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GEORGE LINDSAY'S AN AID TO TIMING **BY ED CARLSON, CMT; REVIEWED BY MIKE CARR, CMT**

Ed Carlson has produced a video to explain a tool developed by George Lindsay and almost lost in the history of technical analysis. For those unfamiliar with Lindsay's work, it is important to note that Lindsay predicted market turning points months to years in advance. In this way, it is more similar to the work of Elliott than to a trend follower. While the techniques of both Elliott and Lindsay offer a degree of precision in the hands of a skilled analyst, Lindsay seems to be more objective. Broad market patterns need to be identified and smaller wave counts are not needed. This distinction should allow traders and analysts to enjoy more consistent results with Lindsay.

As Louis Rukeyser told Lindsay during an appearance on Wall Street Week, "Your predictions are so specific and so long range, I think the remarkable thing is not that you're sometimes wrong but that you're ever right. I think it is absolutely incredible."

The video begins with a short quote from Lindsay:

"The first original idea I ever had on the stock market remains the best. In 1950 I published a copyrighted pamphlet "An Aid to Timing" which introduced the concept of the "Middle Section". In all the years since then, I have mentioned the principle only once in my advisory letter. Counts from the Middle Section are my prize way of calculating time in the market."

Technical analysts can always debate whether or not a trading tool is useful and that is true of the Middle Section. There is no debate about the fact that Lindsay's research may be valuable but his writing is difficult to understand. Ed has spent the past few years studying Lindsay and making his writing accessible. In this video, he explains the Middle Section in a way that allows other analysts to understand why Lindsay thought this tool was so valuable.

Lindsay noted that bull markets endure corrections. This correction, he noted, often occurs in the Middle Section of the bull, which is defined as a series of two reactions in the market that interrupt the uptrend and is essentially an extended trading range that occurs during a bull market. Once the Middle Section is completed, the Dow Jones Industrial Average must go on to higher highs before a larger correction occurs. Lindsay always worked with the Dow in his analysis although he wrote that the logic could be applied to other data series. For some reason, Lindsay cautioned against analyzing broader indexes like the S&P 500.

As its name implies, the Middle Section can be used to identify the expected midpoint of the bull market. Since the Middle Section can be identified in real time, analysts who recognize the formation of this pattern should be able to project, in advance, the time when the bull market will end.

As with technique that offers value in the markets, the Middle Section will require time and effort to understand. Ed has previously published *An Aid to Timing* as a book and this DVD builds on that work. Both works stand alone and either provides enough information to understand how to apply

the technique to the markets but each has a different way of presenting the information.

The complete rules are shown in the video and allow traders to forecast tops years in advance. An example of how Lindsay's work can be applied, recounted by Ed in *An Aid to Timing*, is seen in the 1950 Middle Section.

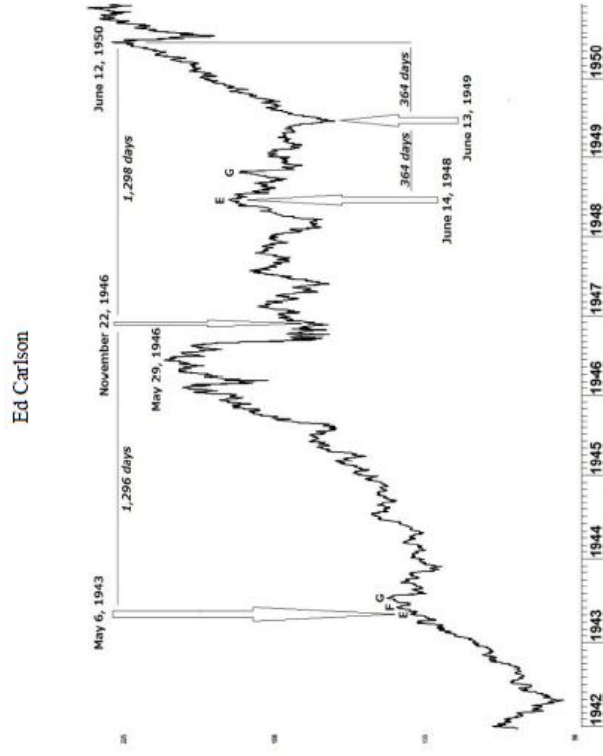


Figure 6.5

The technique is straightforward and fully detailed. The DVD provides all of the information needed to start applying the rules in less than an hour.

Lindsay demonstrated that the Middle Section can be identified in every major bull market from 1789 to the 1950s. Lindsay also called the bottom of the bear market in 1982. He passed away before witnessing the end of that

long cycle in 2000. Ed is continuing his work while sharing it with a new generation of technical analysts.

A large amount of research into these techniques is still needed. The question of how effective the Middle Section and other Lindsay tools would work in international markets has not been answered although it is likely that the timing would be just as accurate in any global market. Ed has completed the first steps towards that research by making the tools available. He has also offered a potential edge to traders willing to study charts to identify the Middle Section in any market.

Ed Carlson, CMT, is the author of the books *An Aid to Timing* and *George Lindsay and the Art of Technical Analysis*. He is an independent trader and consultant based in Seattle, Washington. Ed manages the website [Seattle Technical Advisors.com](http://SeattleTechnicalAdvisors.com), where he publishes daily and weekly commentary.



He lectures across the U.S. and Canada on the methods of Lindsay. He spent twenty years as a stockbroker and holds an MBA from Wichita State University. Additional information can be found at SeattleTechnicalAdvisors.com.