



MMTA Course Two – Geocosmic Correlations to Long Term Cycles in Financial Markets



Review of Course One



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The purpose of this review is to go over topics from Course 1 in which students appear to be lacking in a full understanding, as noted from the Course 1 assignment papers

The areas for review will include the following:

1.) The structure and characteristics of a “Combination” cycles’ pattern

2.) The correct arrangement of tables listing cycles; starting with a trough and ending with the next trough of the same cycle type; then, beginning the next cycle with the same date as the last one ended

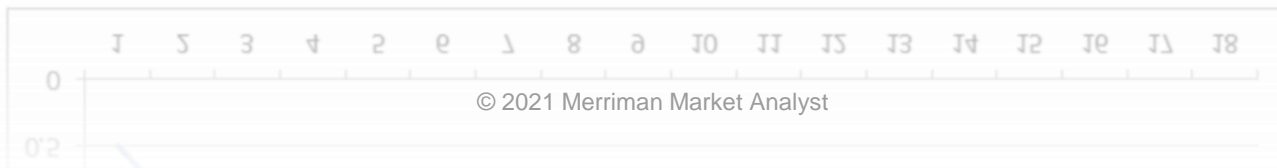
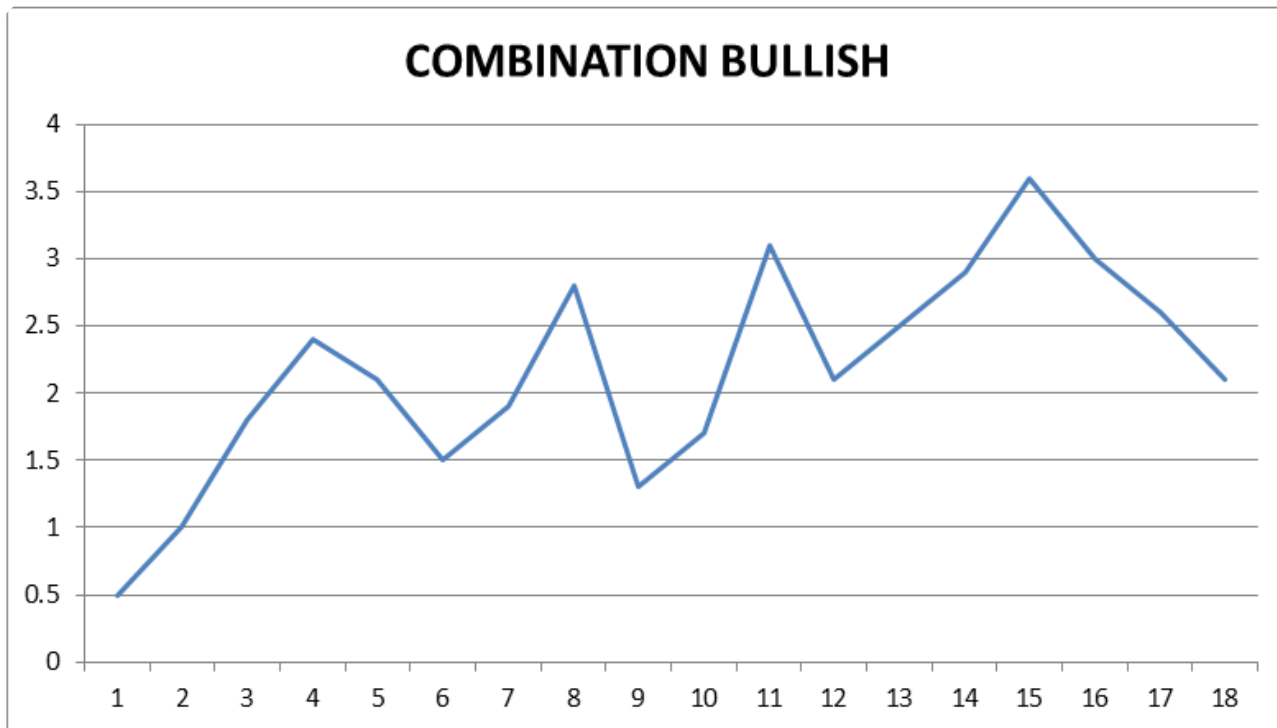
3.) Correct counting of the weeks, months, or years of a cycle

4.) Naming of cycles; the “primary” label only applies to the family of “trading cycles,” and does not apply to long-term cycles

5.) Use of trendlines in identifying the end of a cycle where the price may be higher than a nearby price that was lower

THE STRUCTURE AND CHARACTERISTICS OF A “COMBINATION” CYCLES’ PATTERN

- “Combination” cycles’ pattern looks like this:

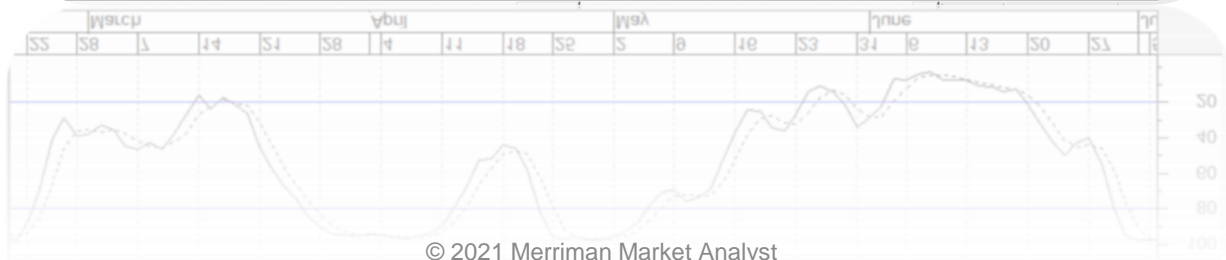
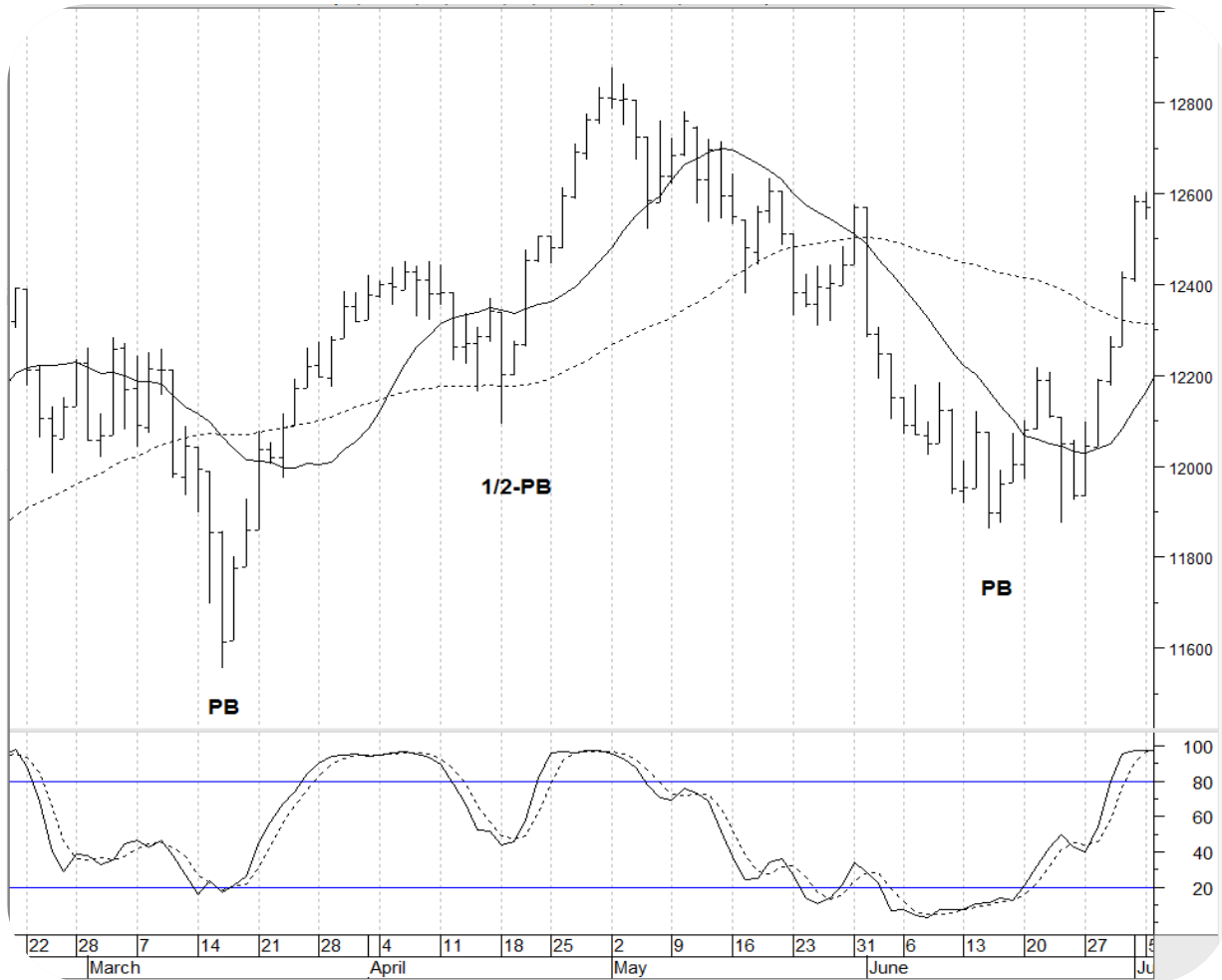


- ➡ Note that in a combination cycles' pattern, there is both a three-phase sub-cycle of lows, and a half-cycle low between the first and second phase of the three-phase lows
- ➡ The low in the middle – the half-cycle trough - is usually steeper in its decline than the low of the first of three phases
- ➡ As you look at the graph, it will appear to have four prominent lows after the start

- ➡ It begins with the first phase of the three-phase types
- ➡ then the half-cycle low
- ➡ then the second phase of the three-phase group
- ➡ and then the final low at the end, which is when all three cycles unfold at once – the third phase of the 3-phase types, the second half of the two phase type, and of course, the full final cycle

- ➡ If you do not see lows at both the three-phase intervals and the half-cycle interval, it is not a “Combination” pattern.” It might be a variation, where there appears to be a low in the interval of a three-phase, and then a low in the interval where you would expect a two-phase low to unfold
- ➡ For instance, a primary cycle might have a low at the 6 week interval, and then another 9 weeks later. This is not a combination pattern. It is a 2-phase pattern
- ➡ There are only two phases in this cycle: one at 6 weeks and another at nine weeks, for a 15-week primary cycle

- ➡ For example, the chart below is not combination pattern. It is a 2-phase pattern with phase one lasting only 5 weeks, and phase two lasting 8 weeks
- ➡ Phase 1 is contracted, for two-phase patterns are usually 8-11 weeks in stock indices like this one
- ➡ You could call this cycle a two-phase “variation” since it seems to contain the first phase of a normal 3-phase period, but then the second phase is a normal 2-phase interval



THE CORRECT ARRANGEMENT OF TABLES LISTING CYCLES

- ➡ When creating a table of cycles in a chronological order, the first column should always start with the trough that began the cycle
- ➡ It should end with the next trough of that cycle type. Then the next row should begin with the same trough that ended the prior cycle
- ➡ The end of every cycle is the start of a new cycle

THE CORRECT ARRANGEMENT OF TABLES LISTING CYCLES

- ➡ Do not begin a table in which the first column is a crest, unless you specifically state you are doing a table of cycle crests
- ➡ It is assumed that cycles begin at their lows, not their crests
- ➡ The following is the proper way to present a table listing cycles

Table of 4-year Cycles

<u>Cycle</u> <u>#</u>	<u>Trough</u>	<u>Crest</u>	<u>Trough</u>	<u>Mo</u> <u>Up</u>	<u>Mo</u> <u>Dn</u>	<u>Low*</u>	<u>High*</u>	<u>Low*</u>	<u>% Up*</u>	<u>%Dn*</u>
1.	7/1893	9/1895	8/1896	26	11	44.0	63.0	27.0	43.2%	57.1%
2.	8/1896	4/1899	9/1900	32	17	27.0	78.0	52.5	188.9%	32.7%
3.	9/1900	6/1901	11/1903	9	29	52.5	79.0	42.5	50.5%	46.2%
4.	11/1903	1/1906	11/1907	26	22	42.5	102.0	53.0	140.0%	48.0%
5.	11/1907	9/1909	1/1911	22	24	53.0	101.5	72.0	91.5%	29.1%
6.	9/1911	9/1912	12/1914	12	27	72.0	93.0	52.0	29.2%	44.1%

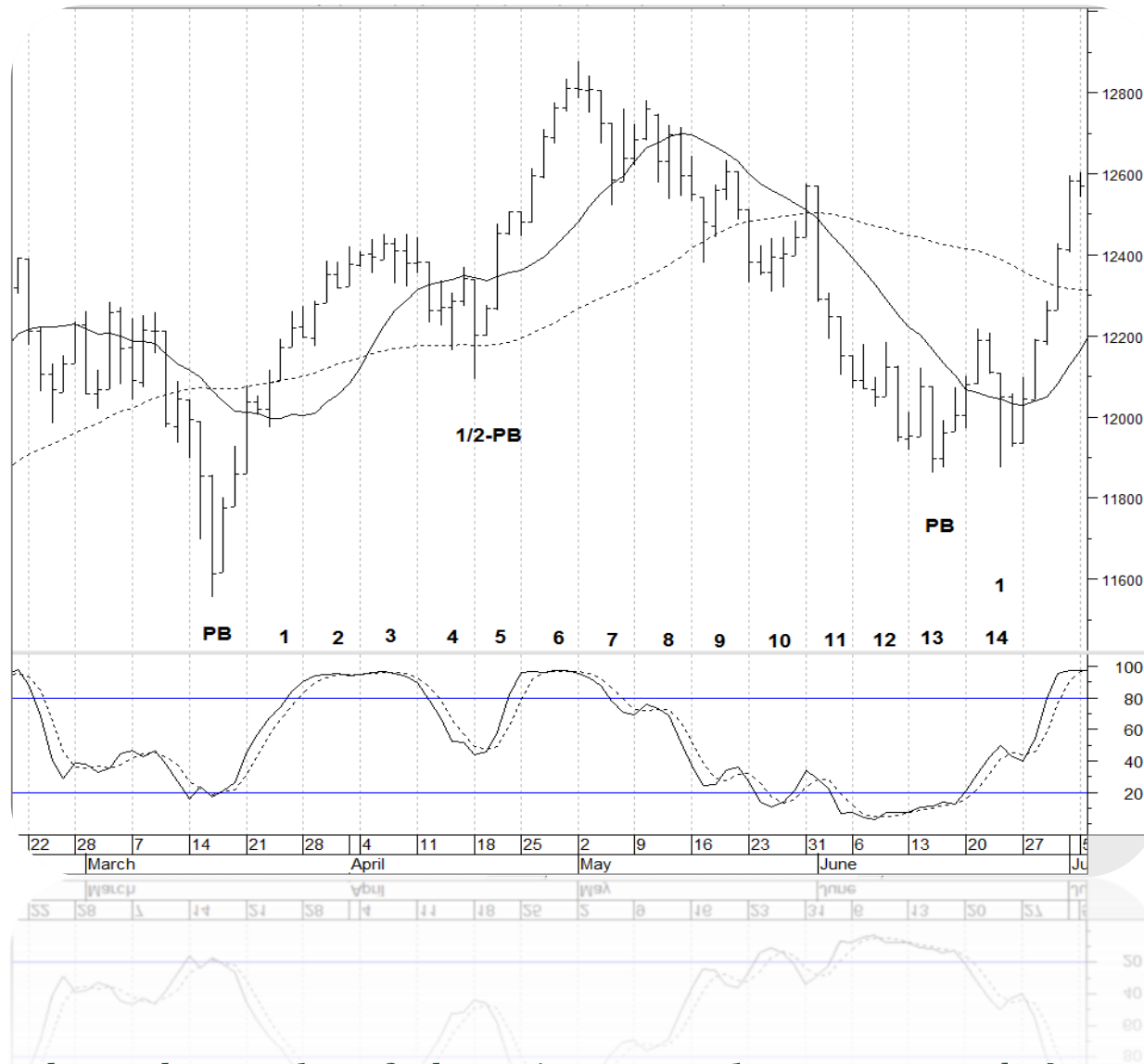
- ➡ The purpose of doing it this way is “consistency,” so that we all relate to the same language and concepts. It will avoid misunderstandings later
- ➡ Thus, always start a cycle number - when listing cycles - with the low that begins that cycle

CORRECTLY COUNTING THE WEEKS, MONTHS, OR YEARS OF A CYCLE

- ➡ The date of the low that starts the cycle is 0
- ➡ The day is 0, the week, month, or year is zero
- ➡ The next day, or week, month, or year is the first day, or first week, month, or year of this new cycle
- ➡ If the market bottoms today, then tomorrow is the first day of the new cycle. It is not the second day, or the zero day

CORRECT COUNTING THE WEEKS, MONTHS, OR YEARS OF A CYCLE

- ➔ On the next page, we list the weeks of that cycle below the chart prices. Thus, you can see that a primary bottom (PB) occurred on March 16, 2011
- ➔ The next week started on Monday, March 21, and would represent the first week of the new primary cycle
- ➔ March 21 does not begin zero week, or week #2. It is week #1 of the new cycle



Note above how the weeks of the primary cycle are counted above, from 1-13 (maybe 14 if you take that second low as the primary cycle trough)

NAMING OF CYCLES: PRIMARY LABEL ONLY APPLIES TO THE MAIN FAMILY OF TRADING CYCLES, NOT LONG-TERM CYCLES

- The word “primary cycle” refers to the main cycle used in the family of cycles known as trading cycles
- Most primary cycles are about 18 weeks long, with an orb of 3-4 weeks. The word “primary” (pertaining to a cycle) is not to be applied to longer or intermediate-term cycles
- Intermediate and longer-term cycles are referred to by their mean cycle length.

NAMING OF CYCLES: PRIMARY LABEL ONLY APPLIES TO THE MAIN FAMILY OF TRADING CYCLES, NOT LONG-TERM OR INTERMEDIATE-TERM CYCLES

→ For example, cycles longer than a primary cycle might include the following: 50-week cycles, 22.5-month cycles 4-year cycles, 6-year cycles, 18-year cycles, etc.

NAMING OF CYCLES: PRIMARY LABEL ONLY APPLIES TO THE MAIN FAMILY OF TRADING CYCLES, NOT LONG-TERM CYCLES

→ Trading cycles, however, are referred to as follows:

- Primary cycle (about 18-weeks)
- half-primary cycle (about 9 weeks)
- major cycles (about 6 weeks)
- and trading cycles (about 3 weeks)

→ These are part of the family known generically as “Trading cycles.”

USE OF TRENDLINES IN IDENTIFYING THE END OF A CYCLE WHERE THE PRICE MAY BE HIGHER THAN A RELATIVELY RECENT LOW

➔ In many cases, a cycle will end with a double bottom formation in which the second low is higher than the first

➔ The first low may fall before the normal time band for that particular cycle, while the second low (higher low) actually falls within the normal range for that cycle

➔ In many cases, it is appropriate to label the second low as the actual cycle low, even though it is higher in price

➔ However, this is only true in bullish cycles. In bearish cycles, you always label the lowest price at the end

USE OF TRENDLINES IN IDENTIFYING THE END OF A CYCLE WHERE THE PRICE MAY BE HIGHER THAN A RELATIVELY RECENT LOW

- Cases where the second (and higher) low can be labeled as the correct cycle ending occur when a trendline connecting the start of the primary cycle and the first low, is broken at the second low
- The rally in between those two lows does not make a new cycle high, and usually will not even break above the moving average that is half the length of the primary cycle
- An example of this can be shown in the DJIA chart of 2011 again, as follows

Note that PB-1 broke the primary trendline slightly (PB-PB). Therefore it can be labeled as primary cycle trough.

