

CRAWFORD Perspectives

We'll Know More After Tomorrow's Vote Count!

November 3, 2014 Vol. 14/11

Last week there were NO planet to planet aspects from before the Market Open on Tuesday to after Market Close on Friday. This unusual occurrence means that the entire +572.58 rise (closing basis) was without planetary support! It may simply be that markets were so oversold technically that they were sitting on a coiled spring and needed no new impulse to create the rally. Springing forward, the excess was likely due to the news that Japan would take up the QE slack from our Federal Reserve & Fiscal year-end for many.

We have mentioned the inverse relationship to normal volume patterns more than once. Here, the first three days off the October 15 low were on successively lower volume. This is totally antithetical to a continuation of market strength. Volume improved somewhat on the fourth day, but remained below nine of the previous ten days.

Friday volume ramped up +17% above the previous four-day average to 4.198B, yet remained below the top 10 volume days this year. Volume coming in this late in the move indicates increasing resistance to further advance. Price levels could be forming a 'Megaphone' or 'Broadening Pattern' (see DJI chart Pg2) whereby we have seen four price action reversals inculcating lower lows and higher highs. It has an extremely negative outcome record, although in recent years we have seen more exceptions than the historic norm.

Today Sun sextiles Pluto which is the last strong positive planetary aspect until Venus trines Pluto on November 26! The positive aspects on Saturday and today cause the secondary peak in the BRADLEY Model for this week. From here it shall plummet until the last half of December; whether the market does the same is as yet moot: <http://www.crawfordperspectives.com/documents/BRADLEYMODELAPPROACHESITS2014PEAK.pdf>



Speaking of the Bradley, which registered its yearly high on July 16-18, notice that the Global Dow Index made a Double Top averaging around mid July (chart above from StockCharts.com via Colby Global Assets report) and it has NOT made a new high since! [The secondary peak in early September looks about the same and we don't have the numerical data on it] It also experienced a significantly deeper decline than American markets, nearly 11.5%. There is heavy technical resistance just above the current price at the converging moving averages. A volume/momentum break above them could lead to further gains.

Remember that the Bradley is a Universal measure of planetary aspect power and can be applied (with varying results) to many physical, economic and social phenomena. Also please recall that the Mars-Uranus Crash Cycle does not end until January 15!

NYSE New Highs have expanded over the last five days especially, but surprisingly, so have New Lows which are back above the +40 (Sell level) the last two days. One more today would issue a short-term trading Sell Signal!

We wrote: "Most severe astro-dates are October 4, 7-9, 23-29." The 4th was a Saturday, 7-9 contained the largest closing decline, & the greatest consecutive advance was the 23rd thru 28th. The 29th was the only down day in the last 7 trading days. "severe" = "energetic"

"The Lunar Eclipse of October 8 may well trigger some excessive emotional reactions." - From last month. The day after the Lunar Eclipse was the greatest point loss since June 20, 2013, which was, by the way, the Summer Solstice -9 hours [to market close].

We were stopped out of entire DJIA position on Fridays close at 17,390.52 losing -5.434% on margined holdings. We took our 1st position Short SPX at 1935.10 on October 7. The 5% Stop at 2031.80 has not yet been activated, leaving us un-leveraged Short. Raised our position to margined 200% Short on October 13 at 1874.74 was stopped out at 1985.05 on October 28 losing -5.884% Add New Shorts closes under DJIA 16,700 & 16,550 add 5% Stop on each. Add New SPX Short Close under 1940 add 5% Stop.

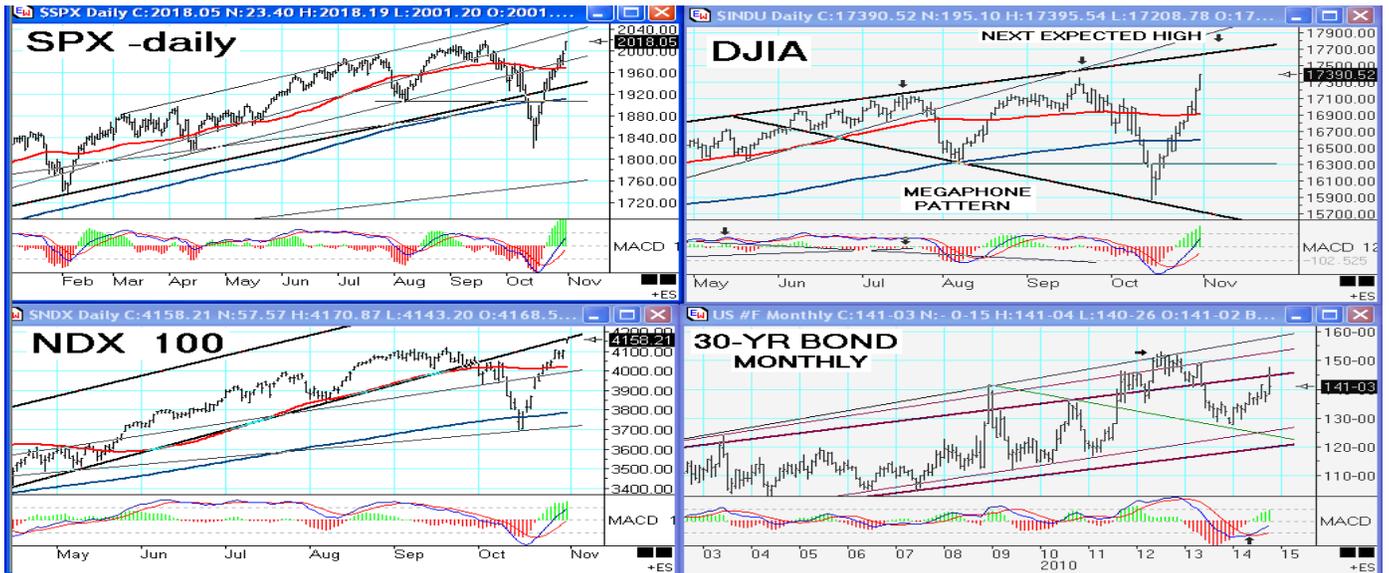
With planetary negatives, we will NOT go Long. Reevaluate Dec 8!

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
Stopped at 17,390.52 Fri CIs losing 5.434%
ReShort 100% any close below 16,700
Add 5% STOP Increase to 200% Short any
CIs below 16,550 & Add 5% Stop on new**

**SHORTED SPX on close 1935.10 on Oct 7
Added a 5% Stoploss at 2031.80 not hit yet
Raised to 200% SHORT 1874.74 on Oct 13
Added a 5% Stop at 1968.47 which Closed
Out at 1985.05 on Oct 28 losing 5.884%**

ALL OUR STOPS ARE CLOSE ONLY!



INCREASING VOLATILITY UP, INCREASING VOLATILITY DOWN, VOLATILITY UP, DOWN!

Our Major stock Indices became oversold moreso than seen in recent history. And that is quite a surprising move back up from the lows. Looking at the DJIA chart, we can see more clearly the developing **Megaphone** or **Broadening Pattern** considered a strong negative in the classics of the Technical Analysis field. They have all blasted back through their principal moving averages, even the 50-Day MA's which had all turned down, barely perceptibly on these daily charts. We even have a new confirmed **Dow Theory** continuation **BUY** signal as both the **DJIA** and the **TRANSPORTATION** groups managed to post **New High** in Price.

We cannot argue about the price level or about the price momentum regaining the positive hue. But we have significant argument with a deficiency in Volume characteristics which have failed to measure up for extended periods. Among the 10 highest NYSE volume days this year, only four were accompanied by rising prices, and Friday wasn't one of them! The very fact that six of the ten were heavy volume selling days does not speak well for the technical development over recent months. Nor does the fact that the first three price advance days off the bottom were made on declining volume. This flies in the face of decades of market action where volume has indicated **REALITY!**

The previous market high date was September 19th, one trading day prior to the Fall Equinox. The following trading day, September 22, NYSE New Lows exceeded New Highs on both a daily basis and 10-Day MA basis and remained so until October 17th when the daily numbers reversed to dominant highs. The 10-Day MA followed suit on the 29th. From October 21, New Highs made this sequence = 80, 99, 112, 83, 112, 187, 191, 215.358, a steady but unspectacular progression in the positive direction. Here is the New Lows sequence = 22, 26, 32, 25, 58, 29, 36, 71, 58.

Oddly, the New Lows have scaled higher as have the Highs, although more modestly. This is **NOT** consistent with the degree of positive momentum in the Major Averages. Greatest number of Highs daily this year has been 370 on June 6; the 10-Day high was July 1 at 243 with a secondary high at 174.7 on September 4, currently at 148.2. This is the weakest of Internal Market Indicators. A dynamic market advance would have these numbers leap-frogging to higher and higher totals, probably around 500-700 and rising, not falling. **SO please forgive us if we remain skeptical!**

"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." It is so incredibly unusual, and extremely suspicious that at the top of New High expansion, we have two days over 40 New Lows, and if that continues today (Nov. 3), it will trigger a short-term Sell Signal for the general market!?!"

"With the REPO window abused, the official QE volume is not increased, since the back door is used. This is a new method that the USFed attempts to hide its gargantuan QE volume. The realistic QE volume is like \$150 to \$200 billion per month, counting all their hidden devices... Nowhere does the USFed mention Interest Rate Swap contract monetization. They are covering much more than USTreasury Bonds and USAgency Bonds. They are almost certainly covering Collateralized Debt Obligations and bank derivatives led by the IRSwaps gone bad... US\$-based bond market is collapsing, and the Reverse REPO is abused to hide the actual QE volume. Taper Talk is pure lies, basic propaganda, easily dismissed." Jim Willie – *Hat Trick Letter*



MAJOR BREAKDOWN IN GOLD – IS IT REAL?

We have a short-term **BUY** for **GOLD**, **OIL**, and **METALS** on COMEX MARKET OPEN TODAY! This is purely Astronomic related and is a good strong signal. The short-term Sell will be November 20-21. Whatever the Opening price, place a \$10 Stoploss for whatever price you get it for. We have stayed away from recommending gold in this newsletter for most of the last two years, making maybe two quick trades with small losses.

The **GOLD** chart totally sucks! It is breaking Long-Term support of a Last-Ditch nature. It looks the same as when it broke the \$1523.90 low in April 2013 and immediately collapsed. **HOWEVER, GOLD** is one of the trickiest things to trade from the charts. Remember that some of the Smartest, Richest, Most Powerful people/companies/Nations in the world trade in the GOLD market. Sometimes they make the chart look Good, then take the price DOWN! And sometimes they make the chart look Bad, then take it UP! So far, the chart has stayed weak for a couple of years, and the prices have remained weak. Nearly ALL commodities have also been following the same weak patterns, denoting DEFLATION!

From the chart, you could Short it right here, but if it turns back up above 1175-1200 range, Double Up on the Long side! We traded **GOLD** for a living for three years in the mid-1970's, part of that time for Jim Sinclair! For myself, I made 300% per year. Then the margin moved up until it priced me out of the market. It seems to us that it is the market MOST Sensitive to Astronomic phenomena, & that's why we don't trust the chart (at least short-term), as we see aspects that would move it from a low to a high in about 2½ weeks! But keep stoploss orders in anyway!

The Major World Powers are fighting over if or when to take the Gold up or down. Their fortunes go back and forth just as with anyone else – only they are playing for big stakes. One thing is sure – that ALL fiat currencies eventually go to Zero. GOLD remains for at least our 5000 years of history. The trick is in the TIMING! No one knows exactly the Timing. As Bobbie Burns was fond of saying: “The best laid plans o’ mice an’ men ging aft agley!” In my opinion, the astronomic increase one’s probabilities. And that is the secret of success – do what you can to increase your probabilities!

“With investors making money in the stock market and Wall Street's firm control on politicians, my repeated call for the abolishment of the Federal Reserve will fall on deaf ears - most thinking I am insane. Put money in people's pockets and you quickly silence them. Unfortunately, the average mentality of most Americans is that of a 13 year-old and their understanding of economics and the price that is being paid by future generations for what the Fed has been doing for over 100 years is not even a point for discussion. This comment applies to most financial commentators.”

Mark Leibovit - Volume Reversal Survey

OIL along with the majority of commodities, has joined the rush to the downside. Some enjoy the speculation that Gold and Oil are being depressed by the West to punish Russia. If THAT is so, why are so many other things also coming down? Besides, we know Obama is friends with them, right? Central Banks are having trouble in meeting their own inflation projections of 2% hither & yon – and that’s with Trillions in inflationary push. This is the monthly chart which best indicates the long-term picture with some clarity. We like those clean lines and clear breaks. Makes for trusty technicals. Last month we wrote: “If the 90 support fails to hold, Oil may test the 83-84 level and then very strong support at 75.” 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. China was supposed to be the new economic engine and they aren’t holding their end up as much as thought!



The **10-Year Bond Rate TNX** (not shown) dropped to as low as 2.14% in a mad dash for safety on October 15, as the DJIA was down -460 at around 1:30 pm EDT. Some have speculated that Janet Yellen called the Japanese and asked them to help out with the little QE taper problem. Pure speculation – but something happened about that time as everything reversed very suddenly and dramatically!

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 27-28 = Venus, then Sun trine Neptune = probably a Low in Metals which could last into Monday Nov 3 = Next CP letter date.
- NOV 4 = Election Day = One minor aspect favors GOP as expected; After midnight Moon trine Jupiter, some late votes may swing to Dems.
- NOV 6 = Full Moon @ 14 Taurus = Emphasis on financial/monetary conditions = May provoke a crisis +/-3 days.
- NOV 10-12 = Mars makes fiery conjunction with Pluto Monday & squares Uranus on Wed. after Cl. Moon forms T-square with them early 11th
- NOV 8-27 = There is an overwhelming negative balance (80%) to aspects during this period = Be extra careful and keep your head down
- NOV 13 = Evening – Sun square Jupiter & Venus semi-square Pluto = Look for Friday 14th to continue down.
- NOV 16 = Neptune Direct Station = Rules Inflation, Oil, the Sea, Alcohol & Drugs, Chemicals = May be better for all Commodities!
- NOV 17 = Mercury difficult with Uranus, then Jupiter = Watch miss-communications; Computer glitches, accidents. – Careful!
- NOV 18 = Markets down all day! “Sudden interfering power of the state!” (Witte) NOV 19 = Wednesday opens up-then drifting.
- NOV 20-21 = Option expiry could be up for gold (maybe a temp high), down in stocks.
- NOV 22 = New Moon at 0 Sagittarius = Even with more down markets, should be a better psychological atmosphere from here.
- NOV 23=War or terrorist acts. Big news on Gold/Silver/Metals/Oil/Commodities/Inflation!
- NOV 27 = Saturn semi-square Pluto = A major depressant for moods or business weeks on either side.
- DEC 1-2 = Much more pleasant, at least personally. DEC 3 = Saturn sesquiquadrate (135) Uranus. Another hard psychic depressive hit
- DEC 4-5 = Nice relief. Positive indications into the Full Moon Saturday DEC 6 = “Ineffective power of the state” (Witte)
- DEC 8 = Jupiter Retrograde Station. Next CP Newsletter. DEC 13 = Early A.M. = Next of the Uranus squares to Pluto!

It’s not too late for 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, Dec 8

Please remember that CP will be available in ONLY digital format. If you Must Have paper, call us to make some arrangement.

Crawford Perspectives is published 12 times per year. Sources of information are believed reliable, but are in no way guaranteed. Opinions and recommendations are given with the understanding that our sophisticated readers/investors are aware of the risks involved. Crawford Perspectives is written and published by Arch Crawford. © 2000-2014 Arch Crawford. All Rights Reserved. Website = www.CrawfordPerspectives.com

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