

The cycle of death

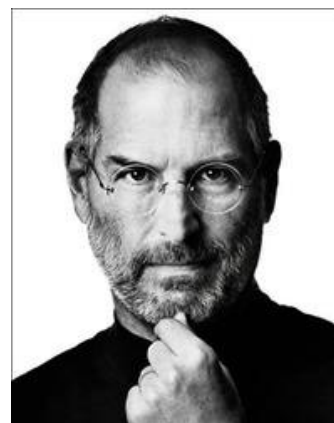
[Ed: Frank De Baere is a young Belgian farmer with an Engineering degree. He became interested in trading from reading many of my published articles and eventually attended one of my tutorials in New Zealand. Frank had no previous exposure to trading or markets but was a sponge for knowledge. He took a particular interest in our 4th Seal forecasting technique taught for the first time at that tutorial. With diligence and application to all things Danielcode he has become one of my star pupils and wants to pursue a career as a professional trader. He is well on his way and we are supporting his entry in the Robbins World Cup of Trading in which he is placed third currently. For the 2014 version, Frank started just 6 weeks ago but is getting his feet wet and learning Robbins trading platform. We expect great things from this delightful young man. As a devotee of our 4th Seal forecasting technique, Frank manages our 4th Seal forecasting program for a number of markets. He has appeared on a few of my webinars and I am delighted that he has found time in his busy life to pen this article for your edification and enjoyment. JCN]

Death is usually something we don't like to talk about much less think about. It reminds us that our time is limited and that someday in the future our life on this beautiful planet will come to an end. Many are scared of dying even though it's the natural cycle of life. But occasionally you come across people who are inspired by death:

“Remembering that I'll be dead soon is the most important tool I've ever encountered to help me make the big choices in life.

Almost everything--all external expectations, all pride, all fear of embarrassment or failure--these things just fall away in the face of death, leaving only what is truly important.

Remembering that you are going to die is the best way I know to avoid the trap of thinking you have something to lose. You are already naked. There is no reason not to follow your heart.



No one wants to die. Even people who want to go to heaven don't want to die to get there. And yet, death is the destination we all share. No one has ever escaped it, and that is how it should be, because death is very likely the single best invention of life. It's life's change agent. It clears out the old to make way for the new.”

But this article is not about death, it's about timing turns in markets, more specifically the big ones. In my endless search for knowledge on how financial markets work I came across what are probably the two most important articles ever written on market timing: "Master Class I-It's about Time" and "Master Class II - Timing Gold". Both of these articles were written by my mentor John Needham and are available for reading under the articles tab at the Danielcode website (www.thedanielcode.com). In these articles John will explain to you how the prophet Daniel (yes, that's the one from the Bible folks!) knew the basic unit of sacred time and all its fractals centuries ago and that these fractals (when projected to time we call them time cycles) still rule all life and death (and that includes financial markets) to this very day.

Did you know that Princess Diana died when a Danielcode 59 top cycle expired? Did you know that the explosion of BP's Deepwater Horizon that created the oil spill in the Gulf of Mexico in 2010 came on a 59 top cycle? And that that same oil spill was stopped when the Danielcode 62 bottoming cycle expired. Impressive right? There are many more examples but before you condemn me to the "what are you smoking" category let me show you what I mean.

Time analysis here at the Danielcode is always done on 6 day charts or fractals of that. The reason for that again comes straight from the Bible:

[Exodus 34:21](#)

"Six days you shall labor, but on the seventh day you shall rest"

So a Danielcode timing chart consists of bars that contain 6 trading days. Additionally we also examine DC time on fractals of 6 day charts: $2 \times 6 = 12$ days and $4 \times 6 = 24$ days. A Danielcode week is 6 trading days, a Danielcode month is 24 trading days.

The basic unit for sacred time is 29.66. Where this number comes from is explained in detail in the "Live at the Springs" audio also available on the DC website. Fractals of 29.66 are calculated by multiplying and dividing time by 2 also explained in the same audio. And that's how John Needham discovered the basic time cycle that rules all financial markets: 2 times 29.66 which is 59.3.

59.3 is the major vibration of all futures markets. It rules markets in time and price and when projected correctly it can evolve into a death cycle that times the end of a major move or trend. If you look at the major top in equities in October 2007 you will notice that the high (these cycles predict the momentum high or the closing

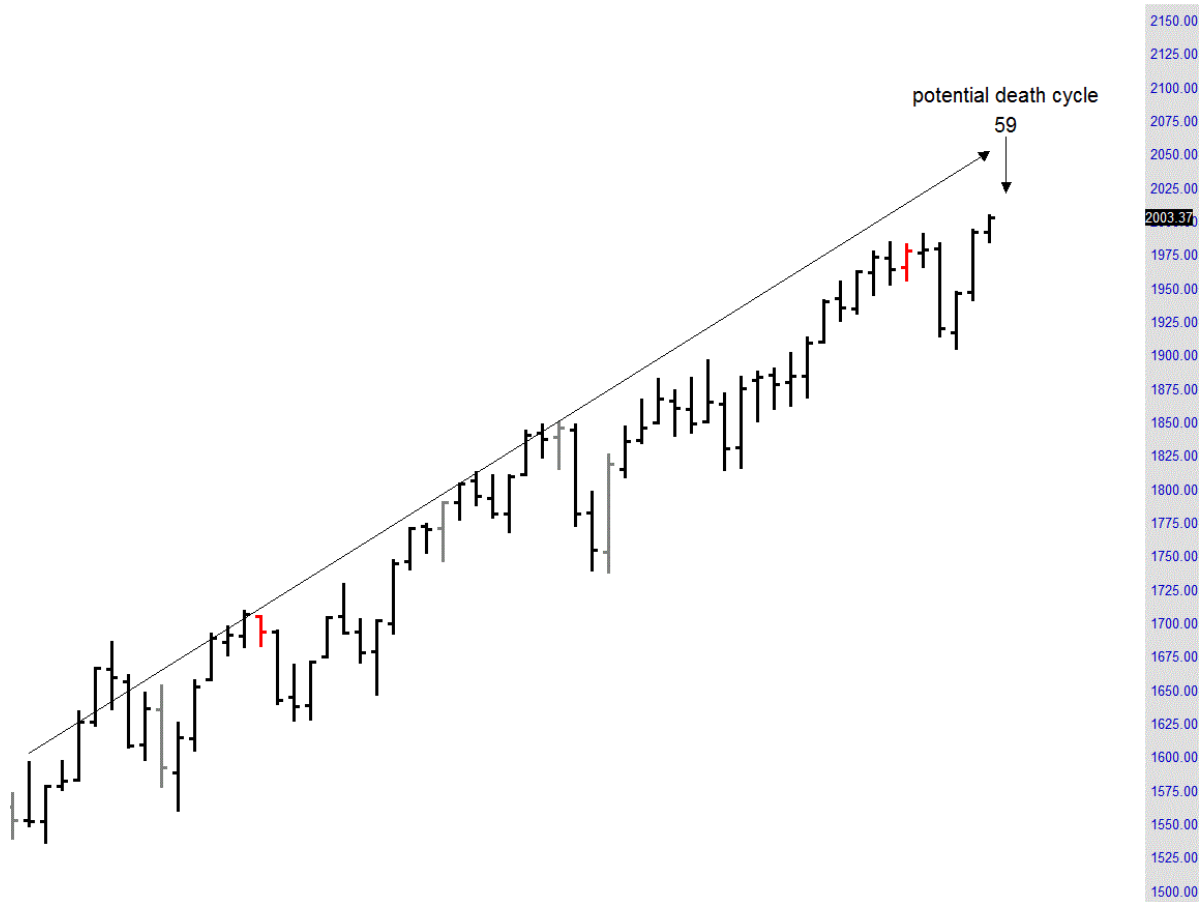
high) came when a DC 59 death cycle expired. The rule for a 59 death cycle is that it must originate from a swing high and it must expire for the first time on that swing high. You can see the setup of the following 12 day chart of the S&P.



And that's how the Danielcode predicted the major 2007 high in equities. There were death cycles expiring in October 2007 on the 6 day, 12 day and 24 day charts and on top of that the S&P was at major 5th seal resistance and at a major DC price level. Time and price were “squared” and that setup created the perfect environment for the turn down.

It seems easy right? Well I'm going to have to disappoint you here. Not all 59 cycles are death cycles. A death cycle must explicitly conform to the rules (originate from a high and expire the first time) but even with those rules we know that when time and price are squared a high is at hand but we cannot predict how much downside momentum will follow out of that high. Sometimes a 59 cycle just

gives you a intermediate top after which a decline follows and soon thereafter bottoms only to resume the larger uptrend. From the years of experience I'm privileged to have with DC time cycles I can however tell you a few things to watch for. First of all it's noteworthy to mention that in October 2007 there were 59 death cycles expiring on all DC time charts (6, 12 and 24day). So it did not matter whether you were looking at the weekly or monthly chart, it was basically telling you the same story. Very interesting. It's also interesting to see that these 59 death cycles originated from minor vibrations. The swing high from which the 59 time cycle originated was in all cases just a small swing high in an ongoing uptrend. Very subtle and almost insignificant. It seemed small but it's consequences were huge on expiration. Thirdly it is also important to notice the October 2007 high came at an important 5th seal resistance line (the 4th and 5th seal is explained in detail on the DC website) right when the death cycles expired. Time and price where squared and the turn followed, the rest is history. And that brings me to the present. There is a point to all of this and for that I will examine the charts with you. Take a look at the following 6 day chart of the S&P at present on 08/29/2014:



Notice the 59 cycle coming from a small swing high. It's almost hidden in the larger uptrend but it's there. Investigating deeper let's see what the 12 day and 24 day charts reveal. First the 12 day chart:



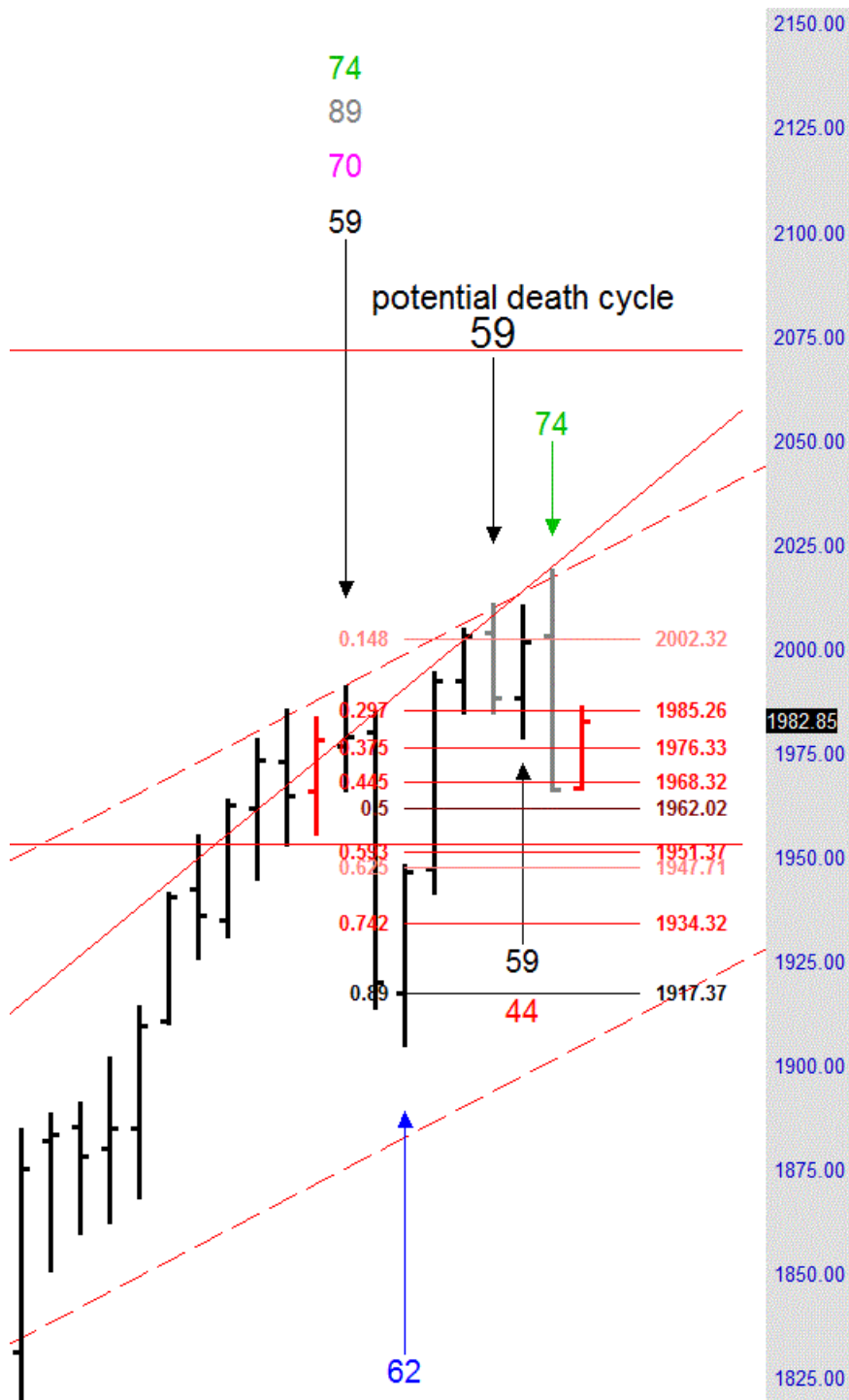
And here comes the 24 day chart:



Interesting right? I'd say it's more than interesting. It's outright dangerous! These death cycles have the potential to put an end to the amazing rally that started in March 2009. And if their power is anything like what it demonstrated last time they were active we could be looking at some big drama in equities.

Update on 09/28/2014:

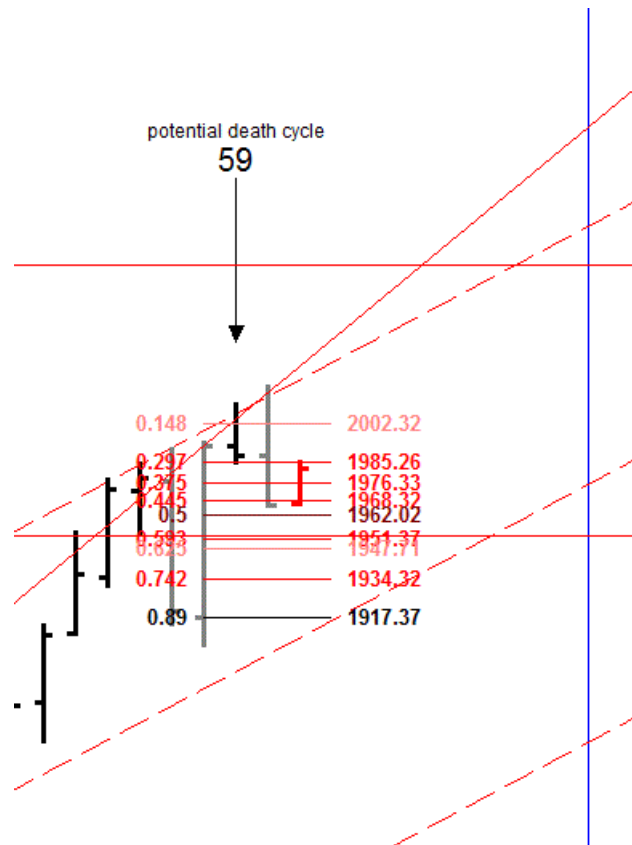
We are now a month into our death cycle warning so let's take a look at the setup. This is the 6 day chart of the S&P:



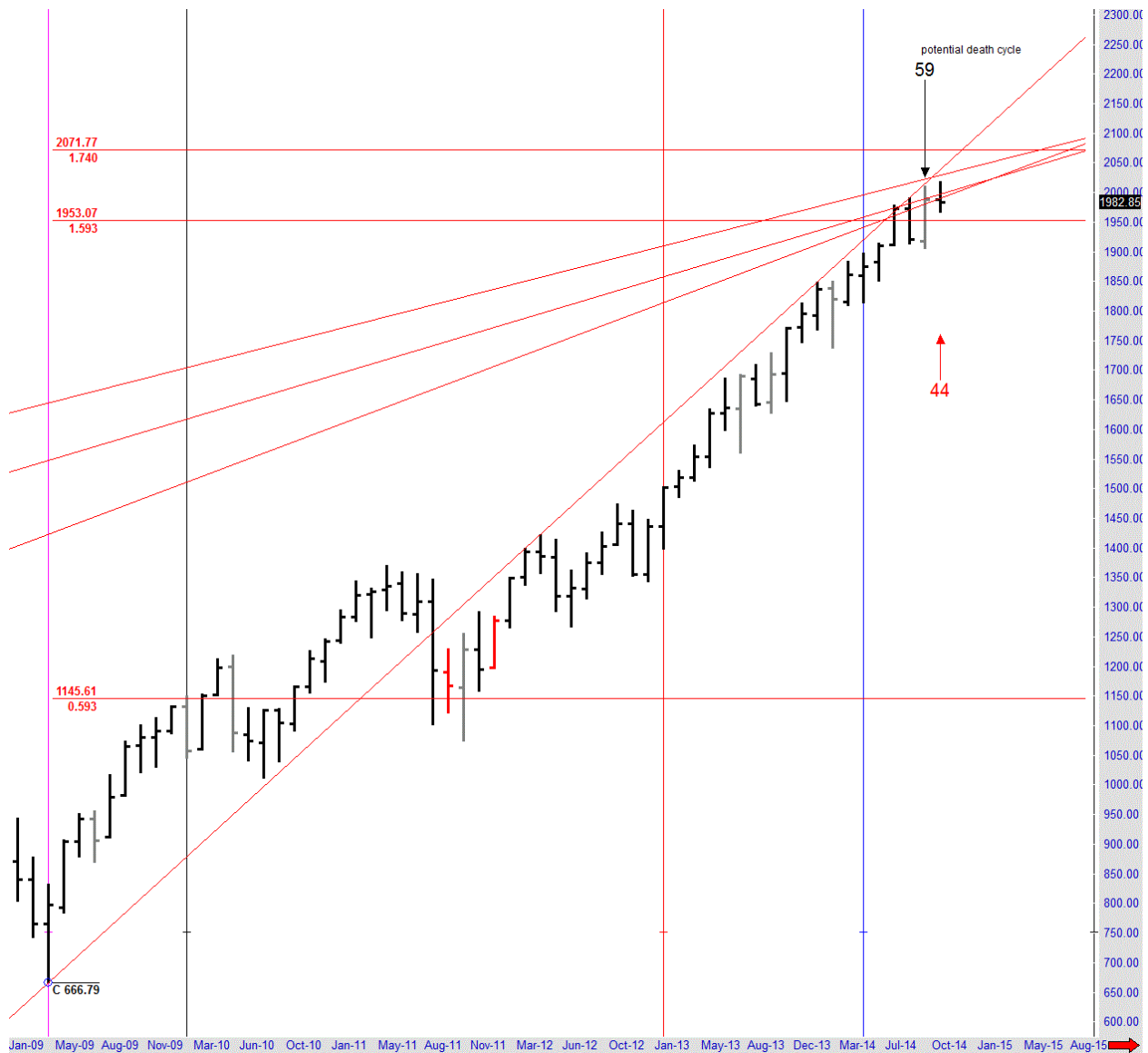
There are many important insights on this chart. First of all the market tested the upper standard deviation of the DC trading channel 4 times since early July but failed to close above it. This channel has been controlling the S&P for 5 years! Secondly it's just amazing how this market reacts to the DC time cycles where 59 cycles usually predict tops and 62 cycles usually predict bottoms. Cycles don't tell

us anything about the market momentum that follows the turn except for death cycles that usually predict the end of a major trend. And thirdly our anticipated 59 death cycle gave us a top, a test of the top the next bar and a higher high on the bar thereafter that failed to close above the high of our death cycle and immediately reversed into an outside reversal bar to the downside. That outside bar really tried to challenge the death cycle but the failed close above the high of the death cycle bar reconfirms the importance of the death cycle which is still active until we get a close above 2011.17 on the 6 day chart.

Next is the 12 day chart below. Again look at the multiple tests of the 2nd standard deviation of the DC trading channel. It holds back this market with stunning precision.



Also here the death cycle bar was challenged on a momentum basis but no close above it's high. That makes the death cycle alive and kicking. And finally the 24 day chart where the death cycle is also still active for the same reasons. Here the bar with the cycle on it has given us the closing high for the move so far.



And that's the basic story of this article. Equity markets are now at an important crossroads with a very precarious setup. These death cycles could turn the situation real ugly real fast. Mind you that a close on the 6 day chart above the high of the death cycle bar would negate our warning and would mean that the 59 top cycle just gave us a correction in an uptrend. But until that happens we are at clear and present danger of some real drama. And the fact that the test of our death cycle high failed to close above it just adds to this danger. You are warned! Subscribers to the 4th seal service on the Danielcode website have been warned for the past month and understand the current setup and it's danger. This is what they received in the weekly update since the end of August:

From the last 4 weeks :

death cycle alert !

The last 44 cycle did not cap the rally out of the last 62 bottom cycle on the 6 day chart. That seems bullish but at the same time it sets the coming 59 cycle up to become very important. This active DC week starting on Friday 8/22 has a 59 cycle on it. It was first scheduled as a low but since the market ran up beyond the 44 cycle of last week it becomes a potential high. Upon further investigation we also discover that this 59 cycle is a potential death cycle. A death cycle is always 59 cycle and it must originate from the first hop. This is clearly the case. Looking deeper into the 12 day and 24 day charts we see that also both of these charts have 59 topping cycles expiring in the active DC period which are also potential death cycles. And if this was not enough all time charts have the S&P at or close to 5th seal resistance which sets this market up for a possible turn. All Danielcode evidence is now warning of an important setup coming up. Death cycles are cycles that predict the end of a major move. FYI the 2007 top in equities had a 59 death cycle on the 6, 12 and 24 day chart in place which predicted the final high in 10/2007. I'm not saying we will have THE top tomorrow, I'm just presenting facts and DC analysis. That analysis has now the potential to evolve into something very important. And we have another potential 59 death cycle on the 6 day chart for next week.

2nd death cycle alert !

I repeat the death cycle alert from last week as the active DC week on the 6 day chart has another death cycle expiring at present. The death cycle of last week on the 12 day and 24 day charts are still working. The active DC week on the 6 day chart ends on 9/9 so any high this coming week has the potential of being THE TOP of the whole rally since 2009. Markets are now at a very very very crucial inflection point and to my knowledge this is the first time since October 2007 we had death cycles expiring on all time charts simultaneously (6 day, 12 day and 24 day). I realize this is a big statement but I can only show you the Danielcode evidence of what is unfolding before our eyes. The outcome will eventually have to prove itself. Just remember that major Danielcode warning signals are now flashing red. The S&P is now in the right time zone for THE TOP, is at 5th seal resistance and exactly at the 2nd standard deviation of the DC trading channel on the 6 and 12 day charts. All pieces of DC evidence are now in perfect position for the turn to happen. We should all be on super high alert here!

3rd death cycle alert !

All the evidence of last week is still in place. These death cycles run until this coming Tuesday. It takes a closing high after Tuesday to negate them. And even then we should be aware of the fact that they come with a +-1 day variance. The warnings of last week still remain. Equity markets are at a major crossroads.

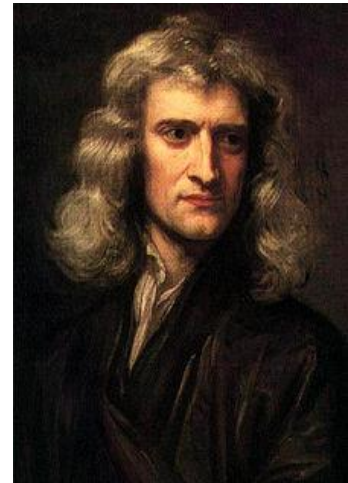
4th and final death cycle alert !

Major warning flags have been developing over the last few weeks that have put equities at a major crossroads. **Do not take these death cycles lightly!** They have a high probability to put an end to the rally that started in March of 2009. They came at 4th and 5th seal resistance, came on all time frames (6, 12 and 24 day charts) and have all the characteristics of being valid death cycles. It's time to be very careful because we are probably at the beginning of a major long term trend change in the global equity markets. I'm not trying to scare you, I just present the Danielcode facts as they have been unfolding over the past few weeks. We now have the first part of the confirmation of these cycles with a move below the low of the previous bar on the 6 day chart. The second part of that confirmation will come when we get a close below the low of the previous bar on the 6 day bar. Although we have a 59 bottom cycle coming up this week on the 6 day chart I do not put much weight on it being important. The 59 death cycle dominates in importance and magnitude and bottoming cycles appearing this early in the trend change should only temporarily hold up this market before the slide begins. Be careful here and make sure you get any sell signal.

After 4 death cycle alerts equities are trying very hard to overcome the burden of these powerful cycles. In the latest webinar was stated that death cycles originate from a high and must occur on the first hop. This is clearly the case on the chart so these cycles are definitely valid death cycles. Until now we did not have a close above the high of the bar with the death cycle on it so it's still active and working. Until we get such a higher close we must be very careful with this market and be on alert for a possible breakdown. The close of the next 6 day bar on the S&P happens this week on Thursday 9/25. Notice that the S&P is again at exact 5th seal resistance and has a 74 cycle top expiring this DC week. Another warning sign. We now await confirmation of the trend change.

For the few among you that are still reading and haven't condemned me to a mental institution I want to end with the true value of the Great Book we call Bible. And more importantly the prophet Daniel. The book of Daniel hides a big secret. Few realize the value and importance of the Danielcode ratios and even less treat them with the humility and respect they deserve. Sir Isaac Newton, one of the most prominent scientists of the 17th century was always intrigued by the words of the Bible and more specifically by the Book of Daniel. Just like the Danielcode members Newton too believed that many of the "keys" that we seek in life were contained in the Book of Daniel. In fact in his work "Observations upon the Prophecies of Daniel" Sir Isaac Newton explicitly warned about the value and importance of Daniel's words and more specifically about prophecy:

"The folly of Interpreters has been, to foretell times and things, by this Prophecy, as if God designed to make them Prophets. By this rashness they have not only exposed themselves, but brought the Prophecy also into contempt. The design of God was much otherwise. He gave this and the Prophecies of the Old Testaments, not to gratify men's curiosities by enabling them to foreknow things, but that after they were fulfilled they might be interpreted by the event; and his own Providence, not the Interpreters, be then manifested thereby to the world. For the event of things predicted many ages before, will then be a convincing argument that the world is governed by providence."



Sir Isaac Newton, the Father of Modern Science. Observations upon the Prophecies of Daniel, published 1733.

We completely concur and repeat Newton's warning on every 4th Degree page. If you truly want to learn about the secrets of markets and more specifically why and when markets turn then study what our mentor Daniel had to say 25 centuries ago. If you are interested come visit us at the thedanielcode.com. If you are excited like me then a tutorial (the next one is on Waiheke Island, NZ) will open a whole new world for you. The Danielcode number sequence provides significant price and time levels that markets recognize but others do not see. It controls all markets in all time frames. Realize that and you will benefit accordingly.

Frank De Baere
Belgium



"The fox knows many things, but the hedgehog knows one big thing. A Hedgehog Concept is not a goal, intention or strategy to be the best. It is an understanding of what you can be best at. The distinction is absolutely crucial". ~ Isaiah Berlin, The Hedgehog and the Fox