

CYCLE/WEB: A Summary

by P.Q. Wall

I. UNIVERSAL SUBJECT VS. UNIVERSAL OBJECT

We do not doubt that a man walking down the street is a living interconnectedness of changing moods. If we stick him with a pin, his whole body jumps. If we see him bending every effort toward one thing we nevertheless know that twelve hours later he may well be sound asleep, repairing himself.

Life, which holds him together, could be called a field, like a gravitational field or an electromagnetic field. But in this life-field purposes alternate, so we may call it a purpose field. No computer anywhere is in jail because we instinctively know that a mechanism need not have a purpose field.

New work by Sheldrake would suggest this purpose field has shaping powers. New work by Lovelock and Margulis suggests that earthlife as a whole—called Gaia—is a larger purpose field in which we smaller ones are embedded. The author's own impression, influenced by the Heraclitus/Nietzsche/Spengler viewpoint of unending struggle, is that the objective physical world studied by science is embodied memory, like an ongoing video tape, played on by the overall purpose field in present time.

To accept life as strife involves a grasp of the Heraclitean “enantiodromia,” defined as, “Every trend *must* go too far and evoke its own reversal.” Not by choice we ride extreme mood swings on the wheel of fortune.

The world as purpose field is inherently wild. Discipline is to merge with the wildness of nature, not to cripple its vitality.

II. DOES THE PHILOSOPHICAL GIFT EXIST?

A chart is obviously a time/price window, but a window into what? If into merely random fluctuations it cannot guide investors. But a window into the historical/economic purpose field would show meaningful trends and technical analysis, the study of trends, would make sense.

And thereby comes the hitch! A purpose field does require algebra and geometry like any field but it further requires a better than average degree of intuitive pattern recognition by which one can perceive living analogies in depth and detail. It becomes, in short, an art in the sense that every art builds on science but must go beyond science.

Schwager's books, *Market Wizards*,¹ and *The New Market Wizards*,² certainly suggest that some such gift exists.

¹ *Market Wizards*, Jack D. Schwager, New York Institute of Finance, Simon & Schuster, NY 1989

² *The New Market Wizards*, Jack D. Schwager, HarperBusiness, Harper Collins Pub., NY 1992

III. PATTERNS PERCEIVED

Only if such a pattern recognition or philosophical gift exists, and only if you believe this author has some degree of it—and those are very big if’s for the vast majority—might you be interested in repeating patterns that I think I see.

I have observed four separate processes or sequences of public mood in time, one within another and so on down: the desire/will pendulum; the fourfold goal; the three step focus; and the burst of energy. The theory follows.

The Romans divided the day into six-hour periods called sextas; dawn, noon, sunset and midnight. In each such phase there is an instinctive image imprint in animals that triggers a fourfold action appropriate for that phase, so each action takes ninety minutes. Each step of the three-step focus takes a half hour burst of energy made by joining three mini-days of ten minutes each.

The ten minute mini-day times 144 reappears as the day times 144 as the twenty week Wall Cycle times 144 as the inflation/deflation Kondratieff Wave times 144 as the 8000 year Spengler cycle in which four mighty cultures (of 2000 years each) rise and fall.

To bring the day into strict harmony with the Prime Family of Cycles noted above we must use the day as it was millions of years ago, a 23 ½ hour day in terms of current hours, and we will call it the Ancient Day or just Day with a capital “D” on any level.

Three such Days form the sequence, “Invasion Day, Clash Day, Rebound Day” in the catalytic burst of energy we will call a Month, three Months in that three step focus we will call a Season, four Seasons as the fourfold goal we will call a Year and each Year as a Sexta, i.e. one quarter of a larger desire/will pendulum or Day: The Year of Dawn, the Year of Noon, the Year of Sunset and the Year of Midnight. See diagram.

III. ORIGINS OF MOOD

We do not claim that the interlocking harmonics just described, called the Prime Family of Cycles, encompass all business cycles. Far from it. But in our work they are collectively the single biggest clue to the sequence of public moods behind known trend patterns.

The desire/will pendulum within a single Day one can picture as follows.

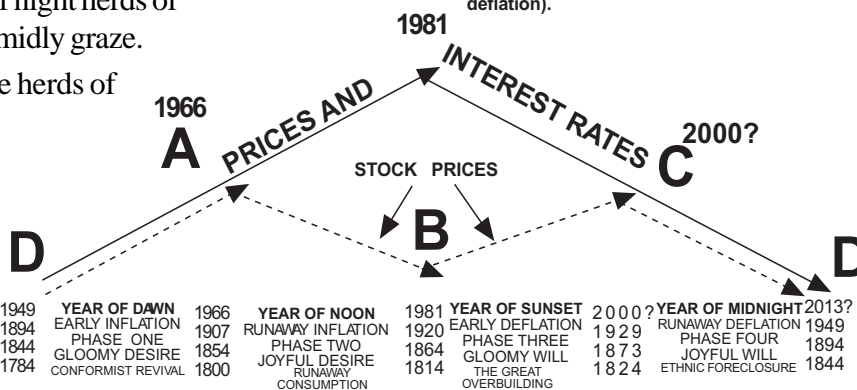
Year of Dawn: from the lairs of night herds of Southern Desire emerge and begin to timidly graze.

Year of Noon: grown bold, the herds of desire graze everywhere.

Year of Sunset: the answering predators of Northern Will begin to trim the ranks.

Year of Midnight: the predators of will dine en masse in a royal contest for turf.

The solid line is essentially price, the true price of everything including interest rates (the price of renting money) and real wages (the true price of labor). The dashed line is corporate efficiency (and hence the price of stocks), and just like physical efficiency, it is greatest in dawn and sunset when it is neither too hot (runaway inflation) nor too cold (runaway deflation).



We derive these moods from only two sets of contraries: desire vs. will and joy (superfluous energy) vs. hunger or gloomy revenge (lagging energy). These will modulate into a fourfold sequence such as that of the Years above, shown here as four phases of the (48 to 64 year) Kondratieff Wave.

V. MOOD SEQUENCE OF EACH PATTERN

To delve into this sequence on a deeper intuitive level link these symbolic animals and mood descriptions into the same sequence and ponder further to get the feel of them.

MOOD	Gloomy, Vengeful Desire	Joyful, Exuberant Desire	Gloomy, Vengeful Will	Joyful, Exuberant Will
SYMBOLIC MEANING	Alarm Cry to Unite the Pack	Sensual Romp and Feasting	Nesting, Erection of the Worldly City	Territorial Imperative
FUNCTION	Truefaith	Table	Task	Turf
SYMBOL	Python	Elephant	Ant	Lion

P E A L

And thus we name the desire/will pendulum within the day as the PEAL sequence. See diagram.

Within each Year—Year of Dawn, Year of Noon, Year of Sunset, Year of Midnight—we find the four stages of the fourfold goal, which we can call the four Seasons of that Year. And these proceed by the LEAP sequence.

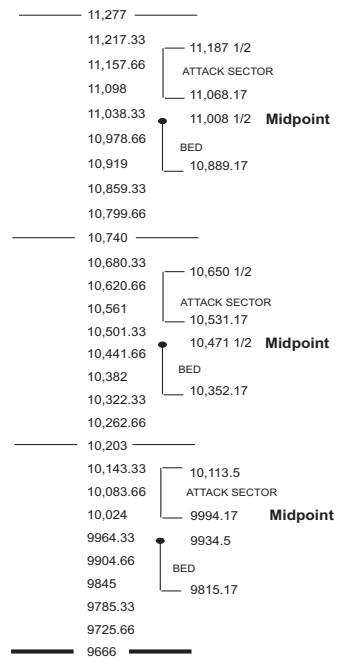
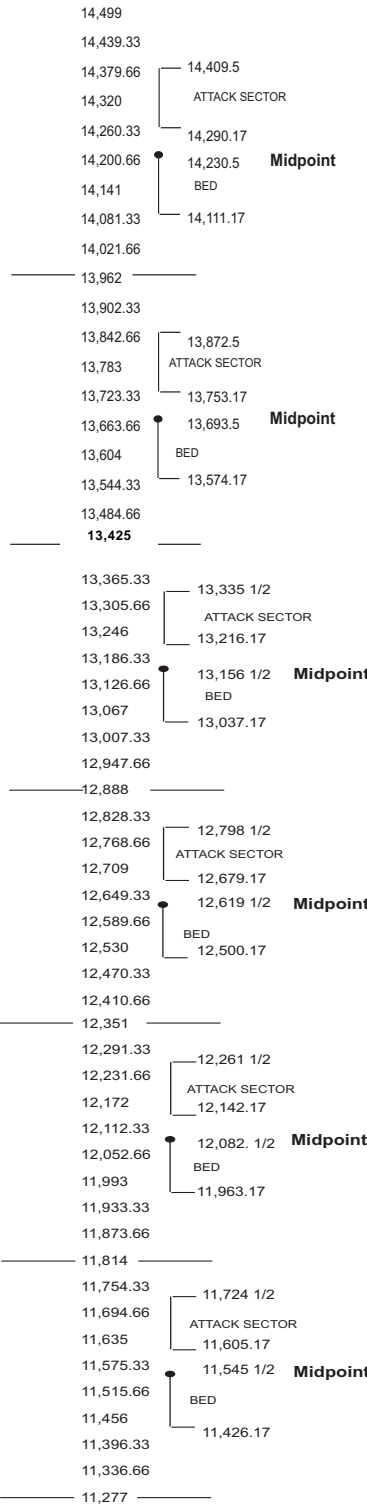
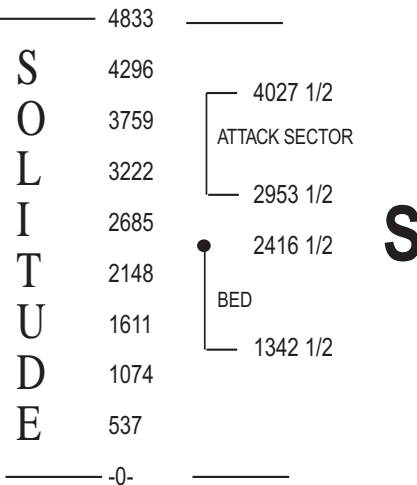
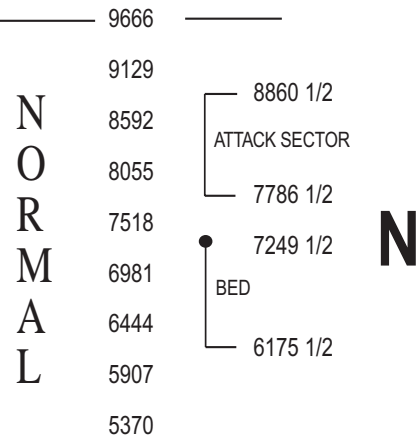
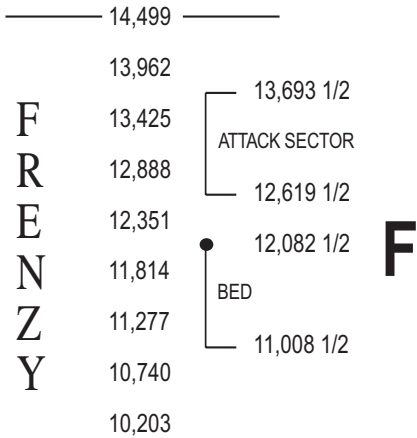
The PEAL sequence is mere unconscious background but the LEAP sequences within it trigger specialized activity for each time of day. The image or imprint of that time sets off a conscious activity toward a focal shrine or goal that claims a territory, e.g. the act of killing prey. Thence back to unconscious feast, thence to protective nesting, thence to a truefaith unity of the endangered.

The fourfold goal of the Seasons within each Year is to claim a home, to enjoy a home, to defend and further build the home, and lastly, through scattering, to defend the truefaith.

VI. THREE ORBIT WEB

Each electron is described by four quantum numbers, one of which is “n” and designates its orbit or energy level, going to progressively outer orbits as energy is raised. The electron has seven orbits but animals, and quite clearly chimpanzees and humans, appear to have but three. When figs are scarce the chimps prowl singly or in twos or threes. When supply is normal they move in groups of around fifteen as usual. When the

DOW INDUSTRIAL MAIN RANGES Nine Frenzy Mini-Ranges



The Attack Sector of a range extends from 11/18 up to 15/18, and in that area energy and dynamism tends to enter the market as it rehearses within those parameters for an attempted breakout of the resistance roof at 18/18. Or it may quickly exhaust itself and descend.

The Balancing Midpoint is a magnetic attractor, opposite of the repellant floor and ceiling lines which it lies between.

The Bed or Dormant Sector extends from 5/18 up to 9/18 (the balancing midpoint). In this area a low energy market drifts in the doldrums and either A- Repairs energy and ascends or B- Picks up enough downside momentum to smash through the supporting floor.

figs are superabundant, hanging unpicked and fermented on the sagging boughs the chimps foregather in drunken multitudes.

Using the tripartite resistance lines of price we can estimate ultimate highs such as that of the third, topmost or Frenzy Superrange.

If a chart is the window to a purpose field then we should have waves, equidistant ripples along the vertical axis of price just as we have horizontal ripples of time that we call cycles.

VII. CURRENT FORECAST

A financial chart is a window into the societal purpose field of worldwide supply and demand. A field shows itself by its waves or equidistant ripples. The horizontal ripples are energy levels of price, the vertical ripples are mood-altering cycles in time.

This worldwide purpose field is the secret behind the “invisible hand” of the far-seeing Adam Smith. Here are his immortal words from *The Wealth of Nations*,

“As every individual. . .by directing that industry in such a manner as its produce may be of greatest value, intends only his own gain, he is in this as in many other cases led by an invisible hand to promote an end which was no part of his intention. . .By pursuing his own interest he frequently promotes that of society more effectively than when he really intends to promote it.”

To buy low and sell high improves the efficiency of the whole human race and nature richly rewards this. Laws interfering with the marketplace bring naught but harm.

We have expressed our method in the Estimation Pyramid which gives 25% weighting to each of four levels: so cycles get 25% weighting, price web and chart patterns 12 ½% each, the I.M.A. 8 1/3% and the T.I.O.N. 6 ¼% each.

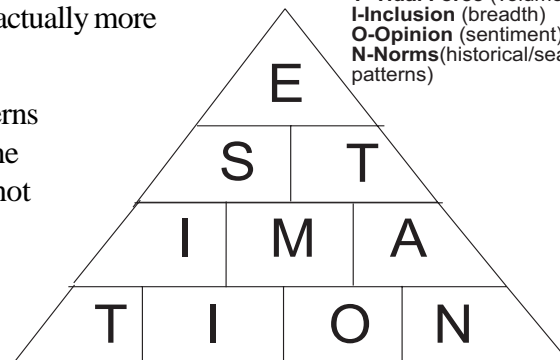
Thus you see the purpose field ripples of the overview are given half the weight in our forecasting, actually more in our long term forecasting.

Heavily weighted with these field patterns which the general public, and in particular the ivory tower media and academic types cannot and/or will not acknowledge, our work tells us—what?

The Spenglerian aspects, the 2000-year cycle that parallels our deepening decadence with that of Rome at the time of Christ, we omit. It would make a fair hearing of these notions not rare but impossible.

Let us take the current (48 to 64 year) Kondratieff Wave, which looks to be the longer version (1949 to 2013?), as our Day in which the Southern desire of inflation peaked out in 1980-81 world wide and in which early, beneficial deflation (the Ant in his city building task) is about to shift into Phase Four, runaway deflation with resurgence of ethnic nationalism (the Lion and his turf).

- E- Enantiodromia (cycles)
- S- Suspended Equilibrium (Dynamic Web, Gann, etc.)
- T- Trend Patterns (chart pattern, Elliott Wave)
- I-Intersection (offset)
- M-Momentum
- A-Averages (group, moving)
- T- Tidal Force (volume)
- I-Inclusion (breadth)
- O-Opinion (sentiment)
- N-Norms (historical/seasonal extremes and/or patterns)



These four phases of the Kondratieff Day are of course in our terms Years, and the four Seasons in each of those Years are of course the (3 to 4 year) Kitchin cycles. The burst of energy Months are at this level Kitchin Thirds.

The current Season or Kitchin began at the low on October 28, 1997 and is considered to be the last Kitchin possible for Phase Three, Early Beneficial Deflation. Three Months within it will form its three step focus. The first Month (Kitchin Third) ended October 8, 1998, the second October 18, 1999, and this final Kitchin Third should end next fall as they have been lately running around one year each and are clearly demarcated. In each burst of energy or Month are three smaller Days, the invasion-clash-rebound trio that serve as catalysts for the burst of energy. Therefore in each Season, here the (3 to 4 year) Kitchin cycle, there are nine Wall Days. (So named by David Knox Barker in his book, *The K-Wave*.³)

The smaller Days or Wall Cycles are currently running about four months each. Wall Seven ran from October 18, 1999 to February 25, 2000. The current Wall Eight is expected to rise above 12,000 and make an ending fall into late June.

As we have been saying since late '98, it is in the summer of this year 2000, midway through Wall Nine, that the 18-year bull market should reach its blowoff peak. Less probably, if the extremes of Four-month-type Wall Eight and/or Wall Nine should cause them to elongate somewhat in time, the Bummer Next Summer could become The Wrecking Ball in the Fall or even a Boot in the Buns for Early Ought One. The three orbit Dynamic Web suggests a final high at or near 14,499. A 1929-type crash is then called for to commence a bear market lasting four to eight years.

Because the world is not a mechanism but a purpose field the key of advanced pattern recognition can unlock the forms of long-term trends, which the many perform without knowing.

For more information, see pqwall.com.

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³ *The K Wave*, David Knox Barker, Irwin Professional Publishing, Burr Ridge IL, 1995

YOU ARE HERE!

Spengler Day: Sunset end November
Kondratieff Day: Midnight early May
Wall Day: From the low on 10/18/99 Wall Cycle Seven of Nine has begun.
Final stock market top should be: K-Wave Midnight May (roughly the year 2000).

(4 month type) Wall Cycle Seven began 10/18/99, Eight should begin Feb/March and Nine in May/June, reaching the final high then undergoing a 1929-type crash next fall.

EXPLANATION

Year of Sunset in the Spengler Day is our Western Culture, 500 A.D. to 2500 A.D.? Spenglerian November is the climax of re-shrine, giant cities, (see bottom of page) which should peak in spirit with the end of this Kondratieff Wave around 2013 A.D.

Year of Midnight in the Kondratieff Day is Runaway Deflation, K-Wave phase four from 10/28/97 to 2013? But superbull has continued into Midnight's Spring Season (K-Wave Season = (3 to 4 year) Kitchin Cycle.

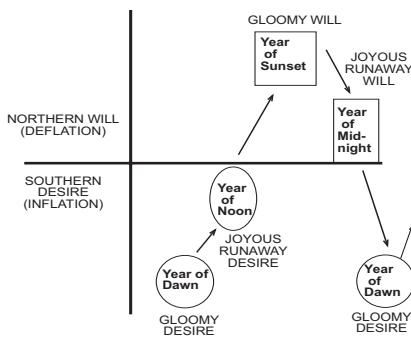
The video/book Unknowing Actors Theory/Destiny is Real is now offered for \$59 (\$49 for subscribers). But briefly, in the 8000 year Spengler Day the Sunset Year is our Faustian culture of Western Christianity, 500 A.D. to 2500 A.D. approaching the Re-shrine peak of the commercial world cities (estimated around 2013) at which November turns to December and hence Fall to Winter.

In the current Kondratieff Day (average 55 5/9 years or 1/144 of 8,000 years which is the larger Spengler Day) which began on June 13, 1949 we probably entered the fourth and final Year of Midnight on October 28, 1997 and completed the first Kitchin Third (i.e. cyclic Month of March) on 9/1/98. But the stock market boom is persisting into the early part of the Year of Midnight (October '97 to 2013?).

Within the Kondratieff Day, Seasons are the (3 to 4 year) Kitchin cycles and Months are Kitchin thirds.

STANDARD FORMAT CONDENSED

PROGRESSION OF CYCLIC YEARS



Each Day contains four Years: the Year of Dawn, Year of Noon, Year of Sunset, Year of Midnight.

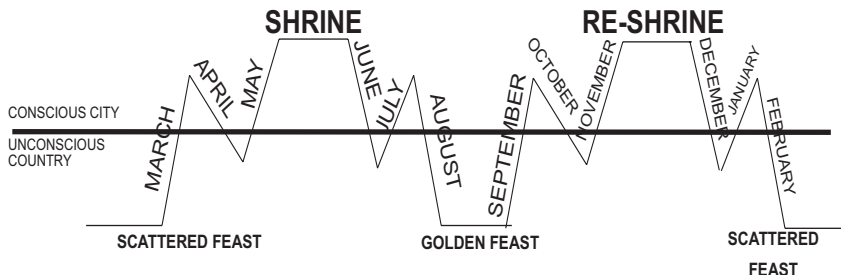
CYCLIC YEAR



The heart of it is in the notion of cyclic Seasons which alternate between an ordering focus of will power and the gathering field or spread out net of desire.

SPRING	SUMMER	FALL	WINTER
JOYFUL WILL LION	JOYFUL DESIRE ELEPHANT	GLOOMY WILL ANT	GLOOMY DESIRE PYTHON

Each Season contains a start Month, a counter Month, and a super Month. Each Month contains three smaller Days (1/144 of the larger Day): a happy or beginning Day, then a clash or breakeven Day, then a sad or ending Day.



The Prime Family of Cycles

CYCLE AVERAGE DURATION DESCRIPTION

Spengler Day:	8000 years	4 cultures rise and fall
÷ 4 Spengler Year:	2000 years	1 culture rises and falls
÷ 4 Spengler Seasons:	500 years	Seasons of a culture
÷ 3 Spengler Month:	167 years	Months of a culture
÷ 3 Kondratieff Day:	55 5/9 years	Kondratieff (inflation/deflation wave)
÷ 4 Kondratieff Year:	13 8/9 years	4 K-Wave phases
÷ 4 Kondratieff Season:	41 2/3 months	(3 to 4 year) Kitchin
÷ 3 Kondratieff Month:	13 8/9 months	Kitchin Thrds
÷ 3 Wall Day:		141 days or 4 5/8 months
Wall Cycle		
÷ 3 Wall Year		5 weeks or 35 days
÷ 4 Wall Season		1 1/4 weeks or 8.8 days
÷ 4 Wall Month		2.936 days