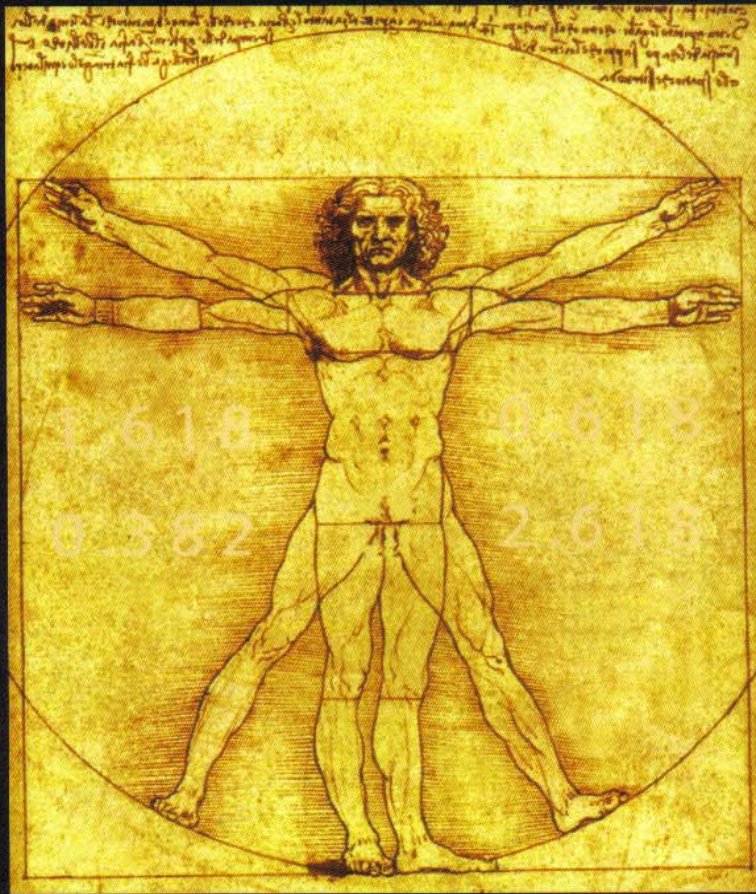


THE DA VINCI CODE:
APPLICATION TO STOCKS,
FUTURES AND CURRENCY
MARKETS



INTRODUCING ELLIOTT WAVE THEORY

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PREFACE

I. THE DA VINCI CODE, THE NOVEL

The Da Vinci Code is a novel written by American author Dan Brown and published in 2003 by Doubleday Fiction (ISBN 0385504209). It is a worldwide bestseller with sales of more than 40 million copies (as of March 2006) and has been translated into 44 languages. Combining the detective, thriller and conspiracy theory genres, the book is part two of a trilogy that started with Brown's 2000 novel *Angels and Demons*, which introduced the character Robert Langdon. In November 2004, Random House published a "Special Illustrated Edition", with 160 illustrations interspersed with the text.

The plot of the novel involves a conspiracy by the Catholic Church to cover up the "true" story of Jesus. The Vatican knows it is living a lie but does so to keep itself in power. The novel has helped generate popular interest in speculation concerning the Holy Grail legend and the role of Mary Magdalene in the history of Christianity.

The novel concerns the attempts of Robert Langdon, Professor of "Religious Symbology" at Harvard University, to solve the murder of renowned curator Jacques Saunière of the Louvre Museum in Paris. The title of the novel refers, among other things, to the fact that Saunière's body is found inside the Louvre naked and posed like Leonardo Da Vinci's famous drawing, the *Vitruvian Man*, with a cryptic message written beside his body and a Pentagram drawn on his stomach in his own blood. The interpretation of hidden messages inside Leonardo's famous works, including the *Mona Lisa* and *The Last Supper*, figure prominently in the solution to the mystery.

The main conflict in the novel revolves around the solution to two mysteries:

1. What secret was Saunière protecting that led to his murder?
2. Who was the mastermind behind his murder?

The novel has several concurrent storylines that follow different characters. Eventually all the storylines are brought together and resolved at the end of the book.

The unraveling of the mystery requires the solution to a series of brain-teasers, including anagrams and number puzzles. The solution itself is found to be intimately connected with the possible location of the Holy Grail and to a mysterious society called the Priory of Sion, as well as to the Knights Templar. The Catholic organization "*Opus Dei*" (a caricature of the real *Opus Dei*) also figures prominently in the plot.

Fans have lauded the book as creative, action-packed and thought-provoking. Critics have attacked it as inaccurate and poorly written, and decry the many negative implications about the Catholic Church.¹

II. THE DA VINCI CODE: APPLICATION TO STOCKS, FUTURES AND CURRENCY MARKETS

This book will attempt to show the application of the Da Vinci Code to financial markets by relating some interesting questions to the contents of Dan Brown's famous book, namely:

1. What has a stock, futures or currency market's movement in common with the way Saunière's body was found inside the Louvre - naked and posed like Leonardo Da Vinci's famous drawing, the *Vitruvian Man*, with a cryptic message written beside his body and a Pentagram drawn on his stomach in his own blood?
2. What has a stock, futures or currency market's movement in common with Leonardo's famous works, including the *Mona Lisa* and *The Last Supper* which Saunière had an obsession with?
3. What has a stock, futures or currency market's movement in common with the following cryptic numeric cipher and two anagrams scribbled onto the parquet floor with a black-light pen by the dying curator?

13-3-2-21-1-1-8-5

O, Draconian devil!

Oh, lame saint!

The answer, basically, is that:

They all exhibit the proportions of phi (symbol Φ , being the 21st letter in the Greek alphabet) in their construction where phi is derived from a summation series discovered by a 13th century mathematician named Leonardo Da Fibonacci (pronounced Fi-Bo-Na-Chee).

The mathematical gibberish "13-3-2-21-1-1-8-5" was a cipher written out of order...a numeric anagram which Jacque Saunière had written on the Louvre floor before he died. This ten digit code² is essentially a scrambled Fibonacci number. In its correct order, it should read:

¹ Extracted from http://en.wikipedia.org/wiki/The_Da_Vinci_Code, April 2006

² *Sophie Neveu, the grand daughter of Sauniere, decrypted this ten digit code to its correct order of 1123581321 - the Fibonacci sequence, instantly opening a Swiss bank deposit box that she and Robert Langdon thought would contain the Holy Grail, the Cup of Christ. It turned out not to be.*

1-1-2-3-5-8-13-21

This summation series starts from 1 and develops as follows: 1, 1, 2, 3, 5, 8, 21, 34, 55, 89, 144, 233, 377, 610, 987, 1597, etc right up to infinity. Several unusual properties and relationships emerge from this summation series which can be applied to forecast price and time targets of stocks, futures or the currency markets.

Phi or nature's law or the secret of the universe, which is the basis of R.N. Elliott's Wave Principle, saw its earliest recorded application by the ancient Egyptian architects in their construction of the Great Pyramid of Gizeh over 2,500 years ago.

Also known as the Golden Mean or the Golden Ratio, phi, which is the value of 1.618 or 0.618 or 2.618 or its inverse, 0.382, is also the mathematical basis for the shape of playing cards and the Parthenon, Greek vases, sunflowers and the ocean waves. It also represents an orderly progression of growth or progress.

The proportion phi has been deliberately used by artists and architects as it does have an effect upon the viewer of forms. Experimenters have determined that people find the 1.618 proportion aesthetically pleasing. Some of the greatest Renaissance painters like Leonardo Da Vinci, Michelangelo and Albrecht Durer had used phi and its proportion in their artistic works.

Using the historical data as a backdrop, this book will reveal how the divine magical properties of phi (i.e. 1.618, 0.618, 2.618 and 0.382), rediscovered by Fibonacci, have been adapted by R.N. Elliott to develop the Wave Principle and use it to forecast the behaviour of bonds, stocks, futures or currency markets with a remarkable degree of accuracy when properly applied.



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