

MARS-URANUS CRASH CYCLE NOW IN GEAR!

January 6, 2013 Vol. 14/01

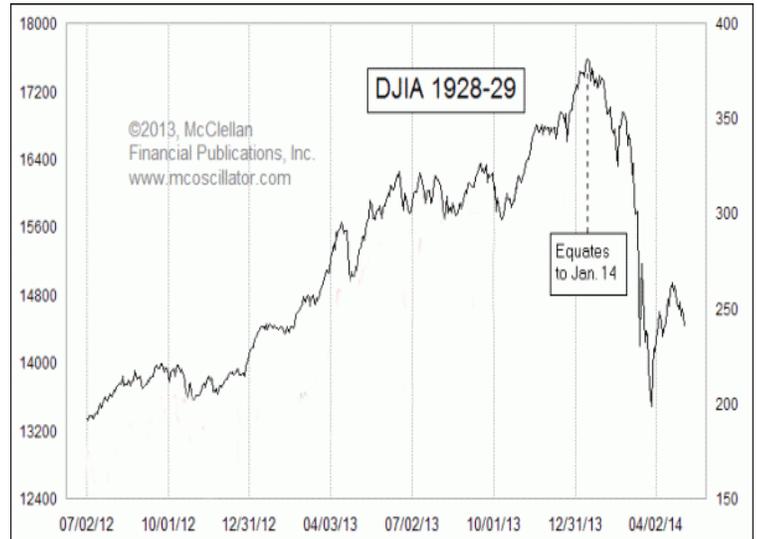
Since our last CP issue, we have celebrated the Winter Solstice, Christmas (the day the Sun visibly begins to move back north), New Years and Earth's Perihelion (closest to the Sun – January 4). In addition, Christmas Day was also coincident with Mars opposition to Uranus this year, which also marked the beginning of our Mars-Uranus Crash Cycle.

Every crash (defined here as the worst declines in the shortest periods) during the past 100 years has occurred during 40% of that 2-year cycle. The potential to crash from this cycle comes around nearly every two years but we certainly do not expect a crash every two years.

When we wrote the original article in the mid-1990's, we used the eight largest declines in the 1900's after the market reopened from its close during WWI (1915). Two more have now been added, those of 2001-2 and 2008-9. Both were on time and on target!

This particular Mars-Uranus cycle has an extremely long period of the crash-producing portion as Mars' retrograde causes the opposition to repeat for three instances instead of one. This may give us a period of heavy decline followed by a greater percentage retracement and then another decline. Our current estimation of the most likely time for market LOWS are February, June and October.

The chart on this page is an overlay of the 1929 debacle onto current time frame, which analysis performed by Sherman McClelland or his sons. The 1929 Top is aligned with January 14 (current year) and the first leg Low of November 13, 1929 looks about the end of March or first of April, 2014. Our best guess at this time is that the Equinox, March 20, will be an important low or top of rally!



As for our projection that “All Hell breaks loose” at the New Year +/-3 days, we’ve had terrorist bombings in Russia & Lebanon, more warlike actions in Sudan, and Al-Qaida has retaken significant portions of Fallujah and Ramadi in Iraq! Even a big Volcano is spewing forth in Indonesia.

But the big news here is that millions have lost their health insurance policies that they liked at the stroke of midnight on January first. We have yet to see the outbreak of the seething anger from this as people begin to realize their protection has not been carried forward. Also there is cancellation of long-term unemployment insurance, as yet another group will vent their annoyance.

All this, together with a greater instability in China, could simply overwhelm the high confidence which has been injected by recovery in markets which have been held together by false promises and questionable government statistics.

Meanwhile, a great many measures of excessive optimism in market psychology have just rung their warning bells. This could mean that the music stops soon, and you had best reserve yourself a chair on the exit train, as only one can get through the tunnel at a time, and if you must hit an ephemeral bid, you may not be upbeat when your Sale slip comes back.

Technically, the stock market could be making a ‘straight up-straight down’ top as it did in September, or it could make a month long congestion pattern as it did in July-August. The third choice among recent general market patterns was an A-B-C wave in November-December where it just went down from a top, rallied, then made a lower low. A Down-Up-Down (lower) pattern.

One of the main functions of Pluto is to dredge up the Truth from the depths, far out of sight, where it has been hidden by TPTB (The Powers That Be). In the next few weeks and months, you will be amazed to find how much of what the “conspiracy nuts” say will be corroborated, and you should have listened while there was still time to act to protect yourself and family, but it will be too late! The eventual Good will come from surprising sources.

VITAL SIGNS

SHORT 100% DJIA Dec 5=15,618.22

STOPPED OUT 12/26 Close at 16,479.88

RESHORT 100% NOW & add 5% STOP

INCREASE TO 200% DJIA on any

Close Below 15,400. Add 5% STOP

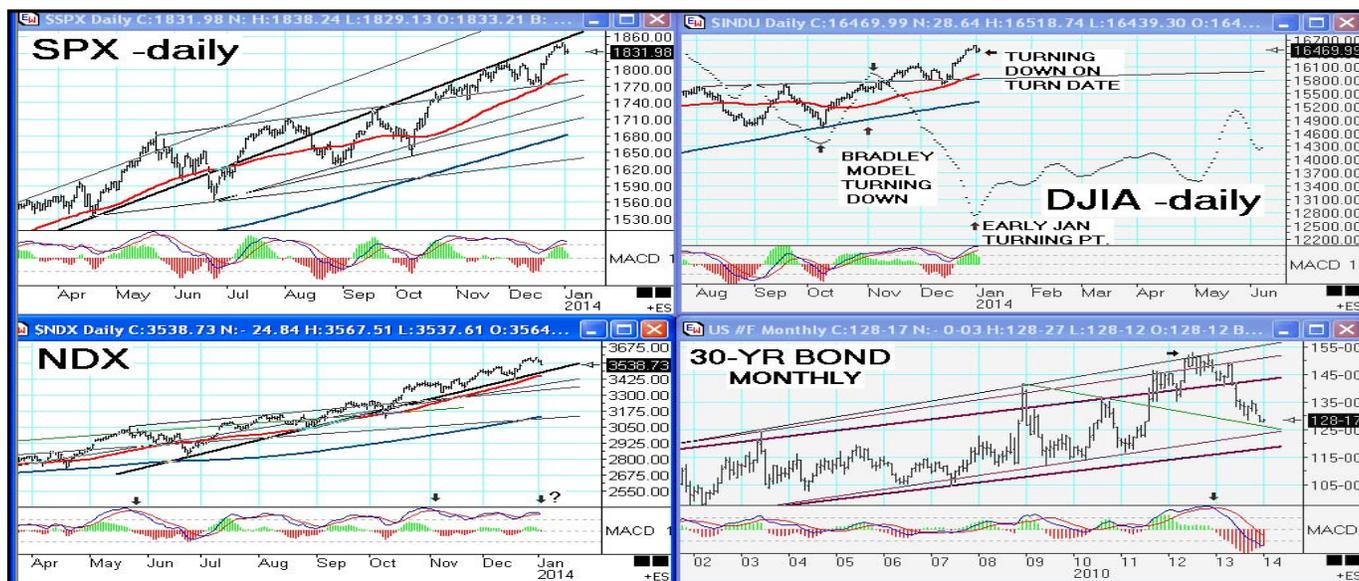
SHORT 100% S&P Dec 5=1762.97

Raise STOP to any Close above 1861.80

Increase to 200% SHORT IF HIT 1738

If activated use New 5% STOP

ALL OUR STOPS ARE CLOSE ONLY!



INDICES REMAIN IN RISING TREND, HITTING TRENDLINE RESISTANCE AGAIN!

One very significant cyclic phenomenon is the number of natural cycles turning over the past two weeks, as mentioned on page one. Another is the continuing number of “distribution days” or days where the market declines on increasing volume. We have mentioned this repeatedly, yet it continues as a red flag negative regarding technical analysis tools. In the last two-three weeks, euphoria has tested many record levels and has exceeded some. Even one of our Old Favorites, CASH levels at RYDEX (now Guggenheim) Funds has hit a Record New LOW (no chart here this time).

The fact of Declining Volume over the Long Term suggests that the most speculative Bubble phase actually took place in 1998-2000, and markets have been forming One Huge Long Topping Pattern since then. We have shown this long weekly chart a number of times over the last couple of years (not this) and the formation is a Broadening Pattern, or Widening Pattern, whereby the Highs are higher and the Lows are lower. It is considered the “worst” single formation. We mentioned here before that, as an analyst at Merrill Lynch, we had a chart-book from the early 1930’s with monthly charts of all the primary shares, and it was full of this type of pattern, indicating the dangers that were to be more obvious later! What that ultimately means is that we are in a phase that is being pumped so the smart insiders can dump their holdings at fantastic prices. Insider’s have been selling over 10/1 to purchases over many months. THIS IS the last phase.

In addition, the Volume of general market participants has decreased far beyond the scope of total volume. The machines have definitely taken over from the public, accounting for well over 70% of all trading volume during the last few years. That also means that there is no Market breadth and depth, as great masses of participants have taken their marbles and gone home! The hedge funds, “smartest guys in the room” have done poorly the last two years, as money coming from the Federal Reserve has pumped up stocks with cheap cash for company buy-backs. If you compare stock prices by taking out the Consumer Price Index, even the phony one published by the government, the adjusted charts are nowhere near new record levels. That is a chart based on your “buying power” not on numbers of dollars.

Among the many sentiment indicators, most of those who give opinions, or even Have opinions, have increased holdings only because things keep going up. Is that a reason? No, but it’s a Feeling! And that is good enough during the psychological blow-off phase. Funds Cash is lowest as they are trying to beat each other, so all are trying to move in sooner and faster than the others. This created a strongly competitive atmosphere based on “we’ve got to beat those guys” and not on whether economic facts uphold the basis of rising prices. Lord Keynes quipped that “Markets can remain irrational longer than you can remain solvent.” We may not have paid enough attention to that lately. But with the return of the Mars-Uranus dangerous portion, we will be going 200% Short, using full margin, when getting Sell Signals.

“But while the current Technical character of the stock market can be fairly considered benign, the Psychological character can only be described as awful. It is possible that on any minor setback, panic liquidation will decimate current excessive optimism, thereby recharging the market sufficiently to allow it to mount a new upleg. However, it is also possible that any minor decline in this 5-year old, over-priced and over-believed market could snowball into something very serious.”

UNIVERSAL ECONOMICS by Paul Macrae Montgomery, today’s date.



GOLD IS TRYING TO HOLD AGAINST ANOTHER LEG DOWN!

So far, the **GOLD** has held against a new low and another down leg. The **GOLD Stocks** have already taken out their previous lows, leading downward once more. That's not a good sign for the near term. But the **SILVER** metal has also not dipped below support as of yet. That is an encouraging sign. Altogether, a mixed bag at best. The recent action is better and may signal termination of year-end tax selling. The amount of overhead resistance from declining trendlines and moving averages remains formidable

Although the standard MACD Index (lower portion of chart) has had a positive cross-over, it remains in the lower half of the section. If an additional Sell is activated from these levels, the decline may well be another disaster. (Dis-aster and Cat-astrophe both mean crossed-stars, or negative-stars as we point out from time to time). Our astronomic section suggests a Metals/Oil High around January 15-17, near term. Otherwise, we need much more proof of change by breaking up through some of those dastardly resistance levels.

BERNANKE LEAVES THE FED THIS MONTH

When Dr. Bernanke was named to head the FED, we postulated that his vast studies of the depression era might be utilized to take us INTO a new depression, rather than trying to save us from one. That may seem disingenuous, at first glance. However, during his tenure, we experienced the worst economy since the Big One. And the most damaging threats in many decades. When the Senate failed to pass the first Bail-out Bill, they were told that if they didn't pass it, the U.S. would be under Martial Law the following day.

Under those threats, the Bail-out was passed. And our government has been dramatically nationalizing corporate structures ever since, using every trick in the book and making up several others besides. We seem to have been under Rule by Executive Order these last years, and the process for limiting this unauthorized power grab has not been activated.

The other process which has not been prevented is Rule by the Bureaucracy through massive increases in Regulations. The monkeys have Taken over the Zoo and the Fox has taken over the henhouse, and nobody Up there seems to give a damn that the Republic is going down the drain!

Oh well, we predicted it here several years ago as the progressed Mars in the U.S. horoscope went into Retrograde movement, that the power of the nation would wane for 72 years! We'll be no better than a third world bit-player by that time. It seems that we're getting there much faster.

“SOUNDS OF THE DAWN
A Great turning point
In earth's time is near at hand.
Open up your eyes
And see what is happening
See the world's actual state.

Open up your eyes
And see the truth for yourself.
Beneath the surface,
Underneath the destruction
God is busy creating.

All those who can see
The dawn of the New Era
Have a clear vision.
Eyes with which they can perceive
The one and only Truth.”

Mokichi Okada – Founder
of the Johrei Fellowship

10-YEAR RATES MAKE A NEW HIGH

We are using the TNX again this month as it has made, or begun to make, or threatening to make the more important move among the usual charts we tend to use repetitively.

We have maintained that if this 10-Year Rate broke above the 2.85-3% range band, it could trigger a massive debt bomb which could sink a goodly portion of the world's political entities. You can see from the chart that longer term resistance trendlines have been surmounted, even though the 3% has very slightly succumbed.

From an analysis of this chart, we surmise that much higher rates are in order, whether in the near term (more likely) or later, (less likely), but certainly possible. A pullback to the 2.50% support level is not out of the question, nor would it change the outlook!

In either case, the monster that will kill any and all political entities is upon us! In the coming battles might makes right; neither morals nor dogma will matter above "who's got the most firepower."

OIL (no chart this month) after breaking out of a large triangle pattern, has pulled back too far technically, to recover into a healthy advance without a war in the Middle East. On the pullback from the breakout which carried up to 112, the lower triangle trendline did not break, so there are still some upbeat probabilities. But the chart, like "yond Casius, has a lean and hungry look." The generally deflationary background does not assist the price 'ambition'!

The **US Dollar Index** (no chart) appears to be attempting an upside breakout of its own. It has surmounted a declining trendline which has been in effect for some time, but not by enough to make any important proclamations. If it does manage a positive new trend, remember that it could be because other currencies are moving into intimidating volatility conditions, which are likely to herald worldwide instabilities



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

DEC 30 – JAN 2 = ALL HELL BREAKS LOOSE! Massive activation of the Uranus/Pluto square prompts Anger, Revolution & War!

JAN 4 = Earth's Perihelion (closest to Sun) = One more common cyclic turning date.

JAN 8 = OIL and precious metals rally sharply but higher still Jan 15-17!

JAN 11 = Venus conjunct Sun, both sextile (60 deg) Saturn = Perhaps a brief rally high

JAN 15-17 = Full Moon at 25 Cancer. Venus-Mars-Neptune configuration could be a High in precious metals & Oil.

JAN 30-31 = New Moon; Jupiter opposes Pluto=bankruptcies; Venus Station = Significant market turns. Be quick to follow changes!

FEB 6 = Mercury enters Retrograde motion! = Left brain tends to slow down or stop. Careful of mistakes, accidents. Computer glitches to 28th.

FEB 9-10 = Very tough time from the Heliocentric, Sun-centered activity! Maybe more or dangerous flares causing communication problems.

FEB 11 = After 12:30 AM, 3 planetary negative aspects, 2 after mkt close, 4 negative lunar aspects 3:06am to 5:14pm = Negative day – careful!

FEB 14 = New Moon early Saturday, Sun trines Mars evening.

FEB 15-17 = Look for more bad news over the week-end and into Monday morning. Mars (energy/anger/war squares Helio Galactic Center!)

FEB 26 = Jupiter squares Uranus = Sudden release from terrible tension!

February, June and October look to be the most likely times for a Crash, during the Mars-Uranus Crash Cycle!

ATTENTION: The CP newsletters are usually mailed 1st Monday. Next CP will be Monday, Feb. 3

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