



W. D. Gann (1878-1955)

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“Everything has a major and a minor, and in order to be accurate in forecasting the future, you must know the major cycle, as the most money is made when extreme fluctuations occur.

“The major cycle of stocks occurs every 49 to 50 years. A period of ‘jubilee’ years of extreme high or low prices, lasting from 5 to 7 years occur at the end of the 50-year cycle.

“7’ is a fatal number referred to many times in the Bible and it is ruled by the planet Saturn, which brings about contractions, depression, and panics. Seven times ‘7’ equals 49, which is shown as the fatal evil year, causing extreme fluctuations.”

–W. D. Gann

This passage on forecasting stock prices from Gann’s first stock market course, written in 1931, is unequivocal in revealing Gann’s use of astrological factors in his approach to market prognostication. But as is so often the case in Gann’s writings, he combines astrology with numerology and an awareness of cycles, and it is this unique combination that

gives his work so much wisdom and vitality. There is always much we can learn from studying Gann's unique use of numbers, but we can learn even more if we pay attention to the astrological factors as well.

So in what ways is Saturn associated with the number 7? In the ancient world, of course, there were only seven known planets—the ones visible to the naked eye. Saturn, as the outermost of those planets, defined the limits of the Universe. It was the seventh planet, the slowest in its movement across the sky.

In the same way Saturn became associated with Saturday (literally Saturn's Day) as the seventh day of the week. In W. D. Gann's lifetime the markets were open on Saturday and it represented the weekly closing price, the time at which the door shut on the week's trading activity.

The number 7 is also associated with the end of cycles and with downfall and destruction, as is perhaps most famously noted in the biblical account of the Battle of Jericho, as recorded in the Book of Joshua, 6:1-20:

And the Lord said unto Joshua, "And ye shall compass the city . . . and go round about the city once. Thus shalt thou do to six days. . . . And the priests shall bear before the ark seven trumpets of rams' horns: and the seventh day ye shall compass the city seven times and the priests shall blow with the trumpets. . . . When they make a long blast with the rams' horn and when ye hear the sound of the trumpet, all the people shall shout with a great shout, and the wall of the city shall fall down flat."

The Battle of Jericho was not just about psychological warfare and the power of sound vibrations; it was also a demonstration of the incredible force of the number 7.

Gann's statement that 7 is a "fatal number" is not to be taken lightly. The Kabalistic Book of the Apocalypse is depicted as being closed with Seven Seals. In 1871 the Masonic author Albert Pike wrote that "The Cherub, or symbolic bull, which Moses places at the gate of the Edenic world, holding a blazing sword, is a Sphinx, with the body of a bull and a human head; the old Assyrian Sphinx whereof the combat and victory of Mithras were the hieroglyphic analysis. This armed Sphinx represents the law of the Mystery, which keeps watch at the door of initiation, to repulse the Profane. It

also represents the grand Magical Mystery, all the elements whereof the number 7 expresses, still without giving its last word.”

And what of 49, the “fatal evil year”? Elsewhere, Gann noted that the “7th year is a bear year, because 84 months or 84° is 7/8 of 90.” Seven years is also approximately one-fourth of a Saturn cycle, the time that the planet takes to make one complete orbit around the Sun, and thus one trip through the zodiac as seen from the Earth’s perspective. The 49-to-50-year period is roughly equal to 1¾ cycles of transiting Saturn, with the planet of contraction taking a little less than 29½ years to return to its point of origin and then an additional 21 years to form, in turn, a waxing square to that point, an opposition to that point, and then yet another square to that point, in this case a waning square. That 21 years is important not only because it brings the Saturn cycle to a new point of stress, but also because it is associated with the World, number 21 in the Major Arcana of the Tarot, a card which is symbolically connected with the planetary energy of Saturn. Thus 49, as the sum of 21 (7x3) and 28 (7x4), has special significance.

Ultimately, there is no end to the implications and complications. In understanding this cycle, however, it is sometimes enough simply to look back and examine what happened in stock market history, so that we can get a clue about what to expect next.

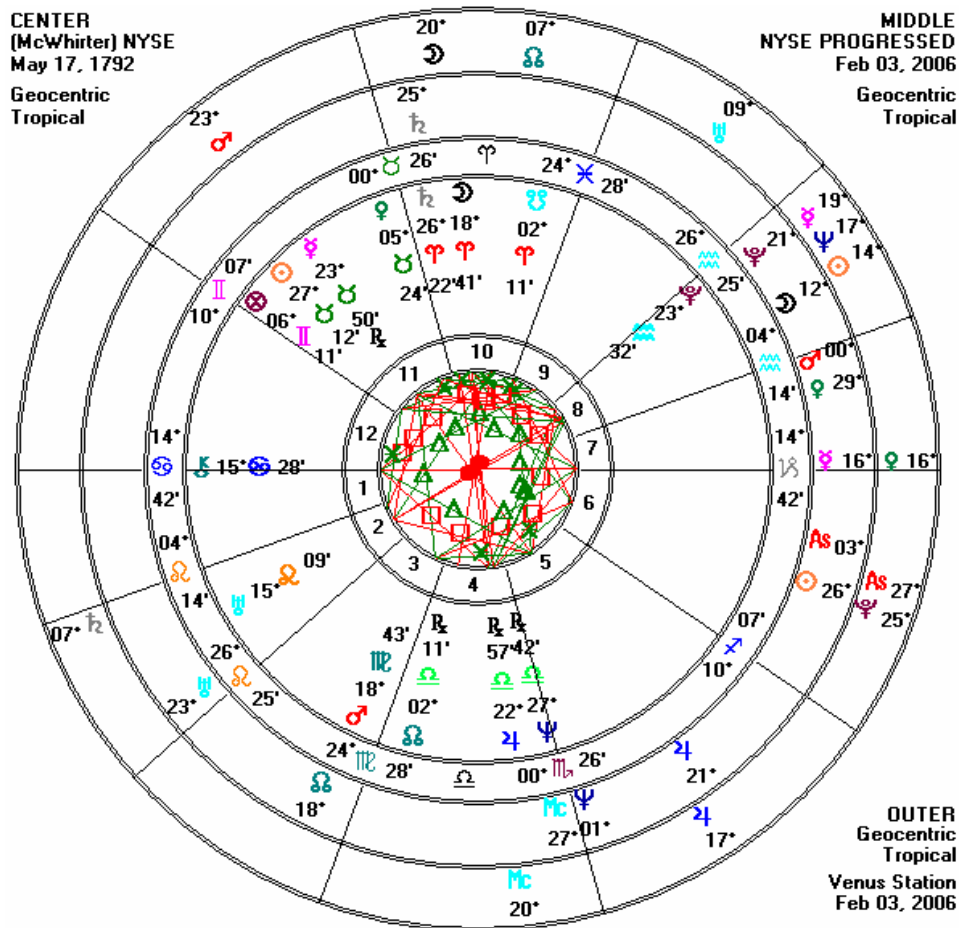
In 1956 and 1957 period, for example, which was 49 to 50 years ago, the stock market was in a slump, but it was followed by a bull market after the Soviets launched Sputnik in October, 1957 and U.S. efforts to compete in technology suddenly heated up. This suggests that we may have to wait until near the end of 2007 to see a fresh burst of enthusiasm in the current equities markets, with stocks staying in a narrow trading range with a downside bias between now and then.

February Insights

“The stock market averages and individual stocks follow a seasonal change in trend which varies in different years, but by knowing the important dates and watching them you will be able to determine a change in trend very quickly by applying all the other rules. The important dates are. . . February 3 to 10, and 20 to 25. These are next important to the dates in January.” –W. D. Gann

Astro-Events This Month

There's an especially volatile period as February gets underway, with a Venus direct station and a Poseidon retrograde station on February 3, followed by an Admetos direct station on February 5 and a Sun/Neptune conjunction on February 6. That combination should be enough to turn the markets significantly, and with Poseidon (high hopes) going backward and Admetos (major obstacles) getting into gear as illusions confront the light of day, we wouldn't be surprised to see a sell-off getting underway. The Full Moon on February 12 and the New Moon on February 27 will also be important times to stay alert for shifts in market trends.



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The GANN PLAN TRADING LETTER is edited by Tim Bost and published each month as a free service to traders who want to explore and apply the market methods of W. D. Gann and who wish to bring more emotional balance, esoteric knowledge, and spiritual balance into their trading.

The Gann Plan focuses on Geometry, Astrology, Nature, and Numbers to foster improved Psychology, Learning, Affluence and Nurturing. It understands that successful traders need health, patience, spirituality, knowledge, capital, and money management.

While this letter is inspired by W. D. Gann's approach to trading, the Gann Plan is not an attempt to duplicate the exact trading techniques that Mr. Gann used. Instead it strives to integrate modern tools and contemporary hypotheses with the knowledge and wisdom that W. D. Gann shared.

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