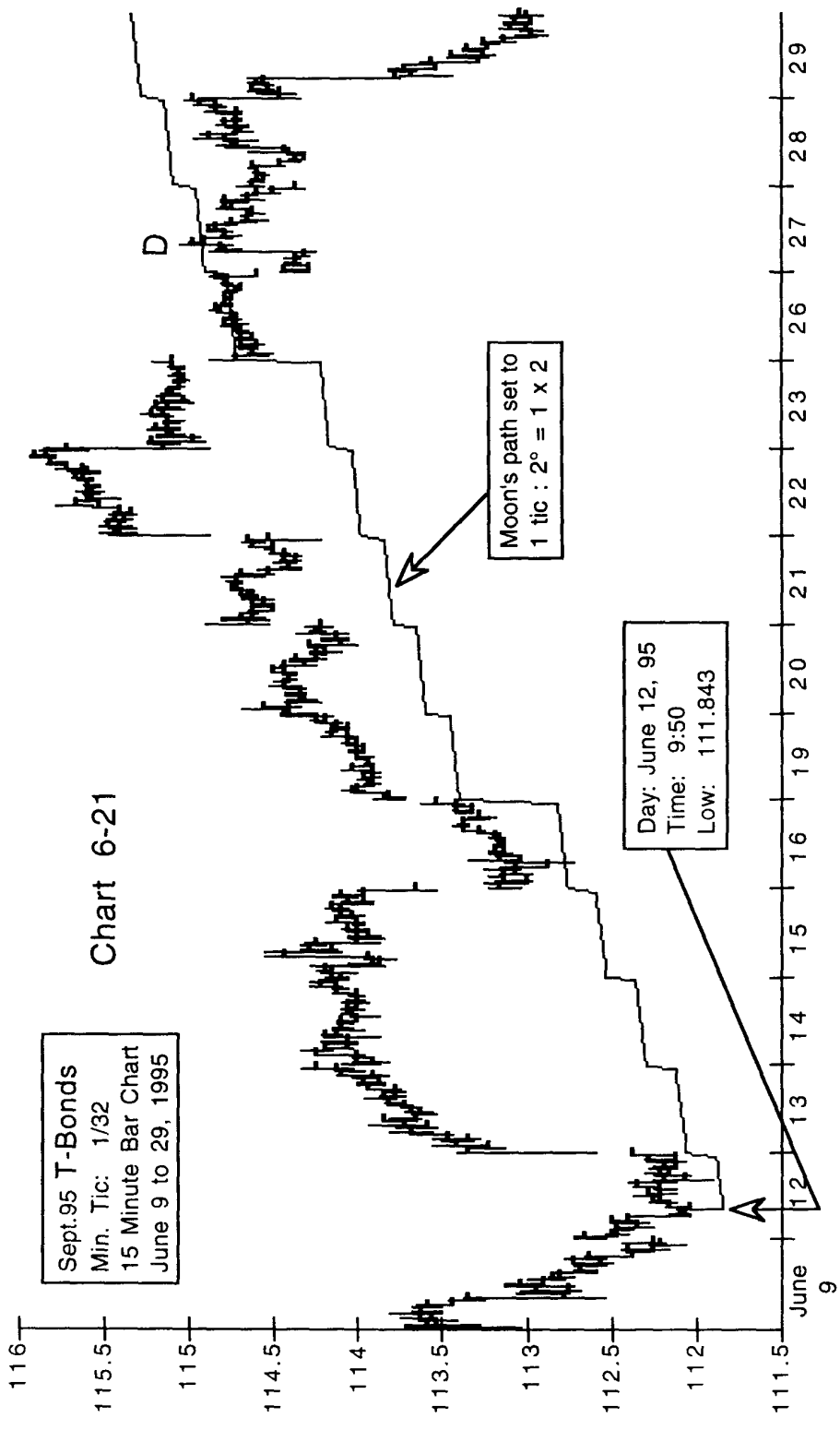

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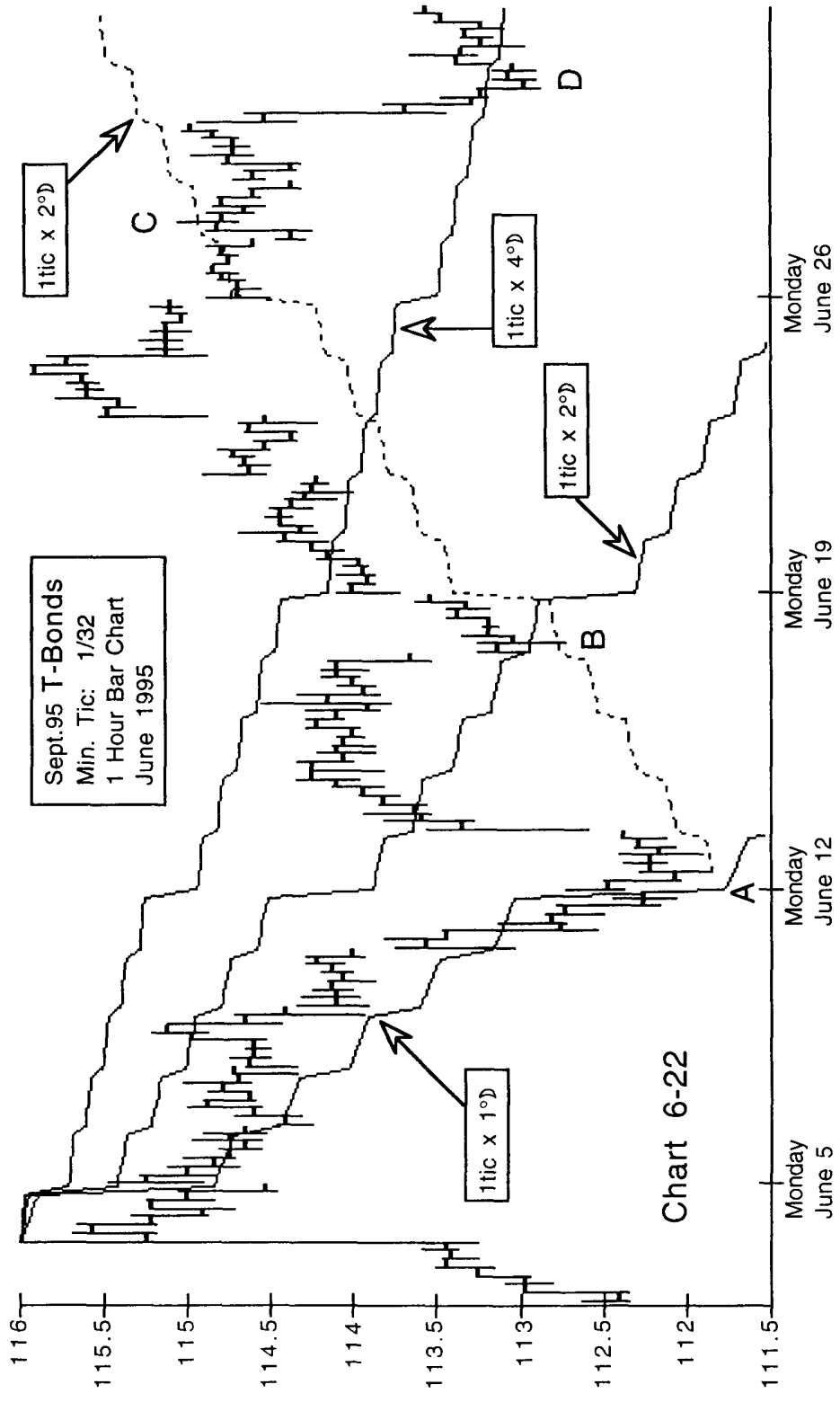
Chart 6-22 is an hourly bar chart for T-Bonds which shows the same Price and Longitude Angles as the 15 minute bar charts shown in Charts 6-18, 6-19, 6-20 and 6-21.



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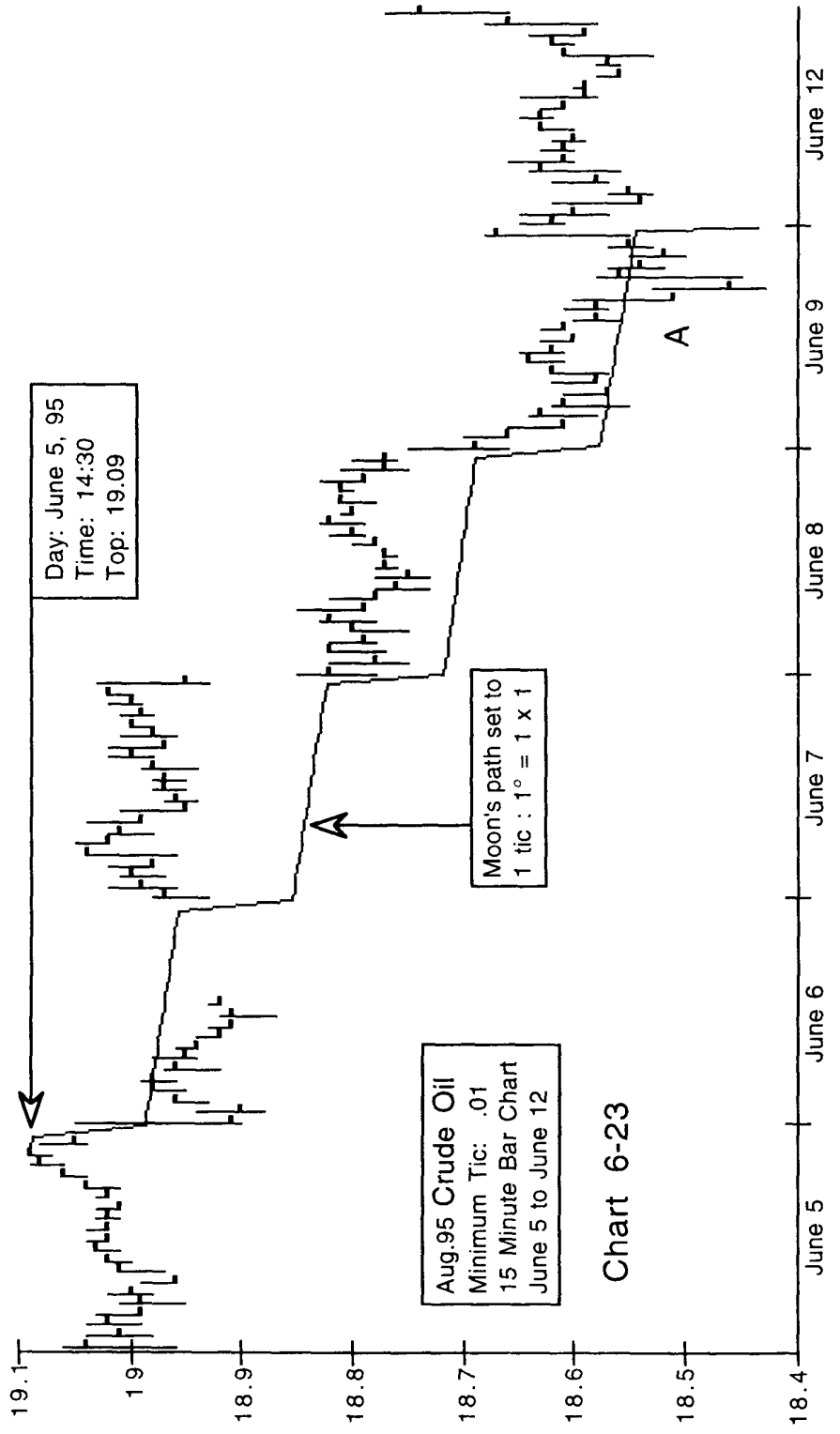

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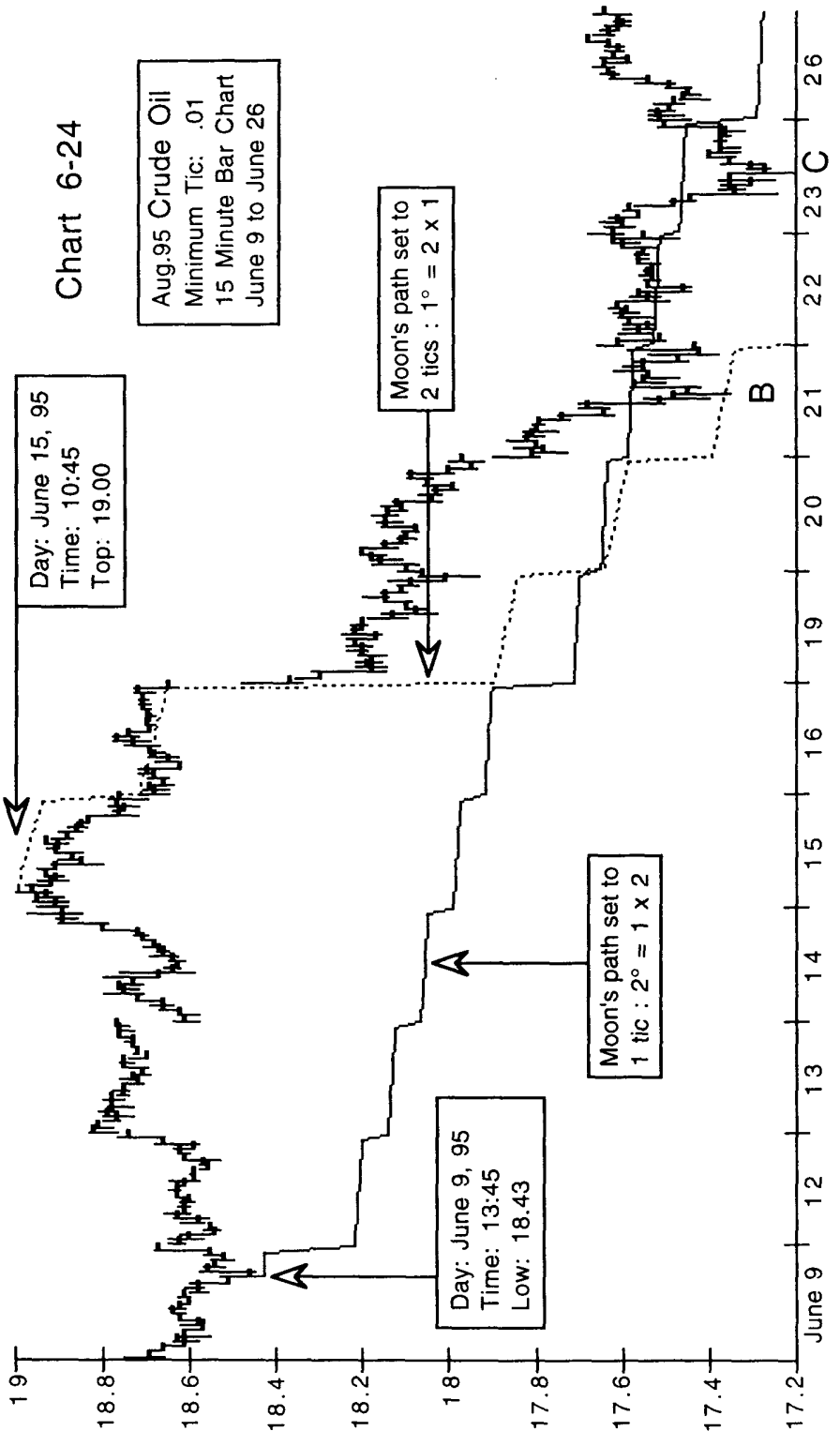

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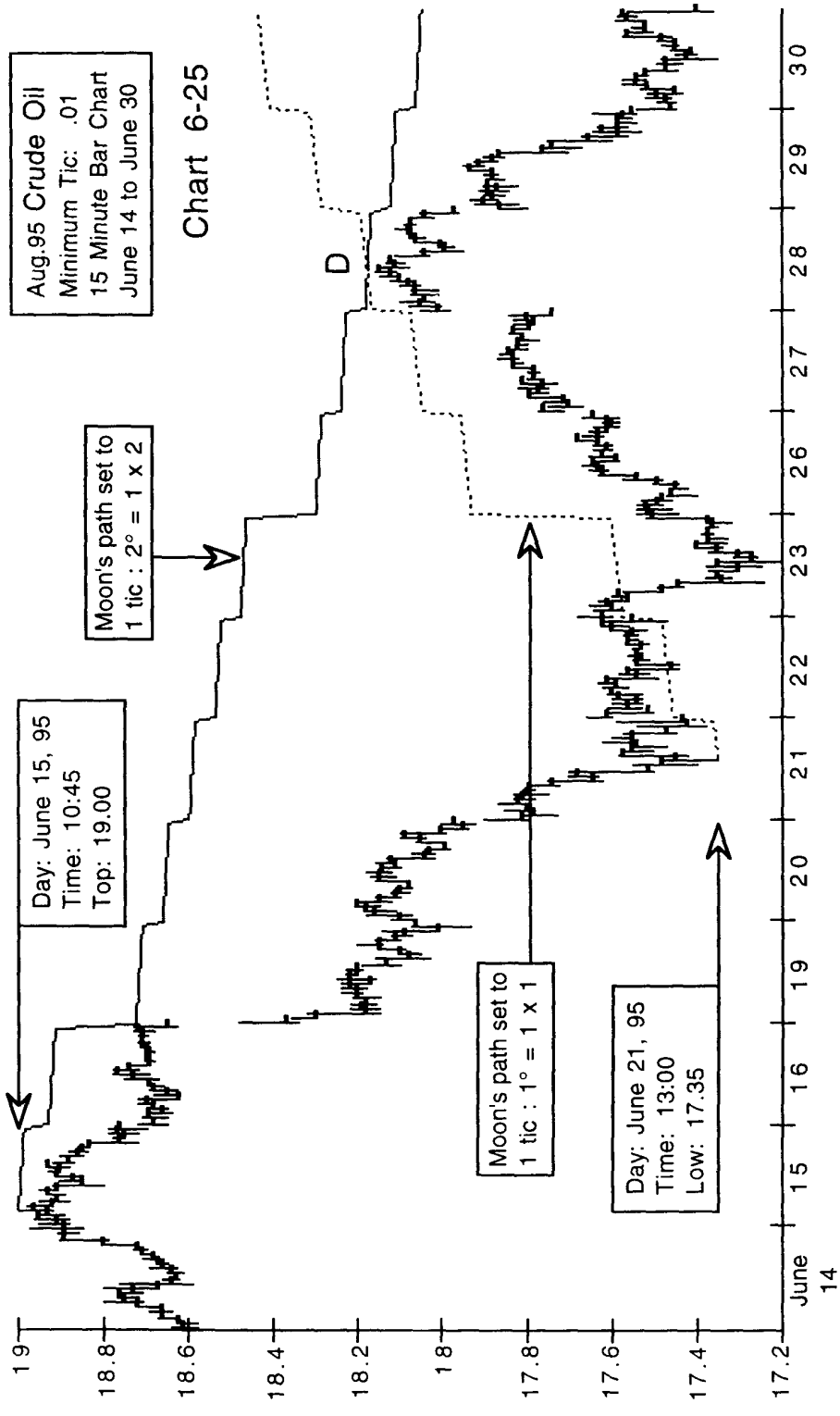

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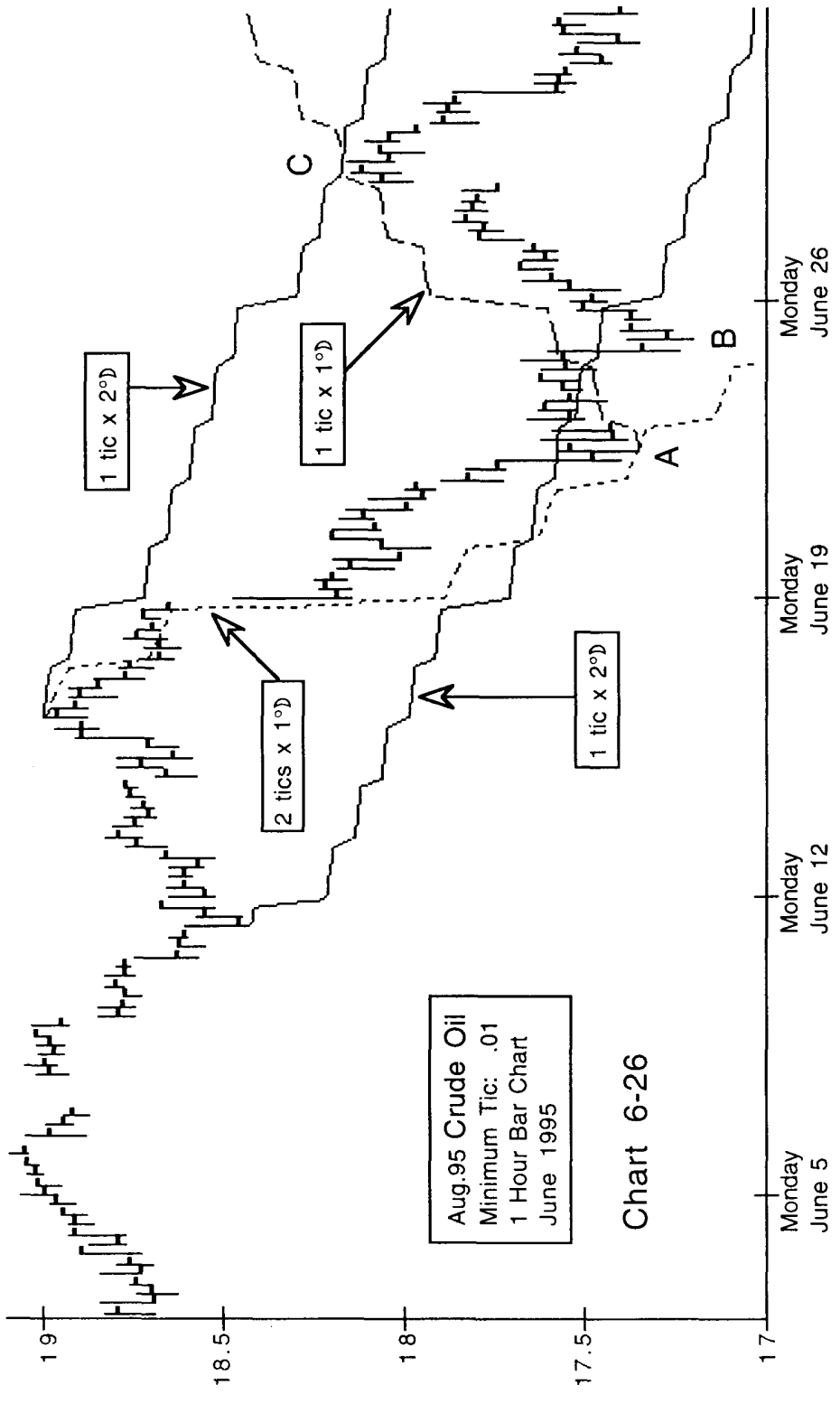
Chart 6-26 is an hourly bar chart for crude oil which shows the same Price and Longitude Angles as the 15 minute bar charts shown in Charts 6-23, 6-24 and 6-25.



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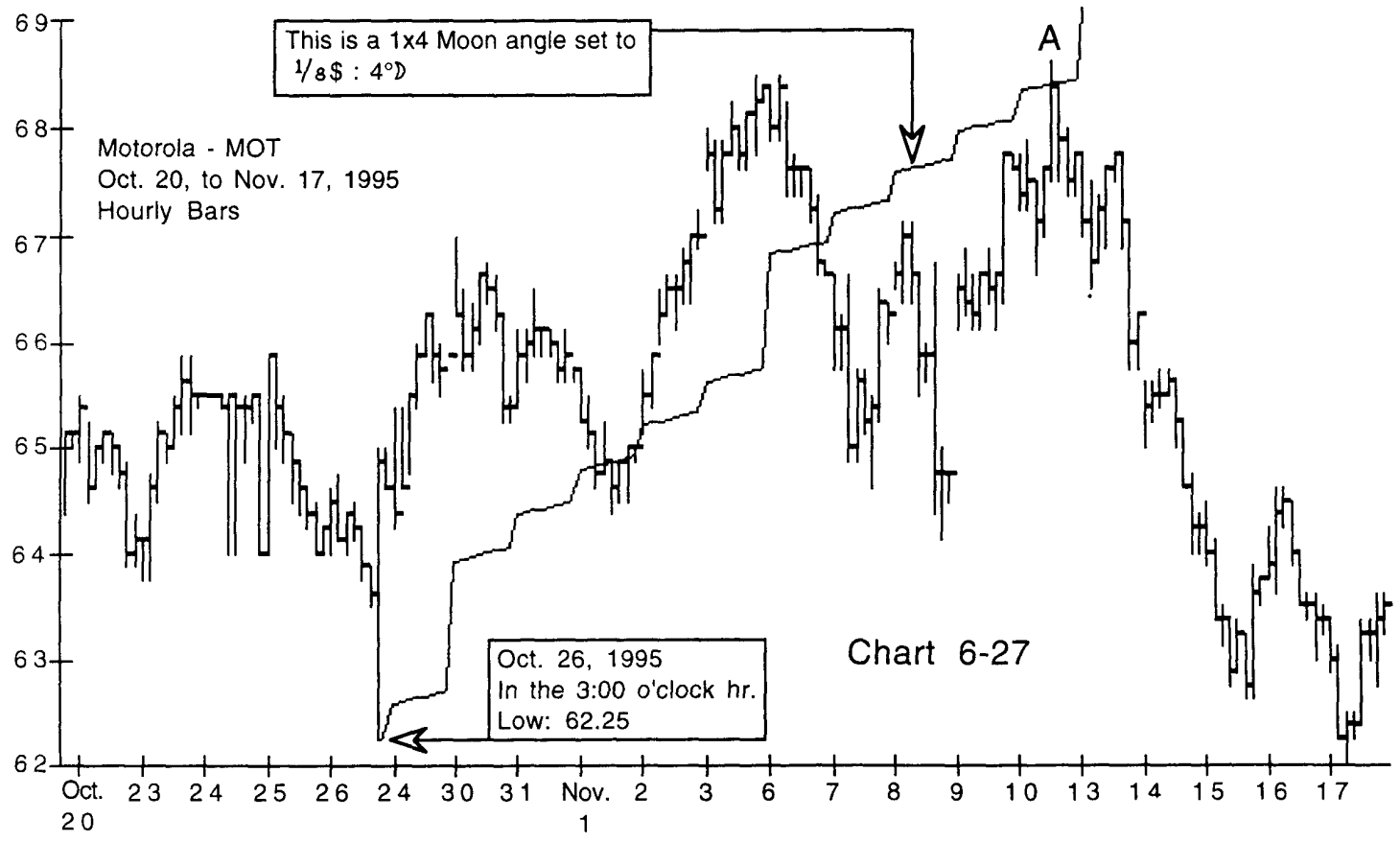
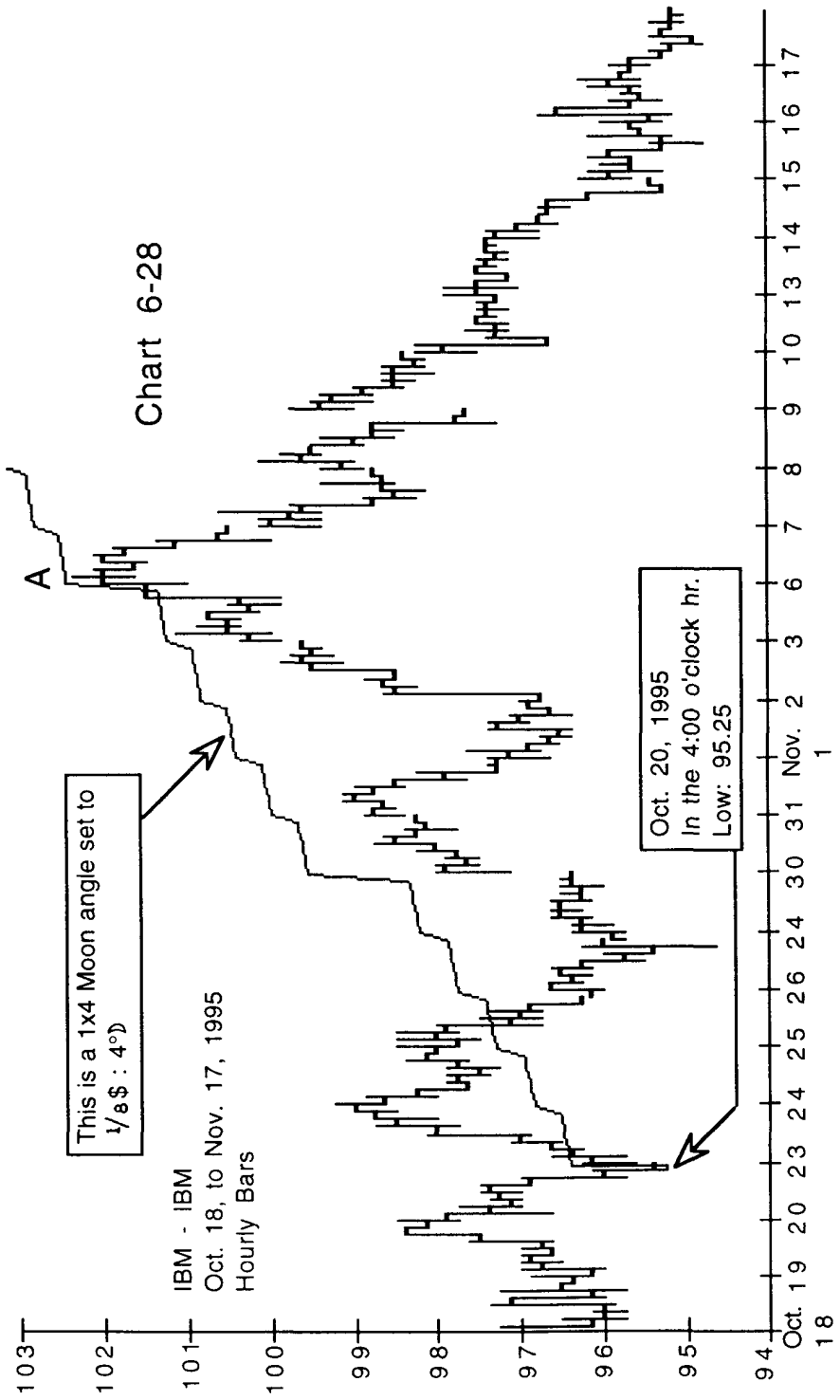


Chart 6-27, is an hourly chart for Motorola stock. In this chapter there are only two examples showing how the moon's velocity correlates with the intra day price velocity of individual stocks. These are Chart 6-27 and Chart 6-28. Some of the new quote machines offer intra day quotes on over 150,000 stocks. There are many stocks which do not have enough volatility to correlate with the moon's velocity on intra day time frames. When applying this method to individual stocks it is best to find stocks with a track record of intra day price volatility.



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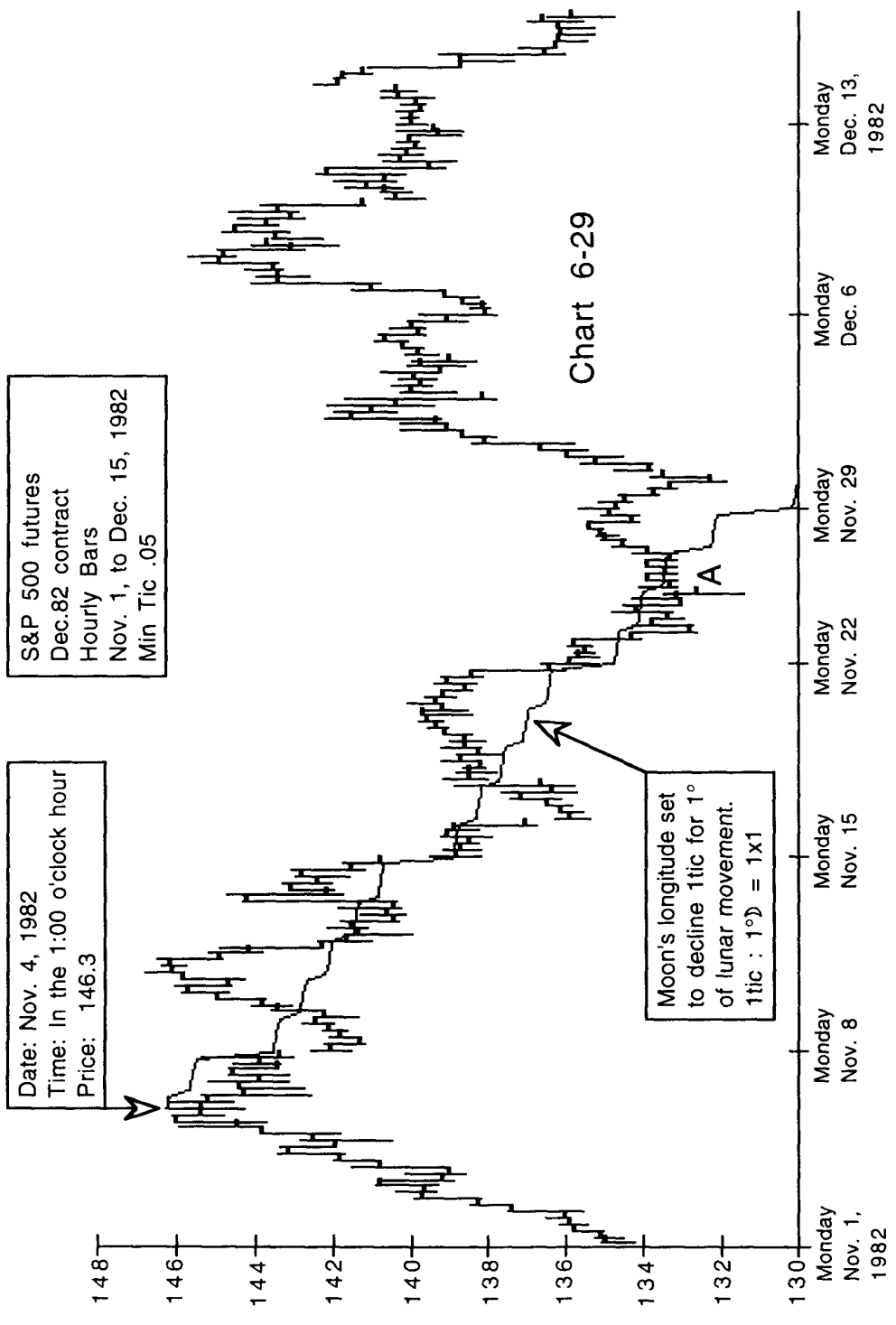

Chart 6-29 is an hourly bar chart of the S&P 500 futures from 1982.

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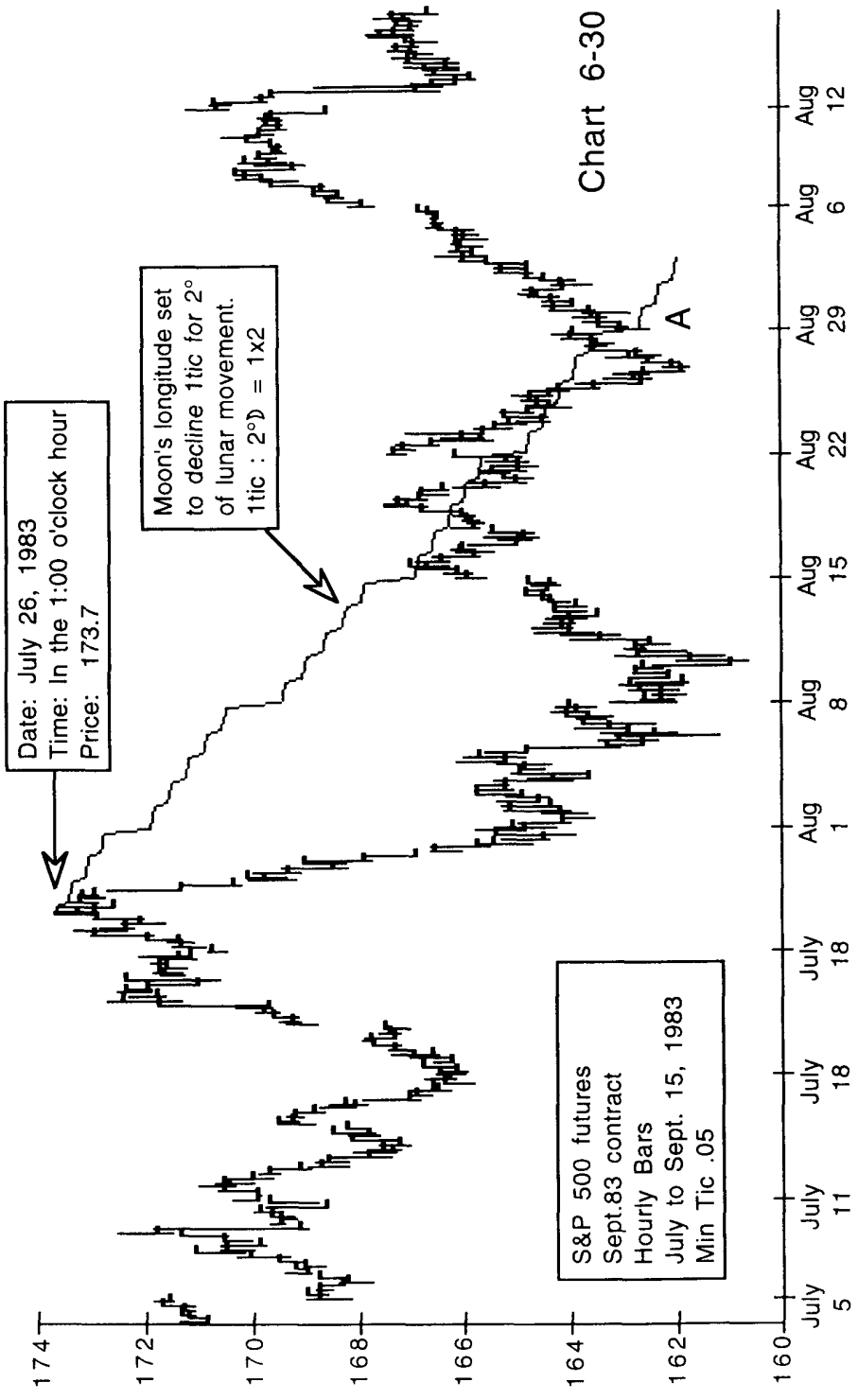

Chart 6-30 is an hourly bar chart of the S&P 500 futures from 1983.

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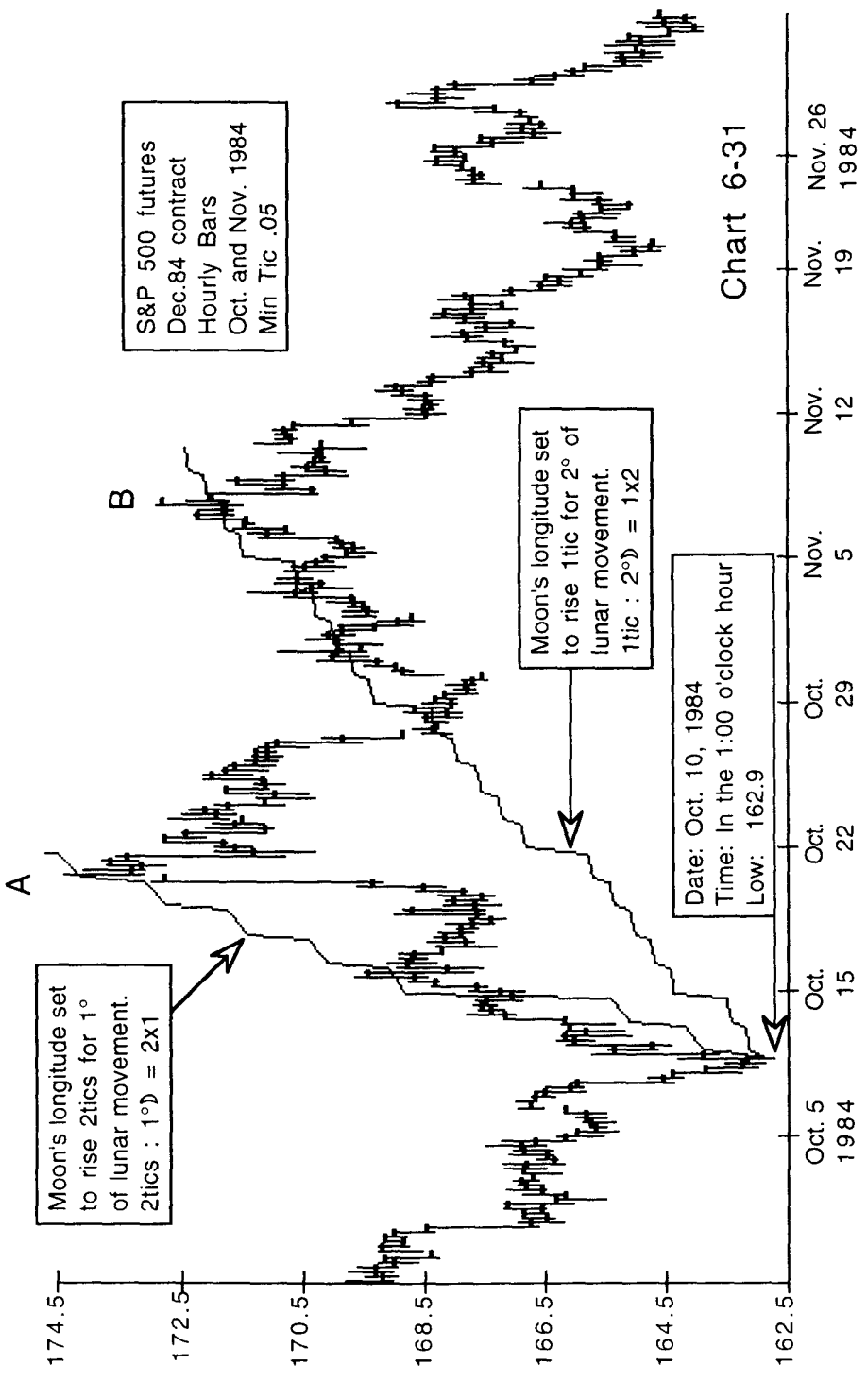

Chart 6-31 is an hourly bar chart of the S&P 500 futures from 1984.

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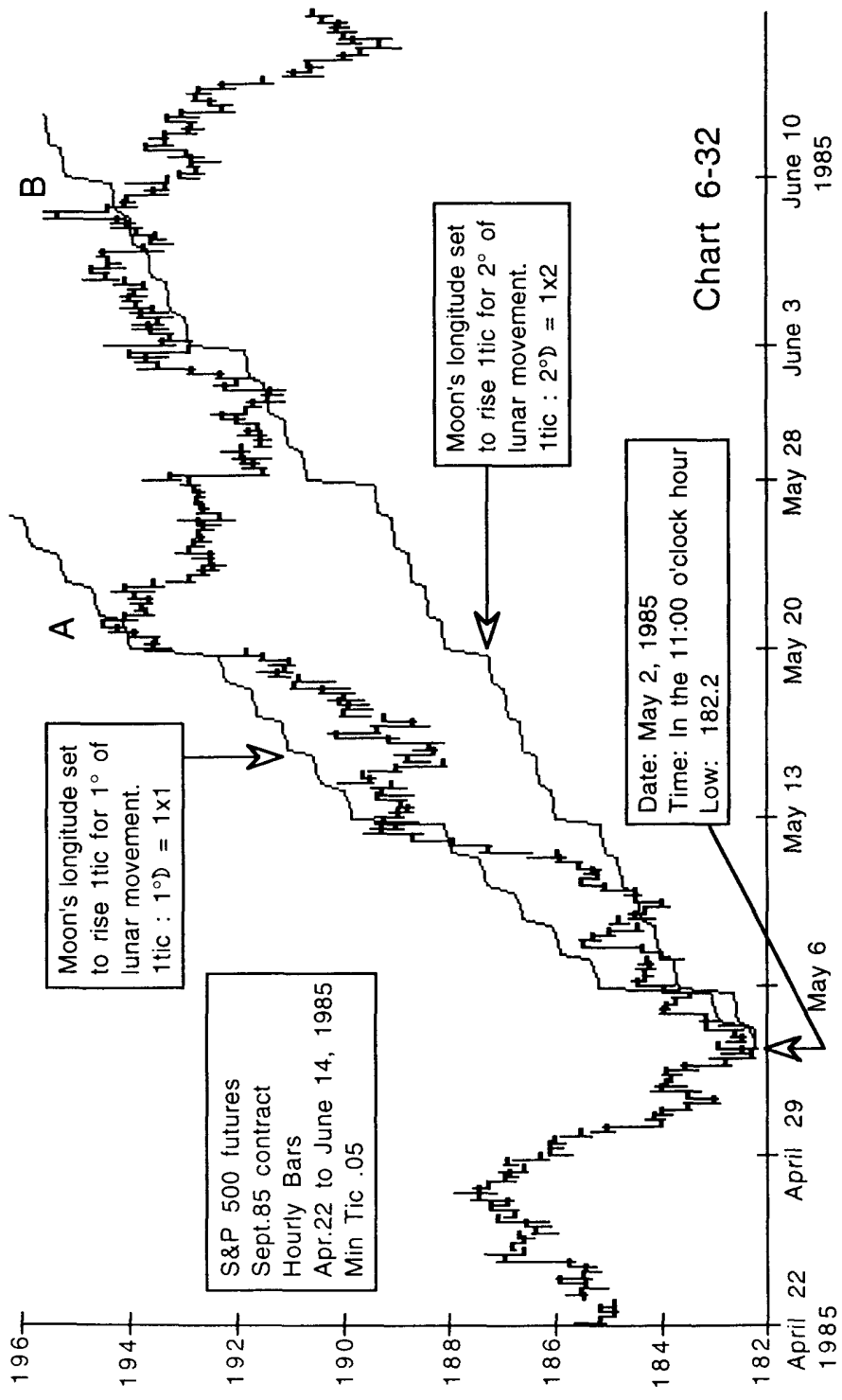

Chart 6-32 is an hourly bar chart of the S&P 500 futures from 1985.

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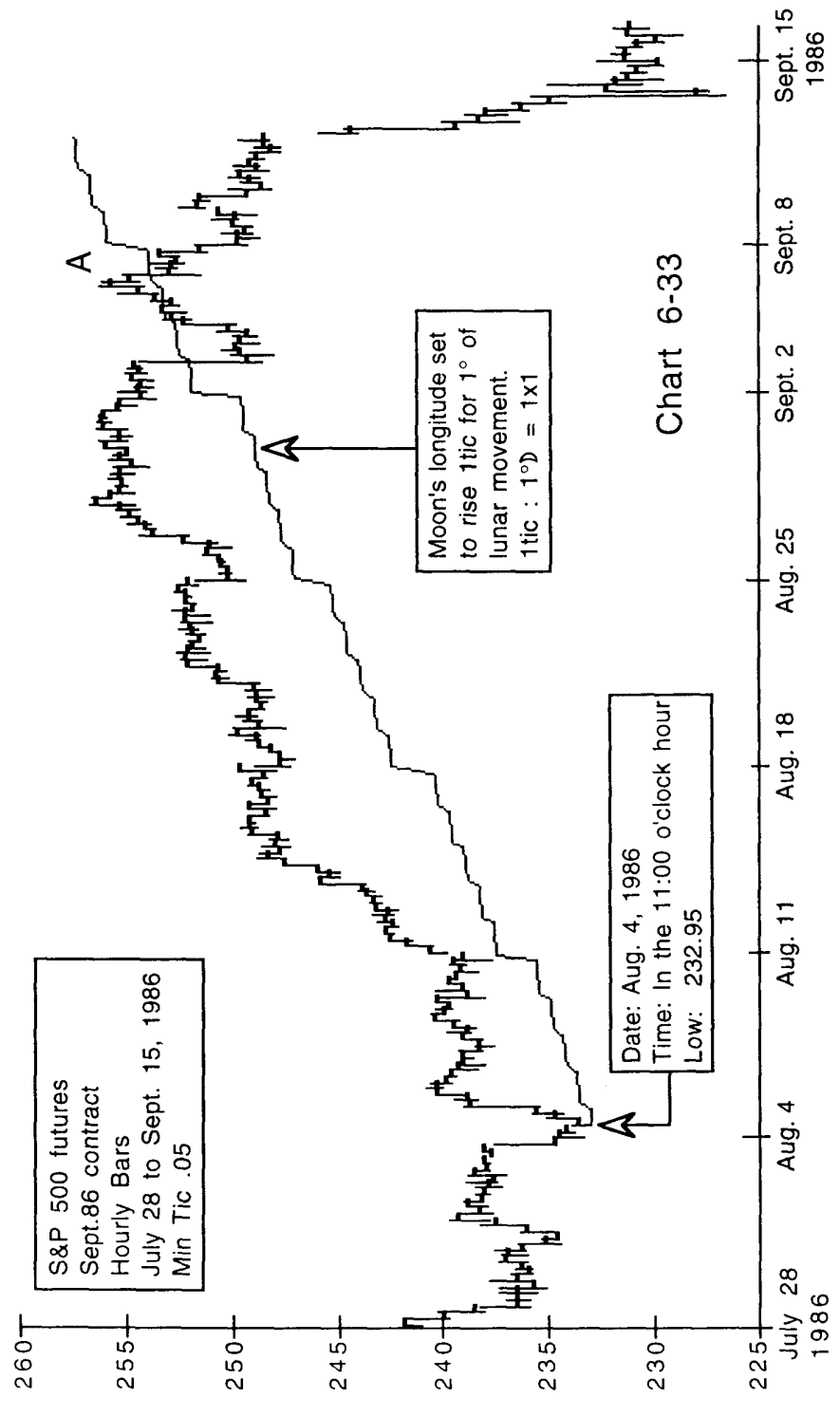

Chart 6-33 is an hourly bar chart of the S&P 500 futures from 1986.

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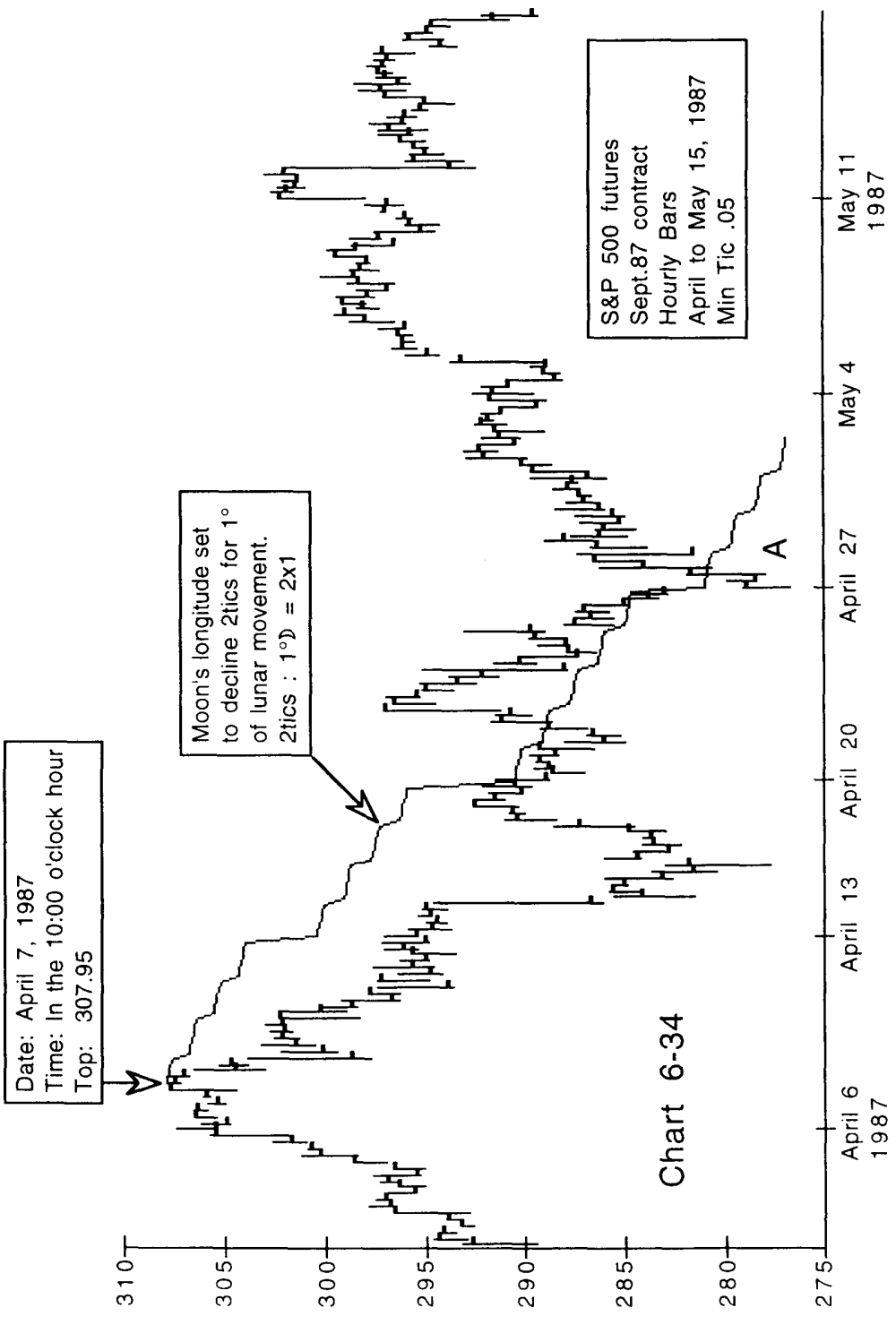

Chart 6-34 is an hourly bar chart of the S&P 500 futures from 1987.

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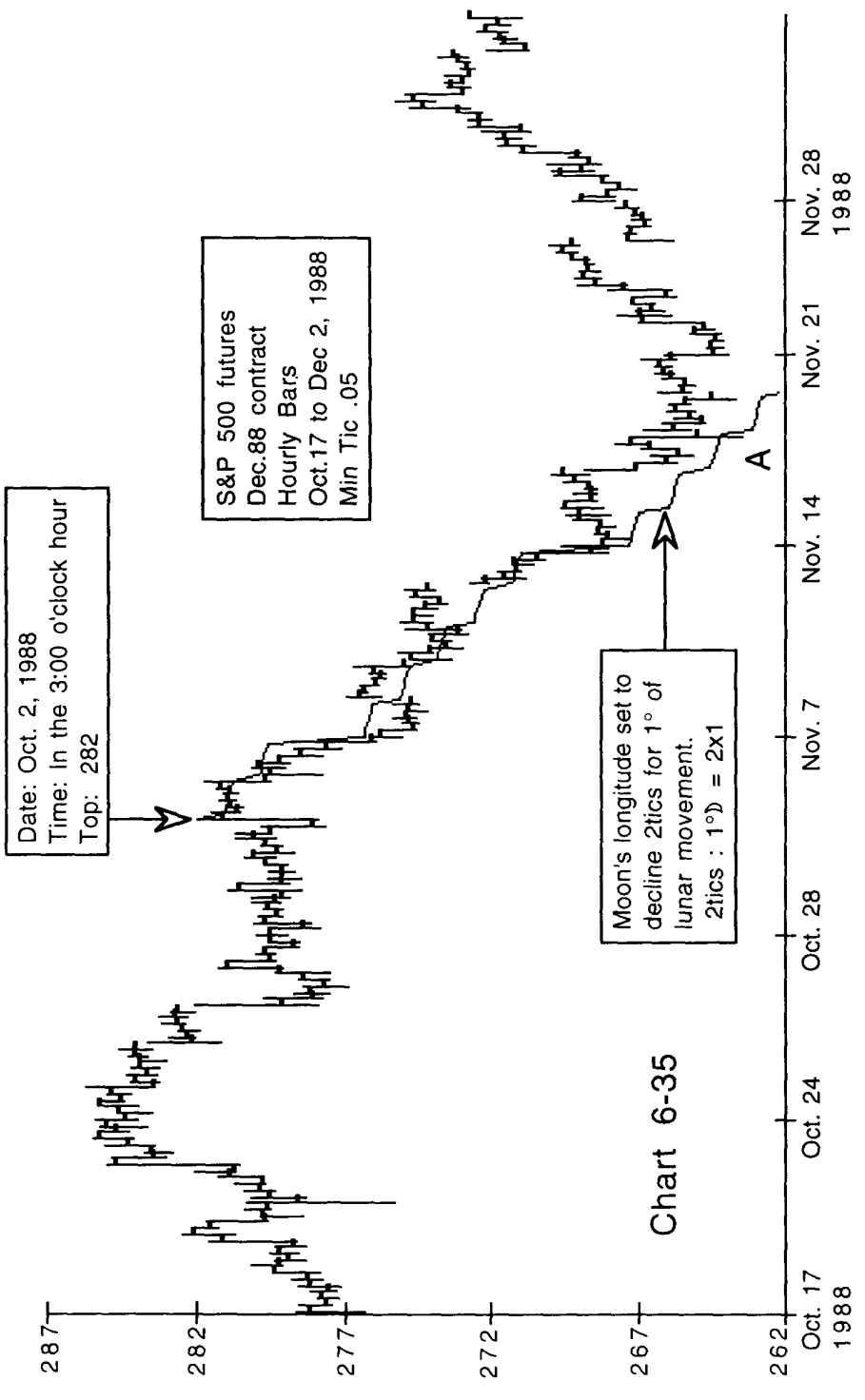

Chart 6-35 is an hourly bar chart of the S&P 500 futures from 1988.

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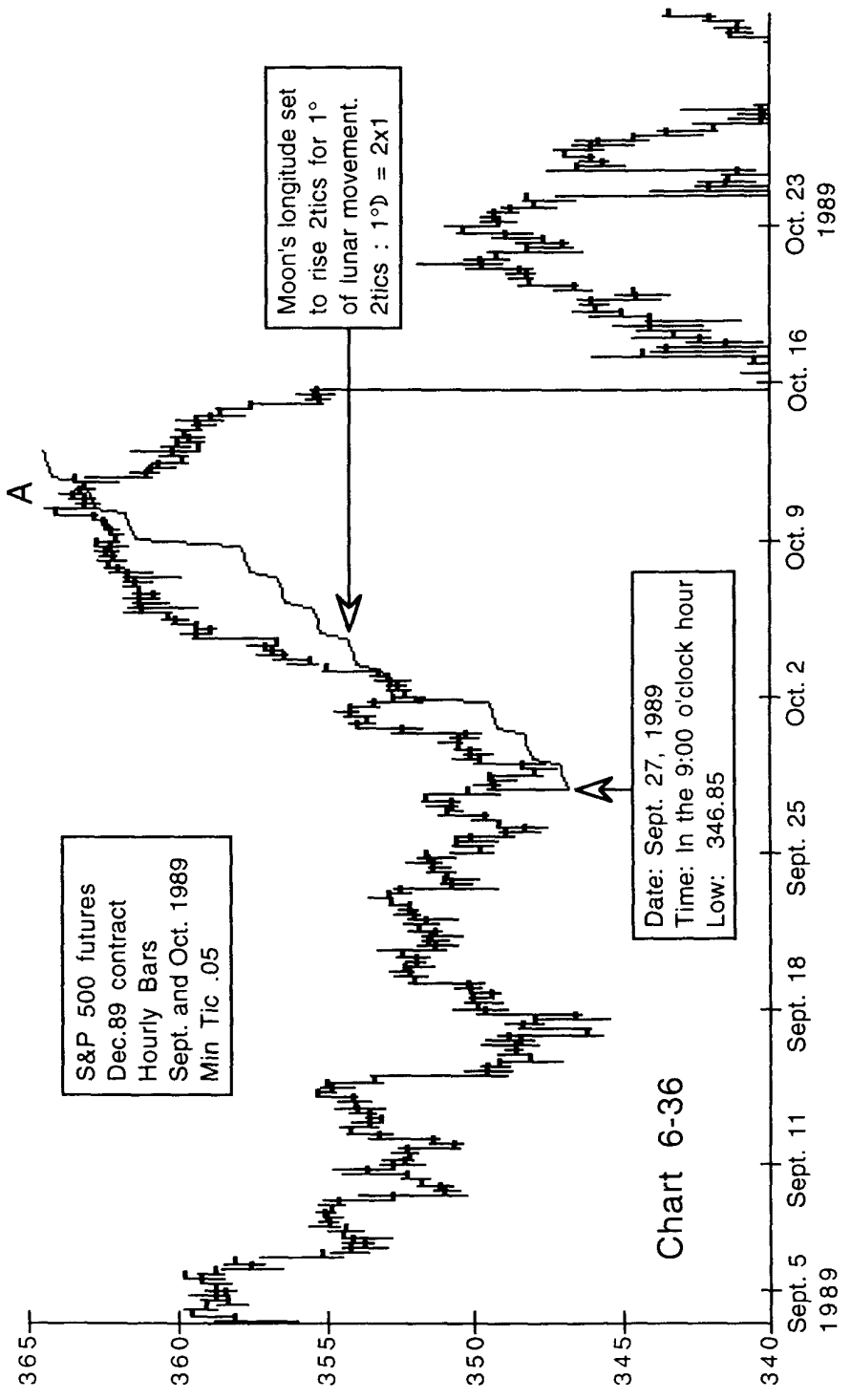

Chart 6-36 is an hourly bar chart of the S&P 500 futures from 1989.

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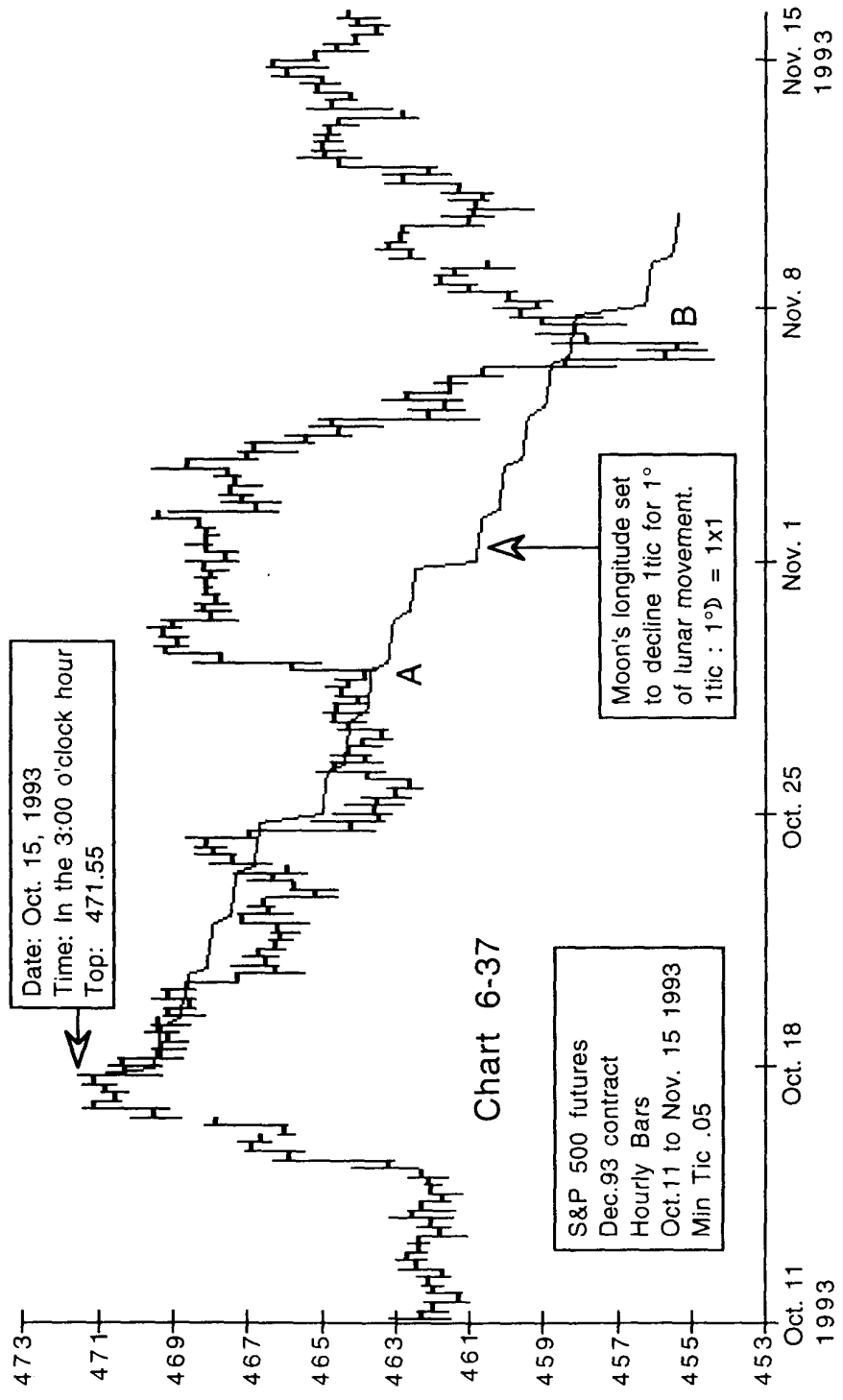

Chart 6-37 is an hourly bar chart of the S&P 500 futures from 1993.

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The second method which I believe Gann used during his 1909 trading demonstration employed the same basic technique of correlating an astrological velocity to the price velocity. In his book, The Tunnel Thru The Air, Gann stated that the 4 minute time cycle was one of the smallest cycles which repeated regularly. He reasoned that this cycle had an influence because the earth rotates 1° on its axis every 4 minutes. I believe that during Gann's 1909 trading demonstration Gann kept track of the price and time of intra day swing tops and bottoms and correlated the price movement with the degrees rotated by the earth on its axis. Given that Gann watched several stocks, this is a method which easily could have produced 286 trades in the 25 trading days of his 1909 demonstration.

It is my opinion that Gann watched the ticker tape for reversal price patterns where the price movement balanced with the number of degrees the earth rotated. Because the earth rotates a uniform 1° every 4 minutes it is very possible that Gann monitored these relationships in his head, or with only a pencil and pad, as the representative of the Ticker and Investment Digest looked on.

Chart 6-38 shows a 4 minute bar chart for the September 95, S&P 500 futures contract for the day of July 5th. I have drawn an angle starting from the 553.5 top which occurred during the 4 minute bar ending at, 9:42 AM. The angle on Chart 6-38 declines 1 tic for every 1° of earth rotation or .05 every 4 minutes, which makes this a 1 x 1 Earth Rotational Angle (ERA). Notice that the price of the S&P 500 formed a bottom on this angle at point "A" and then formed a bottoming pattern just below this angle at point "B". When the price touched this angle it meant that the price movement and the earth's rotational movement were balanced.

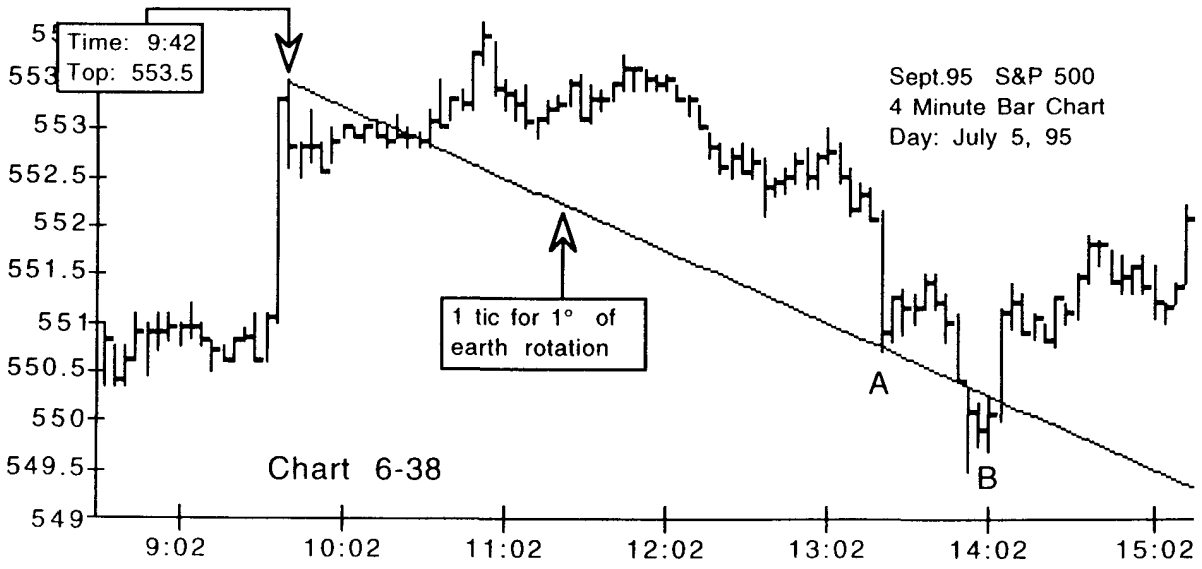

Chart 6-38

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When applying the Earth Rotational Angles on a 4 minute bar chart it is necessary to have a swinging intra day price structure. Not every stock and future contract has enough intra day activity to create such a price structure on a 4 minute chart. Chart 6-39 is a 4 minute bar chart of T-Bond futures for June 2, 1995. On Chart 6-39 notice that there was a large move up in the first 25 minutes of trading and the rest of the day was spent moving sideways. The intra day price structure on Chart 6-39 did not provide an opportunities to apply this trend line method. On the following pages I have applied Earth Rotational Angles to the September 95, S&P 500 futures contract for the entire month of July 1995. The charts on the following pages do not have any letters identifying the turning points which occurred on the Earth Rotational Angles. If you simply follow the course of each angle you will find that many turning points occurred on these angles.

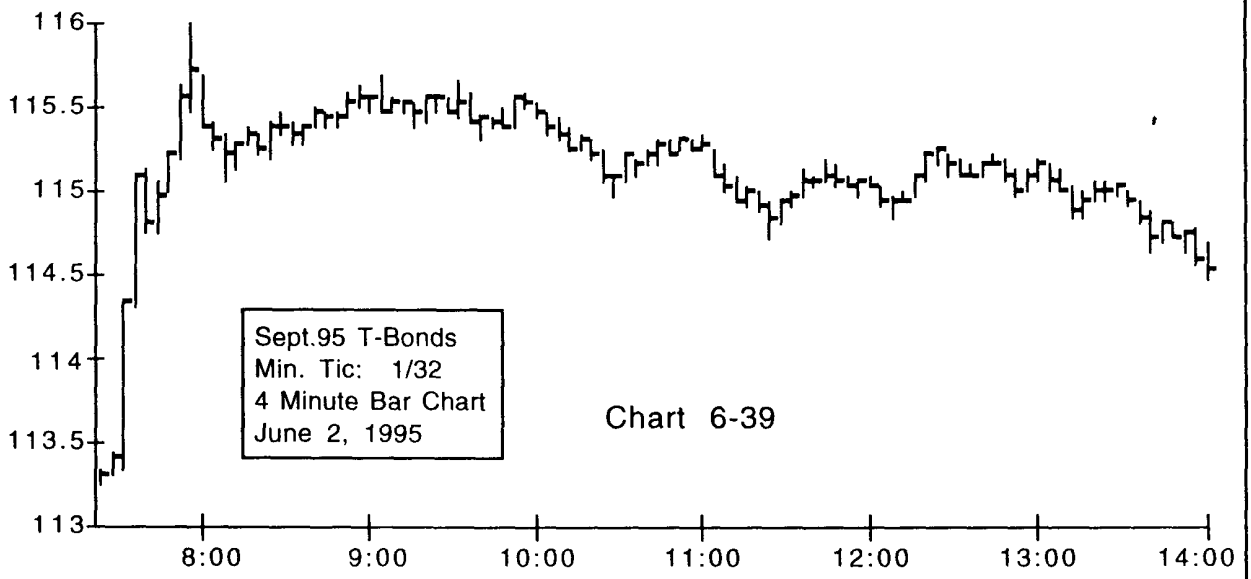

Chart 6-39

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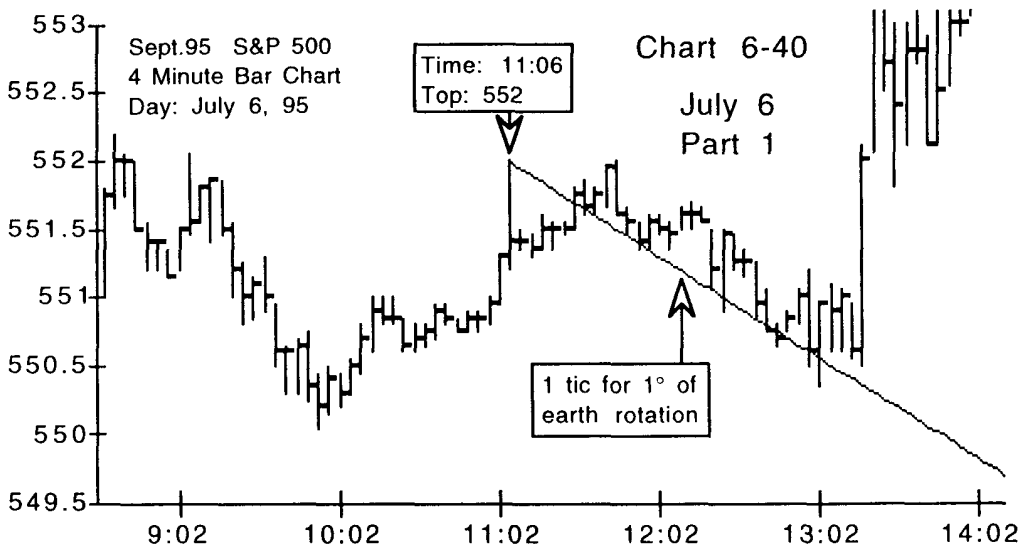

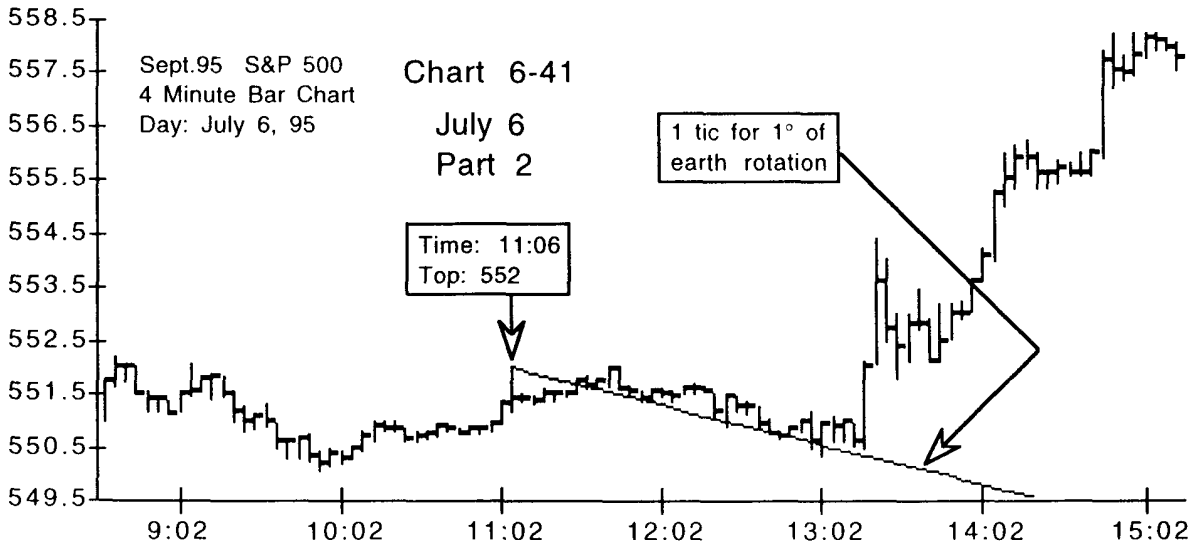

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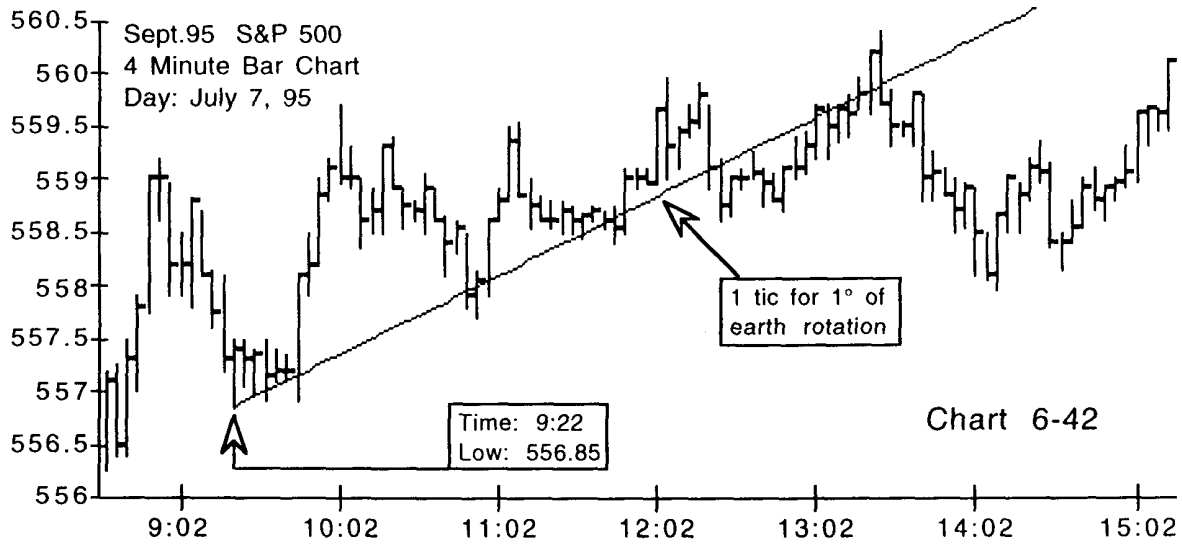

Chart 6-42

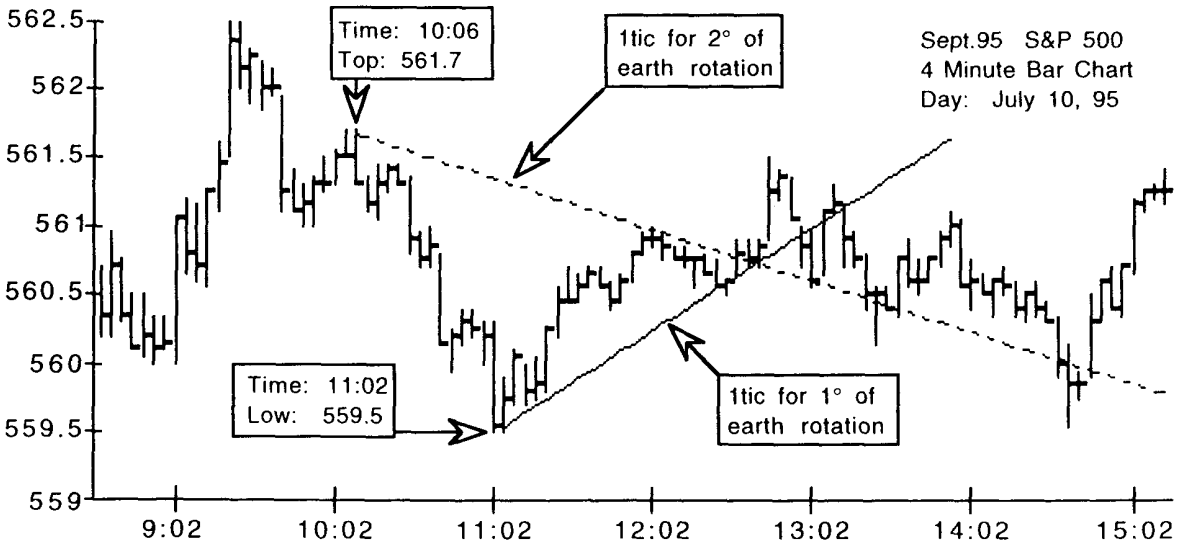

Chart 6-43

Sept.95 S&P 500
4 Minute Bar Chart
Day: July 10, 95

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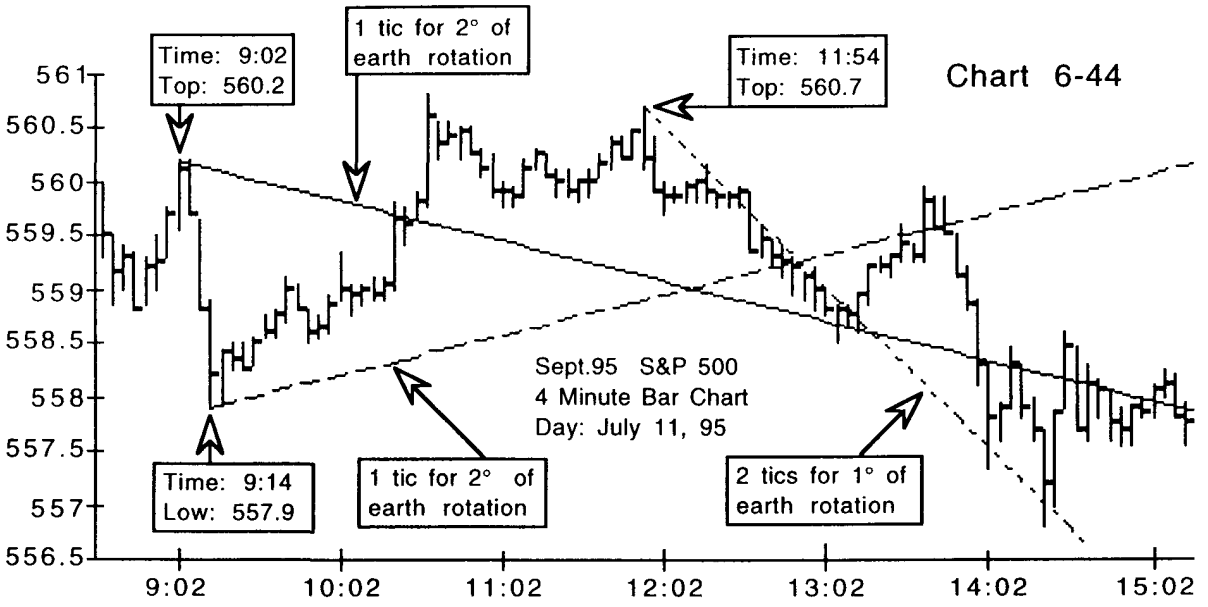

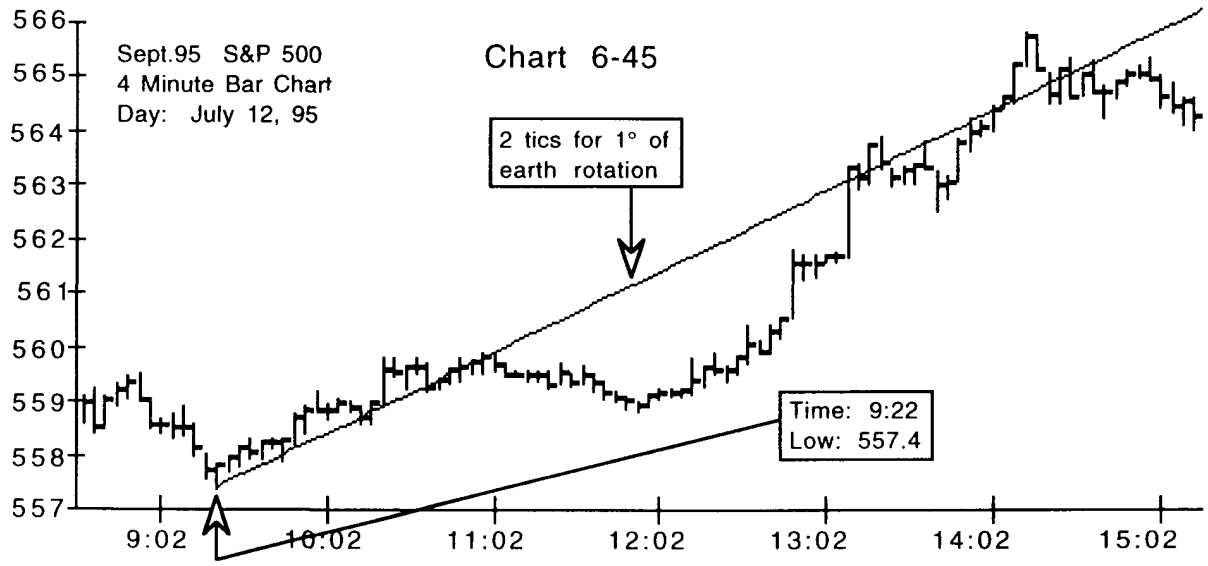

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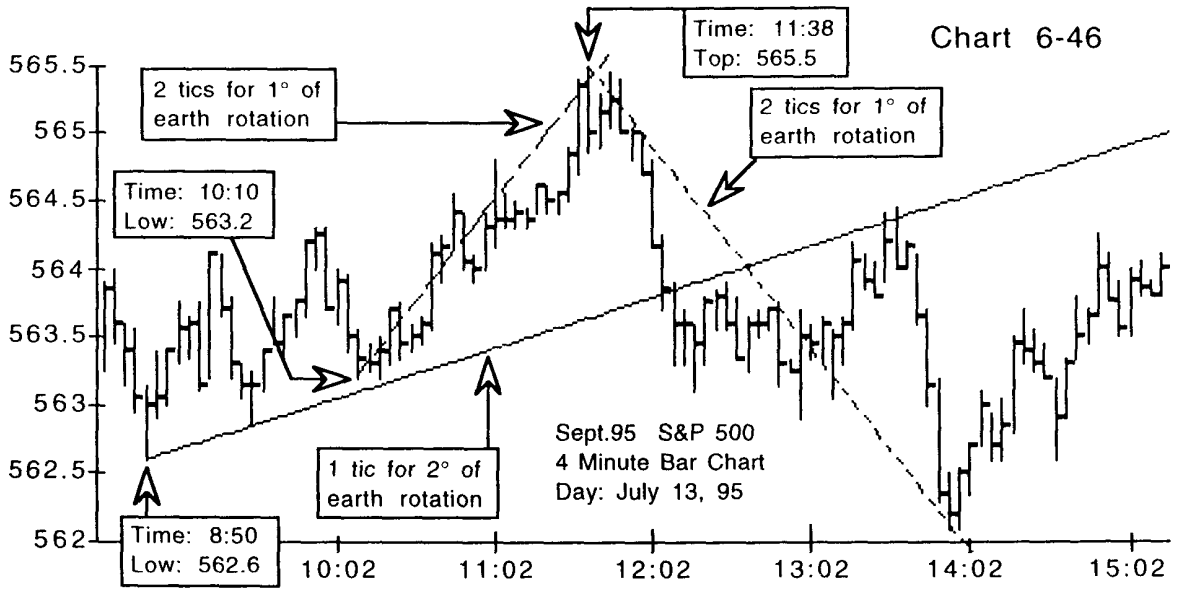

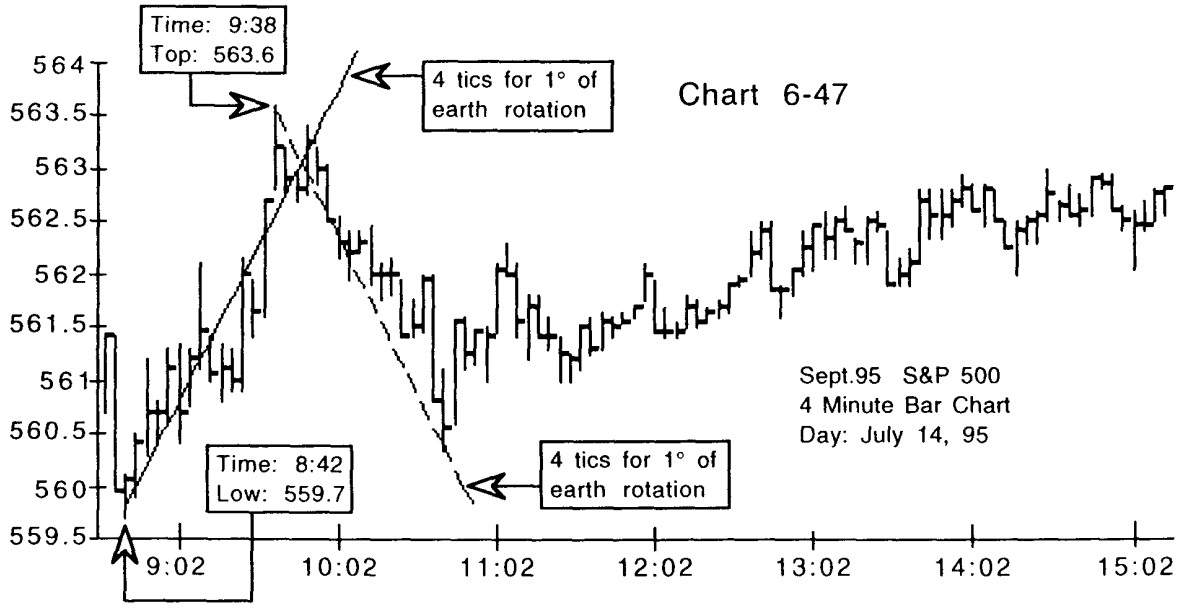

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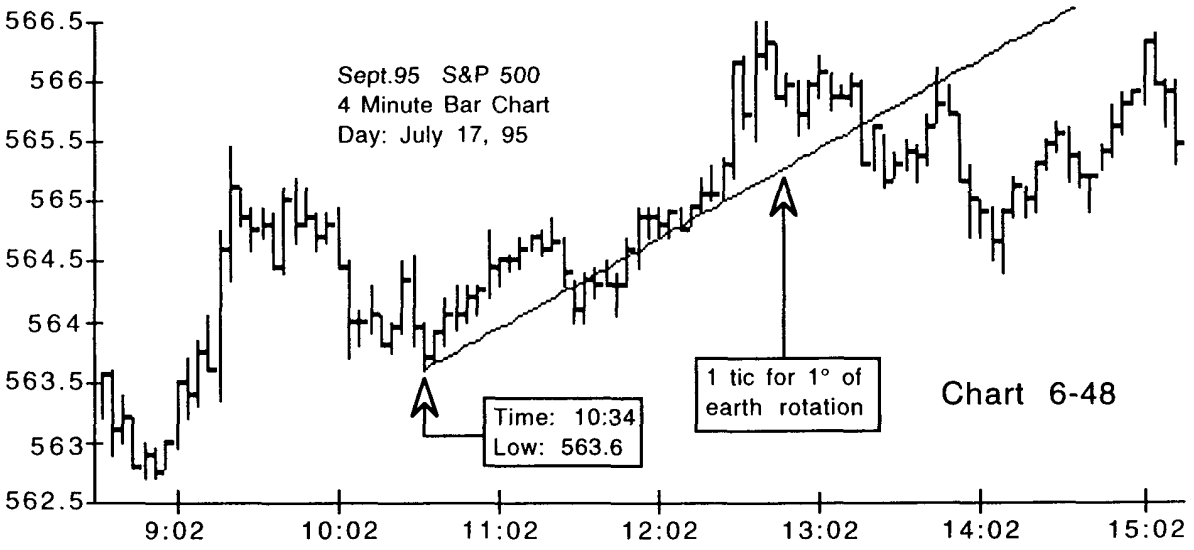

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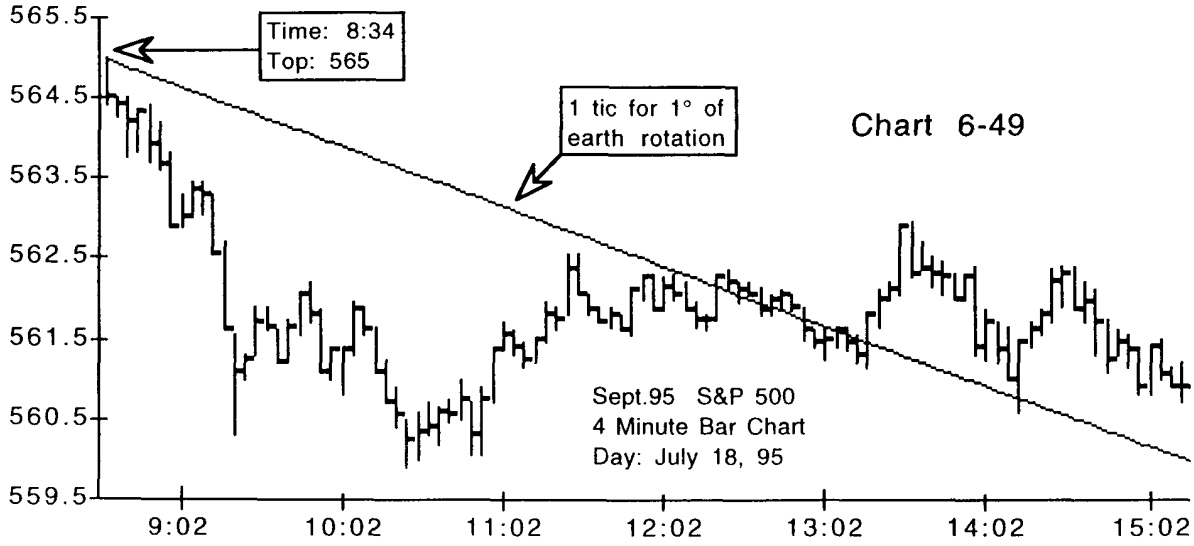

Chart 6-49

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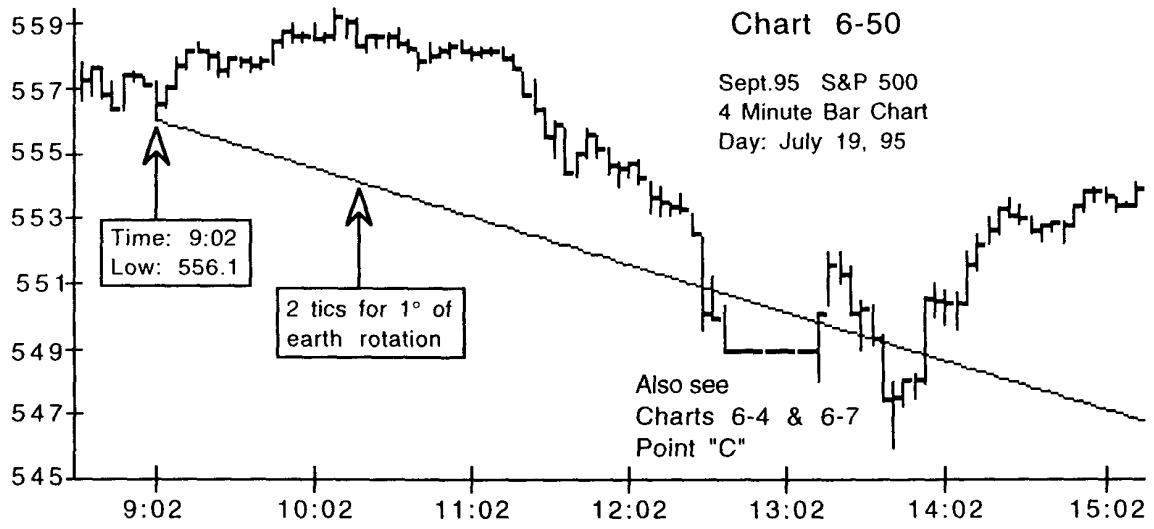

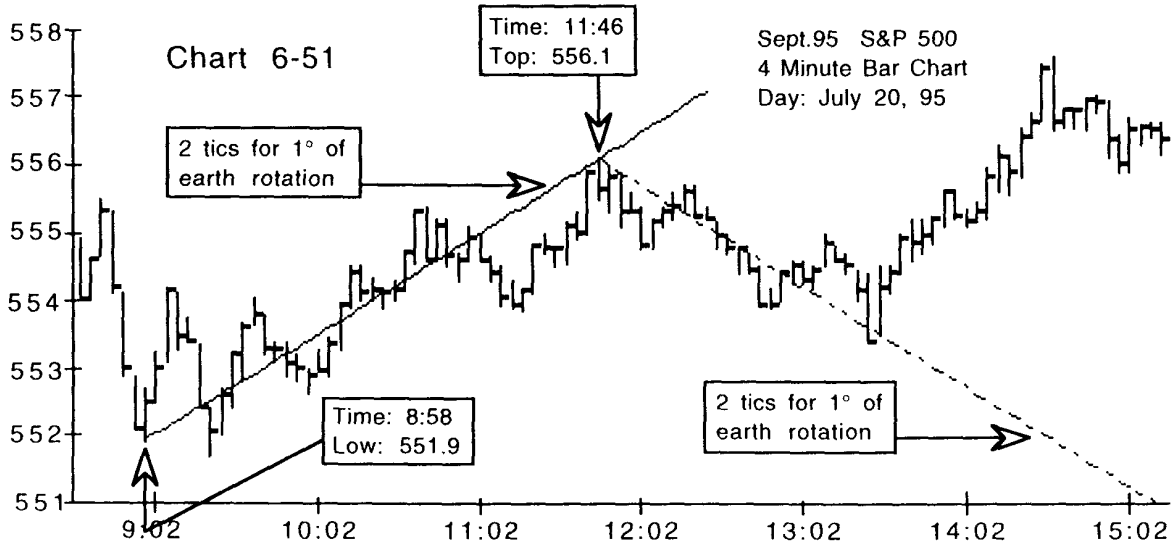

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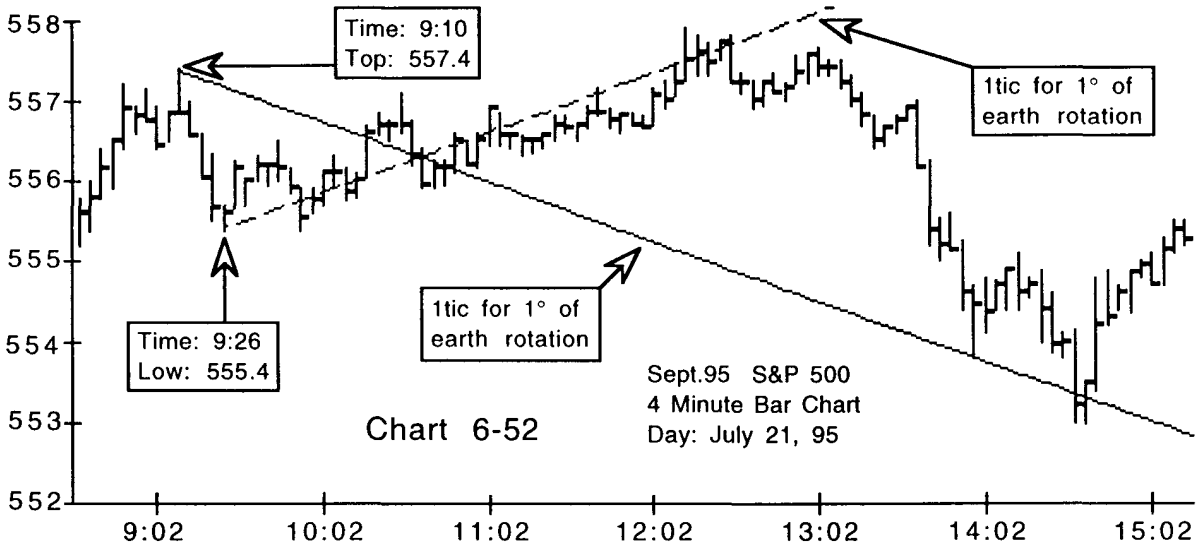

Chart 6-52

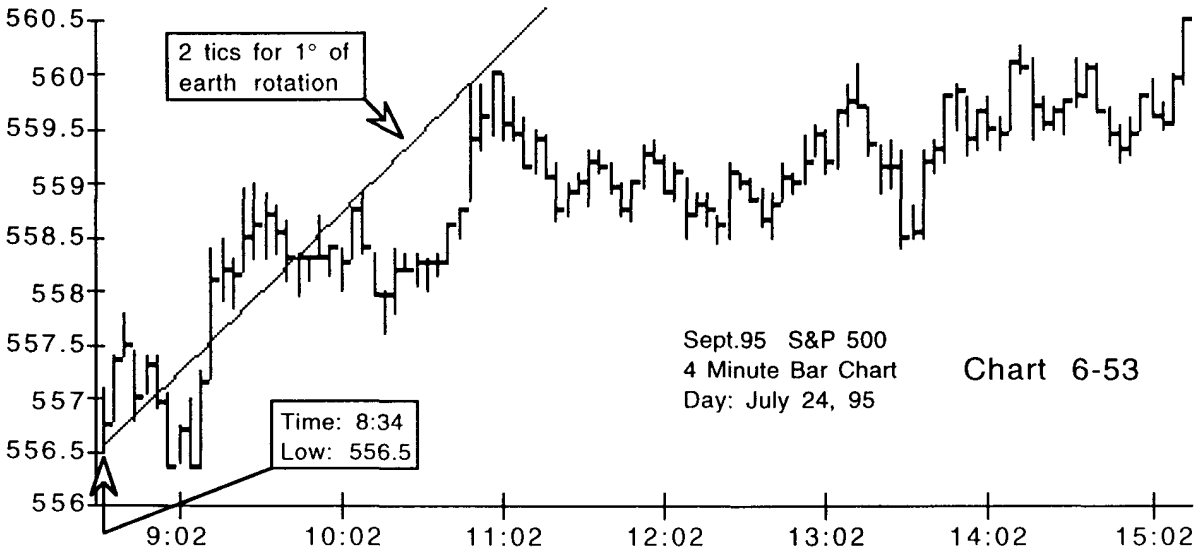

Chart 6-53

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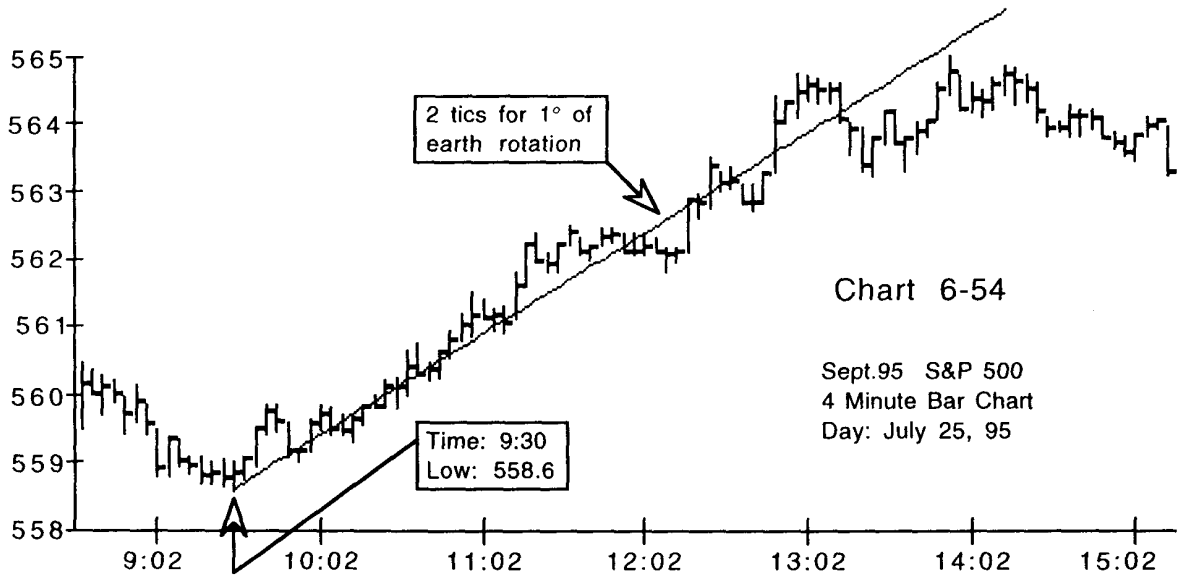

Chart 6-54

Sept.95 S&P 500
4 Minute Bar Chart
Day: July 25, 95

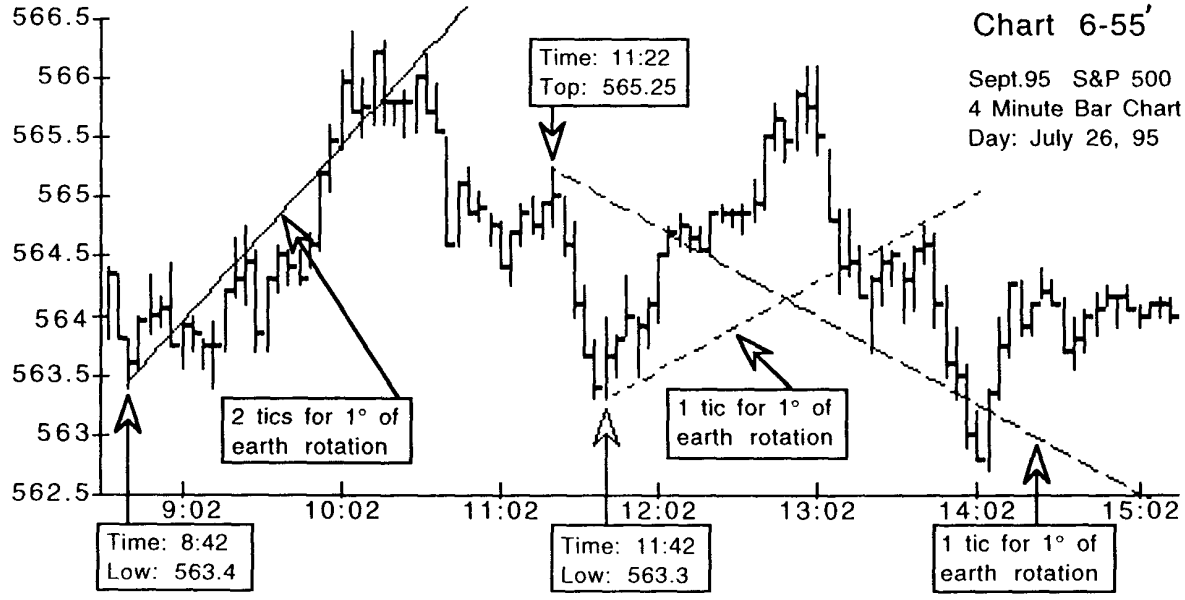

Chart 6-55'

Sept.95 S&P 500
4 Minute Bar Chart
Day: July 26, 95

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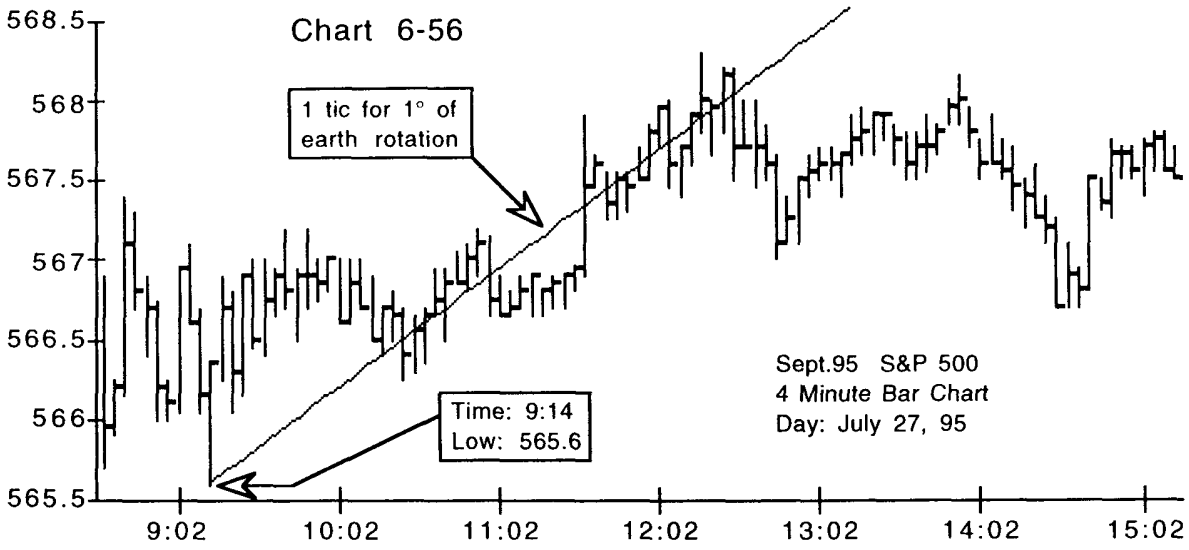

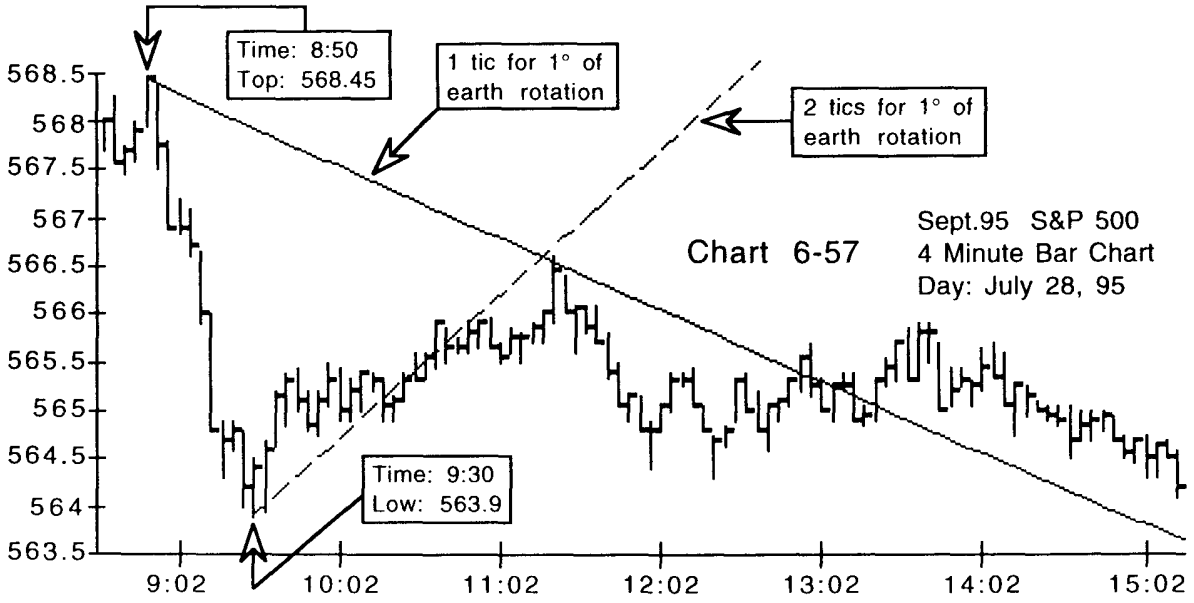

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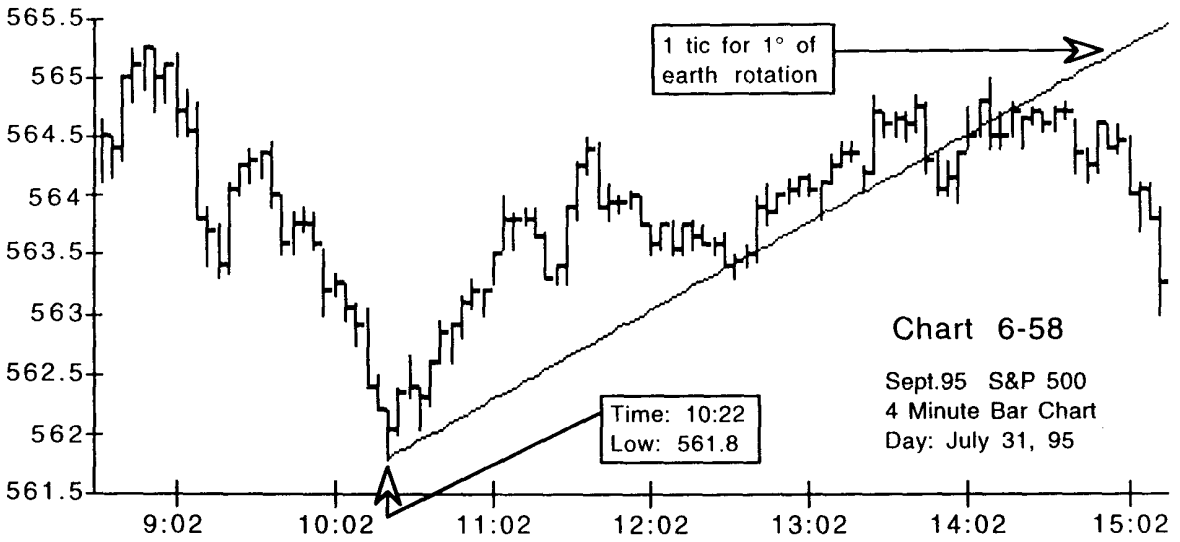

This concludes the examples of how Gann correlated the Earth's Rotational Angle with intra day price movement. In Chapters 5 and 6, I have shown how Gann correlated planetary velocity with price movement using time frames from long term monthly DJIA charts to 4 minute S&P 500 charts. Chapters 5 and 6 provide enough examples to prove that the relationship between planetary velocity and price velocity does exist on virtually every time frame.

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Chapter 7: W.D. Gann's Double Numbered Price & Time Charts

Figure 7-1, is an artistic replica of an actual Gann Double Numbered Hexagon Chart. Gann made these double numbered charts with a variety of his Price and Time Charts, not just the Hexagon Chart. The replica in Figure 7-1 has two numbers in each cell, which is why I call them Double Numbered Price & Time Charts. Notice that the Hexagon Chart in Figure 7-1, and the Hexagon Charts presented in Volume 1, are set up differently. The main difference is that the 0°-360° starting point is shifted from the center of the right side, down to the bottom right corner. Finally, notice that Gann wrote the signs of the zodiac around the outside of this chart which proves it has some astrological function.

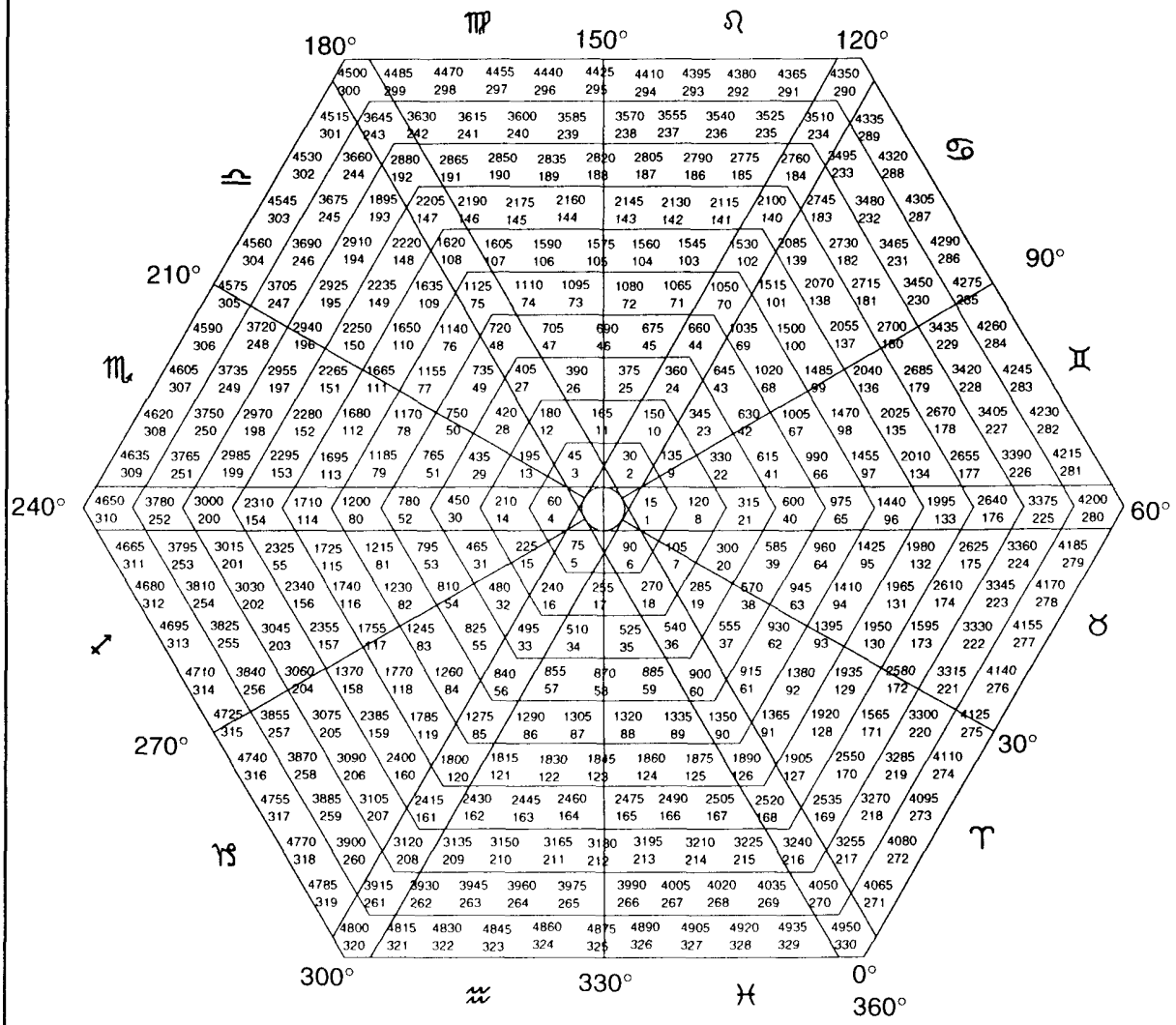

Figure 7-1
Replica #14

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Gann wrote only a few discussions about the Double Numbered Price & Time Charts. A close examination of these discussions reveals that Gann did conceal a few examples of his astrological use for these charts. Unfortunately there are some problems with the astrological examples of this method which Gann concealed. Some of the concealed examples have typographical errors which makes it very difficult to determine the relationship Gann intended to conceal. Others are poorly worded and disjointed making them difficult to explain. For this reason I will explain in my own words the function of the Double Numbered Price & Time Charts.

Gann wrote that on the Double Numbered Price & Time Charts, the top number in each cell represents the price and the bottom number in each cell represents time. Previously I explained that Gann correlated time with longitude and this is the correlation Gann used with these charts. This means the bottom set of numbers represents planetary longitude. The top set of numbers will still represent price. In Chapter 5 and 6, I explained how Gann used the Price and Longitude Angles to balance price movement and longitudinal movement. Gann was not only interested in observing the balancing of price and longitude, he was also interested in observing where the price and longitude balanced. The Double Numbered Price & Time Charts were used by Gann to identify the position on the Price and Time Chart at which the price movement and planetary movement balanced. The basic idea was that a balance between price and longitude was more important if it occurred at certain places on the Price and Time Chart. If we equate 1 cent or point of price with 1 degree of longitude, then we can balance price and longitude on a standard single numbered Price and Time Chart. When Gann wanted to assign more or less that 1 point to 1 degree he used the Double Numbered Price & Time Charts. This is the secret function of the Double Numbered Price & Time Charts.

There are two basic ways to apply the above method to the Double Numbered Price & Time Charts. With the first method a count of the price and longitudinal movement is begun from the starting point of the Price and Time Chart. With the second method, a count of the price and longitudinal movement is begun from the actual high or low price on the Price and Time Chart. As the count moves forward with either method, the position of balancing points are noted with balancing points on important angles in the Price and Time Chart having added importance.

The Double Numbered Square of Nine seen in Figure 7-2 is set at $\$1/8$ to 1°. The bottom number in each cell represents longitude and moves in increments of 1. The top number in each cell represents price and moves in increments of $1/8$. $1/8$ in decimal form is .125. On Figure 7-2, space is limited so I have included only the first two decimal points of each price showing .125 as .12. This means 1512 in cell 121 is actually the price $15.125. The examples in this chapter will use Charts from Chapters 5 and 6. Chart 5-28 showing Acuson stock has been redrawn and is now Chart 7-3 which will be used along with Figure 7-2 in the first example.

Figure 7-2 is a Double Numbered Square of Nine. The points in the Square of Nine which Gann indicated were important for support and resistance are the numbers on the Cardinal Cross and the Fixed Cross. The Cardinal Cross is composed of the horizontal line marking 0° and 180° and the vertical line marking 90° and 270°. The Fixed Cross is composed of the two 45° angles marking 45°, 225°, 135° and 315°.

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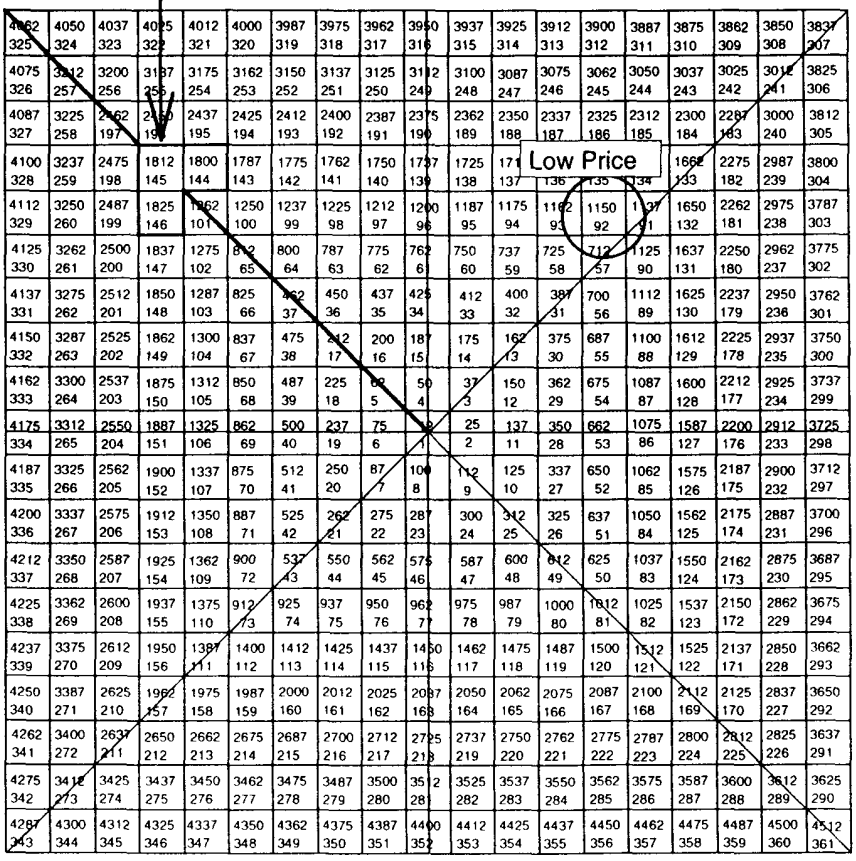
On Figure 7-2, 1150, which is circled, is the July 21, 1994, $11.50 low price of Acuson stock. This low is the starting point of the Heliocentric longitude of Mars on Chart 7-3 and the starting point of the price and longitude count on Figure 7-2. As the final top was made, the price of Acuson balanced with heliocentric Mars between the prices 18 to 18.25. From the low price of 11.5 to the balancing points of 18 to 18.25 there was an increase of 52 to 54 increments of 1/8. If you start at 1150 in cell 92 on Figure 7-2, and count forward 52 to 54 spaces you can see that the price 1800 is in the 144th cell and 1825 is in the 146th cell. On Figure 7-2, the 144th to 146th cells are outlined which reveals that they are on the 135° angle on the Square of Nine. This means Heliocentric Mars and Acuson stock balanced at a price which was on an important angle in the Square of Nine. This is the type of setup which Gann looked for to help identify turning points.

H.♂ balanced with the price on an important 45° angle in the Square of Nine. Also see Chart 7-3

Figure 7-2



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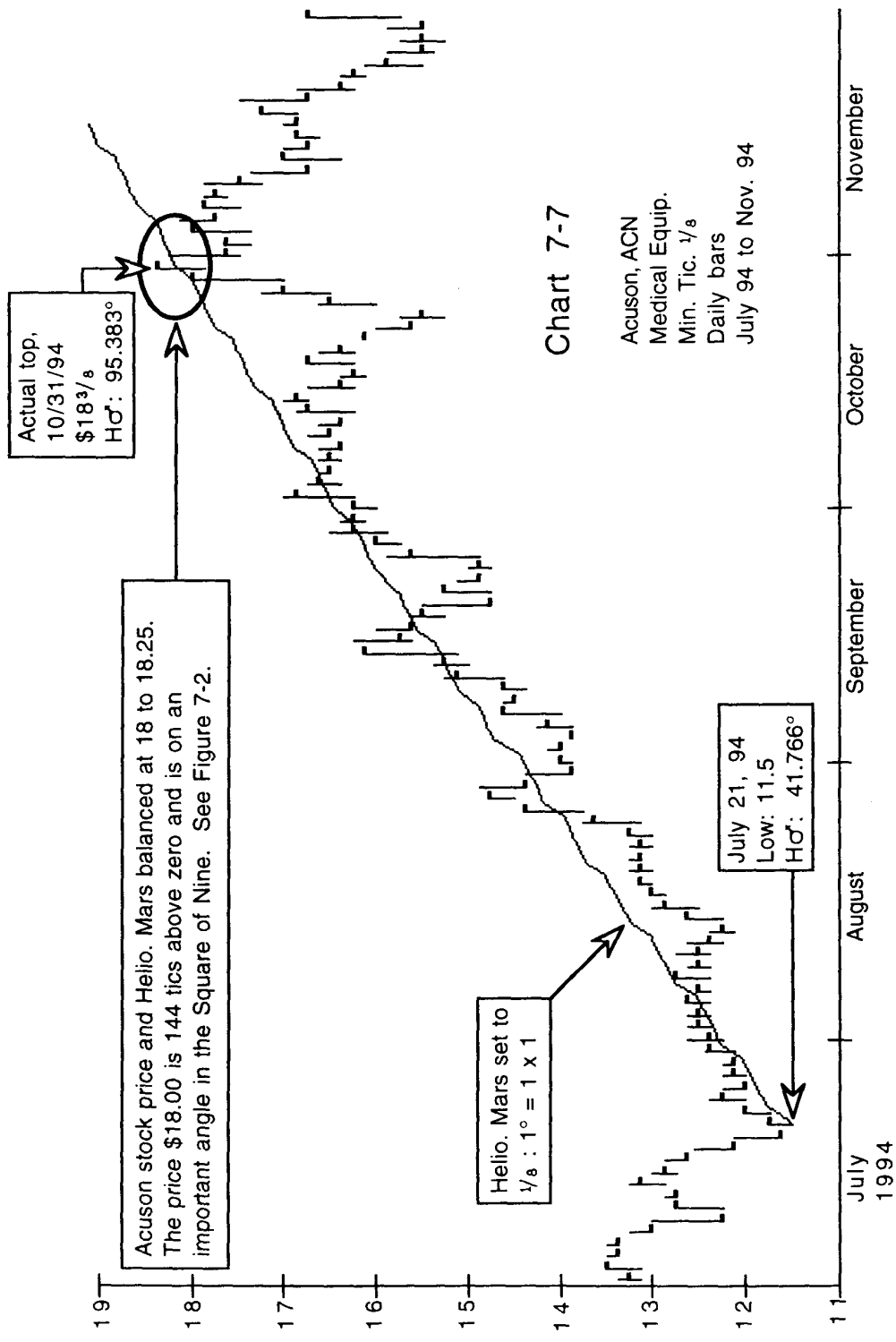

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Figure 7-4, is a Double Numbered Hexagon Chart which has the price moving in increments of 25. This represents the minimum tic for corn futures which is .25¢. Chart 7-5 is the same corn price data shown in Chart 5-49. On Chart 7-5 the sun's longitude is started from the 238 low and set to rise 1 tic or .25¢ for every 1° of the sun's movement. In this example we will start counting the price and longitudinal movement from the starting point of the Hexagon Chart. On Figure 7-4, balancing points "A", "B" and "C" are circled. The important angles on the Hexagon Chart are the 30° angles which are shown on Figure 7-4. Balancing point "A" on Figure 7-4 is the cell containing "5150, 206" which shows that the price had moved up 51.50¢ which is 206 tics and the sun had moved 206°.

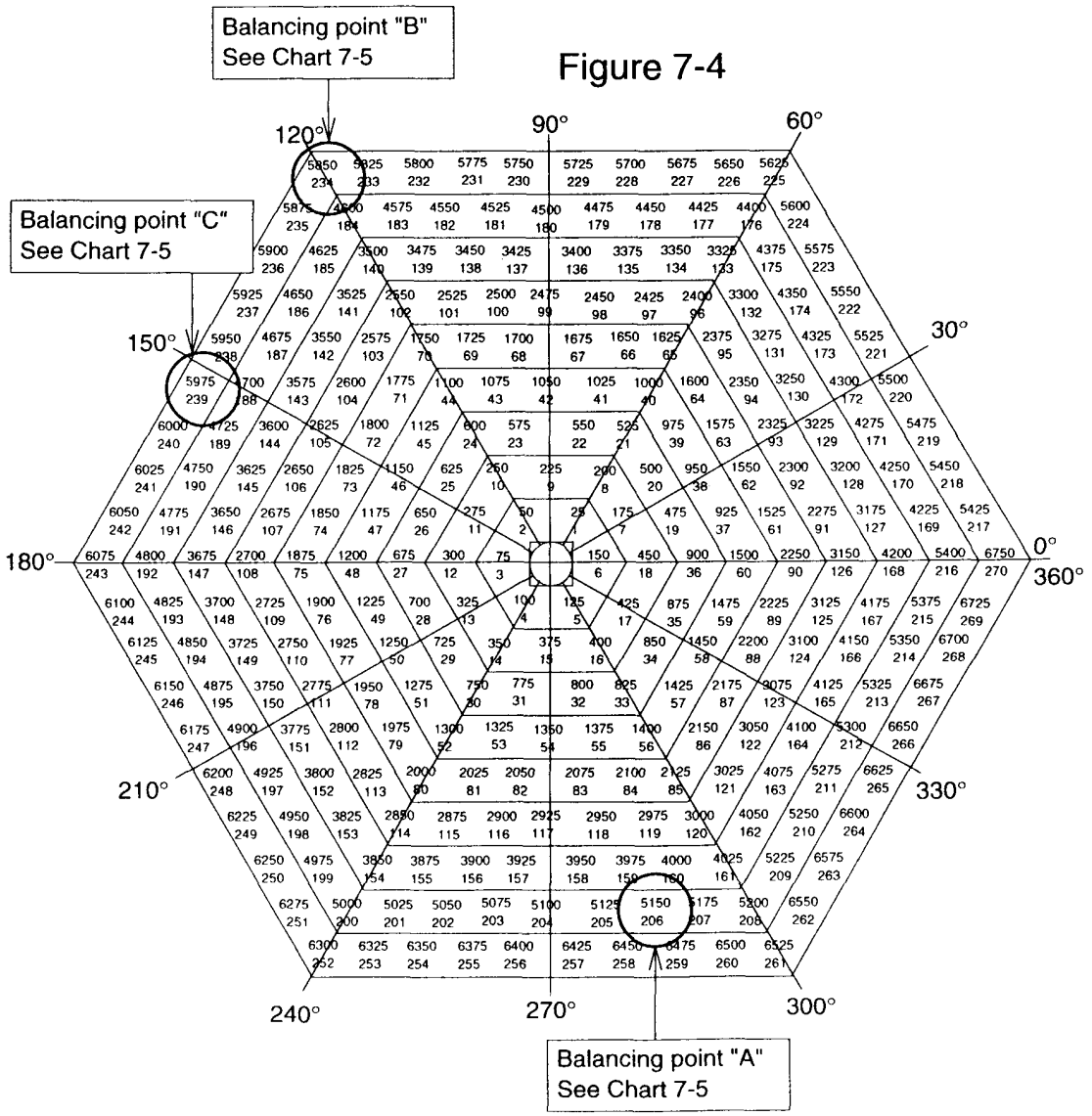

Figure 7-4

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Chart 7-5 shows balancing points "A", "B" and "C". Figure 7-4, shows that balancing point "A" did not occur on an important angle in the Hexagon Chart. Balancing point "B" is circled on Figure 7-4 and contains "5850, 234" which means the price had moved up 58.5¢ or 234 tics and the sun had moved 234°. On Figure 7-4, balancing point "B" occurred on the 120° angle which is important in the Hexagon Chart. Finally, Figure 7-4 shows that balancing point "C" occurred against the 150° angle, another important angle on the Hexagon Chart.

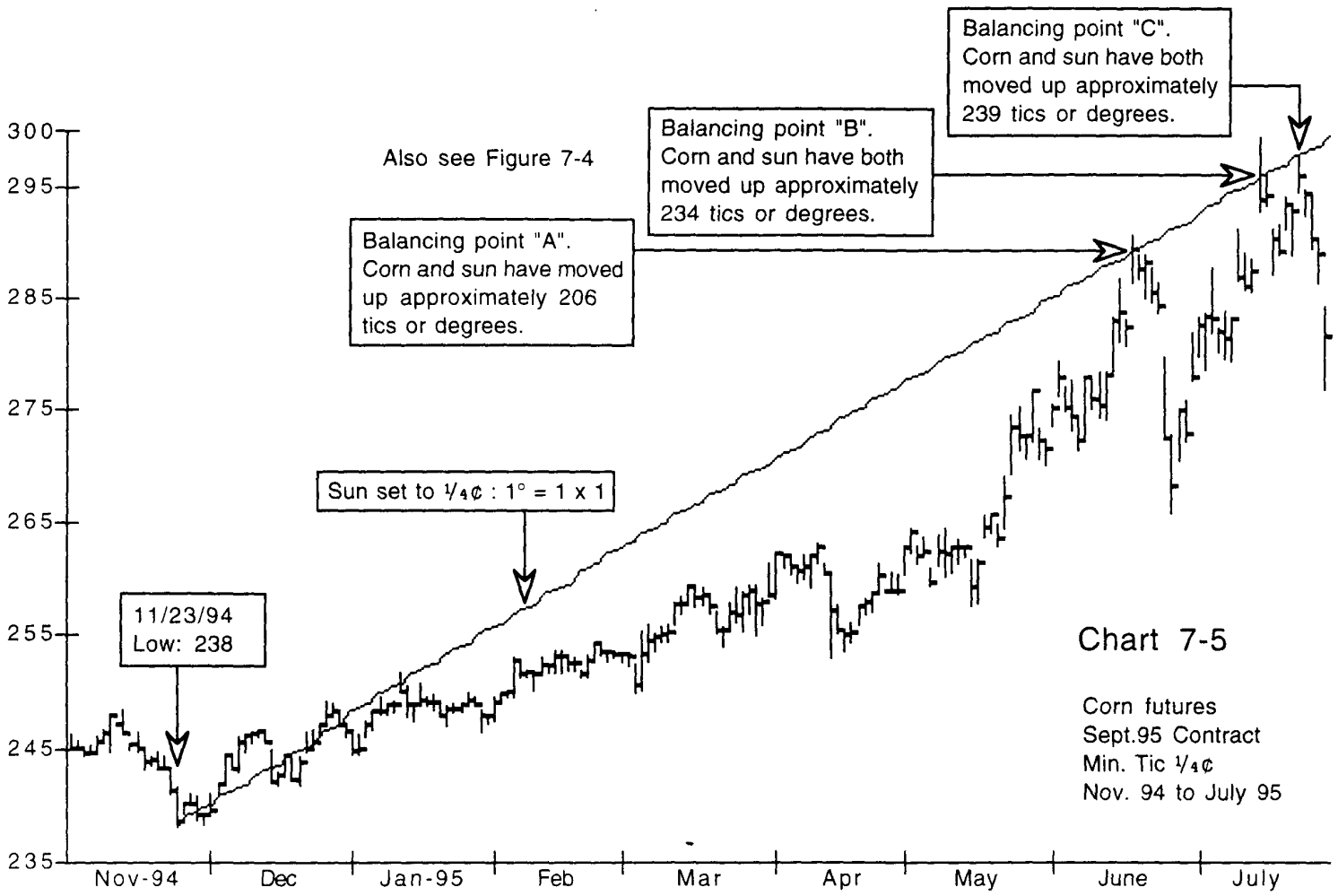

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Figure 7-6 is a Double Numbered Even Square sometimes called the Square of Four, with the price increment set to .05 or 1 tic. Chart 7-7 shows the same copper prices as Chart 6-8. The moon's longitude on Chart 7-7 is set to rise 1 tic (.05) for 1°. On Chart 7-7, the moon's longitude starts from the 133.3 low and a balancing point occurred at the price 141.20. On Chart 7-7 this balancing point is labeled "A". Between the low and the balancing point the price increased 7.90 points or 158 tics and the moon traveled 158°. For this example we will start counting from the center of the Even Square. On Figure 7-6, I have circled the cell containing "790, 158". This represents the 7.90 points traveled by the price and the 158° traveled by the moon. Notice that this balancing point occurred against the 90° angle on the Even Square.

Copper moved up 7.9 points or 158 tics and the moon moved 158°. This balancing point occurred against the 90° angle on the Even Square below. Also see Chart 7-7.

Figure 7-6

90°

1410 282	1405 281	1400 280	1395 279	1390 278	1385 277	1380 276	1375 275	1370 274	1365 273	1360 272	1355 271	1350 270	1345 269	1340 268	1335 267	1330 266	1325 265
1415 283	1095 219	1090 218	1085 217	1080 216	1075 215	1070 214	1065 213	1060 212	1055 211	1050 210	1045 209	1040 208	1035 207	1030 206	1025 205	1020 204	1320 264
1420 284	1100 220	820 164	815 163	810 162	805 161	800 160	795 159	790 158	785 157	780 156	775 155	770 154	765 153	760 152	755 151	1015 203	1315 263
1425 285	1105 221	825 165	585 117	580 116	575 115	570 114	565 113	560 112	555 111	550 110	545 109	540 108	535 107	530 106	750 150	1010 202	1310 262
1430 286	1110 222	830 166	590 118	390 78	385 77	380 76	375 75	370 74	365 73	360 72	355 71	350 70	345 69	525 105	745 149	1005 201	1305 261
1435 287	1115 223	835 167	595 119	395 79	235 47	230 46	225 45	220 44	215 43	210 42	205 41	200 40	340 68	520 104	740 148	1000 200	1300 260
1440 288	1120 224	840 168	600 120	400 80	240 48	120 24	115 23	110 22	105 21	100 20	95 19	195 39	335 67	515 103	735 147	995 199	1295 259
1445 289	1125 225	845 169	605 121	405 81	245 49	125 25	45 9	40 8	35 7	30 6	90 18	190 38	330 66	510 102	730 146	990 198	1290 258
1450 290	1130 226	850 170	610 122	410 82	250 50	130 26	50 10	10 2	05 1	25 5	85 17	185 37	325 65	505 101	725 145	985 197	1285 257
1455 291	1135 227	855 171	615 123	415 83	255 51	135 27	55 11	15 3	20 4	80 16	180 36	320 64	500 100	720 144	980 196	1280 256	1620 324
1460 292	1140 228	860 172	620 124	420 84	260 52	140 28	60 12	65 13	70 14	75 15	175 35	315 63	495 99	715 143	975 195	1275 255	1615 323
1465 293	1145 229	865 173	625 125	425 85	265 53	145 29	150 30	155 31	160 32	165 33	170 34	310 62	490 98	710 142	970 194	1270 254	1610 322
1470 294	1150 230	870 174	630 126	430 86	270 54	275 55	280 56	285 57	290 58	295 59	300 60	305 61	485 97	705 141	965 193	1265 253	1605 321
1475 295	1155 231	875 175	635 127	435 87	440 88	445 89	450 90	455 91	460 92	465 93	470 94	475 95	480 96	700 140	960 192	1260 252	1600 320
1480 296	1160 232	880 176	640 128	645 129	650 130	655 131	660 132	665 133	670 134	675 135	680 136	685 137	690 138	695 139	955 191	1255 251	1595 319
1485 297	1165 233	885 177	890 178	895 179	900 180	905 181	910 182	915 183	920 184	925 185	930 186	935 187	940 188	945 189	950 190	1250 250	1590 318
1490 298	1170 234	1175 235	1180 236	1185 237	1190 238	1195 239	1200 240	1205 241	1210 242	1215 243	1220 244	1225 245	1230 246	1235 247	1240 248	1245 249	1585 317
1495 299	1500 300	1505 301	1510 302	1515 303	1520 304	1525 305	1530 306	1535 307	1540 308	1545 309	1550 310	1555 311	1560 312	1565 313	1570 314	1575 315	1580 316

180° 0° 360°

270°

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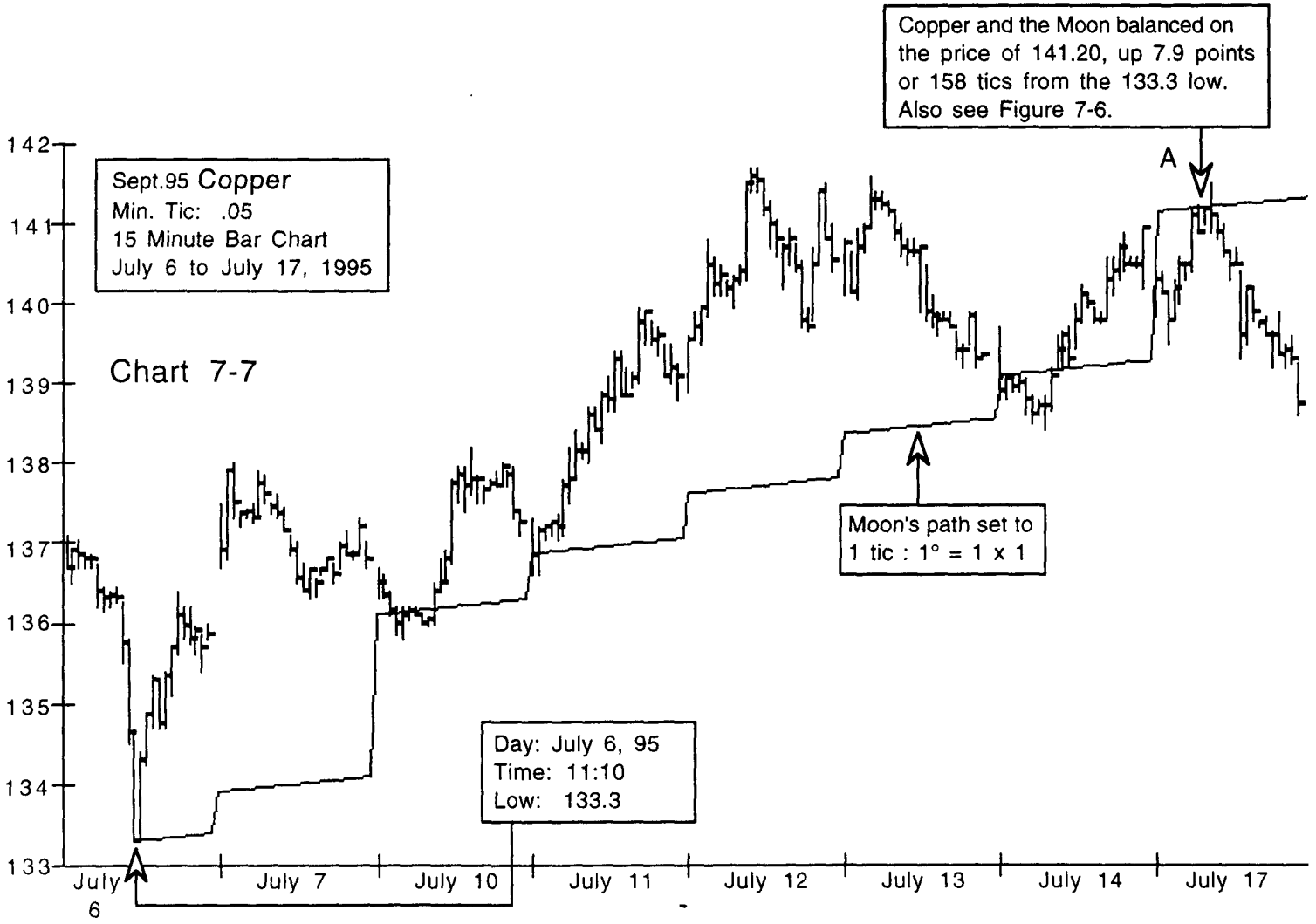
The important angles on the Even Square are the same as the Square of Nine. These are the Cardinal Cross angles of 0°, 90°, 180°, 270° and the Fixed Cross angles of 45°, 135°, 225°, 315°.



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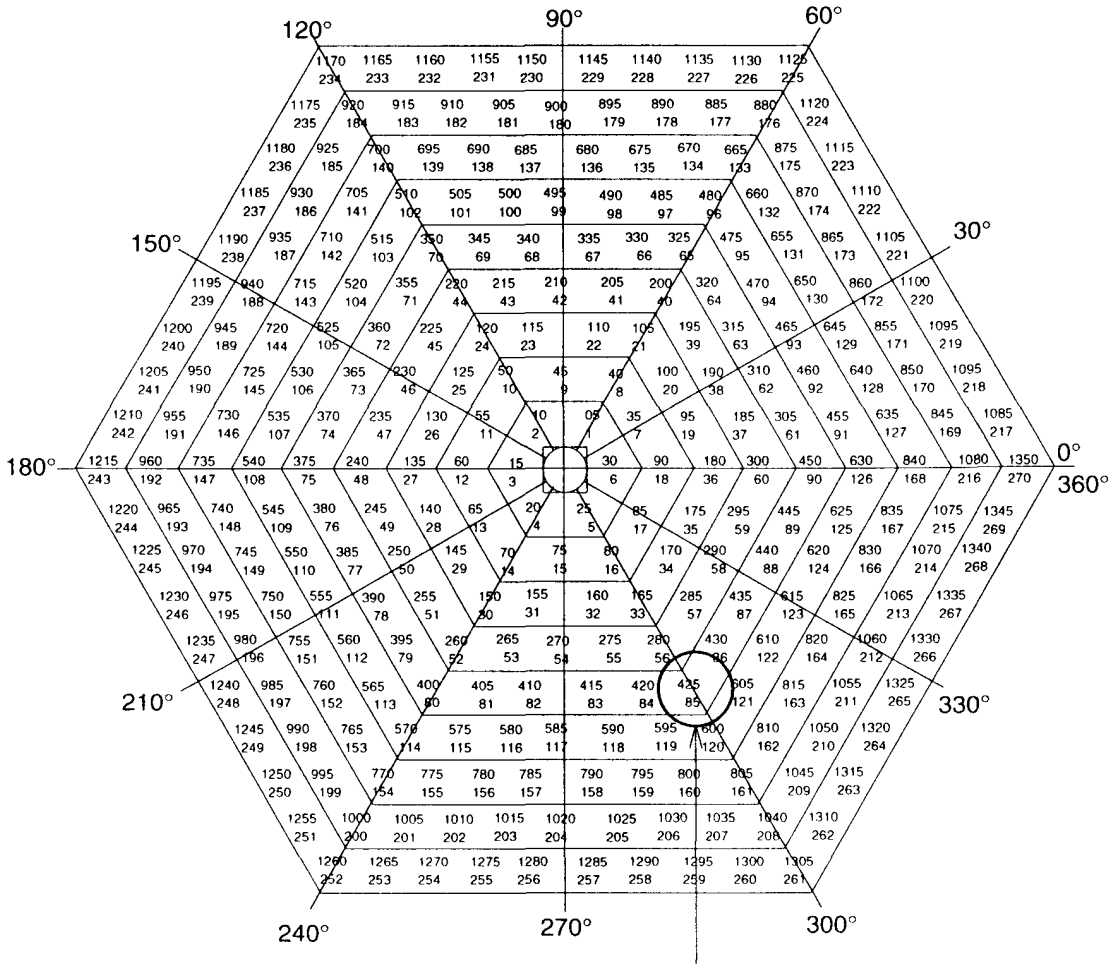
The final example in this chapter uses Figure 7-8 and Chart 7-9. Chart 7-9 is a four minute bar chart for the S&P 500 and was also shown in Chart 6-49. On Chart 7-9, an Earth Rotational Angle starts from the 565 top and declines 1 tic (.05) for each 1° the earth rotates on its axis. Balancing point "A" on Chart 7-9 occurred at approximately 560.75. From the 565 top to the balancing point the price decreased 4.25 points or 85 tics, and the earth rotated 85°. On the Hexagon Chart in Figure 7-8 this balancing point is circled. The circled cell contains "425, 85" which represents the price decrease of 4.25 points and the 85° rotated by the earth. Notice that this cell is on the 300° angle which is an important angle on the Hexagon Chart.

Figure 7-8



Balancing point "A". The price has declined 4.25 points or 85 tics and the earth has rotated 85°. See Figure 7-9

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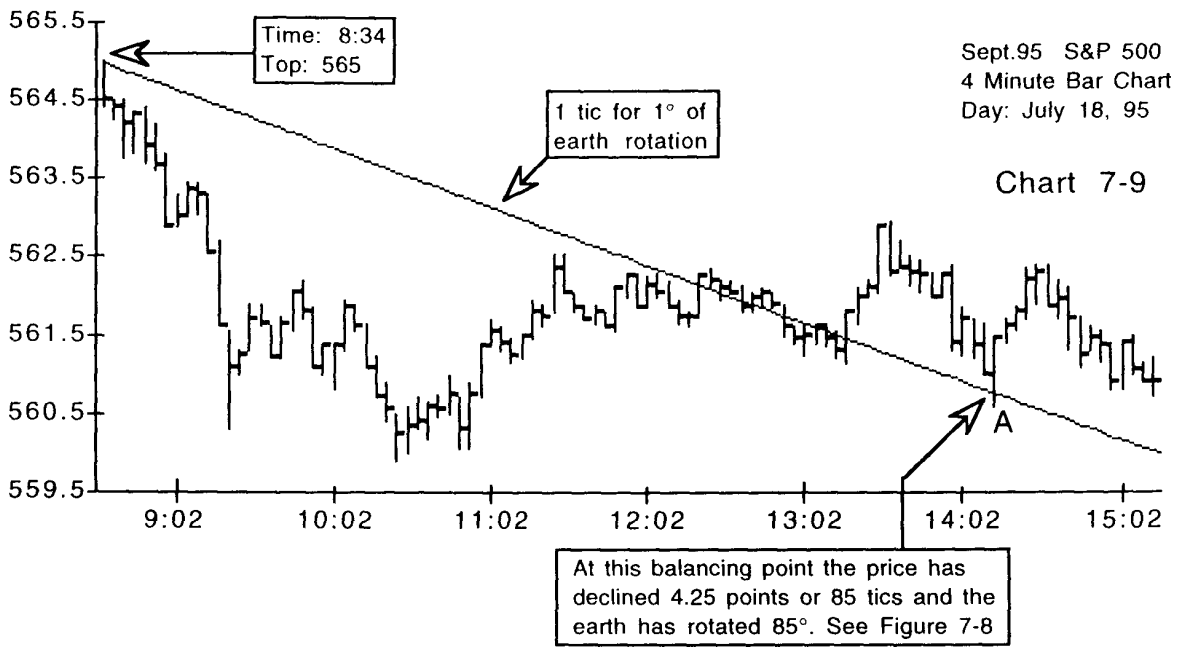

By studying the scraps of Gann's research which still exist, it is difficult to determine the extent to which Gann used the Double Numbered Price and Time Charts. My work with these charts has shown that Price and Longitude Angle balancing points often occur on important numbers in the Price and Time Charts but finding these relationships can be time consuming. There is one short cut I use when applying the method in this chapter. When I plot a Price and Longitude Angle on a price bar chart, I put colored slashes on the Price and Longitude Angle to mark the important numbers in the Price and Time Chart. By doing this, I can observe how close a balancing point is to an important number on a Price and Time Chart by simply observing the balancing points distance from the nearest colored slash. This is just one possible short cut for using the Double Numbered Price and Time Charts.

Why did Gann have more than one Price and Time Chart? The answer to this question will help you understand how Gann saw the markets. Each Price and Time Chart represents a different rate of expansion and contraction. Gann experimented with, and used, different Price and Time Charts because he was trying to determine which Price and Time Chart best correlated with the expansion and contraction of the prices in different markets. The movements of the numbers on each Price and Time Chart can be defined by a mathematical system. Gann believed that the Price and Time Charts were a short cut to be used instead of the actual mathematics. Understanding the Price and Time Charts, shows us that Gann saw the financial markets as the unfolding of preset mathematical systems. It may be overwhelming at first but it is important to understand that Gann did not believe there was a single Price and Time Chart for every market.

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Volume 1 and Volume 2 have presented the Price and Time Charts which many traders are familiar with. These Price and Time Charts are the Circle Chart, Hexagon Chart, Square of Nine and the Even Square but Gann made other Price and Time Charts which represented different rates of expansion and contraction. Figure 7-10 and 7-11 show Gann's Triangle Chart. Figure 7-10 is a standard single numbered Triangle Chart. Figure 7-11 is a Double Numbered Triangle Chart with the price moving in increments of 10.

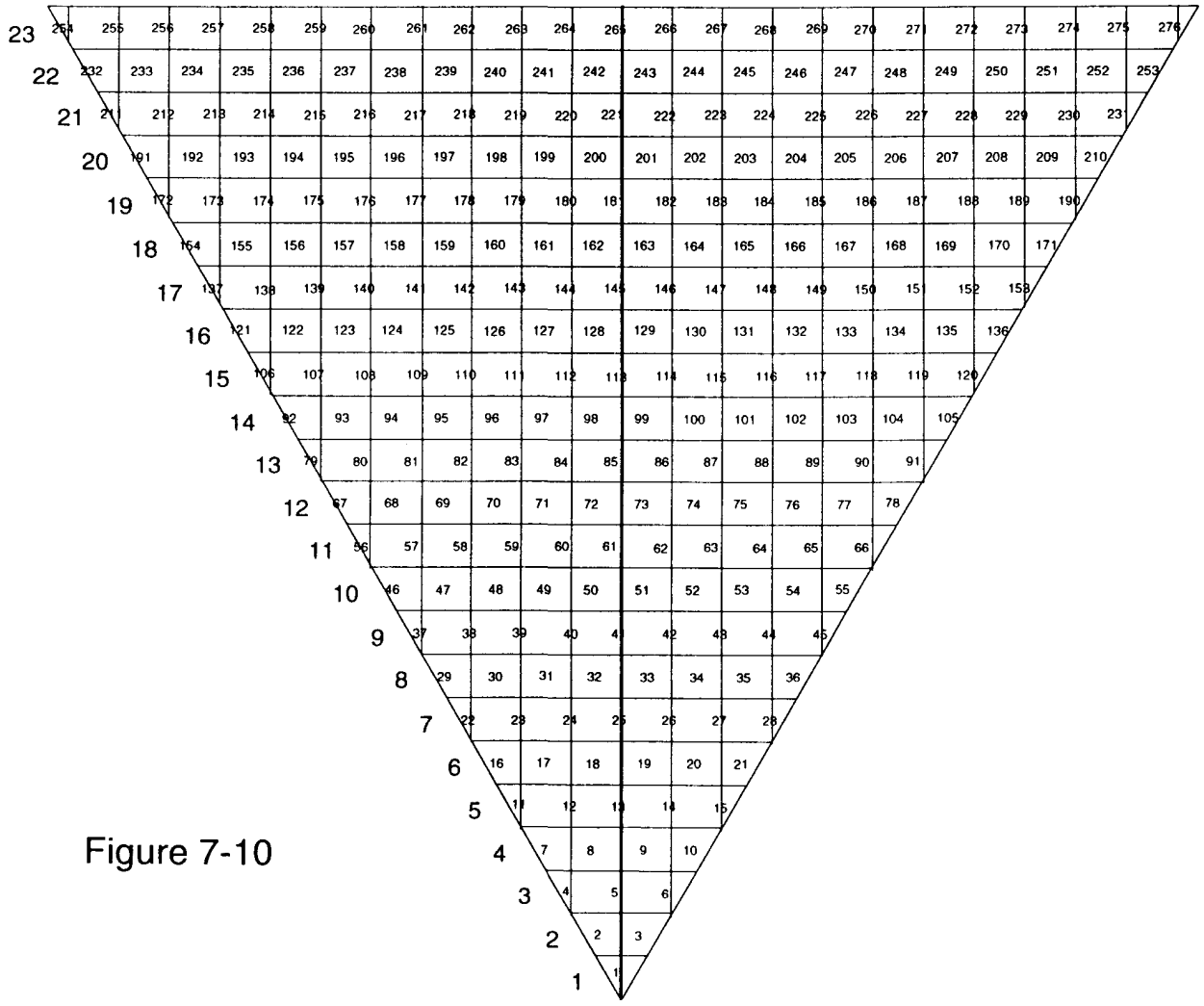

Figure 7-10

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The Triangle Chart is used in the same basic way as the Hexagon Chart, Square of Nine and the Even Square. The important numbers in the Triangle Chart are the numbers along the left edge, right edge, and next to or on top of, the center line. Do not be hesitant to experiment with making your own Price and Time Charts or modifying Gann's. There is no reason why a new Price and Time Chart can not define the expansion and contraction of prices even better than Gann's do.

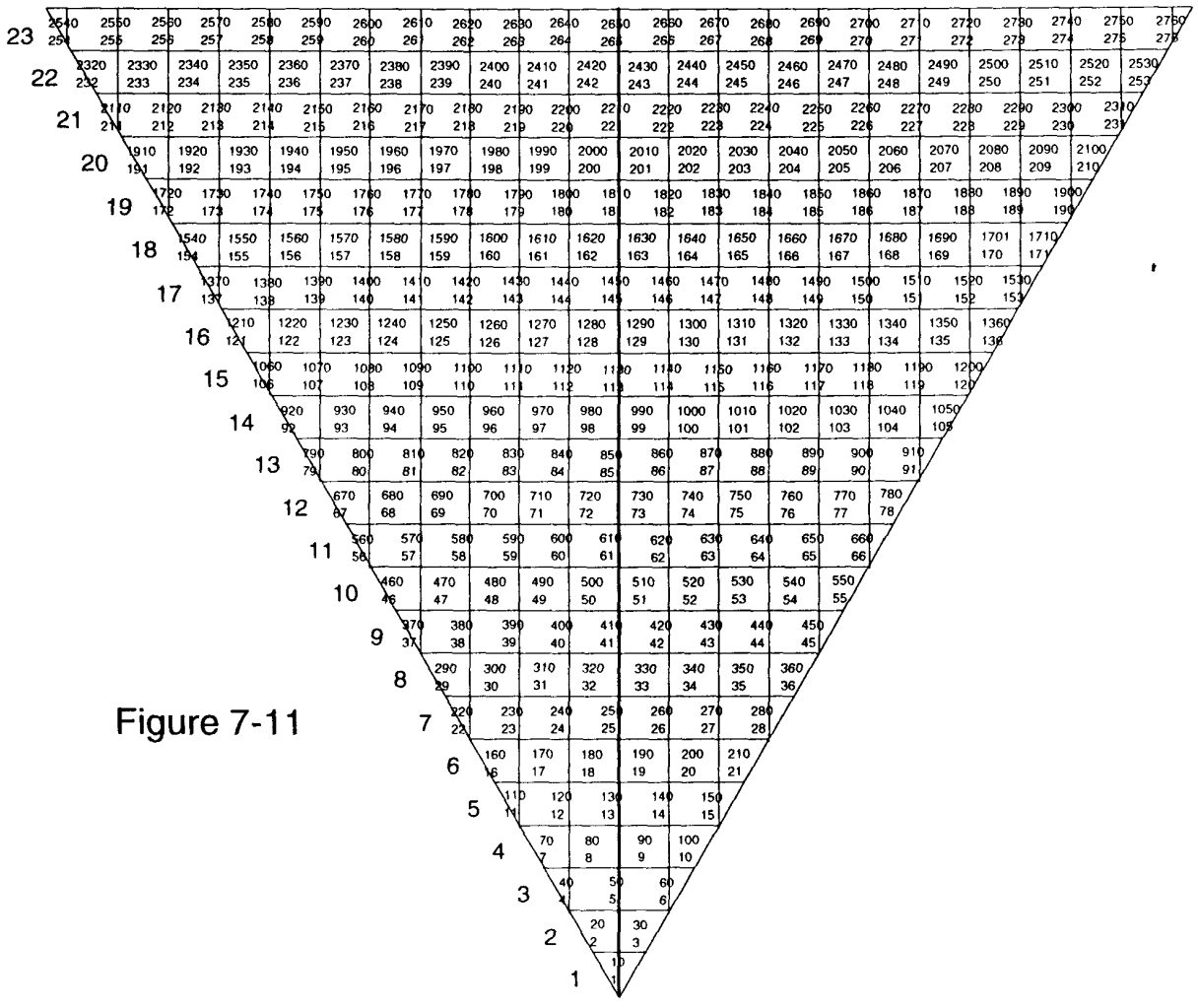

Figure 7-11

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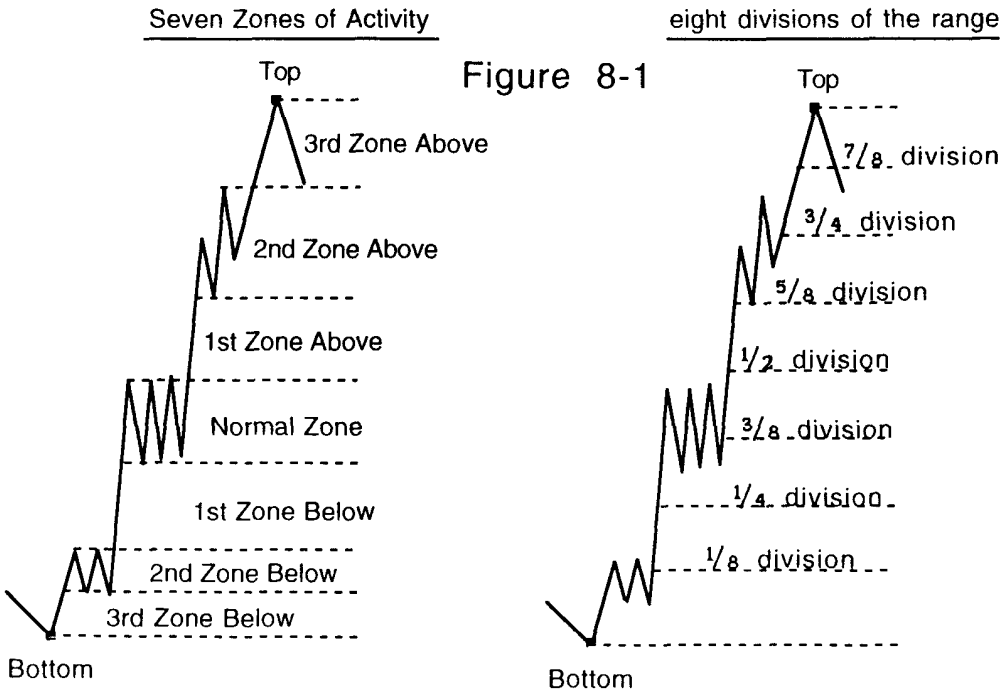
Chapter 8: The Cube Cycle

When I began studying Gann's work, one of my first questions was, "Why did Gann abandon the Seven Zones of Activity and start using the eight divisions of the range." To understand why Gann switched from the 7 zones to the 8 divisions we must understand the basics of each method.

The Seven Zones of Activity were presented by Gann in his 1923 Truth of The Stock Tape. The Seven Zones of Activity are seven price areas between a high and low price but are not a straight division of the price range into seven sections. The Seven Zones of Activity have boundaries which are variable. Between the high and low, somewhere near the middle, there exists the normal zone which represents something close to intrinsic value. It is not clear whether this is one price or a middle zone with a top and bottom. Above the normal zone are the 1st, 2nd and 3rd zones above normal and below the normal zone are the 1st, 2nd and 3rd zones below normal. Some of the zones identified by Gann are as small as two points and other zones he identified were much larger. It seems as though the Seven Zones of Activity are the price levels where the price meets support and resistance making its tops and bottoms. See Figure 8-1.

Now lets examine the eight divisions of the range. This method is actually much clearer than the Seven Zones of Activity. The eight divisions are acquired by simply dividing the high to low price range by 8. When the price completes a decline or an advance the price range is divided by 8 and these price levels are used as support and resistance as the price moves back in the other direction. Figure 8-1, shows the Seven Zones of Activity and the eight divisions of the range. On the next page is a discussion of Gann's 30 year Cube cycle which seems unrelated to the 7 zones and the 8 divisions but in a moment I will show how they are all related.

Figure 8-1



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In 1931 Gann wrote a short discussion titled, "The Hexagon Chart," in which he discussed building a cube. A cube has six faces, a top, bottom and four sides. Gann equated each 60° side of the Hexagon Chart with one side of the cube. Gann indicated the 360° around the Hexagon Chart represented 360 months or 30 years. This means each side of the Hexagon Chart which contains 60° represents 60 months or 5 years. Below in Figure 8-2 you can see a Hexagon chart with each 60° increment labeled. The 1st 60° section is the bottom of the cube and represents 5 years. The 2nd, 3rd, 4th, and 5th 60° sections represent the four sides of the cube. The 6th, 60° section represents the top of the cube and completes the 360 month or 30 year Cube cycle.

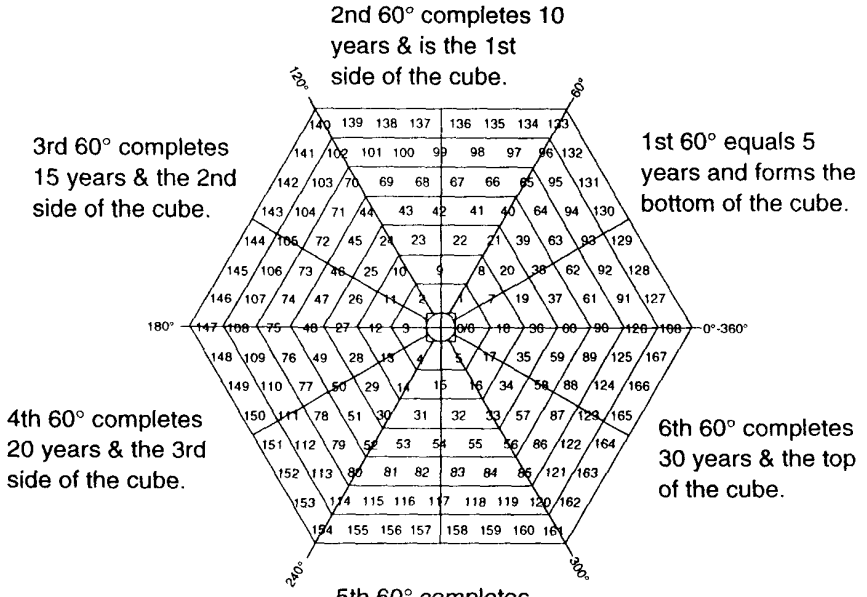

Figure 8-2

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So far this chapter has presented two seemingly unrelated ideas. First, the 7 Zones of Activity and 8 divisions of the range and second, building a cube with the 30 year cycle. It is my opinion that these two ideas are related by the source material which inspired Gann to develop them. One book which I believe was an inspiration for Gann was The Harmonies of The World written in 1619 by Johannes Kepler. The Harmonies of The World is a difficult book which presents complex relationships between music, planetary motion, geometric shapes and other items in an attempt to show some kind of universal harmony. Kepler worked with ratios between perihelia and aphelia of different planets and assigned one geometric shape to each of the five spaces between the known planets. Saturn was the outer most known planet at that time. Figure 8-3 is an artistic replica of a drawing in Harmonies of The World which shows that Kepler assigned the geometric shape of a cube to the space between Saturn and Jupiter. If Gann's inspiration for calling the 30 year cycle a "cube" was The Harmonies of The World then Gann's 30 year Cube cycle must have something to do with Saturn, Jupiter or both.

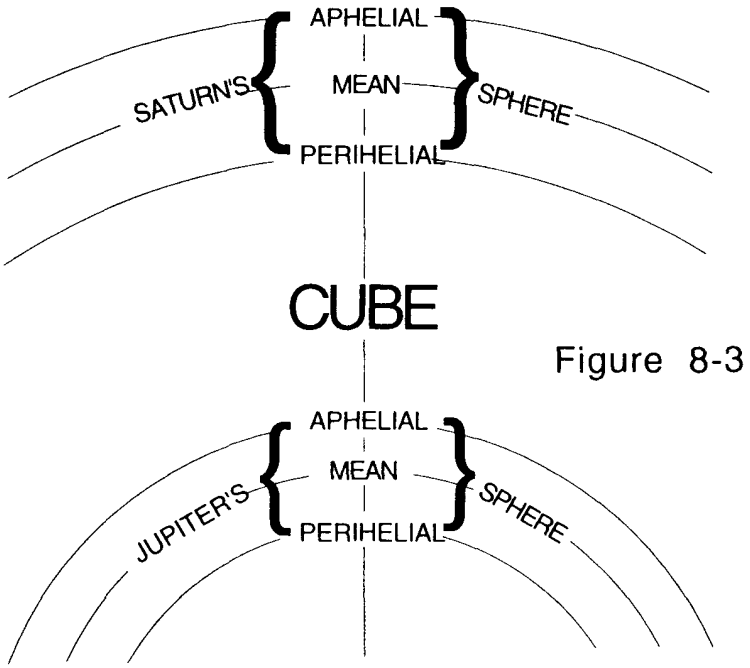

Figure 8-3

This is an artistic replica of the top half of Kepler's diagram showing which geometric shapes correlate with the space between heliocentric planets. Made in 1619.

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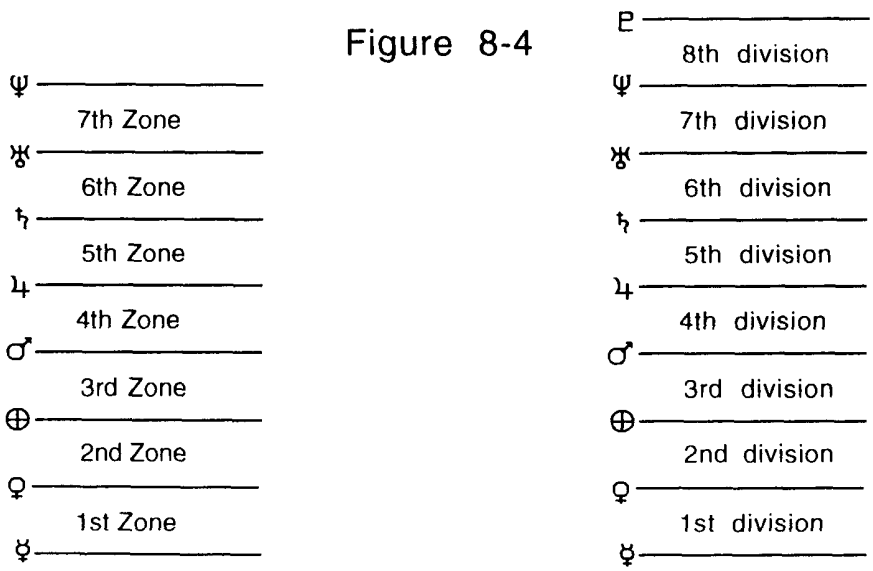
It is my opinion that Gann's methods which used the 7 zones and 8 divisions were inspired by Kepler's use of the spaces between the planets in Harmonies of The World. Gann presented the Seven Zones of Activity in 1923 and the earliest presentation of the eight divisions of the range which still exists is from 1931. By drawing the orbits of Mercury(☿), Venus(♀), Earth(⊕), Mars(♂), Jupiter(♃), Saturn(♄), Uranus(♅) and Neptune(♆) which were known in 1923, you can see that there are seven spaces between these planets. This is the symbolic basis for Gann's Seven Zones of Activity. In 1930 when Pluto was discovered, Gann had to update the Seven Zones of Activity. By adding the orbit of Pluto(♇) to the other orbits it creates eight spaces between the planets. This is why and when Gann abandoned the Seven Zones of Activity and adopted the eight divisions of the range. This is shown in Figure 8-4. The methods using the 7 zones and 8 divisions are not astrology methods. They are methods which have a symbolic basis in astrology. The seven zones are symbolic of the seven spaces between the planets in 1923 and the eight divisions are symbolic of the eight spaces between the planets after Pluto was discovered in 1930. New traders sometimes think there is a magic value to dividing the price range into eight divisions. The reality is that if another planet had been discovered, Gann would have abandoned the eight division of the range and started writing about the nine divisions of the range. It is my opinion the only division of the range which Gann actually used in his trading was the 50% division.

The Seven Zones of Activity was presented by Gann in 1923 before Pluto was discovered.

Gann started using the eight divisions of the range after Pluto was discovered.

Figure 8-4



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In Harmonies of The World, Johannes Kepler assigned the geometric shape of a cube to the space between Saturn and Jupiter. Gann's discussion of the cube deals with the 30 year cycle. The following quotation proves that Gann did in fact correlate the 30 year cycle with Saturn.

> The next important major cycle is 30 years, which is caused by the planet Saturn. This planet makes one revolution around the sun every 30 years. Saturn rules the products of the earth and causes extreme high or low prices in products of the earth at the end of each 30-year cycle, and this makes Stocks high or low. The most important cycle of all is the 20-year cycle.
>
> W.D. Gann, Forecasting, 1931

The actual length of Saturn's orbit is not 30 years it is much closer to 29.45 years. Gann wrote that the 30 year market cycle is caused by Saturn but he did not say the 30 year market cycle is caused by one orbit of Saturn. This is important because Gann did not intend for us to try and line up the exact market cycle with exactly one orbit of Saturn. Gann wanted us to correlate the 30 year market cycle with Saturn's movement but not specifically one orbit.

The Cube cycle will be applied to the stock market. To use the Cube cycle we must determine where to start counting the cycle. The year Gann used in his astrology calculations for the opening of the New York Stock Exchange was 1792 and so we will start counting the 30 year Cube cycle in 1792. The 1st cube runs from the exchange opening in 1792 to Dec. 31, 1821 the 2nd cube runs from Jan. 1, 1822 to Dec. 31, 1851, the 3rd cube runs from Jan. 1, 1852 to Dec. 31, 1881, the 4th cube runs from Jan. 1, 1882 to Dec. 31, 1911, the 5th cube runs from Jan. 1, 1912 to Dec. 31, 1941, the 6th cube runs from Jan. 1, 1942 to Dec. 31, 1971, the 7th cube runs from Jan. 1, 1972 to Dec. 31, 2001.

Each cube is a 30 year cycle divided into 6, 5 year sections, one section for each face of the cube. In 1995 the stock market is in the 5th section of the 7th cube. In other words, we are in the 24th year of a 30 year cycle. Each section of the current 7th cube, should repeat the movements from one of the sections which is listed above it.

section:	1st	2nd	3rd	4th	5th	6th
cube side:	Bottom	side 1	side 2	side 3	side 4	Top
CUBE						
1st:	1792-1796,	1797-1801,	1802-1806,	1807-1811,	1812-1816,	1817-1821
2nd:	1822-1826,	1827-1831,	1832-1836,	1837-1841,	1842-1846,	1847-1851
3rd:	1852-1856,	1857-1861,	1862-1866,	1867-1871,	1872-1876,	1877-1881
4th:	1882-1886,	1887-1891,	1892-1896,	1897-1901,	1902-1906,	1907-1911
5th:	1912-1916,	1917-1921,	1922-1926,	1927-1931,	1932-1936,	1937-1941
6th:	1942-1946,	1947-1951,	1952-1956,	1957-1961,	1962-1966,	1967-1971
7th:	1972-1976,	1977-1981,	1982-1986,	1987-1991,	1992-1996,	1997-2001

In Wall Street Stock Selector, Gann wrote a section titled "How Cycles Repeat" in which he correlated the two greatest bull markets up to that time. The first bull market ran from March 1861 to July 1869 lasting 8 years and 4 months. The second bull market ran from August 1921 to August 1929 lasting 8 years. In the discussion "How Cycles Repeat" Gann included a price swing chart of a railroad average from 1856 to 1896. It is my opinion that Gann did not show a railroad average chart through the time of the books writing in 1930 because it clearly revealed how Gann believed cycles repeated. On Chart 8-5, I have brought together the railroad average prices from different parts of Gann's material to show what Gann discussed in the section, "How Cycles Repeat".

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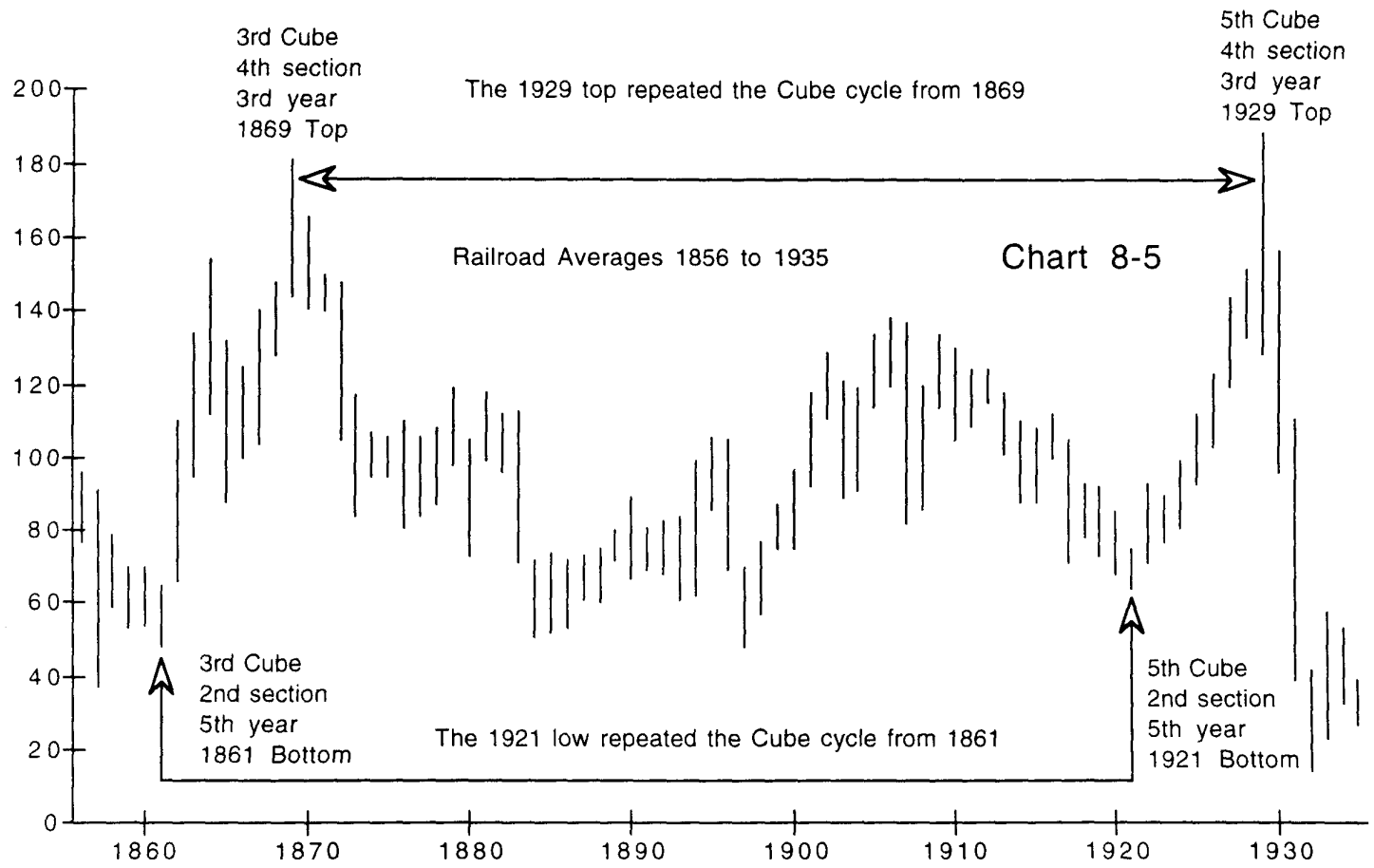
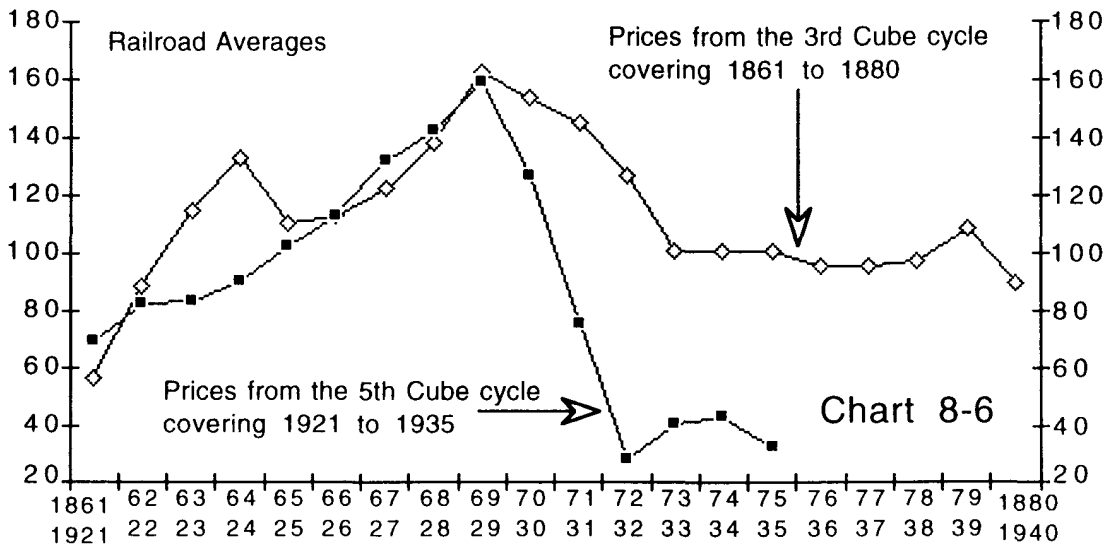


Chart 8-5, shows the monthly high and low bar chart of the railroad averages from 1856 to 1935 when Gann stopped listing the railroad averages. Part of Chart 8-5 is the W.D. Gann Railroad Average and part is the Dow Jones Railroad Average. On Chart 8-5, I have drawn an arrow connecting the years 1861 and 1921. In the table on page 188 showing the years of the cube sections, notice that 1921 lines up with 1861. 1921 is the last year of the 2nd section in the 5th cube and 1861 is the last year of the 2nd section in the 3rd cube. Chart 8-5 also shows an arrow connecting the 1869 top and the 1929 top. 1929 is in the same position in the 5th cube as 1869 in the 3rd cube. This shows that in the discussion "How Cycles Repeat" Gann described the basic way in which he believed the stock market repeated the movements of a previous Cube cycle.

On Chart 8-6, I have overlapped the Railroad Averages for the years 1861 to 1880 and 1921 to 1935 to show you specifically how the 30 year Cube cycle repeated. Chart 8-5 and 8-6 show that the 5th Cube cycle from 1921 to 1929 repeated the 3rd Cube cycle from 1861 to 1869 which is what Gann wanted us to learn from his discussion, "How Cycles Repeat". These two charts also show that this cycle continued to repeat after Gann wrote Wall Street Stock Selector as the cycle from 1929 to 1932 repeated the basic cycle from 1869 to 1873.



Gann saw the stock market fundamentally different than most people see the stock market today. We can see this in many statements made by Gann. For example in 1936, Gann wrote that the Dow Jones Industrial Average would never cross its 1929 high. The reason Gann made this prediction was because of the way the stock market had moved during his life. Look at Chart 8-6, notice that the 1929 railroad average top was basically the same price as the 1869 railroad average top. Gann believed that the stock market repeated the same price levels over long periods of time when the same time cycles repeated. Generally we think of the 1929 top as the highest price in history up to that time, but the DJIA was not in existence in 1869 as the railroad averages were. By 1936 many regulations had been implemented to stop gambling in the stock market and the tax structure was set to deter speculation, all as a reaction to the 1929 crash. Gann believed that the government interference in the stock market would hold down market volume and stop the DJIA from retracing the extreme highs of 1929 the next time that cycle repeated. This is why Gann predicted the DJIA would never cross the 1929 high.

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This image Gann had of the stock market repeating the same price levels when the same time cycles repeated is a radically different image of the stock market than most of us have today. Many of the commodity markets still work in this manner but the stock market averages and indexes simply do not repeat the same price levels over long periods of time as they did during much of Gann's life. There are many reasons why the structure of the stock averages have changed. Consider the difference between who was holding the stocks many years ago vs. today. In 1929 stocks were being held by gamblers from all over the world. Today stocks are mainly held by funds of some kind whose mangager's job it is to buy a diversified package of stocks and hold for the long term. This is in my opinion why the stock market has a much more difficult time sustaining a bear market today than it did many years ago. During Gann's life, many of the stocks were held by individuals who would panic after a crash and sell out, which sustained the bear market. Today stocks are held by funds directed by those whose job it is to not sell out. This is why after the crash in 1987 there was no bear market. The strong hands held on to their stock after the crash believing in the long term upward motion of the market. No matter what the reasons are, it is a fact that the stock market structure observed by Gann of stock averages repeating extreme high and low prices over long periods of time is simply not part of the modern stock market structure.

The 30 year Cube cycle will still work today but I do not believe it will work in the same manner. The timing element of this method can still work but I do not believe the idea that we can use past cycles to determine the extreme prices will work. The stock market charts on the following pages show each 5 year section of the current 7th Cube along with the same section of a previous Cube which seems to have been repeated. The dotted line on these charts is always the previous cycle and the solid line is the current 7th Cube. The price scale for the previous price movement will always be on the right and the current Cube's price scale is on the left. Charts 8-7 to 8-12 were made by adjusting the low price of each data series close to the bottom of the chart and the high price of each data series close to the top of the chart. In this way if the market cycles are similar the two lines will be overlapping and if they are not similar they will diverge. Charts 8-7 through 8-12 are all made using the monthly closing prices. The modern data comes from the DJIA and the data from the 1800s comes from an average of leading stocks of the day. If you will take some time to study Chart 8-7 to 8-12, I believe you will see the genius behind Gann's work with market cycles.

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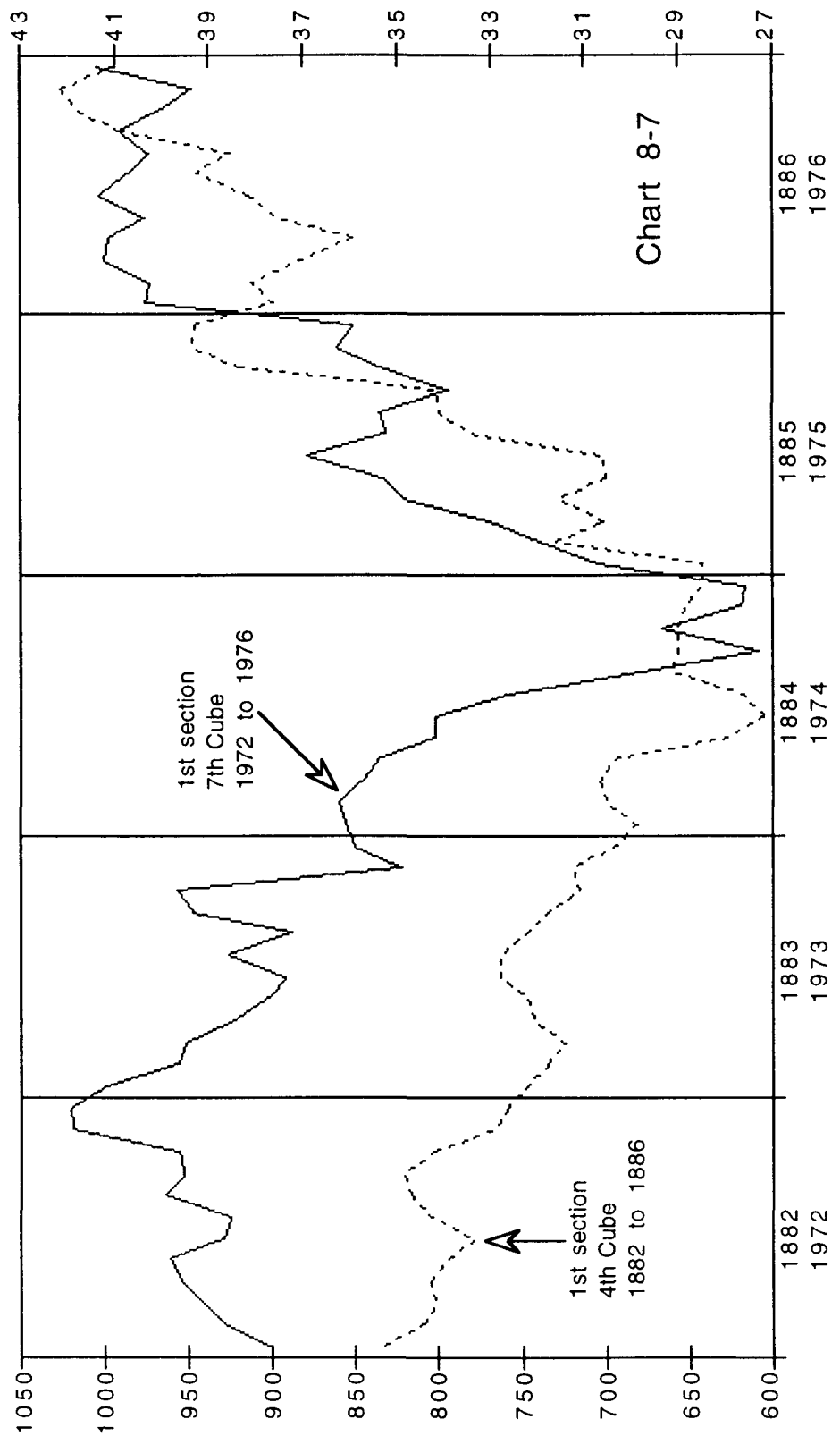

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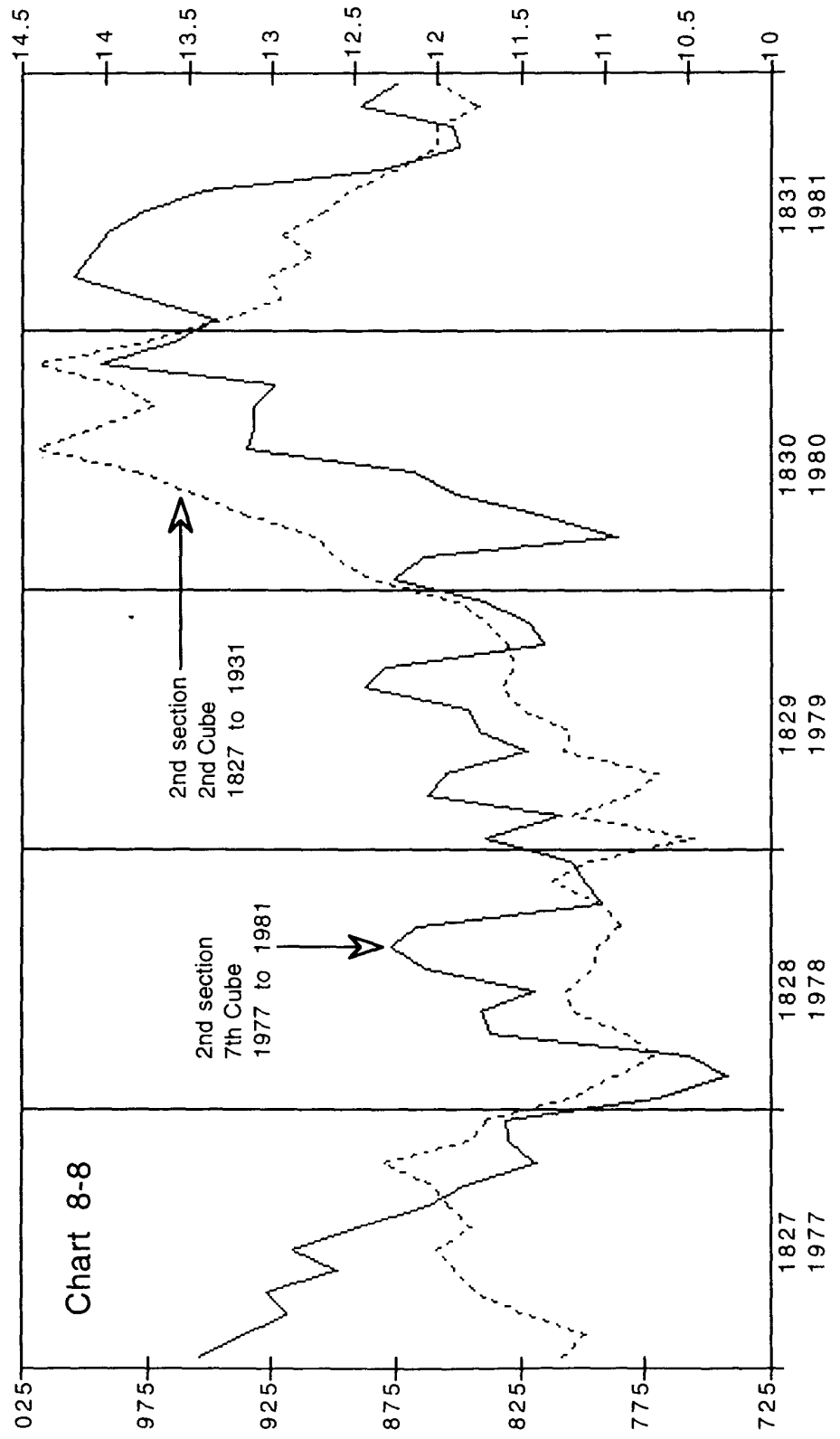

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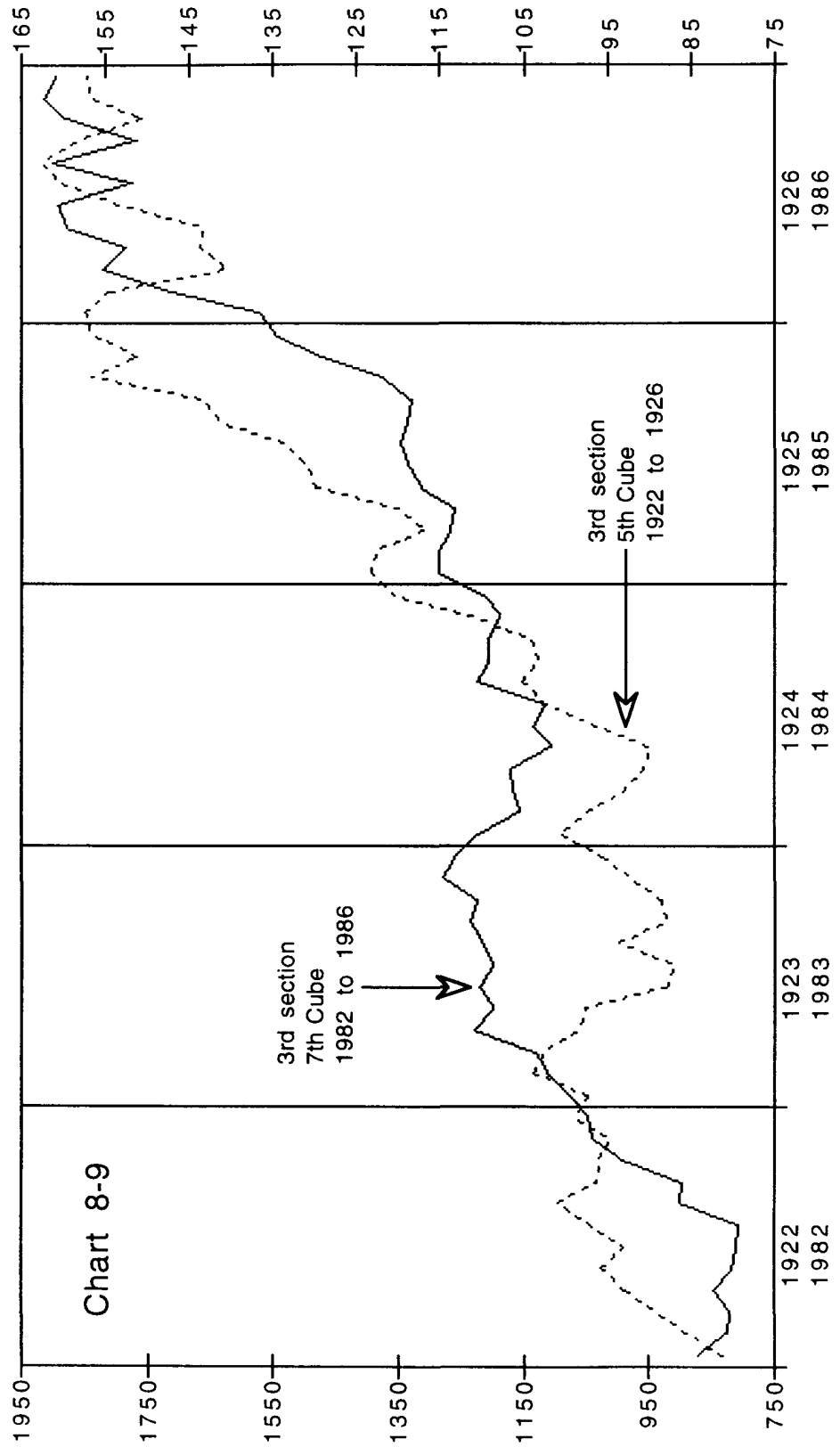

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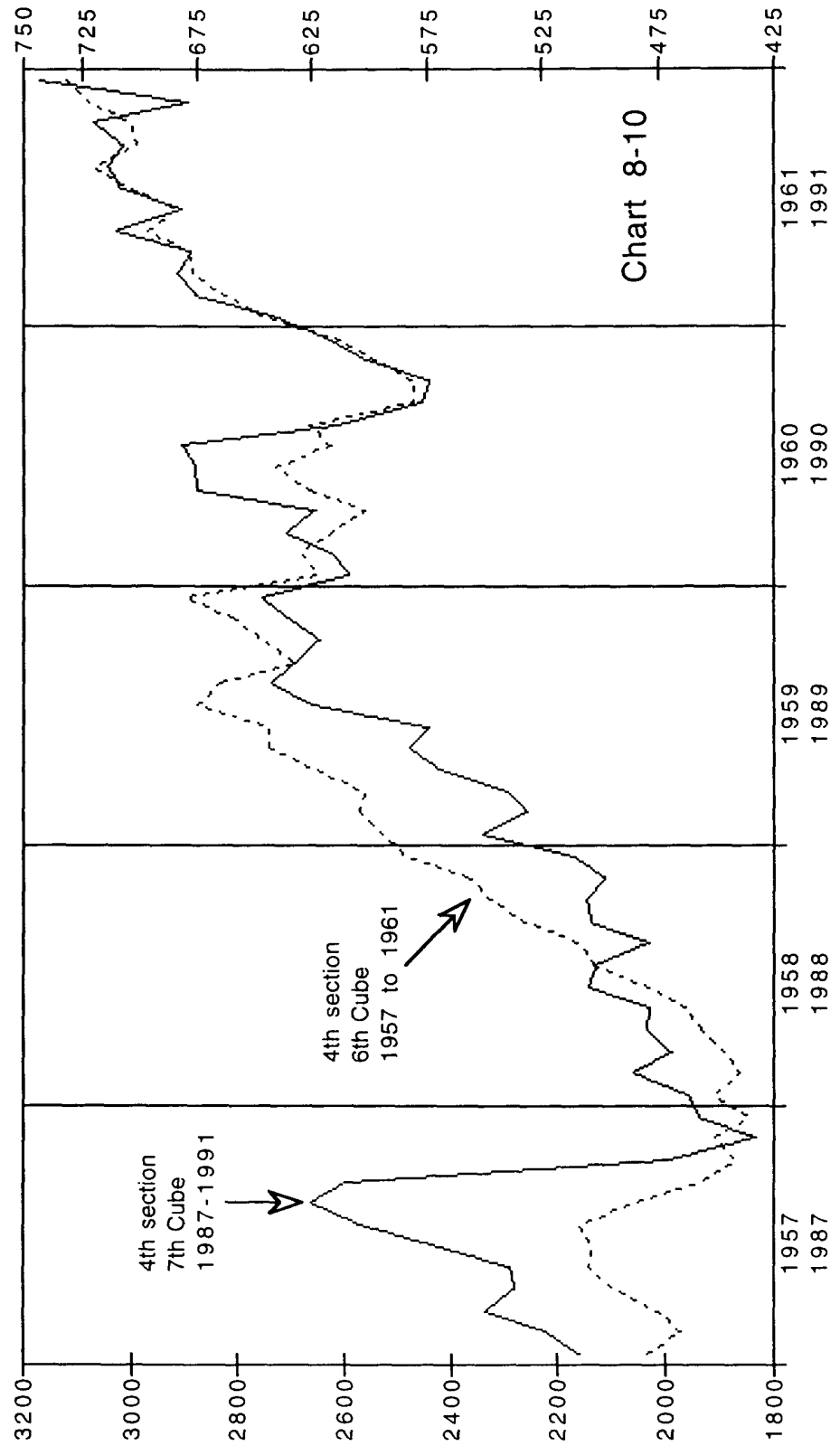

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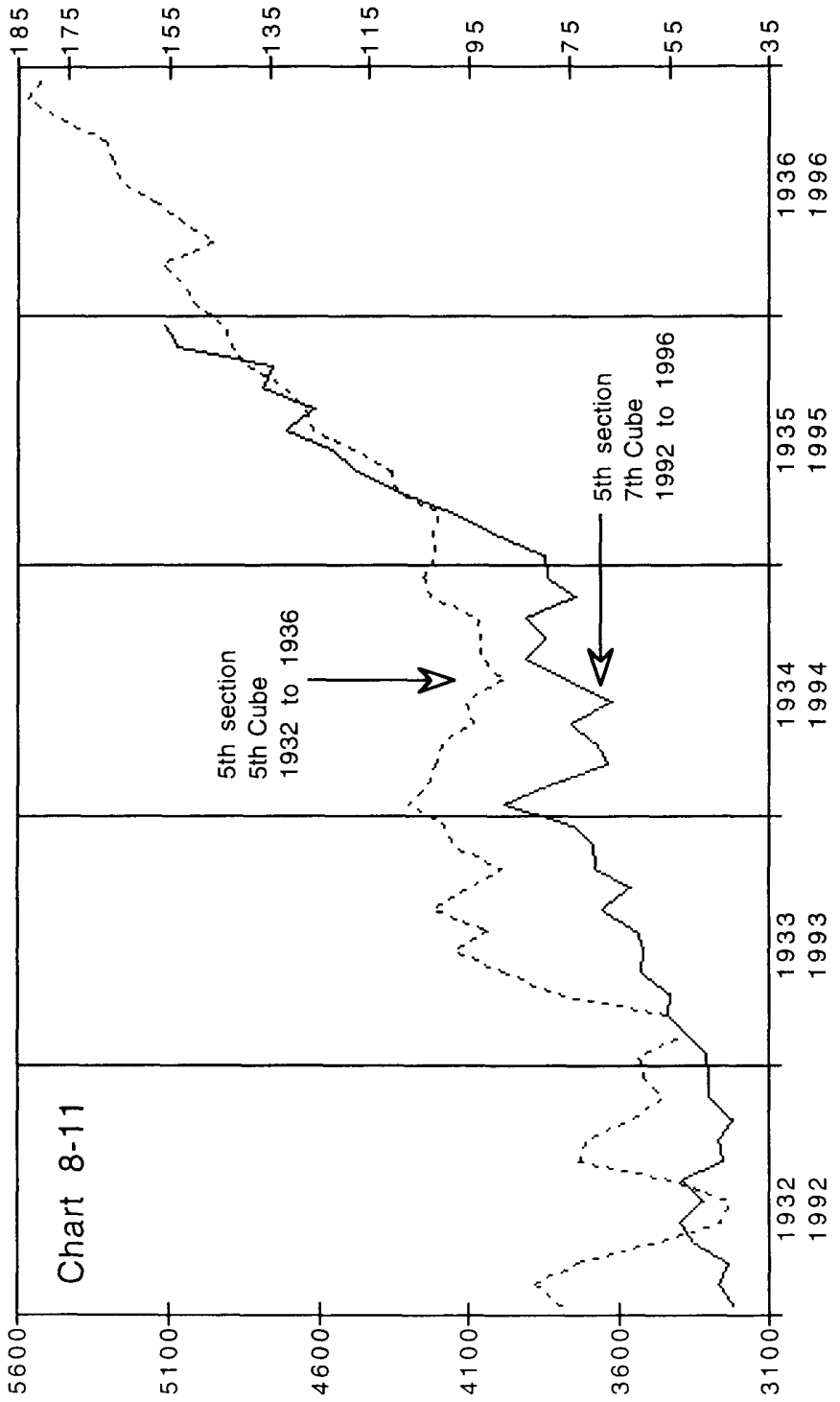

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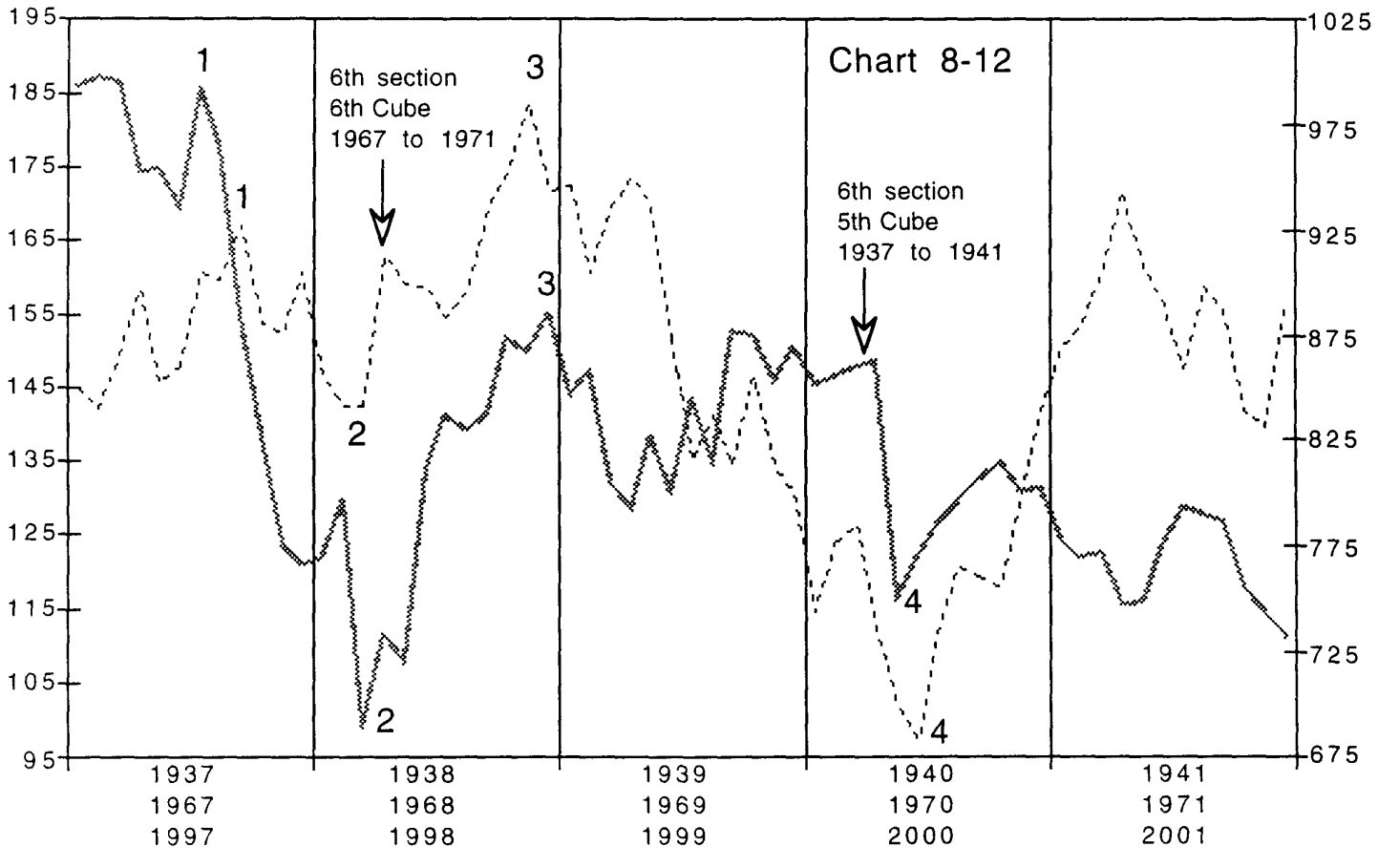
Chart 8-12 shows the 6th and final section of the two most recent Cube cycles. These are the two most likely cycles to repeat in the 6th and final section of the current 7th Cube cycle from 1997 to 2001. On Chart 8-12 I have labeled the common points of these two cycles. Points "1" identify a top in the second or third quarter of 1997. Points "2" identify a bottom towards the end of the 1st quarter of 1998. Points "3" identify a top in the last quarter of 1998 and points "4" identify a bottom in the middle of the year 2000. Points 1, 2, 3, and 4 represent the mostly turning points for the final section of the 7th Cube but it is important to remember that the market can repeat the final section of any previous Cube cycle.



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Gann also applied this method with time period other than the 30 year cycle. One of the other time cycles Gann used was the 20 year cycle. Gann never specifically identified the astrological cause of the 20 year cycle but he did identify it indirectly. Below is a quotation from 1935 in which Gann revealed which years start and end the 20 year cycle.

> After the end of the 20-year cycle in 1860,
> the next cycle begins at 1861 and runs to 1880,
> the next cycle begins at 1881 and runs to 1900,
> the next cycle begins at 1901 and runs to 1920,
> the next cycle begins at 1921 and runs to 1940.
> W.D. Gann, Forecasting, 1935

Look at the years in which Gann starts a new 20 years cycle, 1861, 1881, 1901 and 1921. In 1861 on Dec. 29, Jupiter formed a conjunction with Saturn. In 1881 on April 13, Jupiter again formed a conjunction with Saturn. In 1901 on Sept. 28, Jupiter formed a conjunction with Saturn. Finally in 1921 on Aug. 23, Jupiter formed a conjunction with Saturn. The cycle which is created by combining Jupiter and Saturn varies in length from just under 20 years to just over 20 years. Below I have listed the actual lengths of 4 complete Jupiter / Saturn conjunction cycles.

♃ ☌ ♄ on Sept. 28, 1901 to ♃ ☌ ♄ on Aug. 23, 1921 = 7269 days ÷365.25 = 19.90 years
♃ ☌ ♄ on Aug. 23, 1921 to ♃ ☌ ♄ on Nov. 15, 1940 = 7024 days ÷365.25 = 19.23 years
♃ ☌ ♄ on Nov. 15, 1940 to ♃ ☌ ♄ on Apr. 16, 1961 = 7457 days ÷365.25 = 20.416 years
♃ ☌ ♄ on Apr. 16, 1961 to ♃ ☌ ♄ on Apr. 16, 1981 = 7305 days ÷365.25 = 20 years

The average of these four conjunction cycles is 19.8865 years (19.9 + 19.23 + 20.416 + 20 / 4). The generally accepted average of this cycle is 19.86 years. It is important to determine the actual length of the current cycle because the difference between a short and long Jupiter / Saturn conjunction cycle can be over 1 year. In the quotation just above from 1935, Gann indirectly identified the astrological cause of the 20 year cycle by listing four 20 year cycles which start in a year containing a conjunction between Jupiter and Saturn.

Once Gann decided on a cycle length such as 10 or 20 years, he then plotted and overlapped sections of data. Chart 8-13 shows six 20 year sections of the stock market covering 1861 to 1880, 1881 to 1900, 1901 to 1920, 1921 to 1940, 1941 to 1960 and 1961 to 1980. Gann called this type of chart a Master Forecasting Chart and made them for stock averages, individual stocks and commodities. Gann believed that if you made a Master Forecasting Chart for a market using the correct cycle length you would be able to see the repeating cycles in that market. The 20 year Master Forecasting Chart in Chart 8-13 is 20 calendar years and therefore will not line up exactly with the Jupiter / Saturn conjunction cycle just as 1 orbit of Saturn will not line up exactly with the 30 year Cube cycle.

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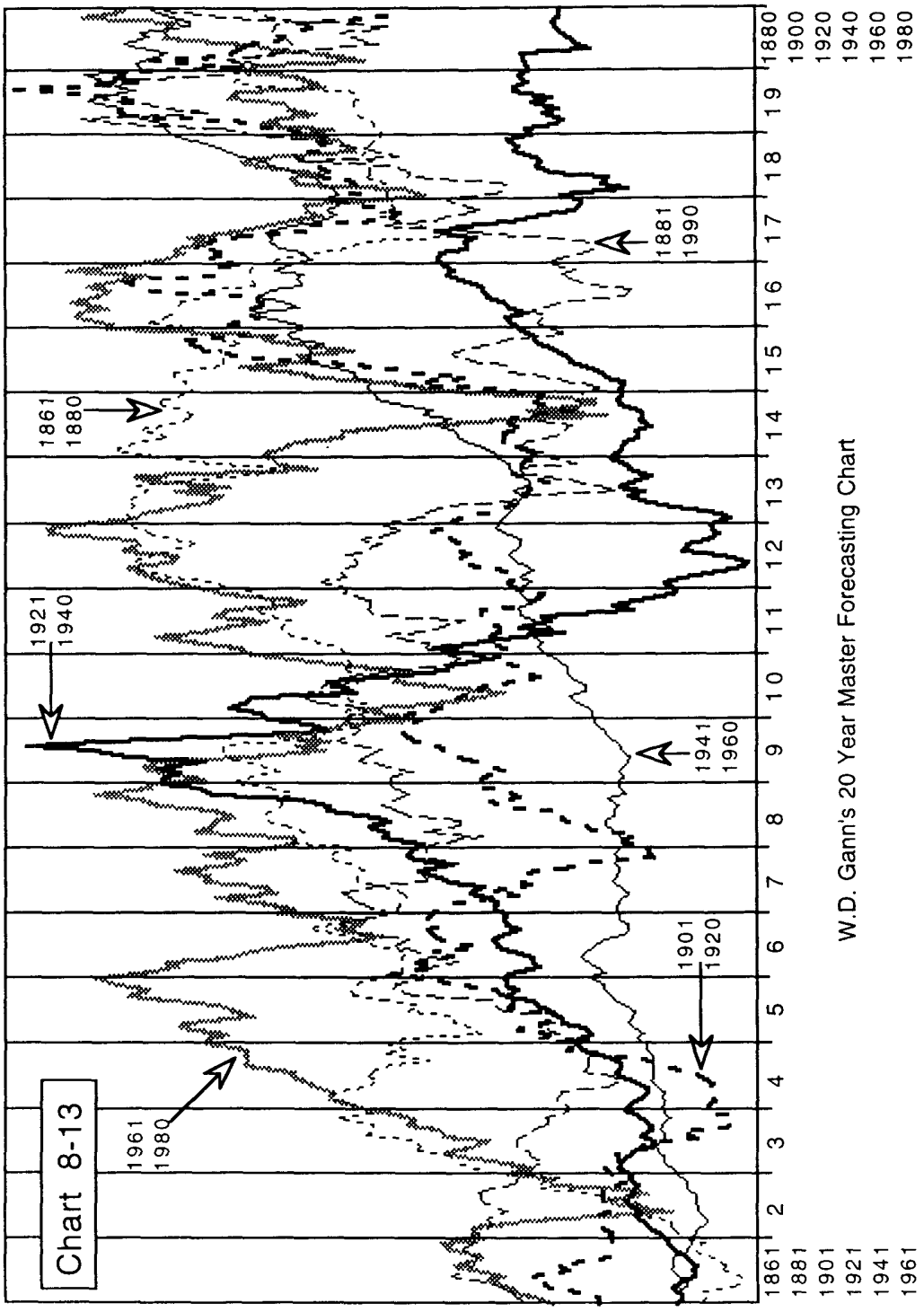

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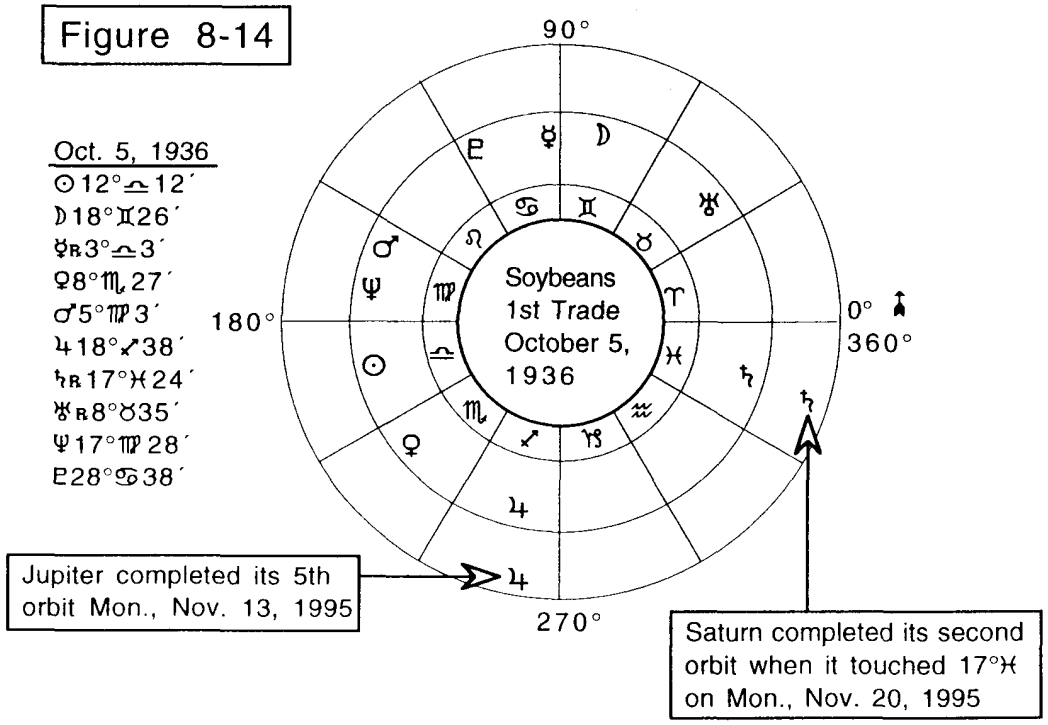
Below is a quotation from Gann which was presented earlier in this chapter. In this quotation Gann identified Saturn as the cause of the 30 year cycle.

> The next important major cycle is 30 years, which is caused by the planet Saturn. This planet makes one revolution around the sun every 30 years. Saturn rules the products of the earth and causes extreme high or low prices in products of the earth at the end of each 30-year cycle, and this makes Stocks high or low. The most important cycle of all is the 20-year cycle.
> W.D. Gann, Forecasting, 1931

In this quotation Gann said that Saturn "causes extreme high or low prices in products of the earth at the end of each 30-year cycle". Futures trading in soybeans started on October 5, 1936 when Saturn was on 17°♓ . Saturn will touch most longitudes three times, once moving forward, once moving retrograde and a second time moving forward. Starting from October 5, 1936 Saturn completed its second orbit when it touched 17°♓ for the final time during its second orbit on November 20, 1995. In the last sentence of the above quotation Gann wrote "The most important cycle of all is the 20-year cycle." In this chapter I showed that Gann believed the 20 year cycle was caused by the 19.86 year interaction of Saturn and Jupiter. Starting from October 5, 1936 Jupiter completed its fifth orbit when it touched 18°♐ on November 13, 1995. This means that in mid November 1995 the 20 year Saturn / Jupiter cycle completed for the third time. See Figure 8-14.

The last bull market to move soybean future prices above $8.00 topped in 1988, over 85 months ago. It is my opinion that as the old cycles complete and the new cycles start the soybean market, which is a product of the earth, will achieve high price levels in 1996 and 1997.

Figure 8-14



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Conclusion

As many of you who have read Volume 1 know, I am very proud of having discovered W.D. Gann's astrological secrets independently. There are many people who sell information and almost to a one they learned their material from someone else. W.D. Gann did not take his secrets to the grave. He concealed them all in his books and courses. I can say with confidence that W.D. Gann concealed every important trading secret he had in his writings. When we consider the entire body of original Gann material which is publicly available, I would estimate that Volume 1 and 2 contain approximately 40 to 50% of the astrological material which I have discovered. My only regret in writing this series is that it takes so long to develop the material into book format.

Resources

The price data used in this book was provided by two public and several private sources. The two public data vendors whose data was used to compile the charts in this book are listed below.

Commodity Systems, Inc. (CSI)
200 W. Palmetto Park Rd.
Boca Raton, FL 33432
phone: (800) 274-4727
phone: (407) 392-8663
fax: (407) 392-1379

TICK DATA INC. (TDI)
720 Kipling • Suite 115
Lakewood, Colorado 80215
phone: (800) 822-8425
phone: (303) 232-3701
Fax: (303) 232-0329

To my knowledge there is only one source which has copies of all the original Gann documents, except the egg horoscope, discussed in this book. This is Lambert-Gann Publishing, which also has copies of the hand written 1954 soybean letter. Most of the original Gann documents are included with the W.D. Gann Stock or Commodity Course and the W.D. Gann Technical Review.

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