

# Technically Speaking



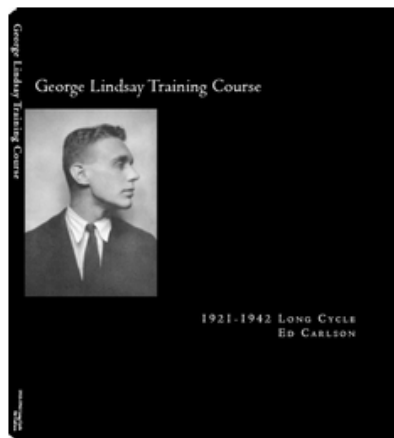
Market  
Technicians  
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## GEORGE LINDSAY TRAINING COURSE: 1921-1942 LONG CYCLE *BY ED CARLSON, CMT*

REVIEWED BY MIKE CARR, CMT

George Lindsay's work was largely lost to time until several years ago when Ed Carlson located old newsletters and pieced together the methods that Lindsay used. The reason Lindsay's work was lost was simply that he had never published a comprehensive description of how he forecast price moves. Instead, Lindsay wrote newsletters that offered

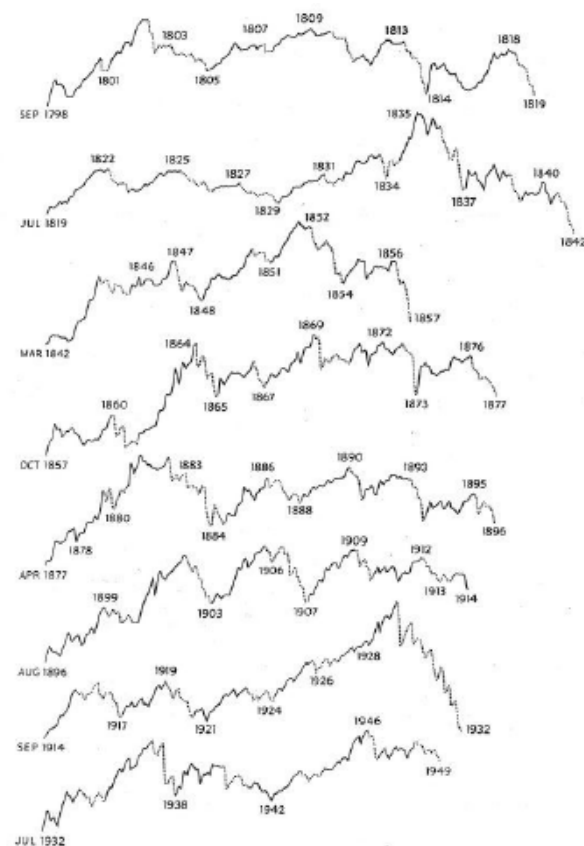


real-time examples of his work. His forecasts were accurate and his work was important but like many analysts from that time, his work was not fully explained.

Ed searched for copies of those newsletters and confirmed that Lindsay's work was useful. He also discovered that Lindsay's work was difficult to understand. Lindsay was a great market forecaster but he was not great at writing about what he did so that others could apply his techniques. In the past several years, Ed Carlson has done his best to correct that situation by reintroducing Lindsay's work to a new generation and for the first time presenting that work in a way that anyone can understand. In doing so, he has demonstrated that Lindsay's work has withstood the test of time and is still applicable in today's market.

In the most general terms, Lindsay used price charts to identify potential turning points. He did this by realizing that the same general pattern unfolded over many years and that regularity could be used to forecast significant market turning points. His approach was highly disciplined and highly rewarding.

The chart below shows how one pattern Lindsay used occurred over and over again in the stock market from 1798 to 1949.



This pattern is what Lindsay called the “Long Cycle” and each one lasted about twenty years. The Long Cycle could be divided into two Multiple Cycles and each Multiple Cycle is composed of two to four Basic Cycles.

This description is the highest level overview of the work but it expresses the general idea. In some ways, Lindsay’s work is similar to parts of the more widely known techniques developed by Elliott or Gann. In all three approaches, there are cycles, targets derived from the cycles and smaller cycles within the large cycle. Practitioners of those disciplines may want to consider reviewing the *Lindsay Training Course* as a way to supplement and confirm their analysis. Lindsay, however, differs from Elliott and Gann in a number of significant ways and analysts can benefit from Lindsay’s work without any understanding of those other techniques.

Elliott, Gann and Lindsay have all provided a way to determine when a market turn is expected. To me, the biggest difference may be found in the fact that Elliott and Gann incorporated cycles they found in nature while Lindsay used only the market action. Lindsay seemed to have felt that markets were independent entities and there was no need for market action to reflect anything other than human emotions.

As an example of how markets of today are similar to the market of 1798, Ed has updated Lindsay’s Long Cycle history. In the next chart, Ed highlights the Long Cycles that have occurred since Lindsay published his study that ended in 1949.



In the *Lindsay Training Course*, detailed instructions are provided showing how to identify the Long Cycle and its components. Explanations are supplemented with charts that are easy to follow and comprehensive. This is a step-by-step guide that requires no additional knowledge to implement.

Armed with an understanding of the techniques, technical analysts will be able to expand the work and discover potential applications in other markets and in different time frames.

Technical analysis has a rich history but, unfortunately, much of it has been forgotten. Lindsay is one example of a chapter that had been forgotten until Ed Carlson rediscovered his work and presented it in *George Lindsay and the*

*Art of Technical Analysis* (FT Press, 2011). Since then, Ed has added another book, three DVDs and now this Course to the Body of Knowledge.

Analysts investing time in the *George Lindsay Training Course* may discover new uses for work that was forgotten for decades. They will certainly discover probable turning dates for the current market cycle and the ones that will follow in the years ahead.

**Note: Ed Carlson will be giving a presentation on his book in the MTA's Educational Web Series. To register for this free webcast, visit <http://go.mta.org/3638>**

Ed Carlson, CMT, author of *George Lindsay and the Art of Technical Analysis, An Aid to Timing* (published in English, Japanese, and Chinese), and the *George Lindsay Training Course*, is an independent trader and consultant based in Seattle, Washington. Carlson is a contributor to *Technical Analysis of Stocks and Commodities Magazine*. He also manages the website [SeattleTechnicalAdvisors.com](http://SeattleTechnicalAdvisors.com), where he publishes daily and weekly commentary. He spent twenty years as a stockbroker and holds an M.B.A. from Wichita State University.

