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Summer 2000 - ISSUE 29

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Murrey Math and the Nasdaq 5000

By T. H. Murrey

Murrey Math MMRPM's (1.125%) predicted Nasdaq's 5,000 top last March. Please look at Chart #1, the Nasdaq composite index. This index was setting down at 2,656 (1/8th) Murrey Math Trading Line, back in October of 1999.

The Chinese discovered anything is measurable inside its cube when using the numbers one through thirteen. Known as the Triple Double Effect, it is the secret to knowing where any market will grow and slow down, then reverse, based primarily on the speed of price. Time is second to price in this scenario.

To illustrate the potency of this theory, the Triple Double Effect can also be viewed within basic biology. The human mind is set to the Triple Double Affect in the first 3.1 minutes after conception. The Triple Double Affect is carried out through binary cell division, which is the division of one cell into two equal parts as a means of asexual reproduction. Binary cell division makes humans end up looking like "cubes." If we did not grow in this manner, we would have body parts on only half of our body. Go figure.

Rote Linear Progression tells us nothing of logic, but we may understand math by knowing that this periodic table postulates that 4 x 4 x 4 = 64. Sixty-four is the 1st Square Octave. Our brains are set to 4096 divisions.

The double helix molecule that comprises DNA equals 64 codons. Codons are the combinations of purine and pyridine bases that come together to "code" for distinct traits (blond hair, blue eyes, etc . . .) Again this illustrates that our minds and bodies are set to the binary cell Triple Double Affect.

It is known that the human mind can only come up with nine numbers and 13 is always ½ of everything. 1 +13 = 90 degrees.

13 + 13 letters = 180 degrees.

There are 26 letters in the alphabet and each letter is a mirror image of another. This means that there are really only 13 symbols that are used in the alphabet.

Let's look at what has been illustrated thus far through math:

NT = Number of Thoughts: 13.

C = Chinese Logic of (13)

BM = Binary Math (13) (64 x 64) 4096.

NT 1. C (1) BM (1), NT 2, C (2) BM (2), NT 3, C (3), BM (4), NT 4, C (4), BM (8), NT 5, C (5), BM (16), NT 6, C (6), BM (32), NT 7, C (7), BM (64), NT 8, C (8), BM (128), NT 9, C (9), BM 256, NT 10, C (10), BM (512), NT 11, C (100) 1ST Cube, BM (1024), NT 12, C (1,000) 2ND Cube, BM (2048), NT 13, C (10,000) 3RD Cube, BM (4096) (64x64)

You don't need to learn this "info." The Chinese set all objects and thoughts inside physical dimensions of space and time. Thoughts therefore create weight and mass density. Numbers represent mass. Mass has weight; therefore markets exert pressure.

Everything is set inside a cube: 100, 1000, 10000, 100000. Binary Math Progression grows at 1 (of itself), double itself, four times, eight. Before we can add double of anything, we must know where something is. Then when we know where the current price is, we need to know its closest MMRPM "multiplier."

All markets are prices set inside one of the cubes:

100
1000
10000
100000

All prices are numbers, which exert weight (pressure) in physical cubes.

Anything may be measured inside its cube at only one of four parts:

100 Cube: 12.50, 25, 50 and 100.
1000 Cube: 125, 250, 500, and 1000.
10000 Cube: 1250, 2500, and 10000.
100000 Cube: 12500, 25000, 50000, or 100000.

The Nasdaq Composite is the market we are presently trying to measure how far it will run up into the future in the short-term, the last six months. We only need to find the nearest MMRPM price off any lows to "predict" any Triple Double in the future. The nearest low number is 2,656.

Last October, this market entered its new 64 day trading frame. Since there are four seasons, we divide the year into four 13-week periods of 64 trading days length.

We go down to the 2/8th MMTLine inside the cube of 10,000 (2,500) as our MMRPM's "multiplier." We only need to multiply 2,500 x 1.125%. Please see Chart #1. We get a speed price appreciation into the future of 281.25 points; this equals 1/8th. So we simply add 281.25 to 2,500 = 2,812.50.

Now we start our Triple Double:
1) (312.50) 3125, (2/8th) or (4/8th)
2) 612.50, 3750, (4/8th or 8/8th)
3) (1250) 5000. (8/8th) or (4/8th) LT.

There you have it. Pure logic applied to pure Chinese math, binary math, and pure math thinking—Murrey Math.

This is the "Lost Math," 19.53125. 100 divided by 64 = 1.5625 = 1/8th = .1953125. Harmonic Thinking Math. This is the "secret" to more successful trading: Market reverses off pure logic set inside a cube.

In 1927 Gann wrote a book, *Tunnel Thru The Air*, in which he predicted the crash of 1929 (in the Fall) and the reversal off lows on July 4th, 1932, but no one knows how he did it. I believe I have the principles of the Tunnel, which is actually a cube. However, like Gann, I too won't tell how it works because few could trade it.

I alone discovered the meaning of Gann's "Natural Numbers" when I read his book fifty times over. Gann wouldn't even divulge the meaning to his family while on his deathbed. I'll tell Gann's family for free.

Every software program today is setting totally random (8/8th) highs and lows. If you don't measure price up or down with Murrey Math RPM's (1.125) set inside each cube—100, 1000, 10000—you will not be able to accurately set your internal 1/8th harmonically. Or, what's even worse, you will have to wait too long to finally find any truly extreme highs or lows.

W.D. Gann simply took two extremes, high and low, and divided them into eight equalities and looked for moves of 3/8th and 5/8th. He eventually became tired of trying to explain what I'm explaining right now. Few can understand. This is why it is so much easier to simply use the software that does all the calculating for you.

If you continue to use Gann's number one rule, you will more than often get "whiplash," trades at highs or lows. You will increase your short-term profits if you set all your markets (8/8th) inside a Pure Math Murrey Math Trading Frame. There are only 64 numbers that all stocks from 0 to 100 want to reverse off on any day. There are basically only 16 different octaves (8/8th) inside each Square Cube. Any of us can learn 16 things per square.

There are over 87 different software programs that are set to measure moves off random highs and lows. As far as I know, I am the only "guru" to have seen what Gann wouldn't say: "Trade all markets inside an octave of math set to music." You may apply this simple MMRPM's (1.125%) multiplier to any market for which you want to predict highs and lows.

Always remember that under Gann's number one rule you can't see the extremes until enough time goes by to see the highs. Murrey Math allows us to know the Triple Double (5000) five months before it occurs. Can the future be measured inside of a Cube? Yes.

Would you rather trade into the future knowing upside resistance, or would you rather just keep listening to all the gossip, thinking that the markets are capable of doubling again after only five months. Why did the Nasdaq double from 2500 to 5000? Why has it fallen 66% since March 17th, in less than four weeks? Gann said to always short doubles, 100% moves up, that were one month, three months, then six months apart. The Nasdaq doubled in five months because people wanted it to higher. This is the pure and simple reason. Did you get out of your stocks after they went up 100%?

It has been shown that 87.5% of all traders enjoy trading more against the odds rather than with the odds. Please look at Nasdaq's Chart #2. The market is down 75% simply because rookies paid too much too fast for the high tech stocks. This market fell from 5000 down to 4375 (present 8/8th) MMT Line. See Chart #2. As soon as this market fell below 4062.5 and closed below it, we knew it would fall lower, back down to 3750. As soon as it fell below and closed below 3593.75, we downshifted to 3125. This shall be the 0/8th MMTL until it is below 2812.50 (-2/8th).

Today, the market made a morning star reversal off a Double Low from April 17th. This market reversed down near its 2/8th MMTLine after a –6/8th fall from 5000 (8/8th) MMTL. This market must close and hold above 3347.50 before it can recover and move higher to test any previous highs. We can see three on this chart. It may take some time to recover back to 5000 highs.

This market fell hard after it broke below its 50% MMTLine 4375. If stocks move straight up, shouldn't they fall faster on the way down? Does a company pay a worker 100% salary for five months of work? Why pay double? Wouldn't you rather just buy low and sell high? Too many go for Triple Triples. Would you have sold high if you had known about the Triple Double? Would you go long in any market when it is down 75% in only one month?

There is no value associated with any market that has run up 100% in five months. You must not listen to the market "gurus" who create sentences as justification for run-ups of 100% in five months. I would rather have you going long down here when everyone is expecting lower lows. Listen to the TV.

Trading is much simpler if you trade off of pure math and no fundamentals. A 25% raise in price will trigger one group to sell. Do you want to get out on highs or take profits on the way up? We hope you can see how markets are simply reversing off of preset Murrey Math Trading Lines outlined in Gann's Natural Numbers 100.

Don't get caught up in the media hype of hearing that up markets always go higher off nothing more than rookies wanting to pay too much because they have too much free cash to pour into a fast-moving market. Math will predict every reversal before you read it in the paper.

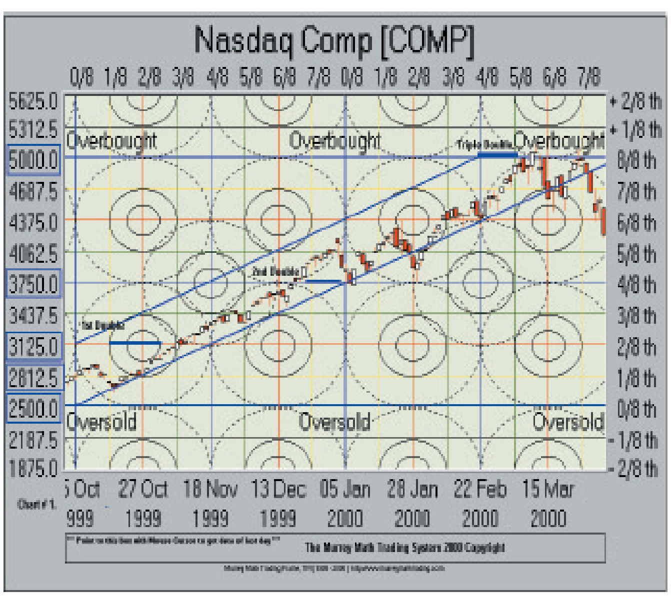


Chart #1

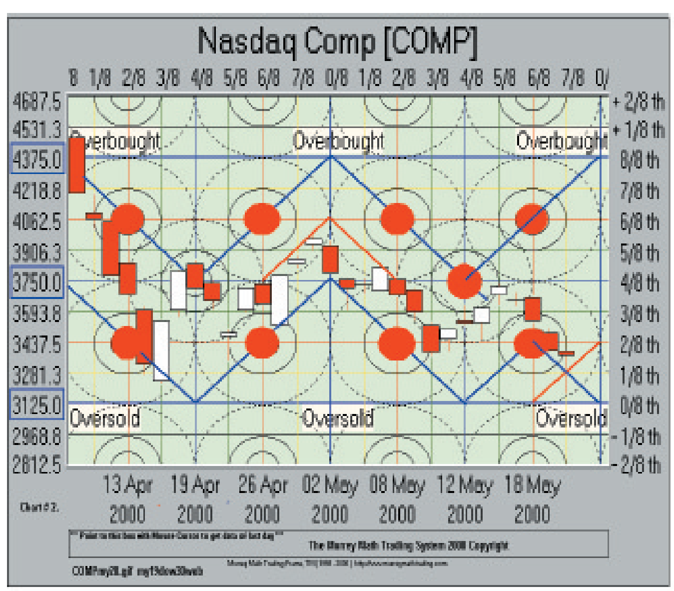
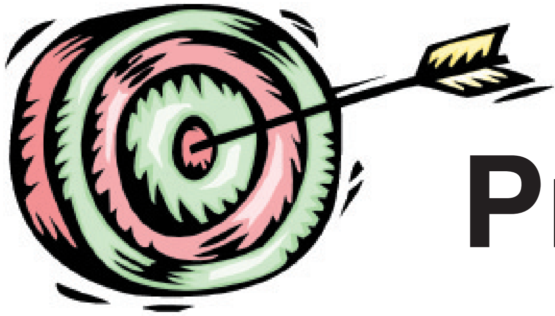


Chart #2



Wave-5 Price Targets

By Robert Miner

Elliott wave pattern analysis is a very useful tool to help traders be prepared for trend targets and reversals. Elliott wave analysis has two main functions. The first is to help identify where a market is within a trend or counter-trend. Is it near the initial stages, middle or the final stages of the trend or counter-trend? The second is to help identify the targets where the trend or counter-trend should be complete.

Each wave pattern has specific high probability price targets that project the minimum, typical and maximum price targets for the end of any wave structure. How useful to your trading strategies would it be to know well in advance the high-probability target for any trend on any time frame? I think you will agree, this information is very useful.

Wave-5 Price Targets

This article will only look at one end-of-wave price target – Wave-5. Each wave structure has its own targets but a Wave-5 is particularly interesting because it usually completes a significant trend.

Although we are considering Elliott wave pattern analysis, the price projection approach is based on W.D. Gann. The basis of all Gann analysis is the time and price ranges of prior swings (waves) of similar degree will be in proportion to the time and price range of the current swing. In other words, the price ranges of recent swings are proportioned and projected from prior pivot highs and lows to project the target for the current swing.

When making a Wave-5 price target, the assumption is waves 1-4 are complete. Let's first take a look at what specific price projections are made for the end-of-wave-five.

Wave-5 Price Target Zones

The following price projections are made for the end-of-wave-five. Each of these projections are made by measuring the internal swings of the current wave structure, in this case using waves one through four of the potential five-wave trend. The high probability target zone for the end-of-wave-five will be where several of these projections cluster together in a relatively narrow price zone.

Wave-5: 61.8%, 100% and 162% Alternate Price Projections of Wave-1

Wave-5: 38.2%, 61.8% and 100% Alternate Price Projections of Waves 1-3

Wave-5: 127%, 162% and 262% External Retracements of Wave-4

Wave-5: 262% and 423% External Retracement of Wave-2.

This is a total of eleven individual price projections. Let's do all of these projections on a chart and see if they tend to group near each other for a distinct price target zone. Chart #1 is May Copper. A decline began from the Jan. 20 high. As of early April, it appeared that copper had clearly completed a four wave decline. We can use these four waves to make all of the Wave-5 price projections. (see Chart #1)

All of the individual price projections are shown in Chart 1 except the ones that did not fall below the Wave-3 low. There are two distinct price target zones for a Wave-5. The first zone at 76.90-75.30 includes five projections with at least one projection from each of the four sets described above. This is the ideal high-probability target zone for the end-of-wave-five. The second zone is much further below the market and includes three projections. This is the maximum end-of-wave-five target.

Ideally, Wave-5 will subdivide into five-waves of lesser degree. If so, we can make the target projections for Wave-5 of 5. The ideal target zones are where projections from two degrees of wave structure overlap each other. As of April 14,

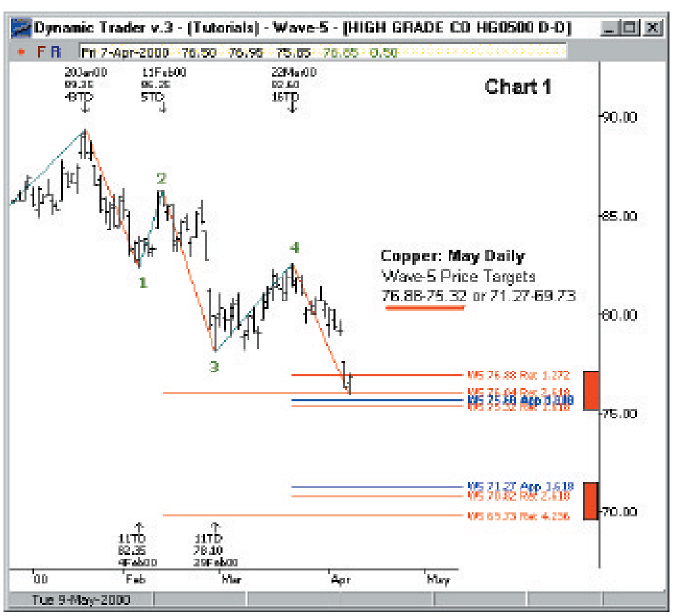


Chart #1: Wave-5 Price Targets

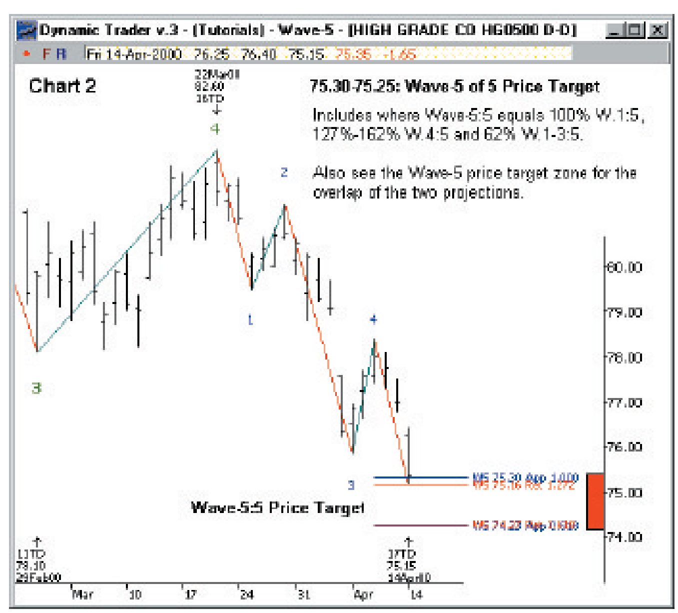


Chart #2: Wave 5 of 5 Price Targets

it appeared that Wave-5 had subdivided into four waves which provided the conditions to make Wave-5 of 5 price projections. (See Chart #2)

Chart #2 shows that the ideal Wave 5 of 5 price target zone is 75.30-74.25 which includes at least one price target from three of the four sets of end-of-wave-five price projections. This price zone falls just below the Wave-5 price target zone at 76.90-75.30. While the two degrees of targets do not overlap, one begins exactly where the other ends providing us with a very high-probability target for the end of the bear trend that began at the Jan. high. Chart #3 shows how it turned out. (See Chart #3)

Price Target and Trading Strategies All Made In Advance

On April 17, May copper made a low at 74.25, right at the extreme of the Wave-5 of 5 price target zone followed by a snap-back-reversal the following day. This is not an after-the-fact example. This exact analysis and price projection was published in advance in the Dynamic Trader Report. The April 17 low was not only made at the projected price target, but within the April 11-19 projected time target for the Wave-5 low. That's right, high probability end-of-wave time targets may also be made in advance. The buy signal as recommended in the report was made just one day after the low.

Making high-probability price and time targets is not just hypothetical, but done every day on every market and every time frame with the Dynamic Trading approach. Although this is only one example of an end-of-wave-five price projection, each projection is made in the exact same way whether with 5-minute or monthly data or a futures contract or a stock.

Be Prepared In Advance For All Market Conditions

Every wave structure has specific end-of-wave time and price projections that may be made in advance. The Dynamic Trading book teaches the trader how to make all of these projections and the most reliable trend-reversal and trend-continuation trading strategies for each set-up.

Robert Miner is the author of Dynamic Trading which was named the Trading Book of the Year by the 1999 Supertraders Almanac. It is sold by Dynamic Traders Group with an unconditional one-year money back guarantee. For more information, go to www.DynamicTraders.com.

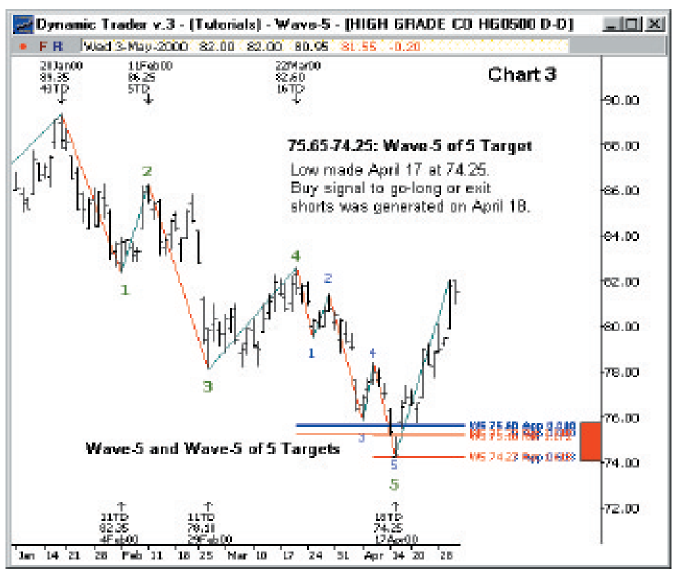


Chart #3: Sharp Trend Reversal At Target

Gaining an Edge in Trading

by Joel Rensink

You gain an edge in trading in numbers of ways depending on the time frame. I can give you an idea of some of these. If you are doing a very short-term time frame like trading in a pit, your edge is obtained by being opposite a lot of other traders who don't have a time advantage. You have a time advantage in the pit because you see what prices are and exactly when they are and you can immediately execute trades, whereas other people have to wait 45 seconds to 1 1/2 minutes to get their orders filled. It gives you a tremendous edge. You've got 1 1/2 minutes to act. When you see a price breached with a new high in the day, and stops are executed up there, you have time to act before the outsiders. If you see some outside trades that come and do something, whether they are trying to buy or sell that new high or buy or sell a new low-- you can at least get prepared for it in advance. You can get out really quickly if you find that you were incorrectly positioned for the supposed move. Your edge is fantastic and it's the lower risk. It always comes down to risk. Your trading edge and risk go hand in hand and are directly proportional to each other. If you have a lower risk then you have a greater edge. These are facts that most people don't really look at.

That's why floor traders have an extremely big edge, because they have an extremely small risk. They can get in or out at the next tick. They don't have to hold for 1 or 2 cents or wait for their market order to get executed.

On the floor, there are big traders that come in who have to do business. This happens all the time in every market. A big trader will come in, for example, in the grains and will want to either buy or sell a large amount of the commodity at a price. They usually trade at fixed prices scaling in orders. They will put parts of their load on at certain levels in a falling market. In wheat, for example they might try to buy at $2.30 a bushel. The broker for whatever firm will try to buy maybe five million bushels at that price. So he will be trying to buy the amount of contracts, for example, 1000 contracts at that price. Then as somebody sells to him, then he is trying to buy that amount minus what he has already bought. So every time he calls out the amount he is trying to buy the number is getting less and less.

What's nice about this is, let's say he is trying to buy at $2.30, you can go ahead and buy at $2.30, 1/4 at the prevailing price just above where he is trying to buy it, knowing that if the market does not find a bottom right there you can always off load on him. So you can buy 10 contracts at $2.30 1/4 and if the market gets into one of those bouncy modes and goes up to $2.30 1/2 or $2.30 3/4 or $2.31 you can go ahead and sell those 10 contracts and you can take out some profits. This method works over and over again. The worst thing that should happen to you is that you'll get out at break-even, by someone else who decided to buy at the market. If you paid $2.30 1/4 and the market somehow gets pegged down at the $2.30 and people are giving up, you can dump your ten contracts off on someone who might need 300 contracts at $2.30. This is a tremendous edge for you if you are on the floor, because many times big fundamentalists are putting in their bids to buy at certain prices and they have an idea of what the value of the commodity is and many times they are right and the market does not go below say their price of $2.30. Often times the market will rally ten cents from there. So, if you bought against them, you are called a leaner if you do this on the floor. You lean up against these guys and you take a total risk of 1/4 and you buy your 10 contracts and you maybe sell 5 of them on the way up. If the market rallies up 10 cents after that, you still have 5 contracts that you've taken a 1/4 point risk on and you can get maybe 10 cents profit on 5 contracts which adds up. You'll making $2,500 at that point on a total risk of $62.00. That's an edge! That's what these guys pay the money for to have the seats on the exchanges. It's easy for you to use this method when you're in some sort of reaction against that trend. These big guys know value. They pay millions of dollars a year to know what real value is. They can't hide. So they come in and draw their line in the sand. They say this is the price they are willing to buy at. So you can lean up against these guys and make money. It's not tough because you're dealing with the same broker every day. This is not brain surgery. This is just one of the ways you can trade with an edge.

One of the other ways to trade is, lets just say you've got a downtrend and a big guy is scale buying, trying to buy all of his contracts at $2.30 and the market starts selling to him rather rapidly. You see that the contracts that are being sold to him are evaporating rather quickly and just a few minutes ago he was trying to buy 300 contracts and a minute later he is trying to buy 50 contracts. You see that someone sells him 10 contracts and another person sells him another 10 contracts. You should also sell him 10 contracts too, because the current price of $2.30 probably isn't true value anymore considering the circumstances, actually the correct value may be a penny or two less of what he is trying to buy. So the market will then fall and go through that $2.30 price and there may not be anymore because there is no support to the market. The market then falls in on itself. Smart traders start stepping in selling the market at 2.29 1/2, 2.29 and then hitting more stops underneath that. You then have a market cave in and you can take profits of two cents on your short trade. So the people in the pit have a tremendous advantage if they understand the workings of the system and they learn very fast, because everyone on the floor is doing the same thing. It's a mechanical way of trading, completely mechanical.

If you are an off-floor trader, then you have to take advantage of a trading edge in other ways. It's essentially the same idea as what the floor traders are doing. It's just done on a different time scale. What you are trying to do off the floor is find out what the trend is and to be in the direction of the trend. Like so many people have said, the trend is your friend. The wind is at your back. It's true. I've found that top picking and bottom picking are extremely difficult exercises. They can work, but you're a whole lot better off to try to pick minor bottoms in an up-trend than just trying to pick tops after a big bull move up. There are many tops on the way in a major bull market, but more minor lows to buy on the way up without much risk. So it's a whole lot better to be buying these minor lows than selling tops in a bull market.

Here are some examples. If you are using moving averages or some type of a breakout system like the 40-day breakout, you take a look at the last 40 days, the high of the last 40 days or the low of the last 40 days. If the market breaks one of these points you need to enter the market. If it takes out the low, of course, you are tying to go short. If it takes out the high, you're trying to go long. Gann traders, of which I am one, basically use swing charts to make this determination. One of my favorite swing charts is the 7-day calendar chart. It's one of the best indicators of trend that I have ever seen. You can look at the definition of how to make one of those from one of Gann's courses. Basically you're trying to find reverse moves of 7 days or more from a high or low. When you've got a definition of trend, then the whole idea is to get aboard that trend with some sort of risk measurement, so that you can eliminate false whipsaws against the trend. The longer the time involved with the breakout method or the moving average method, the better they seem to work. The 7-day calendar chart can be used as a trend indicator to tell you what the direction of the market is. After you know the trend is up based on the 7-day calendar swing chart, then you can use whatever indication to get in after that. The 7-day calendar swing chart is very pure and it works extremely well.

Here is another simple indicator that you can use. If the market takes out the high of the last two days then the short-term trend is up. You can then be very willing to go ahead and buy that market. Put your stop at the low of the last two days. So basically, what you're using is breakouts in the direction of the trend. With this method you will get stopped out often enough, but the times you're not, it is usually a good long-term trade. You can then follow your stops up the swings. It works very well. When you get into the tail end of a bull market, the market will not take out those higher swings, until the market is finally exhausted and blows itself out. So it's fantastic to trade this way. You're actually trading similarly to the people in the pit. Your risk is extremely small and your profits are extremely large relative to the risk you took. The risk on a two-day breakout is very small. If you trading in corn or wheat you're risking 2 - 3 cents, maybe 4 or 5 cents at the most

You can also have a lot of edge in options. The people who are making the market in options know where the orders are. They have the advantage. For you to have an edge outside of being a market maker, you need to have a scenario that you expect. You can create a position that you can profit from in options, by buying so many calls or selling so many puts, selling other calls against calls you have bought, using different strikes or whatever. You can engineer an option strategy for any possible scenario that you have a risk reward situation. So if you are person who has a strategic mind and who likes to play chess and who has a very good concept of the world, you can make fantastic profits from this approach.

The most common thing that you can do in options is to sell the calls above the market, and puts below the market in a so-called collar. If the market moves and threatens one of your calls or puts you can then go ahead and cover the call or put combination and go ahead and rewrite calls and puts in a new collar. You can do this and obtain a market edge by following the market around. You must be careful using this method as volatility affects these option prices. If the volatility for some reason gets higher and higher you might end up in big trouble. A lot of people now are getting into the market by selling S&P options, namely puts. A good number of the people who are claiming they are trading for a living are selling options in the S&P. The S&P Index has become a BIG market. The volatility has greatly increased. The puts are going for outrageous prices, but they're not going to appear outrageous when the market starts falling.

You need to have a low risk idea that gives you an edge, which you can prove mathematically. You are looking for a situation, which is if you actually get into the market when you get a signal, so that there is enough extra after paying for your commission that it pays for you to do it. It's kind of a free trade situation. I've got a methodology, which I use that after I pay for my commissions and entries; after a thousand trades I make about $50 - $60 dollars on an average trade. It doesn't sound real good. OK, after a thousand trades, I only make $50,000 - $60,000. That's a lot of trades. It doesn't sound real sexy, but the thing about it is, it keeps me attacking the market over and over very much like a floor trader. I have the option after I get into one of these trades that if the market does something extra, I don't have to exit at the normal exit point. This makes a big difference. I got long in the bellies about a month ago in one of my normal trades. The market went limit up and locked limit up. Typically I would have gotten out, but because of the extra strength in the market at that time, it indicated that risk was virtually nothing at that point for me to continue holding on to that position longer than I normally would. So because of that, I was able widen out my restraints on that trade and take a much bigger profit. Because of this, I was able to make $5,000 profit instead of the $1,000 or $2,000 normal profit. Once you're in the market the opportunities can completely change. Mechanical methods of trading are good just to give you a prearranged edge. After you're in the market you have the right to go ahead and advance that edge, if you want to. That is basically what professional traders do.

When you trade, you need to have a low risk idea. Whatever the methodology you trade should be consistent and based around that low risk idea. You shouldn't be trading this idea and that idea and this idea and that idea like so many people are doing. You hear people talking about that they have fifteen patterns that they can trade. This idea is fraught with risk. Who says that these fifteen patterns all have the same kind of an edge? If they all had the same kind of an edge, why couldn't they come up with one kind of an idea that would be equivalent to these fifteen? So it seems like all of these are curve fitted ideas. Maybe they are, maybe they aren't. I would bet more on the idea that they are curve fitted. Gann's stuff was not curve fitted. Some of the biggest traders today got most of their ideas from people like Gann. For example, using the idea of buying higher and selling lower. If the market goes higher continue to buy. You buy higher and higher and eventually sell even higher. You follow the trend up with stops and finally you get stopped out. These ideas are immutable. They will continue on through time. So if you have a concept that you trade by, it should be based on unchanging concepts. The market will change its character from time to time, but if you have something that's based on the market character itself, then it will work even in those times.

Joel Rensink is one of the most successful traders in the world. He trades based on the concepts of W.D. Gann and from the ideas he has developed for trading. He has been a trader since 1973. He spent a lot of time researching the rules that Gann had in How to Make Profits in Commodities. After accumulating many charts and making most of them by hand, getting data from the Chicago Board of Trade, and anywhere he could, he was able to prove to his satisfaction the rules did work and that he could follow them. His favorite rule of all-time is simple, just taking a trade on a breakout. The higher the market goes the more Joel wants to buy it. Joel says that when the market goes into new highs, the professionals get involved. The professionals don't trade to hurt themselves. They encourage the market to go higher. He believes that in the stock market it is easy to make money right now, because some of these stocks are going to increasing new highs. It will be very hard for people to make money when the market starts to move down because they already have their mind set a certain way. They are not going to be as willing to sell the market, as they should be. Joel Rensink can be reached at Archimedes Investments at 612-825-4776.

The Cycle of Seventeen Years

By Ernie P. Quigley

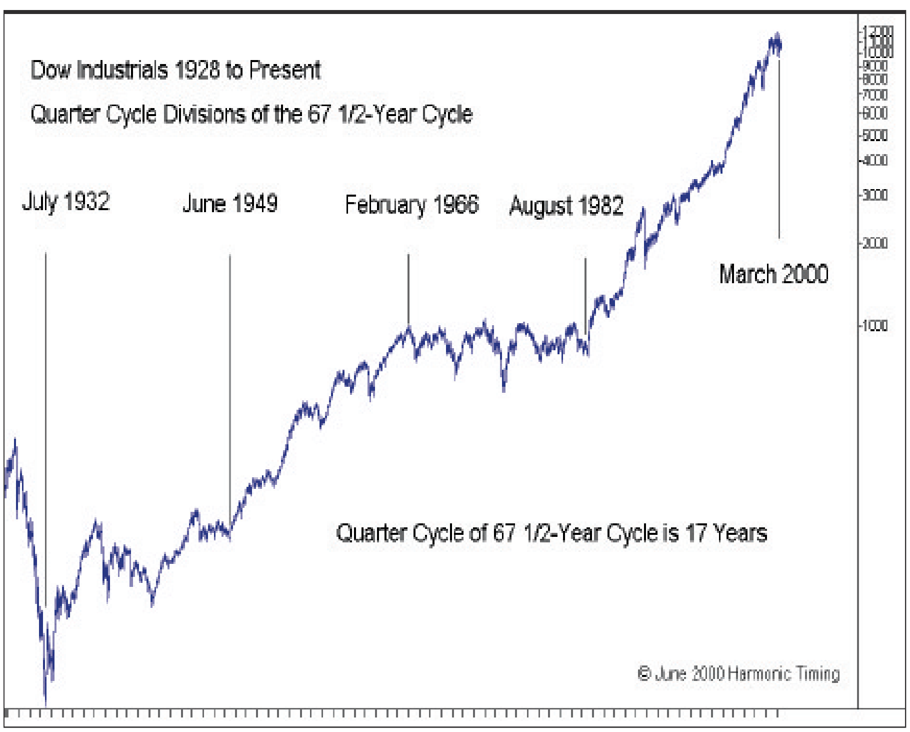
Bradley Cowan has written three books about Market Geometry and Cycles. He has postulated that there is a seventeen year cycle that "ties everything in the universe together." He wrote a book about this cycle but has not published it for various reasons. Since I find Cowan's material useful and thought provoking, I have spent considerable time thinking about and researching seventeen-year cycles in various markets and in our American culture. If my studying and analysis is accurate, the 17-Year Cycle is one that every investor and trader in the equity markets should pay close attention to AT THIS SPECIFIC TIME.

Starting in December 1999 the HARMONIC TIMING newsletter included a chart of the long-term prices of the Dow Industrials from 1932 to the present time. Marked on this chart is the history of turning points of a specific long-term cycle. This specific long-term cycle is one of several that can be sub-divided into 17-year increments.

The 17-Year Cycle shown in our HARMONIC TIMING newsletter is in truth a quarter cycle of a 67 to 68-Year Cycle. The 67 to 68-Year Cycle last bottomed during the Great Depression low of July 1932. This Cycle indicates that it is possible a Great Bull Market from 1932 to 2000 has completed.

There is a 17-year time interval between the high of 1897 and the low of 1914. From the low of 1914 to the low of 1932 in the Dow Industrials is another 17-year increment. From 1932 to 1949 is 17 years and the great bull market after WW II lasted 17 years from 1949 to 1966. Do you start to get the picture? From the 1966 high to the 1982 low was another 17 years and the recent great bull market lasted 17 years from August 1982 to March 2000. The 17-Year Cycle is strong evidence the Great Bull Market of the 1980s and 1990s has completed. With equity prices making a MAJOR high during the first quarter of 2000, the next 17 years in the stock market are likely to be quite different than the last 17 years.

Think about the different 17-year time intervals mentioned in the prior paragraph. American society and the American culture of each time period was characterized by different economic, social, political and cultural forces. Getting through the great depression and WW II characterized the 1932 to 1949 period. Peace and a feeling of positive achievement characterized the 1949 to 1966 period. The popular political leaders of Eisenhower and Kennedy were the leaders of this time period. Then there are the sixties and seventies. 1966 through 1982 saw American society pitted one against the other with hippies and free love, the Vietnam War and the use of drugs becoming embedded in society. Incredibly rapid advancements in technology, the accumulation of great wealth, the "me" generation and a crumbling of moral values have characterized the 1982 to 2000 time period.



The 17-Year Cycle clearly shows that not only has the Great Bull Market in equities ended, but that the forces that shape American society and culture will change, maybe dramatically, during the next 17 years.

It should be quite profitable to contemplate what some of the characteristics of the coming 17 years are likely to be. Those who spend the time and effort to plan ahead will be able to take advantage of the changes as they materialize.

The first contemplation and analysis that HARMONIC TIMING has undertaken relates to what can happen during the next several years in the stock market.

The technical analysis section of the HARMONIC TIMING OF STOCKS newsletter discusses the considerable deterioration in the underlying structure of equity prices since April-May 1998. The deterioration of the advance/decline data shows that if history is a guide, March 2000 is analogous to the major peaks in the stock markets of 1973 and 1929. It is interesting that the conclusions concerning the weak underlying technical condition of the market reinforce similar conclusions arrived at by our cycle analysis.

Our cycle research shows us the probabilities favor a bear market environment that lasts until sometime in 2003. If there is a bear market environment it means that investors must now actively manage their portfolios. Investors will not have the luxury of a strong bull market to cover up errors. Investment errors and mistakes are likely to be magnified during the next several years.

During the last 17 years the Wall Street publicity machine has rightfully convinced investors to "invest for the long term," and that each setback in equity prices should be used as a buying opportunity. During a bear market that lasts until 2003 these strategies will no longer work. In the immediate future, all rallies should be used as selling opportunities. Eliminate your weak stocks. Rethink your asset allocation. It is time to protect capital.

Earnie Quigley is editor of the Harmonic Timing of Stocks Newsletter. Website: www.harmonictiming.com

Cycles

By Jack Winkleman

Everywhere we look are cycles. The sun rises and sets every twenty-four hours. The moon cycles each month with a full moon, new moon, waxing and waning. There are annual production cycles and there are business cycles. There are long term cycles and short term cycles. How long is a term? Depends on who you are talking to.

In the beginning of my studies of the markets and how to trade, I bought a book by Edward R. Dewey titled Cycles – Selected Writings. This book is 8x10 and 2 inches thick. I had no idea there were so many cycles, much less being measured by those who seemed to know what they were doing. Mr. Dewey was associated with the Foundation for the Study of Cycles and I think he found his life's calling. However, this did not help in my trading the markets profitably. The market did not change trend when it was supposed to. So much for averaging cycles and not being able to determine magnitude.

W. D. Gann, in his book Tunnel Through the Air, devoted considerable thought to cycles and their importance. He described "wiring his broker in New York" to execute trades on a certain day. And these trades were successful. Obviously he had to know of a cycle for the rise and fall of the market in order to be able to trade successfully. In his book How to Make Profits in Commodities he would state the phrase "time to sell" or "time to buy" in illustrating his trading campaigns. In other writing he refers to time turning the trend and price fixing future time for trend changes. Not being spelled out very clearly, I didn't get the message.

After being introduced to planetary cycles and more frustration concerning market cycles, I discovered a common cycle in corn. This was not done by computer but by trial and error. Not only did the market honor these cycles with highs and lows but price could be pre-determined in advance. And time determined expected price levels. Those who have followed my newsletters over the past few months have come to realize the power of potential trend changes and a fixed price/cycle pattern. And they work very well with some adaptation (floating decimal points) in other markets. Also, this cycle pattern will work with daily, weekly, monthly and yearly charts.

Mr. Floyd Kaiser introduced me to the different time cycles of each person and how to determine, in his case, when people were most likely to buy an automobile. And he was very powerful in using his techniques. He knew when you walked into the show room of any automobile agency where you were in time concerning whether you were going to make a major investment in an automobile. I believe the same principles apply in trading the markets. As I talk and work with individuals who are willing to invest in stock or commodity markets, it becomes clear to me that there is a time factor playing a major role. Some use it intuitively and do well, others do not.

Timing really is everything. The market will quickly prove you right or wrong. Manage your time and capital will always find you.

Jack Winkleman publishes The Winkleman S&P500 and the Soybean newsletter which comes out three times monthly. For more information go to: www.tradersworld.com

Put the "Odds" in Your Favor

By Larry Pesavento

One of the best kept secrets in the trading community is the important use of the opening price, as the daily chart of Microsoft so aptly illustrates. Notice how the opening price will be near the high or low of the day 75% of the time. I have personally studied this phenomenon over hundreds of thousands of examples. My good friend and mentor, John Hill of the Commodity Research Institute, first introduced me to the importance of the opening price in 1980. Later, Earl Haddady published the same statistics in a book called *The Importance of the Opening Price*. This was followed by Tody Crabel's classic Opening Range Breakout.

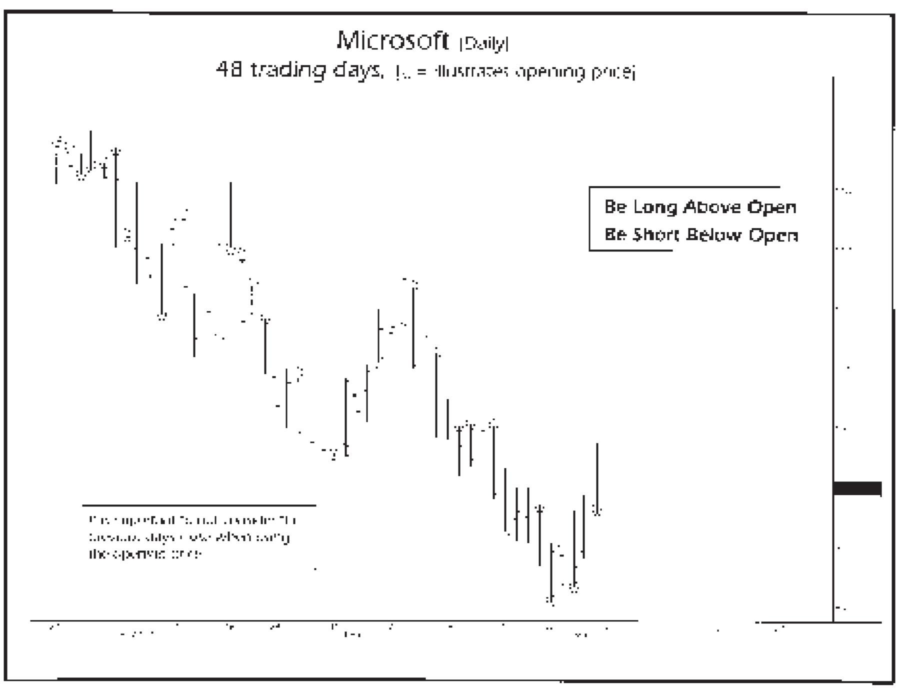
The principle works just as well with stocks. The theory suggests that investors, traders and speculators evaluate their positions after the close of the market and then act on the opening. After-hour trading has not affected the statistics thus far. Overnight news is most important and is probably the trigger mechanism to get the theory to work.

Day traders in both stocks and commodities should pay particular attention to the opening price. When prices are above the opening price, look to be a buyer. When prices are below the opening price, look to be a seller. Certainly sounds simple enough! As Jim Twentyman says, "Now defy human nature - do the work yourself". Examine 50 stocks for 20 days and check their opening price to the high or low of the day. This gives you 1000 samples, certainly statistically valid.

Using the opening price theory will increase the probabilities of winning in your favor. Ever have a day trade that is losing? Just check whether the present price is above or below the open. If you are long below the open - the odds are against you (or short above the open). It is a good idea to ask the opening theory question on all day trades.

The hardest problem with learning to use the opening price theory is to 'forget yesterday's closing price." Yesterday's close is not a factor. Concentrate your attentions on today's open. Yesterday is history - today is the mystery.

The opening price could be your best friend. Learn how to use this concept. Check your losing trades. How many were against the opening price? And the winners? Remember, a slight percentage change can make a big difference in the month-end statement.



Gann's Road Map Approach

By Don Hall

Probably no one in the trading world has received more discussion than W.D. Gann. Discussions of the famous trader have ranged from awe and admiration to downright disbelief. Some of us found this to be one of the foundation bricks of reason for studying his sometimes complex trading life.

Having been in the markets in both cash and futures since the mid 1950s, it became evident to me that not all of the information which I found to be touted even in those early days was 100%. This is no surprise to most of you as readers of a technical source such as *Traders World*. More than a surprise, I found it to be a challenge.

The percentage of correct trades attributable to Mr. Gann just did not fit the pattern which was my lot in my own hedging and trading. Thus I set my goal to first find out as much as I could as to the validity of the claims. My acquaintance and friendship with Mr. "Reno" Alghini, a friend and close trading associate of Mr. Gann, started me in earnest to the next goal. It also gave me the road map of my next challenge.

Reno often commented that when Gann went to the pit, he always carried the Pythagorean Cube (Square of Nine as we know it), and many times, nothing else for support. This fact made me realize that I had my work assignment.

Gann's record in public and under scrutiny made one conclusion evident to me: it just had to be simpler than that to which I had been exposed in books, seminars, and courses – just had to be!

From this point in my studies, roughly halfway through the 45 years which I have determined this market interest, I began Gann studies in nearly 100% of my efforts. The reason: no one to whom I had knowledge had done so well in trading, nor nearly so consistently. If one needs a guide to hang his or her goals upon, in my opinion, it is CONSISTENCY. Even with his high percentage of accuracy, we are shown that Gann still maintained a very good ratio of dollars earned per trade – and he apparently did so with a minimum of risk. This meant one thing to me: he had to know what he was trading, when to trade it, when to be dormant to a trade, and at what point to be in and/or get out. It seems to me that these are worthy goals with which to trade by any standards.

Thus our quest for more and more information on the Pythagorean Cube seemed to be justified. After all, if it were the tool that it seemed to be when Gann was under fire by the press as well as in the pit, why then should it not be worthy of our 100% effort? It was and is. Thus the birth of PYRAPOINT: A Trade Analogy.

Just what is this system called PYRAPOINT: A Trade Analogy? In the simplest of terms, it is the unraveling of the Pythagorean Cube.

As we have stated in an earlier article, we likely aren't the first to see the almost mystic market waves and, indeed, the full moves as they relate to the Pythagorean

Cube. PYRAPOINT: A Trade Analogy simply gives us a plan to use these wonderful moves, and a place to get (or stay) out of a loss or losses.

The important word in the prior paragraph is "SIMPLY." No system or plan is of much use to us, in our opinion, if it involves so much effort and research per trade that we cannot ACT on the recommendation. The market moves much too quickly for very involved criteria. It is our belief that Gann did not have that much time either, as determined by the number of trades credited to his per-hour of trading.

We are convinced that one needs a system that provides early and continuing indications of market action. We believe that one needs a road map approach. We are also convinced that this recognizable direction must be familiar enough to us for our action without hesitation. Confidence – right?

Herein lies the true basis for discipline, that all-important factor for successful trading. We need to see the opportunity, read it for target and for time – then act. Call it confidence – call it discipline – it is the answer to successful trades – simply and quickly. We don't even necessarily require a computer if we have the chart of question and recognize the "stop and go lights."

So the plot thickens as to reasons for unraveling the Pythagorean Cube.

We are happy to report that our serious students have found our teachings in PYRAPOINT: A Trade Analogy to yield to them a better trading life. Some have graciously given us a "best" rating. The singlemost heard praise is that it simply makes sense – that it yields a reason for our position of entry and exit – that it gives a track to follow for full fruition of a trade – and that (if we follow the six simple rules) we simply do have a better bottom line. We believe that this is what it is all about!

This doesn't mean that our grade card does not indicate that we haven't experienced the "normal 3%" who aren't claiming to be in this group. We not only understand this, we anticipate some reluctance to read or study 300 pages (especially with so much information "out there" today). Our comment however is to recall that nearly half of the pages are pictures (charts). We expect to confirm all of our text.

This is a workbook of knowledge for your better trading. It is to show you what is actually going on in this world of trading via the Pythagorean Cube. It is not to place on the mantel as décor. Actually our students relate that it is revealing to other fields as well – but certainly the markets.

It has been said that it seems like a lot of information to learn the "Square of Nine." I hear you. I tried it for 20 years. Friend, if you have learned the art and calculations of the mystic diagonals, where to place your entries and exits, where to expect changes (which direction and how much), how to regulate your squares for calculation, and then have developed good rules to control your marketing and your discipline – then I agree with you. I just haven't met a person who could show me these things. I am certain that this or these person(s) exist – otherwise I would undoubtedly not have found it to share. One last item for this topic: we have offered to answer your questions relative to our interpretations to assist you for a period of six months in the FAQ on our site. We care, and we want to answer your concerns.

As stated in the book, PYRAPOINT: A Trade Analogy, we have other reasons why we feel that it is truly "the answer" for most of us. The Pythagorean Cube and Theories are of much earlier origins than Pythagoras' discoveries brought back to Greece from his trek to Egypt. In fact, they are evident in the Great Pyramid and other architecture dating back to 2500 B.C. And as stated the book, it does make one wonder what really took place in that 2000 plus years era, since Pythagoras brought it to the Greeks in the first millennium A.D. It is from here that we began our education in the "modern sense" by the teachings of Pythagoras, sometimes referred to as the "father of modern mathematics" – especially trigonometry, algebraic equations of floating decimals, etc.

At this point let us emphasize that Gann was a particularly good mathematician. This was another clue to our further quest for answers as to how he was so accomplished. His research was quite extensive, even to countries besides Egypt, but he had this all behind him when under fire in the pit, and apparently relied heavily on the notorious Pythagorean Cube. It had to be basic – and it is. It had to be simple – and it is. It had to be accurate for both price and time – and it is. Above all, it had to be far more accessible and more rapidly understood than most of the complicated endeavors to which he is credited.

PYRAPOINT™

THE PRINCIPLE THAT GANN USED!

From the early '60's when I began to study somewhat in earnest, and following at least to the mid-seventies, I attended many seminars, but I especially attempted to attend all seminars available on Gann.

Alas, however! I never found the secret as shown by Gann's verified results.

It was only after attending most of the Gann seminars, administered by people, all of whom were claiming to have his secret, that I came to the conclusion that there was a question as to whether the teachers were actually duplicating his record. Indeed, they were usually not even in fair range of his results.

It was then that I began dissecting his seminars and assimilating certain segments of different seminars. I came to some conclusions, not the least of which was, in my opinion: THAT HE WASN'T ALWAYS TEACHING THAT WHICH HE WAS ACTUALLY TRADING.

I can stand corrected, but the next ten years proved to me the validity of my convictions. Mr. Gann indicated that he would not reveal the true secret of the math involved. However, he also indicated that if one were to spend the time which he had (25 years) and covered the material at least three times, that it could be revealed to a serious student.

I have qualified for the years, plus some, and have subjected my family to at least ten of those years, sometimes to their exhaustion, I'm sure.

I SUBMIT TO YOU THAT THE PYRAPOINT SYSTEM IS THE PRINCIPLE WHICH HE USED. I can prove it, I feel. Gann never taught this in any of his seminars, even to his associate, who I had the privilege to personally know for some seven years, Mr. Renato Alghini. "Reno" was with Gann for six years, actually sharing close trading desks. Reno revealed that Gann carried into the trading pit a piece of paper when he did his most successful recorded trades. I have figured out how Gann used this piece of paper to successfully trade. I will teach you in my complete PYRAPOINT course how I feel he used this piece of paper.

Course Contents: 300 pgs.
Introduction
Part I: Factors Contributing to the Formation of PYRAPOINT
- An introductory word about trading.
- An outline of what to expect in the pages to follow
- Fundamentals of trading as applied to PYRAPOINT and their role in the trading system.
- The PYRAPOINT system of trading

Part II: Core Basics of PYRAPOINT
- What is the derivative of this PYRAPOINT system?
- Studies and the theorems of which make PYRAPOINT valid
- Basics of the simple square
- Specific PYRAPOINT rules
- The core data

Part III: Developing the Application of Learned Basics
- The square applied
- A word about trendlines
- A word about the charting program per the computer
- Overbalance as a tool of trend
- Using the three-place floating decimal

Part IV: Charting Our Knowledge of Learned Basics
- Chart and "setup" recognition
- Continuing our study in chart application

Part V: Learning to Use Our Charts to Guide Our Decisions
- A further review with July Oats and July Corn
- A study in synchronizing what we now know
- Some additional uses to assist your understanding in charting PYRAPOINT
- A parallel example using the stock market

Part VI: Principles & Examples Applied to the "Firing Line"
- Quick examples of assistance to us
- A word about 2 x 1 and 4 x 1 lines
- Further use of 2 x 1 lines
- A longer look at a complete trend cycle, and related uses for successful trading
- Integrating squares
- Coordinating more than one time frame

Part VII: In Conclusion
- Observations for "setup" recognition
- Summarily Speaking

Student Internet Support Site Available

☐Yes, please send me the complete PYRAPOINT Course for $179.95 plus U.S. S&H of $4.95.
☐PDF version on CD version for $169.95 plus $4.95 U.S. S&H
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Think about it! How much of what you see attributed to his success in the trading pit could he have done without multiple tools of assistance?

Personally, I have no problem with any of the interpretations of the many varieties of methodologies concerning W.D. Gann. My hat is off to many scholars as they have unwound fact after fact from his work. My point in this discussion is that there are dozens of productions of theories on his methodology, ranging from math to astrology, with many combinations – and with merit for the most part.

The problem that I do have in my years of study is two-fold: (1) to assimilate a profitable trading plan from all of my books and papers which I have collected for two or three decades, as they relate to Gann's works and teachings, and (2) to sort all of the mass of information into a simple and usable plan for trading.

Again, I believe that Gann did his analogy for a trade quickly and accurately with tools which were available to him at the moment of truth – the moment to ACT on a given trade.

And, again, it just had to be simpler than most Gann presentations of the day.

In our opinion, the answer is Universality, ease of understanding and of interpretation, speed of determination and action, accuracy in all of these factors – the answer is SIMPLICITY. The answer is the unraveling of the Pythagorean Cube in a manner that will allow us PEACE OF MIND AND PROFIT, while not overfeeding our margin account. Mr. Gann was right: the answer is to KNOW your trade. In our opinion, this means to KNOW IT ON THE PYTHAGOREAN CUBE. Believe us – like the carpenter's square, there is a world of education on this 4500-year-old Pythagorean Cube. We must learn to use it to prosper! As the readers of PYRAPOINT: A Trade Analogy have stated, "we must stay on the diagonal highways that the Pythagorean Cube undeniably provides – calculate the squares (the posts) and the fence is there for us" – SIMPLY!

Don Hall has traded for thirty years and is the author of PYRAPOINT, what Gann used. It can be purchased through this magazine.

Can the Skills of a Successful Commodity Trader be Learned?

Can the skills of a successful commodity trader be learned? Or is it some sort of innate sixth sense just a few people are born with? That is the question that many have asked. Richard Dennis, a legendary Chicago commodity trader, who turned a grubstate of $400 into $200 million in 18 years, proved that it could be done.

Dennis' motivation for conducting the [Turtle] sessions was to settle a dispute with his friend and business partner William Eckhardt over whether trading skills could be taught. Dennis strongly believed that trading abilities could be broken down into a set of rules that could be passed on to others. Eckhardt believed trading abilities had more to do with innate instincts, which could not be taught.

He recruited a group of would-be traders from around the country in 1984 with ads he placed in the *Wall Street Journal*, *Barron's,* and the *New York Times,* seeking people who wanted to be trained as traders. The job required that they move to Chicago, where they would receive a small salary and a percentage of any profits while Dennis taught them his methods.

In 1 1/2 years, a group of 14 commodity traders who were taught earned an average annual compound rate of return of 80%. In contrast, about 70% of all non-professional traders lose money on a yearly basis. "Trading was even more teachable than I imagined," he said. "In a strange sort of way, it was almost humbling." Dennis said he debated the learning vs. innate ability question with some of his associates for years. While they argued that his skills are "ineffable, mystical, subjective or intuitive," he said his own answer was far simpler. The 40-year-old Dennis attributed his success to several trading methods he developed, and, perhaps more important, the discipline to follow those methods.

Dennis won the dispute with Bill Eckhardt. He named his proteges after visiting turtle farms in Singapore, deciding to grow traders like the farms grew turtles, hence the name: Turtles.

After the incident, William Eckhardt said, "I know of a few millionaires who started trading with inherited wealth. In each case, they lost it all because they didn't feel the pain when they were losing. In those formative first years of trading, they felt they could afford to lose. You're much better off going into the market on a shoestring, feeling that you can't afford to lose. I'd rather bet on somebody starting out with a few thousand dollars than on somebody who came in with millions....This is one of the few industries where you can still engineer a rags-to-riches story. Richard Dennis started out with only hundreds of dollars and ended up making hundreds of millions in less than two decades - that's quite motivating."

Initial Capital Exposure and Risk/Reward

By Stephen Griffiths, Dynamic Traders Group

Initial capital exposure is one of the most misused and misunderstood aspects of today's trading environment. Initial capital exposure is commonly referred to as initial risk. Risk is defined as the probability of an event occurring and has nothing to do with the dollar amount a trader is willing to lose on one particular trade. The correct term should be initial capital exposure which is the amount of capital a trader is willing to lose on a new trade.

Initial Capital Exposure = (trade entry price – initial protective stop price) x tick value.

The initial capital exposure is the dollar amount the trader would lose if the trade moved against him. It is the dollar amount a trader may lose that is vital to control if long-term success in the business of speculation is to be achieved. Keeping losses under control should be the first and foremost priority of any successful trader. Without capital, a trader cannot take advantage of future trade opportunities from where profits may be generated. Minimizing losses is just as important as maximizing gains for long-term success.

Let's take a look at the Copper trade my colleague, Robert Miner, outlined in his article on Wave-5 price targets. (See Chart #1)

Chart 1 shows the trade set-up to go-long on Apr 18 off the potential Wave five of five low in (May) Copper. This exact trade recommendation was published in advance in the Dynamic Trader Report. Traders were therefore positioned long at a price of 76.45 with their initial protective sell-stop at 74.20 all with an initial capital exposure of $562.50.

Initial Capital Exposure = (76.45 – 74.20) x $250 = $562.50

Maximum Capital Exposure Per Trade

As a rule I would suggest that traders should not risk more than 3% of their trading account on any one trade. If you minimize losses to about 3% of account capital, 3-4 consecutive losses would only result in a 10%-12% drawdown which both psychologically and trading wise is easy to recover from.

For example, if a trader has a $10,000 fund, the capital exposure on any one trade should not be more than $300. This may seem like a small amount that would restrict the number of trades that may be taken, but in an industry where many more traders fail than succeed, overtrading and taking unwarranted large losses is the single biggest killer of trading accounts.

In the example above for (May) Copper, a trader would have to have a trading account in excess of $18,000 to be able to take this trade and keep their initial capital exposure below the 3% acceptable level.

Account size required to take the trade: $563 / 3% = $18,766.

If the trading account had less than $18,766 and your trading plan restricted any trade to a maximum of 3% capital exposure, you would have to pass up the trade.

"Risk/Reward" of a Trade.

Even though we know that risk is a misleading term for capital exposure, we will use the commonly accepted term risk/reward for the potential loss verses potential profit of a trade.

The capital exposure or risk may be clearly defined before the trade is executed as the difference between the entry price and initial protective stop-loss times the tick value. The potential reward is always a guess. What risk/reward ratio for any trade that is acceptable depends on your technical analysis and trading strategies approach. Most trades should not be considered unless a conservative, estimated risk/reward ratio is 2-3 to 1 or greater. If you can maintain a profitable rate of successful trades of 40$-50% and a profit/loss ratio of 2-3:1 on the profit-

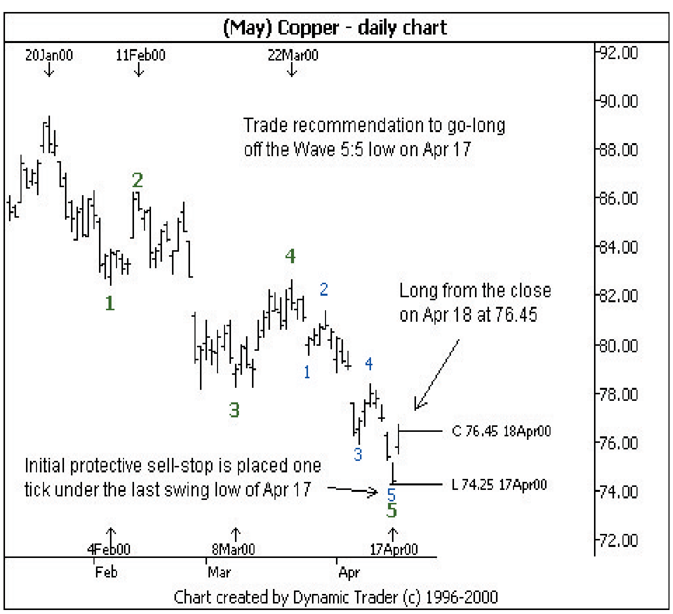


Chart #1

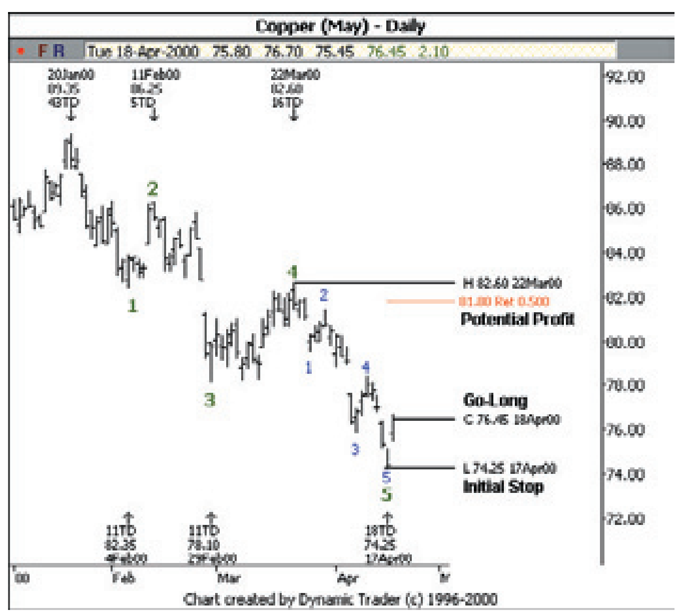


Chart #2

able trades, you will be consistently successful over time.

Let's take another look at the copper trade and see if the potential reward, even though a best guess, is worth the defined capital exposure of $563. With the Dynamic Trading approach, we usually consider a market will make at least a 50% correction to a five-wave trend. For May copper, that would mean an advance to about 81.80 which was just below the Wave-4 high another typical target of a correction to a five-wave trend. (See Chart #2)

What is the estimated risk/reward? The defined "risk" is $563 per contract. The potential reward at the 50% retracement is $1398 (81.80-76.45 x $50). The estimated "risk/reward" is 2.5 which makes this an acceptable trading opportunity to take advantage of. The trade was eventually closed out near the 50% retracement for a 2.3 risk/reward. (See Chart #3)

Lessons Learned

There are two important lessons from this article. The first is to limit the capital exposure on any one trade to about 3% of you available capital account. If you do this, you will not overexpose your self on any one trade and will be able to have several losses in a row without being financially crippled. Amateur traders usually overexpose themselves and risk as much as 10% or more on a single trade which is why they don't last long.

The second important lesson is to only accept those trading opportunities where your best guess of the potential gain is 2-3 times the initial capital exposure. The potential gain is always a guess so be conservative. Amateur traders will often make a trade with widely unrealistic ideas of the potential profit.

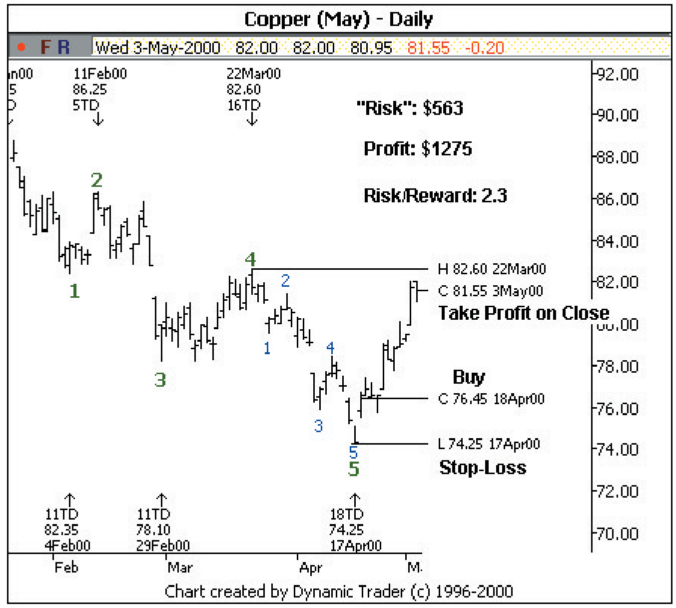


Chart #3

Use these methods to limit your capital exposure as the pros do and your chances of success will be great.

Steve Griffiths has been trading full time since 1993 and is now the primary contributor to the trade recommendations and trading tutorials of the weekday editions of the Dynamic Trader Report. For more information on the Dynamic Trader Report, please visit our web site at www.DynamicTraders.com

Improve your Trading Performance by Following your Personal Astrological Cycles

By Ted Phillips, Jr.

One of the most overlooked ingredients to achieving long-term success in the business of speculation is a trader's own astrological cycles. Practically all of our efforts are put into analyzing the market to determine the best trade setups that have the lowest risk and highest probability of becoming winners. Good analytical skills are an essential part of the trade selection process and in determining when to enter and exit the trade. What if we could take it one step further with our analysis to increase our probabilities of winning, and take an inward look as well? Since traders, not unlike individual stocks or commodities, go through personal cycles of profit and loss, what if we could sidestep most of these losing periods and make sure we're back in the game during the winning periods when we as traders experience a personal change in trend?

Much is mentioned of W.D. Gann's legendary work and track record in the trading world. He also spent periods of time when he did not trade at all. During this time he performed extensive research, wrote books and courses, and taught his methods instead. He was a patient man and certainly took advantage of his knowledge by waiting until the ideal circumstances were present in the markets and when his own time cycles were favorable. By doing this he made huge profits in short periods of time. Gann made reference in some of his writings to the importance of a man's personal cycles as a determinant of one's success. Since he was also an astrologer, he definitely knew of his own astrological time periods when he could make or lose money in the markets.

While there will never be a full proof method to avoid trading losses completely, as it is part of the cost of doing business, the percentage of losses can be minimized and most importantly, losing streaks and strings of losses can be eliminated if the trader is disciplined enough not to trade when he or she is in an adverse astrological cycle. My trading plan incorporates buy or sell technical trading signals with my own personal planetary transits. In the past, virtually every time when my trading system generated a buy and my personal astrological transits were stressful, it didn't go as planned and turned out to be a losing trade. On the other hand, when I get a strong buy or sell signal from my plan and I execute when my astrological transits are positive, it almost always turns out to be a winner. Sounds simple enough. The problem partly lies in following the discipline. Are you a trading junkie? Do you have to trade all the time? If so, then what I just said won't help. You have to be willing not to trade at certain times regardless of what the price charts are telling you. Needless to say, there are many factors besides being right that can result in losses. You can get a bad fill, get stopped out because of unexpected volatility, or even experience mechanical difficulties, to name a few. I remember pressing my own luck once when I was having very stressful transits with Mercury, the planet of communications. I placed a trade and right afterwards my computer froze up before I could place my stop loss. I had to call my broker and was put on hold for about a half hour. Fortunately, I trade stocks with the trend most of the time, and no damage was done in that half hour. What if I was trading a futures contract! So basically, what I'm trying to say is when you're in a negative cycle astrologically for trading; you are damned if you do and damned if you don't! It almost feels like your actions are moving the market in the opposite direction that you're going. As soon as you buy or sell according to plan, prices magically reverse. You are out of tune with the pulse of the market despite all of your very good analytical efforts.

To properly determine your own good and bad trading cycles, you need the help of an experienced and skilled astrologer. A computer printout that some astrological services provide will only help minimally at best because of all of the contradictory planetary information you will have on any given day, week, month, or year. In fact, most reports give you information about your planetary transits in relation to your natal chart. This is very limited and will result in "hit and miss" forecasting. Your birth chart moves forward in time and planetary transits to your secondary chart must be analyzed as well. There are also planetary midpoints, transiting midpoints, Arabic parts, and a number of other astrological points of reference that are crucial for a proper analysis and forecast. A competent astrology professional knows what to look for and has the ability to synthesize all the information to determine the answer to the bottom line question, is today or this week, month, or year, predominantly favorable or unfavorable for my pocketbook in the markets?

One of my astrological trading axioms is "every winning or losing trade or trading period will be accompanied by favorable or unfavorable planetary transits to your personal chart." I have proven this to myself over the years and can prove it to anyone that calls me for a consultation. So what are some of the things an astrologer looks for? For those of you new to astrology, the astrological chart is a map of the planetary positions at your birth. It is a circle divided into 12 segments called houses. You have planets occupying some of these houses and one of the 12 signs will be on the cusp of each house based on your unique time and place of birth. Each sign has a planet that it is ruled by as well. For example, Aries = Mars, Taurus = Venus, Gemini = Mercury, Cancer = Moon, Leo = Sun, Virgo = Mercury, Libra = Venus, Scorpio = Pluto, Sagittarius = Jupiter, Capricorn = Saturn, Aquarius = Uranus, Pisces = Neptune. The 12 different houses correspond to the different areas of your life. The money houses are the 2nd, 5th, 8th, and 11th houses. The 5th house is the house of speculation and this house should be analyzed properly to see if you should be a trader in the first place! Your calling might be in another area. There are some great analysts and forecasters out there who don't trade at all. Predicting the future is not synonymous with profiting from the prediction. Now if your calling is trading, based on analysis of your natal chart, and you have a valid trading system and rules suited to your personality, we need to find out next when your profitable and unprofitable time periods are going to be in the market. Some periods where money can be made or lost very easily when you execute your trades can last a matter of hours, based on the lunar cycles, or days, based on the inner planets, and weeks, months, and sometimes years, based on the outer planets.

Stressful aspects, (angular geometric relationships), by planets in transit to the planets ruling the signs on the money houses and/or planets occupying those houses in your chart is one red flag for trading losses. It's better to stand aside. Some of the stressful aspects between the planets include the semi-sextile, (30 degrees), semi-square, (45 degrees), square (90 degrees), sesqui-square (135 degrees), inconjunct (150 degrees), and opposition, (180 degrees). Conjunctions, (0 degrees), can be positive or negative depending on the planets involved. The harmonious, flowing aspects are the sextile, (60 degrees), and trine, (120 degrees). It's alright if you have some stressful aspects if the planets involved are also interconnected with harmonious aspects to the right planets. In fact, the most profitable days usually happen when you have the correct combinations of aspects occurring simultaneously with your money planets. When there are too many stressful aspects on any given day or longer time period, it sounds like a bunch of wrong notes on the piano, and you are out of the trading zone and will lose money.

When you have predominantly harmonious planetary aspects to the money planets in your chart, it sounds like chords of correct notes struck on the piano. You are in the zone. When you execute your plan you are hitting mostly winners. For example, in my personal chart, transiting Jupiter, (the benefic money planet), has been forming a trine, (120 degrees), to the planet Uranus in my 5th house of speculation without too many stressful aspects from other planets in transit. This is a very favorable cycle for speculating. I have been on a winning streak. I didn't trade for about two weeks prior to this aspect because of a very stressful transit with Saturn, (the planet of obstacles and setbacks), forming a square, (90 degrees), to my progressed Sun. Leo is on my 5th house of speculation and is ruled by the Sun. Even with the best technical trade set-ups in the world, I still would have hit a losing streak during this period, which I avoided.

Many traders, myself included, use astrological market analysis methods in conjunction with technical analysis for more precise and accurate market timing. Very few traders are additionally aware of and trade in accord with their own time cycles for profit and loss in the markets. Stay in the zone by speculating at the right times astrologically, and you will have that elusive winning edge you were always looking for!

Ted Phillips, Jr. is president of Jupiter Cyclical Research. He offers a free one-week trial on his forecasting services for active traders that want to enhance their performance. He can be reached at (818) 222-7100 or at www.AstroAdvisor.com.

How an Individual Trader Can Understand and Profit from the Market Makers Edge

By Josh Lukeman

Awareness of the importance of risk control comes first. Never lose more than 2% of your portfolio on a single trade. Keeping your losses manageable begin with trading with the proper position size. Always begin smaller, and utilize stop/loss insurance. It is also crucial to be aware of and to avoid the mental and emotional pitfalls that propagate financial havoc.

When executing trades scale into and out of positions. This provides flexibility and price discovery. Entry is a crucial part of the equation: don't chase stocks past your pre-determined entry range buffer. Maximize your gains by sitting with your winners and selling your losers. Locking in half your profit and holding half can help you let your winners run longer.

Utilize candlestick charts and volume to provide you with the edge. Candlestick charts can be used effectively on an intra-day basis. They often provide the early turning signal, and provide potent criteria for negative selection (what not to do). Allow institutional prints to confirm your conviction on the direction of trend.

The Best Trading Method to Use for Day Trading

Trade along the path of least resistance. This means identifying the underlying conditions behind a trend, and seizing the "meat of move," leaving the tops and bottoms along. The four signals for identifying a trend are:

1) The previous days high/low price. Buy when a stock breaks beneath the previous day's low.

2) The opening price signal: the last price minus the opening price. Trade stocks from the long side when the opening price signal is positive; trade stocks from the short side when the opening price signal is negative.

3) The net price rule: stocks with a positive net price could be traded from the long side, but not the short side; but not the long side.

4) The 8-period moving average. Trade stocks from the long side when they are trading above their 8-period moving average, on a daily and an intraday basis. Trade them from the short side when they are trading below their 8-period moving average, on a daily and intra-day basis.

How Much Money a Trader Needs to Start with this Method

First and foremost a day trader should only trade with money that he is comfortable never seeing again. Only the individual can know how much he could afford to lose. When deciding on the monetary figure, he should take into account such factors as his liquid net worth, his alternate sources of income and his sustenance, should he lose all the money that he is trading with.

The advantage that comes with trading with money that you do not care about is detachment. Detachment is the most empowering emotional state that a trader could operate with. When a trader detaches himself from the outcome then he has freed himself to trade unencumbered, without fear of loss.

$25,000 dollars is a good figure to begin with. I know both traders who have been successful starting with less and starting with more. Most day trading operations require that new traders entering their shop have at least this figure. This $25,000 is often levered 4 to 1, giving the individual trader $100,000 dollars in intraday buying power. This extended use of margin, however, is dangerous for beginning traders. I recommend that they use at the most 2 to 1 leverage when starting.

Money Management with this Method

Survival in trading is the first step towards success. Especially when a trader is just beginning, if he can survive, it means he can learn and become better. Living to see the next day in trading is the most basic and important goal of any trader. This sound simple, but its importance cannot be overemphasized. The outcome of any trade is not within a trader's control, how much money he may lose is. Controlling loss is the only security a trade has, and without it catastrophe can strike.

The way to maintain a 2% maximum loss risk profile is to determine beforehand your proper position size. This is done through first knowing how much capital you can allocate per position, and secondly having a stop/loss target for each trade before you enter it. Knowing your capital allocation per position, your stop/loss point, and the proper position size involves four simple steps. These steps should be taken methodically, every day, before trading.

Step 1) Allocate Capital Per Position

The first calculation is to determine the maximum capital per position that should be invested on a single trade. This figure is determined by dividing the total capital in your account by the number of positions you wish to take. If you have

$100,000 dollars of risk capital to trade with, and you want to take four positions, you should allocate an equal dollar into each position:

Capital per position = Risk Capital / Number of Positions

Risk Capital = $100,000 Dollars

Number of Positions = 4

Capital per Position = $100,000 / 4 = $25,000 Dollars

Step 2) Calculate Maximum Shares Per Position

Once your capital per position is determined, the next step is to calculate how many shares of each position to trade with. You would do this by dividing the risk capital per position, or $25.000 in this example, by the share price. Assuming there are four stocks that fall into this category with the prices of $100, $50, $25, and $10 dollars, you would allocate.

Maximum Shares per position = Capital per position / stock price

Capital per Position = $25,000

Stock Price = $100, $50, $25, and $10 Dollars

Maximum Shares per Position +

$25,000 / $100 = 250 shares

$25,000 / $50 = 500 shares

$25,000 / $25 = 1000 shares

$25,000 / $10 = 2,500 shares

These figures are used as only a maximum by taking into account your buying power per position.

Step 3) Determine 2 Percent Dollar Risk per Trade

To figure out the maximum amount of money you can withstand to lose per trade, you would multiply 2% by your capital per position. From the example above using $25,000 dollars per post ion:

Maximum Dollar Risk = .02 x capital per position

2% rule = .02

Capital per Position = $25,000

Maximum Dollar Risk = .02 x $25,000 = $500 dollars

In this example $500 dollars should be the greatest amount of money you are willing to lose in a trade, given your capital allocation per position. Looking at another example using two of the steps from above, if you have $100,000 dollars to trade with, and decided that you wanted to take two positions, than your dollar risk per trade would be $1,000 dollars:

Capital per position = Risk Capital / Number of Positions

Risk Capital = $100,000

Number of Positions = 2

Capital per Position = $100,000 / 2 = $50,000

Maximum Dollar Risk = 2% rule x capital per position

2% rule = .02

Capital per Position = $50,000 dollars

Maximum Dollar Risk = .02 x $50,000 = $1,000 dollars

Step 4) Determine the Stop-Loss Point

Stop/loss exit points vary greatly given the different price of stocks. For now we'll assume that based on our calculations, you have identified a lower priced stock with one point of risk. Using the $25 dollar stock from above as an example, if the current market is quoted $25 - $25 1/8, then $24 would be your stop/loss exit point if you are trading from the long side with one point of risk.

Stop/Loss Risk = Current Bid – Exit Point + Slippage

Current Bid = $25

Exit Point = $24

Slippage = ¼

Stop/Low Risk = $25 - $24 + ¼ = 1 ¼ points

Step 5) Calculate Maximum Positions Size

After determining your 2% percent maximum dollar risk and your stop/loss risk you can figure out your maximum position size:

Maximum Position Size = 2% Maximum Dollar Risk per Trade / Stop / Loss risk per Trade

2 % Percent Maximum Dollar Risk per Trade = $500

Stop / loss risk on Trade = 1 ¼ points

Maximum Position Size = $500 / 1 ¼ points = 400 shares

If you have $25,000 dollars allocated for a trade, and you have picked a stock that you believe has $ 1 ¼ point of risk, then your maximum position size should not exceed 400 shares. This is considered to be the maximum position size because it does not reflect the price of the stock. In our example from above, if the price of the stock is $25 dollars you would be using only $10,000 dollars in buying power ($25 x 400 shares = $10,000 dollars) which is appropriate given your 1 ¼ stop/loss point and your $500 maximum tolerance for loss.

5) How often a trader should trade with this method:

A great trader on Wall Street said that patience is a trader's greatest ally. One of the reasons why day-trading is so difficult is because it is hard to fight boredom. Many day-traders over trade when they are bored and are attempting to force things to happen. It is difficult to sit in front of a screen all day without pulling the trigger.

When a trader's pre-planned conditions for entry are met, he should act ruthlessly without hesitation. When they are not met then he should sit on his hands. The best time of day to trade is the first and last hour of the trading day. This is when momentum is the greatest.

6) Equipment needed for this method:

There exists various platforms that can be utilized to effectively trade NASDAQ stocks. The majority of advanced day-traders use platforms that can directly access market markers through select net, and that can buy or sell using an ECN (Electronic Communication Network) such as Island.

These platforms incorporate live NASDAQ Level II quotes, as well as areas for dynamically tracking positions and profit/loss. WatcherPlus from Datek is probably the best system for direct trading access.

An alternative to direct access would be to have a trading platform hooked up to your PC that does not have direct access, and to use online brokers to execute your trades.

7) Data or Service Needed for this Method

P.C. quote is an excellent software package that allows users to dynamically track NASDAQ Level II quotes, real time. Advanced GET at tradingtech.com is a highly rated trading platform that incorporates a large selection of technical features. I recommend that you research various platforms and experiment with which ones resonate with you.

8) Psychological Method Needed for this Method

Psychology has a penetrating impact on the results of a trader. The mindset that a trader operates from often determines the difference between gain and loss. The emotional pitfalls of greed and fear are magnified when trading. The first step toward conquering these pitfalls is awareness.

1) Flexibility and open-mindedness allow you to listen to the market unobtrusively. The market will always produce clues as to the path of least resistance. Listening to the market instead of your own opinion will increase your effectiveness.

2) Know that the buck stops with you. Accepting responsibility for all of your trades, good and bad, is a must for growth and development.

3) Greed stems from poverty consciousness. The greatest traders have almost a complete disregard for money. Don't allow greed to cloud your decision-making process.

4) Attention to details is pivotal for trading success. Don't allow frustration to get the best of you. Overcome frustration by keeping your eyes on the bigger picture. Remember, Little things effect little minds.

5) Be Here Now. The past is gone without a shadow of a doubt. The only thing that you have is this moment here and now. Traders who focus on the lost opportunity are doomed to miss the opportunities that are available at this moment.

6) Exude Confidence. Confidence breeds conviction. Believe in yourself. T. Boones Pickens said it well – "Money lost, nothing lost, Confidence lost, everything lost".

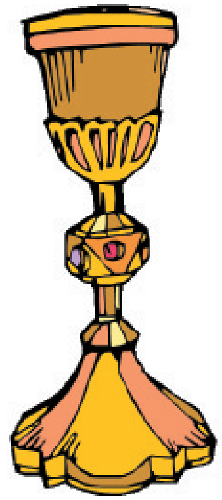
7) There is no such thing as security in the market place, or in your life. Trade in the wisdom of insecurity. True courage means a willingness to burn your bridges and to throw everything you have into your punch. He who would save his life shall lose it, he who would lose this life shall save it.

Focus on the correct method without attention to the return, and the profits will take care of themselves.

John Lukeman is the author of a new book just released called the Market Maker's Edge, Trading Tactics from a Wall Street Insider. It's available in the Book Review section of the magazine.

Hidden Knowledge, Technical Analysis and The Holy Grail:

By Dann Dodd, at Good Trader



At *Good Trader*, I have the unique pleasure of working directly with small commodity traders as a large part of what I do for a living. Our small trader group is filled with diverse, interesting people from all walks of life from all over the world, who share at least one common goal: to grow from a Small Trader into a Big, Successful Trader. Small Traders have significant obstacles to overcome in this regard, many more than well-capitalized traders and admittedly, many fail more than once in their attempt. As I have developed materials for publication to help small traders, it has become clear to me that these obstacles to success are massive, or appear to be that way. An education in technical analysis may contain the same ideas for large and small traders alike, but the small trader is the one who must pay attention. She has no choice. There is no room for sloppy thinking or sloppy action. You snooze, You lose--and you are out.

Interestingly enough, by my experience, small traders are a resilient group with a remarkable capacity for learning and change. Without exception, small traders who have traded for even six months have realized that massive obstacles stand between them and success at this game, but a large percentage keep on stepping up to the plate, usually with a new strategy, a new edge, a new plan. THAT didn't work last time--now let's work on THIS. And I say, more power to you. Do it different. Keep looking. Keep experimenting. It is ironic that the advice from the best of the best commodity traders usually contains some reference to "sticking to the system," especially when you have lost 3 or 4 times in a row. You have to hang through the losses to get to the wins. Changing the system will torpedo your trading. For a small trader, particularly a new one, experimenting with the system is the way to growth. There is no other way and oddly enough, the best of the best already know that. They have been in involved in the search for success at one time or another as well.

Back in the early 70s, when I was 16 years old, I took my first job away from home as a Train Base Worker at the Mt. Washington Cog Railway (the Railway to the Moon). The "Cog" was and is a tourist attraction in Northern New Hampshire. It was established in the middle 1800s by a crackpot inventor named Sylvester Marsh who had invented the machinery to run steam locomotives up and down the side of a mountain. He built narrow tracks with what looked like huge bicycle chain laid out straight bolted in between the rails running all the way up Mt. Washington, the tallest peak in New England. He then designed and built seven coal-fired steam locomotives to run up and down the mountain, pushing a train coach each, full of tourists.

By the time I got there, in 1974, not much had changed since 1900. There was DC power (like battery power), provided by a water wheel generator that worked until they shut it down at 9:00 pm, and we had a 1962 model frontloader tractor to load coal into the bunker, but that's about it. Everything else, circa 1900-1925. When the train crews up on the mountain wanted to communicate to the base station, they had to clip a WWI field phone to wires running up the tracks and turn a crank on the phone to give it power.

My first memory of the people who over the next four years were to become my friends was when I first arrived after dark at the old boarding house that first Spring. I walked into the main common room, which was lit with kerosene lanterns and heated with a pot-bellied coal stove. There were perhaps a dozen men gathered there talking and drinking Shlitz by a lantern set on oil cloth on a wooden table. Each was covered from head to foot in black coal smoke film and black grease. Their working clothes were also black with grime and grease and in the darkness, as they smoked and drank and told stories and cursed, in the lamplight, only the whites around their eyes showed anything but black. As I was to learn, coaxing the engines up the mountain was a black and dirty, hard-bitten and sweaty enterprise. These were the men who did it, and it appeared to me that they had been locked in time.

Being 16, I was certain that I would be assigned to work on the trains on my arrival. Of course, I was wrong. I was assigned to be a "drone" on the base, doing the most horrible work I could imagine for more than six weeks. My first job was to paint white parking lines in the parking lot by hand, with a paint brush, on my hands and knees. My second job, which lasted more than a week, was to shovel out the contents of three full outhouses into a trailer, haul it away and reshovel it all into a gorge at the dump. This was in black fly season, and in the mountains of New Hampshire, they come and stay in thick black clouds. By the end of that week, my eyes had swollen almost shut from the constant fly bites, my eyes being the only part of my body that I couldn't adequately cover. I had taken to smoking cheap cigars as I shoveled, puffing big clouds of cigar smoke around my head to keep the black flies away for a while. My misery those first weeks was great. Each day the qualified train workers rode by on the locomotives, headed up the mountain, and to my mind into a place that I wanted to be more than anything. At that time, I wanted to be anywhere but where I was, shoveling crap out of an outhouse and hauling it to the dump.

One day, I reported to work and I was working on the main platform, cleaning sticky grease out from between the deck boards with an ice pick when one of the track crew came up to me and said "Hey, you--get on the train. Cal's got a bad hangover and won't get out of bed. You're his replacement. We're leaving now. Get on."

Oh yeah, I got on all right. Never worked at the base again. That first morning I rode into paradise; dressed in my black, greasy rags, I rode into the Kingdom. As John Steinbeck wrote in *East of Eden* about those few moments during our lives when "The Glory Happens . . . when the world around us is electric, and the air snaps with power, and everything is brand new, everything is illuminated, as if we just stepped into OZ." Well, that's what happened to me, sitting on the flatbed, being pushed up the mountain by a noisy steam locomotive, dark blue sky, chilly mountain air--chug, chug--taken away from my misery onto Zanadu…

I worked harder than I have ever worked in my life that day. We rode down in the darkness. I stumbled off the train and ate shepard's pie in the kitchen, the best food I have ever tasted. When I returned to the boarding house, I fell asleep on that same table I mentioned before, dead to the world, and I woke up 6 hours later smiling, ready to do it again…

Four seasons later, cog grease etched into the creases of my hands, I passed my Engineer's practical test with Satch, the Master Engineer. It was my seventh try. Satch wouldn't pass me until I did a full trip perfectly. SEVEN tries. 3 days in between each try. But I made it. At night, during that trial, I studied blueprints of the locomotives and I pestered the engineers I knew with questions until they couldn't stand it any longer and threw beer cans at me. I wanted to be certified as an engineer, and I wanted to know how to make the engines run faster. That was all I cared about.

After the seventh try, Satch got out of the cab at the Base Station and said, "Take her up, Danny. You're qualified." I was the second youngest Cog Railway Steam Engineer in history at that point. I was 19. My first trip solo was the last trip of the day. I ate supper, and at 6:00 pm my fireman, a student at UCLA, and I piloted the train up, up, up into a blood-red sunset, black cinders and smoke flying, steam chugging smoldering, laying on the deep monotone steam whistle as ravens cruised by, totally concentrated with our new responsibility, eyes set, nerves taught, laughing like idiots…

I mention this story as an allegory to some of the elements of our enterprise in becoming successful traders. When we approach trading and try to do it, it doesn't take long before we begin looking for better ways to see what a market is going to do in the future and better ways to exploit that knowledge. The more obstacles we face, the more likely we are to either quit altogether or to try and find what is constant and true and predictable in the markets.

As I said before, those with low equity tend to be the most sincere seekers of knowledge about the markets because they have to be. But there is an element of searching for the better way for each of us, regardless of circumstance as the ante is upped by technological innovation, which essentially adds speed to the process of evaluating and executing trades. In any event, the views of the seekers invariably fall into two camps: there is the mindset that believes we are in a world in which there is some secret, some buried treasure or a hidden store of knowledge which will lead us to trading success when we find it. There is another mindset that denies the possibility of hidden knowledge, believing that all there is visible and clear for one and all.

My experience has been that those of us who are shoveling crap at the dump tend to believe in hidden knowledge, and those of us who are running the trains tend to believe that there is no such thing--that the world is practical and open and what is to be seen can be seen.

Regardless of our particular view of the world, and more specifically our view on the discovery and application of trading systems, the tools of technical analysis present us with a conundrum, a dilemma, which is presented to each of us and all of us. The problem is inescapable, and most of us have never thought about it. It is almost as if the problem was hidden itself. Understanding this one dilemma is a key, I believe, to understanding whether it is probable that hidden knowledge about trading the markets exists, and further, if we can find and use it.

The dilemma for technicians lies in the charts we use to do our analysis. Truly, some charts are better than others, but in this fundamental respect, all charts are seriously flawed. If charts are our technical window on the markets, they must tell us the truth-they are, in effect, all we have. Let me explain.

There is a body of literature that was written about the turn of the last century, up until just after WWI that was very much concerned with dimensions and our understanding of them. Of course, this was the time when Albert Einstein and others were making history with their revolutionary ideas about physics, and perhaps the attention of many great minds of the time was focused in this area. I am not a science guy, but the discussion of dimensions was interesting to me because of the work I had done in technical analysis. I've shoveled lots of crap in my time.

One of the main ideas in this literature is that living beings actually live in the dimensions that they can sense, so that the world for each being is one, two or three dimensional based on their ability to perceive it. For the sake of simplicity, a straight line would represent one dimension. A straight line and a line perpendicular to it, or a plane is two dimensions. Three lines, all perpendicular to each other, representing a solid are three dimensions.

We human beings actually see objects in two dimensions- We see surfaces. It is because of our ability to hold concepts in mind that we can perceive solids, we can understand them, although we can never fully see all of a solid at once. The ability to hold concepts of solids in mind allows us to perceive 3 dimensions, unlike a dog, a higher animal that cannot hold concepts and therefore can only perceive in two dimensions, surfaces only. A snail, at the low end of the animal scale, perceives the world in a straight line, in one dimension, moving toward, moving away. In each case, the view of the world is governed by the apparatus that each animal, including man has available to use for making his way in the world. The proofs for these ideas are interesting, but I will not go into them here. Activate your willing suspension of disbelief for a moment, and follow me.

In each case, the outer dimension that a living being cannot directly perceive is always relegated to TIME. And it is through time related to the dimensions it can sense that a living being perceives MOTION.

So follow this. For a snail, life is a straight line and everything else is time. For a dog, life is lines and surfaces and everything else is time. For a human being, life is lines, surfaces and solids and everything else is time.

Now look at a commodity or a stock price chart. This is a test:

Which view of the world does it represent? The vertical axis is a physical dimension: Price. The horizontal axis is what? Yes, it's time.

When we look at a price chart, we perceive the market in one physical dimension. All the rest is time. Just like the snail. The low end, man. Imagine a snail's view of an aircraft carrier in motion. It would not be our view at all, would it?

We have a tiny bit of a problem here, oh yes we do. Let's work it a little further:

A snail's perception of a stone in its path is and always will be limited by its inability to perceive more than one dimension. It could never understand it as a solid physical thing. But we human beings, encountering the same stone would invariably come away with a much higher, much more useful understanding of that stone as a solid that was in our path, that had a relationship to other objects, and so forth.

A snail could never actually perceive the stone the way we do, and for the snail a stone as a solid does not exist. But the stone as a solid DOES exist. The snail simply can't perceive it.

OK, move it along. Do you see what I'm driving at? When we look at a chart, our perception of market price movement is limited to its lowest level, one dimension, and the rest is time. Most of our indicators are also one dimensional, because they rely on the use of time calculated in one fashion or another with price. What's a moving average? How about stochastics? RSI, Bollinger bands? They are simply manipulations of price over the outside dimension of time- a snail's view of the trading world.

The problem is compounded because, we traders are three dimensional perceivers of the Universe (plus time), and we allow ourselves to be tricked into believing that our charts represent the same world that we ourselves occupy. We believe that our price charts represent the same sort of physical thing that a floor plan to a house does. A subtle trick of the mind. Try to draw a picture of your house making one dimension length and the other dimension time. It doesn't work and it never will. It is one physical dimension treated artificially as two. When we look at a chart, we THINK we are looking at a constantly updating surface, a plane, when in fact, all we are given is a straight line.

All right, here is the kicker: Just because the snail cannot perceive the stone in its path as a solid does not mean that the stone does not exist. In other words, the world for the snail is a straight line because that is all it can perceive, but a bigger, more accurate physical world DOES exist. Any human being can verify it on the spot, because humans have the capacity to perceive more dimensions.

If we think about technical analysis in this way, a whole new world can open up before us. Our current view is one dimensional, plus time. It would make sense to believe that there are at least two more dimensions to market price movement which we would be capable of perceiving directly--of understanding because we have the apparatus in our minds to do it.

Now how about that question about hidden knowledge in market movement?

All you crap shovelers, get on the train--Cal's got a hangover and you are his replacement. You are headed for Zanadu. Today, you will do the hardest work of your life, but you'll sound the deep monotone steam whistle as you chug into the blood red meridian. Trading will never be the same, as you grin like an idiot…

That's it for this time. I've run out of space. Next issue, let's talk about The Holy Grail and commodity trading, one of my very most favorite subjects.

Dann Dodd, CTA, is the principal of Good Trader, He has developed The Greyseal Trading Tool, a new technical indicator for commodities and stocks which adds a second dimension to price charts in a simple way, and uses the ancient Law of Three Forces to accurately trade short term swings. website:www.commoditysystems.com

Elliott Wave Masters

Because of the importance of the Elliott Wave theory in trading the markets, *Traders World* has undertaken the task to teach this important theory to serious students of the market. This will be through the new Elliott Wave Masters course. The course includes a 200 page book, a demo version of the ELWAVE software program by Prognosis, and an interactive website so students can ask questions and have them answered by experts in the Elliott Wave theory. By adding this important theory to their arsenal of trading tools, traders should be able to improve their overall trading ability. The techniques of the Elliott Wave theory can complement any trading methodology. By taking this trading course, any student of the market can better understand the Elliott Wave theory and the mathematical mysteries behind the markets.

The Elliott Wave student is presented with each topic in the course in a logical manner. Gradually and simply, the important factors, the mysteries, and bits of vital knowledge about the theory will merge together allowing the student to fully understand how the markets work. The student is not driven into a maze of complex waves, terms, and phrases which he can't understand, like so many previous Elliott Wave books. The lessons are organized by degrees and grades, each following its proper order.

There is nothing that establishes confidence in trading like being able to test out a trading theory and prove to yourself that it does work. True knowledge is experience, for you never truly know a thing until you experience it. In this course you will be given simple little experiments which you can perform on market situations that you can prove the Elliott Wave works. These experiments require that you use the supplied demo ELWAVE software program which comes with the course. As you do these experiments with ELWAVE, you understand the laws of mathematics and geometry behind the markets and you will have these laws at your command. When these laws of the market are fully understood, you will immediately begin to sense a new-found power, and you will know you are on the path of mastery of trading the markets.

As a student of Elliott Wave Masters, you will be associated with an organization devoted to your personal trading development through the utilization of little known natural laws of the Elliott Wave theory. You will be united in thought and purpose with individual students from around the world. You'll be able to exchange your thoughts and ideas with these students to better understand the workings of the markets.

Most traders are not aware of this, but R.N. Elliott discovered the Elliott Wave Theory in the 1930's. What he found was that the markets move about in recurring patterns. It took him years and years of study to detect and catalog these recurring wave patterns. He found that these wave patterns were based on Fibonacci numbers. These wave patterns reflect the dealings or the emotions of humans in the market place and it is a mathematical mirror image of crowd psychology. Elliott alleged that this stream of emotions always exposed itself in the same recurring wave patterns, which subdivide into the same smaller patterns. The most important part of the theory that Elliott discovered was the fractal character of these market waves. Fractals are basically mathematical structures, which repeat themselves on smaller and smaller scales. Elliott could therefore investigate the markets with greater intensity than anyone before him. He could identify the specific characteristics of the wave patterns and then give specific market predictions based on his information. The Fractal nature of the market that Elliott discovered showed him that the impulse wave always displays five waves in its pattern. The same five waves are usually visible in a smaller degree impulse wave inside of the bigger waves. The same five-wave impulse waves are in every smaller wave degree to infinitum. It is the purpose of the Elliott Wave Master course to fully teach its students understanding of how these reoccurring wave patters and fractals work.

In the 1970s the Elliott Wave Principal gained a lot of popularity through the work of Robert Prechter and A.J. Frost. They published one of the most popular market books in history, the Elliott Wave Principal…key to stock market profits in 1978. In this book they predicted the great bull market of the 1980s and the market crash of 1987 almost exactly in time and price. Bolton, Frost, Prechter and others have published everything R.N. Elliott knew in books, which laid the groundwork for ELWAVE and Elliott Wave Masters, which will extends the knowledge and application of the Elliott Wave through advanced theory and application.

The basic theory of Elliott Wave goes back to the law read in the physics classes of most high schools, "Every action creates a reaction." Every price thrust up in the market place has a reaction and every price thrust down in the market place has a reaction. These price thrusts are part of trends in the market place and the reactions are just sideways corrections in the trends.

These market thrusts in trends form a distinct five-wave pattern. The reactions in these trends similarly form a three-wave pattern. The market thrusts form the waves (I, III, and V) and the market reactions form the waves (II, IV). See Figure 1. The three waves in the movement of the trend are the so called impulse waves and they also have five waves of a lesser degree. See

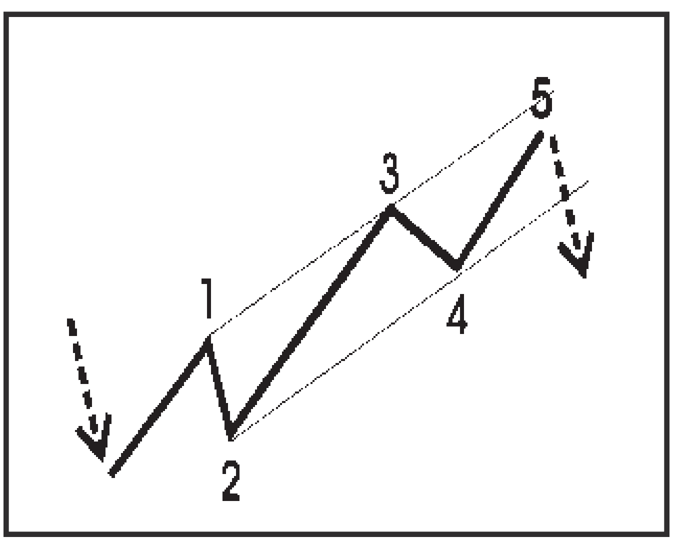


Figure 1 - Elliott Wave Structure

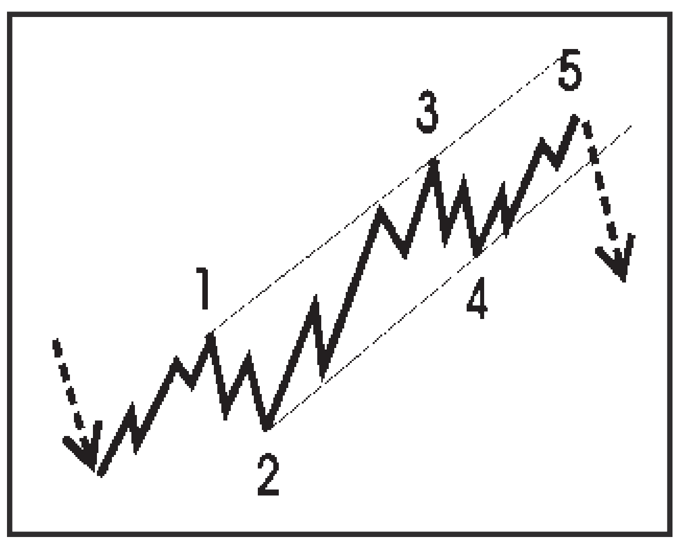


Figure 2 - Elliott Wave Structure - Lesser Degree

Figure 2. The three wave reactions are usually labeled the A, B and C. The A wave and the C wave are impulses in the direction of the reaction. The B wave is the reaction in the direction of the original trend. See Figure 3. The A, B and C pattern shown is actually bullish in a market up trend and can be used to enter the market.

Figure 4 shows a major trend with the corresponding reactions, which are necessary in the up-trend. The larger trend consists of a lot of smaller trends or market movements. This trend usually looks the same and can be taken advantage of to enter the market.

Its very important to understand the Elliott Wave theory concept. Wave structures of the biggest degree are composed of smaller sub waves, which are in sequence composed of smaller sub waves, which in turn are composed of even smaller sub waves and so on, which have the same wave makeup (impulsive or corrective) like the larger wave they belong to.

If a trader knows where he is in the wave degree and he knows the trend of the market, it will give him a distinctive advantage over other traders. Also with this knowledge a trader can trade the investment sphere that is suited to his personality from intra-day to long term. The Elliott Wave trader has an advantage because he knows the same waves repeat over and over again.

By studying the wave patterns a trader will know where he is in the overall structure of the market. The wave pattern tells him at what levels the market will increase or turn down to and exactly how it will do it. Recognizing the waves is not always easy to do, but with Elliott Wave Masters the student will learn to know where they are in the overall wave structure with study and practice.

Elliott Wave Masters takes the student beyond the classical wave pattern interpretation that most of the published books are about to the modern rules which have been developed since then. These rules are more profitable and more usable than previously known rules. The student will learn from these preferred set of rules to trade the markets in both a bull market and a bear market.

The Elliott Wave Masters student will also learn how to apply Fibonacci ratios to the market place. The Fibonacci series are a mathematical series of numbers. Any number is the sum of the preceding two numbers. The sequence is 1, 2, 3, 5, 8, 13, 21, 24, 55, 89, and so on. The properties of this series appear through nature and the market. The Golden Ratio, which is 1.618 discovered in ancient times. The ratio of .618, which is the inverse of 1.618 extends itself throughout nature, art, and the markets. It is derived from the Fibonacci series and Elliott Wave Masters student will learn how to use these ratios measuring and projecting market waves.

Analyzing Fibonacci relationships between price movements is the secret behind the Elliott Wave theory. It allows the student to do a more correct Elliott Wave count because all waves are related to each other in some degree. It also allows him to project precise wave targets and scenarios, which point in the same direction. It also allows him to jumble several waves to find exact support and resistance zones. By correctly analyzing the wave structure the Elliott Wave Master student will learn how to understand the fractal Elliott Wave chart and the eight movements of the Elliott Wave cycle and calculate targets for wave 1, wave 2, wave 3, wave 4, wave 5, wave A, wave B, wave C, wave D, wave E and wave X. See Figure 5 - ELWAVE.

The Elliott Wave theory provides the trader with the most objective and disciplined method available for trading. Only a handful of patterns exist, and they are usually easy to recognize by a trained eye. That tells the student where the market is heading and in what way this will happen and under what circumstances. The wave patterns also tell the trained eye when it is no longer valid because of the occurrence of an intolerable price action. This makes it possible to exactly determine entry and exit points.

The key to forecasting markets with Elliott Wave lies in determining the probabilities of alternative scenarios which traders will learn in this course. The trader will find several alternative counts pointing in the same direction and that will give him an excellent trading opportunity. He will find how to rate a trade with probabilities. The more probable an outcome, the better the opportunities. The more alternatives that point to the same direction, the more certain the market will move accordingly.

The Elliott Wave Master's student will learn how to study the patterns under the basic theory and modern theory. There are a series of corrections patterns including zigzags, flats and triangles. Triangles can be ascending, descending, contracting or expanding. Diagonal triangles are an additional classification of triangles which are found most frequently in wave 5 positions of either a five wave move or in the wave 4 position of wave C and a correction. The student will learn how to recognize an impulse wave from a corrective wave and what to do about extensions and truncations. He will also learn how to draw trendlines and channels on both the impulse and corrective waves and design alternative scenarios by labeling the chart. He will be able to design a trading system using patterns in the time frame he wants to trade in and learn how to form a simple, but effective trading strategy and avoid the pitfalls of the Elliott Wave theory.

In this course the trader will also learn how to use a selective set of indicators, which can help him determine the wave structure that the market is in. Some indicators can be very helpful, because they show specific characteristics in different waves. For example, the direction of the slope of a moving average in each time frame tells what the trend of the specific time frame is. Traders should always trade in the direction of the

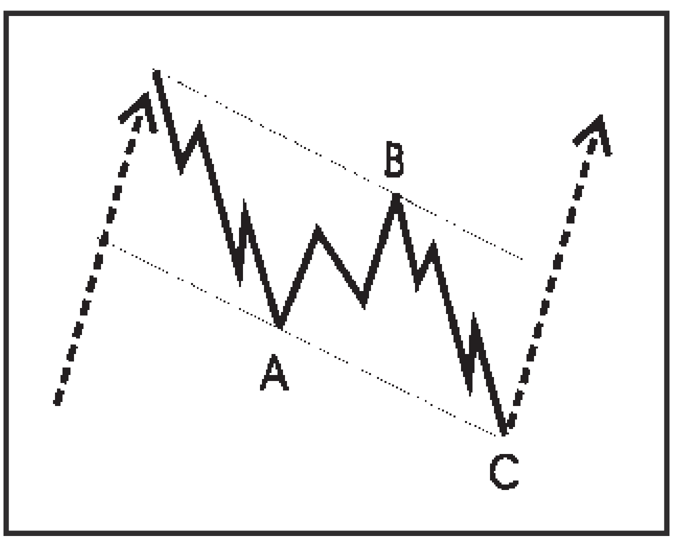


Figure 3 - A B C Elliott Wave Reaction

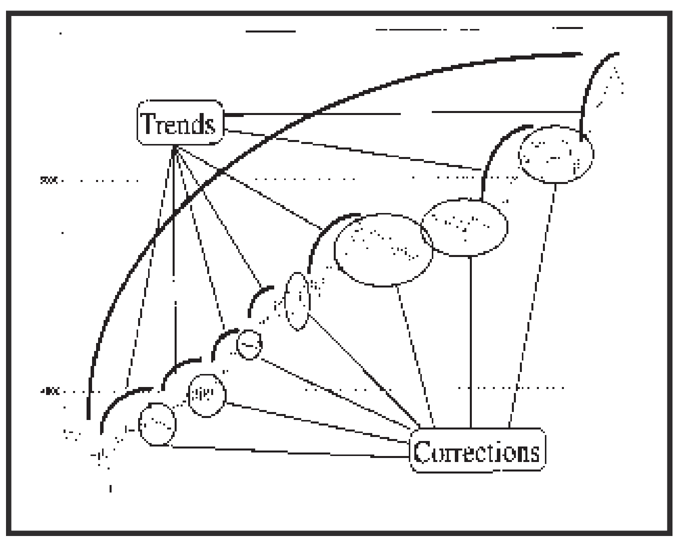


Figure 4 - Elliott Wave Major Trend with Reactions

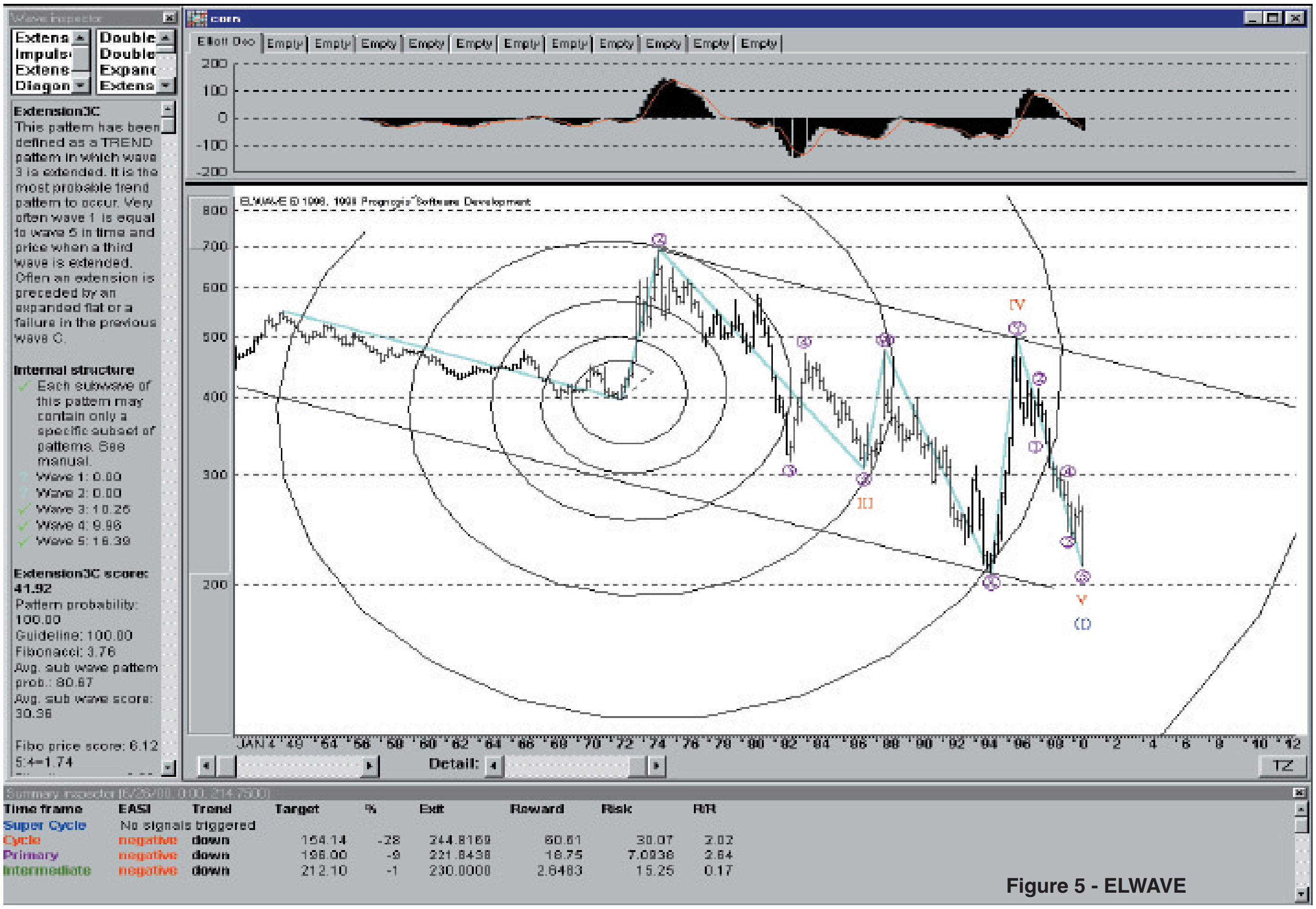


Figure 5 - ELWAVE

main time frame. The student will also learn how to use the Moving Average Convergence Divergence (MACD) with the Elliott Wave structure for short term trading signals. When this indicator shows divergence it can be one of the most powerful signals, which normally occurs in every five-wave structure.

The Elliott Wave Masters student will also learn how to use the momentum indicator, The Rate of Change Indicator, the Elliott Oscillator and many others important to trading.

The Elliott Wave Theory is known for its complexity. There are many rules and guidelines which have to be applied to the markets objectively and consistently. Elliott Wave Masters along with the ELWAVE software program can make you into an expert analyst. Both classical and modern rules plus a lifetime of experience and knowledge has been programmed into this software program. The program is capable of analyzing the fractal nature of the market by searching and approving patterns and so on.

So if you are ready to integrate the knowledge of the Elliott Wave theory into your trading methodology and start trading better, order the Elliott Wave Masters course today. Call 800-288-4266, use the order form in this magazine or order online at www.tradersworld.com. Please note that parts of this article and the Elliott Wave Masters course are taken from the ELWAVE software and manual with permission from Prognosis Software Development.

Aberration

By Larry Jacobs

Keith Fitschen is the developer of the Aberration program. He's investigated commodity-trading systems for the last 15 years. He started when he was in the Air Force, splitting his time between flying and engineering assignments. Since he retired from the Air Force, he intensified his efforts. ABERRATION is one of the best systems he has found.

Developed by Fitschen to trade a basket of commodities, it profitably trades all eight-commodity groups: the grains, meats, softs, metals, petroleum products, currencies, financials, and stock indices. In testing from 1980, the system has averaged about $90,000 a year trading 58 worldwide commodities; this is on a one-contract basis. These results were achieved using the exact same rules and parameter value for each commodity.

The program achieved these results by spotting trading opportunities by searching out deviations in a commodity's recent price history. This deviation can be caused, for example, by a change in weather, government action, etc... These deviations are the first sign of a change in supply and demand in the marketplace, which ultimately result in a change of price.

Based on sound mathematical principles, which are disclosed, it measures market ebb and flow in terms of price mean and standard deviation. When price exceeds specific standard deviation bounds, with a high or low, a trading opportunity is assumed and a position is entered in the direction of the price move.

The key to ABERRATION's consistency is diversification across the commodity groups. While some systems only trade the currencies, financials, or stock indices, ABERRATION profitably trades all eight of the commodity groups. The exposure to all groups allows profits from the "moving" group to make up for losses in other groups. In the course of a year, one or more commodities in each group will make a big move. ABERRATION pinpoints these, and the profit from those trades offsets and usually exceeds the losses from the other groups.

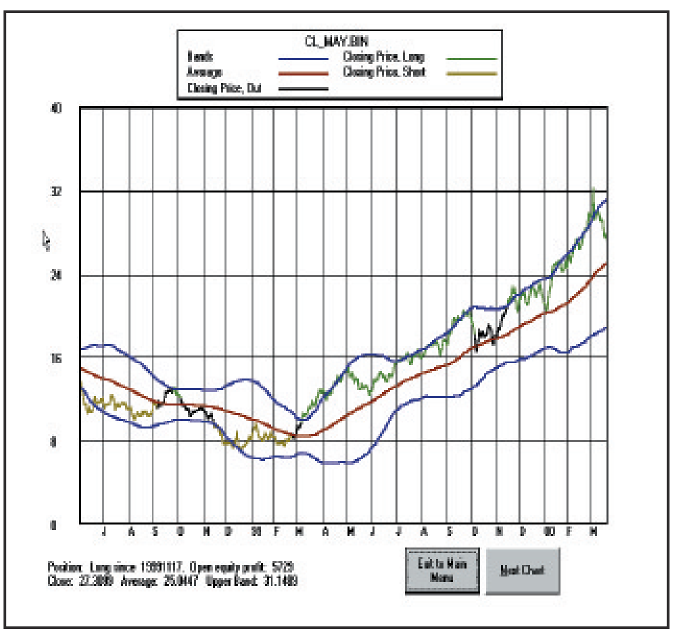
ABERRATION is a trend-following methodology that works across the commodity groups. A way to use this characteristic is to trade a diversified portfolio of commodities with multi-group representation that suits your account size. Instead of just trading the "best" commodities, trade the "best" commodities in each group. This strategy minimizes exposure in correlated commodities, which tend to make winning trades at the same time, and losing trades. Diversification smoothes the equity curve which results in lower drawdowns. Since risk management should be the primary aim of every trader, diversification is an investment tool that should be used wherever possible.

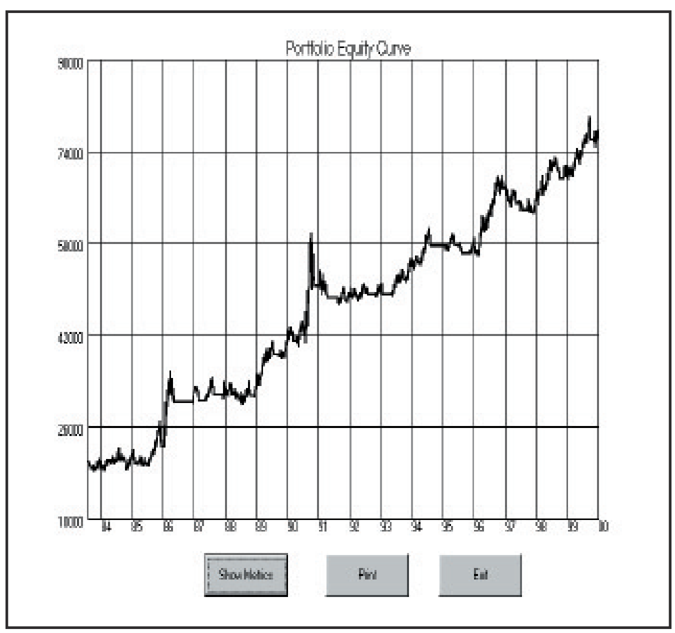
The system trades each commodity 3 to 4 times per year and is in each market about 60 percent of the time. This longer term trading approach yields an average profit per trade of just under $810 after slippage and commission are deducted. ABERRATION is easy to trade. It uses daily data -- open, high, low, and close -- for calculations. Additionally, you don't have to monitor the markets during the day. After you've obtained the previous day's data (you can download from an end-of-day vendor or manually update the files provided with the system), the software will check each commodity to find out if there are any entries or exits for today. If so, you either buy or sell "at the market" on the open. There are no stop orders for market entry. After order placement, you can go about your daily activities without watching the markets.

With this program, commodities can be individually tested, or tested as portfolios. The software comes with a database of 58 commodities, which you can manually update, if desired. Or, you can use end-of-day data from a data vendor to produce signals. If you're a SuperCharts/TradeStation user, you can have EasyLanguage code just for the asking.

Aberration is designed for a Windows 95 or 98 Computer and is priced at $1,795, which is an outstanding price for a multi-commodity system with a seven-year real-time track record.

For more information contract Trade System, Inc, 4241 Pennywood Drive, Beavercreek, Ohio 45430, 800-372-3942 There is a real-time track record account with results and brokerage statements published on their website. Website: www.trade-system.com





Gann Master Charts Unveiled

W.D. Gann was reported to have made over $50 million dollars during his trading career in the market. Gann has to be the most famous trader of all time. He wrote several trading books and a course on both commodities and stocks. The techniques Gann used to trade the markets were based on pure mathematics, geometry and astrology. The techniques that he used were complex and much of the information about how he traded was never revealed to the public. It seems that what he talked the least about, was what he really used to trade.

Gann's commodity course had only one page covering the Square of Nine Chart. This one page did not say anything about how to use the Square of Nine Chart. Today, we know from witnesses that Gann seems to have used this chart to do much of his calculations for trading the markets. He even carried the Square of Nine Chart into the pit as he traded the market on the floor of the exchange. Gann's courses also had many illustrations of circle charts he used, yet little was said about how to use them. Gann's Hexagon chart was not mentioned much nor were there any explanations of how to use it. Why did Gann keep the secrets of how to use these mysterious charts? How can these charts be used in today's markets? It almost seems that Gann kept the secret of how to use these charts to himself for two reasons: these charts tell the real mysteries behind the market; and if other traders knew how to use these master charts, it might have hurt his trading.

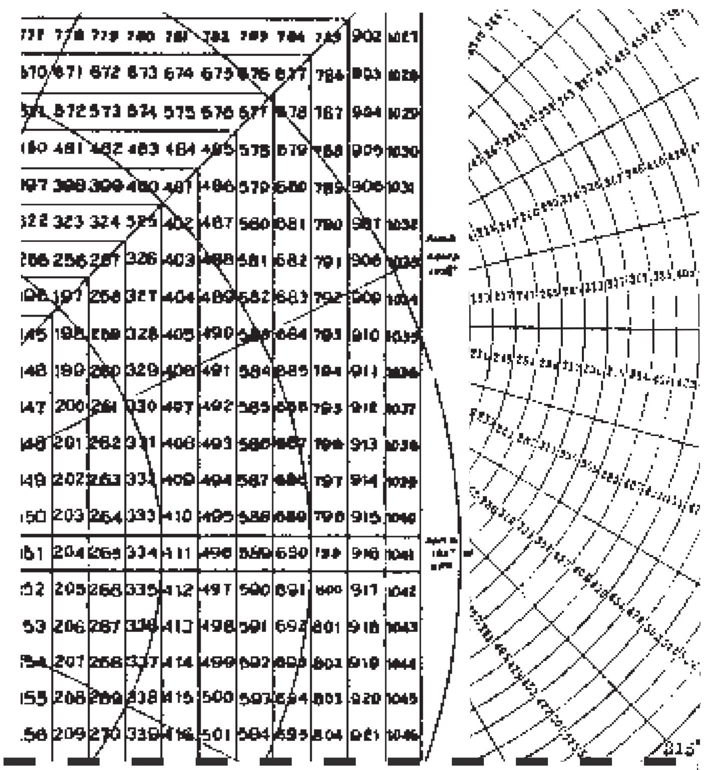
Since Gann died in 1955, there has been little written on how to use these Master charts. There have been plastic Gann Wheels produced by many people. These wheels are beautiful plexiglass with pivots in the centers and sliding divider overlays on top. Some of the wheels have sold for as high as $750. *Traders World* subscribers have asked for more information on how to use these wheels. The Gann's Master Charts Unveiled book can now be used as a supplement to use with these wheels.

Because of the big mystery surrounding the Gann Master Charts, *Traders World* undertook a research project to find exactly how Gann used these charts. The master charts we looked at were the Square of Nine, the Hexagon Chart and the Circle Chart. We produced a complete 100 page book with charts and illustrations on how to use them. Much of the research of this book was based on information received from expert Gann Traders trading the market today. We found that every Profitable Gann trader today uses at least one of these master charts for their trading. Also included in this book are many of the archived articles previously written in *Gann & Elliott Wave Magazine* and *Traders World*.

Gann Master Charts Unveiled tells you exactly how to use the Square of Nine, the Hexagon and the Circle Chart to trade the markets. These charts can be used to calculate natural support and resistance for both time and price. They can also be used to calculate seasonal time points for market changes. They can even be used to calculate time and price of reactions in the market.

To support the charts and illustrations an Microsoft Excel Master Calculator was developed for each chart and illustration presented in the book.

This 100 page book is a must for any serious trader using the techniques of Gann. There is a 30-day complete satisfaction guarantee. To order, just fill out the coupon below or go to our website to order at www.tradersworld.com.



Gann's Master Charts Unveiled - Order Blank

☐Yes, Please send me the complete 100 page book explaining how to use Gann's Master Square of Nine Chart, The Gann Hexagon Chart and the Gann Circle Chart with CD (the CD contains the electronic version of these charts in template form - requires Microsoft Excel) included for $49.95 plus $4.95 shipping.

☐PDF Version of the above on CD. $39.95 plus $4.95 shipping.

I understand that I can also go to the Gann's Master Charts Unveiled internet site to ask questions and see the questions and answers of other purchasers of this report.

I understand that this book and the Master Charts in electronic form for use Microsoft Excel, will help to supplement my other technical analysis and fundamental tools to analyze the markets.

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Larry Williams interview

Larry, you've been actively trading for almost 40 years, so there are lots of questions we'd like to ask, let's get right to the heart of the matter, what is your best trading system?

LW I wish it were that easy. It really depends on if it's for short term or longer term trading, there is a big difference, let me take these one by one.

First of all let me start with what I think is the most important thing I can say which is this: my starting point is not technical analysis. In fact I think on it's own its safe to say technical analysis sucks. Is that blunt enough?

TW It sure is! Why do you say that?

Technical analysis is simply a reflection of price, it is illogic to predict A with A. Worse yet, a technician gives the same weight to a buy signal in a fundamentally bullish market as a bearish one.

After all, one moving average crossing another, or a trend line break to the upside, etc..., all look the same. But, they are not It is the underlying conditions that cause major moves, not technical price action. In short, my belief is that charts do not move the markets, markets move the charts.

Now with that in mind, let me say that when conditions are right, i.e. the fundamentals are bullish, as a short term trader my favorite entry techniques are based on specific price patterns or volatility breakouts, up or down.

Let's take an actual example on the morning of June 12th, I had a potential trade to buy long in the S&P 500 at 7.50 points above the open. There was a set-up or bias to be long in that bonds had been in an uptrend, but fortunately, there was never an entry as we did not see that large of a rally off the open. Had we seen that much expansion above the open I would have bought long as that much movement would have told me a momentum play was underway. Most likely even higher prices would be the order of the day

I call this my freight train theory, once a market gets so much steam or power behind it, it usually continues---at least for a little while, which is all a short-term trader cares about---in the same direction.

On another day perhaps I would buy at a certain price point like the prior day's high, but again the fundamental bias would have to be there.

In my book I show the huge difference this can make. As an example when I asked the computer to buy the S&P 500 when bonds are in an uptrend and exit on the close there are almost 3 times more profit than buying when bonds are in a down trend.

Given that condition I can then look for entry points based on smaller volatility expansions or buying closer to the current highs and lows, but only if the bullish condition of the bond market is present.

TW So, you do use technical analysis?

LW Only as the final filter or for an entry technique. Technical analysis is the last thing I look at, not the first.

TW. OK Larry, now let's move to the longer term. Earlier this year you called for a major winter time up move in Sugar and Bean Oil, announced "Trouble ahead" for stocks and first quarter of the year sell signals for the British Pound, Canadian Dollar, Copper and Gold. Those were great calls so tell us… on a longer term basis, what's your system?

LW I use the same basic tools and approach I have been using for the last quarter of century, in a nutshell it is to wait for a set-up market. By that I mean I again turn to the fundamental condition at hand if it's bullish I then look for technical entry points. I have 5 precise entry rules once a market is so set up.

TW What do you mean by a setup market?

LW There are certain conditions that have existed at most all important market highs and lows, when these conditions cluster, as they did for the buy in Sugar and Bean oil or the sell in the Stock market, British Pound and the like, it's a pretty good bet a major move is at hand.

The conditions are: what the commercials net long short position shows, public sentiment, value, seasonals and 3 or 4 other tools that are fundamental in nature.

TW Most people say the Commercials, as followed in the Commitment of Traders Reports, doesn't help.

LW Right, and most people say Gann and Elliott work!

The commercials are the single largest player in the game, clearly their record, while occasionally wrong, is long-term brilliant, but one has to know how they buy and sell to understand the numbers. It's not like a light switch that's on or off, if they are net long buy, net short sell. No way. You see, they accumulate and distribute, so you have to look for levels of buying and selling,

TW Was that a pan or dig at Gann and Elliott?

LW You bet it was, the best proof that technical mumbo-jumbo does not work is to look at the CTCR actual real time track records of the arcane Gann etc. crowd, as a group they have the worst record of all the commodity newsletters. I rest my case.

TW What is your take on money management?

LW It is the single most important part of trading. You can make money as a trader, but the creation of wealth comes from correct money management. It is how I actually took $10,000 to $1,100,000 in real trading in 12 months, how my 16 year old daughter took $10,000 to $110,000 in real trading 10 years later.

TW Will you explain what you mean?

LW It would probably be better for your readers to read Ralph Vinces book or Ryan Jones on money management… both are great guys, great reads and explain in detail the concept. Basically the approach is to buy more contracts when you are making money, cut back your commitment when losing. The books give the formulas.

TW What is the psychological makeup one needs to become a good trader?

LW Truly it varies from person to person, but all the greats I have known are willing to take on major risk which has the potential for crash landings, but they have learned how to control the crash landings. That's the secret to success.

What it takes is aggressiveness and intellect. You need to be fearless yet totally afraid of the consequences of bad trades.

It also helps to know how the markets really work, so you can understand there is order to what looks like wild gyrations. I don't put much stock in psycho analysis of traders, what causes trader insanity is following a system that is supposed to work that doesn't!

The issue is not whether your mom fed you vinegar, the issue is do you know what makes the markets tick, like, say a Tom DeMark does. If so, success will follow if you stick with your plan. The trader is not the problem, the logic or rationale of the trading methodology is the problem. Always.

TW any closing comments?

LW Sure, for any trade short or long term make certain there is a reason the market should rally or decline… that cannot be a price based reason,…then look for an entry, use stops and let your profits run!

Larry Williams is a famous trader, lecturer and writer. His most recent book *Long-Term Secrets of Short-Term Trading* is featured in our book review section of this magazine.

Profits, If Done Properly

By Jonathan S. Ziegel

In a perfect world, traders would be able to place a series of orders on their trading platform of choice, snake the market for all possible scenarios, go to sleep and then awaken to find big profits sitting in their account summary sheets. Well, it's not exactly a perfect world, but one trading platform comes close to such precision.

An If Done Order is a supplementary order whose placement in the market is contingent upon the execution of the order to which it is associated. In plain English, if I think the value of one currency will fluctuate against another but I don't want to put all of my eggs in one trade, I can break up my strategy with a series of If Done Orders. This way, I can ensure that the market will not edge back after some profit taking, then rebound.

Sounds too good to be true? Let's follow an example: I believe that the Japanese yen is going to appreciate following some breaking news and then it will rebound after traders have time to take profits on their short dollar positions. If the market price of the yen currently stands at 105.50 per dollar, I can then place a buy stop entry order at 105.45, followed by an If Done sell limit at 105.20. This If Done order, once executed, will close my position via the limit order at 105.20.

If I really want to go to bed at this time, I can place another buy stop entry order at 105.20, followed by an If Done sell limit at 105.00. This second If Done order, once executed, will close my position via the limit order at 105.00. I can place as many orders of this nature as I want, at no cost to me. I can place a third buy stop entry order at 105.00, followed by an If Done sell limit at 104.70, to close my position once this level is reached.

If Done orders will only be executed if the original entry order is accepted as a live trade and the If Done order can also be used to close that position and reopen another position in the opposite direction. If done properly, all of my positions would be protected and should follow the strategy I have in mind.

Unfortunately, trading the foreign exchange markets is not as simple as it sounds. Often, the volatile yen will spike or gap after breaking news. For that reason, Deal Station 2000, MG Financial Group's proprietary trading platform for the Major Currencies, also offers the OCO orders.

OCO, short for One Cancels Other, is an order that is placed, consisting of both a Stop and a Limit order. Once one of the levels are reached, that half of the order will be executed (either the Stop or Limit) and the remaining half of the order will be canceled. In other words, this type of order would close your position if the market moved to either the stop rate or the limit rate, thereby, closing your trade, and at the same time, canceling the other entry order.

Recall our original example with the market price of JPY at 105.50? You can place the same buy stop entry order at 105.45, followed by an If Done OCO order with the same limit at 105.20 and a co-existing stop loss order at 105.70. The next order you can place if you expect the yen to continue appreciating is a buy stop entry order at 105.20, followed by an If Done OCO order with a limit at 105.00 and a stop at 105.35.

If you did your homework and think that the Yen would appreciate because of the news, then the value theoretically could move to 105.20 and your OCO limit order would close your existing open position for a 25-pip gain. If, however, the value decreased and your position moved to 105.70, then your stop loss would be triggered for a 25-pip loss.

Here's the really good part: If you were correct that the yen would appreciate to 105.20, your order was protected and your profit was locked in. Before any of this happens, you can snake the market with a series of If Done OCO orders so that no matter how many levels you expect the market to move, the worst case scenario would be a stop order with additional If Done orders waiting in the wings. If the market prices turn and you continue on the path to profits, more buy stop entries will be executed with OCO stop and limits attached to these orders.

Ok, let's recap, the market price for USD/JPY is 105.50/55,

1st Step: place a buy stop entry order at 105.45 with an If Done OCO order for 105.70/105.20.

2nd step: place another buy stop entry order at 105.20 with an If Done OCO order for 105.35/105.00.

3rd step, (if necessary, depending on your strategy): place another buy stop entry order at 105.00 with an If Done OCO order for 104.75/105.15.

See where I'm going with this? If the market moves to 105.15, then your original position was closed for a 25-pip gain. If the market then moves to 105.30, your second order will approach your OCO stop order but will not be executed until the market reaches 105.35. Then, if the market rebounds in your favor to 105.00, you'll have another position opened at 105.00, with an OCO at 104.75/105.15. You've now snaked the market with an opportunity to cover both your losses and your profits.

Ok, disclaimer time: this example has been created for theoretical illustration. It cannot always work out this way, but MG Financial Group's trading system requires everyone to demo-trade their platform before risking any real money so take some time and test these theories. If Done orders, done correctly means you can still wake up to realized dreams of profit.

Retrograde Direct Planets as a Cycle Timer

By Myles Wilson Walker

W.D Gann was an astrology man. Astrology was his number one forecasting tool. In my book Super Timing I have taken all his trades and linked them by the same astrological formula. I have also linked these by Gann's price target method where he specified the price as well as the date of the trade.

You must wonder why Gann would use something as crazy as astrology to trade by. It certainly made me wonder. When I first started looking into Gann's methods I didn't even know that I was looking at astrological markings on his charts, I thought it was just his bad hand writing.

There have been a lot of mind opening articles and interviews over the years printed in Traders World and these were the materials that sparked my interest and got me thinking out of the usual patterns. I have noticed that I am not alone, there appears to be more and more traders using astrologically derived cycles to give themselves the winning edge. The thing that makes W.D. Gann and cycles useful is that they can be so exact that you can enter the market very close to the turn point giving you more profit and small risk. This was one of the points Gann made over and over and that is keep your risk small, get into the trade for a reason i.e.cycle day plus price target equals quality trade.

In the big picture I am not sure why these planetary cycles should work, it is certainly not because of gravity but an English astronomer named Percy Seymour has formulated a scientific theory of astral influences that describes the solar system as an intricate web of planetary fields and resonances. His multi-link theory proposes that the planets raise tides in the gases of the Sun, creating sunspots and their particle emissions,which then travel across interplanetary space to strike Earth's magnetosphere, ringing it like a bell. These planetary magnetic signals are then perceived by our neural networks.

According to his theory, the tidal effects of the planets on the geometry of the Sun's field disrupt that field, causing violent solar activity. It doesn't matter that the tidal forces of the planets are weak; they can be amplified via what he calls magneto tidal resonance.

What Seymour has basically done is apply George Biddell Airy's canal theory of ocean tides to the magnetic canals beneath the surface of the Sun. Airy worked out a rigorous mathematical theory which showed that if you constructed a specially designed water canal around Earth's equator, a wave traveling around the canal could become amplified. Amplification of this kind is called resonance, and it means that you can get much bigger ocean tides than normal. How you get tidal resonance in the case of the Sun works like this. Say you take the subplanetary point of Jupiter and plot its course across the surface of the Sun. As the Sun spins on its axis, Jupiter's subplanetary point moves across the Sun's surface at a specific speed. When the speed of Jupiter's subplanetary point matches the speed with which the free wave propagates along the Sun's canals, you'll get resonance. In other words, the free wave that keeps step with the subplanetary point grows as it travels around the Sun, and will gain amplitude. Jane Blizard's work for NASA showed evidence for planetary conjunctions, oppositions, and certain 90 degree (square) alignments giving rise to violent solar disturbances. No one could explain the squares until Seymour put forward his theory. Since each planet possesses its own orbital speed around the Sun, the speed of each subplanetary point differs as it moves across the surface of the Sun. Say, for example, that the speed of the Alfven free wave within magnetic canals of different depths lies between the speed of Jupiter and the speed of Saturn. Then you can actually get a Jupiter-Saturn square configuration that gives rise to strong events on the Sun. So his theory is able to explain this aspect of Blizard's work.

When I write these articles for Traders World I always like to try and give you something practical that you can use in your trading rather than just some interesting theories. We've looked at the theory, now here is a simple technique

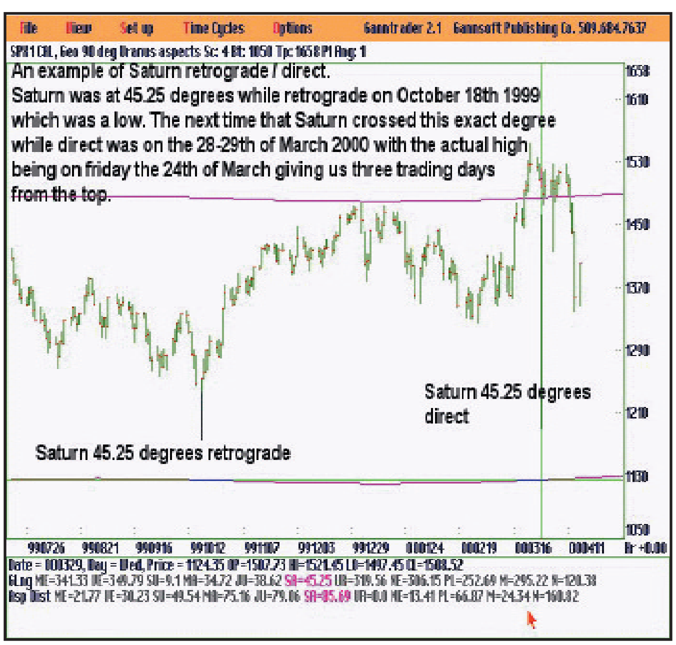

Figure 1

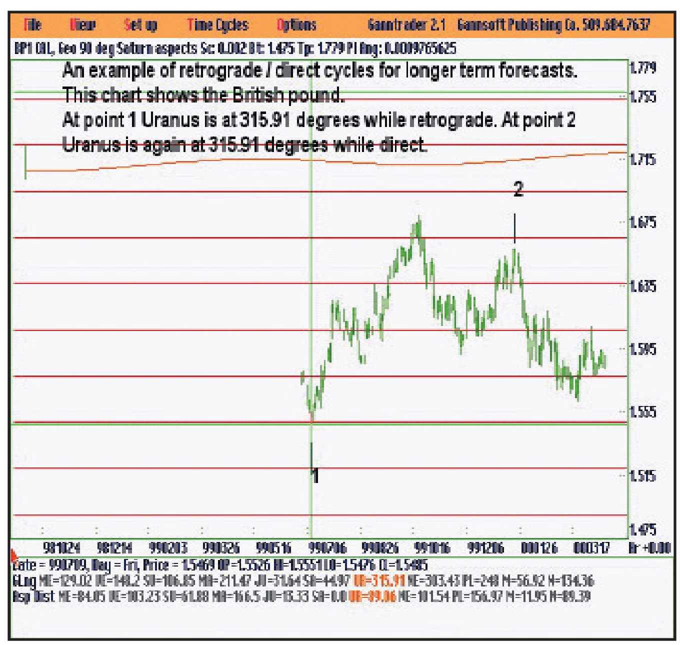

Figure 2

that anyone can use. Because it is simple does not mean it isn't valuable, most astrology used for trading is as basic as this.

The planets when viewed from earth will at certain times appear to go backwards. This means that they will cover the same part (degree) of the sky going forward (direct) and backwards (retrograde) and then direct again. If you want to do this yourself all you need is an ephemerides, a book that tells you the planets' positions on any day, which is easily obtainable at your local libary or can be purchased at astrology bookshops.

To use this in trading have a look at the degree of a planets' position when a major swing high or low is made and then expect a reversal of trend when the planet again crosses this degree. During the time frame these charts cover July 1999 to April 2000 the two major planets Saturn and Uranus went retrograde / direct.

My first chart is an example using Saturn retrograde / direct on the S+P. Saturn was at 45.25 degrees while retrograde on October 18th 1999 which was a low.

The next time that Saturn crossed this exact degree while direct was on the 28-29th of March 2000 with the actual high being on friday the 24th of March giving us three trading days from the top which is a little more leeway than Super Timing dates but still its not bad.

Another example of retrograde / direct cycles for longer term forecasts is seen in the chart of the British Pound. At point 1 Uranus is at 315.91 degrees while retrograde. At point 2 Uranus is again at 315.91 degrees while direct. See Figure 1 and 2.

Taking the same markets the S+P and British Pound, I have switched planets showing Uranus retrograde / direct on the S+P instead of Saturn. In all cases you have some very tradable cycle points. See Figure 3.

In figure 4 I have switched planets from my first British Pound example and show you some good cycles using Saturn instead of Uranus. See Figure 4.

Mr. Walker is author of a new astrological trading book based on the techniques Gann used. The book is called Super Timing and is available from Traders World in this issue.

Figure 3

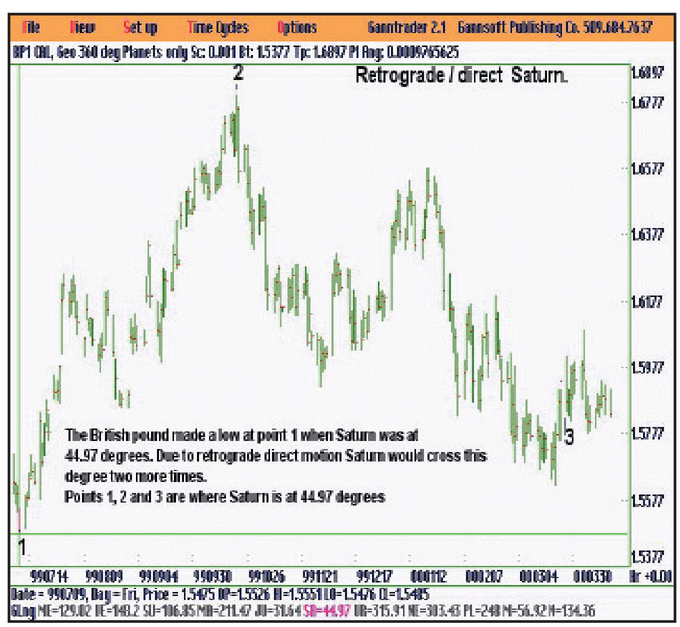

Figure 4

Finding Tops with Float Analysis

Using a little known idea of W.D. Gann, a new method for quantitatively identifying tops (that also gives sell signals) has been developed.

By Steve Woods

Float analysis is a new method of stock research that I developed from a little known idea of W.D. Gann. My interpretation of Gann's idea, found in his book Truth of the Stock Tape, is to think of all of a company's shares that are traded by the public (known as the float) as a *whole unit that gets traded during a specific time period* thus implying a change of ownership in the stock. This idea when properly approached allows you to see a price and volume chart as only two thirds of a total chart picture. What needs to be factored in, to make the picture complete, is the number of shares being traded at any given time. This then is what float analysis strives to do.

To better understand this idea, imagine a hypothetical time span in which all of a company's tradeable shares go through a complete turnover resulting in new ownership. Now think of this time span as a constantly changing phenomena. As a stock's price rises and falls, the constantly changing ownership moves from one price level to another. Now think of a high flying stock that has all its shares sold to a "dumb money crowd" right when the stock's price is so far over-valued that it no longer warrants being bought by savvy investors. Now think of the biotech stocks in March of the year 2000.

The Float Turnover as a Proxy for a Change in Ownership

Before examining some Biotech companies let's further clarify this idea. At first glance it would appear a rather futile task to try and study a company's ownership as a whole unit trading over a specific period in time. The reason is obvious when we think of all the owners of a company that own the stock at any given time. Some owners will be long term investors who may have bought their shares years ago and some owners may be day traders who are buying and selling their shares daily. Thus it seems impossible to track the ownership of a stock as a whole unit because we can't truly look at any given time period and know for sure what the ownership is really made up of. But there is a way to create a unit of measurement that will serve as a proxy for a total change in ownership. Using a method that is simplicity itself, we merely add a stock's volume cumulatively until it equals the number of shares in the float. The amount of time that it takes for this cumulative volume total to equal the float becomes a unit of measurement which I call a "float turnover".

Let's be quite clear about this idea. I am not saying that a float turnover has all the shares in the float trading hands. What I am saying is that a certain amount of cumulative trading volume is equal to the float. For example, suppose that in the past year Company XYZ has a total trading volume of 30 million shares and it also has 30 million shares in its float. Then we could say that it's "float turnover" is one year in length because in the past year, 30 million shares were traded and the company has 30 million shares that are actually being traded by the public. Thus by our definition we have a float turnover and we can use this time span unit as a proxy for a complete change in ownership of the company. See Figure 1

The Float Turnover That's Always At A Top

When stock analysis is approached from the point of view of "float turnovers" as a proxy for a theoretical change in ownership, stock charts suddenly make more sense as though the missing piece of a puzzle was finally discovered. For example, look at any stock chart with a long term trading history and you will find that several very specific float turnover formations *always* occur. The most obvious and easiest to see are at bottoms and tops. Float turnover formations quite simply will always be found at the exact location that marks a long term bottom and at the exact point that marks long term tops. In addition, single and double float turnovers often are found in sideways consolidation areas in a stock that is trending upward. In my book, **The Precision Profit Float Indicator**, I show ten specific float turnover formations that can be found on price and volume charts.

Biotechs at a Top

Now as an example, let's go back to the Biotech stocks that

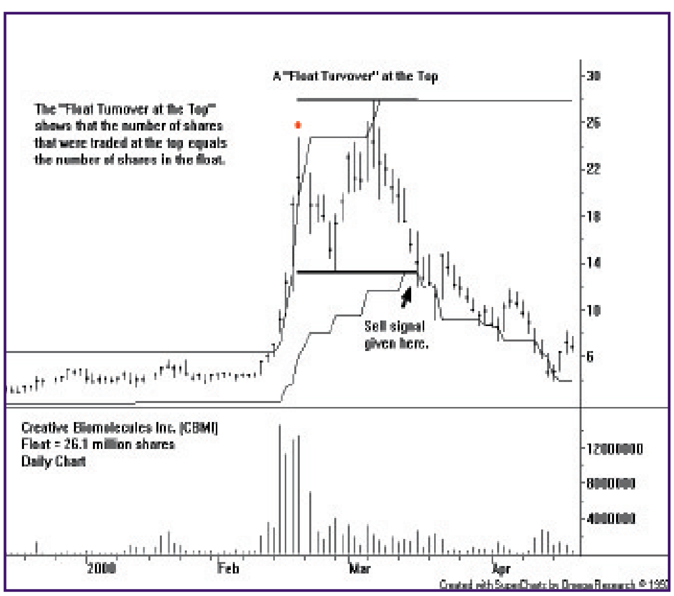

Figure 1

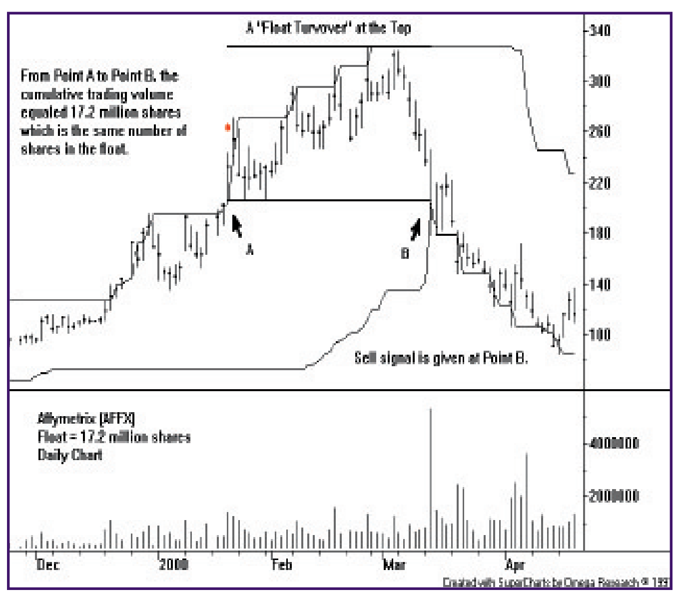

Figure 2

crashed earlier this year. As I write this article the NADSAQ composite index is in a wicked bear market. It is April in the year 2000 and this index is over 30% off its high. Before taking this nasty tumble, the NASDAQ soared to incredible heights. One of the speculative groups that lead the bull market so high was the Biotechs and when the market corrected they were the first group to sink quickly. As a group they offered more promise than profits. Take a close look at all the charts in this article and notice that they are biotech companies that had a float turnover at the top just as they were in the process of crashing back to earth. See Figure 2, 3 and 4.

What this means is, that the cumulative trading volume right at the top was equal to each company's floating supply of shares. Remember that a float turnover is a proxy for a theoretical change in ownership and thus it shows that this hypothetical ownership at the top got stuck owning stock that decreased dramatically in price after they took ownership. What these charts also show is that when the price broke below the "float turnover at the top" an excellent sell signal was given that would have alerted savvy long term investors to exit their positions. See Figure 5

The Woods Cumulative-Volume Float Indicators

To better understand how these charts track float turnovers and give excellent sell signals, we need to understand the indicators that I developed that are known as the Woods Cumulative-Volume Float Indicators (also known as the Precision Profit Float Indicators). Two indicators are plotted on each of these charts. The original Woods cumulative-volume float indicator is easily located because it has two parallel horizontal lines with a red dot placed at the far left of the two lines and can be found at the top of each chart. The second indicator is derived from the first indicator and is known as the Woods cumulative-volume "channel" float indicator. This channel indicator has two channel lines that at times has the price above, below or in between them.

On the first indicator, the two lines and a dot are simply time and price components to show us where the float turnover exists at a specific time on the chart. The dot is the time component that marks the bar in which the cumulative volume count equaled the float. The two horizontal parallel lines are the price component and they show the highest and lowest price swings during the float turnover time span. So if we add up the cumulative volume beginning from the far right bar of the two lines to the far left bar with the red dot above it, we will find that this cumulative volume total is equal to the company's float. See Figure 6

Understanding the Channel Lines

Now to understand the channel float indicator, we need to think of the float turnover as a rectangle. We already have the two horizontal lines that show the highest and lowest points and to these we will add dotted vertical lines. The dotted vertical lines are useful as a teaching tool to explain how the channel lines are created. By adding dotted vertical lines to our two horizontal parallel lines, the float turnover is now framed, making it a rectangle. Now think of the price bar on the far right side of our rectangle. Only the points at the top upper right hand corner and the bottom right hand corner of our float turnover rectangle are used to create the channel lines. By connecting only these upper right and lower right points on a bar to bar basis, we end up with channel lines. These lines show when the stock's price is above, below or in between the existing float turnover range.

To see this more clearly look at chart 6. Here I have plotted several turnovers at a variety of points in the stock's price history. Study this chart closely and you will see that by connecting only the upper right and lower right points of our constantly changing float turnover we end up with channel lines. See Figure 7.

Rising Base of Support and Falling Overhead Supply

These channel lines are very potent tools that allow you to determine whether a stock price is being supported by strong players on the way up or whether it is being distributed to weak hands on the way down. When the stock is being supported, its price will tend to be at the top of the float turnover price range with the float turnover acting like a rising base of support. When the stock is dropping without support, the price will tend to be at the bottom of the float turnover price range with the float turnover acting as overhead supply. On the channel lines we see this easily as the rising price hugs the top channel line and the declining price tends to hug the bottom channel line. What we then find right at the top as was previously mentioned is a float turnover that approximates the stock's ownership that got stuck at the top holding a losing position as the price dropped below them. The timely sell signal occurs right at the point where the price drops below the float turnover at the top which is the point where the price crosses the bottom channel line for the first time on each chart.

The Common Sense Nature of Float Turnovers

Whenever I describe my type of stock analysis to someone who is unfamiliar with it, I invariably get an "Ah, ha" reaction when they realize the common sense nature of float turnovers at bottoms and tops. "I get it," they say "Right at the top all the

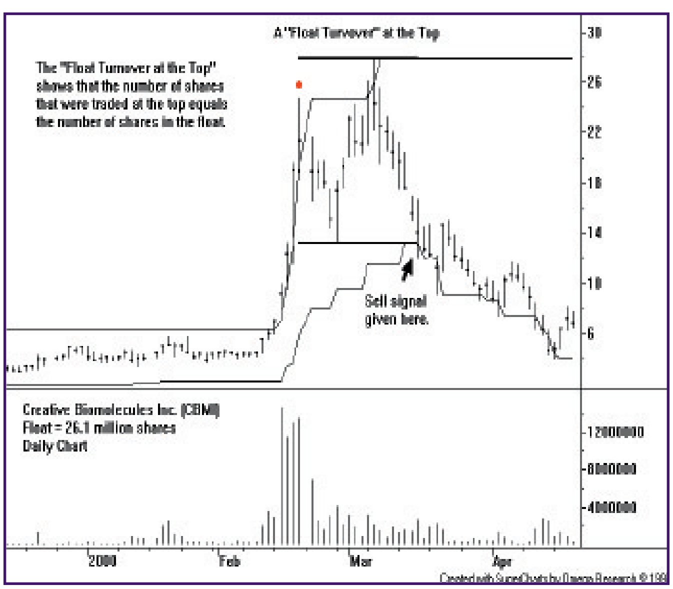

Figure 3

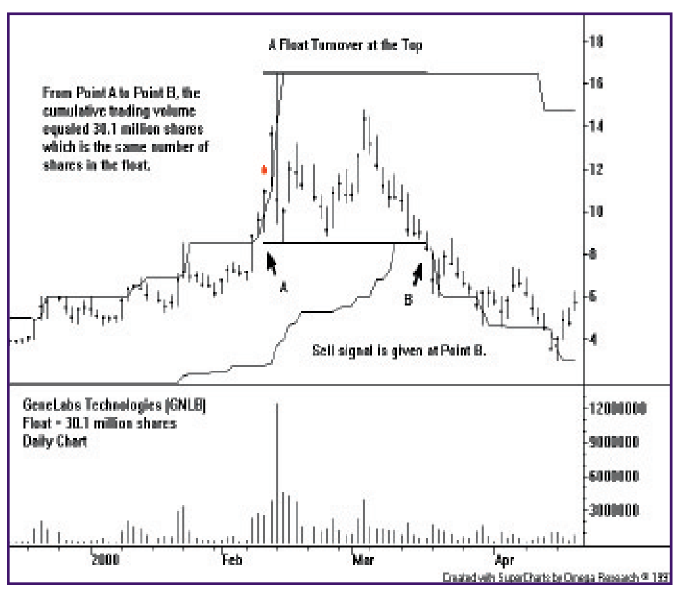

Figure 4

shares are bought by unsuspecting foolish investors who don't realize the stock is over-priced and they get stuck at the top." or "Oh I see, right at the bottom the really smart people are buying all the shares and the price goes up because they're holding them tightly." Then of course I have to explain that it's not exactly all the shares that are bought but just a good approximation of them.

Ideas to Keep in Mind

When float turnovers are used as a tool in stock analysis there are several important ideas to keep in mind:

1) Think of float turnovers like a moving average. A float turnover is a constantly changing unit of measurement. New volume numbers get added into the count each and every day and the distance going back to the end of the float turnover changes often as well.

2) Recognize that every stock is different. Some stocks have very rapid float turnovers that occur over only a few days and other stocks have float turnovers that take years for one turnover to occur.

3) The New York and American Stock Exchanges count volume in a different manner from the NASDAQ market. The NASDAQ counts 100 shares traded for every buy and every sell. Thus 100 shares traded between two parties ends up being reported as 200 shares traded. The NYSE and AMEX count 100 shares traded between two parties as just 100 shares traded. Thus the NASDAQ market doubles the actual volume numbers and this must be taken into consideration when the numbers are being cumulatively calculated.

4) A company's float number can and does change which makes analysis a challenge. The source used for all the float numbers in this article is found on the "Profile" page of each individual company at http://finance.yahoo.com. The numbers were current in April 2000.

5) It will appear on certain bars and in particular at specific trading "buy" and "sell" points, that the two horizontal lines on the Woods Cumulative-Volume Float Indicator that represent the highest and lowest points that the price has reached during the float turnover time span, are not actually plotted at the highest and lowest point of the float turnover and thus seem inaccurate. The reason for this is that we want to be alerted to buy and sell signals which occur when the price breaks above or below a current float turnover price range. Thus if on a particular bar the price penetrates through the existing top or bottom lines of a float turnover, the price is shown as going through that line. Then on the next consecutive bar, the high and low price range is replotted at the new level. This allows us to see quite clearly when the price is moving above or below a pre-existing float turnover. It also allows the line to serve as triggers that generate buy and sell signals.

6) A float turnover is a good proxy for a change in ownership of a company's floating supply of shares. It is an approximation in which a large percentage of the float has actually changed hands. But that percentage can never be accurately known.

Summary

Float turnovers are always found at the exact top a stock's long term price and volume history. For this reason, float analysis is a good way of finding tops in the stock market because a company's float is like the missing invisible piece of the price and volume chart puzzle. Price and volume are only two thirds of what is truly happening on a price and volume chart. The missing third piece of the puzzle is the shares that are actually being traded (i.e. the float). With float analysis, stock technicians now have a new measurement tool, to help them make wiser and more informed buy and sell decisions.

Steve Woods is the author of The Precision Profit Float Indicator, Powerful Techniques for Exploiting Price and Volume which is available in the book review section of this magazine.

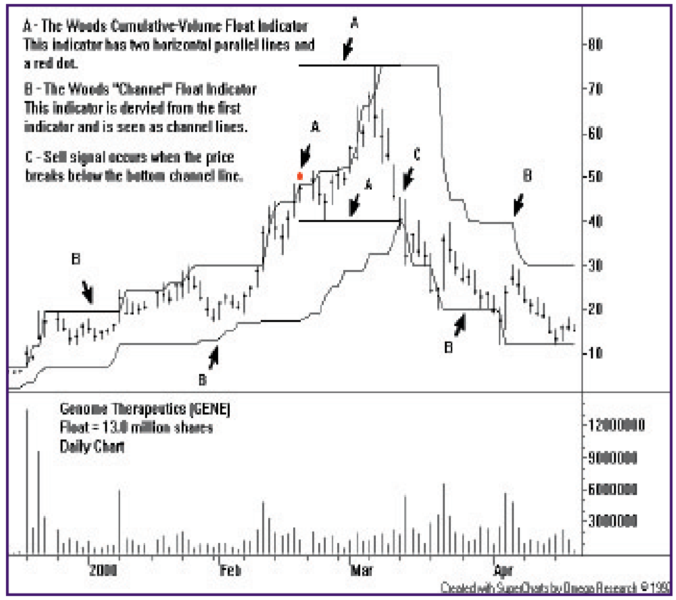

Figure 5

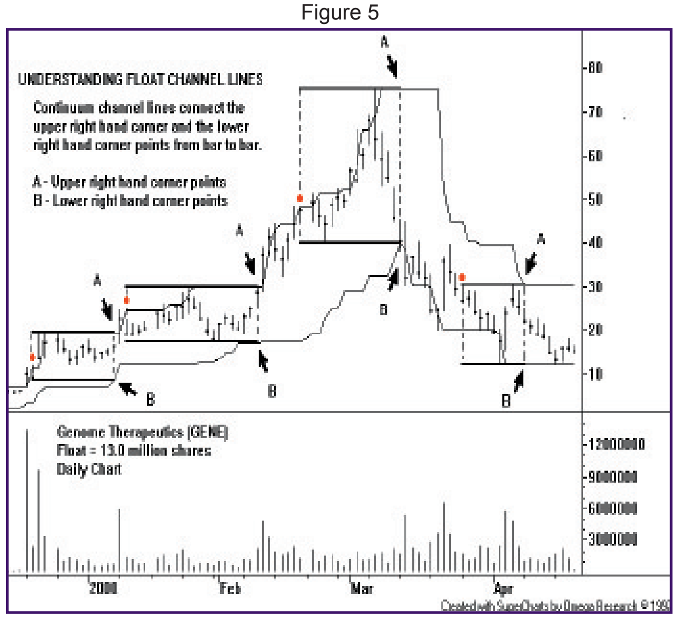

Figure 6

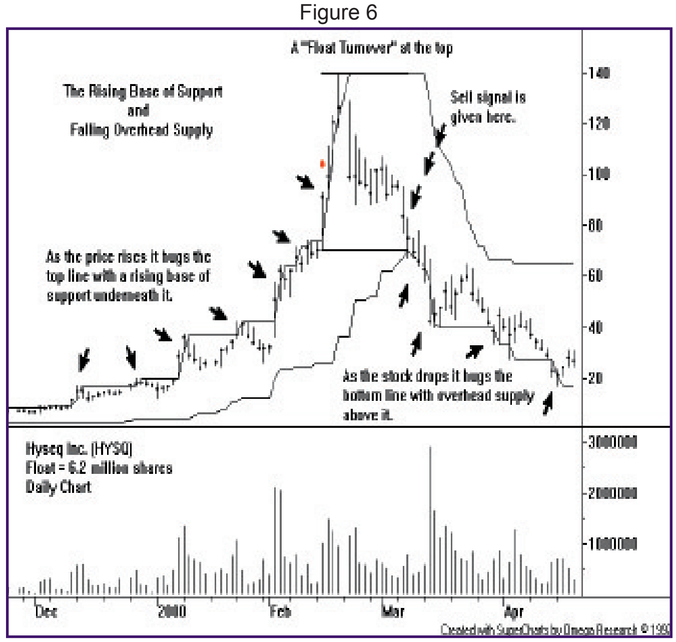

Figure 7

My eSignal

Provides the latest technology in an easy-to-use browser format

My eSignal is a new trading tool from Data Broadcasting Corporation. The company has 17 years of experience and a reputation for accurate and reliable quotes. They are the biggest provider of streaming, real-time quotes on the Internet. My eSignal has developed and improved substantially over the past months into a tool that investors in stocks have been asking for and at a very affordable price. The service is now available for as low as $29 per month!

My eSignal offers streaming quotes along with a suite of decision support tools. Your quotes update dynamically in real time so you don't have to hit "Refresh" to get the most current information. It's important to have the most current information, or you could end up losing money in the markets.

With My eSignal, you'll also have access to lightning fast intraday charting. The charts can be designed exactly as you wish. The time frame can be 1, 5, 15 minute, hourly, daily, weekly, monthly, quarterly and yearly. The intraday data can go as far back as 10 days and the daily data as far back as 30 years.

The charts have a complete list of indicators, included: moving averages, stochastics, RSI, volume, Williams %R, money flow, volatility, momentum, PE, EPS, yield, advance/

decline lines, etc. You can even compare one chart with another.

My eSignal also includes news from CBS Market Watch, which includes market headlines, news by different categories: analysts' ratings, bonds, commodities, currencies, earnings, economy, finance, food, and much more.

My eSignal also allows you to do company profiles, sector analysis, stock screening, research lines and investor ratings. You can even compare a stock's performance to the industry that it is in.

Equity and market views are available from a number of sources: Wall Street Strategies, Calandra's Stock Watch, Elaine Garzarelli, Irwin Kellner, John Friedman's Market Top, Bambi Francisco's Market Sense, the Long View, Courtney Smith, Roy Blumberg and many more. You get Pristine's chart of the week and play of the week.

There are also the latest on IPOs. There is a daily report, pick of the week, company profiles and comments by experts in the area.

Also included is an excellent portfolio tracker. It allows you to create an unlimited number of portfolios with up to 200 symbols each. Access your portfolios from any computer on the Web. Track options, mutual funds and stocks on all major US exchanges. Customize the Price and Value views to display the data you want to see, including fundamental information. Get the latest news on stocks in your portfolio from CBS Market Watch, Reuters, AP, UPI, BusinessWire and PRNewswire. Manage your portfolios over a secure connection. Automatically update your portfolio price views every five minutes. Monitor short and long positions. View transaction history and capital gains reports.

If you are interested in funds you can get a complete education, planning, and advice from Vanguard, who is recognized as the industry leader in investor education and "plain talk." Vangard has assembled a wealth of practical information about mutual fund investing and personal finance in one place.

My eSignal provides all of this technology in an easy-to-use browser format. That means you can get up-to-the-second data no matter what platform you use. Windows, Linux, Unix, Macintosh - no software to download, no hassles. Use My eSignal in the office, at home, or anywhere you have access to the Internet. You are no longer limited to the computer you have at home.

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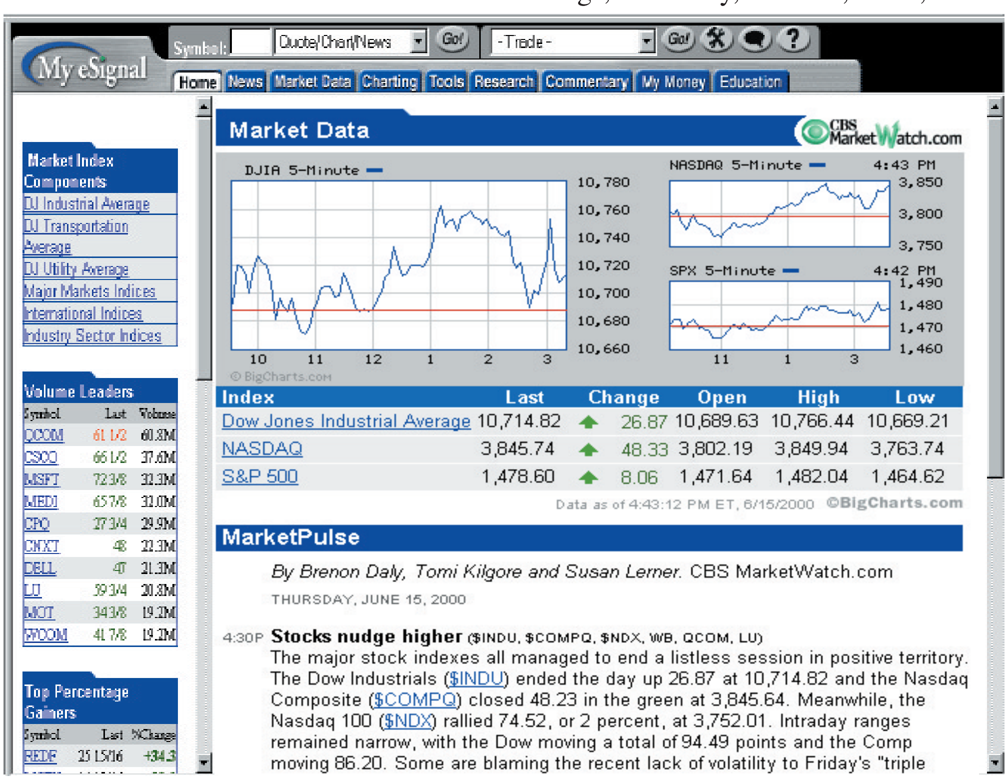

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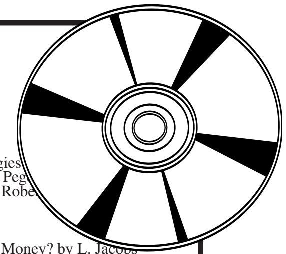

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Quick Harmonic Trader

The Quick Harmonic Trader has been designed specifically for traders and investors who have absolutely no previous knowledge of Planetary-Price Harmonics. The program includes applied planetary methods found no where else, and includes some of the most recognized standard technical indicators as well. The program was developed by trader and analyst, Thomas Long. Long is highly qualified in this area and is editor of the Long's Market Detective stock newsletter, and co-editor of the Trader's Astrological Almanac. The Quick Harmonic Trader program has the powerful and unique ability to isolate planetary harmonic levels in price on any market. When the market lines up with these planetary positions and responds to the positions of the planets at the correct price positions you will many times get a major market reversal.

The program is designed with easy-to-use toolbar buttons which automatically place Planetary Harmonic Systems on any price chart, so that the user can quickly and easily find the planetary support and resistance points for the markets he or she is interested in watching. It functions in an End-of-Day format only, and accepts all common End-of-Day files, including Metastock, CSI, Computrac, and TC2000, including the Y2K upgraded formats.

The tutorial that comes with the program helps you learn how to do your own planetary analysis using the sample data included. You can learn immediately how to get the benefit of the same type of analysis that Thomas and Jeanne Long use every day to forecast turning points in the markets. Long believes that this is the same type of analysis that W.D. Gann used, only he kept it a secret. W.D. Gann said: "It is not my aim to explain the cause of cycles (in the market). The general public is not yet ready for it and probably would not understand or believe it if I explained it." He may have been right then, but Mr. Long believes that the public is ready for this information now, and that this simple presentation of the power of harmonics will help you understand why the market does what it does, and when it is likely to do it again.

With the Quick Harmonic Trader, you can quickly determine if a market has a "Correct High" or "Correct Low" which will reverse the trend. Correct Highs and Lows occur when Price and Planetary Aspect levels are in HARMONY. Correct highs and lows can lead to short or long term reversals of trend. Historic references can tell you what to expect. When Price and Planetary Aspect levels are in harmony with major planetary events, powerful reversals can occur.

The program calculates the price position of the aspects directly from the actual position of the planets - there is no form-fitting! The odds of this type of accuracy are incalculable, yet we see it all the time, especially at major market reversals. You can use the Aspect Research function in the Quick Harmonic Trader to find the next repetition of any aspect, or view the graphic ephemeris to see the planets' motions in a different format.

Check out the Historic Reversals section on the website, www.marketdetective.com, for a rundown on which aspects caused some of the major reversals in the market in recent years.

Every time there is a Major Geometric Event between the planets in our solar system, you will quickly spot them coming with the Quick Harmonic Trader. Most importantly, you will know what price level is critical to that aspect. It is this precise information that Thomas Long has been using for many years. Now you can use this information to help you accurately forecast the future of price action.

If you are interested in the astrology aspects of the market, you owe it to yourself to check out this program.

The Quick Harmonic Trader is available from Galactic Trader/Pas, Inc., 1835 US 1 South 119, STE. 353, ST. Augustine, FL 32086, PH 904-797-3065. End-of-day version is priced at $499.00 Works on Windows 95, 98, NT or 2000. Web site: www.marketdetective.com (You can also download 30-day trial from the site.)

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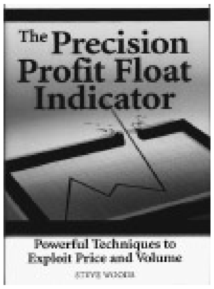

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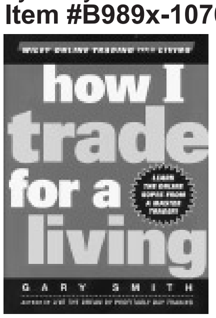

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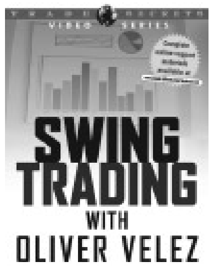

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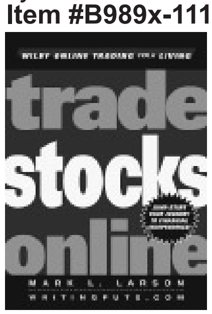

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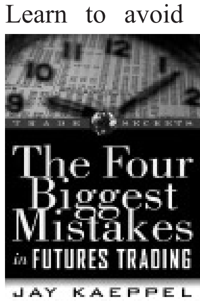

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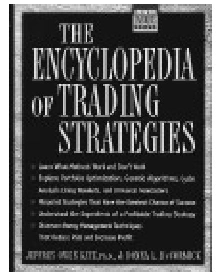

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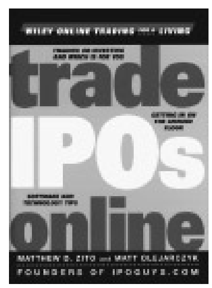

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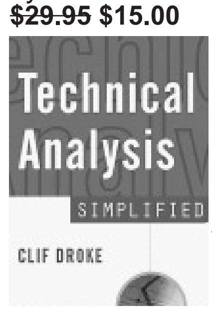

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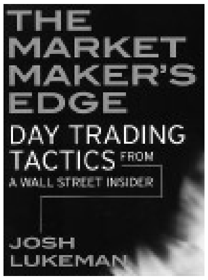

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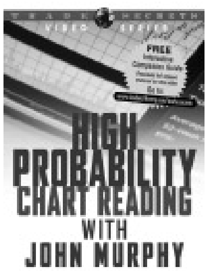

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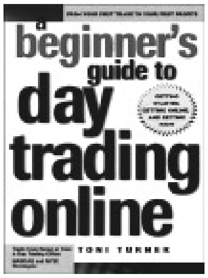

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Risk Reward: The Art & Science of Successful Trading while supplies last
by Howard Abell
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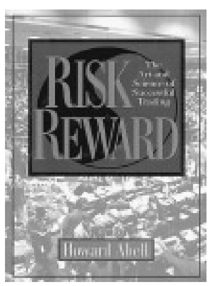

All traders must deal with risk – but successful ones can calculate, manage, control it – and use it to their own advantage on every trade. Now, learn techniques for embracing, avoiding and limiting risk – plus strategies to benefit from the opportunities it presents. A blueprint for trading triumph – at huge savings.

McMillan on Options Save 30%
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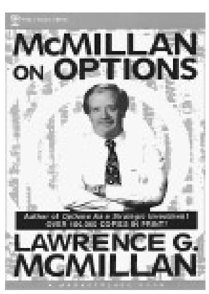

It's the new "Bible" of the options market, offering a complete game plan for trading options. "Can't miss" strategies and McMillan's own time-tested secrets for winning consistently on over 70% of trades. "Must reading," says *Stock Traders Almanac*, from an industry icon – now at huge savings.

Getting Started in Tax Savvy Investing
by Cory Grant & Andrew Westhem
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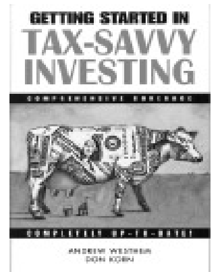

Along with all the new tax laws come a variety of new, tax-saving opportunities. This new primer explains the new and ever-changing tax laws, and shows investors how to take full advantage of the legal tax strategies available today – including business ownership, savvy estate planning and much more. A timely new guide.

How to Be a Billionaire
by Martin Fridson
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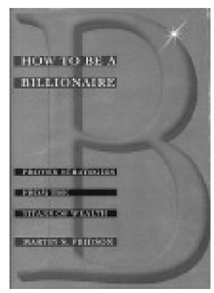

Set your sites even higher than the Regis Philbin "millionaire" crowd – with this fascinating new look at the awe-inspiring methods used to create billions by some of industry's top titans. It's not a "how-to" guide – but readers will can certainly apply the philosophies of these self-made super rich to their own bag of tricks to create bigger wealth.

Commodity Options: Spectacular Profits with Limited Risk
by Larry Spears
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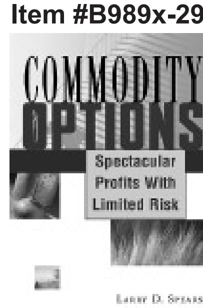

An A-Z primer with complete descriptions of the 12 most popular commodity option strategies. Learn about time, value, premium, option pricing and trading months for each commodity described. Shows how to use options in conjunction with futures for risk abatement and profit enhancement. Great for getting started.

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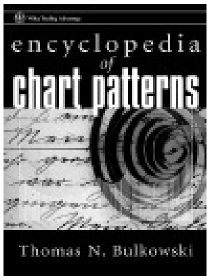
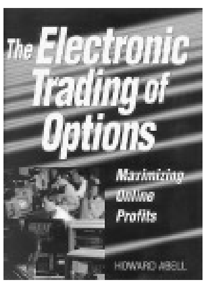


Brand new, comprehensive guide covers chart formations, identifies chart patterns, explains market behavior and provides up-to-date performance statistics on which patterns predict different market events. Plus…. Shows what failed patterns look like and why they failed; Offers winning trading tactics and presents real world traders; Highlights indicators that help identify and chart important trends

The Electronic Trading of Options Maximizing Online Profits

by Howard Abell

Item #B989x-10718 $40

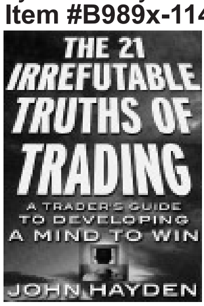


Find everything you need to profitably trade options online. Discusses what systems are available, how to choose one, psychology of online trading, the role of technical analysis, insights from traders who "do it" online, electronic day trading of options – and more.

21 Irrefutable Truths of Trading A Trader's Guide to Developing a Mind to Win

by John Hayden

Item #B989x-11411 ~~$29.95~~ $23.95



Find strategies to master the most important trading tool you have – your mind. Successful traders share similar emotional psychological beliefs that allow them to win in the all-or-nothing trading battlefield. This new book gets right to the point. Part one highlights the common values, strengths and weaknesses traders must have to succeed – and Part two shows ways to enhance the strengths and control the debilitating weaknesses. You'll find...Techniques to develop certainty, intuition and discipline; Technical analysis and trading methods to trade more effectively; How to align trading with the movement of the market.

Contrary Opinion Using Sentiment to Profit in the Futures Markets

by R. Earl Hadady

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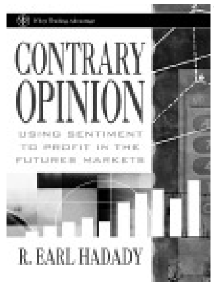


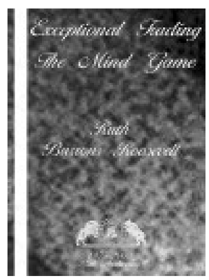
"There is more wisdom in this concise little classic than in 10 typical books on futures trading… will easily save you 3 years of painful study in the school of hard knocks" says Robert Prechter, editor of The Elliott Wave Theorist. Easy to read, informative, Hadady shows how to win in the futures markets by bucking the trends – the way the "big boys' do. "Hadady becomes the natural successor to Humphrey Neill, the father of contrary opinion.

Exceptional Trading The Mind Game

NEW

by Ruth Barrons Roosevelt

Item #B989x-11046 $39.00



Mind over markets, clear thinking, an "unclouded intent to win," – and quick action are keys to trading triumph. Now, the coach who's trained traders around the globe outlines proven techniques for developing a winning mind game. Covers: Winners & Losers: a psychological portrait; Building serious commitment to your trading Conflict resolution: don't let mixed messages mutilate profits; Clarity of vision & market assessment – and much more.

The Traders Tax Solution Money Saving Strategies for the Serious Investor

by Ted Tesser

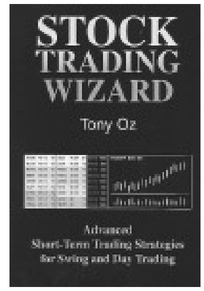
Item #B989x-11074 ~~$59.95~~ $46.95

Whether you're a professional trader, occasional or novice – you need to guard hard earned profits from the tax man. Let tax pro Ted Tesser show how to set up your trading "business" from an accounting angle so you can slash your tax liability TO THE BONE. Just one good tip can cover the cost of the book – and save you thousands.

Stock Trading Wizard Advanced Short Term Trading for Swing & Day Trading

by Tony Oz

Item #B989x-10927 ~~$96~~ $85



Brand new bestseller for serious short-term traders covers all the bases – from Technical Analysis, Level II Quotes and Psychology to Money Management, Screening Formulas and more. Now at a very special price.

The Art of Short Selling

by Kathryn Staley

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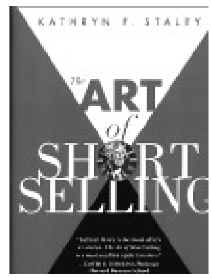

Finally, a book showing how to cash in on this lucrative yet overlooked strategy: Short Selling. Staley explains what it is, how it works, best type of companies to short and never before released methods of the world's top short sellers. There's no better time to position yourself to profit from any stock sell off.

It's WHEN you Sell that Counts

by Donald Cassidy

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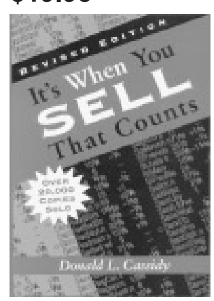

Still the #1 bestseller! Get proven advice on how to sell profitably in any market, a checklist to help determine whether to hold or sell and the most powerful hold/sell test.

Long-Term Secrets of Short-Term Trading

by Larry Williams

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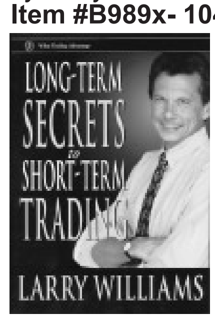

Master trader Larry Williams prepares traders for the risky yet high-reward area of short-term trading. This trading champ shows how to develop a strict plan and the discipline to survive the short-term trading world – just like he has over the decades. Well worth the 10 year wait for Williams' fans old & new.

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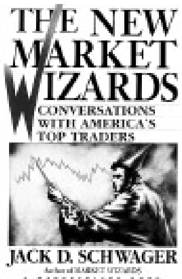
New Market Wizards
by Jack Schwager
Item #B989x-2106 ~~$39.95~~ $15



Meet a new generation of market killers. These hot traders make millions – often in hours – consistently outperforming peers. They use different methods – but share big success. Now, meet them and learn their methods with this classic bestseller – at a great price.

Trading for a Living *save $20*
by Dr. Alexander Elder
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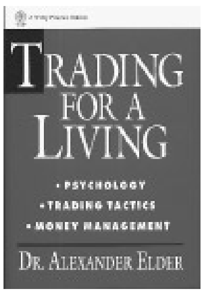

#1 blockbuster integrates three major areas of trading: psychology, trading tactics and money management into a coherent framework for success. Unique approach combines the author's trading success with his decades of experience as physician and psychiatrist.

SPECIAL SALE ITEMS:

Elliott Wave Principle
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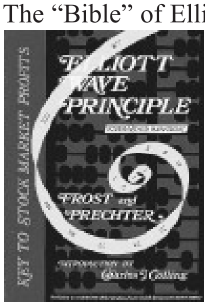
The "Bible" of Elliott Wave from the pioneer in wave analysis



– now at the lowest price ANYWHERE. Covers basic principles, details theory and application of concepts including: Fibonacci numbers, ratio analysis, time sequence, cyclic analysis, Kondratieff wave and more. "Award of Excellence" - Technical Analyst Assoc.

The Complete Option Player, 3rd edition *½ Price!*
by Ken Trester
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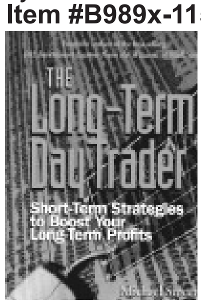
Perfect for those getting into this market with limited capital, minimal risk and the possibility of spectacular profits. Plus, Profitable strategies that exploit little known discrepancies in option pricing and other cutting edge trading methods.

24 Essential Lessons for Investment Success
by William O'Neil
Item #B989x-11152 ~~$10.95~~ $7

24 of the most important investment techniques – from the *founder of Investor's Business Daily.* Do's and Don'ts from an investment legend. Straightforward, practical advice and real world strategies that work in today's markets.

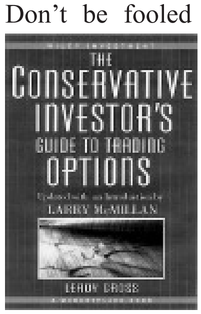
The Long Term Day Trader
Short-Term Strategies to Boost your Long-Term Profits
by Michael Sincere & Deron Wagner
Item #B989x-11549 ~~$14.99~~ $9.95



Whether you're an aggressive new day trader like author Deron Wagner, or a more traditional investor like co-author Michael Sincere, the strategies in this unique new guide can boost your overall returns with minimal capital investment. It combines the best of both trading camps – to give today's player a truly winning edge. Don't be forced to declare yourself either a "short" or "long-term" player anymore – by following the tactics outlined in this new guide – now at a great price.

The Conservative Investor's Guide to Trading Options *1/2 Price*
by Leroy Gross & Larry McMillan
Item #B989x-10267 $34.95 now $17.50

Don't be fooled by the title! It's the



most widely read book covering safe yet profitable option strategies for conservative traders. Plus, an entire section for bigger risk-takers called "Strategies conservative investors should avoid." Newly revised and updated - you'll find safe, low-risk option strategies and ways to use options as a hedging tool, in a concise, readable format.

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Martin Pring on Market Momentum
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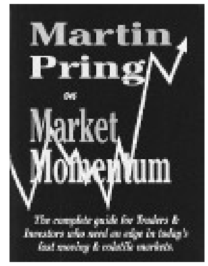
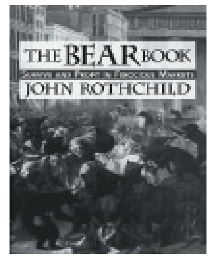
Here are the master's secrets to using all popular price momentum tools (RSI, MACD, Stochastics) in addition to volume



and breadth indicators (McClellan, OSC & Summation Index). Learn what these indicators are, how to use them and how to increase your profits with them. PLUS...learn to use Pring's own KST indicator. Our highest recommendation.

The Bear Book: Survive & Profit in Ferocious Markets
by John Rothchild
Item #B989x-8449 $24.95 $9.95



Today's markets are volatile - and many still remember with pain the crash of Oct. '97 vividly. It WILL happen again - it's inevitable. But you CAN survive and even profit in all financial seasons, with these top "Bear" strategies - now at an unbelievable price.

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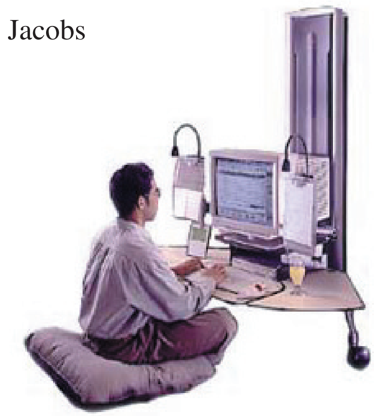
Equipped to Trade

By Larry Jacobs



The equipment setup you use to trade with is very important to your success as a trader. There are many types of setups that you can have. If you plan it right, you can have many years of enjoyable trading from your setup. This article will tell you how to do it.

If you are at home full-time and trading several stocks or commodities on a daily basis and you need to keep track of all of them, then you might consider the multiple monitor setup.

Monitor to Use

First let's look at the monitor. We recommend the Samsung 900 IFT for the budget-minded multiple monitor trader. This monitor is kind to your eyes. It uses a new technology called IFT to reduce screen distortion. Its Infinitely Flat Tube (IFT) technology features a pancake-flat display that provides pure viewing pleasure at a good price. It comes in a nicely curved and attractive enclosure which is about the size of the 17-inch monitor of two years ago. The display output is steady. The charts can be displayed nicely at the 768 x 1024, 1280 x 1040 or even 1600 x 1200 resolution. The image quality is excellent with very deep colors and outstanding detail when displaying graphics. The dot pitch is an astounding .22 mm. The flat screen on this monitor is highly recommended for trading with technical analysis. The semi-flat screens can and do cause distortions of trendlines and indicators that may cause you to lose money in the markets. You may think that you are seeing a signal that you are not. Therefore, it's very important, if you want to be professional, to only use flat screen monitors.

Using either Windows 98 or Windows 2000 you can use a multiple monitor setup with multiple video cards installed in PCI slots in your computer. Make sure the video cards are designed for this. Also make sure the your computer has enough PCI slots for the number of monitors you want. We recommend ATI video cards for multiple monitors.

If you are only trading a few markets or for that matter concentrating on trading only one market like the S&P500 all day long, then we recommend the SyncMaster 170MP by Samsung, the best monitor available today for this purpose. This 17" multi-function TFT-LCD monitor is truly a 21st trading product. It enables you to watch CNBC TV, for example, and the markets at the same time, without additional video cards or equipment. It has an RCA Video & Audio, S-Video and Antenna connector built-in to accommodate RGB Analog input, NTSC, S-Video and TV Tuner. At 1240 x 1024 maximum resolution, it is flicker-free with automatic adjustment in one click of a button. The monitor has pixel pitch of .264mm and a 400:1 contrast ratio. Because the monitor is completely flicker-free you can watch the monitor all day long with virtually no eye strain. It's screen size is more like that of the 19-inch CTR size even through it's called only a 17-inch.

Computer to Use

If you are a trader and you feel that computer reliability and service is of the upmost importance, you should look to the Calypso computer.

This computer has enhanced support capabilities with it's self-healing solution, PC Quick Fix. The new feature enables the computer to undergo a self-healing process, as well as allow the option for end-users to engage in live chat support with technicians. The PC Quick Fix application consists of several components. Appearing as an icon on the desktop user interface, the self-healing module can be instantly deployed by the user. The software allows the PC to reconstruct itself, by recovering deleted or damaged files, and repairing corrupted drivers and registry entries. The process allows users to fix problems efficiently, without having to call a support technician. If a technician is necessary, PC Quick Fix also includes a remote healing module, enabling web portal support. With Internet access available, the trader can log on to the eSupport portal and request assistance from the help desk. Technicians will be able to respond instantly through a live chat interface. In addition, the module allows the technical staff to view the hardware and software configuration and service history log of the end-user's PC. With this information instantly available, service is executed much more efficiently and conveniently. The computer has a 1 year on site and 3 years parts and labor warranty. The on site warranty can be extended.

The new Calypso computer is inexpen-

Samsung 900 IFT

Calypso Computer

SyncMaster 170MP

sive and features a uniquely designed slim mini-tower chassis. Available in white or black, the Calypso provides high performance, with support for either the Intel® Pentium® III or Intel® CeleronTM processor, up to the fastest speeds available. The compact system features integrated sound, video, and networking.

There are two extra PCI slots, which means you can add up to two extra monitors using compatible video cards using either Windows 98 or 2000. The computer is also network ready for connection to either a cable modem or DSL service.

Home-Office Furniture

As far as home-office furniture, we now recommend the Levity interactive tower for the at-home-trader, pictured at the beginning of the article. The table is height-adjustable and allows the user to spontaneously change their position and their environment throughout the trading day. The interactive tower encourages spontaneous movement to virtually any working position from sitting on the floor to standing. The 13-to-50-inch height-adjustment range accomodates users of any size, from the 1st percentile female to the 99th percentile male, in all positions.

The tower height-adjustment mechanism is a simple gravity-driven counterbalance system allowing "touch of the finger" adjustments. There are no switches, motors, or cranks. It works like a weight machine. The tower can accommodate monitors as large as 24" and up to 100 pounds. Flat screens can also be used. The tower rests on six casters to allow easy movement both within the office or throughout the facility. The tower can be folded to roll through a doorway as narrow as 30 inches wide. The tower easily fits into a 48-inch corner.

The chair we recommend is the Herman Miller Aeron chair, pictured under the title. Winner of countless awards, including the IDSA/Business Week Design of the Decade, it was a breakthrough when introduced in 1994. There's been nothing like it since. You can't miss its one-of-a-kind look. And when you sit down, you'll feel what all the fuss is about.

M.I.M.E. Software

How much time do you spend trading on your computer during every day...an hour, three hours or more? With Neurosync M.I.M.E. software you can utilize that time to motivate yourself to reduce stress; stop fear and greed; follow your trading rules; get control of your trading; achieve your trading goals; enhance creative trading ideas; stop procrastinating to make trades; help relax more during trading hours; get your mind in the perfect trading zone; stop smoking, exercise and eat better food; and do all of this and more while you trade online. M.I.M.E. is based on scientific research and clinical testing.

Mind Conditioning

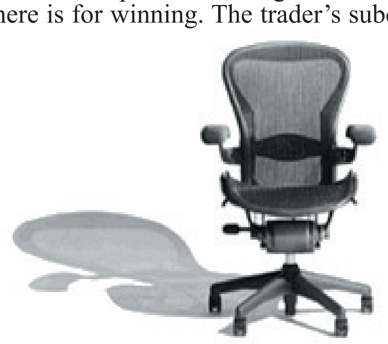
It is estimated that 90% of traders lose money in the markets. What causes any trader to win or lose trading the financial markets? One important key factor is mind conditioning. Mind conditioning can overcome the psychological weaknesses of a trader. Traders can condition their minds for online trading with a new software product for their computer unlike anything ever seen before. It's called Neurosync M.I.M.E.

In a survey published in *Traders World*, traders identified their major weaknesses in successfully trading the markets as: 1) Execution, (when to pull the trigger); 2) Analysis; 3) No confidence in their trading; and 4) Inferior trading plan. The traders' replies were from their own viewpoint; what they felt prevented them from being capable traders. If a poor trader is going to become a successful trader, he must change how he views his ability to trade.

The most important trader's weakness to overcome is an inferior trading plan. To be successful the trader must: 1) Obtain a competent trading methodology; 2) Dig out a profitable trading plan from the methodology; 3) Put together rules for the plan; 4) Back-test the trading plan; and 5) The trader must use self-control to trade the plan.

Once a trader has a good trading plan which has been successfully back-tested he must have a way to implement it. Having a good trading plan and implementing it are two different things. Many traders freeze-up when they attempt to trade. The trader was unable to take action even though he knew the market changed direction. He could not pull the trigger. This happens because trading and analysis of the markets are two different things. There are many intelligent analytical researchers around who cannot successfully trade the markets for this reason.

To be successful a trader must develop a mental equilibrium between actual trading and analysis of the markets. The greater the equilibrium, the greater chance there is for winning. The trader's subconscious mind must accept the fact that he has a good trading plan and transmit it to his conscious mind.



Herman Miller Aeron Chair

One of the things the trader must overcome is the subconscious memory of prior losing trades. In an attempt to prevent additional losses, the subconscious utilizes the memory of failure to create an indecisive, potentially paralyzing reactive state which inhibits decisive action and results in lost opportunity for a successful trade. That is why when he is about to take a trade, his adrenaline flows, he starts to sweat, and he goes into a state of fear. He freezes up.

To assist the trader in correcting the problems of the balance between actual trading and analysis of the markets and past losing memories, this new Neurosync M.I.M.E. software, which is fully user programmable, can be programmed to play continuous subliminal messages telling the trader he has a good trading plan and to have confidence in it. The software can play soothing and relaxing background sound files with embedded brainwave synchronization tones which put the trader's mind in the right frequency zone to stimulate mental trading clarity.

So if the trader has a high-quality, back-tested trading system his subconscious and conscious mind can act in harmony, and he can more effectively execute his trading plan.

Using Neurosync M.I.M.E. is easy! Three amazing software programs in one! The trader simply chooses subliminal messages (as few or as many as he wants to use at a given time) from the 500 preprogrammed subliminal messages on the pop-up menu, or he can create his own. The visibility of the subliminal messages and the flashing rates are fully adjustable.

The trader then clicks on the brainwave program he wants to use based upon whether he wants to have confidence, follow his trading plan, stop freezing up when he buys or sells, etc... Information about brainwave states and how they effect the mind is available on Neurosync's user friendly pop-up menu. There are over thirty preprogrammed choices or a trader may easily create his own.

The trader may use either the brainwave synchronization mode or the subliminal message mode without using the other modes, or use them together for maximum effect.

If he desires, he can choose one of the Neurosync's optional sound files to put his mind at an alert state for more effective trading. They may be used with other modes or alone. The trader simple activates the programs he has chosen and forgets about them as they work on him while he day-trades the markets.

For more information on these new products go to www.tradersworld.com or call 800-288-4266.

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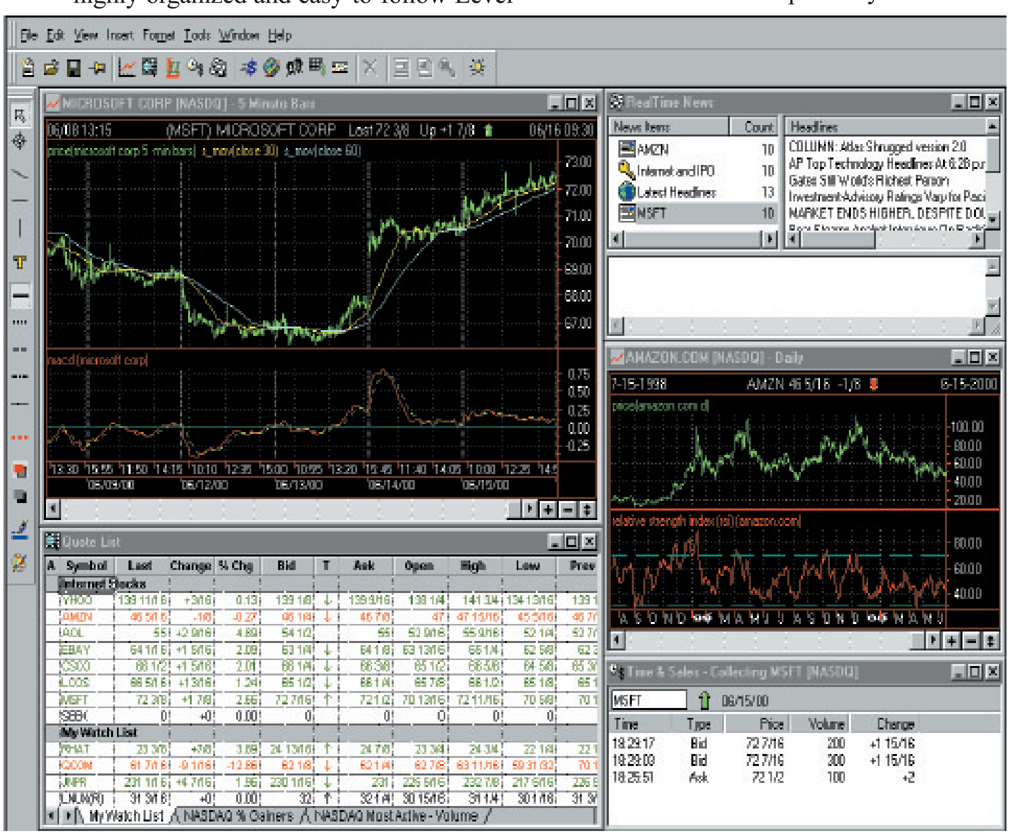
Gives you a wealth of charting capabilities and timing indicators

WindowOnWallStreet.com gives you a wealth of charting capabilities and timing indicators. You can choose from a full range of chart types including Price, Candlestick and more. You can go right into the action with real-time daily charts, intraday tick charts, user-defined minute bar charts and tick bar charts.

The program allows you to ramp up your market analysis with 40 different indicators such as Accumulation/Distribution, Average Directional Index (ADX), Average Directional Index Range (ADXR), Average True Range (ATR), Bollinger Bands (weighted), Chaikin Oscillator, Commodity Channel Index (CCI), Directional Movement (+DI), Highest High for x Periods, Lowest Low for x Periods, Stochastics, Relative Strength, MACD, and Momentum just to mention a few.

The key drawing tools are also available including Fibonacci Tools, Arcs, Fans, Time Zones, Andrews' Pitchforks, Lines, Gann Angles, Gann-Retracement, Quadrant Lines, Speed Resistance and Text. All of which are updated in real time, tick by tick. This type of up-to-the-tick analysis is an incredible advantage for traders targeting quick momentum moves or for investors that want to get the best buy/sell price for their long-term trading strategy. The highly organized and easy-to-follow Level II screens let you quickly see how the Market Makers and ECNs are lining up. Use Level II data and their depth and size graphs to quickly spot imbalances to the Bid or Ask side. Plus, you can easily track Market Makers and ECNs to see who's the major player in each stock and whether they're buying or selling, giving you a substantial trading advantage. You can combine Level II with real-time intraday charts and Time & Sales windows, and you have the best opportunity to trade off of buy side or sell side biases, while getting greater insight into the true intentions of the market participants.

Dynamically updating Time & Sales windows list detailed trade information as it occurs in real time, instantly displaying a list of every trade for a security, including the best Bid and best Ask changes. This tool helps you gauge the support and resistance of certain price points and determine the volume behind each trade. For example, a few minutes before the market opens in the morning, you can use Time & Sales windows to see the Bid & Ask prices as they are sent by the exchange. This is a great way to spot stocks that are going to gap up or down on the open. Another major benefit of Time & Sales is that it gives you the history of trade records for a specific point in time. This way you can confirm if your fill was reasonable based on the time stamp from your broker.



One of the most exciting and insightful tools is the Quote List. The Quote List serves several functions at once. First, it gives you immediate "at a glance" knowledge of where the securities you're following are right now. It instantly alerts you when your price or volume targets are met. Second, it provides over 40 data points including Last Trade, Bid/Ask, Intraday High/Low, $ Change, % Change, Volume and many more.

It's virtually impossible to keep up with all of the options available for a particular symbol on your own, with new ones being added all the time. This program makes it easy to see all of the options available for the symbol you're following. You get detailed, real-time trading information for an entire option chain—that's all the options currently available for a symbol, including LEAPS—simply by entering a symbol name or root. It's like a quote window just for options. You can then sort an entire chain by clicking on over 40 column headings and a filter based on expiration date, strike price, or open interest. You can pinpoint the hot stocks to trade by creating up-to-the-minute ranked lists for a number of different criteria. The Market Leaders window allows you to see which stocks are making the big moves with just a glance at your screen. Or, sort a list of the NYSE, Nasdaq or Amex Most Active Stocks by exchange.

You can get real-time, in-depth, full-text news coverage from leading sources, plus powerful search features to quickly find the news that matters to you. Easily set up searches using Symbols, Keywords, and Logical Keyword Expressions. You can even couple your searches with real-time alerts, so you have the coverage you need and the timeliness to make profitable decisions.

The program has a dynamic Internet research feature that allows you to harness the vast resources of the Internet directly within WindowOnWallStreet.com. You can jump directly to your favorite research site, online broker, or even the corporate Web site, by simply right-clicking from within any chart or window in WindowOnWallStreet.com. The dynamic Quick Quote feature will instantly show you the latest information, and then drill down to the current news or financial information for that symbol at the research site of your choice.

The Active Ticker is an invaluable tool for helping you keep track of the market. Its inventive, yet simple design allows it to be placed anywhere on the screen.

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A tool NAAS uses in making predictions in the tool that plots time and price and is referred to as the “wheel” or “square of nine”. The new Gann Harmonic Wheel comes with an easy to understand instruction manual with color chart examples and a video tape explaining how to use the Gann Harmonic wheel in market analysis. We have made major improvements in this ancient calculator. We have enlarged it and have rearranged the dates. Its dimensions are now 18 X 18 inches and it is manufactured of very durable plexiglass with scratch resistance overlays. You can buy this improved version only from North American Agricultural Services.

The Harmonic Gann Wheel is based on the mathematical theory of Pythagorean. Also called the square of nine, the Harmonic Gann wheel is the most important mechanical tool we use in our market analysis! The Harmonic Gann wheel comes with a easy to understand instruction manual with many chart examples and a three hour video tape showing how to use the Harmonic Gann wheel in market analysis.

W.D. Gann was not the first genius to apply the Pythagorean Theory. Galileo (an Italian astronomer and physicist) in the 17th century used it to find the height of certain mountains on the moon. Astronomers still use the same principle today to find out how far away stars are from the earth. Surveyors use it to find the distance across a body of water. The military use it to determine the elevations of their cannons and launching of their missiles. W. D. Gann was the first to apply this principle to market analysis. We have made major improvements to this ancient calculator. We have enlarged it and have rearranged the dates making it a accurate cycle calculator. Its dimensions are now 18 X 18 inches and it is manufactured of very durable Plexiglas with scratch resistance overlays. You can buy this improved version only from North American Agricultural Services.

Remember: If you always do, what you’ve always done, then you’ll get what you always gotten. If your looking for something to help you with market analysis, then order this calculator!

NORTH AMERICANS AG ANNUAL SEMINAR

On Saturday February 19, 2000 North American Ag held a commodity seminar in Sioux Falls, South Dakota. . At the seminar commodity trading advisor Dave Gleason, editor of the North American Ag Report and designer of the Harmonic Gann wheel explained how to use the Harmonic Gann wheel in market analysis. If you want to learn how to use Gann and cyclic analysis in your marketing and trading decisions you can order the video tape and charts used at the seminar on our order form.

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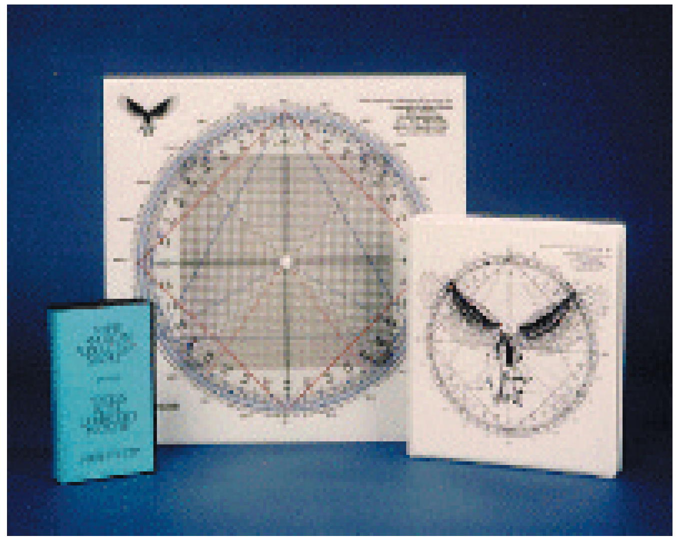
Subscribe to THE NORTH AMERICAN AG REPORT for one quarter and receive free a complimentary copy of the video “CYCLES IN THE COMMODITY MARKET SIOUX FALLS”. This video includes instruction on how to use the Gann Harmonic wheel and Pete Pich’s Ganntrader 2.1 Software in market analysis (A $99.00 VALUE). The cost of the North American Ag report is $360.00 a year, with no setup fee. You may also enroll in a 3 month trial subscription for $90.00, plus a one time setup fee of $7.00.



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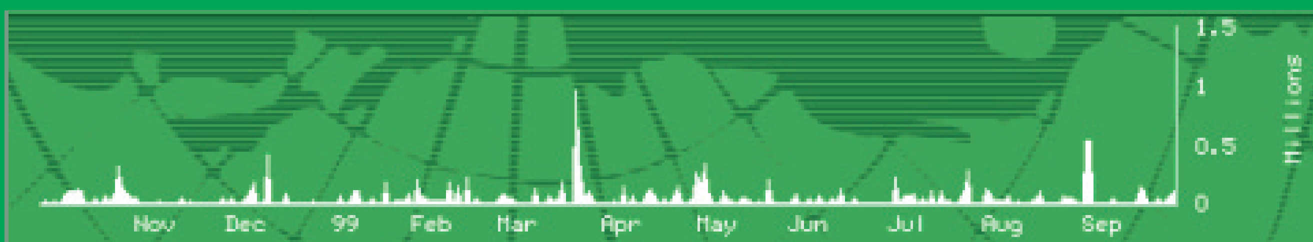

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Improve Your Trading

New BioElectrical Shield

As a trader in front of a computer, do you find yourself fatigued, stressed and nervous in trying to find buy and sell signals? Do you find that you can't make money trading even though the signals are there?

Research is finding that the 60 hertz electromagnetic fields emitted from your computer weakens the body, and in particular, the *opponens* muscle, the muscle which is associated with brain functioning in applied kinesiology.

This is a possible reason why you may not have been able to make money trading the markets using a computerized technical analysis software program. This is also the reason that many day-traders who sit in front of a computer all day can't make money. Their brain simply can't function properly with the electromagnetic fields being emitted from their computer. Some of the latest computer screens do have MPRII shield protection, but it still does not stop all of the emissions from the computer screen and it does not stop the electromagnetic emissions from the computer box.

There is a product called the BioElectric Shield™ which shields you from these electromagnetic brain-drain-

ing emissions. The BioElectric Shield is composed of a matrix of precision cut quartz (and other) crystals designed to balance and strengthen your natural field. Max von Laue won a Nobel Prize in Physics in 1914 by showing that x-rays could be reflected and redirected with zinc-sulfide crystal (ZnS), in much the same way as mirrors are used to reflect and redirect visible light.

William Bragg won the Nobel Price in 1915 for establishing "Bragg's Law," which determines the specific crystal spacing (i.e. the specific lattice spacing) needed to reflect and redirect any type of electromagnetic energy.

Since then, scientists have used crystals to reflect and redirect other types of electromagnetic radiation (like gamma rays). Modern science also has made extensive use of the fact that different crystals "resonate" at different frequencies. The first shortwave radios and electric watches were made of quartz crystals, because quartz amplifies and stabilizes only certain fixed frequencies of vibration. For the same reason, the first lasers were made from rubies. The Bioelectric Shield strengthens your energy field in two ways: first by deflecting and redirecting energies that impinge on you from your environment, and secondly, by reinforcing your own natural energies so that they are much less susceptible to outside disturbances.

Over the past 5 years, more than 12,000 people have been tested using traditional applied kinesiology, a finger dynamometer, or computerized myography. Approximately 98% of this group showed a decrease in muscle strength when exposed to 60 hertz frequencies such as computers. Of this group that was weakened, 99% were strengthened when a Shield was worn. Research was conducted by Dr. Charles W. Brown, Dr. Yvonne Yurichko, and Virginia Bonta, Occupational Therapist. Additional, double-blind studies were performed by the two doctors to rule out a placebo effect. Of the 50 subjects tested, none were strengthened by the placebo and all were strengthened by the Shield.

The BioElectric Shield is a silver pendant with brass accents and contains a scientifically researched activated matrix of quartz and other crystals inside. Nobel prize winning physicists have shown crystals can stabilize and redirect energy. The shield utilizes these same principals to help traders who work with computers cope with the effects of the electromagnetic fields emitted from their computer. The shield is an energy cushion between you and the brain-draining power of your computer..

The basic shield sells for $139.95 plus $4.95 shipping in the U.S. For more information about the BioElectric Shield™, call Traders World at 800-288-4266 or go to www.tradersworld.com.

For more information circle No. 44