Hi All,

In the next few pages, I will be explaining you how to use Gann Calculator and how to do intraday trading based on this calculator.
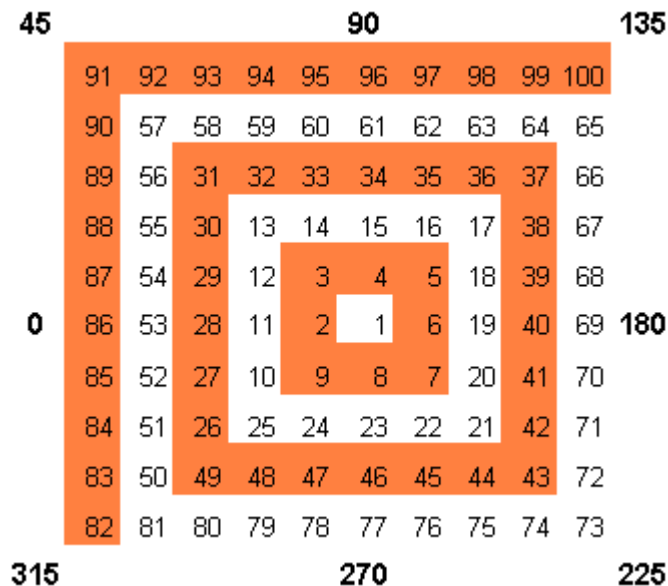
I browsed through many forums for Gann Calculator and found many articles wrote on it. As a normal trader and reader, I was not able to understand any of them.

After browsing through more than 25 websites (where no one is sharing their way of trading with this method, they just give GANN formula/square/angles/etc/etc), I found the simple way to trade using Gann Square of 9.

Gann Square of 9 - Introduction

Gann relied heavily on geometrical and numerical relationships and created several tools to help with his work. Among these tools are the Square of Nine, Square of 144, and the Hexagon. The Square of Nine, or Square as we will refer to here, can be constructed in at least two ways. The static Square has the number 1 at the center and the dynamic Square has the historic low of the time series in the center.

The Square of 9 is basically a spiral of numbers. The initial value can be found in the center of the spiral. This value is then increased by moving in a spiral form. Normally the center value is 1 and the step is one creating the spiral shown below.

Websites

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The numbers that represent a complete turn (0 or 360 degrees)
are 2,11,28,53.....
The numbers that represent 1/8 of a turn (45 degrees) are
3,13,31.....
The numbers that represent 1 quarter of a turn (90 degrees) are
4,15,34.....
The numbers that represent a half turn (180 degrees) are
6,19,40.....

The Square of Nine is essentially a time and price calculator,
and calculates the square
root of numbers, both odd and even numbers as well as their
midpoints. It also looks
for both time and price alignments from a specific starting
point or price level.
We will however not work on the time alignment as we are trading
for intraday only.

Some Interesting Facts about Gann Square

If you were to look at the numbers on the grid running down to
the bottom left hand corner on the Square of Nine, you will find
they are the square root of odd numbers E.g. 5x5 = 25.

If you were to look at the numbers running up to the top right
hand corner on the Square of Nine you will find they are the
square root of even numbers e.g. 4x4 = 16.

If you then look at the numbers running down to the bottom right
hand corner on the Square of Nine you would find the midpoint
between the squares of odd and even numbers. Using the numbers
16 and 25 as an example of our odd and even numbers you will
find the number 21 representing their midpoint.

57	58	59	60	61	62	63	64	65
56	31	32	33	34	35	36	37	66
55	30	13	14	15	16	17	38	67
54	29	12	3	4	5	18	39	68
53	28	11	2	1	6	19	40	69
52	27	10	9	8	7	20	41	70
51	26	25	24	23	22	21	42	71
50	49	48	47	46	45	44	43	72
81	80	79	78	77	76	75	74	73

Article By Sourabh Gandhi (sourabh_gandhi@yahoo.com)

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Cardinal Cross and Ordinal Cross

876	877	878	879	880	881	882	883	884	885	886	887	888	889	890	891	892	893	894	895	89
761	762	763	764	765	766	767	768	769	770	771	772	773	774	775	776	777	778	779	780	78
654	655	656	657	658	659	660	661	662	663	664	665	666	667	668	669	670	671	672	673	67
555	556	557	558	559	560	561	562	563	564	565	566	567	568	569	570	571	572	573	574	57
464	465	466	467	468	469	470	471	472	473	474	475	476	477	478	479	480	481	482	483	48
381	382	383	384	385	386	387	388	389	390	391	392	393	394	395	396	397	398	399	400	40
380	307	308	309	310	311	312	313	314	315	316	317	318	319	320	321	322	323	324	325	40
379	306	241	242	243	244	245	246	247	248	249	250	251	252	253	254	255	256	257	326	40
378	305	240	183	184	185	186	187	188	189	190	191	192	193	194	195	196	197	258	327	40
377	304	239	182	133	134	135	136	137	138	139	140	141	142	143	144	145	198	259	328	40
376	303	238	181	132	91	92	93	94	95	96	97	98	99	100	101	146	199	260	329	40
375	302	237	180	131	90	57	58	59	60	61	62	63	64	65	102	147	200	261	330	40
374	301	236	179	130	89	56	31	32	33	34	35	36	37	66	103	148	201	262	331	40
373	300	235	178	129	88	55	30	13	14	15	16	17	38	67	104	149	202	263	332	40
372	299	234	177	128	87	54	29	12	3	4	5	18	39	68	105	150	203	264	333	41
371	298	233	176	127	86	53	28	11	2	1	6	19	40	69	106	151	204	265	334	41
370	297	232	175	126	85	52	27	10	9	8	7	20	41	70	107	152	205	266	335	41
369	296	231	174	125	84	51	26	25	24	23	22	21	42	71	108	153	206	267	336	41
368	295	230	173	124	83	50	49	48	47	46	45	44	43	72	109	154	207	268	337	41
367	294	229	172	123	82	81	80	79	78	77	76	75	74	73	110	155	208	269	338	41
366	293	228	171	122	121	120	119	118	117	116	115	114	113	112	111	156	209	270	339	41
365	292	227	170	169	168	167	166	165	164	163	162	161	160	159	158	157	210	271	340	41
364	291	226	225	224	223	222	221	220	219	218	217	216	215	214	213	212	211	272	341	41
363	290	289	288	287	286	285	284	283	282	281	280	279	278	277	276	275	274	273	342	41
362	361	360	359	358	357	356	355	354	353	352	351	350	349	348	347	346	345	344	343	42
441	440	439	438	437	436	435	434	433	432	431	430	429	428	427	426	425	424	423	422	42
528	527	526	525	524	523	522	521	520	519	518	517	516	515	514	513	512	511	510	509	50
623	622	621	620	619	618	617	616	615	614	613	612	611	610	609	608	607	606	605	604	60
726	725	724	723	722	721	720	719	718	717	716	715	714	713	712	711	710	709	708	707	70

The numbers that fall on the blue lines form what's known as the "Cardinal Cross"
and the numbers that fall on the red lines running into the corners of the square, form what's known as the "Ordinal Cross".

Any numbers that fall on these lines are said to act as significant support and resistance levels.

So the Square of nine is an interesting arrangement of numbers that have a specific order and can be used in many different ways.

The red and blue lines intersect with other and divide the square in 8 equal parts.

The angle between each line is 45 degrees.

Article By Sourabh Gandhi (sourabh_gandhi@yahoo.com)

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More Interesting Facts

THE GANN WHEEL IS A SQUARE ROOT CALCULATOR

The Gann Wheel, what most people probably think of as the Square of Nine, is sometimes called a "Square Root Calculator" or a device that "Squares the Circle." This simple illustration may explain how and why these terms came about. You probably recognize that the illustration is just the first few rings of a Gann Wheel with the numeral "1" at the center.

31	32	33	34	35	36	37
30	13	14	15	16	17	38
29	12	3	4	5	18	39
28	11	2	1	6	19	40
27	10	9	8	7	20	41
26	25	24	23	22	21	42
49	48	47	46	45	44	43

In Square of Nine parlance we say things like 19 is 90 degrees from 15. That makes sense only if you can visualize that this rectangular table of numbers is enclosed in a circle (or series of circles) of 360 degrees. In this case, the number 19 is 1/4 the way around the circle from the number 15, or 90 degrees in circumference from 15. The number 34 is directly above the number 15 and positioned one circumference or one ring outside the circle that contains the number 15. In the same sense that we can say that 19 is 90 degrees from 15, we can say that 34 is 360 degrees from 15, or one complete rotation of the circle from 15. That explains where squaring the circle comes from. A more accurate expression would be that we're circling the square but that never did catch on.

HOW TO ROTATE AROUND THE GANN WHEEL

Here's where it gets fun. The square root of 15 is 3.87. Add two to the square root of 15 and we get 5.87. Square 5.87 and we get 34.49 which rounds to 34. Now we know that adding two to the square root of a number and squaring that sum is the same thing as a 360 degree rotation up on the Gann Wheel. If "2" represents a 360 degree rotation then "1" represents a 180 degree rotation, "0.5" a 90 degree rotation, and so on. W.D. Gann tells us that

90 degrees in very important in the stock market. What Gann is really saying is that adding and subtracting .5 (and exact multiples or proportions of .5) to the square root of a stock price and then squaring the result is very important! We acknowledge that there is is another school of Gann thought that will say that Gann's reference to 90 degrees relates to the movement of celestial bodies. We've looked into that and they may be right, but for our purposes we've also learned that these schools of thought can peacefully exist alongside each other without contradiction.

But Note: For our Calculation we would consider 1 as 360 because we are trading intraday.

How to make Gann Square of 9 ?

You all must be interested in knowing how to generate Gann Square of Nine.

So lets begin....

To generate the square you need a reference point.
For intraday, this reference will be the LTP of stock/index.

How to take LTP?? (Explanation in next few pages).

Lets say I get LTP as 5100.

Now I need to generate square based on this.

I will follow below steps to do this.
Step 1: Take SQRT(LTP) = SQRT(5100) = 71.41
Step 2: Take the 2 integers below SQRT(LTP) and 2 integers above SQRT(LTP). 2 integers below are 71 and 70. 2 integers above are 72 and 73.
Step 3: Now take SQR(70) = 70 * 70 = 4900. Place this in the center.
Step 4: Now increase the 70 by 0.125 (45 degrees) (as told in previous post 1 represents 360 degrees.)
So 45 degrees = 0.125.
Step 5: Take the square of 70.125. SQR(70.125) = 4917.51. Place this in left block adjacent to center block where u placed 4900.
Step 6: Increase the value further by 0.125. You get 70.25. Square it. SR(70.25) = 4935.06.
Step 7: Place this on the top block of the block where u placed

Websites

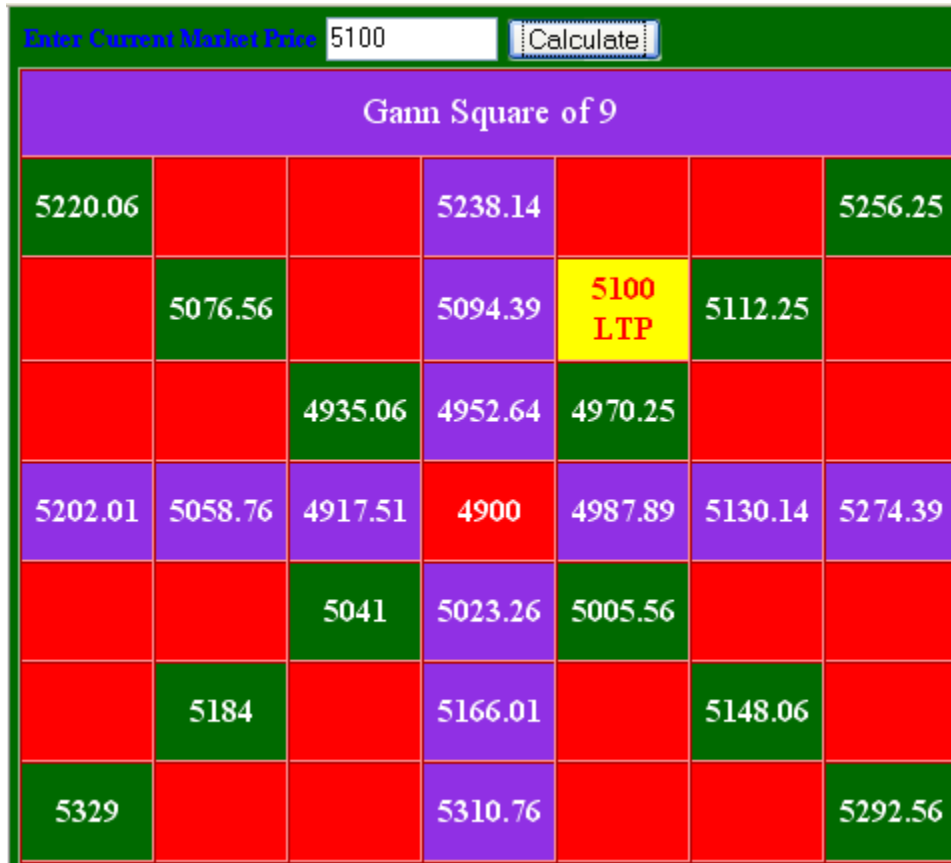|	
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4917.51.
Step 8: After generating 8 values, you will be complete one
level of square.
Step 9: Repeat the steps with values SQR(71.125), SQR(71.25),....

So finally you get square similar to the one shown below.
```

SQRT -> Square Root | SQR -> Square

How to execute trade based on this system.

To do intraday trading based on this system, you need to take the LTP of index or stock after 9:05 am in morning.

Ideally you should take the Weighted Average Price of any stock or scrip between 9:05 am - 9:15 am. (This timing is for Indian markets. If you are dealing in some other market the time range should be initial 15 minutes.)

However, after 9:30 am, you should only take LTP of stock or index.

Article By Sourabh Gandhi (sourabh_gandhi@yahoo.com)

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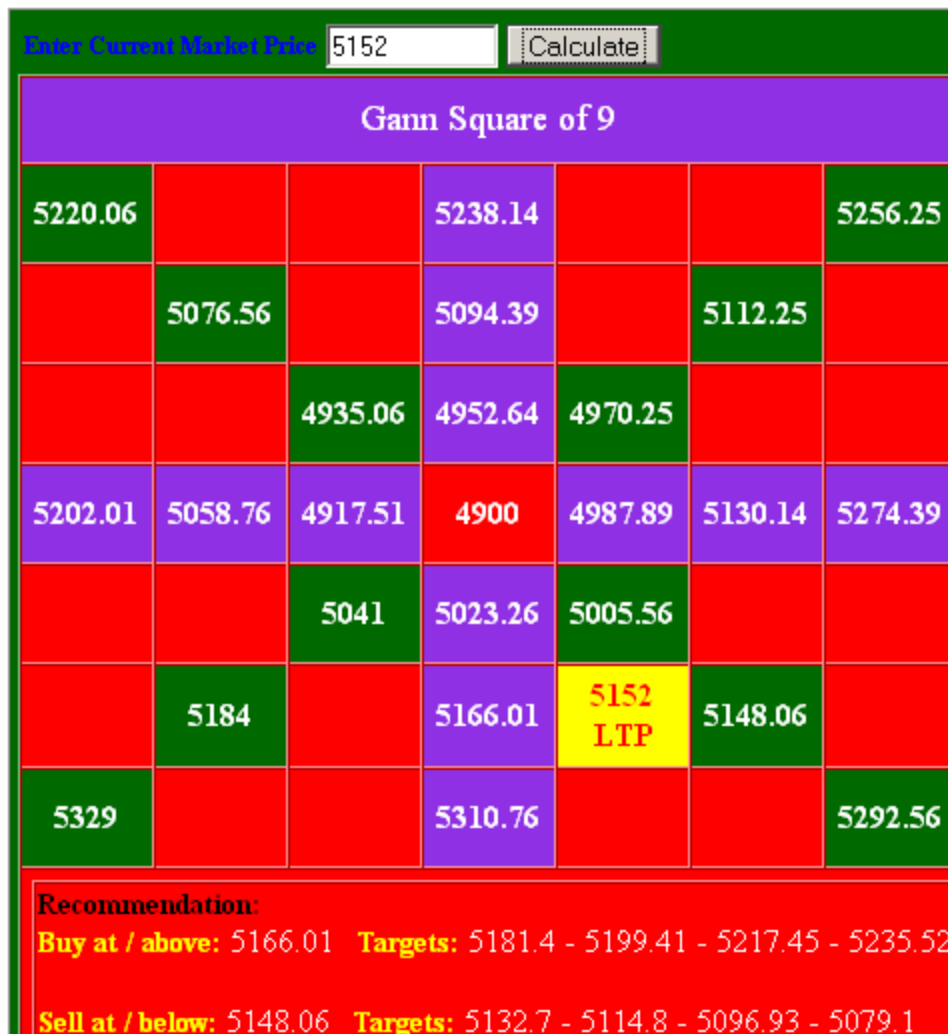# Gann Intraday Calculator – By Sourabh Gandhi

The basic idea behind this is that during initial few minutes of market opening, there is lot of volatility, so to decide fair price we should take Weighted Average.

Many times it is not possible for many traders to start trading from 9:00 am. In that case, those who start trading after 9:30 am(half hour after market opens), can take LTP.

Now lets say you get the price as 5152.

You enter the price in Gann Calculator

You will get the square that looks like below

5152 falls between 5166 and 5148.

So we should buy above 5166 and sell below 5148.

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Targets are next levels in the calculator.

Hope this is clear.

Now lets say 1st target is achieved.(5181)
Then we we watch whether price is able to sustain above 5181 for more than 5 min.

If it sustains, we continue our long position. If not, we square off.

Let us do some practical trade based on Gann Calculator.

This trade is for HDFC on 26th Mar 2010.

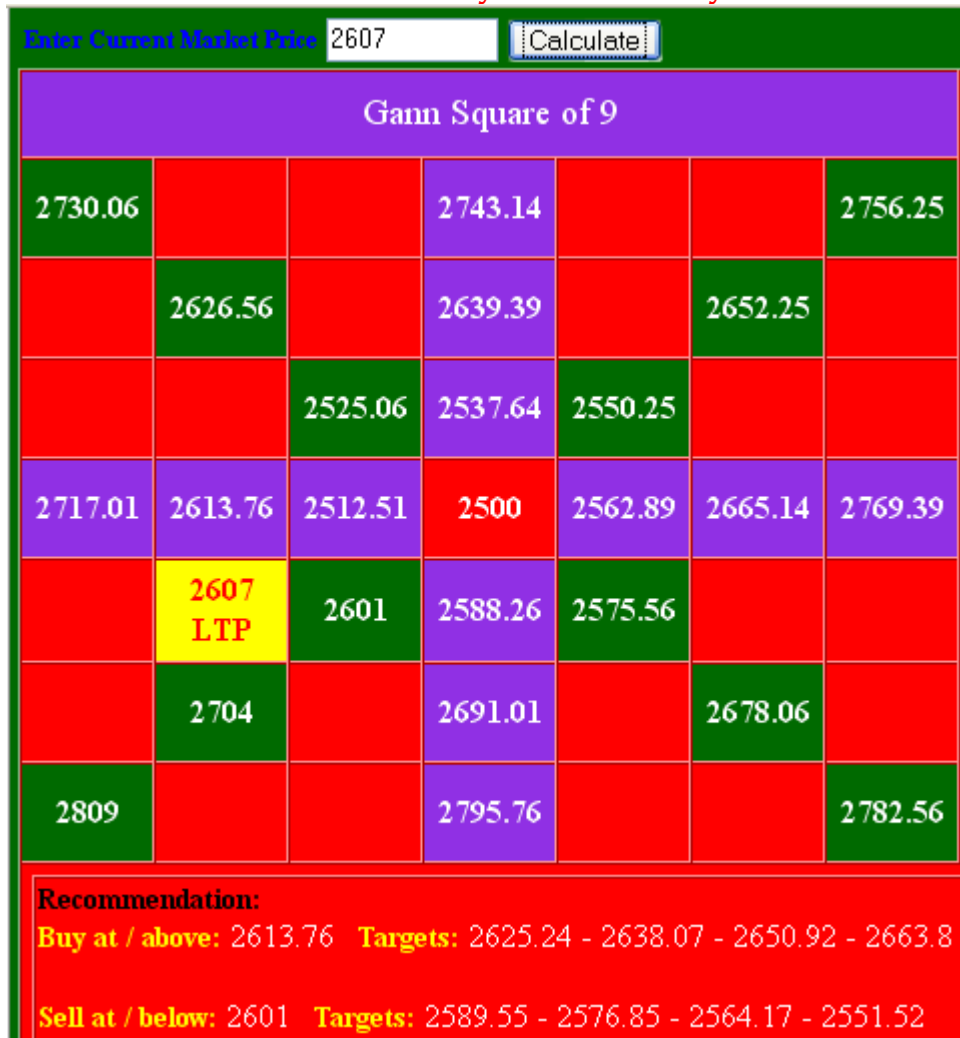During 9:05-9:15 am, the WAP (Weighted Average Price) of HDFC in NSE was 2607

After entering this value in Gann Calculator, we get the Gann square similar to below one.

Gann Intraday Calculator – By Sourabh Gandhi

Enter Current Market Price 2607 [Calculate]

Gann Square of 9

2730.06			2743.14			2756.25
	2626.56		2639.39		2652.25	
		2525.06	2537.64	2550.25		
2717.01	2613.76	2512.51	2500	2562.89	2665.14	2769.39
	2607 LTP	2601	2588.26	2575.56		
	2704		2691.01		2678.06	
2809			2795.76			2782.56

Recommendation:
Buy at / above: 2613.76   Targets: 2625.24 - 2638.07 - 2650.92 - 2663.8

Sell at / below: 2601   Targets: 2589.55 - 2576.85 - 2564.17 - 2551.52

As per this we should buy above 2613 and short below 2601.

If you look, the price didn't fall below 2601 after 9:15 am.

But price rise above 2613. So we enter in long position at 2613.

Our Target 1 -> 2625 got achieved soon.
The price was not able to sustain above 2625 for more than 5 min.
Infact, the HDFC touched 2625 and started moving in range 2618-2623. This indicated that there is a possiblity for HDFC to move in downward direction.
So we square off at CMP (2620)(approx price).
We ended up in profit of 2620 - 2613 = 7rs.

Now we take 2620 as our reference price. and put it in Gann Calculator.
We get the below recommendations

Article By Sourabh Gandhi (sourabh_gandhi@yahoo.com)

Recommendation:
Buy at / above: 2626.56 Targets: 2638.07 - 2650.92 - 2663.8 - 2676.72

Sell at / below: 2613.76 Targets: 2602.3 - 2589.55 - 2576.85 - 2564.17

So we buy only if price moves above 2627.

After 1-2 hrs, HDFC started moving up and it confirmed its uptrend by crossing the price 2627.

Again we entered long position at 2627.

Our target 2638 just got touched and again price started falling indicating selling pressure at 2638.

So we try to square off at price near to 2638.

And if look at the intraday graph of HDFC we see the HDFC was seeing resistance at 2625 and then at 2638. (see the image below)

How to find Targets for Buy and Sell.

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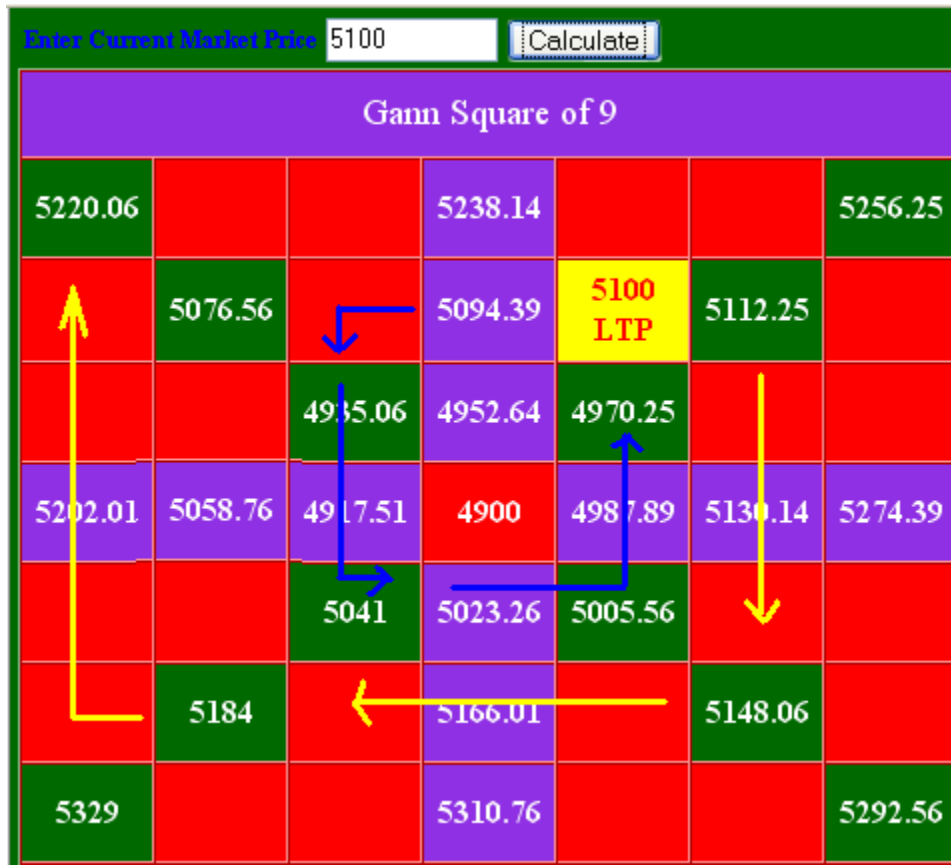# Gann Intraday Calculator – By Sourabh Gandhi

Once, we are done making our Gann Square, we know our buy and sell levels.

But how to find the targets.

For finding the targets for Buy, we go in clock wise direction.
For finding the targets for Sell, we go in anticlockwise direction.

Have a look at image below.

Yellow lines are resistances for Buy.
Blue lines are support for Sell.

Targets are 99.95% of resistance and 100.05% of support.

So Target for Buy = Res * 0.9995.
Target for Sell = Supp * 1.0005.

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