

ENTERING the SEASONALLY WEAK PERIOD!

May 5, 2014 Vol. 14/05

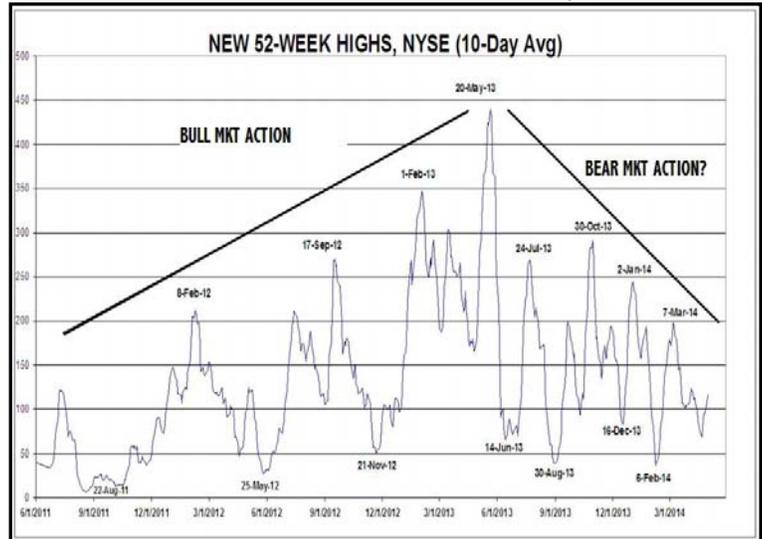
“May you live in interesting times!” This quote is considered a curse among the ancient Chinese. There is certainly enough of the unusual occurring around our planet to keep our news sources on their toes, although it seems that much is being let slip by, and that news folk are focusing on weird drivel and emotional quackery and neglecting issues of much greater import, involving changes in our way of life.

In depth analysis of political and economic conditions are relegated to back pages or ignored altogether while the best work is being presented online by those who are considered unorthodox (and that’s the kindest thing said about them!) It is more and more apparent that the orthodox sources of information have devolved into propagandists who shovel useless or twisted information into minds of the bored, un-analytic, unaware and unawake masses.

Nor do we declare the internet a haven of easy and reliable pertinence. There are wide-eyed Chicken Littles and clever purveyors of guile and dis-information. And there are plenty of just plain hucksters.

Yet, at this critical juncture of our society, with so many under-currents of change-agents, from radical left to radical right, and with lies being the principal currency, it is most important that we seek truth, discern truth and act on truth, even from some who exhibit obnoxious personalities!

The chart on this page is one more indication that what we are faced with in markets which have become more intrusively manipulated. You can see that NYSE New 52-week Highs were expanding in positive fashion from the middle of 2011 right up until May 20, 2013. That date just happened to be one of the ongoing series of squares, or 90-degree aspects between Uranus and Pluto, on which the



astrological communities have been mightily focused in recent times! May 20th of any year is a Mayan Calendar date, that being the central date where there is no shadow at noon in major Mayan centers. The year before, May 20, 2012 was a Solar Eclipse! Perhaps another omen of approaching chaos for their wise men?!

From thence, NYSE New Highs have exhibited a powerful contraction, uncharacteristic of continuing market strength. Over the past few issues of CP, we have shown a number of page one charts which exemplify the false quality and underlying weakness of popular market averages which have been massively hyped by the Federal Reserve money printing by their bond purchases. The very fact of the bond purchases winding down should have been enough to crack the markets, as even mention of such possibilities tanked them when mentioned last year!

It appears to us that NYSE New Lows have been artificially suppressed, as if not, weakness would have been more evident. But the New Highs have clearly marked the internal deterioration!

Last month we wrote: “It is therefore our job to project when market forces (natural cycles) will overpower the intention of the Powers That Be, or otherwise, to discern when TBTB WANT it to Drop again!”

Due to the retrogradation of Mars since March 2, there will be a rare triple top in the Mars-Uranus cycle. First was December 25, 2013. Mars recently backed over the opposition to Uranus on April 23, goes into direct motion on May 19 (Inconjunct [150 deg.] to the Solar Eclipse of April 30), and opposes Uranus third time on June 25. Mars will then join the Lunar Eclipse point on 20-21 July and oppose the Solar Eclipse point on August 11. Also on July 19-21, Saturn and Uranus both station inconjunct to each other!

These are the dates we will expect maximization of volatility, in markets, economies, politics and natural phenomena.

Re-short SPX again on Close below 1864. Add a 5% Stoploss. Raise to 200% Short on Close below 1795. Add a new 5% Stop.

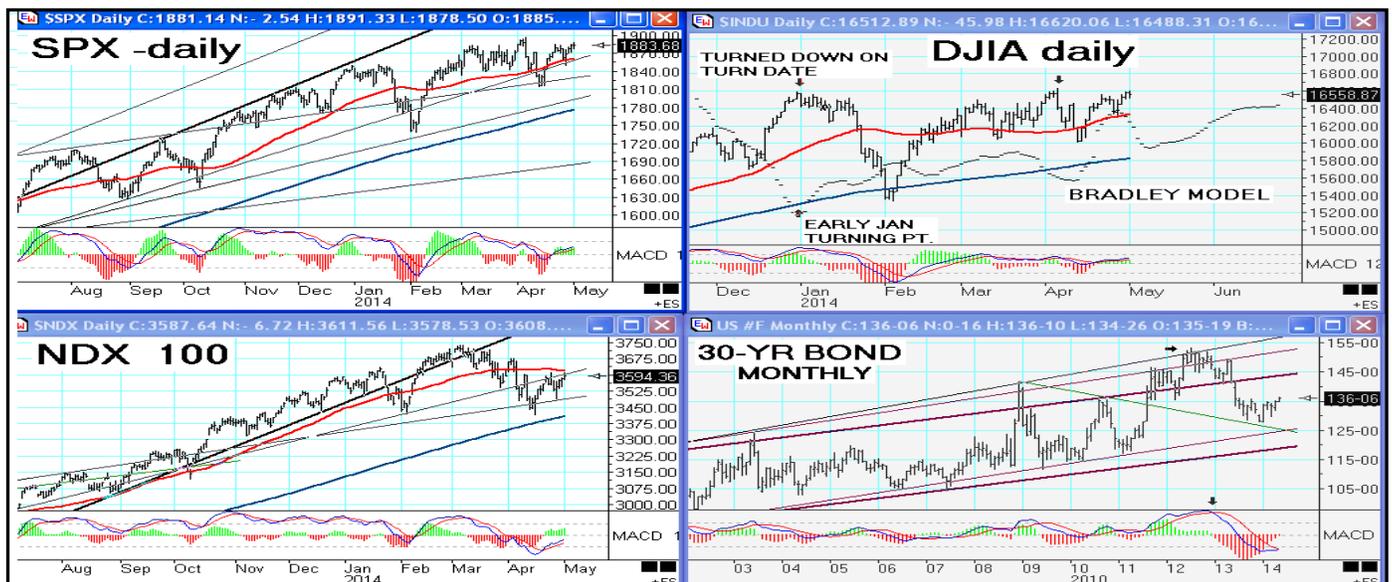
PS: If you can’t read the above chart, your PC can increase the size!

VITAL SIGNS

**RESHORTED 100% JAN 6 @16,425.10
WITH 5% STOP at Close above 17,246.36
INCREASE TO 200% Short DJIA on any
Close Below 15,970. Add 5% STOP**

**SHORT SPX on any close below 1864
Add a 5% Stoploss
Raise to 200% SHORT on Cls below 1795
ADD a 5% Stop to new position**

ALL OUR STOPS ARE CLOSE ONLY!



NDX has a Tendency to LEAD other Indices in both UP and DOWN directions. NOW LEADING DOWN!

The NASDAQ (COMPQ) topped out on March 6 (intraday high), anniversary of the 2009 low, and near the all time high on March 10, 2000! As of Friday's close, it is off -1.26% from the December 31 close. Second of the big three, the DJIA was off -.38% for this year. SPX is the clear winner so far with a positive +1.77% to date. These markets are not exactly burning up the wires. This is a very meager year! At least they are holding their own, that is, near the top of their range for the year. There may be more attempts to rally into the third and final June 25 Mars opposition to Uranus. It is still "difficult to tell what is enough and when. If the DJIA and S&P500 also break the 50-Day Moving Averages, a spill of considerable consequence could be setting up, particularly as we are NOW AT the seasonal high point."

There remains some probability that another leg up might ensue. For that to eventuate, it would be necessary for the NDX to penetrate back above its 50-Day MA, coincident with the other majors to surmount their previous highs with advances in Volume and Momentum across the board. Volume characteristics continue as mysterious as we have been reporting for quite some time. So far this year, the six or seven highest volume days have ALL been on down days in the Indexes. Over many past decades, this has ONLY occurred during Bear Markets, with significant diminution in price action. We cannot say for sure whether this is guarantor of government intrusion or is a side effect of High Frequency Trading practices, but we can say for sure that it is highly irregular, and in some common sense, highly dangerous!

We are experiencing such an unusual time! Several of the sharpest gainers, especially in Biotech and Social Media groups have reversed sharply, and as danger is sensed by investors, it's suddenly all or nothing getting out the door! Even more oddly, this also manifested Friday in the Utility Averages, dropping over 2% is equivalent of about 350 DJIA points and little or no mention in financial press. Partly because they were already the leaders on the upside, and partly since no major technical supports were demolished, we suppose even such a drop was a "drop in the bucket" so to speak. It just wasn't News! Of course, if they continue, and supports give way, more attention will be given.

Perhaps the decline in 10-Year Bond Rates, the +.1% in 1st Quarter GDP, and the low reported Inflation Rate have something to do with Inflation expectations?! On the other hand, ShadowStats reports that the Inflation Rate as figured 30-40 years ago would now show a +10% Rate and the Unemployment Rate would be running a bit over 20%. Oh yes, Food and Energy don't count. Otherwise, we notice an abundance of commercial space once more becoming available as businesses waiting for things to pick up are running out of credit and throwing in the towel! An element of discouragement is abroad in the land, and the confusion over Healthcare and anger over new government regulations which are showing up as burdensome, are not helping. Small Doctors offices cannot keep up with the reporting demands!

"If prosecutors settle a case because they don't dare to indict a bank, it's too big. If regulators don't dare to lift the license of a bank, it's too big. If Congress would spend the better part of a trillion dollars to prop up a set of banks in a crisis rather than dare to see them fail, they are too big. ... The justice system should not demand money to leave the bid banks intact; it should demand that its targets submit plans for orderly breakup into entities small enough to prosecute, small enough to fail, and small enough to manage." - Thomas G. Donlan - BARRON's



U.S. DOLLAR INDEX WEAKLY HANGING in the LOWER PORTION of the RANGE

The **U.S. Dollar** hit its peak in 2000-2001 at the **US\$ INDEX** price of 122 after which it drifted lower for several years into a low of 71 in mid-2008. From there it zig-zagged into a double top in early-2009 and mid-2010. Then drifted into a secondary low of 73 in 2nd quarter of 2011. Made the next secondary high in mid-2013 at 85 and the last secondary low in October 2013 just above 79. Since then a tight range has controlled the price from 79.50 to 81.50.

You can see in the chart above that a slightly rising trendline has kept the price from declining on several occasions. But, during this most recent seven months, each price high has been lower than the one before, exhibiting an exceedingly negative trend. We think that a failure to hold the 79.50 level would lead to a retest of the 79.00-79.20 price band. A close breaking below 79.00 strong support could develop into a catastrophic accelerating washout phase very detrimental to conducting ordinary business within the United States. This could occur in conjunction with the **Dollar** losing its status as an asset of international reserve.

There is a movement afoot, especially among our larger creditors, China and Russia, to create a worldwide reserve currency with at least partial **Gold** backing! That would put severe pressures on ALL other currencies which at this time are **FIAT** currencies, meaning that they are backed ONLY by the power to tax their constituencies, and that the paper representation of the currency has no value of its own. Our own Constitution declares that the ONLY legitimate currencies are **GOLD** and **SILVER!** - **HOW THE MIGHTY HAVE FALLEN!**

We wrote last month that: "The problems of this alignment may be difficult for the United States, but this energy packet will impact the world in strange and hard to predict ways (because of the action of Uranus, which adds an element of surprise). ...There will be worldwide issues with weather & earthquakes, at this Cross but also at the two eclipses, April 15th and 29th +/-3 days or so."

Apr 4 = the 2nd Ft. Hood shooting kills 3 and wounds 16.

Apr 4-11 = DJIA declines over -600 points intraday.

Apr 11 = Fed-ex truck slams into student bus. Explosion killing 10.

Apr 12 = Bureau of Land Management backs down from armed citizens protecting Bundy Ranch.

This was compared to the Waco seige – which we mentioned last CP letter [March 31]

Apr 15 = Korean ferry sinks with most of 459 on board. [Lunar Eclipse]

Apr 16 = 12 Tornadoes hit North Carolina overnight.

Apr later = Tornadoes kill 17 in mid-America.

May 2 = 2000 Afghans missing after deadly landslide [Solar Eclipse +3]

May 4 = 6.0 Earthquake stops trains in Tokyo – no major damage or deaths reported.

[Numbers of dead & wounded in these incidents were far above your normal accidents/storms]

Still Waiting for a Decision on Rates!

The **10-Year Bond Rate** has not yet decided which way it is going to jump. We wrote that if it broke back up above 3.03%, that it would rise much further and probably fast. We were looking for a consolidation phase first which we said could pull back as far as 2.5% without violating important technical support.

We would have thought it would have made up its mind by now, but it has remained within our neutral boundaries. Notice that a further drop on Friday left it on a rising trend line from previous highs, but it has held so far.

A strong hint comes from the **TYX** or **30-Year Bond Rate** (not shown) which has already broken comparable levels of support. Therefore, we must at least lean in the direction of lower rates immediately unless the 50-Day and 200-Day MAs are abrogated above 2.73%. We needn't wait for 3.04% to go bullish again!

OIL prices formed a huge triangle chart pattern (not shown), broke out to the upside, then fell back. As it did so, it created a greater uncertainty by failing to hold above some trendlines and moving averages that should have held for the more positive case. Even so, the breach was quickly mended and little further weakness has developed. If the 110 and then the 115 areas can be regained, the very positive case may be re-instated. But the break below 100 last week has thrown more doubt on the bullish case. Watch and wait!



GOLD is continuing to form a large, multi-month potential bottom. The March rally carried price up near \$1400, but has now fallen back below \$1300, and stabilized just above there, right on the 200-Day MA at 1302-04. The 50-Day MA crossed above the 200-Day MA in late March, but price has yet to follow-through. A close above 1350 will bring back some better feeling among holders, but 1250 will bring more discouragement. Investment positions are insurance against catastrophic collapse of the U.S. Dollar, which portents suggest may be imminent. Rumors are flying that Russia and China will spearhead the devastation of the Dollar by issuing an alternate reserve currency backed at least partially by **GOLD**!

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

APR 14 = Mercury activates Grand Cross, squares the Stationing Pluto! Make sure you have provisions in your tornado/hurricane cellar!
APR 15 = Lunar Eclipse on tax day = Could we have civil disobedience here in the States? It affects Washington area.

Bundy standoff in Nevada! – BLM backed down April 12

MAY 1-2 = “awkward grappling for power” “fiscal outlook dim” according to Dell Horoscope mag.

MAY 4-7 = Mercury negatively (verbally?) assaults Pluto, Uranus and Jupiter = Really BAD News!- Mostly Financial?!

MAY 10-11 = Pretty Mean Weekend – all negative aspects into early Monday.

MAY 14 = Scattered negatives until the 14th when anger/confusion maximize at the Full Moon = Fighting Mad!

MAY 15 = Positive aspects near and after the NYSE Close = Could be a sharp upward correction after Tuesday hostilities.

MAY 19-20 = All negatives into early 21st Twentieth is especially troublesome.

MAY 24 = Jupiter trines Saturn on Saturday, but Moon activates Uranus/Pluto square = mixed picture.

MAY 28 = New Moon squares Neptune = Beware storms, water damage, more accidents at sea?

JUN 7 = Mercury Retrograde until July 2 = Messages & computers go awry! Plans misfire. Left-brain activities shut down.

JUN 9 = Neptune goes Retrograde = With both these guys out, confusion reigns! More water damage or water pollution!

JUN 13-14 = Friday the 13th has a bad reputation, but Saturday looks much more hostile!

May through July and then October look to be the most likely times for a Crash, during the Mars-Uranus Crash Cycle!

ATTENTION: The CP newsletters are usually Emailed 1st Monday. Next CP will be Monday, June 2.

Please remember that CP will be available in ONLY digital format. If you Must Have paper, call us to make some arrangement.

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