

THE OFFICIAL MAGAZINE OF TECHNICAL ANALYSIS

# Tradersworld

LATE FALL 2005 / EARLY WINTER 2006 DISPLAY UNTIL MAR 31ST ISSUE #40 **com**

## Perfect Storm

**Boston Tea Party**

**Algorithm Trading**

**Trading Psychology**

**Trading is a Profession**

**Known Gann Techniques**

**How to Apply Pypoint**

**There's Time on Your Side**

**Thirty Six Day Winning Streak**

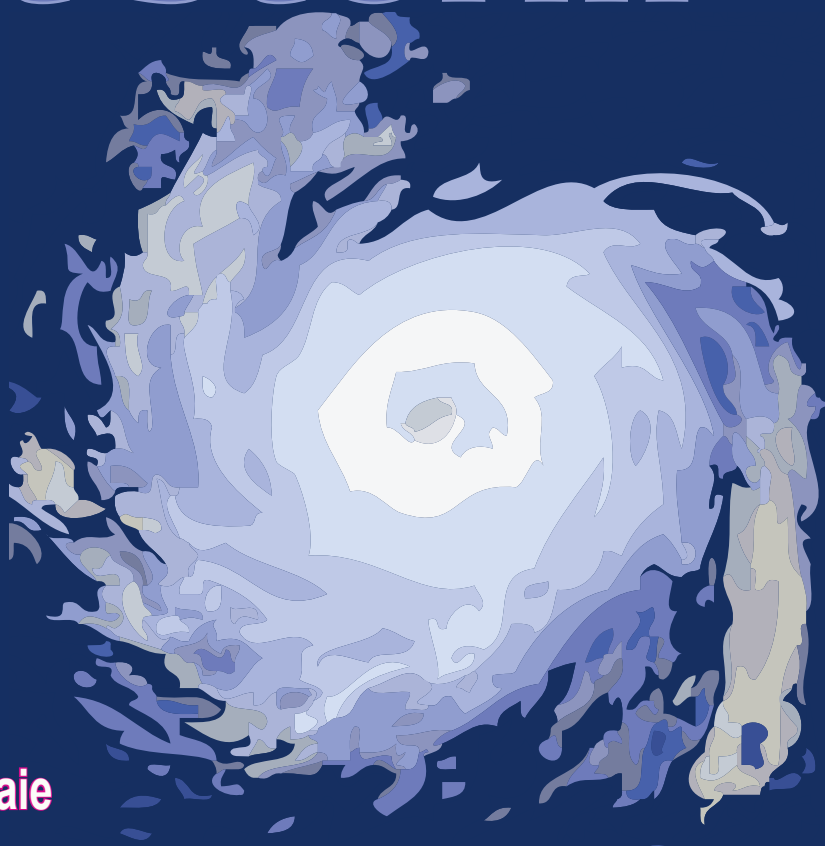
**Interview with Adrienne Toghraie**

**Dynamic Trading the Forex Markets**

**Multiple Time Frame Momentum Trading**

**Option Spreads: Pawn Tickets & Trojan Gold**

**The Squaring of Price Key to True Analysis**



\$4.95 U.S. \$6.95 Canada



Publication Mail Agreement #4090110  
Halliker's, Inc.  
2508 W. Grayrock St.  
Springfield, MO 65810

PRESORTED  
STANDARD  
U.S. POSTAGE  
PAID  
LIBERTY, MO  
PERMIT NO. 721

# Do you dream in Fibonacci circles?

To get a QCHARTS 30-DAY FREE TRIAL, go to [QCHARTS.COM/TOOLS](http://QCHARTS.COM/TOOLS) or call 866-TRADERS offer code: DUDIFC



We know trading is serious business, and successful traders think around the clock about how to position themselves. That's why QCharts offers a fully customizable workspace, to let you move seamlessly between an unlimited number of charts and tools. QCharts has advanced drawing tools and innovative studies, all integrated on your individual workspace.

Spend your nights dreaming about what QCharts can do for you.  
Analyze. Predict. Trade. Win QCharts.



**QCHARTS**  
by QUOTE.COM

30-day free trial begins after completing registration. If you're not satisfied, just call at any time during your trial period and we'll refund the entire \$95.00\* monthly service fee. Otherwise, to ensure uninterrupted service, your subscription will automatically renew at the monthly rate of only \$95.00\* per month. (Optional real-time exchange fees are additional and are not refundable.) This trial period money-back guarantee is available to new subscribers only and includes the standard QCharts™ service. Offer subject to change without notice. Not responsible for typographical errors. QCharts is provided subject to the Lycos Privacy Policy and Lycos Network Terms & Conditions. ©2004, Lycos, Inc. All rights reserved. Lycos® is a registered trademark of Carnegie Mellon University. QCharts™ is a trademark of Lycos, Inc. All other trademarks are the property of their respective owners. QCharts has not been endorsed by the individuals named in this advertisement. \*Real-time exchange fees additional.

# Fall Semester at World Cup University

**Enroll Now...** You have a **full scholarship** to attend WCU's ongoing trader education curriculum.

**IT'S ABSOLUTELY FREE!**

**Tap into the expertise of our staff of more than 30 prominent traders. Your enrollment includes access to:**

- **Free interactive webinars in the WCU classroom**
- **WCU's free electronic newsletter**
- **Free online trading courses**
- **The WCU Resource Center**

**3 convenient ways to enroll:**

**Phone us at 1-877-456-7111 or 1-773-714-8200**

**Email us at [enroll@worldcupadvisor.com](mailto:enroll@worldcupadvisor.com)**

**Visit [www.worldcupadvisor.com/enroll](http://www.worldcupadvisor.com/enroll)**

## World Cup University

WCU is a free service of [www.worldcupadvisor.com](http://www.worldcupadvisor.com)

Trading futures, forex and stocks involve substantial risk of loss and are not suitable for everyone.

# NEWPORT COAST CAPITAL

*An extraordinary investment community*



*with the highest expectations...*

Newport Coast Capital's M2 trading system is the next generation of superior system trading technology. Newport Coast Capital offers a Brokerage-Assisted Program, which uses Newport Coast Capital's intelligent applications, tools, and solutions for individual, professional, and institutional traders.

**INDUSTRY'S BEST** - Throughout the years, Newport Coast Capital systems have won numerous awards from the following distinguished sources:

- TradersWorld Magazine – Editor's Choice
- Futures Magazine – Superstar Trading Contest. The use of the Newport Coast Capital trading methods has been validated by the results achieved in the Futures Magazine/Auditrack, Inc. *real-time* trading contest with the performance record of 517% ROR annualized for trades entered in real-time on the S&P. The trading contest's final results were published in *Futures Magazine*, August 1999 issue page 71.
- Technology Investor Magazine – Editor's Choice

**M2 System Strategy** - The M2 System approach is to trade smaller individual positions and to diversify into multiple sectors like financials, energies, currencies, grains, indices, meats, metals, softs, etc. The M2 System selects trades from more than 30 instruments. The system has a multiple filtering processes and only selects the top 5-10% of what we consider the best signals on each instrument. The key to our success is our unique ability in selecting winning trades and creating a balanced portfolio with the proper sector diversification in order to manage risk.

## Brokerage-Assisted Program

The M2 System Can Be Traded By Authorized Licensed Brokers with a Letter of Direction

### M2 System Actual Trading Results Executed By Brokerage Firm # 1 November 1, 2003 to June 24, 2005

Inception Date: November 1, 2003  
Total Realized Profit (Per contract): \$147,408.86  
Percent Profitable and Even: 97.72%  
Total # of Realized Trades: 263  
Winning Trades: 254  
Losing Trades: 6  
Even Trade Trades: 3  
Average Profit per Trade / per Contract: \$560.49  
Largest Winning Trade: \$4,150.00  
Largest Losing Trade: \$300.00  
Trade Close to Trade Close Drawdown: \$300.00

### M2 System Actual Trading Results Executed By Brokerage Firm # 3 June 1, 2004 to June 24, 2005

Inception Date: June 1, 2004  
Total Realized Profit (Per contract): \$97,495.51  
Percent Profitable and Even: 100%  
Total # of Realized Trades: 140  
Winning Trades: 140  
Losing Trades: 0  
Even Trade Trades: 0  
Average Profit per Trade / per Contract: \$696.40  
Largest Winning Trade: \$8,250.00  
Largest Losing Trade: No losing trade  
Trade Close to Trade Close Drawdown: \$0.00

Detailed trade-by-trade results by each brokerage firm are published on the **Newport Coast Capital** website.

Website: [www.nccptl.com](http://www.nccptl.com)

Phone: [USA] 800.883.9621, [International] 949.612.6340

E-mail: [info@nccptl.com](mailto:info@nccptl.com)

**System Result and Risk Disclosures:** Risk disclosure and system result disclosure: The trading results posted are a record of all completed trades executed according to the M2 System by brokerage firms participating in the "Brokerage Assisted Program". The actual trading results do not include commission charges or open trades. No one client account has taken all trades as represented because the number of accounts participating in each trade will vary depending on individual account available balance, sector diversification and market liquidity. Day trading, stock trading and futures trading involve high risk and you can lose a substantial amount of money, past performance is not necessarily indicative of future results.



IF YOU ARE TRADING...  
**TRADE THE LARGEST,  
MOST LIQUID MARKET IN THE WORLD.**

Today's savvy traders are moving their capital to the fast-paced forex market.

Because of its sheer size (over \$1.9 trillion dollars traded per day), the forex market offers advantages over almost any market — from its massive liquidity and 24-hour access to its explosive nature and ability to profit in any market condition.

Given its high-risk, high-reward nature, the market is not for the faint of heart. If you think you have what it takes and would like the possibility of above market returns\*, **THIS is your market.**

Consider the forex market with GFT, a worldwide leader in online currency trading.



GFT

WWW.GFTFOREX.COM

GLOBAL FOREX TRADING  
Division of Global Futures & Forex, Ltd.

international 616.956.9273  
toll free 800.465.4373

NEW YORK CHICAGO TOKYO SYDNEY†  
WORLD HEADQUARTERS: ADA, MICH.

➤ GET A FREE 50K DEMO ACCOUNT  
BY GOING TO [WWW.GFTFOREX.COM](http://WWW.GFTFOREX.COM)

\* Trading currency or any other margined financial instrument is a highly risky form of investing. Given the possibility of losing your entire investment, speculation in the foreign currency market should only be conducted with funds you consider risk capital, which if lost, will not significantly affect your style of living or your financial well-being.

† Sydney office opening in 2005.

# Commodity Projections Systems

Presents: version 5.5

Totally New!  
Secrets Never Before  
Revealed Anywhere!

## ANGLE SYMMETRICS™

TRADING METHOD

BY JOE RONDINONE

### SQUARING OF PRICE AND TIME PRINCIPLE

SQUARING PRICES... CHARTING THREE (3) DIMENSIONS. DRAWING TRUE TRENDLINES

- Learn these 8 Symmetrics Trading Principles.
- Learn the principle that formulates true buy & sell signals.
- Learn to draw the true trendlines.
- Manual has 13 charts for your study, all markings and angles drawn with adjacent pages with full explanations of all the moves.
- You will receive my protractor with two new angles inscribed on it.
- The JAR Angles and the Time Angles. JAR Angles projects the highs,
- Time Angles shows the trend change coming.

#### New section:

Includes a 58 minute charts on Mini S&P. The correct lines, angles used marked buy and sell points. A chart of IBM stock making a large up and down move in two months. You will also receive my 38 rules I wrote in 1979. Rule 38 could make you rich.

#### Now available:

Personal 2-day seminars \$10,000 guaranteed that you will learn Symmetrics.

**Angle Symmetrics is a new and powerful approach to trading that produces valuable buy and sell signals.**

Order Today! Forget all the shortcuts, pipe dreams, hope I can make it stuff.

#### TESTIMONIALS

Dear Joe: Congratulations on your years of persistence experimenting and thanks for sharing it with the trade. If had developed it, no one but me would have ever known about it. Many Thanks.

R.A.B. DDS

Dear Joe: Just a note to let you know my new address, I still use your trading methods,.

D.S. Floor Trader

Dear Mr. Rondinoine: You deserve to be elevated to professor. You have devised a truly original workable method. I have just put everything else away.

Ian, England

Dear Joe: Your method is very straight forward and simple. The signals are completely objective and close stops can be utilized. Simply put, the method allows anyone with a good sense of discipline and money management to profitable trade the markets.

Fred R., NJ

#### Angle Symmetrics Agreement

Yes, I want to order Joe Rondinone's Angle Symmetrics Program.

I hereby agree not to disclose, copy, exchange for other courses or methods, sell or teach for free or fee the contents or principles of this Angle Symmetrics Trading Method to anyone. It is to be used for my personal use only.

VALID USER SIGNATURE REQUIRED

Joseph A. Rondione, President /Publisher  
204 Palmer Rd, Madison, AL 35758  
Phone 256-464-0833  
Email: symetric@bellsouth.net  
www.symetricinfo.net

Enclosed is my check for \$2750.00 plus S&H \$8.80 certified.  
Overseas add \$25.00

Name \_\_\_\_\_

Phone \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

# Go For The Gold!

And Trade With The "Applied Reality Trading<sup>®</sup>" System

PR-6006-07-05



## The ART<sup>®</sup> "Home-Study Course":

Includes 4-Week Course "Study Manual", "Workbook" And "Video Tape Series"; 96 Full-Color "ART" Charts"; "CD-ROM Tutorial"; CD-ROM "Demo Disk"; 3-Months "E-Mail Support"; And Private "ART" Orientation". PLUS: You Get The "Trade Size Calculator" Software And "Sunrise Trading Journal". Course Contents Are Subject To Change. Please Call For The Latest Course Contents. **NOTE:** ART<sup>®</sup> "Charting Software" Sold Separately.



ART<sup>®</sup> Software Works With eSignal Or TradeStation Data



"Sunrise Trading Journal"



96 Full-Color ART<sup>®</sup> Charts



**TradersCoach.com** <sup>®</sup>

Trade With The Pros!

CALL OR GO ON-LINE TO GET YOUR FREE  
ART<sup>®</sup> CHARTING SOFTWARE  
CD-ROM DEMO TODAY!

1 (800) 695-6188

[www.TradersCoach.com](http://www.TradersCoach.com)

# Announcing eSignal 7.9

# 7 Reasons to Try the New eSignal!

Find out why tens of thousands of active and professional traders currently rely on eSignal for all their trading needs.

eSignal provides you with advanced charting and analysis that allows you to quickly scan the U.S. market in real time to find just the best trading opportunities. Then, you can analyze those stocks in a free charting

application that includes a complete library of technical analysis. And, finally, trade from within your eSignal application with your choice of brokers.

eSignal's software is Free — you subscribe to just the market data you need with a monthly or annual subscription. Best of all, you can try it yourself for 30 days, risk-free!

**1**

**Best advanced charting available** — take advantage of simple or advanced analysis, as well as drawing tools, overlays, back testing and more

**4**

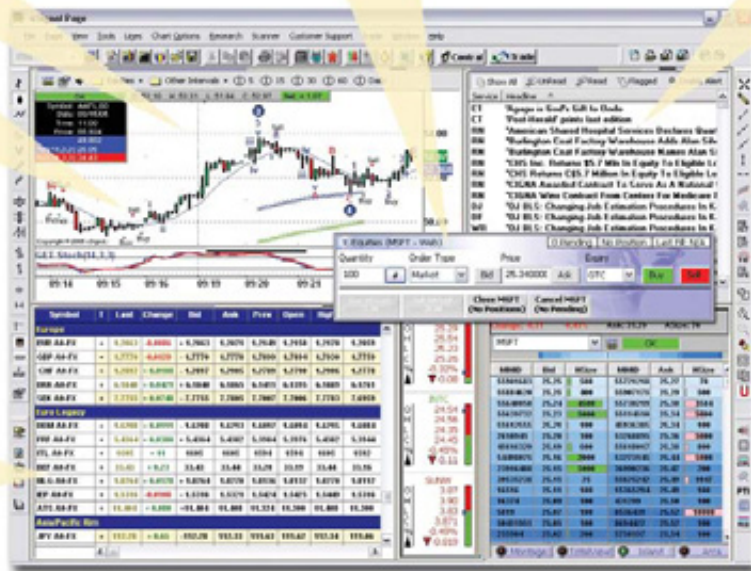
**Broker neutrality** — trade with your broker of choice; eSignal connects seamlessly to most of the top brokerages serving active traders

**5**

**Market-moving news** — receive just the news related to the markets or specifically to your portfolio. Get free alerts and the ability to perform advanced searches

**2**

**Buy/sell analysis** — use built-in indicators, write your own or add your favorite trading educator's indicators (e.g., Woodie's CCI indicator is a free download)



**6**

**Award-winning service** — find out for yourself why eSignal has consistently been voted the #1 choice for active traders year after year\*

**3**

**Worldwide, reliable market data** — access complete U.S. data, along with European and most other world markets, over a network with 99.999% uptime

**7**

**30-day trial\*** — start your 30-day trial today. There's no better time to try eSignal. Our courteous sales reps are standing by to answer your questions. Or, sign up online!

eSignal 7.9 offers a host of new features. Call or visit our website for more information.



Voted Best 13 Years in a Row!  
Stocks & Commodities  
Readers' Choice Awards  
Best Real-Time/Delayed Data  
1993 - 2005

eSignal

Start your 30-day trial today!\*

800.575.2596

www.esignal.com/offer/tw

eSignal is a division of Interactive Data Corporation (NYSE: IDC).

\*eSignal has been voted Best Real-Time and Delayed Data 13 years in a row in the *Technical Analysis of Stocks & Commodities* magazine's Readers' Choice Awards. Our 30-day, risk-free trial: Sign up for your first month, and, if at any time during the first 30 days, you are not completely satisfied, cancel your subscription and receive your money back, minus any real-time exchange fees (typically, \$3 for U.S. stock exchanges) and/or any requested add-on service fees. Europe: +44 (0)20 7825 8770 • Australia: 1800 089 275 • Asia: +61 2 9261 1513

x13271

	PG ADVERTISERS	WEB ADDRESS	PHONE NO.
	02 QCharts	www.quote.com	866-TRADERS
	03 World Cup University	www.worldcupadvisor.com	877-456-7111
	04 NewPort Coast Capital	www.www.nccptl.com	800-832-9621
	05 GFTForex.com	www.GFTForex.com	800-465-4373
	06 Angle Symmetrics	www.symetricinfo.net	256-464-0833
	07 Traders Coach	www.traderscoach.com	858-695-1985
	08 eSignal	www.eSignal.com/offer/tw	800-575-2596
	13 Magi Society	www.magiastrology.com	212-867-2905
	15 Sacred Science Institute	www.sacredscience.com	800-756-6141
	18 Murrey Math Trading	www.tradersworld.com	800-288-4266
	18 Special Stock Market Report	www.tradersworld.com	800-288-4266
	20 Scott Iverson	www.tradersworld.com/iverson	941-544-0685
	21 Traders World on CD	www.tradersworld.com	800-288-4266
	21 Stock Index Timer	www.cycle-wave.com	305-246-2361
	23 Dynamic Traders	www.DynamicTraders.com	520-797-3668
	25 Sonata Trading Computers	www.trading-computers.com	800-288-4266
	25 MayYouBeHappy.com	www.mayyoubehappy.com	
	26 Know Your Futures	www.tradersworld.com	800-288-4266
	29 Day Trading Course	www.daytradingcourse.com	770-382-9656
	29 TMitchell	www.tmitchell.com	800-664-3343
	30 MMA Cycles	www.mmacycles.com	800-MMA-3349
	30 SuperTiming	www.tradersworld.com	800-288-4266
	37 Trading On Target	www.TradingOnTarget.com	919-851-8288
	38 Trading On Target Course	www.www.tradersworld.com	800-288-4266
	39 Larry Pesavento	www.tradingtudor.com	800-716-0099
	43 Insiide Track	www.insiidetrack.com	630-637-0967
	45 The Donio Option Writings	www.tradersworld.com/ocl	
	48 Wheels in the Sky	www.groups.yahoo.com/group/wheelsinthesky	
	48 Commodity Calendar	www.commoditycalendar.com	
	49 BioElectric Shield	www.tradersworld.com	800-288-4266
	49 RS of Houston	www.RSofHouston.com	281-286-9736
	49 Trading Solutions	www.tradingsolutions.com	800-ND-IDEAS
	53 Mikula Forecasting Company	www.mikluaforecasting.com	
	53 Jack Winkelman Letters	www.livingcycles.com	800-288-4266
	55 Traders World Subscription	www.tradersworld.com	800-288-4266
	56 Traders World Books	www.tradersworld.com	800-288-4266
	60 Prognosis Software Inc.	www.prognosis.nl	31-15-2123543
	61 Wall Street Wlndow	www.wallstreetwindow.com	
	62 Wave56	www.wave59.com/tw	866-494-7613
	63 Stock Market Geometry	www.cycle-trader.com	
	64 Traders International	www.tradersinternational.com	800-670-0834
	<b>Traders World Magazine - Published by Halliker's Inc.</b>		
	Editor: Larry Jacobs - Winner of 2001 World Cup Championship of Stock Trading		
	Operations: Susan Pruettt and Demetra Larrick		
	2508 W. Grayrock Dr., Springfield, MO 65810		
10 <b>BOSTON TEA PARTY</b> <i>By T.H. Murrey</i>			
19 <b>HOW TO APPLY PYRAPOINT</b> <i>By Scott Iverson</i>			
21 <b>Trading Methodology</b> <i>By Larry Jacobs</i>			
22 <b>MULTIPLE TIME FRAME MOMENTUM TRADING</b> <i>By Robert Miner</i>			
24 <b>DYNAMIC TRADING THE FOREX MARKETS</b> <i>Jamie Johnson</i>			
25 <b>SAMSUNG 910MP</b> <i>By Larry Jacobs</i>			
26 <b>ALGORITHM TRADING?</b> <i>By Larry Jacobs</i>			
27 <b>TRADING IS A PROFESSION</b> <i>By Daniel Ferrera</i>			
31 <b>KNOWN GANN TECHNIQUES</b> <i>By Myles Wilson Walker</i>			
32 <b>TRADING PSYCHOLOGY</b> <i>By Bennett McDowell</i>			
34 <b>INTERVIEW WITH ADRIENNE TOGHRAIE</b> <i>By Larry Jacobs</i>			
39 <b>TRADING WITH A PLAN</b> <i>By Larry Pesavento</i>			
40 <b>PERFECT STORM</b> <i>By Eric S. Hadik</i>			
44 <b>OPTION SPREADS: PAWN TICKETS &amp; TROJAN GOLD</b> <i>By Greg Donio</i>			
46 <b>THE SQUARING OF PRICE KEY TO TRUE ANALYSIS</b> <i>By Joe Rondinone</i>			
48 <b>INTERVIEW WITH JAMES MOUND</b> <i>By Larry Jacobs</i>			
50 <b>THERE'S TIME...ON YOUR SIDE</b> <i>By Joel Rensink</i>			
54 <b>THIRTY SIX DAY WINNING STREAK</b> <i>By Larry Jacobs</i>			
56 <b>TRADING BOOKS</b>			

Copyright ©2005 Halliker's, Inc. All rights reserved. Information in this publication must not be reproduced in any form without written permission from the publisher. Traders World™ (ISSN 1045-7690) is published quarterly for \$19.95 per year by Halliker's, Inc., 2508 W. Grayrock St., Springfield, MO 65810. Presorted Standard Postage paid at Liberty, Missouri and at additional mailing offices. Postmaster: Send Form 3579 address changes to Traders World™, 2508 W. Grayrock St., Springfield, MO 65810 U.S.A. Printed in the U.S.A. is prepared from information believed to be reliable but not guaranteed us without further verification and does not purport to be complete. Futures and options trading are speculative and involves risk of loss. Opinions expressed are subject to revision without further notification. We are not offering to buy or sell securities or commodities discussed. Halliker's Inc., one or more of its officers, and/or authors may have a position in the securities or commodities discussed herein. Any article that shows hypothetical or stimulated performance results have certain inherent limitations, unlike an actual performance record, simulated results do not represent actual trading. Also, since the trades have not already been executed, the results may have under - or over compensated for the impact, if any, of certain market factors, such as lack of liquidity. Simulated trading programs in general are also subject to the fact that they are designated with the benefits of hindsight. No representation is being made that any account will or is likely to achieve profits or losses similar to those shown. The names of products and services presented in this magazine are used only in editorial fashion and to the benefit of the trademark owner with no intention of infringing on trademark rights. Products and services in the Traders World Catalog are subject to availability and prices are subject to change without notice.

# Boston Tea Party

By T.H. Murrey

**F**ibonacci Ratio “traders” predict reverses off: 38.2% - 61.8% of random extremes. Oxymoron: Make Exact Future Predictions off random chance extremes: highs and lows you are allowed to choose yourself, when you are not qualified, nor do you have the track record, that proves you know you are setting your life’s savings against the “pros” who, “laugh when you lose.”

Vegas would go broke in 13 weeks, if they offered you games of chance, set to the same rules, “traders” use to trade (invest).

Harrah’s and Steve Wynn would go broke into Chapter 11, in 128 gambling days, if they didn’t know, within 1/2 of one percent, their odds they would have their odds in the favor of the house.

WYNN and HET...Chart # 1.0a, 1.0b

Vegas will invite you to come to their city, house you, feed you, entertain you, and give you the exact odds, for every game, and you will (still) hear them “laugh when you lose.”

Howard Hughes, Elvis, The Mafia, The Mormon Church and Frank Sinatra and the Rat Pack, enjoyed the fruits of pleasure, of cash made from “laughing when you lose.”

Adults enjoy their mature (end) of their lives, giving back undeserved profits, by gambling at games of chance, with the worst odds over time. Which church gets yours?

Losing is a major part of life. “Losers” confirm they are what they do.

Maslow, Freud and Karen Horney surmised that Man was not (really) in his search for meaning, but was struggling to gather (gain) profits, in early life, so they could give them back, through games of chance, for the “guilt from ill gained profits.” Why do old people get dumber?

The SAT Test for high school seniors asks:

Which gambling method would produce the most profits, using the Buy and Hold Trading Strategy?

1) invest \$250.00 per week into a slot machine for \$1,000,000 pay off.

2) Invest \$ 250.00 per week into a 2 cent stock on the pink sheets?

Every, mature, retired adult will tell you, your odds are better in the slot machine, since they feed you free, plus all the alcohol you can drink, as long as you don’t fall off your seat: The American Dream.

Sir John Templeton, Billionaire used this method, after World War

ll and it worked.

He had a simple trading technique: buy low. He was willing to risk 2 cents per trade. He knew the exact bottom, so he didn’t care about the future highs: the skies the limit.

He bought 34 bankrupt stocks and only four failed. He made millions. He opened his Templeton Growth Fund in 1954.

Books have been written about John Templeton, from Tennessee. He bought worthless stocks worth 2,4414 cents.

Victor Johnson from Nashville bought a garbage dump, near the river, downtown, which turned into millions, by buying it 2 cents on the dollar. Every child in the US knows about Aladdin “lunch” boxes. Mr. Johnson made millions for 25 years. Murrey sat behind Mr. Johnson at V. University basketball games for 17 years. His son is the City’s District Attorney.

Murrey told Mr. Johnson about Murrey Math and the fact that all markets, reverse off one number. We used to walk at Radnor Lake early mornings, and talk about commodities: Natural Gas. Mr. Johnson’s father and other men brought Natural Gas to Nashville in 1949.

John Templeton was born in Winchester, Tennessee, in 1912.

He was a “thinker” risk taker “doer.”

Diana (Rose) Shore was born in Winchester, but moved to Nashville, to attend Hume Fogg High School with Murrey’s mother.

Tullahoma, Tennessee, is next to Winchester. The Old Stone Fort is located between the two cities, where it was protection back – 1875 years ago. It looks like Stonehenge in England, which was built 3,125 b.c. 1200 a.d. or 192 years ahead of Columbus, Cherokee Indian Chief Oconostata told John Sevier founder of Nashville, that his fathers passed down to him that Welch Prince Madoc, had come to the Stonehenge (blue stone copy) at Tullahoma.

John Templeton went to Wall Street from Nashville in 1937. Vanderbilt’s Dr. Kirkland (Hall) died in 1937. Ethelbert Murrey dies in 1937.

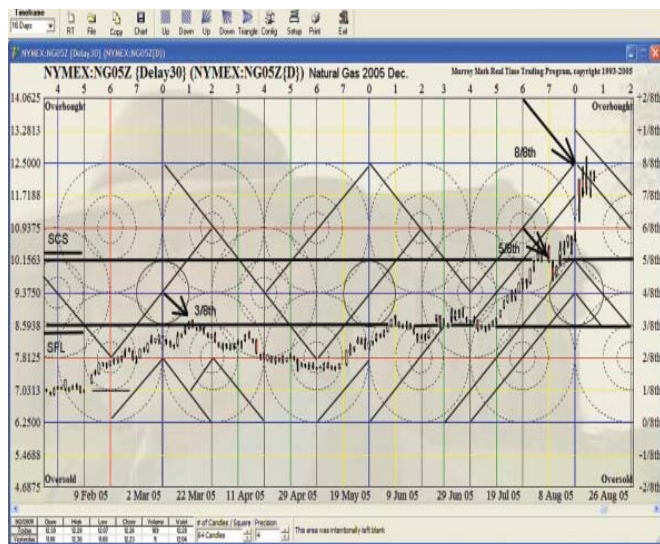
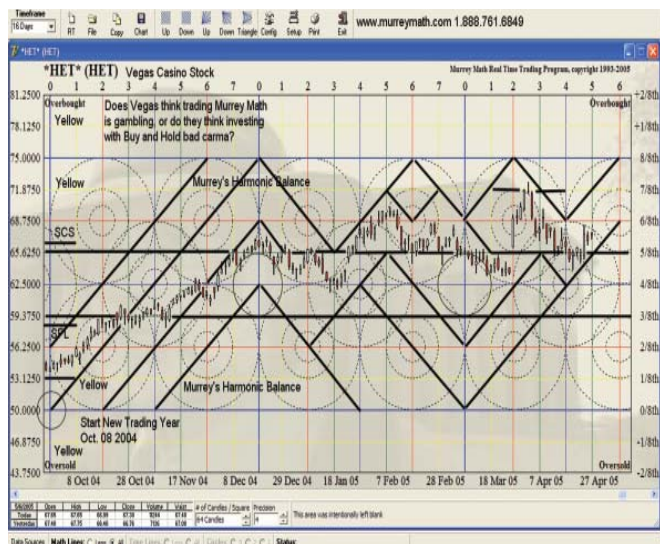
Betty Page, Miss Universe Pin Up, 1954 with Play Boy Magazine went to Hume Fogg High School and Peabody College.

Murrey saw her picture in Playboy in 1955 at Bradshaw Drug Store: go figure.

Minnie Pearl went to Peabody College.

Murrey has played tennis with her.

Every technical trading system, financial newsletter, teaching “guru,” knows to take any extreme high or low, and make extensions out (forward) from extreme lows and add 1.125%, x 8, then calculates



+ 38.2% and 61.8% of this potential higher range.

112.50 different trading systems are for sale, to traders, doing the same thing. What do they offer new: Nothing? What is new?

They brag that they have more Indicators, which are always late, that will signal a market reversal.

If you already know, the "potential" up targets, why depend on a "late" Indicator to tell you the results (late)?

The top 25 universities, in the US, don't offer any "technical analysis," training, since they don't teach young, high IQ students to trade. It would be easier to find a university teaching gambling odds or basket weaving.

They present investing, as a one way street, (Buy and Hold) as the only way to financial riches.

They have been taught by their higher "authority" that all things are random and chaotic. Are you qualified, to go against your higher authorities' theorms?

Everything is "anything" you believe.

If you are taught, all markets are random, all markets are random.

Ask 10,000 University professors, if all markets are random. They will agree.

Ask them to look at the Dow 30 Index and try and find the largest numbers this index reverses off. What will they see?

Ask them to use a Creagh Computer and run a Fourier Wave Transform Pattern Recognition Duplicator, and they will want to receive a federal grant of \$100,000, but they will not be able to publish their results.

Fourier Wave Transform Pattern: 24 hours each day, receives sound waves, from outer space, trying to find higher forms of "gamblers" about after life.

History Repeats Itself 100%

Feb. 17 2004... 32 Day Trading Frame  
MM 0/8th 10,000 to MM 8/8th 10,625.00

Feb. 17 2005.... 32 Day Trading Frame  
MM 0/8th 10,000 to MM 8/8th 10,625.00

Dow 30 Index 2004 - 2005 Chart... # 2.0

Both Charts (2004 - 2005) show you this market reversed almost every time 18.75 months later, off the same (10) MM Trading Lines. Who preaches markets are random? Can you convert? Can you "see" Truth?

We had two strong sell offs, down minus 546.875 points, in only seven trading days 18.75 months apart. It's easy, fun and profitable

just trading the MM #.

Murrey published these (13) numbers on these two charts, back in 1993, so you wouldn't have to "random guess trade."

There are no random markets: 1993 Murrey said, but no one listened.

Every stock broker, financial planner, or mutual fund adviser, who has been in the business, the past 18.75 months, remembers these two charts. These experts were looking at the same numbers Murrey was (is) every hour, everyday, every month, every year.

Why do they choose, to refuse, to see the obvious? Your higher authority controls you. Prove you can convert: leave them.

Are you Street Smart or Book Smart?

Book Smart asks for the federal funds.

Street Smart follows the money.

The average top 25 US University, charges \$43,750 per year, to teach high IQ students to invest with Buy and Hold Trading Strategy. It is simpler to not guess when.

UT graduates MBA professionals, who follow BRK.A (stock) held by Warren and Jimmy Buffet, who watched the Nasdaq Index move up from 2,500 in 1998 to 5,156.25 in 2000, but BRK. A stock, went down in July 17 1998, from \$84,375 to \$40,625, which is a loss of \$43,750 in 18.75 months.

UT Board of Director Mr. Jim Clayton, # 23 most powerful businessman in Tennessee (2000 Class), sold his corporation, Clayton Homes, which builds mobile homes, to Warren Buffet, since he read the book published in 1954, by John Searle, from England, predicting high winds from Africa, going through the southern US, in 2004, 2005 and 2006.

Warren Buffet gave certain UT MBA Graduates shares of BRK. B.

Are these UT MBA Graduates aware of the fall of BRK.A of - \$43,750, when the US made its fastest move up in the history of this country, since 1773?

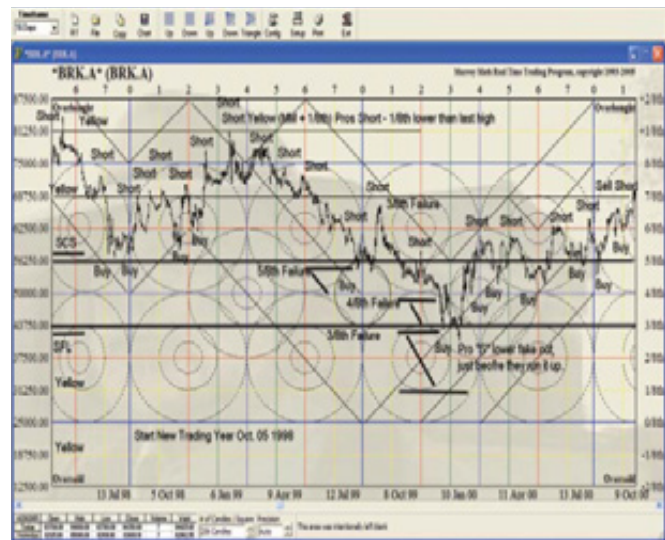
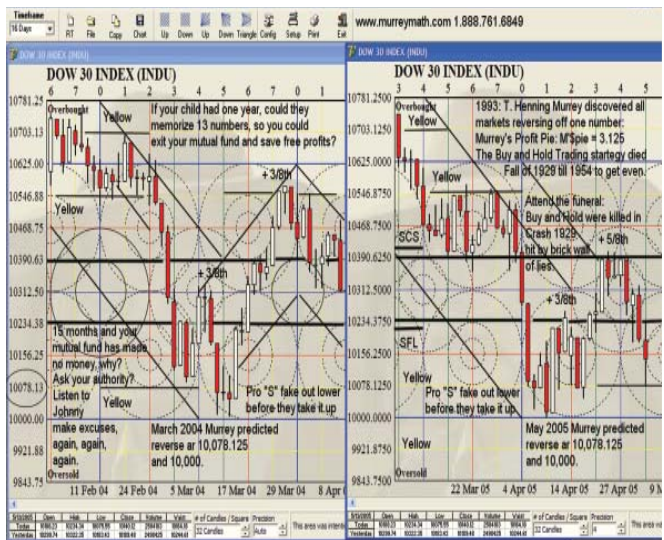
Who cares if you learn Buy and Hold?

BRK.A.... Chart # 3.0

If you convert from "random guess trade for success," you will admit, then trade, and teach others, that all markets are reversing off musical tones, set to the Harmonic Pitch of Mother Earth: 43.75 hertz cycles per second. Ask your dog.

The Sacred Flute, of the American Indian, from East Tennessee, is set to 437.50 cycles per second.

The American Indians are descendents from Atlantis. Socrates



mentioned it.

43.75 divided by Murrey's Square Root:  $.625 = 70$ . This number equals Truth.

What family genealogy, traced itself back from its beginning in  $5 \times 14 = 70$  groups? Who cares?

The average wage - earner, is saving money for retirement, thinking or accepting, the daily mantra: Buy and Hold Trading is actually investing: Sorry Charlie.

The public is "too busy" or too afraid, to "see things" from the base view: math.

The word math, math formulas, equations, percentages, square roots, will make the skin crawl and flash back to losses, or high school embarrassment, of being called on, to give an answer in class.

How can you expect to be "coached" to trade, when your mind goes back, to a failure, of past experiences, just as you enter a potential winning trade?

78.125% of all US public school students fear or hate math.

Socrates said in The New Republic: "mathematics was an absolute must in the education of all state leaders and philosophers."

Thoos of Smyrna (Tennessee) 2nd a.d. wrote in his book Mathematics Useful for Understanding Plato quotes Plato saying, "You amuse me, you who seem worried that I prove impractical studies upon you.

It does not (only) reside with mediocre minds, but all men, have difficulty, in persuading themselves, that is through these studies, as if with instruments, that one purifies the eye of the Soul, and that one causes a new fire to burn in this organ, which was obscured, and as though extinguished, by the shadows of the other sciences, an organ whose conservation is more important, than ten thousand eyes, since it is by it (math) alone, that we contemplate the truth."

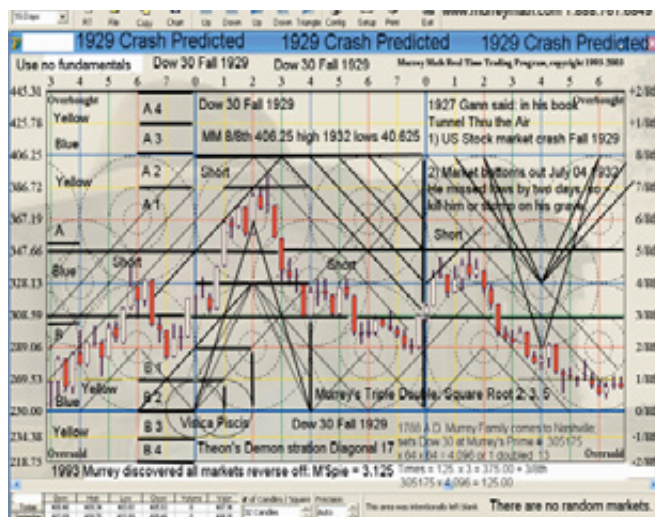
#### Eye Sight

Every "trader" making trading strategies on any market, is looking at the same numbers, but they don't see the same "strategy" as Murrey Math students, since "normal" humans have:

1) Bistable Illusions: translation: any two people see the same thing differently, plus, men and women see the same thing differently (emotionally),

2) Binocular Rivalry: translation: one eye "sees" conflicting realities, plus, you see from how you were "treated" the last trade, not this one,

3) Protective Veil: can't change or "convert" your habit, from emotion of how much you win or lose, not to: you are correct or know why you lost (again).



Has anything changed today?

MBA graduates learn a tragic lesson, as an adult, when they go from their MBA training, out into the "real" world of finance: you have to convert from "fundamentals," to math percentages, if you are able to survive against the other technical traders?

The Law of Contradiction: "If all people think, believe, teach, preach, all markets are random, then no market is random: 1993 Murrey said.

1993: Murrey used the Scientific Method: 125,000 MBA Experts per day, in the US are publishing, on the Internet, and through 100 different brokerage houses, on the same stocks (markets), so the fundamentals are built into the price every 24 hours. Don't waste your time studying fundamentals.

Who knows Fibonacci Ratio?

1) Hedge Fund Managers, who trade billions of dollars, daily, for the rich and famous, expect market reverses off the Fibonacci Ratio, from the last high or the last low. Ask them why?

2) Mothers, since The Great Flood, noticed their daughter's navel would shift, from birth, at 50% of their body, to the Fibonacci Ratio: 38.2% from the navel to the top of their head, at seventeen (17). What mother doesn't?

3) Tennessee Tobacco and cocaine brokers see the leaves branch out against the Fibonacci Ratio: 38.2% and 61.8%.

4) Nashville Doctors found that disease spreads: 1, 2, 3, 5, 8, 13, 21, 55, 89, 144 or the Fibonacci Ratio: 38.2% and 61.8%.

5) Rabbits procreate set to the Fibonacci Ratio: 38.2% and 61.8%.

6) (M51) Galaxy 3.125 Billion years ago: spun at 38.2% and 61.8% rotation out from its center core counter clockwise. Every Shepard knows it.

7) Modern - day football fans looks at Phil Fulmer's UT football team's 312.50 marching band members, perform at half time on 38.2% and 61.8% rotations.

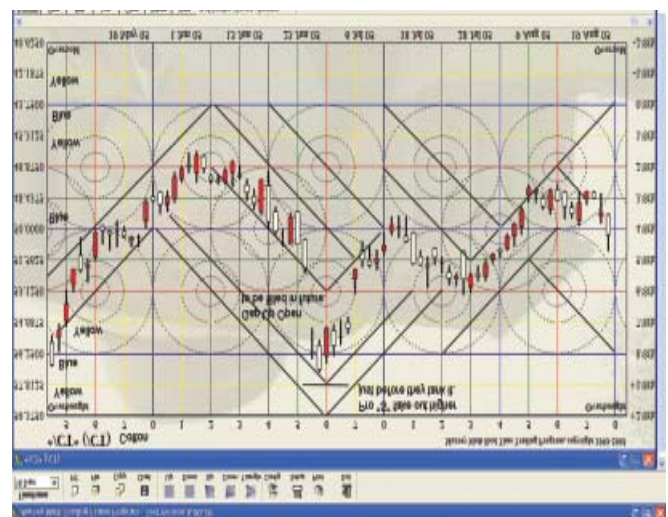
8) Pythagoras said: 552 b.c. "Look at a baby, then look at a woman at 12.50, the look at one at 17, then 30 years, what do you see changing?"

9) Socrates said: 400 b.c. "you ain't got it right, if you look at the stars, and you can't see the light." This could be in a song.

10) Math was formulated against star, moon, planet calculations, then it shifted to the hording of Gold, Silver and Copper, then it was discovered how to "weight load" gold coins with lead, to cheat the "poor."

Lux means light. Did you read "Lux?"

Do you look directly into the Sun, or do you know where moon-



light comes from?

11) Marcus Vitruvius Pollio, Roman architect, 70 b.c. architect counted the (64) different sets body-bone ratios set at 38.2% and 61.8% after 17 years of age.

12) Leonardo de Vinci 1524 with help from Luca Pacioli, presented The Divine Proportion and the world famous drawing "The Vitruvian Man."

13) Golgotha grave digger looked at the three crosses and proclaimed: "Philio Taxis: are they to be paid to Caesar for the three burials?"

14) The scribes and Pharosos ran to the Book of Numbers to research this family.

They wanted to know, his (lineage) connection, with the three men on the crosses. Who cares today?

15) A poor grape vine pruner said, "the three square roots (2, 3, 5) Pentagons with five pedals figure your taxis"

16) Female (5) mathematicians from Nazar, listened, which was 3.125 miles from where "who" was raised.

The scribes couldn't find a family in the Middle East: "Philio Taxis."

Could the future of man's math destiny, be fulfilled, if this numerology was still "hidden?" What cross do you bear?

What do you think the common man was thinking, as he watched the purple vinegar rag offered to the thirsty Nazar?

17) The navel of the "vitruvian man" (female) was 38.2% of his body at 17 years old forming a Pentagon (five points).

18) Wine and tea are from the same leaf and chemical compound, but the three men on the cross, were from three different trees:

- 1) Yew,
- 2) Dogwood,
- 3) Cedar.

The boats in Boston Harbor were of these (same) woods loaded with Enneagrams and Egyptian cotton.

100% Historical Truth:

US Boston Tea Party - December 17 1773

US (Born out of high taxes)

100% Historical Truth:

History repeats itself

17th Day of Nison: Exodus from Egypt

(Apocalypse 17th day of month): true?

100% Historical Truth:

History repeats itself

Noah's Arc came to rest on the mountain after 3 days on the 17th Day of Nison

100% Historical Truth:

History repeats itself

Vernal Equinox (day 17) 3rd day arose

Taxes paid to support your King's habits,

# HELIOCENTRIC Astrology Really Works!

The planets give us signs of what is most likely to happen. During the CRASH OF 1987, the planets gave us a very obvious sign that a financial disaster could hit the world. But you would have missed this sign unless you were looking at the planets in HELIOCENTRIC ALIGNMENT, and unless you included CHIRON and the LATITUDES. Below is a Heliocentric Chart cast for the precise moment the US stock market reached its worst level during the 1987 crash. There was a Double Grand Cross and a Nuclear Clash during the Crash. Come to our website at

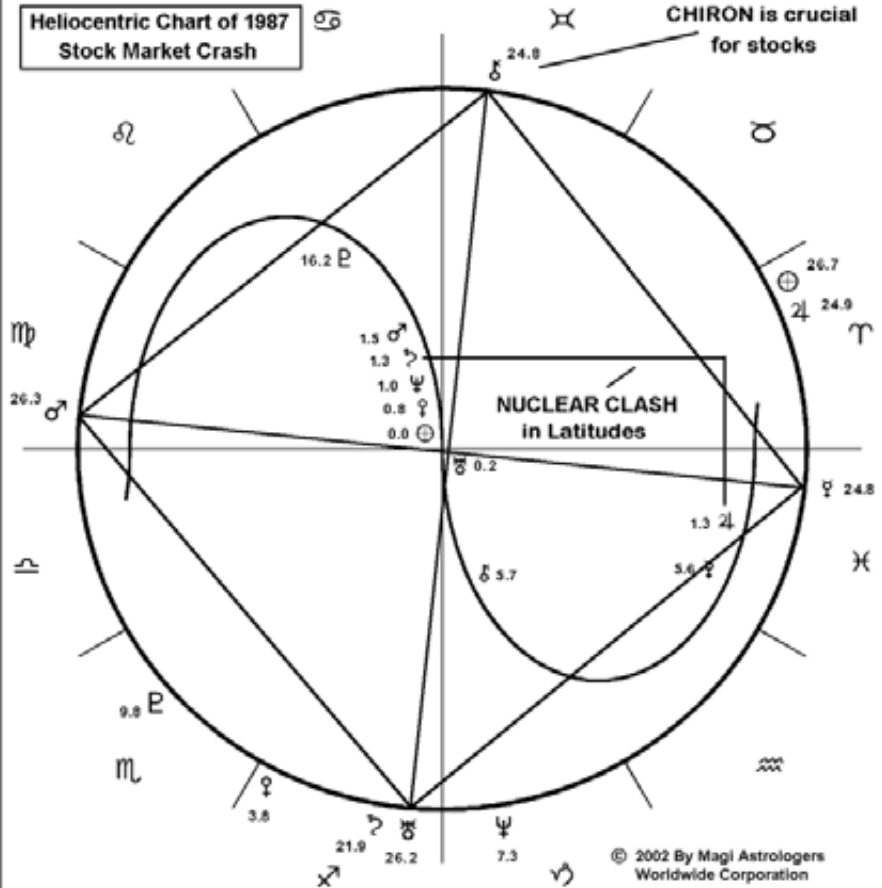
**magiastronomy.com**

and learn about recent ground breaking discoveries in the

## ASTROLOGY OF STOCKS AND MONEY:

- What caused the dot.com boom and bust?
  - Why do stocks go up or down?
  - How to pick the best stocks!

Heliocentric Chart of 1987  
Stock Market Crash



MAGI SOCIETY®

Astrology of MONEY

(212) 867-2905

magiastronomy.com

for "pleasure" at your expense: enjoy. What choice do you have?

100% Historical Truth:

Fall Season- October 1929 the Dow 30 Index was 381 on MM 7/8th (Yellow) 386.72 fast reverse down MM Trading Line, so it fell lower.

100% Historical Truth:

The Dow 30 Index closed at (381), 4.8828 points below MM 7/8th 386.72 MM 7/8th.

In 1929, the Dow 30 Index was trading between MM 0/8th 250.00 and MM 8/8th 406.25: range 156.25 points. Each MM 1/8th = 19.53125 points.

Dow 30 Index 1929...Chart # 4.0

100% Historical Truth:

The all time high (381), from 1784 lows in Philadelphia, Pa, when it started at Murrey's Prime # .00305175.

100% Historical Truth:

The Robert Morris Family, from Philadelphia, Pa 1784 started trading for small profits, per trade, with China, when he took the ship The Empress of China, into Chinese ports full of US goods.

He had financed the war against England, by trading, not using Buy and Hold Trading Strategy.

The US stock market started trading and counting money in Philadelphia.

100% Historical Truth:

It moved to New York City, where they had to erect a Wall Street, to keep the liars, (CEO's) away from honest people, walking along Wall Street Wharf: Pier 30, on the south side of Manhattan.

1784 Cotton Production

Introduced to the Southern states

78.125 years later 1861 production stopped for War production.

Murrey's g.g.grandfather, Ethelbert Murrey born 1861 - died in Nashville 1937.

100% Historical Truth:

1864 Cotton Production

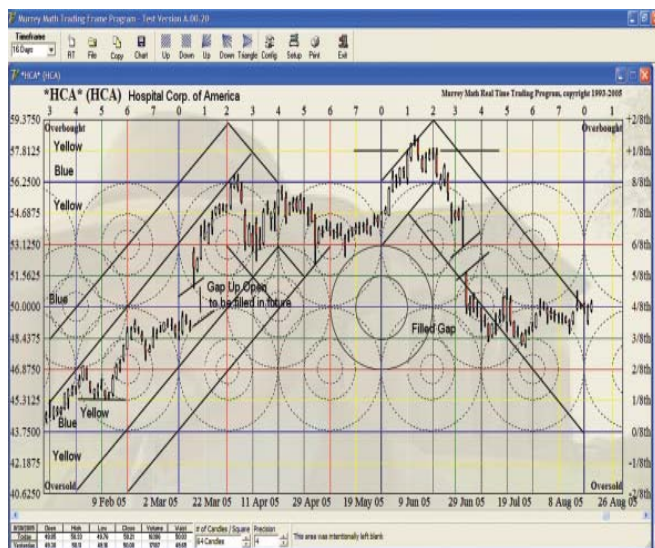
300,000 bales

Music City Money Maker: Murrey Math

Nashville, Tennessee

World's # 1 Cotton Trader Adelicia Acklen, since Cotton started trading.

She had three husbands, and ten children, and a 37,500 square foot home, on Music Row, across the street from Murrey's family's home, from 1936 to 1956, traded hundreds of thousands of bales



of Cotton and was paid \$ 765.625 in Gold gross profit, by the Roth Child Family in Paris, France and bought a home in Monte Carlo, when homes were worth \$12,500 on the ocean.

Adelicia Acklen knew Murrey's g.g.g.grandfather Thomas Porter Murrey, who was a rookie preacher in Nashville, during the Civil War.

She paid Northern Armies and Southern Armies to get Cotton out of New Orleans ports. You can bribe both sides (easier).

She had 75,000 acres of land in Mississippi and Tennessee. She had 750 slaves, until 1865.

1866 Cotton Production

Cotton... Chart # 5.0

Resumed and prices went up a Murrey Math Triple Double, plus an inverse 1/2, 1/4, 1/8th growth. It got up to 1.89 that year.

Murrey's Triple Double: Perfect Fractal

Start: 2.4414 Base minimum up move

1st Double: 4.8828 - 4.8828 cents

2nd Double: 9.765625

3rd Double: 19.53125

Start Base: 19.53125

1st Double: 39.0625

2nd double: 78.125

3rd Double: 1.5625

Inverse 1/2: 19.53125 = 1.7578125

Inverse 1/4: = 1.7578125 + 9.765625 = 1.85546875

Inverse 1/8th 1.85546875 + .048828 = 1.90429675.

The actual high was 1.89.

Result: Murrey's Mental Formula: set Muisic (progressive - Regression) called for highs to be 1.90429675 and it closed up at 1.89, which Murrey's high IQ was off by .01429675 of one cent: almost the square Root of (2). How do you "see" this?

1894 Cotton Production

9,901,000 bales

Price 05 cents (actually 4.8828 cents) Murrey Math Lines

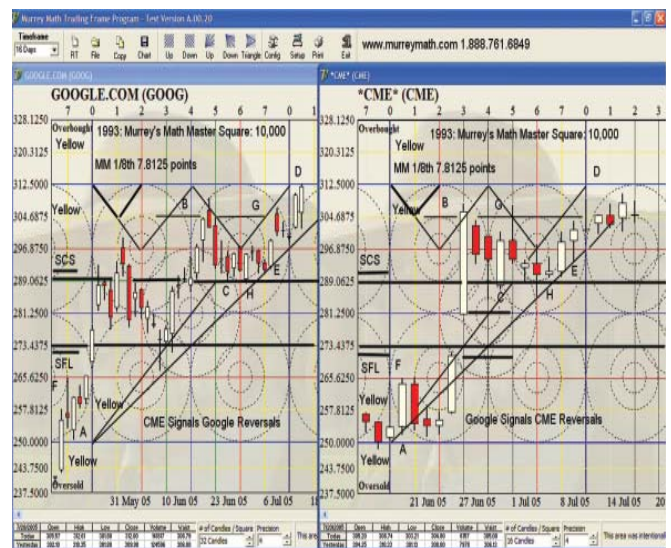
The Cotton Gin created by Eli Lily Corp

Southerners started saying, about cotton, "I wouldn't give you two cents for it."

Murrey's Prime # .00305175 x 2 x2 x 2 = .024414 cents for MM 1/8th.

100% Historical Truth:

The Romans never printed one sentence, about the man, who arose from the dead, until 43.75 a.d.



He preached 3.125 years and was on trial 90 days.

100% Historical Truth:

312.5 a.d. Jesus appeared to Constantine at the Battle of Milvian, and he won the battle and converted to Christianity.

100% Historical Truth:

380 a.d. Theodosius was crowned head of Roman Empire and went to kill 7,000 Nazar Christians at Thessalonica. The Church started 380 a.d.

100% Historical Truth:

64 a.d.

Roman Caesar Nero fiddled while Rome burned.

100% Historical Truth:

He had to appease the crowds, so he tried to kill all Nazar Christians.

100% Historical Truth:

Fibonacci Ratio: 38.2% and 61.8%

Roman Catholic Church started 380 a.d..

Fibonacci Ratio: 38.2% and 61.8%

Use with:

- 1) Planets, Sun, Moons in outer space,
- 2) Disease, or procreation,
- 3) Plant or mineral rotation.

Murrey's Perfect Fractal: .625 -.375

(Trade on Base ten)

Atlantis used 625 Units as Fractal Ratio

Gold..... Chart # 1.0d

Gold ran up + 625 points in one year.

It was trading inside Murrey's master Square: 1,000. It ran up from 250 to 875, which was up + 625 points.

Crude Oil..... Chart # 1.0e

Murrey's Square Root:  $1.25 \times 1.25 = 1.5625$  predicts future reverses of bonds and crude oil or Interest Rates.

Crude Oil is trading inside Murrey's master Square: 100. Its last lows were 14.06 (+1.5625) above 12.50, so 62.50 added to 14.06, should top out at 76.5625 or 78.125.

New Orleans Levies broke on 17th Street.

The water leaked into city, which is situated minus 17 feet below sea level.

Use with: stocks,

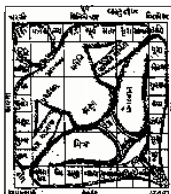
- 1) Bonds, Interest Rates, Gold, Silver,
- 2) Commodities or currencies,
- 3) Futures contracts or Options.

Romans promoted letters – math, so the illiterate traders (stayed) dumb. MMMV

100% Historical Truth:

Al-Gorisma: Arab (Moslem) 1250 a.d. genius math teacher, brought zero (0) from India and incorporated negative balances for Buy and Hold traders, who would leave wet camel dung in the belly of large ships, just to watch them catch fire, if they touched some damp water, on them, if it continued to

## - SACRED SCIENCE INSTITUTE -



### THE EARLIEST FINANCIAL ASTROLOGY MANUSCRIPTS

W. D. Gann, Fred White, Sepharial, Prof. Weston 1902-1930 .

A unique & unknown set of onion-skin manuscripts on financial astrology written in 1902, 1917 and 1929, the most advanced and important documents on astro-finance that we have ever seen. Subjects Include: Planetary Days & Hours, Elevations, Transits, Directions, The Parallel Aspect, Right Ascension, Nodes of the Moon & Planets, The Integration of Geocentric and Heliocentric Astrology in the Markets, Forecasting Markets with Examples from Wheat & Sugar, Indicators, Significators, The Radix, Transition Pints, Market Trends & The New Moon, The Volume Rule. Includes Membership In Research Salon. CAT#505 Hardcover 250p. \$999.999

### Dan Ferrera's Brand New Trading Manual & Online Trading Forum! THE KEYS TO SUCCESSFUL SPECULATION

This course presents the first complete trading manual which will clearly teach anyone to successfully trade in any market, stocks, futures, or options, in any time frame, from day trading to long term trading, beginning with very limited capital, and is totally application orientated, specifically outlining a clear trading strategy incorporating all necessary principles of money management, charting, risk management, swing trading, signal generation, the use of options and much more. This new course should teach anyone, even a beginner to trade successfully!  
INCLUDES MEMBERSHIP IN THE NEW FERRERA KEYS TRADING SALON!

### NEW RAREST GANN READING LIST BOOKS

Marc Mellen

#### How To Play The Races & Win

Henry Casper - Pax Tecum

#### Peace & Relaxation Through Technique & Truth

- #476 Raphael's Pythoness Of The East.
- #477 Fred White, A Guide To Astrology (Version 1).
- #480 Fred White, The Adept: Journal of Astrology.
- #486 Paul Council, Your Stars And Destiny.
- #481 W. T. Foster, Sun Spots And Weather.
- #482 Gregorius. The Master Key Of Destiny.
- #483 Richard Lynch, The Path To Wisdom.

### Stock Market Prediction: The Historical & Future Siderograph Charts & Software. Donald Bradley.

1948/2004. 57p. Text, 100p. Charts. The Planetary Barometer & How To Use It. Hardcover. Includes 100 Years of Siderograph Charts (1950-2050) & CD ROM with Siderograph Generating Software to create the Siderograph charts for any year. CAT#471 \$195.00  
W.D. Gann's Mass Pressure Forecasting Charts. By Daniel T. Ferrera. 60p. Dan's new book decodes Gann's cryptic Mass Pressure Charts, & shows how to use them as a Forecasting Tool. Hardcover & CD w/ Mass Pressure Software. CAT#472 \$150.00

— PLEASE SEE OUR WEBSITE OR CONTACT US BY EMAIL FOR DETAILS ON THESE BOOKS —

WWW.SACREDSOURCE.COM EMAIL: INSTITUTE@SACREDSOURCE.COM (800) 756-6141

stay closed too long, in hot weather.

He set the Base Ten, to trading goods, out of Spain. Traders (1st) converted to Base Ten.

The Church defiled the zero, as work of the devil, since the illiterate could count to one million, in 3.125 seconds, against 3.125 minutes using Roman Numerals.

100% Historical Truth:

Al-Goisma with his Base Ten Math and Martin Luther with his Guttenberg Printing Press, copied from Venice, brought illiterate man toward education and started the revolution against ignorance and poverty.

The Saudi Royal Family mourned Prince Fahd's death recently. King Abdullah bin Abdel Aziz was passed the throne August 1st. Nashville has strong economic ties with the city of Riyadh, Saudi Arabia.

HCA and Joe M. Rodgers Co. from Nashville, Tennessee built the Royal Hospital in Riyadh 18.75 years ago. Murrey met Tommie Frist, # 14 most powerful businessman (class 2005) when HCA was (only) two double wide trailers (Clayton Homes) and three men and two women employees. Murrey knew Joe M. Rodgers years before he was appointed Ambassador to France as Ben Franklin and Thomas Jefferson.

HCA.... Chart # 6.0

The US converted from the English pence – pound money system, to the Spanish Base Ten brought over to the West Indies in 1492: thanks Columbus.

Our US stock market moved up slowly, as boating corporations, and insurance companies were formed, to bond boats, coming back and forth across the oceans, against weather, pirates and acts of nature. Man has conquered Nature.

100% Historical Truth:

America funded by Roth Child Family through Queen Isabella from Spain, in 1492, to send ships to the Americas for plunder: sugar, gold, silver, rum, tobacco, and illegal drugs.

100% Historical Truth:

George Washington's brother traded with the Islands for all of the above.

Bill Clinton's brother traded them too.

100% Historical Truth:

The Dow 30 Index:

It went up, from its (zero) Murrey's (.305175) start, into Murrey's Master Square 100, then exceeded 250.00 and started trading in Murrey's Master Square 1,000.

In 1993 Murrey proved that all markets reverse off trading speed, from 1.5625 points or 12.50 points per MM Trading Octave, when the price is below 250.

Then, after it closes above 250, it moves up into the MM Master Square 1,000.

In 1993 Murrey proved that markets can (know ahead of time and price), when to speed up in price from 1.5625 and 12.50 in Murrey's Master Square 100, to 15.625 or 125 points, into Murrey's Master Square 1,000, or 19.53125 points or 156.25 points inside Murrey's Master Square 10,000.

Google and CME charts for math confirmation of MM Price Momentum Shift, out of one MM Master Square, into the next adjacent (one).

Google and CME...Chart # 7.0

These two markets were reversing off two sets of MM Trading Lines:

- 1) below 250,
- 2) and reversing off different MM Trading Lines above 250.

Prices below 250 these two (different) markets were trading at 1.5625 points or 12.50 points speed, then, as soon as it closed above 250, the price knew to speed up to 15.625 or 125 of 1,000.

You will see that both markets were reversing off the same MM Trading Lines and the same MM Momentum Lines and the same MM Speed Lines.

Ask your broker why two different markets reverse off all the same lines, with no regard to either corporation's value?

Ask them how they can speed or down just because it went up or down in price? Who has ever seen this (before)?

1927 October Fall - Winter Season: 125 geniuses from NYC went to Florida to spend the winter in the warm climate.

1927 W.D. Gann published his book, Tunnel Thru the Air, where he predicted The Fall of 1929 Crash, in the US stock market.

He measured it (the crash) as being 1500 years, of sin, to be completed, after the Romans killed so many Nazor Christians, up to the fifth Century.

In 1927, in NYC, a private group of geniuses, aligned with J.P. Morgan had amassed over \$22,000,000,000 in the Pujo Committee, to trade assets, which went down the "tubs" along with a man from Tennessee, who amassed over \$600,000,000 that "tanked" in 1929.

The Book of Thomas talked about the 1500 years, to pay, for man defiling its simple rules, issued earlier: it was over in 1929, finally.

In 1929 everyone was talking about "stocks" going up forever.

They (already) knew the market was up + 350 points or + 35%, and near 38.2% (38.2) or Fibonacci 38.2% inside Murrey's Master Square 1,000, but they wouldn't listen to W.D. Gann or Evangeline Adams, who predicted the exact day and high reversal of the US



stock market. But no one listened.

Gann, in 1927, predicted the exact low to be after the President talked on July 04, 1932. He missed by three days.

Everyone was stock trading "dead" by July 04 1932. "Why bother, it's still going lower." It took 3.125 years to "kill" The Buy and Hold Trading Strategy.

The young, rich trust fund "kid, who moved to the South" noticed: the "uneducated," the "poor" and envious, were drawn to finding out the "secret" to how these (125) men became so rich so fast, when everyone else was working 60 hours a week, for one dollar a day. They enjoyed the Florida sun at The Breakers in Dade County.

The rich parked their yachts alongside one another, in south Florida and partied like 1899: end of last Depression.

One young man, from a NYC "Trust Fund" Family, who had come south in 1878, in The Reconstruction, after The Civil War, to get into the cheap land and labor, had always humored, that most people will believe anything told them by the "rich."

He went from boat to boat and took a survey:

- 1) What makes you the most money?
- 2) What costs the least overhead?
- 3) What is the simplest "lie" the common man will believe?

The top 125 Trust Fund Families said that the common people believe in:

- 1) long term investing,
- 2) hard day's work,
- 3) and a short retirement and a fast happy death; children repeat it.

The rich kid formulated The Buy and Hold Trading Strategy, since the stock market was up almost + 300% since 1784.

The rich were getting ready to "short" all large stocks, since they enjoy buying anything at 50% off or lower.

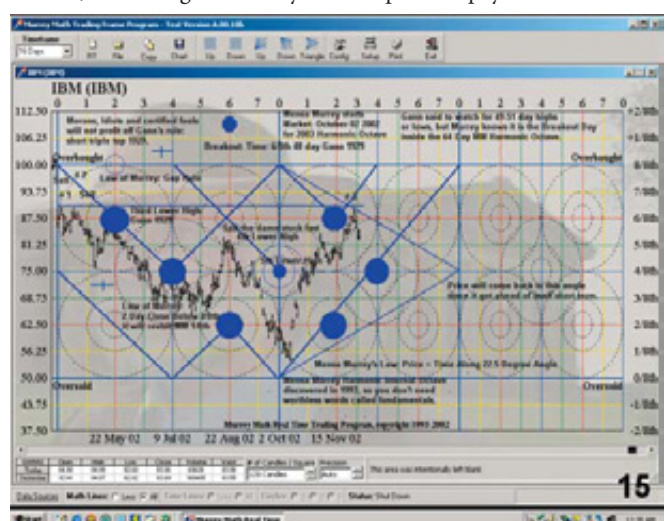
Several US stocks had gone up from 18.75 to up, over hundreds of dollars per share, with the price earnings ratios too high, but no one would listen.

The US and England produced goods faster, than consumers could afford. A perfect recession set up. They had started Inflation with high supply and prices.

Interest Rates:... Chart # 8.0

There were no "tight" laws, against borrowing from private, personal or corporate trusts, engaging in high profile business creations.

Loans were extended (out) faster, due to the land purchases in Florida, exceeding the ability for the poor to pay off the loans of



the rich.

The “rich” NYC Trust Fund Bankers, listening to the young Trust Fund kid, who had (already seen) that prices were way too high, for him to be able to live like his parents, without working.

He remembered the Black Tulip Crash in Europe, where the rich were “duped” into buying tulips that were up + 1875% above normal, so a Prince (teenager) in The Netherlands, somehow injected parasites, into the Black Tulips, so he could buy them down around 3.125 dollars per dozen. He created a crash.

This rich trust fund teenager from NYC, started telling all his “poor” friends that the road to wealth, is to buy stocks and hold on to them, till you retire or die, and your children will be rich.

Europe fell into the Black Tulip Trap, earlier, seeing the wealth pile up in the US in the 1920's along with oil, coal and gas exploration for the need for air conditioning and heating cars.

They believed that the stocks they were buying had underlying value.

The US stock holders fell into the trap.

Everyone believed in the long term Buy and Hold Trading Strategy.

The next 12 months the Dow 30 Index went up and touched 375 (MM) 3/8th.

Why would the rich want the “uneducated” to take a long term position in stocks, as they were moving toward all time highs?

The five richest men in NYC knew that selling against a stock makes faster profits, and since most US traders hate math, they cannot comprehend any formula past 8th grade math, they would not catch on to “shorting stocks” and making profits, as your stock drops in price.

100% Historical Truth:

October 1929: US President called five richest men to White House, three days after the 1st wave down Panic in the Wall Street Crash. They agreed to buy the top ten US stocks. The stock market went up for the next (6) days, within 2% of all time highs. Did anyone get out (up here)? No sir.

Then, these men loaded up on the short side, and made millions the next week, when they shorted, again, with no Long buyers, the market dropped like a rock: easy money. They laughed to the bank.

Today, only 6.25% of US investors know you make faster profits, going against the market (shorting).

It takes almost 30 days of training, to teach 30 people how to short stocks.

The average wage - earner, doesn't believe in making money by thinking.

So, when a genius shows a rookie trader, how to trade off three numbers, they move back to 8th grade math failure, where the teacher gave you a bad grade, for not providing your proof, even if you understood the formula. Those days are gone, forever. No math formula needed.

Use Murrey's Real Time Software Program, and type in your market's symbol, and trade off what is displayed on the screen.\*

There are three rules to trade Murrey Math. They are the same for all markets.

Fibonacci Ratio 3/8th = 38.2%.

Murrey's Perfect Ratio = 37.5%.

Boston Tea Party: Taxation:

1773 December 17

US stock market set at zero, since all profits were returned to England, as a form of taxes, against (needed) consumable Ennigrams.

MM Time:

Forward from zero

El Nino” is set to 156.25 years, for one of its minor double helix complete rotations, from the bottom of the Pacific Ocean, from the Pacific Basin to its surface.

It is part of the great river flowing from the Artic Ocean to the bottom of the Pacific Ocean set to 12,500 year cycles.

156.25 years after 1773 comes out to be 1929.25.

October Fall Season 1773 to 1929 Fall Season was exactly + 156.25 years, or MM Time 1/8th in the sands of time and the future's Price 3/8th would be 375 or 382 perfect price in Time.

The rich teenager Trust Fund child, started telling his grand father, to start printing the Buy and Hold Trading Strategy, so the poor and uneducated would keep buying stocks from 1928 till the Dow 30 Index got up + 3/8th.

The average worker will take a loss of at least - 25%, before they (see) understand, that it will take a +50% run back up to get even. Down markets want to fall lower.

1929 Fall Season October “all time highs” created the Crash. New highs create crashes.

1929 the US President promised a chicken in every pot and a high school education for all Americans. Joke today.

No child left behind is worthless, if you go into any low income public school.

A genius from Texas, wrote a book in 1927, and told the trading world in NYC, that the market would crash in October 1929, and everyone in NYC laughed at him, for spoiling

the Buy and Hold Strategy of the rich from NYC. Who do you follow?

The man from Texas had read it in the Book of Thomas. Have you read it?

All time High - 1929 (381) and it took till 1954 or 25 years to get even, again.

Do you mean you would hold a - 3.125% “loser” that went down -81.25% over 3.125 years, just to get even in 1954? Everyone from 1929 was dead.

IBM.... Chart # 9.0

2000 to 2005

It went down - 81.25 points in 2 years.

The average person in 1929, lived to be 62.50 years old, so they were 40 years old when they had enough extra cash to buy stocks, so they were drop dead “losers” for following the rich and famous from NYC, who are always right till, 1954, 1972, 1987 and 2000. Will they ever get it?

The US stock market broke out higher, to new highs, in 1954, and this brought on the Breakout (higher) toward new highs, so all the people who fell for The Buy and Hold Trading Strategy, were falling into the Breakout (higher) to new highs (every time) theory.

Newspapers, newsletters, trading magazines, and “trading” talk shows, were touting the Breakout Theory in 1960's to work 87.5% of the time (for expected new and higher highs).

Historical Contradiction: Buy and Hold Trading Strategy

Five times since 1954, we have had higher highs, that resulted in sell offs of at least - 15.625%. So it don't always work, folks. Do the homework, please.

Short Version

If you double Murrey's Prime # .00305175, then double each double 15 times, you get Murrey's Master Square 100.

Murrey's Perfect Fractal Ratio: .625 - .375 had its decimal moved over two places and we know that all markets should fall, the 1st time, they reach + 3/8 or 382.

We know that  $375 = 125 (1/8th) \times 3$ .

We know that 125 is 1/8th of Murrey's Master Square 1,000.

We know that 1773 forward 156.25 years, which is the time length of El Nino' or 1/64th of 10,000 years = 1929 highs.

Inserted note of Logic:

Dow 30 Index Sept. 01 2005.

Brain Teaser:

What are the odds, that the Dow 30 Index would know El Nino' (156.25) the very day Murrey is completing this theorem?

# MURREY MATH SUPPLIES

The MurreyMath Trading Frame software program will automatically decide for you if a market is Over Bought or Over Sold, and automatically display the Trading Strategy whenever the Daily Price Action

## The MurreyMath Trading Frame Software

- All Gann Lines (8/8ths)
- All Vertical Time Lines
- All Squares in Time Lines
- Entry Price Points
- Set all Overbought/Oversold Lines
- Set 5 Circles of Conflict
- Set Parallel Momentum Lines
- Set Speed Angles (7)
- Set Learning Mode Data
- Present "Best Entry Price"
- Present Daily Volume differential
- Sell 50.% of Position Price Points

**PRICE \$1000.00**

**End-of-Day version includes: One Set of Software, Murrey Math Book, CD Learning Lessons & EMail Updates**

Murrey Math Book  
alone  
**\$78.00**

60 Day Software Trial  
& credit for full version  
**\$250.00**

**1-800-288-4266**

[www.tradersworld.com](http://www.tradersworld.com) (order on-line)

We know that  $1/64$ th of 1,000 = 15.625, so we add 375 plus 15.625 and we arrive at 406.25 and the high in the Dow 30 in 1929 was 381. It was 16.25 points above 375. Ted Williams hit 406.25 in 1941.

So, Price and Time moved up and to the right  $1/64$ th by  $1/64$ th and met at the same

point: 1929 and 375.

Finally, from 1929 forward, we had stalls forward at:

- 1) 1936,
- 2) 1938,
- 3) 1945,
- 4) 1957,
- 5) 1961,
- 6) 1965,
- 7) 1968,
- 8) 1972, big hit down,
- 9) 1981, oil,
- 10) 1983,
- 11) 1987, big hit down,
- 12) 2000, big hit down,
- 13) 200.....Really big hit coming this time: get OEX Puts.
- 14) 1948 + 19.53125 years after 1929 great support up,
- 15) 1968 + 19.53125 years after 1948 market fell off,
- 16) 1987 + 19.53125 years after 1948 market tanked,
- 17) 200? + 19.53125 years after 1987 sell off: what do you guess?  
78.125 years into these next 156.25 years will be  $1/2$  way.

All Price and Time want to back up and reverse at its midpoint in Price of Time (the 1st Time it gets there. You will be prepared to do what? Do you care?

What are the odds the all time high of the US stock market "topped out" (+6 points) above MM 375 inside Murrey's Master Square 100 on Murrey's Perfect Fractal Ratio: 37.50%?

If this was luck, what about the 1932, July

04th lows (week)?

Dow 30 Index was 41.2 on July 08 1932 was the fall from 381 in October 1929.

When the Dow 30 Index fell from 381, it was up in Murrey's Master Square: 1,000.

After it closed below 250, it fell back down into its 1st of Murrey's Master Squares: 100.

37.50% or Murrey's Perfect Fractal Ratio of 100 is 37.50% or 37.50.

You guessed it (this time): the low reversal (July 08 1942) up, was off 41.2 (4.2 points off MM  $3/8$ th at 37.50).

How could the "all time" high and low of the US stock market be already known back in 1773 with Murrey's Logic brought over to the US, to the Jamestown Colony, in 1602, by Sir David Murrey, who was a relative of Sir Robert Murrey, who was head of the government in the Isle of Man, who had been appointed by the King of England, and who was appointed as the 1st English Ambassador to The Ottoman Empire, in the 1500's, and who collected laws from the 144 Books of the Law of the Squares, which were destroyed, not long after Sir Robert Murrey stole them and took them back to the Isle of Man, and formulated The Book of Murrey, which entered The Jamestown Colony, in 1620, with Sir David Murrey, and forwarded to Nashville, Tennessee, 1796 on its way from The Wautauga Settlement in Jonesboro Tennessee in 1789, when our US stock market started at Murrey's Prime # .00305175. What math did your family pass down to you: random guess?

Query: This is great logic and everything you say if true, but how do it trade it? How do I apply it to my markets? I'm confused.

Answer: Request a "trial version" of The Murrey Math Real Time Trading System Software Program or our end of day software program, and "see" the correct extreme ranges between lows and highs: set to your "expected" MM Time Frame.

All markets have been running to one number (Murrey's) since December 17, 1773.

It is up to you to convert now.

You get our software "free" for 30 days, and back test it.

You don't need up - to - date data, if you don't believe in the "present."

100,000 "traders" all over trading world are looking at Murrey's (exact) numbers every day (now). Please join us. It makes us money, when you reverse with us: thanks.

## SPECIAL STOCK MARKET REPORT 1 & 2

Here is a once in a lifetime deal that you certainly do not want to miss!

Hi, my name is Larry Jacobs, I am editor of Traders World magazine. I know that you are BOMBARDED with lame "market trading schemes" on the internet all the time. You probably get a new promise of wealth every few hours in your e-mail box. If you're like me you probably have deleted most of them at a glance. I have good news for you.

Mr. Ferrera, who has written several magazine articles for us, has put together a unique stock market report that clearly shows how two dominant long-term cycle patterns have predicted every major Bull & Bear Market for the past century. Mr. Ferrera then graphically projects this cyclic model 16 years into the future and then describes how the stock market is likely to unfold over the next 100-years!

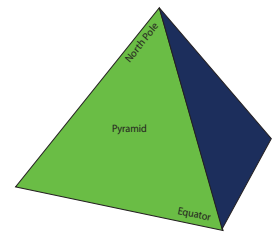
In all my years at Tradersworld Magazine, I have never seen anything like this report! This information is absolutely invaluable for anyone that invests in the equity markets, whether it's on their own or through a company retirement plan. You Can See It Too...

In this report, you will literally "see" how and why the markets crashed in 1929 and then again in 1974. You will understand why the market basically traded sideways from 1932 to 1947 and 1974 to 1982. You will see why the stock markets topped in the year 2000 and what they are most likely to do until the year 2018.

The cost of the report 1 is \$29.95 and report 2 is \$59.95 and both come with a 30-day money back guarantee. To order call Traders World at 800-288-4266 or go to [www.tradersworld.com](http://www.tradersworld.com).

There is substantial risk of loss in trading securities.

# How to Apply Pyrapoint



By Scott Iverson

The following article will attempt to give a brief glimpse of how my students and I apply Pyrapoint and analyze markets on an intra-day basis, namely the S&P 500 e-mini futures. Pyrapoint works on all markets and time frames, but our trading and teaching has been almost exclusively on the e-minis.

I am often asked, "Is there a rhythm to the markets? Is there really a way to catch intra-day turning points?" The answer is YES! Not only can we capture intra-day turning points, we CAN OFTEN NAIL THEM TO THE TICK!

Pyrapoint is the creation of Donald Hall after spending decades studying the works and writings of W.D. Gann and his peers. Don believes, as do I, that he has found the basis for price movement using the correct mathematics of the Square of Nine (SQ9). The standard tools found in many charting packages like Gann Fans and unsophisticated Gann lines such as the 1 x 1, 1 x 2, etc., leaves a lot of to be desired and in my opinion are not consistent enough to use in actual trading. In other words, they work fine one time and utterly fail another, and seldom give us our intra-day turning points to the tick the way Pyrapoint does. The following discussion is my interpretation of Don's fine work as well as my own discoveries of how price moves intra-day.

Refer to figure No. 1. We are channel traders. Our channel is defined by the 0 degree diagonal (support in this example), and in this case the 11 degree diagonal (resistance in this example). The 11-degree diagonal is actually referred to as the "target line." For those of you that have some experience with Pyrapoint, you will quickly notice that the horizontal and vertical lines have been removed, as I do not look at these in real time. This is what defines our channel, and in this example, the opposing diagonals running down are also ignored. Don Hall refers to the lines that I have removed as "vibration points", but in my analysis I do not focus on them.

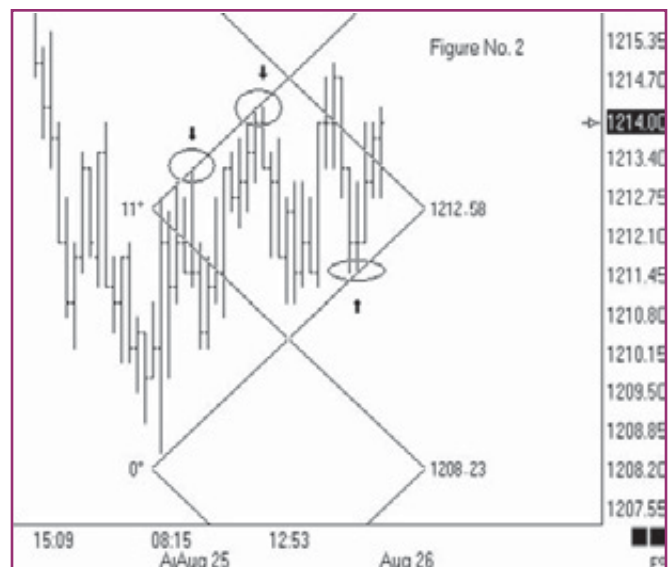
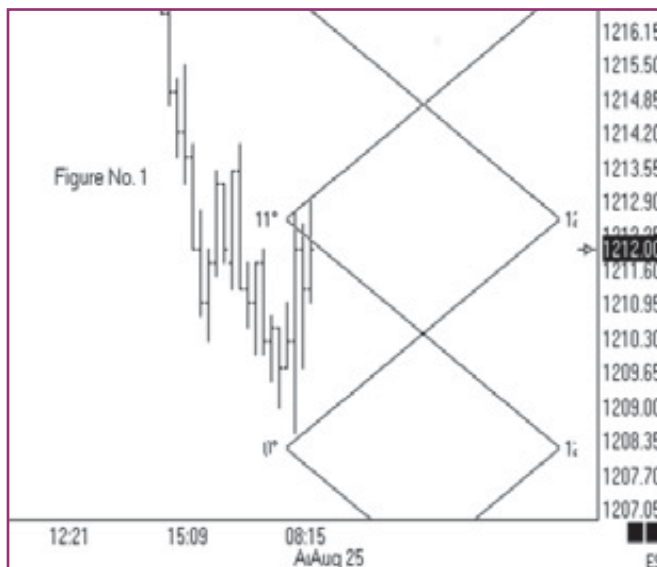
Each intra-day market has a dominant time frame. This is extremely important because we know how price will travel on this time frame. We also know which channel sizes to use for each

time frame and how price reacts within our channel. I have chosen not to reveal the time frame we use in these charts, as it is proprietary, but with a little imagination and hard work, you should be able to find a time frame that works best for the market you trade.

In figure 1, the channel is manipulated to match the price turn or pullback to the target line. I call this "floating," and it is unique in my interpretation of Pyrapoint. Although I won't go into all the details here, it is a very objective rule, and is very easy to understand with a bit of practice. In essence all we are doing is trying to find the true channel where price is operating. This allows us to know exactly where our support and resistance lines are in advance. Another thing you will notice is that the support and resistance lines are parallel diagonals with slope, and therefore are dynamic and not static. With each and every new bar that develops on the chart, our support and resistance lines will change slightly. These dynamic support and resistance areas are what allow us to capture our turns points within a tick, and what makes Pyrapoint a much more effective method of trading versus horizontal support and resistance lines like Fibonacci levels and pivot points.

Lets continue with the current example and look at figure No. 2. You should quickly notice that price runs up to the target line, nails it several times (see circles) or the resistance area. After finding resistance, price runs down to the 0 degree diagonal, or the bottom portion of our up channel, and finds support to the tick. Price found the resistance areas at least an hour in advance of the channel being placed in its current location, and at least three hours before finally finding support at the end of the day! This is not uncommon and what we expect to see at turning points each and every trading day.

Another question I am frequently asked is "Are you a counter-trend trader or a trend trader?" The answer is BOTH. We will obviously act in a counter-trend nature as just described in trading the turn points, but we will also trade with the trend too. If price doesn't make it to one of the support or resistance areas that have been set up in advance, all is not lost. We can still look for a trend



# Learn to Trade E-mini Futures using Pyrapoint from a professional trader

Only mentor authorized by Don Hall, to teach Pyrapoint.

Use techniques to project the high and/or low of a day in the e-mini markets, usually within a point or two.

Use intermarket analysis to project swings throughout the day.

There is a right way to profitably trade Gann intra-day. I feel that Pyrapoint is the tool to accomplish this goal, and through our own techniques, I have found out how to do it. I would like to personally teach you how to analyze price and find profitable trades as outlined in the article. I will effectively you how to use our channels as defined by the 0 degree diagonal and the target line and find support and resistance areas hours in advance of price actually hitting them. I'll start your learning by sending you all our materials, and then we will teach via a group setting and by sending out charts via e-mail each night on the day's trade setups. I am convinced that you will be happy and achieve your trading goals as my other students have.

## Scott Iverson

941-360-2999 - phone  
941-360-2090 - facsimile  
941-544-0685 - mobile

e-mail [scottmiverson@comcast.net](mailto:scottmiverson@comcast.net)

## Testimonials

*"I just wanted to let you know I consider your methodology to be the most powerful and accurate one I've ever seen. In the past six weeks I've only had three losing trades giving me an accuracy rate of 90% - pretty good if you ask me. Further, post mortems on the losing trades reveals that two of those were my error having badly misread the signals so if you correct the accuracy rate for these it comes up to a whopping 97%! Where else can you learn something as powerful as that?"*

- Kingsley Poysler

*"I saw this little YM trade today. It occurred to me that I have not thanked you enough for what I have learned. Everyone in one of my chat rooms was shorting and I was buying with a 3 tick stop. Now this was not a lot of \$\$\$\$ , but that does not matter. It was a proof of method and it was a clean trade in a bunch of end of day noise with a risk reward on the YM of 3:20 ticks. Not too shabby."*

- Ed Naylor

*"Just wanted to thank you for your time and for taking me on as a student. I've enjoyed learning this from you, but have had more fun applying what I have learned. Having this knowledge has really made a difference in our lives."*

- Jeff Milligan

continuation trade.

Refer to Figure No. 3. Price doesn't quite make it to our pre-determined resistance area, and it starts to roll over and head in the opposite direction. As Pyrapoint traders, we know that price will travel along the next two higher diagonals than our standard sized channel. For example, if we are operating in a 22.50-degree channel, price will most frequently travel along 45 and 90-degree trend continuation diagonals. Because of this, as price turns we place a 90-degree diagonal (the dashed out down diagonal) on the start of the move. In essence, because we historically know how price travels, we are placing a trend line BEFORE the trend is even established.

Refer to Figure No. 4. This chart is a continuation of our example. Price finds our trend continuation diagonal to the tick allowing us to enter a trade even though we missed the turn point at the top. Similar to the first example in this article, the resistance area (trend line) was nailed to the tick, and even more important, the trend line was in this current location before enabling us to know exactly where we would enter a trade.

The above examples work on all time frames and on all markets, whether you are an intra-day e-mini trader, or a stock or currency trader take longer term positions based off daily or weekly charts. Pyrapoint offers the trader a way to analyze price based on the correct mathematics of the SQ9 without using any other tools such as indicators.

Contact the author at:

e-mail [scottmiverson@comcast.net](mailto:scottmiverson@comcast.net)  
or phone 941-544-0685



# Trading Methodology

By Larry Jacobs

Newport Coast Capital Methodology uses a Stage One trend following and money management system with additional filtering rules to select and manage entries and exits. They use behavioral price patterns and explore the relationship between short term and long term fundamental direction, investor psychology, price trends, price behavior and the balance of supply and demand. Clients in the Newport Coast Capital community invest in accordance with the following guidelines:

**Diversification** - Their approach is to trade a balanced portfolio of a basket of more than 30 instruments and to diversify into multiple sectors like financials, energies, currencies, grains, indices, meats, metals, softs, etc.

**Recommended Trading Capital** - The minimum trading capital per account is \$15,000, and they recommend a trading capital of \$50,000. The subscriber may trade more capital by having multiple accounts; each account will be trading multiple instruments being allotted up to one contract per instrument. The money management guidelines will only allow the open of new positions if the current open positions, in conjunction with the new position, do not exceed 50% of the net asset value at the time the trade is being placed. Their approach is to trade a basket of instruments and to diversify into multiple sectors to create a balanced portfolio to control and manage risk, this also gives the subscriber a reasonable staying power to withstand realized or unrealized drawdown when it occurs.

**Selective** - Their strategy uses a filtering system to select between 5 to 10% of what they consider to be the best entry signals from a basket of systems. With a large basket of systems, we can be extremely selective in picking trades with the highest probability of success. Most markets will trade in a trending environment less than 10% of the time. Their goal is to be in a position only when the market is trending, where the most amount of profit can be made. Once profits have been achieved, they exit the trade and stay in a cash position until the next trading opportunity occurs.

**Fundamental direction and valuation** - All instruments have an intrinsic true value determinable through fundamental analysis. The trade selection approach is to select only trades that have a clear-cut short-term and long-term fundamental direction.

**Defensive Strategy** - The defensive approach is to neutralize any open losing position and to avoid realized losses.

If the short-term fundamental direction changes and the long-term fundamental direction stays the same direction, they use the trading capital as staying power to stay with the trade until the it comes back to profit. If the short-term and long-term fundamental directions change and the market is going against the position, they will to select other instruments to offset or hedge the original position, thus creating profit to offset the losing position. When the fundamentals start to change back in favor of the original position, they then take the profit on the offset or hedged position and let the original trade come back to profit, therefore allowing both positions to be profitable without any realized losses. Price movement behavior analysis - Every instrument has its own price movement behavior due to important psychological patterns and prospective reactions to changes in market conditions and news announcements. We select instruments whose price movements we believe to be the most consistent with the behavior of the changes in market conditions.

**Usage of Technical tools** - Their philosophy believes price is the only reliable source of information on what will happen in the market. Therefore, their technical indicators use the geometric progression of the price action to calculate, predict and identify the directional acceleration, volatility, balance of supplies, and extreme level of instrument internals. These mathematical factors and calculations are designed to identify the reversal points of market tops and bottoms in a defined time frame. All the price action data, as it is generated, is put into a formulated order to be analyzed and calculated projected directional entry and exit.

**Money management** - Money management is one of the most important components to trading. Their Money Management System is a foundation to their trading success. It determines risk, profit, loss, position and size. It relies heavily on compounding profits systematically and giving you rules and guidelines on how to allocate and manage your investment assets. Money management is also a defensive system to keep them in the game so they can have the staying power to keep on trading. Many people confuse money management with Stop Placement. Stop placement is not money management.

*Newport Coast Capital Systems can be traded through authorized licensed brokers with letter of direction for customers. For more information go to [www.nccptl.com](http://www.nccptl.com) Phone 800-883-9621*

## Traders World Articles on CD \$49.95



S&H \$4.95

(Get all the back articles on CD which includes hundreds of articles, charts, and illustrations from the archives of the past 35 issues of Traders World. \$49.95)

Name \_\_\_\_\_  
Address \_\_\_\_\_  
City \_\_\_\_\_  
State \_\_\_\_\_ Zip \_\_\_\_\_  
Email \_\_\_\_\_  
 Check  MC  Visa  AMAX  
Card# \_\_\_\_\_ Exp. \_\_\_\_\_

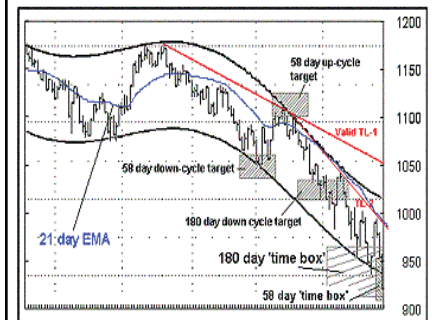
Traders World Magazine  
800-288-4266  
2508 W. Grayrock St. Springfield, MO 65810

## GET A TRIAL

to the #1 Cycle-Timing Advisory

Specializing in:

- \* Hurst Cycle Analysis
- \* Elliott Wave
- \* Gann/Harmonics
- \* Market Breadth



Best performing end of day systems for the **SPX, QQQ** and **RYDEX FUNDS**.

for a trial log on to:

[www.cycle-wave.com](http://www.cycle-wave.com)  
email: [jim@stockindextimer.com](mailto:jim@stockindextimer.com)

# Multiple Time Frame Momentum Trading

By Robert Minter, Dynamic Traders Group, Inc.

**M**ultiple Time Frame (MTF) trade strategies can be the best addition to anyone's trading plan, regardless of the technical analysis approach used. This article will describe how to use MTF indicators and momentum to identify probable price reversals.

Any time frame and just about any indicator may be used with this strategy. In this article, I will use the DTosc which is unique to the Dynamic Trader program but the principle is the same with any indicator.

The principle is to identify the momentum/trend position on the higher time frame and execute the trade on the lower time frame. At least two time frames are used. This article will show an example with three time frames and how we identify the conditions for a larger time frame weekly price reversal but go down to the short term time frame 60m data to identify the potential weekly top just points from a large time frame reversal.

I don't like to use after-the-fact examples. That makes it too easy to show any trading strategy works. In this article, we'll take a look at S&P data right up to the date this article is written.

Chart one is the SPX weekly data through the week ending July 29. The weekly momentum is in the overbought (OB) zone and on a bearish divergence with the new price high. When the indicator is in the OB zone, price is in a position to make a top lasting at least several weeks although

we would need a weekly bearish reversal to signal the top is complete. The momentum extreme usually coincides within a bar or two of the price extreme. When the larger time frame indicator is OB, we go to the next lower time frame indicator for an earlier signal the larger time frame is complete. We don't have to wait for the larger time frame reversal.

Also note on Chart 1, the major price resistance zone of the SPX. It has reached the zone that includes the 61.8% retracement and the 61.8% percentage gain from the Oct. 2002 low. Just as the March 2004 high was made at the 50% zone, the 61.8% zone is also likely to complete a major high.

Chart 2 is the next lower time frame daily data. On July 29, the daily momentum made a bearish reversal signaling a daily momentum high should be complete. The daily bearish reversal was made where price had reached the End-of-Wave-5 (EOW-5) price target zone. Price, pattern and momentum are all in a position to complete a high on the daily time frame which should also complete a high on the weekly time frame.

The larger time frame is in a momentum and price position to complete at least a multi-week high and the smaller time frame is the signal is should be complete.

Let's go to an even smaller time frame 60m data. Chart 3 is the 60m SP-Sept contract data through July 29. On Thursday, July 28, price reached the ideal diagonal W.5 price target zone. Late Friday, the 60m

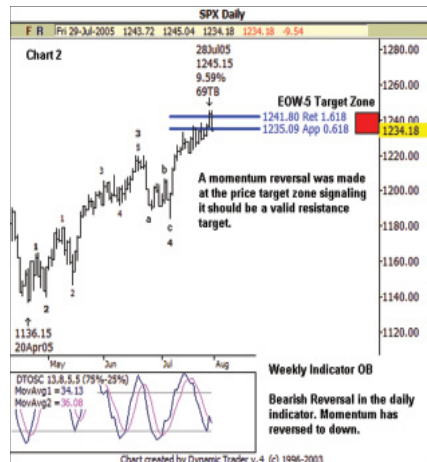
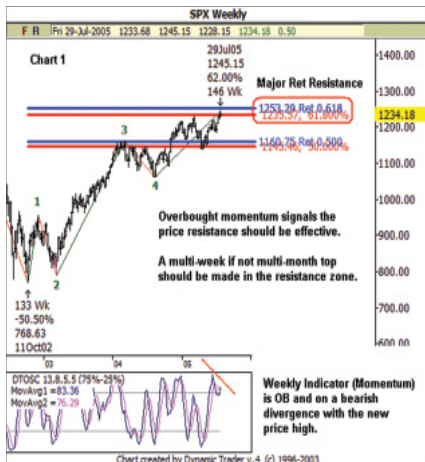
momentum made a bearish reversal. Now, there are three time frames that suggest a top lasting many weeks should be complete. The weekly is OB on a bearish divergence with the new price high. The daily and 60m made bearish reversals on July 29. A trade below the potential W.4:5:5 low at 1231.70 is the short term pattern reversal signal a top should be complete. Not just a short term top, but a larger time frame weekly top.

Even if we did not also consider the pattern and price position on all three time frames, and only considered the three time frames of momentum position, they alone would alert the trader a weekly top is at or near completion and traders should be oriented to the short side.

At this point we don't know how it will turn out and if July 29 is the final top or not. What we do know is with the weekly momentum in a position to complete a top lasting weeks, each smaller time frame momentum reversal could complete the final high. If the SPX were to continue to advance, the upside should be very limited, probably to the 61.8% zone with an extreme only 10 points above Friday's close. What a great set-up to be oriented to short trades!

Multiple time frame trade strategies can be used with any market – futures, stocks, ETFs and mutual funds – and any time frame from monthly data to very short term intraday data. Make this simple approach a part of your trading plan and you should immediately see very positive results.

*Robert Miner is the president of Dynamic Traders Group, Inc. and is the author of the new comprehensive Dynamic Trading Multimedia E-Learning Workshop. For more information, go to [www.DynamicTraders.com](http://www.DynamicTraders.com)*



**\* \* \* Brand New \* \* \***

**Robert Miner's  
Dynamic Trading  
Multimedia E-Learning Workshop**

*Dramatically improve your trading results in six weeks or less!!!*

**Dear Futures, Stock, Forex, ETF or Mutual Fund Trader or Investor:**

The brand new **Dynamic Trading Multimedia E-Learning Workshop** is the most complete, most educational, most practical and just plain best trading workshop available any where, at any price. I personally guarantee it. I will give you an unconditional money back guarantee for this trading education. If for any reason you do not think you got your money's worth, you may return the workshop any time within 12 months of purchase for a no questions asked refund. It is that simple. Why don't other trading educators give an unconditional, money back guarantee? Maybe they don't have the confidence that their product will do what they claim. I have complete confidence you will be blown away with this education and be able to put it to real-time use and dramatically improve your trading results.

**Robert Miner, Dynamic Traders Group, Inc.**

**The Dynamic Trading Multimedia E-Learning Workshop is incredible:**

- A true multimedia learning experience.
- Video, bar by bar screen recordings, audio commentary, comprehensive support material, quizzes.
- Incorporates the latest in accelerated learning technologies.
- Six CDs. Over 40 hours of workshop learning experience.
- Over eight months in production.
- Absolutely no other trading course of any kind, for any price provides this comprehensive and practical a trading education, guaranteed!
- Learn the complete Dynamic Trading approach with any trading chart software.
- A far better and more comprehensive learning experience than possible from any live workshop.

**Over 40 Hours Of Trading Education For Less Than The Cost of Most Weekend Workshops**

This complete trading workshop is available for less than the cost of most weekend workshops. Yet it covers more material than possible from a live workshop. Learn at your own pace. Have a permanent workshop experience to review any part at any time.

This complete 40 hour Dynamic Trading Multimedia E-learning Workshop is available now for just \$997 with the one year, unconditional, money back guarantee.

For complete information or to order, go to **[www.DynamicTraders.com](http://www.DynamicTraders.com)**.

# Dynamic Trading the Forex Markets

By Jaime Johnson -Dynamic Traders Group

Robert Miner, my boss and mentor, has perfected the comprehensive Dynamic Trading approach to trading the financial markets. His book Dynamic Trading, as well as the two Dynamic Trader financial advisory reports teaches this approach which uses a combination of simple and practical Elliott Wave pattern, price and time support and resistance using Fibonacci and other ratios. This approach has been used for our analysis and trade strategies of the indexes, interest rates, precious metals, and other futures markets in our DT Futures/Forex Report, as well as stocks and ETFs in our DT Stock/ETF Report.

With the recent explosion of popularity of the Forex market, we have recently expanded our DT Daily Futures Report to the DT Daily Futures and Forex Report. We do analysis and trade strategies on the Euro, British Pound, Australian Dollar, Yen, and Swiss Franc/Dollar crosses on a daily basis. The following charts are examples of how the Dynamic Trading approach can be applied to the Forex markets.

The basic concept of Dynamic Trading is to identify conditions with a high probability outcome and acceptable capital exposure. The four main conditions we look for are momentum, pattern, price and time.

**Daily AUD/USD** - Chart 1 is Australian Dollar/US Dollar daily data. The AUD/USD was making a corrective ABC pattern off the July 19, wave 1 high. A typical price target for a wave C of 2 was the price zone which included the 78.6% retracement of the June 17 - 19, Wave 1 rally and the 100% Alternate Price Projection Wave A decline. This high probability Wave C of 2 target for the AUD/USD is 0.68970 - 0.68450.

With Dynamic Trading, we use the proprietary DT oscillator to identify momentum trends and reversals. As you can see



in the Chart 1, the highs and lows of the DToscillator coincide very closely with the price highs and lows of the AUD/USD. When price reached the Typical Wave C of 2 price target, the DTosc also reached the oversold zone. The DTosc made a bullish reversal (the blue fast line crossed above the slow pink line). The ideal conditions were in place to complete the W.C low.

Momentum, pattern and price were all coincided for a W.C low. The momentum bullish reversal was the signal the low should be complete and a long trade entered.

**60M USD/CHF** - Dynamic Trading applies to all markets and all time frames. Chart 2 is 60 minute Swiss Franc/US Dollar data. The USD/CHF rallied in a simple five-wave impulsive Elliott Wave pattern off the June 17 low. On June 21, the DT oscillator made a bearish reversal in the overbought zone (the fast blue crossed over the slow pink line) shortly after price reached the typical End-of-Wave-5 price target zone at 1.2773 - 1.2798.

In Dynamic Trading, we teach the minimum, typical and maximum end-of-wave price target zones for each of the common E-wave patterns. A Dynamic Trader would cover his or her longs on the momentum bearish reversal just a few ticks below the extreme price high and should have considered a short trade as well.

Pattern, price and momentum reversal conditions all coincided to signal a top should be complete.

**15M EUR/USD** - Chart-3 is 15 minute Euro/US Dollar data. Dynamic Trading is not dependent on a clearly defined E-wave pattern to identify trade opportunities. The decline off the June 21 was making short term lower lows and lower highs, characteristics of a bear trend. The high early June 23 was the first significant rally making it a Wave-2 or B correction. At least one more decline com-



parable to the initial W.1 or A, should follow which would be a W.3 or C.

On June 23, the DT oscillator was bearish and just off the overbought zone for conditions for a short trade. The June 22 minor swing low was taken out, a swing bearish continuation signal and a short-trade set-up. A nice bear trend followed to the June 24 low.

Momentum, pattern and a simple swing entry strategy were all that was needed to elect a short trade for the continuation of the bear trend.

**This is Only Part of the Dynamic Trading Approach** - These examples show only part of the Dynamic Trading approach. We also apply timing, multiple-time frame and multiple-unit trade strategies, as well as a number of trade entry, stop-loss placement and adjustment, and trade-exit strategies.

It is important for traders to realize that trading should not be complicated if it is to be successful. Only three or four key pieces of information are necessary to identify the optimal conditions for a trade set-up. Trade strategies and trade management are just as if not more important than identifying the technical conditions.

All the aspects of the Dynamic Trading approach may be used in any time-frame, with any market.

The new Dynamic Trading Multi-Media CD Workshop teaches a complete, comprehensive approach to all the key technical conditions for Dynamic Trading and specific trade strategies and trade management. This is not theory. We demonstrate it every day with our DT Futures/Forex and DT Stock/ETF Report Reports.

Jaime Johnson is the co-author and chief technical analyst and trade strategist for the daily Dynamic Trader Stock and ETF Report and the co-author of the Dynamic Trader Futures and Forex Report. For complete information about our reports and the new Dynamic Trading Multi-Media CD Workshop, go to [www.DynamicTraders.com](http://www.DynamicTraders.com)



## Samsung SynMaster 910mp



The Samsung SyncMaster 910mp is a 19-inch analog TFT-LCD monitor delivering crisp, clean text and bright, vivid colors. This display offers a 700:1 contrast ratio, 350 cd/m<sup>2</sup> brightness, 1280 x 1024 resolution, 160/160 degree viewing angle, scanning frequency of 31-81 kHz horizontal and 56-75

Hz vertical and 0.294mm pixel pitch. This 19-inch flat-panel display functions as a computer monitor, a TV and a video monitor – all in one. In our review we felt that this monitor had the clearest pictures, sharpest images and most vivid colors. Armed with a built-in TV tuner, this display is capable of allowing viewers to watch two sources of input at the same time with its Picture-In-Picture feature. The SyncMaster 910mp also features built-in speakers and built-in power. Input connectors for this display include 15pin D-sub, CVBS, S-Video and TV (antenna/cable). Available in silver, the SyncMaster 910mp delivers a maximum of 16.2 million colors. This monitor is excellent for the trader as a trading monitor as well as for watching CNBC or another financial TV channel while trading. Because it has its own TV tuner it does not drain any computer power. The monitor is VESA compatible and therefore can be mounted on a LCD stand. It can be also used as a LCD exercise monitor mounted on an LCD exercise stand and easily placed in front of a treadmill, elliptical trainer or exercise bike. Traders must get the necessary exercise to reduce their stress and improve alertness. It is now recommended that one should get at least 45 minutes of aerobic exercise daily. For more information go to: [www.lcdfitness.com](http://www.lcdfitness.com)

## Sonata Trading Computers

GIVING YOU THE POWER TO TRADE

Intel or AMD Dual Core  
DDR Memory  
Integrated Audio  
Gigabit Lan  
FireWire (IEEE 1394)  
DVD Burner  
Front and rear Ports  
6 USB Ports  
Up to 8 DVI Ports  
Raid 0, 1 and 3  
PCAngel Restore options

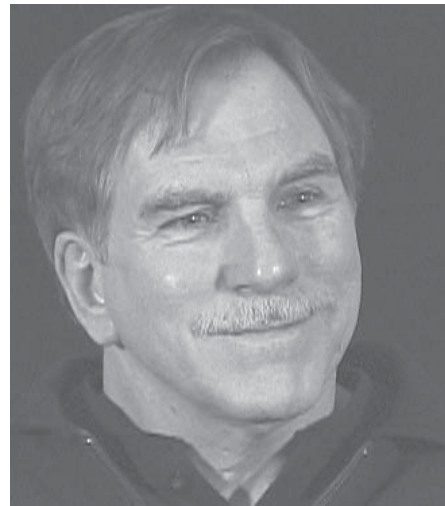


FROM \$1199

The Sonata is built with the highest quality components. They allow the computer to run faster, more quiet and last longer. Before the computer is shipped an extensive burn-in test is done. Onsite service available. See our impressive testimonials.

**Samsung Monitors and Ergotron Deskstands** deskstand are available in 17, 19, 20 and 21 configurations.

For more information go to:  
[www.sonatatradingcomputers.com](http://www.sonatatradingcomputers.com)  
[www.trading-computers.com](http://www.trading-computers.com)  
**800-288-4266**



## 8 things to know about Ocean Theory

1. Ocean was created by **Jim Sloman**, the originator of the Delta Phenomenon, used by 50,000 traders and investors worldwide.
2. Ocean is a **new market approach** based on 12 self-adjusting mathematical formulas.
3. Ocean was designed to be the closest thing yet to a **non-arbitrary approach to markets**. What is arbitrariness? A 10-day MA will give you a much different picture of a market than a 200-day MA. That's arbitrariness.
4. Ocean is ideal at **identifying the ends of retracements** in larger trends. It does so with what's been called "uncanny precision".
5. The new **bounded** Ocean tools have been hailed by users as "just incredible".
6. A nine-disc **Ocean Video DVD Set** is now available for users of the Ocean software.
7. The powerful Software for Ocean was created by **Pat Raffalovich**, the extraordinary programmer and market savant.
8. **Charts** of Ocean in action can be seen by going to **[www.mayyoubehappy.com](http://www.mayyoubehappy.com)** and clicking on the Ocean button at left.

*"I am not sure how many people out there really know how AWESOME these tools are. Jim, you have created the most UNBELIEVABLE tools that could ever be developed on the markets."* –C.D., California

# Algorithm Trading?

By Larry Jacobs

Trading in the market with algorithms basically breaks up orders into smaller ones and feeds them electronically in different ways straight into the marketplace over a defined period of time. It is used mainly by large institutions. An attractive thing is that these orders can be tuned to implement almost any trading strategy.

I interviewed Ramirez and Company a full service securities firm about their Algorithm Trading? They recently formed Ramirez Trading Solutions, a division of Ramirez and Company, which focuses on algorithm trading solutions. This division was created through a joint venture with TradeTrek Securities to combine their forces and offer a variety of robust algorithm trading solutions to their institutional clients.

TradeTrek Securities is a company that provides institutional investors with algorithm based electronic placement and execution. The firm's expertise is based on some of the same principles that drive today's military weaponry systems. Some of the firm's principals served in the U.S. military and also designed such systems at many foremost defense contractors before joining the financial trading industry. Drawing upon over a decades worth of technology



driven trading experience, Fred Graboyes, the founder of the company, has assembled a well-rounded team of industry experts across all mission critical areas related to best execution practices. Responsible for the key areas of trading, technology, operations, and client service; Algorithm Trading Solution's Senior Management Team is able to draw upon vast experiences from the sell-side, the buy-side, alternative investments, and investment banking in order to provide their clients with a positive trading experience.

So how does algorithm trading really work? I will explain it the best I can here. First when large institutional blocks of stock are executed on the market, they can actually move the price of a stock, which goes against the trade. Second, it therefore then

increases the transaction costs. This is not a desirable end result. Algorithm Trading Solution's technology using its software execution system to reduce these costs by entering these orders more proficiently than traditional trading desks, which overwhelmingly rely on traders to complete orders. Trading via algorithms can tweak executions with any trading strategy over a period of time. For example the aim might be to trade the average price over a period of time. It might be weighted to execute more at the beginning or end of the day. It might trade more when the volume is high and less when the volume is low. The algorithm might be designed to liquidate a position down 50% over a period of time. Since Algorithm trading uses electronic trading it is substantially cheaper than using full service trades. This explanation is simplified. The actual programming of Algorithm Trading is many times more complex. It can perform one or many more trading objectives of the institutional client with defined programmable actions.

Another plus for Algorithm Trading Solutions is that because they are a real electronic agent, they don't have any conflicts-of-interests normally associated with the institutional brokerage industry. Institutional order desks as a rule filter out orders before they execute them. This creates unnecessary delays and raises trading costs over time.

By utilizing the advanced technology and quantitative trading execution abilities of TradeTrek, Ramirez & Company can use a variety of the latest algorithm's available from TradeTrek to service their institutional clients by getting better prices with reduced transaction cost. By providing the agency only basis transactions through TradeTrek, they avoid any conflict of interest. This helps to satisfy their largest and most sophisticated clients needs. Samuel A. Ramirez & Co. feels that this new joint venture with TradeTrek will allow them to jump ahead of their competition and gives their clients the growing technology and algorithmic needs in today's financial market. This is, no doubt, the way of most institutional firms will eventually execute their trades in the future.

*Samuel A. Ramirez & Co. is a full service securities firm. Their website is [www.ramirezco.com](http://www.ramirezco.com). Algorithm Trading Solutions, a division of TradeTrek Securities, LLC. is a broker dealer; and a leading provider of quantitative execution trading services for institutional investors. Their website is [www.algorithmtrading.com](http://www.algorithmtrading.com)*

## Know Your Future?

It is the desire of Traders World Magazine that the magic of astrology should become available to as many people as possible as inexpensively as possible. Traders World will have a professional astrology report done for you. The professional report is approximately 30 pages beautifully presented in columns with beautiful fonts covering both your personal and professional life. You can use the professional part of the report to develop your talents, so you will be better able to attain your desired growth in your profession. Problems can be avoided and transformed into positives through insight and wise action. The personal part of the report given will deal with your identity, emotion, love, destiny, etc. Another section of the report deals with the major times of change in your life, showing clearly in graphic form the months when these changes are the strongest. Through this timing you will know what to do and what not to do during these changes. The report is \$19.95 plus \$3.00 shipping and will be sent to you by U.S. Priority Mail. Without any extra charge. To receive the report fill out the following form:

Birthdate \_\_\_\_\_ Time of Birth \_\_\_\_\_  
City of Birth \_\_\_\_\_ State \_\_\_\_\_ Country \_\_\_\_\_  
Name \_\_\_\_\_  
Address \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_  
Telephone \_\_\_\_\_  
Payment Method  Check  Enc.  VISA  MC  AMAX  
Credit Card # \_\_\_\_\_ Exp. \_\_\_\_\_  
Traders World, 2508 W. Grayrock St, Springfield, MO 65810



# Trading is a Profession

By Daniel Ferrera

In writing this article, I wanted to pass on the fact that trading is a profession, just like any other traditional professions and as such should be run with a strict set of business operation rules. This is without a doubt the most neglected aspect of trading and is the reason 80-90% of people fail when it comes to successfully trading or speculating in the markets. Therefore, my first intent is to show that there is a science to running this type of business, the same as in any other traditional business. Second, I attempt to logically show that there is also a science to the task of selectively trading in the various markets, the knowledge of which reduces the level of risk in trading to a level comparable with all other lines of business. There are not many books on these subjects even though they are the most critical factors in prevailing in the markets. Without this knowledge, a trader is like a chicken running around without his head. He may keep his feet moving for a while, but his future outlook is easily predictable. What I have to share is not a "system" by today's computerized definition of the word. I present the essential elements that are needed to succeed no matter what approach is used. Without them, failure will occur eventually. Yes, there is a systematic procedure that must be followed, but it is not a so-called trading system. In my course "Keys to Successful Speculation", I present methods and techniques that I have personally used to make money from the markets, but like any strategy or approach it would eventually lead to failure without a strict set of business management rules.

Trading is a profession and nothing less. Most professions such as medical, legal, psychological, pharmaceutical, technical, mechanical, engineering, etc. require several years of education, study and effort. Not to mention the money required for learning the necessary skills. Then it takes many more years of actual practice to develop the skills and gain the experience to become successful. It is ironic how many of these same professionals attempt to become successful traders without even the slightest knowledge of the markets or the more important money management principles. This occurs because there are no barriers to entry in this business. If you want to enter this profession, you just need a few extra dollars to open an account and that is it. However, if you wanted to become a doctor or a lawyer or enter some other profes-

sion, you would have to pay for an education, study hard, take tests, and obtain a license, etc. before you can even have the opportunity to find a job or start your own practice. This same principle applies to going into business yourself. Even if you wanted to simply open up a party store or a pizza shop, you would have many barriers to entry. This is not true with the trading business, which is another reason so many people fail.

## Charts

In my courses, Charts are utilized because they reflect the underlying psychology of all the participants involved and provide a past record of important price levels. Although many traders today rely entirely on computer-generated charts from various programs, I feel that subscribing to a printed chart service proves to be worth much more than the annual cost involved. By having a subscription to a chart service, you will find many more opportunities in markets that you may have completely overlooked due to a lack of interest. The trading business is just like any other business, you do it to make money. Receiving a regular set of charts on the various markets once or twice a month will provide you with many different perspectives (daily, weekly, monthly) that may expose opportunities that are simply much too good to ignore. I highly recommend subscribing to a printed chart service. In addition, you gain a feel for how the various markets are playing off one another.

Hand charting is a dying art form due to computers and chart publications. Maintaining a set of hand drawn charts on your favorite markets is strongly recommended! It does not take much time each day (only a few minutes) to update these charts. By doing so, you become much more mentally connected to the market and will never have much difficulty in remembering important prices. Hand charting makes you much sharper and alert to upcoming opportunities. It also gives you a better feel for the market that can develop into a type of intuition, which cannot be obtained by any other means. I have even gone as far to draw intra-day charts by hand. I suggest that you resurrect this lost art if you are truly serious about taking on the trading profession.

In summary, charts are used extensively because they are the best graphical representation of human logic and emotions. They show us visually the cumulative effect of all

the participants involved. Charts also expose potential opportunities that might have otherwise escaped your attention. Hand charting connects you to market much differently than simply reading a chart. There is a certain level of expertise that can only be acquired from the manual process of drawing a chart. Markets are like people; each has its own personality, habits and nuances. Your hand drawn charts will become your encyclopedia of knowledge of the markets action. Charts are much more than a simple history of past prices. They reflect and depict the ideas, actions, reactions and emotions of the traders, commercial interests and speculators involved. If you want to write like someone in particular, just begin copying their work verbatim a few times, and you will develop a feel for their writing style. If you want to paint like someone in particular, simply trace their artwork several times and you will develop similar skills and again obtain a feel for their style. Drawing charts by hand accomplishes this same intuitive feeling for the markets. This is not a requirement for success, but it is something that you should do as a standard operational procedure. Just because there are more efficient methods to get the task done does not mean they are superior! Try hand drawing charts of the markets you are really interested in for at least 2-months and I think you will be more than convinced of their value.

## How Much Do You Need to Start Correctly

This is a difficult question to answer because the amount varies based on the market you want to trade and the amount of risk you are willing to accept on each trade. Some markets are more leveraged than others and some markets tend to have more price movement than others. For most people, \$10,000 is a really good number to start with. I have started with as little as a \$1,000 several times trading for friends or family members and have ran profits up to \$10,000 in a year, so it is possible to start with less. Personally, I feel that if you don't have at least \$5,000 that you could just walk away from and not lose too much sleep over it then you should not begin your trading career in the futures markets. I would suggest that you begin trading options or stocks if this is your situation. The goal of trading is much different than investing even though both approaches are just trying to make profits on the price change of some underlying asset. In my opinion, the goal of trading is to turn relatively small amounts of money into large amounts. You should NEVER trade with any

amount of money that has become meaningful. Once this occurs, you should always start over with small amounts. By operating in this manner, you will never go out of business and you will not have any difficulty sleeping at night. This is a lesson I learned more than once and I learned it the hard way over 10-years ago.

### Commodity Basics

Before you can begin trading in commodities or futures contracts, you must have a full understanding of the leverage involved. For example, the margin required to control one contract of wheat is currently around \$1200. The current quote for July Wheat is 395-½ (Three Dollars and 95-½ -cents). The contract size is 5,000 bushels and trades in cents/bushel. This means that this contract is currently worth  $(\$3.95\text{-}\frac{1}{2} \times 5000)$  \$19,775.00. You are controlling an asset worth almost \$20,000 for a deposit of only \$1,200. This gives you a leverage ratio of 16.5 times your margin requirement. Commodities are not more volatile than stocks. It is the leverage that gives the illusion of volatility. For example, if the price of wheat moved a dollar, this would be considered a huge price move for this market. However if a stock moves a dollar, it is really not a big deal. Understanding the leverage factor involved is something most commodity traders overlook. They tend to focus on the potential reward side of the leverage but neglect to factor in the down side. If you are going to start from the correct beginnings, then you must understand how leverage works. If you purchase a \$200,000 home with a 10% down payment and mortgage the rest, you are using leverage. If the home goes up in value to \$255,256.00 in the next 5-years, this would give you a profit of \$55,256 dollars on your \$20,000 investment assuming that you don't have to make any interest payments. Margin on commodities don't charge interest, which is the reason I am making this comparison. Now, if on the other hand something was environmentally wrong with your home or location and all of a sudden the price dropped to \$125,000.00 you would have a \$75,000.00 loss because you still owe the mortgage balance of \$180,000. This is exactly the type of leverage that exists in commodities. They are really not as volatile as people claim they are just highly leveraged. As another quick example, the popular S&P E-Mini contract typically requires a margin of \$5,000. The contract is trading around 1150. At \$50 x the index, this gives it a value of \$57,500, more than 11 times the margin. Commodity trading is like using OPM (other

peoples money). You are sort of borrowing the difference between the actual value and the margin, just like the mortgage example. If you are correct, you benefit substantially. If you are wrong, you still owe the difference and can lose substantially as well. The Index on the following page should be very helpful in gaining an understanding of the leverage involved. For most commodities, you can simply divide the contract size by 100 to determine how much a full cent or full dollar move is leveraged. For example, the grains (Corn, Wheat, Oats & Soybeans) are all 5,000-bushel contracts and trade in cents/bushel. Divide 5,000 by 100 and you get \$50. This means that each 1-cent change in price is worth +/- \$50. Bean Oil would be \$600, Copper would be \$250, British Pound \$625, etc. Make sure that you fully understand how price changes work in each market before you ever attempt trading in them. A commodities broker can be very helpful in this regard. In the majority of cases, you don't need their advice, but if you don't know the basics, they can be a good source of free information.

### The Most Neglected Trading Discipline

Money Management is the single most neglected and overlooked key in the trading business. In my experience, money management is by far the most essential element to actually making significant money from trading the various markets! Everyone spends such an enormous amount of effort, trying to find ways to optimize entry into the markets, or develop systems, indicators and strategies, but very few ever spend time learning how to control their risk and actually manage it to their favor. Everyone wants to know how to find the exact top or the exact bottom of a price move and get in at the most opportune moment. This infectious bug has bitten me myself, but I have corrected the issue by making money management higher in priority than the actual selection process in my trading. You would be wise to do the same! Money management is absolutely crucial in ordinary everyday life, so why would you think trading or any other business or profession would operate under a different set of criteria?

Professional gamblers like Bobby Singer, one of the most successful blackjack players in history will tell you that money management is the single most important key to taking money away from the casinos. Singer made his fortune gambling at blackjack, which is a game where the odds are stacked significantly against the player. Stock, Commodity and Options traders are very lucky because they can actually stack the odds well into their favor. If strict money management allows someone to make a fortune in a game where the odds are against you, imagine what it can do for you in the stock, commodities or options markets where you can stack the odds well into your favor! Can you think of a single business that does not have some form of cash management? At this point, we must now add the element of the markets into our business equation. To apply proper money management skills to each and every potential trade entry, we must understand all of the following criteria:

(a) We must fully understand the advantage we are exploiting in the market and realize that no matter how good it is, it is not completely infallible. This means accepting the fact that the markets are always right regardless of your opinion.

(b) Knowing ahead of time how much we are willing to risk on any single trade and using stop loss orders or options to specifically control that financial risk.

(c) Knowing ahead of time the approximate target objective or profit potential in each trade so that we may determine if the risk truly warrants the potential reward. If the potential dollar reward is not at least triple the amount of risk, then the trade is unacceptable regardless of how perfect it may look otherwise.

(d) Being fully aware that the business of profitable trading is purely a numbers game based on exploiting the factors of (a), (b) and (c) above.

(e) Using all the market clues and available chart information to expose advantages and strictly limit our risks on every opportunity.

(f) Staying 100% consistent to our trading & analysis approach, removing all emotions and as much subjectivity as possible.

(g) Taking action consistently and immediately on all market signals (entry, exit, profit targets, stop losses, etc.)

(h) Accepting losing trades for what they are without regret because you did not risk an emotionally significant amount and you followed your rules mechanically without bias or any emotional subjectivity.

### Why 3 to 1?

In baseball, if you can reach a batting average of 300, which means that you successfully make

it to at least first base after hitting the ball into fair play 3 times out of 10, you are considered a very good hitter. A batting average of .400 is considered absolutely phenomenal and is nearly an unachievable goal. The last player to accomplish this was Ted Williams of the Boston Red Sox who hit an astounding .406 in the year 1941. This same analogy applies to trading successfully. You only have to be a .300 hitter to make money consistently if you always apply good money management to every attempt at bat. Sure, you are going to take losses; it is part of the game, just like striking out is part of baseball. But to be a really good trader does not require you to be right all the time. I have proven this to my satisfaction time and time again. I personally know traders that are only correct 2 or 3 times out of 10 and consistently make money each and every year. How is this possible you ask? By taking advantage of good risk to reward opportunities and applying strict money management to every attempt. If you make \$3 dollars for every correct trade and only lose \$1 dollar for every time you are wrong, your trading profession will be profitable even if you are only 30% accurate in your trading decisions. You would lose \$7 on the wrong trades and gain \$9 on the correct trades. The True Secrets of Successful Speculation is found in money management rules and knowing how to apply them to a chart in advance. My course The Keys To Successful Speculation goes into this subject with much greater detail and illustrates specific methods that provide tremendous risk to reward opportunities. Good money management can even allow you to make money on random entries. It is truly ironic how many people find money management boring and making money exciting. I agree it is not the most pleasant topic to read about, but the results speak for themselves. Want to put some real excitement into your trading career? Spend your time mastering money management and your trading results will be catapulted to another level.

### W.D. Gann's most important money management rules

\* Divide your capital into 10 equal parts and never risk more than 1/10th of your capital on any one trade. This applies to all remaining capital as well.

\* Always use Stop Loss orders to protect your trade and place it immediately after entering a position.

\* Never Overtrade by taking large positions. This would violate your capital rule. Remember "Safety first."

\* Never let a profit run into a loss. When the market moves in your favor and you have a profit that is double the amount of risk you were willing to take, move your stop loss order so that you will have no loss of capital if hit.

\* When in doubt, stay out or get out.

\* Trade in active, liquid markets.

\* Don't close your trades without a good reason. Follow up the position with stop loss orders to protect your accumulating profits according to the rules.

\* Accumulate a surplus of capital. This rule is very important. After you have made a series of successful trades, put some money into a surplus account to be used only in emergency or in times of panic.

\* Never average a losing position. This is one of the worst mistakes a trader can make.

\* Never get out of the market just because you have lost patience or get into a market because you are anxious from waiting.

\* Avoid taking small profits and large losses.

\* Never cancel a stop loss order after you have placed it when entering a trade.

\* Avoid trading to frequently, getting in and out too often.

\* Be just as willing to sell short as you are to buy long.

\* Never change your position without a good reason based on set rules.

\* Avoid increasing your trading activity after a long period of success or a series of profitable trades. Remember to accumulate a Surplus and don't be tempted to increase your trading unit too quickly. Success can go to your head and has ruined many otherwise good traders.

I have a huge library of trading or market related material. Very few authors discuss the importance of money management. Some may actually mention it, but provide nothing user friendly in terms of real application. I have placed this topic ahead of the actual trading selection and/or general market information due to its importance and priority to being a successful trader. The money management approach must be fully integrated with the analysis, entry and exit approach so that the business owner or trader can fully understand what he/she is getting involved with allowing for intelligent decisions.

### Successful Trading

It should be more than clear by now that successful trading is not about what you originally thought it was. Accuracy is not the deciding factor to winning money in the markets. Relying on the trading advice of newsletter writers and market guru's will not help you.

## Real Profits - No Hype



- One-on-One 5-Day E-Mini Futures Course with full year of personal mentoring shows you how to make solid profits.
- Choose from our 6 locations, or we can travel to you!
- A serious course for those wanting a trading career fast.
- 11th year delivering real results worldwide.

For full course details, visit:

[www.DayTradingCourse.com](http://www.DayTradingCourse.com)

or call 770-382-9656

Watch a Live Trade Video!  
Get a Traders Affirmations CD!  
Read tons of Student Testimonials!

Discover how to make trading stress-free, fun and profitable!

Goal: \$500-\$1,000+/Day!  
Learn to Make Money in  
UP or DOWN Markets!

**FREE**  
TRADING  
Lessons,  
Charts &  
On-Line  
Course Demo!

Learn a SIMPLE, yet POWERFUL  
Trading Methodology that will help  
you become a professional trader!

E-mini S&P NASDAQ DOW All Stocks  
-Interactive Home Study Course & LIVE Trg.

Manuals Audio CDs

Video Tapes Proprietary "Software"

FREE Ongoing LIFETIME SUPPORT!

Members Area Email Phone Fax

One FREE Day of Live One-On-One Mkt Training!

Remote Training Sessions Also Available!

Learn From TODD MITCHELL Who Has  
Taught Thousands of Traders  
Worldwide for Over 10 Years!

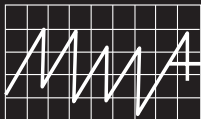
**F  
R  
E  
E  
A  
U  
D  
I  
O  
C  
D**

(800) 664-3343

[www.tmitchell.com](http://www.tmitchell.com)

Get impressive results immediately like traders on my website!

**SATISFACTION GUARANTEED!**



**The Merriman Market Analyst, Inc.**

*The Leader in Market Timing Products and Services!*

# FORECASTS for 2006

**AVAILABLE! DEC. 15, 2005**



A unique and fascinating overview of the year 2006. Special attention upon cycles and geocosmic signatures related to the world and national economy, stocks, currencies, precious metals, interest rates, the U.S.A., the Federal Reserve Board, weather patterns and grain markets. For only \$39.95, this is one of the greatest values offered every year to traders, investors, and students of cycles worldwide. Written annually for the past 30 years by noted Financial Market Analyst, Raymond A. Merriman.

**Available Dec. 15, 2005. Approximately 128 pages, 8<sup>1/2</sup> x 11, perfect bound, glossy softcover, \$39.95 plus \$5.00 PPD if U.S. or Canada, \$12.00 elsewhere.**

**Call NOW for a free catalog of other market timing products!**

**M.M.A. P.O. BOX 250012 WEST BLOOMFIELD, MI 48325  
800-MMA-3349 • 248-626-3034 • FAX 248-427-1994  
E-Mail: [ordersmma@msn.com](mailto:ordersmma@msn.com)  
[www.mmacycles.com](http://www.mmacycles.com)**

Understanding Fibonacci and other magical numbers and price retracements is meaningless without the correct business skills. Learning entry techniques without money management is about as valuable as flipping a coin. In reality, it is actually worse. Understanding Gann, Elliott Wave or any other past legend may help a little, but it is not the "Holy Grail". Gann actually tried to point out the path with his "Twenty Four Never Failing Rules", which are all money management rules. However, most people think he made his fortune entirely based on accuracy. I believe he made his money by following strict rules and nothing more. Sure, he has made some amazing predictions and forecasts, but so have I. Trading is a completely different animal entirely. I'm not condemning any approach to the markets at all. Cycles work, Astrology works, Elliott Wave works, Gann methods work, Trend line breaks work, Technical Analysis works, Fundamental Analysis works, Moving averages work, Oscillators work, Chart Patterns work, etc. However, no approach no matter how good will work without the "Keys To Successful Trading," because no approach is infallible. These are the exact rules that most traders completely ignore and are the reason why 80 to 90% of them fail. They believe that if they can find a way to predict the next top or the next bottom, they will turn everything around and become successful. Achieving any degree of success in this regard, eventually will lead them to failure because they are basing their entire success on being correct instead of controlling risk. Pulling off a few winning trades rewards you for the wrong reason and conditions you to behave incorrectly in all future trades. There are hundreds of books on trading, and all types of approaches, systems and methods, yet they produce so few successful traders. Money Management is not the main attraction to the markets and it probably never will be, but ironically, making money is. How will you ever make money in the markets without learning how to apply and use these skills? Making money only requires you to protect enough of your capital so that you will always be able to have enough to continue playing the game. If you can take limited risks with high rewards, you don't have to be correct very often to be profitable in the end. That's what the trading business really is!

*Daniel T. Ferrera*

## **W.D. Ganns Astrological formula for Stocks and Futures SUPER TIMING**

In SUPER TIMING this formula is shown in detail. All of Ganns public predictions were analyzed to reveal the one common factor. Supertiming explains all of Ganns predictions by using the one formula. It shows you which planet will be signaling the next trend turn and it works on all markets. As well as Ganns timing method there is the price target method which is demonstrated by his predictions and from real life examples in recent markets (this is not a planets longitude converted to price). The real answer is in Supertiming where you will learn the pattern combination that is found in all of Ganns predictions both long and short term. You will see how this works on a swing basis as we work through whole sequences of short term trades that Gann actually did. You will see why he entered the market when he did and the reason he took profits only to re enter at a better price the next day. This also contains all the trades in the book plus nearly 100 years of the Dows major highs and lows so you can see how well it has worked. **Price is \$250.00 includes shipping world wide. Also available is his new Profitable Forecasting Master Course for \$460.00 To order call Traders World at 800-288-4266 or order online at [www.tradersworld.com](http://www.tradersworld.com)**

# Known Gann Techniques

By Myles Wilson Walker

WD Gann tells us that he did his first trade in 1902 and he was still trading up until at least April 1954 so he had a 52 year career as a Stock and Commodity trader. As any one who's traded for even 6 months will tell you, its easy to go through a lot of different systems and techniques while you try out new ideas. In 52 years Gann who obviously had an inquiring mind just judging by his recommended reading list, came up with a lot of different methods. Over the next few articles I will summarize them. My personal feeling is that he taught in his courses, methods that he had found useful to traders but they were not necessarily anything that he was currently using.

## Gann Angles

These he called moving averages. The good thing about them is that they could be used to project a trend line into the future as well as giving a visual representation of the current markets momentum.

The basic premise behind the angle construction is harmony. It doesn't matter about the scaling on your screen but the underlying angle must be 1 point up or down for every unit of price. He called this the 45-degree angle because it when a line is vertical it is at 90 degrees so a properly constructed box when a line is drawn from the bottom on the left side to the top on the right side will dissect the box at the 45 degree angle.

Some people hear about Ganns 45 degree angle AKA 1x1 and get a protractor out and start drawing 45 degree angles all over their charts. This is totally wrong, the 45 degree angle is 1 point of price to 1 unit of time.

The other angles are:

2x1=2 points per 1 unit of time

3x1=3 points per 1 unit of time

4x1=4 points per 1 unit of time

8x1=8 points per 1 unit of time

In Ganns course on geometric angles he started with the above illustration. A perfect square that he would then divide evenly. The 2 diagonal lines are the 1x1 angle AKA 45 degrees

## A Gann Fan from a low The square is divided evenly into smaller units

Correct Scaling of the Gann angles to individual markets is important. In the Gold example below the 1x1 angle is the traditional 1 point per day. This is too big for the average range in gold so in the second chart I have Set the 1x1 angle at .50 per day. This is correct as long as all the other angles are kept in proportion. Above Golds 1x1 angle rescaled to .50 per day. Notice that Gold broke the 1x1 angle several times and then continued up. The close above the angle was called "regaining the trend" by Gann and was a buy signal.

The angles are drawn off highs and slope downward, or from lows and slope up. As long as the market is holding above the angles it is said to be strong.

But when price breaks the angle it should move to the next lower angle.

Above is an example of a Gann Fan showing weakness in an S+P 500 bear market.

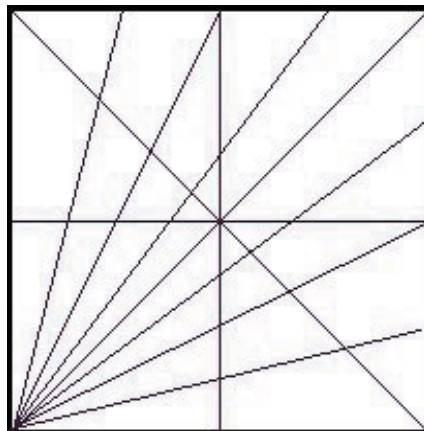
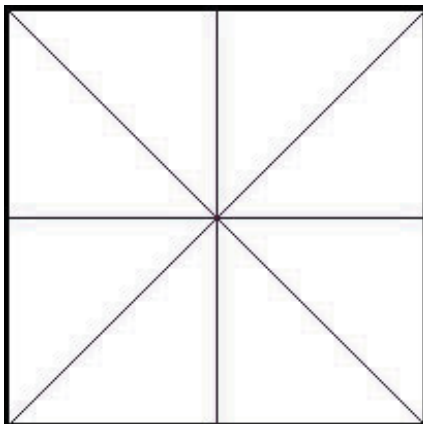
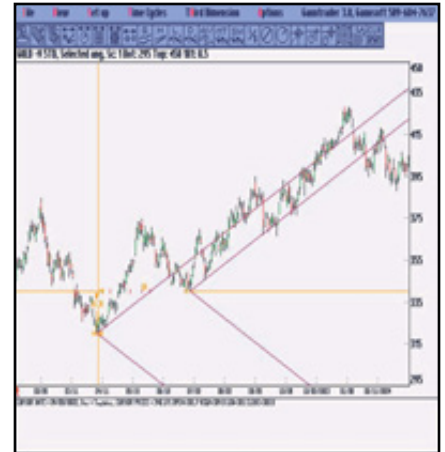
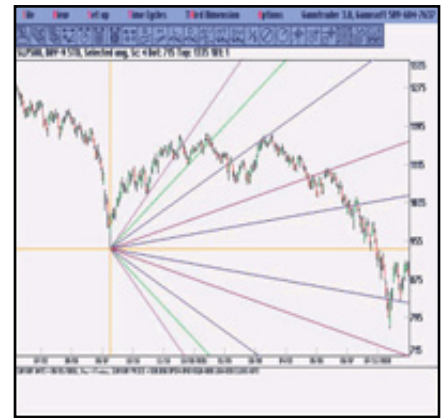
Notice how the market hit the first 2 angles and rallied giving a "regain the move" signal only to fail quickly

At the 2 angles after that the market effortlessly broke the angle and rallied up to touch and fail from the underneath.

Gann angles are a very useful way of generating signals based on support and resis-

tance, as well as showing momentum. More in the next issue.

Mr. Walker is the author of *Super Timing and the Profitable Forecasting Master Course*



# Trading Psychology

By Bennett McDowell

This is an interesting paradox I found from working with many traders over the years. Many people who start out in trading have been successful in other careers or business ventures before trading. Since it is a fact that you need discretionary money to trade, you need to have been successful in the past to make enough to fund a trading account with risk capital.

The tools that made these people successful in the business world may not be a strength in the trading world. Some new traders who had to be aggressive in their chosen businesses tend to think they need to be aggressive with the markets. It seems logical. In fact, that is what made them successful before as sales people, managers, executives, doctors, business owners, entrepreneurs, etc.

In trading however, this aggressive type of behavior can actually be your biggest weakness. The belief that you can force the market to do what you want and make your trade work, just won't happen! The markets are too big.

In fact some of the most successful traders I know approach the market passively! They tend to "Follow" the Markets and not force an outcome. There are times to be aggressive in your quest for knowledge, but the aggressiveness I am talking about here is different.

## Handling Stress & Avoiding Burnout

We have to cope with different types of stress while avoiding burnout. This at times is no easy task! There can be a fine line between stress and fear since fear can cause stress as well.

### Here are a few signs of stress that may indicate burnout:

- Increased irritability or easily agitated
- Increased level of Anger
- Increased level of frustration
- Boredom leading to feeling of underachieving
- Avoiding certain tasks that require concentration

Stress can be caused by a heavy workload, feelings of being overwhelmed, deadlines, too much happening at once, information overload, draw-downs, poor trading results, success, personal and family pressures, and even boredom can all cause stress. Note that even good things that are happening can cause stress.

We want to trade in a stress-free state of mind so we need to reduce the things that are causing stress or change our perceptions. If you are feeling stress while making trading decisions, it is likely that your trading results will suffer. It is hard to focus while you are stressed and worrying. If you are stressed, what do you do about it? The answer is to write down all the events that are currently causing you stress. Next step is to see how you can eliminate your stress either by learning how to manage them, or by changing how you perceive them which is really what is causing you stress.

Let's look at a just one example of how to cope and manage a stressful situation. Let's say you are feeling overwhelmed because you have too much to do and too much waiting to be done. How can you manage this stress? Try and organize the workload by writing down everything you need to get done. Then assign priorities to each task and then assign dates YOU can get them completed by. Organizing automatically reduces stress because now you don't have to worry about forget-

ting something important to do. You want to keep a clear mind when you are trading so you can focus on the markets and making a list of your miscellaneous tasks keeps your mind clear.

If trading is a priority for you, then you must schedule your "to-do" items around trading so that your trading is always NUMBER ONE. Knowing you have accounted for your trading in your scheduling will again reduce stress. Be sure to schedule time off daily and try and do some activity that is totally unrelated to your work and do something you enjoy that is fun. This will clear your mind which reduces stress. This could be exercising, taking a walk, playing your favorite sport, etc.

### Here is a list of ways to help you reduce stress:

- Write in your "Sunrise Daily Trading Journal" everyday
- Make a list before you trade of things you need to do that day, even if the have nothing to do with trading. Clear your mind!
- Eat well and exercise regularly
- Have hobbies out side of trading
- Enjoy and develop your relationships
- Spend time with nature
- Try and not think about trading during your time away from trading
- Take regular vacations
- Create balance in your life
- Create a mindset that new opportunists exist everyday
- Accept that you are human and will make mistakes

You do not want to get to the burnout phase, which means you went past a reasonable stress point and you now cannot cope. Basically you will need to take time off, and that means stepping away from all organization and structure and totally relaxing until you recover. If you are burned-out you will need to do this or else you will get worse, and the next stop maybe a nervous breakdown! So listen to your body and acknowledge the stress while it is still manageable.

Next, take your list of events that could possibly cause future stress. Try and replace the worry associated with these events with positive thoughts and actions, but think and act in total awareness. Be aware but don't dwell. We usually create or manifest the very things we try and avoid sometimes because we are always thinking about them! And usually our thoughts are consumed with the bad that may happen. Replace the bad with good and see yourself overcoming these events successfully. Take the action necessary to avoid bad outcomes by acting in total awareness. By doing this, you can keep additional stress low and concentrate on dealing with your current state of affairs.

Manage yourself and your perceptions of stress. If trading losses cause you stress, then you are either not aware that trading involves taking managed losses or you have not accepted this reality. Fear and ego can come into play here as well. Either you need to change or you need to find another business.

Stress is self-inflicted and you must own up to that and take responsibility for yourself and how you will manage it. I have seen people crack and people excel when under the same stressful situations, thus proving that we create our own reality!

## What Is Your Deepest Fear?

You must LET GO of fear, disbelief in yourself, and worry. If you are fearful, ask yourself what am I afraid of? If the answer is that you do not have confidence in your trading system or approach, then you must do everything possible to become confident! This allows you to trade confidently and fearlessly.

Our thoughts shape our beliefs which create our reality. In trading this has profound implications. If we think or have a nagging thought that we may fail, then we create the seed that shapes our beliefs and manifests failure, all because we just think it!

Leave an opening in your mind where fear can gain hold and your fear will become reality! What you fear, even so slightly, has a greater chance of happening than the fear you confront. The reason for this is simple, because this “low-level” fear is the fear you are most afraid of. Why? Because it is so frightening, you can’t face it and instead it is easier to deny it.

Unfortunately, it remains forever at this denied “low-level” always in the “back of your mind.” You become comfortable containing or “living with” this fear through your denial process but somehow you always feel something is holding you back or your just can’t seem to break free. This “low-level” but always present fear you deny has a way of becoming so powerful and potent by this very act of denial. This type of fear remains in thought and therefore will have an impact on your beliefs and ultimately manifest itself as your reality. If you are a trader than it will sabotage you until your worst fear is realized, failure!

### **Failure Is Not An Option**

Traders that experience thoughts of failure should not take them lightly. Instead they must find out what is causing these thoughts and take action to eliminate them. Traders that fear failure will ultimately fail. Traders that fear success will not succeed. If you have these thoughts, don’t trade until these thoughts are dealt with openly where they will be less powerful then if they were denied. You must confront them and remove their power so they don’t occupy your thoughts.

Fear of failing, or fear of success, must be dealt with and removed from your thoughts before you will be successful at anything you try and do. Choose and protect your thoughts carefully! Outside influences can and do impact what you think. Garbage in equals garbage out. Even something as harmless as watching the news regularly with all its violence and fearful stories can over time create a fear based belief system in the viewer.

Compound this with violent movies and TV programming and it is no wonder people focus (energize) fear based thoughts which then manifest themselves in reality. This is why I say you must protect your thoughts from manipulative outside forces and focus your energy on wholesome, happy, and fun thoughts creating the life you want, not the life someone else wants for you!

Realize that you must react and be aware of the risks of trading the financial markets. Many “positive thinkers” preach that if you think ONLY positive thoughts and say ONLY positive affirmations you will succeed. While this may be a good start, it falls short of what is needed. You must live in full awareness. Let your positive beliefs lead you to take the actions of success.

Traders that blindly enter the financial markets and start trading simply because they are thinking positively ignore the full spectrum of what is possible. Acknowledge both sides of the coin, the good and the bad. React with full-awareness. To react with only positive thoughts or only positive outcomes would cause you to neglect attention towards risk control.

On the other hand, to live in the fear of only losing will cause you to react with fear, anxiety, negativity and aggression which is equally destructive. The ultimate trading state of mind is one of full awareness without fear, anxiety, or despair. It allows a balance that manifests itself into a positive reality creating a feeling of abundance and good will.

### **Choose: Success Or Failure?**

The Choice Is Yours! Why is it that some people are successful and others never seem to be able to make it? What makes a Michael Dell, Bill Gates, or a Chuck Yeager successful? Is there some secret ingredient that only a select group of people have that makes them successful?

In a way yes, but it really is not a secret. We all have access to this quality that produces success. It is the same quality that successful traders have as well. Success is relative and each one of us may define it differently.

Have you ever wondered why two businesses that do the same thing have different results? What is it that made the one business excel and the other fail? Is hard work alone the answer?

The answer is that successful people make up their minds to be successful and do whatever it takes to succeed. They make a choice to succeed and this choice creates the energy necessary to succeed! There have been many successful people that fail their way all the way to the top! They never give up and they do what it takes to see their success through. You only fail when you give up!

I have heard of traders going bust, and having to go back to working a regular job again. But they keep their dream alive by learning the necessary trading skills, “Paper Trading,” and then when ready they begin trading with real money until they become successful enough to leave their jobs and live their dream!

So, do you want to succeed? Yes it will be work, but it also can be fun if you choose it to be. Your thoughts create the energy to either succeed or fail in anything you do in life. Trading is nothing more than the vehicle you choose to play out your thoughts.

### **Don’t Lose Your Perspective!**

Losing your perspective is worse than the money you lost! Why? Because losing your perspective is similar to losing your soul. You are all you have, so if you give up on yourself by losing your perspective, you have failed! You only fail if you give up! Many traders that lose their perspective begin to feel like total losers not only in trading but in life. It is sad to see traders that have lost their soul because they lost money on a trade!

Here are a few guidelines to help keep you from losing your perspective.

- Trade only with money you afford to risk
- Always use stop-losses when trading
- Expect some losses and keep them small
- Stay objective
- Enjoy the process of trading and learning to trade
- Be able to laugh at yourself
- Have balance in your life
- Have activities outside of trading
- Don’t think about trading all the time
- Focus on skill development, not money
- Be humble
- Let go and have fun trading

These points all have one major objective, to separate trading into a manageable segment of your life and not make trading your entire life. This way, you stay objective, balanced, and fresh when trading. This is much healthier than making trading all you have in your life. Usually a well balanced person will outperform an unbalanced person whether it be trading, athletics, or a business venture.

# Interview with Adrienne Toghraie

*International recognized speaker, writer and psychological trading coach*

*Adrienne Toghraie produces the Trading on Target series of books and her web site can be found at [www.TradingOnTarget.com](http://www.TradingOnTarget.com)*

*Adrienne how did you get started in this?*

From the time I can remember, I have been studying the art of success. What makes some people fabulously successful in life? What do they do and how do they think? What makes them different from everyone else? How can I learn their secrets and pass them on to others?

Eventually, this passion for learning the secrets of success led me to the study of Neuro-Linguistic Programming (NLP), which is the science of modeling. NLP is based on the two basic principles: first, that the fastest and most effective way to increase success is to model successful behaviors and attitudes, and second, that humans react to their early experiences by making unconscious associations (called anchors), either good ones or bad ones, that determine later attitudes and decisions. Having completed my training in NLP, I was armed with a set of illuminating principles and two powerful success-building techniques: success modeling and anchor transformation. I realized that I had found the key to not only the secrets of success but the means of passing those secrets on to the people who were motivated enough to use them.

Then, a friend asked me to help him present a seminar on the psychology of trading. He knew about my study of NLP, and he also knew that I had a background in sales, commodities, and business finance. When I started working with traders, I was immediately drawn to them and realized that I had found a group of people that I would really like to help to become more successful. Traders are risk takers and entrepreneurial by nature. Furthermore, they are highly motivated and committed to their success. For me, it was the perfect match.



*Could you explain more on why you're drawn to these types of people?*

I was drawn to traders because of my background. My father was certainly a risk taker. At age sixteen, he hid on a Greek ship bound for America. In the middle of winter, he jumped into the icy Hudson River and swam to shore. He had no passport, no money, and spoke no English. Dripping wet, he walked down the streets of New York and found a restaurant owner who would hire him. Eventually, like most Greeks of his time, my father, the great risk-taker and entrepreneur, ended up owning his own restaurants.

*Do you have any particular education in trading?*

Although my formal education is in accounting and in Neuro-Linguistic Programming (NLP), my informal education in trading is also extensive. Since 1989, I have developed a solid knowledge about the technical aspects of trading. The trading success models I use are based on a group of characteristics, skills and abilities that make a person successful. I work with models for trading success rather than technical trading models. These models can apply to anyone who wants top performance.

*By studying your books and tapes do you think our readers should be able to put together a program for themselves to accomplish more success in their trading?*

The key to transformation is motivation. A trader who is highly motivated to succeed can apply the lessons in these books and tapes to bring himself to the next level of success. That is the purpose of the Course. I developed the original materials as a resource for clients and traders who take my seminars. There is no way to package the higher level of transformation that comes with seminars or one-on-one client work. But for those who are diligent and have the ability to learn on their own, the *Trading on Target Course* provides a complete resource guide to models of success through a series of books, tapes, and CD's. This will take a trader through the equivalent of countless workshops dealing with all of the psychological issues such as fear, greed, hope, self-discipline, and loss that a trader must face to be successful. These models are based on a long-term, comprehensive study of some of the most successful traders in the world, through personal interviews, direct observation, and private consulting.

One of the most important success skills a trader must develop is the ability to create a solid business plan. Traders are businessmen, and far too many do not realize this fact. Over the past two decades, I have watched traders who developed a solid business plan use that plan to build a highly successful trading business. I have never observed a trader to operate at his full potential without a plan. For that reason, I urge all traders to put together a professional business plan, one that is specific for a trading business. A trader can buy a business plan at a good bookstore or he can buy the *Trader's Business Plan*, which is also included in the course and which I developed specifically for traders. Whatever he does, he must take the time to think through his goals, resources, financial plans, contingencies, and follow-up schedule for his business and put all of this in

writing. A good plan gives a trader a blueprint for his own success. It can also keep him on the right path and increase his motivation by reinforcing his goals. Discipline is a major issue for traders. Discipline determines a trader's commitment to following his trading rules, adhering to his money management principles, taking care of his health, and handling his emotions during trading. Without good discipline, a trader is flying without the benefit of radar, a rudder, and a control tower. The result is usually a crash landing. Most traders who come for help have varying levels of discipline problems, and these problems often come from issues buried deep in their past. However, for many traders, discipline can be improved through relaxation, improved motivation, and positive visualizations. For that reason, I developed two sets of CD's on the subject of discipline (*Discipline I, II, and III*) and relaxation (*Stress Release for Traders*.)

A trader needs good information to be successful, but that information is not limited to market forces. Often, a trader finds that he is sabotaging his own success. He fails to follow his trading rules or he constantly loses the money he makes or he fails to do what he needs to do to succeed. To stop this self-sabotage, he must find out the cause. But, how can he find that information? In addition, a trader needs to know what he is doing right. If he can identify his strengths, he can build on them, nurture them and protect them. But where can he find that information? Because I could not find a source for this information anywhere, I developed a psychological evaluation specifically for traders. This evaluation is designed to uncover issues relevant to traders, such as the reasons they cannot to pull the trigger or exit a trade on time, or the reasons for such disabling emotions as fear of loss or failure or being wrong, or excessive stress. After a trader takes the evaluation, I am able to give him feedback on the results and help him to plot a course for the future.

*Today, a lot of people who have lost their jobs through downsizing and have the capital to trade are considering trading as a profession. Many of them are also leaning toward the idea of trading at home. What would you recommend?*

From a safe distance, trading from home looks like the ideal solution to a lot of problems. You no longer have to commute, you can work whenever you want, there is no one around to micro-manage your work,

and there is no limit to your performance except your own desire to succeed. This is a very seductive scenario for a lot of people. It is also an illusion because the dangers are hidden within the advantages. Yes, you no longer have to commute. But, now you are also isolated from others, with the potential to become lonely and depressed, deprived of the support and feedback you get from working with others. It is true that there is no one standing over you to direct you and to limit your productivity. But that also means that there is no one there to motivate you and create structure for you, either. The fastest way to find out that you need external structure, motivation, and direction is to be completely on your own, when no one cares if you succeed or fail.

Then there is the matter of training. Trading is one of the most competitive professions in the world. Both on-the-job training and seat-of-the-pants trading can be very costly, especially when your first mistake has the potential to put you out of business. A new trader has to master technical skills so that he trades automatically. He must also master his emotions, which is an even more demanding set of skills.

For these reasons and many more, an individual who wants to begin trading from home needs to be willing to learn everything he can about trading, about the markets, and about himself before he makes that first trade in real time. He needs to be willing to put his resources into his education, his training, and his business. And he needs to take it slowly, to prepare the way through careful research, planning, back-testing, education, practice and the development of self-discipline. Within the last two decades, a tremendous assortment of resources have become available to traders to prepare them to trade successfully, including seminars, newsletters, news services, training sessions, books, courses, systems and system-testing services, trader's coaches and trading coaches. A wise rookie trader invests carefully in his future.

And finally, there is mastery. Mastery comes neither easily nor cheaply. When a trader has achieved mastery, he is no longer "into wishing" for success. Instead, he has developed his skills, techniques, experience, and knowledge to the point where he can use intuition as a reliable indicator. Trading masters provide traders-in-training with the

best models for success – their attitudes, habits and disciplines, their strategies and skills, and their way of life should be studied and modeled, right down to how they dress in the morning, what they read at night, and how they spend their charitable donations. This system of modeling the most successful examples is the secret to saving a new trader time and money and a great deal of pain and loss.

*What are some of the warning signs and some of the right things that you see that means you're on the right track?*

One of the first warning signs that you are in trouble is that you have made money early on and you now think you no longer need to follow your system. This is the market's way of seducing you to the Dark Side. By the time you have lost all of your trading capital, it will be too late to turn back. A second warning sign is that you are taking shortcuts, anxious to get the preparation over as fast as you can. So, you find the reading, research, practice and testing boring. You want the action and excitement of trading, so you start trading by the seat of your pants. Once you have crossed to the Dark Side, you will no longer be trading for excitement - you will actually be gambling. A third warning sign is that you consistently give back your winnings to the markets. This is a sign of self-sabotage, sometimes the result of a fear of success. A final warning sign is when you find your emotions are out of control. You are gripped by fear, by greed, by elation, by panic. You are on the emotional roller coaster to trading perdition.

Some of the right things you are doing could include the fact that you are spending time each week refining your system and making certain that your trading system is performing at its peak. Another sign that you are on the right track is when you feel good physically and mentally. This means that you are taking care of yourself and living a balanced life. A trader whose life is out of balance will eventually lose his steadiness in his trading. A third good sign is that you are enjoying the prospect of reading another book or attending yet another seminar, another workshop, another study session on trading. This path will continue to motivate, instruct and season you as a trader. A lawyer attended the first seminar I gave in 1989 for seasoned traders on the psychology of trading. Since most traders do not start out with this kind

of training, I asked him why he was there. He told me that he had done his research and discovered that trading psychology was the most important thing for success. It would help him to avoid the losses that most new traders experience. Years later, I met him again at a TAG conference. He was no longer a lawyer, but a successful professional trader making a very good living. He credited his early training with his success.

*Most of our readers are looking for the Holy Grail. Does it exist?*

The Holy Grail does not really exist in a system and it does not exist in a mathematical formulation. I have met a considerable number of very mathematical people who have lost all of their capital in an attempt to find the Holy Grail in their Math. But it does exist in a different part of your mind, in the creative part, and in the disciplined body that responds to the signals from the creative mind. The Holy Grail is the filter that goes beyond technique. Once you have mastered the basics of technique and you have conquered your psychology, you can go for that filter- but not one day sooner.

*There are a lot of different readers using different trading techniques. To be successful, do they have to have their psychology correct or none of the techniques will really work?*

Absolutely. There are individuals who have designed black box systems that have produced outstanding results for a brief period of time. But, then you have to adjust them to maintain their results because markets are constantly changing. If you do not know how to adjust them, you will be lost. If you did not design the original system, you had either better keep a subscription to the designer or hope that he will make adjustments for you. Otherwise you are going to have to make those adjustments yourself. I caution traders that even if you buy a system from someone else, you must make it your own or else you are not really a trader.

*Let's go to another area- fear and greed. How does a person overcome these powerful emotions?*

Most of the emotional turmoil a trader experiences results from fear, in one form or another: for example, greed, anger and frustration all come from fear. One of the most effective ways to overcome fear is

to build your confidence and self-esteem. Another way to overcome fear is to uncover the underlying issues that create fear in you. For example, a painful loss in childhood could create an association (an anchor) of pain and fear with loss. The result of this anchor would be that a trader might react with uncontrollable fear at the prospect of a trading loss. For this reason, in trading psychology seminars, we work with the losses that traders have experienced in order to transform, reduce, or limit these negative associations.

*The biggest problem I see for a lot of at-home traders is being unable to pull the trigger after experiencing five losses in a row. Do you have any suggestions to handle this problem?*

If a trader has carefully tested his system, he must trust it. Any system, regardless of how well it performs, will bring about a certain percentage of profit and a certain percentage of loss. If you have fully tested your system and know that will make a profit over time, these percentages will remain constant over time. This means that if you have five losses in a row, it is very likely that you will be making money very soon. Thus, the only way to handle this problem of fear after a series of losses is to build trust and confidence in your system by testing it and refining it so that you know it makes more money than it loses. Then, once you start to lose money, you should actually begin to relax, knowing that soon you will be making money - and a net profit.

*Many traders sit at home and they get bored and take unnecessary trades and lose money. Any suggestions to overcome this problem?*

Each trader is stimulated in a different way. Creative work stimulates some traders while action stimulates others. Once a trader has fully developed his system and has completed the creative work, he risks becoming bored. A possible solution is to begin developing other systems at the same time that you are trading the current system. Some traders like the stimulation of chat rooms. I don't necessarily recommend this for every trader, but it does work for some. The solution for other traders is to trade only two hours a day. It is not necessary to trade eight hours a day. Traders should stop when their energy is so low that it prevents them from trading at their peak performance, regardless of whether that energy drain comes from boredom or fatigue.

Whenever you are trading, you should have your best energy of the day. I have reduced the trading time of many full-time traders from eight to two hours a day with the result that they made more money by trading less.

*What are the best times of the day to trade?*

As a general rule, most people trade their best by starting half an hour after the beginning of the trading day. This strategy gives the market time to get rid of a lot of the noise. Avoid the last half-hour of the day because of the excessive volatility. A seasoned trader knows how to handle that volatility, but the beginning trader does not. Very often traders will make money in the morning and lose it in the afternoon. For new traders, I suggest trading real money in the morning and monitor your trading with paper trading in the afternoon. Then you can get an idea of how your energy works during different parts of the day.

*Talking about energy, one of your books, talks about recharging the human machine. How does one do that?*

When your energy is low, it means that your body needs a tune up. For your body to create energy, it needs rest, exercise, and proper nutrition. To recharge your human machine, you need to discover what it needs. The chances are great that one of those three vital elements is missing. For example, if you are not exercising your body, there are certain exercises you can do to build your energy, such as aerobic exercises and many breathing techniques that are beneficial. These exercises allow your body to bring in more oxygen and give nourishment to your internal systems. You can use different types of exercise to build up your endurance, such as walking, etc. The one thing that depletes your energy more than anything else is stress. Every trader needs a stress reduction program that is tailored to his specific needs. To create such a program, it is helpful to imagine the time in your life that you felt the best. What were you doing at that time? The information you gain from examining that perfect moment will give you an idea of what you need to do to create your own stress reduction program.

*There are a lot of people in sports who say you have to be in a zone to be most effective. Is there anything like that in trading, and if so, how do you get into that zone?*

# TOP PERFORMANCE SEMINAR

Presented by Adrienne Laris Toghraie, Trader's Coach



*"You cannot trade a proven system  
without discipline"*

2-day Intensive Training

"If you do what you've always done,  
you'll get what you've always gotten."

**Feb 4-5, 2006 - \$2,500**

## **EMOTIONAL CONTROL & DISCIPLINE**

- Dramatically increase your self-discipline
- Develop the emotional control essential for trading
- Re-define your goals and turn them into realities
- 10 tools for handling mental states
- Learn the model of successful traders
- Learn NLP to eliminate what is holding you back

## **WHO SHOULD ATTEND**

- If you want to be more consistent in following your trading method
- If you want an added edge to make more profits
- If you want to speed up the process to becoming a Master Trader

**Presented by Adrienne Laris Toghraie, Trader's Coach**

Adrienne is an internationally recognized authority in the field of human development for the last 15 years. She is a master practitioner of Neuro-linguistic Programming (NLP) which is the science of modeling success for the financial community. Adrienne is a highly recognized lecturer, author of eight books and trader's coach. Her articles have been featured in most of the major financial magazines and she is a regularly featured guest on several national financial news programs.

**Call with visa/Master Card Number or make check payable to:**

**Trading on Target, 100 Lavewood Lane, Cary, North Carolina 27511**

**Phone (919) 851-8288 – Fax (919) 851-9979**

**Email [Adrienne@tradingontarget.com](mailto:Adrienne@tradingontarget.com) or visit - [www.TradingOnTarget.com](http://www.TradingOnTarget.com)**

Yes, absolutely. The zone for trading is the alpha state in which your brain waves are slow, but not too slow, so that you are in a deep state of meditation. During the day, we continually come in and out of that state. When a trader is sure of himself, he will go into that state automatically. When a trader is unsure of himself, he will tend to go into a beta state, which is a short memory state. When a trader is trying to do too many things at one time, he cannot enter the alpha zone. How can a trader build the confidence needed to bring him into the trading zone? Building resources is an excellent way to create confidence: for example, developing a business plan, creating a trading system

with rules you have written out and to which you are accountable, and undertaking a comprehensive program of training, education, and psychological development.

*How does one create wealth and happiness in trading?*

First, creating wealth in trading depends largely on how much capital you start with. Some traders come into the field with nothing. Others enter the field with a tremendous amount of family money or capital from a successful business or from a wealthy spouse. So, the playing field is not equal for everyone. Building wealth generally requires a base of

wealth upon which to build. Second, you must have a plan of action, which outlines each step to take. I have seen traders begin trading with virtually nothing and then create enormous wealth by following one step after another. I have also seen traders come to the profession with enormous wealth and no plan and who left with almost nothing. Planning requires setting goals and making the commitment to do what is needed to reach those goals.

That is my brief prescription for creating the wealth in trading. What about happiness? The temporary happiness in trading often comes by achieving each goal you have established. Certainly, most traders who are making money in the markets enjoy the financial rewards. But the enduring part is learning to love the process of trading, finding those parts of trading that are satisfying, challenging, interesting, and comforting, and then making certain that you nurture and support them each and every day.

*Any final comments?*

Many people ask me the question, is trading doable? Are there traders who are making money? The answer is, yes. I work with many traders who are highly successful. The reason that you do not hear about these traders is that they tend to be very private people who do not advertise their success. You will not hear them announcing their achievements loudly at trading shows. Instead, they go about their business, quietly skimming off money from the markets. Yes, success in trading is doable. However, the question to ask yourself should be, is it doable for me? Do I have the right stuff to be a successful trader? One good way to answer that question is to study the great traders as models. Then, ask yourself, do I have their personal qualities? Do I share their values, interests, and commitment? Which areas in my background are weak and need to be strengthened? It is important for traders to do an evaluation of their personal assets and liabilities in order to make the leap from a trader-wannabe to a successful trader. For example, one of the issues to address in your evaluation is your commitment to your education. If you do not have a passion to educate yourself, you should not be in this field. Successful trading requires a tremendous level of self-education, which can only arise from your effort and your joy in being in this business.

## Trading on Target Course



### Gives You the Tools to Balance Your Life and Become a More Disciplined Trader

Adrienne Toghraie is considered an expert by the financial community for coaching traders, brokers and investors to their next level of success. Her 8 courses on the psychology of trading have been praised by financial magazines. She is dedicated to helping traders to dramatically increase profits and success in all areas of life. Now, for the first time ever. All of her books and tapes are available as a complete course. The value of the package is over \$900.00. Now for only \$600.00 plus S&H The course includes:

- **The Problems Traders Face & How to Overcome Those Problems**  
(The Winning Edge series in four hardcover books)
- **Interviews with 14 successful traders with modeling studies**  
(Trader's Secrets - hardcover book)
- **A plan for Your Life which Will Support Your Business**  
(Getting More Out of Life - in a workbook)
- **Answers to Questions You Need to Know About Investing**  
(Dear Coach - in a hard cover book)
- **An Evaluation to Determine Your Ability to Follow Your Rules**  
(15 page Trader Evaluation)
- **Stress Relief for Traders (2 CD album)**
- **The Discipline Workshops**
  - How to be Disciplined - CD
  - How to Follow Your Own Rules - 2 CD album
  - How to Maintain Motivation - 2 CD album
- **Modeling Studies with Interviews from Top Traders**  
(2 albums of 4 CDs each)
- **A Plan for Your Trading Business**  
(Traders' Business Plan - CD)
- **Instructions on How to Get Reach Next Level of Success**  
(a 45 minute DVD workshop)
- **Continuing Education (quarterly newsletters - one year subscription)**



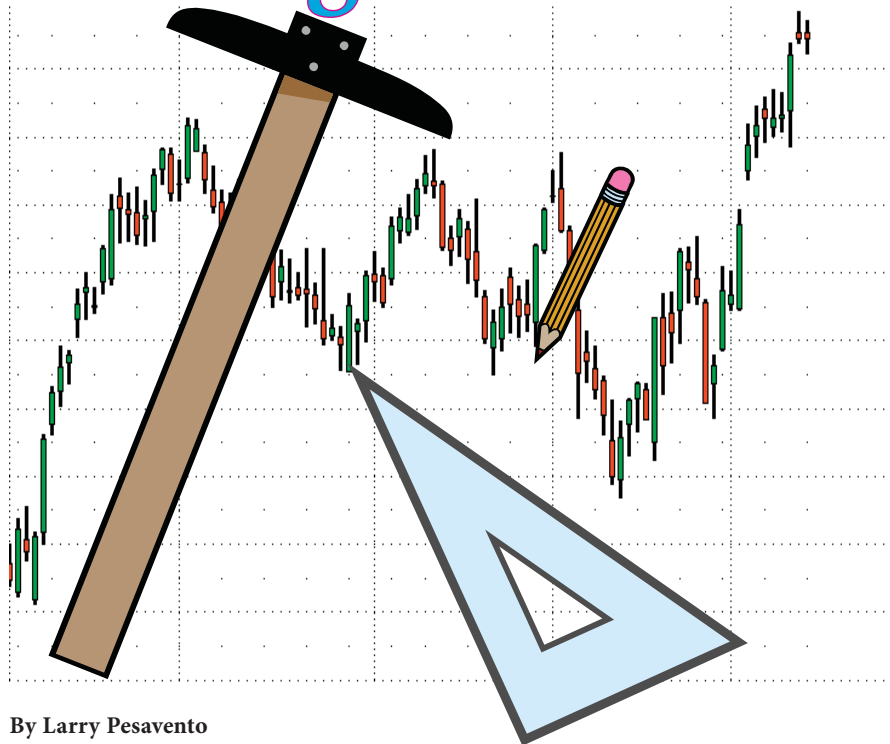
**Bonus Offer:**  
Receive a CD with all  
the back articles of  
Traders World  
Magazine

Call Traders World at:

**800-288-4266**

or go to [www.tradersworld.com/tradingontarget](http://www.tradersworld.com/tradingontarget)

# Trading with a Plan!



By Larry Pesavento

**Y**ou would not send a son or daughter off to college without them having a curriculum for study. But most speculators (investors) give the application of sound trading or investing strategies very little thought. They either listen to their broker, neighbor, colleagues and friends for tips on the market. Or they listen to one of the financial channels or trade publications such as Wall Street Journal, Barrons or Investors Business Daily, totally unaware that the news follows the prices. By the time the good news hits the airwaves prices have already been moving in that direction (bullish or bearish).

A sound trading plan can take you out of the news loop. There are three elements in a trading plan:

**First** — The reason for the trade. This can be technically based or fundamentally based or a combination of both. What I use with considerable success has been the pattern recognition technique of swing trading.

**Second** — The trading plan should have specific entry and exit points. This will define the risk in the trade. Always remember that you never know which trades will work or the profit available in any trade! Given these two known tenets the only thing a trader can control is the amount of risk in the trade.

**Third** - The emotional foundation to follow steps one and two. The plan-is not meant to be rigid but it can not be changed on a whim.

Amos Barr Hostetter, founder of Commodity Corporation, had two rules for exiting a position;

1. Has the position reached the designated price target?
2. Has anything occurred that causes the original position to be suspect?

If you can answer yes to either of these questions the position should be liquidated.

These are some guidelines that can help you develop your own trading plan and rules.

**LARRY  
PESAVENTO**

**WILL TEACH**

**YOU TO**

**“TRADE LIKE A PRO”**

**DAY TRADE**

**LONG TERM**

**SHORT TERM**

**STOCKS**

**COMMODITIES**

**S&P & EMINI**

**A UNIQUE**

**APPROACH**

**TO LEARNING.**

**A ONE ON ONE**

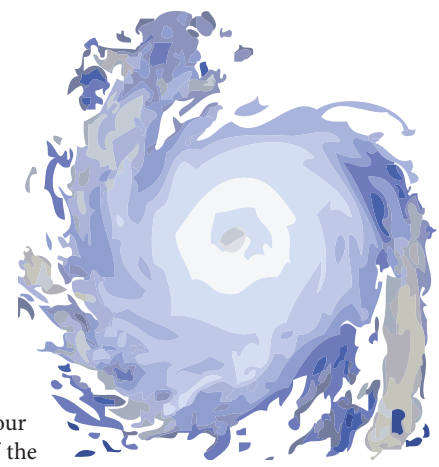
**PERSONAL PROGRAM**

**1-800-716-0099**

# Perfect Storm

## Earth Disturbance Cycles on the Rise II

By Eric S. Hadik



Charley, Frances, Ivan & Jeanne. Katrina, Ophelia & Rita. 7 Storms in 13 months representing the costliest and/or most intense storms in many categories. Is this a normal cycle, an anomaly or a new model?

In some respects, all of the above.

However, an in-depth understanding of climate cycles - and cycles in general - is necessary to better comprehend this. Since a single article could barely scratch the surface of this entire discussion, I want to focus on one aspect of climate cycles. This should aid in understanding where we are now... and where we are headed. Hopefully, this will also spur the desire for each reader to research these cycles in greater detail.

The first part of this explanation comes courtesy of Raymond Wheeler, a climate researcher and author in the early-to-mid-20<sup>th</sup> century. He is author of: *Climate: The Key to Understanding Business Cycles*, a fascinating book on climate (& business) cycles.

### Climate Seasons

In this book, he explains how there is a sequence of four seasons on many different levels of time (not just in each solar year). Instead of using the names we are used to, he uses the most basic descriptive terms to quantify these seasons:

- Cold/Dry (Winter)
- Warm/Wet (Spring)
- Warm/Dry (Summer)
- Cold/Wet (Fall)

Throughout history, there has been a sequence of these 4 seasons on the following time periods:

- 1,000 Years
- 500 Years
- 100 Years
- 10 Years
- 1 Year

... and he alludes to - or speculates at - others.

Even a 24-hour day is broken up into these stages with the following approximate breakdown:

- 4:00 AM - 10:00 AM - Warm/Wet (dew included)
- 10:00 AM - 4:00 PM - Warm/Dry
- 4:00 PM - 10:00 PM - Cold/Wet
- 10:00 PM - 4:00 AM - Cold/Dry

This pattern and these cycles recur all through nature.

But keep in mind, **these are NOT the Holy Grail**. And, they are not precisely repetitive down to the lowest degree. Even our own annual seasons do not adhere to their respective temperature/precipitation expectations (warm/wet, cold/dry, etc.) on every day. There are warm/dry days in Spring & Fall and cold/wet - as well as warm/wet - days in Summer. Similarly, there are always smaller and larger cycles at work within each of these prevailing cycles.

Think of it in terms of the 24-hour sequence of seasons (in the midst of the 365-day sequence of seasons)... Ask yourself, Which is warmer (in the Northern Hemisphere)? - The Cold/Dry Maxima of a mid-July day (around 1-3:00 AM) or the Warm/Dry Maxima of a mid-January day (around 1-3:00 PM). Even though 1-3:00 AM might be the coldest part of a mid-July day, it is 'roasting' compared to the warmest part of a day in mid-January.

Let me elaborate on a larger scale...

Within an approximate 100-year period of time, the earth goes through successive periods (about 20-30 years each) of cold/dry, warm/wet, hot/dry and then cold/wet. And, then the cycle begins anew.

However, within these 20-30 year 'seasons', there are smaller periods of the same sequence, which account for variations within each 'season'. And, once this 100-year 'year' is complete, it becomes one small part of a larger cycle of these 'seasons'. This is yet another example of fractals within nature and is a close parallel to what Ralph Nelson Elliott (Elliott Wave) was discovering in stock market action around the same point in time.

As W.D. Gann reiterated during the same era, which is actually how Solomon put it almost 3,000 years prior:

*"What has been will be again, what has been done will be done again; there is nothing new under the sun. Is there anything of which one can say, 'Look! This is something new?' It was here already, long ago; it was here before our time."* (Ecclesiastes 1:9-10 NIV)

The Byrds (a 1960's rock group) popularized a related observation from Ecclesiastes 3:1:

*"There is a time for everything and a season for every activity under heaven."* ("...Turn, Turn, Turn...")

They both address a similar phenomenon. Solomon recognized that there were repeating cycles to all of life and seasons for everything. One of those is a season for hurricanes, which adds more fulfillment to our ongoing analysis for MAJOR earth changes & surprises during this 10-20 year period.

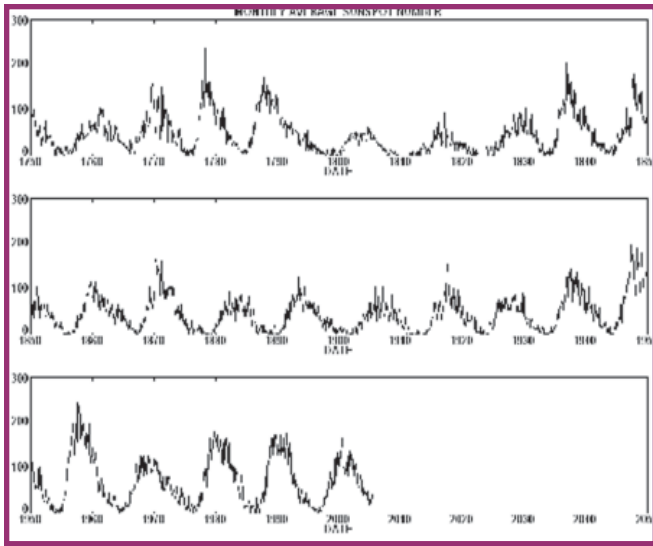
In order to best understand why the current period (from 1998--2012 in a broader sense and from late-2004 through 2008 on a more focused level) has been pinpointed for MAJOR earth 'disturbances' (including, but not isolated to: climate extremes, earthquakes, volcanoes, tsunamis and celestial influences/events), one good place to start is the 100-year climate cycle...

### Major Warm-Wet Maxima

Within the 100-year cycle, the Warm-Wet Maxima - as Raymond Wheeler described it - is like the 'peak of Spring'. Over the past 1,000 years, the span between these Warm-Wet Maxima has averaged 98 years. However, I have noted even more consistency between each subsequent pair of 100-year cycles (thus creating a 200-year cycle).

So, for the moment, I have chosen to focus on the 200-year cycle because it is more reliable... and predictable. There has been a very consistent 200-year pattern, with these warm/wet peaks being seen in 1020 (secondary maxima... almost like a 'double-top' on price charts), 1215, 1420, 1610 & 1805.

*If this pattern holds true, the period around 2005--2010 should see a*



Major Warm-Wet Maxima. This is exactly the conditions needed for hurricanes - **warm & wet**.

The latest 100-Year 'Spring' may have begun in 1989 with Hurricane Hugo or in 1992 with Andrew. In either case, 1995 left no doubt that this season was again in full swing. 1995 was the second-busiest hurricane season on record with 19 storms (not all making landfall). 2004 began a secondary surge (probably leading into the actual 'Maxima' within 2-4 years) with 16 named storms.

2005 has already exceeded that, is approaching 1995's level of 19 named storms, and could theoretically threaten the all-time\*\* record of 21 storms in a season. (\*\*Obviously, 'all-time' can only apply to the period since records have been kept, so it is actually a very small sampling of climate history).

### The Perfect Storm

Within the approximate 100-Year cycle of Warm/Wet Maxima, there is another cycle of approximately 50-60 years that warrants attention. This *intervening* cycle represents the 100-Year Cold/Wet Maxima that overlaps - and occurs between - the Warm/Wet Maxima. This might seem like it would not normally spur hurricanes, but this is where the longer-term cycles need to be incorporated.

According to Wheeler, there is an approximate 1,000-Year climate cycle that produced a peak in warming during the early 1,000's. During this period, trees grew in Greenland and the Vikings crossed the Atlantic. This was in stark contrast to the severe cold periods of the 800's & 900's.

In a similar fashion, the 1,000-Year Cycle has been warming throughout the 1900's (and even during the second half of the 1800's, coming after the Little Ice Age of the 1600's), so the 100-year *cold* periods would be expected to be less severe in *temperature* extremes. However, the *precipitation* model - of these 'seasons' - would not be dramatically altered. In other words, there would still be plenty of moisture during the 'wet' phases.

The underlying (1,000-Year Cycle) warming trend would be able to combine with the 'wet' phase (during the Cold/Wet Maxima of the 100-Year Cycle) and still produce monster storms. This would be similar to a thunderstorm in the middle of a hot, muggy summer night (the daily cold/dry maxima of a yearly warm/dry maxima).

So, it is not surprising that the decades with the greatest number of hurricanes to make US landfall - AND the decades with the greatest number of Category 3,4 & 5 hurricanes to make US landfall - are the two from 1881--1900 (including the notorious Galveston, TX hurricane of 1900) and the two between 1941--1960 (including the most extreme *winter* storm seen in the past century - The North Sea storm of 1953). These periods represent the warm/wet phase (1881--1900) followed by the cold/wet phase (1941--1960).

In a possible repetition of this 50--60-Year Cycle (Gann students should recognize the significance of a 60-year cycle), the two decades from 1990--2010 or 2001--2020 could see a repeat of this pattern. Either way, the current decade - from 2001--2010 - falls into this cycle and is the most likely for the specific warm/wet *maxima*. Unfortunately, this time was expected to be even **more intense** since it falls during either the warming phase or the 'peak-in-warming' phase of the 1,000 Year, 500-Year AND 100-Year Climate cycles... a climatic *Trifecta*.

Reinforcing the 50--60-Year Cycle (from Cold-Wet Maxima to Warm-Wet Maxima) is the fact that out of only 7 Category 4 Hurricanes to make US landfall during the 1900's, 4 of them (57%) occurred between 1954--1961 (8% of the overall period of time). 2004 has begun this pattern anew... and we could see more of this devastation leading into 2011 or 2012 (based on a plethora of related and unrelated cycles).

Within hurricane cycles, some meteorologists & researchers have also noted a 25-year pattern of more-active and less-active hurricane seasons. This fits perfectly with Raymond Wheeler's 100-year cycle as it seems to be highest in warm-wet & cold-wet seasons - Spring & Fall - and less active in cold-dry and warm-dry 25-year seasons. This is just like a calendar-year, when the majority of precipitation comes in Spring & Autumn. Currently, we are in the middle of a 25-year pattern of more active storm seasons.

### Sunspot Cycles

Even within the 100-Year Cycle and within the individual 20-30-year cycles, there are smaller cycles - as Raymond Wheeler had pointed out. One of the most consistent - and sometimes possessing the greatest impact - is the approximate 11-year Sunspot Cycle.

The diagram on page 43 shows the Sunspot Cycle for the past 250+ years.

One of the interesting patterns between hurricanes and sunspots is that the most noteworthy hurricane seasons and/or intense landfalls frequently occur during the *downswing* in the sunspot cycle - often just before the *nadir* - or low point - in this cycle. Among the hurricanes or hurricane seasons that corroborate this are:

- 1780 - Deadliest Hurricane on record, killing about 22,000 in the Caribbean
- 1900 - Galveston Hurricane - Deadliest US storm on record - 8,000--12,000 dead.
- 1933 - Busiest Hurricane Season on record - 21 storms
- [January 31--February 1, 1953: The Great North Sea Flood with hurricane force winds, devastating parts of the British Isles and Netherlands and killing over 2,000.]
- 1954--1955 - 1-2 Punch of Hurricanes Carol & Edna following same path and causing major damage in NE US, followed by Hazel (all in 1954) and subsequent 1-2 Punch of Connie & Diane hitting NC in 1955.
- 1974 - Fifi kills 10,000 in Honduras
- 1995 Season of 19 named storms
- 2004 Season of 16 named storms
- 2005 Season of 17+ named storms (with the potential for more by the time this is published)

The Sunspot Cycle is expected to bottom in 2006--2008, reinforcing this pattern and the projections for major climate upset in this time period.

By contrast, the year 2000 - the *peak* in the latest Sunspot Cycle - saw no major hurricane landfalls in the US.

This correlation is FAR from perfect but it does exhibit a link between the Warm/Wet Maxima (and Cold/Wet Maxima), the Sunspot Cycle, and the times of greatest hurricane activity and/or devastation. And, it could foreshadow 1-2 more extreme hurricane seasons

as the Sunspot Cycle bottoms in the next 1-2 years (if it remains on schedule).

## Transition Time

While the 'Maxima' periods provide a 'calendar' with which to anticipate extremes in climate, it is the transition periods that are often the most dangerous. This has less to do with storms and more to do with related earthquakes & volcanoes (and the resulting tsunamis, mudslides, etc.).

Raymond Wheeler noted this correlation and I have gone to great lengths - since the mid-1990's - to explain and demonstrate why I believe that we have recently entered a period of heightened earth instability. This is based on climate considerations AND a plethora of other cycles.

One of the periods with the greatest concentration of these cycles is the period between late-2004 and the end of 2008. Honing it down even farther, late-2004 through 2005 and late-2007 through late-2008 were/are the two respective 12-month periods - within the larger cycle - that were pinpointed for great earth instability.

The December 2004 9.0 Indonesian earthquake and resultant, deadly tsunami ushered in this period and powerfully corroborated this analysis. From a cycle analysis standpoint, it was like entering a long trade and having the market gap higher on the next day's open. It not only validated the initial time frame but also the ensuing ones by association. This is NOT said to diminish the pain and suffering of that event, but only to reinforce the validity of these cycles.

These transition periods usually see BOTH climate and earthquake extremes, although they can be on either side of each other. Although there is no proven cause and effect between the two, flooding & extreme storm seasons have preceded some major earthquakes. There is research that shows that hurricanes are also a low-level seismic event as the persistent pounding of massive waves - particularly during the inevitable 'storm surge' - creates tremors equal to 2--3.0 magnitude earthquakes... thousands of times over.

With regard to the 100-year cycle, the early part of the last century was very similar. Climate cycles were transitioning and led to hurricanes like the devastating 1900 Galveston storm. During the same decade, the earth experienced a VERY shaky and deadly time frame just as it was reaching its peak of cyclic warming (and preparing to transition to a new 'season'). A 7-year period - from 1902 - 1908 - saw 9 MAJOR earthquakes and volcanoes - claiming over 200,000 lives.

A similar but stronger period - and transition - has recently begun... 100 years later.

With regard to the 50--60-Year cycle, 1945--1950 saw the greatest concentration of major earthquakes (7.0 or greater) and was followed by the greatest concentration of major hurricanes (category 4 or 5) to make US landfall only a few years later.

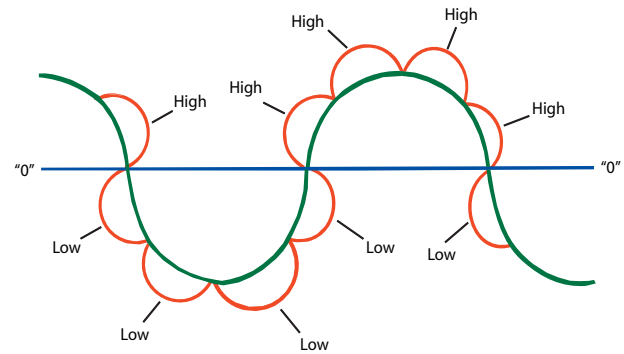
Again, 2005--2010 is expected to be a VERY shaky time, which has already been corroborated by major earthquakes and major storm seasons... 50--60 years later.

So, once again, we find ourselves in the midst of a very unstable time when 'surprises' become the norm and when 'extremes' become mainstream.

And, it is not surprising that a MAJOR convergence of global war/peace cycles - with the greatest focus and concentration on the Middle East and in particular Israel - comes into play between late-2007 and late-2008. This is the topic of a separate report: [Focus 5768](#). With instability under the earth and out in the deep, it is only natural that political and military instability will coincide... or closely follow. The markets are following suit and providing unique opportunities leading into this time frame.

## Market Timing

Although most of the aforementioned cycles do little to help time



Hadik's Cycle Progression © 2005

short and intermediate-term trades, there are indicators that do. Actually, it is the synergy of indicators that gives the most precise and dependable approach to trading. A perfect example is that of Natural Gas and what I have tried to convey since May of this year (2005). This analysis was closely linked to the indicator on page 44.

Natural Gas created its major low in September 2001 and a subsequent, secondary low in September 2003. This 24-month low-low cycle pinpointed September 2005 for a major top. Following the low of September 2003, Natural Gas put in another low in September 2004. This 12-month low-low cycle pinpointed September 2005 for a 3-6 month top.

And since September 2004, Natural Gas put in ascending lows at 4-month intervals, with May 2005 scheduled for the next low. This laid the foundation for a 4-month surge - to its minimum wave target at 10.390 (ultimate target was to exceed its Feb. 2003 peak of 11.899/NG) - into September 2005. This was described in numerous publications, including the following (these are simply provided to demonstrate the evolving thought process with this crucial [Cycle Progression](#)):

[5/07/05 Weekly Re-Lay](#): "From a little longer-term perspective, the month of May is important for Natural Gas - if it is going to perpetuate and/or corroborate numerous [Cycle Progressions](#) focused on September 2005. Already, there is both a 24-month and a 12-month low-low-(high) [Cycle Progression](#) pinpointing September 2005. If a low is seen in May...it will perpetuate a 4-month low-low-low-(high) [Cycle Progression](#), with similar focus on September 2005. The most likely scenario is to see a surge into September 2005."

[5/14/05 Weekly Re-Lay](#): "From a longer-term perspective, the month of May is the ideal time for Natural Gas to give an inter-month spike low (which it has already done), reverse higher and begin a 3-4 month advance...the most likely scenario is to see a surge into September 2005."

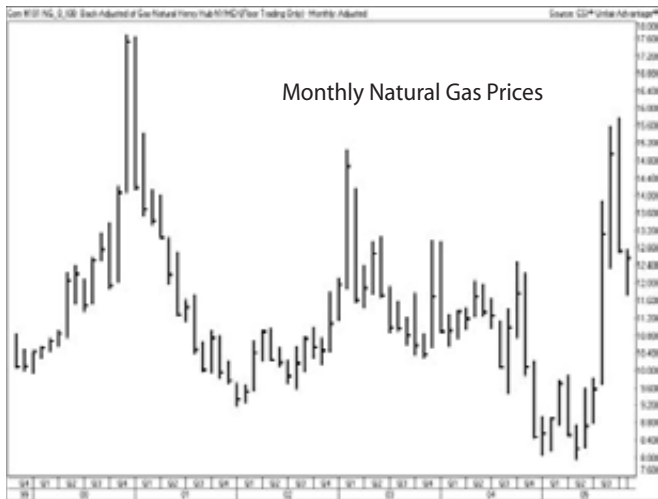
[6/04/05 Weekly Re-Lay](#): "Natural Gas is validating its potential for a low in May and a subsequent rally into September 2005...A rally to its monthly [LHR](#) - at 7.210/NGN - is possible in the near-term...it has very synergetic cycles aligning in September 2005...the higher probability is that September will provide a new high."

[6/11/05 Weekly Re-Lay](#): "Natural Gas is validating its potential for a low in May and a subsequent rally into September 2005...Natural Gas needs a weekly close above 7.430/NGN to reverse its weekly daily trend to up and to confirm analysis for a rally into September."

[6/18/05 Weekly Re-Lay](#): "Natural Gas has given the next - and most important - signal in validating analysis for an important low in May and a subsequent rally into September 2005. It reversed its weekly trend to up and is likely to spike above 8.100/NGN in the near-term. Ultimately, NG could surge above 9.200 (by/before early September) and has a major, longer-term wave target at 10.390/NG."

See Monthly Natural Gas chart from late-1999 to Sept. 2005.

On a larger scale, the minimum wave projection for the bigger picture is at 14.529/NG. At this point, the current advance (since September 2003) would equal the magnitude of the preceding advance



(from September 2001 -- February 2003)... a 1/1 wave relationship.

Though this analysis did not specifically project hurricanes, the potential for a parabolic surge in Natural Gas leading into September 2005 did eliminate certain other potential fundamental factors (like a cold winter in the midwest) and did pare down the field of potential fundamental influences.

While the 12 & 24-month Cycle Progressions indicate that a very important top should be seen in September 2005, the 4-month Cycle Progression leaves open the possibility for a subsequent spike high in January 2006. The more likely scenario, however, is that Natural Gas pulls back in October/November and then rallies to a lower peak in January. This would perpetuate the 4-month Cycle Progression and turn focus on May 2006 and possibly (if it keeps repeating) onto September 2006.

There are several other cycles that converge in August/September 2006, which might be portending another destructive hurricane next year. But, that is a topic for another discussion. For now, there is an impending cycle that could be presaging a different type of 'surprise' event...

For several months, our publications have discussed a unique cycle in markets like Gold, the Euro (ECU), the Dollar Index, and other financial markets. This cycle is most synergetic during the week of November 7--11, 2005. However, there are plenty of corroborating cycles in the surrounding weeks as well.

If Gold gives a specific signal at the end of September, it will confirm that another surge is likely into November 7--11<sup>th</sup>, 2005. And, Gold is often viewed as a hedge against political/military/terrorism upheaval. So, it might be necessary for traders to put '2 & 2 together' in anticipation of this cycle.

Cycles in the stock market overlap this... as do cycles in the proverbial 'flight to quality' vehicle: Bonds. The only difference is that their cycles of culmination come into play in January 2006.

The bottom line is that late-September through early-November could provide some unique opportunities in the markets... and some unsettling possibilities, globally. And, additional surprises and opportunities could be seen leading into January 2006.

So, to summarize my perspective regarding "normal, anomaly or new model?..."

The more things change, the more they stay the same...

...and the more they change. That's what cycles are all about.

*Eric S. Hadik is President of INSIIDE Track Trading and editor of INSIIDE Track & The Weekly Re-Lay. Comments can be directed to him at [INSIIDE@aol.com](mailto:INSIIDE@aol.com), by calling 630-637-0967 or by faxing 630-585-5701. More information and copies of previous reports are available at [www.insiidetrack.com](http://www.insiidetrack.com).*

## **Natural Gas Cycles Peaking in Jan '06... Gold/Silver Cycles Converge in April 2006!**

*"...the month of May is important for Natural Gas - if it is going to perpetuate and/or corroborate numerous Cycle Progressions focused on September 2005. Already, there is both a 24-month and a 12-month low-low-(high) Cycle Progression pinpointing September 2005... **The most likely scenario is to see a surge into September 2005.**"*

© 5/07/05 Weekly Re-Lay

*"...the month of May is the ideal time for Natural Gas to give an inter-month spike low (which it has already done), reverse higher and begin a 3-4 month advance... **the most likely scenario is to see a surge into September 2005.**"*

© 5/14/05 Weekly Re-Lay

4 months before Katrina came ashore, technical & cycle analyses projected a major surge in Natural Gas - leading into September 2005. Natural Gas surged from 6.100/NG in May 2005 to above 12.500/NG as Katrina made landfall. More gains are still possible.

***In a similar set-up, cycles in Gold & Silver project a dynamic surge into April 2006.***

*539.4/GC & 994.0/SI are initial wave objectives, though Silver could ultimately reach 1500.0/SI.*

***Stock Index & Bond cycles project key turning points in January '06.***

*The Dollar & Euro are signaling critical reversals in November '05 (and Sept. 2006).*

*"...I have traded futures for 20 years, and without question, your service stands above the field of trading advisory services."*

M.A. [1/16/05]

For FREE samples & more info., call 630-637-0967, fax 630-585-5701

e-mail: [INSIIDE@aol.com](mailto:INSIIDE@aol.com) [www.insiidetrack.com](http://www.insiidetrack.com)

©2005 INSIIDE TRACK Trading Corporation

# Option Spreads: Pawn Tickets & Trojan Gold

By Greg Donio

Occasionally my mind's eye sees the color of bronze. It envisions a bronze plaque bearing words of wisdom that should hang on the wall of every financial trader. The words change from time to time because there is more than one quotation—candidate that would really fit. Right now the one most worthy to be etched in metal appears on page 204 of David L. Caplan's book *The New Options Advantage* where he quotes Gil Blake:

"Traders lose because they don't have a winning strategy. Second, even among those traders who do, many don't follow the strategy. Trading puts pressure on weaker human traits and seems to seek out each individual's Achilles heel."

That latter sentence should be engraved in bronze and tattooed on the skin of traders.

Many a horse—player has said, "I wish I could make out like a bookie. He gets most of my money anyway." Such envy from the multitudes of the empty-pocketed makes sense but fails to take a closer look at the differences between he who has the "weaker human traits" and he who makes money off said traits. Specifically, the horse—player craves instant riches while the bookmaker aims for realistic profits. Summed up on a bronze plaque upon a speculative trader's wall the advice would be, "Trade for a living, not to get rich overnight."

The gambler betting at 10-to-one odds yearns to turn \$100 into a grand and, without waiting long. The 40-to-one long shot player envisions pots of gold. This blasts his bankroll like all that sour mash blasts his liver. If the bookmaker thought like that, he would quickly frown among the sad faces at the pawnshop. Instead he aims for realistic profits while the "big riches fast" boys put porterhouse and tenderloin on his plate. No Fort Knox mirage through a bourbon lens for him.

By experimenting with casino shares and stock options, I found both Trojan gold and Achilles' heels during the Atlantic City casino stock boom of the late 1970s. I bought 100 shares of Caesar's World for \$1,000 and sold them for \$1,700. No, I was not one of

the ultra—fortunates who bought Resorts International at four dollars a share. I bought in the low 20s and sold in the high 40s.

Not wanting to tie up too much of my limited capital, I looked to call options in Bally casino shares. One call option entitles an investor to buy 100 shares of a particular stock at a specified price, known as the "strike price." Bally's common stock sold for 31 or 32 dollars and relevant call options with a strike price of 35 sold for two points or 200 dollars each.

I bought 10 Bally calls with a strike price of 35 for a little over \$2,000 including brokerage commission. These 10 entitled me to purchase 1,000 shares of Bally at 35 if the stock's market price were to climb above that. If the share price is below the call option's strike price, the option is said to be "out of the money." Options have expiration dates, usually several months in the future. Out-of-the-money calls have a market value because the underlying stock might climb higher during that time.

Bally climbed to the low 40s, placing the call options more than a half-dozen points "in the money." All I had to do was pick up the phone to "exercise the options," i.e. buy 1,000 shares for markedly less than their current market price, then sell the stock seconds later at the market price. But a check of option prices revealed something even more delightful. The 10 calls for which I had paid around \$2,000 had a resale value on the options market of approximately \$6,000.

Of course, I did not bother buying or selling Bally stock. I simply sold the calls I had bought and collected a hefty profit. Even more impressive was the "percentage difference." The underlying shares' climb of just 30 percent had caused the options' value to triple. This parallels the "leverage" well-known in commodity futures trading. A mild increase in the price of the underlying commodity can multiply the reselling price of the futures contract.

I put the better part of my casino profits into bank stocks and a lesser part into options, hoping to repeat the Bally success. I "wondered if" / "hoped that" a person could spend

his life buying options and selling them for a hefty mark—up. Some small losses occurred as I learned that most underlying stocks do not move so spectacularly and that consequently most options "erode"—gradually lose value with the passing of time. This is in addition to the other sad fact that they are "wasting assets"—totally worthless as of the expiration date.

The possibility of "multiplying money" continually attracts many crap-shoot speculators to options. Sadly, the erosions and expirations provide a graveyard for much of their cash. Yet it is a truism in trading that every sorrow is a joy to somebody else. Somebody must lose a dollar for every one who gains a dollar and the reverse. Horseplayer teardrops are bookmaker smiles.

So a fine bronze plaque on a trader's wall would include a crying towel fact, a gold prospector's question and a pan-of—nuggets answer: Over 90 percent of all out-of-the-money options expire worthless. Who gets the money other people lose? Option-sellers, for one. So I proceeded to buy good shares and "write covered calls," i.e. sell call options on stock I owned.

I did some research and found a fundamentally-solid mining company with shares selling in a rut around 9 & a fraction and 10 & a fraction. I bought 1,000 shares at 9 & a fraction, paying a little over \$6,000 in cash and margining the rest. Then I sold 10 options, calls covered by the stock I owned, with a strike—price of 10 and an expiration date the following month, for several hundred dollars. When they expired, I sold more dated the following month.

As that expiration approached, the stock climbed a fraction above 10. The options were exercised and the shares sold out of my portfolio at 10, fractionally more than I had paid for them. So the money I received included, some stock-sale profit into my brokerage account, atop the earlier "premiums" or cash from the option sales. The shares were no longer in my account but the money sitting in it included my original stake, plus some stock—sale profit, plus premiums from selling two batches of covered calls. Soon the stock's price dipped back to 9 & a fraction.

I rebought 1,000 shares and sold 10 more strike price IOs. Of course this had me pondering. Who was buying these options that kept turning into worthless paper again and again? Was my brokerage account a legalized horse parlor with wasting assets serving as nags? Yes, there were plenty of "Achilles' heel" investors, also plenty of Priam's gold.

The motto of card sharp and con—man could be a plaque on my wall: “If I don’t take their money, somebody else will.”

As every optioneer should, I studied the hazards. An investor may buy a particular stock simply because it offers “plump” or high priced options to sell. Then the share price plunges and he loses far more than he gained selling the covered calls. Never, never, never buy a stock for option selling purposes unless you would also buy it for its own sake.

Even greater danger besets the seller of “naked options” typically “uncovered calls” or calls on stock he does not own. Usually he gains because 90 percent of out-of-the-moneys expire worthless. But oh that Russian roulette bullet. He sells \$ 2,000 worth of options then waits for them to expire worthless. The stock climbs above the strike-price, placing them “in the money” AND swelling their resale value. He can get out of the deal by “buying back and closing out” the options—at their new market price of \$ 5,000 or \$ 6,000. Worse yet if the calls are exercised. Then he must “deliver shares at the strike price,” buying them at their current market price of, let us say, \$35,000 and then selling them to the option holder for \$25,000 or \$22,500. Go yee not naked into option land.

There is another form of non—naked or “covered option selling,”—the one that has occupied me almost exclusively in recent years to the exclusion of other option strategies. It is called “spreading,” particularly the “horizontal calendar spread” also called the “time spread.” I just now described in detail my activity with selling calls on stock owned (the mining shares) because time spreading bears a close similarity. One thing really gem—like about options is that owning them gives you the right to create and sell more of them.

For my money, that last sentence in the above paragraph belongs on a gold. plaque, or inked on tree—bark in a Forty—Niner’s pocket. Let us say that a stock is selling at 21 or 22 and you buy 10 call options on that stock with a strike—price of 25 and an expiration date eight months or a year into the future. Owning those far—in—time out-of—the—moneys gives the right to create and sell 10 near—in—times having the same strike—price and expiring soon; When they expire you can sell the following month, then the following, just as if you owned 1,000 shares.

Yet it usually costs markedly less than buying 1,000 shares. A horizontal calendar spread is horizontal because of the match-

ing strike prices, line level far and near, and calendar because of the different months. As with selling options on shares owned, you should. never buy” far-in-time calls unless you would buy the underlying stock for its own sake. These spreads are not risk—free but they are a business risk when intelligently handled as opposed to a crap—shoot risk.

A writing I quoted in the past deserves citing again. Chapter 35 of Harrison Roth’s landmark book LEAPS—What They Are and How to Use Them for Profit and Protection states, “Our intention is to keep writing out-of-the-money short—term calls and keep collecting those lovely premiums.”

With this kind of spread, “out of the money” is crucial. Selling options on stock I owned, I could tolerate a move into-the-money and an exercise. Here an exercise of the near-in-times can wipe out the far—in—times. Buy back to close out the “nears” if share price crosses strike-price.

## CORRESPONDENCE

One reader of Traders World Magazine wrote to me, “I like your observations on investor psychology and relevant culture. Only why are you so hard on the late Ronald Reagan? He was so friendly toward the profit motive.” I had mentioned in an article that Reagan was quoted on TV as saying he “liked it better when actors kept their clothes on.”

Reagan conservatism abounded with love for American capitalism and the investment exchanges. However, it did not follow the old—style stocks & bonds tycoon to the opera house or the art museum. When Ron made the above statement, obviously nude goddesses and other great art from Venice’s Golden Age played no part in his reckonings. But what a rah-rah for “old fashioned” yearning for the Shirley Temple and John Wayne days’. Right—wingers are nice if you like so-called “traditionalists” who think Bernini and. Botticelli drove rum trucks f or the Capone mob.

For a financial trader, culture helps. If the most interesting or exciting thing in a trader’s life is his portfolio, he too often uses it as a roulette wheel or a pari-mutuel betting window. Ah, the suspense of risk-dollars perched on the edge’. He fills in interludes with side-bets. Pathetic. One person, two Achilles’ heels.

If you want to resemble the old—fashioned mogul and his full bank account as opposed ‘to the horse-player and his empty one, culture helps. Some years ago, I saw them enthralling art works by Titian (Tiziano

Vecellio) in Venice and Florence. The significance for finance and trading? I did not need “side bets” to “make it interesting.” Currently my book marked volumes include essays by Edmund Wilson and Clive James. Significance ditto.

Cultural heritage need not be dense or ponderous. Example: American humor. Mark Twain wrote in a witty travel essay, “You could see London on foot but it is best to go by cab because there is no place in London less than two and a half miles from any other place.”

Artemus Ward penned such insights as, “I was born in the state of Maine of parents,” and “The highest part of that mountain is the top,” and “Why are things thus, and what is the reason for this thushness?”

Thus never forget the difference of mind—set between gambler and bookmaker, and which one takes home profits regularly.

Humorist Will Rogers spoke on behalf of careful and prudent risk—taking: “Go out on a limb. That’s where the fruit is.”

*Mr. Donio is the author of the Donio Option Writings.*

## The Donio Option Writings

Now includes the Just-Released  
Privately-Printed Instruction Manual

### Options -- The Independent Trader’s One-Man Exchange

Explores In-Depth How to Use  
Your Telephone or Computer to  
Gain the Money Lost by Other  
Speculators.

Reduced Risk, Minimal  
Start-Up Cash.

Mail Check or MO for \$48 to

## Old Castle Laboratory

Box 508, New York, NY 10276-0508

# The Squaring of Price Key to True Analysis

*They just don't get it*

By Joe Rondinone

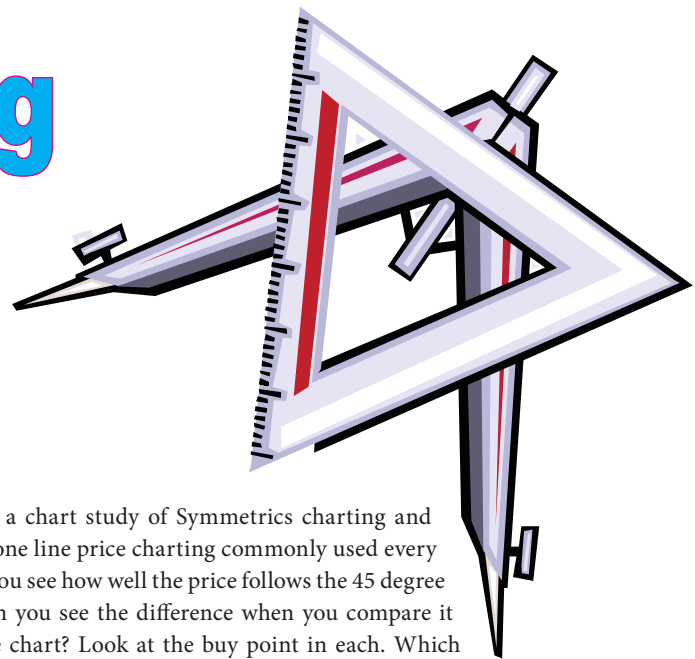
How can it be that all charted prices are equally charted as to width, regardless of the total price move of that period? If you charted a 10 cent move in any grain, charts a 5 cent move the next day, 8 cents the next day and a 13 cent move the 4<sup>th</sup> day; what justification can you give that these posted prices will have equal value in the projection of prices. How can you draw a trend line that can be a valid line. Now let's remember that there is no law against drawing any trend line, anywhere or anyhow.

First, allow me to introduce myself, my name is Joe Rondinone. I am now 84 years old and I have been trading since 1948. I remember the days when it was an insult to go into a place of trading with charts. I remember when I carried my charts in a trumpet case so I would not look foolish carrying the charts under my arm. If you told your banker you traded grains or eggs, you get no loans from the bank. You were called a gambler. Now all banks and investment houses are trading grains to gold. What a change!

## I Heard of W.D. Gann

I was getting W.D. Gann's market letter tri-weekly and still was not trading well, so I decided to call him and make arrangements to take his course. I did in 1954, but he passed away in 1955. After taking the course, I still was now trading well, so I decided to go to New York and see his son John L. A few years later I visit his partner Ed Lambert. I left no stones unturned, in questioning both John and Ed, but still was not trading profitably.

In 1963 I quit trading completely. I took the time to study my past trades and try to understand what I was doing wrong. I remember that Gann said squaring the price is the way. I worked on that premise and finally developed what is now called the Angle Symmetrics Trading Method. It took 37 years to completely develop it.

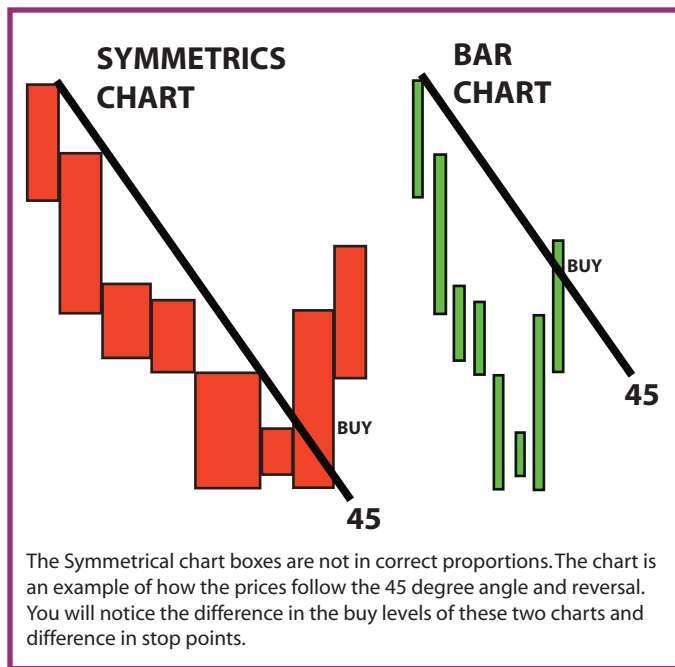


Below is a chart study of Symmetrics charting and the usual one line price charting commonly used every day. Can you see how well the price follows the 45 degree angle? Can you see the difference when you compare it to the line chart? Look at the buy point in each. Which would you prefer to trade your money with?

In the Angle Symmetrics program we have three angles which are used (only three). The most used and better known angle is the 45 degree angle. This is the main trend angle we use. I have discovered

two other angles that are of benefit in the projection of prices. One is called the JAR angle. This angle will project the squaring of the high price. This angle is drawn from a high point, from the right side of a Symmetrical proportioned rectangle, or from a low point of a Symmetrical proportioned rectangle until the price is completely to the right of the JAR angle. This will square the price move.

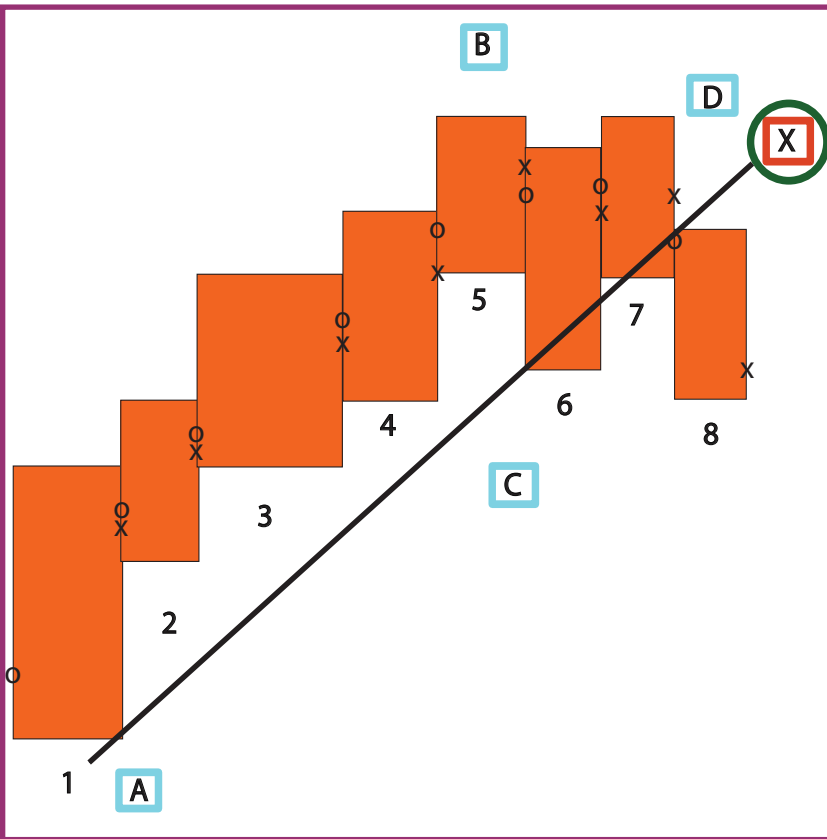
The third angle is also drawn from the right side of a high or a low Symmetrical rectangle, this is your time line. This angle will advance and tell you when the move is completed and you should take your profit, change your buy to a sell attitude or place protective stops. The use of these three angles combined with the



use of the True Trend Line (45) degree, are of enormous importance in the projection of future prices.

Now to getting back to the 45 degree angle in Symmetrics, we call this angle the True Trendline. This is a 45 degree angle that is drawn up or down as mentioned above, but the angle that is the trend angle, is not enough to draw this angle from one high to another (as we are known to do) or from one low to another low. The True Trend Line is drawn from the exact low of a move, upward or downward, not from any move between the high and low.

When any move: daily, weekly or even a 10 minute move is correctly drawn to true Symmetrics proportions the True Trend Line will keep the price above it. Once this line is broken and crossed the trend change should and may take place. See the second chart



example. In the this chart, many rules are expressed. Each day is numbered, you will notice that there are five days up, they are numbered in a below each day, there is Symmetrics principle on day counts, and you would need to learn them. Notice the True Trend Line starts from the low day upward in the angle is 45 degree and is drawn from the right hand side of the low point. From point A to point B. the price stays above the 45 degree angle. At point C day six, the price sells down to the True Trend Line on the left side of the box, this is not a break of that line at this point because the right side of the box broke. The part of the line that counts is the left side only. Again, on the seventh day, that line is broken on the right side only, that also is not a break. On the eighth day, the True Trend Line is broken, and you should take profits by a sell stop or in open order, this is a trend change. This disclosure is a basic look at the squaring a price with time that allows the trader to draw correct True Trend Lines that are valid projecting possibilities. Learning the full scope of the eight Symmetric Trading Principles are open to all. Notice the boxes throughout are drawn to true Symmetrics proportions. The manual describes true charting measurements in full under the second principle. This principle deals with Fibonacci and Symmetrics ratios are related to price and rectangle sizes.

This disclosure is a basic look at the squaring a price with time measurements that allows a traitor to draw correct and true angles than any valid projection possibilities. These eight angle symmetric trading principles formulate true and valid signals. When used in measured sequences.

In the third example there are 4 charted price movements, the question is how are you measuring the upward movements to define the correct width of each rectangle. Gaps are a problem: In fig#1, we have a close in #2 bar at 110 and #3 bar goes to 120. DO you measure from the close at 110 to 120 or do you measure from the high of 111 to 120?

In fig. #2; we have the same #1 and #2 posted prices; do you count from the close of #2 bar at 110 to the high of 120 or do you count

from the high of 111 to the high of 120, or do you count from the low of #3 bar to the high of 120 to give the correct width.

In Fig #3; we have the same two posted prices #3 price opens up the limit and does not trade all day. The opening, high, low is all one price, do you count from the close at 110 or the high of 111 to the high of 124. With all the moves on one dot, how is this width posted? Answer is, you measure the distance and draw a correct horizontal value line to the right with an x (close) at the end. In Fig #4; we have the same #1 price bar, do you count from the close at 107 to the high of 116 of the #2 bar or do you count from the high of 108 to the high of #2 bar at 116, in the #3 bar, do you count from the close of the #2 bar to the 124 or use the low of the #3 bar of 119?

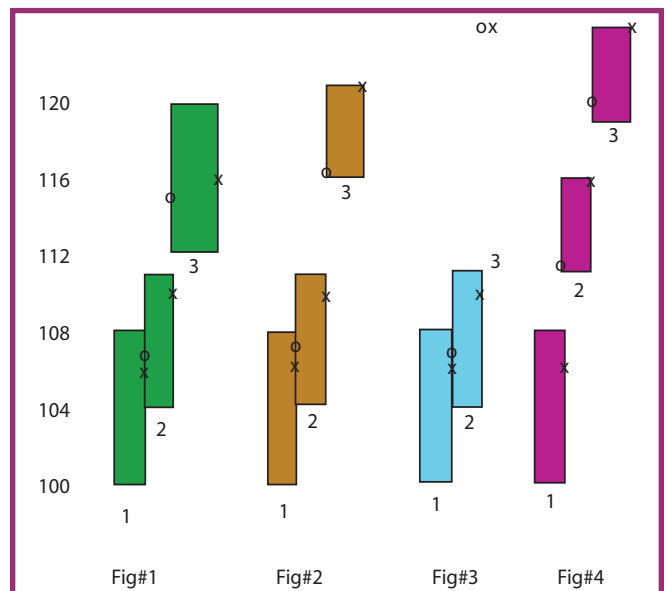
This disclosure is a basic look at squaring of price with time measurements that allows the trader to draw correct and true angles that have valid projection possibilities. These 8 Angle Symmetrics Trading Principles formulate true and valid signals when used in measured sequences.

My studies with W.D. Gann in 1954 included no angles for projection of prices. After 37 years of discoveries, I included these in my present works. The secret of the Angle Symmetrics charting matrix is the squaring up prices in a manner that keeps price movement and time in true proportions. As Galileo wisely put, the truth is written in a great book of nature, but only he can read it. Who can decipher letters in which it is written?

I have cut through the jungle of today's myths and halfhearted get rich schemes. After many years of price studies, the principle of square prices has been found which is both logical and provable.

People all over lose out on great opportunities because they do the same process in their trading. They will find fault with themselves when losses appear, and not their trading method. The techniques and strategies presented in this article can be the key to a powerful and fulfilling trading experience that is possible.

*Joe Rondinone was a broker and CTA for many years in Dallas, TX. He is now retired in lives in Alabama with his wife. He still trades and teaches Symmetrics. He can be reached at 256-464-0833 e-mail at symmetric@bellsouth.net. This article is in memory of Robert Krausz who passed away Oct 3, 2002.*



# Interview with James Mound

By Larry Jacobs

*What is your background?*

I have been a principal of two commodity brokerages, a trader, a head analyst and a writer. I have written a commodity trading book, "7 Secrets", published through Traders Press. I also write a weekly commodities review read by thousands of commodity enthusiasts each week and published on over 20 websites.

*Why have you created this calendar?*

Because the industry is so caught up in online this and online that, I think the average trader wants something he can look at and touch that he would be proud to have and at the same time offers some seriously valuable information.

*What is its purpose?*

The purpose of the calendar is two fold. The wall calendar is a presentation piece, not only because of the beautiful cover art provided by Traders Press, but also because of the rich content that is provided by some of the industries most respected sources. Also, the calendar is a reference guide for the entire year, offering insight into industry events, trading strategies and important industry facts.

*What is in the calendar?*

The full color, 12"x24" 2006 Commodity Wall Calendar has a plethora of critical information for traders, students and industry participants. Moore Research provided key seasonal trade ideas for each month. Jake Bernstein and I provided a dozen important trading rules that everyone should follow to improve their success. PriceCharts.com gives you long term historical charts for the major markets, some with committment of traders data. The calendar also gives readers futures and options expiration dates, government holiday and report dates, contract specs, conversion tables and much more. It truly is a one stop reference and resource guide for the industry!



*What is different about it over other previous calendars?*

Content, content and more content. Past calendars gave traders the key dates and info they needed, but I cannot remember a single one that gave this kind of content from top industry people, stuff that could truly lift a trader's skills to the next level. I mean there are literally hundreds of useful tips, trade ideas and facts in this calendar - and all for less than the price of a typical roun turn commission! As for the online calendars, they are just that...online. If you are not on your computer then what are you supposed to do? Plus I have yet to come across anything with this type of content and helpful information, online or off.

*Why should a trader use such a calendar?*

## WHEELS IN THE SKY



- **A Professionally Managed, Spam Free Site & Learning Center**
- **Gann's Stock & Commodity Courses Available FREE to All Members**
- **The Only e-group with Archived Charts, Graphs and Rare Writings, All Available for Member Download**
- **Many Books on Gann's Reading List Are Available FREE to All Members**
- **On Going Market Commentary by Traders Using Gann Techniques**
- **Learn from Other Gann Students Sharing Their Thoughts & Methods**

visit us today for membership information at:  
<http://groups.yahoo.com/group/wheelsinthesky>

## 2006 Commodity Trader's Wall Calendar

ON SALE NOW!

The culmination of years of research has created what is perhaps the most comprehensive resource & reference guide for amateur & professional futures traders alike.

### Calendar Features

- Expiration Dates for Futures & Options Contracts
- Full Color, High Quality Hanging Wall Calendar
- Internet Commodities Resource Guidebook
- Government Report Dates & Holidays
- Long Term Historical Price Charts
- 12 Golden Trading Secrets
- Contract Specifications
- Conversion Tables
- Seasonal Trades
- Margin Sheet

The 2006 Commodity Wall Calendar  
Just \$24.95

Get Yours Today!

[www.CommodityCalendar.com](http://www.CommodityCalendar.com)

For the same reason they are a trader - to make MONEY! Information is power, and knowledge is the path to success and profits. With the experts giving these kinds of trading gifts away in this inexpensive and beautiful package you can't ask for a better return on investment.

*I understand you are going to have some seasonal traders? Who created them? What is their reputation? Is there a past performance? Will these seasonality's be updated on the web.*

**James:** Moore Research provided the seasonal trade ideas for the calendar and they are truly legends in their field. Their statistical backtesting to find pertinent and highly probably seasonal trends and trades is perhaps the best you will find in the business. You want unbiased seasonal statistical backtesting...then Moore Research is where you need to look - or the 2006 Commodity Wall Calendar where we will feature one of their seasonal trades for each month of the year. Plus you can go to [www.mrci.com](http://www.mrci.com) to view all their trades and updates and sign up for their newsletter.

*Are their interesting articles in the calendar?*

We take the content of dozens of articles, clear out the mess and leave with just the raw info, all in one handy reference guide that sits on your wall in top grade presentation style. Charts, quick trade tips and references, contract specs and info are all over this calendar.

*I know you will have the government report dates and holiday? Will there be any estimates on what the report numbers? Will there be any updated charts and possible direction estimated at these times by experts?*

The contributors to the calendar certainly provide great follow up to all the key areas in the calendar on their individual respective websites. Some you may have to pay a little bit for and others give you free access.

## BioElectric Shield



This shield might just improve your trading. The harmful electromagnetic waves around your computer affects your ability to think and your trading. \$139.95 plus \$4.95 S/H

Traders World, 800-288-4266

*How much is the calendar?*

The calendar is just \$24.95 and is available right now with a Free Shipping and Handling offer.

*How can I order my very own 2006 Commodity Wall Calendar?*

Its easy! Just go to [www.CommodityCalendar.com](http://www.CommodityCalendar.com) - you can pay by credit card or through paypal.

*Great, thanks for taking the time to discuss the calendar. Are there any final thoughts you want to give before we conclude the interview?*

Traders spend thousands of dollars on programs and courses, but for just \$24.95 you can get more information at your fingertips ,from literally legends in the industry, than most \$1,000 programs or courses can give you. Plus you will have a beautiful limited edition presentation wall calendar that is sure to be a collectors item for years to come. I think everyone should have at least one - plus they make great gifts!

## Trade **BETTER** than YOU ever **IMAGINED!**

R.S. of Houston Workshop **WILL** help you realize **YOUR** full Potential as a Trader  
You **CAN** break into the Winner's Circle!

**Don't Take Our Word For It...  
LISTEN TO OUR STUDENTS**

Hear Student Success Stories on our Website  
**Creating Winning Traders for over 9 years**  
See why our **AWARD WINNING**  
Program Just Plain **WORKS**



### TRADE WITH CONFIDENCE

Voted Top Ranked Futures Daytrading Course

**SIMPLE – TESTED UNDER FIRE–  
WORKS CONSISTENTLY**

**LEARN WITH LIVE REAL-TIME TRADING  
DON'T SETTLE FOR LESS–**

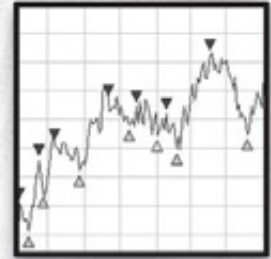
Trade any market you like.  
Stocks, Forex, Futures –  
Daytrading To Long Term...

**COURSE INFO/CHARTS  
REAL TRADING EXPERIENCES**

[www.RSofHouston.com](http://www.RSofHouston.com)

Claim **YOUR** Free Trading Lessons TODAY!  
**(281) 286-9736**

## Want to see Neural Network Trading Signals that really work?



**Check out our  
performance  
(and save \$300)!**

**Trading Solutions**

[www.tradingsolutions.com](http://www.tradingsolutions.com)

Offer code 43908.  
(Valid through 1/06)

## TIRED OF LOOKING AT CHARTS ALL DAY LONG?

**Try Trading Solutions!**

### Major Features:

- ▲ Detect profitable patterns using state-of-the-art neural networks
- ▲ Analyze stocks, futures, FOREX and other financial instruments
- ▲ Trade End-of-Day or Real-Time
- ▲ Get started quickly with free pre-built systems
- ▲ API support available for external programs and indicators

**Try a FREE Evaluation  
(and save \$300)!**

Offer code 43908.  
(Valid through 1/06)

**Trading Solutions**

[www.tradingsolutions.com](http://www.tradingsolutions.com)

# There's Time... On Your Side

Or: how to have the most powerful edge the markets can hand you—starting tomorrow....

By Joel Rensink

When an economist referred to him as an audacious gambler, Mulligan said, "The reason why you'll never get rich is because you think that what I do is gambling."

Ayn Rand  
*Atlas Shrugged*

To accomplish anything worthwhile, it requires a plan that is understandable and has elements that are reasonable and effective for the user. This especially applies with trading. No trader should ever wonder if they're gambling instead of trading with an edge. I want you to have that edge.

Back in 1975 when I started trading in earnest, it was a part-time endeavor. When you start with small capital—like many of us have had to— it better be part-time or you could be carried out soon after you start.

But now, successful trading is definitely becoming a more-than full-time job. It used to take about 5 hours a day, then 9... now, I need to get up twice in the night for about 5 – 10 minutes each time just to check where my positions stand in the overnight markets. Last week I placed 20% of my trades in the night markets. A rarity for me now, but I doubt it will be the last time. The world is getting to be a smaller yet richer place. Financial consequences for world events are getting quicker in many ways, as people around the world are realizing that they have to embrace the changes and opportunities that a robust world has to contend with. And it is all because of cycles.

Because of increasing risk opportunities, both experienced and beginning traders spend a lot of time trying to figure out patterns that will offer them an edge in the markets. For some, it may be confirming indicators on different time frames; others care about market reactions to news, while others care about cycles and precise timing for their trades.

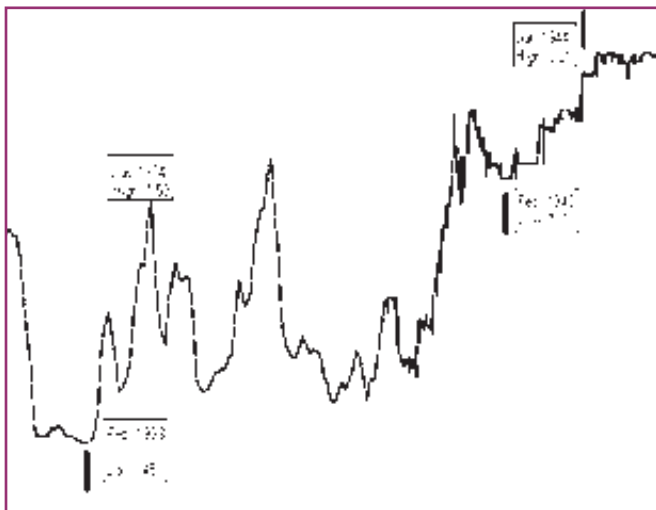
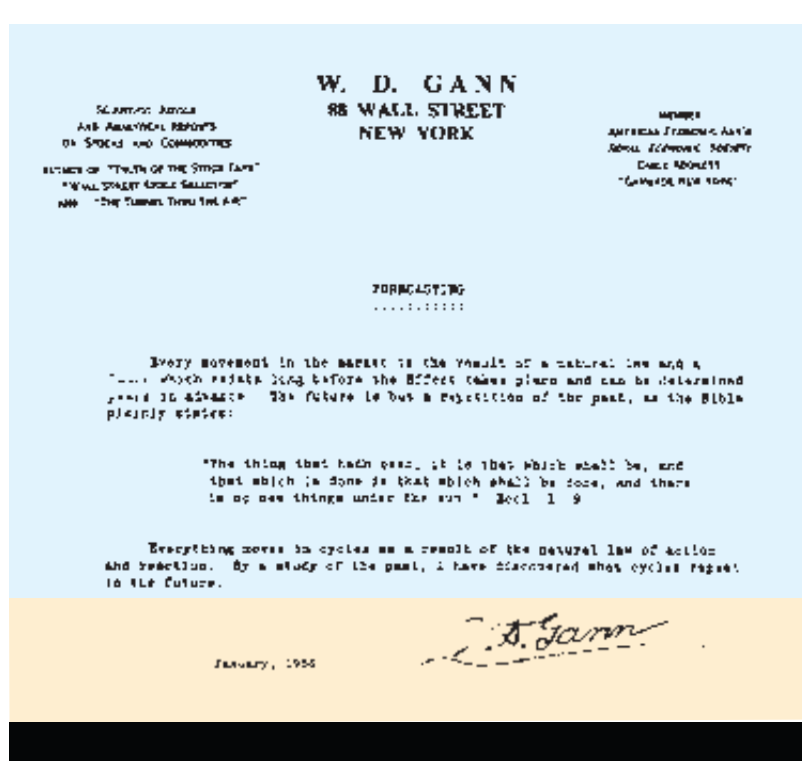


Figure 1



And there are successful traders who do each of these. Reading any of the Market Wizards books provides a glimpse at strategies that have been successful at garnering profits from the markets. What I propose tends to be complementary to most of these strategies.

I trade the futures markets for a living, and have done so for more than twenty years. I am not a day trader, although many of my trades last less than a day or even an hour. It's because they are losses. I take losses as quickly as I can, while they are still small.

As an alpha trader, I seek to gain profits from large trends and gross market dislocations by trading mechanical and statistically based systems with the aid of cycle filtering. For me the desired results are an enhanced return with lower overall risk. Due to my current research, I believe that it may be many decades before one will find a better time to be involved in the trading of commodities.

My cycle research, based on Gann's theories, has presented me with the inescapable conclusion that we are in for an unprecedented commodity bull market that should last for at least a decade. Let me tell you why.

*"It isn't as important to buy as cheap as possible as it is to buy at the right time."*

Jesse Livermore

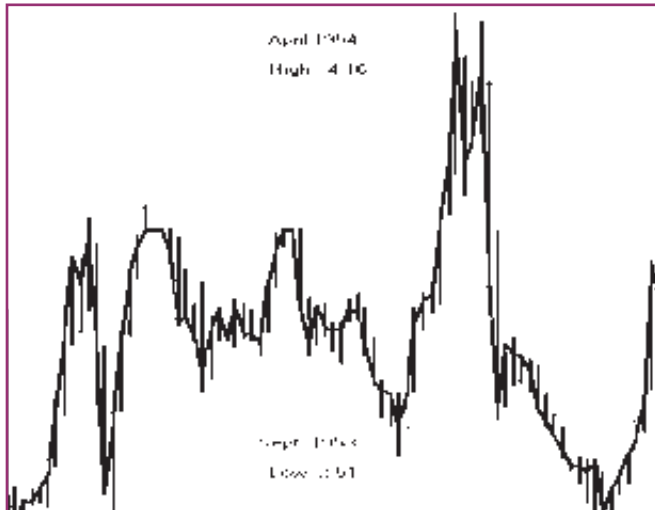


Figure 2

I use the same cycle methodology that Gann prescribed over 50 years ago to fix the long-term cycles in corn, soybeans, wheat, crude oil, gold, silver, cotton, sugar, cocoa, wheat, and coffee. My long-term forecasts are currently at 90+% confidence levels that the decade lows have already been made in each of these markets. And using his same process; interest rates have bottomed, indicating only lower bond and note prices for the foreseeable future. If these forecasts are correct, trading should truly be one of the most profitable professions in the coming years.

### Long Term Cycles and Chaos Theory

In Gann's Master Forecasting course, he advises one to take note of previous market moves, highs and lows within the precise years 90, 60, 50, 45, 30, 20, 15, 10, and 5 years prior to the timeframe that you wish to get a market forecast on. And, if you can get the data— 100, 120, 150, and 180 years. All of these cycles are chosen because of their relationship to angles in a circle, or cycle harmonic points. Then the forecaster's duty is to determine which of the cycles, perhaps a number of them— the market is following. It isn't possible to elucidate here the entire scope of Gann's cycle forecasting method. It took Gann an entire course manual to explain it. I leave it to interested researchers to follow up on it to their complete satisfaction.

Does Gann's cycle forecasting work? It has definitely proven itself to me in the last 20 years. I want you to be able to prove it yourself.

I've traded countless market moves that showed up seemingly from nowhere, only because I was able to anticipate their appearance. Later in the article, I will give an example of what great cycle trades look like—but first, a true story having to do with a great cycle secret. The names have been changed for a good reason, which will become apparent.

In the early '80's, I was spending as much time studying cycles and cycle theory as I was trading. I traveled to New York, Chicago, anywhere I got a lead—to talk to someone who had any personal contact with Gann. I was certain that someone still alive knew the ultimate secret of cycle collimation, the Master Time Factor. While ultimately successful, I had some interesting contacts along the way.

---

*The Tulipomania of the 1630's in Holland was exactly 360 years before the biggest mania of our time, the Dot.com bubble.*

---

One such contact was in the summer of 1983. In Chicago, I met an older retired grain trader I'll call Bob. Bob told me he traded wheat, corn and beans at the CBOT 30 years before with two good friends John and Ted. As is common with all good traders, they were always trying

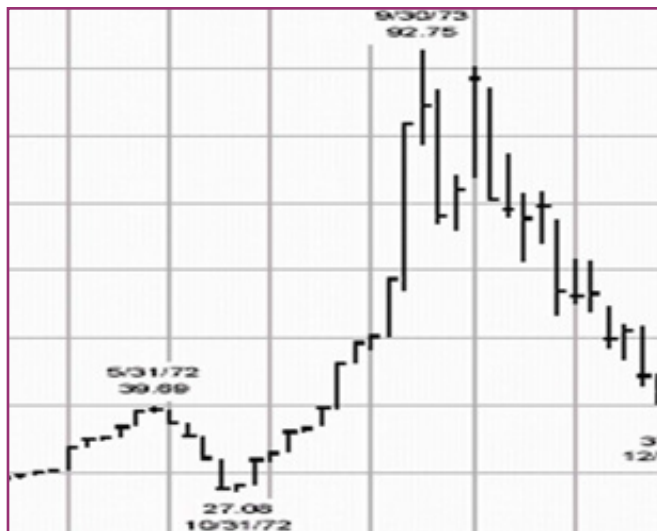


Figure 3

to figure out a way to be more profitable in the markets. If one found something that would help their cause, he would share it with the others. They all were making out ok, but one day John excitedly came to his friends in the pit with a brochure from W. D. Gann.

He had spoken with Mr. Gann on the phone. Their conversation made a lot of sense to John, and for just \$5000 Mr. Gann would teach him the Master Time Factor - the ultimate edge in trading, according to Gann. In 2005 dollars, that figured to be worth nearly \$35,000 (according to the latest Consumer Price Index), definitely not a trivial sum. John proposed that he, Bob and Ted should each kick in \$1700 so he could meet Gann and get the information, with the obvious proviso that he would disclose to Bob and Ted what he found out. After thinking about it for a few days, Bob and Ted decided it might be worth it and came up with their end of the money. John went off to see Mr. Gann.

John came back the next week. He briefly said something to Bob and Ted about being too busy to talk right then and that they would have to get together in a week and talk. The next week came and went without John talking with either of them. Finally, the third week came. Bob and Ted confronted John and while he wouldn't say anything to them about what he learned from Mr. Gann, he gave them their money back. After that, they had very little personal association.

Bob said the main difference with John after his return was that John seemed to be "really right" in his trades when he had a lot of size on. The year before, all three buddies made about the same, around \$30K. After John came back, within three months he became one of the largest traders in the pit. The next year, according to Bob, John made over a million dollars in beans alone. He said that John traded only 2 more years after that and retired to a mansion, never once giving him or Ted a clue to what made him so successful.

After seeing the initial and continuous change in John's fortunes, Bob and Ted thought about going to see Mr. Gann themselves. They didn't do it soon enough. One day in 1955, Bob called the number in the brochure to set up some training and found out W.D. Gann had died the month before.

Check (Figure 1) the cash prices of soybeans back in 1943-44 (WWII rally) and 1933-34 (Depression rally) you will see that in each case the market was driving straight up, just like it was in 1953-54 (Figure 2) when John allegedly had such big positions. It would take good money management to handle the positions, I'm sure; but if John had it proven to him by Gann that the 10 and 20 year cycles could be trusted—a move from \$2.60 a bushel to \$4.10 was a bonanza back in 1954.

Bob said he spoke with me because he always wondered, "what if..."

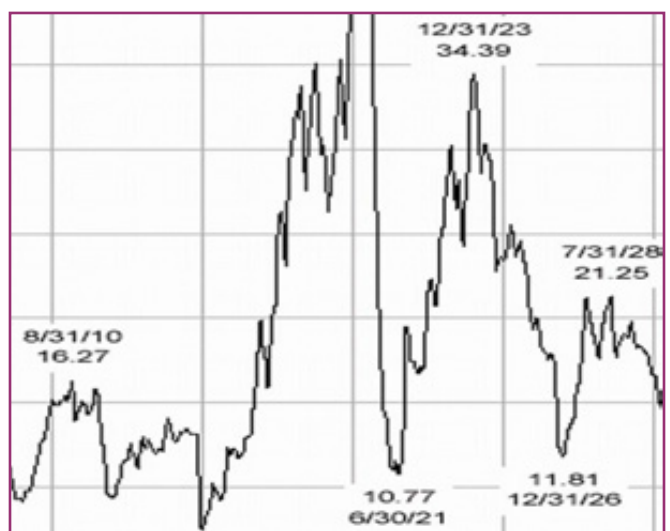


Figure 4

He always believed that Gann had somehow forced John to not reveal what he learned. He felt that it was the only explanation that would cause his friend to ignore him like he did. A year after meeting with him I finally got an original copy of the Master Time Factor course. A kind gentleman in New York who's father used to trade at the cotton exchange in 1950, found it among his father's effects and wondered if it might be of use to me. I made a copy for Bob.

### How accurate can cycle analysis be?

Accuracy of your analysis is by necessity less than the accuracy of your historical data. In most cases, the data available is not that great. I've been accumulating data since 1975 and still am sorry that I cannot get better, accurate old data. Oh, if I could get daily data back a hundred years on everything we trade today.

Should you expect to know the exact low day of a beginning of a bull move or the exact swing points in the direction of the trend?

Every once in a while, due to a certain cycle's dominance, you can have every high and low swing timed for a four month period, each within a day or so, in relatively similar magnitude to the previous cycle. It truly is like "peering through the looking glass". Sends chills down your spine the first time you recognize it. Due to a provisional influence, a typically less dominant cycle (such as a 5, 7, or 13 year cycle) may be one that will mark off the highs and lows in a future move, while the direction of the move may be determined by a 30 year or 50 year repeating cycle.

### How does one go about using these cycles?

Using historical data to come up with a forecast requires understanding of cycle theory. The Time Factor course, while very useful, still requires the reader to understand quite a lot about cycles. How longer-term cycles can mix with shorter-term cycles; of which there are many, is a complex subject. The book Profit Magic of Stock Transaction Timing by J.M. Hurst is an excellent treatise on cycles and the profit potential from being in sync with them. It deals with spectral analysis of price data to determine which cycles are dominant in the market being analyzed. Some of W. D. Gann's surviving letters to his clients described the use of spectral analysis to prove his cycle discoveries.

I encourage anyone with an interest in the power of cycles to do research on Chaos Theory. Established in the 1960's, chaos theory deals with dynamic systems that, while in principle are deterministic, have a high sensitivity to initial conditions, because their governing equations are nonlinear. Examples of nonlinear systems are the weather, econo-

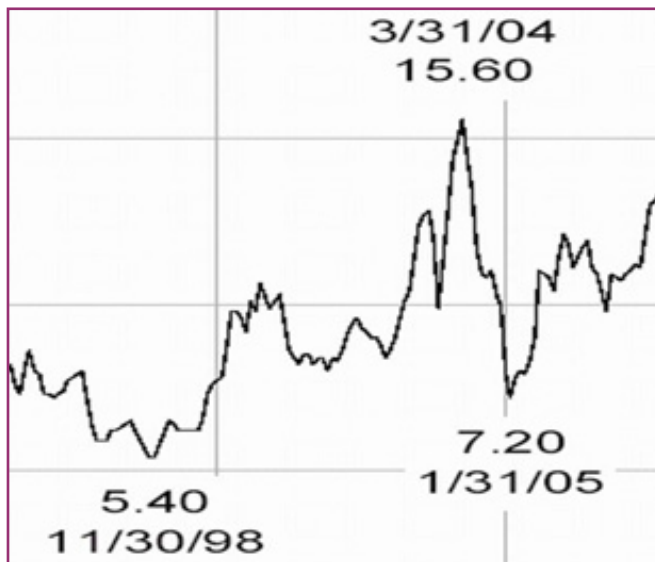


Figure 5

mies, population growth and financial markets. Financial markets over many years have shown a propensity to jump to prices orders of magnitude from where they were previously, while displaying many of the characteristics of the "order in chaos". And apparent phase reversals—where you are expecting a cycle high, but instead get a cycle low—can be explained by chaos theory.

### Shortcut to the Power of Cycles

To obtain a usable understanding of cycles took me a good part of a decade to accomplish. While I get the benefits of my understanding of cycles every day, it is possible to get much of the available power from the dominant cycles with much less work.

#### First, note some existing conditions:

If cycles exist in the markets, then markets will not be random, and trends will exist in timeframes and magnitudes larger than random ones. Also, many technical systems should be able to be created to exploit the traits of these trends.

The above conditions do exist. Statistically, the futures markets have been shown to exhibit trending activity far above the threshold of random behavior, so much so that many successful trading firms with billions under management operate with purely mechanical systems. And, because of increased data mining and market combination analysis in the last 10 years, there is growing consensus among technical traders that indeed, cycles are the markets' main motivators.

Earlier in the article I mentioned that I am a confirmed technical systems trader. There is a good reason for this. Risk-aversion.

To trade subjectively by picking "choice trades" and then trying to manage them all separately is highly impractical and very likely less optimal than a simple management system due to human inconsistency. The greatest risk is putting up with losses longer than optimum.

As proof, in 1998 Peter R. Locke and Steven C. Mann did research concerning trader behavior. After reviewing every trade of 334 professional CME traders for many months they proved that "the least successful traders appear to exhibit most strongly the characteristics described as less disciplined. Specifically, while traders at every success level on average hold losses longer than gains, the least successful traders hold losses the longest while the most successful traders hold losses for the shortest time. Thus there is evidence that trading success is negatively related to the degree of loss realization aversion." In English, it means that most successful winners are more willing to take a loss by getting



Figure 6

out sooner than average.

One of my main technical systems is a non-optimized volatility breakout system that I've traded for 15 years. I use it for initiating and managing trades in all markets, except for the stock indexes. It has a consistent edge across all of them, with the great benefit of being able to put on greater than average size with less risk than most typical trend following methods I've investigated. It enters longs when in a defined up trend and goes short only when in a defined downtrend.

For the last 350 trades in cotton, my simple background system, Skyhook, has had an overall profit factor of 1.83. (2.29 for long trades/1.46 for short trades) It's won 33% of its trades and is in the market about half the time. Its beauty is not in its numbers, but in what able function it serves. It robustly manages trade risk without any additional effort from me. Exit stops automatically trail existing positions. And, it gives additional risk-adjusted entry signals—which are beneficial for those of us who follow cycles and want to add size in the direction of a cycle event with limited risk.

One could just as easily use a Donchian-style system or a Gann swing chart method for managing the risk of your trades. I've grown comfortable with the robust profile of volatility-breakout systems; and they're easy to program and maintain with a computer.

In Figures 3, 4 & 5 we have cash cotton charts showing the 30-year cycle, the 80-year and the 100-year projections for the year 2003. I did my usual cycle work for cotton in December of 2002 and realized that the greatest possible potential was still UP. Notice when the respective highs were made in each respective cycle—9/30/1973 for the 30, 12/31/1923 for the 80, and 3/31/1904 for the 100 year cycle. These, and most of all the other Gann time cycles all were indicating higher prices for a two-to-three year period. And this is exactly what transpired into the 2003 time frame. Figure 6

This was a situation when I could ignore sell signals by my mechanical method and give more exposure to the long signals. Since Skyhook manages the stop losses and trailing stops for all the trades added, I could pay attention to the price action for indications of the inevitable exhaustion at the end of the move. It came explosively on Oct. 30, 2003. The market gapped higher, failed to stick, went unchanged on the day and I was gone. My system exited. In just 32 days I averaged \$7,400/contract traded and increased my account by more than 25% while only risking 2.5% of the account. If I hadn't been aware of the cycle action behind the move, I would only have made 1/4th as

much with perhaps a little less risk.

In addition to the extra profits obtained by being able to increase my trading size, I avoided 4 losing trades (sells) that were indicated by the system in the 4-month period prior to the final cycle blastoff. Since I typically risk 1% of equity per trade, I gained an additional 4% by eliminating the losses.

Bonus: How you can easily get the benefit of the strongest, most profitable cycles—with the least amount of cycle analysis.

All you have to do at the end of each year is review which markets you are willing and capable of trading with your asset base.

After making that list, search for the longest data stream possible for each of your selections. Then look for straight-line moves, preferably a trend year, in any of the forecast years previous to your target year. For example: our next target year is 2006. The years you will be looking at for each of your selections are 2001, 1996, 1991, 1986, 1976, 1961, 1956, 1946, and 1916.

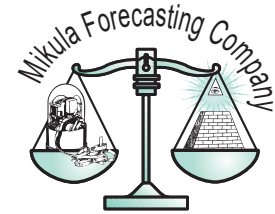
Do not take my word for it. Check what your results would be for the last few years, the last decade.... You should be pleasantly surprised!

The markets that have the most straight-line moves either up or down are the markets you want to trade with a good, efficient technical trend-following system that is not curve-fitted and works across all the markets you trade. Do not worry about how to guess which way the market will move. That is what your trading system is for. Its job is to engage the markets to obtain the best risk-adjusted trades that the cycles will power. The respective markets will absorb power from the major cycles existing at that time frame and trend accordingly. Your job is to make sure your system is focused on trading the markets with the greatest opportunities and provide proper execution.

(This article was completed and submitted on Oct. 24th, 2005)

Joel Rensink started trading Gann-based market models in 1975. After researching cycle theory for 7 years he became a professional off-floor trader in 1982. He was the publisher of Breakout Alert & Trend Letter, (BATL) starting in 1990 and became a member of the Minneapolis Grain Exchange in 1993. Mr. Rensink has provided consultancy for financial trading departments across the country. He is currently trading a private futures fund in Minneapolis, MN—

*If you have questions or comments, you may email: [Leonardo@infinityyield.com](mailto:Leonardo@infinityyield.com) or visit: <http://www.infinityyield.com>*



## MarketWarrior 4.0 Software

Introducing The  
**MASTER TIME FACTOR**  
For 100% Automatic Forecasting

For Prices and Availability  
Email Us At:  
[support@mikulaforecasting.com](mailto:support@mikulaforecasting.com)

[www.MikulaForecasting.com](http://www.MikulaForecasting.com)

## Gann Traders Successful?

Are you aware that W.D. Gann used his trading more than he published and that's why so many traders following his courses and books actually lose money?

My name is Jack Winkleman. For many years that was my story also. I studied Gann and was unable to accumulate profitable trades. I read more Gann books and courses with the same results. Gann simply did not explain his methods for such accurate trading.

In search, I discovered a number that is common to all markets working with both time and price. After that discovery and using its timing factors, margin calls became a thing of the past. The more I used the method the more of the number I saw in Gann's work. This is the method I have used in my weekly newsletters covering the Soybeans and S&P futures market. The forecasts of this newsletter are a matter of record.

Get a free trial to my newsletters. I also give personal Gann seminars for \$4,500. For more information go to:

[www.livingcycles.com](http://www.livingcycles.com)  
800-288-4266

Futures and option trading is inherently risky. All decisions made should be your own. Always use stops.

# Thirty Six Day Winning Streak

By Larry Jacobs

**F**ranz Shoar runs an online internet alert trading room through TradersInternational.com. The alert room is for intraday trading of the S&P e-mini. I monitored the room several days and was very impressed. What brought me to his room was that I had heard that he had a 36-day winning streak. I wanted to know how he did it. That's in the interview in this article.

In Addition to Traders International methodology, Franz uses several different technical tools to give him his signals to trade with. One of the signals is called HP which stands for High Probability trades. It is an indicator of fear and greed, an intraday pivotal signal in the channel for scalping. Another one he uses is his master piece indicator called the Bulls Eye. The Bulls Eye was the talk of the alert room. I was amazed on how good it actually worked. If you look at the chart #2 below, you can see the green circle, which is the buying Bull's Eye at the bottom of the chart and the red one

is the selling Bulls Eye at the top. Franz seems to get around 5-10 of these signals per day. I watched and saw Franz take trades with these signals several times during every day.

Yes, Franz trades with his own real money right in front of your eyes. He trades 200-400 e-mini contracts and usually at least 2-3 trades per day. His goal is to make \$100,000 per day.

Another thing I noticed is the quality of the members in the room. Franz did an instant poll of the room while I was there. See chart #2 which shows 54%

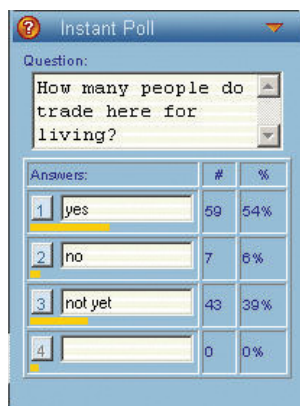


Chart #1

of the Traders International members that responded in the room actually traded for a living. This was impressive. I have not seen any other trading room with this number of people actually trading for a living in a room like this. What I noticed is that a large number of the members of the room seem to go and trade right along in the direction of Franz's signals. When Franz announces that he is buying or selling, it seems that it is quite easy

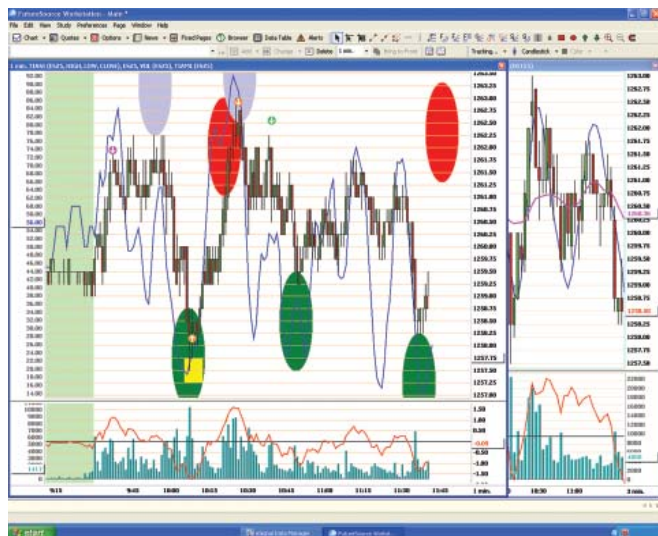


Chart #2



to put your trade in almost at the same time. With execution time, now only in seconds with today's web conferencing technology, one should be able to easily trade right along with him. Subscribers can hear Franz from their speakers while he is speaking and they also can ask him questions at any time.

Traders International emphasizes on money management and Franz always applies money management skills when trading. That's an important part of successful trading. He goes into the market at different times with various quantities of contracts and out the same way. He might buy 20 contracts at one price and add another bunch lower or higher. He then still might even add more at another price. He will continue to add, if he feels that his direction is right. Same way with selling. He does it in increments. This is a technique called scaling in and out.

From what I have seen from reviewing this trading room, I am impressed with it and I am rating the Traders International's Alert Room as a Traders World Editor's Choice. There is a free one week trial available to the Alert Room. If interested you should go to TradersInternational.com and request a trial to see if this service is compatible with your trading style before you subscribe. You should always paper trade before you trade with hard-earned real money. All trading of any kind can be risky.

The following is the interview I did with Franz:

*What is your background?*

I was born in Iran and came to the U.S. in 1977. I went to school here and graduated from the University of Maryland in computer science and finished my master in economics. In 1986 I joined Merrill Lynch as a stock broker.

*How long have you traded the market and tell us what you used in the past decade for trading?*

I have traded for 19 years, 3 years as a broker and 9 years of these 19 years also as a professional trader. Other times that I was not trading full time, I owned Oriental rug stores throughout the Northeast U.S. I traded mostly stocks 18 out of these 19 years. Then I decided to give the future market a try to enhance my return that was deteriorating after the bubble burst in the stock market. I looked for the most reliable place to get the best education that I needed to have for effective trading and I came across Traders International. I took their course and combining their methodology along with mine, I was able to trade a consecutive winning days of 36.

*How did you have a 36 day winning streak?*

All I did was looked for a few good trades and once I would get them, my goal was met and I stayed with the profit all day. Although I had another 29 consecutive winning days recently, the quality of the gains and trades were much better on those 29 days than the 36 days. On the 36 days winning, if I would have a \$100 gain I counted that as winning. In the 29 days winning, the quality of the gains was in thousands vs. hundreds.

*What did you trade?*

I have traded mainly S&P 500 e-minis, and I did trade the NASDAQ and Dow and Russell e-minis also. Soon, I found that e-mini S&P trading will suffice for what I need, so I have been trading the e-mini S&P 500 for now and I am very happy with it.

*What method did you use?*

I have been using Traders International methodology plus my experience and customized indicators, and I have nothing but perfect trades. Some of the indicators that we use are called HP, (High probability trades), which thrive from fear and greed and my masterpiece, The Bulls Eyes signal, which appears in 3 ways (Regular Bulls Eye, War zone Bulls Eye and the Terminator). They all are excellent and as of today, the Terminator has performed 100% since it was developed. All of these Bulls Eyes and HPs are reversal indicators and the most powerful signal that allows me to detect the trend is the failed HPs. The Bulls eyes are more geared up toward intraday Support and Resistant in a dynamic way for intraday.

Given a range day the Bulls eyes work almost 100% of time and we get normally 5-10 signals a day.

*Do you use money management?*

Yes. I usually try to get my goal within the first two signals in the morning. Once I am there, I reduce the number of contracts to protect the gain all day. This way, I assure myself a winning day. If I run into a problem in the morning, I have plenty of time to recover all day. I do use stops.

*What software and data service did you use?*

I do use Future Source and e-Signal for my data provider. As far as the platform for trading, I use X-trader and I have Trade Maven.

*Why do most people lose trading?*

It could be for many reasons, but the most obvious one is the Psychological aspect of trading. In my opinion trading is 10% skill and 90% Psychology. Many people are not thrilled with stop outs and they take too much time trying to figure out what happened and they take it personally. I simply look at stops as part of trading. I do not freeze nor have I tried to get even with the market. Traders need to stay calm. They should not get excited, nor should they get depressed. Trading is like an arena and you do not know who you will be fighting that day. Even if you get a huge fighter and you are down, there will be moments when that fighter thinks that you are down and finished and as soon as the fighter looks at the audience and is taking his bow, he turns around I am standing behind him with a knock out punch. Even if I can not win, there is always another day to fight. No one promised me a winning day. At least for now they have won the battle, but not the war. One thing most people do not understand is that the amount of the fear that they have in them can only elevate if they let it. I like to put the fear into the market rather than the market putting the fear in me.

*What do you do that makes you successful?*

I pray everyday and thank God for every breath I take. I stay calm during the trading since I do this full time and 5 days a week. If I have a losing day, I consider it lending money temporarily to the market and I have been successful getting it back so far, and thank God for that. I have been mentoring the Alert Room for Traders International for almost a year and that has helped me a great deal to becoming a better trader. I use my experience of dealing with fear and greed of the market and I concentrate on it every day. With that kind of thinking it is not too difficult to make money in the market.

*Can you give any guidance as to what traders should use and do to be successful?*

My suggestion is that you need to find someone who is an excellent trader and look over his/her shoulder to get an idea as how the market works. Until then, paper trade. Many students think that the Traders International Alert Room gives them that edge. Learning the skill is great but once you are in a trade you need lots of practice by being patient, protecting gain and concentrating on winning rather than worrying about losing. When I go into a trade and if I entered for a good reason, being worried about it will not justify the action. If you are worried, you will give unjustified stops and as soon as you get stopped out then the market goes your way. You need to

know when to enter and wait and also when to throw in the towel.

*How do you guide people to successful trading in the Traders International Alert Room?*

The main thing is to help them psychologically to learn how to become a good trader. I show them how to deal with losses and snap back at the win by protecting their gain all day. We do not over trade at all. We only take the signals that get filtered out through Bulls Eyes. It reduces the stress and we trade less and we do not churn the account. The beauty of the Bulls Eye is that we know where it is ½ hour to 45 minutes before it gets there. Most of the time, it hits precisely. We have had some people thinking they were looking at yesterday's tape and not believing we were in a live market. We have all the weapons we need to go to battle. Also, we teach members how to build confidence in them by having consistent winning days. If you ever dreamed of catching the very top to go short and catching the very bottom to go long you owe it to yourself to come and see the HPs for free.

*For more information and a free weeks trial to the Alert Trading Room go to:*

[www.TradersInternational.com](http://www.TradersInternational.com)

## TradersWorld QUARTERLY SUBSCRIPTION

- 1 Year Printed Edition\* - \$19.95
- 2 Years Printed Edition\* - \$39.95
- 3 Years Printed Edition\* - \$49.95

- 1 Year Online Edition - \$19.95
- 2 Years Online Edition - \$39.95
- 3 Years Online Edition - \$49.95

- 1 Year Printed & Online\* - \$29.95
- 2 Years Printed & Online\* - \$59.95
- 3 Years Printed & Online\* - \$79.95

\*Foreign subscribers: for printed edition add \$8 per year Canada and \$16 per year for other countries. No extra charge for online version.

**Free Gifts:** Gann's Square of Nine Excel Template & Instructions and Gann's 29 Secrets to Trading the Market with any 2 yr subscription. With any three year subscription add 1 month of Winkleman S&P Letters.

Name \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_

State \_\_\_\_\_ Zip \_\_\_\_\_

Email \_\_\_\_\_

Check  MC  Visa  AMAX

Card# \_\_\_\_\_ Exp. \_\_\_\_\_

**Traders World Magazine**  
[www.tradersworld.com](http://www.tradersworld.com) - 800-288-4266  
2508 W. Grayrock St. Springfield, MO 65810

# TRADING BOOKS

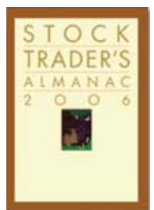
Order these books now...

call: 800-288-4266 or go to: [www.tradersworld.com](http://www.tradersworld.com)



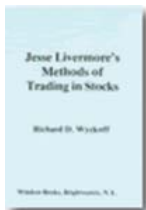
**Advanced Swing Trading: Strategies to Predict, Identify, and Trade Future Market Swings** by John Crane  
**Price: \$69.95**  
**Sale Price: \$48.95**

Swing trading, a powerful technical approach for profiting from shorter-term price moves (several days to a couple of months) - is sweeping the trading world. And once you've mastered the basics, you're ready to tackle the innovative and accurate swing trading system outlined in John Crane's new bestseller. Revealing charts, real world examples, step-by-step moves that can lead to consistent market gains - it's all clearly explained. From market behavior and reaction swings, to reversal dates and long-term vs. short-term trends - you'll find everything you need to implement the same strategies used by George Soros, Warren Buffett and other high-profile traders - and increase your chance for ongoing trading profits. Don't miss it.



**Stock Traders Almanac: 2006 Edition** by Yale and Jeffrey Hirsch  
**Price: \$34.95**

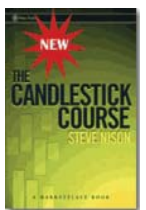
Published every year since 1968, the Stock Trader's Almanac is a practical investment tool with a wealth of information organized in a calendar format. It alerts readers to little-known market patterns and tendencies that help market participants forecast market trends with accuracy and confidence. The data in the Almanac is some of the cleanest in the business, and its analyses are relied upon by savvy professionals, from well-know money managers to journalists. The Stock Trader's Almanac 2006 encapsulates all the historical price information on the stock market, provides monthly and daily reminders, and alerts users to seasonal opportunities and dangers. This mid-term election edition focuses heavily on the presidential election cycle and tendencies often resulting in major market moves.



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

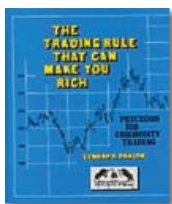
The material presented here first appeared as a continuing series of articles in the Magazine of

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



**Candlestick Course** by Steve Nison  
**Price: \$65.00**  
**Sale Price: \$42.95**

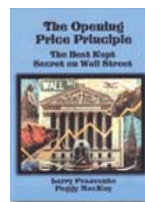
Steve Nison revolutionized the world of technical analysis when his two bestselling books introduced Japanese candlestick charting techniques to the western world. "Candles," he discovered, can signal shifts in trends and price patterns with amazing accuracy, and these "storyteller" charts also contain powerful applications for today's volatile short-term markets. In *The Candlestick Course*, Nison breaks new ground once again. From the basics through the more complex stages of pattern recognition, each chapter includes specific learning objectives, key terms, clear-cut instruction, and practical applications. Plus, each end-of-chapter quiz allows readers to perfect their charting abilities before moving on. This book is the ideal training tool for newcomers, and perfect for veterans looking to refine and hone their skills.



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

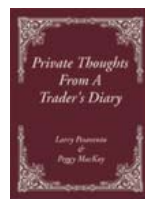
Discusses a simple but effective method for timing market entry, based on a technique used by the legendary W.D. Gann, who said of this method, You can make a

fortune by following this one rule alone! Incorporates a technical trading rule which utilizes a consistently repetitive pattern of market behavior. Applies to all markets and all time periods, whether short term (intraday), immediate, or long term. Many traders have called or written months after reading this book and advised that it has been the most helpful single book they have ever read to help improve their trading.



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

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



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

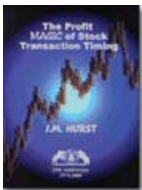
Imagine sitting in the trading room of two professional traders, and have them share with you the complete details of each trade they make for weeks! They share with you the exact reasons they decide to make each trade, how they select an entry point and initial stop, how they adjust their trade as it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

**Winning Market Systems: 83 Ways to Beat the Market** by Gerald Appel  
**Price: \$39.95 Sale Price: \$35.00**

The creative genius of Gerald Appel has



assembled this encyclopedia of winning strategies and technical indicators. The systems strategies and indicators of many well known analysts are detailed in this book: Larry Williams' accumulation-distribution formula; Worden's tick system; Zweig's Option-Activity ratio; Arm's short term trading index (TRIN); Granville's On-Balance Volume system; Edson Gould's speed resistance lines, and many more. In addition, you are shown the inner workings of the Haurlan Index, the Haller Theory, the interpretation of the A/D Line, the McClellan Oscillator and many other tools.



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

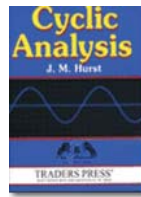
Author J M Hurst is a legend to knowledgeable individuals interested and involved in the study of cyclical price movement in the financial markets. An aerospace engineer by training and background, he was the first pioneer in the computerized research into the nature of stock price action, devoting many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



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

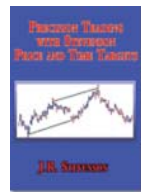
For many years I have heard how valuable the work of J.M. Hurst has proven to those interested in the use of cycles in the pursuit of market profits. Many Traders Press customers have advised me how valuable any material would prove to them that would shed any additional light on the work of Hurst. It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

seminal importance in influencing his approach to market analysis that it became the cornerstone of his methodology.



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

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



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

On May 27, 2003, General Electric shares closed at \$27.42. The simple method revealed in this extraordinary book projected on that day that a high of \$31.66 would be achieved on June 17th. 3 weeks later, on June 17th, as projected, GE reached an intraday high of \$31.66. This high marked an important intermediate turning point which was not exceeded for months. This method may be applied to ANY active market, whether stocks, futures, or indices, in ANY time frame. Imagine the value of having the knowledge of how to make similar projections of price and time targets in the markets you trade! JR was "legendary" among the brokers at ContiCommodity and at Prudential for his consistently accurate price and time projections. He has decided, at the urging of his family, to reveal his knowledge of this technique, which is amazingly simple and easy to use in any time frame and in any liquid market. JR currently day trades the S&P

E-mini contracts actively using this technique. Other than to a few members of a chat room where JR has heretofore been known as "Baldy", it has never before been revealed to anyone, over all the years he used it.



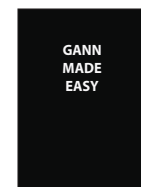
**Planetary Harmonics by Larry Pesavento**  
**Price: \$49.00**

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



**Patterns of Gann by Granville Gooley**  
**Price \$159.00**

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



**Gann Made Easy by Bill McLaren**  
**Price \$240.00**

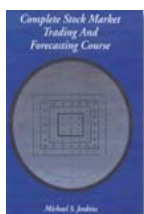
The course comes with a square of nine with clear overlay, and over 50 newspaper sized charts to illustrate the methods presented in the text. William McLaren, the author, has used Gann's

methods for over a decade, and the course offers his knowledge in a clear presentation. The subject is approached in a logical fashion, starting with The Psychology of Trading, which covers Gann's three psychological nemeses for the trade (hope, fear, and greed) and impresses the idea of trading from a plan and using protective stops.



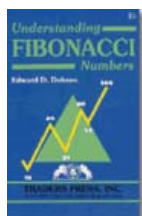
**The Definitive Guide to Forecasting Using W.D. Gann's Square of Nine by Patrick Mikula Price \$150.00**

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



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

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



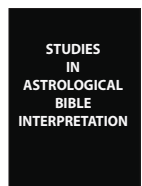
**Understanding Fibonacci Numbers by Edward Dobson Price: \$5.00**

This primer booklet on Fibonacci numbers is intended to: Give the reader an initial acquaintance with the concepts of the Fibonacci number sequence, To provide some historical background, To give an idea of how Fibonacci concepts and ratios are used by stock and commodity traders and analysts, and To provide a comprehensive bibliography and list of informational sources, with accompanying comments on the ones I consider most worthwhile for the Fibonacci student interested in applying the concepts to trading stocks and commodities.



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

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



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

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



**Wheels Within Wheels by Daniel Ferrera. Price: \$450.00**

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



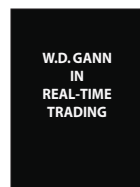
**How To Make A Cycle Analysis by Edward R. Dewey Price: \$350.00**

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



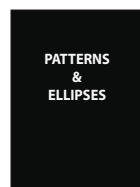
**The Step-by-Step Guide to Profitable Pattern Trading by Al Coppola \$125.00 Shipping is \$12.00**

Not just another "How to book" but a wonderfully clear and illustrated guide to trading a system which assures high probability Day and Position trading. Master Trader, Larry Pesavento says that this book, "is soon to be a classic". The author, Al Coppola, provides a unique presentation of the complete method - from identifying the patterns, exact entries, targets, and trade management. No mysteries here, and nothing left out. The steps used to evaluate each trade are illustrated clearly with over 200 actual recent charts.



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

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



**Patterns & Ellipses Price: \$49.95**

Stocks and futures move in elliptical paths. When a market makes a gap, its price action usually passes into a new sphere. All its activity will remain in the



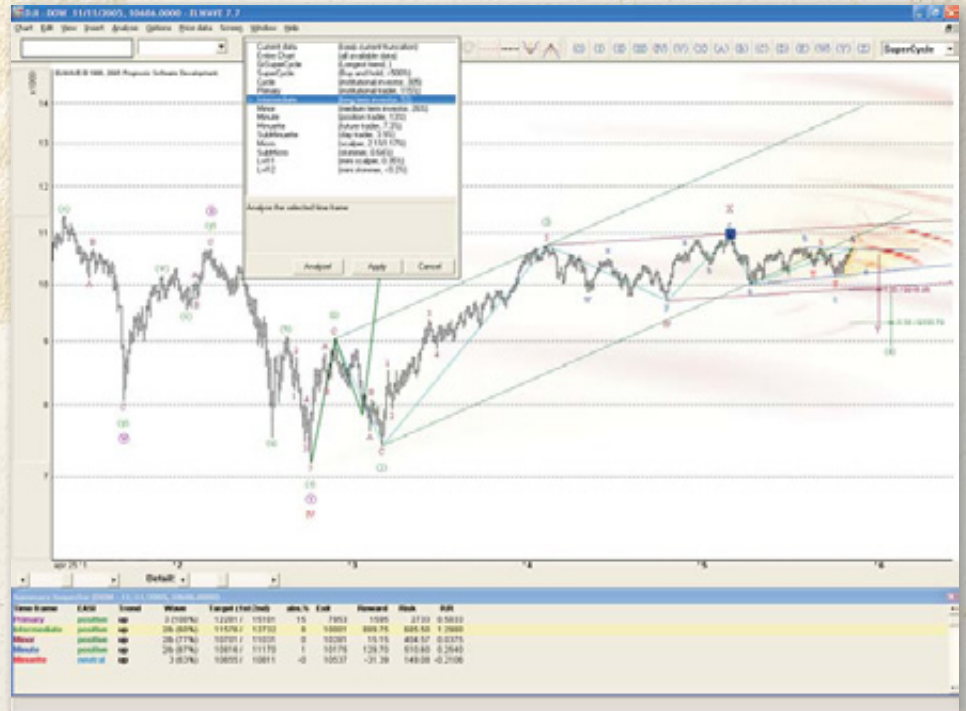
# Trade with confidence

Introducing **ELWAVE 7.7** with *optimized time-frame analysis*

## Choose your time frame

**ELWAVE** has always been known for its uncanny ability to analyze multiple timeframes. Now, with version 7.7, you can specifically tell **ELWAVE** which set of timeframes to analyze. So whether you are a daytrader, position trader or swing trader, the analysis provided by **ELWAVE** will be just right for you.

Our **Add-On** version of **ELWAVE** for MetaStock, introduced almost a year ago, is a big hit with MetaStock® users around the world. With the same powerful automatic Elliott Wave analysis capability as found in our stand-alone software, it features not only the fully automatic wavecount, directly drawn on your MetaStock® charts, it also includes our acclaimed *Summary Inspector* with our *EASI* multiple timeframe indicator.



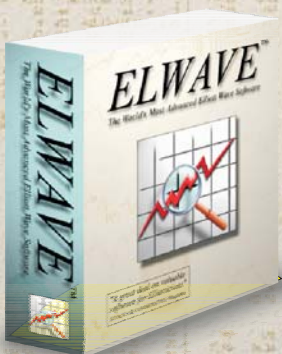
Select your time frame of interest and **ELWAVE** will automatically generate analysis results that are just right for you

## Elliott Wave for everyone

Because not everybody wants to be an Elliott Wave expert our *Expert Advisor*, available in both the stand-alone and MetaStock® Add-On version, will tell you in plain English how to interpret the analysis results and what to do with them in clear and precise terms. Wave count, trends, targets (on multiple time frames) and expert commentary combine to make this the ultimate trading tool.

## Stocks, futures, forex

The powerful Elliott Wave analysis offered by **ELWAVE** can be applied to virtually any kind of equity, such as stocks, futures, options and currencies. To allow for this diversity of applications, **ELWAVE** boasts one of the longest lists of supported data vendors, including **eSignal**, **Quote.com**, **IQFeed**, **FXtrek**, **ForexInterBank**, **Yahoo**, **Tenfore**, **RealTick**, **Tai-Pan**, **MarketMaker** as well as support for many file based data formats such as ASCII and MetaStock®.



Get your 30-day TRIAL version today:

**WWW.ELWAVE.COM**



**Prognosis**  
software development

P.O. Box 2944  
2601 CX Delft  
The Netherlands

http://www.prognosis.nl  
Email: info@prognosis.nl

phone: +31-15-2123543  
fax: +31-15-2132558

# WallStreetWindow.com

## Secrets for Investment Success

Why do most brokers and financial advisors advocate buy and hold instead of active trading for the regular guy? Because most regular people (even the intelligent ones) end up losing all their money.

Well, then to tell you that you shouldn't invest on your own sounds like good advice right?

Sure, but what about those regular guys that DO make money. How do they do it? How do some people succeed in the market while others fail miserably?

Well here's the truth. We're wired to fail.

There's a psychological concept called "social proof" and the long and short of it is that we look to others to see what is right for us. It was a way for us in the stone age to know that danger was near. "Everyone is running. I should run too." said caveman #1... While more evolved caveman #2 said to himself "Why should I do what others are doing? I have my own mind, I can think for myself..." and was then swallowed promptly by a T. Rex!

So - that expression of independence was bred out of us long ago... but it's just that type of thinking that we NEED today in order to make money in the market.

Today, the more we look to the other cavemen to see what we need to do, the more danger we put ourselves in (unknowingly). I'm sure in a million years our species may be different, but today, deep down, we need 'social proof'.

So how do we go about changing it? That's the thing, you can't easily change this - it's wired into you. BUT, you can learn to trick it.

I learned how to trick this psych concept that is built into us all and use it against for my benefit so that I could become a successful investor.

What's the trick? I'll give you a hint. If you change your reference group (ie the people you watch for your social proof needs) you'll

change the way you act. If your reference group is the herd, then you'll invest with the herd. If your reference group, however, is intelligent investors, then you'll trade like an intelligent investor. Simple!

So where do you find intelligent investors to follow? Just turn on the financial news, right? WRONG!!! Sorry but as much as I like those guys for comic relief from my trading day, they're not much more than talking heads. Follow them and you'll be following the herd of losing active investors.

If you want to make money watching TV just do everything opposite of what they do and you'll probably get rich!

Maybe I sound a little bit out of left field to you right now. But if I do then that just means you've probably been following the wrong reference group. And you probably haven't been doing as well as you could have with the right person to show you the way...

So, who's that person that CAN show you the way to make lots of money in the market? Me!

Why??? Well, I was lucky. I figured out this social proof thing long ago when I first began trading on my own. I followed what other successful investors do. Studied all of the great traders throughout our history. And pretty much ignored everybody else.

I've never had a losing year. And although I don't post 300% gains like some of these options and derivatives folks, I've done extremely well.

And I've helped a lot of struggling investors learn how to do extremely well also. I trade stocks because that's what I'm good at.

Find out for yourself. Go to WallStreetWindow.com and sign up for a subscription to my free Trend Weekly E-letter today. Over 60,000 people have discovered it to be an indispensable tool for their investment success. - Mike Swanson



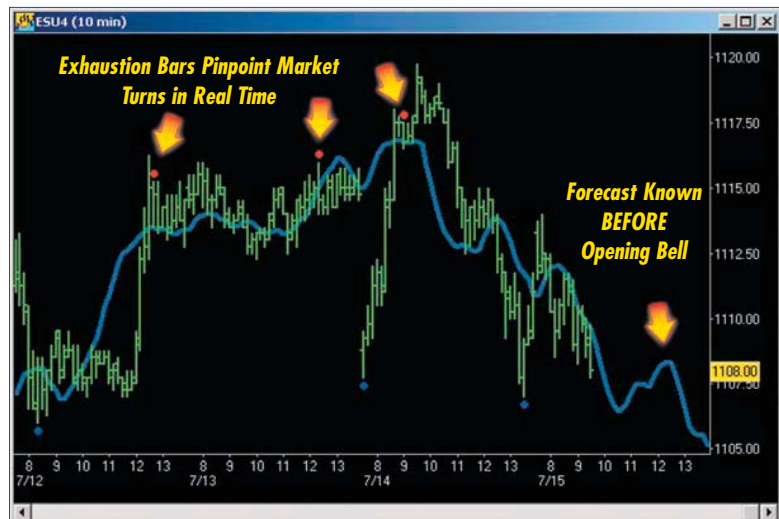
# Pinpoint Market Turns with Surgical Precision!

ARE YOU STILL TRADING USING THE SAME MOVING AVERAGES AND STOCHASTICS indicators as everyone else? Maybe it's time to take a look at some of the revolutionary tools in **Wave59**.

They say a picture is worth a thousand words. Take a look at the chart to the right. Using only two of the techniques in the Wave59 charting package, we were

able to pinpoint all of the turning points in the mini S&P with high accuracy. The red and blue dots appeared in real time, telling us when a particular swing had exhausted itself, and the blue forecast told us exactly what the price swings would look like. This blue forecast line was plotted before the opening bell, providing us with a road map for the entire day. As you can see on the chart, it says the market will rally for a

couple of hours then drop into the close. Go check your charts to see what actually happened after this screen capture was taken!



## CONTAINS THE MOST UNIQUE SET OF TOOLS AVAILABLE ANYWHERE, INCLUDING:

- 9-5 Count
- Balance Point Lines
- Custom Geometric Patterns
- Exhaustion Bars
- Fibonacci Vortex
- Flower of Life
- Fractal Trend Index
- Logarithmic Spirals
- Lomb Periodogram
- Mirror Image Foldbacks
- Natal Forecast
- Neural Networks
- Planetary Flux Lines
- Rings of Price/Time
- Root 2 Growth Squares
- Smart Money Index
- Time and Price
- Pattern Matching
- UltraSmooth Momentum
- ...and Countless More!



**Wave59**  
technologies

For more information visit our website where you can download a **FREE TRIAL** of **WAVE59!**

**WWW.WAVE59.COM/TW**

**FREE**

# FREE WD GANN MASTER COURSES !!

**FREE**

We took Gann's best Master Courses,  
bound them with the highest quality,  
and are giving them away FREE!



## TRADING COURSES ▼



"Our readers consider your product to be one of the most valuable in the market today!"

Technical Analysis of Stocks and Commodities Magazine



Recipient of the  
"READERS CHOICE AWARD"

Thanks for making the *Four-Dimensional Course* one of the best-selling price-adjusted market books in history. And because this is the first advertising in 3 years, the success was achieved by word-of-mouth!

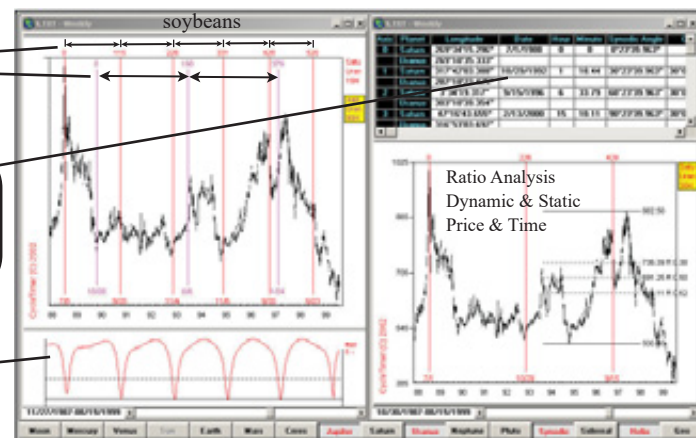
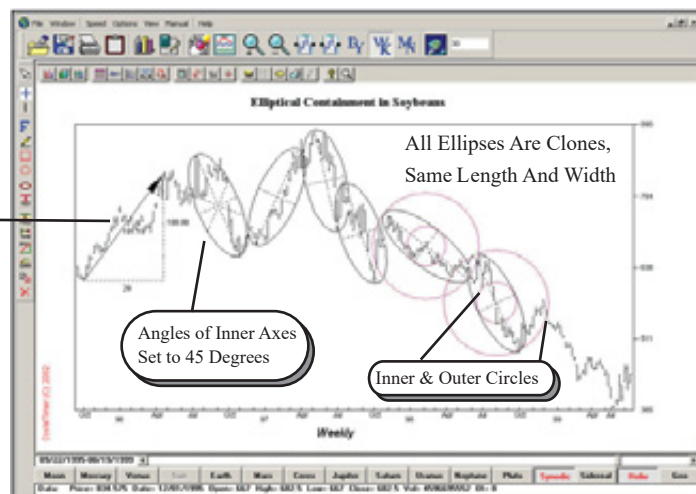
## SOFTWARE ▼

*CycleTimer*  
by Bradley F. Cowan

Download a free trial  
Keep the free tutorial

### Unique Features Include:

- ✓ Price-Time Radius Vector (PTV) as discovered and taught by Bradley F. Cowan in his *Four-Dimensional Course*
- ✓ Ellipse Tool
  - On-Screen Editing of Ellipse Characteristics
  - Cloning for Projections of Future Action
  - Chart Any Number of Inner Axis Angles
  - Show Inner and Outer Circles for Containment
  - Manually Set Major/Minor Axes Ratio for Precision
  - Auto Re-Scales Axes Ratio When Chart Axes Change
- ✓ Astro Cycles
  - Plot Multiple Cycles on the Same Chart
  - Highest Resolution on the Market
  - Cycles Range From 0 -2500 A.D.
  - **Synodic Stations** as by Cowan
  - Static/**Dynamic** Planetary Cycles
  - Symmetry Around Stations
  - Chart Speed of Multiple Planets



You Can Buy Everything On  
This Page For Only \$998 !

Combine the Speeds  
of Multiple Planets

# REAL MONEY TRADING

Have you ever wondered how a professional trader consistently makes money? Few will share their secrets for success in the market and even fewer will risk their own capital while they teach but that is exactly what you get at our Alert Room.



# FREE TRIAL!

Experience watching the expert, Franz Shoar, trade E-minis with real money and take profit from the market right in front of your eyes! 5 - 8 signals a day with unbelievable accuracy. Isn't this what you have been looking for?

This room has already changed many people's lives.

Call now or email [alert@TradersInternational.com](mailto:alert@TradersInternational.com) for your free one week trial.



The hottest live trading on the net.

**800-670-0834**

There is a risk of loss in trading.