

CRAWFORD *Perspectives*

POTEMKIN MARKET!

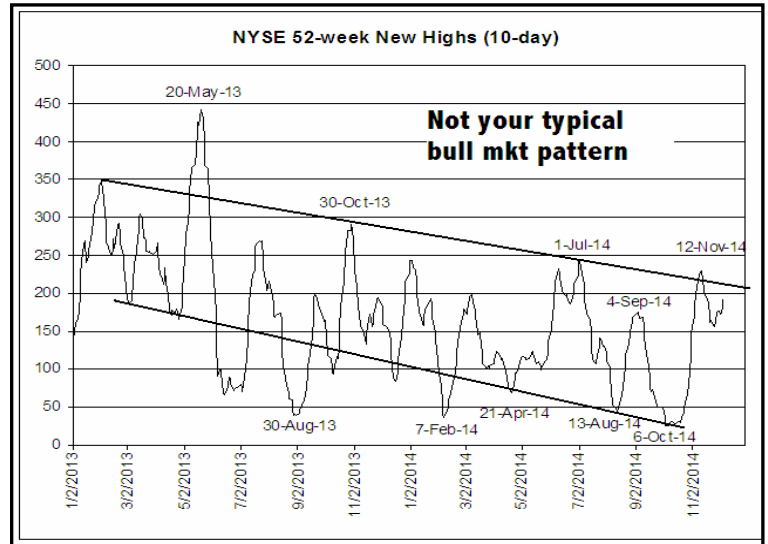
December 8, 2014 Vol. 14/12

Gregory Potemkin, favorite of Catherine II of Russia is reputed to have arranged false front “villages” along the Dnieper river in Crimea to impress her (or her allies’ ambassadors traveling with her) that the mostly deserted area had an economically bustling population. Someone is doing the exact same thing to market participants with rising market indices which are not sufficiently populated!

A friend of mine emailed me December 3 some interesting statistics. Source & exact date are recent but not revealed. Year to date, 1492 NYSE stocks are Up 10% or more. Yet 1567 are Down 10% or more. Among the larger movers, 391 are Up 40% or more while 557 are Down 40% or more. This leads to an assumption of “Potemkin” results in the breadth statistics. Indices are worse than they look!

Also, it was much harder to change a stock by 12.5 cents (1/8 of a Dollar) prior to January 29, 2001 than 1 cent since then. “So a stock that changes by a penny gets the same vote in the A-D statistics as one that changes by a dollar. Ever since decimalization went into effect, the number of unchanged issues each day has shrunk to around 5% or less. This means that there are a lot more voters now each day when the advancing and declining issues are tabulated, and some technicians have contended that these additional voters have ruined the A-D stats.” More details at: http://www.mcoscillator.com/learning_center/kb/market_data/decimalization_and_its_effect_on_breadth_numbers

What we are saying here is that if the Federal Reserve or a cabal of major brokerages wanted to manipulate internal market dynamics to mislead technical market analysts, it has been much easier to do that in recent times. It has propelled us into a Matrix [movie] where no one knows what is REAL!



If you are one of those who are blissfully getting richer, we congratulate you. “Don’t worry; be happy!” Keep Smiling. And “Have a nice day!”

But if you have that nagging feeling that: “Something is just not right” and you’re willing to take the “Red Pill” you will awaken to some stark realities that many are not yet willing to see. And yet it may only vex the spirit: “For in much wisdom is much grief: and he that increaseth knowledge increaseth sorrow.” The other side of it is: “A prudent man foreseeeth the evil and hideth himself, but the simple pass on and are punished.” Take your pick.

We have mentioned before how the NYSE New Highs and New Lows continue to suggest an underlying weakness, despite the Major Indices’ “march to the sky.” Other than the chart above, our second paragraph clearly outlines that publicly quoted prices are not indicative of the broader market participation. It is not out of the question that even these NYSE New Highs will ‘spike’ into year-end; just to keep the ‘rubes’ on board.

The New Lows needed only one more day to register a Short Term Sell Signal by rising to 40+ for 3 days as per our November CP letter. It did not make it that Monday, but did November 6. Then there were 2 days under 40; not enough for a Buy; then 6 in a row over 40 again. After that, 5 in a row under 40 into the 26th. Last week the New Lows ramped into a higher bracket between 124 and 240 for 5 of the next 6 days into this past Friday, numbers not seen since the approach to the October 15th violent reversal low!

Volume indications are continuing to astound us with their overriding negativity. Last Monday’s volumes were highest since October 31, heavily to the downside. Rallies from there were on lighter volume. Do you know how much this does not make sense? The NYSE New Lows hit 240, highest since October 15.

Nevertheless, it is very infrequent for markets to decline in December, as re-investment money comes in and managers are obligated to Invest. The Mars-Uranus Crash Cycle runs out on January 15, after which declines are not likely to accelerate into a major crash. Most dangerous period appears to be December 14-26.

VITAL SIGNS

NO CURRENT POSITIONS

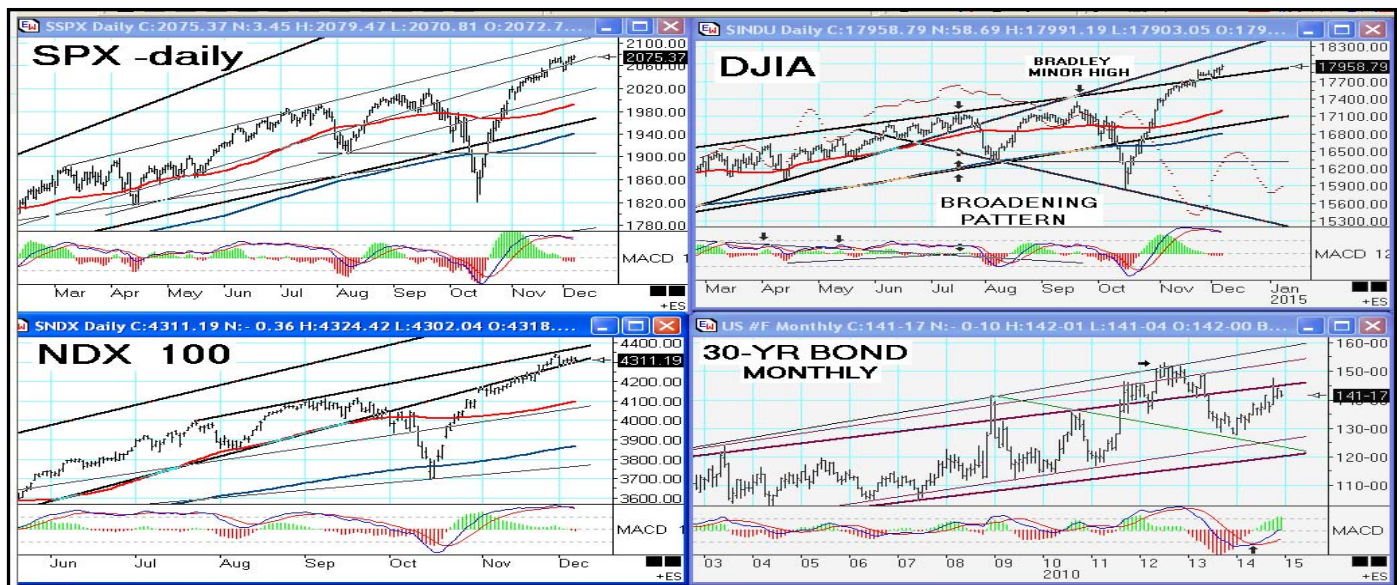
**ReShort DJIA 100% on close below 17,700
Add 5% STOP Increase to 200% Short any
Cls below 17,550 & Add 5% Stop on new**

**SHORTED SPX on close 1935.10 on Oct 7
Added a 5% Stoploss at 2031.80.**

**Stopped at 2031.92 on Nov 7 losing 5.0%
ReShort 100% on close below 2047
Place 5% Stop.**

**Increase to 200% Short on cls below 2017
Place 5% Stop on the new position**

ALL OUR STOPS ARE CLOSE ONLY!



MACD SELL SIGNALS ACROSS THE BOARD – SOMETIMES EARLY – BUT A GOOD INDICATOR

Sometimes it takes more than one active **MACD Sell** signal, especially in a strong move in price levels such as we've just experienced. Sometimes it doesn't. Market Indices are severely overbought. **Sentiment** has been overly optimistic for quite some time. Internal dynamics are weakening and some are beginning to speak – but not yet screaming! Perhaps another quick stab down prior to a year-end push?

There tends to be a mid-December low due to tax-selling after which the annual average rises until the end or a bit later. The next Uranus/Pluto square is exact at 12:15am EST, very early on Monday, December 15th, late on the 14th elsewhere in the US. That may be instrumental in deciding the Low, or even possibly a High. We will be watching closely for technical confirmations there and on Monday, December 21 which is the Winter Solstice, or maximum South Declination of the Solar sphere. This Solstice has the added peculiarity of Uranus returning to forward motion 19 minutes prior to the Solstice Ingress into Capricorn.

This is such a powerful, incredible time in history from analyses of sky patterns. The Autumnal Equinox of September 22nd had Pluto returning to forward apparent motion less than 2 hours prior to the Libra Ingress and we wrote that "Governments will Fall" within months of this occurrence. This time the intensification is on Uranus and will precipitate revolutions and earthquakes in sensitive places around the globe. That will also bring a quantum leap to some computer and other technologies. Ideas will be bouncing off the walls. Unexpected changes will take place with 'lightning' speed in physics, math, economics, politics... Whatever!

The Stations of these two planets within moments of critical Ingress charts at a time when these two are in the midst of a series of seven repeating square aspect angles over three and a half years is apocryphal in the extreme. Yet the addition of New and Full Moons striking at zero and fifteen degrees of signs, all culminating on this Solstice of the 21st and the very potent Uranus/Pluto square only a week earlier magnetizes this month with energies that will rock our world in unexpected ways with the capacity to change EVERYTHING!

On the 20th and 21st, Venus and then Mars activate both Uranus and Pluto by aspect. On the 22nd and 23rd, Venus forms a semi-square to Saturn (20th) just before it changes signs from Scorpio into Sagittarius (21st). Later, on Christmas Eve (24th-25th), Mercury conjoins Pluto and squares Uranus. Although these are extremely transformative events, chances are they will be uncomfortable for great masses of people! Either major Earthshaking events will take place during this 2-3 week period or the stage will be set for them later, with foreshadowing developments that should at least give us some hints as to some of the approaching repercussions.

"In 1961, Dwight Eisenhower warned against the 'unwarranted influence' of the 'military-industrial complex.' Fifty years later, on Dec. 15, 2011 - to mark the anniversary of Eisenhower's address – a renowned defense expert argued that things had gotten much worse and far more corrupt. Congress itself had been captured by the system, he said, which should now be called 'the military-industrial-congressional complex.' ... 'Over the last decade or so,' the expert concluded, 'what I have described here has resulted in a massive windfall for industry. But for the taxpayer and the warfighter, it has been an absolute recipe for disaster.' This radical critique of the Pentagon came from Republican Sen. John McCain"

Fareed Zakaria in today's Investor's Business Daily



MAJOR BREAKDOWN IN GOLD – STILL IN DOUBT

Our trade from last month was quickly stopped out – but the price DID increase = \$30 from our purchase price into the close on November 21! And if you had shorted it there at 1201.50, it clocked below 1142 at the low of December 1. Of course that's best price scenario which very quickly dissolved. The point was that the astro timing itself would have proved correct. But one must still trade with tactics that compensate one for the time and money involved.

The **GOLD** chart remains negative until it can close and hold back above the 50-Day MA (Red wavy line) or even better above 1220. Upside momentum has dissipated. The main positive in the market action here is that twice after sharp intra-day drops, the price recovered all or most of the loss. That is impressive if it can continue to hold above 1180. We would prefer to see it stay above the 50-Day and challenge the 200-Day MA in the low 1260's and then hold above that.

The **GOLD STOCKS** are barely holding above 2008 lows, although that support level has so far diminished downside momentum. They must bounce pretty far to make highs above those of this summer and spring. We do feel that one day after one of these drubbings, the price will soar overnight. Clever folk always keep a core position like unto a Life Insurance policy. You pay the premiums, but hope you don't need it any time soon! The Long term is not in doubt. GOLD has ALWAYS outlasted Any OTHER method of exchange, and it will most certainly outlast all of today's FIAT currencies.

We have stayed away from taking GOLD positions for quite some time, and we're going back to that again for now. However, we would keep an active BUY order well above the current market, even for overnight trades; say at about 1280, above the 200-Day moving average. One day, you will wake up to a huge profit – if the government lets you keep it!

“Always keep enough GOLD to bribe the border guards!” = Sage advice from people who had to move often & fast!

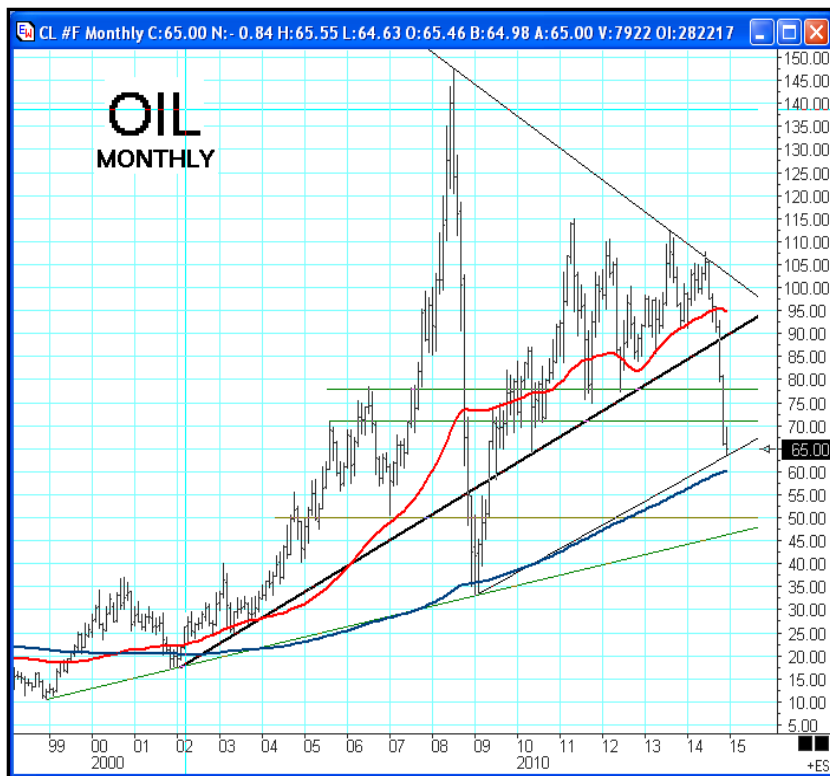
“In the context of the history of civilizations, democracy is a completely untested form of government. In fact, many of the problems of Western democracies arise from the fact that those people who work for a living are now outvoted by those who vote for a living.”
 - Marc Faber - *The Gloom, Boom & Doom Report*

Economist John Williams is not buying the recent 3.9% GDP upward revision. Williams explains, "No one I know thinks we are growing at 3.9% other than they are trying to sell a bill of goods to the markets, specifically the currency markets. 3.9% is nonsense. You had 4.6% growth in the second quarter and 3.9% in the third. Here you had two quarters at close to 4%, and we have not seen anything like that since 2003. This is the strongest economy we have seen in 11 years, and I can tell you Main Street USA is not seeing that. . . . If you understate inflation, which the government does, you overstate inflation adjusted growth, and that is probably the biggest problem in the GDP report. - Greg Hunter usawatchdog.com

Last month we wrote: “OIL along with the majority of commodities, has joined the rush to the downside. Some enjoy the speculation that Gold and Oil are being depressed by the West to punish Russia. If THAT is so, why are so many other things also coming down?” Some analysts are speculating that OPEC and Saudi Arabia in particular refused to cut production at their recent meeting to help drive out competition (Russia & Brazil & Venezuela). So, maybe they are. But it is also clear that deflationary forces are taking over in China and Europe.

Also from Nov = ”Central Banks are having trouble in meeting their own inflation projections of 2%” I remember that under Nixon, 3% inflation was considered so onerous that they instituted Price Controls. So now we are begging for 2%?

This monthly chart shows the huge long term patterns, their breakdown and support levels. The trendline just now touched is simply a parallel to the other thick black line drawn off the 2009 lows under 35. Further support lies at the 200-month MA now about 60. Very much longer trendline off 1999 and 2002 is now about 47 and last hope of importance is around 33! It remains a negative picture for now, but could bounce temporarily from that trendline support.



The **10-Year Bond Rate TNX** (not shown) rallied back above its 50-Day Moving Average to close at 2.31%, right on it. The **30-Year Rate TYX** did not. Technically, we trust the 30-year for better signals, and look there for confirmation.

ASTRONOMIC ACTIVITY – (Give all these a time period of +/- 2-3 Days)

- SEP 22 = Pluto stations on the Fall Equinox (22nd). Governments will FALL next 3 months!
- OCT 23 = Solar Eclipse conjunct Venus @ Zero Scorpio 25 = Somebody gets “stung” in a big way. Surprise attacks, Governments Fall. WAR!
October 22 = Surprise attack on Canadian Parliament. Soldier guarding monument killed. Parliament Members hiding in a closet!
- DEC 1-2 = Much more pleasant, at least personally. DEC 3 = Saturn sesquiquadrate (135) Uranus. Another hard psychic depressive hit
- DEC 4-5 = Nice relief. Positive indications into the Full Moon Saturday, DEC 6 = “Ineffective power of the state” (Witte)
- DEC 8 = Jupiter Retrograde Station. Next CP Newsletter. DEC 10 = Venus enters Capricorn (not compatible) DELL Mag says:
- DEC 12 = Friday has pleasant Moon trine Venus 8 min. before NYSE Close – Probably an UP day!
- DEC 15 = Early AM=Next Uranus square to Pluto! (12CAP35)=“Unstable forces of change challenge status quo of established Institutions”
- DEC 19 = Friday PM Moon hits Uranus, Pluto & Saturn = Probably a DOWN afternoon, even into shortly after Close.
- DEC 21 = New Moon @ Zero Capricorn on Winter Solstice, Uranus Stationary Direct = This Quarter will be Historic as 1987 and 2001!
- DEC 23 = Saturn enters Sagittarius = A new outlook for Republican issues; Foreign markets worse from here; Era of austerity!
- DEC 24-25 = Mercury & Moon touch off the Uranus/Pluto =Could be very dangerous. Pray and Party... but be careful! Thru Friday 26th.
- DEC 27-31 = Unusually quiet for a normally quiet time. Markets may reflect some Inflationary prospects.
- JAN 1-4 = Much more active and potentially dangerous as Mars attacks Jupiter and Sun messes with Uranus/Pluto into Full Moon 4th evening.
- JAN 9-10 = Mars attacks Uranus/Pluto = Not a good time to take chances with your personal safety. Terrorist acts, revolution, unstable econ.
- JAN 11 = Sunday the SUN attacks Neptune and Jupiter = Highly Inflationary = Trading high in Metals & Oil? Another later on 20-21?!
- JAN 20-21 = New Moon on the 20th, Mercury Retrogrades on the 21st for 3 weeks = Nothing Ordinary about this time frame!

It’s not too late for the Mars-Uranus Crash Cycle (January 15, 2015) – Could carry over into Nov-Dec!

ATTENTION: The CP newsletters are usually Emailed 1st Monday. Next (Nov) CP will be Monday, Jan 5

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