

# CRAWFORD *Perspectives*

October 29, 2001 Vol. 11/01

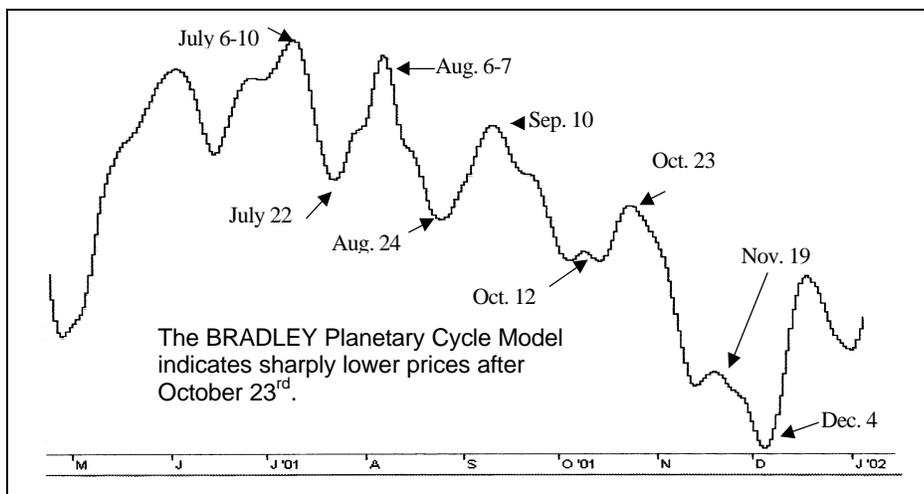
## ONE MEAN MONTH!

### MANY HITS TO THE SATURN/PLUTO OPPOSITION!

Astrologers are concerned about the long range effects of the Saturn/Pluto opposition, in effect from August 5 this year until May 26 of 2002. As the planets bob and weave through harmonic contacts with this Brooding Behemoth, occasional multiple alignments will pin-point economic, political and psychic disruptions to the collective consciousness, i. e. Disturbances in the Field,...Luke!

After the next Saturn/Pluto, on Nov. 2, the subsequent powerful impact to it occurs Nov. 5-7 with multiple hits, and then Jupiter contacts Pluto on the 26<sup>th</sup>. December 4-6 a Sun/Mercury conjunction opposes Saturn, then conjoins Pluto to culminate the worst of a negative string, that configuration corresponds to the BRADLEY Model Low in that time frame (see chart at top of page).

In and among these are many other planetary aspects of a "difficult" nature not directly related to the Saturn/Pluto background



pattern (see more details in "ASTRONOMIC ACTIVITY" section on back page). All this Astro-Energy is just that = Energy! Astro-cycles represent pendulums swinging in the spiritual, mental and emotional worlds. When life on the earth experiences excesses, pendulums are reaching maxima, slowing, and reversing.

This can range from the infinitesimal to the macroscopic. A short range practical example would be if you feel tired and discouraged, then eat a meal, your mood can shift dramatically when new source of blood sugar reaches the brain. Development and interaction of various religious/philosophical thoughts can easily take centuries of historical time. Major weather patterns such as the ice ages will play out over millennia.

Some attribute to these swings the "development" or "learning" of our collective organism to something finer, more intelligent, viable and possibly spiritual. Other ancient thought says it is all without purpose, the "Play of the gods" or of the one God or the "Source of All" "Creator" acting through All that is, for its own enjoyment.

Whatever your own thought, feeling, opinion, philosophy or religion about the purpose of it all... GET READY FOR SOME BIG SWINGS IN UNFAMILIAR DIRECTIONS!

The parents and grandparents of our current crop faced the Great Depression and World War II, which were more than a little difficult, depending on one's location and circumstances. Yet, many who lived in those times consider the character-building

qualities as valuable, albeit unpleasant, influences. One school of thought suggests that the "modern world" could actually benefit from a little of that!

How will all this affect the stock market? The most immediate and obvious is a return to a respect for real value! In the second phase of a bear market, earnings decline as fast as prices, as we are seeing now. That results in huge price declines that have not increased the underlying values (Price/Earnings ratios for instance) in the marketplace!

Two who have spoken ardently concerning these things recently: 1) Warren Buffett had one bad year in the height of market insanity and he was quickly labeled a "Has-been", and 2) John Templeton, who sold out his multi-billion dollar enterprise AT THE TOP! Warren is back among the top performers because of his dedication to and appreciation of Values. We were in the good company of a few others who continued to warn clients of danger.

Technically, we are seeing greater volatility, both in price, and in technical indicator measures, as well. Prices have shown little "bounce" until indicators exceeded all recent extremes. Now, extremes are registering on a bounce that may not be over yet! (though, we suspect very soon).

The third bear phase will involve bankruptcies and consolidations, and while we see some of this, it will take time, normally about 1/3 to 1/2 of the prior advancing period, in this case, 6-9 years.

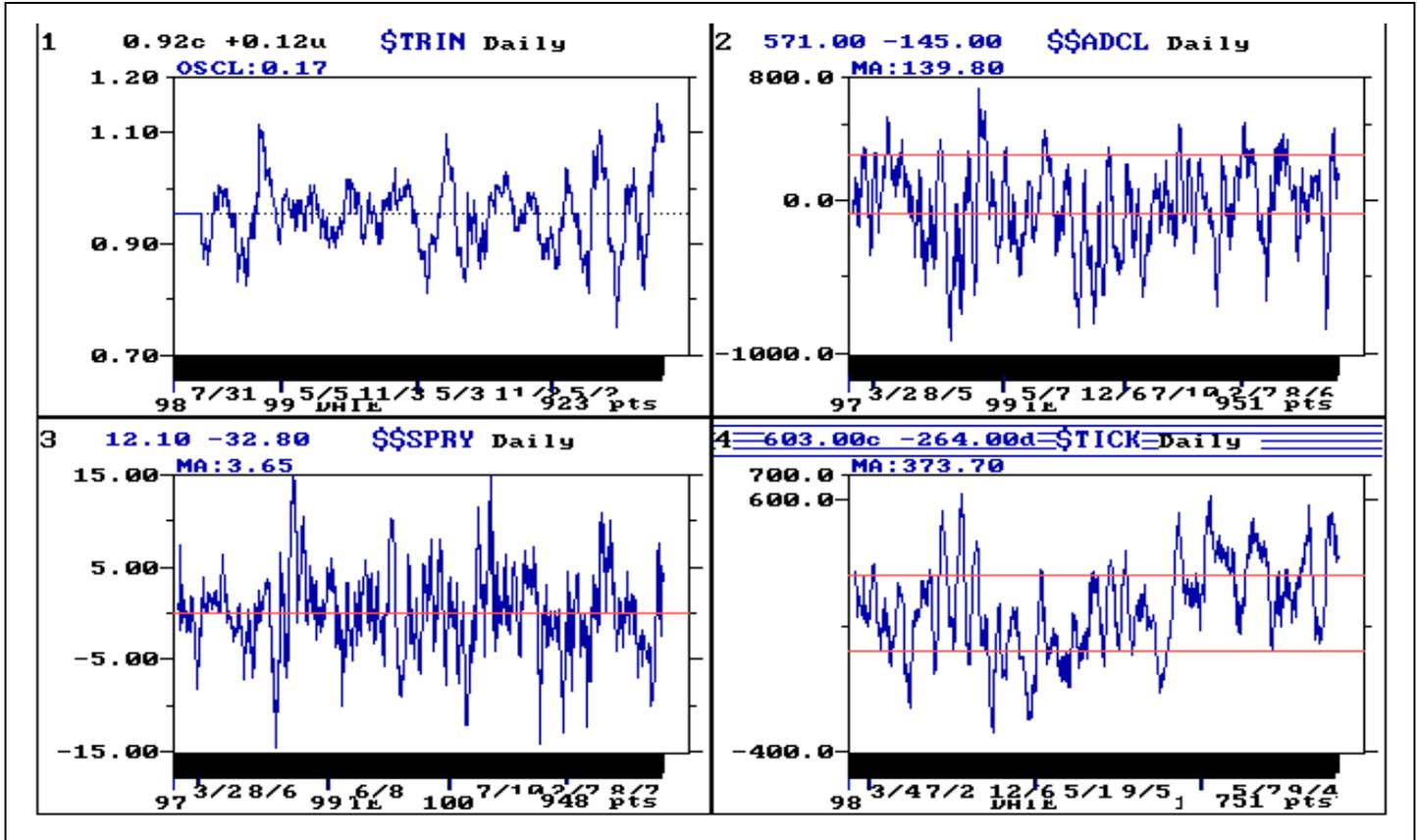
## VITAL SIGNS

**WE SOLD SHORT 100% (WITHOUT USING MARGIN) AS OF OUR AUG. 6 LETTER.**

**WE INCREASED SHORTS TO 200% (USING FULL MARGIN) AS OF OCTOBER 15 (DJIA AT 9347.62 OR S&P500 AT 1089.70) USING A 3% STOPLOSS EXIT POINT ON THE NEW PORTION**

**AS OF NOW, RAISE YOUR STOPLOSS EXIT POINTS TO 10,320 BASIS DJIA OR 1154 ON THE S&P500 CASH INDEX, WHICHEVER YOU PREFER, ON A CLOSE ONLY BASIS.**

**WE PLAN TO BUY ON DEC 6!**



### MAJOR INDICATORS VULNERABLE AT HIGH END OF HISTORIC RANGES!

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

Some of these indicator oscillators have gone to new recent highs, and some have failed to do so. All of them have zoomed up into the area generally associated with, at the very least, short term topy action, pursuant to an intermediate retracement to retest the markets lows of September 21 (Fall Equinox). A partial pull-back has occurred in the indicators, even as higher prices have been achieved in major market price indices, thus setting up a growing "divergence" which should be corrected before further substantial gains should be realized, although near term thrusts are not out of the question.

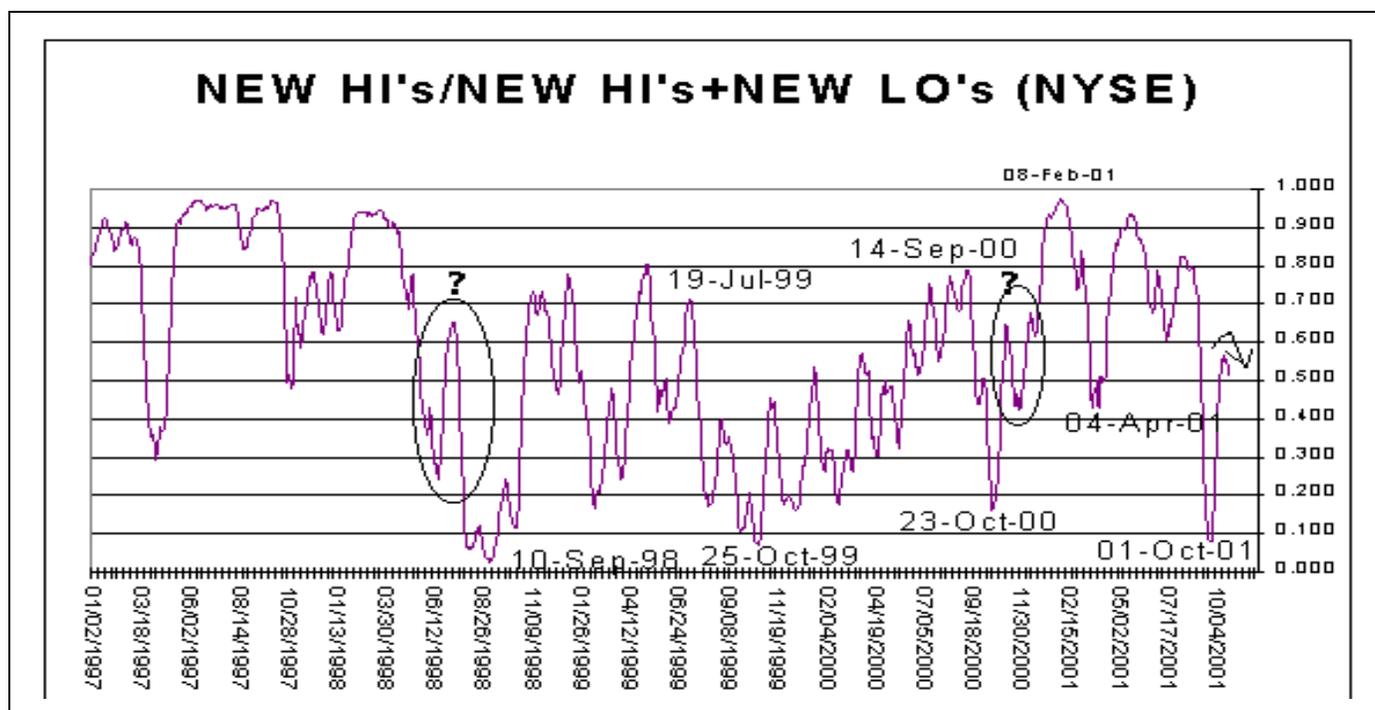
Chart (1) \$TRIN is an oscillator consisting of a 55-day moving average of the ARMS Index (TRIN) minus a 21-day moving average of the same. This oscillator is going NUTS! We have never seen such a pattern of higher highs AND lower lows?! This month it has blown out to historic new highs, after new historic lows June 21! Now registering extreme overbought, indicating at least some backing and filling, and at worst, another leg down. The 55-Day raw ARMS remains near the highest (normally bullish) on record, which it has been all the Way DOWN!!

Chart (2) \$\$ADCL is a 10-day moving average of the net change in Advances-Declines (NYSE). This indicator is demonstrating the same swings as ARMS, and has just spiked up to normal (not historic) overbought levels from a deep oversold. Again, we think chances are good for at least some

form of pull-back in stock markets worldwide, after another possible attempt on highs around November 1-2. We expect clear downtrend by Nov. 6-7!

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 March-April '00. Although the pattern of rising bottoms in the extreme low range is encouraging, and the September 21 bottom has extended that positive pattern. The recent spike Up was weaker than earlier peaks, but it is now a good way from breaking any previous lows. This and All others being in Overbought, we remain clearly negative.

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 last year. 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. Recent lows were not violated on that last dip, and a more conservative upward sloping long term trend remains intact. Another surge to the overbought range now leaves all of the four in vulnerable condition. The amount and quality of the next price decline will decide the analysis.



### NEW HIGHS/NEW HIGHS+NEW LOWS (NYSE)

This chart shows a sharp decline into a deep oversold condition, usually sufficient to call for an immediate upcoming BUY signal. The rapid recovery and very recent rollover mandates at least an attempt to retest the September 21 lows. Whether these levels, or the price Index levels will hold or break at that point is the question uppermost in our mind. The technical picture remains negative, as we see lower highs and lower lows in this graph.

Look closely and you will find two Ovals circling two instances of similar background. Both represent sharp rallies from oversold territory. Both exhibited lower highs and lows as does the current one. The first case, fall of 1998, manifested an even greater selloff into the Russian Default and LTCM debacles. We would NOT want to remain long in that kind of downturn. The second case, Fall of 2000, does not look too bad, although there was a scary decline into the pre-holiday week, followed by a +100 point gain in the S&P500 Index from there to late January-early February this year.

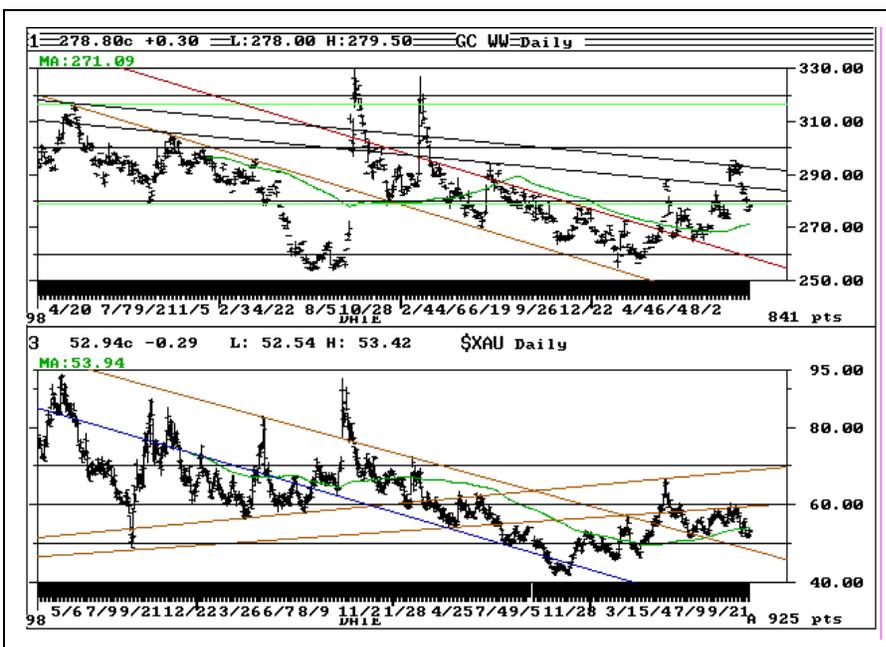
We can say definitely that most internal technical indicators became oversold under any ordinary measure of such, but markets continued to regress in spite of that. This happened also in February of this year. "Normal" oversold readings were unable to stem the declines, and more excessive levels were penetrated. This trait helps us to characterize this period as a Secular Bear Market, as well as the aforementioned example of Earnings dropping along with Price.

Even with the Crash periods in the Octobers of 1974 and 1987, the previous lows were tested and some Indices exceeded in early December of those fateful years. A similar outcome could follow, but the BRADLEY Model of astronomic cycle projection, indicates the possibility of much worse lows immediately ahead. Until we experience the quality of any retest, and are presented with some further evidence of strength and trend reversal, we shall lean towards the outcome expressed by the Bradley, and other planetary methodologies.

This past Friday, Oct. 26, we drew the horoscope chart of the NYSE Close at 4pm for NYC. There was an amazing Intensity of planetary contacts centered on the Ascendant (rising point on Eastern horizon). It was such a startling revelation that we posted the information on the Int'l. Society for Astrological Research, and the Market Technicians Assoc. bulletin boards, saying only that such energy releases tend to occur at highs, lows, big ups and big downs and that "It could be INTERESTING!" Early Saturday AM, NYC suffered a 2.6 Earthquake! Californians may laugh, but it's the worst of this year!

**Arch Crawford will speak at the Security Traders Assn. annual meeting in Boca Raton November 17, 2001**

The Seasonal pattern for **GOLD** has now joined a number of Long Terms we believe have turned an important corner. However, the recent pattern of rising into option expirations inverted this month as Bulls on the “Bar’brous relic” reached 80% while COT (commitment of traders) report showed Commercials heavily short! From early October, the metal has been in corrective phase. Oddly, the **XAU Index** made a more distinct A-B-C formation. It has also started up more sharply from the lows, usually a good sign, but has not yet broken downtrends convincingly. Reg Howe’s next court hearing against the BIS and American FED and Treasury officials is still on track for November 5! (see [www.LeMetropoleCafe.com](http://www.LeMetropoleCafe.com)). This could be a flashpoint + or – if the court chooses to hear or not hear this case.



The **CRB Index** is continuing downside action to the next lower round number at 180, which is proving to be better support so far. It must yet prove itself over time at these levels. Economies worldwide are still in collapse mode, with price levels following. Stay with the trend until we get confirmed reversals in economic, or at least cyclic functions, possibly in December earliest.

**Wheat** boosted to a 3-month high by export demand and planting problems. **Soybeans and Corn** are on their lows of the last 4 months. **U.S. Dollar Index** has recovered nearly 50% of it’s drop from high on the July 5 Solar Eclipse, to its low on the WTC bombing. Now at 115.9, resistance should be strong 116.5-117 area. The **OIL COMPLEX** is forming a base near the lows of September 25. Worldwide recession is dropping demand across the entire complex.

The **LONG BOND** has continued in a very steady uptrend, in concert with stocks since the September 21 lows. Prior to that, stocks were tracking in contrary movement, in the “Flight to Quality” mode. We believe the **Bond** will continue to outperform over the next one month. After that, we will prefer stocks for a few months, if we are convinced of a solid bottom by early December!

## ASTRONOMIC ACTIVITY

- OCT 29-30 = Sun square Neptune, Uranus Station = More surprises, spike UP in Gold, Oil!
- OCT 31 = Halloween with a Full Moon = Be careful.
- NOV 1 = Full Moon in Taurus highlights unemployment & investments. Mercury/Venus to Uranus= Surprises may be Up!
- NOV 2 = Saturn opposition Pluto (2<sup>nd</sup> of 3) regular way (E.L) Jupiter Retrograde Station = More bad news to follow!
- Jupiter Retrograde Station could add temporary boost into a TOP for stocks.
- NOV 4 and 15 = Bio-Terrorism?! If not now, When?? Powerful aspects to Neptune & Saturn = Infections, natural or not!
- NOV 5-7 = Multiple negative aspects as Sun, Mercury, then Venus activate the Saturn/Pluto opposition = FEAR.
- NOV 12-13 = Another very active day, bullish Gold, big move stocks either way! Probably lower but spikes possible.
- NOV 8-23 = Period of Most Water element. Emotionality mounts as markets quiver & plunge!
- NOV 15 = New Moon square Uranus = Electrical problems, viruses & hacking with computers. Hotheads!
- NOV 17 = When the New sliver of Moon can be seen in Mecca = Begins Ramadan.
- NOV 23-26 = Best bet for a CAPITULATION LOW!! Jupiter 150 to Pluto = BANKRUPTCIES likely. Explosive. Mean.
- NOV 30 = Full Moon near Saturn = Responsibility, depression, sadness, restriction carried to extremes.
- DEC 4-6 = Sun/Mercury conjunction opposes Saturn, conjoins Pluto = Bradley Model Low in stocks (page 1, Oct 8 CP)

Major Strong Stock Market Rally expected to carry from here at least into February!

**ATTENTION: The letters are usually mailed 1<sup>st</sup> Monday. Next month, we will try for Monday, December 3rd!**  
**Our twice-daily HOTLINE update is at 10AM & 2PM EDT for \$4.30 total per 3 minute call 900-776-3449**  
**NOTE: The 900 # is being changed to 900-73-SOLAR or 900-737-6527 by November 28<sup>th</sup>, 2001.**

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