

JUNE 30, 2014

Good omen for 2014/2015 - Excellent buying opportunities ahead

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At the beginning of 2014, the new Scorsese film “The Wolf of Wall Street,” with Leonardo Di Caprio as leading man, started showing in Germany. So far, all films about “Wall Street” have been a bad omen for the stock market, suggesting this might be the case in 2014, as well.



1987

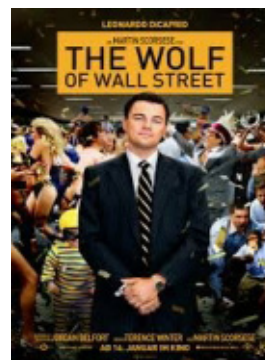
Whenever films titled “Wall Street” started in cinemas, the stock market stood on the brink of a major decline. In 1987, Oliver Stone’s film “Wall Street,” starring Michael Douglas, started just before the big crash known as “Black Monday,” October, 19, 1987.



2010

In May 2010, the sequel to “Wall Street” from 1987, named “Wall Street 2: Money Never Sleeps,” was released. At that time, the “Flash Crash” occurred on the 6th of May in a generally weak market environment and made headlines.

The latest film about Wall Street was implemented by Martin Scorsese and is called “The Wolf of Wall Street”. The film shows the greed for the rapid rise and reflects the Black Monday in 1987. Release in USA: 25th of December 2013. Release in Germany: 16th of January 2014, and the Netherlands 9th January, 2014.



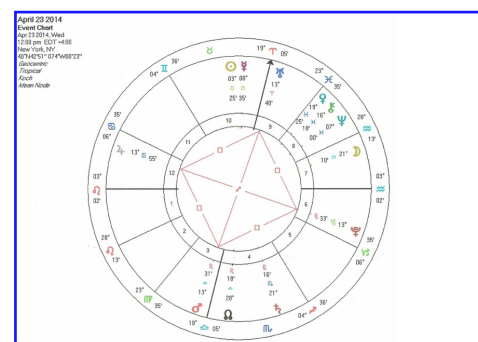
2014

THE CURRENT SITUATION - THE U.S. MARKETS AT A TIPPING POINT DUE TO AN HISTORIC GRAND CROSS OF PLUTO, URANUS, JUPITER AND MARS

At the moment of this writing in April 2014, we are in the middle of a planetary cluster, which is historically correlated to fundamental political and economic changes around the world. These changes are taking place in a geopolitical way and therefore mainly in the world wide financial markets and the banking systems. Everything is connected and intertwined with each other. The identification of cycles and the financial astrology applying the MMTA model of Ray Merriman can help us have a deeper understanding of these events.

Uranus is just now in the middle of its square aspect to Pluto, as this is the 5th of 7 occurring in April, 2014. In addition, it is in the middle of a huge cardinal T-square with Jupiter (August, 2013-April, 2014), and Mars joined the configuration on April 22, creating a “Grand Cross.” This is illustrated in the horoscope below.

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Since Uranus in such a powerful long-term aspect can correlate with a sudden change of attention, we cannot rule out the possibility of a stock market decline of 30% or more, prior to 2020, and perhaps even in 2014-2015. One scenario is for a sharp, fast drop in the markets toward the end of April, 2014, of at least 17%. The other is that the markets experience a more prolonged decline lasting into 2015-2017, perhaps even 2020. In this case, the markets could drop more than 30%, more likely at least 48%, and possibly even 77-93%, which is the historical decline when a 72-90 year cycle unfolds..¹

So far, the S&P 500 Index reached a high of 1897.28 on April 4, also, and dropped to a low of 1814.36 by April 11, or 4.4%. On April 22, the S&P hit 1872.57, but reversed after the news about the events in the Ukraine heated up.

We could clearly see tension between Japan and China in late 2013 / early 2014, as the German newspaper "Die Welt" reported: *"In early December a collision nearly occurred between a Chinese warship and a U.S. guided missile cruiser. The latest culmination in the conflict with Japan has been provoked by China's administration, when declaring an air defense identification zone (ADIZ) over the East China Sea. But this also includes territories administered by Japan and South Korea, for example, the Senkaku/Diaoyu Islands."*

In January, 2014 the Japanese Prime Minister Shinzo Abe reminded the audience of the situation, the tensions, and the confrontation between England and Germany before World War I. As a result a spokesman of the Chinese Defense Ministry replied sharply, reminding Japan of its war crimes during the last century. This happened about the time Mars extended the T-Square to a Grand Cross.

Right now, we are in the middle of a time band from March 29 to April 25, when powerful geocosmic signatures are about to occur. The fact that Pluto went stationary and then became retrograde on the 14th of April will emphasize the influence of Pluto, which stands for the seizure of political power, exercise of coercion and violence. We have already seen this in the behavior of Ukrainian separatists, their Russian supporters and statements of German and Ukraine politicians, who openly warned of World War III.

From an astrological perspective, it is noteworthy that the disruptive influence of this Grand Cross as it occurs on 13 degrees of cardinal signs and that is right on the Sun of the United States at 13 Cancer on the 4th of July, 1776, as well as the Sun of President Putin, born October 7, 1952..²

¹ Forecast 2014, Ray Merriman, Page 45

² Ray Merriman's "Weekly Market Letter" 4/28/14

EXECUTIVE SUMMARY

Economic cycle of Saturn-Pluto is in the contractionary phase, and Uranus triggers past market decline degrees of 22-27 Cardinal signs May, 2016 – October, 2016; February, 2017 – April, 2018.

Fed ending bond buying program has had bad effect on the markets.

Based on both the Decennial history, years ending in 4 average an upturn of 5.5%, but factoring in the Mid-Term Election year results, the average is 0.24%.

Presidential cycle trough is due March-December, 2014³

The probability that the current 22.5 month cycle will top out in the next 6.3 months, or not later than the beginning September 2014, is about 82% . And this again fits with our target for the 4-year cycle: it should be due in October 2014 +/- 6 months.

Excellent buying opportunities 2014-2015

3 MMTA Course 1, page 65

CYCLES IN THE U.S. STOCK MARKETS WITH SPECIAL EMPHASIS ON THE S&P 500

The following chart shows the performance of the S&P from 1950 to 2013:



Source: self-created chart

The MMTA long-term cycle analysis only goes back about 200 years. On the basis of these studies on the U.S. Dow Jones stock market, we are able to identify 73-77 year cycles, with a mean periodicity of 75 years and an orb of only two years, based on historical cycle lows in the years 1784, 1857, 1932 and 2009..⁴

Cycles tend to fall into smaller divisions by 2 or 3, or a combination of both, so 75 year cycles, have 37.5 year sub-cycles, composed of two 18 year cycles, which can be correlated with the Moon's Nodal cycle as well..⁵ Historically, the span of the 18 year cycle has been 13 to 22 years, while

most cases occur in an interval between 15 and 22 years..⁶ We are still not certain whether the 18 year cycle ended in 2002 or 2009. If the 18 year cycle was complete in 2002, then this cycle is due again between 2015 and 2024; if 2009, then this cycle becomes due again between 2022 and 2031.

4 MMTA Course 1 Manual, "The 18 Year Cycle in Stock Markets," page 38.

5 MMTA Course 2 Manual, page 61.

6 MMTA Course 1 Manual, page 38.

CYCLES – BACKGROUND

In the Merriman Market Timing Academy (MMTA), the most important factor to analyze when creating a forecast is time. Prices tend to move up and down at recurring intervals, and by studying the cycles of the past we can determine where we are in the current cycle, and project forward as to when the next cycle high or low will likely occur. All cycles begin and end at a low, or trough.

The following is a table of the 4-year cycles (see page 5), as U.S. Stocks have been determined to follow a pattern of lows to lows over 3-6 years, divisions of the 18 year cycle discussed earlier. As you can see, we have presented two views as to the exact cycle which ended March, 2009. Cycles can contract or expand with unusually big geocosmic cycles present, and we are in a time band which Raymond Merriman has been describing as the "Cardinal Climax" for several years, due to the large number of outer-planet aspects in cardinal signs.

LONGER TERM CYCLES

The Uranus-Pluto cycle has been discussed in detail already.

The Saturn-Pluto cycle has been identified as correlating to the longer-term economic cycles, with the conjunctions occurring at the beginning of an expansionary trend, and the oppositions at the downturn. The last conjunction occurred November, 1982 and the current phase started with the opposition which began August 5, 2001. The next conjunction will be in 2020.

There were 42 years and 4 months between the first two largest drops in the stock market since the S&P began trading in 1930. The first low was June, 1932, and the second was October, 1974. As a Uranus cycle is 84 years, we see that in June, 1932 Uranus is at 22 degrees of Aries, and in October, 1974 it is opposing that point at 26 degrees of Libra.

The chart of the New York Stock Exchange (NYSE) founded May 17, 1792 in New York City, also called "The Buttonwood Chart," has 3 planets between

23-27 degrees of fixed signs, and at least three more between 22-27 cardinal signs. Clearly, Uranus transited these degrees coinciding with the crashes of 1932 and 1974. Also, both occurred in the contractionary phase of Saturn and Pluto. There were 21 years and 5 months between the October, 1987 and the March, 2009 reversals.

On October 19, 1987, known as "Black Monday," Pluto was exactly semi-square (45 degrees) to Uranus. We are now in the midst of experiencing 7 squares (90 degrees) between Uranus and Pluto, and the squares are considered to be even stronger than semi-squares. (Uranus was 23 degrees Sagittarius 10/19/1987.)

The March, 2009 pullback was in the first 4 months of a 20 month time band of "Uranus opposite Saturn" aspects. Ray Merriman's research shows that Uranus-Saturn aspects are the most reliable for stock market corrections.⁷ (Uranus was 22 Pisces opposing Saturn at 18 Virgo 3/9/2009.)

As the above examples all have Uranus transiting the key degree area of the NYSE chart, we should consider that the time period when Uranus gets to 22 Aries could see a big market downturn. That will occur May, 2016 – April, 2018, intermittently. On the low of June, 2013, 22.5 month cycle, Uranus was at 12 Aries, close to where it is now. Using 8th harmonic aspects, this does trigger planets at 27 degrees because if we add 45 degrees to 12 Aries, we get 27 degrees of a fixed sign.

⁷ "Volume 3: The Ultimate Book on Stock Market Timing" by Raymond Merriman

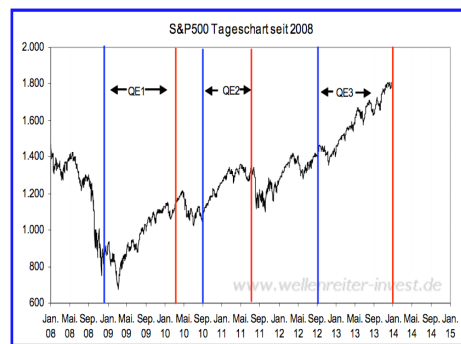
THE FEDERAL RESERVE AND QUANTITATIVE EASING (QE1, QE2, QE3)

The German economic newspaper "Handelsblatt" reported on 2014/02/27 that the new Fed chief Janet Yellen aims for the end of the national stimulus packages in the fall of 2014. Precondition for this is, that the upturn will stabilize as expected. Yellen stated that the US economy has rebounded and continues to improve. Her predecessor Ben Bernanke had mentioned vaguely a possible phasing out of the multi-billion securities purchases "at the end of the year".

"Markets do not expect an increase in interest rates before summer 2015. The key interest is already at an all-time low of about 0-0.25 percent since late 2008. The Federal Reserve originally planned to consider an end of this zero interest rate policy when reaching an unemployment rate of 6.5 percent. Since this rate is already within reach, the Fed signaled to keep interest rates low for some time after reaching the target value." ⁸

Whenever a bond purchase program of the Fed had ended, the impact on equity market performance was negative, as the following chart clearly shows. Since January 2014 the Federal Reserve gradually phases out its thirds bond purchase program. There is no assurance, that this is not already having a negative effect on the markets.

8 "Handelsblatt"



Source: Wellenreiter-Invest

However, we have to assume, the probability for the market to react negatively to the "tapering" might be quite high. This may also be the case, if investors will pay attention to geopolitical events, which may cause a limited global economic output, due to the threatened sanctions on Russia and the Russian counter-threat to stop the supply of gas to the western countries.

When the first bond purchase program expired in late March 2010, the S&P declined 17 percent from April to July.

A big part of this decline happened closely to the event, in a short time period of about 4 weeks (April 26 to May 25). In this time the prices went down by up to 14 percent.

Again at the end of the second bond purchase program in late June / early July 2011, the S&P lost up to 19 percent in a short time after the event (e.g. from July 7 to August 9).

Again, by the end of this period, the main part of the declining potential had been realized, as happened before in 2010. This time the period of weakness ended on October 4. The overall weak phase lasted about 3 months with losses up to 21 percent.

As we have seen, the relatively short time of actual market weakness began in that month, when investors switched into "risk off" mode after the programs ended.⁹

Above mentioned statements by Janet Yellen suggest that the Federal Reserve is attempting to significantly alleviate the impact of tapering by modifying its exit strategy. This clearly seems

to fit to an old German proverb, "Old wine in new bottles," meaning that Yellen's "Tapering" is nothing new. Indeed, the actual downward period might last 3-6 months. But her plans are going to overlap with the worsening geopolitical situation, so, from a psychological perspective it appears more likely to anticipate two downward movements, as happened before after the first two QE programs.

9 Rethfeld, "Wellenreiter Jahresausblick 2014"

BACKGROUND ON QE

The interest rate drop by the Federal Reserve Bank, from 7.5% in October, 2007 to 3.5% by December, 2008 is unprecedented in United States history. The Pluto Ingress into Capricorn occurred in January, 2008, when the first .75 point decrease was announced. Pluto rules Scorpio, and so now the theme is reinforced with Saturn in Scorpio, because Saturn rules Capricorn. When two planets occupy each other's sign of rulership, the condition is called "mutual reception." It seems unlikely that interest rates will begin to increase before Saturn moves out of Scorpio.

The Federal Reserve was created by law December 23, 1913, with the Sun opposite Pluto at the "Aries Points" of 0 Capricorn and 0 Cancer, respectively. For this reason, plus the fact that Pluto rules "big money," (think Plutocracy,) the actions of this bank are considered to be very relevant to the Uranus-Pluto squares.

One of the challenges of predicting the stock market now is that the market seems to be defying the normal rules in terms of when it goes up and when it goes down, clearly as a result of the Federal Reserve's Quantitative Easing, identified by Ray Merriman. Bad news moves the markets up, because that means that the Federal Reserve will keep the flow of "cheap money" coming, which is great for stocks for a couple of reasons that are easy to understand. First, the companies themselves have access to the cheap money so the businesses can grow via mergers, upgrading plant and equipment, stock buy backs, and strengthening the balance sheets. Second, investors have to put their money somewhere. As the large population of "baby boomers" needs to get the best return possible to prepare for retirement, the low interest offered at banks almost forces them into the stock market, even if they are concerned about risk.

The chart below shows the S&P divided by the price of gold. While there is fluctuation in the price of gold to the dollar, it is the best correlation we have because it is, after all, what once was the underlying asset supporting the value of currencies all over the world. Therefore, this chart shows the price of the S&P adjusted for

the deflation of the dollar due to the increase in the money supply resulting from Quantitative Easing by the Federal Reserve.



Chart: StockCharts.com

TROUBLE IN THE UKRAINE

Because of the worsening situation in Ukraine by April 7, the attention of investors could shift from the actions of the Federal Reserve to concerns about the possible collapse of the markets. Venus had formed a trine to Jupiter on April 17 – a small time frame of harmony opened, offering promising opportunities.

In fact, on April 17th, John Kerry (the U.S. Secretary of State), Sergeji Lavrov (the Russian foreign minister), Catherine Ashton (High representative of the European Union) and a representative of the new Ukrainian government signed an agreement on the settlement of disputes and the disarmament of the pro Russian paramilitary forces in Eastern Ukraine. This was the long-awaited recovery before the actual Grand Cross in the cardinal signs reaches now its peak from 20th to 23th April.

As might be expected from the geocosmic perspective, everything was already over by the next day. The parties argued about the precise conditions to implement the agreement, America threatened further sanctions and Putin placed new demands to the Ukrainian transitional government.

S&P 500 MONTHLY CHART ... WHAT CAN WE SEE?

Below is the monthly chart of the S&P Index provided by Pinnacle Data and shown in the Fibonacci Galactic Trader program. The monthly pattern on the S&P is a big two phase pattern with double tops and double bottoms. 1996 is when the S&P 500 first broke the 666 price point to the upside, retested with the March, 2009 low, which was a double bottom to the 2002 low of 768. Since then, there appears to be a clear 22.5 month cycle with a two phase pattern with lows on 7/2010 and 10/2011.



Chart: Galactic Trader

If we have a pullback of 25-35% from the current price move up from the 10/2011 low, the previous highs between 1553-1576 could provide price support in that area. That is the bearish view. The March, 2009 low was the completion of a "Mid-Cycle Pause" pattern, with the point D on March, 2009 falling between the 100% and 1.236 projection points. It is not a perfect pattern because the second high at C slightly exceeded the high at A, but it is close enough. Additionally, we should look at the pullbacks which have occurred since March, 2009, with a low of 666.79. The pullback of July, 2010 from a high of 1219.80 in April, 2010 to the low of 1010.91 in July was a 38% retracement, shown above.

The following pullback from the high of 1370.58, in May, 2011 to a low of 1074.77 on October, 2011 was within the range of a mid-cycle correction.

The cycle began with the July, 2010 low of 1010.91. The calculation for the projected low is:

CALCULATION FOR HALF-CYCLE CORRECTION IN A BULLISH CYCLE

Beginning

Cycle Price 7/2010 **1,010.91**
Crest 5/2011 **1,370.58** 359.67 Difference
161.85 Times .45

Projected Correction Range:
305.72 Times .85

Range Hi 1,208.73
Range Low 1,064.86

The low of 1074.77 in 10/2011 was within the projected range of 1064.86-1208.73.

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Since the greater pattern has been labeled as a double bottom example, it is appropriate to use the 1.618 Price Target Calculation. In this case using the 2002 low as well as the 2009 low, to estimate how high price may go.

DOUBLE BOTTOM PRICE PROJECTION

1.618
*/- .118
Oct-02 **768.63**
Oct-07 **1,576.09**
Mar-09 **666.79**
Projected C 1,973.26
Range 142.15
Range Hi 2,115.41
Range Low 1,831.11

As of today, April 22, 2014 the market has reached a new high of 1897. We have just barely exceeded the low range of the projected price target based on this calculation of 1831-2115. However, we know that Uranus square Pluto is a signature for the unexpected breakout, but to the upside or the downside?

As traders, with the luxury of the Fibonacci-Galactic Trader Program with FAR10, we can conveniently see the price targets projected on our trading screens, as you can have seen above. In this view, we are just looking at the biggest retracement since the March, 2009 low and then projecting various price levels based on the move from the low of D to the high of April, 2011 from the low of October, 2011. In this example, our price targets range from 1777-2213, so slightly wider than the above example calculation, but inclusive of those results.

Another approach appeared in Ray Merriman's Forecast 2013 book with reference to Rick Lorusso, is to take the price range, and project that the next move up will be 100% or some other ratio of the previous range. In the case of the S&P, we had a range of 909 points from the high of 1576 to the low of 667. If we add 909 to 1576 we get a range up to 2,485.

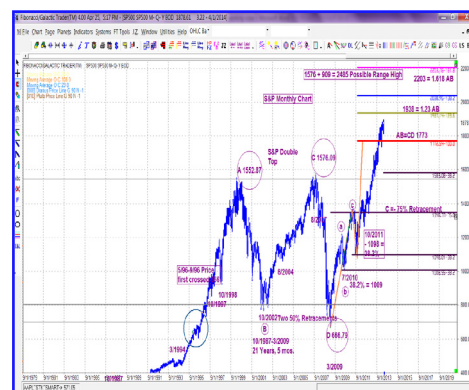


Chart: Galactic Trader

10 Trading software sold by MMA Cycles, developed for Ray Merriman



SHORTER-TERM TRADING STRATEGY

For shorter-term projections, the Mid-Cycle Pause, or AB=CD pattern is very useful for determining the trend and help to determine where to “buy the dips” and “sell the highs.” Here is an example of using the drawing tools in the program on the daily chart of the S&P and how useful the targets have been in the last couple of weeks. Also, as the Uranus-Pluto square is upon us, we are showing those planetary lines and you can see that when our AB=CD target coincides with one of those lines, the support or resistance effect seems even more probable.

“Planetary Lines” were used by the famous astrologer and technical analyst W. D. Gann. To calculate the planetary lines, the longitude of the planet is converted to price, and then increments of 360 degrees are added until the lines are in the price range of the underlying asset. The Fibonacci-Galactic Trader does this calculation, and allows for adjusting to divisions of 360, but that is another topic. In this example, Uranus is at 13 degrees of Aries, so $(360 \times 5) = 1800$, plus 13 (13 Aries) = 1813. (As 360 degrees are in a circle, we keep adding increments until we get in the price range.)



Source: self-created chart

You can see how the point “D,” using the 1.236 extension, was nearly exactly the high point at which to sell at 1897.28 on April 4, 2014. The exact AB=CD was 1886.51, so depending on your trading plan you may have gone short there.

The perfect AB=CD pattern that lines up with the Uranus-Pluto line, as well as some small support to the left, was a perfect entry. The target was 1812.75, but the low was 1814.36, which is why a little bit of “orb” is required with your trading plan. Had one caught this low, they would be rewarded with a rise over the next several days over 1880, 60+ points up from 1817. As you can see, there were three days where we could buy in that price area.

4-YEAR CYCLES IN THE S&P 500

As part of our research we identified the following 3-5 year cycles with the following associated

values;” This leads to the following conclusions: Here we found a total amount of 21 S&P 500 4-year cycles. Up to date the shortest measured 4-year cycle is 19 months, and the longest is 63 months. This means there is a median cycle length of $63 + 19 = 82/2$ or 41 months.

Cycle #	Trough	Crest	Trough	Mos. Up	Mos. Down	Total	Low	High	Low	% Up	% Down
1	Jun-32	Jul-33	Mar-35	12	20	32	4.40	12.20	8.06	177%	34%
2	Mar-35	Mar-37	Mar-38	23	12	36	8.06	18.68	8.50	132%	54%
3	Mar-38	Oct-38	Apr-42	6	43	49	8.50	13.91	7.47	64%	46%
4	Apr-42	May-46	May-47	49	12	61	7.47	19.25	13.71	158%	29%
5	May-47	Jun-48	Jun-49	12	12	24	13.71	17.06	13.55	24%	21%
6	Jun-49	Jan-53	Sep-53	43	8	51	13.55	26.66	22.71	97%	15%
7	Sep-53	Aug-56	Oct-57	35	14	49	22.71	49.74	38.98	119%	22%
8	Oct-57	Dec-61	Jun-62	50	6	56	38.98	72.64	51.35	86%	29%
9	Jun-62	Feb-66	Oct-66	44	8	52	51.35	94.72	72.28	84%	24%
10	Oct-66	Dec-68	May-70	25	17	43	72.28	109.37	68.61	51%	37%
11	May-70	Jan-73	Oct-74	32	21	53	68.61	121.74	60.96	77%	50%
12	Oct-74	Sep-76	Mar-78	22	18	41	60.96	108.72	86.45	78%	20%
13	Mar-78	Nov-80	Aug-82	32	21	53	86.45	141.96	101.44	64%	29%
14	Aug-82	Aug-87	Oct-87	60	2	62	101.44	337.89	216.47	235%	36%
15	Oct-87	Jul-90	Oct-90	32	3	36	216.47	369.78	294.51	71%	20%
16	Oct-90	Jan-94	Mar-94	39	2	41	294.51	482.85	436.16	64%	10%
17	Mar-94	Jul-98	Oct-98	52	3	55	436.16	1,190.58	923.32	173%	22%
18	Oct-98	Mar-00	Oct-02	16	31	48	923.32	1,552.87	768.63	68%	51%
19	Oct-02	Jul-07	Aug-07	57	1	58	768.63	1,555.90	1,370.60	102%	12%
20	Aug-07	Oct-07	Mar-09	1	17	18	1,370.60	1,576.09	666.79	15%	58%
21	Mar-09	May-11	Oct-11	25	5	30	666.79	1,370.58	1,074.77	106%	22%
22	Oct-11										
Alternate Cycle 23-24 - One longer cycle:											
19	Oct-02	Oct-07	Mar-09	60	17	77	768.63	1,576.09	666.79	105%	58%

Source: self-created chart

To determine the “normal” range of the long-term 3-5 or 4-year cycles exactly we remove the shortest cycles with a length of 19 and 25 months and the longest cycles with a length of 63 and 62 months from our data pool. Then we get to the conclusion that 80.95% of all 4-year cycles in the S&P 500 have a “normal” range of 31-59 months. This means that the “normal” average cycle length is about 45 months, with a range of 7.4 months.

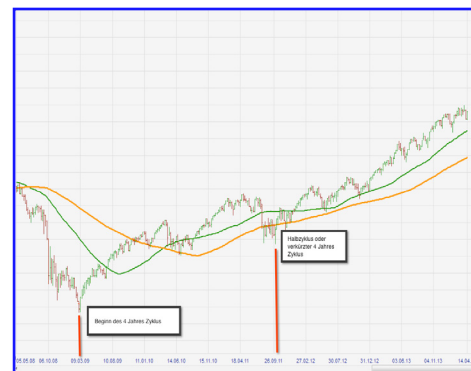
As we can see from the table the span of increasing months in the S&P 500 in the context of 4-year-cycles is from a minimum of two months (August 2007 - October 2007) up to a maximum of 61 months (Aug.82 - Aug.87). If we remove - as shown previously - the two shortest 2 & 7 months and the two longest upward movements of 61 & 58 months, we'll be in the 80% range for our normal average increase in the 4-year cycle, concluding that 80.95% of all normal rallies in the S & P 500 range from a minimum of 13 to a maximum of 53 months. The average rally in the S&P is 33 months with an orb of 5.5 months. Previously, there were 4 cases in which the rallies lasted over 50 months.

Furthermore, we can learn from the table, the span of decreasing months ranging from 1 month (July 07-Aug.07) up to 43 months (Oct 38. - April 42). If we also remove the shortest and the longest downward movement, we get into the 80 percent range for a normal price drop in the 4-year cycle in the S&P 500. This means that 80.95 percent of all declines in prices will take place within a time frame of 2-31 months.

The historical percentage of the profits from the beginning to the top of the 4-year cycle is

located between a minimum of 14.99 percent in the cycle from March 2009 to October 2011 and a maximum of 233 percent in the cycle from August, 1987 - October, 1987. Let's drop out the smallest and the largest percentage profit of the 4-year cycle to get to the “normal” 80 percent margin for profits in the 4-year cycle. We will obtain a range of 24 -177 percent, which means that in 80% of all bull markets in the S&P 500 we have increases in the range of 24.43 to 177 percent. Out of all cycles there were 8 which made a profit of over 100 percent.

The percentage of historic losses in the 4-year cycle (from the perspective price peak to the lowest price) ranges between 10 percent and 58 percent. If we remove these two extremes, 80 percent have a loss of between 11.9 percent and 54.50 percent. Out of all 21 cases, the price drop was less than 20 percent in only 3 cases. This means that there is an 85.7 percent probability that the price drop in a 4-year cycle amounts to over 20 percent.



Source: self-created chart

(S&P 500 Chart; box to the left: suggested beginning of the 4-year cycle .box to the right :halfcycle or shortened 4-year cycle)

If the current 4-year cycle began in October 2011, the low end of the range would be up 13 months, which was though October, 2012, and the long end would be up 61 months, or possibly as late as November, 2017. Using the average of 33 months with an orb of 5.5 months, gives a date range of about 28 months - 39 months, which we are in now, since mid-January, 2014 through mid-December, 2015.

If the investors' attention, because of the worsening situation in Ukraine, finally moves away from the policies of the U.S. Federal Reserve under its new President Janet Yellen towards the concerns about the possible collapse of the markets, then we could maybe reach the top of the cycle. However, there is also the other - yet shown - possibility of further increase in rates if the investors - against their experiences with the QE's in the past - respond positively to the “tapering” and if the geopolitical situation - contrary to all expectations - eases considerably.



We have shown above, that the average declines in the S&P 500 would have, with virtual certainty, a value over 20% and that this decline will take place usually in a time frame of 2-20 months.

But there is also the possibility that the current cycle has begun in March 2009. In this scenario, the low in October 2011 could either be a half cycle or the beginning of a new, contracted 4-year cycle. In the first case it would be a far extended (to 61 months!) 4-year cycle similar to the cycle of August 1982 to August 1987. That was the longest measured rally in the 4-year cycles of the S&P 500. This rally was followed by a collapse with an almost 36% price decline in just 2 months. Our study shows that there have been only four cases with a rally in the S&P 500 measuring more than 50 months. In 3 cases the downward phase took about 1-6 months, in one case 12 months - with losses more than 20% in all cases.

It seems to be relevant, that the price decline in both cycles- in which the downturn only took one or two months - ranged from 35.93 to 50.50 percent. Whether it has begun in the present cycle in October 2009 or in October 2011, these are the reasons why investors should be especially careful now - even if the possibility of further increases in prices cannot be excluded. However, against the possibility of further increases speaks the proven stability of the presidential cycle in the U.S.

As part of the studies, published in "The Ultimate Book on Stock Market Timing. VOL 1: Cycles and Patterns in the Indices", it was shown, that most troughs in the 4-year cycles occur between 16 and 25 months after a U.S. presidential election. The last election of Barack Obama as the President of the United States was on the 6th of November in 2012. From this perspective, it seems likely that the trough in the current cycle will occur from March to December 2014. The cycle analysis of the German analyst Robert Rethfeld - even if his analysis is based upon the Dow Jones - support this view, because the Dow Jones is often strongly correlated with the S&P 500, as we have already seen.

THE 22.5 MONTH CYCLE

The 4-year cycles have been further sub-divided into smaller cycles of average 22.5 months duration, shown on the following page. The reason behind this analysis is to determine the characteristics attributable to each so that our forecasts can be as accurate as possible.

While there is some debate as to where we are in the 4-year cycle, from the perspective of the smaller 22.5 month cycles, we have begun a new cycle the week of June 24, 2013, 10 months ago, with a low of 1560.33. So far, this has been a bullish cycle, up to almost 1900, or about 22%.

This is not necessarily the crest of the cycle, so it could go higher and based on the table below you can see that most cycles exceed 22 % Up.. Only 12 of 47 were 22% or less.

The probability that the current 22.5 month cycle will top out in the next 6.3 months, or not later than the beginning September 2014, is about 82% . And this again fits with our target for the 4-year cycle: it should be due in October, 2014.

22.5 Month Cycles - S&P 500														
4-Year 22.5 Mo.				Months Months				Total						
Cycle #	Cycle #	Trough	Crest	Trough	Up	Down	Months	Low	High	Low	% Up	% Down		
1	1	Jun-32	Jul-33	Jul-34	12	12	24	4.40	12.20	8.36	177%	31%		
	2	Jul-34	Feb-35	Mar-35	6	1	7	8.36	12.20	8.06	46%	34%		
2	3	Mar-35	Apr-36	Apr-36	12	-	12	8.06	15.51	13.53	92%	13%		
	4	Apr-36	Mar-37	Mar-38	10	12	22	13.53	18.68	8.50	38%	54%		
3	5	Mar-38	Oct-38	Jun-40	6	20	26	8.50	13.91	8.99	64%	35%		
	6	Jun-40	Nov-40	Apr-42	4	17	21	8.99	11.40	7.47	27%	34%		
4	7	Apr-42	Jul-43	Nov-43	14	4	18	7.47	12.64	10.99	69%	13%		
	8	Nov-43	Jul-45	Jul-45	19	-	19	10.99	15.10	14.38	37%	5%		
	9	Jul-45	May-46	May-47	9	12	21	14.38	19.25	13.71	34%	29%		
5	10	May-47	Jun-48	Jun-49	12	12	24	13.71	17.06	13.55	24%	21%		
	6	11	Jun-49	Jun-50	Jul-50	11	1	12	13.55	19.40	16.68	43%	14%	
	12	Jul-50	Jan-52	May-52	17	4	21	16.68	24.66	23.17	48%	6%		
	13	May-52	Jan-53	Sep-53	7	8	15	23.17	26.66	22.71	15%	15%		
7	14	Sep-53	Sep-55	Oct-55	23	1	24	22.71	45.63	40.80	101%	11%		
	15	Oct-55	Aug-56	Oct-57	9	14	23	40.80	49.74	38.98	22%	22%		
8	16	Oct-57	Aug-59	Sep-59	21	1	22	38.98	72.64	58.27	86%	20%		
	17	Sep-59	Jan-60	Oct-60	3	9	12	58.27	60.39	52.30	4%	13%		
	18	Oct-60	Dec-61	Jun-62	13	6	19	52.30	72.64	51.35	39%	29%		
9	19	Jun-62	Jun-63	Jul-63	11	1	12	51.35	71.24	67.54	39%	5%		
	20	Jul-63	May-65	Jun-65	21	1	22	67.54	90.68	80.73	34%	11%		
10	21	Jun-65	Sep-66	Oct-66	7	8	15	80.73	94.72	72.28	17%	24%		
	22	Oct-66	Feb-67	Feb-68	10	5	15	72.28	98.31	86.99	36%	12%		
	23	Feb-68	Dec-68	May-70	9	17	26	86.99	109.37	68.61	26%	37%		
11	24	May-70	Apr-71	Nov-71	10	7	17	68.61	105.60	89.34	54%	15%		
	25	Nov-71	Jan-73	Aug-73	13	7	20	89.34	121.74	99.74	36%	18%		
	26	Aug-73	Oct-73	Oct-74	1	12	13	99.74	112.82	60.96	13%	46%		
12	27	Oct-74	Sep-76	Nov-76	22	2	24	60.96	108.72	98.18	78%	10%		
	28	Nov-76	Jan-77	Mar-78	1	14	15	98.18	107.97	86.45	10%	20%		
	29	Mar-78	Feb-80	Mar-80	22	1	23	86.45	120.22	94.23	39%	22%		
	30	Mar-80	Nov-80	Aug-82	7	21	28	94.23	141.96	101.44	51%	29%		
14	31	Aug-82	Jun-83	Jul-84	9	13	22	101.44	171.60	147.78	69%	14%		
	32	Jul-84	Aug-86	Sep-86	24	1	25	147.78	254.24	228.08	72%	10%		
	33	Sep-86	Aug-87	Oct-87	10	2	12	228.08	337.89	216.47	48%	36%		
	34	Oct-87	Oct-89	Oct-89	23	-	23	216.47	360.44	327.12	67%	9%		
	35	Oct-89	Jul-90	Oct-90	8	3	11	327.12	369.78	294.51	13%	20%		
16	36	Oct-90	Sep-92	Oct-92	39	2	41	294.51	425.27	396.80	44%	7%		
	37	Sep-92	Jan-94	Mar-94	43	2	45	396.80	482.85	436.16	22%	10%		
17	38	Mar-94	May-96	Jul-96	25	2	27	436.16	681.10	605.88	56%	11%		
	39	Jul-96	Jul-98	Oct-98	23	3	26	605.88	1,190.58	923.32	97%	22%		
18	40	Oct-98	Mar-00	Mar-01	16	12	28	923.32	1,552.87	1,081.19	68%	30%		
	41	Mar-01	May-01	Oct-02	1	17	18	1,081.19	1,315.93	768.63	22%	42%		
19	42	Oct-02	Mar-04	Aug-04	16	5	21	768.63	1,163.23	1,060.72	51%	9%		
	43	Aug-04	Aug-05	Oct-05	11	2	13	1,060.72	1,245.81	1,168.42	17%	6%		
	44	Oct-05	Jul-07	Aug-07	20	1	21	1,168.42	1,555.90	1,370.60	33%	12%		
20	45	Aug-07	Oct-07	Mar-09	1	17	18	1,370.60	1,576.09	666.79	15%	58%		
	21	46	Mar-09	May-11	Oct-11	25	5	30	666.79	1,370.58	1,074.77	106%	22%	
	22	47	Oct-11	May-13	Jun-13	18	1	19	1,074.77	1,687.18	1,560.33	57%	8%	
	48	Jun-13	Apr-14		9	??		1,560.33	1,897.28	??	22%			
							7							
median 22.5 months [16-29 months in 18 of 22 cases, 81.8%]								19 / 22 cases = 86%						
median 22.5 months [16-29 months in 19 of 25 cases, 76%]								15 / 25 cases =60%						
AVG all							21							

DECENNIAL CYCLE AND PRESIDENTIAL CYCLE

W. D. Gann also looked at similarities between years ending in the same digit. Some like to look at where we are in the 4 year presidential election cycle here in the USA to get a sense of what the markets do, and that data is available in the "Stock Traders Almanac."¹¹ We have observed a 4-year cycle in the stock markets, so it seemed appropriate to anticipate what 2014 portends from this data.

2014 is a Mid-Term Election year. Historically, the Dow Jones Industrial Average (as S&P only goes back to 1930) has been up an average of 4% on these years, but you can see in the chart above, years ending in 4 have only averaged 0.24%, well below the average.

¹¹ "Stock Traders Almanac 2011", Hirsch, page 130

Years Ending in 4 10 Year Cycle versus the Presidential Cycle			
Mid-Term Year	% Change DJIA	Election Year	% Change DJIA
1834	13.0	1844	15.5
1854	(30.2)	1864	6.4
1874	2.8	1884	(18.8)
1894	(0.6)	1904	41.7
1914	(5.4)	1924	26.2
1934	4.1	1944	12.1
1954	44.0	1964	14.6
1974	(27.6)	1984	(3.7)
1994	2.1	2004	3.1
2014	??		
Total Gain/Loss %	2.2		97.1
Average Gain/Loss %	0.24		10.8

Source: self-created chart

Election years ending in 4, with an average of 10.8% have nearly doubled the average Election Year Gain of 5.8%, per the almanac

S & P SECTORS

The planets Jupiter and Saturn, transiting by "sign" (geocentric longitude) are associated with market sectors which are anticipated to outperform (Jupiter) and underperform (Saturn) the rest of the market. As Jupiter is the "greater benefic," or "wealth planet" and spends an average of 12 months in a sign, it is a useful planet to look at in terms of what sectors of the stock market may have the best returns for the year. Jupiter moved into its current sign of Cancer on June 25, 2013 and remains there until July 16, 2014. This is a period in which we would anticipate gains in the areas of home building and real estate, as well as retail, food, beverage and restaurant stocks.

When Jupiter changes signs it will move into Leo which favors entertainment, gambling, resorts and games, and gold.

Saturn, conversely, suggests where we would anticipate contraction, and a lowering of price. It can create shortages, or the perception thereof, and have the opposite effect. The housing market did not crash with Saturn in Cancer (June 2003 –July 2005) as we had anticipated, but rather this was the bubble at the end of the real estate cycle. Saturn has been in Scorpio since October, 2012. This represents financial lending institutions, (banking and savings and loans,) insurance companies, taxes, oil and gas drilling, waste management, pollution control services, fertilizers, coal mining, medical and surgical supplies, funeral services and waste management.¹²

In fact, the coal stocks have been among the worst performing stocks in 2013, including Peabody Energy (BTU), Cliffs Natural Resources Inc. (CLF), and Newmont Mining (NEM).

¹² "Basic Principles of Geocosmic Studies for Financial Market Timing" Raymond A. Merriman

S&P FORECAST CONCLUSION

Our research on the S&P has shown us that longterm cycles in S&P and Dow Jones are very similar to each other. Since the year 2000, geocosmics are very unusually potent, historically coinciding with exceptionally market conditions, and this seems to be the case currently. Cycles-wise, two scenarios are possible.

SCENARIO 1) This may be an older cycle that started in March 2009 and is expanding. In combination with the rare Jupiter-Uranus-Pluto T-square, our bias is that this is the case in US stock indices and in many European stock indices as well. April, 2014 would be in the 61st month. If that is correct, a fast and steep decline is due, which might take no more than just 1 month, if we use history as our guide here.

If March 2009 is the correct starting-point of this 4-year cycle is has expanded to 61 months and this would be the first time in the history of the S&P. Since 1932, there is no 4-year cycle that went up for this long. The longest rise on record lasted 60 months to its top; August 1982 - August 1987. However geocosmics in 2013-2014, with the square of Jupiter-Uranus-Pluto, are similar to those in 1931, 1987 (and 1904 in the Dow, S&P did not exist then). These were times where markets rose to extreme highs, and fell down hard within one year of this aspect. April, 2014 is the final culmination of this massive aspect involving Jupiter (optimism).

As long as the record-high of April 4, 2014, (in the April 1-2 critical reversal date zone) at 1897.28 would remain the highest high, price targets vary from a fall of over 20 percent with 85.7 percent historic probability (below 1517.82 +/- 44.78) to a price target based on this specific cycles' history (if it can be any guide, for the S&P, based on data from 1932 only), suggesting we might expect a fast and steep decline of 34-36% from the crest (overlapping from 1176,08-1293,90). Even if it would come closer to the average of 4-year cycles declines we have found, at 30.3%, it could still lead the S&P to 1322.40 +/- 67.8.

As long as the S&P does not make new record highs after April to May, 2014, chances are that this is an older 4-year cycle, that started in March 2009, that is unfolding. The low would coincide with the Presidential cycle, March – December 2014. If this is correct, then any low unfolding in or close to one of the above mentioned price targets, ideally if in a critical reversal zone, may be the start of a new 4-year cycle and could be an excellent opportunity to buy. In the case that the S&P continues to rise to new highs after May 2014, it may be the second scenario that is unfolding.

SCENARIO 2) If the current 4-year cycle in the S&P started in October 2011, this (April 2014) would be the 30th month. In it, this is in the 10th month in the second 22.5-month cycle since that started in June 2013. On the positive side, with longer-term 18-year cycles in US Stock Indices being bullish still, we would expect this market to go up for another 3-14 months before the decline to the 22.5-months and 4-year cycle trough starts. Time bands for the 22.5-month cycle low and 4-year cycle low overlap from October 2014 – October 2015. As the Presidential cycle low would be due March – December 2014, emphasis is on October 2014-December 2014 for a longer-term cycle low.

If prices continue to rise to new records after April-May 2014, a price target for the top may be anywhere between the high we have seen at 1897 to over 2400, with the 1.618 target 1831 (already exceeded) - 2115. However, as geocosmic research done by order of Ray Merriman¹³ has shown that stock markets tend to suffer when Jupiter is in the sign of Leo, (July 16, 2014 – August 11, 2015) we would encourage investors to be cautious then and even to cover any long positions, as the market top might come on the early side (not long after July 2014) rather than later as in other 22.5-months cycles. In this case, the market may exhibit a bearish pattern until the 4-year cycle low is achieved by October 2015, ideally October 2014-December 2014. This then, could be the start of a new 4-year cycle and could be an excellent opportunity to buy.

¹³ "Forecast 2014," Ray Merriman, page 51

CRITICAL REVERSAL DATES (CRDs)

In MMTA, in addition to looking for recurring cycle lengths, we also pay attention to the planetary phenomena, known as geocosmics, to give us an added edge in prediction. The dates with the geocosmics observed to have the greatest correlation to crests and troughs in the market are called Critical Reversal Dates (CRD.)

Here are those dates for 2014: ¹⁴
 February 7 (Market Low Feb 5)
 February 28 – March 3
 April 21 (April 8-23)
 (Market high as of 4/25 was 4/4/14)
 May 20-21 June 10-11
 July 18-21

August 29-September 1
 September 23
 October 7-8
 November 14-17
 December 12-15

¹⁴ "Forecast 2014," Ray Merriman, page 51

TEAM MEMBERS



Frances Rackow, Atlanta, Georgia, is a credentialed Certified Public Accountant and has over a decade of practical hands-on experience when she served as Comptroller of a key American telecommunications company up until 2002. She then focused on trading and obtained an extensive education in financial astrology. She graduated from Noel Tyl's Master Level Astrological Certification Program, studied with Joyce Wehrman, David Railey and Lee Lehman.

She has been and is sought out speaker at UAC, ISAR, NORWAC and SOTA Conferences. She has several certifications and licenses, held offices in the Metro Atlanta Astrological Society (1994 – 2001), and served on the Board of Directors for Kepler College (2004/2007). Ms. Rackow is an expert with the FAR for the Galactic Trader and Fibonacci Trader programs.



Philipp Wolfgang Beyer, Jena, Germany, is a law graduate ("Staatsexamen") From the University of Hamburg and a practicing German lawyer. He founded and operates his own law firm, PWB-Rechtsanwälte, which employs over 75 persons. His firm specializes in the representation of large groups of plaintiffs in class action lawsuits involving capital investment law. His services are sought by clients from all over Germany, the United States, South America, and Italy. His firm also represents both private and institutional investors. Mr. Beyer is a certified Investment Consultant of the European Business School and the Deutsche Börse AG (stock exchange)/ (EBS/DB-AG). He has an extensive education in technical trading and market timing, and for the past many years has actively traded a number of markets for his own account



IRMA SCHOGT from Amsterdam, Netherlands is financial astrologer and market analyst, certified by Dutch AVN and ISAR (Ethics). She used to be the only female currency-trader for ABN Bank - then one of the largest Netherlands banks. With her business company Schogt Market Timing she is European representative of Raymond Merriman's work since 2002 and initiator of The World-Wide Platform for Financial Astrology Market Timing Digest newsletter since 2007. As a former foreign exchange dealer who studied astrology she speaks both the financial as well as the astrological language. With the help of great names participating to the Market Timing Digest, Schogt helps investors and businesses worldwide to become more profitable using Financial Astrology. She is a frequently invited guest at the Finance Television studios in Amsterdam, lectures internationally and regularly conducts workshops on Financial Astrology.