

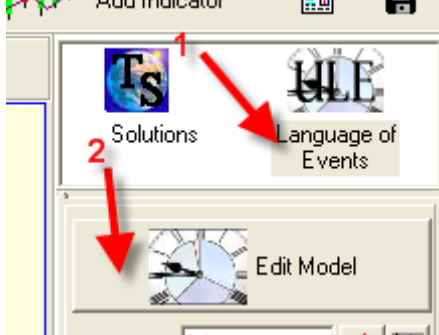
Saturn-Neptune cycle: case study

Question: *How does upcoming 2006 Saturn-Neptune opposition impacts the stock market?*

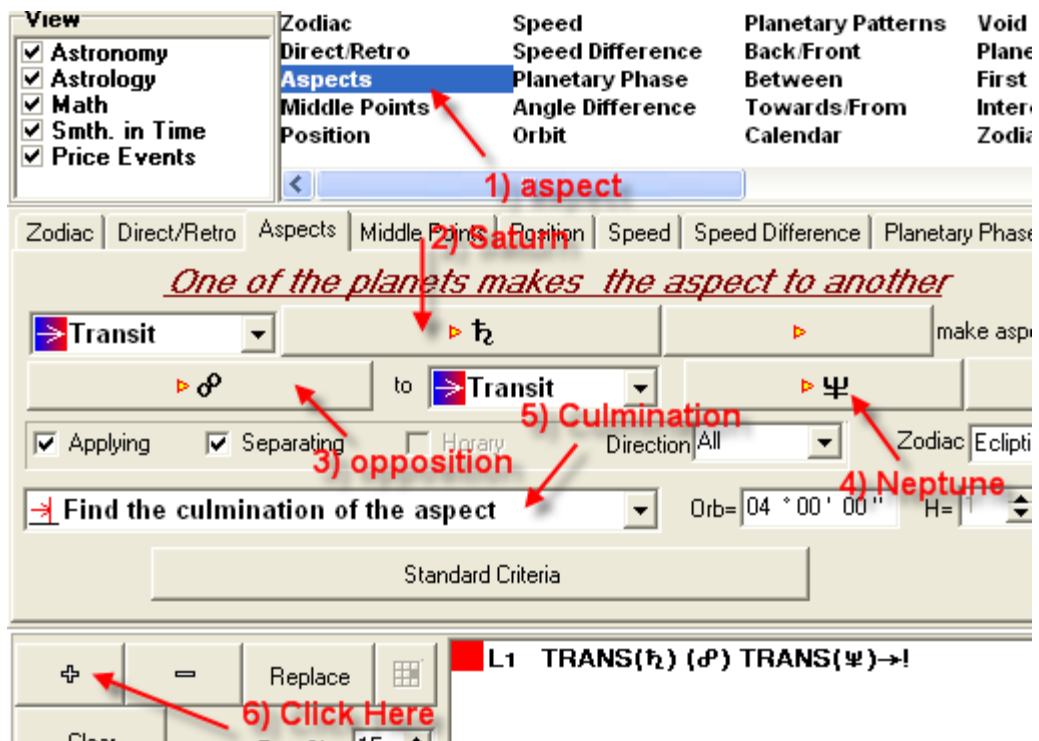
First of all, you need to figure out the periodicity of this phenomenon. The Saturn-Neptune cycle is 36 years and to make any conclusions regarding this aspect, we need to have at least 100 years of price history. That means that we can apply this analysis to the longest available daily data. I have data for Dow Jones Industrial index, from 1885 to 2006, 120 years of price history. The most typical mistake that appears in astrological research is the application of long term cycles to non consistent historical data. You should always remember the period of analyzed phenomena.

Now let's research Saturn-Neptune opposition with Timing Solution software (you can do it with me, try the Demo from the website www.timingsolution.com):

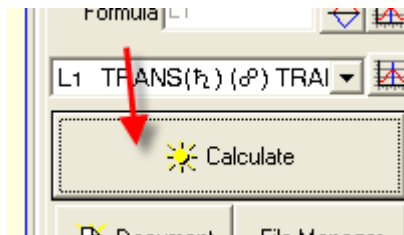
- 1) Download the DJI data and click "Calculate" button
- 2) Go to "ULE" tab in Timing Solution and click "Edit Model" button:



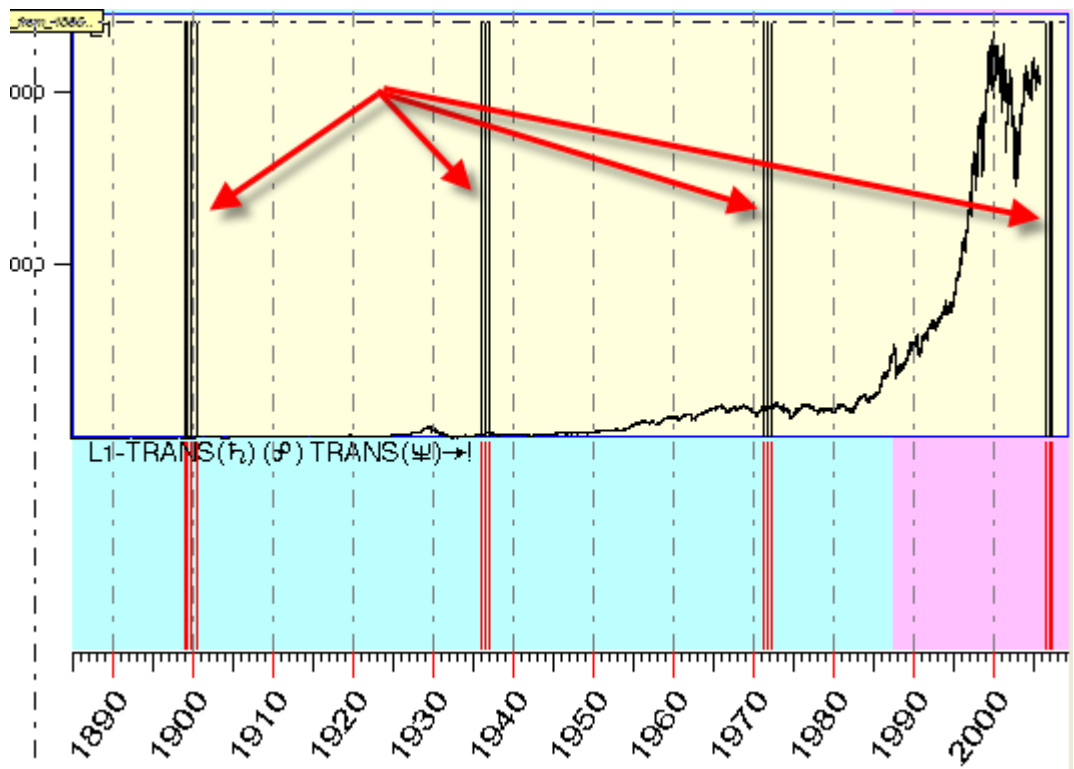
- 3) You will get the window where you can define any phenomena you want to explore. Let's define the event "aspect Saturn - opposition – Neptune, culmination":



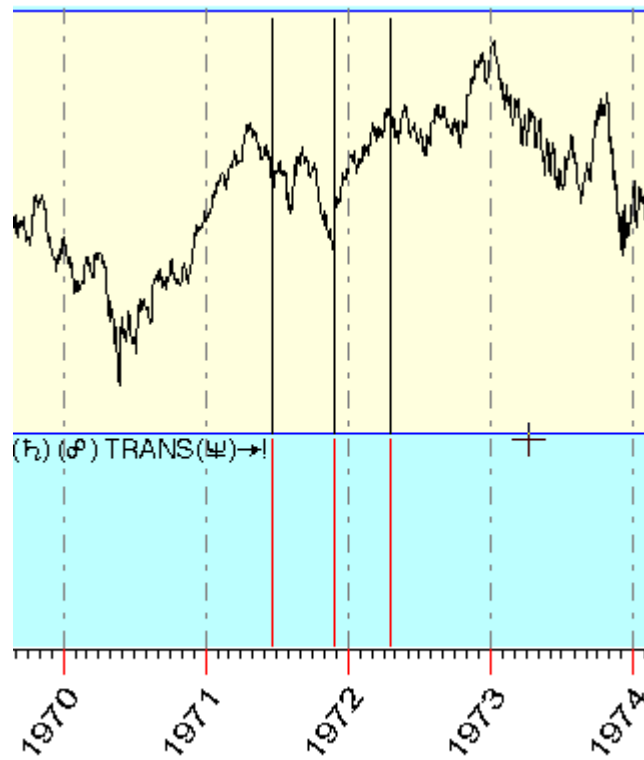
4) Calculate this event:



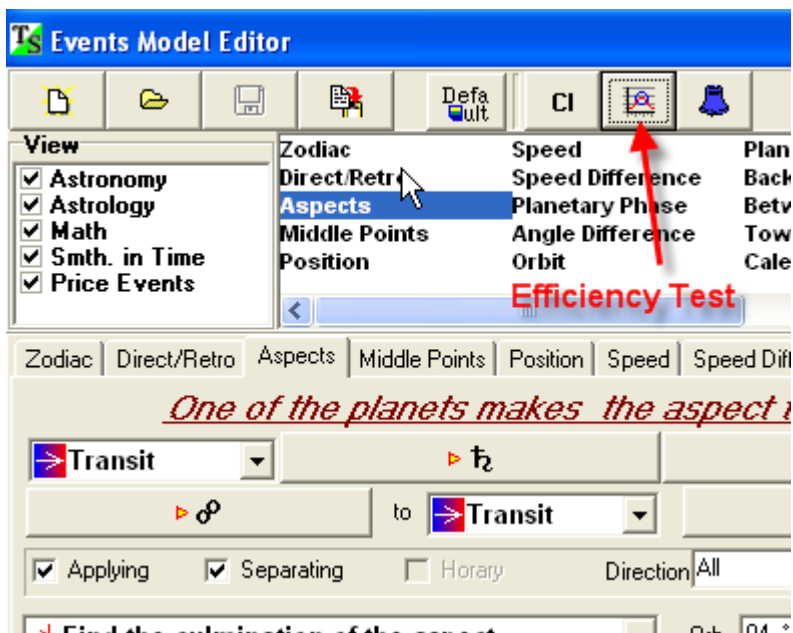
5) Look at the Main window. You can see the set of vertical red stripes that show the time when this phenomenon really occurs:



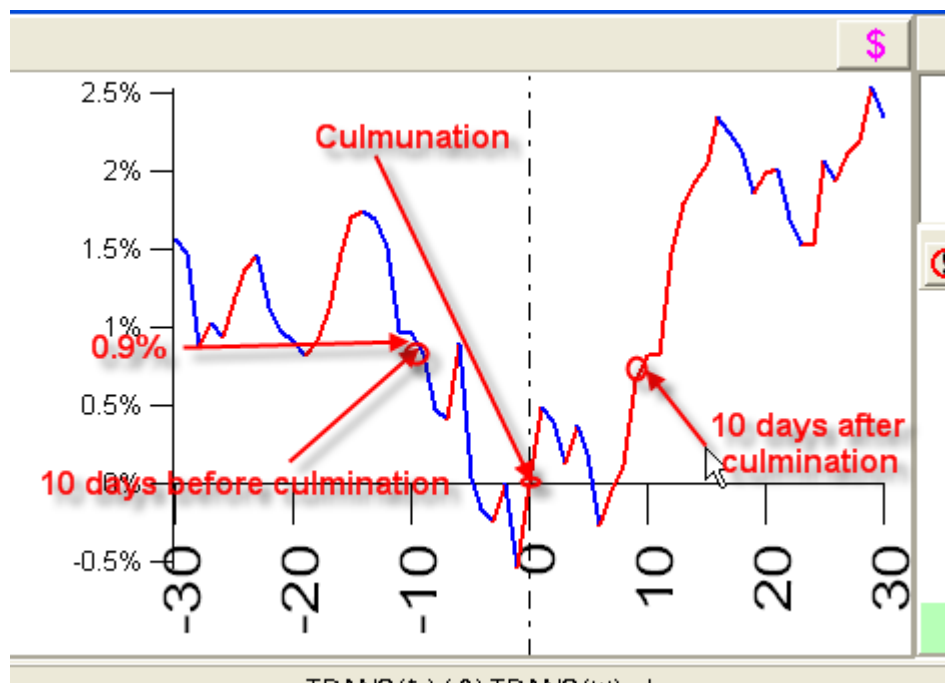
6) We can magnify any piece of price chart to see details, like this:



7) Let's apply the "Efficiency Test" to understand the impact of this event on the market (DJI).
Click here:

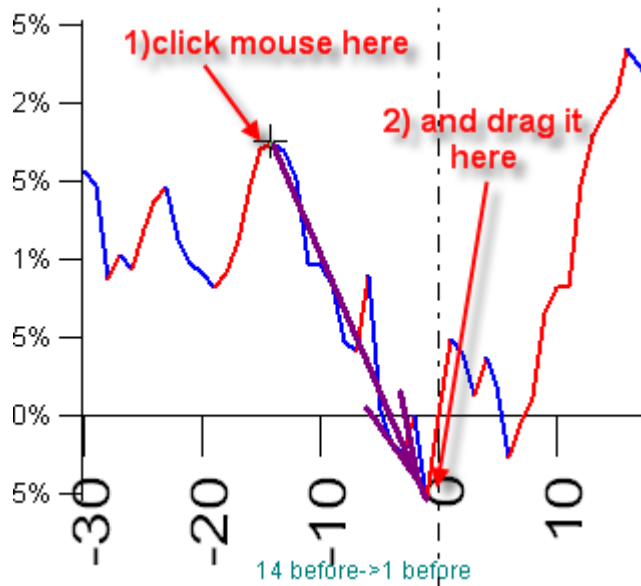


8) You get the diagram that shows how the price is changing around the culmination point:

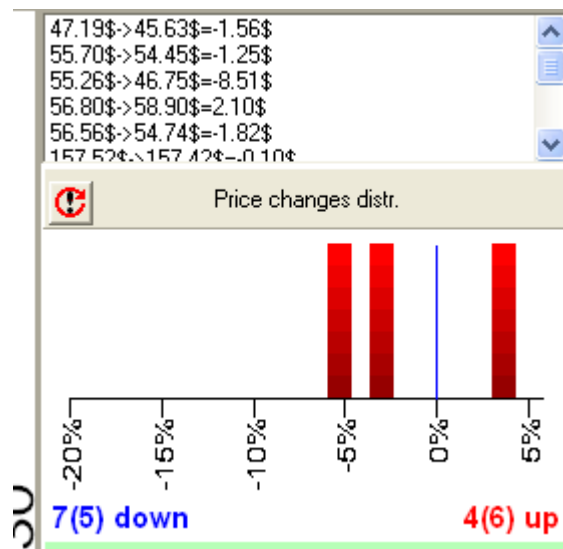


In other words, you can take it as an average price distribution around the culmination point. In our example, we can say that in average the price 10 days before the culmination is 0.9% higher than at the moment of culmination. Then it drops slightly and increases after the culmination.

9) You can apply the trading strategy based on the price drop before the culmination. To evaluate its results, we will create the strategy arrow that connects points 14 days before and 1 day before culmination. To make the arrow, click left mouse button at the beginning of the arrow, drag it till the place where the arrow should end:



10) This is the statistical report for this strategy:

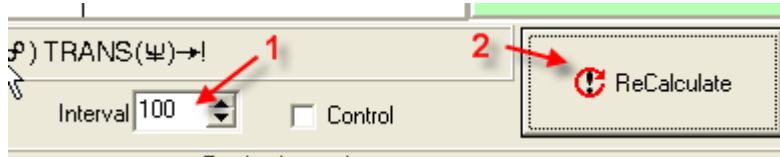


If we compare the price 14 days before culmination with price 1 day before culmination, the price went down 7 times while it was up 4 times.

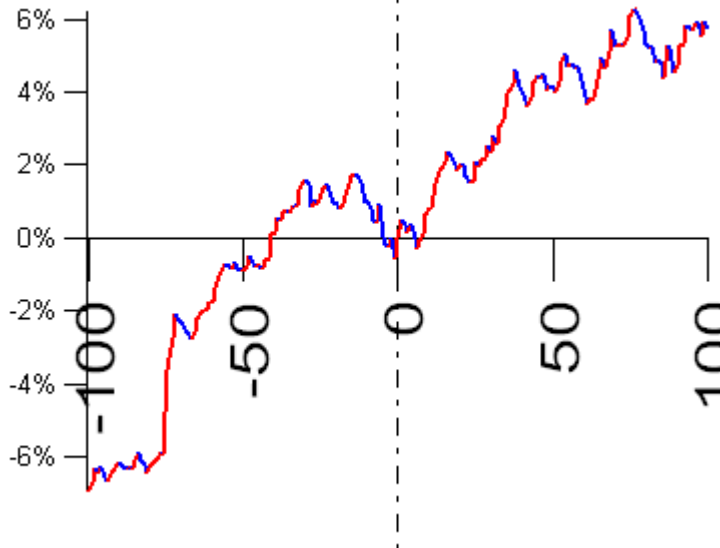
For bullish strategy, we have this picture (7 up/3 down):



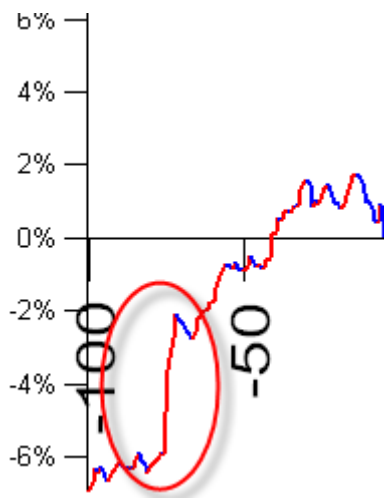
11) Let's consider the wider picture, the influence of this aspect within 200 days around the culmination. Do this:



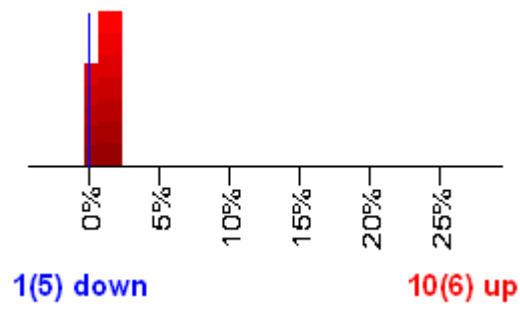
12) Now the Efficiency Test looks:



13) Pay attention to fast growth 80 days before the culmination:



14) This is the stat for bullish strategy 78 – 72 days before culmination:



It has been 10 up against 1 down.

Thus, we can describe the impact of this aspect on DJI as some splash 2.5 months before the culmination and small drop around the culmination. In 2006, this aspect culminates at the end of August:

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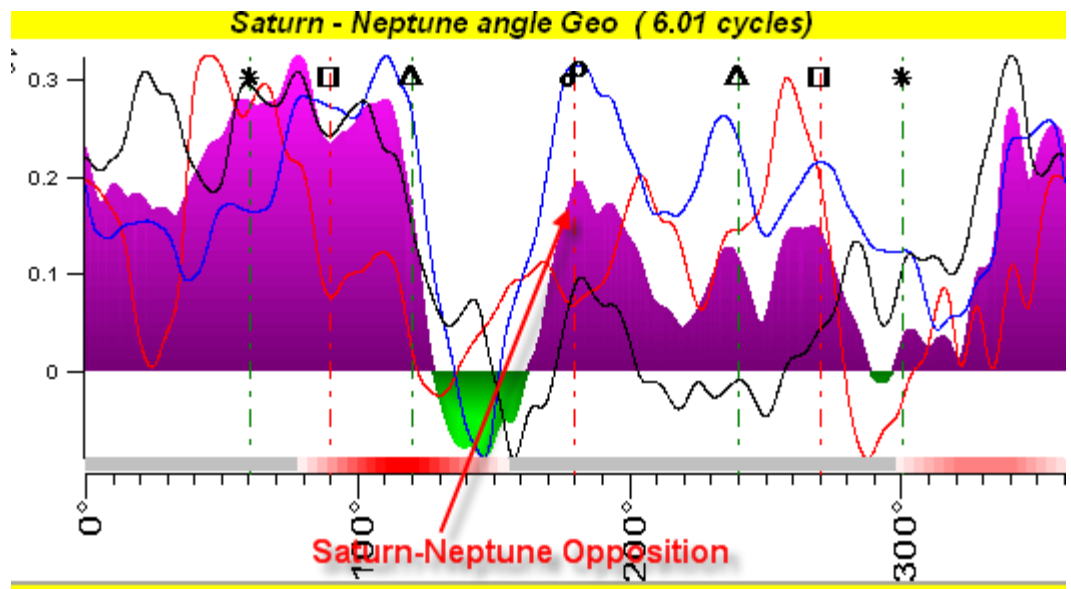
.....
TRANS(h) (p) TRANS(psi)->! 19.04.1972 12:33 WD 5 W
TRANS(h) (p) TRANS(psi)->! 31.08.2006 04:38 TH 4 W
TRANS(h) (p) TRANS(psi)->! 28.02.2007 04:10 WD 5 W
TRANS(h) (p) TRANS(psi)->! 25.06.2007 10:52 MO 4 W
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To complete this research, let's consider the influence of the heaviest bodies of our Solar system (the heaviest are Jupiter, Saturn and Neptune). I downloaded the monthly historical data from 1789!!! These data were developed by the Foundation for the Study of Cycles. Bill Meridian has got it in 1988 and has maintained it since that time. For 20th century, these data correspond to Dow Jones Industrial index. Earlier data were estimated by a special method. The technology we will apply is the composite diagram.

It shows the normalized price in respect to the angle between Saturn and Neptune. We have a top around 180 degrees (opposition). It means that in longer perspective (several years) we can expect the decline. But the question is – “can we rely on this info?”.

On the diagram, besides the main colored part, you can see three lines (red, blue and black). They represent the composite diagrams calculated on three independent time intervals. Two diagrams (black and blue) show the top, while the red diagram indicates the bottom and further price up trend:



So, we cannot rely on this aspect, some surprises may occur. We need more information and research of other aspects.

As an a good example, look at the composite diagram for Jupiter cycle (12 years cycle). This cycle definitely presents in American economy:

