

## 2012: the year of the financial apocalypse



There it is: with five years to go, economists in India and Mexico are linking the 2012 Mayan calendar ending with an expected global economic crisis. The India Times on June 28, 2007, reported that there is an expected global meltdown in financial markets set to occur in 2012 and one economist makes the link with the Mayan calendar - and fractal waves used to predict economic models. Does TimeWave Zero, a fractal model of time promoted by the late Terence McKenna, have an economic twin brother?

From India Times, Economy section:

Economists, fund managers and technical analysts rarely agree with each other. But if it is 2012, many of them seem to have a consensus. For them, 2012 spells only one thing - global meltdown in financial markets.

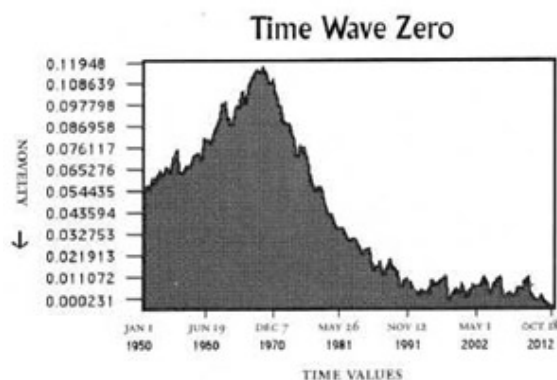
The present boom in the financial markets may come to an abrupt end in 2012, feels a Harvard University Economist Jeffery Frankel. According to him, the reason is very simple. He feels that markets move in from seven years of lull and seven years of boom. But in between these two phases the flow of money stops. 2012 is that year when there is a chance that liquidity from global emerging markets will get drained out.

The last time this happened was in 1997 when the Asian market hit the peak and there was a capital flight out of Asia. Before that in 1982, Mexico faced problems after the oil price crisis that was experienced by the country which affected the world. Due to fall in oil prices Mexico suffered heavily due to loss in revenues.

This backdating of 15 years takes us to 1697, which marked the end of the Mayan Kingdom. The Mayan King Pacal Voltan was known for his prophecies and was known for his knowledge of numbers. Pacal Voltan speaks about the end of the world on December 21, 2012, a year which many believe is the year of the apocalypse.

Diego Arevalo is a fund manager who is presently in Guatemala and is intrigued by Pacal Voltan and his prophecies. Apart from his day job of fund management, he takes a keen interest in the Mayan culture.

Mr Arevalo believes that there is something out there which is not easy to understand. He has been talking to a lot of Mayan experts and is of the opinion that the world may not actually come to an end as depicted by the prophecies of Pacal Voltan. "The world is going to go through some drastic change around that year. There will be an impact on global financial markets. But doesn't it intrigue us that so many theories are converging in one year and these theories are coming in from different parts of the world."



To prove his point Mr Arevalo talks about the Elliott Waves. Technical analysts use the Elliott Waves to understand the movement of the markets. The Elliott model proposes that the market prices alternate between five and three waves and in a way represents fractals. These waves are based either on multi-decades to weekly patterns and are called as major cycles or minor cycles. According to Mr Arevalo we are touching the 'Wave V' in 2012.

Wave V, Fibonacci number is the last wave in an upward trend of a major cycle. Since these waves are fractals, they appear at various points in time. The macroview or supercycle has Wave V located in 2012. "I expect a reversal at that exact point in the markets, possibly a great correction in the form of a depression. The Mayan calendar expects something more disruptive. I think an event derived from global warming is something what they expect."

Maybe Mr Arevalo has a point. Indian technical analysts are of the opinion that there is nothing wrong with the Indian markets for the next two to three years. "In technical analysis we don't look beyond two to three years. But I don't see anything going wrong for India in this time. It is very difficult to point out what will happen in 2012," says a senior technical analyst from Mumbai. Financial markets are waiting for a volatility shock. Nobody knows in what fashion or which part

of the world this shock will come from. Till then fund managers and economists have enough time to meet Mayan Shamans or understand Elloit Waves.