

# 60 year intervals and October panics

By David McMinn

Annual one day rises and falls are exceedingly important in financial patterns, a finding strongly supported by numerous correlates (McMinn, 2006, 2009). What are these events you may well ask? An annual one day (AOD) rise or AOD fall is taken as the biggest % one day rise or fall in the year commencing March 1. They represent the extremes in investor sentiment during a given year. In this assessment, the interval of 60 years has been intimately linked with historic October panics (McMinn, 2009).

Adding or subtracting 60 years to the dates of major October AOD falls for the Dow Jones Industrial Average (DJIA) consistently produced corresponding AOD falls between August 19 and December 20. This finding was repeatable for the DJIA AOD rises, while 60 year intervals also showed up between 19th century US October panics. Importantly, the 6 October AOD falls ( $\Rightarrow$  -3.60%), occurring from 1910 to 2000, formed a very neat grid in Table 1. The six events happened before the full Moon and before the new Moon, producing a precise pattern that would be very unlikely to occur by chance.

Why the interval of 60 years was so important in the timing of October panics remains unknown. It clearly has something to do with Moon Sun cycles, but the financial pattern remains very enigmatic.

**Background:** The time assessed was 12 Noon US Eastern Standard Time on the day of the panic or AOD rise/fall, with no adjustment being made for daylight saving time. E° is the abbreviation used to denote the degree on the ecliptical circle, whereas A° is used for the angular degree between the Moon and Sun (lunar phase). This was to prevent confusion between two very different concepts. For the period 1885 to 1896, the 14 Stock Average and the 12 Stock Average indexes were used, while the DJIA was utilised post 1896.

## October AOD Falls 1910 - 2000

Between 1910 and 2000, major DJIA October AOD falls ( $\Rightarrow$  -3.60%) were experienced in 1927, 1929, 1937, 1987, 1989 & 1997. They yielded a precise grid based on 2-8/60 solar years (see Table 1), with lunar phase in very narrow ranges 150 – 165 A° (before a full Moon) and 320 – 330 A° (before a new Moon). The AOD October falls were followed a few days later by a DJIA AOD rise, with one anomaly on September 6, 1927. (NB The term 2-8/60 years may be broken down as follows: 2-8 years are the intervals horizontally in the grid in Table 1 - 1927 +2 1929 +8 1937, as well as 1987 +2 1989 + 8 1997. 60 years gives the intervals down in the grid – 1927 +60 1987; 1929 +60 1989; 1937 +60 1997.)

The 2-8/60 year grid may be extended on the right hand side by adding 11 years. This gave the October 15, 2008 AOD fall (-7.75%) during Black October. Subtracting 60 years from this date gave the November 3, 1948 AOD fall (-3.85%), when Truman's surprise victory in the presidential elections sparked stock market tremors.

**Table 1 OCTOBER AOD FALLS & THE 2-8/60 YEAR GRID**

### Solar Year Intervals and Lunar Phase – AOD Falls

1927		<b>1929</b>		1937
Oct 08		Oct 29 (a)		Oct 18
-3.65%	+ 2 yrs	-11.73%	+ 8 yrs	-7.75%
150 A°		326 A°		164 A°
+ 60 yrs		+ 60 yrs		+ 60 yrs
<b>1987</b>		1989		1997
Oct 19		Oct 13		Oct 27
-22.61%	+ 2 yrs	-6.91%	+ 8 yrs	-7.18%
324 A°		164 A°		320 A°

(a) The 1929 AOD fall happened on Monday Oct 28, although the following day, Black Tuesday, has been used in the table.

### October AOD Rises and Falls 1885 - 2009

Since 1885, some 10 major DJIA AOD falls ( $\Rightarrow$  -3.60%) occurred between September 10 and October 31. Adding or subtracting 60 years to each of these dates gave a corresponding AOD fall ( $\Rightarrow$  -2.45%) between August 19 and December 20, with NO EXCEPTIONS (see Appendix 1). Major autumn AOD falls could be expected in 2015 and 2046 by extrapolating from this trend.

Sixty year intervals were also evident for the 11 major DJIA AOD rises ( $\Rightarrow$  +4.00%) happening between September 24 and November 5 since 1885 (see Appendix 2). By adding or subtracting 60 years, most of these rises had a corresponding DJIA AOD rise ( $\Rightarrow$  +2.50%) between August 20 and December 30. The anomalies took place in 1914 when there was no DJIA data between July 30 and December 12, as well as in 1948 when no AOD rise over +2.10% was recorded. In 1914, the US stock market was closed for about 4.5 months following the outbreak of WW I. Presumably, a security rally would have taken place, once the US Government confirmed that it would remain neutral in the conflict. The stock market rose +7.65% on September 5, 1939, when President Roosevelt announced that the USA would not enter into WW II.

A summary can be given as follows:

#### AOD Falls ( $\Rightarrow$ -3.60%) between Sep 10 and Oct 31.

All AOD Falls in Appendix 1 occurred between Aug 19 and Dec 20

#### AOD Rises ( $\Rightarrow$ +4.00%) between Sep 24 and Nov 05.

All AOD Rises in Appendix 2 occurred between Aug 20 - Dec 30

Good correlates with the 60 year intervals could only be established for major DJIA AOD rises and falls greater than +4.00% and -3.60% respectively. Anomalies arise using AOD rises

or falls less than these values. For example, the October 25, 1982 AOD fall (-3.52%) minus 60 years gave 1922, which experienced an AOD fall on June 12 (-2.65%). The latter did not occur within the time frame established for all examples in Appendix 1. The 1982 AOD fall also occurred after the 1st quarter Moon, whereas all other October panics happened around a full Moon and a few days prior to a new Moon. Additionally, DJIA AOD falls over -4.50% from 1910 to 2008 nearly always occurred between the 1st quarter Moon and a full Moon, as well as between the 3rd quarter Moon and a new Moon (ie: two quarter segments diagonally opposite in the angular circle). For AOD falls less than -4.50%, this lunar phase effect did not hold (McMinn, 2006). Extreme AOD events produced the greatest significance in relation to Moon Sun cycles.

### Historical October Panics

60 year intervals were also important in the timing of 19th century panics taking place between September 20 and October 31.

1839 US panic (Oct) +60 1899 DJIA AOD fall (Dec 18).

1847 British panic (Oct 23) +60 1907 US panic (Oct 22).

1857 US banking panic (Oct 14) +60 1917 DJIA AOD falls (Nov 1 & 8).

1869 US Black Friday (Sep 24) +60 1929 US Black Tuesday (Oct 29).

1871 US Chicago fire panic (Oct 09) +60 1931 DJIA AOD fall (Sep 24).

The 1907 US banking panic (Oct 22) was anomalous, as 1967 had no DJIA AOD fall over -2.00%.

1873 US Black Friday (Sep 19) plus 60 years gave the July 21, 1933 AOD fall. This was about a month out compared with AOD falls in Appendix 1, all of which timed from August 19 to December 20.

### Moon Sun Cycles

Major October DJIA AOD falls ( $\Rightarrow$  -3.60%) in Appendix 1 happened consistently with lunar phase around the full Moon (150 – 205 A°) and before the new Moon (300 – 350 A°). This also applied to the early historical US October panics in 1857, 1871 and 1907. The only date available for the 1839 panic was October 9 banking panic in Philadelphia, with lunar phase at 023 A° which was anomalous. Interestingly, the non-October events in Appendix 1 showed no similar restricted distributions for lunar phase.

For all 12 October DJIA rises in Appendix 2, lunar phase always occurred around the full Moon (160 – 200 A°) and after the 3rd quarter Moon to after the new Moon (280 - 015 A°). This gave a similar distribution for the major October AOD falls in Appendix 1.

DJIA October Events	No	Lunar Range	No	Lunar Range
AOD Falls ( $\Rightarrow$ -3.60%)	4	150 – 205 A°	5	300 – 350 A°
AOD Rises ( $\Rightarrow$ +2.50%)	3	160 – 200 A°	9	280 - 015 A°

### Moon Sun or Jupiter Saturn?

W. D. Gann commented on the importance of the 20 year cycle of US financial disasters, which he attributed to Jupiter Saturn cycles. The interval between successive oppositions (180 A°) between these two planets was about 20 years when major economic upheavals occurred – 1871, 1892, 1911 and 1930. Every 60 years,

the same opposition was associated with a major depression 1810's, 1870's, 1930's (but not repeated in the 1990's). Gann called this 60 year cycle the "master time cycle." However, the author regarded the planets as having no meaningful impact on financial trends. After years of personal research and assessing traditional astrology, no valid links could be established between the planets and market activity. In contrast, the Moon and Sun produced numerous excellent correlates with key market events. These luminaries are hypothesised to influence mass physiological cycles of a human population (there are many scientific studies to support this), which caused the mass mood to fluctuate in varying cycles of optimism and fear. This in turn is believed to be the prime driver of financial cycles.

A 20 year cycle or 246.5 lunar months and a 60 year cycle of 742 lunar months have been established in Moon Sun finance (McMinn, 2009). These are the proposed alternatives to W D Gann's 20 year and 60 year Jupiter Saturn cycles. Interestingly, 742 lunar months is the fundamental cycle of the 60 year Chinese lunar calendar.

### October Panics and Odd Ended Years

Another notable curiosity was the propensity for October panics to take place in years ended in odd numbers – particularly 7 – 1857, 1897, 1907, 1927, 1937, 1987 & 1997 (McMinn, 2009). In fact, 2008 was the only even-ended year containing a major US October panic or DJIA AOD fall. This trend was quite remarkable, but no explanation can be offered as to why it manifests in financial history.

### Conclusions

The interval of 60 years can be linked strongly to October panics over the past 170 years. However, it could not be associated with panics and AOD falls occurring at other times of the year. The term 'interval' was used because the 60 year effect was so variable, whereas the term 'cycle' would imply something with a far more regular timing. From historic trends, another autumn panic could take place in 2015. December 18, 1895 (AOD fall) +60 September 26, 1955 (AOD fall) +60 Autumn 2015. As always, only time will tell.

The timing of US October panics was strongly influenced by Moon Sun tidal effects, about which little is known. The positions of the Moon and Sun on the ecliptical circle are exceedingly relevant, but little else can be stated with a high degree of confidence. The findings support the view in technical analysis that markets are mathematically structured and past performance is indicative of future outcomes. They completely contradict the random walk - efficient market hypothesis that was the dominant paradigm in traditional economics in the late 20th century. Fortunately, Moon Sun finance is slowly becoming mainstream. Since 2003, numerous academic papers have been published on a lunar phase effect in stock market activity. Alas, full acceptance of the Moon Sun paradigm is many years away.

### References

**McMinn, David.** *Market Timing By The Moon & The Sun.* Twin Palms Publishing. 2006.

**McMinn, David.** *Market Timing Moon Sun Research 2006 – 2009.* Privately published 2009.

**Appendix 1**

**60 YEAR INTERVALS AND AUTUMN DJIA AOD FALLS  
Over -3.60%**

**Time Spans: 1895 – 1926 & 1955 – 1986**

1895	1897	1903	1926
Dec 20	Sep 21	Aug 19	Oct 15
-6.61%	-3.95%	-4.07%	-2.73%
051 A° + 2	299 A° + 6	336 A° + 23	104 A° + 1
	Oct 12	Oct 19	
	-3.90%	-4.17%	
	202 A°	348 A°	
+ 60	+ 60	+ 60	+ 60
1955	1957	1963	1986
Sep 26	Oct 21	Nov 22	Sep 11
-6.54%	-2.48%	-2.89%	-4.61%
118 A° + 2	339 A° + 6	070 A° + 23	095 A° + 1

**Time Spans: 1927 – 1937 and 1987 – 1997**

1927	1929	1931	1937
Oct 08	Oct 29	Sep 24	Oct 18
-3.65%	-11.73%	-7.07%	-7.75%
150 A° + 2	326 A° + 2	157 A° + 6	164 A° + 4
+ 60	+ 60	+ 60	+ 60
1987	1989	1991	1997
Oct 19	Oct 13	Nov 15	Oct 27
-22.61%	-6.91%	-3.93%	-7.18%
324 A° + 2	164 A° + 2	102 A° + 6	320 A° + 4

**Time Spans: 1941 – 1986 and 2001 – 2046**

1941	1948	1955	1986
Dec 8	Nov 03	Sep 26	Sep 11
-3.50%	-3.85%	-6.54%	-4.61%
234 A° + 7	032 A° + 7	118 A° + 31	095 A°
+ 60	+ 60	+ 60	+ 60
2001	2008	????	????
Sep 11	Oct 15		
na + 7	-7.75% + 7		+ 31
281 A°	192 A°		

This table gives all DJIA AOD falls over -3.60% happening between Sep 10 and Oct 31 for the period 1885 to 2008.

**Appendix 2**

**60 YEAR INTERVALS AND AUTUMN DJIA AOD RISES  
Over +4.00%**

**Time Spans: 1897 – 1918 and 1957 – 1978**

1897	1903	1914	1918
Aug 31	Oct 16	(a)	Oct 30
+2.97%	+5.11%		+2.67%
314 A° + 6	308 A° + 11		315 A° + 9
+ 60	+ 60	+ 60	+ 60
1957	1963	1974	1978
Oct 23	Nov 26	Oct 09	Nov 01
+4.12%	+4.50%	+4.71%	+4.46%
007 A° + 6	120 A° + 11	282 A° + 4	011 A° + 9
+ 9			

**Time Spans: 1927 – 1937 and 1987 – 1997**

1927	1929	1931	1937
Sep 06	Oct 30	Oct 06	Oct 20
+2.95%	+12.34%	+14.87%	+6.07%
116 A° + 2	338 A° + 2	294 A° + 6	191 A° + 4
+ 60	+ 60	+ 60	+ 60
1987	1989	1991	1997
Oct 21	Oct 16	Aug 21	Oct 28
+10.17%	+3.43%	+3.02%	+4.71%
347 A° + 2	197 A° + 2	139 A° + 6	330 A° + 4
		Nov 23	
		+3.00%	
		204A°	

**Time Spans: 1941 – 1974 and 2001 – 2034**

1941	1948	1957	1974
Dec 30	(b)	Oct 23	Oct 09
+3.50%		+4.12%	+4.71%
167 A° + 7		007 A° + 17	282 A°
+ 60	+ 60	+ 60	+ 60
2001	2008	2017	2034
Sep 24	Oct 13	????	????
+4.47%	+11.08%		
093 A° + 7	165 A° + 9		+ 17

This table gives all DJIA AOD rises over +4.00% between Sep 24 and Nov 05 for the period 1885 to 2008.

- (a) Due to the outbreak of WW I, the New York stock market was closed on July 30 and not reopened until December 12.
- (b) No DJIA AOD rise over +2.10% was recorded during the year.