

IMPORTANCE OF SOLAR/LUNAR COMBINATIONS FOR SHORT-TERM TRADING PLANS MODULE LESSON 4

The next steps (6 & 7) in our trading plan will be to identify the potential influence of the Sun-Moon combination for each day of the forthcoming week, and then review it before each day. We do this exercise for both the stock market and precious metals, **based on both the observational patterns** – which is a type of qualitative, or “experiential,” analysis – and actual studies from our books or research projects. You may want to create similar studies for these and other markets based on your own personal experiences and observations.

OBSERVATIONAL: THE GENERAL FLOW OF THE MOON THROUGH THE SIGNS AND THEIR CORRESPONDENCE TO PRICE ACTIVITY IN THE U.S. STOCK MARKET AND PRECIOUS METALS (QUALITATIVE ANALYSIS)

The Stock Market

Let’s start with the U.S. stock market. The following is by observation only. It is not a result of any formal study, so it represents more of a “qualitative study.” Yet, it appears to just as important in developing a short-term trading plan as the quantitative studies shown through formal research studies.



As you can see from my observations in the graphic above, fire and air signs are generally bullish for stocks, whereas earth and water signs are bearish. This fits with our general rule about stocks as given in Course 4.

My personal observation, as given in Course 4, has been that the Moon in Aries is basically neutral for stocks. If there was a low with the Moon in Pisces, it may seem that stocks rally into Aries. However, stock prices also tend to fall to a low in the first 20° of Taurus. Equities then rally to a crest in Gemini, followed by declining prices through Cancer and into the first half of Leo.

The latter half of Leo often provides a short-lived rally, followed by a decline to another low in the first 20° of Virgo. A very healthy rally then ensues into the first 20° of Libra.

Libra is an interesting sign, as stock prices seesaw back and forth – which is the nature of Libra as depicted by its symbol, the scales. However, there is a greater bias to rallies (and a crest) than declines (or a trough).

Scorpio is not as robust as Libra, but equity values tend not to fall dramatically here. In fact, they tend to be slightly more positive than negative. Seldom do you see the lowest or highest price of the week with the Moon in Scorpio.

Stock prices rally again to a crest in Sagittarius (usually late Sagittarius), then decline to a low in the first 20° of Capricorn. From the low, equities rally sharply to a crest in Aquarius. This is followed by a sharp decline into the first 20° of Pisces.

Although this is the observed “natural rhythm” of the Moon and its correlation to equity prices over many years, it should be noted that this rhythm is easily influenced by planets in aspect. Planetary aspects are more dominant than lunar signs.

Precious Metals

Let’s now look at Precious Metals. The following is by observation only. It is not a result of any formal study, so it also represents more of a “qualitative study.”



Generally speaking, Aries, early Cancer, Virgo, and Sagittarius are bullish for metals (crests occur here), whereas Taurus, early Leo, Capricorn, and Pisces are bearish.

With a lunar ingress into Aries, metals are usually bullish and post a peak in the first 20° of this cardinal fire sign. A sharp decline then ensues as metals fall to a low in Taurus. The Moon in Gemini, as in most air signs, is unpredictable. Sharp moves can occur in either direction, although the bias is to form a crest in the first 10° of Cancer. From there, both Gold and Silver tend to fall

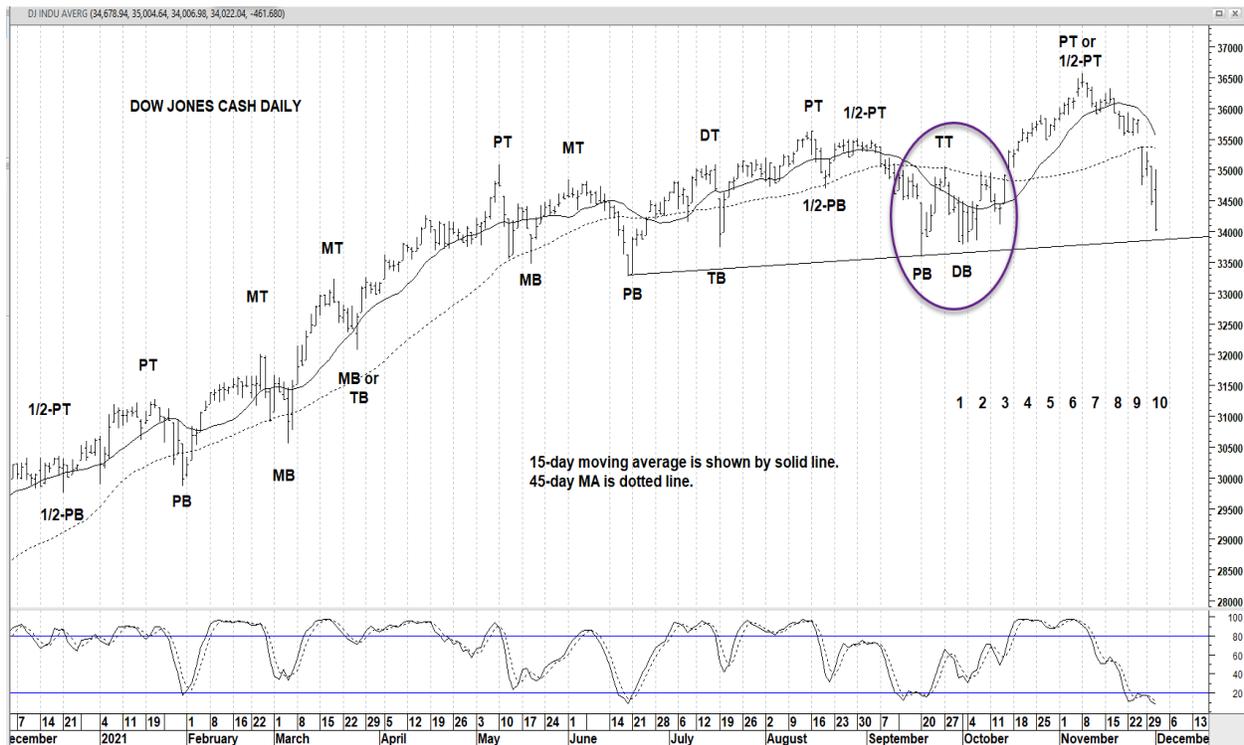
to a low in the first 20° of Leo (same with stocks). Another rally follows to a top in the first 20° of Virgo. As the Moon advances from late Virgo through Libra and then Scorpio, precious metals go back and forth.

As Scorpio ends, another sharp rally follows, resulting in a crest in precious metals by the time it reaches the first 20° of Sagittarius. The Moon in Sagittarius is referred to as “The Sagittarius Factor,” because it has such a high correlation to spikes up in Gold. Late Sagittarius through Capricorn, however, is mostly bearish.

Aquarius is another air sign that has an unpredictable correlation to precious metals. Sometimes prices rally, but often Gold and Silver fall very hard when the Moon is in Aquarius. This decline is more notable when the Sun is also in an air sign. This combination (air-air) is one that requires respect and caution if trading from the long side. Approximately one-third of the time it will coincide with a steep decline. The bottom is not attained, however, until the first 20° of Pisces, after which it then rises sharply to a peak as the Moon advances into Aries.

Although this is the “natural rhythm” of the Moon and its correlation to Gold and Silver prices as observed over many years, it should be noted that this rhythm is easily influenced by planets in aspect. Planetary aspects are more dominant than Moon signs.

Example of natural lunar rhythm applied to DJIA September 20-October 13, 2021.



Low Sept 20: full moon in Pisces
 High Sept 27: moon in Gemini
 Low: Oct 1, moon in Leo

High Oct 7: moon in Libra/Scorpio
 Low: Oct 13, Moon in Capricorn

MARKET REVERSALS IN U.S. STOCKS AND PRECIOUS METALS BASED ON SOLAR-LUNAR CORRESPONDENCES (QUANTITATIVE STUDIES)

The next step (7) is to review the quantitative studies of the solar-lunar combinations that are in effect each day for the U.S. stock market and precious metals, per the studies conducted in Volume 4 of the Stock Market Timing series, “The Sun, Moon and Silver” book, and “Solar/Lunar Keys to Gold Prices.” Whenever possible, we want to coordinate these with the observational (qualitative) studies.

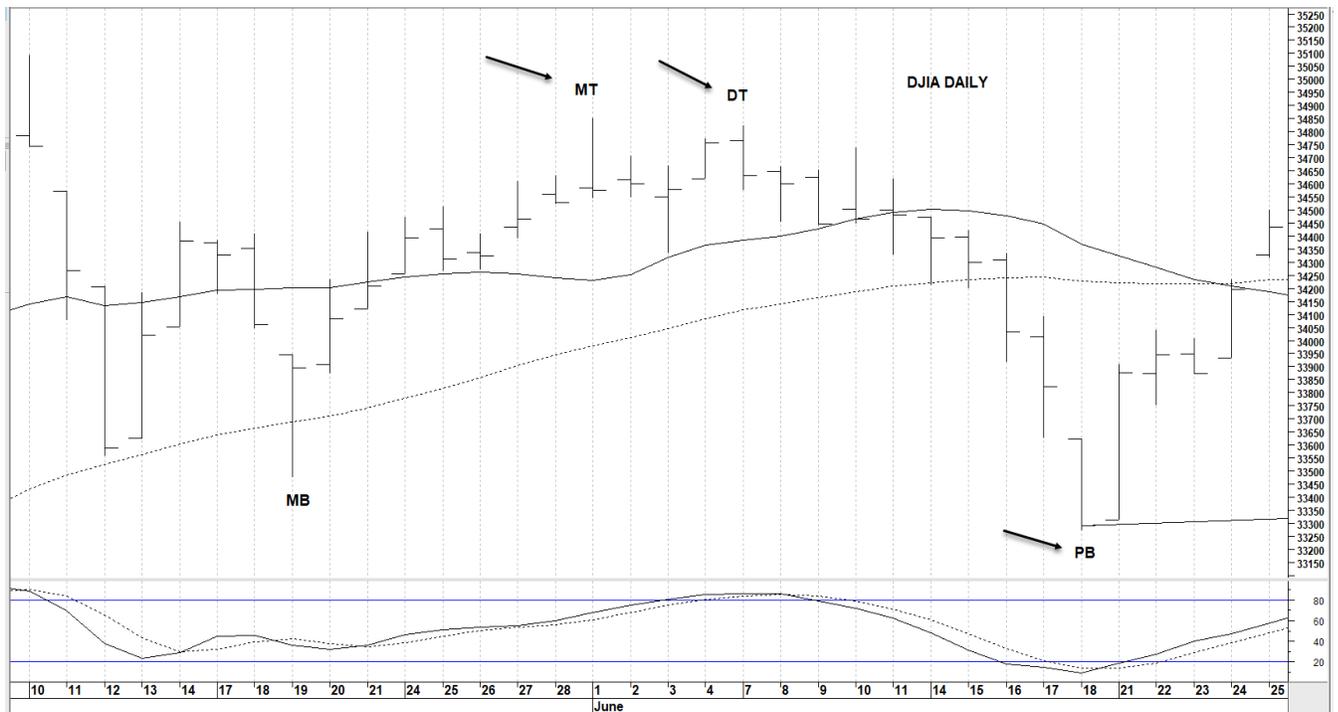
For example, let’s consider the solar-lunar weighted values for DJIA 2021 when Sun was in Gemini, May 20-June 21, 2021 We do this by identifying the Sun and Moon signs for each day that month, or choose a week, and then referring to the tables from Course 4 as follows:

Moon with the Sun in Gemini	Weighted Values for Reversals	Big Range Days	Lows	Highs	Mercury	Venus
Moon in Aries	48.8##		1	2		75.4#
Moon in Taurus	115.1		3	5	77.9#	67.1#
Moon in Gemini	97.8		3	3	103.5	71.4#
Moon in Cancer	87.0		4	2	115.5	141.3* 153.1*
Moon in Leo	127.9*		4	4		*
Moon in Virgo	100.7		2	5		
Moon in Libra	119.5		7	1		
Moon in Scorpio	76.1#		3	2		
Moon in Sagittarius	108.6		0	7		
Moon in Capricorn	108.6		4	2		
Moon in Aquarius	89.5		3	2		
Moon in Pisces	117.2		4	4		

Note:

June 1, Moon in Pisces
 June 7, Moon in Taurus
 June 19, Moon in Libra

These were the three major reversals that month with Sun in Gemini.



CHECKING THE DAILY, HOURLY, HALF-HOUR, AND SOMETIMES EVEN THE 5-MINUTE TECHNICAL PICTURE BEFORE EACH DAY

Step 8 is more for setting up a daily plan, going into each day.

Prior to each week, and even each day, it is important to go over the technical picture of the markets for which you will be trading or providing analysis. You may use any technical studies you prefer, such as MACD, RSI, etc. in addition to those listed here.

For these courses, we will mostly focus upon the technical indicators as given in Course 1:

- a 15-bar slow stochastic (15,3,3);
- an 18-bar CCI;
- a 14-period RSI;
- moving averages based on 1/2 or 1/3 the length of cycles relevant to each market;
- and chart patterns, such as double bottoms and tops.

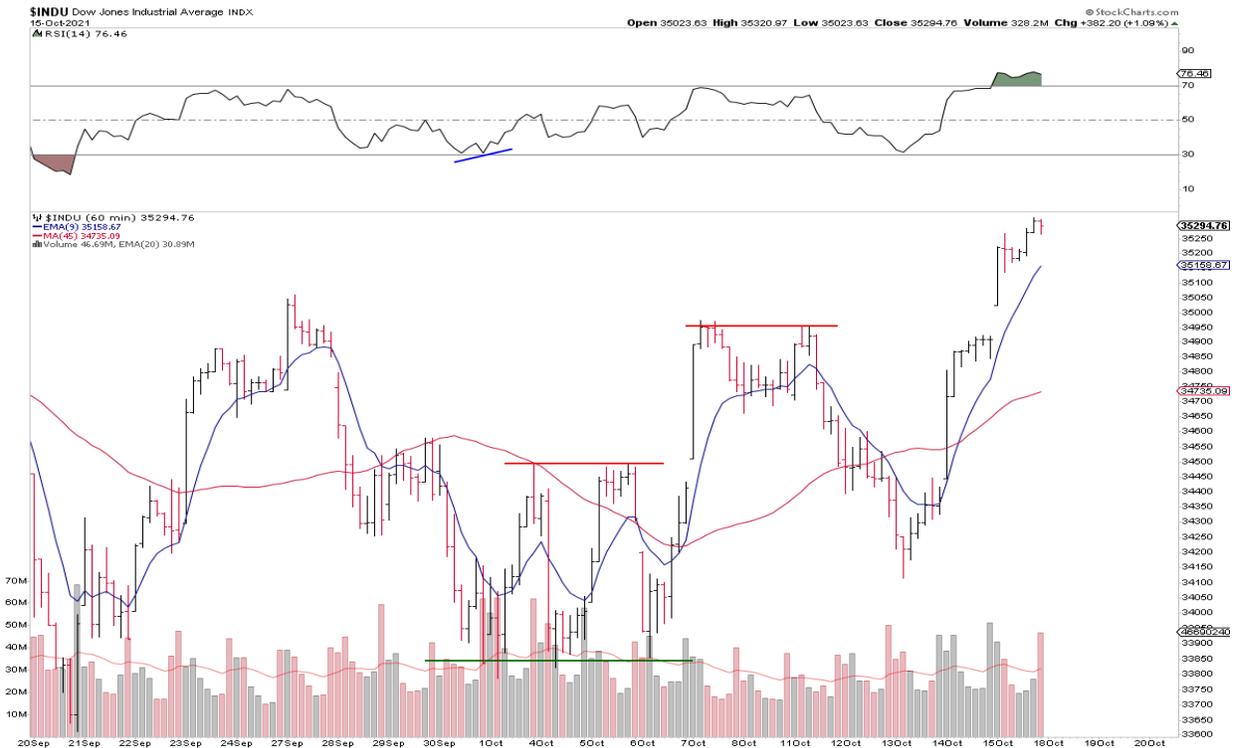
As you study each indicator, note whether it is in a bullish or bearish mode. Note also if any particular bullish or bearish patterns appear to be in the process of forming. These trend patterns are then to be applied to your trading plan for the week and even every day.

Additionally, studying the 60 and 30-minute charts for technical signs of overbought or oversold conditions before the trading day begins (or at the end of each trading day, in preparation for the next day), can be valuable.

The following graphs are examples of chart patterns on the intraday charts:



The chart above shows a 30-minute DJIA chart with double bottom and double top chart formations with both bullish and bearish divergences.



The chart above shows a 60-minute chart of the DJIA with a technical buy signal in the RSI indicator and double bottom formation.

REVIEW

In the two lessons, we discussed eight points for developing a weekly and daily trading plan:

1. The first step is to identify the occurrence of the last primary cycle bottom (trough).
2. Then, count forward and identify the current cycle week number.
3. Next, identify which phase of the primary cycle the market is in.
Is it the first, second, or third phase?
Is the current phase likely to be bullish or bearish?
- left and right translations.
4. Determine, if possible, what type of pattern is forming for this primary cycle.
Is it a two-phase, three-phase, or even a combination pattern? (see next page)
5. Determine if a geocosmic critical reversal period is in effect. Identify the strongest upcoming Level 1 signatures and whether they are in an applying or separating phase. Also consider the qualitative nature of planets in aspect on any given day – which markets are they likely to affect?
6. Note the general flow of the Moon through the signs of the zodiac and their correspondence to price activity in the U.S. stock market and precious metals (qualitative analysis).
7. Note the potential for market reversals in U.S. stocks and precious metals based on the quantitative studies of solar-lunar correlations.
8. Check the daily, hourly, half-hour, and even 5-minute technical picture before each day.

PRACTICUM ON LESSON 4

Using the eight steps given in this lesson, draw up a weekly trading plan for the DJIA, Gold and Silver. Then draw up a trading plan for Monday.