How to profit from commodity, real estate and stock market cycles

Note the following series of years:

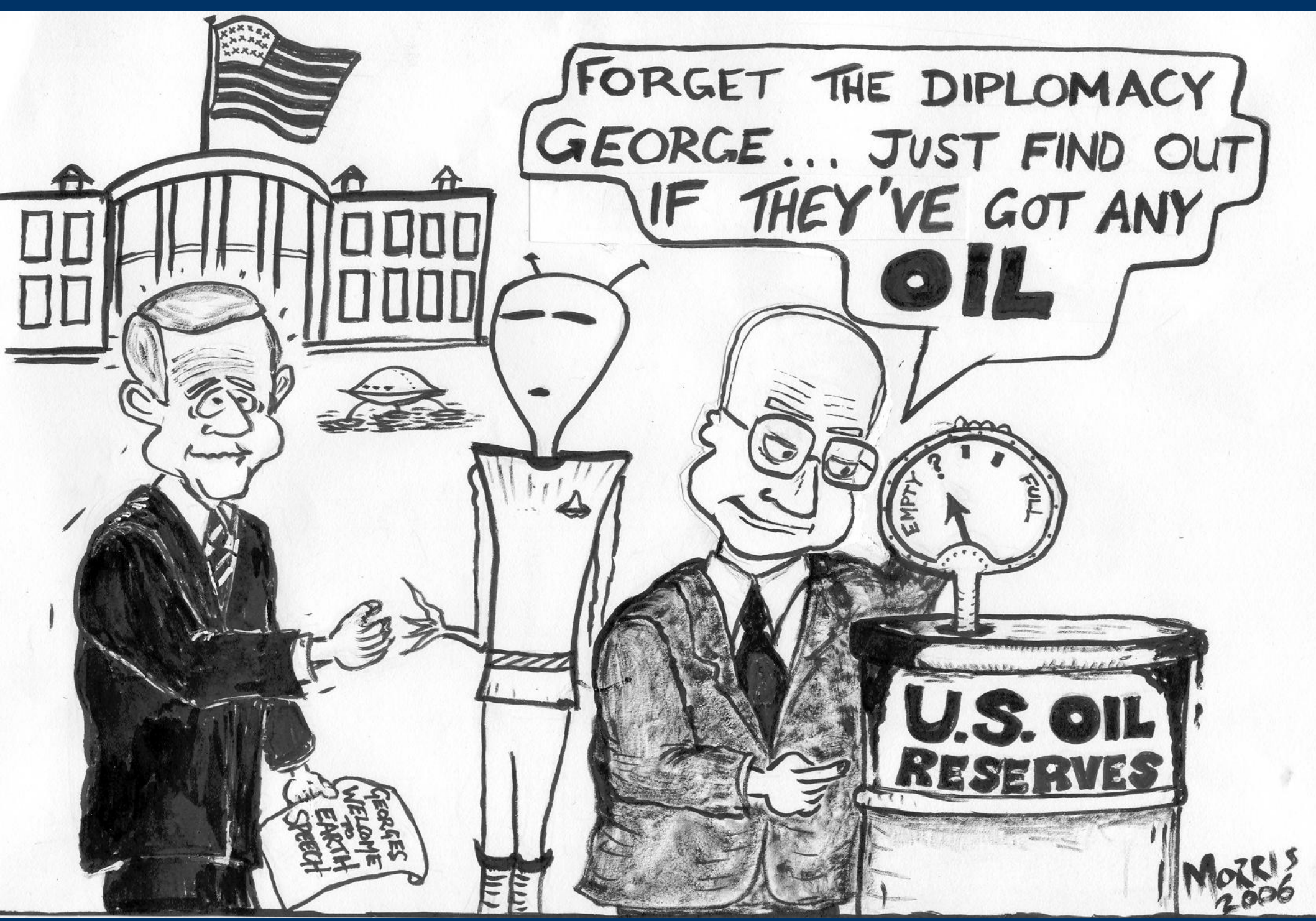
2001/2	1991	1982	1974
1961	(1955) 1949	1937	1932
1921	(1913) 1907	1897	1893
1884	1873	1866	1857
1847	1836/7	1825	1819

The plan for this evening:

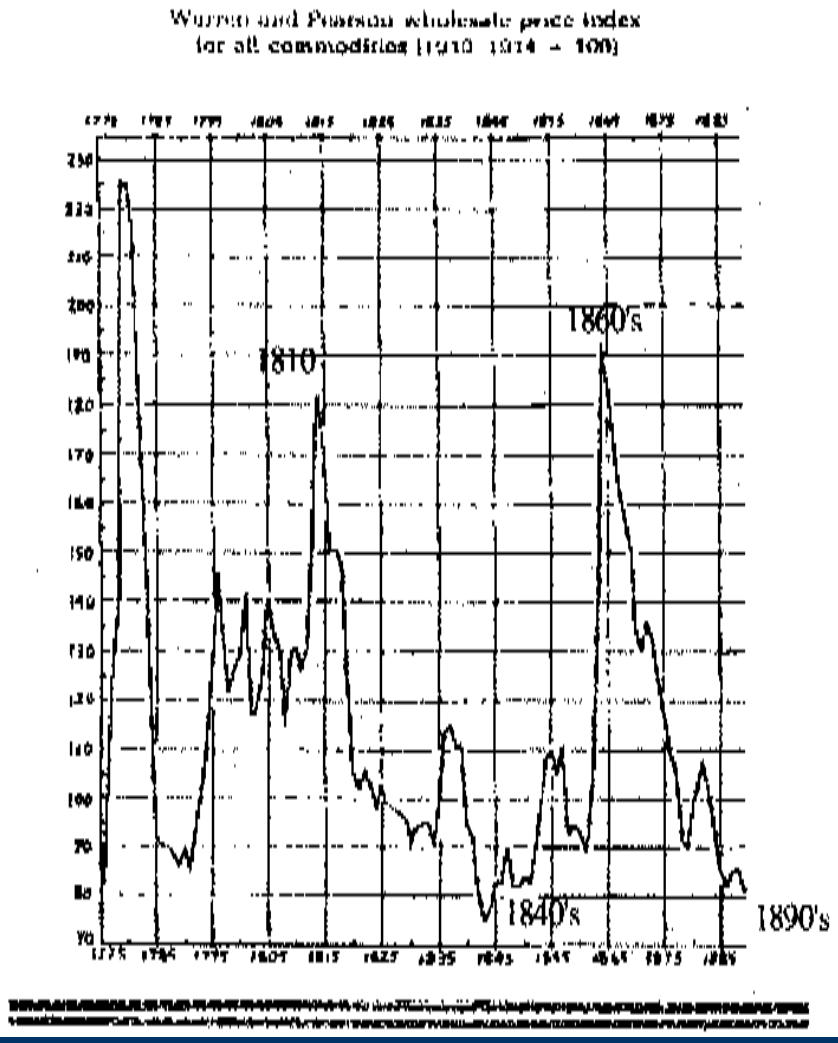
1. Commodity waves
2. Real estate cycle (most important cycle of all)
3. Gann timing
4. Apply our new-found knowledge to investing / trading profitably
5. and finally, make some forecasts

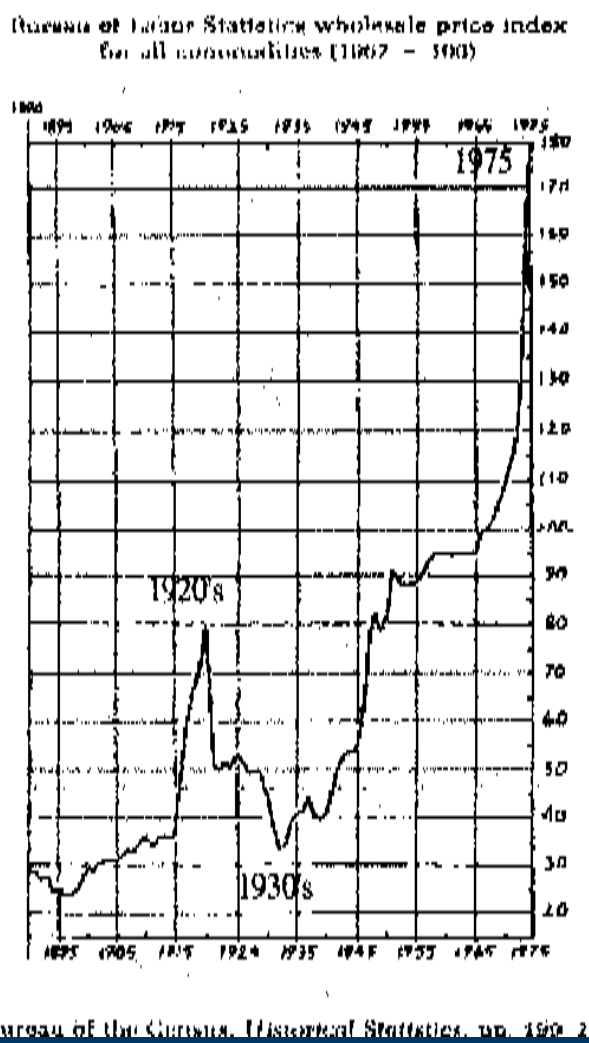
Three things to learn this evening:

- Be well informed
- History repeats (often almost exactly)
- It's about the rent (of land and natural resources)


FORGET THE DIPLOMACY GEORGE... JUST FIND OUT IF THEY'VE GOT ANY OIL
EMPTY
FULL
U.S. OIL RESERVES
GEORGES WELCOME TO EARTH SPEECH
MORRIS 2006

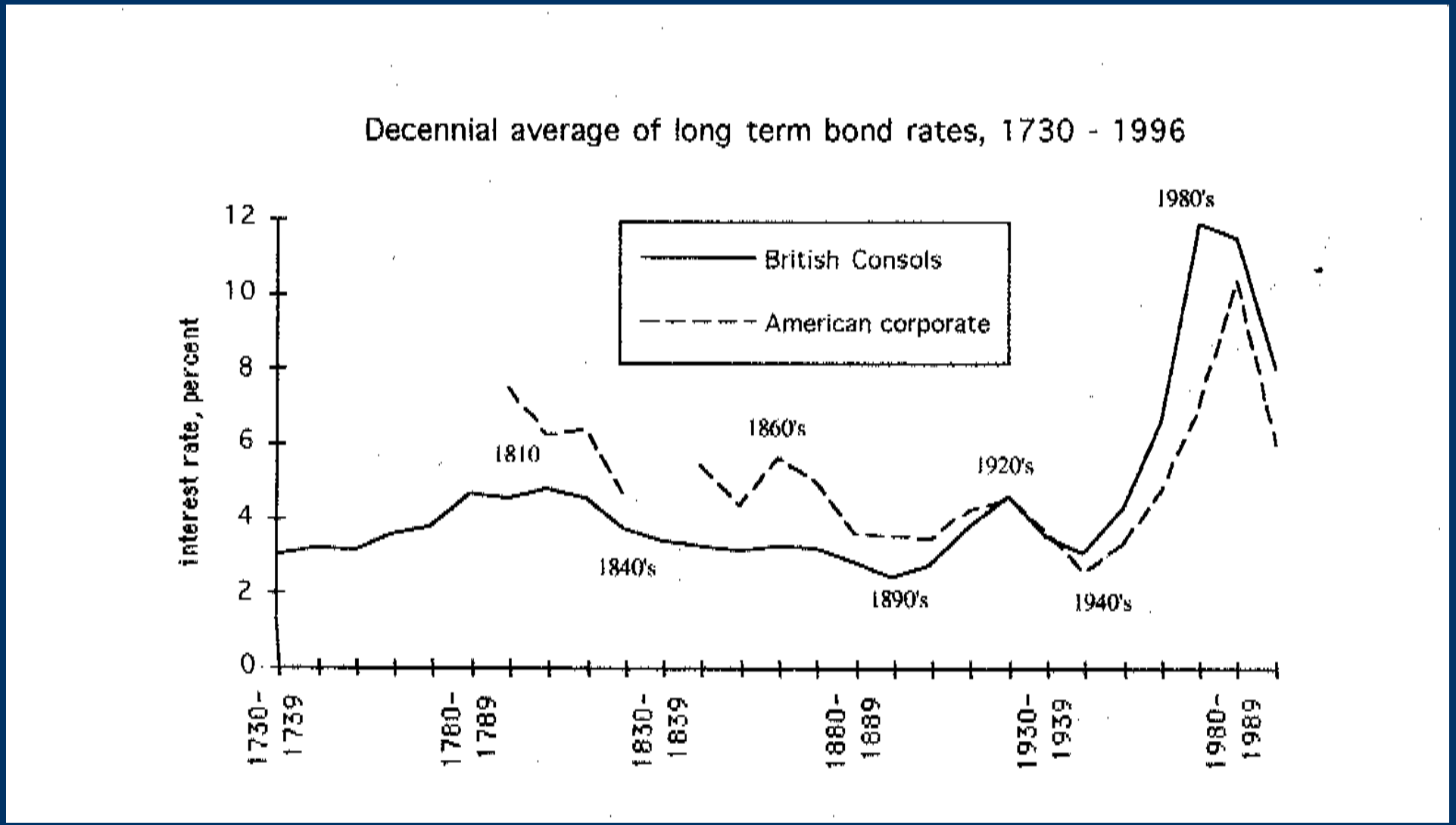
- Long term commodity waves: prices

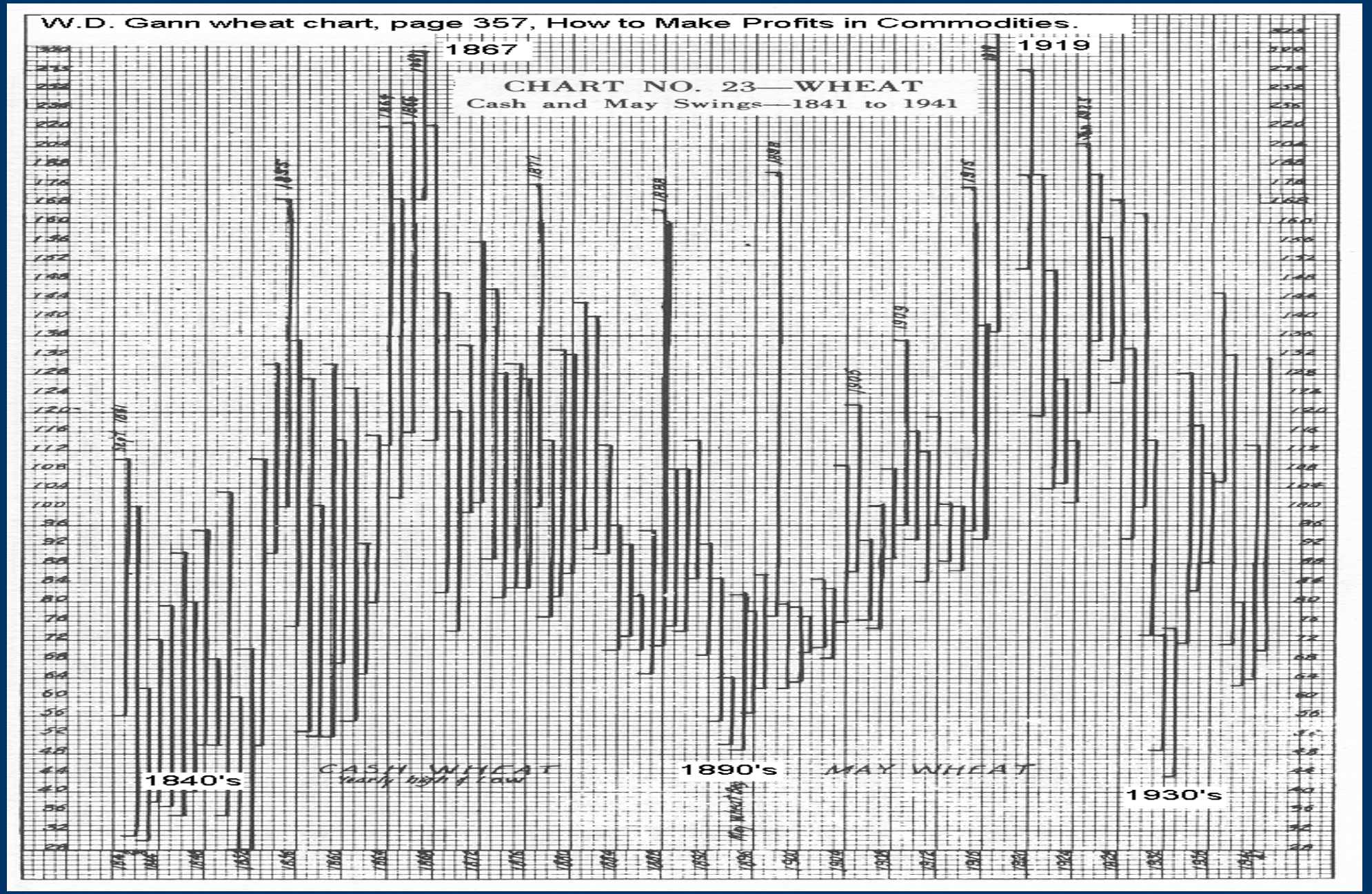




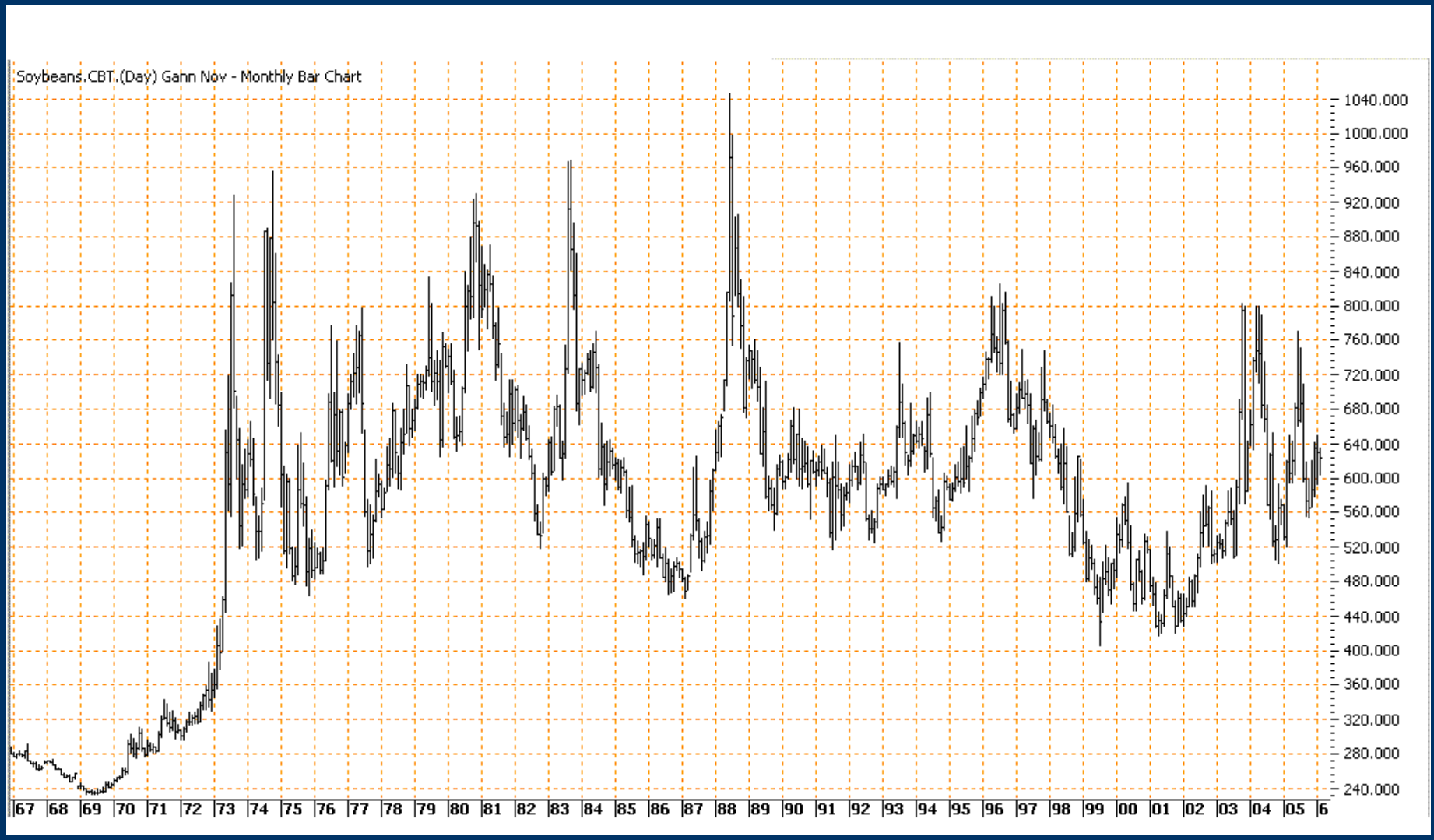
Source: Bureau of the Census, Historical Statistics, pp. 199, 202.

- Long term commodity waves: interest rates




W.D. Gann wheat chart, page 357, How to Make Profits in Commodities.
1867
1919
CHART NO. 23—WHEAT
Cash and May Swings—1841 to 1941
1840's
CASH WHEAT
nearly high & low
1890's
MAY WHEAT
1930's

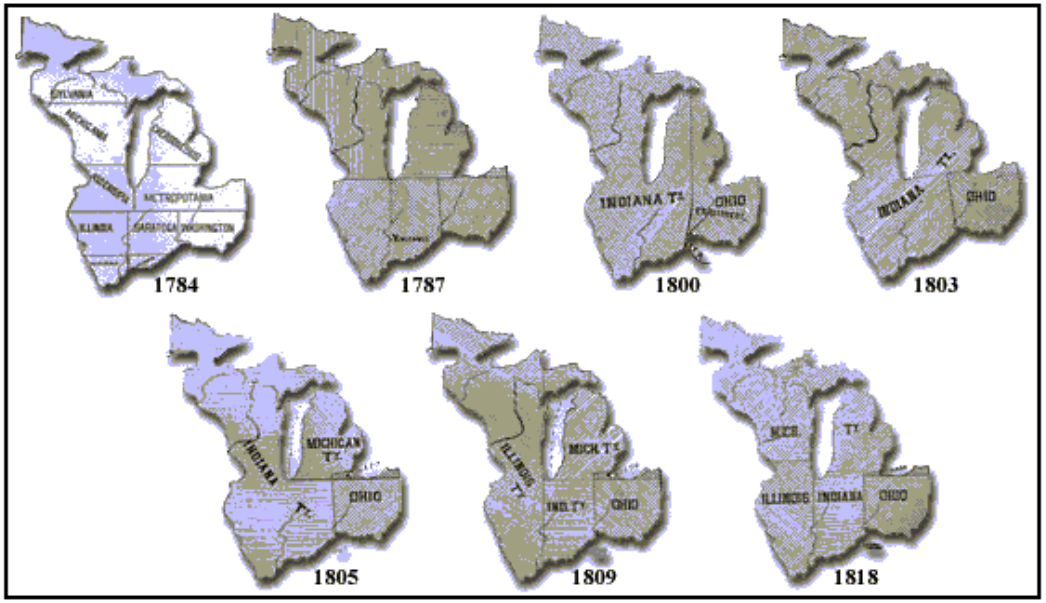
- Long term commodity waves, November beans



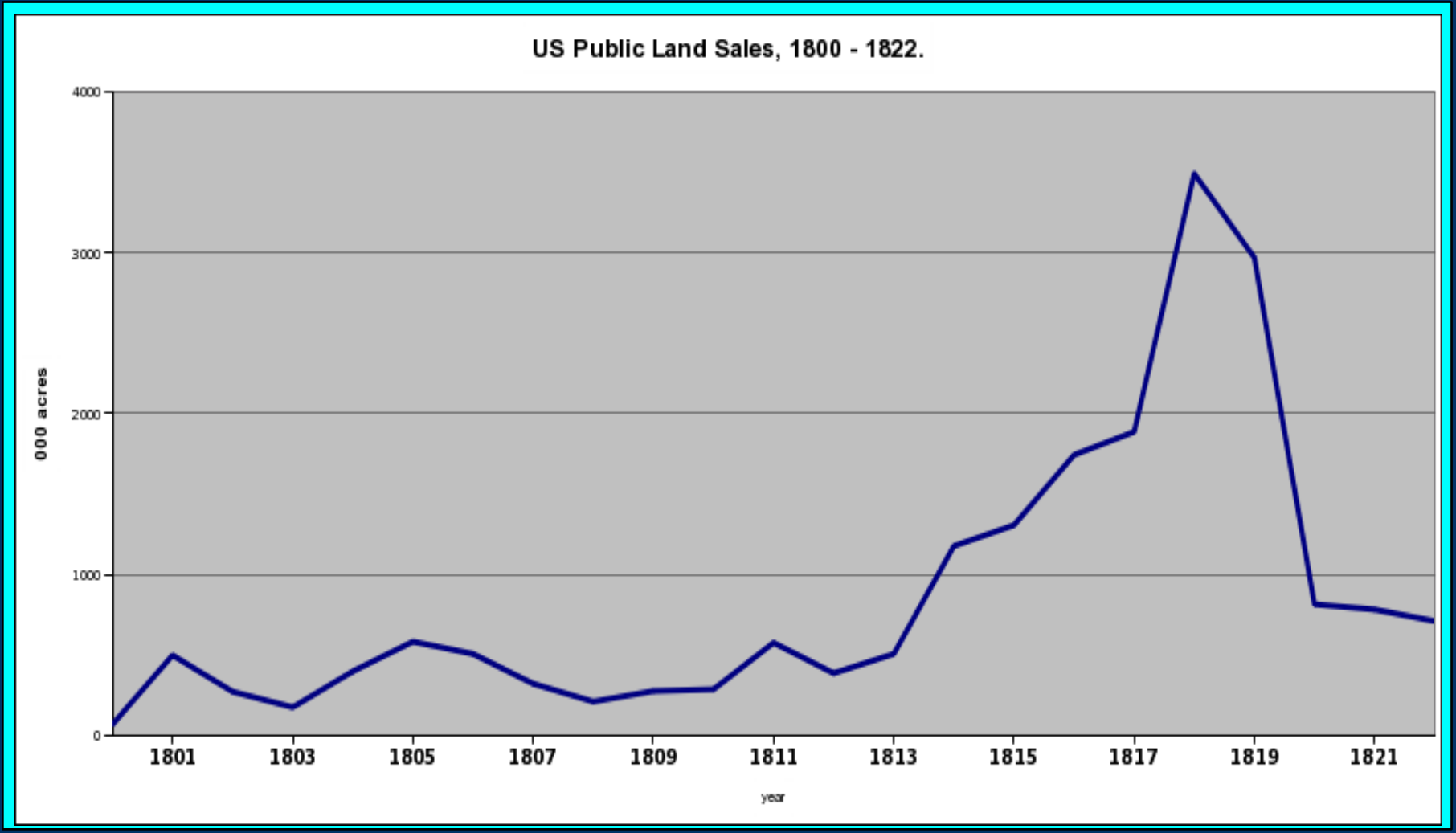
- Real estate: The US movement inwards

How the public domain took shape.

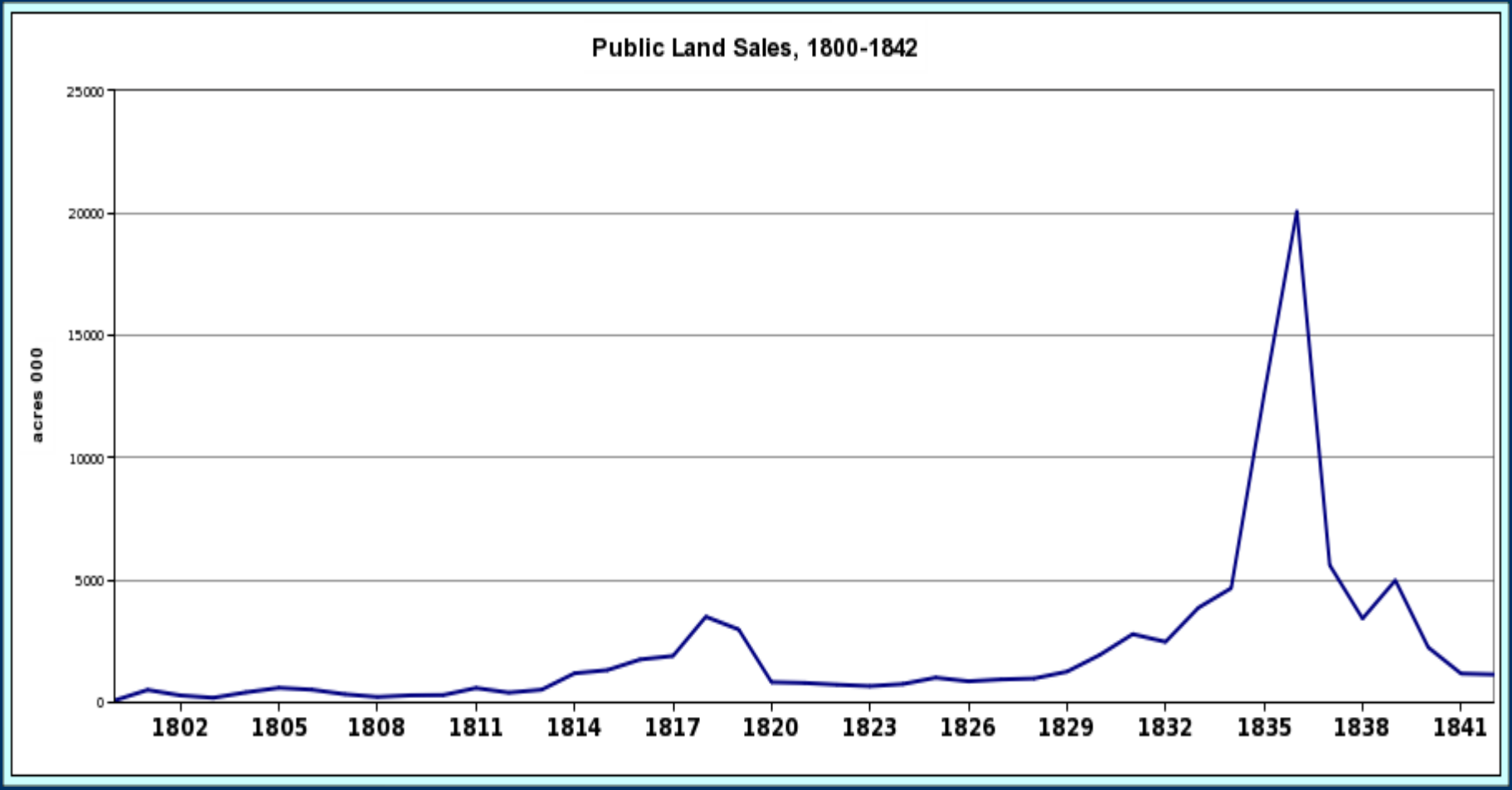
map available at
http://memory.loc.gov/ammem/umhtml/umessay5.html



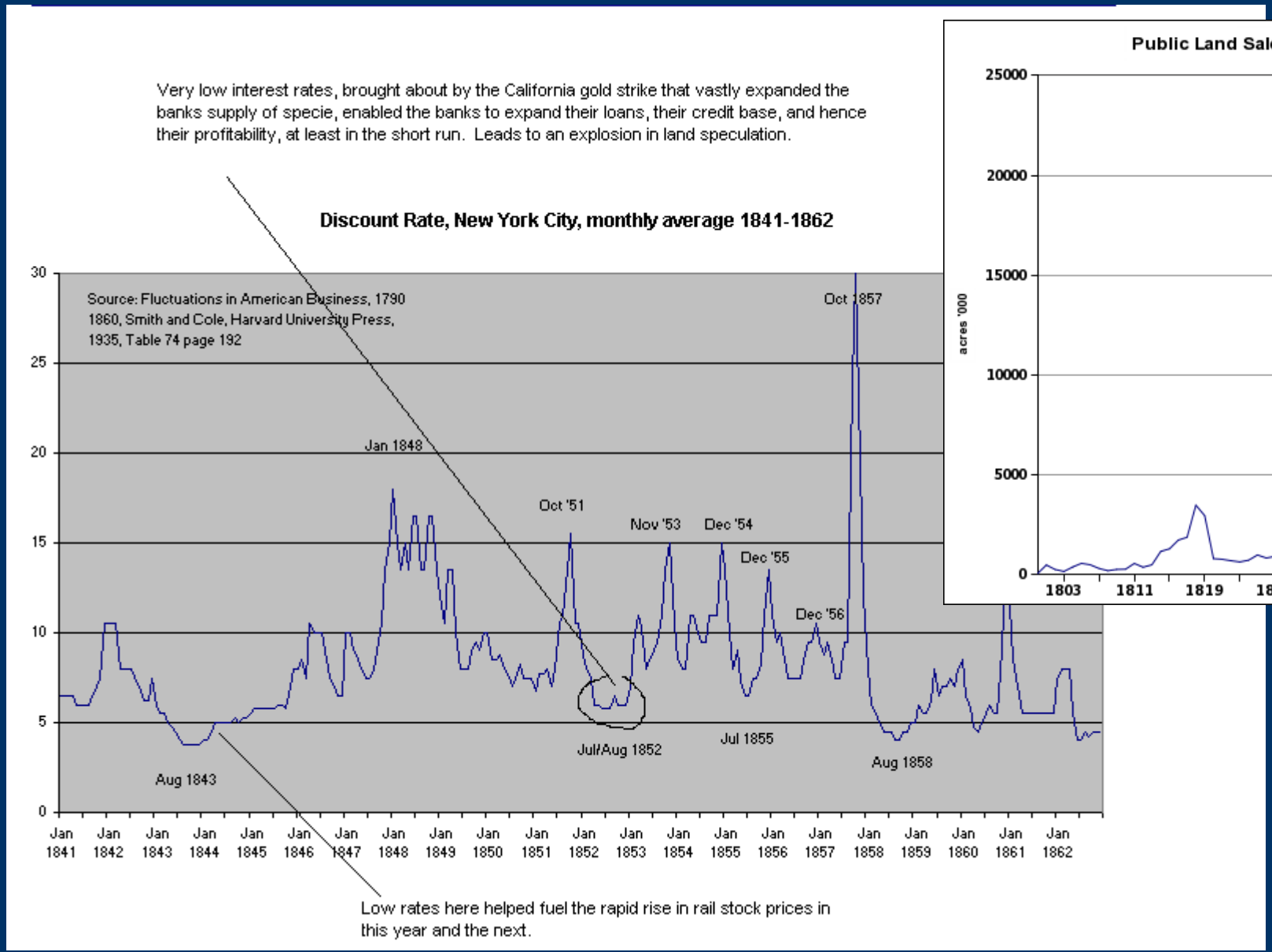
- Real estate: 1810's land speculation, then downturn

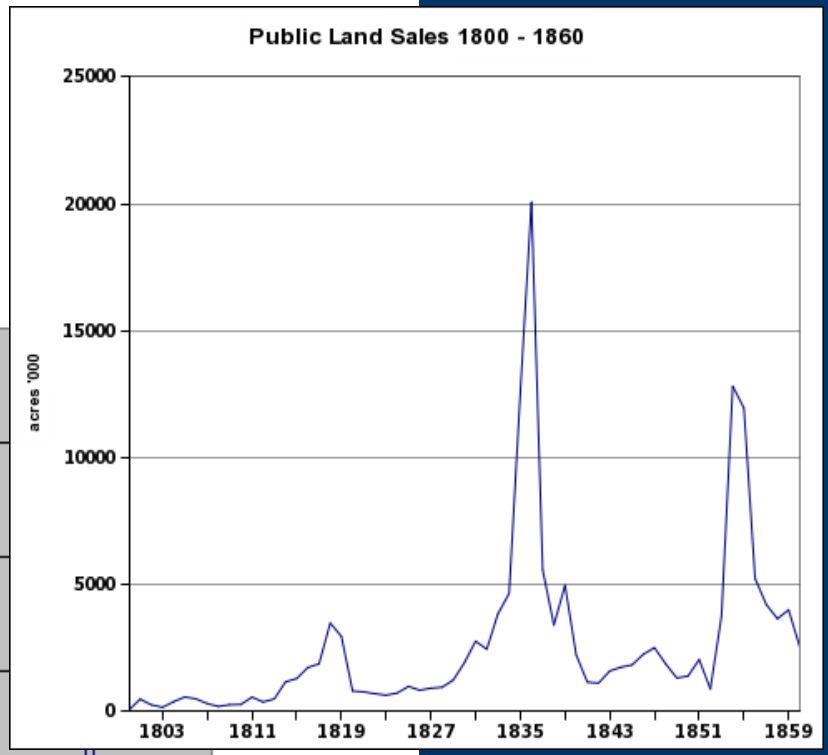


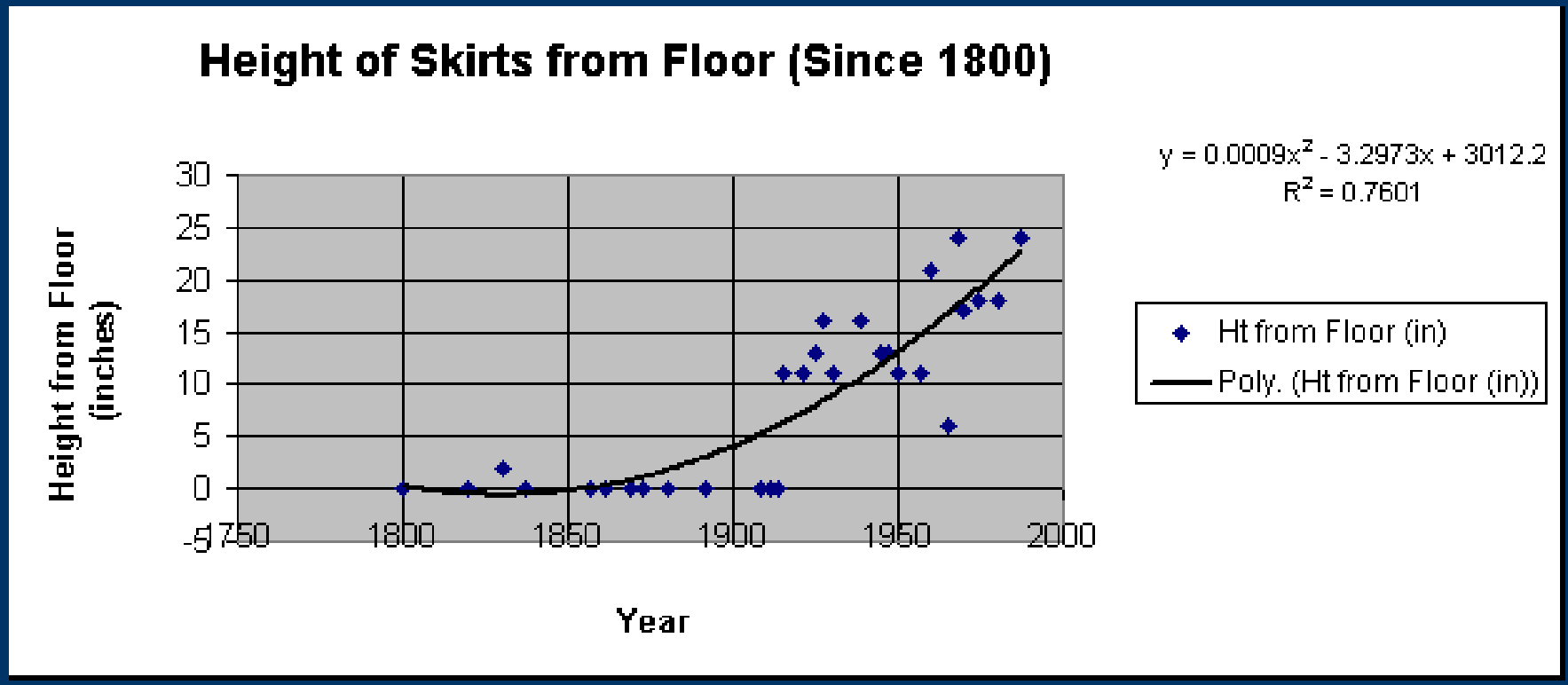
- Real estate: 1830's land speculation, then downturn

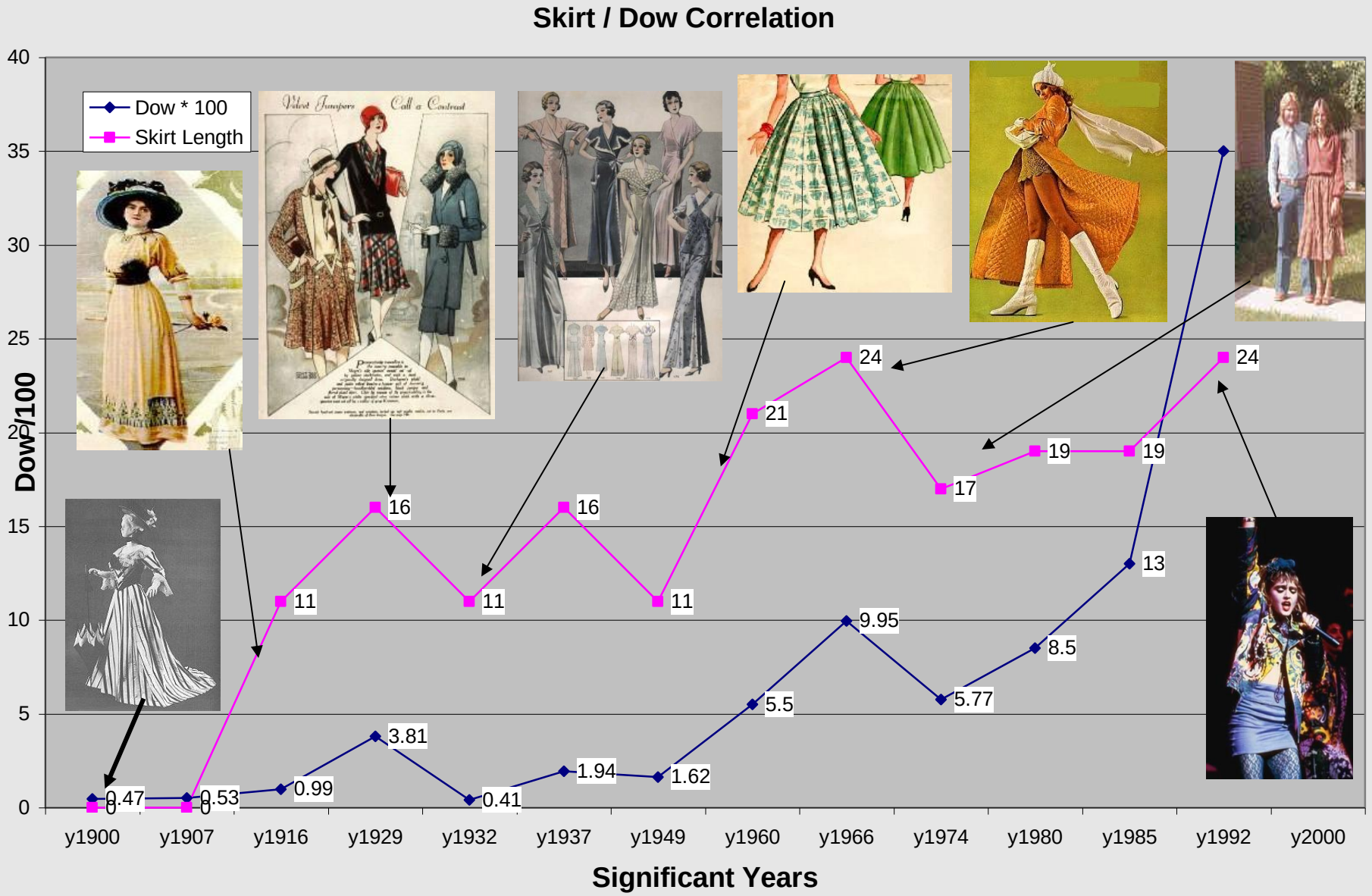


- Real estate: 1850's land speculation, then downturn

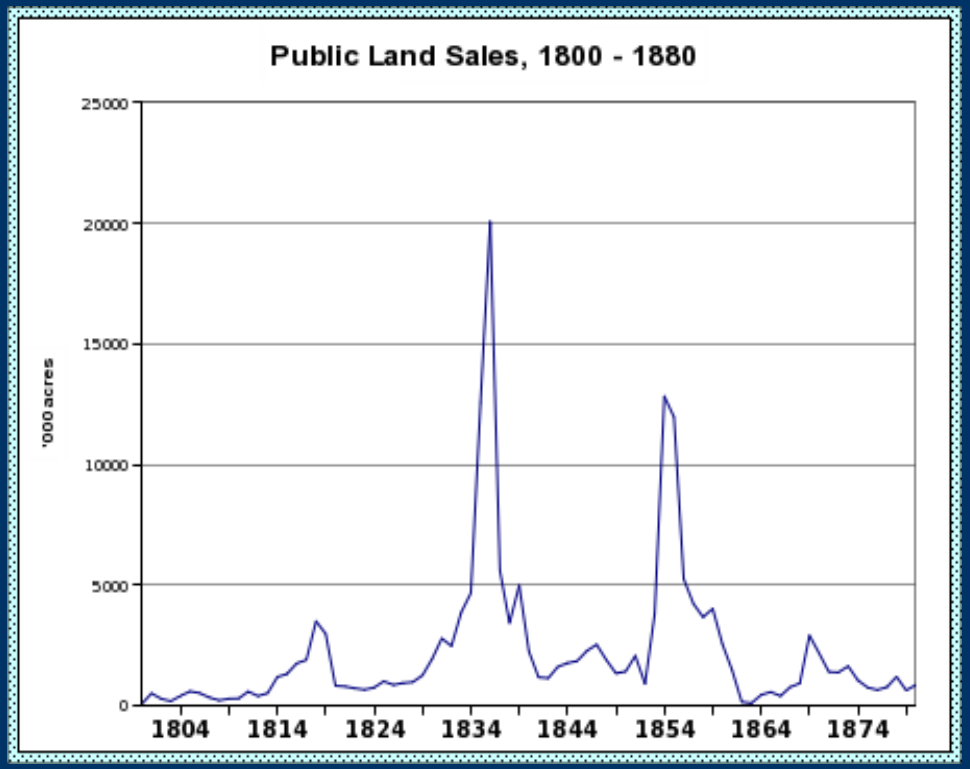


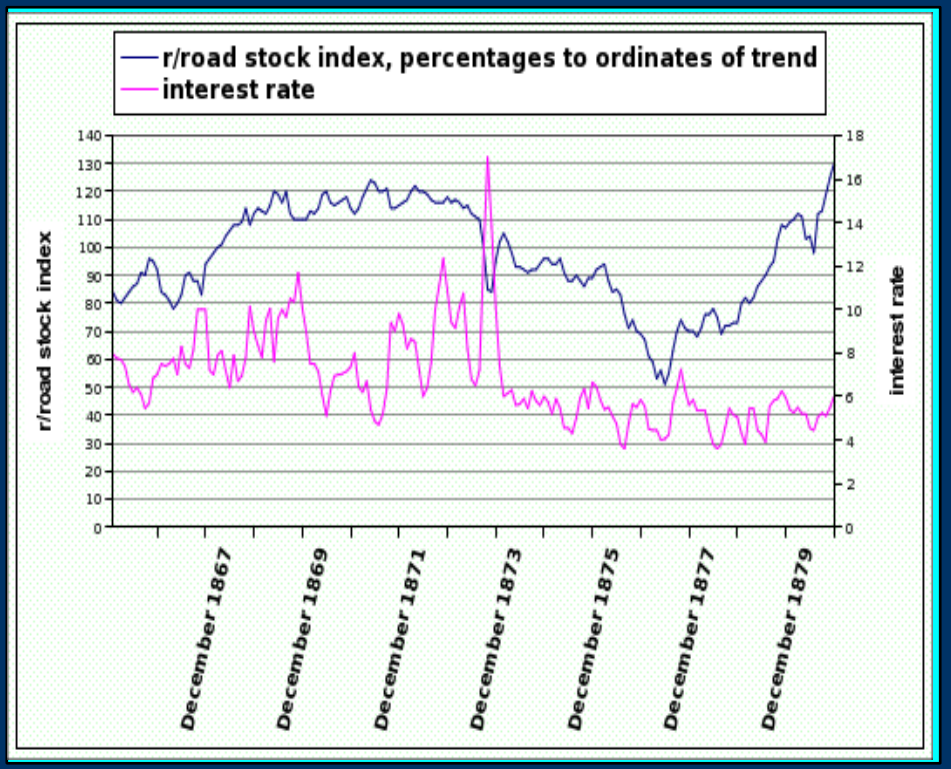



Height of Skirts from Floor (Since 1800)
Height from Floor (inches)
30
25
20
15
10
5
0
-5
1750
1800
1850
1900
1950
2000
Year
y = 0.0009x² - 3.2973x + 3012.2
R² = 0.7601
Ht from Floor (in)
Poly. (Ht from Floor (in))

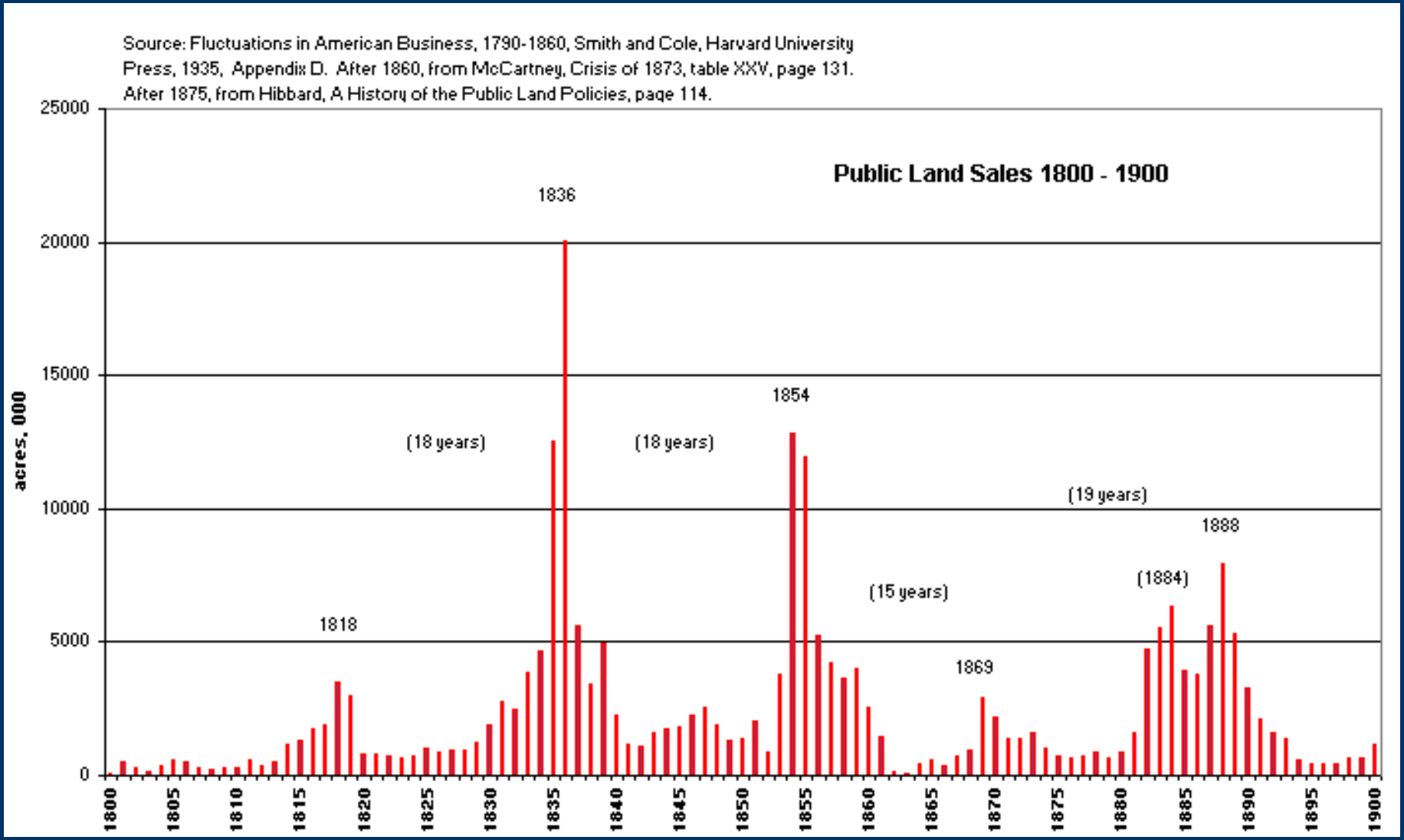

Skirt / Dow Correlation
Dow * 100
Skirt Length
Dow/100
Significant Years
y1900
y1907
y1916
y1929
y1932
y1937
y1949
y1960
y1966
y1974
y1980
y1985
y1992
y2000
0
5
10
15
20
25
30
35
40
0.47
0.53
0.99
3.81
0.41
1.94
1.62
5.5
9.95
5.77
8.5
13
0
0
11
16
11
16
11
21
24
17
19
19
24

- Real estate speculation into the 1873 downturn

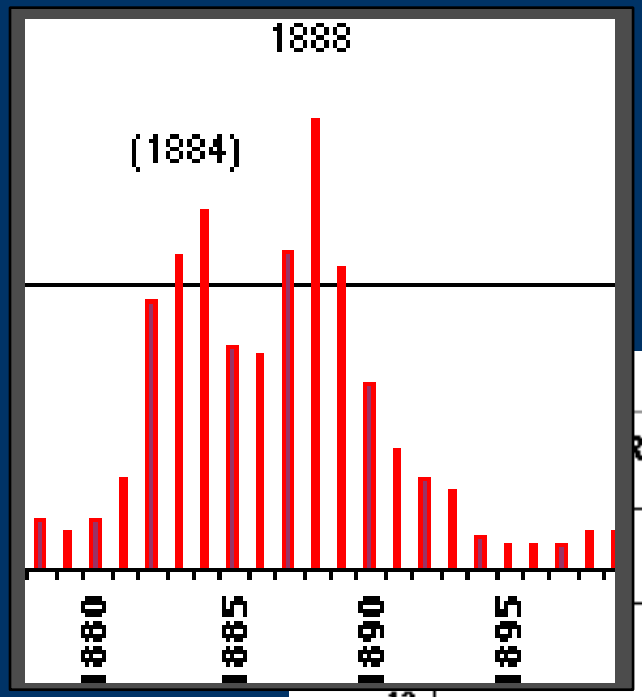


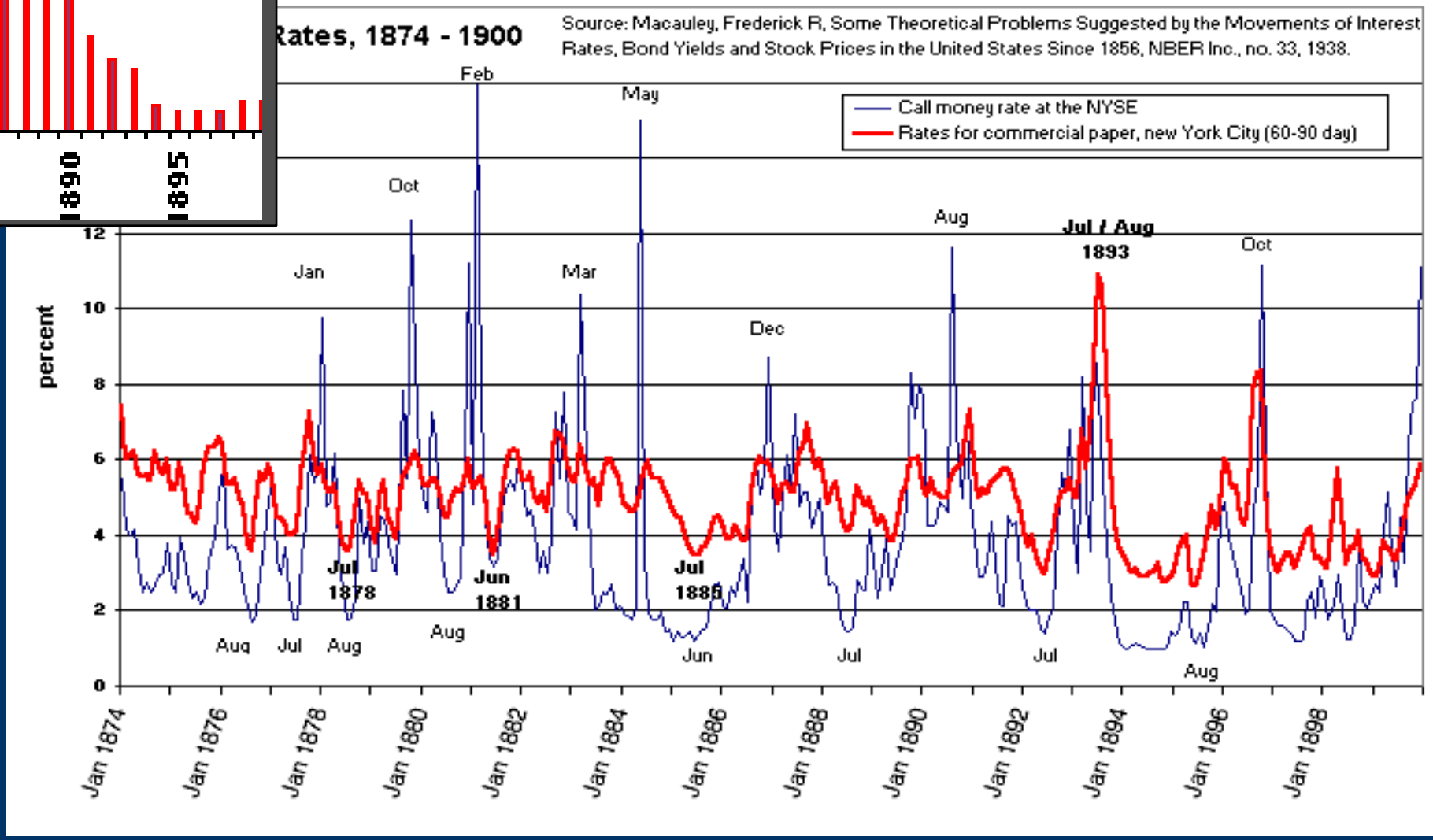


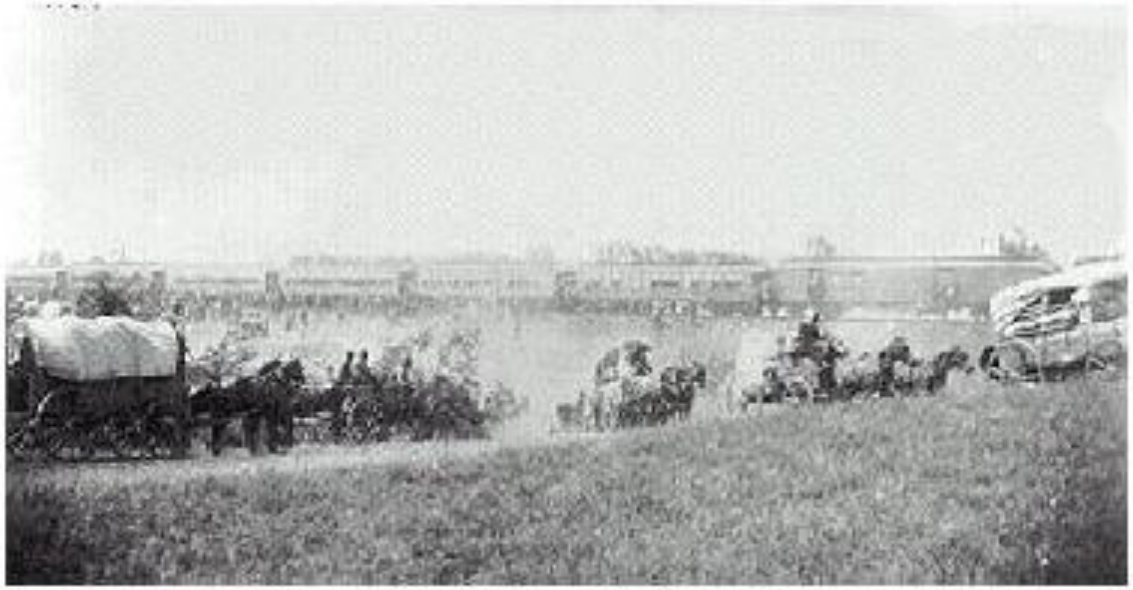
- US Real estate speculation into the 1893 downturn



1893 continued



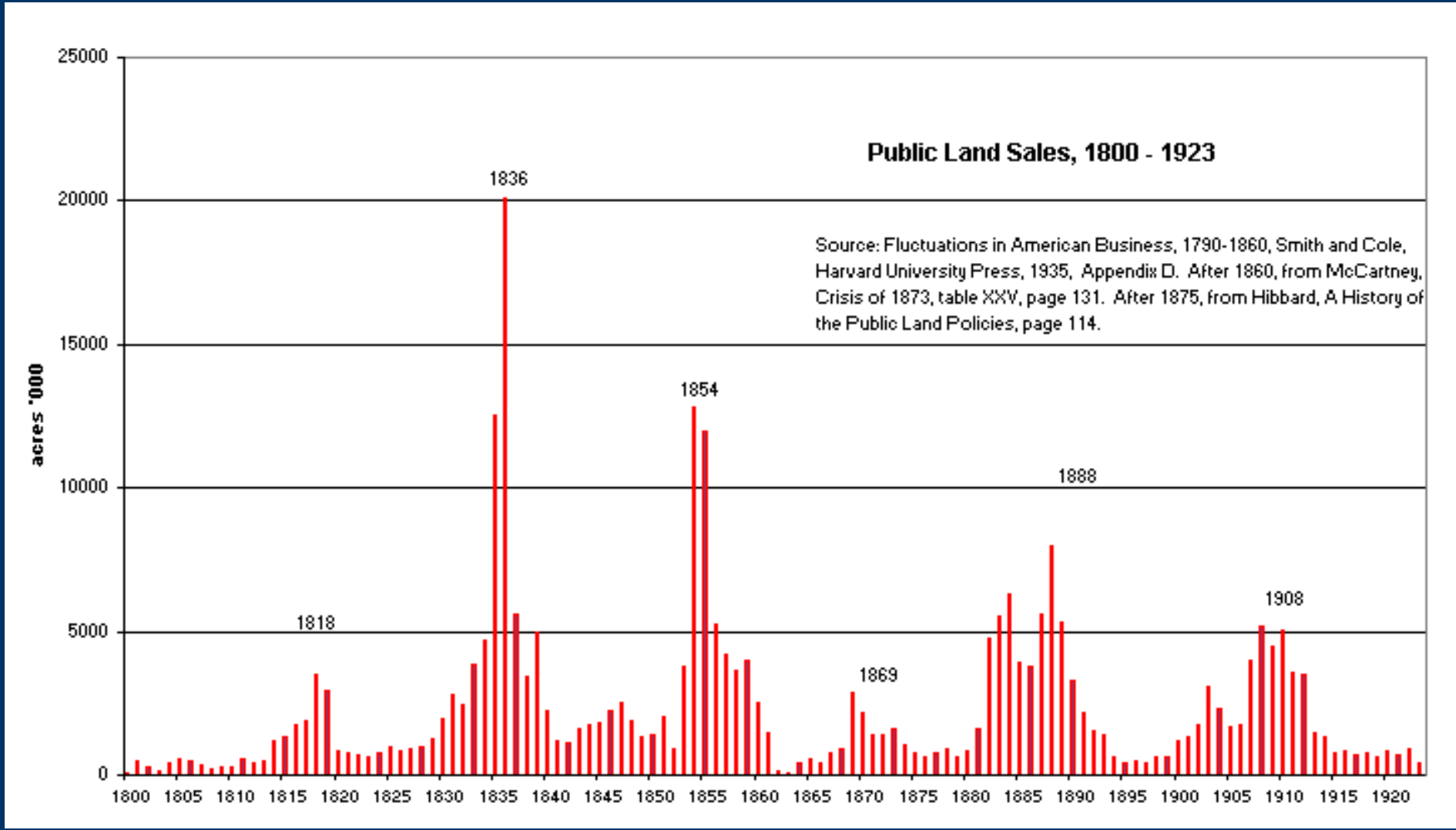


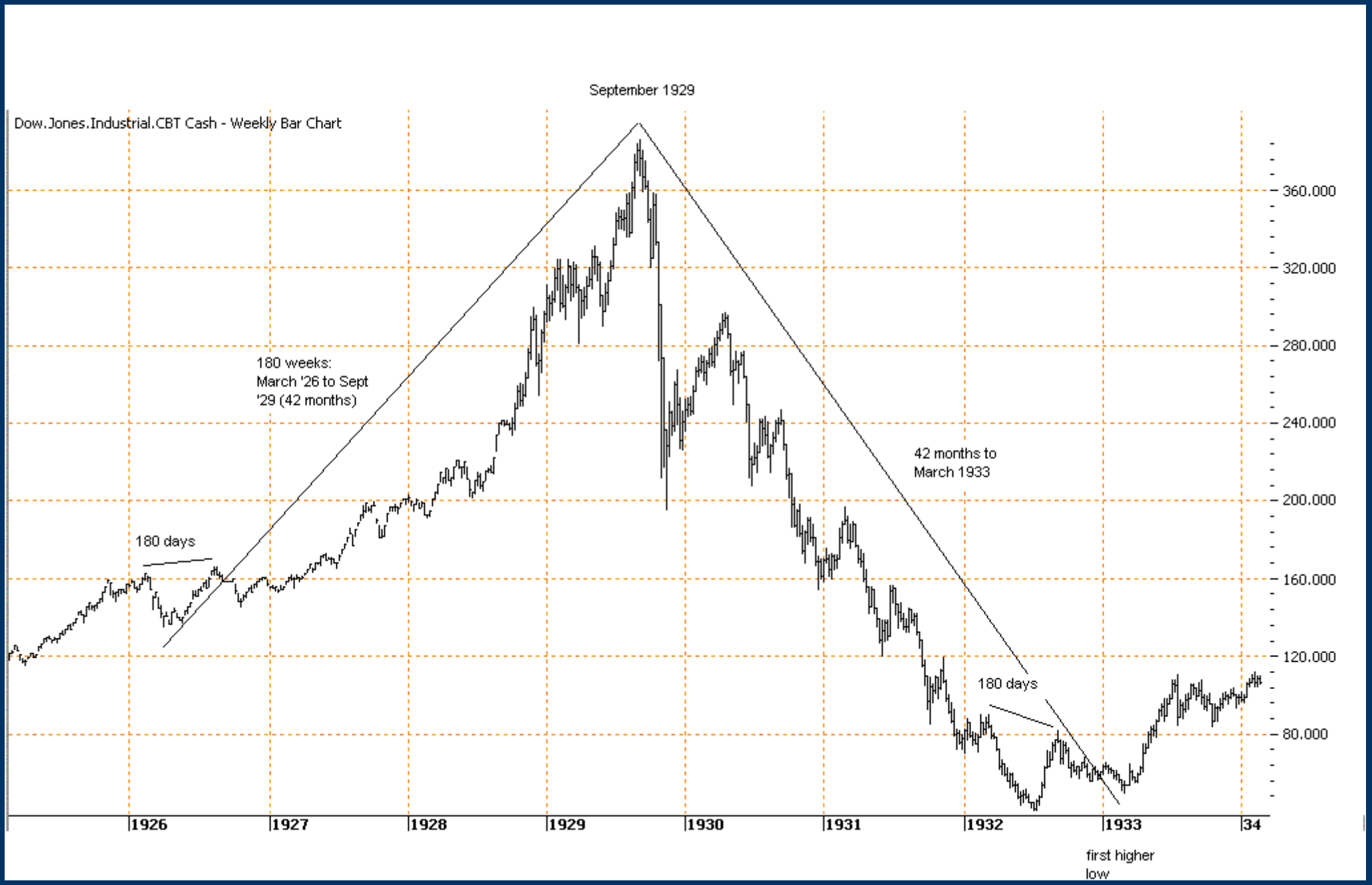


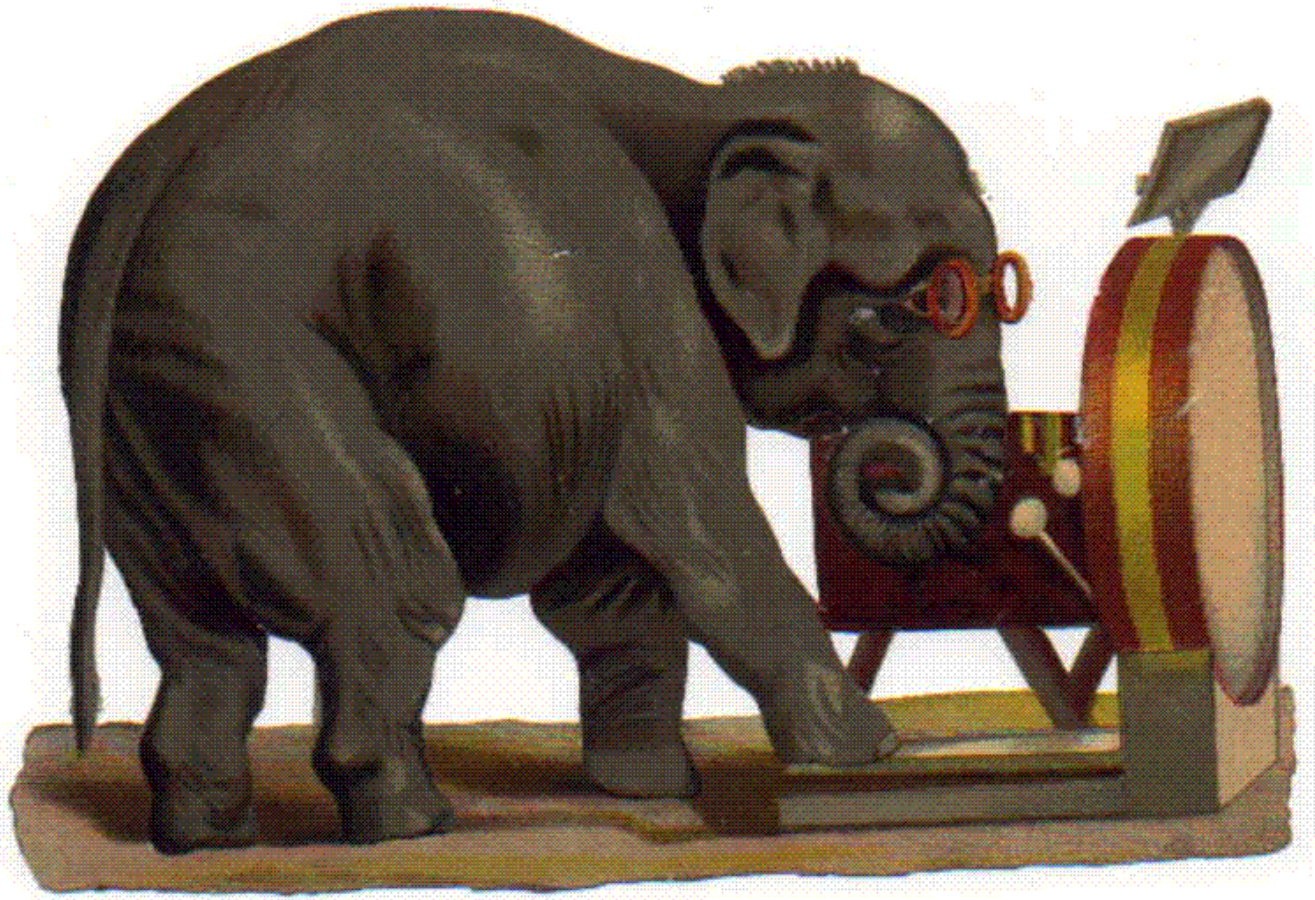
THE 1889 LAND RUN
(Opening of the Unassigned Lands)

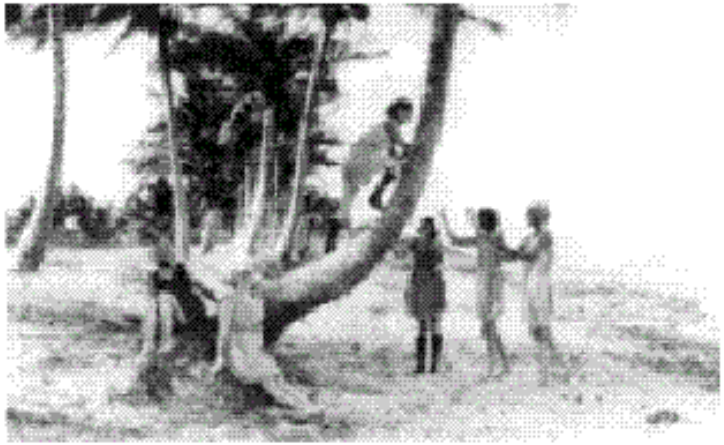
http://www.sandplum.com/guthrie/landrun.htm

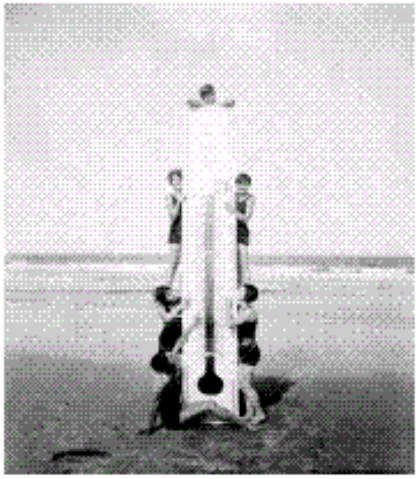
- US real estate into 1932



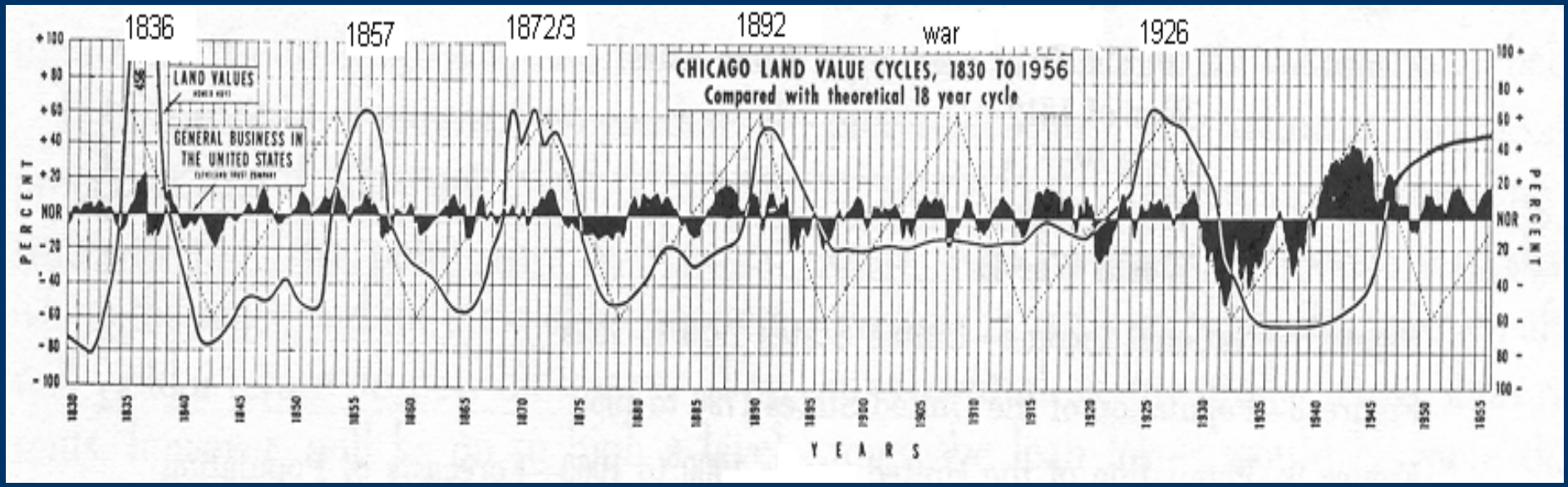

September 1929
Dow.Jones.Industrial.CBT Cash - Weekly Bar Chart
180 weeks:
March '26 to Sept
'29 (42 months)
180 days
42 months to
March 1933
180 days
360.000
320.000
280.000
240.000
200.000
160.000
120.000
80.000
1926
1927
1928
1929
1930
1931
1932
1933
34
first higher
low





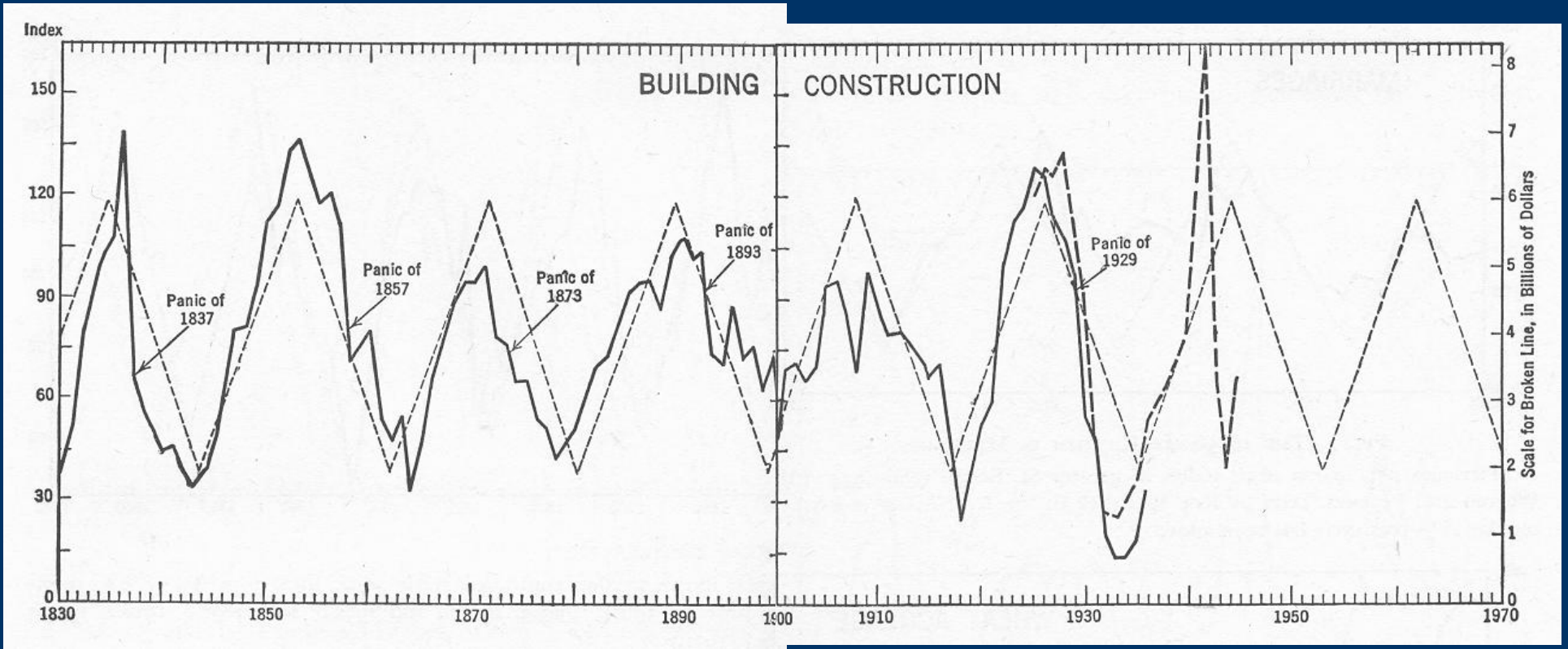


- 18 years has a good history: Chicago land value,



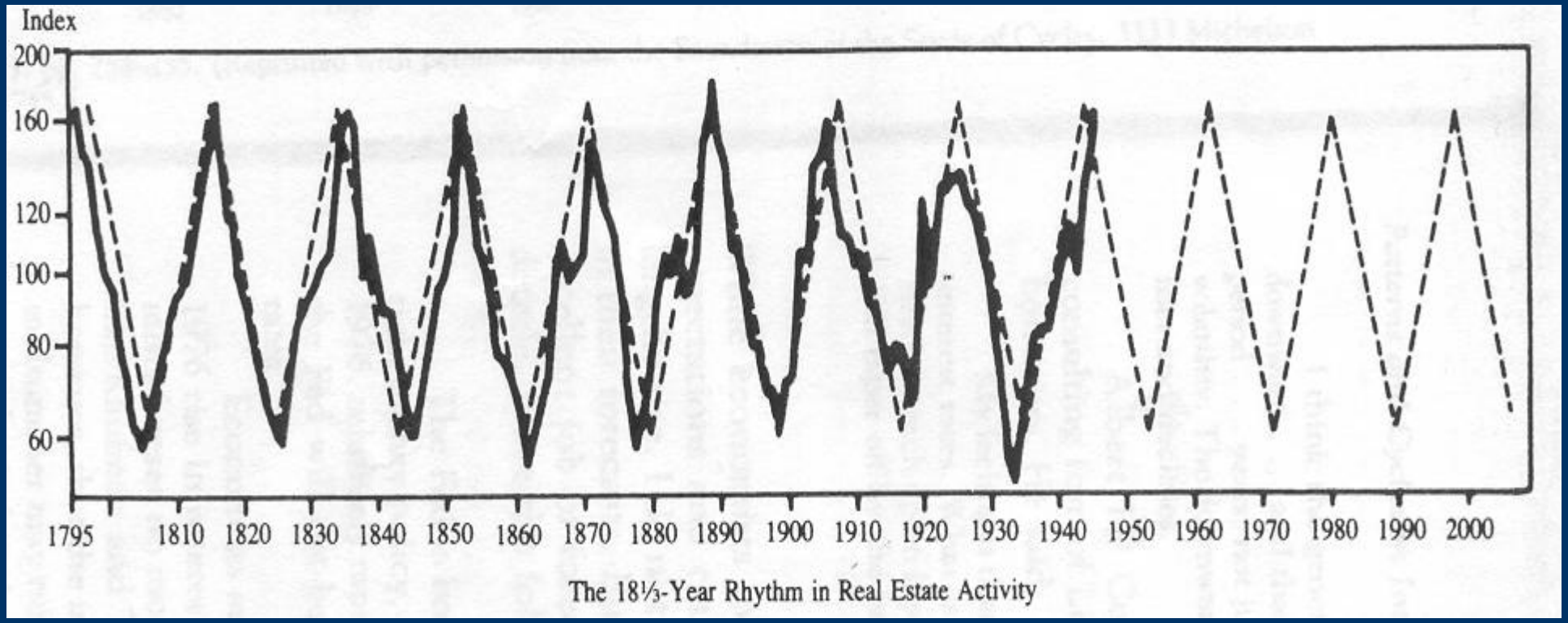
Source: According to Hoyt, 1966, page 538

- 18 years has a good history: US building construction,



Source: Cycles, 1947, page 118

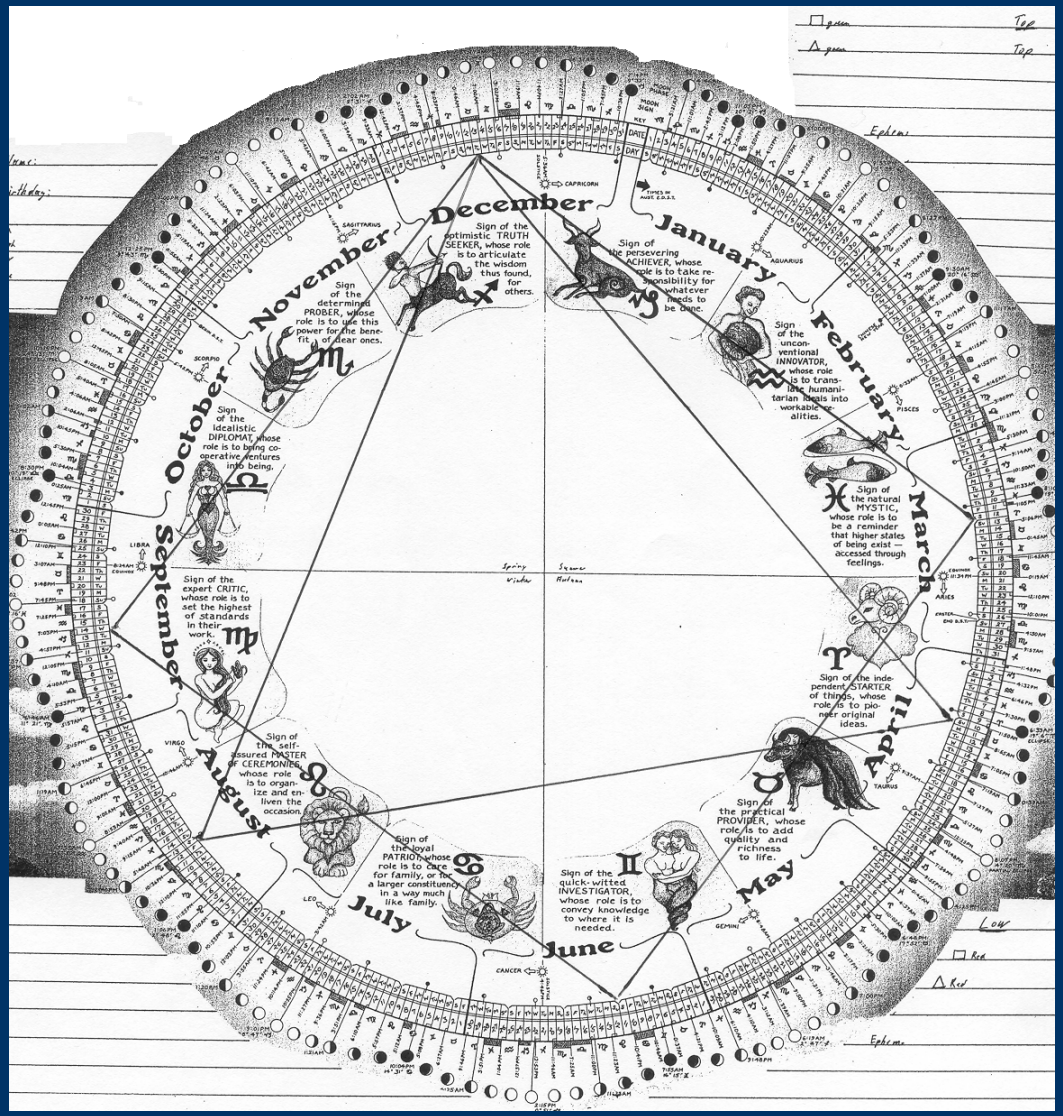
- 18 years has a good history: US real estate activity,



The 18⅓-Year Rhythm in Real Estate Activity

Source: Cycles, 1970, page 343

- Gann Timing: W.D Gann's time in a circle.



DJ-Cash 27/12/29 O:241 H:246.4 L:239.1 C:240.7 V:335 OI:-
Show Last
Dow.Jones.Industrial.CBT Cash - Daily Bar Chart
380.000
370.000
360.000
350.000
340.000
330.000
320.000
310.000
300.000
290.000
280.000
270.000
260.000
250.000
240.000
230.000
220.000
210.000
200.000
December
1929
February
March
April
May
June
July
August
September
October
November
December
1930

Some charts using STEX

(using our new-found knowledge of cycles)

but remember.....

The Indicators:

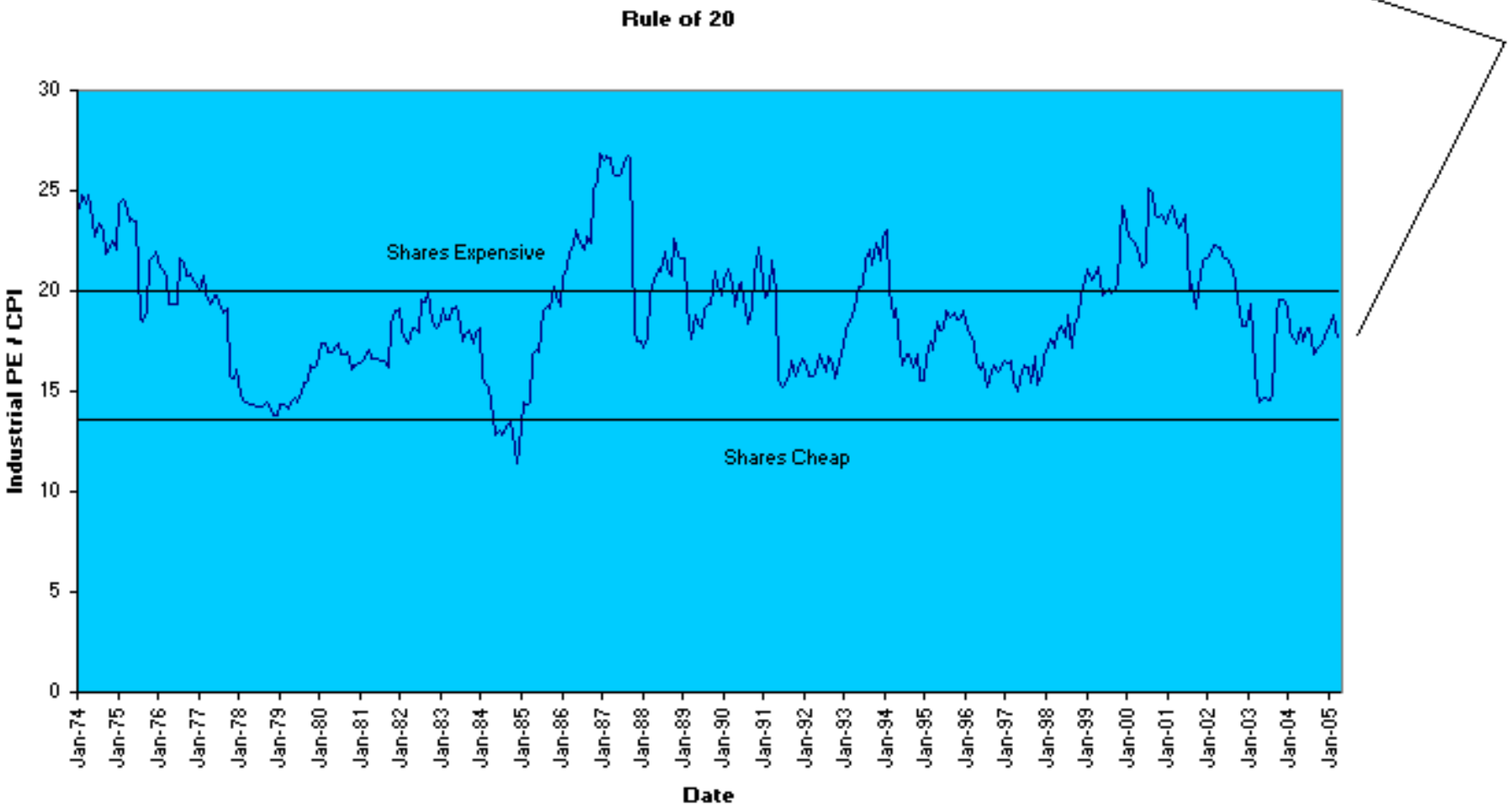
Stock market

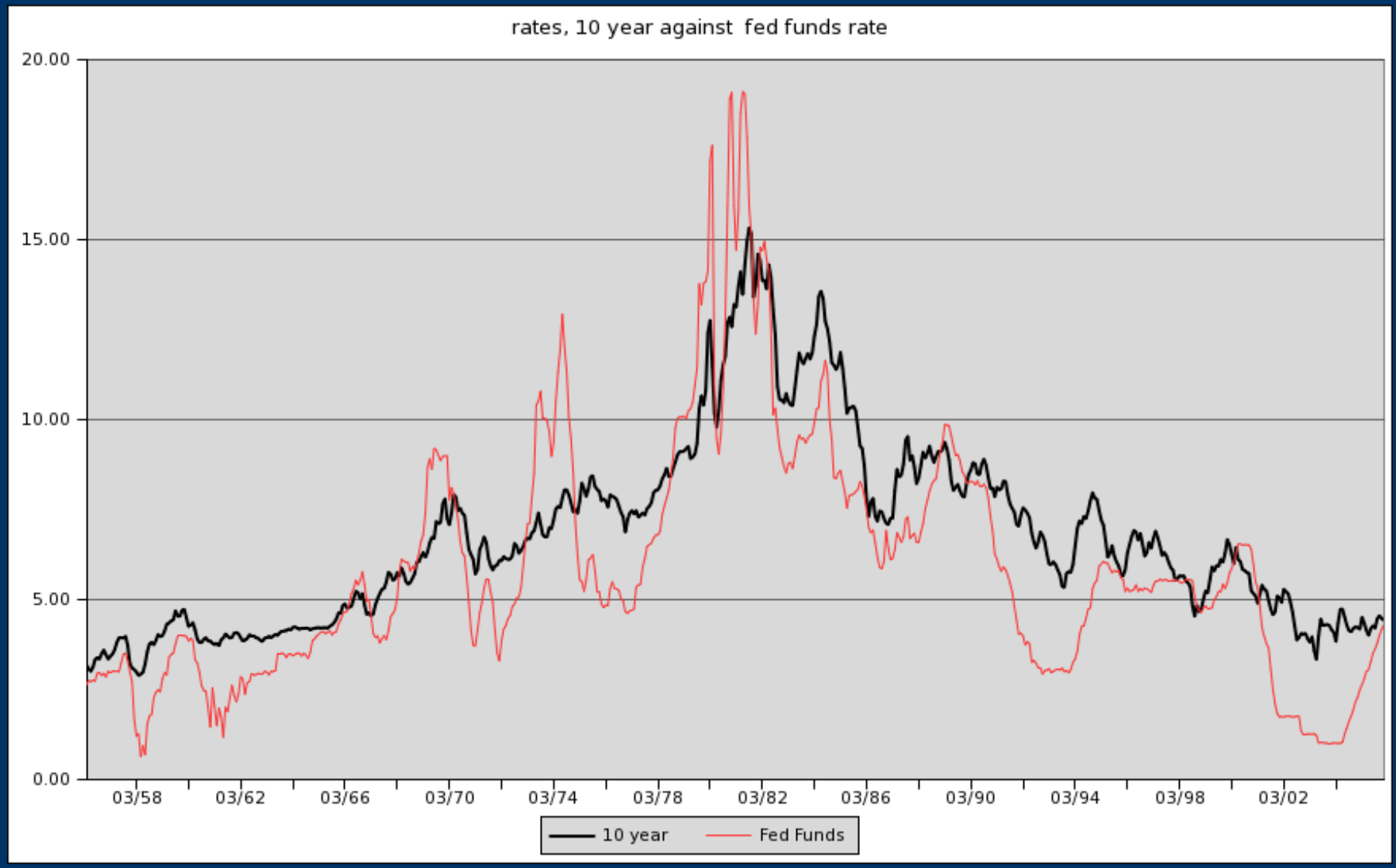
- Gann's time overbalance
- New highs / lows
- Rule of 20
- Gann's decadial cycle

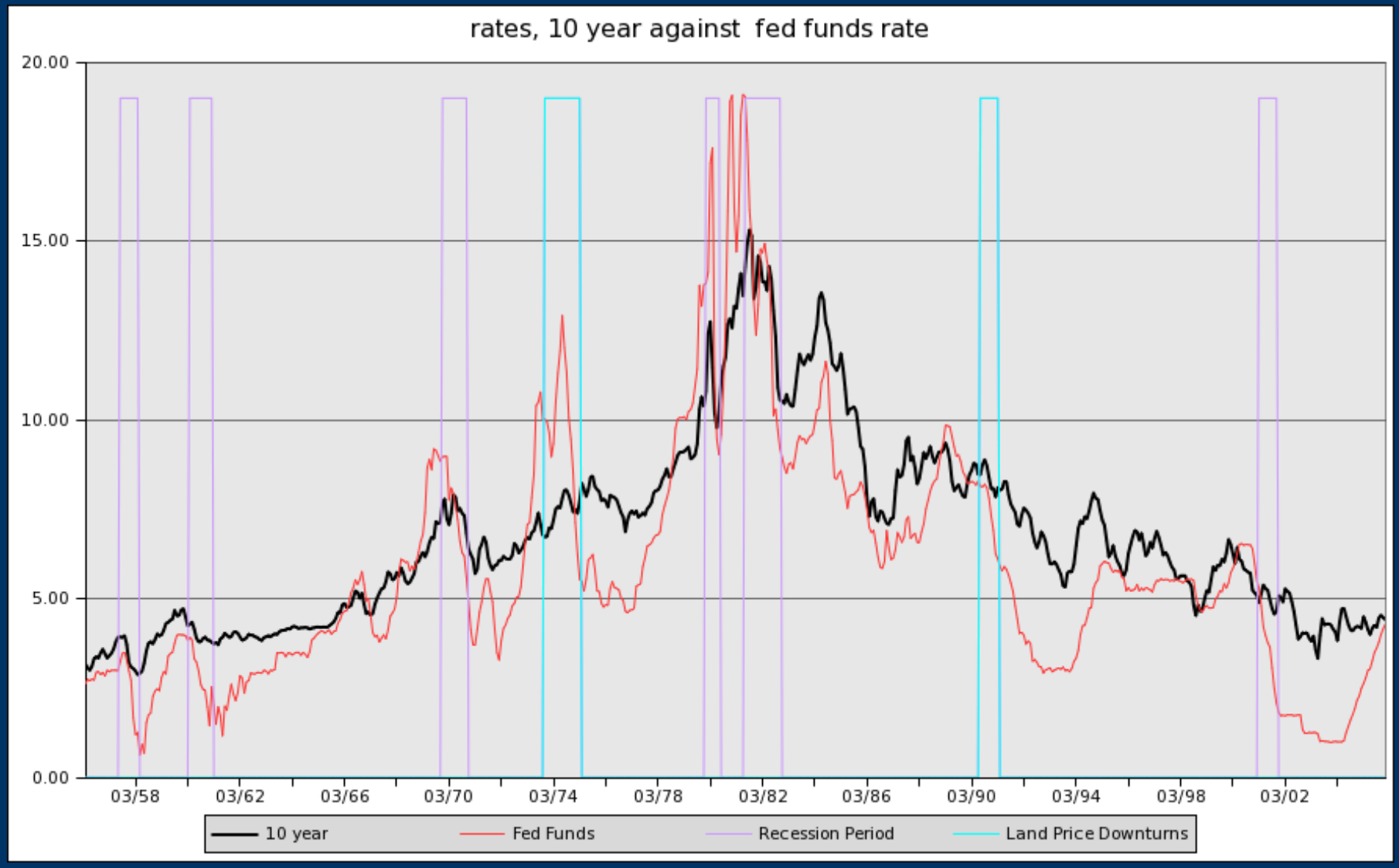
Economic

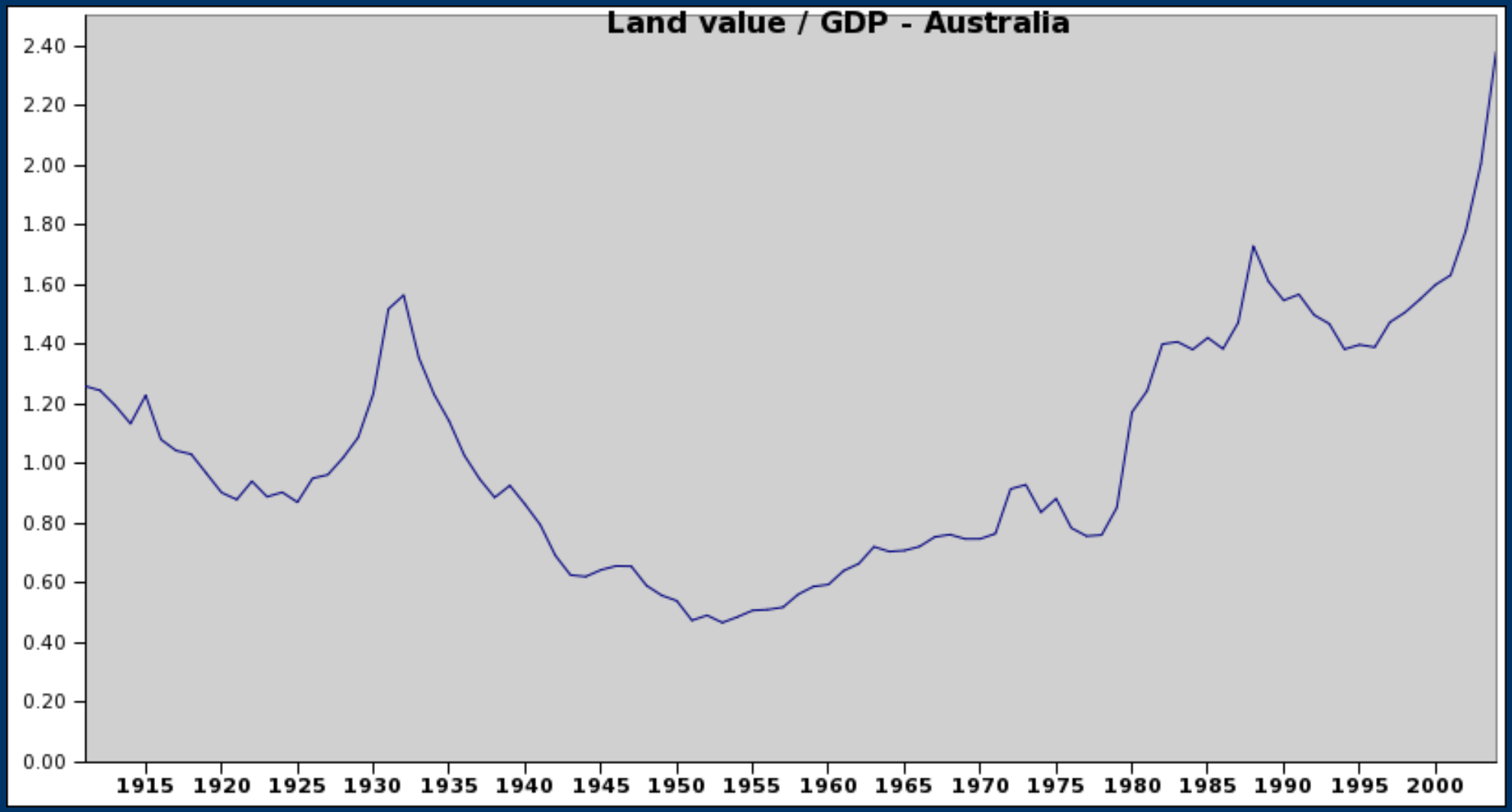
- Fashion
- Bliss index
- Cantillon indicator (tall buildings)
- Money supply
- Yield curve
- Rent enclosures (land price, taxi plates)

Our market is not at all excessively valued, just the opposite in fact, despite the move up into March 05. Still plenty of room for the market to go higher, which I expect it to do gradually in the next two years.




rates, 10 year against fed funds rate
20.00
15.00
10.00
5.00
0.00
03/58
03/62
03/66
03/70
03/74
03/78
03/82
03/86
03/90
03/94
03/98
03/02
10 year
Fed Funds


rates, 10 year against fed funds rate
20.00
15.00
10.00
5.00
0.00
03/58
03/62
03/66
03/70
03/74
03/78
03/82
03/86
03/90
03/94
03/98
03/02
10 year
Fed Funds
Recession Period
Land Price Downturns


Land value / GDP - Australia
2.40
2.20
2.00
1.80
1.60
1.40
1.20
1.00
0.80
0.60
0.40
0.20
0.00
1915
1920
1925
1930
1935
1940
1945
1950
1955
1960
1965
1970
1975
1980
1985
1990
1995
2000