CRAWFORD *Perspectives*

April 6, 2015 Vol. 15/4

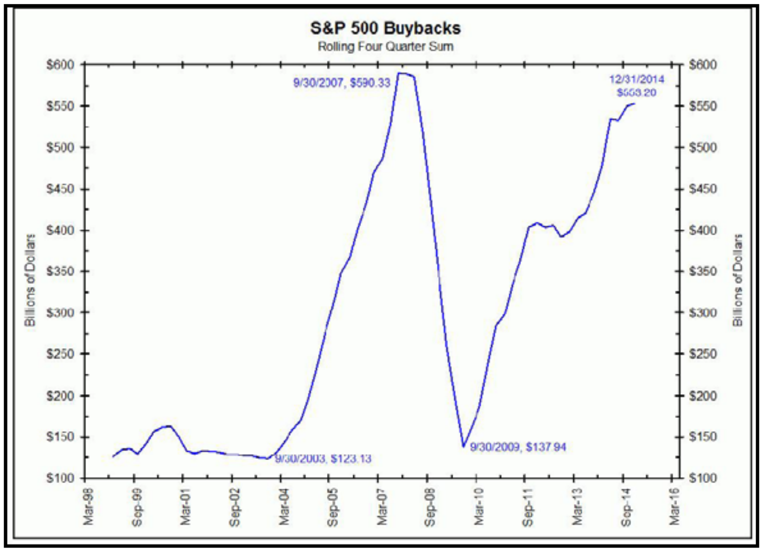
"BLOOD MOON"!

This past Saturday (Passover) saw the third Blood Moon of a 'tetrad' on Jewish Holidays last year and this. The final one of this set will be September 28, the Jewish Sukkot. A popular book by that name written by John Hagee "…claimed that every prior tetrad of the last 500 years coincided with events in Jewish and Israeli history that were originally tragic, yet followed by triumph." See www.en.wikipedia.org/wiki/Blood_Moon_Prophecy

We do not know much about this prophecy, but we do know that some of these eclipses form exceedingly rare planetary aspect combinations with the beginning and midpoint of the zodiacal signs as well as the series of squares (90 degree aspects) between Uranus and Pluto. For instance, the Solar Eclipse on March 20 conjoined the Vernal (Spring) Equinox at zero Aries, and the Lunar Eclipse opposed uranus & squared pluto only 4 days after their own square was exact.

Perhaps you noticed that the Uranus/Pluto interactions began just as the 'Arab Spring' got underway in earnest and that this Blood Moon square Pluto (which is said to rule the development and use of atomic power) coincided with a much debated and controversial preliminary agreement between the U.S. and Iran over their continuing development of Atomic Power! It was four days after a Lunar Eclipse conjunct Pluto in April 1986 that Chernobyl melted down and became a serious problem increase to the world's background radiation levels. And when Uranus crossed over that Vernal Equinox point, the earthquake and tsunami came to Japan in a Big Way – TO THE DAY!

The top market news last year was the corporate Buy Backs. The big news this quarter is that they are finally backing off from all that. The chart at top of this page shows



Quarterly S&P500 Buybacks from 1998 through 2014. You can readily see that we are back up to the levels of the Real Estate Mania/Derivative Sales mess. So what did we learn from all that? – It looks like NOTHING is the correct answer! This chart is from Jim Bianco at www.arborresearch.com.

"Those who don't study history are doomed to repeat it. Yet those who *do* study history are doomed to stand by helplessly while everyone else repeats it." – Anon. Or otherwise Unknown.

It has seemed that all he threatened dangers mentioned in news reports keep being put off into unknown futures. But Greece is coming upon its due dates over the next week or so, and they must decide who gets the available dwindling cash in the next few days. Also, we are sending 290 paratroopers to the Ukraine and some analysts warn of counterattacks by Putin.

It is our considered opinion that the station of Pluto on the sixteenth, the day after U.S. tax due date will bring about the surfacing of all sorts of hitherto unknown problems in the world that are moving toward some sort of cathartic paroxysm. Yes, we live in ***Interesting*** times. And yes, we shall soon know!

The page one chart from last month showed the NYSE New 52-Week Highs as a 10-Day Moving Average that made this year's high on January 30 and then declined into March 17. It bounced a bit from there and is now sliding again, not yet to a new low. However, we must note that the New Lows have also been decreasing which confounds the final analysis until they rise back above an average of 40, for at least three days.

We are moving to return to 200% Short in major indices at the levels stated in the VITAL SIGNS box at left, but only if some critical supports are violated. That would be 17,300 in the DJIA or 2020 in the S&P500 on a Close Only basis. If those supports give way the odds are increased that there will be more to come!

. If those intermediate channel lines are breeched, the next most important challenges appear at the 200-Day Moving Averages [dark blue heavy lines on the charts on page two].

VITAL SIGNS

ReShort DJIA 100% on close below 17,700
Shorted 17,533.15 on Close Dec 10
5% STOP at 18,409.81 Close only
Increase to 200% Short any Cls below 17,550
Shorted 17,280.83 - New 5% Stop @ 18,144.87
Stopped Feb 24 @ 18,209.19 losing 5.37%
GO 200% Short any Close below 17,300.00
Add 5% STOP on new position.

ReShort 100% on close below 2047
Shorted 2026.14 on Close Dec 10
Placed 5% Stop at 2127.45
ReShort 200% on Close below 2020.00
Add 5% STOP on new position.

ALL OUR STOPS ARE CLOSE ONLY!

OSCILLATING AROUND the 50-DAY MA's – STILL WITHIN TIGHT CHANNELS

You can readily ascertain with a quick visual of these charts that stock markets have been moving in strong positive channels over many months with brief excursions beneath their lower chart-line boundaries. We have witnessed such moves many times in the past, yet never with such weak internal dynamics. Last month's page one chart called attention once more to the lack of expansion in NYSE New 52-week Highs. The 10-Day Moving Average peak for this year was January 30 (also the lowest day for interest rates on the 10-Year Treasury Bond) and has been dropping since, even through new highs in price Index levels – a clear divergence. That January peak was below the peak of October 2014, which was below the peak of May 2013 (on the date of one of the rare Uranus/Pluto squares).

We have repeatedly called attention to the amazing fact that the highest volume days are routinely on negative price movements – a clear sign of insider/institutional distribution. ***Investor's Business Daily*** reported late last week that there have been 9 "Distribution Days" over a few weeks in both the S&P and the NASDAQ. A distribution day is defined as a decline of an index by -0.2% on rising volume. They sum them over a number of weeks moving total. The last record of +9 in a rising market was over three years ago! And tell us now where all the volume has gone! Volume totals have been dropping for YEARS. And even the remaining volume is running over 70% from automatic trading machines.

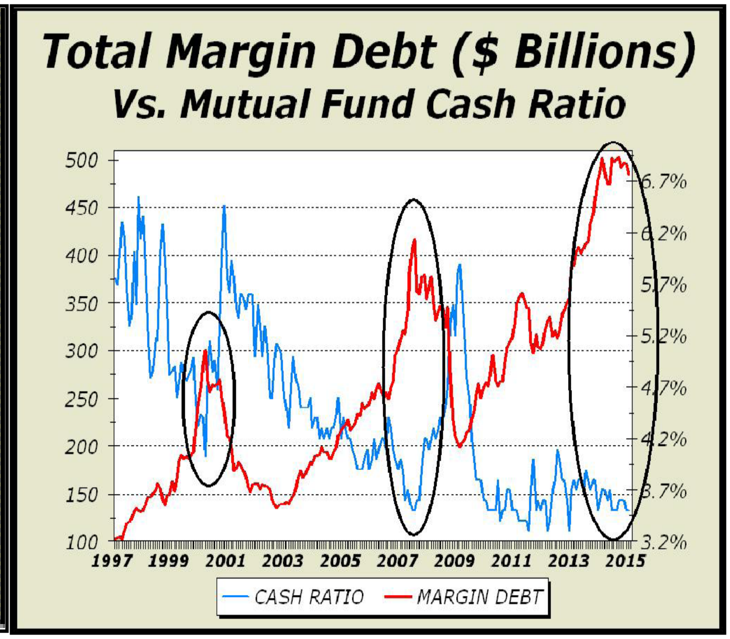
Where have all the traders gone…"Long time passing." The real speculative peak in these markets was the "Tech Bubble" which topped out in the first quarter of 2000. Telephone Hotline updates had risen to command half our business at that time. One customer called here and said: "All you have to do to make money in the market is to Buy Intel in the morning and Sell it in the afternoon." He was serious…but it was the day of a Full Moon! One of the online trading houses had two advertisements on TV. The first was of the driver of a wrecker tow truck who was just helping people because he wanted to. He owned his truck and was buying his own island as he had made so much money trading! But the other really took the cake. Wheeling a fellow into a hospital emergency room: "What's wrong with him?" "He's got money coming out of his Wazoo!" I'm sure that one must have timed close to the hour of this Total Bull Market Extreme.

The events of 2001 broke the spirit of market investment, and it has never returned. Currently, many economic stats are being quoted as "The highest since 2007." That means that many of the later Real Estate Bubble excesses have returned. But the exchange volumes continued to drop long term. Mechanical trading became larger & larger share of trading volume. If you divide indices by the CPI or Gold, we never recovered the respective highs of 1987. Certainly not the speculative insanities of 2000. The creation of Trillions in several currencies is causing nominal asset prices to rise, but it is all an illusion and there is little or no Value being added to them.

Note the **30-Year Bond** chart at bottom/right of charts this page. It shows long bonds accelerating above a long term advancing channel. Maybe the Federal Reserve was not so dumb buying all those trillions of bonds?! We wondered about that.

"CNBC recently proved for the umpteenth time why the station has lost so many viewers over recent years and why they are relegated to lose a lot more when the next bear market finally arrives. The question is not how many more viewers will watch the soaps instead, but may be whether the financial channel can even survive. Given the staying power of a six year bull market in which stock prices have tripled, the circumstance of Neilsen ratings plunging to 21-year lows last year strongly suggests the product CNBC sells is one consumers can do very well without."

- Alan M. Newman in *CROSSCURRENTS* March 30, 2015



SENTIMENT READINGS, ADVISORS and MARGIN DEBT – EXTREMES!

The percentage of Bearish Advisors is dragging along historical lows at 14%. We are one of those 14% as we feel the wheels are about to come off – maybe for a mere intermediate correction, but come this Fall season, things could look somewhat worse for a more extended period. It could happen now – with these extremes of sentiment. If you hold a straight-edge up against the declining RED tops, you would see that Bearish Advisors could pop up to about 34% without even changing the intermediate declining trend! Even now, the extreme levels shown in these and page one chart should make one a touch queasy if sitting with large equity positions, despite the fact the DJIA futures have been up 300 points since this morning!

Margin Debt keeps spiking higher, and since we know that the public has gone home, it is most likely hedge funds and other institutional players. Some are banks with trading machines. The amazing fact about Total Overall Debt is that levels have surpassed those of 2008. Economists were concerned back then that debt was being paid back and subsequently lowering Money Supply as the reverse effect of fractional reserve banking. Successive QE's have so expanded Dollars, making each one worth less and less, that this hidden tax on the people by government has made us all (the 99%) poorer.

Just look at that change in Cash at Funds [blue line in the second chart] moving powerfully inverse to Margin Debt. There has been more and more competitive pressure to perform better than the next in ones comparative group. In a one-way market, that has encouraged an increasing amount of leverage. Even in the dangerous derivatives markets, leverage has returned to extremes that has us all walking tightropes again. Maybe that's why government/FED is trying desperately to keep the balls in the air. When the music stops this next time, there's going to be Hell to pay!

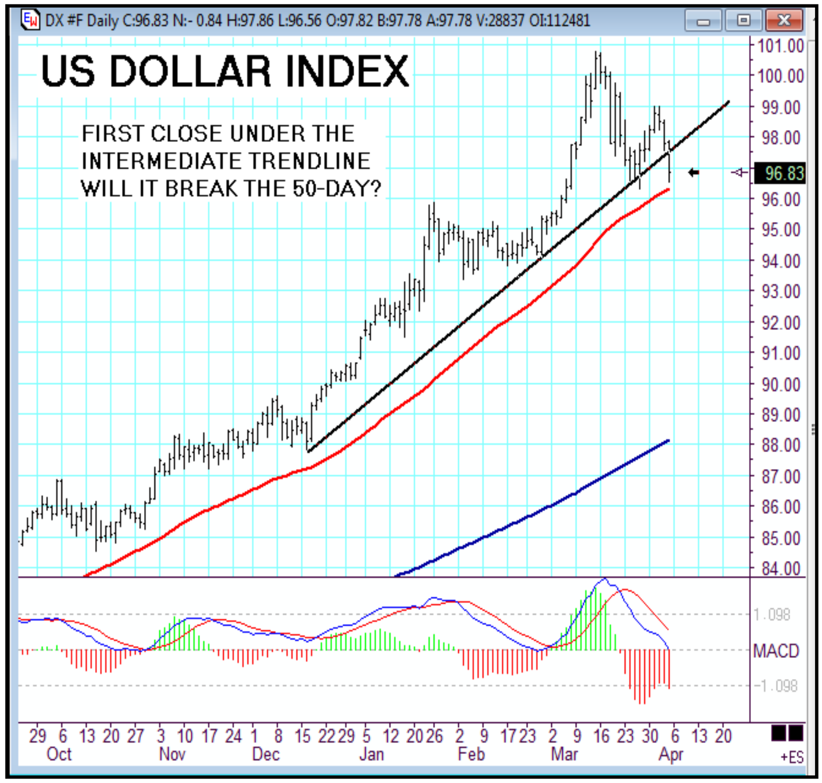
Another sign of this kind of thinking is that the FED is targeting a 2% inflation rate. As we remember, a 3% inflation rate caused the Nixon administration to attempt price controls on large segments of the economy. And NOW it's considered a good thing, no, even a necessary thing!

US STOCKS : We have another QUARTERLY scale extension top on the S&P 500 (SPY), as well as pre-existing tops on Dow Transports, and the Russell 2000 Growth Index. This indicates a major "generational" top, and as we've seen, very hard to predict exactly. There is a very large divergent top in place now. The higher highs were achieved on declining volume, while the intervening lows were achieved on increasing volume. This bodes very poorly for stocks in 2015. Our version 4 of Price Wizard, which is now available on Bloomberg, showed that the Russell 1000 Index stocks were overvalued by a median of 14.4% as of Mar 31. This alone is enough to warrant extreme caution. Our long-term forecast is flat to down through early-2018. - S Kris Kaufman - *PARALAX WEEKLY REPORT*

Charts on page three are from Alan M. Newman's ***Stock Market CROSSCURRENTS.*** March 30, 2015 **– [An excellent read!]**

The **US DOLLAR INDEX** has been on a tear from a low last May under 79 to a recent high at 100.79. That's over 25% measured against our largest trading partners. That is really extreme for any currency, but for the world's reserve currency, it is disastrous from a value standpoint, while being favorable to their exporting (mostly manufacturing) bases. Meanwhile there has been a huge hit to traders on the wrong side of these developments.

We now observe the effect of Friday's actions, perhaps motivated by our employment data released early on the U.S. holiday, leading to a first close under a steep intermediate trendline. Will the downtrend continue a bit further and break the 50-Day MA now at about last weeks low? It certainly deserves a rest after the potential blowoff top just at the "Ides of March!" Or will TPTB step in and save the day as they have repeatedly in equity markets?



The **Dollar** is so extended right now that if other supports give way, it could fall a long way on a "normal" corrective phase. We'll have to wait and see what the Blood Moon brings! It should be a very interesting week from all indications, as tensions are rising over several different developing predicaments worldwide! There is always the possibility that it could make one more spike sharply higher into an explosive top. Seems to us that it is already explosive enough and into a solid round of geopolitical chaos and astronomic extremes. Only the station of Pluto on April 16 could trigger a heavier tumult!

U.S. rates flip-flopping causes consternation in Real Estate markets among other things. The **$TNX 10-Year Bond Rate** made its low January 30 at about 1.65%, then the high for this year on March 6 at 2.26% and back down below 1.85% early this morning before rallying back above 1.90% today! This must be unsettling for anyone trying to run a conservative/safe business! Particularly, small businesses cannot make solid decisions in this wild and wooly atmosphere.

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

MAR 3 = Jupiter trines Uranus = Truly positive markets – somewhat inflationary = Better Economic News. March 2=MARKET TOP-So Far!
MAR 25 = Mercury contra-parallel Uranus = Discombobulating events 8 minutes before NYSE Close! = Expect the unexpected! Unusual News
Largest down day of the last 3 weeks (March 11-April 2)! DJI -292.60
MAR 29-30 = Grains Up; Metals Down into a Low and probably a Buy point! at least for short term. Gold down -40 from 26th to 31st; Up 30 since!
APR 4 = LUNAR ECLIPSE on Saturday = Look for lower markets by Thursday, April 9! This BLOOD MOON is Extremely Violent! Earthquakes.
APR 7 = Pluto attacks Mercury and Venus, Mars attacks Juno = Likely a Down Day for stock markets. More attacks on "Family Values"
APR 8 = Jupiter Direct Station = Better times coming, at least down the road!
APR 16 = Pluto Retrograde Station = These Station Dates can be very Intense, especially the Pluto one = Power struggles; Force of Will. IRS?
APR 17 = Mars squares Jupiter = Negative economic news – Maybe some bad earnings reports.
APR 10-20 = Mid-April contains several of the most violent events in U.S. history and this year is on high energetic release.
APR 21-22 = Mercury-Mars-Pluto combo = An over-zealous orator. Suffering heavy attacks or assaults from others.
APR 25 = Sun square Ceres = Grains likely higher.
APR 27-30 = The next Uranus square Pluto in RA will be April 29, which was a Lunar Eclipse last year = Look for a sharp down period!
MAY 4 = Monday. Night before, Saturn 135 to Uranus and several small negatives on the trading day.
MAY 5-8 = Sky is much quieter and possibly more amenable to a rising period.
MAY 11-12 = Mars makes tight aspect to Pluto bring more brutality/violence into the picture = More likely to affect Interest Rate swings.

ATTENTION: The CP newsletters are usually Emailed 1st Monday. Next CP will be Monday, May 4

CRAWFORD PERSPECTIVES 6890 E. Sunrise Drive, Suite #70, Tucson, AZ 85750-0738 Tel. (520) 577-1158