

CRAWFORD *Perspectives*

2015 WORST MARKET YEAR SINCE 2008!

January 4, 2016 Vol. 16/01

Not that it is all that bad; it's merely the first Down year! However it was a year for anomalous volatility events (some of which were catalogued here last month). Those events were more important than generally recognized as there will yet be many displacements and bankruptcies set off by them, as the legal details begin to surface.

On the other hand, as the economists are wont to lament, 15 of 18 major stock markets were **Down** this year, as most were also in 2014. Remember that the astronomic cycles are coincident with the entire earth, not just the U.S. markets with which we are mainly concerned. Although we can claim to have been correct on Most World Markets for both years, our readers and raters (Hulbert Digest and Timer Digest) are ranking us on Wilshire 5000 and S&P500 respectively, and our subscribers on how much we helped them increase their fortunes. Those results have been less than stellar (pun intended) of late.

So, enough mewling already. The really powerful info was introduced last month: "The Mars-Uranus Crash Cycle begins with the opposition of Mars to Uranus December 10 and concludes... near the end of December 2016... ALL U.S. market crashes within the last 100 years have been in the same 40% of this cycle!" Although crashes are rare, the best bet for such an event is the usual August-October time frame, punctuated this year with Eclipses on September 1st and 16th.

Mercury will be in retrograde motion from January 5-25. Don't sign legal papers or buy expensive equipment. If you must trade, watch out for sudden whipsaws on unusual news items. Also may be a dangerous period for a larger market decline. Please stay alert, be really careful.

We wrote last month: "So we may look for a



December low around the traditional tax selling exhaustion on Tuesday the 15th +/-3 days." The S&P low was December 14 and the DJIA on the quadruple witch expiration on the 18th, bracketing the average date.

This month, there may be a further rally into the second week of the month with a high sometime from the 8th to the 15th. We seem to have passed most of the combinations that involve multiple planets already – does that mean that nothing much will happen in January or February? It might, but there are other factors.

One factor is that planets transiting the positions of New or Full Moons, Eclipses, or of the arms of squares and oppositions in large combinations that have passed or are yet to form in the future. The other of the most important ones is that charts of individual leaders or of governments or organizations are being attacked or supported by transiting planets which may touch off critical areas in their birth or formation charts.

These make things complicated. And it requires work to figure these things out. Nobody said this life would be easy. The highest works we know of say it will be worthwhile!

United States markets came out pretty well in comparison to all others. Our NASDAQ up 5.7% was bested only by Japan +7.8%. Against that Brazil -43.5%; So Africa -27.9%; Canada -25.5%; Mexico -16.1%; Taiwan -15.5%; China (big caps) -15.2%. All other countries in the IBD sample were negative with only Russia +0.1%.

We re-shortened the S&P500 half that had been stopped on December 8 close at 2060.00 and placed a 3% STOP at 2121.80.

Weak economic numbers out of China last night resulted in 7% drop for the Shanghai Index and a halt in trading. Iran and Saudi Arabia trading barbs over Saudi execution of Shi'ite cleric. Closing embassies. It's getting Dicey out there friends. DJIA overnight futures down over -200 around 2:30amEST. We've experienced major stuff on our publication date several times in the last 12 months. Whatever your religion, pray for calmness and reasonableness in all relations!

VITAL SIGNS

**Shorted DJIA 17,533.15 on Close Dec 10 '14
3% STOP at 18,059.14 Close only
Increased to 200% Short July 6 ASAP.
Mon. close=17,683.58; 3% Stop at 18,214.09**

**Re-Short close Dec 8, was 2060,
Add 3% Stop this half = 2121.80
ReShorted 200% on Close at 2057.64 June 29
Changed to 3% STOP at 2129.57 for this set.**

ALL OUR STOPS ARE CLOSE ONLY!



DECISIONS, DECISIONS!

It has been a frustrating year for both the Bulls and the Bears. Across-the-board Death Crosses, followed by reversals in the **NDX** and the **USD Index**. **SPX** and **DJIA** remain in limbo with averages intermingled without finalization. **NY Composite** and **Dow Transports** had earlier Negative Crosses with little or no threat of reversal! The **Wilshire 5000** has not reversed yet, either. This debilitating split leaves five of the seven Negative or Doubtful. This is not encouraging for the Bulls, especially since the broader indices bear the brunt of the negativity.

Nevertheless, the markets have not decided what to do next, or have not decided to reveal it yet. Donald Bradley's booklet has a depiction of the effects of Venus/Uranus aspects on the stock market, often pointing to a potential orgasmic top. Venus will trine (120 degree) Uranus on Tuesday, January 12. We have noticed that conjunctions of Mercury with the Sun have also been associated with tops. This one comes up on Thursday, January 14. That may be an interesting time to watch.

There is the technical possibility that some Major Indices are forming the "Right Shoulder" of a "Head and Shoulder" pattern, one of the more regular indications of 'Selling' beginning to overcome 'Buying.' It is somewhat more common in recent years that a final rally, even sometimes to new highs occurs, perhaps in order to confuse the chartist community (which has become legion in previous decades), before the outworking of the chart is allowed to present itself?!

Once more we show the 30-Year Bond chart as a weekly. It emphasizes that the previous year's data is forming an equilateral triangle. The weakening picture is indicated by the break down through the 50-Week MA (red) and by the MACD momentum Sell signal seven weeks ago. Next support should come in at the rising lower triangle line up from early 2014 now about 149-150 area and then the 200-Week MA at 143-144. If the Bond market is healthy, we should see bounces take place from these levels and price will stabilize above one or the other. Right now the short term appears to need a bit more consolidation lower. Upside break at around 157. Old high at 166-02.

"Bear Breadth? – Many pundits optimistically look for a 10% market rise in 2016. This column has said a flat to 5% rise is potentially in store. Not everyone is as sanguine. Lowry Research, which specializes in analyzing the technical trading of the stock market is downright bearish. Ongoing deterioration in several technical measures, such as breadth, among others, are 'signs of a major market top... a bear market or 20% drop,' says Lowry analyst Tracy Knudsen. With the S&P 500 index just 4% below its all-time high of 2131 set May 21, readers might accuse us of hyperventilating. Where's the recession? Most bear markets have been caused by recessions, and few see an economic contraction this year. - - - Vito Racanelli in today's BARRON's

[Over decades, the Stock Market has tended to peak 4-9 months prior to the recognition of a recession. You can predict recessions by the market, but you cannot predict markets from economic data. On the rare occasions where no recession manifests after a market drop, there are other things going on, as the 1962 Crash was Wall Street's punishment of John F. Kennedy for forcing steel companies to roll back a price increase!- A.C.]



IS OIL NEAR AN IMPORTANT BOTTOM? – DON'T BET ON IT!

1. OIL has collapsed along with other asset classes during the last several weeks, breaking the March lows and testing the 90-92 lows of late last year. The 200-Day MA and the coincident trendline look like they are pretty well busted, leaving the 90 level as the next important support. The decline appears to be accelerating after breaking below the 200-Day MA. If the 90 support fails to hold, Oil may test the 83-84 level and then very strong support at 75. -8/25/14
2. OIL along with the majority of commodities, has joined the rush to the downside. This monthly chart best indicates the long term picture with some clarity. We like those clean lines and clear breaks. Makes for trusty technical. The best and strongest support in the past has been the 200-Month MA now around the 60 level. It seems that the world is awash in OIL since U.S. fracking is pumping so much and world demand is declining. 11/3/2014
3. Some analysts are speculating that OPEC and Saudi Arabia in particular refused to cut production at their recent meeting to help drive out competition (Russia, Brazil and Venezuela). So, maybe they are. But it is also clear that deflationary forces are taking over in China and Europe... Further support lies at the 200-month MA now about 60. Very much longer trendline off 1999 and 2002 is now about 47 and last hope of importance is around 33! 12/8/2014
4. **OIL FUTURES HAVE SUFFERED THE 2ND WORST DECLINE IN RECENT DECADES!** That top in 2008 was the day hurricane Katrina made landfall in the area of our major oil refineries! In very recent years, Neptune has entered the sign of Pisces which modern astrologers says it “rules.” It may be that this planet in its own sign has brought the world this abundance of Oil! Anyway, that’s what some of them say. It will be in Pisces for a very long time between 1 and 2 decades. So maybe oil has had it for now? On a more ‘down to earth’ topic, the technical conditions of the oil price have been very helpful in projecting these lower regions. It remains a negative picture for now, but could bounce temporarily from that trendline, yet may still approach the 33 level without too much ado. So far though, this trendline has arrested the onslaught for a longer period than any other on the way down. Our advice now would be to take at least half of the tremendous profits off the table and leave a quarter to a third or so to see if it breaks much further. February 2, 2015
5. OIL has remained on our negative balance sheet as below the 200-Day MA and most-times below the 50-Day. It has now closed below everything but the August low at 37.75. The action must be considered critical and immediate and only needs to break that final low to prove the near certainty of our case for \$32-\$34. December 7, 2015
6. We notice that December 21, the Winter Solstice, OIL broke to our projected \$32-\$34 by dipping to 33.98. We seriously doubt that the final low has been reached, though another try at a decent bounce is certainly not out of the question. The agreement with Iran will allow them to sell OIL on Western markets as of next month, and that may put a limit on any bounce potential. If they feel they have a long way to go to catch up, they could flood the market all over again! Some other commodities continue sinking & none have maturing bottom patterns as of yet. Let us watch! News tonight (Sunday) about Iran being miffed about the execution of Shi’ite cleric by Saudi Arabia. Iranians torched the Saudi embassy in Tehran and Saudi’s told Iranian embassy officials to “Go home.” Oil +3% in Asian markets. Anything can happen if these two go at each other. Our Astronomic section: “More news of war/betrayal Sun/Mon”

GOLD has stabilized in the 1040-1090 area and narrowing into a triangle pattern. The energy of motion remains with the downside but this last downleg failed to reach the bottom of the channel, stopping instead at the dotted line on the chart (at right), a minor positive.

Downward pressure is building from the proximity of the 50-Day Moving Average (red) and also from the steepening angle of descent, which conspire to make a test of 'staying power' for the **GOLD** price imminent. No decision yet but the MACD lines stalled at the Zero level does not inspire confidence.

For the positive case, it is necessary to register a close above 1080 most recent high and also the 50-Day MA line, then above 1140 above the upper channel line and 200-Day MA and then above the last intermediate high at 1191.79.

That's asking much and maybe too much at this juncture. A close below 1045.40 will most likely accelerate the downside for another leg.

As the **DOLLAR INDEX** has been range-bound between 92 and 101, a close above or below that range will likely determine the new direction. The momentum here (not shown) looks to be on the positive side.

The **TNX** or 10-Year Bond Rate also range bound between 2.13 and 2.38 for the last two months must also close out of that range for any new signal. Current futures rates show probability of proposed 4 rate hikes in 2016 at a lowly 16%. The professional traders don't believe the FED's projections, and neither do we!



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

DEC 1 = Mercury trines Uranus = Buy/Install/Fix Computers and electrical equipment generally. Possibly a temporary market high.

December 1 was the highest close during December and since the mid-July TOP in NASDAQ!

DEC 10 = Mars opposite Uranus – Begins the Mars-Uranus Crash Cycle for the next 12.5 months. A market crash may take place during that time.

EVERY mkt Crash in past 100 yrs has occurred during this 40% of Mars/Uranus Cycle. Dec 11 -309.54 largest drop since Sep 28

DEC 13 = French Vote – Right Wing will win at least 2 regions. **They Didn't-**

DEC 18 = Option Expiry – Often a market High +/-3 trading days. **The high close was Dec 16, Dec 17 & 18 DJIA was -620.54 closing on Low!**

DEC 31 = Should be a good year-end rally culminating here or by Fri Jan 8 latest.

JAN 3 = Moon/Mars conjunction at 0-1 deg Scorpio = More news of war, betrayal on Sunday/Monday.

JAN 4 = First trading day Friday, only one minor Moon aspect all trading day. No surprise nobody much will be around.

JAN 5 = Mars squares stationing Mercury = War news – not so surprising these days! Angry reactions. Stress!

JAN 7 = Jupiter enters Retro motion = Another layer of protection will be removed. Sun square Uranus = Edgy, unusual, unexpected.

JAN 9-11 = New Moon late Saturday. Temporary low in Gold Fri-Mon? Tuesday 12th Moon Void, quiet, low volume – drifting?

JAN 15 = Earliest possible Option Expiry – Don't let it creep up on you unawares!

JAN 20-22 = A down week in the stock market. JAN 23 = Full Moon Saturday evening at 3.5 deg of Leo

JAN 24-25 = Fall of a leader or government! Mercury goes back to forward motion after markets close Monday.

FEB 9 = Mercury/Saturn/Pluto parallel at 20 degrees South declination = Quarrelsome nature, Nervous irritation, heavy and bitter attacks.

FEB 13 = Venus/Saturn/Pluto parallel = A Tragic Love = Last time we put that Here – Princess Diana died with her lover on that date.

FEB 19 = Uranus/Pluto=Sun = Urge for independence & freedom, strong emotional tensions, nerves, a breakdown, a catastrophe.

ATTENTION: The CP newsletters are usually emailed on 1st Monday of months. Next CP will be available on Monday February 8

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