

## BULL MARKET IS LONG IN THE TOOTH!

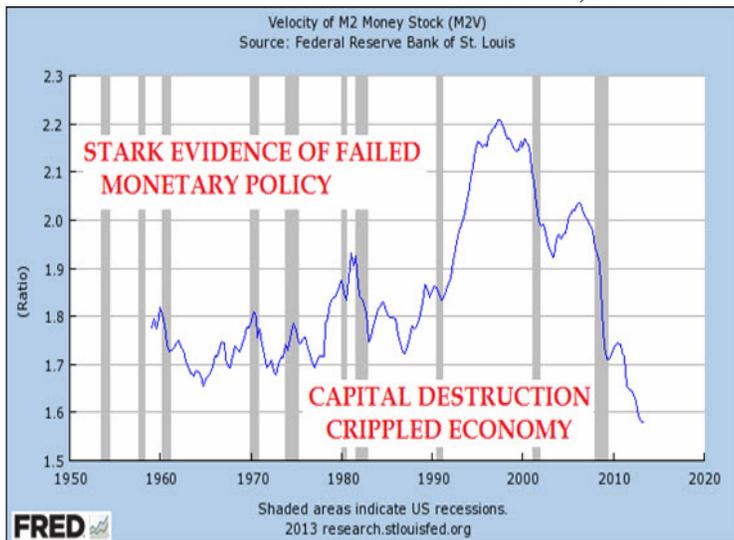
October 7, 2013 Vol. 13/10

The most important thing to remember about the Government Shutdown is that the day after we hit the spending limit is a Lunar Eclipse! Whether the compromise is settled by then or not, it will NOT be satisfactory, and that further repercussions will continue to plague participants! It means that the contentiousness over current issues has hardened to the point where no equitable solutions are likely. The very meaning of the Uranus/Pluto square is "rebellion against the authority", "Authoritarian crushing of radical dissidents, & Civil War. Otherwise, massive transformation!"

The Tea Party is being castigated for "causing trouble" but recent discoveries of invasive practices against them by government agencies has the grassroots semi-organizational constituents totally livid! "I fear all we have done is to awaken a sleeping giant and fill him with a terrible resolve."

The sky patterns are pretty grim over the next few days, at least to October 13. To the 7<sup>th</sup> there will be massive activations of the Uranus/Pluto approaching square. First by the Sun, then Venus, then Mars and Mercury. And when that's over, from the 7<sup>th</sup> to 13<sup>th</sup> there will be eight 2-planet aspects, ALL considered to be 'difficult' or 'negative.'

From a statistical point of view, there is a tendency for all quarters to begin with the most favorable earnings reports and save the worst for last. This has led to a long-time stable pattern of highs around the 18<sup>th</sup>-19<sup>th</sup> day of quarters, followed by a short or medium term drop – sometimes a large one. The 18<sup>th</sup> is not only a Lunar Eclipse, one of the most powerful single astronomic events but also option Expiration. Interesting time. In 1987 the market topped on a 5-planet conjunction, turned up on a Solar Eclipse, back down on a



Luna Eclipse and bottomed on a crash on October 19<sup>th</sup> - contrary!

We think the above chart points up the crux of economic drag, that is, the Velocity of Money has manifested its own Crash. It is obvious that the great mass of citizens are traumatized and in the process of building cash levels rather than spending ALL of it! That it is at lows not seen in its statistical history (1960-ish) means that people are downright frightened by the uncertainties facing the United States, economically, socially and politically.

The comments (in red) are likely from FRED. We apologize to FRED in that we received this in a long email a week or so ago, and have lost track of where it came from – therefore the limited attribution. We make an effort to do a good job about that.

This chart is a strong confirmation that economic conditions are far worse than those expounded upon in the popular media. The upcoming eclipse series this year coincides with the statistically dangerous part of the Seasonal Pattern with the Lunar Eclipse on October 18 and the Solar Eclipse on November 1.

The fourth of seven Uranus/Pluto squares will occur on November 3 and the only Ur/Pl square in the Heliocentric (Sun-centered) system will be Nov. 13<sup>th</sup> or 23<sup>rd</sup>. [2 separate calculation programs give separate dates for exactitude in this instance!] There are many dates in between and even further out into December when these squares are further aggravated by other transiting bodies and we consider this entire period extremely dangerous for CME's or Coronal Mass Ejections (of matter) from unusual sunspot activity touched off by these powerful angular relationships [see Cosmic Patterns by John H Nelson of RCA Corp. who wrote how to project Radio transmission quality from planetary alignments to the Sun].

We expect greater record-breaking Solar Storms than the 1859 experience wherein runaway telegraph machines set fire to some telegraph offices, even when they were unplugged!

So far, market Index peaks took place on the Full Moon of September 19, and consequent declining dates have totaled 9 of 11! Short-term=Oversold. Intermed-long term=Bull is long in the tooth!

## VITAL SIGNS

**SHORT 100% DJIA IF HIT 14,770**

**Place STOP 15,508**

**INCREASE TO 200% DJIA IF HIT 14,440**

**Place 2nd 5% STOP on Close above 15,162**

**ReShorted 100% S&P on close JUN 7**

**1643.38 5% STOP at 1725.55**

**Increase to 200% SHORT IF HIT 1643**

**If activated use SAME STOP as above**

**ALL OUR STOPS ARE CLOSE ONLY!**



**INDICES MAY BE COMPLETING LONG TERM TOPPING PATTERNS!**

**S&P500 (SPX)** and **DJIA** were back below their 50-Day MA's this week, but **SPX** rallied back above on Friday. The **NDX** remains well above, but appears to be completing a "Rising Wedge" topping pattern, as is the **SPX**. The **DJIA** appears more like a Head-&-Shoulder with a slightly rising neckline (not marked). The Bradley Model supports a decline after early November. The Eclipses, not included in the Bradley, have a way of throwing a monkey wrench into developing patterns, shortening them or elongating them, and confusing them with short rapid moves in every direction.

Although none of the Major Indices are yet threatening their 200-Day Moving Averages, they are all experiencing negative MACD momentum. The other most powerful technical negative remains Volume trends that rise on Down days and decline on Up days. That shows a serious lack of commitment by funds, institutions and large holders to believe in and invest wholeheartedly in a market that is overbought and losing momentum.

Earning season starts this week, and many large companies have already begun to downplay their 2014 expectations. That is also typical of the Seasonal pattern wherein nearly everyone dishes out optimistic projections in January, when no one knows what final outcomes may provide. By the end of the third quarter, they all will have much better year-end estimates as they have already run into 75% of the "bumps in the road" that the year will likely produce.

We wrote last month: **"It is our opinion that the most troubling element, both fundamentally and technically, is the new worldwide trend of rising interest rates. These rates are NOT rising because of new, healthy business expansion, but rather related to rising fears that underneath it all, something is terribly wrong!"**

**"A meaningful break above the 2.85-3.00% would likely precipitate immediate powerful reactions in world equity markets. Otherwise, if the resistance area contains the advance for the present, rates may well subside into a possible Right Shoulder of the larger bottom formation to perhaps the 2.30-2.50 support, even to 2-2.10 but less likely."** We have seen a nice pull-back in the 10-year rates to a low of 2.58 last week. It seems to be trying to build a bottom pattern, and it may. We think some more downside could eventuate but watch that 3% as all bets are off above it.

Inversely, the 30-year Bond rallied about 4 points on the decline in rates, but these factors are already losing momentum and we cannot guess how much further they will go. We do have rates to maybe 2.0-2.1 if it puts on another small leg, but that is a less than 50-50 probability considering the momentum loss.

**"In fact, modern markets move in ways that are almost opposite to this common understanding. When markets have lapsed, central bank money printing runs hard. Banks are flooded with "liquidity" and inevitably this finds its way into Western stock markets, pushing them back up."**

**"Much of the rebound in markets takes place soon after loss-making because central banks print so much money. The linkage that would ordinarily exist between a growing economy and stock market progress has thus been severed. People are probably right to see slow growth or no growth in economies for the foreseeable future. But what people don't understand is the lengths to which bankers and brokers will go to move stocks higher once again."**



This monthly chart of the S&P500 going back to 1992 is forming a **BROADENING PATTERN** or **MEGAPHONE** which identifies it as a Very long term Distribution pattern. The wider and wider price swings are indicative of large owners who wish to get out and they do so, creating sharp selling waves. Since this damages the appearance of a company doing well, they coerce the price back up to another new high with strategic purchases and management of the company news releases. Some actually get analysts to write up the company's new stores or new products in a massive hype to the public.

Even if price rises to another mild higher high, the developing pattern may well be tracing out a multi-month Rising Wedge, which in and of itself suggests termination and a deep corrective follow-through. More importantly, the major formation is the 14-15 year Broadening or Megaphone pattern, one of the most negative in chart pattern analysis.

Speaking of which, in the early 1960's, as a technical analyst at Merrill Lynch, we poured over the monthly chartbooks from M.C. Horsey. Our office had a copy from 1929-30 era. The multitude of long-term charts look now very much as they did then, with these huge, multi-year topping patterns. We believe these chart formations and their meanings are set in stone – but they are NOT short term timing tools. These chart levels could be extended for many more months and retain their dire projections. Our intermediate tools include the Mars-Uranus Crash Cycle, whose possible danger time frame lasts from Christmas day 2013 to mid-January of 2015.

This will probably be the most extended time frame for the crash portion of that cycle, as Mars retrogrades back through the Mars/Uranus opposition, goes Direct on 19 May 2014, opposes Uranus a third time on June 25, 2014 and culminates the negative portion of the cycle on January 21, 2015. We firmly believe that world markets will indeed Crash during this interim.

The financial press and media are part and parcel of the Selling Machine, who also hype themselves as having positive news first and fastest. It is all within a "natural" growth and decay cycle, and many participants are unaware of their participation in a grand scheme that assists the 5% to become the 1%!

**"The fanatical, small government, free-market loving Tea Party faction of the House Grand Old Party is engaged in a dangerous game of fiscal chicken with the equally fanatical big-government, welfare-state-loving Senate wing of the Democratic Party. Default looms, and neither side will blink."**

**Jim McTague – BARRON'S of today's date**

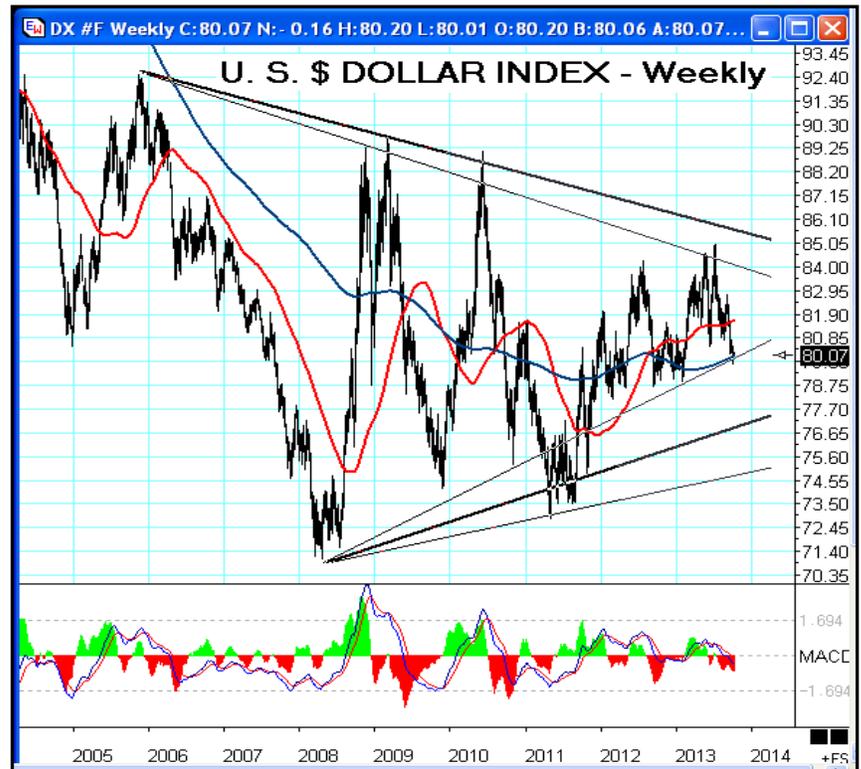
For metals we have purchased from Pat & Linda Gorman at Resource Consultants in Tempe, AZ (1-800-494-4149) and [www.buysilvernow.com](http://www.buysilvernow.com) I have been a speaker at their Tempe conferences for over 10 years. For long-lasting FOOD items I bought from Virgil Jackson and Celeste Chiappetta at Living Valley, LLC in Bigfork, MT (406-837-1350). They are very knowledgeable *Preparedness Consultants*, specializing in long term food storage. I bought food from them in March 2010, since doubled in price. [livingvalleyfoods@gmail.com](mailto:livingvalleyfoods@gmail.com) Both these couples are deeply spiritual, long-time friends. We are not remunerated for this recommendation.

## U. S. DOLLAR, DOWN BUT NOT OUT

Although the Dollar Index has been dropping below recent support levels, the longer term perspectives is not so weak. It is maintaining a significant trendline from 2008 lows through 2-3 other low points. Any further deterioration, however, would also damage the intermediate to long term chart picture. This trendline is now coincident with the 200-Day Moving Average, giving still greater emphasis to this price level, and even moreso by being a round decadal 80.0.

That range has been narrowing since the truly volatile days of the last decade, and has now become quite complacent. A break could come in either direction, above 86 or below 80, depending on world conditions.

Our dear friend Joe Granville returned to his creator on September 7 at the age of 90. Friends since 1977. His mother was an astrologer. She took him to see Edgar Cayce, the “Sleeping Prophet” of Virginia Beach when he was 15. Edgar Cayce goes into trance and says: “This is not the type of entity that will hang in the background!” We say he must have been a master of understatement. Criticised for his overly flamboyant presentations, Joe was nevertheless outstanding in developing methods to analyze the stock market. Joe gave 10 direction changes on the market from 1977-81 and was right on all 10 within very precise tolerance. We actually gave the same calls, not always at better prices, and we had one loss of 40 DJIA points. Joe was a brilliant analyst, a self-starter, and always fun to be with. He studied to be a concert pianist, so, on one of his many ‘Road Shows’ he asked to do one in Carnegie Hall, NYC. To begin, he played the piano there, in memory of his mother. He is survived by his wife Karen and some of his 8 children by a previous marriage.



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

SEP 21 = Saturday. Conditions may have been forcibly stabilized up to the Saturn sextile (60 deg.) Pluto. After this = Bloooy!

**September 18 was the high day for DJIA and S&P500 and several other Indices.**

OCT 1-7 = There will be massive activations of the Uranus/Pluto continuing saga, but this is one of the biggest. First the Sun, then Venus, Then Mars and Mercury ALL contact the Pluto and Uranus approaching square!

OCT 1 is the first day of the new Fiscal Year for the U S Govt. Another fight over debt limit!

OCT 7 = At NYSE Open there is a loose conjunction of Moon, Asc, Saturn, Mercury, Node.

OCT 7-13 = Eight 2-planet aspects, ALL considered difficult or negative. No powerful combination, just steady drip-drop.

The 13<sup>th</sup> looks like the worst with Mars MC at NYSE Open; Sun square Jupiter; Moon square Saturn = Inflation/Deflation to front.

OCT 18 = Full Moon ECLIPSE at 26 deg 45 min of Aries. Little likelihood of agreement on Anything! Also Option Expiration! Big Down?

OCT 18-23 = Big, Big fights over Spending vs. Austerity. Not likely to be settled until October 25. [Govt. still at it? – Hope not!] Gold top?

OCT 27 = Turn your clocks back Sunday morning. Quiet weekend. No planet aspects until Tuesday night.

NOV 1 = The next exact square as retro Uranus backs over Pluto. Intense as there are 7 2-planet aspects during Friday

NOV 3 = Solar Eclipse at 11Scorp16 Sunday morning Dell Horoscope says “A complicated passionate eclipse intensifies feelings.”

NOV 4 = Monday morning looks like a Downer. Dour; depressing.

NOV 5-6 = Venus enters Capricorn, Sun joins Saturn = No fun around here – More Dour and depressing. – Austerity?! Next CP letter 5<sup>th</sup>.

NOV 7-13 = Series of compatible aspects makes politics better. Possible austerity brings Gold into a LOW during this period.

November 13<sup>th</sup> or 23<sup>rd</sup> or in between could likely bring a “Kill-shot” from the Sun envisioned by a group of Remote Viewers!

We expect the worst Solar Storms since 1859, perhaps much worse! Be prepared if it fries the electric grid!

**ATTENTION: The CP newsletters are usually mailed 1<sup>st</sup> Monday. Next CP will be Tuesday, Nov. 5**

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