

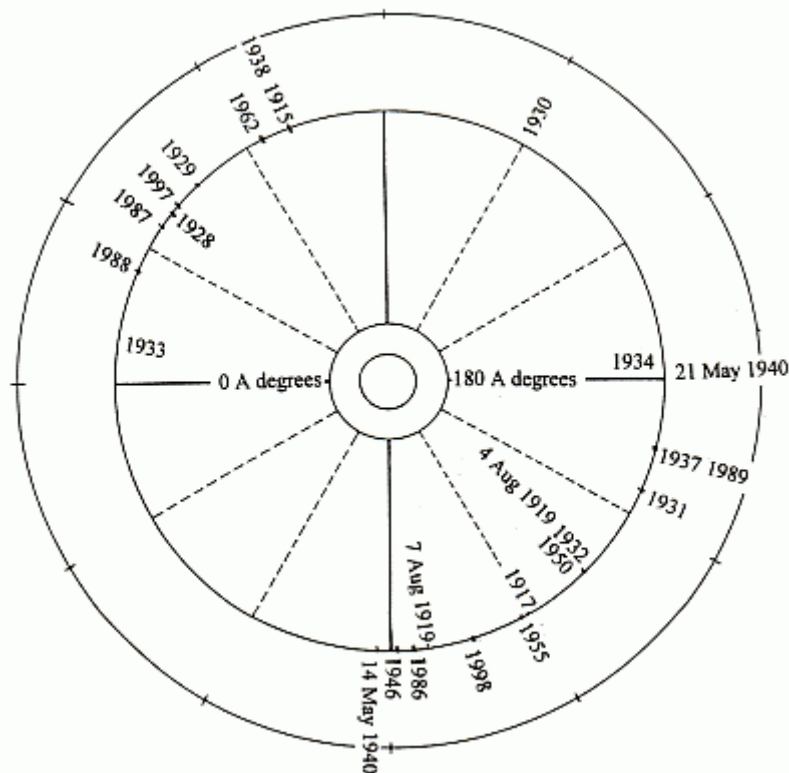
# LUNAR PHASE & FINANCIAL PANICS

## Moon Sun Finance

David McMinn

The most amazing correlate in Moon Sun finance arises between lunar phase and the timing of major US stock market panics. The accompanying diagram shows the relationship between lunar phase and the annual one day (AOD) falls over  $-4.50\%$  for the Dow Jones Industrial Average (DJIA) for the 1915 to 1999 era. Lunar phase nearly always showed up in two quarter segments, between first quarter & full Moon and third quarter & new Moon, with only one exception in 1930. This diagram was first presented by yours truly in 2000 and published by the Australian Technical Analysts Association. (NB: The annual one day fall is the biggest one day % decline in the DJIA in the year commencing March 1 and represents the maximum crisis intensity during the solar year.)

**Diagram 1      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.

If one extended the period from 1910 to 2008, the following events may also be included:

Date	Event	Phase Angle
Jan 20, 1913	AOD fall -4.90%	153
Jul 30, 1914	AOD fall -6.63%	099
Apr 14, 2000	Tech Wreck	130
Sep 11, 2001	WTC attack	281
Jul 23, 2002	AOD fall -4.64%	122
Jan 21, 2008	Stock market panics	169
Oct 15, 2008	AOD fall -7.85%	192

Of the total 30 major DJIA AOD falls between 1910 and 2008, only in 1930 and 2008 did lunar phase not fall within the two quarter segments noted in the diagram. The finding was extremely significant ( $p < 10^{-6}$ ) and would be like tossing a coin 30 times and getting 28 heads.

### The 54/56 Year Grid

Table 1 presents the 54/56 year grid by McMinn (1986 & 1995), which contained numerous major financial crises and panics. Years in **BOLD** experienced major US and Western European crises as listed by Kindleberger (Appendix B, 1996), while additional crises and DJIA AOD falls were presented in Appendix 1. Remarkably, lunar phase for these 19 crises and panics occurred with lunar phase between 090 & 190, as well as between 290 and 350, with NO EXCEPTIONS. This gave a similar lunar phase distribution to that established for DJIA AOD falls in Diagram 1.

Curiously, all 9 DJIA AOD falls ( $\Rightarrow -3.60\%$ ) within this 54/56 year grid occurred in the four months to November 15, with an emphasis on October (67%).

**Table 1**

### 54/56 YEAR PANIC CYCLE

		Sq 01		Sq 03		Sq 05				
						1761	+ 54	1815		
				<b>1763</b>		+ 54		1817		
		1765		+ 54	<b>1819</b>	+ 54	<b>1873</b>	+ 54	1927	
		1767	+ 54	1821	+ 54	1875	+ 54	<b>1929</b>	+ 54	1983
1769	+ 54	1823	+ 54	1877	+ 54	<b>1931</b>	+ 54	1985		
<b>1825</b>	+ 54	1879	+ 54	<b>1933</b>	+ 54	<b>1987</b>				
<b>1881</b>	+ 54	1935	+ 54	1989						
1937	+ 54	1991								
1993										

Source: McMinn, 1986 & 1995.

## Conclusions

The two findings from this study support a very strong Moon Sun effect in market activity and the outcome is the same in each case – a preponderance of lunar phase between 1<sup>st</sup> qtr and full Moon as well as between 3<sup>rd</sup> qtr – new Moon. Although the samples are small, the outcome overwhelming supports this finding.

A very strong Moon Sun effect in market activity was firmly supported, 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 should not arise. One of the theories has to be wrong – modern economics or Moon Sun finance.

Free market capitalism fails the most fundamental test in economics - that is efficiency. What is more ridiculous than a world financial system highly dependent upon the heavenly positions of the Moon and Sun. Trillions of dollars in financial assets are traded every day worldwide. This is supported by a massive investment in research, trading infrastructure, communications, media and so forth. All this activity is largely driven by the mass mood and Moon Sun effects, creating a market that is grossly inefficient and prone to periodic breakdown.

A more realistic evaluation is essential if economic theory is to progress, although adjustments will not be made anytime soon. As commented by the famous John K Galbraith, “*Economists are economical, among other things, of ideas; most make those of their graduate days last a lifetime.*”

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## References

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## Appendix 1 FINANCIAL CRISES IN THE 54/56 YEAR GRID

<b>Black Day</b>	<b>Event</b>	<b>Sun E°</b>	<b>Moon E°</b>	<b>Phase A°</b>
May 09, 1873	Austrian Black Friday	049	193	144
Sep 19, 1873	US Black Friday	177	155	338
May 13, 1927	German Black Friday	052	195	143
Oct 29, 1929	US Black Tuesday	216	182	326
Oct 19, 1987	US Black Monday	206	170	324
<b>Other Crises From Kindleberger (1996)</b>				
Jul 25, 1763	Dutch panic. DeNeufville failed.	122	309	189
Dec 17, 1825	British panic. Argentine speculations.	265	358	093
Jan 30, 1882	French panic. Union Generale failed.	311	089	148
May 11, 1931	Austrian crisis. Creditanstalt failed.	050	341	290
Sep 20, 1931	Britain abandons the gold standard.	177	286	109
Mar 06, 1933	US bank holiday imposed.	346	101	115
Sep 22, 1985	US\$ crisis. Plaza Accord.	180	285	102
<b>Additional Crisis by Kitchin (1933)</b>				
Jun 15, 1875	British crisis. Alexander Collie failed.	084	226	142
<b>DJIA AOD Falls =&gt; -3.60%</b>				
Oct 09, 1871	US panic. Chicago fire (a).	195	139	303
Oct 08, 1927	AOD fall (-3.65%)	194	344	150
Oct 28, 1929	AOD fall (-12.83%)	215	168	313
Sep 24, 1931	AOD fall (-7.07%)	181	338	157
Jul 21, 1933	AOD fall (-7.84%)	118	108	350
Oct 18, 1937	AOD fall (-7.65%)	205	009	164
Oct 19, 1987	AOD fall (-22.61%)	206	170	324
Oct 13, 1989	AOD fall (-6.91%)	200	004	164
Nov 15, 1991	AOD fall (-3.91%)	233	335	102

(a) This was the biggest one day fall in the New York stock market during 1871.