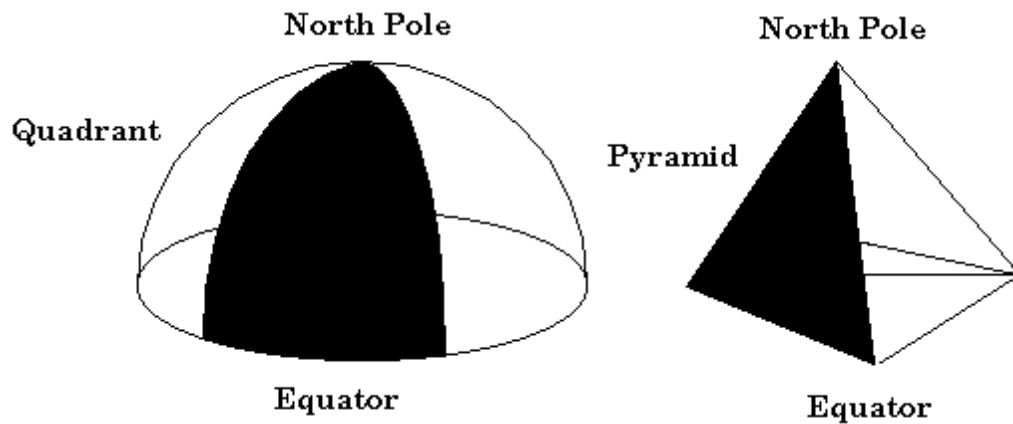


PYRAPOINT



DON E. HALL

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INTRODUCTION

When my father passed away in 1961 I recall that I was charting extensively -- and trading some.

I went through all of the stages from Point and Figure to Moving Averages, collected all the books on everyone's mailing list, it seemed, and then settled upon following the studies of a man who has shown us to be one of the most successful commodity traders of all time, Mr. W.D. Gann. This decision was supported by a fortunate event wherein I received the opportunity to retrace his path into Egypt and along the Nile.

History shows us that Mr. Gann made three trips abroad, which were of significance to his studies: to England, to India and to Egypt.

He had one of the best history and data sources of the day, and much of this was acquired in English libraries and museums. We have studied much of this.

Second, he was known to be very astute in mathematical circles. Much of this credit has been attributed to his trips to India and places where, we are told, he studied a very unique and effective math system. This system has been compared to our earliest studies of what we now call "modern math". At any rate, he learned to use floating decimal procedures, and he was very proficient in the use of numbers.

The third important trip abroad seemed to culminate, and indeed concentrate, in Egypt. Not as much seems to be known of these Egyptian studies. Our quest became to learn the objective of this particular phase of his studies. We believe that we have accomplished this.

Certainly he rated along with the greats: Livermore, Brenner, Bayer, Barouch and others.

He was especially known for his commodity trading which was considered tougher than stocks because of the leverage.

From the early '60's when I began to study somewhat in earnest, and following at least to the mid-seventies, I attended many seminars, but I especially attempted to attend all seminars available on Gann.

Alas, however! I never found the secret as shown by his verified results.

It was only after attending most of the Gann seminars, administered by people, all of whom were claiming to have his secret, that I came to the conclusion that there was a question as to whether the teachers were actually duplicating his record. Indeed, they were usually not even in fair range of his results.

It was then that I began dissecting his seminars and assimilating certain segments of different seminars. I came to some conclusions, not the least of which was, in my opinion:

THAT HE WASN'T ALWAYS TEACHING THAT WHICH HE WAS ACTUALLY TRADING.

I can stand corrected, but the next ten years proved to me the validity of my convictions. Mr. Gann indicated that he would not reveal the true secret of the math involved. However, he also indicated that if one were to spend the time which he had (25 years) and covered the material at least three times, that it could be revealed to a serious student.

I have qualified for the years, plus some, and have subjected my family to at least ten of those years, sometimes to their exhaustion, I'm sure.

I SUBMIT TO YOU THAT THE PYRAPOINT SYSTEM IS THE PRINCIPLE WHICH HE USED. We can prove it, I feel. But if you will accept our point, we intend to spend our time

with “hands-on” proof so that

WE CAN LEARN THE TRUE AND FULL POTENTIAL OF THE SYSTEM. THIS IS WHY WE GO TO A SEMINAR AND WHY WE STUDY THIS MANUAL.

Incidentally, we should have no copyright infringements because, to our knowledge and research, Mr. Gann never taught this in any of his seminars. I had the privilege to personally know, for some seven years, Gann’s assistant, Mr. Renato Alghini. “Reno” was with Gann for six years, actually sharing close trading desks. Reno confirmed the extremely private personality of his friend, shown in most of Gann’s writings and seminars.

Reno passed away a few years ago. However, during the author’s years of acquaintance with him, he shared a few facts that made the direction of our efforts truly appear validated. One of the confirmation factors seemed especially worthwhile in the revelation that Gann carried a small paper in hand when in the “pit” for his most successfully recorded trades. This paper, Reno related, was a miniature Pythagorean Cube. One more reason to believe that we had to unravel this mystic marvel -- and that we were on the right track for trading understanding. Mr. Gann died in 1956.

It is significant to note that a favorite statement of Gann serves us well when we state that we believe that **EVERY TOP AND EVERY BOTTOM** in the markets have **CALCULABLE** counterpart -- a formula for projections and targets for both **PRICE** and for **TIME**. His quotes included that of the noted mathematician Faraday. Mr. Gann said, *“If we wish to avert failure in speculation, we must deal with causes. Everything in existence is based on exact proportion and perfect relationship. There is no chance in nature, because mathematical principles of the highest order lie at the foundation of all things. Faraday said. There is nothing in the Universe but mathematical points of force.*

**THIS IS THE TRUE BASIS OF THE PYRAPOINT SYSTEM OF TRADING.
OBSERVATIONS AND CREDITS**

Although we give full credit to Gann, Wycoff, Brenner, Jenson, Bayer and other contemporaries of earlier times for their contributions to mathematical approaches to the markets, we must tell you that this is likely not what was being sold in \$5000 seminars.

We sincerely believe that PYRAPOINT is what they so successfully traded -- especially Gann and Brenner, and perhaps Bayer.

Gann and Company reportedly used many "squares" -- the more important often included such numbers as 3, 4, 12, 15, 24, 45, 72, 90, 144, 180, and 360, we are told. Gann has been quoted as saying that one must compute time, based upon price.

THIS WE WILL DO.

Gann also is reported to have indicated that PRICE must be seen or projected upon a circle -- then he said that the circle had to be squared to obtain the TIME for trend changes in the market.

THIS WE WILL ALSO DO.

ACKNOWLEDGMENTS

With the exception of the hand-drawn example charts, the principles explained in this book are the productions of Omega Research's TRADESTATION charting. ADP Comtrend provided the service for the independent example of momentum diversion.

As acknowledged elsewhere, programming for *PYRAPOINT* lines were provided by Frank Jarrett. The "totally straight" line charts are the author's use of trend lines as provided on any trendline application. They are hand drawn and calculated manually so that one may see the manner of use in the event of no computer access.

Although a number of variations of the Pythagorean Cube are available, we have used the format as used by Forrest Wilkes of Lincoln, Nebraska, in his version of the "Square of Nine Gann Wheel".

Relative to the charting technique, we acknowledge two specific factors which will assist your learning process: (1) Since our approach to charting is presented as Universal, it is obvious that more than one lesson should show on a chart. Thus we may show repetitive charts with an additional lesson blending into the sister chart. (2) Since you will be examining specific entry/exit and other finite points of interest, you may find that an "exploded view" may not give the total picture until you have placed it into the larger picture -- a larger degree wave will assist your understanding.

Although no emphasis is placed upon the supporting momentum charts shown from time to time, we do sometimes apply inputs, which we consider to be compatible to *PYRAPOINT*. This should not materially change your understanding nor your learning of the study.

PART I

Factors Contributing to the Formation of PYRAPOINT

AN INTRODUCTORY WORD ABOUT TRADING

Many manuscripts and seminars have been presented regarding trading stocks, bonds, and commodities.

Indeed, trading has a very unique and ancient history, dating back to the earliest recordings of any type of commerce.

No one will expound for long on the simplicity of the challenge; and again, no one denies that it is a mammoth challenge. The percentage of failures versus the percentages of triumphs will attest to this. It has been said that more people fail at this profession than most commercial businesses. It is also a known fact that the percentage ratio of wins to losses is definitely on the side of the losses.

It is in the hope, and the belief, that we can improve these ratios that we have undertaken the task represented to us in this writing.

Our emphasis in the studies related in the pages of this book will be directed to the use of commodities and of stock indices. The reason is simple: this is what we do, and so the studies are entirely from our own portfolios of interest and use. We have made no “false-settings” of atmosphere of that which we are sharing. We have picked information from our own files, primarily just as we have studied or traded them.

We find commodity trading especially challenging because of the leverage, which is represented in a contract of futures. Therein also lies the opportunity for the most “bang for your buck” in many cases.

As you read through our reasoning, please study carefully the rules making up the reasons for trades as shown. Also please follow the reasoning completely through the chart in question before being discouraged. Otherwise, it may not seem reasonable to you in the complete picture. It is the big picture, which will eventually snap the Universality of it all in place in your mind. This is when you will really be ready to believe.

WHY ARE YOUR CHANCES TO WIN SO TOUGH?

LET'S LOOK AT AN EXAMPLE OF, SAY BEANS:

Let's further say that we are using a margin of 15 cents and that we will need \$750 margin initially. And let's say that we are looking at a full \$1.00 move; further assume that we got into the move long at the bottom of the move. Usually one would be fortunate to get 20 cents of this move before he/she was "bluffed out". WHY IS THIS NORMAL SITUATION SO TOUGH?

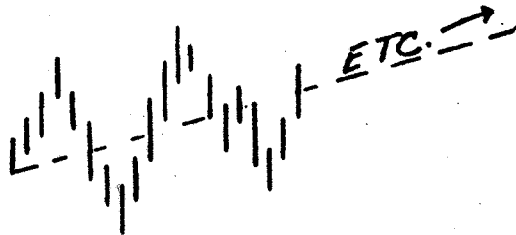
This is the way that it graphs from point to point:



This should result in \$5000 profit (less commissions). With the \$750 initial investment, this should annualize nicely enough to keep us all interested -- and indeed, wealthy over time. So, "WOT HOPPENS??"

What happens, and why it is human to miss, is the prime OBJECT OF THIS STUDY.

Here is how it really happens, a LARGE percentage of the time:



THEREFORE, EACH WAVE SHAKES OUR CONFIDENCE, AND OUR MARGIN DOLLARS -- and to make things worse, each wave is composed of smaller waves which take their turn doing the same bad thing to us. NO WONDER WE FIND OURSELVES CONSTANTLY WONDERING WHERE WE ARE IN THE TOTAL PICTURE.

TO KNOW WHERE WE ARE AT ANY GIVEN TIME AND PRICE IS THE OBJECTIVE OF THE PYRAPOINT TRADING SYSTEM!

AN OUTLINE OF WHAT TO EXPECT IN THE PAGES TO FOLLOW

Our sincere hope in this book of study is to get your thoughts in sync with ours so far as the analogy of how the somewhat complicated theory of trading the markets with the popular concept of “SQUARES” might be handled to your best interest.

Granted, there are more than a few concepts offered today. Each of these systems of study will appeal to us that they “have the square theory” or, more specifically, they “have the Gann trading system”. To how many of these “break-throughs” have you been exposed?

Our intent is NOT to come to you in this manner.

Neither would we be comfortable in presenting ourselves as the ultimate egocentric, who after 37 years, has suddenly awakened in the dead of night with a philanthropic dream of becoming famous after this long time. We present our book with the same reasoning which we believe that you hold: that of making some money with a genuine peace of mind in the process.

After pondering many hours as to the best approach to keep your interest, while getting completely through the steps of learning which we feel necessary for Pyrapoint, we have determined that we will spell out what we consider a basic approach to the understanding of the square philosophy itself.

Thus the earlier parts of this book will not be the ultimate calculated manner of Pyrapoint, but rather the basics to help you see through the same gun-sights as we are presenting. Believe us, it is all very logical when you see the total picture. We have described it in seminars as being akin to riding a bicycle -- once it snaps into place, it will all stay with you for life -- hopefully a life of successful trading.

Technical trading has been referenced to trend lines or trading lines, which make up a parameter for rules of trading. Pyrapoint is no different in that particular regard. Therefore, we have set upon a path or plan to define these lines, establish the parameters, define the parameters, and then to provide the reasoning behind the rules which make up Pyrapoint’s system -- just as other systems which you have studied. What is different in this study is the CALCULATION and its methodology, and the rules for application within each of the parameters of each square.

Based upon this information, you can expect that we shall show you what we consider the basics, and then gradually take you through each of the expected options as they may or may not show in your time frame of trading.

We will show you bits of what has been our crux of interest and study in terms of the charts, which make up the background of our work. We ask that you not let the preliminary examples discourage you in your eventual understanding of the market system. We are going to show you what has been perceived as the correct overlays, and some other supporting information. We ask that you realize that we have worked many years before we reached some of the conclusions, which are to be shared here. We also ask that you study the example charts

presented prior to the actual presentation of Pyrapoint, as the necessary background for the study, which we shall present.

Please try to understand why you are exposed to each of the segments.

YOU WILL RIDE THIS BICYCLE!

IMPORTANT: We have purposely programmed out instruction so as to let you see the whole picture, as best you can, before heading for the charts. Please read through, and when you get to the actual chart creation, the action will answer many of the questions which may have left you wondering as you initially covered the information. Unfamiliar rhetoric is usually difficult to follow; however, charts are provided to reiterate any statement made, and to assist your understanding of the “why” of the rules.

A CAUTION ON CHART INTERPRETATION

These selected charts are presented to tell you a story -- a point of emphasis of one or more of the rules. Repetition, in a few cases, is provided for emphasis and to show how one rule blends into another in mathematical sync.

Admittedly, some charts are easily read while one needs to search out a point on others. The intent is to show you multiple applications of our rules for entry, exit, and for stops. We intend to show you reasons for everything to which we are referring.

Please keep in mind that an exploded small section of a chart is going to appear neither “pretty” nor totally informative. It is only presented to let you see a point. The full degree is necessary in the total chart picture of instruction.

ON FUNDAMENTALS

Never let it be said that we pay no attention to fundamentals. One would undoubtedly be foolish to ignore all fundamentals. No one wants to stand in front of a trend-train and be crushed in a major trend -- whatever the cause. Our studies are to tell us when this is happening, and to tell us when conditions are forming to be alert.

What we have said, and what we hope to convey to you, is that time and price relationships are primary. Do the numbers and calculated relationships therein make the fundamentals, which we study??? Obviously, we do not propose to know. We do contend that the Pyrapoint relationships are on hand at any time frame which has produced a significant yearly change -- at least within the 37 years which we have studied.

One of a number of things to which we do attempt to follow is the processors margin in the processing of soybeans. There are many formulae in use by different brokers and trading units relating to this procedure. We do not propose that what we watch is even named as another entity. The only thing of which we are certain is that the processor has to make money to be a constant, aggressive, and current buyer of beans.

We have found that this is seemingly fundamental to the attitude of other grains as well. The buying public seems to be saying "as goes soybeans, so goes the attitude of bullish/bearish consideration in related grains". Granted, "not always"; but enough of the time that it will behoove us to look at the position from time to time, in our opinion.

The way that we have approached this was not a new approach on our parts. Some of the author's first research indicated that there should be about 10.7 pounds of soybean oil, along with 47.5 pounds of meal derived from each bushel of soybeans. Newer varieties and processes could make this subject to some correction. However, this is not the point, which is the most subject to contention. The ratio will be the thing, which will get and keep our attention as to what is going on in the bean market. If, indeed, you find this is of interest to you as well, keep in mind that even if you change these basic numbers slightly, your ratio per bushel will likely remain within reasonable and calculable assistance to you.

Essentially, what you have is the ability to take the price of today's soybean oil, which is quoted per pound. Add to it the price of today's soybean meal (converted to pounds) and you have the processed price of return from a bushel of beans. Obviously, you can now subtract this total of the two products from today's price for current bean quotes, and you are left with the price per bushel, which is left for the processor. We were always taught in the "old days" that processors are willing players at the area of 12 cents per bushel on up -- and that they usually falter in obtaining margins in the 26-cent plus area. Again, we place the relationship on the graph, and will sustain critique on other "better" systems. The reason that we are not concerned about other programs, which may well reflect a more accurate approach to this situation is that, we are concerned with the ratio -- the relationship, if you will -- and an ongoing manner of comparison.

We offer the charts shown at the end of this exercise as evidence of what we are supporting in the above paragraphs. Notice: it is not the absolute top or bottom price produced that is important as much as "where is the top" and "where is the bottom" on the relationship which we have set up for study. It will always reflect the same relationship and ratio, so we can depend upon this as a guide.

It is easy to see that what we are tracking is the difference between the price derived as we have shown, and that of the current price of the raw product of beans. In this respect, we have placed this difference upon a “zero line” at times for quick reference. All we are really trying to find out is the “feel” for the overbought or oversold status of our friend, the bean.

Obviously, this margin is known as the **CRUSH MARGIN** -- and subtracted backwards it yields the **REVERSE CRUSH MARGIN**.

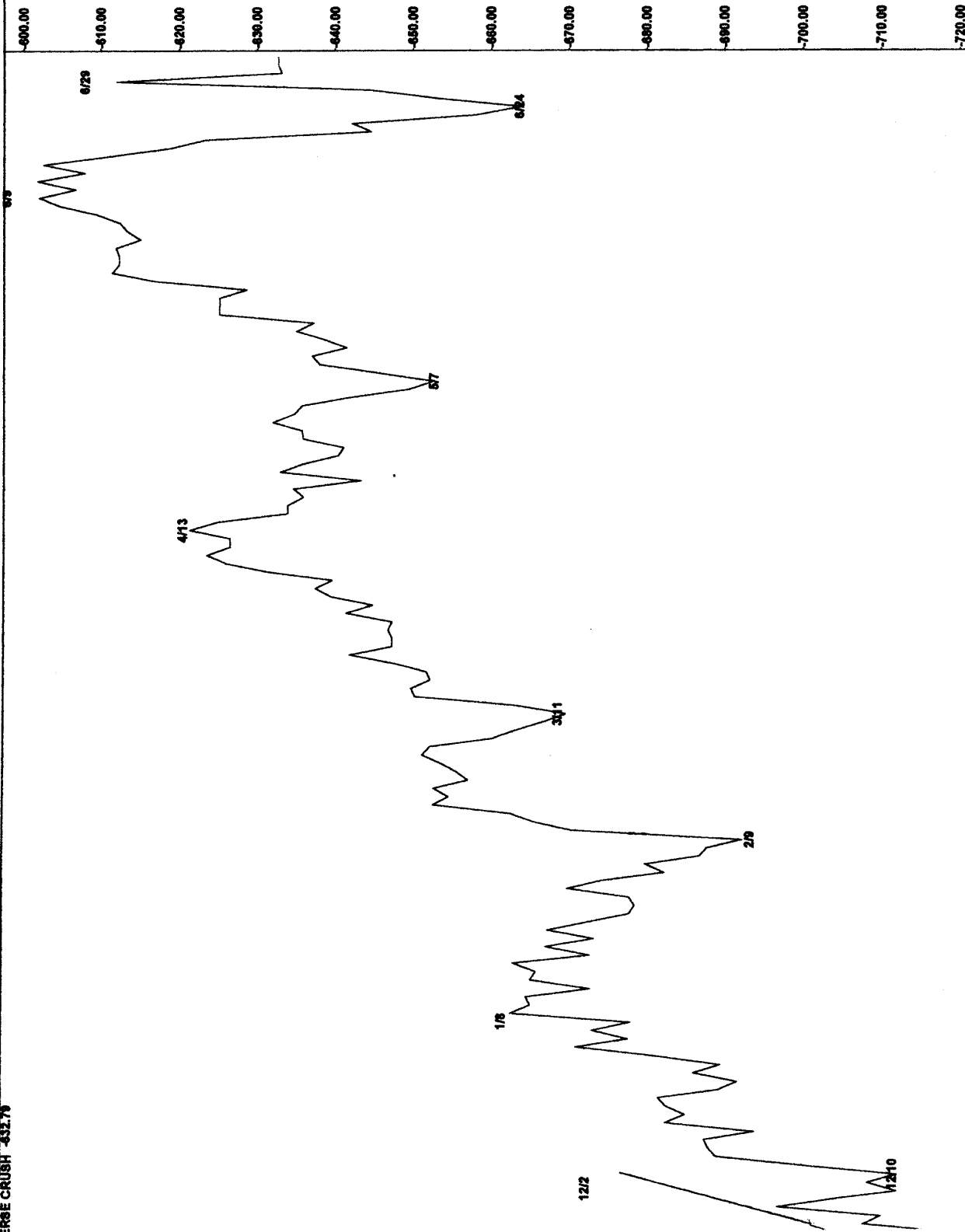
These charts should give a couple of points to assist our overall thinking:

(1) It provides a point in time that the relationship is showing to be a greater level and span or a lesser level and span of price activity, so that we may compare when and where on the chart that a reversal may occur.

(2) It gives a general trend line, which is not visible on other charting, and it does give you an idea of the area in which processors have been reluctant or aggressive buyers in the past.

This is not a part of Pyrapoint. It is presented with the hope that it can assist you to use a plan to keep your trend firmly in mind. Many of you have Tradestation or similar programmable systems. We encourage you to look at similar factors of your choosing to assist your trend data. It is important!

ERBE CRUSH -312.70



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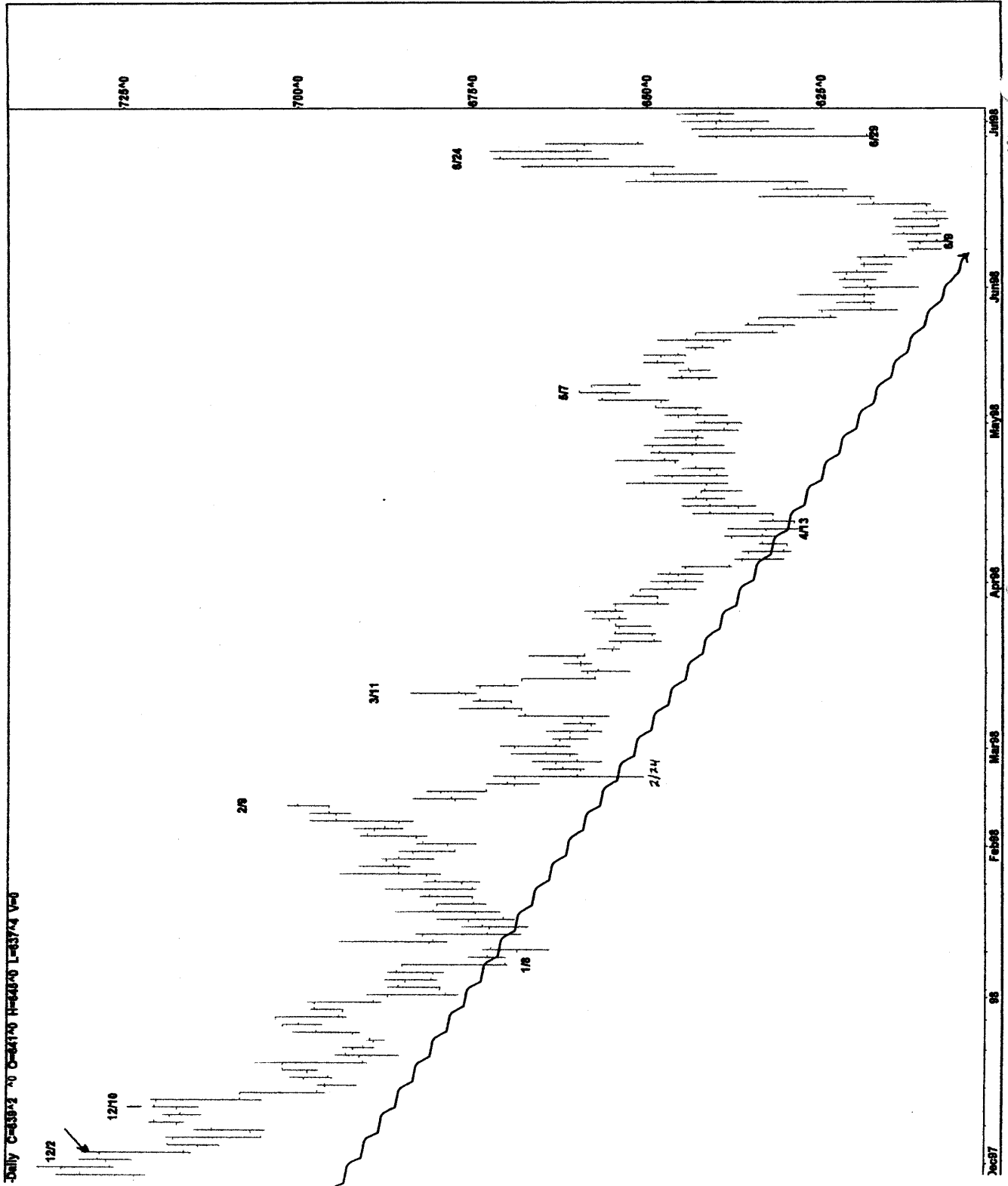
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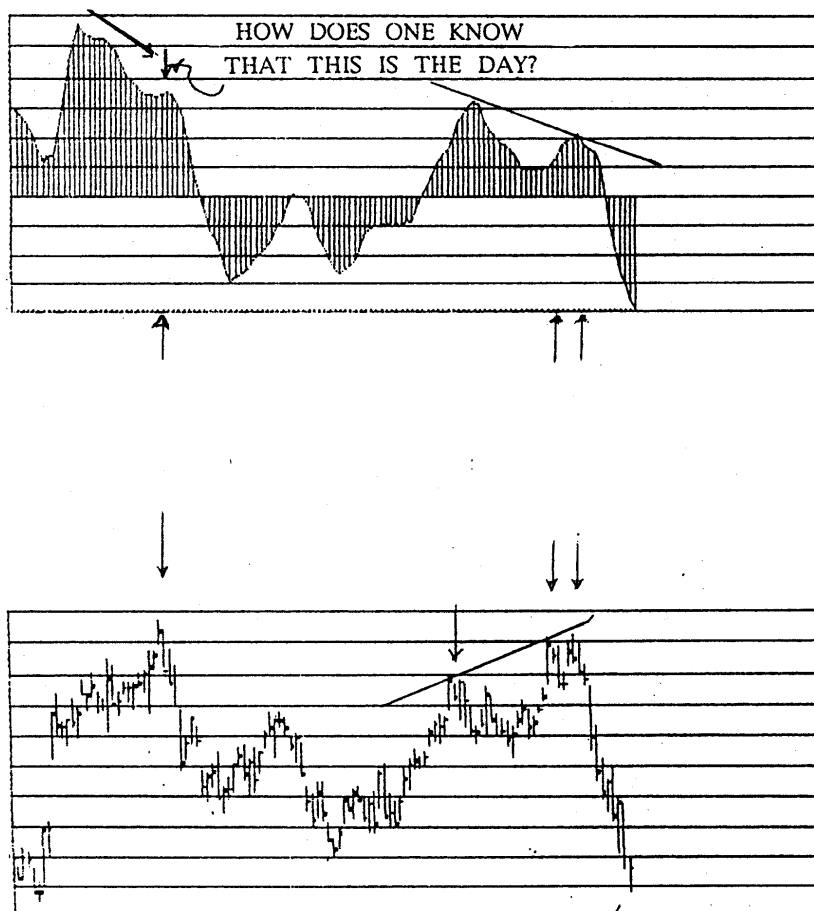
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PYRAPPOINT DOESN'T IGNORE SUPPORTIVE SYSTEMS SUCH AS THIS EXCELLENT EXAMPLE; however, most are slow for today's action -- MOMENTUM OSC., M.A., etc.



Our position remains that one needs to know now, today, where we are in the square represented in this current price and time parameter.

RULES OF TRADING

Obviously, any system will find Basic Rules to be invaluable. We have chosen to share the “Basic List” which will provide a background basis for the rules, which will be discussed in-depth with the detailed study involving *PYRAPOINT*.

The 28 Rules are basic rules -- good for any trading system. We think that they are especially applicable to a mathematical trading system such as *PYRAPOINT*.

Gann used these rules on his seminars. Some undoubtedly date to George Bayer, Brenner and the boys.

The basic rules primarily TEST YOUR DISCIPLINE -- the #1 criteria in a good trader. These rules are addressed in the following paragraphs with the instructions that they are not necessarily of our origin, but have been passed down from the “Masters”. The “rules” as discussed relative to *PYRAPOINT* are of our origin.

TWENTY-EIGHT VALUABLE RULES

“In order to make a success trading in the commodity market, the trader must have definite rules and follow them. The rules given below are based upon my personal experience and anyone who follows them will make a success” -- W.D. Gann. Mr. Gann is reportedly one of the most successful traders of his or our time. These are his rules:

1. Amount of capital to use: Divide your capital into 10 equal parts and never risk more than one-tenth of your capital on any one trade.
2. Use stop loss orders. Always protect a trade when you make it with a stop loss order.
3. Never overtrade. This would be violating your capital rules.
4. Never let a profit run into a loss. After you once have a profit, raise your stop loss order so that you will have no loss of capital.
5. Do not buck the trend. Never buy or sell if you are not sure of the trend according to your charts and rules.
6. When in doubt, get out, and don't get in when in doubt.
7. Trade only in active markets. Keep out of slow, dead ones.
8. Equal distributions of risk. Trade in 2 or 3 different commodities, if possible. Avoid tying up all your capital in any one commodity.
9. Never limit your orders or fix a buying or selling price. Trade at the market.
10. Don't close your trades without a good reason. Follow up with a stoploss order to protect your profits.
11. Accumulate a surplus. After you have made a series of successful trades, put some money into a surplus account to be used only in emergency or in times of panic.
12. Never buy or sell just to get a scalping profit.
13. Never average a loss. This is one of the worst mistakes a trader can make.
14. Never get out of the market just because you have lost patience or get into the market because you are anxious from waiting.
15. Avoid taking small profits and big losses.
16. Never cancel a stop loss order after you have placed it at the time you make a trade.
17. Avoid getting in and out of the market too often.
18. Be just as willing to sell short as you are to buy. Let your object be to keep with the trend and make money.
19. Never buy just because the price of a commodity is low or sell short just because the price is high.
20. Be careful about pyramiding at the wrong time. Wait until the commodity is very active and have crossed Resistance Levels before buying more and until it has broken out of the Zone of Distribution before selling more.
21. Select the commodities that show strong uptrend to pyramid on the buying side and the ones that show definite downtrend to sell short.
22. Never hedge. If you are of one commodity and it starts to go down, do not sell another commodity short to hedge it. Get out at the market; take your loss and wait for another opportunity.
23. Never change your position in the market without a good reason. When you make a

trade, let it be for some good reason or according to some definite rule; then do not get out without a definite indication of a change of trend.

24. Avoid increasing your trading after a long period of success or a period of profitable trades.

25. Don't guess when the market is top. Let the market prove it is top. Don't guess when the market is bottom. Let the market prove it is bottom. By following definite rules, you can do this.

26. Do not follow another man's advice unless you know that he knows more than you do.

27. Reduce trading after first loss; never increase.

28. Avoid getting in wrong and out wrong; getting in right and out wrong. This is making double mistakes.

AN OUTLINE OF THE “WHY” OF COMMODITY TRADING, AND OF THE “OBJECTIVES”

There are many reasons advanced to support commodity trading as a vocation.

Among those facts presented in support of this vocation are:

1. You are your own boss.

2. You can independently determine the particular trading parameters in your individual comfort zone, with no concern for subservience to anyone further than yourself for the decisions of the day. A couple of the basic decisions, which you must make, are:

a. How much risk am I willing to place in my vocation/trade for this particular day and trade selection?

b. How much time and perseverance shall be allocated to this trade, and what is the risk/reward judgment which is justified?

Few investment opportunities offer this much potential -- providing that it is done properly.

These are some of the reasons, which we address with the intent to enhance your trading skills as you read this book. It most certainly points out the need to know our exact mode and our exact relative trading position at ALL times.

Answers to these questions, and identity of one's current position and direction in the market are the main crux of the teaching as provided within this book. **IT SHOULD BE A WORTHWHILE GOAL INDEED!**

THE *PYRAPOINT* SYSTEM TRADING OBJECTIVES DEFINED

It is not our intention to suppose that we know how each student will use the system in his/her trading. Rather it is our intent to educate the student in what we sincerely believe to be one of the best of the efforts ever presented by the real professionals such as W.D. Gann.

Successful trading has been defined as having two distinct parts: (1) A system, which will work in all facets of trading with constant accuracy, and (2) A system with the ability to INTERPRET, and to ACT, upon the rules that are shown by the system.

Obviously, the second part of this formula is going to depend to a large degree upon the individual involved: i.e. his/her psychological make-up, the willingness to study and honestly learn why he or she should or should not ACT in the marketplace. Unfortunately, it has taken much of the 37 years which the author has studied and/or traded in the marketplace, to really believe how very important it really is for one to learn and discipline oneself.

Indeed, part of one's "personal discovery" needs to reflect whether he or she is totally comfortable in the marketplace. Truly, for many reasons (including available money) it is not for everyone. However, if you can qualify as one who can fit this category of qualities as a trader of some degree, then it is our sincere belief that we can show, and indeed educate, you to the all-important item #1 as referred above.

Since the majority of this book will be primarily dedicated to your understanding of the *PYRAPOINT* system as a trading tool, it should be reiterated that we cannot know how diligently you will study, how well you will follow each principle which is taught, nor how monetarily-qualified you may be in order to take advantage of the principles. Thus, we have chosen to present the education to the best of our ability so that each participant has only his own capabilities for restriction of success. We, therefore, leave the projections of capitalization, and the resulting multiplication thereof, to your discretion and your interpretive ability, dear student. **WE PROMISE TO SHOW TO YOU WHY IT IS TRULY THERE IN PLACE!**

Let us now proceed to the first requirement of the Trading System: we say that this requirement must define rules and calculations, which are Universal in nature, which are applicable in all markets. These rules and calculations should be usable on a constant basis, and available for the average trader-type student.

One of the features of the system is that one is able to define the relative position in which he or she is currently trading at ANY given time. The market tells us what "mode" it is currently assuming in any time frame. It is up to our efforts and expertise to filter it to our use.

Dear Reader, we would not presume that you should "buy" our enthusiastic support of *PYRAPOINT* without knowing that we have spent the time and effort to show you its worthiness. Therefore, we will try to make you as comfortable as we are as to the validity of the sources and reasons for our conclusions. In the following chapter, we shall attempt to show you the origins and reasoning as well as the background for all of the tools and theorems expressed herein.

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PART II

Core Basics of PYRAPOINT

WHAT IS THE DERIVATIVE OF THIS *PYRAPOINT* SYSTEM?

It is the result of our experience of some 35 years, wherein we have tried all of the systems which are likely in your portfolio as well, discarding and trying again, until finally coming to the conclusion that we would need to clear out the massive amounts of underbrush (and there are piles of it) -- and to see if core data didn't have some common thread. It is our opinion that we have, indeed, found the Universal Thread. Heard that one before? Read it in a magazine (or a hundred, or so), I believe.

BUT READ ON -- WE PROMISE YOU MORE POTENTIAL THAN YOU ARE USED TO RECEIVING IN COMMODITY SEMINARS OR BOOKS OF WHICH YOU HAVE PARTAKEN.

First, let us examine some of the background and origins of our compiled data, which essentially makes up a majority of our CORE DATA.

Part is taken from the lessons, which I feel that W.D. Gann learned while in Egypt, and specifically in the study of the Great Pyramid, and it's dimensions. Part is the Universal Golden Ratio, but used in a CALCULATED manner to make up the Gann-Type Squares. It is the study of this, which brings us to core data, which we will use. The heart of the whole system depends upon a calculation and the interpretation of the Gann "Square of Nine". This likely goes back to Brenner, Bayer, Gann, and eventually back to the real core in the Pythagorean Cube (as well as the early Egyptian Calendar, we are told).

WHY THIS PARTICULAR SYSTEM?

To answer as to the history of the *PYRAPOINT* Trading System, we need to start with the core data and the core authors. To do this, we begin with Pythagoras who lived, as did Socrates, a few hundred years A.D.

Some historians tell us that Pythagoras, like Socrates, was guilty of teaching the common man in early Greece. We say "guilty" because Socrates got the Hemlock juice for teaching outside of the Priesthood. Since this was the primary manner of control for the hierarchy, they naturally frowned upon this type of teaching. Thus it was, we are told, that Pythagoras took

exile to Egypt where he stayed 22 years -- the time it took to complete the Priesthood.

Is it any wonder that the “father of our mathematics” (especially the geometric math) was able to bring back to Greece all that he learned in the “cradle of civilization” of that day? It included such things as we base our system upon even today. Mr. Gann learned this from his trip to Egypt, in our opinion, because at the top of the learning list was our vital and basic tools - those of the square and of the circle. These: Phi, Pi, Square Root, and squaring of a number are addressed later for your application in your understanding of the *PYRAPOINT* Trading System.

This “revelation” given by Pythagoras in the first few centuries A.D. is still Universally accepted, and it is evident from the smallest snail, through the life and body of man and plant, through the Milky Way. This is an ever onward, ever outward process, and is indeed in the markets as well. The learning of this process is at the core of our learning system.

One last passing observation: the tools to which we referred as primary in the marketplace, and indeed in our *PYRAPOINT* System of Trading, are found in the Great Pyramid of Giza which was built 2500 years before Pythagoras. Doesn't it make one wonder what took place in that 2500 years since all of the above-mentioned tools are evident in the Pyramids and the tombs? It is our conclusion that Gann had to realize this from his personal trips to Egypt, as the author personally did when in Cairo and associated areas that he had the privilege to study, in the area all along the Nile River. This included the quarries where the granite was perfectly formed to Phi proportions, evident in the manner of relationship of the height to base, and which are reported to weigh literally tons.

We have avoided inclusion of many of the very fascinating theories advanced by the Egyptians themselves relative to the Great Pyramid. In passing, let us say that we have relayed to you only the things which relate to the markets, and which we have had the privilege of observations and determination.

Worthy of mention are a couple of theories advanced by a college-educated contacts of the author's acquaintance during his stay in Egypt, especially as related to the Great Pyramid:

(1) The limestone-clad granite structure covering 13 acres and extending more than 450' in height is credited with carrying very exacting dimensions. An early Egyptian mathematical index, which they used, accurately projects the distance to the sun (from its height), the mass of the earth (from its mass), and the circumference of the earth at its largest mile (from its perimeter).

(2) Mummification seems a characteristic of the Pyramid -- not found outside.

Without question, we are studying results of universally prime information -- and we will show you that it is primary (and indeed the key) to the markets.

**OUR QUESTION HAS BEEN:
HOW SHOULD THIS LEARNING BE BEST CONDUCTED?**

Our answer to you: in the simplest, most straightforward manner, which we can, to get you to be able to USE the System. **This will be a hands-on trading system/study** -- you must be able to use the information, even if you have to accept some information for later proof. Our plan is to present to you the schedule of information which you need for this learning process. We will not dwell on the process so that we might spend productive time in the “hands-on” role with actual charts (complete with commentary and instructions). We believe that this is where the true worth of any system is weighed. It is our opinion that it must be used effectively, and in first person, for one to get a full appreciation of just how real and how consistent the returns can be with this system.

The charts will truly act as 1000 words. It is our intent to call your attention to basic “setups” in many different topics of various trading subjects and of various time frames as well. This will assist you in learning the UNIVERSALITY as well as FLEXIBILITY of *PYRAPOINT*.

THESE ARE THE STUDIES/THEOREMS WHICH ARE COVERED TO MAKE *PYRAPOINT* VALID

1. Tools of the *PYRAPOINT* System are found in The Great Pyramid -- as are tools of the circle. They include:
 - a. Pi
 - b. Phi
 - c. Square Root
 - d. Square of Number
2. Pythagorean Cube is the core of the *PYRAPOINT* System of Trading.
3. *PYRAPOINT* unveils mysteries of the Pythagorean Cube -- the Square of Nine -- Egyptian Calendar.
4. *PYRAPOINT* interprets moves of the markets as reflected on the "P.C."
5. *PYRAPOINT* identifies calculated squares for every parameter of price.
6. *PYRAPOINT* lets you graphically know where to enter (whether buying or selling) and gives the highway to travel to maintain the position profitably.
7. *PYRAPOINT* tells you when to expect a trend change, gives you the objective both long and short until the time frame, and beyond.
8. *PYRAPOINT* gives you the exact action per your position in the calculated square at any, and at all times.
9. The Trading System works in all denominations of time frames, allowing you to confirm as well as plan. *PYRAPOINT* also allows all time frames to be correlated into reasonable and profitable squares -- even with small/large price ranges or small/large time frames.
10. *PYRAPOINT* operates on the mathematical information that every top and every bottom has a mathematical counterpart -- and herein lies the opportunity to project the action of the market -- and to profit there from.
11. The System unlocks the relationship of Price and Time and squares them on a 360-degree circle for each move.

At this juncture, it would seem that the all-important Pythagorean Cube (the "P.C.") should be further described. You will note that a sample of the tool is provided on pages that follow. It is shown as a number series, beginning with number 1 in the center, and progressing ever-onward and ever-outward in a spiral of spaces in sequence. It also has the characteristic that it is divided evenly in fourths, eighths, sixteenths, etc., as the numbers progress in the circle.

In the "P.C.'s" pure state, before any added divisions, it is reported to be a calendar as used by early Egyptians. We personally find this to be a very interesting synopsis since it, too, would date back far earlier than the celebrated works of Pythagoras.

One of the things we do know about the Egyptians' early use of the "P.C." is that it was used in their mathematical teachings and usage. IT IS A PERFECT SQUARE ROOT CALCULATOR.

The “P.C.” was further refined by scholars such as W.D. Gann (and likely Brenner, Bayer and others) for use in calculating trading strategies. Since Gann, for instance, made his famous studies and seminars around the establishment of PRICE and TIME as projected on a circle, it follows that this tool would lend itself to circular measurement and, indeed, fractions thereof. Gann called this “P.C.” a MASTER CALCULATOR for his famous work.

To use the calculator to its fullest support level in their calculations, scholars such as Gann have divided the circle as applied by the “P.C.” into divisions of the 360-degree circle, which it depicts. They have also given TIME as well as PRICE divisions or sections as shown in this calculator.

It is the author’s opinion that our ability to unravel these mysteries as Mr. Gann did will give a trader the best edge at trading which is available today -- perhaps the best known to man!

It is also our opinion that we can indeed do this, as we believe some of the “greats” may have done.

ONE MORE POINT OF EMPHASIS WORTH REPEATING:
REMEMBER THE

TOOLS OF THE TRADE

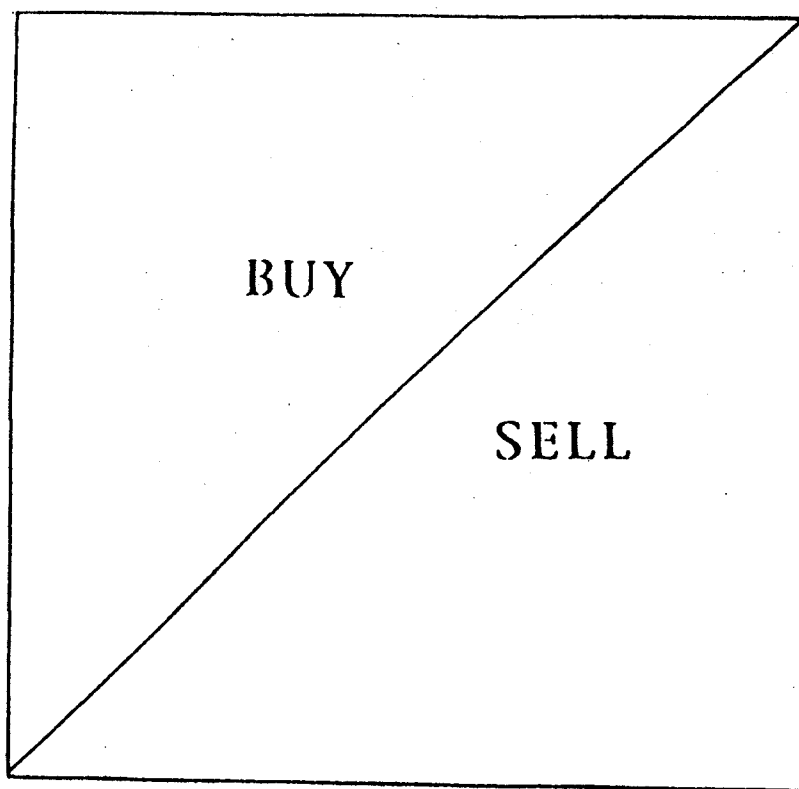
The tools of our study seminar are simple. These are the only tools needed to complete **THE SQUARES** which should lead us to profits which have not been ours before now.

These tools are the ones brought from Egypt back to Greece by Pythagoras:

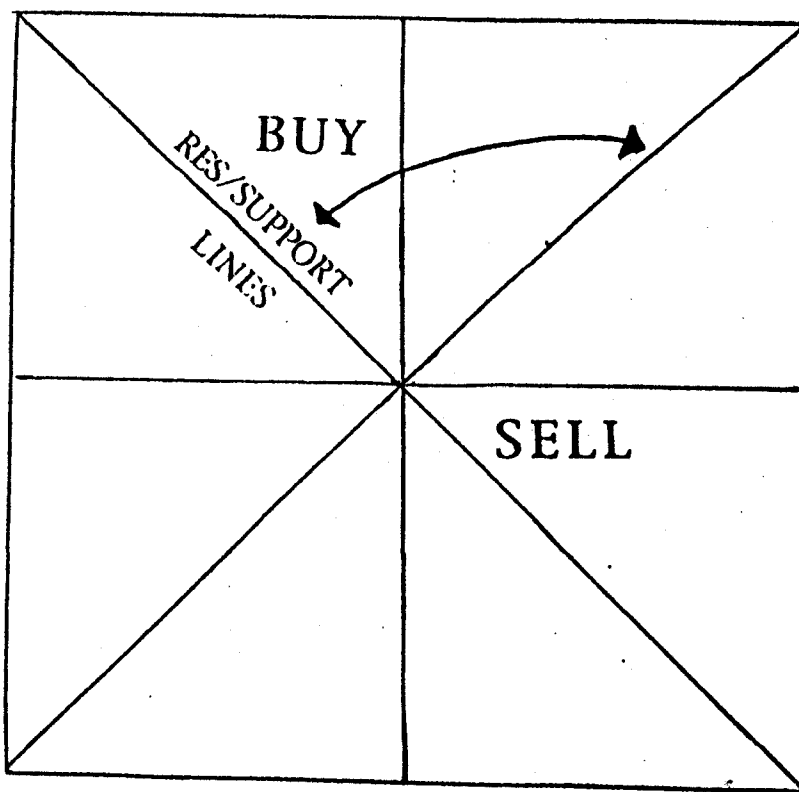
1. Pi
2. Phi
3. Square Root
4. Square of Number

In the final analysis, we will learn to convert PRICE to TIME -- and to determine the angles of PRICE as it relates to TIME -- all of this to give an entry point, an exit point, and a determination as to whether to be in or out of a market at any given TIME and PRICE per this market parameter. You will find that *PYRAPPOINT* is universal in its handling of these factors.

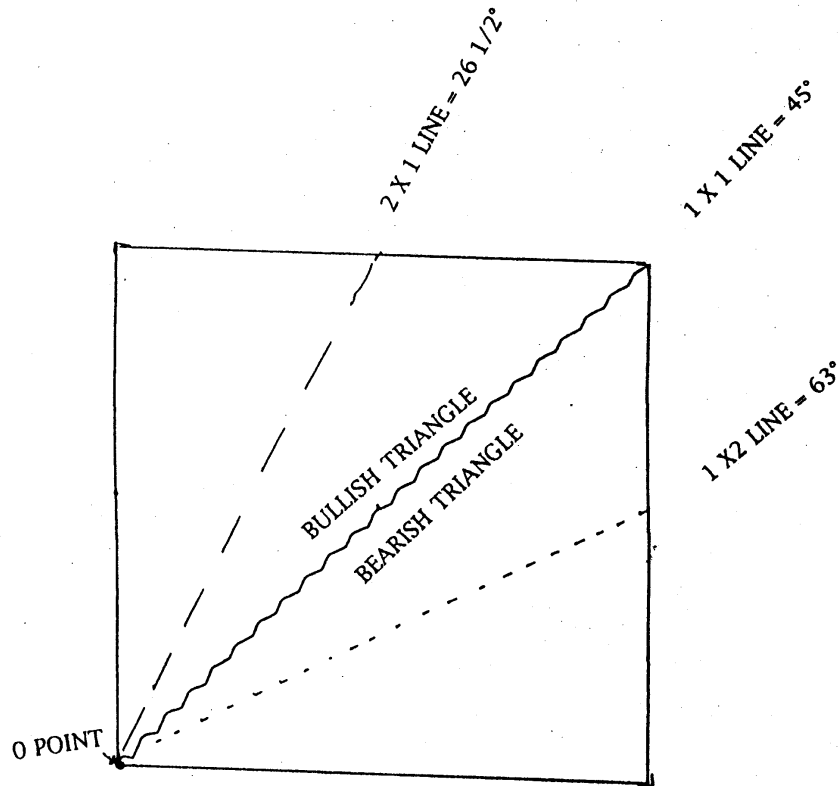
BASICS OF THE SIMPLE SQUARE



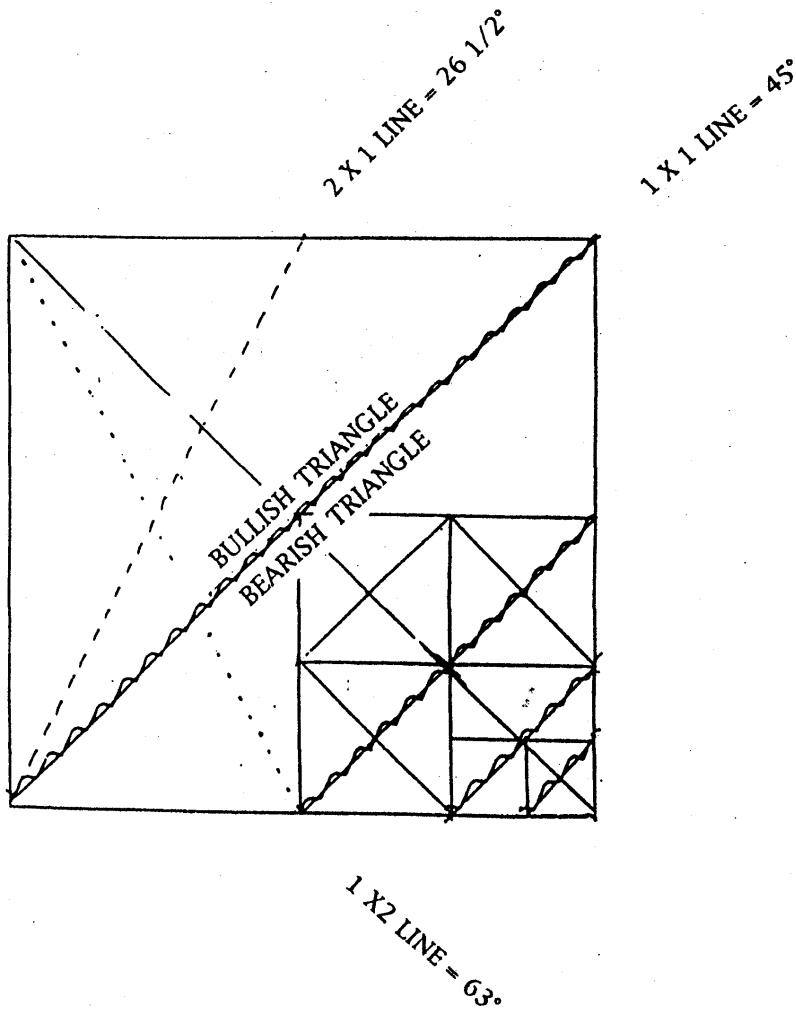
BASICS OF THE SIMPLE SQUARE



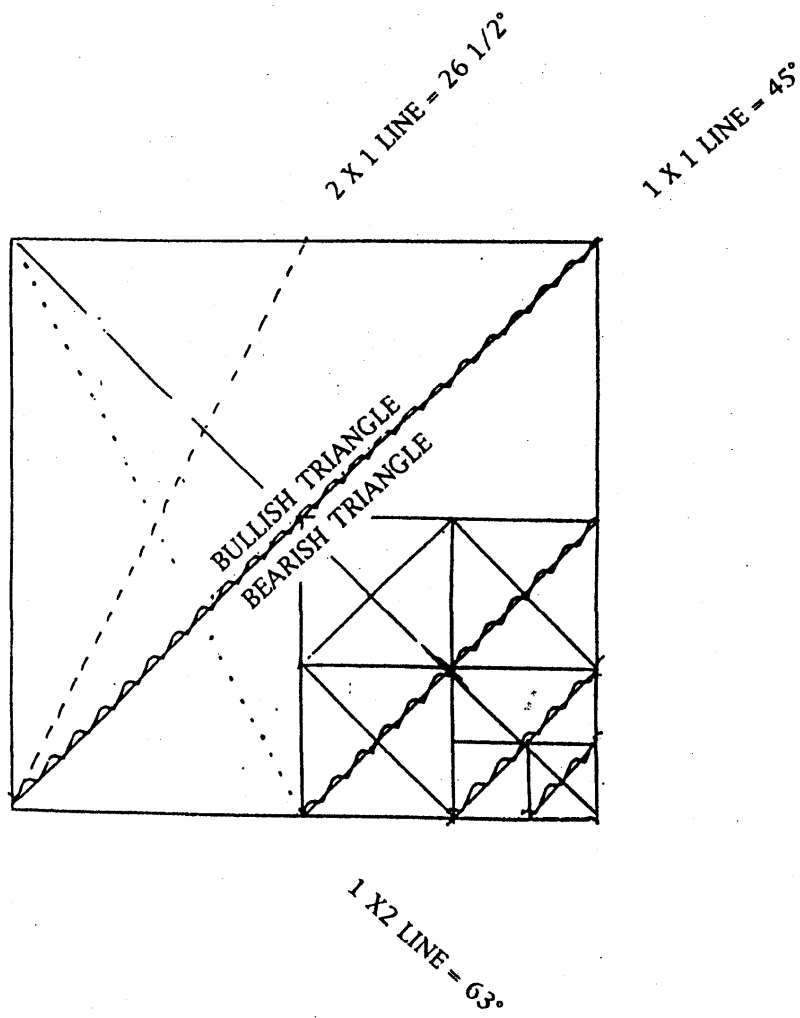
WHAT'S IN A SQUARE?



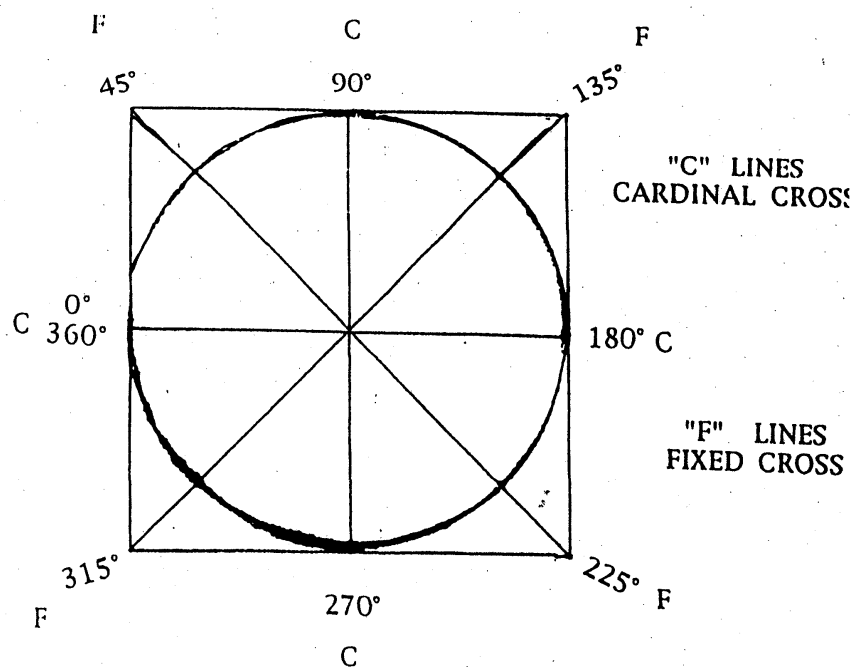
WHAT'S IN A SQUARE?



WHAT'S IN A SQUARE?



**NOW LET'S PUT IT ALL
TOGETHER --
LOCATE PRICE ON A CIRCLE
THEN SQUARE IT.**



Now that we have learned how to measure a square at a given TIME and PRICE, let's look at how to use it -- how to interpret it, if you will.

First we'll look at the manner in which Gann and Fibonacci lines are taught. Keep in mind that **you** determine the square and TIME by your own "seat of the pants" judgment. If you are right, then some the lines work well. My question to you is: "Granting that the 'P.C' stops and starts most moves, just which one of the divisions of the 'P.C.' will stop this move -- and when??"

We have increased the font size on the next two pages in order to emphasize a relationship which we feel has virtually gone without proper recognition. It has even been treated with denial. We refer to the Gann/Fibonacci relationship.

Fellow student: You be the judge as you learn the magical mathematics of these lessons!

W.D. Gann, and some of his early contemporaries, used the angles on the following pages in seminars and writings.

It is interesting that Gann (and we believe Bayer and company) made no effort to claim FIBONACCI. Yet note that they are FIRST COUSINS, at least.

These are not the ways in which we teach the calculated square, although the principles of use are worthy of note and of learning.

This is an overlay showing both Gann and Fibonacci angles.

Note how closely they follow each other -- and why not?

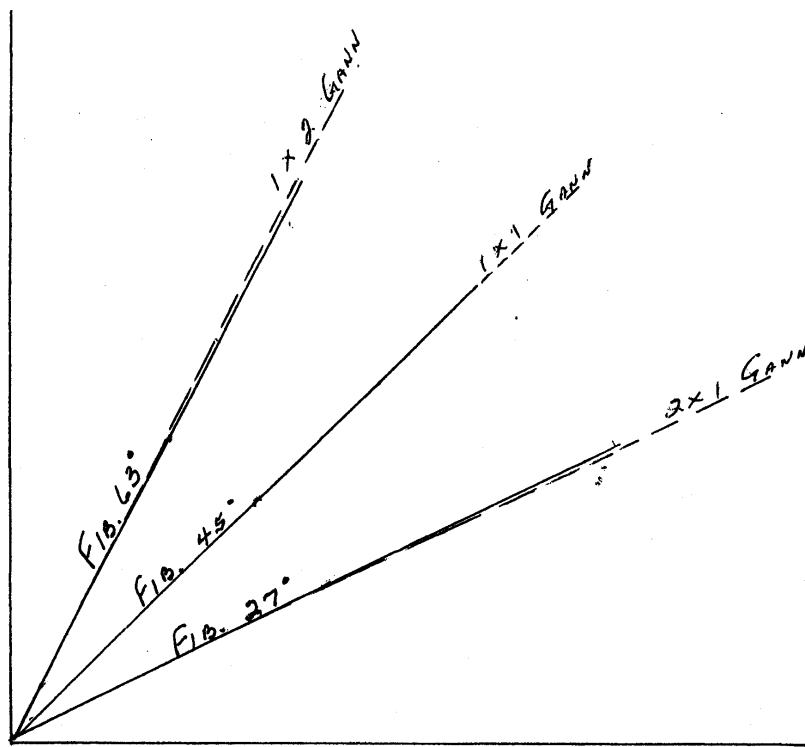
Since Fibonacci is unlocked with the #9, we get:

FIB 27 deg	GANN 26 ½ deg
FIB 45 deg	GANN 45 deg
FIB 63 deg	GANN 63 ½ deg

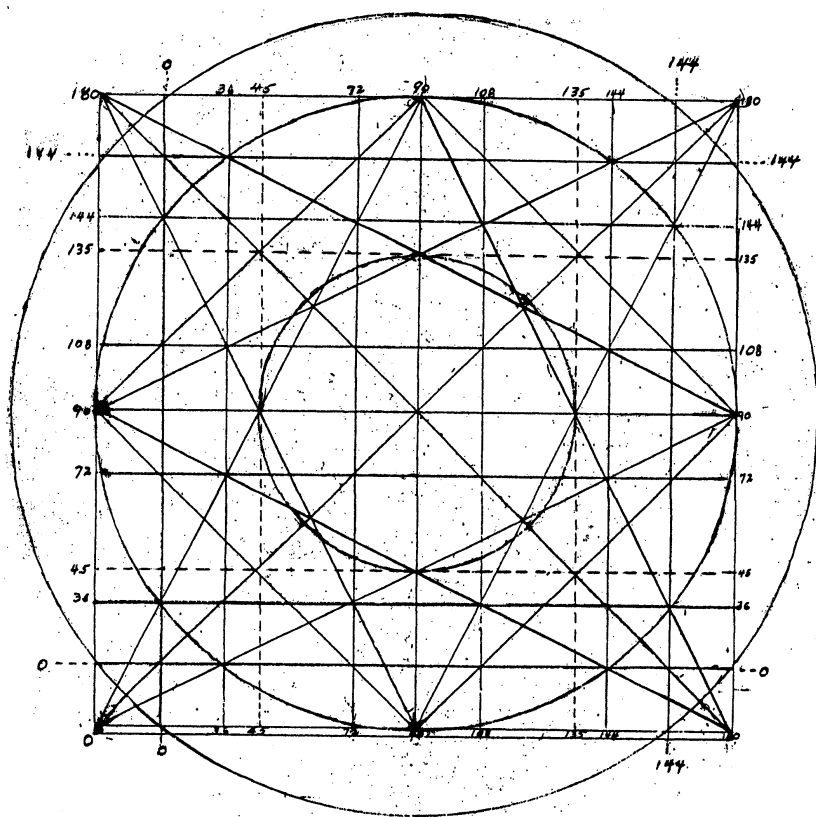
For the 3 main lines of support and resistance.

Simply a point of reference for our learning and clarification.

THE GRAPHIC COMPARISON OF GANN TO FIBONACCI



Shown here is an example of the 3-D overlay for charts, which you see, reproduced in Gann and earlier works. This overlay was produced for the commodity perspective scale. We have reproduced it by drawing on Mylar. When applying the PYRAPOINT technique, one must adjust for holidays and weekends.



CORE DATA

The prime core data of the *PYRAPOINT* technique is contained in this fact:
EVERY NUMBER IN PRICE CONTAINS A CALCULABLE ANGLE WHICH PRODUCES BOTH PRICE AND TIME.

This number is calculable and track able on the “P.C.” or Square of Nine.

Since we have learned that the “P.C.” is a square root calculator (among other things), and since we know that the “greats” of the past have used this tool both in the “pit” and in their own very successful portfolios, it follows that it should not surprise us if we were to learn that the little secret paper at their disposal could just logically be the “P.C.”

Let’s see if we can apply the “P.C.” to develop a square. Based upon our information gained so far we can deduct these conclusions:

1. EVERY number has a calculable angle.
2. The “P.C.” can be used to obtain these angles in PRICE and in TIME.
3. The location of the PRICE number locates the parameter or square of trading.
4. Obviously, if we have a square that is CORRECT -- **and** if we have the PARAMETERS DEFINED -- **and** if we know the characteristics of the angles of this square -- **and** if we follow that which the experts tell us about trend lines (when to hold and when to fold) -- **and** if we use this information as core data which will give us rules to enter and exit --

THEN WE SHOULD KNOW EXACTLY OUR POSITION-MODE AT ANY GIVEN TIME. By position MODE, we answer the following:

- a. What makes up a parameter or square?
- b. Where am I in this square of trading?
- c. What are the upper range and lower range of this parameter of trading?
- d. Am I in the buy or sell position of this square?
- e. Where should I add to my position?
- f. Where should I exit my position?
- g. What are my targets upside?
- h. What are my targets downside?
- I. When should I expect my next trend change?

If you know this much about the price of a commodity, we really leave little to CHANCE. We know -- and all that is then left is the DISCIPLINE TO FOLLOW that which we know.

Admittedly, this can be the hardest part. However, we will learn that KNOWLEDGE is the answer to good discipline!

Now, let’s build a square -- and incorporate all of the nine characteristics listed earlier -- YOU WILL BE AMAZED!

THE PYTHAGOREAN CUBE IDENTIFIED

To locate our current position in any trade, at any time, we go to the “Pythagorean Cube”.

Gann referred to this calculator as his “Square of Nine”. We have referred it to you as being basic to most references and patterns in the universe.

Again, it preceded Pythagoras considerably, since its calculations are found in the Great Pyramid (some 2500 years B.C.) and its use included that of being a calendar as well as a square root calculator for the early Egyptians, as stated earlier.

Following is a version of this calculator and a “table version” which we hope may throw some light of reference to the spiral chart. This will be our “Bell Cow” for reference as we teach onward.

Please note that all squares in the *PYRAPOINT* technique are calculated per height (PRICE) and per length (TIME). Since all calculations are based upon the determinations of the square root calculator (to which you are soon to be introduced) our next step should be to learn the basics of this calculator.

Note: The following example of the “P.C.” is the type used by Gann in his seminars. The second chart is a table to give a “flat” dimension to the Square of Nine (“P.C.”).

Of special note on this calculator is that the square root before mentioned is evident on the 135-degree and the 315-degree lines. From the center of the calculator at “1”, follow the line outward down the 315 degree line and you will note that each cycle is represented by a number which is the square of an odd number. The first cycle, 9, is the square of odd number 3. The second cycle, 25, is the square of the odd number 5. The third cycle, 49, yields square of the odd number 7, etc.

By the same analogy, from square 1, note that travel upward along the 135 degree line finds the squares of even numbers -- each just prior to the 135 degree dissection line. Squares represented here -- 4, 16, 36, 64, etc. -- are all squares of consecutive even numbers.

This brings us to an interesting (and vital) point in our analogy. If you were to begin at an odd number, say 121 (square of 11 or “11th square”), and you desired to follow the numbers upward to the square of the next number, 12, you would be located 180 degrees across from where you began -- halfway around the calculator. Obviously this puts you on the 135-degree line, stopping at number 144 or “12th square”. You began 180 degrees away on the 315-degree line.

Past number 144, you are obviously traveling into the 13th square, which will finish on the next square beyond your number 121 starting point -- or 169 (which is the square of 13).

At this point, the author feels that you have discovered one of the big errors followed by most Pythagorean Club scholars. This is the fact that you have traveled a complete circle, or cycle, as some scholars address it. However, you have

not one square, as is so often shown, but two! You have completed square of 11, and also the square of 12 within this cycle. Thus it follows that since there are eight 45-degree segments in the complete cycle, there should be four 45-degree segments in half of the cycle -- or one square. And so it is -- 180 degrees from the beginning of the cycle to the end of the square ($45 \times 4 = 180$).

Now it must be evident to you that square root determines the square in which you are trading, and the 45-degree lines provide the parameters of resistance in your trade. Square root also determines the next square in your price parameters. If price is 121, you know this is the 11th square on the Pythagorean Cube. Your own hand calculator tells you this -- and it will tell you that this square proceeds until 144 where your hand calculator says this is the square of 12. What may not be so obvious is the fact that we could stop at the halfway point and we could determine that number as well. Let's try it.

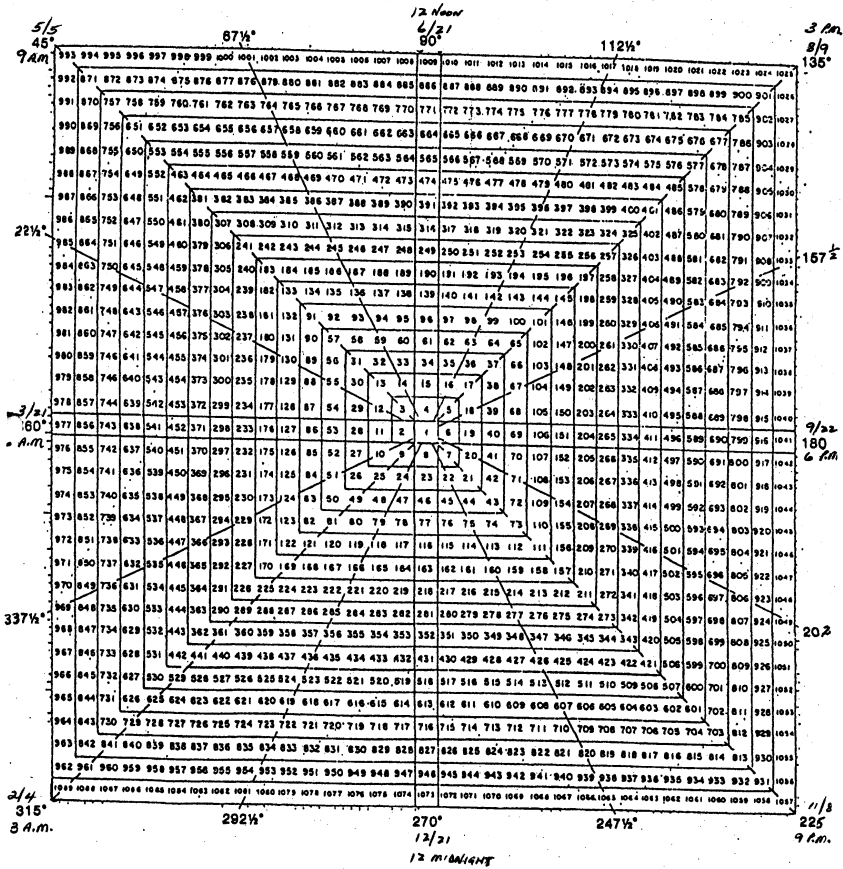
One-half way from the 315 line to the 135 line would put us at the 45-degree line. Following this line to its square yields a price on that 45-degree line on the "P.C." of 133. Therefore, since 133 is square of 11.5, we are definitely on target.

Following this analogy, we should be able to identify one-fourth of this square of numbers (be it PRICE or TIME). Thus if 11.5, squared, equaled one-half way between square 11 and square 12, then 11.25 squared, should give the one-fourth point. Thus the one-fourth point should reflect one-fourth of the full 180 degrees (or 45 degrees from the beginning) between squares 11 and 12. So let's check 11.25, squared, and we find it 45 degrees from our point of beginning or nearly on top of the 127 line of dissection.

This shows us a very important fact: .25 added to the square root of a number on the "P.C.", the sum then squared, will yield a number 45 degrees up on the "P.C." calculator. This is true for any number. It is also true if you subtract .25 in a down series, or market. IT IS UNIVERSAL!

Now we have a means of answering the question (for any number representing a top or bottom) as to how far we are from the next 45 degrees, 90 degrees, etc. of resistance in this wave, which we may be trading. We can also take the square root of this same number and convert it to time as long as we use Pythagorean scales and *PYRAPOINT* rules.

SQUARE OF 9



	1	2	3	4	5	6	7	8	9
22 1/2° 0°	2	11	28	53	86	127	176	233	298
67 1/2° 45°	3	13	31	57	91	133	183	241	307
112 1/2° 90°	4	15	34	61	96	139	190	249	316
157 1/2° 135°	5	17	37	65	101	145	197	257	325
202 1/2° 180°	6	19	40	69	106	151	204	265	334
247 1/2° 225°	7	21	43	73	111	157	211	273	343
292 1/2° 270°	8	23	46	77	116	163	218	281	352
337 1/2° 315°	9	25	49	81	121	169	225	289	361

	10	11	12	13	14	15	16	17	18
22 1/2° 0°	371	452	541	638	743	856	977	1106	1243
67 1/2° 45°	381	463	553	651	757	871	993	1123	1261
112 1/2° 90°	391	474	565	664	771	886	1009	1140	1279
157 1/2° 135°	401	485	577	677	785	901	1025	1157	1297
202 1/2° 180°	411	496	589	690	799	916	1041	1174	1315
247 1/2° 225°	421	507	601	703	813	931	1057	1191	1333
292 1/2° 270°	431	518	615	716	827	946	1073	1208	1351
337 1/2° 315°	441	529	625	729	841	961	1089	1225	1369

SOME BASIC RULES OF THE CIRCLE AS USED IN THE TRADING OF BAYER, BRENNER, AND TAUGHT BY GANN IN HIS \$5,000 SEMINARS

1. Markets, and indeed much of life, tend to follow cycles, which are determinable, and measurable in total circles, or parts of circles, which make up the cycles.

Let us take a moment to clarify this statement a bit. It is VERY important!

As you study the "P.C." or Square of Nine, you cannot ignore the facts that when PRICE is traced from a significant top to a significant bottom, or vice-versa, you will find that many times you will trace the PRICE completely around the square for a top or bottom of that wave. Sometimes you will note that it goes more than once around the square.

Further you will note that PRICE has a very avid habit of stopping at a significant division of the square when it does not go to the full square.

At this point, let me say that we were not the first to note these phenomena, or to appreciate its significance. We do believe that we may well be among the first to offer a plan to harness this information for our trading excellence. This is basic to the birth of *PYRAPOINT*.

2. As Gann and Company observed the movement of PRICE across the face of the "P.C.", they made some other significant conclusions. They noticed that the movements of waves were not only tied to TIME, but that they had a relevance associated to the distance of each wave-move which was recorded before a reversal. This relevance was shown to be especially important at moves such as one-fourth, one-eighth, one-half, and quite significantly at three-fourths of any cycle. It is noteworthy to point out that three-fourths of any move or wave is considered a candidate for a "death-zone" status for that particular move. Other fractional moves were observed as important as well, but it is our desire to make this study as simplistic as possible. Therefore, we shall be most concerned with the above.

**WE ASK YOU TO REMEMBER THAT 90, 180, 270, AND 360 DEGREES
ARE CONSIDERED PRIME OBJECTIVES IN ANY CHART FORMATION -- BUT
THAT THE 45 DEGREE LINE WILL BE OUR BIBLE FOR STAYING ON TRACK
TO THESE AND OTHER OBJECTIVES.**

This will be most evident in the charting to follow.

3. Pre-Gann studies have referenced PRICE to TIME. It is the studies of Gann as proposed in his seminars, which show the most graphic use of price to the "squares" of time. In this study, we use PRICE and TIME together, plotted on a circle with PRICE and TIME reduced to common denominators on the scale of the

circle. The most common example is to use one unit of TIME (be it daily, hourly, weekly, or whatever unit selected) and to plot one unit of PRICE on the 90 degree axis for a cross graph. An example would be one cent per unit on the vertical axis of your chart, while using one day per unit on the horizontal axis of the same chart.

A line representing the moving average computed by can therefore, express the relationship between the two factors of PRICE and TIME, and as applied to, a central line, common to both. In other words, a chart showing corn advancing one cent each day would obviously be increasing at a rate equal for each unit, or would be plotted on the 45 degree line.

This is the same procedure and action for other units of PRICE and other units of TIME.

4. As you become involved in the plotting as expressed above, you will note a need for the use of multiples of PRICE and multiples of TIME as well, in order to make computable and understandable squares in your decision-making. This is where you will need to make proper use and interpretation of the Pythagorean Cube Ratios. Simply stated, the crux of the accuracy of the charting is to use scales, which are reflective of the "P.C." and the ratios derived there from. They involve the use of the proper multiples of each unit which are evolved in this manner: 1, 2, 4, 8, 16, 32, etc. Never try to use *PYRAPOINT* charts with scales reflecting odd derivatives such as 3, 5, 7, 9, etc. unless you are forced to using one-half of one of these for some abnormal charting situation in the earlier portion of the chart. Even then, you will likely be in trouble when you need to increase to the next level in price. In other words, just don't use this approach! **Stay with the even numbers and doubling in the Pythagorean fashion.**

At this point, remember that of PRICE and TIME (the relationship of which it is your objective to record) that TIME is always the prime unit of consideration. You will see why this is so important when you are acquainted with some of the charts that follow. Remember, too, that TIME does not change except by your choice of scale selection for your use in each particular chart. Obviously, TIME never changes, is ever ongoing, and is not subject to our adjustment in the Pythagorean manner. PRICE adjustment is primarily for the convenience and the understanding of the particular square in which you are recording this PRICE action. It makes a rectangle into a square as it identifies the parameters of influence.

5. Since the circle is primary in our analyses, and since the "P.C." is our prime tool, it should not surprise us that this is a square-root calculator, and that it has within its square walls of numbers the derivatives of Phi, Pi, and squaring abilities as well.

Note that the Square of Nine has time frames denoted on the outside of the numbers in a "circle of time". Note also that 0 degrees is shown as the start of the Spring Equinox, or March 21. This means that a full 360 degrees around the square would bring price back to the March 21st beginning, one year later. Obviously, each 90 degrees indicates one-fourth year, or three months. Likewise, 180 degrees is reflected in the span of time for six months, 270 degrees or three-fourths of the circle of time is in nine months, and one-half of the 90 degrees or one-eighth year is 45 degrees or 45 days approximately.

Note, too, that some scholars have made extended use of the Square of Nine in its adaptation to identification of parts of the 24-hour day. In this use, six a.m. begins at 0 degrees and progresses three hours per each 45 degrees in the rotation. We will present to you our interpretation as to this use. We will give you examples showing significance to certain time frames per charts shared from our files.

Hopefully this will give you an idea of the concept as presented with reference to the synonymous use of PRICE and TIME.

CONCLUSIONS FOR THIS SECTION

By now you should have a number of things in mind that will lead to a peace of mind and profit that you may have never experienced.

We have opened our core data, and have put it in writing so that you may have a constant source of reference. We have not, nor will we, withhold any data or assistance which you feel that would assist you, for.....just how many of us have experienced the sick feeling resulting from initiating a position, only to find it immediately move the opposite way? Questions of what to do -- where to get out -- do I stay or run.....and then the erroneous answers come flying back: "I'll see how it closes" -- "I'll check it tomorrow and see how it opens" -- "Maybe it'll close better today" -- and "Alas! I have too much invested now, I'll have to see the 'HOLD CARD'". UGH! THIS, FRIENDS, IS WHAT WE ARE ATTEMPTING TO AVERT!!

It is our intent to leave you void of the feeling described above, and rather with a feeling of fulfillment, encouragement, and profit orientation -- and it is our desire to do so with no image of selfishness. We sincerely hope that you have received this impression.

SPECIFIC *PYRAPOINT* RULES

Thus far we have taken a review/examination of what has been provided to us by the accepted principles of trading.

To use the *PYRAPOINT* technique, please realize that we are not asking that you discard any of your learned good trading rules. We do ask that, since we are operating on a totally calculated line and square, that you follow what we have learned to be a very highly accurate set of simple rules. The nice part of this technique is that it can overlay any theory or system, which may presently be of interest or use by you. Even if you choose not to use *PYRAPOINT* as your primary theorem, please look at the rules and squares for confirmation. **WE ARE BETTING THAT YOU WILL CHANGE YOUR PRIMARY UNIT!**

The rules which we use are self-evident on your chart of the square for the price parameter in which your commodity or stock is trading. We operate upon the theory that if we can successfully trade the square representing the parameter currently trading then, in all probability, we will have success in the next square as well. Thus, the rules, which we submit for this square, will be universally acceptable for any commodity or stock, which you will be trading. The only preface which we caution is to fit the TIME unit and the PRICE unit into scales, which are “common sense” to the parameters of price and volatility. In other words, use a square size, which will reflect the manner in which the unit is trading. Again, you won’t be wrong so long as you heed the Pythagorean Principles explained in prior pages of this book. Another way of confirming this “common sense” is to realize that it would take a considerably smaller square to reflect the action of an hourly chart of a low-volatility commodity or stock than it would take for a daily or even a weekly, especially in a high-volatility status. Again, this should not be a primary worry for you. *PYRAPOINT* and your own judgment will suffice as soon as you become acquainted. Actually, you can see the picture with very little experience. The worst scenario, which you might have, is working with a square, which is within a square. It is all repetitive, “ever onward, and ever outward”. You are simply the recorder of a very Universal and Wonderful Law. At this point we are going to assume that you have the ability to build a square from the data extended to you, and that you are ready to find out what all of these lines really represent.

RULE #1. Begin your calculation from any significant top or bottom.

RULE #2. As price travels up (or down) from a picked significant point, you will stay long (or short) so long as price does not violate the calculated 45-degree line per a close. If you choose to use a closer stop, know that you have the choice of penetration of the 45-degree line with a chosen amount of risk. As an example, corn is often traded on 3.25 cents as a stop below the 45, or of course, a dollar amount is also in order.

RULE #3. When this calculated 45 is broken, know that this is the first notice of at least a temporary trend change. Expect your next objective to be the top (or bottom) of the calculated square.

RULE #4. When a price square is broken, know that you are then in the next square or parameter of influence. Note: Remember the basic square construction. If you break the bottom square in a down-move, realize that you are in the bullish side of the square directly below you. Therefore, expect the 45 coming upward in the lower square to be the next objective. It will become your next support. Obviously, the opposite set of data is applicable if the move is to the upside; the 45-degree line in the square above becomes a point of vibration or resistance.

Breaking this 45, your next upward objective becomes the top of the square, just as you experienced with the example just given for the lower square. (We will clarify these rules in the charts at some length.)

RULE #5. Expect trend changes of significance at EOS (end of square); this is the portion of the square, which is based upon TIME. You will recall that we stated that “TIME” was dominant in influence over PRICE. Approximately 85% of the EOS’s will produce some kind of reversal. Now, this may only be a reversal to the next support or resistance, but it will usually be there. One other note should apply here: a reversal can be a pivot from downward to upward; it can be a pivot from upward to downward, or the third option is that it can be an ACCELERATED MOVE (still it is a trend change of note). A fourth option can reflect the end of a trend to a sideways trek for PRICE, usually during a digestive interlude.

RULE #6. We do use momentum indicators along with our squares to better ascertain if we should expect a broken 45 to proceed to the first objective (the bottom of the square) or if we should expect our target zone to fall to the lower 45 for support, assuming a downside break. The opposite is obviously true for an upside break. The indicators most often used for confirmation are our own application of the make-up numbers of Relative Strength Index, Stochastic, and the standard make-up of Accumulated Swing Index.

As you learn the *PYRAPOINT* technique, and indeed use it in your trading, undoubtedly you could find some additions, which fit your particular mode of trading habits. However, we sincerely believe that if you learn and apply that which is presented herein, that you will find these rules to carry you well with any chart anywhere, and with any commodity or stock. It has shown us the true Universality of the System.

Fellow trader, as soon as we are convinced that we have given you a fair and usable background as to the reasons, the core data, and the use of the *PYRAPOINT* technique, it is our intention to share with you enough charts to be examples of the principles to which we have addressed. Please be advised that these charts are taken from our daily work and are examples of our ongoing analogy. They have in no manner been “selected”, nor are they programmed to be “after-the-fact”. We have all experienced chart work, which just didn’t make sense on a daily basis apart from the example of the particular day. For reasons stated above, we will obviously not be all encompassing, but we have tried to share at least one idea and interpretation on each chart. Some the charts are ongoing in design, meaning that a question is posed at a certain juncture, and then answered as the facts unfolded. We hope that it will assist questions, which you may have. Given the nature and complexity of trading, we need to **KNOW WHERE WE ARE AT A GIVEN TIME, WHAT WE SHOULD EXPECT AS A MODE FOR EACH PRICE LEVEL, AND WHAT TO DO WHEN IT CHANGES -- AND IT WILL CHANGE!! JUST BE READY!!**

Let’s proceed on to some “HANDS-ON” charting from our files. To do this, we have adopted the following INPUTS and SIGNALS for our charting education.

INPUTS FOR *PYRAPOINT* SYSTEMIZATION

1. *PYRAPOINT* plotted per PRICE parameter (90 degrees is good starting point on daily charts).
2. RSI setting at 3
3. Stochastics setting 45
4. ASI standard setting

SIGNALS FOR ENTRY/EXIT

1. ASI over all momentum lines for scheduling down trend designation for trades.
2. ASI under all momentum lines for scheduling up trend designation for trades.
3. Take only signals, which are in agreement with scheduled trend.
4. Buy/sell at end of square (EOS) at a pivot -- IF with the trend.
5. Buy/sell at each 45-degree line -- WITH the trend.
6. Buy/sell at each top or bottom of the square in which you are trading -- WITH the trend.
7. Ignore a set-up at a pivot IF against trend -- leave the position run to next objective in the event that you already following a favorable trade position. This will be EOS of the next 45-degree support or resistance, or the top/bottom of the square.
8. Protect each objective with a stop of your discretion -- we use 3.25 cents on grains and proportionate stops in other commodities.

PART III

Developing the Application of Learned Basics

THE SQUARE APPLIED

Let's look at any digit on the "P.C." that represents a price of any commodity or any stock. **PYRAPOINT is universal in nature.**

For sake of clarity, let's pick the price of \$4.00. You will find this number just ahead of the 135-degree diagonal -- or the line running upwards and to the right from the center of the "P.C." One of our first rules is that all calculations begin with three whole numbers. We use a floating decimal in all contracts. This means that we use \$4.00 as 400. The square root of 400 is 20; thus we just established the beginning of our square's parameters.

NOW FOR A REVELATION ABOUT "SQUARING"

Note where the square of 21 (the next square) locates you on the "P.C." -- down opposite square of 20, at the lower left line from the center of the "P.C." on the 315 degree line. Thus when Gann students (or others teaching in the regular mode) take a square as a complete cycle of 360 degrees, they error because the square root calculator shows us that square #20 ends 180 degrees away at 441. BEHOLD: a complete square, but located only halfway around the "P.C." It is also important that you note that there are four 45-degree angles encompassed in this 180-degree trip to the opposite side.

Thus we correctly conclude that there are four segments in each of the squares so designated -- and each are 45 degrees.

This same calculation works for each of the numbers involved. As you would guess, this square root calculator yields squares of even numbers adjacent to the 135-degree line and yields squares of odd numbers going down the opposite or 315-degree line.

NEXT WE LEARN A REAL NEAT SHORT CUT FOR USE OF THE "P.C."

Since we have learned that complete squaring of a number goes 180 degrees, we observe our example: $(20 + 1)$ squared obviously gives us (21) squared = 441, which is 180 degrees away from 400. Thus, it follows that adding a whole number of 1, and then squaring, calculates 180 degrees around the "P.C." in our example -- and if we only add .5 we have reason to believe we should go one-half that amount, or 90 degrees. Do we? YOU CAN BET THAT WE DO! $20 + .5 = 20.5$ -- square 20.5 and we get 420.25 at a point one-

half of the way to the aforementioned 180 degrees of 441. We are within one-quarter of a cent from being exactly one-half of this difference, or 90 degrees.

Can you now see the same analogy applying to 45 degrees -- obviously we are going to add one-half of the 90 degree FACTOR, or .25. Thus $20 + .25$, quantity squared, yields 410+. SO WE NOW KNOW WHERE 45 DEGREES IN PRICE WILL FALL. (Find these points on the "P.C." for confirming reference, if you will.)

Since we are learning that we really do need to equate PRICE and TIME together on a circle, and then to square that circle, we should begin to see where this might be headed.

AND since we do equate PRICE and TIME (i.e. one day TIME, one cent PRICE -- or one hour TIME, one cent PRICE, etc.) we can relate TIME in a similar manner in which we calculated PRICE. This needs to be in the time frame in which we are currently charting. In our example then, on a daily chart, we would compute TIME on a parallel mode of operation, and get 20 days for the time portion of the square.

So at \$4.00, we now know that we have the PRICE axis of our square, setting a parameter of 20 cents. We also conclude that our TIME axis will be 20 days. Thus you can tell that the 45 degree line which will divide the square from bottom to top in a rising market (up trend) will have a moving average of PRICE which will compute to one cent per day.

Are you beginning to see how one can determine if you are on target to be long or where you need to get out and go short? YOU ARE RIGHT! On the 45 degree LINE! This will be our TRADING BIBLE, but only on the calculated 45 within the calculated square. Other lines which can work are sometimes coincidentally correct -- BUT show us how you can trade other trend lines each time with accuracy!

Please note that the same principles will apply to every number and decimal. This means that an uneven square such as 186 will be treated in the same manner -- and it will yield the same results. Thus the square root of $186 = 13.638$. We know that $13.638 + 1$ should give a number, when squared that should be located 180 degrees away from 186 ($13.638 + 1 = 14.638$; 14.638 squared = 214.3 or just ahead of the same line of 180 degrees away on the "P.C.") The subsequent addition of .25 for each 45 degrees to the square root quotient of 13.638 also will yield the same 45-degree result. Check it on the "P.C."!

So far as the handling of TIME when an odd number is being used, we find that this should yield a TIME axis for our square on the 13th or 14th day (13.638). We also note that usually TIME tends to lean to the higher portion of the TIME window. Therefore, we would draw our horizontal TIME axis to the right from the 186 PRICE point, to a point, which is 14 days to the right. Then to calculate your top parameter, you would use the 13.638 square root quotient, add the .25 for 45 degrees up in PRICE -- and square this sum. We now get a top line of this first 45-degree square, which will compute as $13.638 + .25$, squared, which will yield just short of 193. NOTE that this is 45 degrees above 186 on the "P.C." You now have a square with 14 units to the right, and approximately 7 units upward. Do you now get an idea as to why we say that all standard 45-degree angles will not yield a true picture for a "calculated" 45-degree trend to follow? Dissection of this square would be more nearly a 22-½ line instead of 45 degrees. IT JUST WILL NOT WORK WITHOUT CALCULATION!

While many quality-looking programs are in the marketplace today, none of the FIB lines, Gann lines, or variously sold trendline programs currently examined consistently or

sufficiently lead market prices for us. Perhaps we expect too much, but we have never found that a “following” tool was ever of much assistance, except to tell where we have been! **WE NEED TOMORROW’S NEWSPAPER TODAY -- NOT VICE VERSA.**

As you become more acquainted, and by your own calculation, you will learn that the markets not only follow these “near-magic” 45-degree lines, but you will anticipate moves upcoming. These targets, or objectives, will be found in the movement to the top/bottom of this square -- then, upon breaking it, the target will be the next 45-degree line of resistance/support.

As we study the many charts, you will note all of the above over and over in a soon-to-be familiar spiral of anticipated moves.

Several references have been made to the “parameters” in which we are trading, or perhaps more specifically, the “square” in which we are trading. **HEREIN LIES THE REASON FOR FAILURE** for most trendline oriented systems, in our opinion. You can now begin to envision why a 45 degree trend line with price trading at \$2.00 is different than that with a price trading at \$4.00, or \$6.00, etc. There is an ever-onward, ever-outward spiral of change as markets progress through **TIME** and **PRICE**. Indeed, market parameters change at the entrance and as it proceeds through each square on the “P.C.”

Envision an example, which will verify our thoughts and reinforce your confidence in the *PYRAPOINT* system:

The price of corn at \$2.25 yields a **TIME** of 15 days (square root of 225) with a **PRICE** axis of $15 + .25$ (squared) or a price level for the first 45 degrees upward of 232.5. Obviously the 45-degree line is going upward (in up-trending market) at the rate of 7.5 cents in 15 days. The opposite is true in downtrending market.

Now consider cattle at \$67.60. Since we use 3 in our floating decimal system, we see: square root $676 = 26$, or the days in our square (the horizontal axis). Then $26.00 + .25$ (the 45 degree factor) yields 68.90 when squared. Thus we have a rise of \$1.30 in the 26 day **TIME** frame for 45-degree upward track.

Assuming these examples are making logical conclusions for you, this seems the proper time to interject one more factor showing why a common set of lines from a set system will not usually bring home dollars. **IT IS CALLED CHANGING PRICES.** Further, you will note that a commodity will tend to trade in “its own square”. Gann made reference to this, and folks immediately took off into all modes of calculations including atomic weights. What is most likely meant is that a single 45-degree line in **PRICE** compliments not all squares of **TIME** best. Some (indeed many, depending on **PRICE**) are complimented best by two of the 45-degree factors -- or 90 degrees. **But (don’t forget) you still use the 45 degrees of dissections in the parameter of trading.**

Don’t let this be a problem to you. You can tell if you need to look at the second 45-degree factor just by looking at the trading on your chart. These same conclusions are available from the “P.C.” After all, what you are really doing is charting the “P.C.” on an angular surface so that you can assimilate the information into a manner, which can be seen by “us commoners”. Some may tell you that *PYRAPOINT* is not the first to notice that most all markets do work between angles reflecting multiples of the 45-degree factor on the “P.C.” We can prove that all day by several systems. The real problem comes in **DETERMINING** which one of the segments is the **BEGINNING** of a move so that we can enter the market. Then we need to know how far to go to expect a target -- or a **TREND**

CHANGE. To our knowledge, *PYRAPOINT* is the only source for this information, laid out in graphic form for confident trading -- ALL CONFIRMED ON THE "P.C."

Back to our example: It is our contention that any seminar, or book, or manual which does not make you, as customer/trader, comfortable will leave a void to be addressed, so let's not miss on this one about whether to trade on a 45 degree square or a 90 degree square. LOOK AT YOUR CHART. It will tell you the past path it has been following when you place a calculated square in place. Remember, Gann used to emphasize that there are no really new concepts in our world -- only the discovery and improvement of age-old concepts and Universal facts. So, if a square is calculated out to be too flat for you to comfortably see the PRICE movement, don't hesitate to **trade it via the 90-degree square**. This simply means that the PRICE is moving most easily in 90-degree segments in the "P.C." Actually, it will not be bad judgments call either way. It will simply be much easier seen on a square, which actually fits PRICE and TIME. It should be as near an actual square as you are comfortable. It is not an error to use two 45-degree factors, or one half of a 45-degree factor -- we simply adjust PRICE activity by selection of 45-degree factors. Remember, TIME is the more important of PRICE/TIME, so **do not** change a square of TIME. It will always be the square root of PRICE, computed to the right per the square root quotient of units of TIME in use -- i.e. days, hours, minutes, etc. -- depending upon your individual chart in use the these calculations.

Your next question as a student of this system might legitimately be: "Do you mean that you can confirm the HOURLY with the DAILY or fine-tune the DAILY with the HOURLY, even coming from the influence of a WEEKLY? The answer is a resounding "YES!"

Further clarification in the above discussion can be advanced with an example of one of the currencies day-trading on an hourly chart. Here you can realize that one might be reducing the 45 degree factor down by half (.25 divided by 2 = .125 or 22 ½ degrees) or even half of this (.125 divided by 2 = .0625 or 11 ¼ degrees) providing that you have a reasonable chart for a small TIME frame and a smaller PRICE. Trust us -- it is Universal.

The above examples will lead us to the next Pythagorean Cube factor that tells us why this is possible. Any scale which you use in constructing a chart to conform to the "P.C." is applicable if you use it in the Pythagorean Cube ratio which is: 1, 2, 4, 8, 16, 32, etc. Thus note that any change in our 45 degree factor falls into this same ratio of requirements: i.e. 5 5/8, 11 ¼, 22 ½, 45, 90, 180, 360, etc. No square will be in error if you stay with these ratios of the 45-degree factor. Therefore, one can fit any PRICE and TIME criteria into a manageable production square for the parameter of PRICE and of TIME in which you seek to trade.

Just a few more topics of explanation, then let's see if we can put it all together using the examples of actual charts in actual TIME of recent vintage. These charts to follow are given to clarify the explanations, and hopefully to clarify what we have been writing in these many pages.

We will study as many TIME frames as it requires to make you comfortable: intra day, daily, weekly, monthly, quarterly -- all have this same Universal thread!

A WORD ABOUT TRENDLINES

Much has been said, and many articles have been written about trendlines.

Most authors on the subject seem to agree that they are a consistent tool for use in determining TREND. Seems obvious, doesn't it? Not necessarily so. Therefore, again, read on and see if the analogies presented have a familiar ring to your experiences.

Nearly every trading system to which I have been exposed during the last 37 years of review and study seems to emphasize "trading with the trend" -- and rightly so! I would venture to say that if you will examine your "trades gone badly", that you will learn that, in retrospect, you have inadvertently traded against the prevailing trend of the day. We say "trend of the day" because, as you have learned, when trading in any appreciable volume, there is more than one trend working at a given time. We look at the short term, medium term, and the long-term trends as guides. But lo, there seems to be sub waves for each of them in some cases. At least, you will agree, there seems to be enough of them to successfully grab your stops on a pretty regular basis.

One of the reasons that we want expand on the issue of trend is that it not only seems to be one of the biggest identification problems in trading, but solutions for its identification is one of the major objectives of the *PYRAPOINT* system study. You must always know your immediate position at any given time relative to immediate and long trend, where it changes, and thus, when to "hold or fold" your position. Again, this is our goal.

Possibly your next justifiable question would be: "***How do I know -- and indeed, how do I identify -- the sub waves, the main trend, the minor trend, the retracement trend, etc. and how much of a countertrend should I be prepared to endure before giving up my opinion/position?***" To us at *PYRAPOINT* this is likely our first teaching objective.

Granted, one needs to keep the overall larger main trend in mind. However, few of us have enough margin to withstand all of the counter-trends which will ensue in a travel of market time over a six-month basically bullish or basically bearish trend. This is why our system shows us where we are in the parameters in which we are currently trading. In the near-pages to come, we will make this analogy based upon the parameter or SQUARE in which one is trading **today, this hour**, keeping in mind the big picture for direction for initiation of trades.

Before you get discouraged about the complexity of the problem, please keep in mind that Bayer Brenner, and especially Gann gave more than one interpretation of this very important challenge. Gann, for instance, taught in his seminars the one-day trend line, the two-day trend line, and placed special emphasis on the three-day trend line. This does not mean that he used these exclusively; he certainly did not. You can find data wherein he used 90 days as a

“Pattern Chart”, and where he used 180 days and 270 days as culmination of trend indicators.

It will hopefully suffice for our purposes to use the “Old Masters” nearer-term approaches with our eye on the longer-term trends.

For any of our readers who have not been students of one of the “Masters”, we will attempt to include a very mundane approach to some of the referenced trendlines for your clarification and study. We will conclude this information of data by saying, once again, that this is the objective of *PYRAPOINT*. It will carry you through any opaque areas that tend to confuse, if you will become totally conversant with the system. Believe it! Follow it! ACT WHEN TOLD!

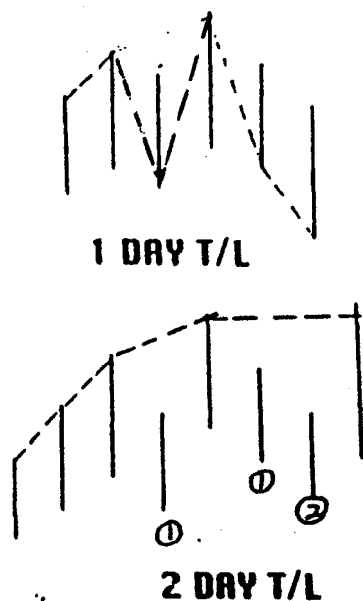
The next three pages are inserted to assist you in the analogy of trend so that you will recognize the tools to which you are referred. These will further let you know that your decisions are justifiably going to go astray where trend is concerned, because there are more than one thrust or wave, which could possibly influence a trend for a chart, in question. Again, this is presented, not to confuse you, but rather to let you know that your decision-making can be assisted.

PYRAPOINT TRENDS AND TREND LINES

BASICALLY:

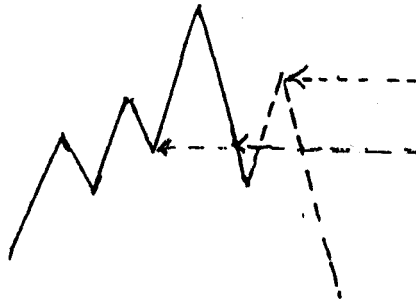
- CONSECUTIVE HIGHER TOPS & HIGHER BOTTOMS – UP TREND
- CONSECUTIVE LOWER TOPS & LOWER BOTTOMS – DOWN TREND
- MANY FILTERS TO DEFINE TREND:
- INSIDE/OUTSIDE DAYS
- 1,2,3 OR MORE TREND LINES PER DAYS
 - i.e.
 - 1 DAY TREND LINE TRACES EACH MOVE
 - 2 DAY TREND LINES TRACES EACH 2 DAY AS MINIMUM IN SAME DIRECTION
 - 3 DAY TREND LINE – SAME
 - OVERBALANCE TO CHANGE TREND

A DISTANCE IN PRICE, WHICH EXCEEDS THE DISTANCE PRICE, HAS TRAVELED FROM THE CONTRARY DIRECTION WITHIN THIS WAVE.



OVERBALANCE

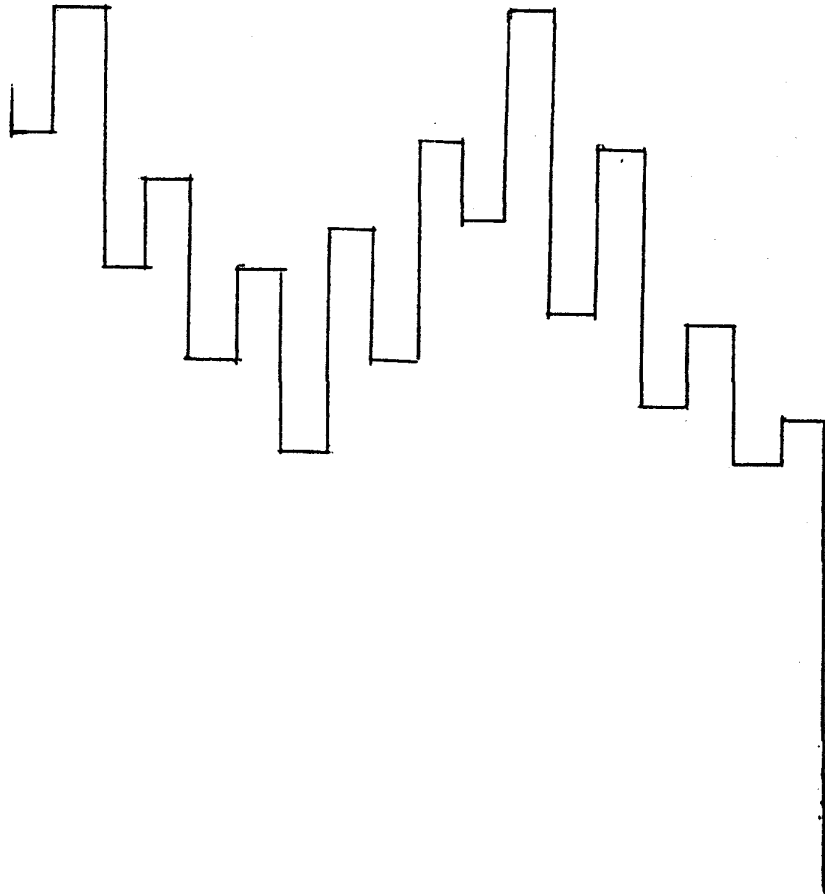
RETRACEMENT – (50%) APPROX. 70% OF TIME



PT OF O.B. --- AT LEAST TEMPORARY T.C. TO DOWNSIDE

**Trend Tool As Used By Gann
Brenner And Bayer**

SIMPLE SWING CHART



It is important to be with the trend
- these are some of the tools -

TIPS ON TIME, PRICE AND TREND

1. TIME is the more important of the ratio.
2. TIME is a direct derivative of PRICE, and PRICE begets TIME.
3. W.D. Gann said that PRICE must be observed upon a circle -- then one must “square” that circle.
4. TIME was computed astronomically (not astrologically) based upon these universal functional facts:

4 minutes of Earth’s rotation	= 1 degree
60 minutes	= 15 degrees
180 minutes	= 45 degrees
360 minutes - 3 hours	= 90 degrees
720 minutes - 12 hours	= 180 degrees
1440 minutes - 24 hours	= 360 degrees

Therefore:

1440 x 365.25 days per year = 525,960 minutes / year or 360 degrees - complete circle of TIME.

It follows then that 90 degrees is $\frac{1}{4}$ of 525,960 or 131,490 minutes. This 131,490 minutes / 1440 (minutes per day) gives us 90 degrees of TIME, or to exact minute, computes to 91.3125 days. **Thus the all-important “Pattern Chart” of 90 degrees.**

Fine-tuning this for us common folks, we learn that, indeed, 45 degrees or $\frac{1}{2}$ is the road map of excellence.

PYRAPOINT teaches us that this is the Golden Line -- trust me!!! All other trend lines give support and objectives, but this the **one of direction!**

A WORD ABOUT THE CHARTING PROGRAM PER THE COMPUTER

All charts are computer-generated for our use unless we designate otherwise. For years we did hours of charting by hand, calculating, and drawing all of the significant squares and associated lines.

Mr. Frank Jarrett, programmer and tester, especially in the “Tradestation” unit of Omega, has consented to taking the core data as presented herein, and to make the program, which is reflected in these charts. It is to his credit that we do not have the labor of charting by hand, especially since we need to look at every significant wave to determine how it is fitting into or over the wave in which we are working. Please take note of this as you study the charts, which reflect the squares within a square. This gives us an excellent chance to observe the “synchronicity” of the squares. Many times, for instance, you will notice that the bottom of the third square from a top for some time prior will yield a bottom of a first square the current wave. With the computer, we are able to double-check for these good tools in establishing a turn or trend change in a much accelerated fashion.

You will note that we use a variety of charts, depending upon our needs of 90 degree, 45 degree or whatever does fit the trading parameters of the particular chart in which are interested.

Please note that, especially in this first chart, that we have “blown-up” the chart size so that you may better see the detail of the pricing structure. Keep in mind that this will necessarily make the perspective a bit out of size for a neat set of chart lines. Other charts following will bear this observation out to a more understandable fashion, and will appear in a more “natural” state.

Our desire is to reflect most of the decisions, which are addressed in a manner of example for you. We will be persistent, and repetitious in the charting -- hopefully as much as you need for us to be -- so that you may be as comfortable as we are. We will attempt to address the needs per each situation/decision in a multiple of conditions so that you may see it in the light of all combinations of charts. **Do not let it seem more complicated than it actually is!** Stay on board if you do not see it on the first example or chart. If the explanation seems vague to you, we encourage you to follow on through the chapter and charts wherein we believe it will most usually fall into place further on in another example. Our intent is for it to become commonplace charting for you, and to give you the same comfort zone as the many years have finally yielded to us.

The format will be simple, to the extent that we will attempt to have a note or a number or both at any point, which we feel, will assist your knowledge. We will then explain what we have found to be the results and the conclusions of this particular scenario to assist your trading. *PYRAPOINT* tells a great story -- clear, precise, and constant -- IF we read it properly and learn the facets of it.

Now, for that which you have waited patiently -- The Charts and their explanation.

Let's start with a significant high for some recent action. Wheat had a high of 384. The square of 384 yields 19.6. Thus we have the TIME parameter for this daily chart -- i.e. 19.6 rounded upward gives a 20-day TIME interval for the vertical axis of our square. Then, you will recall, we are using the calculator to get a 90-degree PRICE range as we learned earlier. Although 90 degrees is flexible, it appears a good place to start on a daily chart of wheat.

We now need to subtract the factor of 90 degrees from PRICE, and then square this new number to learn where 90 degrees downward in PRICE is to fall. As it turns out, 19.6 minus .5 yields 19.1 (remember your instructions in the Core Data?) We then square this number of 19.1, and discover our next downward horizontal side of the square, which we are building. This should yield a PRICE border for our square of 364.5. **One very important word of caution: ALWAYS CHECK TO SEE IF YOUR NUMBER TO BE SQUARED STILL FALLS INTO THE SAME PRICE SQUARE.** Example: since 19.6 is over 19, thus rounds up to 20 -- 19.1 still remains over 19th square, so we are okay to use the same number of days for the vertical line. IF, as an example, the subtracted number had been under 19, it would mean that we are actually trading in the 18th square. This does not change PRICE, but it would make the dominant TIME to be recalculated as 18 plus, or 19 days would ensue instead of the 20 days, which we calculated earlier. An easy way to check this, besides on the "P.C." is to realize that each square is bordered by just exactly what it says -- "the square of the number". Thus 19 squared yields 361 and this is as low as this square can go before reducing TIME by one unit.

The same example would be true in the event that you were to add 90 degrees and to go over 400, since this is the limit for a square of 20. Now perhaps you can see the significance of the square root calculator and, indeed, the "P.C." or Square of Nine.

These same exact rules apply if you are using 45 degrees, 22.5 degrees, etc.

It should now be evident to us the manner in which we can adjust the square to our needs and still never effect the final result. The square may lean to the rectangular side in appearance, but it is not wrong. If you take your calculations to an expanded size, say 90 degrees versus 45, the square obviously becomes taller. This does not change your TIME (it is always dominant and always remains the same number of units per your square). It also does not change the calculations, as you will learn to insert a square within a square, or to superimpose a larger one over the original. The mathematics are universal and the calculations are always accurate. The different divisions or degrees of the squares are for your own edification and to make it clear to you the rhythm and perfection of the market.

Now, let's check our data relative to our first chart. We can count the number of days in the first square -- sure enough -- there are 20. And if we check the 90 degree line downward from the approximately 384 top, we see that the computer has placed a line in the 364 + area, and has placed the 45 degree triangles both on the bullish and the bearish side of the square, so it appears that all is in line for further study. If you do not agree or do not understand these last paragraphs, please go back and review before going on to the charts. The charts will show you what we have been seeking to relate to you, and they will show how infallible the mathematical system of this Universe really is.

THIS CHART IS DECEMBER WHEAT. THE TIME FRAME: LATE JANUARY TO LATE MARCH -- A WAVE WHICH COMPLETED IN SOME 40 TRADING DAYS.

One of the first observations should be that this chart is in our current line of consideration: December Wheat of 1998, and is a significant top from our recent past, a random selection (as all studies must pass this test, in our opinion). At this point, flip quickly to chart 1A which shows you further how these squares fit right into the squares reflected in this chart 1. On chart 1A we have added nothing except to project the prior 45-degree lines to reinforce our

theorem to you that it is a Universal plan which we support and that it is indeed not a random happenstance. Back to chart 1.

Note that the beginning of the chart is at a significant top and that it was at an EOS (end of square of TIME). Therefore, since PRICE was advancing to the EOS, and since we expect trend changes at EOS's, we have reason to sell at #1.

Remember our rules: we need to use the down 45-degree line as the highway to drive to profits in our short position. At this point we note that on the 5th and 6th days past the top (#1) that we exceed the 45's at #2. This is not a tough judgment call if you recall that both of these closes were on or below the 45 -- enough reason to stay since trend is down, and we are not trading against it. This gives us an opportunity to sell again as PRICE passes through the 45. This is important, as you will note in further chart analysis.

At point #3 note that the down move is doing nicely, ignores a chance to get support at the 45 coming up, closing under it. Sell again.

At #4 we have an objective defined: bottom of the square in which we are trading. PRICE even opened below this objective, so we are comfortable for the trip to the next objective, the 45-degree support coming up from 180 degrees down from our starting point. This is historically a very powerful support line, as we will learn further. Indeed, it does hold the line against the down move. Note one other fact: when PRICE exceeded #4 into the next square below, it went from the bearish side of the upper square to the bullish side of the lower square. Remember that you are trading the triangle of the square of each parameter in which you are trading -- then remember, too, that this total picture will unfold per the circle.

Note that the boost at #5 is buffed back at our old friend the top of the square, and it then returns to our support line again, and we have pivot #6 on the chart. We can expect this support and upward bias because it is in the bullish side of this lower square, as we have indicated. And upward it does proceed. Again, PRICE is "blown-up" considerably for your clarification, and you will note that at #6 PRICE penetrated very little, closing over or on the 45. Good confirming signal for the retracement upward.

Now an interesting analogy occurs at #7: PRICE is moving upward nicely, and it crosses into the upper square. Now note this: it is trading in the bearish triangle of this top square. What does this tell us? Simply put, be prepared for a retracement downward more easily in this triangle -- and so it does. PRICE not only retraces, but also runs into the TIME frame, which we designate as EOS wherein we expect a pivotal trend change. Note that it does it exactly on the day of the end of the square, #8.

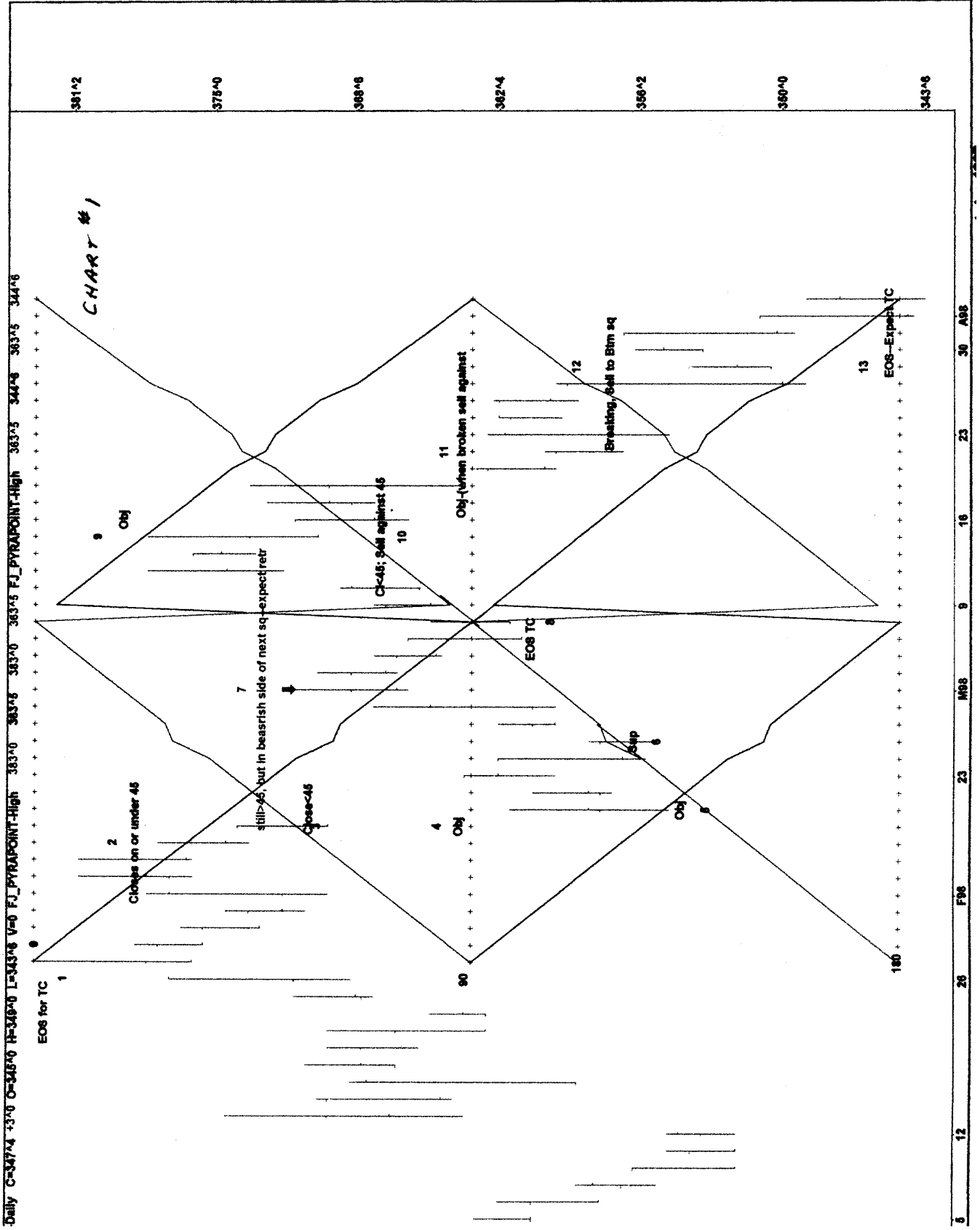
The very next move gets on top of the 45 of the upper square and goes, to the tick, to its first resistance 45 at #9. You know that you can expect retracement to the support 45, at #10, and indeed it provides you a further shorting opportunity as it goes through the 45 (remember that this is the same old faithful coming up from 180 degrees down). This significance of this means that it is of major support to the point, and that when it does relinquish support, PRICE usually will move rather rapidly -- and move it did. It gave you a special chance to short at #10 because it magnetized itself around the 45 for three days, giving a good opportunity to sell against the lower side of the supporting 45.

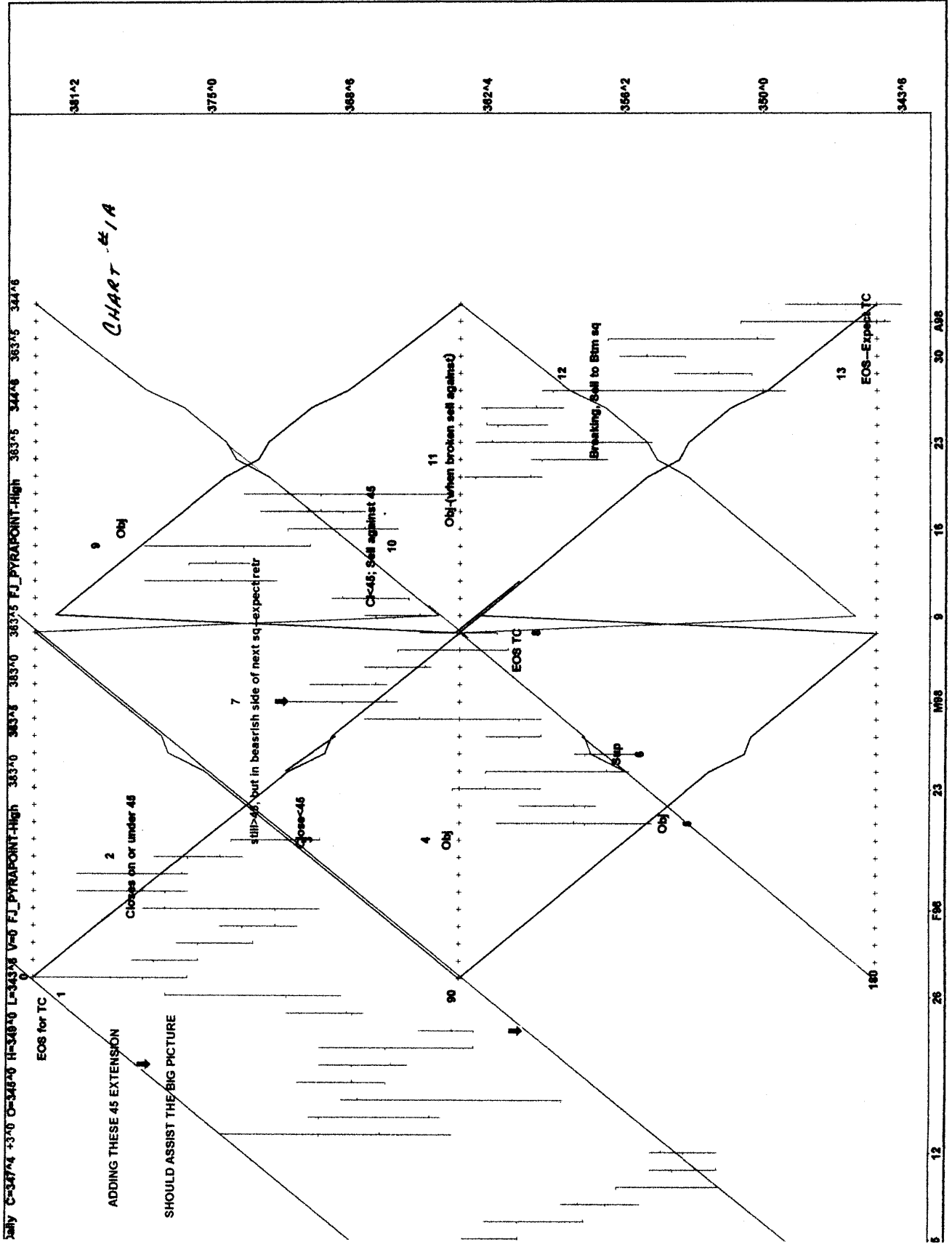
We noted that PRICE did move rapidly when falling through the strong 45. Actually, it went directly to its next objective, the bottom of the square in which it was trading at #11.

Breaking this point at #11, one expects PRICE to go to the supporting 45 in the lower square. Does it? Absolutely -- to the tick. The support then bounced it back just short of the top of the square (a weak indication, not reaching the goal of the top of the square).

PRICE then gives you the opportunity to again sell as it goes through the supporting 45 on the second visit -- and of course, you expect it to go to the next 45 on its path. It does, bounces back some 45 degrees (one-half of the 90 degree square in which we are working) then PRICE works its way, uninterrupted, on to the bottom of the square or the ultimate goal in this interesting trek. Note that it went to the bottom of the square in which it was working, and at the same frame of action, note that we are at the end of the second square of TIME. Candidate for Trend Change???

Your initial chart has produced 12 signals, which you could have sold -- part or all -- and you never once traded against the trend! Are you now starting to see where we are heading with this?





OVERBALANCE AS A TOOL OF TREND

As we have mentioned earlier, much has been written about overbalance. There are more than one interpretations of what is meant by overbalance, and what uses are to be made with it.

We maintain that our interpretation may well not be the only one with the results which we have observed. However, the interpretation and use with which we have been most pleased does have a definite place in our use of *PYRAPOINT*.

We will learn that *PYRAPOINT* gives definite points for selling and buying, and definite reasons to expect certain moves. Primarily, we learn to keep on track, keep doing what is doing well ("let your profits run"), and to let your system take you out of the market per established and tried *PYRAPOINT* rules.

We would be the first to admit that a tool, which would allow us the use of an anticipatory faction, would be welcome. It should increase our accuracy for trading.

Our use, as we explain in other parts of this book, is to keep track of the strength of all countermoves in a given trend. This is not as difficult as it might first sound. We simply measure the largest counter trend in a wave, and when a move exceeds this move (one which is against the prevailing trend in which you are trading) we simply note that as an early indicator for a possible change in the trading environment -- one, which COULD give an early clue to a trend, change. After all, we do have a countermove in excess of others on the way up or down as you have interpreted the trend in this trade.

Worthy of recollection as well is the setup possibility in the retracing of PRICE after the breaking of the overbalancing line. Usually we like to look at the supporting 45 for a potential for an entry with low-cost stops.

We usually simplify this task with a straight line across the face of the chart. As an example for clarification, let us assume that we are in a downtrend. Our line would then represent a place on the chart, which would be above the last low pivot the amount of the largest countermove wave encountered on the way down in your trading trend. Obviously, the opposite would be true for an up trend calculation. We would place the line below the last top an amount of space that is represented by the space occupied by the largest countermove.

Actually, it will amaze you as to how many times PRICE will move up or down to this exact line before breaking and proceeding onward in a counter wave.

We have submitted an example of **May Soybeans** which will assist your acquaintance of this tool in the event that you are using another interpretation. It shows us that the overbalance point is actually located above the square, so we would not expect that it would get into that next square upward in a downtrend without some friction, to say the least. In fact, the market traced EXACTLY two squares from the last significant top to the bottom of this particular recorded move. Then, note something else of value to us for our future planning: it retraced EXACTLY to the top of the second square, or 50%. Coupled with an overbought RSI index, we see that it had reason to not violate the balance point. And, indeed, it did not!

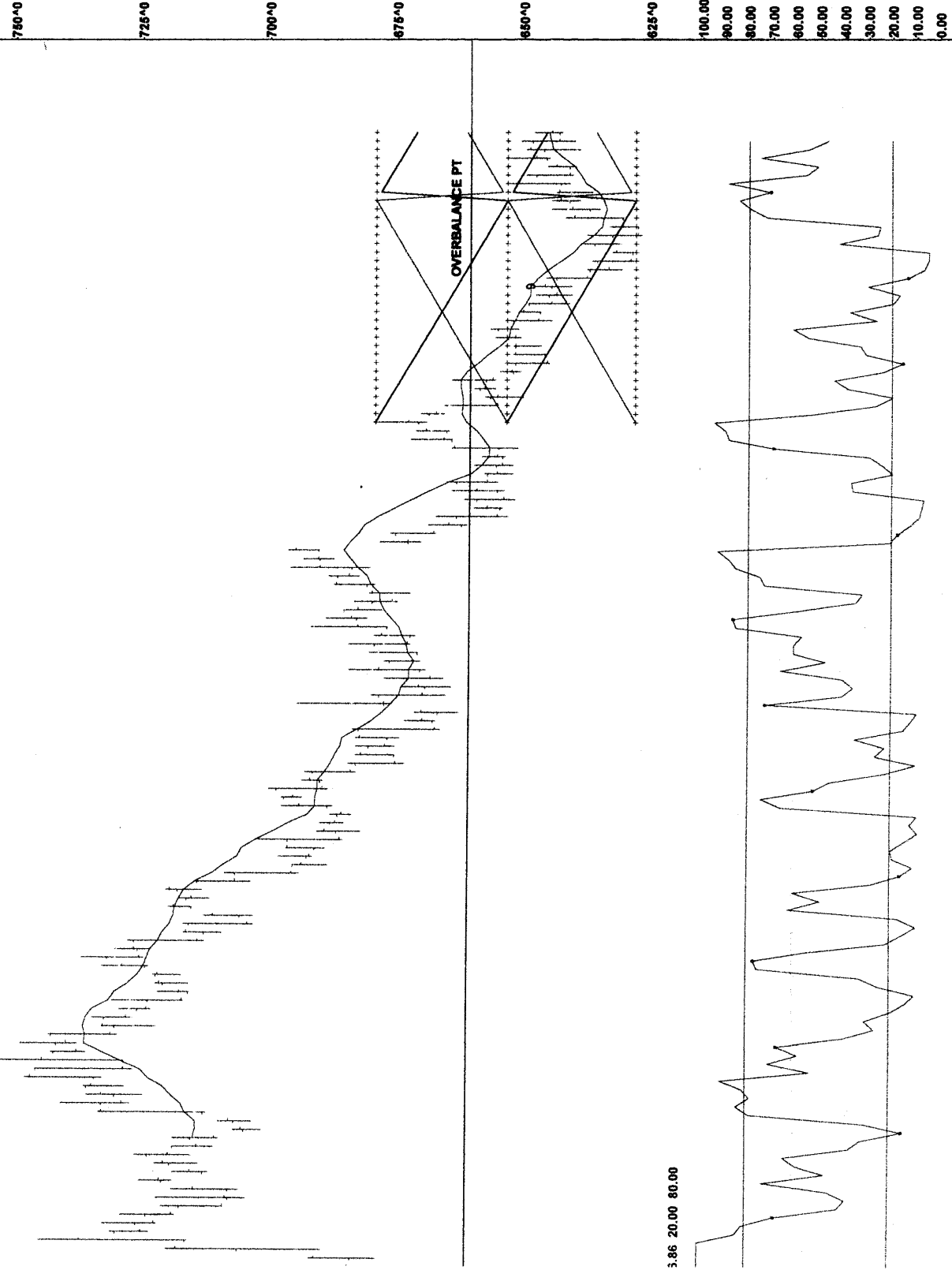
Since time has now passed beyond the **May Soybeans** contract, we can see what happened. Current history shows us that PRICE retreated considerably from here.

One other clue, which we have found noteworthy, is that when a trend change of this magnitude reverses, it usually will do so more closely to the end of the TIME square. Here we are some five days early in beginning the retracement from the bottom of the square of PRICE.

CONCLUSION

Although we do not place the emphasis on this tool that we do on the 45 or the square, we do feel that it is a worthy support for your *PYRAPOINT* work.

Kelly C=644^4 +1^0 O=643^0 H=648^0 L=642^4 V=0 Mov Avg 2 lines 645^0 FJ_PYRAPPOINT-High 679^0 671^0 661^1 653^1 FJ_PYRAPPOINT-High 653^1 648^3



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PART IV

Charting Our Knowledge of Learned Basics

CHART AND “SET-UP” RECOGNITION

By this time you should be convinced, as we are, that TIME definitely does play the lead role in the correct set-ups. Truly, timing is all-important to the successful set-up for your trade.

Gann probably wrote more about the importance of TIME, but it was used by Bayer and Brenner perhaps even earlier.

It would occupy much of another book to look at the total data, which has been presented on this subject. If you pursued the subject into the advanced pages of such a book, you would likely get into angles and factors of Astrology. The reason for this is primarily that man has had nothing except the perfection of the timing of the Universe to base his calculations of TIME. It goes without saying, that this leads us into a phase of direction, which we have not intended to address in depth. We do not propose to disagree with those of you who have a background and obtain assistance from this field. We simply state that we believe *PYRAPOINT* to be a self-contained system, assuming that you become acquainted and comfortable with the use -- especially in the realm of chart and set-up recognition.

We touched upon the principles upon which we do base some of our timing. We do use the principles of ASTRONOMY, as you will have gleaned from our earlier introductory pages on “timing”.

Recall, if you will, that we used some of the TIME data, which is found in some of the works of the “Masters”. These examples were based upon astronomy measurements, and the study thereof.

Recall, we used the base of TIME and associated it with the revolution of the earth (no soothsayers, etc. can be adjudged to us -- just scientific facts). We noted, for instance, that if we were to expect you to see the true significance of our use of TIME, then we needed to let you know that it is based upon a Universal factor which will always be of the same criteria, and will read consistently for all things relative to TIME.

From this base we find all of the derivatives of the squares of TIME as presented by these wise folks of old. We are referring to the long list of overlays and associated charts. Let us say at this point that we have made every conceivable size and design of overlay that was within our imagination in our desire to unravel the mysteries as shown by the “Masters”. We probably have a roomful yet, and we lost as many in an unfortunate fire a few years ago. However, our plight is not to labor on the charts or the loss of them. You make you own -- and you do not have a problem of selection, since you make them by your own calculation. You do not need to

worry about whether you have selected a chart of “X” when perhaps a chart of “Y” would have fit more comfortable. How many of us have shuffled charts of 144 or 180, when a chart of 90 may have been the one to use -- but it did not always fit either, did it?

Again, TIME as measured by Gann and Company began with the Astronomical measure of TIME for one degree of rotation of the earth. Pretty basic, don’t you think?

Since PRICE and TIME are used in manner in which they can be interchanged, you must see and believe the relationship so that you will depend upon your judgment when at square’s end, or other important TIME frames. What we want herein is to get enough of your understanding to get your confidence in what you see on the chart. It is not our intention to make astronomers of any of us. However, without this confidence, you will never be adept at pulling the trigger for the right timing of a set-up and eventual profitable trade. Believe us, the author knows about this one!

Simplistically, the “Masters” used both TIME and PRICE on the “P.C.” They divided the “P.C.” into fourths (90 degrees of the 360 degree circle on the “P.C.”). Then they divided the 90 degree quadrants, giving 45 degrees, dividing again into 22.5 degrees, and so on.

Now let’s take a look at an index for the simultaneous use of TIME on the “P.C.” as it relates to the rotation of the earth, and see if we can put this into sync with the rotation of PRICE upon the face of the “P.C.” (Square of Nine).

We don’t have to convince you that PRICE stops on certain divisions of the “P.C.” if you have used it all. And if you haven’t, we do invite your acquaintance immediately.

We have told you that *PYRAPOINT* helps us to know which one of the divisions are going to be important to us in the current move or parameter in which we are trading. We are now telling you that our “secret weapon” is TIME.

Hint: If we have a common denominator for placing both PRICE and TIME on the “P.C.”, both in sync and both readable in a denomination of the “square”, would you not be convinced of the possibility of a truly great breakthrough in understanding the Square of Nine? We do! You guessed it. It is the tools of the circle. You will recall in earlier chapters that we asked you to take some of the tools at face value and we would try to get your understanding brought up to speed as soon as you could see some of it on the charts. You can see the truly amazing Universal relationship, which we are now able to read, at least in part.

Now let’s look at the basics and apply them to some of the chart overlays you now have. Then let’s look at the shortcomings of not learning to use these trusty tools.

We said that the earth rotates one degree each four minutes of TIME. We also said that the early folks knew how to use the “P.C.” as a calendar and as a square root calculator.

It is logical that the divisions of TIME (whatever they may be) need to have this Universal application of square root to be put on the “P.C.” in the same realm as it is laid out in square root of PRICE -- if they are to be synonymous -- AND THEY ARE!

Therefore if four minutes produces one degree, you will recall that 15 degrees would require one hour (15 of those 4’s). It follows that three of these hours will yield 45 degrees of rotation. Does this ring a TIME/PRICE relationship bell of any kind? Read on, please.

We now realize that 180 minutes develops this mystic 45 of which we speak so often. We also speak of 180 degrees of TIME or PRICE with much respect, do we not? Again, read on, please.

If 180 minutes yields our 45 degree rotation (whether the earth or a circle on your "P.C"), then 360 minutes has to yield our old faithful 90 degrees which we use so much in PRICE and in TIME -- the one which was called the "Pattern Chart" by Gann.

This same analogy will tell you that the 360 minutes explained above will need to be multiplied by four to get the full circle or rotation (remember, 90 degrees producing the 360 minutes is one-fourth of the full rotation/circle). Thus 360×4 yields 1440 minutes or 24 hours for a complete rotation. Special note: Ever hear of a square of 144? Ever hear of a floating three-place decimal? Ever wonder where it came from? Yes, you were told things such as "*12 is considered a culmination number,*" and "*squaring it does yield 144.*" However, we have our own theories, which will support these and any square as it relates to PRICE.

The "Masters", and Gann in particular, had much to say about these and other squares. Ever hear of the square of 24? Do you wonder from where it came into being? The above paragraphs may serve to assist you in accepting the validity of at least some of the squares, which you have read about. What we want you to know is that you can have the correct square for your trading positions at any TIME and at any PRICE, which may compliment a significant top or, bottom of your concern.

Just as PRICE stops at divisions of the circle of the "P.C.", so does TIME, as you may have guessed by now. Gann spent much research and effort showing the variations of the relationship of intervals of TIME. He determined that trend would change at definite TIME frames. He did not tell us how it might be related to the squaring of TIME itself, except as how a 45 degree line might intersect a prior top or bottom at a point in TIME in the future which would be represented by the distance it took for the 45 degree line to retrace this wave. Sometimes it works -- assuming that you have a "1 x 1" or a chart of Pythagorean derivative. (And even this is not often found in the "store-bought" variety of charts, which are available today).

We supply the information herein to assist your confidence that this TIME factor is not a random theory. We just hope that we can get your confidence to the point that you can accept any part, which does not come to you clearly. As we have related, this has to be a "top-dressing" treatment for TIME analysis. There is much more support research available.

We are convinced that Gann and Company had knowledge of our study as presented here. We just haven't found it in a form which we could relate easily in the works of our last 35 years. Thus our own *PYRAPOINT* approach to TIME as well as PRICE -- and the production of the two together.

You are safe to believe that there is significance in the squares of TIME relative to changes in human behavior, at least in the market place. We would never dispute the important TIME/PRICE frames of 90, 144, 180, 270, 360, etc. -- nor the multiples or divisions. We do say that it is a part of the Universal Plan of all things. You need not agree, nor do you need to research the "why". You do need to follow the *PYRAPOINT* system of TIME as well as PRICE with confidence as it calculates for you.

Before we get into the next phase of chart identification and rule support, we offer a simple chart. This chart is a bar chart of 2 minute time tenure per bar. The exercise is simply one of counting from a low and observing any tendencies for trend changes at these very mundane examples. This is done in the smallest of TIME frames (minutes) simply so that you may see that it is an "ever onward, ever outward" Universal movement of which we are a part, dear reader. It's not scary -- it should reinforce our faith in the Perfection of Creation.

Certainly, TIME and the repetition thereof, is recordable in perfection, as are the mathematics, which support the relationships.

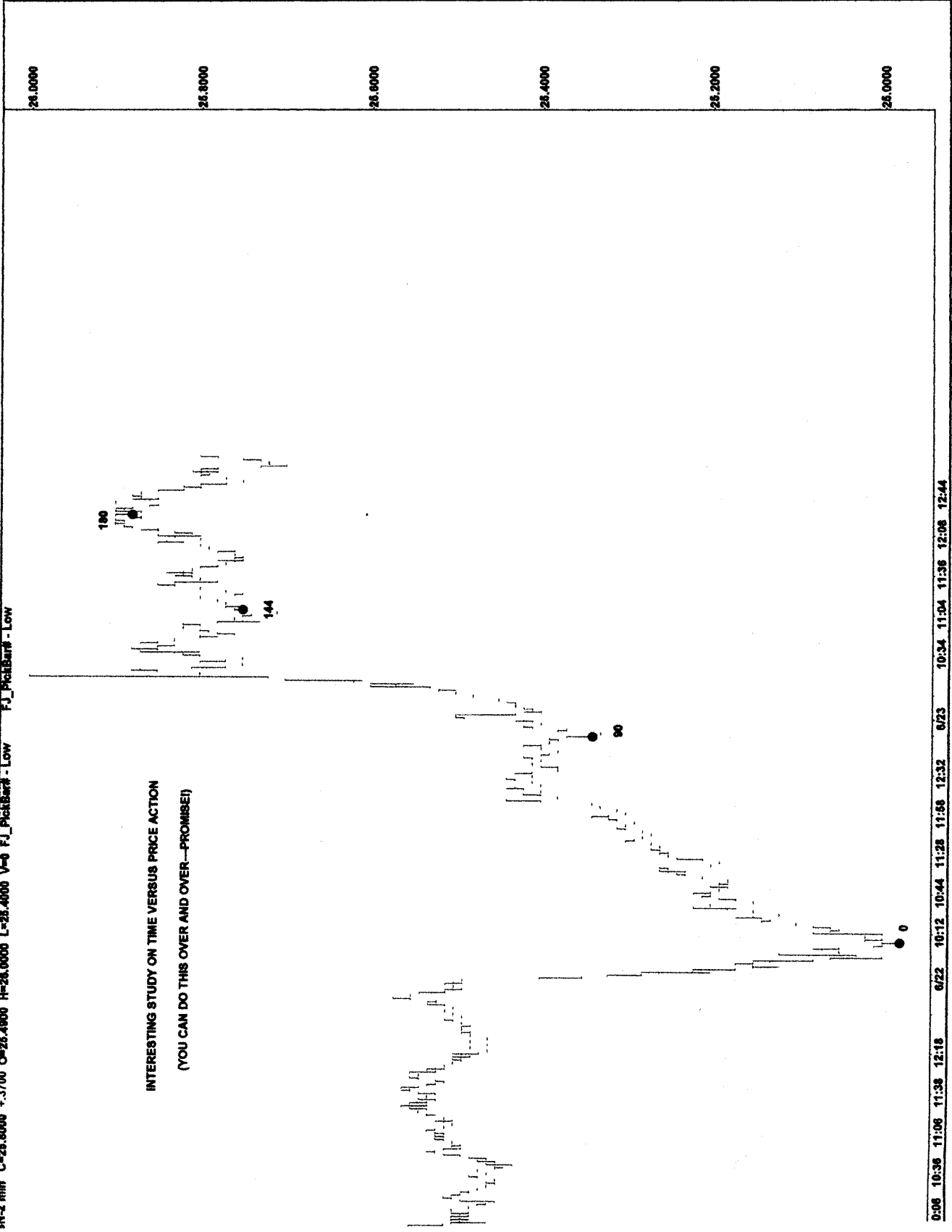
Note that the chart provided per above shows turns or significant PRICE behavior of some type at each of the 90, 144, and 180 TIME frames. Notice also, that a significant top awaits your count at the same count ahead of the 144 count notation as is the top just prior to the 0 degree location. Interesting, isn't it? No, we did not take it by selection -- just happens to be what happened today. The author has a chart book full of examples, in case one wonders if this were a coincidence. A couple of current charts are added for your reference in this same mystic plot.

True, you may not be able to trade successfully with this alone. True, there are times when it does not fit as precisely as others. This is obviously the situation because you have waves of TIME influence just the same as you have PRICE waves. We have used the example in seminars of a rock dropped into a stream. Waves will proceed outward until overcome by a larger wave from a larger rock at a point on up the stream of TIME. In other words, you would expect that a 180-minute, day, or week TIME frame should be more important and, indeed, override a smaller, say 45 of the same type of TIME square.

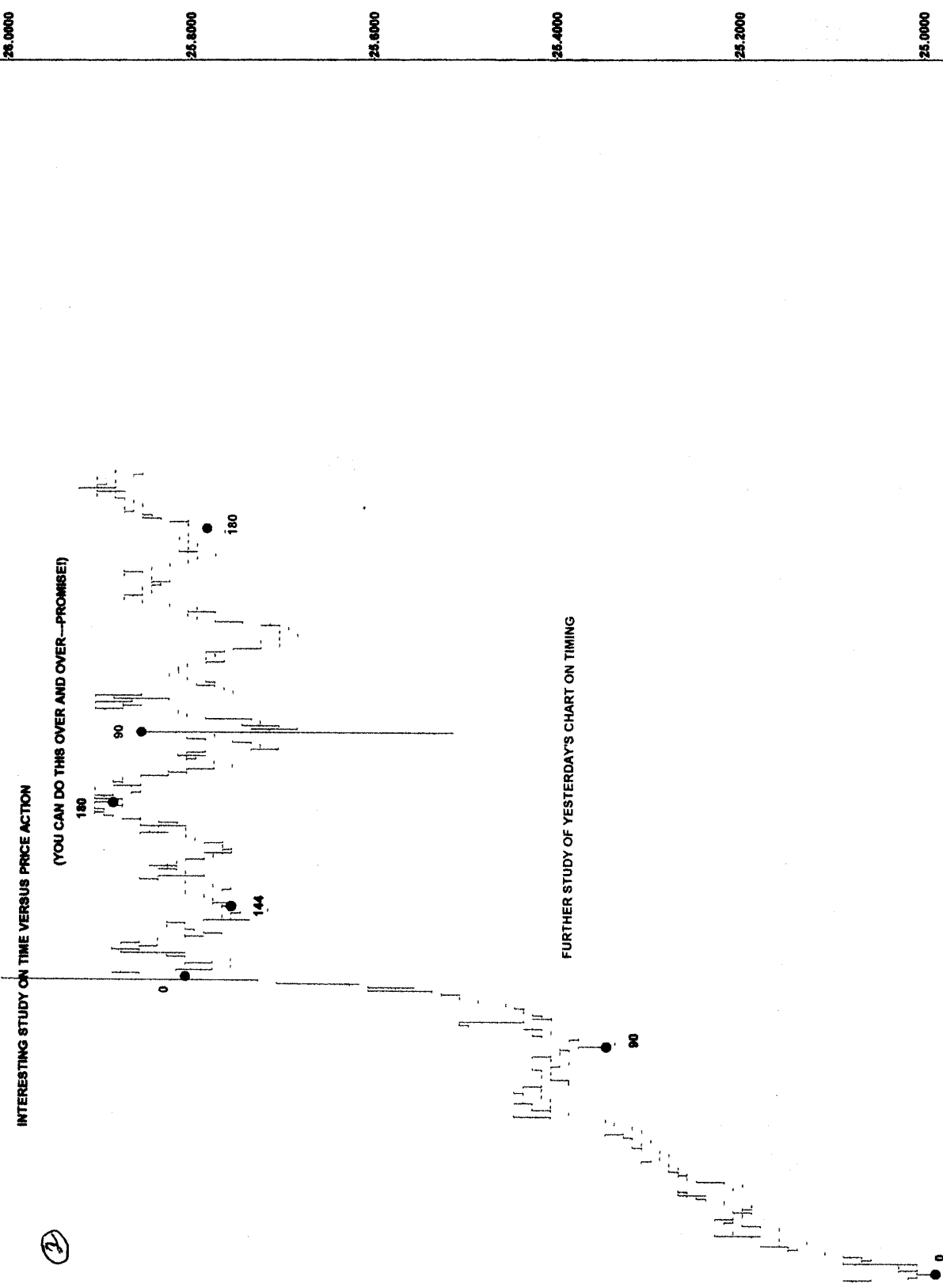
Sound complicated? It need not. The *PYRAPONIT* system unravels all of this with simple calculations. You only need to believe that which you accurately chart.

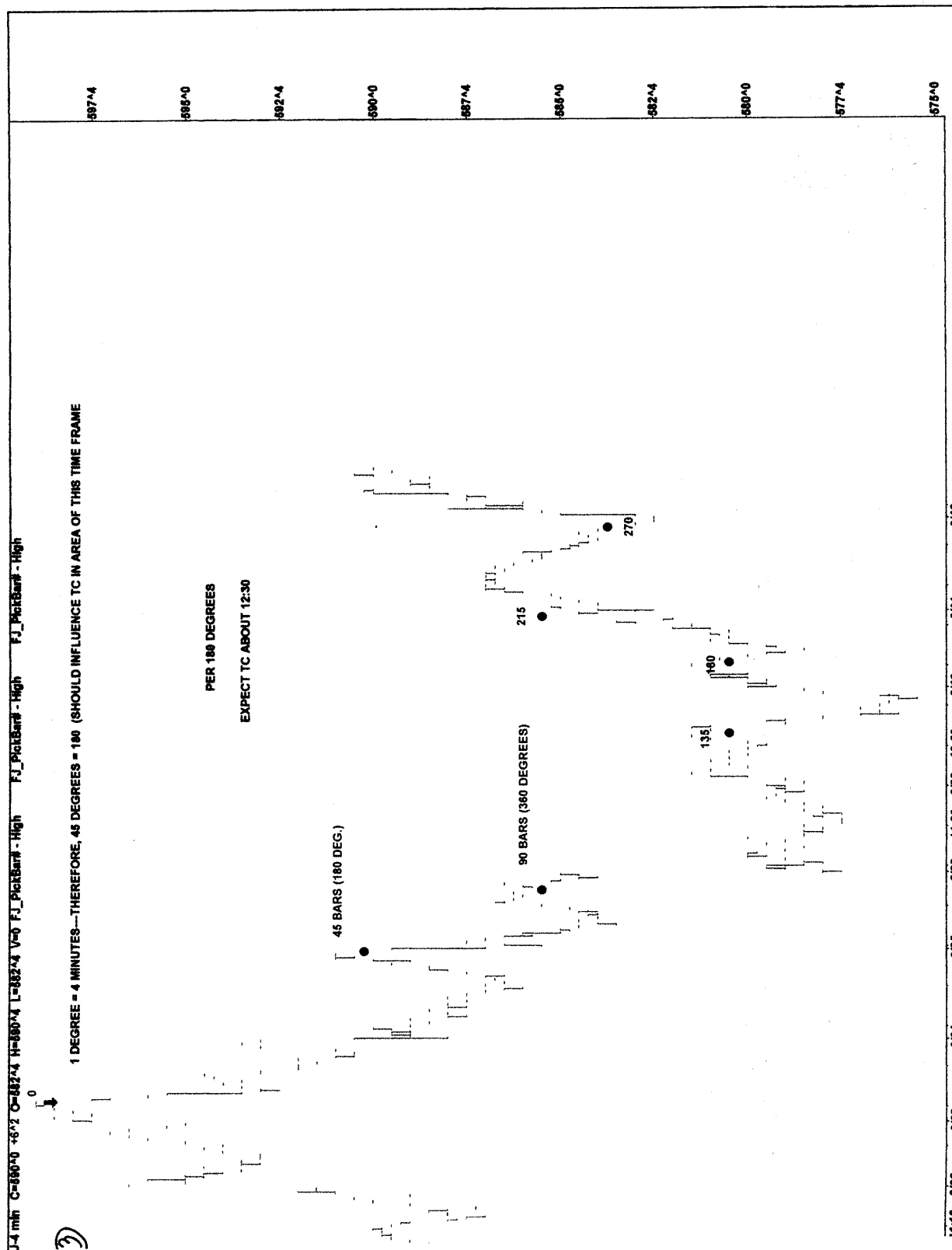
IN-2 min C=25.8000 +.3700 O=25.4600 H=25.0000 L=25.4000 V=0 FJ_PictBar# - Low FJ_PictBar# - Low

INTERESTING STUDY ON TIME VERSUS PRICE ACTION
(YOU CAN DO THIS OVER AND OVER—PROMISE!)



341-2 min C=28.8000 +.1200 O=28.8300 H=28.9600 L=28.6500 V=18031 FJ_PictBar# - Low FJ_PictBar# - High FJ_PictBar# - Low

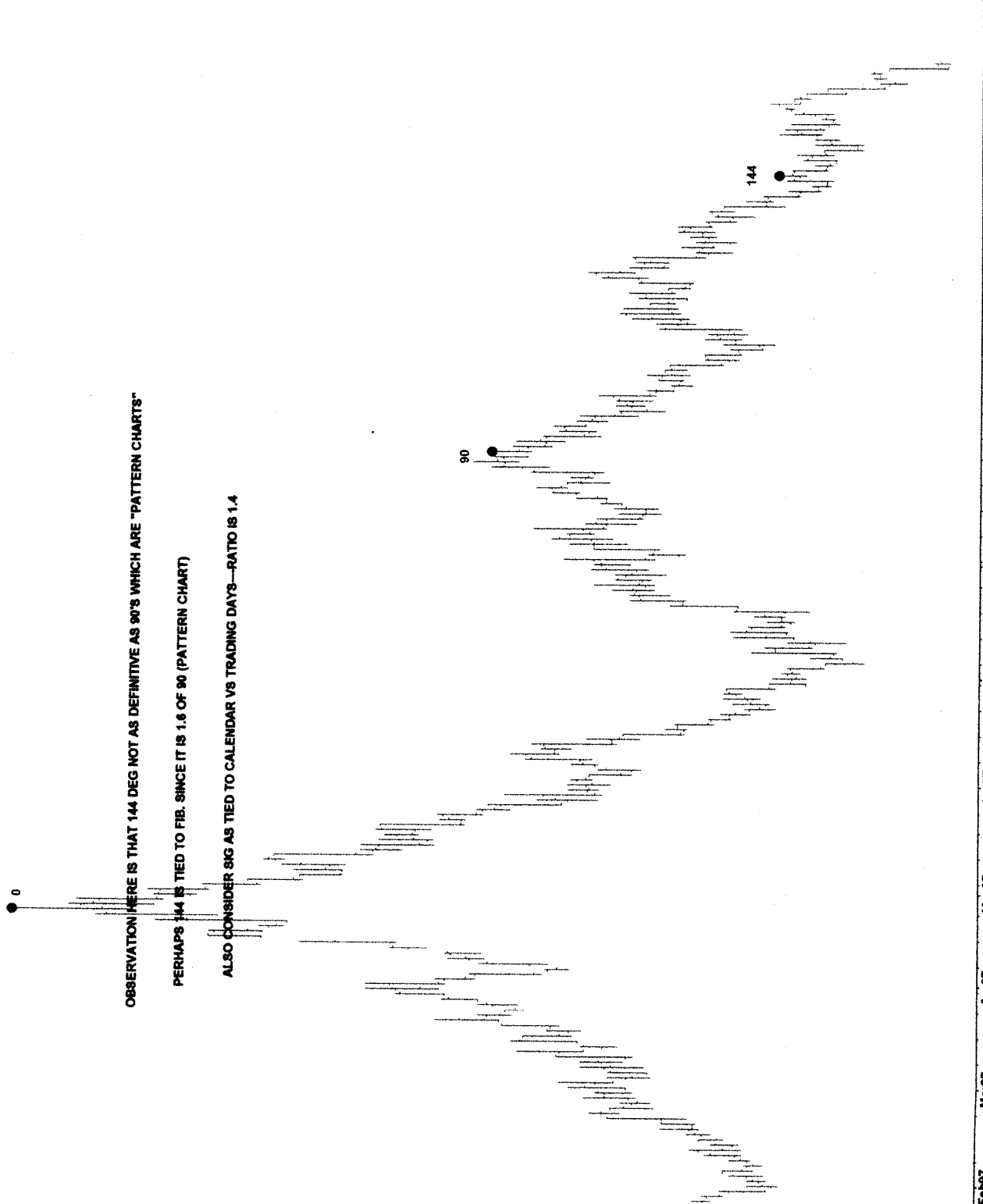




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Daily C=321^4 +1^2 O=322^0 H=322^4 L=320^0 V=0 FJ_RightBar# - High

475^0
462^4
450^0
437^4
425^0
412^4
400^0
387^4
375^0
362^4
350^0
337^4
325^0



OBSERVATION HERE IS THAT 144 DEG NOT AS DEFINITIVE AS 90'S WHICH ARE "PATTERN CHARTS"

PERHAPS 144 IS TIED TO FIB. SINCE IT IS 1.6 OF 90 (PATTERN CHART)

ALSO CONSIDER SIG AS TIED TO CALENDAR VS TRADING DAYS--RATIO IS 1.4

Feb97 Mar97 Apr97 May97 Jun97 Jul97 Aug97 Sep97 Oct97 Nov97 Dec97

USING THE FLOATING DECIMAL

Our goals have not changed from the beginning of this study. They remain: *to give you an answer for every question, which you need -- and to answer it in the form of proof through example from our own current work.*

In keeping with this line of thought, we elected to examine **July Soybean Oil**. This involves a time frame of the last 2 squares of TIME, up to and including, the present date. Again, this is not an isolated selection -- it is to better address the current and the realistic facets of our system. We believe that you will agree that this is the “acid-test” of any system.

We have elected to present Soybean Oil as an example of two decimal places, so we obviously need to float the decimal point to the right one place -- or in other words, we will reflect the product of the PRICE multiplied by 10 to get the three place calculation. This is the number to use in the *PYRAPOINT* chart.

Incidentally, this three-place float will carry your calculations through the number 999 wherein we go to four places in our calculations. In other words when we cross into the four digit mode (1000 and up) we need to use the 10 multiplier -- just as we did in the Soybean Oil example to get into the three-mode status from its original two-digit PRICE. Example: square root of 999 = 31.61; square root of 1000, kept on three decimal status, would reduce the square to 10 (square root of 100.0 gives the reduction of 10). The square obviously needs to increase, not decrease. We have an extra digit to deal into our formula. The example, then, looks like this: square root of 1000 equals the proper increase or 31.62, as it must for our calculations. Please remember this when traveling in a three digit PRICE when entering into an extra digit of PRICE.

The three place floating decimal mode keeps charts adaptable in much of your use. It is the accepted *PYRAPOINT* base index for charting. By this we mean that the math does not change as PRICE increases/decreases. It is the base to keep charts in proportion so that they may be readable for your trading decisions.

Yes, we are consistent. If you are trading 9999, you still need to use the three place floating decimal principle -- and you still need to use the 10 multiplier if you advance to 10,000 and up. Same principle! **Remember:** the base is three from 10 to 999. Adding a digit (1000) means adding a float place to four. Likewise, below 10 (loss of digit) means subtracting a float place to base two. For example, 9 computes to the square root of 90.

Stop right here for a quick “ponder” as to what effect this really has upon your chart accuracy. If we are working with a product of 10 times our PRICE for calculation purposes, it is evident that any discrepancies in our charting will be emphasized over and above that which we might see in a normal three place PRICE chart. Nevertheless, we believe that you will find an interesting and an accurate chart study in these three charts, and in the three digit index studies shown here. Additional charts in later chapters will bear this out as well. **PLEASE CHECK THEM AND STUDY THE RESULTS!**

We have used three charts for two distinctly different approaches here for clarity. (1) You will note that we have two charts of Oil in the daily mode. One is charted vertically so that you can better see the real movement, which has taken place. The notations for your better understanding of the rules involved are the same on the two daily charts. (2) Please notice that we have interjected the second mode, the 120-minute chart, to show that all of the sync follows,

and that you **do** have an ever-onward, ever-outward process evolving in each degree. Amazing how these are so different -- and yet are so identifiable as in the same sequence of events.

First, we will examine the daily and we will elaborate on each of the notations on the chart. It is our hope and intention for you to be able to do this without the back-up sheets of the book when we are through with these studies. What is important is that you will develop a familiarity for this work which will let you see much about which we are writing, even before you position the squares in place. We intend to follow at least one chart in the future pages, which will let you, look at a partially squared chart -- just to see if you are able to do setup identification. We think you will find it interesting and we know that it will assist you dramatically in making good identifiable opportunities as they unfold.

As we identify the chart in question, this is an ongoing saga showing the use of *PYRAPOINT* in our everyday planning.

Note that we start the top sell signal with a good reason. It is at the EOS from a significant high, which we point out for your clarification (it is the 20th day inward from the beginning of the chart -- just so we follow our instructions together). Besides this all-important reason for a sell, we also look for other reasons to support our decision, as we have covered in prior pages. You will recall that we look for divisions of the "P.C." (Square of Nine) in TIME to confirm our thoughts of a trend change. This means that we would find 45 bars of TIME and the multiples thereof as significant if counted from significant tops or bottoms. Obviously, if you have traded with these programs, you have learned that this is definitely not enough to keep you out of trouble in trading. Thus we say we would use these divisions as **confirmations** -- mainly because, without *PYRAPOINT*, how does one know which one to use?

The other **confirmation** is that of checking the degrees of movement from the last high or low in your wave analysis. Note that you have traveled roughly 180 degrees upward in the last wave preceding this point of decision to sell. We trust that these notations on the chart will provide you with the confidence to see what we are explaining, even to the extent that you will soon be using it.

Now let's assume that you are settled on the decision to sell with us at the point of the first down arrow, the top of the squares in question. We are sold just under 30.00. Setting up our first square from this point, we now have objectives at the 45-support below and again at the bottom of the square (assuming that no buy signals were given -- and there were none).

Note that our selling decision is still alive and well into the second square. With no buy signals, the trek of the PRICE goes to the 45-support line of the second square, closes below, and heads for the bottom of the square. This is our fourth objective with no faltering. The trend is down and we have had no buy signals to even slow us down.

We now enter the third square downward from our entry point. We find a couple of things of importance here. One is that we are heading for the third 90-degree square bottom as an objective as soon as PRICE breaks the 45 support of that square. It does this in rather rapid fashion, mainly because of the advanced TIME in the square, which makes the 45 degree line locate rather closely to the top of the third square.

One of the reasons that we watch the third square of 90 degrees is that this makes the completion of our old friend, 270 degrees. You will recall that 270 degrees is $\frac{3}{4}$ of our cycle of 360 degrees. Recall, too, that $\frac{3}{4}$ of any count can be associated with culmination of waves/trends -- again, not always, but enough for us to watch to see how it fits our *PYRAPOINT* analogy.

The next “happening” in this third square is that our attention could easily be diverted from our successful downtrend a bit early (except for *PYRAPOINT* rules). We are referring to the “gathering” at the bottom of the chart at approximately the 1st of June by the momentum indicators, which are obviously saying that we are oversold and that perhaps we should buy at this juncture.

It is always easier to see with hindsight than with foresight, but suffice it to say that our system has given no buy signals and, indeed, the downtrend is yet intact. Since we have an objective at this point of 270 degrees, the bottom of the third square, we might wonder if this move was not going to go on downward the last two days to the end of the square. This would make a perfect scenario, **but** two days before the end of the square of TIME (at the exact only TIME) PRICE made a two-day up move and a pivot for another perfect sell point under the top of the third square exactly at the beginning of the second square of TIME in the parameters, which we are following.

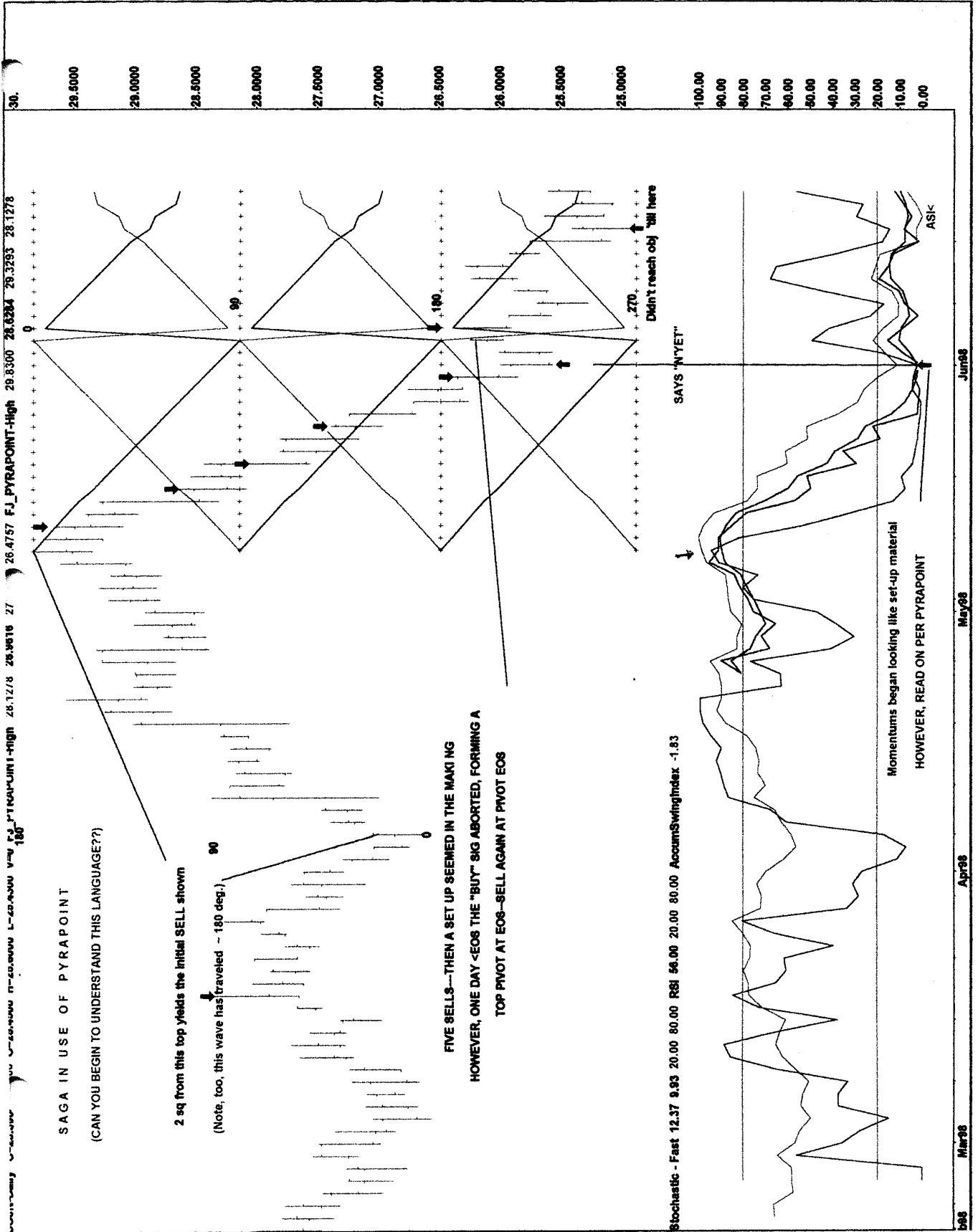
After this move, notice that PRICE never made a higher top from this last sell (our 6th), and indeed it did make exactly the culmination of the 270 degree objective on the eighth day into the second square of TIME in the third 90 degree square of PRICE.

What happened to our momentum indicators while this took place? Actually, they are still showing a very oversold situation and reiterating the buy scenario. This has shown relatively the same picture for the last of the 12 days, which we are recording. This could be tough if you were working on a tight margin and depending on them alone!

This is an opportunity to appreciate these referred indicators, as some very learned scholars put them into use and definition. However, our experience has been to find their use to be a bit slow for determining exact points of entry and exit to the market. Thus *PYRAPOINT*.

One final word about indicators. We have found that an indicator such as Accumulation Swing Index has a tendency to follow the action of this wave accumulatively for each swing, as it is designed. Keeping a cumulative account of the sum of all of the swings does little for our understanding until it gets at extreme top or bottom. What we find of assistance then is that usually the ASI will superimpose or undermine all of the indicators before a real bottom or top is made. This should assist us if we are indeed at that juncture potential with the squares. Thus you can see the play on the charts where ASI is totally under or totally above all of the indicators. We feel that the squares are necessary to tell us exactly where and exactly when we have a given signal. Even though the indicators shown in this example chart were all screaming “overbought” and “buy zone”, note that our use of ASI says that it must be below all of them before confirmation of a square signal would be valid in our work.

The sister chart which is shown with the daily chart of Soybean Oil is the same chart except that it is plotted in “portrait” mode versus the “landscape” mode for most of the charts, which we have been studying. We have placed it for your scrutiny in order for you to see the real move that has actually ensued, the perspective of which may often be lost in the lines. Hopefully, this will let the true worth of the charts show a bit better and, in the interim, it may show just how the use of the factor of 10 actually assists us in our seeing what is really taking place in the marketplace.



Now, let's take a closer look at the 120 minute chart of **July Soybean Oil**.

First, we would have you note that we have used 180-degree squares to make this presentation. Obviously, the 45-degree highway is evident down the 45's of the 180-degree chart. You would expect to see our using a larger degree of chart, given the fact that we are using a multiplier of 10 for our critique of "square" action.

Again, please realize that you have made no mistake if you have used 90 degrees for this chart as well as the prior ones. Nor would you be incorrect to look at the prior charts in the degree of 180. This should demonstrate that you would follow the 45's exactly, but we would be without quite as nice a place to add without the intersecting 45's, which give us a place to add to or to place an order. In a trending market, you will notice that you are actually responding to a type of bullish or bearish flag. Does this assist in the picture recognition?

The 120-minute chart does make it a bit easier to see what actually happened in that two-week period of consolidation of PRICES into a sideways movement. It also shows us in a bit more detail just what has to happen before one can expect a move upward.

ASI must follow the same rules as on the bigger chart. It will simply show up sooner and perhaps stay longer. This chart simply reflects an earlier move of that which should follow in the larger degree. One can do a reasonable job of trading the smaller chart, IF you will confirm it with the larger degree chart both in trend and in timing direction for the very intermediate trend. They do need to compliment each other and be reading from the same book, so to speak.

The example upon we would expound would be under the influence of the larger degree in trend. The timing of our trade should be assisted into an earlier mode of entry/exit with the influence of the smaller time frame chart -- so long as they are truly coordinated.

We hope that these examples will serve to indicate to you the synchronous nature of the *PYRAPOINT* charts from the standpoint of degrees of PRICE, TIME and, indeed, interchanging of floating squares.

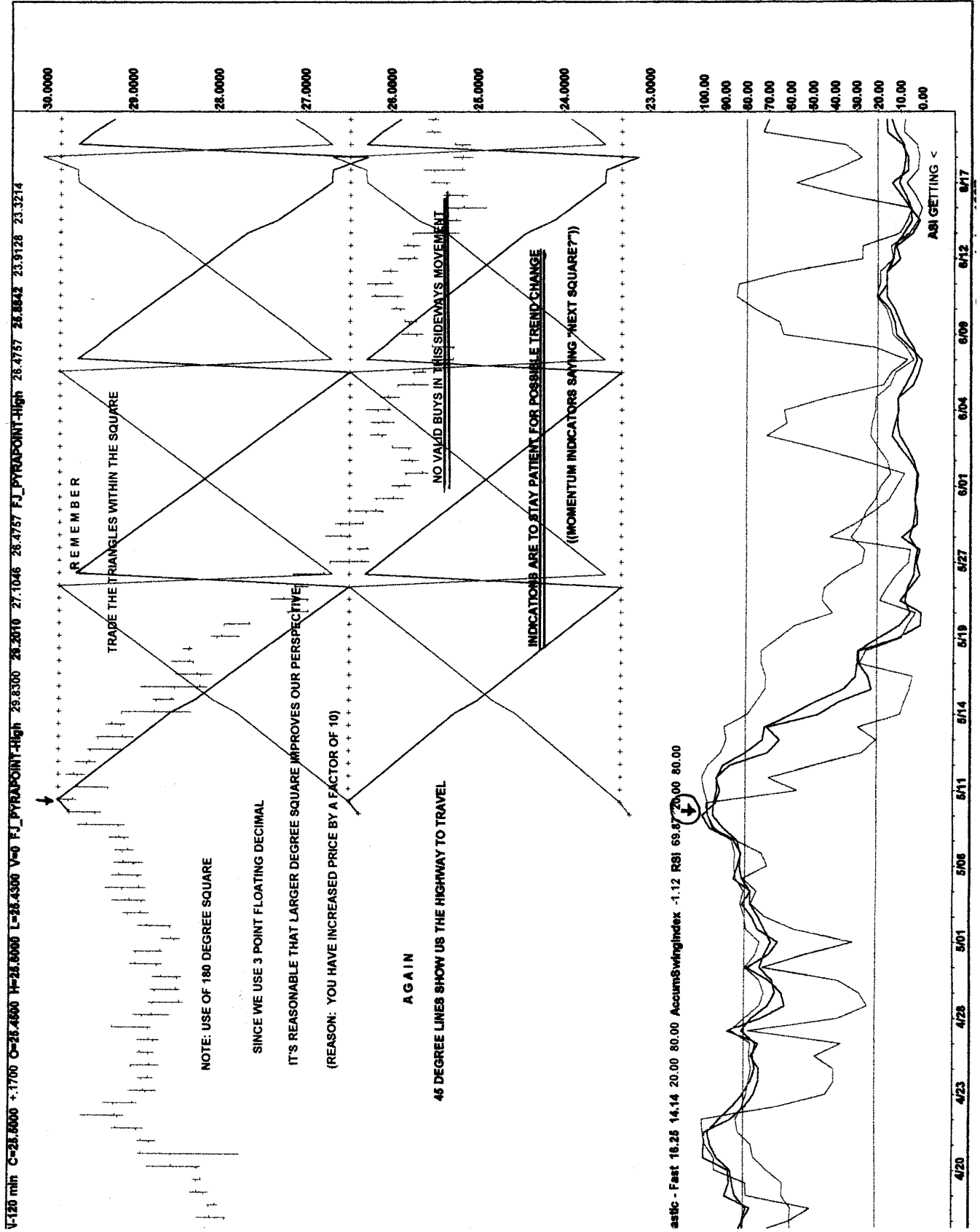
Having studied the facets of the floating decimal, let's look at a summary example to see the manner in which it will all fit into a simple application for daily trading.

This is the manner of *PYRAPOINT* approach to the trading of **June Cattle** on a 120 minute chart.

Since point #1 is an EOS, we could assume a sell. We immediately look at the first objective, which is the 45-degree support line directly below the signal. This was obviously made within the first seven bars of trading.

The objective is met at point #2 and PRICE stayed above the 45-degree line -- or in keeping within the bullish side of the square. This ensues for a five-bar trek where PRICE goes exactly to the point and stops at the top of the square at point #3. Note that this is "to the tick", so to speak.

Following this point, we note that PRICE followed the "sell" given at point #3 for the next six bars where it reached the objective as defined by our rules, which are: ***"go to the next 45 degree support below PRICE for the first objective"***. So we have now established our target at point #4. Breaking point #4, we find the rules calling for an objective to be forming at the bottom of the square -- or the bottom of the bearish triangle in which we are trading at this point in time. Three bars later we find that we have reached this objective also. This is shown as point #5.

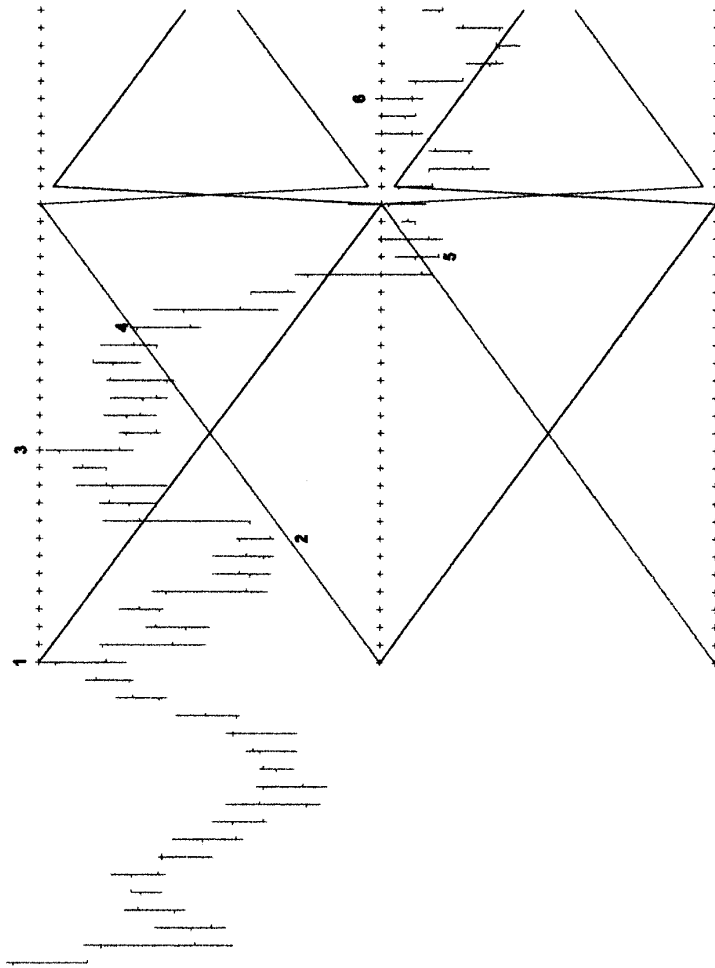


Now at this point we have an additional interesting observation, which is worthy of mention. We have crossed the realm of TIME to the point that PRICE is now very near three lines of support/resistance as it nears the EOS. Gann is quoted as saying that “square” PRICE charts are much like bridges: the strongest points are those wherein angles of iron cross, making triangles and square of strength. The strongest areas of these particular structures are at these points of intersection. So it is with the chart lines of intersection. They have competing influence where they are all “gathered” within a given area. In other words, the “magically magnetic” influence of the lines as we have observed and studied are all exerting an influence, each in its own scope. In this close proximity, PRICE will usually either pivot away or go into limbo temporarily until TIME takes it away from the intersection of the lines. So it was in our example for some seven bars to point #6. Note that no effective effort was observed at EOS for a pivot. This is of interest for our decision, which is to be made at point #6.

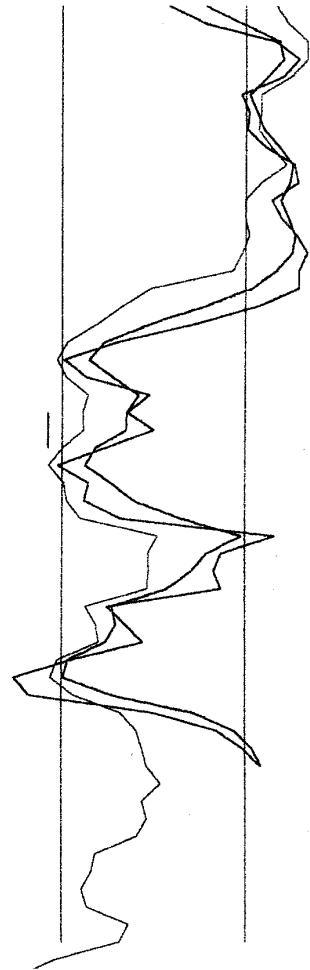
Since trend is still considered “down”, the chart at point #6 does show a clear place to sell against the square. Our caution is that we have little support having formed as yet into the supporting indicators. Remember that we have two things favorable to a decision to again short the market at point #6. One is that trend is with the proposed “sell”. The other thing to remember is that the indicators many times are quite slow in giving the exactness of the move in progress. A third consideration which we would make is that since PRICE went to the top of the square “to the tick”, it gave us a very definitive place to position our stop.

120 min C=63.200 +.400 O=62.778 H=63.360 L=62.780 V=0 FJ_PYRAPPOINT-High 66.200 68.122 64.730 63.652 FJ_PYRAPPOINT-High 63.652 62.210 61.754

ANALYSIS OF MONTH OF CATTLE TRADES



20.00 80.00 Stoch Fast Custom 48.10 33.20 AccumSwingIndex -1.87



One of the philosophies which might well be extended in this analysis is that one should have used #2 objective in the same manner as we advocated in #5: that since we are in a down trend, we should use only sales -- even though the indicators showed that we could likely pick up a few dollars in the “retracement” process from #2 to #3. Again, we are the first to advocate going with the trend; however, you do need to know how both sides of the wave equation are developed with *PYRAPOINT*.

The other very important point to recall, in our opinion, is that in *PYRAPOINT* you do always have an accurate and totally calculated “exit point”. Each of the 6 points as designated hold a definitive line or point to which you should not exceed for a stop. The one thing we would advocate, above nearly all else, is that of obtaining peace of mind, which we feel, is obtained only with accurate and calculated knowledge. Our goal is to eliminate the sick feeling of not know wherein we need to exit as well as to enter, and to eliminate that tendency to “see how it closes”, “check the opening”, or just plain ignore a point of exit because we just “didn’t know what to do”. **We honestly know of no better way to do this. Very little is more important to your plan of trading, in our opinion!**

CONTINUING OUR STUDY IN CHART APPLICATION

Take a look at a practical application which comes to us on nearly a daily basis; it is evident on each wave in this or a related form.

Let's look at a recent daily wave of July Meal:

Inasmuch as each wave does have a calculable counterpart, we are able to suggest that all have a harmony, one with the other. If you and I as traders can learn this synchronicity within the TIME frame which can provide us with early information for this trade, in this parameter, in this day, while it can yet do us the favor of a profitable trade, we should survive very well. We all share the knowledge that we have the old 100% hindsight problem. *"It surely was a good trade yesterday"*-- but what about today?

This chart will talk to you for some 24 days in a row. Then it sets you up after meeting your objective perfectly, within a couple of ticks, for another four days.

PYRAPOINT never changed its signals, never mixed up signals or thoughts, and PRICE never closed over the 45-degree line, which was destined to provide the guidance to "profit-land" from the Sell Signal of early March.

Again, review with me: Our thrust wave top was at 185. The square root of 185 yields 13.60. The quotient of 13.60 then needs .5 subtracted to yield the squaring number in order to give the 90-degree horizontal line for this square. Our computations continue: 13.60 minus .5 is 13.10. Then 13.10 needs to be squared in order to get the same denomination of numbers from which we began the wave and the square root process. The 13.10 squared, then, gives approximately 171.7 which we **now know** to be the bottom of the square of this trading parameter.

From the beginning of the wave at 185 we know that our square should contain 14 units of TIME until, and unless, PRICE goes below the square of 13, which, of course, is to say that it must stay above 13 squared or 169. (At this level we would need to reduce our TIME frame one unit). **Remember: every trade maintains its TIME frame as long as it remains within the parameters of its own square!** In other words, the TIME factor stays the same until it goes into the square of the next number -- either up or down.

Remember, too, that it is usually correct to round upward when a fractional square root number is produced. Thus we see the correctness of the above-referenced 13.6 as reflecting 14 days. We also **now know** that it will remain correct until, and unless, PRICE falls below the square of this 13th PRICE parameter in which we are trading, or 169 (square of 13).

I realize that I am being repetitious on this particular subject of defining the square properly. However, since we believe this to be the most grossly misunderstood part of any studies of so-called "Squares", we must know that this is the true manner of measurement, and that thus, the 45 degree line is correct in the calculation thereof. Yes, you are right! This is not like any 45-degree examples, which you have studied and/or plotted.

Granted, the 1 x 1 lines which are shown on popular charts of the day will sometimes fall into a category wherein you can use the reasoning of selling below this support, and the other related rules which we have and will review. **BUT** this only works by coincidence, not by

calculation. The charts must also coincidentally just happen to be a Pythagorean scale. This is definitely not too likely, and you are left again shooting in the dark in a random manner of trading. **PYRAPOINT is the answer and calculation is the manner! Keep remembering that Old Mike Faraday said it right: “There is nothing in the Universe but mathematical points of force”. Also believe that the Creator has a perfect and Universal formula for all mathematical points, and the relationship of them, one to the other!**

Back to the chart of July meal. After we make up the above-described square (and it is not that hard to do with a pencil, square, and calculator in case the computerization indicates to you a reluctance) we now watch and interpret the PRICE movement within this first square. PRICE slides down under the calculated 45 in an almost-perfect pattern. Going through the first 45-degree support, it immediately gives you the retracement needed to make a second perfect Sell just under the 45 support. Remember, this is our rules of design.

Our next objective is the bottom of the square, which it makes on the eighth day. Since it penetrated it a few ticks, this is your first notice to get the square below into fighting position. Draw it now.

We do this by taking the square root of the bottom of square #1 (which will be the top of square #2) and again subtracting .5 or 90 degrees, then squaring this difference for the formation of the new #2 square bottom. This number in PRICE turns out to be 158.7, the last two days’ exact lows, and within a tick or so for four days on the chart. (And this after falling 180 degrees!!)

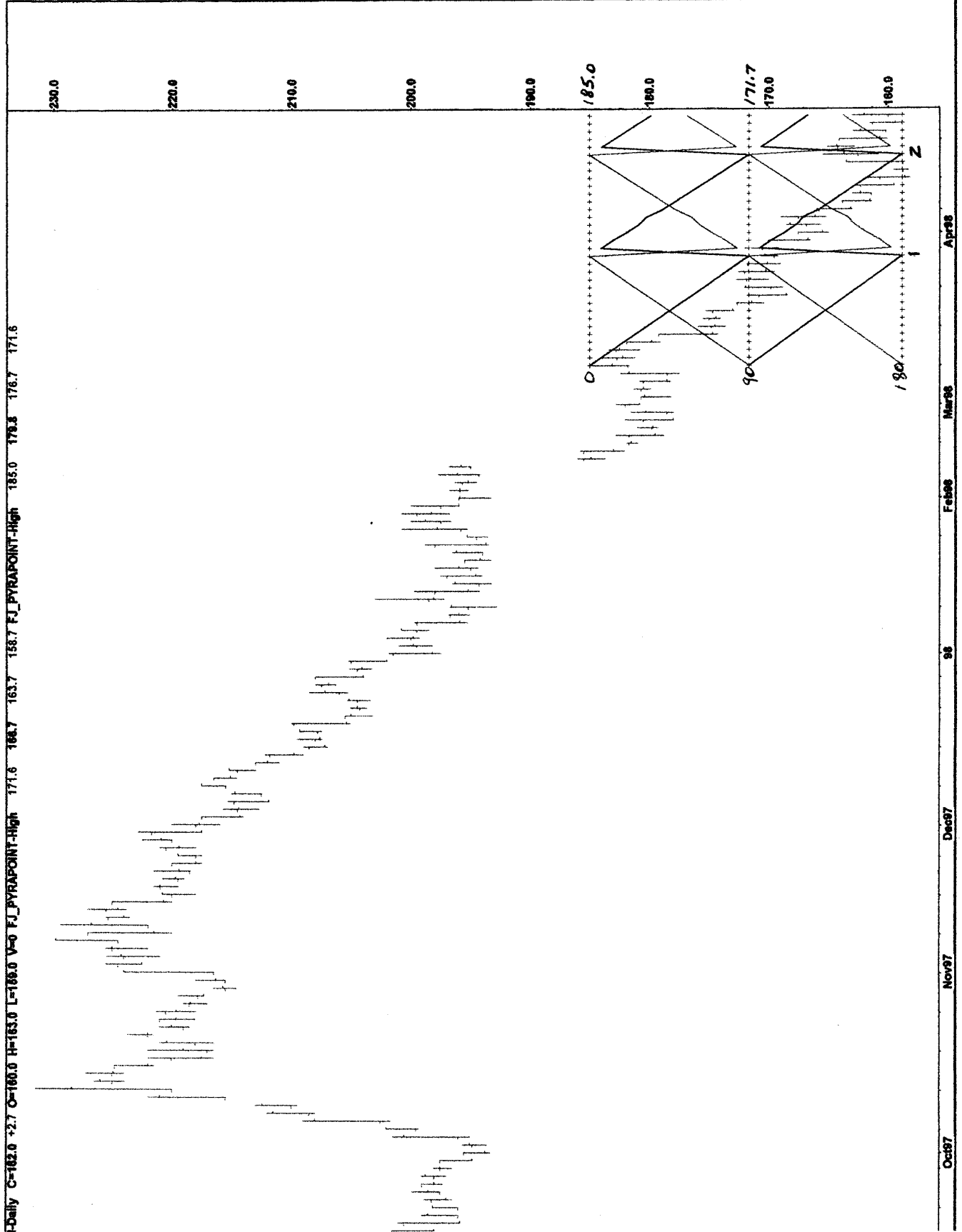
Lest we have left you without full analyses of these chart phenomena, let’s go back to where we left PRICE breaking the square on the eighth day. Expecting the next support to be the “fabulous 45” below, we see that, indeed, it did exactly that. It then played in this triangle to EOS (end of square) and then proceeded on downward along the highway provided by the 45 in the second square. At no time did it break out on the upside of the triangle, nor did it give any buying rules an audience. Obviously, you can see that we could have safely sold any of the days in this trek downward. We would have had a perfect place to maintain a stop of your discretion, just above, and following, the “down 45”.

Without any pyramiding, and there was much opportunity here, this 24 day trip would have yielded some 27 plus points for your portfolio. We would personally consider this to be a rather conservative approach to what is commonly considered to be a very volatile business. Our defense to this conclusion lies in the obvious place for a stop for each day, and the fact that **we know** where the vibration points are lying -- **BY CALCULATION!**

One last bit of instruction/review might be in our reminding you that since the last day of any TIME period is counted as within the square, then it should follow that the same TIME frame bar cannot act for both the current end bar for this square and the beginning bar for the next square as well. It follows, then, that this beginning bar numbered in the count in the second square of TIME count is “0”, as is the beginning of every TIME square count. The example for clarification is found in the square under examination: the high point of the thrust, which we are examining, is 185 in PRICE. It is “0” for the ensuing count for TIME. This will keep you from counting 15 instead of 14 in the square when computing TIME for your vertical line to the right in your square calculation and construction.

1 This chart was chosen to show you not only the uncanny accuracy with which the market moved, but also it relates to a significant top within a declared down trend which just adds to our potential. We realize that it is always easy to look with hindsight, but can you really see the

potential here? Can you see how *PYRAPOINT* talks to you every step of the way to profitable trading? Can you see how the system keeps your risks in check? The 45's and the parameters of the squares are wonderfully revealing and Universal for our use -- if we only project the proper parameters -- it is all there!



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PART V

Learning to Use Our Charts to Guide Our Decisions

FURTHER STUDY OF CHARTS AND RULES

Since repetition is one of the great keys of learning, let's keep an eye out for a new application and a new use of a rule until we are satisfied that this is truly the tool worthy of learning -- indeed, the one to open your trading future.

With this in mind, we will learn just how simply **December corn** of last year really SHOULD have been traded.

The TIME frame is again 90 days. One gets the feeling that Mr. Gann had an insight when he called the square of 90 his "Pattern Chart" or overlay. Our TIME by the calendar is exactly from April 11 to July 11 or exactly 90 days to make this recorded move.

Refer to chart #2. Note that we have segregated this chart into three separate sections or into three stages of development. This is done strictly for clarity so that you may observe the chart as it develops into each of the stages to give us our conclusions.

First, we would call your attention to the chart and you will notice that we have charted 360 degrees of PRICE in this 90 day TIME span. Realize that this represents a full circle of PRICE. At this point, take a moment to look at your "P.C." You will observe that the high of this particular contract, 295, is located on the square of nine ("P.C.") at just three numbers, degrees, under the 0/360 degree Cardinal line. Now note that 230 is exactly in the same line, just one cycle to the right, and one cycle down in numbers. This is obviously a 360-degree move. Now note where the 360-degree line is shown on the chart #2. DOES THIS ASSIST YOU IN SEEING THE PICTURE TO WHICH WE ARE ASCRIBING?

Logic will tell you that the four divisions in the 360 degree path of PRICE are important as well, for aren't they relating to the 90 degree Pattern Chart which Gann talks about? At this point, chart #2 shows you the divisions and the 45's of all of the 90-degree dimensions for this three month period. Notice that, as in all *PYRAPOINT* charts, that PRICE is shown in degrees on the vertical left of the chart while TIME is shown in degrees to the right on the horizontal, and is expressed in numbers of squares as well.

Now turn to chart #2A. As we begin adding features upon the face of this chart, hopefully you can follow and agree with each reason and learn to appreciate the uncanny manner in which this all falls into place. The first notation alludes to the great highways of PRICE, which are provided by the 45's (when plotted in true *PYRAPOINT* programming). We have simply traced the 45's from the top in this downtrend. We have no doubt, nor do we need fancy analysis to tell us the trend -- nor what PRICE must do to change this trend. The 45

shows us not only the highway of movement, but also when PRICE gets over the 45 “fence” which keeps it intact for short trades only during (and indeed, all along) this trek.

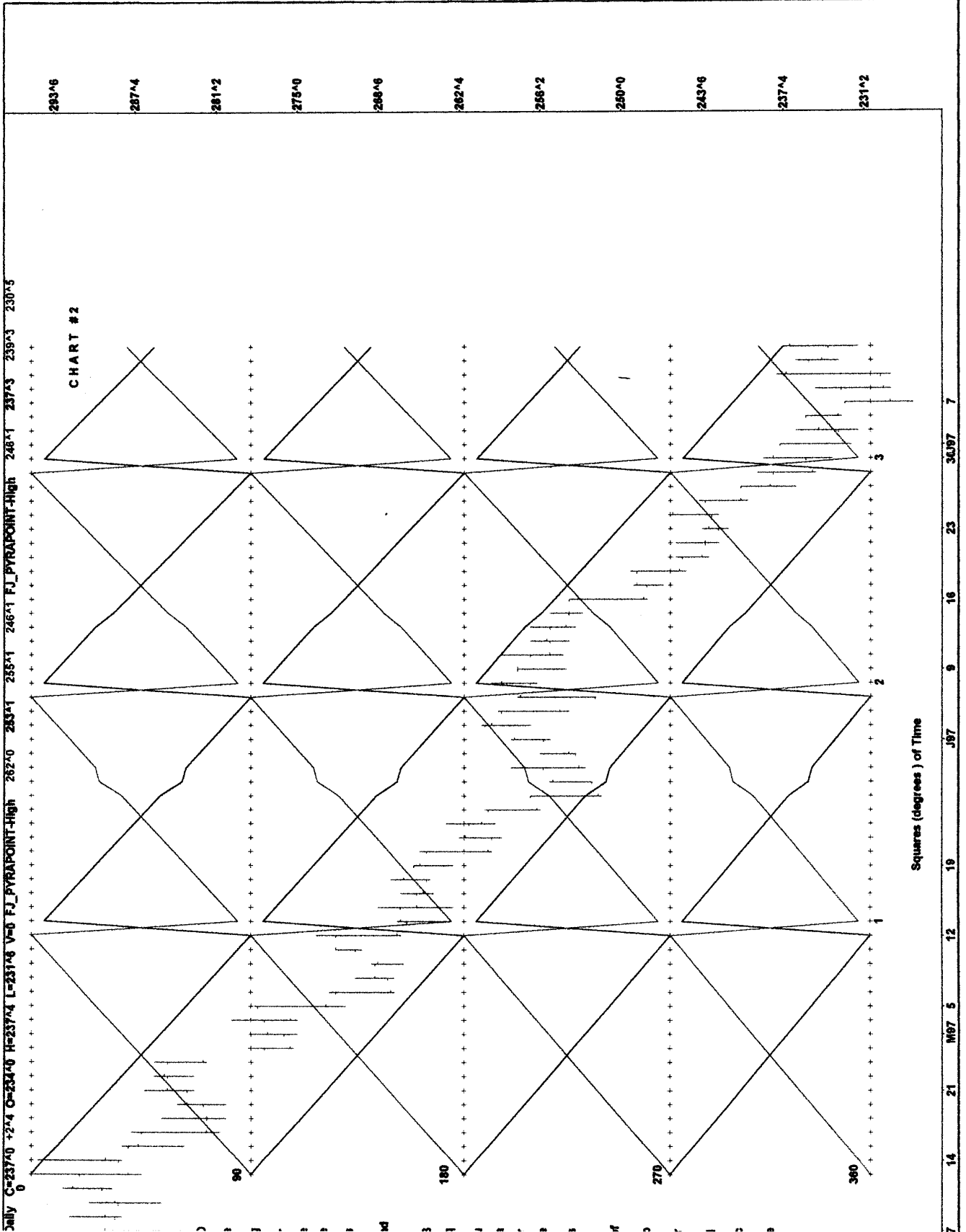
All charts may not be this perfect, but they will all tell the same data story. Notice that throughout the full 90 days, PRICE not only followed the 45’s, but just touched without violation all of the way down. COINCIDENCE? We think not! Mr. Gann could never have done what he did without something this powerful. History shows that he did approximately 268 profitable trades of a recorded testing of his skills involving some approximately 290+ trades. This is the kind of accuracy, which we are attempting to study and to perfect in the *PYRAPOINT* system. As stated, it is our personal opinion that indeed this was his approach.

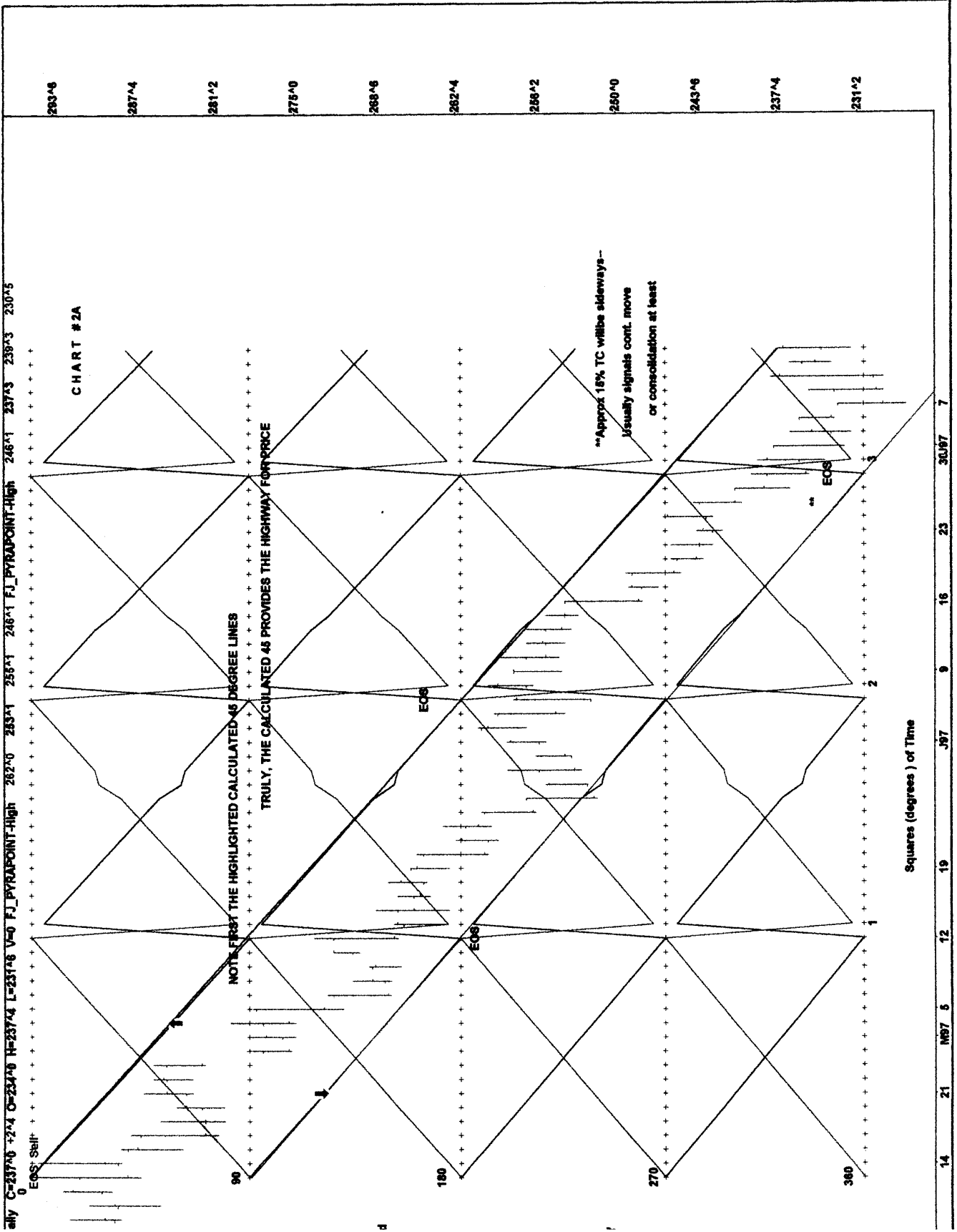
Chart #2A further demonstrates the points of EOS in each of the three TIME squares in which we have before-mentioned that one can expect a high percentage of trend-change status showing in the marketplace. Please notice the notation as to the regularity of the different applications of this “trend-change” phoneme.

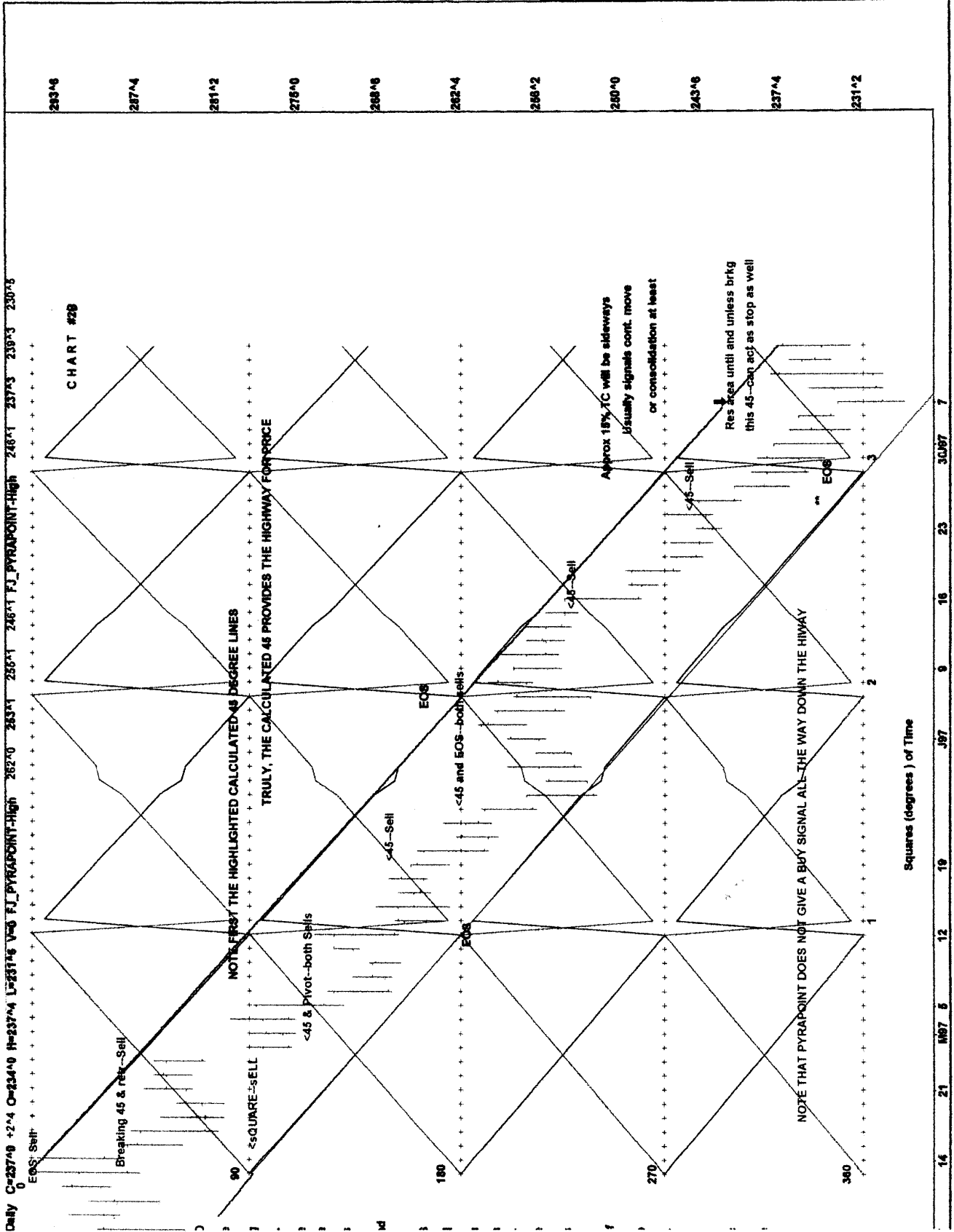
Trend changes will usually be represented by the normal pivot of high-to-low or low-to-high as expressed in earlier information. What needs a bit of further elaboration is the other faces this trend-change animal CAN wear. Obviously, it is reasonable to believe that it could actually run out of energy, and go sideways while it gathered up momentum to go on. This, as shown in the notation on the chart, happens in some 15% of the EOS’s, while the only other option (at least as used by *PYRAPOINT*) is the identification of an “accelerated move”. This animal is most readily identified either by a gap at trend time, or at least a very accelerated action shown by an extraordinarily large range. The “accelerated move” is in no higher population than the prior-mentioned “sidewise” move. Obviously, too these both represent non-pivotal moves, or moves of the same direction as the approach PRICE has made just prior to EOS.

This explanation has no reason to cloud your confidence, or to confuse a good trading manner. It does let us know that at this particular point we need to manage our stops accordingly. It is no debit to have a good stop and have your plan unfold around it. Fear not -- you will be there for tomorrow’s profit. It is a debit not to KNOW where to protect your profit and your capital. It is all contained in these rules of play.

We have separated chart #2B out so that you can see the sequence and the validity of the actual exercising of points of sale (since this is in a downtrend). HARK! Remember, we do not want any trades against the trend -- identify them for your education and knowledge, but be VERY CAREFUL taking countertrend trades, even for retracement strategy. True, it can be done successfully, but it is much more difficult to let your stops give enough assistance in surprise moves. Amazingly, you will note that actually you did **not** have **one** “full-blown” buy signal all of the way down the highway of PRICE during this 90 days of history. Great, isn’t it? It goes without saying that the magical 45’s act well in the determination of a point to place one’s stops. It is your judgment call, of course, but in corn, for instance, we have found that 3 ¼ cents is about all that we need to risk over/under a 45 or a square -- or the low/high of pivot points. Almost sounds too simple, doesn’t it? You will find that the most difficult part of the trading plan is to get yourself disciplined to believe what you are seeing on your chart. Our challenge: study and trade it with diligence for 90 days or so and see if you do not believe that what we have told you is the way to trade as did the “Masters”.







A REVIEW WITH JULY OATS AND JULY CORN

From this point we should be able to start enjoying and recognizing some of the chart patterns.

A simple pattern to read would be the example in the charts which follow of **July Oats**.

As we have noted on the chart, this is a simple principal, but one that repeats over and over. Unfortunately, most of the time the principles are right before us and we simply fail to follow the road map.

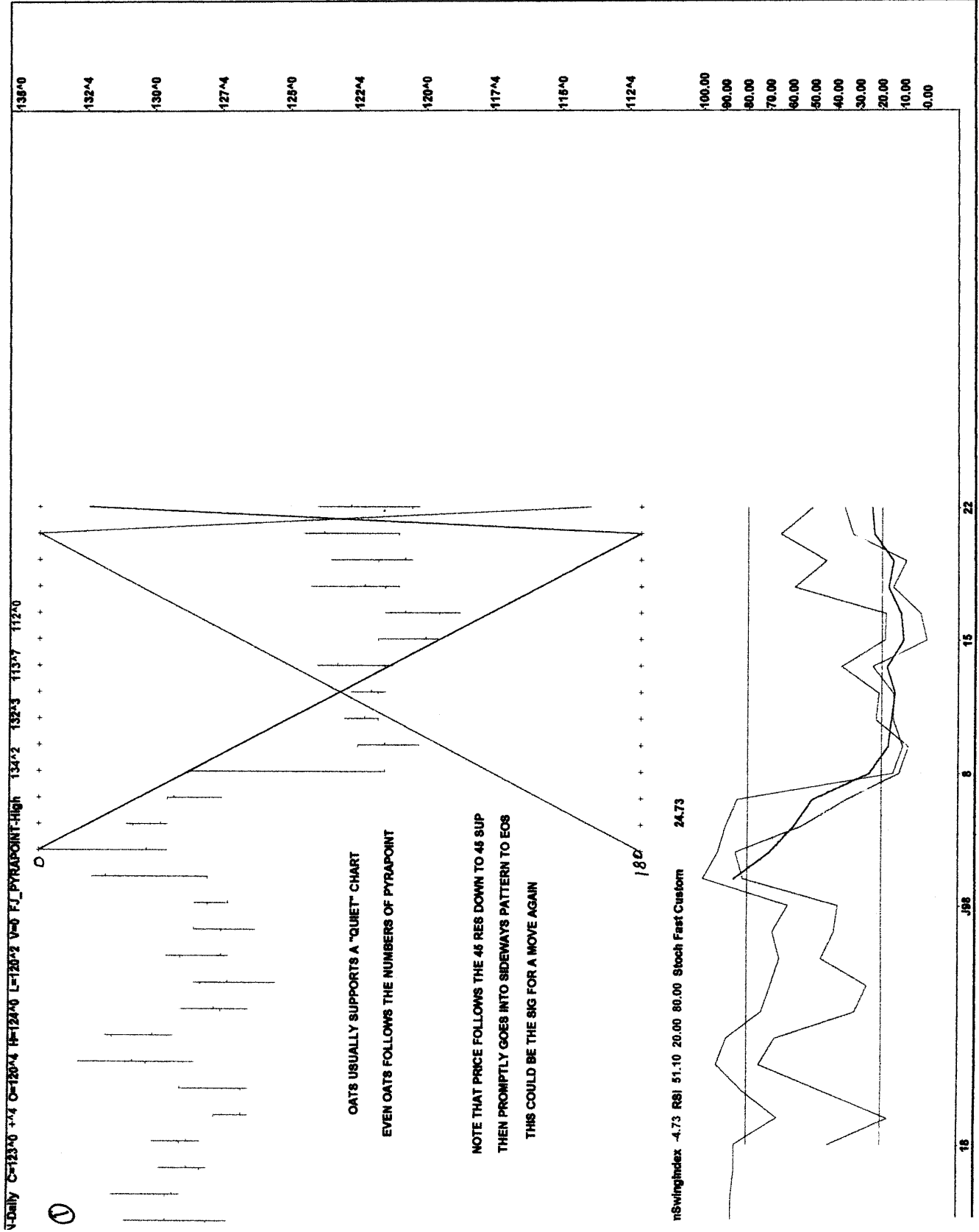
Because Oats has a relatively slow-moving market, we need to get a larger picture than we would for a fast mover such as S & P or one of the currencies, for instance. In this case we have used a chart of 180 degrees to get a good look at just how this beast might be operating. Remember, you can always cut the chart sizes down. Just be certain that you have a good picture of the larger degree.

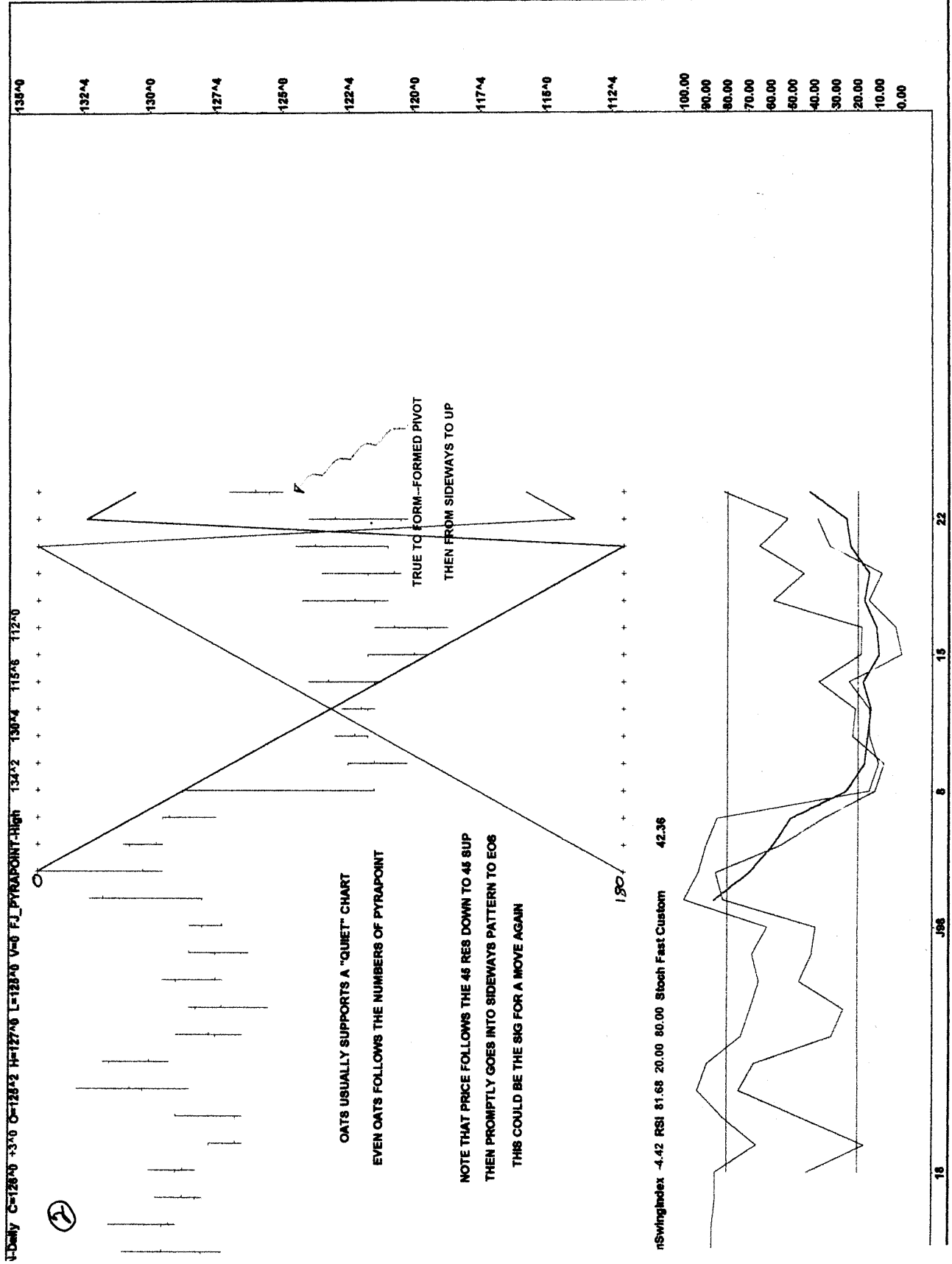
One good way to double-check yourself is to take a large look. It is easy to visualize (or actually draw the line) at the halfway point of the chart. You are, after all, already geometrically home free for this measurement since the 45's of any square cross at the exact halfway point of any square of *PYRAPOINT* vintage. Recall in your introduction to our type of square, under the section "BASICS OF THE SQUARE", you learned that you can bisect the square, and then bisect the new square, etc. This is telling us that we have the ability to place exact Pythagorean squares within squares, which are, indeed, within squares. Making them the way we have shown you will allow you to do this in as much fine-tuning as you may need for the commodity or stock, which you are studying. This is some of the reasoning in the facts that we present to you that you can follow PRICE ever-onward, ever-outward through the total movement of PRICE through the total life of the contract.

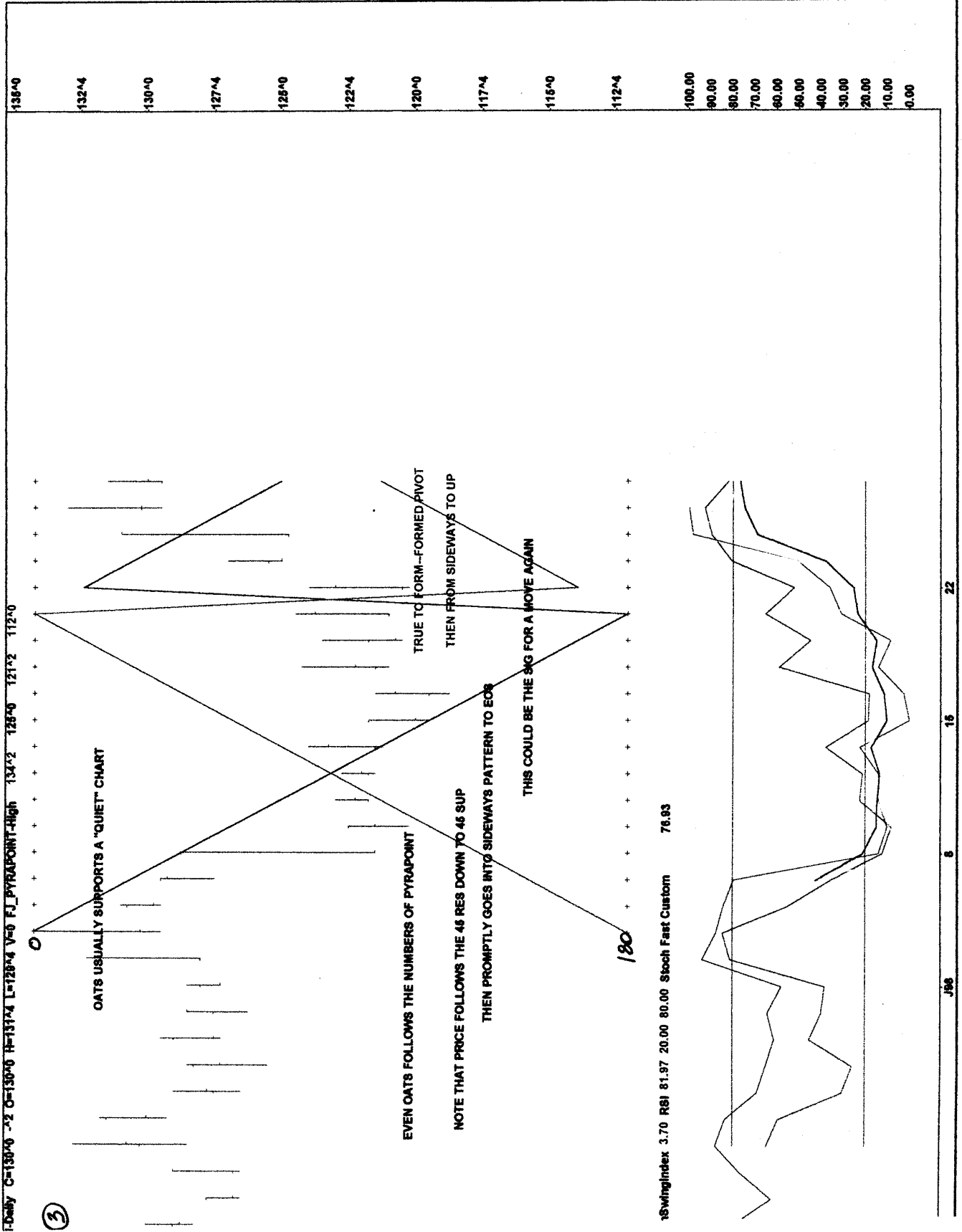
Applying what we have learned in this paragraph, let's again look at the **July Oats**. The movement is simple indeed. It moves exactly on line down the 45 from the top, stopping at the 45 support coming up in the square; then when it crosses the 45 support, it makes a sideways move to the EOS where we logically may expect a potential trend change. Simple as that. Remember, this is an "exploded view" chart, which will yield magnified variations.

If you were to have wanted to see the effect of having a 90-degree chart, you could put a line horizontally through the intersection of the 45's and you would obviously have the bottom/top of the 90-degree squares. Obviously, too, you would see the sideways movement more clearly since it would be following your horizontal line between the 90-degree squares. We see no reason to make a unit more complex than it actually appears. Too many times this is the case. In other words, just because we have more rules, we need them only when the situation warrants it. In this case, we should look at the longer TIME frame for TIME count and relative position in the life of the contract; but if the square is simple, please, please, let it stay simple. **THIS IS THE WAY THE PYRAPOINT GAME IS PLAYED!**

Proof: Now look at the second chart of the same contract of Oats, one day past EOS.







③ Daily C=130.00 -2 O=130.00 H=131.4 L=128.4 V=8 FJ_PYRAPPOINT_High 134.2 128.0 121.2 112.0

③

OATS USUALLY SUPPORTS A "QUIET" CHART

EVEN OATS FOLLOWS THE NUMBERS OF PYRAPPOINT

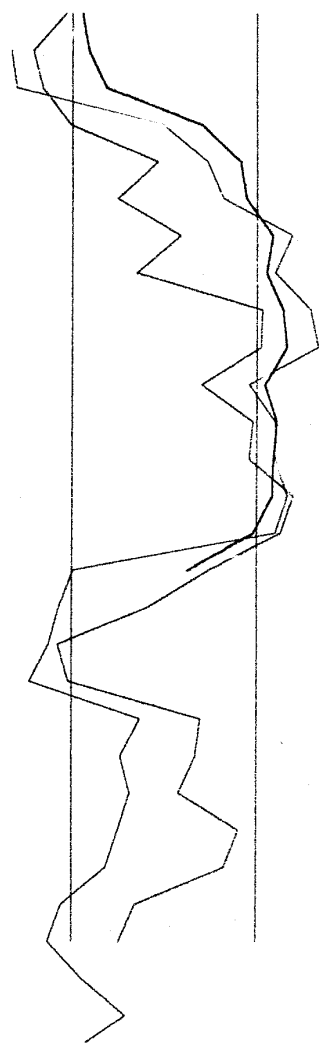
NOTE THAT PRICE FOLLOWS THE 46 RES DOWN TO 46 SUP THEN PROMPTLY GOES INTO SIDEWAYS PATTERN TO EOS

TRUE TO FORM--FORMED PIVOT THEN FROM SIDEWAYS TO UP

THIS COULD BE THE SIG FOR A MOVE AGAIN

120

SwingIndex 3.70 RSI 81.97 20.00 80.00 Stoch Fast Custom 76.93



J96

8

16

22

NOW LET'S HAVE A LOOK AT 1998 CORN

We looked at 1997 December Corn in an earlier chart. For comparison as to typing and moves and for further proof that these studies are non-selected, we will now take a detailed look at **December 1998 Corn**.

Please understand that we realize that you will likely not use all of the tools in all of the studies which you make. However, they should all be available to you so that you will KNOW (quote Mr. Gann). When you realize that Gann made the "test" of some 290 trades while using the "P.C." (square of nine), making some 268 profitable, you must be convinced that he did KNOW. We will as well.

In further examination of the Corn contract, we note that it was charted from October of 1997 to current time, June of 1998. The chart will show that it was a period of a downtrend. (Easy to see now, but what did we have to tell us this in the early part of the chart time-frame?)

First, let us admit that we have some seasonal and some significant count data that made this particular time of the year a "suspect". This is available for any commodity or stock at any time -- but I assure you that you CANNOT trade by it. These are only hints as to where and when to look.

Our first real clue comes at the square of TIME from the prior significant low. At this EOS we know that our risk is limited even though we are stepping in front of a wave, so to speak. We know that we are limiting our risk if we do decide to take such a brazen step and buy strictly on TIME at the EOS. The limit of risk works like this. If this is the day designated as turn day because of EOS, we have already done the preliminary work to which we referred. We look at barometers such as ASI. It is over and above all other indicators. NOW, if we take a short position on the day of the EOS, we know that if there is higher PRICE tomorrow than the high of today, we are likely incorrect in our position. We should handle this with a stop over the top of the high of the day of EOS. This is **ALL OF THE RISK THAT WE SHOULD ENDURE**.

Without our being totally repetitious in the rules which follow our initial entry, we note that sell signals are intact and on schedule for each triangle in each square to the bottom at EOS on January 12, 1998, where you do have an "up" setup. Our chart notes tell exactly what this looks like, and it appears to have missed this fairly major bottom by only one day.

There are two reasons for taking a cautious look at the retracement wave during this down move. The first is that we are teaching caution and conservation of capital in all instances. Since we had not "overbalanced" to the long side of the trading equation, we would take only the trades WITH the trend. Admittedly, with rules of *PYRAPOINT* firmly in your bag of tricks, you can trade the retracement moves with reasonable safety.

The second reason for caution for this particular move is the position of the ASI. It is not nearly as low as we like to see it for an appreciable move to the upside. All that this tells us is that the potential is limited before it proceeds into a position of overbought.

In the event that you did decide that you could afford to take this trade, you would trade it the very same way on the up move, putting a stop below the low day some 3+ cents or whatever your planning will allow. Note that even though the low day may have been a few hours late in arriving, it did not endanger your stop. From this point on, it traded upward to each of the

objectives, stopping one tick short of the top of the square for that objective. The square, trend, ASI, and all indicators would have told you to short at that point. This was January 27.

Repetition of all rules took us to the bottom of the square, and back to the EOS for another sale. Note at this EOS that we have a blue dot on the chart with a notation of "90". This is again a Gannism, the use of 90 degrees (days) of TIME from the significant high where we started. This starting point is again denoted by the blue dot and the notation of "0". These counts are excellent filters of confirmation. Caution: they are tough to use alone.

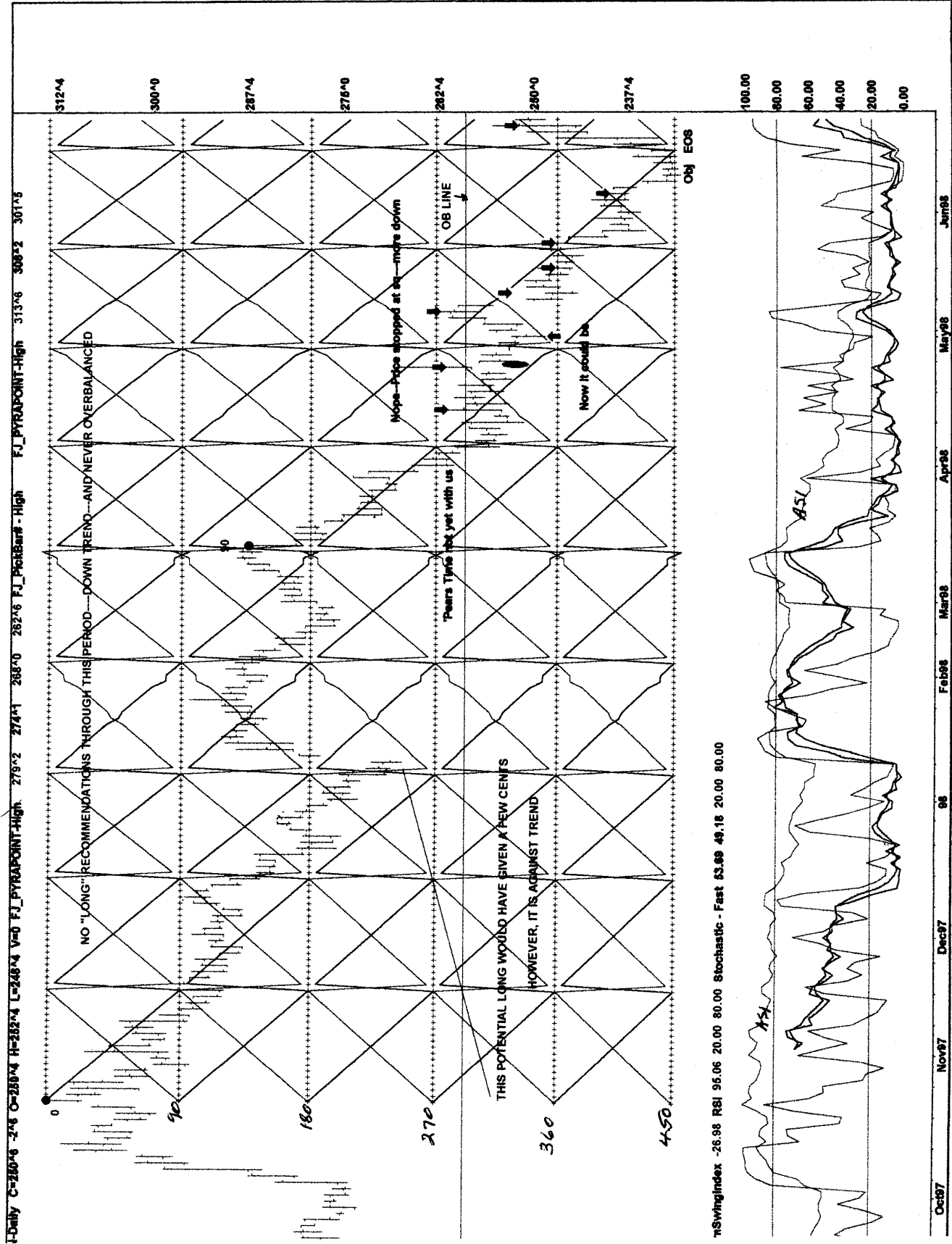
From this March 1998 high to which we just referred, it was a free fall at each objective to the next EOS, then a consolidation with a couple of sells against the square to the following EOS where, again, it appeared that a long setup was a potential. It was not be, however, and you would have been one who would have known this with *PYRAPOINT*, because it failed at the first up objective (the top of the square in which you were working).

Onward, then, it profited, selling at each signal and objective until it moved to the final objective -- EXACTLY AND AT EOS! Certainly all contracts should be covered upon the charting situation just described.

To repeat ourselves, you do have an opportunity to trade the retracement with considerable safety -- if you follow the rules and get out if needed. This means follow with stops closely because you have not overbalanced to the upside. You just have experienced a really good retracement opportunity. TREAT IT AS SUCH UNTIL OVERBALANCED!

Incidentally, there is more than one interpretation as to what is required to believe that a trend has "overbalanced". Our particular use involves having a countermove to the current trend, which is measured as larger than the largest counter wave incurring on the path of the trend to this point. In this case we have a counter wave (the one to which we referred earlier) on January 12 - January 27. This 15-day retracement recorded some 28 cents.

You will note that in preparation for the possibility that we have an overbalanced move, we have placed the "OB line" at a point 28 cents above this recent low so that we will KNOW when the trend is overbalanced and thus in a different mode.



SYNCHRONIZING WHAT WE NOW KNOW

As related elsewhere, many books have been written on the works of Gann, Brenner, et al, especially concerning TIME. Overlays, charts, and even astrological information have been gleaned thoroughly by some very good scholars. We do not contest any of these conclusions. We do say that they are a part of this Universal Creation.

This is not to say that they are not impressive in their results, especially on a selected basis. Just as the PRICE movements follow the divisions of the square, so do these theories fall in PRICE arrangements of value to us? The question, which we pose to any of these students, is this: *“How do I know which one to use, and what is the target for this particular move -- today?”*

In support of a means to better understand some of these mysteries, we incorporate some of the “old basics” to our charts. In review, please note that we have superimposed some of the “Gann counts” in order for us all to receive a better understanding of just how it all fits the Universal Pattern.

One of the things, which we recommend, is to keep track (in a broad sense) where we are in relation to a top or bottom of a former and greater degree. This should make sense when you realize that all tops and bottoms have a calculable counterpart. In other words, if our interpretation is correct in our current analogy where we are working, it stands to reason that it will have some mathematical significance to the larger, earlier counterpart. Another way of stating this is to note how closely today’s wave top/bottom may come to being in sync with a wave of earlier and larger/smaller degree. Perhaps this wave may be in sync as a top of our current wave which is fitting into the scenario of the third wave, say, of sometime earlier.

Let’s see if a chart can assist in this analogy. This is a chart of **September Corn**.

The latter May wave shown here is in sync with an earlier wave from a higher top. Now let’s look at the squares represented by the shown two squares of TIME. Notice that not only is the PRICE movement readable throughout and to the end of the second square, but two other significant things are evident as well. (1) The pivot formed perfectly at the end of the second square for an exact (to the tick) move to the top of the square above. (2) The superimposed blue dot with the notation of “144” is a count from the top of the wave. We simply use these notations of 45, 90, 135, 144, 180, 270, 360 (and the multiples thereof) as confirmation TIME/PRICE frames when a square is in prospect for a turn. It is not something for which we mortgage the family jewels, in and of itself, but we like to know ALL that is available within our grasp. It is part of wanting to win -- as Gann said, *“we must know everything possible about each trade”*.

As a review, let’s look at the squares shown for September Corn. What do you see first? A sell shows four days taking PRICE to the first objective -- the supporting 45. The next day the 45 was broken, setting up the next objective -- the bottom of the first square. We have now moved exactly 90 degrees, to the tick.

The expected “repulse” action from the bottom of the square actually carried enough power to get on top of the supporting 45 in the first square with a close. However, it never made a new top (did not overbalance) and consequently closed below the 45. From there it proceeded

directly to the bottom of the square again, vacillating between the magnetic 45's as PRICE approached EOS.

No progress was made at EOS for a trend change and the next objective of the 45 in the second square was achieved in two quick moves. Holding here a couple of days and giving us a chance to sell again beneath the 45, it made its way to the next objective -- the bottom of the second square, again, "to the tick". The reason that we make any significance of this "to the tick" move is that you will note that it set up perfectly for the gap move down to the next objective MANY TIMES.

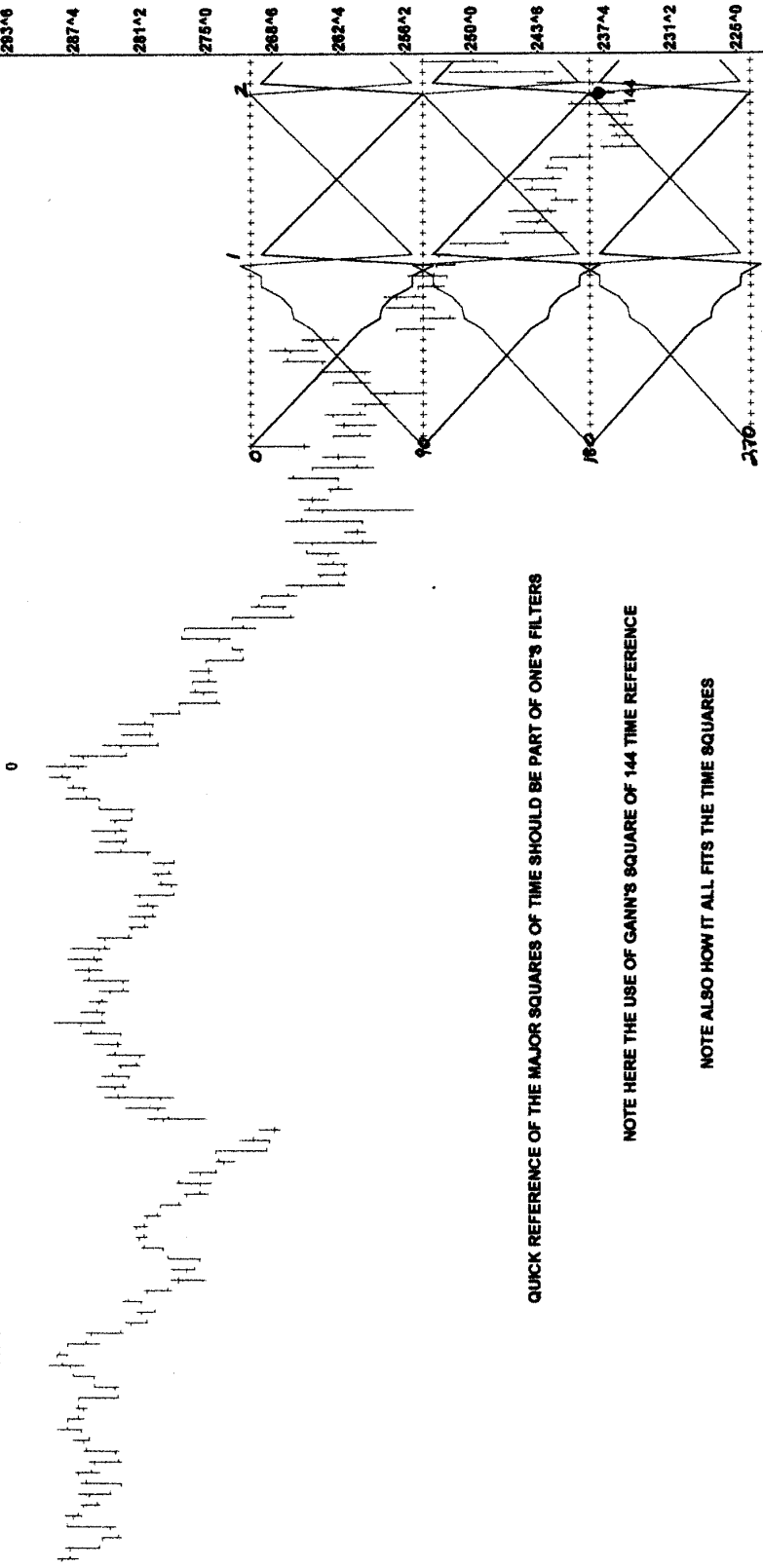
And so it was that PRICE crawled across the 45-degree triangle to EOS where a pivot was set up. A full square move ensued -- again to the tick for the full 90 degrees.

Note, too, that we have a 90-degree countermove, which is more than we have experienced all of the way down in this 144-day trek. This is considered one of the "rules of thumb" for a possible trend change. It is one interpretation of a condition sometimes referred to as "over balancing".

Since this is a current chart, TIME will prove its own worth. Of certainty is the fact that our *PYRAPOINT* use of stops and signals will put us on board, whatever the path.

aily C=248^8 -1^0 O=248^0 H=248^0 L=248^8 V=0 FJ_Pyramid-High 254^4 281^4 241^6 238^6 FJ_Pyramid-High 238^6 238^7 228^3

FINE TUNING VERY IMPORTANT

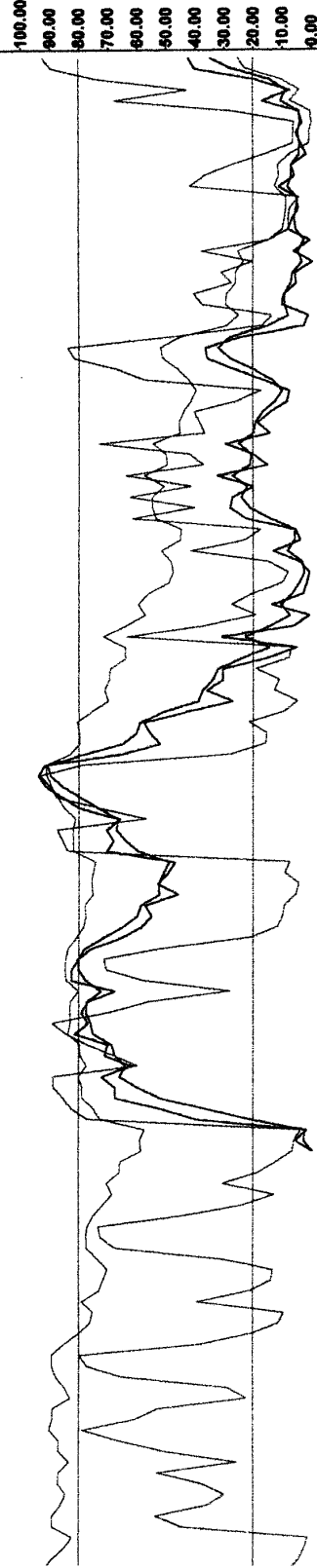


QUICK REFERENCE OF THE MAJOR SQUARES OF TIME SHOULD BE PART OF ONE'S FILTERS

NOTE HERE THE USE OF GAIN'S SQUARE OF 144 TIME REFERENCE

NOTE ALSO HOW IT ALL FITS THE TIME SQUARES

SwingIndex -40.05 RSI 92.31 20.00 80.00 Stochastic - Fast 42.47 34.96 20.00 80.00



SOME ADDITIONAL USES TO ASSIST YOUR UNDERSTANDING IN CHARTING *PYRAPOINT*

In our years of study, we found that one of the most difficult parts of learning the *PYRAPOINT* philosophy was to see it in action enough times so that it did convince us of the validity of the reasoning.

The first example will be submitted in the next chart. It is “Point and Figure” charting. Even if you aren’t familiar with P & F, it will serve a purpose to observe this actual chart in actual markets, and in our TIME frame.

The idea of PRICE magnetizing to the squares of numbers (and consequent significant portions of these “squares”) was admittedly one of the more difficult for us to digest. Granted, you can see PRICE stopping at all of the important parts of the square, but what must we do to really believe in the system? It is, after all, a Universal fact that your use alone will confirm. This is why we will use every type of example of which we can muster in order to get your confidence in the validity of the system.

In order to support the thinking of the prior paragraph, we submit a different type of chart, so that we can illustrate our point without confusing our readers. This chart is not necessarily going to fit all of the parameters of our study. It will fit PRICE always, and usually it is supportive of the TIME side of the squares as well. We say that we cannot fully defend the “end-of-square” side of the equation because TIME is not an integrally measured unit as such in the use of “Point and Figure” charts. As you likely know, this chart is produced by indicating a rising “x” at each addition to a PRICE leg. It is “turned down” with the indication of an “o” at the TIME that PRICE has declined a given amount of your discretion. In the example we are going to show you next, the index shows a notation of “1 x 3”. This means that PRICE will proceed upward and be recorded on each PRICE unit with vertical application of “x’s” until we have a retracement of three units of PRICE.

Obviously, the opposite actions are applicable to the “down Leg”.

This particular chart is designed to assist us in filtering out the smaller, less significant moves, and it will give an amazing account of itself in *PYRAPOINT*. Obviously the turns are going to be recorded at the same level that a bar chart will be showing on PRICE. Even though TIME is not recorded as an integral part of this chart, you can see that when TIME is mature for a move, that PRICE will seek a new level. TIME will likely respond since that is when a bar chart could be recording a trend change. The point being, the P & F will, by virtue of the above, many times record an end of a move in close coordination with the accurate *PYRAPOINT* signal on the bar chart.

We mentioned that PRICE would reflect in a recordable manner of the square because it should make its turns upon the rule of the Square and Square Root of PRICE.

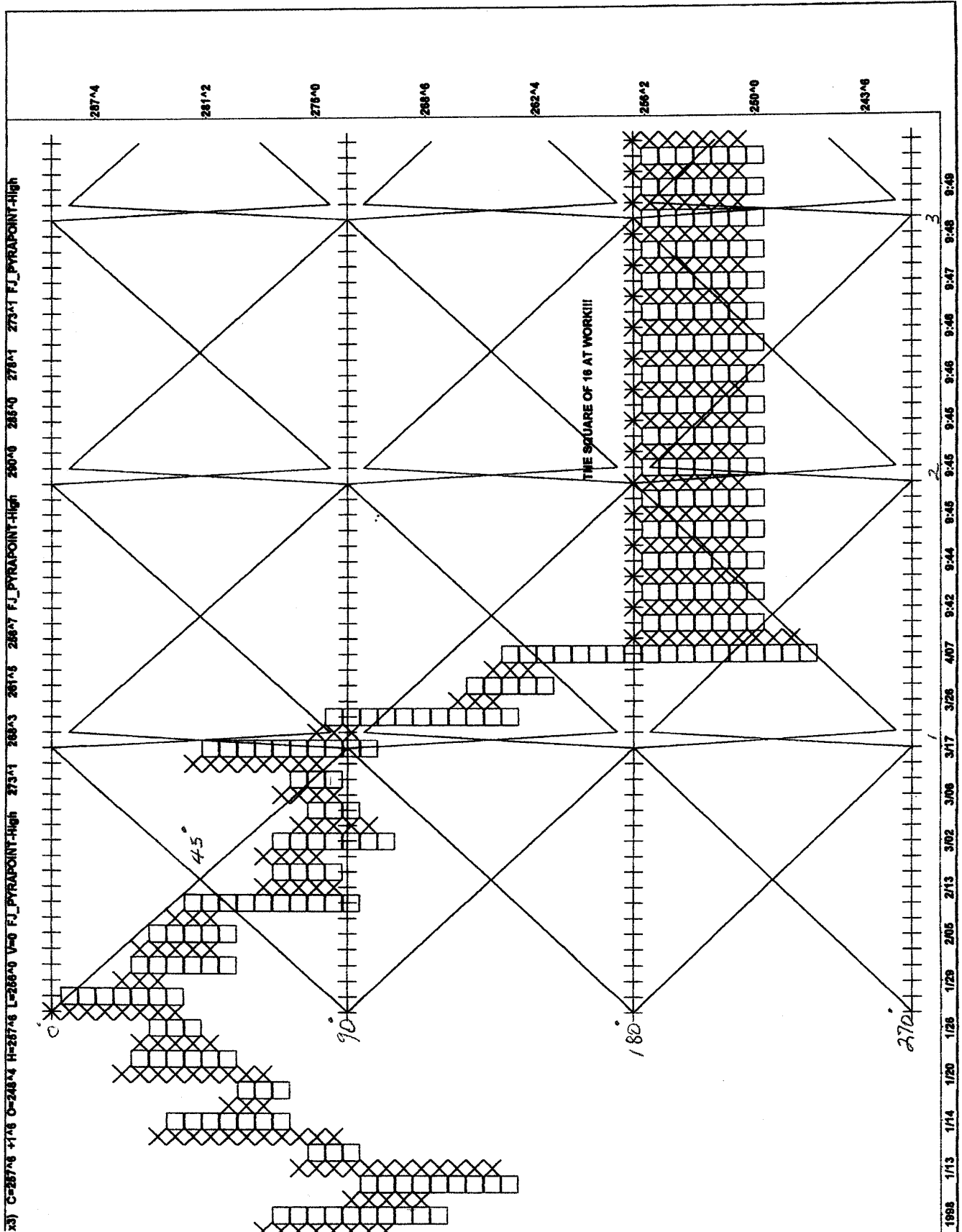
Let’s now take a look at an example of **May Corn** which we pulled from our old files for this point. If, indeed, we are right that PRICE has a tendency to vibrate upon each square of a number (and that it is recordable and CALCULABLE) then it should not surprise us to see that the P & F chart is stalled 256, the square of 16. The filter explained above wherein we used a three-cent reversal, will give a confirmation of the importance of these positions on the Square of Nine (the “P.C.”). Notice that our PRICE made 17 attempts at breaking this PRICE level. This tool alone can be of tremendous assistance -- but again, it is all on the Old Egyptian Calendar, the “P.C”, or the Square of Nine. Coincidence? We think DEFINITELY NOT!!!

Take a moment to check these examples on your Square of Nine. Note that 135-degree area of the chart is where the magical number is located. This does not surprise you because it is exactly opposite the square of 15, located at 315 degrees. And so on it goes. Look closely at this because it will not usually be evident in intraday trading in your average bar chart.

AGAIN, THIS IS A CONFIDENCE CONFIRMATION EXERCISE.

Noteworthy, too, is the fact that PRICE followed the 45 highway, just as you would have expected the sister bar chart with a *PYRPOINT* overlay. It even made its debut toward a trend change effort by rising up halfway (45 degrees) in PRICE at the end of the square, where it proceeded to pelt through two objectives per plan and stopped exactly on the 3rd objective -- the up 45 support -- on the 3rd square down.

Interesting, isn't it?



September Soybeans might well serve to show us another approach to a use to be utilized by *PYRAPOINT*. Recall that we are attempting to find different manners of use for you so that you will be satisfied and confident with all facets of the sync of all of the wave measurements. Mainly, we are trying to get your imagination to expand. There are really no limits to what you can do with this system to prove yourself in more than one manner of approach for any one move of your trade.

Again, examples are undoubtedly one of the better ways to get your ideas in sync with your numbers. You see, the numbers and the calculated manner in which they work are always there working -- ever onward, ever outward -- in the Universal Spiral of life. Therefore, the more that we can make use of the formulae, the more they will become available to our manner of approach to trading. It is with this thought in mind that we offer this approach to stir your thoughts on a sister manner of proof of the same formula and different use. Repeating: this is offered as an example for your thought process. Let's look at September Soybeans in the light that you might be in favor of securing a "call" if, and when, you feel that it might be justified. How many of us would need to depend upon a good rumor or tip? Most, I fear.

But, can any scientific approach be applied to an item so complicated as commodity trading of call options? We will share what we have learned about an analysis of this kind.

Initially, we must consider that even if we are trading "out of the money", we aren't likely to have an average of more than a very few months to make our move profitable. In view of this fact, you will certainly want to get into a potential which has much of its trend behind it, because, after all, you are picking a bottom or a top to some extent with this decision, are you not? Very likely, you will take into account a number of factors on the fundamental side of trading strategy before you make a move: position of the market per the seasonal history, time of the year and the premiums being offered (and charged), etc. We offer one additional thought which may well be the very best, in our opinion. This is the measurement of degrees for this and comparable moves, calculated not only by history, but synchronized with the moves of the near-past degrees for significance. Our example should make this more digestible.

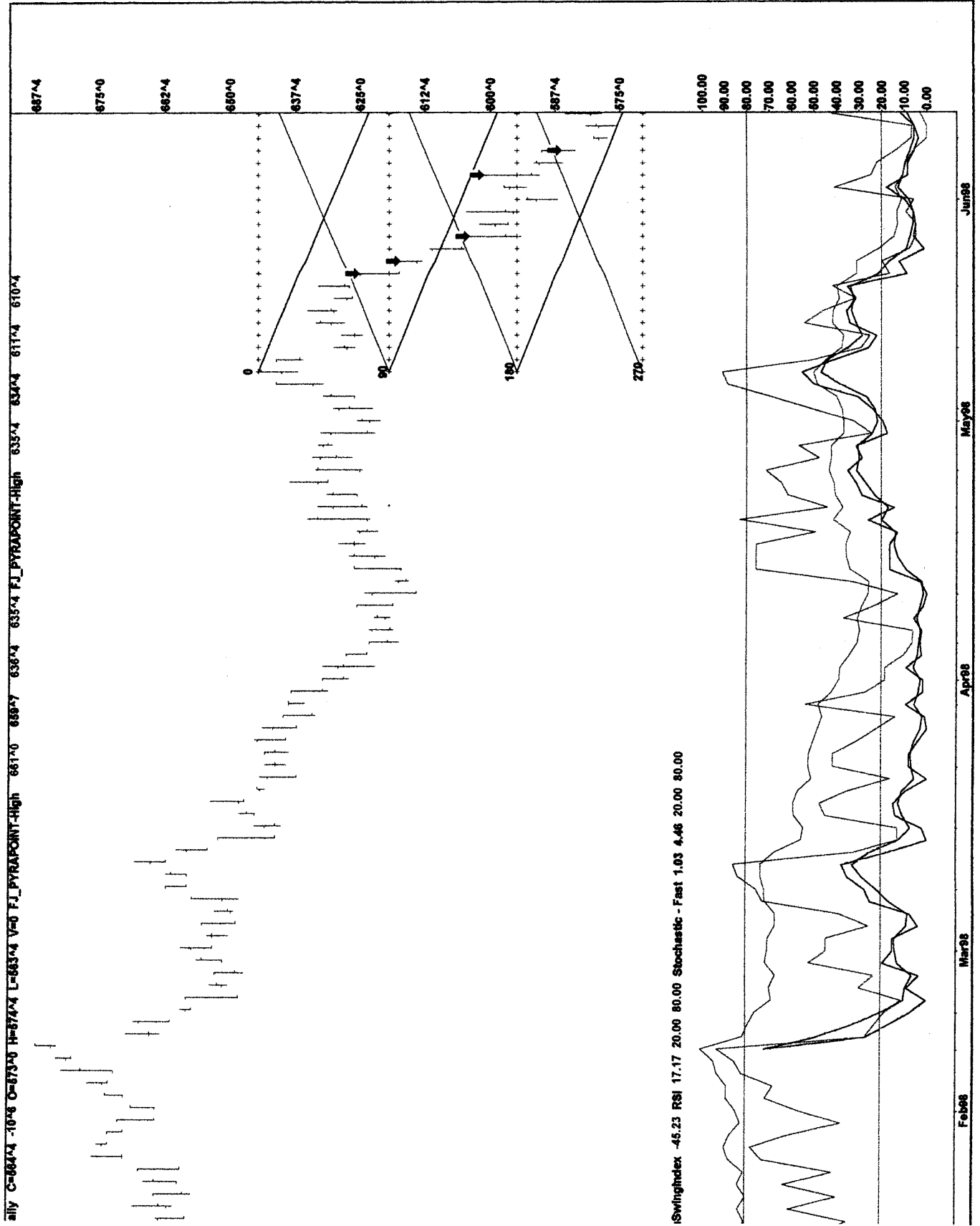
Here in the example, which follows, we see that September Soybeans have moved downward for indeed all of this year, so to speak -- making lower bottoms and lower tops rather consistently. So when do we stand in front of this train and place a call? If all shows well for our decision to make a purchase per the fundamentals and other factors, which we use, we are then ready to apply some *PYRAPOINT* filtering to this decision.

Seldom would we want to look at a prospect for call-purchase unless it moved to the degree, which had our attention for a period of time. Usually this is contained in at least one complete cycle on the "P.C." or 360 degrees. Remember, you will find this number directly beside the PRICE at which you began this move -- and which now has your attention as a prospect. Granted, you could have been lured long before this for many reasons, but we are examining our contract with the thought that we want some sync to support us in our endeavor as well. Whether this is the right one or not, only TIME will bear out the facts. One thing is evident in our example: we have moved in this trend for approximately 180 days (one of our barometers for a TIME of significance) and we have moved the 360 degree PRICE movement, plus we have added an extra half cycle or a full PRICE square of 180 degrees. Now, granted these factors by themselves do not add up to a full decision. Add to these factors the fact that we are in sync with this move by virtue of the smaller waves. We are nearing 270 degrees (a significant "death zone" for a move) and we are roughly 360 degrees from the prior top. Just by

sight we will train our thoughts to these factors. One thing that we can submit is that we are definitely restacking the tough odds a bit more in our favor in our study of this proposal. Please read onward.

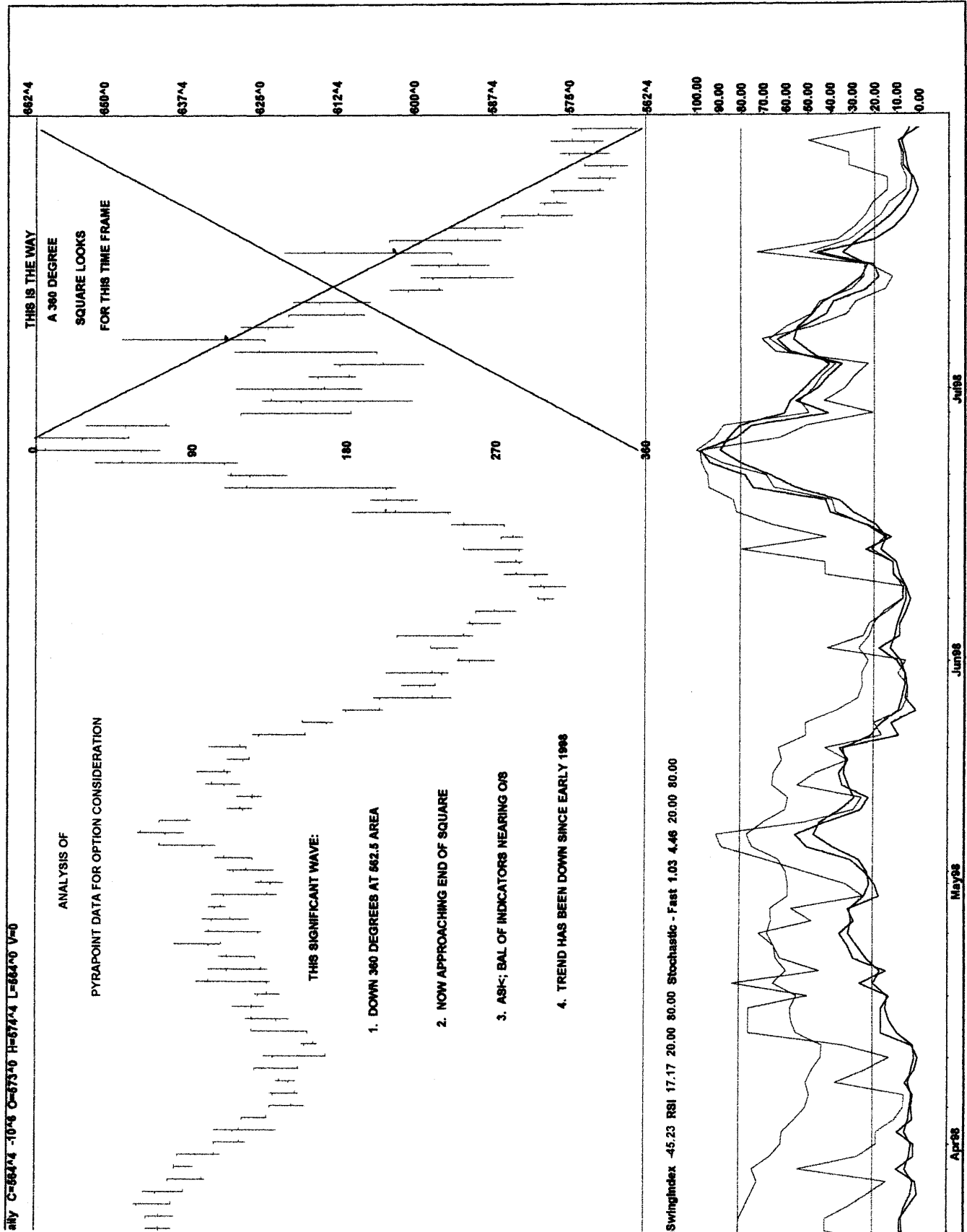
It is significant to note that this prior wave has given us five sell points after the initial top, and it appears to be yet in an ongoing trend. We can conclude that *PYRAPOINT* would certainly have been a profitable trading tool on the way down to this point. We note approximately 60 cents of profit in this move in the past 21 days, or less than a square of TIME. We admit, that even without any pyramiding, it is not a bad trade. (This system does give the best pyramiding opportunity of any system, which we have studied.) However, the call option is definitely a risky one as we all know, even with the best of circumstances. The odds favor the guy on the other side of your call contract by at least four to one -- but we know this, don't we? After all, isn't this the reason we need to study a bit more if we are to survive these actions?

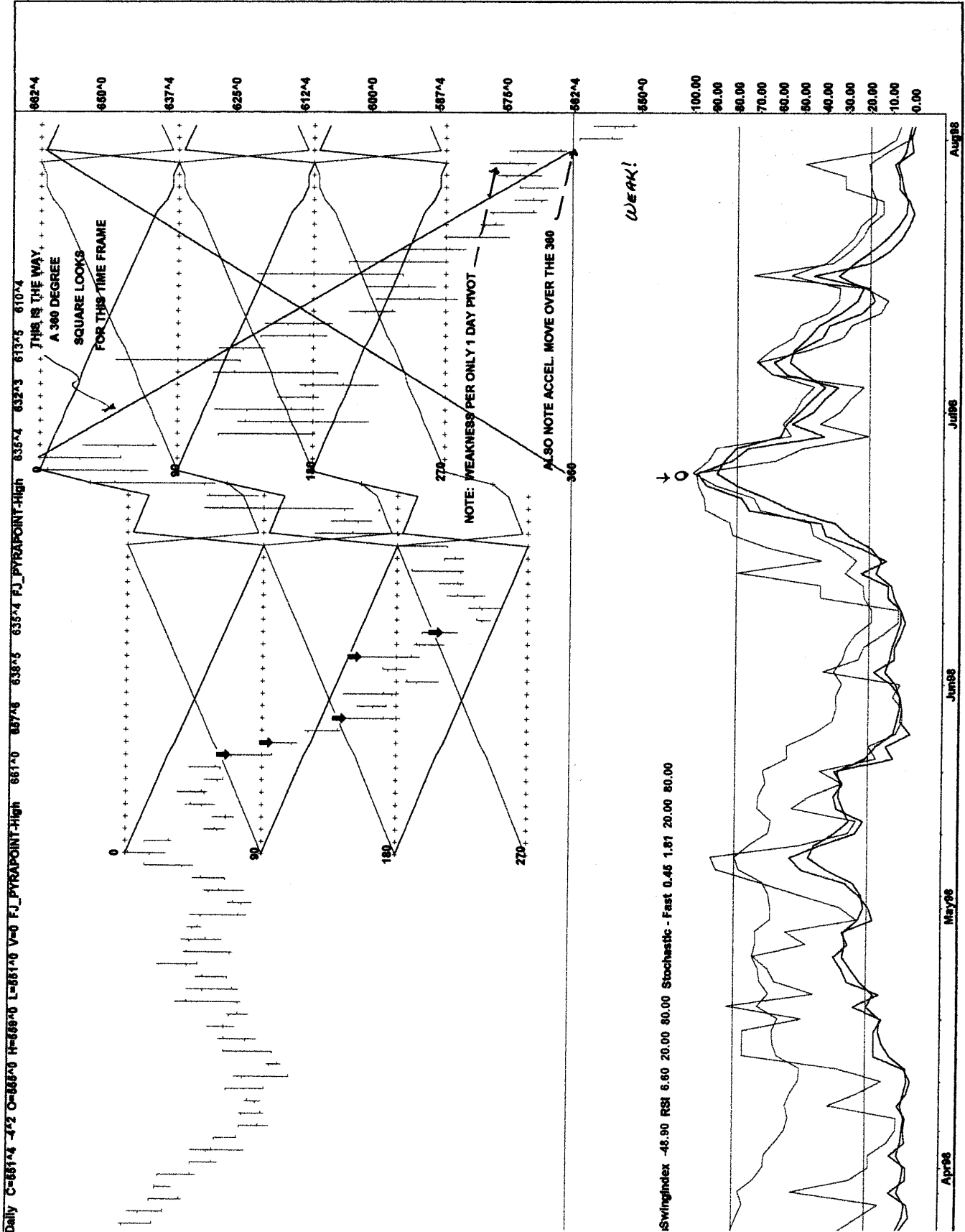
With this in mind let's now proceed through the wave which follows wherein we note one of the primary filters for even considering an option: the movement of 360 (or other significant degrees after a full cycle of 360 degrees have initially ensued). The sister chart included next should let us look at this potential.

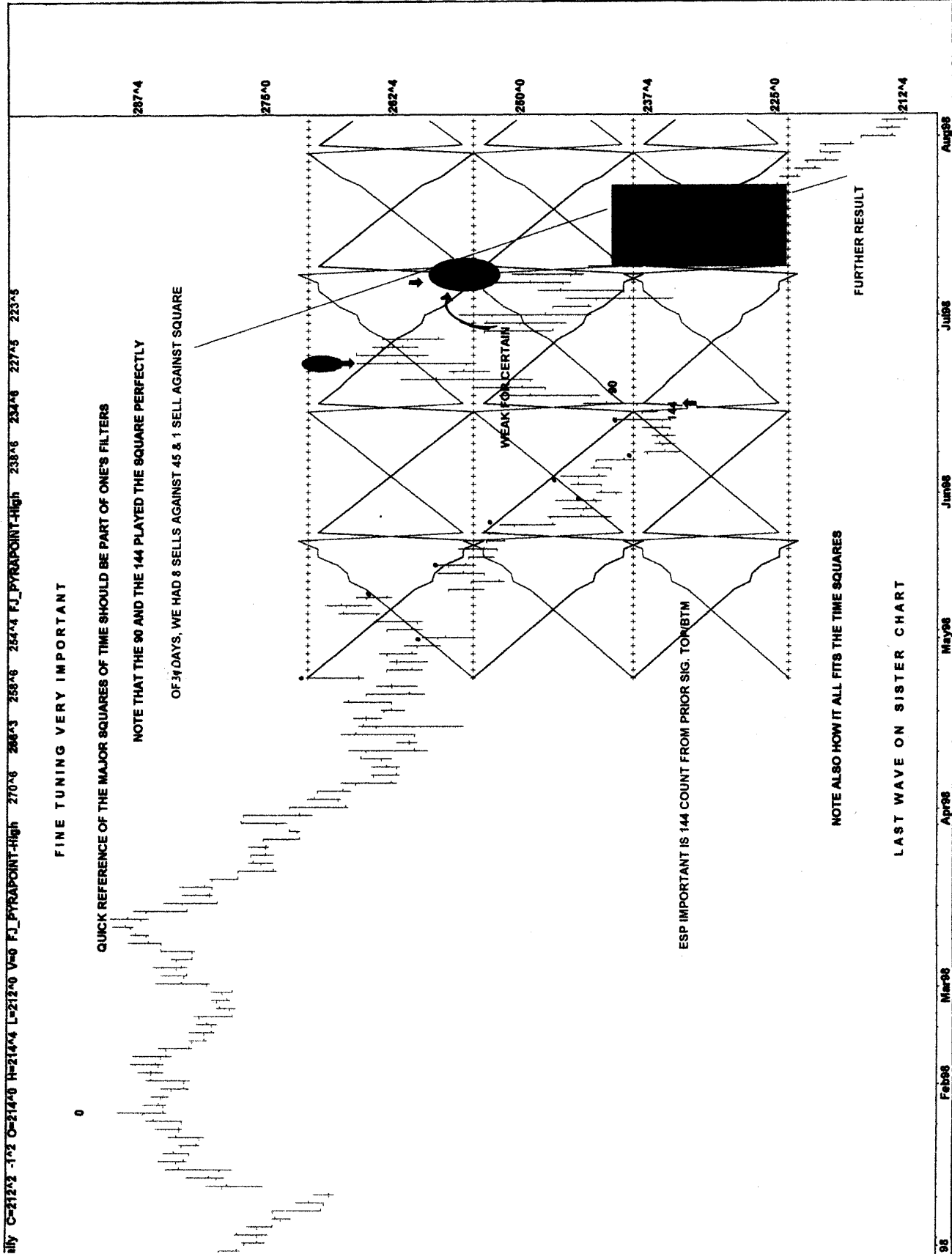


We mentioned that we use support graphs at times. One of the times at which we want to know what momentum indicators are doing is at times at which we are expecting trend changes, such as the end of squares. Of course, this is an excellent time to double-check especially well those indicators, which are indicative of a net move such as Accumulation Swing Indicator, Stochastic, and Relative Strength Indicators. We want to see a real “gathering” of these indicators at the lowest portion of the indicators, and we really like to see the ASI resting below all of the other units, if possible. Even with all of this in our favor, we still need to remember that this is a business, which earns all of our respect as a speculation. But again, this is why we believe that *PYRAPOINT* is the door, which opens this information to us as “common-folk” traders. We caution only this: **STUDY AND LEARN ITS TRUE METHODS -- DON'T TAKE THEM FOR GRANTED -- AND BELIEVE WHAT YOU LEARN!**

Finally, do not take the call until and unless you receive the proper overbalance and subsequent setup signals.







illy C=212^2 -1^2 C=214^0 H=214^4 L=212^0 V=0 FJ_PYRAPPOINT-High 270^6 266^3 258^6 254^4 FJ_PYRAPPOINT-High 238^6 234^6 227^5 223^5

FINE TUNING VERY IMPORTANT

QUICK REFERENCE OF THE MAJOR SQUARES OF TIME SHOULD BE PART OF ONE'S FILTERS

NOTE THAT THE 90 AND THE 144 PLAYED THE SQUARE PERFECTLY

OF 34 DAYS, WE HAD 8 SELLS AGAINST 45 & 1 SELL AGAINST SQUARE

WEAK FOR CERTAIN

ESP IMPORTANT IS 144 COUNT FROM PRIOR SIG. TO BTM

NOTE ALSO HOW IT ALL FITS THE TIME SQUARES

LAST WAVE ON SISTER CHART

FURTHER RESULT

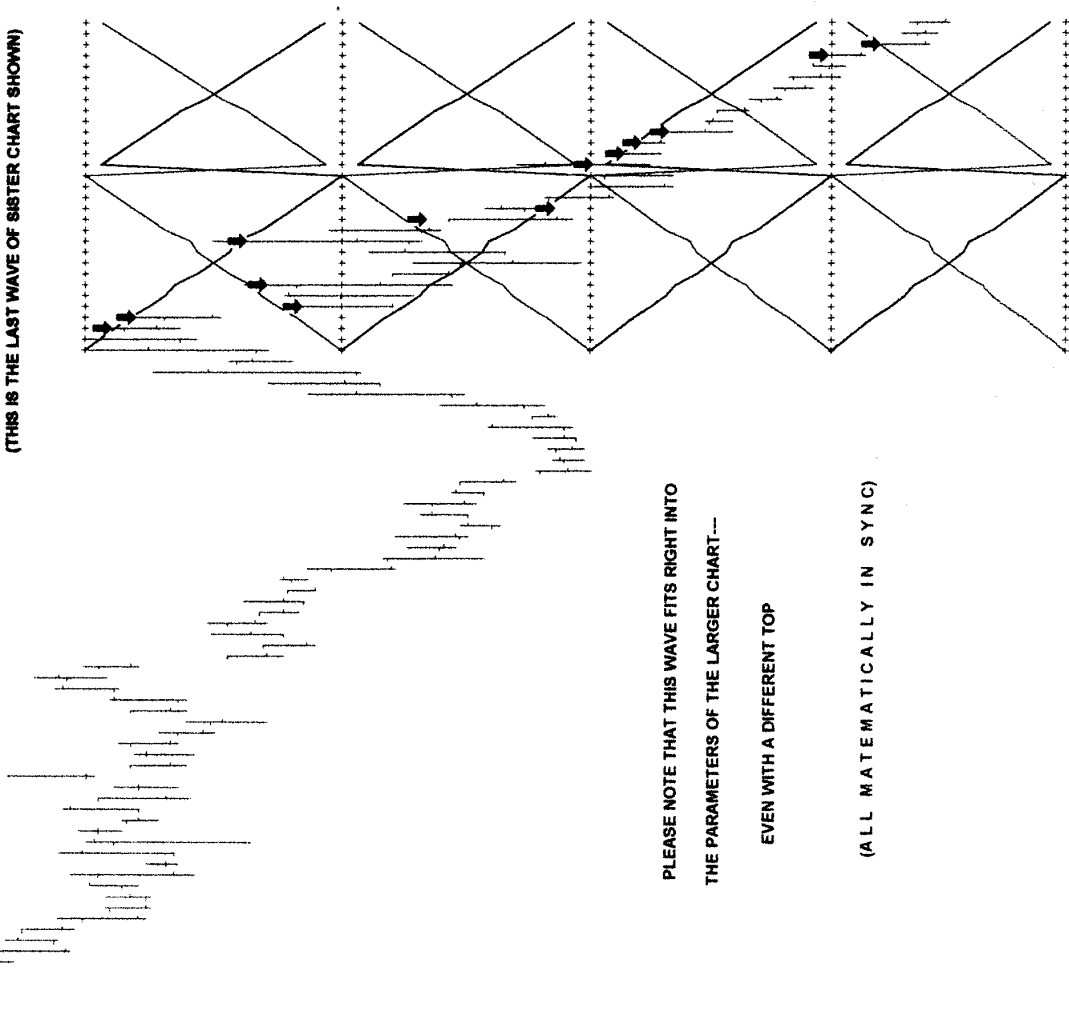
98 Feb88 Mar88 Apr88 May88 Jun88 Jul88 Aug88

July C=212^2 -1^2 O=214^0 H=214^4 L=212^0 V=0 FJ_PYRPOINT-HIGH 268^0 261^0 264^7 249^7 FJ_PYRPOINT-HIGH 249^7 238^3 248^7 234^3

②

WITH THE ESTABLISHED DOWNTREND, WE WATCH EACH OF THESE POINTS AS "OPPORTUNITIES"

(THIS IS THE LAST WAVE OF SISTER CHART SHOWN)



PLEASE NOTE THAT THIS WAVE FITS RIGHT INTO THE PARAMETERS OF THE LARGER CHART---

EVEN WITH A DIFFERENT TOP

(ALL MATHEMATICALLY IN SYNC)

Apr88

May88

Jun88

Jul88

Aug88

A PARALLEL EXAMPLE USING THE STOCK MARKET

In a recent significant move in the September stock index, we pulled this action from our files as a tool to show just how Universal the system is, and just how effective it can be in the stock market as well as commodities. We have chosen the small contract of the S&P simply because this is the one more usually adaptable to the small trader. You may wonder if the small contract has sufficient volume to follow our rules. We invite your scrutiny. We have found it to be just as accurate and nearly as dependable as the larger-volume big brother. The unit is the **ESU of 1988**.

We have made one other variation so that you may learn as much as possible about the flexibility expressed herein. We have used a TIME frame of 120 minutes. A couple of reasons could be presented for your consideration in our choice of 120 minutes. One is the fact that so long as you use the Pythagorean scales of PRICE and TIME, you may be very flexible since the only problem which will be evident will be that of being able to easily recognize the angles and the points of action. This will happen only because the square is not “square enough” for you to easily discern what is taking place at a given time. For instance, the square is too flat or it may be too high in comparison to the TIME frame selected. Again, as we pointed out earlier, it does not make your work inaccurate; it is just difficult to adjust for your mind’s interpretation. Solution: simply make a comfortable-appearing square on your chart that you can read. Your flexibility in scale and in TIME frames will always manage this for you. Trust the system! It will not be a problem for you as you learn to use the program.

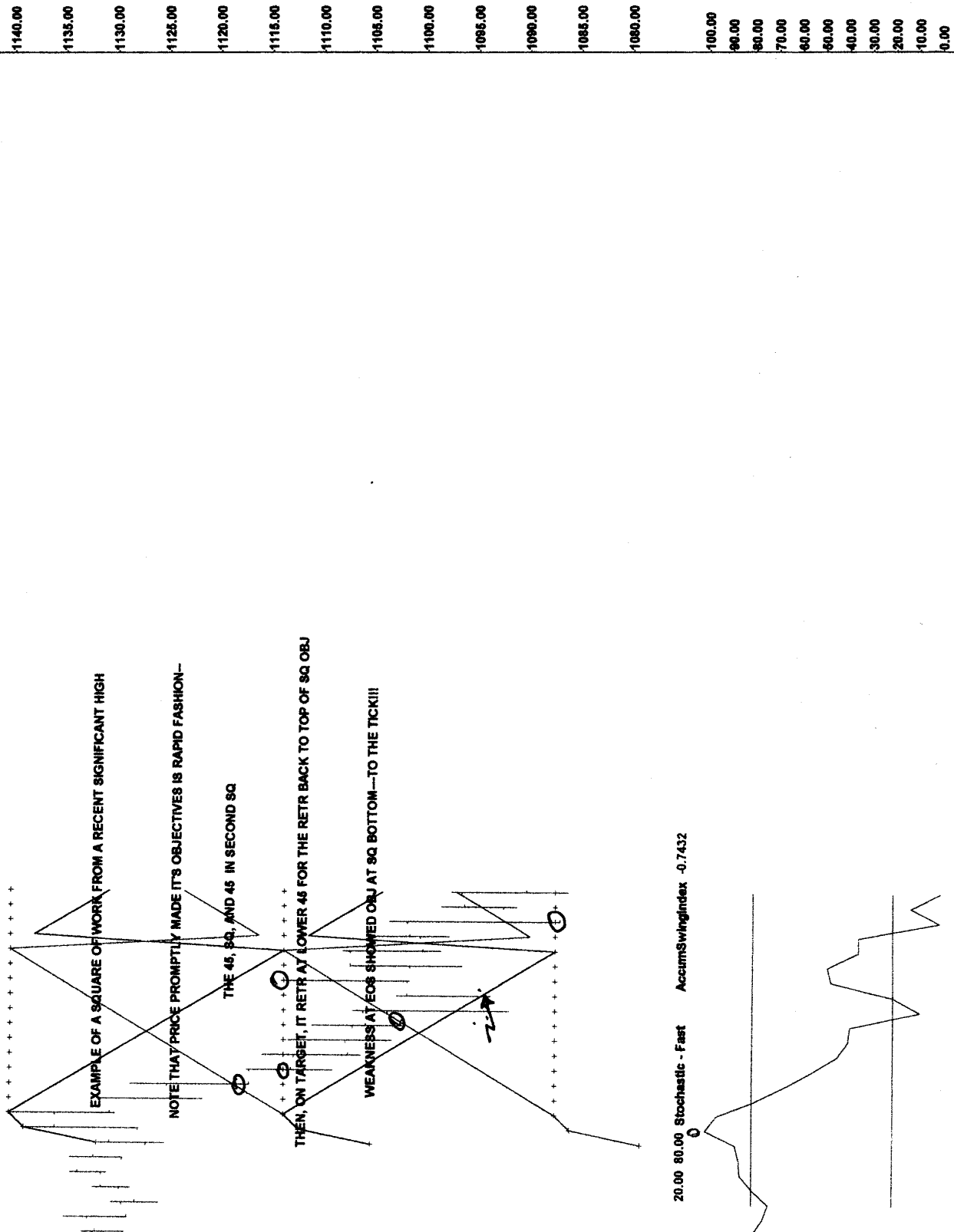
The second reason for the 120-minute TIME frame is that it works out well in the division of minutes of the 24-hour day, which we are recording. Since there are 1440 minutes in our 24 hour day, and since Gann and Company used the number 12 rather often as their “culmination” number (in squares, in PRICE, and even in overlays) our day divides into 120 minute TIME frames nicely. It gives us 12.

Hopefully, this example will breathe a different cycle of life into your charting, adding to that which you have experienced thus far.

Granted, this was a significant move, but it does seem significant in results, as well. During the ensuing 30 hours of trading since the first sell signal was given on June 6, note the four genuine sell signals were given as each objective was reached. Also one buy point was reached (we are telling you not to take those signals which are developed against the trend). Each objective, including the last sell from the top of the second square, was nearly picture perfect.

A quick review will reveal that the 45’s gave a perfect highway for the trip downward. Remember your earlier chart of December Corn? When you get on one of these highways, you do need to follow the fence lines (rules) and take advantage of the wonderful opportunities as they unfold.

18U-120 min C=1066.06 +4.75 C=1092.25 H=1086.25 L=1066.00 V=0 FJ_PYRPOINT-High 1140.00 1130.35 1123.11 1113.46 FJ_PYRPOINT-High 1113.46 1096.77 1087.23



1140.00

1135.00

1130.00

1125.00

1120.00

1115.00

1110.00

1105.00

1100.00

1095.00

1090.00

1085.00

1080.00

100.00

90.00

80.00

70.00

60.00

50.00

40.00

30.00

20.00

10.00

0.00

EXAMPLE OF A SQUARE OF WORK FROM A RECENT SIGNIFICANT HIGH

NOTE THAT PRICE PROMPTLY MADE IT'S OBJECTIVES IS RAPID FASHION-

THE 45, 80, AND 45 IN SECOND SQ

THEN, ON TARGET, IT RETR AT LOWER 45 FOR THE RETR BACK TO TOP OF SQ OBJ

WEAKNESS AT EOS SHOWED OBJ AT 80 BOTTOM--TO THE TICK!!!

20.00 80.00 Stochastic - Fast AccumSwingIndex -0.7432

6/9 6/10 6/11 6/12 6/15 6/16

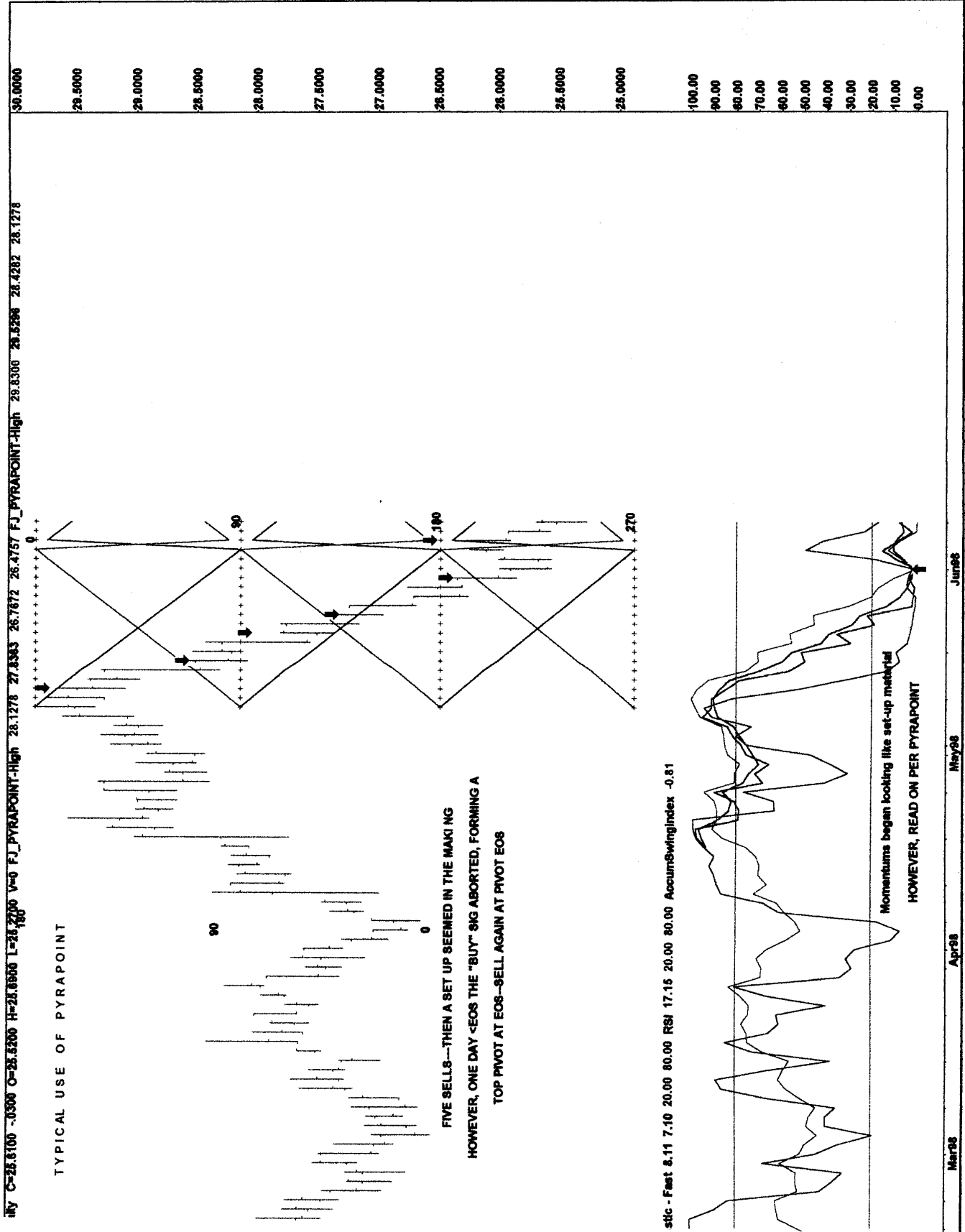
As we have mentioned, pyramiding is definitely your decision -- but you do have the tool to tell you when NOT to pyramid, and again, when TO do so with a minimum of risk. We hope that these examples are clear enough for you to actually feel the wonderful phenomena which is unfolding in front of all of us each day -- and actually in all of life if we can interpret it, we feel.

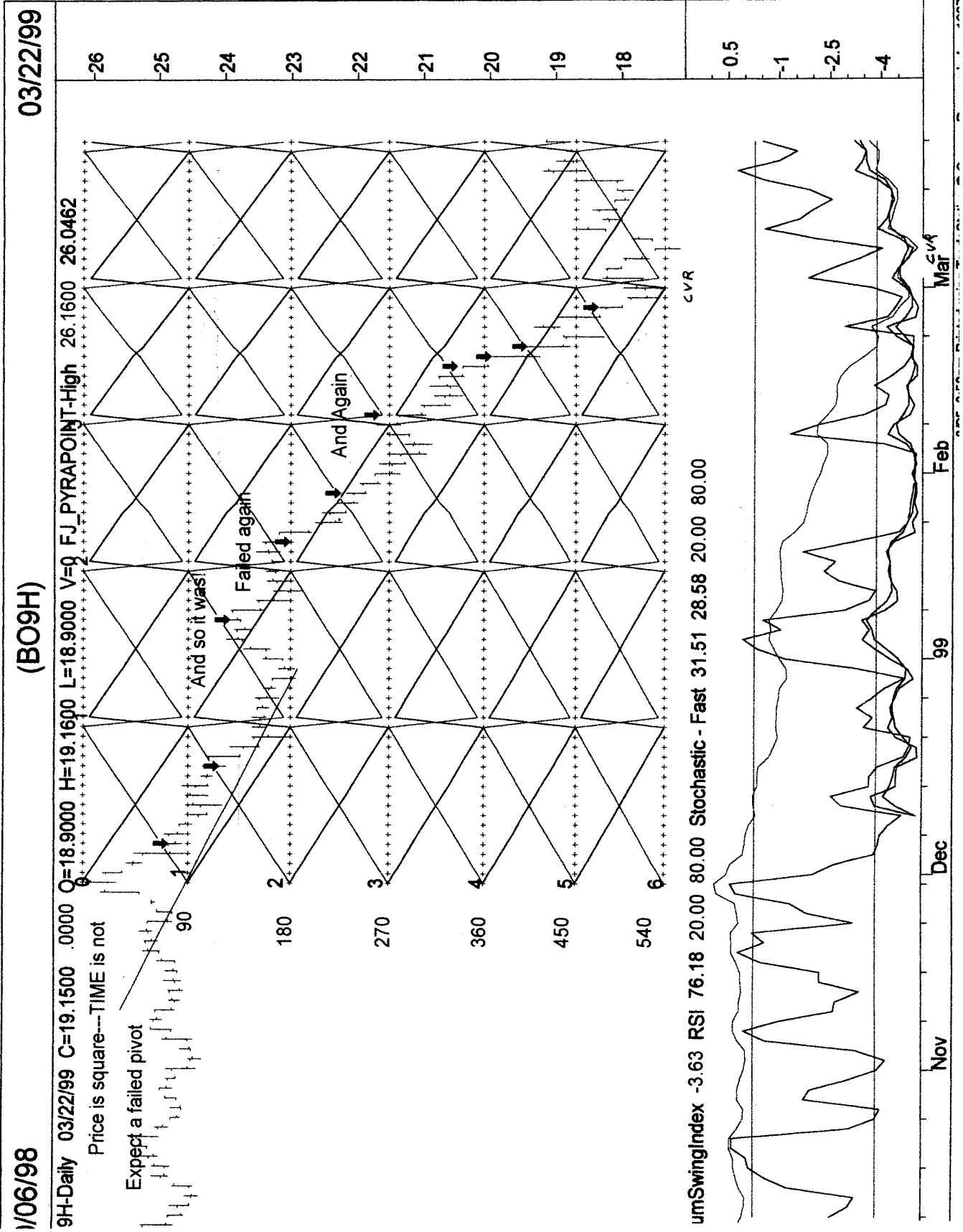
Incidentally, in some 30 hours of trading, we saw nearly 60 points unfold. And this was without pyramiding, and without taking a trade against the trend. Not a bad hourly rate of earning!

While we are in this mode of charting, let's take a quick look at a similar-looking chart. It is one of a very different product from the stock index above. It is a recent trade of **July Soybean Oil**.

At first glance, one will discern that the charts have a similar profile; however, here the similarity stops. The results are just as thrilling and just as accurate. Note that we tracked "oil" up approximately 180 degrees on an up wave until we took the sell at nearly 30.00. We then recorded an objective and a sell at the support 45 in this square, an objective and a sell at the bottom of the first square, an objective and a sell at the 45 support in the second square, an objective and a sell at the bottom of the second square, and a new sell again generated at the top of the third square. Note, too, that you had a perfect pivot for a resell at the end of the third square, near the top again.

We are showing you an example here of one square of TIME, yielding nearly 270 degrees of profit. We will be more cautious now, however, for the next move. Why? And what is the recommended move? Remember that we stated at the beginning that a trading system should give signals for any given TIME, and a recommendation to go along with the indicated judgment. We also said that *PYRAPPOINT* does a good job of providing this. So as to "why" -- we note that we are getting our momentum indicators (which are used as "back-up") into an oversold status. We can, therefore, afford to be cautious with further shorting while we await our momentum lines to confirm what we like to call a "gathering". Actually, this is a signal to watch for a "setup" for a possible trend change for at least a temporary countermove. The system will tell us this -- and it will tell us when as we watch for EOS and other data. Gann was often quoted as saying that money is made with patience, and this may well be good advice while we are awaiting data to fall into place toward a setup. Setups are always developing. It is our job to find the good ones, and then to stay with them until they leave the familiar "profit highway" as we have discussed.





PART VI

Principles & Examples Applied to the “Firing Line”

PRACTICAL USE OF “2 X 1” LINES

A functional use of the 2 x 1 lines is to confirm a trend, as we have stated. A further assistance is found in the example to follow wherein we share a chart of **December Corn**, the details of which we have covered in a separate demonstration.

As shown in the July Corn example, corn is in a downtrend and, per the chart, has been since mid-March. One of the confirmations for status of trend change is that of breaking the 45-degree line of the square of the next greater degree. This just happens to be the 2 x 1 line of the particular square in which you are trading -- in other words, for this parameter. Remember this from the construction of the square in which we participated without PRICE projection upon the chart?

If this is the rule to which we are leaning for this decision, it is easy to see at a glance whether we are in the area of decision. Then assuming that PRICE does break this 2 x 1 line, thus giving an indication of trend change confirmation, we see our first objective for the break to obtain by placing a parallel 2 x 1 line at the next set of squares. This we show in the chart of December Corn as an objective to the upside after the break to the upside initially given in mid-June at EOS.

Note also that the lower parallel 2 x 1 is actually the same one as the 1 x 1 of the lower square. We have presented the lower square as the 45 degree square so that you can again see how they all fit, and to let you see how a square of the lower degree many times acts as a “cleanup” square. Actually this is the result of stop tripping and “lost motion” in many cases, in our opinion.

So the 2 x 1 line gave two good assists in the case of our December Corn study: (1) It gave a signal for a confirmed trend change which we could expect to go at least a square -- which it did, nearly to the cent. This reference is in the 4th square. (2) It gave an excellent accumulation level and area to get on board for the excellent move, which accommodated us at the proper timing at EOS.

One other thought should possibly assist our future analysis per this chart. It is easy to see that we should sell at each of the broken 45's and square bottoms. However, in the second square we make a comment upon the chart, which may leave a question in you mind. We say that PRICE is “in the bullish triangle of the square”, but we call it questionable “no man's land”. We also say that there is a likelihood of some “treading 'til PRICE breaks the triangle”. The

interpretation, which we are presenting here, is that PRICE will try to go upward in this part of the square, but it is held at the top of the square because of the fact that we are in a downtrend. We, of course, expect TIME to bail us out -- and it does, by getting closer to both lines at the end of the triangle until something “has to give”. One other supporting bit of evidence in this reference of a trading affair is found in the supporting evidence shown in the indicators below on the chart. Notice that they are all virtually at a standstill. We have highlighted this for your clarification.

PRICE breaks the above-referenced triangle to the downside (as you may have expected, given trend) and it proceeds directly to the EOS where it sets up a pivot. Tough times are truly in play for this setup because PRICE has not only the resistance 45 to cross, but the 2 x 1 as well. And fail it does -- per the rules directly to the 2 x 1 of the next square which is the 45 degree square drawn below the square of trading. Obviously, as per our prior instructions, this is the 1 x 1 of this square.

One of the times, which we depend more on the supporting indicators, is at times of approach of these lines just described. In this case we note that the ASI is finally below all of the indicators, and the rest are in “buy” mode. Granted, some of them have been for some time, but ASI has only come to this position at this particular point.

As is shown by the notations on the charts, this activity is presented from our studies for approximately a 90-day period. It does give one the impression that the study, and indeed the system, needs to be interpreted within each triangle of current trading, within the square of current trading, and within the degrees of the circle of TIME and PRICE.

Then, of course, you can see that the pivot lasts only to the top of the square (at the 2 x 1 line as a matter of fact, as well) then fails and proceeds to follow the rules on through this and the next square.

One more chart may assist your knowledge of how to use the 2 x 1 for your daily decisions. Again, we use the charts in the hope that it will not just be a theory of what might be. Rather, we want it to be a current decision-assist.

The next chart in this series is that of our old familiar **September Corn**. Our prior reference relative to use of the 2 x 1 versus the use of 1 x 1 lines is somewhat emphatic in this study.

Although it is somewhat repetitious, it is well to look at the manner, which it may all fit together. Granted, this is more information that you will be digesting all at one sitting in a trade. It, nevertheless, will hopefully show coordination as to the rules to which we have referred. By seeing them in one grouping, it just may make more sense to you since we know by experience that it takes a lot of repetition and surveillance of what really is going on in the marketplace for it to fit our image of the “true markets”. Our encouragement here is for you to please study the reasons that the lines are here, and understand why we have made notations in each case. This, again, should not be a discouragement because of the number of lines. We have presented them over a period of several months in many cases, so realize that you would NEVER have all of this information looking at you at one time in your normal course of trading for TODAY’S DECISION. Rather, you need to develop a feeling of current direction for these months or days of background so that you will be EXPECTING the action, which ensues. Herein lies the opportunity to go with the move that has been indicated.

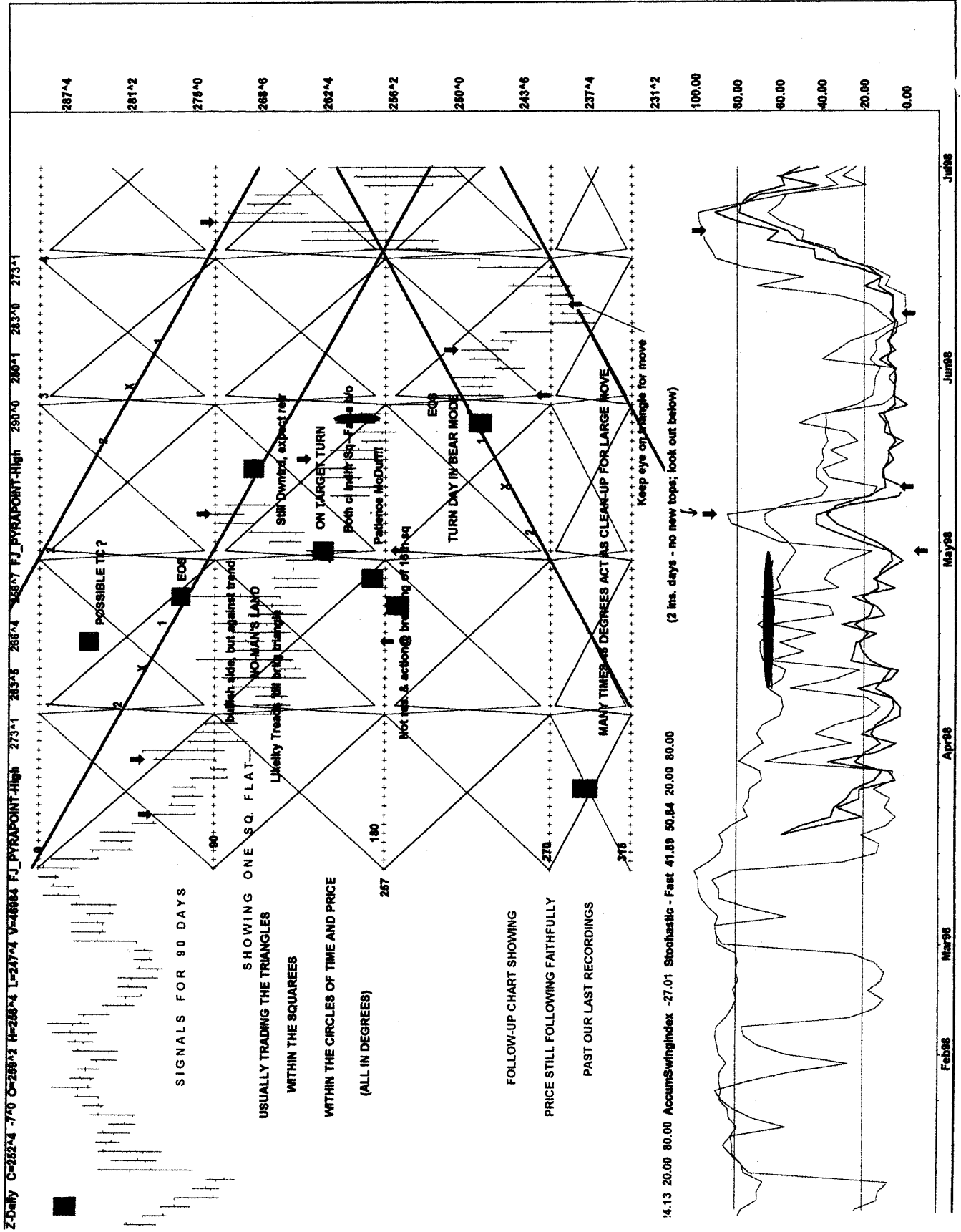
Having said this, let’s again look at some of our examples, which are evident for our rules and for our definitions, which are evident:

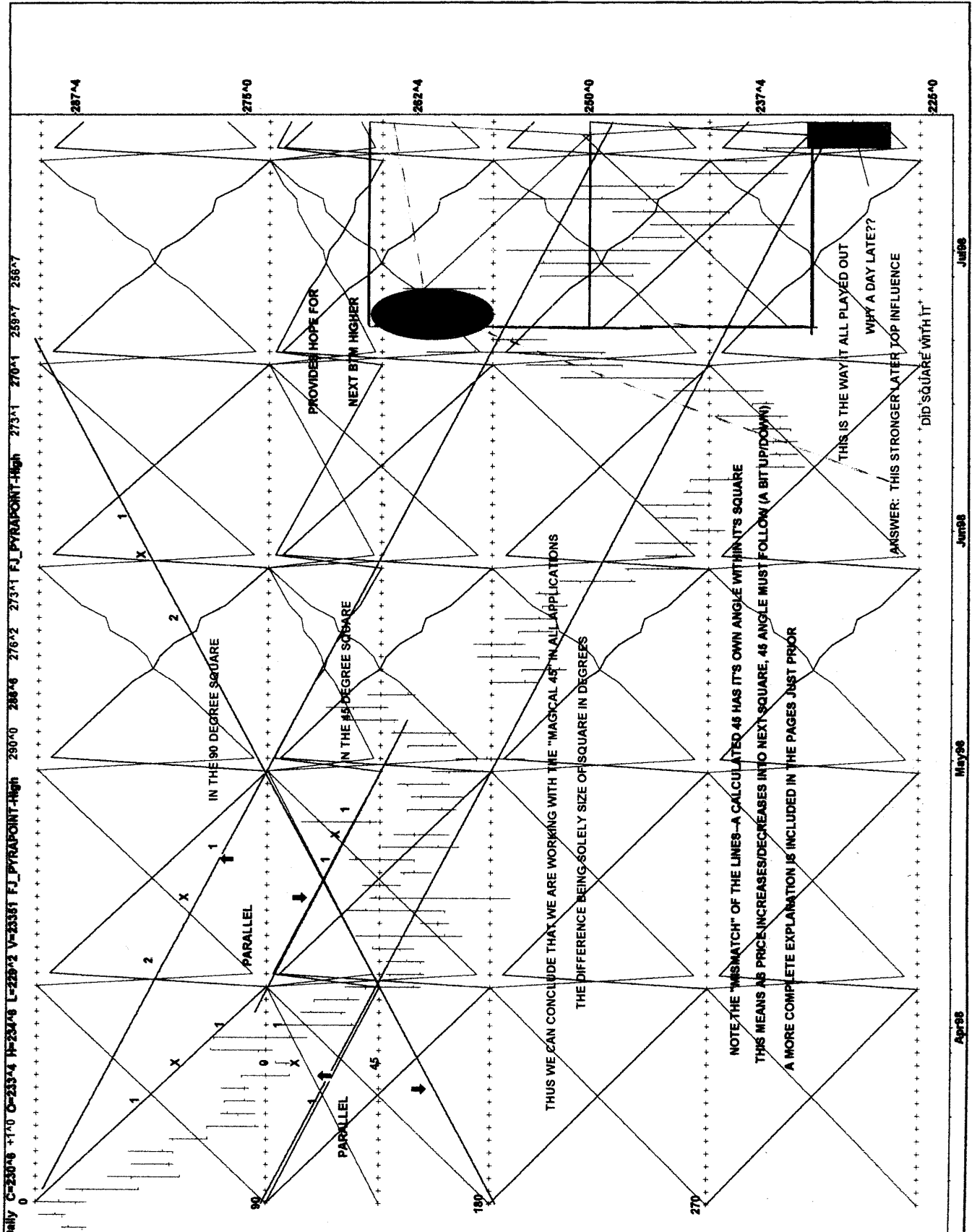
We teach that the 45-degree lines are obtained by the bisection of each square in which we are trading. We have also taught that, since the size of the square is dependent upon PRICE, the square will necessarily need to increase in size as PRICE exceeds the end of the square of the number in which you are trading. Thus, as stated, if you go upward from the square of 15 (or 225) you will enter the square of 16 which is proper until the top of its square (or 256). As we have also taught, you know that TIME bars will need to change as PRICE exceeds these levels.

Obviously, if you have an extra bar in this square and you bisect it properly with the 45 calculated degree line, it would end with a bit different line than the straight-line projection of the prior square's 45-degree line. All that we are saying here is that this should not surprise you that the calculated lines have an accuracy which is not totally reflected with the trend lines which we illustrate by hand-drawn trend lines such as the 2 x 1's, and the trend line drawn 1 x 1's. Example: the 2 x 1 drawn upward from the left of the chart at the 180-degree line (down from the top). This line extends upward and to the right where it should intersect each of the *PYRAPOINT*-drawn intersections exactly. It is close, but as much as we have attempted to draw the line accurately to fit the calculated squares, it is a small bit off in the extension of the lines. This is not a serious thing. If you (and we) trade within these parameters, it will cause no margin call. Rather, this information is provided to you for your clarification of the relationships of the squares and the respective 1 x 1 and the 2 x 1 lines -- and of course, their relationship to each other. They are truly "Sin Twisters".

One important thing to remember when analyzing your trades in this chart with many lines is that you are in a DOWNTREND and therefore you are concerned with the lines, which are directing your way. This turns out to be the 45's, which are giving you signals for "sells". In other words, you are not particularly concerned with the performance of PRICE as it relates to the "down" or red 45's except to determine objectives. Your signals will be on the "up" 45 which act as "bear flags", as are calculated within this square. This should keep us on the right track until, and unless, trend changes. Note that we received sell signals all of the way across the chart until the early June consolidation at the 45-degree line. Note, too, that this is in the square of 360 degrees from the February top. Interesting, isn't it?

This **September Corn** chart gives us the opportunity to study one other important point, which will show in your decisions at some time the future. This is the importance of the nearby significant highs or lows in the realm of a longer-term chart such as this one of reference. Recall that this chart has been giving us signals since March, some four months ago. We can, therefore, expect that a rock dropped in the stream of PRICE at a recent TIME, will have its own effect competing with the four-month-old major top. You will always note that the influence will remain even after the waves of influence simmer down with time. In this case, the effect was to have a strong enough influence as to delay the normal squaring of TIME to coincide with that later significant top. Granted, it was only a matter of hours, but it was enough to make the double-bottom pivot influenced into the second bar past the original square. It is noteworthy to observe that in so doing, the square superimposed on the chart from this last significant high is exactly on target. This is reasonable. It tells us to trade per the parameter in which we are located at this time (heard this before?). But never forget to keep an eye upon the big picture as you proceed through the "ever-onward, ever-outward" progression of TIME on your charts. Again, we encourage you to unravel each of the notations on the chart, and remember that they were reflections of happenings over a four-month period. Don't let the multi-lines confuse you!

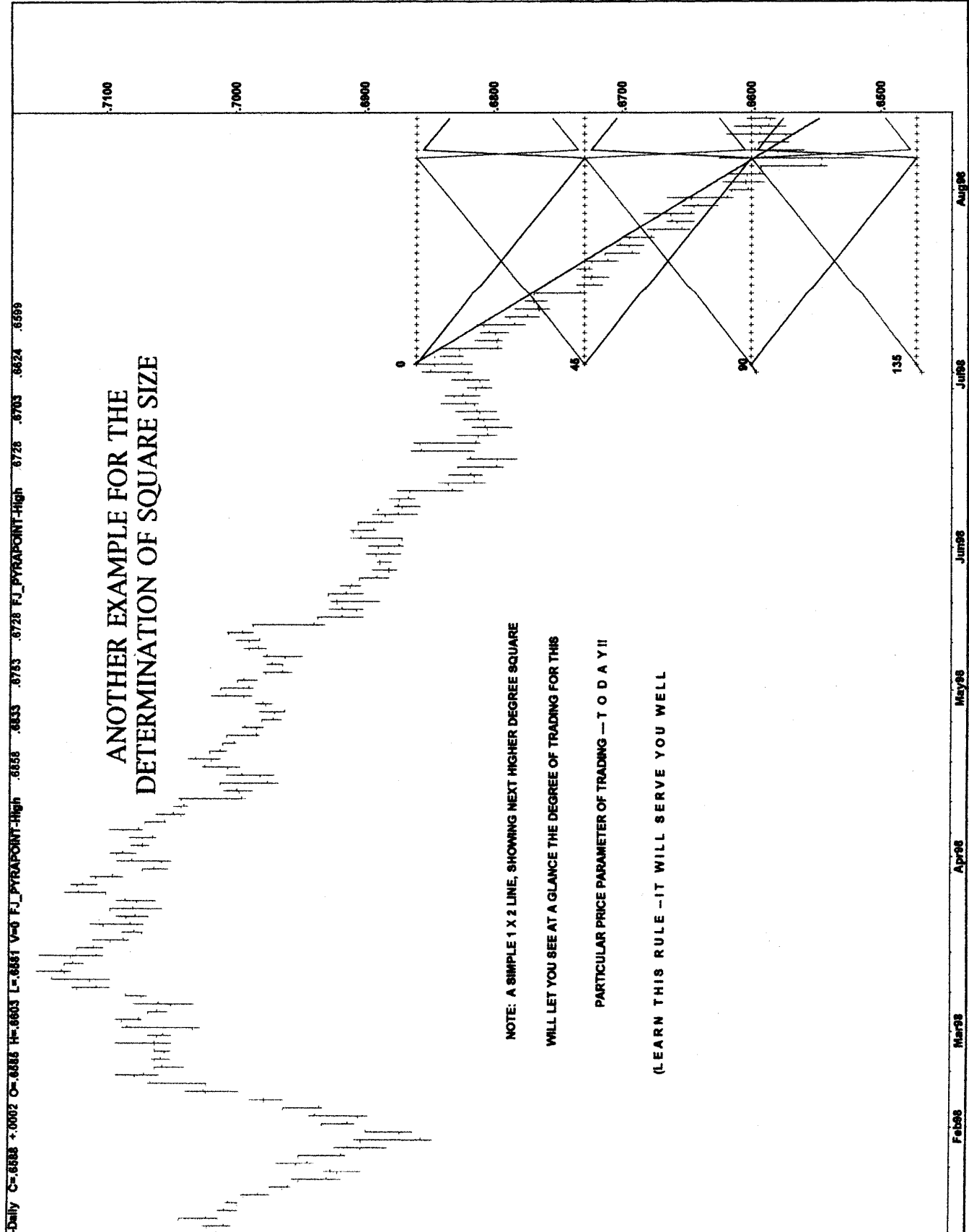


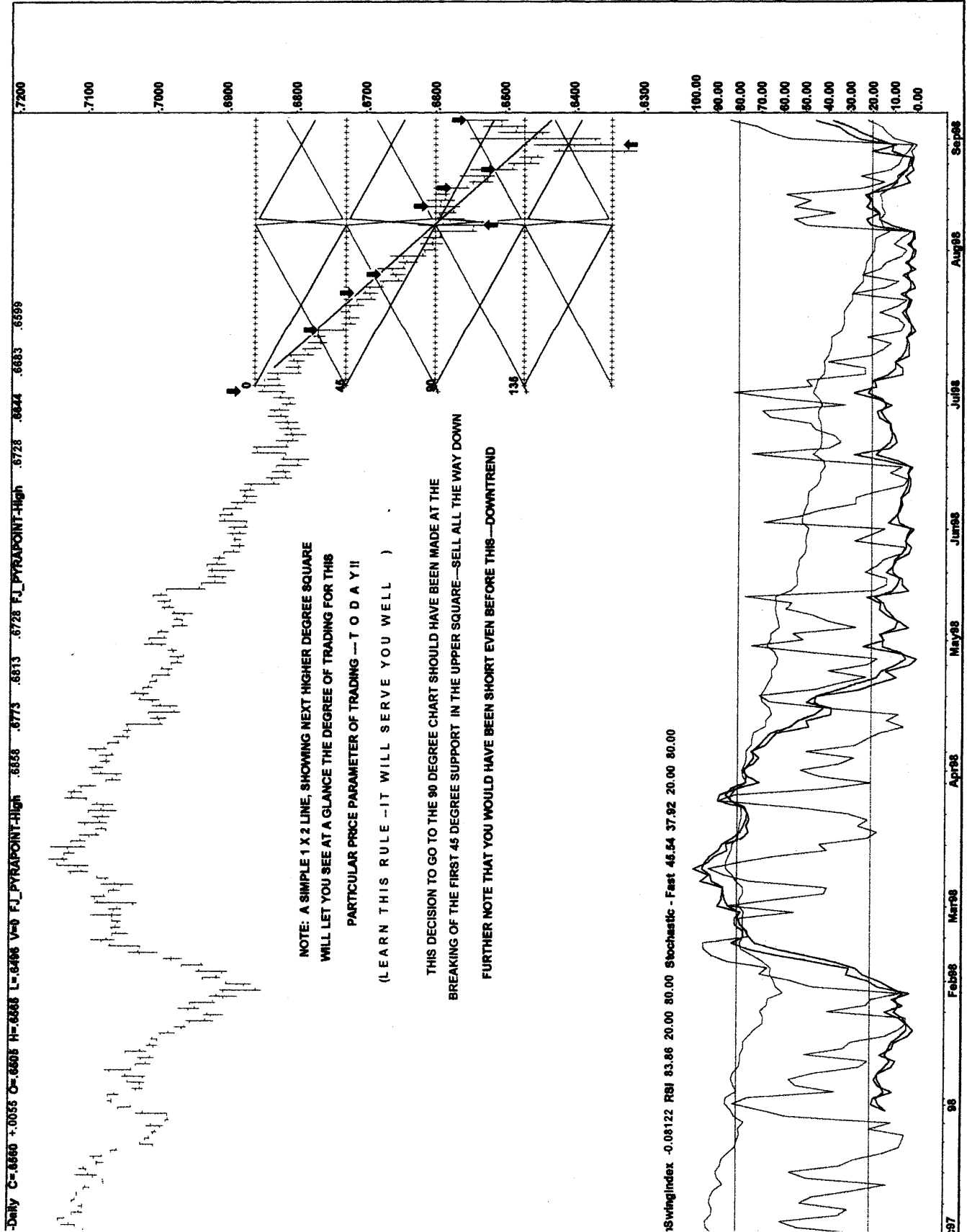


Jun88

May90

Apr88



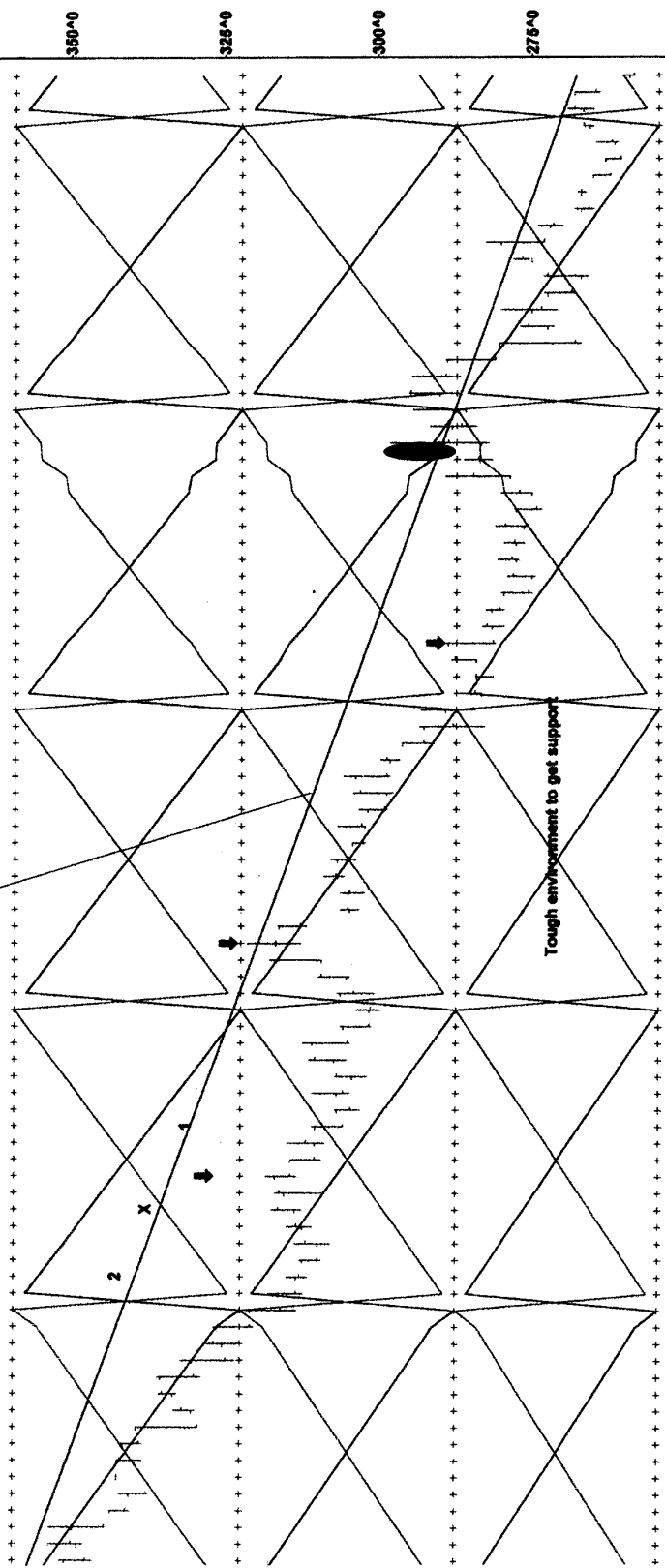


July C=288*2 -0*2 C=288*0 H=288*0 L=288*2 V=0 FJ_PYRPOINT-High 322*0 318*7 293*2 287*1 FJ_PYRPOINT-High 369*0 362*3 328*4 322*0

EXPLODED VIEW TO SHOW ADDED USE OF THE 2 X 1 (ACTUALLY IS THE 1 X 1 OF LARGER DEGREE)

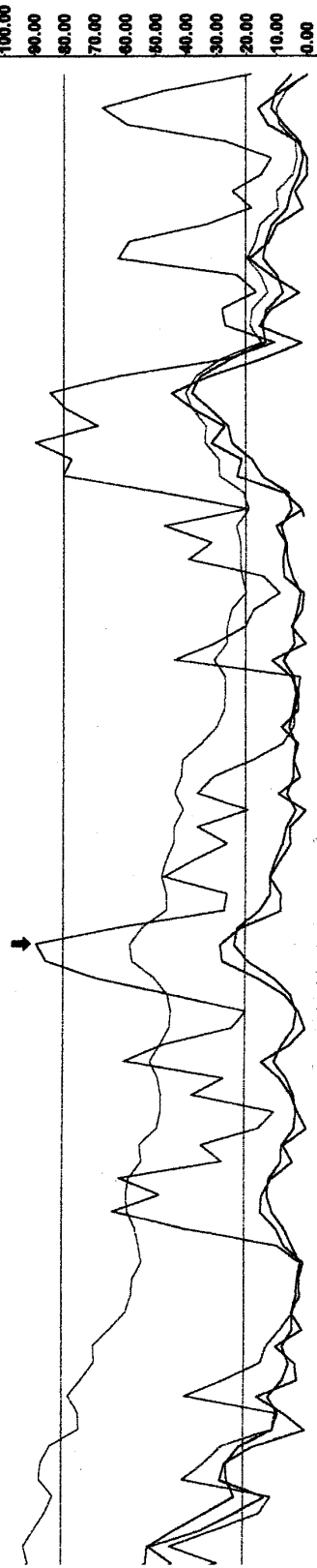
INDICATES A LONG TERM WEAKNESS —AND SO IT WAS—!!

UNTIL, AND UNLESS, CROSSING THE 2X1 LINE



Tough environment to get support

Swingindex -0.9199 RSI 18.32 20.00 60.00 Stochastic - Fast 0.00 5.15 20.00 80.00



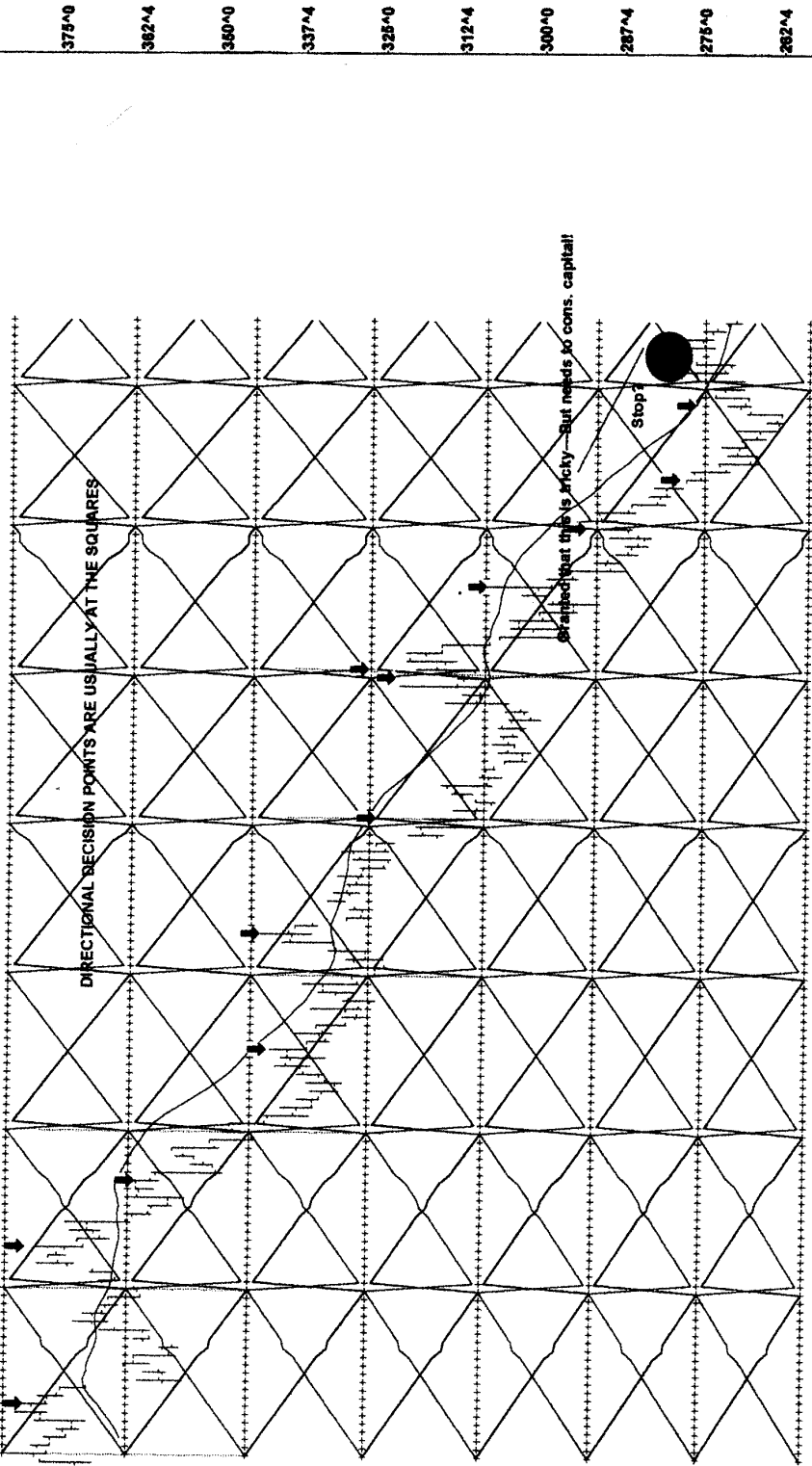
April

May

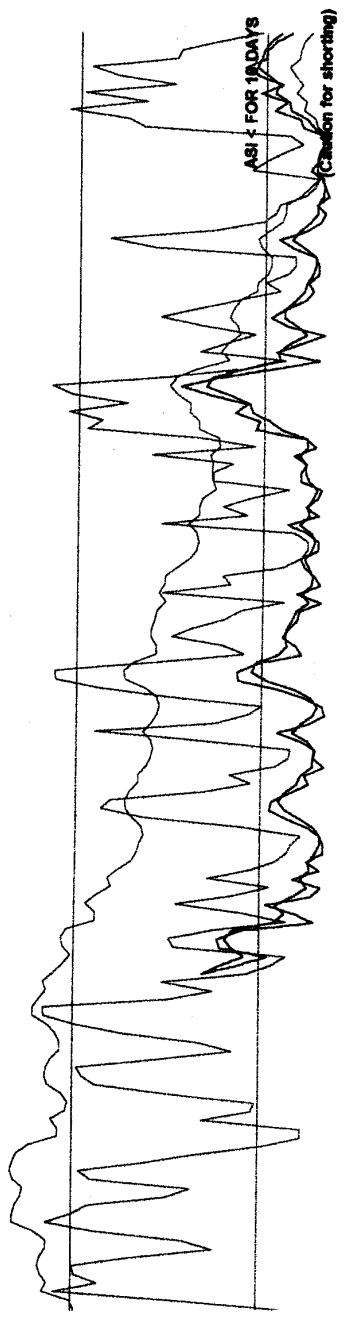
June

June

!Daily C=288*8 -2*4 O=271*0 H=271*4 L=288*0 V=0 FJ_PVRAPPOINT-High 257*3 283*3 282*3 274*4 Mov Avg 1 Min 270*5 FJ_PVRAPPOINT-High 383*0 373*7 372*8

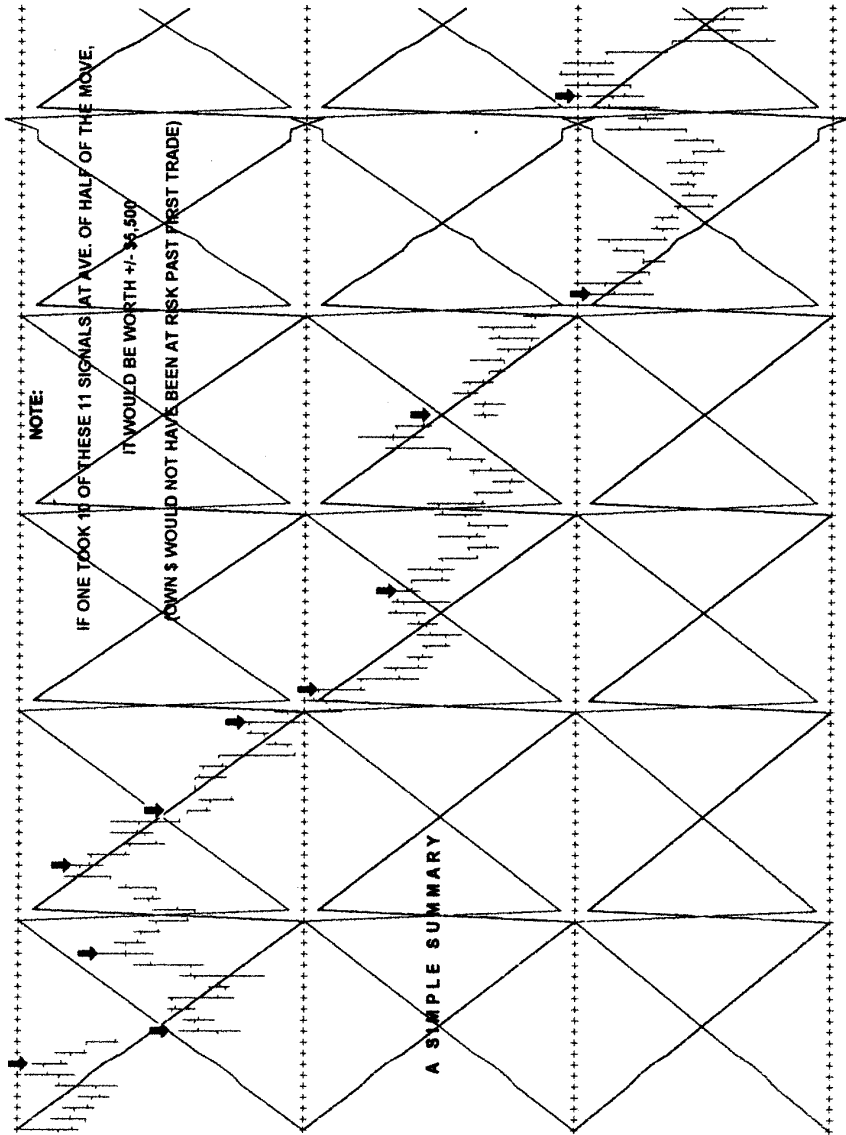


!SwingIndex -0.6617 RSI 21.49 20.00 80.00 Stochastic - Fast 12.18 16.67 20.00 80.00



Feb88 Mar88 Apr88 May88 Jun88 Aug88

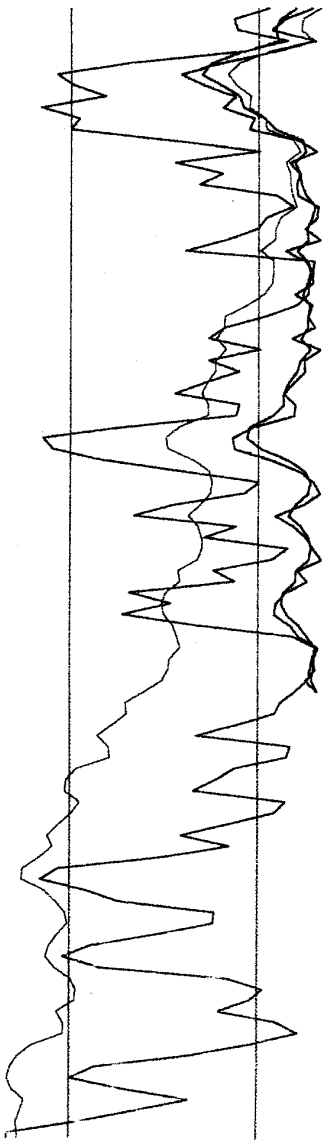
aily C=288^2 ^0 O=272^4 H=273^0 L=288^0 V=0 FJ_PYRAPPOINT-High 292^4 273^0 278^7 259^2 FJ_PYRAPPOINT-High 365^0 343^0 348^5 327^6



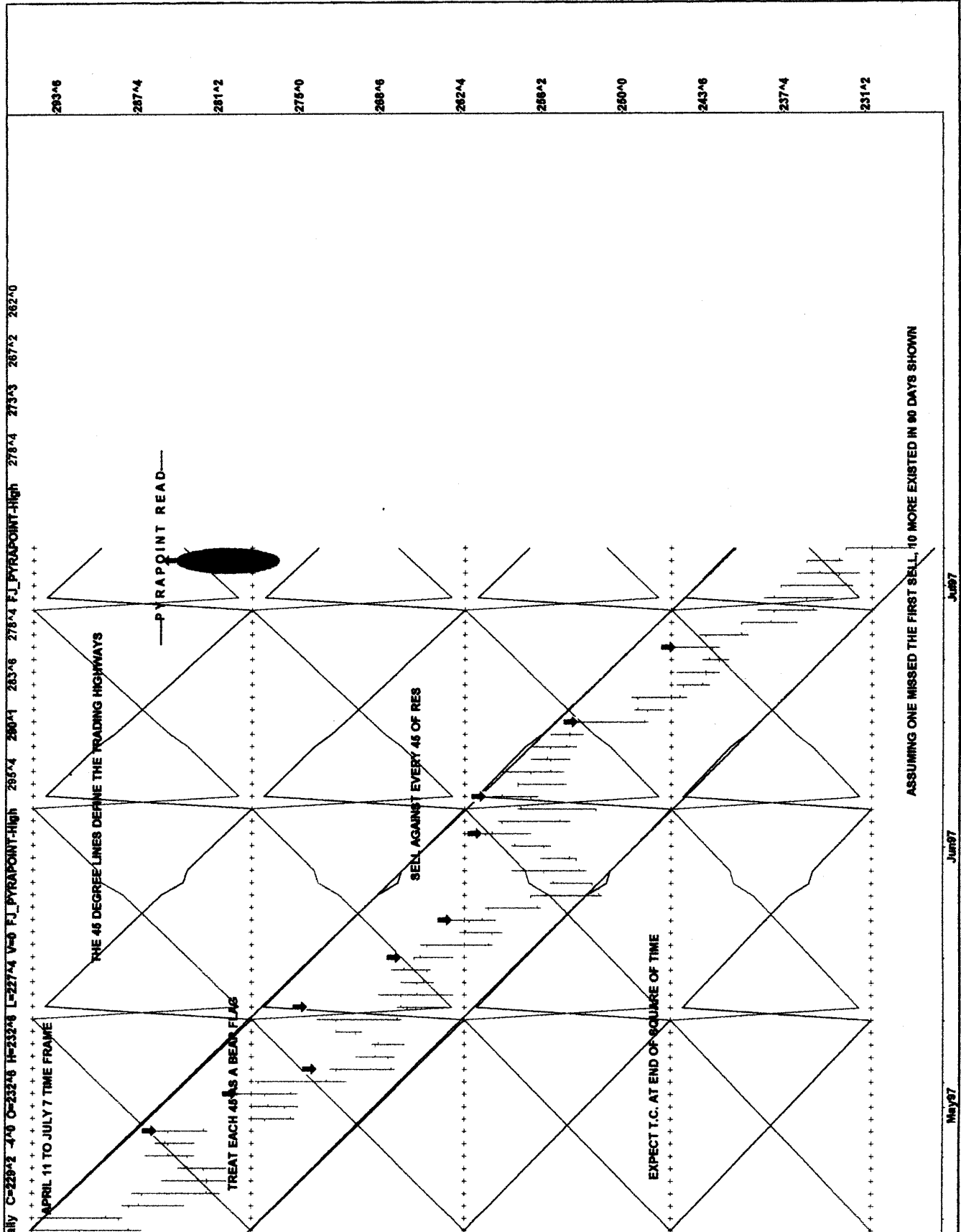
A SIMPLE SUMMARY

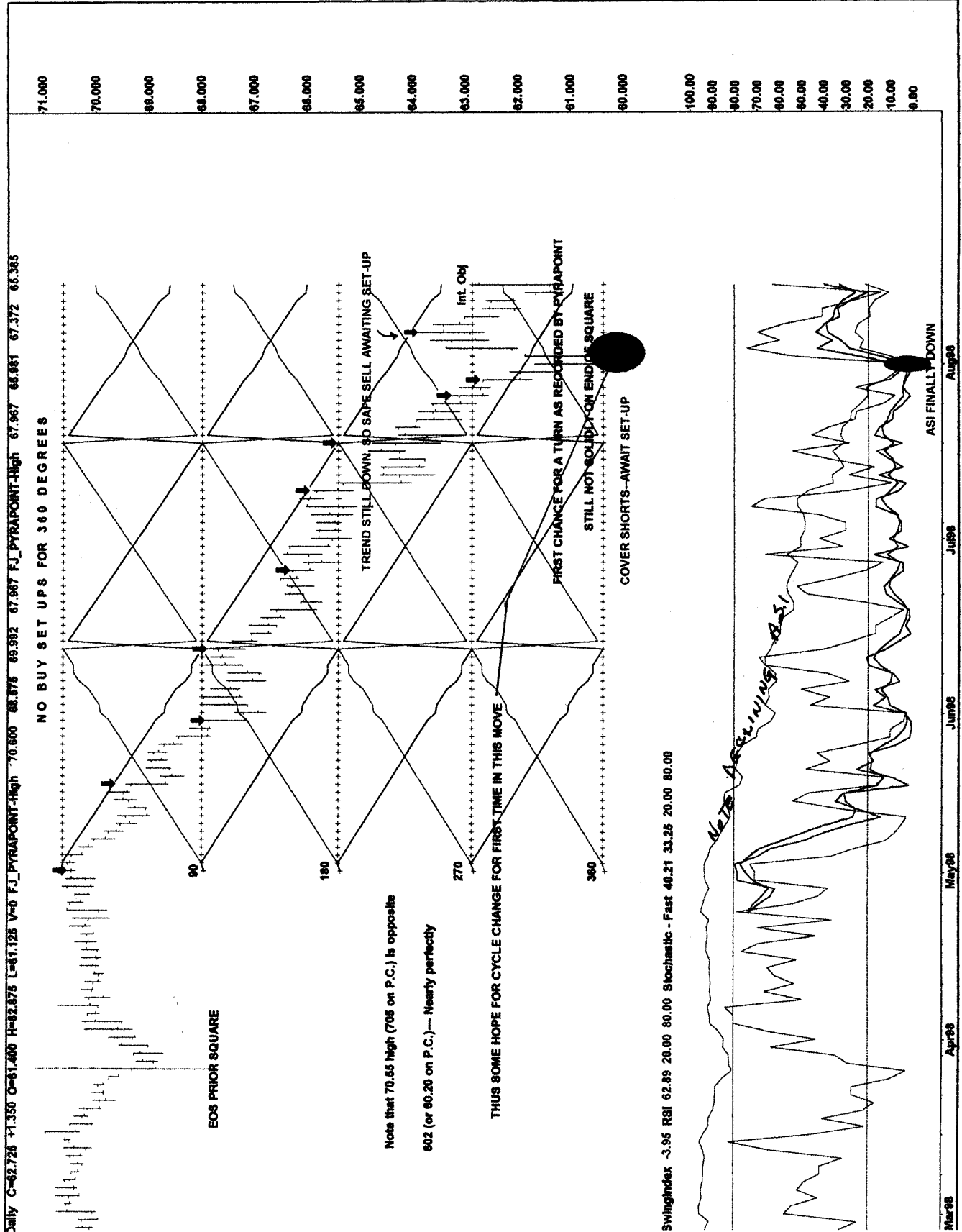
NOTE:
IF ONE TOOK 10 OF THESE 11 SIGNALS AT AVE. OF HALF OF THE MOVE,
IT WOULD BE WORTH +/- \$5,500
(DOWN \$ WOULD NOT HAVE BEEN AT RISK PAST FIRST TRADE)

SwingIndex -0.5666 RSI with Alert 16.49 20.00 80.00 Stochastic - Fast 2.78 8.06 20.00 80.00



Feb98 Mar98 Apr98 May98 Jun98





A PYRAPOINT PICTURE IS DEFINITELY WORTH A THOUSAND WORDS

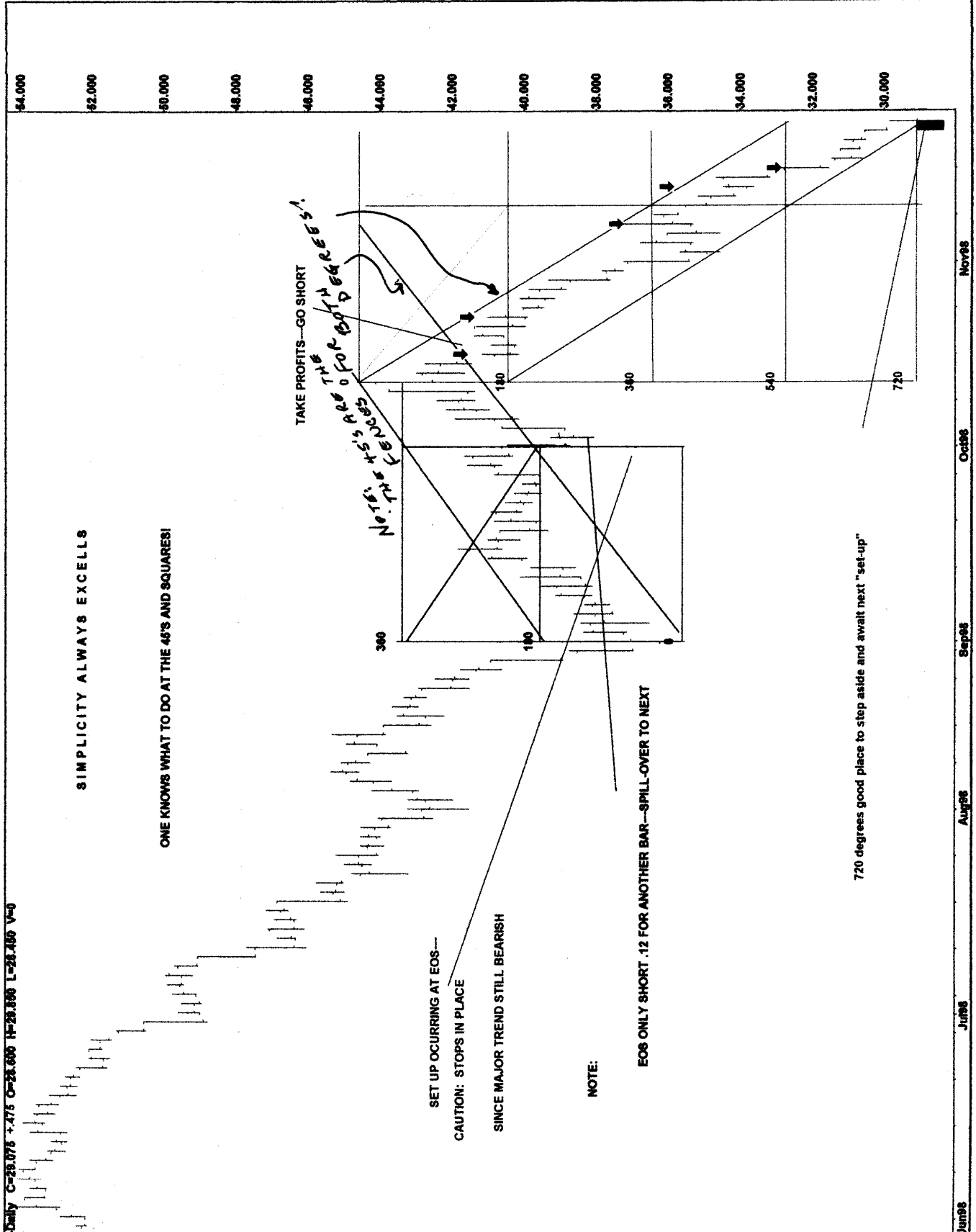
(Note the **December Hogs** contract, which follows)

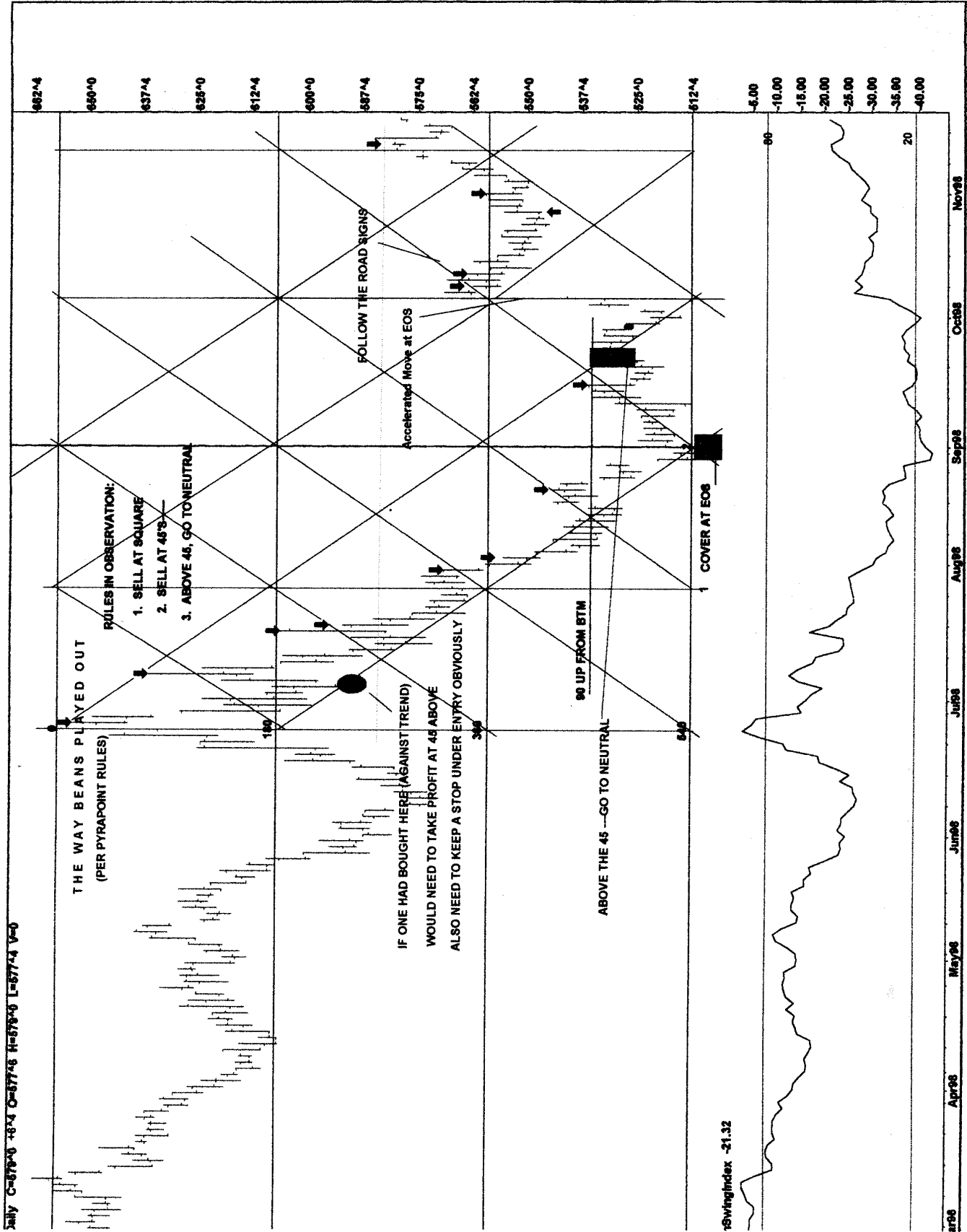
Hopefully by this point of study you will have determined that **SIMPLICITY IS THE WAY**, and that you have pondered and realized that many of the lines are the results of ongoing scenarios. Consequently, as you proceed in your trading, you will be involved with only a small portion of the chart for the most part at any given time of trade-decision.

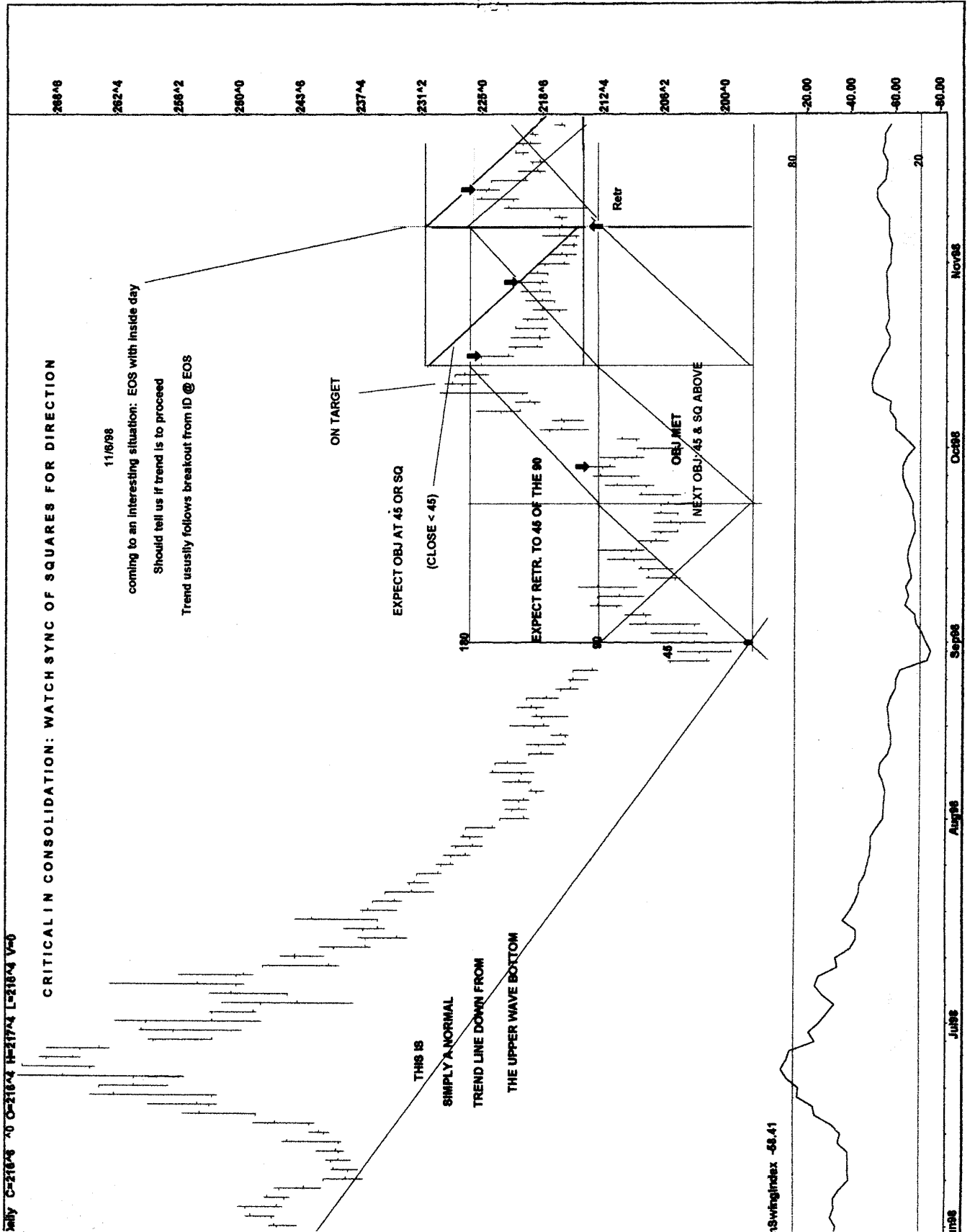
With this in mind, note that many conclusions can be rendered with this one eighty-day chart:

1. The retracement was primarily contained within the 45 highway.
2. The trend turned back down at the breaking of this 45 containment.
3. PRICE followed the 45 highway downward within the containment of the 45 of the next larger degree.
4. As soon as the break to the downside of the channel of the calculated 45's ensued, one took a look at the downside potential and thus the red squares were initiated from the last significant top -- and it all fit.
5. One can sell against the calculated 45 all of the way down to objectives.
6. What are some objectives for consideration?
 - a. We are nearing 2 cycles down in PRICE since last significant top -- this is 720 degrees on the P.C.
 - b. We are roughly a week away from EOS.
 - c. We are approaching 90 days from the September bottom -- we simply need to read it as it unfolds!!

Study the charts, which follow the Hog charts for further examples of reflections of the principles to which we are referring. The "pictures" should now reveal much of our rhetoric, which you have been patiently wading through.







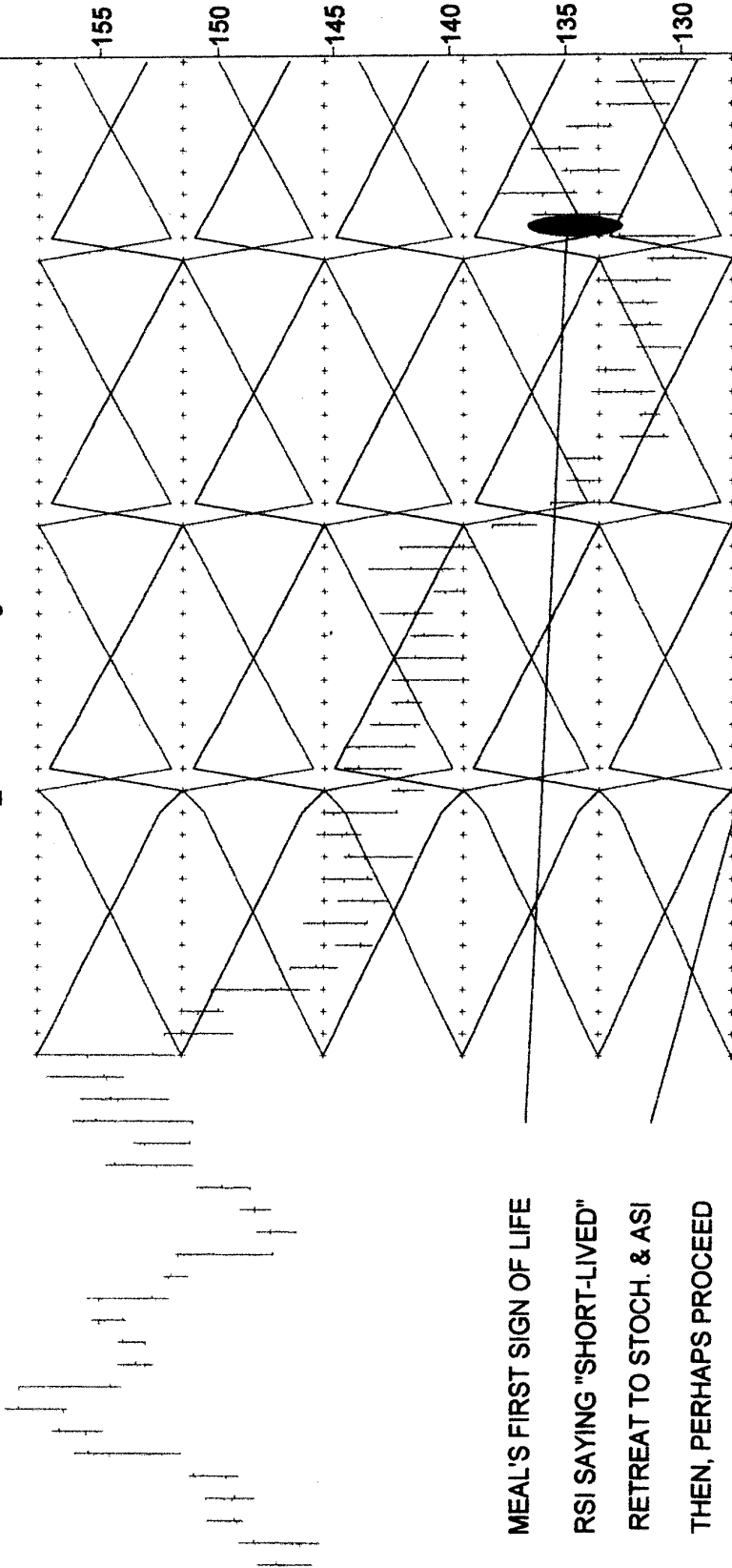
AND RETREAT, IT DID--JURY IS OUT ON ACTUAL TREND CHANGE

9/98

(SM9H)

02/11/99

-Daily 02/11/99 C=130.8 -.7 O=131.8 H=131.8 L=129.0 V=0 FJ_PYRAPOINT-High 133.5 129.2 132.1



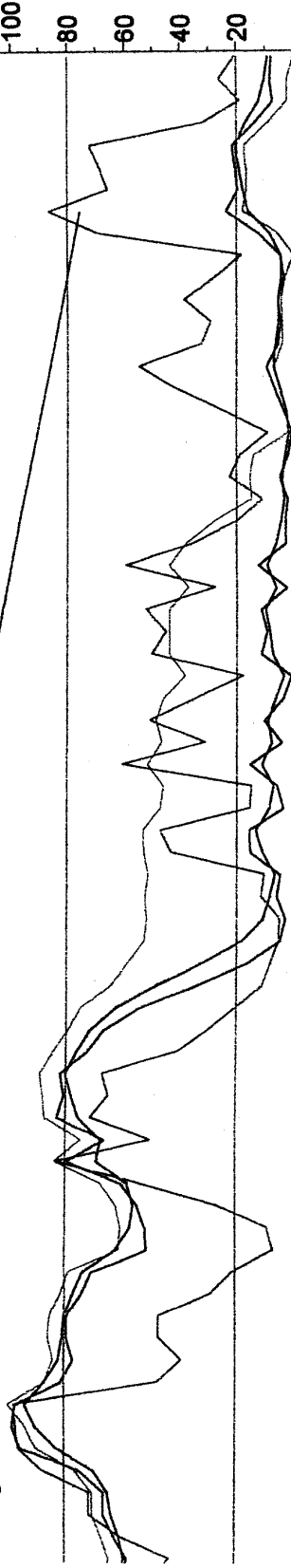
MEAL'S FIRST SIGN OF LIFE

RSI SAYING "SHORT-LIVED"

RETREAT TO STOCH. & ASI

THEN, PERHAPS PROCEED

nSwingIndex -5.62 RSI 20.69 20.00 80.00 Stochastic - Fast 8.19 9.42 20.00 80.00



OV

Dec

99

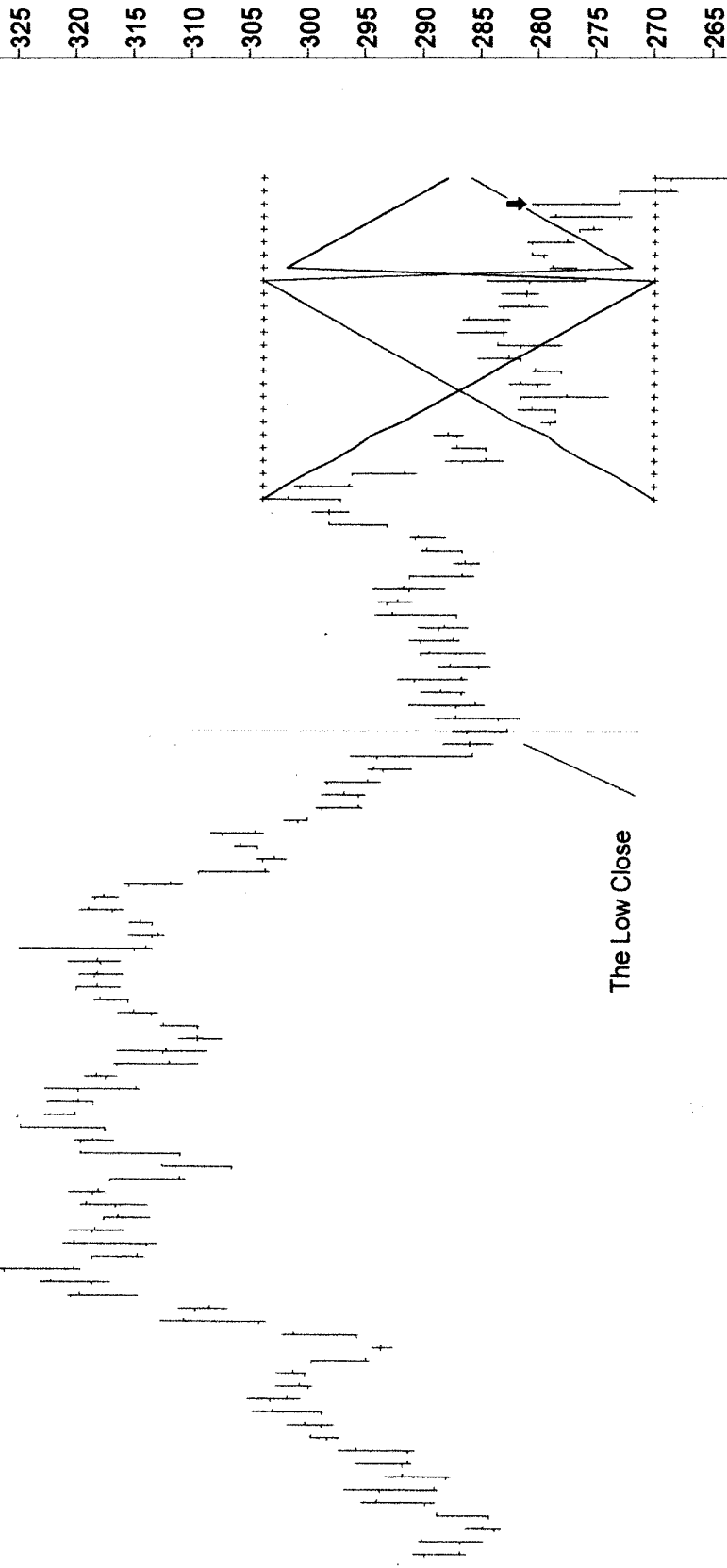
Feb

/02/98

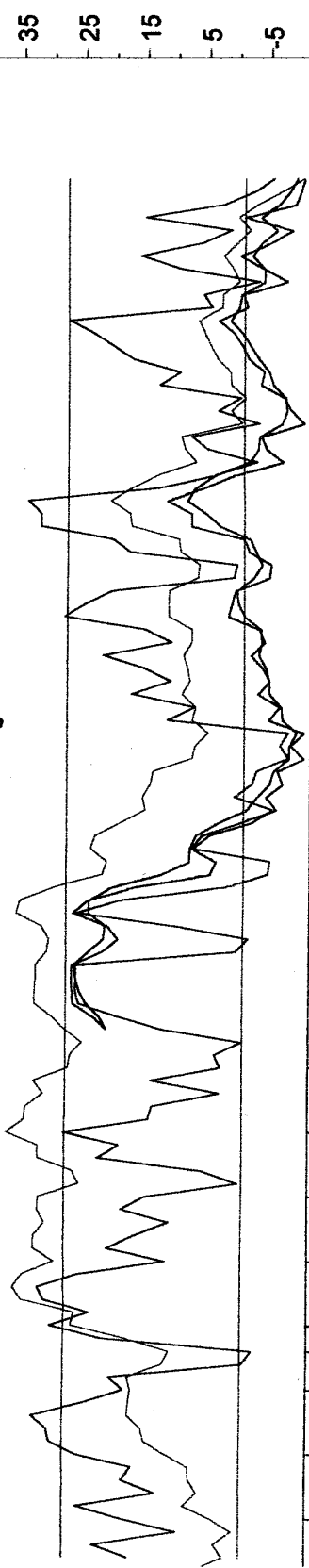
(W9K)

02/16/99

K-Daily 02/16/99 C=263^2 -4^3 O=268^2 H=269^3 L=263^2 V=0 FJ_PYRAPOINT-High 303^3 287^3 285^3



10.30 20.00 80.00 Stochastic - Fast 0.00 2.62 20.00 80.00 AccumSwingIndex -10.29



QUICK EXAMPLES OF ASSISTANCE TO US

We have promised to make this book as practical as possible, and in doing this we have personally found that our best informative data received is that which is conceived on the battlefield of trading itself. In view of this, we have included a personal current question -- along with our answer -- to a very real situation.

Charts 1 and 2 of **December Wheat** are included as examples of the use of our system to determine an answer “in the now”, so to speak.

Obviously, the answer as to when to get aboard a trade is one, which must be answered per the TIME and per the position of our subject within the parameters in which it is currently working.

However, we thought that it might be well to reveal the questions, which were discussed in the real vernacular, and to see if it does not give a slant of realism both in the question and the answer discussed here.

The crux of the reason for a question as to whether it could be TIME to consider wheat as a buy comes from two reasons: (1) The person asking the question has a good reason to plan inasmuch as he is raising wheat and would like to sell from the field, thus doing his storage on paper by buying the product back. (2) The second reason for the question was educational -- to find the best odds to have a buy at a reasonably good hedge position.

Setting: it is not surprising that since this is in the harvest TIME frame for wheat that it would bring us to a TIME frame with the near past reflecting a down trend. We, therefore, find ourselves “picking a bottom” if we do indeed want to buy back our sold product in a near-hedge position.

We would obviously like to buy or sell WITH THE TREND. If, however, TIME indicates that we need to be hedged at this general TIME frame, then we need to observe all of the factors, which we can find with the status as it currently shows. Our decision to “hold” for at least this day (and to search for reasons tomorrow) is found in these points: (1) Downtrend makes the move down an easier move than the retracement up move, so we must be sure that we are at least on a good reasoning for an upward retracement before committing our margin dollars. (2) At early morning, when the decision was being discussed, PRICE was at the points relayed on the charts. Note that we had broken the square on the 90 degree square and we were resting below this line, making the possibility very strong that PRICE was likely seeking at least the next support point -- the 45 degree line below. (3) The overbalance point (the way we use it) was determined to be the point at which a greater up move was encountered than had been experienced thus far in the current down move wave which made the down trend. For clarification, the wave that we need to exceed in order to consider the trend to be constructively trending to the upside is that wave which was encountered in the up move from the February/March TIME frame. PRICE in February low was 355; in March the high of the wave was 378. Thus the count for this wave is the difference of 23 cents. Now, quick arithmetic tells us that 23 cents added to a low is the point that we have to beat (using this definition for overbalance). We then have reason to assume that PRICE has overbalanced to the upside, at least temporarily. Now note that 23 cents added to the low of our current wave produces an overbalance point to the exact tick of our move so far in this current wave. This was the high of five days ago. Still with us?

Overbalance in and of itself does not mean that PRICE will not go back up and try (and indeed break) this point for higher ground. It does simply say to us that we have equaled, not surpassed, the balance point at this point in TIME, and that we must be especially cautious of long positions when we are “behind the lines”.

Now to the comments on the chart #1: We say we are a “hesitant long” this morning, for the reasons above plus we have some indicator “problems”. Remember these conditions change daily, but here is what we observe in these regards: the RSI was starting to turn downward as is shown on the chart. The ASI has been retracing and seems to be in the initial stages of a recovery, but is still in a very cautious area. This simply means that it is a setup for an easier move with the trend, which is yet downward by definition, it would seem. Thus we are recommending seeking a better footing for our hedge in the long position. We further are saying that it would appear that we would at least be able to make a decision on the 45 support below, as of today. We also want to look at any other aspects at that time, or we may delay to another improved point for purchase.

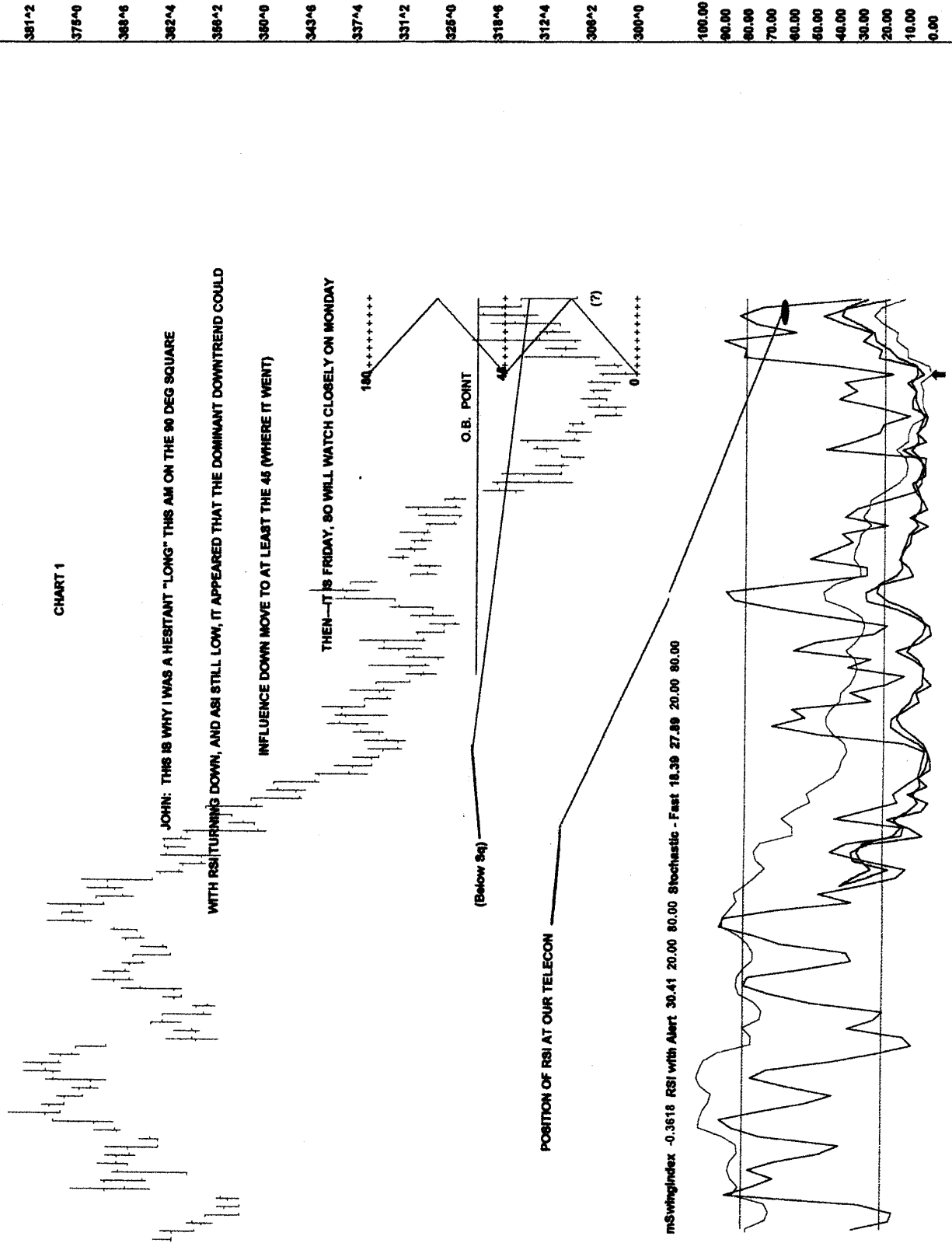
Chart #2 is strictly a confirmation chart for helping us make our decision. Gann said for us to KNOW all of the data before the trade. In this regard, we have placed the same chart on a 180-degree square to get a bigger picture. This will sometimes reveal a strength, which we did not see in the smaller chart. Not in this case, it would seem, for you can see that PRICE did a small “free-fall” when it proceeded below the 45-degree support on the 180-degree square. Granted, we know that it stopped exactly on the 45 degree line of the smaller (90 degree) square, but with the non-trend factors, plus the fact that this is a Friday when we are a bit hesitant to go into the weekend with an initial position, we elected to see the “whites of the PRICE eyes” on Monday.

To follow further during the day after the decision, we submit the later charts showing positions at decision-time. Note that indeed the PRICE did go on down, as prior referenced, to the exact 45 degree support, and the indicators continued to retreat. We will look at all of the above on Monday, as we consider that the jury is still out until at least that time. If this seems overcautious, let us state that we really do not like taking a position against the prevailing trend - - even on a hedge. Remember, too, that a hedge position is the subject of this analysis, and thus our justification for considering a position when trend is not in our immediate favor.

Take one more look at the next day’s chart. The jury is in. We did not act precariously with the caution against the trend! Note that PRICE literally dropped the limit after finding no support on the 45; tonight PRICE has closed nearly limit down and nearly on the lows. No question about it! We are told -- we must listen! Although this study is somewhat negative, it is presented as one, which is VERY common. We do trade our desires! Ouch!

AZ-Daily C=388^2 4^4 O=316^4 H=318^4 L=300^0 V=0 FJ_PVRAPPOINT=Low 317^4 308^6 300^8 FJ_PVRAPPOINT=Low 330^8 328^4 317^4

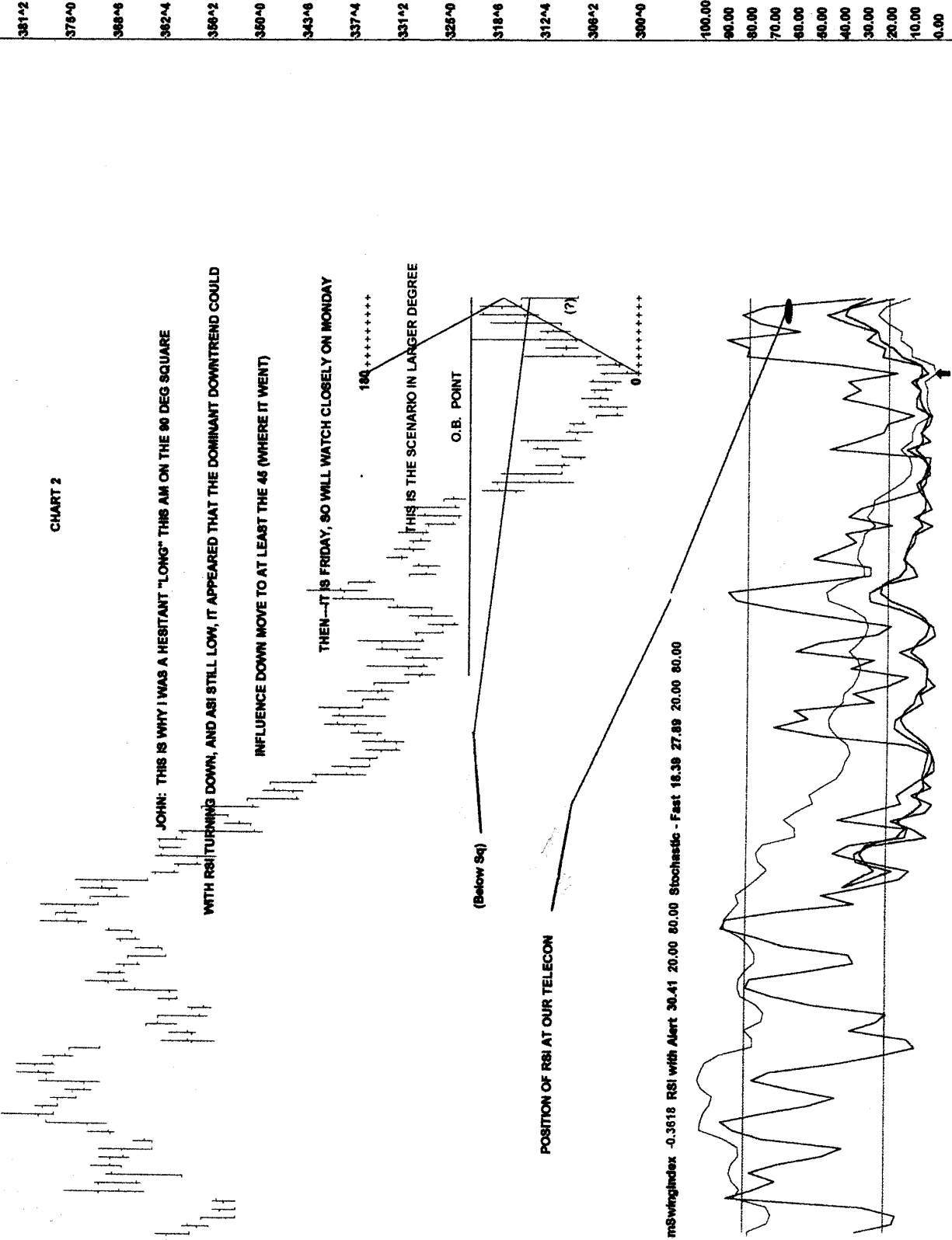
CHART 1



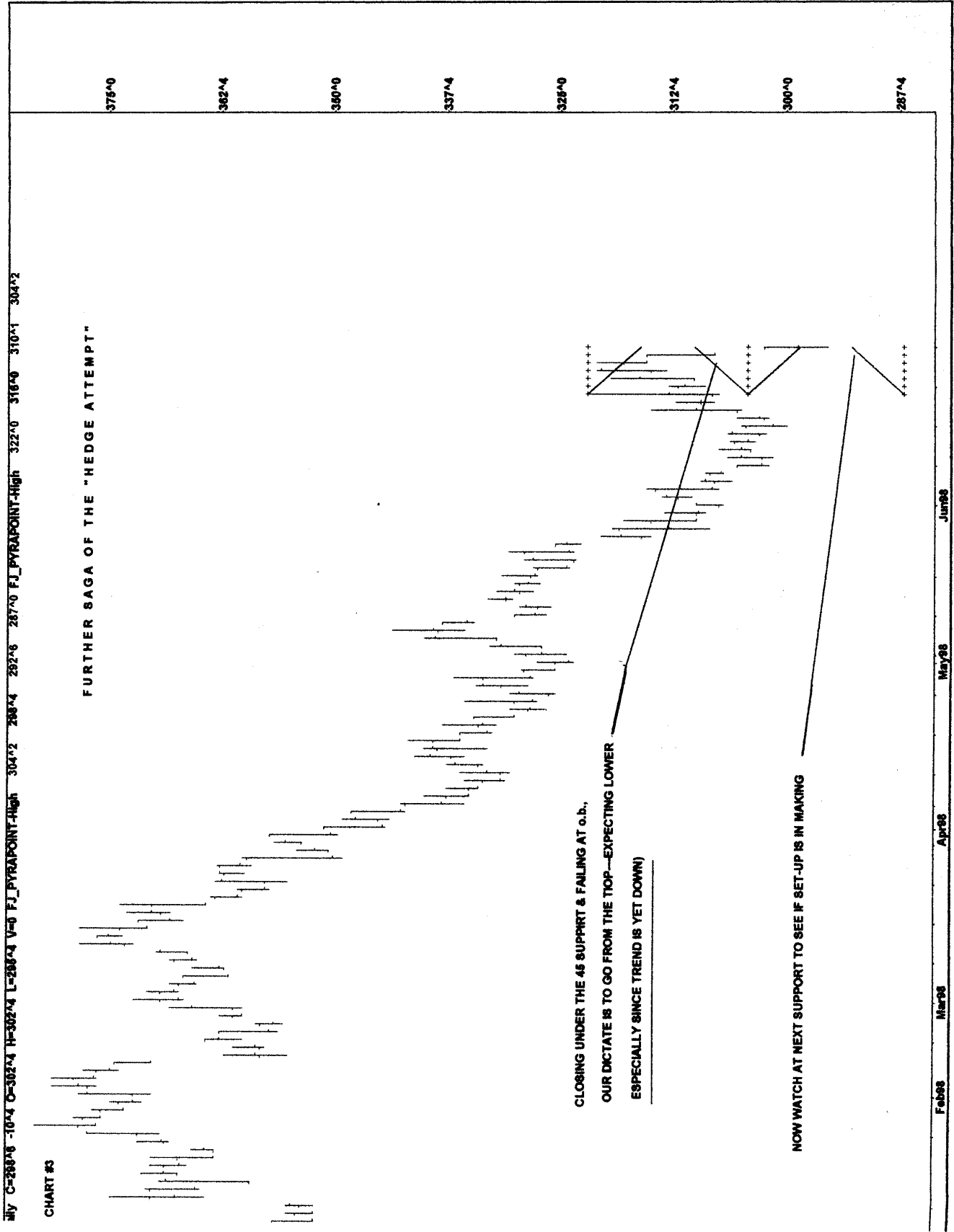
Feb88 Mar88 Apr88 May88 Jun88

RZ-Daily C=308^2 -4^4 O=318^4 H=318^4 L=308^0 V=0 FJ_PYRAPPOINT-LOW 338^3 317^6 317^6 308^0

CHART 2



Feb88 Mar88 Apr88 May88 Jun88



FURTHER ASSISTANCE EXAMPLE: FINE-TUNING

Fine-tuning has been addressed in a prior chapter; however, we feel that you will be benefited by example of repetition with any variation. In this case you are referred to a chart of **September Corn** in the chart which follows this explanation.

Again, please note that this chart has been pulled from our current files and is used as a backup for a longer chart, not shown.

The fine-tuning aspect of this study follows the rules, which have been presented in past chapters. However, a quick review is always in order. Note that from the significant top of early May when we began our *PYRAPOINT* test that we are following rules for trading the same as in the past. Simply put: PRICE fell to the first supporting 45 in the fourth day and fell to the next objective (to the tick) the following day. From there PRICE got on top of the supporting 45 but never got to the top of the square. In fact, PRICE broke the 45 on the 10th day and promptly went to the bottom of the square for the next objective where the attempt at EOS move was totally aborted. With this action, PRICE went to the supporting 45, broke it, retraced to the bottom of the 45, then allowing a sale again. This sale was good to the bottom of square 2, where it broke to the 45 beneath, and made a pivot setup at the end of the second square.

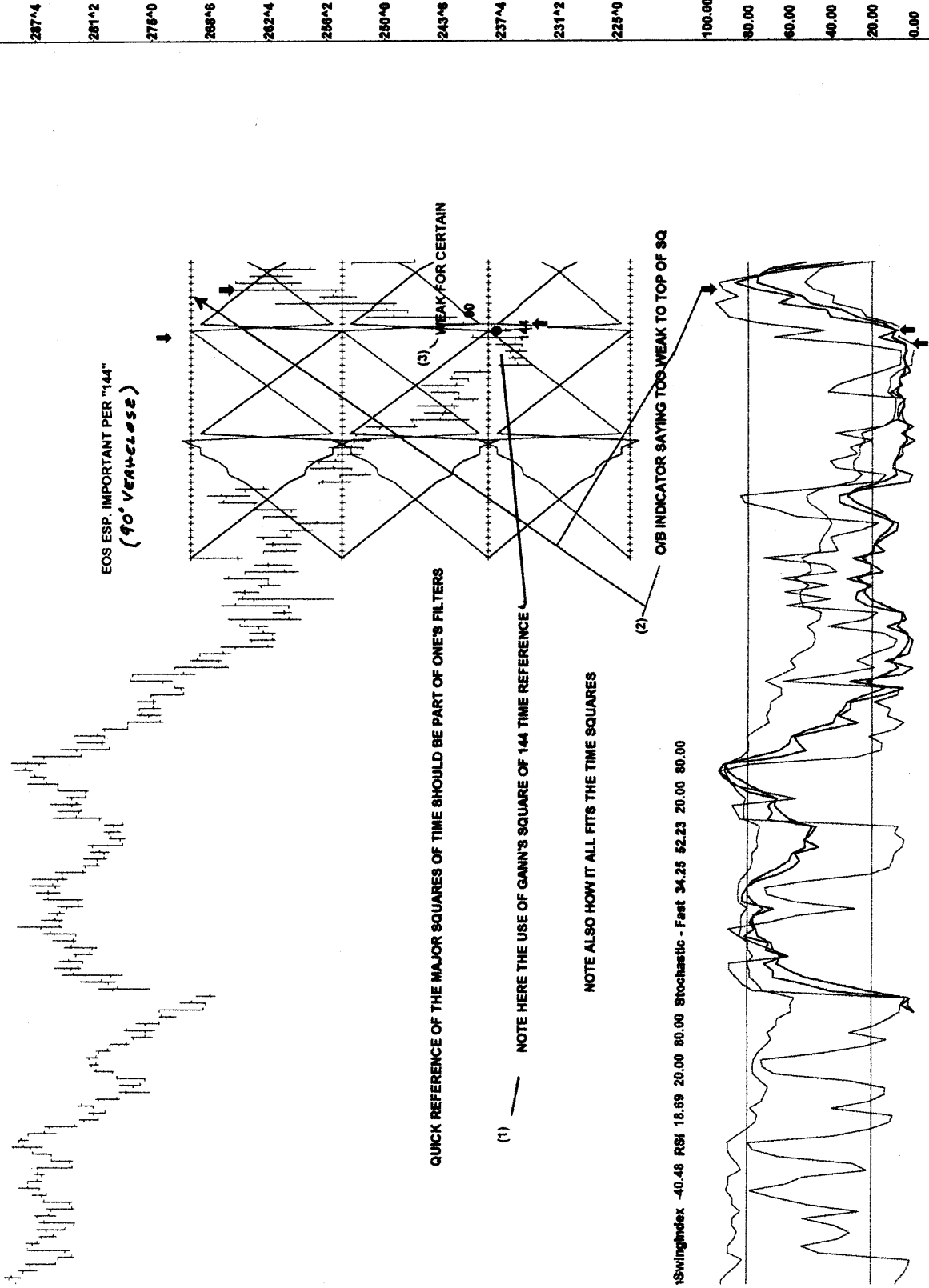
This point just happens to be the "144" count from an earlier significant top. It is also 90 degrees from a significant bottom of earlier vintage, also by count. Our point being: if any of these rules fall into place with counts or angles of sync, it is always of importance to observe these situations in your quest for setups.

In our current case we observe that the ASI is finally down below all of the other indicators at the EOS in discussion. This has taken since March to accomplish this.

These are simplistic individually, but together it all fits the Gann synopsis that we should KNOW all we can about any market setup potential.

Daily C=248*6 -12*0 O=263*4 H=260*4 L=246*6 V=19177 FJ_PictBar@ - High FJ_PYRPOINT-High 264*4 244*6 248*6 238*6 FJ_PYRPOINT-High 238*6 229*2

FINE TUNING VERY IMPORTANT
0



Dec97 98 Feb98 Mar98 Apr98 May98 Jun98

COMPLETE SCENERIO UNFOLDED:

27/98

(BO9H)

02/10/99

H-Daily 02/10/99 C=20.6800 O=21.0000 H=21.0500 L=20.6200 V=0 FJ PYRAPOINT-High 26.1600 25.9476

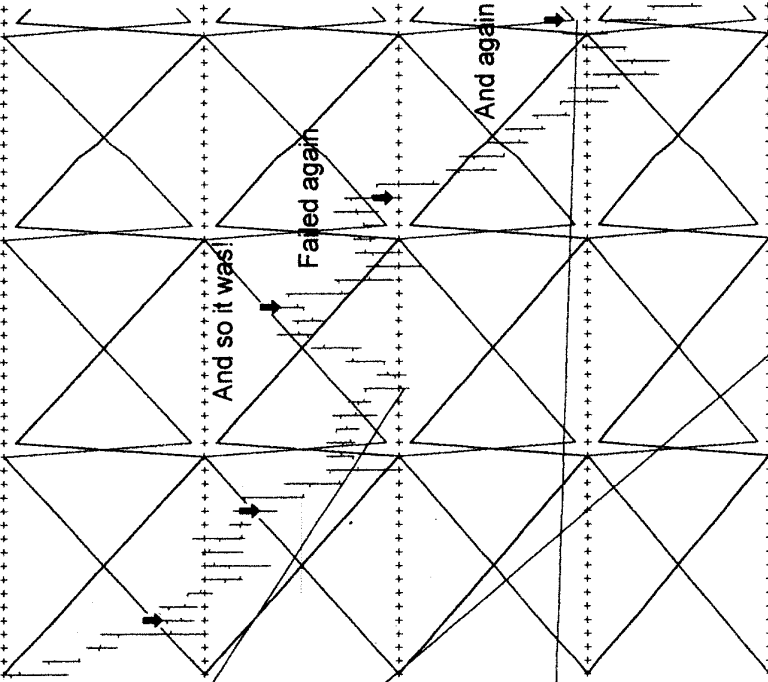
Should be a scenario to watch tomorrow!

Price is square---TIME is not

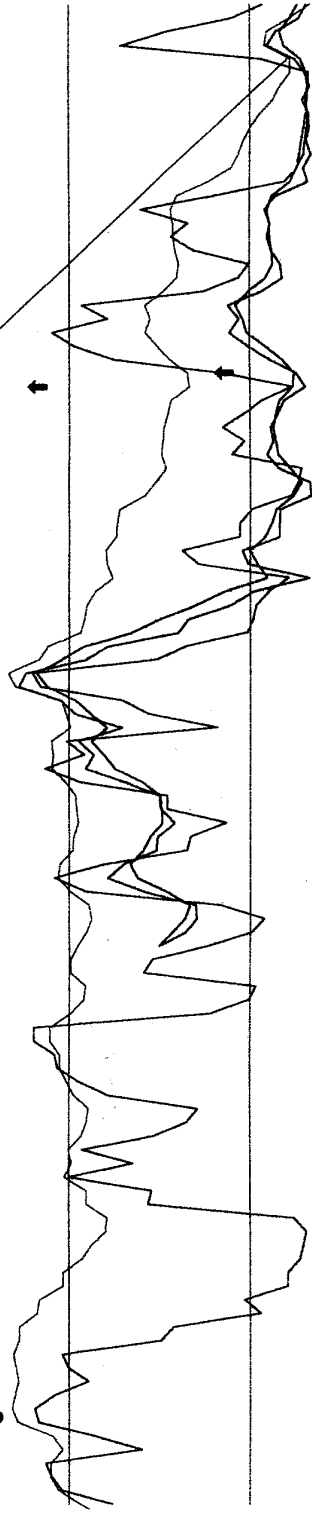
Expect a failed pivot

Special note is ASI nearly under all momentum lines, and we are one day out on square of time.

BUT



ImSwingIndex -2.67 RSI 15.59 20.00 80.00 Stochastic - Fast 1.63 4.39 20.00 80.00

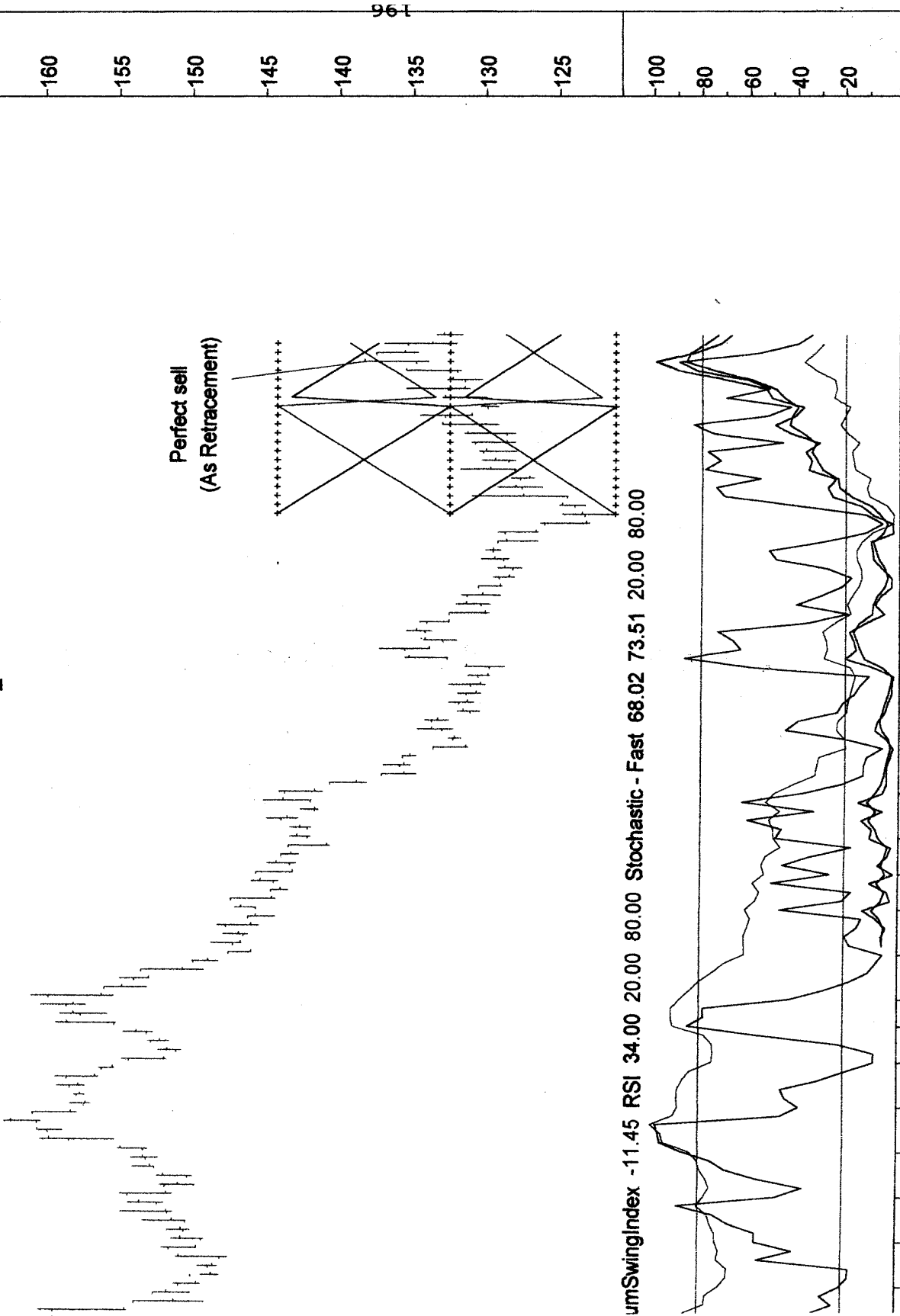


1/08/98

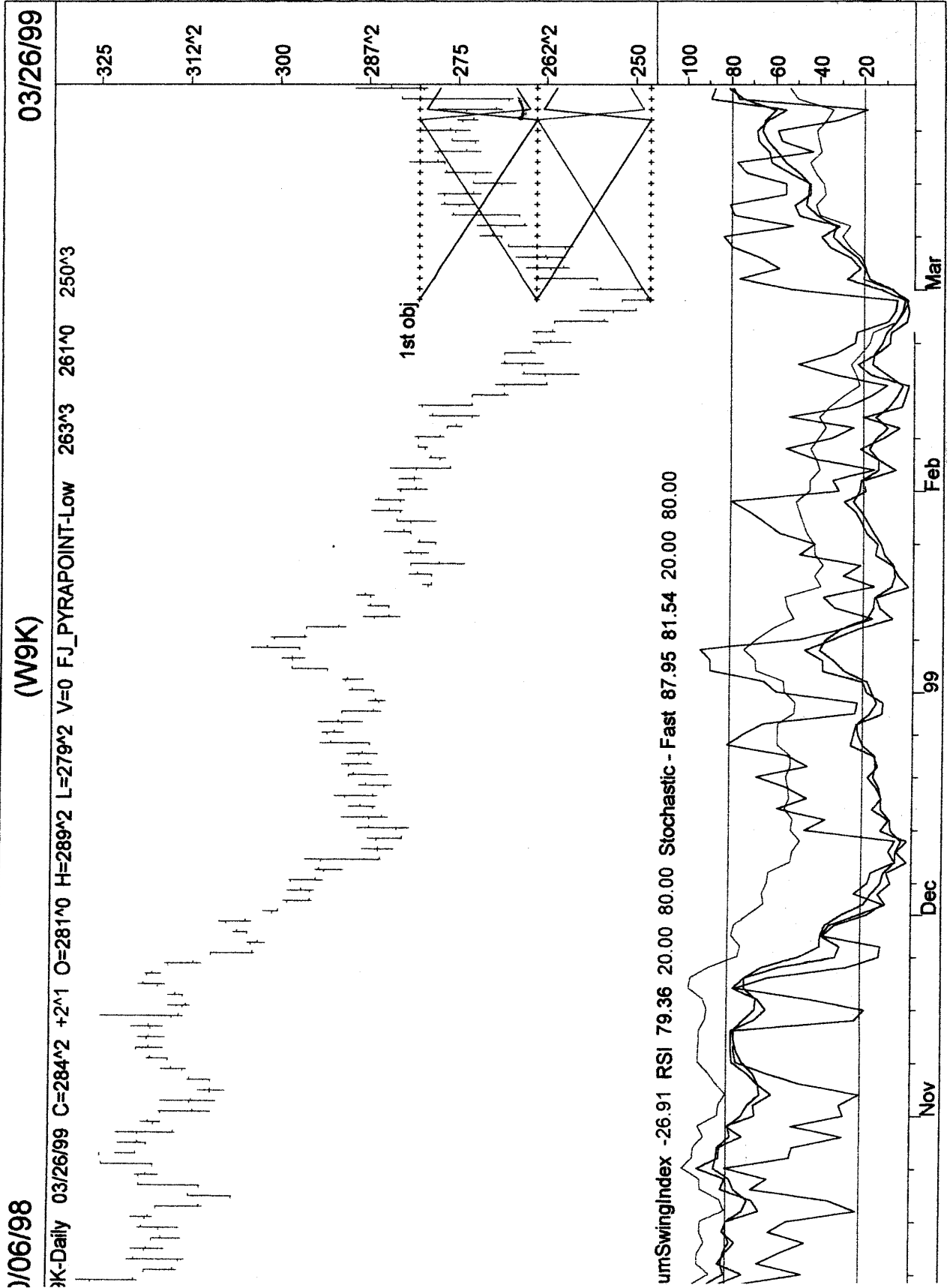
(SM9K)

03/25/99

9K-Daily 03/25/99 C=132.9 -0.8 O=132.5 H=133.4 L=131.7 V=0 FJ_PYRAPOINT-LOW 132.4 124.9 128.7



Until ASI gets on top, it still has some upside potential (per new square)

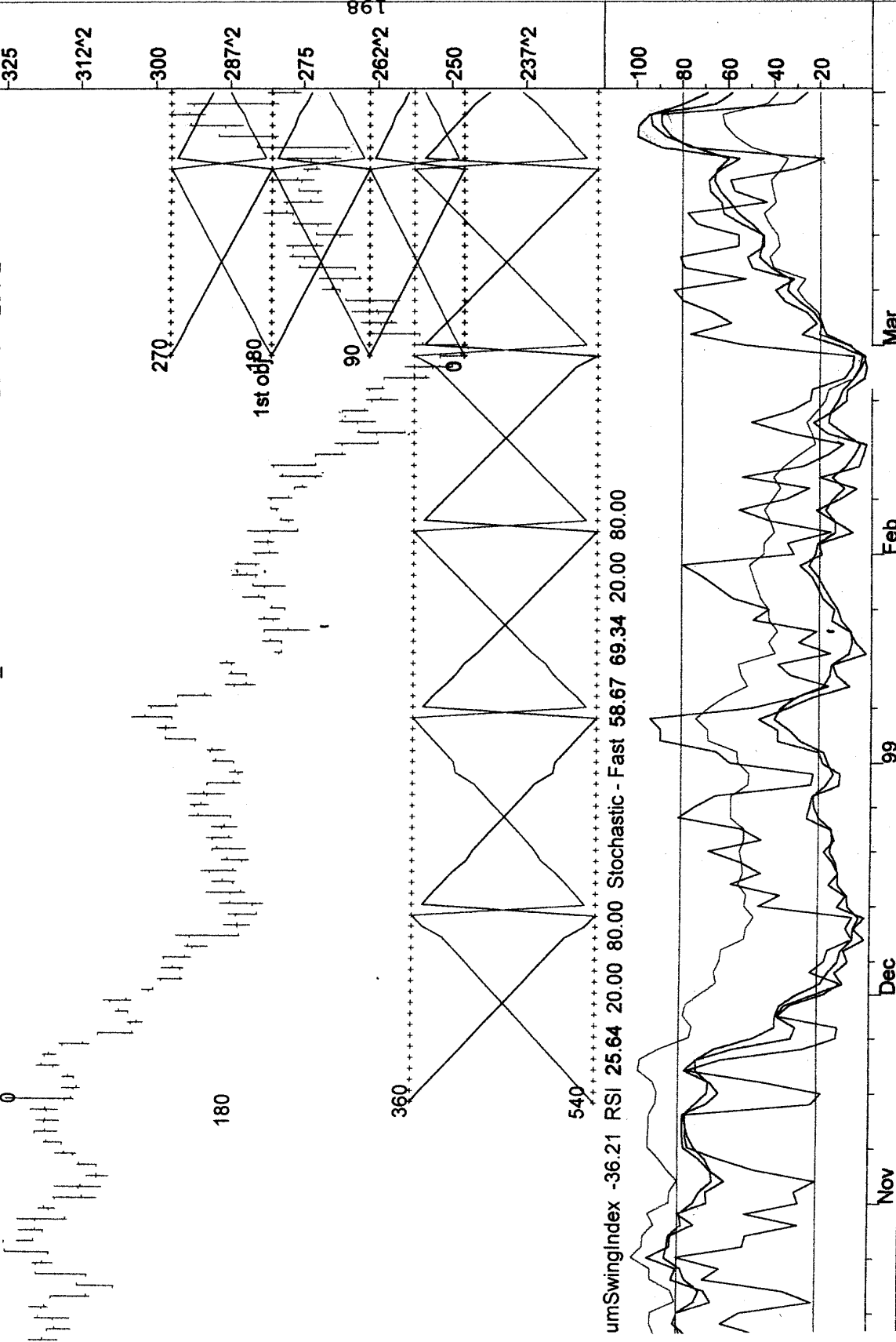


0/12/98

(W9K)

04/01/99

9K-Daily 04/01/99 C=276^3 -3^2 O=280^1 H=281^1 L=275^3 V=0 FJ_PYRAPOINT-Low 263^3 257^1 254^2



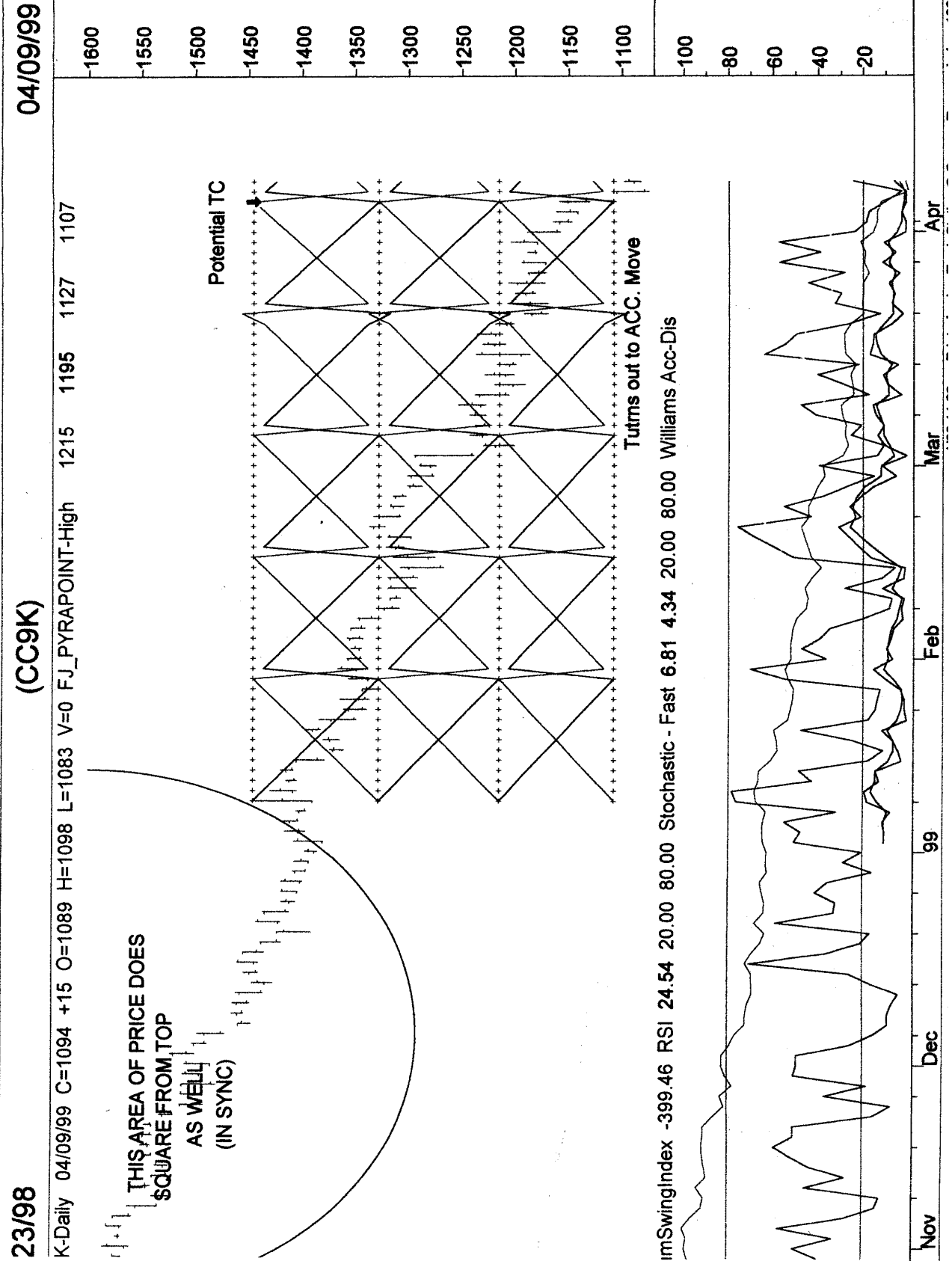
umSwingIndex -36.21 RSI 25.64 20.00 80.00 Stochastic - Fast 58.67 69.34 20.00 80.00

Nov Dec Feb Mar

4/01 5:02pm Printed using TradeStation © Omega Research, Inc. 1997

TOP & BTM COORDINATION SCALES--270 DEC EVACTOR

ALL INDICATORS IN SYNC



03/19/99

(LH9N)

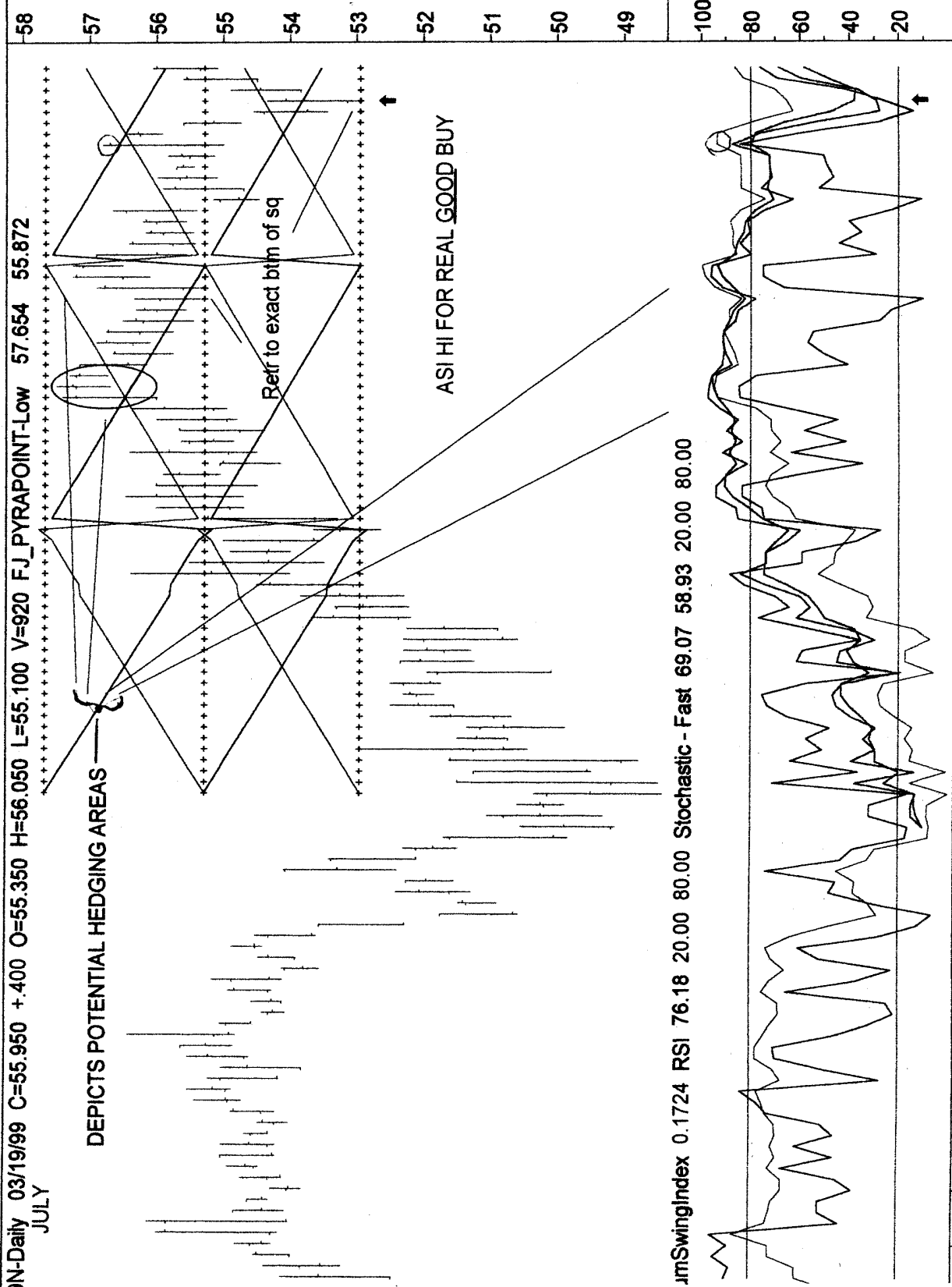
3N-Daily 03/19/99 C=55.950 +.400 O=55.350 H=56.050 L=55.100 V=920 FJ_PYRAPOINT-Low 57.654 55.872
JULY

DEPICTS POTENTIAL HEDGING AREAS

Retr to exact btm of sq

ASI HI FOR REAL GOOD BUY

ImSwingIndex 0.1724 RSI 76.18 20.00 80.00 Stochastic - Fast 69.07 58.93 20.00 80.00



ASSISTANCE VIA THE WEEKLY CHARTS

Obviously, if we are convinced that there is a mathematical answer to these charting of day and intraday charts, we must not be surprised to learn that the weekly charts should (and do) have a calculable relationship as well. Believe us! They do!

The first look at weekly charts is presented just past this explanation in two examples. The first selected was that of **March Soybeans**. We have shown the main crux of any of the rules as supplied by the *PYRAPOINT* system. This, of course, involves the position of the main market components at any given time -- and the progression on to the destiny of the bar.

These components are marked by small circles in each of the categories of importance on the chart. For instance, the objectives are denoted whether they are 45's, tops or bottoms of squares, EOS, or closing points (since this is the clue as to whether you are in prospect of a reversal, etc.)

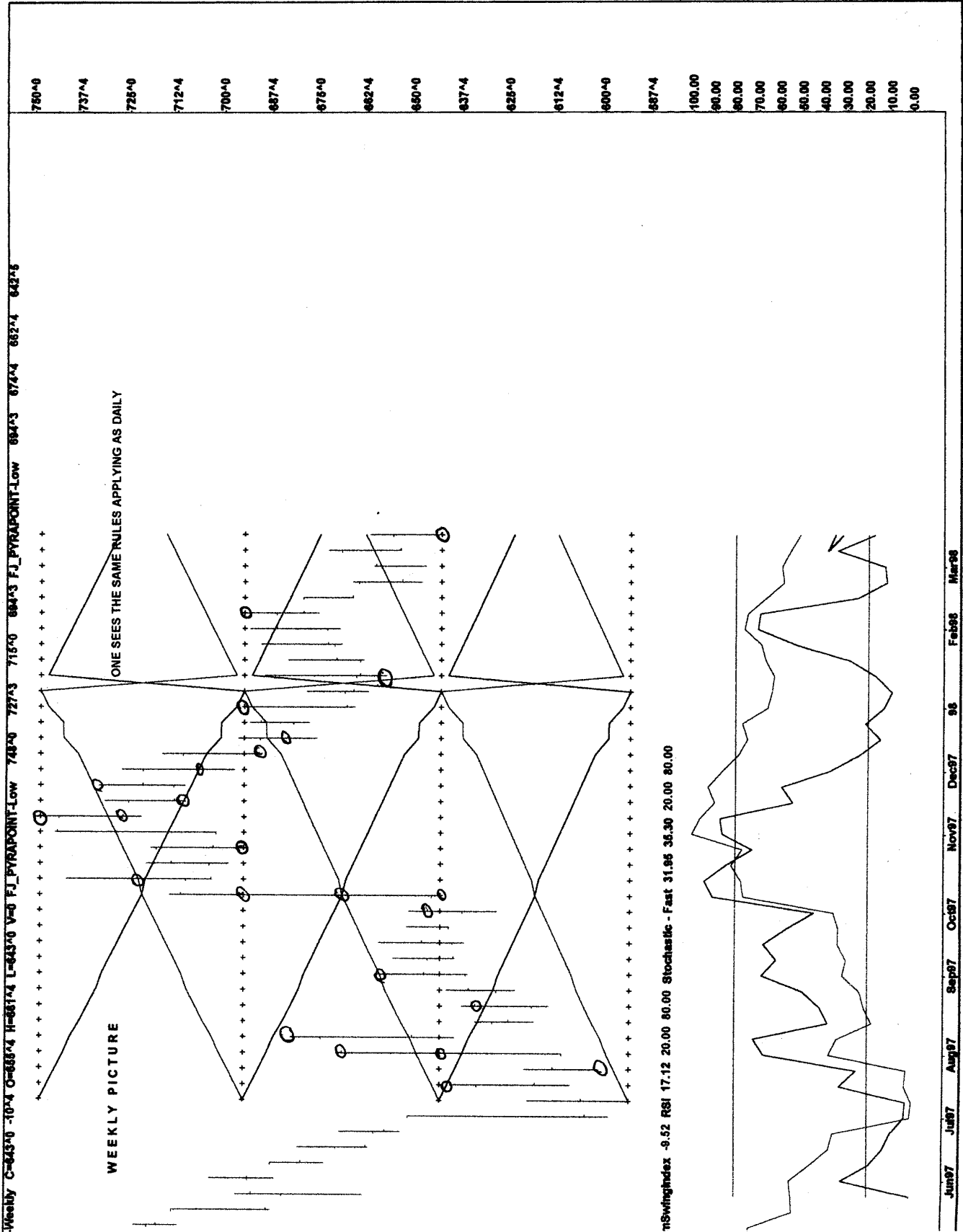
You may note that the objectives are derived in the same manner in which we found in the daily charts. The Pythagorean Cube dictates that indeed it should be the same. Note also that even though the larger the TIME frame, the more ragged will be the chart's reflection. Nevertheless, weeklies do find the objectives exactly the same way as smaller charts. For example, the 3-square objective was virtually "to the tick". The retracements and even the EOS pivots were exactly on target.

Your greatest asset in the use of weekly charts is to keep you on the right track trend-wise. We find it tough to trade via the weekly chart by itself. It seems to defeat one of the most envied assets of the system -- the use of accuracy on a basis that it should require less margin. Weeklies do have the accuracy, but often they do need much more margin when trading them alone. Don't forget that they provide an excellent confirmation for TREND.

Please study this chart for confirmation as to the principles involved herein. It will assist greatly in the understanding of the two wheat charts, which are to follow. Realize that the charts to follow on wheat are to demonstrate a completely different principle -- that of vibration causes and effects when two squares (waves) work together in a small TIME frame. Actually, you will note that they are squaring, and thus causing a pivotal action, one week apart. See if you can understand the principles working here. It won't keep you from trading properly even if you don't catch the drift of this principle, but it will help you to know when one might expect such an action.

At the chart supplied at the end of this dissertation, note that a weekly chart of **July Wheat** is supplied for your examination. You will see that there are two sets of squares, almost in sync. The left chart is coming down from the contract high, some several weeks back in TIME. These square are working within the squares reflecting some 720 degrees.

The second set of squares are working from tops some 21 weeks ago, and the points of force are amazingly close to the contract high squares, especially in terms of location of the 45's. Again, these are currently working charts from our portfolio studies. We note that they are working in the squares of 540 degrees of PRICE because they come from a lower, more recent top.



Now, at this juncture we observe something, which is definitely of consequence, even though it seems simple enough at first glance as shown here in this chart. The squares from the recent high in January of this year are seen to “square out” on a low pivot, seemingly making the possibility of a bottom in a long line of lower bottoms.

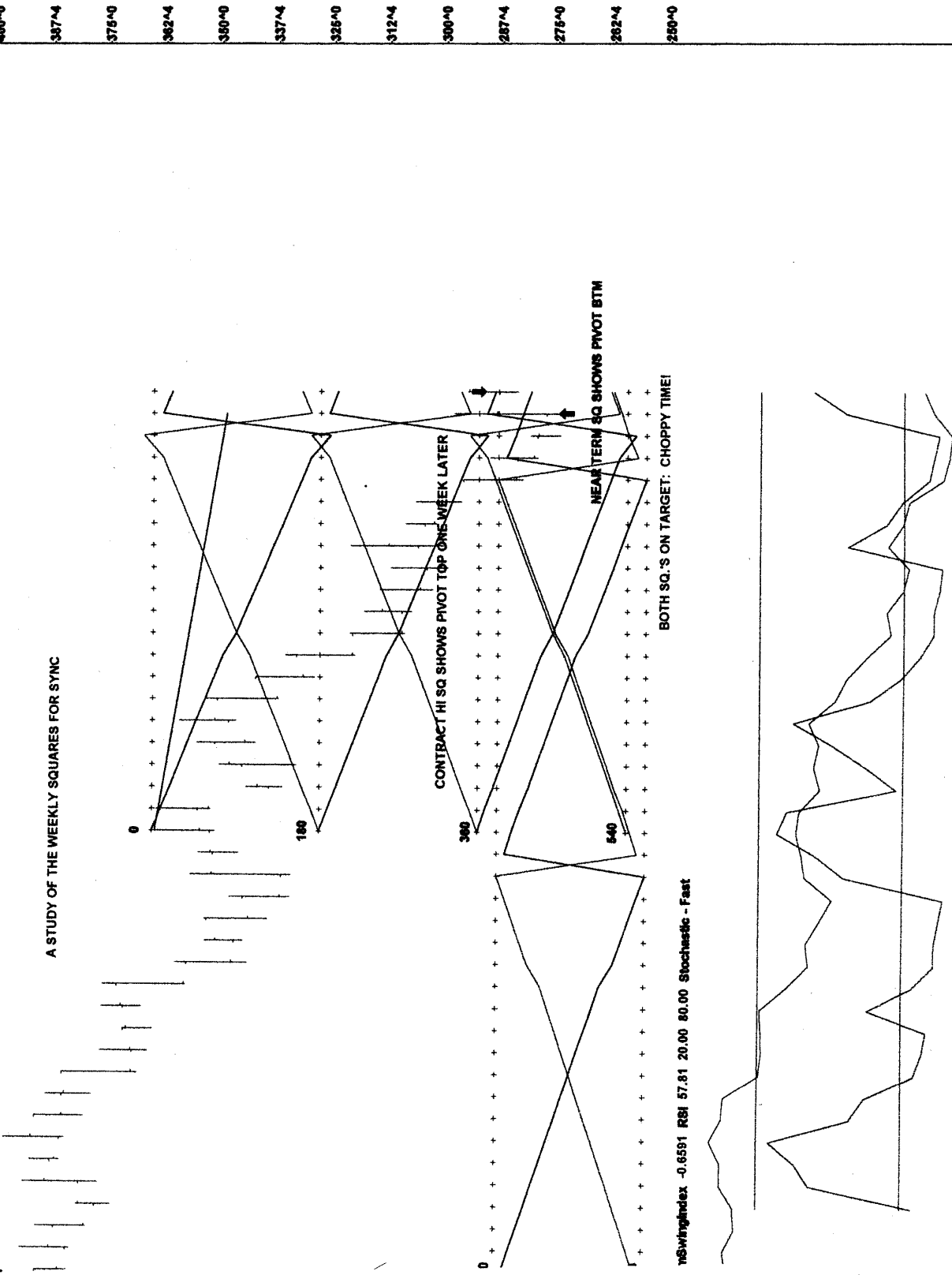
Coincidentally, the squares from the contract highs are following for this same TIME frame in their chart, only one week later at the same relative place in PRICE. In other words, they are experiencing a double bottom with PRICE one week apart. The significant thing to learn here are that the tops is quite different. They have separate, but definable, targets. The contract high chart makes its double bottom with the nearby, then promptly makes an outside week with the top at the exact top of its square for that week of TIME. The following week finds PRICE vacillating between the top of one square and the bottom of the other -- following an outside day. Obviously, this is the chart of a very choppy market, which we have learned will very likely produce an unusual move or volatility, at the very least.

And so it did. The next week followed with near-limit moves downward after PRICE was unable to move above the squares indicated in the prior paragraph. We believe that the close proximity of the two squares produced an extra energy wave for the market to travel upon. Again, it is the story of two rocks in the stream (big ones though they be) which are placed in the stream of time, one many weeks ahead of the other. The waves are converging nearly together at this point in TIME, and the resulting forces do produce the choppy market until such time as the dominant force produces the out-coming product of PRICE movement. However “far out” this may sound, dear reader, it does happen over and over. Perhaps one needs not try to rationalize the “why” -- we do need to know that it is part of the long-term scheme of things that do repeat if you study the data that far.

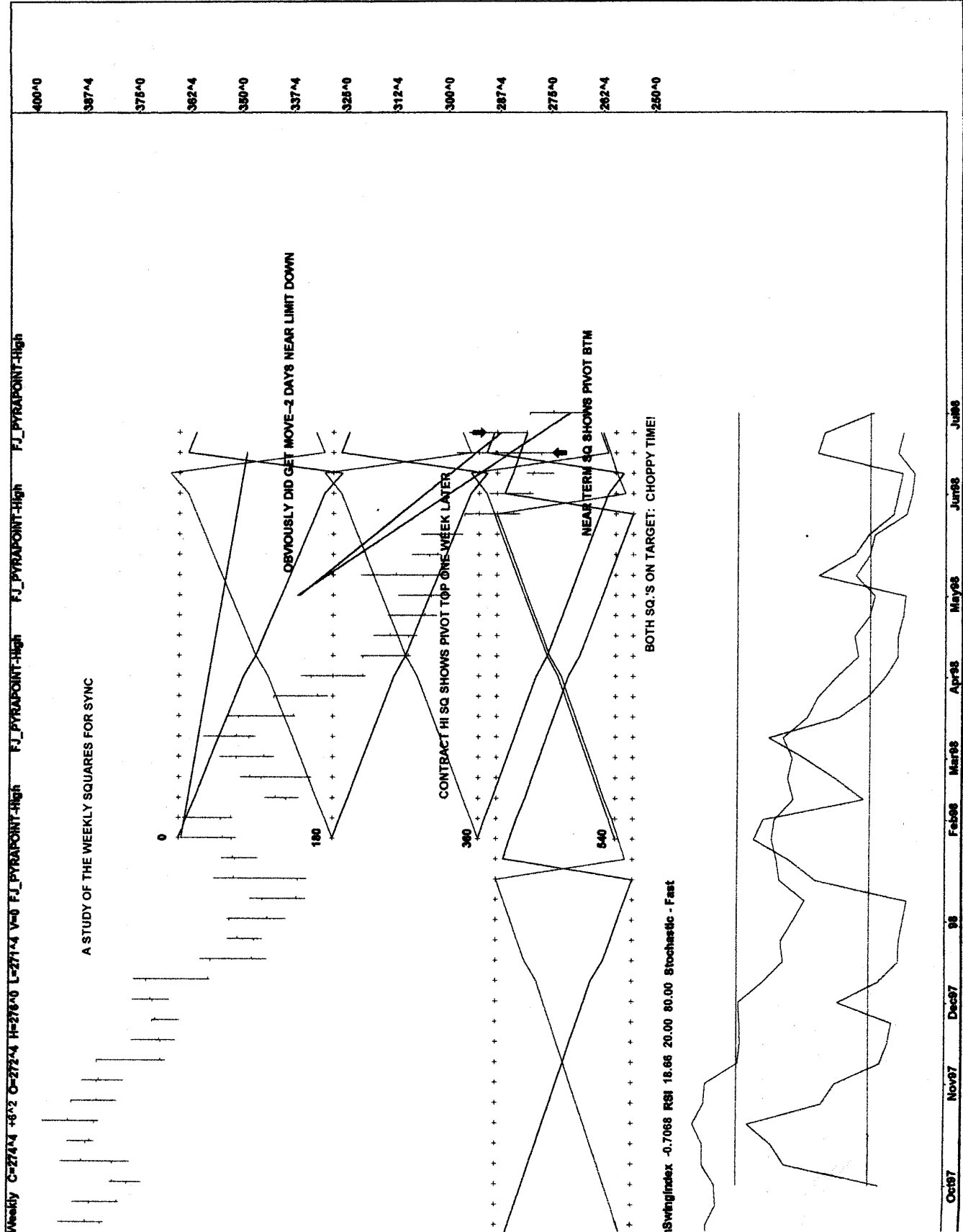
Let us hasten to say that this should not be a confusion to you. You can do well with the simpler study and actions upon the simpler methodology of the charting as we have taught in earlier stages. The one thing which will become evident to you, however, is that the longer you study the fascinating actions of this “P.C.” square, the more you will be conscious of the larger and larger picture of not only PRICE, but especially TIME.

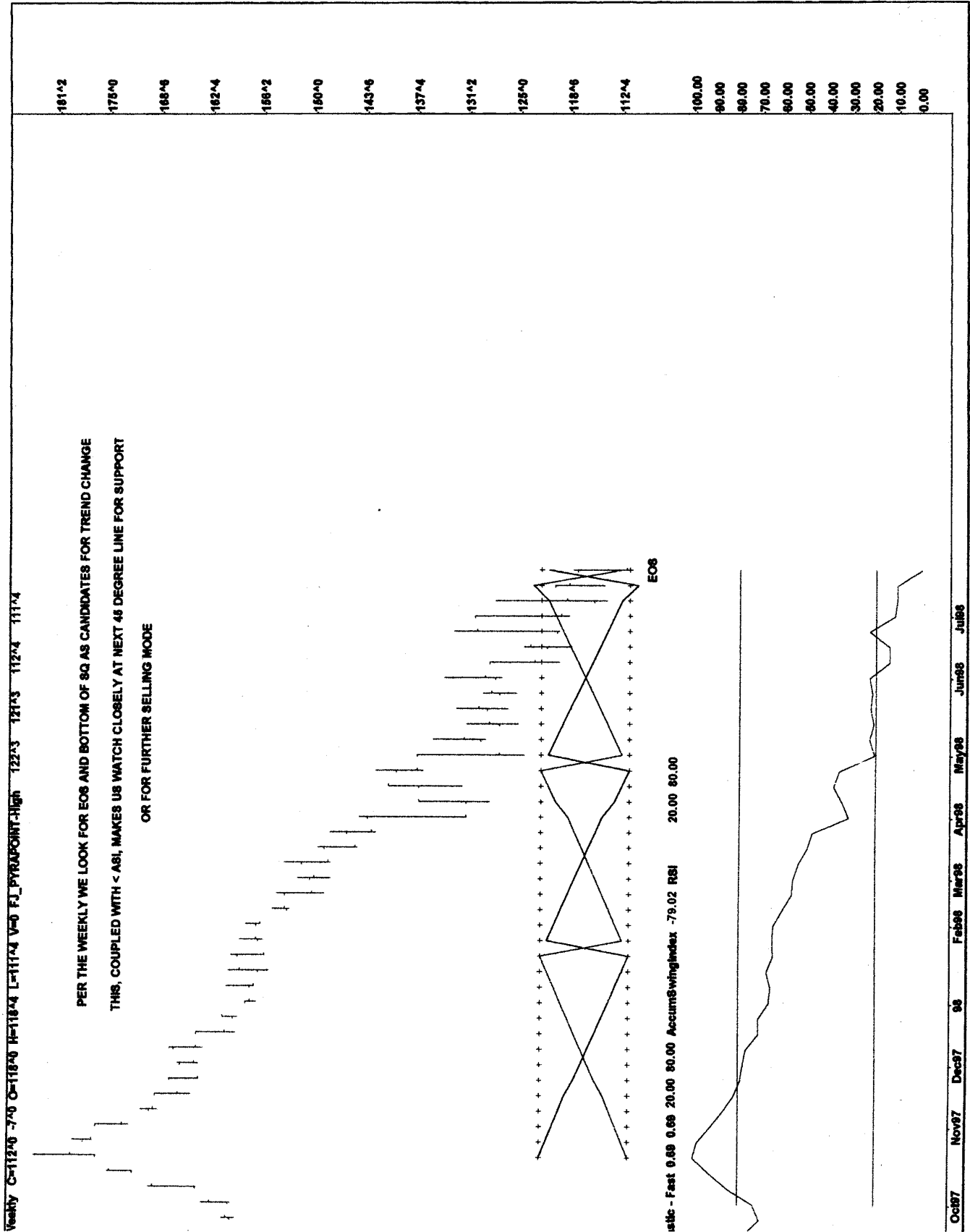
We believe this to be a function of LIFE as well as PRICE and TIME!

IN Weekly C=287.4 3.4 C=283.2 H=283.2 L=281.4 V=0 FJ_PYRPOINT-High 365.0 380.4 331.7 327.6 FJ_PYRPOINT-High 327.6 323.7 288.3 282.4



Oct87 Nov87 Dec87 96 Jan88 Feb88 Mar88 Apr88 May88 Jun88



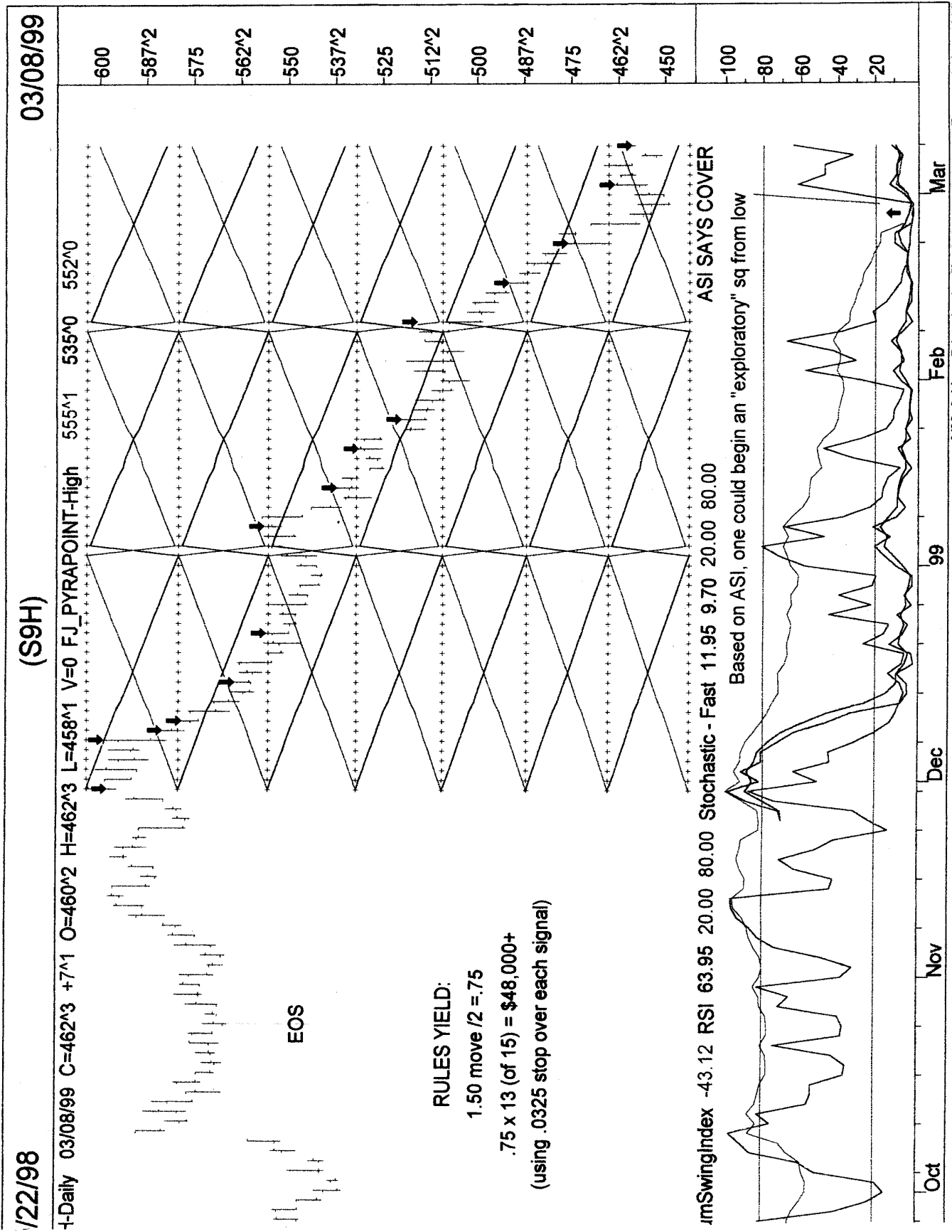


At this point, the author would like to submit a cross-section of charts for your review -- the thought being that you have studied different (and, perhaps to you, “difficult”) charts to totally understand. We have purposely presented different formations, degrees, TIME frames, and spacings of TIME with the hope to better equip you for a variety of situations. Some of these charts are presented for your textbook reference when you have a question on a trade position.

Following are some 50 plus charts, which are gleaned from our trading files, with added comments for your assistance in easy following. To us, this seems to be a representative cross-section of the everyday decisions, which confront any trader -- and a representation of the actual use of the answers, which we seek on a daily basis.

Please take a moment to examine each chart to see its intended lesson in our presentation. Some are seemingly somewhat repetitious, but follow the next, or prior, chart of reference. Usually you will see that there lies a reason for our madness. We think that it is important to see how a scenario trades out. This is one of the things, which we feel that you will appreciate as “different”. We intend that your learning curve will be ongoing and complete.

Note that comments are carried forward through TIME in succeeding charts -- and as PRICE unfolded on the chart.



POSSIBLY---MAYBE?--LOOKING AT A BTM POTENTIAL??

/10/98

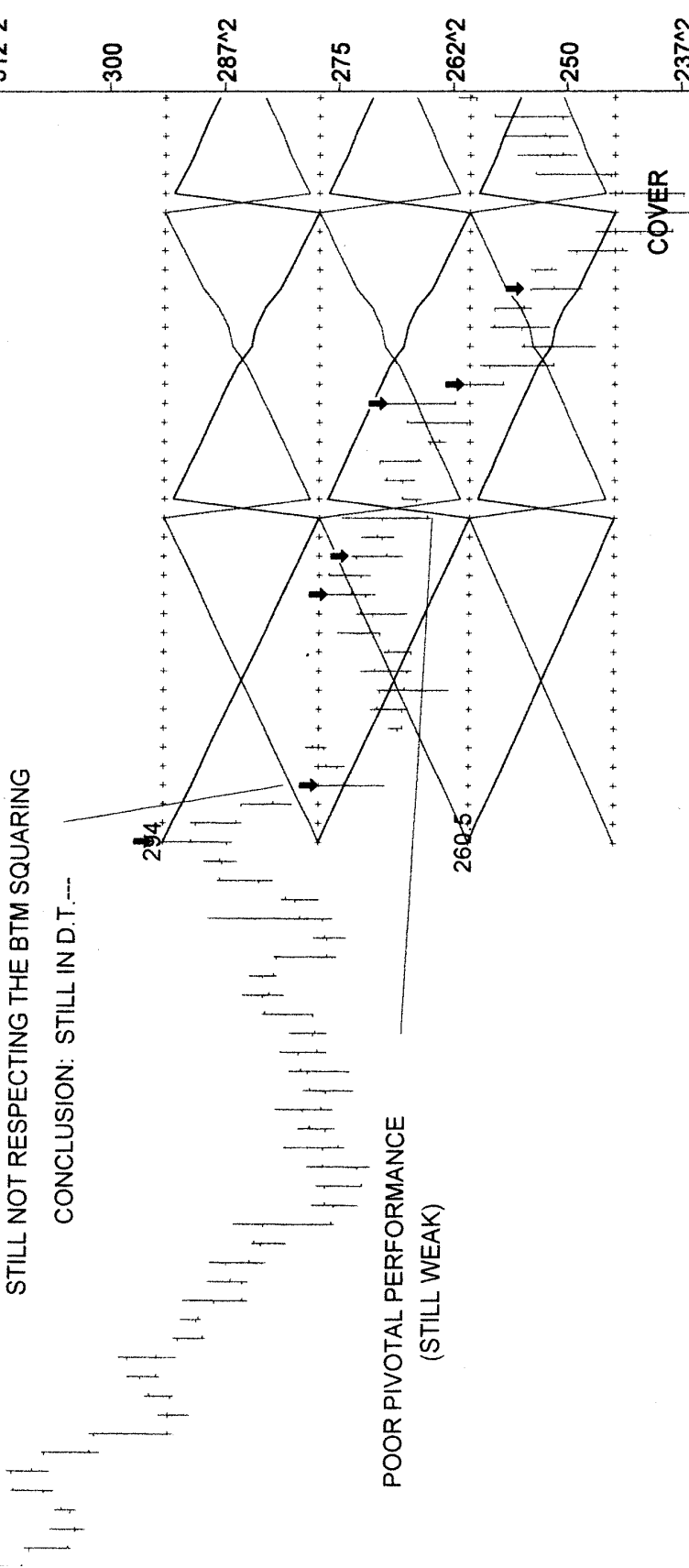
(VV9H)

03/08/99

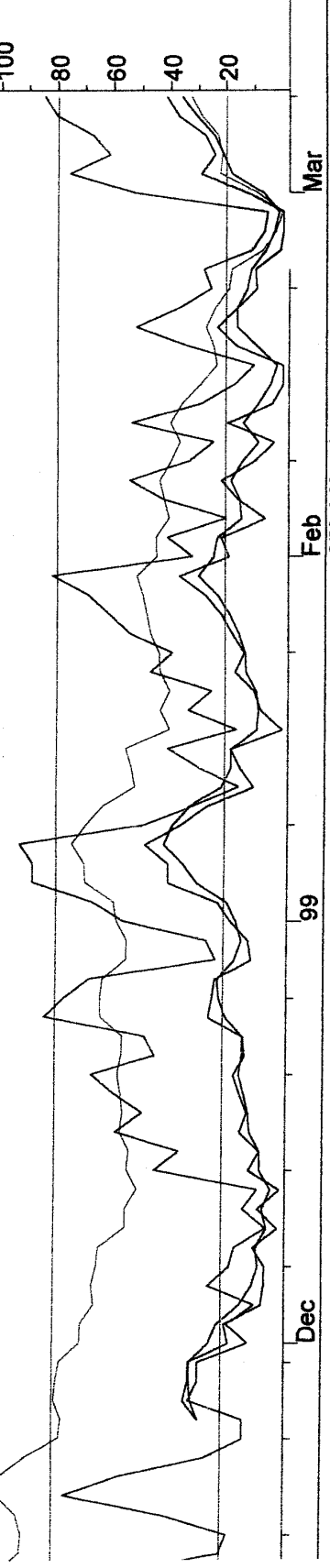
H-Daily C=260^2 +2^2 O=260^0 H=264^0 L=260^0 V=0 FJ_PYRAPOINT-High 294^0 288^0 283^0

STILL NOT RESPECTING THE BTM SQUARING

CONCLUSION: STILL IN D.T.---



imSwingIndex -23.97 RSI 84.53 20.00 80.00 Stochastic - Fast 41.74 36.37 20.00 80.00

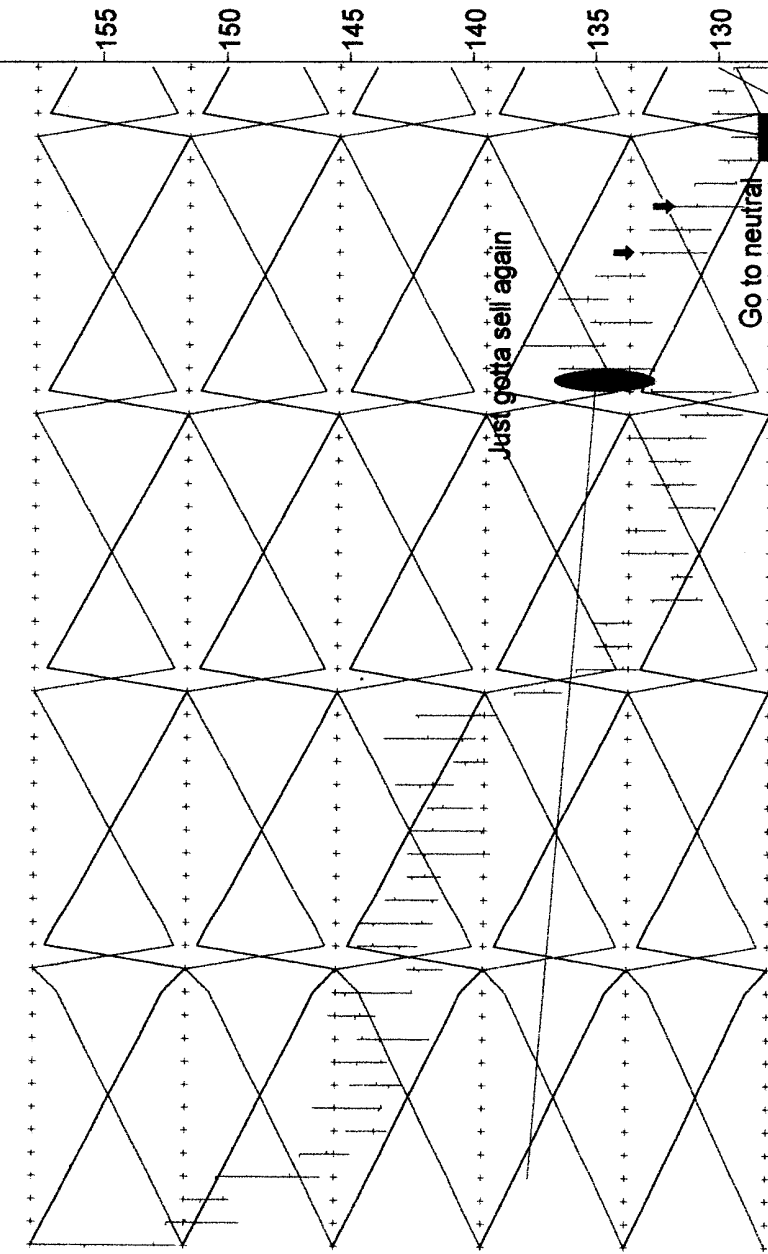


/06/98

(SM9H)

02/22/99

9H-Daily 02/22/99 C=128.9 -9 O=129.4 H=129.9 L=126.6 V=0 FJ_PYRAPPOINT-High 133.5 132.1 129.2

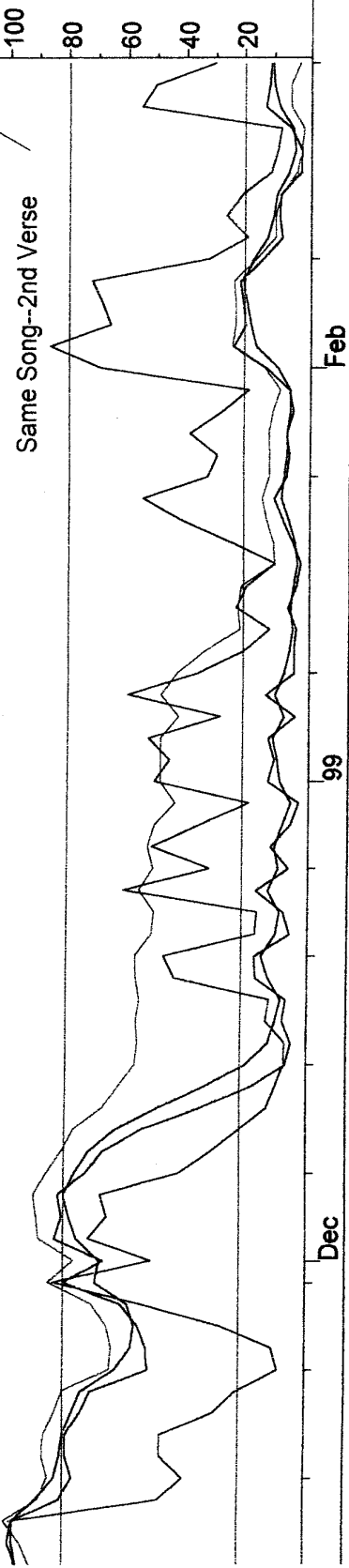


MEAL'S FIRST SIGN OF LIFE
 RSI SAYING "SHORT-LIVED"
 RETREAT TO STOCH. & ASI
 THEN, PERHAPS PROCEED

Just gotta sell again

Go to neutral

umSwingIndex -6.90 RSI 30.37 20.00 80.00 Stochastic - Fast 11.52 10.97 20.00 80.00



Dec

99

Feb

1/08/98

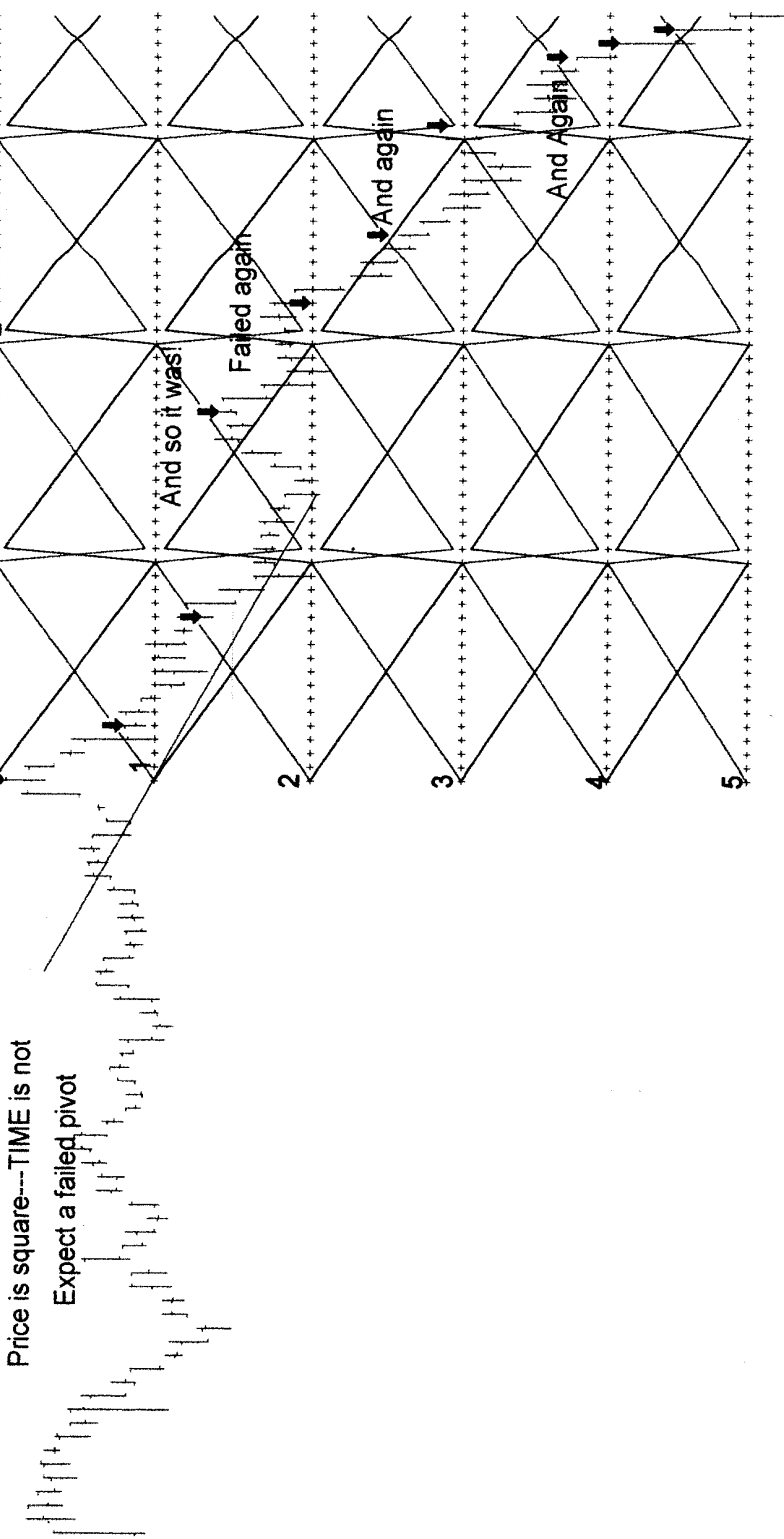
(BO9H)

02/22/99

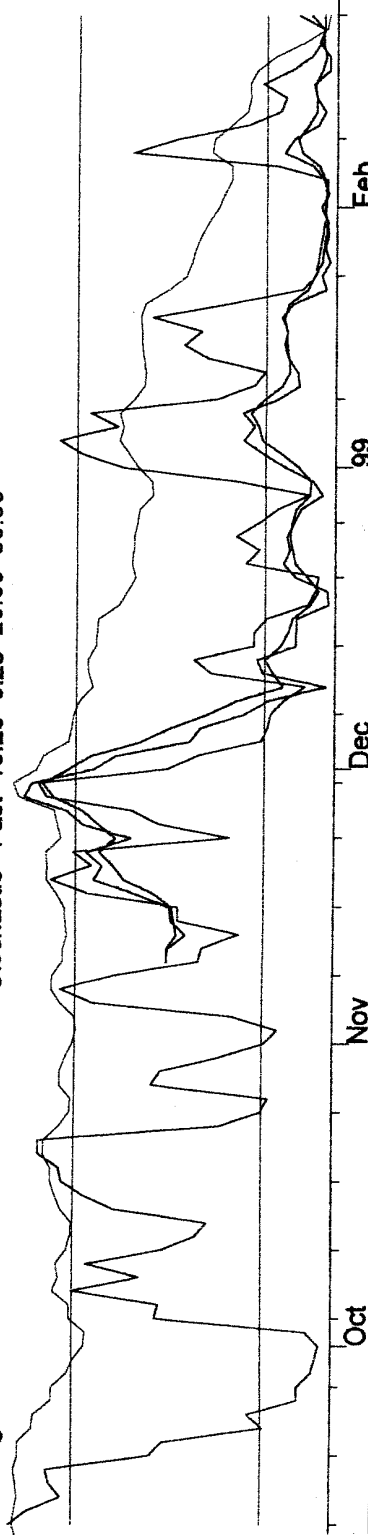
9H-Daily 02/22/99 C=18.8900 O=18.8500 H=18.9100 L=18.2800 V=0 FJ PYRAPPOINT-High 26.1600 25.1363

Price is square---TIME is not

Expect a failed pivot



umSwingIndex -4.33 RSI 1.57 20.00 80.00 Stochastic - Fast 10.23 6.23 20.00 80.00



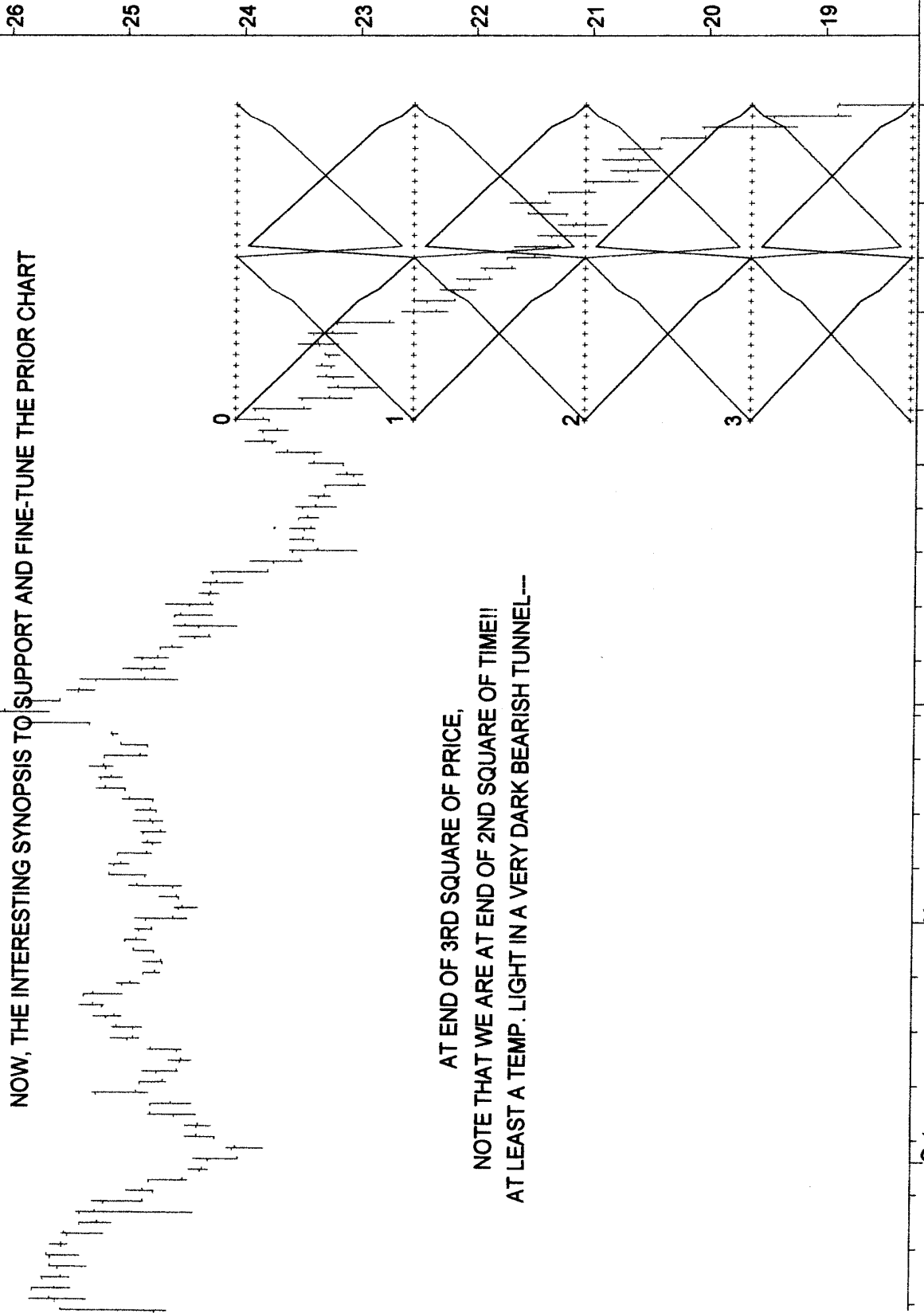
1/08/98

(BO9H)

02/22/99

9H-Daily 02/22/99 C=18.8900 O=18.9100 H=18.9100 L=18.2800 V=0 FJ_PYRAPOINT-High 19.6406 18.2641

NOW, THE INTERESTING SYNOPSIS TO SUPPORT AND FINE-TUNE THE PRIOR CHART



AT END OF 3RD SQUARE OF PRICE,
 NOTE THAT WE ARE AT END OF 2ND SQUARE OF TIME!!
 AT LEAST A TEMP. LIGHT IN A VERY DARK BEARISH TUNNEL---

Oct

Nov

Dec

99

Feb

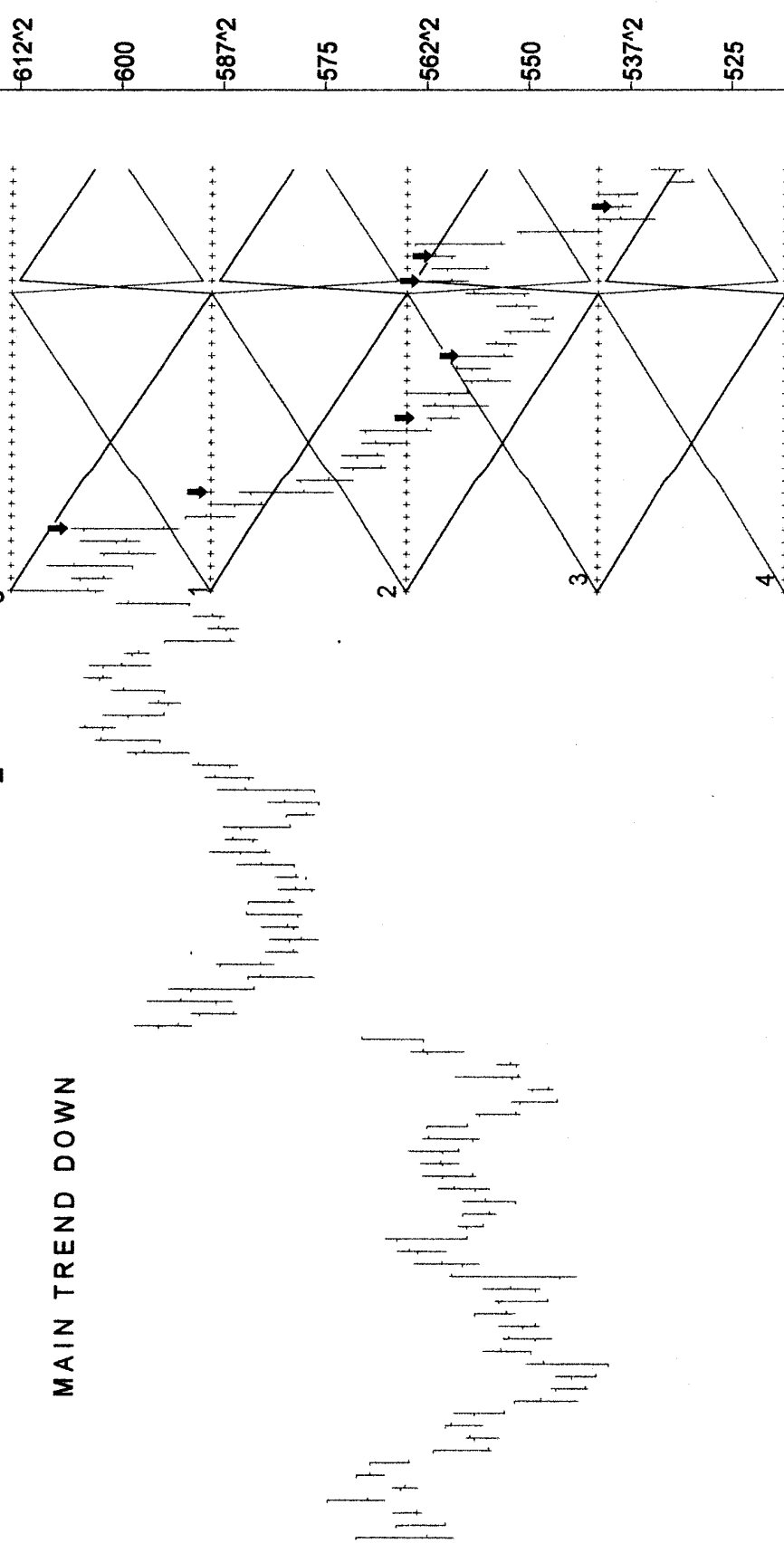
06/98

(S9K)

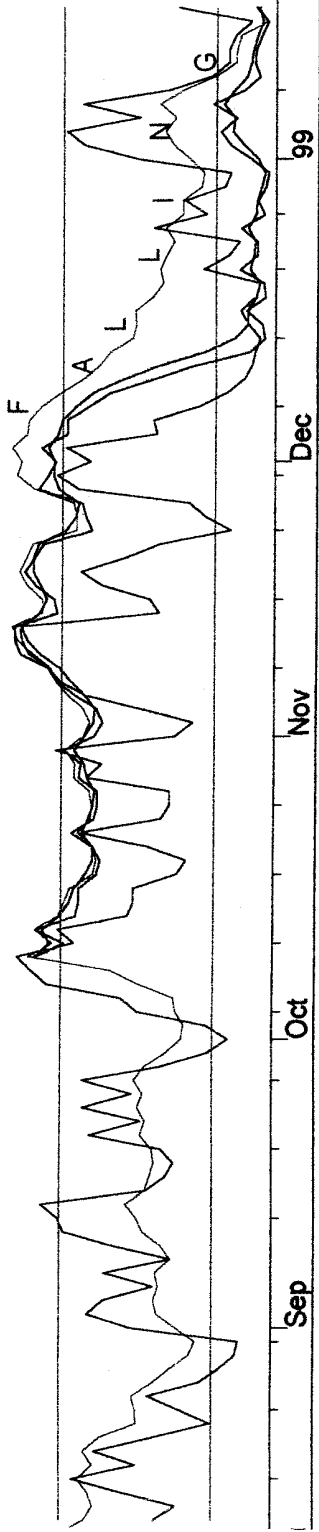
01/20/99

Daily 01/20/99 C=533^3 +3^3 O=531^2 H=535^0 L=531^0 V=0 FJ_PYRAPPOINT-High 564^3 555^0 551^0

MAIN TREND DOWN



ImSwingIndex -32.40 RSI 34.80 20.00 80.00 Stochastic - Fast 5.07 3.72 20.00 80.00



1/26/98

(BO9H)

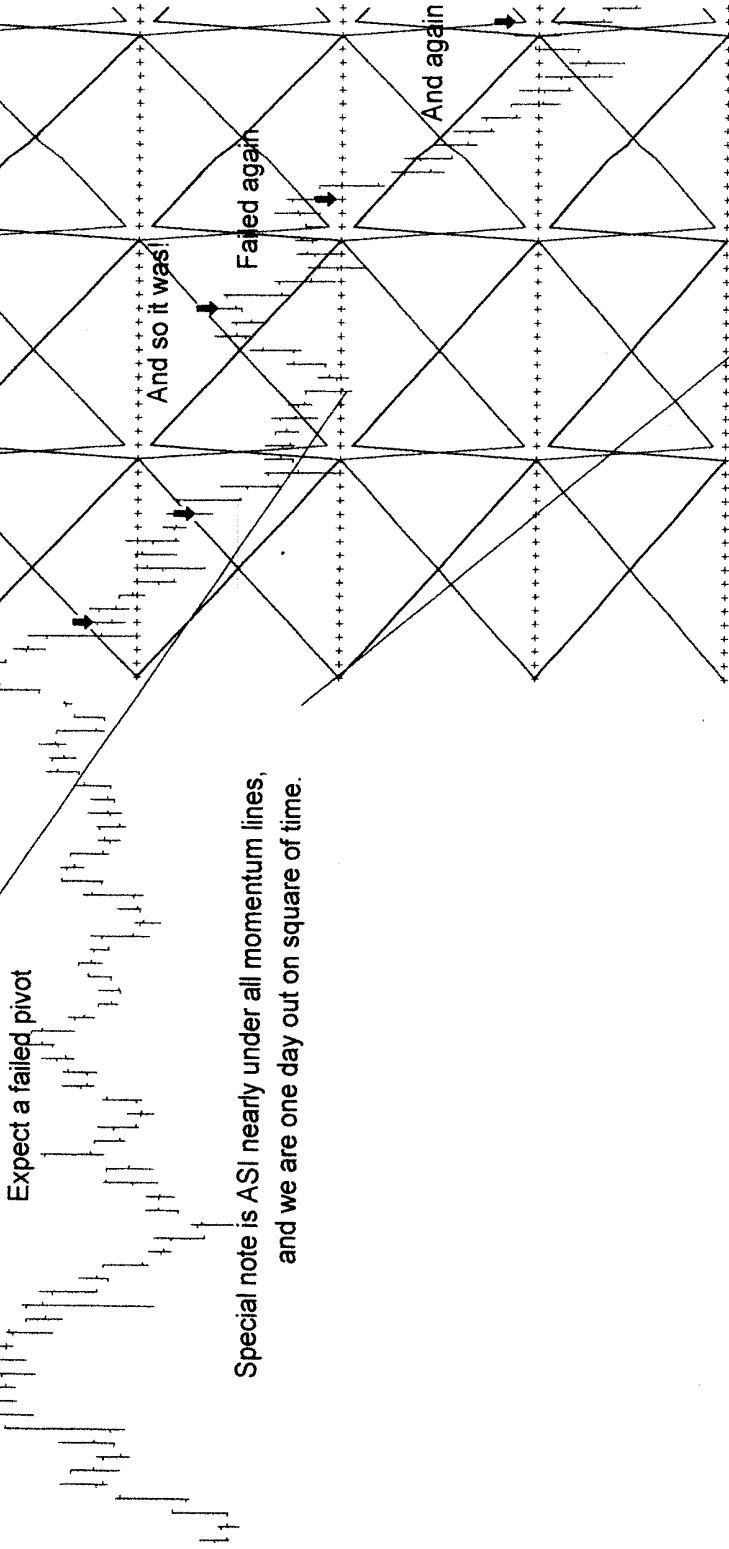
02/10/99

9H-Daily 02/10/99 C=20.7900 -2500 O=21.0000 H=21.0500 L=20.7600 V=0 FJ_PYRAPPOINT-High 26.1600 25.9476

Should be a scenario to watch tomorrow!

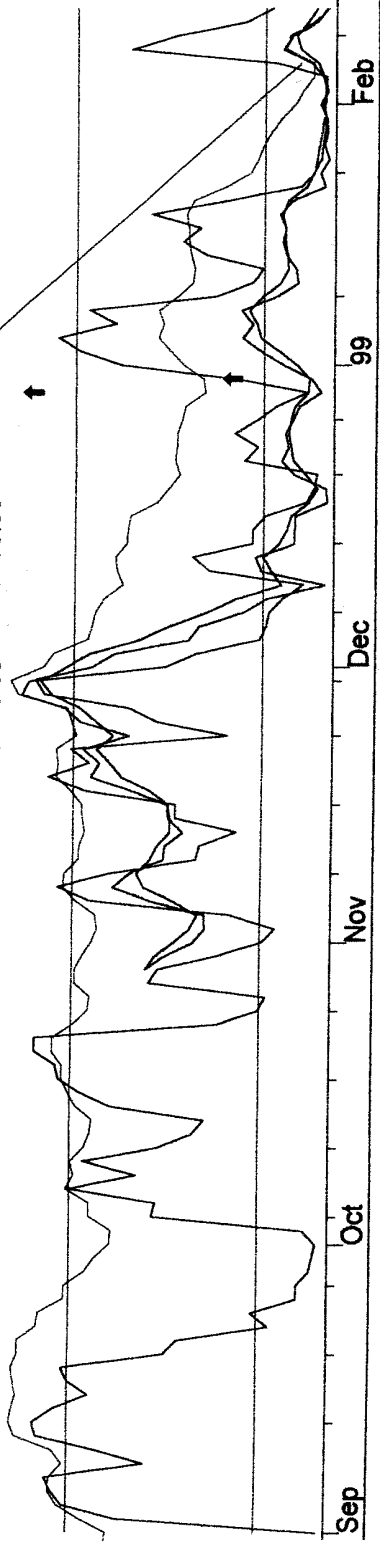
Price is square---TIME is not

Expect a failed pivot

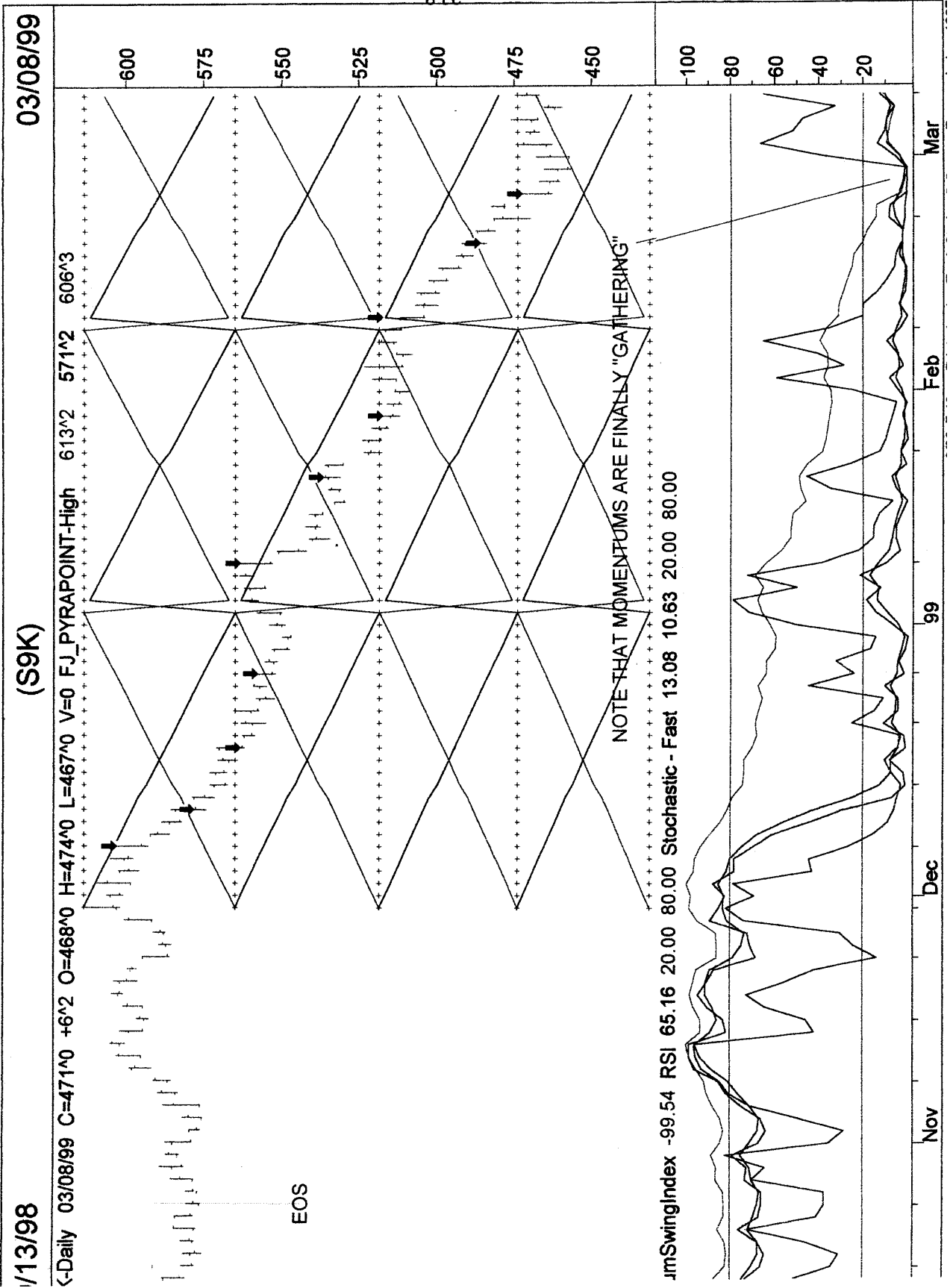


Special note is ASI nearly under all momentum lines, and we are one day out on square of time.

umSwingIndex -2.70 RSI 17.58 20.00 80.00 Stochastic - Fast 0.72 3.93 20.00 80.00



MAIN TREND IS DOWNWARD---SO:

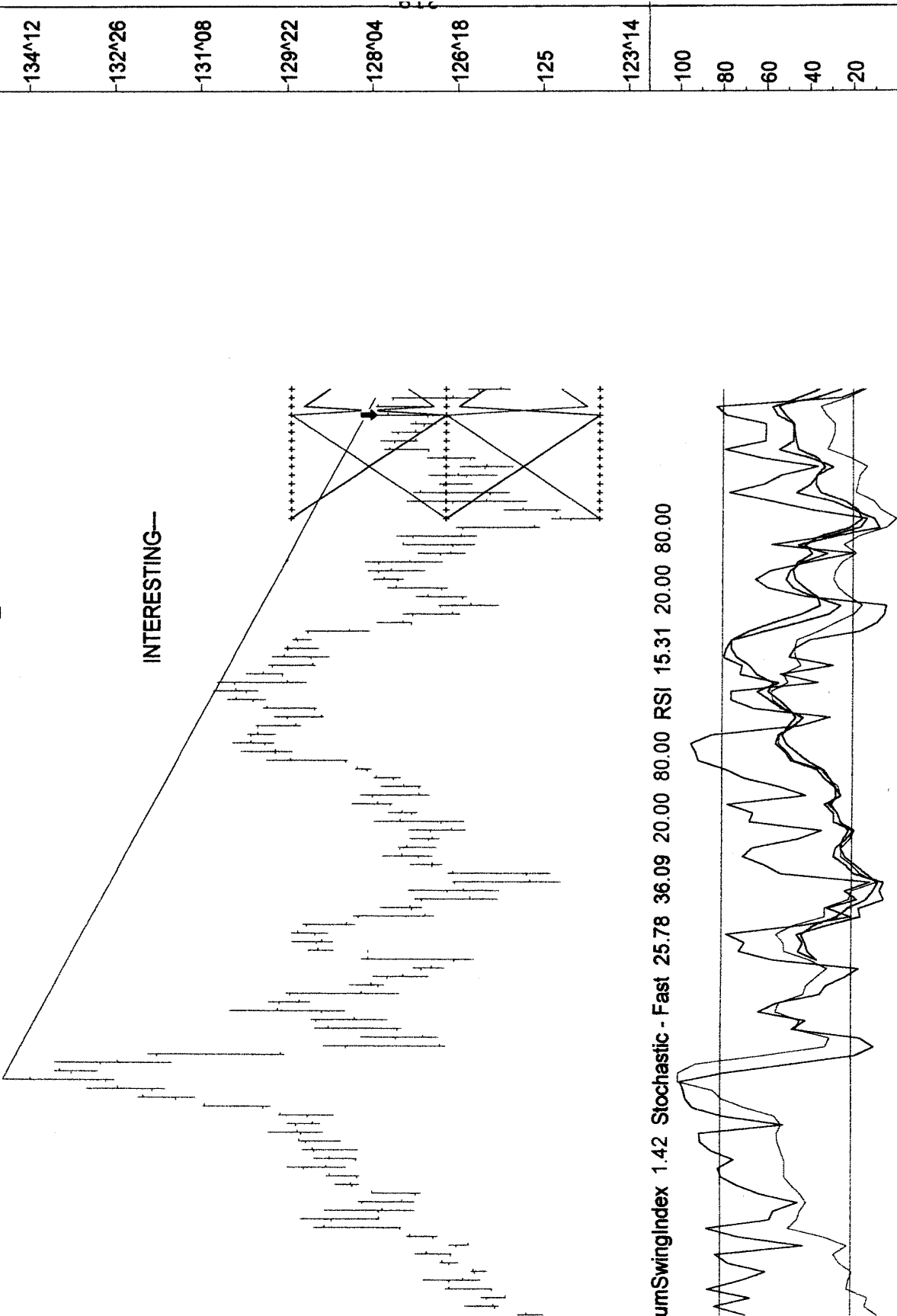


/20/98

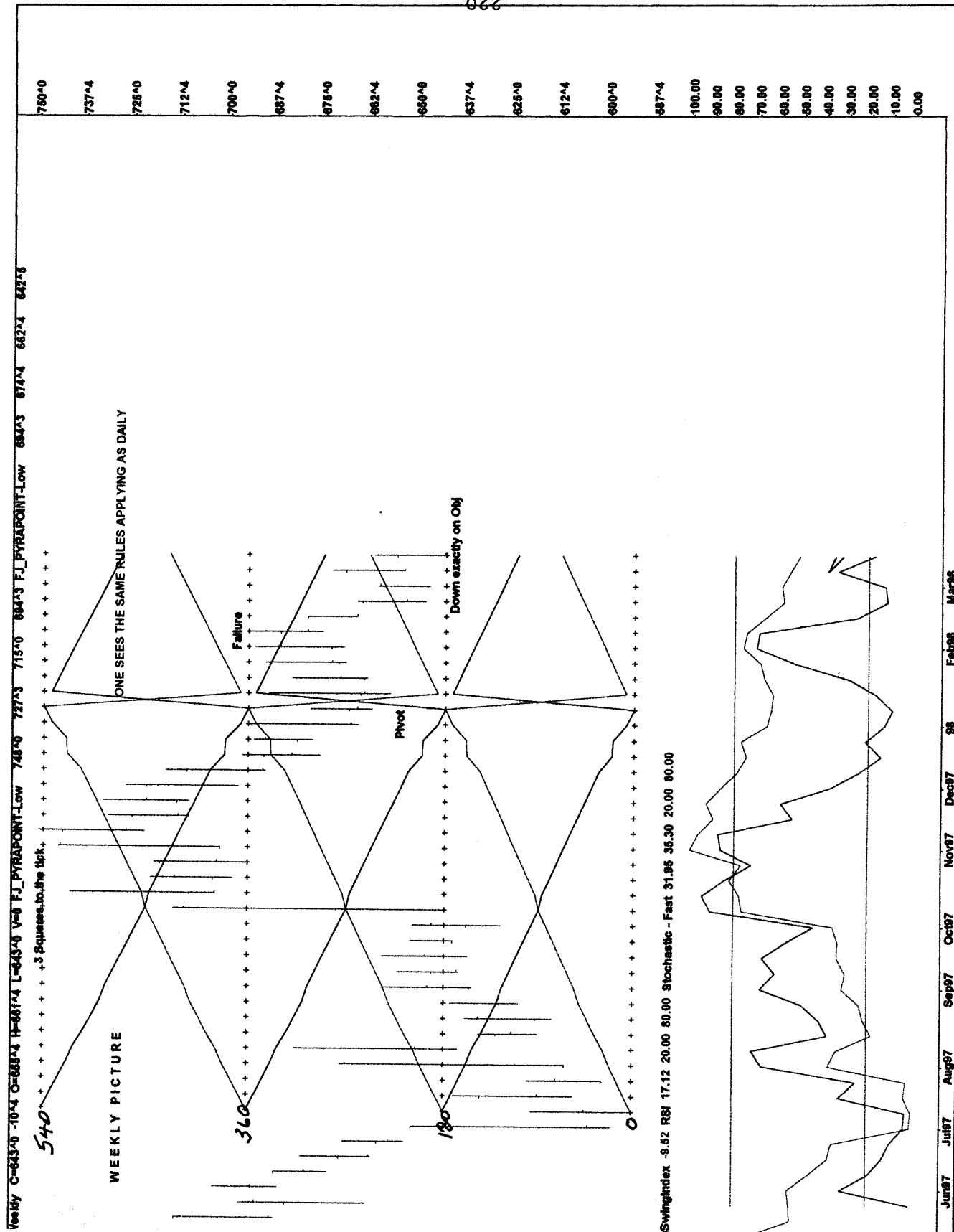
(US9H)

02/02/99

H-Daily 02/02/99 C=125^25 ^27 O=126^06 H=126^12 L=125^20 V=0 FJ_PYRAPOINT-Low 126^24 126^02 124^21



umSwingIndex 1.42 Stochastic - Fast 25.78 36.09 20.00 80.00 RSI 15.31 20.00 80.00



CONTINUING STORY IS READ LIKE SO:

/10/98

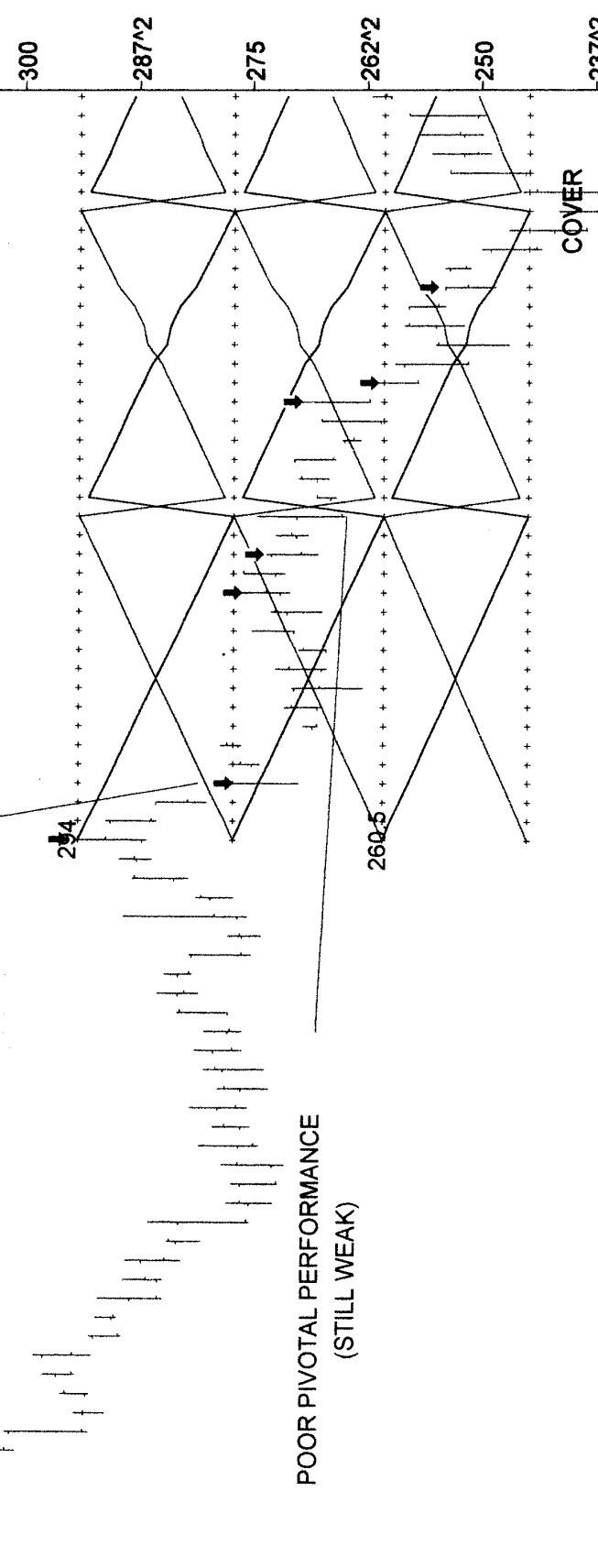
(W9H)

03/08/99

H-Daily 03/08/99 C=260^2 +2^2 O=260^0 H=264^0 L=260^0 V=0 FJ_PYRAPOINT-High 294^0 288^0 283^0

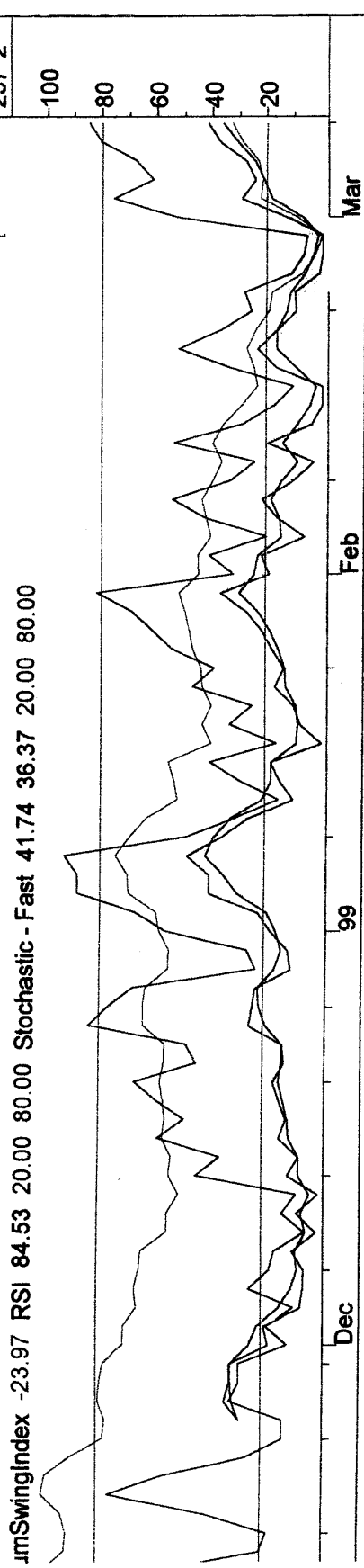
STILL NOT RESPECTING THE BTM SQUARING

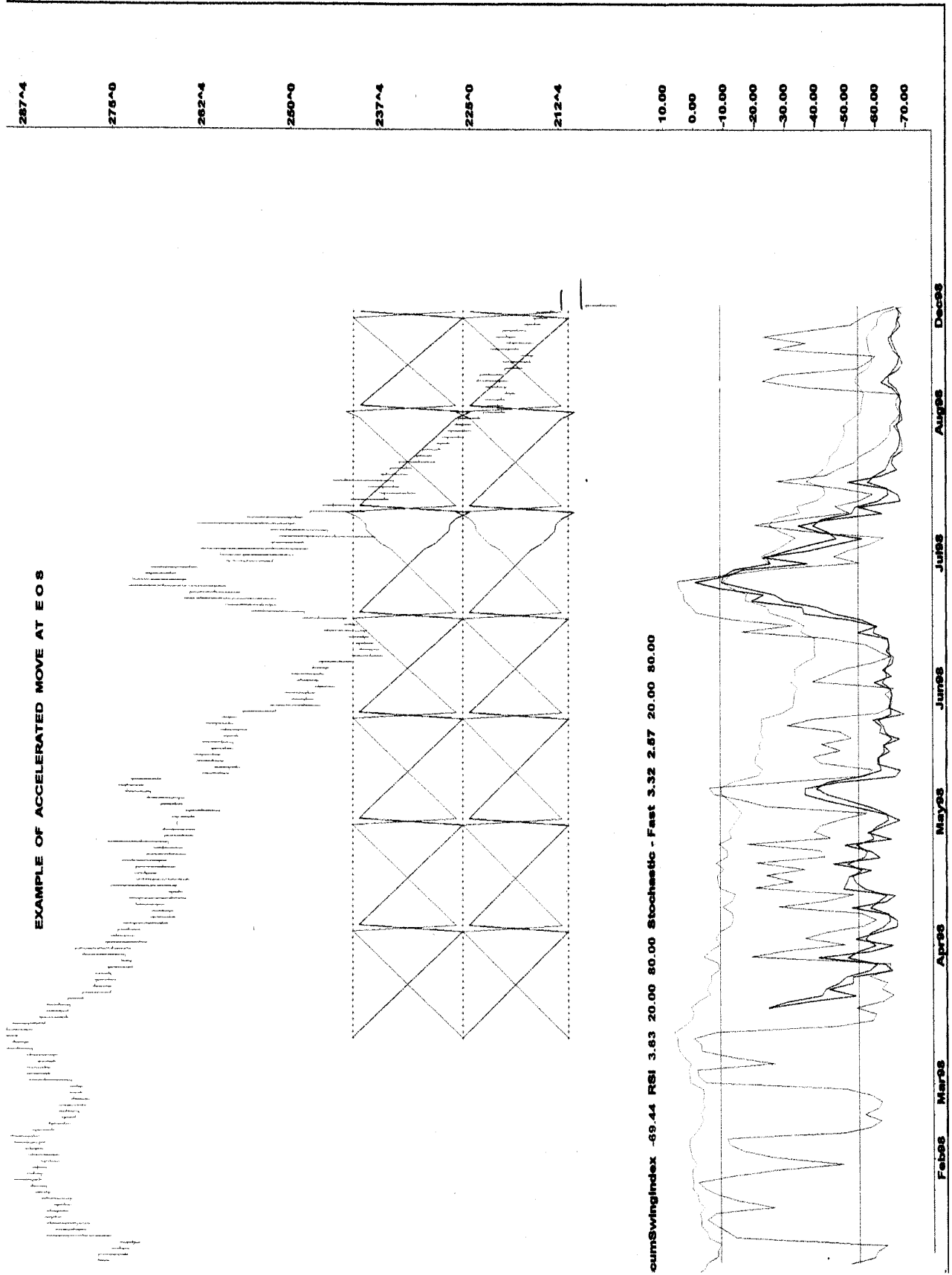
CONCLUSION: STILL IN D.T.---



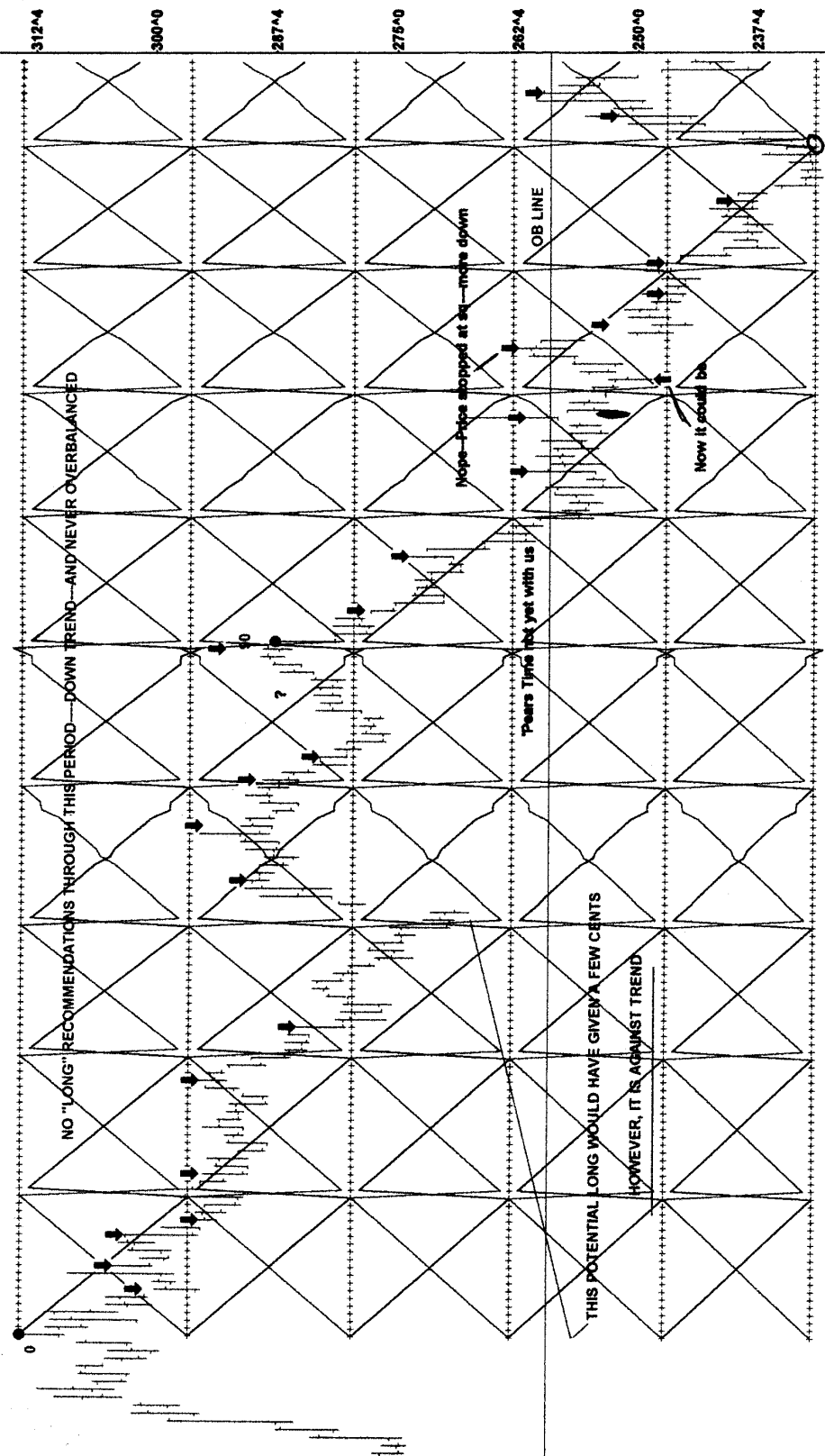
POOR PIVOTAL PERFORMANCE
(STILL WEAK)

Stochastic - Fast 41.74 36.37 20.00 80.00

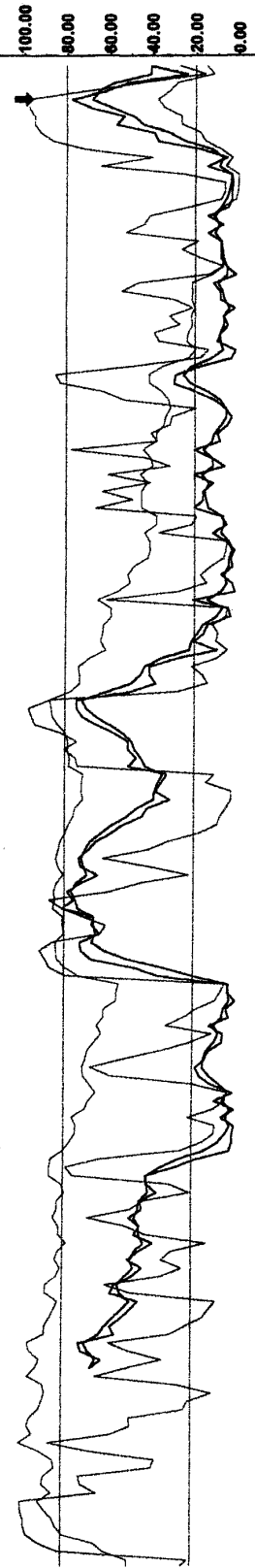




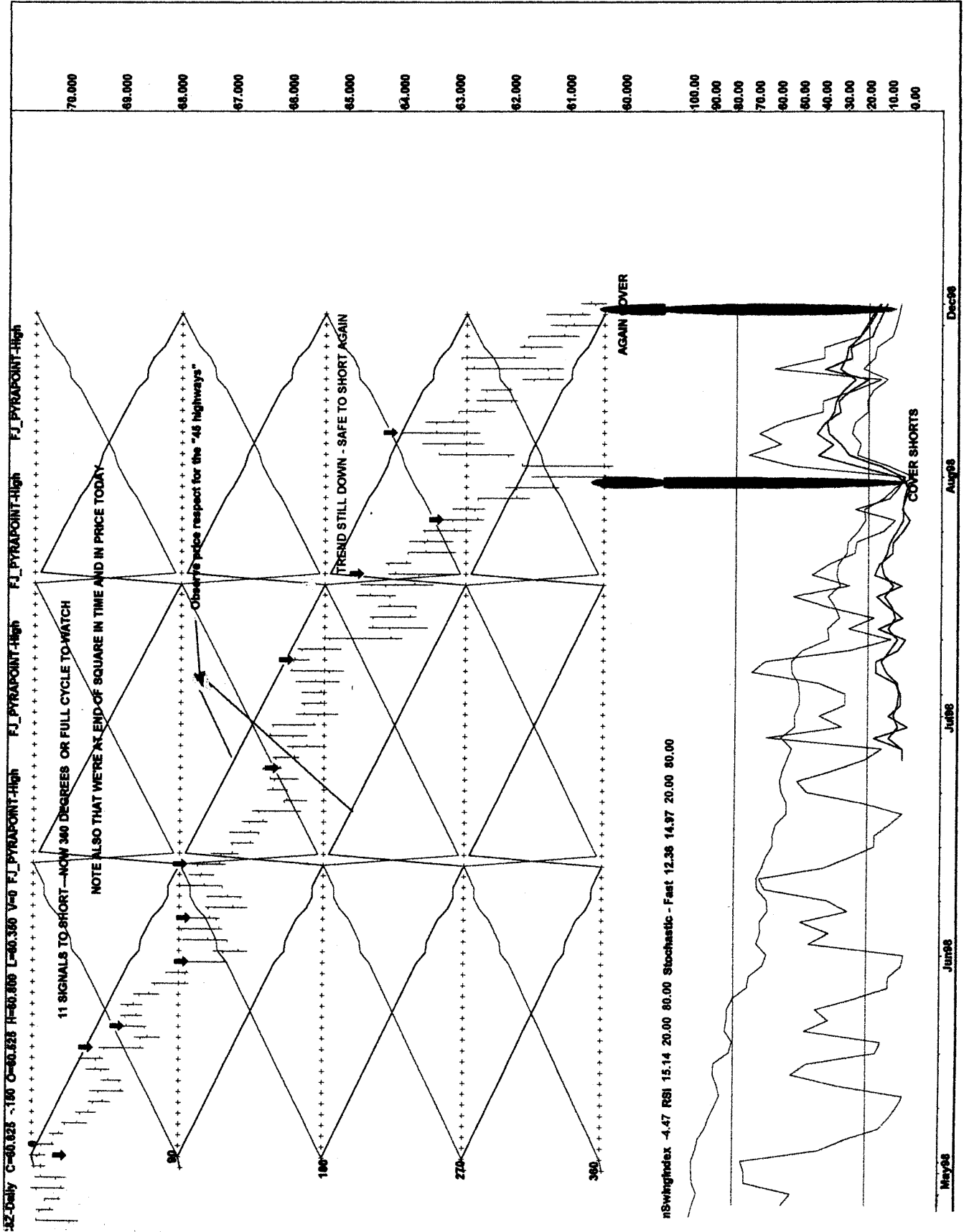
Daily C=244*0 +6*4 O=242*4 H=244*4 L=240*0 V=6 FJ_PYRAPPOINT-High 279*2 288*0 274*1 262*6 FJ_PickBar# -High FJ_PYRAPPOINT-High 313*6 301*8 308*2

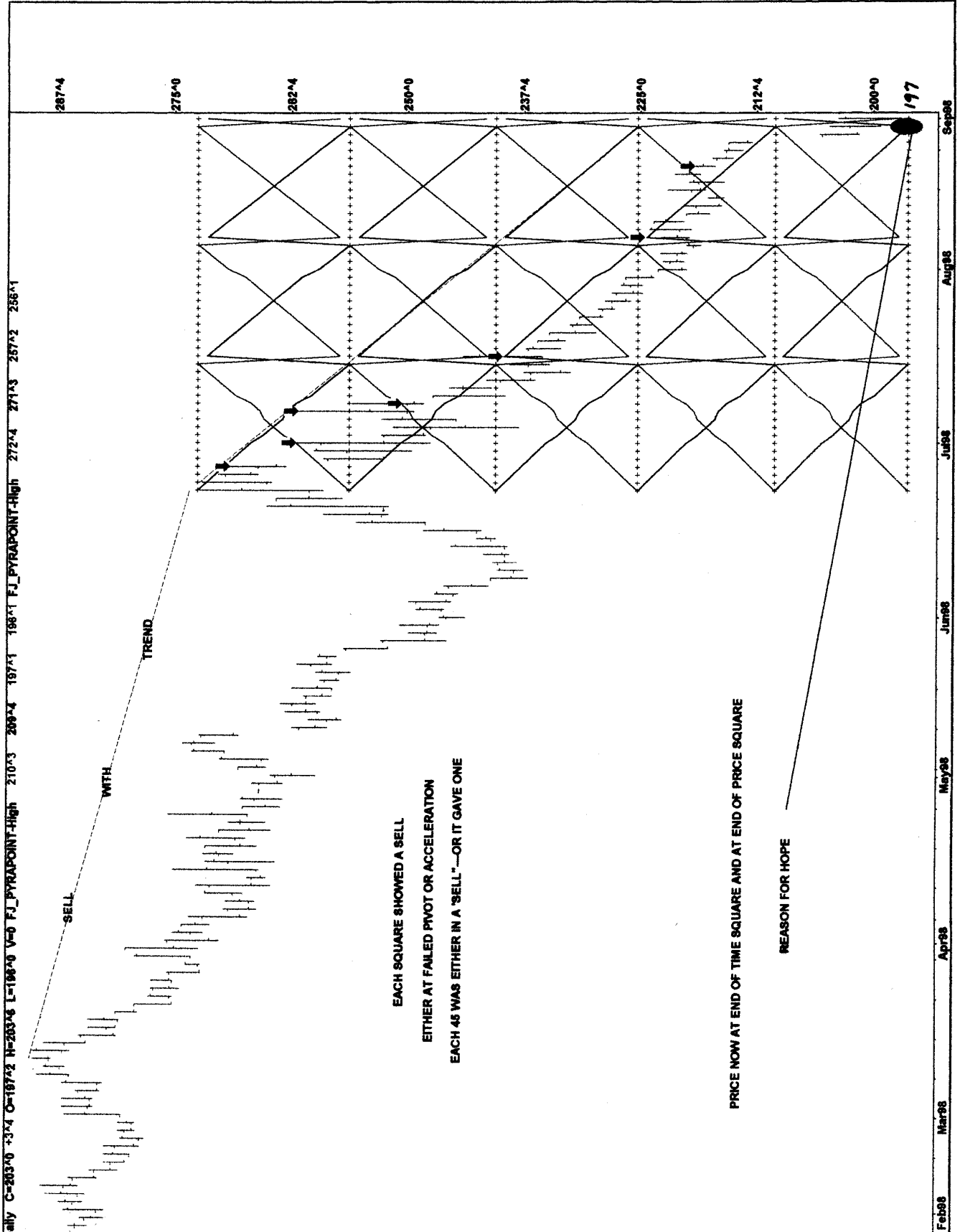


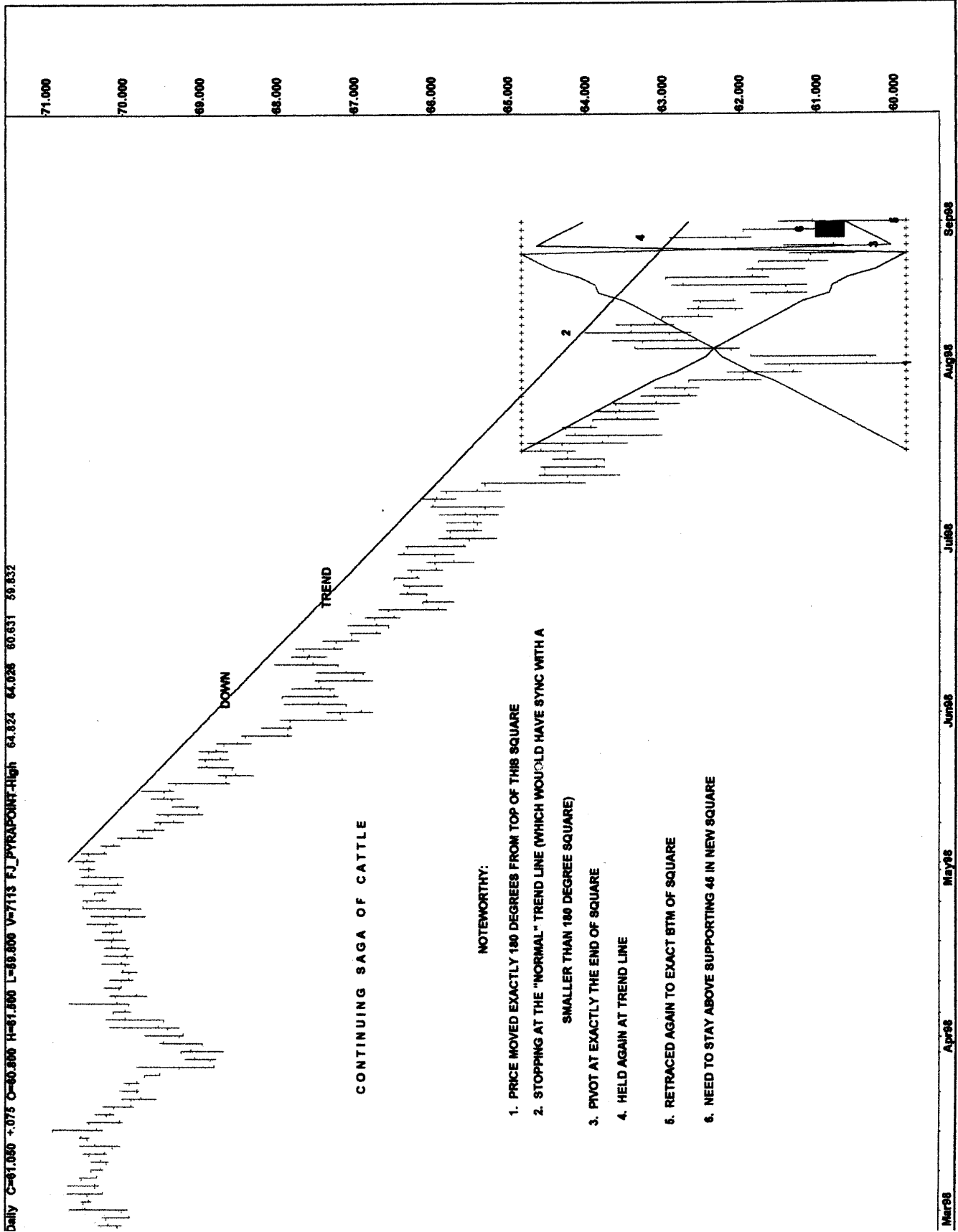
nSwingIndex -34.75 RSI 27.11 20.00 80.00 Stochastic - Fast 40.77 40.99 20.00 80.00
STILL NO BRIGHT SPOT TO 7/1/98 SHOWING Obj EOS

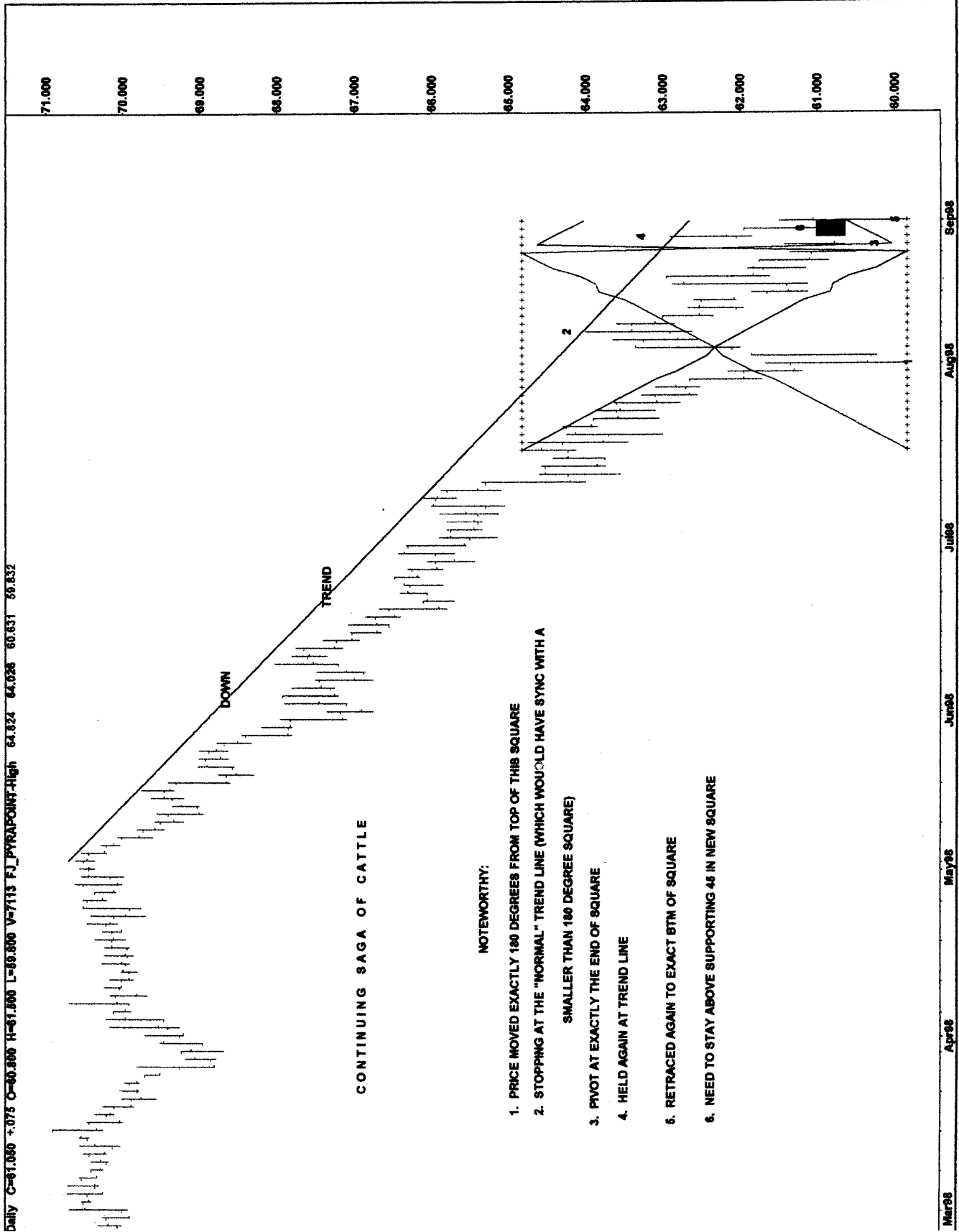


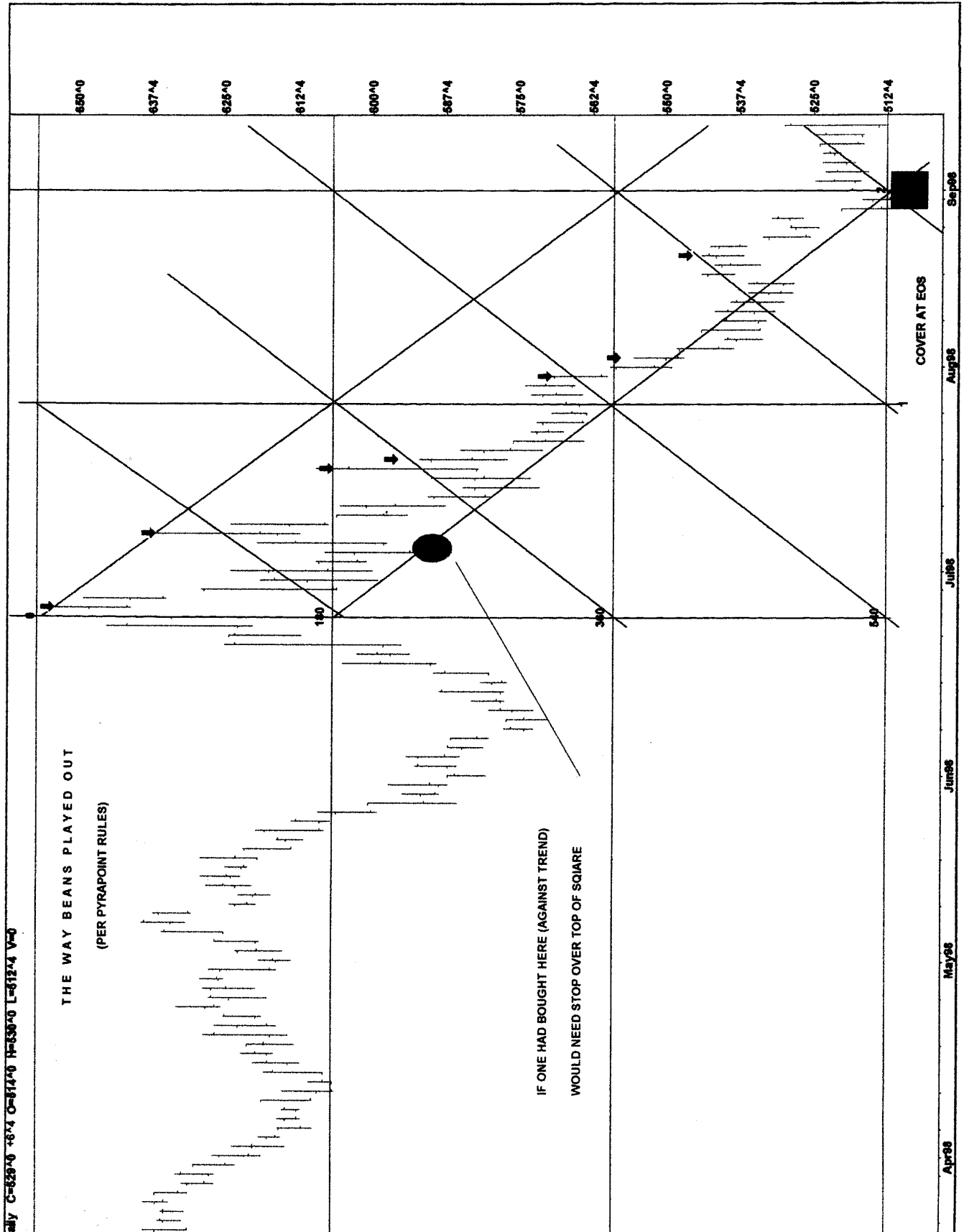
37 Nov97 Dec97 96 Jan98 Feb98 Mar98 Apr98 May98 Jun98











Addition of Williams Acc./ Dist line on Price, RSI

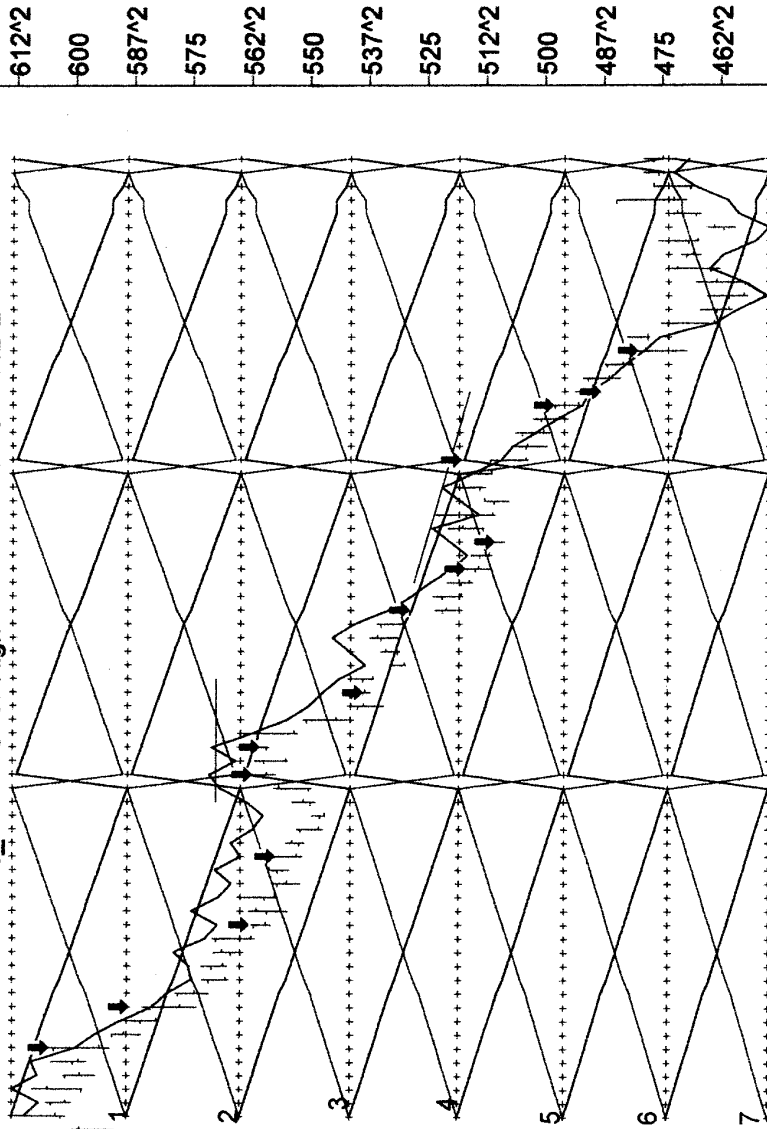
1/25/98

(S9K)

03/12/99

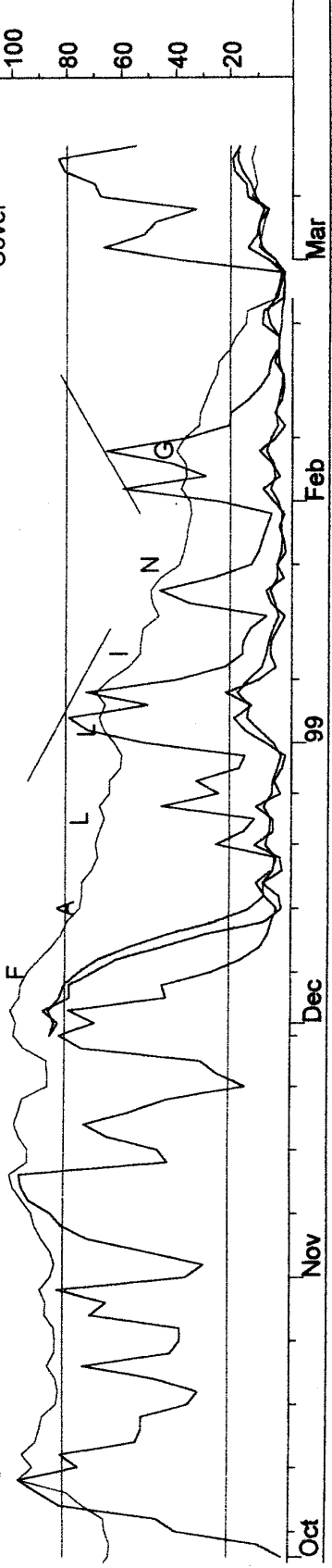
Daily 03/12/99 C=475^0 -3^2 O=477^0 H=479^0 L=472^0 V=0 FJ.PYRAPOINT-High 564^3 563^3 542^2

REND DOWN



Stochastic - Fast 16.82 17.27 20.00 80.00

Cover



Addition of Williams Acc./ Dist line on Price, RSI

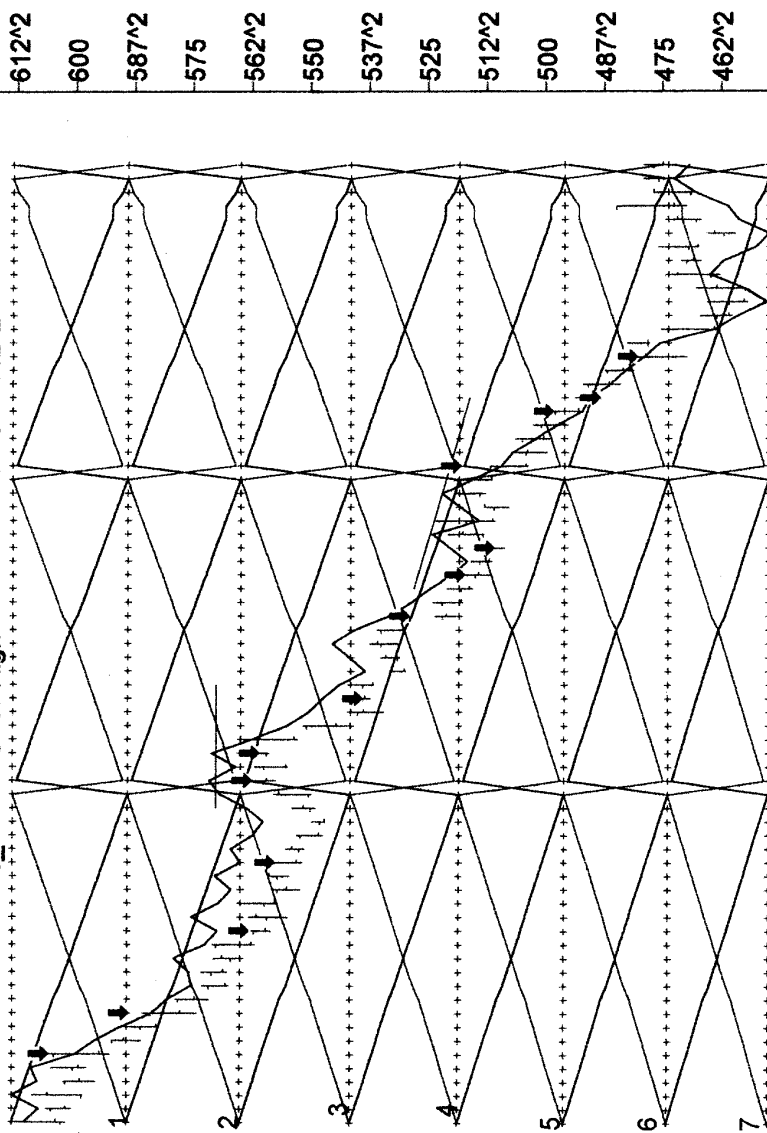
1/25/98

(S9K)

03/12/99

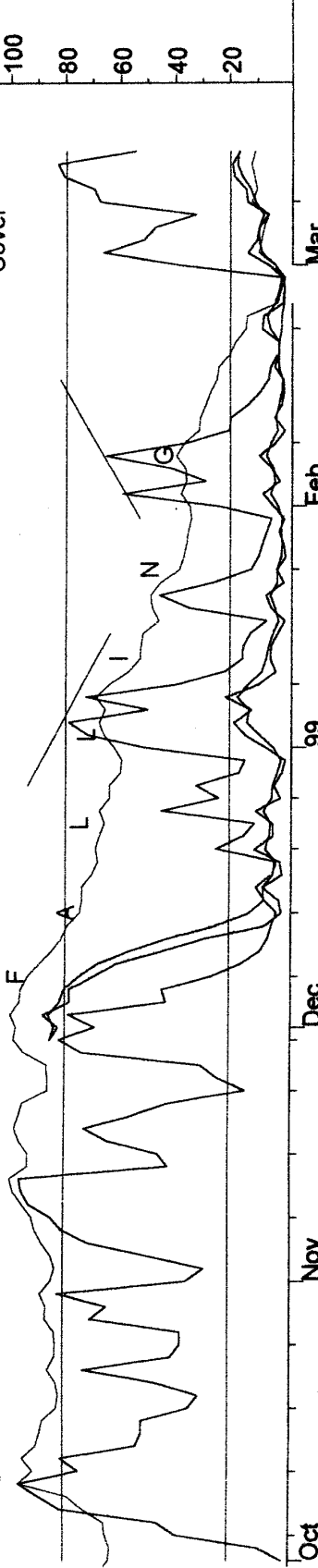
Daily 03/12/99 C=475^0 -3^2 O=477^0 H=479^0 L=472^0 V=0 FJ.PYRAPOINT-High 564^3 563^3 542^2

REND DOWN



Stochastic - Fast 16.82 17.27 20.00 80.00

Cover

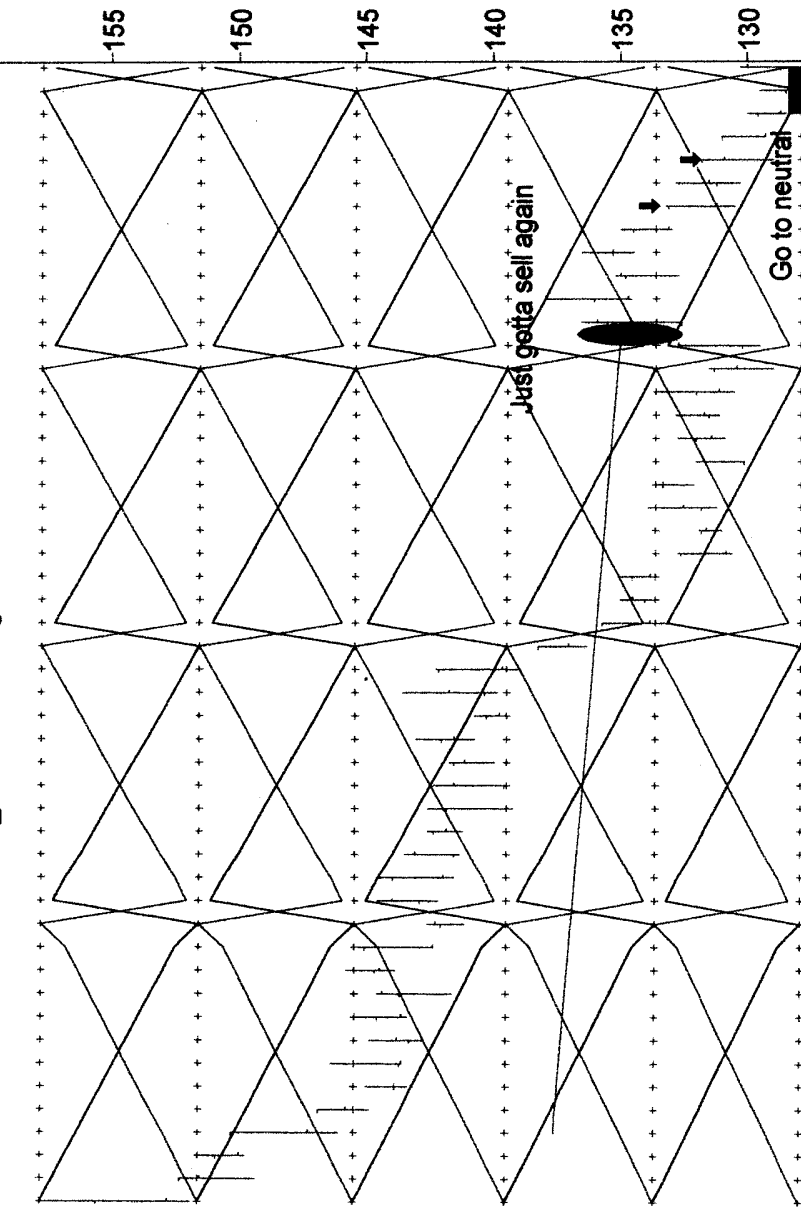


/04/98

(SM9H)

02/18/99

9H-Daily 02/18/99 C=129.7 +1.3 O=128.7 H=130.3 L=128.0 V=0 FJ_PYRAPOINT-High 133.5 133.1 128.3

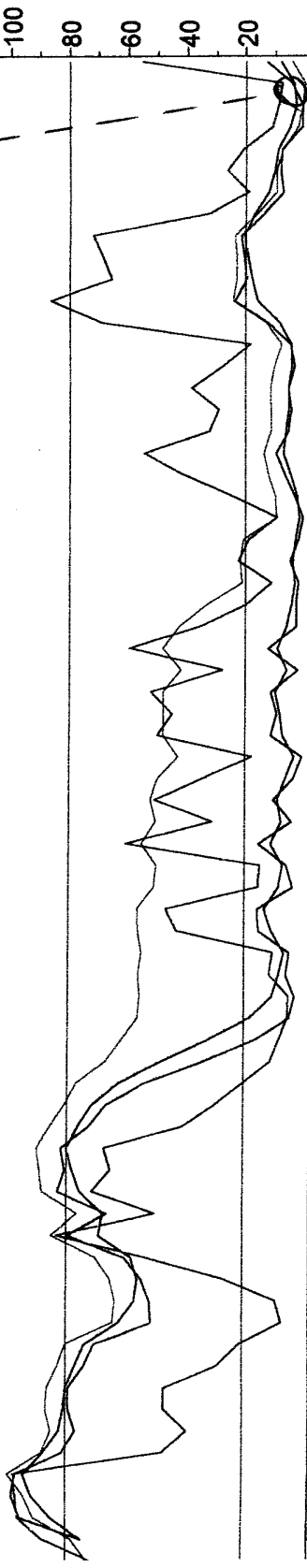


MEAL'S FIRST SIGN OF LIFE
 RSI SAYING "SHORT-LIVED"
 RETREAT TO STOCH. & ASI
 THEN, PERHAPS PROCEED

Just gotta sell again

Go to neutral

umSwingIndex -6.00 RSI 55.34 20.00 80.00 Stochastic - Fast 13.30 8.60 20.00 80.00



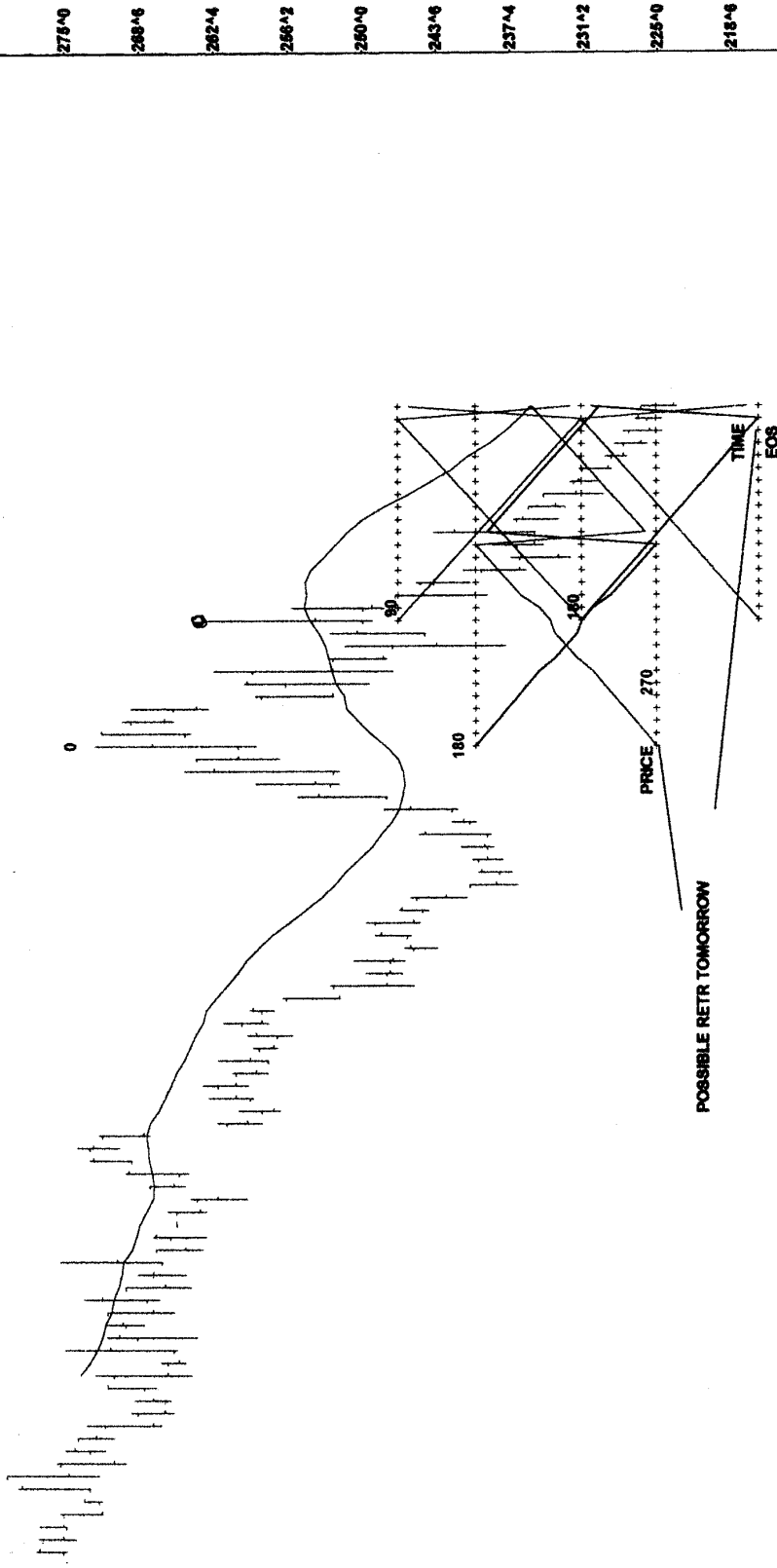
Dec

99

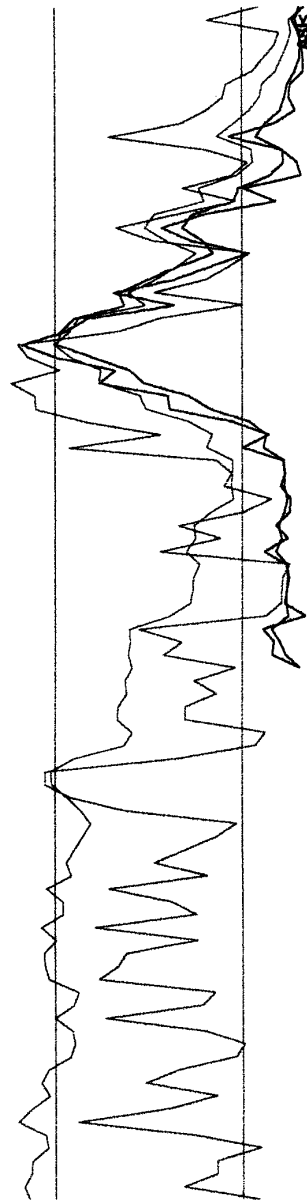
Feb

NY C=223^6 3^0 O=226^4 H=226^4 L=223^4 V=0 FJ_PVPPOINT-HIGH 231^4 230^8 217^4 216^4 FJ_PVPPOINT-HIGH 247^0 246^0 232^4 231^4 Nov Avg 1 Min

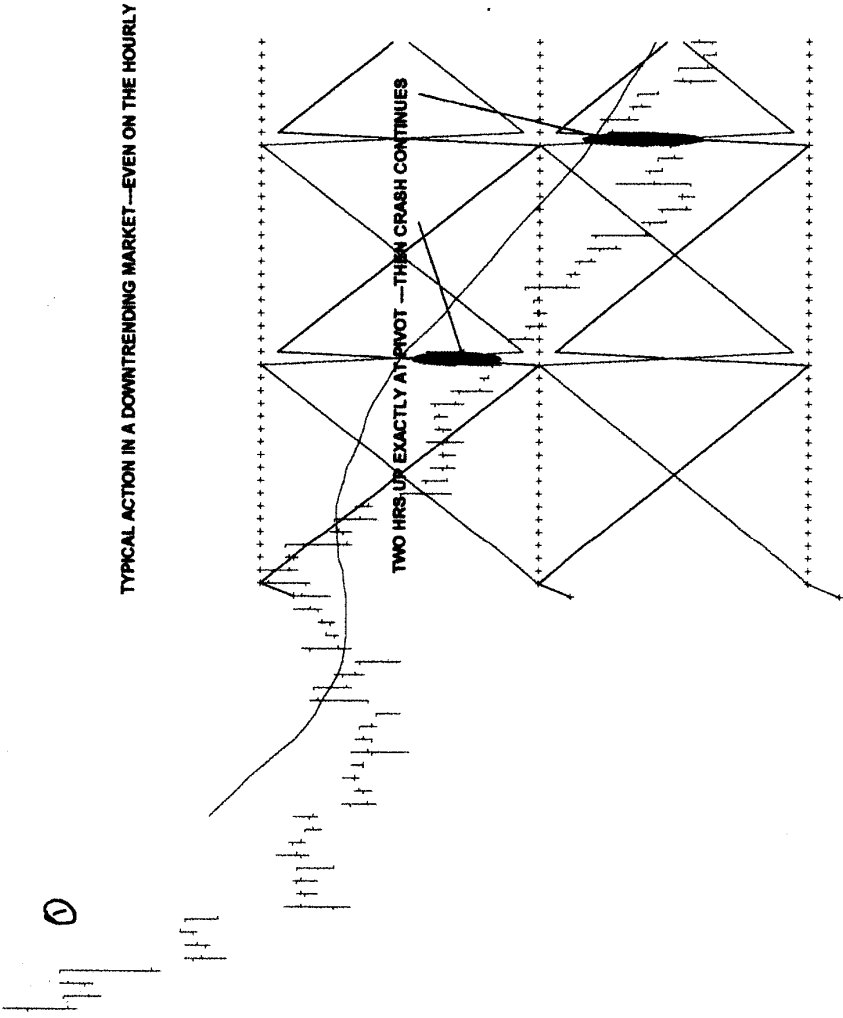
ANALOGY WITH THE DETERMINED TREND: DOWN



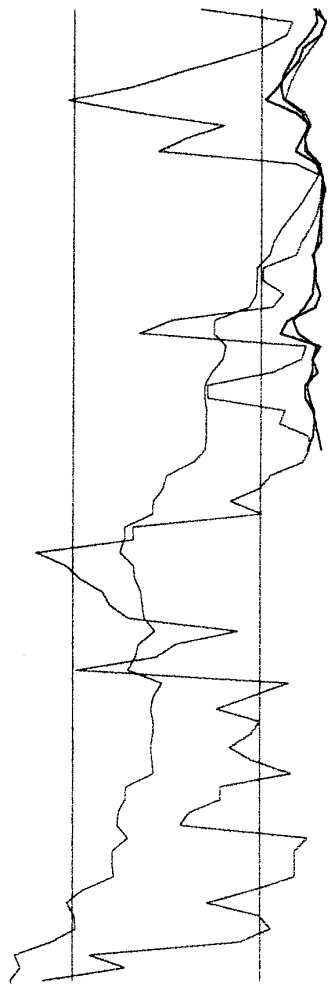
SwingIndex -52.80 RB1 14.84 20.00 80.00 Stochastic - Fast 0.81 1.75 20.00 80.00



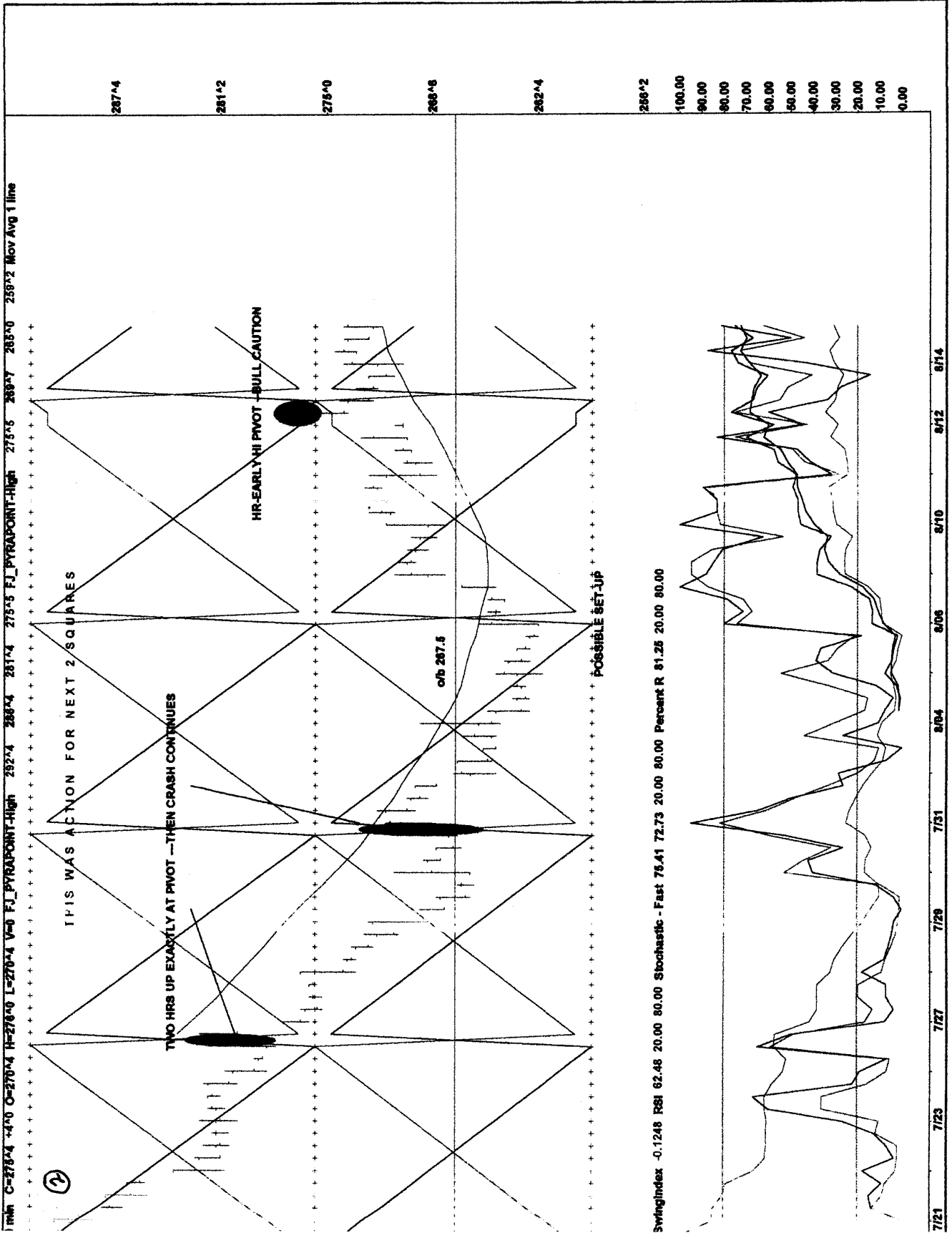
0 min C=288^0 2^2 O=288^4 H=287^4 L=285^0 V=0 FJ_PYRAPPOINT-High 282^4 284^4 283^4 275^5 FJ_PYRAPPOINT-High 273^5 268^7 268^7 285^2 Mov Avg 1 line



SwingIndex -0.2390 RSI 39.35 20.00 80.00 Stochastic - Fast 3.64 3.16 20.00 80.00



7/10 7/14 7/16 7/20 7/22 7/24 7/28 7/30 8/03



min C=664*0 +1*6 C=662*2 H=664*6 L=662*0 V=45972 FJ_PVRAPPOINT-Low 664*0 692*1 671*7 670*6 FJ_PVRAPPOINT-Low 618*8 616*6 596*0 564*0

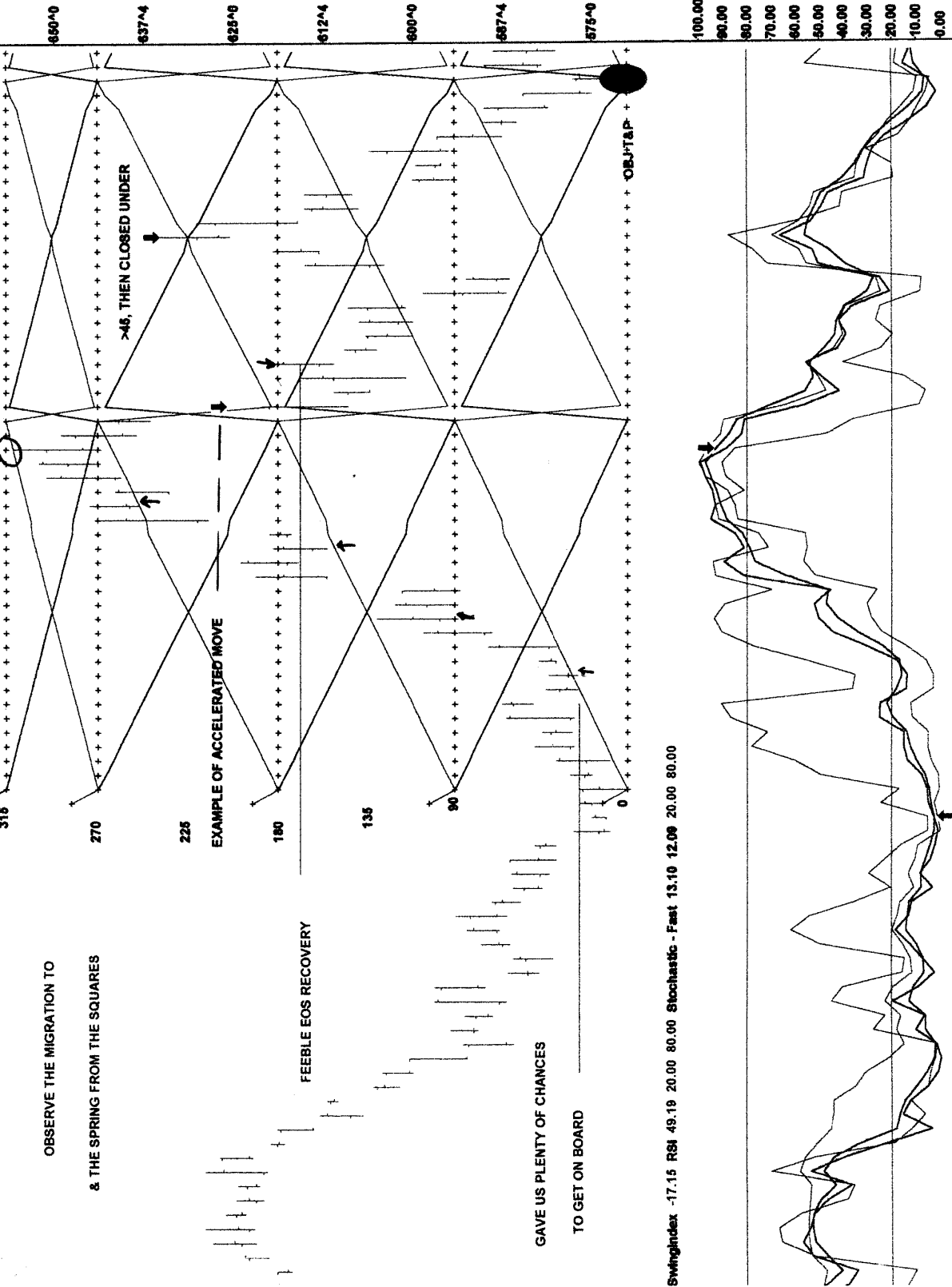
BASED UPON ASK & MOMENTUMS, WE NEED TO TAKE PROFITS @ 315 DEG. AREA

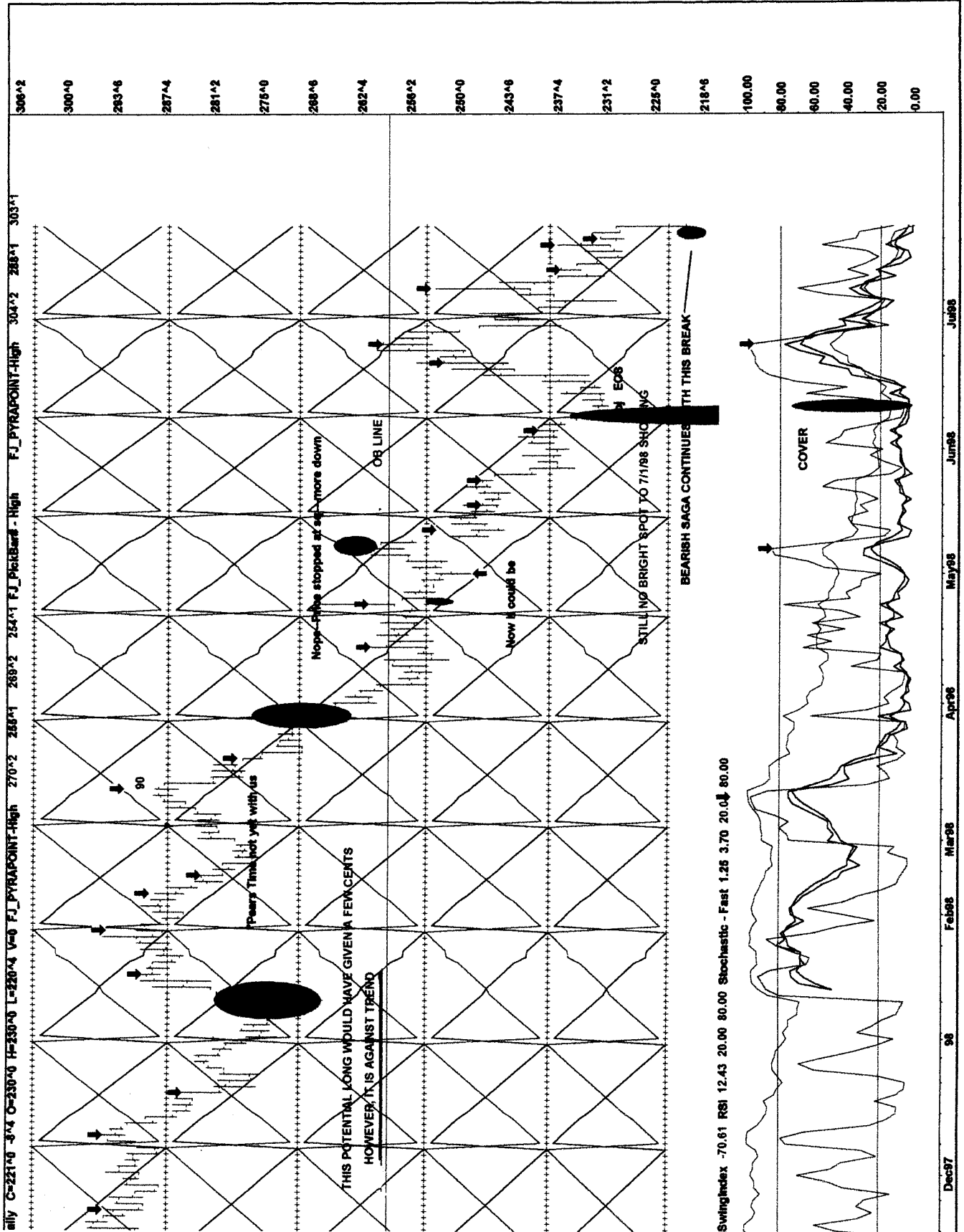
OBSERVE THE MIGRATION TO
& THE SPRING FROM THE SQUARES

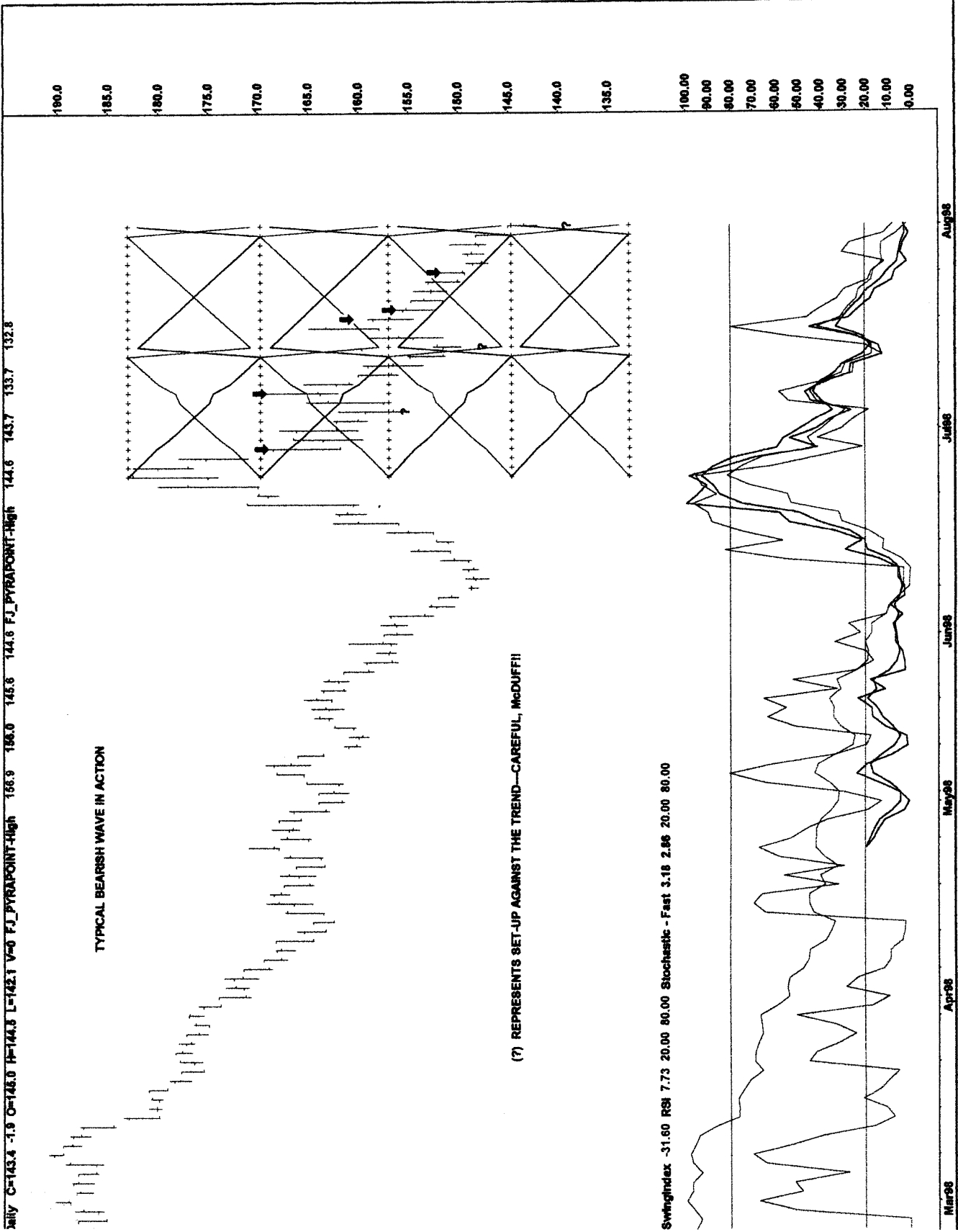
FEEBLE EOS RECOVERY

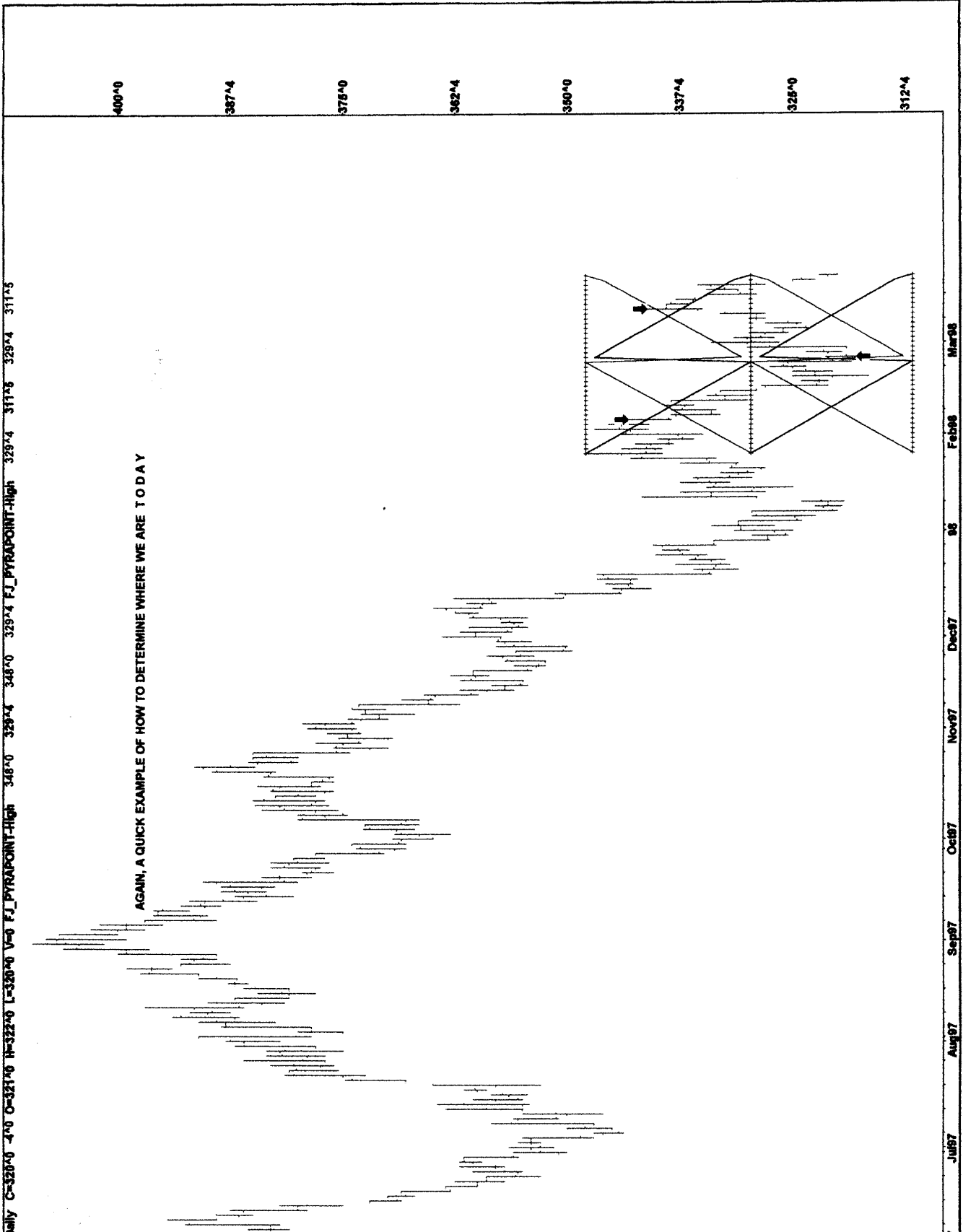
GAVE US PLENTY OF CHANCES
TO GET ON BOARD

SwingIndex -17.15 RSI 49.19 20.00 80.00 Stochastic - Fast 13.10 12.09 20.00 80.00









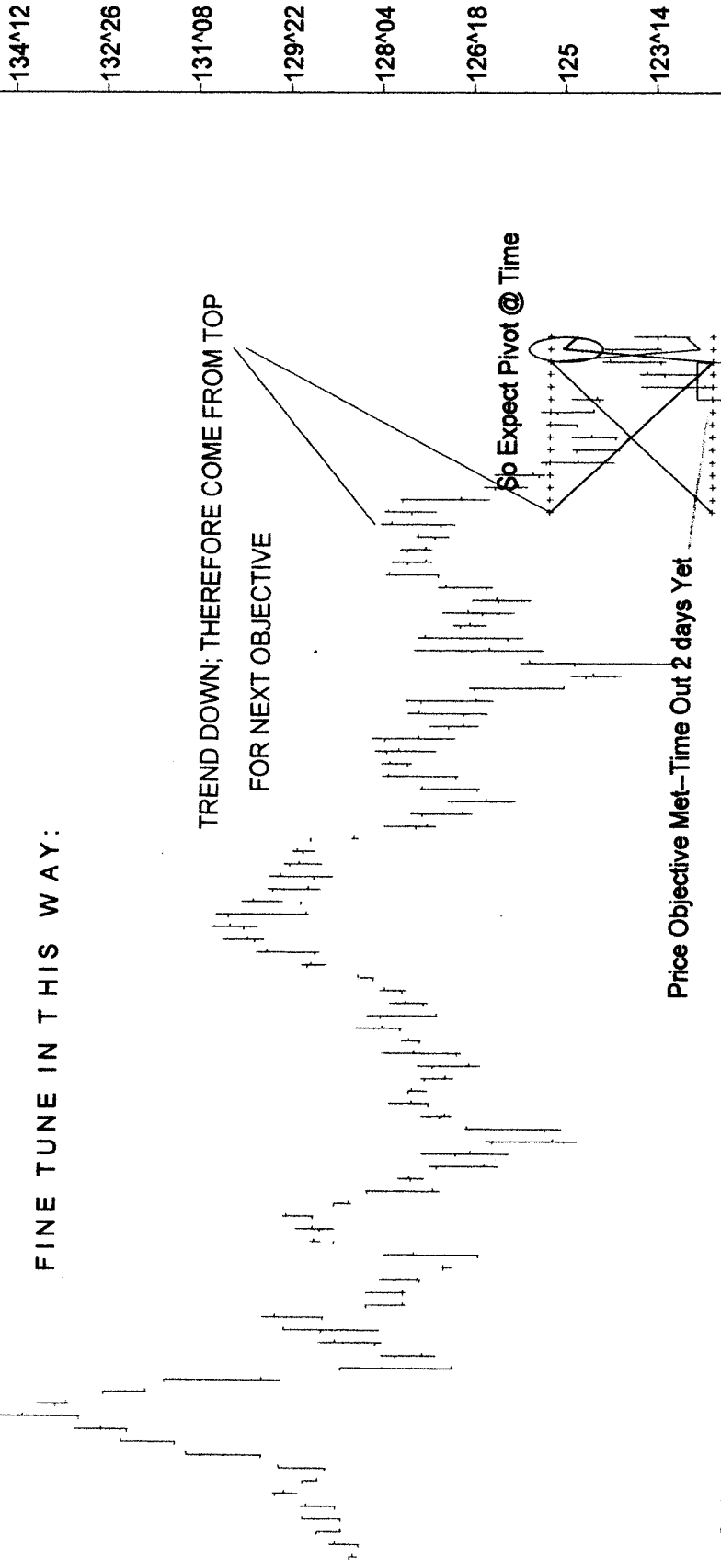
/10/98

(XB9H)

02/19/99

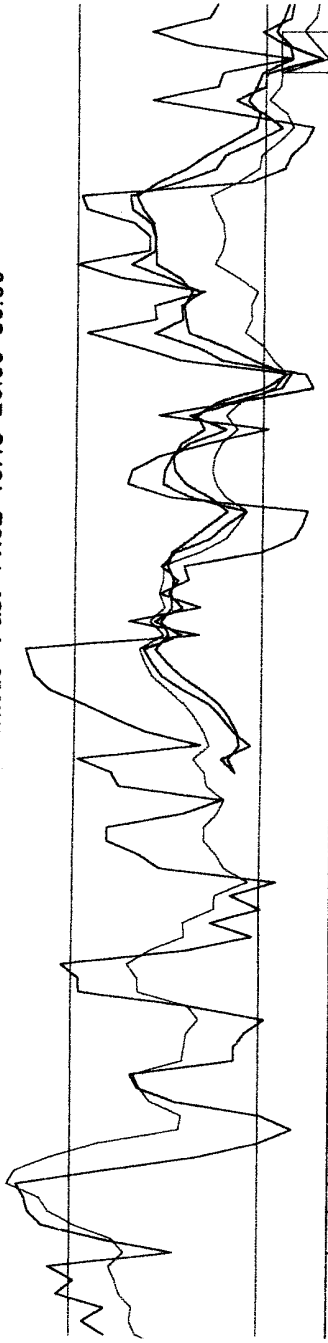
#H-Daily 02/19/99 C=123^09 ^04 O=123^13 H=123^26 L=122^28 V=0 FJ_PYRAPOINT-High 125^07 124^25 122^29

FINE TUNE IN THIS WAY:



Price Objective Met--Time Out 2 days Yet

imSwingIndex -5.41 RSI 35.56 20.00 80.00 Stochastic - Fast 11.52 13.15 20.00 80.00



Oct

Nov

Dec

99

Feb

NOW DOUBLE-CHECK FROM THIS SIG. TOP:

1/10/98

(XB9H)

02/23/99

9H-Daily 02/23/99 C=122^21 -1^02 O=123^19 H=123^25 L=122^17 V=0 FJ_PYRAPOINT-High 125^09 125^02 122^24

FINE TUNE IN THIS WAY:

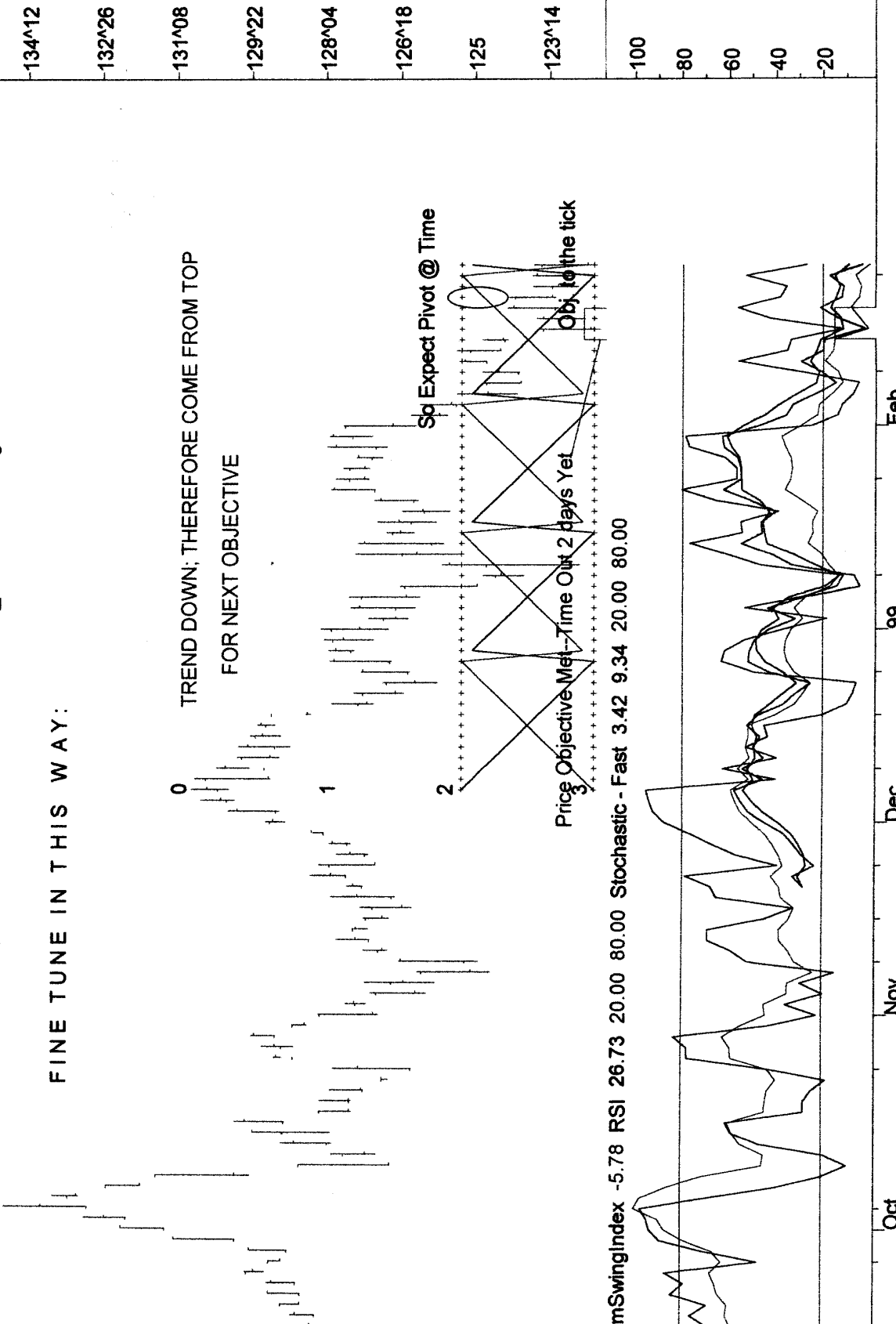
0 TREND DOWN; THEREFORE COME FROM TOP FOR NEXT OBJECTIVE

Sp Expect Pivot @ Time

Price Objective Met - Time Out 2 days Yet

Obj. to the tick

umSwingIndex -5.78 RSI 26.73 20.00 80.00 Stochastic - Fast 3.42 9.34 20.00 80.00



RECORDS SWINGS NEARLY PERFECTLY BOTH WAYS

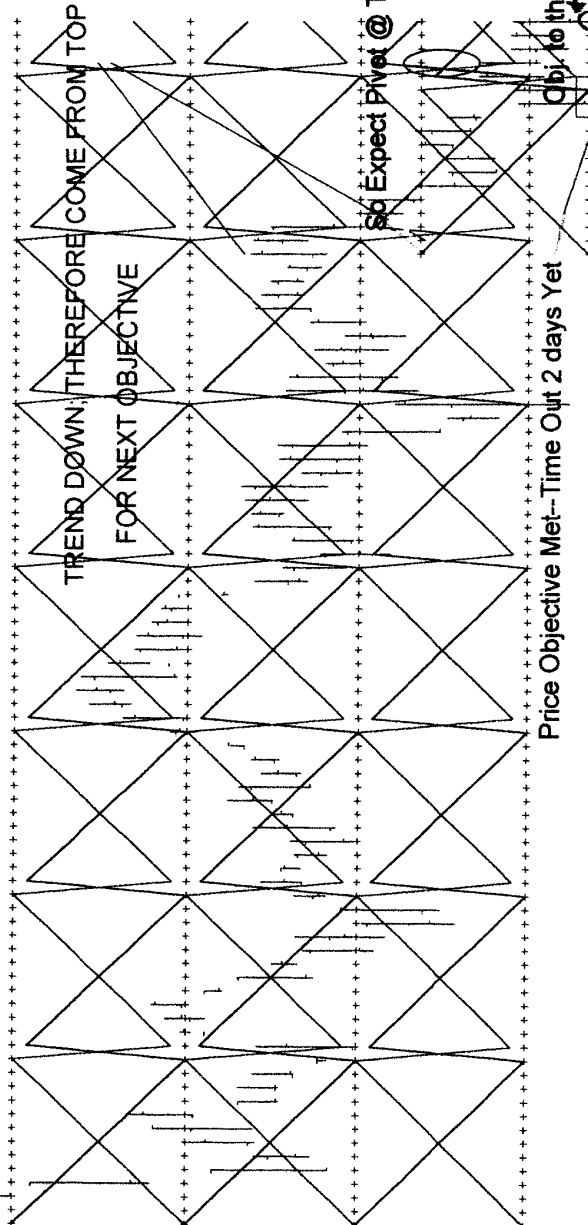
1/10/98

(XB9H)

02/23/99

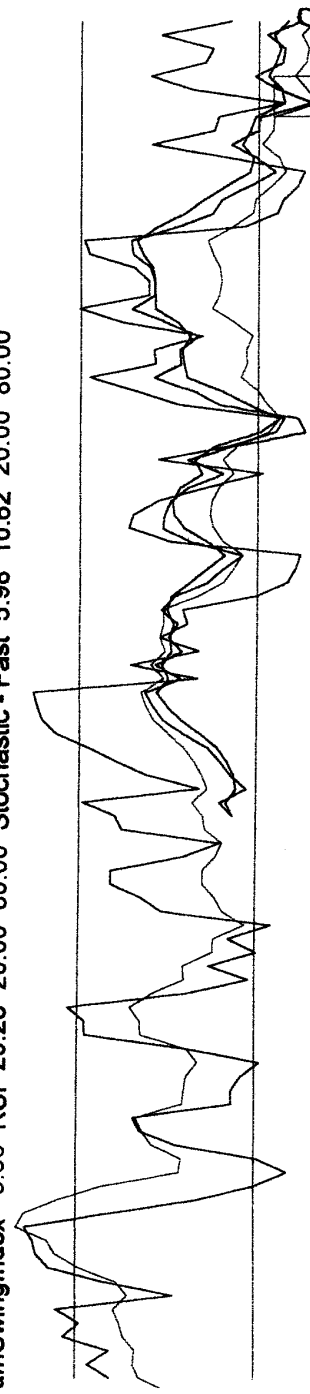
9H-Daily 02/23/99 C=122^27 ^28 O=123^19 H=123^25 L=122^17 V=0 FJ_PYRAPOINT-High 125^09 124^04 123^21

FINE TUNE IN THIS WAY:

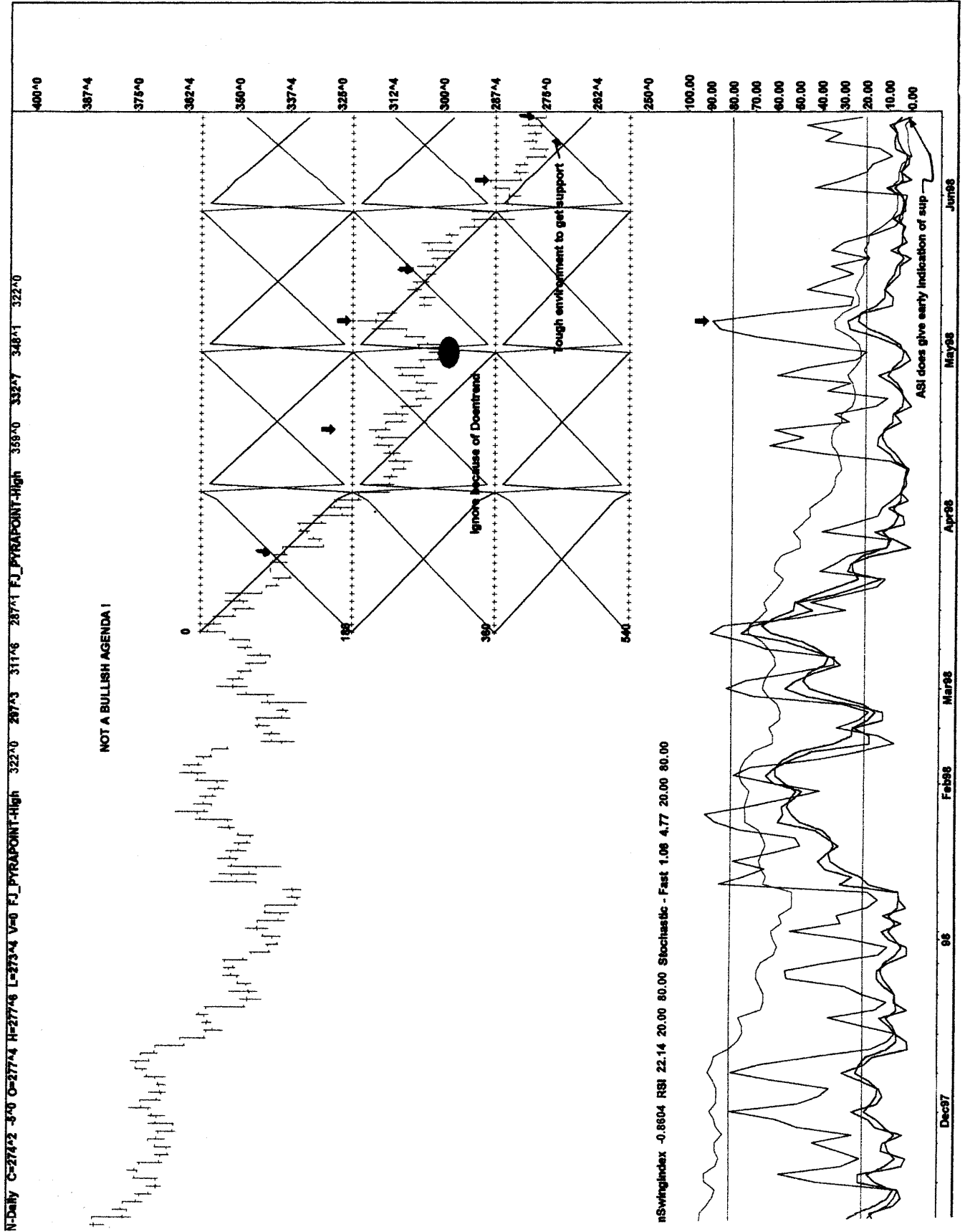


-134^12
-132^26
-131^08
-129^22
-128^04
-126^18
-125
-123^14

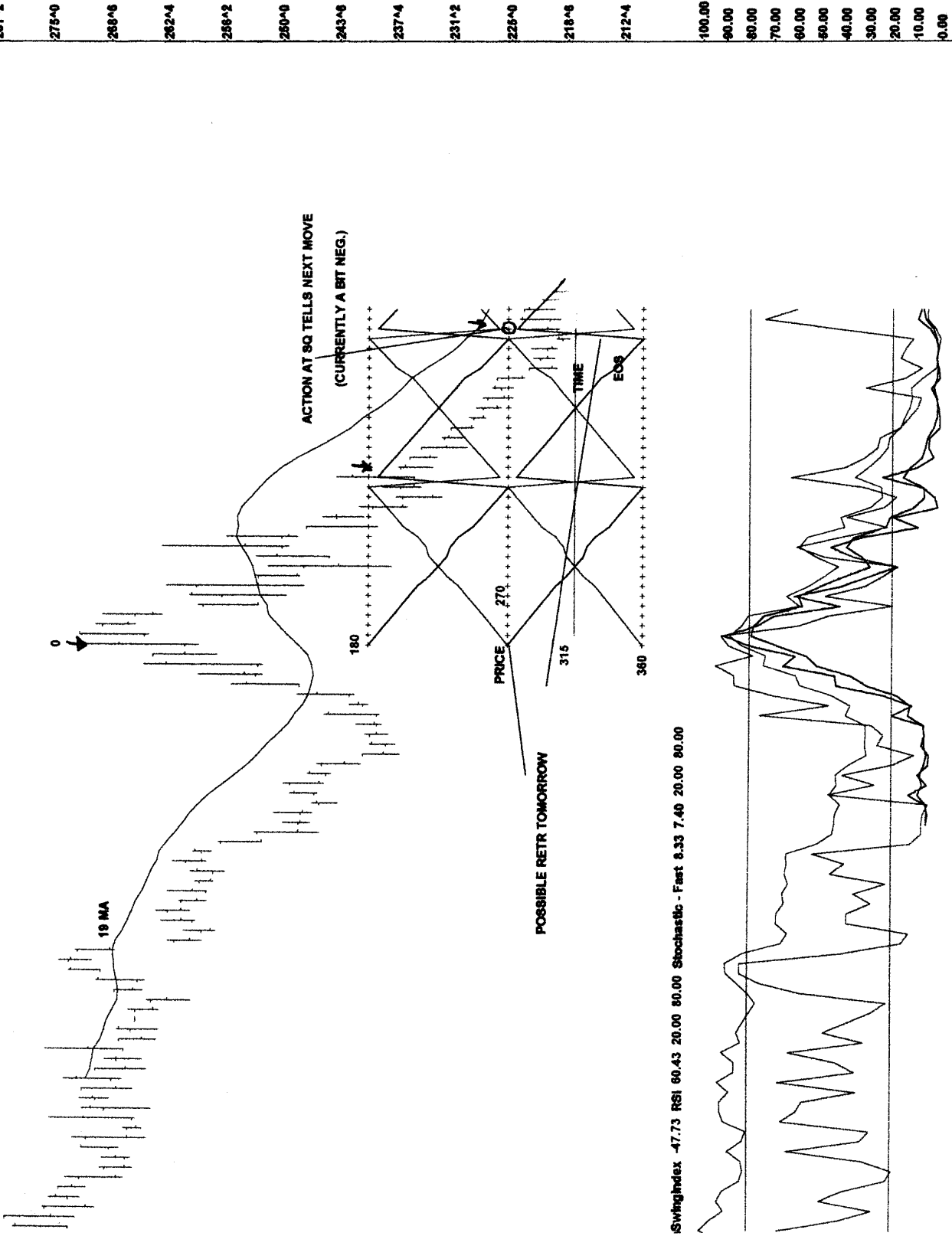
umSwingIndex -5.66 RSI 29.28 20.00 80.00 Stochastic - Fast 5.98 10.62 20.00 80.00



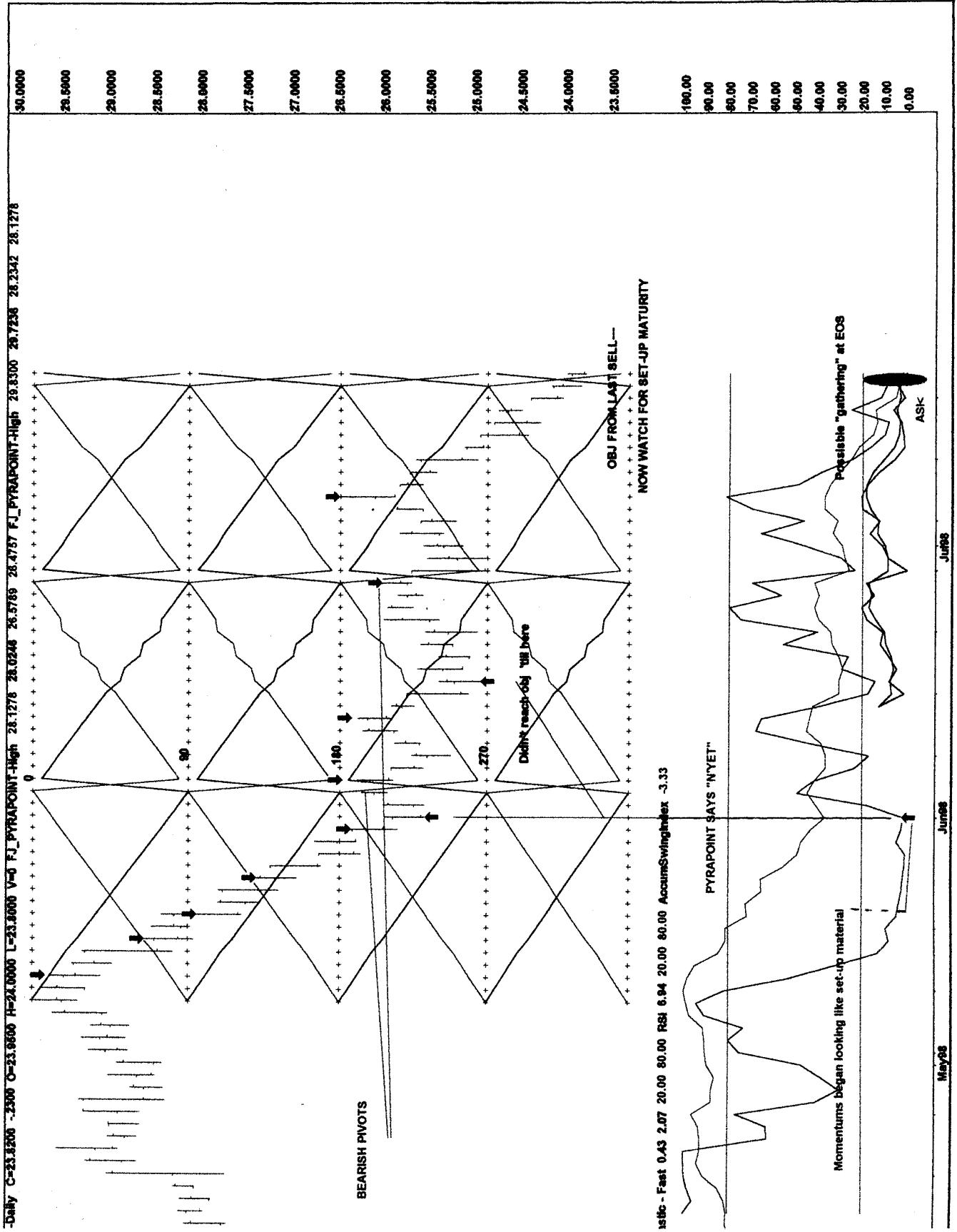
Oct Nov Dec 99 Feb

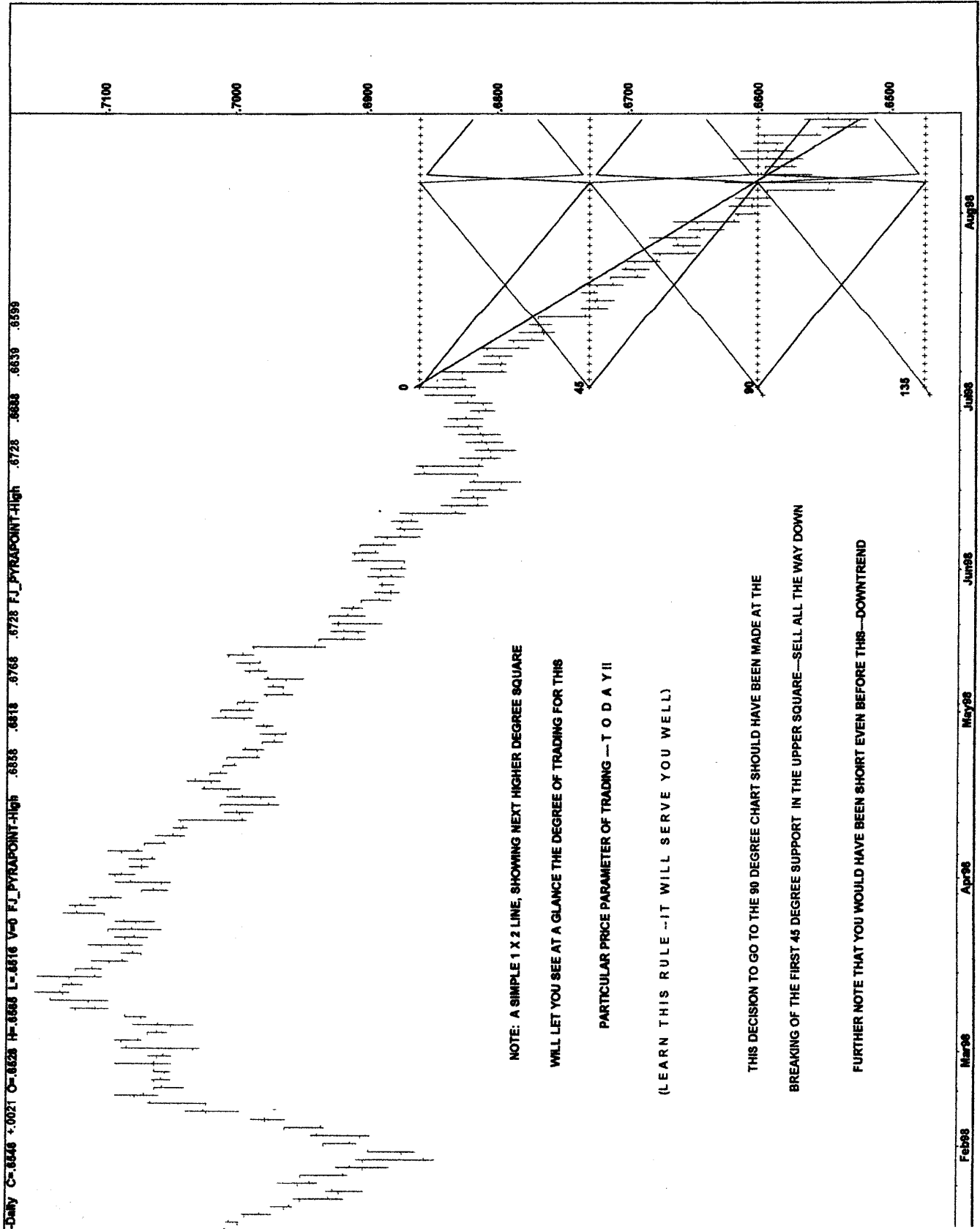


daily C=223^0 -4 O=223^4 H=223^4 L=220^2 V=6 Mov Avg 1 line 227^3 FJ_PVPPOINT-High 240^3 237^3 228^2 225^1 FJ_PVPPOINT-High 225^1 222^3 213^3



Apr88 May88 Jun88 Aug88





Daily C= .6646 +.0021 O= .6628 H= .6668 L= .6616 V= 0 FJ_PYRPOINT-HIGH .6858 .6818 .6768 .6728 FJ_PYRPOINT-HIGH .6728 .6688 .6639 .6599

NOTE: A SIMPLE 1 X 2 LINE, SHOWING NEXT HIGHER DEGREE SQUARE

WILL LET YOU SEE AT A GLANCE THE DEGREE OF TRADING FOR THIS

PARTICULAR PRICE PARAMETER OF TRADING -- T O D A Y !!

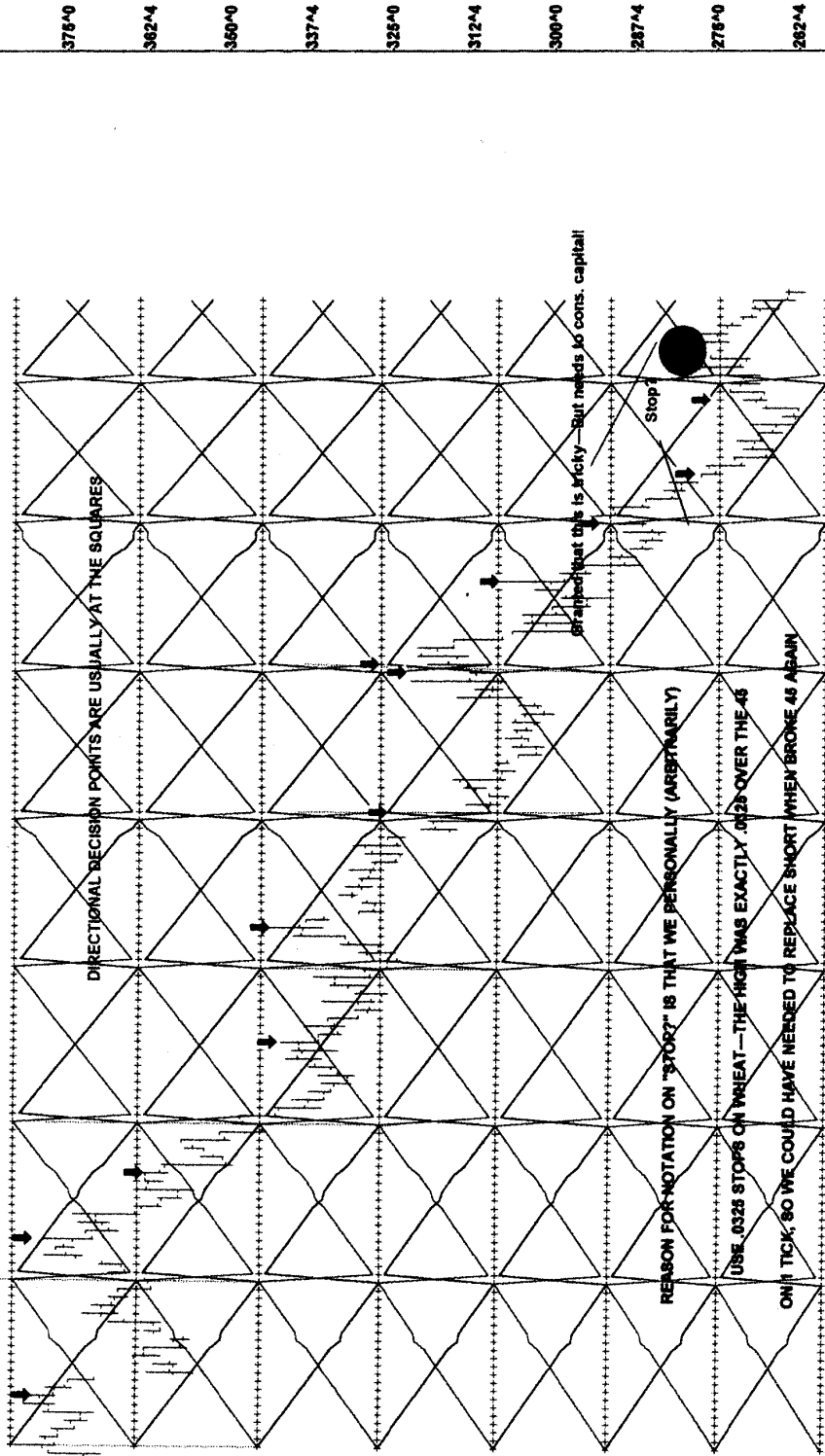
(LEARN THIS RULE --IT WILL SERVE YOU WELL)

THIS DECISION TO GO TO THE 90 DEGREE CHART SHOULD HAVE BEEN MADE AT THE

BREAKING OF THE FIRST 45 DEGREE SUPPORT IN THE UPPER SQUARE--SELL ALL THE WAY DOWN

FURTHER NOTE THAT YOU WOULD HAVE BEEN SHOIRT EVEN BEFORE THIS--DOWNTREND

1Z-Daily C=264*0 -4 0=281*2 H=264*4 L=281*4 V=17128 FJ_PYRPOINT-High FJ_PYRPOINT-High FJ_PYRPOINT-High FJ_PYRPOINT-High



378*0

362*4

360*0

337*4

328*0

312*4

300*0

287*4

278*0

262*4

nSwingIndex -0.7034 RSI 7.99 20.00 80.00 Stochastic -Fast 4.20 6.25 20.00 80.00

100.00

90.00

80.00

70.00

60.00

50.00

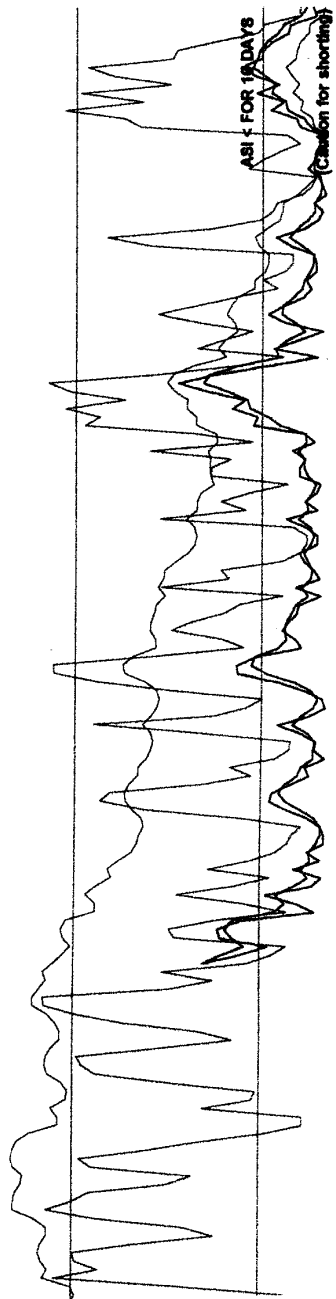
40.00

30.00

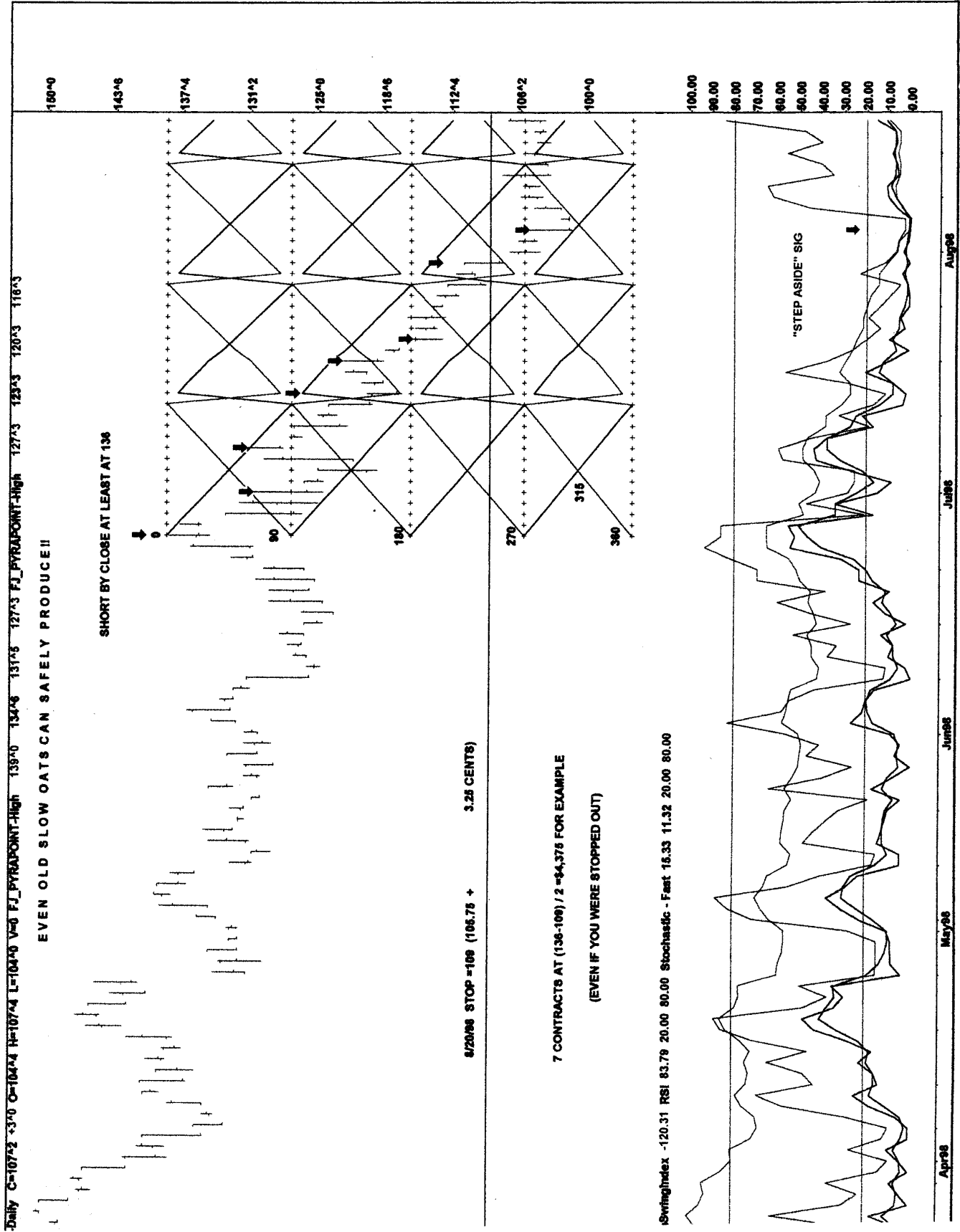
20.00

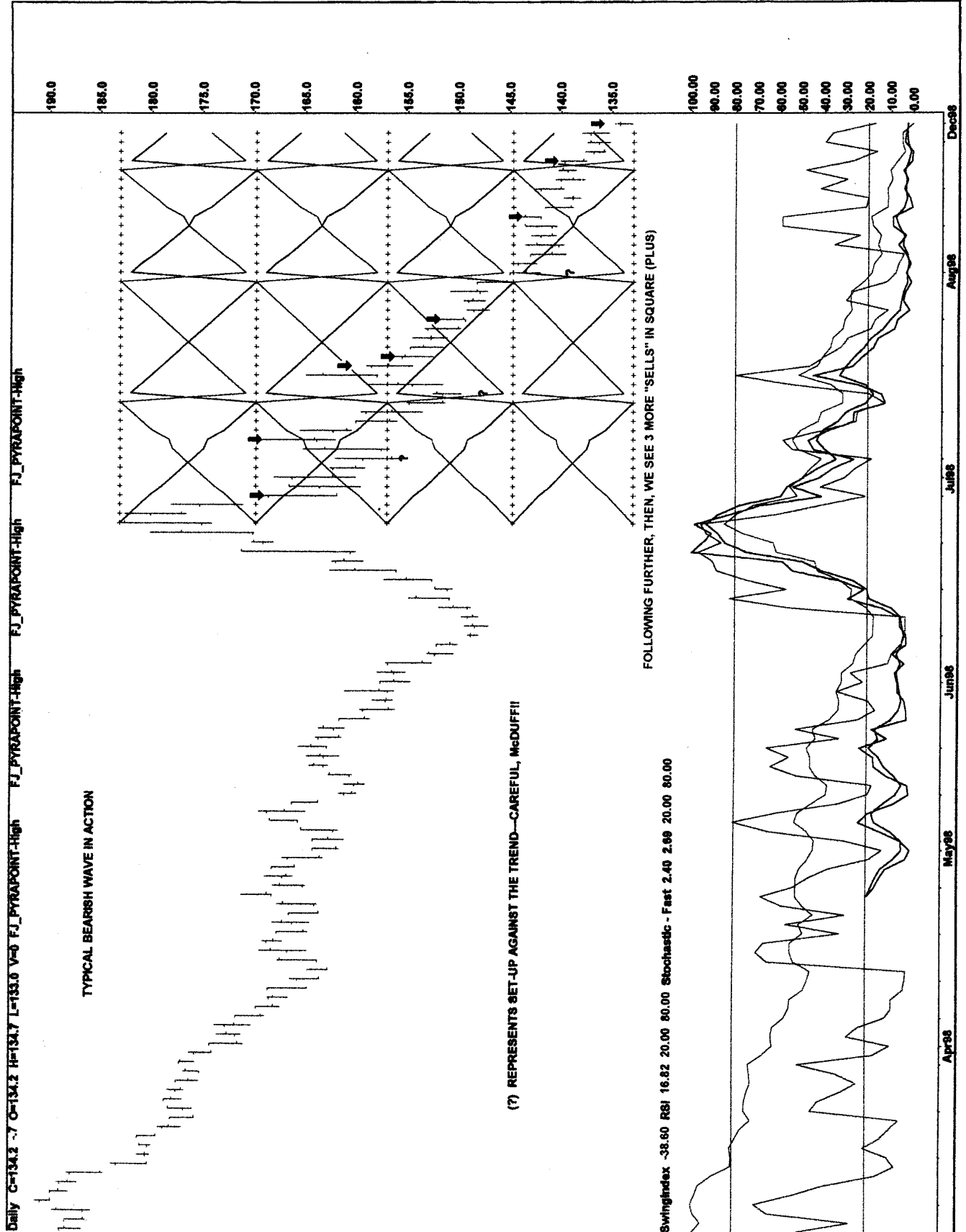
10.00

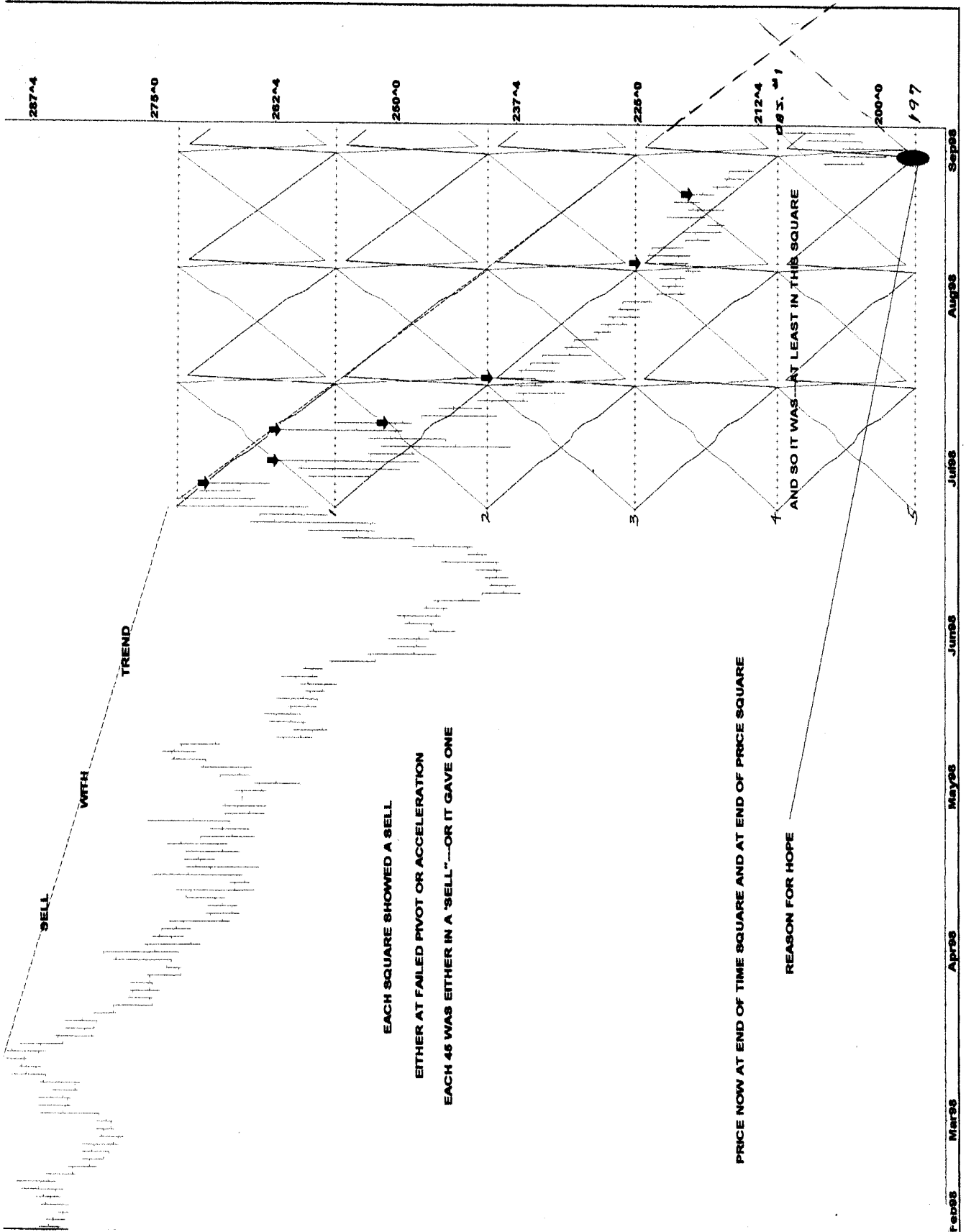
0.00

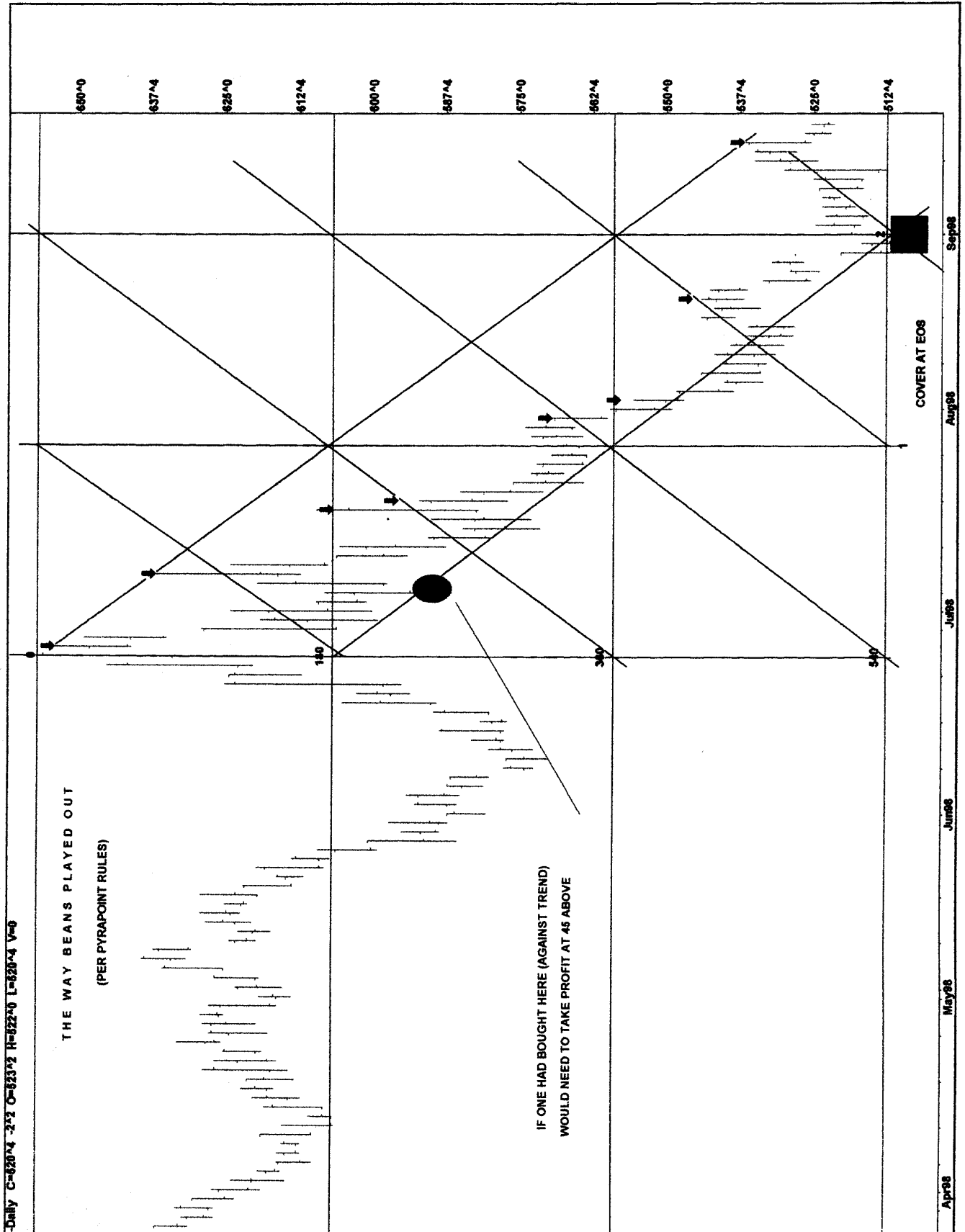


Feb98 Mar98 Apr98 May98 Jun98 Aug98 Dec98

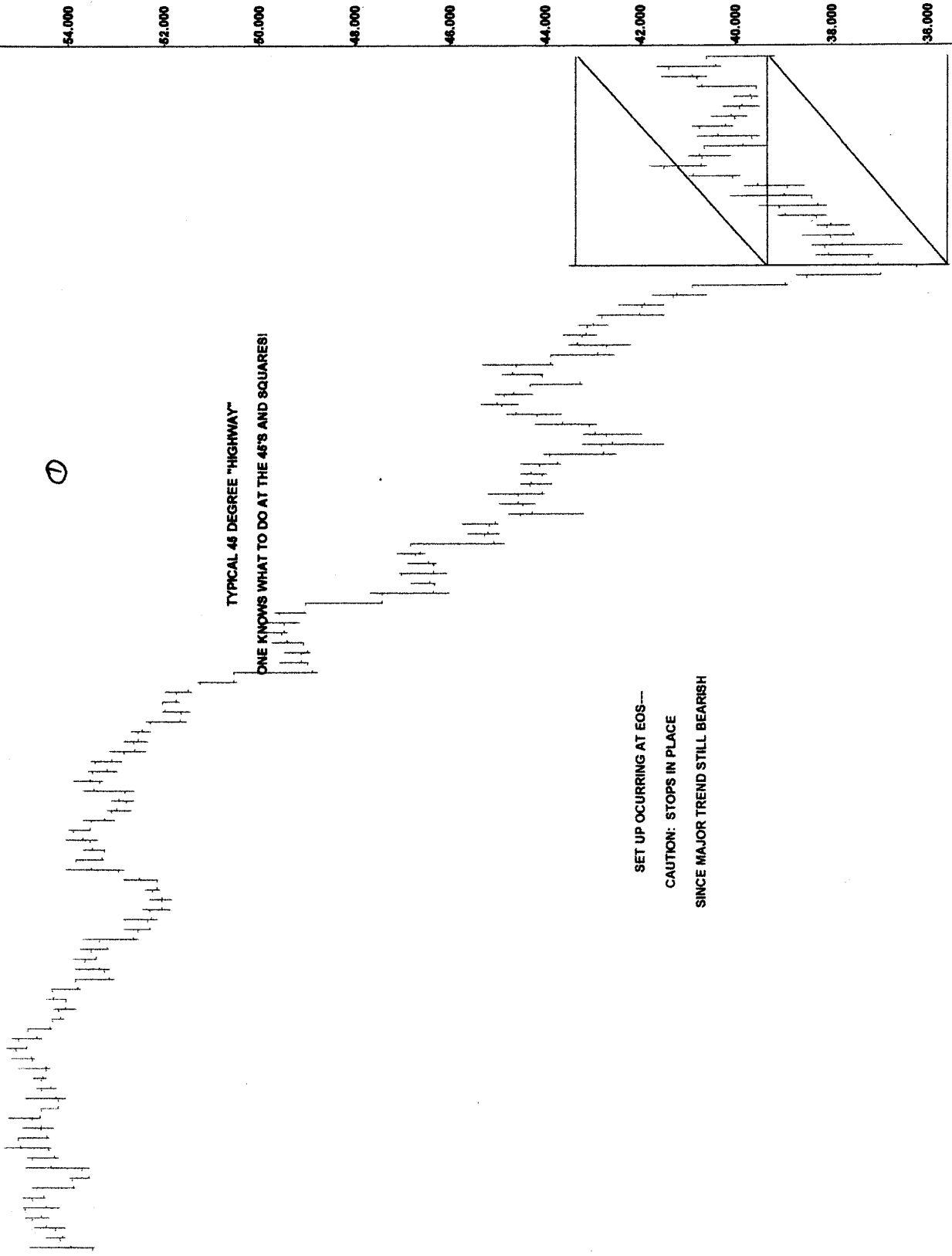








Z-Daily C=39.625 ~.375 O=40.600 H=40.600 L=39.200 V=6044



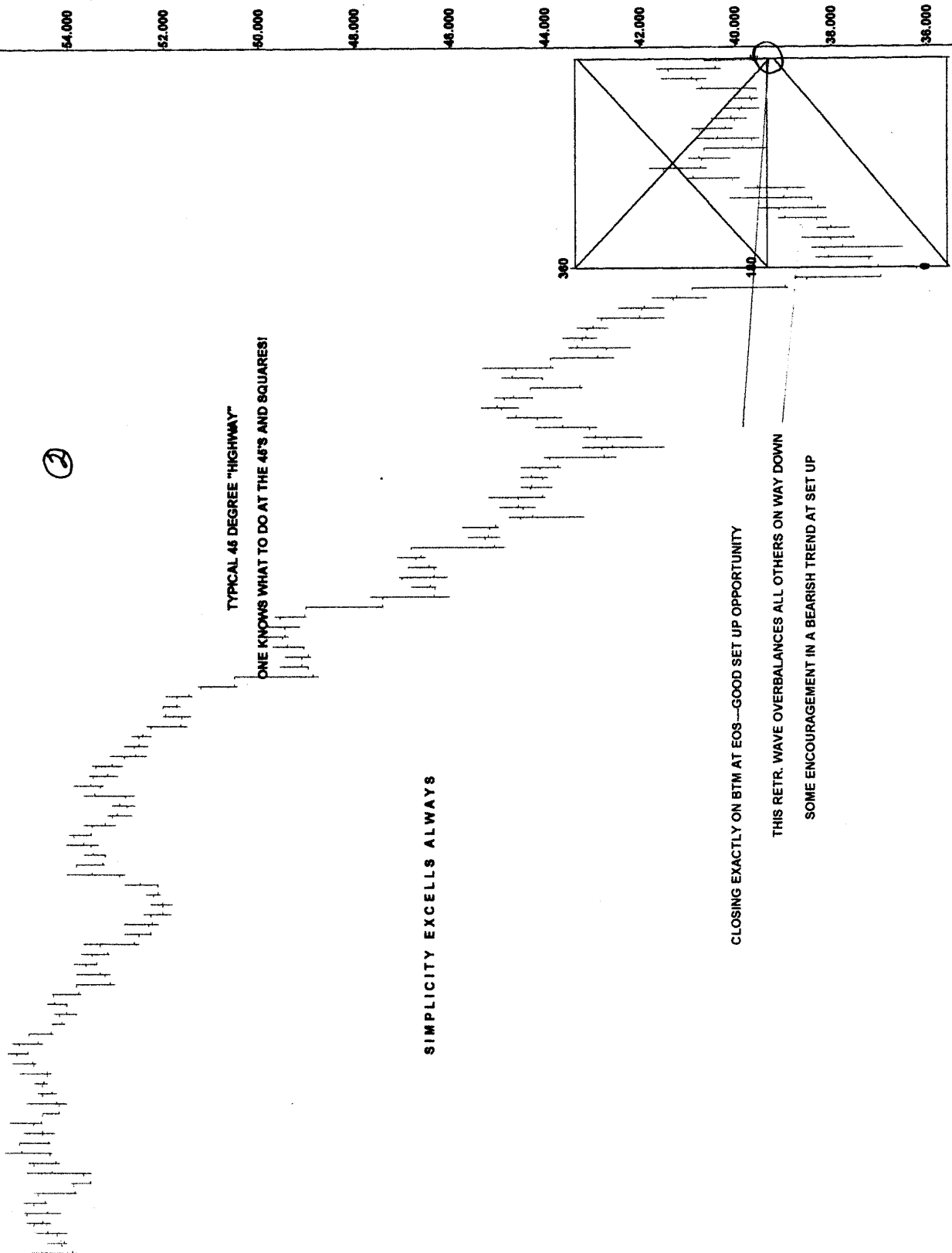
①

TYPICAL 48 DEGREE "HIGHWAY"
ONE KNOWS WHAT TO DO AT THE 45'S AND SQUARES!

SET UP OCCURRING AT EOS—
CAUTION: STOPS IN PLACE
SINCE MAJOR TREND STILL BEARISH

May88 Jun88 Jul88 Aug88 Sep88 Oct88

-Daily C=39.300 --225 O=39.600 H=39.600 L=39.125 U=0



2

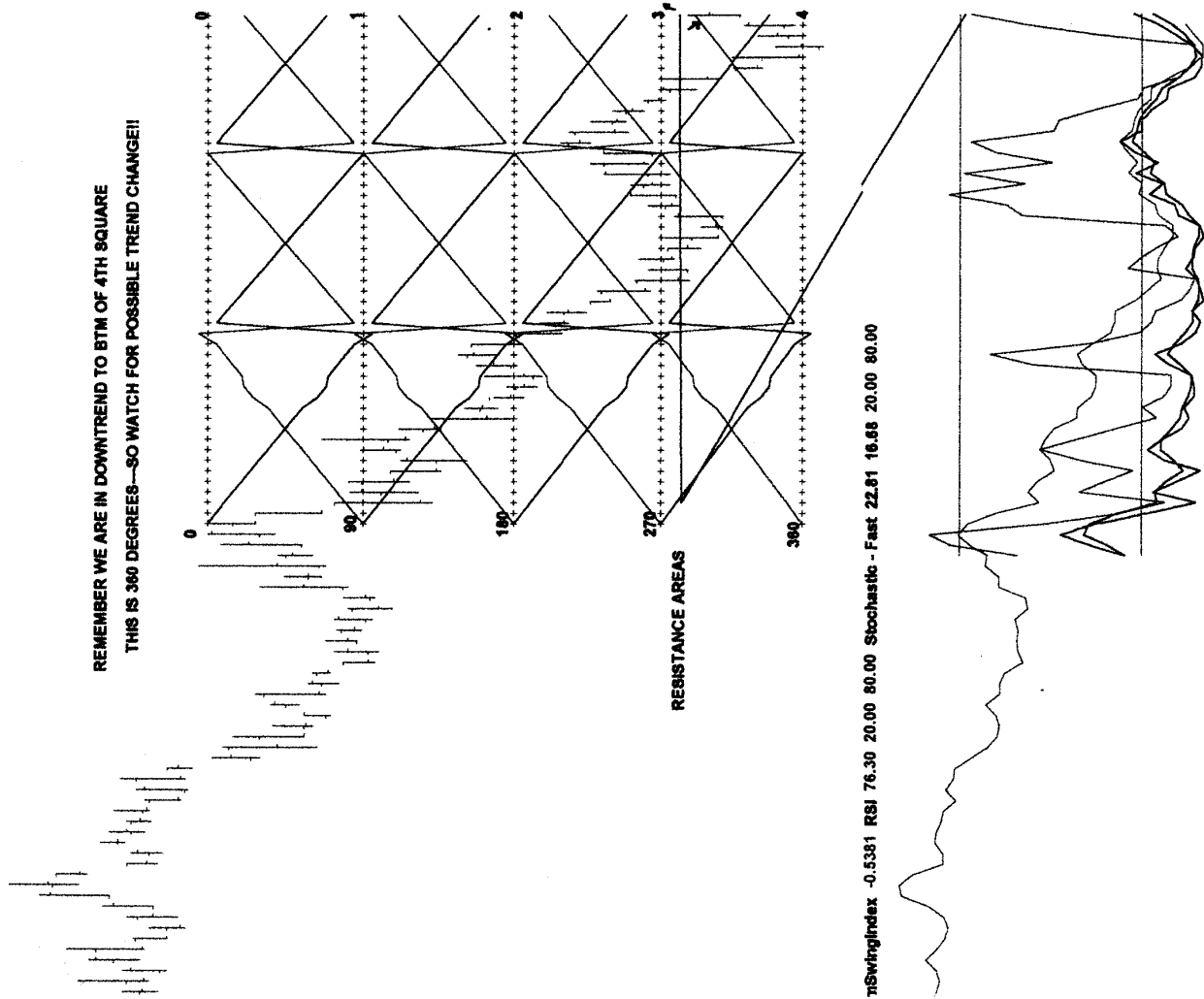
TYPICAL 45 DEGREE "HIGHWAY"
ONE KNOWS WHAT TO DO AT THE 45'S AND SQUARES!

SIMPLICITY EXCELLS ALWAYS

CLOSING EXACTLY ON BTM AT EOS—GOOD SET UP OPPORTUNITY
THIS RETR. WAVE OVERBALANCES ALL OTHERS ON WAY DOWN
SOME ENCOURAGEMENT IN A BEARISH TREND AT SET UP

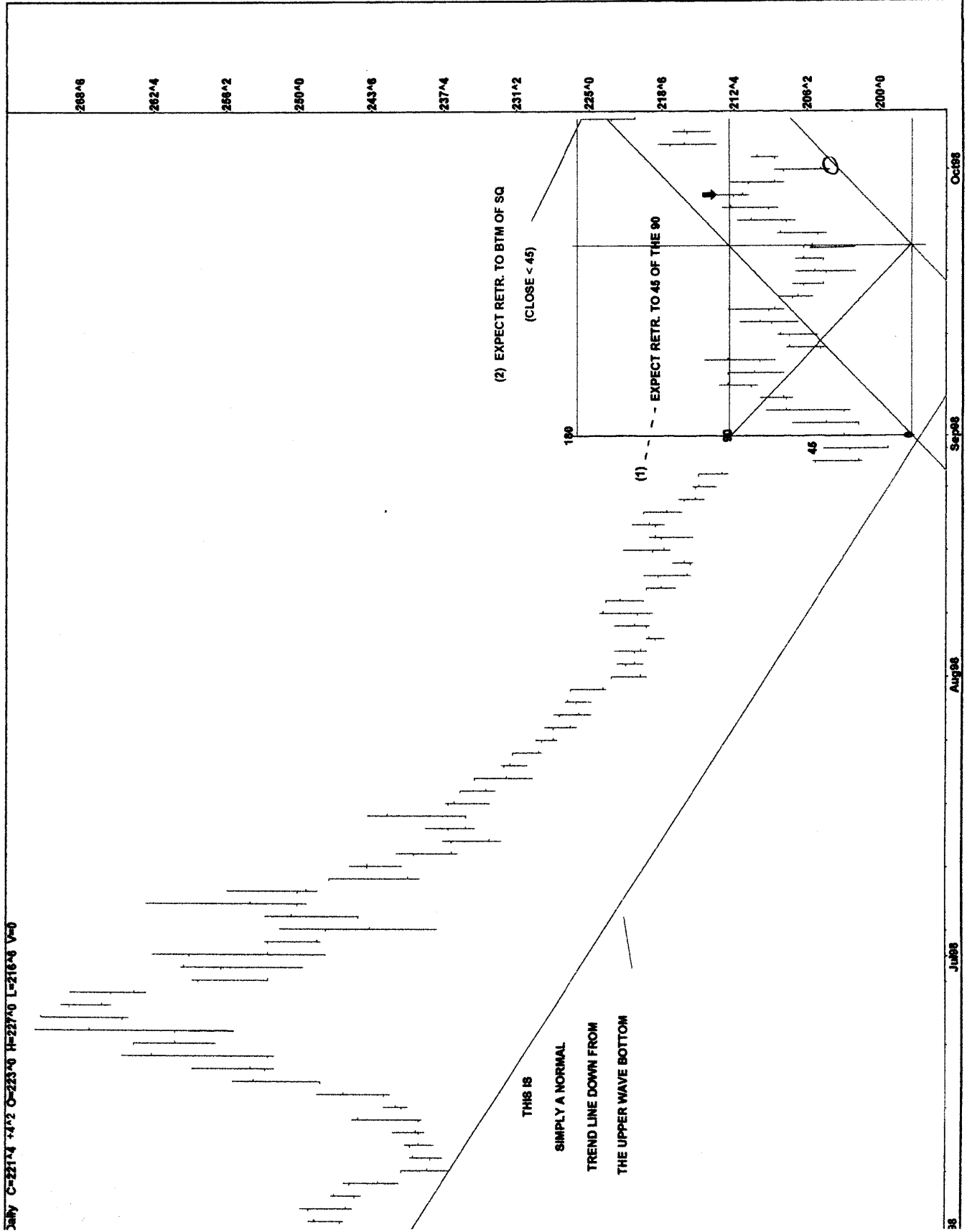
May98 Jun98 Jul98 Aug98 Sep98 Oct98

Daily C=264^0 +1^4 O=266^4 H=266^4 L=260^4 V=0 F_J_PYRPOINT-High 286^4 273^3 282^1 289^4 269^4 287^1 285^5 253^2



337^4
328^0
312^4
300^0
287^4
278^0
282^4
250^0
100.00
90.00
80.00
70.00
60.00
50.00
40.00
30.00
20.00
10.00
0.00

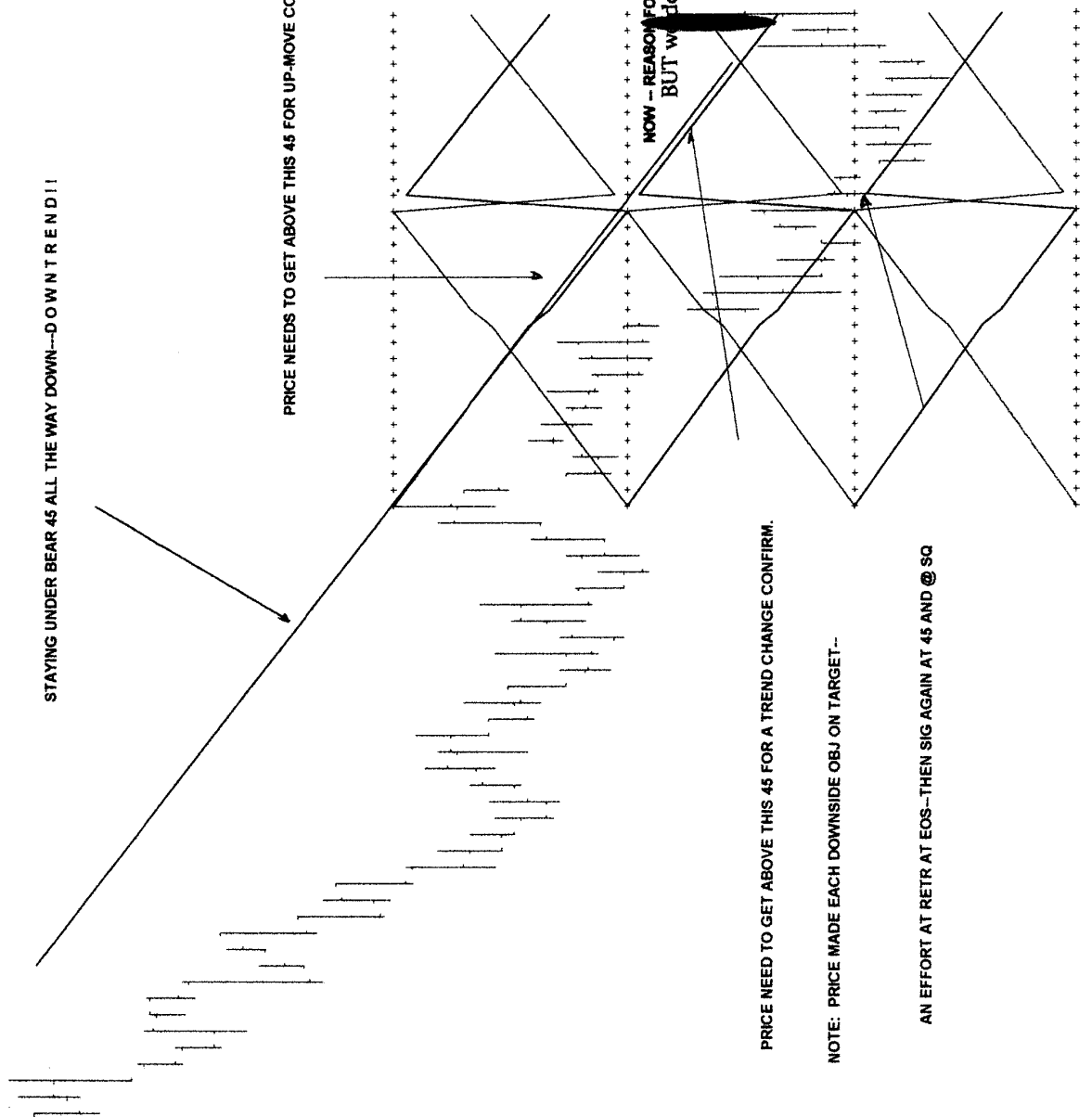
May98 Jun98 Aug98 Sep98



Sally C=318*0 +6*4 O=313*0 H=322*0 L=307*4 V=0 FJ_PYRAPONIT-High 325*1 313*2 319*2 307*3 FJ_PYRAPONIT-High 307*3 298*7 301*5 280*1

375*0 362*4 380*0 337*4 328*0 312*4 300*0 287*4

I
STAYING UNDER BEAR 45 ALL THE WAY DOWN--DOWNTREND!!



PRICE NEEDS TO GET ABOVE THIS 45 FOR UP-MOVE CONFIRM.

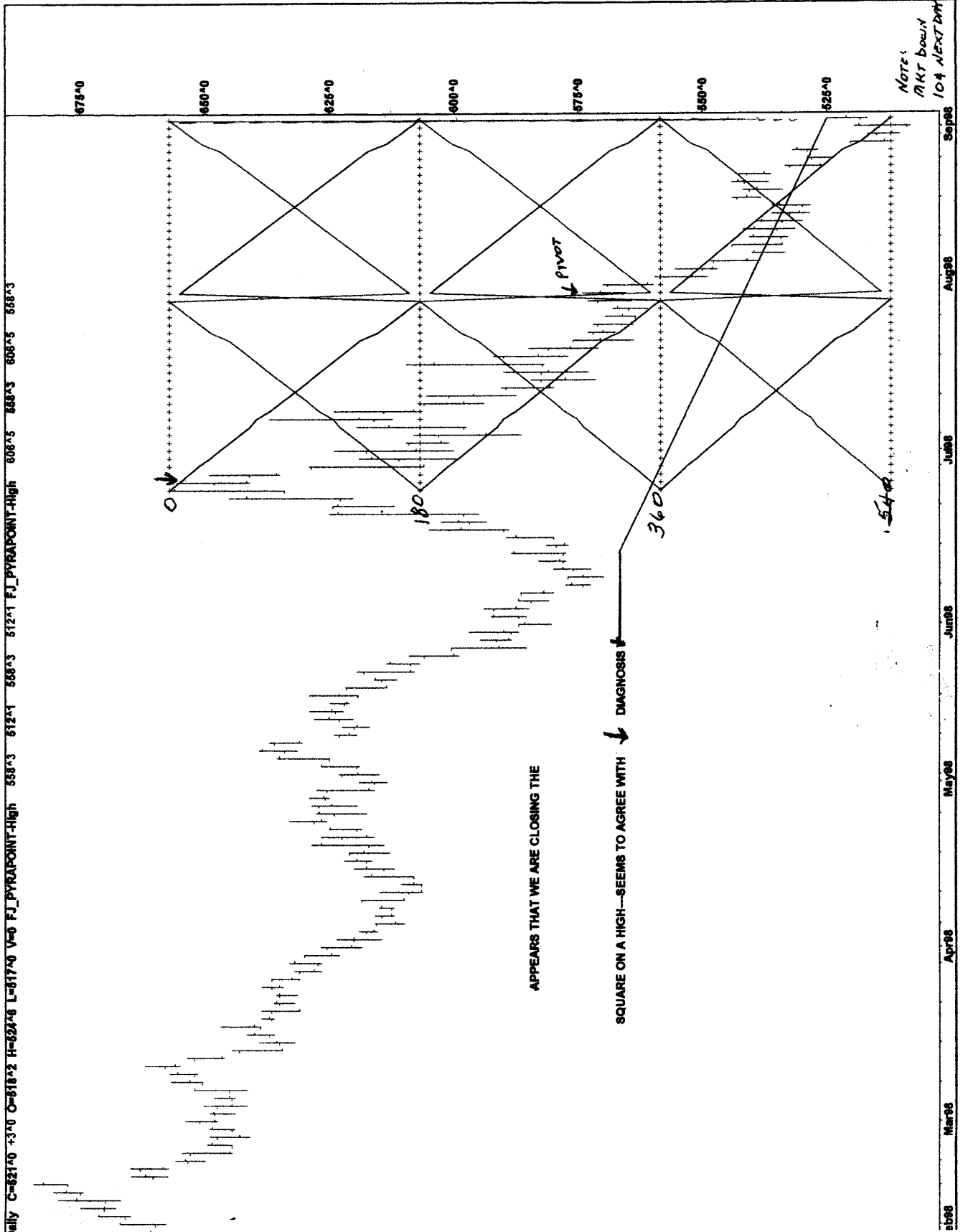
PRICE NEED TO GET ABOVE THIS 45 FOR A TREND CHANGE CONFIRM.

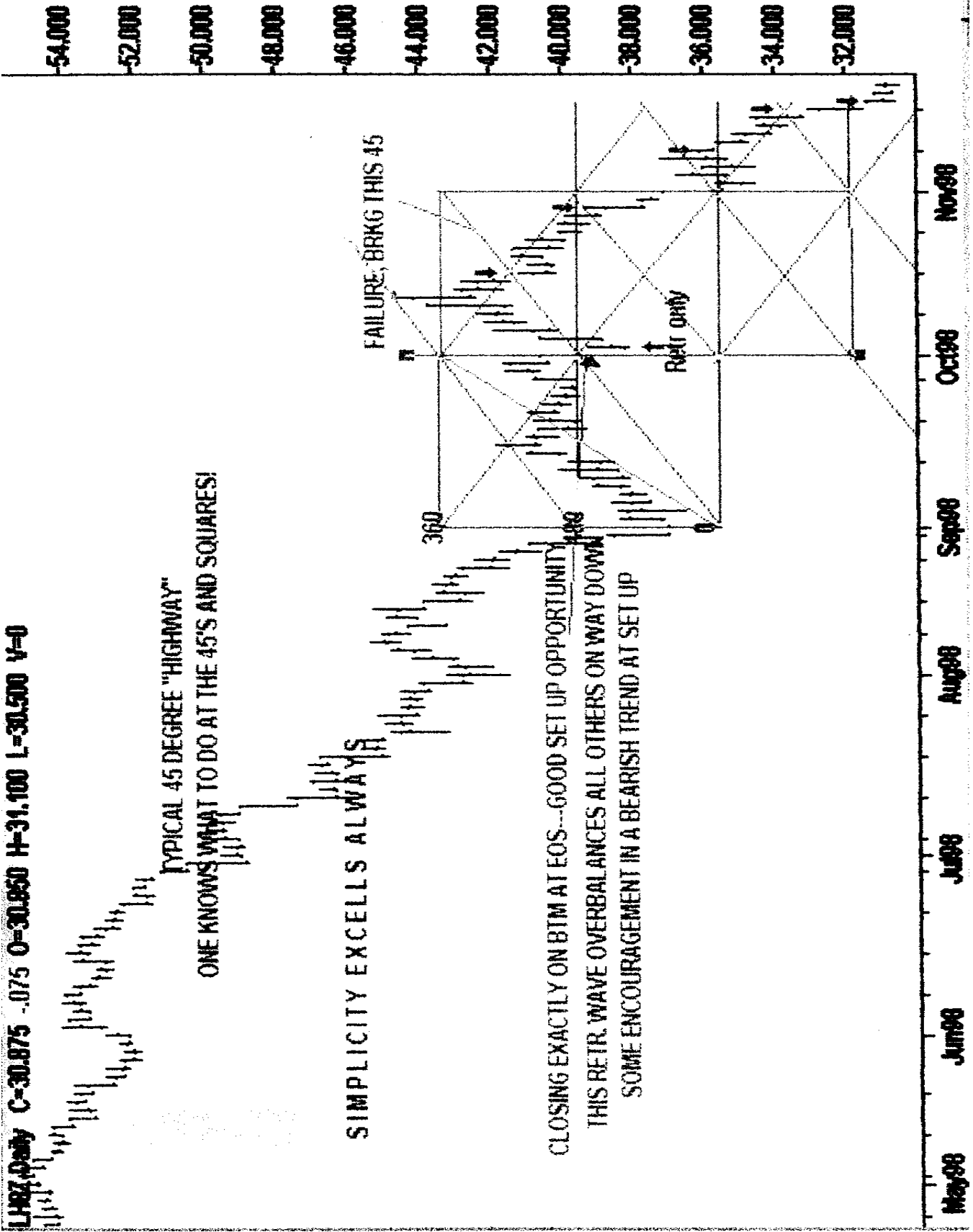
NOTE: PRICE MADE EACH DOWNSIDE OBJ ON TARGET--

AN EFFORT AT RETR AT EOS--THEN SIG AGAIN AT 45 AND @ SQ

NOW - REASON FOR LOOKING UP
BUT would need a set-up

Apr 98 May 98 June 98





U=0.075 C=30.875 O=30.850 H=31.100 L=30.500 V=0

TYPICAL 45 DEGREE "HIGHWAY"
 ONE KNOWS WHAT TO DO AT THE 45'S AND SQUARES!

SIMPLICITY EXCELLS ALWAYS

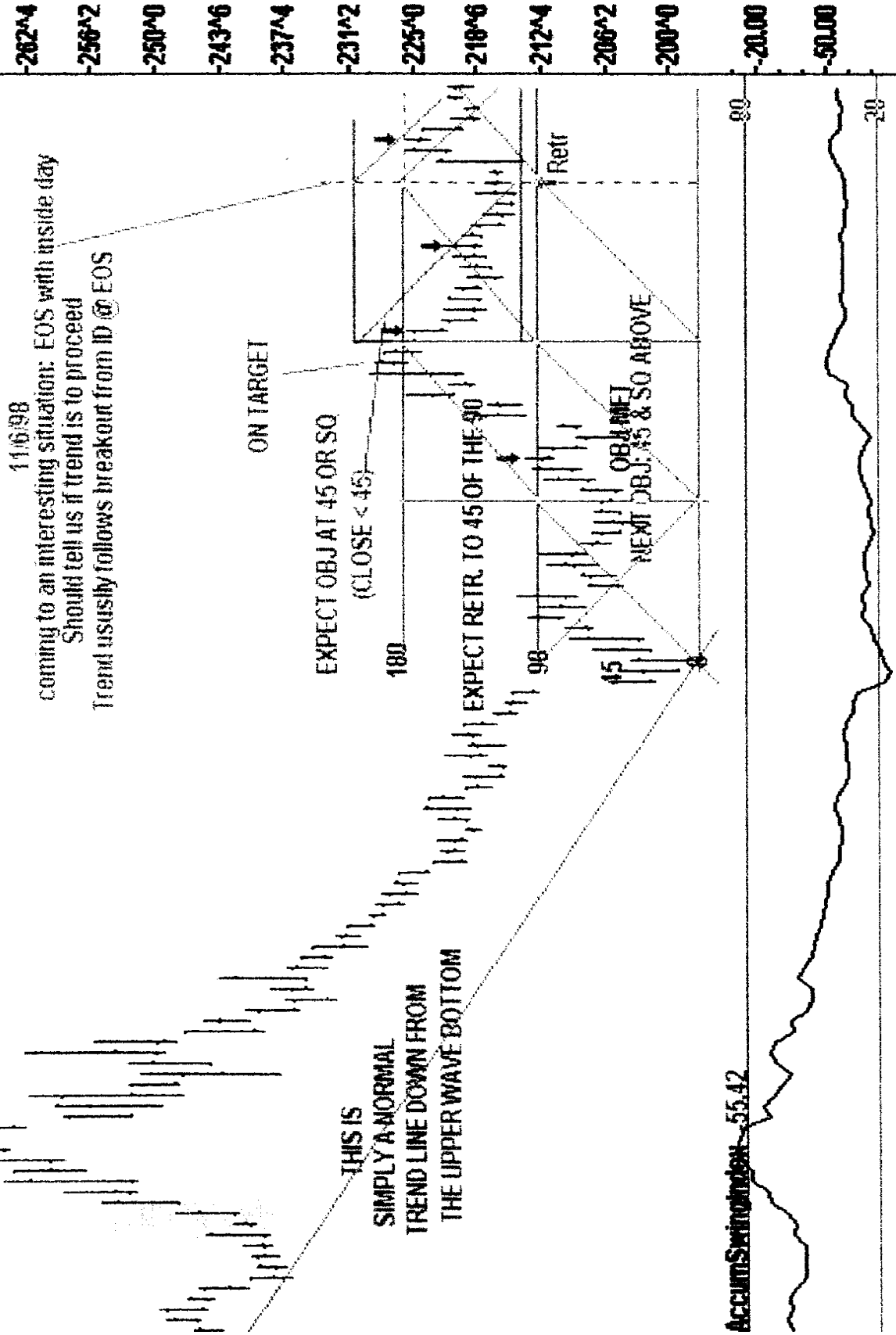
CLOSING EXACTLY ON BTM AT EOS---GOOD SET UP OPPORTUNITY
 THIS RETR. WAVE OVERBALANCES ALL OTHERS ON WAY DOWN
 SOME ENCOURAGEMENT IN A BEARISH TREND AT SET UP

FAILURE, BRKG THIS 45

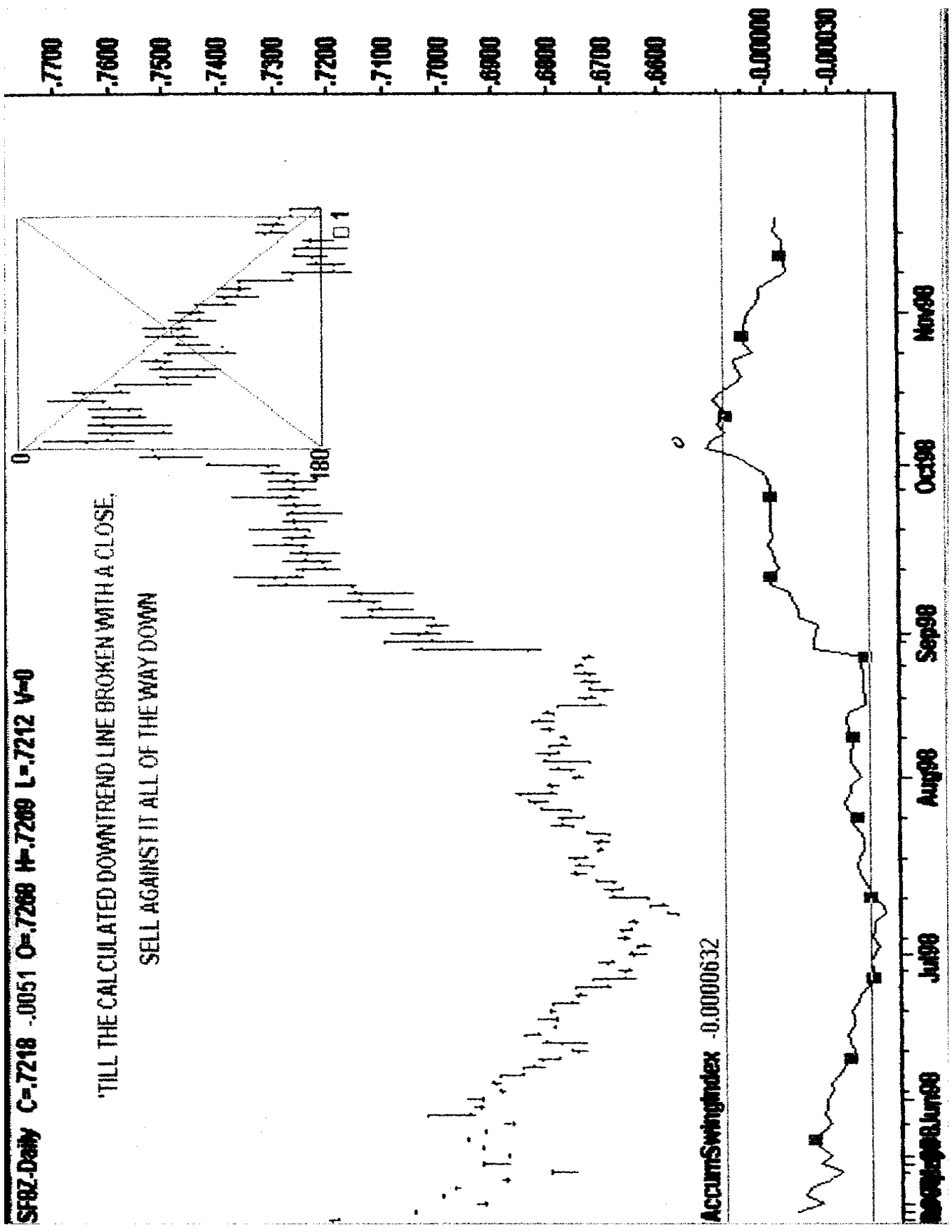
Retr only

CBZ-Daily C-220^2 +1^2 O-220^6 H-221^4 L-219^0 V=0

CRITICAL IN CONSOLIDATION: WATCH SYNC OF SQUARES FOR DIRECTION



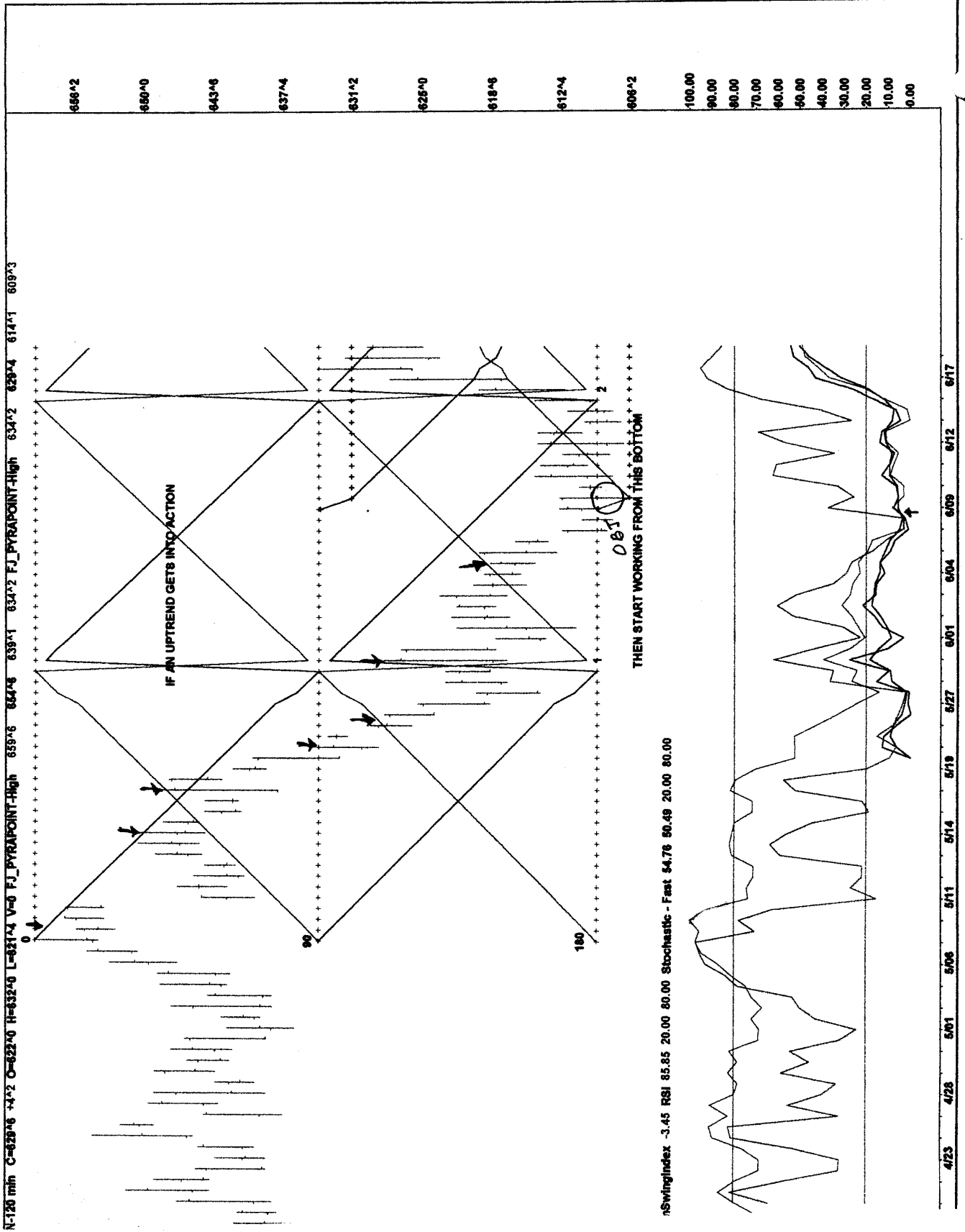
11/6/98
 coming to an interesting situation: EOS with inside day
 Should tell us if trend is to proceed
 Trend usually follows breakout from ID @ EOS

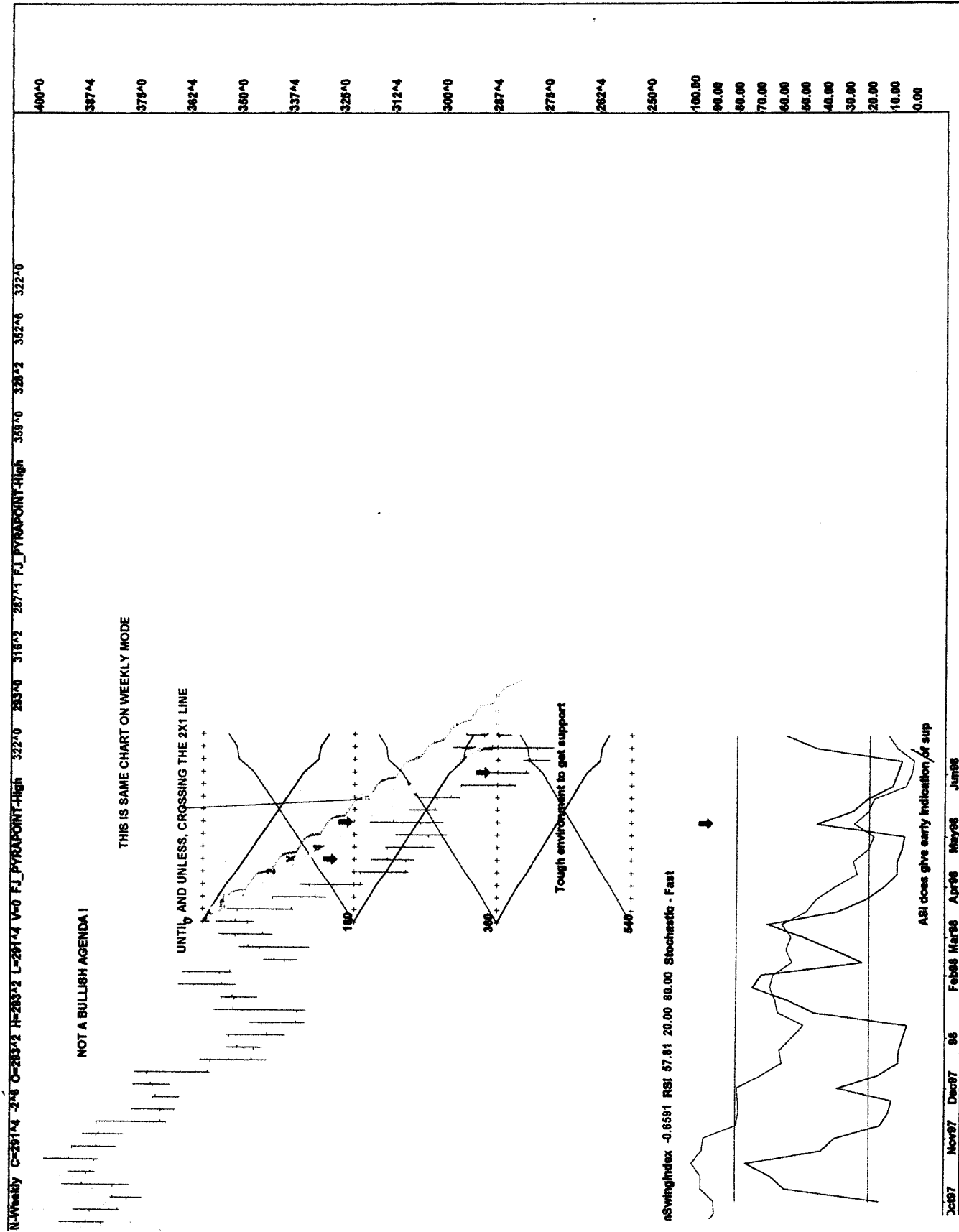


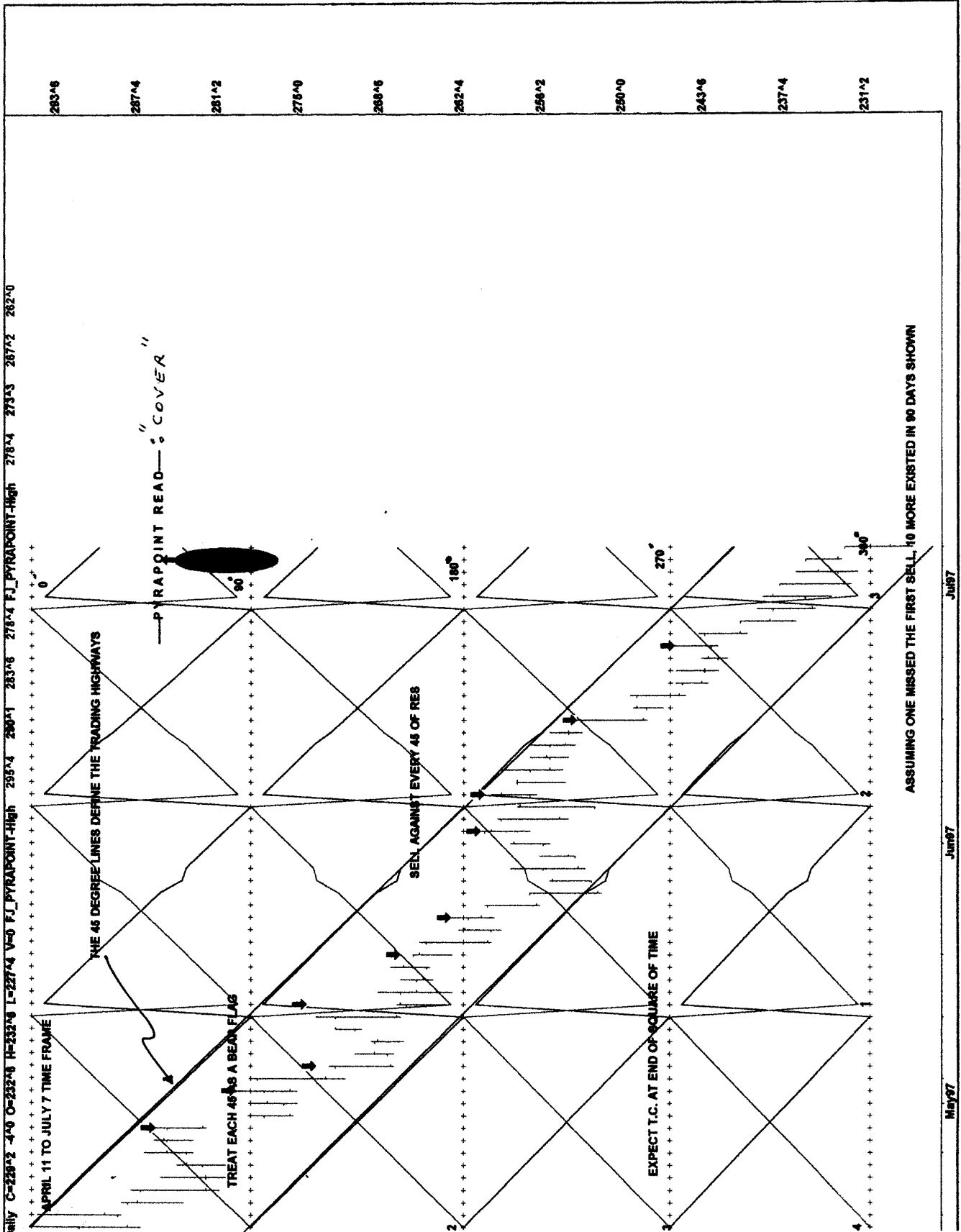
SF8Z-Daily C=.7218 O=.7268 H=.7269 L=.7212 V=0

TILL THE CALCULATED DOWNTREND LINE BROKEN WITH A CLOSE,
SELL AGAINST IT ALL OF THE WAY DOWN

AccumSwingIndex -0.0000632

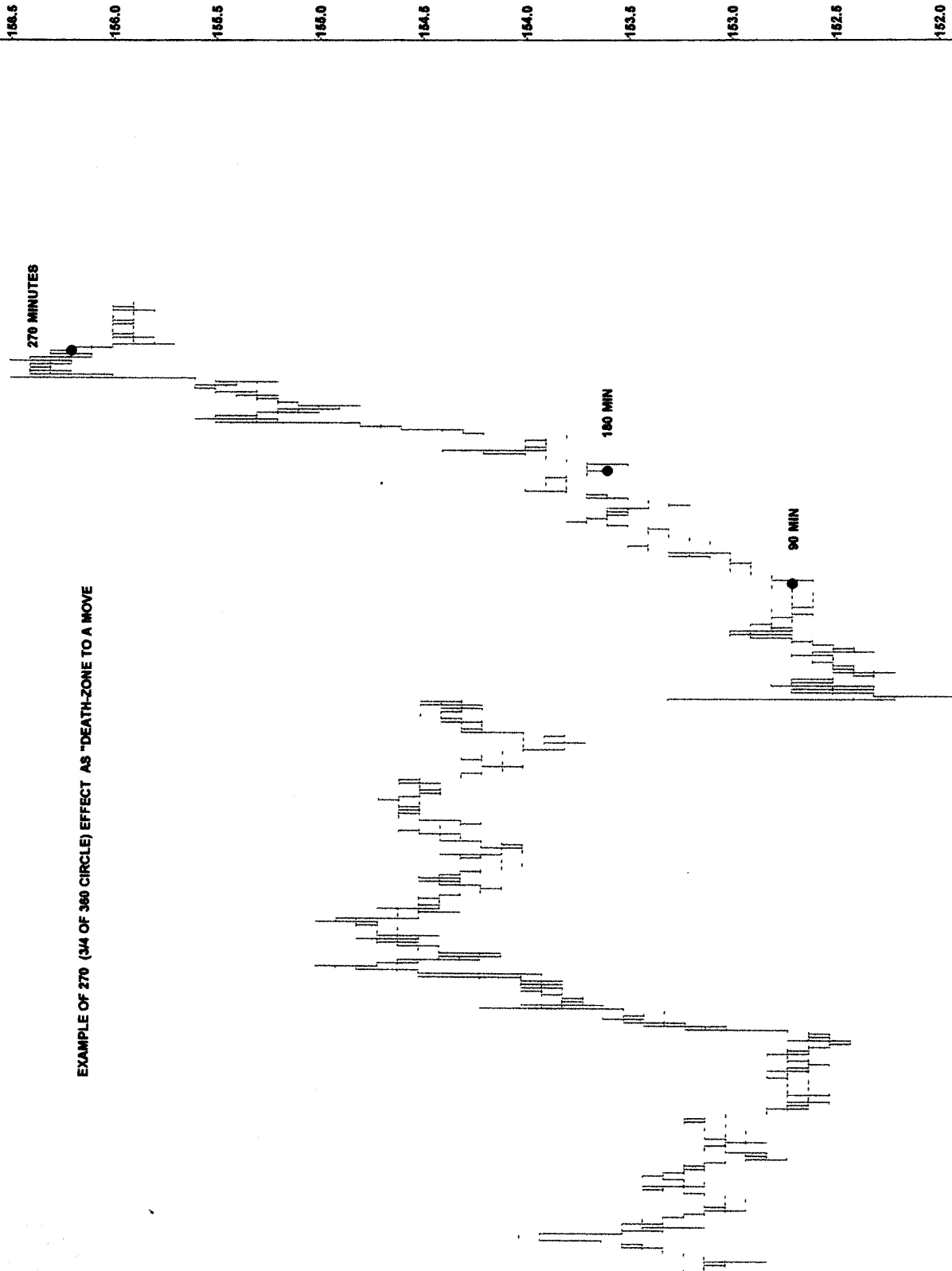






3M-2 min C=185.9 +2.1 O=184.2 H=186.3 L=184.3 V=0 FJ_PickBarr - Low

EXAMPLE OF 270 (3M OF 360 CIRCLE) EFFECT AS "DEATH-ZONE TO A MOVE



10:40 11:12 11:52 12:36 8/12 10:28 10:54 11:20 11:46 12:28 6/15 10:18 11:00 11:52 12:18 6/16 10:14 10:40

FURTHER USE OF “2 X 1” & “4 X 1” LINES

Much will be addressed in these pages concerning 45-degree lines as they apply to squares of all degrees.

We would like for you to get a simplistic concept of exactly what these lines represent. You have been informed that the 1 x 1 lines represent one unit of TIME as shown in relation to one unit of PRICE.

You would naturally see this as proper in all degrees of squares. Therefore, you would soon realize that if you were to chart a 2 x 1 line, you would be reflecting two units out in TIME while you were traveling upward only one unit of PRICE. If you can envision this situation as being on a checkerboard, you would be extending the line to the top or bottom of the second square while you were advancing PRICE only one square.

This sounds fairly mundane, but the important thing to glean from this fact is that many sources on this subject of trading with these and other lines will lead us to the idea that a particular line (and its representative angle) is more important than others -- or that you should indeed trade with emphasis on the 2 x 1, for instance, instead of relying on the 45 degree line, the 1 x 1.

The truth is that you are really using the 45 in each case if we can paint the proper perspective into your mind.

Can you envision that if you had a 90-degree square and then put a line bisecting it (1 x 1), you will have produced a 45-degree line for this square? Now if you cut this square in half, from the top downward, for instance, then bisect this new smaller square with a 45-degree line (for this square) you will find that you have created a 1 x 1 for the smaller square, just as you had planned. What you might not realize is that you have also created a 2 x 1 line for the larger 90-degree square. In other words, the 2 x 1 line in the smaller square will intersect the top of the larger 90-degree square one more square outward. You see, you have created a line, which is characterizing two squares of TIME (outward) while only encompassing one square upward (PRICE).

Therefore, we have created nothing new really -- just an understanding of the creation of the relationship of PRICE and TIME.

This tells us that if a 2 x 1 line seems to be more effective, we have just discovered that we are using the 45-degree line of a smaller square. We will say this several times in this book: ***“It doesn’t mean that you are wrong -- just that another degree of square might serve you well, or perhaps even better. Always leave your mind open to the options that are before you as you proceed in trading.”***

The same analogy obviously applies to the 1 x 2, the 4 x 1, the 1 x 4, etc.

You will learn that the significance in all of this relationship analysis will truly be more important to you as you apply the lines to different waves, and to assist in determining trend. Apply a few of them on the charts which you learn to construct and you will see how significant they really can be to assist some decisions.

One of the best examples may be that you note that PRICE is not staying within the confines of the 45-degree lines in the squares, which you are trading. If a 2 x 1 line is applied, you just might learn that it is trading well within (many times exactly) the lines shown by the parameters of the 2 x 1. What this means to you and to me is that we are seeing the 45 degree line of the next larger degree.

This may not seem clear at this point. However, we encourage you to try a few trial lines on these or your own constructed charts. You will develop your own thoughts and system of handling this very flexible tool.

At this point we have prepared a chart without the PRICE bars showing so that you may get a picture of that which we have been expounding. We have attempted to place notations at every point, which we are discussing. However, it is important to expand upon a couple of points, which we consider of prime importance.

To assist your core understanding of what is involved in 1 x 1, 2 x 1, 4 x 1, 1 x 2, 1 x 4, and all of the combinations to which you will be referred in trend line studies of the "Masters" such as Gann and Company, you do need a thorough understanding of exactly what is represented by these very helpful lines.

You have been informed that these lines represent a given "moving average" relationship of PRICE and TIME. We have told you that we are studying a plan, a system if you will, which is completely derived from mathematical calculations and relationship. We will now tell you that our job for you and for us is to reveal these very accurate relationships in a manner to which we can use them to our KNOWLEDGE and ADVANTAGE in our TRADING.

The chart will show you that the majestic 45-degree line is king in all of the uses to which we apply it on the charts. We must clarify that, as you will note on the chart which follows, the 1 x 1 on the 45 degree sized chart will actually be coincidental to the 2 x 1 line of a 90 degree sized chart if it were indeed to be superimposed over the smaller chart. You can easily see that the parallels of the 45-degree square are parallel to the 2 x 1 of the larger 90-degree square.

Now you know why we have said that you are not in error when you use a different degree chart that we might have selected in our study. You can also see, however, that it might be easier to see and to use one that adapts the best to the parameters of the PRICE and volatility in which we are trading this particular commodity or stock.

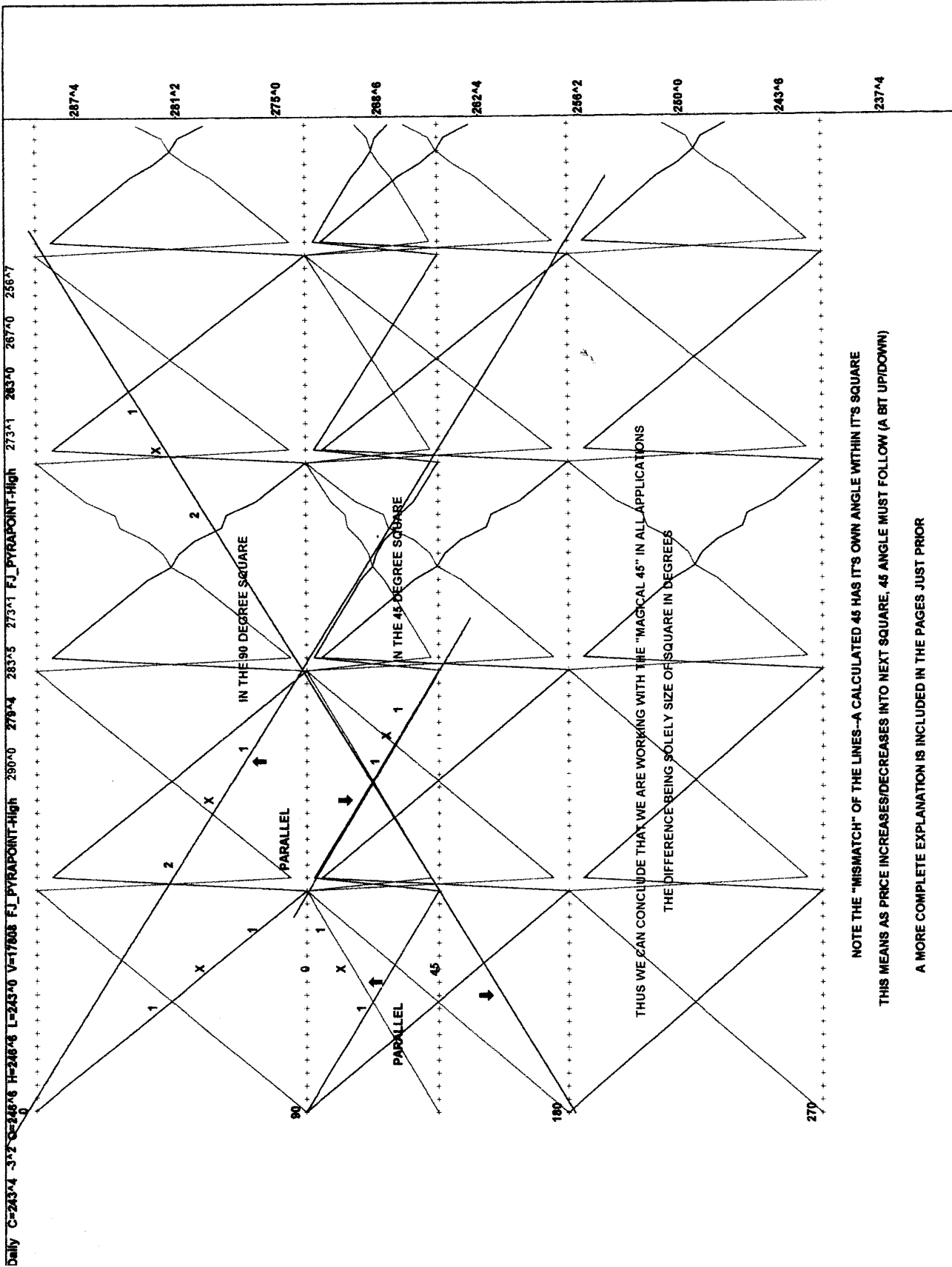
One other quick observation to which we made reference at the bottom of the chart is the lack of perfect line coverage on the charts wherein we have superimposed straight trend lines over the calculated plotted lines on the original chart. Can you figure out that a straight line will have a bit of variance? We believe that it will not be a fatal problem for your work, but you will realize that we have "cheated" as much as we could to bring the ones near for your scrutiny -- enough that we aren't quite at exact center in the crossing of the two 2 x 1 lines as they intersect on the bottom of the 90 degree square. This was intentional so that you could see that it does all fit in a Universally Grand manner. It was also intentional so that you would be aware as to why the deviation, even though small.

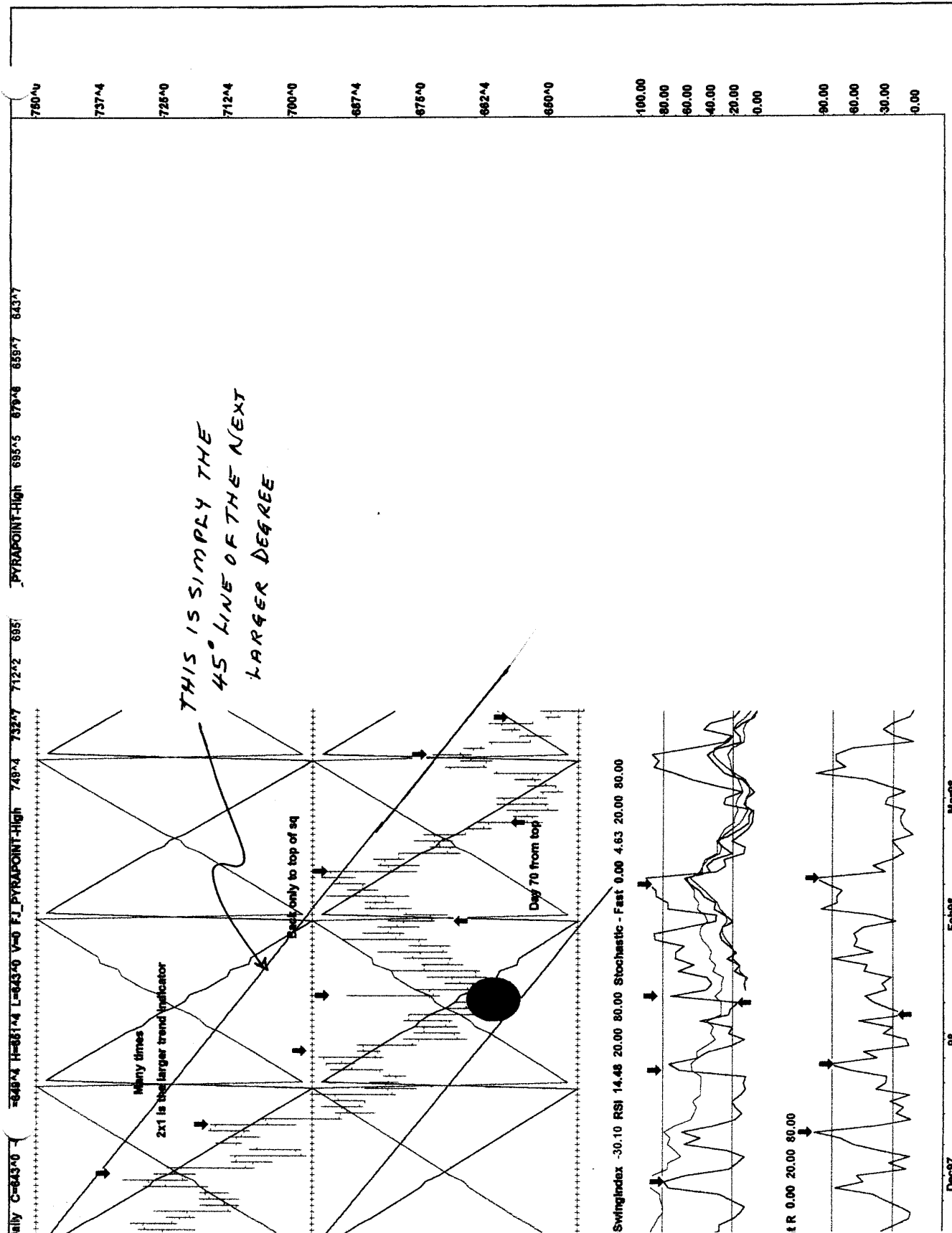
The answer is a simple one. As PRICE proceeds (let's say higher) we have learned that we must extend our TIME frame a bar if PRICE extends into the next square. Since we always bisect the square in which we are trading to obtain the "majestic 45", we will reflect an ever-so-small deviation in the 1 x 1 because of the longer square caused by the increased number of bars. We believe that this is why Mr. Jarrett chose to use "plots" instead of trend lines in programming our formulae into the computerized assistance with these chart calculations.

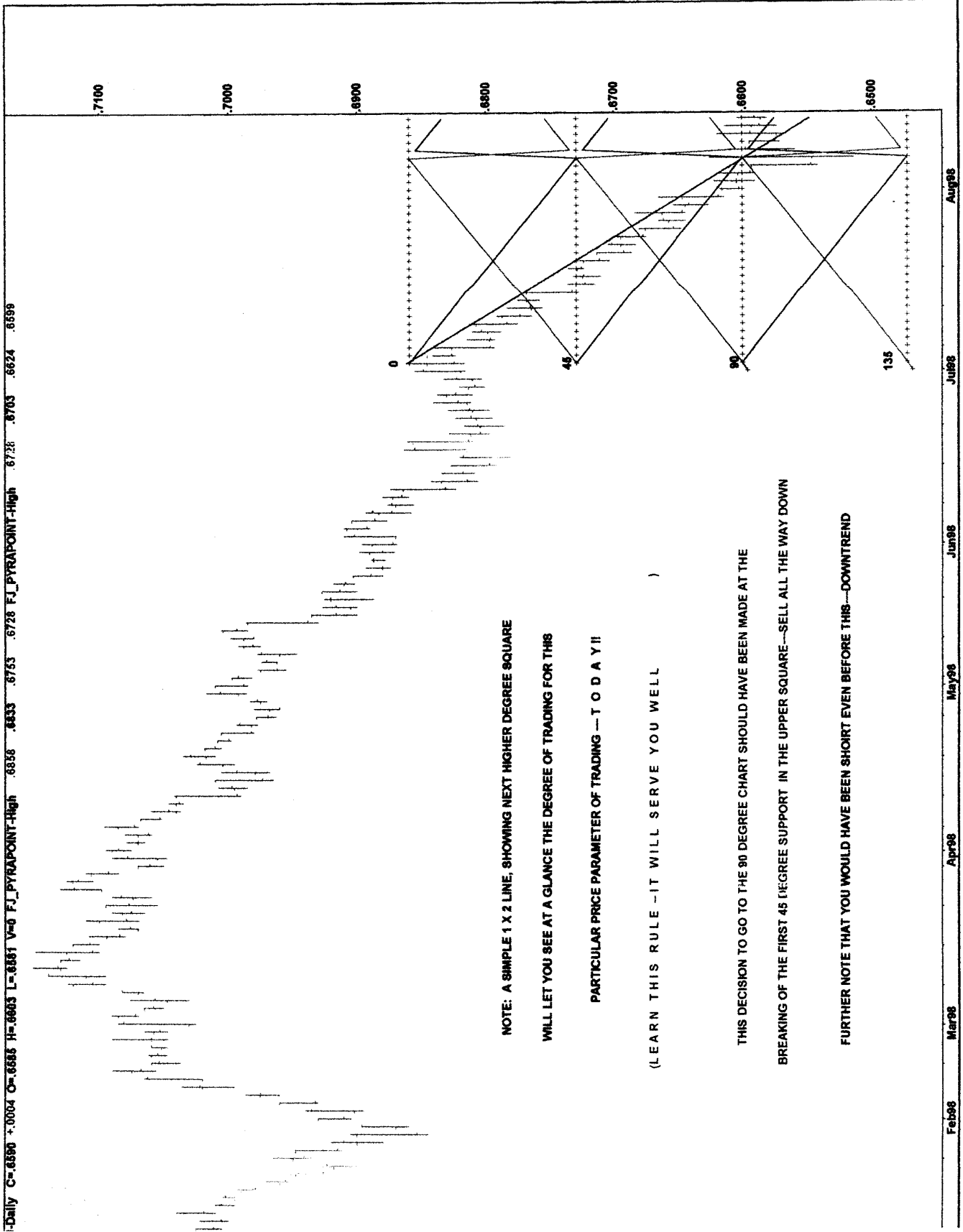
This may also answer some of the questions as to why a 2 x 1 may just be a very good answer for a trend filler. Of course it would be significant if it bumped the 1 x 1 (45) of the higher degree -- and of course, this IS a good filter for a sustained trend. Try all of these thoughts. You will be amazed! And remember, if you find that you are consistently needing the

parameters of the 2 x 1 in your particular parameter of trading, don't hesitate to listen to what it is telling you: ***“Hey! You may find it to your clarity advantage to use the next degree.”***

Most of all: **KEEP YOUR SELECTION CONSISTENT IN YOUR SYSTEM WHEN YOU LEARN OF THE RIGHT COMFORT ZONE!** At that point know that you are using the alternate lines as confirmations only. Knowledge does come with their use, one with the other. They are VERY complimentary.







A LONGER LOOK AT A COMPLETE TREND CYCLE AND RELATED USES FOR SUCCESSFUL TRADING

We promised you that we would stay with the chart analysis until you were comfortable that you could do what we see as the charting “breakthrough” in all conditions, in all TIME frames, and in all commodities or stocks. It is our intention to get progressively more expansive, but still let you feel the comfort that is available through *PYRAPOINT*.

We will look at a complete trend cycle of **May Soybean Meal**.

Everyone tends to interpret his or her own analogy as to what makes up a cycle, and indeed, what makes a trend. We have a simplistic approach to both of these queries:

1. We begin a trend usually at square’s end, when you know that trend change is highly probable.

2. We never assume that a trend is starting (from the top, for instance) unless the Accumulated Swing Index, or other dependable accumulation of momentum, has positioned over the top of all other momentum instruction -- that is very well another complete subject. However, we are saying that you should use the support when available for initiating a move or a trend. It can support your convictions as shown by *PYRAPOINT* at times. Again, an example is in order.

Note that the meal contract is showing a full six months of action. Note, too, that the ASI (as used by our work) is located above the Stochastic and the Relative Strength Index in November -- at square’s end, we might add. So you have the potential for a “Short Setup”.

Assuming that you may have determined to take the short indication at the 230 area (with an appropriate stop over 230 for your protection of capital) we immediately set up our lower line square at 215. As shown in the past, we now know that the right vertical of our square will be 16 days (unless PRICE goes into the next square) -- remember? And where is this point at which we go to a lesser number of days? At the square of 15 or 225, of course. For clarification, let’s examine our square before we go on. Note that PRICE indeed did go below 225 before completing the square. Therefore, we would expect our square to have 15 day designated on it. Does it? Definitely it does. We want to review this on another factor as well. Notice that PRICE makes almost exactly a 90-degree move during the trek of the space of that first square.

Each of these observations should serve to assist you in your knowledge and use of the 90-degree Pattern Chart, the Gann use of 45, 90, 135, 180, 270, and 360 degrees, and hopefully the association of them in your trading critique. Again, example: each of the units or square indices listed above can be used in combination and **STILL BE SQUARE!!** Please remember this -- unfortunately, it is our observation that most students of Gann and the older “Masters” have missed this fact. To further prove our statement by our example, notice that in the first square we moved 90 degrees down in PRICE as we moved over in TIME one square. **Please realize that you would have had a “squaring” if a 45-degree line had been involved with a 90 degree squaring of TIME. TIME and PRICE are considered interchangeably per squares. They are synonymous in measurement on the circle of TIME and PRICE.** You will see this more clearly as we go ahead -- promise!

Back to Chart #3.

Let's trace the moves of this chart from its inception. Let's read the signals and interpret the direction and the objectives (including TIME) as we proceed.

PRICE follows our 45 highway downward extremely well the first five days, coming to rest exactly on the supporting 45 (green upward) while never violating the red downward 45 on a close. At the support line it broke the line, then took the balance of the square in TIME to complete the second objective, the bottom of the square.

At the end of the first square, PRICE was never able to regain to the bullish side of the square (on top of the 45 going upward from the beginning of square 2). Thus properly we sell again at the breaking of the bottom of the first 90-degree square. Obviously, there was no signal to go long at any time, so far.

The sell midway in square 2 was a good signal since it hit the supporting 45 in three days, hesitated only one day, then proceeded directly to the bottom of the second square of PRICE (180 degrees) perfectly. Then you have your first prospect for a long setup. You are down 180 degrees and at the end of a square (#2) of TIME, where we can logically expect some resistance to trend, if not a full trend change. Why, then, did we not recommend a long position at this point? One VERY good reason. It is against the downtrend, which has been established with definite precision! We just don't do this one of we are to survive.

The third square over in TIME finds our judgment to be intact, because PRICE did pivot up a bit, making our EOS pivot very valid as a retracement. However, it turns out to be a minor move against the trend and it is again on the way down in a couple of days, breaking the supporting 45, and going immediately to the bottom of the square again for that near objective. PRICE stopped only long enough to get on the opposite side of the square, then went to the next objective, the 45 support under it in the third square of PRICE (the 270 degree bottom). Breaking this 45, it only stopped its trek downward to reverse one day to prepare for the end of square #3. We say "prepare" because it simply gave a setup for a top pivot at square's end, giving rise to another short sale.

This short sale took PRICE down to the supporting 45 in the bullish side of the square, but it could never get on top of the square, giving another shorting potential, supplemented by almost immediately breaking the supporting 45 in the fourth square.

As if this were not sufficient reason for shorting again, PRICE moved sideways to the resistance line of square #5, making very little effort for a trend change at the end of square #4. PRICE proceeded downward in square #5 in a relentless down move, through the supporting 45 (potential for another shorting) and PRICE proceeded onward nearly to the bottom of square #5. We now find ourselves in an interesting situation for analysis. We are at the end of square #5, and we are down in PRICE 360 degrees. Amazing how closely these vibrations come into sync, is it not? Why do we say an "interesting situation"? This is because 360 degrees is considered a very good candidate for a trend change, or at least the end of a significant direction. Coupled with these facts, we note that we are at the end of the fifth square, which is often associated with the end of moves as well.

Then why did we not take a long position? Same old reason as that which kept us out of trouble before: we have a setup at square's end, BUT we do NOT have trend with us. PRICE has not overbalanced to the upside. Indeed, it made the indicated and expected upmove along (but primarily under) the 45-degree line from the setup. Remember, retracement to bottom sides of supporting 45 degrees lines make good shorts WITH THE TREND!

We took this advice in square #6, shorting under the 45-degree line. At this point, it is well to note that this short was reinforced by the overbought position of the RSI, as shown by the arrow at the TIME and place.

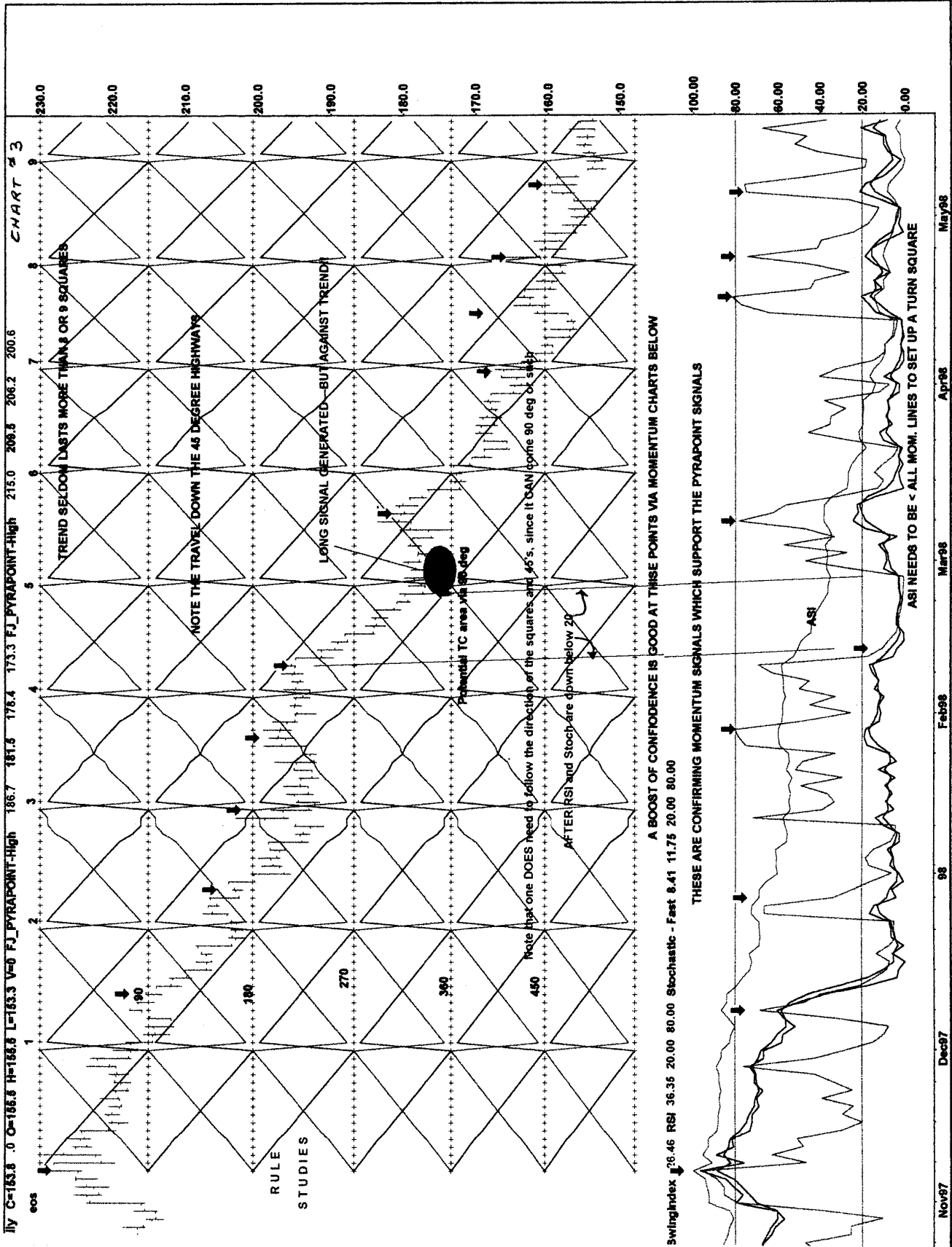
This short trade took upon itself an image of nearly free-falling through the end of the sixth square, down the 45 degree resistance line, and uninterrupted to the end of the seventh square.

Again, PRICE never got on top of the 45 degree support line in the eighth square, coming up against the 45 degree resistance line of this square, then following it down as if magnetized to the end of the eighth square. Incidentally, at this point, PRICE has succeeded in retracing another 90 degrees.

It is interesting to note, once again, that at the end of the eighth square, PRICE once more interrupted its down trek to move up at the end of the square (to the exact day) so that it could pivot for another sell. This pivot sell at the beginning of square #9 followed “letter-perfectly” down the resistance line (the 45 provided for it) until it intercepted the magnetic 45 coming up. Here it followed to the top of the square where not only the top of the square, the downtrend, and the breaking of the supporting 45 in this square, but the overbought position of the RSI all supported a “SELL”.

At this point you will have noticed some references to the momentum indicators and their use as possible confirmation in some of our work. Let us say that it is not our intention to downplay any good work in this regard. However, suffice it to say that *PYRAPOINT* is where we place our interpretation without some specialized adaptations, which will yield a consistent accuracy in “lead” TIME. This is our goal, after all.

In this regard, a quick note of reference should be made to assist you in your thoughts and studies in this field of momentum indicators. We refer to the sell signal given in square #4 in early February wherein the momentum indicators were showing much lower than the 20 index, which is usually interpreted as a barometer to get a “long” bias. We note that they stayed down in the “buy” mode for the next 9 days, while PRICE declined approximately 135 degrees -- better than 20 full points. Most of us cannot stand that kind of risk. This is why we say that *PYRAPOINT* should be primary, and that other tools can either be modified to your better use, or that they should be used as confirmations for your signals.



INTEGRATING SQUARES

In this section we would like for you to try to see if you may be ready for a bit more complex interpretation: that of integration of squares so that you can see why each of the moves which you observe happen. Of course, by now you know---it is the calculation of a prior top or bottom as it relates to this particular move. We want to get acquainted so that it will be a comfortable move which we observe each, and one that does not catch us without an answer as to why, and “where next”.

For our own work, we actually did this chart in two sections. We set it up in the first section without any of the final integration, and then followed with the sister chart with the integration explanations. Our decision to make it into one chart was with the thought that it might be easier for us to make references without having to turn pages and charts. Hopefully, this will make sense, because although it is not totally necessary to understand each facet of this example, we assure you that it will assist your knowledge and your expectations as the chart movement unfolds in your daily work. It should also increase your confidence in the work as you see more logic to the “majestic” lines, which you are creating. Remember one thing to assist us both: the chart shown to you is the chart after the integration, so the reference to “sister chart” is the one after we drew the lines as you see them.

This chart is **May Soybeans**, starting with the November high of 1997, and you will note that we are integrating some nearly six months.

At point (1) your first observation should be that even though this first line of squares is not in our trading parameter of today, there is a definite association and calculable relationship evident, Example: observe where a third line of squares from this top would fall---right, you are in sync with the square at item (2). In other words, the top of (2) would be integrated into the top of the third square down from (1) if we were to have placed these extra lines upon the chart. So far, so good.

We now know that squares (2), (3) and (4) are all in sync with (1). For clarity we did not complete (4) except to note where it would begin, if needed in the future.

Now the question posed at the bottom of the page can begin to be assuming an answer mode. One could not see the sync until lines and positions were disclosed,

So far we know this about this chart of beans: price has moved downward exactly one square on the very first day of our trek from (2). We see, too, that price followed on downward in square (3), as our downtrend status would indicate that it should. Price rested upon the first objective of (3), being the up 45 in this square. It followed upward in this down trending market to it's retracement objective at the top of (3).

At this point we find that price exceeded the immediate objective of the top of square (3), and although it did nothing more than move upward to the resistance line in the square above, it is enough of a mutation that you would be assisted, we feel, to see the “white of the eye” of this move.

Keep in mind that we are in a downtrend; thus the movement is more liquid on the downside of any wave until the trend changes, at least temporarily.

Keeping the larger picture in mind, let's follow this item by making a “square within a square” at (5). Calculating downward 90 degrees (in keeping with the rest of your chart) and you will see that this is the area where your first resistance to this down move might be expected (6).

Again recall that our downtrend is still Intact, so we would not expect as much up move

as down in our normal waves. Indeed, we stopped at (7) as price moved up under the strong support (now resistance) provided by the “up” 45 of the (3) square. No surprise really, if you keep the total picture in mind. Our next move is again, to the tick, where we might expect to be fulfilled, i.e. to the bottom of the square in which we have been working. This is reflected at (8).

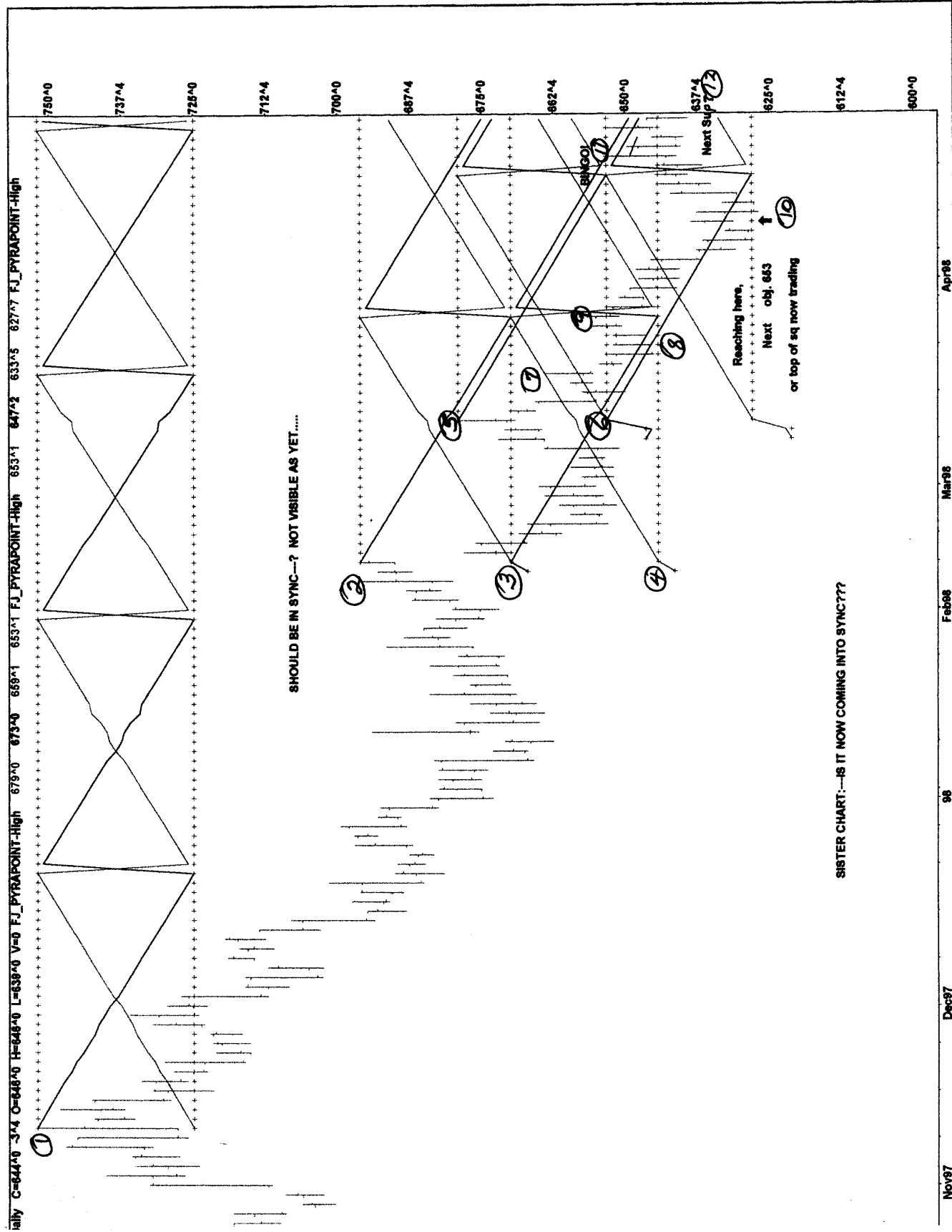
At (9) we expect a trend at EOS of the large square for, after all, this square is still the ruler ultimately because it is of the larger degree. Conveniently, price gives us a two-day rally into EOS, just ready and right for another sell with the trend, and at near the top of (6) which is the second of the smaller degree squares. We obviously set up our objectives at the top 45 of this square and then the bottom of this square in which we are working.

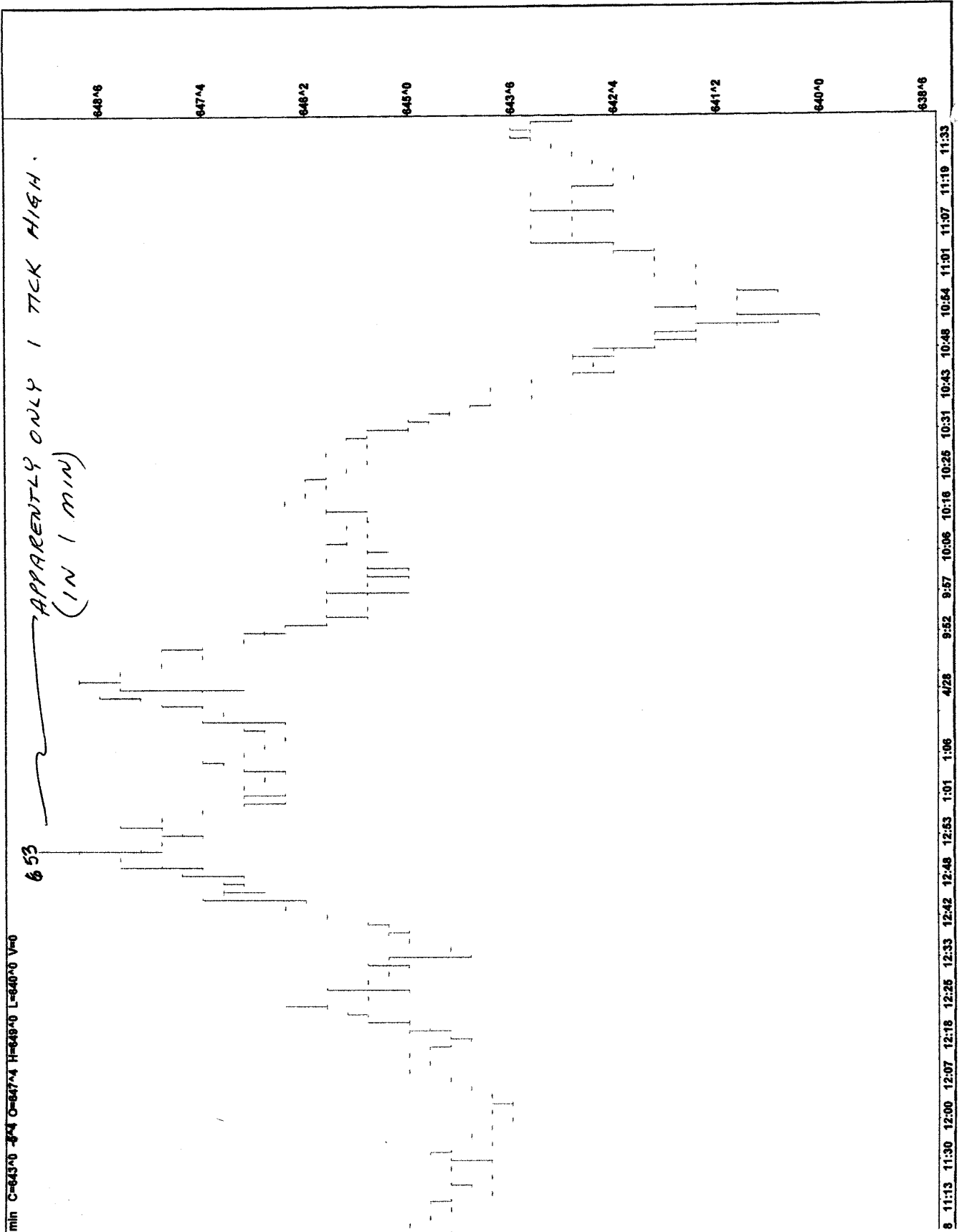
Item (10) will show us that it did complete this objective to the cent as well.

With a retracement now in order for a normal wave action/reaction scenario, we now set up our next objective as the top of the square in the parameters of which we are currently working, This would show at 653. Result? Exactly---and to show that it was to the tick, we have the one-minute chart showing the minute-by-minute play. It appears that it just had to do this before the move can go on. Indeed, in our opinion, this is exactly the way it is!

One final thought: realizing that the next anticipated down move will be in the parameters of the unfinished square (4) we would not expect our answer to (12) to be positive. We would stick our neck out to believe that the support would give way to a lower objective supplied by (4) where the next decision will likely occur.

Again, our intent in this presentation is to assist you in seeing the total picture, and to not let a normalcy appear to you to be a mutation. Time and use of the squares will make this a reality, we promise.





COORDINATING MORE THAN ONE TIME FRAME

Probably one of the finest filters for this system is that of using two different TIME frames for coincidental signals, which will occur.

It is reasonable to believe that these coincidences do exist. After all, TIME is the same today, yesterday and always. Multiples of TIME should be calculable, and they should have coincidental TIME frames. Multiples of TIME frames fall into the shadow, one of the next. In other words, if you are using an hourly chart it is reasonable that the 120-minute chart will coincide at some regular intervals. Obviously, it should be believable that a daily will have TIME frames, which will coincide with certain intervals of smaller TIME frames -- just so long as they are divisible mathematically in Pythagorean scale. What better chance do we have to confirm?

As we begin our filter and our studies, we might well look at the end of a weekly square as a TIME frame for a trend change. In this way we have been conscious of a long-term direction.

Next, one day during this turn-week, we note that we have a squaring on our daily charts. This lets us know that we have a double chance for a trend change in our analysis.

Then, it follows that, say, a 120-minute (or an hourly, etc.) is squaring on a day of this week, which corresponds to the squaring of the daily. Now we know that we have a chance for trend change via the weekly, the daily also shows a squaring, and now we are showing a squaring on the 120 minute chart which corresponds with the day of the week that the daily chart is squaring.

Thus we have brought the weekly to the day of that week, and the 120-minute TIME frame is showing up on a TIME frame within the day selected above. We now have a two-hour TIME frame for which we will look diligently for a good place to select a PRICE for our move. It goes without saying that the same analogy applies for integral parts of the 120 TIME frame such as an hourly. Can you see yourself looking the fifteen-minute chart for even finer tuning? This is especially important if you (like most of us) need to conserve your capital and to lower the risk of the amount needed for margin calls upon entry.

What we are likely to find helpful in the above scenario (i.e. a good entry point) is finding a 45-degree support of resistance, finding a PRICE nearly a square of a number, or the bottom or top of a square. We are simply using the rules, which we have been learning in these prior pages. Of course, the overbought/oversold indicators will assist to know if we are "braking" prematurely as we approach a candidate for a position.

At this point, it would seem in order for us to study a set a charts which will reflect that of which we are trying to show by words. Hopefully, these pictures may truly reflect at least a few hundred of the expressed words.

We selected what is considered somewhat of a slow-mover in the grain markets, **July Oats**.

As shown in these examples, oats has a tendency to be a non-trader for longer periods than some of our studies. It also, then, is somewhat prone to leave "gaps". Both of these characteristics may well assist us in our support for, and our dependency upon, our system. There lies good reason for saying this in the examples given: we have taken as "significant" the top just prior to a gigantic gap. Then we have taken a position, which depicts "bottom-picking" for our study, exactly three squares down. Note that we do have a confirmed clue of

confirmation to use this bottom for a point per the indicators, since they are showing quite oversold and are gathered in unison opinion. Oh yes, common sense sort of tells us that we are likely going to get a more accurate picture if we drop from the 90 degree squares of the daily chart to the 45 degree for use in the smaller TIME frame of 120 minutes. The beautiful part is that they will all fit! Why?? Because we are following the Pythagorean scale of both TIME and PRICE.

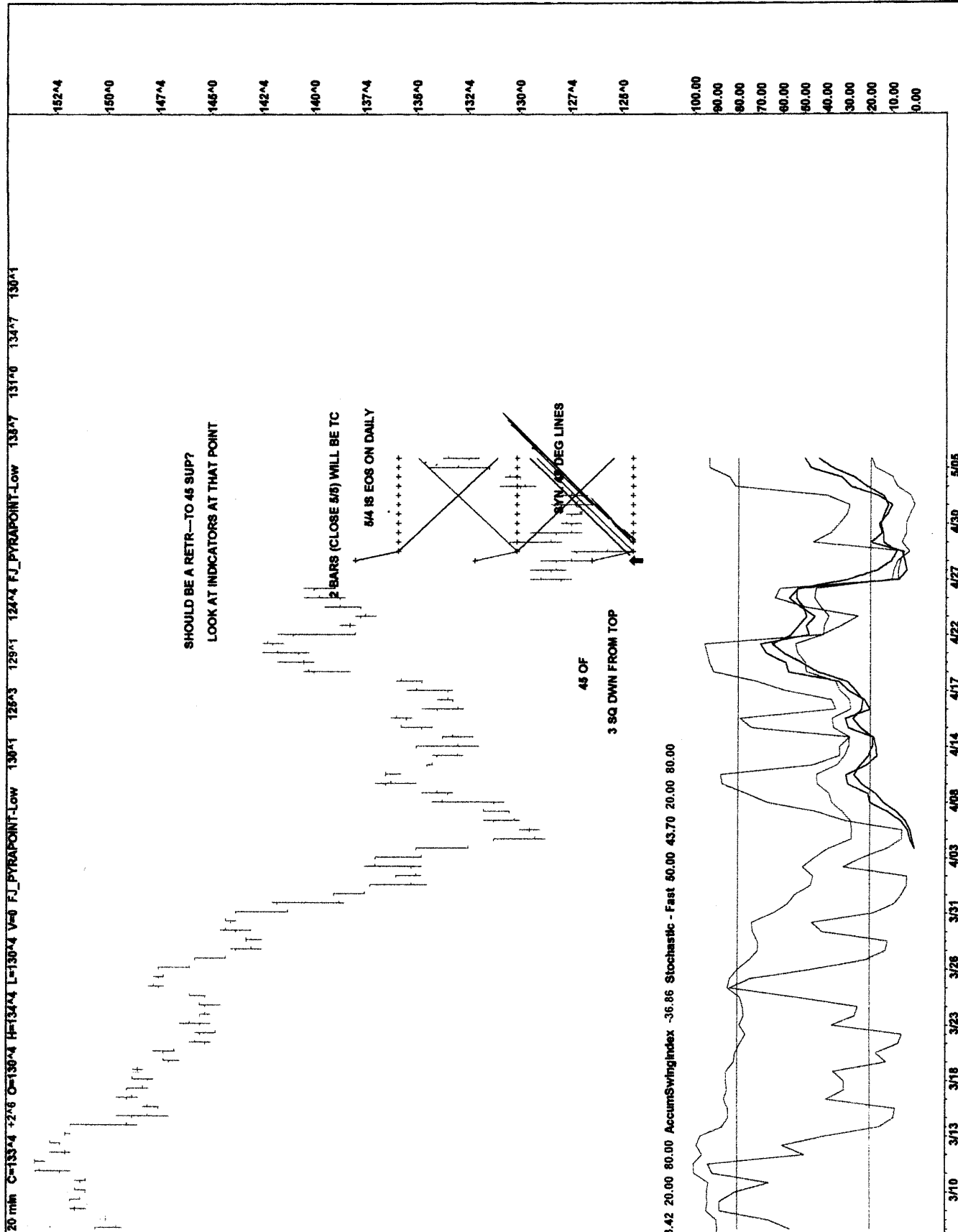
Note that we have drawn three 45-degree lines, the red one a bit bolder so that you might not confuse it with the machine-drawn line. It represents the actual bottom extreme trend line that PRICE has made in this square along these 45's. In other words, as Mr. Gann might say, "this is the lost motion" from these 45's as shown. The third line in the parallel 45's is that of the line, which is projected from a top, drawn from the top ahead of the gap, and down three squares of 45 degrees each. The point being: the sync is showing even with the large gap, and even when we are comparing top squares with bottom squares -- if indeed we are in sync with our analysis.

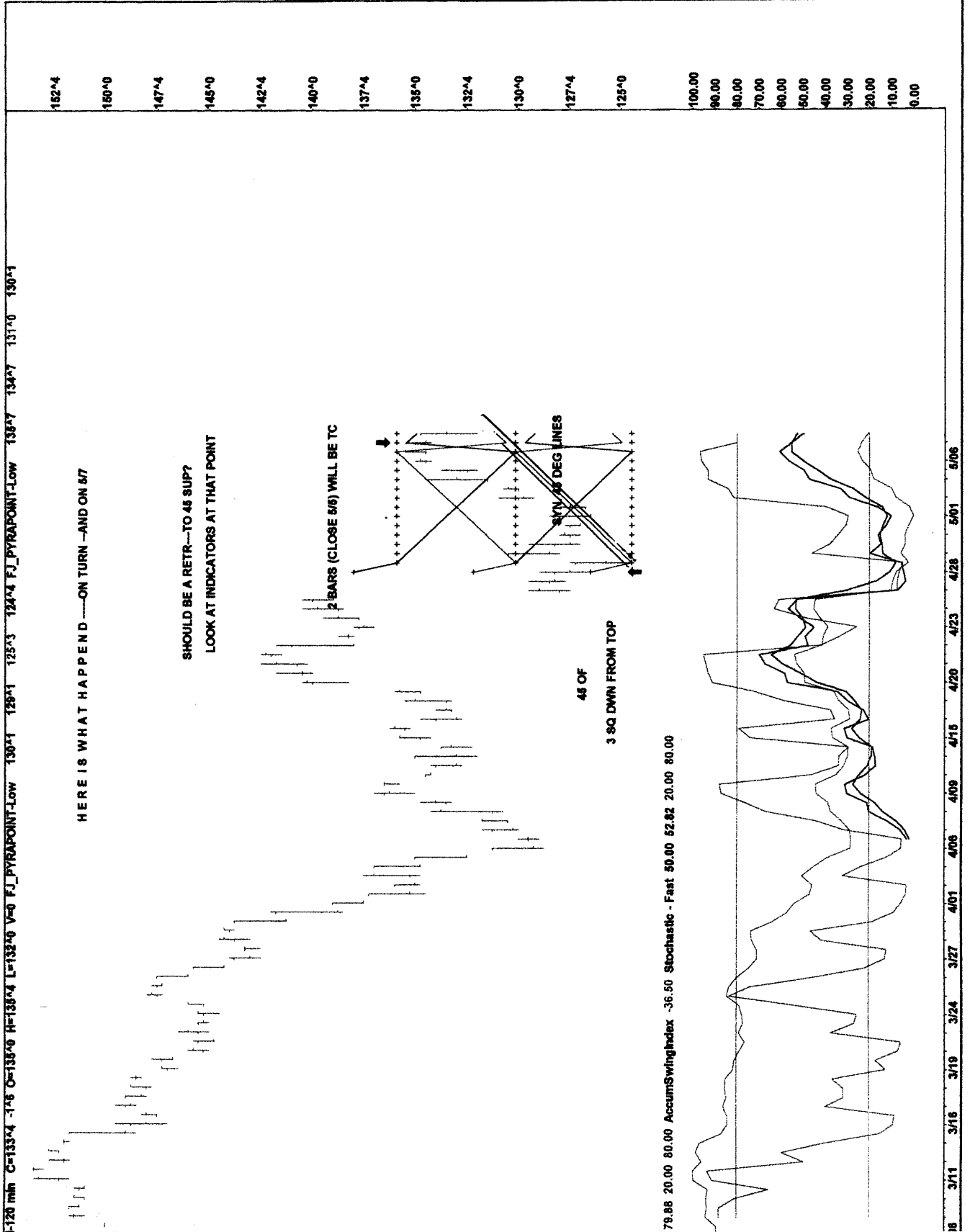
Now let's put this into perspective and see what this is all to yield to us as traders. Let's see if we can read this rhetoric as presented in the charts.

First we have to deal with a notation on the chart, which says that we have already projected the daily square, and that is saying that an EOS for the daily is to be on 5/4, so we can suspect that a trend change COULD be in order after that.

Next we note from the notation on the chart, that just two 120-minute bars into the square of the daily for which we have just alerted to possible trend change, we have a squaring on the 120-minute chart. At this point we don't know how this is going to play out, but we can go to the following chart and see just what has happened in real TIME and life.

Next chart: surely enough, the first bar of the 120 minute chart following the EOS of the daily, shows a lower top -- right on schedule. The second 120-minute bar takes a fall nearly to the first 45-degree support line of that square. History will show that when breaking a "gathering" of 45's such as we have projected here, that there is apparently more energy released per multiple resistances such as this, so that when it does go through, it usually is a more aggressive move "across the line". And so it was with oats if one were to have followed it some days from this point.





PART VII

In Conclusion

EXAMPLE: OBSERVATIONS FOR SETUP RECOGNITION

Although the author would not expect that you should be 100% comfortable with the total understanding of this next exercise, it is the direction that we would like for you to look as a goal to assist your trading.

We would like to re-examine the **December Wheat** contract. We see a number of observations worthy of study.

Even though we are going to concentrate on the uncharted portion of the chart, we would look at the “perfect” pattern of PRICE within the 45’s as it travels between the lines, and as it obeys the rules, which we have been studying. Note that the targets and the TIME frames are obedient beyond belief! Even when we are confused as to whether we are seeing a deviation, the bigger picture will usually bail us out of our confusion.

But, enough of our ego trip! Let’s see if we can help ourselves by recognizing some of the signs of the setups even before we have calculated and drawn the lines. Remember, we did not say to operate without the calculated lines. We did say that it would enhance your speed and thus your profitability of trading if you were able to see a setup within, or at, a wave structure. This will be helpful as you advance in your trading technique, especially if you could be more expert with TIME calculations. It simply will all fall into place much faster as you become conscious of what is really taking place.

Please give us a chance to share an example of one of the situations, which we have found to abound in this business -- just, one of many, which we sincerely hope to correct for you:

“We have just experienced a drought period in the grains in which, let’s say, that you are interested. You admit to yourself that you have been a bit slow to take hold of the potential move, and your broker has reminded you of the opportunity which appears to be slipping by your clutches. Weather forecasts appear to favor a furthering of this same scenario. The plot thickens as you ‘personally feel’ that corn is too cheap at 254. It has moved some several cents since the last low, some 15 days ago, so it would appear that the potential might truly be there to ‘get on board’. Everyone agrees -- even the boys in Chicago who must take the opposite side of your trade if indeed you are to get a part of this move before it ‘runs away and hides’.

Now -- a funny thing happens: you get into the market, and perhaps even get a good fill. You go home feeling that you are on the right track for a profit of some worth. Tomorrow however, the market opens higher just as you would like and expect -- then at 256 it stops, stutters, stumbles, and falls! How can this happen, you wonder -- and WHY?”

Here’s a quick example of what we are studying. The market has advanced, even though perhaps erratically, for some 15 days from a significant low. A quick calculation of TIME

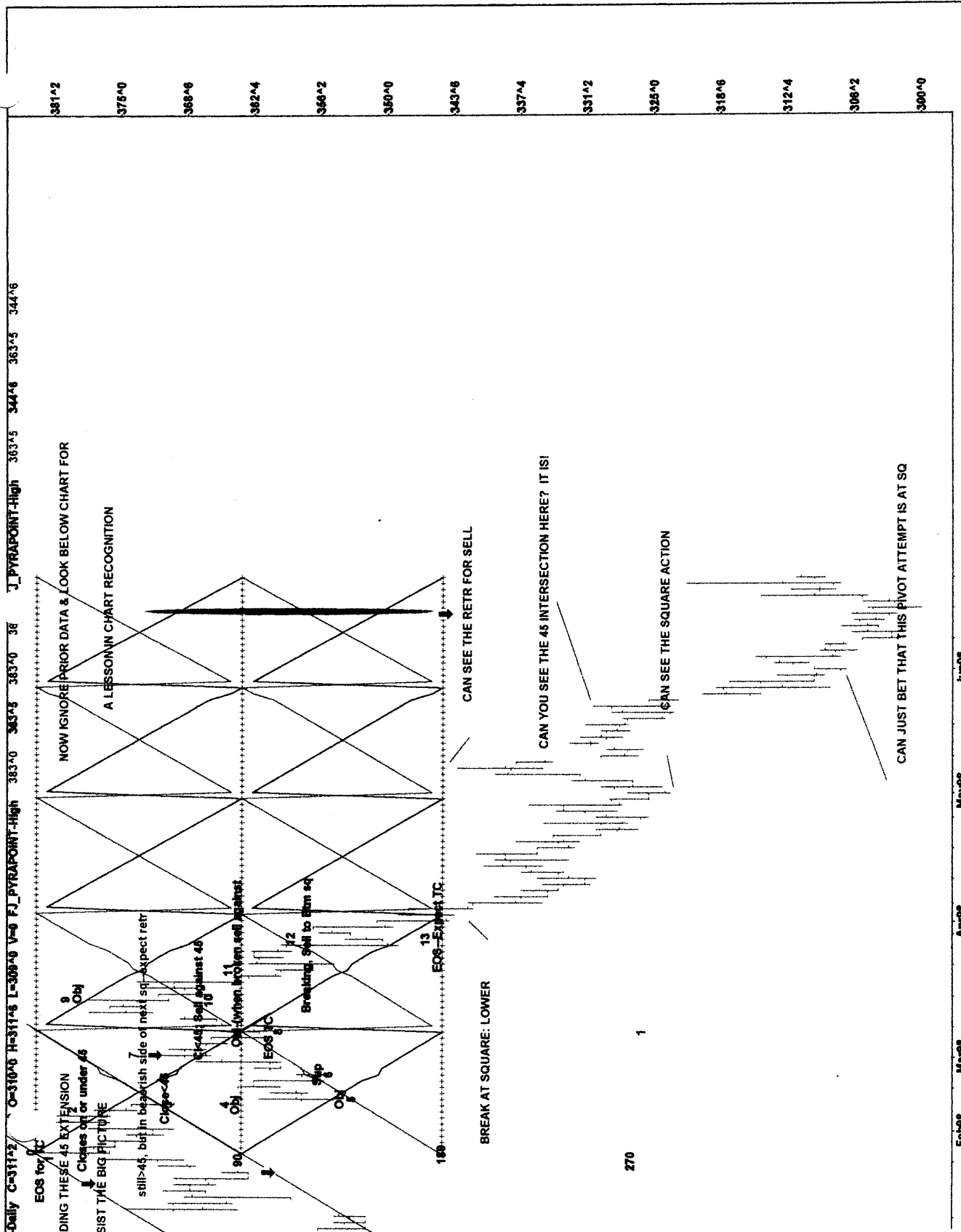
squaring tells us that at 254 we are looking at a TIME frame of square root of that PRICE (254) or 15.9 days, which we know is to be read as 16 days, do we not? And when did this move begin? The answer is 15 days ago. Result: we can expect some serious vibration at the TIME frame of tomorrow. Then -- where would we think about PRICE getting into a vibration point? What about the next square, that of 16, since it is the next whole number in our calculations. This makes 16 squared look good as a vibration point. So we have 256 as a good candidate for PRICE, and we have tomorrow as a good candidate for TIME.

And we DID WHAT?

Granted, our example came out in even fashion (that's the advantage of being the author). However, hopefully you will see the picture and thus minimize the "happening" or that of some of its cousins.

This is the reasoning in our placing the December Wheat chart at your disposal -- just a hope for your more rapid advancement into this image of new chart watching. Please study the notations below the chart. They are worthwhile spending some thought to learn to recognize the significance of where you may want to look at beginning points, or checkpoints such as we have just described.

IT WILL AMAZE YOU AS TO HOW OFTEN YOU CAN RECOGNIZE THESE SETUPS, NOW THAT YOU KNOW WHAT YOU ARE SEEKING.



TWO FREQUENT QUESTIONS ANSWERED

In our sincere desire to provide the most information for the most students, we have elected to share (again, from our personal files) some answer(s) for some very legitimate questions which have been presented to us. We do this in the hope that it will better equip you for similar concerns.

A couple of questions come to mind, which can be at least partially alleviated with the accompanying chart. The question is actually a two-part query: (a) What if I have no computer program to follow? and (b) Just how would we construct a chart for the action of, say, cattle for this last month -- given that we want to know what has been our potential over this TIME frame -- and what has been done at each *PYRAPOINT* signal, again given that this has been a bearishly trending market during this query of TIME frame.

The answer to (a) is addressed elsewhere in this book wherein we provide detailed information for Pyramid Square construction. Perhaps it would assist to elaborate upon the fact that one can apply the *PYRAPOINT* square to any wave in a formation for fine-tuning to his/her comfort zone. We anticipate that a secondary part of this question may well be: "how do I determine where I am presently located in the larger scope of the market?" We address this question by giving you the examples of charting "into the next larger or smaller degree". Usually to see the larger picture we will simply go to a larger degree chart, as we have done in the charts shown before, and as we show in the cattle chart. We went to the 180-degree bigger picture for our example and answer to our student/friend.

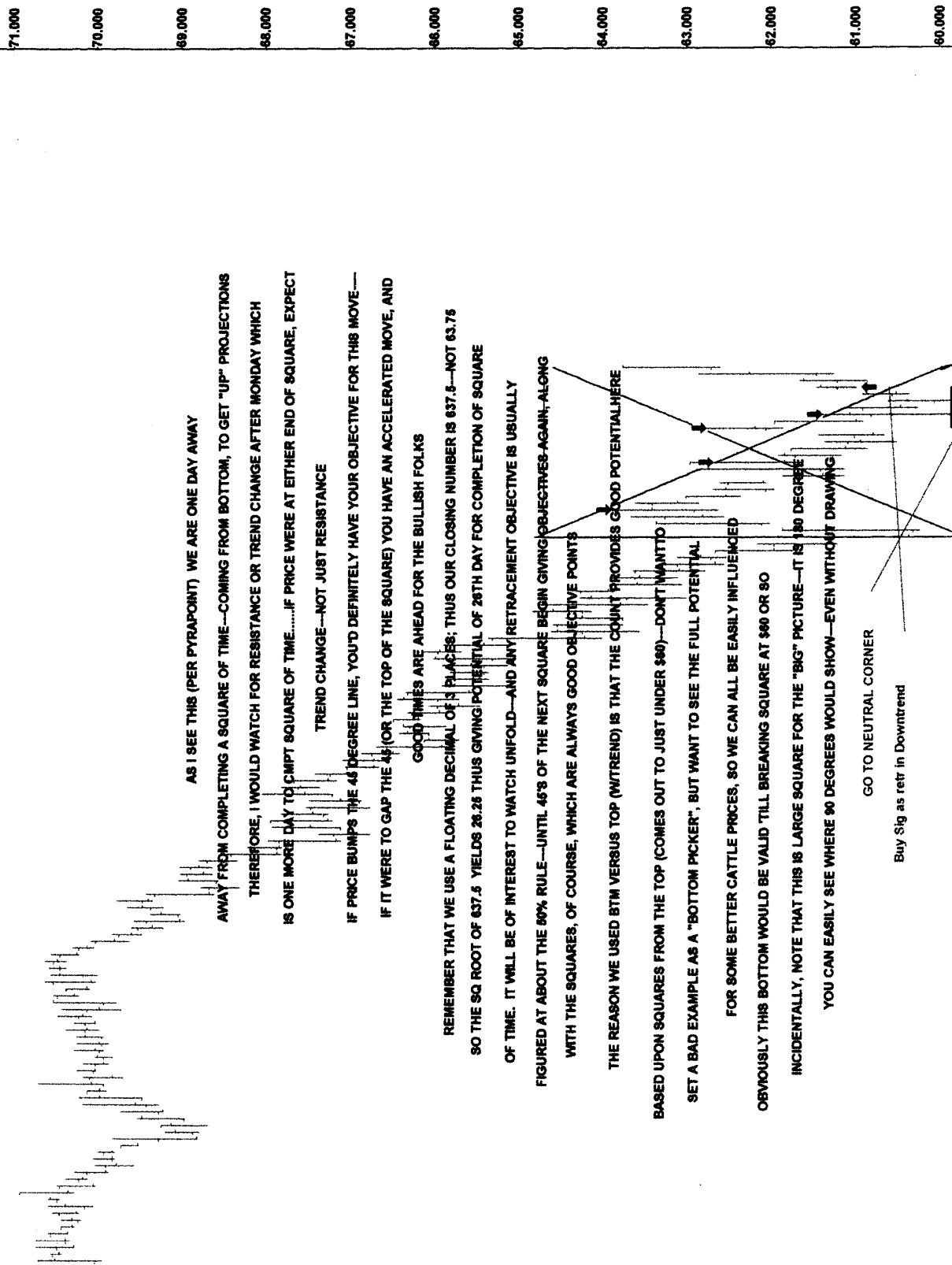
The answer to (b) is that we are allowed the flexibility for a "clarification square" at any point of our choosing. If one wants to see what the potential (and subsequent) risks are in a long position, say, in a bearish trend, one can do that at any significant bottom. It will always mathematically guide us -- we just might not like the road, which it dictates. But, if indeed we do follow, we will know at what juncture to pyramid our position, where to get out, and what type of formation into which we are subjecting our trade.

Again, the chart which follows on December Cattle is "hand-drawn" using the computer only for trend lines versus calculation -- so we can all do this one.

The chart is presented from a significant bottom, and it is shown at EOS minus one day. Can you see how tomorrow's action should be very important to your trade?

We believe that you might glean some information, both as to the questions we were answering with the chart comments, and as to the questions, which were being addressed -- always a good source of learning.

Daily C=43.760 +1.500 O=62.700 H=63.760 L=62.600 V=7869



AS I SEE THIS (PER PYRAPPOINT) WE ARE ONE DAY AWAY

AWAY FROM COMPLETING A SQUARE OF TIME...COMING FROM BOTTOM, TO GET "UP" PROJECTIONS

IS ONE MORE DAY TO CMPT SQUARE OF TIME.....IF PRICE WERE AT EITHER END OF SQUARE, EXPECT

TREND CHANGE--NOT JUST RESISTANCE

IF PRICE BUMPS THE 45 DEGREE LINE, YOU'D DEFINITELY HAVE YOUR OBJECTIVE FOR THIS MOVE---

IF IT WERE TO GAP THE 45 (OR THE TOP OF THE SQUARE) YOU HAVE AN ACCELERATED MOVE, AND

GOOD TIMES ARE AHEAD FOR THE BULLISH FOLKS

REMEMBER THAT WE USE A FLOATING DECIMAL OF 3 PLACES; THIS OUR CLOSING NUMBER IS 637.5--NOT 63.75

SO THE SQ ROOT OF 637.5 YIELDS 25.26 THUS GIVING POTENTIAL OF 28TH DAY FOR COMPLETION OF SQUARE

OF TIME. IT WILL BE OF INTEREST TO WATCH UNFOLD--AND ANY RETRACEMENT OBJECTIVE IS USUALLY

FIGURED AT ABOUT THE 60% RULE--UNTIL 45% OF THE NEXT SQUARE BEGIN GIVING OBJECTIVES--AGAIN--ALONG

WITH THE SQUARES, OF COURSE, WHICH ARE ALWAYS GOOD OBJECTIVE POINTS

THE REASON WE USED BTM VERSUS TOP (W/TREND) IS THAT THE COUNT PROVIDES GOOD POTENTIAL HERE

BASED UPON SQUARES FROM THE TOP (COMES OUT TO JUST UNDER \$60)--DON'T WANT TO

SET A BAD EXAMPLE AS A "BOTTOM PICKER", BUT WANT TO SEE THE FULL POTENTIAL

FOR SOME BETTER CATTLE PRICES, SO WE CAN ALL BE EASILY INFLUENCED

OBVIOUSLY THIS BOTTOM WOULD BE VALID 'TILL BREAKING SQUARE AT \$60 OR SO

INCIDENTALLY, NOTE THAT THIS IS LARGE SQUARE FOR THE "BIG" PICTURE--IT IS 90 DEGREE

YOU CAN EASILY SEE WHERE 90 DEGREES WOULD SHOW--EVEN WITHOUT DRAWING

GO TO NEUTRAL CORNER

Buy Sig as retr in Downtrend

Mar'88 Apr'88 May'88 Jun'88 Aug'88 Sep'88

2-Daily C=63.680 --100 O=64.050 H=64.680 L=63.360 V=0

THIS IS THE WAY THIS SQUARE "PLAYED OUT" (MISSED THE TOP OBJ. \$.10) THE DOLLAR DROP CAME IN MINUTES



AS I SEE THIS (PER PYRAPPOINT) WE ARE ONE DAY AWAY

AWAY FROM COMPLETING A SQUARE OF TIME—COMING FROM BOTTOM, TO GET "UP" PROJECTIONS

THEREFORE, I WOULD WATCH FOR RESISTANCE OR TREND CHANGE AFTER MONDAY WHICH

IS ONE MORE DAY TO CHPT SQUARE OF TIME.....IF PRICE WERE AT EITHER END OF SQUARE, EXPECT

TREND CHANGE—NOT JUST RESISTANCE

IF PRICE BUMPS THE 45 DEGREE LINE, YOU'D DEFINITELY HAVE YOUR OBJECTIVE FOR THIS MOVE—

IF IT WERE TO GAP THE 45 (OR THE TOP OF THE SQUARE) YOU HAVE AN ACCELERATED MOVE, AND

GOOD TIMES ARE AHEAD FOR THE BULLISH FOLKS

REMEMBER THAT WE USE A FLOATING DECIMAL OF 3 PLACES; THUS OUR CLOSING NUMBER IS 637.5—NOT 63.75

SO THE SQ ROOT OF 637.5 YIELDS 25.25 THUS GIVING POTENTIAL OF 20TH DAY FOR COMPLETION OF SQUARE

OF TIME. IT WILL BE OF INTEREST TO WATCH UNFOLD—AND ANY RETRACEMENT OBJECTIVE IS USUALLY

FIGURED AT ABOUT THE 80% RULE—UNTIL 45'S OF THE NEXT SQUARE BEGIN GIVING OBJECTIVES—AGAIN, ALONG

WITH THE SQUARES, OF COURSE, WHICH ARE ALWAYS GOOD OBJECTIVE POINTS

THE REASON WE USED BTM VERSUS TOP (W/TREND) IS THAT THE COUNT PROVIDES GOOD POTENTIAL HERE

BASED UPON SQUARES FROM THE TOP (COMES OUT TO JUST UNDER 80)—DON'T WANT TO

SET A BAD EXAMPLE AS A "BOTTOM PICKER", BUT WANT TO SEE THE FULL POTENTIAL—

FOR SOME BETTER CATTLE PRICES, SO WE CAN ALL BE EASILY INFLUENCED

OBVIOUSLY THIS BOTTOM WOULD BE VALID 'TILL BREAKING SQUARE AT \$60 OR SO

INCIDENTALLY, NOTE THAT THIS IS LARGE SQUARE FOR THE "BIG" PICTURE—IT IS 180 DEGREE

YOU CAN EASILY SEE WHERE 90 DEGREES WOULD SHOW—EVEN WITHOUT DRAWING

GO TO NEUTRAL CORNER

Buy Sig as retr in Downtrend

71,000

70,000

69,000

68,000

67,000

66,000

65,000

64,000

63,000

62,000

61,000

60,000

Mar88

Apr88

May88

Jun88

Jul88

Aug88

Sep88

SUMMARILY SPEAKING

Throughout our study we have attempted to present an example of each of the situations, which we feel may come to you in the use of *PYRAPOINT*. We hope that by putting the subjects down in the form of discussion, then by giving an example per a chart, which would apply to that discussion, that we are able to show you the tremendous opportunities, which we hold dear. Admittedly, we have delved more deeply than you might have thought necessary -- and perhaps you did not care for all of the derivatives shown. But you must know that the system is not based upon “what might have been”, but rather “what is, here, now, and universally”. Because of this, you have been subjected to a more “in-depth” look at what happens in the market place. We hope that you will seek to understand to the point that you can truly depend upon *PYRAPOINT*. If you fail to understand, you will also likely not have the confidence to use the principles successfully. It is for these reasons that we have attempted to cover examples which might better show in picture form that, which may not be understood with words.

Down through the pages, we have cautioned you that you need to follow the discussions through the charts. Usually, the charts will win out in an explanation, if we have the basics in the form of words to precede the charts through portions, which are not readily evident. What we really hope to have done is to represent each of the rules, and the situations evolving from them, to let you see the ultimate answer in your own trading.

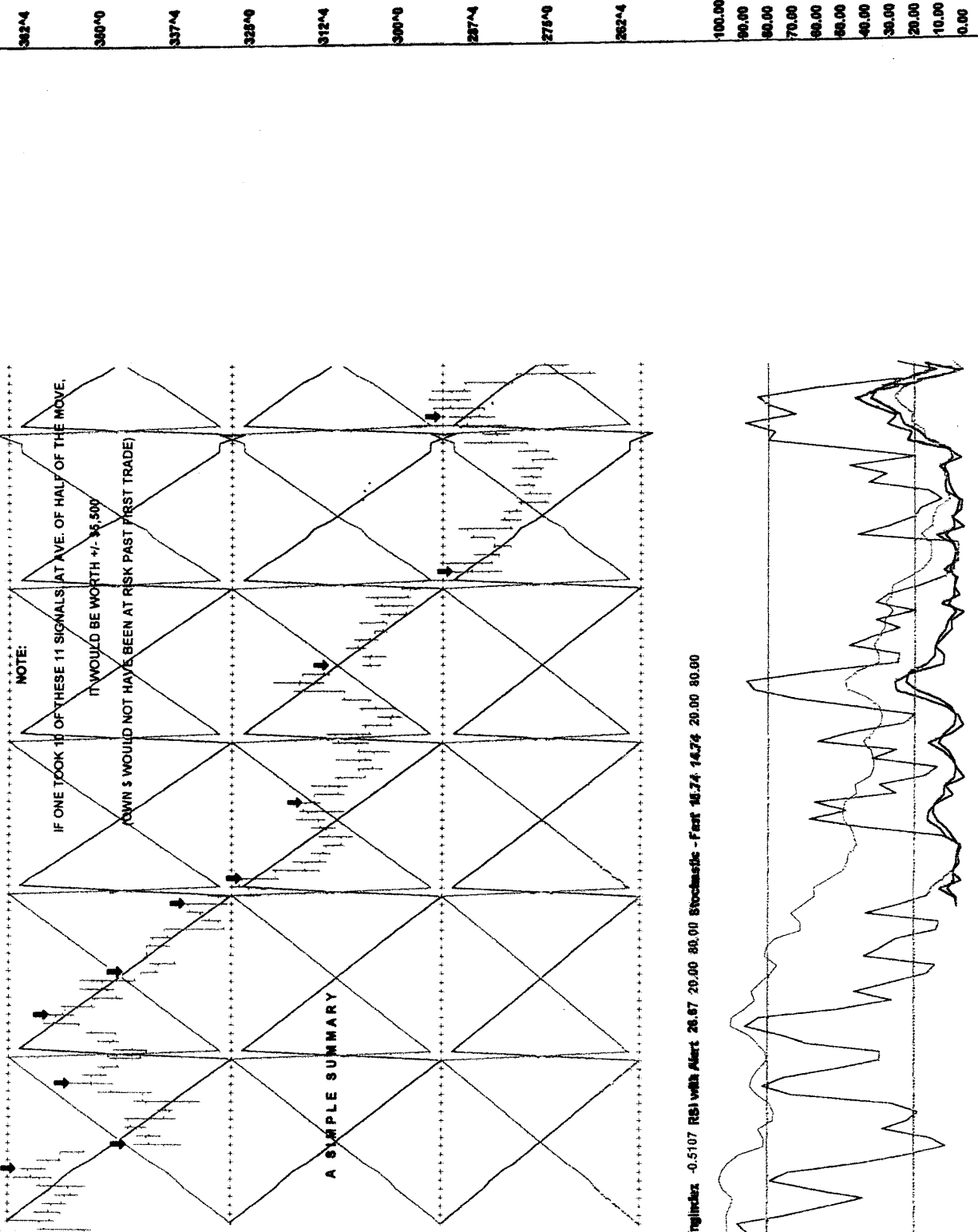
We trust that you now have some chart recognition, which will keep you abreast of that which is around each chart corner and square. In the chart, which follows, we simply repeat the simple rules, over and over. Our motto is simply to believe, and to depend upon your own good initiative in learning the rules without confusion.

In this chart of **July Wheat**, we begin with the sale on the square. We then basically follow a pattern of selling the breaks of the 45's, and then selling each retracement coming up below the 45's, so long as the TREND IS DOWN. We follow these simple rules with the knowledge that we are very likely (not always) to get a pivot at EOS. We also know that if indeed we do not get a pivot, we can expect (some 15% of the time) an accelerated move. The balance of the time you will receive a sideways move, which will usually progress until intersection with EOS or a 45. This is more straightforward than any system with which we are acquainted; and note that taking 10 of the 11 trades at an average of half of the move would net \$5,000+ during this period -- this with minimal risk!

The “simple summary” chart provides you with the proof of the real simplicity of the *PYRAPOINT* system. It is assisted by the normal indicators at trend-ends or trend-changes. However, primarily the system will stand alone, and it will stand the test of the markets.

Look closely at what “simply reading the rules” will potentially provide. It behooves us, in our opinion, to follow the chart patterns and the setups, which will provide us with confidence to trade with knowledge and accuracy. Remember, we do not need all of the trades, which are generated -- in fact we can't be expected to even see them all. What we do need to do is wait until we are comfortable, and trade the setups, which we are able to understand. Your horizon will broaden as you use the system and practice the rules. The system is good enough that you do not need all of the trades. It is good enough that you really do not need to trade the retracements against the trend -- IF YOU KNOW!

Daily C=178.01 +8.00 C=178.01 H=277.00 L=267.00 U=188.00 PJ_PYRAMONT-High 282.4 276.7 269.2 PJ_PYRAMONT-High 385.0 347.3 343.2 327.6



One final word: be patient! Gann indicated that much money is to be made by waiting until you really know (or understand) the trade. It is much easier to keep the money in the margin account than it is to fight the elements to get a bad trade back into play on the positive side of the trading ledger.

Good Student: Good luck -- and good trading!



Don E. Hall, 72 is a licensed real estate broker/owner. He is a lifelong native of rural Missouri and the father of three. He received a B.S. in Agriculture from the University of Missouri in 1950 and was inducted into Gamma Sigma Delta and Alpha Zeta, the Honor Society of Agriculture fraternities. He owned Mound City Implement Company, a John Deere dealership, from 1951 to 1961 and a grain elevator in the 1960's. A former partner in a commodity trading company, Mr. Hall held a Principal Securities License for 15 years, was licensed as a Commodity Trading Advisor and maintained a seat on the Chicago Board of Trade in the mid 1960s. He was one of the incorporators of Ozark National Life Insurance Company and ICH Corporation, sitting on the board of directors from 1961 to 1971. He was appointed to the Agricultural Advisory Council for the State of Missouri by Governor Christopher Bond from 1980-1984. Mr. Hall has been studying the theories of W. D. Gann & Associates for 40 years. In 1974, he retraced the steps of Gann to Egypt. Tours of the Great Pyramid and the Cairo Museum reinforced Mr. Hall's belief that Gann had found the secret to successful commodity trading through mathematical use of the Pythagorean Cube. This book reflects Mr. Hall's conclusions from his many years of exploring the complex techniques of trading commodities.

PYRAPOINT/ENSIGN CD (pdf format) \$150.00

This a CD with a in which Don Hall explains, in detail, with 26 chart illustrations, exactly how he uses Pyrapoint using the real-time trading software, Ensign. He explains both his daily and intraday trading with the program. The Pyrapoint Script for Ensign is also included, as well as a complete manual and demo of the program Ensign. Setup files are included as well as stock and commodity data to fully test the software. A Free 2 week trial can be obtained, in most cases, from the data services. Details are included with this package. Ensign can be used on three data services: eSignal, BMI and DTN. The following is what is on the CD:

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