NEW & COMPLETELY OVERHAULED EDITION

(STANDARD BOOK ON FINANCIAL ASTROLOGY)

HOW TO FORECAST PRICES

AND

WINNERS IN HORSE RACES

(With Astrological Forecast of Prices of Cotton, Grains, Oil-seeds etc. and Rainfall from September 1947 to June 1950 A.D.)

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PREFACE TO THE THIRD EDITION

1. I offer this humble contribution of my several years' research work to all lovers of Financial Astrology in its revised and up-to-date form.

2. Any layman, with average intelligence, can study this book easily. I am confident that an intelligent use of this book should give you very good results. It should prove a **VERITABLE MINE OF RICHES** to enable one to be a millionaire.

3. Speculators, Businessmen, Merchants and Land-Lords will find thousands of useful suggestions for themselves in this book.

4. I, in all humility, invoke His Light, His Help, and His Blessings on me in the exposition of this highly intricate subject which bristles with enormous difficulties. I have implicit Faith in Him that He, who has made the Planets and the Stars, will see that this humble attempt of His votary, at these General Forecasts of prices and Rainfall from Sep. 1947 to June 1950 A. D., turns out to be true.

Panjrapore Buildings,
Karachi, 6th Sep. 1947.

T. G. BUTANEY

PART I.

1. ECONOMIC FACTORS GOVERNING THE PRICE-LEVEL.

IN any act of purchase or sale, there is an exchange between money and some commodity. If you are a buyer, you pay down money and get the commodity you desire. If you are a seller, you get money and give the commodity which is demanded. A buyer is thus buying the commodity for money; or which means the same thing, though it may appear strange, the buyer "sells money" for the commodity. A seller, on the other hand, is selling the commodity for the money; or, in other words, he is 'buying money' for the commodity. It comes to this, that when buying a commodity, you are selling your money for it; and when selling a commodity, you are buying money for it. Money is thus bought and sold just as commodities are bought and sold. In fact the two processes go together in every act of exchange.

Now when you are doing an act of exchange, purchasing or selling, you do so at an agreed price. How is this price fixed? When purchasing, you measure the commodity in terms of your money; similarly, the merchant measures the value of your money in terms of his commodity. If the two valuations coincide, you arrive at an agreed price. Take the example of a wheat merchant. Suppose he sells twelve lbs. of wheat for a rupee. In your opinion, your rupee is worth twelve lbs. of his wheat; and in his opinion, his twelve lbs. of wheat are worth your rupee. Thus the value of twelve lbs. of wheat is one rupee; and the value of a rupee is your twelve lbs. of wheat. This may appear commonplace; but it is of great significance. The price is proved to be a ralationship between money and commodities. The price, therefore, depends both upon money and commodities. There may be change in the price of a commodity, though conditions governing the commodity may remain the same; and this because of some change in 'money' conditions. You are popularly told that the price of commodity depends upon the demand and supply of the commodity, and therefore you can forecast the price of commodity, if you knew its supply and demand. This is wrong; because price depends not only upon commodities but also upon money. If the Reserve Bank of India were to issue twice the quantity of currency notes now in circulation, the price-level would be nearly doubled, other things remaining the same. So if you want to know the trend of prices, YOU MUST WATCH NOT ONLY THE STATISTICAL POSITION OF THE COMMODITY BUT ALSO THE MONETARY SITUATION.

We have found that the price-level depends upon the position of the commodity and money. We may first take up "the side of commodities." We are told that the price of the commodity depends upon the Demand and the Supply of the commodities. This is a very bald statement which must be amplified before it can be understood. Take for instance the building trade in Karachi. Suppose due to insecurity, the people of the Upper Sind, all of sudden, flock to Karachi. The supply of houses cannot be suddenly increased to meet the greatly increased demand for tenements. If the people suddenly left Karachi due to fear of air-raids, the prices of houses will fall due to decreased demand. The supply of houses cannot be suddenly decreased due to fall in demand. Generally, in a short period of time, supply of any commodity can neither be increased nor decreased, therefore supply may be taken as a constant factor in a short period of time. ***It is demand that determines price in a short time.***

If you are operating in wheat or cotton before the next crop will be ready, make a careful study of demand conditions in the world. The reason, why the price of certain commodities rises on declaration of war, is that supply cannot be suddenly increased; but demand, due to war, jumps up. ***So in a short period of time, before the supply of commodity can be increased, demand is more influential than supply in determining the price.***

But in the long period of time it is supply which is more influential than demand. If you are operating in wheat or cotton after the next crop is ready, make careful study of the crop conditions in the producing centres of the world. Price will, in the long run, depend more upon supply than upon demand.

Now you have understood the meaning of the vague statement that the price of a commodity depends upon the demand and the supply of the commodity. But as I have shown in the beginning, price depends also upon monetary conditions. It must be made clear here that money means not only the currency notes but also the credit given by banks and bankers. If a bank places to your credit a sum of Rs. 1,000 which entitles you to draw cheques against this credit, it is as if you had deposited Rs. 1,000 in the bank. As a matter of fact, you have not deposited even a rupee and the bank has advanced you a loan of Rs. 1000. Credit or bank-money is as good as Government money or what we call currency. Price does not only depend upon money so defined but also upon the rate of circulation of money in the market. ***If the rate of money circulation is faster, other things remaining the same, the price-level will rise.*** So if you find that money is rapidly changing hands in the market, you may expect a rise of prices. Now if you want to study the money situation, you must know the quantity of currency notes issued, the bank rate at which loans are advanced and the circulation of money in the Market. If you are operating in the Indian market, you must carefully study the statistical returns of the Reserve Bank of India which appear in the Government Gazettes and the important daily papers. But the price-level of the commodities, which enter into international trade, is affected by the monetary situation in all the countries which produce those commodities. So you must make a study of the monetary conditions in the principal countries of the world, specially the United States of America and Great Britain. The statistical returns of the Federal

Reserve Bank, the Bank of England and other important banks published in the *Economica* are very valuable.

There are other factors also which influence prices, but those factors operate by producing changes in the fundamental conditions of demand and supply of commodities and money. So if you have a grasp of money and commodity statistics, you can, with a reasonable expectation of accuracy, forecast the price-level.

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2. PRINCIPLES OF SUCCESSFUL SPECULATION.

IN big commercial centres like Bombay, Calcutta and Karachi, there are several Associations and Exchanges which do enormous business in commodities, stocks and shares. Surprisingly, the commodities, stocks or shares are not physically found in these places. If you visit a Bullion Exchange, you naturally expect to see gold and silver bars. If you visit a Grain Association, you will naturally look for bags of wheat, linseed, groundnuts etc. If you go to Cotton Exchange, you expect the place to be full of bales of cotton. But you look in vain for bullion in the Bullion Exchange, for grain in the Grain Exchange, and for cotton in the Cotton Exchange. All that you find is a mass of strange men, howling at each other and crying out figures which appear to you mysterious. You feel puzzled. Then you settle down and begin to understand that these people are buying and selling gold, silver, grain, cotton, shares or Government securities, as the case may be.

Then, there is another question that puzzles you. Suppose you are in a Cotton Association. There is no cotton in the Cotton Association. Then what are sellers selling and the buyers buying? Have the sellers got any cotton in their godowns or anywhere on the earth? No. They have absolutely no cotton. Not only 99 percent of them have no cotton, but not even a godown which they can call their own to keep it in. Then what are the buyers buying? How do they expect to buy from people who have nothing to sell?

WHAT IS SPECULATION? You are told, in reply to these questions, that they are "***merely speculating***" or "***dealing in the future.***" What does all this mean? The sellers agree to sell to the buyers the commodity in question at a future date. In fact, there will be no exchange of the commodity at that future date. Why are they then buying and selling? Obviously for profit.

CORRECT JUDGMENT & DARING. How are they to make profit if there is to be no actual exchange of the commodity? Can something come out of nothing? Usually, no; but on the Exchanges, it does. He, who is able to guess correctly what the price on a particular future date will be, gains; and whosoever makes an incorrect guess, loses. The speculators guess what the price will be in the future and speculate accordingly. They buy and sell in accordance with their expectations of the level of prices in the future. Suppose the price of wheat is Rs. 4 a maund to-day and you expect that it will rise to Rs. 5 three months hence. You purchase wheat to-day at Rs. 4 for delivery three months hence. If you have guessed correctly and the price actually rises to Rs. 5, you gain Re. 1 per maund. You get from the seller not wheat but your profit of Re. 1 per maund. If your guess is incorrect and the price falls to Rs. 3 per maund, you lose Re. 1 per maund which you pay down in cash to the seller. So what you require in the business is not commodity but cash; but more than cash you must have brains. Without brains, there can be no insight in the future and without cash there can be no daring. INSIGHT INTO THE FUTURE AND DARING ARE THE TWO ESSENTIAL QUALIFICATIONS OF A SUCCESSFUL SPECULATOR.

BULLS AND BEARS. Now, suppose you possess these qualifications and desire to mint money by speculation. You enter the market and find all sorts of people as in the world outside. Some people expect that prices will rise and the others that the prices will fall. Those, who expect a rise in prices, buy so that they may sell at a profit when the prices rise. Those who expect a fall in prices, will sell so that they may buy when prices fall and thus get a clear profit. Those, who expect prices to rise and speculate accordingly, are known as **"BULLS"**; those who anticipate the price-level to fall and speculate accordingly, are known as **"BEARS"**. When a rise in prices is expected in the market, **"THE BULLISH SENTIMENT"** is said to dominate the market; and when prices are expected to fall, the market is said to be dominated by **"THE BEARISH SENTIMENT"**.

STUDY THE SENTIMENT OF THE MARKET. The tug of war between the Bulls and the Bears continues unabated from day to day. When you enter the market, YOU SENSE THE SENTIMENT OF THE PUBLIC. *If the sentiment* *of the public is bullish, play the role of a Bull; but if it is bearish, play the part of a Bear.* The behaviour of the market will show you clearly what course the market is going to take. STUDY THE SPECULATIVE CURRENT AND LEARN TO FALL IN LINE WITH IT. If you ignore the market sentiment, you will invite disaster on yourself and can never be a success in Speculation. RIGHT JUDGEMENT OF THE MARKET SENTIMENT COUNTS A GOOD DEAL FOR SUCCESS IN SPECULATION.

STUDY THE STATISTICAL POSITION OF THE COMMODITY AND RESISTANCE PRICE-LEVEL FROM CHARTS. Now you must, therefore, begin to think; but thought must have some food to feed itself upon. There must be some materials in your possession before you could successfully speculate. These materials are the statistical charts of the production and prices of the commodity in question; and these charts must be for various periods: one for the last twenty years, taking the average price and production for each year; another for the last five years, taking the average price every month; a third for the last six months, taking the average price every week; a fourth showing you the daily price for the last two months. You should prepare the graphs of these price-levels and mark the Resistance Level in them.

LAW OF SUPPLY AND DEMAND. Since you have now the materials in your possession, you must bring to bear upon them a scientific attitude of mind. Prices do not rise because the Bulls so desire; nor do they fall because the Bears so anticipate. The price-level rises or falls due to changes in the fundamental conditions of Demand and Supply. You must study these fundamental conditions, which obtain in the world markets and remember the scientific laws that "IN THE SHORT PERIOD OF TIME, DEMAND IS MORE INFLUENTIAL THAN SUPPLY IN THE DETERMINATION OF PRICE: BUT IN THE LONG PERIOD OF TIME, SUPPLY IS A MORE POTENT FORCE THAN DEMAND IN THE FIXATION OF THE PRICE."

STUDY THE POLITICAL CONDITIONS. Once you have grasped these fundamental conditions of demand and supply, you proceed to study the political situation in your own country and in the world. In modern times, the political situation is of such paramount importance in determining price-levels that it over-rides even the fundamental conditions of demand and supply. It is a matter of vital significance if a commodity is produced in a belligerent or in a neutral country. War and peace affect demand greatly. SO YOU MUST KNOW NOT ONLY THE 'ECONOMICS' OF THE COMMODITY BUT ALSO ITS 'POLITICS'.

OVER-TRADING SPELLS RUIN. Before you venture to speculate, always take stock of your financial resources and decide how much you are prepared to lose, lest it should bring you discredit and dislocate your work. Suppose you want to risk Rs. 600. You should speculate to the extent of $\frac{1}{6}$th of your amount in your first deal. If you fail in the first venture, be calm and make a thorough study for future success. In that way you will be operate six times. If ill-luck attends you five times, I am sure the sixth deal will prove so very profitable that you will not only recoup all your losses but it will leave you with a credit balance. Therefore, NEVER OVER-TRADE. Thousands of speculators have met with utter ruin because they have traded beyond their means. Once the market goes against them, they are obliged to close their transactions with a huge loss to themselves. OVER-TRADING SPELLS RUIN.

CUT YOUR LOSSES QUICKLY. You are now in the thick of the business. You feel worried as to what to do under varying circumstances. You should habituate yourself to practise the above axiomatic truths in speculation. As soon as your limit of loss is reached in case the market behaves unfavourably to your deal, learn to cut your losses quickly. What does a novice do? When he sees that the market has behaved favourably to his deal, he is in haste to secure the profit; but when the market goes adverse to his deal, he sticks to it like a leech, thinking that the market might act favourably one day. To his utter disappointment he finds that the transaction has resulted in a huge loss which he is unable to pay. He is then compelled to close it at an enormous loss to himself.

LET YOUR PROFITS RUN. When the market behaves favourably to your deal, do not be in a hurry to close it but "Go Long." You close your transactions only when there is a marked downward trend. Take an example. Suppose you are operating in the Indian Cotton Market. It is affected by American Cotton production. You learn that the American Cotton crop is below estimate; and that Japan is making heavy purchases of Indian Cotton. You expect, therefore, that prices will rise; and you become a "Bull" You buy 200 bales of Cotton at Rs. 180; it rises to Rs. 185, Rs. 190 and then recedes to Rs. 186. But wait, this recession from Rs. 190 to Rs. 186 is delusive. You find the price suddenly jumping to Rs. 204. Again you will find it receding to Rs. 196 on profit-taking. You have fortified your position against a further decline of Rs. 16. Now instead of selling your cotton to secure profit, you should, on the contrary, purchase half the quantity of the first deal *i. e.* = 100 bales at Rs. 196. This is known in speculation as **"Pyramiding"**. You should learn to take the fullest advantage of the bullish sentiment dominating the market. So long the public fall in line with the big bull operators, cotton market will continue to rise with occasional set-backs. As the market goes on rising, you should learn to buy on reactions to carry a long interest; but *take special care that every subsequent purchase should be half of the preceding deal so that average should be higher.* Suppose at

Rs. 250 you feel the market heavy. There is a tug of war between the Bulls and the Bears in the market and it remains steady. You also sense that the Bears are trying to shake the Bullish sentiment of the public by spreading rumours which are believed by the public. Suddenly, the market recedes on a day by Rs. 15, and cotton is quoted at Rs. 235. You should make haste to close all transactions, cash your profits, get out of the market and survey the situation dispassionately with an unprejudiced mind. If you find that in a few days cotton has dropped to Rs. 220, it is a clear signal that the bearish sentiment has overtaken the market. Then when the market gets a reaction and rises by a few rupees, you should play the part of a "Bear". It is in this way that you will have the fullest advantage of the rise and fall in prices.

NEVER AVERAGE YOUR LOSSES. While speculating "***Never average your losses***" for the losses never get averaged. If you are losing on one deal, do not enter into another deal to average the loss; but immediately quit the market; otherwise you will lose on both the deals. Suppose you have purchased 50 bales of cotton at Rs. 240 and the price falls to Rs. 225. Do not purchase another 50 bales in order to cover the average of Rs. 240 and 225. When the price after reacting to Rs. 226, recedes further, you are faced with a loss on both deals. You thus suffer a heavy loss. THEREFORE LEARN THE TRUTH OF SPECULATION "NEVER AVERAGE YOUR LOSSES."

PRESERVE A CALM AND BALANCED MIND. The most important of all the above maxims in speculation is calm and balanced mind. It will keep you steady. In a period of high bullish activity, many bearish rumours are set afloat. It is advisable not to clear out of the market suddenly and take to the opposite side; but wait and watch whether the rumours are false or true. Sudden changing of sides is bad in the market as in life it does not pay.

OBSERVE THE THEORY OF REACTION. Whatever the trend of the market may be, every market observes the Theory of Reaction. Suppose cotton is quoted at Rs. 180. The trend of the market is distinctly bullish and after three days cotton touches Rs. 200. There is bound to be profit-taking when there has been a rise of Rs. 20 during three days. Wait for a reaction by a few rupees and then enter the market on the bullish side.

CHO SE A GOOD AND EXPERT BR KER. Always choose an honest and reliable broker and keep him in your confidence. He knows the parties more than you ever can. He is "*the man on the spot*" and you must, therefore, trust him.

By learning to practise these grand truths of speculation explained above, you will be able to make money in speculation; in case otherwise, lay to heart: "**Fortune woos but Few.**"

T. G. BUTANEY.

3. THE GOLDEN RULES OF SPECULATION

1. Divide your capital into six equal parts and never risk more than one-sixth of your capital on any one deal.
2. Use Stop Loss Order. It is a safety valve to protect the trader. In normal times, the stop loss order should be a few points up or down ; but in abnormal times, after looking to the fluctuations, fix the stop loss order a few more points either way. Place the stop loss order at the time you make a trade and do not cancel it without sufficient reason.
3. Never Over-trade. Over-trading spells ruin.
4. Never let a profit run into a loss. Protect your capital and your profit. When any transaction shows a profit, still put a stop loss order at a point where you will have no loss should the market reverse. In this way, the risk is minimised and the possibility of profits is unlimited.
5. Do not act against the trend but fall in line with it.
6. Accumulate a Surplus. After you have made a series of successful trades, put some money into surplus account to be used only in emergency or in times of peace.
7. Never average losses.
8. Avoid taking small profits and big losses.
9. Be just as willing to sell short as you are to

buy. Let your object be to keep with the trade and make money.

10. Avoid increasing your trading after a long period of success.

11. Never Go Short or Go Long when the commodity moves up into New Territory.

12. Keep and maintain :—

    (a) The daily graphical charts of prices.

    (b) The daily highest and lowest charts of prices.

    (c) Weekly highest and lowest charts.

    (d) Monthly highest and lowest charts.

14. When you notice from the charts that the trend has changed, then change your side immediately.

14. Pyramiding should be done in the following manner :—

    1st Deal 200 bales.
    2nd Deal 100 bales i. e. $\frac{1}{2}$ of the 1st Deal.
    3rd Deal 50 bales i. e. $\frac{1}{2}$ of the 2nd & so on.

15. A pyramid should always be followed up with a stop loss order no matter what methods you use, because your profits must be protected. Pyramid on Reactions only.

16. If unhappily your first margin is exhausted due to market behaving adversely to your deal, do not put more money, but get out.

T. G. BUTANEY.

PART II.

FORECASTING PRICES OF COMMODITIES ACCORDING T WESTERN ASTROL GY (SAYANA SYSTEM)

Note :—I shall teach ycu only the names of the planets, of the Zodiacal signs and how to use yearly Ephemeris by Raphael or one issued by the Ujjain Observatory India correctly and not to bore you with complex problems of Astrology. But I have to request you to learn and digest with care the barest elements of astrology, given in the following pages.

Q. 1. *What is a horoscope?*

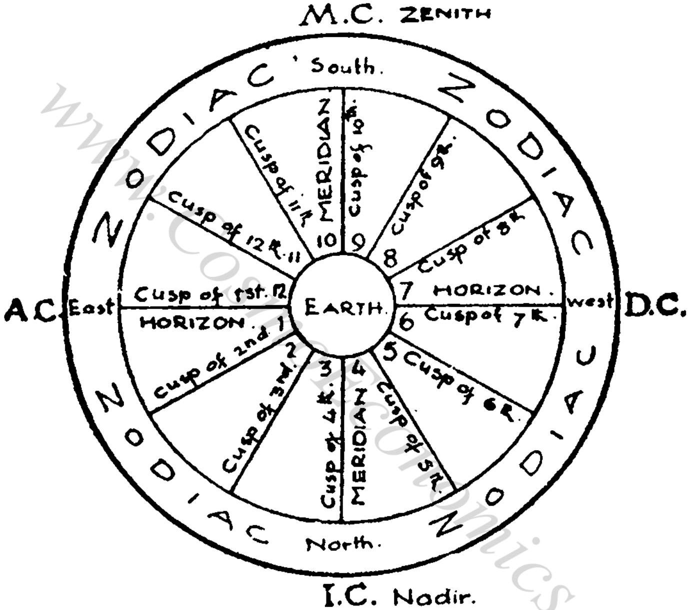
A. A horoscope is "an exact map of the heavens as viewed from a particular place on the earth at a particular time."—Robson.

Q. 2. *Look at the diagram on page 22 and explain the following terms:—*

(1) The Earth. (2) The Zodiac. (3) Houses. (4) Ascendant or East. (5) Descendant or West.

A. (1) The Earth: The small circle in the centre represents the Earth.

(2) **The Zodiac.** Mark the two outer circles. The space between the circumferences of the outer circles represents the belt of the Zodiac surrounding the earth and the planets.



(3) **Houses.** The whole Zodiac is divided into 12 divisions by means of spokes. Each part is called a house. The whole Zodiac covers 360 degrees, therefore, each house covers $360 \div 12 = 30$ degrees.

(4) **Ascendant or East.** What is ordinarily called West in any map is called Ascendant or East in astrology. When any planet is seen on the Ascendant, it is said to rise.

(5) **Descendant or West.** What is ordinarily

called East in any map is called Descendant or West in Astrology. When any planet is seen on the Descendant, it is said to set.

Note :—There are 12 houses in all. The earth rotates on its axis from West to East once in 24 hours. The rotation of the earth from West to East causes a planet to appear above the Ascendant i. e. in the first house, pass upwards through the houses 12, 11, 10.........and through all 12 houses in 24 hours.

Q. 3. ***How many planets are there?***

Note :—I tried very hard to secure the astrological signs, but I could not. I therefore, request you to fill in the empty column with signs from Raphael's Ephemeris or Ephemeris by Lahiri or Ephemeris issued from Ujjain. Some signs are given in the diagram of Question 5 on page 25.

A. The Sun, the Moon, Rahu (Dragon's Head) or the North Node of the Moon, Ketu (Dragon's Tail) or the South Node of the Moon, are not really planets but we include them in the list because they exercise a powerful influence on the prices of commodities.

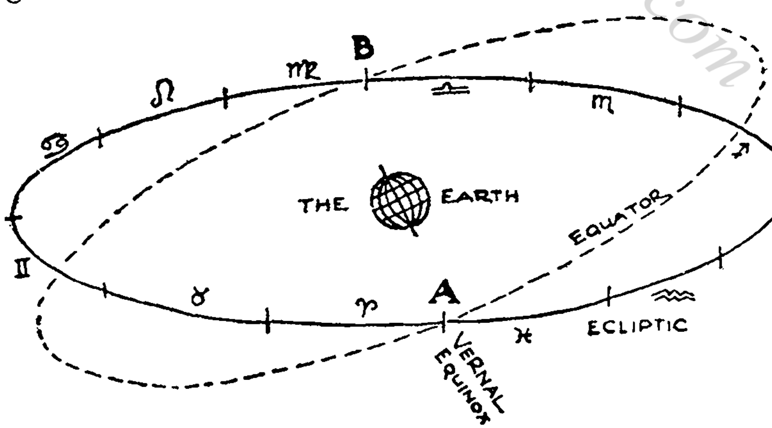
No.	*English Name*	*Hindi Name*	*Symbol*
1.	Sun	Ravi	
2.	Moon	Chandraman	
3.	Mercury	Budh	
4.	Venus	Shukar	

No.	*English Name*	*Hindi Name*	*Symbol*
5.	Mars	Kuja	
6.	Jupiter	Guru	
7.	Saturn	Sani or Manda	
8.	Rahu	Rahu	
9.	Ketu	Ketu	
10.	Uranus	There are no	
11.	Neptune	Hindi names for	
12.	Pluto	these planets.	

Rahu and Ketu are the North and South Nodes of the Moon respectively. Uranus, Neptune and Pluto have been discovered lately and were not known to the ancients. The effects of Uranus and Neptune have been carefully watched and correctly judged; but of Pluto little is known. All are considered malefic in nature.

Q. 4. ***Explain the following terms:—(1) Orbit, (2) Ecliptic, (3) Declination, (4) Longitude, (5) Latitude.***

A. (1) **Orbit.** All planets go round the Sun in an ellipse. The path, along which a planet goes round the Sun, is called its *Orbit*.



(2) **Ecliptic**. While the Earth is moving in its orbit, the Sun appears to move in the sky in an imaginary path called the ECLIPTIC.

(3) **Declination**. It is the angular distance above or below the equator. **Declination** is said to be **North,** if the planet is above the equator and **South** if below it.

(4) **Longitude.** The point where the equator and the ecliptic intersect on 21st March of every year is called 0° Aries. The distance of a planet, measured along the circumference of the circle from 0° Aries, is called **Longitude**.

(5) **Latitude**. The distance of a planet above or below the ecliptic is called its **Latitude**

Note :–For the purpose of this book, you should carefully understand what Longitude and Declination are.

Q 5. ***What are the signs of the Zodiac and their symbols?***