Decoding the Hidden Market Rhythm

Part 2: Metonic Cycles

by Lars von Thienen

A dynamic approach to identify and trade cycles that influence financial markets

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Decoding the Hidden Market Rhythm – Second Edition
A dynamic approach to identify and trade cycles that influence financial markets
Part 2: Metonic Cycles (Release 2014)

This book is designed to help readers obtain trading education. It discusses ways to trade the markets using cycle analysis in the decision process. There are no warranties implied. This book makes no guarantee that that you will make money trading any market.

The past performance of any shown trading system or methodology is not necessarily indicative of future results. Hypothetical or simulated performance results have certain inherent limitations. Unlike an actual performance record, simulated results do not represent actual trading. Also, since the trades have not actually been executed, the results may have under- or over-compensated for the impact, if any, of certain market factors, such as lack of liquidity.

Trading involves the risk of loss. Please consider carefully which trading instruments are appropriate to your financial situation. The risk of loss in trading can be substantial. However, the ability to assess risk is vital to a trader's survival. Conversely, without risk there is no profit either.

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This book stands in contradiction to
a quote from the world's bestselling finance book.

"The past history of stock prices cannot be used to predict the future in any meaningful way. Technical strategies are usually amusing but of no real value. A simple policy of buying and holding will be at least as good as any technical procedure."

Professor Burton Malkiel
Proponent of the efficient market hypothesis

"A Random Walk Down Wall Street"
2011, 10th Edition, page 161

Forward: Second Edition – Part 2: Metonic Cycles

This second edition of "Decoding The Hidden Market Rhythm" comes in three parts with extended content. Part 1 is about "Dynamic Cycles", Part 2 about "Metonic Cycles" and Part 3 about "Genetic Algorithm & Cycles".

The concepts presented can be replicated using the Standalone WTT Charting Module or the Wave59 Cycles Plug-In.

The original cycles tools were applied prior to the first release in 2010 and they remain the same in this second release. Additional examples have been added for explanatory and demonstration purposes. The additional content can also be reviewed in the video library ("Academy") on the WhenToTrade Website.

After the initial release in 2010, the standalone WTT Charting Module was introduced in 2012 and it marked a significant milestone. It enabled the implementation of cycle analysis supplementary tools. A new genetic algorithm was implemented as a precursor to the next dimension of cyclic analysis. Researchers can now advance cycle research and push the boundaries.

New tools, such as the Genetic Algorithm, is already available within the WTT Charting Module for our community. The second part "Metonic Cycles" introduces a non-linear predictive cycles model.

Lars von Thienen, February 2014

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