The Bradley Indicator and Why I Don't Use It

Bradley wrote his booklet, The Stock Market Barometer and How to Use It, in 1948. Bradley assigned a plus or a minus to planetary aspects (angles between planets) based upon whether they were bullish or bearish. He then gave them a number weighting like -2 or +5 to assign a magnitude. The summation of this index was the direction of the market. I instantly saw the shortcomings in the method. Where did he get his values from? He had no PC, software or calculator. Bradley likely did a very limited study over a few years. Astrologers have a tendency to impose intellectual models onto life with no back testing. I.e., planet A will square planet B, and this combination sounds or looks bearish, so give it a minus sign. In addition, Bradley used the conventional aspects in his study, and there are many more operative angles than this limited group.

I did a study in 1995 over a 10-year period, 120 months. I only asked one question: is the market going up or down this month? The original Bradley was correct about the direction of stocks by month about 48% of the time. I looked at the valences (pluses or minuses) he used and found that 33% of them were wrong. My advantage was a PC and 40 years more data. I corrected the valences based upon the Dow from 1915 to 1995, added in the Node, and made one other change. He assumed, for example, that the 90-degree and 270-degree squares had the same effect, a concept that did not hold up to scrutiny. The applying and the separating aspects frequently have the opposite effect. I made this change, and found that Bradley was correct 60% of the time. During the 10-year period, the market rose 59% of the months under review. So, not much value was added. I do, however, keep the turning point dates generated by both the old and the improved models. These are incorporated into my turning points. It just so happens that Bradley has been accurate recently. It had not been prior to 2002-2003. It was this study that led me to use composite cycles. These cycles are based upon what the market actually did in relation to past price history.