

A BIT OF DIP, THEN ON TO HIGHER GROUND!

Our April 2 newsletter is quoted once more: "SO, if we manage to survive through **April 4-5, Crash or no, we have greater confidence that the Downside will be finished for awhile.**" April 4, with Saturn parallel to Neptune (in Declination) was the exact low in the NASDAQ Indices, the DJIA was about a hundred higher than its March 22 low. The DJIA has rallied over 2000 points from the low hour or 23.7% and the NASDAQ is up about 26.4% to the high of last week.

This performance has placed *Crawford Perspectives* back in the Top 10 list at *TIMER DIGEST* (POB 1688, Greenwich, CT 06836, 203-629-3503) for the previous 12-month period. We'll grace the cover of their next issue...call them!

Although momentum is moderating for now, we expect further sharp gains into a complex configuration involving Sun, Mercury and Jupiter conjunct, all forming the trine aspect (120 degrees) with Uranus, ruler of Tech stocks, June 14 to 19. This extraordinary period of High-Tech out-performance could

VITAL SIGNS

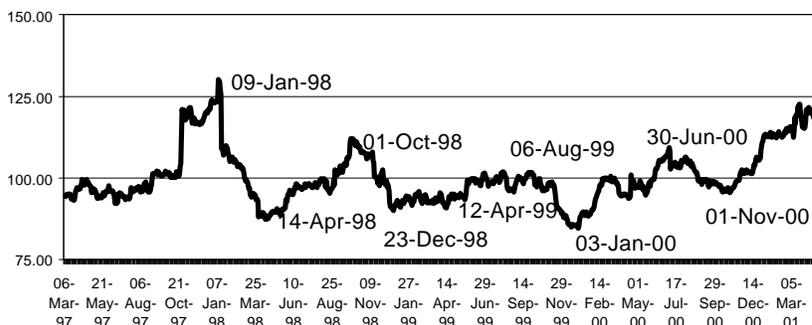
WE ADVISED A 50% INITIAL LONG POSITION AS YOU RECEIVED THE NEWSLETTER MAILED ON APRIL 2, WITH A 3½% CLOSE ONLY STOPLOSS.

MOVED UP TO 100% WITHOUT USING MARGIN AT 10amEDT ON MAY 16, JUST IN TIME FOR ONE OF LARGEST SINGLE DAY GAINS. DJI WAS 11,005, S&P500 WAS 1245.

WE THEN PLACED CLOSE ONLY STOPS AT 10,000 DJI AND 1240 BASIS S&P500 CASH INDEX.

NO NEW CHANGES

55-DAY ARMS (TRIN) INDEX



culminate with the Jupiter-Uranus trine on the 19th.

The BRADLEY MODEL (utilizing planetary angles) indicates two later potential peaks around June 6-8 and August 6-7, after which it expands and enhances the growing "Hurricane Season", applicable to markets as well as to weather.

Remember that the first two years of a new political regime tend to be the Worst in the election cycle, and the seasonal negatives will combine in 2001 and 2002 for potentially very miserable Bear Markets. The Mars/Uranus potential Crash Cycle (which we discovered) became active on August 29, 2000 and continues to October 5, 2001, a time in which Market Overvaluations have had their greatest reversion to the mean during the Twentieth Century, including the recent NASDAQ unpleasantness.

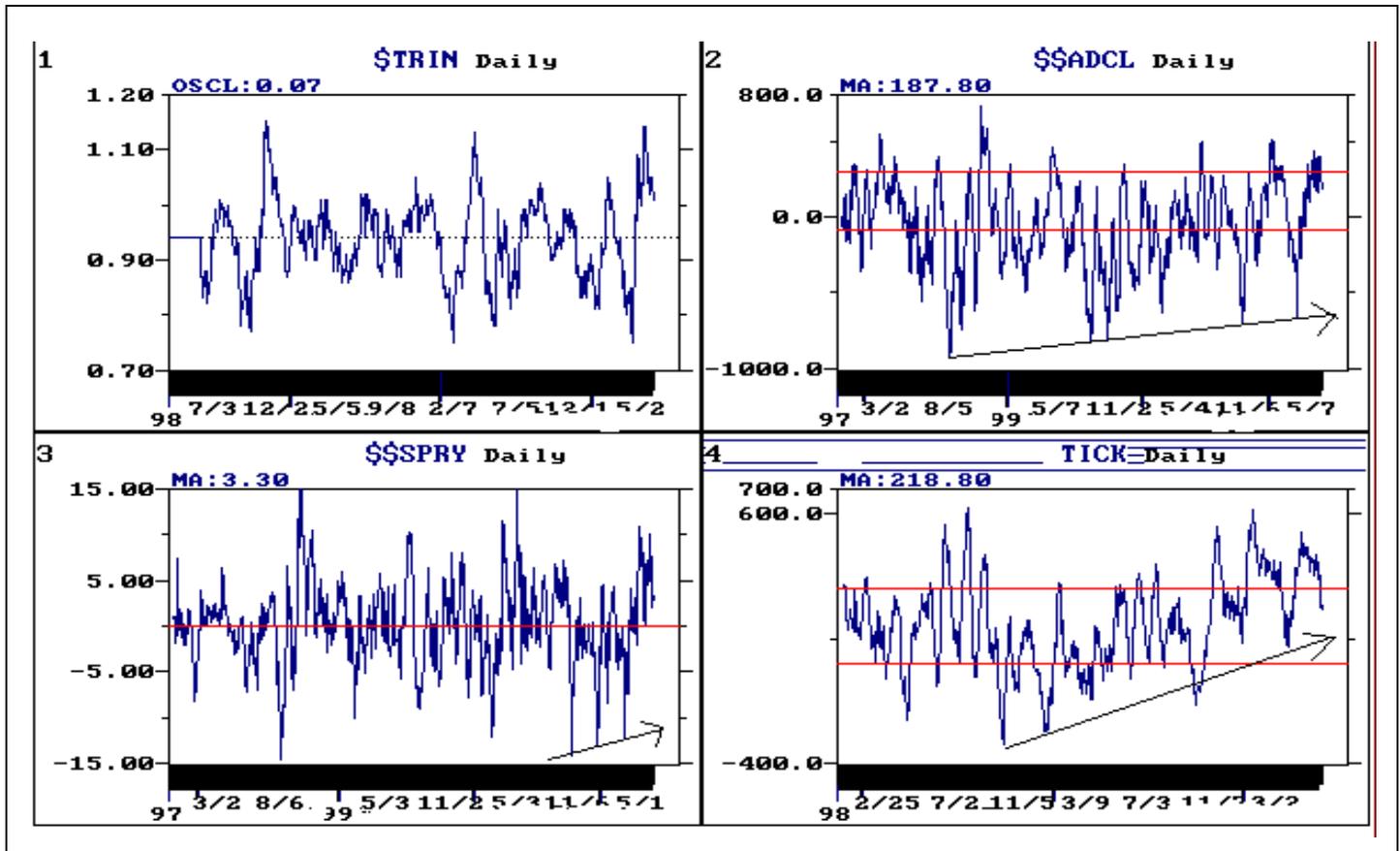
Countering these morbid oracles, FED pumping has almost always manifested higher markets after so many months. Need we mention the One Exception? 1929-32 period saw several rises in the Dow Industrials of approximately 50% each, but None exceeded any previous important peak!

Yet, a look at longer term series of a good many technical tools confirms indicator levels reminiscent of major lows being past! The Bears will say that these levels will be retained in a severe Bear Market Trend continuation. We are heartened that these positive extremes have not dissipated quickly in this 2000 DJI point rise! For example, 55-day ARMS (TRIN) has not come off its highs.

We feel confident that after a minor corrective phase, we will experience new All Time Highs in the Dow, and new highs for the move in many others indices. New Highs have been registered in the Value Line Arithmetic and the Toronto Stock Exch. 300 unweighted averages. The New York Composite is very close. Advance-Declines & New Highs are moving well.

There is a case for a Lasting BULL! As Ulysses before us, we must pass 'twixt Scylla & Charybdis to make it safely home. Can Greenspan at the helm accomplish such a feat? Maybe it depends on which gods & which planets are with whom. We will monitor progress carefully, and report same to you. July to September will set the tone. October and November will name the survivors of the "Hero's Journey!"

The **GOLD** made its bottom as Venus sextiled (60 degrees) both ends of the Jupiter/Neptune Trine! It has been rated a strong buy on our back page since the Trine was exact on April 5. The Very Long Term Cycles have put in the price lows which should stand for years. A "normal" portfolio should carry 10-15% in Precious Metals. A Much higher commitment is now authorized for the next few years. Look for short term high around June 14 for a pullback low on the Summer Solstice Solar Eclipse (June 21). A similar configuration in 1982 attended the Exact Low in Metals for 12 years! There may be a Short Squeeze as the June future expires on the Uranus station TODAY!



NEARING MAXIMA, SOME CONSOLIDATION IS IN ORDER!

As a general rule, these indicators are positive when low and rising, weak when high and falling.

Chart (1) \$TRIN is an oscillator consisting of a 55-day moving average of the ARMS Index (TRIN) minus a 21-day moving average of the same. This oscillator has dipped to one of its lowest readings to one of its highest in a single calendar month! The two instances on this chart had vastly different outcomes. Which one will the current move imitate? We lean toward some consolidation here, followed by further testing of the highs.

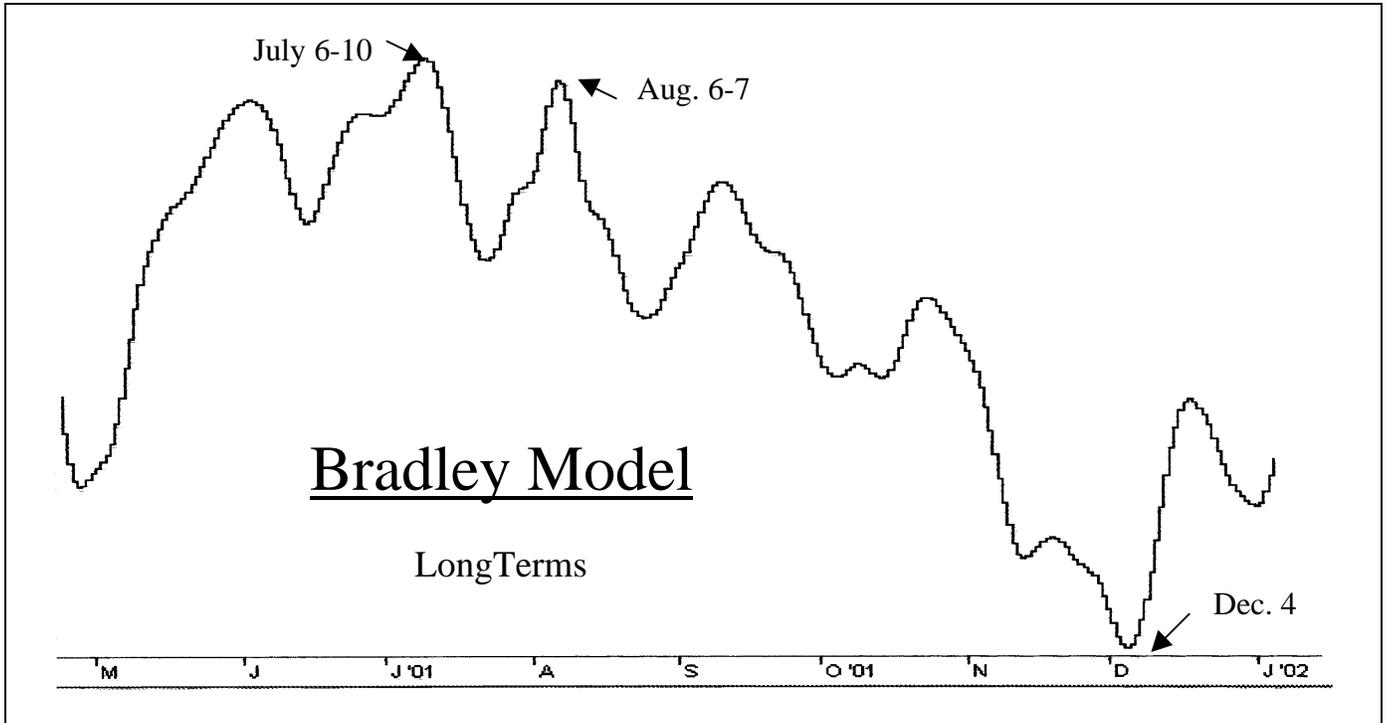
The 55-Day raw ARMS remains near the Highest on record! Similarly, the 21-day Put/Call Ratio was at its record high on the early April Index lows. It has returned to a high neutral range, but is nowhere near a severe Top reading. Odd-Lot Short Sales have been rising for many months and 78% of NYSE stocks were recently above their 200-day MA's.

Chart (2) \$\$ADCL is a 10-day moving average of the net change in Advances-Declines (NYSE). This indicator has now matched or beaten the highest readings of the last two years, then fallen off to normal Buy area. The rally since early April's low is continuing a long term improving trend, although the action in this indicator was somewhat stronger during the January advance, and must show further improvement to confirm the BULL. Watch if the next low is a "higher low."

Chart (3) \$\$\$SPRY is a measure of "smart money" action in the S&P futures. Now we have a third break that held the previous lows constituting another "downside non-confirmation" and followed by a strong move which broke the weak pattern of "declining tops" since the highs of last March-April. The pattern of rising bottoms is encouraging. All these indicators have just tested their upper ranges. The next test requires that they hold in the neutral to upper ranges. Too much momentum loss during a corrective phase will disappoint.

Chart (4) \$TICK is Closing TICK (NYSE 10-Day). This index was the first to rebound to sharp "new highs" after a "Moderate Oversold" condition back in September. They have never gone lower! Continuing uptrend in the face of New Price Index Lows in March & April correctly anticipated the positive resolution. The ability to hold within a long term rising pattern is a very healthy sign.

Most analysts seemed astounded by the timing of Greenspan's rate cuts. Considering that the FED is owned and operated by the big New York City banks, why is it a surprise that they waited until after peak Holiday seasonal borrowing to cut the rate? The April rate cut occurred just after the secondary peak of Tax borrowing was completed. DUH!



BRADLEY MODEL (Long Terms) BEARISH FROM AUGUST!

The BRADLEY summer high is indicated for July 6-10. Our analysis would prefer June 14-19, at least for the Tech stocks, as mentioned on page one. The secondary BRADLEY high comes in on August 6-7. We expect at least the Dow Industrials will make a new high on one or both of these dates, although the broad market evidenced by the Advance-Decline Line may well peak earlier.

The Eclipse Series always throws in extra powerful turning points not included in the Bradley. The Solar Eclipse coincides with the Summer Solstice (at Zero Cancer). Eclipses on the Equinoxes and Solstices are quite rare, there being only two other instances within 2 degrees in the last century. There was a Solar Eclipse on the Summer Solstice in 1982. You may remember that as the beginning of the longest Bull Market in history! The largest bank failure in history accompanied the Lunar Eclipse two weeks later (Penn Square), and the DJIA never went more than 13 points lower in the final low of 777 on August 12. In addition, that Solar Eclipse was the Exact low day in the Metals complex for 12 years!

The other instance was also a Solar Eclipse, but on the Fall Equinox (September 23) of 1987. That was something of a memorable frame as well. Remember that the "Harmonic Convergence" date on the Mayan Calendar coincided with a 5-planet conjunction within 2.25 degrees of arc on August 24-25, and the DJIA topped out on the 25th at noon. The low of the first leg down took place on the morning of the Equinoctial Eclipse where new lows scared traders into a mild panic. The market then turned UP and resulted in the largest single point advance in history to that date!

A two-week rally ensued into early October. At the top of that rally, Southern California suffered the largest earthquake in at least 7 years centered in Whittier. Then on the Lunar Eclipse of October 6, the DJIA suffered its largest ever point Loss to that date, and began the slide into the Black Monday Crash!

Will the June 21 Eclipse herald a new BULL Market...or another CRASH? The BRADLEY (chart above) is very clear in calling for an accelerating downtrend, but the BRADLEY is not always right (nor is anything else). In either case, this is no time to be caught napping. These conditions call for Attention! VIGILLANCE! And the **Willingness to ACT** to conserve assets in what could become a highly volatile and dangerous milieu

Arch Crawford is heard fortnightly on CNBC, however, that's the New Delhi edition Only.

MORE ON GOLD!!

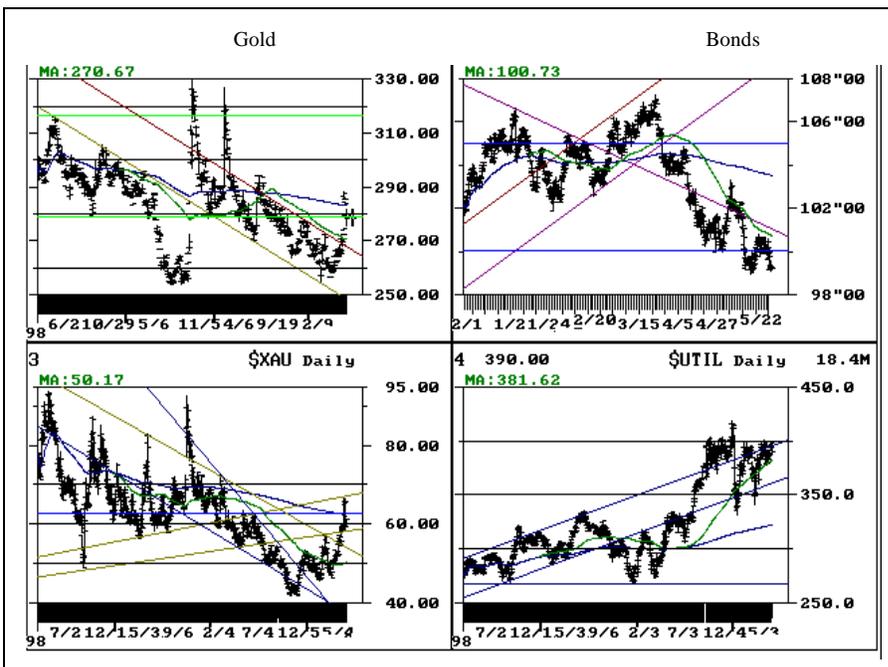
Very Long Term **GOLD** cycles have been down so long, are turning UP as positive patterns form on the charts and Inflationary indicants appear overhead (in the sky)! We project a powerful advance NOW, followed by a pullback low around the Solar Eclipse (June 21), after which the Sky is the limit. We have mentioned same in the last few newsletters, of looking for possible low dates in April (5th, it was close; and 25th, it has not been lower since!) We repeat this item: **GATA**, Gold Anti-Trust Action Committee (www.gata.org) and Reg Howe at www.LeMetropoleCafe.com have brought suit in U. S. district court in Boston against participants in a scheme to manipulate world Gold markets. The defendants are: Bank for International Settlements (BIS); Alan Greenspan, Chmn. of the FED; Wm. J. McDonough, Pres. Of the New York FRB; 5 major bullion banks: JP Morgan, Chase, Citi, Goldman Sachs and DeutscheBank; and Lawrence Summers, former Sec of Treasury.

This suit is apparently a good bit more than “frivolous”. The April 19 presentation to the court is posted at <http://www.gata.org/lawsuit.html>.

The **CRB Index** broke Up, then Down last two days as the Inflation/Deflation factions continue to battle it out. **Soybeans** rallied somewhat while **Wheat and Corn** continued their downtrends, unable to hold on any support zones. Rallies showing no vigor as yet. **The OIL complex** looked the Most Dynamic from charts last time. We bought June **Crude** at 28.36, **Heating Oil** at 76.57. Both broke above resistance. **CRUDE** failed and broke down, spoiling the developing positive chart, while **Heating Oil** did not, and is NOW at optimal Risk/reward chart BUY = 78.46. What makes that optimal is the stop point can be very close (as high as 77 or better), or give a little more leeway at 75. Sell and Short if it hits 73.

The **LONG BOND** pumped up to a record 107 on the Vernal Equinox, and topped there. It has been in a steady downtrend since then. Inflationary Scenario giving them the shivers?? Broke par, no respite.

Our markets remain “cautiously optimistic” on the **U.S. Dollar**. Trend retains momentum, and even appears to accelerate. “The trend is your friend” until it changes. Enjoy the ride, but keep close steps.



ASTRONOMIC ACTIVITY

- MAY 25 = Another Down Friday? Saturn conjoins Sun, both semi-square Venus = Difficult day, probably Down markets!
- MAY 29 = Uranus Stationary Retrograde = Final trading day in Metals! SHORT SQUEEZE?! Hectic, Inflationary! Oil?
- First few days of June appear to have possibility for another strong rise!
- JUN 4 = Mercury Retrogrades, Sun opposes Pluto = Hack attacks! Important news relative to terrorists, nuclear power.
- JUN 5 = Full Moon at 15 Sag 26 = Probably more violence regarding religion and propaganda. Organizational power plays.
- JUN 12-15 = Sun/Jupiter conjunction opposes Mars and 135 to Neptune = Inflationary Scare, GOLD up Big into temp Top!
- JUN 17-19 = Mercury conjunct Jupiter, both Trine Uranus = Spike up and possible Top in Techs. Buy computer equipment.
- JUN 21 = Solar Eclipse on the Summer Solstice = In 1982 it was near stock market Low, Exact low day in Metals 12 years!
- JUN 25 = Saturn sextile Neptune = Someone awakes from the dream, realizes the fraud!
- JUN 27 = FOMC 2:15 EDT, Mercury goes Direct just after midnight on the 28th makes FOMC more important than usual!
- JUL 2 = Uranus on the IC at NYSE Close = Sharp, unexpected moves near market close!
- JUL 5 = Lunar Eclipse at 13 Capricorn 39 at 7:58am EDT = Surprisingly violent/emotional open! Sometimes a big day!
- JUL 19 = EXPLOSIONS!!

ATTENTION: Next month's letter will be published Tuesday, May 29, 2001.

Our twice-daily HOTLINE update is available at 10AM & 2PM EDT for \$4.30 total per 2-3 minute call 1-900-776-3449

Crawford Perspectives is published 12 times per year. Sources of information are believed reliable, but are in no way guaranteed. Opinions and recommendations are given with the understanding that our sophisticated investors are aware of the risks involved. Crawford Perspectives is written and published by Arch Crawford. © 2000 Arch Crawford. All Rights Reserved.

CRAWFORD PERSPECTIVES 6890 E. Sunrise Drive, Suite 120-70, Tucson, AZ 85750-0840 Tel. (520) 577-1158 FAX (520) 577-1110