

LUNAR PHASE & DJIA AOD FALLS

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The most amazing correlate in Moon Sun finance arises between lunar phase and the timing of annual one day (AOD) fall of the Dow Jones Industrial Average (DJIA) since 1910. This was totally unexpected and firmly supports the Moon Sun hypothesis that these luminaries strongly influence the stock market activity.

Background. Importantly, the annual one day (AOD) rise or fall is the biggest one day % movement in the DJIA in the year commencing March 1. The abbreviation E° has been used to denote degrees on the ecliptical circle and A° has been used for the angular degree between the Moon and the Sun (lunar phase).

Lunar Phase & DJIA AOD Falls

Diagram 1 shows the relationship between lunar phase and AOD falls over -4.50% for the DJIA from 1915 to 1999. Lunar phase nearly always appeared in two quarter segments, between first quarter & full Moon and third quarter & new Moon, with the only anomaly occurring in 1930. This diagram was first published in the AATA Journal in early 2000. Remarkably the findings continued to hold throughout the 2000's.

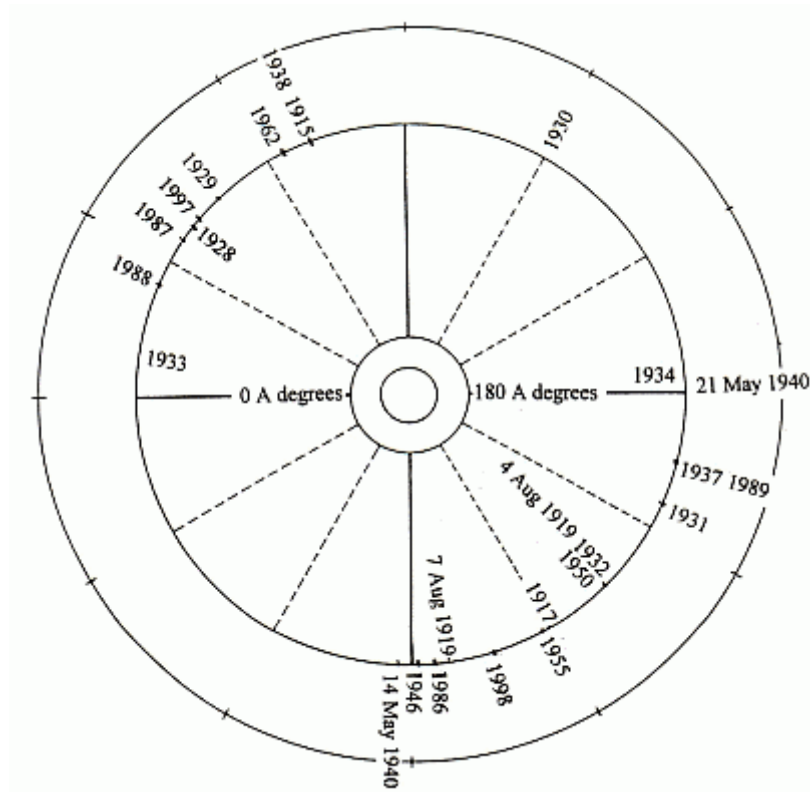
The following events may be included in Diagram 1, if the time frame was extended from 1910 to early 2008 and all AOD falls over -4.25% were considered.

Date	DJIA Event	DJIA % Fall	Phase Angle
Jan 20, 1913	AOD fall	-4.90	153
Jul 30, 1914	AOD fall. WW I begins	-6.63	099
Feb 25, 1946	AOD fall	-4.29	287
Apr 14, 2000	AOD fall. Tech Wreck	-5.64	130
Sep 11, 2001 (a)	WTC attack	na	281
Jul 23, 2002	AOD fall	-4.64	122
Jan 21, 2008 (a)	Stock market panics	na	169

(a) September 11 was taken as the AOD fall for 2000, as it was the 'height of panic' for the US stock market.

(b) Worldwide stock market panics occurred on this day. Alas, the US stock market was closed, due to the Martin Luther King Jr holiday. Even so, it was taken as the DJIA AOD fall for 2007.

LUNAR PHASE & MAJOR DJIA AOD FALLS 1915 - 1999



Source: McMinn, David. *Lunar Phase & US Crashes.* Aust Technical Analysts Assoc Jour. p 20, Jan/Feb 2000.

Of the total 30 major DJIA AOD falls ($> -4.25\%$) since 1910, only the 1930 event did not have lunar phase within the two quarter segments noted in the diagram with ranges $085 - 185 A^\circ$ and $280 - 355 A^\circ$. The finding was extremely significant ($p < 10^{-6}$) and would be like tossing a coin 30 times and getting 29 heads. This lunar phase effect did not apply before 1910 or to DJIA AOD falls below -4.25% . It also did not show up in FT-30/FT-100 daily data post 1935.

DJIA AOD Rises of over $+4.00\%$ were also assessed for 1897 to 2000, but no lunar phase significance ($p > .01$) could be deciphered. Even so, the 13 AOD rises occurring in the three months ended November 15, had lunar phase in an approximate half circle between 190 and $015 A^\circ$ – no exceptions. Again this would be unlikely to happen by chance (significant $p < .01$).

In Summary

Numerous correlates support a very strong Moon Sun effect in market activity (McMinn, 2006), thereby creating a major problem. According to modern economic

theory, financial markets are both efficient and random in their movements and such Moon Sun correlates could never arise. One of the theories has to be wrong - modern economics or Moon Sun effects.

The obvious question arises – Why are the biggest AOD % falls so significant in relation to lunar phase? Presumably it has something to do with Moon Sun tidal harmonics. Alas the mathematics involved are far too complex to unravel and the effect remains a great unknown.

The findings on Moon Sun influences support analysts, who believe markets are cyclical and past activity is indicative of future outcomes. A more realistic evaluation is essential if market theory is to progress, although adjustments will not be made anytime soon as economics is a conservative profession. As commented by John K Galbraith, “*Economists are economical, among other things, of ideas; most make those of their graduate days last a lifetime.*”

References

Carolan, Christopher. *Autumn Panics.* The Market Technician. Journal of the Society of Technical Analysts. p 12. July 1998.

McMinn, David. *Market Timing By The Moon & The Sun.* Privately published. 2006.

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