

CRAWFORD *Perspectives*

WARNING LIGHTS are Blinking Yellow to RED!

September 29, 2014 Vol. 14/10

The chart at right would NOT appear to belong to a strong Bull Market move. The number of “New Highs” continues to expand during a “Bull: phase. What we are seeing is a technical contradiction with fewer & fewer New Highs and lower & lower volume. These very rare occurrences indicate massive interference with “normal” internal market processes leaving them ultimately vulnerable!

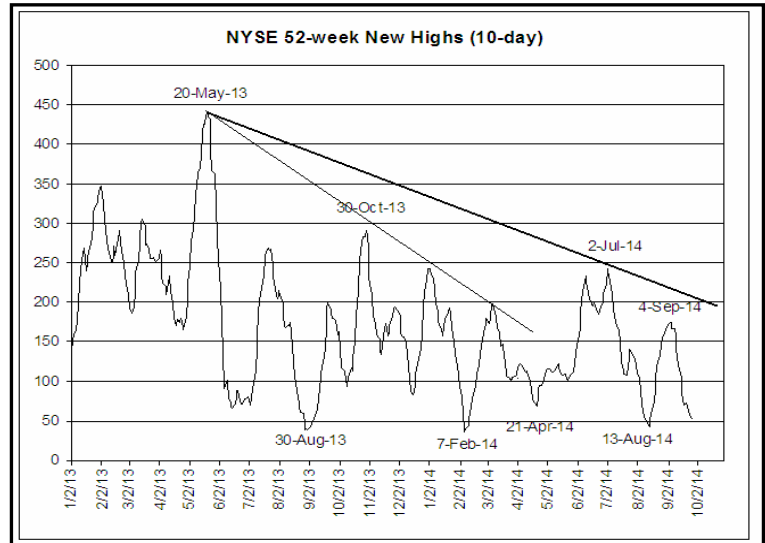
Perhaps we should be grateful that our “betters” are protecting us from the return of “The Grapes of Wrath” Great Depression era motif. They are more likely protecting themselves from being tarred and feathered by angry mobs, hoping that the final disastrous curtain will await their own retirement from areas of impending reproach.

Note that the most recent rally peak (September 4) is the weakest (lowest) momentum indicated since before January 2013. This means that if you are not retiring with Eric Holder, (and he’s not gone yet) you’re probably too late! Steve Jobs got out in time. It remains to be seen if Bill Gross and El-Erian will get mud on their backs or not.

Who knows if the boys at the FED are snickering over the “girl” taking the heat. Maybe they think the mob won’t tar & feather a ‘girl’. Who knows, maybe she volunteered for it knowing the odds of getting out with a whole skin?

History proves that the problems delayed are merely problems increased. The longer delayed, the worse the final outcome. Can we believe anything they tell us any more? We seriously doubt it. As Orwell said: “The further a society drifts from truth, the more it will hate those who speak it.”

As for the stock market, we have already experienced the first of a possible cluster of “Hindenburg Omens,” and now a “Titanic Syndrome” on top of that!



The “Titanic Syndrome” is described as the DJIA hitting new 52-week high or rallying 400 points and within 7 trading days of that, the NYSE New Lows exceed the NYSE New Highs. New Lows recently first exceeded New Highs on Sept. 12. The 10-Day averages crossed negatively on the Fall Equinox, September 22! The high close to date has been September 19, one trading day prior to the Equinox! From thence, the DJIA has dropped a precipitous -334 points in 4 days.

Notice also that the “New Highs” line in the chart above could be about to break the 50 level. In recent weeks, that has indicated a market low. The general downtrend is more indicative of a potential ‘collapse’ as in the much earlier cases of breaking the 40 level and remaining under for extended periods (not shown).

We know that more of history’s biggest declines have tended to occur in October, and this year the odds are increased by two Eclipses and a Retrograde Mercury, not to mention the end of QE whatever! Most severe astro-dates are October 4, 7-9, 23-29.

“Mercury will go Retrograde at 2 Scorpio on October 4 until the 25th. The Lunar Eclipse of October 8 may well trigger some excessive emotional reactions. Sun enters Scorpio on October 23 and is eclipsed there! We opine this period (Oct. 4-25) as the greatest probable negative market outcome.” - From last month -

The Mars-Uranus crash cycle will only complete this potential danger period as of January 15. Until then we will stay ‘on our toes’ a la ballet style, ready to jump in any direction.

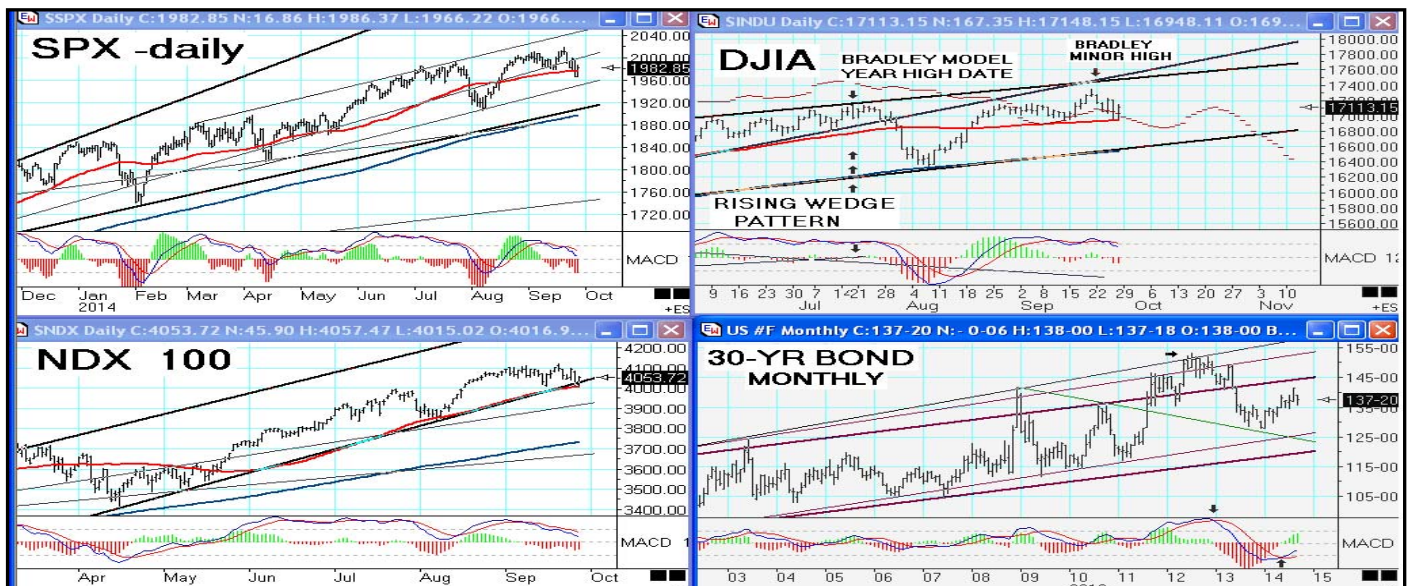
We were Stopped Out of our S&P500 Short on March 4 and our Short levels have not been re-activated since then, leaving us in a Neutral position for the past 7 months relative to that Index. We are now raising our Short (1) and Short (2) levels more aggressively this month, as seasonality and Eclipses will likely result in a greater than lately % decline.

VITAL SIGNS

**RESHORTED 100% JAN 6 @16,425.10
INCREASED TO 200% Short DJIA on
Close 16,563.30 for an Avg 16,494.20
Add 5% STOP at 17,318.91 closing basis**

**SHORT SPX on any close below 1943
Add a 5% Stoploss
Raise to 200% SHORT on CIs below 1880
ADD a 5% Stop to new position**

ALL OUR STOPS ARE CLOSE ONLY!



MARKETS MAY HAVE ACTUALLY PEAKED ON THE FALL EQUINOX -1 TRADING DAY?!

SPX actually penetrated its 50-Day MA (red lines) whereas the other mainliners barely held on to theirs. The Russell2000 (not shown) broke its 50-Day and 200-Day, and last week the 50-Day MA broke below its 200-Day MA rendering a so-called 'Death Cross' which could prove very dangerous in the days and weeks ahead, especially if and when the Major Indices join in the negative melee.

Last month we wrote: "We have mentioned previously that a quick easy way to identify sell signal is generated when the NYSE New 52-week Lows rise above 40 for 3 consecutive days. That was activated Tuesday, July 29 but they fell back below 40 on August 11 and had three days below 40 by the 13th. Last week the average was 17 New Lows, indicating considerable underlying market strength. So now, we must await a further three days over 40 again." The three day Sell was accomplished once more on September 12th and New Lows have not logged under 40 since then. September 12 was also the first day that New Lows exceeded New Highs. On the high day, September 22 Fall Equinox there were 30 New Highs and 158 New Lows. That represents a most powerful divergence, right then and there! Over the next four days, the DJIA declined by -334 points. That must signify a Top of some significance, whether short term, intermediate term or long term is as yet more difficult to ascertain.

The suddenness of this weeks drop has much to do with Sell activations. There existed already an underlying weakness which had begun visibly forming divergences. The other side of the coin is that the speed of the decline has placed a number of short term technical indicators already into short term 'oversold' readings. From here it would appear that the remaining unbroken supports and moving averages MUST hold immediately, or else we break them and enter a capitulation phase which might quickly accelerate into a more serious rout. The more likely case would have us bounce for 1-3 trading days, then retest these supports which may not hold a second assault.

Last months comment: "The **BRADLEY Model** high for this year on July 16-18 was quite prophetic and deadly accurate so far. But now the Major Indices have regained most or all of what was lost from then, placing that projection back in the category of 'unproved'. We will count it a HIT on the very short term, but it must prove itself if it is going to be close to the index highs for the year. Even if they go a bit higher and then break below recent lows, we are prepared to give the Bradley a pass." Now we have had new Index highs on the next Bradley high, which is lower than the earlier year high but a high nevertheless! Again we await breaking of supports to confirm!

We regret the passing of our dear friend Paul Macrae Montgomery September 6 in Newport News, Virginia. His brilliant writings in both content and presentation were often quoted by Alan Abelson in BARRON's, no slouch in those departments himself. Our mutual interest in attempting to plumb the depths of market psychology brought us together in the late 1970's and we exchanged newsletters and remained friends from that time. He often mentioned Eclipses and SuperMoons in his musings and was aware of other planetary events. We marveled at his personal kindness and ability to speak easily with strangers. He leaves his dear wife, Wendy, and 3 collegiate children.



US\$ POWERFUL INDEX MOVE COMING INTO RESISTANCE AT 86

Our Trilateral friends in Japan, UK and EU have had their currencies trashed of late. As a result of which our Dollar has soared back to a rising trendline above the range of the last couple of years. That is a powerful move in a relatively short time. Our trading partners manufacturers are happy with cheaper prices and increased sales related to their cheaper currencies. Their consumers maybe not so much, as they have to pay more for our US goods. But trade with each other has not changed their local prices. Therefore our manufacturers are not so happy that our goods cost more on international markets. Strategy: Short US\$ at 85.85 and switch to long side if above 86.22.

It has become evident over time in economic trends that Japan and Europe appear to be drifting back into recessionary phases, even after extreme monetary expansion of recent years whereby \$7 Trillion worth of Central Bank creation has not brought about economic health and safety. It's a pretty good bet that they will drag the US back down with them if they stop buying our "stuff." China, as well is not able to maintain tremendous growth rates registered in recent years, and could become a further 'drag' on world GDP.

Now that tensions worldwide have been ramped up from this spring, and are not going away, with sanctions against Russia, and Russia's maneuvering to counter these pressures; bombing by us of ISIS in Iraq and Syria; Democratic base objects; Scotland trying to leave Britain and failing at the last minute, etc etc... El-Erian and now Gross leaving Pimco – does that mean something is wrong in the bond markets we don't know about yet? Eric Holder leaving as AG in DC, just as a judge says he must release potentially damning documents to Congress' ravening wolves about his involvement in running guns to Mexican cartels. Our own mid-term elections are very tense as GOP wants to control the Senate to prevent the President from further damaging the Republic while GOP establishment is having their own problems with patriotic American conservatives. We still haven't given Germany their GOLD back! Beheadings – even here in Oklahoma. Altogether a confusing and gut-wrenching time.

From BARRON'S: "Wisdom of Age - To the Editor

[Wish we had space for the whole thing-AC]

(1) It was incredibly inspiring and motivational to read about Stephanie T Mucha, a woman who started with nothing, earned a modest salary her whole life, accumulated a fortune, and is in the process of giving it all [\$5 Mill] to charity ('The Oracle of Buffalo,' Sept. 15).

(3rd of 4) Mucha shows us the way to solve these 'problems' through her values and actions. Never having met the woman, I can only assume she subscribes to the same values that have enabled all prior generations to escape poverty, including a strong belief in hard work, education, delayed gratification, thrift, respect for rightful authority, loyal to her family and country, self-reliance, independence, honest dealings, treating everyone with respect, goal orientation, belief in God, and charity."

Robert Davidow - Palm Beach, Fla.

The year-long triangle pattern in **GOLD** finally broke out – to the downside! We have staunchly remained neutral on trading positions as there has been no technical strength that has been able to follow through upside. The only positive was the 50-Day MA (red) above the 200-Day MA (blue) and even that has faded, but only after the breakdown. We need to see it back up over 1350 for a positive diagnosis, although 1300 would put it back over both Moving Averages. If previous low gives way (1179.40), it will go much lower immediately. The **POWERFUL UPSIDE** note should say “over 1480”. WE have also mentioned here that if **GOLD** make a solid technical break, then so soon, reverses and starts in the other direction, then Double Up in the new direction!

OIL (not shown) is attempting to stabilize above the 90 level. It has not done anything yet to prove technical strength. Above 96 again could give it a chance. Give it time to develop. Would not trust long or short position yet. If the 90 support fails to hold, Oil may test the 83-84 level and then very strong support at 75.

The **10-Year Bond Rate TNX** (not shown) attempted a rally last month but was stopped at the 200-Day MA at 2.70%. It broke the late May low at 2.40% and dipped to a new low since June 2013 at 2.31%. Ran back up from there to the 200-Day MA again but now at a slightly lower 2.65% and dropped back, testing the 2.50 support and holding there for right now.

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 1-3 = No 2-planet aspects until one late Friday evening. Markets either Dull or easy to move on low volume.
- OCT 4 = Saturday Sun squares Pluto; Venus semi-square Saturn; Mercury goes Retrograde until the 25th; Mars trine Uranus = Energetic Mix!
- OCT 7 = Energetic negatives = Sun opposite Uranus; Mercury semi-square Mars = “Anxiety or moodiness...” according to Dell mag.
- OCT 8 = Maximum Energy Day = Lunar Eclipse early; Venus square Pluto midday; Mars trine Jupiter after the close; Jupiter N,-Saturn S late
- OCT 9 = Asc/Jup=Sat = “To experience refusal” (Witte); “Estrangement and alienation” (Ebertin) [a merger could fall through?]
- OCT 11-12 = This weekend holds an important aspect of Venus opposite and Contra-parallel Uranus = Significant change of trend 10-13th!
- OCT 16-17 = Retrograding Mercury conjunct Sun and sextile Mars; Moon conjoins Jupiter in Leo = Strong close into Option expiry!
- OCT 23 = Solar Eclipse conjunct Venus @ Zero Scorpio 25 = Somebody gets “stung” in a big way. Surprise attacks, Governments Fall. WAR!
- OCT 25-26 = Mercury back to forward motion Saturday; Mars enters Capricorn Sunday = Governments are moved to action!
- OCT 27-28 = Venus, then Sun trine Neptune = probably a Low in Metals which could last into Monday Nov 3 = Next CP letter date.
- NOV 6 = Full Moon @ 14 Taurus = Emphasis on financial/monetary conditions = May provoke a crisis +/-3 days.
- NOV 10-12 = Mars makes a fiery conjunction with Pluto Monday & squares Uranus on Wednesday. Moon forms T-square with them early 11th
- NOV 10-27 = There is an overwhelming negative balance to aspects during this period = Be extra careful and keep your head down!

October looks to be the most likely time for a Crash, during the Mars-Uranus Crash Cycle – Could carry over into Nov-Dec!

ATTENTION: The CP newsletters are usually Emailed 1st Monday. Next (Nov) CP will be Monday, Nov. 3

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