

# ECONOMIC & STOCK MARKET FORECASTING

W. D. GANN'S SCIENCE OF

*CYCLICAL PERIODICITY SEQUENCING*



BY

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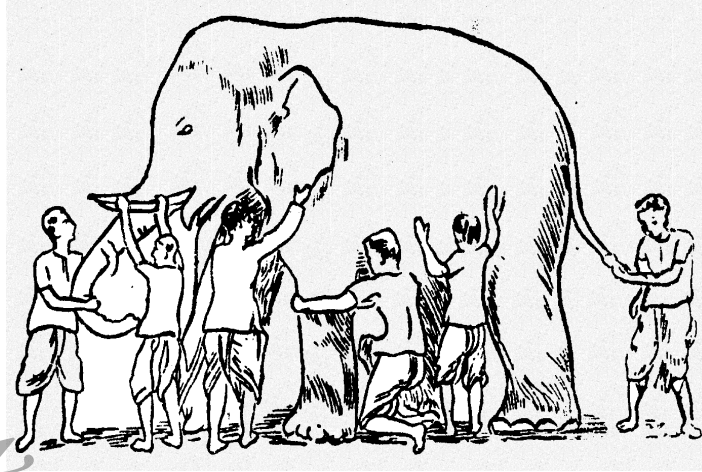
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### AUTHOR'S INTRODUCTION

Within this material, the techniques, tools and information found to be useful in ascertaining the future outlook of the economy and stock market will be presented. Some techniques have already been discussed in detail in other works, whereas other methods previously released may have given the reader the correct perspective, without developing the skills to put the viewpoint into practice. It is my personal belief, that both time and price exhibit cyclic behaviour. Once one uncovers the cyclic structure of past events presented within available data, the information can readily be utilized to make future projections of what likely lies ahead. This in itself cannot guarantee success as potential variables may have been entirely missed, underweighted or simply ignored.

Additionally, many forecasters tend to over emphasize short-term events, projecting the potential influence forward in time, without any understanding of a larger cyclic view, the big picture vantage point. This type of common error is comparable to the Indian story of the "Blind men and the elephant," where six blind people try to describe what they are sensing.



*"Hey, this is a pillar," said the first man who touched his leg.*

*"Oh, no! It is like a rope," said the second man who touched the tail.*

*"Oh, no! It is like a thick branch of a tree," said the third man who touched the trunk of the elephant.*

*"It is like a big hand fan" said the fourth man who touched the ear of the elephant.*

*"It is like a huge wall," said the fifth man who touched the belly of the elephant.*

*"It is like a solid pipe," Said the sixth man who touched the tusk of the elephant.*

Consider for a moment, their descriptions above. This type of discernment literally caused all six men to inaccurately conclude what was right there in front of them. However had these six men been given the big picture perspective initially, their responses would have been entirely different and probably quite accurate. The first

man, would have recognized the massive leg, the second man would have known he was holding a tail, the third man easily identifying the elephant's trunk and so on. Therefore prior to making any predictions about the near term outlook, one must always step back and gain as broad a view as possible, allowing one to accurately judge to the best of their ability what is ahead. Personal experience has shown that it is only from this larger perspective that successful predictions can be divined. Short and intermediate term forecasts are only possible within the context of a much larger view. Emphasizing the smaller view is equivalent to being "penny wise and dollar foolish."

In making my own forecasts, I have always relied on discerning the larger vantage point based upon a cyclic understanding of time as well as a structural understanding of price. The latter was fully disclosed in my course *Spirals of Growth and Decay, Exposing the Underlying Structure of the Financial Markets*. This combination allows me to both forecast the likely future with very good probability and provides a second method of interpreting what is occurring NOW, in real time. In addition to my own discoveries, the works of W.D. Gann, Louise McWhirter, Professor Weston, J.M. Hurst, William C Garrett, Samuel Benner and others are utilized. No method of forecasting is infallible and thus the real objective in doing such work is to uncover a preponderance of evidence that reveal

similar conclusions. Nobody expects perfection in weather forecasts and as such, none should expect anything different with regard to economic or financial forecasts.

Just as one wants to be forewarned of severe weather, such as: hurricanes, tornadoes, thunderstorms, floods, heavy snowfall, etc. so they can prepare, evacuate or avoid exposure to dangerous circumstances; the same intent can be applied to the economic environment. As W.D. Gann said in numerous materials, *"Forewarned is forearmed."*

Many of Gann's forecasting secrets, specifically with regard to periodicity and history repeating have been rediscovered here, and are presented in this material as a comprehensive, ready to apply method.

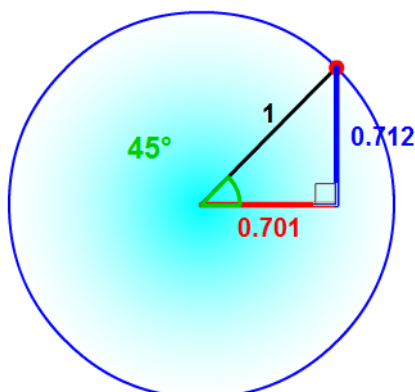


The trigonometric functions used to express a circle in linear terms are all based upon the right triangle. A right triangle is any triangle that has a  $90^\circ$  angle within it. Since the interior angles of all triangles must add up to  $180^\circ$ , the other two remaining angles will always have a sum that totals  $90^\circ$ . W.D. Gann frequently stated:

*"within the circle forms the square and the triangle."*

Most have interpreted this to be a reference to astrology and the angles or aspects that occur between planets being the cause for trend changes in the markets. Much work has been done in this regard and utilizing planetary periods certainly can be useful in forecasting future dates to forecast changes in a specific market.

Sine, Cosine, Tangent

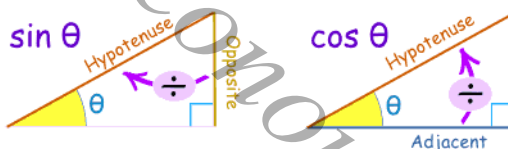


Angle 'A' =  $45^\circ$

$$\sin(A) = 0.712/1 = 0.712$$

$$\cos(A) = 0.701/1 = 0.701$$

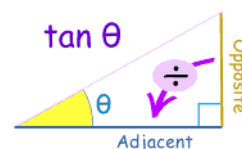
$$\tan(A) = 0.712/0.701 = 1.015$$



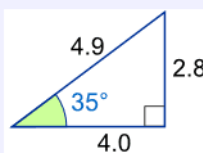
"Opposite" is opposite to the angle  $\theta$

"Adjacent" is adjacent (next to) to the angle  $\theta$

"Hypotenuse" is the long one



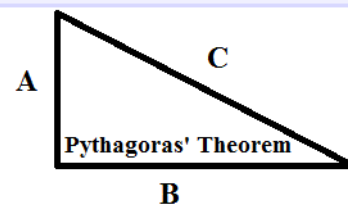
Example: What is the sine of  $35^\circ$ ?



Using this triangle (lengths are only to one decimal place):

$$\sin(35^\circ) = \text{Opposite} / \text{Hypotenuse} = 2.8 / 4.9 = 0.57...$$

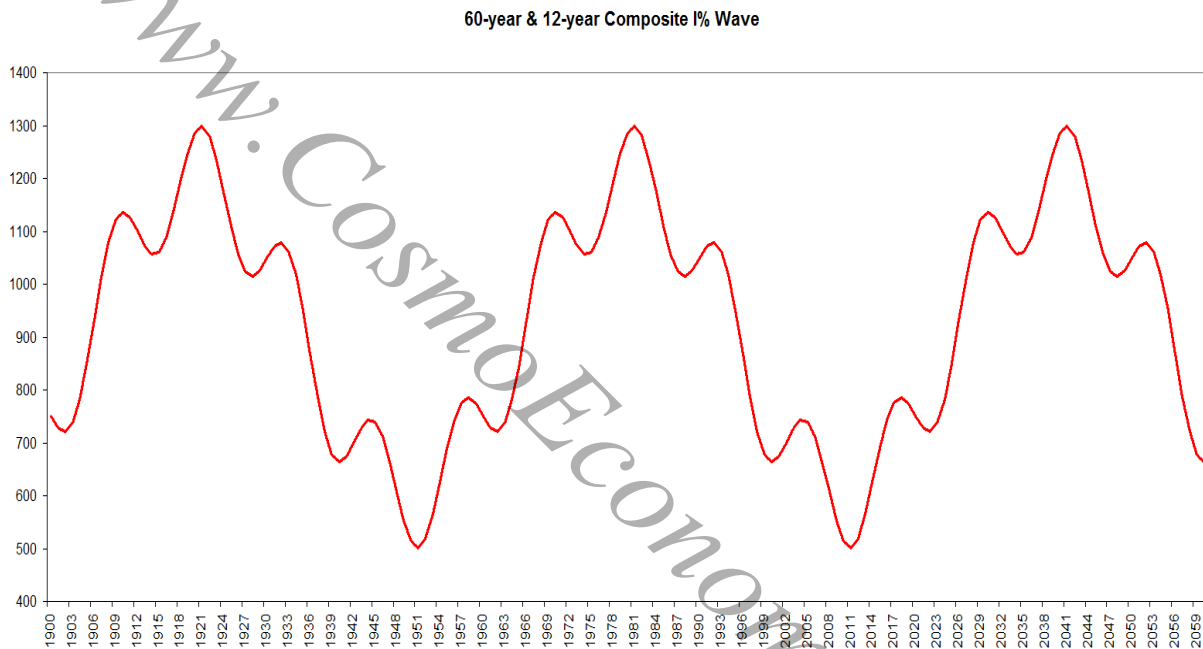
Sine = Opposite / Hypotenuse  
Cosine = Adjacent / Hypotenuse  
Tangent = Opposite / Adjacent



$$A^2 + B^2 = C^2$$

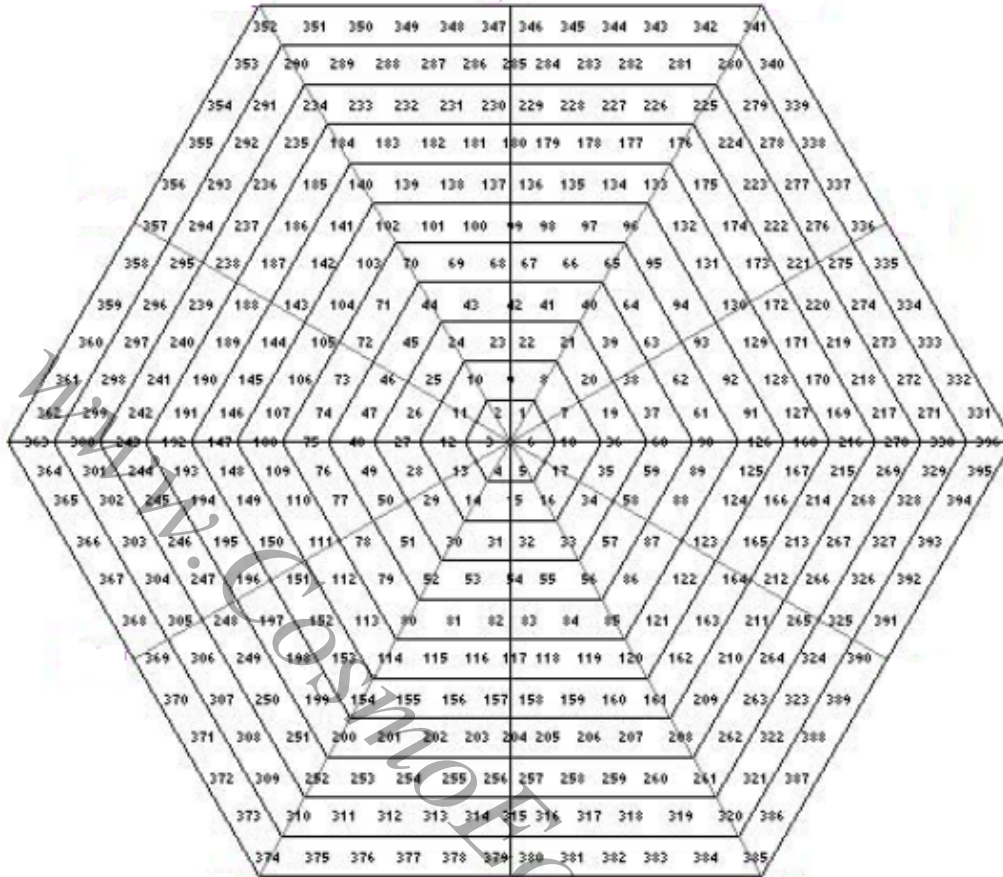
during the first 10 years of this time period, supporting the likelihood of a prosperous economic environment.

The next chart mimics the general interest rate curve over the past century based on the 60-year cycle and the 12-year or  $1/5^{\text{th}}$  harmonic.



Some parting thoughts with regard to the Kondratieff Wave and the Jubilee cycle. On page 371 of *The Tunnel Thru the Air*, Gann mentioned a great period of 49 Jubilee years at the end of the  $7 \times 70$  time period or 490 years from the date Columbus discovered America. This gave a long period of growth from 1933 to 1982 and is also the time period when the United States became a world superpower militarily and economically.





**Gann's Hexagon Chart**

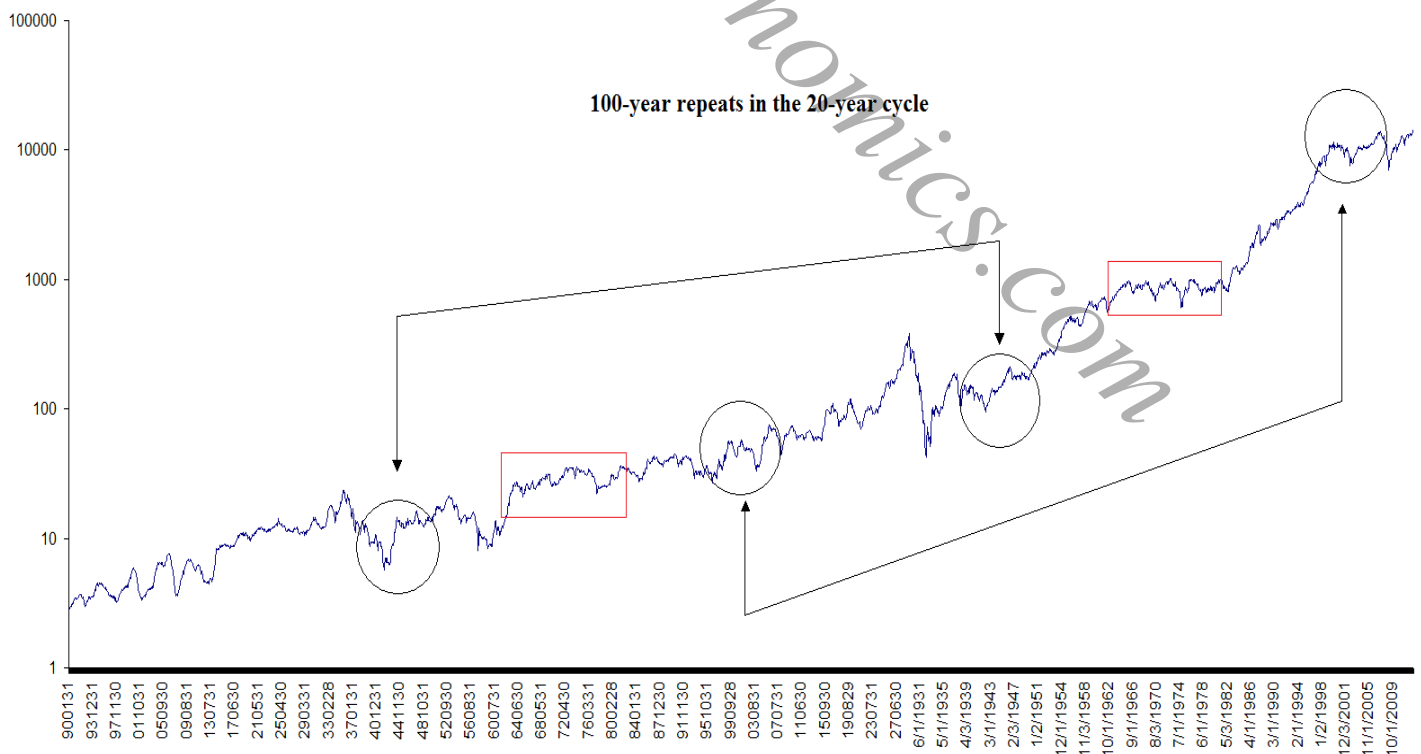
W.D. Gann hid some very interesting information in his discussion of the 30-year, 20-year, 10-year and 5-year "Master Cycles," but he also provided enough clues that would reveal the secrets for those that persisted with his works. In one version of his Master Forecasting Courses, he plainly states:

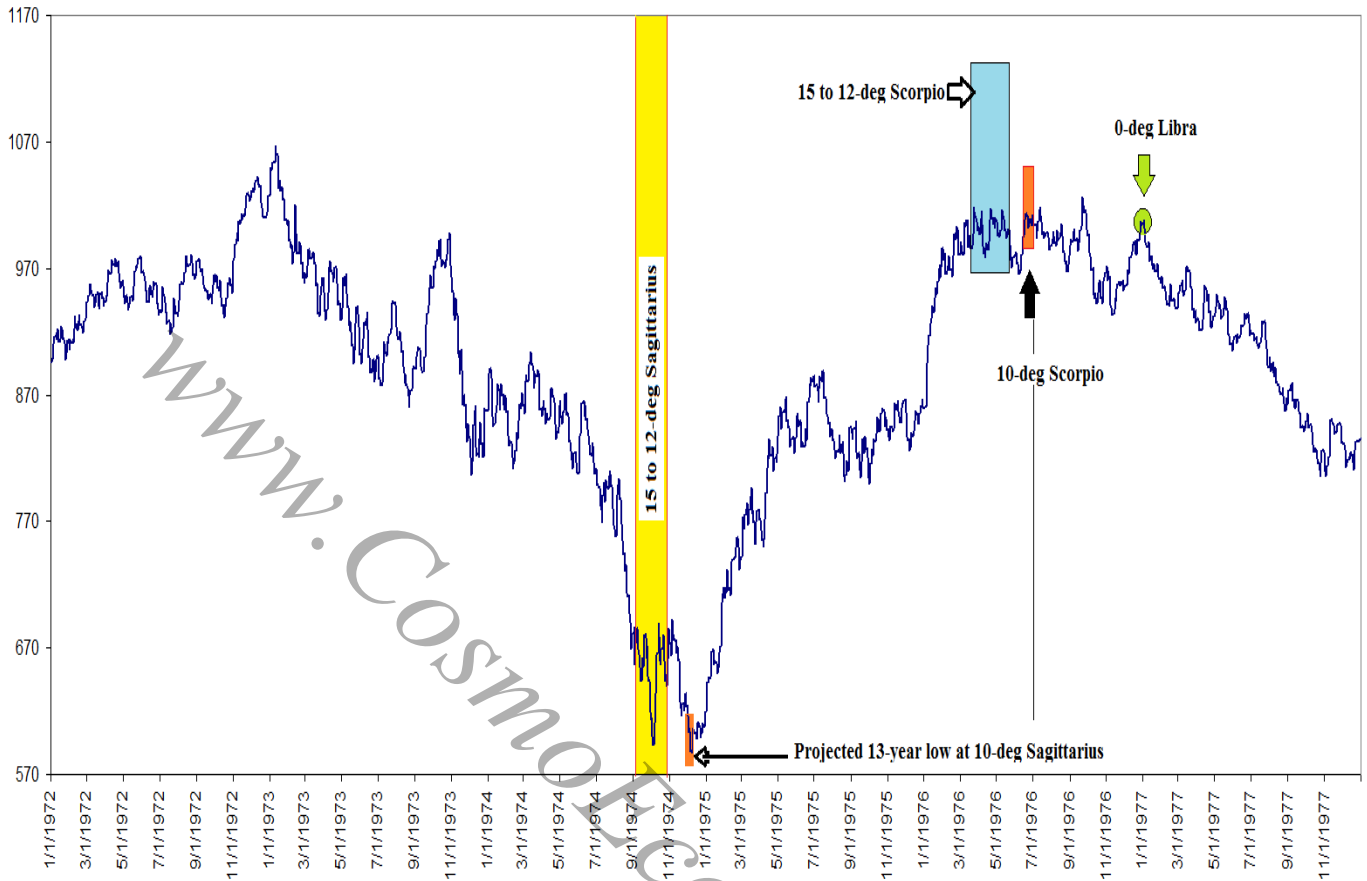
*"The next important major cycle is 30 years, which is caused by the planet Saturn. This planet makes one revolution around the sun every 30 years. Saturn rules the products of the earth and causes extreme high or low prices in products of the earth at the end of each*



## THE MOST IMPORTANT TIME CYCLE IS THE 20-YEAR CYCLE

In the prior course sections, the 60-year lesser mutation cycle demonstrated how the third 20-year cycle repeats, allowing for a forecast of the next 9 to 10 years. In the Hexagon or cube topic, the reader was shown how the 40-year earth sections repeat as well as how the 10 and 20-year sections repeat within the context of the extreme low to high vector measurement of 33 to 34 years. The 20-year cycle also repeats in connection with the Jubilee cycle because  $2 \times 50 = 100$  as does  $20 \times 5 = 100$ .





From this top, the repeating earth section forecasts a significant downtrend, panic and/or crash from March 1977 through March 31st 1978, which is nothing more than a repeat of March 1937 to March 1938. Looking back 10-years from 1978, we find that the market moved sideways 1967 to 1968, but a new uptrend began from a March 1968 low. Going back another 10 years to 1958, we find another March low point and another in our prior Jubilee area on March 1948. Therefore, most indications are already in agreement collectively projecting a March 1978 low.