

THE BASIS OF MY FORECASTING METHOD

By

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If a stock has advanced to 150 and has only moved down 25 points when the 45° angle from an extreme low on a weekly or a monthly chart is broken, then it is in a very weak position because it is so far above the half-way point on its price movement, already having squared out the time period with price.

Weakness in a stock develops when it breaks the 3/4-point, the 2/3-point, the 1/2-point, etc., but the position on the timing angles from the bottom tells you still more about the weak position. A stock shows its first weakness when it breaks the first important angle coming up from the last bottom in the final run in a bull market.

WHEN A STOCK IS IN THE STRONGEST POSITION:

A stock is always in the strongest position coming up from a bottom when it is holding above the very acute angles on the daily, weekly or monthly charts, especially on monthly and weekly charts.

As long as a stock holds above the angle of 2 x 1 (a gain of 2 points per day) on the daily chart, it is in a very strong position as far as the bottom is concerned. In fact, it is always in a strong position on the daily as long as it holds above the 45° angle. The same applies to weekly and monthly charts, which are the most important trend indicators.

I have found that the stocks which have the biggest advances are those that always hold above the angle of 2 x 1 on the monthly chart or gain 2 points per month for a long period of time. I have seen stocks rest 10 or 15 times on the angle of 2 x 1 and never break it until they have advanced 100 points or more. In this way a stock stays ahead of time and stays within the square of time by being far above the angle of 45°, and therefore is in a very strong position. But the time must come when the cycle has run out and the main trend begins to change from a bull market to a bear market--then the breaking of the angle from the last bottom shows a change in trend.

Another indication that a stock is in a strong position is when it advances and moves up above the half-way point of the previous price movement and then holds the half-way point, that is, advances above it and then reacts and fails to break under it. This is just the same as resting on a 45° angle and indicates a very strong position.

STRONGEST BUYING AND SELLING POINTS:

The cinch buying point is when a stock rests on a 45° angle, placing a stop loss order below it.

Another point to buy is on the half-way point of the price movement, placing a stop loss order under the half-way point.

When the main trend is up, it is also safe to buy when a stock reacts to the angle of 2 x 1 (a gain of 2 points per time period) on the weekly or monthly chart.

REGAINING ANGLES OR CROSSING LINES:

Remember, when any stock breaks under the 45° angle from the extreme low point of a move on the daily, weekly or monthly chart, it is then in a very weak position and indicates a decline to the next angle. However, when a stock can

regain the 45° angle, it is in a stronger position.

The same rule applies to a 45° angle drawn up from any top. When a stock crosses the angle on the daily, weekly or monthly and stays above the 45° angle or any other angle to the left of the 45° angle, it is in a very strong position.

After a stock once drops below or gets above any important angle and then reverses its position by getting back above the angle or dropping back below it, it changes the trend again.

WHEN A STOCK IS IN STRONG POSITION FROM BOTTOM AND IN WEAK POSITION FROM TOP:

A stock is in a strong position from the bottom when it is keeping above the angle of 45° or the angle of 2×1 , but at the same time it can be in a weak position when it rallies up and strikes against a 45° angle or the angle of 2×1 coming down from the top— then it is a short sale until it can cross these angles or cross previous tops. When it breaks the angles from the bottom, it is in a weak position and indicates lower.

A stock can be in a strong position from the top and in a weak position from the bottom, that is, it may cross some important angles from the top after a long period of time, but at the same time may break under the 2×1 angle or 45° angle from the bottom, which would indicate that it is in a weak position and getting ready to go lower.

WHEN ANGLES FROM EXTREME TOP ARE CROSSED:

The 45° angle drawn from the extreme high point of a stock is most important and when it is crossed, a major move may be expected. For example:

On the weekly chart of the Dow-Jones Industrial Averages, note the 45° angle moving down from 386, the high of September 3, 1929. January 12, 1935 was 279 weeks from the 1929 top. Taking 279 from 386, we get 107, the price at which the angle of 45° would cross. These Averages advanced to $106\frac{1}{2}$ in the week ending January 12, 1935— then reacted to 100 in the week ending February 9. This was the first time that they had held within one-half point of this angle and the first time that they had ever reached it since the top was made. During the week ending February 16, 1935, the Averages crossed the 45° angle at 103 for the first time, and during the week ending February 23, 1935 advanced to 108, where they hit the angle of 45° moving up from the low of $85\frac{1}{2}$ in September, 1934, and also hit the angle of 2×1 coming up from the low of July 8, 1932. This was a strong resistance point and the Averages reacted to 96 in the week ending March 18, 1935, where they rested on the 45° angle from the 1929 top and also where the 3×1 angle (a gain of $\frac{1}{3}$ point per week) from September, 1929 coming up from "0" crossed the angle of 45° coming down from the 1929 top. This was a strong support point for a change in trend. The advance started and the Averages moved up to now high levels. This proves the importance of angles, especially the 45° angle drawn from any extreme top, and the point at which any other angle crosses the 45° angle.

Watch the 45° angle from 1929 top when it reaches "0" or when it is 386 weeks down from the top. This will be in the latter part of January, 1937. Note what happens at that time.

ANGLES FOR SEMI-WEEKLY CHART

The semi-weekly chart is a great help at the end of extreme advances or

extremes declines. By applying all of the rules and using the geometrical angles from tops and bottoms on the semi-weekly chart, you will often get an indication of a change in trend two to three days before a change in trend is shown on the weekly chart.

A change in trend on the semi-weekly chart is of greater importance than a change in trend on the daily chart. It is much better to rely upon this chart than on the daily chart when markets are in a narrow trading range.

ANGLES FOR NEW LISTED STOCKS

Years of experience and research, which has cost me a large amount of money have enabled me to develop a method that will account for all market movements and give rules to determine the trend from any top or bottom.

It is important to know how to determine the trend when a stock is first listed on any exchange. When a stock has never fluctuated before, we have no top or bottom to draw angles from. Therefore, in order to determine the trend, we use the square of 90, which is 90 up and 90 across, and put all the natural angles on, like the Pattern Chart. As we have said before, the square of 90 is very important because it is one-quarter of a circle of 360° , and as 90° or the vertical angle is the greatest angle that can be used, all of the other angles are found between "0" and "90".

If a new stock opens at 18 or any point below $22\frac{1}{2}$, then you could make out a square of $22\frac{1}{2}$ to determine the position of the stock on angles. If the stock opened at 36 or any point between $22\frac{1}{2}$ and 45, you could make up a square of 45. If it opened at 50 or between 45 and 67, you could make up a square of $67\frac{1}{2}$. However, you could place any stock opening at any price below 90 in the square of 90 and get its proper position and strength or weakness on angles. If the stock opened at 100 or above 90 and under 135, you could make up a square of 135, or could make another square of 90 numbering from 90 to 180.

You could start a monthly chart on a square of 90 at the price where the stock opens or trading begins, as shown on U. S. Steel. (Refer to Special Analysis of U. S. Steel.) After the stock breaks any of these natural angles drawn from "0", it is just the same as breaking under an angle drawn from a bottom. When it crosses any of the angles drawn down from "90", it is just the same as crossing an angle from a top, as you can see by experimenting with U. S. Steel or any other stock, but always consider price resistance levels and how much the stock is up or down from the bottom or top. You can determine the first change in trend by the 3-day or semi-weekly Chart, daily chart, and weekly chart by bringing up the important Geometrical Angles from any higher or lower bottom as the market movements develop.

QUICK CALCULATION OF ANGLES

It is not necessary to draw these angles from a point a long way back. You can make the calculation and determine where they cross. For example: Suppose in 1900, in the month of January, a stock made bottom at 15, and we wish to calculate where the 45° angle will cross 10 years later in January, 1910. The 45° angle rises at the rate of one point per month-- then 10 years would be 120 points or months-- add this to 15 at the bottom-- then the 45° angle would cross at 135 in January, 1910. All of the other angles may be calculated a long period back in the same way.

ANGLES SELDOM USED

3 x 2 ANGLE: This angle of 3 x 2 on the left side of the 45° angle rises at the rate of 8 points in 12 months. A stock must show a gain of 3/4-point per month in order to keep above this angle. This angle can be used when other important angles from the bottom have spread far apart, as it will show the position and resistance or support point between the other angles.

LATITUDE AND LONGITUDE

On all charts--daily, weekly or monthly--the price must move up or down on the vertical angles. Therefore, the price movement is the same as latitude. You should begin with zero or "0" on any chart--daily, weekly or monthly--and draw the important angles and resistance levels across, which measure latitude.

Next, number the time points in days, weeks or months across, and draw the horizontal angle at each important natural angle, such as, $11\frac{1}{4}$, $22\frac{1}{2}$, $33\frac{3}{4}$, 45, $56\frac{1}{4}$, $67\frac{1}{2}$, $78\frac{3}{4}$, 90, $101\frac{1}{4}$, $112\frac{1}{2}$, 120, etc. Then you will know when price reaches these important angles and meets resistance.

Longitude measures the time running across the chart, as it moves over each day, week or month. Therefore, you must keep your chart numbered from each important top and bottom in order to get the time measurements according to angles. These important angles, such as, $11\frac{1}{4}$, $22\frac{1}{2}$, $33\frac{3}{4}$, 45, $56\frac{1}{4}$, 60, $67\frac{1}{2}$, $78\frac{3}{4}$, 90, etc. from each bottom and top will show you where the strongest resistance in price and time takes place. These angles prove the parallel or crossing point. Study past records and see what has happened when prices on monthly charts reached these important angles or time periods.

For example, 90 points up in price from "0" we draw an angle horizontally across the chart. Then 90 days, weeks or months, going to the right across the chart, we draw a vertical angle up, which will cross the horizontal angle at 90 and prove the square. By keeping all these angles up and understanding them on your charts, you will know when important time cycles are running out.

If the price of a stock at 60 comes out on the 60th day, week or month, it will meet strong resistance because it has reached the square of price with Time. It is at the same latitude or price and the same longitude or time period. You can always put the square of 90 on a chart--either daily, weekly or monthly--and use the natural angles, but I advise only using this on the weekly and monthly. You can begin this square of 90 from any bottom or top, that is, going up 90 points, or from the natural points, which are 90, 135, 180, but you must not fail to square the extreme low and high price as well as the second and third lower tops and higher bottoms with Time.

RULE FOR KEEPING TIME PERIODS ON CHARTS

It is very important that you keep the time periods on all of your charts, carrying them across from the bottom and top of each important move in order to check up and know that you have your angles or moving-averages at the correct point and to see where major and minor cycles indicate changes in trend.

TIME PERIODS FROM BOTTOMS: When a stock makes bottom one month and then the following month makes a higher bottom and a higher top, or anyway, after it makes a higher bottom and rallies for one month or more, you can start numbering from that bottom. The month that it makes the low be-

longs to the old or downward movement and is the last move down. You count the first month up as one and then number across on the 1/2-inch squares, running them across, adding four each time.

For example: If a stock has made bottom and advanced 50 points, you look down at the bottom of the chart and find that you are on the 25th month- then the angle of 2 x 1, moving up 2 points per month, would cross at 50, while the 45° angle, moving up one point per month, would be at 25, and if the stock broke back under 50 the following month, it would be falling under the angle of 2 x 1 and indicate a further decline. Now, if you had an error on the chart in the timing or numbering across from the bottom, then the moving-average line or angle would not come out correctly.

TIME PERIODS FROM TOPS:

After a stock has advanced and made an extreme high and reacted for a few days, a few weeks, or a few months, and you start putting on the angles from the top down, you must then begin to number the time periods across from the top. Apply the same rule for the top: The month, week or day that a stock makes extreme high finishes the upward movement and is not to be counted. You can count the number of days, weeks or months moving across after that, allowing the top month to be "0", the next month, week or day over to be "1", adding 4 across on the squares to get the correct position. If this Time Period is carried across on all the charts correctly, then you can always check up and find out if you have made any mistake in bringing down the angles or moving-average lines.

For example: After a stock has declined 75 points, either on a weekly or monthly chart, the angles move down the same, except where the spacing is different. Assuming that the spacing is one point per one-eighth inch, after it has moved down 75 points and all the angles are drawn down from the top, there may be an error in the angle of 2 x 1 because your ruler may have slipped and you may not have placed it correctly after it is down a distance from the top. Now, in order to prove exactly where the angle of 2 x 1 comes out, you determine the number of time periods there are. If 40 days, weeks or months have been required to decline the 75 points, the angle of 2 x 1 moving down 2 points per unit of time, would be down 80 from the top. If you find that this angle does not cross at 80, then you know that you made an error and should correct it.

This is a simple way to always know when the angles or moving-lines are correct because you simply add the movement to the bottom and subtract it from the top. Suppose the price referred to above, when the stock has declined 75 points, was 150, then subtracting 80 from the top at 150; the angle would cross at 70, and the price of the stock down 75 points would be at 75, therefore it would be above the angle of 2 x 1 from the top and in position for a rally if the time cycle indicated it.

POINTS FROM WHICH TO NUMBER TIME PERIODS

The most important point on the monthly high and low chart to carry the time period from is from the extreme low of the life of a stock and also from the date of incorporation or from the date trading in the stock began on the New York Stock Exchange. From the extreme low point the time period should always be carried across on the chart just the same as the important angles should be continued right along for years.

The next important point to number from is a second or third higher bottom,

but you should not consider a bottom established until the market has held up or advanced three to four months, then commence numbering from that bottom if it appears to be important. For example:

U. S. STEEL was incorporated February 25, 1901. Numbering the months across you will note that February, 1931, was 360 months, or 30 years, from the date of incorporation. Then start a new cycle and begin numbering across from "0". This will be working out the second cycle or circle of 360⁰.

The next important point is the extreme low of $8\frac{3}{8}$ made May 14, 1904. On the monthly chart carry the numbers across from this bottom, because it is the lowest bottom and therefore the most important. Note this 30-year cycle or 360 months ended May, 1934.

The next important point to number from and draw the angles from, is the low of $21\frac{7}{8}$ in October, 1907, the first higher bottom. Then, the next important is the third higher bottom made in February, 1915. Always draw the angles and number the months across from any other important bottoms where campaigns start.

Use this same rule at tops. After top is reached and the trend turns down, then carry the time numbers across from the top, but after any top is crossed or bottom is broken that you are numbering from, then do not count that top or bottom of importance to number from; except to determine a time period on another cycle 3, 5, 7, 10 or 20 years ahead. Tops that stay for a long time without being crossed are always the most important to carry the Time Periods from. The extreme high reached by a stock is always most important until that high is crossed- then the next high point made on a secondary rally, which is always a lower top, is the next most important top to number from. For example:

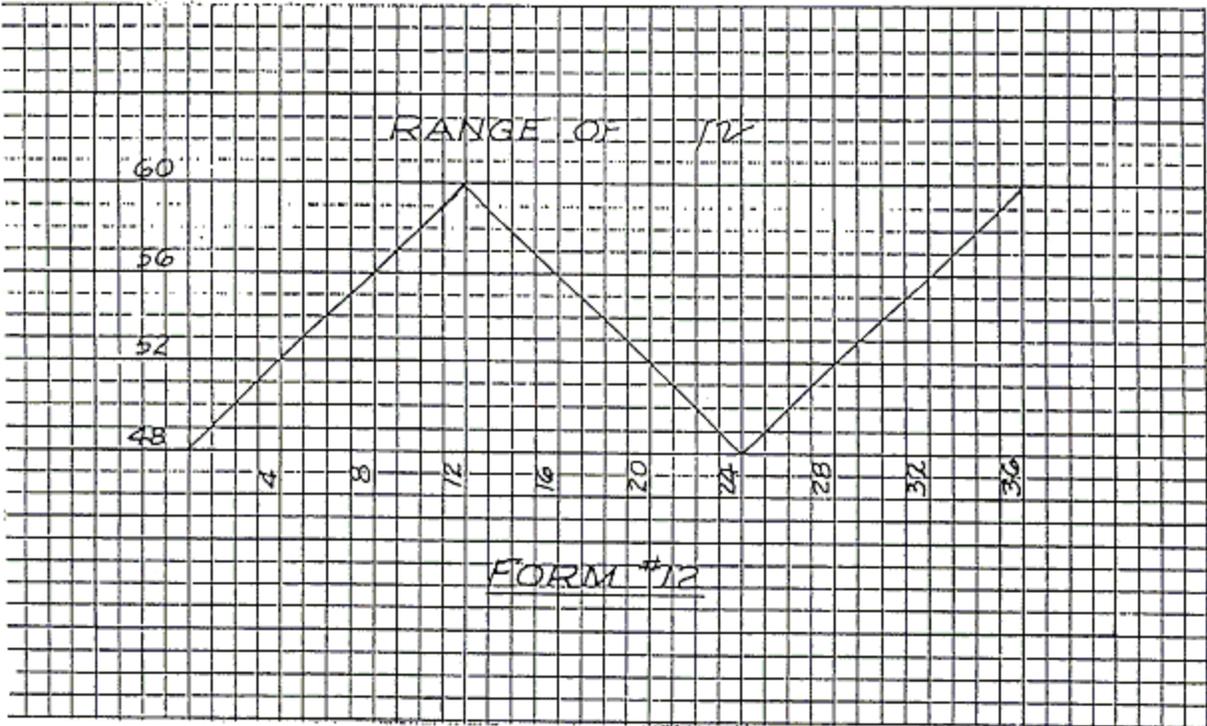
On U. S. Steel you would carry the monthly measurement across first from the high in April 1901- then from the extreme high in October, 1909, and next from the high in May, 1917- then from the final high in September, 1929, being the most important to measure from, and also number from the April, 1930 top.

INDUSTRIAL AVERAGES: The Dow-Jones 30 Industrial Averages reached extreme high on September 3, 1929-- then declined sharply in the panic, reaching low in November 1929-- from this low there was a rally to April, 1930, which was the last high and very important to number from because it was a secondary top, the last rally in a bull market. After final low of the bear market was reached on July 8, 1932, a sharp rally followed to September, 1932, when top was reached-- then a slow decline followed, reaching bottom in late February and early 1933, making this a secondary higher bottom, from which stocks advanced to new high levels. The bottom in 1932 is the most important to number from and the next bottom of March, 1933 is next in importance.

Apply this same rule to weekly and daily bottoms and tops. Discontinue the time periods when any minor top or bottom is exceeded and carry only the main figures on time periods from important tops and bottoms as long as they remain unbroken.

The rule for discontinuing the use of tops and bottoms for Time Periods is: When a bottom or top is exceeded by three points, then discontinue the time period from that bottom or top.

Always note the number of months between extreme high and between extreme low points and note what angle the tops and bottoms come out on.



SQUARING THE PRICE RANGE WITH TIME

This is one of the most important and valuable discoveries that I have ever made, and if you stick strictly to the rule, and always watch a stock when Price is squared by Time, or when Time and Price come together, you will be able to forecast the important changes in trend with greater accuracy.

The squaring of Price with Time means an equal number of points up or down balancing an equal number of time periods--either days, weeks or months. For example: If a stock has advanced 24 points in 24 days, then moving the 45° angle or moving-average-line up at the rate of one point per day, the timing line or time period and the price of the stock are at the same level and the stock is resting on a 45° angle and you should watch for an important change in trend at this point. If a stock is to continue uptrend and remain in a strong position, it must continue to advance and keep above the angle of 45°. If it breaks back under this angle, then it is out of its square on the bear side of the 45° angle and in a weaker position. When you are squaring out Time on a daily chart, look at the weekly high and low chart and monthly high and low chart and see if the stock is in a strong position and has yet to run out the time periods, because on a daily chart it has to react and then recover a position, squaring its price many times, as long as the weekly and monthly point up. Market corrections or reactions are simply the squaring out of minor time periods and later the big declines or big advances are the squaring out of major time periods.

SQUARING THE RANGE: Refer to Form #12, where a range of 12 points is shown from 48 low to 60 high. Now, suppose a stock remains for several weeks or several months, moving up or down, in this range, never getting more than 12 points up from the bottom and not breaking the bottom: We start the 45° angle from the bottom of 48 and move it up to the top of the range to 60, then when we see the stock is holding this range and not going higher, we move the 45° angle back to the bottom; then back to the top of the range again, moving it up or down over this range until the stock breaks out into new low levels or new high levels. You will find that every time the 45° angle reaches the top of this range or the bottom of this range, there is some important change in trend of the stock.

You can also use the angles of 2 x 1 to the right of the 45° angle and the 2 x 1 to the left as they again divide the Time Period into two equal parts and are of some value.

If a stock finally moves out of this range on the up side, then the angles would begin at the new and higher bottom and move up, but from the point where the stock went into new high, or from any important bottom made while it was in the range, especially the last bottom that it made, which would be most important, you should then begin an angle at that bottom and continue on up again; watch when this angle is broken or when Time is squared out again with Price, which would be important for another change in trend, either major or minor.

THREE WAYS TO SQUARE TIME AND PRICE:

We can square the Range, that is, the number of points from extreme low to extreme high, with Time— then square the extreme low point with Time— and square the extreme high point with Time. When the market passes out of these squares and breaks important angles, the trend changes up or down.

1 - The range that a stock makes between extreme high and extreme low can be squared so long as it remains in the same price range. If the range is 25 points, it squares with 25 periods of Time— days, weeks or months. Continue to use this time period as long as it stays in the same range.

2 - SQUARING TIME WITH BOTTOM OR EXTREME LOW PRICE:

The next important Price to square with Time is the lowest price or bottom of any important decline. For example: If the bottom of a stock is 25, then at the end of 25 days, 25 weeks or 25 months, Time and Price are equal. Then watch for a change in trend as based on its bottom or lowest selling price. As long as a stock continues to hold one bottom and advances, you can always use this time period running across and continuing the time period, noting every time it passes out of the squares. Watch especially when the stock reaches the third square, the fourth square, and again the seventh and ninth squares of its time period. These squares only occur frequently on the daily or weekly charts, as the monthly, in most cases, would move out of a range, up or down, before it squared a bottom as many as 7 or 9 times. However, this does sometimes happen when a stock is in a narrow range for many years.

3 - SQUARING TIME WITH TOP OR EXTREME HIGH PRICE:

The other important point to square Time with is the extreme high price of a stock. The Time period must be carried across from the high of the daily, weekly or monthly, and the square of the top price in Time must be noted and watched for a change in trend. If the top of a stock is 50, then when it has moved over 50 days, 50 weeks or 50 months, it has reached its square in Time and an important change is indicated. This can be determined by the position of the angles from top and bottom. For example:

Dow-Jones Industrial Averages— The high of 386 on September 3, 1929 would require 386 calendar days to equal the Price in Time. This occurred on September 23, 1930. Look at the chart and note how the trend changed and turned down around that time. Then, on October 14, 1931, it ran out this period again— and again November 4, 1932, November 25, 1933, December 16, 1934, and January 6, 1935. Look up these dates and you will see that important changes in trend occurred on the Daily Chart when this time period of 386 days balanced the price of 386.

Both major and minor tops and bottoms on all time periods must be watched as they square out right along. Most important of all is the extreme high point on the monthly high and low chart. This may be very high and work out a long time period before it squares the top, in which case you have to divide the price into 8 equal time periods and watch the most important points, like $1/4$, $1/3$, $1/2$, $3/4$, but most important of all is when Time equals Price.

When you are watching the position of a stock after it has squared out from a bottom or a top, always look up the time period and the angles from the opposite direction. If the market is nearing a low point, squaring out a top, see how its relation is to the bottom as it might be in the second or third square

period from the bottom, which would be a double indication for a change in trend.

SQUARING WEEKLY TIME PERIODS:

The year contains 52 weeks and the square of this in Time and Price is 52 by 52. Therefore you can make up a square of 52 wide and 52 high; put on all of the angles from "0"; then chart the weekly high and low prices of any stock in this square. For example: If the low price of a stock is 50; then the top of this weekly square would be 52 added to 50, which makes 102 as top of the square. As long as the stock stays above 50 and moves up, it will be working in the weekly square of 52. On the other hand, if the stock makes top and works down, you would make up a weekly square 52 points down from the top and 52 over to get the time period.

You can take the past movement of any stock, put on a square of 52 by 52, and study the movement, noting 13 weeks or one-fourth, 26 weeks or one-half, and 39 weeks or three-fourths points on time, and the changes in trend which take place when the stock reaches these important Resistance Points in Time and Price. You would watch for a change in trend around these time periods.

SQUARING MONTHLY TIME PERIODS:

At the time a stock breaks a 45° angle, if it is selling at 135 on the 135th month, it is breaking a doubly strong Resistance Level-- a strong angle and a natural Resistance Level. This would be Time and Space balancing at Resistance Levels or geometrical angles and would indicate a big decline to follow. - Reverse this rule at the end of a bear campaign.

On a monthly chart twelve months completes a year, therefore the square of 12 is very important for working out time periods on the monthly chart. The square of 12 is 144 and important changes often occur on even 12 months' periods from a bottom or top of a stock. It will help you if you use the Resistance Levels on prices of the even 12's, noting 24, 36, 48, 60, 72, 84, 96, 108, etc. Watch how the stock acts on angles when it reaches these important Resistance points in Price.

PRICE AHEAD OF TIME

Why do stocks often cross the 45° angle on the daily, weekly or monthly chart, then have an advance for a short period of time, decline and rest on the same 45° angle? Because when the stock crosses the 45° angle the first time, it has not run out or overcome the square of Time with Price. Therefore, on the secondary reaction, when it rests on the 45° angle, it is at a time when the stock has reached the square of distance in Time. After that a greater advance follows.

Reverse this rule at the top of a bull market. When a stock breaks under the 45° angle a long distance from the base or bottom, it is most important. Many times a stock will rest on the 45° angle in the early stages of an advance, then later, on a reaction, rest on it again; then have a prolonged advance, react and rest on the 45° again, and then advance to a higher level; then break the 45° angle the next time, which places it in an extremely weak position because it is so far away from the base and so much time has elapsed since the stock made low. Don't forget--It is most important when angles are broken on the monthly and weekly charts.

This accounts for stocks that have a sharp, quick decline from the top and then advance and make a slightly higher top or a series of slightly lower tops, and work over until they overcome the square of the price range at a comparatively high level and break the 45° angle, then a fast decline follows.

STRONGEST ANGLES FOR MEASURING TIME AND PRICE

- 90° ANGLE: Why is the 90 degree angle the strongest angle of all? Because it is vertical or straight up and straight down.
- 180° ANGLE: What is the next strongest angle to the 90° angle? The 180° angle because it is square to the 90° angle, being 90° from the 90° angle.
- 270° ANGLE: What is the next strongest angle to the 180° angle? The 270° angle because it is in opposition to 90, or 180° from the 90° angle, which equals 1/2 of the circle, the strongest point. 270 months equals 22½ years, which is 1/2 of 45.
- 360° ANGLE: What is the next strongest angle after 270? It is 360°, because it ends the circle and gets back to the beginning point and is opposite 180° or the half-way point, or the angle which equals 1/2 of the circle.
- 120° AND 240° ANGLES What angles are next strongest to 90, 180, 270, and 360°?
Answer: 120° and 240° angles, because they are 1/3 and 2/3 of the circle, 120° is 90 plus 30, which is 1/3 of 90. 240 is 180 plus 1/3 or 60, which makes these strong angles, especially strong for measurements of time.
- 45° - 135° - 225° - 315°: What angles are next in strength?
Answer: 45° angle, because it is 1/2 of 90.
135° angle, because it is 90 plus 45,
225° angle, because it is 45 plus 180; and
315° angle, because it is 45 from 270.
The angle of 225° is 180 from 45 and the angle of 315° is 180 from 135.
- CARDINAL & FIXED CROSS: The angles of 90, 180, 270, and 360 form the first important cross, known as the Cardinal Cross. The angles of 45, 135, 225, and 315 for the next important cross, which is known as the Fixed Cross. These angles are very important for the measurements of time and space or price, and volume.
- 22½° - 67½° - 78¾°: Why is the angle of 22½° stronger than 11¼°? Because it is twice as much, being the same reason that a 45° angle is stronger than a 22½° angle. Again, the angle of 67½° is 1½ times 45, therefore quite strong when anything is moving up toward 90°. 78¾° is stronger than 67½°, because it is 7/8 of 90, and therefore one of the strongest points before 90 is reached--important to watch both on time, price, and volume. Many stocks have important moves and make tops or bottoms around the 78th to 80th day, week or month, but don't overlook 84 months or 7 years, a strong time cycle.
- DIVISION OF \$1: 1/8-POINTS Why are the angles of 1/8 of a circle most important for time and space measurement? Because we divide \$1 into 1/2, 1/4, and

$1/8$ parts. We use 25 cents or one quarter, 50 cents or half dollar, and long years ago we had $12\frac{1}{2}$ cent pieces. While the most important figures of our basis of money are the four quarters, we do use the $1/8$ part or $12\frac{1}{2}$ cents in all calculations. Stock fluctuations are based on $1/8$, $1/4$, $3/8$, $1/2$, $5/8$, $3/4$, $7/8$ and the whole figure. Therefore, any price measurement as well as time will work out closer to these figures when changed into angles of time than $1/3$ or $2/3$ points for the simple reason that the fluctuations moving in $1/8$ proportion must come out closer to these figures.

Figuring \$100, or par, as a basis for stock prices and changing these prices to degrees, $12\frac{1}{2}$ equals 45° , 25 equals 90° , $37\frac{1}{2}$ equals 135° , 50 equals 180° , $62\frac{1}{2}$ equals 225° , 75 equals 270° , $82\frac{1}{2}$ equals 315° , and 100 equals 360° . For example:

When a stock sells at 50 on the 180th day, week or month, it is on the degree of its time angle.

On February 1, 1915, U. S. Steel made a low at 38, which is closest to a price of $37\frac{1}{2}$, which is $3/8$ of 100 and equals 135° angle. Steel was 14 years or 168 months old on February 25, 1915, and hit the angle of 135° , which showed that Steel was behind time, but that it was in a strong position, holding at 38 above the 135° angle or the price of $37\frac{1}{2}$.

When Steel reached 200, it equalled 2 circles of 360° . When it advanced to $261\frac{3}{4}$, it was closest to $62\frac{1}{2}$ in the third 100 or nearest the 225° angle or $5/8$ point, which is the strongest angle after it crossed the half-way point at 250 or 180° angle.



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