

INDEXES - World Charting Report

using *Integrated Pitchfork Analysis*

(Please firstly read the Disclaimer at last page, and then the Report)



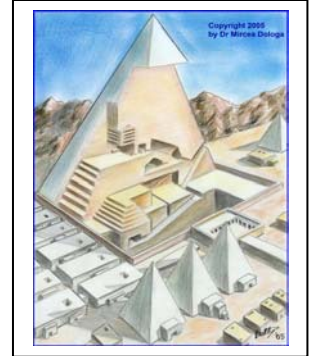
www.pitchforktrader.com

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Go with the market, let it be your guide.
Never impose anything on its behaviour.

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GUEST SECTION

This is the first issue of World Charting Report, which proposes an original “*Know How*” in technical analysis. We intend to continue this experience every time when somebody is interested to share his/her knowledge with our students of markets.

Any contribution is welcome !!!

Ms Dawn Bolton Smith is a Honorary Life Member of the Australian Professional Technical Analysts Association in Sydney, Australia. She is trading for more than 50 years and her main areas of specialties are Squares of Gann – 108, 144, 177, Harmonic Emas 5; 15; 30 (*on all time frames*), Directional Movement 11 period ADX and Parabolic SAR Stop usage.

Why Gann’s Square of 177 ?

By **Dawn Bolton-Smith**
Sydney, Australia

The example half hourly chart on Australian ASX 200 Index (XJO) maintained by hand on *one mm* chart paper clearly defines the importance of using Gann 177 square and the Gann Boxes which create the intra day support and resistance levels.

For this reason I call 177 (and 144) “*magic squares*”. I have placed the plastic overlays on the price action since the high on 12th March to 19th April as a prime example of using the square, which has pin-pointed the precise levels in the current downtrend. This is an essential chart for intra-day traders.

This manual-made chart eliminates the “*range noise*” and does not compare with a computer one. The two manual-made chart examples with the square of 177 placed on the high (refer to *Fig. 1*) and the second square (refer to *Fig. 2*) on the lower high, which is one of W.D. Gann’s techniques.



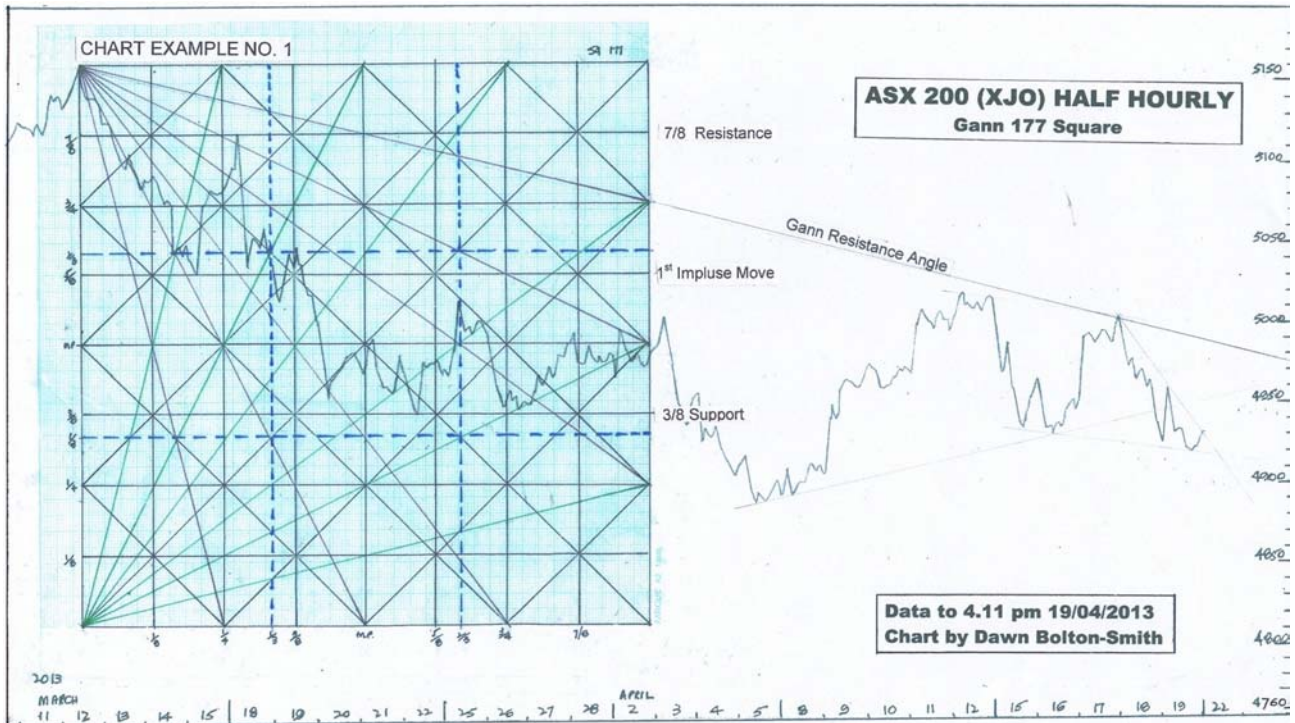


Fig. 1 - Gann's Square of 177 drawn from the highest high.

Examination shows the importance of 2/3rds divisions in both time and price to assist in timing in a developing trend.

I continue to be amazed at the accuracy this chart provides. 177 is also the time between eclipses. The two examples are well worth studying closely.

Why square of 177? I discovered the 177 vibration from the 2007/2008 top on 1/11/07 to the 17/3/08 low after which I constructed a 177 square – this was on a daily close chart on *one mm* paper. The rally moved up to the mid-point of the square into several angles of resistance which proved to be very important as the bear market resumed and a low on 20/11/08 – 177 TDS from 17/3/08 low.

This square proved invaluable and I currently applied to the low on 4/6/12 and the high on 12/3/13. I used the 45 degree angle lines of the highs and lows and the angle crosses for the important pivot points. Some interesting calculations made on 14/3/13 – (Feb 5102 High to Mar 12 = 177 time periods):

Feb 21 – 4980 -higher low 26/2 = 4985
 5162 Hi – 4985 = 177 points
 5152 Hi - 4980 = 182 points

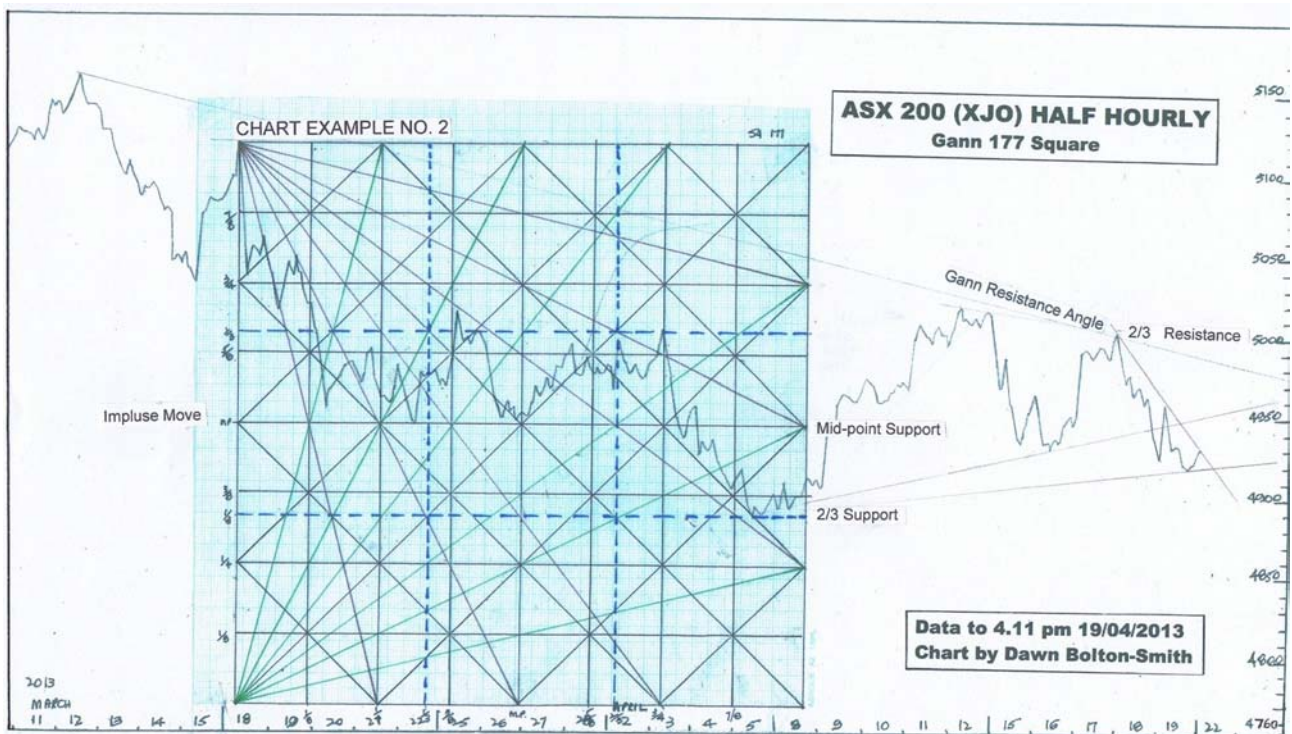


Fig. 2 - Gann's Square of 177 drawn from the second high.

Angles clustered at mid-point of square. The square had a big range $5162/4980 = 4806$. Support low occurred on 19/4 4920 2×177 high = 11:30 am on 22/4 and price resistance on 4960. The Gann resistance line off 5162 high at 4:11 pm was 4982; at 23/4 the level was 4976 and was 4970 on 24/4. A 30-ema works well on this chart in the current falling trend 19/4 = 4999.

Mr. Michael S. Jenkins believes the hourly chart to be the most important and it should be drawn by hand, otherwise you will never really understand the markets. The time is well spent maintaining these charts, which supply extremely important information for both short and intermediate time frames – especially valuable to serious traders. This technique can be also used on daily charts, which you should maintain for the big roadmap. They are especially useful when charted on *one mm* paper. At times Gann's Master Square of 144 works well – you should run your squares over the chart to pick up the vibrations as they present themselves. *The hourly chart is the one that shouts when the others stutter!*

As a further point of interest, I keep an hourly on the Dow Jones and it too provides great technical signals. It seemingly topped at the return line of an uptrend channel and with lower high pm 13/4/13 (*gold collapsing*) and currently getting support at 14501. It is also starting to show Gann Boxes on the 144 square and from lower high has found support after falling two Gann Boxes. In terms of time from the 17/11/12 low = $6 \times 144 = 24/4/13$.

Practising these simple Gann techniques and applying them to very sensitive time frames will give you a deeper understanding of price and time by simply using basic geometry instruments, a compass and a plastic ruler for *one mm* paper. This will certainly help you to get a more profitable trading.