Stock Exchange and Roulette Revised and Improved S y s t e m s

A System allowing you to operate profitably on the Stock Exchange, or even in Casinos. **Very daring**! There are so many Systems around, perhaps too many. And, according to the experts, most of the time the most they can do is put the bread on the table. Nothing to be sneered at if we consider the extreme complexity of the issue. Here we are proposing a Triple System of attack offering big returns and <u>virtually no risk</u>. It seems impossible. And yet, after clarifying the premises, which are a bit complicated indeed, the problem will fall within the range of solvability.

When speaking of the Stock Exchange, we refer to derivatives and Futures. Why is that? It is because the variation in their value is essentially a binary series with equal probability; in practice, it behaves like a roulette wheel or a coin toss: red or black, heads or tails, a value going up or down.

We must specify that the S&P/MIB is the new Italian benchmark stock market index for "Futures" and all other derivatives.

With regard to random series, many obstinately sustain that "In a random series, each event is independent from all the others," (numbers have no memory, they add with poetical inspiration!). **That is not true!** The independence of every event would lead to *chaos*, intended in the ancient sense of an inextricable, obscure disarray, something that does not exist in the universe we live in; what exists instead is the extreme complexity described by modern science using the fascinating word **fractal**, and this seems enough to me. Each event – or handful of events – in a random series, we might dare say, is <u>individually unpredictable</u>, not independent (a dreadfully abstract concept!). This is due to the fact that there is a rule, the group rule, which is super-demonstrated and hierarchically fundamental, thus ruling out the independence of events. When they occur events may seem independent, but afterwards they reveal a wondrous, yet unquestionably true, relationship not only with past events, but also with those to come.

Let us explain the group rule as simply as possible. We will refer to the roulette wheel because almost everybody knows how it works. Events (red or black, even or odd, etc.) are arranged in an intermittent fashion (**R, N, R, N, ...**), or in groups (of two, three, four elements, etc.: **RR, NN, RRR, NNN, RRRRR...... NNNNNNNN.....**). <u>The longer a group, the rarer</u>, according to a definite law: the number of occurrences of groups of two elements <u>tend to be</u> half the intermittencies, groups of three half the groups of two, groups of four half the groups of three, and so forth without end, but only theoretically, because who has ever seen a group of red or black higher than twenty-five?

The group rule concerns events and the way they are put together. However, the groups themselves, considered as such, are also subject to a similar law of assemblage, with an identical means of logical exposition. Summing up, events, being subject to the group rule (and being groups subject to the group rule), are not independent. We will never be able to state with certainty whether the next toss of the coin will come up heads or tails. However, we can be certain that groups of long sequences will tend to come up according to a specific and complex law. <u>In a series of as little as</u>

one thousand events, this has already been shown in an extremely clear fashion, even if in a number of ways tending to infinite.

The proposed Systems are based on several years of study and trials. And the result is absolutely thrilling. For obvious and easily understandable reasons, not being a university professor, I do not dare define myself as a mathematician, since the experts might take offence, and quite rightly so.

But I find solace in Bertrand Russell's affirmation that **things are impossible until a layman does them.** This great logician and philosopher of mathematics was referring to sensational cases. I would therefore like to underline – hopefully without disquieting anybody by doing so – that I consider myself a solitary alchemist of mathematics whose only pretence is to have done something that could yet again prove how well-founded that famous quotation actually is. However, it is time to go back to the main issue. The Systems, applied to thirty actual (let the sceptics check!) and consecutive days of trials, yields a gross profit of about 5,800 euro per day, with one bad day out of ten. Below is a chart representing the daily trend and a table including all the figures. As far as the roulette wheel is concerned, the yield is tendentially twice as much.

The Three Systems we propose (which work in parallel) may not that easy to understand, but they are not really difficult either and do not require a deep understanding of any special branch of mathematics: no integral calculus, logarithmic spirals, differential equations or similar titbits, which, in this specific case, would be of no use. You will need to persevere and practise, even if just with a toy roulette wheel. And, once you are able to use the proposed Systems and are sure of their absolute reliability and honesty, once you can compile them effortlessly, it will just be a matter of playing and winning. A trader will know very well what to do. Same goes for roulette wheel fans.

I can picture the objections an expert might raise: dealing Futures is not like playing at roulette (as if winning at the roulette table were easy!). Sure, "It is not exactly the same thing; it is a bit more complex" but if you are willing to understand that, regardless of the outcome of one choice, the next decision will be its logical consequence, then it becomes clear that the System will behave as in any other binary series with equal probability, and in the end, even if it will have to face some crises, it will win. It is simply unavoidable.

Why Does the Triple System Win?

The "three-sigma relationship" ($np - 3\sqrt{npq} < S < np + 3\sqrt{npq}$) shows that it is impossible to gain a relatively consistent advantage by following a binary random series with equal probability whose events are incompatible and complementary. The "rule" – which is clear and precise – refers to choices made event by event. However, the Triple was conceived for group-by-group choices, and groups are made up of several events, featuring similar laws but different scales. In the case of a prolonged application of the System, when referred to group choices (positive or negative), the aforementioned rule would give the correct results for which it was conceived. Let us then consider the fact that groups of two and three elements and the intermittencies are the most numerous figures in all binary random series. The Triple, by means of an expedient never attempted before, made almost constant the presence of a group under one of three columns (thrice in parallel). The System does not consist of a linear mechanical algorithm, but of a complex logical method which regulates itself in each new situation. It is exclusively conceived of to search for groups whose length it often guesses right; it is conceived of, in line with current science, for fractal-chaos; with a decisive tendency to advantage.

Those who purchase the CD will be provided with all the operating details: 190 pages crowded with explanations and extensively exemplified. It includes a clearly illustrated, solid test

carried out on the first 800 decimals of Greek pi; in this way, nobody will think that a favourable series was selected on purpose. A further test consists of the tables related to the Triple System applied to Fib30 variations during thirty <u>actual days</u>: 960 events, 32 interventions a day, one every 15 minutes (<u>at the time of the test, the charts of the new S&P/MIB</u> derivatives were not yet available), preceded by the related charts and summarizing boxes, with the addition of a detailed commentary of all the passages of two out of three Systems during the first three days. As far as the third System is concerned, for the same periods of time, only the essential points are discussed.
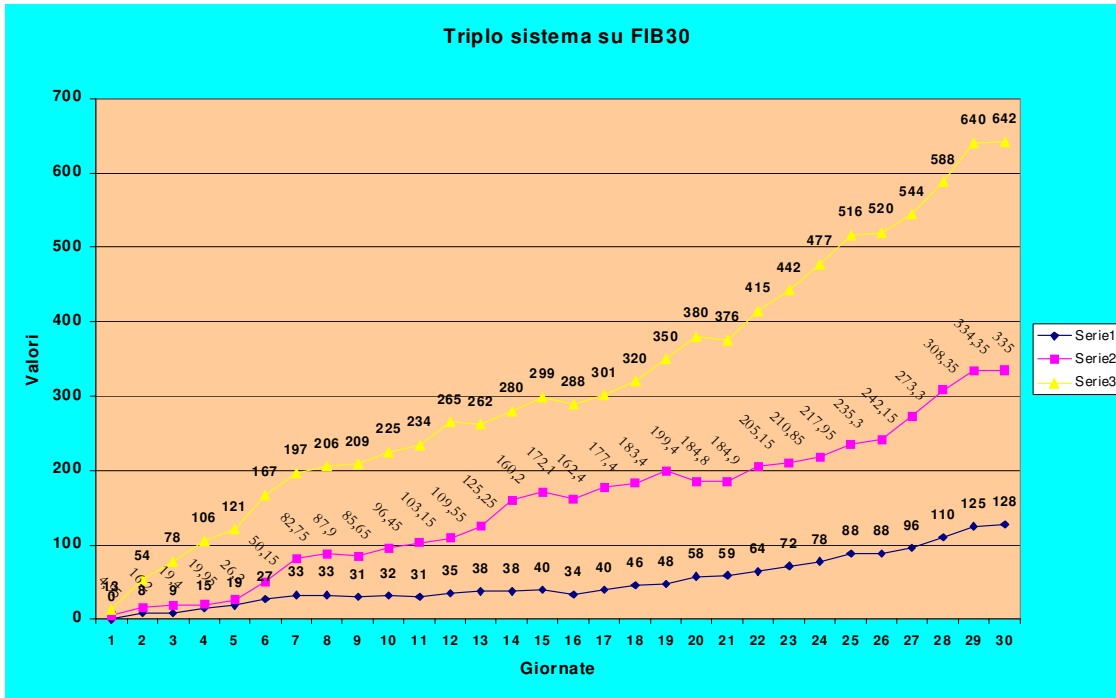
Triple System on FIB 30
Values
Days
Series 1
Series 2
Series 3

This chart does not need much clarification. The bottom dark blue line represents the trend of pure and simple signs – whether positive or negative – considered as the value *per se* at the end of each day. The light blue line shows the work on FIB30, which overall yields half as much as the top yellow one because the average value of the FIB variations (in my specific experience, where I intervene every 15 minutes) is about 50 points (0.50 in the tables, since the value of the unit is 100).

<u>The top yellow line virtually represents the trend of a game comprised of 960 spins at the roulette wheel: the yield is huge – 71% – even if an 11% must be foreseeably subtracted due to the zero effect.</u>

It is necessary to keep in mind that the daily average results obtained at the roulette (21 chips) refer to games of 32 spins. I believe that in one evening a player would operate for at least a couple of hours. Therefore, the average yield should be multiplied by about four times. It is also necessary to keep the betting limit imposed by the house in mind. The basic chip might have a

maximum value of 50 euro, something that could never even be hoped for, I believe, no matter how you look at things!

If several dealers are available, there is a way to play "several FIB30 daily games simultaneously." In the long illustrated example, an intervention is done every 15 minutes (or, hypothetically, every 10 minutes); but the starting points can be numerous, and originate different games in terms of graphical trend and outcome, amplifying the yield and diluting the already almost negligible risk. This System can also be used by one person (comfortably at home, at one's computer), operating for one or two hours a day. Even if it does not appear realistic, the how and why are well explained and pointed out in the text we offer. It is possible, to the extreme limit, to do only one move a day 200 times a year.

The table below includes the summary, day after day, of both the pure bets (1 to 7 contracts, or units; but do not think of loss progressions of the D'Alembert type; there are no foreseeable situations forcing surrender), and the outcome derived from them, if referred to FIB30 values.

Count of pure signs		Values per day		Progressive values	
		Roulette	Fib Results	Roulette	Fib Results
1st	13+/13-	13+	4.95+	13+	4.95+
2nd	19+/11-	41+	11.25+	54+	16.20+
3rd	16+/15-	24+	3.20+	78+	19.40+
4th	18+/12-	28+	0.55+	106+	19.95+
5th	16+/12-	15+	6.25+	121+	26.20+
6th	19+/11-	46+	23.95+	167+	50.15+
7th	18+/12-	30+	32.60+	197+	82.75+
8th	15+/15-	9+	5.15+	206+	87.90+
9th	15+/17-	3+	2.25-	209+	85.65+
10th	16+/15-	16+	10.80+	225+	96.45+
11th	14+/15-	9+	6.70+	234+	103.15+
12th	17+/13-	31+	6.40+	265+	109.55+
13th	17+/14-	3-	15.70+	262+	125.25+
14th	16+/16-	18+	34.95+	280+	160.20+
15th	17+/15-	19+	11.90+	299+	172.10+
16th	11+/17-	11-	9.70-	288+	162.40+
17th	19+/13-	13+	15.00+	301+	177.40+
18th	19+/13-	19+	6.00+	320+	183.40+
19th	16+/14-	30+	16.00+	350+	199.40+
20th	20+/10-	30+	14.60-	380+	184.80+
21st	16+/15-	4-	0.10+	376+	184.90+
22nd	18+/13-	39+	20.25+	415+	205.15+
23rd	19+/11-	27+	5.70+	442+	210.85+
24th	18+/12-	35+	7.10+	477+	217.95+
25th	21+/11-	39+	17.35+	516+	235.30+
26th	16+/16-	4+	6.85+	520+	242.15+
27th	19+/11-	24+	31.15+	544+	273.30+
28th	22+/8-	44+	35.05+	588+	308.35+
29th	23+/8-	52+	26.00+	640+	334.35+
30th	16+/13-	2+	0.65+	642+	335.00+
T: 128+		T: 642+	T: 335,00+	T: 642+	T: 335+
Av 4+ / 14%+		Average: 21+	Average: 11+	71%+	37%+

The first 130-page edition has been completed with a further 40 pages illustrating the simultaneous application of the 3 – I – 2 System (the first one) to RN, PD, PM. The outcome, as predicted, is close to 50% net. A second System, on the three simple chances, with different headings, exceeds 50%. I would like these well-

balanced and safe Systems to be learnt perfectly and applied to that fascinating Medusa that is the roulette wheel. And here is the chart of the second triple S.:
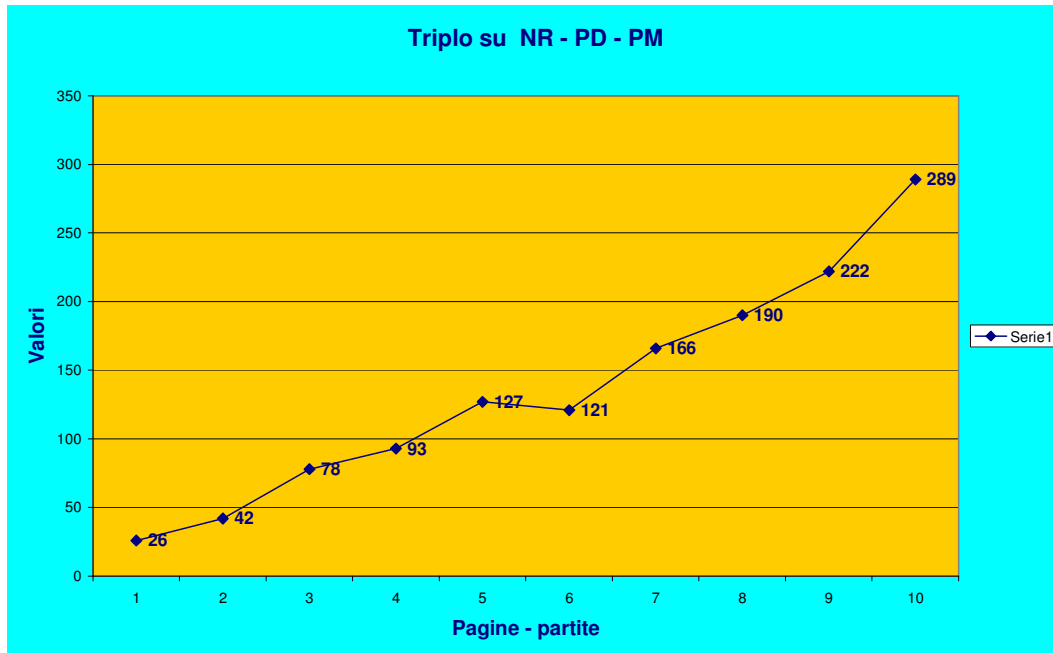
Triple on NR –PD –PM
Values
Pages – Games
Series 1

Finally, also included is an application to the series of "six numbers played," which in fact is – in the author's opinion – one of the most interesting offers in the entire text: from a certain point of view the most protected.
And here is the related chart:

Prova di 3 - I - 2 sulle sestine
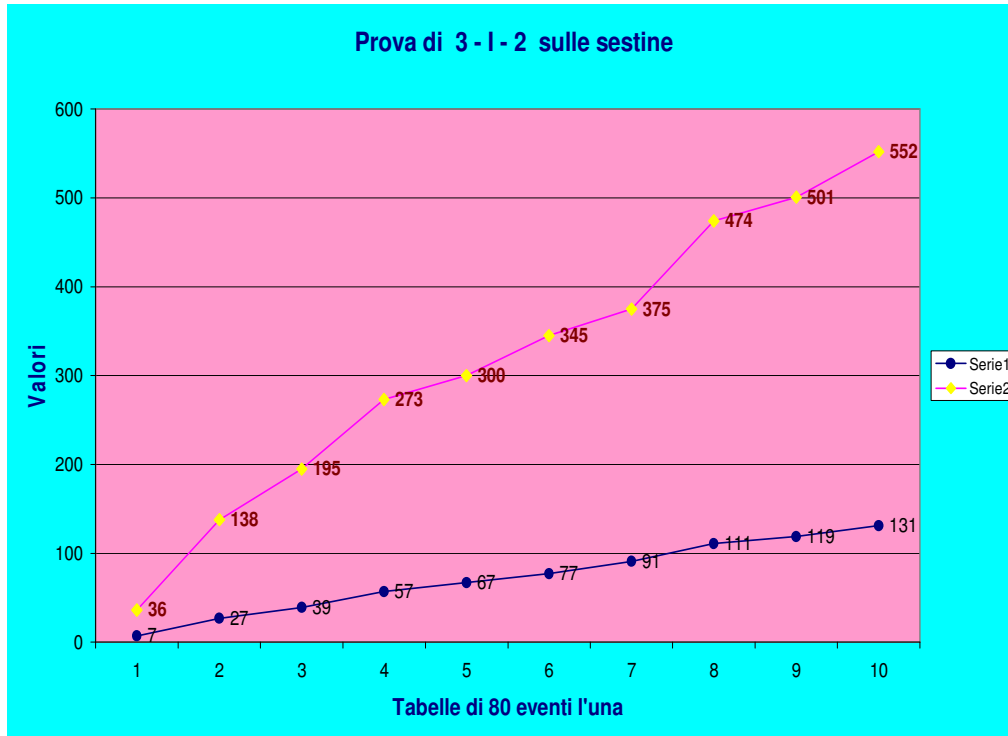
Test of 3-I-2 on the series of six numbers
Values
Tables comprised of 80 events each
Series 1
Series 2

How Was This Work Born?

I stepped into a casino for the first time about 40 years ago. Afterwards, I rarely went to gambling houses, but I can say that, from the very first day, the roulette wheel intrigued me from the perspective of pure mathematics. I was immediately convinced that a truly valid betting system must be possible. Therefore, I started to read books on this topic, some of them well and honestly written. However, I soon realized that most of the proposed systems were the same ones repeated again and again over several decades; only a few were of any worth, and some were risky. I tried several of them out in theory by using a toy roulette wheel. Over the years, by passionately devoting part of my spare time to this problem, I have acquired unusual experience. Since the first year, I focussed only on systems related to simple bets: red and

black, even and odd, *passe* and *manqué*, dozens and columns. Bets on numbers offer meagre hopes; books do not deal much with them because a System on numbers can only make already serious problems even more complicated, as it is necessary to enter a higher level of complexity. I do not think there are many people in the world who have scrutinized the series of random events with equal probability exploring the fascinating mathematics branches of combinatorics and probability with a greater dedication than mine. If I had not done this, it would have really been too easy to make a blunder or hit a dead end.

Slowly, almost unknowingly, I carried out extensive research. In the beginning of the 1970s, computers were not yet common, and I remember filling up hundreds of notebooks, testing thousands of models, routes, and expedients. I attempted, several times, to improve the yield of the old systems or reduce their peril, but always without success. Every time I got the impression of having found a reasonably viable path, a sufficiently long test would always lead me to the classical insurmountable crisis. One day , exhausted by my failures, deeply disappointed, and convinced I had pointlessly wasted my time in a quest for the Philosopher's stone, I threw out all the material I had collected, which would have been precious in order not to repeat mistakes. Fortunately, I have a good memory, and after one year I resumed my research with such zeal and passion, at times even neglecting other important commitments, that, at that point someone might have realistically thought I was under a spell.

We might say that the systems usually proposed are part of a century-old tradition, almost a sort of folklore. There also exist tales, like the one about an American engineer who, during his honey moon in Monte Carlo, noticed that one of the roulette wheels was flawed. He exploited the flaw and broke the casino for many days in a row. I believe that in order to notice a flaw one must observe the roulette wheel for several days and accurately write down each spin. That is not plausible! I established that even a toy roulette works in such a way that makes it impossible to exploit a flaw. Perhaps an anomaly could be noticed if using a computer, making it possible to analyse an extremely long permanence. Exploiting such an anomaly, unless it were crystal clear (which is absolutely impossible, since the casino men would have removed it!), is a much harder problem than one might think. Other tales are typical of that environment. Sometimes you hear about some famous players, the scourge of all gambling houses. Several years ago, even the press, skilfully inspired, wrote about a Hungarian professor who showed up here and there in casinos across the world, always collecting resounding wins. Gambling houses have a vested interest in fostering such legends: you have to give players hope, make them dream on. This is part of the traditional, ancient charm of casinos.

We might presume that someone (after all, the roulette has been around for over two centuries!) has discovered a truly winning system: but, in this case, that lucky man is likely keeping it secret, for his personal use. Indeed, from the viewpoint of mathematics, the problem seems impossible to solve. The so-called "three-sigma rule" – used to calculate the deviation with great precision – shows very clearly that a hypothetical ordinary player could only keep on fluctuating – the values getting smaller and smaller in respect to the

overall number of events – with his wins or losses around the **X**-axis. Therefore, in the long run, the advantage sought can only be null. If we add to this theoretical trend the negative influence exerted by the roulette's zero, then defeat is certain.

The system I am proposing is based on a decade-long observation of facts**.** In other words, I have noticed that certain situations tend to repeat themselves and persist, such as a typical alteration of groups along three vertical columns (obtained by means of an expedient), or the repetition, at times, of their length (naturally, a group of positive signs can consist of two or more elements, up to ten or more). All this depends only on the fact that the primary sequence (subsequent results on the roulette wheel, or at the Stock Exchange) show trends I would define as "typical:" repetitions, waves (short, long, extremely long), rhythms, measures, harmonies**.** These are subtle, quantum facts featuring all the fabulous complexity of a fractal, which, more than anything else, can be sensed intuitively; but it is real**.**

After several years of research, I happened to discover an extremely narrow breach, an extremely small hole. Gradually, with infinite patience, I understood how to widen it. I have resorted to expedients nobody, as far as I know, has ever attempted before, which I had never dreamt I could achieve. In a way, I have reversed the problem**:** players usually bet on individual events; my system aims at groups, which include several events, and are subject to the same laws, but on a different scale, as it happens in fractals.

I must be honest and say that the System I am proposing is not very easy to understand nor to implement, if not after much patient practising**.** Having invented it and practised it for a long time, I can say that the eye and mind become accustomed, and situations can be grasped instantaneously. Therefore, if one wants, it is possible to follow any rhythm a roulette might have (and even better the Stock Exchange, where dealers are able to plan the time of intervention)**.** We should also notice that the System, <u>being conceived of for maximum bets of seven units (the maximum one is very rare; each bet is independent, meaning that a negative "go" does not entail a subsequent increased bet), excludes the ill-famed loss increases and **is not risky at all**</u>. For example, in the rare negative bets (or days), the loss is very small, and can easily be made up for, making the balance positive again**.** Certainly, it is necessary to force oneself to bet without anxiety or rush, being also able to afford a relatively high basic chip (or contract)**.**

"Even using the best System someone might one day conceive, always winning every trial or bet will never ever be possible. One will always have to be content with winning most of them, aiming at a positive balance."

In this regard, suffice it to say that a binary random series made up of 100 events with equal probability, or roulette spins, can occur in 2^{100} different arrangements with possible repetitions. This is a mind-boggling amount of possibilities in which, theoretically, anything might happen, including losing 100 bets in a row, as well as winning hands down.

Many readers might ask me: "If you invented such a strong and riskless betting system, why don't you use it yourself?" Here is my answer: my age and state of health are no longer suitable for being a professional player. If I were thirty years younger, then I would make a run without hesitation. Therefore, now I am offering my work, to those who will want to purchase it, also considering that it can be applied to the daily trend of a specific type of Stock Exchange chart.

The **first part** of my CD-book, devoted to the roulette wheel, is conceived and written for open-minded readers, who supposedly did not receive particular education nor attended specialized courses, which, fortunately for those who are not fond of studying, are not compulsory, beyond an essential, minimum level.

For this reason, I avoid using too much technical language, and I never go into labyrinthine theoretical demonstrations: I speak of probabilities by using fractions and percentages, I never use algebraic expressions, with only one exception, in a very simple form, where I warn readers that they will not miss anything essential if they skip that section.

The full understanding of the systems, illustrated by means of long examples and tables, is within everybody's range, as long as one has plenty of patience and is willing to engage in numerous diligent exercises. **The material explains how to do it and that is it**. The only requirement is a real interest.

The **second part**, which deals with a particular type of speculative operation (trading systems on futures, in this case, Fib30, even if since the end of September 2004 there are new derivatives on the **S&P/MIB** index; but it is also absolutely correct to clarify at this point that the issue, both theoretical and practical, does not change at all), requires specific experience. However, nobody should expect mathematic delicacies, but merely the professionalism of a stockbroker, an expert who, from his office, would place and move, several times during the span of a day, units of financial investments through a computer connected to specializing Banks.

The third part offers ideal Systems, whole-heartedly recommended to deal with the roulette wheel, an alluring devil, but full of traps.

However, this is a text I advise you to study, rather than to read, with great diligence. Only after acquiring an overall, mature idea of the concepts therein exposed – enriched by absolutely indispensable and fully convincing virtual tests – can the reader reasonably think of applying them in practice.