Murrey Math and the Nasdaq 5000

By T. H. Murrey

Murrey Math MMRPM's (1.125%) predicted Nasdaq's 5,000 top last March. Please look at Chart #1, the Nasdaq composite index. This index was setting down at 2,656 (1/8th) Murrey Math Trading Line, back in October of 1999.

The Chinese discovered anything is measurable inside its cube when using the numbers one through thirteen. Known as the Triple Double Effect, it is the secret to knowing where any market will grow and slow down, then reverse, based primarily on the speed of price. Time is second to price in this scenario.

To illustrate the potency of this theory, the Triple Double Effect can also be viewed within basic biology. The human mind is set to the Triple Double Affect in the first 3.1 minutes after conception. The Triple Double Affect is carried out through binary cell division, which is the division of one cell into two equal parts as a means of asexual reproduction. Binary cell division makes humans end up looking like "cubes." If we did not grow in this manner, we would have body parts on only half of our body. Go figure.

Rote Linear Progression tells us nothing of logic, but we may understand math by knowing that this periodic table postulates that $4 \times 4 \times 4 = 64$. Sixty-four is the 1st Square Octave. Our brains are set to 4096 divisions.

The double helix molecule that comprises DNA equals 64 codons. Codons are the combinations of purine and pyridine bases that come together to "code" for distinct traits (blond hair, blue eyes, etc . . .) Again this illustrates that our minds and bodies are set to the binary cell Triple Double Affect.

It is known that the human mind can only come up with nine numbers and 13 is always $\frac{1}{2}$ of everything. $1 + 1\hat{3} = 90$ degrees.

13 + 13 letters = 180 degrees.

There are 26 letters in the alphabet and each letter is a mirror image of another. This means that there are really only 13 symbols that are used in the alphabet.

Let's look at what has been illustrated thus far through

NT = Number of Thoughts: 13.

C = Chinese Logic of (13)

 $BM = Binary Math (13) (64 \times 64) 4096.$

NT 1. C (1) BM (1), NT 2, C (2) BM (2), NT 3, C (3), BM (4), NT 4, C (4), BM (8), NT 5, C (5), BM (16), NT 6, C (6), BM (32), NT 7, C (7), BM (64), NT 8, C (8), BM (128), NT 9, C (9), BM 256, NT 10, C (10), BM (512), NT 11, C (100) 1ST Cube, BM (1024), NT 12, C (1,000) 2ND Cube, BM (2048), NT

13, C (10,000) 3RD Cube, BM (4096) (64x64)

You don't need to learn this "info." The Chinese set all objects and thoughts inside physical dimensions of space and time. Thoughts therefore create weight and mass density. Numbers represent mass. Mass has weight; therefore markets exert pressure.

Everything is set inside a cube: 100, 1000, 10000, 100000. Binary Math Progression grows at 1 (of itself), double itself, four times, eight. Before we can add double of anything, we



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must know where something is. Then when we know where the current price is, we need to know its closest MMRPM "multiplier."

All markets are prices set inside one of the cubes:

All prices are numbers, which exert weight (pressure) in physical cubes.

Anything may be measured inside its cube at only one of four parts:

100 Cube: 12.50, 25, 50 and 100. 1000 Cube: 125, 250, 500, and 1000. 10000 Cube: 1250, 2500, and 10000. 100000 Cube: 12500, 25000, 50000, or 100000.

The Nasdaq Composite is the market we are presently trying to measure how far it will run up into the future in the shortterm, the last six months. We only need to find the nearest MMRPM price off any lows to "predict" any Triple Double in the future. The nearest low number is

Last October, this market entered its new 64 day trading frame. Since there are four seasons, we divide the year into four 13-week periods of 64 trading days length.

We go down to the 2/8th MMTLine inside the cube of 10,000 (2,500) as our MMRPM's "multiplier." We only need to multiply 2,500 x 1.125%. Please see Chart #1. We get a speed price appreciation into the future of 281.25 points; this equals 1/8th. So we simply add 281.25 to 2,500 = 2,812.50.

Now we start our Triple Double: 1) (312.50) 3125, (2/8th) or (4/8th) 2) 612.50, 3750, (4/8th or 8/8th) 3) (1250) 5000. (8/8th) or (4/8th) LT.

There you have it. Pure logic applied to pure Chinese math, binary math, and pure math thinking—Murrey Math.

This is the "Lost Math," 19.53125. 100 divided by $64 = 1.5625 = 1/8^{th}$ = .1953125. Harmonic Thinking Math. This is the "secret" to more successful trading: Market reverses off pure logic set inside a cube.

In 1927 Gann wrote a book, Tunnel Thru The Air, in which he predicted the crash of 1929 (in the Fall) and the reversal off lows on July 4th, 1932, but no one knows how he did it. I believe I have the principles of the Tunnel, which is actually a cube. However, like Gann, I too won't tell how it works because few could trade

I alone discovered the meaning of Gann's "Natural Numbers" when I read his book fifty times over. Gann wouldn't even divulge the meaning to his family while on his deathbed. I'll tell Gann's family for free.

Every software program today is setting totally random (8/8th) highs and lows. If you don't measure price up or down with Murrey Math RPM's (1.125) set inside each cube—100, 1000, 10000—you will not be able to accurately set your internal 1/8th harmonically. Or, what's even worse, you will have to wait too long to finally find any truly extreme highs or lows.

W.D. Gann simply took two extremes, high and low, and divided them into eight equalities and looked for moves of 3/8th and 5/8th. He eventually became tired of trying to explain what I'm explaining right now. Few can understand. This is why it is so much easier to simply use the software that does all the calculating for

If you continue to use Gann's number one rule, you will more than often get "whiplash," trades at highs or lows. You will increase your short-term profits if you set all your markets (8/8th) inside a Pure Math Murrey Math Trading Frame. There are only 64 numbers that all stocks from 0 to 100 want to reverse off on any day. There are basically only 16 different octaves (8/8th) inside each Square Cube. Any of us can learn 16 things per square.

There are over 87 different software programs that are set to measure moves off random highs and lows. As far as I know, I am the only "guru" to have

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seen what Gann wouldn't say: "Trade all markets inside an octave of math set to music." You may apply this simple MMRPM's (1.125%) multiplier to any market for which you want to predict highs and lows.

Always remember that under Gann's number one rule you can't see the extremes until enough time goes by to see the highs. Murrey Math allows us to know the Triple Double (5000) five months before it occurs. Can the future be measured inside of a Cube? Yes.

Would you rather trade into the future knowing upside resistance, or would you rather just keep listening to all the gossip, thinking that the markets are capable of doubling again after only five months. Why did the Nasdaq double from 2500 to 5000? Why has it fallen 66% since March 17th, in less than four weeks?

Gann said to always short doubles, 100% moves up, that were one month, three months, then six months apart. The Nasdaq doubled in five months because people wanted it to higher. This is the pure and simple reason. Did you get out of your stocks after they went up 100%?

It has been shown that 87.5% of all traders enjoy trading more against the odds rather than with the odds. Please look at Nasdag's Chart #2. The market is down 75% simply because rookies paid too much too fast for the high tech stocks. This market fell from 5000 down to 4375 (present 8/8th) MMT Line. See Chart #2. As soon as this market fell below 4062.5 and closed below it, we knew it would fall lower, back down to 3750. As soon as it fell below and closed below 3593.75, we downshifted to 3125. This shall be the 0/8th MMTL until it is below 2812.50 (-2/8th).

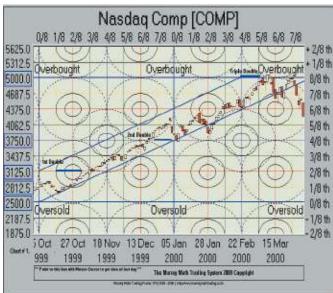
Today, the market made a morning star reversal off a Double Low from April 17th. This market reversed down near its 2/8th MMTLine after a -6/8th fall from 5000 (8/8th) MMTL. This market must close and hold above 3347.50 before it can recover and move higher to test any previous highs. We can see three on this chart. It may take some time to recover back to 5000 highs.

This market fell hard after it broke below its 50% MMTLine 4375. If stocks move straight up, shouldn't they fall faster on the way down? Does a company pay a worker 100% salary for five months of work? Why pay double? Wouldn't you rather just buy low and sell high? Too many go for Triple Triples. Would you have sold high if you had known about the Triple Double? Would you go long in any market when it is down 75% in only one month?

There is no value associated with any market that has run up 100% in five months. You must not listen to the market "gurus" who create sentences as justification for run-ups of 100% in five months. I would rather have you going long down here when everyone is expecting lower lows. Listen to the TV.

Trading is much simpler if you trade off of pure math and no fundamentals. A 25% raise in price will trigger one group to sell. Do you want to get out on highs or take profits on the way up? We hope you can see how markets are simply reversing off of preset Murrey Math Trading Lines outlined in Gann's Natural Numbers 100.

Don't get caught up in the media hype of hearing that up markets always go higher off nothing more than rookies wanting to pay too much because they have too much free cash to pour into a fast-moving market. Math will predict every reversal before you read it in the paper.



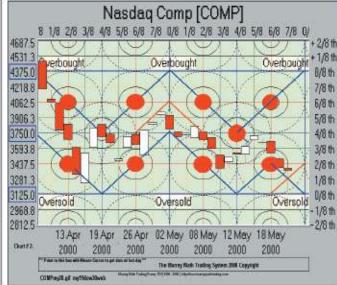


Chart #1

Chart #2