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Seeking New Belief: *Yijing* Divination for Predicting Stock Market Movement  
in the Black Swan Event of COVID-19

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## Abstract

### Seeking New Belief: *Yijing* Divination for Predicting Stock Market Movement in the Black Swan Event of COVID-19

by Shixue Shao

In the world of finance, statistical analysis and mathematical reasoning have always been the engines for making investment decisions, but their authority was challenged at the end of 2021. During this time, three Chinese investment banks released research reports that directly cited the ideas in the *Yijing* and *Yijing* divination as evidence for predicting the stock market performance in 2022. This unusual engagement with the *Yijing* divination became so prevalent that the China Securities Regulatory Commission had to publish an announcement to halt this practice. Notably, this interesting phenomenon emerged during the COVID-19 pandemic, which qualifies as a “black swan event” according to Nassim Nicholas Taleb's definition. When uncertainties spread across the world, market anomalies also caused conventional mathematical and statistical tools to lose their predictive power. Therefore, this phenomenon reveals an important turning point, at which people's belief in “universal rationality” shaped by quantitative theories and methods observes a transformation. People began to reconsider and rediscover the validity, usefulness, and rationality of the seemingly “irrational” predictive method of divination.

Thus, by analyzing this unusual phenomenon, engaging with previous scholarships, and reflecting on a *Yijing* divination initiated by myself, this paper discusses the topic of belief in the context of black swan events. It also explores the motivation and the reasoning behind people's choice of using *Yijing* divination to predict the stock market movement. I argue that when a black swan event similar to COVID-19 happens, and when the old belief is no longer effective or provides indicative guidance to the situation, people will seek a new belief. The definition of belief discussed here mainly refers to the public recognition of a thinking principle that forms the base for people's actions. In our context, the belief is bestowed on what can produce plausible predictions from a pragmatic sense during times of great uncertainty, but it can also be on what can be considered rational in the new reality. Therefore, I also argue that it is because of the modern, and rather capitalist, way of consideration, the practicality of any method constructs and materializes the abstract idea of reason and rationality.

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Finally, I hope to use this paper to conclude my four years of being an Economics and Religion double major at Emory. The internal stability and intellectual anchor that my study of Religion has established inside of me are invaluable for all of my journeys ahead. I will not forget my time approaching the texts, the arts, the people, the spaces, the ideas, and the discussions in Religion studies. No matter how the reality evolves, especially in realm of finance, I hope I can stay grounded, curious, and independent. Most importantly, I will continue my exploration of the world while accompanied by the lens of religion.

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## I. Introduction

In the world of finance, statistical analysis and mathematical reasoning have always been the engines for making investment decisions, but their authority was challenged at the end of 2021. On October 17th and December 26th, 2021, two stock market research reports, titled “The Initial Exploration of Applying Heavenly Stems and Earthly Branches to Picking Time” and “Virtuous People are Undefeatable: The Forecast of Chinese Stock Market in 2022,” were released to the internet (Ren and An). Both reports cite the ideas in the *Yijing* and *Yijing* divination as evidence for predicting the stock market performance in 2022, and both reports were written by professional brokers in Chinese investment banks. This was indeed an unusual phenomenon, as it was one of the very first times that Chinese financial institutions publicly addressed and acknowledged the power of anything other than rigorous mathematical extrapolations.

However, as a tool of prediction, *Yijing* divination has a long tradition in Chinese culture. The *Yijing*, or the *Book of Changes*, is an ancient classic text that records philosophy about the changes in and patterns of the universe and the relationships between humans and the universe. While the exact date of the *Yijing*’s composition is still debated, and the *Yijing* as we know it today is the product of multiple accretions, the oldest parts were likely written more than 2,000 years ago (Kirkland 1). This work has deeply influenced the development of Chinese society and has been integrated into Chinese people’s understanding of the world. It has also historically been used for divination purposes, as its main content is about categorizing all divination results into 64 different hexagrams and giving each hexagram an explanation (Smith 154).

Many concepts are involved in explaining the 64 hexagrams and the mechanism of changes behind producing these hexagrams. Many commentary texts are also written to explore



the meaning of the original text. One of the most prominent schools of explanation is the Yin and Yang theory, which views Yin and Yang as two complementary and “basic aspects of reality within the world of nature and human activity” (Kirkland 2). Yin and Yang give rise to each other but also constrain each other, so they both move together to create the fundamental principle of the world. This school of explanation also provides a fertile ground for philosophical thinking. The principle of Yin and Yang is often called “*dao*,” or “the way,” which is seen as ultimate wisdom that reveals the pattern of the universe (Stefon). *Dao* also emphasizes the constant movement of everything in the natural world, as suggested by the complementary relationship between Yin and Yang. Thus, *dao* can describe the way things are, the nature of all existence. The later development of the *Yijing* also enriches the meaning of *dao* and endows this concept with a legal quality. Therefore, *dao* can be the moral code that provides guidance to the way things *ought to be*. By grasping *dao*, one can understand how everything originates and develops in the world, so one may also predict the future accurately. Therefore, many people study the *Yijing* to sense the movements of Yin and Yang and the mysterious *dao*, hoping to gain some knowledge about the present and future.

Another influential school uses “*wu xing*,” translated as “five phases” or “five elements,” to describe the five natural forces that constructed the natural world, which includes the elements of “fire, water, earth, metal, and wood” (Kirkland 2). These five phases also give rise to each other yet constrain each other to prevent an excess of a single element, and this mode of interaction between each phase is similar to the one that exists between Yin and Yang (ibid.). No single phase can exist without the presence of another element, so five phases form cycles of creation and destruction of each element, and the harmony of all five phases is preferred. For example, the element of wood can generate the element of fire, but the element of water can

extinguish the element of fire. However, having too much fire can cause problems, just as having too much water is equally problematic. Thus, the dynamic balance between each element must be achieved. The five phases can also be assigned to the other concepts in and related to the *Yijing*, so the characteristics of these elements are essential to the general understanding of the *Yijing* and interpreting the result of *Yijing* divination.

Also, the practice of *feng shui*, a traditional Chinese divination method and a technique of arranging indoor and outdoor settings to invite good fortune according to the divination result, is correlated with the cosmology in the *Yijing* (Han and Lin 2). *Feng shui* aims to balance human activities with natural forces and to foster prosperity. Bruun explains that *feng shui* is grounded in the “dynamic balance of Yin and Yang energies,” so *feng shui* is also derived from the concept of *dao* (Bruun 166). The idea of five phases is integrated into *feng shui* practices to achieve and maintain this balance as well (ibid. 82). Therefore, these principles provide a framework for interpretation of the physical world and its impact on human existence. By connecting the greater pattern of the natural world with human life, people hope to use *feng shui* to gain a better foothold in the ever-changing world.

Therefore, the *Yijing* is not only a source of intellectual development, but it is also a guide for the way of living everyday life. Inevitably, people will encounter questions and uncertainties while living their lives, so the *Yijing* is also used to providing answers and clarity. Because the *Yijing*’s fundamental content is a manual of interpreting divination results, this predictive nature has made the *Yijing* a tool of making predictions. Given the long history of the *Yijing* and *Yijing* divination, the *Yijing* is also applied in analyzing the stock market. However, this has mostly been practiced on an individual investor’s level. As will be discussed in the second chapter of this essay, there are three main ways that individual investors apply *Yijing* ideas to the stock

market, all of which aim to tackle uncertainty or provide a reference for their investment decisions.

However, in the case discussed in this paper, at the end of 2021, it was the financial institutions who publicly engaged with the *Yijing* and claimed the *Yijing* as their technical means of analyzing the stock market. This is highly unusual because in the world of finance, which is full of numbers and data, many financial institutions have been trying relentlessly to quantify every measure, figure, and procedure. The financial industry is also known for its vigor in engaging, utilizing, and even manipulating numbers. However, in this scenario, the institutions discussed have intentionally left the traditional path of using quantitative theories and methods and chosen to use a seemingly absurd method of *Yijing* divination to predict the market movement.

What is even more unusual is the timing that these institutions chose to release their *Yijing* divination reports. Both reports were released at the end of 2021, when the Omicron variant of the Coronavirus, one of the most contagious diseases that the world has ever seen, was outbreaking around the world. The world was experiencing the black swan event of the COVID-19 pandemic.

The concept of the black swan event was first proposed by Nassim Nicholas Taleb. In his book *The Black Swan: The Impact of the Highly Improbable* (2007), Taleb describes black swan events as occurrences that seem impossible yet still happen in reality. He also characterizes the black swan events as having three attributes: "unpredictability," "significant impact," and "retrospective explainability" (Taleb 164). Applying his theories to an example, the 2008 financial crisis can be considered as a black swan event. Standing the night before the financial markets started to plummet, most people would not have expected a financial crisis to take place

the next day. Although many financial crises had occurred in the past, they still seemed very unlikely to occur in the immediate future. Thus, people often overlooked the real possibility attached to the rareness. As a result, most people were unprepared for the financial crisis and suffered severe losses. Interestingly, after the crisis happened, this rare event could be explained retrospectively as something completely normal to expect, as this was just another low valley of the boom and bust economic cycle. Black swan events are known for their elusive, mystic, and surprising quality at the moment when they happen, as well as their impact on present life and their power in shaping history.

Applying this definition to the COVID-19 pandemic, because very few people would have foreseen the speed, scale, and impact of the outbreak, COVID-19 was a black swan event. People around the world were suddenly immersed in the swamp of uncertainty. The first piece of uncertainty came from people's concern about their physical health. People were constantly worried about their health conditions and struggled to keep themselves safe. They did not know if they would catch the virus or spread the virus to their friends and families. Quite literally, nobody knew what would happen tomorrow or could predict the following day with confidence. Therefore, in order to confront such great uncertainty, many rushed to the stores and purchased everything they thought would be helpful for protecting themselves. Soon, the inventories in the stores were exhausted, but the speed of production could not match the speed of people's panicking purchases. To make matters worse, precautionary measures forced many factories and companies to close, so the supply of many necessary goods and services declined significantly. This suddenly increased demand and sharply decreased supply caused a major supply chain disruption, which sent an enormous shock to the global economy. Then, the chaos caused by uncertainty was transmitted through global trade to the whole world. Also, people's panicking

emotions were not helping the global economy to stay stable. The global economy entered a period of deep instability, with many market segments experiencing unprecedented volatility.

The stock market often serves as a key indicator of general investor sentiment, and the US stock market, measured by the S&P 500 index, experienced a decline of 34% from February 19th, 2020 to March 23rd, 2020 (Vereckey). The circuit breaker, a protective measure that halts the trading activities in the market if the S&P 500 falls more than 7%, was triggered four times within ten days during this dramatic declining period (ibid.). At the same time, the Chinese stock market saw a sharp drop, with the Shanghai Stock Exchange (SSE) Composite Index falling 9.5% within 14 days from March 6th, 2020 to March 20th, 2020 (Yahoo Finance). These significant declines in stock prices revealed investors' concerns about the virus's future impact and the broader economy. Many chose to sell, fearing even steeper losses ahead and wanting to have cash to confront potential challenges arising from the uncertainty. Also, the Fear and Greed Index, a measurement of the investor sentiment behind the current transactions in the stock market, also showed that the US stock market was driven by “Extreme Fear” in March 2020 (CNN and Franke). This widespread panic quickly spread to global financial markets, influencing the Chinese stock market as well. According to Sentimentrader, in July 2020, the Fear and Greed Index for the SSE Composite Index hit the highest level since 2015, which showed similar fear-driven sentiment (Bombardia). The entire market was shaken by the panic, confusion, and insecurity about tomorrow. These two economic phenomena also demonstrate that, when an emotion is shared by a large number of people at the same time, it can have a significant impact on the market.

Another important indicator of the global economic health is the crude oil price. On April 20th, 2020, the price for West Texas Intermediate (WTI) crude oil became negative for the first

time in history. The price dropped from US\$17.85 to US\$-37.63 a barrel, which means that the seller would have to pay the buyer when delivering the oil (Le et al.). Some scholars argued that this anomaly was largely caused by economic factors, such as widespread lockdowns, the oversupply of oil exacerbated by the decreasing economic activity, and the scarcity of oil storage capacity (ibid). However, the negative price level could also be seen as an overreaction to the market condition. It was an expression of the panicking attitude to the uncertainty related to the pandemic. Again, since the global financial markets were interconnected, some Chinese individual investors who had bought WTI's future contracts suffered heavy losses. Because the price was negative, not only did they not make any profit, but they were also asked to pay the bank US\$-37.63 a barrel as the settlement of their investment (Stevenson and Li). This incident also evolved into a large-scale legal battle in China. In the end, the court ordered the bank to compensate these investors because the bank failed to consider the negative price as a potential risk to warn the investors (ibid.). Therefore, although investors received some compensation, this incident reflects the anomaly of the global economy. The volatility of the market was beyond imagination because, before April 2020, nobody could have ever expected the crude oil price to be an unbelievably negative figure.

Therefore, given all these abnormal economic metrics in 2020, it became increasingly difficult for the regular and widely used financial models to analyze the current situation and forecast the market condition in 2021 and beyond. During a time of great uncertainty, when people were experiencing a black swan event, many people could no longer obtain a convincing answer from their conventional reliances on and beliefs in statistical analysis and mathematical calculation. By the end of 2021, many realized that the trusted methods of data-based modeling extrapolations were increasingly powerless, or at least, limited. Thus, they had to search for a

new belief that was helpful and fitting for the current situation. As mentioned above, since *Yijing* divination has traditionally been a tool for seeking clarifications in Chinese culture, it was reconsidered to put into use and address the problem of uncertainty.

Thus, by recording and analyzing this unusual phenomenon, this paper discusses the topic of belief in the context of black swan events. Firstly, this paper will adopt Taleb's definition of the black swan event. Secondly, it will continue the discussion about people's response to uncertainty based on the premise that belief provides guidance and influences people's behavior. Rather than following a religious belief or any fixed set of doctrines, the belief here refers to people's recognition of what they perceive as the most useful and effective approach to address the current situation. In other words, people have to believe that *Yijing* divination will be an effective way to resolve their investment-related problems in a time of high volatility, and then they choose to use this method to help them decipher and navigate the unpredictable stock market. This understanding of belief and belief's connection to behaviors can also be found in Taleb's discourse, where he argues that the "willingness to translate belief into action" exists (Taleb 6). People will only respond to a situation using a method that they find logical or helpful to the current situation.

Comes with the discussion of logic and helpfulness is the exploration of the meaning of rationality and reason. In the scenario discussed in this paper, the difference between what is considered rational and what is deemed reasonable is also notable. Rationality is shaped by common social ideology and popularity, reflecting what is widely regarded as logical. In contrast, reasonableness is more similar to a conclusion derived from analyzing the specific situation, portraying what is helpful to resolving the problem at hand. In the extraordinary situation of a black swan event, imagining that only the logical is helpful is an absurdity. Just as

using what have been regarded as the most logical methods in analyzing the stock market, statistical and mathematical tools, are not necessarily helpful to confront the current situation of market anomaly and alleviate people's anxiety. Instead, what is regarded as illogical among financial analysts, *Yijing* divination, is reconsidered as a helpful tool to address the problem. Then, because *Yijing* divination is regarded as helpful, people's choice of engaging with this method also seems like a reasonable move. These concepts of helpfulness and rationality will be discussed in more detail in the third chapter.

Therefore, this paper aims to analyze the motivation and the reasoning behind people's choice of using an unconventional method to predict the stock market movement. As will be presented in the third chapter, although many scholars have examined the motivation behind people's usage of divination methods in general, relatively few scholars have discussed this topic in the context of stock market forecasts. As the stock market is also a culmination of many modern capitalism and neoliberalism ideologies, this paper also seeks to explore the reasonableness and thus the rationality of divination in a modern context, when other more sophisticated tools for predictions are believed to be available.

More importantly, this paper also aims to provide an extension to Taleb's discussion about people's responses under uncertainty because the perspective of belief as in finding a subject of recognition and engaging with this subject as a result of the re-established thinking is a missing component in his analysis. In his book, he mainly discusses the philosophy of statistical or mathematical methods and challenges the general public's conception of the black swan event. However, he does not examine the role of belief, as in a widely recognized thinking principle that guides actions, when people interact and tackle the uncertainty brought by the black swan event. Although the word "belief" appears 23 times throughout the book, in only one instance



does he connect the concept of belief to general social recognition or ideology. This occurs when he used the word “religion” with the the word “belief,” which reads “I am most often irritated by those who attack the bishop but somehow fall for the securities analyst—those who exercise their skepticism against religion but not against economists, social scientists, and phony statisticians...We no longer believe in papal infallibility; we seem to believe in the infallibility of the Nobel” (Taleb 291). In this quote, Taleb attacks the blind belief in the authority of experts and the quantitative methods. He regards the unconditional following of the experts and the unwavering obedience to the quantitative methods as problems. According to him, the inability to foresee the occurrence of the black swan event stems precisely from blindly adhering to the experts and the conventional statistical tools that the experts use (ibid. 291).

However, as he also declares earlier in the book, he does not self-identify as affiliated with any religion. Thus, he cannot say that the general public should turn to the other subject discussed in this quote, religion, to solve this problem of unpredictability. However, this is exactly what happened in the phenomenon discussed in this paper. In our context, people did not choose to use the *Yijing* divination, which is often associated with Daoist practice, to predict the stock market movement at random. They opted to use this non-quantitative method by choice. Therefore, as shown by this quote, although Taleb has noticed that the topic of belief is one of the core factors that influence people’s response to uncertainty, he never wishes to expand on it. Thus, this paper also hopes to supplement his discussion and to contribute to the larger reflection on people’s thinking and behavior under uncertainty.

By studying this phenomenon of Chinese individual investors and financial institutions who chose to apply *Yijing* divination to predict stock market movement at the end of 2021 and using it as an example, I argue that when a black swan event similar to COVID-19 happens, and

when the old belief is no longer effective or providing indicative guidance to the situation, people will seek a new belief. The definition of belief discussed in the paper mainly refers to the public recognition of a thinking principle that forms the base for people's actions. This recognition can be manifested as trust, reliance, and even the direction of state ideologies. These actions can also range from making investment decisions to adopting a new analytical framework, and essentially, a new perspective of observing, engaging, and understanding the world. The belief, therefore, is more similar to a focused lens on any subject of choice. In our context, the focus is on what can produce plausible predictions from a pragmatic sense during times of great uncertainty, but it can also be on what can be considered rational in the new reality. The idea of rationality is also a loaded term, as it can indicate validity, credibility, and authority. These qualities of rationality are further proven by the reasonableness of choosing one method, which is often associated with the practical concerns of usefulness, helpfulness, and effectiveness of a method to the actual situation. I also argue that it is because of the modern, and rather capitalist, way of consideration, the practicality of any method constructs and materializes the abstract idea of rationality, reason, and logic.

More importantly, all of these considerations discussed above will be packed into the construction of a belief system, which is a rather self-sufficient ontological sphere that contains the figure of worship, the ideal, and the pathways to achieve the ideal. From this sense, I further argue that the idea of the financial markets can be considered as a belief system. The divinatory practices, which can be observed in the markets and as an independent practice, can also be interpreted as a belief system. As the practicing divination and receiving the divination result can bring an immediate relief to the anxiety brought by uncertainty, the divinatory practices, such as

*Yijing* divination, can serve as a subject of popular recognition and a methodology to accomplish the goal of taming uncertainty.

Then, in our scenario, this intentional renunciation of quantitative theories and methods and transition to divinatory practice signals a change in people's perception about rationality, both in the context of modern capitalism framework and in the special background of the black swan event. However, such rationality has a deep root in considering the functional use and practical applicability of a prediction method. The concept of rationality discussed here is also a relative term that changes its content and implications as the world evolves.

More interestingly, in our example, the established belief in the rationality of statistical analysis and model-based market prediction is a relatively novel tool to all human beings, but the new belief in the rationality and logic in the *Yijing* is in fact a more historical and traditional belief in Chinese culture and society. Therefore, I also hope to use this essay to invite the readers to reflect on the fragility and resilience of our belief, which is especially manifested during major events of disruption and uncertainty.

## **II. Analysis and Discussion of Applying the *Yijing* text and *Yijing* Divination to Predict the Stock Market Movement**

As mentioned above, both individual investors and financial institutions in China joined the trend of using *Yijing* divination to predict the stock market movement at the end of 2021. This chapter reviews their engagement with the *Yijing* text and *Yijing* divination, aiming to discover their perception of uncertainty and their motivation behind their practice. From consulting *Yijing* divination on specific questions to drawing moral lessons from the *Yijing* text as the basis for their investment strategies, many individual investors used the *Yijing* and *Yijing*

divination as a means to seek assurance during times of uncertainty. For financial institutions, their engagement with the *Yijing* varies widely from offering “light-hearted outlooks” to producing formal investment banking research reports of the future stock market (CLSA). This range of efforts showed their desire to harness the volatile economy, maintain the basic control of the market, and to provide financial advice regardless of the situation.

However, what makes these forms of engagement particularly intriguing is that they reveal a departure from statistical and mathematical tools. This decision signifies a new intellectual shift, one that consciously discards the quantitative theories and methods and embraces something seemingly less rational and logical. Conventionally, statistical and mathematical tools are considered the most rational and logical approach in analyzing the stock market because the stock market is filled with quantifiable figures and metrics and because statistical and mathematical calculations can process numbers. Therefore, they are widely believed to be the most effective means of tackling problems posed by numbers and extracting profit from numerical patterns. However, as this phenomenon demonstrates, if modern mathematical analytical tools can no longer tame uncertainty, people will immediately look for the next source of certainty. Thus, rationality and logic have always been recognitions given to what is believed to be the most effective and helpful in specific contexts, and such belief is never fixed to a certain tool or method.

In this case, the market anomaly has stimulated investors and institutions to seek alternative ways of understanding and navigating complex economic realities. Then, *Yijing* divination emerges as a compelling substitute. Its ability to generate predictions and offer immediate answers appeals to people’s search for guidance amid uncertainty. The elusive and mythical quality of divination also satisfies people’s need to seek metaphysical or even mental

support in unstable times. Therefore, *Yijing* divination becomes the most rational and reasonable tool to resolve the problem in this specific context. This switch of predictive methods not only signals a change in analytical approaches but also reflects a transformation in people's perception about what is rational during times of high uncertainty.

While modern financial rationalism would regard *Yijing* divination's analysis and final answers as ambiguous, ambiguity is actually a valuable feature of this method. Ambiguity is only unwanted by statistical and mathematical calculations, as these tools are invented to minimize undesirable randomness to achieve clarity. Divination, however, works with and even invites ambiguity into its analytical framework and interpretive process. Clarity is achieved in arriving at one of the 64 hexagrams and getting an explanation from the *Yijing* itself. Taking the explanation of some hexagram in the *Yijing* as an example, although these explanations are rather brief and vague in wording, they provide a flexible ground that leaves room for personal interpretation. They allow the diviner and the initiator of the divination to extract a message relevant to their own situation. Thus, divination as a method of addressing uncertainty becomes highly adaptable to answering a wide range of questions. Therefore, rather than being a limitation, ambiguity becomes a functional feature and contributes to the reasonableness in applying *Yijing* divination to analyze the stock market. By examining the details of people's engagement with *Yijing* divination, I aim to explore the underlying motivations for and the broader rationality of *Yijing* divination in the modern reality of quantification from different perspectives.

For individual investors, there are three major ways for them to engage with the *Yijing* and to use *Yijing* divination to predict stock market movement. The first approach is to initiate a simple *Yijing* divination by asking a question about the performance of a certain stock or the

general market. As mentioned above, the *Yijing* divides all divination results into 64 hexagrams or 64 different combinations of Yin and Yang symbols. Each hexagram contains six stacked horizontal lines, or six “*yao*.” The Yin symbol is composed of two broken horizontal segments, and the Yang symbol is noted as one continuous horizontal line (Lynn 1). Therefore, the diviner can assign the Yin and Yang characteristics to any object and use this object as their divination media.

One of the most common divination media is a two-sided coin, assigning the head side of a coin as the Yin side and the tail side as the Yang side. The person who wishes to initiate a divination will toss the coin and record the Yin or Yang result each time. Usually, three tosses will generate one Yin or Yang symbol, or one *yao*, in the hexagram, so the initiator will have to repeat this process for 18 times to get a complete hexagram that contains six *yao* (ibid. 22). Then, the initiator will arrive at one of the 64 hexagrams, and the diviner will explain the meaning of this hexagram in the context of the question asked. This hexagram obtained from the initial divination process is called the “original hexagram,” and the diviner will usually convert this hexagram to the “changed hexagram” (ibid. 29). The original hexagram is believed to be more interpretative to the current situation, and the changed hexagram is more indicative to the future development of the situation. The purpose is to have two hexagrams available for the reading so that the diviner may compare and contrast their revelations and offer a better reading to answer the consulted question. Then, a diviner will explain both hexagrams' meanings and offer personalized advice to the initiator. The initiator can also ask clarifying questions and hear some more detailed readings from the diviner. A *Yijing* divination concludes after the initiator's questions are answered.

Therefore, since a standard *Yijing* divination can generate an answer to any question asked, it is also used in predicting the stock market movement. Common questions include: How will the stock market perform in a certain amount of time? Will the price of a stock increase? Should I invest in a certain stock? Then, the diviner is likely to associate some *Yijing* theories such as the five phases or some numbers related to the hexagrams to answer the initiator's question. The procedure by which the diviner relates the standard hexagram explanation from the *Yijing* text to the consulted situation varies greatly, and there are no unified methodologies for interpretation. Darrelyn Gunzberg has discussed the variations in interpreting the divination result by exploring a three-way relationship between the reader, the client, and the divine object in her article "How Do Astrologers Read Charts?" After interviewing more than 23 astrologers, she deduces that the object used in the divination process often transmits an authoritative voice to the diviner, and the diviner can then interpret this voice in a creative way and deliver the divination result to the client. One of her interviewees, Dorian Gieseler Greenbaum shares her experience by stating that "'It's—it's like 'Hah!!' You sit there and—you see whatever it is you see and somehow I don't know whether it's popping out at you or grabbing you but it's something like that'" (Gunzerg 189). From the tone of Greenbaum's language, the sense of conversation and interaction between the divine object and the diviner stands out. The divine object serves as a medium to relay the message presumably from a high being or an unknown force to the diviner, so the object itself is endowed with an ability to vocalize and convey the result. The object thus becomes a source of authority with a power to give judgment. The variability in the articulated judgment also echoes with the diverse methods of interpreting the result of *Yijing* divination. In fact, in the fourth chapter of this essay, I will initiate a *Yijing* divination by myself and ask the question: Will the CSI 300 Index increase from January 27th,

2025, to February 27th, 2025? Then, I will provide my own interpretation of the divination result, discussing the connections that can be drawn between the hexagram and the characteristics of the stock market in more detail.

The approach described above represents one of the most common applications of *Yijing* divination, which is to analyze and resolve a question using the hexagrams produced during the consultation. It treats the *Yijing* as a book of solutions and considers divination as a pathway to locate the *Yijing*'s interpretations. Because everyone can obtain an answer from the *Yijing* through initiating a divination, it is an especially simple, convenient, and efficient means for confronting uncertainty. In the scenario discussed in this paper, *Yijing* divination becomes popular precisely for this reason. Especially for individual investors, since many of them may not possess the technical skills to perform intricate mathematical calculations to make predictions about the stock market, they need a simple and actionable method to obtain some insight about the future price movement. Also, *Yijing* divination is useful because it can produce an answer to any consulted question relatively quickly. In comparison, it might take an extended period of time for financial analysts to account for all variables, construct appropriate models, and solve mathematical puzzles. Therefore, the accessibility, practicality, and efficiency of *Yijing* divination make it an attractive tool for individual investors, leading some of them to adopt it as a new belief system, where people pay for their recognition, trust, and conviction about the modern economic and social reality, in financial decision-making.

The second approach combines conventional financial analytical methods, such as technical and fundamental analysis, with concepts from the *Yijing*. In using terms from the *Yijing* theories, a group of individual investors creates a magical framework for explaining patterns discovered through conventional financial analysis. Therefore, the actual method of analysis at



work is still conventional financial analysis, and the *Yijing* theories were borrowed to enhance the credibility of the analysis. Taking a stock price analysis article by a user named Yundianzhishang on a Chinese online panel platform called Zhihu as an example, they argue that individual investors have a “one-eighth opportunity” to gain the most profit from the stock market (Yundianzhishang). Their reasoning is rooted in a famous quotation from one of the most prominent *Yijing* commentaries, “Therefore there is in the Changes the Great Primal Beginning. This generates the two primary forces. The two primary forces generate the four images. The four images generate the eight trigrams. The eight trigrams determine good fortune and misfortune. Good fortune and misfortune create the great field of action” (Wilhelm and Baynes 318). This quotation reveals *Yijing*'s fundamental worldview: the world originated from one entity, the Great Primal Beginning, from which everything in the world obtains two opposite traits or two ends of a dynamic. These two ends of the dynamic lead to four phenomena, which give birth to eight trigrams. Here, the trigrams refer to a group of three *yao*, and there are two trigrams in each hexagram. Thus, the combinations of eight trigrams form the 64 hexagrams. The author of this stock analysis thus conducts a simple calculation based on this *Yijing* worldview. They argue that since the world contains “two primary forces,” arguably Yin and Yang, each force composes one-half of the world. Also, because there are “four images” in each force, each image is one-fourth of a force. Therefore, “the chance for the stock price to increase is one-eighth” (Yundianzhishang).

Moreover, the author claims the “eight trigrams” correspond to eight different combinations of candlestick charts, and certain combinations signal great future potential for the stock price to increase. In conventional financial analysis, candlestick charts are a type of data visualization that records the stock price movement within a certain period of time in the stock

trading system (Mitchell). Each candlestick chart resembles a candle in real life. The upper side of the rectangular candle body represents the price at the opening of the market, and the lower side denotes the price at the close of the market (ibid.). There are also two vertical segments perpendicular to the upper and lower sides of the candle body. The segment pointing upward represents the highest transaction price, and the other pointing downward represents the lowest transaction price (ibid.). If the rectangular candle body is stretched upward, the stock price is pushed up by people's buying. If the rectangle is stretched downward, the stock price decreases because of people's selling activities. Similarly, when the rectangle is relatively shorter with long vertical segments on each end, the stock price does not change much, but people's judgment about the highest and the lowest price of this stock differs greatly. Then, people can read these candlestick charts, obtain information from past transactions, and predict future stock prices.

This practice is called technical analysis in finance, and it is a common method that people use to understand the historical data and anticipate the future price of a certain stock. When this modern financial analyzing tool was introduced to China, Chinese investors gave these candlestick charts localized names. The long rectangle that represents the price increase is called the "large Yang line," and the long downward-pointing rectangle is called the "large Yin line" (SiNO SOUND). The shorter rectangles are named "small Yang line" and "small Yin line," respectively (ibid.). Therefore, since the characteristics of Yin and Yang are already assigned to these candlestick charts, they have satisfied the necessary conditions for using the *Yijing* logic to produce an argument.

By connecting *Yijing* concepts with the price movement in the stock market, every change in the market begins to bear a magical quality, as if these price changes are pushed by the Yin and Yang force, which are constantly alternating and evolving. Then, the future prices

become more predictable because they are pushed by the forces that are believed to exist. The small Yang line will grow into the large Yang line, which indicates upward potential. Similarly, when the small Yin line becomes the large Yin line, the sign of a plummeting stock price is produced. Therefore, using *Yijing* concepts to interpret the stock market introduces a magical filter on the price movement, which provides more opportunities for using *Yijing* theories to explain and predict future movements.

Thus, according to the author's interpretation of the *Yijing* and the stock market, they share three investment strategies. The first one is to pay attention and perhaps purchase the stocks that have "more small Yang lines than small Yin lines" (Yundianzhishang). The second piece of advice is to purchase the stocks that have broken through all average price lines and have "the combination of small Yang lines and large Yang lines" (ibid.). Lastly, they also suggest that when the investor observes "a combination of small Yin lines and large Yin lines," they should not purchase this stock (ibid.). Noticeably, all three strategies favor Yang more than Yin. From a technical analysis perspective, this partial favor in the Yang lines is valid because Yang lines represent historical price increases, which might lead to a continued trend of increase in the future. From the *Yijing*'s perspective, the Yang lines are favored because Yang is the symbol of power and positivity, and more Yang will lead to a more upward-going result.

However, the *Yijing* has constantly emphasized the balancing relationship of these two forces. Yin and Yang give rise to each other, so no single force should override the other. Therefore, the author's investment advice might not be completely convincing from the perspective of strict *Yijing* philosophy, but their idea of using *Yijing* concepts to explain the stock price movement is notable here. The author's goal of studying the *Yijing* may never have been to become a great *Yijing* scholar or to live in harmony with the balanced Yin and Yang power. They

choose to cite from the *Yijing* only when it is advantageous. If some text or theories from the *Yijing* can help justify some discoveries in their financial analysis, then citing from the *Yijing* can only add to their credibility. This is a rather utilitarian way of engaging with the *Yijing* and *Yijing* divination, and the individual investors' goal is to use their interpretation of the *Yijing* and some ideas related to the *Yijing* as a reference for making practical decisions.

Similarly to the first approach, the individual investors who choose to engage with *Yijing* divination via the second approach also use the ideas in the *Yijing* as a guide for making investment decisions. However, the twist in the second approach is that these individual investors could have shared their research results as a conclusion drawn from financial technical and fundamental analysis, but they choose to disguise it as a conclusion drawn from the *Yijing*. As mentioned above, even if some investors do have the ability to use statistical and mathematical tools to extrapolate future prices, the anomaly in economic data causes many calculation models to lose their predictive power. Therefore, instead of claiming that this result is derived from a method that is no longer reliable, they choose to borrow credibility and authority from the *Yijing*. As a form of ancient wisdom, it is believed that *dao*, which is alluded by the *Yijing* text, is the ultimate operational pattern of the universe. Thus, although individual investors can always disagree with their financial advisors, they might be better off not disagreeing with an order that is presumably established by a higher being. Therefore, *Yijing* divination transmits the awe of sensing something larger than oneself to the investment community, and many investors have willingly submitted to its effect. They may need this awe and a force of regulation to stabilize the chaos. *Yijing* divination introduces this force of regulation out of the frame of conventional rules in the financial system, so it is grasped by the investors. In other words, the desire for order and

certainty serves as the foundation for seeking a new solution, which creates a renewed recognition of the effectiveness of the new solution.

The third approach is more philosophical, as people will study the teaching in the *Yijing* as moral lessons and apply their understanding of the *Yijing* wisdom to their investment strategies. For example, on Zhihu, a Chinese online panel platform, a user named Zhengning Cai claims that learning from the *Yijing* has deepened his understanding of business and the stock market. He cites a quotation from a *Yijing* commentary, “Losing yet not stopping leads to gaining, ..., gaining yet not stopping leads to losing” (Cai, author’s translation). Cai explains that this teaching reveals the cyclical nature of a business, reflecting how losing and profiting can convert to each other (Cai). As the quote suggests, extreme loss is the beginning of prosperity, and extreme gain is the beginning of decline, which circulates just like the inevitable booms and busts of the business cycles. Therefore, nothing is definite, and every phenomenon can potentially turn into a completely different status. Then, he uses a newly opened store as an example to illustrate this idea. He argues that “Just like a newly opened store, many people are unaware of its existence in the first year, and the business is also unfamiliar with its customers. Thus, losing some money during this period is a normal phenomenon” (ibid.). He believes that it is more important to learn from this difficult period so that the business can improve its operation and make a profit in the future. Moreover, we need to “firmly believe” that, as the store gains more recognition and starts to have a better understanding of the market’s demand, it will eventually thrive (ibid.). Therefore, an interpretation of the *Yijing* has taught Cai that investors need to be patient about the company’s growth, and a seemingly underperforming business always has the chance to become profitable (ibid.). Because changes can happen constantly,

adapting to these changes is the most important quality for building a successful business, and it is also the most important lesson that investors should learn.

Therefore, the *Yijing* encourages its readers to reconsider the dynamics of the world and people's relationship to these changing dynamics. It teaches investors that the world is an ever-changing entity. As the Yin and Yang forces are constantly revolving, evolving, and supporting each other, it is important to be patient for the situation to turn around, to convert from Yin to Yang. Also, because the conversion from negative to positive will eventually happen, it is equally important not to lose hope. Then, all that the investors need to do is to practice a long-term investment strategy with an open mind and an optimistic attitude. Therefore, people's engagement with the *Yijing* philosophy unpacks yet another facet of using the *Yijing* to predict the stock market movement. Instead of considering the *Yijing* as a manual for initiating a divination process, some investors view the *Yijing* as a source of wisdom to gain a better understanding of the general pattern of the world. They hope that by recognizing this pattern and their own position within the pattern, they can improve their ability to predict future events. In particular, they hope to use this understanding to determine if the price of a particular stock is going to increase or decrease in the near future. In this example, determining, or effectively believing, whether a business can make a profit is the first step in making a stock purchase decision. Therefore, the *Yijing* can also inspire investors to think about business and the business world from a different perspective, which perhaps can help them identify some potential opportunities and gain some advantage in the market.

The third approach is interesting for its comforting effect. Although the previous two approaches also use the *Yijing* to make investment decisions, this approach focuses more on gaining mental consolation from *Yijing*'s theory and logic. Investors are encouraged to endure the

temporary loss, trust the long-term investment strategy, and eye on the positivity in the future. By believing that everything is constantly evolving and changing, many investors are convincing themselves to ignore the current economic downturn and focus on the future, the turning point that can make their loss into a profit. Especially when many investors have lost a significant amount of money because of the market volatility, their only solace lies in thinking about tomorrow with hope. Selling depreciated stocks would only solidify their losses, so they want to stay in the market and bet on the chance that the situation tomorrow might improve, and that the stocks might return to profit. Therefore, instead of cold, hard numbers and figures, especially if mathematical analysis tells them that the current situation is not the worst yet, they are more willing to believe that tomorrow will get better. In other words, they do not need or want to digest another difficult piece of news at a moment of uncertainty. They are seeking refuge and encouragement, a gentle pat on their back that reassures them everything will be fine. Therefore, this need for mental comfort is also a decisive factor that drives people to find another prediction method to believe in. In this case, the ancient wisdom of *Yijing*, familiar to Chinese culture and society, fills this mental blank and arises as a new form of belief.

As discussed above, if individual investors using *Yijing* divination to predict the market movement were hardly a rare phenomenon, the most unusual element in this phenomenon came from the financial institutions' public participation in *Yijing* divination. Investment banks, often perceived as the palace of computational rationality, authority, seriousness, and analytical subjectivity, also left their mathematical tools behind and joined the trend of practicing *Yijing* divination. In the following descriptions and discussions, I aim to answer the following questions. If individual investors can be excused from using non-mathematical tools because they may lack professional quantitative analysis skills, what causes financial institutions, who

have the intellectual power and resources to perform complex quantitative analysis, to use such an unconventional method? Also, what drives them to publicly acknowledge the validity of applying *Yijing* divination in stock market analysis and share their divination result on the internet? What causes them to shift away from their trust in mathematical reasoning? Given such a great transformation in the financial institutions' behavior and public image, a more detailed analysis is provided below.

There were three prominent financial institutions that chose to disclose publicly their application of *Yijing* divination at the end of 2021. The first institution is CLSA, an investment bank founded in France and later acquired by a Chinese financial institution. As early as 1992, CLSA started to publish the Feng Shui Index, a forecast of the following year's Hang Seng Index or the Hong Kong stock market index (CLSA). The Feng Shui Index was first printed on Lunar New Year greeting cards as a gift for the bank's clients, so it was intended to be a "light-hearted" message (ibid). However, this Feng Shui Index became famous because it was said to have accurately predicted seven important turning points of the Hang Seng index in the following year when it was published for the first time (Wen). CLSA then responded to this astonishing occurrence, stating that this index was a result of the *feng shui* diviner's prediction combined with the financial analysis of its own analysts (ibid.). Although we do not know the exact methodology used for generating this impressive divination result, the Feng Shui Index attracted much attention. Thus, CLSA has turned publishing the divination report into a company tradition that continues until today.

Upon entering the website of the 2022 report, a large area of red heaves into view. Since the year 2022 is the year of the "water tiger," an animated tiger wearing a blue backpack occupies the center of the image. It also stands on a rock in the middle of a river to present the



characteristics of a water tiger. Around the tiger, other zodiac animals are busy with leisurely activities in the river or on the river bank, which reveals the auspicious quality of this report. The report depicts the Hang Seng Index as the “earth rooster,” which is the prey for the water tiger. Therefore, the movement of the Hang Seng Index will resemble the motion of the water tiger leaping toward the earth rooster, and the rooster “will move swiftly to ensure he stays just out of Water Tiger’s reach” (CLSA). Thus, the Hang Seng Index will experience two large drops in March and September, when the earth rooster successfully escapes from the water tiger’s catch, yet the water tiger lands on the ground empty-handed. However, except for these decreases, the stock market is predicted to be stable and to maintain on a positive level throughout the whole year, with a slight increase at the end of the year. Thus, the Hang Seng Index is predicted to move in a “W” shape that outlines the image of a water tiger diving down and jumping up to prey on the earth rooster. Luckily, the water tiger is said to be successful with its hunting at the end of the year, when the Hang Seng Index in December will surpass its average level for the entire year.

Then, in the detailed monthly predictions, the report names each month by combining one element of the “five phases” with an animal name and gives a reading about the characteristics of this specific element animal. For example, June 6th to July 6th is regarded as the “Fire Horse” month, and the report for this month reads, “Approaching full speed now. Even if expenses are above average this month, you’ll more than reap the rewards. No harm in asking the old tigers for advice, but the leap into the air has the tiger clear and rising” (CLSA). Extending from the water tiger and earth rooster analysis, the prediction for this month shows an optimal sign. However, although the overall message is positive, some elements in the last part of the message are rather confusing. For instance, it is unclear who the old tigers are and how

asking them for advice can help with gaining more profit in this month. Especially, the idea of “leap[ing] into the air” does not seem to connect with “has the tiger clear and rising,” and this sentence does not have a subject or an owner of the leaping action either. However, although the sense of logic is not the strongest in these monthly readings, the ambiguous language leaves room for imagination. In other words, because the concept in the *Yijing* is often abstract and difficult to understand, CLSA has never intended to make this report into a serious *Yijing* presentation. Instead, they leave the abstractness and thus the ambiguity within *Yijing* terms, which in turn creates a mystical quality for the report. Like a suspense novel, the more questions that the narrative can provoke the readers to ask, the more interested they will be to continue reading the novel. Therefore, ambiguity is intentionally preserved and is used as a storytelling technique. Thus, by combining rather abstract *Yijing* terms with the more concrete imagery of zodiac animals, CLSA has manipulated the sense of ambiguity, making the sometimes confusing report just clear enough to be comprehensible. However, this increased attention and popularity can also lead to potential legal problems, which makes being ambiguous a practical consideration.

As mentioned above, CLSA defines this report as “a well-loved firm tradition” and “a light-hearted outlook for the Hong Kong market” (CLSA). This disclaimer is also placed in a bright yellow box at the end of the website. This message reveals that this report is for “entertainment purposes” only, so it is free of any legal obligations or effects. Plainly put, this ambiguity is also necessary because CLSA cannot provide any concrete advice for people to potentially base their actions on if the firm is not hired by them. Otherwise, if anyone applies CLSA’s advice and loses a significant amount of money, they might sue the firm for its negligence in providing investment advice (Klayman & Toskes). Therefore, the firm has to

protect its interest from a legal perspective. The legal consideration might also be the reason why CLSA never reveals the methods or procedures used in producing this divination report.

Although the sorcerer's name is mentioned at the end of the report, the readers are only presented with conclusions of the divination. Once again, after following the tiger that preys on the rooster in the world of divination, we finally return to reality with legal considerations and rigorous investment banking professionalism. The magical experience stops abruptly with this message, and we are once again back in the world with quantitative extrapolations and rational analyses.

The CLSA case leads us back to the question—if the firm knows very well that as a professional financial institution, it is not supposed to give any “imprudent” information to the public, then what is the reason behind publishing its divination result every year? The answer is twofold. First, as mentioned above, they need to share their research report in a more accessible way. Most of the time, CLSA publishes equity research reports that use many professional financial terms and charts to elaborate on a topic at great length. However, although many of these reports are open resources, the complexity of these reports sets a barrier for people who do not have any training in economics theories to read and understand. Therefore, this divination report is intended to lower this barrier to professional knowledge, and it is only meant to deliver a general message to the public and construct a narrative about some future possibilities. Here, the auspicious signs and hopeful outlook are displayed in the layout to the graphics of the report, so people do not have to fully understand the *Yijing* or economics to receive this message. By engaging with a broader audience, the firm can also enhance its visibility and increase its market influence. This strengthened market power is an invaluable asset for any firm.

Second, the firms would publish such an unusual report because they have recognized the market participants' need to produce emotion and sentiment, as well as using such sentiment as

the base of their action. As mentioned in the introduction, the stock market has long been regarded as a reflection of social sentiment. However, sentiment cannot emerge from a vacuum, since investors will need some materials to react to and induce their emotions. Thus, new information entering the market often acts as a catalyst, provoking the investors to refresh their judgment about the stock price and to initiate transactions to reflect their new judgment. In CLSA's case, although the message about the 2022 stock market is delivered in a rather entertaining manner, this report is still a piece of new information added to the market, so it can be an object where the market participants can react with their emotions and respond with their actions. Therefore, new information also serves as an anchor for investors to make new investment decisions.

Similarly to CLSA, another Chinese investment bank, Guosheng Securities also chose to use the *Yijing* to predict stock market movement at the end of 2021. In October 2021, a research report called "The Initial Exploration of Applying Heavenly Stems and Earthly Branches to Picking Time," by Guosheng Securities, was released on the internet (Liu 1). This report uses the idea of "heavenly stems" and "earthly branches", which are ancient Chinese time-marking systems, to explore whether a pattern exists for the fluctuation of stock prices in certain years. Arguably, heavenly stems and earthly branches are not an invention in the original *Yijing* text, but because many new concepts are developed for understanding the *Yijing* content, these time-marking systems are "often used in conjunction with [the] *Yijing*" by the Qing Dynasty (1644 CE - 1911 CE) (Smith 164). Therefore, together with Yin and Yang and the five phases, heavenly stems and earthly branches entered the vast arena of *Yijing* divination, all of which are employed in this research report.

The report starts by converting the conventional calendar year to the year into the heavenly stems and earthly branches system. For example, the year 2021 is the year of “*xin chou*.” Here, the first character, “*xin*” denotes the heavenly stems, and it has the characteristics of “Yin Gold” in terms of Yin and Yang and the five phases. The second character, “*chou*,” represents the earthly branches, and it is considered as “Yin Earth” under the Yin and Yang and five phases framework. Therefore, since each element in the five phases gives rise to another element in the five phases, there is both a generative and a destructive relationship between all five phases. Here, the element of “Earth” is considered to give rise to the element of “Gold,” so the year 2021 is a year of “earthly branches giving rise to heavenly stems” (Liu 8). Then, applying a similar analysis method to the years from 1990 to 2020, the report uncovers a shocking pattern. In the past 30 years, only in the years of “heavenly stems giving rise to earthly branches,” have the stock prices all increased on average (ibid. 8). Although 2021 was a regretful year of “earthly branches giving rise to heavenly stems,” 2022 corresponds to the auspicious pattern of “heavenly stems giving rise to earthly branches” (ibid. 8). Therefore, Guosheng Securities predicts that the year 2022 is a hopeful year with lots of potential for stock price increases.

Differently from CLSA, when arriving at the conclusion about the year 2022, Guosheng Securities includes many detailed definitions and discussions about *Yijing* terms. As discussed above, CLSA is vague about many concepts mentioned in its divination report, and it never hopes to explain them in full detail. This vagueness and ambiguity also illustrate the nature of the report, which is to tell a story for entertainment purposes only. However, Guosheng Securities is vigorous about its inclusion and usage of *Yijing* terms. At the beginning of the report, the firm begins by introducing the definitions of “heavenly stem” and “earthly branch” and the name of

each year in the 60-year cycle connotated by this time marking system (Liu 5). The report also includes quotes from the *Yijing* and other *Yijing*-related classics to support the firm's methodology of applying the *Yijing* logic to predict the stock market (ibid. 6). Then, as described in the previous paragraph, the firm presents each step of its analysis of the heavenly stem and earthly branch with detailed explanatory text and tables. In short, the firm hopes to walk everyone through this divination report in the clearest way possible and leave minimal ambiguity and confusion. Therefore, unlike CLSA, Guosheng Securities is very explicit about the process and the methodologies used in its analysis. In doing so, the firm perhaps hopes to uphold its image and integrity as a professional financial institution who can deliver unmistakable messages to the investors.

Also differently from CLSA, Guosheng Securities does not claim that this report is a “light-hearted outlook,” and the firm is serious about its findings. At the end of the research report, the firm includes two disclaimers. The first one warns the readers that “the opinions in this report are all formed based on historical statistics and quantitative modeling, so there is the risk of historical pattern and quantitative modeling losing their effect” (Liu 19). The second disclaimer is a standard statement indicating that the report is for reference only and does not constitute investment advice (ibid. 20). It also asserts that the analysts' opinions are independent, free of influence from the 3rd-party view (ibid. 20). These two disclaimers show that Guosheng Securities is only worried that the conclusion of this report cannot be applied in the future or may constitute the legal hazard of misleading information, but it does not question the rigor and the quality of analysis of arriving at the report's conclusion. In other words, the information included in this report is as authoritative and final as any other research reports they published before. Then, from a legal perspective, if CLSA's disclaimer is a means of protecting itself from

potential legal risks regarding using *Yijing* divination, Guosheng Securities does not want to avoid any *Yijing*-specific risks. It only wants to manage the general risks of publishing information as a financial institution.

More interestingly, the standard disclaimer emphasizes that “the copyright of this research report belongs to Guosheng Securities,” so the firm is also willing to take responsibility and use its brand name to vouch for the statements in this report (Liu 20). Therefore, Guosheng Securities does not treat their *Yijing* divination research report as a source of entertainment, but it aims to provide a professional opinion for the investor’s reference. It considers *Yijing* divination as a valid tool of financial analysis within the current stock market instead of viewing it as a potential source of legal problems. Therefore, it intentionally chooses to use such a method to conduct its research, and it is aware of its choice. Thus, despite the magical element in *Yijing* divination itself, this report has never left the realm of investment banking professionalism. Then, why does Guosheng Securities choose to use an unconventional method to predict stock market movement?

Unlike CLSA, the primary goal of Guosheng Securities is not to make a research report more accessible to more people or provoke widespread market sentiment. In fact, Guosheng Securities never wants to show this report to the general public, as an informant from the firm reveals in an interview that this report “was used in a closed-door meeting” and released to the internet by accident (Tian). This secrecy and effort to conceal brings us to some more interesting questions. What is there to hide behind the closed doors? Also, if this closed-door meeting was an internal training session, why did the firm want to teach its financial analysts about *Yijing* divination? Or, if this closed-door meeting was a client meeting, why did the firm think it was

appropriate to present its findings drawn from *Yijing* divination to its clients as their financial advisor?

The secrecy came from two aspects. First, this report was composed and shared during the COVID-19 pandemic, when anomalies in the market were extreme. Thus, the firm realized that the conventional quantitative method had lost its predictive power during times of great uncertainty, which caused a mild sense of embarrassment and a desire to conceal this fact to the public. As a professional financial institution, Guosheng Securities must have thought about solutions to mitigate issues in its quantitative forecasting models. However, with all of its intellectual and physical resources, the firm would probably not have turned to *Yijing* divination if it had been successful with its mathematical attempt. Out of necessity and a sense of helplessness, the firm had to convince itself to reduce its reliance on conventional mathematical and statistical tools, willingly starting to believe in the effectiveness and helpfulness of *Yijing* divination instead. However, it was rather embarrassing for a financial institution to admit that it could not excel at its original duty of conducting financial analysis but had to seek help elsewhere. Thus, the firm did not want the general public to discover their frustration over the limitations of mathematical and statistical tools. The firm understood that acknowledging a shift away from conventional financial analysis meant losing the recognition of rationality that the quantitative method has granted to the firm, and the firm did not want to undermine its authority and credibility. Therefore, the firm chose to keep the *Yijing* divination report confidential, restricting its use to closed-door meetings rather than sharing it with the general public.

Also fearing to lose its credibility, Guosheng Securities chose to disguise its discovery from *Yijing* divination with numbers and figures. On the one hand, the firm hoped to make this report look similar to the quantitative analysis method that was familiar to its internal staff and



external clients. On the other hand, the firm wished to borrow credibility from the previously well-recognized method of quantitative analysis to cover the underlying shift in belief. That is, the firm now trusted the validity of the *Yijing* divination method in predicting the stock market. This fear of receiving potential backlash for their belief in *Yijing* divination became the second reason for their secret behavior.

This behavior of borrowing credibility from another widely believed methodology also echoes the second individual investor's example, in which some individual investors use *Yijing* theology to explain standard financial technical analysis. However, these individual investors still practice mathematical and statistical analysis, so it is the traditional financial analytical tools that they believe in. For them, the *Yijing* is just another layer of credentials, and if they wish, they can borrow credibility from any other classical text. In other words, the *Yijing* is not essential to their analysis. However, in Guosheng Securities' case, the source of credibility and the analytical framework is switched. Guosheng Securities applies a pure *Yijing* analytical framework to arrive at its conclusion, so the financial figures are there to support the *Yijing* analysis. Therefore, it is the *Yijing* logic that Guosheng Securities believed in. The quantitative disguise of numbers and charts becomes the necessity to counter the other's disbelief and thus distrust of the *Yijing* method. Thus, the subject of belief has already changed here, with the credibility and authority now belonging to the new method of *Yijing* divination but no longer to the old method of mathematical and statistical analysis. This is an institutional example of leaving the rationality attached to the conventional quantitative analysis and seeking to gain rationality from the rather magical and mythical divinatory logic. Guosheng Securities' choice of concealing this report to the general public is precisely because the firm has sensed this change of belief.

Interestingly, about two months after Guosheng Securities's report was released to the internet, another Chinese investment bank, Anxin Securities, also chose to use *Yijing* divination to predict stock market movement. Their report is called "Virtuous People are Undefeatable: The Forecast of Chinese Stock Market in 2022" (Chen 1). Similar to the Guosheng Securities report, this report also starts by using the heavenly stems and earthly branches to give each year from 2016 to 2027 a new name. Then, the year 2022 is the year of "*ren yin*," in which "*ren*" represents "Yang Water," and "*yin*" represents "Yang Wood" (ibid. 5). Then, this report takes Guosheng Securities' theories a step further by giving new meanings and representations to the concepts of heavenly stems and earthly branches. The firm argues that because the element of water allows the element of wood to grow, 2022 is a prosperous year for everything related to wood. Therefore, the industries related to the element of wood will experience a fast growth period, including the "paper manufacturing, clothing, publication, media, education, and agricultural industries" (ibid. 5). In particular, the traditional Chinese medicine and general medicine manufacturing industries are considered to "give rise to both the water and the wood," so these two industries will perform exceptionally well (ibid. 5). Therefore, Anxin Securities extends the discussion in Guosheng Securities' report and draws connections between the five phases and specific industries. Instead of presenting a general pattern found in the stock market using the *Yijing* logic, Anxin Securities is more specific with the message that it hopes to deliver. Because many specific names of the industries are mentioned, the firm hopes to provide a more detailed action guide to the investors. It aims to tell investors exactly where to invest their money.

However, the report does not stop by discussing the specific investment targets, it also draws connections between the five phases and the macroeconomic factors that can potentially affect the market movement. The report argues that the element of water represents "quantitative

easing policies,” and the element of wood denotes “policy orientations” (Chen 5). Also, as mentioned above, because the year 2022 is the year of “water giving rise to wood,” these linkages imply that favorable government policies will create a positive impact in the market (ibid. 6). Although these linkages may require some imagination to be comprehended fully, they can be interpreted metaphorically. Because quantitative easing is a type of central bank policy that increases the money supply in the economy, when money is poured from the central bank to the general public, this can be seen as a water-related activity. Similarly, the element of wood might have been connected to the general policy orientations because companies are like trees, and favorable policies can help them to grow.

Therefore, unlike the previous report, the author draws connections between the five phases and macroeconomic factors based on his personal interpretation of the *Yijing* and the five phases theories, and he does not use any original *Yijing* text to support his analysis. In Guosheng Securities’s report, converting conventional year names to *Yijing* names is the foundation of the analysis, and denoting years in heavenly stems and earthly branches is a well-accepted practice in the *Yijing* theological world. However, drawing a linkage between the element of water and the quantitative easing policy is not a standard practice, so it was the author who decided to make this linkage in a highly interpretive and abstract way. Nevertheless, these connections can help the investors conceptualize *Yijing* theories, which enables them to use *Yijing* theories to understand the current market condition. By adding more specificities to the *Yijing*, Anxin Securities provides both the firm and the investors more control over the interpretation of the divination report and thus the market. Nonetheless, incorporating a great deal of personal opinion and intuition into a research report is still an unusual practice for a financial institution.

What makes this report even more unusual is that it has no disclaimer at all. Unlike CLSA and Guosheng Securities, which both provided disclaimers to avoid legal risks to a certain extent, Anxin Securities seems to have no intention of limiting its legal exposure. The firm does not claim that this report is for entertainment purposes only, or that any content in this report might be inaccurate. Thus, the firm is totally confident about publishing a *Yijing* divination report while assuring the investors that all information included in this report is fully reliable.

Also, unlike the CLSA and Guosheng Securities' reports, in which the readers have to find the authors and editors buried in less obvious places, Anxin Securities' report has the author's name, Nanpeng Chen, right on the cover page. The name is also accompanied by the author's title, which reads "The Principal Investment Advisor" (Chen 1). In fact, Chen holds a doctoral degree in Financial Engineering, and he has also won many national awards with his LPPL and MACD mathematical modeling works (China Agricultural University, College of Economics and Management). With such an impressive résumé, Chen's credential is used to add credibility to the content of this report. However, in this case, he signs his name to endorse the result of *Yijing* divination, but not the result provided by mathematical models. All of these choices clearly indicate the shift in the financial institutions' sentiment and thus their belief about the validity, credibility, and a new type of rationality conveyed by *Yijing* divination. If Guosheng Securities still tries to be careful about the potential risks and backlashes of publishing a *Yijing* divination report, Anxin Securities is fearless about distributing the content of this report. The firm conveys a strong message to the investors that *Yijing* divination can serve as valid evidence for making future investment decisions, and *Yijing* divination is a legitimate tool to be applied in the stock market.

Interestingly, although Anxin Securities appears to be completely confident about the content of this report, the firm also never wants to share this report with the general public. After this report was disclosed, Anxin Securities claimed that this report was also exposed to the internet by accident (Ren). It was said that one of the firm's financial analysts shared this report within the company's internal group chat, but the report was forwarded to people outside of the firm (ibid.). Therefore, like Guosheng Securities, Anxin Securities was also involved in an information security accident, and the firm's original hope was to keep this report for internal use only. However, when two firms experienced the leaking of their internal materials within 70 days and had the same explanation for these incidents, this seemed too coincidental to be a mere accident. Therefore, what if both firms never wanted to keep these reports secret? What if they meant to share the reports with the public? Then, why did they, as financial institutions, want to share some *Yijing* divination reports with the public?

Simply put, the financial institutions believe that the content in these *Yijing* divination reports can inject confidence into the market, which is vital for people to keep taking action to confront current difficulties during times of great uncertainty. They understand that if the investors lose confidence in the situation in the market, they might start to panic sell, which can lead to a market crash. Therefore, in order to maintain the basic stability of the market, which is one of the duties of any financial institution, they have to soothe the panic emotions in the market by providing some confidence. Having confidence is also a step more advanced compared to having hope. To hope is to anticipate the future passively, to wait for an event to unfold without any intention of actively shaping the outcome. However, being confident is an active gesture, and having confidence is often the first step in taking action.

In this case, the confidence comes from the positive news that *Yijing* divination reveals, but it also comes from being able to gain some interpretation about the current situations and some guidance about the future in the first place. As mentioned above, because of the great anomalies in the financial data, conventional mathematical tools can no longer serve as a means of providing meaningful insight. Therefore, being able to find some pattern by using the *Yijing* logic is already a piece of soothing news itself. Even more assuringly, this pattern found through practicing *Yijing* divination also provides a positive prediction for the following year, which can further increase the investors' confidence about the future, encouraging the investors to remain in the market patiently waiting for the ideal future to come. This confidence ultimately leads to self-agency and a sense of control. Because many investors might feel too panicked to buy or sell, the positive results of the *Yijing* divination allow investors to calm down and restart to make independent judgments about the market. In fact, the sense of self-agency and control play a significant role in divinatory practices beyond this specific scenario, so we will revisit this topic in the following chapter. Here, it is already evident that confidence is crucial to restoring the normal market order, and the *Yijing* divinatory analysis and its results can serve to inject much-needed confidence.

Despite the potential positive effects that *Yijing* divination may bring to the market, financial institutions understand that it remains an unconventional tool to deploy and an unusual message to share with the general public. However, the financial institutions need to distribute their divination reports, so the investors can respond to these materials. Therefore, they have to release these divination reports through unofficial channels to minimize legal and reputational risks related to the firm's brand name. By framing the release as accidental, they can achieve their goal of introducing confidence to the market while leaving some space for future

explanations and disclaimers. They can also protect their reputations as professional financial institutions, avoiding the perception that they rely on divination rather than financial metrics for their analysis. If investors start to consider them as institutional diviners, this could significantly undermine their authority in the financial market. Therefore, confidentiality and secrecy are merely convenient means that can help the financial institutions deliver messages, confidence, and directions to the general public.

Nonetheless, with the release of Anxin Securities' *Yijing* divination report echoing Guosheng Securities and CLSA's reports, and with the ongoing divination practice among individual investors, the trend of using *Yijing* divination to predict stock market movement came to its climax. In fact, this practice became so popular that the Chinese government authorities had to intervene and prohibit it. On June 13th, 2022, the China Securities Regulatory Commission published an announcement, stating that they will "strictly strike down the regulations-violating behaviors of utilizing heavenly stem and earthly branch, Yin Yang, five phases, and other related *feng shui* theories to predict the stock market, protecting the market order, as well as the investors' legal rights and interests" (Chinese Securities Regulatory Commission, author's translation). Once the announcement was released, both Guosheng Securities and Anxin Securities immediately claimed that they had never published these research reports on the firm's behalf (Tian). Both firms declared that these research reports had never entered their database, so they were largely the financial analysts' personal works, and they did not represent the firm's opinion on the market condition (ibid.). Then, both firms apologized for their oversight in regulating information securities within the firm, and the two authors of these research reports were "invited for a conversation" and warned about their "violations of the regulations" by their local financial market regulators (ibid.).

In the announcement, the China Securities Regulatory Commission also highlighted the importance of keeping all published research reports compliant and the analysis in the reports reasonable. The Commission states that “The securities companies should perform their duty well in quality control and compliance review before publishing securities research reports. The securities analysts should ensure that the sources of information are legal and compliant, the research methods are professional and prudent, as well as having the reasonable evidence for the analysis and the conclusions” (Chinese Securities Regulatory Commission, author’s translation). Because all the content in this announcement centers around the financial institutions’ behavior of using *Yijing* divination to predict the stock market movement, the “information” in this statement refers to the *Yijing*-related content in the reports. Since the government regulator requires the institutions to guarantee that “the sources of information are legal and compliant,” this implies that the previous sources of information that they used were not legal and compliant. However, the foundation of both Guosheng Securities and Anxin Securities reports were texts and theories from the *Yijing*, and the analysis in both reports were derived from interpreting the *Yijing*. As an ancient classic, the *Yijing* has never been a prohibited or illegal book in China. Perhaps for the first time in history, the *Yijing*, as the source of information, was regarded as unlawful. Or, the *Yijing* was considered an unlawful source of information only in the world of finance and only when it was applied to analyzing the stock market. Then, if an analysis cites this unlawful source of information, it is seen as an unreasonable analysis that lacks evidence, logic, and rationality. Therefore, this new determination about the *Yijing* reveals the Chinese market regulator’s favor for mathematical and data-based evidence, logic, and rationality.

By “strictly striking down” using *Yijing*-related methods to predict the market, the regulator hopes that only the mathematical extrapolations remain in the market, and people



should regard the results of mathematical calculations as the only believable and trustworthy subjects. This idea also has a historical root, as the modern Chinese government perceives the *Yijing* as a historical cultural legacy and a source of philosophical contemplation, but refuses to evaluate its rationality in the context of divinatory practice. However, because the *Yijing* has existed for more than 2,000 years, authorities throughout Chinese history consider it an ideologically significant ancient classic that is worthy of study. The *Yijing* was also in the collection of “Four Books and Five Classics,” which was a core set of texts required for imperial civil service examinations (Elman 16). Then, it was until the late Qing Dynasty, when Western colonialists entered China and used their modern and more efficient weapons to defeat the Chinese army in a series of wars, many progressive Chinese intellectuals began to question the cultural constraints imposed by ancient doctrines and recognized the urgent need to embrace technological and scientific advancement. This realization gave rise to the Self-Strengthening Movement, and the goal of this movement was obvious from the name. Some Chinese intellectuals thought that learning from Western scientific knowledge not only could increase military power, but could also accelerate social and economic development through modernization (Bo et al. 1). Then, the *Yijing*, as one of the representations of the ancient classics, started to lose its role in constructing social thought. By the time of the Cultural Revolution, not only the *Yijing*, but also anything that was regarded as “feudal superstitions” was suppressed (Williams 273). Since then, the overall authority and perceived value of the *Yijing* has been largely undermined. However, after much ancient cultural heritage was destroyed during the Cultural Revolution, the modern Chinese government realized the need to restore certain elements of traditional culture in a state-controlled way, and the *Yijing* was resurrected as a historical source of philosophical inspiration.

However, the divinational use of the *Yijing*, or the divinatory qualities related to the *Yijing*, is still considered inferior and backward in the Chinese official discourse and state cultural orientation. This also reveals an underlying assumption that it was the unenlightened, non-scientific ideas in the ancient doctrines that caused Qing China to isolate itself from the outside world, missed the opportunity to participate in the industrial revolution, and led China to become technologically less advanced than Western nations, which created a gap that exists until today. Therefore, using the *Yijing* as a divination manual, which arguably was its original use when it was written, has never been welcomed by the modern Chinese government. The government believes that only science and technology can lead to social and economic growth, and only these quantitative tools can help China gain a better foothold in the world. This thinking is obvious from China's first Premier Enlai Zhou's "Four Modernizations" (*sige xiandaihua*) campaign to President Jinpin Xi's building a "Technological Strong Country" (*keji qiang guo*) strategic goal in the current time (Shi, Xi). Thus, the Chinese state wants everyone to believe in and follow the logic of mathematics and statistics, but not some often personal interpretations of the ancient texts. More directly put, no logic or rationality should even exist in the obsolete divinatory usage of the *Yijing* in modern times. We will return to this discussion about logic and rationality in ancient and modern contexts in the next chapter.

Nonetheless, following the Chinese government regulator's announcement, this unusual phenomenon of using *Yijing* divination to predict stock market performance that became prevalent at the end of 2021 was eventually put to a halt. This regulatory intervention reveals the government's standpoint of protecting the integrity of conventional quantitative financial analysis methods and undermining the *Yijing*-related approach as non-compliant and unreasonable. However, despite the pressure from the government, people still choose to

embrace *Yijing* divination and believe in the effectiveness of *Yijing* theories, logic, and wisdom. Especially during times of uncertainty, the shift of belief from mathematical and statistical methods to *Yijing* methods is independent of the state ideology.

The regulatory end for *Yijing* divination forecasting concludes the description and discussion in this chapter, which gives us an opportunity to review and conclude the ideas in this chapter. For individual investors, whether they are initiating a *Yijing* divination to seek insights into the general market or a specific stock, using *Yijing* terminologies to interpret the findings of conventional financial technical analysis, or applying moral lessons from the *Yijing* text as part of their investment philosophy, these actions collectively reflect their efforts to understand and navigate uncertainty in the market. Compared to large financial institutions, they only have limited resources and tools available at hand, so they have to transpose the market condition to terms and concepts that they can respond to and interact with. Especially during a black swan event, being able to obtain a reliable tool during times of uncertainty is a luxury. When *Yijing* divination is found to be still useful in such situations, individual investors eagerly embrace this tool as a source of guidance. Arguably, this guidance also comes from something that is larger than oneself, so the individual investors can also find a sense of protection and refuge in this method. Moreover, when the result of *Yijing* divination indicates a positive future, they can also obtain hope and mental comfort, both of which are priceless in uncertain times. Thus, in seeking more consolation and insights about the future, many investors transition from trusting financial institutions' quantitative analysis to quoting *Yijing* divination and its wisdom as their investment directory. This transition is not just behavioral but also ideological, as it signals the rise of a new belief in the *Yijing* logic and guidance, which is pushed by people's emotions and reactions to

great uncertainty. *Yijing* divination then emerges as a novel tool to navigate unpredictability, providing fresh perspectives and perhaps alternative solutions to the current situation.

For financial institutions, the composition of *Yijing* divination reports also shows their efforts to confront uncertainty. Despite having more physical and intellectual resources, their engagement with *Yijing* divination is an active choice, but it is also a passive necessity. On the one hand, they want to increase their market power by making the analysis more intellectually accessible to more people. On the other hand, they realize the limits of the mathematical and statistical models, yet they are still pressured to provide some insight into the situation and inject much-needed confidence into the market. Therefore, they had to turn to *Yijing* divination and deploy it as an unconventional forecasting tool. However, because they are restrained by the rules and regulations about what information an institution can share with the public, they have to disclose their engagement to *Yijing* divination with the market in a rather secret way. This secrecy, however, in turn shows their belief in the validity of *Yijing* divination as a prediction method in the stock market context and the shift of their belief about what can be considered rational during times of great uncertainty.

The dramatic tension of this entire phenomenon also lies precisely in this shift of analytical method and thinking perspective—professional financial institutions who are known for their rigor with mathematical and quantitative analysis are now using a divinatory practice as a means to confront uncertainty. This unusual choice challenges the traditional conception of logic and rationality in modern society, especially in the capitalist framework, where numbers are the logic and the optimal decisions derived from analyzing numbers are the rationality. Then, by applying *Yijing* divination to this framework, what has the functioning logic become, and what type of rationality has shaped our choice in reaching the current reality?

Additionally, this phenomenon also uncovers the clash between the old and the new, as a new belief rooted in ancient wisdom disrupts the conventional reliance on modern quantitative and statistical analysis during times of great uncertainty. However, the crucial question of why people want to make this ideological shift remains. Therefore, in the next chapter, by reviewing some past scholars' works, I will delve deeper into the motivation and reasoning behind the use of both mathematical modeling and *Yijing* divination to predict stock market performance. I also hope to shed light on the relationship between individuals and divinatory practice, particularly during times of uncertainty.

### **III. Literature Review and Further Analysis**

To begin with, we shall focus on an argument by Shiqiang Zeng, a Taiwanese *Yijing* scholar specializing in applying *Yijing* theories and wisdom to the stock market. In one of his lectures, he discusses the success of a historical figure named Fan Li (536 BCE - 488 BCE) and attributes Fan Li's success to his general strategy of "obeying the heavenly order and detecting the appropriate time" (Zeng, author's translation). Then, he examines the idea of heavenly order in the context of the Yin Yang theory and the stock market. As mentioned in the introduction, because Yin and Yang constantly evolve in a complementary relationship, extreme Yang will lead to the rise of Yin, and extreme Yin will give birth to Yang. Applying this logic to making investment decisions in the stock market, Zeng argues that "a stock price will keep rising until people start to fear its falling. Then, people will rush to sell the stock, and the stock price will fall. However, when the stock price continues to fall, some people might think that the appropriate time to buy has come. Then, when they start to buy the stock, the stock price will rise again" (ibid.). The continuously increasing price is the development of the Yang, but the Yin will

eventually manifest from the investor's fearful sentiment, which can cause the price to decrease. Similarly, the continuously decreasing price is the development of Yin, but this Yin will be contained by Yang as some investors start to buy the stock again. Therefore, the stock price is a manifestation of the Yin Yang cycle, which is executed through the investor's sentiment and behavior. Thus, the stock price is both a reflection of the heavenly order of the Yin Yang cycle and a depiction of investors' sentiments and behaviors.

However, as people's sentiments and behaviors are direct expressions of their considerations, recognitions, and beliefs, Zeng highlights the role of belief in determining the stock price. He especially mentions the financial analysts' role in causing the stock price movement. In his lecture, Zeng asks the audience, "Those who are analyzing the stock and telling you which stock price will rise and fall, can you believe in them? Can their view be effectively realized?" (Zeng, author's translation). He then answers himself immediately, "The answer is, if you believe in the analysts' view, their view will be realized. If you do not believe in their view, then their view will not be realized" (ibid.). Zeng's answer discusses the influence of a financial analyst's view of the market, and Zeng is special in emphasizing the power of belief in realizing this influence. When a financial analyst claims that the price of a certain stock is going to increase, people have to believe in their statement and buy this stock to push its price upwards. If an analyst just releases an opinion but fails to influence investors to act accordingly, the stock price will not change much. Therefore, the stock price is not only a manifestation of the heavenly order or a product of market sentiments but also a reflection of people's belief about its value. A positive belief in a certain stock alone constitutes a sufficient reason for an investor to buy this stock and push its price higher. When enough people consider this belief to be a valid

idea and follow this belief, a new stock price will be realized. Therefore, the stock price is also a result of the investors' collective belief about the stock's future prospects.

Zeng's discourse on the movement of the stock price and the role of belief in shaping the stock market leaves us with several important issues to discuss, two of which are the formation of market forces and the establishment of the free market. As mentioned above, when individual market participants gather and engage in the buying and selling of stock, a stock market forms. The price of the stock is determined by both the ask price and the bid price, so each individual market participant can influence the stock price through trading. Collectively, they form the market forces. These forces not only construct the free market but also serve as the foundation of the modern economic system. Also, since the free market emphasizes voluntary exchange and trading freedom, these concepts are often related to neoliberalism, especially within the capitalist framework.

Because free markets are the building blocks of the modern economic system, the market forces that constitute the free market are crucial and even sacred to our modern reality. In "Neoliberalism as a Political Theology of Chance: the Politics of Divination," Joshua Ramey acutely points out that market forces form a "collective faith" that sustains and reinforces neoliberal ideology. Thus, he further contends that markets function as "meta-information processors" and "neoliberal divination tools" (Ramey 3 and 7). Therefore, "markets" are both the figure of worship, the ideal, and the means to achieve this ideal. In the following discussion, I will bring Ramey's argument about the markets one step further. I argue that the idea of the markets functions as a belief system, which collects people's recognition, trust, and conviction about economic and social ideals and transforms them into modern capitalism and neoliberalism realities. In fact, recognizing an often overlooked presumption when discussing modern

phenomena as a form of belief system is fundamental to constructing the thesis of this essay. Therefore, Ramey's discussion of the role of the market forces and the markets serves as a roadmap to this analysis.

First, we shall start by analyzing Ramey's definition of the market forces. As mentioned above, the market forces are construed by individual market participants, so they can be considered as a collection of individual will in an abstract form. Ramey understands the market forces to be "putatively anonymous and supra-human forces" (Ramey 4). On the one hand, since other people's choices and actions are unknown to an individual, their collective forces become a mystical power that does not necessarily align with an individual's own idea. However, these unidentifiable yet powerful forces can dictate the movements in the markets. By perceiving a force greater than themselves shaping events in life, investors may sense a God-like presence that can attract them to submit and worship its power. The impersonal quality of this force also makes an individual distant from this force, which creates a sense of enigma. Therefore, this mysterious quality surrounding the market forces sparks curiosity, motivating the people to seek understanding and contemplate the unknown. This, in turn, reinforces the transformation of market forces into a figure of reverence, a socioeconomic ideal, and consequently a belief system.

On the other hand, the anonymity also comes from modern economic theories, where market forces are understood as the most impartial judgment about everything in the market. From an individual investor's perspective, if a person particularly favors a certain stock, the number of shares that they can purchase is most likely to be a small portion of total shares available in the market, so their transaction alone is unlikely to cause significant impact on the overall price of the stock. However, if many people favor the same stock, then when everyone



starts to purchase this stock, the price will rise more significantly. Because majority opinion can offer a definitive outcome to the stocks in the market, the market forces are regarded as an authoritative figure that can provide a ruling and a judgment to any situation. This power derived from the majority also evokes a sense of vastness and awe, forming a decisive force that no individual can alter or overcome. Therefore, this collective dominance constitutes another quality required for the market forces to become a shared belief.

Moreover, because the markets hold opinions from all market participants when they trade, Ramey also considers the markets to be “meta-information processors” that can “function as divination tools” (Ramey 1 and 3). He defines neoliberalism markets as divination tools in the following context, “In the latter case, crucial for the argument that markets function as neoliberal divination tools, liberty exists only if and when knowledge as market opportunity is properly realized” (ibid. 3). Here, the last part of the sentence is the condition that validates the argument at the beginning of the sentence, so we shall focus on analyzing the conditional clause. Ramey argues that only when insight about the potential opportunities to make a profit is converted to the trading transactions in the markets, can the markets truly become free markets. In other words, free markets can only be brought to their maximum effect by having people input all of their knowledge about the markets through trading. Therefore, the markets become a giant container that encompasses all knowledge about the market from all investors, making it a “meta-information processor” (ibid. 1). Note that, as this phrase indicates, the markets not only store all the information but also digest and transform the information into different phenomena. The fluctuation of the stock price, as an obvious example, is an outcome of the markets’ active information conversion. This ability to convert existing information to new information not only makes the markets incubators that constantly produce new economic reality but also gives the

market a divinatory ability. More importantly, divination can help interpreting signs from a reality that is beyond an individual's control or full comprehension. As discussed above, the "anonymous and supra-human" qualities of the market forces contributes to the unpredictability and volatility in the market, which creates a direct incentive for the individual investors to search for tools to resolve the problem of randomness. Then, when the markets serve as a divination tool or a medium, the divination result can provide new insights for the market participants, encourage them to apply such insights to independent trading actions, and finally achieve the ideal of the free market.

Ramey also argues that the purpose of using markets as divination tools in the neoliberal background is "to satisfy contemporary demands for rendering chance meaningful" (Ramey 4). He repetitively mentions that human beings are constantly walking on the line between regarding chance to be meaningless or meaningful, and it is the neoliberal ideologies that make chance meaningful (ibid. 5). Then, he discusses two different meanings of chance in the neoliberalism and capitalism context. First, chance represents the unknowable outcome, which can only be approached and deciphered through collecting large datasets and conducting quantitative analysis. Ramey states, "The meaning of chance is supposed to be apparent only at a level of abstraction afforded by large sets of data to the cool eye of a scientific observer or the indifferent machinations of an algorithm" (ibid. 2). This echoes the discussion above, that market forces emerge only when individual opinions are aggregated, and the markets can only be shaped and regulated by the collection of opinions. Thus, the meaning of chance is constituted by the choice of the majority, and this trend of popular opinion can be observed in the market data. Once this data is refined through quantitative analysis, chance transforms from random uncertainty into an observable and controllable pattern. Then, chance is no longer an arbitrary occurrence, but it is a

conclusion derived from systematic observation and data manipulation. In this sense, the meaning of chance looks almost like an empirical fact that can be held true for the majority of the situation and for the majority of the population. We will return to the discussion of the broad applicability of trends summarized from contained randomness later in this chapter. For now, the meaning of chance is derived from analyzing a large set of data through mathematical calculations, which suggests the overarching trend among the majority.

Second, Ramey argues that neoliberal ideologies define chance as “risk, uncertainty, and randomness,” which is a set of vocabulary to describe the danger inherent in the markets (Ramey 4). However, although the danger creates volatility in the markets, investors can potentially utilize the fluctuations in the markets and turn them into opportunities to make profit. Ramey contends that “There is only one oracle, one message and one chance: for the further and more perfect extension of market forces into more of human reality, rendering it finally subject to the only conceivably meaningful chance we will have had: to render ourselves profitable, or die” (ibid. 5). Therefore, the idea of chance acquires its meaning through bringing return to the risk-taker, so the meaning of chance is to make a profit. Since the idea of capitalism is often intertwined with the existence of neoliberal ideology, at the core of capitalism is to engage with the flow of capital and benefit from this movement. Therefore, to make a profit is the goal of taking the chance in the first place, especially in the context of the stock market. Although these two meanings of chance are heavily result-oriented and materialized, Ramey's central argument is still about realizing these meanings of chance and bringing constructive guidance to solve the problem in reality. After all, when the markets are used as a divination tool, the motivation behind applying this tool stems from the desire to understand the nature of chance and to confront uncertainty.

Ramey further expands his argument that the markets function as divination tools by exploring why humans turn to divination as a means of navigating broader uncertainties. He reiterates that the motivation behind people's divinatory practice is to seek meaning. He states, "At the heart of divination is the practice of relating to chance as an occasion to make meaning—to read, interpret, imagine and act in ways otherwise impossible" (Ramey 6). Just as neoliberal ideologies can assign meaning to chance, divination can connect the meaning of chance to a specific scenario. Thus, divination serves as an "occasion" or a medium for people to engage with chance and to use the mentality of confronting uncertainty to tackle the incidents in life. It also provides a framework for interpreting chance, which allows people to extract meaning from understanding the potential opportunities that might coexist with the danger of randomness. Therefore, Ramey argues that the purpose of practicing divination is to engage with chance, apply the meaning of chance to gain insight into real-world situations, and use this understanding to discover solutions for the issues at hand.

Moreover, in the second half of the sentence, Ramey elaborates on the purpose of divination in guiding action. By drawing personalized connections with chance through divination, people can receive specific instructions about what actions they can immediately take to help resolve an issue. They will gain a clearer vision of how to "read, interpret, imagine, and act," and thus take more concrete steps in the problem-solving process (Ramey 6). The phrase "otherwise impossible" also highlights the unique inspiration and the direction that people can obtain from the divination result. Instead of leaving them to wander in confusion and ambiguity, divination can serve as an anchor to help ground people's thinking and prepare them to confront challenges.

Tying Ramey's argument about the purpose of divination to the phenomenon discussed in this paper, people indeed need to search for new meanings and guidance for their actions in a state of extreme uncertainty. On the one hand, many investors do not see the meaning of investing in a high-volatility market, simply because the market seems too volatile to secure any sense of return. As discussed by Ramey, although in modern society, the notion of risk is often intertwined with a potential opportunity to make a profit, taking risks is only feasible when the risks can be kept under control. Thus, the investors need to ascribe meaning to their investment and gain the motivation to dive into the markets again. In our case, the result of *Yijing* divination offers such meaning to the investors, as all three reports released by professional financial institutions claim in unison that 2022 will be a very hopeful year for the stock market. Especially, with the power of the flying rooster, and the help from the heavenly stem giving rise to the earthly branch, the stock market will be an auspicious place. This positive divination result suggests a greater potential for higher investment returns, making the action of taking the chance become worthy and meaningful. It also provides a piece of encouraging news to the investors, boosting their confidence and motivating them to reinvest in the market. Just as Ramey has described, once again, we can "render ourselves profitable" in the neoliberal markets and try to gain monetary return from interacting with risks.

On the other hand, since investors might have a difficult time making investment decisions in a volatile market, detailed guidance in the divination result is much needed at this time. Continuing the discussion in the previous paragraph, even when investors are convinced to remain active in the market, they may still struggle with determining where and how to allocate their funds. Therefore, *Yijing* divination becomes an especially valuable tool not only for its ability to forecast potential scenarios but also for providing concrete instructions on how to take

immediate actions. For instance, the Anxin Securities report provides specific predictions about which industries are likely to thrive, which gives investors a clear direction about where to invest their money. Thus, the investors can use this divination report as an action guide and choose to invest in a stock with confirmation and intention. In this case, divination is not only helpful in providing specific instructions and allowing an individual to act decisively under uncertainty, it is also hallowed by its ability to provide insightful advice. The fact that *Yijing* divinatory practice and logic attracted so many followers at the end of 2021 further revealed *Yijing* divination's status as a figure of trust and subject of belief.

Then, as discussed above, if the markets are both an expression of the collective faith in the market forces and a divination tool, then the markets are both an ideal of the economic situation and a means to achieve this ideal. Thus, the rather loaded concept of the markets becomes a form of belief system, where people pay for their recognition, trust, and conviction about the modern economic and social reality. As investors enter the markets, the moment they put money down for their investment, they have to wait for the market forces to decide the outcome. They can only hope that their investment choice can bring them some return. Therefore, the judgment of all other investors, or the decision generated by the markets, is almost sacred and monumental. An individual investor also cannot challenge the result of their investment provided by the markets because they have seen their outcome of either harvesting a profit or suffering from a loss. They also cannot argue with the markets or request a second judgment. They can only re-engage and re-interact with the markets by entering a new investment or opening a new case. Therefore, the markets are an authoritative figure whose judgment is the final sentence and unquestionable law. This gives the markets all rights to explain a past situation and create a reality in the future, so the markets become the doctrine of

the economic reality. The investors' behavior of hoping or making a wish in front of the markets also makes the markets a source of power that has the ability to accomplish or destroy their investment goals. Therefore, the markets are respected as a belief system in which people interact with humility in yearning to realize their investment ideals.

The idea of the markets as a form of belief system, which gathers and reshapes people's social and economic aspirations into capitalism and neoliberalism realities, is also evident in its ability to provide definitive answers. As discussed above, the markets' information processing abilities can provide meaning and specific guidance on investment, so the markets can be used as a source of consultation. If an individual investor cannot predict the future direction of a stock's price, they trust the markets to "know" such price by presenting a final quote to them. In other words, the markets can provide clarity in the numerical form, and getting a definite answer can be especially soothing during times of uncertainty. Therefore, the markets as the strict judge of investment and as an affectionate provider of consolation constitute two façades of a belief system. This dual nature also makes the markets an appealing source to provide answers for any need, as they can offer both concrete guidance and mental comfort.

*Yijing* divination, in this case, is a tool deployed to reacquire this conviction in the markets. When the old knowledge of the orderly quality of the markets loses its effect, people have to update their knowledge about the unpredictable quality of the markets. However, it is still "the markets" that people understand and believe in. The only changing factor before and after people engage with *Yijing* divination is their understanding of the nature of the markets. If they had believed in a more numerically logical form of the markets before, the pandemic perhaps made more people notice the emotional and even metaphysical form of the markets. They come to understand that data-based analysis is not the only rationality that drives people's

trading choices, but the panic emotion and the result from consulting *Yijing* divination can also become a reason for their investment decisions. Although knowing that the investors' sentiment drives the market is rarely a novel argument, this realization is only made obvious by the occurrence of a black swan event, when the great uncertainty causes many individual investors and financial institutions to temporarily withdraw from their usual way of thinking and acting in the markets. Their new choices in practicing *Yijing* divination in this uncertain situation reshape their conviction about the markets, which allows them to renew their understanding of market dynamics.

However, although the markets are respected as a belief system that can translate people's economic principles into social reality, this ability to process and transform information also causes some knowledge in the markets to be lost in the transitional process. As the market forces are constituted of different opinions, the market forces as a whole become an enormous cauldron that smooths out the irregularities and extremes. Thus, as alluded above, the meaning of chance is shaped by the mass market forces, which is a reflection of the average consensus. This leads to the discussion of averageness and the rationality rooted in averageness, which is also an important theme in Nassim Nicholas Taleb's book *The Black Swan Events: The Impact of the Highly Improbable* (2007) and in Gerda Reith's book *The Age of Chance: Gambling in Western Culture* (1999).

As mentioned above, Taleb mainly discusses the quality of rare chance events, reevaluates the concept of probability, and critiques the common conception of probabilities and risks. One of his central arguments is to pinpoint the shortcomings of the Gaussian statistical model, which is a mathematical tool built around the concept of averageness. Although the Gaussian model has been a widely accepted and applied theory to provide forecasts for many



different social sectors, he opines that the Gaussian model is only prepared to deal with average phenomena that will only happen in a highly idealized and oversimplified environment (Taleb 32 and 33). However, since black swan events are improbable and often extreme incidents, they are out of the prediction scope of the Gaussian model. Therefore, he argues that it is the belief in Gaussian-related concepts, especially in averageness, that causes an incident to seem abrupt and unpredictable, attacking people unprepared and evolving into a black swan event.

Taleb further claims that the Gaussian theorem's focus on the averageness has not given people the correct lens to perceive historical information, so using such a misperception to make predictions will lead to an inaccurate insight into the future. Because the bell-shaped curve leaves people with the impression that the majority of past events lie around an average point, reliance on Gaussian models makes it very easy to fail to predict the occurrence of future outliers, which are black swan events. Also, because the future is not necessarily a repetition of the past, the future can be completely different or "asymmetrical" compared to the past (Taleb 193). Thus, the author repeatedly argues that the use of the Gaussian theorem is simply to output a numerical value, which provides an "anchor" for people to base their actions (ibid. 276). This concrete value can provide certainty through offering people future directions, although the value of the historical average itself can be completely inaccurate and arbitrary in the black swan event context.

Taleb's argument about the anchoring effect of obtaining the average value aligns with Ramey's view about the function of divination, which is to offer guidance for people to take actions to resolve the current issue, or "to read, interpret, imagine and act in ways otherwise impossible" (Ramey 6). Although Taleb's argument is deduced from analyzing the result of statistical modeling, and Ramey's argument is based on discussing the result of divination,

regardless of the method used to arrive at a prediction, this prediction itself provides assurance and instruction. Therefore, being able to gain some foresight about the future and an answer to the pending question is one of the most realistic concerns in conducting any kind of predictive analysis, including practicing divination. In our case, as argued by all three financial institutions, knowing that the year 2022 has the potential to be a lucky year for the stock market gives investors confidence and initiative to enter the market despite the high volatility. Although this knowledge is derived from *Yijing* divination instead of conventional financial analysis, it still offers a clear direction for the future, which can serve as a foundation for the investors to make a decision. Here, we can also observe that the function, or the nature, of statistical modeling and divination already share a significant similarity. The comparison between these two methods of prediction will be discussed later in this chapter.

Returning to our discussion on the concept of averageness in conventional statistical and mathematical prediction analysis, Gerda Reith further explores this concept by examining the emergence and implications of the concept of *l'homme moyen*, literally translated as the average man. She starts by providing a historical overview of the development of modern statistical theories. Before the concept of probability or chance was studied as an independent idea, it was believed that everything in the world was part of God's design, so everything in the world was destined to happen (Reith 18). This belief was held until the mid-17th century when people started to explore the meaning and the nature of chance more vigorously. Some mathematical tools were then invented to understand probability. Mathematician Jacob Bernoulli (1655 CE - 1705 CE) claimed that "If all events through all eternity could be repeated...we could go from probability to certainty...and we would be forced to assume amongst the most apparently fortuitous things a certain necessity or, so to say, FATE" (Reith 30). Although he still interpreted

the concept of probability by associating it with the rather religious term of fate, he was able to discover a characteristic of probability by repeating an experiment. This stability of the result obtained from repeating an experiment, what Bernoulli called “certainty,” is the idea of statistical average. Therefore, his theory provides a foundation for the later development of the Law of Large Numbers. Nonetheless, this discovery of regularities in randomness also marks the first milestone of people’s efforts to reduce unknownness, which prepares for the discovery of statistical theories in the 19th century.

The Law of Large Numbers was formally proved by Siméon Denis Poisson (1781 CE - 1840 CE) in 1835, and it inspired scholars to focus more on the collective choices made by the large number, the average derived from the mass of people, rather than on individual decisions made under uncertainty (Reith 34). Because the average, or the mean, can mute discrepancy, patterns can be more easily observed and explained. This quotation captures statisticians’ excitement after they discovered the Law of Large Numbers: “if individuals appeared to be too variable and inconstant to pin down, the law of large numbers advised they look to the aggregated instead—to society—’for chance disappeared in large numbers’” (ibid. 34). By organizing the result of people’s decisions into a more uniform entity, the trend deduced from the Law of Large Numbers presents the most likely result of people’s choice under a specific situation, which provides more certainty for predicting similar events in the future. Therefore, the birth of the Law of Large Numbers marks the second milestone of people’s attempt to tame chance, eliminating uncertainties and turning all events into much more controllable certainties.

The discovery of the Law of Large Numbers also gives rise to the concept of *l’homme moyen*, the average man. In this new framework, each person is considered a small component of the larger society, so individualities are erased, and each person is just a larger or smaller

representation of the average value. They are reduced to dispensable single data points, and deducting a single value will not produce a significant influence on the final average value. Variabilities are also seen as undesirable since they can disrupt the effort of observing a pattern or a trend. Thus, individuals are reduced to “normal people,” who are assumed to have no irregularities in their thinking and actions. Each normal person thus constitutes the unison trend called averageness, which, as a concrete value, is very easy to understand and engage with. Thus, with the birth of the concept of averageness, people started to believe in the idea of general trends, or patterns that are hidden within the mass population and that can be revealed by the mathematical tool. This belief in statistical trends also makes the relevant statistical theories well-maintained and upheld. From here, many people renounced the idea of fate and predeterminism, paying their belief to statistics instead of God. This shift in belief also illustrates the root of people’s deep commitment to quantifications, data observations, and statistical analyses, which are important elements that contribute to the building of modern rationality. Also, because *l’homme moyen* focuses on the choice of the majority, rationality is established by the crowd. Thus, rationality is intertwined with the idea of popularity as a large physical count and as a common ideology.

Nonetheless, because individual granularities and variabilities disappear with the enlarged observation base, the Law of Large Numbers allows the oddity to be erased and hidden in the crowd, which provides a fertile ground for black swan events to hide in the seemingly regular pattern of averageness. This masking effect of the average value is also discussed by Taleb. He argues that by focusing on the majority, or the more probable events, people will unintentionally forget that there is still real possibility attached to rare events, so they will be even more blind to black swan events. Thus, black swan events are always difficult to discover

or predict, let alone to take precautions to prevent such events from happening. Therefore, the ineffectiveness of using the average value or the Gaussian theories to predict rare events shows an important limitation of the most widely applied and accepted statistical theories.

In addition to emphasizing that the Law of Large Numbers' effect undermines the significance in variabilities, Reith continues to discuss other limitations of probability theories. She argues that "probability dealt with chance by abstracting reality to such an extent that it was no longer relevant to any specific moment or situation" (Reith 32). She claims that probability theories seek to understand and explain the world by generalizing and idealizing reality, but reality itself is always far from predictable or perfect. Therefore, these probability theories become highly hypothetical and so provide a distorted understanding of the actual opportunities and challenges in reality. This echoes Taleb's idea that averageness can generalize an originally complex phenomenon, and the most explicit example of this generalization is to apply the Gaussian theorem in areas that cannot be predicted by using the average value. Taleb argues that people are constantly living in "extremistan," a term he invented to describe an environment where a single event can have a disproportionate effect on the entire situation, so using such a generalizing method often cannot provide useful insight to the actual situation in real life (Taleb 33). For example, the 2008 financial crisis happened in the United States, but its influence quickly spread to other economies in the world. Thus, because people are constantly exposed to the peril of rare chance events, the logic of averageness does not apply to analyzing many situations in the world. Therefore, the generalization in computing the average value can cause the probability theory to disconnect from reality, so statistical tools become less effective in explaining the present and forecasting the future.

Furthermore, Reith also points out that probability theories are powerless to make predictions about the immediate future. She states that “in the law of large numbers it could safely make pronouncements as to what should happen in the long term, but never what would happen next” (Reith 32). In other words, because the law of large numbers is derived from observing a large quantity of data over a long time period, it can only present the general trend, so it is never informative about the value of individual data points. However, in reality, people can only stand at a single decision point at one time, and the most urgent problem is always to make a decision about what is immediately in front of them. Also, knowing the historical trends does not necessarily shed light on a specific situation, nor does it provide immediate guidance for making a single choice in the present.

Therefore, applying Reith and Taleb’s argument to the phenomenon discussed in this paper, *Yijing* divination becomes popular among investors because each individual and every challenge is unique, the divination result can offer a distinctive answer to this specific problem at hand and help investors make investment decisions immediately. This is different from receiving some general words of consolation, such as “everything will be fine if you keep going,” because divination can acknowledge specific difficulties, address them directly, and provide target guidance about how to act in a specific situation when standing at a single decision point. In our case, although the financial institutions conduct *Yijing* divination for the general market situation and not for the financial health of any individual investor, the information in the divination report can be easily adopted for individual uses. The most explicit example remains the direct guidance provided by Anxin Securities report, which allows investors to adjust their investment portfolio based on industry-specific recommendations. Therefore, divination’s unique ability to provide personalized answers can also explain why many people choose to shift away from their previous

trust in statistical theories and turn to seek a new analytical reasoning by engaging with *Yijing* divination during times of uncertainty. While probability theories might be insightful and constructive to a group, divination is more effective for individuals.

However, as discussed above, despite their different scope of applicability, both probability theories and divination function as predictive tools that share many commonalities. Therefore, many scholars start to notice these similarities and compose articles that directly compare the qualities of divination methods and quantitative analysis. An interesting observation is that many pieces of literature that elaborate on the connections between divination and mathematical forecasting were published after the 2008 financial crisis. This is partially because the popularity of *The Black Swan* provided a new angle of perceiving probabilities and risks, and many scholars were inspired to reevaluate people's relationship with uncertainty. Another reason for the rise of this strand of literature might be that many scholars discovered irrationality, or at least non-rationality, in what is regarded as the most rational method of forecasting. That is, very few professional financial institutions predicted the sudden collapse of the market in 2008, so their so-called authoritative forecasts were inaccurate, and even very distant from the actual situation. Thus, the 2008 financial crisis undermined the general public's confidence in quantitative analysis and prediction methods, pushing people to reflect on their past beliefs and practices. Therefore, in order to better prepare for the next black swan event, people had to develop new tools for confronting uncertainty. The tool of divination, which was often intentionally ignored and abandoned because of its "irrationality," was reconsidered and rediscovered.

To discuss irrationality, we have to understand the meaning of rationality. I argue that rationality is often defined under a greater historical background, and the standard of rationality

is always what people think is the most useful and effective. In other words, it is people's belief about a methodology that bestows the crown of rationality to a certain method. If people believe a certain method can bring insightful answers to their questions, then this method is recognized to be useful to the situation. This evaluation of usefulness, however, is independent of the nature, the quality, or the outside perception of this method. No matter if other people think *Yijing* divination is just a form of entertainment, a superstition, or even a joke, as long as *Yijing* divination is meaningful to the initiator, then this is a rational method, and practicing *Yijing* divination is also a rational behavior, at least to them. Therefore, the definition of rationality is highly context-specific. The recognition of "the most rational" depends on the perspective of an individual with regard to a certain event, as well as the effect that a method can cause in a certain situation.

As will be discussed in more detail later, Michael Jackson also reflects on the existence of rationality in divinatory practice in his article. As an anthropologist and an observer, he was initially puzzled by why divination remained a valid predictive method and held its credibility until today even though it could not always provide the most accurate predictions (Jackson 42). However, as soon as he took part in Kuranko divination and consulted the diviner about a question himself, he discovered that functionality and rationality of divination lies within the action of going to consult divination as a measure to immediately alleviate the anxiety of idling. Also, upon hearing the divination result, people can follow the instructions revealed by the divination result and take concrete steps to actually resolve the problem at hand. Thus, Jackson's personal experience is an example of rationality as a context-specific and more so as a perspective-specific context.



Then, because rationality is a recognition, it can also be defined by the perspective of the public or the popular social ideology. Still focusing on the topic of prediction, in pre-modern times, before complicated mathematical and statistical theories were invented, the most rational, or what is the most practical and immediately effective, method for forecasting the future was often to initiate a divination. Taking the oracle bones in the Shang Dynasty (1766 BCE - 1122 BCE) as an example, the questions carved into the tortoiseshell were often asked by the emperor, and the content ranged from knowing the reason for getting a sick tooth to foreseeing the outcome of a battle with another country (Benskin 41). Because this was divination exercised on a state level, consulting a unknown and magical force was representative of what was recognized as the effective, the useful, and the rational at the time. Therefore, divination was considered as a valid method for making predictions, and it was also endorsed by ancient emperors as an officially recognized form of rationality.

For the era we live in today, quantitative methods such as mathematical calculation and statistical analysis are recognized as “the most rational method.” This favoritism towards the quantitative methods is also evident from the public announcement that Chinese regulators responded to the *Yijing* divination reports. However, what we can deduce from this phenomenon is that the ideology on the state level favors quantitative methods, and that quantitative methods are defined as the most rational by the Chinese government regulators. However, one might argue that there is never a method that is inherently more rational than the other, and it can only be preferred and said to be more rational under a specific ideological background. This practice of setting a certain method to be the most rational is also a cultural relativist approach to understanding rationality. Here, rationality is pragmatism because it focuses on what is regarded as the most effective in the current situation. In modern China, the “universalist rationality”

derived from the European Enlightenment, which includes science and empiricism, is regarded as rational because math, natural science, and technology can accelerate the building of the country and reintegrate the country into the global network. Thus, the so-called “universalist rationality” is only universal because it used to be useful for many people for a fairly long time. However, this does not indicate that the knowledge and practice included in this framework of rationality will still be useful into the future.

In this case, against the background of a black swan event, the transition from applying quantitative methods to applying *Yijing* divination in the stock market also signals a clash between the belief in universalist rationality of quantitative methods and the belief in new rationality of divinatory methods in a capitalist context. As mentioned above, statistical theories are largely an invention in the 19th and 20th century, and this timeline corresponds to the rise of capitalism. Reith argues that the study of probability has a root in commercial activities, and probability theories have some of the most profound applications in understanding stock market movements and designing insurance (Reith 27). The understanding of risk as “chance or hazard” also emerged from the invention of commercial insurance (ibid. 27). Therefore, statistical methods became a tool to explain the world through calculation, so businesses and individuals can protect themselves from accidental loss and potentially secure more returns. Since then, quantitative theories and methods have been deeply intertwined with capitalist ideologies and inventions, and statistical tools have become the conventional belief familiar to the participants in capitalist economies and markets.

Compared to statistical tools, *Yijing* divination is the newcomer in predicting issues in the capitalist markets. Although divination as a tool to provide answers to people’s questions has accompanied humans for an extended period of time, a rather widespread effort of applying this

specific tool in this particular realm of finance is indeed a rare and new phenomenon. Especially under the circumstances of a black swan event, this phenomenon suggests that people began to reassess and revisit tools with which they have a longer history of involvement and reconsider what is rational. As seen above, many financial institutions clearly present *Yijing* divination as the evidence for their investment advice, which signals a top-down change of what can be considered to give a convincing prediction in the stock market. Rationality, often a term that represents efficiency, utility, and popular credibility in approaching problems, is no longer an exclusive term for describing mathematical and statistical logic. The divinatory logic is placed on an equal scale with quantitative methods, and perhaps for the first time, it is noticed and recognized by more people in this specific context of the stock market and the modern economy. Instead of being considered backward, inferior, and even superstitious, divination is treated as a subject of rationality.

In fact, whether rationalities can be found in divination has been an intellectual question that has intrigued many scholars for a long time. Among the articles analyzing the qualities of divination and the motivations behind divination practice, Michael Jackson's article "How To Do Things With Stones" provides an overview of many past theories and offers a rather heartfelt conclusion deduced from his own participation in the Kuranko divination process. He argues that the power of divination is in doing, and this sense of action comes from both the practice of seeking consultation from divination and the practice of taking actual actions to tackle the issue at hand after hearing the divination result. He suggests that "The diviner's role can thus be understood as one that ritualizes the transition from inertia to activity, a transition on which both individual and group existence depends" (Jackson 42). Therefore, he contends that divination helps people to turn inertia into action, so the rationality of divination lies in its ability to

transform thought spirals into tangible objectives and results. By enabling individuals to confront their consulted issue directly, divination can provide a sense of control and confirm individual agency to the current situation. Thus, the transformational effect of divination helps people to establish their presence during times of uncertainty.

As alluded above, Jackson also agrees that divination provides an action guide and an anchor for thoughts and practices. He states, “Yet, by being instrumental in assisting a person get back into a decisive relation with his or her situation, divination signifies a universal human need to act upon the forces acting on one, thus converting givenness into choice” (Jackson 44). This quotation echoes Ramey's argument that divination makes the concept of chance less abstract and presents chance as tangible options that individuals can select by using their judgment. Having choices is also deterministic to the actions that they will take to tackle the issue at hand. Thus, divination serves as an action guide, which becomes an anchor for people to make decisions under uncertainty.

However, Jackson takes this idea one step further and argues that divination helps individuals conceptualize chance and understand the choices and consequences that chance can create in reality, which allows them to regain control of the current situation and reestablish self-agency. He claims that this process of “converting givenness into choice” is a way of “objectification of subjective life,” which allows individuals “to grasp experiences that confound us, react to events that overwhelm us, and become creators rather than mere creatures of circumstance” (Jackson 48). This quote highlights the individual's role in confronting uncertainty, especially when the divination result reveals possibilities as potential opportunities. By taking the initiative to consult divination, individuals become active in tackling the current situation rather than staying passive and waiting for any result to be given to them. Therefore,

individuals become “creators,” powerful beings who have the authority to decide what should be retained or eliminated. Then, divination can reassign the sense of control from randomness to individuals, offering them more confidence in resolving the current situation. It also confirms the worthiness, or even aliveness, of the individuals, for they can still react and respond to a seemingly dire situation. Therefore, divination is significant from an existential perspective because it can help individuals feel their ability and power to confront the unknown future. By encouraging them to take action and control, divination can also alleviate people’s anxiety when facing uncertainty and endow them with self-assurance about themselves and the future.

The idea of divination returning agency to individuals is also elaborated in David Zeitlyn’s article “Divinatory Logics: Diagnoses and Predictions Mediating Outcomes.” He claims that “When we apply divinatory logic to assess past predictions, we interpret them in the light of actions taken and possible worlds rendered numinous by human agency: we act to change the world, making some predictions literally false but, by divinatory logic, true for all that” (Zeitlyn 528). The transformational effect of the actual actions that were taken in response to the consulted issue is the core of his claim. As there is always an infinite number of possibilities for any event to unfold, hearing the divination result helps to narrow down the options and to identify a single or designated set of actions that one should take to tackle this specific problem. Thus, by taking action, individuals can regain control of the development of the event and reclaim self-agency in complex situations.

In the later part of this quotation, Zeitlyn also discusses the issue of the accuracy of the divination result. He observes that many predictions might not align with reality, but this misalignment is irrelevant to the function of and the motivation behind practicing divination. The divination result is the most powerful and indicative when it is first revealed to the person with

the question because it provides an insight into the future. Being able to obtain such insight into the future was also the exact reason why an individual would want to consult the diviner in the first place. Then, after hearing this insight and making a judgment about this insight, people can then claim their feeling about this insight. Sometimes they will say this is accurate, and sometimes they will say something otherwise. Thus, people's judgment about the accuracy of the divination result is a subjective evaluation, which can be independent of how close or how far the result is from reality. A claim's truth or falsehood can depend on the scope and the content that is used to evaluate this claim. Thus, Zeitlyn argues that some predictions might be "literally false but, by divinatory logic, true for all that" (Zeitlyn 528). Therefore, the value and rationality of divination does not come from the level of accuracy of the result. It comes from being able to obtain some visibility into the future, creating reactions upon gaining such visibility, and deciding how they want to build the new reality after hearing this result. In other words, the content of the result is a mere reference for people to base their further thinking and actions on, so knowing some information about the future and attempting to resolve the issue at hand are more important than the truth or the falsehood of the result itself. Therefore, the divinatory logic here is to hear a statement about the future through the diviner, which is also the most direct motivation of participating in a divination.

The idea that accuracy does not constitute people's motivation to engage with divination is also mentioned in Jackson's article. In fact, this exact point is the conclusion that he draws after he personally partakes in a Kuranko divination. He states, "The lesson I take from my experience of consulting Kuranko diviners is that one does not have to believe in the truth claims of the system for it to work in practice and psychological sense" (Jackson 48). Again, the idea of truth is a relative term, so it depends on the "system" or the worldview in which we measure the

divination result. Even if people who come to consult Kuranko divination are not the most devoted believers of the Kuranko worldview, the divination result is still instructive to their current situation. The divination result can provide a tailored answer and action guide for the specific and unique problem that the people have at hand. Thus, knowing the absolute truth or getting an absolutely accurate prediction about the future is not the client's purpose for their visit. They just want their problem to be addressed and resolved. Also, arguing from another perspective, people can only test the accuracy of the divination result when the future time comes, so they cannot rely on the truthfulness of the result to plan their actions today. Therefore, the divinatory logic at work is to obey the instructions given by Kuranko diviners today to provoke a better result for the future. This functional use of divination is unrelated to the untestable accuracy of the prediction claim.

Relating Jackson and Zeitlyn's theory to the phenomenon discussed in this paper, the general public also cannot test the accuracy of the conclusions drawn from their own *Yijing* divination or the financial institutions' divination reports standing today, but they are still tempted to invest according to the divination result and even start their own divination. The fact that the Chinese government had to intervene and make an announcement to prohibit this practice is proof of the popularity of applying *Yijing* divination theories and results in the stock market. Therefore, since both the investors' own divination result and the brokers' divination report can provide clear investment directions, divination's core function is its practical usefulness for offering some immediately actionable instruction for today. This instruction serves as a roadmap, an anchor for investors' thoughts and actions, and a means to restore their sense of control and self-agency. This instruction can also be used to depict some expectations about the future, which increases the investor's confidence about preparing for what lies ahead. Therefore,

divination's function also comes from its ability to provide some degree of foresight into the future, and this foresight is related more to the amount of information than to the absolute accuracy of the predictions. Especially, when investors are using this foresight to make investment decisions, the more information they have, the better equipped they are to make informed decisions. This amount of information is irrelevant to whether every detail in the divination result can be proved to be true. Therefore, *Yijing* divination was exercised to generate a result that can provide immediate visibility into the future and resolve the most pressing need for making an investment decision today. This tool was also deployed just when people needed insight and guidance the most during times of uncertainty. Thus, the functioning logic behind people's choice of engaging with *Yijing* divination is closely tied to its tangible effect that can be realized immediately.

This tangible effect can also be deduced from conducting rituals, which is another piece of divinatory logic relevant to our discussion. As mentioned above, in this quote that reveals the central argument of Jackson's article, he states that "The diviner's role can thus be understood as one that ritualizes the transition from inertia to activity, a transition on which both individual and group existence depends" (Jackson 42). Here, Jackson clearly considers divination as a form of ritualized behavior. During the divination process, both the diviner and the client need to follow a certain set of rules and processes, and these formulated behaviors are necessary to initiate rituals. However, when considering how rituals can contribute to the logic and usefulness of divination, I argue that, in the phenomenon discussed in this paper, the benefit that rituals bring to the initiator of the divination is less about their performative or displaying quality for showing the others. Instead, continuing the discussion above, the strength that ritual brings to divination is in the action of conducting the ritual.



This idea can also be observed in Bronislaw Malinowski's article "British New Guinea: Fishing and Magic. Fishing in the Trobriand Islands." In this article, Malinowski observed the native people's preparation process before they left the island for fishing. He discovers that only when people choose to fish on the northern shore of the island, where the water is so much more turbulent and dangerous compared to other areas around the island, people will believe that "the success in fishing is, ..., entirely dependent upon the strict observance of numerous taboos and the performance of certain rites" (Malinowski 90). Therefore, it is the unknownness and the possible danger that prompt them to connect their fishing behavior to the idea of magic, which is also why they sense the need to conduct certain rituals. They believe that doing such rituals will help the fishers avoid the negative consequences that the unpredictable water conditions might bring them. Therefore, they conduct the rituals to alleviate their anxiety and gather more mental strength to resist future dangers, which is another important motivation behind people's choice to engage in divinatory activities.

Also, the fact that they do not conduct rituals for fishing in any other area shows that they have the skills, technologies, and confidence to manage risks under normal conditions. Thus, they are not relying on the power of rituals for all circumstances. Only when they confront risks beyond their control, uncertainties are reconsidered as magic, and rituals are engaged in as a preventative measure against the potentially hazardous magic force. Thus, they conduct rituals to invite more resilience for situations beyond control and strengthen their ability to confront uncertainty. This also echoes with the phenomenon discussed in this paper, as people would only want to shift from their original trust on quantitative methods when an extraordinary situation occurs. In other words, the great uncertainty that the black swan event brings to the economy directly drives the investors to seek new solutions to mitigate the issues of unpredictability. Their

solution is to conduct *Yijing* divination, a ritualized behavior in Jackson's perspective, which restores a sense of control and understanding to the individuals.

To close our discussion in this chapter, I would like to examine another quotation by Jackson. He discovers that when people interact with the issue of belief in reality, belief is not always a set of rigid doctrines, but it can be transformed and reshaped during the interaction process. He states, "I have advanced the view that beliefs are best regarded as tokens that are manipulated inventively in critical situations to achieve personal and collective goals simultaneously. The assertion that beliefs are absolute and objectively given is rhetorically significant rather than empirically realized" (Jackson 46). Similar to Malinowski's argument, just as native people trust their technical skills when fishing in quiet waters but turn to rituals when fishing in dangerous areas, Jackson notes that people adopt different belief systems depending on the circumstances. They often choose what is considered to be the most effective approach to navigate uncertainty in various situations. In our case, after the pandemic happened, the uncertainties in the market were so great that people no longer trusted themselves to make appropriate decisions. The original set of tools they had, statistical analysis and mathematical modeling, had also lost their effect. Therefore, when the situation was beyond their control, they had to seek help from other sources. In this case, they sought help from *Yijing* divination.

It is also because of the fluidity of belief that we make different judgments about the present and create infinite possibilities in the world. By taking inspiration from Ramey about what can be recognized as a belief and from Jackson's argument about the changing nature of belief, this essay aims to elaborate on this exact moment of change in people's beliefs about the stock market, the data-driven world, and the concept of ratioanlity in these environments. When the black swan event happened, it was a rather sudden realization that there is more than one way

to approach problems in investment and finance, and the ways people could tackle different challenges were actually connected. The shock that people experienced after hearing the idea of using *Yijing* divination to predict stock market movement might just be caused by the sheer fact that people never evaluated divination's rationality in this framework of financial data and economic metrics. Or, people despised the value of divination in the first place.

This returns to our previous discussion about rediscovering rationality, effectiveness, and all other concepts regarding the idea of utilitarianism in the capitalist setting. As discussed above, if efficiency is one of the most important concepts in capitalist thought, people also evaluate divination for its effectiveness. If divination can offer the initiator an action guide, self-agency, and a sense of control in instabilities, then divination is the most effective method. Also, the effect of initiating divination and knowing the result from divination is almost instant, as people can act, respond, and reposition themselves immediately after the consultation session. Thus, rationality here is not about knowing the absolute truth. The rationality of divination is in taking the actions to seek help from consulting the divination and to make concrete progress in solving the problem. Even in the context of interpreting divination as ritualized behaviors, the example of native people's choice to hold rituals to prepare themselves for fishing in the dangerous water reveals that the rationality still lies in the action of conducting rituals as an immediate remedy for the stress in confronting the present challenge.

In this chapter, we have reviewed past theories focusing on different aspects and qualities of divination. Zeng focuses on the effect of the shifting belief on stock price fluctuation. He also argues that the formation of the market force is constituted by popular opinions about certain stocks, which highlights the influence of people's perceptions on market conditions. Then, we transition to reviewing Ramey's article, in which he argues that market forces can be understood

as a “collective faith” that upholds the capitalist ideal in a neoliberalism society. Thus, markets function as “meta-information processors” and “neoliberal divination tools,” so markets are considered to have the ability to produce new information and offer judgment about the price of the stock. In other words, markets serve both as the ideal to be worshipped and the means to achieve this ideal, which in turn makes markets a belief system that constructs and shapes modern financial and economic reality.

Building on the idea of using markets as a divination tool, this chapter also explores the rationalities and motivations behind the choice to use such a tool. Especially in the stock market, where almost all information exists in the form of data, numbers, and metrics, it would be natural for people to use quantitative methods and theories to assess its condition. Therefore, as discussed in Reith’s book, statistical and mathematical analysis have been a celebrated prediction method ever since modern probability theories were invented. However, the focus on averageness causes neglect of extreme situations or less probable events, which gives rise to the descent of black swan events. This limitation in the probability theories allows divination to unleash its unique usefulness and rationality. Divination, as the source of generating hope, guidance, comfort, and control, is essential for people to confront challenges brought by great uncertainty.

All of the scholars mentioned in the chapter have also highlighted the role of belief, or recognition given to certain angles of perceiving the world, in guiding people’s thoughts and actions. As the world is an ever-changing place, people’s beliefs about the world also constantly change. If it is possible for the world to be driven by statistical trends and mathematical calculation, it is equally possible that the world is indeed driven by the elusive black swan events and mysterious forces that provide the prediction claims of divination. After all, both the

quantitative methods and *Yijing* divination are tools to help people gain a better understanding of the current situation and discover a better solution for the difficulties ahead. However, in the context of black swan events, the more personalized guidance and immediate relief to the problem at hand is preferred over the more generalized advice true for historical trends over a long period of time. Therefore, after analyzing the rationalities behind divination, it is not surprising that *Yijing* divination became people's new belief, an attractive method of interpreting the situation and combating the negative influence of probabilities.

In the next chapter, just as Jackson arrives at his arguments and conclusions from participating in the divination and becoming an answer seeker himself, I, too, took inspiration from his empirical experience and decided to initiate a *Yijing* divination myself. To replicate a question often posed by individual investors, I consulted *Yijing* divination with the inquiry "Will the CSI 300 index increase in a month?" I will provide a more detailed explanation of my divination result and explore the fitness of my *Yijing* divination result to the actual market situation in the following analysis. Through changing my lens from an observer to a practitioner, I hope to apply and examine some of the theories discussed in this chapter and to explore the motivation behind people's engagement with divination practice from another perspective.

#### **IV. *Yijing* Divination Initiation: Will the CSI 300 Index Increase in a Month?**

In China, regulatory constraints make it difficult for individual investors to short a stock, so I choose to adopt the perspective of a typical individual investor and consult *Yijing* divination only on whether it would be profitable to take a long position in a certain stock. Also, since selecting a desirable company's stock to invest in is not the purpose of this paper, I choose to initiate a divination regarding the CSI 300 Index, which is a benchmark that reflects the overall

stock price performance of 300 prominent Chinese companies. By analyzing the index as a whole, the techniques of financial fundamental and technical analysis become less relevant, which allows a clearer assessment of divination's role in market forecasting. Therefore, I posed the question: "Will the CSI 300 Index increase in a month?" When I conducted the divination on January 27th, 2025, the CSI 300 Index was 3,817 points (MarketWatch).

I applied the yarrow stalk method, which is one of the most traditional and historical *Yijing* divination methods (Lynn 19). Different from the coin-flipping methods introduced at the beginning of the second chapter, the yarrow stalk method is more complicated in procedures and takes a longer time to practice. This process begins with 50 yarrow stalks, with one stalk set aside and untouched for the whole process. Then, the initiator needs to arrange the remaining 49 stalks into groups of four stalks and to put aside any residual stalks. The residual stalks will not be used again for the rest of the divination process. After the arrangement is repeated three times, the initiator will record the number of the remaining stalks. The numerical value of these remaining stalks, in groups of four, corresponds to a specific type of *yao*. Since one hexagram contains six *yao*, the initiator of the divination needs to repeat this arranging process six times to arrive at a divination result.

Also, interpreting the *Yijing* text is essential to the discussion. I will primarily use the *Yijing* translated by James Legge, a 19th-century British Christian missionary and a renowned translator of classical Chinese texts. However, because the language in the *Yijing* is often ambiguous and open to personal interpretation, I will also include some of my personal translations to provide another scope of analysis.

After using the yarrow stalk divination method, I obtained the hexagram 51, named "Shock Because of Thunder" (*zhen wei lei*, author's translation). According to the *Yijing*, the

general judgment for this hexagram begins with a single character “*heng*,” which means prosperity, good fortune, and success. Therefore, I took this divination result as a sign indicating a stock price increase, so I predicted that the CSI Index would be higher than 3,817 points a month later. Additionally, this specific combination of the two trigrams did not change into another hexagram based on the divination rules, so the changed hexagram was the same as the original hexagram. Thus, because the reading for these hexagrams was identical, I took this result as an especially strong indication of a future stock price increase.

However, my divination also indicated that the process by which the CSI Index would increase would not be a smooth journey. The name of this hexagram contains the words “shock” and “thunder,” both of which suggest great vibrations and turbulence. Thus, the divination result reveals that while the CSI Index will ultimately rise, it will experience significant fluctuations throughout the month. This sense of volatility is also uncovered by *Yijing*’s reading of the fifth *yao* in this hexagram. The text states “The fifth line, divided, shows its subject going and coming amidst the startling movements (of the time), and always in peril; but perhaps he will not incur loss, and find business (which he can accomplish)” (Legges 174). Here, the *Yijing* makes it clear that although the shock of the thunder, which is the “movement” in Legges’ translation, will reoccur with high intensity, the consulting person will achieve a favorable outcome.

More interestingly, this *yao* provides the notion of money or business explicitly. Legges has translated the second to the last part of the *Yijing*’s reading as “but perhaps he will not incur loss” (Legges 174). However, in the original Chinese text, this phrase can be translated literally as “a hundred million (units of currency) will not be lost” (*yi wu sang*, author’s translation). The numerical value “a hundred million” can be understood as a metaphor for a large amount of money. Thus, while the investment amount is substantial, and the process of watching the

investment grow might be terrifying, the final outcome is expected to be profitable. Then, the last part of the reading, which Legges translates as “find business (which he can accomplish),” also reveals success in investment. Therefore, as this *yao* is representative of the overall narrative of this hexagram, this divination result depicts a challenging yet rewarding investment journey. Thus, I also used this information to further anticipate the CSI 300 Index might experience great fluctuations this month.

Then, a month later, on February 27th, 2025, the CSI 300 Index stood at 3,968 points, which was a 151-point increase from the previous month (MarketWatch). As illustrated in the chart below, the index level also declined and rebounded six times, so the CSI 300 Index indeed experienced waves of fluctuations. At this point, perhaps some readers will be astonished by this outcome and tempted to claim *Yijing* divination’s magic. However, the purpose of initiating this divination is not to prove that *Yijing* divination can provide accurate predictions. Rather, I aim to analyze what aspects of my divination experience might echo with the investors’ thinking and mentality at the end of 2021. Also, I want to discuss the rationality behind *Yijing* divination that makes it so appealing when investors face a choice under uncertainty.

To start, I must claim that even though I obtained a positive divination result, I did not invest any real money into buying any index-related securities. Therefore, the action of making the actual investment decision was lacking after receiving the divination result, which made me focus more on analyzing my experience during the divination. I shall begin my discussion by sharing my mental journey. Because I genuinely wanted to obtain the answer to the question asked, I approached the divination process with sincerity. However, just because I was emotionally invested in the divination process, I did not feel at ease after receiving hexagram 51 as my result. Instead, I wish the time to fast forward a month so that I could know the accuracy



of my divination result. This feeling was similar to having bought a lottery and held the numbers at hand, but one still needed to wait for the lotto TV show to air and reveal the result. Although one knew that all numbers on the lottery were set and no longer changeable, the feeling of suspense would not disappear with purchasing this lottery ticket itself. One still needed to expect with hope and curiosity.

Therefore, although I had studied scholars' arguments, and I intellectually understand that this particular divination was initiated for entertainment and academic studies purposes only, I still found myself wanting this divination result to be accurate. Especially, knowing that I would have to wait a month to see whether the prediction held true, this necessity of waiting brought me a growing sense of anticipation and anxiety. In fact, I deliberately avoided checking any news or updates related to the CSI 300 Index during this month. I thought watching the index level fluctuation could become a torture, as I would be constantly afraid that the index would not recover after its decline. Therefore, even though I took the initiative to practice divination, I still felt restless about the future.

My experience led me to an insight different from that which was stressed in Jackson's argument, in which he claims that people's anxiety in confronting uncertainty diminishes after consulting divination and acting upon its result. However, in my case, the stress did not disappear after initiating divination. Instead, the subject that caused the uneasy feeling changed. Before consulting divination, my concern focused on how the index would develop. After seeing the divination result, I started to worry about whether the prediction would come true, and even worse, whether trusting the indication of the *Yijing* divination result to make an investment decision was a wise choice. Therefore, although the anxiety from not knowing the future was

relaxed, since I now had some visibility into a set of possible outcomes, a new anxiety emerged from the eagerness to evaluate the reliability of the prediction itself.

However, I do find myself agreeing with Jackson and Zeitlyn that initiating divination gave me a greater sense of self-agency and control of the situation. Although I still had to wait for the outcome to unfold, I no longer felt passive in deciding how to invest. Because the uncertainty was reduced by the divination result, I felt more informed and confident in my ability to make the final decision. Also, even after receiving the divination result, I still hold the ultimate authority over my actions. I could choose whether to obey the divination result or whether to invest in the subject in question at all. Therefore, practicing divination and receiving the divination result not only provided a sense of direction and guidance for actions, it also granted me more control over my hesitation and more power in making decisions.

Finally, when the real-world development turned out to be closely aligned with the suggestion of the *Yijing* divination result, I also realized that a part of *Yijing* divination's rationality does come from its ability to offer accurate predictions at times. This is a rather practical way of perceiving *Yijing* divination, but it is the most direct and relevant one in real life. The usefulness or the effectiveness of any prediction method is not only a recognition. From a pragmatic sense, a useful or effective method must produce rewarding results that can bring tangible benefits to its users. In this case, this benefit is the monetary return that knowing the future market movement can bring. If I were to have purchased a long position of some kind of CSI 300-related securities after being encouraged by the divination result, I would have actually made a profit from the increased index level. Therefore, *Yijing* divination is utilized by many people because it can produce indicative predictions about the future at times. As *Yijing*

divination is still a predictive method, we cannot undermine, ignore, or intentionally overlook its achievement in predictive abilities.

However, I acknowledge that the concept of accuracy discussed here is a relative term. The divination result does not have to align perfectly with the occurrences in the physical world to be considered accurate. As discussed in the previous chapter, it only needs to resonate with people's perceptions about reality to be considered accurate. Thus, another piece of rationality also lies in the divination's predictive power and people's recognition of its predictive power. Here, ambiguity in the divinatory language allows the divination result to adapt to any context and answer any question, which allows it to be accurate and suggestive in any situation. For example, although the *Yijing*'s original reading about hexagram 51 did not explicitly mention anything related to money, the stock market, or investment, I was still able to adopt it and obtain a specific answer to my question.

This also creates an interesting paradox that the most abstract can be the most accurate, both in terms of the textual content and the interpretations of the content of the divination result. This discussion brings us back to a compelling quotation by Zeitlyn, in which he argues that when we try to obtain insight into the future, we inevitably will be "making some predictions literally false but, by divinatory logic, true for all that" (Zeitlyn 528). Here, the truth or falsehood can be understood as how closely the language of the predictions can correspond to the actual outcome in reality. However, as mentioned above, the prediction does not need to be highly detailed about any specific possibilities in the future for people to recognize its accuracy. Its perceived accuracy often lies in divination's ability to resonate with an individual's personal circumstances and unique struggles, which can usually be achieved through using broad and ambiguous language. Therefore, even when the textual content of certain predictions does not

align with the actual occurrences in reality, many people still choose to consult divination when they encounter another problem in the future. Thus, as noted by Zeitlyn, Jackson, and many other scholars, the overall strength and rationality of divinatory methods and practices are not defined by or dwelled solely on its ability to produce literally accurate predictions. Instead, this continued reliance on a method or a practice that may not consistently produce accurate results further highlights the underlying and enduring sense of reasonableness and rationality that people can find within divinatory methods and practices. In other words, these “inaccurate” languages and implications in the divination result can, in turn, create the most “accurate” answer for the divination initiator.

Also, as discussed at the beginning of the second chapter, the ambiguity in divinatory language makes *Yijing* divination useful for producing a meaningful and personally relevant story. In the second chapter, I used the example of reading a suspense novel to illustrate my experience of engaging with CLSA’s divination report, and I will continue to draw on this example here. As people have to enter the context and understand the worldview constructed by the novel to make reading the story a pleasant experience, people have to explore the underlying message in the divinatory language and be drawn by the divinatory narrative for the divination result to maximize its influence. The divination process helps people to adopt issues and objects in the physical world to a rather magical, imaginative, and elusive framework, and the problems within this framework can be resolved by the logic and method within this framework. This is like containing or taming chance from another perspective, only the solution to the problem of randomness is now proposed by the divinatory practice and the instructions in the solution can be mesmerizing and strange at times. No matter if it is wearing red or putting a fish tank in an assigned corner of the house according to the *feng shui* theories, these solutions are useful in the

*Yijing* logic and worldview. More importantly, the narrative about how these solutions will be helpful is still personalized to specific situations. Then, the story that *Yijing* divination portrays will bring ontological and practical meaning to individuals.

To conclude, in this chapter, I have drawn from my firsthand experience of initiating a *Yijing* divination regarding the performance of the CSI 300 Index to respond to scholarly arguments from a practitioner perspective. I discovered that the stress related to the unknown does not stop with the act of consulting divination and taking concrete steps to resolve the problem. Although my anxiety about the unknown was reduced, some new anxiety arose from actively anticipating the result to manifest itself in the future. As I still hoped for practical guidance and more knowledge about the future, my underlying desire yearned for the divination result to align with the future reality. My mental journey also showed that the accuracy of divination results remained a realistic and pragmatic concern for the divination initiator. Thus, the relative accuracy of the *Yijing* divination result and the ambiguous language that helped the divination result to achieve such accuracy constituted two other pieces of rationality in *Yijing* divination. They can also help explain why many people turned to *Yijing* divination as a means of confronting uncertainty during the black swan event of the COVID-19 pandemic.

The ending of this chapter also concludes the central discussions of this paper. In the next chapter, I will summarize and reiterate some of the important themes and offer a final reflection on *Yijing* divination and the problem of unknowability of the future.

## **V. Conclusion**

In this paper, we have analyzed the unusual phenomenon of individual investors and financial institutions applying *Yijing* divination and its related ideologies to predict the stock

market movement at the end of 2021, aiming to explore the motivations behind people's choice of engaging with this prediction method. The central tension that makes this phenomenon especially interesting to savor is that it took place at the peak of the COVID-19 pandemic and that a non-quantitative analytical tool was deployed for financial forecasting. It is also interesting to analyze because the stock market is where numbers and the logic of numbers overwhelmingly dominate, forming both the logic and the ideal of capitalism constructions. Therefore, this paper uses this phenomenon as an example and discusses the change in the meaning and the implication of the concepts of belief and rationality in the modern capitalism context.

Also catalyzed by the great uncertainty of the black swan event of the COVID-19 pandemic, the narrative, knowledge, and understanding about the world that people had long relied on were no longer useful and effective to address the realities of the moment, so they had to develop and adapt to the new framework of thinking. In other words, to their understanding, what works, what is effective, and what can be trusted and erected as a belief system has changed. In this case, *Yijing* divination becomes the new belief system that many people choose to adopt and follow. It earns its status of being a belief system because of its practicality by offering what people need. From finding mental comfort in turbulent times to receiving guidance and taking concrete actions to address challenges, people turn to divination for the consolation and advice they seek when facing uncertainty. In fact, as discussed in the literature review, many scholars consider that the attractiveness of divinatory practice is in its ability to inspire the initiator to translate their thoughts into action. This sense of action is also where people can regain control of the situation and reestablish their self-agency in uncertain times.

However, although I agree with these scholars on their analysis about the use of divination when the initiator first hears the divination result, the predicted situation will

eventually unfold as the time progresses. Thus, people will inevitably encounter the problem of evaluating the accuracy of the divination result. Zeitlyn and Jackson have argued that accuracy of the divination result is not the primary concern of the initiator, as the future is unobservable and thus unknown. However, once the predicted future arrives, unavoidably, the first question people tend to ask remains whether the divination prediction was accurate. This was also the first question that I asked a month after initiating the divination for the CSI 300 Index.

Therefore, the practicality of divinatory practice partially comes from its ability to offer accurate predictions at times. Here, I must claim that I do not mean that the rationality of divinatory practices and methods comes entirely from its ability of producing predictions that will align perfectly with the physical reality. However, from the pragmatic sense of evaluation, the usefulness and effectiveness of a predictive method is closely associated with the quality of the prediction result. Although accuracy is a relative term, and divination results cannot always be accurate, evaluating the accuracy of the prediction provokes an intuitive judgment about the reliability, usefulness, and effectiveness of this prediction method, which constitutes the most direct form of “sense check.” From a pragmatic perspective, only when a predictive method passes this test of practicality and applicability, can it enter people’s headspace as an available and useful tool. It is also in this recognition of the effectiveness of the prediction method that people start to assess its validity, examine its credibility, and ultimately, perceive its rationality. Thus, in this case, the rationality of divination is rooted in its blunt and unambiguous practicality in addressing issues in real life.

Now, some might argue that I emphasize the importance of the relative accuracy of divination results only because the *Yijing* divination I initiated was relatively successful in predicting the upward trend of the index level. I also think that I might have a more dramatic

experience to elaborate in this paper if I obtained an inaccurate result. However, this sense of drama arises precisely from the fact that divination can be proven inaccurate and is thus irrational. This is almost as if people are eager to challenge and discredit this prediction method, so it can be labeled as a wrong method, and the principle of universalist rationality can still be maintained and upheld. Karl Popper has a famous argument that the distinction between science and non-science lies in the “falsifiability, or refutability, or testability” of a theory (Popper 48). However, in divination’s case, people often do not have the desire to testify and falsify the result. They would rather believe that this divination result has revealed a solution that is tailored for them, so they do not have to continue living in the suspense that uncertainty creates. They want and hope this result to be the ultimate answer that they are looking for. Therefore, we cannot ignore the divinatory practice’s ability of offering somehow accurate predictions, as it is used precisely to produce some insight about the future.

Additionally, at no point in this paper, in the individual investors’ *Yijing* divination analyses, or in the *Yijing* divination reports authored by the financial institutions that we claim divination is science. However, the discussion in this paper is intriguing acutely because one can sense a science-like quality both in the divination method itself and in the way that the investors perceive it. This can also explain why this type of unusual and rather magical practice can be compared with the conventional financial prediction method. As mentioned above, the strand of literature that directly evaluates divinatory practices against economic forecasting methods sees an increase after the happening of the 2008 financial crisis. The articles written by Ramey and Zeitlyn, which are both reviewed above, are some of the noticeable pieces in this research direction.



Therefore, I argue that it is because of this rather modern capitalist and scientific way of evaluating the worthiness of an existence, the practicality of a prediction method constitutes and materializes the concepts of rationality, and such a new definition of rationality is especially manifested during the black swan event of COVID-19. This pragmatic approach to examining rationality is also seen in Richard Rorty's article "A Pragmatist View of Rationality and Cultural Difference." In this article, he separates the meaning of rationality into three distinct definitions and discusses each definition's relationship to the various concepts of culture. He then promotes that different classifications of culture should interweave and achieve a "variety-in-unity characteristic" of rationality (Rorty 593). However, my definitions of rationality and practicality are less philosophically heavy, and I aim to discuss a simple yet powerful logic that divinatory practice still exists and has become popular because it can serve people's needs in real life. In our scenario, the most realistic problem that people faced at the end of 2021 was the challenges posed by great uncertainty and the diminished predictive power of conventional quantitative methods. Thus, *Yijing* divination emerged as a newly respected tool not only because it could produce predictions, but also because it could provide advice that other methods could not or dare to offer. As a result, *Yijing* divination's practicality in navigating uncertainty appealed to many people, lending them to bestow it with the recognition of rationality during the black swan event of the COVID-19 pandemic.

However, turning to realize the practicality and rationality contained in a novel object is not an unfamiliar experience in human history, especially when various divinatory methods and practices have accompanied humans for an extended period of time. As discussed in this essay, before probability theories were invented, people used to believe that all things existed in the world because of fate and God's arrangement. Then, with the discovery of probability theories,

the rationality of predeterminism was toppled. Quantitative observations and mathematical extrapolations became the dominant social conscience or universalist rationality. Now, we may have arrived at another turning point of realization. Sometimes, when the unobservable and unmeasurable factors have a growing presence in our daily lives and have an heightening power in shaping our present and future, pure quantitative theories and methods can be less useful to explain or offer insight to the current situation. Also, as many black swan events continue to germinate, we are more urgent than ever to find solutions to counter the new challenges.

This may also signal a new era, in which quantitative rationality is not the one and the only destination of trust and system of belief, and humans are not necessarily a pile of observable data points. Like divinatory logic and practices, this rather unusual, abstract, and even recursive way of understanding the world might just be the bluntness that our world needs today. We perhaps need to transition to a new way of behaving, existing, and more importantly, thinking. We may have not returned to God, especially to Christian God, and fate, but we are returning to a way of thinking that can be emotionally urging, intuitively appealing, and personally resonating. From this sense, there is nothing unusual about people engaging with *Yijing* divination. It can provide the most-needed emotional support, action guide, and positive assumption about tomorrow.

In fact, trying to understand and confront the unpredictable future is the central theme for both quantitative extrapolations and divinatory practices. This effort of looking beyond what can be observed, conceived, and controlled is also discussed in Ulrich Beck's book *Risk Society: Towards a New Modernity* (1992). Because the imaginable risks and opportunities are only a small portion of the infinite amount of possibilities, Beck uses the idea of beyondness to portray the future as a "reflexive modernization beyond the outlines of industrial society" (Beck 11).

Although Beck's writing about the characteristics of reflexive modernization and postindustrial society is largely descriptive and rather implicit, given that what lies beyond is obscure to everyone, he aims to depict the feeling of what the future might look like. This, in turn, can provide another source for people to root their imaginations, and ultimately, guesses about the future. This idea of beyondness is also what the concept of the black swan event is trying to capture, and how to obtain some ideas about beyondness is the exact theme of *The Black Swan*. After all, standing today, how we make sense of all the information we have gathered from the past and the present to understand the future is the question that all predictive methods attempt to answer. Quantitative methods might have constructed and described what the world ought to be, but human behavior, imagination, and curiosity are never bound by what it ought to be.

Perhaps, in an increasingly unfathomable and ever-changing world, only an equally imaginative and flexible tool can help people overcome the escalated challenges. The rather ambiguous language in the *Yijing* text and divination result might bring creativity in reflecting on the current situation and discovering innovative solutions to the challenges. Or, perhaps, having more people interact with an unconventional analytical framework is a large-scale social divination initiation, where the world awaits for the result to uncover itself, and then invites its people to create new realities with it.

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