

Analyst Insight

The Number 144

By Jason Sidney

One number both Gann and Fibonacci agreed on was the number 144.

Gann found significance in this number because he placed significance on the squares of numbers, which in this case was the square of twelve e.g. $12 \times 12 = 144$. He considered 12 to be important because there are twelve months in a year, and one year represented one full cycle.

Fibonacci found significance in it because firstly it was one his numbers in his fibonacci number series e.g. 1, 2, 3, 5, 8, 13, 21, 34, 55, 89, 144... The other reason that made this number special was because it was the first number in his series that has an even square root, which is 12. It's also from here in his number series that when you divide any number into the number before it or behind it you will end with two other famous fibonacci numbers, which are .618 and 1.618.

The number 144 is as powerful as they can get, and its relevance in the stock market is truly outstanding. The bible is full of references to this number, proving that the number has been relevant throughout civilized mans existence.

On the chart below of Commonwealth Bank of Australia - CBA, we can see an interesting development that traders will need to become conversant with, and that is the multiples of numbers. To demonstrate this more clearly, we can see the market has been selling off until March 2003, and then starts to find support, some minor profit taking occurs and we then have a first higher bottom May 20, 2003. A strong run occurs up to the 23 June and then the market starts to sell off. At this level, we have had a run as follows:

Low 20 May \$26.26

High 23 June \$30.62

Range (the difference between high and low) is \$4.36.

Now there is nothing particularly noticeable there, until you have a look at a list of the multiples of 144. If we had a table handy of the multiples of 144, we would see that $144 \times 3 = \$4.32$.

The market then declined from this top for nearly three months to a low of \$27.00 on 12th of November 2003, and the interesting thing here is that the low on Nov 12, is amazingly 142 calendar days down from the previous high, only two days out on our important number of 144.



The market then begins to advance from this low on the 12th of November with another first higher bottom forming before the main thrust upwards. The market then runs up to a new high of \$33.54 on the 1st of April that is amazingly 141 calendar days from the low on the 12th of November.

From the high that occurs on the 1st of April the market then declines to a low of \$30.65 on the 11th of May 2004. The range in price down from the previous high just happens to be \$2.89, which is the equivalent to the number $144 \times 2 = 288$ and therefore a level of support to watch.

From the low of \$30.65 it then finds support at this level and then runs up to a high of \$33.48 on the 8th of June 2004 producing a Double top pattern and a range up from its previous low of \$2.83 which just happens to be another run of $144 \times 2 = 288$, and therefore a level of resistance to watch.

The market then declined heavily from this level catching many investors unaware of this phenomenon off guard, but allowing others familiar with number 144 and it many uses to profit from this activity.

Best Regards,

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