

## 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.

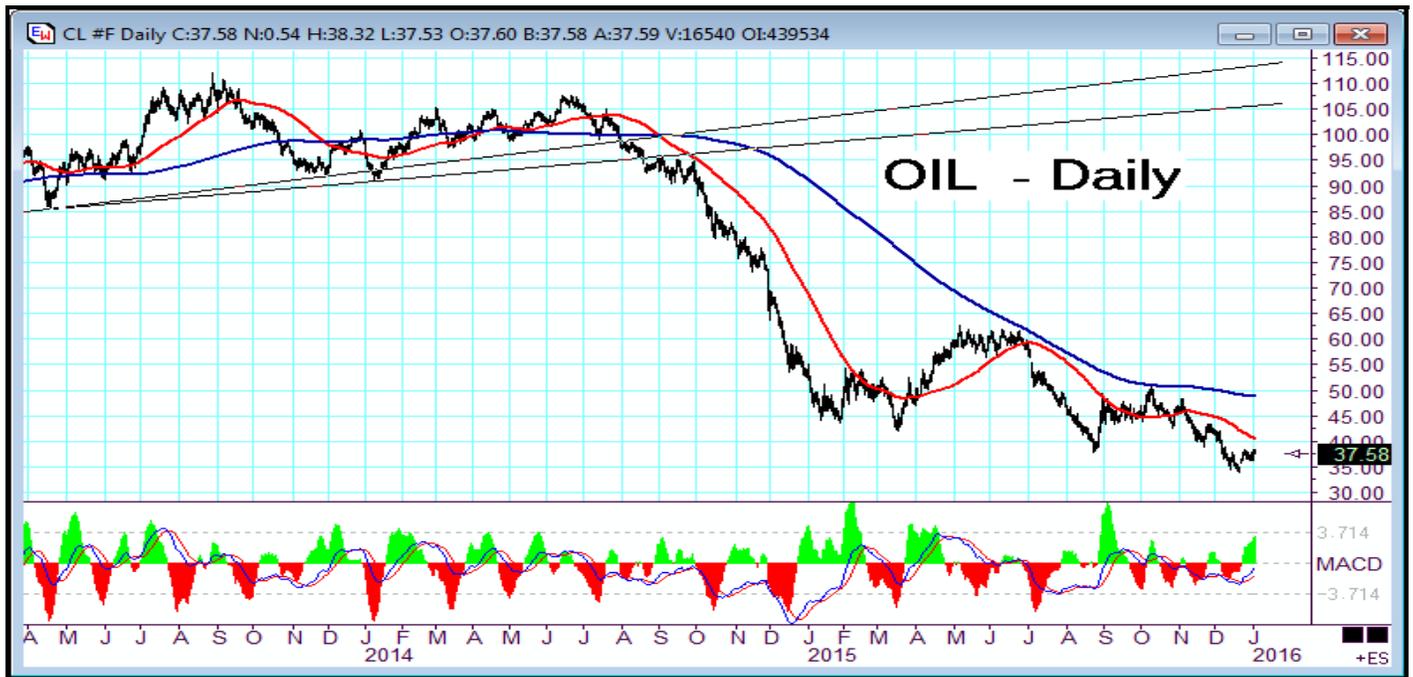
Nevertheless, the markets have not decided what to do next, or have not decided to reveal it yet. Donald Bradley's booklet has a depiction of the effects of Venus/Uranus aspects on the stock market, often pointing to a potential orgasmic top. Venus will trine (120 degree) Uranus on Tuesday, January 12. 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 2<sup>ND</sup> 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 12<sup>th</sup> 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 1<sup>st</sup> Monday of months. Next CP will be available on Monday February 8**

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