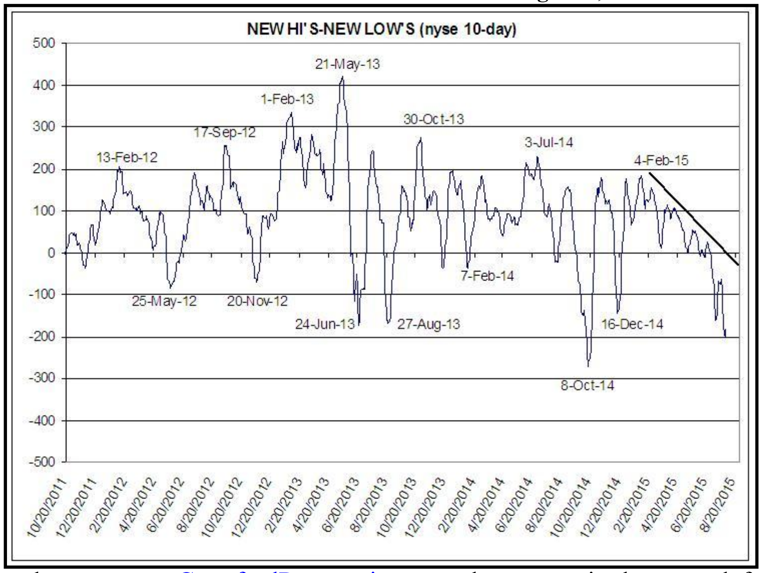
CRAWFORD Perspectives

August 3, 2015 Vol. 15/8

TROOPS Are Backing Away From GENERALS!



"July is a difficult time for planetary dynamics, one of the worst we have seen for a while." Although the major market averages only dipped slightly, you can see from the chart (at right) that breadth deterioration has been dramatic. This has indicated the worst underpinning of any time in the last few years. There were sharp spikes in 2013 and last October, but recent negative action has been relentlessly destructive as a handful of issues account for essentially all of the "holding action" relating to price levels.

Normally there is a lead-time from these statistics to a severe market reaction of about 4-9 months. The recent high was now six months ago. However, the Advance-Decline Line has not shown this level of weakness yet, and short-term technicals have become a bit more than usually oversold. That might be pointing to an immediate relief rally, but obvious attempts have not proven fruitful of late!

We ran some studies years ago and found that two thirds of the biggest down days occur in one third of the calendar year centered on the Fall Equinox (September 22-23). That would be July 22 to November 23. So we are now in the period of greatest danger, with the super-dangerous September-October frame looming before us. We say so more than usual as the Eclipses are in September this year and also that the Solar Eclipse was exactly on the Spring Equinox last March, possibly marking a year of greater than normal volatility, as W.D. Gann once wrote!

Many analysts and other weirdoes are expecting some extraordinary events in the September period, from natural disasters to economic and political crises. We have a list of dates and happenings that may point up unusual circumstances developing, on our website. Please go see them at www.CrawfordPerspectives.com homepage in the upper left portion. We also archive articles of interest & months of CP issues.

If you want to know what our reported negative aspects in the sky did correlate with, take a look at the Chinese stock markets with their worst monthly performance in six years, or the worldwide commodity markets back down to price levels of 2002 (see page 3 story & charts).

On August 2-5 another challenging multiple planet alignment throws monkey wrenches into every available mechanism as Venus and Jupiter annoy Pluto and the stationing Saturn. Mercury comes along and does the same thing on the 6th.

August 11-13 is the next rough looking period into the Saturn/Pluto semi-square and beginning with Jupiter (favorable) leaving Leo (speculation) and removing a steady support over the past year. The New Moon on Friday (14th) can be a turning point +/-2,3 days.

Wednesday looks good as Venus trines Uranus, but Friday the 21st (option expiration) appears **absolutely horrid!** You know, we rarely EVER mention options in this newsletter. Most people should stay away from them simply because they move fast and often in unexpected directions. If you feel up to a pure gamble, buy a small amount of Index Puts around 12:45pmEDT on the 19th (Wednesday) [NOT with your lunch money, please] and sell them Friday afternoon, it MAY work to your advantage – and it may not! If it doesn't work, don't put it on the Internet that we told you to.

Last month we were writing and Greek news had the effect of dropping the DJIA futures over –200 points, S&P's were off about 45 points. These drops broke down through any meaningful near term supports. Yet the market opened off much less and continued higher all day Monday, July 6, still closing down –46.53.

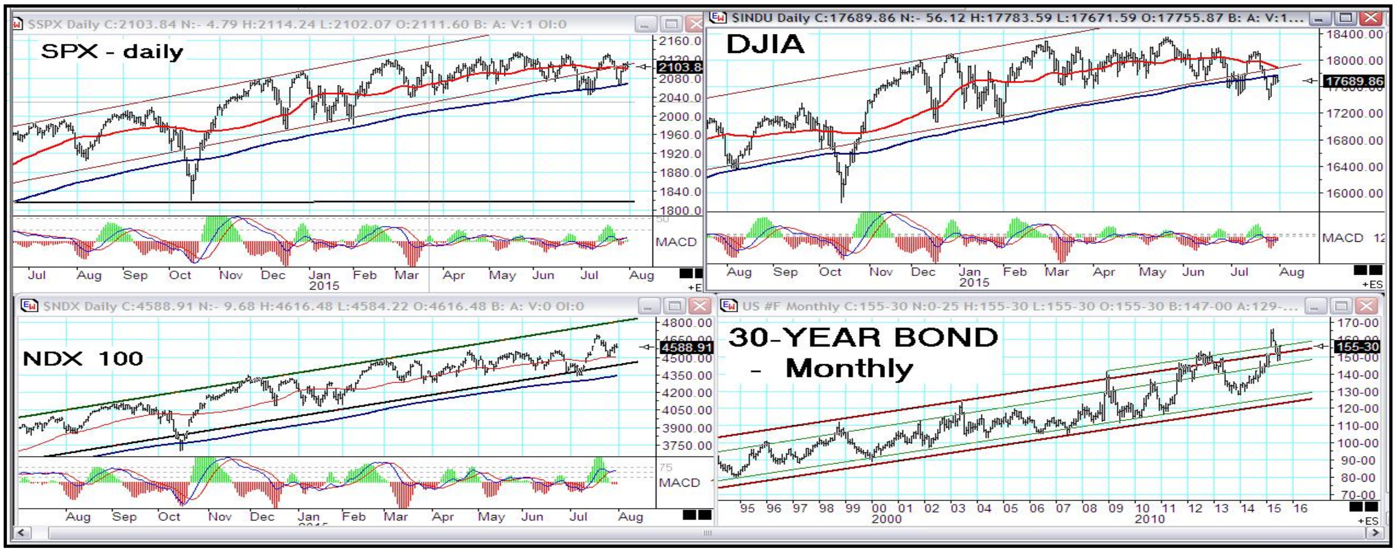
Well, here we go again?! Grecian markets reopened this morning after five weeks and promptly collapsed 23%. At least it took all day to take our U.S. market down the same on October 19, 1987 – our worst one day decline ever!

VITAL SIGNS

Shorted DJIA 17,533.15 on Close Dec 10
5% STOP at 18,409.81 Close only
Increased to 200% Short July 6 ASAP after.
Mon. close=17,683.58 5% Stop at 18,567.76

Shorted S&P500 2026.14 on Close Dec 10
Increase to 6% Stop at 2147.71 Close only
ReShorted 200% on Close at 2057.64 June 29
Add 5% STOP at 2160.52 for this portion.

ALL OUR STOPS ARE CLOSE ONLY!



DJIA BROKE EVERYTHING, BACK UP TO 200-DAY MA(blue); SPX HELD ABOVE ITS 200-Day MA
NDX STRONGEST, HELD ABOVE ITS 50-Day MA(red)

Although our SPX and NDX Indices held at one of their 3 supporting lines, overall momentum has been waning across the board. The NDX belonging to the NASDAQ family was also slowing its forward motion but received a boost up near its upper trend channel around mid-July, in which the others did not participate as fully. The SPX broke its long term trendline but held its 200-Day MA after a brief penetration. The DJIA, clearly the weakest, plunged on down through everything and has bounced back only to its 200-Day MA, which now acts as resistance to further appreciation.

Looking at the New 52-week Highs and Lows on the NYSE, we find that the lows at the December reaction have been superceded but not yet those of October. The October numbers were worse than any back to August of 2011. You can see on the chart on page one that the current oversold readings are approaching those of October, which is quite surprising in that there has been so little price retrenchment.

A more serious contemplation of market statistics reveals that a small number of high capitalization stocks are gaining much ground in what could be described as a hyperbolic blow-off, while the greater mass is milling about. In fact, the July earnings reports have resulted in a greater number of stocks responding with larger percentage moves in BOTH directions, balancing each other out to such a degree that major averages are remaining uncharacteristically stable. We have long maintained that stock action singly and in aggregates have been tightly controlled to cover up massive bankruptcies engendered during our recent economic unpleasantness, by allowing widespread fraudulent bookkeeping tactics in the evaluation of assets.

We wrote last month: “Chart #4 above is the 30-Year Bond (price) and it appears to have made a huge upside acceleration breakout and then failed to follow through, breaking back down into the old trend channel. It looks as if a significant reversal of trend has occurred. So far, the TNX or 10-Year RATE is indeed showing the inverse of this pattern. The TNX has just exhibited a “Golden Cross” with the 50-Day MA crossing upside through the 200-Day MA [not shown]. That being the case in the Interest Rate, the Bond Price has the inverse pattern or “Death Cross”. Consequently, we expect a further rise in rates and fall in bond prices.” Since then the rates have pulled back and Bonds risen somewhat. The TNX has been exceedingly ‘choppy’ over the previous six weeks or so, bouncing between 2.50 and 2.20, where it stands now. There are 3 support lines at 2.10-2.14, a rising trendline, a previous low and the 200-Day MA. So at this juncture, we still expect a rate rise and with Bonds lower – unless the 2.10 support cracks – in which case, bets are off! (This chart of TNX is available on our website at

“What we have here is a global funk. It’s a hangover from the financial crisis and Great Recession, not gloom so much as worry and restraint. Because the economic damage – lost jobs, lower profits, foreclosed mortgages, depressed trade – exceeded anything since the Great Depression, people now prepare for the unknown more than before. In practice, they save more and spend less.

The shifting psychology confounds economic models, based (as most are) on earlier business cycles. Instead of a vigorous recovery, we get the opposite. Weaker consumer spending undermines business investment because companies can satisfy demand without expanding. Weaker investment then further retards the expansion.”

Robert J. Samuelson - July 30, 2015

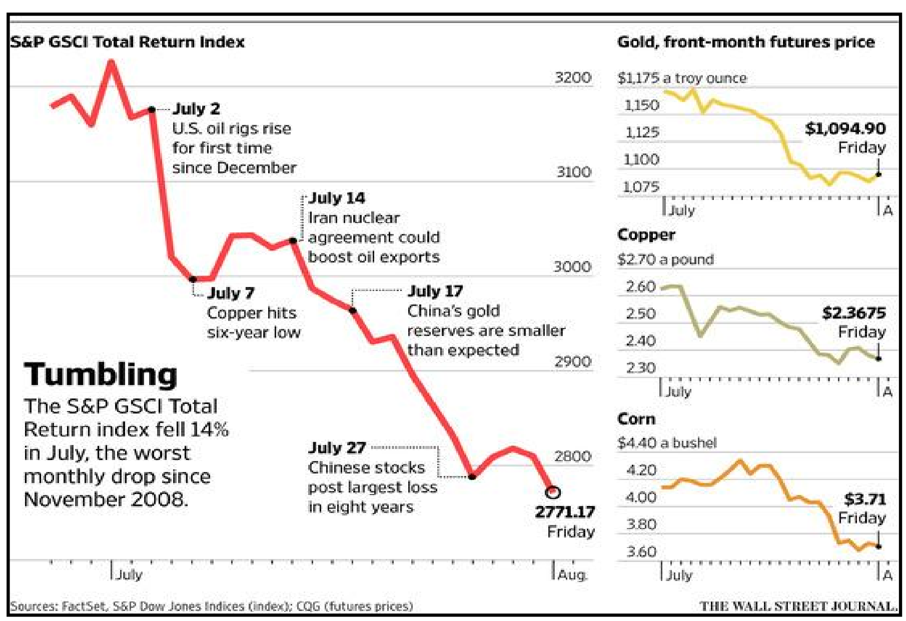
GOLD BROKE LONG TERM SUPPORT LINES – TO NEW 5-YEAR LOWS!

We have remained neutral to negative on **GOLD** for quite some time in this newsletter. We have mentioned some very short term lows and highs expected from the Astronomic Activity perspectives, but have mentioned the Intermediate Negatives every month – especially the fact that NO Intermediate High has been superceded by a higher high all the way down from the September 6, 2011 top! During that four-year period, we attempted 2 or 3 Long trades, which were quickly stopped out. We have Always said that one should keep an insurance position in Gold, preferably physical Gold – at least enough to “Bribe the Border Guards” if you need to escape some sort of persecution! This no longer sounds as silly to Americans as it used to– as the bulk of us has largely been safe all our lives. Now, not so much!

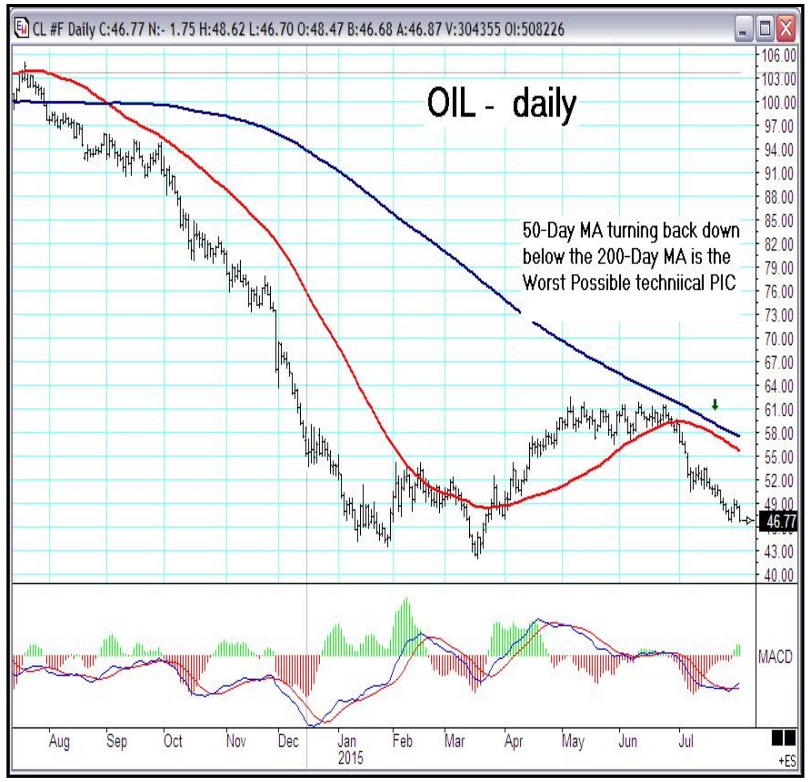
This breakdown represents a further warning that all may not be well, yet! The only new element in the picture is that the Short Interest in commodity contracts and Gold Stocks are both soaring to new heights. This could suggest that the next low might be a good one, or at least may give us a better “Relief Rally” than we’ve yet encountered. We continue to believe that one day we shall awaken and the true value will have been manifested overnight, projecting Gold into multi-thousands of U.S. Dollars. On that day, we will likely have enough on our plate to keep us busy with other unexpected complications! Such as acquiring food and water from sources that cannot afford the ‘change’ from even a small gold coin. Having some physical Silver might be a handy addition about then?

NOT ONLY the PRECIOUS ONES, but ALL METALS & MOST COMMODITIES ALSO BLASTED!

The **GSCI**, formerly Goldman Sachs Commodity Index, now of Dow Jones Co. (News Corp), McGraw Hill and CME Group, is the first major broad investable commodity index. Chart at right (thanks to WSJ) shows the action through July’s 14% drop, the worst monthly decline since November 2008. The smaller charts are of Gold, Copper and Corn that basically emphasize the depth and breadth of the commodity rout to the lowest level since 2002. Only one of 24 components was up in July. The Baltic Dry Index crashed; Greece crashed; Brazil crashed; Oil crashed; Russia and Venezuela crashed; the Euro crashed; the Metals crashed; the Basic commodities crashed, Puerto Rican debt crashed; China too. OK– Who’s next?



OIL recovered from its deepest loss from 43 to 61 and then consolidated sideways for 2 months over close to its declining 200-Day MA (dark blue line). Meanwhile the 50-Day MA (red line) rose up under the price activity until prices broke under it at the end of June. The break was so sharp that it turned the 50-Day MA back down before it could form a positive cross to the 200-Day line. This constitutes a "failure" and is a devastatingly negative configuration! It stronly suggests that the previous support at 42-43 will NOT hold. That is truly disturbing as it seems the horrible commodity decline is not yet finished?! As we wrote last month: "Below 42, the post-Katrina low at 33 beckons."



The **US DOLLAR INDEX** has made a good recovery from double bottoms just above 93 in May and June to a July high above the rally highs of May, but still well below the March highs a bit below 101. Keeping just ahead of its 50-Day Moving Average, it has not reached 'escape velocity' such that action is neither strong nor decisive. Only the MACD is sensitive enough to have rendered a Sell signal and that not reliably so considering other minor positives. Some other currencies could have difficulties enough to push the Dollar through to another new high, but a conspiracy of nations is openly discussing a dollar-replacing basket of other major currencies, or simply IMF "drawing rights" (which itself is already such a basket).

We are planning to make available charts mentioned but not included here on our website in a day or so without passwords.

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

AUG 3-4 = Saturn station and Pluto attack Venus and Jupiter = Austerity attempts to control profligacy. Conservatives win one? Next CP letter.
AUG 6 = Six planetary aspect combinations increase intensity and striving = Things ease up on Friday the 7th as Mercury enters Virgo & conj Jupiter
AUG 10 = Rumors of WAR! Terrorist acts, bombings, disagreements on Monday evening particularly.
AUG 11 = Jupiter enters Virgo, leaving the market-friendly Leo where it's been for a year. A strong planetary support leaving the building!
AUG 12 = Mercury opposes and contra-parallel Neptune in the evening – An extremely tight aspect = Fantasy, lack of clarity, self-deception, chemical abuse, psychism
AUG 13 = Markets strong early (Sun trine Uranus), weak late (Saturn semi-square Pluto). That Saturn/Pluto thing may be an intermediate term negative (weeks +/-)!
AUG 14 = New Moon at 21 Leo = Sabian Symbol = "Intoxicated Chickens Dizzily Trying to Fly" - Could be a weak rally that fades?!
AUG 15-16 = Less stressful weekend. Socially pleasant. Relax and enjoy!
AUG 19 = Venus trines Uranus = Another socially upbeat and possibly exciting. Would expect an UP market, at least into noon or so.
AUG 21 = Buy the Put options expiring today for a "quickie" especially if you buy them Wednesday at 12:45pmEDT. Only 'throwaway' cash please
AUG 22-23 = AN irritable Saturday mellows out on Sunday.
AUG 24-27 = This should be a good week for markets until a terrible Friday (28th) which lasts through the weekend into Tuesday morning Sep 1.
SEP 2 = "Edgy restlessness" according to Dell. Especially in the evening. = Jupiter sesqui-quadrate (135) to Uranus.
SEP 5-7 = Labor Day weekend = Last chance for Summer experiences. Then back to work/school/trading.
SEP 8 = First day back is energetic, pleasing. Probably a good market!
SEP 9 = Everything turns back to crud today, as Mercury squares Pluto! Markets back down!
SEP 13 = Sunday is the 29th day of Elul = Schemitah Day – End of Hebrew year and a SOLAR ECLIPSE! Some expect bad economic news Monday

Please visit our website for a partial calendar of events for this crucial and critical period – September – into October!

<u>ATTENTION: The CP newsletters are usually emailed on 1st Monday of months. Next CP will be Monday August 31</u>

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