CHAPTER VI.
HOW TO INVEST.

Taking it for granted that the reader has thoroughly tested the foregoing principles and has found them to be true in substance and fact, let us suppose that he has money to invest. His primary object will be to find a market in which he can buy at the lowest price with a fair degree of security, an adequate interest, and an opportunity of selling out at an advantage. It is in this latter operation that he may look for his greatest profits. First of all he should enquire whether the security is well founded, and readily dealt in on the open market. This information he can get from any broker or bank. To buy cheaply he must find a market which responds to the sign through which Saturn last made transit. Having taken up his stock, he will hold it until after Jupiter has made his transit through the same sign. He can then sell at the highest price that is likely to be touched during the space of 12 years.

Presuming that he holds some Peruvian Stock or Shares, it is obvious that he should clear these by selling them the moment Saturn enters Aries.

It is necessary that before buying stock, search should be made on the following points:

1. That no eclipses occur in the ruling sign of the stock during the period for which investment is proposed to be made.

2. That no transit of Saturn, Uranus or Neptune occurs in that sign during the period.

3. That Jupiter will pass through the sign during the period.

He will then buy and hold until after Jupiter has made his transit of the sign and sell at the best price obtainable in the open market. Thus, he buys after the transit of Saturn, and sells after the transit of Jupiter. He thus buys at the lowest and sells at the highest, taking his dividends in the meantime. So that whether a man is a buyer or seller of stock he has only to keep his eye upon the major planets and the eclipses and thus secure the best results. He must look to Saturn chiefly for depressions of the market and to Jupiter for inflation, but always considering the paramount effect of eclipses.

So far we have looked only on the problem from the point of view of the investor. The man who desires to speculate will have to abandon the sober rules of procedure given in these pages, and will have to avail himself either of his own intuitive acumen, or preferably of the specialised faculty of a financial agent. It is not proposed to disclose in this place the means whereby the daily fluctuations of the markets, whether in shares or produce, may be accurately foretold. These have reference to secondary causes and constitute the master-key to the Stock and Share market, which my correspondents make use of. I have contented myself in this place with the simple statement of certain primary laws, which, when properly understood, will instruct a man what to do and when to do it, so far as investment is concerned.

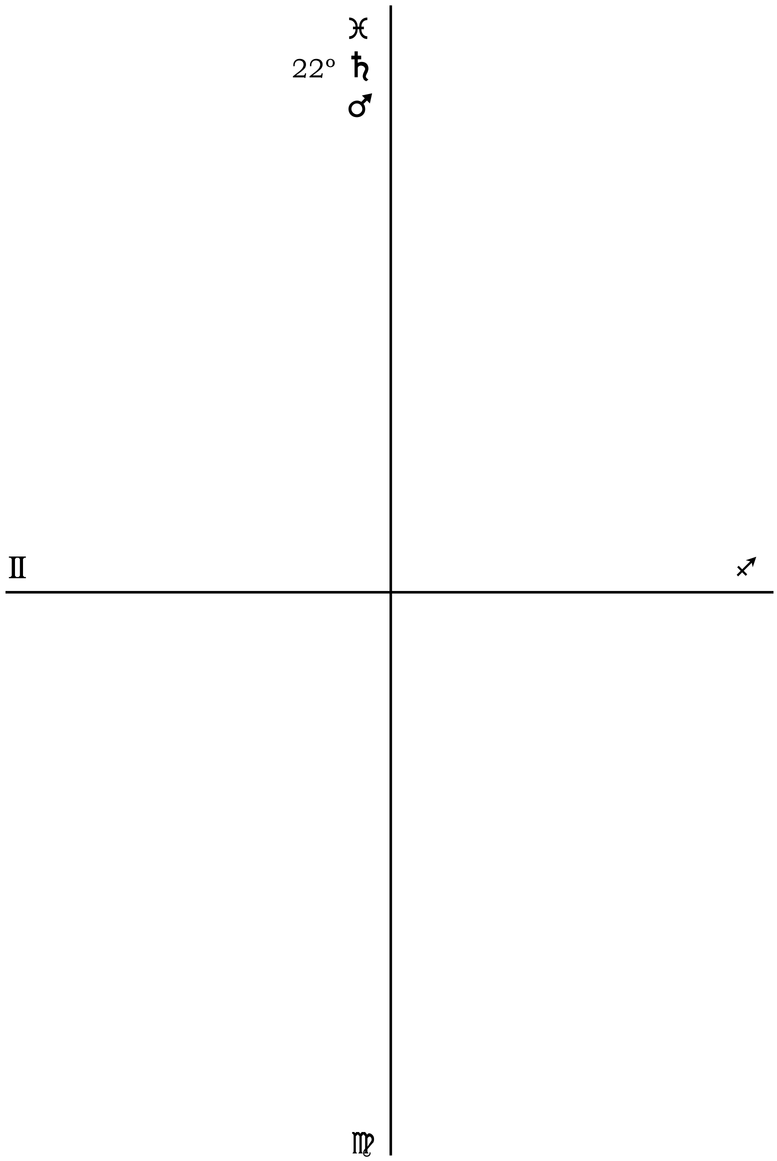
CHAPTER VII.
HOW TO AVERAGE.

When using the word average, we mean a point of value as nearly as possible between the highest and lowest prices of buying or selling. Thus, a man may buy £1,000 worth of Stock for £840, the price per £100 being thus £84. Should the Stock thereafter fall to £82 he may average by buying a further £1,000 of Stock at that price, and he thus reduces his buying price for the £2,000 worth of Stock to £83, and should it recover to £84 he can sell out at a profit, whereas otherwise he could not have sold for more than he gave.

Now this system of averaging can be usefully applied to the matter of investment in such manner as greatly to reduce the chances of a faulty investment. The process is to take the highest and lowest prices of a Stock or of Shares for each year during a period of seven or more years. These may be taken from the ***Stock Exchange Intelligencer***, or any other authoritative record. The seven highest prices are then to be added together, as also the seven lowest prices. Each of these has then to be divided by the number of years to get the highest and lowest averages. The results are then added together and divided by two, which gives a true average, below which it is safe to buy under all normal conditions of the market. One or two examples will doubtless be of service :

Consolidated Annuities (Consols) 2½% Stock. Between 1895 and 1907 the highest was 114 in the year 1896, and the lowest was 80¾ in the year 1907. The average is thus for 12 years :

INDICATIONS OF



THE PORTUGUESE REVOLUTION.

Highest ...	114
Lowest ...	80¾
	2) 194¾
Average ...	97 3/8

This price would therefore be the true average value of Consols under normal conditions. The fact that it is not a safe investment at such a price is seen from the low record of 72¾ in the year 1912.

To correct for any given year we proceed as follows:

Highest since 1907 (June, 1908) =	88 3/8
Lowest since 1910 (October, 1912) =	72¾
2)	161 1/8
Average	80 9/16

In the abnormal conditions in which the British Government is working, it is safe to say that even this low average is not a safe buying point, and that recent eclipses in Aries and the transit of Saturn through that sign during 1908-10 have had, and will continue to have, a detrimental effect upon British securities. It will be observed that Saturn will be in transit over the midheaven of London in 1913, and in view of former experience of its dire influence, it is positively certain that British interests are to be jeopardised even more than they have been during the present regime.

Union Pacific Railroad Company.

Highest 1895 to 1906, inclusive (12 years)	203
Lowest do. do....	3 1/8
	2) 206 1/8
Average	103 1/16
Highest 1907-1910	225 7/8
Lowest " "	107 11/16
	2) 333 9/16
Average	166 ¾

Thus we have the following averages :

For 12 years	1895-1906 =	$103\frac{1}{16}$
For 4 years	1907-1910 =	$166\frac{3}{4}$
For 16 years	1895-1910 =	135

This is a fair average buying price in the present state of the market, which, however, is particularly nervous and "panicky." The forthcoming transit of Saturn through ♊ will disorganise American industries, and produce a heavy fall in the price of Stocks and Shares, so that investment is not to be recommended. The above examples will show, however, the process of finding investment buying and selling averages, under varying conditions, over a period of years.

Any assistance that may be required by readers, either concerning the interpretation of influence or the application of these principles to the exigencies of particular cases, can be had on application.