Indices - Trading Mercury Retrocycles:

Hi folks,
Up front, my fundamental knowledge about US markets is very limited, so be sure to do your own research.

Here's some astrotools that are applicable to many indices, about 4 times every year, as Mercury goes through its retrograde routine.

Mercury for daytraders:

Whilst daytraders may be mostly using the Moon and the angles intraday, Mercury may also be used on the day it is exact, but should not be relied on to sustain a trend past the close of business in that session, if we stick to our definition of daytrading.

Mercury for short-term traders:

For short-term trading, we may see triggers by Mercury starting substantial moves over 3-5 trading days, especially where it is in a positive mode, according to sign rulership.

As always, any analysis that is confirmed by market action +/- ONE degree of exact, lends further weight to our bias for that planet, on subsequent turns of the wheel.

Watching market values, as Mercury transits across its retrograde stations, will often give us a pivot line and may also help us, with a bias for market direction.

For example, check the current level of your market at:

21-22 July 2004 = Mercury 25 Leo - first pass

26 July 2004 = Mercury ingress Virgo - own sign positive

10 August 2004 = Retro station 8 Virgo

23-25 August 04 – Sun Mercury conjunction

25 August 2004 = Reverse ingress Leo - leaves own sign

02 September 2004 = 25 Leo second pass + direct station

10-13 Sept 2004 = Ingress in Virgo - own sign positive

15 September 2004 = Direct over 8 Virgo - final pass

Often we see markets at the same values, at corresponding degrees of the zodiac, so any deviation to plus or minus will give us a good guide to market attitudes and trends, especially as Mercury makes its final pass over its most recent retrograde station.

For example, the ES market shows us:

ES Sept 04 futures on 21 July 04 had a big range from, 1116 high to a 1090 low, so for this exercise let's use the mid point 1103 ..... and the ephemeris says, Mercury was transiting over 25 Leo.

On 26 July Mercury entered its own sign of Virgo and the ES market made a swing low, with a close at 1083. Next day, it started on a 5-day rally.

On 10 August 04, the ES market confirmed the low, by lifting off from the doji close, at 1064, just as Mercury sat on its retrograde station, at 8 Virgo.

1064 has also been tested a few times, since then.

On 23-25 August, we have three significant events, two of which involve Mercury .....

Sun conjunct Mercury at 0 degrees Virgo

Mercury reversing out of its own sign, back into Leo.

Sun Leaving its own sign.

So, on that date we may expect that market to trade through 1083 (same as 26 July 04) ..... if it is trading higher, then it is showing strength and our target would be 1103, again.

If it is below our 1083 on 25 August, then it may well be testing the lows of 1060, again.

On 02 September 04, Mercury is on station to go direct again, at 25 Leo ..... looking for 1103 ... the same level as its 26 July transit .....

Over the weekend 10-13 September 2004, Mercury again makes its ingress into its own sign, which is likely to see yet another turn in US markets.

Two days after that, on 15 September 2004, Mercury makes its final pass over 8 Virgo, in direct motion.

Often, market levels will be the same, on the relevant dates, offering a pivot, rather than an extreme high or low.

It takes a change in thinking, but if you are less concerned about relating the markets to cents/day and get focused on using the planetary moves, eventually it becomes second nature and the NUMBERS are all that matters.

Using calendar days may also help get a better handle on the relationships, between time and price.

Should also add the following comments, about monitoring the cash markets, too .....

In this case, by using the same analysis on the S&P500 cash market, we can also introduce another practical and simple tool for timing intraday entries/exits at market extremes.

Cash markets are the underlying instruments for trading the futures, so it makes sense to analyse them in the same way.

By doing so, it strips away one unnecessary layer of sentiment, that being the emotion shown in the futures markets.

Due to the very liquid nature of ES and SP500 futures markets, the premiums or discounts are not as pronounced as in more thinly traded markets like the Aussie SPI.

However the following principles apply in ALL indices:

Evaluate the cash markets, using the same methods, as they will often provide a guide for support/resistance levels in the futures markets.

By monitoring the DIFFERENCE between the cash market and the futures market, we can often see when markets are at extremes and fine tune entries and exits on an intraday basis.

This is taking advantage of Gann's principle of "lost motion", where markets spike through support/resistance intraday and finish in anticipation of a trend reversal, during the next trading session.

For example from past experience, we can see that the Aussie SPI futures may be trading at a 45 point premium or discount to the cash market, at market extremes.

By monitoring that differential between cash and futures markets, we can then anticipate that a return to that differential will provide a marker for a low/high and confirm our other analysis of that market.

Cash markets are the markets proper, whilst the futures markets simply add another level of market emotion.

Eliminating one level of emotion may help some to analyse their chosen market a little easier.

Whilst markets can sometimes be led by futures players at extremes, they soon come back into line, using the cash market as a constant guide.

No major moves can be made, unless the underlying market is going in that direction, too ..... so for our natal astrocharts

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Finally, many astrotraders make it all way too complex, by insisting on using corrected times for the Ascendant and so on ..... that's fine for serious daytraders, but it makes for stressful trading.

For and EASIER and PRACTICAL don't be too concerned about verifying exact times for the natal chart. Instead, use the opening, noontime or close of business times, on the First Trade Date.

That is, FORGET ABOUT the HOUSES & their interpretations (the manmade stuff) & just get focused on the "god-given" details, like the planetary movements, signs and aspects.

happy trading all

yogi

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