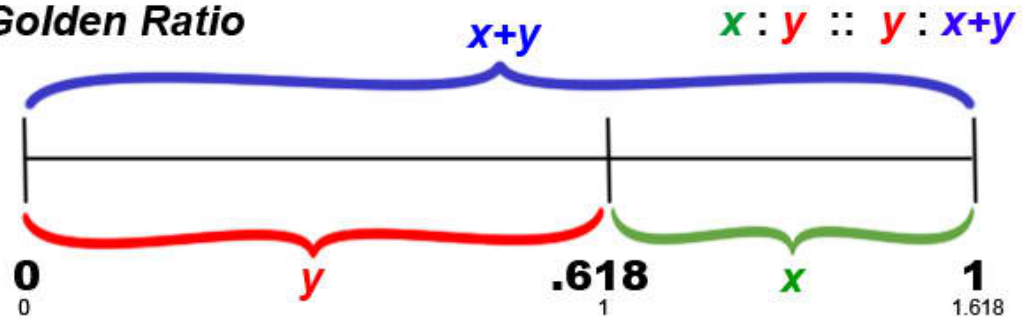


07 May 2017

Big Winner in France:  
The Golden Ratio of Pythagoras

Walter J. Zimmermann Jr.  
ICAP Technical Analysis

**Golden Ratio**



**Fibonacci Sequence**

0, 1, 1, 2, 3, 5, 8, 13, 21, 34, 55, 89, 144, 233, 377, 610...

$3 \times .618 \approx 2$	$13 \times .618 \approx 8$	$55 \times .618 \approx 34$
$5 \times .618 \approx 3$	$21 \times .618 \approx 13$	$89 \times .618 \approx 55$
$8 \times .618 \approx 5$	$34 \times .618 \approx 21$	$144 \times .618 \approx 89$

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This report moves from a Fibonacci ratio analysis of the election, to an update on the CAC 40 and then onto the implications for the next Presidential election in France.

## *Macron Wins Decisive Victory in France*

### Centrist and Political Novice Triumphs Over Far-Right Rival

By ALISSA J. RUBIN 8:51 PM ET

- Emmanuel Macron handily won France's presidential election on Sunday, defeating the staunch nationalist Marine Le Pen.
- Mr. Macron's victory offered significant relief to the European Union, which Ms. Le Pen threatened to leave.

1288 Comments

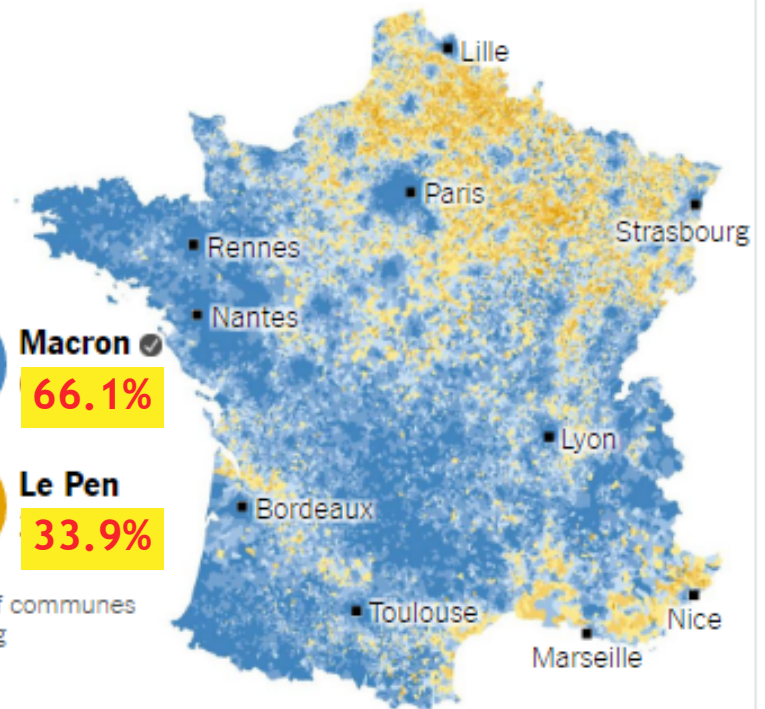


**Macron** ✓  
**66.1%**



**Le Pen**  
**33.9%**

100% of communes reporting



From the N.Y. Times - the red on yellow highlight of the percentage results are mine.

#### Top Ten Main Points

1. This report is the applied follow up to two tutorials.
2. There is the 'Fibonacci Aspects of Consensus' from November 2012 and then 'The .618 and Polls in Current Events' from April 2017
3. The main point of these tutorials is that when a group of non-experts express their opinion the poll results tend toward a .618 to .382 distribution.
4. The more emotional the nature of the poll the stronger the tendency toward a 'Golden Ratio' distribution.
5. The more one studies this phenomena the clearer it becomes that 50 - 50 is not the pivot point for polls that stir the emotions.
6. *The pivot is the .618 to .382 of Yea to Nay, of For to Against, of Pro to Con, and of one emotionally laden political party to another.*
7. So it is way too early for anyone to think that France has seen the last of a LePen type candidate.
8. President elect Macron has five years to put together a parliamentary majority and then create enough positive change to defuse the far right.
9. The 03 May debate made clear that, with the CAC40 at it highest level since 2008, LePen had a tough time citing the present as the worst of times.
10. However, viewed technically, five years is plenty of time for the CAC40 to peak out and then lose enough altitude to refuel the case for a LePen.

### Pivotal Overhead Resistance

There is a cluster of very formidable resistance just overhead. It is a significant enough and a dense enough cluster to demand a closer look.  
See next page.

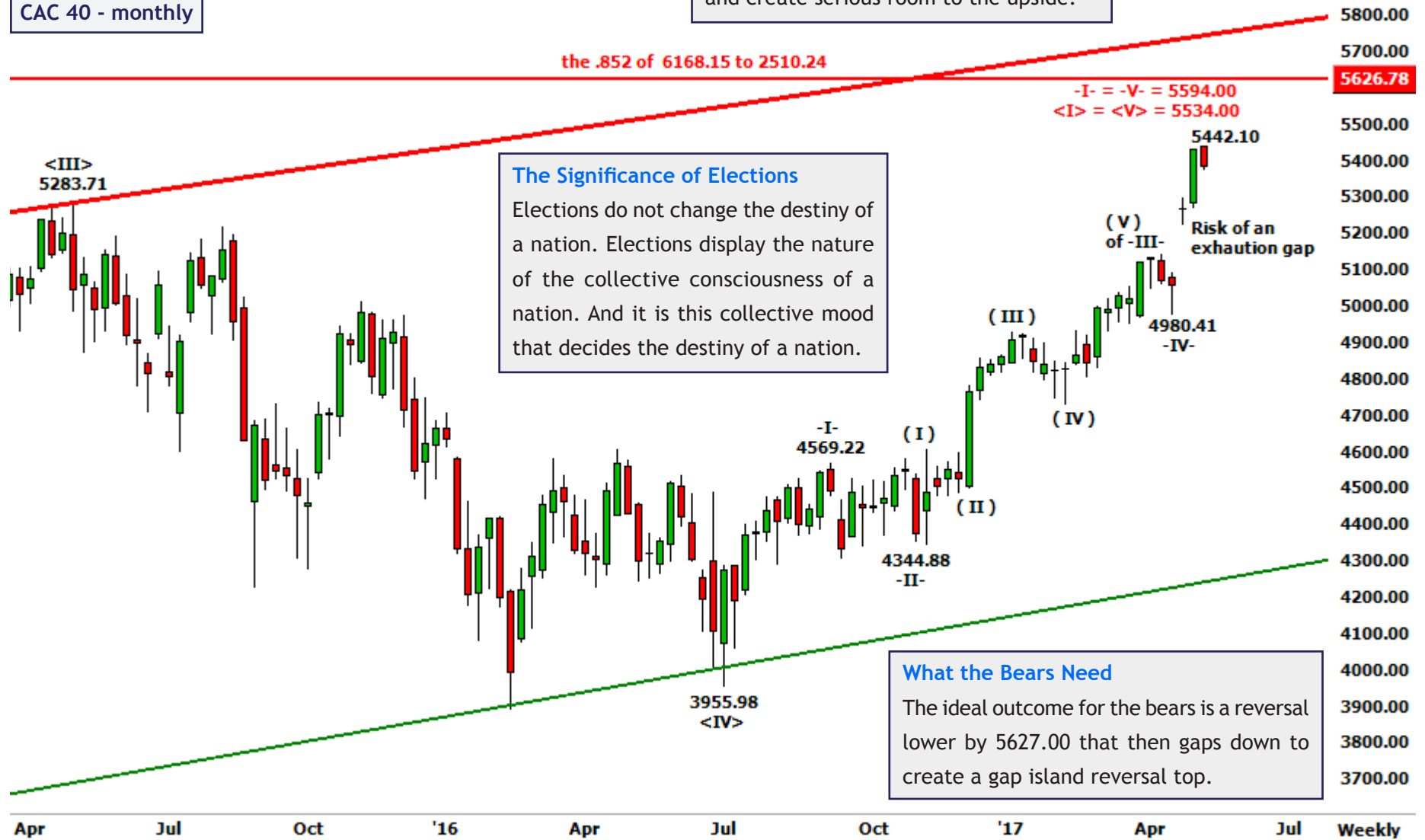




**What the Bulls Need**  
The bulls need a decisive and sustained break out above the 5534.00 to 5627.00 range to derail the bear case outlined here and create serious room to the upside.

07 May 2017  
The .618 Takes France

CAC 40 - monthly



**The Significance of Elections**  
Elections do not change the destiny of a nation. Elections display the nature of the collective consciousness of a nation. And it is this collective mood that decides the destiny of a nation.

**What the Bears Need**  
The ideal outcome for the bears is a reversal lower by 5627.00 that then gaps down to create a gap island reversal top.