

# Setting the “Square in Time”

By T.H. Murrey

Everyone wants a Square Deal ! or Someone Wants to Square Off ! or Everything Comes Back to Square One ! So All Markets Run Through a “Square in Time.”

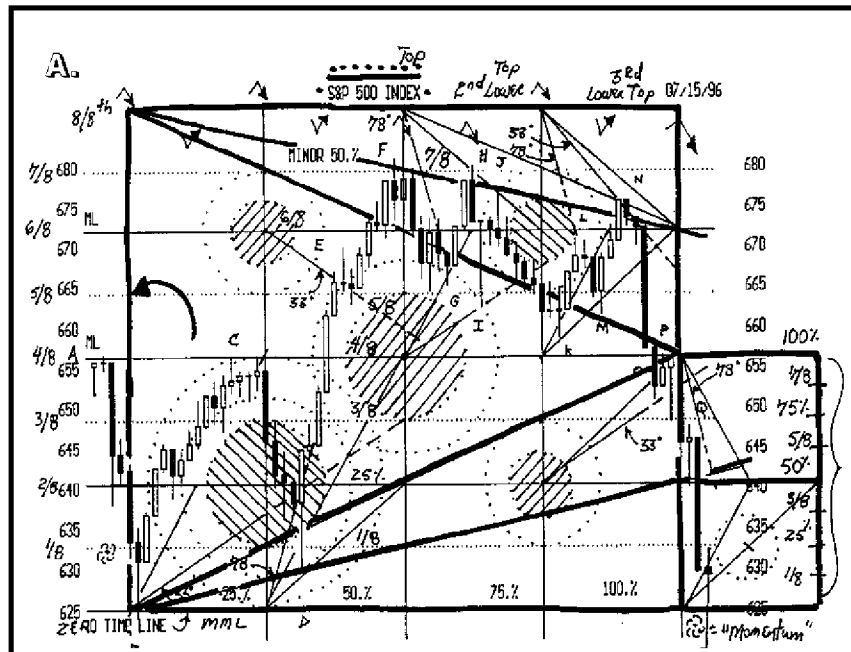
The recorded annuals of many primitive civilizations mentions wanting to set the outer boundaries of their Universe inside a Square (that is actually a cube), that is moving in a spiraling wave pattern to the right (counter clockwise) through space in Time.

Religious transcripts mention (4 Corners) or (4 Angels) to set boundaries around their known territories (as they perceive them).

It is hard for the average American “high school drop-out” to accept the fact that the Earth is spinning and rotating simultaneously around the Sun, while the Moon is also revolving around the Earth as they (all 3) move counter clock wise through space to the right (50.% of all seniors don’t graduate their senior year in the 4 largest U.S. cities).

So, it would be equally as absurd, to expect the average “anybody” to perceive that the Universe is a Cube composed of any amount of different kinds of “Mass” that aligns itself in Triangles (Hexagon) inside a Cube, which are enshrouded by a Circle (sphere) of Universal Magnetism (or gravity).

90.% of all “experts” in any field are over 40 years old and they refuse to use the



computer as a 3-Dimensional focal point to track their “money-making” decisions (they would rather read words).

“One Picture is Worth A Thousand Words” is true for Playboy. But even they revert back to “mundane” interviews about politics and fill their pages with semantics rather than simply “overkill” or “overthrill” your senses with outrageous physical examples of the pure and simple “golden mean” proportions and visual “antics” of “heavenly ecstasy” to sell a Fibonacci ratio of “visual acuity.” (“Golden Mean” of human body is the (.618) difference from the base of one’s heel to one’s navel as a direct proportion of the whole distance from one’s heel to one’s head).

And one must sell “provocative advertising” to even sell words these days. Even the financial T.V. shows fill up our “brains” with hours of words, when they should simply flash a chart moving through a “Square in Time” as the “daily price action moves to the right” and dispense with all the curt aphorisms about P. E. Ratios and Projected Earnings Expectations (for the next 12 months). (Coca Cola is presently selling at 44 times earnings: great) ! ?

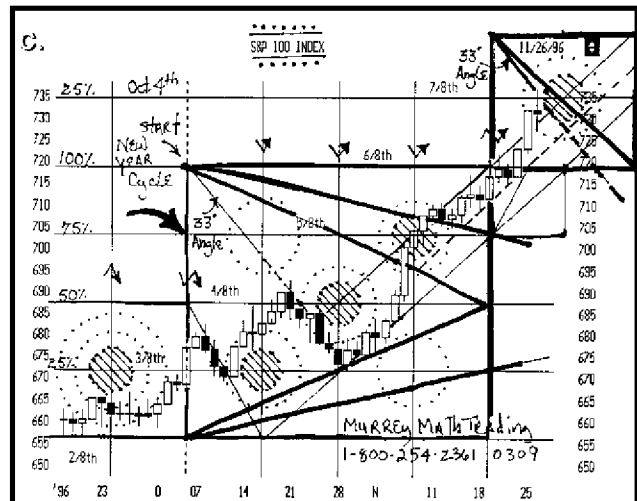
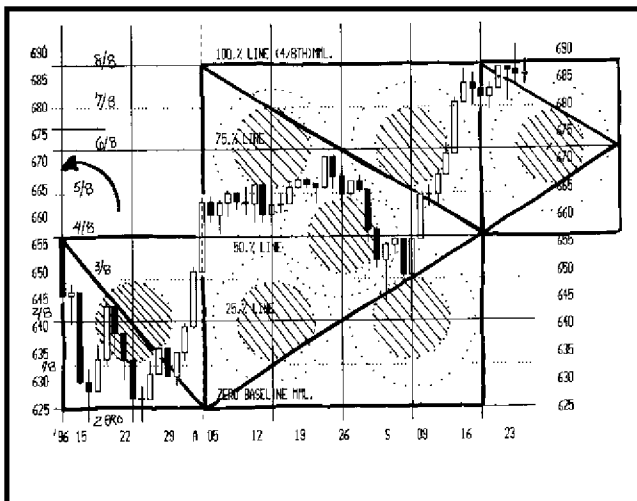
It has been my experience that it is far better to present the “daily price action” as it should be (and that is in a Japanese Candlesticks format) which contains the four parts of each trading day: 1) open, 2) close, 3) high, and 4) low, rather than convert what one “sees” to what one must translate through one’s vocabulary and ability to reason through one’s inherent ability or formal training. (You don’t have to explain Playboy in words).

A computer is still used 90.% of the time to do only two functions and those are to: 1) record messages, or 2) hold current prices on a screen, when clients call and query current conditions of your particular market’s daily price action activity.

The “in-house” software provided by a majority of all firms never considers how to set up areas of conflict before they occur or predict future market reversal price points to protect profits.

So, rather than make that “quantum leap” from words to a 3-D movie screen, (and present each day’s trading action as a body with 6 sides) let’s try and present our “Square in Time” in a plan-view (up 8/8ths {Harmony} and to the right {Time} 8/8ths).

Any movie made today is enhanced by the use of computers that create a “truer” visual acuity field of acceptance of what one “sees” (not how one “reads” about what they watch happening). Since most movies are an escape from reality, we don’t want to present something that is skewed too far away from what the majority of all “traders” presently perceive markets doing through sentences, so we shall present a simple Square (frame). Please look at chart



(A) S&P 500 INDEX (Daily Chart) starting April 10th, 1996 through (One Quarter) "Square in Time" July 12, 1996 (64 trading).

Time is pre set to 64 days: where  $1/8\text{th} = 8$  trading days to the right (into each new square). The horizontal price lines were set "Harmonically" off the same math that set the columns at the Parthenon (432 B.C. on the Acropolis, in Athens, Greece to honor one of their Gods Athena).

The present replica of the Parthenon is located on the back side of Centennial Park, which was sold to the city to use as a public park to celebrate Tennessee's 100th Anniversary, which just happens to be located at the northern most terminal of the Natchez Trace, which was a dirt road built to allow early pioneers to travel south from Nashville, Tennessee down through Mississippi toward the Gulf Shores of America in the late 1700's to trade commodities.

This "Harmonic" Greek structure is constructed off Pythagorean lines, distances, heights, angles, and degrees of  $(\Phi) \Delta .618$  "Golden Mean."

A simple example of proof that this structure proves that the Earth is / was round before 432 B.C. is realized by taking a measurement of the longside distance in length of the top step supporting the 16 columns; then multiplying this distance times the number of seconds, minutes, hours, degrees to equal  $360^\infty$  degrees and you shall miss the circumference of the Earth by 50 miles. (Why didn't the educated people tell us the Earth was round instead of keeping everyone uneducated to what they could really "see") ? Have you ever been to the ocean ? Is it flat ?

If you walk down the street along the 16 column side of the Parthenon you shall "see" 16 equally spaced columns holding up this mathematically perfect dimensioned building built of  $(\Phi) \Delta$

But what your eye "sees" is just as much at fault as what you hear; for you see what you want to see and you hear what you are told is important to know (when you read fundamental reports).

These columns are spaced apart at precise odd intervals of my Internal Octaves off a Perfect Square on the Base of Ten as explained in my trading system Murrey Math Trading System.

Please refer back to my last article in Trader's World (Issue 23. Fall 1996) where I went into great detail proving that P.D. Ouspensky (a Russian Philosopher) mentioned the existence of the fact that anything is composed of 12 like parts and may be subdivided into an internal octave of smaller parts. (It is amazing to me why he didn't just pick up a book written on the math reasoning it took to construct this Pagan Goddess Temple and he would have seen that Pythagorean Geometry proclaimed the Internal Octave to us long before 432 B.C. (and that is that all Harmonious Lines in Nature want to be set at  $3/8\text{ths}$  or  $5/8\text{ths}$  or  $1/8\text{ths}$  of any given distance on one of 7 different External or Internal Octaves; depending upon your perspective).

If you move close enough to the columns to stand between them you will think the same thing at 1.5625 feet from them that you observed back at 12.50 feet or 100 feet or even out on West End Ave. (1,000) feet off away from the building and it is that all of the columns are equally spaced so that the eye will "see" this Harmony and not recognize the fact that they are unevenly spaced equally apart. These columns are set at an off set of 1.5625 feet off center of a distance of 14.06 feet or 15.62 feet.

How many rich stock brokers drive into work each day from West End Avenue from their homes in Belle Meade, and look over and see all of these columns equally spaced in Pure Math Harmony ?

There is only one way to arrive at this number (1.5625 feet) and that is through The Murrey Math Trading System 1995. Internal Octaves divided off the Base of 10 Perfect Square of 100.

100 divided by 8 (or multiply by Fibonacci number 1.125%) = 12.5

Then divide 12.50 by 8 and get 1.5625. There you have it; an Internal Octave of the 1st Perfect Square on the Base of 10 (100).

You must expand your logic to the next Perfect Square out (using Socrates' 4 Square Principle (actually it is the Sun moving across the Equator in its elliptical Time Cycle above and below the Equator some 30° degrees north or south latitude) to cube all of Nature off the base of 10 {Metric System) which would be 1 Square = 1 (100), 2 Square = 4 (1,000), 3 Square = 16 (10,000), 4 Square = 64 (100,000), and so on out to the right.

Chart (A) S&P 500 INDEX is currently trading between 625 and 1,000. So, we are trading inside the 2 Square (zero to 1,000). Each Harmonic Internal Octave is 1,000 x 1.125% or 125. So, we would expect anything to trade inside its closest Internal Octave inside its Perfect Square (which in this case is 1,000).

No person, except W.D. Gann, would tell you to take the high / low difference between zero and 1,000 and trade it as 1/8th of any trading range years before it has ever happened, but all "traders" using The Murrey Math Trading System 1995 know that all markets already know these numbers years in advance and they shall be affected by these numbers as a proportion to their Perfect Square of mathematical Harmony inside its current Perfect Square. (Let's see if the S&P 500 INDEX reverses off an Internal Octave that is set just as the Columns in the Parthenon were set off Internal Octaves off the base of 10 (432.B.C.) in Athens, Greece) that the Human Eye can't detect (without reading it).

The next smaller Internal Octave inside 125 = 15.625. and the next smaller Internal Octave inside 15.625 = 1.953125 (1/8th Harmonically). (Just as P.D. Ospensky said we should learn).

W.D. Gann proclaimed that all markets want to run +3/8ths or + 5/8ths inside their two extremes (high and low) traded over time.

The Murrey Math Trading System 1995 proves that all markets already know these numbers years in advance and they shall be affected by these numbers as a proportion to their Perfect Square of mathematical Harmony inside its current Perfect Square. (Greatest example is the Nikkei Dow).

It has already traded into each higher External Octave into 4 Square = 100,000. We multiply 100,000 x 1.125% = 12,500. But since it is currently trading back down below 25,000 we must reset our speed of trading action off the Square of 10,000 x 1.125% = 1250 to predict Harmonic Reversals into the future.

Americans don't get excited when the Japanese stock market reverses up and down 1250 points in one week, yet we are trading at almost 7,000 points on the Dow and they are still putting in trading curbs down at moves as small as 50 points. It should really be set at 15.625 x 5 = 78.125 (5/8ths) of 125.

Now let's set the horizontal lines (8/8ths) off the Internal Octaves established off the 2 Square (1,000) since the S&P 500 INDEX is trading in April, '96 (4 candles before the frame set in April '96) just below 656.25. (this market reversed on a "doji" star 3 days before the end of the January to April 13 week quarter). The previous trading day it formed a "Hangman" sell signal.

Please notice out to the side of 656.25 I have placed (4/8ths), which W.D. Gann said was the most critical (0/8ths to 8/8ths) to move through up or down). This market was set to

an Internal Octave with no concern of its last high or low and it reversed right on its Internal Octave 50.% line by simply dividing  $1,000 \times 8 = 125$ ; then dividing  $125 \times 8 = 15.625$ ; and then multiplying  $125 \times 5 = 625$  (5/8ths); so now we set our zero baseline off this major (5/8ths) line inside the Perfect Square 1,000.

We can't trade moves of 125 points so we must find the next smaller Internal Octave and it = 15.625, so we start adding 15.625 to 625 (0/8ths). Common sense says that the S&P 500 INDEX doesn't want to move up or down (short term) more than 62.5 points, since 1 point = 10 on the Dow 30 Average.

Then we wouldn't expect the Dow to move up or down more than 625 points before it would reverse and come back to its mean average of wanting to move along to the right through Time on  $22.5^\infty$  degrees (normal growth appreciation rate over a year).

Under the The Murrey Math Trading System 1995, we know that any Harmonic 1/8th, 2/8th, 4/8th or 8/8th shall be divided into smaller 1/8ths and you shall see the same market reactions on a short term basis that you would see longer term off major 1/8ths.

(1/8th)  $15.625 \times 4 = 62.50$ . We set the major (5/8th) line 625 as our (0/8ths) line and extended our 15.625 (1/8th of 125)  $\times 4 = 62.5$  and arrived at 687.50. We shall call this (8/8ths).

Since we set (4/8ths) as (8/8ths), we must divide each 15.625 into half so as to arrive at our (1/8ths) = 7.8125 between 625 and 687.50 now becomes (8/8ths).

Close inspection proves that all I did was take 50.% of a major Internal Octave inside a Perfect Square (1,000) and sit back and "read" my Japanese Candlesticks and watch for support or resistance reversals off every 7.8125 (1/8ths) within this Pure Math Frame. (Simple Huh) ? (you may "see" it fast) !

Please observe reversal (A) 4 days prior to the end of the square when it reversed right on the (4/8ths) 50.% line and fell back down and reversed back up to end the trading days off the bottom near the 25.% line at (B).

Down at (B) it reversed and moved up for exactly 16 trading days (25.% of 64 day frame) and fell back down at (C) and closed one time right on the 25.% (2/8ths) line at (D).

It reversed and moved up fast +3/8ths to the (5/8ths) line at (E) and formed an "Evening Star" and then the next day it formed "2 opposing dogs" which was a sell signal that was not confirmed the next day because the "buyers" wanted to get in higher up around 665. After the market had already moved up +5/8ths in only (3/8ths of its Time Frame).

Common sense says that all markets want to move up on a  $22.5^\infty$  degree angle as it passes through its square, so our market should fall back down to 656.25 at the end of its square, so that price and Time shall = out the accelerated speed of "news" about the market

This market made a strong "breakout" to the upside and finally stalled out up at (F) on the (7/8ths) line, which is a "weak line" subject to fast reversals off the length of the last move up. (This move up totaled +7/8ths, so it was Time for it (price wise) to reverse and fall back down for support along its  $22.5^\infty$  degree angle at the end of its square.

This market went laterally sideways for 4 trading days (4 to 7 rule) in a row (F) and fell back down and settled on the 75.% Radiation Circle of Conflict out from the "Habit Circle" at (G) and held for 4 days in a row, then moved back up to test the old highs at (F). At (H) it could hold only 1 trading day and it "tanked" hard and fast taking out the open, waist, and hips of trading activity from the previous day's trading activity.

Please look at (I). This day was a real sell signal: the market wanted to fall but the "buy at the top" buyers say a great deal way up here, so when the market was on its lowest point of the day back down at 664 they came in and drove it back up to the day's opening price at 672.50.

This market had a few buyers at higher levels two days later then it fell lower for 7 trading days in a row to finally settle just below the (5/8ths) line right on the "Breakout Day" on the 75.% Time Line in our 64 day trading cycle at (K).

This market reversed back up at (K) with a "doji" "rickshaw man" "sell signal" and it moved back up and stalled out a 3rd time at (N) just above the (6/8ths) line on an observed W.D. Gann rule Third Lower HighRule. In just 10 trading days this market fell back down to the same price as it had been some 64 trading days earlier, when the trading action had entered its "Square in Time."

Please note that this square has 5 circles of conflict drawn inside our square. This market knows where these conflict circles are as far out as 1 year in advance (as witnessed by the round daily trading action when it entered the frame of 64 trading days).

Let's move now to chart (B) S&P 500 Index and you "see" that we have started a new Time Frame off the last trading day of chart (A) and we "see" that this market started "reacting" to this new square and its 5 circles of conflict as it traded through its triangle set off its (5/8ths) base of a Perfect Square (1,000), which = 625.

This market moved up (short term) (8/8ths), which is an intermediate term (Murrey Math Line) (4/8ths) set to Pure Math.

It formed a W.D. Gann rule Double Bottom off 625 (0/8ths) and moved up + (6/8ths) off pure math and reversed and fell - (3/8ths) back down to a Pure Math (3/8ths) line right on the diagonal line of its equal angle triangle (for support) and it moved up + (5/8ths) to the Pure Math (4/8ths) (8/8ths) lines.

It is important to note here that this chart (B) should end on October 7, 1996. (It is curious that the Earth moves back as it moves forward through Time (precession), so we must set our 1996 - 1997 (fall to fall) trading frame off an earlier starting date since the Earth's aphelion reversed earlier this year, so we move our frame back to an earlier date (inside the previous Time frame and set it off October 4th.

Under any W.D. Gann high / low price extremes (8/th) or square of "9", one should simply keep repeating your Time frame where ever it moves into the future. (We start our frames over each fall).

°Murrey Math Traders set all markets off the same starting date Time frame (vertically) along Pure Math (horizontal) (8/8ths).

This Time frame (chart A) was extended off a chart frame (64 trading days) that started back in January, 1996, which was started off a chart that was started the previous (1st Frost week) in October 1995.

This chart was connected onto each previous chart as our price action moved to the right from one (64 day trading frame) to the next (64 day trading frame), until we see its current trading action as it moved through its 3rd quarter off our "trading year" based off the 1st Frost Day of 1995, into its 4th quarter chart starting in July and finishing in October of each year.

It is important to note that this market has already started trading into its 3rd day into its (4th) quarter of 1996. This 4th quarter chart shall finish out its year on October 7, 1996.

Please look at chart (C) S&P 100 Index. I called everyone and informed them that the Earth was tilting back for winter a few days earlier, so we needed to move our "Square in Time" back to October 4th, 1996, so we would be trading along the next year's precession off its moon / sun / earth "magnetism."

This chart (C) S&P 100 Index (Daily chart) starting October 4th, 1996. Please note that this market's Time frame moved backwards and it still knew to want to trade around its 5 circles of conflict and its center circle and notice that it bounced off the same angled

line of support in a new equal angle triangle (set into the future off a new Time frame off moving backwards).

My simple trading system doesn't have to start with W.D. Gann's (#1) Rule: take the extreme high and low price action reversals and divide them by (8) and watch for reversals off these two extremes in 1/8th increments.

I set up a Square for our markets to run through by setting up vertical "Time Line" days into the future (starting at the 1st Frost (in October each fall) and run them consecutively (until the next October Frost), when we start all over again.

Side Note: this trading system requires that you "re-set" the 1st Frost day each year, so that our Time Frame doesn't move forward and run ahead of the start of next year's 1st Frost. (It is my premise that all humans are short-term "savers" and they don't think ahead any further than 9 months out into the future, so the markets and the spendable income of most humans won't last any longer than their ability to plant, grow, harvest, sell and spend whatever their efforts bring them as a reward for their hard works.

Coincidentally, this 1st Frost Day parallels the moving action of Orion (constellation) as it passes by the Pyramids at Giza, Egypt.

Down here in Tennessee we just watch and "see" when the hummingbirds leave Tennessee. (They can't take the cold air).

This might be the only "Perfect Trading System" ever observed through nothing more than "cornball visual recognition of the obvious" price movement being (supported / resisted) off the "Internal Octaves" inside a Perfect Square set off the Base of 10.

It takes only 5 minutes to set any market to this trading "Square in Time." Once you learn to set one market, you may move on to the next market without having to "study" its trading action for 6 months. It is true that all markets are driven by supply and demand for any product against off the "bounty" nature provides.

T.H. Murrey is the author of Murrey Math Trading which can be ordered through Traders World Catalog.