



Dow Repeats Great Depression Pattern: Charts

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The **Dow Jones Industrial Average** is repeating a pattern that appeared just before markets fell during the Great Depression, Daryl Guppy, CEO at Guppytraders.com, told CNBC Monday.

“Those who don’t remember history are doomed to repeat it...there was a head and shoulders pattern that developed before the Depression in 1929, then with the recovery in 1930 we had another head and shoulders pattern that preceded a fall in the market, and in the current Dow situation we see an exact repeat of that environment,” Guppy said.

The Dow retreated 457.33 points, or 4.5 percent last week, to close at 9,686 Friday. Guppy said a Dow fall below 9,800 confirmed the head and shoulders pattern.

The **Shanghai Composite** is seeing a very rapid collapse, falling below 2,500, which suggests the major fall in the Dow, he added.

In the **European markets**, Guppy says Frankfurt’s Dax is witnessing a different pattern to London’s FTSE.

Guppy uses the broad trading band as measurement- giving the Dax a downsize target of 1,500. The same head and shoulders pattern seen in the Dow can also being seen in the FTSE, he added.

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