

Energy Paper

by Charles Drummond

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Introduction

Becus trading to this author is a 100% psychological process, he engaged in a three year study (1985 - 1988) of how the mind functioned. Although the author recognized that he is not an expert, and did not devote the many years of study and training to become very knowledgeable in the field of psychology, he did come to one simple conclusion, as certain facts and proofs surfaced, **and that is: the mind functions according to a certain structure and form.**

Note that his conclusion did not reveal exactly **how** the mind functioned, but simply that when it did function it had a definite structure. This simple conclusion may sound banal, or ridiculous, or may seem to be at cross-purposes to any known reality, but that's just the point. The conclusion that the author came to, and the proofs that he believes he has found, indicate one simple fact: thoughts actually have physical structure.

From there, the author reasoned that since thoughts have physical structure, why not consider the fact, that if one can create a thought, it will then have a physical result. In other words, **one can create thoughts that have physical force, and energy.** (It turns out that recent computer technology supports this line of thinking. There are even some suggestions that future technology will permit courts of law to monitor the thoughts of a witnesses for the sake of truth and the establishment of facts.)

The author then tried to make the argument, that life itself deals solely with energy, for if this were so, then all things tie together. Two years ago (1989), this author attempted to disprove these arguments. (In order to find truth to an argument, one should try to disprove it, rather than following the easy route of finding ways to support it.) The results of this effort are included in this present "energy paper".

This paper was personally presented by the author to a group of market analysts in 1992, at a session where each analyst was making a contribution that was to last only forty minutes. You will notice as you read this paper that the author had a considerable struggle in presenting such a wide ranging and possibly controversial set of ideas in that time-frame. Well, the paper landed with a proverbial thud, as too much info was presented, and not in a totally lucid format. However, as you read this paper, you should be able to see where the author is going in his attempt to work out a rationale argument, that everything we know of is a form of energy, including thoughts, and that energy has physical structure, and that this physical structure is geometric, in the sense that it has a regular and repeatable form.

The outcome of this paper may be more important than can be seen at first glance. The implications may in fact be immense. For traders, it could have a huge impact in a number of different areas. It implies, for example, a radical new approach to the psychology of trading, in that if thoughts are energy, then consequently our own psychology and thus the psychology we encounter when we trade, is also energy, and furthermore, energy that has structure. Once a trader understands this, then he may be able to eliminate his fear of the market. After all, if you accept that price movements are determined by energy flows, and that we can monitor energy, then you have an objective means for measuring what is occurring as it occurs. If, as we believe, energy is geometric and has physical shape, then this monitoring and measuring process can predict hypothetical patterns in the future and measure exactly whether or not they are actually occurring as the event unfolds.

So, now we start our argument

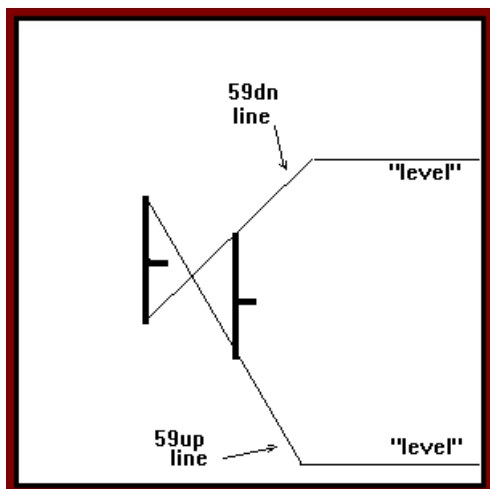
We hope to prove, that the markets we trade are most accurately to be described as "energy", and that the thoughts we think are energy too. We further argue, that as traders, it is critical to be aware that energy is driving our lives. We will show that markets are a form of energy, and thoughts are a form of energy, and that thoughts have physical structure, and that everything we know of, has structure and shape.

As we move along in this argument, we will develop a train of thought that expresses the argument, and then we will offer proof. We have some interesting and perhaps new information to share, and this information has various links and implications, which as far as this author knows has never been introduced to traders. As we move along on our trip, we have a fairly simple road to follow. Our starting point will be one simple little geometric pattern, which always appears and can be seen on any bar chart created from any kind of data drawn from the real world. We will apply a little common sense to this phenomena. We will be referring to Einstein's theory of relativity, which may be true, or it may not, but we will try to expand our concept of reality a little, and will consider the idea that everything we do in life, is related to energy, and that energy is geometric in shape, including our thoughts.

Through all this, we will come to the conclusion that some of these ideas have consequences -- in particular, if thoughts have physical structure, then the consequence is that we best be careful of the thoughts we think. Thoughts can be manifest; thoughts can be seen; we argue that thoughts are a form of energy. "Everything" is energy, "everything" is structure, "everything" is geometric. Now we needn't find ourselves in awe of this fact, but, we should instead find ways to use it in our lives, and in our trading. We will briefly look at the implications of this idea, both to us as traders and as individuals. We will learn that in trading the markets, we are not dealing with a mystical, unknown, and random phenomenon, but rather with a simple, known, and patterned reality -- energy. And we can see this energy, and we can understand its patterns.

Examples of Geometry

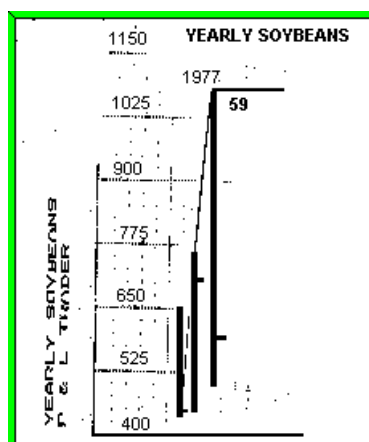
So, here we go. The reader may or may not know about "P&L Charting," which is a method of charting market action. P&L attempts to show that markets are geometric, by focusing on what Drummond calls "termination of energy" points, which to him are the high and low of the price bar being studied. In this view, the bars are created by energy, since each bar must have a high, and each bar must have a low, and that span is the measure of the extent or power of the energy flow for that period of time. Drummond simply accepts that energy exists, but here is the interesting phenomena -- when one draws lines amongst two latest price bars, these lines can delineate the future energy that will come into play as a result of the current energy flow. We will show that this geometric progression of energy exists in places where you may not expect it to exist, and through these observations, we will prove that we are dealing with a specific characteristic of energy, when we identify these patterns on our charts. One of the patterns that Drummond has identified is the "59", which is often called simply : the "Drummond Line", or the "Drummond 59". I will now show you this "59". Let me mention one thing about the 59 -- that it is always present. As we move along, we will apply the 59 to many different items on various graphs. After we have looked at this "59" we will move along to think about things like Einstein's Theory of Relativity, and Kirlian Photography, and see how these relate to our thesis, and even flirt with the concept of good and evil. All of which is an attempt to prove that we may be looking at something interesting, which is energy in its various manifestations.



The above is the "59". It is simply line drawn through the highs and lows of the last two price bars. When the lines arrive at the location of the next bar that is about to unfold, a "level" is made at that point, and that level is drawn horizontally. We will use this "59" as we progress through our argument. We will look at this line and show that it exists on any time period, and on things that we can trade, from various markets, as well as from phenomena that cannot be traded, and which do not derive from the marketplace.

In 1977, in the above, the 59down was the high for the year. This is a yearly bar chart, with each bar showing the high and low for the year. You can see that this 59 exists in any time period.

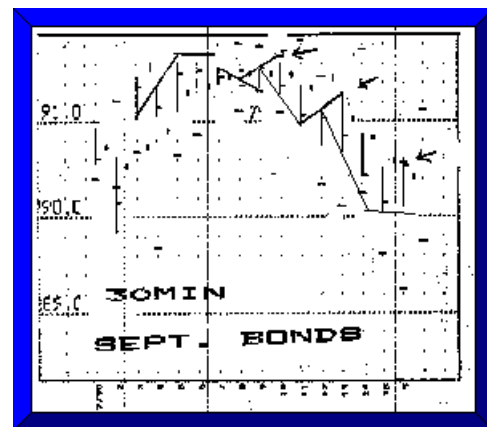
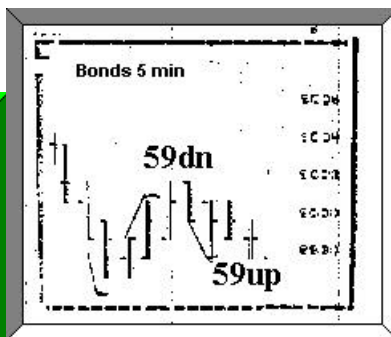
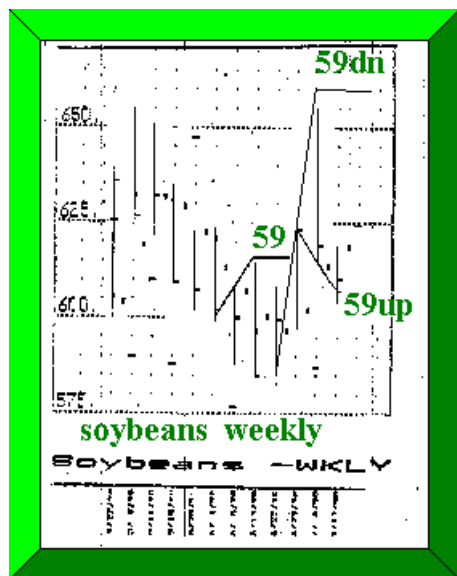
Yearly Soybeans



I wish to digress for a moment. We are dealing with energy, structure, shape, and geometry -- but not time. Time could be considered as only a measuring device. Perhaps we spend too much time, thinking of time. Let's stretch this reality, and consider for the moment that time is redundant, and that time may only be a measuring device. By watching various time periods, we can may become aware of how unimportant time is, and further, if we consider that time is energy, and that energy exists all the time, in all time periods, why is time then important? A rather convoluted thought, perhaps, but the idea is that energy is more important than time, since time can be considered only one aspect of energy. Energy may be the grandfather of everything, since energy is always present, and that's the point. So perhaps we can cast off time as merely a measuring device.

We will now show, that this 59 exists in any time period. The 59 is always there. And it doesn't matter what time period we look at, so maybe indeed, time is redundant, and only a measuring device.

Daily, Weekly, 30min,
5min



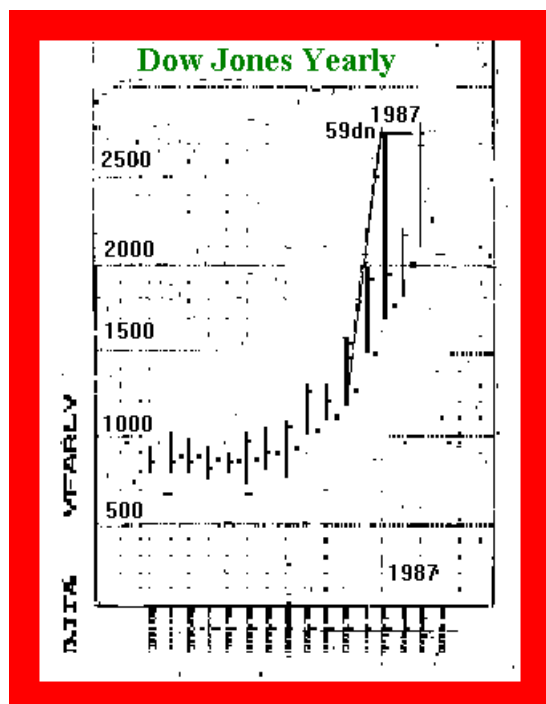
I have shown some 59's and their levels, and old 59's and their levels, in the charts above. They are from old charts I found, and pasted them in with scotch-tape (when I gave the presentation to the group of technical analysts), so they are not too clear, but, what the heck: go to your own charts, in any time period, and note how the 59 can affect price. **All time periods have 59's.** It's got nothing to do with time? We are dealing with energy, not time, in our argument. To me, the fact that the 59s can identify ahead of time where prices are likely to terminate in a future bar, is an indication that energy is at play here, and that this energy flow has a structure, and I call this structure the geometry of the market. Thus I say that energy is geometric.

So let's review for a moment:

- 1) The 59's exist in all time periods, in everything we trade.
- 2) What are we dealing with? Price? If only price, then why any time period?
- 3) Time is not important. Perhaps price is not important either. If not, then what is?
Energy?

- 4) If time possibly not important, and energy is, and structure, shape, geometry is, then will 59's occur on items that we cannot trade? Shall we look at items we do not trade? Can u trade the Dow Jones Industrial Average? Obviously not. No one has ever bought one, or sold one, and never will. The next example will introduce the yearly Dow Jones Industrial Average.

DJIA - Dow Jones Industrial Average - Yearly Basis



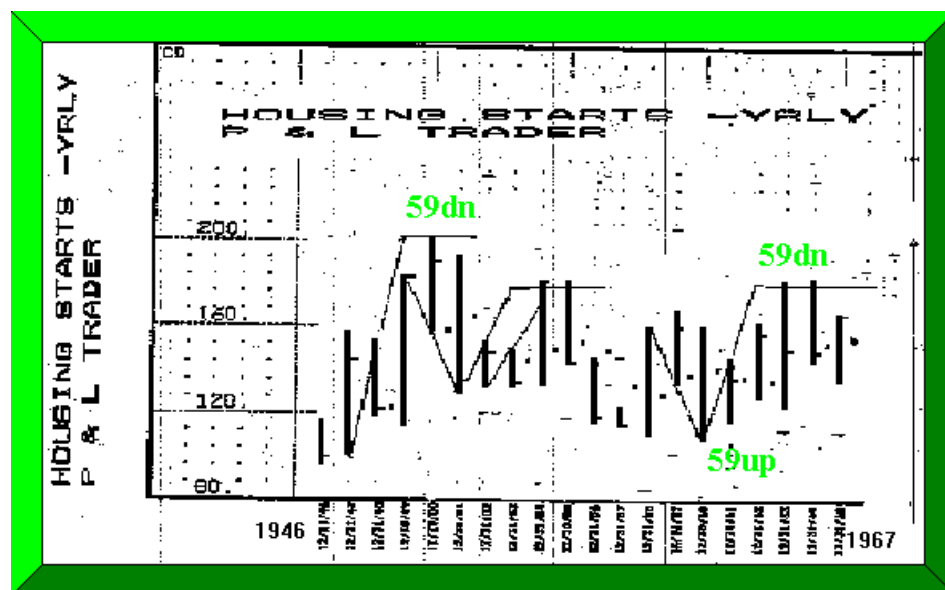
As u can see in the above, **the yearly 59down energized that Oct. 87 stock market crash -- in other words, as soon as prices reached that 59 level that was projected from lines drawn out of the two prior year's energy flows, they crashed.** We are dealing with energy, since this is not an item that can itself be traded. We are dealing with a line, a geometric line, a line drawn through low to high of two price bars. If we are dealing with energy (not with price, not with time), then checking the 59 against an item that is not traded is worth looking at. Do we not do this with this DJIA ? The issues that make up the DJIA are trades, it is true, but how come their summations create 59's? Is it a result of the energy flows? Why did the yearly soybean have a 59 ? (see previous chart) The monthly cattle? The 30minute bonds? What are we into here? The Dow Jones is not traded and it has a 59, so that is that.

Let's move along: and suggest that we assume that the exchange of price and value by means of trading, creates price, and creates geometry. This is a logical conclusion. However, we shall now attempt to prove that this is not so. Not only is time of no value, apart as in a measuring tape, but, price itself has no value (we define price as an exchanged means of determining worth of a given item, at any time). Price has no relationship to exchange of value? Price is just a number, a measuring device?

We are suggesting that value is determined by geometry, or shape, and that energy drives that shape, that energy has structure. What we are going to do, in attempting to prove that we deal with energy (not price, not time, not value,) is to flatly state that energy creates value, price, and even time, and that energy has structure.

The conclusion we might come to at this point in our argument, is that we are beginning to see that 59's exist on items we trade, and items that we cannot trade, and we are starting to get the inkling that price has no meaning, just as time has no meaning, since, indeed, both seem to be only measuring devices. Thus, in our view, we are dealing with energy, and energy alone. Does energy cause us all, as buyers and sellers, to act certain ways? Are we all simply controlled by the flow of energy back and forth in the universe?

Housing Starts

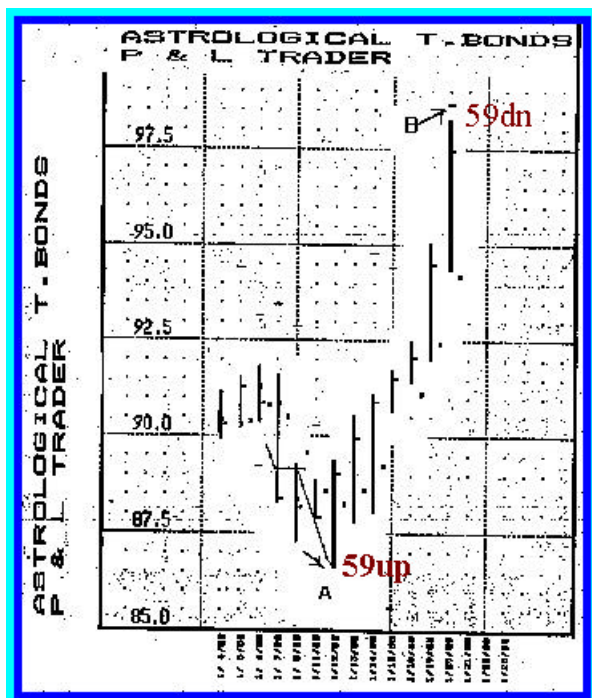


The visual above is Housing Starts, and it suggests that **energy creates housing starts**. This may further suggest that we are all a product of energy. We see that the yearly 59's can flag yearly highs and lows in housing starts. These highs and lows are not traded. Is time important? Are we dealing with price? No. We are dealing with numbers, with geometric structure. And, most importantly, if we are to advance our argument: we are dealing with energy. And energy has structure, and we will see this in a few moments. Time, value, has nothing to do with it, or at least that is the hypothesis we are presenting.

We are now going to look at a chart, that does not use time at all ! None. (Unless you argue that planetary alignments are constant and related to time.) We now suggest that planetary alignments have created the moment. Time is created. Time does not exist unless it is created. But energy exists in all matter, all the time, or both inside and outside of time. I know this all sounds like playing on words, but, there is something going on here. We will take a whirl at the concept that energy creates time, and time is used only as a way to measure energy.

Planetary Alignments

Now, read carefully here. Let's see if we can get a message across. The chart that follows is derived from an astrological almanac. Dates were specified to denote a high energy moment in the bond market, **related entirely to planetary alignment**. I simply noted the price at each moment so specified. We have planets whirling around up there, and on such and such a moment, they align a certain way, that is supposed to be energy for U.S.A. T.Bonds. Note the area 'A': this was a 59 created by a particular planetary conjuncture. (For those who know something about P&L, also note the driving energy from the pldots, and the 51's, 52's, etc.,,,, it looks like a porkbelly chart.)



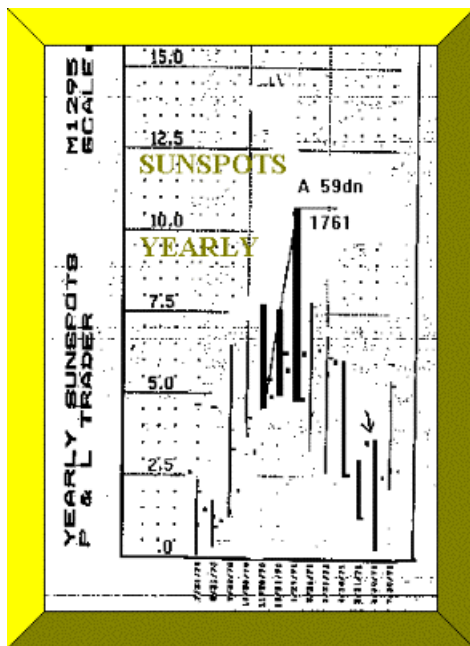
Please, note that the above chart does not denote a year, or a month, or a day, or 12 hours, but rather a simple moment when the astrological configurations lined up. **There is random moment involved here.** The next alignment could be 3 days away, the next a month away, and the next, 10 days away, and so forth -- there was no consistent time frame present when this chart was created. (Our concepts of time and reality are getting a paradigm shift here, are they not?)

So, let's conclude with a few observations.

- 1) 59's exist in items traded, in items not traded, in any time period, and when time is not involved.
- 2) We are seeing evidence that something besides price, time, or exchange of value, drives events in the real world. We argue that this "something" is: energy.

We will now attempt to show that 59's exist in energy, purely manifested. You have heard of sunspots. Do 59's exist on the sun?

We now look at a Sunspot Chart



In the chart shown above, **the year 1761 had a 59down.**

In this chart, we are looking at the calculations made by monks in the 18th century, as they studied the sun, and they noticed those flares of sunspots, and made records of their observations. We can see that this record shows that sun has 59's. We suggest that the sun is a form, if not a source of energy, and this source possesses 59's. We see that geometry is involved in sunspots. So sunspots, cattle, housing starts, planetary alignment all have 59's. Who can suggest that the sun is not a form of energy? Just try touching it!

We offer the suggestion that trading as conventionally seen as the exchange of value has no meaning. Trading is just a phenomena, it just happens! Like housing starts. We assume that **energy is geometric, since the sun is energy. Sunspots are also a form of structure: they exist and we can see it.** Now we will move along, to see if we can prove that as energy is transformed, and passed along from one entity to another, it retains its structure. If Einstein's theory of relativity is correct, and let's assume it is, then as energy is transferred, structure will show up in all entities. The theory of relativity basically states something along these lines: a hawk eats a mouse, and the energy of the mouse passes along to the hawk, and if hawk dies, off it goes to the earth, and energy moves along through the chain of life. This is to say, that **energy is always flowing here and there**, and is always present. **We suggest that energy has physical shape wherever it exists.** If energy is everywhere in anything that exists, then is there physical structure and energy in thoughts?

Thoughts

Let's continue our argument down the road we have embarked upon. So far, we have shown that energy has structure, that it creates extremes in the form of 59's, and by doing this, we have shown that energy is geometric. And furthermore, **we have shown that everything is a form of energy. Well, what about thoughts? Are they physical?** Can I physically send a thought across a room? Well, perhaps I could, if thoughts have structure. Can indeed thoughts have physical structure? Can we send them down into our body to fight disease? (or perhaps create disease?,,,it is a known fact that depression can cause cancer.) Let's see if we can find some explicit evidence that thoughts have structure. (unfortunately, I know of no way, to see if thoughts have 59's, but, since we will shortly show they do have structure, and if the sun has 59's, and if Einstein is correct, that everything is made of energy, then we have

to assume, at least for the sake of our argument, that indeed, thoughts have 59s', since energy is a form of structure, and structure is geometric in nature.)

But,, first let's look at the following quote, by Arthur Koestler, from "The Ghost Machine":

-> **"Self-assertive emotions tend towards bodily activity, the self-transcending emotions are essentially passive and cathartic. To be "overwhelmed" by awe and wonder, " enraptured" by a smile, "entranced " by beauty -- each of these words expresses passive surrender, and a craving to transcend the island boundaries of the individual to enter into symbiotic communion with a human being, living or dead, or some higher entity, real or imaginary, of which the self is felt to be a part."**

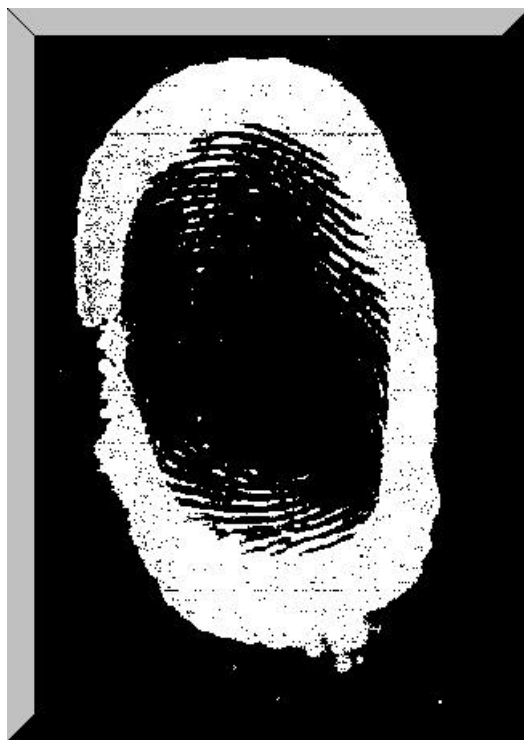
Koestler was suggesting that our emotions and thoughts have a 'craving to transcend the island boundaries of the individual'. This has a **connotation that thoughts want to wander about.** My thoughts would wander from me, over to you. Can this be true? In the 1950's, a Russian photographer was given the job of photographing radio waves as part of the military's research into defence against radar. As he worked along, he discovered a strange phenomenon, namely that a field was visible around all objects that he photographed. He would photograph a chair, and there would be a field around it. He would photograph a hand, and there would be a field around the hand. This became known as the Kirlian Effect.

Kirlian Effect



The picture above is of a leaf from an African violet, that was touched by a human hand. When it was recorded on film with Kirlian photographic techniques, the leaf is surrounded by an image of radiating energy. **Energy from a hand was transferred to the leaf, and then the leaf sent it out from its body. Energy is transferred, and it is visible. Therefore, energy has a physical structure, a presence.** Why is it some people have luck with plants and some do not? Why can one person pet a cat, and the cat loves it, while another person pets the cat, and the cat gets its fenders up? Many people know that plants do not like rock music --it is too discordant. We will show in a few moments, what discordant thoughts look like, and we suggest that one should be careful of the thoughts one thinks. Let's start to look at humans. We will look at human thoughts, moods, emotions. If we follow the above train of thought, all of these must be a form of energy, must have structure, and if they do, then Kirlian photography will pick it up.

The picture to follow is of a finger pressed on a photograph plate. This person is at rest or near sleep; it has what is called a 'full corona', and you can see the energy image surrounding the finger pad. This is a peaceful image. The halo or corona is full and bright -- full, round and healthy. The African violet might be happy with such a touch.



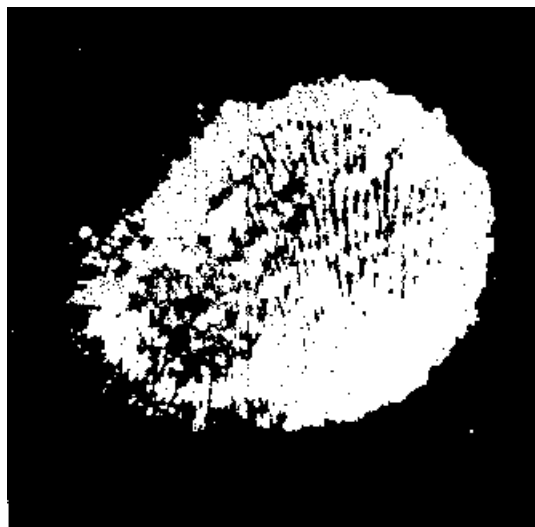
The photograph that follows is of a couple of finger pads, but of someone who is 'happy' because they are high on marijuana. It suggests that altering mood by medication can be unhealthy, as the mood is artificially created.



Although the corona in the picture above is full, it could be seen as disoriented. It is blotchy and uneven, without apparent order. This is a different kind of energy than we saw in the picture of a person at natural rest. We must suggest that thoughts best be created by thoughts themselves and not by medications, or other external sources, or in other words, we say that if one uses the proper thoughts and develops a healthy mood, then that fact is reflected in the structure of one's energy. At any rate, we are showing that **as thoughts change, structure changes.**

Now, what about a person who is not happy?

The next picture would make Satan happy. The person whose hand is portrayed in the picture is full of anger and hatred, and is definitely not at peace. The finger pad is not smooth, and the energy flowing out from it is spiky and distorted and definitely not smooth.



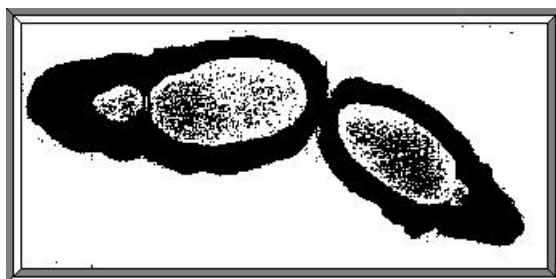
So thoughts definitely have structure, and in trading, one can easily suggest that one should be careful of the thoughts one thinks, and of one's mood. This also opens concepts of

thought therapy, as one way to handle some of the psychological issues of trading, in that if thoughts have physical structure, then can you implant them? Which is to say, that if in trading, one continually says to oneself: " I feel terrible", guess what your thought structures -- and your trading results -- will look like? If you constantly state to yourself: " I feel great, I feel fantastic,, I am full of high energy ", your energy will be different. This is proven above. If thoughts are good, they are bright and full, and if they are bad, they are dull and prickly. One should carefully consider this issue, as it could be serious, and it involves not only trading, but, all aspects of life.

Now, the next concept we will look at with regards to Kirlian photography, is the concept of **life and death**, and perhaps, even the concept of good and evil, and we may even broach the validity of the idea of God and the Devil. We need not go into the affect this has had on evolution, but, if one understands the basic premise, then once can also see what effect thoughts have had on the environment and on self-survival? And you will also be able to see the interplay between the subconscious and conscious mind? We leave this exercise to the reader. In this paper, we are dealing with energy, and considering the idea, that when we look at a chart, we are witnessing an all-pervasive entity in life: energy.

However, at the moment, we suggest that the thoughts we think have a direct physical influence on other people, and on ourselves. Thoughts can physically affect health, and have implications on the prevention and control of disease.

So, we are saying that thoughts move from one person to another. Is this true? Is there any evidence?



In the picture above, we see the fingerpads of two people, who are both thinking the same happy thoughts. Their thoughts neutralize each other, in that there is a space between their fingers, and the aura is not prickly, since everything is in a state of contentment.



In this picture, however, we see the fingers of two people whose thoughts are similar, but slightly different. One is thinking of a trip to Portugal, but the other is thinking of going to Spain as well as Portugal. The slight difference in thought allows joining of the aura.



Continuing with this experiment, we see in the above picture the fingers of two people who are thinking positive thoughts, but entirely different positive thoughts. Energy is transferred between the fingers. Energy is on the move.

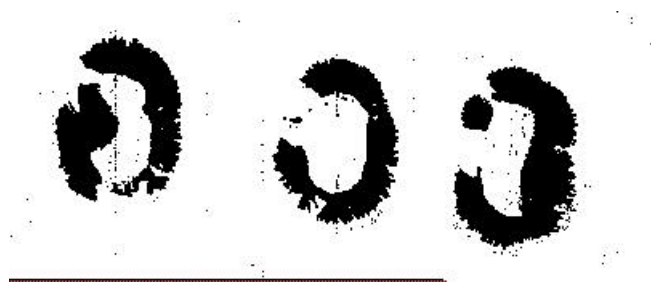
Thus, good thoughts blend with each other, and when energy merges and transfers from one finger to another, this transfer depends on a lack of similarity, that is, a difference. Very interesting. So, what have we determined so far?

- 1) energy exists;
- 2) energy has structure; and
- 3) thoughts are a form of energy, they have structure, and they move between beings.

Let's look at some more evidence of how thoughts can affect physical structure.



The above people are thinking 'thin'. The aura is thin.



The above people are thinking 'thick'. The aura is thick. When visualizing and feeling thinness and delicacy as compared with thickness and mass, a shift in the energy pattern occurs. We are witnessing the consequence of mental thoughts.

Let's look at a few more pictures.

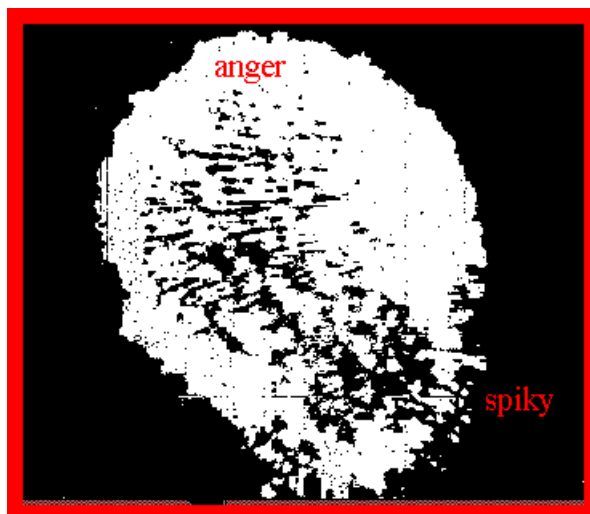


The above picture shows the finder pads from a person who is erratic and highly strung. Note the spiky aura.



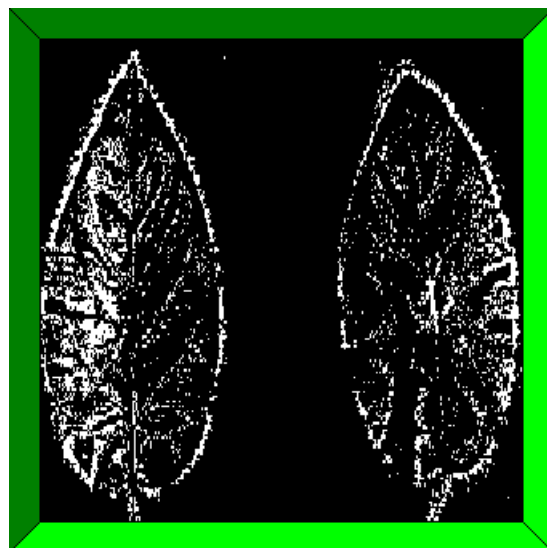
This is of someone in meditation, whose state might be called "in the Buddha Mind". And let's look at anger.

Let's look at anger :



In the Kirlian Photographs, anger is blotchy, spiky.

So to sum up, we see some visual evidence that good moods are smooth and harmonious (as well they should be), and that bad moods are spiky and rough. This certainly matches our understanding of reality. Indeed, we suggest that one should be careful of the thoughts one thinks, both for your own well-being, and for the well-being of your environment. Now, let's take a look at life and death itself.



In the picture above, the leaf on the left is a fresh leaf, and the one on the right is a wilted leaf. This portrayal seems to say something about the changes associated with death and life. As in good and bad thoughts, life and death are related to changes in energy -- there is a difference between life and death, however, death does not mean an absence of energy. You can see that the wilted leaf still retains energy. (You might want to think about Einstein's work in this connection.)



This is a picture of a rat's tail, the left side of which is alive, and the right side which has been cut off from the body of the rat. The part that is still living, is obviously so, and emanates a significant Kirlian aura. The dead part of the tail is all shrivelled up (just like unhappy thoughts?). There is an obvious connection that can be made here between bad thoughts and energy, and death itself. The life force is closer to good thoughts, and the prickly death force is closer to prickly bad thoughts. Perhaps we are witnessing a physical illustrating of the concept of good and evil, God and Devil, heaven and hell.

Conclusion

We have been through a journey together, trying to see if energy has physical structure, if it exists in all matter, and if, due to its structure, energy is geometric in shape, and is continuously on the move, in a process of flow. We believe that a reasonable conclusion can be made, and that a reasonable use can be made of this information. And, that is what we do. I leave the summary to you.