

# **OUTLOOK FOR 2009**



**BY**

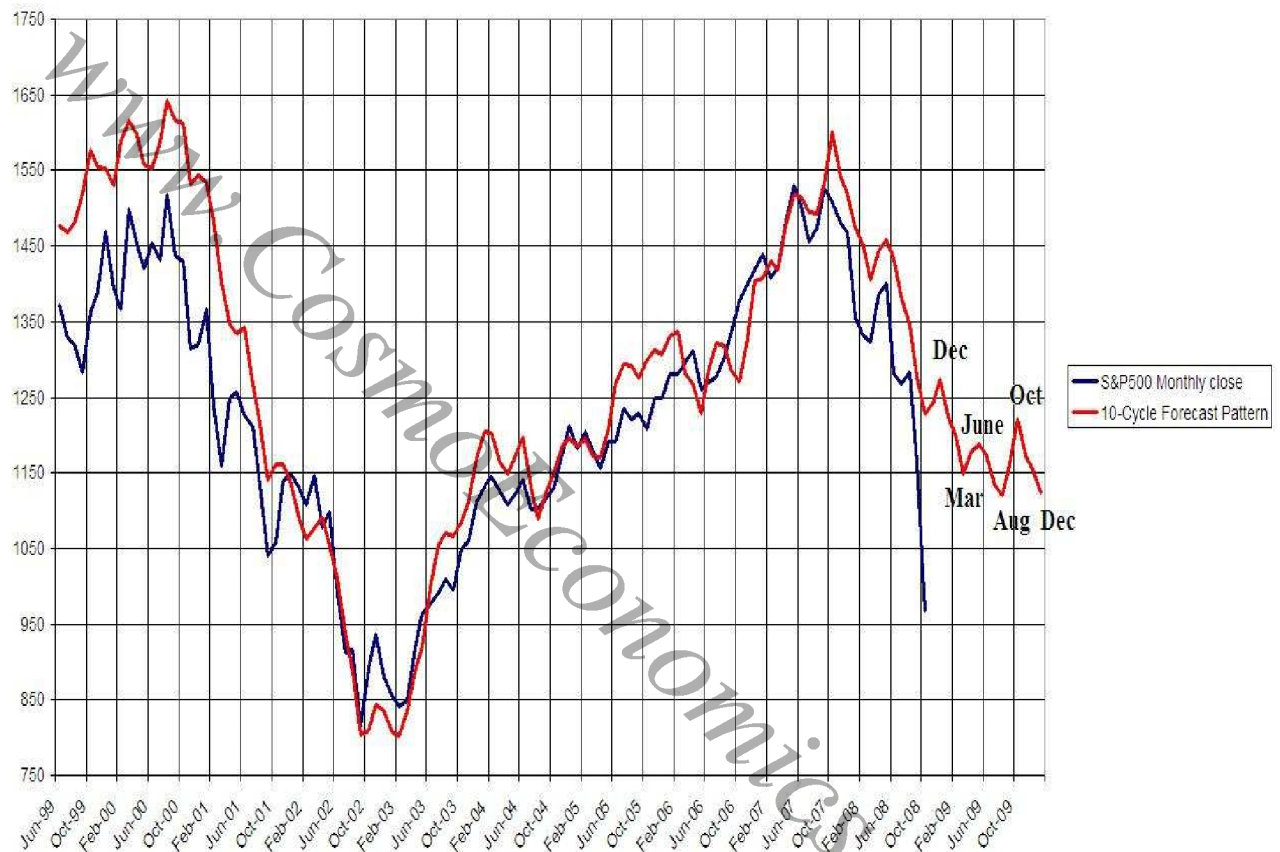
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In 1909, W.D. Gann compiled a "Financial Time Table" worksheet that predicted years of recessions, depressions, high stock prices, panics, low stock prices, speculative times, stock market crashes, labor strikes and so on. The chart is based on a time period of 18.6-years, which is not immediately obvious due to the method used to organize the worksheet to correspond with the legend used on the right hand side of the chart. However, if you simply look across the top row you will see that each new column accounts for the 18.6-year cycle by simply adding + 18 years and +19 years in alternation. This chart was compiled within less than one year after 1908. W.D. Gann himself has been quoted as saying that he made his greatest market discovery on August 8<sup>th</sup>, 1908. Gann's Financial Table is entirely based on the moon's north node, which completes a full cycle every 18.6-years. This is the same cycle that Louise McWhirter used to predict the stock market as well.

FINANCIAL TIME TABLE												compiled by W.D. Gann (1909)
1784	1803	1821	1840	1858	1877	1895	1914	1932	1951	1969	1988	LEGEND
1785A	1804A	1822A	1841A	1859A	1878A	1896A	1915A	1933A	1952A	1970A	1989A	A-Extreme low stock prices, strikes, depression, despair, beginning of new business generation or low prices and improving business. Young men becoming prominent.
1786	1805	1823	1842	1860	1879	1897	1916	1934	1953	1971	1990	
1787	1806	1824	1843	1861	1880	1898	1917	1935	1954	1972	1991	
1788	1807	1825	1844	1862	1881	1899	1918	1936	1955	1973	1992	
1789B	1808B	1826B	1845B	1863B	1882B	1900B	1919B	1937B	1956B	1974B	1993B	B-High stock prices.
1790	1809	1827	1846	1864	1883	1901	1920	1938	1957	1975	1994	
1791C	1810C	1828C	1847C	1865C	1884C	1902C	1921C	1939C	1958C	1976C	1995C	C-Panic.
1792D	1811D	1829D	1848D	1866D	1885D	1903D	1922D	1940D	1959D	1977D	1996D	D-Low stock prices.
1793	1812	1830	1849	1867	1886	1904	1923	1941	1960	1978	1997	
1794	1813E	1831	1850E	1868	1887E	1905	1924E	1942	1961E	1979	1998E	E-High stock prices.
1795F	1814F	1832E	1851F	1869E	1888F	1906E	1925F	1943E	1962F	1980E	1999F	F-Panic
1796F	1815	1833F	1852	1870F	1889	1907F	1926	1944F	1963	1981F	2000	
1797G	1816G	1834G	1853G	1871G	1890G	1908G	1927G	1945G	1964G	1982G	2001G	G-Low stock prices.
1798	1817H	1835	1854H	1872	1891H	1909	1928H	1946	1965H	1983	2002H	H-Very high stock prices, most prosperous year, waste over extravagance, most money in circulation, much speculation.
1799H	1818	1836H	1855	1873H	1892	1910H	1929	1947H	1966	1984H	2003	
1800J	1819J	1837J	1856J	1874J	1893J	1911J	1930J	1948J	1967J	1985J	2004J	J-Major panic-CRASH! 4 years of falling prices, business stagnated, breadlines, soup kitchens, despair, unemployment.
1801	1820	1838	1857	1875	1894	1912	1931	1949	1968	1986	2005	
1802	1821	1839	1858	1876	1895	1913	1932	1950	1969	1987	2006	
1803	1822K	1840	1859K	1877	1896K	1914	1933K	1951	1970K	1988	2007K	K-Same as A plus strikes, unemployment, many prominent deaths.
1804K	1823	1841K	1860	1878K	1897	1915K	1934	1952K	1971	1989K	2008	
		1842										Dec. 25, 1989 revises to Mar. 13, 1934.



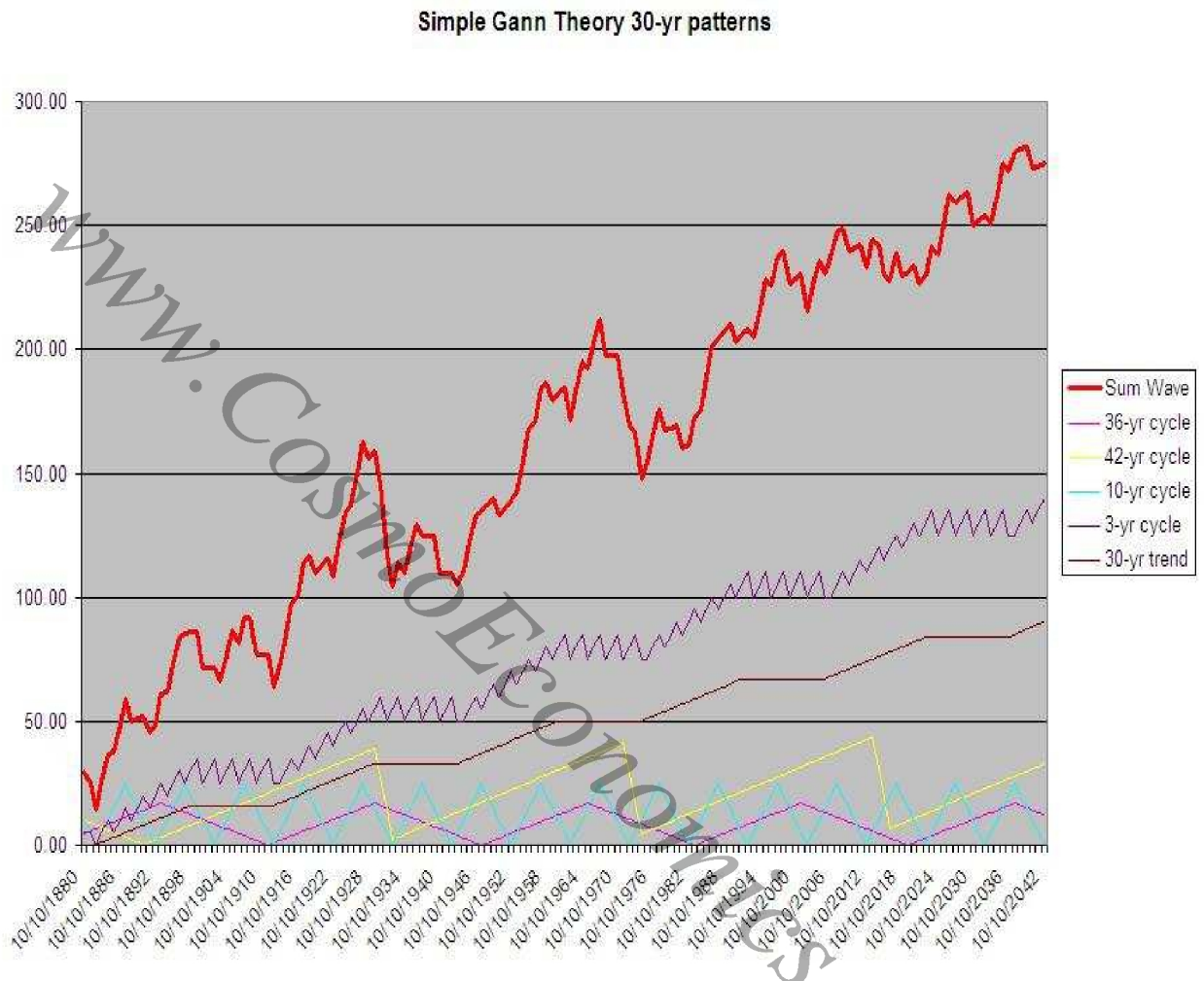
REITS (real estate investment trusts) for their portfolios as a long term holding. Real Estate activity has a strong 18-year cycle and the current subprime mortgage debacle is reminiscent of the Savings & Loan crisis, which occurred 18-years ago. The Internet has several informational sources for REIT investing and it is recommended that you do the research prior to making any investment decision.



The SPX-M9 composite forecast from Wheels Within Wheels has been a very useful forecasting tool over the past several years. It is calling for a weak market into August-09, but the decline from Oct 2007 to Oct 2008 was much stronger than anticipated, so much of this weakness may have already been exhausted. This particular cyclic model was never intended to forecast more than 7-years into the future as I don't like to project more than 25% to 33% of the historical data into the future. This monthly model was based on 20 years of data, so my most aggressive anticipation would be for it to work well for the next 6.6-years ( $20 \times 33\%$ ), which it has done. As they say, "if its not broke, then don't fix it." In any event, the projected swing highs and



which provides the “prognosticator” with both the analogous data and means to make a reasonable forecast of the likely upcoming future.



This simple model has shown a strong correlation to actual stock market performance viewed on an annual scale. The following annual charts on the two pages show each 30-year section from 1900 to present of the above model (in red) compared with actual stock market performance shown in blue. This information has never been published and I am presenting it for the first time to show you what I believe to be one of Gann’s true secrets to forecasting the future.